

## Interim University Council

**Date:** June 12, 2017

**Time:** 8:15 a.m.

**Location:** D. P. Culp University Center, East Tennessee Room

**Attendees:** Dr. Brian Noland (chair), Dr. Joe Sherlin, Dr. Wilsie Bishop, Dr. Larry Calhoun, Dr. Gordon Anderson, Dr. Susan Epps, Mary Jordan, Stefanie Murphy, Dr. Bill Flora, Dr. David Roane, Dr. Wallace Dixon, Dr. B.J. King, Keyana Miller, Dr. Karen King, Ed Kelly, Joy Fulkerson, Dr. William Duncan, Mary Cradic (staff support), Kristen Swing (recording secretary).

**Guests:** Dr. Mike Hoff, James Batchelder, Kevin Varney

### MINUTES

Dr. Brian Noland called the meeting to order.

#### 1. Approval of [Minutes of May 8, 2017](#)

A motion was made by Dr. Susan Epps and seconded to approve the minutes of the May 8, 2017, meeting as presented. The motion received unanimous approval.

#### 2. Information Items

##### a. [Budget Redesign Committee – Final Recommendations](#)

Dr. Noland thanked Dr. Larry Calhoun, chair of the Budget Redesign Committee, for his leadership and guidance to the campus over the past 18 months. He noted that the budget recommendations being presented by Dr. Calhoun are intended to be implemented for this fall. Dr. Noland added that it will take several years to get to full implementation, but full implementation will mean ownership among colleges and departments.

Dr. Calhoun thanked all of the members of the Budget Redesign Committee for the energy, support and hours of conversation and debate. He said the committee has presented its budget recommendations to Senior Staff, the IUC, the College of Education, Council of Chairs, the College of Business and Technology, the Academic Council, the College of Clinical and Rehabilitative Health Sciences, Faculty Senate, Staff Senate, Student Government Association, Student Affairs Council and at two open forums on campus. He noted that SGA was the only group to ask, “Why are we doing this?” Dr. Calhoun pointed out that the model must change in order to position the university for the future.

Dr. Calhoun highlighted several of the key things asked during the [presentations](#), pointing out that all of them would need to be answered by an implementation committee as the plan progresses. Key feedback focused on:

- How will “hold-harmless” be implemented and for how long?
- Concerns about previous growth not being recognized in the new model. Dr. Calhoun pointed out that is accurate and the group determined you have to start somewhere and cannot take previous years’ growth into account.

- How do you account for credit hours that fall across fiscal years? Dr. Calhoun noted that the College of Nursing is especially concerned with how credit hours are being counted.
- Considerable discussion about the handling of cohorts moving forward.
- Will there be “rules of engagement” for colleges collaborating or competing for students? Dr. Calhoun said the committee spoke with institutions already using this model and individuals spoke of more collaboration occurring rather than fighting for students.
- What is the role and makeup of the Budget Advisory Committee moving forward? Dr. Calhoun said the BAC was put in place for this year’s budget and received very positive response across campus. He said the BAC is an important part of the puzzle, especially for transparency.
- Is the 50/50 carryover enough of an incentive to prevent an increase in year-end spending? Dr. Calhoun said the institution does not have a huge problem of year-end spending. He said time will tell if it is enough incentive but that the institution really can’t go further until a reserve is built up.
- Will there be carryover this year? Dr. Calhoun said there could be a distribution of funds for the colleges this year and noted that the first time a college grows and gets money back will show that this model really works.
- Other general comments related to positivity surrounding transparency, decision making at the college level, role of the BAC, carryover policy, leadership training, rewarding growth, dealing with under-producing initiatives, hold-harmless, and the base-to-base model approach.

Dr. Calhoun also highlighted key recommendations from the committee, which include:

- Administrative units review – Administrative units should be reviewed to determine if they are appropriately staffed. Dr. Calhoun said the library is a perfect example of a unit that is not attached to credit hours but is impacted by enrollment growth at the university. He said if enrollment is up at ETSU, it is possible the library might have additional needs to meet the higher demand.
- Strategic plan link – A decent budget model has to be linked to the strategies for the university. Dr. Calhoun said it was good timing because the new budget model comes as the university adopts a new strategic plan.
- Budget Advisory Committee make-up moving forward
- Data – Moving forward, there will be a need for a lot of real-time data at the college level in order for each college’s leader to make decisions about the future. There will also be a need for leaders to do more forecasting as opposed to reacting to what has already happened.
- Education – Dr. Calhoun noted that the decentralized budget model is new for most leaders at ETSU and the implementation team will likely have education as a priority. He noted that there will be a need to look at an educational model that fits ETSU leaders and faculty and staff. He said the model will work in the long term when everyone (not just the deans) gets on board with the recruitment and retention of their students.

