



THE UNIVERSITY OF
TENNESSEE
SYSTEM

3.1

ACQUISITION OF MARTIN METHODIST COLLEGE





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.

*President's Message***3.1**

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

SUMMARY OF BENEFITS

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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.

The University of Tennessee
Board of Trustees

Resolution ____-2021*
Acquisition of Martin Methodist College

- WHEREAS, the rates of postsecondary attainment in the southern middle Tennessee region significantly lag the state's overall rate as well as the target of 55% set out in Tennessee's Drive to 55 campaign;
- WHEREAS, there is evidence that indicates an unmet labor need for educated workers in the region as well as the state more broadly;
- WHEREAS, increasing access to quality, affordable, public education through an expanded presence of The University of Tennessee ("University") in this part of the state may be an effective means of improving the state's college-going rate and addressing unmet labor need;
- WHEREAS, Martin Methodist College ("MMC"), founded in 1870, is a private, liberal arts, four-year college located in Pulaski, Tennessee;
- WHEREAS, through the acquisition of substantially all of the assets of MMC, the University would have the opportunity to establish a new University campus in Giles County that would serve prospective students in the southern middle region of Tennessee, an area that has been underserved;
- WHEREAS, such action would be consistent with the University's land-grant designation and its mission of delivering education, discovery, outreach and public service that contributes to the economic, social and environmental well-being of all Tennesseans; and
- WHEREAS, the University officers have sought and obtained the necessary authorizations of the Tennessee General Assembly, acting through legislation, resolution or appropriations, to acquire substantially all of the assets of MMC;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Subject to receipt of any other required governmental approvals, the proper University officers are hereby authorized to execute and deliver the Asset Transfer and Transition Agreement (the "Agreement"), which shall be substantially in the form attached hereto as Attachment.
2. As contemplated within the Agreement, the Board of Trustees hereby approves the establishment of a new University campus, to be known as "The University of Tennessee Southern."

(*) Number will be inserted after adoption,



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3. As contemplated within the Agreement, the Board of Trustees hereby approves the award of tenure to the faculty members identified in the Agreement.
4. The proper officers of the University be and hereby are authorized to take any and all such actions as may be required or which they may deem necessary or appropriate in order to complete the acquisition.