

**Tennessee State University  
Board of Trustees**



**Tennessee State University  
Board of Trustees**



**Welcome and  
Introductions**

**Tennessee State University  
Board of Trustees**



**Roll Call and Declaration  
of a Quorum**

**Tennessee State University  
Board of Trustees**



**Board Finance  
Committee Meeting  
Agenda**

**TENNESSEE STATE UNIVERSITY BOARD OF TRUSTEES  
FINANCE COMMITTEE MEETING AGENDA**

4:00 p.m. CT  
Wednesday, May 29, 2024

Tennessee State University  
Virtual Meeting  
Live Stream Webpage:  
[https://www.tnstate.edu/board/  
livestream.aspx](https://www.tnstate.edu/board/livestream.aspx)

**ORDER OF BUSINESS**

- I. Call to Order
- II. Welcome and Introductions
- III. Roll Call/Declaration of a Quorum
- IV. THEC/TSAC Program Review and Funding Update
- V. Deferred Maintenance Update and Discussion
- VI. Budget Discussion
- VII. Adjournment

**Tennessee State University  
Board of Trustees**



**THEC/TSAC Program  
Review and Funding  
Update**

## TSAC Executive Summary

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### Compliance Review Timeline

The Tennessee Student Assistance Corporation (TSAC) has the statutory responsibility to review and evaluate the administration of each financial assistance program at participating postsecondary institutions to ensure the programs are administered according to applicable laws, rules, and regulations. Pursuant to this responsibility, from July 10th through 13th, 2023, we conducted a program compliance review of Tennessee State University's (TSU) use of our financial aid programs for the 2022-2023 academic year. The TSAC Compliance Team reviewed a random sample of student records of the institution's financial aid recipients. The compliance review noted 24 deficiencies. The deficiencies included two observations, eight warnings, and fourteen findings. Upon receiving the compliance report TSU administration and staff created a task force to address the deficiencies. Below is a timeline that commenced on October 11<sup>th</sup>. As of May 24, 2024, TSAC has cleared 15/24 deficiencies. Of the remaining deficiencies, 6/24 are being reviewed by TSAC, and 3/24 in progress with TSU staff. Refer to attachment: TSAC Status Detail.

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October 11, 2023-First Internal Meeting

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October 18 & 25, 2023-Internal Meeting

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November 1, 8, 15, 20, 29, 2023-Internal Meetings

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November 21, 2023- Meeting with TSAC

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December 6, 7, 11, 12, 13, 2023-Internal Meetings

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December 20, 2023- First documents submitted to TSAC

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January 12, 2024 – TSAC provided feedback from the December 20, 2023, submission.

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January 17, 18, 19, 25, 2024-Internal Meetings

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January 19, 2024- Documents Submitted

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January 19, 2024-TSAC Organized a meeting

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February 5, 14, 15(follow-up), 16, 27, 2024-Internal Meetings

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February 7, 2024-TSAC Training on campus from 11:00 a.m.-1:00 p.m.

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Observation, Warning, or Finding		Updates for the week of 5.13.2024	Updates for the week of 5.20.2024
I. Concern with the Tennessee Education Lottery Scholarship (TELS)	Observation	No additional response needed.	No additional response needed.
II. Concern with the Institutional Review Panel Voting Membership	Observation	No additional response needed.	No additional response needed.
III. Failure to Maintain TELS Appeal Log	Warning	No additional response needed.	No additional response needed.
IV. Failure to adhere to the Tennessee Board of Regents (TBR)	Warning	As of May 17, 2024, the response received from TSU is complete.	No additional response needed.
V. Failure to obtain College	Warning	As of May 17, 2024, the response received from TSU is complete.	No additional response needed.
VI. Incomplete Consortium	Warning	No additional response needed.	No additional response needed.
VII. Incorrect TELS GPA and Benchmark Calculations	Warning	No additional information has been received from TSU at this time.	No changes to the status have been made at this time.
VIII. Incorrect Certification Indicators for Tennessee Promise (TNP) and Tennessee Reconnect	Warning	No additional response needed.	No additional response needed.
IX. Incorrect Verification Procedures	Warning	No additional response needed.	No additional response needed.
X. Failure to Ensure Reasonable Notification when Updating Institutional Policy	Warning	No additional response needed.	No additional response needed.
XI. Failure to Verify HOPE Scholarship Eligibility	Finding	TSAC is currently awaiting the return of funds for students listed in the feedback provided by TSU in the secure cloud folder.	No changes to the status have been made at this time.
XII. Invalid Minor to Students Enrolled in Associate Degree	Finding	No additional response needed.	No additional response needed.
XIII. Incorrect Administration of Satisfactory Academic Progress (SAP)	Finding	TSAC has evaluated data received from TSU in response to this finding. Feedback has been provided in the secure cloud folder and will need to be reviewed by TSU and responded to in order to move toward closure on this item.	No changes to the status have been made at this time.
XIV. Error in HOPE Scholarship Certification and Payment	Finding	No additional information has been received from TSU at this time.	No changes to the status have been made at this time.
XV. Lack of Enrollment Monitoring	Finding	No additional information has been received from TSU at this time. It is TSAC's understanding that Dr. Seay is currently working on this data.	No changes to the status have been made at this time.
XVI. Improper Awarding to Non-degree Seeking Students	Finding	TSAC still needs the policy and procedure ensuring students seeking an AAS in Dental Hygiene who are not yet admitted into the program are not incorrectly classified as degree seeking students and incorrectly awarded state or federal aid. TSAC has responded to feedback from TSU and uploaded this information to the secure cloud folder. There are currently only 2 students left on that document who need to be resolved for past academic years, while all students on that document for the 2023-2024 academic year need to be correctly certified in FAST. The ACH for this finding has been received but is currently not officially reflected in FAST. This should take place the week of May 20, 2024.	No changes to the status have been made at this time.
XVII. Failure to Verify Coursework Program of Study (CPOS)	Finding	Per information received during TSAC's campus visit May 7-9, 2024, TSU has explained that review of all students as required of the program review report has been completed and at this time, Financial Aid Office at TSU is currently reviewing those students to determine possible return of funds to the state. TSU has shared that once complete, this information will be shared with TSAC.	No changes to the status have been made at this time.
XVIII. Error in Dual Enrollment Account Billing	Finding	No additional response needed.	No additional response needed.
XIX. Incorrect Awarding of HOPE Access	Finding	No additional response needed.	No additional response needed.
XX. Incorrect Awarding of the Foster Child Tuition Grant (FCTG)	Finding	No additional response needed.	No additional response needed.
XXI. Failure to Award Tennessee Promise Scholarship	Finding	No additional response needed.	No additional response needed.
XXII. Error in Awarding Tennessee Reconnect Grant	Finding	No additional response needed.	No additional response needed.
XXIII. Failure to Monitor or Correct Over-awards	Finding	No additional information has been received from TSU at this time.	No changes to the status have been made at this time.
XXIV. Failure to Properly Manage and Maintain Student Account	Finding	No additional information has been received from TSU at this time.	No changes to the status have been made at this time.

