

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

MINUTES

November 16, 2018  
Johnson City, Tennessee

The quarterly meeting of the East Tennessee State University Board of Trustees was held at 1 p.m. on Friday, November 16, in the Millennium Center on ETSU's main campus in Johnson City, Tennessee. The meeting was also livestreamed for those who could not be in attendance.

**I. Call to Order**

Chair Scott Niswonger called the meeting to order.

In his opening remarks, Chair Niswonger welcomed everyone to the eighth meeting of the ETSU Board of Trustees, which was the first to be held in the Millennium Center since the board approved its purchase at the previous meeting.

Chair Niswonger also affirmed the university's support for deepening its partnership with Ballad Health to improve population health outcomes across Appalachia. He said the board is keenly interested in developing structures, staffing and expertise to ensure that the opportunities presented by the research commitments of the COPA are maximized in order to grow research at ETSU.

He noted that the board is also interested in learning about efforts to meet enrollment growth objectives as well as the work being done to improve graduation rates and prepare students for meaningful careers. He requested an overview of University Career Services at a future meeting and commended the university on its commitment to student success as ETSU outperformed other state institutions in the THEC outcomes formula.

Chair Niswonger also announced that the Executive Committee had granted him the authority to execute an employment services agreement with President Noland by the end of the calendar year.

**II. Roll Call**

Secretary David Linville called the roll, and the following trustees were in attendance:

Fred Alsop  
David Golden  
Dorothy Grisham  
Linda Latimer  
Keyana Miller  
Scott Niswonger  
Jim Powell  
Ron Ramsey

### **III. Approval of the Minutes of September 21, 2018, Meeting**

Trustee Alsoop made a motion to accept the minutes of the September 21, 2018, Board of Trustees meeting. It was seconded by Trustee Golden and unanimously approved.

### **IV. Report from the Finance and Administration Committee**

Due to the absence of Committee Chair DeCarlo, Trustee Ramsey gave the report and said the committee discussed October budget revisions as well as the unaudited financial statements from last year and factors the board will consider when considering tuition and mandatory fee increases as outlined in the Tennessee Tuition Transparency Act. He asked Dr. B.J. King to present the committee's two recommendations.

**A. October Budget Revisions** - King explained that the board approved the proposed budget for the 2019 fiscal year at its April meeting and it was implemented in July. She said the October revisions are largely on the expenditure side every year because the leftover funds from the prior year are carried forward. King then outlined the main campus budget, noting that revenues increased by \$4.7 million due to a higher fall enrollment than projected, new course fees that were approved by the board in April, and investment income that proved to be better than anticipated. In terms of expenditures, King said instruction went up \$8.7 million, research went up \$3.8 million and academic support went up \$2.5 million due in part to the state appropriation for the Center for Prescription Drug Abuse, Prevention and Treatment. She added that the new budget model allows academic and administrative units to retain up to 50 percent of "fallout" dollars at year-end, which resulted in \$2 million to the colleges in fiscal year 2019. King said \$1 million of the "fallout" dollars were transferred to reserves and while spending increased by \$19 million it was primarily driven by the "fallout" funds made possible by the new budget model.

Next, King presented the first of three non-formula units, the College of Medicine, which saw an increase in revenue due to tuition and enrollment growth as well as a new orthopedic program. Revenue went up more than \$600,000 and budgets before transfers increased \$3.3 million.

The Department of Family Medicine revenue decreased, which King explained was due to a change in the state appropriation of post-employment benefits that was previously a pay-as-you-go plan, but is now being set up as a trust. A health insurance holiday for employees also resulted from the funding change. She added that the instructional expenses for Family Medicine went up \$250,000 related to hospital coverage expenses and they budgeted \$117,000 of carry-forward funds for clinical projects.

The final non-formula unit, the College of Pharmacy, saw a \$175,000 revenue increase due to enrollment growth and added fees. King said instructional expenditures increased to fund vacant instruction positions, research expenses went up to provide new faculty startup funds, and the college increased funding for scholarships. Overall, expenditures increased by \$753,000 before transfers.

