



Board of Trustees Meeting
September 18, 2018
Roaden University Center, Room 282

MINUTES

AGENDA ITEM I—CALL TO ORDER AND ROLL CALL

The Tennessee Tech Board of Trustees met in regular session on June 26, 2018, in Roaden University Center, Room 282. Chair Tom Jones called the meeting to order at 01:02 p.m.

Chair Jones asked Kae Carpenter, Secretary, to call the roll. The following members were present:

- Forrest Allard
- Barbara Fleming
- Melissa Geist
- Trudy Harper
- Rhedona Rose
- Johnny Stites
- Teresa Vanhooser
- Barry Wilmore
- Tom Jones

A quorum was physically in attendance.

Tennessee Tech faculty, staff, and members of the public were also in attendance.

AGENDA ITEM II—RECOGNITION OF STUDENT AND DIRECTOR OF AWARD-WINNING INDUSTRIAL ASSESSMENT CENTER

Chair Jones stated that every Board meeting would start with honoring students' or faculty members' achievements to keep the Board focused on what its mission should be.

Chair Jones introduced Billy Austin, a graduate student in mechanical engineering and trained at Tennessee Tech's Industrial Assessment Center (IAC), and Dr. Glenn Cunningham, Director of

Tennessee Tech's IAC. Chair Jones stated that the IAC was honored as a 2018 Center of Excellence among the centers for universities including Georgia Tech, Clemson, Kentucky, Alabama, Florida, and Miami. He stated that Tennessee Tech's IAC graduates were in demand with energy management and efficiency field employers. He stated that Tennessee Tech's Center was the only funded IAC in the state and one of 28 centers nationally. He stated that the undergraduate and graduate students gained experience in industrial energy efficiency and energy management by helping assess small and medium size manufacturers. Dr. Cunningham and Mr. Austin then gave a short presentation on Tennessee Tech's IAC.

In response to Mr. Stites' questions related to the length of time the IAC had been operating and what the Board could do to support the program, Dr. Cunningham stated the IAC was in its 13th year and received \$325,000 a year from the Department of Energy. He stated that the assessments performed were free to the companies. Dr. Cunningham stated that the IAC identified several opportunities that could be developed into PhD-level projects.

Mr. Stites commended all professors who provided students with experiential work. He stated that the Board encouraged experiential work with students and encouraged the President to present ideas to the Board about the ways the Board could assist.

AGENDA ITEM III—APPROVAL OF MINUTES

Capt. Wilmore moved to approve the June 6, 2018, Special Board Meeting and Quarterly Board Meeting minutes. Ms. Vanhooser seconded the motion.

After an opportunity for further discussion and there being none, the motion carried unanimously.

AGENDA ITEM IV—PRESIDENT'S REPORT

President Oldham stated that now he was not only the President of Tennessee Tech, but also a parent of a Tennessee Tech student. He stated that he looked forward to seeing Tennessee Tech's campus from that viewpoint.

President Oldham stated that a productive Cabinet retreat took place in August. He stated that discussion consisted of how to move Tennessee Tech to a greater level and how to look at Tennessee Tech through the eyes of the student.

President Oldham stated that preceding the June meeting, the strategic plan was in full implementation mode with roughly 50 faculty and staff members engaged in the Tech Tomorrow Strategic Plan and implementation. He stated that the four working groups were each led by a faculty member known for innovation and energy, and each group had about 10 members, 6 of whom were faculty. He stated that a retreat was scheduled with all 50 members to discuss priorities and to move out of strategic planning and to actively engage in strategic implementation.

President Oldham stated that Tech Tomorrow was lead by Michael Aikens as Director, Jeff Boles as faculty lead, and Ed Lisic, Ann Davis, Jason Beach, and Bedelia Russell as the working group chairs. He stated that the goal was to make the strategic plan the filter for everything that Tennessee Tech does. He stated that the five-year financial plan was integrated within the Tech Tomorrow plan and Tennessee Tech needed to gain more predictability financially for the strategic plan process to work.

President Oldham stated that Tennessee Tech sent a proposal for the new engineering building to the state and the proposal was under review at the Tennessee Higher Education Commission. He stated Tennessee Tech would be advised on how well it was scored later in the fall.

President Oldham stated that an ongoing challenge that Tennessee Tech faced was enrollment and student success. He stated that the fall 2018 class was made up of nearly 1,900 first-time students, which was more than a 7% increase year-to-year. Dr. Oldham stated that the fall 2017 freshman class was the largest freshman class in five years and the third consecutive year in first-time student enrollment growth.

