EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

September 11, 2026
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, September 11, 2026, at 11:39 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Board of Trustees Chair Melissa Steagall-Jones called the meeting to order at 11:39 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 Thomas Bales
Trustee Dr. Bert Smith
Trustee Melissa Steagall-Jones
Trustee Grant Summers

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

III. Approval of the Committee Minutes from May 21, 2026

The minutes from the May 21, 2026, meeting of the Finance and Administration Committee were approved as submitted. Trustee Grant Summers made the motion to approve, and Trustee Charles Allen seconded the motion. The committee approved the motion by voice vote.

IV. Action Item: Approval of Policy on Use of Out-of-State Undergraduate Tuition and Fee Revenues

Ms. Christy Graham, Chief Financial Officer, told the committee that Tennessee Code requires the university to establish a utilization plan for revenues derived from out-of-state undergraduate tuition and fees and to address how those revenues may be used to

help mitigate tuition and fee costs for in-state undergraduate students. She said policy provides the university appropriate flexibility in the use of these revenues and that they may be used for general institutional purposes including academic instruction, student services and student success initiatives, faculty and staff compensation and benefits, financial aid and scholarships, and facilities, infrastructure, and technology. She added that policy also connects these revenues to the university's annual budget and financial planning process. The university will consider how out-of-state undergraduate tuition and fee revenue may help support affordability for in-state undergraduate students. Ms. Graham said a single use for the revenue each year is not prescribed. Instead, she said, a framework is established as required by state law while preserving the Board of Trustees' and the university's ability to make decisions through the annual budget process, based on needs and priorities.

Trustee Grant Summers made a motion that the policy be adopted as presented. Trustee Dr. Bert Smith seconded the motion. The committee approved the motion by voice vote.

V. Action Item: Update on ETSU Foundation and Request for Naming

Mr. Howard Reddy, Vice President for University Advancement, reported on progress within Advancement and the ETSU Foundation since assuming his role in November 2025. He highlighted efforts to improve operational processes, strengthen donor relations and alumni engagement, implement a more strategic fundraising model, and raise $1.3 million during Forever ETSU Week 2026. He also noted that the ETSU Foundation continues to receive a clean, unmodified audit.

Mr. Reddy reported the establishment of a Foundation Real Property Committee to take a more proactive approach to real estate opportunities. Recent acquisitions include the former Knight's Pizza property and a property in College Heights. He also noted expanded donor communications and record attendance at the most recent Distinguished President's Trust Dinner.

Reviewing fundraising performance, Mr. Reddy reported that ETSU raised $13.3 million during fiscal year 2025-26, an increase of $2.1 million over the previous year. The university received more than 15,000 gifts from 5,630 donors, including nearly 2,000 first-time donors. Through the first two months of fiscal year 2026-27, more than $2.4 million has already been raised, exceeding the same period last year by $865,000. Foundation investments totaled $202.3 million as of June 30, 2026, with strong recent returns.

Mr. Reddy emphasized the Foundation's impact in supporting people, programs, places, and community. During fiscal year 2026, more than $4.4 million was awarded in scholarships, while donor support continued to benefit academic programs, athletics, healthcare initiatives, faculty development, and student success. Philanthropic support has also played a significant role in major facility projects across campus, including the

Academic Building, Brown Hall, Lamb Hall, as well as William B. Greene Stadium and other athletic facilities.

A highlight of the presentation was a naming request for the College of Arts and Sciences following a historic $15 million gift from the Phil and Martha Bachman Foundation. The gift includes $10 million for scholarships, $3 million to support the Academic Building and Brown Hall renovation, and $2 million for a dean's discretionary fund. Mr. Reddy noted that the contribution fulfills the fundraising requirements for both major building projects. Phil and Martha Bachman, were longtime residents of Greeneville and owners of five automotive dealerships in the region. Additional donor recognition will be located in the Academic Building, and the Brown Hall courtyard.

Mr. Reddy thanked the Board of Trustees for fostering an environment that made such a transformational gift possible, and he recognized Denise Asbury and Suzanne Stouffer for their efforts in securing the historic commitment.

President Noland thanked Mr. Reddy and his staff for their leadership and stewardship in securing the transformational gift. Following the presentation, Trustee Charles Allen moved to approve naming the college the Phil and Martha Bachman College of Arts and Sciences, Trustee Grant Summers seconded the motion, and the committee approved the motion by voice vote.

VI. Action Item: Employment Agreement

Board of Trustees Chair Melissa Steagall-Jones stated that as authorized by the Bylaws of the Board of Trustees, the board is responsible for the election and removal of the chief executive officer (president) of the university and the fixing of his or her compensation. She added that it is an honor to work with President Brian Noland and praised him for the stability he brings to ETSU. Chair Steagall-Jones then made a motion that the Finance and Administration Committee recommend adoption of the following resolution by the Board of Trustees, approving the term sheet previously provided to the Trustees outlining a new employment agreement for Dr. Brian Noland:

RESOLVED, that the East Tennessee State University Board of Trustees approves a new employment agreement for Dr. Brian Noland, effective January 1, 2027, with compensation and other terms of employment as set forth in the term sheet previously provided to the Trustees; and

FURTHER RESOLVED, that the Board of Trustees authorizes and directs the Chair of the Board to work with ETSU's University Counsel to finalize and execute a definitive employment agreement consistent with the approved term sheet.

Chair Steagall-Jones asked for a second. Trustees Summers seconded the motion. Then Chair Steagall-Jones then asked if there were any questions, comments, edits or discussion.

