

Business and Finance Committee - June 2026 Transcript

(00:01):

Trustee Cannata: Secretary, please call the roll.

Dr. Carol Clark: Trustee Cannata?

Trustee Cannata: Here

(00:05):

Dr. Carol Clark: Trustee Johnson?

Trustee Johnson: Here

(00:07):

Dr. Carol Clark: Trustee Kimbrough?

Trustee Kimbrough: Here.

(00:08):

Dr. Carol Clark: Trustee McInnis?

Trustee McInnis: Here.

Dr. Carol Clark: Trustee O'Malley?

Trustee O'Malley: Here.

(00:11):

Trustee Cannata: We have a quorum. I call the meeting to order. Trustees, please remember that only Business and Finance Committee members should participate in discussions on agenda items or cast votes on action items. The minutes for the April 10, 2026 Business and Finance Committee meeting were circulated in advance. Are there any corrections or additions to the minutes? Hearing none, I move to approve the minutes as written. All those in favor say aye.

Trustee Johnson: Second.

Committee Members: Aye.

Trustee Cannata: Opposed say nay. The minutes are approved. Next item on our agenda is the consideration of tuition and mandatory fees for the 2026–2027 academic year. Before asking for

a motion, I'd like to recognize Dr. Shahrooz Roohparvar, Vice President for Finance and Administration, to provide further information.

(01:09):

Dr. Shahrooz Rooparvar: Good morning, committee chair Cannata and board members. Before you is our request to increase the university's undergraduate tuition and fees by a combined 3.23%. The number may sound odd, but it is because we are requesting an increase in tuition by 4% and, because of the strong fiscal stewardship of the divisions, we are not requesting an increase to mandatory fees, thereby causing a weighted total increase of only 3.23%. On the whole, the university has been growing in enrollment but is also facing increased costs to serve our mission. This increase in tuition for undergraduate students will support university operations, including increased obligations such as software license fees, maintenance improvements, historically underbudgeted areas, and proposed salary increases. Our peer LGIs have published increases ranging from 4.3% to 5.6%. APSU will remain the second most affordable university option in Tennessee while narrowing the gap to the most affordable option.

(02:21):

We are also proposing a 4% tuition increase in graduate studies without a mandatory fee increase, creating a combined tuition and fee increase of 3.4% for graduate enrollment. Like undergraduate tuition, APSU will remain the second most affordable tuition option in Tennessee. Our out-of-state rates will also increase proportionally. Thank you for your consideration.

(02:50):

Trustee Cannata: Do I hear a motion to approve the tuition and mandatory fees for the 2026–2027 academic year?

(02:56):

Committee Member: Motion.

(02:56):

Committee Member: Second.

(02:58):

Trustee Cannata: It has been moved and seconded. Is there any discussion?

(03:06):

Trustee McInnis: I'd just like to point out that we don't have the highest increase among the LGIs.

(03:13):

Dr. Shahrooz Roohparvar: We are substantially lower than many of them.

(03:14):

(03:16):

(03:18):

Trustee McInnis: Right. My point is we're doing wonderful things, and we're still not even at the top of the LGIs, which I think is dually noted.

(03:27):

Dr. Shahrooz Roohparvar: Our goal is only to increase tuition to what we need to be successful. We are not looking to build a bank.

(03:34):

Trustee McInnis: Thank you.

(03:34):

Trustee Cannata: Any other comments or discussion?

(03:47):

Dr. Carol Clark: Trustee Cannata?

Trustee Cannata: Yes.

Dr. Carol Clark: Trustee Johnson?

Trustee Johnson: Yes.

Dr. Carol Clark: Trustee Kimbrough?

Trustee Kimbrough: Yes.

Dr. Carol Clark: Trustee McInnis?

Trustee McInnis: Yes.

Dr. Carol Clark: Trustee O'Malley?

Trustee O'Malley: Yes.

(03:55):

(03:58):

Trustee Cannata: The next agenda item is the consideration of the estimated budget for the 25 / 26 fiscal year and the proposed budget for the 26 / 27 fiscal year. Associate vice president for budget and finance, Sondra Hamilton will provide the information on this item.

