

**Meeting of the Tennessee State University Board of Trustees
Finance and Budget Committee Meeting
November 16, 2023
Tennessee State University – Hankal Hall**

MINUTES

Committee Members Present: Trustees Richard Lewis, Andre Johnson, and Steve Corbeil

Other Board Members Present: Trustees Deborah Cole, Pam Martin, Dr. Bill Johnson, Shaun Wimberly, Jr., Dr. Joseph Walker, and Van Pinnock

University Staff Present: President Glenda Glover; Laurence Pendleton, General Counsel and Board Secretary; Vice President Frank Stevenson, Assoc. Vice President of Student Affairs; Dr. Robbie Melton, Interim Provost and Vice President of Academic Affairs; Douglas Allen, Vice President of Business and Finance; Jason Evans, Chief Operating Officer; Dr. Curtis Johnson, Vice President of Administration; Dr. Arlene Nicholas-Phillips, Liaison to the Board of Trustees; Ginette Garza Brown, Associate General Counsel; Dean Chandra Reddy; Will Radford, Assistant Vice President of University Design & Construction; Renée Forbes-Williams, Director of Internal Audit; Quincy Quick, Associate VP and Chief Research Officer; Jessica Powell, Assistant VP of Customer Relations; Cynthia Howell, Assistant VP

I. CALL TO ORDER

Trustee Lewis called the meeting to order at 8:33 a.m. on Thursday, November 16, 2023. Trustee Lewis made findings on the record regarding the necessity to conduct the Committee meeting by electronic participation without a physical quorum present. He stated that the Committee was scheduled to take up important committee matters which required timely action by the Committee, including, but not limited to approval of the FY 2024 Institutional Revised Budget and the Scholarship Plan for academic year 2024-2025. The Committee will also receive important reports on construction and facilities updates, the Master Plan, Finance and Budget, Institutional Development, enrollment and scholarships, personnel, customer service, and a Board Housing Committee Report. Trustee Lewis moved the Committee to find that participation by a quorum of the Committee members by electronic means of communication was necessary. Board Secretary Pendleton called the roll at Trustee Lewis' request, and the motion carried unanimously by roll call vote.

II. ROLL CALL/DECLARATION OF A QUORUM

Board Secretary Pendleton called the roll at Trustee Lewis' request. Trustees Lewis and Corbeil were present. Secretary Pendleton announced the presence of a quorum.

III. APPROVAL OF JUNE 15, 2023, COMMITTEE MEETING MINUTES

Trustee Lewis moved to recommend to the full Board the approval of the minutes from the September 14, 2023, Finance and Budget Committee meeting, as contained in the November 16, 2023, Committee materials. Trustee Corbeil seconded the motion, which was carried by roll call

vote.

IV. APPROVAL OF FY 2024 INSTITUTIONAL REVISED BUDGET

Chair Lewis introduced the next agenda item as the approval of the Fiscal Year 2023 Institutional Revised Budget. Chair Lewis called upon Dr. Glover, who called on Vice President Allen, to provide information on this item. Dr. Allen directed the Committee to pages 60-62 of the Board materials and led the Committee through the budget figures. He reviewed the October 2023 budget. He noted a difference in the figures for “Instruction,” which has a \$5.2 million increase due to salary increases approved by the Board and those academic units that can carry funding forward. A discussion took place regarding the variance. Dr. Allen continued to review variances in the budget. He said that the University would save \$1.4 million from the discontinued use of the Red Roof Inn, which will help offset deficiencies in the October budget.

Trustee Corbeil asked that Dr. Allen prepare a separate schedule advising the Board of every material change (over 10%) and to indicate what is driving the change. Trustee Corbeil noted that a \$2 million net change is less than 1%.

