

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

MINUTES

May 24, 2024  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees met on Friday, May 24, 2024, at 1:08 p.m. in the East Tennessee Room of the D.P. Culp Student Center. The meeting was also live-streamed and recorded.

**I. Call to Order**

Sitting in for Board Chair Dr. Linda Latimer, Trustee Steve DeCarlo called the meeting to order at 1:08 p.m.

Trustee DeCarlo summarized for the board a number of major accomplishments that occurred over the course of the spring semester. Those include:

- A 97% first-time pass rate on the North American Pharmacist Licensure Examination by students in the ETSU Gatton College of Pharmacy—ranking us number two in the nation for pass rates and the highest in Tennessee
- A 98% pass rate on the NCLEX exam by students from our College of Nursing
- The 50<sup>th</sup> anniversary of broadcasting by ETSU’s NPR affiliate, WETS-FM
- The earning of a prestigious Truman Scholarship by ETSU student Trent White
- National Teacher of the Year recognition for ETSU alumna Missy Testerman, an educator with the Rogersville City Schools
- \$4 million in grants from the Opioid Abatement Council
- A total of 2,028 degrees conferred during spring commencement, including 790 students graduating with honors. That class included our 100<sup>th</sup> Roan Scholar to cross the stage and 125 military-affiliated students. Nearly 40% of the graduates were the first in their families to attend college. The commencement speaker was former ETSU student Timothy Busfield, an Emmy-Award-winning actor and director.

Trustee DeCarlo concluded his opening comments by thanking student trustee Aamir Shaikh, whose term will end on June 30. He also welcomed new student trustee Trent White.

## **II. Roll Call**

Board Secretary Dr. Adam Green led the roll call.

Trustees physically present were:

Trustee Charles Allen  
Trustee Steve DeCarlo  
Trustee Dr. Steph Frye-Clark  
Trustee Dorothy Grisham  
Trustee Ron Ramsey  
Trustee Melissa Steagall-Jones  
Trustee Tony Treadway

Dr. Green informed the board chair that a quorum was present.

## **III. Public Comments**

No individuals were signed up to speak to the board during the public comment period.

## **IV. Approval of Minutes from February 16, 2024**

The minutes from the February 16, 2024, meeting of the Board of Trustees were approved as submitted, with Trustee Charles Allen making the motion to approve and Trustee Melissa Steagall-Jones seconding the motion. The motion passed unanimously.

## **V. Report from the Academic, Research, and Student Success Committee**

Trustee Charles Allen reported on behalf of the Academic, Research, and Student Success Committee. He told the board that the committee approved promotion and tenure for 54 faculty members. The committee also approved the landmark academic restructure proposal, the first such realignment on campus since 1977-78. The committee heard updates on financial aid and enrollment including an update on how ETSU has responded to the federal government's mishandling of the FAFSA form and how we are communicating with new students who are affected by the problem. Finally, the committee was updated on research activities taking place at ETSU.

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

Trustee Ron Ramsey reported on behalf of the Finance and Administration Committee. He indicated that the committee approved the spring estimated budget for FY24 and proposed July budget for FY25. The committee received a financial update which compared operating revenues and expenses for the current year with the prior year. The committee reviewed the quarterly report of agreements and contracts over \$250,000 for the period of January through March 2024. The committee approved the capital budget submittals and disclosures for FY25. as well as reviewed proposed tuition and fees for FY25 at its January and April meetings.

Trustee Ramsey then asked Ms. Christy Graham, Chief Financial Officer, to present the proposed tuition and mandatory fees for academic year 2024-25 to the full board. She told the board that the Tennessee Higher Education Commission's budgetary model for FY25 was built on flat enrollment with a 4% outcomes growth and inflationary adjustment, which equated to \$1.2 million for ETSU. Governor Bill Lee's proposed budget for an expenditure increase and a partially funded 3% salary pool was \$5 million. In making the recommendation for tuition and fees, Ms. Graham said, ETSU considered the total cost of attendance. Tuition and fees increased by 2.85% in FY24. ETSU also looked at a comparison of tuition and mandatory fees with the other state universities. Further, ETSU is engaged in ongoing analysis of all units across the university to identify ways to improve services, reduce costs, and allow assets to be used more effectively for students. Ms. Graham also reviewed THEC's binding tuition and mandatory fee ranges. She said the commission proposed a zero to 4% tuition and mandatory fee limit at its November 2023 meeting. That was amended at the commission's May 2024 meeting as the commission voted to approve a zero to 5.5% binding limit. Other factors considered in recommending tuition and mandatory fee rates at ETSU included projected student enrollment and university enrollment goals and market and cost factors for higher education. Ms. Graham reported that the Higher Education Price Index shows inflation for colleges and universities rose 4.5% for FY23. She added that ETSU's proposal for increases in tuition and mandatory fees was posted for formal comment from April 5 through April 22.

