

**Tennessee State University Board of Trustees
Finance and Budget Committee Meeting.
February 21, 2019
Tennessee State University. 3500 John A. Merritt Blvd. Nashville, Tennessee 37209
McWherter Administration Building
President's Conference Room**

MINUTES

Committee Members Present: Stephen Corbeil and Bill Freeman.

Other Board Members Present: Joseph W. Walker, III, Dr. Deborah Cole, Pam Martin, Obie McKenzie, Dr. Edith Peterson Mitchell, 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; Terrence Izzard, Assistant Vice President of Recruitment; Horace Chase, Vice President for Business and Finance; Bradley White, Assistant Vice President for Business and Finance; Dr. Alisa Mosley, Interim Vice President for Academic Affairs.

Guests Present: Lauren Collier, the Higher Education Commission.

I. CALL TO ORDER

Trustee Corbeil called the meeting to order at 11:39 a.m. on February 21, 2019.

II. ROLL CALL/DECLARATION OF A QUORUM

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

III. APPROVAL OF NOVEMBER 15, 2018, COMMITTEE MEETING MINUTES

Trustee Corbeil proceeded to the approval of the November 15, 2018, Finance and Budget Committee meeting minutes, as included in the February 21, 2019, board materials. Trustee Corbeil moved to approve the minutes. Trustee Freeman seconded the motion, which carried unanimously.

IV. APPROVAL OF FEBRUARY 4, 2019, FINANCE AND BUDGET COMMITTEE MEETING MINUTES

Trustee Corbeil proceeded to the approval of the February 4, 2019, Finance and Budget Committee meeting minutes, as included in the February 21, 2019, board materials. Trustee Corbeil moved to approve the minutes. Trustee Freeman seconded the motion, which carried unanimously.

V. REPORT ON FEBRUARY 4, 2019, FINANCE AND BUDGET COMMITTEE MEETING WITH THE FOUNDATION BOARD

Trustee Corbeil provided a report to the committee and attendees on the joint meeting of the Finance and Budget committee of the Board of Trustees (BOT) and the TSU Foundation board. Trustee Corbeil reported that the meeting was called at the request of Trustee Lewis. The

purpose of the meeting was to start a dialogue between the BOT and the Foundation board about additional avenues through which to raise scholarship funds for TSU students.

Trustee Corbeil noted that insufficient scholarship funds affected recruitment and retention of students. Dwayne Tucker, chair of the TSU Foundation board, shared an overview of the foundation's organization and mission. In summary, Mr. Tucker advised that the foundation has limited funds available for scholarships because much of the money managed by the foundation is restricted and cannot be used for scholarships.

The attendees shared plans and strategies for fundraising and collaboration. Independent alumni associations were also discussed. The parties determined that the best liaison between the TSU BOT and the foundation board is the Finance and Budget Committee of the BOT.

Trustee Freeman commented that he supported Trustee Corbeil's summary of the joint meeting. He also noted that the BOT members in attendance left with a better understanding of the nature of the foundation's operations and restrictions.

Trustee Corbeil stated that one of the issues that the attendees identified during the meeting was that the BOT must formulate an articulable and specific request for support. For example, the board should be prepared to ask for \$5M over the next five years for funding designated for scholarships.

Trustee Cole noted that the majority of the funds held by the foundation came from the state with many restrictions. She agreed that the board needs to improve fundraising.

Trustee Corbeil specified that the institution needs a campaign to raise unrestricted funds.

Trustee Mitchell asked if there were any firm plans because none were reflected in the minutes of the meeting.

Trustee Corbeil answered that the next step was to create a strategic fundraising plan.

VI. APPROVAL OF THE STUDENT FEE PAYMENT AND ENROLLMENT POLICY

Trustee Corbeil proceeded to the approval of the Student Fee Payment and Enrollment Policy, as included in the February 21, 2019, board materials. Trustee Corbeil commented that the policy was in place when the institution was governed by the Tennessee Board of Regents. He noted that the policy was adopted as a TSU policy when the institution severed from the TBR under the FOCUS act. Trustee Corbeil informed the committee that the policy was being modified to be more friendly to TSU students in recognition of their unique needs.

