



**POLICY MANUAL**

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**TENNESSEE HIGHER EDUCATION COMMISSION**

**POLICY MANUAL**

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## **OVERVIEW**

The Tennessee Higher Education Commission was created in the fall of 1967 by the Tennessee General Assembly, to achieve coordination and foster unity in higher education in this state. The commission is composed of nine lay members, with six-year terms, representing congressional districts of the state; three constitutional officers (comptroller of the Treasury, state treasurer, and secretary of state) who are ex-officio voting members; two student members with staggered two year terms with voting privileges in their second year (one student member from the University of Tennessee System and one student member from the Board of Regents System); and the executive director of the State Board of Education, as an ex-officio, non-voting member.

The commission has become one of the strongest coordinating boards in the country by providing leadership in public policy development for higher education and through the development of policies that help ensure fair and equitable funding of the various public institutions and that growth is managed to ensure the efficiency of state appropriations.

Among the commission's statutory responsibilities are strategic planning for Tennessee postsecondary education; reviewing and approving new academic programs; developing formulae and recommending the operating and capital budgets for public higher education; providing data and information to the public, institutions, legislature, and state government; and providing authorization for private postsecondary institutions operating within the state. The commission is also the State Approving Agency for the U.S. Department of Veterans' Affairs to insure that any postsecondary institution desiring to offer veterans benefits to its students meets the department's standards. The underlying principles of the commission in the fulfillment of the responsibilities and development of policies have been and continue to be equity, excellence, accessibility and accountability.

## **ACADEMIC POLICIES**

- A1.0 New Academic Programs: Approval Process**
- A1.1 New Academic Programs**
- A1.2 Extensions of Existing Programs**
- A1.3 New Units**
- A1.4 Off-Campus Instruction**
- A2.0 Quality Initiatives**
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- A4.1 Academic Common Market**
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**Section Title:** Academic Policies

**Policy Title:** New Academic Programs: Approval Process

**Policy Number:** A1.0

- 1.0.10 **Scope and Purpose.** In accordance with Public Chapter 179 of the Legislative Act creating the Higher Education Commission in 1967, the Commission has the statutory responsibility to review and approve new academic programs, off-campus extensions of existing academic programs, new academic units (divisions, colleges, and schools) and new instructional locations for public institutions of higher education in the State of Tennessee. These responsibilities shall be exercised so as to:
- promote academic quality
  - maximize cost effectiveness and efficiency to ensure that the benefits to the state outweigh the costs and that existing programs are adequately supported
  - fulfill student demand, employer need and societal requirements
  - avoid and eliminate unnecessary duplication to ensure that proposed programs cannot be delivered through collaboration or alternative arrangements
  - encourage cooperation among all institutions, both public and private

These expectations for program quality and viability are underscored by Tennessee Code Annotated §49-7-202 as amended by Public Chapter 3, Acts of 2010 (1<sup>st</sup> Extraordinary Session). This Act directs public higher education to:

- A. Address the state’s economic development, workforce development and research needs;
- B. Ensure increased degree production within the state’s capacity to support higher education; and
- C. Use institutional mission differentiation to realize statewide efficiencies through institutional collaboration and minimized redundancy in degree offerings, instructional locations, and competitive research.

**Program Review Criteria** -- In order to ensure that these responsibilities are optimized, the Commission strenuously considers the following criteria in order to maximize state resources:

**Need** – evidence of program need that justifies institutional allocation/reallocation of state resources (See A1.1.20I New Academic Programs).

**Program Costs/Revenues** – evidence should be provided that program costs will be met from internal reallocation or from other sources such as grants and gifts. Institutional commitment should be consistent with the centrality and level of priority as described in the program proposal and projected on THEC Fiscal Projection form (Attachment A).

**Quality** – evidence should be provided that assessment, evaluation, and accreditation criteria (A1.1.20M) are being met.

1.0.20 **Schedule.** The Commission will normally consider proposals for new programs, extensions of existing academic programs, academic units, and instructional locations at each regularly scheduled Commission meeting.

1.0.30 **Action.** Commission action on a given proposal must follow approval by the governing board and may take one of four forms:

- approval
- disapproval
- conditional approval
- deferral

Conditional approval may be granted in special cases. This type of approval is reserved for programs for which the need is temporary. Conditional approvals will identify a date that the program must be terminated.

1.0.40 **Funding.** Evidence must be provided on forms for approval of new academic programs relative to internal reallocation and other sources such as grants and gifts must be validated. The Commission will approve no special start-up funding (See 1.0.10, Program Costs/Revenue).

1.0.50 **Early Consultation/Notification.**

Upon consideration by an institution to develop a proposal for a new program, governing board staffs must provide the Commission staff with a copy of that institution's letter of intent to develop a program proposal. The letter of intent should be in the format provided as Attachment B, and the THEC Financial Form (referenced as Attachment A in A1.0.10) should accompany it. Programs that institutions intend to develop should be consistent with and reference institutional mission, the state master plan for higher education, and campus master plan or the academic plan. A thorough early assessment of program justification is necessary for programs requiring Commission approval in order to identify issues relative to the need for the program, program duplication, accessibility through collaboration or alternative means of delivery (distance education), source of start-up funds, and the need for reviews by external consultants.

Upon consultation and approval to proceed, governing board staffs must share all relevant documents in a timely fashion with the Commission staff leading up to the submission of the final proposal at least two weeks prior to notification of being placed on the agenda for consideration by a governing board (See also 1.1.20A in Policy A1.1 - New Academic Programs). THEC delegates the TBR the authority to approve community college Letters of Intent to Plan associate degrees.

1.0.60 **Articulation/Transfer.** Upon consideration of a new degree program, evidence must be provided to ensure adherence to the requirements of Tennessee Code Annotated § 49-7-202 as amended by Public Chapter 3, Acts of 2010 (1<sup>st</sup> Extraordinary Session) requires that “an associate of science or arts degree graduate from a Tennessee community college shall be deemed to have met all general education and university parallel core requirements for transfer to a Tennessee public university as a junior. . . .” Admission into a particular program, school, or college within the university, or into the University of Tennessee, Knoxville shall remain competitive in accordance with generally applicable policies.

(1) The forty-one (41) hour lower division general education core common to all state colleges and universities shall be fully transferrable as a block to, and satisfy the general education core of, any public community college or university. A completed subject category (for example, natural sciences or mathematics) within the forty-one (41) hour general education core shall also be fully transferrable and satisfy that subject category of the general education core at any public community college or university.

(2) The nineteen (19) hour lower division AA/AS area of emphasis articulated to a baccalaureate major shall be universally transferrable as a block satisfying lower division major requirements to any state university offering that degree program major.

1.0.60A **Credit Hours to Degree.** The Commission recommends that credit hour requirements for new and existing undergraduate academic programs shall not be substantially more than 120 hours for baccalaureate degrees or 60 hours for associate degrees without justification. The principle intent is to reduce the time and costs of earning a degree for individual students and taxpayers and, over time, improve graduation rates and increase the higher educational attainment levels of Tennesseans. This excludes programs with accreditation or licensure requirements.

1.0.60B **Announcements.** Announcements of plans for new academic programs, extensions of existing programs, new academic units, and/or new instructional locations must await Commission approval, prior to implementation.

1.0.70A **Delegated Authority for Final Approval of New Community College Programs (Associates and Certificates) to the Tennessee Board of Regents.** Tennessee Code Annotated §49-8-101 as amended by Public Chapter 3, Acts of 2010 (1<sup>st</sup> Extraordinary Session) directs that “the board of regents, in consultation with the Tennessee Higher Education Commission, shall establish a comprehensive statewide community college system of coordinated programs and services to be known as the Tennessee community college system.”

Notwithstanding anything in this policy to the contrary, the Tennessee Higher Education Commission, in accord with Chapter 3 and toward the establishment of the unified and comprehensive community college system, delegates authority to the Tennessee Board of Regents (TBR) for final approval of new community college associate degrees and certificates. THEC also delegates final approval authority to TBR for the replication of a certificate or associate program approved for one community college (after August 1, 2011) at other TBR community colleges. TBR final approval is subject to the following conditions:

- (1) The criteria for review and accountability (especially justification of need and documented sufficiency of resources and faculty to support the program) set forth in THEC Policies A1.0 (New Academic Programs – Approval Process) and A1.1 (New Academic Programs) must be the basis for the TBR review and approval of new and replicated certificates and associate programs.
- (2) The TBR will provide a monthly summary report to THEC of all community college program actions approved by the TBR, including community college Letters of Intent to Plan associate degrees, community college associate degree program and certificate approvals, associate and certificate substantive curricular changes, community college associate degree major and concentration name changes, and associate, concentration, and certificate terminations.
- (3) The TBR will provide program proposals and financial projection forms for all TBR-approved associates and certificates as baseline data for THEC Post-Approval Monitoring.
- (4) THEC will list all TBR-approved community college associate and certificate programs and reported changes on the State Inventory of Academic Programs;

1.0.70B

**THEC Authority for Post-Approval Monitoring of All Community College Programs.** THEC expressly does not delegate to the TBR the authority for the post-approval review of community college associate and certificate programs set forth in A1.1.30 and A1.1.30A-C (New Academic Programs). All TBR community college programs listed on the THEC Inventory of Academic Programs will be subject to the following THEC monitoring and evaluation:

- (1) Community college associate degree programs and certificates are subject to THEC annual reporting through Post Approval Monitoring of programs for the first three years after implementation and annual productivity evaluations of programs in operation more than three years;
- (2) Community colleges will participate in all components of the THEC Performance Funding Quality Assurance Program, and associate and certificate programs will be evaluated according to Performance Funding program review standards.

Approved: April 22, 1988  
Revised: January 29, 1997  
Revised: November 14, 2002  
Revised: January 27, 2011  
Revised: July 28, 2011

**THEC Financial Estimate Form**  
**Please Enter the Name of the Institution Here**  
**Please Enter the Name of the Proposed Program Here**  
 Attachment A

Five-year projections are required for baccalaureate and post-baccalaureate programs and certificates. Three-year projections are required for associate degrees and undergraduate certificates. Projections should include cost of living increases per year.

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>I. Expenditures</b>					
<b>A. One-time Expenditures</b>					
New/Renovated Space	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	-	-	-	-	-
Library	-	-	-	-	-
Consultants	-	-	-	-	-
Travel	-	-	-	-	-
Other	-	-	-	-	-
Sub-Total One-time	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>B. Recurring Expenditures</b>					
<b>Personnel</b>					
<b>Administration</b>					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Faculty</b>					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Faculty	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Support Staff</b>					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Support Staff	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Graduate Assistants</b>					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Tuition and Fees* (See Below)	-	-	-	-	-
Sub-Total Graduate Assistants	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Operating</b>					
Travel	\$ -	\$ -	\$ -	\$ -	\$ -
Printing	-	-	-	-	-
Equipment	-	-	-	-	-
Other	-	-	-	-	-
Sub-Total Operating	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Recurring	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
(A+B)					

\*If tuition and fees for Graduate Assistants are included, please provide the following information.

Base Tuition and Fees Rate	\$ -	\$ -	\$ -	\$ -	\$ -
Number of Graduate Assistants	-	-	-	-	-



## Attachment B (A1.0)

### Tennessee Higher Education Commission

#### **Letters of Intent for Proposed New Academic Programs** **THEC Policy A1.0 (New Academic Programs: Approval Process)** **Section A1.0.50: *Early Consultation/Notification***

**Complete College Tennessee Act of 2010.** Tennessee Code Annotated § 49-7-202 as amended by Chapter 3, Acts of 2010 (1<sup>st</sup> Executive Session) directs state higher education to be accountable for increasing the educational attainment level of Tennesseans and, in doing so, address the state's economic development, workforce development and research needs; ensure increased degree production within the state's capacity to support higher education; and use institutional mission differentiation to realize statewide efficiencies through institutional collaboration and minimized redundancy in degree offerings, instructional locations and competitive research.

**Purpose of the Letter of Intent.** The following Letter of Intent contents are designed to follow the CCTA directives and to meet early notification requirements of Policy A1.0 (New Academic Programs: Approval Process), section A1.0.50: *Early Consultation/Notification*. The questions below are intended to guide institutions in compiling appropriate data and information sufficient to judge program feasibility relative to mission distinction and priority, program need, and resource availability.

These standard Letter of Intent contents call for quality and depth of assessment of program need and institutional commitment at the earliest stage of program exploration. It is anticipated that this thorough feasibility evaluation will enable institutions and systems to identify program priorities and support only those programs with the greatest likelihood of success.

**Program Feasibility.** Letters of Intent to plan academic degree programs and certificates (24 or more semester hours) certify that the proposed program does not duplicate student access and that it is more cost effective or otherwise in the best interests of the State to initiate a new program rather than meet the demand through collaboration with other institutions.

The feasibility study and financial projections required for a Letter of Intent guide the institution through careful assessment of program need and resource availability necessary for requesting approval to move forward with proposal development. The Letter of Intent serves as the basis for the system decision to support program planning with a request for THEC authorization of the intent to plan. THEC authorization of a Letter of Intent signifies statewide coordination of the development of new academic degree programs.

## **THEC A1.0.50 Early Consultation/Notification**

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### **Procedures and time lines for Letters of Intent:**

- A Letter of Intent to plan a new program (a degree program or a certificate requiring 24 or more semester hours) may be filed at any time.
- A THEC-approved Letter of Intent is valid for three years. If the system governing board has not approved the program within three years after THEC has authorized the Letter of Intent, a new letter of intent must be filed. THEC will post on its website a list of active Letters of Intent.
- The Letter of Intent itself should be a narrative, addressing all feasibility questions raised below.
- A transmittal letter from the system office must accompany the Letter of Intent (signed by the president/chancellor) requesting, on behalf of the institution, THEC approval to proceed with proposal development. The system request should indicate that the proposed action is a priority of the institution and system and should indicate the source of start-up funding.

### **CONTENTS FOR THE LETTER OF INTENT NARRATIVE**

#### **Proposed Program:**

State the title of the proposed program and degree designation, proposed concentrations, CIP Code, and proposed implementation date.

#### **Institutional Mission:**

- How will the proposed program further the mission of the institution?
- How will the program meet the priorities of the State Master Plan for Higher Education and follow the directives of the Complete College Tennessee Act of 2010 relative to increased degree production?
- How will the program meet the goals of the system and institutional strategic plans?
- Will the program require the addition of a new organizational unit and, if so, what is the nature of the unit?
- Will establishment of the program require a SACS Substantive Change Review and, if so, what is the scope of the substantive change?

#### **Program Need:**

- What academic, workforce development, and/or research needs will the program meet? Cite employment projection and supply/demand data appropriate to the discipline and degree level as justification. Cite THEC supply/demand analyses as appropriate for degree or certificate field.
- Why is establishing this program an institutional priority at this time?

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- List newly approved and established programs (within the same CIP classification) at the same degree level offered at other public institutions in Tennessee (See THEC web-based inventory and program productivity analyses for state institutions). Identify any low-producing programs among those listed. (See THEC annual program productivity reports).
- If similar programs exist, describe any opportunities for collaboration with other institutions that will be pursued.
- At what campus and off-campus locations does the institution plan to offer the program?
- In particular circumstances where state economic development opportunities emerge and resources are made available from external sources, THEC may request that Letters of Intent address additional criteria (A1.1.20).
- For proposed doctoral programs, cite THEC data on productivity of existing doctoral programs listed in the same CIP classification and provide a rationale for the addition of a same-CIP program. For proposed doctoral programs, provide letters from presidents of Tennessee institutions offering same-CIP doctoral programs within the same broad geographic service area certifying that the proposed program will not be perceived as duplicative.

#### **Enrollment/Productivity:**

- Project annual full-time, part-time and FTE enrollments and number of graduates for the first five years of program operation.
- Include an explanation of how these projections were derived.

#### **Curriculum:**

- Describe the academic focus of the program and number of hours required.
- Project the date for program accreditation (where applicable).
- Identify the delivery methods for the program (online, on-ground, hybrid) and provide a rationale for the delivery mode(s).
- Describe the articulation and transfer avenues projected for the proposed program in compliance with PC § 49-7-202.

