

Sunset Public Hearing Questions for
Local Governing Boards of Trustees of the Board of Regents State Universities
(Austin Peay State University Board of Trustees)
Created by 49-8-101 and 49-8-201, *Tennessee Code Annotated*
(Sunset termination June 2019)

1. Provide a brief introduction to the board, including information about its purpose, statutory duties, and staff.

Austin Peay State University is a comprehensive university committed to raising the educational attainment of the citizenry, developing programs and services that address regional needs, and providing collaborative opportunities that connect university expertise with private and public resources. Collectively, these endeavors contribute significantly to the intellectual, economic, social, physical, and cultural development of the region.

The General Assembly grants statutory authority to award degrees at public universities in Tennessee to their respective governing boards as stated in the following:

- The Tennessee General Assembly established a state university and community college system, which includes Austin Peay State University and made the University subject to the authority of the APSU Board of Trustees, as shown in Tenn. Code. Ann. § 49-8-101(a)(2)(A). Further, the General Assembly vested in the Board the power to prescribe curricula and requirements for awarding diplomas and degrees as shown in Tenn. Code. Ann. § 49-8-203(a)(1)(B).
- Focus on College and University Success Act (FOCUS Act), Public Chapter 869, Section 21, effective July 1, 2016, “With respect to the institutions they govern, each state university board and the board of regents has the power to... Prescribe curricula and requirements for diplomas and degrees”. Austin Peay State University's governing board, the Austin Peay State University Board of Trustees, is the entity with authority to award APSU degrees. APSU is authorized to confer associate, baccalaureate, master’s, education specialist, and doctoral degrees, as evidenced by the Tennessee Higher Education Commission's Academic Program Inventory.

This authority is acknowledged in the Bylaws of the APSU Board of Trustees, Article III, Section 1, Powers and Duties, Item C, which state “The Board has been conferred by the laws of the State of Tennessee with the necessary powers and duty to accomplish the following:... Prescribe curricula and requirements for diplomas

and degrees in cooperation with the board of regents and other state university boards in the interest of maintaining alignment across state higher education.”

Mike O’Malley is the Chair of the APSU Board of Trustees and Katherine Cannata is the Vice-Chair. The officers of the University include the President and Secretary. The APSU President is Alisa White and the Secretary is Dannelle Whiteside.

2. Provide a list of board members and indicate how membership complies with Section 49-8-201, *Tennessee Code Annotated*.

The Austin Peay State University Board of Trustees is comprised of nine voting members. Eight members of the APSU Board of Trustees are appointed by the Governor, one member is appointed by APSU faculty to serve as the faculty representative, and one non-voting student member is appointed by the APSU Board of Trustees as shown in this excerpt of Tennessee Code (Tenn. Code. Ann. § 49-8-201(f)(1)(A)) from the full copy of Tenn. Code. Ann. § 49-8-201. The below table displays the name of the Board member, year term expires, occupation, and appointing entity.

Table 1. Members of the APSU Board of Trustees

| Name of Board Member | Term Expires | Occupation | Appointing Entity |
|-----------------------------|---------------------|--|------------------------------------|
| Billy P. Atkins | 6/30/19 | Chairman of the Board and CEO Legends Bank | Governor of the State of Tennessee |
| Katherine Johnson Cannata | 6/30/22 | Dealer Principal Wyatt Johnson Automotive Group | Governor of the State of Tennessee |
| Larry W. Carroll | 6/30/22 | CEO Carroll Financial Associates | Governor of the State of Tennessee |
| Don Jenkins | 6/30/20 | President Jenkins & Wynne Ford, Honda and Lincoln | Governor of the State of Tennessee |
| Gary E. Luck | 6/30/19 | Sr. Mentor, Instructor, National Defense University; Consultant, Board Member, Northrop Grumman Corp.; Board Member, | Governor of the State of Tennessee |

| | | | |
|----------------------|---------|--|------------------------------------|
| | | Chemring North America; Advisor, HECS; Consultant, TASER | |
| Valencia May | 6/30/19 | General Dentist/Owner Plaza Dental Offices, PC | Governor of the State of Tennessee |
| Robin L. Mealer | 6/30/20 | Director, U.S. Army Manpower Analysis Agency U.S. Army Headquarters | Governor of the State of Tennessee |
| Michael P. O'Malley | 6/30/22 | Partner/CEO Wendy's of Bowling Green | Governor of the State of Tennessee |
| Nell Kimmins Rayburn | 6/30/19 | Professor of Mathematics & Statistics Austin Peay State University | APSU Faculty Senate |
| Celeste Malone | 5/5/19 | APSU Student | APSU Board of Trustees |

3. Are there any vacancies on the board and, if so, what is being done to fill those vacancies?

There are no vacancies at this time.

