

**Tennessee State University Board of Trustees
Finance and Budget Committee Meeting.
March 12, 2020
Tennessee State University. 3500 John A. Merritt Blvd. Nashville, Tennessee 37209
McWherter Administration Building
President's Conference Room**

MINUTES

Committee Members Present: Richard Lewis

Other Board Members Present: Joseph W. Walker, III, Dr. Deborah Cole, Pam Martin, Obie McKenzie (via phone), Dr. Edith Peterson Mitchell, Dr. Ali Sekmen, and Braxton Simpson.

University Staff Present: President Glenda Glover; Laurence Pendleton, General Counsel and Board Secretary; Dr. Alisa Mosley, Interim Vice President for Academic Affairs; Dr. Curtis Johnson, Chief of Staff; Dean Frank Stevenson, Assoc. Vice President of Student Affairs; Horace Chase, Vice President of Business and Finance; Dr. Frances Williams, Assoc. Vice President of Research & Sponsored Programs; Dr. John Cade, Vice President of Enrollment Management; and Terrence Izzard, Assoc. Vice President of Enrollment Management; Dr. Charlise Anderson, Director, Accreditation & Assessment; Mr. Al Hill, Director of Facilities Management; Mr. George Herring, Senior Project Manager; and Mr. David Smart, Executive Director of Design & Construction.

X. CALL TO ORDER

Trustee Lewis called the meeting to order at 10:57 a.m. on March 12, 2020.

XI. ROLL CALL/DECLARATION OF A QUORUM

Board Secretary Pendleton called the roll at the committee chair's request. Trustee Lewis is present. There is not a presence of a quorum. Secretary Pendleton explained that only informational items can be addressed and no votes are allowed.

XII. BUDGET UPDATE

Vice Chair Lewis announced the next item on the agenda is the budget update. This is an informational item and no vote is required.

Vice Chair Lewis asked President Glover or her designee to provide pertinent information related to this agenda item. Mr. Chase provided the update on the FY 2020 budget. The revised budget was completed in October 2019 and by June final budget and the proposed budget for FY 2021 will be ready. Mr. Chase reported that he expected to meet or exceed conservative projected revenue in tuition and fees. He explained that there is a \$4 million item in this year's budget that is still in progress as it has not come to fruition at this point in time, and there is \$3 million in auxiliary funds to balance this year's current budget. Mr. Chase explained that the focus for the proposed budget is to be balanced, without using any one time revenues and exclusive of auxiliary in June for upcoming fiscal year. He explained that TSU needs to reduce its operating expenses by \$15 million (about 11%).

Mr. Chase provided a general explanation of the budget process. He explained that the proposed budget is prepared in January and submitted to TBR at the beginning of May. The proposed budget comes to the Board in June for approval. October can see reviews once the fall enrollment is in.

Trustee Cole asked for clarification on where auxiliary funds are located in the board packet. Mr. Chase explained that the board material does not include auxiliary.

Trustee Lewis asked whether there was any information on when/if the \$4 million will be received. President Glover explained that one was related to a real estate situation that has gone away, and the deal downtown with a long-term lease was on hold as the Board was unwilling to give up interest/be minority interest.

Trustee Lewis asked whether or not the board should have auxiliary money information for budget in June. Mr. Chase said that the proposed budget will have unrestricted ENG and auxiliary dollars. He discussed one-time solutions but is preparing a sustainable budget with about 75% of the budget being in personnel.

Trustee Cole summarized that the June 30, 2020 budget was dependent on one time transactions and auxiliary funds and that the 2021 budget should be without one time transactions or auxiliary funds.

Secretary Pendleton explained THEC's involvement with the State Building Commission for downtown public-private partnerships and that multiple proposals are usually required. President Glover mentioned the UofM public-private partnership that was approved.

Trustee Cole stated that the Board previously gave authority to the President to look into the one-time transaction and bring information back to the board. She believes the Board is willing to help get information to the community.

Mr. Chase said that even this transaction if authorized would only impact the budget once, so he may use reserves this year but the transaction could happen in the future.

XIII. FINANCE AND BUDGET REPORT

Vice Chair Lewis introduced the next item on the agenda as the finance and budget report. The materials for this agenda item are included in your March 12, 2020, Board meeting materials.

Vice Chair Lewis asked President Glover or her designee to provide pertinent information related to this agenda item. Mr. Chase updated on the electrical grid in that TSU is working with THEC, the State, and TBR, and developed the electrical grid assessment to be done June 1. He stated that the State approved \$5 million for the next fiscal year with assessment to improve electrical grid.

Trustee Cole asked whether the \$5 million was improved as a capital expenditure. Mr. Chase said that is was and that the cost is expected to exceed the \$5 million amount.

