

**Northeast Tennessee Regional Academic Node (NETRAN) – A Lesson  
in Cooperation**

**David D. Collins, Vice President for Business and Finance  
East Tennessee State University**

**Claire E. Stinson, Vice President for Business Affairs  
Northeast State Technical Community College**

**Abstract**

*Faced with continuing budget reductions in the State of Tennessee, East Tennessee State University (ETSU), Northeast State Technical Community College (NESTCC), and the Tennessee Technology Center at Elizabethton (TTC) formed the Northeast Tennessee Regional Academic Node (NETRAN).*

*In 2002, the CEO's of the three institutions approached the Tennessee Board of Regents (TBR) with the idea that forming a regional academic node would result in economies and efficiencies of scale. Chancellor Charles Manning authorized pursuing this concept noting, "The outcome of this effort is intended to improve educational services for the people in the region while minimizing the cost".*

*NETRAN has been more successful than anyone originally anticipated. During its first six months of existence, more than \$100,000 of actual cost savings was identified as well as other educational and service benefits. NETRAN members continue to meet and work together on a regular basis to further the cooperative attitude and spirit that have been evident from the start. Due to the success of the initiative, the Tennessee Board of Regents has encouraged other institutions to implement similar strategies.*

## **Introduction of the Organization**

East Tennessee State University was established by an act of the General Assembly in 1909 as East Tennessee State Normal School. In 1924, the name was changed to East Tennessee State Teachers College; in 1930 to State Teachers College, Johnson City; and in 1943 to East Tennessee State College. In 1963, by an act of the General Assembly, East Tennessee State College was granted university status, and its name was changed to East Tennessee State University.

The university has over 11,500 students studying in eight colleges and schools: The College of Arts and Sciences, College of Business and Technology, College of Education, College of Public and Allied Health, School of Graduate Studies, School of Continuing Education, College of Nursing, and College of Medicine. ETSU is authorized to grant 18 undergraduate and 22 graduate degrees.

Northeast State Technical Community College is an open access, public two-year comprehensive community college. Northeast State provides programs of study leading to the associate of arts, associate of science, and associate of applied science degrees, as well as academic and technical certificates for programs of less than two years.

Northeast State enrolled 4,826 students in the fall of 2003.

The Tennessee Technology Center at Elizabethton (TTC-E) is one of twenty-six technology centers in Tennessee that are the premier providers of workforce development across the state. The primary purpose of TTC-E is to meet occupational and technical training needs of the citizens including employees of existing and prospective business and industry in upper east Tennessee. TTC-E offers one-year certificates in ten vocational hand health-related programs.

All three institutions are affiliated with the State University and Community College System of Tennessee and are governed by the Tennessee Board of Regents.

## **Statement of the Problem/Initiative**

The State of Tennessee has faced continued budget shortfalls for several years. As a result, budgets for higher education institutions have been relatively flat since the early 1990's. In FY 2002, due to deteriorating economic conditions, higher education was facing potential impoundments and funding cuts in coming years. In recognition of this fact, the Tennessee legislature provided a mandate stating, "The University of Tennessee Board of Trustees and the Tennessee Board of Regents should study their operations to determine how they can operate more efficiently and with more limited resources". In response to this mandate, Dr. Paul Stanton, President of ETSU; Dr William Locke, President of NESTCC; and Mr. Jerry Patton, Director of the TTC approached the Tennessee Board of Regents with the idea that economies of scale could be achieved in northeast Tennessee by the formation of a "regional academic node". Dr. Charles Manning, Chancellor of the TBR agreed noting that "I know that the institutions in Northeast Tennessee have been leaders in articulation matters, including the development of common general education core courses, establishment of a common rubric, development of an A.A.S. to Bachelor's degree track, sharing of campuses, particularly in Kingsport, and, in some cases, joint development of financial and business strategies among the three institutions. I now request that you explore at least the following areas for potential cost savings..." With that statement, NETRAN was created.

