

Board of Trustees Meeting

December 6, 2018

Roaden University Center 282

MINUTES

AGENDA ITEM I—CALL TO ORDER AND ROLL CALL

The Tennessee Tech Board of Trustees met in regular session on December 6, 2018, in Roaden University Center, Room 282. Chair Tom Jones called the meeting to order at 1:35 p.m.

Chair Jones asked Kae Carpenter, Secretary, to call the roll. The following members were present:

- Forrest Allard
- Melissa Geist
- Trudy Harper
- Rhedona Rose
- Purna Saggurti participated by phone and confirmed that he could simultaneously hear and speak to the Board members, that he was the only person present in the location from which he was calling, and that he received the Board materials in advance of the meeting.
- Johnny Stites
- Teresa Vanhooser
- Barry Wilmore
- Tom Jones

A quorum was physically in attendance.

Tennessee Tech faculty, staff, and members of the public were also in attendance.

Chair Jones recognized Representative Ryan Williams and thanked him for his efforts on behalf of Tennessee Tech.

AGENDA ITEM II—RECOGNITION OF STUDENTS' ACCOMPLISHMENTS

Chair Jones opened the meeting by honoring two groups of Tennessee Tech students. The first group was Tennessee Tech's Cybersecurity Team, which was recognized as one of the top ten teams in the nation at the Collegiate Penetration Testing Competition. The team's coach, Joseph Cross, introduced members Sam Wehunt, Joe Bivens, Darren Cunningham, Max Layer, and David Yantis. Mr. Cross presented a brief overview of the team and its goals. Mr. Bivens, the team's captain, discussed his experiences serving on the team and the competition in which the team participated.

The second group was Tennessee Tech's iCube students who founded Tennessee Together to assist in battling Tennessee's opioid crisis. Amanda Cale, a senior Graphic Design major, introduced the project and the iCube director, Kevin Liska. Ms. Cale and Mr. Liska provided an overview of the work accomplished by the iCube staff and students.

AGENDA ITEM III—APPROVAL OF MINUTES

Ms. Harper moved to approve the September 18, 2018, Quarterly Board Meeting minutes. Ms. Vanhooser seconded the motion.

After an opportunity for further discussion and there being none, the motion carried unanimously.

Governor Bill Haslam joined the meeting and thanked the Board of Trustees for its initiative and asked for feedback.

Chair Jones stated that he believed one of the greatest accomplishments over the past two years was the establishment of the Board as a leadership team.

Dr. Geist asked the Governor to share his overall impression of the Board and if he would change certain aspects of the Board. Governor Haslam answered that he had high regard for the Board and for the direction the Board was going. Governor Haslam asked the Board members if they would like to change anything.

Mr. Stites stated he would like more governance training to be provided to the Board. He stated that Board members should be active in discussions. Governor Haslam stated that it could be a challenge for the Board to be engaged, but doing so should not be confused with the Board assuming an administrative role.

Chair Jones stated the Board had learned and improved over time. President Oldham stated the Board was to be commended for its hard work comprehending and engaging with the information given to them.

Dr. Geist stated that a faculty member should always be on the Board to bring a different perspective, who is living with the policies and who can speak for the faculty and staff of Tennessee Tech.

Mr. Allard stated that having the student perspective was also valuable insight as to how other students perceived what was happening on campus.

Ms. Rose stated that the size of the Board was an important factor because everyone had a chance to speak and had an important role. Governor Haslam agreed. Governor Haslam stated that he sensed from the first meeting that Tennessee Tech's Board was owning its roles in a healthy way.

Mr. Stites stated that measuring what was important to the individual, the legislature, and the people of Tennessee was what the board members should focus on, and trustees should be held accountable to those individuals and groups.

Mr. Saggurti stated the Board had a sense of ownership that came from the commitment and loyalty each person has for Tennessee Tech.

Ms. Harper stated that being on the Board was not always easy but the Board has begun to figure out what the Board does not know. She stated the Board still had a long way to go but the staff and the administration were helping the Board with the learning curve.

Chair Jones introduced the two student groups presented earlier for the purpose of sharing their accomplishments with Governor Haslam. Joe Bivens introduced the cybersecurity team and explained why he came to Tennessee Tech. Amanda Cale introduced herself and the iCube project.

