A G E N D A

PRESIDENTS MEETING

TBR Central Office – Board Room - Suite 366

Tuesday, February 4, 2014 – 9:00 A.M. (CT)

1. PLA Update (Wilson Finch, THEC)

2. Common Core Overview (Introduction by Chancellor Morgan) - *Attachment*

3. GPS Initiatives (Vice Chancellor Denley) – *Attachment*

4. Transcription of Credits Earned through Dual Credit (Vice Chancellor Nichols) - *Attachment*

5. Proposed Revisions to TBR Policy 2:01:01:00 - Approval of Academic Programs, Units, and Modifications and TBR Guideline A-010 – Academic Program Letters of Intent and Proposals (Vice Chancellors Nichols/Denley) - *Attachment*

6. New TBR Guideline B-015 – Cash and Gift Card Payments to Research Participants (Vice Chancellor Sims) - *Attachment*

7. Proposed Revisions to TBR Policies/Guidelines under Business and Finance (Vice Chancellor Sims) - *Attachments*
   Policy 4:01:00:00 – Budget Control
   Policy 4:01:00:10 – Community College Resource Allocation Plan
   Policy 4:01:01:10 – Deposit and Investment of Funds
   Guideline B-020 – Classification and Operation of Auxiliary Enterprises
   Guideline B-060 – Fees, Charges, Refunds and Fee Adjustments
   Guideline B-062 – Other Educational Assistance Programs
   Guideline B-110 – Fixed Assets and Sensitive Minor Equipment
   Guideline P-010 - Personnel Transactions and Recommended Forms

8. Out-of-State Tuition and Border County Proposal (Vice Chancellor Sims)

9. Campus SaVE Act (General Counsel Moody)

PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE:	Presidents Meeting (February 4, 2014) Directors Meeting (February 5, 2014)
AGENDA ITEM:	Common Core Overview
ACTION:	Informational Item
PRESENTER:	Chancellor Morgan and Guest

BACKGROUND INFORMATION:

Chancellor Morgan and invited guest, Matt Gandal, President of Education Strategy Group will lead a discussion on the Common Core.

January 28, 2014

The Honorable Bill Haslam
Governor
1st Floor
State Capitol
Nashville, TN 37243

The Honorable Ron Ramsey
Lieutenant Governor
Suite 1, Legislative Plaza
301 6th Avenue North
Nashville, TN 37243

The Honorable Beth Harwell
Speaker of the House
Suite 19, Legislative Plaza
301 6th Avenue North
Nashville, TN 37243

The Honorable Dolores Gresham
Chair, Senate Education Committee
Suite 308 War Memorial Building
301 6th Avenue North
Nashville, TN 37243

The Honorable Harry Brooks
Chair, House Education Committee
Suite 117 War Memorial Building
301 6th Avenue North
Nashville, TN 37243

Dear Governor Haslam, Lieutenant Governor Ramsey, Speaker Harwell, Chairwoman Gresham, and Chairman Brooks:

As the leaders of the Tennessee Board of Regents, the University of Tennessee, and the Tennessee Higher Education Commission, we would like to express our strong support for the Partnership for Assessment of Readiness for College and Career (PARCC) Consortium.

Our systems are focused on achieving the goals laid out in the Drive to 55 initiative, and the PARCC assessment plays a key role in ensuring our state meets this challenge. The PARCC assessment offers a unique opportunity for Tennessee's students to participate in an assessment suite that is rigorous, prepares them for success in college and career, and provides clear feedback regarding college readiness status.

Previously, Tennessee students have participated in an assessment regime that was not aligned to the expectations of higher education, and did not clearly communicate if students were ready to succeed at our institutions. The resulting high remediation rate in both mathematics and English Language Arts is simply not acceptable as we pursue the Drive to 55. As we seek to increase attainment in our state, the PARCC assessment will dramatically reduce the need for remediation, and provide students, teachers, and parents with a clear and accurate picture of student readiness.

Furthermore, we are proud of the role that Tennessee's faculty members have played in shaping PARCC; their input has directly influenced the content and structure of the PARCC assessment. Since late 2010, Tennessee faculty members have been involved at every juncture of PARCC's design. Multiple faculty members have served as item reviewers during assessment development, representing our systems and our state as PARCC question batteries are assembled.

Finally, each of our organizations is committed to utilizing student performance on the 11th grade PARCC assessment as a determination of student readiness for placement in credit-bearing coursework. This structure has benefits for students that succeed on the 11th grade assessment, as well as those that do not perform at college-ready levels. Those students who are found to be college-ready will be able to pursue dual enrollment or dual credit opportunities, and accelerate their success upon entering higher education. Students who do not achieve a college readiness determination will be able to use the 12th grade year in a constructive manner, taking early remedial coursework such as the SAILS program and pursuing other opportunities to improve their preparedness.

Thank you for your continued leadership and commitment to the educational future of the students of Tennessee.

Joe DiPietro
President, University of Tennessee

John Morgan
Chancellor, Tennessee Board of Regents

Richard G. Rhoda
Executive Director, Tennessee Higher Education Commission

Understanding The Common Core

A briefing by the Common Core Communications Collaborative

CONTENTS:

Common Core 101: A Quick History and Political Analysis

The following material is adapted from a Grantmakers for Education guide.

Introduction

Announced in 2009 and subsequently adopted by 45 states and the District of Columbia, the Common Core State Standards represent a new blueprint for what students in virtually every corner of the country will learn in English language arts (ELA), literacy, and mathematics.

According to the Common Core's authors and advocates, these new standards present an unprecedented opportunity to elevate the quality and effectiveness of teaching and learning in America's schools. They also create a common platform for developing and deploying higher-quality, innovative teaching tools and materials. States and local school systems are working to implement the new standards. The Common Core is taking root in nearly every state, presenting significant opportunities and challenges for educators and students.

As districts and states move into the critical stages of implementing the new standards, state policymakers and the media need to better understand the scope and scale of this effort and understand the facts. Postsecondary leaders can play a key role educating key stakeholders about the need for college- and career-ready standards.

How the Standards Came into Existence

Responding to widespread recognition that students needed better preparation for college and careers, the states in July 2009 banded together to launch the Common Core State Standards Initiative. Led by the National Governors Association and Council of Chief State School Officers, the effort brought together educators and experts — with deep involvement of teacher unions and higher education — to create voluntary new standards for states in math and ELA/literacy. Their aim was to create something entirely new: world-class standards that would be "robust and relevant to the real world, reflecting the knowledge and skills that our young people need for success in college and careers."

Within a year, 45 states and the District of Columbia — representing 80% of the nation's K–12 student population — adopted the Common Core standards as their own. For the first time, states would endeavor to educate American students according to a common set of expectations, benchmarked against those of high-performing countries. By most accounts — including observers with differing political philosophies — the Common Core standards are an especially strong set of learning expectations.

Early on, National Education Association President Dennis Van Roekel said the standards had "the potential to provide teachers with far more manageable curriculum goals." America's business community echoed the unions' sentiments. Arthur Rothkopf, former head of the U.S. Chamber of Commerce's Education and Workforce Initiative, called the state-led initiative "essential to helping the United States remain competitive and enabling students to succeed in a global economy."

Two other developments spurred interest in the Common Core as well. In 2010, the U.S. Department of Education urged states competing in the national Race to the Top competition to adopt "common" college and career readiness standards. Additionally, the department used a related set of federal funds to underwrite two state-led consortia committed to creating online common assessments aligned to the Common Core. Combined, Race to the Top and the common assessment consortia provided states with inducement to move to the new standards. Still, in the end, the standards were initiated and adopted by the states, for the states — without federal mandates.

Political Pushback in the States

This is a pivotal moment in the public conversation around the Common Core. So far, the number of states adopting the Common Core holds steady. However, the new standards are coming under withering political and public attack in multiple states, and the opposition is expected to grow. Despite the states' collaborative development and voluntary adoption of the standards, opponents on the right continue to argue that the Common Core is a federal mandate. Opponents on the left are concerned about the how the standards will affect teachers under new accountability systems, and they're worried about a perceived overemphasis on testing.

As a result, anti-Common Core campaigns are emerging in states across the country — some organic, but many highly coordinated. This is prompting state lawmakers to consider measures designed to slow down or halt the standards' implementation. In spring 2013, for example, Indiana's governor signed a law to "pause" implementation. Other states may follow suit.

One common tactic that's emerging, according to *Education Week:* disrupt the Common Core by attempting to defund implementation efforts in state budgets. This method is attractive for legislators who can't pass stand-alone bills halting the Common Core but are willing to engage in "11th-hour horse-trading," noted Michael McShane, a research fellow at the American Enterprise Institute. Emboldened by early traction in a handful of states, critics now are setting their sights on other states. Their ultimate goal is to enact new laws, in the state legislatures, to undermine or altogether undo the Common Core.

A major challenge: Too few parents and members of the public know about the Common Core, and there is little pressure on state lawmakers to stay the course. For example, a May 2013 national survey by Phi Delta Kappa (PDK) and the Gallup polling organization found that 62% of Americans had never heard of the new standards. Of those who had heard of the standards, many erroneously believed the federal government had forced states to adopt them.

Educate … and Advocate

The reality is that the Common Core standards — with their focus on problem solving, critical thinking, and collaboration — represent the culmination of what higher education said was needed in K-12 public education. Now, postsecondary leaders can use their expertise and credibility to help protect and advance the new standards.

State to state, advocacy efforts are gearing up to help build and maintain public will for the Common Core. Some efforts are focusing on building deeper understanding among lawmakers, including actively dispelling myths and misinformation and challenging efforts to roll back the standards. Other efforts are focused on helping the media understand the history of the Common Core and making sure news outlets have access to accurate information. Still others are launching campaigns to educate parents and the public about the pressing need for higher expectations in the classroom and build a groundswell of public support and understanding for the standards.

Postsecondary leaders can make their voices heard by publishing opinion pieces in newspapers and participating in public meetings to express support for the Common Core. They may choose to advocate directly with legislators and state policymakers. Others may partner with independent advocacy organizations to join broader campaigns.

The bottom line: If colleges and universities choose to get involved, they can play a critical role in helping build and maintain public will in support of the new standards. The Common Core standards can produce more college- and career-ready high school graduates, reduce remediation rates and, ultimately, improve college completion.

Looking Ahead: Aligned Assessments

In many states, advocacy needs will increase with the approach of new online assessments designed to measure student proficiency of the new standards. The assessments are expected to be operational in the 2014–15 school year, and will play a key role in gauging college readiness.

Most states plan to use new exams jointly developed with other states through two testing consortia — the Partnership for Assessment of Readiness for College and Careers (PARCC) and the Smarter Balanced Assessment Consortium. These new assessments aim to be more sophisticated, higher-quality exams that are superior to the off-the-shelf bubble tests that have long frustrated educators, families, and students. They come with a package of teacher-friendly tools, including banks of interim and formative assessment items to help educators monitor and guide student progress.

Many experts see the new tests as inseparable from the new standards. Standards-based reform research suggests that standards must be reinforced by rigorous, high-quality tests if they are to be implemented fully. Furthermore, they provide an important opportunity for comparing student knowledge and progress across states. However, the shift to common assessment faces at least three big challenges in the states.

First, at least in the short term, students' proficiency rates are projected to be significantly lower than those on current large-scale state assessments, increasing anxiety of kids, teachers, and parents — and potentially spurring a retreat from the new standards and tests.

Second, teachers and parents in some states are concerned about increased testing time for students. Third, the cost of the new tests — which may be higher on a per-pupil basis in some states but also offer higher quality — may be an issue. Similarly, advancing the accompanying technology to support the tests — buying devices and deploying additional bandwidth inside the schools — is expected to be a challenge in many states and school systems.

Just as some opponents are lobbying legislators to deny implementation funds for the Common Core, other opponents are pushing state leaders to pursue lower-cost, lower-quality testing options or drop out of the PARCC and Smarter Balanced assessment consortia. Common assessment issues are expected to get entangled with broader educator and parental concerns about testing. According to the PDK-Gallup poll, only 22% of Americans believed increased testing was improving the performance of local schools, and 36% said it was hurting school performance.

Postsecondary leaders can play an essential role in helping state policy leaders and the media understand the value proposition of the common assessments. The reality is that standards, no matter how good, aren't very helpful if they aren't well measured.

In many states, both the standards and assessments will receive intensive scrutiny during legislative sessions next year.

Conclusion

Building and maintaining public will in support of the Common Core and common assessments will be critical to ensuring the successful implementation of these comprehensive reforms. Postsecondary leaders can play an important role as champions and advocates to build deeper understanding of and support for the Common Core among key stakeholders in their communities and states. Advocacy and communications strategies and infrastructure that are being developed to protect and advance the Common Core may be redeployed in the future to support the coming shift to common assessment.

Fast Facts: Education in the United States by the Numbers

- More than **25 percent** of students **fail to graduate from high school** in four years; for African-American and Hispanic students, this number is approaching **40 percent**.
- According to ACT, **three-quarters** of American students who *do* achieve a high school diploma are **not ready** for college coursework and often need remedial classes at both the university and community college levels.
- **Eighty-one percent** of American 18-year-olds are **unprepared** for college coursework.
- On the 2011 National Assessment of Educational Progress — known as the Nation's Report Card — **only 35 percent** of 8th graders performed **at grade level** or above in math, while **just 34 percent** of both 4th and 8th graders scored at grade level or above in English.
- U.S. students have fallen to **14th in the world in reading** and **25th in math**.
- States and students spend **$3 billion** annually to reteach high school classes to college kids.
- **Thirty percent** of high school graduates **can't pass the U.S. military entrance exam**, which is focused just on basic reading and math skills.
- Parents in the United Sates spend **$5–7 billion a year on tutoring programs**. Tutoring programs offering additional out-of-school instruction to students are drawing a growing number of clients as parents continue to be concerned about the quality of their children's schools.
- The United States has more than **600,000 manufacturing jobs vacant** because there aren't enough qualified people to fill them.
- The Alliance for Excellent Education estimates that if the **1.3 million high school dropouts** from the class of 2010 had earned their diplomas instead of dropping out, the **U.S. economy** would have seen an additional **$337 billion in wages** over these students' lifetimes.
- A survey conducted last year by McKinsey & Company found that **87 percent** of educational institutions thought they had prepared their students well for employment, but **only 49 percent of employers agreed** that their new employees had the training they needed.
- A Deloitte survey found that **63 percent of life science and aerospace firms report shortages of qualified workers**. In the defense and aerospace industries, many executives fear this problem will accelerate in the coming decade as **60 percent** of the existing workforce reaches retirement age.

Source: Conservatives for Higher Standards, http://highercorestandards.org/fast-facts-education-in-us/

What Stakeholders Think about the Common Core and Aligned Assessments

Note: The following section contains information from national polls. Some states have also performed state-specific polling.

Common Core State Standards

Most teachers are aware of and have received information about the Common Core and in most cases have started the process of teaching with the new standards. But far fewer parents and members of the general public are aware of/knowledgeable about the Common Core. Teachers believe that implementing the standards will be challenging, although those who have started using the standards are less likely to feel that it has caused/will cause dramatic change in the classroom than those who have not started teaching with the standards. Results are mixed about whether different groups of stakeholders believe the Common Core will improve education in their communities.

Education Next-PEPG Survey of Public Opinion, June 2013

http://educationnext.org/reform-agenda-gains-strength/
Survey administered by Knowledge Networks: June 2013
Participants: 1,138 adults

- Support for Common Core remains very high despite recent political controversy. Sixty-five percent of the public and 76% of teachers supported adopting the Common Core in their state, but the percentage of those opposed has almost doubled from last year (7% in 2012, 13% in 2013). *(Note: Some of this change may be due to changes in survey design.)*

The Associated Press-NORC Center for Public Affairs Research, June/July 2013

www.apnorc.org/PDFs/Parent Attitudes/AP_NORC_Parents Attitudes on the Quality of Education in the US_FINAL_2.pdf
Survey administered by NORC: June 21–July 22, 2013
Participants: 1,025 parents of children who completed grades K–12 in the last school year

- More than half of parents (52%) say they have heard only a little or nothing at all about the Common Core compared with 22% who have heard a moderate amount and 26% who have heard a lot or a great deal.
- Similarly, 34% of parents do not know if their state has implemented the Common Core or not. Forty-nine percent report that their state has implemented these standards, while 17% say their state has not.
- Just under half of parents (47%) think the Common Core will improve the quality of education. Eleven percent think the Common Core will decrease the quality of education, and 27% think they will have no effect.

PDK/Gallup: What Americans Said about Public Schools, May 2013

http://pdkintl.org/noindex/2013_PDKGallup.pdf

Survey administered by Gallup: May 7–31 2013

Participants: 1,001 adults

- 38% of Americans say they have heard of the Common Core; among Americans with children in public schools, 45% recognized the Core.
- 51% of those who said they have heard of the Common Core said they were "somewhat knowledgeable," 15% reported they were "very knowledgeable," and 28% were "not very knowledgeable."
- Among the third who had heard of the Common Core, only 41% said the standards can help make education in the United States more competitive globally, 21% said the standards will make the United States less competitive, and 35% believe they will have no effect.
- Of those Americans who had heard of the Common Core, many said — erroneously — that the standards are based on a blending of state standards (49% rated this a 4 or 5 with 5 meaning "strongly agree" with this statement), that the federal government is insisting that all states adopt the standards (38%), and that there is a plan to create standards in all academic areas (30%).

EdWeek/Gallup, March/April 2013

www.edweek.org/ew/section/infographics/gallup-edweek-superintendents-survey.html

Survey administered by Gallup: March–April 2013

Participants: 12,000 district superintendents (not nationally representative, most serve districts with 200–500 students)

- More than half the superintendents — 58% — believe that the new Common Core State Standards adopted by most states will improve the quality of education in their communities; 75% say the shared standards will provide more consistency in educational quality from district to district and state to state. But 30% predict the standards will have no effect on schooling.
- 56% of superintendents say the Common Core will help make education in the United States more competitive globally; 33% say the standards will have no effect.
- Yet 100% of superintendents believe teachers in their district are already very or somewhat effective at providing a quality education; 96% believe their teachers are already very or somewhat effective at preparing their students for the world of work; and 95% believe their teachers are already very or somewhat effective at preparing students for citizenship.

Foundation for Excellence in Education/Chiefs for Change, February/March 2013

http://chiefsforchange.org/web/wp-content/uploads/2013/04/Chiefs-for-Change-PreSurvey-Results-Key-Findings-Memo.pdf
Survey administered by The Winston Group: February 21–March 2, 2013
Participants: 900 K–12 public school teachers (11 states: Connecticut, Delaware, Florida, Idaho, Louisiana, Maine, New Jersey, New Mexico, Oklahoma, Rhode Island, and Tennessee)

- Nearly three in four teachers (73%) have a favorable view of the Common Core State Standards, and 74% support their state's decision to adopt Common Core.
- Almost half (47%) of teachers say they have received "a lot of information" about Common Core, while another 37% say they have received "some information." Only 14% of teachers said they had received "not very much" or "no information."
- Most teachers are getting information about Common Core from their principal (85%) or their district (74%). Two in three (66%) say they have gotten information from a Common Core website, and 61% have gotten information from their state.
- Teachers prefer to learn about Common Core through in-person workshops (55%) and lesson planning materials (42%).
- Many teachers say they are "somewhat prepared" (49%) to teach what is expected in the Common Core, though only 37% say they are "very prepared."
- 77% of teachers say they are already teaching to the new standards, while only 19% say they are not.
- Of the 77% of teachers who say they are already teaching to the new standards, about a third (34%) say that the new standards have changed the content they teach "quite a lot," while 49% say things have changed "a little bit."
- Teachers who have *not* yet begun teaching to Common Core expect that teaching to the new standards will change things, with 76% expecting it will change things "a lot" or "a little bit."
- Most teachers (65%) think their state's current academic standards are "about right," and two-thirds (66%) think their state's academic standards ensure students are college-ready upon graduation. (Seventy-seven percent of respondents say they are already teaching to Common Core.)
- Asked if they think the new standards will make students in their state more college ready, 46% say they think the standards will make students more prepared. Forty-one percent say there will be no difference, while only 7% think students will be less prepared.

The MetLife Survey of the American Teacher: Challenges for School Leadership, October/November 2012

www.metlife.com/assets/cao/foundation/MetLife-Teacher-Survey-2012.pdf
Survey administered by Harris Interactive: October 5–November 11, 2012
Participants: 1,000 teachers; 500 principals

- Nine in 10 principals (90%) and teachers (93%) are confident or very confident that teachers in their schools already have the academic skills and abilities to implement the Common Core in their classrooms.

- 67% of principals and 59% of teachers rank implementing the Common Core standards as challenging or very challenging.
- 82% of principals and 69% of teachers are confident or very confident that the Common Core will improve student achievement.
- 81% of principals and 71% of teachers believe the Common Core will help better prepare students for college and the workforce.

Aligned Assessments

Voters and teachers generally support the Common Core. Views of standardized testing are more mixed, but support increases when asked about Common Core-aligned assessments.

The Associated Press-NORC Center for Public Affairs Research, June/July 2013

www.apnorc.org/PDFs/Parent Attitudes/AP_NORC_Parents Attitudes on the Quality of Education in the US_FINAL_2.pdf

Survey administered by NORC: June 21–July 22, 2013

Participants: 1,025 parents of children who completed grades K–12 in the last school year

- More than half (61%) of parents think their child takes the appropriate number of standardized tests, while 26% think their child takes too many standardized tests. Only 11% of parents think their child takes too few.
- 75% of parents say that standardized tests measure their child's performance somewhat well or very well, with only 24% saying they measure performance not too well or not well at all.
- A majority (69%) say that the tests measure the quality of education offered by schools somewhat well or very well, and just 30% say they do so not too well or not well at all.
- 46% of parents think the authority for determining the subject areas covered in standardized tests should fall to the local school districts compared with 29% who favor the state government and 20% who favor the federal government.
- 93% of parents think standardized tests should be used to identify areas where students need extra help. Eighty-three percent think they should be used to ensure that all students meet adequate national standards. Fifty-eight percent think they should be used to determine whether or not students are promoted or can graduate.

AFT Survey of Parents, July 2013

www.aft.org/newspubs/press/2013/072213b.cfm

Survey administered by Hart Research: July 9–14, 2013

Participants: 1,003 public school parents

- 57% of parents say there currently is too much testing in schools, and the same percentage say that testing has taken too much time away from teaching and learning.
- Only 29% say the current amount of testing is right, and 37% say the amount of testing has not taken too much time away from teaching and learning.

- 64% say the state's standardized tests do not accurately measure student achievement, and only 28% say the tests are an accurate measure of student achievement.
- An equal percentage of parents (32%) cite lack of funding and too much testing as the biggest problems facing schools.

AFT Survey of Teachers, March 2013

www.aft.org/pdfs/press/ppt_ccss-pollresults2013.pdf
Survey administered by Hart Research: March 2013
Participants: 800 union members

- 75% of union members say they approve of states' adopting Common Core standards.
- 74% are very or fairly worried that new assessments will begin before everyone involved fully understands the standards and before instructional practice has been aligned.
- 54% believe that the Common Core will result in more emphasis on testing.

Foundation for Excellence in Education/Chiefs for Change, February/March 2013

http://chiefsforchange.org/web/wp-content/uploads/2013/04/Chiefs-for-Change-PreSurvey-Results-Key-Findings-Memo.pdf
Survey administered by The Winston Group: February 21–March 2, 2013
Participants: 900 K–12 public school teachers (11 states: Connecticut, Delaware, Florida, Idaho, Louisiana, Maine, New Jersey, New Mexico, Oklahoma, Rhode Island, and Tennessee)

- Two-thirds (66%) of teachers have an unfavorable view of standardized testing.
- Teachers acknowledge that state standardized tests cover important and useful material (62%) and that the tests affect what they teach in the classroom (76%).
- 82% say they use data from their student's performance on tests to inform how they teach, and 63% say that if they are an effective teacher, students will show growth on test scores.
- Teachers are not convinced that tests are great measures of student learning, with 56% saying their state's standardized tests do not do a good job of measuring whether students have the knowledge and skills they should have at their grade level, and with 58% disagreeing with the statement "without standardized tests, it would be difficult to measure student progress in a fair, objective way."
- When the new assessments are described as "more effectively measuring higher-level thinking skills," 84% of teachers say they feel more supportive of assessments aligned to Common Core.
- Even when told about the additional testing time required with new assessments, 45% of teachers say that fact makes them somewhat more supportive about assessments aligned to Common Core. Half (50%) of the teachers surveyed said the extra testing time makes them less supportive of the new exams.
- Teachers are split on whether they would be more or less supportive of the assessments if implementation meant an initial dramatic decline in scores. Forty-two percent say they would be more supportive of the assessments if they knew the new tests would be more rigorous but would lead to a drop in scores, while 45% said they would be less supportive.

- Currently, 49% of teachers say they have “a lot” or “some” information about the PARCC and Smarter Balanced Assessment Consortium assessments, while 49% say they have “not much” or “no” information.

Achieve, August 2011 and May 2012

www.achieve.org/growingawarenessCCSS

Survey administered by Public Opinion Strategies: August 2011 and May 2012

Participants: 800 voters, 160 teachers

- While voters who already had heard about the Common Core State Standards were somewhat mixed in their assessment of them in August 2011 (37% favorable, 34% unfavorable); in May 2012 they held a net favorable opinion (42% favorable, 28% unfavorable) of the standards.
- The more teachers know about the Common Core State Standards, the more positive their impression. Among the 65% of teachers who say they know “a lot” about the standards, 77% favor them, 18% oppose.
- Almost three-quarters of voters (74%) and nearly two-thirds of teachers (64%) support implementing the CCSS assessments.
- Once again, the more teachers know about the Common Core State Standards the more likely they are to favor implementation of the CCSS assessments. For example, 70% of the 65% of teachers who have heard “a lot” about the standards support their implementation, a percentage that drops to 46% of the 13% of teachers who have heard “not much/nothing” about the standards.
- When asked about specific assessment components, voters gave the highest ratings to test results being available in one to two weeks; the first optional test being diagnostic; and administering the same test across states. They gave the lowest ratings to required tests being used for accountability; tests being given throughout the year; and students taking all tests on the computer.
- However, after hearing about the various features of the common assessment system — even those components voters and educators are skeptical about — support actually increased slightly for the implementation of the new assessments, going up to 82% of voters and 66% of teachers (up from 74% and 64% of teachers when only the general description was provided).

Myths and Facts

The following material is adapted from the Common Core State Standards website (www.corestandards.org), the Data Quality Campaign, the Alliance for Excellent Education, the Foundation for Excellence in Education, and the Thomas B. Fordham Foundation.

Misconception	Reality
The Common Core effort will establish federal and mandatory standards for American K–12 schools.	State-level policymakers have the discretion to either join or withdraw from participation, and the federal government was NOT involved in the development of the standards.
States' current standards are sufficient for today's students.	According to analysis by ACT, three-fourths of students entering college "were not adequately prepared academically for first year college courses."
Common Core State Standards are no better than existing state standards.	A Thomas B. Fordham Institute study showed that Common Core State Standards are superior to standards currently in use in 39 states in math and 37 states in English. For 33 states, the new standards are superior in both math and reading.
Adopting common standards will bring all states' standards down to the lowest common denominator, which means states with high standards, such as Massachusetts, will be taking a step backward if they adopt the standards.	The standards build upon the most advanced current thinking about preparing all students for success in college and their careers. This will result in moving even the best state standards to the next level. In fact, since this work began, there has been an explicit agreement that no state would lower its standards. The Common Core State Standards were informed by the best in the country, the highest international standards, and evidence and expertise about educational outcomes. We need college- and career-ready standards because even in high-performing states students are graduating and passing all the required tests and still require remediation in their postsecondary work.
State tests aren't broken. The Common Core should not try to fix them.	A 2009 study by the National Assessment of Educational Progress (NAEP) found no state had reading proficiency standards as rigorous as those on the highly respected and internationally benchmarked NAEP 4th grade exam. Only one state, Massachusetts, had an 8th grade test as rigorous as the NAEP exam. Worse still, a large number of states had reading proficiency standards that would qualify their students as functionally illiterate on NAEP.

