Meeting of the Tennessee State University Board of Trustees
Finance Committee Meeting
September 10, 2026
Tennessee State University

MINUTES

Committee Members Present: Trustees Dakasha Winton, Venkataswarup Tiriveedhi, and Dimeta Smith Knight. Other Board members present: Trustees Jeffery Norfleet, Marquita Qualls, Charles Traughber, Leticia Towns, Terica Smith

University Staff Present: President Dwayne Tucker; Ginette Brown, Interim General Counsel and Board Secretary; April Robinson, Chief Finance Officer; Sterlin Sanders, Interim Chief Information Officer; Eric Stokes, Vice President of Enrollment Management; Erik Schmeller, Interim Provost and Vice President of Academic Affairs; Will Radford, Assistant Vice President for Campus Planning, Design, and Construction

I. CALL TO ORDER

Committee Chair Winton called the meeting to order at 12:16 p.m.

II. ROLL CALL/DECLARATION OF A QUORUM

Committee Chair Winton requested that Secretary Brown conduct the roll call. The following committee members were present: Trustees Dakasha Winton, Venkataswarup Tiriveedhi, and Dimeta Smith Knight. Following the roll call, Secretary Brown determined that a quorum was present.

III. ADOPTION OF AGENDA

Committee Chair Winton requested that the presentation on the State of Tennessee real estate process and the status of the John C. Tune Airport property, listed under Item VII.a, be moved to the beginning of the agenda, with the remainder of the agenda unchanged. Trustee Tiriveedhi moved to adopt the amended agenda, and Trustee Smith Knight seconded the motion. A roll-call vote was taken, with all present Committee members voting in favor. The motion passed unanimously.

Committee Chair Winton also requested that the administration distribute meeting materials further in advance to allow trustees sufficient time to review the materials and fulfill their oversight responsibilities.

IV. STATE OF TENNESSEE REAL ESTATE PROCESS & JOHN C. TUNE AIRPORT PROPERTY STATUS

Committee Chair Winton introduced the agenda item concerning the State of Tennessee real estate disposition process and the status of the John C. Tune Airport property and invited Dick Tracy to

provide an overview of the property's history, applicable State requirements, proposed disposition process, and potential sale to the Metro Nashville Airport Authority prior to Committee discussion.

Mr. Tracy explained that property under an institution's jurisdiction is property of the State of Tennessee and that its disposition is governed primarily by Titles 12 and 49 of the Tennessee Code and State Building Commission policies. He noted that Title 49 permits higher education institutions, under certain circumstances, to retain proceeds from property acquired through gifts, grants, or other institutional sources. Property dispositions are processed through the State's real estate function, commonly known as STREAM, and require review by the State Building Commission. Property may be offered through a competitive process or negotiated for sale to another governmental entity at fair market value, subject to applicable statutory requirements, public benefit considerations, and potential reversionary rights.

Mr. Tracy reviewed the property's history, explaining that the State acquired the land in the early twentieth century and subsequently transferred jurisdiction to the Tennessee Board of Regents (TBR) on behalf of Tennessee State University for an aviation-related program. Following the change in governance structure in 2017, jurisdiction over TSU property held by TBR transferred to the University. Accordingly, the property remains State-owned property under TSU's jurisdiction rather than property privately titled to the University. Mr. Tracy reported that discussions with State officials supported allowing TSU to retain the proceeds if the property is sold. The proposed next step was to seek approval from the State Building Commission's Executive Subcommittee to negotiate a sale to the Metro Nashville Airport Authority at fair market value. The item was being prepared for consideration at the subcommittee's meeting on the 21st.

Mr. Tracy stated that the operative appraisal supported a value of approximately $15,500,000 and that the specific appraisal information could be disclosed once permitted under the State's process. He added that the Airport Authority had indicated it could allow the existing program to remain on the property at no cost for at least one year to facilitate relocation. Mr. Tracy further explained that the proceeds would be held until allocated to an eligible capital project. He noted that if the property ceased to be used as an airport, it would revert to the State.

