

**Tennessee State University Board of Trustees
Finance and Budget Committee Meeting.
March 11, 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; 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 11:10 am. on March 11, 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. Board Secretary Pendleton called the roll. Present: Trustees Richard Lewis, Van Pinnock and Steve Corbeil. A quorum was established.

III. APPROVAL OF THE NOVEMBER 19, 2020, FINANCE AND BUDGET COMMITTEE MEETING MINUTES

Trustee Lewis moved to recommend to the full Board the approval of the minutes from the November 19, 2020, Finance and Budget committee meeting, as contained in the March 11, 2021, board materials. Trustee Corbeil seconded the motion, which carried unanimously by roll call vote.

IV. REPORT ON CARES ACT FUNDING RELATED TO COVID-19 CORONAVIRUS

Trustee Lewis announced the next item on the agenda as the report of CARES Act funding related to COVID-19 and asked President Glover or her designee to provide pertinent information related to this agenda item. The material is included in the November 19, 2020, Board Meeting packet. This was an informational item and so no vote was required.

President Glover reported on this item to identify the CARES Act funds received and the amounts which had been disbursed. A breakdown of the funds are included on pages #70 of the November 19, 2020 Board Meeting materials. President Glover asked Dr. Frances Williams to share information about this agenda item. She shared that the initial funding for emergency grants to students amounted to \$3.6 million and for institutional expenses related to COVID-19, that amounted to \$3.6 million. The university also received \$16.2 million via the Higher Education Emergency Relief Fund (HEERF) HBCU allotment. This brought a total TSU allotment of \$23.4 million from the federal government.

The HEERF II, authorized by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) provided additional funding to TSU for COVID related expenses. This additional relief amounted to \$3.6 million for emergency grants to students, \$9.6 million for institutional use, and \$20 million from the HEERF II HBCU allotment. This additional allotment totaled \$33.2 million.

Trustee Pinnock asked what were the plans for these CARES Act funds, to which President Glover stated that she wanted to use these funds for student scholarships. Trustee Corbeil added that it was important not to use these funds to just cover the university's deficit. President Glover concurred. She said that we would have a structured plan for the use.

Trustee Lewis reminded the committee that we never expected to receive these funds and therefore he suggested that the Board of Trustees might need to give some guidance and direction to management on how best to use these funds. President Glover offered to provide to the Board, for their review, a schedule of how the funding was going to be used. She stated that after the impending SACSCOC visit, she would get this information to them. President Glover also shared some background information on personally working with several legislators on these Bills and getting them passed for the benefit of not just STEM schools but also HBCUs.

Trustee Corbeil asked for specifics with regards to discretionary spending of these funds. President Glover responded that bullet points will be provided.

Trustee Lewis then thanked everyone for this important information.

V. REPORT OF GENERAL ASSEMBLY'S LAND GRANT STUDY COMMITTEE DISCUSSIONS

Trustee Lewis introduced the next agenda item, the report of the general assembly's land grant study committee discussions 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 March 11, 2021, Board Meeting.

President Glover shared that she presented to the committee on January 11, 2021 as discussion began about the Land Grant funding issue and the discriminatory aspects on why TSU was not funded. She stated that Representative Harold Love chaired the committee which is now known as the Joint Land Grant Institutions Funding Study Committee (JLGIFC). They heard presentations from the State officials and Tennessee State University. The purpose of the committee was to study the inequities of prior years' federal and state funding for land grant institutions of higher education. The committee was focused on studying the impacts of the funding, including its effects on maintenance, operations of institutions and benefits of the funding. They covered the impact that the shortage of funding has had on the university. President Glover shared that the committee expressed that they were not aware of the impact until they spoke with us. More discussions were held in relations to the arrears owed to TSU.

President Glover explained that there is a one-to-one match that is required by the government. It was determined that there are three parts or three pools of funding. The committee went back to the year 2000 to 2017. They met with the Governor back in 2017 to determine if we could get that amount which was approximately \$40 million. We received \$2 million which was deemed to be a part of the \$40 million owed. That leaves \$38 million. Since then (2018), we have begun receiving our full match but prior to 2000, there is a second pot. She continued to share that there is a budget analyst working with the committee, including with her and with Rep. Love. She suggested that it was better that the legislature determined the base amount that is owed, since we can then add to that amount or challenge it.

From a historical standpoint, President Glover continued to explain that the TSU funds were paid to the state while UT's portion would be paid directly to them, TSU's portion would be paid to the State Treasury Department for distribution. She stated that there was evidence that at times no funding distribution was made to TSU. Another issue was that of the state funding, UT's portion would be 75%, while TSU's portion would equal 25% and although UT always received their 75 %, TSU sometimes did not. Now we are calculating all of the Land Grant funding that was allotted to UT and developing a formula to calculate what is owed to TSU. As further developments take place with this, President Glover has promised to keep the Board updated

Trustee Lewis suggested that President Glover and the JLGIFC consider using the expertise and influence of some members of the Board, namely Trustee Johnson or Trustee Martin as they move forward in this pursuit.

Trustee Corbeil agreed with this suggestion.

VI. REPORT ON THE FY2021 INSTITUTIONAL REVISED BUDGET

Trustee Lewis introduced the next agenda item, the report of the FY21 revised institutional budget 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 March 11, 2021, Board Meeting materials and is an informational item only.

President Glover commented on the details of this agenda item. She updated the committee on the fact that Mr. Horace Chase is retiring but will be back to represent the university at the SACSCOC visit. He has made himself available for information needed as we continued to prepare. President Glover shared that she is working with the accounting team as they work through ways of reducing

the operating expenses since we are still working with \$10.7 million of expenses in excess of revenues. They have considered several budget cuts including travel, and supplies. She said that the budget was still a very fluid document that is ever changing. Several departments have been asked to evaluate their expenses and make the necessary cuts. Following the VESP many faculty and staff positions will not be filled.

