

Meeting of the Tennessee State University Board of Trustees
Finance Committee Meeting
September 18, 2025
Tennessee State University – The Farrell Westbrook Complex (the “Barn”)

MINUTES

Committee Members Present: Trustees Charles Traughber, Jeffery Norfleet, and Dakasha Winton. Other Board members present: Azana Bruce, Trevia Chatman, Marquita Qualls, Dimeta Smith Knight, Terica Smith, Leticia Towns, and Artenzia Young-Seigler

University Staff Present: President Dwayne Tucker; Dr. Robbie Melton, Acting Interim Provost & Vice President for Academic Affairs; Bradley White, Interim VP of Business and Finance; Sterlin Sanders, Chief Information Officer; Jim Grady, Alvarez & Marsal; Oniqua May, Assistant General Counsel

I. CALL TO ORDER

Trustee Traughber called the meeting to order at 1:59 p.m. Committee Chair Traughber offered opening remarks to frame the committee’s work, noting that TSU continues to face significant financial challenges and cannot operate as usual. He emphasized that trustees must exercise careful oversight, seeking clarity, accuracy, and transparency in all decisions, and ensure compliance with university bylaws and applicable laws. Chair Traughber commended the Memorandum of Understanding with the state while stressing the need to meet its obligations with discipline and integrity. He encouraged trustees to ask questions, seek details, and act boldly and collaboratively to position TSU to not only survive but thrive.

II. ROLL CALL/DECLARATION OF A QUORUM

Committee Chair Traughber declared that all members were present, constituting a quorum. Attorney May conducted the roll call. The following committee members were present: Trustees Charles Traughber, Jeffery Norfleet, and Dakasha Winton.

III. ADOPTION OF AGENDA

Committee Chair Traughber opened the session with brief remarks before the adoption of the agenda. A point of order was raised under Section 23 of *Robert’s Rules of Order* concerning the omission of a real estate item that had been properly submitted for inclusion on September 12, 2025, with Secretary Brown copied. Committee Chair Traughber noted that, according to standard parliamentary procedure, the committee chair is responsible for setting the agenda, and the item—related to real estate—had not been included.

Chair Winton explained that the real estate discussion had originally been scheduled for the full board meeting the following day to allow all board members to participate fully, consistent with prior full board decisions such as the Memorandum of Understanding. She emphasized that this approach would ensure transparency and active engagement on matters of significant importance.

Discussion followed regarding whether the finance committee could address the item first. Chair Winton highlighted that while committee feedback is valuable, the significance of the real estate matter warranted full board consideration to provide direction and prevent duplicative work. The committee discussed the balance between committee review and full board participation, noting that deferring the item would maintain proper oversight while ensuring all members had input.

Following discussion, Trustee Norfleet made a motion to remove the real estate item from the finance committee agenda for the current meeting and place it on the full board agenda for the following day. Chair Winton seconded the motion. A roll call vote was taken:

- Trustee Traughber – No
- Chair Winton – Yes
- Trustee Norfleet – Yes

The motion passed, and the real estate item was removed from the finance committee agenda.

Trustee Norfleet then moved to adopt the revised finance committee agenda, as amended. Chair Winton seconded the motion. A roll call vote was taken:

- Trustee Traughber – No
- Chair Winton – Yes
- Trustee Norfleet – Yes

The motion passed, and the revised agenda was adopted.

IV. APPROVAL OF JUNE 12, 2025, FINANCE COMMITTEE MEETING MINUTES

The minutes from the June 12, 2025, meeting of the Finance Committee were approved as submitted, with Committee Chair Traughber making the motion and Chair Winton seconding the motion. The motion passed unanimously.

V. UPDATE ON ENROLLMENT

Committee Chair Traughber introduced the next agenda item, an update on enrollment, and invited Dr. Eric Stokes, Vice President for Enrollment Management, and Jim Grady from Alvarez & Marsal to present.