Misconception	Reality
Common Core State Standards dictate what texts teachers will use for instruction.	Common Core State Standards define what students need to know; they do not define what teachers should teach or how students should learn. That decision is left to each state.
Common Core State Standards dictate curriculum.	The standards are not a curriculum. They are a clear set of shared goals and expectations for what knowledge and skills will help our students succeed. Local teachers, principals, superintendents, and others will decide *how* the standards are to be met. Teachers will continue to devise lesson plans and tailor instruction to the individual needs of the students in their classrooms.
Common Core State Standards will stifle innovation and creativity in state curriculum.	Common standards will allow for more innovation, more varied examples, and more options for curriculum since the common standards' "electrical grid" is defined. States can still customize ABOVE the standards.
Current standards provide students with the English language arts skills they will need to succeed.	Today, the most popular forms of writing in high school are based on a student's experiences and opinions. Students spend a lot of time sharing what they think and feel. Common Core State Standards shift the focus from developing a response based on feeling to developing a response based on an objective analysis of evidence. Employers are most likely to hire someone based on their ability to clearly convey complex information, draw conclusions, and make recommendations based on facts, not feelings.
Current standards provide students with the math skills they will need.	Massachusetts' students rank first in the United States in math. Hong Kong's students rank first in the world. The best in our country do not come CLOSE to matching the best in the world. Eighty-seven percent of the questions on the Hong Kong test require a higher level of thinking compared to just 6% of questions on the Massachusetts test. The Common Core State Standards focus on more in-depth knowledge of foundational and crucial concepts for more advanced mathematics, rather than an expansive, but shallow, knowledge of many concepts. This new, more concise approach eliminates the "mile-wide inch-deep" curriculum in America.
The federal government will use Common Core State Standards to usurp control from states.	The Common Core State Standards are the result of state leadership. States recognized the need for more rigorous standards, led the development, and retain full authority for implementing the standards in their respective states.

Misconception	Reality
Common Core State Standards will cost more by requiring states to spend for training, tests, etc.	Common Core State Standards should drive down costs in the long run as publishers can focus on more creativity and tools for teachers centered around common standards.
The federal government is using the Common Core to collect data about individual students.	Common Core does NOT require the collection of any data about students; it is simply a set of grade-level expectations for students. Further, the federal government is prohibited by law from collecting ANY personally identifiable data (i.e., name, place and date of birth, SSN, or any other information that could be used to distinguish an individual's identity) about individual students. Therefore, the federal government does NOT have access to student-level data that states collect.

Find Out More

For more myths and facts related to specific questions about ELA and math, see:

- www.all4ed.org/files/CommonCore101.pdf
- http://highercorestandards.org/myth-vs-fact/
- www.corestandards.org/resources/myths-vs-facts
- http://stand.org/indiana/common-core/myths-vs-facts
- http://expectmoretn.org/fact-fiction.pdf

For more myths and facts about data, see www.dataqualitycampaign.org/files/Education Data Privacy Myth Busters.pdf.

PRESIDENTS QUARTERLY MEETING

February 2014

DATE: Presidents Meeting (February 4, 2014)

AGENDA ITEM: GPS Initiatives

ACTION: Information Item

PRESENTER: Vice Chancellor Denley

BACKGROUND INFORMATION:

The Presidents will be provided an overview from Complete College America Guided Pathways to Success Initiatives. This will include a discussion of MacroMajors, Corequisite Learning Support, and a number of other actions that will target student success and completion rates.

MacroMajors

Tennessee Board of Regents MacroMajor categories:

- Arts,
- Business,
- Education,
- Health Sciences,
- Humanities,
- Social Sciences,
- STEM

Each institution would establish suitable advising to place every student into an existing program or into one of the above macromajors.

"Undecided" will no longer be a "choice".

Suitable Banner modifications will be established to enable this change.

Timescale:

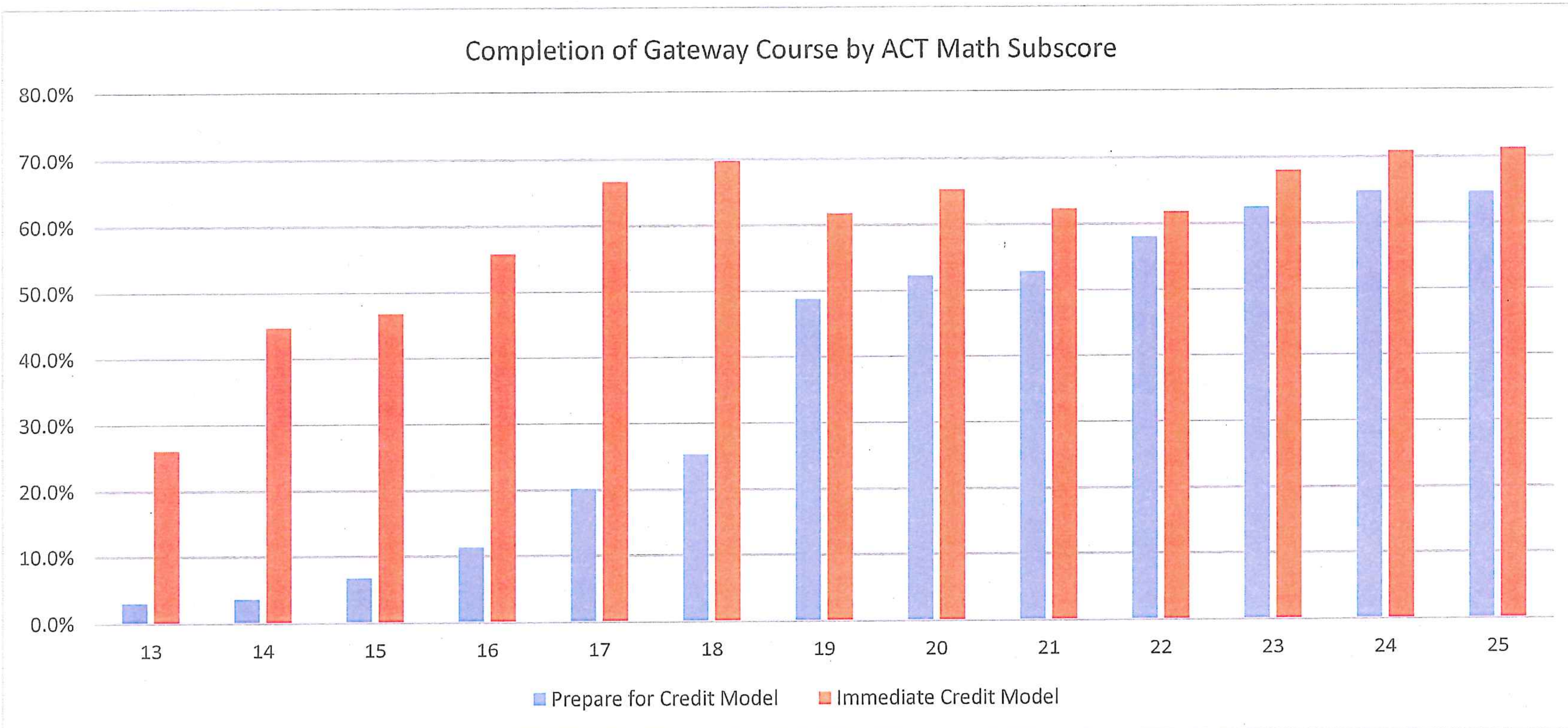
Available for the incoming class in Fall 2014.

Tennessee Board of Regents

Percent Completing MATH 1010+ in Two Semesters by Best ACT Math Subscore

First-time Freshmen Cohort - Fall 2012

	13	14	15	16	17	18	19	20	21	22	23	24	25
Prepare for Credit Model	2.9%	3.5%	6.6%	11.2%	20.1%	25.4%	48.7%	52.2%	52.8%	57.9%	62.4%	64.6%	64.5%
Immediate Credit Model	26.1%	44.6%	46.7%	55.7%	66.5%	69.6%	61.7%	65.2%	62.3%	61.8%	67.8%	70.8%	71.2%

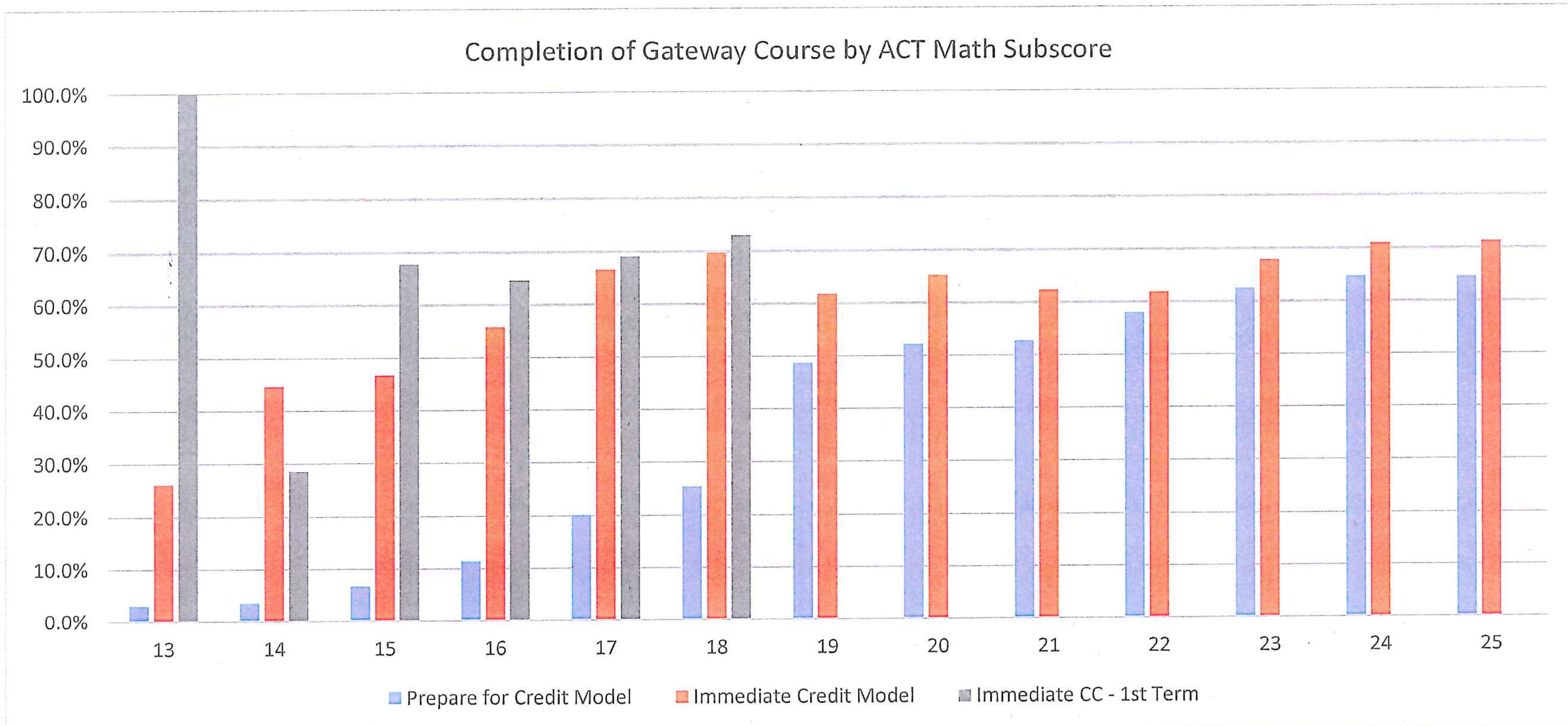


Tennessee Board of Regents

Percent Completing MATH 1010+ in Two Semesters by Best ACT Math Subscore

First-time Freshmen Cohort - Fall 2012

	13	14	15	16	17	18	19	20	21	22	23	24	25
Prepare for Credit Model	2.9%	3.5%	6.6%	11.2%	20.1%	25.4%	48.7%	52.2%	52.8%	57.9%	62.4%	64.6%	64.5%
Immediate CC - 1st Term	100.0%	28.6%	67.7%	64.6%	69.0%	72.9%							
Immediate Credit Model	26.1%	44.6%	46.7%	55.7%	66.5%	69.6%	61.7%	65.2%	62.3%	61.8%	67.8%	70.8%	71.2%



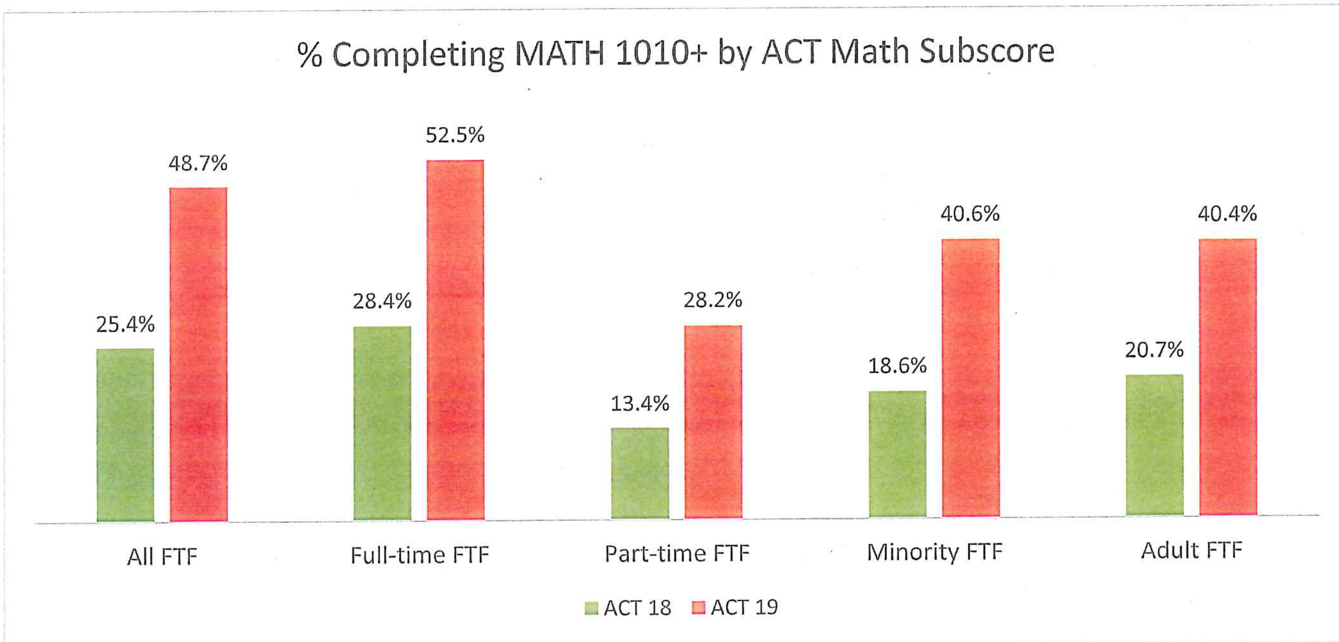
Tennessee Board of Regents

Percent Completing MATH 1010+ in Two Semesters by Best ACT Math Subscore

First-time Freshmen (FTF) Cohort - Fall 2012

Sub-populations of Prepare for Credit Model

	All FTF	Full-time FTF	Part-time FTF	Minority FTF	Adult FTF
ACT 18	25.4%	28.4%	13.4%	18.6%	20.7%
ACT 19	48.7%	52.5%	28.2%	40.6%	40.4%

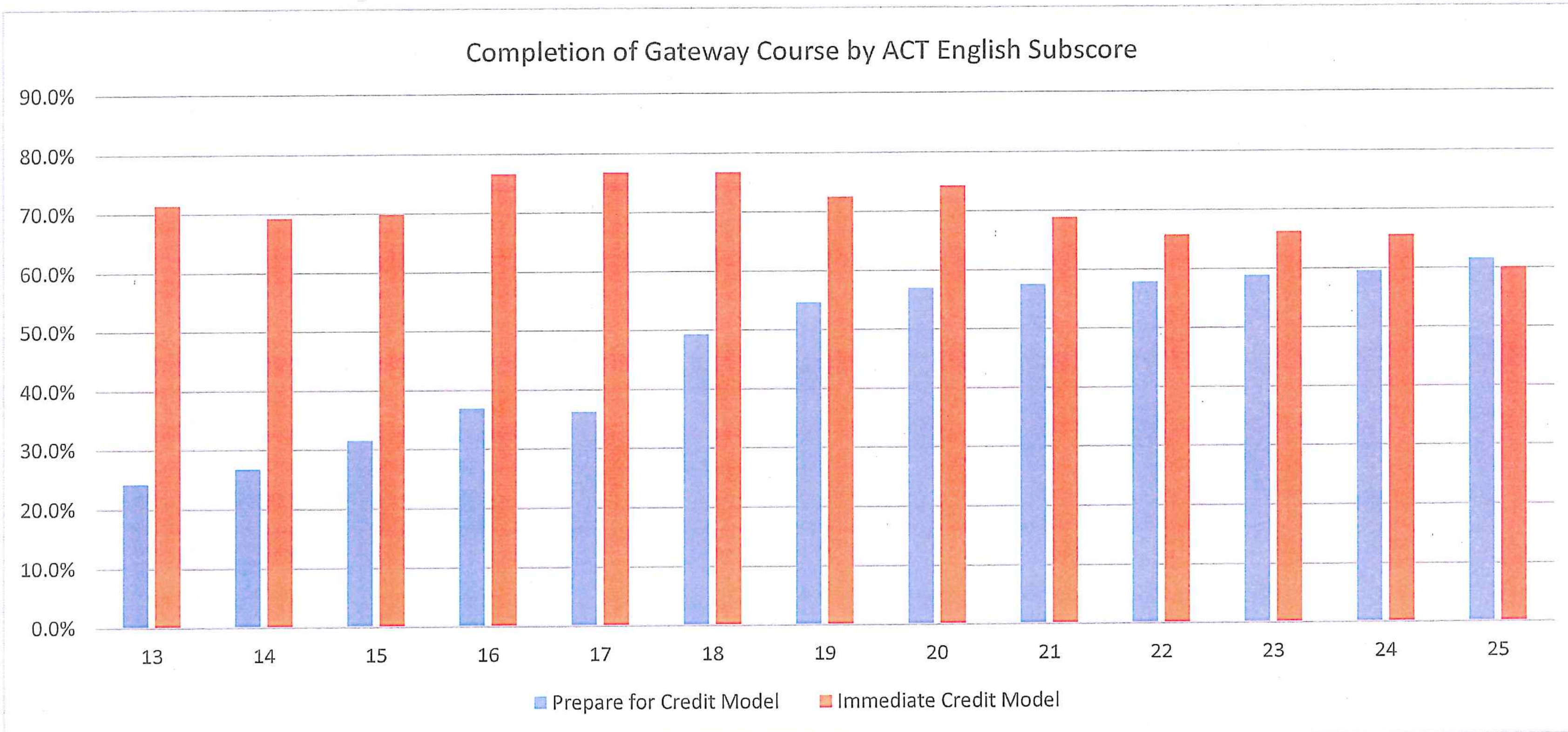


Tennessee Board of Regents

Percent Completing ENGL 1010 in Two Semesters by Best ACT English Subscore

First-time Freshmen Cohort - Fall 2012

	13	14	15	16	17	18	19	20	21	22	23	24	25
Prepare for Credit Model	24.2%	26.7%	31.3%	36.9%	36.2%	49.2%	54.6%	57.0%	57.5%	57.8%	58.8%	59.5%	61.5%
Immediate Credit Model	71.3%	69.2%	69.8%	76.6%	76.8%	76.7%	72.4%	74.2%	68.8%	65.8%	66.2%	65.6%	60.0%

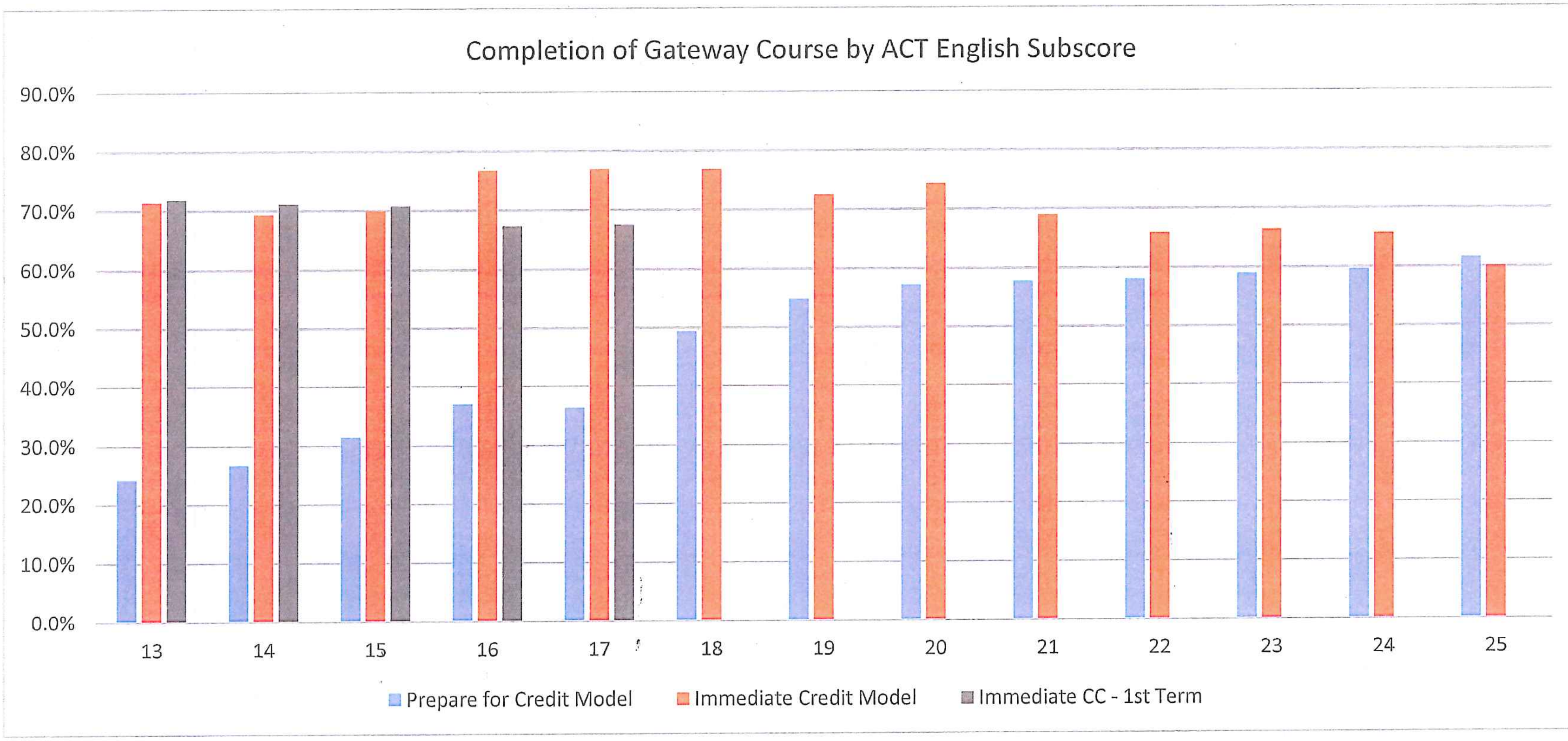


Tennessee Board of Regents

Percent Completing ENGL 1010 in Two Semesters by Best ACT English Subscore

First-time Freshmen Cohort - Fall 2012

	13	14	15	16	17	18	19	20	21	22	23	24	25
Prepare for Credit Model	24.2%	26.7%	31.3%	36.9%	36.2%	49.2%	54.6%	57.0%	57.5%	57.8%	58.8%	59.5%	61.5%
Immediate CC - 1st Term	71.8%	71.0%	70.6%	67.2%	67.4%								
Immediate Credit Model	71.3%	69.2%	69.8%	76.6%	76.8%	76.7%	72.4%	74.2%	68.8%	65.8%	66.2%	65.6%	60.0%



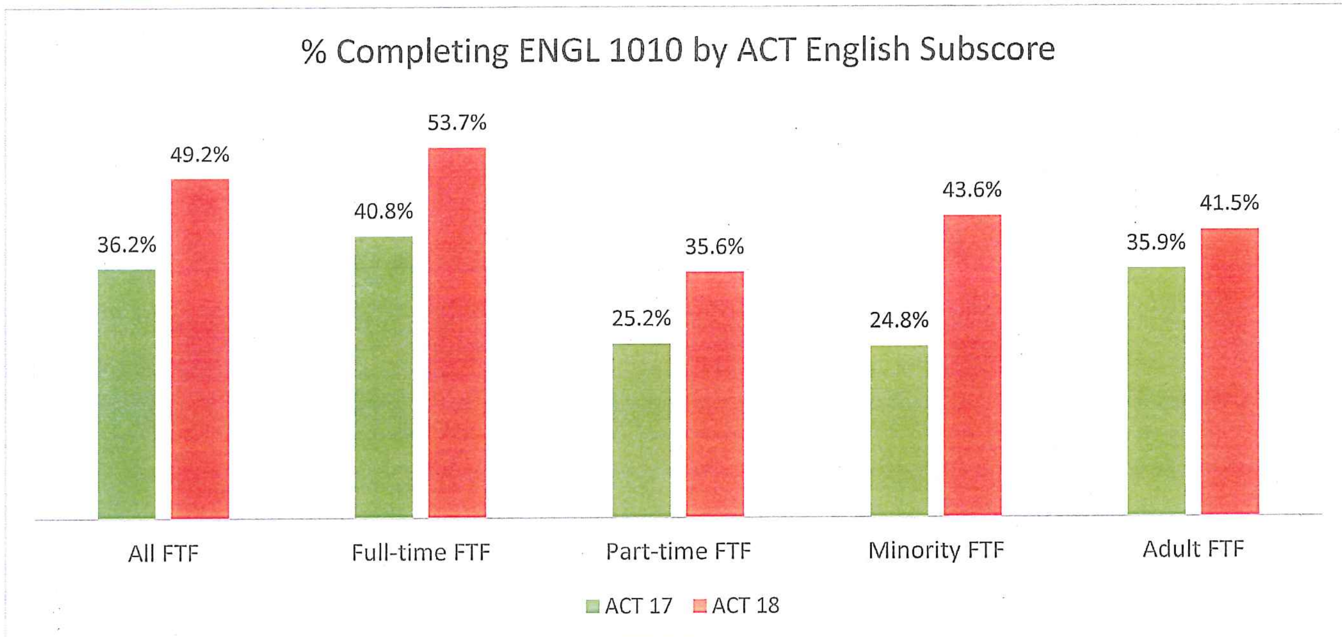
Tennessee Board of Regents

Percent Completing ENGL 1010 in Two Semesters by Best ACT English Subscore

First-time Freshmen (FTF) Cohort - Fall 2012

Sub-populations of Prepare for Credit Model

	All FTF	Full-time FTF	Part-time FTF	Minority FTF	Adult FTF
ACT 17	36.2%	40.8%	25.2%	24.8%	35.9%
ACT 18	49.2%	53.7%	35.6%	43.6%	41.5%

