

DATE: November 15, 2017

SUBJECT: 2018-19 Student Fee Recommendations

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION

The Complete College Tennessee Act requires THEC to make student fee and state appropriation recommendations concurrently. Numerous factors impact the tuition recommendation, including affordability and financial aid, institutional revenues, and cost inflation. The FOCUS Act expanded THEC's authority on student fee levels, requiring that THEC issue binding tuition ranges each year. These ranges apply to resident, undergraduate students on their tuition (maintenance fee) rate, as well as the combined tuition and mandatory fee charge, and are set following the General Assembly's approval of a budget in the Spring. The ranges recommended for approval today are intended for guidance.

TENNESSEE'S TUITION AND FEE PROFILE

Average full-time, annual tuition and mandatory fees for 2017-18 is \$9,233 at public universities, \$4,332 at community colleges, and \$3,737 at the Tennessee Colleges of Applied Technology. Tennessee's public higher education tuition and fee levels are considered average compared to peers across member states of the Southern Regional Education Board. Over the last five years, tuition and mandatory fees have increased an average of three to four percent annually, while state appropriations have increased an average of nearly six percent per year.

Tennessee's financial aid resources are among the highest in the U.S., according to the National Association of State Student Grant Aid Programs. Tennessee has the ninth largest financial aid program and the fourth largest per capita. Funding for the lottery scholarship and Tennessee Student Assistance Award comprise the majority of financial aid in Tennessee. Due in part to these funding levels, Tennessee's bachelor's degree graduates have the 17th lowest debt level in the nation, according to the Project on Student Debt. Debt information on students who do not graduate, however, is unavailable at this time.

RECOMMENDATION

Considering an appropriations request for formula units of \$55 million, THEC staff recommend a guiding tuition (maintenance fee) range of zero to three percent for all public universities, community colleges, and Tennessee Colleges of Applied Technology, as well as a guiding tuition and mandatory fee range of zero to three percent.

Scenarios for tuition increases in 2018-19 of zero, one and a half, and three percent are presented and summarized in Attachment I. Attachment II presents a history of tuition and mandatory fee increases across all public levels.

At this time, staff recommend the Commission adopt the tuition and tuition and mandatory fee ranges as guidance only, with flexibility to approve final, binding ranges later in the fiscal year once clarity around the state budget and overall impact on higher education funding is determined. It is anticipated that final ranges will be presented to the Commission at the May 2018 quarterly meeting.

ATTACHMENT I

2018-19 Tuition Recommendation

THEC Recommendation Summary

Universities	0% to 3% Tuition Increase
CCs	0% to 3% Tuition Increase
TCATs	0% to 3% Tuition Increase

Tuition and Fee Levels

	2017-18		2018-19 Scenarios		
	Mandatory Fees	Tuition	Tuition Increase ¹		
			= 0.0%	= 1.5%	= 3.0%
APSU	\$1,529	\$6,696	\$8,225	\$8,325	\$8,426
ETSU	1,791	7,224	9,015	9,123	9,232
MTSU	1,772	7,176	8,948	9,056	9,163
TSU	1,050	6,726	7,776	7,877	7,978
TTU	1,217	7,656	8,873	8,988	9,103
UM	1,637	8,064	9,701	9,822	9,943
UTC	1,776	6,888	8,664	8,767	8,871
UTK	1,860	11,110	12,970	13,137	13,303
UTM²	1,418	7,509	8,927	9,040	9,152
CC Avg	300	4,032	4,332	4,392	4,453
TCATs	230	3,507	3,737	3,790	3,842

1 - Percent increase applied to tuition and not to the mandatory fees.

2 - The 2016-17 UTM tuition rate for full-time students who have completed fewer than 60 credit hours is a flat rate for 15 hours a semester regardless of how many hours the student is enrolled in. Part-time students and full-time students who have completed more than 60 credit hours are charged a flat rate for 12 hours regardless how many hours the student is enrolled in. The tuition presented here is an average of those two tuition rates.

Note: "Tuition" is used here for ease of understanding, though UT, TBR, and the LGIs use the term "Maintenance Fee."

ATTACHMENT II

Tuition and Mandatory Fees History

Tuition and Mandatory Fees History

	2012-13	2016-17	2017-18	1 Year Change	5 Year Change
APSU	\$6,918	\$7,995	\$8,225	2.9%	18.9%
ETSU¹	6,997	8,671	9,015	4.0%	28.8%
MTSU	7,492	8,610	8,948	3.9%	19.4%
TSU	6,702	7,568	7,776	2.7%	16.0%
TTU	6,948	8,551	8,873	3.8%	27.7%
UM	8,234	9,497	9,701	2.1%	17.8%
UTC	7,212	8,544	8,664	1.4%	20.1%
UTK²	9,092	12,668	12,970	2.4%	42.7%
UTM³	7,056	8,783	8,927	1.6%	26.5%
CC Avg	3,684	4,226	4,332	2.5%	17.6%
TCATs	3,146	3,647	3,737	2.5%	18.8%

Mandatory Fees Only History

	2012-13	2016-17	2017-18	1 Year Change	5 Year Change
APSU	\$1,224	\$1,473	\$1,529	3.8%	24.9%
ETSU¹	1,075	1,669	1,791	7.3%	66.6%
MTSU	1,594	1,680	1,772	5.5%	11.2%
TSU	930	1,039	1,050	1.1%	12.9%
TTU	1,200	1,171	1,217	3.9%	1.4%
UM	1,256	1,637	1,637	0.0%	30.3%
UTC	1,490	1,776	1,776	0.0%	19.2%
UTK	1,290	1,810	1,860	2.8%	44.2%
UTM	1,103	1,408	1,418	0.7%	28.6%
CC Avg	284	296	300	1.1%	5.6%
TCATs	200	230	230	0.0%	15.0%

1 - ETSU phased in mandatory fees approved for the renovation of the D. P. Culp Center beginning in 2015-16. The fees reported in 2016-17 include the additional debt service fees of \$240 and an additional Student Activity fee of \$50 charged to freshmen, sophomores, and juniors.

2 - The tuition rates for students admitted in the Fall of 2013 and later are flat rates for 15 semester credit hours, regardless of the number of credit hours taken by the student. This policy ("Fifteen in Four") was approved in 2012 by the UT Board for introduction in Fall 2013. The 2016-17 tuition rate presented is a weighted average.

3 - The 2016-17 UTM tuition rate for full-time students who have completed fewer than 60 credit hours is a flat rate for 15 hours a semester regardless of how many hours the student is enrolled in. Part-time students and full-time students who have completed more than 60 credit hours are charged a flat rate for 12 hours regardless how many hours the student is enrolled in. The tuition presented here is an average of those two tuition rates.