Ms. Graham told the board that ETSU is now proposing a 5.25% increase in tuition and mandatory fees for all classes of undergraduate students on the main campus: 5.36% in tuition and 4.8% in fees. This equates to a total increase to the full-time undergraduate student of \$213 per semester for tuition and \$48 per semester for fees. Ms. Graham reminded the board that tuition increases over the past five years have included two years at 0% increase. The university is also recommending an additional \$15 increase for new out-of-state students and a similar increase for graduate tuition. Assuming flat enrollment, this should result in an increase in revenue of \$5.4 million. This money, Ms. Graham said, will help fund ETSU's portion of the salary pool of \$2.2 million, an additional \$1.6 million salary pool to address FLSA and other salary needs, as well as

increased benefit costs, faculty tenure and promotion, and other inflationary increases. Ms. Graham said a review of tuition and fees shows that ETSU is still an affordable option for public education in the state of Tennessee.

Chairman DeCarlo asked for a motion to approve the amended proposed increases in tuition and mandatory fees for 2024-25 of 5.25% in accordance with the governor's budget and the Tennessee Higher Education Commission's binding tuition limit.

Trustee Grisham made the motion to approve, and it was seconded by Trustee Ramsey. Before the vote was taken, Trustee Treadway noted that over the past five years, tuition and fee increases have averaged out to less than 2% per year, according to figures calculated by Trustee Allen. There being no further discussion, a voice vote was taken, and the motion passed unanimously.

## **VII. Report from the Audit Committee**

Committee Chair Melissa Steagall-Jones reported that the Audit Committee reviewed several charters and policies during its meeting and that there were no suggested changes to any of those. The committee then heard a report on recently completed audits.

The only action item to come before the committee involved the approved addition of three instances of potential fraud, waste, or abuse to the Audit Plan and the deletion of the Northeast Tennessee Community Health Centers audit from the plan because of the postponement of Voyager implementation.

Trustee Steagall-Jones told the board that Ms. Christy Graham, Chief Financial Officer, reviewed the annual audited financial statements from the Comptroller of the Treasury, showing that ETSU is in good financial condition. ETSU received an unqualified opinion on that audit.

## **VIII. Consent Agenda**

Chairman DeCarlo then called the board's attention to the Consent Agenda that included several routine items as well as items acted upon during the morning's committee meetings. Chairman DeCarlo asked if there were any items on the Consent Agenda that needed to be pulled for discussion and consideration by the full board.

In light of the action the board took to amend and approve the 5.25% tuition and mandatory fee increase, Trustee Ramsey made the following amended motion for the board's consideration: that the Board of Trustees amend the Finance and Administration Committee's proposal approved during its April 5 called meeting and adopt the following resolution: that the proposed total salary pool of 4% for 2024-25 be approved as presented.

Trustee Grisham seconded the motion. It passed unanimously.

Chairman DeCarlo then asked for a motion to approve the full Consent Agenda as amended. Trustee Steagall-Jones moved that the Consent Agenda be approved, and Trustee Allen seconded the motion. It passed unanimously.

## **IX. Quillen College of Medicine Celebrating 50 Years**

Dr. Bill Block, Vice President for Clinical Affairs and Dean of the College of Medicine, gave a brief summary of the history of the college, in light of the fact that March 12, 2024, marked 50 years since the Tennessee General Assembly passed legislation, over Governor Winfield Dunn's veto, to establish the college.

Dr. Block recognized a number of prime movers in the medical school movement, including Congressman Jimmy Quillen; Dr. D.P. Culp, ETSU's fourth president; John Lamb, who was Dean of the ETSU College of Health; Ned McWherter, Speaker of the House when the legislation passed; State Representatives P.L. Robinson, Gwen Fleming, and Bob Good; Senator Marshall Nave; local attorney Mark Hicks; local internal medicine physician Dr. Charles Ed Allen; and *Johnson City Press-Chronicle* Publisher Carl A. Jones. Dr. Block emphasized the regional cooperation that made the College of Medicine possible and highlighted the signing of the Teague-Cranston Act by President Richard Nixon in 1972, which opened the door for our partnership with the Veterans Administration Hospital at Mountain Home.

