

**Tennessee State University Board of Trustees  
Finance and Budget Committee Meeting  
June 16, 2022  
Tennessee State University, Electronic**

**MINUTES**

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

**Other Board Members Present:** Deborah Cole, Pam Martin, Bill Johnson, Joseph Walker, III, Van Pinnock, Obie McKenzie.

**University Staff Present:** President Glenda Glover; Laurence Pendleton, General Counsel and Board Secretary; Dr. Michael Harris, Interim Provost and Vice President for Academic Affairs; Douglas Allen, Vice President for Finance and Budget; Jamie Isabel, Vice President of Institutional Advancement; 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 11:04 a.m. CDT on June 16, 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: Trustees Richard Lewis, Steve Corbeil, and Andre Johnson. A quorum was established.

**III. APPROVAL OF THE MARCH 17, 2022, FINANCE AND BUDGET COMMITTEE MEETING MINUTES**

Trustee Lewis moved to recommend to the full Board the approval of the minutes from the March 17, 2022, Finance and Budget Committee meeting, as contained in the June 16, 2022, Board materials. Trustee Corbeil seconded the motion, which carried unanimously by roll call vote.

#### **IV. APPROVAL OF FISCAL YEAR 2022-2023 COMPENSATION PLAN SIX PERCENT INCREASE**

Chair Lewis introduced the next agenda item as the Approval of Fiscal Year 2022-2023 Compensation Plan Six Percent Increase. Chair Lewis called upon Dr. Glover who called on VP Allen to provide information on this item.

VP Allen referred to University policy requiring approval of salary increases and discussed the financial statistics related to a six percent salary increase. President Glover mentioned that this is the largest salary increase in University history she is aware of and wants to reward the hard work of the employees. Trustee Johnson thanked President Glover on behalf of the faculty. Trustee Corbeil asked what salary increases other universities are providing this year. VP Allen noted that Tennessee State University is unique in that Nashville is an extremely expensive city to live in. President Glover noted that there were previous years where no increase was provided and the University wants to be competitive.

Trustee Pinnock asked about the average salary of University employees and agreed that a six percent increase is reasonable. President Glover remarked that TSU's salaries are not at the level of other Tennessee universities but the University is working at it. Trustee Corbeil suggested that the University look at areas of high turnover and the salaries in those areas. President Glover has asked Trustee Martin to provide her expertise in this area and informed the Committee that the University chose to offer an across-the-board increase instead of merit increases. Trustee Martin added that the University needs to look at the Nashville market rather than other Tennessee universities.

Chair Lewis encouraged the University to provide for additional increases in the next budget, noted that TSU has always come in last in this area, and suggested that the University consider merit and market increases in order to retain employees. Trustee Bill Johnson added that salary will be critical for attracting employees needed to reach R-1 status.

Chair Lewis then moved to recommend to the full Board the approval of the Fiscal Year 2022-2023 Compensation Plan Six Percent Increase. Trustee Corbeil seconded the motion, which carried unanimously by roll call vote. President Glover offered her appreciation to the Committee.

#### **V. APPROVAL OF FISCAL YEAR 2022-2023 NON-MANDATORY FEES/FEE INCREASE – HOUSING FEE**

Chair Lewis introduced the next agenda item as the Approval of Fiscal Year 2022-2023 Non-Mandatory Fees/Fee Increase – Housing Fee. Chair Lewis called upon Dr. Glover who called on VP Allen to provide information on this item. VP Allen requested a five percent increase in the student housing fee and noted that these fees had not increased in the past 7 to 8 years. VP Allen then discussed the impact of the fee increase on the students and residence halls.

Chair Lewis then moved to recommend to the full Board the approval of the Fiscal Year 2022-2023 Non-Mandatory Fees/Fee Increase – House Fee. Trustee Andre Johnson seconded the motion, which carried unanimously by roll call vote.

## **VI. APPROVAL OF FISCAL YEAR 2022-2023 NON-MANDATORY FEES/FEE INCREASE – DENTAL HYGIENE FEE**

Chair Lewis introduced the next agenda item as the Approval of Fiscal Year 2022-2023 Non-Mandatory Fees/Fee Increase – Dental Hygiene Fee. Chair Lewis called upon Dr. Glover who called on VP Allen to provide information on this item. VP Allen noted students from the Dental Hygiene program informed the President in the fall that they did not have the proper equipment and materials for the program. The University has partnered with a vendor who will provide the items and the students will pay a kit fee.

