

**Tennessee State University Board of Trustees  
Finance and Budget Committee Meeting. September 20, 2018  
Tennessee State University. 3500 John A. Merritt Blvd. Nashville, Tennessee 37209  
McWherter Administration Building  
President's Conference Room**

**MINUTES**

**Committee Members Present:** Stephen Corbeil, Bill Freeman, and Dr. Richard Lewis

**Other Board Members Present:** Joseph W. Walker, III, Dr. Deborah Cole, Dr. Edith Peterson Mitchell, Obie McKenzie, Dr. Ali Sekmen, and Braxton Simpson.

**University Staff Present:** President Glenda Glover; Mr. Laurence Pendleton, General Counsel and Board Secretary; Dr. Curtis Johnson, Chief of Staff; Dr. John Cade, Vice President for Enrollment; Ms. Cynthia Brooks; Horace Chase, Vice President for Business and Finance; Dr. Lesia Crumpton-Young, Vice President for Research and Sponsored Programs, and Tamika Parker, Executive Assistant to the General Counsel.

**Guests Present:** Lauren Collier, Tennessee Higher Education Commission, and Brittany Mosely, HBCU Success.

**I. CALL TO ORDER**

Trustee Corbeil called the meeting to order at 9:05 a.m. and welcomed all attendees.

**II. ROLL CALL/DECLARATION OF A QUORUM**

Board Secretary Pendleton called the roll at the committee chair's request. Trustee Corbeil, Trustee Freeman, and Trustee Lewis were present. Secretary Pendleton announced the presence of a quorum.

**III. APPROVAL OF JUNE 21, 2018, COMMITTEE MEETING MINUTES**

Trustee Corbeil proceeded to the approval of the June 21, 2018, Finance and Budget Committee meeting minutes, as included in the September 20, 2018, board materials. Trustee Corbeil moved to recommend to the full Board the approval of the Finance and Budget Committee minutes. Trustee Freeman seconded the motion, which carried unanimously.

**IV. REPORT: FORMAL INTRODUCTION OF NEWLY APPOINTED VICE PRESIDENT FOR BUSINESS AND FINANCE**

President Glover asked Cynthia Brooks to present the report on the newly appointed Vice President for Business and Finance. Trustee Corbeil and all the attendees welcomed Mr. Chase to the TSU family.

## **V. REPORT: BUDGET UPDATE**

President Glover designated Cynthia Brooks and Vice President Chase to present the report for this item.

Ms. Brooks reported that the institution will present the revised October budget to the board at the November 15, 2018, Board meeting reflecting the revenue figures and other budgetary adjustments.

Trustee Corbeil stated that the administration must plan to adjust expenditures if the anticipated reduced revenues are realized.

Trustee Freeman asked about the reduced budget and for enrollment numbers. President Glover informed attendees that enrollment numbers would be discussed in the next agenda item.

Trustee Lewis asked for projections for the November 15, 2018 meeting for budget and expenditures. Ms. Brooks and V.P. Chase asked for more time. Ms. Brooks commented that the budget was cut by \$5 million, enrollment is about 2/3 of the yearly average, and state appropriations will also affect revenue projections.

Trustee Corbeil stated that the university has the ability to cut expenses to adjust to the \$5 million cut in the budget and that the university can act only on projected revenue.

President Glover state that no faculty cuts are planned. Every position the Chairs and Deans requested was granted. President Glover continued to clarify that auxiliary costs like cell phones and vehicle allowances will be open to cuts if necessary. She confirmed that faculty and staff were informed about enrollment issues and the possible related impact on the budget at the faculty/staff institute.

## **VI. REPORT ON ENROLLMENT**

President Glover designated Dr. John Cade to present the report for this item.

Dr. Cade referred attendees to the Enrollment Management and Student Support Services report dated September 12, 2018. The report shows that 6,073 students were admitted for the fall semester 2018, of which 4,723 were freshmen. The Fall FTE or full time equivalent student head count is 5,578.67, reflecting a 9.2% reduction in enrollment as compared to FY 2016-17.

