

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

MINUTES

February 22, 2019
Johnson City, Tennessee

The quarterly meeting of the East Tennessee State University Board of Trustees was held at 1 p.m. on Friday, February 22, 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 ninth meeting of the ETSU Board of Trustees and reflected upon the work that has transpired since the first board meeting in March 2017. He commended the implementation of a decentralized budget and the establishment of tuition and fees before the close of the academic year for the first time in modern history. Since the inception of the board, the university has experienced record graduation rates and graduate student enrollment growth, and maintained undergraduate enrollment while other institutions across the state saw significant declines.

Chair Niswonger applauded the student success initiatives presented by Dr. Joe Sherlin at the November meeting and noted the energy and anticipation surrounding the forthcoming Martin Center for the Arts and renovated D.P. Culp University Center. He reminded board members of the major capital project, a \$72 million investment in a new humanities building, under consideration by the Governor and listed 5th on THEC's recommendation list.

He also recapped his efforts on behalf of the Executive Committee to execute an employment services agreement with President Noland and said he would provide an update on his evaluation and the revised terms of his employment agreement during item XI. Other Business.

II. Roll Call

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

Fred Alsop
Janet Ayers
Steven DeCarlo
David Golden
Linda Latimer
Keyana Miller
Scott Niswonger

Jim Powell
Ron Ramsey

III. Approval of the Minutes of November, Meeting

Trustee Ayers made a motion to accept the minutes of the November 16, 2018, Board of Trustees meeting. It was seconded by Trustee Golden and unanimously approved.

IV. Report from the Finance and Administration Committee

Committee Chair DeCarlo outlined three major items discussed:

- A. A review of unaudited comparative financial ratios confirmed that the university is on solid financial footing. Return on assets increased due to the university's growth in capital assets, grants receivable, foundation growth in assets from gifts, and investment income. Additionally, net operating ratios increased primarily due to increases in state appropriations (\$8 million), grants and contracts (\$4 million), and investment income (\$1 million). Primary reserves and viability ratios remain stable.
- B. A discussion of the budget process included the alignment of the budget calendar. Binding limits for tuition and fees increases were issued by THEC in November and budget hearings were held in December and January to determine institutional needs and to prioritize those needs based on the strategic plan.
- C. A quarterly review of agreements over \$250,000 was presented and all purchases were in line with the budget.

V. Report from the Academic and Student Affairs Committee

Committee Chair Latimer noted two action items:

- A. Emerging from previous discussions about the committee's roles and responsibilities, a recommendation to update the committee name to Academic Research and Student Success was brought forward and represents an amendment to the Bylaws as stipulated in Article VI, Section 2.

Trustee Ramsey made a motion to approve the recommended amendment to the Bylaws. It was seconded by Trustee Golden and unanimously approved.

- B. Dr. Bert Bach presented two recommendations for tenure appointments:
 - a. Mr. David Adkins, Dean of University Libraries
 - b. Dr. Jeff Snodgrass, Chair, Rehabilitative Sciences

Trustee Alsop made a motion to approve the action item which was seconded by Trustee Latimer. The motion unanimously approved.

VI. Report from the Audit Committee

In his report, Committee Chair Golden said Becky Lewis presented revisions to the 2018-19 audit plan. She also provided a summary of audits completed since November 2018 including the supplemental heat map and recommendation log.

Golden commended Lewis and her staff for their participation in an enterprise risk management exercise.

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 Powell and a second from Trustee Latimer. Items included on the consent agenda are:

- A. Minutes from the November 16, 2018, Finance and Administration Committee meeting
- B. Minutes from the November 16, 2018, Academic and Student Affairs Committee
- C. Minutes from the November 16, 2018, Audit Committee

VIII. ETSU Veterans Affairs Report of Growth, Current Initiatives, and Accomplishments

Col. (Ret.) Tony Banchs, director of Veterans Affairs, provided an overview of expanded scholarships opportunities for veterans and military-affiliated students (MAS) as well as success initiatives that led to the growth of the MAS population at ETSU. In spring 2019, the department expanded scholarships for MAS not eligible for the G.I. Bill to include:

- 10 scholarships for MAS children
- 5 scholarships for MAS spouses
- 10 “overtime” scholarships for MAS whose G.I. Bill expired or ran out
- Out-of-state waivers

Upon Col. Banchs recommendation, \$74,000 has been recapitalized for these scholarships, however, students will still pay much of their way, he said, leading to \$300,000 in revenue.

Another offering that sets ETSU apart is the Veterans Path to Education Portal, which is the product of an \$80,000 grant proposal awarded by THEC to study military training to find equivalencies in coursework at colleges and universities. Banchs said those findings are then presented to a faculty board to determine if college credit could be granted. Public speaking and first aid are among those courses being considered. Although 13 schools received the grant from THEC, Col. Banchs noted that ETSU was the only school to use the funds to create a portal where students can enter their military specialty and rank received to view the credit they may be eligible for at ETSU and suggest academic majors. He said this model may be adopted by THEC for use by all schools and due to its success, the department received another \$25,000 grant to advertise and market the portal.

