

DATE: July 22, 2021**SUBJECT:** University of Tennessee Southern
Academic Programs**ACTION RECOMMENDED:** Approval

DESCRIPTION

The FY22 budget passed by the 112th Tennessee General Assembly included \$5.1 million in recurring and \$1 million in nonrecurring funds to address the higher education needs in southern middle Tennessee with the acquisition of Martin Methodist College (MMC) located in Pulaski, TN. At the June 25, 2021 University of Tennessee Board of Trustees meeting, approval was granted to acquire Martin Methodist College. Effective July 1, 2021, MMC became the fourth campus in the University of Tennessee System as the University of Tennessee Southern.

During the acquisition process, THEC staff worked closely with the UT System's Office of Academic Affairs and Student Success to ensure the academic programs offered by MMC would be in alignment with the other UT campuses. Based on this extensive review of MMC's Academic Program Inventory, the following changes were made:

- All bachelor's programs are now 120 credit hours.
- Any religious courses were removed from general education requirements.
- Federal CIP codes were adjusted to better reflect academic programs and align with other programs in the state.
- Academic programs without an academic unit were assigned an academic division.

Table 1 reflects the proposed University of Tennessee (UT) Southern's Academic Program Inventory which includes 27 academic programs organized by six academic divisions (Business, Education, Humanities, Math and Sciences, Nursing and Health Sciences, and Social Sciences). Furthermore, the inventory is comprised of the following academic programs:

- One undergraduate certificate program (Cybersecurity);
- One associate degree program (General Studies, AA and AS);
- 23 bachelor's programs; and
- Two graduate programs (Master of Business Administration and Criminal Justice, Master of Science).

Take note that associate degrees have not been presented to Commission members for some time because THEC Academic Policy A1.0 – New Academic Programs: Approval Process delegates final approval of such programs to the Tennessee Board of Regents for their institutions and universities have not proposed a new associate

degree since 2010. Additionally, undergraduate certificates under 24 credit hours do not require Commission approval and the proposed undergraduate Cybersecurity program is comprised of 18 credit hours.

Appendix A provides the student learning outcomes and curriculum maps organized by academic division for each program.

Also, under THEC Academic Policy A1.0 – New Academic Programs: Approval Process, Section 1.0.13A – Post-Approval Monitoring, all newly approved programs are subject to post-approval monitoring. However, due to the proposed acquisition of an existing institution's Academic Program Inventory, the approved programs will be evaluated via Quality Assurance Funding (QAF) criteria to ensure high quality credentials that prepare graduates for sustainable careers. In alignment with the proposed integration of UT Southern into the Outcomes-Based Funding Formula, academic programs will be evaluated utilizing existing QAF criteria but will not officially be part of the QAF process until the 2025-2030 cycle.

Table 1: University of Tennessee Southern: Proposed Academic Program Inventory

Division	Academic Program	Concentrations	Total Hours
Business	Accounting, BBA	--	120
	Management Information Systems, BBA	--	120
	Management, BBA	--	120
	Sport Management, BS	--	120
	Business Administration, MBA	--	30
Education	Elementary Education, BS	1. K-5 Licensure 2. Non-Licensure	120
	Human Performance and Physical Education, BS	1. Exercise Science 2. Physical Education with K-12 Licensure	120
	Special Education, BS	1. Licensure in Interventionist Grades K-8	120
Humanities	General Studies, AA and AS		60
	Dramatic Arts, BA and BS	--	120
	English, BA	1. Literature 2. Writing & Language 3. TESOL 4. English 6-12 Licensure	120
	Interdisciplinary Studies, BA and BS	--	120
	Music, BA	--	120
	Religion and Philosophy, BA and BS	--	120
Math and Sciences	Biology, BS	1. General Biology 2. Biomedical Sciences & Biotechnology 3. Wildlife Biology and Ecology 4. Biology 6-12 Licensure	120
	Chemistry, BS	1. General Chemistry 2. Biochemistry 3. Forensics	120
	Computer Information Systems, BS	1. Application Development and Support 2. Database Management 3. Networking and Information	120
	Cybersecurity, BS	--	120
	Cybersecurity, Undergraduate Certificate		18
	Mathematics, BS	1. Math with 6-10 or 6-12 Licensure	120
Nursing and Health Sciences	Nursing, BSN	--	120
	Public Health Education, BS	--	120
Social Sciences	Behavioral Sciences, BA and BS	1. Human Services and Counseling 2. General Psychology	120
	Criminal Justice, BS	--	120
	History, BA and BS	1. History with 6-12 Licensure	120
	Homeland Security, BS	--	120
	Criminal Justice, MS	1. Homeland Security 2. Strategic Management	33



THE UNIVERSITY OF
TENNESSEE
SYSTEM

ACQUISITION OF MARTIN METHODIST COLLEGE





“We want the University of Tennessee to be known for its Inclusivity, not Exclusivity.”