Vice President Chase commented that key changes of the policy extend the time from fourteen days to twenty-one days by which students must satisfy all outstanding debts and obligations to the institution to avoid being purged from enrollment. The policy also allows students to remain enrolled when their outstanding debt is \$200 or less.

Trustee Corbeil moved to recommend to the full board, the approval of the student fee payment and enrollment policy, as contained in the materials for the February 21, 2019, board meeting materials. Trustee Freeman seconded the motion, which carried unanimously.

VII. APPROVAL OF THE DEFERRED PAYMENT PLAN POLICY

Trustee Corbeil asked President Glover to provide information on the deferred payment plan policy. President Glover asked Vice President Chase to provide an overview of the policy.

Vice President Chase stated that the purpose of this policy is to implement, clarify, and ensure the consistent administration of the deferred fee payment program at Tennessee State University.

He noted that the TSU Deferred Payment Plan policy revises the TSU policy governing the same policy area, which was adopted when the institution severed from the Tennessee Board of Regents under the FOCUS act.

A deferred payment plan is available for regular academic semesters (fall and spring) and for students who are in good financial standing. All financial aid awarded to a student is applied before the deferred payment plan is utilized. There are two deferred payment plan options. One option is for students with balances above \$2,000. In this option, the student pays a \$50 service fee, a fifty percent down payment of the balance, and three equal installments due prior to the end of the semester. The second option is for students with balances of \$2,000 or less. The second option is the same as the first except there is no down payment required.

Trustee Corbeil moved to approve the deferred payment plan policy, as contained in the materials for the February 21, 2019, board meeting. Trustee Freeman seconded the motion, which carried unanimously.

VIII. UPDATE ON ENROLLMENT, MARKETING, AND STUDENT RECRUITMENT PLAN

Trustee Corbeil asked President Glover to present an update on the enrollment, marketing, and student recruitment plan. President Glover referred the committee to the report of recruitment, enrollment, and retention on page 110G of the board materials for the February 21, 2019, board meeting. President Glover noted that the current total head count for the spring 2019 semester is 6,537, the fall 2019 semester head count is projected to be 8,013, and the fall 2020 semester head count is projected to be 8,253.

President Glover asked Terrance Izzard to present the update on the strategic plan. Mr. Izzard commented that the plan was developed by a multifaceted committee of twenty-five members who are deans, faculty, staff, administrators, and students. The TSU Recruitment Committee is charged with assisting with developing a plan that will increase enrollment by identifying the challenges that have caused declines, and to formulate strategies to address them. It is chaired by Dr. Curtis Johnson, Chief of Staff. The committee has two co-chairs, Mr. Terrence Izzard and Dr. Sharon Peters. The committee members have identified a number of key strategies to stabilize and increase enrollment.

Undergraduate Strategies:

1. Strategic Outreach
2. Strategic Marketing
3. Strategic Communications
4. Technological Infrastructure Enhancements and Capital Improvements
5. Strategic Funding for Scholarship

Graduate Strategy:

1. Strategic Marketing and Recruitment for the Graduate School

Mr. Izzard noted that meetings have been held with the school districts for Clarksville, Montgomery County, and Shelby County. He reported that over 140 students attended and thirty students applied on site. Mr. Izzard reported that 231 high school visits have been made to date under the Tiger Days program.

President Glover asked Dr. Mosley to report on the Knowledge Academy.

Dr. Alisa Mosley reported that the institution asked for permission to offer dual enrollment in psychology. She noted that the institution hopes to extend the program to English and music. Dr. Mosley commented that meetings have been held between the institution's administration and the administration of Pearl Cohn, Whites Creek, Strafford, and MLK high schools.

President Glover noted that students in the dual enrollment programs will contribute to the institution's head count and full time enrollment numbers.

Mr. Izzard commented that TSU held recruitment days in Shelby County and plans to hold similar events in Atlanta, GA, Birmingham, AL, Chattanooga, TN, and Clarksville, TN. He also noted that mailers were sent out and that a digital, call, and text campaign has also been planned.