4. Per Section 49-8-201, Tennessee Code Annotated, the state university boards shall meet quarterly. How many times did the board meet during the last two fiscal years? How many members were present at each meeting? Please note any meetings where the board did not have a quorum.

| Meeting Date | Number of Members Present | Quorum |
|---------------------------------------|---------------------------|--------|
| March 30, 2017 (Inaugural Meeting) | 10 | Yes |
| May 19, 2017 | 10 | Yes |
| August 3, 2017 (Special Meeting) | 7 | Yes |
| September 15, 2017 | 9 | Yes |
| December 1, 2017 | 9 | Yes |
| March 9, 2018 | 10 | Yes |
| June 8, 2018 | 8 | Yes |

| | | |
|--------------------|---|-----|
| September 14, 2018 | 9 | Yes |
|--------------------|---|-----|

5. In accordance with Section 49-8-201, *Tennessee Code Annotated*, trustees shall be reimbursed all necessary travel expenses they may incur through service to the board. How much was reimbursed during the last two fiscal years?

Fiscal Year 2017

| | |
|---------------|--------------------|
| Valencia May | \$ 793.28 |
| Robin Mealer | \$ 1,476.12 |
| Larry Carroll | \$ 77.00 |
| Total | \$ 2,346.40 |

Fiscal Year 2018

| | |
|---------------|-------------------|
| Valencia May | \$ 1229.98 |
| Robin Mealer | \$ 767.93 |
| Larry Carroll | \$ 1257.68 |
| Total | \$ 3255.59 |

Fiscal Year 2019

| | |
|----------------|------------------|
| Valencia May | \$ 189.88 |
| Celeste Malone | \$ 43.43 |
| Total | \$ 233.31 |

| | |
|--------------------------------|--------------------|
| Total Amount Reimbursed | \$ 3,884.76 |
|--------------------------------|--------------------|

6. What were the board's revenues and expenditures for the last two fiscal years?

The Board has no revenue for the last two fiscal years.

| Expenditures | FY17 | FY18 |
|---------------------------------------|--------------|--------------|
| Travel | \$ 2,350.72 | \$ 6,814.93 |
| Operating | \$ 9,279.63 | \$ 27,741.32 |
| Live Streaming /Recording Services | \$ 10,750.00 | \$ 21,000.00 |

| | | |
|---------------------------|---------------------|----------------------|
| Insurance | - | \$ 60,530.00 |
| Total Expenditures | \$ 22,380.35 | \$ 116,086.25 |

7. Has the board promulgated rules? If rules have been promulgated, please cite the reference.

- Rule 0240-05-01- Traffic and Parking Regulations (effective 6/12/18)
- Rule 0240-05-02- Student Conduct and Disciplinary Sanctions Rule (pending Attorney General Approval)
- Rule 0240-05-03- Use of University Property Rule (pending Attorney General approval)
- Rule 0240-05-04- Institutional Refunds (pending Attorney General approval)
- Rule 0240-05-05- Classifying Students as In-State and Out-of-State (pending Attorney General approval)

8. How does the board comply with Sunshine law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? What procedures does the board have for informing the public of its meetings and making its minutes available to the public?

The Board of Trustees meeting agendas and meeting materials are published and available to the public prior to its meetings. Notice of the meeting and the meeting agenda are posted on Austin Peay State University's website one week in advance of the meeting and notice is also sent to local news media via a press release. Meeting materials, including agenda items and supporting documentation, are posted on the university's website two days before the meeting. The Tennessee Open Meetings Act requires that all Board meetings are open to the public and to the press as observers. Additionally, as required by Tenn. Code Ann. § 49-8-201(f)(7)(B)(iii), Board meetings are made available for viewing by the public by live streaming video and archived videos of the Board meetings are available shortly thereafter on the university's website. The minutes of the Board showing board action are also made available to the public via the University's website.

9. What policies does the board have in place to address potential conflicts of interest by board members, staff and employees?

The APSU Board of Trustees has adopted a Code of Ethics as well as a Conflict of Interest Policy to ensure that board members are free of any contractual, employment or personal or familial financial interest in the institution and that APSU Board members, staff and employees comply with state laws governing

issues of conflict of interest, as shown in APSU Policy 1:001, Conflict of Interest, and APSU Policy 1:002, Code of Ethics. As part of their continuing obligation, under the direction of APSU's Office of Legal Affairs, Trustees are required to submit annual statements disclosing any relationships or business affiliations that could constitute a conflict of interest.

10. What were the major accomplishments of the board during the last two fiscal years?

The APSU Board of Trustees recently completed a self-evaluation of their work as a board. One of the questions asked Trustees to state what they feel proud of related to the work of the Board. The following responses are of note:

- Increasing the President's compensation to be more competitive with other institutions in the state and region
- A team focus on achieving the strategic goals of the institution
- A record growth in attendance, record enrollment numbers and the rise in the general respect among the academic community.