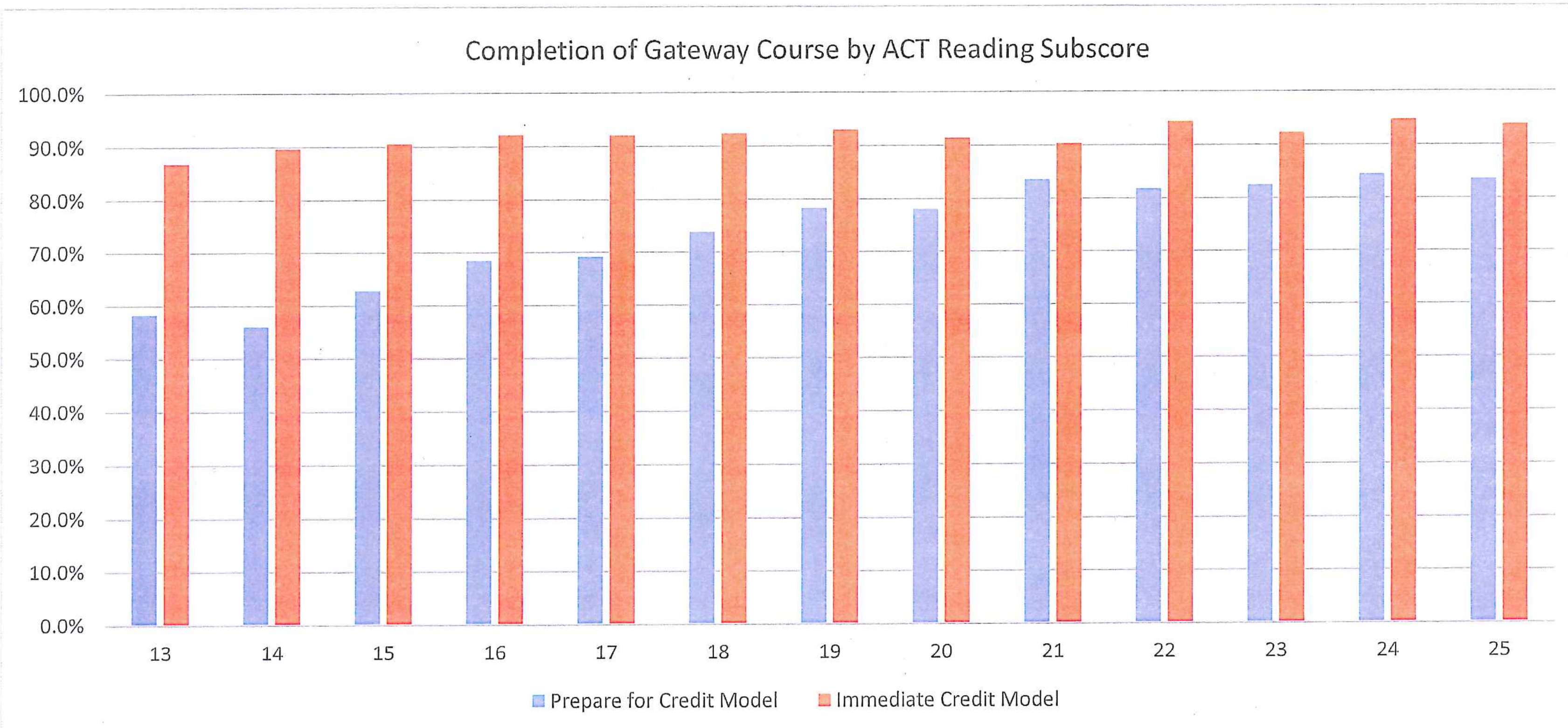


Tennessee Board of Regents

Percent Completing Gateway Course in Two Semesters by Best ACT Reading Subscore

First-time Freshmen Cohort - Fall 2012

	13	14	15	16	17	18	19	20	21	22	23	24	25
Prepare for Credit Model	58.2%	55.9%	62.6%	68.3%	69.0%	73.6%	78.2%	78.0%	83.5%	81.7%	82.4%	84.4%	83.4%
Immediate Credit Model	86.7%	89.6%	90.5%	92.0%	91.9%	92.3%	92.9%	91.3%	90.2%	94.2%	92.2%	94.5%	93.7%



Note: Gateway is any course with a course number >'1000' and not Math, PHED, or foreign language. Also not ENGL 1010.

PRESIDENTS QUARTERLY MEETING

February 2014

DATE: February 4, 2014

AGENDA ITEM: Transcription of Credits Earned Through Dual Credit

ACTION: Information Item

PRESENTER: Vice Chancellor Warren Nichols

BACKGROUND INFORMATION:

The memorandum "Transcription of Credits Earned Through Dual Credit" provides clarification to TBR Policy 2:01:00:04 regarding awarding credits through Prior Learning (PLA). The transcription of credit by challenge examination includes dual credit courses offered by individual institutions or through Public Chapter 967. The transcription of credit for successfully passing the challenge examination for either option should be applied upon the student officially enrolled at the time of census reporting and should not be held in escrow pending any other admission requirements.

MEMORANDUM

TO: TBR Academic Officers

FROM: Dr. Warren Nichols, Vice-Chancellor for Community Colleges
Dr. Tristan Denley, Vice-Chancellor for Academic Affairs

DATE: January 24, 2014

RE: Transcription of Credits Earned Through Dual Credit

TBR Policy 2:01:00:04—"Awarding of Credits Earned Through Extra-Institutional Learning to Community Colleges and Universities" was recently updated to address the system process for awarding credits through Prior Learning (PLA). This policy includes the following in Part C:

> "When awarding credit under this provision, the institution should use a recognized guide or procedure for awarding the credit for extra-institutional or life-long learning."

One recognized guide or procedure includes "Credit by Departmental Examination. (ref. SACS)"

Presently, TBR institutions offer dual credit opportunities through: (1) agreements with individual school systems within their service area or (2) Public Chapter No. 967 (adopted in 2012). Both options require the secondary student to complete a challenge examination developed by the postsecondary faculty. Therefore, both options fall within the scope of TBR Policy 2:01:00:04: "Credit by Departmental Examination."

All dual credit opportunities allow the institution to determine whether the class credit will be accepted for credit toward a major or the requirements of a specific program or as an elective.

The transcription of credit for successfully passing the challenge examination for either option listed above should be applied upon the student officially enrolled at the time of census reporting and should not be held in escrow pending any other admission requirements.

TBR Policy 2:01:00:04 also addresses the system-wide standard process that ensures transferability of PLA credit. The standards are available in TBR Guideline A-030: "Articulation Among Community Colleges and Universities."

Please let me know if you have any questions regarding the transcription of credits through dual credit.

PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE:	Presidents Meeting (February 4, 2014) Directors Meeting (February 5, 2014)
AGENDA ITEM:	Proposed Revisions to TBR Policy 2:01:01:00 - Approval of Academic Programs, Units, and Modifications and TBR Guideline A-010 - Academic Program Letters of Intent and Proposals
ACTION:	Requires Vote
PRESENTER:	Vice Chancellors Warren Nichols and Tristan Denley

BACKGROUND INFORMATION:

Proposed revisions to TBR Policy 2:01:01:00, *Approval of Academic Programs, Units, and Modifications* and to TBR Guideline: A-010, *Academic Program Letters of Intent and Proposals* are provided for your consideration. These changes have been presented to the appropriate sub-councils and are shared with the goal of implementing the guideline with approval from the Presidents Council, and implementing the policy with approval from the Board during the next quarterly board meeting. The proposed changes are not intended to establish a change in the process, but rather to provide clarification so that the Office of Community Colleges is appropriately acknowledged in the process and to include other requirements already imposed by THEC policy and routinely required in the current process.

Approval of Academic Programs, Units, and Modifications : 2:01:01:00

Topics

Topics

Topics A-Z

Policy/Guideline Area

Academic Policies

Applicable Divisions

TCATs, Community Colleges, Universities

Purpose

The purpose of this policy is to establish the procedures and processes for the submission and approval of academic program proposals for institutions governed by the Tennessee Board of Regents.

Policy/Guideline

I. Introduction

A. T.C.A. § 49-8-101 et seq. authorized the establishment of the State University and Community College System of Tennessee. Among the powers given to the Tennessee Board of Regents (TBR) by this Act is the power "to prescribe curricula and requirements for diplomas and degrees."

B. Institutions have the authority to create new courses. However, if the development cost of a fully online course exceeds $9,500 for the course, then justification must be submitted to the TBR Office of Academic Affairs for approval. Institutions have the authority to terminate existing courses, determine course content or design, and carry out curriculum revisions less extensive than those the Board has reserved to itself or otherwise delegated. The Tennessee Higher Education Commission (THEC) must review and approve new academic programs, off-campus extensions of existing academic programs, new academic units (divisions, colleges, and schools), and new instructional locations as specified in THEC Policy No. A1:0: New Academic Programs - Approval Process, Attachment B (A1.0), and A1:1: New Academic Programs. These THEC policies should serve as a resource for the development of all academic proposals.

C. Prior to developing a proposal, Letters of Intent are required from all TBR institutions for new degree programs or certificates with 24 semester credit hours (SCH) or more.

D. The THEC delegates authority to the TBR to approve Letters of Intent and to grant final approval of new community college programs (Associates Degrees and Certificates). The TBR criteria for review and accountability will follow the THEC standards established by the THEC Policies A1:0: New Academic Programs - Approval Process, and A1:1: New Academic Programs. All TBR community college programs listed on the THEC Inventory of Academic Programs will be subject to Post Approval Monitoring for the first three years after implementation and annual productivity evaluations of programs in operation more than three years. Community colleges will participate in all components of the THEC Performance Funding Quality Assurance Program.

II. Process

A. Academic Proposals That Must Be Taken to the Board

1. Beyond those delegated responsibilities the Board reserves to itself the authority to review and approve all proposed academic actions pertaining to the establishment of new high quality academic degree programs.

B. Academic Proposals Approved by the Board through Delegated Authority

1. With the exception of ~~Other than~~ new degree programs, ~~academic~~ proposals for certificates of less than 24 hours and other academic actions may be approved by the Board through delegated authority to the Chancellor.

2. Summaries of these proposals will be reported monthly or as needed, to the Board, with a 30-day period for Board review.

3. Board members may contact the Vice Chancellor for Academic Affairs with questions or concerns regarding university proposals, or the Vice Chancellor for Community Colleges

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with questions or concerns regarding community college proposals, and if desired, can require that the proposal be brought before the full Board at its next quarterly meeting.

4. Institutions shall provide, to the Vice Chancellor for Academic Affairs all university ~~,~~ proposals related to the following and to the Vice Chancellor for Community Colleges all community college proposals related to the following:

   a. Establishment of any college credit-bearing Certificate ~~of Credit included~~ which is listed in the academic inventory or that will be included in the institution's Catalog or other recruitment materials and activities. The term "institutional certificate" refers to ~~applies~~ only to certificates awarding continuing education credit. If college credit is to be awarded and promoted as a certificate, the program of study is subject to Board approval. A Certificate which is not college credit bearing may be accepted for college credit if it meets the requirements established through the institution's prior learning assessment standards.~~-~~ There are four types of certificates listed on the official Academic Program Inventory: 1) Academic, 2) Technical, 3) Undergraduate, and 4) Graduate. A certificate can be free-standing or embedded within a degree program. An embedded certificate must fully articulate with a degree and required the approval of the program of study by the Board.~~.~~ There should be no new or no more than minimal costs required to implement an embedded certificate.

   b. Establishment of concentrations within an existing academic program.

   c. Establishment of new academic units such as colleges, schools, departments, institutes, centers within existing academic units, bureaus, etc., (see TBR Guideline A-040, and THEC Policy A1:3, New Units and A1:4, Off-Campus Instruction).

   d. Revision of any admission, retention, or graduation policy (both institutional and program specific).

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e. Substantive revision of the curriculum of an existing academic program. (Substantive refers to changes impacting 18 or more semester credit hours at the undergraduate level, 9 or more credit hours at the graduate level, and 50% or more of the credit hours in a certificate program, from the last submission to the Board, and includes course rubrics, titles, descriptions, or content).

f. Consolidation of existing academic programs.

g. Extension of an existing academic degree program in totality to an off-campus site.

h. Inactivation or termination of academic programs listed in the academic inventory.

   1) Inactivation should be used only when there are plans to reactivate the program within three years. If not reactivated during that period, the program will automatically terminate.

i. Curriculum modifications that increase required hours for a degree to more than 60 for the associate degree and 120 for the baccalaureate degree, or more than the previously approved exceptions. Also, modifications that increase or decrease credit hours from what was previously approved for a certificate or increases or decreases an existing graduate program in excess of 6 credit hours must be submitted for Board approval.

j. Current approved on-ground programs that will be converted to a fully online delivery format.

~~j.~~ k. Articulation agreements which establish joint of collaborative degrees within or across institutions within the System or with institutions outside the TBR system.

C. Academic Proposals Requiring Only Notification to Vice Chancellor

1. Changes to existing academic programs not listed in the previous section~~above~~, that require no new costs or minimal costs that the campus will fund through reallocation of

existing resources or through sources such as grants and gifts, may be approved through an established process by the institution.

2. The Vice Chancellor for Academic Affairs must be informed of such changes impacting university programs, and the Vice Chancellor for Community Colleges must be informed of such changes impacting community college programs, prior to implementation and may refer the proposal for Board approval if deemed appropriate due to costs or other potential concerns.

3. Such action includes, but is not limited to, the establishment of new minors and changes such as the modification of the title of an academic program or unit.

4. Minors are typically developed by packaging existing courses and do not usually require new resources or additional costs.

5. Non-substantive curriculum revisions may be approved through the established institutional process and do not require notification or Board approval

D. Additional Actions Requiring Review by THEC

1. The THEC review and approval of off-campus extensions of existing academic programs is handled through the request for a code, ie., site or center, and requires that submission of the appropriate form(s) available on the TBR and THEC websites.

III. Procedures

A. Institutions wishing to effect academic changes that fall into any of the above categories will, therefore, comply with the following procedures as well as those contained in TBR Guideline A-010 and found on the TBR Academic Affairs website.

1. Approval Route of Proposals

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a. Proposals from TBR universities for academic actions that require approval by the Board of Regents shall be submitted to the Vice Chancellor for Academic Affairs for review and approval by the Board. Proposals from TBR community colleges for academic actions that require approval by the Board of Regents shall be submitted to the Vice Chancellor for Community Colleges for review and approval by the Board.

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b. Subsequent to Board action, the Chancellor shall transmit to the Tennessee Higher Education Commission those proposals that require its approval along with the Board's recommendation.

2. Schedule for the Submission and Approval of Academic Proposals

   a. The Board will consider academic degree proposals at each of its quarterly meetings.

   b. Proposals must, however, be submitted sufficiently in advance to permit adequate review by the staff.

   c. The time required for this review will vary according to the nature of the proposal, the number of proposals already under review, or other workload issues of the TBR staff.

3. Review by and Selection of Consultants

   a. The TBR staff may engage qualified consultants to assist in the review of all proposals for new degree programs as deemed appropriate by the Vice Chancellor for Academic Affairs for both graduate and undergraduate at the universities. All graduate programs utilize external consultants in the review process. The Vice Chancellor for Community Colleges may engage qualified consultants as needed for associate degree or certificate programs.

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b. Consultants will file a written report on the quality of the proposed program and respond to any other relevant questions or issues addressed to them by the TBR.

c. Academic proposals must also comply with THEC policy A1:0 and A1:1. A site visit is ~~typically~~ required for new graduate degree programs.

d. While it is the responsibility of the institution to nominate~~provide~~ and support such consultants, the selection will be made by the TBR staff and the Vice Chancellor for Academic Affairs or the Vice Chancellor for Community Colleges, as appropriate, in consultation with the THEC.~~institution~~.

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e. All costs associated with an external review are the responsibility of ~~borne by~~ the institution submitting the proposal.

IV. General Criteria for Reviewing Academic Letters of Intent and Proposals

A. A summary of the major criteria used by the TBR staff in evaluating academic proposals is presented below.

B. Specific requirements for letters of Intent are provided in the TBR Guideline A-010: Academic Program Letters of Intent and Proposals.

1. The proposed action is central to the mission, role, and scope of the institution.

2. The need for the proposed program is supported by data documenting student interest, employer demand, societal needs, and administrative effectiveness.

3. The proposed action does not constitute unnecessary duplication of academic programs~~, research projects, or public services~~ available at other public institutions. Partnerships or collaborations should be considered whenever needs might be met with greater efficiency.

4. The proposal must ~~should~~ establish quality admission, retention and graduation standards in keeping with best practices.

5. The curriculum of the proposed program must meet~~s~~ the stated objectives of the program and reflects breadth, depth, theory and practice at the appropriate level to the discipline and the degree. Undergraduate curriculum must ~~should~~ ensure General Education core requirement commonality. ~~and transfer (where appropriate) of 19-hour pre-major paths.~~ The curriculum should be compatible with accreditation where applicable, and meet the criteria for articulation and transfer (where appropriate) of 19-hour pre-major paths..

6. The proposal documents the institution's ability to implement the proposed action in terms of:

    a. fiscal resources,

    b. advisement, library and other support resources,

    c. physical facilities, and

    d. qualified personnel.

7. The proposal includes information about appropriate articulation and/or affiliations.

8. The proposal includes information about the delivery format.

9. The proposed program must ~~should~~ clearly state the organizational structure and administrative responsibilities associated with its operation.

10. Proposals pertaining to academic programs should include a description of procedures for regular post-approval evaluation of the programs and units, including evaluation of the program's enrollment and productivity, and how the results will be used to enhance program quality.

11. Proposals ~~should~~ include information related to accreditation, both SACS and professional, and when applicable, provide a time frame for achieving the appropriate accreditation.

12. Proposals ~~should~~ also include a statement as to how the program will enhance racial diversity.

13. Proposals include curriculum vita for all faculty engaged in program delivery.

14. A sequenced program of study by semester must be included.

15. In the case of interdisciplinary or joint graduate programs or when faculty are committed to teach in graduate multiple programs, a matrix of faculty time allocations to each program must be provided.

16. Syllabi for all courses to be included in the proposed program must be included at the time of full proposal submission.

~~12.~~ 17. If proposing a program which duplicates a program at another institution within the System, the letter of intent and proposal should include a cross-walk comparative of the curriculum.

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V. Sources of Specific Criteria

A. Listed below are illustrative sources of specific criteria that serve as bases for staff decisions relative to academic proposals.

1. TBR Policy No. 2:01:00:00, Undergraduate Degree Requirements

2. TBR Policy No. 2:02:00:00, Associate Degree Programs

3. TBR Policy No. 2:01:00:03, Principles for Articulation in Vocational/Technical Education

4. TBR Guideline No. A-010, Academic Program Proposals

5. TBR Guideline No. A-020, Inter-Institutional Relationships and Off-Campus Affairs
6. TBR Guideline No. A-040, Evaluation of Bureaus, Centers, and Institutes
7. TBR Action (December 1986) endorsing TCGS Criteria as standards for both pre- and post-approved review of Master's programs.
8. THEC Policy No. A1:0, New Program Review Criteria (November 2002)
9. THEC Policy No. A1:1, New Academic Programs (July 28, 2011)
10. THEC Policy A1:3, New Units

Sources

TBR Meeting, December 2, 1988; TBR Meeting, December 13, 2002; TBR Meeting, March 29, 2006; TBR Meeting, December 8, 2006; March 28, 2008; TBR Board Meeting December 2, 2010; TBR Board Meeting December 8, 2011.

Related Policies

- Associate Degree Programs
- Principles for Articulation in Vocational/Technical Education
- Academic Program Letters of Intent and Proposals
- Criteria for the Evaluation of Bureaus, Centers, Institutes
- General Education Requirements and Degree Requirements
- Inter-Institutional Relationships & Off-Campus Offerings

Academic Program Letters of Intent and Proposals : A-010

Topics

Topics

Topics A-Z

Policy/Guideline Area

Academic Guidelines

Applicable Divisions

TCATs, Community Colleges, Universities, System Office

Purpose

The purpose of this guideline is to establish the criteria and process for submitting proposals for letters of intent, new academic programs or units, and for modifications of existing academic programs, policies, or unit by institutions governed by the Tennessee Board of Regents.

Policy/Guideline

I. Developing Academic Proposals

A. Process

1. Submitting a Letter of Intent is the first step for any new academic degree program or certificate (24 SCH or more) program proposal (See THEC policy A1:0 and A1:1). Exceptions may be made for replication of existing programs within the Tennessee Community College System with the approval of the Vice Chancellor for Community Colleges.

2. For academic proposals from a TBR university, t~~T~~he TBR Vice Chancellor for Academic Affairs should be notified that a Letter of Intent will be forthcoming. The TBR Vice Chancellor for Community Colleges should be notified of plans to submit an academic proposal from any TBR community college.~~-~~

3. The Letter of Intent from a TBR university must be submitted to the TBR Vice Chancellor for Academic Affairs. The Letter of Intent from a TBR community college must be submitted to the TBR Vice Chancellor for Community Colleges. The Letter of Intent must ~~and~~ include the following information:

a. Introduction

1) The title of the proposed program with proposed concentrations, degree designation, CIP Code, and proposed implementation date.

b. Mission

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1) Address how the proposed program will further the mission of the institution, meet the priorities of the State Master Plan for higher Education and follow the directives of the Complete College Tennessee Act of 2010 relative to increased degree production.

2) Address how the program will meet the goals of the system and the institutional strategic plan.

3) Identify the location of the program within the organizational structure and if it will require the addition of a new organizational unit. If so, describe the nature of the unit.

4) State if the proposed program requires a SACS Substantive Change Review and, if so, describe the scope of the substantive change.

c. Program Need

1) Identify the academic, workforce development, and/or research needs the proposed program will meet. Cite employment projection and supply/demand data appropriate to the discipline and degree level as justification. Cite the THEC supply/demand ~~analysis, as appropriate, for~~analysis for degree or certificate field.

2) Explain why establishing this program at this time is an institutional priority.

3) List newly approved and established programs (within the same CIP classification) at the same degree level offered at other public institutions in Tennessee (See THEC web-based inventory and grogram productivity analysis for state institutions: http://tennessee.gov/thec/Divisions/AcademicAffairs/aa_main.html. This includes certificates which may be offered at the Colleges of Applied Technology.

a) Identify any low-producing programs among those listed. (See THEC annual program productivity reports.

b) If similar programs exist, describe any opportunities for collaboration with other institutions that have been or will be pursued.

c) Identify campus and off-campus locations where the institution plans to offer the program.

d) Include a ~~A~~ statement of how the proposed program will enhance racial diversity ~~should be provided~~ in keeping with the TBR approved campus Diversity Plan.

e) Additional Requirements for Letters of Intent for Proposed Doctoral Programs:

i. Cite THEC data on productivity of existing doctoral programs listed in the same CIP classification and provide a rationale for the addition of a same-CIP program.

ii. Provide letters from presidents of Tennessee institutions offering same-CIP doctoral programs within the same broad geographic service area certifying that the proposed program will not be perceived as duplicative.

d. Enrollment/Productivity

1) Project realistic annual full-time, part-time and FTE enrollments and number of graduates for the first five years of program operation.

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2) Explain how these enrollment/productivity projections were derived.

~~2)~~3) In the case of collaborative or joint programs, projections should be presented by individual institution as well as in aggregate.

e. Curriculum

1) Describe the academic focus of the program and number of hours required.

2) Provide course descriptions for all new courses.

~~2)~~3) Project the date for program accreditation (where applicable).

~~3)~~4) Identify the delivery methods for the program (online, on-ground, hybrid) and provide a rationale for the delivery mode(s).

~~4)~~5) Provide letters of support for all cooperating institutions and related business or agencies.

~~5)~~6) Describe the articulation and transfer avenues projected for the proposed program in compliance with PC§ 49-7-202.

f. Resources

1) Describe the strengths of the existing faculty in credentials and available FTE (state number of full- and part-time faculty). Estimate additional FTE (specify number of full-time and part-time faculty) needed to support the program.

2) Describe existing and needed library and information technology resources to be available to support the projected program.

3) Describe existing or anticipated facilities and equipment needed to support the program.

4) Describe student advising support.

5) Describe the anticipated effect the program will have on existing associated degree programs or concentrations within the institution.

6) In the case of collaborative or joint programs within or across institutions, the organizational structure and resources in support of the combined program must be described.

~~5)~~7) It is the responsibility of the institution to inform the TBR of any changes in administration or faculty which might have implications for the direction or operation of any proposed program during the development and/or early operation phase of the proposed program.

g. Financial Projections

1) Attach the THEC Financial Projections form. For collaborative or joint programs, individual institutions as well as combined forms must be submitted.

2) Provide evidence of non-state funds (gifts, on-going grants, awards) available to meet start-up costs.

3) Provide a rationale for reallocation of budgeted funds.

a) Cite THEC annual degree productivity data where funds may be redirected from closed low-producing programs (A1:1.2OP) of relevant.

h. Summary

1) Summarize the institution's program development plans and resource commitments.

a) List the institution's active Letters of Intent.

b) List programs that are in Post Approval Monitoring and are failing to meet benchmarks.

c) List low-producing programs at all levels.

d) List all programs terminated within the last 12 months.

e) The projected date for submission of the full proposal and the target date for Board approval.

f) The projected date for implementation of the proposed program.

II. Procedures

A. Letters of Intent

1. Submit ~~one copy of~~ the Letter of Intent electronically with the President's signature to the Vice Chancellor for Academic Affairs, if coming from a university, and to the Vice Chancellor for Community Colleges if coming from a community college. ~~.~~Once a Letter of Intent is received, the proposed action will be reviewed by the TBR and, when appropriate, the THEC staff. In forwarding the Letter of Intent to THEC, the TBR designates approval for the Letter of Intent.

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2. The TBR and/or the THEC may take one of four actions in response to the Letter of Intent based on THEC Policy A1.0. It may elect to award approval, disapproval, conditional approval or defer approval. Conditional approval is awarded only to temporary programs with specified terminations dates.

B. Program Proposals Approved for Development

1. Subsequent to the approval of the Letter of Intent, the President will authorize any amendments to the Letter of intent within the final proposal and notification to SACS, as appropriate. A copy of the original Letter of Intent, the approval from the THEC for the Letter of Intent, and the SACS approval letter should be submitted to the TBR along with the final proposal.

2. The submission of a proposal should be carefully planned in order to assure timely staff review and approval by the Vice Chancellor for Academic Affairs for university proposals

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and the Vice Chancellor for Community Colleges for community college proposals prior to submission for Board approval -- and, as may be required, the THEC review and authorization. In doing so, the following considerations are relevant:

a. The TBR and the THEC considers academic proposals for new degree programs at each of its quarterly meetings.

b. The number of proposals received at any one time may determine whether or not the staff review of a particular proposal is completed in time for submission to the Board at the desired time. Proposals are generally reviewed on a first-come basis. Should the review of a proposal not be completed in time for the next meeting of the Board, it will be carried over with priority to the subsequent meeting.

c. Other than for the establishment of new degree programs, the following schedule may serve as a general guide for all proposed academic actions:

   1) For proposed new degree programs, a timeline should be discussed with the TBR staff.

   2) Proposals will be accepted on a continuous basis unless a THEC moratorium is active.