15/24 deficiencies completed and signed-off by TSAC  
3/24 currently in review by TSAC  
3/24 provided documentation and submitted to TSAC on 5/23/24

3/24 in progress below:  
Warning #7 In Progress - We had received a report indicating "P" grades for DE students are excluded; however, we found a student where it did not accurately report the data. We need to request another report to verify if the Dual Enrollment students' courses are properly excluded. IT is providing the report.

Finding #17 Certification in process for Fall 2023 and Spring 2024. Review in process for Fall 2022 and Spring 2023.

Finding #24 Hired consultant to assist with account maintenance revisions for Revenue fee tables in Banner. Testing to begin on 5/28/2024



**Tennessee State University  
Board of Trustees**



**Deferred Maintenance  
Update and Discussion**



# Tennessee State University Board of Trustees

## State Strategic Deferred Maintenance Plan

### **Background:**

On January 31, 2022, Tennessee Governor Bill Lee recommended \$250 million for capital improvement projects at Tennessee State University. This document details TSU's \$250M State Strategic Deferred Maintenance Plan which primarily addresses deferred maintenance and infrastructure improvements. The plan is comprised of three parts totaling \$250M. This total investment addresses life-safety issues and deferred maintenance, while advancing select academic buildings needed to increase the number of Tennessee graduates prepared for high-skill, high-wage, and high-demand jobs.

The three parts:

**1. Part 1: Projects approved by the State Building Commission (SBC) and under contract.**

Since July 2022, the State Building Commission (SBC) has approved six (6) projects for Tennessee State University (TSU); all funded by the \$250M State Strategic dollars. All six projects are under development. The total of Part 1 is **\$62,820,000**.

**2. Part 2: Deferred Maintenance Projects for submission to the State Building Commission (SBC)**

These projects were developed from the 2023 Master Plan Update and are considered essential in the effort to reduce TSU's backlog of deferred maintenance. The projects address life-safety deficiencies, building system repairs, and thermal envelope penetrations. The projects are presented by building, assuming the entire building will be repaired at one time. The total of Part 2 is **\$135,880,000**.

**3. Part 3: Projects proposed for submission to the State Building Commission (SBC)**

The projects included in Part 3 were developed from the 2023 Master Plan Update to support the deferred maintenance projects presented in Part 2. The added planning, migration, and infrastructure needs are required to adequately execute TSU's Deferred Maintenance Plan. The total of Part 3 is **\$51,300,000**.

Tennessee State University 2023 Master Plan Update: \$250M State Strategic Spending Plan

