

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

MINUTES OF THE INAUGURAL MEETING

March 24, 2017
Johnson City, Tennessee

The inaugural meeting of the East Tennessee State University Board of Trustees was held at 1 p.m. on Friday, March 24, 2017, in the East Tennessee Room of the D.P. Culp University 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

At the direction of Governor Bill Haslam, ETSU President Brian Noland called the meeting to order.

Dr. Noland thanked Mike Krause and the Tennessee Higher Education Commission for the morning orientation session for new Trustees. He also welcomed Governor Haslam, who commented on it being a historic `day and reinforced to the Trustees the importance of ETSU being a part of the higher education system in Tennessee.

II. Roll Call

Secretary Linville called the roll, and all Trustees were in attendance:

Fred Alsop
Janet Ayers
Steven DeCarlo
David Golden
Dorothy Grisham
Linda Latimer
Scott Niswonger
Jim Powell
Ron Ramsey.

III. Adoption of Bylaws

Bylaws outlining operations for the Board of Trustees were presented. Developed by the institution's Governance Transition Committee, they include elements derived from specific sections of the FOCUS Act and others derived from best practices of the Association of Governing Boards of Universities and Colleges. The bylaws are outlined in six sections, including delineation of the authority and responsibilities of

the Board of Trustees; the process through which the operations of the Board of Trustees will transpire; a detailing of the committee structure of the Board of Trustees; the process for the selection, appointment, evaluation and other responsibilities prescribed to the President of the University; prescription of general parliamentary procedures to define the business and operations of the Board of Trustees; and the procedures through which the bylaws become effective and affiliated amendment procedures.

A motion was made to approve the bylaws as outlined in the meeting materials by Mr. Niswonger. The motion was seconded by Mr. Golden. The motion passed unanimously.

Dr. Noland presented an amendment to the bylaws that included a change to Section 5 (Item E) in the materials related to the role of the board secretary. The amendment clarified the process in which members of the Board will be notified of the creation of special committees. The amendment also included a change to the language in Article 1, Section 4.D to indicate the Chair of the Board shall designate an acting chair to preside at a meeting in which both the Chair and Vice Chair are absent.

A motion was made to approve the amended version of the bylaws by Ms. Grisham and seconded by Mr. Niswonger. The motion passed unanimously.

IV. Adoption of Code of Ethics and Conflict of Interest Policy

The Code of Ethics was presented to the Board for approval. The Code of Ethics outlines the requirements of Trustees in holding a position of public trust, delineating expectations that Trustees carry out their governance responsibilities in an honest, ethical, and diligent manner. Pursuant to Tennessee Code Annotated (TCA) § 49-8-204, the presented policy applies to and governs the conduct of all appointed members of the Board of Trustees of East Tennessee State University. The Code of Ethics with embedded Conflict of Interest Policy addresses conflicts of interest for board members and procedures whereby members can be dismissed for appropriate reasons by a fair process.

Mr. Powell made a motion to adopt the Code of Ethics Policy with the embedded Conflict of Interest Policy as outlined in the meeting materials. Dr. Alsop seconded the motion. The motion passed unanimously.

V. Election of Chair and Vice Chair

Dr. Noland presented recommendations for Mr. Niswonger to serve as chair of the Board of Trustees and Mr. Golden to serve as vice chair.

Dr. Alsop made a motion to adopt the slate of officers as proposed by Dr. Noland. Ms. Ayers seconded the motion. The motion passed unanimously.

Chairman Niswonger thanked Governor Haslam for his leadership with the FOCUS Act and noted that the governing board's role is to help develop the university and be of help with the strategic plan.

VI. Selection of the Student Trustee

Dr. Noland recommended to the Board of Trustees that Nathan Farnor serve as the inaugural student representative.

The Student Government Association solicited nominations and applications for the role then interviewed several students before narrowing it to three. Those three students were interviewed by Dr. Joe Sherlin, vice president of Student Affairs, and members of his staff. They returned the recommendation to Dr. Noland that Mr. Farnor serve in the role.

Mr. Farnor is a Roan Scholar and a leader on campus. He serves as the vice president of the SGA and also is part of several other organizations on campus.

Ms. Ayers made the motion to accept the recommendation that Mr. Farnor serve as the student member of the Board of Trustees for a term ending in March 2018. Mr. Golden seconded the motion. The motion passed unanimously.