#### **Resources:**

- Describe the strengths of the existing faculty in credentials and available FTE (state number of full- and part-time faculty) and estimate additional FTE (specify number of full-time and part-time faculty) needed to support the program.
- Describe existing and needed library and information technology resources to be available to support the projected program.

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- Describe existing or anticipated facilities and equipment needed to support the program.
- Describe student advising support.
- Describe the anticipated effect the program will have on existing associated degree programs or concentrations within the institution.

#### **Financial Projections:**

- Attach the THEC Financial Projections form (Attachment A).
- Provide evidence of non-state funds (gifts, grants, awards) available to meet start-up costs.
- Provide a rationale for reallocation of budgeted funds.
- Institutions should cite THEC annual degree productivity data where funds may be redirected from closed low-producing programs (A1.1.20P).
- As a summary of the institution's program development plans and resource commitments, please list the institution's active Letters of Intent, programs that are in Post Approval Monitoring and are failing to meet benchmarks, low-producing programs at all levels, and programs terminated within the last 12 months.

**Section Title:** Academic Policies

**Policy Title:** New Academic Programs

**Policy Number:** A1.1

- 1.1.10 **Programs Subject to Approval.** New academic programs requiring Commission approval are those that differ from currently approved programs in level of degree or major offered, as reflected in the institution's catalog and the Commission's academic inventory, subject to specified provisions. In the interest of minimizing duplication of effort and institutional document development, THEC will accept for review the program proposal in the program proposal formats required by University of Tennessee and Tennessee Board of Regents system policies, provided these formats address criteria named in 1.1.20A through 1.1.20P below. All program proposals must include THEC Financial Projections form (Attachment A to Policy A1.0).
- 1.1.10A **Non-degree and non-certificate programs.** Commission approval is not required for non-degree and non-certificate programs, such as those offered at Tennessee Technology Centers.
- 1.1.10B **Certificates.** The Commission approval for a TBR community college certificate program is not required. Commission approval is required for an undergraduate certificate at universities only when the program consists of at least 24 semester hours.
- 1.1.10C **(Reserved)**
- 1.1.10D **Name Changes.** Renaming an existing program without an essential change in the originally approved curriculum does not require Commission approval; planned large-scale curriculum change in a program without a name change does require Commission approval.
- 1.1.10E **Reconfigurations.** A reconfiguration of existing programs without an essential change in the originally approved curriculum and without a net gain in the number of programs (e.g., a consolidation of two programs into one) does not require Commission approval.
- 1.1.10F **Sub-majors.** Additions, deletions, and revisions of sub-majors (options, concentrations emphases, tracks, etc.) without an essential change in the originally approved major curriculum do not require Commission approval.
- 1.1.10G **Notice.** Before governing board consideration of the changes described in Provisions 1.1.10A - 1.1.10F above, a two-week notice should be given to the Commission staff. In the event the staff interprets the proposed change as one requiring Commission approval, prompt arrangements will

be made to discuss the proposed change with the institution and its governing board staff for a determination of applicable policy.

- 1.1.10H **Special Areas.** For programs at baccalaureate or higher level in program areas where annual THEC statewide and institutional degree production analyses indicate there is great potential for unnecessary program duplication, no additional programs may be submitted for approval without exceptional determination of need. Such need must be demonstrated to and approved by governing board and Commission staff before the proposal or development of any new programs in these three areas.
- 1.1.20 **Criteria for Review.** The criteria set out in Provisions 1.1.20A - 1.1.20Q will generally be used in reviewing new program proposals. However, the stringency of individual criteria will depend on the specific program, and, in particular circumstances, other criteria may be added at the time of notification (See 1.0.050, New Academic Programs: Approval Process).
- References to provisions of certain institutional policies, such as overall admissions standards, do not mean that such policies need to be approved by the Commission.
- 1.1.20A **Mission.** Proposed new programs must adhere to the role and scope as set forth in the approved mission of the institution.
- 1.1.20B **Curriculum.** The curriculum should be adequately structured to meet the stated objectives of the program, and reflect breadth, depth, theory, and practice appropriate to the discipline and the level of the degree. The undergraduate curriculum should ensure General Education core requirement commonality and transfer (where appropriate) of 19-hour pre-major paths. The curriculum should be compatible with accreditation, where applicable, and meet the criteria for articulation and transfer (See A1.0.60, New Academic Programs: Approval Process).
- 1.1.20C **Academic Standards.** The admission, retention, and graduation standards should be clearly stated, be compatible with institutional and governing board policy, and encourage high quality.
- 1.1.20D **Faculty.** Current and/or anticipated faculty resources should ensure a program of high quality. The number and qualifications of faculty should meet existing institutional standards and should be consistent with external standards, where appropriate.
- 1.1.20E **Library Resources.** Current and/or anticipated library and information technology resources should be adequate to support a high quality program and should meet recognized standards for study at a particular level or in a particular field where such standards are available.
- 1.1.20F **Administration/Organization.** The organizational placement and the administrative responsibility for the program should be clearly defined and designed to promote success of the program.

- 1.1.20G **Support Resources.** All other support resources--existing and/or anticipated, should be adequate to support a high quality program. This would include clear statements of clerical personnel or equipment needs, student advising resources, and arrangements for clinical or other affiliations necessary for the program.
- 1.1.20H **Facilities.** Existing and/or anticipated facilities should be adequate to support a high quality program. New and/or renovated facilities required to implement the program should be clearly outlined by amount and type of space, costs identified and source of costs. (See Institution Facility Master Plans F4.1)
- 1.1.20I **Need and Demand.** Evidence should be provided that a proposed new program contributes to meeting the priorities/goals of the institution's academic or master plan, why the institution needs that program, and why the state needs graduates from that particular program.
- Student Demand. Evidence of student demand, normally in the form of surveys of potential students and enrollment in related programs at the institution, should be adequate to expect a reasonable level of productivity.
- Employer Need/Demand. Evidence of sufficient employer demand/need, normally in the form of anticipated openings in an appropriate service area (that may be national, regional, or local), in relation to existing production of graduates for that service area. Evidence may include the results of a need assessment, employer surveys, current labor market analyses, and future workforce projections. Where appropriate, evidence should also demonstrate societal need and employers' preference for graduates of the proposed program over persons having alternative existing credentials and employers' willingness to pay higher salaries to graduates of the proposed program.
- 1.1.20J **No Unnecessary Duplication.** Where other similar programs may serve the same potential student population, evidence should demonstrate that the proposed program is in accord with the institution's THEC-approved distinct mission, is sufficiently different from the existing programs or that access to the existing programs is sufficiently limited to warrant initiation of a new program. The proposal should explain why it is more cost effective or otherwise in the best interests of the State to initiate a new program rather than meet the demand through other arrangements (e.g., collaborative means with another institution distance education technologies, Academic Common Market, and consortia).
- 1.1.20K **Cooperating Institutions.** For programs needing the cooperation of other institutions (including government, education, health, and business), evidence of the willingness of these institutions to participate is required.

- 1.1.20L **Diversity and Access.** The proposed program will not impede the state's commitment to diversity and access in higher education (Post *Geier*). A statement should be provided as to how the proposed program would enhance racial diversity.
- 1.1.20M **Assessment/Evaluation and Accreditation.** Evidence should be provided to demonstrate that careful evaluation of the program being proposed would be undertaken periodically. Information must be provided to indicate the schedule for program assessments or evaluations, (including program evaluations associated with Performance Funding) those responsible for conducting them, and how the results are to be used. Where appropriate, professional organizations that accredit programs should be identified and any substantive change that may require a SACS review should be indicated.
- 1.1.20N **Graduate Programs.** New graduate programs will be evaluated according to criteria set forth in this policy, as these criteria are informed by the principles supported by the Tennessee Council of Graduate Schools and best practices in the disciplines.
- 1.1.20O **External Judgment.** The Commission staff may, in consultation with the governing board staffs, determine that review by an external authority is required before framing a recommendation to the Commission. Consultants will normally be required for new graduate programs. Consultants will not normally be required for new undergraduate and certificate programs, but there may be exceptions in cases of large cost or marked departure from existing programs at the institution.
- 1.1.20P **Cost/Benefit.** The benefit to the state should outweigh the cost of the program. Institutions should, in the program proposal, estimate the effect on funding caused by the implementation of the program. Detailed costs should be provided on forms required for consideration of new undergraduate and graduate programs (See 1.0.10, Program Costs/Revenues). These details should include reallocation plans, grants, gifts or other external sources of funding/partnerships. The THEC Financial Projection form (Attachment A to Policy A1.0) must accompany the proposal.
- 1.1.30 **Post Approval Monitoring.** During the first five years (three years for pre-baccalaureate programs) following approval, performance of the program, based on goals established in the proposal, will be evaluated annually. At the end of this period, Commission staff will perform a summative evaluation and present the summary to the Commission annually. This summative evaluation will include, but not be limited to, enrollment and graduation numbers, program cost, progress toward accreditation, library acquisitions, student performance, and other goals set by the institution and agreed to by governing board and Commission staff. As a result of this evaluation, if the program is deficient, the Commission may recommend to the governing board that the program be terminated. Copies of such recommendation will be forwarded to the Education Committees of the General Assembly. The Commission may

also choose to extend this period if additional time is needed and is requested by the governing board.

- 1.1.30A **Schedule.** At the January Commission meeting the Commission will review post approval reports on programs that have recently received approval.
- 1.1.30B **Unfulfilled Productivity.** Institutions with programs that fall markedly short of projected goals as approved in program proposals, must submit, through their governing boards, an explanation of the shortfall and a discussion of the future expectations to accompany annual program progress reports.
- 1.1.30C **Further Action.** The Commission may request the governing board to take action on any program that is performing significantly below projections.
- 1.1.40A **Delegated Authority for Final Approval of Community College Programs (Certificates and Associates) to the Tennessee Board of Regents.** Notwithstanding anything in this policy to the contrary, the Tennessee Higher Education Commission delegates authority for final approval of community college associate degrees and certificates of any credit-hour requirement to the TBR subject to the conditions outlined in Policy A1.0.70, New Academic Programs: Approval Process.
- 1.140B **THEC Authority for Post-Approval Monitoring of All Community College Programs.** Notwithstanding anything in this policy to the contrary, the Tennessee Higher Education Commission expressly does not delegate to the TBR the authority for the post-approval monitoring and evaluation of community college associate and certificate programs as required in A1.0.70B, A1.1.30, A1.1.30A – C (New Academic Programs).

Approved: April 22, 1988  
Revised: April 19, 1996  
Revised: January 29, 1997  
Revised: November 14, 2002  
Revised: April 26, 2007  
Revised: January 27, 2011  
Revised: July 28, 2011

**Section Title:** Academic Policies

**Policy Title:** Extensions of Existing Programs

**Policy Number:** A1.2

- 1.2.10 **Extensions Subject to Approval.** An extension subject to approval is a full degree program or full certificate program (as described in 1.2.10A below) that will be extended to an off-campus Tennessee location that is at least 30 miles distant from the parent campus and where all courses needed for the program will be available.
- 1.2.10A **Program Threshold.** If the program to be extended would not require Commission approval as a new program (e.g., an undergraduate certificate program of less than 24 hours), Commission approval is not required for the extension.
- 1.2.10B **Notice.** Prior to governing board consideration of an extension that the governing board staff sees as below the threshold in 1.2.10A above, notice should be given the Commission staff. In the event the Commission staff interprets the extension as requiring Commission approval, prompt arrangements will be made to discuss the extension with the institution and its governing board staff for a determination of applicable policy.
- 1.2.20 **Criteria for Review.** The criteria set out in Provisions 1.2.20A - 1.2.20P will generally be used in reviewing new extension proposals. However, the stringency of individual criteria may depend on the specific extension and, in particular circumstances, other criteria may be added. References in these provisions to certain institutional policies, such as overall admissions standards, does not mean that such policies need to be approved by the Commission.
- 1.2.20A **Mission.** Extension goals should adhere to the role and scope of the institution as set forth in its approved mission statement as part of the current State master plan adopted by the Commission.
- 1.2.20B **Curriculum.** The curriculum for the extension should be the same as that for the program on the main campus.
- 1.2.20C **Academic Standards.** The admission, retention, and graduation standards for the extension should be the same as those for the program offered on the parent campus.
- 1.2.20D **Faculty.** Faculty for the extension should, if at all possible, be regular institutional faculty. Whenever regular faculty will not be used for the extension, those who are used should be hired by the established institutional processes for hiring part-time or adjunct faculty.

- 1.2.20E **Library Resources.** The library resources for the extension that are available on-site or in reasonably close proximity should be at least comparable to those for the program on the parent campus.
- 1.2.20F **Administration and Student Support.** The extension should have continuing administration and student support on-site through the presence of full-time and part-time administrators, adequate clerical staff, and professional counselors to assist in career planning and job placement.
- 1.2.20G **Special Resources.** When programs are extended that require special resources, such as laboratories or particular computing capabilities, these resources should be available on-site at the level at least comparable to the level provided for the program on the parent campus.
- 1.2.20H **Facilities.** Facilities for the extended program should meet the standards of the Southern Association of Colleges and Schools and applicable professional accrediting bodies. Whenever possible extended programs should be housed in facilities donated without cost to the institution or in rented facilities, as opposed to facilities that must be purchased by the institution.
- 1.2.20I **Student Demand.** Provision 1.1.20I applies to the extension but with less documentation required.
- 1.2.20J **Employer Need.** Provision 1.1.20I applies to the extension but with less documentation required.
- 1.2.20K **No Unnecessary Duplication.** The institution should demonstrate that other similar programs offered by public or private institutions are not sufficiently available to the student population to be served. In particular, sufficient notice must be given to appropriate public institutions within 30 miles of the site for the extension to permit them opportunity to offer the program.
- 1.2.20L **Cooperating Institutions.** Provision 1.1.20K applies to the extension.
- 1.2.20M **Diversity.** Provision 1.1.20L applies to the extension.
- 1.2.20N **Lower Division Programs.** Universities should not extend lower division programs, except where the extension site is closer to the university than to a 2-year campus or where every 2-year campus that is closer is also unable or unwilling to offer the program.

1.2.200 **Telecommunications.** (Reserved)

1.2.20P **Cost/Benefit.** The benefit to the State should outweigh the cost.

Approved: April 22, 1988  
Revised: January 29, 1997  
Revised: November 14, 2002

**Section Title:** Academic Policies

**Policy Title:** New Units

**Policy Number:** A1.3

1.3.10 **Units Subject to Approval.** New units requiring Commission approval are those organizational units (normally, divisions, departments, schools, colleges, bureaus, centers, and institutes) that provide instruction, student support, research or public service significantly different from what is currently provided by an institution, as described in its catalog, either in larger scope or in higher organizational level.

1.3.10A **Name Changes.** Renaming an existing unit where there is neither a significant change in activity nor a significant change in organizational level does not require Commission approval. If, however, either sort of change occurs, Commission approval is required, whether or not the name is altered.

1.3.10B **Reorganizations.** Reorganizations involving more than one unit require Commission approval if, and only if, at least one of the following conditions occurs:

1. There will be a net increase in the number of units.
2. An existing unit will be placed at a higher organizational level (e.g., the upgrading of the department to a school).
3. There will be substantial additional costs (e.g., a new chairmanship).
4. An existing academic program will be substantially modified.
5. A substantial new activity will be undertaken.

Note: A change in reporting level would not of itself be considered to fall within condition (2).

1.3.10C **Notice.** Prior to governing board consideration of name changes and reorganizations that the governing board staff does not believe require Commission approval, notice should be given to the Commission Academic Affairs staff on the mailing list for governing board Academic Affairs meetings to consider such actions will be considered adequate. In the event the Commission staff believes Commission approval is required, prompt arrangements will be made to discuss the proposed change with the institution and its governing board for a determination of applicable policy.

1.3.20 **Criteria for Review.** The criteria set out in Provisions 1.3.20A - 1.3.20F will generally be used in reviewing proposals for new units. However, the stringency of individual criteria may depend on the specific unit and, in particular circumstances, other criteria may be added.