Next, Col. Banchs presented accomplishments:

- 30% increase in MAS population over 2 years
- Dedicated a new Military Affiliated Resource Center (MARC) tripling the size of previous space and increasing visits from 400 to 1,400 per month

- Declared Military Spouse Friendly for first time, Military Friendly for 9 consecutive years and 2018-19 Best of the Best rating for the first time

Col. Banchs then outlined the following initiatives:

- Meeting with various deans about opportunities to offer equivalences to MAS
- Request to make grant-funded position permanent to study military training equivalencies and work on portal
- Developing “Green Zone” training consisting of a 30-minute online module. Trainees will learn signals to identify combat veterans and upon completion will receive a sticker that lets veterans in crisis know that he or she is aware of resources available and can offer assistance.

IX. **Housing and Residence Life: Overview of Facilities, Program, and Planning**

Dr. Joe Sherlin introduced Dr. Bonnie Burchett, director of Housing and Residence Life, who has been at ETSU for 40 years.

The Department of Housing and Residence Life, Dr. Burchett explained, is an auxiliary service that reports operationally to the Vice President for Student Affairs and belongs to both state and national professional organizations. The annual budget is between \$14-15 million and there has not been a fee increase since 2014-15. She said ETSU’s rent is on the low side compared to peer institutions. Housing has about 100 staff members, 60-70 of which are undergraduate or graduate students. Dedicated staff members take care of housing facilities so students know and recognize them.

Dr. Burchett described the type of housing facilities currently on campus:

- 34 buildings
- Several types of housing offered at different price points with various amenities
- Over 1 million square feet and 3,090 beds in 1,630 units
- In 2002, a new housing master plan was created in an effort to increase the number of students living on campus. Both Governors and Centennial Halls were built as a result.

In 2016, a market survey conducted on campus found that students who live on campus feel more connected and engaged. Therefore, one of the goals of Housing and Residence Life is to be good stewards of the facilities to enhance students’ sense of community, Dr. Burchett stated. She also outlined continuous improvement plans:

- Improve work requests so students can track and view updates
- A five-year maintenance plan is in place
- A new 10-year housing master plan is forthcoming

Dr. Burchett spoke about Residence Life and said the department refocused its efforts on learning outcomes and began implementing a residence life curriculum. Staff began to have more personal contact with residents through “drop-in conversations,” and identified four outcomes for students to learn:

- Feeling a sense of community

- Civility – respect for one another
- Interpersonal skills – Roommate agreements and learning how to communicate
- Personal responsibility and accountability

Another goal of Housing and Residence Life, she said, is to grow and enhance the residential experience because students who are engaged are more likely to be successful and graduate. Additionally, the department aims for each student to connect with a peer group on campus. She said 38% of students living on campus made the Dean’s List for the fall 2018 semester, a 7% increase.

Other initiatives mentioned by Dr. Burchett included:

- Expansion of academic partnerships - Housing Scholarships started in 2015 and have supported nearly 450 students.
- Faculty Fellows Program
- Developing First-Year Residential Experience – More Living Learning Communities
- Campus dining collaboration –meal plan requirement
- Enhance facilities
- Look at possible residency requirement for first-year students under age 21
- Reach 3,500 students living on campus by 2025

X. President’s Report

In his overview of matters facing the institution, Dr. Noland said his focus would be on function, which over the history of the university, has led to conversations about structure. He said ETSU is an institution rooted in service with a singular purpose to serve the people of this region. Dr. Noland showed trustees a comparative list of the “Top 10 Challenges Facing Higher Education” in 2008 and 2018 and outlined survey results from presidents who cited increasing enrollment, student success, strategic planning and cost management as top priorities.

Higher education enrollment across Tennessee remains flat, he said, even after the implementation of Tennessee Promise and Reconnect. While enrollment may be stagnant, more students are graduating because there is a greater focus on student success initiatives.

Dr. Noland said the Tennessee budget landscape remains stable and while the state supports capital projects, there are expectations for a local match when it comes to major projects such as the proposed humanities building. He expects Gov. Bill Lee’s budget to address rural issues and technical education and conversation will unfold about its impact on our institution and on our region.

Dr. Noland then turned his attention to ETSU’s budget, which has moved to a decentralized model and thereby created a spirit of entrepreneurship across campus. For the first time in modern history, colleges have the opportunity to retain funds at the end of the year. As this happened, some anomalies emerged. He called for a closer

look at base budgets for colleges, like Arts and Sciences, which provide a lot of general education instruction. Dr. Noland also highlighted ETSU's composite financial index (CFI), which is stronger than other LGI's.

