

## BUSINESS AFFAIRS SUB-COUNCIL

October 22, 2008

### MINUTES

The meeting began at 9:00 a.m. in the TBR conference room. Present were Ms. Debra Bauer (NSCC); Ms. Cynthia Brooks (TSU); Mr. Steve Campbell (NSTCC); Mr. Horace Chase (JSCC); Dr. David Collins (ETSU); Ms. Beth Cooksey (VSCC); Mr. John Cothorn (MTSU); Ms. Shirley Eldredge (CLSCC); Mr. Danny Gibbs (RSCC); Mr. Mike Gower (MTSU); Mr. Ken Horner (COSCC); Mr. Tim Hurst (APSU); Dr. Rosemary Jackson (WSCC); Ms. Debbie Mailen (CSTCC); Ms. Linda Maxwell (TTU); Ms. Renee Moore (PSTCC); Mr. Ron Parr (SWCC); Mr. Mike Posey (MSCC); Mr. Mitch Robinson (APSU); Dr. Claire Stinson (TTU); Ms. Velma Travis (DSCC); Mr. Greg Wilgocki (ETSU); Mr. David Zettergren (UOM); Dr. Bob Adams, Mr. Blayne Clements, Ms. Kathy Crisp, Mr. Tom Danford, Ms. Alicia Gillespie, Ms. Tammy Gourley, Ms. Angela Gregory, Ms. Deanna Hall; Ms. Lisa Hall, Ms. Debbie Johnson, Ms. Chris Modisher, Mr. Ron Ostenfeld, Ms. Brooke Shelton, Mr. Ron Simmons, and Ms. Renee Stewart (TBR).

#### 1. Report of the Committees

##### A. Finance Committee

Dr. Collins highlighted the following issues from the October 2, 2008 Finance Committee meeting.

- Red Flag Rules Related to Identity Theft

The committee discussed the red flag rules related to identity theft. There are new federal rules that protect personal data. The committee discussed whether institutions and vendors are protecting the information that they have. There may be a need to draft a statement for vendors and collection agencies to sign. The committee also discussed whether there needed to be a procedure on campus for all employees.

Mr. Zettergren requested that Mr. Danford develop a one-page document of things that institutions should be aware of, such as encryption of laptops, what not to include in e-mails, etc. (Attachment A)

- Airline Luggage Prices

The committee discussed the extra charge for luggage that some airlines are charging. The committee discussed whether the travel policy needed to be revised to include luggage charges. The travel policy states that common carrier expenses will be reimbursed when accompanied by a receipt. These common carrier charges include luggage charges.

The committee recommended that the policy not be revised and that any luggage expenses be accompanied by a receipt for reimbursement.

- AAUP Adjunct Pay

The committee discussed the AAUP adjunct pay. The AAUP has been inquiring about increasing the adjunct pay rate. The committee discussed whether the overload pay would have to be increased also. The committee discussed this issue with Kay Clark, TBR Academic Affairs, and he stated that the adjunct rates can be changed without having to change the overload rates. They are considered independent of each other.

The committee recommended to increase the adjunct rates, but not until Fall 2009 since it would impact the current year budget. (Attachment B)

- TAF Fee

The committee discussed the TAF fee. When the central office collected the TAF plans, it was noted that some institutions had the same amount of revenue for both years for Part 1. Some institutions thought that the amount was frozen for the Part 1 fee and used the same amount as the prior year. It was discussed that the university and community colleges should use 13.3% of their TAF revenue to allocate to Part 1. The TTC's should use 15% of their TAF revenue to allocate to Part 1.

- Guideline B-062 Other Educational Assistance Programs

The committee discussed recent revisions to the veterans' dependents' post-secondary education section in Guideline B-062 Other Educational Assistance Programs. The guideline was revised to comply with recent changes made to the governing TCA. (Attachment C)

- Guideline B-010 Collection of Accounts Receivable

The committee discussed the TCA 49-9-108 amendment regarding enrollment and record holds. Language was added to this guideline that states that diplomas, certificates of credit, and grade reports cannot be withheld for debts that are both less than \$25 and more than 10 years in age. (Attachment D)

- Policy 4:01:03:00 Payment of Student Fees and Enrollment of Students

The committee discussed the TCA 49-9-108 amendment regarding enrollment and record holds. Language was added to this guideline that states that diplomas, certificates of credit, and grade reports cannot be withheld for debts that are both less than \$25 and more than 10 years in age. (Attachment E)

The Finance Committee minutes, with the policy revisions, were approved.

