



TENNESSEE HIGHER EDUCATION COMMISSION

REGULAR CALENDER ITEM: III.

MEETING DATE: May 19, 2022
SUBJECT: 2022-23 Tuition and Fee Ranges
ITEM TYPE: Action
ACTION RECOMMENDATION: Approval

BACKGROUND INFORMATION

Since 2010, the Complete College Tennessee Act has required the Commission to make student fee and state appropriation recommendations concurrently. 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 total maintenance and mandatory fees. Numerous factors impact the tuition recommendation, including affordability and financial aid, the income profile of students attending Tennessee public institutions, and institutional revenues and cost inflation.

TENNESSEE'S TUITION AND FEE PROFILE

Average full-time, annual tuition and mandatory fees for 2021-22 is \$9,9231 at public universities, \$4,638 at community colleges, and \$4,008 at the Tennessee Colleges of Applied Technology (TCATs). Tennessee's public higher education tuition and fee levels continue to be considered average compared to peers across member states of the Southern Regional Education Board. Over the last seven years, Tennessee institutions have implemented the lowest consecutive growths in tuition in over four decades, averaging 2.5 percent annually, while state appropriations have increased an average of 6.4 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 fifth largest program per capita. Funding for the lottery scholarship and Tennessee Student Assistance Award comprise most of the financial aid in Tennessee, with over \$402 million distributed through these two funding sources in 2020-21. Tennessee distributed an additional \$59 million to students through the TN Promise and TN Reconnect programs last year. Due in part to these funding levels, Tennessee's associate degree graduates have some of the lowest debt in the nation, according to data from the College Scorecard. Higher education in Tennessee continues to be affordable, allowing Tennesseans to access and complete college without high amounts of debt.

¹ Includes UT Southern, which was acquired by the UT system on July 1, 2021.

RECOMMENDATION

At the November 2021 Commission meeting, THEC staff recommended a zero to three percent guiding tuition and fee range for the 2021-22 fiscal year, based on a combined operating and salary budget increase request of \$90 million.

On April 21, 2022, both chambers of the 112th General Assembly passed the 2022-23 General Appropriations Act, including funding to formula units of \$137.3 million for operating and salary increases. Based on these funding levels, THEC staff recommend a tuition binding range of zero to zero percent at universities, community colleges and TCATs, and a combined total tuition and mandatory fees binding range of zero to zero percent at universities, community colleges, and TCATs.

Attachment I details the comparison of 2021-22 tuition and mandatory fee rates with the maximum allowed increase for each university and community college, and for the TCAT system under these binding ranges for 2022-23.

Attachment II details the unfunded balances of the four percent salary increase at each institution once operating increases and the state-funded portion of the salary increase made as part of the \$137.3 million appropriation improvement are considered.

Attachment I - Binding Tuition Ranges
2022-23 Maintenance and Mandatory Fee Increase Scenarios and Comparisons - 0.0% Limit

Institutions	2021-22			2022-23 Maximums			Combined % Increase
	Maintenance Fee	Mandatory Fee	Combined	Maintenance Fee	Mandatory Fee	Combined	
Austin Peay	\$ 7,146	\$ 1,615	\$ 8,761	\$ 7,146	\$ 1,615	\$ 8,761	0.0%
East Tennessee	\$ 7,722	\$ 1,952	\$ 9,674	\$ 7,722	\$ 1,952	\$ 9,674	0.0%
Middle Tennessee	\$ 7,704	\$ 1,888	\$ 9,592	\$ 7,704	\$ 1,888	\$ 9,592	0.0%
Tennessee State	\$ 7,128	\$ 1,207	\$ 8,335	\$ 7,128	\$ 1,207	\$ 8,335	0.0%
Tennessee Tech (Admitted Prior to Fall 2020)	\$ 8,196	\$ 1,282	\$ 9,478	\$ 8,196	\$ 1,282	\$ 9,478	0.0%
Tennessee Tech (Fall 2020 and Later) ¹	\$ 9,240	\$ 1,282	\$ 10,522	\$ 9,240	\$ 1,282	\$ 10,522	0.0%
University of Memphis (Undergrad Non-Guaranteed)	\$ 8,352	\$ 1,704	\$ 10,056	\$ 8,352	\$ 1,704	\$ 10,056	0.0%
University of Memphis (Undergrad Guaranteed) ²	\$ 8,352	\$ 1,704	\$ 10,056	\$ 8,352	\$ 1,704	\$ 10,056	0.0%
Chattanooga	\$ 4,326	\$ 326	\$ 4,652	\$ 4,326	\$ 326	\$ 4,652	0.0%
Cleveland	\$ 4,326	\$ 306	\$ 4,632	\$ 4,326	\$ 306	\$ 4,632	0.0%
Columbia	\$ 4,326	\$ 340	\$ 4,666	\$ 4,326	\$ 340	\$ 4,666	0.0%
Dyersburg	\$ 4,326	\$ 306	\$ 4,632	\$ 4,326	\$ 306	\$ 4,632	0.0%
Jackson	\$ 4,326	\$ 292	\$ 4,618	\$ 4,326	\$ 292	\$ 4,618	0.0%
Motlow	\$ 4,326	\$ 312	\$ 4,638	\$ 4,326	\$ 312	\$ 4,638	0.0%
Nashville	\$ 4,326	\$ 268	\$ 4,594	\$ 4,326	\$ 268	\$ 4,594	0.0%
Northeast	\$ 4,326	\$ 318	\$ 4,644	\$ 4,326	\$ 318	\$ 4,644	0.0%
Pellissippi	\$ 4,326	\$ 352	\$ 4,678	\$ 4,326	\$ 352	\$ 4,678	0.0%
Roane	\$ 4,326	\$ 310	\$ 4,636	\$ 4,326	\$ 310	\$ 4,636	0.0%
Southwest	\$ 4,326	\$ 326	\$ 4,652	\$ 4,326	\$ 326	\$ 4,652	0.0%
Volunteer	\$ 4,326	\$ 300	\$ 4,626	\$ 4,326	\$ 300	\$ 4,626	0.0%
Walters	\$ 4,326	\$ 295	\$ 4,621	\$ 4,326	\$ 295	\$ 4,621	0.0%
UT Chattanooga (UG - Soar in Four) ³	\$ 7,992	\$ 1,856	\$ 9,848	\$ 7,992	\$ 1,856	\$ 9,848	0.0%
UT Chattanooga (UG - Returning)	\$ 7,200	\$ 1,856	\$ 9,056	\$ 7,200	\$ 1,856	\$ 9,056	0.0%
UT Knoxville	\$ 11,332	\$ 1,912	\$ 13,244	\$ 11,332	\$ 1,912	\$ 13,244	0.0%
UT Martin	\$ 8,378	\$ 1,534	\$ 9,912	\$ 8,378	\$ 1,534	\$ 9,912	0.0%
UT Southern ⁴	\$ 9,000	\$ 1,200	\$ 10,200	\$ 9,000	\$ 1,200	\$ 10,200	0.0%
TN Colleges of Applied Tech	\$ 3,759	\$ 249	\$ 4,008	\$ 3,759	\$ 249	\$ 4,008	0.0%
University Avg ⁵	\$ 8,308	\$ 1,615	\$ 9,923	\$ 8,308	\$ 1,615	\$ 9,923	0.0%
Community College Avg	\$ 4,326	\$ 312	\$ 4,638	\$ 4,326	\$ 312	\$ 4,638	0.0%

