

**Tennessee State University Board of Trustees
Finance and Budget Committee Meeting
June 17, 2021
Tennessee State University. Electronic**

MINUTES

Committee Members Present: Trustees Steve Corbeil, Van Pinnock and Richard Lewis

Other Board Members Present: Joseph W. Walker, III, Dr. Deborah Cole, Pam Martin, Obie McKenzie, Andre Johnson, Dr. Ali Sekmen, and Tiara Thomas.

University Staff Present: President Glenda Glover; Laurence Pendleton, General Counsel and Board Secretary; Dr. Michael Harris, Interim Provost and Vice President for Academic Affairs; Doug Allen, Vice President for Finance and Budget; Dr. Curtis Johnson, Chief of Staff; Dean Frank Stevenson, Assoc. Vice President of Student Affairs; Dr. Frances Williams, Assoc. Vice President of Research & Sponsored Programs; Terrence Izzard, Assoc. Vice President of Enrollment Management and Dr. Arlene Nicholas-Phillips, Liaison to the Board of Trustees.

I. CALL TO ORDER

Trustee Lewis called the meeting to order at 11:20 a.m. on June 17, 2020. Trustee Lewis moved to make certain findings on the record regarding the necessity for conducting the meeting electronically without a physical quorum present due to the coronavirus pandemic. There is important action to be conducted by the Finance and Budget Committee. Participation by electronic means is necessitated by the COVID-19 pandemic and accompanying guidance from the Center for Disease Control (“CDC”) and the State of Tennessee to enforce social distancing guidelines, including limiting face-to-face contact, whenever possible. Electronic participation for the Committee meeting is necessary for the safety of Board members, staff, and guests. Trustee Corbeil seconded and the motion carried unanimously by roll call vote.

II. ROLL CALL/DECLARATION OF A QUORUM

Board Secretary Pendleton called the roll at the committee chair’s request. Present: Trustees Richard Lewis, Van Pinnock and Steve Corbeil. A quorum was established.

Trustee Lewis asked the committee members to state now if any of the committee members cannot hear or speak with each other. No committee members answered in the affirmative. Trustee Lewis also asked the committee members to indicate if someone is present with them from the location in which they are calling. No committee members indicated there was anyone present.

III. APPROVAL OF THE MARCH 11, 2021, FINANCE AND BUDGET COMMITTEE MEETING MINUTES

Trustee Lewis moved to recommend to the full Board the approval of the minutes from the March 11, 2021, Finance and Budget committee meeting, as contained in the June 17, 2021, Board materials. Trustee Corbeil seconded the motion, which carried unanimously by roll call vote.

IV. APPROVAL OF FISCAL YEAR 2021-22 TUITION AND MANDATORY FEE INCREASE OF 1.9 PERCENT

Trustee Lewis announced the next item on the agenda as the approval of fiscal year 2021-22 tuition and mandatory fee increase of 1.9 percent, as contained in the June 17, 2021 Board materials. Trustee Lewis noted that in accordance with the Tennessee Tuition Transparency and Accountability Act, and Board Policy 006, the proposed fee increase was posted to the Board website at least fifteen days prior to the meeting giving members of the public the opportunity to submit comments on the proposed tuition and fee increase.

Trustee Lewis asked President Glover or her designee to report on this agenda item. President Glover called on VP Allen to report on this item. VP Allen stated that the state of Tennessee and THEC had provided a range of zero to 2% and the administration selected to request 1.9%. He stressed that TSU was still the lowest cost per credit hour and maintenance fee in the state of Tennessee and most affordable. Trustee Corbeil asked about what the other institutions were doing. Secretary Pendleton and President Glover shared that two institutions were choosing to not increase, while others were also choosing 1.9% or similar.

