EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

May 21, 2026
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Thursday, May 21, 2026, at 10:14 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Substituting for Committee Chair Steve DeCarlo, Board of Trustees Chair Melissa Steagall-Jones called the meeting to order at 10:14 a.m.

II. Roll Call

Board Secretary Dr. Adam Green conducted the roll call. The following committee members were physically present:

Trustee Charles Allen
Trustee Melissa Steagall-Jones
Trustee Grant Summers
Trustee Aashi Vora

Other Trustees present were Janet Ayers, Wade Farmer, Dr. Steph Frye-Clark, Dorothy Grisham, Jon Lundberg, Ron Ramsey, and Tony Treadway.

III. Approval of the Committee Minutes from February 20, 2026, and March 31, 2026

The minutes from the February 20, 2026, and March 31, 2026, meetings of the Finance and Administration Committee were approved as submitted. Trustee Charles Allen made the motion to approve, and Trustee Grant Summers seconded the motion. It passed unanimously.

IV. Action Item: Approval of Tuition and Mandatory Fees for FY27

Ms. Christy Graham, Chief Financial Officer, provided an overview of the items that factor into the development of the university's budget for FY27, including various cost and inflationary pressures facing higher education in general that continue to exceed the broader economy. She indicated that Governor Bill Lee's budget for FY27 included an increase in state support of $4.4 million. That amount, however, was partially offset by funding reductions via the Tennessee Higher Education Commission (THEC) outcomes formula, resulting in an overall $1.3 million increase in ETSU's state appropriation. Ms. Graham noted that this amount does not keep pace with inflationary and operational pressures facing the university. In summarizing the major cost drivers facing ETSU, she said that, using the Higher Education Price Index, a minimum of $2.6 million in new money would be needed to address inflationary costs, excluding salaries and benefits and utilities. Some $2.7 million would be needed to increase salaries by 1.5 percent, and $2.6 million would be needed to cover additional costs related to health insurance. Utilities are expected to exceed ETSU's FY26 budget by $700,000, and $800,000 will be needed to support the new Academic Building. Additional funding is needed to stay competitive in stipends for graduate teaching and research assistants. Overall, Ms. Graham said, these cost pressures come to $10.1 million, leaving a funding gap of $8.8 million for the upcoming academic year.

Within this financial context, Ms. Graham turned her attention to the first action item on the committee's agenda. She reviewed the various factors that are considered when evaluating tuition and mandatory fees, noting that THEC has approved a 0 percent to 4.5 percent limit on such fees. Staying within that limit, she said, the proposed FY27 tuition for in-state undergraduate students at ETSU is $189 per semester, moving the tuition total from $4,401 to $4,590 for in-state undergraduate students taking 15 credit hours. For out-of-state undergraduate students, the increase would be $264 per semester. For five-state undergraduates, the increase would be $219 per semester. International undergraduate students would see an increase of $489 per semester. The proposed increase for graduate students is $270 per semester for students taking 12 credit hours.

Ms. Graham indicated that the proposed mandatory fee increase includes three components: an increase to the Campus Safety and Facility Fee of $41.50 per semester; an increase to the Student Activity Fee for the Center for Physical Activity of $4 per semester; and a new $2.50 per semester fee that would support Bucky's Food Pantry. The mandatory fee increase totals $48 per semester.

Combined, Ms. Graham said, the undergraduate in-state tuition and mandatory fee increase comes to $474 per academic year, moving total undergraduate, in-state tuition and mandatory fees from the current $10,994 to $11,648, for an increase of 4.31 percent. In addition, there would be a reallocation of $27 per semester of the existing mandatory fee from the Culp Center debt service fee to support the Student Life Village project. It was noted that the debt service fee has generated sufficient reserves to support the remaining debt obligations associated with the renovation project, allowing the fee to be repurposed without increasing the overall mandatory fee impact to students. Ms. Graham indicated that the Student Life Village remains a priority for students and that the $27 reallocation would provide the remaining amount necessary to support the anticipated debt service payments for the project.

Ms. Graham told the committee that the proposed tuition and mandatory fee levels for FY27 were posted for public comment from March 31 through April 15 and that no comments were received.

Trustee Melissa Steagall-Jones made a motion to approve the tuition and mandatory fee rates as presented, and Trustee Grant Summers seconded the motion. The motion passed with Trustee Allen voting against.

V. Action Item: Approval of Gatton College of Pharmacy Tuition for FY27

Dr. Debbie Byrd, Dean of the Bill Gatton College of Pharmacy, began by thanking ETSU staff, members of the Tennessee General Assembly, and Board of Trustees members for their advocacy on behalf of the college's successful quest to achieve state funding.

Dr. Byrd presented to the committee a proposal to further lower tuition at the Gatton College of Pharmacy, to $24,785 for in-state students and $30,329 for out-of-state students, representing decreases of 10 percent. Dr. Byrd noted that as a result of funding from the state, in-state tuition has been reduced by almost 36 percent and by over 20 percent for out-of-state students. She said that over the course of the four-year program, this saves in-state students over $55,000.

President Noland expressed his thanks to members of the Board of Trustees, the Tennessee General Assembly, and staff for their support and advocacy on behalf of the college and for their work in easing the financial burden on our College of Pharmacy students.