<b>Actions</b>	<b>Project Type / Category</b>	<b>Amount</b>
<b>Part 1 – Projects Approved by the State Building Commission (SBC) and under contract</b>		
Campus Masterplan Update	Master Plan Consultant	\$500,000
Multiple Buildings Electrical Upgrades	Deferred Maintenance	\$1,950,000
Environmental Science Facility	Capital Improvement	\$18,000,000
Roofing at Gentry	Capital Improvement	\$3,670,000
Electrical Masterplan (Primary)	Utility & Infrastructure	\$9,000,000
Davis Humanities Restoration	Education + Gen. Services	\$29,700,000
<b>Subtotal Part 1</b>		<b>\$62,820,000</b>
<b>Part 2 – Deferred Maintenance Projects for submission to State Building Commission (SBC)</b>		
Queen Washington Renovation	Deferred Maintenance	\$11,770,000
Jackson Industrial Arts Renovation	Deferred Maintenance	\$13,290,000
Clay Hall Renovation and Addition	Deferred Maintenance	\$28,000,000
Fred S. Humphries Renovation	Deferred Maintenance	\$25,660,000
Brown Daniel Library	Deferred Maintenance	\$28,150,000
Elliot Hall Restoration	Deferred Maintenance	\$29,010,000
<b>Subtotal Part 2</b>		<b>\$135,880,000</b>
<b>Part 3 – Proposed for submission to State Building Commission (SBC)</b>		
Enrollment and Space Analysis	Deferred Maintenance Requirement	\$200,000
Campus Migration Implementation	Deferred Maintenance Requirement	\$8,000,000
Demolition and Removal	Deferred Maintenance Requirement	\$5,450,000
Electrical Masterplan (Secondary)	Infrastructure	\$22,350,000
Utility Tunnel, Metering, & Power Plant Ph. 1	Infrastructure	\$15,300,000
<b>Subtotal Part 3</b>		<b>\$51,300,000</b>
<b>Total State Strategic Spending Parts 1,2, and 3</b>		<b>\$250,000,000</b>

**Part 1: Projects approved by the State Building Commission (SBC) and under contract - \$62,820,000.**

Campus Master Plan Update	
\$500,000	
<p><b>Description:</b>                      The project will update the 2016 Master Plan and show new and existing facilities improvements, infrastructure improvements, and incorporate Moody Nolan’s Dynamic student housing plan.</p> <p>Campus Master Plans are typically updated every 5 to 10 years; the earlier TSU Master Plan was completed in 2016.</p> <p>SBC 166/001-04-2012U                      Approval Date: 07/13/2022</p>	<p><b>Goal:</b>                      1)Pursue replacement of obsolete buildings with modern construction that is enduring, resilient, and sustainable to reduce operational costs while boosting recruitment and retention. 2)Confirm existing facilities conditions and decide which buildings should be prioritized for repairs or demolition. 3) Incorporate housing business plan 4) Create a transition plan from R2 to RI research designation and identify facilities requirements and develop implementation plan. 5) P3 partnership opportunities 6) Modify the 2016 migration plan.</p>

Agriculture - Environmental Science Facility	
\$18,000,000	
<p><b>Description:</b>                      A capital outlay project to construct an agriculture environmental science facility. The facility will have classrooms, labs, offices, and research areas in support of the Food Sciences and Agriculture programs.</p> <p>SBC 166/001-03-2023                      Approval Date: 09/27/2023                      This project is funded with Federal and State dollars.</p>	<p><b>Goal:</b>                      Build an academic and graduate research center for the Agriculture Environmental Science program. The project will enable TSU to increase research activities in the areas of Animal Science and other Agriculture programs; and will support newly approved PhD in Agricultural Science</p>

Gentry Center Roof Replacement	
\$3,670,000	
<p><b>Description:</b> Capital maintenance project to replace the failing roof system. The roofing system was past its useful life and experienced severe damage due to high wind events.</p> <p>SBC 166/001-01-2023 Approval Date: 08/21/2023</p>	<p><b>Goal:</b> Fix failing roofing system and address deferred maintenance.</p>

Multiple Buildings Electrical Upgrades	
\$1,950,000	
<p><b>Description:</b> Capital maintenance project to upgrade electrical systems in Humphries Hall, Love Student Success Center, Crouch Hall, Brown-Daniel Library, Clay Hall, Goodwill Manor, and Holland-Torrence.</p> <p>(The capital maintenance funding for the project was insufficient. State strategic funds were used to supplement the funding gap).</p> <p>SBC 166/001-03-2019 Approval Date: 04/13/2023</p>	<p><b>Goal:</b> Replace electrical equipment that is obsolete. These updates will support the future development of these facilities and allow them to connect to the primary electrical loop on campus.</p>

Electrical Masterplan (Primary)	
\$9,000,000	
<p><b>Description:</b> The project will upgrade the campus-wide electrical infrastructure work on the primary side of the electrical loop.</p> <p>(The capital maintenance funding for the project was insufficient. State strategic funds were used to supplement the funding gap).</p> <p>SBC 166/001-03-2020 Approval Date: 11/09/2023</p>	<p><b>Goal:</b> The goal is to update electrical utility systems to support future development of the campus with improved conditions, efficiencies, and system abilities. This action will reduce the possibility of system failures.</p>

**Davis Humanities Restoration and Boswell Study**

\$29,700,000

**Description:**

Project will address building envelope systems including masonry restoration, roofing, windows, doors, and waterproofing. Project will also include upgrades to the mechanical electrical plumbing systems (MEP), fire alarms, security systems, repair/replacement of damaged and/or deteriorated interior finishes and all related work.

Project designer will conduct a feasibility study for Boswell to decide whether the University should renovate or build a new facility.

SBC 166/001-04-2022

Approval Date: 07/13/2022

**Goal:**

Major capital maintenance repairs will extend the building's functionality and useful life and improve aesthetics and programmatic use.

