

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

MINUTES

June 9, 2017
Johnson City, Tennessee

The quarterly meeting of the East Tennessee State University Board of Trustees was held at 1 p.m. on Friday, June 9, 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

Chair Scott Niswonger called the meeting to order.

II. Roll Call

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

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

In his opening remarks, Chair Niswonger noted that the work conducted by the committees of the Board of Trustees since the last meeting has been engaging. He added that the first Board of Trustees meeting in March set the stage for going forward as a board. In addressing the items on the June agenda, Chair Niswonger pointed out that it was the first time in the university's history that these decisions will be made at the campus level. For this reason alone, he said it is a historic day at ETSU. The chairman also pointed out that the advent of a Board of Trustees at the institutional level provides an opportunity for flexibility, responsiveness and mission emphasis as well as a chance to enhance shared governance and encourage an open, transparent and inclusive culture.

Chair Niswonger also shared some of the events that took place on campus since the last meeting, including the graduation of the largest class in the history of the institution in May; the men's soccer department winning the Commissioner's Cup from the SoCon; doctoral student Hannah Oakes earning a national research fellowship; and the university being just one of 83 campuses in 23 states to be named a "Voter Friendly Campus."

Before moving to the next agenda item, Chair Niswonger proposed a change to the order of items on the agenda. He made a motion to move agenda item XI. (A) “Internal Audits in Progress” out of the Executive Session, at the recommendation of Audit Committee Chair Golden, and into the open portion of the meeting, placing it immediately after the Academic and Student Affairs Committee report (Agenda Item VI). The motion was seconded by Trustee Ramsey and unanimously approved.

III. Approval of the Minutes of May 8, 2017

Trustee Grisham made a motion to accept the minutes of the May 8, 2017, Board of Trustees meeting. It was seconded by Trustee Alsop and unanimously approved.

IV. Consent Agenda

Items included on the consent agenda are:

- A. Policies from the Finance and Administration Committee
- B. Pilot Proposal for the Department of Social Work
- C. Pilot Proposal for the Department of Educational Leadership and Policy Analysis
- D. Audit Committee Charter
- E. Office of Internal Audit Charter
- F. Policies from the Audit Committee
- G. Minutes of April 24, 2017, Academic and Student Affairs Committee
- H. Minutes of April 28, 2017, and May 26, 2017, Finance and Administration Committee
- I. President Emeritus Contract

Chair Niswonger pointed out that the broad range of items included on the consent agenda had been reviewed by committees of the board at their meetings and asked if there were any items that any trustee wanted to pull for separate consideration. There were none. Trustee Grisham made a motion for the adoption of the consent agenda. It was seconded by Trustee Alsop and unanimously approved.

V. Report from the Finance and Administration Committee

Committee Chair DeCarlo thanked the committee for the thoughtful discussions that had taken place during multiple committee meetings that took place leading up to the full Board of Trustees meeting. He also thanked Dr. B.J. King, ETSU’s acting chief financial officer.

A. Approval of 2017-18 Salary Increase Proposal and April 2017 Equity Pay Plan Methodology

Committee Chair DeCarlo explained that the governor’s budget provided for a 3 percent salary pool, which ETSU plans to distribute through a 2 percent across-the-board salary increase with a \$500 minimum and a 1 percent equity pool with a \$3,000 maximum. Trustee Ayers made a motion to adopt, on the recommendation of the Finance and Administration Committee, the 2017-18 Salary Increase Proposal and April 2017 Equity Pay Plan Methodology as presented in the meeting materials.

B. Approval of Tuition and Fees 2017-18

Committee Chair DeCarlo made a motion recommending a 3.97 percent increase that equates to \$172 per semester for undergraduates taking 15 credit hours and \$188 per semester for graduate students taking 9 credit hours. The recommendation also includes a 2 percent increase in tuition at the Quillen College of Medicine and a 3 percent increase at the Bill Gatton College of Pharmacy. The motion was seconded by Trustee Latimer and unanimously approved.