- 1.3.20A **Mission.** Goals of the unit should adhere to the role and scope of the institution as set forth in its mission statement approved as part of the current state master plan by the Commission.
- 1.3.20B **Need.** A compelling need should be shown for the new unit.
1. If an existing unit will be upgraded in organizational level, evidence should demonstrate that the appropriate level of service cannot be provided at the existing level.
  2. If a unit will be created to provide new services, a clear rationale should be provided which explains why these services cannot reasonably be provided by existing units without changing their essential character. If other institutions or public or private agencies in the area provide these services, then the rationale should also explain why the current delivery is insufficient.
- 1.3.20C **Revenue.** Where appropriate, the anticipated revenue from the new unit should be comparable to revenue generated by similar units elsewhere.
- 1.3.20D **Assessment.** Where new services will be provided, a clear method of assessment of the success of these services should be provided.
- 1.3.20E **Diversity.** The unit should not impede the state's effort to achieve more racial balance.
- 1.3.20F **Cost/Benefit.** The benefit to the state should outweigh the cost of the unit.

**Approved** April 22, 1988

**Section Title:** Academic Policies  
**Policy Title:** Off Campus Instruction  
**Policy Number:** A1.4

### **Scope and Purpose**

Pursuant to T.C.A. §49-7-202, the Tennessee Higher Education Commission (THEC) is to review and approve or disapprove all proposals for off-campus locations at public institutions including universities, community colleges, and technology centers. The Commission grants the authority for review and approval to the Executive Director.

This policy fulfills the Commission's charge to develop policies and procedures for the purpose of reviewing and approving off-campus locations.

### **New Instructional Locations**

1.4.10 **Locations Subject to Approval.** Proposals for off-campus centers and off-campus sites will be subject to review and approval under this policy. Proposal formats appropriate to the requested action are attached to this policy. They are:

1. proposal format for establishing a new off-campus center (Attachment A);
2. operational costs proposal for establishing an off-campus center (Attachment B);
3. proposal to extend a degree program to an existing off-campus center (Attachment C);
4. site code form to request a site code (Attachment D).

1.4.20 **Off-Campus Centers.** An off-campus center must meet all of the following criteria to be approved:

1. There is a continuing administrative presence, as evidenced by at least one full-time or part-time administrator housed on-site, but with the institution's executive personnel housed on another campus.
2. Courses are offered every semester and there is at least one academic program fully available on-site.
3. The physical facility must be:
  - (a) owned by the institution,
  - (b) leased by the institution,
  - (c) owned by another public institution of higher education, or
  - (d) provided at no cost to the institution.

1.4.21 **Criteria for Review of Off-Campus Centers.** The criteria set forth in Provisions 1.4.21A – 1.4.21B.6 will provide the general framework used in reviewing proposals for new off-campus centers.

1.4.21A **Early Consultation/Notification.** Upon consideration by an institution to develop a proposal for a new off-campus center, governing board staff must provide the Commission staff with a copy of the institution's Letter of Intent to develop an off-campus center proposal and a copy of the institution's Substantive Change Notification to the Southern Association of Colleges and Schools (SACS), where indicated by SACS procedures. The establishment of centers must be consistent with and reference the campus master plan and institutional mission.

Upon consultation with Commission staff and approval to proceed, governing board staff must share early versions of proposals with the Commission staff and provide the final proposal at least two weeks prior to notification of being placed on the agenda for consideration by the governing board.

1.4.21B **Proposal for a New Off-Campus Center.** The proposal, including cost estimations, must be presented in the format attached to this policy (Attachment A). The proposal must include the following items and be approved by the institution's governing board:

B.1. **Needs Assessment.** The proposal must include a sound justification of demonstrated need. The proposal must document community or industry support, descriptions of the target population, and the measurable benefits to the community from the proposed off-campus location.

B.2. **Operational Costs.** Documentation must be provided to the Commission that details the estimated costs associated with the proposed center. Projected costs include but are not limited to items such as all leasing arrangements, square footage, utilities, instructional resources, faculty salaries, auxiliaries, and all other items deemed necessary by the Commission. Costs must be estimated for a minimum of five years. Preference will be given to donated or leased space rather than space that must be purchased by the institution. Operational costs must be presented in the format attached to this policy (Attachment B).

B.3. **Facilities.** Facilities planned or in place at the off-campus center should be appropriate for the enrollment and character of programs offered. In particular, facilities should meet the Standards of the Southern Association of Colleges and Schools, and other applicable accrediting and regulating agencies. Whenever the establishment or upgrading of a center requires substantially new facilities, which may or may not include a land purchase, the community should be willing to provide the site, be willing to provide access to all necessary utilities, highways, and access roads, and be willing to make a substantial contribution toward the initial planning and construction of the location.

The leasing or acquisition of space or land is subject to approval by the THEC and the State Building Commission; and must comply with current State laws set forth in Tenn. Code Ann. §§ 12-1-106, -107 or 12-2-114, -115, State Building Commission policy, and THEC policy numbers F4.1 and F4.2.

**B.4. Administration.** Plans for administration of the off-campus center should be appropriate for the enrollment and character of the academic programming offered. In particular, part-time employment of local personnel for registration does not meet the requirement of “continuing administrative presence.”

**B.5. Academic Program.** Evidence of a full academic program offered on-site must be provided. The information provided to THEC must include program name, degree level, and a projected calendar of course offerings for full-degree completion.

**B.6. Projected Enrollments.** Projected headcount enrollment and full-time equivalent (FTE) over a five-year period must be provided.

- 1.4.22 **Notification of Extension.** If an institution seeks to extend an academic program to an existing off-campus center, a notification of extension form (Attachment C) to the THEC is required. A course projection for the full degree program must be included on the notification form.
- 1.4.23 **Review of Off-Campus Centers.** THEC will monitor center enrollments annually to determine that enrollments are continuous and to identify any potentially low-enrollment centers. The THEC will conduct a comprehensive review of all off-campus centers every five years. The review will report headcount and FTE enrollment by off-campus center over five academic years. Centers will also be required to document the offering of a full academic program, administrative presence, and actual costs.
- 1.4.24 **Phase-Out and Closing of Off-Campus Centers.** THEC staff may recommend that governing boards phase out and close off-campus centers that do not have a continuous enrollment over the five year period, a continuing administrative presence, courses offered every academic term, and a full academic program offered on site. Governing boards and institutions will have an opportunity to provide a justification for the absence of any requirements and have an option for the center to remain active until the next review period. If the center is phased out, the center’s location code will remain in the THEC database but will not be eligible for reactivation.
- 1.4.30 **Off-Campus Site.** An off-campus site is a physical space that is generally being used for *credit enrollment only*. The THEC will issue site codes for sites offering credit courses; site codes are not needed for continuing education enrollment. The following are examples of typical

offerings at off-campus sites: dual enrollment course offerings; workforce development opportunities; and short-term, specific instructional needs.

- 1.4.31 **Criteria for Review of Off-Campus Sites.** The criteria set in Provisions 1.4.31A – 1.4.31F will provide the general framework used in reviewing proposals for new off-campus sites. The site code request form is Attachment D.
- 1.4.31A **Relevance to Institutional Mission.** The instructional activity of all off-campus locations should be relevant to the role and scope of the institution as set forth in its mission statement.
- 1.4.31B **Unnecessary Duplication.** The Commission will not approve the establishment of a site if the proposed delivery of instructional services could reasonably occur through existing institutions, centers, or other off-campus sites. The Commission shall not approve any additional off-campus sites at the university level in which the instructional activity duplicates that offered at the community college level, unless agreed upon by the community college and the university.
- 1.4.31C **Service Area.** If a proposed new off-campus site is in the service area of another institution, then the impacted institutions must meet to coordinate off-campus offerings. Prior to contracting with impacted client groups, an institution contemplating the creation of new off-campus offerings within the service area of another institution shall communicate its proposal to the impacted institution in writing. The institution receiving the proposal has the right of first refusal, and should respond to the proposal within 30 days of the receipt of the proposal notification. Disagreements must be resolved between institutions, with input as needed from governing board staff before the proposal can move forward to the Commission. The governing board will document agreements between institutions when the request is submitted to the Commission. If the impacted institution cannot, or will not, deliver the requested instruction, the requesting institution may request an appeal of the denial decision to the THEC Executive Director. On-line offerings are not impacted by 1.4.31C.
- 1.4.31D **Justification of Need.** The proposal must include a firm justification of demonstrated need. The proposal must include a detailed overview of community and employer support, projected demand, and external financial support for the site as applicable.
- 1.4.31E **Operational Costs.** Documentation must be provided to the Commission that details the estimated costs associated with the proposal. Proposed costs include but are not limited to items such as all leasing arrangements, square footage, utilities, instructional resources, faculty salaries, auxiliaries, and all other items deemed necessary by the Commission. Costs must be estimated for at least one semester if the instructional commitment is of a short-term nature. Institutional commitments past the one semester threshold must be estimated for a minimum of one calendar year. Primary consideration will be given to

donated or leased space rather than space that must be purchased by the institution.

- 1.4.31F **Projected Enrollment.** Projected headcount enrollment for the first semester must be provided.
- 1.4.32 **Review of Off-Campus Sites.** THEC will monitor enrollments at off-campus sites annually. Off-campus sites will be required to have enrollment in at least one academic semester over the five year period.
- 1.4.33 **Phase-Out and closing of Off-Campus Sites.** THEC staff may recommend phasing-out and closing off-campus sites that do not show enrollments at least one semester during a five year period. Governing boards and institutions will have an opportunity to provide a justification for the lack of enrollment and request that the site remain active until the next review period. If the site is phased-out, the site's location code will remain in the THEC database and can be reactivated upon the institution's request.

**Approved** April 22, 1988  
**Revised:** November 14, 2002  
**Revised:** July 26, 2007, effective  
January 1, 2008

**Tennessee Higher Education Commission  
Off-Campus Center Approval Form**

Date: \_\_\_\_\_

Institution: \_\_\_\_\_

Center/Building Name: \_\_\_\_\_

Center Address: \_\_\_\_\_

County Code (5 digit)      - - - - -

Proximity to Main Campus in Miles:      \_\_\_\_\_

**Is center within:**

\_\_\_\_\_ designated service area

\_\_\_\_\_ expanded service area

\_\_\_\_\_ not within service area (attach institutional agreements or provide explanation)

**Proposal for an Off-Campus Center must include the following:**

**Please attach the following documents:**

\_\_\_\_\_ Needs Assessment (*THEC Policy 1.4.21B.1*)

\_\_\_\_\_ Estimate of Operational Costs (*THEC Policy 1.4.21B.2*) – Attachment B

\_\_\_\_\_ Facilities (*THEC Policy 1.4.21B.3*)

**Please describe plans for the continuing administrative presence at the off-campus center.**

**Please include the program name and degree level for the academic program housed at the off-campus center.**

Program Name: \_\_\_\_\_

Degree Level: \_\_\_\_\_

**Please include the projected sequence of course offerings for full-degree completion at the off-campus center.**

**Freshmen Year:**

**Sophomore Year:**

**Junior Year:**

**Senior Year:**

**Projected Enrollment:**

<b>Academic Year</b>	<b>Projected Headcount</b>	<b>Projected FTE</b>
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		

**Approvals**

_____	_____
<b>Institution</b>	<b>Date</b>
_____	_____
<b>Governing Board</b>	<b>Date</b>
_____	_____
<b>THEC Executive Director</b>	<b>Date</b>

**Center Code Assigned:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Proposal to Establish an Off-Campus Center

Institution Name: \_\_\_\_\_

Location of Proposed Center: \_\_\_\_\_

Five-year cost projections are required.

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Expenditures</b>					
<b>A. One-time Expenditures</b>					
New/Renovated Space <sup>1</sup>	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	-	-	-	-	-
Library	-	-	-	-	-
Sub-Total One-time	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Recurring Expenditures</b>					
<b>Personnel</b>					
<b>Administration</b>					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Administration	-	-	-	-	-
<b>Faculty</b>					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Faculty	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Support Staff</b>					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Support Staff	\$ -	\$ -	\$ -	\$ -	\$ -

**Operating**

Equipment	-	-	-	-	-
Other	-	-	-	-	-
Sub-Total Operating	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Recurring	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>(A+B)</b>					

<sup>1</sup>Funding Source for Facilities/Space:

- Owned by Institution
- Leased by Institution
- Owned by another public institution of higher education
- Provided at no cost to the institution. Please Document.

Facilities/Space:

Square Footage \_\_\_\_\_

Tennessee Higher Education Commission  
Off-Campus Center Notification of Program Extension  
Approval Form

Date: \_\_\_\_\_

Institution: \_\_\_\_\_

Center/Building Name: \_\_\_\_\_ Center Code: \_\_\_\_\_

Program Title: \_\_\_\_\_

CIP Code: \_\_\_\_\_

Degree Level: \_\_\_\_\_

Implementation Date: \_\_\_\_\_

Please include the projected sequence of course offerings for full-degree completion at the off-campus center.

<p><b><u>Freshmen Year:</u></b>  <b><u>Sophomore Year:</u></b>  <b><u>Junior Year:</u></b>  <b><u>Senior Year:</u></b></p>
--

**Approvals**

_____	_____
<b>Institution</b>	<b>Date</b>
_____	_____
<b>Governing Board</b>	<b>Date</b>
_____	_____
<b>THEC Executive Director</b>	<b>Date</b>

Center Code Assigned: \_\_\_\_\_ Date: \_\_\_\_\_

**Tennessee Higher Education Commission  
Off-Campus Site Approval Form**

Date: \_\_\_\_\_

Institution: \_\_\_\_\_

Site/Building Name: \_\_\_\_\_

Site Address: \_\_\_\_\_

County Code (5 digit)    - - - - -

Proximity to Main Campus in Miles:    \_\_\_\_\_

**Is site within:**

\_\_\_\_\_ designated service area

\_\_\_\_\_ expanded service area

\_\_\_\_\_ not within service area (attach institutional agreements or provide explanation)

**Has this site previously been assigned a code?** Y/N

**If yes, what was the previous code?** \_\_\_\_\_

**Justification for Site Approval**

Please provide a detailed justification of need, and an explanation of the intended purpose for this proposed site. The justification should include a detailed overview of community and employer support, projected demand, and external financial support for the project as applicable. Please use attachments as needed.

**Estimated number of students to be served during first semester:** \_\_\_\_\_

**Expected term offering of classes at proposed off-campus site:** \_\_\_\_\_

\_\_\_\_\_

## Cost Factors

Estimate **all costs** to be incurred by the implementation of the proposed site for the first semester. Please attach additional documentation to this form as needed to fully disclose all projected costs.

### Expense:

Number of faculty needed:

\_\_\_ existing full-time    \_\_\_ adjunct    \_\_\_ new full-time for site only

Estimated instructional costs: \$ \_\_\_\_\_

Cost of rental/lease: (if applicable) \$ \_\_\_\_\_

Term of lease: (if applicable) \_\_\_\_\_

Estimated cost of utilities: (if applicable) \$ \_\_\_\_\_

Other (equipment, maintenance, etc.) \$ \_\_\_\_\_

Total Expenses: \$ \_\_\_\_\_

Anticipated external funds to cover initial start-up costs  
\$ \_\_\_\_\_

### Approvals

\_\_\_\_\_  
Institution \_\_\_\_\_  
Date

\_\_\_\_\_  
Governing Board \_\_\_\_\_  
Date

\_\_\_\_\_  
Commission Staff \_\_\_\_\_  
Date

**Site Code Assigned:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Section Title:** Academic Policies

**Policy Title:** Quality Initiatives

**Policy Number:** A2.0

2.0.10 **Scope and Purpose.** The scope and purpose of policies in this subsection are derived from the 1967 Legislative Act creating the Commission, the Comprehensive Education Reform Act of 1984, the Commission's own determination to establish a comprehensive policy framework for the continued improvement of public institutions of higher education, and, particularly, their faculty, students, programs and libraries and other facilities. In keeping with these mandates, the Commission has undertaken certain responsibilities for the following quality initiatives funded at Tennessee public postsecondary institutions.

Performance Funding for formula-funded degree institutions  
Centers of Excellence for universities  
Centers of Emphasis for 2-year institutions  
Chairs of Excellence for universities  
Ned McWherter Scholars Awards  
Instructional and Research Equipment  
Vocational Improvement Equipment

In discharging these responsibilities, the Commission will endeavor to focus the activities of higher education in the state.

2.0.20 **Funding.** The Commission will recommend funding for each of the quality initiatives according to the following formats.

