

Sunset Public Hearing Questions for
Local Governing Boards of Trustees of the Board of Regents State Universities
(Tennessee Tech 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.

The Tennessee Tech Board of Trustees was established pursuant to the FOCUS Act (2016 Tenn. Pub. Acts, ch. 869) and is the governing body of Tennessee Tech University. The Board was created to provide greater autonomy for Tennessee Tech in pursuit of innovation and differentiation.

The Board's statutory duties are described in detail in Tennessee Code Annotated Section 49-8-203 and include, *inter alia*: selecting and employing a president for Tennessee Tech; confirmation of appointments of other Tennessee Tech employees; review and approval of Tennessee Tech's mission; approval of curricula and requirements for diplomas and degrees; approval of the operating budgets and setting fiscal policies, including tuition rates, subject to any statutory limitation; establishing policies and regulations related to, but not limited to, employees, the conduct of students, student housing, parking, residency of students, subject to any statutory limitation; and granting tenure upon a positive recommendation of the president.

The Board does not have staff dedicated solely to the work of the Board. Staff from several departments provide assistance to the Board, such as the Office of the University Counsel, which provides legal advice to the Board, acts as the Board Secretary, and provides administrative support for the Board and the Executive Committee; the Office for Planning and Finance and Internal Audit, which provide administrative support to the Audit & Business Committee; and the Office of the Provost and Academic Affairs and the Office for Student Affairs, which provide administrative support for the Academic and Student Affairs Committee.

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

The Board consists of 10 members. Eight of the board members were appointed by the governor and were confirmed by the Senate and House of Representatives. (T.C.A. §§ 49-8-201(f)(1)(B) & (f)(3)). The Faculty Senate elected a faculty member to serve as a trustee and the Board selected the student trustee from the three student candidates recommended by the Student Government Association. (T.C.A. §§ 49-8-201(f)(1)(E) & (F)). At least three of the Board members are alumni of Tennessee Tech, as required by § 49-8-201(f)(1)(C), and

the terms of office comply with the requirements of T.C.A. § 49-8-201(f)(2) as indicated below:

- *Tom Jones, Chair, six-year term
- *Trudy Harper, Vice-Chair, six-year term
- Forrest Allard, Student Trustee, one-year term
- *Barbara Fleming, four-year term
- Melissa Geist, Faculty Trustee, two-year term
- *Rhedona Rose, filled vacancy in a three-year term appointment
- *Purna Saggurti, four-year term
- *Johnny Stites, three-year term
- *Teresa Vanhooser, three-year term
- *Barry Wilmore, four-year term

* *Tennessee Tech alumni*

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

There are currently no vacancies on the Board.

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.

The Board held its inaugural meeting on March 23, 2017.

The Board met twice in FY17:

- March 23—Ten board members present
- June 16—Ten board members present

The Board met five times in FY18:

- August 17—Nine board members present
- December 11—Eight board members present
- March 22—Ten board members present
- June 26 Special Meeting—Nine board members present
- June 26 Regular Meeting—Nine board members present

There have not been any meetings where the Board lacked a quorum.

- 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	\$7,697.99
Fiscal Year 2018	\$6,669.37
Total	\$14,367.36

- 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	\$7,697.99	\$6,669.37
Operating	\$42,765.09	\$6,144.42
Software/Licensing Fee	\$9,075.00	\$14,555.31
Business Meals and Meetings	\$4,105.21	\$7,807.53
Total Expenditures	\$63,643.29	\$35,176.63

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

The Board has promulgated the following rules:

- 0240-09-01 (Student Conduct)
- 0240-09-02 (Student Housing Regulations)
- 0240-09-03 (Parking, Traffic, and Safety Enforcement)
- 0240-09-04 (Student Immunization Requirements) (Effective 1/6/2019)
- 0240-09-05 (Access to Public Records) (Rulemaking Hearing Scheduled for January)

- 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 places notices of all board or committee meetings in the printed and web versions of the Cookeville Herald-Citizen. The notices direct interested parties to the Tennessee Tech Board web page where more specific information such as agendas, board materials, a link to live streaming of the Board’s meeting, archived video of board meetings, and approved minutes is posted.

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

The Board Bylaw Article 1.4.A requires board members to be free of certain conflicts of interest. TTU Policy 001 (Board Code of Ethics and Conduct and Conflict of Interest) provides more specific details related to conflicts of interest and describes the process for addressing potential conflicts of interest.