Dr. Block reported to the board that the Quillen College of Medicine has now graduated 2,475 physicians, from 43 graduating classes. Around 1,000 of those physicians practice here in our region.

Dr. Block noted that the Quillen College of Medicine's original mission is still in force today: to educate future physicians, especially those with an interest in primary care, to practice in underserved rural communities.

In describing how the college is fulfilling that mission, Dr. Block pointed to the following:

- Quillen is in the 90<sup>th</sup> percentile of medical schools with graduates practicing primary care, according to the American Association of Medical Colleges
- Quillen receives nearly 3,800 applications per year for the available 78 seats

- *U.S. News & World Report* ranks Quillen as number nine in the country for “Medical Schools with the Most Graduates Practicing in Medically Underserved Areas”
- Quillen is in the 96<sup>th</sup> percentile of medical schools with students who plan to participate in military service, also according to the AAMC
- Quillen physicians conduct more than 370,000 patient visits every year
- Quillen’s clinics provide in excess of \$3.2 million per year in uncompensated health care to the people of the region

Dr. Block indicated that Quillen enrolls 78 M.D. students per year, with a total of 307 currently enrolled. There are now 40 Ph.D. candidates in Biomedical Sciences, 240 resident and fellow physicians, and 250 faculty.

Further, Dr. Block said that as part of ETSUHealth, the Quillen College of Medicine is the exclusive provider of neonatal and pediatric intensive care at Niswonger Children’s Hospital. Quillen provides all of the trauma surgeons to the Johnson City Medical Center and covers all of the surgical intensive care unit. Quillen faculty members are serving at the Regional Cancer Center in Johnson City, and we provide the staff for the St. Jude affiliate at Niswonger Children’s Hospital. In addition, Perinatal Center obstetrical care is provided 24/7 by Quillen obstetricians at JCMC. We also staff orthopedic trauma, all of the plastic surgery call for the trauma center, and all of the pediatric surgery.

Looking ahead to the next 50 years, Dr. Block told the board that the college hopes to pursue and strengthen the same mission it has had for the past 50 years. He said the college looks forward to the construction of an integrated health sciences building to provide the next level of service to the region. Dr. Block added that the college hopes to enhance underserved medicine not only throughout the Appalachian region but also globally, in countries such as Zambia, Kenya, Belize, and others. At home, Dr. Block said, we continue to strive to be the practice of choice, through enhanced partnerships and a focus on quality and service. To help provide the workforce for the future, Dr. Block indicated that graduate medical education programs will need to be expanded, and the College of Medicine’s class size will need to be larger.

Dr. Block concluded his presentation by reiterating the college’s appreciation to those who had the vision to start a medical school in Johnson City.

## **X. President’s Report**

President Noland’s report covered these general topics: access and success; budget and strategic initiatives; a legislative update; the changing landscape of college athletics; the

public perception of higher education; and successes of 2023-24. Dr. Noland underscored the original and ongoing mission of the university, as first articulated by founding president Sidney G. Gilbreath. President Gilbreath recognized four general principles within his goal of improving the quality of life for the people of the region and beyond. Those principles were: regional service; scholarship; the study of education as a science; and a knowledge of the conditions and needs of the state. Dr. Noland commented that the previous presentation about the 50-year history of the Quillen College of Medicine is a perfect example of the fulfillment of that original mission.

Access and Success: President Noland reviewed the FAFSA challenges that ETSU has faced and is facing and commended Dr. Heather Levesque and her staff for meeting these challenges so well through outreach to students. Dr. Noland reiterated the fact that Tennessee leads the nation in FAFSA completions. While that is good news, he said, the down side is the fact that fewer than 50% of this year's high school seniors have completed the FAFSA. He added that fewer than 23% of low-income students have completed the FAFSA.

Dr. Noland shared with the board figures on college-going rates in Tennessee and reminded the board of the intervention work that ETSU is doing in P-20. We are continuing to meet regularly with high school principals and superintendents to deepen connections with our secondary partners. President Noland noted, though, that the college-going rates reported to the board reflect the period before the FAFSA difficulties. (Those rates for 2022 were 54.3% across Tennessee and 53.3% in Northeast Tennessee.)

Dr. Noland then discussed some of the public and private benefits of higher education. He presented a chart indicating major wage differentials in Tennessee, moving from citizens who did not finish high school through those who completed a high school diploma or GED, those who completed some college, and those who completed associate, bachelor's, and graduate degrees. Likewise, an accompanying chart Dr. Noland presented shows unemployment rates dropping significantly as educational attainment rises. He stated that these figures, just from an earnings perspective alone, show that the best investment a family can make is an investment in their children's educational future. Further, President Noland pointed out that earnings are just one part of the equation and that as educational attainment increases, so does life expectancy: College graduates live, on average, 8 ½ years longer than those who did not graduate from college.