2.0.20A **Performance Funding.** The Commission staff will review institutional reports for each fiscal year as part of the annual budget process and the Performance Funding supplement will be based on that review.

2.0.20B **Centers of Excellence.** The Commission staff will review funding requests as part of the annual budget process, and the Commission's recommendation for each Center will be based on that review and recommendations to the Commission by the governing boards. A rigorous external review of Centers will be undertaken periodically, and this review will also influence funding recommendations.

2.0.20C **Centers of Emphasis.** The Commission staff will review funding requests as part of the annual budget process, and the Commission's recommendation for each Center will be based on that review and recommendations to the Commission by the State Board of Regents.

2.0.20D **Chairs of Excellence.** As part of the annual budget process, the Commission will recommend a total amount of new endowed funds to be

designated for Chairs. Whenever a governing board recommends a Chair for a specific institution, the Commission will comment on the suitability of the Chair and transmit its comments to the General Assembly.

- 2.0.20E **Ned McWherter Scholars Awards.** As part of the annual budget process, the Commission will recommend a total amount of new endowed funds to be designated for awards to students at public and private Tennessee institutions of higher education. The Commission will periodically review data on the colleges chosen by Tennessee's brightest high school graduates.
- 2.0.20F **Instructional and Research Equipment.** As part of the annual budget process, the Commission will recommend annual funds for this program at universities and two-year institutions.
- 2.0.20G **Vocational Improvement Equipment.** As part of the annual budget process, the Commission will recommend annual funds for this program at technology centers.

**Approved** April 22, 1988

**Section Title:** Academic Policies

**Policy Title:** Performance Funding

**Policy Number:** A2.1

- 2.1.10 **Criteria for Review.** The criteria for review of annual institutional reports will be established in guidelines to be revised at five-year intervals. These guidelines will be developed by the Commission staff through extensive consultation with the campuses and the governing board staffs and will be approved by the Commission. The guidelines will recognize both improvement and absolute level of performance.
- 2.1.20 **Scoring.** The Commission staff will assign a total score and relevant subscores to each institutional report. These evaluations will be shared with the institutions and governing board staffs, who will be given opportunity to question any subscore where they believe there is a substantial error.

**Approved:** April 22, 1988

**Section Title:** Academic Policies

**Policy Title:** Centers of Excellence

**Policy Number:** A2.2

2.2.10 **Categories of Centers.** There are three categories of Centers: Accomplished Centers, other existing Centers, and new Centers. The classification of Centers will be determined by the Commission upon the recommendations of the governing boards and the advice of the Commission Staff.

2.2.10A **Eligibility.** An existing Center is eligible for designation as an Accomplished Center if it has been in operation at least three full years and if it received the best possible evaluation in its most recent external review, as determined by the Commission Staff.

2.2.10B **Selection.** An eligible Center will be designated as an Accomplished Center by the Commission upon the recommendation of the appropriate governing board and the advice of the Commission staff. The criteria for selection are:

1. Evidence of substantial accomplishment, including marked improvement in comparative standing,
2. A plan for the next 5 years based on the approved mission of the Center and focusing primarily on research,
3. Confirmation that any substantial obstacles for long-term success have been removed, and
4. Periodic reviews, including five-year intensive reviews, of the accomplished centers.

2.2.20 **Funding.** The Commission will adhere to the following principles in recommending funding for the three categories of Centers:

2.2.20A **Funding Increases.** The Commission will recommend that the aggregate funding for Accomplished Centers for continuing expenses be amounts that are reasonable and can be justified. Accomplished Centers will have first call on funds made available from an aggregate reduction in funding for other Centers.

2.2.20B **Funding Decreases.** The continuing expenses for Accomplished Centers will not be recommended for decrease unless total Centers funding is reduced in aggregate and, simultaneously, every non-Accomplished Center is either eliminated or substantially reduced in funding through elimination of all activities not deemed to be excellent.

2.2.20C **New Centers.** There may be occasional competitions for a limited number of new Centers, under guidelines that will be developed by the

Commission staff in consultation with the governing board staffs and that will be approved by the Commission. New Centers will not be funded unless they have the clear potential to become Accomplished Centers. The initiation of new Centers will not coincide with reductions in continuing expense for Accomplished Centers.

**Approved** April 22, 1988

**Section Title:** Academic Policies

**Policy Title:** Chairs of Excellence

**Policy Number:** A2.3

2.3.10 **Appropriate Expenses.** Endowment income shall be used to fund the salary and benefit package of the Chairholder. After salary and benefits of the Chairholder are paid, the remaining endowment income shall accumulate in the Trust Fund or be spent to support the Chairholder's teaching and research activities.

2.3.20 **Chairholders.** A chairholder shall be a full-time employee of the institution. Revolving appointments, (full-time temporary appointments) are also appropriate where the Chairholder is of extraordinary prominence and a permanent full-time appointment is not feasible.

2.3.30 **Chair Endowment Funding Levels.** A minimum endowment of \$1.0 million shall be established as a base level requirement for all approved Chairs of Excellence. Institutions and governing boards shall maintain the flexibility to establish endowments above this minimal level.

2.3.40 **Approval Process.** In submitting a Chair of Excellence for review, the appropriate governing board shall:

1. Estimate the annual funding required, by source, to support operation of the Chair;
2. Comment on how establishment of the Chair will assist the Institution in achieving that institution's mission;
3. Comment on the impact the establishment of the Chair will have on other institutional programs; and
4. Describe the general qualifications of individuals that the institution intends to recruit to fill the Chair. After the Chair is filled, the appropriate governing board shall submit a report to the Commission and the joint Legislative Oversight Committee on Education which shall include the appointee's general background, experience, and qualifications.

The Commission, in cooperation with the governing boards, shall submit an annual report to the Joint Legislative Oversight Committee on Education. The report shall include the general status of the Chairs of Excellence program, the impact that the Chairs of Excellence program has on higher education institutions and programs, and recommendations to enhance the effectiveness of the Chairs of Excellence program.

2.3.50 **Budgetary Review.** Institutions, through their governing boards, shall submit budgetary data on Chairs of Excellence using the guidelines

prepared by the Commission staff as a part of the annually July 1 operating budget review process.

2.3.60 **Effects of Inflation on Endowment Income.** The Commission and the governing boards shall monitor the effects of inflation on the endowment program and work with the State Treasurer's office to minimize inflationary effects on endowment income.

2.3.70 **Long-range Goals for the Chairs of Excellence Program.** A statewide five-year plan for Chairs of Excellence shall be developed which include proposed Chairs of Excellence by institution and discipline as well as statewide goals.

**Approved** May 5, 1989

**Section Title:** Academic Policies

**Policy Title:** Contracts with Private Higher Education Institutions

**Policy Number:** A3.0

3.0.10 **Purpose.** Contract programs with private colleges and universities generally will address special educational needs in the state. These needs may be “special” relative to the location in the state of the need, or to the unique or specialized program required to meet the need. These special needs must be more economically met by the state through the contract program than through initiating, expanding, or extending comparable programs in public institutions.

3.0.20 **Eligibility.** The Commission may negotiate for academic programs with private colleges and universities that are accredited by the institutional accrediting agency recognized by the Council on Postsecondary Accreditation (COPA) if accreditation is available.

3.0.20A Only academic programs of a secular nature may be contracted.\*

3.0.20B State funds allotted to a private institution for a contract program must be used by the institution for the purpose designated in the contract and may provide for the education of Tennessee residents only.

3.0.20C Contracts with private institutions may be negotiated for more than one year with the stipulation that continuation each year is dependent on the availability of state funds.

3.0.20D State funds will be allocated to the private institution for a designated number of either student spaces or student credit hours on a term or academic year basis in accordance with review criteria.

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\* This requirement is in keeping with the Federal Court’s “primary effect” test which requires (1) that no state aid go to institutions “so pervasively sectarian” that secular activities cannot be separated from sectarian activities and (2) that if secular activities can be separated out, they alone may be funded.

**Approved:** April 22, 1988

**Section Title:** Academic Policies

**Policy Title:** Contract Programs

**Policy Number:** A3.1

3.1.10 **Review Criteria.** The standards given here are representative of the elements considered by the Commission in the specific appraisal of contract programs. This list is not exhaustive. Review of specific contract programs may call for adjustment in the application of these criteria.

3.1.10A **Mission.** A contract program should be consistent with the mission of the institution as approved by the board of trustees. Further, the contract program should have the approval of the institution's governing board before it is acted upon by the Commission.

3.1.10B **Demand.** There should be well-documented justification for the program in terms of student interest and appropriate employment market demands in Tennessee.

3.1.10C **Curriculum.** The curriculum of the proposed contract program should show a commitment to careful planning via clear statements of the following:

1. The degree, major, and sub-majors (options, concentrations, emphasis) to be contracted, as they are to appear on student records and catalog announcements;
2. The goals and objectives of the contract program, precise enough to facilitate program evaluation;
3. The compatibility of courses with contract program goals and accreditation standards where evaluated;
4. The procedures, measures/indicators, standards to be used for on-going institutional evaluation of the contract program;
5. The identification of persons and/or advisory groups qualified to provide an independent review of the contract proposal; and
6. The professional accreditation status of the program - if accreditation is available.

3.1.10D **Academic Standards.** The admission, retention, and graduation standards should be clearly stated, be compatible with existing institutional policy, and be designed to encourage high quality.

3.1.10E **Faculty.** Current and/or anticipated faculty resources should insure a program of high quality. The number and qualification of faculty should at least meet existing institutional standards and be consistent with external standards where appropriate.

- 3.1.10F **Library Resources.** Current and/or anticipated library resources should be adequate to support a high quality program and should meet recognized standards for study at a particular level or in a particular field where such standards are available.
- 3.1.10G **Administration/Organization.** The organizational placement and the administrative responsibility for the program should be clearly defined and designed to promote success of the program.
- 3.1.10H **Support Resources.** All other support resources - existing and/or anticipated - should be adequate to support a high quality program. This would include clear statements of the availability of clerical personnel, equipment, and arrangements for clinical or other affiliations necessary for the program.
- 3.1.10I **Facilities.** Existing and/or anticipated facilities should be adequate to support a high quality program.
- 3.1.10J **Program Costs.** The costs to the state of a contract program should be carefully estimated. The Commission will evaluate whether the cost associated with the program appears to be justified by the educational benefits to students and the state and whether the contract proposal appears to be the most cost effective way to provide the services.
- 3.1.20 **Review Procedures.** Formal request by a private institution for a contract will be initiated by the Commission staff upon submission by the private institution of a contract program proposal.
- 3.1.20A Early and informal contact with Commission staff in the planning of a contract program is encouraged. This involvement may facilitate such activities as:
1. Assessment of program need and demand;
  2. Identifying criteria that may be seen as particularly important for a given program review;
  3. Exploring the need for consultants, the timing of their entry into the planning process, and their role;
  4. Negotiating changes in the proposal format where that is seen as desirable; and
  5. Comparing contract program costs with comparable program costs in the public institutions.
- 3.1.20B A contract program proposal should be submitted to the Commission staff for review no later than July 1 of the fiscal year prior to the fiscal year for which funding will be requested.
- 3.1.20C When the review process has been completed, the proposal will be presented to the Commission, where it will be approved disapproved, or deferred with a statement of specific conditions necessary for further consideration of the proposal.

- 3.1.30 **Accountability.** The Commission is responsible for monitoring the institution's use of appropriated funds and for certifying the residency of student applicants.
- 3.1.30A Contract programs are subject to audit according to procedures established by the Comptroller of the State of Tennessee.
- 3.1.30B Enrollment information for contract programs will be submitted to the Commission in a form and on a schedule comparable to that of public institutions.

**Approved** April 22, 1988

**Section Title:** Academic Policies

**Policy Title:** Southern Regional Education Board

**Policy Number:** A4.0

4.0.10 **General Policy.** Under the aegis of the Southern Regional Education Board (SREB), the Higher Education Commission contracts with institutions for the admission of Tennesseans at a reduced tuition rate into specifically designated programs. With the establishment of the SREB Academic Common Market, Tennesseans gain access to more programs and have the opportunity for waiver of out-of-state fees by the enrolling institutions. This Common Market approach presents the possibility of greater long-term benefits for the citizens of those states which are participants in the Southern Regional Education Board compact.

**Approve:** April 22, 1988

**Section Title:** Academic Policies  
**Policy Title:** Academic Common Market  
**Policy Number:** A4.1

- 4.1.10 **Academic Common Market.** The Tennessee Higher Education Commission is committed to meeting the needs of Tennessee residents for postsecondary education; however, it is impractical for an institution or the state to develop programs in every field of knowledge. Existing programs in other states often have the capacity to serve additional students. For these reasons, the State of Tennessee is a participant in the SREB Academic Common Market. The Academic Common Market assists in eliminating unnecessary duplication, provides for out-of-state tuition remission and increases availability and access to programs necessary to meet the educational needs of citizens of the SREB region.
- 4.1.20 **Responsibilities of the staff of the Commission with regard to the Academic Common Market.**
- 4.1.20A The Commission will transmit to SREB annually a list of programs and institutions in the state which the institutions, their governing boards, and the Commission recommend for inclusion in the Market.
- 4.1.20B The Commission will identify from the inventory of programs offered through the Market by institutions in other states those programs not offered in Tennessee and, thus, those programs which are available to residents of Tennessee.
- 4.1.20C The Commission will certify residents of Tennessee for participation in the Market.
- 4.1.20D The Commission will supply data to the SREB on the operation of the Market, e.g., the number of students from other states in the Market programs offered by Tennessee institutions.
- 4.1.20E The Commission will describe the Market in appropriate state publications.

**Approved** April 22, 1988

**Section Title:** Academic Policies  
**Policy Title:** Regional Contract Program  
**Policy Number:** A4.2.

4.2.10 **Criteria for the establishment of SREB regional contract programs.**

4.2.10A There must be discernible need/demand for graduates beyond the production rate which is possible, or financially feasible, from existing Tennessee programs in public and private institutions.

4.2.10B Contracts will be developed only with institutions and academic programs which are accredited by the appropriate regional accrediting agency and specialized academic accrediting body, where appropriate.

4.2.10C Contracts will be developed only for programs which are not eligible for inclusion in the SREB Academic Common Market.

4.2.20 **Procedures for Contract Program Administration.**

4.2.20A The Commission will negotiate the contracts between the Commission and the SREB and between the SREB and the institution; these contracts will identify the student quota, the contract fees per student, and the agency for administration of student certification and payment of invoices.

4.2.21 **Evaluation.**

4.2.21A The Commission is responsible for certification of students within the residency rules established by the Commission.

4.2.21B The Commission will prepare the annual appropriations request for contract education for inclusion in the Governor's budget request to the General Assembly.

4.2.21C The Commission will evaluate periodically the contract programs and these programs are subject to audit according to the procedures established by the Comptroller of the State of Tennessee.

**Approved** April 22, 1988

**TENNESSEE HIGHER EDUCATION COMMISSION**

**FINANCIAL POLICIES**

- F1.0 Financial and Statistical Reporting**
- F2.0 Tuition and Fees**
- F3.0 Operating Appropriations**
- F4.0 Facilities and Capital Outlay**
  - F4.1 Institution Facility Master Plans**
  - F4.2 Lease Space Funding**
  - F4.3 (Reserved)**
  - F4.4 Chief Executive Officer Housing**
  - F4.5 Academic Funding Formula**
- F5.0 Self-Supporting Academic Entities**

**Section Title:** Financial Policies  
**Policy Title:** Financial and Statistical Reporting  
**Policy Number:** F1.0

1.0.10 **Uniform standards of accounting, financial reporting and statistical reporting shall be adhered to by the various institutions.**

1.0.10A The Higher Education Commission has promulgated, in conjunction with the Comptroller of the Treasury and Commissioner of Finance and Administration, accounting and financial reporting standards for state colleges, universities, and technical institutes. These standards are contained in the publication, *Financial Reporting for Tennessee Public Colleges and Universities*.

1.0.10B The annual audit of financial and enrollment records in each public college and university of the state conducted by the Comptroller of the Treasury shall be reported to the Commission.

1.0.10C The July 1 proposed and October 31 revised budgets of all public higher education programs shall be reviewed by the Commission, and the Commission shall transmit the budgets and its comments to the Commissioner of Finance and Administration.