(04:22):

Sondra Hamilton: Good morning, board members. Carol, I want to speak loud enough that everybody can hear. So I'm here to address and seek approval for the APSU fiscal year 2027 operating budget. Along with that, the estimated budget for fiscal year 2026. I'll mention that the fiscal year 2027 budget reflects a continuation of our current financial operations, which is the fiscal year 2026 budget. There are few significant changes from the current fiscal year. However, I will mention that the proposed budget maintains stability while supporting the university's ongoing priorities and commitments. On the revenue side, we have included a planned 3.2% tuition increase. This increase is developed, of course, in consideration of the university's financial needs as well and remaining mindful of the affordability to our students.

(05:29):

(05:29):

In addition, we have included adjustments to the budget to reflect changes in appropriation and adjusted our sales supporting auxiliary operations to align with actual operating performance and current trends. On the expense side, the budget includes funding for a 1.5% salary increase across university as well as known contractual cost increases. These investments allow us to address compensation and unavoidable operating costs. So at this time our budget does not include funding for new initiatives or strategic investments beyond our current allocations, but as we move through the fall semester and gain a greater clarity on what enrollments will be, we will revisit any potential additional allocation. And if those do come forth, any recommended adjustments will be presented to the board as a part of the revised budget process. This fiscal year 27 operating budget is balanced, fiscally responsible, and it positions the university to continue delivering quality education experiences and maintain sound stewardship over our resources. (06:59):

(06:59):

Thank you for your consideration.

(07:01):

Trustee Cannata: Thank you so much. Do I hear a motion to approve the 2025, 26 fiscal year and the proposed budget for the next 2026, 2027 fiscal year?

(07:11):

Trustee McInnis: So moved.

(07:12):

Trustee Johnson: Second.

(07:12):

Trustee Cannata: It's moved and seconded. Is there any discussion?

(07:16):

Trustee Kimbrough: I'm going to make a comment question. When I look at the budget, 87% of our revenue comes from really two sources. One would be tuition, which we just discussed, the need to increase that and the other from the state. The state is flat to down estimated for next year, which puts even more pressure on tuition. So just a comment that may be an ongoing issue going forward is if the state doesn't step up more of their funding for us. The other thing I would like to amend the administration for is this is a fairly flat budget. When you look at, it's about a 1.7% increase overall and most of that is in student services or salaries. So it's not like this is overly aggressive spending wise. So I commend the administration for really trying to tighten the best and if we had not done that, the tuition issue would have been even approved.

(08:16):

(08:16):

And so those are kind of a comment. I'd like Mike or anyone else to respond to that if they would like to.

(08:23):

President Mike Licari: Sure. Thanks. Yeah. The university budget, as you might imagine, has got a lot of moving parts. The primary chief revenue for us are state appropriations and then cheaply. Part of the reason why we're able to keep our tuition increase as low as it is is through careful management of our resources, then also taking advantage of the fact that we've had strong enrollment growth over the last several years and I told campus many times that at the end of the day, the bottom line is ... Our enrollment is the bottom line and so we're enjoying that. We do need to make sure that our spending doesn't get out of control. You can get all excited about having lots of students on campus, but we need to make sure that, especially given what the state is doing now, we need to be more careful in how we plan a prospective fiscal year. (09:36):

(09:36):

And so that's why you have a fairly conservative budget in front of you right now.

(09:40):

Sondra Hamilton: Thank

(09:41):

Trustee Cannata: Great comments. Any other comments or questions or discussion? Hearing none, secretary, please call the role.

(09:50):

Dr. Carol Clark: Trustee Cannata?

(09:51):

Trustee Cannata: Yes.

(09:51):

Dr. Carol Clark: Trustee Johnson?

Trustee Johnson: Yes.

Dr. Carol Clark: Trustee Kimbrough?

Trustee Kimbrough: Yes.

Dr. Carol Clark: Trustee McInnis?

(09:55):

Trustee Cannata: Yes.

(09:56):

Dr. Carol Clark: Trustee O'Malley.

(09:58):

Trustee O'Malley: Yes.