A discussion took place regarding the budget. Dr. Allen stated that there is a deficit of about \$750,000, which is about a \$489,000 deficit for the June budget, so it’s about a \$350,000 deficit increase being proposed. Dr. Allen projects that TSU will be \$750,000 in the red at June 30, 2024, which includes the \$1.4 million in savings from Red Roof Inn. Trustee asked about anticipating and modeling pension data. Dr. Allen discussed the difficulties with modeling out pension data. Some projections are considered, but it is difficult to predict. Dr. Allen concluded his report.

Trustee Cole recognized that a greater level of detail is being provided and that there was a good conversation on this point.

Trustee Lewis moved for the Finance and Budget Committee to recommend to the full Board the approval of the FY 2024 Institutional Revised Budget, as contained in the Board materials for the November 16, 2023, Board meeting. Trustee Corbeil seconded, and the motion carried unanimously by roll call vote.

V. CAPITAL PLANNING AND FACILITIES UPDATE

Chair Lewis introduced the next agenda item. Chair Lewis called upon Dr. Glover, who called on Dr. Allen and Will Radford, to provide information on this item.

Mr. Radford explained that a Master Plan update is underway. He indicated that a Master Plan update is coming. Pricing costs information needed to be completed for the Master Plan update because it did not accurately reflect Nashville market costs.

Mr. Radford reported on an Electrical Master Plan. There is a goal of fast-tracking this plan. It was set to be an 8-year project, but they are seeking to limit this to a 5-year project.

A Housing Master Plan is complete and will be submitted in December to TSCCA for bond approval and, thereafter, will be brought forward for SBC approval.

A discussion took place regarding emerging technology, including cleanrooms and chipmaking. Dr. Melton said that this is part of TSU's plan. She said that the University is also going to need state-of-the-art research labs for this type of project.

Trustee A. Johnson asked about tornado recovery efforts. Mr. Radford explained the difficulties with warranties. He said that one of the reasons for protracted efforts is because of the sequencing of events. Trustee A. Johnson noted his concern about the cost of repairs going up. Mr. Radford said that he can create a list of tornado repairs. Mr. Radford said that several projects were executed as soon as the funds were received. There is no project we are holding. Dr. Allen said that prices are locked in. Mr. Radford explained that they try to recover whatever is possible if costs go up. Dr. Allen said that TSU has not had to fill any gaps in funding. Mr. Radford expects to finish this work in the next 12 months. He is looking to add another insurance specialist to his team.

VI. FINANCE AND BUDGET REPORT

Chair Lewis introduced the next agenda item. Chair Lewis called upon Dr. Glover, who called on Dr. Allen, to provide information on this item. Dr. Allen reported that the FY 2022 audit by the State Comptroller's Office is ongoing. He hoped that it would be wrapped up in the upcoming few weeks.

A forensic audit has been in progress since July 2023. Their report is set to be released on December 15, 2023. Dr. Allen reported that 18 auditors were present within the University's systems. The auditors have not yet noted anything, and it is to be determined whether anything needs to be addressed.

A TSAC compliance review is technically another audit underway. There were 24 findings in the report. Nine of the 24 were covered. Some management responses are needed. The goal is to complete this before the holidays. The State is withholding \$9.5 million of TSU funding until all 24 items are completed. Weekly meetings take place. This review impacts Finance, Academic Affairs, and Enrollment Services.

Trustee Lewis thanked Dr. Glover and Dr. Allen for their report.

VII. INSTITUTIONAL DEVELOPMENT REPORT

Chair Lewis introduced the next agenda item. Chair Lewis called upon Dr. Glover, who called on Lolita Toney, to provide a report on institutional development. Ms. Toney reported on fundraising efforts by Institutional Advancement. Currently, TSU is at \$3.7 million, almost \$3.8 million. This does not include a \$900,000 gift received this week. The goal this year is to raise \$10 million. TSU is one-third of the way toward its goal. Ms. Toney discussed efforts to improve the website to drive better fundraising. She discussed face-to-face visit requirements. She said that they have

conducted an alumni survey. They are working with other departments to release a bi-annual publication. A director of stewardship and donor relations was hired.

