TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
JUNE 23, 2026 MEETING

Tuesday, June 23, 2026 7:00 p.m. CT	Virtual Live Stream Link: https://www.tnstate.edu/board/livestream.aspx

AGENDA

I. Call to Order

II. Roll Call

III. Opening Remarks by the Chair

IV. Adoption of Agenda

V. Approval of Consent Agenda Items (Action)

A. Approval of New Policy: Use of Out-of-State Undergraduate Tuition and Fees Revenue

Note concerning consent agenda items: The Bylaws of the Board provide that any item unanimously approved by a committee may be designated by the Chair for unanimous consent at the full Board meeting. Such items must be separately identified and be voted on by a single motion. Therefore, any item that is not unanimously approved in committee will be moved to the regular agenda of the Board. Further, any Trustee may request that an item on the consent agenda of the Board be moved to the regular agenda, even if unanimously approved in committee, by notifying the Secretary in writing prior to the meeting. The request must then be approved by a majority of those members of the Board present and voting.

VI. Committee Reports

A. Finance Committee

1. Fiscal Year 2026-2027 Tuition and Mandatory Fees Increase (Action)

2. Fiscal Year 2025-2026 Estimated Budget (Action)

3. Fiscal Year 2026-2027 Proposed Budget (Action)

VII. Consideration and Possible Action Regarding Real Estate Transaction (Action)

VIII. Other Business

Under the Bylaws of the Board, items not appearing on the agenda may be considered only upon an affirmative vote of a majority of those members of the Board who are present. Other business necessary to come before the Board at this meeting should be brought to the Chair's attention before the meeting.

IX. Closing Remarks and Adjournment

TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

FINANCE COMMITTEE	
Tuesday, June 23, 2026 6:00 p.m. CT	Virtual Live Stream Link: https://www.tnstate.edu/board/livestream.aspx

AGENDA

I. Call to Order

II. Roll Call/Declaration of a Quorum

III. Adoption of Agenda

IV. Approval of New Policy: Use of Out-of-State Undergraduate Tuition and Fees Revenue (Action)

V. Fiscal Year 2026-2027 Tuition and Mandatory Fees Increase (Action)

VI. Fiscal Year 2025-2026 Estimated Budget (Action)

VII. Fiscal Year 2026-2027 Proposed Budget (Action)

VIII. Consideration and Possible Action Regarding Real Estate Transaction (Action)

IX. Adjournment

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE:	June 23, 2026
ITEM:	Approval of New Policy: Use of Out-of-State Undergraduate Tuition and Fees Revenue
RECOMMENDED ACTION:	Approval
PRESENTED BY:	Chair of Finance Committee, Trustee Leticia Towns Chief Financial Officer, April Robinson

Background Information

Chief Financial Officer April Robinson will provide a report on this agenda item.

This policy is required effective July 1, 2026 in accordance with House Bill 1833/Senate Bill 2079 passed May 1, 2026.

The requirements of the policy as prescribed in the bill:

"This bill requires the board of trustees for the University of Tennessee, the board of regents, and each state university board to adopt and implement (by July 1, 2026) a policy regarding the use of revenues generated by the out-of-state undergraduate tuition and fees charged by the institutions governed by the respective board. The policy must describe the board's utilization plan for revenues derived from such tuition and fees and how those revenues may be used to mitigate the tuition and fee costs for in-state undergraduate students."

The policy is outlined below.

Committee Action

The Committee Chair will call for a motion recommending to the full Board the adoption of the proposed Use of Out-of-State Undergraduate Tuition and Fees Revenue Policy.

MOTION: I move to recommend to the full Board the adoption of the Use of Out-of-State Undergraduate Tuition and Fees Revenue Policy, as contained in the Board materials.

OFFICE OF THE PRESIDENT Effective Date: July 1, 2026

USE OF OUT-OF-STATE UNDERGRADUATE TUITION AND FEES REVENUE

Policy Number	(General) 01.10
Approval Authority	Board of Trustees
Responsible Administrator	President
Responsible Office	Business and Finance
Policy Contact	Chief Financial Officer

1.0 POLICY STATEMENT

Tennessee State University's Board of Trustees affirms that revenues derived from out-of-state undergraduate tuition and fees are an important component of the University's overall financial structure and support the institution's educational mission, academic quality, and operational sustainability.

2.0 IMPORTANCE AND REASON FOR THE POLICY

This policy establishes the framework by which Tennessee State University (the "University") utilizes revenues generated from out-of-state undergraduate tuition and fees, in compliance with T.C.A. § 49-7-196.

The purpose of this policy is to ensure transparency, accountability, and strategic alignment in the use of such revenues, including consideration of how those revenues may be used to mitigate tuition and fee costs for in-state undergraduate students.

3.0 DEFINITIONS

In-State Undergraduate: A college student pursuing a bachelor's degree at a public university in the same state where they legally reside, or a student granted an in-state exception through a formal process.

Out-of-State Undergraduate: A college student pursuing a bachelor's degree at a public university located outside of their permanent state of residence.

4.0 PROCEDURES

I. Use of Out-Of-State Undergraduate Tuition and Fee Revenues

A. General Use

Revenues generated from out-of-state undergraduate tuition and fees may be used for general institutional purposes, including but not limited to:

1. Academic instruction and academic support services;
2. Student services and student success initiatives;
3. Faculty and staff compensation and benefits;
4. Financial aid and scholarships;
5. Facilities, infrastructure, and technology; and
6. Strategic initiatives approved by the Board of Trustees or its designee.

B. Mitigation of In-State Undergraduate Costs

As part of its annual budget and financial planning processes, the University shall consider how revenues derived from out-of-state undergraduate tuition and fees may be utilized to help mitigate tuition and fee costs for in-state undergraduate students, which may include, but are not limited to:

1. Supporting institutional financial aid or scholarship programs benefiting in-state undergraduate students;
2. Reducing tuition or fee increases for in-state undergraduate students;
3. Offsetting instructional or operational costs that would otherwise be borne by in-state tuition and fees; and
4. Investing in efficiencies or cost-saving measures that contribute to long-term affordability for in-state students.

No specific percentage or dollar amount of out-of-state tuition and fee revenues is required to be allocated for these purposes.