## **Design**

The first formal meeting of the NETRAN was held on May 14, 2002 with 10 individuals present representing the major areas of each institution. The group discussed the charge from Chancellor Manning and discussion began on the fourteen points identified by the

Chancellor: Facility sharing; shared faculty and course development; joint purchasing, publications, etc.; joint faculty and staff training; articulation agreement process; joint approach to accreditation standards; joint fund raising; joint maintenance, utilities, etc.; staffing consolidations; joint registration, counseling, financial aid; creative ways for R & D; collective approach to summer school; expanded distance education and televideo conferencing; and administrative restructuring.

Out of this meeting, the need for three subgroups was identified in business affairs, academic affairs, and student affairs. Each subgroup was asked to set up regular meetings and identify areas for cooperation, especially areas that could result in cost savings and/or better services to students at no increased cost. The groups were asked to review all areas and not be limited to those identified by the Chancellor. It was determined that the original group, since expanded to fourteen individuals, would act as a steering committee. Subgroups would meet separately and report back to the steering committee on a monthly basis.

### **Implementation**

Implementation will be discussed through the actions of the business affairs subgroup of which the authors were a part. This subgroup consisting of the Vice Presidents and key staff of the institutions first met on May 17, 2002 for a brainstorming session. It was quickly noted there was a need to subdivide further into three key areas: Physical plant, information technology, and purchasing. It was decided that key employees from each area would meet and involve their staffs to help identify and implement potential cost savings in their area of collaboration. The importance of including those closest to the process in identifying and implementing any ideas quickly emerged. These groups would

meet individually and bring ideas back to the business affairs subgroup. The director of each area was also included on the business affairs sub group to facilitate discussions. Also discussed at the first meeting were potential challenges that must be overcome. First was the idea that this could be a threat to certain jobs. There was a concern at the community college level that the university would “take over”. It was also noted there was a need to become more knowledgeable of the operations involved in each institution. To help overcome these obstacles, the groups toured each campus. While it did not happen immediately, through leadership of the Vice Presidents, individuals began to trust each other and work together as a true team.

### **Benefits**

During the first six months, there was over \$100,000 in cost savings. Major savings included joint purchasing of computers (\$39,000), joint natural gas purchasing agreement (\$30,000) and ETSU audit staff filling in for NESTCC internal auditor who was on leave (\$17,000). Other identified savings included HVAC emergency repairs at TTC by ETSU staff (\$3,500), electrical rate reductions (\$5,000), service learning for TTC students at ETSU (\$3,500), computer maintenance by students (\$5,000), changing procurement methods for duplicating/printing paper (\$2,400) and joint training in safety among the three schools (\$1,500). We are continuing to work together exploring areas such as joint banking contracts and sharing of food services.

While it was important that cost savings be identified, one of the major benefits was the opening of communication channels between the staffs of the three schools resulting in friendships being formed and the opportunities to learn from each other.

This unique relationship has been successful in the other areas as well. In academic affairs, seamless transfer programs have become a reality. Over 48 articulation agreements exist in majors representing 24 ETSU departments. The course numbering system is standardized between the institutions. Library services, as well as other academic services are accessible to students at the other institution via their ID card. ETSU admissions staff and advisors regularly participate at NESTCC to meet with students and “admit them on the spot” along with transcript analysis and similar academic services. As a result, ETSU experienced a growth of over 13% in transfer students for Fall 2003 with a large portion of the increase coming from NESTCC students.

In student affairs, NESTCC students may access the Center for Physical Activities, outdoor adventure programs, and campus ministry services as well as other student service activities. NESTCC and TTC students may live in ETSU campus housing if requested.

As noted by the president of NESTCC “Much of the savings cannot be measured in dollars; however, improved relationships and dollars saved provide opportunity for improved education quality. NETRAN has provided the opportunity for continuity of processes for students as they move from one institution to another”. Probably the largest benefit is best expressed by the Director of the TTC who said “We have left our egos at the door and jointly decided to simply do what is best for our students”.

### **Retrospect**

NETRAN has been a success due to the vision and leadership of the chief executive officers of the three institutions. They had to be willing to put aside their egos and

worries that one institution might become more dominant. Without this leadership from the top, other concerns such as job security would have been difficult to overcome. It was through their leadership and cooperation that everyone learned that we could work together without losing our individual identities to create a more cost effective operation for the benefit of all the students at the three schools and the region we serve.