

Agenda Item: V. A. **DATE:** May 17, 2019**SUBJECT:** Tuition Policy Revision**ACTION RECOMMENDED:** Approval

BACKGROUND INFORMATION

The Tennessee Higher Education Commission (THEC) Policy Manual outlines the roles and responsibilities of the Commission and its staff in the areas of academic affairs, finance, human resources, legal and regulatory affairs, and general operations.

F2.0 Tuition and Fees Proposed Policy Revision

This policy was originally approved on April 22, 1988 and was last updated on May 11, 2017. It outlines the Commission's procedures for determining and issuing annual ranges for tuition and fee levels. The FOCUS Act expanded THEC's authority, authorizing the Commission to issue *binding* tuition and fee ranges for in-state, undergraduate students. Proposed revisions to this policy first specify the Commission staff's responsibility to assess compliance with issued ranges. Second, the revisions allow any institution to formally request a one-time assessment for compliance that recognizes the institution's shift to a tuition model that incentivizes on-time completion.

RECOMMENDATION

The proposed revisions to THEC Policy F2.0 Tuition and fees have been thoroughly reviewed by fiscal policy staff and the Office of General Counsel, and are recommended for approval and adoption.

Section Title: Financial Policies

Policy Title: Tuition and Fees

Policy Number: F2.0

2.0.10 **Scope and Purpose.** Since the passage of its enabling legislation, the Commission has engaged with state leaders, institutions, and consumers to advance access and affordability in the higher education sector. The Focus On College and University Success (FOCUS) Act of 2016 augmented the Commission’s responsibility and authority in the financing of higher education in Tennessee, including granting the Commission binding authority on tuition and fee policy.

2.0.20 **Authority.** As the coordinating body for higher education in Tennessee, the Commission is empowered by statute to develop a comprehensive strategic financial plan, focusing on student tuition and other charges; operate an outcomes-based funding formula, which considers the impact of tuition, maintenance fees, and other charges assessed by each institution; promulgate and adopt rules concerning residency, fee waivers, and tuition discounts; and develop and approve tuition policies binding upon all state institutions of higher education.

2.0.30A **Procedures.** The Commission shall review the tuition and institutional fee rates for all state institutions of higher education on an annual basis.

2.0.30B The Commission shall annually develop and approve a tuition and fee policy applicable to tuition and fees charged to in-state, undergraduate students, commonly referred to as “in-state tuition” or “maintenance fees.” This policy shall be binding upon all state institutions of higher education.

2.0.30C The Commission shall have no authority to set a tuition and fee policy applicable to non-resident or graduate students.

2.0.30D The Commission’s tuition policy shall include two (2) approved ranges of allowable percentage adjustment, including:

- 1) One (1) range for any proposed modification to the current tuition rates; and
- 2) One (1) range for any proposed modification to the combined total amount of tuition and all mandatory fees assessed.

Institutions may adopt tuition and fee adjustments within the Commission's approved policy range(s), but no increase shall exceed the Commission's approved maximum percentage adjustment. An institution may, however, reduce tuition and fees if approved by its respective governing board.

Commission staff shall assess compliance. Should an institution seek to restructure its tuition model to accommodate on-time completion, it may request, with governing board approval, a one-time Commission assessment for compliance that recognizes the new tuition model structure.

2.0.30E Commission staff shall annually produce a comparison of fees with the Southern Regional Education Board, peer institutions, and other states for presentation to the Commission and appropriate executive and legislative officials.

2.0.30F The Commission shall determine the number of non-resident students who meet requirements for admission to a Tennessee community college that may be charged in-state tuition rates, provided that those non-resident students charged in-state rates:

- 1) Do not exceed three percent (3%) of the institution's full-time equivalent (FTE) enrollment; and
- 2) Have a bona fide place of residence in a county adjacent to the Tennessee state line that is also within a thirty-mile (30) radius of the city in which the institution is located.

The Commission shall make necessary adjustments to this number every three (3) years.

2.0.30G The Commission shall develop and adopt rules and regulations concerning the implementation and operation of tuition and fee discount, waiver, and credit programs, as applicable by statute.