A discussion took place regarding giving and the needs of the Office of Institutional Advancement. Chair Cole asked for a report on what additional resources are needed. Ms. Toney stated that she needs at least two more fundraisers.

VIII. UPDATE ON ENROLLMENT AND SCHOLASRHIPS

Chair Lewis introduced the next agenda item. Chair Lewis called upon Dr. Glover, who called on COO Jason Evans, to provide an update on enrollment and scholarships. Mr. Evans directed the Board to pages 93-95 of the Board materials. Mr. Evans reviewed applicant and enrollment data. He stated that there are 982 people who have been admitted for Fall 2024. Trustee B. Johnson expressed a desire to see a breakdown of enrollment data by class. He would like data to show student retention success, yield number (conversion rate), and persistence.

A discussion took place regarding enrollment and enrollment strategy. There are 14,375 first time freshmen applicants for fall 2024. Of those, 1,384 have completed their applications. Mr. Evans reported that a new software was recently adopted. Of the completed applications, 943 applicants have been admitted. Chair Cole asked whether the University needs additional staff members. Mr. Evans said that they do. The Committee inquired about the number of incomplete applications and efforts to improve the rates.

IX. APPROVAL OF SCHOLARSHIP PLAN FOR ACADEMIC YEAR 2024-2025

Chair Lewis introduced the next agenda item, the approval of the scholarship plan for academic year 2024-2025. Chair Lewis called upon Dr. Glover, who called on COO Jason Evans, to provide this information. Mr. Evans directed the Board to page 98 of the Board materials. He reviewed the University's proposed scholarship plan. He discussed adjusting Tier Three of the plan, which would help with retention efforts. They plan to offer about 970 scholarships. They are not proposing to raise this amount this year since that number was not met last year. Scholarships have not been awarded because the plan has not been approved yet. They are prepared and ready to offer scholarships to students.

Dr. Allen explained that the approval sought today is for \$5 million for new student scholarships. A full scholarship report will be brought before the Board in June and will report all dollars, including this \$5 million.

Trustee A. Johnson moved for the Committee to recommend to the full Board the approval of the Scholarship Plan for new students for the academic year 2024-2025 not to exceed a \$5 million pool, as outlined in pages 101 and 102 of the Board materials for the November 16, 2023, Board meeting. Trustee Corbeil seconded the motion.

Trustee A. Johnson amended his motion to include the Tier Three plan, as referenced on pages 101 and 102 of the Board materials, with the caveat that no amount of scholarships awarded, in the

aggregate, shall exceed \$5 million without further Board approval. Trustee Corbeil seconded the motion.

The discussion continued surrounding scholarships for returning students. Trustee Lewis requested a detailed report every committee meeting advising the Board about scholarships.

A roll call vote was taken on Trustee A. Johnson's amended motion, which carried unanimously by roll call vote.

A roll call vote was taken on Trustee A. Johnson's original motion, which also carried unanimously by roll call vote.

X. PERSONNEL ACTION PLAN UPDATE

Chair Lewis introduced the next agenda information item, a personnel action plan update. Chair Lewis called upon Dr. Glover, who called on COO Jason Evans, to provide this update. He directed the Committee to pages 105-110 of the Board materials.

Mr. Evans recommended a manpower study/organizational assessment. The last one was done four years ago by Sibson Consulting. He would like a more detailed assessment.

Mr. Evans reported that a Personnel Action Plan Committee reviewed the Comptroller's Report to determine if there were other positions mentioned in the report that were key and required staffing. All positions were filled, as reflected on the chart on page 107. There are additional positions that need to be filled, as reflected in the charts. The next steps for the Personnel Action Plan Committee are listed on page 108.

Trustee B. Johnson suggested including someone from the Faculty Senate on the Personnel Action Plan Committee. Mr. Evans said this is fine.