II. Operational Provisions

The President, or designee, shall be responsible for the administration of this policy and for ensuring implementation consistent with applicable law.

5.0 AUTHORITY AND REFERENCES

T.C.A. § 49-7-196

6.0 HISTORY

N/A

TENNESSEE STATE UNIVERSITY

Board of Trustees

Finance Committee Meeting

June 23, 2026

TENNESSEE STATE UNIVERSITY

Agenda

1. Approval of New Policy: Use of Out of State Undergraduate Tuition & Fees Revenue [Action]
2. Fiscal Year 2026-2027 Tuition & Mandatory Fees Increase [Action]
3. Fiscal Year 2025-2026 Estimated Budget [Action]
4. Fiscal Year 2026-2027 Proposed Budget [Action]
5. Consideration and Possible Action Regarding Real Estate Transaction [Action]
6. Appendix

Approval of New Policy: Use of Out of State Undergraduate Tuition & Fees Revenue [Action]

TENNESSEE STATE UNIVERSITY

Out Of State Tuition Policy

- This policy is required effective July 1, 2026 in accordance with House Bill 1833/Senate Bill 2079 passed May 1, 2026
- If you look at the link below on the Summary tab and at the very bottom above the amendments section, you will find the following language:

"This bill requires the board of trustees for the University of Tennessee, the board of regents, and each state university board to adopt and implement (by July 1, 2026) a policy regarding the use of revenues generated by the out-of-state undergraduate tuition and fees charged by the institutions governed by the respective board. The policy must describe the board's utilization plan for revenues derived from such tuition and fees and how those revenues may be used to mitigate the tuition and fee costs for in-state undergraduate students."

- Reflects collaboration and discussion with all the LGI CFOs and THEC. The consensus was to keep it high-level and brief and not overcomplicate the policy.

Out Of State Tuition Policy

OFFICE OF THE PRESIDENT Effective Date: July 1, 2026

USE OF OUT-OF-STATE UNDERGRADUATE TUITION AND FEES REVENUE

Policy Number	(General) 01.10
Approval Authority	Board of Trustees
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This policy establishes the framework by which Tennessee State University (the "University") utilizes revenues generated from out-of-state undergraduate tuition and fees, in compliance with Tennessee Code Annotated § 49-7-196.

The purpose of this policy is to ensure transparency, accountability, and strategic alignment in the use of such revenues, including consideration of how those revenues may be used to mitigate tuition and fee costs for in-state undergraduate students.

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1. Supporting institutional financial aid or scholarship programs benefiting in-state undergraduate students;
2. Reducing tuition or fee increases for in-state undergraduate students;
3. Offsetting instructional or operational costs that would otherwise be borne by in-state tuition and fees; and
4. Investing in efficiencies or cost-saving measures that contribute to long-term affordability for in-state students.

No specific percentage or dollar amount of out-of-state tuition and fee revenues is required to be allocated for these purposes.

II. Operational Provisions

The President, or designee, shall be responsible for the administration of this policy and for ensuring implementation consistent with applicable law.

5.0 AUTHORITY AND REFERENCES

Tennessee Code Annotated § 49-7-196

Fiscal Year 2026-2027 Tuition & Mandatory Fees Increase [Action]

Tennessee State University

Proposed Tuition Rate Increase (In-State Annualized)

Increase to Undergraduate Maintenance Fees: **$125**

Increase to Program Service Fees: **$300**

Total Increase to Tuition & Mandatory Fees: **$425 or 4.5%**

Positively impacting student experience and defraying anticipated cost increases are the University's top two priorities.

Tennessee State University

Program Service Fees Increase Recommendation

Fee	Fee Use	$ Current Amount	$ Amount Effective FY27	$ Increase	Justification
Athletic Fee	Supports intercollegiate sports programs, athletic facilities and to maintain competitive, well-resourced programs	458	490	32	A benchmarking review of LGIs reveals an average athletics fee of $540 with TSU ranking among the lowest in the cohort
Technology Access Fee	For computer labs, software licenses, IT infrastructure	226	260	34	Increase will support campus laptop and computer updates
Debt Service	Helps repay bonds or loans used for campus construction/renovation projects	178	178	-	-
Student Activity Fee	Funds campus events, clubs, student organizations, and co-curricular programming	150	200	50	Funding to support efforts to enrich campus life and support a vibrant, engaged student community
Health Services	Funds on-campus clinics, basic medical care, wellness programs	90	150	60	Increased to include physical examinations for students
Campus Access	For building access systems, ID cards, security infrastructure, parking	44	150	106	Funding for digital ID cards (mobile credentials), adding CCTV (additional cameras around campus) and adding additional access panels to buildings
Postal Service	Covers mailbox services, package handling, and campus mail delivery	40	40	-	-
Graduation Fee	Covers diploma processing, commencement ceremony costs, and related expenses	24	42	18	Increase to keep pace with higher commencement expenses
International Education Fee	Supports study abroad programs, international student services, or global initiatives	20	20	-	-
Student Government Fee	Funds student government operations and student-led initiatives	18	18	-	-
TOTAL		**1,248**	**1,548**	**300**	

Note: $1 per semester fee increase reallocated from Student Government to Graduation.

TENNESSEE STATE UNIVERSITY

Tuition Rate Increase Recommendation

Rate Type	Total % Increase	Total Annual $ Increase
In-State UG	4.5%	425
Out-of-State Full Freight UG	0.0%	0
Out-of-State Scholar	4.5%	854
Out-of-State Scholar Plus	4.5%	711
Out-of-State 250-mile	4.5%	711
In-State GR	4.5%	549
Out-of-State GR	0.0%	0
e-Rate UG	4.5%	715
e-Rate GR	4.5%	909

TENNESSEE STATE UNIVERSITY

Cost Increase Considerations

1. **All-National 12-Month Consumer Price Index (CPI) (+4.2%)**
   - 12-Month CPI as of May 2026

2. **Relevant Individual 12-Month CPI Category Increases**
   - Individual categories were considered to understand changes in elements of University's overhead cost
   - Categories include: fuel/oil (+58.9%), gasoline (+40.5%), transportation (+4.1%), electricity (+5.9%)