The Board Audit & Business Committee reviewed and approved TTU Policy 132 (Conflict of Interest), which applies to staff and employees and describes the process for addressing potential conflicts of interest.

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

The Board Chairman states that it is difficult to define two specific accomplishment to summarize the past two years. It is easy to list several unique actions such as establishing policies unique to the culture of Tennessee Tech, promoting performance-based pay, completing a presidential contract and comprehensive review of the president, supporting a new strategic plan, supporting some new and important administration positions, and now supporting the development of a new tenure policy.

The following comments capture the thoughts of the Board Chairman on two major accomplishments:

I found it much easier to address this question in broader but I believe, more significant terms. In summary, our first and greatest accomplishment is establishing the board as an effective leadership mechanism to guide and shape the University for the future.

We are not simply a “Yes” board for the University administration. In the first year, we spent a lot of time simply establishing policies, learning, and exploring what our role could or should be. And as such, we are not a board that exists for pomp and circumstance to be loaded with University celebrities. We are a board where all members are engaged with heartfelt concern in the future of the University. We are a diverse board with varying opinions, ideas, and abilities; and members are ready to debate and engage with their hearts.

We are a board that is actively influencing the University and forcing the administration to react, respond, and grow. I firmly believe that this board is forcing the University into aggressively pursuing the development of a more competitive higher place of learning. And, this new method of LGI governance prevents the University from being lethargic, stagnate, or unresponsive in this highly competitive educational environment.

Despite the negative responses that often occur with change, I am truly proud of this board and the opportunity to serve the University in this capacity.

If asked to give a second major accomplishment, it is simply to have created a legacy and standard for how future boards should function.

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

The role of the board differs from the president's in scope and specificity. The board has performed fiduciary duties related to oversight and has helped shape and pursue fulfillment of the university's mission and vision. The President has engaged with faculty and staff to lead the campus in the actions and tactics that help fulfill both mission and vision. The board charged the president with overseeing a new strategic plan, and it continues to monitor the president's progress. The president responded to the charge and initiated a strategic planning steering and implementation process.

The board's role reflects its understanding of its responsibility to support and evaluate the president. The president's role in response demonstrates a willingness to assist the board with its overarching and operational responsibilities, including ensuring the educational quality of the institution and its financial health, ensuring policies are appropriate and implemented, and demonstrating meaningful engagement with faculty.

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

As provided by its Bylaws, the Board elects a chair and vice chair, and ratifies the President's appointment of a board secretary.

The Board has adopted TTU Policy 005 (Board Committees), which establishes the following committees and defines their respective roles:

- A. Executive Committee, which is responsible, *inter alia*, for the integrity of the Board, which includes establishing standards for board conduct; evaluating the president; and assessing and improving the effectiveness of the Board.
- B. Audit & Business Committee, which is responsible, *inter alia*, for matters related to internal audit; internal controls and compliance; risk and control assessments; and financial matters including operating, capital and maintenance plans and budgets.
- C. Academic & Student Affairs Committee, which is responsible, *inter alia*, for approving proposals for new academic programs and significant revisions to existing programs; approval of admission and retention standards, promoting

the welfare of students through programs and career placement; oversight of matters related to research, commercialization, athletics, and university advancement.

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.

Three budgets are prepared by Tennessee Tech each year – proposed (July), revised (October) and estimated (May). The University completes three budget analysis forms during each budget cycle relating to the Second Program Financing Agreement between Tennessee State Bond Authority and the Tennessee Board of Regents. Tennessee Tech’s budgets are submitted to Tennessee Board of Regents as directed in the FOCUS Act for verification and approval relative to the financing agreement. Budgets are then presented to the Tennessee Tech Board for their approval at the June and December board meetings.

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

Detailed budgets are presented to the Board twice each year in accordance with TTU Policy No. 501 (Budget Control). The three submissions are the proposed budget approved at the June board meeting for the upcoming fiscal year, the revised budget approved at the December board meeting, and the estimated budget approved at the June board meeting as the final budget for the current fiscal year.

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

The Board Business and Audit Committee reviews trend analysis of the university’s Composite Financial Index (CFI) each year. In addition to the overall CFI score, the Board is provided a trend analysis of the underlying ratios that comprise the CFI score. Additionally, the Board Business and Audit Committee receives a report on the university’s reserves as a part of its approval of the university’s budgets.

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?

The Board reviews and approves tuition and mandatory fees at its June board meeting. The university’s recommended fee increases and data of how the revenues will be used are included in the Board members’ resource materials prior to the June board meeting. The recommendation is discussed with the Business

and Audit Committee for its approval, and then with the full board for final approval.