C. Approval of the University Budget 2017-18

Committee Chair DeCarlo pointed out that the committee had gone through the budget in detail at its meetings and received a great deal of information regarding the budgets for the main campus, college of medicine, college of pharmacy and family medicine. He made a motion to recommend budgets that report

- Revenues of \$245 million and expenditures of \$245 million for the main campus;
- Revenues of \$58.7 million and expenditures of \$58.7 million for the Quillen College of Medicine;
- Revenues of \$16.2 million and expenditures of \$16.2 million for Family Medicine; and
- Revenues of \$11.5 million and expenditures of \$11.4 million for the Bill Gatton College of Pharmacy.

The total revenues equal \$332 million and total expenditures equal \$332.1 million. The motion was seconded by Trustee Grisham and unanimously approved. Trustee Ramsey emphasized that the committee delved down very deeply into the budget proposal.

VI. Report from the Academic and Student Affairs Committee

Committee Chair Lattimer thanked the committee for its insightful and important morning meeting leading up to the full board meeting.

A. Promotion and Tenure of Faculty Members

Dr. Bill Kirkwood, vice provost, presented the recommendations for tenure and promotion and presented on the tenure and promotion process. Dr. Kirkwood explained that tenure plays an important role in the lives of faculty at the institution and called receiving tenure “perhaps the milestone achievement in a faculty member’s life.” He said tenure is also one of the foremost ways a university ensures quality. Tenure and promotions, he said, are a reflection of excellence at a university. The review process for granting tenure and promotion begins with faculty members creating digital dossiers to submit. Those applications are first reviewed by (higher ranking) faculty working in the same department as the applicant. Those faculty members make their recommendation and the application then moves to the chair of the department, who reaches his or her own independent conclusions and forms a separate recommendation. From there, the application is reviewed by faculty across the college and then goes to the college dean, who forms an independent recommendation. Next, an application moves to the vice president level and finally moves on to the Office of the President where it

receives additional scrutiny. Dr. Kirkwood said it is with considerable pride he now presents it to the Board of Trustees for the first time. Trustee Latimer made a motion to approve the candidates presented for promotion in rank and/or the granting of tenure. Trustee Alsop seconded the motion and it received unanimous approval.

B. Periodic Notification of Academic Actions

Dr. Kirkwood explained that ETSU policy calls for notification of certain actions (i.e.: program name changes, curriculum requirement changes) that do not require Board of Trustees action and presented the report indicating such actions that have taken place in the past quarter.

Academic Actions submitted to the Tennessee Higher Education Commission via a notification scene (Academic Program Inventory Update) are:

- Name change of existing academic program: Brand and Media Strategy
- Amendment of instructional delivery mode from traditional to fully online: Community Leadership
- Amendment of instructional delivery mode from traditional to traditional and fully online: Gerontology
- Termination of an academic concentration: Paleontology (Biology)
- Establishment of a new concentration within an existing academic program: Psychiatric Mental Health Nurse Practitioner
- Establishment of a certificate less than 24 semester credit hours: STEM K-12 Education
- Termination of an academic degree program: Women's Studies (Bachelor's)

Academic Action Notifications to the ETSU Board of Trustees are:

- Establishment of two departments in the College of Business and Technology: 1. Engineering, Engineering Technology and Surveying and 2. Digital Media
- Reorganization of one department into two departments in the College of Arts and Sciences: 1. Communications and Performance and 2. Theatre and Dance
- Substantive curricular revision to an existing graduate program: Master of Science in Nursing (MSN)
- Revision of admission policy: Master of Science in Nursing (MSN)
- Revision of admission policy: PhD in Nursing
- Substantive curricular revision to an existing undergraduate program: BSEd in Interdisciplinary Studies in Education
- Establishment of an articulation agreement between two existing degree programs: Bachelor of Arts (BA) in Anthropology and a Bachelor of Social Work (BSW)

Trustee Golden commended the university on the creation of the STEM K-12 graduate certificate and recognizing the need to get STEM into K-12 education earlier and faster.

VII. Audit Committee Report

A. Audit Plan

Committee Chair Golden explained that Ms. Rebecca Lewis, director of Internal Audit, presented the committee with the 2017-18 audit plan during the group's morning meeting. He said Ms. Lewis shared how she and her staff deploy resources to assure the committee of good operations controls. Some of the audits that are set to be conducted are required while others are determined through a risk assessment.

