

DATE: June 26, 2020
SUBJECT: 2020-21 Tuition and Fee Ranges
ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION

Since 2010, the Complete College Tennessee Act has required the Commission to make student fee and state appropriation recommendations concurrently. Numerous factors impacted the tuition recommendation, including affordability and financial aid, the income profile of students attending Tennessee public institutions, and institutional revenues and cost inflation. The FOCUS Act expanded THEC’s authority on student fee levels, requiring that the Commission issue binding tuition ranges each year. These ranges apply only to resident, undergraduate students on the tuition (maintenance fee) rate, as well as the total maintenance and mandatory fee charge.

TENNESSEE’S TUITION AND FEE PROFILE

Average full-time, annual tuition and mandatory fees for 2019-20 is \$9,694 at public universities, \$4,553 at community colleges, and \$3,936 at the Tennessee Colleges of Applied Technology (TCATs). 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, Tennessee institutions have implemented the lowest consecutive growths in tuition in over four decades, while state appropriations have increased an average of seven 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 eighth largest financial aid program and the third largest program per capita. Funding for the lottery scholarship and Tennessee Student Assistance Award comprise the majority of financial aid in Tennessee, with over \$380 million distributed through these two funding sources in 2018-19. Due in part to these funding levels, Tennessee’s bachelor’s degree graduates have some of the lowest debt in the nation, according to the Institute for College Access & Success. Higher education in Tennessee is becoming more affordable, allowing Tennesseans to access and complete college without high amounts of debt.

RECOMMENDATION

At its November 2019 meeting, the Commission approved a tuition and fee guidance range of zero to two percent, assuming an operating budget increase request of \$38 million and an estimated salary increase of \$23 million based upon the administration's 2019-20 salary policy.

As part of a shortened legislative session due to the possible spread of the novel coronavirus, both chambers of the 111th General Assembly passed the 2020-21 General Appropriations Act on March 19, with the option to return to session on June 1. The appropriations act signed into law by Governor Lee included \$55 million in new funding for the formula units—including increases for outcomes productivity and a partially funded one-and-a-half percent salary pool, in line with the assumptions made by THEC staff during the creation of the guidance range of zero to two percent.

At its May 2020 meeting, Commission action on a binding tuition and fee range was postponed awaiting final action on the FY2020-21 budget by the General Assembly. In June 2020, the Administration returned to the Legislature with an amended legislative budget, removing the operating and salary increases for higher education.

Despite removal of the initial proposed increases to fully fund the growth in outcomes, THEC staff maintain the initial recommendation of a tuition binding range of zero to two percent at universities, community colleges and TCATs, and a combined total tuition and mandatory fees binding range of zero to two percent at universities, community colleges, and TCATs prioritizing affordability during these unprecedented times. Scenarios for minimum and maximum tuition and mandatory fee increases for 2020-21 are presented and summarized in Attachment I for each university and community college, and for the TCAT system.

Attachment II details the comparison of 2019-20 tuition and mandatory fee rates with the maximum allowed increase (i.e. two percent) for each university and community college, and for the TCAT system. If all institutions increased maintenance and mandatory fees by two percent (the maximum allowed under this recommended binding range), the average full-time, annual tuition and mandatory fees for 2020-21 would be \$8,274 at public universities, \$4,327 at community colleges, and \$3,761 at the TCATs—increases of \$194, \$91, and \$79, respectively.

Attachment II - Binding Tuition Ranges
Maximum Increase of Maintenance (Tuition) and Maintenance + Mandatory Fees - 2.00% Limit

Institutions	2020-21 Binding Ranges					
	Maintenance Fee			Maintenance + Mandatory Fees		
	Minimum	Maximum		Minimum	Maximum	
Austin Peay	\$0 or Less	\$	141	\$0 or Less	\$	173
East Tennessee	\$0 or Less	\$	151	\$0 or Less	\$	190
Middle Tennessee	\$0 or Less	\$	151	\$0 or Less	\$	188
Tennessee State	\$0 or Less	\$	141	\$0 or Less	\$	164
Tennessee Tech	\$0 or Less	\$	161	\$0 or Less	\$	186
University of Memphis (Undergrad Non-Guaranteed)	\$0 or Less	\$	164	\$0 or Less	\$	198
University of Memphis (Undergrad Guaranteed) ¹	\$0 or Less	\$	165	\$0 or Less	\$	199
Chattanooga	\$0 or Less	\$	85	\$0 or Less	\$	91
Cleveland	\$0 or Less	\$	85	\$0 or Less	\$	91
Columbia	\$0 or Less	\$	85	\$0 or Less	\$	92
Dyersburg	\$0 or Less	\$	85	\$0 or Less	\$	91
Jackson	\$0 or Less	\$	85	\$0 or Less	\$	91
Motlow	\$0 or Less	\$	85	\$0 or Less	\$	91
Nashville	\$0 or Less	\$	85	\$0 or Less	\$	90
Northeast	\$0 or Less	\$	85	\$0 or Less	\$	91
Pellissippi	\$0 or Less	\$	85	\$0 or Less	\$	92
Roane	\$0 or Less	\$	85	\$0 or Less	\$	91
Southwest	\$0 or Less	\$	85	\$0 or Less	\$	91
Volunteer	\$0 or Less	\$	85	\$0 or Less	\$	91
Walters	\$0 or Less	\$	85	\$0 or Less	\$	91
UT Chattanooga (UG - Soar in Four) ²	\$0 or Less	\$	157	\$0 or Less	\$	193
UT Chattanooga (UG - Returning)	\$0 or Less	\$	141	\$0 or Less	\$	178
UT Knoxville	\$0 or Less	\$	227	\$0 or Less	\$	265
UT Martin	\$0 or Less	\$	164	\$0 or Less	\$	195
TN Colleges of Applied Tech	\$0 or Less	\$	74	\$0 or Less	\$	79
University Avg ³	\$0 or Less	\$	161	\$0 or Less	\$	194
Community College Avg	\$0 or Less	\$	85	\$0 or Less	\$	91

1 - Beginning in 2019-20, the University of Memphis began to offer a "guaranteed tuition" option to undergraduate students. All incoming first-time, full-time freshmen will be eligible to enroll in the guaranteed tuition plan, which guarantees the Fall 2019 tuition rate for eight consecutive regular semesters if they take at least 12 student credit hours per semester.