Mr. Tracy also discussed the property's relationship with the Tennessee College of Applied Technology (TCAT), as well as the potential effects of Metro Nashville's zoning overlay. He explained that TCAT operates at the site but does not have a formal relationship with TSU. He noted that the property does not appear in the University's most recent master plan, except for a possible reference to one building used for storage. Due to the adjacent airport, the property is subject to federal restrictions, including height limitations, use restrictions, and expanded setbacks, some of which were implemented following September 11. He also noted that Metro Nashville had previously considered an overlay or zoning designation encompassing both John C. Tune Airport and Nashville International Airport.

Trustee Traughber asked whether a new Metro zoning overlay could constitute a taking if it restricted future development and expressed concern about the potential diminution in property value resulting from zoning restrictions. Mr. Tracy explained that, while the State retains ownership, it may assert sovereign immunity against local planning and zoning restrictions unless the restrictions arise from federal requirements. He further explained that the Metro Airport

Authority could exercise its condemnation authority following a sale, in which case compensation would be determined between the Authority and the property's new owner.

Trustee Traughber questioned whether the appraisal accurately reflected the property's market value. Mr. Tracy explained that State Building Commission policies and applicable statutes require the State to obtain appraisals, typically more than one, and that fair market value is determined by the Department of General Services or a third party using those appraisals. He added that if the State established a fair market value and a seller sought a higher amount, the State could pursue condemnation, with any dispute over value resolved through subsequent litigation.

Mr. Tracy agreed to provide informational materials addressing the topics discussed, including the property's history. Trustee Traughber noted that the Board had received a summary presentation of the third-party appraisal but had not received the underlying appraisal document. He requested copies of the appraisal from Trustee Winton, President Tucker, or Mr. Tracy. Mr. Tracy also explained that once property is identified for disposal, STREAM circulates the property information to State agencies. Under Title 12, a State agency may claim surplus property at no cost to the agency. At Trustee Traughber's request, Secretary Brown agreed to provide the relevant meeting minutes and motion language concerning the John C. Tune Airport property and the process for the Board to proceed.

Trustee Towns asked clarifying questions regarding the proposed sale process, prior Board discussions before the State Building Commission meeting, and how the transaction would be reflected on the University's balance sheet. Mr. Tracy confirmed that a sale to another public entity was the option currently being pursued and that no Board action was required before the Executive Subcommittee meeting. He explained that proceeds from the sale of surplus property are held in an interest-bearing capital account for the institution until an eligible project is identified. He noted that Title 49 restricts the use of the proceeds to capital projects and stated that questions regarding balance sheet recognition and any proposed alternative use of the funds should be directed to the Board.

Trustee Qualls asked how donated property is treated under the State's disposition process and whether property donated through estate planning would instead be transferred to the TSU Foundation. Mr. Tracy explained that donated land becomes State property and would follow the same disposition process if the University subsequently sought to dispose of it. He added that when a foundation acquires property on behalf of the University, State Building Commission requirements call for the foundation's minutes to document that the property is being acquired on the University's behalf and may be transferred to the University. Upon transfer, the property becomes State property.

V. APPROVAL OF COMMITTEE MINUTES

Trustee Tiriveedhi moved to recommend that the full Board approve May 14, June 23 and August 13, 2026, Finance Committee meeting minutes. The motion was seconded by Trustee Smith Knight. A voice vote was taken, with all present Committee members voting in favor of the motion. The motion passed unanimously.

VI. APPROVAL OF FINANCE POLICIES

Committee Chair Winton introduced Chief Financial Officer, April Robinson, to present the proposed policies. Mrs. Robinson acknowledged the delay in distributing the materials and attributed it to the department's rapid pace of work.