With no motion required, the full board unanimously approved the October Budget Revisions.

**B. Factors Considered for Tuition Increases – Tuition Transparency and Accountability Act** - Utilizing the state statute for guidance, King recommended five factors for the board to consider when deciding on tuition and fee increases:

1. Level of state support
2. Total cost of attendance
3. Efforts to mitigate the financial effect on students
4. THEC binding tuition and mandatory fee increase ranges
5. Other factors affecting the university's financial stability, such as projected student enrollment; university enrollment goals; market and cost factors for higher education; new program or new facility cost; and cost related to operations, programs of study, or individual courses

With no motion required, the full board unanimously approved the Factors Considered for Tuition Increases.

**V. Report from the Academic and Student Affairs Committee**

Committee Chair Latimer reported that the committee received an update from Mike Hoff on the university's strategic plan and Scott Carter led a discussion about various initiatives and success metrics in athletics. Committee members also brainstormed ways to maximize their time and effectiveness, and took action on several items regarding enrollment, research and the revised fee structure for the online M.A. in criminal justice, which Latimer asked Dr. Wilsie Bishop to present to the full board.

**A. Fee Structure for Online Master of Arts Program in Criminal Justice -** Bishop outlined a proposal by the Department of Criminal Justice and Criminology to offer its 36-hour M.A. degree online to increase access. She said tuition for the program would remain at a set rate for three years.

With no motion required, the board unanimously approved the action item.

**VI. Report from the Audit Committee**

Committee Chair Golden reported that the committee reviewed audits completed since September, including an audit of football expenditures and a required annual review of the president's expenses. The group reviewed the recommendation log that lists findings from past audits and where the completion status is. Golden reported that all items are green or blue, which is good. An annual review of Internal Audit salaries and operating expenses was also conducted.

**VII. Consent Agenda**

With no requests for any items to be removed from the consent agenda, trustees unanimously approved the consent agenda with a motion from Trustee Grisham and a second from Trustee Latimer. Items included on the consent agenda are:

- A. Minutes from the September 21, 2018, Finance and Administration Committee meeting
- B. Minutes from the September 21, 2018, Academic and Student Affairs Committee

### **VIII. Student Success**

Dr. Joe Sherlin, vice president for Student Affairs, presented a report on student success initiatives and key performance indicators. He stated that the university has set ambitious student success goals of 85 percent retention rate and 60 percent graduation rate by 2026. Currently, the rates are 73 percent and 44 percent, respectively. Sherlin noted that since 2012, metrics have increased significantly as shown by undergraduate credit load (up 6 percent), first year retention rate (up 6.8 percent), graduation rate (up 3 percent), degrees awarded (up 16 percent) and state appropriations (up 44 percent).

Next, he shared the process and what has been learned during the pursuit of these goals by applying the four I's – information, innovation, investment and integration – to student success initiatives, beginning with embedded learning support. He said about a third of students need developmental learning in reading and math, and data showed students were languishing in these courses without the ability to receive credit and get on a path toward a degree. Through innovation by the faculty, non-credit developmental learning was integrated into the credit-bearing courses, which tripled the pass rate in math to 76 percent and English to 18 percent. The second improvement was in financial services and processes. Sherlin outlined issues ranging from long wait times to delays in financial aid award processing and increasing accounts receivable. Upon a full review of Financial Aid, an overhaul of structure, processes and communication commenced and a new director was hired. He said processing times for loans went from two and half months to 48 hours, wait times disappeared and accounts receivable was reduced by \$2 million. The next area of improvement in the works is advising. Sherlin noted that students were off-track and not taking enough credit hours per term to graduate in four years and advisors said their workloads did not allow them adequate time to focus on holistic planning. Additionally, students did not like the cumbersome paper process, so a new online system called Degree Works was implemented and additional advisors were hired to focus on the “15 to Finish” campaign and degree planning. As a result, Sherlin said degree plans increased by 300 percent and degrees awarded by 16 percent. Another area of improvement in the works is college academic support. Sherlin named the College of Public Health as a leader in this area and commended their efforts to make the student experience a top priority. A recruitment and retention committee is in place and Sherlin said the college continually assesses skills and competencies for students to develop and makes sure each student participates in a field internship or experience. The college also assesses student experiences through exit, alumni and employer surveys, the latter of which rated 95 percent of graduates as high or highest in overall competence in their practice field. The next improvement area in the works is Living Learning Communities (LLCs), where students live and take classes together and participate in academic development and career mentoring to academically and socially integrate and engage with the institution. Sherlin said one of the challenges with LLCs is that many in generation Z are not joiners, so scholarship opportunities are being explored to incentivize participation in LLCs, particularly students who might not otherwise enroll at ETSU. The Public Service