Dr. Calhoun summarized by saying implementation efforts must give attention to education and data information needs (including forecasting techniques and the integrity of data in real

time). He also said the model itself must be reviewed all the time and tweaked as needed. Saying that this has been a three-year journey, Dr. Calhoun said he is confident the university is ready to move to the new budget model. He said he is particularly excited about the possibility of dollars being distributed at the college level this year.

Dr. Wallace Dixon stated that the most important factor is not the redistribution of funds, but whether deans and chairs trust each other. He said there should be guiding principles as to how deans interact with their chairs and the extent to which deans should involve chairs in long-term planning. Dr. Noland said he believed that theme would be woven into the implementation committee, which he plans to form in the next week or two. The implementation committee will be chaired by James Batchelder and will establish expectations for shared communication. Dr. Noland said the Budget Advisory Committee would be named by early fall and a budget call and information will go out as soon as there is a better idea of the census and the governor's budget for the next year. He said departments and colleges should begin budget conversations in November/December. The university has a goal to present an overall budget to the Board of Trustees, including tuition and fees recommendations, by April so that students will have the information prior to going home for the summer.

Dr. Dixon said he was not talking about that, but rather about whether the institution has a belief system where deans should go with respect to chairs. He said departments and colleges are often trying to cut costs in one area without realizing what the other hand is doing. He specifically mentioned being at an impasse in regards to research recruitment and summer school. He said there is a disconnect between each individual college with the chairs and their deans. He asked whether the institution has a mission to ensure regular alignment. Dr. Noland said that in order for strategic planning to be successful, yes, there would have to be that alignment. He noted that some departments are more research focused just by the nature of the role that department plays at the university. Others are geared toward teaching and others toward service. If the Mountain States/Wellmont merger is approved, Dr. Noland said there will be significant research-related pressures on some departments more than others. He also noted that there is discussion of the governor making a \$40 million investment in a research pool for six institutions, which would have a similar impact. He noted that KPIs being created by Dr. Mike Hoff will help hold people accountable and ensure things are aligned. He also noted that, unless someone brings things to administration's attention, the assumption is that they are going well.

Dr. Noland said a letter will be coming from his office by the end of the month establishing the implementation committee and encouraged those interested in serving on it to let him know before then. He also reiterated that the new model will be used in the fall to distribute any new revenue.

Dr. B.J. King said her office is very excited about the new direction and is excited about the transparency of the entire process. She said it definitely translates well to the new Board of Trustees.

## **b. Strategic Plan Update**

Dr. Mike Hoff provided a KPI update, beginning by pointing out that student success starts with recruitment and building relationships. In his [PowerPoint presentation](#), Dr. Hoff first addressed recruitment. He noted that the goal for this year is to have 12,000 undergraduate applications. It is a target that is set above our peers. He also discussed the institution's admit rate, noting that the goal is for our admissions rate to go down and our yield rate to go up. That means the application pool is strong. ETSU's admission rate has gone down to 79 percent. The peer average is 72 percent. In terms of yield rate, ETSU's is at 41 percent. Dr. Hoff said it has decreased since 2009, significantly since 2011. ACT scores of those enrolled show an improvement in the quality of students attending the university. The most significant statistic, Dr. Hoff said, is the fall-to-fall retention rate of first-time freshmen from fall 2016 to fall 2017. Seventy-five percent of first-time fall freshmen (2016) are enrolled for fall 2017. That is the best retention rate at the institution since at least the 1980s. Dr. Hoff warned that the four-year and six-year graduations are going to go down this year (we are at 43 percent while peers are at 48 percent), but should, in the next year, go up by 2 to 3 percentage points. The institution has set a strategic goal of 60 percent.

In summary, Dr. Hoff offered the following points:

- ETSU has a 53 percent graduation rate if you look at students who graduate from any institution (not just those that graduate from ETSU)
- The 75 percent retention rate is significant. Dr. Hoff noted that if we keep that and increase transfer students by 200 to 300, the goal of reaching 18,000 students enrolled at ETSU by 2026 is attainable.