The Boswell study will decide what is the right solution for TSU as it relates to renovating vs building a new facility to service the academic programs.

**Part 2: Projects proposed for submission to the State Building Commission (SBC) - \$135,880,000.**

**Queen Washington Building (208)**

1120 37th Ave. N., Nashville, TN 37209

Built: **1971** | Area square feet: **17,374**

Assessed: **04/27/2023**

Current Replacement Cost: **\$12,345,052**

DM + 5 Year Capital Renewal Cost: **\$11,760,905**

5 Year FCI Condition: **Replacement Candidate**



**OVERVIEW**

Washington Health (also known as Queen Washington) houses the campus police department. It was built as a Health Services building in 1971 and is two stories encompassing 17,374 square feet. It is named for Queen E. Washington, who was the college's nurse for 22 years.

<b>Queen Washington</b>	
<p><b>Description:</b> Project will address deferred maintenance as identified in the 2023 Master Plan Update - Facilities Conditions Assessment (FCA).</p>	<p><b>Goal:</b> The goal for this project is to extend the useful life of Queen Washington and improve the academic program space for TSU's Dental Hygiene program. The outcome will increase interest and enrollment in this department.</p>

# Tom Jackson Industrial Arts Building

3506 Alameda Street, Nashville, TN 37209

Built: 1933 | Area square feet: 25,364 | Assessed: 04/27/2023

Current Replacement Cost: \$ 20,593,225

DM + 5 Year Capital Renewal Cost: \$ 13,286,378

5 Year FCI Condition: **Poor**



## OVERVIEW

One of TSU's original structures, the building is named for Tom Jackson, state commissioner of tourism, member of the Tennessee Board of Regents, and TSU benefactor. It was built in 1933, and the three-story building is 25,364 square feet. It was renovated in 1999. Includes offices for the aeronautical and industrial technology program, health sciences, and the WRITE Center.

<b>Jackson Industrial Arts Renovation</b>	
13,290,000	
<p><b>Description:</b> Project will address deferred maintenance as identified in the 2023 Master Plan Update - Facilities Conditions Assessment (FCA).</p> <p>Project will address upgrades to MEP, fire alarms, security systems, repair/replacement of damaged and/or deteriorated interior finishes.</p> <p>Jackson Hall is 91 years old, is in poor condition, and in need of major capital maintenance repairs to extend its useful life.</p>	<p><b>Goal:</b> The goal for this project is to improve the academic program delivery for existing programs located in the facility and for the programs that will be migrating to Jackson Hall as part of the migration plan.</p> <p>This project accomplishes extends the useful life of Jackson Hall.</p>



## Robert E. Clay Education (103)

3500 Alameda Street, Nashville, TN 37209

Built: **1959** | Area square feet: **36,244** | Assessed: **04/27/2023**

Current Replacement Cost: **\$ 23,618,821**

DM + 5 Year Capital Renewal Cost: **\$ 13,575,537**

5 Year FCI Condition: **Poor**



### OVERVIEW

The Clay Education building, completed and occupied in 1959, is a 36,244 square foot, three story structure. Its primary function is a general education facility with classrooms and administrative office space.

Clay Hall Renovation	
\$28,000,000	
<p><b>Description:</b> Project will address deferred maintenance as identified in the 2023 Master Plan Update - Facilities Conditions Assessment (FCA).</p> <p>Scope includes upgrades to MEP, fire alarms, security systems, repair/replacement of damaged and/or deteriorated interior finishes and add an addition onto the current facility to accomplish masterplan goal to provide shared use general classroom space.</p> <p>The building was constructed in 1959 and is occupied by Education and Psychology.</p>	<p><b>Goal:</b> The goal of this project is to extend the building's functionality, extend its useful life, and improve aesthetics and programmatic use of the building.</p> <p>To accomplish the masterplan of providing shared general classroom space.</p>

## Frederick S. Humphries Hall (301)

3104 John A. Merritt Blvd., Nashville, TN 37209

Built: **1969** | Area square feet: **71,259** | Assessed: **04/27/2023**

Current Replacement Cost: **\$ 46,436,751**

DM + 5 Year Capital Renewal Cost: **\$ 25,651,852**

5 Year FCI Condition: **Poor**



### OVERVIEW

Humphries was previously the Consumer Sciences and Nursing Education building. The building is only used for the Early Learning Center. The three-story building was built in 1969 and is 71,259 square feet.

Fred S. Humphries Renovation	
\$25,660,000	
<p><b>Description:</b> Project will address deferred maintenance as identified in the 2023 Master Plan Update - Facilities Conditions Assessment (FCA).</p> <p>Project will provide upgrades to MEP, fire alarms, security systems, repair/replacement of damaged and/or deteriorated interior finishes and add an addition onto the current facility to provide general education space.</p>	<p><b>Goal:</b> The goal of this project is to extend the building's functionality, extend its useful life, and improve aesthetics and programmatic use of the building.</p> <p>Humphries Hall is 55 years old and is in poor condition. However, its location at the front of campus makes it central to TSU's strategic plan of creating a centralized point of contact for human resources and emergency services.</p>

## Brown-Daniel Library (117)

3408 Alameda Street, Nashville, TN 37209

Built: 1977 | Area square feet: 81,291 | Assessed: 04/27/2023

Current Replacement Cost: \$62,204,281

DM + 5 Year Capital Renewal Cost: \$28,141,353

5 Year FCI Condition: **Below Average**



### OVERVIEW

The Brown-Daniel Library building, completed and occupied in 1977, is an 81,291 square foot, three story structure. Its primary function is a library with study spaces, classrooms, and a makerspace. This building does not fully meet the requirement of the campus student and faculty load and needs to be evaluated for renovation, expansion, or replacement.