## **B. Council of Buyers**

Ms. Gregory highlighted the following issues from the October 15, 2008 Council of Buyers meeting.

- National IPA

Ms. Gregory informed the committee that they are to hold off on procuring any goods and/or services from National IPA vendors at this time. TBR entered into a Master Intergovernmental Cooperative Purchasing Agreement with this entity and now a question has come up regarding its incorporation documents. A formal request for these documents was sent to National IPA on October 10, 2008. Ms. Gregory will keep the committee informed of the status.

- Purchasing Policy Revisions

The draft of the purchasing policy revisions was distributed for review by the committee. The changes are as follows:

- a. Section VIII. Tie Binds – incorporating the defining of Tennessee Bidder
- b. Section VII. Bid Protest Procedures – add the Appeal to the Chancery Court section
- c. Section I.B.1. – adding language that procurement department representatives shall review proposals to ensure procurement procedures were followed and offer guidance to an evaluation team, but should never score technical proposals, and if the good/service is related to procurement and contracting someone in procurement could score but not the individual that developed the RFP
- d. Adding language that service contracts that require Central Office approval, must use the RFP format approved by the Central Office
- e. Adding clarifying language concerning the length of time that RFQs and RFPs are scheduled to be open for vendors to adequately prepare a competitive bid/proposal

- Students Scoring RFPs

Institutions were informed that when students are used to score RFPs, the institution must go through Risk Management and put them on the Volunteer List so that if the institution is sued through the Claims Commission, the student is covered. Consultants are okay because consultants are paid and are responsible for acquiring insurance coverage.

- Return Mail Charges

Ms. Gregory informed the committee that she has been notified by a vendor that the post office intends to start charging fees for returned mail, in order to try and eliminate the problem. This could result in an additional expense to the school because they will now not only have to verify the address, but that the person they

are trying to reach actually lives there. Bulk rate mail that is returned will be charged at the first class rate. Even if an institution has outsourced their mail, the returned mail could be charged back to them because of the permit number.

Subsequent to the meeting, Ms. Gregory spoke with the USPS and the change will be effective November 23, 2008. A move update verification has always been required for mail that was sent first class and was mandated that this is verified every 190 days. The only change for first class will be that you are now required to do this every 85 days. The biggest change is that the move update verification will now apply to standard mail, even though it has not in the past.

- **Changes to Furniture Contract**

Ms. Gregory informed the committee that changes to the furniture contract would be going out at the end of the week. The changes to the contract are as follows:

- a. If a contractor misses a building completion date, causing the furniture delivery to be delayed over 45 days, you will be required to pay storage fees for the furniture.
- b. If there is a delay by the building contractors, which results in a rush to get the furniture installed for a Grand Opening date, the furniture contractor may charge overtime rates.
- c. The Board reserves the right to withhold 5% retainage of an invoice total until all goods and services are provided and all punch items are completed.

The Council of Buyers minutes, with the policy revisions, were approved.

### **C. Human Resources**

Ms. Johnson highlighted the following issues from the October 10, 2008 Human Resource Officers Committee meeting.

- **Workforce Training Program**

Dr. Robbie Melton presented information on providing professional training for faculty and staff. Pilot training will be offered at no cost to the institution. This training would be available 24/7, and is not mandatory. Dr. Melton asked for suggestions for the online training options, and the top three choices will be used for the pilot program. All training classes can be password protected, produce a certificate at the end, etc.

- **Pay Plans and Academic Credentials**

An issue has arisen regarding the verification of credentials for accredited institutions. Campuses are responsible for checking all employees' credentials to see that the institution where the employee received their degree is accredited

before the employee is submitted for a promotional and/or degree salary increase. The TBR Office of System-Wide Audit has requested to review the faculty promotion lists provided to the Board for all campuses for the past two years.

- 403(b) and P-045 Deferred Compensation Guideline Updates

Mr. Ostefeld reviewed updates on the status of the changes to the 403(b) Retirement Plan. We are moving forward with the three providers and the plan design. Orphaned vendors will be determined and contacted by the Central Office. The three approved vendors group annuity contracts will also be negotiated. The communication plan will be sent out and the recommendations developed. There will be a website set up on the TBR HR webpage to assist employees with their questions. The Office of Human Resources is also willing to assist with articles on the changes to the 403(b) plan for any on campus publications.