VII. Standing Committee Membership

Secretary Linville distributed to Board of Trustees a committee leadership and membership list for consideration. The four standing committees as prescribed by the Bylaws are the Academic and Student Affairs Committee; the Finance and Administration Committee; the Audit Committee; and the Executive Committee. Proposed membership:

Academic and Student Affairs Committee

Linda Latimer (chair)
Janet Ayers
Fred Alsop
David Golden.

Finance and Administration Committee

Steven DeCarlo (chair)
Dorothy Grisham
Ron Ramsey
Jim Powell
Nathan Farnor.

Audit Committee

David Golden (chair)
Dorothy Grisham
Ron Ramsey

As called for in the Bylaws, it was noted members of this committee have the financial background and expertise required to serve on the Audit Committee.

Executive Committee

Scott Niswonger
David Golden
Linda Latimer

As outlined in the bylaws, members of the Executive Committee shall be the Board of Trustees Chair, Vice Chair, and the Chair of the Academic and Student Affairs Committee

Mr. Ramsey made a motion to adopt the proposed standing committee membership. The motion was seconded by Mr. Powell. The motion passed unanimously.

VIII. Adoption of the Calendar for Board of Trustees Meetings

The Board of Trustees will meet on a quarterly basis, with meetings starting at 9:30 a.m. Committees will meet prior to lunch and the formal board meeting will begin at 1 p.m. In addition to quarterly meetings, interim meetings will take place as needed.

Dates for meetings:

Friday, June 9, 2017
Friday, September 8, 2017
Friday, November 10, 2017
Friday, February 23, 2018
Friday, April 27, 2018

Motion to adopt the meeting calendar as outlined was made by Ms. Ayers and was seconded by Ms. Grisham. The motion passed unanimously.

IX. Adoption of Policies

As provided by the FOCUS Act, the Board of Trustees now establishes and approves major polices that govern the university. A Governance Transition Committee at the institution spent approximately eight months working with faculty and staff across campus to undertake the transition of policies from the TBR to the Board of Trustees.

The Board was presented with policies in the categories of Academic, Human Resources, Student, Financial and Technology. For many of the policies, the committee, for all intents and purposes, removed the TBR phrase and replaced it with the Board of Trustees.

Academic Policies

Posthumous Degrees
Off-Campus Instructional
Facilities and Operations
Awarding Honorary Degrees
General Policies Regarding
Research
Cost of Textbooks
Academic Calendar and Student
Registration
Delivery of Services to
International Students
Definition of Credit
Reverse Transfer Policies
Commitment to Teacher
Preparation
Collaborative Academic
Arrangements
Transfer of Credit
Distance Education
Graduate Admissions
Graduate Student Retention
Standards
Graduate Degree and Certificate
Requirements
General Education
Learning Support
Undergraduate Admissions
Undergraduate Academic
Retention Standards
Undergraduate Degree
Requirements
Approval of Academic Programs,
Units, and Modifications
Development & Operation of
Study Abroad Programs
Substantive Change

Human Resources Policies

Guidelines for Filling Faculty,
Administrative, and
Clerical/Support Vacancies

Student Policies

Alcoholic Beverages, Smoking
and Tobacco Use
Confidentiality of Student
Records
Student Organizations
Student Rights and Freedoms
Student Scholarships, Grants,
Loans & Financial Aid
Programs
General Policy on Student
Conduct and Disciplinary
Sanctions
Student Due Process Procedure

Finance and Administration
Policies

Approval of Agreements
Approval of Fees
Budget Control
Budget Principles
General Personnel
General Travel
Payment of Student Fees &
Enrollment

Technology Policies

Calendar of Events
Closed Captioning for Video
Recordings
Complaint Resolution Process
Computer Policy for Post-
Retirees
Desire2Learn Administrator
Access
Desktop/Laptop Computer &
Printer Installation Policy
Electronic Mail
Enterprise Resource Planning
(ERP) Access

ETSU Sponsored Desktop
Computers
Firewall
Hardware Maintenance
HEOA Compliance in online
courses
Inclement Weather Policy for
Students in Online Courses
Instructor Access to Course Sites
Copyright Protection Guidelines