Approved: April 22, 1988

Revised: May 11, 2017

Applicable Statute

T.C.A. § 8-50-114, tuition waiver for public employees

T.C.A. § 8-50-115, tuition reduction for children of state employees

T.C.A. § 49-7-116, tuition-free courses for full-time university and college employees

T.C.A. § 49-7-119, tuition discount for children of public school teachers

T.C.A. § 49-7-202, strategic financial plan, tuition and fees, funding formula

T.C.A. § 49-7-211, financial disclosure of student activity fees

T.C.A. § 49-7-2303, tuition credits or refunds during military service

T.C.A. § 49-8-102, residency classification for tuition and fees

Section Title: Financial Policies

Policy Title: Tuition and Fees

Policy Number: F2.0

2.0.10 **Scope and Purpose.** Since the passage of its enabling legislation, the Commission has engaged with state leaders, institutions, and consumers to advance access and affordability in the higher education sector. The Focus On College and University Success (FOCUS) Act of 2016 augmented the Commission’s responsibility and authority in the financing of higher education in Tennessee, including granting the Commission binding authority on tuition and fee policy.

2.0.20 **Authority.** As the coordinating body for higher education in Tennessee, the Commission is empowered by statute to develop a comprehensive strategic financial plan, focusing on student tuition and other charges; operate an outcomes-based funding formula, which considers the impact of tuition, maintenance fees, and other charges assessed by each institution; promulgate and adopt rules concerning residency, fee waivers, and tuition discounts; and develop and approve tuition policies binding upon all state institutions of higher education.

2.0.30A **Procedures.** The Commission shall review the tuition and institutional fee rates for all state institutions of higher education on an annual basis.

2.0.30B The Commission shall annually develop and approve a tuition and fee policy applicable to tuition and fees charged to in-state, undergraduate students, commonly referred to as “in-state tuition” or “maintenance fees.” This policy shall be binding upon all state institutions of higher education.

2.0.30C The Commission shall have no authority to set a tuition and fee policy applicable to non-resident or graduate students.

2.0.30D The Commission’s tuition policy shall include two (2) approved ranges of allowable percentage adjustment, including:

- 1) One (1) range for any proposed modification to the current tuition rates; and
- 2) One (1) range for any proposed modification to the combined total amount of tuition and all mandatory fees assessed.

Institutions may adopt tuition and fee adjustments within the Commission's approved policy range(s), but no increase shall exceed the Commission's approved maximum percentage adjustment. An institution may, however, reduce tuition and fees if approved by its respective governing board.

Commission staff shall assess compliance. Should an institution seek to restructure its tuition model to accommodate on-time completion, it may request, with governing board approval, a one-time Commission assessment for compliance that recognizes the new tuition model structure.

2.0.30E Commission staff shall annually produce a comparison of fees with the Southern Regional Education Board, peer institutions, and other states for presentation to the Commission and appropriate executive and legislative officials.

2.0.30F The Commission shall determine the number of non-resident students who meet requirements for admission to a Tennessee community college that may be charged in-state tuition rates, provided that those non-resident students charged in-state rates:

- 1) Do not exceed three percent (3%) of the institution's full-time equivalent (FTE) enrollment; and
- 2) Have a bona fide place of residence in a county adjacent to the Tennessee state line that is also within a thirty-mile (30) radius of the city in which the institution is located.

The Commission shall make necessary adjustments to this number every three (3) years.

2.0.30G The Commission shall develop and adopt rules and regulations concerning the implementation and operation of tuition and fee discount, waiver, and credit programs, as applicable by statute.

Approved: April 22, 1988

Revised: ~~May 11, 2017~~ May 17, 2019

Applicable Statute

T.C.A. § 8-50-114, tuition waiver for public employees

T.C.A. § 8-50-115, tuition reduction for children of state employees

T.C.A. § 49-7-116, tuition-free courses for full-time university and college employees

T.C.A. § 49-7-119, tuition discount for children of public school teachers

T.C.A. § 49-7-202, strategic financial plan, tuition and fees, funding formula

T.C.A. § 49-7-211, financial disclosure of student activity fees

T.C.A. § 49-7-2303, tuition credits or refunds during military service

T.C.A. § 49-8-102, residency classification for tuition and fees