B. Recommendation Log

Also in the morning Audit Committee meeting, Ms. Lewis reviewed the recommendation log with the group. Trustee Golden commended Ms. Lewis on the presentation of a color-coded score sheet and noted that if the log ever contains a red item, meaning the item is significantly overdue, the committee intends to ask someone to attend its meeting to answer for the lateness.

C. Executive Session

Committee Chair Golden reported to the full board the discussion that occurred in the committee's executive session earlier in the day. In the session, Trustee Golden said the committee reviewed an investigation involving the men's tennis team, specifically around the head men's tennis coach. The committee concluded that the audit is finalized. Trustee Golden said you can't help but note the detail included in the audit, which concluded that the coach engaged in fraud, waste and abuse to the level of \$85,000 and an additional \$20,000 of abuse of the vacation policy at the institution. Trustee Golden told the board that the scheme the coach was involved in was fairly sophisticated and included the counterfeiting of receipts and expenses going back to as early as 2010. Trustee Golden commended Ms. Lewis and her team for the exceptional job on the audit in a very short amount of time. He added that the university, in his estimation, took the investigation very seriously and did the right thing by jumping on it right away. The university has proposed changes to controls to better prevent future incidents such as this one, however Trustee Golden noted that someone who is determined to engage in that type of behavior will find a way to engage in it. Trustee Golden reiterated that the audit was well done, the management response was appropriate and the university did not impede the investigation. He said Athletic Director Richard Sander will faithfully ensure the implementation of the recommendations and noted that additional audits will be conducted going forward. The coach being investigated resigned in March 2017.

VIII. Memorandum of Understanding with Mountain States Health Alliance

Dr. Wilsie Bishop, vice president for Health Affairs, provided a Powerpoint presentation summarizing the Academic Health Sciences Center at ETSU and its affiliations with health care systems in the region (Mountain States, Wellmont Health System, the VA Medical Center and Frontier Health). Approximately 4,000 students are enrolled in the five colleges that make up the Academic Health Sciences Center and the proposed MOU is focused primarily on those five colleges. Dr. Bishop noted

that the university has had varying contracts and ways of doing business with its health system affiliates over the past 60 years and leaders at ETSU came to the realization that is important to look at developing an MOU to define the institution's relationship and operations in a more formal way. ETSU had approximately \$15 million in contracts, residents' salaries and services with Mountain States in 2015-16. Student placements at Mountain States facilities are as follows: 214 students from the College of Clinical and Rehabilitative Health Sciences; 762 students from the College of Nursing; 113 students from the College of Pharmacy; 32 students from the College of Public Health; and 103.5 resident slots (compared to 71 at Wellmont and 30 at the VA) for the Quillen College of Medicine. In addition, all Quillen medical students rotate through Mountain States facilities during their four years at the college. The MOU, Dr. Bishop said, will help the university determine ways to maximize its health professional education program in the region. It allows for the entities to work together on strategic planning and to conduct a needs assessment of the region, ultimately to maximize education and health care to the region. She pointed out that a member of the Board of Trustees would serve on the coordinating council that would be created through the MOU.

Dr. Noland thanked Dr. Bishop and Dr. David Linville as well as all of the others involved in the creation of the MOU. He said the university has spent considerable time formalizing what has, up until now, essentially been general agreements with Mountain States. Trustee Ramsey asked whether ETSU has been operating on just a handshake in the past. Dr. Bishop said the institution has a number of formal contracts and agreements with the health care system, but they have all been negotiated individually. The MOU will prevent some redundancy while allowing the entities to plan together. Trustee Grisham asked whether a research team has already been put into place. Dr. Bishop said both Mountain States and Wellmont put in place a number of strategic task forces that look at care delivery. She said there is a model leaders have begun to discuss and also pointed out that ETSU is the major research institute in the region.

Chair Niswonger emphasized how proud the board is of the university's health-related colleges and made a motion to authorize Dr. Noland to execute a memorandum of understanding with Mountain States Health Alliance. Trustee Grisham seconded the motion, which was unanimously approved.

IX. Presentation on Open Meetings and Open Records Law

Outlined in statute, Tennessee has very extensive open meetings and open records laws that are applicable to the Board of Trustees. Building on training previously provided to the board by the Tennessee Higher Education Commission, Mr. Ed Kelly, legal counsel at ETSU, presented on the laws regarding open meetings and open records.