Chair Jones presented Governor Haslam with a resolution to recognize his leadership and vision for higher education. Governor Haslam expressed his gratitude. Ms. Harper moved to approve the resolution. Mr. Stites seconded the motion. After opportunity for further discussion and there being none, the motion carried unanimously.

After Chair Jones presented the resolution to Governor Haslam, the Governor left the meeting.

AGENDA ITEM IV—PRESIDENT'S REPORT

President Oldham introduced Mike Krause, Executive Director of the Tennessee Higher Education Commission. Mr. Krause presented an update on the state's status and Tennessee Tech's progress. He stated that only 30.8 percent of Tennesseans had a degree in 2012 and employers asked Governor Haslam to address this issue. He stated that now 41 percent of Tennesseans had degrees, which was a significant improvement and more Tennesseans were going to college. He stated that the net result was Tennessee now ranked 13th in the nation for investment in higher education.

Mr. Krause stated that the funding formula was previously based on the number of students enrolled on the 14th day of classes. He stated that in 2010-11, THEC changed to an outcome-based formula, which was easier to justify when asking for funds. He stated that the new system showed

that Tennessee Tech had increased numbers of graduating students. He stated that since the new formula was implemented in 2015, Tennessee Tech had received a 23.8 percent increase in appropriations.

Mr. Krause stated that Tennessee Tech had a steady but dramatic climb generating funding through the formula and was currently leading the state in funding acquired through the formula. He stated that the formula was best used as a consultative tool, rather than a regulatory tool. He stated that it showed what areas were thriving and identified other areas that could be improved.

Mr. Krause stated that Tennessee Tech dramatically increased its output of bachelor's degrees. He stated that this was important because many of those majors were STEM majors. He stated that there had also been an increase in research and service, which could result in additional funds.

Mr. Krause stated that the degrees awarded per 100 FTE and the six-year graduation rate had improved dramatically and could be seen in the formula. He stated that the bachelor's degrees earned had increased by almost 500.

Mr. Krause stated that the formula was created collaboratively. He stated that every university president sits at the table to revise the formula, and every five years the formula was dramatically redesigned. He stated that the formula was continually optimized to measure student success.

Mr. Krause stated that Tennessee Tech was doing very well in student success, but he wanted to present two challenges. The first challenge was the need to reach out to rural counties in Tennessee. He stated that many jobs held by non-college graduates were not durable jobs, and they could find themselves in tough situations later in life.

Mr. Krause stated the second challenge was low-income student success. He stated that a Tennessee student's success in college correlated with the amount of money the student's family makes. He stated that the freshmen enrolled next fall would have important indicators as to whether or not they needed intervention. He stated that one important intervention for low-income students was calling roll, then texting a student if s/he did not show up to class. He stated these were not expensive interventions and Tennessee Tech was already implementing several of the ideas. He stated that the next important step in Tennessee was to make sure that where a student resides or a student's parent's income did not determine whether or not the student could become a college graduate.

Mr. Stites stated that Tennessee Tech was doing very well graduating students in high numbers, but Tennessee's high school graduate statistics were flat. He stated that Tennessee Tech would be pressed to enroll as many students in the future as were currently enrolled. He stated that Tennessee Tech, as the lowest-cost university in Tennessee, was graduating students faster than other universities. He stated that students were able to get through the system in closer to four years rather than six years. He stated that the rate at which students were graduating and the rate at which students were enrolling could cause Tennessee Tech concern.

Mr. Stites asked if there was a system that could recognize that Tennessee Tech did not have the opportunity to attract as many students. He asked if Tennessee Tech could be penalized if its rate of graduating students decreased through no fault of its own.

Mr. Krause answered that every state was facing a demographic shift in terms of high school production, with a steep cliff coming nationwide in 2025. He stated that Tennessee Tech was less sensitive to that for the state portion of money. He stated that Tennessee Tech was receiving about 30 percent of appropriations from Tennessee and generating 70 percent internally. He stated that the formula was much less sensitive to enrollment fluctuations. He stated Tennessee Tech could enroll dramatically fewer students and the state share would not change so long as Tennessee Tech remained efficient with the students it already had and continued to succeed.