(09:58):

Trustee Cannata: The motion carries. The next agenda item is the consideration of the capital outlay and maintenance request for 2027, 2028 the school year. Dr. Roohparvar. please provide information

(10:11):

Dr. Shahrooz Roohparvar: Please. Thank you, Trustee Cannata. You all have a four year request for consideration of our annual submission to the Tennessee Higher Education Commission for our capital outlay and maintenance requests. If approved by this board, our request will be evaluated by THEC for completeness and then submitted to the governor's office for

consideration of inclusion in the 2027-2028 state budget. For our capital outlet submission, we'll be presenting the renovated military academic building. The total project cost for this building is 40.8 million. The project will renovate the underutilized building on the east side of the Forterra Stadium and converted into nearly 14,000 square feet of classroom and learning lab space for culinary arts, sports communication and the Institute for National Security and Military Studies. In addition, the new space will also be utilized for our growing ROTC program. Regarding our deferred maintenance, we will submit a total request of roughly \$12.3 million for the highest need repairs across campus. (11:13):

(11:13):

The top priority for those is to complete the Dunn Center HVAC upgrade and update the majority of buildings, fire alarms and central monitoring infrastructure. Thank you for your consideration.

(11:26):

Trustee Cannata: Do I hear a motion to approve the capital outlay and maintenance request for the 2027, 28 fiscal year?

(11:32):

Trustee Johnson: Motion.

(11:33):

Trustee McInnis: Second.

(11:33):

Trustee Cannata: It's moved and seconded. Is there any discussion?

(11:37):

Trustee McInnis: I have a quick question.

(11:38):

Trustee Cannata: Yes.

(11:38):

Trustee McInnis: Is the culinary arts program, isn't it currently at the Fort Campbell Center?

(11:43):

Dr. Shahrooz Roohparvar: Yes.

(11:43):

Trustee McInnis: So is it moving to this building after this is done?

(11:49):

President Mike Licari: The Fort Campbell Center, the culinary arts program is housed at Fort Campbell, not in our Fort Campbell Center. It's in actually the army education building and so it is in a facility that is not only by us and so that makes upgrades and repairs and things like that to the kitchen a little bit more concluded. It also makes it more difficult to continue to grow that program. The program should be much larger than it is, frankly, because of the demand in the field. And so the new building proposal on campus would allow us to greatly expand that program and allow us to more easily manage it.

Trustee McInnis: Thank you.

(12:40):

Trustee Cannata: Any other conversation questions? Yes.

(12:45):

Trustee Johnson: As far as state funding for capital projects, how do we compare this year to last year?

(12:57):

Dr. Shahrooz Roohparvar: In terms of what we anticipate?

Trustee Johnson: *inaudible*

(12:57):

Dr. Shahrooz Roohparvar: We don't know the exact amount that they plan to allocate, but there is a pool for deferred maintenance at state FNA that measures about 40 to 50 million dollars every year in the budget and that amount usually comes to the university in two to three million dollars for us. It's split between all the LGIs, TPR and UT. Last year we got three million dollars.

(13:29):

President Mike Licari: Last year we got this year, the order just ending is three million, which is about what we've been getting each year and our total deferred maintenance is well over a hundred million dollars.

(13:40):

Dr. Shahrooz Roohparvar: 130.

(13:41):

President Mike Licari: Yeah, 130. So three million dollars per year doesn't even allow us to do that. *inaudible*

(13:56):

Dr. Shahrooz Roohparvar: I tried to come up with a solution and I asked my head of physical plan to not let anything else break. We're trying to use right there and have *inaudible*

(14:12):

Trustee Cannata: Comments, questions, observations.

(14:12):

inaudible

(14:22):

(14:32):

President Mike Licari: You can see any one of those particular projects with three million... *inaudible* We're hardly alone. Every single is in pretty much the same one.

(14:44):

Trustee Cannata: Thank you very much. Secretary, please call up.

(14:46):

Dr. Carol Clark: Trustee Cannata?

(14:46):

Trustee Cannata: Yes.

(14:46):

Dr. Carol Clark: Trustee Johnson?