A. FEES AND ENROLLMENT POLICY

Mrs. Robinson explained that the Fees and Enrollment Policy had been modernized from its former TBR format into a TSU-specific policy, reorganized for readability, and clarified regarding when a student is considered enrolled. The most significant substantive addition was a section addressing installment payment plans, which formalizes a practice already administered by the University. She confirmed that a comparison with policies at in-state local governing institutions (LGIs) had been completed and that all installment payment plans are administered through Flywire.

Trustee Tiriveedhi moved to recommend approval of the Fees and Enrollment Policy to the full Board. Trustee Smith Knight seconded the motion. A voice vote was taken, with all present Committee members voting in favor. The motion passed unanimously.

B. ACCOUNTS RECEIVABLE COLLECTIONS POLICY

Mrs. Robinson explained that most revisions to the Accounts Receivable Collections Policy involved modernizing its structure and language. A new section addressing lease collections was added to clarify collection obligations associated with arrangements such as the YMCA lease and the previously contemplated Meharry transaction, consistent with policies at peer institutions.

Trustee Towns raised concerns regarding provisions affecting employees, including language that appeared to permit consequences for relatively minor outstanding obligations. Mrs. Robinson explained that much of the employee-related receivables language had been carried forward from the existing policy and reflected State requirements and peer-institution practices. She emphasized that the policy used discretionary language, such as "may," rather than imposing mandatory consequences, and preserved opportunities for appeals at both the University and State levels.

Trustees questioned the $100 minimum threshold for referring accounts to collections, the source of that threshold, the University's average collection referral amount, and whether the threshold should be revised. Mrs. Robinson stated that the $100 threshold may have originated from State requirements and agreed to verify its source. She explained that the notification schedule included in the policy's appendix further guides collection efforts and helps prioritize accounts with the greatest potential impact on the University.

Mrs. Robinson also noted that the University outsources collection activities for a fee and that accounts currently referred for collection average more than $1,000. She referenced the nearly $29 million write-off discussed during the Finance Committee update. Trustees expressed concerns about the cost-effectiveness and administrative capacity required to pursue small balances, the impact on students referred to collections for amounts near $100, and the apparent inconsistency between the collection threshold and the policy allowing students to register with an outstanding balance of $200.

Committee Chair Winton requested that the administration confirm the average amount of accounts referred for collection and whether the $100 threshold is required by State law or policy, with the information to be reported at the Committee meeting the following day. She further directed that, if the information could not be provided, consideration of the policy should be deferred until the November Committee meeting. Secretary Brown agreed to upload the current policy to the Board portal.

VII. MASTER BRIDGE PLAN

Committee Chair Winton introduced Assistant Vice President of Campus Operations, Planning, Design, and Construction Will Radford to present an overview of the Master Bridge Plan, including its relationship to the University's existing master plan, the Space Utilization Study, proposed capital projects, and the anticipated timeline for development of the University's 2027–2028 Master Plan, prior to consideration of the action by the Committee.

Mr. Radford explained that the Master Bridge Plan integrates the existing master plan, the five-year stabilization plan, a migration study, the housing business plan, the Space Utilization Study, and more detailed analyses supporting proposed capital projects. He noted that the Space Utilization Study provided data that had been missing from an earlier master-planning effort. The Master Bridge Plan was developed to establish a current planning framework for projects already under consideration and to bridge the period before the University's long-range master plan can be aligned with its emerging strategic plan.

In response to questions regarding the timeline and the Board's expectations for the 2027-2028 Master Plan, Mr. Radford stated that the Strategic Vision Plan was expected to be completed in spring 2027, with a proposed master plan to be presented to the Board between summer and fall 2027. He explained that the University would engage a consultant to work with the University personnel and present the plan to the Board through a series of meetings. Following Board consideration, the plan would be submitted to the Tennessee Higher Education Commission (THEC) for acceptance and the State Building Commission for approval of implementation. He anticipated that the planning process would extend through the end of 2028, with work on the master plan beginning after completion of the Strategic Vision Plan. Mr. Radford also noted that the Space Utilization Study had been uploaded to the Board portal in May or June 2025 and had appeared on several meeting agendas.