1 - Full-time students admitted in Fall 2020 at Tennessee Technological University paid a flat rate for 15 credit hours per semester, regardless of the number of hours taken. Full-time students admitted prior to Fall 2020 and part-time students were charged a per credit hour rate for the first 12 credit hours and a discounted per credit hour rate for additional hours.□

2 - 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 are eligible to enroll in a guaranteed tuition plan, which guarantees the entering Fall tuition rate for eight consecutive regular semesters if the student takes at least 12 credit hours per semester.

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

4 - UT Southern was acquired by the UT system on July 21, 2021. While UTS will not be included in the outcomes-based funding formula during the data standardization process, the university is included in the binding tuition and tuition and fee ranges.

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

**Attachment II - Binding Tuition Ranges
2022-23 Legislative Action - 4.0% Salary Increase**

	Operating Increase	State-Funded Partial Salary Increase ¹	Full Salary Increase Cost	Remaining Available for Operating
Austin Peay	\$6,039,300	\$1,993,900	\$3,625,200	\$4,408,000
East Tennessee	5,767,000	3,273,500	5,952,000	3,088,500
Middle Tennessee	7,480,600	4,632,700	8,423,600	3,689,700
Tennessee State	1,796,300	2,066,700	3,757,600	105,400
Tennessee Tech	3,882,900	2,201,500	4,002,800	2,081,600
University of Memphis	10,471,400	5,684,700	10,336,000	5,820,100
<i>subtotal</i>	\$35,437,500	\$19,853,000	\$36,097,200	\$19,193,300
Chattanooga	\$1,592,800	\$1,196,600	\$1,768,000	\$1,021,400
Cleveland	1,064,200	447,300	665,200	846,300
Columbia	1,667,500	674,000	917,600	1,423,900
Dyersburg	794,200	396,200	581,600	608,800
Jackson	867,500	551,700	786,400	632,800
Motlow	2,053,900	786,300	1,142,800	1,697,400
Nashville	1,885,100	821,000	1,396,800	1,309,300
Northeast	1,166,400	839,100	1,097,200	908,300
Pellissippi	2,846,400	1,315,900	2,183,200	1,979,100
Roane	1,138,300	884,000	1,299,200	723,100
Southwest	1,456,700	1,066,800	1,837,600	685,900
Volunteer	2,556,800	1,064,800	1,546,400	2,075,200
Walters	2,703,300	942,100	1,257,200	2,388,200
<i>subtotal</i>	\$21,793,100	\$10,985,800	\$16,479,200	\$16,299,700
UT Chattanooga	\$4,631,900	\$2,674,700	\$4,863,200	\$2,443,400
UT Knoxville	20,187,400	10,081,900	18,331,200	11,938,100
UT Martin	2,834,100	1,398,700	2,543,200	1,689,600
<i>subtotal</i>	\$27,653,400	\$14,155,300	\$23,919,200	\$17,889,500
TN Colleges of Applied Tech	\$5,116,000	\$2,342,400	\$2,928,000	\$4,530,400
Total Academic Formula	\$90,000,000	\$47,336,500	\$79,423,600	\$29,763,100

1 - Salary increases for formula units are partially covered by state appropriations. The state provides 55% of necessary funding for salary increases at the universities, 67% at community colleges, and 80% at the TN Colleges of Applied Tech.

Note: This attachment does not include assumptions for the effects of other real, non-personnel inflationary cost-drivers on institutions.