1.0.10D The Commission shall collect other statistical information as necessary to carry out its statutory responsibilities. To the extent possible, such information shall be collected in standard formats and at regular intervals in order to minimize the workload of institutions and governing boards. Such information shall include, but not be limited to, that regarding instructional costs, students, academic programs, graduates, and facilities.

1.0.10E In accordance with T.C.A. 49-7-112, Chapter 83 of the Public Acts of the 93<sup>rd</sup> General Assembly, the Commission shall annually compute the tuition subsidy (i.e., appropriation per student) at each public institution. Such calculations shall be reported to the institutions for inclusion on tuition and fee bills sent to students and parents.

**Approved:** April 22, 1988

**Section Title:** Financial Policies

**Policy Title:** Tuition and Fees

**Policy Number:** F2.0

2.0.10 **The Commission shall review fees and make recommendations on an annual basis.**

2.0.10A The Commission’s tuition and fee policies are general guidelines, and institutions and governing boards should have flexibility in setting fees and using fee revenue to address the highest priority needs.

2.0.10B To ensure continued access to higher education opportunities for students from all economic levels, student financial aid availability from state and federal sources should be considered in conjunction with annual increases in tuition and fees.

2.0.10C Fees for institutions with broadly similar missions and fees for students enrolled in similar professional programs (law and medicine) should be the same. The following groups should be used:

- Group 1: UT Knoxville
- Group 2: University of Memphis
- Group 3: All other Universities
- Group 4: Community Colleges and Technical Institutes
- Group 5: Technology Centers

2.0.10D For resident students, a tuition indexing approach consisting of a ratio or percentage (fees divided by state appropriations) should be used. The tuition indexes should be considered as general goals and implementation for any category should not, with possible exceptions for medicine and veterinary medicine, exceed the average for the Southern Regional Education Board (SREB) region and peer institutions unless appropriations reach this level.

1. For Tennessee residents enrolled in universities, the tuition index should be 40%.
2. For Tennessee residents enrolled in two-year institutions, the tuition index should be 35%.
3. For medicine, veterinary medicine, dentistry, and technology centers, the tuition index should be 15%.
4. For other graduate programs including law, fees should be at a level 50% higher than undergraduate fees.

2.0.10E Out-of-state fees should be recommended at the same level as the average for other southern states.

- 2.0.10F Comparisons of fees with SREB, peer institutions, and other states should be made on an annual basis and presented to the Commission and appropriate executive and legislative officials.
- 2.0.10G The residency classification guidelines for students should be the same at all institutions.

Approved: April 22, 1988

**Section Title:** Financial Policies  
**Policy Title:** Operating Appropriations  
**Policy Number:** F3.0

- 3.0.10 **Appropriations Formula.** The Commission's enabling legislation requires the Commission to develop policies and formulae for the fair and equitable distribution of public funds among the state's institutions of higher learning, taking into account enrollment projections, and recognizing institutional differences as well as similarities in functions, services, academic programs, and levels of instruction. The Commission shall review and adopt formula guidelines and priorities and operating appropriations recommendations on an annual basis.
- 3.0.10A The overall goal of the Commission's funding policies and recommendations shall be to provide a level of operating support such that each institution may fulfill its role and mission with distinction. The funding recommendations should provide recognition of differences in institutional role and mission and should promote access, desegregation, quality, and evaluation of performance.
- 3.0.10B In recognition of limited resources, the Commission shall annually establish funding priorities which address the relative importance of all major funding areas, both operating and capital. Such areas shall include, but not be limited to, basic operating funds, capital maintenance, qualitative initiatives, equipment, capital outlay, and special programs.

**Approved:** April 22, 1988

**Section Title:** Financial Policies

**Policy Title:** Capital Outlay and Capital Maintenance Funding Recommendations

**Policy Number:** F4.0

4.0.10 **Introduction.** Each year, pursuant to T.C.A. 49-7-202, the Tennessee Higher Education Commission staff will transmit to both governing boards capital outlay and capital maintenance funding request guidelines, which include Department of Finance and Administration requirements. In accordance with the guidelines, each governing board will submit their requested capital outlay and capital maintenance projects in numerical priority beginning with the number 1 and listing subsequent projects in progressive numeral order. The project information included for each request must address the proposed source or sources of funding. THEC staff will review the requests and make a recommendation to the Commission regarding the governing boards' capital outlay and maintenance requests. The Commission's actions then will be transmitted to the Department of Finance and Administration for review and consideration in the annual appropriation request.

All appropriation recommendations for capital outlay and capital maintenance projects will be distributed between the two governing boards in a fair and equitable manner. Projects submitted by the two governing boards must utilize the THEC Space Planning Guidelines. Each system should also seek to partner and cooperate with other federal, state or local government entities on capital projects when it will lead to efficiencies in operations in both entities.

4.0.20 **State Funded Capital Outlay Projects.** This category includes all new construction and renovation projects that utilize state funding in whole or in part. The overall goal of the capital outlay program is to provide physical facilities to enable each institution to provide a quality educational atmosphere, to fulfill their role and mission.

The Commission staff will:

1) utilize the THEC Space Planning Guidelines to assist in evaluating the project as it relates to campus space issues;

2) use the following priorities in the order presented to establish a unified capital outlay recommendation for capital projects.

Priority 1 - This priority is to address projects that are consistent with the requirements of legal or court-ordered mandates.

Priority 2 - This priority is to address renovation projects that directly support the teaching function.

Priority 3 - This priority is to address the construction of new space that directly supports the teaching function.

Priority 4 - This priority is to address the renovation of buildings that are obsolete due to age or condition.

4.0.20A Priority Criteria. THEC staff will utilize the following criteria in priority order to establish a unified capital outlay recommendation for capital projects related to Priorities 2-4 above:

1. Projects that previously received partial funding or equipment not previously funded but required to complete a capital project.
2. Renovations of existing space to address deteriorated physical conditions or functional deficiencies.
3. New construction of facilities that directly support the teaching function.
4. Other projects that do not directly support the teaching function.

4.0.20B Priority Order. The priority order that each governing board assigns to its recommended projects will be maintained unless the Commission determines that a critical need would not be addressed by doing so.

#### 4.0.21 **Amendments to State Funded Capital Outlay Projects**

4.0.21A Project Substitution. On an exception basis involving unusual circumstances, each governing board may request that THEC consider a substitution for new capital outlay priorities from the time they submit their recommendations until a minimum of two weeks prior to the end of the calendar year. THEC will consider any recommendations made and if approved will recommend the project to the Governor. The Governor will then have time to consider the revised request in his budget. Each new project or projects being substituted into the priorities may not cost more than the project or projects being replaced. Exceptions may be considered after the deadline if significant external funding for a project is received from gifts, grants, or other non-state sources.

4.0.21B Emergency Projects. Projects of an emergency nature should be immediately transmitted to THEC when necessary to avoid immediate danger to persons or property when absolutely essential and indispensable to campus operations. A project in this category will be expedited and recommended by THEC for consideration by the State Building Commission at its next regularly scheduled meeting.

4.0.21C The Executive Director of THEC may approve an amendment to the capital outlay listing on behalf of the Commission for projects that fall into either the project substitution and/or emergency projects categories. In this case THEC staff will promptly notify the THEC and governing boards, the Commissioner of Finance and Administration, the Chairs of the House and the Senate Finance Committees, the Legislative Budget Office, and members and staff of the State Building Commission of the recommended change to the capital outlay list and the effect that the project will produce in the institution's Educational and General square footage total.

4.0.30 **Standard Process for Disclosure of Non State Funded Capital Projects**

4.0.30A As part of the annual appropriation request process, each governing board shall transmit to the THEC staff a list of capital projects to be considered for funding through the Tennessee State School Bond Authority or sources other than state appropriations.

4.0.30B Due to the length of time that is involved in the budget process the two governing boards should include in their request the projects that they anticipate presenting to the State Building Commission in the upcoming two fiscal years.

4.0.30C THEC staff will review the requests and make a recommendation to the Commission.

4.0.30D The Commission's actions will be transmitted to the Department of Finance and Administration for review and disclosure in the annual budget document.

4.0.30E The disclosed projects listing submitted by each system must include the following information, consistent with capital outlay and maintenance projects: Project Name, Project Description, Funding Source; Estimated Project Cost; and the amount of square feet that will be added to the institution's current Educational and General square footage total.

4.0.30F A disclosed project that is approved by the legislature for a particular fiscal year may remain on the list and eligible to receive approval from the SBC until the end of the following fiscal year before it will be purged from the disclosed list by THEC during the following appropriations request cycle. The governing board may again disclose this project in future budget cycles.

4.0.31 **Amendments to Disclosed Projects**

4.0.31A Amendments to the Disclosed Projects listing shall be transmitted to THEC staff by each governing board by March 31<sup>st</sup> of each year for consideration by the Commission at the spring quarterly meeting.

1. In April of each year THEC staff will transmit to the Department of Finance and Administration the Commission's action on amendments to the Disclosed Projects listing for review and inclusion in the Appropriations Bill.

4.0.31B No further amendments will be made to the Disclosed Projects listing unless the project is:

1. of a true emergency nature to avoid immediate danger to persons or property; or unforeseen maintenance projects absolutely essential and indispensable to campus operations. A project in this category will be expedited and recommended by THEC for consideration by the State Building Commission at its next regularly scheduled meeting.
2. a special opportunity project. An example of projects in this category includes the receipt of a federal grant or private donation that requires the immediate construction, renovation, or demolition of space. In addition, the requirements of the grant or donation are such that the project cannot wait for consideration in the next budget cycle. Once THEC makes a recommendation for approval, a minimum of 30 days will transpire before the project may be formally submitted to the SBC for action.

4.0.31C A request to amend the Disclosed Projects listing shall be submitted by the president or chancellor of the governing board to THEC staff for review and approval prior to any request for action by the State Building Commission. The request shall include a letter explaining the need for the project, the amount and source of funding, and providing appropriate documentation to support the request.

4.0.31D The Executive Director of THEC may approve an amendment to the disclosed project listing on behalf of the Commission for projects that fall into either the emergency and/or special opportunity categories. In this case THEC staff will promptly notify the THEC and governing boards, the Commissioner of Finance and Administration, the Chairs of the House and the Senate Finance Committees, the Legislative Budget Office, and members and staff of the State Building Commission of the recommended change to the project disclosure list and the effect that the project will produce in the institution's Educational and General square footage total.

4.0.40 **Capital Maintenance Projects** - Each governing boards' list of requested capital maintenance projects must be submitted to the THEC staff in priority order by project which reflects their capital maintenance needs. THEC staff will make a recommendation to the Commission for each governing boards' capital maintenance request based upon the governing boards' priorities. The Commission's actions will be transmitted to the Department of Finance and Administration for review and consideration in the annual appropriation request.

- 4.0.50 The Executive Director is authorized to make appropriate adjustments to the capital outlay and capital maintenance recommendations as necessary on behalf of the Commission.
- 4.0.60 Emergency Projects. Projects of an emergency nature should be immediately transmitted to THEC when necessary to avoid immediate danger to persons or property when absolutely essential and indispensable to campus operations. A project in this category will be expedited and recommended by THEC for consideration by the State Building Commission at its next regularly scheduled meeting.

Approved: April 22, 1988  
Revised: January 27, 1989  
Revised: July 26, 1996  
Revised: July 25, 1997  
Amended: April 18, 2002 (Projects Disclosure List)  
Revised: April 17, 2003  
Amended: November 17, 2005  
Amended: November 20, 2008

**Section Title:** Financial Policies  
**Policy Title:** Institution Facility Master Plans  
**Policy Number:** F4.1

**4.1.10 Purpose.** The purpose of the facility master plan is to articulate the multi-year facility needs of the institution in order to accomplish the vision, goals, objectives, and direction established within the approved academic plan for the institution. The facility master plan provides guidance for future construction, renovations, and maintenance projects necessary to provide quality instructional and service facilities.

**4.1.10A Minimum Scope.** The facility plan must address as a minimum:

1. consideration of academic mission
2. enrollment
3. student services
4. capital construction and maintenance projects, including Americans with Disabilities Act provisions
5. parking
6. land acquisition and disposal
7. site issues:
  - (a) utilities
  - (b) signage
  - (c) traffic and pedestrian circulation
  - (d) landscaping

**4.1.20 THEC Approval.** A facility master plan, once approved in compliance with the policies and procedures of the respective governing board, must be submitted to the Tennessee Higher Education Commission for review and approval prior to submission to the State Building Commission.

**4.1.20A Cycle for Updating Plans.** A facility master plan should be reviewed and updated for each institution at least every five years. All revisions to existing master plans must be submitted to the Tennessee Higher Education Commission for review and approval once approved in compliance with the policies and procedures of the governing board.

**4.1.20B Appropriation Request.** New building construction or additions, capital maintenance (including Americans with Disabilities Act provisions), land acquisition, and land disposal projects should be addressed in the approved master plan in order to be considered for funding through the annual appropriation request process.

**4.1.20C Consultant Services.** The cost of obtaining consultant services for campus master plans must be funded from institutional sources.

**Approved:** January 26, 1990 as Policy F4.3, Campus Facilities Master Plans  
**Revised:** November 14, 2002, replacing F4.1, Land Plans and Purchases  
and adding this language.

**Section Title:** Financial Policies

**Policy Title:** Lease Space Funding

**Policy Number:** F4.2

**4.2.10 Lease Space Funding.**

Rental commitments exceeding \$15,000 annually or for a term longer than five years require prior Commission approval if funding for such space is through state funds.

**Approved:** April 22, 1988

**Section Title:** Financial Policies

**Policy Title:** (Reserved)

**Policy Number:** F4.3

**Section Title:** Financial Policies

**Policy Title:** Chief Executive Officer Housing

**Policy Number:** F4.4

4.4.10 **Housing Policy.** This policy provides general guidelines for the provision of housing to the chief executive officer of Tennessee public higher education institutions, governing boards, and the Higher Education Commission. The provisions of an official residence, housing allowance or a base salary adjustment in lieu of a housing allowance is considered to be a part of each chief executive officer's salary and benefit package.

4.4.20 **Universities.** An official residence or housing allowance shall be provided to the chief executive of each of the universities. Occupancy of the residence is required.

4.4.30 **Two-Year Institutions.** The provision of an official residence to chief executive officers of two-year institutions is not required for all campuses. Where housing is provided, the chief executive officer is required to occupy the residence. Given current practices, the Tennessee Board of Regents should be given the flexibility to continue current arrangements or dispose of existing properties. State funds should not be used to purchase housing where such housing does not now exist. Flexibility should be provided to the governing board in determining compensation to provide equity among chief executive officers and to assure that salary and compensation are competitive with other states.

4.4.40 **Governing Boards and the Higher Education Commission.** The provision of an official residence to chief executive officers of the governing boards and the Higher Education Commission is not required. However, where housing is provided, the chief executive officer is required to occupy the residence. State funds should not be used to purchase housing where such housing does not now exist. Flexibility should be given to Boards to establish compensation which is competitive with other states.

**Approved:** February 8, 1990

**Section Title:** Financial Policies

**Policy Title:** Academic Funding Formula

**Policy Number:** F4.5

4.5.10 T.C.A. § 49-7-202 requires the Tennessee Higher Education Commission “To develop policies and formulae of guidelines for the fair and equitable distribution and use of public funds among the State’s institutions of higher learning, taking into account enrollment projections, and recognizing institutional differences as well as similarities in function, services, academic programs and levels of instruction.” The Commission has adopted the following policy regarding the formula.

1. The formula should adequately but reasonably reflect the funding needs of public higher education institution.
2. The formula must provide equitable distribution of available resources.
3. Institutions should retain maximum management flexibility in the use of funds, and should not be penalized for efficient use of resources.
4. The formula should provide recognition of differences in institutional role and mission.
5. The formula should be compatible with statewide goals such as access, desegregation, quality and evaluations of performance.
6. The formula should be as simple as possible given the complex nature of the institutions to be funded.
7. The formula should be based upon reliable information and data systems which assure comparability among institutions.

The formula is revised, as necessary, in accordance with new information or methods and is annually evaluated by the Formula Review Task Force, comprised of Commission staff and representatives from the institutions and governing boards. Beginning FY 1995-96, the Commission will analyze actual expenditures at each institution in relation to the amount appropriated through the formula.