Trustees asked whether a bridge plan was a standard practice, why the University needed one, how the Strategic Vision Plan related to the master plan, and how the Board could approve the Master Bridge Plan without having reviewed the Space Utilization Study. Mr. Radford explained that the bridge plan was not a standard standalone document but an amendment to the existing master plan developed in response to a request from THEC to bring the University into compliance with State planning requirements. He clarified that the master plan serves as the implementation framework for the University's strategic plan.

Committee Chair Winton attributed the University's lack of compliance to timing and competing financial priorities following the current Board's arrival in April 2024. Mr. Radford explained that the prior master plan had been incomplete and that the 2023 update was not finalized because the University declined to approve the consultant's use of outdated 2015 data and instead requested a

new Space Utilization Study. This decision contributed to a four-year gap in the State's planning cycle.

In response to Trustee Qualls's concerns about approving the plan without reviewing the space-utilization data, Mr. Radford stated that the existing plans had been incorporated into the Master Bridge Plan to maintain consistency and that the study, completed in 2025, did not materially change the action before the Board. Committee Chair Winton emphasized the need for realistic timelines and complete documentation for future planning matters to ensure that trustees have sufficient information to make informed decisions.

Regarding recent demolitions, including the Education Building, Mr. Radford explained that these projects were included in the 2016-2026 Master Plan and considered as part of the University's space-utilization planning. He noted that demolitions are typically planned and funded as much as eight years in advance.

Mr. Carlton of Bower Architects presented the findings of the Space Utilization Study. He reported that classroom space was oversupplied by approximately 57 percent, while laboratory and office space were undersupplied. He explained how the Master Bridge Plan addresses these findings through a phased demolition and migration strategy, new construction, and renovation projects. One proposed project is the Lab Sciences Commons Building on the Elliot Hall site, which would consolidate academic functions and reduce the University's overall campus square footage.

Mr. Carlton affirmed that the study accounted for anticipated enrollment growth, additional faculty, and research laboratory needs. He explained that research-space requirements were calculated using THEC guidelines, which base projected space needs on anticipated faculty numbers, and that the resulting analysis reflected an increase in research-space needs.

Mr. Radford reviewed the developing projects and potential partnerships included in the Master Bridge Plan. He explained that these items were disclosed to THEC to document discussions that could lead to partnerships benefiting students through improved financial, housing, and academic opportunities. He emphasized that inclusion in the plan did not constitute authorization to proceed and that any project advancing beyond the planning stage would return to the Board as a fully developed proposal for consideration.

Trustees asked clarifying questions regarding which projects were already underway versus aspirational, whether approval of the Master Bridge Plan was necessary to sell the John C. Tune Airport property, and how the proposed plan differed from the amendment approved in May. Mr. Radford explained that the listed projects represented a combination of existing initiatives and projects under discussion. He further clarified that the Master Bridge Plan was neither a prerequisite for nor materially connected to the proposed airport property sale.

Trustee Towns explained that the May amendment, which was associated with the five-year stabilization plan, ratified an action taken by the prior interim president. In contrast, the Master Bridge Plan serves as a broader amendment to the existing master plan, allowing the University to pursue approved projects without requiring a separate master plan amendment from THEC for each project.

Mr. Radford concluded that approval of the Master Bridge Plan would allow the University to confirm its signature projects, continue implementing the building migration plan, and pursue potential partnerships, with any proposals requiring action to be returned to the Board for appropriate review and approval.

Trustee Smith Knight moved to recommend approval of the Master Bridge Plan to the full Board. Trustee Tiriveedhi seconded the motion. A voice vote was taken, with all present Committee members voting in favor. The motion passed unanimously.