Brown Daniel Library	
\$28,150,000	
<b>Description:</b> Project will address deferred maintenance as identified in the 2023 Master Plan Update - Facilities Conditions Assessment (FCA).  This project will also develop a detailed phasing plan to renovate the existing library while adequately serving TSU staff and students.	<b>Goal:</b> The goal is to increase campus and community access to a library that functions as a successful central study, collaboration, and student community space.

## Janie Elliot Hall (206)

1108 37th Ave. N., TN 37209

Built: **1927** | Area square feet: **56,702** | Assessed: **04/27/2023**

Current Replacement Cost: **\$ 42,748,450**

DM + 5 Year Capital Renewal Cost: **\$ 27,159,408**

5 Year FCI Condition: **Poor**

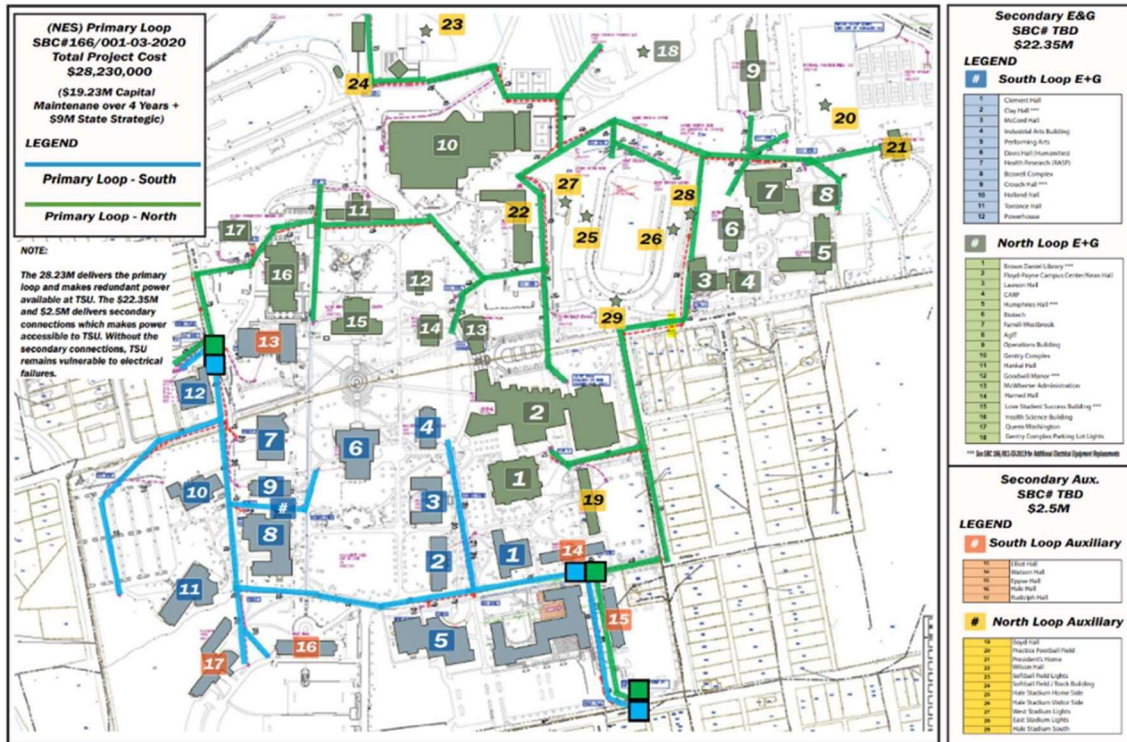


### OVERVIEW

The Janie Elliot Hall building, completed and occupied in 1927, is a 56,702 square foot, three story structure, with a partial basement. The building currently houses the university's sociology department, psychology, Africana Studies, Art and Design Programs, and the Hiram Van Gordon Gallery.

<b>Elliott Hall</b>	
\$29,010,000	
<b>Description:</b> Project will address deferred maintenance as identified in the 2023 Master Plan Update - Facilities Conditions Assessment (FCA).  Capital Maintenance project will address deferred maintenance and capital renewal needs. The scope of work will include programming and renovating to accommodate TSU's Fine Arts Department.  The project will continue campus-wide major maintenance and repairs to the major academic campus buildings as prioritized in the campus Master Plan Update.	<b>Goal:</b> The goal of this project is to extend the building's functionality, extend its useful life, and improve aesthetics and programmatic use of the building.  To provide TSU's Art Department with improved facilities addressing building envelope repairs, replacements of mechanical, electrical, plumbing, and life safety systems.