President Glover added that regarding the estimated budget that is in process now, the expenses have been reduce by almost \$1 million bringing the excess to \$9.5 million instead of \$10.7 million. She reiterated that \$5 million will be used from the CARES Act towards institutional support, and so that figure again will be adjusted. She also added information about several sources of additional funding that were expected in and that will directly affect the numbers of revenue dollars on the proposed budget. Although tuition and fees were down, research grants and contracts were up. She itemized several areas where revenue was directly impacted.

Trustee Corbeil agreed with her explanations.

President Glover also mentioned the position of Vice President of Business & Finance. She shared that there were 26 applicants in the pool, with approximately 5 or 6 holding a CPA certification.

Trustee Lewis thanked President Glover for her report and cautioned that the selection of this new VP should be someone with not only credentials, but someone who is experienced and can provide leadership with the President.

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

Trustee Lewis introduced the next agenda items, the report on enrollment, marketing, and student recruitment and asked President Glover or her designee to provide pertinent information related to these joint Finance and Budget Committee agenda items. The material was included in the March 11, 2021 Board Meeting packet and were informational items and so no vote was required.

President Glover asked Mr. Terrence Izzard to report on this agenda item. Mr. Izzard stated that that he was excited to share an update of the Spring enrollment, the application data for the Fall 2021 and recruiting and marketing efforts. Mr. Izzard directed everyone to page #77 - 79 of the March 11, 2021 Board Meeting materials for a breakdown of the enrollment, recruitment and marketing update, comparison and admission analyses. Mr. Izzard praised the leadership of President Glover and the Cabinet for the semester's success. He stated that although we would have loved to have had higher numbers, we were grateful for those that we did have. He stated that everyone entered Spring 2021 with a lot of concern since we were facing students whose parents may have lost their jobs, or parents who had been deceased due to COVID. These students were discouraged and stressed more than usual. Efforts were made across campus to assist these students and we were thankful for the show of teamwork from everyone.

Regarding recruiting, Mr. Izzard shared that beginning March 2020, everyone flipped into a virtual environment – high schools began to shut down and his team could not visit students in person. The team became very innovative with their recruiting approach and started doing everything in a virtual space. There was a total collaboration on campus between enrollment management, student affairs, academic affairs, auxiliary services and all other campus partners. Everyone plugged in and worked

together for the students.

The application data shows that the numbers are trending upward. Those students who have been admitted are actually up by 11% when compared to prior periods. Housing deposit numbers are also trending upward surpassing the number this time last year.

Awards to high achieving students (GPA 3.0 or higher) have already been made. Mr. Izzard remarked that this was the first time, since he has been here, that these awards have been done in February. He stated that parents have until March 15th to confirm their acceptance and he had already received approximately 500 scholarship acceptance. Additionally, these were all students with GPA 3.8 or higher. The financial aid team and the marketing efforts contributed to this turn-around. Since students were not on campus, seeing and hearing from the student leaders played an important roll in keeping the students engaged. This was instrumental with the returning students.

Mr. Izzard spoke about the virtual office hours, with access to live agents, that his entire team was engaging in, all in an effort to provide exceptional service to our students. He made mention of the Dual Enrollment FIVE career pathway course offerings, the new Fall 2021 International Africa Dual Enrollment project, and several new student program efforts. Mr. Izzard mentioned Dr. Robbie Melton and several of the innovative recruitment efforts coming out of the graduate school.

Trustee Thomas asked about the time it takes a prospective student to receive the acceptance letter form after applying. She pointed out that many students make choices to attend other schools due to the delay in communicating acceptance to TSU. Mr. Izzard responded that it took 7-10 business days.

Trustee Pinnock asked about the pool of candidates, regarding information on geographical data, GPA, etcetera. Mr. Izzard promised to get that data to Trustee Pinnock.

Trustee Sekmen had a question about students getting a bill from TSU without having attended any classes. Mr. Izzard added clarity to this issue after a lively discussion ensued.

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

VIII. REPORT ON INSTITUTIONAL ADVANCEMENT

Trustee Lewis introduced the final agenda item as the report on Rediscover TSU. 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 was happy to call on Mr. Jamie Isabel to report on this item.

Mr. Isabel announced that since Trustee Lewis asked him at the last meeting to be specific on what money had been actually collected by his fund-raising efforts, he thought to open with this announcement: \$9.8 million on request and of that amount, \$4.9 million had been deposited. That is 55% over last year's numbers at this time. Mr. Isabel prided President Glover for the successful efforts in fund-raising.

He went on to mention other pending pledges including an upcoming meeting where he was putting a large 'ask' on the table - \$5 million from CIGNA.

He then thanked President Glover for giving him the opportunity to work with her.

President Glover added that we needed to hire another person in the Institutional Advancement area. She stated that we were getting numerous calls from the Black Lives Matter movement, wanting to engage someone. Many companies are wanting to give to HBCUs and so we need to position ourselves. She mentioned a recent \$500K donation from a liquor company. Mr. Isabel reminded everyone about the recent Federal Express donation of \$1 million.

Trustee McKenzie added that in his career he has never seen an opportunity for fund-raising as he sees now. He stated that \$5 million is a lot of money, but mere pittance to what was available to us at this particular time.

Trustees Lewis thanked Mr. Isabel for the report and Trustee McKenzie for such insight. He asked if there was any additional business. Seeing none, he asked for a move to adjourn the meeting.

Trustee Pinnock then moved to adjourn the meeting and Trustee Corbeil seconded which carried by roll call vote. The meeting was adjourned at 12:48 pm.