Mr. Krause stated there was still the 70 percent of Tennessee Tech's budget not provided by the state. He stated that as the high school graduate numbers drop, Tennessee Tech should push to enroll adults in college. He stated Tennessee Tech had great opportunities to emulate what other schools in the nation and state were doing for adults, such as the University of Memphis Finish Line program. He stated Tennessee Tech's Interdisciplinary Studies degree could be used as a vehicle to enroll adults to mitigate fewer high school graduates available to enroll.

President Oldham stated he was very proud of Tennessee Tech being the number one performer as indicated in the funding formula. He stated Tennessee Tech's priorities were tied to state priorities as indicated by the funding formula. President Oldham stated that these items were key because they were state interests, and he wanted to continue meeting those expectations.

President Oldham stated there was a THEC funding recommendation, as well as how well Tennessee Tech performed with the formula. He stated there was a building recommendation for the new engineering building, the first new engineering building on Tennessee Tech's campus since 1971. He stated Tennessee Tech was number four on the priority list as recommended by THEC, but there was no guarantee the legislature or the Governor's office would approve the proposal. He stated that the proposal was within the funding scope of a typical year and he was hopeful that it would be funded. He stated there was \$900,000 of recurring dollars being recommended by THEC for Tennessee Tech's Carnegie reclassification that would bring the total recurring funds for that effort to \$2,100,000. He stated that this also included a recommendation of \$7,700,000 for improvement and capital maintenance for the campus.

President Oldham stated that Governor Haslam was instrumental in Tennessee Tech receiving additional state funding for the cybersecurity education effort. He stated that the state provided \$500,000 each of the past two years that helped make organizations like Tennessee Tech's cybersecurity team possible. He stated that the state commitment was for another two years of additional funding and Tennessee Tech wanted to encourage that type of engagement.

President Oldham described how Tennessee Tech became the number one performer in the funding formula. He stated several decisions and ongoing efforts led to that milestone. He stated that the metrics were critical and centered on student success, including the number of degrees granted and the efficiency with which those degrees were granted. He stated the funding formula did not specifically measure retention rates but retention was a precursor to graduating students. He stated that roughly five years ago Tennessee Tech launched the new Flight Plan, which looked at peer institutions and best practices. He stated that Tennessee Tech implemented many of the strategies with specific metrics, including graduation and retention rates that speak specifically to those issues. He stated that this has brought Tennessee Tech to where it was now, performing at

the top of the funding formula. He stated that he gave credit to the faculty and staff at Tennessee Tech for making this achievement happen.

President Oldham stated there had been a 20 percent increase in bachelor's degrees awarded at Tennessee Tech over the past five years. He stated that the student retention of first-time freshmen increased from 72 percent to 78 percent. He stated class attendance was the number one predictor of student success. He stated that if students attend classes, they made better grades, persisted to finish, and graduated on time. He stated that Tennessee Tech implemented a program that would let appropriate faculty know if a student missed more than two classes of the same course within the first six weeks of the fall and spring semesters. He stated that this allowed for intervention at a critical time.

President Oldham stated another key point was advising. He stated Tennessee Tech invested heavily in hiring professional advisors to work specifically with first-year students on campus, which substantially paid off.

President Oldham stated that Tennessee Tech's six-year graduation rate had exceeded 55 percent for the first time this year, which was a significant improvement from 50 percent two years ago. He stated that the four-year graduation rate topped 34 percent this year for the first time. He stated that two years ago the five-year graduation rate topped 50 percent for the first time. He stated that overall the students were receiving a better value for their money.

President Oldham stated he wanted to highlight a few recent faculty successes. President Oldham recognized Cara Sisk, professor of Human Ecology, for giving students in Child Life Specialist major the opportunity to learn and work with professionals in the field; Adam Holley, assistant professor in Physics, for his research of the decay rate of neutrons that has been published in the journal, *Science*; Bedelia Russell, associate professor of Nursing, and her work with The Heart of the Cumberland whereby students can obtain clinical experience work with elementary and middle school students; Jason Beach, associate professor in Curriculum and Instruction, for his research in Virtual Immersive Interactive Observation; and Mark Melichar, assistant professor of Economics, for incorporating real-world concepts and applying them to concepts at Tennessee Tech in a way that resonates with the students.