2 - Beginning in 2019-20, first-time, full-time students enrolled at UT Chattanooga will pay a flat rate for 15 credit hours per semester, regardless of how many hours taken. Returning and part-time students will be charged a flat rate for 12 credit hours per semester, regardless of how many hours are taken.

3 - This average incorporates a weighted tuition for University of Memphis and UT Chattanooga students to reflect differentiated tuition levels.

Attachment II - Binding Tuition Ranges
2020-21 Maintenance and Mandatory Fee Increase Scenarios and Comparisons - 2.00% Limit

Institutions	2019-20			2020-21 Maximums			Combined Increase	Combined % Increase
	Maintenance Fee	Mandatory Fee	Combined	Maintenance Fee	Mandatory Fee	Combined		
Austin Peay	\$ 7,044	\$ 1,583	\$ 8,627	\$ 7,185	\$ 1,615	\$ 8,800	\$ 173	2.00%
East Tennessee	\$ 7,572	\$ 1,919	\$ 9,491	\$ 7,723	\$ 1,957	\$ 9,681	\$ 190	2.00%
Middle Tennessee	\$ 7,554	\$ 1,870	\$ 9,424	\$ 7,705	\$ 1,907	\$ 9,612	\$ 188	2.00%
Tennessee State	\$ 7,026	\$ 1,157	\$ 8,183	\$ 7,167	\$ 1,180	\$ 8,347	\$ 164	2.00%
Tennessee Tech	\$ 8,040	\$ 1,278	\$ 9,318	\$ 8,201	\$ 1,304	\$ 9,504	\$ 186	2.00%
University of Memphis (Undergrad Non-Guaranteed)	\$ 8,208	\$ 1,704	\$ 9,912	\$ 8,372	\$ 1,738	\$ 10,110	\$ 198	2.00%
University of Memphis (Undergrad Guaranteed) ¹	\$ 8,232	\$ 1,704	\$ 9,936	\$ 8,397	\$ 1,738	\$ 10,135	\$ 199	2.00%
Chattanooga	\$ 4,242	\$ 326	\$ 4,568	\$ 4,327	\$ 333	\$ 4,659	\$ 91	2.00%
Cleveland	\$ 4,242	\$ 306	\$ 4,548	\$ 4,327	\$ 312	\$ 4,639	\$ 91	2.00%
Columbia	\$ 4,242	\$ 340	\$ 4,582	\$ 4,327	\$ 347	\$ 4,674	\$ 92	2.00%
Dyersburg	\$ 4,242	\$ 306	\$ 4,548	\$ 4,327	\$ 312	\$ 4,639	\$ 91	2.00%
Jackson	\$ 4,242	\$ 292	\$ 4,534	\$ 4,327	\$ 298	\$ 4,625	\$ 91	2.00%
Motlow	\$ 4,242	\$ 312	\$ 4,554	\$ 4,327	\$ 318	\$ 4,645	\$ 91	2.00%
Nashville	\$ 4,242	\$ 262	\$ 4,504	\$ 4,327	\$ 267	\$ 4,594	\$ 90	2.00%
Northeast	\$ 4,242	\$ 318	\$ 4,560	\$ 4,327	\$ 324	\$ 4,651	\$ 91	2.00%
Pellissippi	\$ 4,242	\$ 346	\$ 4,588	\$ 4,327	\$ 353	\$ 4,680	\$ 92	2.00%
Roane	\$ 4,242	\$ 310	\$ 4,552	\$ 4,327	\$ 316	\$ 4,643	\$ 91	2.00%
Southwest	\$ 4,242	\$ 326	\$ 4,568	\$ 4,327	\$ 333	\$ 4,659	\$ 91	2.00%
Volunteer	\$ 4,242	\$ 300	\$ 4,542	\$ 4,327	\$ 306	\$ 4,633	\$ 91	2.00%
Walters	\$ 4,242	\$ 295	\$ 4,537	\$ 4,327	\$ 301	\$ 4,628	\$ 91	2.00%
UT Chattanooga (UG - Soar in Four) ²	\$ 7,836	\$ 1,820	\$ 9,656	\$ 7,993	\$ 1,856	\$ 9,849	\$ 193	2.00%
UT Chattanooga (UG - Returning)	\$ 7,060	\$ 1,820	\$ 8,880	\$ 7,201	\$ 1,856	\$ 9,058	\$ 178	2.00%
UT Knoxville	\$ 11,332	\$ 1,932	\$ 13,264	\$ 11,559	\$ 1,971	\$ 13,529	\$ 265	2.00%
UT Martin	\$ 8,214	\$ 1,534	\$ 9,748	\$ 8,378	\$ 1,565	\$ 9,943	\$ 195	2.00%
TN Colleges of Applied Tech	\$ 3,687	\$ 249	\$ 3,936	\$ 3,761	\$ 254	\$ 4,015	\$ 79	2.00%
University Avg ³	\$ 8,112	\$ 1,610	\$ 9,722	\$ 8,274	\$ 1,643	\$ 9,917	\$ 194	2.00%
Community College Avg	\$ 4,242	\$ 311	\$ 4,553	\$ 4,327	\$ 317	\$ 4,644	\$ 91	2.00%

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