Trustee Allen then offered the following *comments* and requested that they be included in the official record:

Trustee Allen prefaced his remarks by saying that they were in no way a reflection on Dr. Noland, that he had discussed his concerns with Dr. Noland directly and with the trustees in executive session, and that his concerns would be the same regardless of who held the office of President. Trustee Allen further said that he thought Dr. Noland had done a wonderful job and that he hopes Dr. Noland stays at ETSU for the rest of his career.

Trustee Allen then stated that he had problems with the terms of the contract and the way it is being proposed for the following reasons:

1. *In the past, ETSU has always had a five-year fixed contract with the President, which is the same type contract that all the Universities in Tennessee have with their presidents including the University of Tennessee. It is also the same type of contract that almost all of the universities in the Country have with their President. He acknowledged that someone had found one university, possibly Purdue, that has a contract longer than five years, but in general almost all universities in the country have contracts that are five years or less.*

2. *The way this contract is proposed, it runs for five years and for each year that passes an additional year is added on. So, after the first year, a year drops off and a year is added so it is still five years long. This continues after the second year, third year and so on. At the end of five years, it still has five years to run, which in effect makes it a ten-year contract.*

3. *The Association of Governing Boards (AGB), of which ETSU is a member, which advises Boards on best practices for the Boards themselves and on governance and presidential contracts, says that it's inadvisable to have a contract longer than five years. They prefer three and their reasoning is that they want the Board involved in the review and extension of any contract on an annual basis.*

4. *The way this contract is proposed is it automatically extends every year. The Chair presumably would be involved, but the Board would not be involved.*

5. *The proposed contract is in direct contradiction to what AGB recommends and it's a direct contradiction to what most universities have.*

6. *Trustees have a duty to be involved. The most important thing Trustees do is hire and work with the President of the University. The budget is also very important, but the President is probably the most important.*

7. *Delegating the Board's involvement to one person is not in ETSU's best interest. This is not directed toward the Chair, but you never know who will be in that seat. It is therefore not in the University's best interest for the Board to say, in effect, that it will not fulfill one of its primary responsibilities.*

8. *The Board has not seen a copy of the contract, and he did not believe the contract had even been drafted. The Board only has a term sheet.*

9. *If the contract were to be approved, at a minimum the Board should have the contract in front of it and have independent legal counsel to advise the Board.*

10. *It was discussed earlier today that the current contract has an inadvisable provision having to do with a president being terminated for cause. No one pointed this out to the Board in the past. He noted that this was not a concern with respect to Dr. Noland and that he was speaking generally about the framework of the contract presented.*

Trustee Allen stated that when he joined the Board, he took an oath to fulfill a fiduciary obligation to do what he believes is in the best interest of the University, and therefore he could not vote for the contract today.

The Chair called the question. The motion carried by voice vote, with Trustee Allen voting no. Trustee Allen asked to be recorded as voting no and noted that because the committee vote was not unanimous, the item could not be placed on the consent agenda for the regular Board meeting

VII. Presentation of FY25 Composite Financial Index

Ms. Christy Graham, Chief Financial Officer, presented an overview of the Composite Financial Index which provides a measure of the financial health of the institution. She said the Primary Reserve ratio measures financial strength and flexibility and compares expendable net assets to total expenses. The Viability ratio measures capacity to repay debt with reserves. The Return on Net Assets ratio indicates whether an institution is better off this year than last year. And the Net Operating Revenues ratio indicates whether an institution is living within available resources. Ms. Graham reported that ETSU's total Composite Financial Index for FY25 was 4.58, which is above the standard of 3.0 and well above the watch level of 1.0. She concluded by asserting that the university continues to maintain a sound overall financial position.

VIII. Quarterly Financial Update

Ms. Graham reminded the committee that fiscal year 2026 was the first full year of operations under the new Voyager system. She said the new chart of accounts gives significantly greater precision in how we classify financial activity as compared to Banner. Because of the changes in accounting and reporting brought about by the

adoption of the Voyager/Oracle system, discussion centered primarily on overall revenues and expenditures, rather than individual line-item variances.

Ms. Graham reported that unrestricted E&G revenues increased by $26.7 million or 6.25%, from $426.5 million last year to $453.2 million this year. Tuition and fees increased by $11.2 million and state appropriations by $7.7 million. Total unrestricted expenditures increased by $5 million or 1.14%. Ms. Graham said the 1.14% increase should not be interpreted as flat operating activity. She indicated that recurring salary costs grew while the compensated absence accounting adjustment substantially offset increases elsewhere in the table. Total current operating revenues increased by 4.5% to $617.3 million.

Ms. Graham gave a brief analysis of ETSU's Statement of Net Position, noting that total assets increased substantially year over year, with the largest contribution being growth in capital assets. She said the amounts presented to the committee are preliminary and subject to change.

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

Ms. Graham reported on two contracts. The first involves Dell in the amount of $389,988 for annual computer lab upgrades. The other is for janitorial services for the ETSU Family Medicine clinics, in the amount of $564,000. Ms. Graham reported on RFPs that are in process: for Contract Lifecycle Management software and banking contracts for state funds and the ETSU Foundation. She added that an RFP has been awarded to Jostens for caps and gowns.

X. Other Business

There was no other business to come before the committee.

XI. Adjournment

The committee adjourned at 12:24 p.m.

Respectfully submitted,

Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its November 6, 2026 meeting.