(14:46):

Trustee Johnson: Yes.

Dr. Carol Clark: Trustee Kimbrough?

Trustee Kimbrough: Yes.

(14:50):

Dr. Carol Clark: Trustee McInnis?

(14:51):

Trustee Cannata: Yes.

(14:51):

Dr. Carol Clark: Trustee O'Malley.

(14:53):

Trustee O'Malley: Yes.

(14:53):

Trustee Cannata: Motion carries. The next item on our agenda is the revision to policy 1021, which is fees, charges, refunds, and fee adjustments. Dr. Roohparvar has provided information on this item.

(15:12):

Dr. Shahrooz Roohparvar: Thank you, Trustee Cannata. You all have before your request to amend APSU policy 1021 to include language to ensure the university is compliant with the new state law that goes into effect July 1, 2026. The law requires all public university boards to create a policy for the use of undergraduate tuition and fees of out of state tuition ... I'm sorry. All undergraduate tuition and fees of out of state students to be used in a way to quote "mitigate the tuition and fee costs for in- state undergraduate students" end quote. The language we have included in this policy is intended to be a placeholder to ensure compliance with the new law. We plan to revisit this policy with the board after we receive additional guidance from the state regarding its exceptions and expectations of the schools. As it stands, this is already APSU's practice. Our out-of-state tuition and fees go to the university's general revenue and expenses, thereby reducing the cost burden on in- state students. (16:18):

(16:18):

Your earlier action item for the tuition increase was a percentage derived only after including all out- of-state tuition fees in the revenue and expenses of general operations. This policy has been reviewed and is supported by the university policy committee, which includes university leadership, the faculty senate, staff, and student government association. Thank you for your consideration.

(16:42):

Trustee Cannata: Do I hear a motion to approve the revision to policy 1021?

(16:47):

Trustee McInnis: Moved.

Trustee Johnson: Second.

(16:49):

Trustee Cannata: It's moved and seconded. Are there any questions, comments, or conversation about this? Hearing none, secretary can tell the role.

(16:58):

Dr. Carol Clark: Trustee Cannata?

(16:58):

Trustee Cannata: Yes.

(16:59):

Dr. Carol Clark: Trustee Johnson?

(16:59):

Trustee Johnson: Yes.

(16:59):

Dr. Carol Clark: Trustee Kimbrough?

(16:59):

Trustee Kimbrough: Yes.

(16:59):

Dr. Carol Clark: Trustee McInnis?

(16:59):

Trustee Cannata: Yes.

Dr. Carol Clark: Trustee O'Malley.

Trustee O'Malley: Yes.

(17:04):

Trustee Cannata: The motion carries. The last agenda item is informational and is the review of the university's organizational chart. Dr. Roohparvar, please provide information on this.

(17:18):

Dr. Shahrooz Roohparvar: Thank you, Trustee Cannata. Today's information item is an update to the university's leadership organization. In your board materials, you have a breakdown of the changes that were made to the structure from this year's chart. The changes are primarily effective July one, but some may have already occurred. The primary changes other than titles are as follows. The role of strategic communications was created ... I'm sorry, chief of strategic communications was created and filled by Ginna Hollaman. This position oversees marketing and public relations. Ginna oversees those departments as part of their own division and reports directly to the president. Student Affairs head of the organization making the executive director of career engagement a direct report to the vice president along with new reporting structures within the division. In athletics, the head of the division is now titled the athletic director. They also eliminated the previous deputy director and COO role and divided those responsibilities among others who were promoted to new roles. (18:17):

(18:17):

Additionally, they created two new roles to further who have been athlete success. The other divisions primarily amongst the other divisions only have had to change. Thank you for your time and my colleagues are.

(18:35):

Trustee Cannata: Outstanding organizational trial. Thank you. Are there any comments or questions about this occur? We do not need any action on that and so at this time without further questions or conversation, it is time to adjourn. I move that we adjourn.

(18:35):

Trustee McInnis: Second.

(18:35):

Trustee Cannata: It's moved and seconded. All those in favor say aye. Aye. The ayes have it and the meeting is adjourned.