LLC, focusing on out-of-state students, currently boasts an 88 percent fall-to-fall retention rate and the Inspire Scholars residential scholarship is available for students with financial need. Sherlin also presented the student success rates of underrepresented students as an ongoing improvement area. He said a significant number of these students are not connecting to college transition and support services early on and consistent retention and graduation gaps were identified. This led to the development of a residential Summer Bridge-Plus Program for 52 students who participated in a first-year experience course as well as career exploration and mentoring for three weeks. He said the Plus experience continues through the first year, and 100 percent of summer participants returned for classes in the fall. Another improvement area is the veterans initiative. Sherlin said an internal study discovered 10,000 veterans and service family members living within a 200-mile radius, so the Office of Veterans Affairs has actively attended educational fairs and visited military bases. Additionally, a new Military-Affiliated Resource Center (MARC) was established and the department received an \$80,000 grant from THEC. Sherlin said enrollment has increased 28 percent in the last two years and is moving toward the goal of 1,000 military-affiliated students by 2026. First-year experience was the final ongoing improvement area presented. Because half of leaving occurs in the first year, Sherlin said a full review of general education courses is being led by Dr. William Kirkwood, and the first-year experience committee continues to review programming, course participation, co-curricular experiences and career development. Consequently, a peer mentoring program called Buccaneer Involvement Guides (BIGs) was established and data shows participating students had higher GPAs and campus engagement.

To meet enrollment projections, Sherlin said student success efforts must move faster and assured the right talent is in place to build the culture and environment for students to succeed. He said outstanding facilities, classrooms, lab spaces and residence halls is a key component, but the experiences in these spaces is what everyone at ETSU is accountable for. Sherlin asked Leon Humphrey, Jr., to talk to the board about his student experience. Humphrey said campus involvement opportunities kept him from transferring to another institution and led him to realize his career goals.

#### **IX. CCL Leadership Overview**

Dr. Richard Rhoda presented a status report on the Center for Community College Leadership, which started in 2016 and is housed in the Clemmer College. He said its purpose is to increase the pipeline of community college leadership in Tennessee and the Appalachian region. The cohorts have grown from seven to 17 students in the third year, all currently employed at technical or community colleges. He listed several faculty members in the program, including Dr. Bethany Flora, the associate director, and Dr. Noland, who was a member of the charter faculty. Rhoda said the TBR is tackling policy areas, such as workforce development, completion and graduation rates, closing achievement gaps, increasing college going rates overall, and student financial assistance beyond tuition. Rhoda also mentioned a recent memo from the TBR calling for a more in-depth training of college presidents and senior administrators, making it the perfect time to have the center at ETSU. The certificate

program is post-master's and consists of five courses over one year in an online cohort with the exception of two weekend seminars each semester. It is a stand-alone credential of 15 credit hours or can be applied as a concentration within the Ed.D. program, Rhoda added. The board previously approved employees within the Community Colleges of Appalachia to receive in-state tuition, which Roda said has gotten off to a slow start, but is a great relationship to have. Looking ahead, he listed four areas of growth – curriculum expansion, establishing a professional development program and possibly a leadership academy, providing teaching skills for instructors at technical colleges (TCATs), and policy research. Lastly, Roda said the center has been asked to produce an oral history of the TBR.