The two parts of the current formula, expenditures and revenues, relate only to unrestricted education and general monies, Restricted funds such as federal research grants or other gifts and grants are not included.

The calculations do not represent the specific institutional budgets for the functions listed, but rather are for the purposes of requesting and distribution of appropriations. The management of actual appropriations is the responsibility of institutions and their governing boards.

FORMULA COMPONENTS ARE:

**Instructional and Academic Support:** Institutional expenditures are concentrated in the instruction and academic support categories. Included are faculty, academic administration and clerical salaries, office expense and equipment, and other activities such as demonstration schools and farms which support the instructional program.

For instruction the formula recommends funds based upon faculty salaries and student/faculty ratios at comparable institutions. The use of CIP (Classification of Instructional Programs) have been adopted as the standard to use for credit hour production and student/faculty ratio determination.

The funding calculation divides the projected student credit hour production by student/faculty ratios to determine the number of instructional personnel required, and this number is then multiplied by the average salary factor of peer institutions. Adjustments are made for graduate assistants, equipment, clerical, and supply requirements, and to recognize enrollment fluctuations. Within the formula, Tennessee institutions are compared to comparable institutions for purposes such as average faculty salaries. The use of peer institutions is a major component of the formula. A common set of ten peers was selected for the 14 two-year colleges and technical institutes. Ten peers each were selected for the University of Memphis and University of Tennessee, Knoxville. For the other seven universities, ten peer institutions were selected comprised of seven common and three specific peers.

Funding needs for libraries depend on the type, as well as size of the institution. The formula approach for libraries recommend a rate per FTE student. The rate is based on an analysis of library expenditures at peer institutions.

**Maintenance and Operation of Physical Plant:** The maintenance and operation of physical plants, which includes repair service, utilities, custodial service, and grounds work comprises 10.5% of the total institutional expenditures. Cost factors recognized by the Commission formula are intensity of use, age of facility, and education and general square footage. The formula distributes equal dollar amounts for each square foot of education and general space, excluding dormitories and auxiliary space.

**Institutional Support:** Expenditures for institutional support are 10.69% of total expenditures. Included in this category are the president's office, business office, personnel office, security, catalogs, and information. Campus security is funded at each institution on a square footage basis and adjusted by a factor which considers whether or not the campus is located in an urban or rural area.

**Student Services:** Expenditures for student services, including admissions and records, dean of men, dean of women, financial aid, student health, and athletics, are 9.8% of total expenditures. Formula costs are related to FTE and headcount enrollment at each institution.

**Research:** The research function comprises 1.56% of total expenditures and includes bureaus institutes, and special projects. For universities, funds are allocated based on the institution's historical expenditures for research and the institution's ability to attract sponsored research funds.

**Public Service:** A formula calculation is used for public service and continuing education administration as a part of the public service function. Each institution receives a \$35,000 base plus 1% of instructional costs for administration of public service. ( UTK receives .25% of instructional costs plus the base for the public service allowance.

**College Preparatory Programs:** College preparatory programs include remedial and developmental instructional activities. These programs continue to be offered by the institutions, but are no longer funded at a special rate per credit hour. Instead they are funded at the same rate as college-level courses in the same discipline.

**Staff Benefits:** Staff benefits requests are analyzed in relation to previous annual expenditures. Fluctuations in health insurance and social security rates are considered in making recommended changes. Included in this category is an amount for longevity pay, an incentive program adopted by the legislature which rewards employees based on years of service.

**Student Aid:** Requests for student aid are analyzed in relation to previous annual expenditures and federal matching requirements.

**Special Allocation:** Institutions may request funds for special activities which cannot be adequately addressed through regular allocations.

**Desegregation:** Institutions may request funds for desegregation purposes which cannot be adequately addressed through other formula components.

**Performance Funding:** The formula includes a sum to be allocated to institutions depending upon their ability to improve on standards of performance. Up to 5.45% over and beyond what the formula generates if it meets or exceeds a set of qualitative standards are awarded to each institution. The purpose of these funds is to recognize and reward efforts by institutions to evaluate and improve instructional quality.

**Equipment Replacement Supplement:** Since 1989, funds have been distributed each year within the formula and through special allocations for teaching and research equipment purchases to assist institutions in replacing obsolete equipment. The method used has been based upon each institution's percent of the total value of an equipment inventory which is kept for all institutions. The increase in equipment in areas of instruction makes it necessary to consider enrollment differences among institutions as well as the equipment inventory.

**Liability Insurance:** Liability insurance premiums for state operations are included in this category and are based on state-determined experience ratings by campus.

**Inflation:** The formula includes inflation factors for non-salary expenditures and library acquisitions.

Revised: August 12, 1994

**Section Title:** Financial Policies

**Policy Title:** Self-Supporting Academic Entities

**Policy Number:** F5.0

**5.0.10 Requirements for establishing and maintaining a self-supporting academic entity**

5.0.10A Governing board and THEC policy for review and approval of academic programs and units applies to entities proposed as self-supporting.

5.0.10B The proposal to establish the self-supporting academic entity must identify the source and amount of funds by source which are planned to meet the entity's expenses.

5.0.10C Governing board and THEC policy for review and approval of academic program operating budgets applies to entities approved as self-supporting. If the characteristics of a self-supporting academic entity justify high program costs, the proposal must state a rationale for these costs.

5.0.10D The institution will annually review the status of the self-supporting academic entity in meeting its approved purpose and forward the review to the governing board and THEC as part of the annual budget process.

5.0.10E The governing board and THEC require a self-supporting academic entity to generate sufficient tuition and fees and non-state revenue to fund all direct and indirect costs of the entity, including personnel and overhead costs. An institution will not use state funds to meet direct or indirect operating costs associated with a self-supporting academic entity.

5.0.10F An institution will not use state funds for capital outlay, capital maintenance, or other physical plant renovations or improvements for a self-supporting academic entity. Capital improvements for a self-supporting academic entity will be subject to established policies and procedures of the State Building Commission and the Tennessee State School Bond Authority.

**5.0.20 Safeguards to ensure that a self-supporting academic entity does not impact the state support of any existing higher education institution or entity**

5.0.20A In its proposal to establish a self-supporting academic entity the institution will identify comparable private and public programs and assess the market potential for the proposed entity relative to its competitors.

- 5.0.20B The institution shall develop a formal memorandum of understanding with its governing board and THEC stating the relationship of a proposed self-supporting academic entity to the host institution. The memorandum of understanding will document provisions for compensation to the host institution for all services it provides to a self-supporting academic entity and specify contingency plans in the event the entity cannot sustain a revenue stream adequate to pay its expenses.
- 5.0.20C Institutions will report enrollments in a self-supporting academic program; however, student credit hours generated through these enrollments will not be considered for funding purposes.
- 5.0.20D A self-supporting academic entity will have a unique allotment code issued by the State Department of Finance and Administration.
- 5.0.20E An institution's internal auditor will review the self-supporting academic entity as part of the institution's regular audit plan.
- 5.0.20F It will be recommended that the annual State audit report include audits of self-supporting academic entities.
- 5.0.30 **Processes to set tuition and fee levels and ensure adequacy of non-state revenue to sustain a self-supporting academic entity**
- 5.0.30A The THEC shall not include in its annual tuition recommendations to the governing boards a specific tuition level for a self-supporting academic entity. Instead, THEC shall recommend that the governing board set tuition and fees at a level sufficient to meet the expenses of this entity when combined with other non-state revenue sources specific to it.
- 5.0.30B As part of the annual budget process, the institution will report to the governing board and THEC all updates to strategies to realize revenue projected in the proposal to establish the self-supporting academic entity.
- 5.0.30C All student tuition and fee revenue associated with the self-supporting academic entity shall be retained by the institution and accounted for separate and apart from the host institution's unrestricted general fund.
- 5.0.30D The institution will establish a reserve fund for excess revenue specific to a self-supporting academic entity. Excess revenue derived from a self-supporting academic entity may be applied only to that entity.

Approved: July 14, 2005

***TENNESSEE HIGHER EDUCATION COMMISSION***

**HUMAN RESOURCES POLICIES**

**HR1.0      Outside Employment**

**Section Title:** Human Resources

**Policy Title:** Outside Employment

**Policy Number:** HR1.0

- 1.0.01 PURPOSE: This policy addresses the outside employment of Commission employees, to ensure that the outside employment does not conflict with the duties of their employment at the Commission.
- 1.0.02 APPLICATION: This policy applies to all full time employees of the Tennessee Higher Education Commission.
- 1.0.03 DEFINITIONS: Outside employment is defined as any non- Commission employment or activity whereby an employee renders any service for which the employee receives cash, payment, goods, or services. Such outside employment also includes active participation in a business, including being an owner, part-owner, partner, corporate officer, or serving in a policy-making position for such business.
- 1.0.04 POLICY: As a condition of employment, all full time Commission employees shall abide by this policy. The Commission recognizes the value of outside employment of its personnel and to the citizens of Tennessee arising from outside consulting, serving as an adjunct instructor at a postsecondary institution, and other professional experiences within the higher education enterprise and acknowledges that such activities bring credit to the Commission. It also recognizes that there are other opportunities unrelated to higher education or the duties of the employee that may be available to Commission employees.
- 1.0.04A The provisions of 1.0.04 above notwithstanding, it is understood that all full time employees of the Commission recognize employment with the Commission as their primary place of employment. It is further understood that fulfillment of official duties for the Commission may require working beyond the regular work day or work week, and in such situation the work of the Commission shall take priority over any outside employment opportunity.
- 1.0.04B Employees shall not engage in any outside employment with any person or entity that may substantially affect the employee's ability to fulfill his or her official duties with the Commission.
- 1.0.04C As a guide to determine the appropriateness of outside employment, consideration shall be given as to whether the outside employment will:
1. Result in a conflict of interest, or an apparent conflict of interest, with the employee's official duties and responsibilities or with regular Commission operations;
  2. Interfere with the employee's efficient performance of official duties and responsibilities at the Commission;
  3. Bring discredit to the Commission or cause unfavorable or justifiable criticism of the Commission.

4. Be performed entirely outside of, and in addition to, normal working assignments and responsibilities;
5. Require only a reasonable time commitment from the employee;
6. Be undertaken with an inappropriate claim that the individual is officially representing the Commission in connection with the employment.

- 1.0.04D The Commission acknowledges there will be rare instances where it is acceptable for outside employment to conflict with regular working hours. Such situations must be approved in advance by the Associate Executive Director to whom the employee reports and the Executive Director. In instances of the outside employment of an Associate Executive Director or other person who reports directly to the Executive Director, the prior approval of the Executive Director is required. Additionally, such approval shall include a written plan as to how the employee will work 37.5 hours per week with additional assurance that his or her work product will not be compromised. A copy of this plan shall be placed in the official personnel file of the employee.
- 1.0.05A **PROCEDURE:** Commission employees with outside employment obligations that are limited to hours beyond the standard work day, on weekends and/or state holidays, will not be required to notify or seek approval for such employment as long as the outside employment does not conflict the stated purpose of this policy.
- 1.0.05B Commission employees with outside employment obligations that involve higher education, consulting, or as a business owner, part-owner, partner, corporate officer, or in a policy making position, and their involvement is limited to hours beyond the standard work day, on weekends and/or state holidays, shall disclose the outside employment to their immediate supervisor and a copy shall be filed with the Executive Director.
- 1.0.05C Commission employees with outside employment opportunities that may or will conflict with regular work schedule shall obtain the approval of the Associate Executive Director and Executive Director, as required by paragraph 1.0.04D, above, prior to beginning the outside employment.
- 1.0.05D Commission employees with outside employment with other agencies, departments, or institutions of State government, shall first obtain the approval of the Associate Executive Director and Executive Director and will be subject to prior approval of the President, Director, or appropriate representative of the other agency, department, or institution. Such services to another state agency or institution of higher education shall be paid by the contracting agency to the Commission in accordance with a dual services agreement.
- 1.0.06 It shall be the duty of the employee to provide notice and/or seek approval in writing on a timely basis as required by this policy.

Approved: July 27, 2006

**TENNESSEE HIGHER EDUCATION COMMISSION**

**LEGAL & REGULATORY POLICIES**

- LR1.0 Workplace Harassment**
- LR2.0 Statewide Desegregation of Higher Education**
- LR3.0 (Reserved)**
- LR4.0 (Reserved)**
- LR5.0 Code of Ethics for Commission Members**
- LR5.1 Conflict of Interest Disclosure Policy for Commission Members**
- LR5.2 Conflict of Interest Disclosure Policy for Commission Staff**
- LR5.3 Code of Conduct Commission Staff**
- LR6.0 (Reserved)**

**Section Title:** Legal and Regulatory Policies

**Policy Title:** WORKPLACE HARASSMENT<sup>1</sup>

**Policy Number:** LR1.0

1.1.10A The Commission is firmly committed to the principle of fair and equal employment opportunities for its citizens and strives to protect the rights and opportunities of all people to seek, obtain, and hold employment without being subjected to illegal harassment in the workplace. It is the Commission's policy to provide an environment free of harassment of an individual because of that person's race, color, national origin, age (over 40), sex, pregnancy, religion, creed, disability or any other category protected by state and/or federal law.

1.1.10B Employees or applicants for employment who believe they have been harassed on any of these bases should lodge a complaint using the procedures set forth in this policy.

1.1.20A. **Workplace Harassment.** Any unwelcome verbal, written, or physical conduct that either degrades or shows hostility or aversion towards a person because of that person's race, color, national origin, age (over 40), sex, pregnancy, religion, creed, or disability that:

1. has the purpose or effect of creating an intimidating, hostile, or offensive work environment;
2. has the purpose or effect of unreasonably interfering with an employee's work performance; or
3. affects an employee's employment opportunities or compensation.

1.1.20B To aid employees in identifying prohibited behavior, the following specific examples of workplace harassment are provided. These examples are not exhaustive; they illustrate, however, the types of conduct that violate this policy:

1. Unwelcome touching of a personal nature, which can encompass leaning over, cornering, hugging, or pinching; sexual innuendos, teasing and other sexual talk such as jokes, personal inquiries, persistent unwanted courting and sexist put-downs;
2. Slurs and jokes about a class of persons, such as persons who are disabled or a racial group;
3. Distributing via e-mail epithets, slurs, jokes or remarks that are derogatory or demeaning to a class of persons or a particular person or that promote stereotypes of a class of person;

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<sup>1</sup> While the Commission is committed to the principles embodied in this policy, the policy itself is not intended to state contractual terms and does not constitute a contract between the Commission and its employees, applicants for employment, or parties who do business with the Commission. This policy supersedes all policies that conflict with the terms of this policy.

4. Display of explicit or offensive calendars, posters, pictures, drawings or cartoons that reflect disparagingly upon a class of persons or a particular person;
5. Derogatory remarks about a person's national origin, race, language, accent.

- 1.1.20C **Hostile environment.** Hostile environment harassment occurs when a victim is subjected to unwelcome and severe or pervasive comments based on race, color, national origin, age (over 40), sex, pregnancy, religion, creed, disability or any other category protected by law. A hostile work environment may also be created by innuendoes, touching, or other conduct that creates an intimidating or offensive workplace.
- 1.1.20D **Sexual Harassment.** Any unwelcome sexual advance, request for sexual favors, or verbal, written, or physical conduct of a sexual nature by a manager, supervisor, co-worker, or non-employee (third party). There are two types of illegal sexual harassment. *Quid pro quo* harassment occurs when a manager or a supervisor gives or withholds a work-related benefit in exchange for sexual favors from the victim. Certain actions may also create a hostile work environment. (See the definition for "hostile work environment" above.)
- 1.1.20E **Retaliation.** Retaliation is overt or covert acts of reprisal, interference, restraint, penalty, discrimination, intimidation, or harassment against an individual or individuals exercising rights under this policy.
- 1.1.20F **Third Parties.** Third parties are individuals who are not Commission employees but who have business interactions with Commission employees. Such individuals include, but are not limited to, customers, such as applicants for Commission employment or services, vendors, contractors, or volunteers.
- 1.1.30A **Prohibited Conduct.** The Commission strictly forbids and will not tolerate harassment of any employee, applicant for employment, or third party on the basis of an individual's race, color, national origin, age (over 40), sex, pregnancy, religion, creed, or disability. The fact that an alleged offender meant no harm or was teasing will not excuse conduct that violates this policy.
- 1.1.30B The Commission strictly forbids and will not tolerate any form of retaliation directed against an employee, applicant for employment, or third party who either complains about harassment or who participates in any investigation concerning harassment.
- 1.1.40A **Reporting Harassment Incidents.** Any employee, applicant for employment, or third party must report incidents of workplace harassment as soon as possible after the event occurs.
- 1.1.40B Employees and applicants for employment may file a complaint with their department's personnel director, the department head, their supervisor(s), or any individual designated by the department to receive such reports. Under no circumstances is the individual alleging workplace harassment required to file a complaint with the alleged harasser. If an employee or applicant believes he/she cannot file a

complaint within his/her agency, that person should contact the Legal and Regulatory Division at 615-741-3605.

