

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: May 24, 2024

ITEM: Approval of Tuition and Mandatory Fees for FY25 –
AMENDED

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION Approve

PRESENTED BY: Christy Graham
Chief Financial Officer

The Board of Trustees must evaluate certain criteria when considering an increase in tuition and mandatory fees. Those criteria include:

1. Level of state support;
2. Total cost of attendance;
3. Efforts to mitigate the financial effect on students;
4. Tennessee Higher Education Commission (THEC) binding tuition and mandatory fee increase ranges;
5. Other factors affecting the university's financial stability such as projected student enrollment; university enrollment goals; market and cost factors for higher education; new program or new facility cost; and cost related to operations, programs of study, or individual courses.

Staff has outlined the current year assessment of these criteria as follows:

1. **Level of state support** – THEC based tuition models on a core Consumer Price Index of 4.0 percent and flat enrollment. THEC did not include a salary allocation in their request. The inflation factor for the three state supported units at ETSU equates to an appropriation increase of \$1.2 million.
2. **Total cost of attendance** – tuition and fees increased by 2.85% in FY24. Tuition and mandatory fees for FY24 at ETSU continue to be comparable to other public institutions of higher education in the state. A comparison of tuition and mandatory fees are listed below and show that ETSU is below the university average.
3. **Efforts to mitigate the financial effect on students** – The university continues to look for ways to mitigate rising costs to students. Reviews of academic and administrative

areas are ongoing and should identify areas to improve services, reduce costs, or allow assets to be used more effectively for students.

4. **THEC binding tuition and mandatory fee increase ranges** – THEC proposed a zero to four percent tuition and mandatory fee limit at its November 2023 meeting. The Commission will vote on a binding limit during its May 16, 2024 meeting. Should the Commission modify and approve a different limit, staff may provide a modified FY25 tuition and fee proposal for consideration by the ETSU Board of Trustees.
5. **Other factors affecting the university's financial stability:**
 - a. Projected student enrollment and university enrollment goals - The university's enrollment increased for the second year in a row for Fall 2023. Enrollment had decreased the two prior years. The university is continuing efforts and activities to grow enrollment as defined in the strategic plan. Tuition and fees must remain competitive in the marketplace, and students should be able to identify the value inherent in the education provided by ETSU over other institutions.
 - b. Market and cost factors for higher education – The market for higher education projects a declining number of high school graduates in the region and increased competition from community colleges, other state universities, regional private institutions and border state colleges and universities. Faculty and staff salaries are the primary cost driver for the university. New out-of-state tuition rates were implemented for Fall 2021 based on market research and has also reduced out-of-state scholarship expense. Salary increases were included in the Governor's budget, and in order to fully fund a three percent salary pool and an additional an additional once percent salary pool, staff is recommending increasing tuition and mandatory fees by 5.25 percent for FY25.
 - c. New program or new facility cost – Costs related to new programs are largely being absorbed in the colleges per the budget model implemented in FY19. Facility costs will increase with the construction project for Brown Hall and the new Academic Building. Other ongoing renovation and maintenance projects could reduce energy costs with efficiencies.
 - d. Costs related to operations, programs of study, or individual courses – The Consumer Price Index shows operational costs increased by 3.4% from December 2022 to December 2023. The Higher Education Price Index also shows that inflation for colleges and universities rose 4.5% for fiscal year 2023, compared to 5.2% in fiscal year 2022. The university's programs of study and some individual courses are compared to other institutions with similar programs or courses to determine the market pressures for offering the programs.

A five-year history of student maintenance and mandatory fees is presented below in comparison to Tennessee Locally Governed Institutions (LGIs) and the University of Tennessee System:

Tuition (Maintenance Fees)

	2019-20	% Incr	2020-21	% Incr	2021-22	% Incr	2022-23	% Incr	2023-24	% Incr
APSU	\$7,044	2.3%	\$7,044	0%	\$7,146	1.45%	\$7,146	0%	\$7,356	2.9%
ETSU	7,572	2.0%	7,572	0%	7,722	1.98%	7,722	0%	7,950	2.9%
MTSU	7,554	2.4%	7,554	0%	7,704	1.99%	7,704	0%	7,908	2.6%
TSU	7,026	1.8%	7,026	0%	7,128	1.45%	7,128	0%	7,332	2.8%
TN Tech ³	8,040	2.3%	9,060	12.7%	9,240	1.99%	9,240	0%	9,510	2.8%
Memphis ²	8,232	2.1%	8,232	0%	8,352	1.46%	8,352	0%	8,520	2.0%
UTC ¹	7,836	13.8%	7,836	0%	7,992	1.99%	7,992	0%	8,232	2.9%
UTK ¹	11,332	2.0%	11,332	0%	11,332	0.00%	11,332	0%	11,332	0.0%
UTM ¹	8,214	2.0%	8,214	0%	8,378	2.00%	8,378	0%	8,546	2.0%
UTS					9,000		9,000		9,000	
Univ. Avg	\$8,092		\$8,208		\$8,399		\$8,399		\$8,569	

¹ UT-Knoxville implemented 15/4 fee structure in 2013-14. UT-Martin implemented 15/4 fee structure in 2016-17. UT-Chattanooga implemented 15/4 fee structure in 2019-20.