Dr. Stokes provided an overview of the Fall 2026 enrollment cycle, highlighting strategic initiatives, recruitment efforts, campus visits, and data-driven planning. He emphasized that TSU's strategy builds on the six initiatives previously presented by RHB SIG, focusing on increasing enrollment while improving the academic profile of incoming students. Key focus areas include strategic initiatives, recruitment and travel, events, and campus tours.

He highlighted the launch of a new CRM system, Slate, to enhance student engagement, manage campus visits, support lead generation, and improve communication with prospective students. Training for Enrollment Management staff is underway, with additional training planned for

faculty and staff involved in recruitment. Lead generation efforts include purchasing ACT lists, integrating with the Common App and Common Black College App, and targeting high-achieving students through initiatives such as Tennessee Hope and THEC's Direct Admit program.

Dr. Stokes discussed recruitment and travel strategies, emphasizing a data-driven approach to prioritize high-yield regions, including Davidson and Shelby Counties, while maintaining outreach to other areas. Campus visits remain a key factor in student enrollment decisions, with investments in peer-led Tiger Tour Guides to provide high-quality experiences.

He clarified the roles of recruitment and admissions staff, noting three Admissions Counselors, one Director of Recruitment, and three Admissions Associates who process applications and assist with transfer student evaluations. Benchmarks for enrollment success include tracking applications, student engagement via Slate, event attendance, FAFSA completion, and confirmations for orientation.

Dr. Stokes also addressed improvements to TSU's website to make enrollment-related information more accessible and noted plans to align marketing and communications with recruitment strategies.

VI. FINANCE AND BUDGET REPORT

Committee Chair Traughber introduced the next agenda item the finance and budget report and invited Jim Grady from Alvarez & Marsal to present.

Mr. Grady provided an update on enrollment and related budget implications. Tennessee State executed a student purge for the first time in nearly a decade, with the final purge date on August 29. Daily tracking leading up to the purge categorized students as fully registered and financially cleared, partially cleared, or requiring significant financial aid or administrative follow-up. Initial mid-July numbers showed approximately 4,200 registered students, with only about 280 financially confirmed. By the first purge date on August 11, registrations increased to 4,890, with more than 3,200 confirmed. Through coordinated outreach, a one-stop shop for student issues, and support from the TSU Foundation—including targeted scholarships, “close the gap” funds, and an additional \$3.3 million—only 188 students were ultimately purged. Emphasis was placed on graduating seniors, including those with GPAs between 2.0 and 2.5.

Trustees commended the cross-departmental effort, with administration, faculty, staff, and external partners all contributing. President Tucker highlighted teams assigned to current students, incoming freshmen, and targeted financial aid support. THEC also provided assistance with financial aid applications and training. Mr. Grady noted ongoing “after-action” reviews to identify lessons learned and ensure spring semester monitoring, particularly regarding continued foundation support. Fall FTE was 4,767, projecting to an annualized FTE of 4,555, aligning with the budget assumption of 4,250 FTE and accounting for an anticipated nine percent decline between fall and spring.

Trustee Qualls asked about loan usage. Administration reported that of the \$45–46 million aid pool, \$16 million came from federal loans, \$7.5 million from Pell grants, with the remainder from

state aid, institutional scholarships, and foundation support. Many students receive aid from multiple sources, making exact percentages difficult to isolate. Trustee Bruce emphasized clearer communication, as many students did not check emails or respond to calls. Administration indicated future improvements would include expanded use of the Slate system for reminders and scholarship/FAFSA follow-up. Technical issues with Flywire during the purge week were acknowledged, and efforts are underway to strengthen system performance.

Although enrollment exceeded projections, the University faces a \$39 million deficit. The FY26 proposed tuition revenue budget was \$59.2 million; with 4,555 FTEs, the latest forecast is approximately \$64 million, a \$5.2 million increase. In-state tuition averages around \$9,000, and out-of-state between \$16,000–\$18,000. Differences between the FY26 pro forma and current budget, including enrollment assumptions and tuition rate increases, account for a \$3.6 million variance. A revised October budget will be presented at the November board meeting. The purge improved cash flow by reducing bad debt risk, requiring a 25% deposit for payment plans, and encouraging use of federal aid. Most students are expected to maintain eligibility for spring aid.