The Board considers several factors when setting tuition and fees including the level of state support, the Tennessee Higher Education recommended maintenance and mandatory fee ranges, cost to the students, and how Tennessee Tech’s tuition and fees compare with other Tennessee public universities and peer institutions.

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

Every three years, THEC completes a Program Productivity Report which identifies programs that are not meeting nationally recognized graduate production benchmarks. These benchmarks by degree level are:

- *Pre-baccalaureate: average of 10 graduates a year over a three-year period.*
- *Baccalaureate: average of 10 graduates a year over a five-year period.*
- *Master’s: average of five graduates a year over a five-year period.*
- *Doctoral: average of three graduates a year over five-year period.*

In the summer of 2017, Tennessee Tech had six degree programs identified by THEC as Low-Producing. These are listed below, along with each program’s degree indicated as a percentage of the benchmark, as of summer 2017.

Low Producing Academic Programs (3-year average as of summer 2017)

	<i>Academic Program</i>	<i>Degree</i>	<i>Percent of Benchmark</i>
1	<i>Economics</i>	<i>Baccalaureate</i>	90%
2	<i>International Business and Cultures</i>	<i>Baccalaureate</i>	68%
3	<i>Physics</i>	<i>Baccalaureate</i>	34%
4	<i>Chemical Engineering</i>	<i>Master's</i>	88%
5	<i>Computer Science</i>	<i>Master's</i>	96%
6	<i>English</i>	<i>Master's</i>	68%

For each of these six degree programs, a detailed Program Productivity Plan (PPP) was developed, submitted to THEC, and implemented in Fall 2017. Each PPP summarized the Program Deficiencies, detailed a Correcting Action Plan, and provided a Timeline of activities and interim benchmarks to indicate success toward achieving productivity.

In December 2018, an overview of the six PPPs will be presented to the Board of Trustees at its quarterly meeting, along with an update on the interim benchmarks for each program, including an updated 3-year average of degree production as a percentage of the benchmark.

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?

Internal Audit functionally reports directly to the Board through the Audit & Business Committee as well as administratively to the President as outlined in the Tennessee Tech University organization chart. The role of the Audit & Business Committee with Internal Audit activities and administration, External Audits, and the Tennessee Comptroller’s Office Audits is spelled out in the Tennessee Tech Audit Committee Charter, sections III A, B, C, and D, which was approved by the Tennessee Comptroller’s Office in September 2017.

Each Internal Audit report, External Audit report, or Tennessee Comptroller’s Office audit report is provided quarterly to the Audit & Business Committee of the Tennessee Tech Board of Trustees. Committee members can ask questions of the Director of Internal Audit or other Tennessee Tech management at those quarterly meetings or any other time they wish.

Each time a finding is made in either an internal, external or State Comptroller’s audit, that finding is posted to a “Follow-up Log” that is maintained by Internal Audit. That log includes the audit name, date of the audit report, finding number, finding, recommendation, anticipated date that corrective actions will be put in place, date of the follow-up done by Internal Audit, and the status of the finding (i.e., “open” if the anticipated date of corrective action has not arrived or if the date has arrived and the finding has not be corrected as it should have been or “closed” if Internal Audit has verified that the corrective action has been put in place). This log of open items and items that have been closed since the last Audit & Business Committee meeting is presented to the Audit & Business Committee at each quarterly Audit & Business Committee meeting.

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?

Capital Project Management Services: THEC approved Tennessee Tech’s request for severance from Tennessee Board of Regents’ processes effective July 1, 2018.

Procurements and Contracts: THEC approved Tennessee Tech’s request for severance from Tennessee Board of Regents’ processes effective December 1, 2017.

Data Systems: Tennessee Tech has not requested severance from Tennessee Board of Regents' for data systems.

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

Tennessee Tech currently does not have any items that require attention but may suggest items at a later time.

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 Board should be continued. The Board ensures that appropriate consideration is given to the unique educational needs of the region and allows for innovation and differentiation. The educational, economic, and social needs of the Upper Cumberland region's citizens are better served by local governance in several ways. The singular focus on one institution allows the Board to consider the best solutions for the specific challenges faced with the resources available. Tennessee Tech's students, faculty and staff have more opportunity to give input and provide information to an independent board. The Board is accountable to citizens most affected by its leadership and decisions. The absence of the Board would reduce responsiveness and accountability to the campus and local communities. Its absence would also reduce the opportunities for differentiation and service.