Ms. Johnson reminded the committee that loans or hardship withdrawals will no longer be allowed with the new 403(b) plan. Institutions should ensure that employees are aware of this change.

The committee also reviewed and recommended for approval changes to P-045 Deferred Compensation Guideline. The changes to the guideline are necessary to reflect the changes made to the Tennessee Board of Regents 403(b) retirement plan as well as to update several other sections of the guideline.

- 415 Limits

Mr. Ostefeld reviewed possible policy, guideline, and procedure changes due to the new 415 Deferred Compensation Limit rules. An article from the Journal of Pension Planning and Compliance was reviewed. It was stated that the rules are to go into effect on January 1, 2009. However, relief from the IRS may come before then. Action on this item was deferred until it is determined if relief is forthcoming or not.

- Flexible Benefit Plan and Pre-Tax Dental Premiums

Mr. Ostefeld reviewed the 2009 Flexible Benefit Plan and the switch to defaulting the dental premiums to pre-tax deductions. The medical reimbursement limit will be increased to \$3,600 for next year. Also, the flexible benefits debit card will be available to employees on April 1, 2009.

- Drug Free Workplace

Ms. Johnson discussed a proposed Drug Free Workplace policy. She asked if this should be made into a guideline so that each institution can refer to this guideline when making their own. UT and the State of Tennessee both have a formal guideline. It was agreed that this should be put into a guideline.

- Roth 401(k) Deductions

Mr. Ostenfeld reviewed a proposal to implement the Roth 401(k) option to the 401(k) plan effective January 1, 2009. The University of Tennessee implemented in February of 2007. The State will be going live this month. The file is being redesigned to submit to Great West. Banner Codes are being developed and will be discussed on the Banner call. If you would like for Great West to come to your campus for meetings, please contact them directly.

- E-Verify and Criminal Background Check Information

Ms. Heidi Zimmerman reviewed updates on E-Verify. Her advice was not to enroll until a contract comes in to you from the federal government with a provision that requires use of the E-Verify system. She also indicated her understanding that not every contract with the federal government would require the use of E-Verify. For instance, grants would not be covered.

Ms. Zimmerman also discussed the criminal background checks memo that was distributed on October 1, 2008. Section five of this memo concerning students or employees listed on the sex offender registry was discussed in detail. Ms. Zimmerman will be sending out information and language that can be used in publications. A question was asked if campuses that have multiple sites will be considered separately or as a whole in determining whether or not the statute applies. Ms. Zimmerman will check into this and let everyone know.

- Reduction in Force

The Reduction in Force (RIF) procedures were discussed. An e-mail was sent out in May and also on October 9, 2008 with the process and policy information for review. Ms. Modisher is revising a memo to send to the presidents and directors. If you have a RIF plan, please send it to Debbie Johnson. TTC plans should be sent to Vice Chancellor James King. Demographics will be reviewed as plans are sent in, so be sure that they include gender, age, race, disability, etc.

A question was asked as to what level RIF plans are protected by attorney-client privilege. Ms. Modisher stated that plans that include employee names and adverse impact will be confidential and protected by attorney-client privilege while being reviewed, if they are sent to the Office of General Counsel. While the plan is being developed at the institution, it is considered working papers, and is not subject to the open records policy. Ms. Modisher will send out a memo detailing this information.

The HR Officers minutes, with the policy revisions, were approved.

#### **D. Internal Audit**

Ms. Gourley highlighted the following issues from the August 5, 2008 Internal Auditors meeting.

- Quality Assurance Review

The group discussed the results of the review conducted in June 2008, based on comments included in the draft report. The report included five comments and recommendations, and four additional better practices that the reviewer believed would be helpful for the group. Based on recommendations in the report, the group discussed the need for IT audit coverage for the system and the possibility of having an IT auditor in the central office, audit staffing levels and considerations for requesting changes in the frequency of required audits, completing the system-wide audit manual, a structure for future internal and external quality reviews, and placing an emphasis on releasing internal audit reports timely. Based on better practices included in the draft report, the group discussed the use of additional performance measures, including measuring the time from the completion of fieldwork to the release of the audit report, including more core business audits in the annual audit plan, having internal audit charters for campus audit offices, and using additional technology on audits, including electronic working papers and analytical tools.