An examination of instructional staffing is taking place across the university, Dr. Noland explained, particularly that of faculty and staff salaries and load. He said adjunct faculty have not received salary enhancements in about 20 years, which were capped by TBR policy.

Next, his report focused on perspectives:

- State of the University Survey was conducted in 2018. Dr. Noland said the positive results are important because of the competitive landscape of higher education.
- Freshmen Experience Survey revealed that 45% of students actively promote the university. However, Dr. Noland surmised that the percentage of detractors was at 17% due to ongoing renovations in the D.P. Culp Center.
- PEG Alumni Survey revealed a 79% Affinity Index, highest ever.

Dr. Noland reported that enrollment from Spring 2015 to 2019 enrollment is flat and undergraduate enrollment is trending slightly downward. Retention rate, he said, is moving in the right direction and the fall-to-fall retention rate should be around 72%. The six-year graduation rate is projected to increase and the goal is 60%. In terms of applications, the university consistently received 4,000-5,000 per year and that number dramatically increased upon the implementation of a direct mail marketing initiative in 2014, yet the number of freshmen enrolled remains flat because students apply to many schools and "shop around," he said. However, the university did not see a significant drop in enrollment when the Tennessee Promise was established as other state institutions did. Dr. Noland also presented a new STEM Scholarship.

He then listed several legislative initiatives:

- Support for THEC outcomes formula
- Gatton College of Pharmacy tuition scholarship to equalize tuition
- Continued support for campus safety
- Add pediatric subspecialists and pediatric surgeon
- Capital projects - \$72 million humanities building
- \$11.5 million in support for deferred maintenance projects

Next, Dr. Noland outlined initiatives for ETSU in 2018-19:

- Launched a university marketing campaign to support growth agenda
- Building a Compliance Division
- Campus Safety efforts – emergency operations center established
- Support of service mission – Dula Day of Service, Inaugural Festival of Ideas
- Implementation of HR restructuring
- Launched Presidential Fellows program – Drs. Joe Bidwell and Jana Scarborough

Dr. Noland said the additional time granted by the later release of the Governor's budget allows for exploration of best practices in higher education for setting tuition and fees. Several options are being considered such as a "15 to finish" structure, fee simplification and block tuition.

Although infrastructure was mentioned several times in his presentation, he said people define the institution and people come first. Earlier this year, the passing of two individuals on campus brought to light gaps in personnel needs, Dr. Noland stated. A number of people are moving into new leadership positions while the following individuals announced retirements:

- Ed Kelly – Legal Counsel
- Dr. Jane Jones – Chief of Staff
- Dr. Bert Bach – Provost and Vice President of Academic Affairs
 - He will begin transitioning to role of Special Assistant to the President

Dr. Noland called for a review of structure at the university to purposefully align structures with strategic planning goals. A Task Force will report monthly to the Executive Committee of the Board and provide key progress updates at quarterly meetings throughout 2019. He said Dr. Bach will work with Dr. Wilsie Bishop as she transitions to the role of Interim Provost and Vice President of Academics and leads the university through the review and transition. Her former role of VP of Health Affairs will remain vacant and day-to-day tasks operations will be led by Drs. David Linville and Larry Calhoun. Furthermore, the dean of the Quillen College of Medicine, Dr. William Block, will report operationally to Dr. Noland in matters related to Ballad Health in order to negotiate contracts, clinical opportunities and develop a vision of research between the college and Ballad Health.

To conclude, Dr. Noland provided an overview of the Structural Alignment opportunities to be examined by the Task Force:

- Immediate opportunities
 - Community Service and Service learning
 - Diversity and inclusion
 - Millennium Center operations
 - Student Success and recruitment
- Near term opportunities to take action on by the end of the calendar year
 - Research and innovation
 - Space utilization
 - Compliance, risk and HR
- Long term opportunities
 - College mergers, creation and reorganization
 - Clarify role of the provost, VP for Health Sciences and other senior positions

XI. Other Business

As stated earlier in the meeting, Chair Niswonger has been working with Dr. Noland to execute an employment services agreement. Upon review of Dr. Noland's performance alongside performance goals, Chair Niswonger said the Board of Trustees is pleased with his leadership. One of the primary responsibilities of the Board, he noted, was the selection and evaluation of the president. Chair Niswonger provided a list of terms for Dr. Noland's continued employment for consideration by the Board of Trustees. The terms outline performance goals and expectations and subsequently frame the terms of his engagement with ETSU, he said.

Trustee Latimer made a motion to approve the revised employment services agreement. It was seconded by Trustee Alsop and unanimously approved.

XII. Executive Sessions

With no other business to discuss, the meeting was adjourned. The Board of Trustees elected to convene in executive session.

XIII. Adjournment

Respectfully submitted,



David Linville
Secretary of the Board of Trustees

Approved by the Board of Trustees at its April 26, 2019 meeting.