PRESIDENT’S MESSAGE

The University of Tennessee System has the responsibility to lead the state’s efforts to provide affordable access to higher education. You’ve heard me say many times, “We want the University of Tennessee to be known for its Inclusivity, not Exclusivity.” In fact, the land grant mission calls us to serve all people of this great state.

Since we last discussed the acquisition of Martin Methodist College (MMC) with the Board, the UT System Administration has continued to perform due diligence and plan for the possible integration of MMC into the UT family. Dozens of UT employees – from across the System – have been involved in the preparations to ensure a smooth transition for the students, faculty and staff and help us create opportunities for southern middle Tennesseans.

State Support

Since our last discussion, the financial picture for MMC as UT Southern has become much brighter! We no longer expect an operating deficit in the first year—thanks to one-time transition funding and ongoing State support. Over the past few months, our team has worked diligently with the Tennessee Higher Education Commission (THEC), Governor Lee and the state legislature. THEC staff have recommended funding UT Southern as a specialized unit for the next four years before applying the funding formula. Most important, in May, the state legislature passed the governor’s budget that includes \$5.1 million recurring for ongoing support and \$1 million nonrecurring towards acquisition costs. This funding will allow us to reduce tuition by 61%, from \$26,000 to \$10,200—that is a game changer

for the people of southern middle Tennessee making high quality education more affordable.

The Why

This is a historic opportunity to bring another campus into the UT family for the first time in 50 years since the University of Chattanooga joined us, then a small Methodist College with about 1,000 students.

The southern middle Tennessee region is a higher education desert, with Martin Methodist College as the singular four-year provider. Every year, thousands of students in the region go to school in neighboring Alabama - 1,200 to just two schools alone. Once in Alabama, many students never return, contributing to a “brain drain” that impedes the region’s economic development. And, with the healthcare, business and education industries projected to grow—areas where Martin Methodist fills a direct need with its customized academic programs—we must retain our best and brightest Tennesseans, provide affordable higher education opportunities and prepare students today for our workforce needs of tomorrow.

The Vision

If approved, UT Southern will be more than just the newest addition to the University of Tennessee System. It will represent opportunity, revival, long-term economic success and forward momentum in the southern middle Tennessee region. Since the Morrill Act enactment in 1862, the University of Tennessee has fully embraced its land grant mission to serve all the people of this state. UT Southern will open countless doors of opportunity for students. Education will change them, the region and the state.



Future UT Southern graduates are vital to the economic success of the 13 counties in Southern Middle Tennessee and the state. When students leave an area for education, they rarely return. Retaining our best and brightest Tennesseans by providing affordable higher education opportunities in our rural communities helps to develop the state's economic engine. UT prepares the workforce of tomorrow. UT Southern will provide additional opportunities through access to more undergraduate and graduate programs, as well as more affordable tuition. It will address unmet labor needs in the region, producing more education, nursing and business graduates... and these graduates will be crucial to the long-term economic success of southern middle Tennessee.

This document provides an overview of the key steps and approval processes with links to relevant details posted on our websites; the benefits of the acquisition for the institutions, current and future students, the State and the region; a profile of Martin Methodist College (MMC) at the time of acquisition (June 2021); a financial overview; and some next steps.

Although much work has been done to prepare for the potential acquisition of Martin Methodist College, much work will remain to fully assimilate the college into the UT System as it transitions to UT Southern. We look forward to updating the Board on the first year's operations of this new UT campus at the June 2022 meeting.

I am grateful for the counsel of this Board and look forward to our discussions at the upcoming meeting as we seek approval of the acquisition agreement.

Best,

A handwritten signature in black ink, appearing to read 'Randy Boyd'.