12-Month CPI 4.2% × **FY26 E&G OpEx** 35.7M = **Inflationary Cost Increase** 1.5M

Tennessee State University

FY27 Student Experience Improvements

Repaving of Hale Residence Hall	**150K**
Investment in Financial Aid Office to Improve Service Delivery	**806K**
Residence Hall Furniture and Fixtures Improvements	**380K**
Total	**1.3M**

+

Campus Beautification Project (Title 3 Funded)	**256K**

Fiscal Year 2025-2026 Estimated Budget [Action]

FY26 Estimated Budget

Tennessee State University
FY26 Estimated Budget
($ in 000s)

	ESTIMATED BUDGET FY26	% of Totals
REVENUES		
Tuition & Fees	$ 62,143	34.5%
Less: Scholarships	*(26,576)*	-14.7%
State Appropriations	98,930	54.9%
Other E&G Revenues	11,105	6.2%
Total E&G Revenues	145,602	80.8%
Total Auxiliary Revenues	34,625	19.2%
Total Revenues	**180,228**	**100.0%**
EXPENSES		
Personnel Costs	(100,286)	61.2%
Non-Personnel Costs	(35,717)	21.8%
Total E&G Expenditures	(136,003)	83.0%
Personnel Costs	(4,172)	2.5%
Non-Personnel Costs	(23,780)	14.5%
Total Auxiliary Expenditures	(27,952)	17.0%
Total Expenses	**(163,956)**	**100.0%**
E&G Debt Service	(2,047)	
Aux Debt Service	(5,628)	
Net Surplus/(Deficit)	**$ 8,596**	

The FY26 Estimated Budget includes the following primary drivers:

- A significantly lower Freshman class than originally targeted
- Strategic investments in enrollment and critical administrative functions
- Personnel cost savings driven by unfilled vacancies, offset by VSP buyouts

FY26 October vs. FY26 Estimated Budget

Tennessee State University
FY26 October vs. FY26 Estimated Budget
($ in 000s)

"Estimated, Adj." column presents a modified view of FY26 Estimated Budget to reflect differences in the two sets of financials presented on this page alone

		OCTOBER BUDGET FY26	ESTIMATED BUDGET FY26	ADJUSTMENTS FY26	ESTIMATED BUDGET, ADJ. FY26	VARIANCE OCT to ADJ
	REVENUES					
	Tuition & Fees	$ 65,159	$ 62,143		$ 62,143	$ (3,016)
	Less: Scholarships	*(25,714)*	*(26,576)*		*(26,576)*	*(861)*
1	State Appropriations	89,129	98,930	(10,000)	88,930	(199)
	Other E&G Revenues	10,052	11,105		11,105	1,052
	Total E&G Revenues	138,627	145,602	(10,000)	135,602	(3,024)
	Total Auxiliary Revenues	37,531	34,625		34,625	(2,906)
	Total Revenues	**176,158**	**180,228**	**(10,000)**	**170,228**	**(5,930)**
	EXPENSES					
2	Personnel Costs	(106,197)	(100,286)	4,259	(96,027)	10,170
	Non-Personnel Costs	(35,124)	(35,717)		(35,717)	(593)
	Total E&G Expenditures	(141,321)	(136,003)	4,259	(131,744)	9,577
	Personnel Costs	(5,049)	(4,172)		(4,172)	877
	Non-Personnel Costs	(23,915)	(23,780)		(23,780)	134
	Total Auxiliary Expenditures	(28,964)	(27,952)	-	(27,952)	1,011
	Total Expenses	**(170,285)**	**(163,956)**	**4,259**	**(159,696)**	**10,588**
	E&G Debt Service	(2,047)	(2,047)		(2,047)	-
	Aux Debt Service	(5,628)	(5,628)		(5,628)	-
	Net Surplus/(Deficit)	**$ (1,803)**	**$ 8,596**	**$ (5,741)**	**$ 2,856**	**$ 4,658**

Footnotes:

1 – Estimated budget includes an additional $10M of MOU funds received in December, not budgeted in October

2 – $4.3M of VSP buyouts are included in the Estimated budget, not present in October budget

TENNESSEE STATE UNIVERSITY

FY26 Strategic Investments

Department	Budget Pool	Strategic Investment	Explanation
Enrollment	Professional Support Salaries	$ 570,000	Investment into enrollment strategy proposed by AVP Stokes to drive meaningful recruitment in FY26, including new recruiter and enrollment management positions
Enrollment	Operating Expense	394,000	Travel and other operating expense increases including software & ACT names as part of revamped enrollment strategy
Business & Finance	Operating Expense	850,000	TBR contract to provide finance and accounting services to fill critical resource gaps and provide training for TSU staff
Business & Finance	Operating Expense	83,000	THEC contract to provide Financial Aid assistance and expertise to train TSU staff and flex on-ground staff in response to student demand for services
President's Office	Operating Expense	183,000	Hayat Brown contract to support real estate initiatives
TOTAL		**$ 2,080,000**	

Fiscal Year 2026-2027 Proposed Budget [Action]

FY27 Proposed Budget

Tennessee State University
FY27 Proposed Budget
($ in 000s)

		PROPOSED BUDGET FY27	% of Totals
REVENUES			
Tuition & Fees	$	55,757	34.7%
Less: Scholarships		*(19,371)*	-12.1%
State Appropriations		80,004	49.8%
Other E&G Revenues		9,947	6.2%
Total E&G Revenues		126,337	78.7%
Total Auxiliary Revenues		34,160	21.3%
Total Revenues		**160,497**	**100.0%**
EXPENSES			
Personnel Costs		(89,657)	58.6%
Non-Personnel Costs		(35,303)	23.1%
Total E&G Expenditures		(124,959)	81.7%
Personnel Costs		(4,120)	2.7%
Non-Personnel Costs		(23,852)	15.6%
Total Auxiliary Expenditures		(27,972)	18.3%
Total Expenses		**(152,931)**	**100.0%**
E&G Debt Service		(1,228)	
Aux Debt Service		(5,542)	
Net Surplus/(Deficit)	**$**	**796**	

The FY27 Proposed Budget accomplishes budget accuracy with cash flow management as the most important priority.