Dr. Noland then turned his attention to retention, reporting that ETSU's fall-to-spring persistence has begun to rise again after the COVID downturn. Based on this retention information, our persistence numbers, and application data, we project to be up, overall, by about 218 students this fall. This will be the first time that we project crossing over the 14,000-student threshold since pre-COVID.

Select Strategic Initiatives: Dr. Noland began this section of his report by sharing some national data on higher education, including results from the *Inside Higher Education* President's Survey showing that 53% of presidents believe their institutions have too many academic programs for anticipated levels of enrollment and that some programs need to close. In that light, President Noland told the board that its approval of our academic restructuring proposal indicates a forward-thinking approach to programming.

President Noland announced that the process of implementing the new academic structure is now beginning. Directly related to that restructuring is the resetting of the university budget, led by Chief Financial Officer Christy Graham over the course of the summer. From a facilities perspective, in addition to the construction of the new academic building, Burleson Hall is being renovated, as are residence halls. At the same time, we will begin the process of preparing for the renovation of Brown Hall this summer.

Dr. Noland then returned to the subject of academic restructuring, noting that in 2022, the Board of Trustees approved an update to the work of the Committee for 125, including the need to update our academic portfolio. That work has taken place over the last two years, and the new academic structure will also allow us, within the Continuing Studies unit, to focus on those individuals in the community with some college but no degree. And it will allow us to outreach to business and industry to replicate the BlueSky Initiative in the Tri-Cities. Dr. Noland told the board that our region and our state will benefit from the restructuring through such initiatives as a STEM school, to help address Tennessee's 3.5% gap in labor supply and a labor workforce shortage of more than 600,000 new jobs in the state between now and the end of the decade.

Operating budget: Dr. Noland told the board that it runs a \$470 million enterprise, with 2,600 faculty and staff. Dr. Noland highlighted the increase in state appropriations, indicating that a decade ago, the percentage was in the upper 30s. He said the state of Tennessee has been very generous in its support of post-secondary education. President Noland added that ETSU's Composite Financial Index has doubled over the past year.

Dr. Noland then reviewed the 2024-25 budgetary recommendations from the Tennessee Higher Education Commission and the 2024-25 Governor's budget recommendation. In the area of capital support, he emphasized that only one institution in the state of Tennessee received capital funding this year, and that was the University of Tennessee at Chattanooga. Dr. Noland said that in the case of Brown Hall, ETSU is in a fortunate position because half of that building project has already been funded. This project will be resubmitted to THEC for potential funding by the General Assembly during the next legislative cycle.

In the area of facilities, Dr. Noland indicated that the University Commons project should be completed by this fall. In September, the Board of Trustees will be asked to take



action on the strategic facilities master plan, which includes a parking study, new building site options, and the Greek village concept.

Dr. Noland thanked the board for the action it took previously in the meeting on fees and the salary pool. The expanded salary pool will help the university address the changes upcoming in the Fair Labor Standards Act as well as other salary priorities.

Dr. Noland also thanked Dr. Karen King, Christy Graham, and Lori Erickson and their staffs for positioning us to be ready to go live with the Voyager project. He emphasized that implementation has been paused so that we get it right rather than simply getting it fast. He added that work on our classification and compensation structure was paused in the spring to focus on Voyager, but the work will pick back up over the summer. Dr. Noland shared some examples of what new job families might look like. He said that work is continuing on ETSU's budget model review, to achieve a base budget reset incorporating the academic restructuring changes to ensure that current resources are aligned with university priorities and needs. He told the board that this work is important because of the need to improve faculty and staff salaries, and he shared comparison data from peer institutions. He stated that our focus for the year is to create opportunities to make investments in faculty and staff salaries and to restructure, through a classification and compensation revision, the manner in which staff salaries are allocated.

Legislative update: Dr. Noland reported that although this year's session of the Tennessee General Assembly was fairly active, but in the end, results were minimal. Investments were made in our institutions, Dr. Noland said, and from his perspective, perhaps the most important thing that happened was the formal and final recognition of the Gatton College of Pharmacy as a non-formula unit.

