

**Tennessee State University Board of Trustees
Finance and Budget Committee Meeting
September 15, 2022
Tennessee State University, Electronic**

MINUTES

Committee Members Present: Trustees Richard Lewis, Steve Corbeil, and Andre Johnson.

Other Board Members Present: Trustees Deborah Cole, Pam Martin, Bill Johnson, Van Pinnock, Obie McKenzie, Joseph Walker, III, and Shaun Wimberly, Jr.

University Staff Present: President Glenda Glover; Laurence Pendleton, General Counsel and Board Secretary; Dr. Robbie Melton, Interim Provost and Vice President for Academic Affairs; Douglas Allen, Vice President for Finance and Budget; Dr. Curtis Johnson, Chief of Staff; Dean Frank Stevenson, Associate Vice President of Student Affairs; Dr. Quincy Quick, Interim Associate Vice President of Research & Sponsored Programs; Terrence Izzard, Associate Vice President of Enrollment Management; Adrian Davis, Director of Internal Audit; and Dr. Arlene Nicholas-Phillips, Liaison to the Board of Trustees.

I. CALL TO ORDER

Trustee Lewis called the meeting to order at 12:07 p.m. CDT on September 15, 2022. 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 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 roll at the Committee chair's request. Present at the time of roll call: Trustees Richard Lewis and Steve Corbeil. A quorum was established.

III. APPROVAL OF THE JUNE 16, 2022, FINANCE AND BUDGET COMMITTEE MEETING MINUTES

Trustee Lewis moved to recommend to the full Board the approval of the minutes from the June 16, 2022, Finance and Budget Committee meeting, as contained in the September 15, 2022, Board materials. Trustee Corbeil seconded the motion, which carried by roll call vote by Trustees Lewis and Corbeil.

IV. UNIVERSITY BUDGET UPDATE

Chair Lewis presented the University Budget Update as the next item on the agenda. President Glover asked VP Allen to provide this update.

VP Allen referred the Committee to page 60 of the Board documents and discussed the University's revenues and expenditures and FY 2021 surplus. VP Allen went on to discuss the FY 2023 University budget, its calculation, and revenue to date. VP Allen then reviewed the budgeted expenses related to overflow student housing including housing, food, and contract security and its net impact on the University's financial statement.

Trustees Corbeil, Andre Johnson, and Lewis asked questions to clarify the impact of tuition and fee revenue on the University's budget and mandatory transfers. VP Allen provided clarification and noted that an updated budget will be provided to the Board in November.

Trustee Bill Johnson asked a question about tuition losses due to zero-cost tuition for online students. VP Allen responded that it was a greater financial benefit to give up tuition than to pay the additional expenses of housing those students in a hotel. Trustee Bill Johnson asked for those numbers to be included in the November Board materials.

Trustee Andre Johnson asked about fixed costs vs. variable costs related to additional students and VP Allen replied that SACSCOC requires additional instructors to be hired along with student body growth and commented on the University's efforts to ensure that academic departments across the University are self-sustaining.

Trustee Bill Johnson asked if the University is losing money to house students in hotels and VP Allen confirmed that the housing revenue from the hotels does not meet the housing revenue received from the students placed in overflow housing.

Trustee Lewis thank VP Allen and Dr. Glover for the report.

V. CONSTRUCTION AND FACILITIES UPDATE

Chair Lewis then presented the Construction and Facilities Update as the next item on the agenda. This is an informational item and no vote is required. President Glover asked VP Allen to provide this update.

VP Allen directed the Committee to page 65 of the Board materials and discussed a five-year plan which has been proposed to State legislators. He also reminded the Committee that the funds received from the State for facilities is not cash, but rather are funds directed for specific uses. The State understands the University's need for additional residence halls and all parties are working to fast track the approval of additional campus housing.

Trustee Cole requested an update on deferred maintenance. VP Allen provided a summary of funds set aside for deferred maintenance as well as potential funds from the State specifically for deferred maintenance and noted that the University was able to use some University funds toward other expenses due to the State's contribution for deferred maintenance.