Personal Information Security
Breach Policy
Portable Computational Device
Security Guideline
Strong Password Requirement
University Computing Standards
Virtual Private Network (VPN)
Web Accessibility
Web Design & Publishing Policy
Web Based Courses
Wi-Fi

Dr. Noland briefly outlined suggested changes to policies received from the Trustees after their review of the meeting materials. These included:

- The addition of “and all subsequent related Executive Orders and Regulations” to Academic Policy related to technology transfer in section III.B
- The removal of two invalid hyperlinks in the Academic Policy sections III and IV – “Commitment to Teacher Preparation”
- The change of “employer” to “employee” in the “Commitment to Teacher Preparation” section of the Academic Policy
- Clarification to the Student Policy on “Student Rights and Freedoms,” Section I.b. The clarification changes wording to read: “The admissions policies of East Tennessee State University make clear the characteristics and expectations of students which it considers relevant to success in the institution’s program. Under no circumstances should a student be barred from admission to a particular program on the basis of any category or class protected under state and/or federal law.”

It was noted that a number of other major policies will be brought to the Board in June.

A motion was made by Dr. Alsop to adopt these university policies as outlined in the meeting materials, with the discussed changes included. Ms. Grisham seconded the motion. The motion passed unanimously.

X. Confirmation of the Director of Internal Audit

Tennessee Code Annotated (TCA) § 49-14-102 requires that the Board of Trustees employ a qualified individual to serve as the Director of Internal Audit. The internal auditor reports directly to the Board of Trustees through the Audit Committee.

Chairman Niswonger recommended Rebecca Lewis, the university’s director of Internal Audit since 2011, be named the Director of Internal Audit for the Board of Trustees.

Vice Chairman Golden made a motion to endorse Rebecca Lewis as the Director of Internal Audit. The motion was seconded by Ms. Grisham. The motion passed unanimously.

XI. Delegation of Authority to the President

Chairman Niswonger presented a resolution that delegates authority to the president to manage the day-to-day operations of the university and to make necessary expenditures, personnel hires or obligations on behalf of the university. The Bylaws indicate the Board of Trustees may delegate such powers and duties as necessary to ensure the efficient administration of the institution.

Ms. Grisham moved adoption of the following resolution.

RESOLVED: The East Tennessee State University Board of Trustees delegates the following authority to the President of the University. The authority:

- 1. for day-to-day operations, management, and control of the University;**
- 2. to make necessary expenditures, personnel hires, or obligations on behalf of the University;**
- 3. to establish policies and procedures for the educational program and other operations of the University. The Board of Trustees retains approval authority for policies that directly involve the Board including the Board of Trustees Code of Ethics Policy; policies related to the promotion and tenure of faculty; and any policies, rules, or authority as statute, governmental directives, or custom requiring action by the Board. These reserved Board of Trustees powers include but are not limited to:**
 - a. Approval of the budget**
 - b. Approval of tuition and fees**
 - c. Banking, depositor, or investment contracts**
 - d. Purchase, sale, exchange, or gifts of real property**
 - e. Personnel matters involving the President**
 - f. Designation of a name for University buildings or facilities**
 - g. Approval of the University Strategic Plan**
- 4. to approve the granting of honorary degrees;**
- 5. as outlined in TCA § 49-8-203, to establish reserve officers training corps units; and to execute and deliver bond, with or without surety, in such manner and on such terms and conditions as may be required by the United States, for the care and safekeeping of the transportation animals, arms, ammunition, supplies, tentage, and equipment that may be necessary or desirable for the operation, conduct, and training of any reserve officers training corps units of the Armed Forces of the United States authorized by law at any time, to be conducted in conjunction with East Tennessee State University.**

Dr. Latimer seconded the motion. The resolution passed unanimously.

XII. Committee for 125 Review

Dr. Noland presented a PowerPoint slide presentation titled, “Past, Present and Future – A Committee for 125” that addressed the evolution of the university, its values and its mission. It also explained the purpose and goals of the Committee for 125 as well as the vision that group created for the university.