President Oldham stated that during the past year, 2,564 students graduated, which was a 28% increase in bachelor degree graduates since 2012. He stated that preliminary enrollment for 2018-19 fiscal year was 10,186, a drop from the previous year. Dr. Oldham stated the drop was primarily related to the large class that graduated and a decrease in the number of international and transfer students. He stated that there was a 3.6% increase in total graduate students at Tennessee Tech, which equaled almost 1,200 students. President Oldham stated that enrollment continued to be a challenge and Dr. Johnson was addressing that issue.

President Oldham stated that first-year retention rate was a metric often considered a measure for student success and for an institution like Tennessee Tech, the benchmark should be around 80%. He stated that when he arrived in 2012, Tennessee Tech's first-year retention rate was 69%, the last two year's rates were 79%, and currently the rate was 75%. He stated that Tennessee Tech would focus on that measure and if Tennessee Tech could not retain students in the second year, it would be hard to graduate students in four, five, or six years. He stated that because of the increase in retention over the past several years, Tennessee Tech was seeing significant increases in graduation rate. He stated that Tennessee Tech's six-year graduation rates were in the top 55% of the country for the first time. He stated that, historically, the six-year graduation rate was below 50% and Tennessee Tech hoped to achieve a 60% retention rate.

President Oldham stated that Tennessee Tech was beginning to focus on the four-year graduation rate as the standard. He stated that for Tennessee Tech to be a place for students to be successful, Tennessee Tech needed to find ways to graduate students in four years. He stated that Tennessee Tech's four-year graduation rate was 34%.

President Oldham stated that a second challenge Tennessee Tech faced was competition and that to remain competitive, Tennessee Tech needed to develop competitive academic programs.

President Oldham stated that a third challenge was the need to retain Tennessee Tech's best faculty and staff on campus and to successfully recruit to fill needed positions. He stated that good universities lose good people and Tennessee Tech wanted to be in a position of having the talent on its campus that other people wanted. He stated that part of the strategy to address this challenge was implemented during the summer when Tennessee Tech granted performance-based raises for faculty and staff. He stated that he believed that, over time, performance-based pay would be a major factor in addressing the retention of productive and influential staff at Tennessee Tech.

President Oldham stated that for the third year, Tennessee Tech was rated among national universities and Tennessee Tech graduates had the lowest student loan debt of any institution in the state, was second in the South, and 26th nationally. He stated that the average graduate salary was over \$54,000, which was second in Tennessee and highest of all public universities in Tennessee.

President Oldham stated that compared to all public universities in Tennessee, Tennessee Tech had the second highest graduation rate, the second highest first-year retention rate, and second highest average ACT score.

President Oldham stated that ATS Innovations, a member of which spoke at the Board's June meeting, competed in a state-wide competition for startup ventures, placed third, won \$10,000, and was in the process of leveraging those resources into a startup enterprise.

President Oldham stated that there were six students, along with Dr. Steven Canfield from Mechanical Engineering, that comprised one of 25 teams selected nationally to present a micro-gravity neutral buoyancy experiment at the Johnson Space Center in Houston.

President Oldham stated that the Farm Bureau Federation chose Tennessee Tech as the home of Tennessee High School Leadership Summit. He stated that the Farm Bureau has held the Leadership Summit around the country and anticipated having 50 to 100 high school students at Tennessee Tech for a week during the summer of 2019. He stated that the Summit will focus on leadership and agriculture.

President Oldham also stated that Dr. Michael Birdwell had been serving as the state chairman for the Tennessee Great War Commission for three years and had received publicity around the state related to that role.

AGENDA ITEM V—CERTIFICATION OF PRESIDENT'S RESPONSIBILITIES RELATED TO ATHLETICS

Chair Jones stated that as required by the Ohio Valley Conference (OVC), as the Chair of the Board he had attested that the President of Tennessee Tech was responsible for the administration of the athletics program, has the support of the Board in operating a program of integrity, and could vote on behalf of Tennessee Tech on NCAA and OVC matters.

AGENDA ITEM VI.A.1 – EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS – REPORT – APPOINTMENT TO INTERIM VICE PRESIDENT FOR RESEARCH AND ECONOMIC DEVELOPMENT POSITION

Chair Jones stated that Dr. Harvill Eaton was appointed to the interim Vice President for Research and Economic Development position.

AGENDA ITEM VI.A.2 – EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS – REPORT – BOARD SELF-EVALUATION PROCESS

Chair Jones stated that the Board would be receiving a questionnaire as part of the Board self-evaluation process and once completed, the Executive Committee would review the surveys and decide on further actions, if any.