President Oldham addressed the challenges Tennessee Tech faced. He stated enrollment was a challenge and it would be difficult to graduate record numbers of students if sufficient numbers were not enrolled, so enrollment was a primary focus. He stated there was significant external competition for students and Tennessee Tech needed to respond aggressively in a competitive environment. He stated that the answer to this challenge was making certain that scholarship money was put to the best use in practical terms. He stated merit-based scholarships were important, but there was also a role and significant opportunity for need-based scholarships. He stated Tennessee Tech was doing its best to ensure financial resources were not the limiting factor for good students to come to Tennessee Tech. He stated this was a state priority that Tennessee Tech needed to address.

President Oldham stated Tennessee Tech should look at new programs and emerging academic programs that were essential to the emerging workforce opportunities. He stated that talent was

the underlying issue in the corporate world and Tennessee Tech was in the best position to supply that talent.

President Oldham addressed how Tennessee Tech should go about facing these challenges. He stated Tennessee Tech's strategic plan addressed many of these issues regarding student success, creating new academic programs, ensuring availability of technologically-infused programs, increasing research in scholarly activity, and providing interdisciplinary opportunities. He stated that the concept of a grand challenge encompassing these priorities in a focused, coherent way would lead to a tangible benefit to the surrounding environment and would engage students and faculty. He stated that this would help Tennessee Tech remain a relevant institution.

President Oldham stated that there were challenges, but Tennessee Tech could overcome them. He stated Tennessee Tech had proven the capability to rise to the challenge through the Flight Plan, increased graduation rates, and increased retention rates. He stated Tennessee Tech had an honorable mission to serve the students in the state. He stated that Tennessee Tech was a university serving the everyday people, those who wanted to make the community a better place to live. He stated he was thankful for the Board and the work it was doing.

AGENDA ITEM V.A - EXECUTIVE COMMITTEE REPORT AND RECOMMENDATION - REPORT ON DISCUSSION OF BOARD EFFECTIVENESS

Chair Jones stated that a meeting was held on November 13th to review the Board evaluation and the evaluation summary could be found in the board meeting materials. He stated that the evaluations were divided into five main points. He stated that this information was presented to the administration and informational meetings were requested for the purpose of further educating the Board. He stated that the Board needed to learn more about the Institutional Research Office because the office evaluates data and provides information that could be beneficial to the Board.

President Oldham stated that information about the Institutional Research Office could be provided but much of the information was already posted online. Chair Jones stated that the Board also needed to learn more about the Tennessee Tech Foundation and how the Foundation related to the Board.

Chair Jones stated that before the Board met for the first time, he decided to have three committees, but this could always be reconsidered in the future. He stated that committees typically meet on the same day the Board meets, and additional meetings occurred out of cycle. He stated that it was the responsibility of the individual committee chairs to schedule these meetings as needed. He stated that as more informational meetings were scheduled, these meetings might be more effective coupled with these committee meetings. He stated that it would be the committee chair's responsibility to determine how many out-of-cycle meetings would be needed. He stated that he would try to allow more time for these committee meetings.

Chair Jones stated that the Board evaluations included comments on communications and the presentations in the Board materials being made available sooner. He stated that he would strive

to continue to provide materials to Board members sooner and asked President Oldham and the staff to also make that effort.

Chair Jones stated that the next point related to the process and benchmarks related to the evaluation of the President's performance. He stated that in the future he would like a streamlined, smaller set of goals with measurable metrics for comparison.

Chair Jones stated that one of the questions asked was "What are Tennessee Tech's major issues?" He stated that Tennessee Tech's fiscal health was number one. He stated this was not the same item as student enrollment, but also included validity of programs, expenses, and more. He stated other topics of focus included morale on campus, focus on students, state and national trends for job needs, and building and strengthening relationships with different campus constituencies. He stated that the Board's job was to make suggestions and present those to the administration.