The Committee for 125 was established to explore and develop a strategic vision for the University in anticipation of its 125th anniversary in 2036. Commissioned by President Noland, the group emerged with a visioning plan that included the following major themes:

- Academically, ETSU will be nationally recognized for its outstanding undergraduate and graduate education so that the entire region achieves higher educational attainment, knowledge and skills vital to their lives, careers and a thriving economy.
- The Health Sciences Center will be the premier national model for community-based health care, one that improves the health and well-being of the region and those who benefit from its far-reaching innovations.
- With a powerful university brand, ETSU will be recognized nationally as a student-centered university fostering a transformative educational experience that affirms the value and richness of diversity.
- ETSU will be a model “Education Corridor” renowned for its constituent-based relationship, in which each individual has access to the knowledge each needs, and for the “learning exchange” it has developed with governments, businesses and other schools and colleges for shared resources and collaboration.
- Bringing the campus to the community and the community to campus, ETSU will be an even more significant partner in the region’s thriving business and intellectual center, which serves as the foundation for a stronger economy and vitality in all areas of life in East Tennessee and neighboring states.
- Adopting a front-porch philosophy, ETSU athletics will significantly engage the campus and the region so that a “culture of success” permeates its character and provides an inclusive community-building experience through recreation and competitive sports.

The vision established a baseline for planning and policy development at the university and yielded direct and tangible outcomes that shaped the work of the campus and framed the 2016-26 Strategic Plan for ETSU.

Dr. Noland discussed the dynamic policy landscape in higher education, particularly in recruitment, retention and finance. He addressed the importance of enrollment growth as a critical focus as the landscape becomes even more competitive. He set a

goal of 2,100 freshmen in the upcoming fall class and said the University has an aggressive portfolio of activities aiming to get to that point. He said the University must be prepared to react not only to Tennessee Promise, but also North Carolina Promise.

Mr. Ramsey asked whether this fall will be the first fall for Tennessee Promise students to transfer to four-year institutions. Dr. Noland said this fall will be the first fall for those who go to community colleges through Tennessee Promise and graduate with an associate's degree before transferring to a four-year institution.

Vice Chairman Golden noted the importance of school-level advisory boards in retention. Dr. Noland said this would be an important place to focus.

In terms of finance, Dr. Noland said fundraising is central to our mission today, much like a private institution. Other areas he discussed included the athletics landscape, alumni giving, research funding, and health care. Also in his presentation, Dr. Noland discussed public enrollment trends. He acknowledged a first-time freshman class that has an average high school GPA of 3.5 and an average ACT score of 23.2, noting the more traditional freshman class hopefully will lend itself to higher retention and graduation rates.

Governor Haslam noted two positives in the challenges being faced: 1. The pipeline provided by Tennessee Promise and 2. A stronger freshman class that should yield more juniors and seniors.

Dr. Noland emphasized the need to make improvements in the graduation rates for students of color in particular. He also addressed the shift from being more heavily funded by state support to being more heavily funded by students' tuition and fees.

Dr. Richard Rhoda, Executive Director Emeritus of the Tennessee Higher Education Commission and interim dean of ETSU's Clemmer College of Education, spoke about policy landscape from a national perspective. He presented the top 10 higher education policy issues in 2008 and in 2016 (as compiled by AASCU). Common themes between the lists, he noted, are student access, affordability, successful completion and safety.

Dr. Rhoda said Tennessee is recognized as a national leader in higher education and higher education policy. He called it "unprecedented" to have two back-to-back governors who have an appreciation for higher education in how it can contribute to the state's agenda. He called the FOCUS Act a bold and wise move.

XIII. University Strategic Plan

Dr. Noland introduced the Strategic Plan presentation. The Strategic Plan sets forward a vision for the institution that keeps the university focused on its mission.

Dr. Mike Hoff, associate vice president of Planning and Decision Support and chief planning officer, presented a PowerPoint slide titled, "Moving Toward 2026." He detailed for the Board the process in which the Strategic Plan was created and reviewed. It started with a scan of the environment and strategy development prior to building the plan, which focuses on decentralizing decision making. A SWOT analysis was conducted and results from the analysis were used to establish a draft strategic agenda that was presented in two town halls, made available online and presented to several university groups. Based on feedback, a final draft was developed and submitted to the Interim University Council for approval in February 2017.

The 2016-26 Strategic Plan is built around the following core areas:

- Supporting a strategic growth agenda that maximizes the student experiences both inside and outside the classroom.
- Ensuring the diversity and inclusion of people and ideas.
- Empowering employees to make ETSU a great place to learn, work and grow.
- Supporting excellence in teaching.
- Expanding the foundation for scholarly (research and creative activity) excellence and innovation in all disciplines.
- Leading the region forward through community engagement and service.