   3) Proposed new graduate degree programs will require considerably more time than undergraduate degree program proposals. ~~due to the external consultation process required.~~

C. Other Requested Academic Actions

1. Regardless of whether submission of a Letter of Intent is required, the appropriate Vice Chancellor ~~for Academic Affairs~~ should be informed prior to the development of any proposal anticipated to generate new costs or that may duplicate similar programs offered at other institutions serving the same region or population.

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a. Academic action proposals (other than degree programs) received by 15th of each month (except December) will typically be reviewed by the end of the month and summaries prepared for consideration by the Board through the 30-day review process. Approval by the Chancellor, through delegated authority, will be given at the end of the 30-day review period unless objections were voiced by the Board. Letters will be sent to the appropriate institution to authorize implementation of the proposed action. If THEC approval is required, the letter will inform the institution of the approval by TBR and explain that the proposal will be sent to THEC for its review.

b. Requests for name changes should be submitted on the appropriate form and will be approved through delegated authority by the Vice Chancellor for Academic Affairs.

III. Proposal Forms for Academic Actions

A. Electronic forms are available on the TBR Academic Affairs webpage for "Publications and Forms." Since forms may be revised by TBR staff as needed, all proposals should be developed using forms obtained directly from the website to insure that the most current format has been submitted. There is no specific form for a Letter of Intent. The ~~letter of Intent~~Letter of Intent should provide a narrative description of the items above. Specific questions related to the above criteria are listed in THEC Policy A1.0 Attachment B.

B. The President's signature is required on all proposals and indicates that the proposal is supported and has been approved through the institution's curriculum review process or other appropriate committee review. All forms must be submitted electronically to the Vice Chancellor for Academic Affairs for university proposals and the Vice Chancellor for Community Colleges for community college proposals.~~.~~ Instructions are provided along with the forms on the TBR website.

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C. The following actions require the submission of a proposal for Board approval:

1. Establish a new academic degree.
2. Establish a new certificate program. (Note: The community college must consult with the Tennessee College(s) of Applied Technology within the designated service area to ensure there is no duplication of effort. Documentation must be submitted with the proposal to identify any concerns or to demonstrate there are no objections to the proposed program).
3. Establish a new concentration.
4. Consolidate an existing academic program.
5. Converting an existing on-ground program to a fully online delivery format.
6. Substantive curriculum modification.
7. Termination, inactivation, or reactivation of a program.
8. Revision of any admission, retention, and/or graduation policy (general or program specific).
9. Extending an existing academic degree to be fully offered at an off-campus location.
10. Establishment of a new academic unit or reorganization resulting in a net gain of an academic unit (i.e., department, on-campus center, institute, bureau, division, school, or college).
11. Develop on-line course(s) with cost in excess of $9500 or more.

~~11.~~12. Establishing an articulation agreement between institutions.

Sources

TBR Meeting March 5, 1976. Revised December 12, 1980 TBR meeting; November 8, 1982, May 29, 1984, February 10, 1987, and February 14, 1989 Presidents Meeting, Presidents Meeting, February, 2003, Presidents Meeting, May 20, 2003, Presidents Meeting, February 7, 2006; Presidents Meeting, November 8, 2006; Presidents meeting, February 12, 2008, Presidents Meeting November 9, 2010; December 8, 2011.

PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE:	Presidents Meeting (February 4, 2014) Directors Meeting (February 5, 2014)
AGENDA ITEM:	New Guideline – B-015 Cash and Gift Card Payments to Research Participants
ACTION:	Voice Vote
PRESENTER:	Dale Sims

BACKGROUND INFORMATION:

The purpose of this new guideline is to establish the process for low dollar payments to research participants through cash or gift card at the institutions governed by the Tennessee Board of Regents. While this process has been discussed at BASC in the past, a formal guideline will ensure greater knowledge and uniformity of understanding.

Cash and Gift Card Payments to Research Participants: B-015

Policy/Guideline Area

Business and Finance Guidelines

Applicable Divisions

TCATs, community Colleges, Universities

Purpose

The purpose of this guideline is to establish the process for low dollar payments to research participants through cash or gift card at the institutions governed by the Tennessee Board of Regents.

Policy/Guideline

I. General

A. Payments to research participants for participation in studies should be made through the Institution's accounts payable system via check or direct deposit. The payment is considered compensation by the Internal Revenue Service and a name, SSN and home address must be provided for each payment.

B. Some research studies use low dollar payments to compensate participants for time, inconvenience, or as an incentive to increase participation. When such payments are no more than $50 per payment per participant, and individual participant payments aggregate to less than $600 per study, it may be appropriate to make payments utilizing cash or gift cards as long as the following procedures are followed.

II. Prohibition from use of cash or gift cards in research studies

A. No payment from cash or gift cards may be made to an institution employee or non-resident alien.

B. Cash may not be used to purchase gift cards.

III. Procedures for safeguarding and accounting for cash and gift cards in research studies

A. Cash or gift cards for research studies must be assigned to a custodian responsible for safeguarding the cash or gift cards.

B. Cash or gift cards for research studies must be maintained under lock and key by the custodian of the funds.

C. Access to the cash or gift cards for research studies must be controlled by the custodian of the funds.

D. The balance of cash gift cards on hand plus participant receipts must equal the cash and gift cards authorized and obtained. If a shortage of cash or gift cards on hand is determined, the shortage must be reported to the institution's Bursar's Office immediately.

E. Cash or gift cards must be used for research participant payment only and may not be used for departmental or other research expenses.

F. Cash and gift cards for research participants are subject to audit at any time by the institution, State Audit, or funding agency.

G. Cash and gift cards for research participants are required to be closed out at the end of the research study and any excess cash or cards must be returned to the Bursar's Office.

IV. Distribution of cash or gift cards to research participants

A. Cash or gift cards must be hand delivered to research participants. These funds cannot be sent to participants through the mail. If participant payments must be mailed, cash or gift cards cannot be used and the payments need to be in the form or a check or direct deposit processed through the Institution's Accounts Payable department.

B. Payments to research participants, regardless of delivery method (check, direct deposit, cash, or gift card) are considered compensation by the Internal Revenue Service. Research participants must provide name, SSN, and address at the time of the receipt of cash or gift card payments. Personally identifiable information should be gathered in a manner which prevents disclosure of personal information to other research participants. Signatures must be obtained from research participants indicating receipt of the cash or gift card payment.

C. Payments to individual research participants are limited to $50 per payment and aggregate to less than $600 per participant for the study.

D. Payments aggregate to $600 or more per participant are required to be reported as income to the Internal Revenue Service.

PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE:	Presidents Meeting (February 4, 2014) Directors Meeting (February 5, 2014)
AGENDA ITEM:	Recommended Revisions to Policy 4:01:00:00 – Budget Control
ACTION:	Voice Vote
PRESENTER:	Dale Sims

BACKGROUND INFORMATION:

The following revisions are recommended for Policy 4:01:00:00

Section II.A.3.

- This change clarifies that once institutions transfer funds into plant fund projects are not prohibited from reallocating these funds or transferring them to other funds. This change is necessary to prevent potential auditor misunderstandings.

Section II.B.2.a

- Revision sets a threshold of 1% of total expenditures before budget revisions between functional areas require the Chancellor's approval.

Section III.A.1.c

- Remove phrase "from unrestricted current funds" since the transfers to unexpended plant funds can originate from other funds.

Section III.A.2.b

- Revision changes the required minimum extraordinary maintenance balance from $150,000 for universities and $100,000 for community colleges to 0.1% of plant funds. The prior thresholds did not consider the size of the institution and, in some cases, were too small to provide a meaningful hedge against extraordinary maintenance needs.

Section III.B.2.

- Add clarifying language that all institutions with the responsibility for replacing auxiliary equipment must transfer at least 5% of auxiliary gross margin to the renewal and replacement fund. This is consistent with past instructions provided to institutions.
- Delete obsolete final sentence requiring guidelines from the Chancellor on additions to the renewal and replacement fund.

Section III. C.3.

- Delete requirement that all transfers from debt service accounts must be approved by the Chancellor.

Budget Control : 4:01:00:00

Printed on January 13,2014,9:05am

Policy/Guideline Area

Business and Finance Policies

Applicable Divisions

TCATs,Community Colleges,Universities,System Office

Purpose

It is widely recognized that budget control is essential for effective financial management of any organization. In view of this, it is the purpose of this policy to provide clear and specific responsibility for proper budget management and control among the institutions governed by the

Tennessee Board of Regents. It is the control mechanism aspect of budgeting that is the focus of this policy.

Definitions

- Budgeting - the process whereby the plans of an institution are translated into an itemized, authorized, and systematic plan of operation, expressed in dollars, for a given period. Budgets are the blueprints for the orderly execution of program plans; they serve as control mechanisms to match anticipated and actual revenues and expenditures.

Policy/Guideline

I. Submission of Budgets

A. It is recognized that a budget is a plan and that circumstances may necessitate revisions or changes to the original plan from time to time. In view of this, institutions are to submit detailed budgets to the Tennessee Board of Regents for approval three times for each fiscal year. The three submissions are described briefly as follows:

1. Proposed Budget - This is the original budget prepared in the spring that is for the fiscal year to begin July 1. It Is normally submitted to the Tennessee Board of Regents for

2. Revised Budget- This budget is a revision of the proposed budget and is normally referred to as the "October Revised Budget". It is prepared as of October 31after actual fall enrollments and other estimated costs and closing balances are known and is normally submitted to the Tennessee Board of Regents for approval at the December Board meeting.

3. Spring Estimated Budget- This budget is the final budget submitted for the current year operations. It is submitted in the spring at the same time as the Proposed Budget for the coming year. This is the final approved budget for the institutions and therefore contains the control totals against which final year-end amounts are compared.

B. It should be noted that the approval of a budget does not waive statutory, policy, or other restrictions for expending funds.

II. Operating Budgets

A. Level of Budget Control

1. Institutional budget control amounts are approved for the major educational and general functional classifications of Instruction, Research, Public Service, Academic Support, Student Services, Institutional Support, Operation and Maintenance of Plant, and Scholarships and Fellowships where applicable.

2. Auxiliary Enterprises are controlled on a profit or break-even basis.

3. Additionally, control amounts are approved for educational and general transfers, both mandatory and non-mandatory. Funds transferred to other funds whether mandatory or non-mandatory are restricted in the other funds for the designated purpose. This restriction, however, does not prevent subsequent reallocations or transfers to other funds.

4. All discretionary allocations of the fund balance must be approved. Once approved the institution may not exceed those functional control limits established by the Board without prior approval of the Chancellor.

B. Budget Revisions

1. Revisions within Functional Area

a. Institutions may make budget revisions within a given functional area at the campus level.

b. The revisions should be properly documented and approved by the president or director, or his or her designee.

2. Revisions between Functions

a. Budget revisions from one functional area to another that exceed 1% of total expenditures must receive prior approval of the Chancellor if proposed at other than the three regular budget submission times.

b. The request for revision should be submitted by the president in writing with a detailed explanation.

c. The college of applied technology director must receive the approval of the president of the lead institution prior to submission to the Chancellor.

3. Revision of Overall Expenditure Total

a. Budget revisions to one or more educational and general functional areas that increase the overall educational and general budget must receive prior approval of the Chancellor if proposed at other than the three regular submission times.

b. The request for revision should be submitted in accordance with item 2 above and should include the source of funding for the proposed revision.

III. Plant Fund Budgets

A. Unexpended Funds

1. General

a. The purpose of the Unexpended Plant Fund is to account for the unexpended resources derived from various sources to finance the acquisition of long-term plant assets and the associated liabilities.

b. These funds will be used for capital projects such as major additions and/or renovations to physical facilities.

c. Institutions may request approval for transfer of funds to the Unexpended Plant Fund ~~from unrestricted current funds~~ during the regular budgetary process or special request to the Chancellor.

d. All funds added or transferred into the Unexpended Plant Fund will be controlled by specific project.

e. Commitments or expenditures for any capital project shall be in conformance with all applicable state laws and requirements of the State Building Commission.

f. All project budget revisions and the utilization of reallocated project balances shall be approved by the Chancellor or designee.

2. Extraordinary Maintenance

a. Within the Unexpended Plant Fund, each institution shall establish an account for extraordinary maintenance to be used for unusual or unanticipated maintenance needs.

b. The annual budget shall include a minimum ~~transfer~~ balance of .1% of plant funds for extraordinary maintenance. ~~as specified in the annual budget instructions of the Chancellor.~~

c. All projects in the extraordinary maintenance account shall be approved by the Chancellor or designee.

B. Renewals and Replacements

1. The resources set aside for renewals and replacements, as distinguished from additions and improvements to plant, are accounted for in this fund group.

2. Institutions which have the responsibility to replace auxiliary equipment must transfer at least 5% of auxiliary gross margin to the renewal and replacement fund. ~~Guidelines for additions to this fund will be communicated through the annual budget instructions of the Chancellor.~~

C. Retirement of Indebtedness

1. The purpose of this fund is to account for the accumulation of resources for interest and principal payments and other debt service charges relating to plant fund indebtedness.

2. Additions to this fund are to be set up in separate debt service accounts.

~~3. All transfers from debt service accounts must be approved by the Chancellor.~~

IV. Guideline and Position Controls

A. Aside from functional budget control, institutions are required to comply with certain other controls.

1. A schedule of these controls will be distributed with the budget guidelines each year.

B. Position control is a part of the personnel budget process.

1. The number of authorized permanent positions at each institution is controlled within unrestricted education and general accounts and auxiliaries.

2. Controls exist on the total number of positions at the institution and on the classification of those positions (administrative, faculty/academic, professional, and clerical/support).

3. Positions are reported to the Board office each year in the proposed and revised budgeting processes, and at additional times as requested by the Board office during the legislative session.
4. Authorized permanent positions for each institution are approved at the June and December Board meetings.
5. Changes may be requested by special request to the Chancellor in the interim between budget periods.

V. Legislative Controls

A. Each budget year will normally have unique guidelines and requirements depending on legislative or executive branch requirements.

1. A schedule of these requirements will be prepared each budget cycle.
2. It is the responsibility of the institution to insure that all budget guidelines for a given fiscal year are incorporated into the budget and are carried out operationally.

VI. Bud et Control

A. Each institution shall develop appropriate controls and procedures and insure that established control limits are not exceeded.

B. Summary management reports should be prepared for top level administrators to evaluate the current financial status of the institution.

VII. Follow-up by Board Staff

A. At the end of each fiscal year, the Board staff will review the annual financial report of each institution.

B. Actual year-end amounts will be compared to the Spring Estimated Budget or the Spring Estimated Budget as officially revised, which is the final approved budget for the year.

C. Functional expenditure totals will be analyzed for adherence to the approved control levels.

D. The financial information will also be examined for compliance with all budget guidelines and/or Board policies in effect for the fiscal year just completed.

E. The Chancellor shall report any institutional deficiencies or non-compliance with budget controls and guidelines to the Board.

Sources

TBR Meetings: September 30,1983; December 8,2006

Contact

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PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE:	Presidents Meeting (February 4, 2014) Directors Meeting (February 5, 2014)
AGENDA ITEM:	Recommended Revisions to Policy 4:01:00:10 – Community College Resource Allocation Plan
ACTION:	Voice Vote
PRESENTER:	Dale Sims

BACKGROUND INFORMATION:

The following revisions are recommended for Policy 4:01:00:10

- Delete the Collaboration definition at the beginning of the policy. This deletion is necessary due to the sunset provision included in the Allocation for Collaboration section. The sunset date was June 30, 2013.

Section I.C.1.a.1-5

- Delete this entire section Allocation for Collaboration due to sunset date of June 30, 2013.

Community College Resource Allocation Plan :4:01:00:10

Printed on January 13, 2014, 9:08am

Policy/Guideline Area

Business and Finance Policies

Applicable Divisions

Community Colleges

Purpose

The purpose of this policy is to establish a plan for allocation of resources among community colleges as required by T.C.A. §49-7-202 (c) (4) (D)):

For fiscal years ending on and after June 30, 2013, the commission shall have no authority for recommending individual community colleges operating budgets or in approving or disapproving the transfer of any funds between community colleges as may be determined necessary by the board of regents.

The intent of this policy is to:

Reinforce the performance incentives present in the higher education funding formula adopted by the Tennessee Higher Education Commission; and

Support development of a unified system of community colleges as dictated by the Complete College Tennessee Act of 2010, including providing financial incentives for cooperative action among institutions.

This policy provides for the pooling of community college resources to be used for system level investments, provision of funding for certain new program start-up expenses, expenses shared among all community colleges, to reward collaboration, and to allocate remaining resources among all community colleges.

Definitions

- ~~Collaboration- For purposes of allocation of funds, collaboration can be viewed as two or more institutions voluntarily bringing their knowledge and experience together by interacting toward a common goal in the best interest of students for the betterment of their education success. The Board acknowledges that defining measures for collaboration is challenging, that defining an excessive number of measures may limit the incentive to collaborate in meaningful ways, and defining too few measures may focus institution's efforts on unproductive collaboration.~~

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Policy/Guideline

I. Community College System Investment Account ("Account")

A. Account Established.

1. There is established at the Board Office a Community College System Investment Account for the benefit of the Tennessee Community College System.
2. For each fiscal year, the target funding level of the Account will be an amount equal to point five percent (0.5%) of the Community College System recurring state appropriation.
3. To achieve the target funding level, the difference between the estimated funding level at fiscal year-end and the target funding level will be calculated. Should a deficit exist, an amount equal to 1/12th of the deficit amount will be withheld from the monthly Community College System state appropriation and deposited to the Account.
4. The Chancellor is authorized to allocate funds within the Account among the categories of uses provided below.

B. Uses of Account

1. System Level Investments. It is the Board's intent that funds be available to initiate or maintain activities that promote the interest and wellbeing of the community college system and its students. Examples of system level investments may include, but are not limited to, activities designed to communicate the benefit to students of considering attending community colleges, funding to support block scheduling and fast track activities. The Vice Chancellor for Community Colleges, in consultation with the Presidents, shall recommend the allocation of funds for specific system level

investments, subject to approval by the Chancellor.

2. Program Start-Up Funding. It is the Board's intent that funds be available to offset the cost to an individual college of development of a new program offering that is portable to other colleges and meets the needs of students at multiple colleges or the system as a whole. Guidelines shall be established that specify the process and criteria used in determining which program start-up proposals should be funded through this mechanism.

3. Community College System Shared Expenses. Eligible expenses include, but not be limited to, salaries, benefits and operational expenses that directly support the operations of the Office of Community Colleges, common licensing of software, and other expenses borne individually by colleges. The Vice Chancellor for Community Colleges, in consultation with the Presidents, shall recommend the allocation of funds for system level shared expenses, subject to approval by the Chancellor.

4. Reporting. On an annual basis the Chancellor shall file a written report with the Board Committee on Academic Policies and Programs and Student Life summarizing the activities funded through the Investment Account.

C. Allocation of Funds to Community Colleges

1. After funding of the Account, remaining state appropriations are to be distributed to individual community colleges in the following order:

~~a. Allocation for Collaboration~~

~~(1) It is the Board's intent that colleges have a financial incentive to collaborate in ways that promote increased educational outcomes by engaging in activities such as sharing effective instructional practices, facilities, instructional and other resources in ways that promote student success and efficient, cost effective operations.~~

~~(2) As part of the annual July Budget approval process, an amount determined by the Board of the remaining Community College System recurring state appropriation shall be set aside to recognize and reward collaboration among community colleges. This item shall be effective for fiscal years beginning July 1,~~

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~~2014.~~

~~(3) Guidelines shall be developed governing the measures used to evidence collaboration and how these metrics are used to distribute funding pursuant to this item; provided, it is the Board intent that collaboration efforts be focused in ways that lead to increased outcomes.~~

~~(4) Reporting. On an annual basis the Chancellor shall file a written report with the Board Committee on Academic Policies and Programs and Student Life summarizing the activities funded through the Collaboration Allocation.~~

~~(5) Sunset - The provisions of this policy section (II.A.) shall expire and have no effect as of June 30, 2013 absent subsequent Board action.~~

~~D.~~ a. Allocation of Remaining Recurring State Appropriation.

1. Board staff, in consultation with THEC staff, shall annually determine the percentage of the total Community College System recurring state appropriation that is attributable to each individual college as calculated within the THEC higher education funding formula.
2. The allocation of recurring state appropriation remaining after distributions to the Investment Account and for Collaboration shall be calculated by multiplying the remaining recurring state appropriation by the percentage determined for each college in II.B.!.

~~E~~ D.. Delegation

1. The Board acknowledges and grants authority for the development of guidelines necessary to implement the provisions of this policy, such guidelines to be consistent with and in furtherance of the provisions of this policy.

~~F~~ E.. Exceptions

1. Exceptions to this policy may be recommended by the Vice Chancellor for the Community Colleges for interim approval by the Chancellor.

Sources

TBR Board Meeting June 28,2012.

Contact

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PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE:	Presidents Meeting (February 4, 2014) Directors Meeting (February 5, 2014)
AGENDA ITEM:	Recommended Revisions to Policy 4:01:01:10 – Deposit and Investment of Funds
ACTION:	Voice Vote
PRESENTER:	Dale Sims

BACKGROUND INFORMATION:

The following revisions are recommended for Policy 4:01:01:10

Section I.B.

- Add language updating policy to allow electronic signatures of the president and chief business officer. Without this update, wire transfer approvals conflict with the policy.
- Delete obsolete phrase "or ten thousand dollars, whichever is greater" since 1% of all institutions' state appropriation amounts now exceed $10,000.

Section III.D.

- Clarify that depository contract agreement terms cannot exceed 5 years.

Section V.G.

- Change “telephone bids” to “competitive bids” since competitive bids can be obtained in ways other than telephone calls.

Section V.L.1.

- To ensure compliance with TCA, change the limit of allowable investments in banker’s acceptances from shall not exceed 20% of total investments on the date of acquisition to shall not exceed 5% of total investments on the date of acquisition.

Section VI.C.

- Change “restricted chart of accounts” to “separate chart of accounts” since “restricted” has another meaning in governmental accounting terms.

Deposit & Investment of Funds: 4:01:01:10

Printed on January 13, 2014, 9:15am

Policy/Guideline Area

Business and Finance Policies

Applicable Divisions

TCATs, Community Colleges, Universities, System Office

Purpose

The following policy on the deposit and investment of funds is adopted by the Board of Regents for the institutions under its jurisdiction, and shall apply to all funds, regardless of source, which are received by any institution.

All depositories which provide deposit or investment services shall agree to comply with the terms of this policy, and with the requirements of Chapter 4 of Title 9 of Tennessee Code Annotated as amended, and the latter provisions shallontroln the event of conflict. Words and phrases used in this policy shall have the same definition and meaning as in Chapter4 of Title 9 Tennessee Code Annotated.

Definitions

- Collateral Security- means securities which may be accepted as collateral for deposits.
- Compensatingbalances- means the amount of funds allowed to remain in an account.
- Default- may include but is not limited to:
  - The failure of any qualified public depository to return any public deposit, including earned interest in accordance with the terms of the deposit contract.
  - The failure of any qualified public depository to pay any properly payable check, draft or warrant drawn by the public depositor.
  - The failure of any qualified public depository to honor any valid request for electronic transfer of funds.

- The failure of any qualified public depository to account for any check, draft, warrant, order, deposit certificate or money entrusted to it.
- The issuance of any order of any court or the taking of any formal action by any supervisory authority, which has the effect of restraining a qualified public depository from making payments of deposit liabilities.
- The appointment of a conservator or receiver for a qualified public depository; or
- Any other action which the treasurer determines to place public deposits in jeopardy.
- Failure to provide the required collateral.

• Deposit Insuranee - means the insuranee provided by the Federal Deposit lnsuranee Corporation.

• Eligible Collateral- shall have the meaning set forth in T.C.A.§ 9-4-103.For savings institutions securing local government deposits, eligible collateral shall also include securities described in T.C.A.§ 9-1-107(a)(2) under such additional conditions as the treasurer deems appropriate.

• Loss- includes but is not limited to:
  - The principal amount of the public deposit;
  - All accrued interest through the date of default;
  - Additional interest at the rate the public deposit was earning on the total of the principal amount of the public deposit and all accrued interest through the date of default, through the day of payment by a liquidator or other third party or through the date of sale of eligible collateral by the treasurer or his agent; and
  - Attorney's fees incurred in recovering public deposits.

• Market Value- means current market price.

• Depository- means any bank, savings and loan association or savings bank (collectively referred to as savings institutions) located in the state of Tennessee which is under the supervision of the Department of Financial Institutions, the United States Comptroller of the Currency, or the Office of Thrift Supervision, and which has been appropriately designated to hold public deposits by a public depositor.

• Required Collateral- means eligible collateral, excluding accrued interest, having a market value equal to or in excess of the greater of the average daily balance or average monthly balance of public deposits multiplied by the qualified public depository's collateral-pledging level as required by the Tennessee Board of Regents. (T.C.A. § 9-4-502)

- Trust Receipts- means a receipt issued by the trustee custodians in lieu of the actual deposit of eligible collateral, it is subject in all respects to the claims and rights of the institution to the same extent as though such collateral had been physically deposited with the institution.

- Trustee Custodian- means a financial institution designated to hold eligible collateral on behalf of the Tennessee Board of Regents or its institutions and a qualified public depository pursuant to T.C.A. § 9-4-108.

Policy/Guideline

I. Depository Accounts

A. Each institution shall maintain one general operating account and one payroll account at an authorized depository for the regular operating and payroll functions of the institution. No additional checking accounts may be opened or maintained by any institution unless approved by the Chancellor or his or her designee.

B. All checks, drafts, or other methods of withdrawing funds from an account must be co-signed by the president and the chief business officer of the institution; provided that facsimile signatures may be used on checks, drafts, or other methods of withdrawals; and provided that any authorization or request for withdrawal form shall bear the original or electronic signature of the president or the chief business officer or designee approved by the president in all cases where expenditures exceed one percent (1%) of the state appropriation to the institution ~~for the year or ten thousand dollars ($10,000.00), whichever is greater.~~

C. The President of each institution is authorized to establish one or more checking accounts for the deposit and disbursement of petty cash funds within the business office. Additional petty cash accounts may be authorized by the presidents for departments external to the business office provided that no account shall exceed one thousand dollars ($1,000.00). 1f the custodian of the fund has accepted responsibility for the funds in writing, and has agreed to repay any shortages or expended funds not properly accounted for from the account, then the custodian may be designated as the signatory authority for the account, and the custodian or the chief business officer of the institution shall be authorized to withdraw funds from the account.

D. Institutions will retain written documentation of employees' authority to perform routine activities related to the depository accounts.

E. No accounts shall be authorized or established which are complimentary non-interest bearing accounts. When using compensatory balances, the amount of funds allowed to remain in any checking account should be reasonably related to the number of transactions to be processed through the account during any month, and other servicing costs, if any.

II. Collateral

A. All depositories must provide collateral security for deposits and accrued interest in all accounts, including checking, savings, and certificates of deposit. Securities which may be accepted as collateral for deposits shall be limited to those specified in T.C.A. § 9-4-103. All items listed in Section V.J of this policy and items noted in Section V.K are eligible as collateral.

B. The required collateral accepted as security for deposits at financial institutions that do not participate in the collateral pool shall be collateral whose market value is equal to one hundred five percent (105%) of the value of the deposit and secured thereby; less so much of such amount as is protected by the Federal Deposit lnsuranee Corporation or the Federal Savings and Loan Insurance Corporation. The required collateral accepted as security for deposits at financial institutions participating in the collateral pool will be set by the Department of Treasury.

