

**Tennessee State University Board of Trustees
Finance and Budget Committee Meeting
November 17, 2022
Tennessee State University, Electronic**

MINUTES

Committee Members Present: Trustees Richard Lewis and Andre Johnson.

Other Board Members Present: Trustees Deborah Cole, Van Pinnock, Obie McKenzie, Joseph Walker, III, and Shawn Wimberly, Jr.

University Staff Present: President Glenda Glove; 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 9:18 a.m. CST on November 17, 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 travel issues. He noted there is important action to be conducted by the Finance and Budget Committee, including the institutional budget, and participation without the physical presence of a quorum by the Committee meeting is necessary to address these important items. Trustee Andre Johnson 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 and Andre Johnson. A quorum was established.

III. APPROVAL OF THE SEPTEMBER 15, 2022, FINANCE AND BUDGET COMMITTEE MEETING MINUTES

Trustee Lewis moved to recommend to the full Board the approval of the minutes from the September 15, 2022, Finance and Budget Committee meeting, as contained in the November 17, 2022, Board materials. Trustee A. Johnson seconded the motion, which carried unanimously by roll call vote.

IV. APPROVAL OF FISCAL YEAR 2023 INSTITUTIONAL REVISED BUDGET

Chair Lewis introduced the next agenda item as the approval of the Fiscal Year 2023 Institutional Revised Budget. Chair Lewis called upon Dr. Glover who called on Vice President Allen to provide information on this item. VP Allen directed the Committee to page 59 of the Board materials and led the Committee through the revised budget figures. VP Allen noted that the growth in TSU's enrollment has improved and increased the University's budget.

Trustee Cole asked for clarifications on scholarship funding and VP Allen replied that the scholarship information is for the fiscal year, and in future years, the University will likely award approximately the same amount of money in institutional scholarships while providing scholarships to more students but in smaller amounts per student.

Trustee Pinnock asked about uncollectable tuition. VP Allen clarified that bad debt is recorded as a reduction in tuition and fees.

Trustee Cole asked for an explanation of unexpended plant funds. VP Allen compared TSU's unexpended plant funds to a for profit organization's profits. Trustee Cole then congratulated VP Allen and Dr. Glover on how they handled themselves at the recent Ad Hoc hearing. VP Allen thanked the Cabinet members for their help.

Trustee B. Johnson asked for the overload in adjunct costs and VP Allen provided the information.

Trustee A. Johnson asked how TSU's institutional scholarship funds compare to other universities and VP Allen stated that they are a little low compared to other universities. Dr. Glover stated that she has adjusted to the fact that TSU receives no praise for enrollment growth and clarified that TSU did not offer scholarships to any individuals not qualified to receive a scholarship.

Trustee Pinnock asked about scholarship money related to the CARES Act. VP Allen confirmed that the CARES Act funds go away after May of 2023. VP Allen stated that we will use our partners to help offset future scholarships. Dr. Glover added that scholarships will be distributed more strategically in the future. Trustee Wimberly asked if the CARES Act factored into TSU having less institutional scholarship money. VP Allen said that it is only a factor.

Trustee Cole commented that she previously spoke with a student who had a misunderstanding about last dollar scholarships. VP Allen noted that the scholarship award letters are clear that the awards are last dollar but the Institution can improve communication in this area.

Trustee B. Johnson clarified that last dollar scholarships do not provide refunds to students but that they do provide students with a total cost of zero. Trustee Walker asked for information to pass on about what the University's policies say on these matters.

Dr. Glover noted that the ACT will be required for incoming students this fall.

VP Allen added that simplification and communication are the goals and then directed the Committee to the unexpended plant fund transfer detailed in the Board materials and explained its relationship to the hotel costs. Dr. Glover clarified that she signed the hotel leases but that Student Affairs selected the hotels and rates and said that Brent Dukhie did a great job securing the rates.

VP Allen added that the Nashville has the second highest hotel rates per night in the country so it was a difficult feat securing the good rates TSU received. Also, TSU secured hot breakfasts and laundry services for the students as part of the rates. Secretary Pendleton added that TSU's rates were comparable to UT's hotel rate in Knoxville, a much less expensive city, and that TSU's leases were approved by the SBC and TSSBA. The SBC even noted that TSU was receiving a good rate.

Chair Lewis noted that the Committee had gone off track and asked if there is money in the reserve account. VP Allen confirmed that there is. Chair Lewis then moved to recommend to the full Board the approval of the Fiscal Year 2023 Institutional Revised Budget. Trustee A. Johnson seconded the motion, which carried unanimously by roll call vote. Chair Lewis then said that there were some things he did not appreciate regarding some of the Comptroller's inquiries and thanked Dr. Glover, VP Allen and Chair Cole on their magnanimous job representing the Institution.