Trustee Corbeil asked how many students were enrolled as a result of the recruitment programs. He noted the importance of metrics to evaluate and validate the effectiveness of each strategy. Mr. Izzard responded that he did not have specific numbers with him.

Mr. Izzard reported that the institution plans to hire another recruiter and that it has created a Transfer Tuesday initiative, which is an open house program that focuses on the needs of transfer students, non-traditional students, and distance learners. He also noted that Dr. Johnson is working with TEMA, the Tennessee Emergency Management Agency, to certify emergency managers.

Mr. Izzard reported that social media is being leveraged as part of the strategic marketing plan. 225 social media posts have been made, advertisements of special places on campus have been posted, a virtual campus visit platform, You Visit has been added, and Naviance Career Readiness Solutions is being implemented.

President Glover noted that hits on the social media platform showed promise, but that the institution has seen a reduction in activity correlated to Mr. Izzard's time away from the institution due to an injury.

Trustee Cole noted that customer service is required to recruit and retain students. She recounted that in her personal experience, the customer training is not effective.

Trustee Mitchell stated that the Mr. Izzard's presentation was wonderful and that she was enthusiastic about the plan. She asked if there was an element that addresses the unique needs of military affiliated persons. She inquired whether the institution has a plan to facilitate the transfer of credits to TSU. She asked if the institution has evaluated setting up classes on local military bases.

Dr. Mosley answered that THEC awarded TSU a grant to offer courses and convert credits earned from military experience with the aim to reduce institutional barriers and facilitate the transition from the military into higher education.

Dr. Cade added that the institution is evaluating ways to collect data from veteran's DD214 paperwork to maximize credit awarded for military service. Dr. Cade also noted that programs for military students are being established on the Avon Williams site.

Trustee Mitchell stated that those are wonderful strategies and she reported that the University of Maryland has marketing programs focused on the needs of veterans.

Dr. Mosley added that the institution participated in six events to recruit veterans.

Trustee Corbeil noted that the board should be able to measure the success of the programs and initiatives by doing year-to-year comparisons. He asked if the recruitment and retention projections shown on page 110G were attainable.

Dr. Cade commented that he believed the goals were attainable. Dr. Mosley commented that each college has a recruitment goal and projection plan.

Trustee Cole asked for clarification on the enrollment numbers. She asked if the budget is based on head count and whether full-time, part-time, graduate, and undergraduate students enrollment is used to develop the budget.

Dr. Cade noted that applications were down three percent and that admissions were down six percent over the previous year.

Trustee Freeman commended the recruitment plan.

Trustee Corbeil commented that the committee had just had a tough but necessary discussion. He thanked President Glover and her team for the update.

Trustee Sekmen asked to speak. He commented that he obtained the enrollment numbers from 2012 to the present. He then asked for the true reason for enrollment decline. He stated that he and other faculty analyzed the enrollment trends and offered to send copies of his analysis to the board. He noted that in fall 2015, the head count was 9167, in fall 2016, the head count was 8816, and that enrollment declined 13% over 3 years. He juxtaposed TSU's enrollment with MTSU's enrollment over the same period. He noted that while TSU's enrollment declined 13%, MTSU experienced a 3.92% decline. Trustee Sekmen continued that he found that from spring 2015 to fall 2019, TSU's enrollment declined 22.32%, while MTSU's enrollment declined 7.4%. Trustee Sekmen stated that his belief is that the issue is not recruitment or admissions, but retention of students. He noted that the increase in admissions standards accounts for attrition of approximately 250 students. He noted that TSU's peer institutions are performing better. He commended the plan as comprehensive, but also opined that it is not innovative.

President Glover responded that the administration has maintained that the issue for TSU students is insufficient funds. She noted that 900 students were not admitted regardless of what Trustee Sekmen's numbers show. She commented that the institution is working hard with community colleges to increase enrollment, with funding sources to obtain additional scholarship funding, and with students on retention. President Glover asserted that she will terminate any faculty on the spot for cause for telling students not to return to TSU.