Dr. Hoff also noted that he and Dr. Bert Bach have been working on a template to send to colleges and units that do not currently have a strategic plan. He said this will be necessary for the overall strategic plan to work because the institution intentionally created a broad plan in hopes that the colleges and units would provide the "ornaments on the tree."

Dr. Noland said the KPIs will be tracking indicators and will be available on the web to be downloaded and essentially become the dashboard. He recommended dialing down to about 20 gauges on the main dashboard (Dr. Hoff estimated there are about 100 total gauges) that are the primary, most important elements to track.

Dr. David Roane asked what the university is doing well to result in the positive data points Dr. Hoff shared. Dr. Hoff noted the following:

- The TBR initiative in which students are required to choose an academic interest area even if they have not selected a major has helped advisors better shape their conversations with students and provide better guidance to the students.
- Embedded learning support.
- The "15 to finish" initiative has helped. The average credit load has gone up one full credit hour.
- DegreeWorks.
- Hiring 13 additional advisors.
- Early alert system.
- Quality assurance with adult learners.

Dr. Roane then asked what we need to do next. Dr. Hoff said the next step is coming up with the next committee and determining how it is going to work with the budget implementation. He also said it is necessary to get those without a strategic plan moving on the development of one. Dr. Noland also noted that it is a good opportunity to pat colleagues on the back for a job well done and encourage them to keep moving the ball down the field. He noted that, in 2012-13 the fall-to-fall retention rate was 66.2 percent compared to the 75 percent rate reported for 2016-17, calling it a significant change in a very compressed period. He also noted that the fall-to-spring retention rate is at 91 percent, up from 86 percent, which is a sign that graduation numbers will improve.

### **3. Action Items**

#### **a. Elect Vice Chair of the University Council**

Dr. Noland pointed out that the meeting would be the last of the IUC because, in July, it will become the University Council, a standing committee. As approved at the April 10<sup>th</sup> meeting and effective July 1, the vice chair will preside at all meetings. Dr. Noland asked for nominations for vice chair from the floor. Dr. Susan Epps, after confirming that Dr. Noland will be continuing as the chair, nominated Dr. Wilsie Bishop for the vice chair position. Ms. Mary Jordan seconded the motion, which was passed unanimously.

### **4. President's Report**

Dr. Noland provided highlights from the June 9, 2017, Board of Trustees meeting. He noted it was the first time in the history of the institution that tenure and promotion, tuition and fees, and budgets were acted upon here on campus. Although trustees moved quickly in the full board meeting to approve these items, Dr. Noland emphasized that significant conversation had occurred at committee meetings in the weeks leading up to the full board meeting. He noted the following items as being approved in the Board of Trustees consent agenda:

- A pilot program for social work in which students attending the program in Abingdon, Virginia, or Asheville, North Carolina, receive in-state tuition regardless of residence.
- A pilot program in which faculty and staff of Community Colleges of Appalachia member institutions can enroll in three graduate higher education programs for the in-state equivalent tuition cost.
- The Board of Trustees Audit Committee's charges.
- President Emeritus status, which is required by statute to be approved by the board.

Dr. Noland also summarized the Finance and Administration Committee's reports and full board approval on items including salary increases (approved for a 2 percent across-the-board increase and a 1 percent equity pool), tuition and fees under the Tennessee Higher Education Commission's cap, a new capital fee, and the university budget (with the opportunity for revisions in October as there has always been). In the Board of Trustees Academic and Student Affairs Committee, tenure and promotion moved through. The board also approved a memorandum of understanding between ETSU and Mountain States Health Alliance that provides a strategic framework for coordination.