- TTC Audits

Helen Vose has been hired to conduct routine internal control reviews at the technology centers. The audit plan to be developed will include approximately one-third of the centers each year so that each center will be reviewed at least every three years. The current plan is to incorporate technology access fee and enrollment audits into the audit program, thereby allowing community college auditors more time for completing audit work on their campuses.

Ms. Gourley highlighted the following issues from the October 21, 2008 Internal Auditors meeting.

- Faculty Credential Review

The group discussed the report format for the faculty credential review. After changes are made, the format will be sent out for additional comment. The audits are to be completed by October 31, 2008.

- Draft of Protocol for Retrieving Computers and Computer Data to Preserve Evidence

The Central Office has developed a draft document to direct individuals on retrieving computers and computer data when necessary in the case of inappropriate activities by an individual. The group discussed whether such a policy or protocol may be needed for the system. They generally agreed that such a protocol may be helpful, but suggested some changes to the document. System-Wide Internal Audit will work with others at the Central Office to revise the document and consider how the document should be disseminated, whether as a policy or an attachment to the Fraud, Waste and Abuse policy.

The Internal Auditors minutes were approved.

**2. Chairs of Excellence Spending Plans**

Ms. Stewart reminded the committee that although the spending plans for the chairs of excellence had been approved, the drawdown of funds will not be allowed if the market value falls below the original corpus amount. This may become an issue due to the current condition of the economy.

**3. Implementation of New Handicapped Parking Violation Fees**

A question was raised regarding when institutions could begin assessing the new handicapped parking violation fines. The rule is currently at the Attorney General's office. Once approved and transmitted to the Secretary of State, we will receive notice that the rule is in effect. The public necessity rule, once authorized, will remain in effect for 165 days. The individual institutions will not need to take any action to start imposing the increased fines at that point. They will need to provide notice to their campus community regarding the new system-wide rule and the change in fines. Institutions have been advised to present an amendment to their individual parking/traffic rules to create permanent rules this Fall as part of the normal rule revision process. They should use identical or substantially similar language as that used in the public necessity rule to avoid a repeat of this situation the next time these fines are increased.

**4. Software and Intellectual Property Sections of G-030**

Ms. Crisp discussed the proposed changes to the guideline concerning Sections 7 and 8 related to software and intellectual property. These changes are a result of an institution's attempt to procure developmental software without consideration of these two sections of the guideline. Section 7 was changed to broaden the free software warranty. The changes to Section 8, which deals with intellectual property, were mainly cosmetic changes. (Attachment F)

**5. Policy Statement on Personally Identifiable Information (PII)**

Tom Danford discussed the draft Policy Statement on Personally Identifiable Information (PII). This policy prevents taking information from a data server and putting the information on a personal computer. The policy prohibits copying, downloading, or FTP transfer of information from administrative systems to other portable media such as another computer, website, floppy diskette, tape, USB drive, laptop, or other mobile storage device. Exceptions to this would be granted to individuals who must use the data in the course of their jobs.

The committee discussed that each campus would have the flexibility to create a policy based on the draft. Some institutions may want to have a more specific policy. Tom Danford proposed putting together a webinar that all employees could complete in order to become familiar with the policy. (Attachment G)

**6. Reorganization at State Audit**



Ms. Gourley discussed the changes in audit cycles that are a result of reorganization at state audit. Many staff at state audit will be moved from financial compliance audits to performance audits due to requests from the legislature. The SACS and financial aid audit requirements have been given to them so that they are aware of when these audits are required. The audits that have already been planned for this year will continue as scheduled.

#### **7. Inclusion of Titles in Audit Reports**

Some institutions have expressed concern regarding the use of titles, such as president and vice president, being included in audit reports. These positions may not have direct responsibility for an area that is being audited. Therefore, they may be listed as the responsible party in the audit finding, even though they were not directly involved in the activity that resulted in the finding.

Subsequent to the meeting, Ms. Gourley spoke with Kandi Thomas at State Audit. She said that State Audit views internal control findings and weaknesses as issues that may have far-reaching repercussions and generally place responsibility for these issues at the top of the organization. In some situations, they have identified internal control issues for agencies with boards to the head of the organization and head of the Audit Committee. For compliance issues, they identify responsibility to those directly responsible for oversight or those who should have known of problems, which is normally not the president.

