

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

MINUTES

November 15, 2019
Johnson City, Tennessee

The quarterly meeting of the East Tennessee State University Board of Trustees was held at 1:15 p.m. on Friday, November 15 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 reflected on how far the board has come since its first meeting on March 24, 2017. ETSU has awarded 9,367 degrees since the board was established, marking the highest degree production period in ETSU history. Last spring, more than 50% of students who started in fall 2013 graduated – the highest graduation rate in the institution's history. Just two years prior, the graduation rate was at 41%.

He listed the following milestones:

- ETSU's University school is ranked the ninth best high school in Tennessee.
- \$11 million average in externally sponsored research funding each of the past two years for a total of \$22 million dollars.
- For the fourth straight year and the fifth time in program history, the ETSU men's athletics program claimed the Southern Conference Commissioner's Cup, an all-sport trophy presented to the league's best all-around men's athletic programs.
- ETSU instituted quality enhancement processes and, as a result, was able to maintain regional accreditation and Quillen College of Medicine successfully completed a LCME accreditation visit last month.
- ETSU has the highest Foundation Fund balance in history, surpassing \$100 million for the first time.
- ETSU will see the largest increase in state support (4.2%) among public universities for 2020-21.

Chair Niswonger added that during its first meeting, the Board of Trustees, approved ETSU's Vision, Mission, and Values. Those attending the meeting each received a copy of ETSU's Vision, Mission, and Values. Chair Niswonger said ETSU continues to be an institution committed to its core values where people come first, are treated with dignity and respect, and are encouraged to achieve their full potential and relationships are built on honesty, integrity, and trust. On behalf of the Trustees, he

congratulated staff for their dedication to this vision. As measured by the data in the State's higher education outcomes formula, ETSU has once again outperformed other state institutions, and ETSU has been recognized by THEC as the top performing institution in the state. He encouraged everyone to reflect on the work of the university and the importance of its mission and said the university is positioned to continue to enhance student success and improve the quality of life in the region and beyond.

II. Roll Call

Secretary Adam Green called the roll, and the following trustees were in attendance:

Trustee Janet Ayers
Trustee Steven DeCarlo
Trustee Virginia Foley
Vice Chairman David Golden
Trustee Dorothy Grisham
Trustee Linda Latimer
Chairman Scott Niswonger
Trustee Ron Ramsey
Trustee Cristopher Santana
Trustee Kelly Wolfe

III. Public Comments

No public comments were brought before the Board of Trustees.

IV. Approval of the Minutes from September 20, 2019

Trustee Grisham made a motion to accept the minutes of the September 20, 2019, Board of Trustees meeting which was seconded by Trustee Golden. The minutes were unanimously approved.

V. Report from the Finance and Administration Committee

Committee Chair DeCarlo outlined the following discussion items:

- Report on unaudited statements – the audit is nearing completion and final reports will be mailed directly to trustees.
- Review of university's composite financial index (CFI) which has increased by 50% in a four-year period.
- Received a report of federal fund receipts and scenarios of reduction in funding prepared for the Tennessee Department of Finance and Administration.
- Conducted a quarterly review of agreements over \$250,000
- Agenda item XI (Policy Development and Administrative Rule Making) was referred to the Audit Committee

- October 2019 budget revisions - Dr. B.J. King, chief financial officer, said three budgets are prepared each year – one in fall, and two in spring (end of the year budget and beginning of following year). October revisions allow carry forward funds to transfer into the budget for expenditure.

Main campus, the largest budget, was adjusted in the tuition and fee category because enrollment was down. This was offset in a large part, she said, by revenue generated through course fees. An additional state appropriation of \$1.5 million was received after the budget was prepared in July for the Center for Rural Health Research (\$750,000 recurring). Grants and contracts revenue was adjusted down slightly, and sales and services increased by almost \$500,000 due to good performance in investment income. The auxiliaries category decreased due to a decline in housing. Total adjustments are up nearly \$2 million.