11. Explain how the role of the board has differed from the role of the University President?

The chief executive officer of Austin Peay State University is the President whose primary responsibility is to the University. The current President is Dr. Alisa White. President White does not have any other employment responsibilities or jobs other than as President of APSU. As APSU's chief executive officer, the President is responsible to the APSU Board of Trustees for the implementation of board policies and for efficient operation and management of the University.

The role and authority of the President is established in the FOCUS Act, which states that the APSU Board of Trustees has the power to "Assume general responsibility for the operation of the university, delegating to the chief executive officer of each respective institution such powers and duties as are necessary and appropriate for the efficient administration of the institution and its programs" and acknowledged in the Bylaws of the APSUBT, Article VI. University Officers, Section 2, President of the University, which states: "The President is the chief executive officer of the University and is responsible for the administration and management of the University and its affairs and such other duties as assigned by the Board." The Bylaws were approved by the APSU Board of Trustees at its inaugural meeting on March 30, 2017.

12. What is the structure and function of the board (i.e. officers, committees, etc.)?

The APSU Board of Trustees officers include a chair and vice chair. The chair of the Board of Trustees is the presiding officer and the vice chair presides in the chair's absence. Both are chosen by the board from among its members. The chair serves a two-year term.

The officers of the University include the President and Secretary. The APSU President is the chief executive officer for the University, chosen and employed by the APSU Board of Trustees per T.C.A. § 49-8-203(a)(1)(A). The Secretary is employed as a member of the President's staff and also serves as the General Counsel of the University.

The APSU Board of Trustees also established standing committees for Executive, Audit, Business and Finance, and Academic Policies and Programs/Student Life. The board may also appoint such committees as it considers appropriate or necessary from time to time and shall define the duties of such committees, committee quorum requirements, and the reporting requirements of such committees and its members. Any committee of the board and the members of any such committee serve at the pleasure of the board. Each committee shall have at least three (3) voting members and a chair who shall serve a one year term. The Board Chair shall serve as an ex officio member of all committees. Members of the committees and committee chairs are appointed by the Board Chair. All shall meet at least quarterly during each calendar year, and may meet more frequently as deemed necessary.

13. Briefly describe how the board ensures the university is in compliance with the bond program agreement between the Tennessee State School Bond Authority and the Tennessee Board of Regents.

The Austin Peay State University Board of Trustees reviews and approves capital projects and major acquisitions funded through bonds issued by the Tennessee State School Bond Authority (TSSBA). TSSBA funded projects and acquisitions continue to be managed by the Tennessee Board of Regents' Office of Facilities Development. That Office ensures compliance with the bond program agreement between the Tennessee State School Bond Authority and the Tennessee Board of Regents.

14. What is the board's role in approving the university budget?

The Austin Peay State University Board of Trustees reviews and approves the university's budget three times each year: the proposed budget in June for the

upcoming fiscal year; the revised budget in November/December; and the estimated or final budget in June of the current fiscal year.

15. What steps does the board take to monitor the financial stability of the university?

The Board Finance Committee reviews trend analysis in the university's Composite Financial Index (CFI) to determine the overall financial health and stability of the university. This review takes place during the March Finance Committee meeting. In addition, the Board of Trustees reviews the annual state audit report and approves the university's budget. The university submits a balanced budget and provides budget variance analysis to the Board of Trustees for each of the three budget cycles.

16. What is the board's involvement in setting tuition and fees? How does the board balance the needs of the university against sensitivity for what students are required to pay?

Tuition and mandatory fee recommendations are reviewed and approved by the board finance committee, and subsequently by the full board, at the June board meeting. The board considers many factors when increasing tuition and fees including how APSU compares to the University of Tennessee system and other Tennessee LGIs, the Tennessee Higher Education Commission funding recommendation, and the Governor's proposed state funding for higher education. State funding analysis, prepared by the Tennessee Higher Education Commission, is also considered by the board of trustees when increasing tuition and mandatory fees.

For the last two fiscal years, in balancing the needs of the university against sensitivity for what students are required to pay, the board considered the effect that the tuition and mandatory fee increases had on the total cost of attendance. For the past two fiscal years, even with increases, APSU's tuition and fees have been the second lowest in the State. Moving forward, due to the recent passage of the Tuition Transparency and Accountability Act, the board will give public notice of the proposed tuition and mandatory fee increase and allow for public comments on the proposal. The board will also develop a list of factors to consider in making recommendations to increase tuition and mandatory fees, to include any efforts the university has taken to mitigate the financial effect on students.

17. How does the board monitor academic programs offered by the university? How does the board address low-producing academic programs?