Committee members discussed producing reliable financial reports. Using a “triangulation” approach—verifying data at least three times—has improved accuracy, exemplified by the October 2023 revised budget. Cash flow was prioritized initially, with additional data refining future forecasts. Under the MOU with the state, TSU meets with state officials 45 days after each quarter; reports are high-level (pro forma, budget, revenues, expenses, deficit projections) and reviewed by the Board beforehand.

Budget adjustments since June included “bad guys” (deficit-increasing) such as the TBR contract (\$850,000), recruitment initiatives (\$420,000), THEC financial aid contract (\$200,000), restoration of an audit position, Levi Watkins program staff support, Ingrid Group lobbying services, employee education assistance, and miscellaneous items (\$232,000). “Good guys” (revenue/savings) included the YMCA parking agreement (\$400–500K) and unfilled position salary savings (\$1.3 million). Net impact was a \$357,000 deficit increase, excluding an additional \$5 million positive adjustment. Deficit remains in the mid-\$30 million range.

Trustees discussed TBR and THEC contracts. The TBR \$850,000 figure is a maximum; charges apply only for engaged resources. Current onboarding includes one or two staff, with additional hires in progress. Consultants assist with operations, audit support, and staff training to ensure knowledge transfer. Funds exist in the budget to hire permanent staff (reflected in the \$1.3 million savings from vacancies). TBR has supported audit issues since FY23, with intensified support beginning July 2024. The YMCA parking agreement, which would make available approximately 100–150 spaces at Avon Williams, is under review to finalize actual availability before execution. Trustees agreed the Finance Committee should review and recommend approval to the full Board.

VII. APPROVAL OF THE BANK RECONCILIATION POLICY

Committee Chair Traugher introduced the next agenda item, the approval of the Bank Reconciliation Policy, noting that materials were included for review. Mr. Bradley White presented the proposed updates.

Mr. White explained that the primary change reduces the number of approvers for reconciliations from two to one. The updated policy also clarifies that all reconciliations must be completed within 30 days after month-end, removing the previously interpreted 45-day allowance for the June 30 reconciliation.

In response to questions from Trustees, Mr. White noted that the previous requirement for two signatures may have been procedural rather than policy-based. Trustees discussed whether two approvers would provide stronger checks and balances. Mr. White agreed that having two appropriate approvers could strengthen oversight but emphasized that approval by the designated controller remains sufficient.

Trustee Norfleet requested a redline version comparing the prior and proposed policies, along with information on other institutions' approval practices. Mr. White agreed to provide these materials.

The Committee agreed to defer action on the policy until the redline comparison and benchmarking information are available for review at a future meeting.

VIII. INSTITUTIONAL ADVANCEMENT UPDATE

Committee Chair Traugher introduced the final agenda item, an update on Institutional Advancement, and welcomed Ms. Eloise Abernathy Alexis, Vice President for Institutional Advancement.

Ms. Alexis noted that she was a few weeks into her new role and currently conducting a listening tour to engage with colleagues, alumni, students, and donors. She stated that her focus is to build a culture of engagement and giving that is significant and sustainable.

She identified three priorities: building trust among advocates and donors, inspiring giving through transparent and balanced storytelling, and driving data-informed, donor-centered results. Ms. Alexis emphasized collaboration, integrity, and accountability, and shared that she has begun meetings with the TSU National Alumni Association, the TSU Foundation Board, and university leadership to strengthen advancement efforts.

Ms. Alexis thanked the Committee and expressed enthusiasm for working with the Board and university partners.

IX. ADJOURNMENT

Trustee Norfleet moved to adjourn, with the motion seconded by Chair Winton. A voice vote was taken, with all Committee members present voting in favor of the motion. The meeting was adjourned.