Randy Boyd

President

The University of Tennessee System



KEY STEPS & APPROVALS

Acquisition Process Through June 15, 2021

Martin Methodist College and The University of Tennessee System

Date	Step/Approval	Description
September 2020	Letter of Intent	MMC and UT officials signed a nonbinding letter of intent on September 11, 2020. Letter of Intent (tennessee.edu)
September 2020	Stakeholder engagement	MMC and UT presidents begin a series of events--town halls, meetings, discussions, videos, surveys, focus groups--to discuss the potential acquisition, answer questions, listen to concerns, and seek input and ideas. Transparency website (tennessee.edu).
Fall 2020	Due diligence process	UT partnered with Huron Consulting to conduct strategic, market, financial and operational due diligence. Report issued December 1, 2020. University of Tennessee System - Martin Methodist College Due Diligence Report
September - October 2020	Facilities condition assessment	Bureau Veritas, retained by UT, performed the assessment and issued their findings in October.
December 2020	UT Board of Trustees action	The UT Board authorized UT leaders to continue negotiations and seek necessary approvals in special meeting on December 9, 2020. UT Board of Trustees Approve Next Steps in Martin Methodist College Acquisition - UT System News (tennessee.edu)
December 2020	MMC Board of Trustees action	The MMC Board approved the potential acquisition of Martin Methodist by the UT System in a meeting on December 9, 2020.
December 2020	Trustees of the Tennessee Conference of the United Methodist Church	The trustees approved the release of the assets of MMC in a specially called meeting on December 9, 2020, contingent upon the approval of the full Annual Conference expected in June 2021.
December 2020	Multiple statements of support issued	Government officials and other leaders from the southern middle Tennessee region and beyond express support for the acquisition. Quotes of Support (tennessee.edu)
January 2021	UT Board of Trustees Executive Committee meeting	The Committee was updated on UT officials' analysis of key issues raised in the December Board meeting. Report issued January 15, 2021. Update on Potential Acquisition of Martin Methodist College (tennessee.edu)
February 2021	Governor's budget proposal released	Governor Bill Lee's proposed budget revealed in his February 8, 2021 State of the State address included a request for \$5.1M recurring/\$1M nonrecurring for the acquisition and start-up costs. State of Tennessee Fiscal Year 2021-2022 Budget Document, Volume 1 (tn.gov)
February 2021	Integration planning and negotiation of asset transfer agreement begins	Teams of UT and MMC officials begin planning for the potential integration after notice of Governor's funding request, including drafting the asset transfer agreement.

February 2021	Survey to MMC stakeholders	UT Marketing and Communications staff conducted surveys with various MMC stakeholders to obtain input on team name, mascot, and school colors.
March 2021	Formal resolutions in favor of the acquisition issued.	Officials throughout the southern middle Tennessee region—city/county mayors, chambers of commerce leaders and economic development officials—took the extraordinary step of passing formal resolutions in favor of the acquisition. Transparency website (tennessee.edu).
March 2021	MMC submits Substantive Change Prospectus to regional accreditor, SACSCOC	The prospectus concerned the potential transfer of ownership of MMC to UT, as required by the Southern Association of Colleges and Schools Commission on Colleges to maintain accreditation.
April 2021	TN General Assembly passes FY21-21 budget	The budget, approved on April 29, 2021, included the Governor's requested recurring and nonrecurring funding for the acquisition.
May 2021	Office of Attorney General "No Action" Letter	The Public Interest Division of the Attorney General's office, which oversees nonprofits, reviewed the proposed asset transfer agreement and declined to take action (thereby consenting).
June 2021	Conference of the United Methodist Church approval	On June 10, the Tennessee Annual Conference of the United Methodist Church approved a resolution allowing Martin Methodist College to join the UT System.
June 2021	TSSBA approval	Approval for UT to obtain a commercial loan to settle MMC debt to the USDA at a June 15 TN State School Bond Authority meeting.

Remaining Steps/Approvals

As of June 16, 2021

Date	Step/Approval	Description
June 2021	SACSCOC Board	Approval of the MMC prospectus regarding a change in ownership by end of June 15-17 Board meeting.
June 2021	UT Board of Trustees	Approval of asset transfer agreement and related items at June 25, 2021, meeting.
June 2021	MMC Board of Trustees	Approval of asset transfer agreement and related items at June 25, 2021, meeting.
June 2021	State Building Commission	Approval of the MMC property acquisition at the June 28 SBC Executive Committee meeting.
June 2021	Asset transfer agreement	Executed by UT and MMC officials.
July 2021	Acquisition	July 1, 2021 effective date

SUMMARY OF BENEFITS

Acquisition Benefits

The idea of the University of Tennessee System (UT) acquiring Martin Methodist College (MMC) originated from discussions between UT President Randy Boyd and MMC President Mark La Branche during Spring 2020 about each institution's challenges and opportunities for collaboration between the two institutions. Soon the advantages of an acquisition—not just a collaboration—became evident, and benefits continued to emerge throughout the acquisition process.

