Meeting of the Tennessee State University Board of Trustees
Finance Committee Meeting
May 14, 2026
Tennessee State University – The Farrell Westbrook Complex (the "Barn")

MINUTES

Committee Members Present: Trustees Charles Traughber, Jeffery Norfleet (virtual), Leticia Towns (virtual), and Dakasha Winton. Other Board members present: Trevia Chatman (virtual), Marquita Qualls, Dimeta Smith Knight, Terica Smith (virtual), and Venkataswarup Tiriveedhi

University Staff Present: President Dwayne Tucker; Ginette Brown, Interim General Counsel and Board Secretary; April Robinson, Chief Finance Officer; Sterlin Sanders, Interim Chief Information Officer; Eloise Alexis, Vice President for Institutional Advancement; Will Radford, Assistant Vice President for Campus Operations + Planning, Design and Construction

I. CALL TO ORDER

Committee Chair Traughber called the meeting to order at 1:03 p.m.

II. ROLL CALL/DECLARATION OF A QUORUM

Committee Chair Traughber declared that a quorum was present. Board Secretary conducted the roll call. The following committee members were present: Trustees Charles Traughber, Leticia Towns (virtual), Jeffery Norfleet (virtual), and Dakasha Winton.

III. ADOPTION OF AGENDA

Chair Winton moved to adopt the agenda as presented. The motion was seconded by Trustee Norfleet. A roll call vote was taken, with all present Committee members voting in favor of the motion. The motion passed unanimously.

IV. APPROVAL OF FEBRUARY 20, 2026, FINANCE COMMITTEE MEETING MINUTES

The minutes from the February 20, 2026, meeting of the Finance Committee were approved as submitted, with Chair Winton making the motion and Trustee Norfleet seconding the motion. A roll call vote was taken, with all present Committee members voting in favor of the motion. The motion passed unanimously.

V. FINANCIAL ADMINISTRATION UPDATE

Committee Chair Traughber introduced the financial administration update and welcomed April Robinson, Chief Financial Officer, to provide the report. The item was presented for informational purposes only, with no action required.

Mrs. Robinson provided an update on Finance and Business priorities following the previously discussed 30-day culture reset. She reported continued work on audit remediation, implementation of a training plan for business and finance staff, and completion of the budget process using a zero-based approach. The budget process included a review of the University's operational structure and efforts to reduce the deficit.

Mrs. Robinson also highlighted ongoing contract management efforts, including the use of a new system to organize and review University contracts and ensure the University receives the best value from contracted services.

Looking ahead, Mrs. Robinson identified grants reconciliation as a key priority. The finance team is working to reconcile aged grants, with a goal of completing the highest-priority outstanding grants by June 30.

Trustees asked how staff training would be documented. Mrs. Robinson explained that the training plan will identify topics and timelines and acknowledged the importance of maintaining formal documentation of completed training, particularly in response to prior audit findings.

Trustees also asked about "finance-adjacent" personnel. Mrs. Robinson explained that these include employees in other departments who perform finance-related functions, such as budgeting, accounting, reconciliations, purchase orders, and requisitions. She noted that the University is evaluating whether some of these resources should be centralized to improve efficiency and oversight.

The finance administration update concluded with no further questions.

VI. REPORT ON FISCAL YEAR 2026-2027 TUITION AND MANDATORY FEES INCREASE

Committee Chair Traughber introduced the next agenda item, the report on fiscal year 2026-2027 tuition and mandatory fees increase, and welcomed April Robinson, Chief Financial Officer, to provide the report. The item was presented for informational purposes only, with no action required.

Mrs. Robinson reviewed the University's overall value proposition, including its research activity, investments in STEM and innovation, high-impact student support, vibrant student life, and the opportunities associated with its location in Nashville. She noted that TSU is currently the lowest-cost tuition provider in the state while operating in the highest-cost metropolitan area and explained that peer comparisons and CPI trends were considered in developing the proposed increase. She emphasized the importance of proactively managing rising costs, particularly given the University's limited reserves, and maintaining financial discipline to prepare for future cost pressures.