Trustee Charles Allen made a motion to approve the Gatton College of Pharmacy tuition rate as presented, and Trustee Grant Summers seconded the motion. It passed unanimously.

VI. Action Item: Approval of Spring Estimated and July Proposed Budgets

Ms. Graham presented for the committee's review and approval the university's spring estimated and July proposed budgets. She reported that the budget for the main campus and auxiliaries for FY27 includes total revenue of approximately $344 million, for an increase of $13.5 million. She said the increase is driven by $2.5 million in auxiliary revenue, $5 million from the proposed tuition increase, $1 million from mandatory fees, $1.3 million in additional state appropriations, and $2.5 million from enrollment growth. Total expenditures and transfers are also approximately $344 million, an increase of $13.7 million.

The July proposed budget for the Quillen College of Medicine shows revenue of $86.3 million, with expenditures and transfers the same. The Family Medicine budget includes revenue of just over $23 million, with expenditures and transfers roughly the same. The College of Pharmacy budget shows revenue of $12.7 million, for an increase of $3.1

million, even with the tuition decrease. Total expenditures and transfers are $12.2 million, an increase of $2.6 million.

Trustee Charles Allen made a motion to approve the budgets as presented, and Trustee Melissa Steagall-Jones seconded the motion. It passed unanimously.

VII. Action Item: Approval of FY27 Capital Budget Submittals and Disclosures

Ms. Laura Bailey, Associate Vice President for Capital Planning, reported on a proposed new Engineering Sciences Building with an estimated project cost of $146,850,000 for the Trustees' consideration. She noted that the project was submitted to the state on August 22, 2025. Ms. Bailey also presented renderings of the proposed building.

Ms. Bailey reviewed Capital Maintenance projects submitted to the state on July 18, 2025, and totaling $27,140,000. Two of those projects have been funded, in the amount of $3,500,000 each: phase two of safety steam line repairs and replacement and roof replacements for multiple buildings. Other Capital Maintenance projects for which funding is proposed include: repair and replacement of campus water lines, multiple building elevator upgrades, multiple building HVAC and plumbing repairs, multiple building electrical upgrades, and exterior/structural repairs and replacements.

Ms. Bailey then reviewed ETSU’s Capital Disclosure projects, totaling $125,130,000. They include: a new residence hall at $40,000,000; a new parking garage at $55,000,000; and the Student Life Village at $30,130,000. These three projects were submitted to the state on July 18, 2025.

Trustee Grant Summers made a motion that these submittals and disclosures be approved as presented, and Trustee Charles Allen seconded the motion. It passed unanimously.

VIII. Action Item: Approval of Financial Exigency Policy

President Noland presented this item, emphasizing that it aligns with changes in the tenure and promotion policies approved earlier by the Academic, Research, and Student Success Committee. He briefly outlined the steps that would be taken in the unlikely event of extreme financial distress.

Trustee Melissa Steagall-Jones made a motion that the Financial Exigency Policy be approved, and Trustee Charles Allen seconded the motion. It passed unanimously.

IX. Quarterly Financial Update

Ms. Graham presented the update comparing the university’s financial condition as of March 31, 2026, with the previous year. Unrestricted education and general revenues increased by $19.8 million or 5.78 percent. Main campus revenue increased by $10.4 million or 4.12 percent. College of Medicine and Family Medicine tuition and fee revenue was relatively flat. Total revenue for those two units increased by $8.7 million or 10.65 percent. Revenue for the College of Pharmacy increased by $652,000 or 8.53 percent.

Unrestricted education and general expenditures through March 2026 increased by $22.6 million or 7.19 percent. Main campus expenditures increased by $13.1 million or 5.69 percent. College of Medicine and Family Medicine expenditures increased by $9.8 million or 12.77 percent. College of Pharmacy expenditures decreased by 4.4 percent.

Ms. Graham then reviewed ETSU's Statement of Net Position, which shows that as of March 31, 2026, total assets and deferred outflows were approximately $949 million compared to $873 million the prior year.

X. Presentation of FY25 Composite Financial Index

This information item was deferred until the next meeting of the committee.

XI. Quarterly Report of Agreements $250,000 or Greater

Ms. Graham reported on four agreements from the period January through March 2026:

- Pisgah Audio Video Lighting for ETSU commencement ceremonies—a possible five-year contract totaling $285,506
- Exemplifi for university website redesign and hosting—a five-year contract totaling $765,000
- Preston Construction for CPA courtyard pickleball courts, in the amount of $299,849
- Workspace Interiors for Sherrod Library furniture, in the amount of $396,481, piggybacking off a University of Tennessee contract

Ms. Graham indicated that there are three RFPs in process:

- A cap and gown RFP (Jostens is the incumbent)
- A banking RFP (First Horizon and Bank of Tennessee are the incumbents)
- An RFP for janitorial services for ETSU Family Medicine clinics (SSC is the incumbent)

XII. Other Business

There was no other business to come before the committee.

XIII. Adjournment

The committee adjourned at 11:16 a.m.

Respectfully submitted,

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Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its September 11, 2026 meeting.