MMC

- Sustain the mission for the long-term
- Access resources to improve operations
- Attract more students with the UT brand and lower tuition
- Increase academic offerings and support services
- Provide faculty and staff more cost-efficient benefits

UT

- Enhance its role as a land-grant institution by providing access to a high quality, affordable educational experience in southern middle Tennessee—where currently no public four-year institution exists from Memphis to Chattanooga
- Assist the State in meeting its workforce needs
- Expand UT's educational footprint and grow enrollment
- Add a unique, small campus to the UT portfolio

Students

- Pay tuition at a rate 61 percent less as a public institution than as a private,
- Participate in state scholarship programs and the UT Promise (a program providing free tuition and mandatory fees to eligible students)



- Enable those whose circumstances prohibit moving to another part of the state to stay in the region for a high-quality, affordable education
- Access UT online and other UT campus programs more easily

Tennessee and the Southern Middle Region

- Prevent the “brain drain” of Tennessee residents who cross the border to attend college in Alabama (estimated to be more than 1,200) and often remain for jobs
- Meet the labor need in the area by providing programs related to the area's top growing industries —healthcare, education, business, finance, and technical.
- Increase the college-going rate—currently around 60 percent—by providing access to a quality, affordable education
- Boost the college degree attainment rate from the current 20 percent range to closer to the State's “Drive to 55” goal

UT Southern would be a unique addition to the UT System and the State's higher education landscape—a small school environment that provides a high-quality educational experience at an affordable price with personal attention to its students.

MARTIN METHODIST COLLEGE PROFILE

Martin Methodist College

Data Compiled June 2021

INSTITUTIONAL OVERVIEW

Institution Type: Private, not-for-profit, 4-year college affiliated with the Methodist Church

Founded: 1870

Location: Pulaski, TN (70 miles south of Nashville)

Description: A small college atmosphere where all staff provide a supportive learning environment and where professors know students' names.

College-Wide Accreditors:
Southern Association of Colleges and Schools
Commission on Colleges and the University Senate of the United Methodist Church

Program Accreditors:
Commission on Collegiate Nursing Education (nursing) and State of Tennessee Department of Education (teacher education programs)

Endowment (as of June 30, 2020): \$14.5 million

Operating Revenue (estimated FY21): \$22,235,676



STUDENTS

Undergraduate Tuition Rates

All Students, 2020-2021,
30 credit hours per year:
\$25,850

Graduate Tuition Rates

All Students, 2021-2022:
\$14,850

Additional Student Data



Overall 6-Yr
Graduation
Rate



Overall
Undergraduate
Retention Rate



First-time,
Full-time
Retention Rate



Full-time UG
Federal Pell Grant
Recieved Fall 2020



13 to 1
Student-Faculty Ratio

EMPLOYEES*

*Budgeted full-time equivalent positions.

59 + **19** + **41** + **33** = **152**
Faculty Administrative Staff Professional Staff Clerical/ Technical Staff TOTAL

Teaching Faculty

Percent full-time faculty with tenure/on tenure track: 75%
Percent full-time faculty with terminal degrees: 84%

ENROLLMENT

812 Total

Fall 2020

Race/Ethnicity:	MEN	WOMEN	TOTAL
Non-Resident Alien	17	11	28
Hispanic/Latio	24	18	42
American Indian/ Alaska Native	2	2	4
Asian	3	0	3
Black/African American	34	44	78
Native Hawaiian/ Pacific Islander	0	2	2
White	235	355	590
Multi-Racial	10	18	28
Unknown	13	24	37

Gender



474
Women

338
Men

Full Time vs. Part Time

698
Full-
Time



114
Part-
Time

ACADEMICS

Degrees Awarded: Masters, Baccalaureate, Associate, UG Certificate

Academic Programs:



Programs of study include business, education, humanities, mathematics and sciences, nursing and health sciences, and social sciences.