Mr. Chase then reported on the facility assessment which is to be done by July 1. He reported that all the LGIs have deferred maintenance. This will help determine deferred maintenance for facilities.

Trustee Johnson said to take into account recent events when conducting facility assessment and there is a need to develop plans for future needs. He also inquired as to the type of facility maintenance was going to be put toward tornado facility items that will be done by insurance. Trustee Johnson encouraged looking at how to use upgraded facilities as a potential income generator to offset expenses.

Mr. Chase said that those are being looked at on how to generate revenue and utilize this opportunity.

President Glover reported that the \$20 million in damages reported to press in relation to the tornado was not accurate. She stated that as TSU looks to rebuild the whole complex, it needs to look at current needs, not just replacing loss.

Trustee Lewis discussed the master plan and the governor's involvement in creation of this TSU administrative building. He stressed the importance of building relationships.

Mr. Chase then presented on the capital management and requested severance from TBR. He said that they are looking to sever in July 2020, but it has been delayed to July 1, 2021.

Vice Chair Lewis thanked President Glover for her presentation.

XIV. REPORT ON ENROLLMENT

Vice Chair Lewis introduced the next item on the agenda is the report on the enrollment. The materials for this agenda item are included in your March 12, 2020, Board meeting materials.

Vice Chair Lewis asked President Glover or her designee to provide the report for this item as it pertains to the agenda item.

Mr. Izzard referred to the materials in the board packet. He explained that he hired a new director of admissions and recruitment in December and additional recruitment hires. He is now launching the intent to enroll campaign which is proving very successful, as application totals are already 400 students ahead of this same time last year.

Mr. Izzard explained that the communications initiative is now underway. There are four items in technical structure and capital improvements, and the common application for black colleges is positive.

Mr. Izzard reported that over \$1.7 million was raised in the \$1 million in a month campaign. He reported that the partnership with the USDA and the Predators were very positive. He said that numbers are trending upward in every area.

Mr. Izzard reviewed the enrollment update as contained in the board materials.

Trustee Lewis asked whether TSU had relationships with local community colleges. Mr. Izzard said there are 13 community colleges and TSU is aggressively going after that market. He got a list of graduating "seniors" for transfer Tuesday and has invited them to TSU. Mr. Izzard also explained that he is increasing personnel.

Trustee Sekmen said that the budget depends on enrollment and he expressed worry. He said that he has analyzed the data and the graduate school head count is down in the last 5 years. FTE enrollment for grad school is down 32.4%. The retention rate from fall to spring is accelerated.

Mr. Izzard said that since November the President has reorganized the whole recruitment and retention area. There is now new personnel and new benchmarks with additional supports.

Trustee Sekmen asked about graduate school decrease. President Glover stated that measures have been in place and enrollment has gone up. Ms. Mosley said the persistence rate is up and additional strategies were discussed.

Trustee Martin acknowledged that we have been discussing numbers in several meetings. She said that the report shows that President Glover and her staff are listening, have created a plan, and are employing a plan to address.

Trustee Cole encouraged taking an approach related to revenue and non-traditional approaches, and suggested getting a report on new ideas and results.

Trustee Lewis thanked President Glover for the presentation.

XV. UPDATE ON ENROLLMENT, MARKETING AND STUDENT RECRUITMENT PLAN

Vice Chair Lewis acknowledged that this agenda item had already been covered.

XVI. REPORT ON THE UNIVERSITY'S STRATEGIC PLAN PROCESS

Vice Chair Lewis introduced the next item on the agenda as the report on the University's strategic plan process and related issues and noted the inclusion of information in the board materials for the March 12, 2020, Board meeting.

Chair Lewis asked President Glover or her designee to provide pertinent information related to this agenda item. This is an informational discussion item, so no vote is required.

President Glover recognized Jerri Haynes, as chair of strategic plan process. Dr. Haynes explained that the University has taken on momentum to move on plan. The process started in October with the leadership team. They met with the consultant and established internal and external committees with various subcommittees. Dr. Haynes said they plan to meet again to review analysis and committee work. They are currently working on the mission and vision statements. Dr. Haynes reported that by Fall 2020 they should have the strategic plan in place.

Trustee Sekmen asked a question about financial reporting to governmental agencies. Mr. Chase had to step out, so Trustee Cole said that Mr. Chase had addressed this in the audit meeting earlier. Trustee Cole said Mr. Chase addressed the fact that there was 75% turnover and he now has hired new individuals, and that the President is to provide a report.

XVII. ADJOURNMENT

Vice Chair Lewis moved to adjourn the meeting. Meeting adjourned at 12:07 pm.