Trustee Thomas asked the committee for the reason behind the increase. President Glover and others shared various explanations on the point but continued to stress that TSU was still the lowest cost in the state. Trustee Sekmen asked if CARES Act funding could be used to offset the increase to the students. President Glover explained that it could not be used for this, but instead for specific revenue losses. Trustee Thomas continued to express concern for the students regarding this increase. President Glover reassured her and the committee that all students with the qualifying GPA were being assisted using the CARES Act funds. Trustee Lewis asked if there were any further questions.

Seeing no further questions, Trustee Lewis moved to recommend to the full Board the approval of FY 2021-22 tuition and mandatory fee increase of 1.9%, as contained in the Board materials for the June 17, 2021, Board meeting. Trustee Corbeil seconded and the motion carried unanimously by roll call vote.

V. APPROVAL OF INSTITUTIONAL BUDGETS – ESTIMATED BUDGET FY21, BUDGET FY22

Lewis introduced the next agenda item, the approval of institutional budgets – estimated budget FY21, proposed budget FY22, as contained in the June 17, 2021, Board materials. Trustee Lewis then asked President Glover or her designee to provide pertinent information related to this agenda item.

President Glover called on VP Allen to report on this item. He directed the committee to pages #85 through #98 in the Board materials for June 17, 2021 and proceeded to review the necessary information. Trustee Sekmen asked for clarity on several categories including the Federal Grants and Contracts expenditures. VP Allen, along with VP Williams and Provost Harris added explanations to the concerns. VP Allen noted that his aim was to maximize the indirect costs as much as possible, since this will be very beneficial to the students and the research conducted.

Trustee Lewis asked if there was any further discussion. Trustee Pinnock pointed out that VP Allen had not yet discussed Revenues (Pg#88/89). Trustee Corbeil concurred. A discussion continued regarding Transfers. VP Allen pointed out that his goal was to not use funds from the Reserves and

added that in fact, he wanted to grow the Reserves. The discussion continued regarding the 48.97% Instruction expense. VP Allen stated that he wanted to get that up to 50%. Thereby confirming that approximately half of the budget was going to Instruction. A short discussion continued regarding Scholarships and the effect of the pandemic.

Trustee Lewis then moved to recommend to the full Board the approval of the FY21 Institutional Budgets, as contained in the Board materials for the June 17, 2021, Board meeting. Trustee Pinnock seconded and the motion carried unanimously by roll call vote.

VI. APPROVAL OF FY21 SUPPLEMENTAL COMPENSATION PAYMENT TO ELIGIBLE EMPLOYEES

Trustee Lewis introduced the next agenda item, the approval of FY21 supplemental compensation payment to eligible employees and asked President Glover or her designee to provide pertinent information related to this Finance and Budget Committee agenda item. The material was included in the June 17, 2021, Board meeting materials.

President Glover again called on VP Allen to comment on the details of this agenda item. VP Allen explained that the University proposed a one-time payment of 1% base salary or \$500, whichever is greater, for active employees who were on payroll January 1, 2021, and remained an active employee on June 30, 2021. VP Allen shared that the state of Tennessee funded \$603K and TSU will fund \$194K (if approved by the Board) for a total of \$797K. Trustee Corbeil asked if this amount was included in the budget projections and VP Allen confirmed that it was included.

With no further question or comments, Trustee Lewis moved to recommend to the full Board the approval of FY21 supplemental compensation payment to eligible employees, as contained in the Board material for the June 17, 2021, Board meeting. Trustee Corbeil seconded and the motion carried unanimously by roll call vote.

VII. APPROVAL OF THE INSTITUTION'S FISCAL YEAR 2021-22 COMPENSATION PLAN

Trustee Lewis introduced the next agenda item, the approval of the Institution's Fiscal Year 2021-22 Compensation Plan, and asked President Glover or her designee to provide pertinent information related to this Finance and Budget Committee agenda item. The material was included in the June 17, 2021, Board meeting materials.

President Glover asked VP Allen to comment and he stated that the purpose of this agenda item was to consider approval of the University's compensation plan for Fiscal Year 2021-22, including a proposed salary adjustment of 4.04% to the base salary for all full time regular employees effective July 1, 2021. VP Allen shared that the overall financial impact of this adjustment would be \$3.1 million of which the State of Tennessee was funding \$2.5 million. The remaining 600,000.00 was included as part of the projected budget for 2011-22.

