

East Tennessee State University 2023-2024 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 2023. 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 Thursday, April 13, 2023.

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.

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

1. Level of state support – THEC based their 2023-24 tuition models on a flat enrollment with an outcomes growth and inflationary adjustment factor of 7.7 percent, which equates to an expenditure increase of \$9.7 million. Governor Lee's proposed budget includes funding sufficient for an expenditure increase and a partially funded five percent salary pool of \$8 million.
2. Total cost of attendance – Tuition and fees did not increase in FY23. Tuition and mandatory fees for FY24 continue to be comparable to other public institutions of higher education in the state. A comparison of tuition and mandatory fees is provided in the agenda materials and demonstrates that ETSU is below the university average.
3. Efforts to mitigate the financial effect on students – ETSU continues to look for ways to mitigate student base costs and concurrently promote access and affordability. 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 three percent tuition and mandatory fee limit at their November 2022 meeting. The Commission is projected to vote on binding tuition limits

at their May meeting. With the release of the Governor's budget, it is anticipated that THEC will approve a zero to three percent tuition and fee increase for FY24.

5. Other factors affecting the university's financial stability:

- a. Projected student enrollment and university enrollment goals - The university's enrollment increased for Fall 2022, after two years of declining enrollment due in part to the COVID-19 pandemic. Enrollment had remained relatively flat in years prior. 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 proposed budget to fully fund a five percent salary pool while increasing tuition by 2.95 percent for FY24.
- 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 Lamb Hall and the new Academic Building. Other ongoing renovation and maintenance projects could reduce energy costs with efficiencies.
- d. Cost related to operations, programs of study, or individual courses – The Consumer Price Index shows operational costs increased by 6.5 percent from December 2021 to December 2022. The Higher Education Price Index also shows that inflation for colleges and universities rose 5.2 percent for fiscal year 2022, compared to 2.7 percent in fiscal year 2021. 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.

Maintenance Fee/Tuition Request – Per Semester						
	FY23 Actual	FY24 Proposed	\$ increase	% increase	Additional Revenue	Purpose of Funding
Undergrad Tuition @ 15 cr hr	\$3,861	\$3,975	\$114	2.95%	\$2,941,200	45% salary pool; faculty tenure and promotion funding; inflationary costs for university share of employee benefits, SGA Wellness request year 3 of 3, and other operational costs
*UG Returning O/S & International	\$9,591	\$9,591	\$0	0.0%		
*UG – GA, KY, NC, SC, VA	\$405	\$420	\$15	3.7%		
*UG – 44 other states	\$1905	\$1920	\$15	0.8%		
Graduate Tuition @ 12 cr hr	\$5,076	\$5,076	\$0	0.0%		
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	\$7,722	\$7,950	\$228	2.95%
Mandatory Fees	\$1,952	\$2,000	\$48	2.45%
Total UG Tuition and Mandatory Fees	\$9,674	\$9,950	\$276	2.85%