VIII. REAL ESTATE UPDATE

A. MEHARRY MEDICAL COLLEGE TRANSACTION UPDATE

Mrs. Robinson stated that this transaction is no longer being considered, as Meharry Medical College has decided to not purse the parking arrangement.

IX. UNIVERSITY FINANCIAL UPDATE

Committee Chair Winton introduced Chief Financial Officer, April Robinson, to present an overview of the University's Business and Finance priorities, FY26 estimated budget, fall enrollment, proposed FY27 budget, and FY27 fiscal year-to-date budget-to-actual results prior to Committee discussion.

A. FINANCE ADMINISTRATION

Mrs. Robinson reviewed the University's Business and Finance priorities. She reported that the State had approved approximately $29 million in bad-debt write-offs, largely associated with prior years when students were not consistently purged for nonpayment. She noted that additional significant write-offs might be necessary as older balances are resolved.

Of more than 1,300 aged and unreconciled grants, the Finance team had closed more than 1,100. The reconciliation process resulted in approximately $4.8 million in unallowable expenses being transferred from restricted funds to the Education and General Fund, an estimated $1.4 million in cash returns, and a $580,000 adjustment to indirect-cost revenue.

Committee Chair Winton asked why bank reconciliations were not identified as a priority. Mrs. Robinson explained that bank reconciliations were current and that standardized templates and departmental training had improved the process.

Trustees discussed the process for tracking accruals and provisions for Board review, as well as the reasons for the unrecovered indirect costs. Mrs. Robinson explained that an appropriate process for managing accruals and provisions existed but had not historically been followed consistently. She stated that the process would be implemented once the backlog was resolved. She further explained that the indirect-cost adjustment resulted from revenue previously calculated on expenditures that were subsequently determined to be unallowable.

B. FY26 ESTIMATED BUDGET

Mrs. Robinson reported that the June estimate projected a surplus of approximately $8.6 million, while preliminary actual results reflected a surplus of approximately $26 million, representing a favorable variance of approximately $18 million. Favorable variances included better-than-expected bad-debt collections, additional State support for the Banner/Enterprise Resource Planning (ERP) migration, other revenue sources, including athletics, personnel and fringe-benefit variances, and adjustments resulting from grant reconciliation.

Mrs. Robinson confirmed that approximately $59 million represented one-time State resources when the $14.6 million in Banner support was combined with the previously discussed $45 million.

Trustee Traughber asked why the $14.6 million in additional State support had not been reflected in the original estimate. President Tucker explained that the University had requested the funding in April or May but was initially advised that it was unavailable because the State's original allocation was tied to Oracle. He credited Mrs. Robinson with returning to the State to request an adjustment, which resulted in $14.6 million to offset the cost of the Banner upgrade.

Trustee Traughber reiterated concerns regarding the use of accruals and provisions, emphasizing the importance of ensuring that financial forecasts and budgets accurately reflect the University's financial position.

C. ENROLLMENT

Mrs. Robinson provided a financial overview of fall enrollment. She explained that the first-time freshman pipeline did not reach the budgeted target of 1,200 students until the end of April, shortly before the budget was finalized on April 30. Actual enrollment subsequently exceeded the budgeted assumption following intensive recruitment and enrollment efforts through the final purge process. The purge rate was approximately 3.2 percent.

Trustee Qualls asked how students were financing their attendance and whether students who enrolled in payment plans late in the process would be able to meet their remaining obligations. Mrs. Robinson reported that nearly 400 students enrolled in payment plans during the final two days of the purge process, each of whom was required to make a 25 percent deposit. Of those students, only 32 had defaulted on the next scheduled payment. She expressed moderate confidence that students would continue making their payments.

Mrs. Robinson explained that students who subsequently default on their payment plans may remain enrolled for the current semester, but the outstanding balance must be resolved before they can register for a future semester.

She also reported a favorable enrollment variance of 1,541 in total enrollment and 1,281 in full-time equivalent (FTE) enrollment. Freshman retention increased from 59 percent to 69 percent, while the institutional discount rate decreased from approximately 50 percent to 31 percent.

