

East Tennessee State University 2024-2025 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 increases for the 2024-2025 academic year as an action item during the Board's meeting to be held on May 24, 2024. Individuals are invited to submit written comments about the proposed increase via the online site 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 Monday, April 22, 2024.

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 for new state operating revenues. 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 percent 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 shows 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 their November 2023 meeting. The Commission should vote on a binding limit at their May meeting. With the release of the Governor’s budget it is anticipated that THEC will approve a zero to four percent tuition and fee increase for FY25.
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 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 that subsequently reduced out-of-state scholarship expenses. Salary increases were included in the Governor’s proposed budget to fully fund a three percent salary pool while increasing tuition and mandatory fees by 3.8 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 projects for Brown 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 3.4 percent from December 2022 to December 2023. The Higher Education Price Index also shows that inflation for colleges and universities rose 4.5 percent for fiscal year 2023, compared to 5.2 percent 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.

Rate Per Term

	FY24 Actual	FY25 Proposed	\$ increase	% increase	Additional Revenue	Purpose of Funding
Undergrad Tuition @ 15 cr hr	\$3,975	\$4,140	\$165	4.15%	\$4,257,000	45% of 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	\$1,995	\$75	3.91%		
Graduate Tuition @ 12 cr hr	\$5,076	\$5,274	\$198	3.90%		
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	\$8,280	\$330	4.15%
Mandatory Fees	\$2,000	\$2,048	\$48	2.40%
Total UG Tuition and Mandatory Fees	\$9,950	\$10,328	\$378	3.80%