Trustee Corbeil interjected that the institution needs to "block and tackle," and do what will be effective to correct the attrition.

Trustee McKenzie asked if the cost of implementing the recruitment plan had been projected. He asked that the committee and the administration take another look at the budget to verify that the cost has been accounted for.

Trustee Corbeil asked Vice President Chase to evaluate the budget and verify that the cost of the plan has been included.

Trustee Sekmen added that graduate enrollment has declined over the last six years and undergraduate enrollment has declined over the last four years. He noted that the plan is extensive, but it only covers the basics.

Dr. Mosley noted that the faculty spoke about allocating Title III funds to support graduate students in STEM and education programs.

President Glover informed the attendees that the graduate school has a separate plan.

Trustee Sekmen commented that an anonymous letter was sent to the faculty senate acknowledging the cost reduction plan aimed to reduce the budget by \$15.3M, but that those cuts will be insufficient. Trustee Sekmen recounted that the letter from President Glover to the institution dated November 12, 2018, promised not to cut faculty. He also recounted that in a previous BOT Finance and Budget committee meeting, Trustee Corbeil eluded to the possibility that the \$15.3M cuts to the FY 2018-19 budget might be insufficient. Trustee Sekmen noted that faculty position announcements are typically advertised in October for August start dates, but

that layoffs at this point in the fiscal year will result in a year of unemployment of any faculty laid off. Trustee Sekmen then asked if the board could commit to no faculty layoffs for 2019-2020. Chairman Walker stated yes. President Glover clarified that tenured and tenured track faculty are protected, but that adjunct faculty and staff have not assurances. Chairman Walker confirmed that the board will support the President's plan to protect tenured and tenured track faculty and that the board will make an announcement.

Trustee Sekmen asked that the board and administration acknowledge the trends in a realistic way, plan ahead, and adjust now.

Trustee Corbeil asked President Glover for a measure of confidence in the enrollment projections.

Vice President Chase answered that Simpson Consulting Group had been retained to evaluate the efficiency of the institution and to develop a recommendation to "right-size" the organization based on costs and the revenue.

Trustee Cole noted that this is a new plan and that its effectiveness cannot be measured retroactively.

Vice President Chase commented that the Business and Finance department discovered that \$15.3M had to be cut from the budget. It required drastic steps to restore the institution to fiscal balance without using reserves. He noted that we have spent 14% less as compared to last year by not filling some positions. He assured the committee that Sibson has done this type of exercise for other institutions and that they have established benchmarks. Sibson has met with one hundred staff, cabinet members, and administration council members. He reported that Sibson has completed 95% of the scheduled interviews after which Simpson will compile a report. He noted that the institution will adjust its strategy once the report is in.

Trustee Cole asked if Sibson is an efficiencies firm. She asked if the institution is hoping to find new revenue streams as well as cutting expenses and advised that Sibson's recommendations should save or generate enough money to cover the cost of the firm's work.

Vice President Chase agreed, but warned that the institution has to agree to take some of the recommendations.

Trustee Cole asked if the board would receive a copy of Sibson's report. Secretary Pendleton and President Glover commented on the drafting process and that she will be determining the distribution of the report.

Trustee Mitchell noted that the recommendations that the institution follows must align with the mission, vision, and direction of the institution.

Trustee Corbeil thanked President Glover and her team.

IX. REPORT ON TSU'S SEVERANCE FROM THE TENNESSEE BOARD OF REGENTS ON CAPITAL MANAGEMENT FUNCTION

Trustee Corbeil asked President Glover for the report on the institution's severance from the TBR on the capital management function. Vice President Chase stated that the institution plans to seek approval to sever from the TBR on the capital management function by July 1, 2020, but that the institution is currently unprepared to make the request. Two key positions must be filled before the institution is ready. He noted that the institution could request approval from THEC before 2020, but the effective date of severance would likely remain the same.

Trustee Corbeil thanked President Glover and her team for the report.

X. ADJOURN

Trustee Corbeil moved to adjourn the meeting at 1:09 p.m. Trustee Freeman seconded the motion, which carried unanimously.