At the trustees' request, Mrs. Robinson agreed to provide the total number of students enrolled in payment plans and information on additional discounts offered to accommodate the larger

incoming class. She also agreed to present the in-state and out-of-state enrollment breakdown, reported at approximately 54 percent and 43 percent, respectively, with the October budget.

Trustees further requested enrollment data by classification, net tuition revenue, scholarships, multiyear enrollment trends, and student demographics.

D. FY27 PROPOSED BUDGET

Mrs. Robinson presented the proposed FY27 budget, explaining that it reflected budget adjustments, revisions, and actual enrollment changes. She distinguished this budget update from the original FY27 budget and the forthcoming October budget.

She reported that increased enrollment had generated additional tuition, fee, and auxiliary revenue. Personnel costs remained at approximately the $90 million target, with no revisions deemed necessary, while certain additional non-personnel expenses had been absorbed within the existing operating budget.

Trustee Traughber asked whether the approximately $80 million in State appropriations included the $25 million in Memorandum of Understanding (MOU) funding, whether the remaining $55 million was consistent with prior years, and whether an operating-margin issue remained without the MOU funding. Mrs. Robinson confirmed that the regular State appropriation was approximately $55 million and acknowledged that the operating-margin issue remained a concern to be addressed in a subsequent section.

Trustee Traughber emphasized that favorable budget variances should not diminish the importance of disciplined financial forecasting. He noted that anticipated revenues, grant funding, athletics guarantees, and known cost commitments should be identified early enough to inform financial decisions.

Mrs. Robinson explained that the April 30 budget lock occurred several months before certain actual financial results and other relevant information became available. She noted that the latest-thinking forecast was intended to incorporate new information received since the original budget was finalized.

E. FY27 FISCAL-YEAR-TO-DATE BUDGET VS ACTUAL

Mrs. Robinson explained that the FY27 budget-to-actual comparison prorated the annual proposed budget over 12 months and compared the resulting two-month allocation with actual results for the first two months of the fiscal year. She stated that the University's goal for the FY28 budget was to incorporate the seasonal and cyclical nature of the University revenues and expenses through monthly budgeting. She also reviewed significant additional FY27 expenses incurred after the budget was finalized, including internal audit consulting services, residence life repairs and preparations for the incoming class, football field maintenance, scholarships, and expanded new student orientation.

Trustees asked whether the former auditor's compensation had been removed from the internal audit consulting expense, whether significant budget changes should return to the Committee for review, how the University planned to accommodate the larger incoming class, how student

success and retention would be funded, and what student-to-faculty and student-to-staff ratios were appropriate. Mrs. Robinson confirmed that the former auditor's compensation had not been deducted from the internal audit consulting expense and acknowledged that the reported figure should therefore be lower. She stated that no current policy required material budget revisions to return to the Committee, but the administration planned to provide more detailed monthly financial information to help trustees understand budget changes before quarter-end.

Mrs. Robinson explained that the University had absorbed most additional costs associated with the larger incoming class by utilizing existing excess capacity. The primary additional expenses involved adjunct faculty and residence life, with further increases likely to be reflected in the October budget. Regarding student success and retention, she reported that the University was reviewing its investment strategy as Title III funding entered the final year of its five-year cycle, with a revised student success and retention model expected within the next several months.

Mrs. Robinson also agreed to obtain student-to-faculty and student-to-staff ratios from the Provost. She noted that the University's academic advising caseloads had been significantly below those of benchmark institutions. Trustee Towns cautioned that comparisons with other institutions might not fully account for the characteristics and needs of TSU's student population. Mrs. Robinson agreed and confirmed that the administration was considering these factors in its review.

X. STATE MOU PERFORMANCE UPDATE

Committee Chair Winton introduced Chief Financial Officer, April Robinson, to present the first performance update on the benchmarks established in the University's agreement with the State, which govern the continued receipt of Memorandum of Understanding (MOU) funds, prior to Committee discussion.