#### **8. Per-Hour Tuition Proposal**

Dr. Adams asked the committee if there was any interest in revisiting the per-hour tuition proposal that had been discussed before. If the system decided to change to a per-hour charge, this would eliminate the need to maintain the Banner modification that was needed in order to calculate fees in our current method. The committee feels that by removing the full-time cap, the percentage increases on tuition each year would be reduced. The vice presidents were instructed to discuss this matter with their presidents to determine if there was any interest and report their findings back to Dr. Adams.

#### **9. Banner / Sungard Issues**

The IT Subcouncil has put together a recommendation to the President's Council regarding Banner modifications. There are three elements of the recommendation:

- 1.) Requiring executive sponsorship of modifications
- 2.) An analysis of each modification
- 3.) A third party analysis of modifications

The committee also discussed the lengthy list of Banner modifications. These modifications are very time consuming and expensive, both to develop and maintain. That is one reason that the IT Subcouncil has recommended a third party analysis of each modification request. This could possibly bring a more objective approach to determining whether or not a modification is truly needed. However, hiring a third party

to review the modifications could be expensive. The committee also recommended looking at any possible changes to policies or practices that could be made in order to eliminate the need for some of the modifications.

The committee also discussed the upcoming expiration of the current Sungard contract. Sungard has asked if we have an interest in re-negotiating the current contract. The current contract expires on December 31, 2009. However, we would have to give notice to Sungard of our intention to renew by July 1, 2009.

Ms. Crisp informed the committee that in order to renew the contract with Sungard past 2009, we would be required to go before the Fiscal Review Committee. However, she doesn't foresee a problem with this because we have already invested so much in the Banner system.

Ms. Crisp also suggested that we look at any services that could be broken out individually and provided by someone other than Sungard. This would allow us to solicit RFP's for these services, thereby giving us more leverage in our negotiations with Sungard. The possibility of an outside consultant acting as a third party negotiator was discussed.

## 10. Other

- Budget

The signal from the State is that there will be further problems balancing the budget. Our hope is that some of the additional amount needed to balance the budget will be taken from the Rainy Day Fund. However, we probably will not know anything until January. Dr. Adams has instructed the institutions to start looking at cutting as much as they did in the October budget, but even that may not be enough. The Chancellor has asked for institutions to submit specific narratives on how budget reductions will impact your campus.

- IRS Survey

Dr. Adams inquired as to which institutions had received the IRS survey. TSU, TTU, and UOM are the only institutions who received the survey. The survey is approximately 33 pages long. There is a feeling that the IRS is looking to target higher education as a source of unreported tax. NACUBO is willing to help institutions answer any questions that they might have. Dr. Adams requested that the institutions send him a copy of their completed surveys before returning them to the IRS.

- RODP Rates

RODP is increasing the return rate to the schools to 35%. The hope is to eventually get it up to 40%. RODP has also absorbed some new software costs instead of passing them on to the institutions.

- UOM Buyout Plan

The UOM buyout plan has yielded about \$2 million in savings so far. Employees have until November 12, 2008 to decide.

There being no further business, the meeting was adjourned.

## Agencies Issue Final Rules on Identity Theft Red Flags and Notices of Address Discrepancy

The Federal Trade Commission and the federal financial institution regulatory agencies have sent to the Federal Register for publication final rules on identity theft “red flags” and address discrepancies. The final rules implement sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003.

According to a report of the President’s Identity Theft Task Force, identity theft (a fraud attempted or committed using identifying information of another person without authority), results in billions of dollars in losses each year to individuals and businesses.

The final rules require each financial institution and creditor that holds any consumer account, or other account for which there is a reasonably foreseeable risk of identity theft, to develop and implement an Identity Theft Prevention Program (Program) for combating identity theft in connection with new and existing accounts. The Program must include reasonable policies and procedures for detecting, preventing, and mitigating identity theft and enable a financial institution or creditor to:

1. Identify relevant patterns, practices, and specific forms of activity that are “red flags” signaling possible identity theft and incorporate those red flags into the Program;
2. Detect red flags that have been incorporated into the Program;
3. Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
4. Ensure the Program is updated periodically to reflect changes in risks from identity theft.

The agencies also issued guidelines to assist financial institutions and creditors in developing and implementing a Program, including a supplement that provides examples of red flags.

The final rules also require credit and debit card issuers to develop policies and procedures to assess the validity of a request for a change of address that is followed closely by a request for an additional or replacement card. In addition, the final rules require users of consumer reports to develop reasonable policies and procedures to apply when they receive a notice of address discrepancy from a consumer reporting agency.