**Part 3: Deferred Maintenance related Infrastructure Projects proposed for submission to the State Building Commission (SBC) - \$51,300,000.**



<b>Electrical Masterplan (Secondary)</b>	
<b>\$22,350,000</b>	
<p><b>Description:</b> Project provides secondary connectivity from academic buildings to the campus-wide electrical loop. This project will replace obsolete electrical equipment.</p>	<p><b>Goal:</b> Electrical utility systems updates will support future development of the campus with improved conditions, efficiencies, and system capacities, and will reduce the possibility of system failures.</p>
<b>Utility Tunnel, Metering, and Power Plant Upgrades – Phase 1</b>	
<b>\$15,300,000</b>	
<p><b>Description:</b> Project will provide utility metering at select academic buildings and equipment upgrades in TSU’s Power Plant and Utility Tunnel. Upgrades include replacement of boiler and chiller (end of life), installation of automation equipment, and structural improvements to restore structural integrity within the underground tunnels.</p>	<p><b>Goal:</b> These infrastructure improvements will ensure efficient and uninterrupted steam and chilled water supply across Campus. Utility meters will provide energy data used to optimize energy efficiency, establish sustainability targets, and reduce utility spend.</p>

<b>Enrollment and Space Analysis</b>	
\$200,000	
<p><b>Description:</b>            TSU desires additional data to inform future decisions. These services were not included in the 2023 Master Plan Update.</p> <p>TSU will contract with experienced and/or state approved consultants to execute this work.</p> <p>Related to:            SBC 166/001-04-2012U</p>	<p><b>Goal:</b>            Execute the scope of work to obtain the following information:</p> <ol style="list-style-type: none"> <li>1) Space utilization study of academic classrooms and labs. This data analysis will confirm the current and future space needs to meet the University’s strategic goals.</li> <li>2) Develop a projected enrollment range across the University enrollment, then determine the specific context for a select number of departments.</li> <li>3) Review and finalize update to THEC Physical Facilities Inventory Survey (PFIS).</li> </ol>

<b>Campus Migration Implementation</b>	
\$8,000,000	
<p><b>Description:</b>            Project will execute the migration efforts required to execute the State Strategic Spending Plan. This funding will continue efforts began TSU’s 2016 migration implementation project approved by the State Building Commission under the following number: SBC 166/001-03-2016.</p>	<p><b>Goal:</b>            This project will provide adequate space for staff and student functions during construction. Temporary relocations are required in select cases to minimize the impact of improvement work on academic programs. The actions included in this step were developed during the master plan update process.</p>

<b>Demolition and Removal Implementation</b>	
\$5,450,000	
<p><b>Description:</b>            Project will remove facilities from campus inventory identified in the 2023 Campus Master Plan Update.</p>	<p><b>Goal:</b>            This project removes facilities past their useful life, thus eliminating deferred maintenance backlog while making room for new projects.</p>

**Tennessee State University  
Board of Trustees**



**Budget Discussion**

## Executive Summary

### FY2024/25 Proposed Budget

Tennessee State University Policy 05.01 recognizes budgeting as the process whereby the plans of the University are translated into itemized, authorized, and systematic plans of operation, expressed in dollars, for a given period. The original budget for each fiscal year, known as the *Proposed Budget*, is prepared in the spring of each year. It incorporates the annual budget recommendations proposed by the Governor of the State of Tennessee. The *Estimated Budget*, also prepared in the spring, is the final budget of the year. It captures the final budget adjustments and revisions made throughout the fiscal year and projects the actual final year-end revenues and expenditures. The Estimated Budget is compared to the year-end actual amounts once they become available. The Proposed and Estimated budgets are submitted together for approval by the Board of Trustees at the June meeting.

Tennessee State University generates revenue from various sources. *Tuition and Fee* revenue projections are based on historic student enrollment data and other observable student revenue activity patterns. In addition to Tuition and Fee revenue, the University receives a formula-based annual *Appropriation* from the State of Tennessee to subsidize the cost of educating students. *Federal, State, and Private Grants and Contract* revenue is generated from the indirect costs to the University for providing administrative support on grants and other sponsored activities.

Tennessee State University also generates revenue from the *Sales and Services of Other* activities, such as major athletic events, and from miscellaneous sources such as childcare services, recycling, facility rentals, etc. Fiscal conservatism is always incorporated into the revenue projections.

Budgeted expenditures are divided between the education and general classifications of Instruction, Research, Public Service, Academic Support, Student Services, Institutional Support, Operation and Maintenance of Plant, and Scholarships. Mandatory and non-mandatory transfers for retirement of debt, renewals and replacements, and unexpended plant are also part of the annual budget.

The budgetary fund balance is part of the equation for balancing the budget and is comprised of allocation for encumbrances, working capital, special allocations, and unallocated balances. To achieve a balanced budget, beginning fund balances are added to the revenues, less expenditures, and transfers, to either increase or break even with the ending fund balance.

The Auxiliary Enterprise budgets are self-supporting and separated from the education and general (“E&G”) fund. The revenues and expenditures are controlled on a profit or break-even basis. As with E&G, auxiliary revenues are budgeted conservatively and in consideration of observable historic patterns. Auxiliary Enterprises generates its revenue from areas such as Bookstore, Student Housing, Food Service, and other miscellaneous revenues such as Post Office, Parking, Vending, etc. Auxiliary Enterprise expenditures, plus transfers, are budgeted at levels that balance against projected revenues. Auxiliary fund balances are included with the fund balance totals for E&G.