Mrs. Robinson presented the proposed tuition and mandatory fee increases, which would result in an overall 4.5% increase, or approximately $425 annually for a student taking 15 credit hours. Approximately $300 of the annual increase would be attributable to mandatory program and service fees. She recommended keeping full-price undergraduate and graduate out-of-state tuition flat in recognition of TSU's existing out-of-state tuition premium and the need to remain competitive with surrounding institutions and HBCU peers. The proposed increase is expected to generate approximately $1.9 million annually. Mrs. Robinson emphasized that the increase is not intended to resolve the University's structural deficit and noted that the FY2027 budget was developed without including the additional revenue. The proposed uses of the additional revenue are already included in the budget, with the revenue to be reserved if the increase is approved by the Board.

Mrs. Robinson also reviewed proposed increases to program and service fees, including fees associated with identification badges and parking. She explained that parking registration would be incorporated into the mandatory fee for students with vehicles and that the increase in identification-related fees would support expanded campus security measures, including additional badge-access locations and planned license-plate readers.

Trustees discussed the potential impact of the proposed increase on students, particularly given the University's approximately 50/50 in-state and out-of-state student population. Trustees raised questions regarding affordability, retention, and the potential impact of increased costs on students who may already have difficulty meeting their financial obligations. Mrs. Robinson reviewed recent student purge data and noted that the average outstanding balance of students purged during both the fall and spring processes was just under $5,000. She explained that the data indicated that students being purged generally had larger outstanding balances rather than relatively small balances. Mrs. Robinson also discussed Foundation assistance provided to students, noting that the University received approximately $3.3 million in the fall and $3.2 million in the spring and does not intend to build its recurring financial plan around reliance on Foundation funds.

The Committee further discussed the criteria for Foundation assistance, which included academic standing and the use of available federal loan resources. Mrs. Robinson noted that seniors generally were required to have at least a 2.0 GPA, while non-seniors were required to have at least a 2.5 GPA. She explained that students with available federal loans were also expected to utilize those resources as part of the shared-sacrifice approach associated with the Foundation funds.

Trustees emphasized the importance of strengthening and more clearly communicating TSU's value proposition and questioned whether the University's position as a low-cost institution in a high-cost city should be the primary basis for the proposed increase. Trustees encouraged administration to further consider the factors that distinguish TSU from other institutions, including its academic programs, faculty, HBCU experience, student outcomes, postgraduate opportunities, and the advantages of its Nashville location. Mrs. Robinson explained that the initial value proposition was developed in consultation with the enrollment team based on the attributes and opportunities most frequently identified by prospective students as important in their college selection.

Mrs. Robinson also highlighted the Smart Center at Avon Williams Campus and the University's work in artificial intelligence, innovation, and technology as examples of academic strengths that could be more effectively incorporated into recruitment and campus tour activities. She acknowledged that TSU has additional academic strengths that should be more prominently reflected in its enrollment and value messaging.

Trustees also questioned whether an enrollment elasticity or sensitivity analysis had been conducted to assess the potential impact of the proposed increase on enrollment and future tuition revenue, particularly following the prior year's tuition increase. Mrs. Robinson acknowledged that an elasticity analysis had not yet been completed but agreed that the University could conduct one. Trustees further emphasized the importance of communicating the proposed increase directly to students and clearly explaining how the additional revenue would support the student experience. Mrs. Robinson agreed that transparent communication and accountability should be part of the rollout of any approved increase.

VII. REPORT ON FISCAL YEAR 2025-2026 ESTIMATED BUDGET

Mrs. Robinson continued her presentation with a review of the report on FY2026 estimated budget, outlining the University's anticipated year-end financial position based on actual results through March and projected activity through the end of the fiscal year. She noted that the significantly lower freshman class presented a challenge during FY2026 and required the University to manage expenses more tightly while maintaining its financial commitments. Mrs. Robinson also highlighted the financial impact of the Voluntary Separation Program (VSP) and the strategic investments included in the FY2026 budget to support enrollment and stabilize key Business and Finance functions.