AGENDA ITEM VI.B.1 – EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS – REGULAR AGENDA – REVISIONS TO TTU POLICY 005 (BOARD COMMITTEES)

Chair Jones stated that Policy 005 was revised to assign oversight of enrollment management and career placement to the Academic and Student Affairs Committee and to include a provision stating that the Executive Committee was responsible for initiating the Board self-evaluation.

Ms. Harper moved to approve the revisions to Policy 005. Mr. Stites seconded the motion.

After an opportunity for further discussion and there being none, the motion carried unanimously.

AGENDA ITEM VI.B.2 – EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS – REGULAR AGENDA – TTU POLICY 110 (ACCESS TO PUBLIC RECORDS) AND RULE

Ms. Harper moved to approve Tennessee Tech Policy 110 and the Rule related to access to public records. Dr. Fleming seconded the motion.

After an opportunity for further discussion and there being none, at the request of the Chair, Ms. Carpenter took a roll call vote. The motion carried unanimously.

AGENDA ITEM VI.C—EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS—PRESIDENT’S COMPENSATION

Chair Jones stated that based on the President’s evaluation, the Executive Committee recommended a 2% raise for Dr. Oldham and a \$60,000 bonus.

Ms. Harper moved to approve the recommendation of the Executive Committee. Dr. Fleming seconded the motion.

Capt. Wilmore stated that the percentage increase was based on an assessment and the bonus was based on the President’s work towards gaining Tennessee Tech \$4,200,000 in recurring funds, which after eight years would equal \$33,600,000. He stated that although there were several people working on securing funding, President Oldham was very instrumental in acquiring the funds for Tennessee Tech.

Capt. Wilmore stated that if Tennessee Tech did not have the recurring funds, Tennessee Tech would have had a greater shortfall. He stated that if a bonus was going to be given, a fair compensation would be a percentage of the recurring funds. He stated that \$60,000 was 1.42% of the funds, 2% was \$84,000, and 2.5% was \$105,000. Capt. Wilmore stated that if Tennessee Tech gained \$4,200,000 for the next several years based on an individual’s work efforts, 2.5% of the first year’s recurring funds would be a fair bonus for President Oldham.

Dr. Fleming stated that the governor put money in the budget and all universities receive funding.

President Oldham stated that Tennessee Tech did well in the funding formula in the current year. He stated that the \$4,200,000 was from two different initiatives. He stated that the \$3,000,000 directly impacted the College of Engineering, was not included in the governor’s budget, and was a separate legislative action. He stated that \$1,200,000 was from the change in the Carnegie classification, addressed an inadvertent gap in the funding formula, and was the result of efforts over the past couple of years to secure the funding. He stated that the \$4,200,000 were outside of the traditional funding formula allocations to the universities.

Dr. Geist stated that Tennessee Tech received \$13,000,000, not all recurring funding, and Tennessee Tech still had a \$250,000 budget shortfall. She stated that this indicated a mismanagement of funds and Tennessee Tech was spending more than it was making. She stated that all the local governing institutions (LGI’s) suffered losses when Tennessee Promise became effective, but they were not all having the budget issues that Tennessee Tech was having. She stated that part of it was the lack of prioritization, how money was spent, strategic initiatives, and return on investments for those initiatives. Dr. Geist stated that she looked at it in a different light and considered where Tennessee Tech would be if it had not received the funding. She stated that the other LGI’s received recurring funds equivalent to what Tennessee Tech received and the THEC documents showed that other LGIs received money like the \$4,000,000 Tennessee Tech received.

Ms. Harper stated that the other LGI’s did not receive the same amount as Tennessee Tech.

Dr. Geist responded that the LGI's did receive some recurring funding that was similar.

Mr. Wilmore stated that Tennessee Tech would not have received the \$4,200,000 had not President Oldham been pushing forward to make that happen.

Dr. Geist stated that the other LGI's received a similar amount. She stated that the information was located in the THEC report.

Dr. Geist stated that a bonus was given when everything was spectacular and if a \$110,000 bonus was given, it meant that Tennessee Tech did not have any shortfalls. She stated that Tennessee Tech had a charge related to research misconduct and there were other reasons why she could not support giving President Oldham a \$110,000 bonus.

Chair Jones stated that the University of Memphis was giving its President a \$150,000 bonus.

Dr. Geist stated that University of Memphis was not having budget shortfalls.

Ms. Harper stated that the current year was not perfect and that was why she recommended a modest salary increase. She stated that Tennessee Tech had an extraordinary result with the state appropriation funding and she recommended a bonus for that reason.

Chair Jones called the question on the original motion to give Dr. Oldham a 2% salary raise and a \$60,000 bonus.