The FY27 Proposed Budget includes the following primary drivers:

- A 1,200 Freshman class
- Significant reduction in personnel costs, following lower uptake than expected for the VSP
- Strategic investments in enrollment, institutional advancement, athletics, and real estate

FY26 Estimated vs. FY27 Proposed Budget

Tennessee State University
FY26 Estimated vs FY27 Proposed Budget
($ in 000s)

"Estimated, Adj." column presents a modified view of FY26 Estimated Budget to reflect differences in the two sets of financials presented on this page alone

	ESTIMATED FY26	ADJUSTMENTS FY26	ESTIMATED BUDGET, ADJ. FY26	PROPOSED BUDGET FY27	VARIANCE ADJ to PROP
REVENUES					
Tuition & Fees	$ 62,143		$ 62,143	$ 55,757	$ (6,386)
1 *Less: Scholarships*	*(26,576)*	*(2,600)*	*(29,176)*	*(19,371)*	*9,805*
2 State Appropriations	98,930	(20,000)	78,930	80,004	1,073
Other E&G Revenues	11,105		11,105	9,947	(1,158)
Total E&G Revenues	145,602	(22,600)	123,002	126,337	3,335
Total Auxiliary Revenues	34,625		34,625	34,160	(466)
Total Revenues	**180,228**	**(22,600)**	**157,628**	**160,497**	**2,869**
EXPENSES					
3 Personnel Costs	(100,286)	4,259	(96,027)	(89,657)	6,370
Non-Personnel Costs	(35,717)		(35,717)	(35,303)	414
Total E&G Expenditures	(136,003)	4,259	(131,744)	(124,959)	6,785
Personnel Costs	(4,172)		(4,172)	(4,120)	52
Non-Personnel Costs	(23,780)		(23,780)	(23,852)	(72)
Total Auxiliary Expenditures	(27,952)	-	(27,952)	(27,972)	(19)
Total Expenses	**(163,956)**	**4,259**	**(159,696)**	**(152,931)**	**6,765**
E&G Debt Service	(2,047)		(2,047)	(1,228)	820
Aux Debt Service	(5,628)		(5,628)	(5,542)	87
Net Surplus/(Deficit)	**$ 8,596**	**$ (18,341)**	**$ (9,744)**	**$ 796**	**$ 10,541**

Footnotes:
1 – $2.6M scholarship expense covered under restricted fund balance will not carry over in FY27
2 – TSU will receive $20M less funding from State MOU appropriations, per draw schedule
3 – $4.3M of VSP buyouts are included in the Estimated budget, non-recurring in FY27

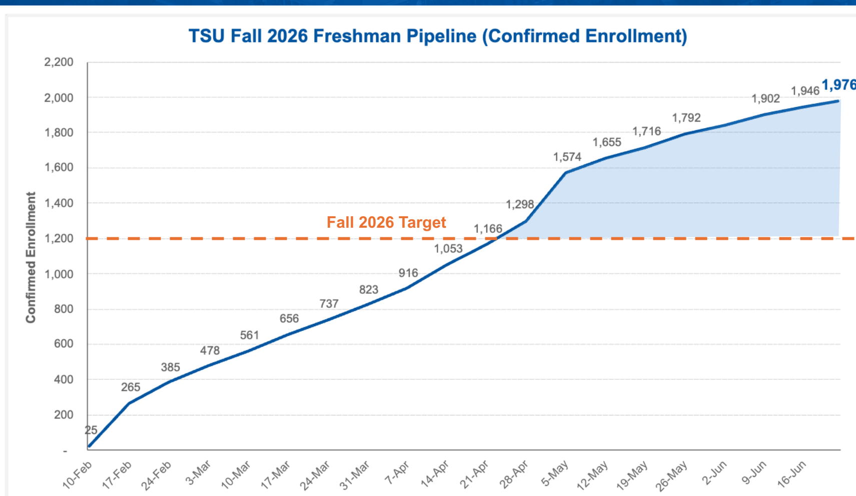
Tennessee State University

FY27 Proposed Strategic Investments

Department	Budget Pool	Strategic Investment	Explanation
Athletics	Professional Support Salaries	$ 138,080	Men’s basketball coach retention following year one success
Athletics	Scholarships	100,000	Expanding scholarship funding to support our OVC winning team
Business and Finance	Operating Expense	221,000	One quarter of TBR support to strengthen financial oversight and compliance / transition
Business and Finance	Operating Expense	805,960	Retaining SIG and TBR support to maintain critical financial aid operations, net of cost relief sunsetting other services
Enrollment	Operating Expense	81,500	Transcript management software upgrade
Institutional Advancement	Operating Expense	50,000	Alumni giving model support
Institutional Advancement	Operating Expense	114,379	Expanding alumni engagement efforts to advance the President's $100m fundraising initiative
Police Department	Operating Expense	161,166	Increasing campus security presence to protect students, faculty, and staff
President's Office	Operating Expense	1,000,000	Hayat Brown contract to support real estate initiatives
Student Affairs	Operating Expense	379,920	Improving residence hall conditions to enhance the student living experience
Student Affairs	Travel	209,650	Funding band, cheer, and SGA travel to FAMU, Georgia, and Illinois football games to support TSU fundraising and alumni engagement
Student Affairs	Operating Expense	176,345	Funding band, cheer, and SGA travel to FAMU, Georgia, and Illinois football games to support TSU fundraising and alumni engagement
TOTAL		**$ 3,438,000**	

Tennessee State University

Fall 2026 Freshman Enrollment Target



FTIC Target Enrollment: 1,200

- As of 06/22, admissions data shows **1,976** First Time in College Freshman (FTIC) have paid a $100 deposit to confirm their enrollment
- Deposits are not binding – confirmed enrollment exceeding the 1,200 target will be necessary to account for enrollment “melt” – **shaded in blue**
- TSU’s pipeline shows the university is **on track to surpass the 1,200 FTIC target**

Freshmen Registered for:
- **Housing: 1,285**
- **New Student Orientation: 1,662 (574 already attended)**