V. APPROVAL OF BANK RECONCILIATION POLICY

In the interest of time, Chair Lewis introduced the next agenda item as previous item VII, the approval of the revised Bank Reconciliation Policy. Chair Lewis called upon Dr. Glover who called on VP Allen to provide information on this item. VP Allen noted the differences between the updated Bank Reconciliation Policy from the original.

Chair Lewis then moved to recommend to the full Board the approval of the Bank Reconciliation Policy. Trustee A. Johnson seconded the motion. Trustee B. Johnson added concerns about the language of the new policy and VP Allen agreed to change the language to provide reconciliations within 30 days. Trustee Cole commented on reconciliation statements and noted that the University is living up to its policies. Chair Lewis asked if bank statements come through the mail and VP Allen confirmed that they do but the Institution is working on that.

The motion was made by Chair Lewis that the policy be amended as stated to include that bank reconciliation be prepared and completed within 30 days. The motion carried unanimously by roll call vote. Trustee A. Johnson seconded. Chair Lewis then moved to recommend to the full Board the approval of the Bank Reconciliation Policy as amended which passed unanimously with a roll call vote.

VI. CAPITAL PLANNING AND FACILITIES UPDATE

Chair Lewis then presented the capital planning 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 73 of the Board materials and highlighted some campus projects including progress toward a new residence hall and deferred maintenance projects. Trustee B. Johnson asked when the Governor's \$250M would be released to the University. VP Allen noted that funds were granted for the deferred maintenance projects. For the \$250M, we have to go through the same TBR process as for any other project before we can receive those funds.

Trustee McKenzie asked if the Student Housing Committee is superseded by JLL who will be performing the deferred maintenance projects. Dr. Glover stated that the parties will need to work together.

Secretary Pendleton introduced the Music City Baseball group to describe their evaluation of TSU property as a potential site for a baseball stadium and related developments. Dave Stewart, Ed Henley, Eddie Hamilton, and John Loar were present. Dave Stewart explained MCB's efforts to bring major league baseball to Nashville and to increase diversity in baseball, including Black ownership of a MLB team. Expansion is forecasted to take four years and Nashville is a prime

location. The team would be named the Nashville Stars after a former Negro League team that played in Nashville. Trustee Cole congratulated Mr. Stewart on his career, Trustee B. Johnson noted that he has Mr. Stewart's baseball card. Trustee McKenzie asked if TSU could participate in the media rights if a team was located on its campus. Ed Henley answered that those rights are negotiable and flow through the operators. Secretary Pendleton added that any pursuit of this project would need to go through the SBC, TSSBA, and other State approvals. Chair Cole asked that a final decision regarding this project come back before this Board. Trustee McKenzie directed TSU to insert itself into the money conversation.

Mr. Henley continued to present that his group is first performing an assessment on the property to determine environmental impacts on the land. Assessment expenses are covered by MCB and the findings will be shared with the University.

Secretary Pendleton acknowledged that Alberto Gonzales who heads MCB, is dean of the Belmont University law school and former Attorney General of the United States.

Chair Lewis encouraged the University to move forward with the assessment. Secretary Pendleton stated that the University is ready to move forward. Trustee Wimberly acknowledged that we are in the middle of Black renaissance and this a good opportunity to put on our future hats. Trustee Pinnock stated that it is the Board's responsibility to determine who they want to be and what does that look like. It can include baseball but the Board needs to make that determination. Trustee Cole stated that Board is giving authority to the President or her designee to sign the documents needed for this project. Dr. Glover stated that we are close to presenting new master plan information.

Dr. B. Johnson framed a motion that permission be given to the President to proceed with conducting a site evaluation for the riverfront property. Trustee Lewis made the motion and Trustee A. Johnson seconded. The motion passed unanimously by rollcall vote.

VI. HOUSING SPECIAL COMMITTEE REPORT

Chair Lewis introduced the next agenda item as the Housing Special Committee report. This is an informational item and no vote was required. President Glover asked Dean Stevenson to provide this update.

Dean Stevenson described the first meeting of the Housing Special Committee and its long term goals related to adding residence halls and renovating current housing. Attrition and graduation will allow TSU to reduce its hotel overflow housing from five hotels to two hotels this spring. TSU will also be adding the Jefferson Flats apartment complex in the spring for over 60 beds. There is also a plan to partner with community landlords to give students the housing options to lease their own apartment.

Housing application deadlines have been moved up and the waitlist is being closed earlier. TSU is being very intentional in managing housing inventory and communicating to students. TSU does not like to house students in hotels and it is only a stopgap. TSU students do not have access to affordable market housing in Nashville, and it is not appropriate to compare Nashville to Knoxville, Memphis, and Clarksville. The university anticipates that it will still need a couple of hotels next year.

Dr. Glover added that housing is not guaranteed; it is a different application process. However, we will not take housing away from a student once they have been placed. Dean Stevenson added that TSU is housing close to 80% of its undergraduates which is an exceptionally high percentage in this country.