Mrs. Robinson reported that deficit reduction and the real estate plan were on track, the material expense reduction benchmark had been completed, and work on audit findings and the enrollment management strategy was ongoing. She noted that the University did not expect to eliminate its structural deficit until 2030, when MOU funding is scheduled to end.

Committee Chair Winton clarified that the MOU provides for an additional payment of $15.5 million on July 1, 2027, followed in 2028 by the distribution of any remaining capital outlay funds and accrued interest. She emphasized that the University should not anticipate any additional one-time funding beyond these amounts.

A. PRO FORMA FORECAST UPDATE

Mrs. Robinson presented the updated Pro Forma, explaining that the original version, submitted to the State in February 2025, was developed to demonstrate the University's plan to achieve a break-even position using State funding and become self-sustaining by the end of the MOU period. The updated Pro Forma incorporates actual results for FY25 and FY26, the latest-thinking forecast for FY27, and projections for FY28 through FY30. She explained that the goal is to increase the University's cumulative surplus in preparation for the conclusion of the State's special appropriations.

Trustees asked whether the commitments under the MOU were fixed, why the revenue and expense line items differed substantially between the original and updated Pro Formas, and how one-time funding, including the Banner allocation, should be considered when evaluating progress. Mrs. Robinson explained that the original Pro Forma reflected the University's MOU commitments, but circumstances had changed significantly. She emphasized that the overall financial position, measured against the University's structural deficit and State funding, was the key indicator of progress, while individual revenue and expense categories needed to remain flexible. She reported that the University remained ahead of its goal even when the $14.6 million in Banner funding was excluded and agreed to consistently present results excluding one-time items to demonstrate the normalized operating run rate. Committee Chair Winton also requested that the University's cash position be incorporated into future Pro Forma presentations, and Mrs. Robinson agreed.

Trustee Qualls asked whether the University had significant outstanding obligations that could affect its cash position and requested more detailed budget information. Mrs. Robinson reported that the University's cash position had strengthened considerably. She identified a potential outstanding obligation to the Agriculture Department, the amount of which was still being determined in consultation with Dean Ready. She stated that even the maximum potential amount would not change her assessment of the University's cash position.

President Tucker noted that estimated interest income of $12 million to $15 million was not currently reflected in the forecast. A trustee requested the full budget detail, including the departmental zero-based budget and a breakdown of total expenditures by function. Mrs. Robinson agreed to provide the requested information.

Mrs. Robinson also noted that the Pro Forma assumes a 70 percent freshman retention rate for FY28 through FY30, compared with the actual rate of 69 percent. She emphasized that achieving the projected rate would require continued University efforts to improve student retention.

XI. ATHLETICS FINANCE & OPERATIONS UPDATE

Committee Chair Winton introduced Interim Athletic Director, Jennifer Bell, to provide an overview of the University's Athletics programs, student-athlete achievements, budget adjustments, and revenue-sharing initiatives, prior to Committee discussion.

Ms. Bell reported that Athletics sponsors 15 sports with 265 student-athletes and employs approximately 65 coaches and support staff. Student-athletes achieved a cumulative grade-point average of 3.32 and an 81 percent Graduation Success Rate. Additionally, 86 student-athletes were named to the OVC Commissioner's Honor Roll, and six earned a 4.0 grade-point average. She also announced the hiring of alumnus Cal Burton as head coach of the men's and women's tennis teams and reported that Athletics received a $100,000 NCAA grant to support student-athlete development and mental health initiatives, including expanded professional tutoring.

Ms. Bell reviewed budget adjustments for maintenance of five athletic practice and competition facilities, additional scholarships, and travel expenses. She reported that the University received $600,000 from the Georgia football game guarantee, of which $200,000 was reinvested in Athletics to support football scholarships.