Trustee Lewis asked whether the University is still under the Tennessee Board of Regents and Secretary Pendleton clarified that the University has not severed from the TBR related to construction management. Trustee Lewis then asked if severing would require additional staffing and Secretary confirmed that VP Allen is working on that matter. VP Allen noted that adding the additional staff would provide economies of scale.

Trustee Cole asked if there is a way of obtaining additional deferred maintenance funds and Dr. Glover stated that it was unlikely that the University will receive funds in addition to the funds already discussed.

Trustee Andre Johnson asked about the insurance claims related to the tornado damage. VP Allen referred the Committee to the Board materials which provides current financial information on the repairs. He also noted that shortages on equipment and materials is slowing progress of tornado repairs and rebuilding.

Trustee Lewis reminded the Committee and the University that it is important to have good relationships with State officials and thanked Dr. Glover for her teams' presentation.

VI. REPORT ON CARES ACT FUNDING

Chair Lewis introduced the CARES Act Funding agenda item and asked President Glover or her designee to provide pertinent information related to this agenda item. This is an informational item and so no vote is required.

President Glover asked VP Allen to report on this item. VP Allen reviewed the receipts and expenditures of CARES Act funding. Remaining funds will be dispersed to the students.

VII. FINANCE AND BUDGET REPORT

Chair Lewis introduced the Finance and Budget Report agenda item. Chair Lewis asked President Glover or her designee to provide pertinent information related to this agenda item.

Dr. Glover asked VP Allen to report on this agenda item. VP Allen thanked the Cabinet members on their efforts to address the needs of faculty, students, and staff as well as his own team.

Trustee Bill Johnson thanked VP Allen for his transparency. Trustee Lewis thanked VP Allen and Dr. Glover for their presentation.

VIII. UPDATE ON ENROLLMENT

Chair Lewis moved on to the Update on Enrollment agenda item and asked Dr. Glover to provide pertinent information related to this agenda item.

Dr. Glover called upon Terrence Izzard to provide the update. Mr. Izzard reported the increase in enrollment for fall 2022 and expressed his appreciation for the leadership of Dr. Glover and the Cabinet members. Mr. Izzard then reported on the University's enrollment growth and strategic plan for future growth. He described factors that created the growth such as a new CRM, hiring a new team of enrollment specialists, a new Office of Parent and Family Services, an enrollment probability system, automation of application and decision process, a massive digital marketing campaign to target prospective students, a new social media expert staff member, and continuing to use the Common Black College Application.

Mr. Izzard went on to update the Board on the University's updated retention plan which is still under review and stated that a detailed report will be provided at the November Board meeting.

Trustee Bill Johnson asked whether the November retention plan information can include retention or persistence numbers by class. He also requested information on incoming freshman GPAs and ACT scores. Finally, Trustee Bill Johnson compared several years of past enrollment tables and found that the historical numbers don't appear to match for the same time periods. Mr. Izzard clarified that the numbers are application data rather than enrolled students. Dr. Bill Johnson had additional questions regarding the Board materials tables which he and Mr. Izzard agreed to discuss offline.

Trustee McKenzie congratulated Mr. Izzard on his progressive approach to enrollment growth and pointed out that the quality of students has increased along with enrollment. He called upon the University to promote that information to the public.

Trustee Corbeil observed that a large driver of low retention is students who can't afford to come back to school and noted that there is a lot of money going toward student debt reduction at this time that can potentially help TSU students.

Trustee Lewis thanked Trustees Corbeil, McKenzie and B. Johnson for their feedback, and then noted that Mr. Izzard's success at TSU is attributable to having the resources that he needs to grow the enrollment.

IX. ADJOURNMENT

Trustee Lewis asked if there was any additional business. Seeing none, he made a motion to adjourn. Trustees Corbeil and Andre Johnson moved to adjourn. Secretary Pendleton called roll and the Committee members voted unanimously in favor of adjournment. The meeting was adjourned at 1:15 p.m. CDT.