The attached final rulemaking is issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Trade Commission, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. The final rules are effective on January 1, 2008. Covered financial institutions and creditors must comply with the rules by November 1, 2008.

The final rule will be published soon and can be found on the Commission’s Web site as a link to this press release. The Commission vote authorizing the publication of the final rule and Federal Register notice was 5-0. (FTC File No. R611019). The staff contacts are Naomi Lefkowitz or Pavneet Singh, Bureau of Consumer Protection, 202-326-2252; see press release dated July 18, 2006.

**Copies** of the document mentioned in this release are available from the FTC’s Web site at <http://www.ftc.gov> and from the FTC’s Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, DC 20580. Call toll-free: 1-877-FTC-HELP.

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**Identity Theft Red Flags and Address Discrepancies Under the Fair and Accurate Credit Transactions Act of 2003: 16 C.F.R. Part 681 (Federal Trade Commission Rule): Joint Final Rules and Guidelines of the Office of the Comptroller of the Currency, Treasury; the Board of Governors of the Federal Reserve System; the Federal Deposit Insurance Corporation; the Office of Thrift Supervision, Treasury; the National Credit Union Administration; and the Federal Trade Commission**

[Text](#) of the Federal Register Notice

## Fair Compensation for Quality Instruction

From: The Tennessee Conference of the American Association of University Professors (AAUP)

To: The Tennessee Board of Regents (TBR)

By the Tennessee AAUP Committee on Part-time and Non-tenure-track  
Appointments

January 2008, Revised May 2008

The Tennessee Conference of the AAUP agrees with our national organization when it asserts, “Excessive use of, and inadequate compensation and professional support for, such contingent faculty exploits these colleagues and undermines academic freedom, academic quality, and professional standards. It is essential to improve the compensation and professional support opportunities for contingent faculty.”

Though we recognize that some level of part-time instruction is necessary to the efficient operation of each TBR institution, we also emphasize the principle stated in TBR General Personnel Policy 5:01:00:00, that “the president or director shall insure that all employees shall be paid equal wages or salaries for equal work in positions the performance of which requires equal skill, effort and responsibility, and which are performed under similar working conditions.” Because guidelines setting maximum pay levels for part-time faculty have not been adjusted since 1998, and because fair rates of compensation are more likely to attract and retain competent classroom instructors, we urge the TBR to amend personnel guideline P-050 to allow the maximum part-time faculty pay rates listed below.

We further urge each TBR campus to verify its compliance with the directive in guideline P-50 to set “criteria for assigning part-time faculty to the four levels” according to “such factors as educational qualifications, market differentials, and professional experience.”

The proposed maximum levels in TBR guideline P-50 would be as follows:

Level	Semester Rate per Credit Hour Maximum
1	\$850
2	900
3	950
4	1000

- We urge each campus to set rates that best reflect local market and cost-of-living conditions, as well as its own budgetary constraints.
- We also request that TBR conduct a system-wide review of adjunct salaries every three (3) years to ensure that adjunct salary rates remain appropriate and competitive. Ideally, TBR would adjust the adjunct pay scale to keep pace with the cost-of-living raises granted to all other state employees.

## **OTHER EDUCATIONAL ASSISTANCE PROGRAMS**

### **B-062 Support for Educational Assistance**

The Tennessee Board of Regents is committed to the need for the continued professional growth and development of employees. Support for educational assistance of personnel and their dependents is an important vehicle for addressing that need. The programs for TBR employees and dependents are available subject to funds being budgeted and available within the institution/technology center/Central Office. The Office of Human Resources is responsible for the administration of the various programs with the exception of the program for dependents of veterans (B-062) and two programs offered to general state employees and the dependents of licensed teachers and State employees (B-061). Exceptions to the provisions of the programs for TBR employees can be made upon recommendation of the president/director and approval by the Chancellor.