At the request of the Chair, Ms. Carpenter took a roll call vote. The motion carried 7-1 with Dr. Geist casting the "Nay" vote.

Capt. Wilmore stated that he believed a fair assessment of a bonus for President Oldham was 2.5% for the first year, which would be a \$105,000 total bonus.

Capt. Wilmore moved to increase the President's bonus by \$45,000. Mr. Stites seconded the motion.

Mr. Allard stated that the initial proposal would be more appropriate, due to budgetary constraints and that \$3,000,000 of the \$4,200,000 recurring funds were restricted. He stated that Tennessee Tech was limited to what it could do with the funds. He stated that increasing the percentage of the bonus could take away money from other areas.

Dr. Fleming stated that given the budget deficit and issues that Tennessee Tech has dealt with, she did not agree to increasing the bonus. She stated that she supported the President, but the Board had a fiduciary responsibility to Tennessee Tech, to public dollars, and to dollars that parents and students spend.

Ms. Rose stated that she concurred that Tennessee Tech had a great president. She stated that in her experience, "recurring" does not mean "forever more". She stated that Tennessee Tech has sent the right message to the General Assembly, that Tennessee Tech was practicing good fiduciary responsibility, that Tennessee Tech's Board was going to honor the President and hoped to keep the President, but the Board realized that the General Assembly could reduce the recurring dollars at any time.

Ms. Harper stated that the President has always acknowledged that the recurring funds could be reduced.

Mr. Stites stated that whether the funds were recurring beyond the first year or not, the motion only applied to the first year.

Chair Jones stated that he agreed with Capt. Wilmore and he did not believe a \$105,000 bonus was a stretch for Tennessee Tech. He stated that he was more cautious because of the perception the public and faculty would have about the \$105,000 bonus.

President Oldham stated that he appreciated the gesture and felt honored by the original motion. He stated that he felt uncomfortable with the current motion. He stated that he trusted the Board to make the right decision. He stated that he did not ask for a bonus and was honored by the comments and thoughts and appreciated the support.

Ms. Harper, Chair Jones, and Mr. Stites reiterated that President Oldham never asked for any additional compensation.

Mr. Stites stated that he did not want there to be a misunderstanding throughout the community, Tennessee Tech, or the state about the Board's support for the President.

Ms. Vanhooser stated that she backed President Oldham 100%. She stated that just because she chose not to vote "Yes" to the bonus increase, it did not mean that she did not back the President. She stated that the Board had a responsibility to Tennessee Tech, including the entire budget.

Capt. Wilmore stated that he was concerned about any budget shortfalls and every dime that Tennessee Tech spends. He stated that he was concerned about the cost to the students and was very passionate about doing what was right. Capt. Wilmore stated that Tennessee Tech would not have \$4,200,000 of recurring funding if it was not for President Oldham and that was the reasoning behind his motion.

Dr. Geist stated that Tennessee Tech received the funding and still had a budget shortfall. She stated that President Oldham was amazing externally. She stated that if Tennessee Tech had not received the recurring funding, Tennessee Tech would have been in trouble.

Chair Jones stated that there were many factors to the budget shortfall.

Ms Vanhooser called the question and at the request of the Chair, Ms. Carpenter took a roll call vote. The motion failed 4-2 with Dr. Fleming, Dr. Geist, Ms. Rose, and Ms. Vanhooser casting the “Nay” votes and Capt. Wilmore and Mr. Stites casting the “Aye” votes. Chair Jones and Ms. Harper abstained.

AGENDA ITEM VII.A—ACADEMIC & STUDENT AFFAIRS COMMITTEE REPORT AND RECOMMENDATIONS—REGULAR AGENDA—NEW ACADEMIC PROGRAM PROPOSAL FOR AN M.S. IN ENGINEERING MANAGEMENT

Dr. Fleming stated that the College of Business and College of Engineering were collaborating to develop a new M.S. in Engineering Management program that will be online.

Dr. Fleming moved to approve the new academic program proposal, with recognition of its financial implications, for a Master of Science in Engineering Management. Dr. Geist seconded the motion.

Chair Jones stated that part of the motion was to approve the new master’s degree and part of the motion was to recognize that the new academic program would need to be budgeted.

Dr. Fleming stated that the program would not move through the Academic and Student Affairs Committee unless there was a detailed budget report.

President Oldham stated that THEC put any new program on a five-year monitoring system to make sure it meets projections. He stated that the Board would have an opportunity to monitor new programs as they move through the five-year period.

After an opportunity for further discussion and there being none, the motion carried unanimously.