Mr. Kelly summarized the roles of the legal counsel office at ETSU, which includes legal matters related to employment, litigation, compliance, contracts, transactions, immigration, athletics, international programs and student issues. His office also handles legal matters for auxiliary corporations such as the ETSU Foundation and the Research Foundation. In health sciences colleges, counsel is also involved in research items, MOUs and HIPAA compliance issues. In addition to Mr.

Kelly, attorneys on staff include Mr. Troy Perdue, Ms. Lisa Williams and Ms. Lindsay Daniel.

Tennessee was the 46th state to pass an open meetings law and now has what is probably the broadest open records law in the country. He pointed out key things for the trustees to remember. These items included the definition of a meeting as two or more trustees to convene to make a decision or deliberate toward a decision. This includes convening via email and/or telephone. There are exceptions to what is considered a meeting. On-site inspections of a project or program; a daylong tour of facilities; and a work session on strategic planning are all examples of scenarios that are not considered meetings, Mr. Kelly said. The law does not intend to prevent the trustees from being together outside of public meetings, but does require them not to deliberate and to maintain some isolation from the duties of the board when they are together outside of a public forum. Mr. Kelly noted a difference between whether a document is an open record (public) and whether it is discoverable. Discoverable, he explained, comes along with litigation and is related to court activity. In addition, Mr. Kelly provided examples of records that are not public. These included records regarding donations to the university, trade secrets, documents considered attorney-client privilege at the time of request and student records, which are governed by federal law (FERPA).

X. Strategic Plan Implementation: Presentation on Student Recruiting

Dr. Brian Henley, admissions director, provided a Powerpoint presentation related to student recruitment and enrollment. He said the admissions department has a staff of approximately 25 people, but emphasized that university recruitment is a university-wide mission.

He shared the priorities for enrollment by 2026, which include:

- 18,000 students enrolled
- 3,500 out-of-state and international students enrolled
- Graduate 60 percent of first-time, full-time, degree-seeking students within six years;
- Retain 85 percent of first-time, full-time degree-seeking students
- Receive 12,000 freshman applications (5,000 more than what is received now) with an ACT of 24 or higher.

Goals for this year include:

- Increase applications by 8 percent per year
- Enroll a freshman class of 2,100 (compared to 1,886 this past year)
- Increase level of academic preparation of the entering class
- Increase the number and percentage of students from underrepresented and ethnic groups
- Increase number of non-Tennessee residents through the use of specific scholarships

Dr. Henley shared historic freshman enrollment, noting two events that have significantly changed the landscape in Tennessee: 1. The Class of 2004 was the first class eligible for the Tennessee Lottery Scholarship, which increased the

number of students coming through the college pipeline, and 2. The Class of 2015 was the first class eligible for Tennessee Promise.

Dr. Henley addressed the importance of raising academic preparation of students, noting that GPAs and ACT scores are the best predictors of retention and graduation of students. ETSU's freshman class has gone from an average GPA of 3.32 in 2012 to 3.47 for this past freshman class. The ACT score has risen from 22.1 to 23.2 this past year. He said the institution's efforts are already starting to see early indications of results in retention down the road.

He also addressed Tennessee high school graduate projections, noting the total graduation rate is projected to increase by about .8 percent out to 2026, making it a time of growth but not significant growth and pointing out that growth in Tennessee high school graduates is going to be from students who identify as Latino/Hispanic. Virginia is projected to grow about 6.3 percent in high school graduates; North Carolina is predicted to grow 10 percent in high school graduates; and South Carolina is predicted to grow 13-14 percent by 2025. Dr. Henley concluded from this that if ETSU is going to maintain its enrollment and grow, the institution is going to have to capture a larger market share in Tennessee, reach out to the Latino population and reach out to bordering states for students.

Next, Dr. Henley discussed the enrollment funnel, starting out by saying that student recruitment is all about relationship building.