C. At the time of designation as an institution's depository or at any time thereafter, additional collateral with a market value of one hundred thousand dollars ($100,000) shall be required where the capital to asset ratio of a savings and loan association, savings bank, or bank is less than five percent (5%). This additional collateral shall be in addition to the collateral required by other provisions of this policy.

D. The market value of required collateral shall be evaluated by the institution monthly and more frequently if required by unusual market conditions. Any depository not providing collateral with a market value as specified in II.B above must provide additional, adequate collateral within two working days of a request by the institution. Failure to provide the additional collateral may be considered an act of default.

E. In the case of a checking account, the market value of the collateral accepted as security for deposits shall be the amount specified in Section II.B based on the highest daily depository book balance in the account for the preceding month excluding large deposits covered below. The amount of the depository balance must be determined on or before the fifth day of the month in question. Large deposits, such as registration receipts, which may result in insufficient collateral, either should be invested immediately or additional collateral should be in place. (If the investment is in a certificate of deposit, the certificate must be collateralized.) Alternatively, depositories may be allowed to post collateral daily to cover the current depository book balance.

F. Any loss to the institution due to a depository's default shall be satisfied out of collateral pledged by the depository to whatever extent possible. The collateral security shall be liable for any loss, including and not limited to the principal amount of the deposit, for accrued interest through the date of default, for additional interest through the date of recovery on the principal and accrued interest at the rate the deposit was earning, and for attorney's fees incurred in recovering deposits and other losses.

G. An institution must either be provided the actual securities pledged as collateral for deposits, or trust receipts from trustee custodians for the collateral in lieu of the actual delivery of the securities. A trustee custodian is one which meets the requirements of T.C.A. § 9-4-108. When any trustee custodian holds collateral for an institution's depository which is related to the custodian through shared ownership or control, such collateral shall be held in a restricted account at a Reserve Federal Bank or branch thereof or at a Federal Home Loan or branch thereof.

H. In lieu of the actual deposit of eligible collateral, the institution is authorized at its option to accept trust receipts therefore.

1. Trust receipts shall be issued by trustee custodians in a form acceptable to the institution following the deposit of eligible collateral with the trustee custodian by an institution's depository.
2. Eligible collateral deposited with a trustee custodian shall be subject in all respects to the claims and rights of the institution to the same extent as though such collateral had been physically deposited with the institution.

3. Each trust receipt shall be nonnegotiable and irrevocable and shall continue in full force and effect until surrendered by the issuing trustee custodian with the release of the institution endorsed thereon.
4. The institution may present the trust receipt at any time to the issuing trustee custodian and upon delivery thereof shall be entitled to receive any and all collateral represented thereby from the trustee custodian, and such collateral shall thereafter be held by the institution as if deposited with the institution by the depository as collateral, without further liability on the party of the trustee custodian.
5. Following delivery of the collateral to the institution, the institution is permitted to register such collateral in the name of the institution and to hold it on behalf of the depository.

I. Institutions with depositories participating in the collateral pool administered by the Department of Treasury will not be responsible for monitoring the collateral securities pledged. As provided in T.C.A. § 9-4-501 through 9-4-523, the Department of Treasury will monitor the collateral securities pledged.

III. <u>Depository Institutions</u>

A. Subject to the other requirements of this policy, accounts may be authorized and established at depositories which are either under the supervision of the Department of Financial Institutions, the United States Comptroller of the Currency or the Federal Home Loan Bank Board.

B. Before a depository may be used by an institution for the deposit of funds in a checking account, it must provide documentation verifying the following:

1. That the depository is supervised by the Department of Financial Institutions of the State Of Tennessee, the United States Comptroller of the Currency, or the Federal Home Loan Bank Board;
2. The capital to asset ratio of the depository as of the current date and the date of the last audited financial statements of the depository;
3. That the depository can comply with the collateral security requirements for all accounts;
4. The names of the members of the board of directors and officers of the depository;

5. The name of the holding company of the depository, if applicable; and
6. The names of the owners often percent (10%) or more of the stock of the depository.

C. Each institution shall identify the nature and level of services which must be provided by a depository before a checking account is established. Such services should include but are not limited to the minimum services in the standard request for proposals for depository services as set forth in guidelines established pursuant to this policy. Some or all of these services may be required without charge to the institution.

D. Each institution shall solicit proposals from all qualified depositories with offices within a reasonable distance from the campus, and shall determine those depositories which can provide the nature and level of services for accounts as required by the institution on a competitive basis. The agreement with the depository ~~may be renewed annually for up to four succeeding years.~~cannot exceed 5 years.

IV. Depositing Funds

A. Each institutional department will deposit funds each day when $500 in funds has been accumulated. All funds must be adequately secured. In all cases, deposit must be made at least once each work week (Monday- Friday) if there are any funds to be deposited.

B. The $500 is considered in excess of the established change fund amount.

V. Investments

A. All investment decisions shall be in accordance with this policy and must be approved by the chief business officer or his or her designee.

B. All investments in which funds are deposited outside the State of Tennessee must be authorized by the president.

C. A trustee custodian account should be used for handling and holding all investments, other than the Local Government Investment Pool and collateralized certificates of deposit.

D. All investments must be made subject to "delivery versus payment."

E. All funds which are received by an institution and which are available for a sufficient period of time for investment in any interest generating medium should be invested within three (3) days after receipt of such funds.

F. At a minimum, each institution shall determine rates of return on all feasible authorized mediums of investment prior to making an investment; and funds shall be invested in those mediums expected to pay the highest rate for the period of time for which the funds are available for investment.

G. All investments of funds in certificates of deposits where the period of investment will exceed thirty (30) days shall be determined on the basis of ~~telephone~~ competitive bids, with appropriate records maintained for audit purposes, including the person obtaining the bids, the institutions which submitted the bids, the amount and rate of return of each bid, and the person who approved the investment. Where more than one bid provides the highest rate of return available, investments should be made in such a manner that no one institution making one of the high bids receives a disproportionate amount of the investments on the basis of two or more equal bids over a reasonable period of time. Records shall also be maintained on the basis for selecting LGIP and other investments as an investment medium.

H. An investment plan should be developed that specifies liquidity requirements for providing cash needed by an institution.

I. Investments of endowments in equity securities shall be limited to funds from private gifts or other sources external to the institution. Endowment investments shall be prudently diversified.

J. Funds of the institution may be invested in a savings account or certificate of deposit of any depository provided the requirements of this policy including Sections III.A and III.B, and the collateral security requirements of Section II. are met. Other authorized investments, subject to the limitations of Section V.L, are set forth in T.C.A. § 9-4-602.

K. All investments via repurchase agreements must include the following:

1. There must be a written agreement in accordance with the standard agreement set forth in guidelines established pursuant to this policy.
2. The agreement must state explicitly that the exchange of assets represents a simultaneous purchase and resale transaction "and is not intended to be collateralized loan."
3. The purchased securities must be transferred to the Trustee Custodian Account.
4. The purchased securities must, at the time of purchase, have a current market value of at least 100% of the amount of the repurchase agreement.

L. The following terms and conditions shall apply to investments:

1. Prime banker's acceptances must be issued by domestic banks with a minimum AA rating or foreign banks with a AAA long term debt rating by a majority of the rating services that have rated the issuer. The short term debt rating services that rate the issuer (minimum of two ratings must be available). Banker's acceptances shall not exceed ~~twenty~~ five percent of total investments on the date of acquisition. The amount invested in any one bank shall not exceed five percent of total investments on the date of acquisition.
2. Prime banker's acceptances are required to be eligible for purchase by the Federal Reserve System. To be eligible the original maturity must not be more than 270 days, and it must
   a. arise out of the current shipment of goods between countries or within the United States, or
   b. arise out of storage within the United States of goods under contract of sale or expected to move into the channel of trade within a reasonable time and that are secured throughout their life by a warehouse receipt or similar document conveying title

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3. The combined amount of banker's acceptances and commercial paper shall not exceed thirty-five percent of total investments at the date of acquisition.
4. Prime commercial paper shall not have a maturity that exceeds 270 days. Acquisitions shall be monitored to assure that no more than five percent of total investments at the date of acquisition are invested in commercial paper of a single issuing corporation. The total holdings of an issuer's paper should not represent more than two percent of the issuing corporation's total outstanding commercial paper. Purchases of commercial paper shall not exceed thirty-five percent of total investments at the date of acquisition. Prime commercial paper shall be limited to that of corporations that meet the following criteria:
   a. Senior long term debt, if any, should have a minimum rating of A1 or equivalent, and short term debt should have a minimum rating of A1 or equivalent, as provided by a majority of the rating services that rate the issuer. If there is no long term debt rating, the short-term debt rating must be A1 by all rating services (minimum of two).
   b. The rating should be based on the merits of the issuer or guarantee by a nonbank.
   c. A financial review should be made to ascertain the issuer's financial strength to cover the debt.
   d. Commercial paper of a banking institution should not be purchased.
5. The amount invested in money market mutual funds shall not exceed ten percent of total investments on the date of investment.

VI. Lead Institutions and Colleges of Applied Technology

A. Each college of applied technology is authorized to establish a checking account. The type of account will be based upon the needs of each college of applied technology. A request for the establishment of such an account must be submitted jointly by each college of applied technology director and lead institution president, and be approved by the Chancellor. Each account will be subject to a $5,000 maximum for anyone transaction.

Activity in this account shall be limited to operating transactions, and shall not include travel reimbursement. All transactions must be based on the concept of competitive bidding where possible with appropriate documentation maintained for review. All checks must be co-signed by any two of three authorized employees (director, assistant director, and a third employee) designated in the request for establishing the account. The documentation for the transactions must be reviewed at least quarterly by a person(s) designated by the president of the lead institution.

1. The request to establish such an account should, at a minimum, include a description of the type of account, the procedures that will be followed in administering the account, those persons authorized to sign the checks, the bank where the account will be established, and the person(s) at the lead institutions who will be assigned the responsibility for the quarterly review.

B. The director of the college of applied technology or his or her designee is authorized to establish a depository account for the deposit of miscellaneous revenues received by the college of applied technology. These funds shall be transmitted at least monthly to the lead institution for deposit and investment ~~in~~ on behalf of the college of applied technology.

C. The lead institution shall maintain ~~restricted~~ a separate chart of accounts on behalf of each of the colleges of applied technology under its jurisdiction pursuant to the provisions of this policy and shall ensure that all interest income generated by the colleges of applied technology is appropriately credited to the individual college of applied technology accounts.

D. The lead institution shall maintain appropriate fiscal records to ensure the existence of an audit trail for each college of applied technology under its jurisdiction.

VII. General

A. The Chancellor or his or her designee may approve exceptions to the requirements of this policy in appropriate cases.

Sources

TBR Meetings: September 29, 1978; September 30, 1983; December 13, 1985; September 18, 1987; September 16, 1988; June 30, 1989; September 21, 1990; June 28, 1991; September 23, 1994; June 21, 1996; October 2, 1998; June 23, 2000; September 26, 2003; December 8, 2006.

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PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE: Presidents Meeting (February 4, 2014)
Directors Meeting (February 5, 2014)

AGENDA ITEM: Recommended Revisions to Guideline B-020
Classification and Operation of Auxiliary Enterprises

ACTION: Voice Vote

PRESENTER: Dale Sims

BACKGROUND INFORMATION:

The following revisions are being recommended to Guideline B-020:

Section II.C.3.e.

- Add clarifying language that all institutions with the responsibility for replacing auxiliary equipment must transfer at least 5% of auxiliary gross margin to the renewal and replacement fund. This is consistent with past instructions provided to institutions.

Section II.C.4.c.

- The second sentence was grammatically difficult and has been reworded for clarity.

Section II.C.4.d.

- This section was deleted since Board staff no longer provides the methodology of allocation for indirect institutional support.

Classification and Operation of Auxiliary Enterprises: B-020

Printed on January 13, 2014, 9:17am

Policy/Guideline Area

Business and Finance Guidelines

Applicable Divisions

TCATs, Community Colleges, Universities

Purpose

The primary mission of institutions in the Tennessee Board of Regents System is the creation and dissemination of knowledge. To carry out this mission, it is often desirable for the institution and its affiliated units to charge fees for providing goods and services that enhance, promote, or support its instructional, research, public service, and all other educational and support functions in order to meet the needs of the students, faculty, staff and members of the public participating in institutional events.

Educational business activities shall be established and carried on only when pursuant to, and in accordance with, an authorization and statement of purpose approved by the institution's president/director or designee.

The purpose of Section II. is to provide uniformity in the classification and operation of auxiliary enterprises at the institutions in the Tennessee Board of Regents System. Also provided are examples to supplement the various System policies, procedures, and reports concerning the operation of auxiliary enterprises. Reference is made to reporting forms which shall be provided by the Board staff.

Definitions

- Definitions of Educational Business Activity and Auxiliary Enterprises are given as part of the guideline.

Policy/Guideline

I. Educational Business Activity

A. Definition of Educational Business Activity- Each educational business activity shall meet the following three conditions:

1. The activity is deemed to be an integral part in the fulfillment of the institution's educational, research, public service, and campus support functions, and other educational and support activities, without regard to profit.

2. The activity is needed to provide an integral good or service at a reasonable price, on reasonable terms, and at a convenient location and time.

3. The activity is carried out for the primary benefit of the campus community but with sensitivity to the total community.

B. Concept of Unrelated Activities

1. All institutions should comply with applicable laws and regulations pertaining to such activities, and educational business activities not falling within the conditions established above may be unrelated business income activities and subject to unrelated business income tax.

II. <u>Auxiliary Enterprise Operation</u>

A. Role and Scope of Auxiliary Enterprise Operation

1. Definition of Auxiliary Enterprises:

a. An auxiliary enterprise furnishes a service to students, faculty, or staff, and charges a fee directly related to, but not necessarily equal to, the cost of the service.

b. The public may be served incidentally in some auxiliary enterprises.

c. They are essential elements in support of the education program, and conceptually should be regarded as self-supporting. Little or none of the revenue comes from educational and general sources, but in the case of housing and food services, there may be a limited amount of sales to the institution.

d. Other examples of auxiliary enterprises are college union, college stores, rental facilities, institutionally operated vending services, recreational areas, faculty clubs, laundries, certain parking facilities.

e. This definition has been approved by the Tennessee Higher Education Commission, the State Comptroller, and the State Department of Finance and Administration in the publication Financial Reporting for Tennessee Public Colleges and Universities, with the following exceptions:

(1) Revenue and expenses of student centers (college unions), but not the auxiliaries housed therein, are to be classified under the category of student services.

2. Pursuant to the foregoing, the following activities should be classified as auxiliary enterprises:

a. Housing, including dormitories, apartments, and all other housing.

b. Food Services.

c. College Stores, including bookstores, hobby shops, mini-markets, etc.

d. Vending Services, including food vending and other non-food vending.

e. Post Offices, limited to the cost of revenue-related services, and excluding campus distribution.

f. Parking facilities, if subject to an indebtedness which is being liquidated through revenues or if otherwise operated in a manner within the definition of auxiliary enterprises.

g. Laundries, beauty shops, barber shops, etc.

h. Any other activity which meets the approved definition.

i. Student recreation centers subject to indebtedness.

3. Users of Auxiliary Enterprises

a. Auxiliary enterprises exist for the purposes of providing services to students, faculty, and/or staff, and any service to the public should only be incidental in nature.

(1) For example, student housing facilities are operated for the benefit of students, and occupancy should be limited to students and student housing personnel, provided that, on a space available basis, such housing may be provided to faculty or staff.

(2) In the case of food services, bookstores,etc.,while non-students who are guests or who otherwise have business on the campus may be served, the institution or school should not actively seek non-campus trade.

4. Concept of Auxiliary Enterprises as Self-Supporting

a. The goal for all auxiliary enterprises, both individually and cumulatively, is for revenues to at least equal expenditures and transfers.

(1) It is recognized that some auxiliary enterprises may have difficulty in providing necessary services at reasonable prices on a breakeven basis, but justification for each such enterprise must be provided to the Board through the annual operating budgets analyses.

b. All rate structures should be recommended and set on the basis of projected expenditures and transfers.

B. Purchasing of Goods and Services for Auxiliary Enterprises

1. General

a. Purchases for auxiliary enterprises generally fall into two major categories: (1) Purchases for resale; and

(2) Purchases for consumption or use in the operation of the auxiliary enterprise. (a) Examples of purchases for consumption or use by the auxiliary enterprises are furnishings for dormitory rooms, general supplies, office supplies, etc.

(b) Purchases for resale include items which are to be resold, including textbooks and other course related materials and supplies, and other miscellaneous items which are needed on a regular basis by the users of the enterprises.

b. Purchases for auxiliaries are subject to the provisions of the Board purchasing policy

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C. Classification of Revenues and Expenditures for Auxiliary Enterprises

1. All Revenues and Expenditures will be classified first under the appropriate specific auxiliary enterprise. Further details relative to appropriate classifications are provided below.

2. Classification of Revenues: The source of funds is the primary determinant of revenue classification. Only nominal amounts may be reported as "Other" or "Miscellaneous". With regard to the Federal Work Study Program, an amount equal to the federal share of FWS salary expenditures shall be reported as restricted revenue. Supplemental schedules must clearly identify both restricted and unrestricted revenues. On all applicable statements, restricted auxiliary revenue should be reported under Auxiliary

   Enterprises regardless of the source. Restricted auxiliary revenues should be reflected as auxiliary enterprises revenue rather than grants and in the same amount as the auxiliary enterprises restricted expenditures.

3. Classification of Expenditures: Expenditures should basically be classified by activity, with breakdowns by object classification or grouping of objects. The following specific provisions shall be applicable to classifications of expenditures:

   a. Staff benefits and FWS expenditures should be reported by activity. In Athletics, the "Grant-in-Aid" classification should include scholarships, room and board, books, fees and other costs directly associated with individual student athletes.

   b. Where several activities are managed by one office, the managing office may be listed as a separate activity with object classifications shown. The last line of the operating expenditures shall show the allocation of these costs to the operating activities. The management of a group of activities may also be reported under one of the activities by detail object, with the appropriate allocation shown as the last item under operating expenditures.

c. Operating expenditures for prorated plant costs may be shown as one line, or they may be shown in further breakdowns under the Plant Allocation heading. Extraordinary Maintenance costs may be listed separately under plant operations. However shown, the Maintenance and Operation of Plant Costs must be clearly identifiable.

d. An "Excess (Deficit) of Revenues over Expenditures" sub-total before transfers must be included.

e. Transfers must be classified as Mandatory or Non-Mandatory, and detailed by the fund to which the transfer is made. All institutions which have the responsibility to replace auxiliary equipment are required to make a non-mandatory transfer of at least 5% of auxiliary gross margin to the renewal and replacement fund.

f. All direct costs will be charged to the appropriate activity. Where actual incurred costs apply to more than one activity, the costs will be allocated or prorated to each auxiliary enterprise. Salaries and wages will be utilized as the allocation base, unless otherwise designated. For example, vending and contracted food services must have the appropriate cost of the person(s) or activity which coordinates or manages them allocated as an expenditure. These are direct costs which are not replaced by institutional support allocations.

4. Allocation of Institutional Support to Auxiliaries:

a. Auxiliary enterprises shall be charged directly for the specific and specialized services or benefits they receive, whether the initial charge is in Institutional Support, Student Services, or some other functional area. For example, if an employee is directly responsible for the management of an Educational and General activity and an Auxiliary Enterprise activity, his or her salary and related expenses should be prorated.

b. Institutional Support functions which provide no benefit to Auxiliary Enterprises may not be allocated, such as the chief academic officer, catalogs and bulletins, and graduation expenses.

c. All other institutional support costs shall be allocated on the basis of salaries and wages. "Direct" charges which are ~~allocated~~ charged to auxiliaries should be, for

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~~this allocating purpose~~, broken down by object classification between salaries and wages and all other objects.

d. ~~The methodology for allocation of Indirect Institutional Support shall be determined by the Board staff. Any other basis of allocation must be approved by the Board staff.~~

e. Institutional Support allocation should be a separate line item expenditure on supplemental reports.

5. Plant Costs Allocated to Auxiliaries:

a. Proportionate amounts of all Operation and Maintenance of Plant costs shall be allocated to Auxiliary Enterprises. The allocations shall be made on the basis of the most accurate information and the most reasonable basis in accordance with the following provisions.

b. A direct charge basis shall be used when the institution maintains a work order or other costing system which records this information. The total of all costs incurred by the Maintenance and Operation of Physical Plant must be included in the costing system. Where only a portion of the costs is accounted for by direct job orders, the balance of the costs shall be prorated on the basis of square footage or on the basis of the direct charges which have been identified.

c. In the absence of accurate costing information, the Maintenance and Operation costs shall be allocated on a square footage basis. Where adjustments are made to any of the allocations, for example, dormitories which are not used in the summer, similar adjustments shall be calculated and recorded for Educational and General Facilities which may not have been in full use during all periods of the year. Due to the difficulty of establishing a reasonable basis for allocation, Care of Grounds costs may also be allocated on a square footage basis.

d. It is permissible to allocate some cost elements, such as Custodial Services and Maintenance and Repairs, on a direct charge basis and other costs such as Utilities on a square footage basis. The administrative expense of Maintenance and Operation must be allocated on the same basis that other direct services are allocated. Where a square footage basis is used, the administrative costs must be allocated on the basis of the relative direct charges made to auxiliaries. Any allocation basis other than direct charge

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of square footage must be approved by the Board staff.

6. Replacement of Equipment and Facilities
   a. Any mandatory allocations for accumulating funds for the replacement of equipment and facilities must be made in accordance with the bond indenture or other binding external agreements. In financial reporting, these items shall be listed under Mandatory Transfers as transferred to Funds for Renewal and Replacement.
   b. Non-Mandatory Transfers may be permitted, based upon the excess of revenues over expenditures and other transfers. Where a particular auxiliary or group of auxiliaries, such as dormitories, does not have a sufficient excess of revenues over expenditures and other transfers, Non-Mandatory Transfers to Renewals and Replacements are not permitted.

7. Debt Service
   a. Mandatory Debt Service Requirements must be shown as transfers to Funds for the Retirement of Indebtedness in accordance with external binding agreements such as bond indentures and agreements with the Tennessee State School Bond Authority. Strict adherence to the absolute transfers required by these external agreements must be made. Where agreements require only that the earnings will be available for debt retirement but do not specify where deficiencies in Debt Services Requirements are to be generated by the institution, the Mandatory Transfer may not include any amount in Excess of Revenues Over Expenditures and other Transfers.
   b. Other transfers to Retirement of Indebtedness will be based strictly upon the nature of the transaction. Only where funds to increase Debt Service Requirements are planned by the institution to come from the auxiliary activity may Non-Mandatory Transfers to Debt Service be shown. Where funding for Retirement of Indebtedness is made from debt service fees assessed to all students from general funds or from other sources, the addition to Retirement of Indebtedness funds shall not be shown as an auxiliary transfer.

Sources

May 22, 1979 SBR Presidents meeting. Revised July 1, 1984; February 16, 1988; November 8, 2006.

Related Policies

- Purchasing Policies and Procedures

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PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE:	Presidents Meeting Directors Meeting
AGENDA ITEM:	Recommended Revisions to Guideline B-060 – Fees, Charges, Refunds and Fee Adjustments
ACTION:	Voice Vote
PRESENTER:	Dale Sims

BACKGROUND INFORMATION:

Suggested revisions to Guideline B-060 would update certain fee descriptions. In the campus access fee section, the phrase "and where traffic control is not a significant concern" will be deleted from the description since this fee is now charged on campuses where traffic control is a concern. In the post office box and/or postal service fee section a revision to the language was made stating that this postal fee may be assessed for U.S. Postal Services provided on campus to the student population. A change was necessary since students are now charged the postal fee regardless of whether they receive a PO box on campus.

Fees, Charges, Refunds, and Fee Adjustments : B-060

Policy/Guideline Area

Business and Finance Guidelines

Applicable Divisions

TCATs, Community Colleges, Universities

Purpose

The purpose of the following guideline is to outline significant provisions for consistent administration of fees, charges, and refunds at the institutions governed by the Tennessee Board of Regents. These guidelines largely represent a consolidation of existing statements and practices. They are intended to serve as a reference document for institutional staff responsible for implementing and communicating fee-related matters. The guideline contents include general and specific provisions for: maintenance fees; out-of-state tuition; debt service fees; student activity; miscellaneous and incidental fees; deposits; residence hall fees; and refunds.

These guidelines supersede all previous fee and refund guidelines, and may be revised by action of the Tennessee Board of Regents or the Chancellor. Exceptions to the guidelines may be made by the Chancellor upon written request by the president, or college of applied technology director through the Vice Chancellor for Colleges of Applied Technology.

Policy/Guideline

I. General Provisions

A. Establishment of Fees and Charges

1. The Tennessee Board of Regents must establish or approve all institutional fees and charges unless specific exceptions are provided. The Board has adopted a practice of

approving changes in fees and charges one time per year at the Board meeting when the annual operating budgets are considered. This is usually the regular June meeting of the Board.

2. The institution president or college of applied technology director is responsible for the enforcement and collection of all fees and charges. Fees and charges which specifically do not require Board approval must receive formal approval by the president or designee, in the case of the colleges of applied technology, the Vice Chancellor for Colleges of Applied Technology.

3. Institutions should attempt to follow a general format in publishing information on fees and charges, including but not limited to the following:
   a. All statements which include the fee amount should be complete and specific enough to prevent misunderstanding by readers.

   b. When a fee is quoted, the refund procedures should be clearly stated. If there are qualifying conditions for refunds, those conditions also should be stated. If there is no refund, it should be labeled as non-refundable.

   c. Whenever possible, specific dates related to the payment of fees and the refund procedures should be stated.

   d. It should be made clear that all fees are subject to change at anytime.

B. Approval of Exceptions

1. In accordance with these guidelines, the president of an institution or designee has the authority to determine the applicability of certain fees, fines, charges, and refunds, and to approve exceptions in instances of unusual circumstances or for special groups.

2. The Vice Chancellor for Colleges of Applied Technology shall have this authority for the colleges of applied technology.

3. All such actions should be properly documented for auditing purposes.

C. Appeals Process

1. An appeals process should be established by each institution, and communicated to students, faculty, and staff.
2. The process should provide for final appeal to the president or director, or his or her designee.
3. Separate appeals processes may exist for different types of fees, charges, and refunds.

D. Payment of Student Fees

1. As provided in the Tennessee Board of Regents Policy on Payment of Student Fees and Enrollment of Students (No.4:01:03:00):
   a. An applicant for admission to an institution will be considered and counted as a student when all assessed fees have been paid in cash, when the initial minimum payment due under the deferred payment plan has been paid, or when an acceptable commitment from an agency or organization approved by the institution has been received by the institution.

   b. An applicant shall possess an acceptable commitment when he/she has timely submitted an application(s) for financial aid with the reasonable probability of receiving such.

2. Pursuant to the above condition, institutions with a continuous registration process must require payment of all applicable fees or payment of the initial minimum payment due under the deferred payment plan prior to the regular registration period as defined by each institution.
   a. Students who do not prepay all fees or have an acceptable approved financial aid deferment will forfeit pre-registration privileges and must enroll under the normal registration process.

3. A prepayment plan to assist parents and students with planning and budgeting their academic year expenses is authorized.
   a. Under the plan, students may choose the expenses they wish to prepay including room, board, tuition, and fees.

b. Expenses can be prepaid over a period of eight months.

II. Maintenance Fees

A. Description of Fees

1. The Maintenance Fee is a charge to students enrolled in credit courses. It is an enrollment or registration fee and is calculated based on the number of Student Credit Hours (SCH's) for universities and two-year institutions or student contact hours for colleges of applied technology for which the student enrolls. Fees are established by the Tennessee Board of Regents.