Tennessee State University

Personnel Cost Reduction Planned Actions in FY27

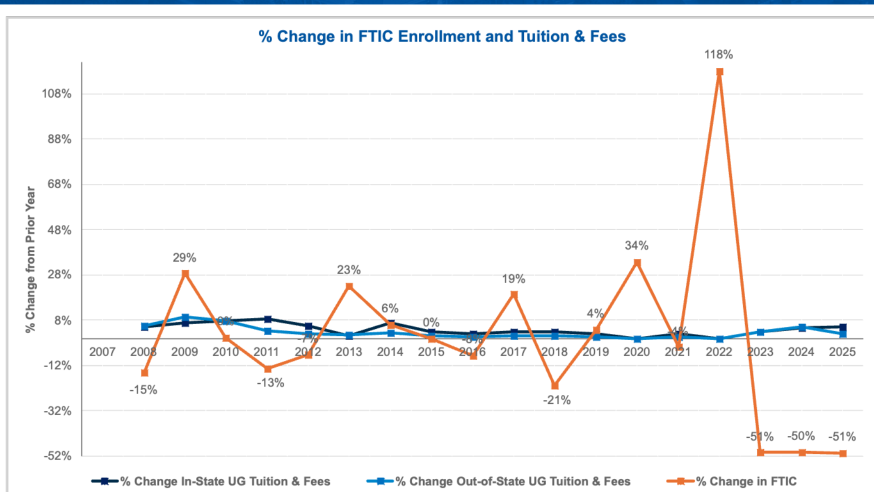
	In Proposed Budget	After Final VSP Numbers
Initial VSP Estimated Savings	$12.2M	$12.2M
Actual VSP Savings	(4.8)M	(4.4)M
Remaining Gap	$7.4M	▲ $7.8M
− Hiring Freeze to Manage Vacancy Savings − Non-Faculty Workforce Realignment − Contract Review of 3rd Party Services + Investment in Institutional Advancement and Enrollment Staff	(7.4)M	▲ (7.8)M
Net Personnel Cost Position	$0M	$0M

Consideration and Possible Action Regarding Real Estate Transaction [Action]

Appendix

TENNESSEE STATE UNIVERSITY

No Correlation Between FTIC Enrollment and Tuition Rate Increases



- First-Time in College Freshmen year-over-year change follows an erratic trendline
- **Neither in-state nor out-of-state tuition and fee increases has a statistically significant effect on FTIC enrollment***
- Intense variability of First-Time in College Freshmen enrollment convolutes any trends and casual relationships between the variables

*Note: Regression based on THEC Factbook data (2007 – 2024) and Pro Forma (2025), TSU only. Causality is limited. R^2 = 0.01 (In-state), R^2 = 0.001 (Out-of-State)

TENNESSEE STATE UNIVERSITY

Tuition Rate Sensitivity Analysis

A tuition & fees rate increase can offset the net revenue impact of possible enrollment declines

Current State:

Fall 2026 Enrollment	4,593
Avg. Annual FTE	3,900
FY27 Tuition & Fees Revenue	**$ 55.76 M**

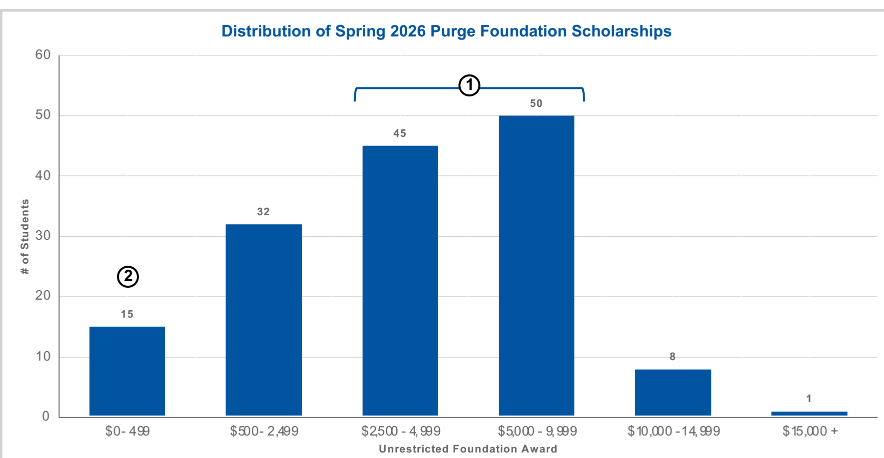
% Change in Tuition

Avg. Annual FTE	-6.75%	-4.50%	-2.25%	0.00%	2.25%	4.50%	6.75%
4,100	55.53	56.50	57.47	58.44	59.41	60.38	61.36
4,000	54.26	55.20	56.15	57.10	58.05	58.99	59.94
3,900	52.99	53.91	54.83	**55.76**	56.68	57.60	58.53
3,800	51.71	52.61	53.51	54.41	55.31	56.21	57.11
3,700	50.44	51.32	52.19	53.07	53.95	54.82	55.70

Tuition & Fees Revenue (in millions)

TENNESSEE STATE UNIVERSITY

FY26 Foundation Support – Award Value Distribution



1 63% of students who received Foundation scholarships to avoid being purged had a balance ranging from $2,500 - $9,999

2 Marginal increases to tuition & fees would have a larger effect on students with balances closer to $200

TENNESSEE STATE UNIVERSITY

Potential Exposure of Continuing Students FY27

147
Spring 26 Recipients of Purge Support*

46	**91**	**10**
Graduated	**Re-eligible in FY27**	Ineligible

Unspent Unrestricted Committed Foundation Funds		**1.8M**
Annualized Estimate for Re-Eligible Freshmen and Sophomores		**- 379K**
Annualized Estimate for Re-Eligible Juniors and Seniors	**- 981K**	**- 561K**
Spring 2026 Balances for Returning Students as of 06/04		**- 41K**
Remaining Funds (to be used as contingency in upcoming year):		**$ 791K**

**Note: Number of unique T-numbers that received Spring 2026 awards*

TENNESSEE STATE UNIVERSITY

FY26 Estimated Budget – Adjusted for Non-Recurring Items

Tennessee State University
FY26 Estimated Budget
($ in 000s)