The funnel starts with building brand. To help build the ETSU brand, seven admission counselors divide the state into geographic territories to work with high schools and their students to build relationships. Other brand building efforts include guest lecture series in the high schools by ETSU professors, website and social media presence, high school counselor days on campus and a partnership with Royall and Company, a company that assists in reaching out to students and gets them interested enough to respond. The university buys names of sophomores and juniors in Tennessee and border county areas as well as some students who appear eligible for the Carter scholarship (within 150 miles) and students within 250 miles who are interested in the health sciences.

The next step in the funnel is generating applications. Efforts related to generating applications include high school visits and college fairs, campus visits, targeted mailings like the View Book, hosting open house events and an application marketing campaign with Royall and Company. At this point, ETSU buys the names of approximately 35,000 seniors and Royall and Company reaches out to them. They are given the promise of a waived out-of-state application fee, a two-week admission decision and automatic consideration for scholarships based on their location. The effort generated 3,400 applications this year, Mr. Henley said.

In selecting the class, ETSU does not require application essays or letters of recommendation. Mr. Henley believes efficiency is to the institution's advantage in selecting the class and, even at the busiest time, was able to meet the two-week decision turnaround goal.

The next portion of the funnel is enrollment and yield, which Mr. Henley said he sees as the most important part of the funnel. Mr. Henley noted that the days

when you could assume a completed application is a high likelihood a student will come to the university are gone. The assumption now is students are applying to at least four to five universities and even 10-15 schools. The yield is extremely important and the recruitment efforts are just getting started when the applications arrive. Efforts here include admitted students receptions, targeted mailings, top scholar receptions, scholarship awards ceremonies, outreach by colleges and departments and pre-advising sessions at area high schools. Admissions has also identified the top 100 feeder schools for the university and admissions counselors are working to provide every admitted student with a hand-written note and/or phone call. Other efforts include academic signing days and scholarship certificates on behalf of ETSU. Royall and Company also provides a Decision IQ communication plan that encourages students to sign up for orientation.

The final stages of the funnel are registration and melt. New students have orientation in summer where they register for classes, summer send-offs are held in Sevierville, Chattanooga and Nashville, and the university hosts two programs leading into the fall semester – QUEST and Preview ETSU.

XI. President's Report

Dr. Noland summarized the board meeting by noting that the trustees had, in the matter of an hour and 20 minutes, adopted policies for audit; provided salary enhancements; approved tenure and promotion; approved tuition, fees and a budget for the university; formalized an MOU with Mountain States and heard an enrollment growth presentation. He thanked the board for the hours it spent working on these issues in committee meetings leading up to the full board meeting. He also informed the trustees that they will have an opportunity for information sessions where they can get out and about around campus and learn more about the institution.

In addressing events that had occurred since the last meeting, Dr. Noland mentioned the following:

- The recent SACS visit took place in May and went extremely well. By all accounts, it appears the university's accreditation will be reaffirmed with no findings. He thanked Drs. Bert Bach, Mike Hoff and Cheri Clavier for their efforts related to the visit.
- The largest graduating class in the history of the university crossed the stage in two ceremonies on May 6.
- Leaders are anticipating the single best fall-to-fall retention rate (at 75 percent) since 1986.
- Today marks a milestone for the university with tenure and promotion acted upon locally for the first time.

Dr. Noland also took a moment to talk about the Athletics Department and emphasized the incident related to the men's tennis coach is not reflective of the university's athletics program as a whole. He pointed out that teams competed in eight conference tournaments or NCAA appearances this year. He also noted that the department had the Outstanding Athletic Program in the SoCon for the second year in a row. Additionally, he shared that 29 student athletes recorded a 4.0 GPA for the most recent semester while Brooke Baxter, a softball player, graduated in

May with a perfect 4.0 GPA for her collegiate career. Ms. Baxter is going on to attend Quillen College of Medicine in the fall.

In continuing to share positive stories of the university, Dr. Noland also noted that the institution is on target to have the best fundraising year in recent history (on track for almost \$19 million) and the university is making significant headway toward making strategic plan goals.

Transitioning to campus climate, Dr. Noland noted that every single student at the ETSU campus goes through HAVEN training and 2,500 employees took part in the online sexual harassment training so far this academic year. Dr. Noland also noted that the trustees will see the institution's research mission advance through some big announcements in the coming months.