Dr. Cade commented that he identified three factors that contributed to the reduced enrollment numbers: recruitment, enrollment, and retention. He noted that the university needs to ensure projections and acknowledge the effect the change in admission standards has on enrollment. The university lost over one thousand students due to performance in the nursing program as compared to FY 2017-18. The university lost over 280 nursing students and admitted over 900 fewer freshmen due to the higher admission standards. On an average five year cycle, we gain

approximately four thousand new students a year.

Dr. Cade explained that in his opinion, TSU's retention is a serious issue and analogized it as a water bucket with a hole in the bottom. Dr. Cade also highlighted the effect of TN Connect and TN Promise on TSU's enrollment. Finally, Dr. Cade noted that the lack of merit based scholarships contributed to reduced enrollment.

President Glover reported that the administration is certain of factors that contributed to reduced enrollment. While the nursing program contributed to the reduction in enrollment, it was not a significant factor. President Glover commented that over 2,000 students did not return to campus because they had unpaid balances and were prevented from re-enrolling.

President Glover acknowledged Alpha Kappa Alpha Sorority for contributing over \$100,000, the Thurgood Marshall Foundation for providing scholarships to 46 students, and USDA for providing \$500,000 in scholarships to students, which prevented further reductions in enrollment numbers.

Trustee Sekmen recounted a discussion he had with President Glover about a plan to recruit students from local magnet high schools including Martin Luther King (MLK) and Hume Fogg. The goal of the plan is to attract local students that tend to enroll in other local universities including MTSU and Austin Peay. Trustee Sekmen asked if there is a way to reserve full scholarships for higher achieving students and to grant them on-the-spot conditional admission.

President Glover mentioned that she and Jackie Mitchell signed a memorandum of understanding with Nashville State Community College to work in tandem to promote TSU to graduates of Nashville State. President Glover also noted that a team from TSU visited Whitehaven high school and other high schools in the area as the first step in a comprehensive groundwork plan.

Trustee Corbeil supported Dr. Sekmen's comments noting that TSU's administration needs to develop scholarships for twenty to thirty local high performing students to recruit them to TSU.

Trustee Mitchell agreed with Trustee Sekmen's comments as well and added that we might leverage TSU's alumni, especially those who are members of fraternities and sororities, to help recruit high performing students local to them.

President Glover mentioned that the administration has considered a "Celebrity Mentor" program that would pair well known TSU alumni with high performing local students to support recruitment.

Dr. Cade noted that the Scholar Rate, Scholar Rate +, and the 250-mile Radius merit scholarships have been positive. Dr. Cade requested the board consider lowering the out-of-state tuition rates to the in-state rate.

Chair Walker requested more information on the marketing strategies TSU uses to attract students and suggested that an Internet based plan designed to appeal to potential students through their cell phones. Trustee Simpson concurred.

Trustee Freeman stated that this is the third year, as he recalls, of declining enrollment. Trustee Freeman asked for more information to explain the decline. He noted that MTSU is the largest university in the state and asked what their board and administration are doing to attract and retain their “customers.” Trustee Freeman emphasized that we cannot “sweep this under the rug,” as an alarm is going off. He noted that this year’s attrition is double the losses from the previous year, which he characterized as a, “big deal,” and ended with a request that the administration submit to the board a plan to stop and correct the declining enrollment.

President Glover responded that the decline in enrollment was an anticipated effect of the strategic plan where higher performing students were targeted because of their ability to progress through the university and graduate. She noted that over 900 students did not return to the university because they did not have the grades to progress. President Glover noted that lack of funding was also a major contributor to the declining enrollment.

Trustee Corbeil asked the administration to specify the plan and detail what it means to go after better students and what the plan will cost the university. He asked the administration to detail the marketing strategy, outline the roles the faculty and staff will play, and project future enrollment, retention and revenue generated as a result of implementation of the plan. He also asked for the administration to develop an enrollment plan as part of its efforts.

Trustee Mitchell asked if bridge courses could be implemented to grant conditional acceptance to the approximate one-thousand students who were not admitted to help them attain the necessary skills and knowledge that would qualify them for admittance. She asked that the administration consider a bridge program in the future. Trustee Mitchell also commented that Moorehouse College partnered with National Geographic to produce a documentary on the college that is being used as an effective marketing tool.

## **VII. REPORT ON THE TSU FOUNDATION**

President Glover designated Dr. Lesia Crumpton-Young to present the report for this item.