Across the university, APSU faculty committees approve educational programs, proposed curricula, and major changes to the curriculum after the implementation phase. APSU faculty perform the major role in the ratification of all program curriculum at the University by being an integral part of the various committees that govern the approval process. All of the committees in the chain of approval include significant membership of APSU faculty. Programs and courses offered by APSU follow the guidelines and policies outlined in APSU 2:011 Constitution of the University Curriculum Committee. APSU Policy 2:001 Curricular Development and Modification Approval outlines the process for creating and modifying curriculum.

At APSU, curricular proposals to create, terminate, or modify any academic program (online, hybrid, or on-ground) begin with the impacted academic department that houses the qualified faculty in the discipline. After consent from faculty, proposals then advance to the college level. Within APSU, each college has a College Curriculum Committee that reviews the recommendations. Next, there are two approval steps at the University level. First, the Graduate Academic Council (formerly the Graduate Research Council) considers graduate program and course proposals (if applicable) and then, if given the go-ahead, the University Curriculum Committee reviews them. Finally, the University administration (the Provost, and if applicable, the President) review the proposals. In proposals involving new programs (majors), additional approval steps are required and the APSU Board of Trustees and the Tennessee Higher Education Commission serve as the final levels of approval.

As part of the post-approval monitoring process, the THEC staff will evaluate the program for the first seven years on its achievement of the projected enrollment, graduates, and expenses established by the University when it submitted the program proposal to THEC staff. THEC staff also requires each institution to submit a low-producing report every 3 years. Any program that is designated as “low-producing” submits an action plan explaining the university’s efforts to increase the number of students enrolled in and graduated from the program. Although THEC requires the report every three years, APSU has instituted a process whereby Academic Affairs monitors degree productivity on an annual basis and provides the Board of Trustees with a program productivity report at its Fall meeting. The Provost explains the report to the board, providing highlights of specific programs and actions taken to improve low-producing programs.

18. Explain the board's role in the university's internal audit function. What is the board's involvement in both internal and external audit reports, including corrective action plans?

The APSU Board of Trustees has established an Audit Committee (AC) charged with providing oversight and accountability on all aspects of university operations. Per the AC Charter, which was reviewed and approved by the Comptroller of the Treasury (COT), the committee has the authority to conduct or authorize audits or investigations into any aspect of university operations and beyond fiscal boundaries. The AC reports to the board on various external and internal audit activities and issues that arise with recommendations as the committee deems appropriate. These activities include, but are not limited to:

- Tennessee Comptroller Audits
- External Audits
- Internal Audit activities
- Internal Audit Administration
- Risk, Internal Control and Compliance
- Fraud

The board employs the Chief Audit Officer (CAO), who directly reports to the AC of the board. The CAO coordinates audit activities with the Tennessee Comptroller of the Treasury and other external auditors. The CAO is also responsible for managing the university Office of Internal Audit and reporting internal audit matters to the AC.

All internal and COT audits are reviewed with the AC. The CAO is responsible to follow up on all matters reported in those reports to ensure management has taken appropriate corrective action to mitigate identified risks. The CAO keeps the AC informed of the adequacy and timelines of management corrective actions.

19. Under the FOCUS Act, there were three areas where universities could request, through THEC, severance from the Tennessee Board of Regents at specific dates in the future: capital project management services, procurements and contracts, and data systems. Has the board requested severance in these three areas and if so, what were the dates and the current status?

The Austin Peay State University requested through THEC severance from the Tennessee Board of Regents (TBR) for capital project management services on January 31, 2017 and for procurement and contract services on May 16, 2017. The Tennessee Higher Education Commission approved severance for these services on December 1, 2017.

Severance from the Tennessee Board of Regents for data systems has not yet been requested.

Procurement and contract services has fully severed from TBR; however, TBR capital project management services will continue for projects approved by the State Building Commission prior to July 1, 2018, and for all Tennessee State School bonded projects.

20. Describe any items related to the board that require legislative attention and your proposed legislative changes.

The APSU Board of Trustees is not proposing any legislative changes at this time. However, we are in discussion with other state leaders in higher education regarding how our institution can support educational attainment for adult learners. As we do more research around the needs of this population, we will be seeking legislative collaboration to help us meet those needs.

21. Should the board be continued? To what extent and in what ways would the absence of the board endanger the public health, safety or welfare of Tennessee citizens?

The APSU Board of Trustees should be continued. The board is responsible for managing the assets of the University, which include the mission & identity, property, human resources & educational product. Because APSU's Board of Trustees is focused on a single institution, they are able to develop the institutional expertise and the relationships within the community that allow for the successful management of those assets. Ultimately, the successful management of these assets helps to raise the educational attainment of Tennessee citizens. The alternative to the Board of Trustees would be a system-wide management of public universities in Tennessee, which would result in a small group of people with oversight of varying institutions, potentially decreasing effectiveness of that group and adversely impacting the university. Under that scenario, the absence of the board would jeopardize the ability of Tennessee citizens to access higher education, which has a direct impact on citizens' public health, safety, and welfare.