A. Campus Construction Update

Dr. Noland shared brief updates regarding ongoing and upcoming construction projects. They include:

- **Martin Center** – With a projected cost of \$52.3 million and an expected completion date of Spring 2019, this performing arts center will include a recital hall, main hall, black box theater, practice space, rehearsal space and office space. It will be a massive facility that will encompass most of Lot 1 just across State of Franklin Road from the main ETSU campus. It is being developed in partnership with the City of Johnson City and will serve as a home for the arts across this portion of the Tri-Cities. Groundbreaking will take place in August/September.
- **Football Stadium** – There remains a lot to be done with just 90 days before the start of the football season, but it is moving toward completion. The project remains on schedule and under budget. Seating will go in by about Aug. 6.
- **D.P. Culp University Center** – With a projected cost of \$46 million including food service enhancements, the renovation to the Culp Center is expected to be complete in 2019. It will become the living room of the university, however construction will cause the displacement of 250 offices, the amphitheatre will be unusable during the construction phase and Lot 35 will not be available for parking. There will also be a temporary loss of some food service. There is the hope that the Martha Street Culp Auditorium will be accessible. Dr. Noland said it will be important for the board to look at the possibility of formal negotiations for a lease or potential acquisition of the Millennium Centre. He said this will involve a lot of conversations with folks in Nashville.
- **Building 60 on the VA campus** – The Interprofessional Education and Research Center on the VA campus is a renovated historic building. Project cost is \$13 million with an estimated completion date of Spring 2018. A significant portion of the simulation for health sciences colleges will be housed here with a chance for students to learn in interprofessional teams.

- **Data Center** – This facility will soon open. It is a new home for IT infrastructure. Cost is \$2.7 million.
- **Lamb Hall** – Renovation to Lamb Hall is the next big project. ETSU received funding in Haslam’s budget for the facility. It has yet to go before the State Building Commission. The next phase is beginning the fundraising campaign for the capital match for the \$21.8 million project. The renovation will provide enhanced teaching and research space.

B. Legislative Review

In providing a legislative review, Dr. Noland said he considered this to be a very successful legislative session for the university. It included support for the outcomes formula and salary enhancements, support for Lamb Hall (remaining with a 25 percent match), support for deferred maintenance projects, FOCUS implementation, campus safety, out-of-state tuition and DACA students (this legislation did not go through but is expected to return to legislature for further discussion next year), and major policy changes that impact access, veterans and free speech.

With respect to policy changes, the first is access.

- **Tennessee Reconnect** does the same thing for adults that Tennessee Promise does for graduating high school students. The act establishes a last-dollar tuition scholarship at any of the state’s 13 community colleges. The funds are available to residents qualifying as independent adult students. This is significant for ETSU because that adult learner is then positioned to transfer to 4-year institutions like ETSU to further their education.
- The **STRONG Act** establishes a pilot program to provide eligible members of the Tennessee National Guard with last-dollar funding toward a bachelor’s degree at Tennessee’s public institutions. Focused on members of the National Guard who have some college but no degree. The STRONG act is another piece of a different funnel to help reach our student enrollment goals.
- **FOCUS Act** updates include giving statutory authority in several policy/procedural areas including campus police/public safety; extending whistleblower protections applicable under present law; requiring an independent audit committee; and allowing board members to serve on the governing board of a private institution.
- **Free speech law** goes into effect January 1, 2018. Tennessee is the first state in the nation to recognize the importance of faculty’s academic freedom in state law. The law provides a framework to facilitate a marketplace of ideas and safeguard free speech. Public universities may not disinvite campus speakers invited by students or faculty or charge an additional security fee for speakers based on

the anticipated content of the speech. It prohibits free speech zones and requires public universities to regularly inform students and faculty of their speech rights.

Continuing with his legislative update, Dr. Noland noted that this is one of the few years in which support from the governor was above and beyond the THEC recommendation. He also reiterated that the budget included \$17.3 million for Lamb Hall and another \$8.7 million for capital maintenance projects.

XII. Adjournment

Chair Niswonger thanked President Noland for his tireless effort for ETSU and then adjourned the public portion of the meeting. From there, the full board then went into executive session to discuss pending litigation.

Respectfully submitted,



David Linville
Secretary of the Board of Trustees

Approved by the Board of Trustees at its September 8, 2017 meeting.