Additional Opportunities: study abroad, distance learning, dual enrollment, clinical experience

Student Services: academic counseling, career counseling/placement services, student employment opportunities

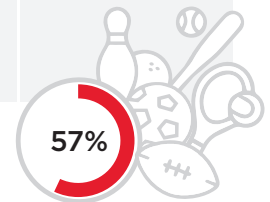
ATHLETICS

Association: National Association of Intercollegiate Athletics (NAIA)

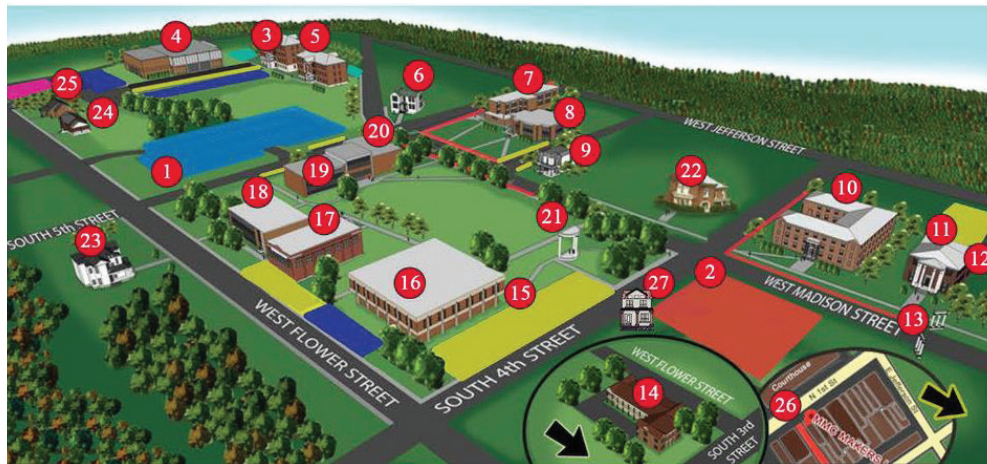
Conference: Division 1 of the Southern States Athletics Conference (SSAC)

8 MEN'S SPORTS	9 WOMEN'S SPORTS	3 CO-ED SPORTS
Baseball Basketball Bowling Cross-Country Golf Soccer Swimming Tennis	Basketball Bowling Cross-Country Golf Soccer Softball Swimming Tennis Volleyball	Clay Target Competitive Cheer Gameday Cheer

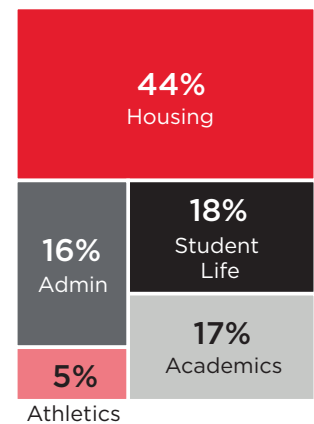
UG student body that received athletically related aid in 2020-21:



CAMPUS & FACILITIES



Space Use by Building Type:



1. Commuter Parking Lot
2. Residential Parking
3. Clinic
4. Curry Christian Life Center
5. Student Apartments
6. Center for Church Leadership

7. Criswell Hall
8. Student Union Building
9. Student Life House
10. Upperman Hall
11. Colonial Hall
12. Academic Affairs

13. Barton Entrance Gates
14. Oakwood Apartments
15. Warden Memorial Library
16. Johnston Center
17. Gault Fine Arts Center
18. Andrews Science Building

19. Martin Hall
20. "The Martin" Auditorium
21. Grissom Gazebo
22. Reveille House
23. President's House

24. Maintenance House
25. RedHawk Book Nook
26. MMC Makers Lab
27. The Justice Center

Campus Size: 69 acres

Two Areas: the main campus of 24 acres near downtown and the East Campus athletics complex of 45 acres about two miles east

Number of Buildings: 24 primary buildings

Number of Beds in Residential Facilities: 400

Building Square Footage: 302,000 (main campus 289,000 and East Campus 13,000)

Classroom Square Footage: 13,526

Average Building Age: 68 years (average year built 1952)

Age Range of Buildings: 1868—Reveille House to 2004—Coaches Office

Historical Buildings: 15 greater than 50 years old (TN Historical Commission review/approval required for projects). One (Reveille House) on the National Register of Historic Places.