### **Types of Support for Educational Assistance**

The guidelines for Educational Assistance (P-130, P-131, B-061, B-062) contain a total of eleven (11) programs. The Programs in P-130 provide benefits to personnel at TBR institutions, Tennessee Technology Centers and the Central Office to further their formal education. The Program in P-131 provides benefits for dependents of TBR employees. The programs in B-061 provide assistance to state employees and dependents of public school teachers. The programs in B-062 provide assistance to dependents of veterans and to state employees 65 years of age and older. The programs are:

### **P-130 – Educational Assistance for TBR Employees**

- I. Faculty or Administrative/Professional Staff Grant-in-Aid Program
- II. Faculty or Administrative/Professional Staff Tuition or Maintenance Fee Reimbursement Program
- III. Employee Audit/Non-credit Program
- IV. Clerical and Support Staff Maintenance Fee Payment Program
- V. Fee Waiver for TBR/UT System Employees Program (PC 191)

### **P-131 – Educational Assistance for Spouse and Dependents of TBR Employees**

- I. Fee Discount for Spouse and/or Dependent Children Program

## **B-061 – Educational Assistance for State Employees and Dependents of State Employees or Public School Teachers**

- I. Public Higher Education Fee Waiver for State Employees Program
- II. Fee Discount for Dependent Children of Licensed Public School Teachers or State Employees Program

## **B-062 – Other Educational Assistance Programs**

- I. Veterans’ Dependents’ Post-Secondary Education Program
- II. Age 65 or Above Program

Complete eligibility information is contained within each Guideline.

### **Taxation of Educational Assistance Programs**

Undergraduate and graduate course tuition, paid by the Tennessee Board of Regents institutions and the University of Tennessee System for their employees is eligible for exclusion from the employees' gross annual income, in accordance with Internal Revenue code (IRC) Section 127.

#### **I. Veterans’ Dependents’ Post-Secondary Education Program**

Effective July 1, ~~2000~~**2008**, TCA §49-7-102 was amended to provide that: “every dependent child in this state under the age of ~~twenty-one (21)~~**twenty-three (23)** years, whose parent (father or mother) was killed, died as a direct result of injuries received, or has been officially reported as being either a prisoner of war or missing in action while serving honorably as a member of the United State armed forces during a qualifying period of armed conflict, or was formerly a prisoner of war or missing in action under such circumstances, or the spouse of such veteran, is entitled to a waiver of tuition, ~~and/or~~ maintenance fees, ~~and/or~~ student activity fees, ~~and/or~~ required registration or matriculation fees, and shall be admitted without cost to any institutions of higher education owned, operated and maintained by the state.” Therefore, this program is available to both TBR employees and persons outside of the Tennessee Board of Regents system. TBR employees qualifying as a spouse or dependent for benefits under this program shall use this program first and shall not be simultaneously eligible for benefits under other programs in this guideline. Exceptions: Grant-in-Aid and Desegregation Program recipients.



## A. Eligibility

The office responsible for veteran's affairs issues shall be responsible for determining eligibility and providing application forms to those wishing to obtain benefits under this program.

1. To be eligible for educational assistance benefits under this program, a dependent child or spouse shall:
  - a. Present official certification from the United States Department of Veterans Affairs that the parent or spouse veteran was killed or died as a direct result of injuries as stated above *or*
  - b. Present official certification from the U.S. Department of Defense that the parent or spouse service member has been officially reported as being a prisoner of war or missing in action while serving honorably during a qualifying period of armed conflict; *or*
  - c. Present Certificate of Release of Discharge from Active Duty, Department of Defense Form 214, for the veteran or service member from whom the eligibility for the benefits derives.
2. The deceased veteran, prisoner of war or missing in action service member shall have been a citizen of Tennessee at the time of the qualifying event.
3. The dependent child or spouse, prior to receiving benefits under this program, shall have or possess the necessary qualifications required for admission. To maintain eligibility, the recipient shall be in active pursuit of a specific and declared degree or certificate program.
4. No dependent child or spouse shall be entitled to receive benefits after the conclusion of any term during which the parent (father or mother) of the dependent child or spouse is officially removed from the status of being a prisoner of war or being a service member missing in action.
5. Eligibility of a veteran's spouse for benefits shall terminate ten (10) years after the death of the veteran; however, eligibility shall terminate immediately upon the spouse's remarriage within this period. The spouse's eligibility shall extend to the end of the term in which the ten (10) year period expires. A spouse who has previously earned an

undergraduate degree or certificate shall not be eligible for benefits. Otherwise, the spouse shall be eligible for benefits until one of the following occurs:

- a. Prior to the expiration of benefits, the spouse earns an undergraduate degree or certificate; *or*
  - b. The spouse has accumulated one hundred thirty-five (135) semester hours excluding required remedial or developmental hours, or the equivalent; *or*
  - c. The spouse ~~has maintained a full-time enrollment of at least fifteen (15) semester hours, or the equivalent, for ten (10) semesters, or the equivalent~~ **has attempted one hundred fifty (150) semester hours, or the equivalent, inclusive of required remedial or developmental hours.**
6. A dependent child shall be matriculated as a full-time student at a state institution of higher education prior to attainment of age ~~twenty-one (21)~~ **twenty-three (23)**. However, the age limitation of dependent children shall not be strictly applied. Once declared eligible, a dependent child shall remain eligible until one of the following has occurred:
- a. Prior to attaining age ~~21~~ **23**, the dependent earns an undergraduate degree or certificate; *or*
  - b. The dependent has accumulated one hundred thirty-five (135) semester hours excluding required remedial or developmental hours, or the equivalent; *or*
  - c. The dependent ~~has maintained a full-time enrollment of at least fifteen (15) semester hours, or the equivalent, for ten (10) semesters, or the equivalent~~ **has attempted one hundred fifty (150) semester hours, or the equivalent, inclusive of required remedial or developmental hours.**
7. For purposes of this program, the following definitions are provided:
- a. "Dependent Child" means a natural or adopted child of a veteran or service member who is claimed as a dependent for income tax purposes.

- b. "Parent (father or mother)" means the parent of a natural or adopted child whom such parent claims as a dependent for federal income tax purposes.
- c. "Qualifying period of armed conflict" means any hostile military operation for which U.S. military campaign medals as listed in TCA 49-7-102 are authorized:
- d. "Service member" means a Tennessee resident who is engaged in active U.S. military service.
- e. "Served honorably" means the character of service condition as reported on Certificate of Release or Discharge from Active Duty (Department of Defense Form 214);
- f. "State institution(s) of higher education" means any post secondary institution operated by the Board of Trustees of The University of Tennessee system or the Tennessee Board of Regents of the state university, community college and technology center system that offers courses of instruction leading to a certificate or degree; and
- g. "Veteran" means a Tennessee resident who has entered and served honorably in the U.S. armed forces.

**B. Fees Paid/Type Courses Paid/Number of Hours**

- 1. The participant is entitled to a waiver of tuition and/or maintenance fees, and/or student activity fees, and/or required registration or matriculation fees, and shall be admitted without cost to any TBR institution and/or technology center.
- 2. A full-time student load (15 semester hours or equivalent) is required.

**C. Payback Provisions**

None

**D. When the Participant May Attend**

Students may apply for benefits during the next registration or enrollment period for the next complete term after July 1, 2000.

## **E. Accounting/Budgeting**

1. Any fees waived by statute that are calculated and credited to revenue for administration purposes should be written off against a contra revenue account.
2. No expenditures should be charged to scholarships and fellowships.

## **F. Where the Participant May Attend**

Any public institution of higher education in Tennessee

## **II. Employees 65 Years and Above Program**

In accordance with TCA §49-7-113 and TBR Guideline B-060, regular and temporary employees who are or will be age 65 during a quarter or semester and who also reside in Tennessee are eligible to enroll in courses at a reduced rate (See Section IX.B.)

### **A. Eligibility**

Active and retired state employees who are or will be age 65 during the academic term in which they begin classes and who reside in Tennessee are eligible.

### **B. Fees Paid/Type Courses Paid/Number of Hours**

1. A fee of \$75 per semester or \$50 per quarter may be assessed for credit courses. (This fee includes maintenance fees, student activity fees, technology access fees, and registration fees; it does not preclude an application fee, late fee, change-of-course fee, parking fee, etc.)
2. Employees shall enroll in credit courses on a space-available basis.
3. There is no limit on the number of courses that may be taken during a semester.
4. The institution where the employee/retiree is attending classes will provide forms for processing fees waived or assessed.

### **C. Payback Provisions**

None

**D. When the Participant May Attend**

1. Employees, in counsel with their immediate supervisors, should limit the number of courses so as to maintain an optimum level of job performance.
2. Except for retirees, courses should be scheduled at times other than during regularly scheduled work hours unless annual leave or flextime, based on the institution's needs, have been approved.

**E. Accounting/Budgeting**

1. Any fees waived by statute that are calculated and credited to revenue for administration purposes should be written off against a contra revenue account.
2. No expenditures should be charged to scholarships and fellowships.

**F. Where the Participant May Attend**

Employees may enroll at any public Tennessee institution.

Source: Presidents Meeting February 7, 2006; Presidents Meeting November 8, 2006; Presidents meeting August 21, 2007; Presidents Meeting November 6, 2007.