Dr. King explained that the October budget is different because money left from July can carry forward to October, therefore, the July revenue is balanced to expenditures and in October revenue is up because of carry forward funds (almost \$8 million in course fees carried forward). She said the College of Nursing is making an additional investment in its Public Service area so they elected to move funds from the Instruction category to Public Service. The new budget model allows units to carry forward up to 50% of their unspent budgets at year-end, which incentivizes them to be good stewards, Dr. King said. As a result, almost \$3 million was carried forward in the Academic Support category to invest in new programs, faculty and facilities. The Student Services category has a slight decline due to the reclassification of some scholarships. The Institutional Support category also benefits from the new budget model, she noted, with administrative units also able to carry forward funds. The Operation of Plant category increased due to carry forward fees and changes in prorate charges to units. Athletic and other scholarships were moved/added to the Scholarships/Fellowships category, resulting in a \$1.1 million increase. Overall, revenue is increasing by \$2 million and expenditure and transfers is increasing by almost \$18 million (due to carry forward funds).

The College of Medicine budget has a slight increase in revenue, but also has some slight negatives in the expenditure lines due to some expenses being reclassified for the OPEB (other post-employment benefit) program for retirees. The university had to implement this program financially last year, Dr. King said. The total adjustment for the College of Medicine is a little over \$300,000 in revenue and an increase of almost \$3 million in expenditures.

Family Medicine had some minor shifts including a slight increase in revenue, Dr. King noted. There was also an increase in the Academic Support category for additional faculty positions.

The College of Pharmacy was impacted by salary and benefit increases and carry forward funds from fees. They had no adjustment to revenue and a \$1.7 million adjustment to expenditures.

Dr. King said the university must also report its personnel changes. Main campus faculty positions increased by 12 (Four positions for Center for Rural Health Research, four positions for College of Nursing, four positions for Clemmer College). Professional Support positions increased by six (Center for Rural Health Research and Martin Center for the Arts). Faculty positions in the non-formula units increased by two (College of Medicine) and decreased by one in the maintenance/tech support category.

The October Budget revisions were unanimously approved.

VI. Report from the Academic, Research and Student Success Committee

In her report, Committee Chair Latimer outlined the following discussion items:

- Title XI athletics presentation led by Mr. Scott Carter – establishment of an acrobatics and tumbling program was suggested and Chair Latimer said more information about the program was requested by the committee.
- School of Graduate Studies update led by Dr. Sharon McGee – the committee explored ways to do a better job marketing graduate programs.
- Update on LCME site visit – accreditation body for the College of Medicine will provide official letter in the coming months, but the results greatly improved. Chair Latimer commended Drs. Block, Olive and others involved.
- College of Medicine research update by Drs. Block and Hoff – scorecard opportunities were discussed.
- Ballad Memorandum of Understanding between ETSU and Ballad Health update by Dr. David Linville – the committee decided to make this a standing agenda item.
- Tenure appointments – Dr. Bishop, Senior Vice President for Academics, recommended two faculty members for tenure upon appointment: Dr. Deborah Dumphy (College of Nursing) and Dr. Trena M. Paulus (Department of Family Medicine).

The recommendations for tenure upon appointment unanimously approved.

VII. Report from the Audit Committee

In his report, Committee Chair Golden outlined the following discussion items:

- Revisions to the audit plan – slight changes to accommodate investigations.
- Review of five completed audits since September – Golf, Executive Level Audit, President's Expenses, Volleyball and Completed Audit Heat Map. All audits were clean.

- Review of recommendation log status – all in good standing
- Convened in Executive Session to review yearly enterprise risk management exercise and risks identified will be brought before various committees

VIII. Consent Agenda

Trustee DeCarlo requested that item D of the consent agenda be referred to the Audit Committee. With no additional requests for items to be removed from the consent agenda, Trustee Wolfe made a motion to approve the consent agenda without item D. Trustee Golden seconded the motion and the consent agenda approved unanimously. Items included on the consent agenda were:

- A. Approval of Audit Committee Minutes from September 20, 2019
- B. Approval of ARSS Committee Minutes from September 20, 2019
- C. Approval of Finance and Administration Committee Minutes from September 20, 2019
- D. Approval of Policy Development and Administrative Rulemaking (omitted)
- E. Revisions to the FY 2019-2020 Audit Plan

IX. Nursing Stacked Credential Pathway Update

Dr. Wendy Nehring, Dean of the College of Nursing, explained that the idea to establish a LPN-BSN Program came about after a statewide tour of all the Community Colleges and Tennessee Colleges of Applied Technology (TCAT) to promote the RN-BSN Program. Students said they wanted a LPN-BSN Program that is accessible and that they get through as quickly as possible. ETSU worked with THEC to develop a hybrid program with 23 hours of articulation credits that takes four semesters to complete. ETSU is currently the only public university in Tennessee to offer a LPN-BSN Program, Dr. Nehring said.