2. The same fee is applicable to courses for which the student is enrolled on an audit basis.

B. Rates

1. Rates are established by the Board and incorporated in a fee schedule that groups specific fees; by type of institution (two-year institutions; APSU, ETSU, MTSU, TSU, TTU; and UOM); and by student level (undergraduate and graduate). The hourly rate will be discounted when undergraduate students enroll in greater than 12 hours and graduate students in greater than 10 hours unless stated otherwise elsewhere in this guideline.

2. Developmental courses are charged at the two-year institution hourly rate. If a student enrolls in both regular and developmental courses, the rates shall be assessed at the hourly rate for each up to the current amount of 12 undergraduate hours. The discounted tuition rate will then apply to any additional courses.

3. For institutions with multiple summer sessions, maintenance fees and tuition may be assessed by using the current part-time rate with no maximum amount for total credit hours enrolled.

4. Maintenance fees may not be waived. However, specific exceptions are provided in the following instances:

   a. Pursuant to T.C.A. § 49-7-113, exceptions exist for certain disabled and elderly students, as well as state service retirees. For audit courses, no fee is required for persons with a permanent, total disability, persons 60 years of age or older and domiciled in Tennessee and persons who have retired from state service with 30 or more years of service, regardless of age. For credit, a fee of $70 per semester or $60 per trimester may be charged to persons with a permanent, total disability, and persons who will become 65 years of age or older during the academic semester in which they begin classes and who are domiciled in Tennessee. (Note: This fee includes all mandatory fees; it does not include course-specific fees such as all miscellaneous course fees, materials fees, application fee, online course fees and parking fees.) This only applies to enrollment on a space available basis, which permits registration no earlier than four (4) weeks prior to the first day of classes.

b. Pursuant to T.C.A. § 49-7-102, certain statutory fee exceptions exist for dependents and spouses of military personnel killed, missing in action, or officially declared a prisoner of war while serving honorably as a member of the armed forces during a period of armed conflict. If these provisions are invoked by a student, the correct applicable law should be determined.

5. Military reserve and national guard personnel who are mobilized to active military service within six months of attendance at a TBR institution and whose mobilization lasts more than six months shall be charged upon reenrollment at such institution the tuition, maintenance fees, student activity fees and required registration or matriculation fees that were in effect when such student was enrolled prior to mobilization. After reenrollment, no increase in tuition, maintenance fees, student activity fees or required registration or matriculation fees shall be assessed to such student until a period of time equal to one year plus the combined length of all military mobilizations has elapsed. In no event, however, shall a student's tuition and fees be frozen after reenrollment for more than four years.

a. To be eligible for the tuition and fee freeze, the student shall have completed military service under honorable conditions and shall reenroll in a TBR institution within six months of release from active duty.

b. A student eligible for the tuition and fee freeze may transfer from one state institution of higher education to another state institution of higher education one time with such student's tuition and fees calculated at the institution to which the student transfers as if the student had been in attendance at that institution before the mobilization that resulted in the student's tuition and fee freeze at the initial institution.

C. Accounting Treatment

1. A revenue account for Maintenance Fees is used to record both the revenue assessed and refunds made.

2. As provided in GASB Statements 34 and 35, summer school revenues and expenditures must be accrued at fiscal year-end. Summer school activity will not be allocated to only one fiscal year.

3. In some cases full fees are not assessed to students. These occur when statutes establish separate rates for such groups as the disabled, elderly, and military dependents. The difference between normal fees and special fees is not assessed. Fees not assessed in these cases do not represent revenue. For administrative purposes the fees may be calculated and credited to revenue, then written off against a contra revenue account.

4. Agreements/contracts may be executed with a third party (federal agency, corporation, institution, etc.),but not with the individual student, to deliver routine courses at a fixed rate or for the cost of delivering the course and may provide for fees not to be charged to individual students. Individual student fees will be assessed as usual and charged to the functional category Scholarships and Fellowships. The amount charged to or paid by the third party is credited to the appropriate Grants and Contracts revenue account.

5. In some cases a non-credit course provides an option to grant regular credit. If a separate (or additional) fee is collected because of the credit, that amount is reported as Maintenance Fee revenue.

6. Full-time employees of the Tennessee Board of Regents and the University of Tennessee systems may enroll in one course per term at any public postsecondary institution, with fees waived for the employee.
   a. No tuition paying student shall be denied enrollment in a course because of enrollment of TBR and UT employees.

b. Spouses and dependents of employees of the Tennessee Board of Regents system may be eligible for a student fee discount for undergraduate courses at Tennessee Board of Regents institutions and the University of Tennessee.

7. Tennessee Board of Regents institutions exchange funds for tuition fees of employees' spouses and dependents who participate in a Tennessee Board of Regents educational assistance program. Effective fall term 1990, the charging and exchanging of funds for maintenance fee discounts between Tennessee Board of Regents institutions and the University of Tennessee shall begin.

8. To the extent they are not reimbursed by the State, fee waivers for full-time State employees and fee discounts to children of certified public schoolteachers shall be accounted for as a scholarship.

III. Out-of-State Tuition

A. Description of Fee

1. This is an additional fee charged to students classified as non-residents who are enrolled for credit courses, including audit courses. This fee is in addition to the maintenance fee.

2. Out-of-state tuition fee rates are established by the Tennessee Board of Regents and are incorporated in the annual fee schedule.

3. A separate hourly rate for out-of-state tuition will be set for undergraduate and graduate students.

   a. While the per-hour rate for graduate students will be higher, the rates will be set so that a full-time graduate student and a full-time undergraduate student will pay approximately the same amount for out-of-state tuition.

   b. A full-time student is defined as an undergraduate enrolled in 12 hours or a graduate student enrolled in 10 hours.

4. Applicability of out-of-state tuition is determined pursuant to Tennessee Board of Regents Policy on Regulations for Students In-State and Out-of-State for the Purpose of Paying College or University Fees and Tuition and for Admission Purposes (No. 3:05:01:00). The business office will collect fees based upon student classification as determined by the appropriate authority within the institution.

B. Accounting Treatment

1. A revenue account for out-of-state tuition is used for recording both credits for fees and

debits for refunds.

2. Other accounting is the same for out-of-state tuition as that outlined under Maintenance Fees except that separate out-of-state accounts are used.
   a. In the case of fees not collected from students under grants and contracts, the same expense account under Scholarships and Fellowships may be used.

IV.

A. Description of Fee

1. The eRate is available to students who enroll at TBR institutions, who are classified as non-residents of Tennessee, and who are enrolled exclusively in online courses.

2. The eRate is 150% of the institution's approved undergraduate or graduate maintenance fee.

3. The hourly rate will not be discounted for students receiving the eRate and enrolling in greater than 12 undergraduate hours or 10 graduate hours.

4. To qualify for an eRate, students must:
   a. Meet all institution admission requirements and must

   b. Be verified as an online out-of-state student enrolled exclusively in courses delivered online by a procedure documented by the institution.

5. Students enrolled in any type courses other than online (on-ground, telecourse, distance education, etc.) will not be eligible for the eRate specified in this guideline and will instead incur traditional non-resident fees and charges.
   a. Students who enroll in both online courses and other type courses and subsequently drop the other type courses will not then become eligible for the eRate.

6. Institutions enrolling eRate students as defined in this guideline must provide a method to mitigate any negative impact on the opportunity for Tennessee student enrollment in online courses.

B. Accounting Treatment

1. The eRate is comprised of the maintenance fee and a 50% markup that represents the

out-of-state tuition portion.

2. The maintenance fee and the out-of-state tuition should each be recorded as outlined in sections II and Ill above.

V. Debt Service Fees

A. The amount of debt service fees will be approved by the Tennessee Board of Regents. Separate rates are recommended by each institution based on requirements of the institution.

B. For simplicity of administration and communication, institutions may combine debt service with maintenance fees in quoting fee rates, in fee billings and charges, and in making refunds.

C. Revenue from debt service fees will be recorded in the unrestricted current fund and then transferred to the retirement of indebtedness fund as either a mandatory transfer or a non-mandatory transfer. The portion of debt service fee revenue used for current-year debt service will be reported as a mandatory transfer. Any additional debt service fee revenue will be transferred to the retirement of indebtedness fund as a non-mandatory transfer.

D. At the conclusion of the debt retirement for a given project, the debt service fee attributed to the project will cease. Any new project requires the approval of a new debt service fee on its own merits without the reallocation of any existing fee. Any continuation of fees necessary for renewal and replacement of a project for which the debt is totally retired must be approved for that purpose by the Tennessee Board of Regents.

VI. Student Fees

A. A student government activity fee may be established pursuant to T.C.A.§ 49-8-109. Any increase in this fee shall be subject to a referendum for student body approval or rejection. The fee will be administered in accordance with the provisions adopted by each institution. These fees will be restricted current funds additions. These fees are refundable on the same basis as maintenance fees or as established by the institution.

B. Student activity fees (other than student government activity fees) will be approved by the Tennessee Board of Regents. Such fees may be recommended by each institution based on services to be provided which are related to the activity fee. These fees will be unrestricted current funds revenues. These fees are refundable on the same basis as maintenance fees or as established by the institution.

VII. Technology Access Fees

A. A fee shall be levied by each institution for the purpose of providing student access to computing and similar technologies. It is refundable on the same basis as maintenance fees or as established by the institutions. Institutions shall establish expenditure accounts and designated revenue accounts for purposes of recording technology access fees and expenditures.

B. Use

1. Technology Access Fees (TAF) are composed of two pools. Pool1 represents the TAF prior to FY 1997-98 when it did not exceed $30 annually. Pool2 represents the difference between the current TAF rate and the pre-1997-98 TAF rate. Items 2 and 3 below shall apply to use of Pool2 TAF funds.

2. The TAF should be used by TBR institutions for direct student benefit, for items such as new and improved high technology laboratories and classrooms, appropriate network and software, computer and other equipment, and technological improvements that enhance instruction. Use of Pool2 TAF is limited to the following items:

   a. Computers and other technical laboratory supplies, equipment, and software and maintenance.

   b. Network costs (WWW internet, interactive video, etc.)

   c. "Smart" or multimedia classroom equipment and classroom modifications.

   d. Lab and course staffing- student and staff assistance for lab and classroom uses; universities re limited to a 12% maximum (Pool2 current-year TAF revenues) and student employees only; community colleges are limited to 25% maximum (Pool2 current-year TAF revenues) for student or staff employees.

e. Renewal and replacement reserves as necessary.

f. New machines for faculty use when faculty are actively engaged in developing and conducting on-line courses.

g. Faculty and staff development directly related to the introduction or application of new technology which impacts students. These guidelines should have the flexibility to place instructional technology in a faculty lab where course materials are being prepared. For example, TAF funds can be used to create faculty labs to include the purchase of computers and to conduct faculty training and course development. (Travel costs for faculty and staff are excluded; however, consultants may be hired as needed for training.)

h. Infrastructure (wiring, network, servers, etc.) necessary to provide students maximum computing capability. A ceiling is established of 50% of the total project costs from which technology access fees can be used.

i. Expand technology resources in library, i.e., video piped anywhere on campus, interactive video room for distance education, network for web video courses.

3. Effective July 1, 2005, institutions may use Technology Access Fee (TAF) revenues for the purpose of supporting the financing of the implementation of the Banner Enterprise Resource Planning (ERP) project including subsequent software and hardware upgrades. Use of TAF funds for this purpose is limited to a maximum of25% of the annual revenue collected at universities, community colleges and colleges of applied technology. Use of TAF fees for the ERP project must by disclosed and justified in the annual spending plan which requires approval by the Board. The provision for use of TAF fees for this special purpose is repealed for fiscal years beginning on or after July 1,2010.

4. As part of the July budget process, each institution shall prepare a detailed spending plan for the use of funds generated by the TAF. Prior to submission of July budgets, the Chancellor or his designee shall randomly select 25% of institutions for review of TAF spending plans. Each institution selected shall submit their TAF spending plan as part of their July budget. These spending plans shall be reviewed by the Chancellor or his designee for compliance with TAF use guidelines and Board policy. A report of this review shall be filed with the Board.

5. The spending plan will be maintained by the institution and will be updated throughout the year as needed. The President shall ensure that the spending plan is prepared. At the end of the fiscal year, a summary of the actual money generated and actual use of the money shall be prepared and maintained by the institution.

6. Compliance with these guidelines will be audited by the internal audit staff and reported to the Board as determined by the internal auditor's annual risk-based planning process or other appropriate means.

VIII. <u>Specialized Academic Fees</u>

A. Certain academic programs require expensive maintenance/updating of equipment and software and the employment of highly qualified staff. The high costs of instruction for these programs can be offset by establishing specialized academic fees, with the Board's approval. To receive approval for a specialized academic fee, a program will be required to meet criteria 1., High Cost of Instruction as defined below. Additionally, the program should document meeting criteria 2.-7.,as applicable.

1. High Cost of Instruction. Programs qualifying for charging specialized academic fees must demonstrate that they are more costly than other programs offered by the institution. If appropriate, the extraordinary cost of the program must be validated including benchmarking with similar programs in the region and nation.

2. High Demand. The number of students enrolled in the program and the student credit hours generated are sufficient to justify additional fees.

3. High Cost of Updating/Maintaining Equipment and Software. Programs qualifying for charging specialized academic fees are expected to be those that require extensive maintenance and regular updating of equipment and/or software, all of which are very expensive. An average hardware/software cost per student credit hour serves as the basis for determining the amount of the fee.

4. Accreditation. Meeting standards of specific accrediting agencies may also qualify a specialized program for charging specialized academic fees. The accrediting standards

that justify a fee are those that specify the possession and use of certain equipment and unique software that are extraordinarily costly and/or the employment of faculty with specific credentials that demand high salaries.

5. High Recognition and Quality. The programs approved for specialized academic fees are expected to be distinctive and with a regional or national reputation. The program must demonstrate that it has achieved exceptional recognition in its particular enterprise.

6. High Value to Tennessee. The program must demonstrate that it is a good investment for the State of Tennessee to justify charging extra fees to the student. The program should be distinctive and not one duplicated in other TBR institutions and should be of integral value to Tennessee. The graduates' earning potential and the associated benefit to the state economy should be projected, as well as the efforts taken by the institution to aid graduates in finding appropriate employment in Tennessee.

7. Impact on Affected Students. Through surveys, questionnaires, or other suitable means, the program must demonstrate that the charging of additional fees will not diminish enrollment. The program should demonstrate that enrolled students realize that the potential earning power in the work force justifies their additional investment.

B. Institution must submit documentation of the above applicable criteria when requesting approval of a specialized academic fee. Specialized academic course fee revenues are limited to funding related costs accumulated in the instruction function.

IX. <u>Miscellaneous Course Fees</u>

A. All miscellaneous fees must be approved by TBR. Fees for courses requiring special off-campus facilities or services do not require Board approval but should reflect the cost of the facilities or services.

X. <u>Incidental Fees and Charges</u>

A. Uniform Rates and Policies - Institutions

1. The following fees will be uniformly charged (or, if applicable, to the extent that they remain within the set range) at all institutions both as to the amount and condition of assessment. Charges are subject to approval by the Tennessee Board of Regents.

a. Application Fee:

(1) Undergraduate- Not less than $5.00 nor more than $25.00.

(2) Graduate- Not less than $5.00 nor more than $35.00.

(3) ETSU College of Medicine and College of Pharmacy- Not less than $50 or more than $100.

(a) This is a non-refundable fee paid by an individual who applies for admission to the institution. A student is required to pay this fee when he/she applies for admission as a graduate student even if the student attended a TBR institution as an undergraduate student Additionally, the student is required to pay this fee when he/she applies for admission to a doctoral-level program after receiving a masters-level degree from the institution.

b. Graduation Fee: This fee shall be assessed according to degree level as follows and shall include the cost of the diploma and rental of academic regalia:

(1) Associate Degree	$25.00 (2)
Baccalaureate	30.00
(3) Master and Specialist	35.00
(4) Doctor and Juris Doctor	45.00

(a) The fee is refundable only if the institution has incurred no costs on the student's behalf. Other items may be included in the fee, as determined by the institution. Additional fees may be charged for optional graduation- related activities or services. Effective July 1,2011, community colleges will no longer assess a graduation fee.

c. Late Exam Fee: None

B. Institutions

1. Returned Check Fee: $30.00 per check- nonrefundable. All institutions will charge a returned check fee that is the maximum set by state law. This fee will apply to all returned checks received by the institution, whether from students, faculty, staff, or other parties. The Board will review state statutes each spring to determine any changes.

C. Colleges of Applied Technology

1. Each college of applied technology will assess a nonrefundable fee for individual instructional projects pursuant to a schedule approved by the Tennessee Board of Regents.

D. Other Fees and Charges Subject to Board Approval

1. Institutions

a. The following fees may be assessed by all institutions. Specific rate recommendations will be developed separately by each institution for approval by the Tennessee Board of Regents. In review of the recommendations, the Board staff will consider the consistency of fees for comparable services among institutions.

(1) Motor Vehicle Registration- nonrefundable. A fee may be levied by each institution per academic year, per fiscal year and/or per academic term for motor vehicle registration, and such fee shall be applicable to each student, faculty and staff member.

(2) Campus Access Fee- At institutions where registration of specific vehicles is not necessary ~~and where traffic control is not a significant concern,~~ a campus access fee may be assessed in lieu of a motor vehicle registration fee. It is refundable on the same basis as maintenance fees or as established by the institution.

(3) Post Office Box and/or Postal Service Fee- nonrefundable. ~~There may be a charge for the U.S.Post Office box or for any special arrangements for delivery of U.S.mail and it will be applicable to any person who has a U.S.Post Office box or who has made special arrangements through which regular U.S.mail may be received.~~ This fee may be assessed for U.S. Postal Services provided on campus to the student population.

(4) Traffic Fines- nonrefundable. These fines will apply to all employees and students.

(5) Applied Music Fees. This fee is charged for private music lessons or small group

training sessions. It is refundable on the same basis as maintenance fees or as established by the institution.

(6) Late Registration Fee. A late registration fee up to $100 will be charged during the entire period of late registration. The effective date of the fee will be determined by each institution.

(7) Facilities Fee. This fee will be used to improve facilities and fund expenditures such as replacing carpets in student lounges, remodeling classrooms, etc. The fee would not be used for routine maintenance or new construction, but would be used to make improvements to areas that have an impact on students. The intended projects will be disclosed during the normal budget cycles. The fee is refundable on the same basis as maintenance fees.

2. Institutions and Colleges of Applied Technology

a. Transcript Fee. There will be no charge for transcripts; however, institutions and colleges of applied technology shall set a limit on a reasonable number of copies at any one time and may establish a nonrefundable charge for the cost of copying transcripts in excess of that number.

3. Fees and Charges to be Established and Administered by the Institution.

a. The following fees and charges may be established and administered by each institution. No specific approval or notification to the Tennessee Board of Regents will be required unless subject to other Board or State requirements. The institution will establish appropriate refund policies. College of Applied Technology fees and charges in this category must be approved by the Vice Chancellor for Colleges of Applied Technology.

(1) Sales of goods and services of a commercial nature, including bookstores, food services, vending, laundry and similar activities.

(2) Rental of non-student housing and facilities.

(3) Admissions fees to athletic and other events open to the public, including special events sponsored by campus organizations and activities.

(4) Sales and services of educational activities such as clinical services, publications, etc.

(5) Registration for conferences, institutes, and non-credit activities (see XIII.A.4.).

(6) Fees for use of campus facilities for recreational purposes.

(7) Parking permits and parking meters for use by guests and visitors.

(8) Colleges of Applied Technology may assess a fee for specific school instructional projects to defray incidental costs incurred by the college of applied technology in performing the project.

(9) Nonrefundable library fines, which will apply to students, faculty, staff, and other library users.

(10) Thesis and dissertation fee- nonrefundable. The fee will be determined based upon cost to the institution.

(11) Child Care Fees- Kindergarten, Preschool, Early Childhood, Day Care, or similarly defined activities. The refund policy will be established by the institution.

(12) Special Exam Fee- nonrefundable. The fee will be determined based upon cost to the institution.

(13) Standardized Test Fees- nonrefundable. The fee will be determined based upon the cost for administering the tests.

(14) Identification Card Replacement- nonrefundable. There will be no charge for the original identification card. A fee may be set by each institution to offset the cost of replacing the card. This fee applies only to student ID cards and not to faculty and staff ID's.

(15) Change of Course or Section Fee- nonrefundable. If the change is caused by the institution, there will be no charge for the change. If two or more forms are used at one

time, they will be treated as one change/form. Institutions may waive the fee for schedule changes.

XI. Deposits

A. Breakage deposits may be recommended by the institution for Board approval for courses in which it can be shown that there is a reasonable chance of loss or damage to items issued to students. The amount of the deposit should be related to the materials issued and subject to a 100% refund.

B. A deposit may be established by the institution for rent or lease of buildings and facilities or for the issuance of other institutional property or equipment. Deposits should be subject to a 100% refund if no damage or loss occurs. The amount of such deposits should be related to the value of the facilities or equipment subject to loss and the general ability of the institution to secure reimbursement should loss or damage occur.

C. Pursuant to Tennessee Board of Regents Policy on Student Residence Regulations and Agreements (No.3:03:01:00), each institution is authorized to require a security deposit for residence hall facilities which may be forfeited by the student for failure to enter into a residence agreement or non-compliance with applicable agreement terms.

XII. <u>Student Residence Hall and Apartments</u>

A. All regular and special rental rates for student dormitories and student apartments will be approved by the Tennessee Board of Regents upon the recommendation of the institution. A $5.00 late payment fee shall be assessed. Each institution may recommend special rates for non-student groups during summer periods ,etc.

B. Pursuant to Tennessee Board of Regents Policies on Student Resident Regulations and Agreements (No.3:03:01:00) and Payment of Student Fees and Enrollment of Students (No. 4:01:03:00), rental for student dormitory or residence hall units shall be payable in full in advance of the beginning of a term. However, each institution shall offer an optional payment plan under which a prorated amount of the rental shall be payable monthly in advance during the term. Specific provisions for the payment plan must comply with those cited in Policy No.3:03:01:00. A monthly service charge and a late payment charge may be assessed. Residence Hall students can participate in either the deferred payment plan (Guideline B-070) or the optional monthly housing payment plan. Each institution has the option of allowing students to participate in both the deferred payment plan and the Optional monthly housing payment plan.

XIII. Other Fee and Charge Considerations

A. Institutions may submit for Board of Regents approval fees and charges not specifically covered by those guidelines when the establishment of a fee or charge is justified by the institution.

1. Fees may be established to control the utilization of facilities and services or to offset the cost of extraordinary requirements as a result of specific programs or activities. [Reference Tennessee Board of Regents Policy on Access to and Use of Campus Property and Facilities (No.1:03:02:50).]

2. When fees and charges are incorporated in agreements with outside contractors and vendors, specific rates, refunds and conditions must be clearly stated.

3. Fees for auxiliary services must take into consideration that Auxiliary Enterprises should be a break-even operation with rates and charges generating revenue sufficient to cover all expenses as defined in operating budget guidelines.

4. Fees established for non-credit courses and activities shall be sufficient to cover the total costs incurred in providing instruction plus a minimum of 25% of the annual instructional salary costs including contractual salary costs or personal services contracts.

5. Students enrolled for six or more hours are eligible for full-time privileges, i.e., access to social, athletic, and cultural functions, pursuant to T.C.A. § 49-8-109.

XIV. Refunds and Fee Adjustments

A. Adjustments to all fees and charges must be in accordance with the following provisions except as previously stated, or when required by federal law or regulation to be otherwise.

B. Pursuant to T.C.A. §§ 49-7-2301and 49-7-2302, students called to active military or National Guard service during the semester are entitled to a 100% adjustment or credit of mandatory fees. Housing and meal ticket charges may be prorated based on usage.

C. Maintenance Fee Refunds and Adjustments

1. Refunds are 100% for courses canceled by the institution.

2. Changes in courses involving the adding and dropping of equal numbers of SCH's for the same term at the same time require no refund or assessment of additional maintenance fees, unless the dropping and adding involves RODP courses. The change of course fee would be applicable.

3. The fee adjustment for withdrawals or drops during regular terms (fall and spring) is 75% from the first day of classes through the fourteenth calendar day of classes and then reduced to 25% for a period of time which extends 25% of the length of the term. When the first day of the academic term falls on a Saturday, the 100% refund period is extended through the weekend until the following Monday morning (12:01am). There is no fee adjustment after the 25% period ends. Dropping or withdrawing from classes during either the 75% or the 25% fee adjustment period will result in a fee adjustment of assessed maintenance fees based on the total credit hours of the final student enrollment.

4. For summer sessions and other short terms, the 75% fee adjustment period and the 25% fee adjustment period will extend a length of time which is the same proportion of the term as the 75% and 25% periods are of the regular terms.

5. All fee adjustment periods will be rounded to whole days and the date on which each fee adjustment period ends will be included in publications. In calculating the 75% period for other than the fall and spring and in calculating the 25% length of term in all cases, the number of calendar days during the term will be considered. When the calculation produces a fractional day, rounding will be up or down to the nearest whole day.

6. A full refund (100%) is provided on behalf of a student whose death occurs during the term. Any indebtedness should be offset against the refund.

7. A 100% refund will be provided for students who enroll under an advance registration system but who drop a course or courses prior to the beginning of the first day of class.

8. A 100% refund will be provided to students who are compelled by the institution to withdraw when it is determined that through institutional error they were academically

ineligible for enrollment or were not properly admitted to enroll for the course(s) being dropped. An appropriate official must certify in writing that this provision is applicable in each case.

9. When courses are included in a regular term's registration process for administrative convenience, but the course does not begin until later in the term, the 75%/25% fee adjustment periods will be based on the particular course's beginning and ending dates. This provision does not apply to classes during the fall or spring terms which may meet only once per week. Those courses will follow the same refund dates as other regular courses for the term.

10. The fee adjustment is calculated as the difference between (1) the per credit hour cost of originally enrolled hours and (2) the per credit hour cost of the courses at final enrollment after adjustments have been applied for all courses dropped. Adjustments are calculated at the full per credit hour rate less the fee adjustment credit at the applicable fee adjustment percentage (regardless of the original number of hours enrolled). Not all drops/withdrawals will result in fee adjustments.

D. Out-of-State Tuition Refunds and Fee Adjustments

1. The fee adjustment provision for out-of-state tuition is the same as that for maintenance fees. The 75% fee adjustment period and the 25% fee adjustment period will follow the same dates as the fee adjustment periods for maintenance fees. When 100% of maintenance fees are refunded, 100% of out-of-state tuition also is refunded. Calculation procedures are the same as those specified for maintenance fees.

E. Debt Service Fee Refunds

1. Debt service fees will be subject to the same refund policy as maintenance fees.

F. Student Residence Hall/Apartment Rent and Deposit Refunds

1. Refund of residence hall rent after registration will be prorated on a weekly calendar basis when the student is forced to withdraw from the residence hall:

   a. Because of personal medical reasons confirmed in writing by a licensed physician, or

b. At the request of the institution for other than disciplinary reasons. Full refund will be made in the case of the death of the student Withdrawals for other reasons will be subject to the same 75%/25% amounts and time periods as maintenance fees. No refund will be made other than under the above conditions.

2. Residence hall reservations and breakage deposits will be refunded in full if:
   a. The institution is notified by a specific date which it establishes, but which may not be later than 14 calendar days prior to the first official day of registration,

   b. The student is prevented from entering the university because of medical reasons confirmed in writing by a licensed physician, or

   c. Residence hall space is not available. Full refund also will be made in the case of the death of the student.