A brief discussion followed after Trustee Corbeil inquired whether as a University, we had ever contemplated going to a minimum wage standard. President Glover stated that she had in fact increased the staff minimum salary to \$22K and faculty to \$55K. President Glover noted that if the Board wanted her to, she would certainly take a look at that option.

Trustee Lewis moved to recommend to the full Board the approval of the Institution's Fiscal Year 2021-22 Compensation Plan, as contained in the Board materials for the June 17, 2021, Board meeting. Trustee Pinnock seconded and the motion carried unanimously by roll call vote.

VIII. APPROVAL OF THE INSTITUTION'S FY 2021-22 CAPITAL CONSTRUCTION PLAN

Trustee Lewis introduced the next agenda item, the approval of the Institution's FY 2021-22 Capital Construction Plan, and asked President Glover or her designee to provide pertinent information related to this agenda item. The material was included in the June 17, 2021, Board meeting materials.

President Glover again asked VP Douglas Allen to report on this agenda item. VP Allen shared that this agenda item consisted of three areas for consideration: the capital outlay request, the maintenance request and the disclosed funding request. If these are approved by the Board, they will be submitted to THEC for further review and approval.

VP Allen briefed the committee on the three areas being submitted for consideration. He pointed out that the outlay request pertained to a complete building renovation for the Brown-Daniel Library. The maintenance request consisted of several projects including the campus electrical system upgrade, steam tunnel repairs, building renovation, road resurfacing and other necessary upgrades. A list of these and their projected costs are itemized in the Board material on pages #107 and #108. The disclosed requests were listed in detail on page #109 in the Board materials and totaled \$22,404,690. VP Allen shared that the University was expecting a total of \$25 million from insurance reimbursement for tornado recovery. After being questioned by Trustee Lewis, VP Allen shared that the insurance would pay for each separate project and not as a lump-sum payment.

Seeing no further questions on this agenda item, Trustee Lewis moved to recommend to the full Board the approval of the Institution's FY 201-22 Capital Construction Plan, as contained in the Board materials for the June 17, 2021, Board meeting. Trustee Corbeil seconded and the motion carried unanimously by roll call vote.

IX. FINANCE AND BUDGET REPORT

Trustee Lewis introduced the next agenda item as the Finance and Budget report. This was an informational item so no vote was required. Trustee Lewis asked President Glover or her designee to report on this agenda item. President Glover once again called on VP Douglas Allen to report on this item.

Glover asked VP Allen to make some final comments. He shared that he had been working closely with the state auditor and that the report should be completed soon. He reminded the committee that there will be findings, which were previously addressed.

VP Allen mentioned that campus beautification was in process and several areas of the campus were undergoing paint jobs and other enhancements. He mentioned that there is food court interest in some residence halls. He also stated that during the upcoming months, he would be looking at various positions and processes. He mentioned several organizational changes that were recently made, including the addition of the new controller and foundation accountant. He promised to continue working to fix anything that seems broken.

Trustee Lewis took the opportunity to thank VP Allen for accepting the position of VP of Business and Finance and thanked him for the work he was doing. He thanked President Glover for finding VP Allen. At that moment, VP Allen thanked Provost Harris for all that he had done with assisting on the SACSCOC accreditation and the audit. Trustee Lewis concurred and also thanked Provost Harris.

Trustee Lewis thanked everyone for this report.