Mrs. Robinson reported that approximately 40 eligible applicants participated in the VSP, resulting in an estimated $4.3 million in FY2026 payouts. Of the 239 eligible faculty members, 25% of retirement-eligible faculty participated, while 15% of both tenure and non-tenure-track faculty participated. Among faculty with 20 or more years of service, just under 20% participated. Mrs. Robinson explained that the VSP was developed following an analysis of the University's faculty-to-student ratio and comparisons with LGI and HBCU peers, which indicated that TSU was approximately 80 to 100 faculty above the level needed for its current enrollment.

Mrs. Robinson emphasized that the VSP process considered academic and programmatic needs, including accreditation requirements, faculty availability for required courses, and the need to maintain appropriate academic offerings. She noted that the 40 faculty members approved for the program were determined based on the University's ability to maintain its academic commitments without reducing course offerings or academic output. Mrs. Robinson also confirmed that the application period for the VSP had closed.

Trustees discussed lessons learned from the VSP and the potential impact on faculty morale. Mrs. Robinson noted that one of the primary differences between the University's initial assumptions and the actual results was the lower-than-anticipated participation among retirement-eligible faculty. She stated that the process provided an opportunity to better understand faculty needs and reinforced the importance of effective performance management, equitable expectations, and accountability. Trustees also raised concerns regarding the retention of younger and tenure-track faculty, with Mrs. Robinson acknowledging the need to further assess factors that may influence faculty retention.

Mrs. Robinson reviewed strategic investments included in the FY2026 estimated budget, including investments in enrollment personnel and technology, travel and operating expenses, and Business and Finance functions. She explained that the enrollment investments were intended to support the University's FY2027 enrollment goals, while Business and Finance investments were focused on stabilizing core functions and reducing reliance on external consultants.

Trustees questioned the amount of non-recurring revenue included in the FY2026 budget and its effect on the University's bottom line. Mrs. Robinson identified the $45 million received through the state memorandum of understanding (MOU) as the most significant non-recurring item and agreed to provide a more detailed review of non-recurring revenues and expenses for FY2026 and FY2027.

Trustees also asked how the University would measure the return on its strategic investments. Mrs. Robinson noted that enrollment investments would be measured through enrollment targets and the development of the student recruitment pipeline. For Business and Finance investments, she explained that improved internal capacity, staff development, and reduced reliance on external consultants would serve as indicators that the investments had achieved their intended purpose.

The Trustees also discussed prior enrollment-related investments, including technology expenditures associated with the Slate recruitment and enrollment system. Mrs. Robinson agreed to review prior Board materials to confirm whether the current amount represented an additional investment or was consistent with previously approved funding. Trustees further asked about the use of Title III funds to support University personnel and activities that might otherwise be funded through E&G resources. Mrs. Robinson stated that a review was underway and acknowledged that some Title III funds may have been used in this manner. She emphasized the need to ensure that Title III activities and funding are properly aligned with the University's strategic vision.

Mrs. Robinson reported that efforts were also underway to fill remaining finance and accounting positions and noted that the University is beginning the hiring and ramp-up process for FY2027.

VIII. REPORT ON FISCAL YEAR 2026-2027 PROPOSED BUDGET

Mrs. Robinson continued her presentation with the report on FY2027 proposed budget, outlining the approach used to develop the budget and emphasizing that cash flow management remained the University's highest priority. She explained that the budget was developed conservatively, with potential maximum-exposure expenses and contingencies included while limiting the recognition of anticipated revenue to amounts that could be reasonably relied upon. Given the University's limited reserves, Mrs. Robinson noted that this approach was intended to ensure that potential obligations could be managed within the available budget and cash position.

Mrs. Robinson reported that the FY2027 proposed budget assumes a 1,200-student freshman class, compared with approximately 457 freshmen in FY2026. She noted that current enrollment indicators, including confirmed deposits, new student orientation participation, and housing enrollment, reflected significant improvement in the University's enrollment pipeline. She explained that the enrollment team was continuing to build sufficient cushion to account for potential student melt and the possibility that some students may not complete the enrollment or purge process. Mrs. Robinson also noted that approximately 74% of the confirmed students had already been financially packaged. She stated that the projected increase in freshman enrollment demonstrates continued demand for TSU and highlighted the importance of restoring confidence among students and parents following the University's financial challenges in the prior year.