AGENDA ITEM V.B—APPROVAL OF ALIGNMENT OF TERM EXPIRATIONS FOR STUDENT TRUSTEE, COMMITTEE CHAIRS, AND CHAIR

Chair Jones stated the motion was to realign the student trustee's, committee chairs', and chair's terms to coincide with the expiration of the appointed Board members terms on June 30. Ms. Harper moved to approve the alignment of the terms as stated. Ms. Vanhooser seconded the motion.

After an opportunity for further discussion and there being none, the motion carried 7 to 1 with Mr. Stites casting the "nay" vote.

AGENDA ITEM VI—AUDIT & BUSINESS COMMITTEE REPORT AND RECOMMENDATIONS

Ms. Vanhooser stated that the Audit & Business Committee approved the 2019 Audit Plan and no additional action was required. She stated that the Board was required to provide a report to the General Assembly with information regarding the expenditures of revenues derived from any tuition and fee increase(s) from the previous academic year. She stated this report must include how revenues were used, effect on student financial aid, and effect on the average total cost of attendance per student.

Ms. Vanhooser moved to approve the Tuition Transparency Act Report. Mr. Stites seconded the motion.

After an opportunity for further discussion and there being none, the motion carried unanimously.

Ms. Vanhooser stated the Board was required to develop a list of factors that must be considered when developing recommendations to increase tuition and mandatory fees. She stated these

factors had to include, at a minimum, the level of state support, total cost of attendance, and efforts to mitigate the financial effect on students.

Ms. Vanhooser moved to approve the Tuition Transparency factors. Ms. Rose seconded the motion.

Dr. Geist stated that the Board could consider other factors. Chair Jones agreed that the Board was not limited to these factors.

After opportunity for further discussion and there being none, the motion carried unanimously.

Ms. Vanhooser stated the Audit & Business Committee reviewed and recommended approval of Tennessee Tech's 2018-2019 October Revised Budget and Organizational Chart. She moved to approve the recommended October Revised Budget and Organizational Chart. Ms. Rose seconded the motion.

After opportunity for further discussion and there being none, the Secretary took a roll call vote and the motion carried unanimously.

Ms. Vanhooser moved to approve the amendment to the fiscal year 2018-2019 Disclosed Capital Project to include a sprinkler system expansion in the Roaden University Center. Mr. Stites seconded the motion.

After an opportunity for further discussion and there being none, the motion carried unanimously.

AGENDA ITEM VII—BOARD DELEGATION OF AUTHORITY TO ACADEMIC & STUDENT AFFAIRS COMMITTEE

Chair Jones stated that the motion was to delegate authority to Academic and Student Affairs Committee to approve letters of notification on behalf of the Board. Ms. Harper moved to approve the motion that the Board delegate the authority to the Academic and Student Affairs Committee to support letters of notification to THEC regarding proposed programs as deemed appropriate by the committee. Ms. Vanhooser seconded the motion.

After an opportunity for further discussion and there being none, the motion carried unanimously.

AGENDA ITEM VIII—ANNOUNCEMENT: REVISED DECEMBER 2019 REGULAR MEETING DATE

Chair Jones stated that the next meeting would be December 3rd rather than December 5th.

Dr. Geist asked to go back to the Board's evaluation. She stated that Chair Jones' recognition of the importance of the fiscal health of the university, student enrollment, and morale on campus was an

indication that the Board realized these were concerns going forward and the concerns would be addressed.

Chair Jones stated that various suggestions were made by Board members, but not all suggestions warranted an actual item by the Board. He stated that it was very important for the President and administration to understand that these were the concerns of the Board and the Board would like to see improvements and efforts made on these issues in the future.

President Oldham stated that they were in total agreement on these issues and the message was received from the Board.

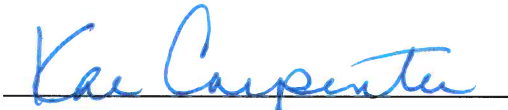
AGENDA ITEM IX – OTHER BUSINESS

Chair Jones stated that there would be a 30-minute reception following the adjournment of the meeting.

AGENDA ITEM X – ADJOURNMENT

There being no further business, the meeting adjourned at 3:31 p.m.

Approved,



Kae Carpenter, Secretary