XI. CUSTOMER SERVICE REPORT

Chair Lewis introduced the next agenda information item, a personnel action plan update. Chair Lewis called upon Dr. Glover, who called on COO Jason Evans, to provide this update. He directed the Committee to pages 113-116 of the Board materials. Mr. Evans reviewed the data for customer relations inquiries. The majority of questions pertained to Financial Aid (34%).

Mr. Evans stated that there were about 340 inquiries from May through October. Customer Relations works with various departments to resolve problems and directly involves the departments. Mr. Evans reported that response times have improved. Data and metrics are being measured with respect to customer relations. The number of inquiries going to HERO has gone down, from about 20 down to 5. Further discussion took place regarding customer relations, quantifying response rates, and conducting a formal strategic plan for customer relations for the next meeting. Chair Cole requested a formal strategic plan.

XII. BOARD HOUSING COMMITTEE REPORT

Chair Lewis introduced the next agenda information item, a Housing Committee Report. Chair Lewis called Trustee Pinnock and Dr. Glover to present on this item. Trustee Pinnock referred the Committee to the Committee report on page 119 of the Board materials.

Trustee McKenzie discussed the status of the House of God development project with Otis Jones of Cobblestone. He said that an investment bank has accepted the project and bonds are being underwritten. This project is moving along nicely. The project will include about 750-1,000 beds.

There was a discussion regarding projects. There is another project concerning the Avon Williams campus that could include PPP funds. Trustee McKenzie hopes that the Master Plan will include the Avon Williams campus. Trustee Pinnock explained that the House of God project is a project between the House of God and a developer. This is a totally private project that gives TSU students first priority on apartments. Trustee McKenzie explained that TSU can buy a right of first refusal to buy the property, if it is later sold.

Chair Cole congratulated Trustee Pinnock and the Committee for their accomplishment.

XIII. UPDATE ON CUMBERLAND PROPERTY DEVELOPMENT ASSESSMENT

Chair Lewis introduced the next agenda information item. Chair Lewis asked Dr. Glover or her designee to present on this item. Dr. Glover asked Secretary Pendleton to introduce this project. He reported that a year ago the Board approved an assessment of the Cumberland Property to look at suitability for development. There is a potential for involvement with baseball.

Ed Henley with Pillars Development presented information to the Board regarding the assessment, done with Moody Nolan and Barge Design. Barge Design has done significant work along Cumberland River. This study was done at no cost to TSU by Music City Baseball. Mr. Henley presented the findings of the assessment, focusing on three key areas of focus: flood impacts (looking at 5 alternatives), utilities/easements/ground rights/entitlements, and environmental impact. Opportunities contemplated for the property include academic, research, housing, athletic, recreational, and the cultural arts. The assessment covered 196 acres.

Mr. Henley introduced his team members that were present, which included John Loar, Dave Stewart, and Dr. Eddie Hamilton representing Music City Baseball and Welton Pride with Pillars Development. The group was welcomed and thanked for their efforts.

Secretary Pendleton noted that this is an ongoing process and that information is being sought from others, including the State, residential housing, and the TSU Department of Agriculture.

Dave Stewart next presented information regarding Major League Baseball. He said that he spoke with MLB a week ago about expansion. The MLB Commissioner has started with his expansion committee, looking at Montreal, Charlotte, Nashville, Austin, Salt Lake City, and Portland, OR. The Commissioner will speak to all these cities. Mr. Stewart does not think that it is far-fetched to think that Nashville could be an expansion city. MLB is looking seriously at Nashville as a top

city to play baseball. He expects the Expansion Committee process to be done and over with by summer of next year; however, the process could take five years. His hope is that we would be playing MLB in Nashville within five years.

XIV. ADJOURNMENT

Trustee Lewis asked if there was any additional business. Seeing none, he moved to adjourn the meeting, and the motion was seconded by Trustee A. Johnson. The motion was carried unanimously by roll call vote. The meeting was adjourned at 11:50 p.m.