Mrs. Robinson reviewed personnel cost trends from FY2021 through FY2027 and emphasized the continued need to align the University's operating structure with current enrollment. She noted that the VSP is reflected in the FY2027 budget with approximately $4.8 million in estimated savings, compared with approximately $12.2 million in savings assumed in the prior pro forma. This created an estimated $7.4 million gap that the University is actively working to address through personnel adjustments, operating efficiencies, and additional revenue opportunities. Mrs. Robinson emphasized that the University is managing to its bottom line and that increased revenue, where achievable, would reduce the amount of expense reduction necessary to close the gap.

Mrs. Robinson presented the University's enterprise-wide external strategic consultants and distinguished between services funded through unrestricted funds and restricted Title III funds. She explained that approximately $8.1 million was spent in FY2026 on these stabilization services, primarily to strengthen and stabilize key Business and Finance functions and provide needed expertise and capacity. She noted that the FY2027 budget reflects a significant reduction in these expenses, consistent with the original intent for the consultants to provide temporary stabilization while the University developed its internal capabilities. Mrs. Robinson further explained that several FY2027 consultant expenses represent one-time or non-operational needs, including enterprise-wide system migration and potential real estate matters.

The Committee also reviewed the TSU Athletics budget, including individual sports revenue and expenses. Mrs. Robinson noted that athletics remains an important component of the University's identity and value proposition and stated that the University continues to recognize the need to adequately fund its athletic programs while maintaining overall budget discipline. Trustees discussed athletics in relation to other revenue-producing and auxiliary operations and requested additional departmental-level information to better understand the financial performance and priorities of these areas. Trustees also questioned projected football and basketball ticket revenue, and Mrs. Robinson agreed to provide additional information regarding the variance.

Trustees asked about the financial implications of the University's decision to opt into the athletics settlement and how any resulting revenue-sharing obligations would be administered. Mrs. Robinson stated that the financial impact was not included in the current FY2027 budget and explained that administration was working with the President and Athletic Director to determine the appropriate operational structure. She indicated that the University should have a clearer understanding of the financial and administrative implications before the Board considers approval of the FY2027 budget.

Mrs. Robinson then reviewed the proposed FY2027 strategic investments, including continued support for Athletics, Business and Finance, financial aid, institutional advancement, and the President's Office. She noted that some Business and Finance support would continue through September as the University completes its transition to internal staffing and capabilities.

Mrs. Robinson continued with an update on cash management, emphasizing the importance of maintaining sufficient cash to meet the University's obligations and noting that the FY2027 state MOU funds were expected to be received beginning July 1. She also presented the University's Composite Financial Index, which measures several financial ratios against established standards and peer benchmarks. Mrs. Robinson noted that TSU's primary reserve position remained significantly below the established watch level, consistent with the University's limited reserves, while the return on net assets reflected that the University was moving in a positive direction compared with the prior year. She reported a current composite score of 1.45 compared with a standard of 3.0, emphasizing that additional work remains necessary to strengthen the University's overall financial position.

Finally, Mrs. Robinson reviewed updates to the University's pro forma. She compared the original baseline pro forma with the FY2026 estimated results and noted that the original baseline did not include the $45 million in state funding received during the year. Despite the significant freshman enrollment shortfall, she explained that the University's operating expense management helped offset the revenue variance and brought the estimated results generally in line with the baseline when the state funding is considered. For FY2027, Mrs. Robinson compared the baseline pro forma with the proposed budget, noting that the baseline does not include the anticipated $25 million in state MOU funding. She stated that the proposed budget is currently projected to slightly outperform the MOU commitment, demonstrating the University's continued efforts to meet the financial requirements associated with the state's stabilizing support. The presentation concluded with no further questions.

IX. REPORT ON INSTITUTIONAL ADVANCEMENT

Committee Chair Traughber introduced the next agenda item, the report on institutional advancement, and welcomed Eloise Alexis, Vice President for Institutional Advancement, to provide the update. The item was presented for informational purposes only, with no action required.