Dr. Crumpton-Young informed the attendees that the strategic planning stage was completed and that the focus was on the Comprehensive Campaign and alumni giving. The campaign is entitled “We Are One.” Goldman Sachs was retained to manage the endowment. She noted that she needs additional staff to work on the foundation.

Dr. Crumpton-Young stated that giving doubled as compared to 2014, although most of the giving was designated for scholarships and restricted programs. 5.36% of the alumni pool gave as compared to 1.5% in 2014.

Dr. Crumpton-Young covered the 3-to-1 program, which “meets 3 needs in one check.” Planned gifts totaled \$2 million while \$10 million is required. She noted that a major gift is defined as a gift of \$25,000 minimum and noted that two board of trustees gave major gifts in FY2018-19. The fair market value of the endowment exceeds \$60 million. Just over \$13 million of the

endowment is restricted net assets. The monthly operating expenses are just over \$81,000 per month while the operating income is just over \$371,000.

Trustee Lewis extolled the importance of scholarships as a tool to retain students and stave off attrition. He asked how much money the foundation has transferred to the university over the previous ten years for scholarships. Trustee Lewis asked that a joint Foundation/ Board of Trustees meeting be scheduled for the next board meeting to discuss foundation distributions and scholarships as opposed to reinvesting. Trustee Lewis stated that the foundation board members need to be reminded of the underlying purpose of the foundation and suggested that the foundation board members may have deviated from their purpose, which is to raise revenue to fund scholarships and help students. Trustee Lewis informed attendees of actions past TSU presidents took to retain students. Trustee Lewis requested that the Board of Trustees contact the TSU Foundation Board and request a one-time \$10 million transfer from the TSU Foundation to the university. Trustee Lewis stated that the President needs the board's help.

Trustee Freeman applauded Trustee Lewis for his points and candor. He then asked what options exist if criteria for restricted funds for scholarships are not met. Dr. Crumpton-Young responded that Research and Planned Giving representatives go back and ask donors to lift or revise some of the restrictions with memoranda of understanding. Foundation best practices were reviewed.

Trustee Corbeil commented that trustees need to provide contacts to the administration to secure donations in fulfillment of their charge as board members.

Trustee Cole commented that the board needs to focus on the one-time \$10 million transfer from the foundation to the university and not only convince the foundation of their purpose but remind them of it. Trustee Cole also suggested connecting with Tennessee banks to secure scholarships.

Chair Walker stated that he planned to move during the full board meeting to add this item to the agenda for the next board meeting.

Trustee Lewis reiterated that securing scholarships for students was heavy on his heart.

## **VIII. REPORT ON THE CUMBERLAND PROJECT**

President Glover designated Dr. Lesia Crumpton-Young to present the report for this item.

Dr. Crumpton-Young referred attendees to the report materials and summarized that the Cumberland Shores project is planned development for 128 acres of TSU land along the Cumberland River. The intent of the planning phases is to develop a plan to best benefit TSI.

Trustee McKenzie asked what firm was designated to produce the highest and best use plan.

Dr. Crumpton-Young confirmed that MKSK did the analysis in the early part of 2018 and verified that MKSK are master planners only and do not do construction.

Trustee McKenzie asked if any African American firms were considered.

Trustee Lewis responded that we have one of the best real estate experts in Nashville on the Board of Trustees. (Bill Freeman)

Dr. Crumpton-Young commented that thus far, the proposal is to utilize ground leases, but that TSU will continue to own the land.

Trustee Corbeil inquired about the process for making recommendations related to and reviewing the development package. He suggested the formation of a working group to evaluate the Cumberland Shores development project.

Trustee Freeman commented that he believed that a plan based on leasing land to be developed and managed by others would eliminate 90% of the interested developers. He then suggested that the plan be modified to allow the consideration of the sale of parts of the land.

Trustee Lewis state that the State of Tennessee has to give permission for the sale of the land and asked whether the proceeds will be transferred to the foundation or the university's ledgers.

Trustee Mitchell suggested that consideration be given to developing a research program on the land focused on environmental engineering programs on protected water fowl and other aquatic life in conformance with TSU's mission.

Trustee Corbeil moved to adjourn the meeting. Trustee Freeman seconded the motion. The motion carried and the meeting was adjourned at 10:34 a.m.