	ESTIMATED BUDGET	ADJUSTMENTS	ESTIMATED BUDGET, RECURRING
	FY26	FY26	FY26
REVENUES			
Tuition & Fees	$ 62,143		$ 62,143
1 *Less: Scholarships*	*(26,576)*	*(2,600)*	*(29,176)*
2 State Appropriations	98,930	(45,000)	53,930
Other E&G Revenues	11,105		11,105
Total E&G Revenues	145,602	(47,600)	98,002
Total Auxiliary Revenues	34,625		34,625
Total Revenues	**180,228**	**(47,600)**	**132,628**
EXPENSES			
3 Personnel Costs	(100,286)	4,259	(96,027)
Non-Personnel Costs	(35,717)		(35,717)
Total E&G Expenditures	(136,003)	4,259	(131,744)
Personnel Costs	(4,172)		(4,172)
Non-Personnel Costs	(23,780)		(23,780)
Total Auxiliary Expenditures	(27,952)		(27,952)
Total Expenses	**(163,956)**	**4,259**	**(159,696)**
E&G Debt Service	(2,047)		(2,047)
Aux Debt Service	(5,628)		(5,628)
Net Surplus/(Deficit)	**$ 8,596**	**$ (43,341)**	**$ (34,744)**

1 Scholarships funded by existing restricted State fund balance from prior years

2 State MOU funds

3 VSP Buyout (as budgeted)

FY27 Proposed Budget – Adjusted for Non-Recurring Items

Tennessee State University
FY27 Proposed Budget
($ in 000s)

	PROPOSED BUDGET	ADJUSTMENTS	PROPOSED BUDGET, RECURRING
	FY27	FY27	FY27
REVENUES			
Tuition & Fees	$ 55,757		$ 55,757
Less: Scholarships	*(19,371)*		*(19,371)*
1 State Appropriations	80,004	(25,000)	55,004
Other E&G Revenues	9,947		9,947
Total E&G Revenues	126,337	(25,000)	101,337
Total Auxiliary Revenues	34,160		34,160
Total Revenues	**160,497**	**(25,000)**	**135,497**
EXPENSES			
Personnel Costs	(89,657)		(89,657)
2 Non-Personnel Costs	(35,303)	1,210	(34,093)
Total E&G Expenditures	(124,959)	1,210	(123,749)
Personnel Costs	(4,120)		(4,120)
Non-Personnel Costs	(23,852)		(23,852)
Total Auxiliary Expenditures	(27,972)		(27,972)
Total Expenses	**(152,931)**	**1,210**	**(151,721)**
E&G Debt Service	(1,228)		(1,228)
Aux Debt Service	(5,542)		(5,542)
Net Surplus/(Deficit)	**$ 796**	**$ (23,790)**	**$ (22,994)**

1 State MOU funds

2 Hayat Brown real estate services of $1M and some non-recurring IT investments related to Banner SAAS migration

Campus Beautification Renderings

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE:	June 23, 2026
ITEM:	Approval of Fiscal Year 2026-2027 Tuition and Mandatory Fees Increase
RECOMMENDED ACTION:	Approval
PRESENTED BY:	Chair of Finance Committee, Trustee Leticia Towns Chief Financial Officer, April Robinson

Background Information

Chief Financial Officer April Robinson will provide a report on this agenda item.

Committee Action

The Committee Chair will call for a motion recommending to the full Board the adoption of this action item.

MOTION: I move to recommend to the full Board the adoption of Tennessee State University's Tuition and Mandatory Fee Increase for Fiscal Year 2026-2027, as contained in the meeting materials.

The purpose of this agenda item is to review and approve the Fiscal Year 2026-2027 tuition and mandatory fees increase.

The University is requesting a combined 4.5% increase comprised of the following:

Proposed Tuition Rate Increase (In-State Annualized)

Increase to Undergraduate Maintenance Fees:	**$125**
Increase to Program Service Fees:	**$300**
Total Increase to Tuition & Mandatory Fees:	**$425 or 4.5%**

The estimated annual dollar increase reflects the impact on a full time (15-hour) undergraduate in-state student.

Program Service Fees increases relate to the following:

Program Service Fees Increase Recommendation

Fee	Fee Use	$ Current Amount	$ Amount Effective FY27	$ Increase	Justification
Athletic Fee	Supports intercollegiate sports programs, athletic facilities and to maintain competitive, well-resourced programs	458	490	32	A benchmarking review of LGIs reveals an average athletics fee of $540 with TSU ranking among the lowest in the cohort
Technology Access Fee	For computer labs, software licenses, IT infrastructure	226	260	34	Increase will support campus laptop and computer updates
Debt Service	Helps repay bonds or loans used for campus construction/renovation projects	178	178	-	-
Student Activity Fee	Funds campus events, clubs, student organizations, and co-curricular programming	150	200	50	Funding to support efforts to enrich campus life and support a vibrant, engaged student community
Health Services	Funds on-campus clinics, basic medical care, wellness programs	90	150	60	Increased to include physical examinations for students
Campus Access	For building access systems, ID cards, security infrastructure, parking	44	150	106	Funding for digital ID cards (mobile credentials), adding CCTV (additional cameras around campus) and adding additional access panels to buildings
Postal Service	Covers mailbox services, package handling, and campus mail delivery	40	40	-	-
Graduation Fee	Covers diploma processing, commencement ceremony costs, and related expenses	24	42	18	Increase to keep pace with higher commencement expenses
International Education Fee	Supports study abroad programs, international student services, or global initiatives	20	20	-	-
Student Government Fee	Funds student government operations and student-led initiatives	18	18	-	-
TOTAL		**1,248**	**1,548**	**300**	

Currently, of all state of Tennessee locally-governed institutions (LGIs), TSU is the lowest-cost provider of undergraduate in-state tuition despite operating in the state's largest, highest-cost metro area.