Mrs. Alexis provided an update on the University's fundraising and advancement activities, reporting that, as of April 17, the University had received more than $5.5 million in philanthropic gifts, an increase of approximately $1.5 million from the previous report and $300,000 from the same period last year. She also reported approximately $1.6 million in new grant awards and notifications, some of which are expected to be realized during the current and next fiscal years.

Mrs. Alexis reviewed giving by category and noted increases in restricted program support, particularly corporate investments, as well as decreases in capital and unrestricted operating giving. She emphasized the importance of increasing unrestricted support and reported continued progress in closing the donor participation gap, which had narrowed to approximately 283 donors below the prior year.

Mrs. Alexis discussed efforts to strengthen alumni and donor engagement through listening sessions, campus visits, improved use of the Razor's Edge database, and more targeted outreach.

She also reported the addition of an Advancement Operations Manager and an Annual Giving Director to strengthen data management, reporting, gift processing, and constituent engagement.

Mrs. Alexis highlighted recent fundraising and engagement activities, including the University's partnership with a Greek-letter affinity chapter, a $500,000 matching gift opportunity to establish an endowed professorship in sustainability, fundraising associated with the University's NCAA tournament participation, the spring game, and the groundbreaking for the new engineering building. She also reported that reunion classes had raised more than $550,000 to date and emphasized the importance of recognizing consistent giving among alumni.

Mrs. Alexis provided an update on efforts to reimagine the alumni giving model. She explained that a task force comprised of alumni chapter, regional, and national leaders is reviewing historical data and potential changes to the current giving structure, including the dues requirement, consolidation under a single 501(c)(3), and greater coordination of alumni engagement and fundraising. She noted that recommendations would continue to be developed and tested beginning in July in coordination with the Foundation and other partners.

Mrs. Alexis then discussed planning for a potential $100 million fundraising campaign focused on student experiences and campus infrastructure. She emphasized transparency, trust, and transformation as key themes and noted that the University would use the summer to refine campaign messaging, identify additional engagement opportunities, and begin broader outreach. She also reported that the President's advisory board had been established and had begun discussing opportunities to engage the broader community around the University's value proposition.

Mrs. Alexis concluded by encouraging the Board to remain engaged in the University's philanthropic efforts and to support the advancement of resources necessary for Tennessee State University's future.

X. CONSTRUCTION UPDATES

Committee Chair Traughber introduced the construction updates agenda item, noting that the relevant materials were included in the Committee's meeting packet. He recognized Mr. Will Radford, Assistant Vice President for Campus Operations + Planning, Design and Construction, to present the item. The item was informational and did not require a vote.

Mr. Radford provided an overview of more than 20 active projects across the University, including new construction, major maintenance, and minor maintenance. He clarified that projects under $1 million categorized as major or minor maintenance may be handled locally, while new capital improvements meeting applicable funding requirements require State Building Commission approval.

Mr. Radford reported that there are currently 21 active projects on the main campus, ranging from demolition and utility improvements to academic and agricultural facilities. He highlighted several agricultural projects, including the Organic Research Lab, hay shed, barn, and broiler house, noting the importance of agriculture to TSU's research mission.

He also provided an update on the $59 million primary electrical upgrade project, which is designed to improve campus energy resilience and prevent the type of widespread outages experienced in 2021. The project will create redundant connections to Nashville Electric Service so that power can be supplied from an alternate direction if one connection fails.

Mr. Radford explained that State capital projects generally follow a four-year cycle involving planning, approval, funding, design, and construction. While having funding available can shorten the process, it does not eliminate the required State procedures. He noted that projects being considered today could potentially not be completed until 2030. The University is therefore working to keep projects "shelf ready" so they can move forward as quickly as possible once funding is secured.

He highlighted the new engineering building, which was initially funded in 2021 and later relocated to the former Clay Hall site. The approximately 70,000 square-foot facility will support electrical, civil, mechanical, architectural, and engineering technology programs, while computer science will primarily remain in the adjacent McCord facility. The building is designed to support enrollment growth from approximately 600 - 700 students to as many as 1,129 students, with future expansion anticipated.

