



SNAPSHOT

Comptroller's Special Report: Tennessee State University

February 2023

Enrollment at Tennessee State University has reached record highs in recent years, leading to an increased need for off-campus housing. Concerns from state officials about TSU's increasing reliance on off-campus housing, coupled with the university's history of poor financial practices, led the Comptroller's Office to begin a review of TSU on September 6, 2022. The purpose of the review was to answer state officials' questions about TSU's housing shortage and to support the General Assembly and TSU in identifying what is needed in the future for student success as well as the university's overall success.

Key Conclusions

TSU management has repeatedly fallen short of sound fiscal practices, adequate documentation, and responsive communications to concerned parents and students. In addition, there have been repeated inconsistencies between testimony given by TSU officials and actions later carried out. For years, TSU management's response to audit findings from the Comptroller's Office has been that staffing shortages and lack of training have created the problems and that new policies, programs, and staff would correct the issues. These issues have continued to persist, however, and neither the TSU Board of Trustees nor TSU management has taken sufficient remedial action.

There was inadequate documentation that students qualified for scholarships based on a random sample of TSU student files reviewed by the Comptroller's Office. Multiple parents and students have contacted the Comptroller's Higher Education Resource Officer since July 2022 with concerns about scholarship and housing-related matters at TSU.

In addition, there have been repeated inconsistencies between testimony given by TSU officials and actions later carried out regarding hotel leases and the housing of freshmen in off-campus locations.

TSU management's lack of planning and management, especially regarding scholarship practices, exacerbated the university's existing housing problem. At a time when record enrollment and student demand for housing had already created a housing shortage at the university, TSU management conducted an extensive recruiting campaign and more than quadrupled the scholarship budget, raising the total amount budgeted for scholarships from \$6.4 million to \$28.3 million for the 2022-23 academic year. TSU began making these scholarship offers, many of which guaranteed housing, in September 2021 at a time when the university was leasing one hotel and an apartment complex to cope with its existing housing shortage.

TSU's housing problem is likely to continue for the foreseeable future. TSU plans to construct two new residence halls in the future, which would raise its inventory of on-campus beds to 4,680. However, there are existing residence halls at TSU that have been identified for demolition. These existing residence halls contain approximately 1,500 beds, roughly 41 percent of the university's current on-campus bed inventory. Demolishing these four residence halls while building two new residence halls yields a net reduction of roughly 500 on-campus beds.

The report includes 12 policy considerations, ranging from replacing TSU's Board of Trustees and management to enhanced reporting from current TSU leadership. A draft of the Comptroller's special report was reviewed by TSU, the Tennessee Board of Regents, and the Tennessee Higher Education Commission in February 2023. Their response letters are included in the report.

To read the full report, visit the Comptroller's OREA website at tncot.cc/tsu.