Dr. Hoff shared the strategic goals set forth in the document, which includes increased enrollment numbers, increased salary and equity for employees, improved graduation rates and more external funding for research.

Vice Chairman Golden noted the importance of connecting to real-world needs. He said many students come to school and, by the time they graduate four years later, there are job fields that didn't even exist when they started college.

Mr. DeCarlo noted that it can't all be done at once and questioned where the university is going to start. Dr. Hoff said the first step is growth, which gives the ability to be more effective.

Ms. Ayers made a motion to accept the Strategic Plan and work at each meeting on updates to the plan. Vice Chairman Golden seconded the motion and all voted in favor.

Gov. Haslam was asked to give an update on legislation and activities in Nashville. He commented that, as Medicaid has grown in funding from the state budget, higher education was the one thing that had another payer (unlike jails, for example) and began seeing cuts in state funding. He said that has turned around in the last three years with increased funding. Gov. Haslam said what happens in health care at the national level will directly impact ETSU, noting that the state's budget only has so

much room for growth and health care costs squeeze higher education. He noted that one of the roles of Board of Trustees members is to lobby for higher education.

XIV. SACSCOC Accreditation – Substantive Change Process Update

Dr. Bert Bach, Provost and vice president for Academic Affairs, presented information related to the policies and procedures entailed in the substantive change requirements of SACS.

Dr. Bach shared five observations:

1. ETSU has been fully accredited by SACS since 1921. The accreditation was most recently reaffirmed in 2013. ETSU will submit a fifth-year interim report to SACSCOC in March 2019 and the next comprehensive visit scheduled for reaffirmation is set for 2023.
2. SACSCOC recognizes institutions change over those five- and 10-year intervals. Some of those changes, including a change in university governance, require an out-of-cycle on-site campus review by peers.
3. Bach went over the steps accomplished since becoming aware of the change of governance. A prospectus was submitted to SACSCOC in August 2016, with additional information being submitted since then. On March 15, 2017, he received confirmation that the executive council had approved the governance change. On May 15-17, 2017, SACSCOC will send a team to conduct its on-site visit. On the morning of March 24, 2017, he received the names of the people coming to conduct the visit.
4. The university will submit a comprehensive report to the on-site team documenting compliance with 20 standards. (Pages 272-273 of meeting materials)
5. About a month after the May 15-17 visit, the university will receive the team's final report. If there are any recommendations, the university will be required to give a response by October. Formal action will take place at the December 2017 meeting of SACSCOC.

XV. Receipt of Financial Audit

Dr. B.J. King, acting chief financial officer, reported to the Board regarding the university's audit process. A state auditor remains with the university for approximately seven months of the year, generally completing his or her work around November. Each March, the audit report is released in final form. This year, it was released early, in January, so it could be submitted to SACSCOC. The audit is presented as a component unit of the state's audit.

For the past four years, the audit has had no findings. This year, the audit had no findings as well as nothing to be discussed at an exit conference with auditors. This is extremely rare.

At the university there is an educational and general budget for each of the following: Main Campus (approx. \$200 million per year); College of Medicine (approx. \$53 million per year); Family Practice (approx. \$16 million per year); and College of Pharmacy (approx. \$11 million per year).

XVI. President's Report

A. Budget Overview and Update

Dr. Noland said the desire to improve faculty and staff salaries as well as ensuring student success undergird everything we do. A process is underway that aligns budget and strategic plan and said it has been a very open process.

B. Facilities and Capital Update

Dr. Noland presented updates on construction and renovation projects including the Martin Center for the Arts and the D.P. Culp University Center.

C. Legislative Update

Dr. Noland spoke of the match requirement of 25 percent for renovations to Lamb Hall and the hope to garner legislative support for a match of 10 percent instead. He also talked about opioid research funding and hoping to get seed money to jumpstart activity from a research perspective. Dr. Noland also talked about legislation currently being discussed regarding in-state tuition for DACA students.

XVII. Adjournment

Chairman Niswonger thanked THEC for the morning training and thanked the presenters. He then adjourned the meeting.

Respectfully submitted,



David Linville, Secretary of the Board

5/8/2017 – approved by the Board of Trustees.