University	City	Population	Typical Home Value	UG Tuition & Fees (15 hours)
Tennessee State University	Nashville	738,049	$ 448,299	$ 9,438
University of Memphis	Memphis	619,255	149,299	11,256
University of Tennessee Knoxville	Knoxville	198,209	366,596	13,876
University of Tennessee Chattanooga	Chattanooga	188,337	322,312	10,762
Austin Peay State University	Clarksville	186,169	319,333	9,720
Middle Tennessee State University	Murfreesboro	172,759	424,984	10,932
East Tennessee State University	Johnson City	73,238	293,339	10,994
Tennessee Tech University	Cookeville	36,137	314,672	11,926
University of Tennessee Martin	Martin	10,812	202,077	10,794

Tuition and fees, as well as total cost of attendance considerations are more complex than simply deficit impact. There is a premium that the University pays to operate in the largest, most-metropolitan, fastest growing city in the state. Failure to actively manage this premium, aside from the University's current deficit, doesn't reflect the University's operational reality, potentially creating additional burden for future fiscal years.

The University understands and accepts its responsibility to continue to offer a quality education that highlights TSU 's unique value proposition which includes, a Carnegie Research 2 classification, career-ready student outcomes and experiential learning, high-impact student support and growth, a vibrant student life, and an opportunity-rich Nashville location. Student experience in Nashville is positively impacted by diverse cultural events, metropolitan social culture, robust student employment opportunities, as well as elevated post-graduate career opportunities.

The University is requesting this increase to (i.) continue to invest in positive student experiences and (ii) reduce the impact of anticipated increases to University costs, including utilities and fuel.

(i) Positive student experiences

FY27 Student Experience Improvements

Repaving of Hale Residence Hall	150K
Investment in Financial Aid Office to Improve Service Delivery	806K
Residence Hall Furniture and Fixtures Improvements	380K
Total	1.3M
+	
Campus Beautification Project (Title 3 Funded)	256K

(ii) Anticipated increases to University costs

Cost Increase Considerations

1. **All-National 12-Month Consumer Price Index (CPI) (+4.2%)**
   - 12-Month CPI as of May 2026

2. **Relevant Individual 12-Month CPI Category Increases**
   - Individual categories were considered to understand changes in elements of University's overhead cost
   - Categories include: fuel/oil (+58.9%), gasoline (+40.5%), transportation (+4.1%), electricity (+5.9%)

12-Month CPI 4.2% × **FY26 E&G OpEx** 35.7M = **Inflationary Cost Increase** 1.5M

The University's enrollment and tuition increase data does not indicate there has been any historical correlation between tuition changes and first time incoming freshmen enrollment.

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE:	June 23, 2026
ITEM:	Approval of Fiscal Year 2025-2026 Estimated Budget
RECOMMENDED ACTION:	Approval
PRESENTED BY:	Chair of Finance Committee, Trustee Leticia Towns Chief Financial Officer, April Robinson

Background Information

Chief Financial Officer April Robinson will provide a report on this agenda item.

Committee Action

The Committee Chair will call for a motion recommending to the full Board the adoption of this action item.

MOTION: I move to recommend to the full Board the adoption of Tennessee State University's Estimated Budget for Fiscal Year 2025-2026, as contained in the meeting materials.

The purpose of this agenda item is to review and approve the FY26 Estimated Budget:

FY26 Estimated Budget

Tennessee State University
FY26 Estimated Budget
($ in 000s)

		ESTIMATED BUDGET FY26	% of Totals
REVENUES			
Tuition & Fees	$	62,143	34.5%
Less: Scholarships		*(26,576)*	-14.7%
State Appropriations		98,930	54.9%
Other E&G Revenues		11,105	6.2%
Total E&G Revenues		145,602	80.8%
Total Auxiliary Revenues		34,625	19.2%
Total Revenues		**180,228**	**100.0%**
EXPENSES			
Personnel Costs		(100,286)	61.2%
Non-Personnel Costs		(35,717)	21.8%
Total E&G Expenditures		(136,003)	83.0%
Personnel Costs		(4,172)	2.5%
Non-Personnel Costs		(23,780)	14.5%
Total Auxiliary Expenditures		(27,952)	17.0%
Total Expenses		**(163,956)**	**100.0%**
E&G Debt Service		(2,047)	
Aux Debt Service		(5,628)	
Net Surplus/(Deficit)	**$**	**8,596**	

The FY26 Estimated Budget includes the following primary drivers:

- A significantly lower Freshman class than originally targeted
- Strategic investments in enrollment and critical administrative functions
- Personnel cost savings driven by unfilled vacancies, offset by VSP buyouts

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The FY26 Estimated Budget includes the following strategic investments:

Department	Budget Pool	Strategic Investment		Explanation
Enrollment	Professional Support Salaries	$	570,000	Investment into enrollment strategy proposed by AVP Stokes to drive meaningful recruitment in FY26, including new recruiter and enrollment management positions
Enrollment	Operating Expense		394,000	Travel and other operating expense increases including software & ACT names as part of revamped enrollment strategy
Business & Finance	Operating Expense		850,000	TBR contract to provide finance and accounting services to fill critical resource gaps and provide training for TSU staff
Business & Finance	Operating Expense		83,000	THEC contract to provide Financial Aid assistance and expertise to train TSU staff and flex on-ground staff in response to student demand for services
President's Office	Operating Expense		183,000	Hayat Brown contract to support real estate initiatives
TOTAL		**$**	**2,080,000**	

The FY26 Budget reflects an anticipated surplus of $8.9M which is $4.7M better than the FY26 October budget after adjusting for both $10M of additional MOU funds and the estimated $4.3M Voluntary Separation Plan payout.