Trustee A. Johnson added that the Dental Hygiene program is a three-year program and this fee creates a high economic bar for entry into the program. Although other institutions are using the same process, Trustee A. Johnson suggested that the University purchase the equipment to encourage diversity in the program and charge students a sharpening and maintenance fee. President Glover added that many Dental Hygiene students receive scholarships to help offset the cost. Trustee Corbeil asked if students entering the program have the expectation of the fees due to past years and VP Allen confirmed that expectation. Provost Harris added that the cost of the Dental Hygiene associate degree is still below the national average cost for an associate degree. Trustee Pinnock asked if there was any supply chain issue with this equipment and President Glover and Provost Harris responded that they were not aware of any.

Chair Lewis then moved to recommend to the full Board the approval of the Fiscal Year 2022-2023 Non-Mandatory Fees/Fee Increase – Dental Hygiene Fee. Trustee Corbeil seconded the motion, which carried by vote of Trustee Lewis and Trustee Corbeil during roll call vote.

## **VII. APPROVAL OF INSTITUTIONAL ESTIMATED BUDGET**

Chair Lewis introduced the next agenda item as the Approval of Institutional Estimated Budget. Chair Lewis called upon Dr. Glover who called on VP Allen to provide information on this item. VP Allen presented the budget for 2021-2022 and pointed Committee members to pages 98 to 106. VP Allen focused the Committee's attention on page 107 and discussed the institutional estimated budget. Trustee Corbeil asked about the plant fund and VP Allen confirmed that it was increased by six percent and explained the funding and use of the plant fund.

Trustee Bill Johnson expressed his hope that future budgets would increase funds in the area of instruction. VP Allen noted that many funds in other line items are applied to instruction. Provost Harris noted that instruction funds increased as a result of an examination by THEC and President Glover's advocacy. Trustee Bill Johnson added that as we move toward R-1, the costs of instruction are going to increase. President Glover recognized teaching's importance to the University and stated that the goal is to get to 50% of the budget applied to instruction.

Chair Lewis then moved to recommend to the full Board the approval of the Institutional Estimated Budget. Trustee Andre Johnson seconded the motion. Trustee Corbeil asked about our expectation for enrollment next year. VP Allen stated that our enrollment estimate remains flat for a conservative approach. Trustee Corbeil asked about a tuition increase recommendation by the State. VP Allen answered that the State did not recommend an increase in tuition and mandatory fees. The motion was taken to the Committee for vote which carried unanimously by roll call vote.

## **VIII. APPROVAL OF INSTITUTIONAL PROPOSED BUDGET**

Chair Lewis introduced the next agenda item as the Approval of Institutional Proposed Budget. Chair Lewis called upon Dr. Glover who called on VP Allen to provide information on this item. VP Allen noted that the majority of the proposed budget items were covered in the previous discussion and asked for questions. Trustee Lewis asked for an estimation of our financial reserve. President Glover asked VP Allen to report. VP Allen shared and discussed a statement of revenues and expenditures current as of the previous day and described the management of funds at the University as very conservative. Chair Lewis asked for an estimate of a reserve number and VP Allen stated a conservative estimate of around \$50 Million.

Trustee Johnson asked if we were getting to zero debt and VP Allen stated that our debt to equity is significantly better than other institutions but that we need to invest in our facilities. Trustee Johnson congratulated VP Allen and President Glover on the low amount of debt.

Chair Lewis then moved to recommend to the full Board the approval of Institutional Proposed Budget. Trustee Corbeil seconded the motion, which carried unanimously by roll call vote. Trustee Corbeil congratulated the University on its financial health.

## **IX. APPROVAL OF UNIVERSITY'S FY 23 \$250 MILLION CAPITAL CONSTRUCTION PLAN**

Chair Lewis introduced the next agenda item as the Approval of the University's Fiscal Year 2023 \$250,000,000.00 Capital Construction Plan. Chair Lewis called upon Dr. Glover who called on VP Allen to provide information on this item after noting that these funds were included in the Governor's budget and expressed her appreciation to the Governor. Trustee Johnson added that this is a recognition of the State's perceived value of the University.

VP Allen described how the \$250 Million in funds is allocated and pointed to the five-year plan detailed in the Board materials. VP Allen noted that the University will provide detailed reports at the end of each year detailing how the funds have been used. These funds are not going to be used on operations, residence halls or athletic facilities. President Glover added that the University is not receiving a check for this full amount but rather campus improvements have been approved by the State totaling the investment.