The LPN-BSN Program started at three sites in fall 2018 and has quickly expanded to seven sites, with five additional sites planned across the state. Last summer, the program received 1,000 inquiries per week. In fall 2019, 94 students enrolled, which is close to the enrollment in the BSN Program on ETSU's main campus. Spring 2020 enrollment is estimated to be just over 100 students. At this time, Dr. Nehring said the highest interest is coming from Crossville and Nashville, and students at the Memphis TCAT petitioned their President to offer the LPN-BSN Program. The state is experiencing a nursing shortage, especially in rural areas, so this program is one way ETSU is working to meet workforce needs.

Chair Niswonger applauded Dr. Nehring and her staff's efforts to respond to workforce needs. President Noland said THEC came to campus to learn and see how the College of Nursing has been able to build and implement the LPN-BSN Program in a short amount of time and became the preferred provider in the state through the

hybrid program offered on site. Trustee Ayers also commended the College of Nursing for making a program work of the community.

X. Strategic Plan Progress and Update and KPI Review

Dr. Michael Hoff, Associate Vice President of Planning and Decision Support and Chief Planning Officer, provided an update on how ETSU performed in the outcomes based formula in comparison to other schools across the state. For the last two years, ETSU has surpassed the bar in comparison to other institutions, particularly in terms of meeting goals outlined by the Drive to 55 initiative, Dr. Hoff said. He also stated that the number of students accumulating 30 and 60 hours is down, while growth of Research, Service and Sponsored programs has exceeded all other universities. Dr. Hoff then referred to the Strategic Plan Tracking Dashboard provided in the meeting materials. He said freshmen applications are significantly ahead for fall 2020, which provides opportunities to convert these applications to enrollment. First year ACT score is also on track to hit the target, while the number of first-time freshmen and transfers are both down and overall enrollment is flat. Dr. Hoff said these trends are happening across the state and the university will continue to focus on recruiting to students to start and finish at ETSU by focusing on the value of a four-year education from ETSU. Dr. Hoff also noted that out-of-state enrollment is on track, while international enrollment is down and graduate enrollment was down slightly – likely impacted by international enrollment. In the Student Success category, retention rate has plateaued, but new initiatives in advising will raise this number, he said. Graduation rates have improved for both male and non-white students.

Transitioning to extramural funding, Dr. Hoff said the university sought an additional \$100 million, a leading indicator that things are moving in the right direction. ETSU is also on track to reach its goal of \$60 million in extramural funding by 2026. Dr. Hoff is currently examining data that looks at faculty publications as well as the share of the money split between research at the federal level and will share the findings at the next meeting. He said federal research funding is very competitive and applying for it takes a lot of effort – 76% of the money requested by ETSU was federal research dollars and accounted for only 16% of what the university received.

Next, Dr. Hoff presented several selective strategic initiatives:

- Student success – The people who work at ETSU, alumni - especially teachers, are the best marketing team. Ongoing work within the Division of Student Life and Enrollment is important because the student experience can yield better outcomes.
- Advising – Recommendations will be implemented following consultant visit
- Tuition Price and Discount – Dr. Hoff is working to finish the RFP to identify who can help ensure ETSU offers the best price regionally, in-state and out-of-state.

- Equity and Inclusion – Staffing changes has allowed it to move from compliance to people (Office of Equity and Inclusion)
- Operational Alignment – Changes will have an impact on the Strategic Plan Tracking Dashboard

President Noland asked Dr. Hoff to provide a bit more context around sponsored research. Dr. Hoff explained that proposals are not the same as what is awarded in any given year, so research dollars must be tracked as they come in. The research expenditures represent the amount being paid for faculty/staff to implement and develop research proposals. Additional staff and experts are likely needed to create more competitive proposals.