Ms. Bell explained that the University elected to participate in the House settlement for the 2026-2027 academic year following a review of peer institutions' practices. Athletics leadership established a revenue-sharing budget, distribution schedule, and funding source and consulted with the NCAA, College Sports Commission, CAPS, peer institutions, the Office of General Counsel, and outside counsel regarding applicable policies and agreements.

She further explained that revenue-sharing agreements and reportable third-party name, image, and likeness (NIL) transactions would be entered into the required systems. Transactions exceeding $600 would be subject to reporting and market-value review. Revenue sources supporting these initiatives included a $5 fee on single-game football and men's and women's basketball tickets, a talent fee for basketball season tickets, and allocations from game guarantees.

Trustees asked questions regarding audit expectations, financial preparation for student-athletes, and the role of the Chief Basketball Officer. Ms. Bell explained that approvals occur before revenue-sharing distributions are made and that the University's planned distributions were below the applicable cap. She added that the NCAA grant would support financial-literacy seminars for student-athletes. Ms. Bell also clarified that the newly announced Chief Basketball Officer serves in a volunteer capacity, focusing on fundraising to support men's basketball revenue sharing and NIL opportunities.

XII. REPORT ON INSTITUTIONAL ADVANCEMENT

Ms. Eloise Alexis reported that the University received approximately $6.6 million in philanthropic gifts from approximately 2,700 donors during the fiscal year ending June 30. Alumni giving generated the second-highest dollar total in 15 years, although alumni participation was at its lowest level during that period, indicating that fewer donors contributed larger gifts. She explained that Advancement would focus on donor acquisition, retention, reactivation, and outreach to lapsed donors while expanding performance dashboards to better monitor fundraising activity.

Ms. Alexis also reported a decline in credit-card use and an increase in Apple Pay transactions, which would be presented separately in future reports. Current priorities included engagement campaigns, the Tiger-versus-Tiger challenge, and reunion giving.

Trustee Smith Knight asked how many alumni return for Homecoming and whether attendance is tracked. Ms. Alexis stated that a current attendance figure was not available but agreed to explore methods for measuring Homecoming attendance and assessing its economic impact.

XIII. ADJOURNMENT

Trustee Smith Knight moved to adjourn, with the motion seconded by Trustee Tiriveedhi. A roll call vote was conducted, with all Committee members present voting in favor of the motion. The meeting was adjourned.

COMMITTEE FOLLOW-UP ITEMS:

- **Airport Property Consideration Materials –** Trustee Traughber notated that it would have been helpful to receive the information earlier in the year and requested that President

Tucker provide materials to help guide the Board through its consideration of the airport property, including the historical information. Assigned to: *President Tucker*

- **Airport Property Appraisal** – Trustee Traughber requested that the President provide the underlying appraisal for the airport property so that the Board can receive and review it. *Assigned to: President Tucker*

- **Average Debt and Policy –** Trustee Winton requested the average student debt amount and asked for confirmation of the $100 amount in the current policy. *Assigned to: April Robinson*

- **Enrollment Funding and Payment Plans –** Trustee Qualls requested a breakdown of the enrollment population, including how students are funding their education, the number of students on payment plans and information regarding students' ability pay. *Assigned to: April Robinson*

- **Out-of-State Student Enrollment –** Trustee Qualls requested a breakdown of out-of-state students and asked whether out-of-state enrollment is being used to supplement in state enrollment. *Assigned to: April Robinson*

- **Student-to-Faculty Ratio –** Trustee Qualls requested the University's student-to-faculty ratio and asked the University's student population and demographic characteristics be considered when evaluating the ratio. *Assigned to: April Robinson*

- **Major Expenditures –** Trustee Smith Knight requested a correction to the amount reported for major expenditures. *Assigned to: April Robinson*

- **Education Building Demolition –** Trustee Qualls requested information regarding when the Education Building was demolished and when the decision to demolish the building was made. *Assigned to: Will Radford*