Mr. Radford also discussed the new 110,000 square-foot Agriculture Building, which will support research in plant and environmental sciences, food and animal sciences, and related agricultural programs. He also provided an update on the replacement of the agricultural broiler house, which was damaged by a tornado in 2021. The replacement facilities will support both conventional and organic research.

Turning to renovations, Mr. Radford highlighted Davis Hall as a model for the University's new approach to revitalizing existing facilities. The goal is to extend the building's useful life for more than 30 years while incorporating updated building systems, flexible classrooms, technology, and improved student spaces.

He also highlighted improvements to Poag Auditorium, including ADA accessibility and updated technology, as well as the conversion of the former IT Center into a more interactive technology-support space where students can receive assistance and work on technology-related needs.

Mr. Radford concluded by emphasizing that the University's current construction and renovation activity represents significant investment in campus infrastructure, academic programs, student experiences, and long-term institutional growth.

XI. RATIFICATION OF MASTER PLAN AMENMENT

Committee Chair Traughber asked Mr. Will Radford, Assistant Vice President for Campus Planning, Design, and Construction, to continue his presentation with the master plan amendment, noting that the item was an action item for the committee.

Mr. Radford explained that TSU continues to work with the Tennessee Board of Regents (TBR) on certain construction-related matters and that there are no current plans to sever the relationship. He noted that TSU is building the internal infrastructure and staffing needed to assume additional responsibilities when appropriate.

Mr. Radford then presented the five-year stabilization plan, explaining that TSU's current master plan was adopted in 2016 and expires in 2026. The amendment was developed with the assistance of five consultants, two state stakeholders, and the TSU team. The plan provides a framework for 2025 through 2030 while the University works toward a new comprehensive ten-year master plan.

He explained that the stabilization plan focuses on reducing TSU's operational footprint, lowering energy consumption, and taking inefficient buildings offline while funding remains limited. Major actions include the demolition of Clay Hall; future demolition of Crouch Hall and Queen Washington; construction of the Engineering Technology Building and agriculture facilities; renovation of Davis Hall and the Learning Resource Center; and the migration and reuse of facilities such as McCord and Jackson Hall.

In response to questions, Mr. Radford clarified that the amendment is not a replacement for the future ten-year master plan. Rather, it is an adjustment to the existing plan that allows TSU to continue moving forward while its strategic vision and academic master plan are developed.

Mr. Radford confirmed that THEC has reviewed and approved the amendment. He explained that the amendment was originally initiated in 2022 under prior leadership, and former Interim President Ronald Johnson submitted the required letter to THEC. A review of prior Board minutes did not show that the amendment had previously been presented to the Board. Accordingly, the current request is for the Board to formally ratify the amendment and the actions already taken.

Trustees discussed the potential impact of not approving the amendment. Mr. Radford stated that failure to ratify could delay projects already underway and result in additional costs. He emphasized that the stabilization plan provides TSU with a path forward through 2030 while allowing the University to develop a new long-term master plan as funding and enrollment conditions evolve.

Following discussion, Chair Winton made a motion to recommend to the full Board the ratification of the master plan amendment as presented in the May 14, 2026, committee meeting materials. Trustee Towns seconded the motion. A roll call vote was conducted with the following results:

- Chair Winton: Yes
- Committee Chair Traughber: Abstained
- Trustee Norfleet: No response
- Trustee Towns: Yes

The motion passed.

XII. ADJOURNMENT

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

COMMITTEE FOLLOW-UP ITEMS:

- **Slate System Investment Review** – Trustees requested clarification regarding prior enrollment-related investments, including technology expenditures associated with the Slate recruitment and enrollment system, and Mrs. Robinson agreed to review prior Board materials to determine whether the current amount represents an additional investment or is consistent with previously approved funding. *Assigned to: April Robinson*
- **Athletics and Auxiliary Operations Financial Analysis** – Trustees requested additional departmental-level information regarding athletics and other revenue-producing and auxiliary operations to better understand their financial performance and priorities, as well as additional information regarding projected football and basketball ticket revenue and related variances. *Assigned to: April Robinson*