- 1.1.40C Individuals who wish to file a complaint are encouraged to submit the complaint in writing and to include a description of the incident(s) as well as the date(s), time(s), place(s) and any witnesses.
- 1.1.40D If a complaint involves an executive director, assistant commissioner, deputy commissioner, or the commissioner, an employee or applicant for employment may file the complaint directly with the Department of Personnel, EO/AA Division.
- 1.1.50A **Reporting Retaliation Incidents.** Any employee, applicant for employment, or third party must report incidents of retaliation as soon as possible after the event occurs.
- 1.1.50B Any employee, applicant for employment, or third party who makes complaints of workplace harassment or provides information related to such complaints will be protected against retaliation. If retaliation occurs, the employee, applicant for employment, or third party should report the retaliation in the same manner as he/she would report a workplace harassment complaint.
- 1.1.60A **Investigation and Resolution of Complaints.** The department will conduct a thorough and neutral investigation of all reported complaints of workplace harassment or retaliation as soon as practicable. Generally, an investigation will include an interview with the complainant to determine if the conduct in issue violates this policy. If the department determines that the conduct falls within the terms of this policy, the department will interview the alleged offender and any other witnesses who have direct knowledge of the circumstances of the allegations.
- 1.1.60B The department retains the sole discretion to determine whether a violation of this policy has occurred and to determine what level, if any, of disciplinary action is warranted.
- 1.1.60C If a complaint involves an executive director, assistant commissioner, deputy commissioner, or the commissioner, the Department of Personnel, EO/AA Division will investigate the complaint on behalf of the department and report the results to the appropriate agency or authority.
- 1.1.70 **CONFIDENTIALITY.** To the extent permitted by law, the confidentiality of each party involved in a workplace harassment investigation, complaint or charge will be observed, provided it does not interfere with the department's ability to investigate the allegations or to take corrective action.
- 1.1.80 **DIRECTIVE TO SUPERVISORY PERSONNEL.** Supervisory personnel who receive a complaint alleging workplace harassment or learn by any means of conduct that may violate this policy must immediately report any such event to the department's personnel director or EEO/AA officer.
- 1.1.90A **VIOLATIONS.** Any employee who engages in conduct that violates this policy or who encourages such conduct by others will be subject to corrective action. Such corrective action includes, but is not limited to,

mandatory participation in counseling, training, disciplinary action, up to and including termination, and/or changes in job duties or location.

- 1.1.90B Supervisory personnel who allow workplace harassment or retaliation to continue or fail to take appropriate action upon learning of such conduct will be subject to corrective action. Such corrective action includes, but is not limited to, mandatory participation in counseling, training, disciplinary action, up to and including termination, and/or changes in job duties or location.

**Approved** November 17, 2005

INTAKE/REFERRAL FORM

STATEMENT CONCERNING CONFIDENTIALITY

Pursuant to Tennessee Code Annotated § 10-7-502(a), "all state ...records...shall at all times, during business hours, be open for personal inspection by any citizen of Tennessee, and those in charge of such records shall not refuse such right of inspection to any citizen, unless otherwise provided by state law," Accordingly, the State cannot and does not guarantee the confidentiality of this document or any notes, files, reports, or other documents, whether created by the State or received from the complainant, accused, or witnesses.

NAME OF COMPLAINANT OR PERSON REPORTING EVENT:

\_\_\_\_\_

TELEPHONE NUMBERS OF COMPLAINANT OR PERSON REPORTING EVENT:

WORK: \_\_\_\_\_

HOME: \_\_\_\_\_

IS YOUR HOME TELEPHONE NUMBER UNLISTED? YES \_\_\_\_\_ NO \_\_\_\_\_

MOBILE: \_\_\_\_\_

NAME OF AGENCY AND DIVISION INVOLVED:

\_\_\_\_\_

NAME OF PERSON(S) WHO ALLEGEDLY DISCRIMINATED AGAINST YOU OR HARASSED YOU?

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Intake/Referral Form

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EXPLAIN WHY YOU BELIEVE THESE EVENTS OCCURRED:

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DESCRIBE HOW OTHERS WERE TREATED DIFFERENTLY THAN YOU:

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WERE THERE OTHER EMPLOYEES WHO WERE TREATED BETTER IN SIMILAR CIRCUMSTANCES? PLEASE CHECK ONE: YES\_\_\_\_ NO\_\_\_\_

Intake/Referral Form

IF YOU ANSWERED YES TO THE PREVIOUS QUESTION, PLEASE PROVIDE THE NAMES OF THE EMPLOYEES WHO WERE TREATED BETTER AND DESCRIBE HOW THEY WERE TREATED BETTER:

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PLEASE LIST BELOW ANY PERSONS (WITNESSES, FELLOW EMPLOYEES, SUPERVISORS, OTHERS) WHO MAY HAVE ADDITIONAL INFORMATION TO SUPPORT OR CLARIFY THIS COMPLAINT. EXPLAIN WHAT INFORMATION EACH CAN PROVIDE.

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WHAT EXPLANATION DO YOU THINK THE AGENCY OR ACCUSED WILL GIVE AS TO WHY YOU WERE TREATED IN THIS MANNER?

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Intake/Referral Form

PLEASE IDENTIFY ANY OTHER INFORMATION INCLUDING DOCUMENTARY EVIDENCE SUCH AS DIARIES, JOURNALS, RECORDINGS, EMAILS, VOICEMAILS, CORRESPONDENCE, ETC.) THAT YOU THINK IS RELEVANT TO THIS MATTER.

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WHAT DO YOU WANT TO HAPPEN AS A RESULT OF THIS COMPLAINT?

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IF YOU HAVE TOLD ANYONE ELSE ABOUT THIS MATTER, PLEASE LIST THE NAME(S) AND RELATIONSHIP(S) CO-WORKER, FAMILY MEMBER, ETC.)

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SIGNATURE OF COMPLAINANT:

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DATE: \_\_\_\_\_

Intake/Referral Form

IF COMPLETED BY SUPERVISOR OR AGENT OF STATE AS A RESULT OF INTERVIEWING A COMPLAINANT, PLEASE PROVIDE THE FOLLOWING INFORMATION:

PRINTED NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

AGENCY AND/OR DIVISION: \_\_\_\_\_

WORK TELEPHONE NUMBER: \_\_\_\_\_

DATE COMPLAINT RECEIVED: \_\_\_\_\_

DATE FORM COMPLETED: \_\_\_\_\_

REASON FOR DELAY, IF ANY, BETWEEN THE DATE THE COMPLAINT WAS RECEIVED AND THE DATE THE FORM WAS COMPLETED:

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NAME AND TITLE OF PERSON TO WHOM THE FORM WAS FORWARDED FOR ACTION:

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DATE ON WHICH THE FORM WAS FORWARDED:

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## INVESTIGATION MEMORANDUM FORMAT

1. Complainant's name, job title, agency, location
2. Initiation of investigation:
  - a. Persons involved in conducting investigation
  - b. Date complaint received by agency
  - c. Person in agency who initially received complaint
  - d. Date investigation began and, if applicable, reason for any delay
3. Description of complaint
  - a. General nature of events giving rise to complaint, including dates of alleged events
  - b. Person(s) accused of inappropriate behavior and organizational relationship to complainant
4. Statements and evidence gathered in the investigation
  - a. Complainant
    - i. Specific allegation(s). If more than one allegation, list each separately
    - ii. Additional witnesses named by complainant
    - iii. Resolution desired by complainant
  - b. Person accused of inappropriate behavior. If more than one, list each separately
    - i. Specific response(s) to allegation(s). If more than one, list each separately
    - ii. Additional witnesses named by accused
  - c. Witnesses interviewed
    - i. Name and job title. If more than one, list each separately
    - ii. Evidence about specific allegations (noting firsthand knowledge v. secondhand knowledge)
    - iii. Additional witnesses, if any
5. Summary of evidence
  - a. Corroboration of specific allegations
  - b. Non-corroboration of specific allegations
  - c. Other pertinent information
6. Conclusions concerning violation of policy. **INCLUDE ONLY AT THE DIRECTION OF THE AGENCY.**
7. Appendices
  - a. List of potential witnesses not interviewed and reason
  - b. List of attachments (documentary evidence)

**Section Title:** Legal and Regulatory Policies

**Policy Title:** Statewide Access and Diversity of Higher Education

**Policy Number:** LR2.0

2.0.10 The Tennessee Higher Education Commission reaffirms its commitment to equal opportunity for all Tennesseans to pursue postsecondary educational interests.

2.0.10A The Commission recognizes that open access for all who wish to pursue interests in higher education and diversity among students, faculty, and staff are fundamental principles that must be safeguarded. Funding and programmatic matters will be viewed in light of those guiding principles.

Approved: April 22, 1988  
Revised: January 13, 1995  
Revised: November 20, 2008

**Section Title:** Legal and Regulatory Policies  
**Policy Title:** (Reserved)  
**Policy Number:** LR3.0

**Section Title:** Legal and Regulatory Policies  
**Policy Title:** (Reserved)  
**Policy Number:** LR4.0

**Section Title:** Legal and Regulatory Policies

**Policy Title:** Code of Ethics for Commission Members

**Policy Number:** LR5.0

5.0.10 1. The Tennessee Higher Education Commission is charged by statute to achieve coordination and unity in public higher education in Tennessee. To ensure the effectiveness of the Commission, its members must adhere to the strictest of ethical standards. The purpose of this policy is to outline those general principles.

- 5.0.11 1. Commission members must carefully prepare for, regularly attend, and actively participate in board meetings and special assignments.
2. The business of the Commission shall be conducted only in public meetings and properly publicized in accordance with Title 8, Chapter 44, Part 1 on Tennessee Code Annotated, as it is amended from time to time.
3. Commission members must accept and abide by the legal and fiscal responsibilities of the Commission as specified by statute, state rules and regulations and the Commission's policies.
4. Commission members are expected to perform their duties faithfully and efficiently and never to give rise to suspicion of improper conflict of interest. Additionally, Commission members should not use the position as Commission member for personal benefit or gain and shall promptly and honestly file all conflict of interest statements as required by state law and/or Commission policy.
5. Commission members shall not accept any favor or gratuity from any firm, person, or corporation which is engaged in, or attempting to engage in, business transactions with the Commission or any institution that is coordinated or regulated by the Commission which might affect or be suspected of affecting a Commission member's judgment in the impartial performance of his/her duties.
6. Commission members shall not grant or make available to any person any consideration, treatment, information or favor beyond that which is general practice to grant or make available to the public at large.
7. Commission members shall base all decisions on all available facts in each situation and vote his/her honest conviction in every case, not to be swayed by partisan bias of any kind and abide by and support the final decision of the Commission.
8. Commission members shall have no legal authority outside the

meetings of the Commission and shall conduct all relationships with governing boards, public and private institutions, media and other interested entities and persons on the basis of that fact. Commission members shall avoid acting as a spokesperson for the entire Commission unless specifically authorized to do so.

**Approved:** July 13, 2003

**Section Title:** Legal and Regulatory Policies

**Policy Title:** Conflict of Interest Disclosure Policy for Commission Members

**Policy Number:** LR5.1

- 5.1.10
1. It shall be inappropriate for a Commission member to have a direct interest in any contract the Commission has entered into for goods or services as a result of a bid process or any other business transaction with the Commission.
  2. A Commission member shall disclose any of the following interests:
    - (a) Any indirect interest in any contract or other business transaction with the Commission;
    - (b) Any interest in any contract or other business transaction with any higher education institution which is coordinated by, contracted by, contracted with, or authorized by the Commission; and
    - (c) Any indirect interest created by a relative who has (to the extent the Commission member is aware) any contract or business transaction with the Commission or with any higher education institution which is coordinated by, contracted by, contracted with, or authorized by the Commission.
  3. "Direct interest" means any contract to provide goods or services to the Commission as a result of a bid process or any other business transaction with a:
    - (a) the Commission member;
    - (b) a relative of the Commission member; or
    - (c) a business in which the Commission member or the Commission member's relative is:
      - (i) the sole proprietor;
      - (ii) a partner; or
      - (iii) the person having the controlling ownership or control of the largest numbers of outstanding shares owned by any single individual or corporation.
  4. "Indirect interest" means any contract in which the Commission member is interested but not directly so, but includes contracts where the Commission member is directly interested but is the sole supplier of goods or services.
  5. "Relative" includes spouse, parents, siblings, or children.
  6. In the event a member of the Commission has an indirect interest in a matter to be voted upon, a Commission member may abstain for cause by announcing such to the Chair of the Commission. Any

Commission member who abstains from voting for cause on any issue coming to a vote before the Commission shall not be counted for the purpose of determining a majority vote. This provision shall not be construed to prohibit any Commission member from voting on the higher education funding recommendation, or amendments thereto, unless the vote is on a specific amendment to the funding recommendation in which such person has a direct interest.

7. The basic underlying principle in conflict of interest is that Commission members should disclose any activity, investment, or interest that might reflect unfavorably upon the Commission, using the disclosure form. Because of the sensitive nature of the Commission's relationship with all of the postsecondary institutions, as well as the General Assembly, it is important that members resolve questions of conflict of interest by disclosure. Any activity which might constitute, or be perceived to constitute, a prohibited conflict should be fully reported. Full disclosure of any situation in doubt should be made.
8. The conflict of interest form must be filed within thirty (30) days after the Commission's regular Spring meeting, but in no case shall it be filed later than June 1. In the case of a member appointed to the Commission after the Spring meeting, the newly appointed member shall file a conflict of interest statement no later than thirty (30) days after the first Commission meeting following his/her appointment.
9. A Commission member shall amend his/her disclosure because of termination or acquisition of interests of which disclosure is required.

**Approved** January 31, 1992  
**Revised:** April 15, 2004

**TENNESSEE HIGHER EDUCATION COMMISSION**  
1900 Parkway Towers, 404 James Robertson Parkway  
Nashville, TN 37243-0830  
(615) 741-3605

TENNESSEE HIGHER EDUCATION COMMISSION  
DISCLOSURE STATEMENT FOR INDIRECT INTERESTS  
OF COMMISSION MEMBERS

I, the undersigned member of the Tennessee Higher Education Commission, in order to assure that any appearance of conflict of interest is avoided, and in order to assure that any indirect interests are publicly acknowledged, hereby make the following statements and assurances:

1. I am related to the following employees of the Tennessee Higher Education Commission or any official of any corporation, partnership, sole proprietorship, association, institution of higher education or other entities which do business with, are licensed by, or are otherwise involved with the Tennessee Higher Education Commission:

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2. I am employed or professionally affiliated with the following corporation, partnerships, sole proprietorships, associations, institutions of higher education or any other entities which are licensed by the Tennessee Higher Education Commission:

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3. I have an ownership interest in or serve on the Board of the following corporations, partnerships, sole proprietorships, associations, institutions of higher education or other entities which, to my knowledge, do business with postsecondary institutions coordinated or licensed by the Tennessee Higher Education Commission:

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4. In my household and among my dependents, to my knowledge, the following individuals have an ownership interest as stated in Number 3 above:

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5. I am currently the recipient of the following grants administered by the Tennessee Higher Education Commission:

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6. I hereby certify that if, during my tenure this year on the Tennessee Higher Education Commission, I become directly or indirectly interested as an owner, employee or affiliated as described in Number 1-5 above, or if there is any change in the information provided in this statement, I shall immediately disclose such information to the Tennessee Higher Education Commission. The accuracy of this statement will be reviewed within thirty (30) days after the Commission's regular Spring meeting, but no later than June 1.