Trustee McKenzie asked if there is a system in place to ensure minority firms will be able to participate in these projects. President Glover stated that our contractors must come from a State list but that the University has been working with the State to increase the number of minority contractors on the State list. Trustee Martin added that she understands the Governor is specifically looking at the state of minority participation in the State of Tennessee so this is the time to support that effort. Chair Lewis called on Board members to help support the use of minority contractors.

Chair Lewis then moved to recommend to the full Board the approval of the fiscal year 2023 \$250,000,000 Capital Construction Plan. Secretary Pendleton added that the vote is limited to the material covered by VP Allen. Trustee Corbeil seconded the motion, which carried unanimously by roll call vote.

## **X. REPORT ON CAPITAL CONSTRUCTION PUBLIC PRIVATE PARTNERSHIP RESIDENCE HALL PROJECT**

Chair Lewis presented the Report on Capital Construction Public Private Partnership Residence Hall Project as the next item on the agenda. This is an informational item and no vote was required. President Glover asked VP Allen to provide this update.

VP Allen provided history on the TSU Housing Committee and stated that one option that came up in their efforts is the opportunity for creating housing through public private partnerships. This transfers the risk to the developer and the University does not come out of pocket throughout the execution of the project. Also, the project can be completed much faster than going through the State to build housing. Once the residence hall is complete, the cost will not change from year to year and the developer maintains the building. At the end of the relationship, TSU takes ownership for \$1.00. President Glover added that the University has not done a public private partnership in the past but does not want to be left out of something that will benefit the University.

Secretary Pendleton added that these activities are currently occurring at universities across the country. Trustee Cole asked if information regarding the potential partnership would be brought before the Board for approval and Secretary Pendleton confirmed that it would be. Trustee Johnson noted that if partnership residence halls were located on campus there could be a maintenance conflict. VP Allen noted that there would not necessarily be a conflict as the relationship would be contractual. Trustee Corbeil suggested that former Trustee Bill Freeman may be a good resource in this area. President Glover pointed out that Trustee Andre Johnson is another good resource.

## **XI. UPDATE ON CARES ACT FUNDS**

Chair Lewis introduced the CARES Act Funds 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 was required.

President Glover asked VP Allen to report on this item. VP Allen reported the remaining Cares Act funds and discussed the planned allocation of the funds. VP Allen also shared how Cares Act funds have aided students to date. Chair Lewis raised the issue of the past tornado damage and asked about the state of insurance for that damage. Dr. Curtis Johnson informed the Committee that the University has received some funding and will receive more as the University works on restoration of campus facilities. Chair Lewis asked for a report on these efforts and Dr. Curtis Johnson agreed to provide a report.

## **XII. FINANCE AND BUDGET REPORT**

Chair Lewis introduced the Finance and Budget Report agenda item. This is a discussion item so no vote was required. 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 reported on new employees who are helping the University remain compliant with State regulatory requirements and thanked the rest of his team for their excellent work. VP Allen then thanked the Board and President Glover.

### **XIII. 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. This is an information item so no vote was required.

Dr. Glover called upon Terrence Izzard to provide the update. Mr. Izzard shared enrollment highlights by discussing the University's enrollment successes since the last Board meeting and directed the Committee to the Board materials. Mr. Izzard also described the training his team has received and how it helps in their recruitment efforts, gave figures on the Hope Scholarship awards given to Tennessee State University students, and provided an update on recruitment and the expected enrollment for the fall. Lastly, Mr. Izzard described plans to support students to keep them enrolled at Tennessee State University.

Chair Lewis thanked Dr. Glover and Mr. Izzard for their report and stated that we want to get our fair share of Hope Scholarships. He also asked if we have enough people soliciting quality students for the Hope Scholarship. Chair Lewis noted that graduating students is our most important product. Finally, Chair Lewis emphasized market and merit and called on the University to give a 1% merit increase to employees or at least a cost-of-living increase.

### **XIV. ADJOURNMENT**

Trustee Lewis asked if there was any additional business. Seeing none, he asked for a motion to adjourn and Trustee Andre Johnson moved to adjourn. Trustee Bill Johnson asked for a retention report at the next Board Meeting. Trustee Bill Johnson also asked for information regarding delays in Degree Works. Mr. Izzard is assessing the situation and making necessary staffing changes. Trustee Johnson noted that other universities use Ellucian to build Degree Works and don't appear to have the same difficulties that TSU has. Mr. Izzard stated that we do have an Ellucian group and is open to considering the best options for our campus. Trustee Cole made the comment that we need to do a good job servicing our students and supports the University in doing what we can to support the staff. Trustee Corbeil seconded the motion to adjourn, and the motion carried unanimously by roll call vote. The meeting was adjourned at 12:59 p.m. CDT.