FINANCIAL OUTLOOK

The most compelling aspect of Martin Methodist's transition to becoming UT Southern will be a dramatic reduction in tuition and fees. The addition of state funding will enable UT Southern to charge 61% less than it does as Martin Methodist College. Full-time undergraduate students are currently assessed \$26,000 for tuition and mandatory fees; this will drop to \$10,200 in 2021-22. The value proposition for current students will be significantly improved and the educational opportunities for prospective students in southern Tennessee will be greatly expanded.

The State of Tennessee FY 2021-22 budget appropriates \$6.23 million to UT Southern. This includes base funding of \$5.1 million, a faculty and staff salary pool of \$130,000, and \$1 million of non-recurring transition funds. If the Tennessee Higher Education Commission approves, UT Southern will receive \$5.23 million in recurring funds for the next four years (plus any state-funded salary pools and employee benefits adjustments) as a "specialized unit." After that point, future appropriations to UT Southern will depend on its performance as measured by the THEC outcomes-based funding formula.

Allocation of FY 2021-22 State Appropriations

	Recurring	Non-Recurring	Total
Reduce net cost of attendance	\$ 2,690,834		\$ 2,690,834
Enhance programs & services	839,202	500,000	1,339,202
Subtotal: direct benefits to students	\$ 3,530,036	\$ 500,000	\$ 4,030,036
Expand employee benefits	888,473		888,473
Faculty & staff salary adjustments	130,000		130,000
Subtotal: direct benefits to employees	\$ 1,018,473		\$ 1,018,473
Loss of Church & Turner Center funding	681,491		681,491
Marketing, branding, recruitment		250,000	250,000
Future plant fund expenditures		250,000	250,000
TOTAL	\$ 5,230,000	\$ 1,000,000	\$ 6,230,000

The budget projection for FY 2021-2022 includes a surplus of almost \$4.2 million, including \$4.8 million in one-time transition funds. The transition funds include a State appropriation of \$1 million, private gifts of \$2.2 million, federal funds related to the COVID pandemic of \$1.1 million, and proceeds of \$500,000 from the sale of an FCC license.

UT Southern FY 2021-22 Operating Revenues, Expenses, and Transfers

	Martin Methodist FY 2020-21	UT Southern FY 2021-22	Difference
Revenues, Expenses, and Transfers			
Tuition & Fees	\$ 17,320,028	\$ 7,406,115	\$ (9,913,913)
State Appropriations	-	5,230,000	5,230,000
Church Support & Turner Center	681,491	-	(681,491)
Endowment Distributions	556,057	556,057	-
Other E&G Revenues	834,000	810,491	(23,509)
Auxiliaries	2,844,100	2,986,000	141,900
Total Revenues	\$ 22,235,676	\$ 16,988,663	\$ (5,247,013)
Salaries & Benefits	\$ 8,284,325	\$ 9,502,473	\$ 1,218,148
Operations	5,040,059	5,251,815	211,756
Scholarships & Fellowships	9,340,600	2,117,521	(7,223,079)
Total Expenses, Including Transition	\$ 22,664,984	\$ 16,871,809	\$ (5,793,175)
Transfers for Debt Service	372,447	391,444	18,957
Additions to Plant Funds	150,000	500,000	350,000
Releases from Other Funds	(596,384)	(150,000)	446,384
Total Expenses & Transfers	\$ 22,591,047	\$ 17,613,253	\$ (4,977,794)
Net from Operations	\$ (355,371)	\$ (624,590)	\$ (269,219)
Transition Funding			
Private Gifts		\$ 2,200,000	\$ 2,200,000
Federal COVID Relief		1,100,000	1,100,000
State Appropriations for Transition		1,000,000	1,000,000
Sale of FCC License		500,000	500,000
Total Transition Funding		\$ 4,800,000	\$ 4,800,000
Net with Non-Recurring Funds	\$ (355,371)	\$ 4,175,410	\$ 4,530,781



NEXT STEPS

Subject to Board approval, the following steps will need to be undertaken:

- Technical revisions to legislation will be made to include UT Southern.
- The Governor will appoint an Advisory Board for UT Southern.
- The college's mission statement and strategic plan will need to be revised to align with UT's.
- A campus master plan must be developed and submitted for THEC's approval.
- Administrative procedures will need to be developed to conform to UT's policies.
- Training in using UT's administrative systems will occur.
- UT Southern will be incorporated into existing working groups and committees (e.g., meetings of the chancellors, faculty council, campus chief academic officers, chief communications and marketing officers, chief business and human resources officers).