G. Meal Plan Refunds

1. Each institution with meal plans should develop appropriate refund procedures.

Sources

December 2, 1977 TBR meeting. Revised March 14,19SO TBR meeting; November 13, 1991 presidents meeting; November 9,1992 presidents meeting; July 1,1994; November 1,1995; May 15,1990 presidents meeting; August 14,1990 presidents meeting; November 10,1992 presidents meeting; August 10,1993 presidents meeting; November 9,1993 presidents meeting; August 9,1994 presidents meeting; May 5,1995 presidents meeting, August 5, 1995 presidents meeting, November 5,1995 presidents meeting, February 6,1996 presidents meeting, May 14,1996 presidents meeting, November 12,1996 presidents meeting, May 6,1997 presidents meeting, July 16,1997 called Board meeting, November 5,1997 presidents meeting, February 17,199S presidents meeting via conference call, August 25,199S presidents meeting, May 9,2000 presidents meeting,Augusts,2000 presidents meeting, November S, 2000 presidents meeting, February 13,2001presidents meeting, August21,2001presidents meeting, May21,2002 presidents meeting, February 11,2003 presidents meeting, May 20,2003 presidents meeting, February 10,2004 presidents meeting, August 17,2004 presidents meeting, February S, 2005 presidents meeting, May 17,2005 presidents meeting, February S, 2006 presidents meeting, May 16, 2006 presidents meeting, August 16,2006 presidents meeting, May 15,2007 presidents meeting, August 21,2007 presidents meeting, November 6,2007 presidents meeting, February 17, 2009 presidents meeting; May 12,2009 presidents meeting; August 11, 2009 presidents meeting; November 10,2009 presidents meeting; February 16,2010 presidents meeting; February 15,2011 presidents meeting; May 17,2011 presidents meeting; August 16,2011 presidents meeting; May 16,2012 presidents meeting; August 21,2012 presidents meeting.

Related Policies

- Access to and Use of Campus PropertY and Facilities
- Student Residence Regulations and Agreements
- Regulations for Classifying Students In-State & Out-of-State for Paying College or University Fees & Tuition & for Admission Purposes

PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE:	Presidents Meeting Directors Meeting
AGENDA ITEM:	Recommended Revisions to Guideline B-062 – Other Educational Assistance Programs
ACTION:	Voice Vote
PRESENTER:	Dale Sims

BACKGROUND INFORMATION:

The recommended revisions to Guideline B-062 would correct fee amounts for persons 65 and older. In the Employees 65 Years and Above Program, the current fee of $75 per semester would be replaced with $70 per semester and the $50 per quarter would be replaced with $60 per trimester. These changes would be consistent with amounts in Guideline B-060 and state law.

Other Educational Assistance Programs: B-062

Policy/Guideline Area

Business and Finance Guidelines

Applicable Divisions

TCATs, Community Colleges, Universities, System Office

Purpose

The purpose of this guideline is to establish the process and procedures for other educational assistance programs by institutions governed by the Tennessee Board of Regents.

Policy/Guideline

I. B-062- Support for Educational Assistance

A. 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/System Office.

B. 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).

C. Exceptions to the provisions of the programs for TBR employees can be made upon recommendation of the president/director and approval by the Chancellor.

II. Types of Support for Educational Assistance

A. The guidelines for Educational Assistance (P-130,P-131,B-061,B-062) contain a total of eleven (11) programs.

1. The Programs in P-130 provide benefits to personnel at TBR institutions, and the System Office to further their formal education.
2. The Program in P-131 provides benefits for dependents of TBR employees.
3. The programs in B-061 provide assistance to state employees and dependents of public schoolteachers.
4. The programs in B-062 provide assistance to dependents of veterans and to state employees 65 years of age and older.

B. The programs are:

1. P-130- Educational Assistance for TBR Employees
   a. Faculty or Administrative/Professional Staff Grant-in-Aid Program
   b. Faculty or Administrative/Professional Staff Tuition or Maintenance Fee Reimbursement Program
   c. Employee Audit/Non-credit Program
   d. Clerical and Support Staff Maintenance Fee Payment Program
   e. Fee Waiver for TBR/UT System Employees Program (PC 191)
2. P-131- Educational Assistance for Spouse and Dependents of TBR Employees
   a. Fee Discount for Spouse and/or Dependent Children Program
3. B-061- Educational Assistance for State Employees and Dependents of State
   a. Employees or Public School Teachers
      (1) Public Higher Education Fee Waiver for State Employees Program
      (2) Fee Discount for Dependent Children of Licensed Public School Teachers or State Employees Program
4. B-062- Other Educational Assistance Programs

a. Veterans' Dependents' Post-Secondary Education Program

b. Age 65 or Above Program

C. Complete eligibility information is contained within each Guideline.

III. Taxation of Educational Assistance Programs

A. 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.

IV. Veterans' Dependents' Post-Secondary Education Program

A. Effective July 1,2008, T.C.A. § 49-7-102 was amended to provide that: "every dependent child in this state under the age of 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, maintenance fees, student activity fees, required registration or matriculation fees, and shall be admitted without cost to any institutions of higher education owned, operated and maintained by the state."

1. Therefore, this program is available to both TBR employees and persons outside of the Tennessee Board of Regents system.
2. 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.
3. Exceptions: Grant-in-Aid and Desegregation Program recipients.

B. Eligibility

1. 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.

2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
   a. The spouse's eligibility shall extend to the end of the term in which the ten (10) year period expires.
   b. A spouse who has previously earned an undergraduate degree or certificate shall not

be eligible for benefits.

c. Otherwise, the spouse shall be eligible for benefits until one of the following occurs:

(1) Prior to the expiration of benefits, the spouse earns an undergraduate degree or certificate; or

(2) The spouse has accumulated one hundred thirty-five (135) semester hours excluding required remedial or developmental hours, or the equivalent; or

(3) The spouse has attempted one hundred fifty (150) semester hours, or the equivalent, inclusive of required remedial or developmental hours.

7. A dependent child shall be matriculated as a full-time student at a state institution of higher education prior to attainment of age 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 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 attempted one hundred fifty (150) semester hours, or the equivalent, inclusive of required remedial or developmental hours.

8. 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 T.C.A. § 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 colleges of applied technology system that offers courses of instruction leading to a certificate or degree.

g. "Veteran" means a Tennessee resident who has entered and served honorably in the U.S. armed forces.

C. 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.

2. A full-time student load (15 semester hours or equivalent) is required.

D. Payback Provisions

1. None

E. When the Participant May Attend

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

F. 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.

G. Where the Participant May Attend

1. Any public institution of higher education in Tennessee

V. Employees 65 Years and Above Program

A. In accordance with T.C.A. § 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.

B. Eligibility

1. 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.

C. Fees Paid/Type Courses Paid/Number of Hours

1. A fee of $~~75~~ 70 per semester or $~~50 per quarter~~ 60 per trimester 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.

D. Payback Provisions

1. None

E. 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.

F. Accounting/Budgeting

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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.

G. Where the Participant May Attend

1. Employees may enroll at any public Tennessee institution.

Sources

Presidents Meeting February 7, 2006; Presidents Meeting November 8, 2006; Presidents meeting August 21, 2007; Presidents Meeting November 6, 2007; Presidents Meeting November 5, 2008.

Related Policies

- Fees. Charges. Refunds. and Fee Adjustments

PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE:	Presidents Meeting (February 4, 2014) Directors Meeting (February 5, 2014)
AGENDA ITEM:	Recommended Revisions to Guideline B-110 Fixed Assets and Sensitive Minor Equipment
ACTION:	Voice Vote
PRESENTER:	Dale Sims

BACKGROUND INFORMATION:

The following revisions are being recommended to Guideline B-110:

Add new section **XI. Works of Art, Historical Treasures and Other Similar Assets**

This asset class was overlooked when the fixed asset guideline was drafted and approved. It should have been addressed during the implementation of GASB 34/35.

Fixed Assets and Sensitive Minor Equipment : B-110

Policy/Guideline Area

Business and Finance Guidelines

Applicable Divisions

TCATs, Community Colleges, Universities

Purpose

The purpose of the following guideline is to outline significant provisions for consistent capitalization procedures for fixed assets at the institutions governed by the Tennessee Board of Regents.

Policy/Guideline

I. Introduction

  A. These guidelines largely represent a consolidation of the existing practices and are intended to serve as a reference document for institutional staff responsible for fixed asset administration.

    1. The guideline includes provisions for capitalizing land, land improvements, leasehold improvements, buildings, additions and improvements to buildings, infrastructure, nonexpendable personal property, software, and livestock.

      a. Additionally, the guideline also includes provisions for the inventory of sensitive items.

  B. Property records should be maintained for all land and capitalized assets.

1. Procedures should ensure the proper recordkeeping of capitalized assets, including the initial recording, movement and eventual disposal of assets and should ensure that these assets are periodically inventoried.

2. Property records for assets acquired with federal funds should conform to OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations.

II. Land

A. Land is generally considered to have an unlimited life and is therefore a non-depreciable asset. Land acquired by the institution should be recorded at its original cost which includes a variety of expenditures related to its acquisition and its preparation for use as intended by the institution.

B. The following are examples of expenditures that should be capitalized as a part of the cost of land:

1. The original acquisition price.

2. Commissions related to the acquisition.

3. Legal fees related to the acquisition.

4. Cost of surveys.

5. Cost of an option to buy the acquired land.

6. Cost of removing unwanted buildings from the land, less any proceeds from salvage.

7. Unpaid taxes (to the date of acquisition) assumed by the institution.

8. Cost of permanent improvements (e.g. landscaping) and improvements that will later be maintained and replaced by other governments (e.g. street lights, sewers).

9. Cost of getting the land in condition for its intended use, such as excavation, grading, filing, draining, and clearing.

C. Land acquired through forfeiture should be capitalized at the total amount of all taxes, liens, and other claims surrendered, plus all other costs incidental to acquiring ownership and perfecting title.

1. Assumption of liens, mortgages, or encumbrances on the property increases the purchase price and should be included in the original cost.

2. A liability should be recognized for the amount of the lien, mortgage, or encumbrance assumed by the institution.

D. Land acquired by donation, or the intent to donate, e.g., for one dollar, should be recorded on the basis of an appraisal of the market value at the date of acquisition.

1. The cost of the appraisal itself, however, is expensed at the time incurred.

2. When costs are incurred but the land is not acquired, the costs should be expensed.

E. Land held for investment purposes should be classified as investments rather than as property.

III. <u>Land Improvements</u>

A. Expenditures for land improvements that have limited lives and exceed $50,000 should be capitalized in a separate account from the Land and depreciated over their estimated useful lives.

1. Examples of land improvements include, but are not limited to, site improvements such as landscaping that has a limited life (e.g. shrubbery, flowers, trees); retaining walls, parking lots, fencing, sidewalks, sculptures, and art work.

2. Land improvements are normally depreciated over a useful life of 20 years.

B. As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use.

1. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

IV. Leasehold Improvements

A. Leasehold improvements include improvements to existing or new leased spaces. These improvements should be capitalized if the cost exceeds $50,000 and the cost is borne by the institution.

B. Leasehold improvements are generally depreciated over the lesser of the original term of the lease or the useful life of the improvements.

C. If the lease contains an option to renew for additional years but renewal is uncertain or the likelihood of renewal is uncertain, the improvements should be depreciated over the original term of the lease or the useful life of the improvement.

V. Buildings

A. The cost of a building includes all necessary expenditures to acquire or construct and prepare the building for its intended use.

1. Buildings consist of relatively permanent structures, including all permanently attached fixtures, machinery and other appurtenance that cannot be removed without damaging the building or the item itself.

B. Buildings are erected for the purpose of sheltering persons or property. Examples include, but are not limited to such items as academic buildings, dormitories, apartments, barns, etc.

1. All buildings costing $100,000 and above should be capitalized.

2. Buildings costing less than $100,000 should be expensed.

3. Buildings are normally depreciated over a useful life of 40 years.

C. Buildings acquired by purchase should be capitalized at their original cost. The following major expenditures are capitalized as part of the cost of buildings:

1. The original bargained purchase price of the building.

2. Cost of renovation necessary to prepare the building for its intended use.

3. Cost of building permits related to renovation.

4. Unpaid taxes (to date of acquisition) assumed by the institution.

5. Legal and closing fees.

D. Buildings acquired by construction should be capitalized at their original cost. The following major expenditures are capitalized as part of the cost of buildings:

1. Cost of constructing new buildings, including material, labor, and overhead.

2. Cost of excavating land in preparation for construction.

3. Cost of plans, blueprints, specifications, and estimates related to construction.

4. Cost of building permits.

5. Architectural and engineering fees.

6. Landscaping and other improvements related to the building construction that cannot be separately identified from the building project (e.g. wiring within the building, shrubbery and sidewalks around the building).

E. Buildings acquired by donation, or the intent to donate, e.g. for one dollar, should be recorded on the basis of an appraisal of the market value at the date of acquisition.

1. The cost of the appraisal itself, however, should not be capitalized.

2. Removable fixtures, including but not limited to furnishing for the new building, should be distinguished from the cost of the building and capitalized or expensed in the appropriate accounts even if they are acquired as a part of the purchase or the construction project.

F. The cost of a building that is acquired but immediately removed to prepare the land for construction of a new building is treated as part of the cost of the land rather than as part of the cost of the new building.

G. The cost of removing an old building that you have occupied in the past but that is now deteriorated and must be removed prior to constructing a new building, should be capitalized as a part of the cost of the new building.

1. The precedent supporting this treatment is the requirement to capitalize all normal costs of readying an asset for use, i.e., capitalizing demolition costs of unwanted building(s) with the purchase of land, capitalizing renovation costs when a building is purchased, capitalizing excavating costs in preparation for construction of a new building and, when a building is constructed with plans to expand later any demolition costs are capitalized with the cost of the addition.

H. As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

VI. Additions and Improvements to Buildings

A. Additions

1. Additions represent major expenditures that are capital in nature because they increase the service potential of the related building.

2. Additions costing $50,000 or above should be capitalized.

3. Additions costing less than $50,000 should be treated as repairs and maintenance even though they have the characteristics of capitalized expenditures. Example:

a. A new wing is added to an existing building at a cost of $700,000. The cost would be capitalized.

b. A new wing is added to an existing building at a cost of $49,999. The cost would be expensed since it does not meet the dollar level established for capitalization.

4. Two major issues are involved with accounting for additions and generally require some professional judgment:

a. Useful life: If the estimated useful life of the addition is independent of the building to which it relates, the addition is treated as a separate asset and depreciated over its estimated useful life, regardless of the life of the original asset. If the addition is not independent of the original asset, the useful life must be determined in relation to the original building. In this case, the cost of the addition is depreciated over the shorter of the estimated life of the addition or the remaining life of the original building.

b. Capitalized costs: If the original building was constructed with a plan to expand, cost related to the original building incurred when the addition takes places should be capitalized. However, costs that could have been avoided with appropriate planning at an earlier date should be expensed rather than capitalized.

B. Improvements

1. Improvements represent the substitution of a new part of an asset for an existing part.

a. For example, the roof of a building may be replaced or a new HVAC may replace an old HVAC system.

b. If the new part of the asset is similar in nature to the part being eliminated, the substitution is a called a replacement.

c. If the new part represents an improvement in quality over the part being eliminated, the substitution is called betterment.

2. Both replacements and betterments are subject to capitalization if the cost is $50,000 or more.

a. The appropriate accounting treatment is determined by whether the original part of the existing asset is separately identifiable.

b. If separate identification is possible, the new expenditure should be substituted for the portion of the book value being replaced or improved.

1. Example: Roof replacement at cost of $50,000 (original cost separately identified is $30,000).

1. Building (new roof) $50,000

2. Accumulated Depreciated 27,000

3. Loss on replacement of roof 3,000

4. Building (old roof) $30,000

5. Cash 50,000

c. The separately identified asset is depreciated over the shorter of the expected life of the separate asset or the remaining life of the building.

d. If separate identification is not possible, the cost of replacements and betterments is treated as an increase in the book value of the Building, thereby increasing the basis for depreciation over the remaining life of the Building.

e. If the replacement or betterment is designed primarily to enhance the quality of the service potential of the building, the cost is charged to the Building asset account.

f. An appropriate increase in depreciation expense is recognized in future years but the useful life is not increased. Example:

1. Building $70,000
2. Cash $70,000

g. If the replacement is designed primarily to extend the length of the service life of the asset, the book value is increased by debiting Accumulated Depreciation. The revised book value is then depreciated over the revised useful life. Example:

1. Accumulated Depreciation – Building $70,000
2. Cash $70,000
3. Note:
   1. Alterations that modernize rather than improve the quality of a building should be expensed unless the alteration is so extensive as to increase the estimated life of the building.
   2. Re-roofing costs that are not replacing a separately identified asset should not be capitalized unless they are part of a major renovation of a building.

h. Examples:

1. An old gymnasium is converted to a block of individual rooms at a cost of $500,000. This is considered a major renovation and would be a building capitalization. This renovation enhances the service quality of the building but does not extend the life of the building.
   1. Debit: Building $500,000
   2. Credit: Cash $500,000
2. A deteriorating roof on an existing building (the original roof costs are not separately identified) is replaced at a cost of $55,000. These costs should be expensed in the year(s) costs are incurred.
   1. Debit: Maintenance of buildings $55,000
   2. Credit: Cash $55,000
3. A dormitory is completely renovated at a cost of $1,000,000 including a new roof. It is estimated that the renovation will add an additional 10 years to the life of the building. The entire project costs would be capitalized under buildings.
   1. Debit: Accumulated depreciation $1,000,000
   2. Credit: Cash $1,000,000
   3. Note: The life of the building should be changed to reflect the additional 10-years of service. The debit to accumulated depreciation is the accumulated depreciation on the original building.

4. A parking lot is repaved at a cost of $20,000 in order to restore to its original condition. This would be considered maintenance and would not be capitalized.

    1. Debit: Paving expense $20,000

    2. Credit: Cash $20,000

3. As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use.

    a. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

VII. <u>Infrastructure</u>

A. Infrastructure is defined as improvements related to the skeletal structure and function of the campus.

1. Examples include, but are not limited to, roads, steam lines, chiller systems, storm sewers, tennis courts, sewer lines, severe weather systems, athletic scoreboards, turfs, lighting, radio and television towers, water lines, signage, all-weather track, telecommunications and computing wiring, and energy management systems.

B. Improvements valued at or above $50,000 should be capitalized.

C. Improvements valued at less than $50,000 should be expensed.

D. The same accounting rules that apply to improvements to buildings also apply to improvements to infrastructure. Infrastructure items are normally depreciated over a useful life of 20 years.

E. As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use.

1. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

VIII. Nonexpendable Personal Property

A. Examples of nonexpendable personal property include machinery, implements, tools, furniture, vehicles and other apparatus with a unit cost of $5,000 or more and a minimum life expectancy in excess of one year.

B. The following list includes some of the costs that should be capitalized in the appropriate asset account:

1. The original bargained acquisition price.

2. Freight, insurance, handling, storage, and other costs related to acquiring the asset.

3. Cost of installation, including site preparation, assembling, and installing.

4. Cost of trial runs and other tests required before the asset can be put into full operation.

5. Cost of reconditioning equipment acquired in a used state.

C. Nonexpendable personal property acquired by donation, or the intent of donation, e.g. acquisition for one dollar, should be recorded on the basis of an appraisal of the market value at the date of acquisition.

1. Furniture – Movable furniture that is not a structural component of a building. Examples include, but are not limited to, desk, tables, filing cabinets, and safes. Office furniture purchased in components should be capitalized only if the individual components that cannot be separated cost at least $5,000. Furniture is normally depreciated over a useful life of 20 years.

2. Office and operational equipment – Office and operational equipment other than computers and peripherals. Examples include, but are not limited to, copiers, sorters, folders, filing system, printing press, shop equipment, athletic equipment, kitchen equipment, generators, and yard equipment. Office and operational equipment are normally depreciated over a useful life of 10 years.

3. Computers and peripheral – Computers and peripheral equipment are normally depreciated over a useful life of 5 years.

4. Educational and scientific equipment – Classroom or laboratory equipment used to conduct the normal program of education and research activity. Examples include, but are not limited to, audiovisual equipment, classroom demonstration models, electronic instruments, lab equipment, surveying equipment, radio equipment, pianos, and other musical instruments. Educational and scientific equipment are normally depreciated over a useful life of 10 years.

5. Motorized vehicles – Examples include, but are not limited to, cars, mini-vans, vans, boats, and light general-purpose trucks. Motorized vehicles are normally depreciated over a useful life of 5 years.

6. Heavy equipment – Examples include, but are not limited to, buses, heavy general-purpose trucks, forklifts, snowplows, and agricultural

equipment. Heavy equipment items are normally depreciated over a useful life of 10 years.

7. Library holdings – Library holdings include library books, music, artistic, and reference materials included in the institution's library collection. Examples include, but are not limited to, books, periodicals, microfilm, microfiche, government documents, films, videocassettes, audiocassettes, phonograph records compact disc - audio, slide set, filmstrip, transparency, maps, multimedia kit, three-dimensional models, non-catalogued pamphlets, computer software manuscripts and archives, photographs, and compact disc. Library holdings are normally depreciated over a useful life of 10 years.

D. The same accounting rules that apply to building improvements apply to improvements to nonexpendable personal property.

E. As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use.

1. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

IX. Software

A. Software with a cost of $100,000 or greater should be capitalized and amortized.

1. Capitalized software costs will include external direct costs of materials and services consumed in developing or obtaining internal-use computer software.

2. Training costs are not internal-use software development costs and should be expensed as incurred.

3. Data conversion often occurs during the application development stage. Data conversion costs should be expensed as incurred.

4. Internal costs incurred for maintenance should be expensed as incurred.

B. Software costs should be amortized over a useful life of 10 years.

C. For each module or component of a software project, amortization should begin when the computer software is ready for its intended use, regardless of whether the software will be placed in service in planned stages that may extend beyond a reporting period.

1. For purposes of this guideline, computer software is ready for its intended use after all substantial testing is completed.

2. Amortization shall begin the year in which the first module is placed in service. A full year of amortization will be charged the first year regardless of the actual implementation date.

D. Software with a cost less than $100,000 should be expensed unless the institution determines, and provides justification, for capitalizing.

1. For example, if an institution purchases a separate software package to support the Banner system (example Luminous Premier), it may be appropriate to capitalize the cost even if less than $100,000 since it is directly related to the Banner system.

2. It should be noted that software licensing agreements that are not perpetual in nature will be expensed, regardless of cost.

E. As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use.

1. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

X. Livestock

A. Livestock should be expensed.

XI. Works of Art, Historical Treasures and Other Similar Assets

A. Works of art, historical treasures, and other similar assets should be capitalized whether held as individual items or as a collection. These can include, but are not limited to, paintings, works of art on paper, photography, sculptures, maps, manuscripts, recordings, film, artifacts, textiles, and other memorabilia.

B. These items with a cost (or fair value at the date of donation) in excess of $5,000 will be capitalized at their historical cost or fair value at the date of donation.

C. Collections that meet all of the following criteria will not be capitalized:

1. Held for public exhibition, education, or research in furtherance of public service rather than financial gain

2. Protected, kept unencumbered, cared for, and preserved

3. Proceeds from the sales of collection items must be used to acquire other items for collections

D. Notwithstanding paragraph XI.C above, any collections already capitalized at June 30, 1999, will remain capitalized and any additions to such collections will be capitalized.

E. Capitalized collections or items which are exhaustible, such as exhibits whose useful lives are diminished by display or educational or research applications, should be depreciated over their estimated useful lives. Inexhaustible collections or items are items where the economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long. Depreciation is not required for collections which are inexhaustible.

F. Capitalized collections deemed exhaustible should be depreciated over a useful life of 10 years.

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XII. Sensitive Minor Equipment

A. Sensitive minor equipment items are of a movable nature which is particularly vulnerable to theft and have a cost or fair value (for donated items only) between $1,500.00 and $4,999.99, regardless of funding source.

1. The following items are examples of items that may be viewed as sensitive minor equipment: binoculars, boat motors, boat trailers, boats, cameras, camera lenses, canoes, computers, external computer storage devices, ham radios and receivers, marine band transmitters and receivers, microscopes, musical instruments, scientific equipment, oscilloscopes, PDAs, printers, projectors, radio scanners, external computer scanners, spectrum analyzers, televisions, two-way radio transmitters and receivers, vector scopes, video cameras, video recorders and players, and waveform monitors.

2. All weapons, regardless of cost, should be considered sensitive minor equipment.

B. Each institution will perform a risk assessment to determine which items should be designated as sensitive minor equipment for that institution.

1. The useful life of sensitive minor equipment is estimated at 3 years, after which the fair value will be considered to be nominal.

C. Although sensitive minor equipment items are not capitalized, they must be identified and inventoried.

1. Physical inventory of sensitive minor equipment should be conducted annually.

2. Sampling is an acceptable method of conducting the physical inventory of sensitive minor equipment.

Sources

New Guideline approved at Presidents Meeting, August 17, 2010.

PRESIDENTS QUARTERLY MEETING

DIRECTORS QUARTERLY MEETING

February 2014

DATE:	Presidents Meeting (February 4, 2014) Directors Meeting (February 5, 2014)
AGENDA ITEM:	Proposed Revisions to: Template Letters Shown as Exhibits to TBR Guideline P-010 – Personnel Transactions and Recommended Forms
ACTION:	Requires Vote
PRESENTER:	Dale Sims, Vice Chancellor for Business and Finance

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BACKGROUND INFORMATION:

The proposed revisions are to update the template letters to include additional required employment terms and to be consistent with business practices. These letters are templates for institutional use. An institution may choose to use a modified version of a letter with approval by their legal counsel.

Proposed revisions are attached.

Exhibit 18

TENNESSEE BOARD OF REGENTS IMMIGRATION EXPENSE ALLOWANCE AGREEMENT

This Agreement is made on ____________________ between __________________________________ (referred to herein as "Institution"), and ________________________________(referred to herein as "Employee"),

WITNESS:
Employee, whose effective employment date is _________________ , desires to become employed at Institution and to have ~~i~~Institution reimburse Employee for Employee's own employment-related immigration expenses, and Institution desires to reimburse Employee for employment-related immigration expenses up to $ ____dollars. The parties therefore agree as follows:

1. Institution agrees to reimburse Employee an amount up to $ _____. Employee's reimbursement shall not exceed employee's actual costs. All reimbursement claims must comply with the guidelines and policies of the Tennessee Board of Regents system and the Tennessee Comptroller's rules and regulations.

2. Employee must ~~to~~ provide Institution with original receipts for all expenses in order to receive reimbursement.

3. Only employees who are required to pay immigration fees to work and live in the U.S. are eligible for reimbursement. The allowance cannot be used to defray non-immigration-related costs or any cost(s) not associated with the individual employee's immigration expenses.

4. Reimbursement shall not exceed Employee's actual, documented expenses. No TBR employee may receive reimbursement more than once.

5. Reimbursable ~~fees~~ expenses include: fees charged by a licensed immigration attorney retained in connection with the application, filing, permanent residence fee, fee for and application to enter the U.S., fee for application to remain in the U.S., and associated fees required in the application process, such as medical examinations, fingerprinting, photo identification, postal/courier fees, and costs of evaluating foreign academic credentials or translations of foreign documents.

