



Letter to Tuskegee University Community
March 6, 2018

As we continue our work in this current fiscal year, and as we look ahead, we must remember that Tuskegee University's greatest assets, whatever the climate or concern, are its exceptional faculty, staff and students and deeply committed alumni, parents and friends. There is no challenge great or small that can diminish the commitment of the Tuskegee community to educate future leaders and to advance the boundaries of knowledge. Together we will work to ensure that Tuskegee University remains strong, meets challenges and harnesses opportunities well within our reach and even beyond. We will do this with harmony and focus and the highest level of respect.

As Trustees, we have the honor and privilege, among others, to receive and administer invested funds, set the annual budget, and determine policies for the operation and control of the university. Currently, the Board of Trustees is comprised of 22 individuals who span across multiple professional disciplines and experiential backgrounds. We are delighted and pleased with the progress we have made together in the last three years and must now continue and capitalize on this positive progress for the benefit our students.

Dr. Morris' service as Interim President has been exemplary. Her leadership along with Provost Sara is critical in our efforts to secure the best student outcomes that the university has experienced. Together we are all focused on enrolling, retaining, and graduating students that will add to the Tuskegee heritage. Our heritage is one that is well documented and has been shared and made available to the American society and indeed globally. We as Trustees embrace and uphold and commit to this core value: "Education of the whole student, the head, the heart, and the hand." We all have a role in ensuring this value, especially our faculty and our alumni who well support our educational endeavors with their time talent and treasure.

We have successfully met our most recent challenges and are now focused on creating an institution with a student centered culture. We are also keenly aware of our financial stewardship. One area we will measurably improve is endowed student scholarships, which will be a focus of the board and senior administration to ensure that our students have every avenue of non-loan financial support. Here are some brief aspects of what we have been able to accomplish through diligent and competent management and oversight.

Fiscal Integrity and Governance

- The endowment has continued to have great performances at or above its benchmark. With its current value of \$125 million, the endowment had a one year return of 13% and three year return of 4.8% as of September 2017.
- In June 2017, the university was notified by SACSCOC that the warning status placed on the university in 2014 had been lifted. The university has submitted its compliance certification report to the SACSCOC and is prepared for the on-site team visit March 20 – 22, 2018.
- From fiscal years 2015 to 2017, long term debt declined more than 10 percent to \$128 million from \$157 million.

- The university also relied less on its line of credit during this same period. Spending on the line of credit reduced 28% to \$7.3 million at the end of 2017. The university has further reduced the amount owed during fiscal year 2018.
- During this same period, the university's operating surplus increased from \$2.4 million to \$5.1 million in fiscal year 2015 and a surplus of over \$9 Million in 2017.
- In Fiscal Year 2018, TU was the first HBCU since the final months of President Obama's Administration to successfully transact a loan under the HBCU Capital Finance program with favorable financing and as the first HBCU to complete such transaction with the current administration. TU reduced its borrowing interest rate to below 2% and reduced its annual debt service and expenses annually by approximately \$1 million.
- The board, which consists of 44% TU alumni, is determined to enhance its board structure and competency with men and women of significant skills and competency where we had gaps which existed to some extent in the areas of fundraising, financial management, asset management, and audit. As a result, the Board has been intentional in bringing on new members with strong competencies, diverse career and experiential backgrounds, and added a student and faculty representative.
- As a board we have embraced, since 2016 and are evolving toward a strong shared governance model to ensure we hear all the voices and thoughts as we deliberate as a board on most matters and on how to best support instruction research and service at TU.

Administrative Structure

Interim President Morris has assembled some of the best and brightest professionals to serve TU in various capacities from chief academic officer to chief financial officer and new positions such as chief operating officer, all to enhance the TU environment and implement our strategic plan. We have also identified and support the inclusion of a "chief alumni officer" to better serve and connect with our alumni across all generations and geographic locations.

We do not take for granted that we can and must do better. We believe through customer service, frequent and effective communication, alignment on strategy structure and culture will serve TU well. We still must improve our outreach, transparency and communication with all stakeholders at both the local and national levels.

As a starting point, it is vital that we establish mechanisms through which the board and the constituencies at TU can communicate with each other. We will establish by April 1, 2018 a Joint Committee to create and advance an open, trusting, and respectful environment between the board and alumni, students, faculty, community, stakeholders and accreditors.

The board will greatly benefit from the added viewpoints as it considers policy options; the stakeholders will benefit from understanding the deliberations of the board. With this in mind, we propose to establish a Joint Committee of the Board with membership to be filled by board members and representatives of the key constituencies in the TU community. As a forum for communication between the Board and the TU community, the Joint Committee is meant to surface the wide range of issues that are ripe for discussion at TU. This Joint Committee will be reassessed in the coming years. The committee will meet several times each year and will report regularly to the Board on its discussions, with particular focus on the TU community's viewpoints and concerns regarding TU's policies and directions. We will be asking the colleges and schools to choose the appropriate faculty

representatives who will sit on the Joint Committee, so that the first meeting of the new Joint Committee can be convened on or about May 1st of this year. One item we will work on and ensure is that alumni are expressly referenced in our mission statement.

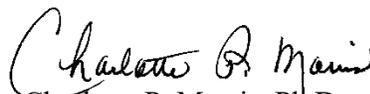
Board of Trustees and Interim President's Joint Statement on Leadership

As leaders, we are committed to the current direction of Tuskegee University. The current board leadership and the senior administration are guided by the work of our strategic plan and will continue to work in harmony to "Educate the whole student, the head, the heart, and the hand." In the American higher education system of shared governance, governing boards share governance duties with the president and faculty, while respecting academic freedom and soliciting input from a broad campus constituency. However, under the law, only governing board members and officers hold fiduciary responsibility. Fiduciary responsibility entails three particular duties to the institution, commonly known as the fiduciary duties of care, loyalty, and obedience. Thank you for your steadfast commitment to Tuskegee University. We are certain that our continuing efforts and resulting dialogue will result in great reward and benefit for the Tuskegee community.

Finally, as we continue to pursue academic excellence in every facet of the campus community as indicated above, we encourage each of us to put any personal agendas aside and place above all else our beloved Tuskegee University. Thank you again for your continuing support of our efforts.

Sincerely,


John E. Page
Chair, Board of Trustees


Charlotte P. Morris, Ph.D.
Interim President


Tejinder Sara, Ph.D.
Provost