Next, Chair Niswonger, Dr. Rhoda and Dr. Noland presented Dr. Bethany Flora, who was recently named the next president of Northeast State Community College, a resolution of appreciation on behalf of the board. Flora expressed her gratitude and said she looks forward to working with ETSU as president of Northeast State.

## **X. President's Report**

Dr. Noland spoke about the aggressive strategic goals the university will continue to move toward in 2019, specifically reaching 16,000 students and pushing Research and Sponsored Programs to \$60 million. He said the budget landscape is very stable and the forecast at the state level is positive. The change from an enrollment-driven model to an outcomes-driven model resulted in more than \$20 million in additional state support for ETSU, he noted. Pointing to the scorecard THEC uses to assess performance, Noland said only two other institutions besides ETSU are listed to receive significant support going into the next legislative session and THEC has spotlighted ETSU for its student success outcomes in production of degrees, growth and graduation rate, as Dr. Sherlin outlined in his presentation. THEC also listed pediatric surgery as well as pediatric children's services as its top two non-formula-related funding priorities.

Next, Noland discussed capital funding and said the new humanities building moved from ninth to the fifth on THEC's recommendation list, which means it is time to start preparing to raise the matching funds of almost \$10 million. THEC also recommended \$11.5 million in deferred maintenance, including safety, HVAC and lighting upgrades on campus, and infrastructure work at Shelbridge, where many high-achieving high school students and their families visit throughout the year.

Noland said THEC set a 2.5 percent binding cap on fee increases, which barely covers the cost of inflation. However, Noland called it a competitive advantage for ETSU because of the quality of programming compared to costs at other state institutions. In a period of three years, Noland said, ETSU has transformed the budget process and now allows for better stewardship of funds.

The board has heard extensively about enrollment growth initiatives, Noland noted, and the landscape continues to be competitive. ETSU's performance compared to other institutions is different, he said, because we are living in an area that is not growing, while other schools are experiencing decline in some of the fastest growing metropolitan areas. In terms of enrollment characteristics, Noland said the average GPA of incoming freshmen is 3.5 and ACT score is 23, as the number of high-achieving students choosing ETSU continues to grow. Additionally, he said Northeast

State is the top feeder school, the most applications come from Knox County, and the number of international students is trending down. Noland reported on recent high school recruitment events, the presentation of Presidential Scholarships, and expanded online dual enrollment opportunities.

Dr. Noland gave an update on strategic initiatives. He said ETSU's employee satisfaction rates, for the first time, are at peer group averages in the Chronicle's Great Colleges to Work For survey results. Another initiative, the implementation of a Greek Village on campus, will occur next fall and will be based upon performance and quality measures, Noland said. He also mentioned the addition of new academic programs as discussed at the previous board meeting, and the restructuring of the general education core. Noland reported on the creation of ETSU Health and becoming a trauma-informed campus, as well as the forthcoming launch of the Presidential Fellows program. He then showed a chart of the restructured Compliance Unit consisting of compliance counsel, an equity compliance officer, and two assistance offers and Title XI investigators. Noland also outlined the ongoing overhaul of HR functions.

In a review of legislative initiatives, Noland said he and Chair Niswonger will travel to Nashville for the upcoming Sunset Hearing. He noted that THEC did not recommend the tuition scholarship for Gatton College of Pharmacy, but the university will continue efforts to push tuition equalization through the legislature.

Lastly, Noland defined the shifting public policy landscape and the top 10 challenges facing higher education. He said many of these issues cycle through and called for continued focus on the strategic plan to inform wise decisions long term. He then echoed the importance of ETSU's stewardship of place mission, discussed a recent re-launch of the Tennessee Poll conducted by Drs. Kelly Foster and Candace Bright, and presented population health data concerning addiction, poverty, education and population. Noland said ETSU's mission is more important than it has ever been and then introduced a video featuring students saying thanks to individuals who have touched their lives.

**XI. Other Business**

No other business was discussed.

**XII. Adjournment**

Trustee Ramsey made a motion to adjourn the meeting, which was seconded by Trustee Golden. Chair Niswonger adjourned the meeting.

Respectfully submitted,



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David Linville  
Secretary of the Board of Trustees