Trustee DeCarlo asked if data going back to 2010 is available. Dr. Hoff confirmed that the data is available, but that he often looks for intervention and result; none have been as dramatic as those put into place in 2016. Rather than looking a carryover data for ETSU, Dr. Hoff said he looked at HERD (Higher Education Research and Development) data for the prior 10 years at other institutions and found one that had set and reached a similar goal to increase extramural research funding.

XI. Update on Access and Success TRIO Programs

Dr. Joe Sherlin, Vice President for Student Life and Enrollment, introduced Dr. Ronnie Gross, Executive Director for TRIO Programs, a first generation student from the region whose life was changed when he connected with a TRIO Program and has spent a significant portion of his career leading those programs at ETSU.

Dr. Gross outlined the TRIO Programs as ETSU, which are federally funded and at least two thirds of the participants must be low income and first generation:

- **Upward Bound** – college prep program that serves 208 students in 14 high schools from Carter, Johnson, Sullivan, Unicoi and Washington counties. Students receive mentoring and live on campus during the summer.
- **Upward Bound Math Science** – works with students who are interested in pursuing careers in math and science
- **Student Support Services** – works with students on campus by providing tutoring, mentoring, career coaching.
- **Veterans Upward Bound** – Provides college prep courses and other support
- **Educational Talent Search** – educational program that serves 600 middle and high school students in Hawkins, Johnson and Sullivan counties.
- **Educational Opportunity Center** – serves over 1,000 adults in Carter, Green, Hawkins, Johnson, Sullivan, Unicoi and Washington counties to help them with college and financial aid applications.
- **McNair Program** – graduate school prep program serving 29 ETSU students annually.

Dr. Gross said TRIO Programs at ETSU have almost \$1 million impact on the ETSU community and have resulted in over \$46 million in federal funding since 1989. He then introduced Noah Lyons, who spoke about his experience at ETSU as a first generation student and how he has been impacted by TRIO Programs.

XII. President's Report

In his report, Dr. Noland indicated that Board of Trustees members would see an enhanced marketing presence from the university and colleges in 2020 and provided an example of new billboards displaying the messages “come home to East Tennessee” and “the region’s university.” Each individual makes an impact on the university, he continued, so we all have a responsibility to live the mission set forth by founding President Sidney Gilbreath, which is to improve the lives of the people of this region.

Next, President Noland presented a series of University updates:

- **Tennessee Budget Landscape** – In the last decade the state has moved from an enrollment-based funding formula to one that is outcomes based, and has also changed the capital funding process. President Noland said ETSU is very fortunate to be in a state that is investing in higher education. Since 2012-13, state appropriations for ETSU have risen from \$45 million to \$70 million in 2019-20. This year, ETSU was the top performing institution in the state in the outcomes-based formula. However, Dr. Noland said if freshmen enrollment does not grow, the outcomes-based formula will likely decrease in years to come. He encouraged Trustees to thank legislators and decision makers and ask for their continued support of outcomes formula funding.
 - THEC Funding Recommendations:
 - Appropriation request to fund additional pediatric surgeons and pediatric specialists (top priority)
 - 8% increase in funding for Quillen College of Medicine
 - 2% increase in funding for Family Medicine operations
 - THEC moved the proposed humanities building from 5th to 8th on its recommendation list for 2020-21. President Noland urged THEC to afford greater predictability for capital project funding to allow for planning and fundraising.
 - THEC has also approved a 2% cap on tuition increase for 2020-21, which is an increase of \$190. President Noland explained that the state typically recommends and partially funds a 2% salary increase, therefore 1.2% of the tuition increase would go toward the salary increase, leaving 0.8% to cover inflation and any student-driven initiatives (example – additional counseling and mental health support).