Trustee Pinnock thanked Chair Cole for creating the Housing Special Committee. Trustee McKenzie clarified the cost of the hotels per student and asked how that compares to the cost of living in Nashville. Trustee A. Johnson noted that TSU's costs also include security, transportation, and food services. Dean Stevenson remarked that housing students in hotels is the most expensive option. \$3200-\$4500 per semester is what students are paying per semester, which is not a full year. Trustee Wimberly appreciated that students who did not have housing were eventually provided housing by the University and asked that communication be improved related to spring housing. Dean Stevenson said that students in the three hotels going offline have been sent letters letting them know they would be moved to the campus in the spring and asked if they needed help storing their property over the holiday.

Trustee B. Johnson remarked that TSU also needs housing for graduate students, staff and faculty. Dean Stevenson stated that Jefferson Flats would convert to graduate and non-traditional student housing in the fall of 2023. Trustee A. Johnson asked about the State approval process for leases and Dean Stevenson described the process.

Dr. Glover is going to make sure the letter to students living in the three hotels going offline will go out again today. Trustee B. Johnson asked how quickly we can provide students with their next room assignment. Dean Stevenson said that can't happen until after the end of the current semester. The first assignments will go out after graduation, then additional assignments after grades are issued, and so on. Trustee Cole asked that a deadline for room assignments be added to the letter.

Trustee McKenzie asked about the State's pushback on modular housing and suggested TSU use the alternative term "engineered housing." President Glover reported that the State did not approve of

shipping container homes as an appropriate look for a flagship HBCU institution such as TSU. Dean Stevenson thinks the Housing Special Committee can dig into the possibility of adding engineered homes on campus for student housing.

VIII. UPDATE ON CARES ACT FUNDING

Chair Lewis announced that the update on CARES Act funding agenda item will be deferred until the next Committee meeting.

IX. FINANCE AND BUDGET REPORT

Trustee Lewis introduced the Finance and Budget Report agenda item and asked President Glover or her designee to provide pertinent information related to the agenda item. Dr. Glover called on VP Allen to make this report. This is an informational item and no vote was required.

VP Allen presented a brief presentation by referring the Committee to page 107 of the Board documents for a summary of the state of the University budget.

X. UPDATE ON ENROLLMENT, RECRUITMENT AND RETENTION

Chair Lewis moved on to the update on enrollment, recruitment and retention 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 updates on fall enrollment and referred the Committee to page 112 of the Board materials, acknowledging that the numbers are a result of the Board's feedback on strategic planning. The fall 2022 enrollment is the highest in the history of the University. The University is working hard to make sure the new students return the next semester.

Mr. Izzard then referred the committee to page 113 of the Board materials for information on retention efforts and noted new programming targeting specifically for freshman students as outlined on page 114 of the Board materials.

Chair Cole congratulated Mr. Izzard on his successes in increasing enrollment at TSU. Trustee B. Johnson said that he has received a lot of questions about the advising process for the spring semester and had heard that there has been a shift to a modified self-advising process for freshmen. Mr. Izzard clarified that freshmen with less than 30 credit hours are assigned an advisor who actually enrolls the student in their courses for their first semester. After that, students are trained in the Banner system and enroll in their courses in a proctored and monitored setting.

Trustee Lewis suggested that the new customer service department be changed to the customer service and communications department to improve communications to faculty about the campus processes.

XII. REPORT ON INSTITUTIONAL DEVELOPMENT

Trustee Lewis introduced the Report on Institutional Development agenda item and asked President Glover or her designee to provide pertinent information related to the agenda item. Dr. Glover called on Lolita Toney to make this report. This is an informational item and no vote was required.

Ms. Toney pointed the Committee to pages 121-122 in the Board materials for the University's development strategy including aggressive fundraising and providing appropriate reporting to supporters. Institutional Development intends to hire their entire team by the end of the fiscal year.

Trustee Pinnock asked for more information about the office's staff. Ms. Toney explained they have already hired an Office Manager, Director of Annual and Alumni Giving, and Director of Corporate Giving, and will hire a Director of Donor Relations of Stewardship and a Director of Major Gifts and Planned Giving. Trustee Pinnock asked what system they are using and Ms. Toney said her goal is to have a system in place by the end of the fiscal year. Trustee Pinnock asked if there is a fundraising goal and Ms. Toney replied that the goal is over \$8M.

Trustee B. Johnson asked about her work with college Deans and whether targets would be set for them. Ms. Toney said that she will work with the Deans and on the targets.

Trustee Lewis asked Ms. Toney how much money has been raised in the last 90 days. Jamie Isabel replied that the University has raised about \$1M less than this time last year but expects to catch up by Christmas.

Dr. Glover asked Ms. Toney to explain the comprehensive plan. Ms. Toney stated that she is working on a plan to raise \$50M over three years.

XIII. ADJOURNMENT

Trustee Lewis asked if there was any additional business. Seeing none, he made a motion to adjourn. Trustee A. Johnson seconded the motion as recorded. The meeting was adjourned at 11:44 p.m. CDT.