AGENDA ITEM VII.B—ACADEMIC & STUDENT AFFAIRS COMMITTEE REPORT AND RECOMMENDATIONS—REGULAR AGENDA—NEW ACADEMIC PROGRAM PROPOSAL FOR A PH.D. IN COUNSELING AND SUPERVISION

Dr. Fleming stated that the proposed Ph.D. in Counseling and Supervision was an addition to the graduate level programs of study in the Department of Counseling and Psychology in the College of Education.

Dr. Fleming moved to approve the new academic program proposal, with recognition of its financial implications, for a Ph.D. in Counseling and Supervision. Dr. Geist seconded the motion.

After an opportunity for further discussion and there being none, the motion carried unanimously.

AGENDA ITEM VII.C—ACADEMIC & STUDENT AFFAIRS COMMITTEE REPORT AND RECOMMENDATIONS—REGULAR AGENDA—TTU POLICY 360 (STUDENT IMMUNIZATIONS) AND RULE

Dr. Fleming stated that the purpose of TTU Policy 360 (Student Immunizations) and Rule was to provide guidance on required immunizations for certain diseases or exemptions from such requirements.

Dr. Fleming moved to approve TTU Policy 360 and the Rule related to immunizations. Dr. Geist seconded the motion.

After an opportunity for further discussion and there being none, at the request of the Chair, Ms. Carpenter took a roll call vote. The motion carried unanimously.

AGENDA ITEM VIII.A—AUDIT & BUSINESS COMMITTEE REPORT AND RECOMMENDATIONS—REGULAR AGENDA—FIVE-YEAR STRATEGIC FINANCIAL PLAN UPDATE

Ms. Vanhooser stated that the Audit & Business Committee was presenting a draft Five-year Financial Strategic Plan as an informational item and moved to support the full development of the plan. Dr. Geist seconded the motion.

Dr. Geist asked if she could be included in the ad hoc committee for the plan's development. President Oldham, Chair Jones, and Dr. Stinson agreed to her request.

After an opportunity for further discussion and there being none, the motion carried unanimously.

AGENDA ITEM VIII.B—AUDIT & BUSINESS COMMITTEE REPORT AND RECOMMENDATIONS—REGULAR AGENDA—DISCLOSED CAPITAL PROJECTS

Dr. Stinson stated that there were two disclosed capital projects that were being presented for approval.

She stated that the first capital project was a Vehicular Engineering shop building. She stated that the project would cost \$490,000, the building would be 2,600 square feet, and would be funded by the \$3,000,000 special appropriation for engineering. She stated it was a start-up shop needed for the Vehicular Engineering program that had been approved and was underway. She stated that the building was needed by fall 2019.

Dr. Stinson stated that the second capital project was an Agriculture Engineering technology shop. She stated that the building would be 1,200 square feet, would cost \$235,000, and would replace the shop that Tennessee Tech would be demolishing for the new science building.

Dr. Stinson stated that she needed the Board to approve sending the two capital projects to THEC and onto the State Building Commission for approval. She stated that she also needed the Board to approve planning the placement and corresponding modification to the Master Plan.

Chair Jones asked if the buildings were 100% funded by Tennessee Tech. Dr. Stinson stated they were.

Chair Jones asked if both of the facilities were going to be located at Shipley Farm. Dr. Stinson stated that the plan was to place the Ag building on Shipley Farm and the location for the Vehicular Engineering building had not been determined.

Chair Jones stated that he was concerned that student interest would be deterred if the Vehicular Engineering building was located off the main campus.

Dr. Stinson stated that once Tennessee Tech had a new engineering building, Vehicular Engineering would be incorporated into the main campus.

Chair Jones stated that the Board was not necessarily voting on locations of the buildings, but was voting on putting them on the Master Plan and that Planning and Finance would try to place the Vehicular Engineering building on campus.

President Oldham stated that capital projects such as these have a design team that collaborates with leadership and faculty at the school or college to help design the project and determine the ultimate site of the buildings.

Mr. Stites moved to disclose the two buildings to the State Building Commission. Ms. Rose seconded the motion.

After an opportunity for further discussion and there being none, at the request of the Chair, Ms. Carpenter took a roll call vote. The motion carried unanimously.

AGENDA ITEM IX—ANNOUNCEMENT OF 2019 BOARD MEETING DATES

Chair Jones stated that the meeting dates for 2019 would be March 21, June 20, September 24, and December 5.

AGENDA ITEM X—OTHER BUSINESS

Chair Jones stated that there would be a 30-minute reception following the adjournment of the meeting.

AGENDA ITEM XI—ADJOURNMENT

There being no further business, the meeting adjourned at 2:24 p.m.

Approved,



Kae Carpenter, Secretary