- **ETSU Budget Landscape** – \$1.8 million of carry forward funds were returned to colleges in October, \$1 million was placed in reserves, salary enhancements were provided for the seventh time in eight years and the minimum hourly wage for new employees was increased to \$9.20 per hour. President Noland also spoke about pricing challenges and said recommendations for tuition, fees and scholarships (repackaging financial aid) for fall of 2021 will be brought before the Board of Trustees in the spring.
- **Demographics and Demand for Higher Education** – In 2030, the demand for higher education will likely shift due to declining birthrates. Higher education may experience a significant drop in enrollment is projected. He said it is important ETSU to restructure financial aid and scholarships, enrollment and advising now because this is on the horizon for every institution in the country.
- **Enrollment** – Numbers continue to be flat across the state, with the exception of the UT system. Enrollment is very competitive statewide as seen by the changes over the last decade. At ETSU, dual enrollment is up 57% this fall and enrollment increased for the Clemmer College, College of Nursing and College of Public Health.
- **Student Success** – ETSU had its highest graduation rate (50%) in 2019 and this was due to interventions implemented in 2013.
- **Legislative Initiatives for 2020 Session** – President Noland outlined the following initiatives for the upcoming legislative session:
 - Support for the Tennessee Higher Education Commission (THEC) outcomes formula. For the 2020-21 year, ETSU is poised to receive the largest appropriation increase based on our successful efforts in the THEC outcomes formula model.
 - Support for two additional Pediatric Surgeons (\$495,500 recurring) and other Pediatric Subspecialists (\$600,000 recurring) to meet the instructional and clinical needs of the Quillen College of Medicine. Pediatric specialty care in the region is largely supplied by Quillen and the additional funding will support Pediatric Subspecialists in Neurology, Endocrinology, Pulmonary Medicine and Adolescent Medicine.
 - Support for the construction of a new Humanities Building on the ETSU campus that will enhance the undergraduate experience of our students.
 - Creation of a scholarship program to support students at the Gatton College of Pharmacy.
 - Continuation and expansion of the THEC campus safety initiative.

- Support for deferred maintenance and other affiliated capital initiatives/projects.
 - Continued examination of the roles and responsibilities of the university system in the post-FOCUS Act environment.
- **Strategic Initiatives for 2020**
 - President Noland said the university will start an internal marketing campaign in 2020 to improve the way we tell our story and ensure others within the ETSU community know those stories, as well as the mission, vision and values of the institution.
 - Review of tuition, pricing and discount rates, as well as a repackaging of financial aid to remain competitive.
 - Focusing on KPIs at the college level.
 - Develop and enhance concept of “One ETSU” – emphasizing our diverse, broad multi-faceted institution that embraces its values.
 - In 2020, Dr. Noland said the Board of Trustees will see a new Master Plan for Housing with recommendations.
 - ETSU Elevates is a “grand challenge” initiative to take the mission of the institution into the region by awarding \$90,000 in grants to fund service projects.
 - **Reflecting on Our Mission** – In his final remarks, President. Noland focused on the stewardship of place mission for ETSU and said the institution and region must begin to dream bigger dreams and not to set limits in order to reach their full potential in the next decade. In the coming year, President Noland said the university will reflect on the prior decade while also developing a vision for 2020.

Trustee DeCarlo asked what students want to see happen at the university and how that success is measured. President Noland said several years ago students wanted better dining options, which is being addressed through the renovation of the Culp Center currently underway. Student welfare is another area because students struggle with everything from food and housing insecurity to financial needs and stress. They also really want to see improvements to Brown Hall and safety, he added. Trustee Santana explained that needs on campus have changed over the last five years as he progressed through undergraduate and now graduate coursework. Most importantly, he said, students are looking for an environment that will accept them as they are. Other important areas he has observed are workforce development, student-faculty relationships, research opportunities and career development. Trustee Santana said faculty at ETSU go above and beyond to help students and career services are available to help with the transition after college. He said students have a voice through the Student Government Association, but not all students know about SGA or the legislation senators bring forward to make improvements to university and to make sure students’ voices are heard.

XIII. Other Business

No other business was brought before the Board of Trustees.

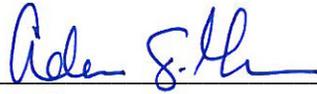
XIV. Executive Session

The Board of Trustees did not convene in executive session.

XV. Adjournment

Trustee Ramsey made a motion to adjourn the meeting at 3:10 p.m.

Respectfully submitted,



Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its February 21, 2020 meeting.