~~5.~~6. Reimbursable expenses do not include: expenses, fees, or costs associated with employment based petitions filed by the Institution for the benefit of the employee with the U.S. Department of Labor and/or the U.S. Citizenship and Immigration Services Bureau of the U.S. Department of Homeland Security.

~~6.~~7. In consideration for the Institution reimbursing Employee for immigration expenses, the Employee agrees in writing to remain employed by the Institution for a period of twenty-four (24) months following the effective date of his/her employment agreement, unless separated for reasons beyond his/her control and acceptable to the Institution. The service agreement statement should be maintained in the employee's personnel file. In case of a violation of the agreement, any funds expended by the Institution for such allowance shall be r~~-~~ecoverable from the employee as a debt due the institution in the same manner as educational allowance payments.

~~7.~~8. Employee hereby gives the Institution an express lien on all salaries, wages, and other sums payable to him/her by the Institution, for the purpose of securing all amounts due under Section 5 above if Employee leaves prior to the expiration of two year's employment at the Institution. In the event that Employee voluntarily leaves Institution prior to the expiration of two years, Employee hereby expressly authorizes Institution to withhold all amounts due under this Agreement from any sum payable to Employee, including Employee's final paychecks and, if sufficient funds are not available from Employee's final paychecks, from Employee' s retirement.

~~8.~~9. If Employee fails to remain employed as indicated in Section ~~5~~6 above for reasons beyond his/her control considered sufficient by the Institution, all or part of the liability under Section ~~5~~6 may be waived by the Institution. Any such waiver must be approved in writing by the Employee's department head or dean and the President. (The dean/department head, whose account paid for the Employee's immigration expense, must notify Human Resources if the Employee does not remain employed at the Institution for at least two years.)

Employee (Signature)	President/Director (Signature)
Employee (Print or Type)	President/Director (Print or Type)

Employee's ~~Social Security~~ ID No.

INSTRUCTIONS:

Each institution processes the attached agreement in accordance with individual institutional procedures. An example is provided below:

Submit this form in duplicate to the Purchasing and Business Services Department (all information must be complete and all signatures must be affixed, except that of the President, which will be obtained by Purchasing and Business Services). Attach the employment contract signed by the President that reflect immigration expenses have been approved (do not attach an Appointment Recommendation Form).

When this agreement has been fully executed, a copy will be returned to the Department by Purchasing and Business Services to process/attach a travel requisition. A copy will ~~be~~ also be forwarded to the Human Resources Department to be placed in the Employee's personnel file. The Employee may submit a travel claim after the immigration expense has been encumbered. All travel must be in compliance with TBR policy 4-03-03-00.

TENNESSEE BOARD OF REGENTS OF THE STATE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF TENNESSEE

____

(Institution)

NOTICE OF TENURE-TRACK APPOINTMENT AND AGREEMENT OF EMPLOYMENT FOR FACULTY

TO:_________________________________

____

____

This is to confirm your appointment to a position approved by the Tennessee Board of Regents as ________________________________in the _____________________(department/division or area of assignment) for the _______________________(date) academic/fiscal year at an annual/monthly salary of $______________effective _________, 20___, subject to the terms and conditions hereinafter set forth and your acceptance thereof:

1. This appointment is made subject to the laws of the State of Tennessee, the requirements and policies of the Tennessee Board of Regents, and the requirements and policies of this institution. Any renewal of this appointment through a Notice of Renewal of Tenure-Track Appointment for Faculty or a Notice of Renewal of Tenure-Track Appointment and Amendment of Agreement of Employment for Faculty will be subject to all laws, requirements and policies in effect at the time of renewal. To be valid and binding, such renewal must be fully executed by all parties.

2. The above-stated salary is contingent upon your completion of service for the full term of this appointment. The salary for an academic year appointment will accrue at the rate of one-third for each academic quarter/one-half for each academic semester, and will be payable at the rate of one-twelfth of the amount for each month from August/September through July/August. The salary for a fiscal year appointment will accrue and be payable at the rate of one-twelfth for each completed month of service. In the case of appointments for less than an academic or fiscal year, or in the event of failure to complete the specified term of the appointment, the salary will be prorated in accordance with the policies of the institution.

3. This appointment and the above stated salary are in consideration of your ~~faithful~~ performance ~~to the best of your ability~~ of the duties and responsibilities assigned to you as a full-time faculty member of this institution, and such additional duties as may be assigned to you from time to time, subject to the policies of the department or other area of assignment, and subject to the supervision and direction of appropriate representatives of this institution.

4. A specific condition of this contract is your agreement to participate in an annual evaluation of your assigned duties and responsibilities.

5. Academic year appointments include no obligation for or guarantee of summer session employment.

6. This appointment is a tenure-track appointment, which is for faculty employed in a probationary period of employment. A tenure-track appointment does not include any right to permanent or continuous employment or any interest in or expectancy of renewal of the appointment. This appointment is on an annual basis only, subject to renewal by this institution, and annual approval by the Tennessee Board of Regents, for a maximum probationary period of seven years. The minimum requirements and conditions for the award of tenure by the Tennessee Board of Regents upon completion of the probationary period are set forth in TBR Policy 5:02:03:10 on academic freedom, responsibility and tenure, which policy is incorporated by reference as if fully set forth herein. Requirements and conditions for the recommendation of tenure by this institution are set forth in the policies of the institution and are incorporated by reference as if fully set forth herein. Tenure may only be awarded by positive action ~~by~~ of the Tennessee Board of Regents.

7. You are required to notify the ~~Director of Personnel~~Office of Human Resources/Vice President for Academic Affairs should you become employed at another state agency/institution.

8. By acceptance of this appointment, I agree to abide by the terms of the Drug-Free Workplace Act of 1988 as defined in published institution statements and policy. I also agree to notify the Office of Personnel of any criminal drug conviction for a violation occurring in the workplace no later than five days after such conviction.

9. Employment with the [Institution] is contingent upon completion of the Form I-9 as required by law to certify work eligibility. The Form I-9 is required to be completed and signed on or before the first day of employment. The first day of employment is the first day of the semester. Failure to do so may result in termination of employment.

10. The method of payment at the [Institution] is through direct deposit to a checking or savings account at a bank or credit union. I agree to provide the necessary account number(s) for deposit of my salary/wages.

11. Employment offers and continued employment are contingent upon receiving a satisfactory background report.

12. I agree to abide by all applicable laws, policies, procedures and guidelines, including but not limited to, the Family Education Rights and Privacy Act (FERPA") and complete any all applicable training as determined by TBR or the institution.

~~The following special conditions shall govern this appointment:~~

~~9~~13. I agree to abide by the policies of the Tennessee Board of Regents and of this Institution regarding Intellectual Property, and hereby acknowledge my responsibilities under those policies to disclose and possibly assign (as required under policy) Intellectual Property developed by me, either solely or jointly with others, during the term of my employment, and to otherwise assist the Institution as required by policy in protecting rights it may have in that Intellectual Property.

14. It is a Class A misdemeanor to misrepresent academic credentials.

[15. OPTIONAL The following special conditions shall govern this appointment:] [Insert Here]

You must signify your acceptance of this appointment under the terms and conditions set forth by signing ~~each copy of~~ this notice and returning the original ~~and _____ copies~~ to the office of ~~the president/college of applied technology director~~ Human Resources within fifteen days after the date of this notice.

I accept the appointment described above under the terms and conditions set forth.

____________________ _________________________
Date Appointee

~~I accept the appointment described above under the terms and conditions set forth.~~

____________________ _________________________
Date President or Designee

Date of Contract:

[INSTITUTION] does not discriminate on the basis of race, color, religion, ethnic or national origin, sex, disability, age, status as a covered veteran, or genetic information in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: NAME, TITLE, ADDRESS, CONTACT INFO (phone and email) or via this webpage: http://www. / . (If applicable).

~~An Equal Opportunity/Affirmative Action Employer~~

TBR Form F-2

TENNESSEE BOARD OF REGENTS OF THE STATE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF TENNESSEE

____
(Institution)

NOTICE OF RENEWAL OF TENURE-TRACK APPOINTMENT FOR FACULTY

TO:__________________________________
____
____

This is to notify you of the renewal of your tenure-track appointment at this institution for the ____________academic/fiscal year, subject to the terms and conditions of your previous appointment and the Notice of Tenure-Track Appointment and Agreement of Employment for Faculty, and subject to the current policies and requirements of this institution and the Tennessee Board of Regents.

You will be notified of the recommended salary for your position in a separate document, Notice of Recommended Salary. This renewal constitutes an amendment to the term of your Notice of Tenure-Track Appointment and Agreement of Employment for Faculty, and you must signify your acceptance of this appointment under the terms and conditions set forth by signing ~~each copy of~~ this notice and returning ~~them~~ the original to the office of ~~the president/director~~ Human Resources within 30 days after the date of this notice. Your failure to accept this renewal within the above~~-~~ stated time will constitute a rejection of this offer and non-renewal of your appointment. Every other term and provision of the initial employment agreement shall remain valid and binding.

I accept the appointment described above under the terms and conditions set forth.

____
Date ~~President/Director~~Appointee

~~I accept the appointment described above under the terms and conditions set forth.~~

____
Date ~~Appointee~~ President or Designee

[INSTITUTION] does not discriminate on the basis of race, color, religion, ethnic or national origin, sex, disability, age, status as a covered veteran, or genetic information in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: NAME, TITLE, ADDRESS, CONTACT INFO (phone and email) or via this webpage: http://www. / . (If applicable).

~~An Equal Opportunity/Affirmative Action Employer~~

TBR Form F-3

TENNESSEE BOARD OF REGENTS OF THE STATE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF TENNESSEE

____

(Institution)

NOTICE OF RENEWAL OF TENURE-TRACK APPOINTMENT AND AMENDMENT OF AGREEMENT OF EMPLOYMENT FOR FACULTY

TO: ___________________________________

____

____

This is to notify you of the renewal of your tenure-track appointment at this institution for the _____________________________ __________________academic/ fiscal year, subject to the current policies and requirements of this institution and the Tennessee Board of Regents. ~~, and~~ This appointment is subject to the terms and conditions of your previous appointment and the Notice of Tenure- Track Appointment and Agreement for Employment for Faculty, as amended by the following conditions: [______________________]

You must signify your acceptance of this appointment under the terms and conditions set forth by signing ~~each copy of~~ this notice and returning ~~them~~ the original to the office of ~~the president/director~~ Human Resources within thirty days after the date of this notice. If you accept this renewal of your appointment, you will be notified of the recommended salary for your position in a separate document, Notice of Recommended Salary. Your failure to accept this renewal within the above stated time will constitute a rejection of this offer and non-renewal of your appointment. Every other term and provision of the initial employment agreement not inconsistent with the terms and provisions contained herein shall remain valid and binding.

_________________________ ______________________________

~~Date President/Director~~

I accept the appointment described above under the terms and conditions set forth.

__________________________ ______________________________

Date Appointee

_________________________ ______________________________

Date President/Director

[INSTITUTION] does not discriminate on the basis of race, color, religion, ethnic or national origin, sex, disability, age, status as a covered veteran, or genetic information in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: NAME, TITLE, ADDRESS, CONTACT INFO (phone and email) or via this webpage: http://www. / . (If applicable).

~~An Equal Opportunity/Affirmative Action Employer~~

NOTICE OF AWARD OF TENURE AND/OR PROMOTION

Dear:

We are pleased to notify you ~~that~~ the Tennessee Board of Regents, at its regular meeting on ________, 20____, approved the recommendation of this institution and awarded you the status of academic tenure in ______________________________at __________________. In addition, the Board approved your promotion to the rank of _______________. Your ~~monthly~~ annual salary for the year will be $__.

Your appointment for the ________academic year will be a tenure appointment, which appointment shall continue thereafter under the terms and conditions of the policy on academic tenure of the Board, subject to your continued performance of the duties and responsibilities of a full-time faculty member at this institution.

We congratulate you on this award, and hope ~~that~~ your service at this institution will continue at the level of professional excellence which you have previously demonstrated.

Sincerely,

____

President/Director Date

[INSTITUTION] does not discriminate on the basis of race, color, religion, ethnic or national origin, sex, disability, age, status as a covered veteran, or genetic information in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: NAME, TITLE, ADDRESS, CONTACT INFO (phone and email) or via this webpage: http://www. / . (If applicable).

~~An Equal Opportunity/Affirmative Action Employer~~

TBR Form F-5

TENNESSEE BOARD OF REGENTS OF THE STATE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF TENNESSEE

____

(Institution)

NOTICE OF NON-RENEWAL OF APPOINTMENT

TO:________________________________

____

____

Pursuant to Tennessee Board of Regent policy ~~T~~this letter is to notify you that your tenure-track appointment at this institution will not be renewed following your completion of service for the period ending ____, 20_____. ~~If you desire,~~ Y~~y~~ou may contact ____________________________for a statement of the reason or reasons for this non-renewal.

____________________ __________________________________

Date President/Director

[INSTITUTION] does not discriminate on the basis of race, color, religion, ethnic or national origin, sex, disability, age, status as a covered veteran, or genetic information in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: NAME, TITLE, ADDRESS, CONTACT INFO (phone and email) or via this webpage: http://www. / . (If applicable).

~~An Equal Opportunity/Affirmative Action Employer~~

TBR Form F-6

TENNESSEE BOARD OF REGENTS OF THE STATE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF TENNESSEE

____
(Institution)

NOTICE OF TEMPORARY EMPLOYMENT AND AGREEMENT OF EMPLOYMENT FOR FACULTY

TO:________________________________
____
____

This is to confirm your temporary appointment to a position approved by the Tennessee Board of Regents as ____________________________in the _________________(department/division or area of assignment) for a period beginning _____________, 20_____, and ending no later than ______________, 20___, at an annual/monthly salary of $_________________, subject to the terms and conditions hereinafter set forth and your acceptance thereof:

1. This appointment is made subject to the laws of the State of Tennessee, the requirements and policies of the Tennessee Board of Regents, and the requirements and policies of this institution.

2. The above stated salary is contingent upon your completion of service for the full term specified above. The salary for an academic year appointment will accrue at the rate of one-third for each academic quarter/one-half for each academic semester, and will be payable at the rate of one-twelfth the amount for each month from August/September through July/August. The salary for other specified term appointments will accrue and be payable at the rate of one-twelfth for each completed month of service. In the case of appointments for less than an academic or fiscal year, or in the event of failure to complete the specified term of the appointment, salaries will be prorated in accordance with the policies of the institution.

3. This appointment and the above stated salary are in consideration of your ~~faithful~~ performance ~~to the best of your ability~~ of the duties and responsibilities assigned to you as a full-time faculty member of this institution, and such additional duties as may be assigned to you from time to time, subject to the policies of the department or other area of assignment, and subject to the supervision and direction of appropriate representatives of this institution.

4. Academic year appointments include no obligation for or guarantee of ~~summer session~~ other employment.

5. Positions which are funded in whole or in part by funds other than tax-appropriated funds are subject to termination by this institution/college of applied technology at any time in the event of reduction or termination by the source of the non-tax-appropriated funds which support this position.

6. This appointment is a temporary appointment, pursuant to which you are not eligible for academic tenure. This appointment does not include any right to, expectancy of or interest in permanent or continuous employment, extension of the period of employment, or renewal of the appointment. Any extension of the period of appointment or renewal of the appointment for a subsequent period must be made pursuant to a written agreement signed by the parties to this agreement.

7. You are required to notify the ~~Director of Personnel~~Office of Human Resources/Vice President for Academic Affairs should you become employed at another state agency/institution.

8. By acceptance of this appointment, I agree to abide by the terms of the Drug-Free Workplace Act of 1988 as defined in published institution statements and policy. I also agree to notify the Office of Personnel of any criminal drug conviction for a violation occurring in the workplace no later than five days after such conviction.

9. This agreement may be terminated upon thirty (30) days' notice.

10. Employment with the [Institution] is contingent upon completion of the Form I-9 as required by law to certify work eligibility. The Form I-9 is required to be completed and signed on or before the first day of employment. The first day of employment is the first day of the semester. Failure to do so may result in termination of employment.

11. The method of payment at the [Institution] is through direct deposit to a checking or savings account at a bank or credit union. I agree to provide the necessary account number(s) for deposit of my salary/wages.

12. Employment offers and continued employment are contingent upon receiving a satisfactory background report.

13. I agree to abide by all applicable laws, policies, procedures and guidelines, including but not limited to, the Family Education Rights and Privacy Act (FERPA") and complete any and all appropriate training as determined by the TBR or the institution.

~~10. The following special conditions shall govern this appointment:~~

14~~1~~. I agree to abide by the policies of the Tennessee Board of Regents and of this Institution regarding Intellectual Property, and hereby acknowledge my responsibilities under those policies to disclose and possibly assign (as required under policy) Intellectual Property developed by me, either solely or jointly with others, during the term of my employment, and to otherwise assist the Institution/College of Applied Technology as required by policy in protecting rights it may have in that Intellectual Property.

15. It is a Class A misdemeanor to misrepresent academic credentials.

[16. OPTIONAL ~~10.~~ The following special conditions shall govern this appointment:] [INSERT HERE]

You must signify your acceptance of this appointment under the terms and conditions set forth by signing ~~each copy of~~ this notice and returning the original ~~and _____copies~~ to the office of the ~~president/college of applied technology director~~ Human Resources within fifteen days after the date of this notice.

~~Date~~ ~~President/Director~~

I accept the appointment described above under the terms and conditions set forth.

Date ~~*~~Appointee

Date President/Director

[INSTITUTION] does not discriminate on the basis of race, color, religion, ethnic or national origin, sex, disability, age, status as a covered veteran, or genetic information in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: NAME, TITLE, ADDRESS, CONTACT INFO (phone and email) or via this webpage: http://www. / . (If applicable).

~~An Equal Opportunity/Affirmative Action Employer~~

TBR Form F-7

TENNESSEE BOARD OF REGENTS OF THE STATE UNIVERSITY AND
COMMUNITY COLLEGE SYSTEM OF TENNESSEE

____

~~Community College or College of Applied Technology~~ Institution

NOTICE OF TERM APPOINTMENT AND AGREEMENT OF
EMPLOYMENT FOR FACULTY

TO: ___________________________________

____

____

This is to confirm your term appointment to a position approved by the Tennessee Board of Regents as ________________________in the _________________(department/division or area of assignment) for a period beginning __________, 20_______, and ending no later than _______________, 20______, at a monthly/annual salary of $__________________, subject to the terms and conditions hereinafter set forth and your acceptance thereof:

1. This appointment is made subject to the laws of the State of Tennessee, the requirements and policies of the Tennessee Board of Regents, and the requirements and policies of this community college or college of applied technology.

2. The above stated salary is contingent upon your completion of service for the full term specified above. The salary for an academic year appointment will accrue at the rate of one-third for each academic quarter/one-half for each academic semester, and will be payable at the rate of one-twelfth of the amount for each month from August/September through July/August. The salary for other specified term appointments will accrue and be payable at the rate of one-twelfth for each completed month of service. In the case of an appointment for less than an academic or fiscal year, or in the event of failure to complete the specified term of the appointment, the salary will be prorated in accordance with the policies of the community college or college of applied technology.

3. This appointment and the above stated salary are in consideration of your ~~faithful~~ performance ~~to the best of your ability~~ of the duties and responsibilities assigned to you as a full-time faculty member of this community college or college of applied technology, and such additional duties as may be assigned you from time to time, subject to the supervision and direction of appropriate representatives of this community college or college of applied technology.

4. Academic year appointments include no obligation for or guarantee of ~~summer session~~ other employment.

5. Positions which are funded in whole or in part by funds other than tax-appropriated funds are subject to termination by this community college or college of applied technology at any time in the event of reduction or termination by the source of the non-tax-appropriated funds

which support this position.

6. This appointment is a term appointment, pursuant to which you are not eligible for academic tenure. This appointment does not include any right to, expectancy of or interest in permanent or continuous employment, extension of the period of appointment or renewal of the appointment. Any extension of the period of appointment or renewal of the appointment for a subsequent period must be pursuant to a subsequent written agreement signed by the parties to this agreement.

7. You are required to notify the Director of Human Resources/Vice President for Academic Affairs should you become employed at another state agency/institution.

~~7~~8. This agreement may be terminated upon 30 days' notice.

9~~8~~. By acceptance of this appointment, I agree to abide by the terms of the Drug-Free Workplace Act of 1988 as defined in published institution statements and policy. I also agree to notify the Office of ~~Personnel~~ Human Resources of any criminal drug conviction for a violation occurring in the workplace no later than five days after such conviction.

~~9. The following special conditions shall govern this appointment:~~

10. Employment with the [Institution] is contingent upon completion of the Form I-9 as required by law to certify work eligibility. The Form I-9 is required to be completed and signed on or before the first day of employment. The first day of employment is the first day of the semester. Failure to do so may result in termination of employment.

11. The method of payment at the [Institution] is through direct deposit to a checking or savings account at a bank or credit union. I agree to provide the necessary account number(s) for deposit of my salary/wages.

12. Employment offers and continued employment are contingent upon receiving a satisfactory background report.

13. I agree to abide by all applicable laws, policies, procedures and guidelines, including but not limited to, the Family Education Rights and Privacy Act (FERPA") and complete any and all appropriate training as determined by TBR or the institution.

14~~0~~. I agree to abide by the policies of the Tennessee Board of Regents and of this Institution regarding Intellectual Property, and hereby acknowledge my responsibilities under those policies to disclose and possibly assign (as required under policy) Intellectual Property developed by me, either solely or jointly with others, during the term of my employment, and to otherwise assist the Institution as required by policy in protecting rights it may have in that Intellectual Property.

15. It is a Class A misdemeanor to misrepresent academic credentials.

[16~~9~~.OPTIONAL The following special conditions shall govern this appointment:] [INSERT HERE]

You must signify your acceptance of this appointment under the terms and conditions set forth by signing ~~each copy of~~ this notice and returning the original ~~and ______ copies~~ to the office of the ~~president/college of applied technology director~~ Human Resources within fifteen days after the date of this notice.

~~Date President/Director~~

I accept the appointment described above under the terms and conditions set forth.

Date Appointee

Date President/Director

[INSTITUTION] does not discriminate on the basis of race, color, religion, ethnic or national origin, sex, disability, age, status as a covered veteran, or genetic information in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: NAME, TITLE, ADDRESS, CONTACT INFO (phone and email) or via this webpage: http://www. / . (If applicable).

~~An Equal Opportunity/Affirmative Action Employer~~

TBR Form F-8

TENNESSEE BOARD OF REGENTS OF THE STATE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF TENNESSEE

____
Institution

NOTICE OF EMPLOYMENT OF ADJUNCT FACULTY

TO:_________________________________
____
____
____

This is to confirm your appointment as an adjunct faculty member in the _______________ (department/division or area of assignment) for the _______________(semester/quarter) 20_____to teach the following course(s): (list course by course number, name, and section number)____
____
____
at a salary of $__________per credit hour, effective _____________, 20_____, subject to the terms and conditions hereinafter set forth and your acceptance thereof:

1. This agreement is made subject to the laws of the State of Tennessee, the requirements and policies of the Tennessee Board of Regents, and the requirements and policies of this institution.

2. The above-stated salary is contingent upon your successful completion of service for the full term of this agreement. The salary will accrue and be payable as follows: ____
__ ____. In the event of failure to complete the specific terms of the appointment, salary will be prorated in accordance with the policies of the institution.

3. This appointment and the above-stated salary are in consideration of your ~~faithful~~ performance ~~to the best of your ability~~ of the duties and responsibilities assigned to you as an adjunct faculty member of this institution.

4. As an adjunct faculty member you are not eligible for employment benefits (for example retirement credit, ~~state insurance plan,~~ annual or sick leave, holiday pay, or longevity credit.) Notwithstanding, social security will be deducted from your paycheck unless you are a member of a retirement system or are a rehired annuitant as specified in 26 CFR Part 31. Under federal law you may be eligible for health insurance benefits. If you are eligible you will be notified.

5. Finalization of the pending assignment will be subject to the course(s) sufficient enrollment and/or other administrative considerations. Should the class(es) not have a sufficient number of students register, this contract automatically becomes void. The institution also reserves the right to terminate this agreement and transfer the class(es) to a full- time faculty member.

6. This appointment does not include any assurance, obligation, or guarantee of subsequent employment.

7. Classes will begin on __________, 20______and will end on ___________, 20_____, including examinations. In the event you cannot meet the class(es) at any scheduled time, you

must immediately contact your Department Head. Any absenteeism will be reflected in your rate of pay.

8. The class roll(s) will serve as the official record of attendance and catalog description(s) as the official record of contract hours taught. ~~Paychecks will not be issued until all personnel requirements have been met. The final paycheck will not be issued until all contractual obligations have been met.~~

9. This agreement may be terminated without advance notice.

10. You are required to notify the ~~Director of Personnel/~~Office of Human Resources/Vice President for Academic Affairs should you become employed at another state agency/institution.

11. By acceptance of this appointment, I agree to abide by the terms of the Drug-Free Workplace Act of 1988 as defined in published institution statements and policy. I also agree to notify the Office of Personnel of any criminal drug conviction for a violation occurring in the workplace no later than five days after such conviction.

12. Employment with the [Institution] is contingent upon completion of the Form I-9 as required by law to certify work eligibility. The Form I-9 is required to be completed and signed on or before the first day of employment. The first day of employment is the first day of the semester. Failure to do so may result in termination of employment.

13. The method of payment at the [Institution] is through direct deposit to a checking or savings account at a bank or credit union. I agree to provide the necessary account number(s) for deposit of my salary/wages.

14. Employment offers and continued employment are contingent upon receiving a satisfactory background report.

15. I agree to abide by all applicable laws, policies, procedures and guidelines, including but not limited to, the Family Education Rights and Privacy Act (FERPA") and complete any and all appropriate training as determined by TBR or institution.

~~12. The following special conditions shall govern this appointment:~~

16~~3~~. I agree to abide by the policies of the Tennessee Board of Regents and of this Institution regarding Intellectual Property, and hereby acknowledge my responsibilities under those policies to disclose and possibly assign (as required under policy) Intellectual Property developed by me, either solely or jointly with others, during the term of my employment, and to otherwise assist the Institution as required by policy in protecting rights it may have in that Intellectual Property.

17. It is a Class A misdemeanor to misrepresent academic credentials.

[18~~2~~. OPTIONAL The following special conditions shall govern this appointment:] [INSERT HERE]

You must signify your acceptance of this appointment under the terms and conditions set forth by signing ~~each copy of~~ this Notice and returning the original ~~and copies~~ to the office of ~~the president/director~~ Human Resources within fifteen (15) days after the date of this notice.

~~Date~~ ~~President/Director~~

~~THIS INFORMATION MUST BE COMPLETED BY THE EMPLOYEE BEFORE PAYROLL CHECKS WILL BE PROCESSED.~~

I accept the appointment as described above. I understand that this appointment is not approved until all signatures have been obtained.

I am___/___am not employed as a regular part-time or regular full-time employee at another state agency or institution.
In order to process a payroll check, federal regulations require disclosures of your retirement system(s). If none, please write in ~~A~~None or N/A ~~@.~~

____
Retirement System

____________________________ ______________
Employee Signature ~~Date~~ Date

____________________ ________________________
Date President/Director

~~___Employment application ___W-4 form ___I-9 form (plus documentation)~~

~~An Equal Opportunity/Affirmative Action Employer~~

[INSTITUTION] does not discriminate on the basis of race, color, religion, ethnic or national origin, sex, disability, age, status as a covered veteran, or genetic information in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: NAME, TITLE, ADDRESS, CONTACT INFO (phone and email) or via this webpage: http://www. / . (If applicable).