FY26 October vs. FY26 Estimated Budget

Tennessee State University
FY26 October vs. FY26 Estimated Budget
($ in 000s)

"Estimated, Adj." column presents a modified view of FY26 Estimated Budget to reflect differences in the two sets of financials presented on this page alone

		OCTOBER BUDGET	ESTIMATED BUDGET	ADJUSTMENTS	ESTIMATED BUDGET, ADJ.	VARIANCE
		FY26	FY26	FY26	FY26	OCT to ADJ
	REVENUES					
	Tuition & Fees	$ 65,159	$ 62,143		$ 62,143	$ (3,016)
	Less: Scholarships	*(25,714)*	*(26,576)*		*(26,576)*	*(861)*
1	State Appropriations	89,129	98,930	(10,000)	88,930	(199)
	Other E&G Revenues	10,052	11,105		11,105	1,052
	Total E&G Revenues	138,627	145,602	(10,000)	135,602	(3,024)
	Total Auxiliary Revenues	37,531	34,625		34,625	(2,906)
	Total Revenues	**176,158**	**180,228**	**(10,000)**	**170,228**	**(5,930)**
	EXPENSES					
2	Personnel Costs	(106,197)	(100,286)	4,259	(96,027)	10,170
	Non-Personnel Costs	(35,124)	(35,717)		(35,717)	(593)
	Total E&G Expenditures	(141,321)	(136,003)	4,259	(131,744)	9,577
	Personnel Costs	(5,049)	(4,172)		(4,172)	877
	Non-Personnel Costs	(23,915)	(23,780)		(23,780)	134
	Total Auxiliary Expenditures	(28,964)	(27,952)	-	(27,952)	1,011
	Total Expenses	**(170,285)**	**(163,956)**	**4,259**	**(159,696)**	**10,588**
	E&G Debt Service	(2,047)	(2,047)		(2,047)	-
	Aux Debt Service	(5,628)	(5,628)		(5,628)	-
	Net Surplus/(Deficit)	**$ (1,803)**	**$ 8,596**	**$ (5,741)**	**$ 2,856**	**$ 4,658**

Footnotes:
1 – Estimated budget includes an additional $10M of MOU funds received in December, not budgeted in October
2 – $4.3M of VSP buyouts are included in the Estimated budget, not present in October budget

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE:	June 23, 2026
ITEM:	Approval of Fiscal Year 2026-2027 Proposed Budget
RECOMMENDED ACTION:	Approval
PRESENTED BY:	Chair of Finance Committee, Trustee Leticia Towns Chief Financial Officer, April Robinson

Background Information

Chief Financial Officer April Robinson will provide a report on this agenda item.

Committee Action

The Committee Chair will call for a motion recommending to the full Board the adoption of this action item.

MOTION: I move to recommend to the full Board the adoption of Tennessee State University's Proposed Budget for Fiscal Year 2026-2027, as contained in the meeting materials.

The purpose of this agenda item is to review and approve the FY27 Proposed Budget. The FY26 Budget reflects an anticipated surplus of $796K.

FY27 Proposed Budget

Tennessee State University
FY27 Proposed Budget
($ in 000s)

		PROPOSED BUDGET FY27	% of Totals
REVENUES			
Tuition & Fees	$	55,757	34.7%
Less: Scholarships		*(19,371)*	-12.1%
State Appropriations		80,004	49.8%
Other E&G Revenues		9,947	6.2%
Total E&G Revenues		126,337	78.7%
Total Auxiliary Revenues		34,160	21.3%
Total Revenues		**160,497**	**100.0%**
EXPENSES			
Personnel Costs		(89,657)	58.6%
Non-Personnel Costs		(35,303)	23.1%
Total E&G Expenditures		(124,959)	81.7%
Personnel Costs		(4,120)	2.7%
Non-Personnel Costs		(23,852)	15.6%
Total Auxiliary Expenditures		(27,972)	18.3%
Total Expenses		**(152,931)**	**100.0%**
E&G Debt Service		(1,228)	
Aux Debt Service		(5,542)	
Net Surplus/(Deficit)	**$**	**796**	

The FY27 Proposed Budget accomplishes budget accuracy with cash flow management as the most important priority.

The FY27 Proposed Budget includes the following primary drivers:

- A 1,200 Freshman class
- Significant reduction in personnel costs, following lower uptake than expected for the VSP
- Strategic investments in enrollment, institutional advancement, athletics, and real estate

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The FY27 Proposed Budget includes the following strategic investments.

FY27 Proposed Strategic Investments

Department	Budget Pool	Strategic Investment		Explanation
Athletics	Professional Support Salaries	$	138,080	Men's basketball coach retention following year one success
Athletics	Scholarships		100,000	Expanding scholarship funding to support our OVC winning team
Business and Finance	Operating Expense		221,000	One quarter of TBR support to strengthen financial oversight and compliance / transition
Business and Finance	Operating Expense		805,960	Retaining SIG and TBR support to maintain critical financial aid operations, net of cost relief sunsetting other services
Enrollment	Operating Expense		81,500	Transcript management software upgrade
Institutional Advancement	Operating Expense		50,000	Alumni giving model support
Institutional Advancement	Operating Expense		114,379	Expanding alumni engagement efforts to advance the President's $100m fundraising initiative
Police Department	Operating Expense		161,166	Increasing campus security presence to protect students, faculty, and staff
President's Office	Operating Expense		1,000,000	Hayat Brown contract to support real estate initiatives
Student Affairs	Operating Expense		379,920	Improving residence hall conditions to enhance the student living experience
Student Affairs	Travel		209,650	Funding band, cheer, and SGA travel to FAMU, Georgia, and Illinois football games to support TSU fundraising and alumni engagement
Student Affairs	Operating Expense		176,345	Funding band, cheer, and SGA travel to FAMU, Georgia, and Illinois football games to support TSU fundraising and alumni engagement
TOTAL		**$**	**3,438,000**	

The FY27 Budget reflects a planned personnel cost reduction of $7.4M related to the Voluntary Separation Plan shortfall.

Personnel Cost Reduction Planned Actions in FY27

	In Proposed Budget
Initial VSP Estimated Savings	**$12.2M**
Actual VSP Savings	**(4.8)M**
Remaining Gap	**$7.4M**
− **Hiring Freeze to Manage Vacancy Savings**	
− **Non-Faculty Workforce Realignment**	**(7.4)M**
− **Contract Review of 3rd Party Services**	
+ **Investment in Institutional Advancement and Enrollment Staff**	
Net Personnel Cost Position	**$0M**

TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

ACTION ITEM

DATE:	June 23, 2026
ITEM:	Consideration and Possible Action Regarding Real Estate Transaction
RECOMMENDED ACTION:	Approval
PRESENTED BY:	Dwayne Tucker, President

Background Information

The President and consultant Hayat Brown will provide information on this agenda item.

Committee Action

The Committee Chair will call for a motion to recommend adoption of the following resolution by the Board of Trustees [enter resolution].

MOTION: I move to recommend adoption of the proposed resolution by the Board of Trustees.