X. UPDATE ON ENROLLMENT, MARKETING AND STUDENT RECRUITMENT

Trustee Lewis introduced the next agenda item as the update on enrollment, marketing and student recruitment. This was also an informational item so no vote was required. Trustee Lewis asked President Glover or her designee to report on this agenda item. President Glover called Mr. Terrence Izzard to report on this item

Mr. Izzard thanked his entire enrollment, marketing and recruitment team, including the advisors and specialists in his division. He stressed that the excitement and recruiting success was a result on a group effort from across all sectors of the campus. Mr. Izzard directed everyone to page #112 - #115 of the June 17, 2021 Board Meeting materials for a breakdown of the enrollment, recruitment and marketing update, comparison and admission analyses. Mr. Izzard pointed out that to-date he recorded an excess of 10,800 applications and that number represented the highest number for the past five years. He stated that the increase number of students admitted represented a 4.87% increase from Fall 2020 and praised the leadership of President Glover and the Cabinet for the success. He also mentioned that his staff recorded a significant decrease in the number of students who withdrew from the university. Efforts were made across campus to assist students and we were thankful for the show of teamwork from everyone.

Mr. Izzard pointed out the enrollment comparative data that total number of students registered for Fall 2021 (3,658) far exceeded that of Fall 2020 (3,039), representing a 18.49% difference. He again praised all divisions across campus for making this happen. He stressed that everyone worked together in getting students registered and ready.

In addition to the outstanding recruitment efforts, Mr. Izzard described his team's retention efforts, dual enrollment efforts, and graduate school efforts. These are all outlined in detail on pages #113 to #115 in the Board materials.

Trustee Lewis thanked President Glover and Mr. Izzard for the report.

XI. REPORT ON ATHLETICS

Trustee Lewis introduced the final agenda item as the report on Athletics. This was also an informational item so no vote was required. Trustee Lewis asked President Glover or her designee to report on this agenda item. President Glover stated that she would call on Athletics Director, Dr. Mikki Allen to report on this item.

Dr. Allen pointed out that since the hiring of the new Head Coach, Mr. Eddie George, there had been an extremely high amount of excitement, alumni engagement and exposure surrounding the football program at TSU. He pointed out that TSU had been on various forms of national media, including

print and digital platforms. He listed several television stations and broadcast outlets with whom he and his team had been invited to participate. AD Allen thanked AVP Kelli Sharpe for reaching out to these outlets.

At this time Coach Eddie George had confirmed his staff which consisted of 10 assistant coaches and 6 support staff members. He noted that their profiles could be found on TSUTigers.com. AD Allen emphasized that the new leadership in our football program has had an increased effect on recruiting student in addition to great athletes. He mentioned the recent 'roar city mega camp' held on campus and the excess of 500 prospects that were in attendance.

AD Allen proudly mentioned the fact that they now had \$2.3 million in gift commitments for the Athletics Department. He thanked Mr. Jamie Isabel and his Institutional Advancement team for their assistance in these efforts. He took the opportunity to thank former Board member, Mr. Bill Freeman and his wife, Barb, for their gift of \$300,000.00 to the Athletics Department which was used to transform the 3rd floor of Hankel Hall, the home of the football department. Another major gift recently received was \$300,000.00 from Mr. Paul Wieck (CEO – Western Express) and his family. This was to support the Athletics Department with a new weight room and locker room, for football and both men's and women's track & field. AD Allen expressed how thrilled and excited everyone was about the enhancements. He pointed out that there had been increased corporate interest in the program. He addressed the reorganizing of the department and the conversations of new programs such as ice hockey (an extension to our relationship with the Predators), baseball and soccer.

AD Allen reiterated that these were exciting times in Athletics at TSU and thanked everyone who assisted in getting the athletics program back on top.

Trustee Martin added that she was aware of the fund-raising activities that Coach George was hosting and reminded everyone of how important and committed he was to TSU. AD Allen concurred.

Trustee Lewis commended President Glover on the 'heck of a job' she was doing and praised everyone who were on the call and supported her efforts. He also thanked VP Allen for doing a great job.

Trustees Lewis then thanked AD Dr. Mikki Allen for the report. He asked if there was any additional questions or comments.

Seeing none, he asked for a move to adjourn the meeting. Trustee Pinnock then seconded which carried by roll call vote. The meeting was adjourned at 12:51 p.m.