The changing landscape of college athletics: Dr. Noland provided an update on the House (NIL), Hubbard, and Carter lawsuits against the NCAA that relate to the compensation of student-athletes. He said the impact of the House resolution, if it does come to closure, is that it releases the NCAA from forward-looking antitrust claims, and it ensures that student-athletes have the opportunity to receive benefits in a backwards way and in a forward way for their name, image, and likeness. What this means for ETSU, Dr. Noland said, is that the revenue we receive, passed through our conference from the NCAA and their revenue distribution, will be reduced by \$2.9 million over the next decade, which equates to a reduction of some \$290,000 to our athletic department's annual operating budget. But Dr. Noland stressed that the real impact involves changes to the ability of institutions to operate NIL, changes to revenue-sharing at the Power 5 level, and also changes to the manner in which scholarships and equivalencies are reset.

President Noland then engaged in some comparisons indicating that public perceptions of higher education often do not equal reality. For example, he said, according to headlines, the cost of college is exploding, but the reality is that the inflation-adjusted net cost of

attending college has declined from 2.6 to 4% annually since 2019. Another headline message is that students are increasingly basing their decisions on cost, but from 2019 to 2021, the institutions that saw the largest enrollment declines were the lowest-cost ones. Another headline message is that a college education equates to lifelong debt, but Dr. Noland pointed out that fewer than half the students who recently graduated from ETSU had any debt at all. Their average debt burden was \$19,000, which is \$2,000 less than it was five years ago. That debt remains below the national average. Dr. Noland added that he presents these numbers and others like them throughout the President's Report section of the agenda because we need Board of Trustees members to help tell the story of ETSU. He emphasized that the headlines in the newspaper are not the headlines at ETSU. Some 40% of our students are first-generation, a significant proportion are Pell Grant recipients, and they are moving into jobs in this region.

Successes of 2023-24: Reflecting on the eventful year, Dr. Noland first noted that in December, ETSU achieved a 10-year reaffirmation by the Southern Association of Colleges and Schools Commission on Colleges with no findings or recommendations. He highlighted the Gatton College of Pharmacy's NAPLEX pass rate, which was number one in Tennessee and number two in the nation. The ETSU College of Nursing achieved a 90% pass rate on the 2023 NCLEX, and our Q1 2024 score was 97%. Further, the university set a record for freshman enrollment in the fall of 2023. Housing is at record capacity, with 3,400 students expected to live on campus this fall—the highest number in the history of the university. Above all, Dr. Noland told the board, is the importance of ETSU's impact on people—in many cases people many institutions would never give a chance to. He illustrated his point with a success story from the Access ETSU program.

Dr. Noland closed his presentation with another note of celebration, announcing that ETSU's men's tennis, women's tennis, men's golf, and women's golf teams all won Southern Conference championships this year. The men's golf team, at the time of the board meeting, was in Carlsbad, California, competing for the national championship for the fourth consecutive year.

Dr. Noland then thanked the Board of Trustees for the faith it has placed in ETSU's faculty and staff, for recognizing the need to pause Voyager, and for the decision to establish and enhance the salary pool so that we can make investments in our faculty and staff.

## **XI. Action Item: Resolution of Appreciation for Aamir Shaikh**

Trustee Shaikh was unable to attend the board meeting. Dr. Noland announced that his service as a member of the Board of Trustees was recognized during the board's luncheon. Trustee DeCarlo asked for a motion to move forward with a resolution of appreciation for Trustee Shaikh. Trustee Grisham moved that the resolution be approved, and Trustee Steagall-Jones seconded the motion. It passed unanimously.

**XII. Action Item: Student Trustee Selection**

Dr. Noland reported that Mr. Trenton (Trent) White, the Student Trustee selection, was unable to be present for the meeting because he was attending his onboarding process for the Truman Scholarship. Dr. Noland presented his name for the board’s consideration as Student Trustee for the 2024-25 academic year, noting that Mr. White is a first-generation student from Unicoi County. He is a Roan Scholar, a political science major, and is active in the university’s mock trial program. In making the recommendation, Dr. Noland told of his joy in watching Mr. White learn that he had been selected for the very prestigious Truman Scholarship. Trustee Steagall-Jones made a motion that Mr. White be selected as the new Student Trustee, and Trustee Dr. Frye-Clark seconded the motion. It passed unanimously.

**XIII. Other Business**

There was no additional business to come before the board.

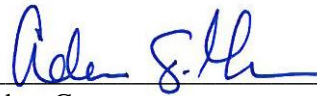
**XIV. Executive Session**

There was no need to convene in executive session.

**XV. Adjournment**

Trustee Ramsey moved to adjourn the meeting at 2:17 p.m.

Respectfully submitted,



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Adam Green  
Secretary of the Board of Trustees

Approved by the Board of Trustees at its September 13, 2024 meeting.