**Budgeted Revenues: Educational, General, Auxiliaries**

Tennessee State University has three primary sources of budgeted revenues as noted:

- Tuition and Fees account for 48.61% of total revenues.
- State Appropriations account for 24.32% of total revenues.
- Foodservice, Bookstore, and Housing account for 22.49% of total revenues.
- All other sources account for 4.58% of total revenues.

<b>Tuition and Fee Hourly Rates</b>					
	<b>FY2020-21</b>	<b>FY2021-22</b>	<b>FY2022-23</b>	<b>FY2023-24</b>	<b>FY2024-25</b>
UG – In State	<b>\$279</b>	<b>\$283</b>	<b>\$283</b>	<b>\$291</b>	<b>\$307</b>
UG – Out of State	<b>\$530</b>	<b>\$530</b>	<b>\$530</b>	<b>\$545</b>	<b>\$575</b>

<b>Tuition Fee by School by Semester (Undergraduate and Graduate for 15 Hours)</b>		
	<b>FY2023-2024 UG In State Per Semester</b>	<b>FY2023-2024 UG Out of State Per Semester</b>
Tennessee State University	<b>\$4,290</b>	<b>\$11,157</b>
East Tennessee State University	<b>\$4,511</b>	<b>\$7,283</b>
Austin Peay State University	<b>\$4,939</b>	<b>\$15,199</b>
Tennessee Technical University	<b>\$4,975</b>	<b>\$6,895</b>
University of Memphis	<b>\$5,172</b>	<b>\$9,012</b>
Middle Tennessee State University	<b>\$5,415</b>	<b>\$7,515</b>
University of Tennessee	<b>\$6,742</b>	<b>\$15,987</b>

<b>Housing Cost by School by Semester (Undergraduate)</b>	
	<b>FY2023/24</b>
Tennessee State University	<b>\$2,078 - \$4,562</b>
East Tennessee State University	<b>\$5,135</b>
Austin Peay State University	<b>\$3,440 - \$4,335</b>
Tennessee Technical University	<b>\$2,632 - \$4,070</b>
University of Memphis	<b>\$2,410 - \$3,830</b>
Middle Tennessee State University	<b>\$3,030 - \$4,095</b>
University of Tennessee	<b>\$2,990 - \$5,485</b>

Budgeted Expenditures:

Tennessee State University's budgeted expenditures as noted:

- Expenditures by Natural Classification (Educational and General)
  - Salaries and Benefits account for 68% of total E&G expenditures.
  - Operating expenses account for 17% of total E&G expenditures.
  - Scholarships and fellowships account for 13% of total E&G expenditures.
  - Travel expenses account for 2% of total E&G expenditures.
  
- Expenditures by Natural Classification (Auxiliary Services)
  - Salaries and Benefits account for 16% of total auxiliary expenditures.
  - Operating expenses account for 84% of total auxiliary expenditures.

Refer to FY2024/25 Proposed Budget document below for details.

## SUMMARY OF UNRESTRICTED CURRENT FUNDS AVAILABLE AND APPLIED

	Actual 2022-23	October Budget 2023-24	Estimated Budget 2023-24	July Budget 2024-25	Percent Change Over Actual
<b>Unrestricted Current Fund Balances at Beginning of Period:</b>					
0505 Allocation for Encumbrances	\$4,310,439	\$6,535,400	\$6,535,400	621,800	51.62%
0510 Allocation for Working Capital	9,247,484	16,860,900	16,860,900	213,000	82.33%
0515 Special Allocations	7,775,185	7,577,600	7,577,600	6,878,200	-2.54%
0520 Unallocated Balance	(4,219,684)	(20,668,700)	(20,668,700)	-	389.82%
Total Balances	17,113,424	10,305,200	10,305,200	7,713,000	-39.78%
<b>Revenues</b>					
<b>A. Educational and General</b>					
1005 Tuition and Fees	99,251,214	99,191,500	99, 83,800	105,993,500	0.03%
1015 State Appropriations	47,644,688	52,584,600	52, 84,600	53,021,400	10.37%
1025 Federal Grants and Contracts	3,632,815	3,500,000	3, 00,000	3,500,000	-3.66%
1030 State Grants and Contracts	94,669	33,000	33,000	33,000	-65.14%
1035 Local Gifts, Grants and Contracts	6,143	-	-	-	-100.00%
1040 Private Gifts, Grants and Contracts	1,090,468	47,000	47,000	47,000	-95.69%
1045 Foundation Gifts	56,900	-	-	-	-100.00%
1050 Sales & Services of Educ. Depts.	62,865	39,300	57,500	57,500	-8.53%
1055 Sales & Services of Other Activities	6,092,832	6,340,500	6, 58,700	5,588,000	4.36%
1060 Other Sources	19,597,591	780,000	780,000	780,000	-96.02%
Total Educ. & General	177,530,185	162,515,900	162,644,600	169,020,400	-8.38%
<b>B. Sales/Sys Aux Enterprises</b>					
1505 B. Sales/Sys Aux Enterprises	46,338,775	48,847,300	47,707,500	49,038,800	2.95%
Total Revenues	223,868,960	211,363,200	210,352,100	218,059,200	-6.04%

