

East Tennessee State University 2021-2022 Proposed Tuition and Mandatory Fees

In compliance with the Tennessee Tuition Transparency and Accountability Act (Tennessee Code Annotated § 49-7-1603), the Board of Trustees of East Tennessee State University is providing notice of the proposed tuition and mandatory fee increase as an action item on the Board's meeting to be held in April 2021. Individuals are invited to submit written comments about the proposed increase via the online form or by mail to the Office of the Board of Trustees, P.O. Box 70734, Johnson City, TN 37614. All comments must be received by Friday, April 16, 2021.

The Board of Trustees established certain criteria it must consider when reviewing an increase in tuition and mandatory fees. Those criteria are –

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.

University management has outlined the current year assessment as follows:

- 1) Level of state support – The Tennessee Higher Education Commission based their binding tuition models on a 1.0 percent enrollment growth, 4.7 percent state appropriations increase, and an inflation factor of 1.4 percent. The appropriations increase for the main campus equates to an outcome's formula adjustment of \$502,500 and a share of new funding of \$2,205,200 which does not include any funding for salary enhancement. The Governor's budget provides an increase of \$2,205,200 for operational expenditures and \$3,136,600 to fund 55 percent of a salary pool per the budget documents. For ETSU main campus appropriation, the unfunded portion of the salary pool is approximately \$2.5 million. In order for the campus to support this salary mandate, ETSU must implement offsetting cost reductions or identify an appropriate level of tuition increases.
- 2) Total cost of attendance – Tuition and fees did not increase in FY21 out of concern for the economic impact related to the COVID-19 pandemic. Tuition and mandatory fees for FY21 at ETSU continue to be favorable in comparison to other public institutions of higher education in the state. Tables comparing the tuition and mandatory fees for the institutions are presented to the Board of Trustees for review prior to consideration of tuition and fee levels.

- 3) Efforts to mitigate the financial effect on students – ETSU continues to explore options to promote efficiency and affordability. The October budget enacted over \$7 million dollars of cost reductions in the education and general budget. 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) Tennessee Higher Education Commission binding tuition and mandatory fee ranges – THEC proposed a 0.0 percent - 2.0 percent tuition and mandatory fee limit at their November 2020 meeting. THEC will take formal action on their proposed binding limits at their May 2021 quarterly meeting and it is anticipated that their range will remain as originally presented. ETSU is proposing a 1.93 percent tuition and mandatory fee increase that equates to a \$91.50 increase per term at 15 credit hour enrollment.
- 5) Other factors affecting the university's financial stability such as -
 - a. Projected student enrollment and university enrollment goals - The university's enrollment declined in academic year 2020-21 in part due to the COVID-19 pandemic. 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 the university over other institutions.
 - b. Market and cost factors for higher education – The market for higher education shows a declining number of high school graduates in the region, while there is increased competition from community colleges, other state universities, regional private institutions and border state colleges and universities.
 - c. Personnel costs – Fixed personnel items and salaries are the primary cost driver for the university, and the Governor's budget outlined an enhanced salary pool for all units of the university. Historically, the state has funded 55 percent of the salary increase for universities, with the remainder of any increase being funded through student generated revenue sources. For the Governor's proposed salary pool for the main campus, the amount of new funding to be supported via tuition and fees is approximately \$2.5 million.
 - d. New program or new facility cost – Costs related to new programs are largely being absorbed in the colleges in the distributed budget model implemented in FY19. Facility costs will increase with the construction project for Lamb Hall and will be addressed in the FY22 budget development.
 - e. Cost related to operations, programs of study, or individual courses. – The Consumer Price Index shows operational costs are increasing by 1.4 percent. 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.

University leadership is proposing the following increase based on the criteria for Board approval of tuition and mandatory fees.

Maintenance Fee/Tuition Request – Per Semester

	2020-21		2021-22			
	Actual	Proposed	\$ Increase	% Increase	Additional Revenue	Purpose of Funding
Undergrad Tuition @ 15 cr hr	\$3,786	\$3,861	\$75	1.98%		Institutional portion of salary pool; faculty promotion funding; inflationary costs of university share of employee benefits, SGA Wellness request year 1 of 3, and other operational costs.
* UG Returning O/S @ 15 cr hr	\$9,591	\$9,591	\$0	0.0%		
Graduate Tuition @ 9 cr hr	\$4,320	\$4,392	\$72	1.69%	\$1,980,000	
Grad Out-of-State @ 9 cr hr	\$7,560	\$7,560	\$0	0.0%		

*The Board of Trustees approved an out-of-state enrollment strategy at the September 2020 meeting for new students Fall 2021 which reduces the out-of-state tuition to \$10,500 annual rate for Georgia, Kentucky, North Carolina, South Carolina, and Virginia, and a \$13,500 two-semester rate for all other states.

Mandatory Fee Request – Per Semester Fee Capped at 8 credit hours

	2020-21	2021-22			
	Actual	Proposed	\$ Increase	Additional Revenue	Purpose of Funding
SGA Fee – year 2 of a 2-year request by SGA	\$73.00	\$86.00	\$13.00	\$310,000	Significantly increase the quality and availability for the SGA spring and fall concerts.
Technology Access – year 4 of a 5-year request	\$144.50	\$148.00	\$3.50	\$84,000	Increased bandwidth costs, Storage Area Network (SAN) for backup and student network storage, maintenance of 10Gb equipment.

Undergraduate Tuition and Mandatory Fee Request – Per Academic Year

	2020-21	2021-2022		
	Actual	Proposed	\$ Increase	% Increase
Undergrad Tuition @ 15 cr hr	\$7,572	\$7,722	\$150	1.98%
Mandatory Fees	\$1,919	\$1,952	\$33	1.72%
Total UG Tuition and Mandatory Fees	\$9,491	\$9,674	\$183	1.93%