Dr. Noland provided an update on two personnel items that have become public record in recent weeks:

1. Audit of former men's tennis coach Yaser Zaatini – Dr. Noland announced that the full audit is now posted to the web and took time to thank Rebecca Lewis, director of Internal Audit, and Ed Kelly, legal counsel, for their work related to the investigation. He said he received a call in February from Dr. Richard Sander, athletic director, about a concern he had regarding the men's tennis coach and possible financial issues. Dr. Noland directed Dr. Sander to call Ms. Lewis and an audit began. It uncovered significant spending irregularities that, as of March, indicated Mr. Zaatini may have embezzled approximately \$50,000. Legal counsel negotiated an exit from Mr. Zaatini that removed him from campus. Mr. Zaatini agreed to repay the \$50,000. Dr. Noland said no promises were made that if it was determined more money was involved that the institution would not seek repayment. Audit staff reviewed every expenditure, two teams of state auditors came to campus (in April and May) and one team took an entire filing cabinet with them. Dr. Noland said they are reviewing the entire athletic program, but he does not expect other issues. The total involved in the Zaatini investigation reached \$106,000. There is an ongoing NCAA investigation. Dr. Noland said management has agreed to all of the recommendations made by auditors and added that he and Dr. B.J. King pushed for two recommendations in particular – 1. Any coach leaving will go through a full exit audit and 2. Every coach and vice president at ETSU will be subject to an annual audit on a random basis. Meanwhile, an active search is underway for a new tennis coach.
2. Detenure of Dr. David Champouillon – Dr. Noland reported that an appeal letter was received on June 9 and would be turned over to media today due to open records requests. Now that Dr. Champouillon has appealed to the Board of Trustees, the Executive Committee of the board will determine the appropriate board committee to hear the appeal. The Board of Trustees has two options – 1. Uphold Dr. Noland's decision to terminate and not hear the appeal or 2. Review the appeal and send it back to campus for further action. Dr. Noland said he has pulled out of the issue now that his decision has been appealed to the board. He also said ETSU's legal team has pulled out due to allegations being made against them regarding the handling of the investigation. Melanie Murray of the University of Memphis will serve as legal counsel to the ETSU Board of Trustees for this case. There is no timeframe for the Board of Trustees to make its decision. Dr. Epps asked about Dr. Champouillon's status at the university. Dr. Noland said Dr. Champouillon was terminated three weeks ago and is no longer receiving a paycheck from the institution. He said that his ban from campus remains in effect throughout the entire duration of any appeal process and/or legal action, which Dr. Champouillon was made aware of through correspondence with his attorney. Dr. Dixon asked whether Dr. Fred Alsop (a faculty member and member of the Board of Trustees) had given any indication as to whether he would be recusing himself in relation to the matter. Dr. Noland said he could not speak to that because he stepped out of the Board of Trustees executive session discussion on the matter. Since Dr. Alsop is only on the Academic and Student Affairs Committee, it would only become an issue if that is the committee selected to handle the appeal.

During his report, Dr. Noland shared positive news coming from campus that is worthy of celebrating. Items included:

- A successful SACS visit in which accreditation was reaffirmed with no findings.
- The largest graduating class in the history of the institution.
- Fall-to-fall retention rates that are the highest in the university's history.
- No appeals, for the first time since he has been president, in tenure and promotion.
- One of the lowest tuition and fees increases in 25 years.
- Four out of five years with salary increases.
- The merger was deemed complete by Tennessee Department of Health Commissioner John Dreyzehner.
- The ETSU Athletics Department received the SoCon's Commissioner's Cup.
- The campus was closed down for the staff picnic.
- The institution is positioned for its best fundraising year in recordable history (at \$18.9 million and the year is not yet closed).
- Arts center was approved.
- 29 student athletes were recognized for having a 4.0 GPA this past semester and, at graduation, Brooke Baxter (softball team) was recognized for maintaining a 4.0 GPA her entire undergraduate career. Brooke will be a first-year medical student at Quillen College of Medicine this fall.

Dr. Noland opened it up to the floor for questions.

Dr. Dixon asked about the Board of Trustees Academic and Student Affairs Committee and their response to having the responsibility of approving tenure. Dr. Noland said he felt the group had a newfound appreciation for how complex and rigorous the process is and commended Dr. Bill Kirkwood for giving a great presentation on the process to the full board. Dr. Bishop added that the trustees were interested in the process and a bit surprised that each level of review was independent of the other reviews.

Dr. Bill Flora spoke up to point out that ETSU was the first of the six former TBR universities to undergo the SACS process and noted that to do so without any issues is setting a high standard.

Ms. Joy Fulkerson, on behalf of the Staff Senate, thanked Dr. Noland for closing the campus down for an afternoon so staff could attend the staff picnic this year.

## **5. Adjournment**

Seeing no further questions, Dr. Noland adjourned the meeting at 9:48 a.m.