Fees shown represent the rates for incoming freshmen in the UT system.

² University of Memphis implemented guaranteed tuition in 2019-20.

Fees shown for UM represent the rates for non-guaranteed tuition.

³TTU implemented 15/4 fee structure in 2020-21

Mandatory Fees

	2019-20	% Incr	2020-21	% Incr	2021-22	% Incr	2022-23	% Incr	2023-24	% Incr
APSU	\$1,583	0.0%	\$1,583	0%	\$1,615	2.02%	\$1,615	0%	\$1,667	3.1%
ETSU	1,919	3.5%	1,919	0%	1,952	1.72%	1,952	0%	2,000	2.4%
MTSU	1,870	2.4%	1,870	0%	1,888	1.02%	1,888	0%	1,924	1.9%
TSU	1,157	4.5%	1,157	0%	1,207	4.32%	1,207	0%	1,248	3.3%
TN Tech	1,278	2.8%	1,278	0%	1,282	0.31%	1,282	0%	1,320	2.9%
Memphis	1,704	4.1%	1,704	0%	1,704	0.00%	1,704	0%	1,824	6.6%
UTC	1,820	2.5%	1,820	0%	1,856	1.98%	1,856	0%	1,912	2.9%
UTK	1,932	1.9%	1,932	0%	1,912	-1.00%	1,912	0%	2,152	11.2%
UTM	1,534	5.1%	1,534	0%	1,534	0.00%	1,534	0%	1,662	7.7%
UTS					1,200		1,200		1,200	

University										
Average	\$1,644		\$1,644		\$1,615		\$1,615		\$1,691	
Total Tuition and Mandatory Fees										
	2019-20	% Incr	2020-21	% Incr	2021-22	% Incr	2022-23	% Incr	2023-24	% Incr
APSU	\$8,627	1.8%	\$8,627	0%	\$8,761	1.55%	\$8,761	0%	\$9,023	2.9%
ETSU	9,491	2.3%	9,491	0%	9,674	1.93%	9,674	0%	9,950	2.8%
MTSU	9,424	2.4%	9,424	0%	9,593	1.79%	9,593	0%	9,832	2.4%
TSU	8,183	2.2%	8,183	0%	8,335	1.86%	8,335	0%	8,580	2.9%
TN Tech ³	9,318	2.4%	10,338	10.99%	10,522	1.78%	10,522	0%	10,830	2.8%
UM ²	9,936	2.4%	9,936	0%	10,056	1.21%	10,056	0%	10,344	2.8%
UTC	9,656	10.4%	9,656	0%	9,848	1.99%	9,848	0%	10,144	2.9%
UTK ¹	13,264	2.0%	13,264	0%	13,244	-0.15%	13,244	0%	13,484	1.8%
UTM ¹	9,748	2.5%	9,748	0%	9,912	1.68%	9,912	0%	10,208	2.9%
UTS					10,200		10,200		10,200	
University										
Average	\$9,739		\$9,852		\$10,015		\$10,015		\$10,260	

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Rate Per Term

	FY24 Actual	FY25 Proposed	\$ increase	% increase	Additional Revenue	Purpose of Funding
Undergrad Tuition @ 15 cr hr	\$3,975	\$4,188	\$213	5.36%	\$5,356,677	45% of a 3% salary pool; an additional 1% salary pool; faculty tenure and promotion funding; inflationary costs for university share of employee benefits.
*UG Returning O/S (last year) & International	\$9,591	\$9,591	\$0	0.0%		
UG – GA, KY, NC, SC, VA	\$420	\$435	\$15	3.57%		
UG – 44 other states	\$1,920	\$2,025	\$105	5.47%		
Graduate Tuition @ 12 cr hr	\$5,076	\$5,356	\$280	5.40%		
Grad Out-of-State @ 12 cr hr	\$7,560	\$7,560	\$0	0.0%		

*The Board approved an undergraduate out-of-state enrollment strategy at the September 2020 meeting for new students Fall 2021. All other out-of-state tuition has not increased since Fall 2018.

Undergraduate In-State Tuition and Mandatory Fee Request – Per Academic Year				
	2022-23	2023-24		
	Actual	Proposed	\$ Increase	% Increase
Undergrad Tuition @ 15 cr hr	\$7,950	\$8,376	\$426	5.36%
Mandatory Fees	\$2,000	\$2,096	\$96	4.80%
Total UG Tuition and Mandatory Fees	\$9,950	\$10,472	\$522	5.25%

MOTION: I move that the Finance and Administration Committee recommend the adoption of the following amended resolution by the Board of Trustees:

RESOLVED: The proposed tuition increase and mandatory fees for 2024-2025 of 5.25 percent is approved as presented in accordance with the Governor’s budget and THEC binding tuition limit.