## SUMMARY OF UNRESTRICTED CURRENT FUNDS AVAILABLE AND APPLIED

	Actual 2022-23	October Budget 2023-24	Estimated Budget 2023-24	July Budget 2024-25	Percent Change Over Actual
<b>Expenditures</b>					
<b>A. Education &amp; General Expenditures</b>					
2000 Instruction	61,345,111	73,155,800	64,274,700	67,912,300	4.78%
2500 Research	2,101,605	2,636,300	2,810,100	2,259,100	33.71%
3000 Public Service	2,390,456	2,630,900	2,568,700	2,979,300	7.46%
3500 Academic Support	9,515,290	11,405,500	10,652,300	10,919,400	11.95%
4000 Student Services	25,402,462	24,796,600	23,373,400	24,635,600	-7.99%
4500 Institutional Support	16,168,643	18,093,800	18,696,500	18,758,700	15.63%
5000 Operation & Maint. of Plant	19,202,450	21,009,900	21,599,500	19,130,400	12.48%
5500 Scholarships & Fellowships	45,932,566	19,200,000	19,276,600	20,856,300	-58.03%
Educ. & Gen. Expenditures	<u>182,058,583</u>	<u>172,928,800</u>	<u>163,251,800</u>	<u>167,451,100</u>	-10.33%
<b>Mandatory Transfers</b>					
6005 Principal & Interest	2,279,870	1,834,900	1,834,900	1,849,900	-19.52%
Total Mandatory Transfers	<u>2,279,870</u>	<u>1,834,900</u>	<u>1,834,900</u>	<u>1,849,900</u>	-19.52%
<b>Non-Mandatory Transfers for:</b>					
6505 Transfers to Unexpended Plant Fund	-	-	-	-	0.00%
6507 Transfers to Renewal and Replacement	-	150,000	150,000	150,000	0.00%
6510 Other Transfers	-	-	-	-	0.00%
6511 Transfers from Unexpended Plant Fund	-	(9,870,900)	-	-	-100.00%
6512 Transfers from Renewal and Replaceme	-	-	-	-	0.00%
6515 Transfers from Other Funds	-	-	-	-	0.00%
Total Non-Mandatory Transfers	<u>-</u>	<u>(9,720,900)</u>	<u>150,000</u>	<u>150,000</u>	0.00%
Total Education and General	<u>184,338,453</u>	<u>165,042,800</u>	<u>165,236,700</u>	<u>169,451,000</u>	-10.36%

## SUMMARY OF UNRESTRICTED CURRENT FUNDS AVAILABLE AND APPLIED

	Actual 2022-23	October Budget 2023-24	Estimated Budget 2023-24	July Budget 2024-25	Percent Change Over Actual
<b>B. Auxiliary Enterprises Expenditures</b>					
7005 Auxiliary Enterprises Expenditures	52,139,412	41,089,900	50,476,650	41,564,100	-3.19%
<b>Mandatory Transfers for:</b>					
7505 Principal and Interest	4,288,146	5,770,000	5,770,000	5,772,800	34.56%
Total Mandatory Transfers	<u>4,288,146</u>	<u>5,770,000</u>	<u>5,770,000</u>	<u>5,772,800</u>	34.56%
<b>Non-Mandatory Transfers for:</b>					
8005 Transfers to Unexpended Plant Fund	-	-	-	-	0.00%
8007 Transfers to Renewal and Replacement	203,200	1,987,400	1,635,375	1,701,900	704.81%
8010 Other Transfers	-	-	-	-	0.00%
8012 Transfers from Renewal and Replaceme	-	-	-	-	0.00%
8015 Transfers from Unexpended Plant	(10,291,983)	-	(10,174,525)	-	-1.14%
Total Non-Mandatory Transfers	<u>(10,088,783)</u>	<u>1,987,400</u>	<u>(8,539,150)</u>	<u>1,701,900</u>	-15.36%
Total Auxiliary Enterprises	<u>46,338,775</u>	<u>48,847,300</u>	<u>47,707,500</u>	<u>49,038,800</u>	2.95%
Total Expenditures & Transfers	<u>230,677,228</u>	<u>213,890,100</u>	<u>212,944,200</u>	<u>218,489,800</u>	-7.69%
8405 Prior Period Adjustments	-	-	-	-	0.00%
<b>Unrestricted Current Fund Balances at End of Period:</b>					
8505 Allocation for Encumbrances	6,535,360	672,615	621,800	525,900	-90.49%
8510 Allocation for Working Capital	16,860,874	312,920	213,000	259,300	-98.74%
8515 Special Allocations	7,577,583	6,792,765	6,878,200	6,497,310	-9.23%
8520 Unallocated Balance	<u>(20,668,661)</u>	-	-	-	-100.00%
Total Balances	<u>10,305,156</u>	<u>7,778,300</u>	<u>7,713,000</u>	<u>7,282,510</u>	-25.15%

**Tennessee State University  
Board of Trustees**



**Adjournment**