By my signature below, I affirm that all of the above statements are true to the best of my knowledge and belief.

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(Signature)

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(Date)

**Section Title:** Legal and Regulatory

**Policy Title:** Conflict of Interest Disclosure Policy for Commission Staff

**Policy Number:** LR5.2

- 5.2.10
- (1) It shall be inappropriate for a Commission Staff member to have a direct interest in any contract the Commission has entered into for goods or services as a result of a bid process or any other business transaction with the Commission. Additionally, it shall be inappropriate for Commission Staff to be indirectly interested in any such contract or business transaction unless the Commission Staff member publicly acknowledges his/her interest.
  - (2) Commission Staff shall disclose any of the following interests:
    - (a) Any indirect interest in any contract or other business transaction with the Commission;
    - (b) Any interest in any contract or other business transaction with any higher education institution which is coordinated by, contracted by, contracted with, or authorized by the Commission; and
    - (c) Any indirect interest created by a relative who has (to the extent Commission Staff is aware) any contract or business transaction with the Commission or with any higher education institution which is coordinated by, contracted by, contracted with, or authorized by the Commission.
  - (3) “Direct interest” means any contract to provide goods or services to the Commission as a result of a bid process or any other business transaction with a:
    - (a) Commission Staff person;
    - (b) a relative of a Commission Staff person;
    - (c) a business in which a Commission Staff member is:
      - (i) the sole proprietor;
      - (ii) a partner; or
      - (iii) the person having the controlling ownership or control of the largest numbers of outstanding shares owned by any single individual or corporation.
  - (4) “Indirect interest” means any contract in which Commission Staff person is interested but not directly so, but includes contracts where the Commission Staff person is directly interested but is the sole supplier of goods or services.
  - (5) “Relative” includes spouse, parents, siblings, or children.
  - (6) In the event a Commission Staff person identifies any conflict covered by this policy, he/she shall immediately notify the Executive Director. The Executive Director may determine that such Commission Staff

person should not work on material related to such interests. Such interests shall be disclosed to the Commission regardless of whether the Commission Staff person is relieved of working on the matters in question.

- (7) The basic underlying principle in conflict of interest is that Commission Staff person should disclose any activity, investment, or interest that might reflect unfavorably upon the Commission, using the disclosure form. Because of the sensitive nature of the Commission's relationship with all of the postsecondary institutions, as well as the General Assembly, it is important that Staff persons resolve questions of conflict of interest by disclosure. Any activity which might constitute, or be perceived to constitute, a prohibited conflict should be fully reported. Full disclosure of any situation in doubt should be made.
- (8) The conflict of interest form must be filed within thirty (30) days after the Commission's regular Spring meeting, but in no case shall it be filed later than June 1. In the case of a Staff person is appointed to the Commission staff after the Spring meeting, the newly appointed Staff person shall file a conflict of interest statement no later than thirty (30) days after the first Commission meeting following his/her appointment.
- (9) Commission Staff shall amend their respective disclosure because of termination or acquisition of interests of which disclosure is required.

**Approved:** January 31, 1992  
**Revised:** April 15, 2004  
**Revised:** July 27, 2006

**TENNESSEE HIGHER EDUCATION COMMISSION**  
1900 Parkway Towers, 404 James Robertson Parkway  
Nashville, TN 37243-0830  
(615) 741-3605

TENNESSEE HIGHER EDUCATION COMMISSION  
DISCLOSURE STATEMENT FOR INDIRECT INTERESTS  
OF COMMISSION STAFF

I, the undersigned Staff member of the Tennessee Higher Education Commission, in order to assure that any appearance of conflict of interest is avoided, and in order to assure that any indirect interests are publicly acknowledged, hereby make the following statements and assurances:

1. I am related to the following employees of the Tennessee Higher Education Commission or any official of any corporation, partnership, sole proprietorship, association, institution of higher education or other entities which do business with, are licensed by, or are otherwise involved with the Tennessee Higher Education Commission:

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2. I am employed or professionally affiliated with the following corporation, partnerships, sole proprietorships, associations, institutions of higher education or any other entities which are licensed by the Tennessee Higher Education Commission:

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3. I have an ownership interest in or serve on the Board of the following corporations, partnerships, sole proprietorships, associations, institutions of higher education or other entities which, to my knowledge, do business with postsecondary institutions coordinated or licensed by the Tennessee Higher Education Commission:

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4. In my household and among my dependents, to my knowledge, the following individuals have an ownership interest as stated in Number 3 above:

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5. I am currently the recipient of the following grants administered by the Tennessee Higher Education Commission:

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6. I hereby certify that if, during my tenure this year on the Tennessee Higher Education Commission staff, I become directly or indirectly interested as an owner, employee or affiliated as described in Number 1-5 above, or if there is any change in the information provided in this statement, I shall immediately disclose such information to the Tennessee Higher Education Commission. The accuracy of this statement will be reviewed within thirty (30) days after the Commission's regular Spring meeting, but no later than June 1.

By my signature below, I affirm that all of the above statements are true to the best of my knowledge and belief.

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(Signature)

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(Date)

**Section Title:** Legal and Regulatory Policies  
**Policy Title:** Code of Conduct Commission Staff  
**Policy Number:** LR5.3

### **Tennessee Higher Education Commission Code of Conduct**

The Commission and its employees must, at all times, comply with all applicable laws and regulations. The Commission will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The Commission does not permit any activity that fails to stand the closest possible public scrutiny.

All business conduct should be well above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the Commission's operations.

Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of the Associate Executive Director for Legal and Regulatory Affairs.

#### **General Employee Conduct**

The Commission expects its employees to conduct themselves in a businesslike and professional manner in carrying out the business of the Commission. Employees will be expected to adhere to all Commission policies, especially those addressing conduct and office procedures and expectations. These shall specifically include, but not be limited to, policies regarding conflict of interest, outside employment and workplace harassment.

#### **Relationships with Clients and Suppliers**

Employees should avoid investing in or acquiring a financial interest for their own accounts in any business that has a contractual relationship with the Commission, or that provides goods or services, or both to the Commission, if such investment or interest could influence or create the impression of influencing their decisions in the performance of their duties on behalf of the Commission.

#### **Gifts, Entertainment, and Favors**

Employees must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person with whom or with which the Commission has, or is likely to have, business dealings.

Similarly, employees must not accept any other preferential treatment under these circumstances because their position with the Commission might be inclined to, or be perceived to, place them under obligation.

### **Kickbacks and Secrets**

Regarding the Commission's business activities, employees may not receive payment or compensation of any kind, except as authorized under the Commission's remuneration policies. In particular, the Commission strictly prohibits the acceptance of kickbacks and secrets from suppliers or others. Any breach of this rule will result in immediate termination and prosecution to the fullest extent of the law.

### **Commission Funds and Other Assets**

Employees who have access to Commission funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in the Commission's instructional manuals or other explanatory materials, or both. The Commission imposes strict standards to prevent fraud and dishonesty. If employees become aware of any evidence of fraud and dishonesty, they should immediately advise their superior, the Associate Executive Director for Legal and Regulatory Affairs, and the Executive Director so that the Commission can promptly investigate further.

When an employee's position requires spending Commission funds or incurring any reimbursable personal expenses, that individual must use good judgment on the Commission's behalf to ensure that good value is received for all expenditures.

Commission funds, assets and equipment are for Commission purposes only and not for personal benefit.

### **Commission Records and Communications**

Accurate and reliable records of many kinds are necessary to meet the Commission's legal and financial obligations and to manage the affairs of the Commission. The Commission's books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and recordkeeping must fully disclose and record all assets, liabilities, or both, and must exercise diligence in enforcing these requirements.

Employees must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

- False expense, attendance, production, financial, or similar reports and statements;
- False advertising, deceptive marketing practices, or other misleading representations; and
- Dealing with outside people and commissions.

Employees must take care to separate their personal roles from their Commission positions when communicating on matters not involving Commission business.

Employees must not use Commission identification, stationery, supplies, and equipment for personal or political matters.

When communicating publicly on matters that involve Commission business, employees must not presume to speak for the Commission on any topic, unless they are certain that the views they express are those of the Commission, and it is the Commission's desire that such views be publicly disseminated.

When dealing with anyone outside the Commission, including public officials, employees must take care not to compromise the integrity or damage the reputation of either the Commission, or any outside individual, business, or government body.

### **Prompt Communications**

In all matters relevant to customers, suppliers, government authorities, the public, and others in the Commission, all employees must make every effort to achieve complete, accurate, and timely communications—responding promptly and courteously to all proper requests for information and to all complaints.

### **Privacy and Confidentiality**

When handling financial and personal information about customers or others with whom the Commission has dealings, staff should observe the following principles:

1. Collect, use, and retain only the personal information necessary for the Commission's business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information.
2. Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
3. Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.

### **Employee Acceptance**

My signature below provides evidence that I have read, understand, and agree to abide by the Tennessee Higher Education Commission Employee Code of Conduct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

**Approved:** July 27, 2006

**Section Title:** Legal and Regulatory Policies

**Policy Title:** (Reserved)

**Policy Number:** LR6.0

**TENNESSEE HIGHER EDUCATION COMMISSION**

**RULES OF PROCEDURE**

**OF THE**

**TENNESSEE HIGHER EDUCATION COMMISSION**

To carry out the purposes set forth in the Act which created it (being Chapter 179 of the Public Laws of Tennessee of 1967, hereinafter call the "Act"), the Tennessee Higher Education Commission hereby adopts the following Rules of Procedure:

**I  
NAME**

The name of the Commission shall be the Tennessee Higher Education Commission (hereinafter called "The Commission").

**II  
JURISDICTION**

It shall be the duty of the Commission on a continuing basis to study the use of public funds for higher education in Tennessee and to analyze programs and needs in the field of higher education. The Commission shall in addition undertake such specific duties as may be directed by resolution of the General Assembly or as may be requested by the Governor.

The Commission studies and recommendations shall encompass the programs and the authorities of the public universities, the community colleges, and the state's technical institutes.

**III  
PURPOSES**

The specific purposes and duties of the Commission shall be as outlined in the Act and its amendments.

**IV  
MEMBERS**

The Commission shall consist of nine members to be appointed by the Governor. Membership shall be for a six-year term. The Comptroller of the Treasury, the Secretary of State and the State Treasurer shall serve as ex officio, voting members of the Commission. The Executive Director of the State Board of Education shall serve as an ex officio, non-voting member of the Commission. In addition, the Governor shall appoint two (2) student members.

One (1) student member shall be a voting member and one (1) student shall be an ex officio, non-voting member. The voting student membership shall be rotated between the student representing the University of Tennessee system and the student representing the Board of Regents system, it being the legislative intent that a student member serve one (1) year as a non-voting, ex officio member before becoming a voting member.

Each congressional district in the state be represented by at least one member of the Commission. On April 26, 1988, the term shall be for six (6) years and as each current term expires, the successor appointee shall be appointed for a six-year term. In making appointments to the Commission, the Governor shall strive to ensure that at least one (1) person appointed to the Commission is sixty (60) years of age or older and that at least one (1) person appointed to the Commission is a member of a racial minority. Appointments made after January 1, 1995, shall alternate such that every other appointment of a new member to the Commission shall be a female until the membership of the Commission reflects the percentage of females in the population generally, after which the provisions of this sentence shall cease to be effective. Members shall be eligible for reappointment. At least one-third of the appointive members shall be members of the principal minority political party in the state.

Any Commission vacancy shall be filled by the appointment of the Governor. Vacancies, except for expiration of term, shall be filled for the unexpired term only. The place of any Commission member shall be vacated at such time as he may cease to reside in the congressional district in which he resided at the time of his appointment. No Commission member shall be an elected or appointed official of the public institution of higher learning in Tennessee while a Commission member. Members shall receive no compensation for their services.

## **V OFFICERS**

The Commission officers shall consist of a chair, two vice-chair, and a secretary, each elected by the Commission members from among their own number. The office of secretary may combined with that of vice-chair. Officers shall be elected at the summer Commission meeting, and the term of office of all officers shall be one year or until their successors are elected; and their duties shall be those ordinarily performed by such officers.

No member shall serve as chair in excess of three successive one-year terms. Each of the vice-chair shall reside in one of the grand divisions of the state in which the chair and other vice chair do not reside.

## **VI EXECUTIVE COMMITTEE**

The Executive Committee of the Commission shall consist of its officers. The Executive Committee shall have such powers as given through action of the Commission. In addition to the powers that have or may be granted to the Executive Committee through the action of the Commission, it is hereby specifically charged with the responsibility to review personnel matters; to review the policies, rules and regulations of the Commission; and to review and monitor the goals and objectives in the Commission's strategic plan (master plan).

## **VII EXECUTIVE DIRECTOR AND STAFF**

The Commission is empowered to employ an executive director, define the duties, and, within budgetary limitations, fix the compensation. The executive director shall serve at the pleasure of the Commission members and must have such educational preparation and experience as will qualify the executive director, in the members' judgment, to understand and evaluate the problems and needs of the state's institutions of higher learning and to direct the studies of the Commission. The Executive Director shall be empowered to act for the Commission in the interims when the Commission is not in session. Within budgetary limitations and subject to the approval of the Commissioner of Personnel, the Commission is empowered to employ such other professional and staff employees as may be appropriate for the efficient discharge of its duties. The executive director and other staff members may attend the Commission meetings, unless excluded upon motion.

## **VIII MEETINGS**

The Commission shall hold regular meetings at least four times each year. It shall also meet at the call of the chairman, or the secretary, if said secretary receives the request in writing of at least three members of the Commission to call such meeting, on at least three days' written notice setting forth the time, place, and purpose of the meeting. An agenda for each regular meeting of the Commission will be prepared by the executive director with the approval of the chair setting forth, in outline, each matter of business to be conducted at the meeting. Such agenda shall be mailed to the members at least ten days before each meeting. Matters not on the agenda can be considered at the meeting only by vote of six members. Any meeting at which a quorum is not present may be adjourned from time to time until a quorum is present. Members shall be entitled to reimbursement for expenses incurred in attending meetings of the Commission of its committees, in conformity with regulations governing travel expenses of state officials.

## **IX MINUTES**

Minutes shall be kept of all meetings of the Commission by or under the direction of the secretary, who will mail copies of the minutes of each meeting to all members promptly after such meeting is held, and shall be read (unless such reading is waived on motion) and approval at the next succeeding meeting as the first order of business.

## **X QUORUM**

A quorum of the Commission shall consist of seven members. All action shall be by vote of a majority of the members present and voting at a meeting at which a quorum is present. No proxies or mail or other absentee voting shall be permitted.

## **XI COMMITTEES**

Committees of the Commission may be appointed by the chair from among its members with the concurrence of the Commission members. Such committees shall make recommendations, but shall have no power to act upon the behalf of the Commission.

In addition to the Executive Committee authorized in Section VI of these Rules, there is authorized by the Commission three (3) additional standing committees of the Commission. They are:

- (1) The Committee on Academic Affairs which shall be primarily responsible for recommending policy regarding the review of and creation of new programs; recommend policy regarding program termination recommendations to the governing boards; and to oversee the Academic Inventory Study;
- (2) The Committee on Fiscal Affairs which shall be primarily responsible for recommending policy regarding formulae for funding the operational and capital needs of higher education; recommending policies regarding financial accountability measures; and overseeing the Cost Study and matters directly related to that study;
- (3) The Committee on Outcomes and Performance which shall review performance funding; review and monitor the Challenge 2000 program; monitor the Commission's desegregation activities; and coordinate outcomes and performance activities with the Committees on Academic Affairs and Fiscal Affairs.

## **XII**

## **AMENDMENTS**

These rules of procedure may be amended by motion made at any meeting of the Commission at which a quorum is present and acted upon at the next succeeding meeting at which a quorum is present not less than two days thereafter; provided, however, that proposals in writing are submitted to all members at least ten days before a regular meeting and may be acted upon at that regular meeting.

Approved: September 11, 1969  
Revised: August 28, 1978  
September 4, 1981  
January 8, 1987  
February 15, 1995  
May 19, 1995  
July 25, 1997  
November 17, 2005