

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE
MARCH 2026 SPECIAL CALLED MEETING

11:30 a.m. – 12:30 p.m. EDT
Tuesday
March 31, 2026

Telephonic/Zoom Meeting
President's Conference Room
1276 Gilbreath Drive
Johnson City, TN

COMMITTEE MEMBERS

Steve DeCarlo, Committee Chair
Charles Allen, Jr.
Melissa Steagall-Jones
Grant Summers
Aashi Vora

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AGENDA

- I. Call to Order
- II. Roll Call
- III. [FY27 Budget Considerations](#) – *Graham* (10 minutes)
- IV. [Action Item: Tuition and Mandatory Fees for FY27](#) – *Graham* (15 minutes)
- V. Other Business
- VI. Adjournment

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: March 31, 2026

ITEM: FY27 Budget Considerations

COMMITTEE: Finance and Administration

PRESENTED BY: Christy Graham
Chief Financial Officer and
Vice President of Business and Finance

Staff will provide a presentation of FY27 budget considerations.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 31, 2026

ITEM: Tuition and Mandatory Fees for FY27

COMMITTEE: Finance and Administration

RECOMMENDED ACTION: Approve (Roll Call Vote Required)

PRESENTED BY: Christy Graham
Chief Financial Officer and
Vice President of Business and Finance

The Board of Trustees must consider 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.

University staff has outlined the current year assessment as follows:

1. **Level of state support** – THEC based tuition models on a core Consumer Price Index of 3.1 percent and flat enrollment. THEC did not include a salary allocation in their model. The inflation factor for the state supported units at ETSU equates to an appropriation increase of \$1.3 million.
2. **Total cost of attendance** – Tuition and fees increased by 4.98% in FY26. Tuition and mandatory fees for FY26 at ETSU continue to be comparable to other public institutions of higher education in the state. A comparison of tuition and mandatory fees is 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 suggested a zero to two and a half percent tuition and mandatory fee range at their November 2025 meeting based on their recommended increase in state appropriations. 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 range that reflects the level of state appropriation increase for FY27.
5. **Other factors affecting the university’s financial stability:**
 - a. Projected student enrollment and university enrollment goals – The university’s enrollment continues to align with enrollment projections, and first-time freshmen enrollment increased over the last four 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 shows a declining number of high school graduates nationally 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.
 - c. New program or new facility cost – Costs related to new programs are largely being absorbed in the colleges per the decentralized budget model. Facility costs have primarily been driven by inflationary costs related to utilities.
 - d. Cost related to operations, programs of study, or individual courses – Data from THEC show the core Consumer Price Index increased by 3.1 percent in 2025.

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)										
	2021-22	% Incr	2022-23	% Incr	2023-24	% Incr	2024-25	% Incr	2025-26	% Incr
APSU	\$7,146	1.5%	\$7,146	0%	\$7,356	2.9%	\$7,717	4.9%	\$8,028	4.0%
ETSU	7,722	2.0%	7,722	0%	7,950	3.0%	8,376	5.4%	8,802	5.1%
MTSU	7,704	2.0%	7,704	0%	7,908	3.2%	8,334	5.4%	8,814	5.8%
TSU	7,128	1.5%	7,128	0%	7,323	2.7%	7,733	5.5%	8,190	5.9%
TN Tech ¹	9,240	2.0%	9,240	0%	9,510	2.9%	9,990	5.0%	10,470	4.8%
Memphis	8,352	1.6%	8,352	0%	8,520	2.0%	8,856	3.9%	9,336	5.4%
UTC	7,992	2.0%	7,992	0%	8,232	3.0%	8,550	3.9%	8,712	1.9%
UTK	11,332	0.0%	11,332	0%	11,332	0.0%	11,660	2.9%	11,560	-9%
UTM	8,378	2.0%	8,378	0%	8,546	2.0%	8,904	4.2%	9,066	1.8%
UTS	9,000		9,000	0%	9,270	3.0%	9,640	4.0%	9,930	3.0%
Univ. Avg	\$8,333	1.6%	8,333	0%	\$8,520	2.4%	\$8,902	4.5%	\$9,291	4.4%

¹TTU implemented 15/4 fee structure in 2020-21

Mandatory Fees										
	2021-22	% Incr	2022-23	% Incr	2023-24	% Incr	2024-25	% Incr	2025-26	% Incr
APSU	\$1,615	2.0%	\$1,615	0%	\$1,667	3.1%	\$1,667	3.1%	\$1,824	9.4%
ETSU	1,952	1.7%	1,952	0%	2,000	2.4%	2,096	4.8%	2,192	4.6%
MTSU	1,888	1.0%	1,888	0%	1,970	4.3%	2,062	4.7%	2,257	9.5%
TSU	1,207	4.3%	1,207	0%	1,248	3.3%	1,248	0.0%	1,248	0.0%
TN Tech	1,282	0.3%	1,282	0%	1,320	2.9%	1,386	5.0%	1,456	5.0%
Memphis	1,704	0.0%	1,704	0%	1,824	6.6%	1,872	2.6%	1,920	2.6%
UTC	1,856	2.0%	1,856	0%	1,912	2.9%	1,912	0.0%	2,050	7.2%
UTK	1,912	-1.0%	1,912	0%	2,152	11.2%	2,152	0.0%	2,316	7.6%
UTM	1,534	0.0%	1,534	0%	1,662	7.7%	1,662	0.0%	1,758	5.8%
UTS	1,200		1,200		1,236	3.0%	1,284	3.9%	1,334	3.9%
University Average	\$1,615		\$1,615		\$1,699		\$1,734		\$1,836	5.9%

Total Tuition and Mandatory Fees

	2021-22	% Incr	2022-23	% Incr	2023-24	% Incr	2024-25	% Incr	2025-26	% ncr
APSU	\$8,761	1.6%	\$8,761	0%	\$9,023	2.9%	\$9,384	4.0%	\$9,852	5.0%
ETSU	9,674	1.9%	9,674	0%	9,950	2.8%	10,472	5.2%	10,994	5.0%
MTSU	9,592	1.8%	9,592	0%	9,878	2.4%	10,396	5.2%	11,071	6.5%
TSU	8,335	1.9%	8,335	0%	8,571	2.9%	8,981	4.8%	9,438	5.1%
TN Tech ¹	10,522	1.8%	10,522	0%	10,830	2.8%	11,376	5.0%	11,926	4.8%
UM	10,056	1.2%	10,056	0%	10,344	2.8%	10,728	3.7%	11,256	4.9%
UTC	9,848	2.0%	9,848	0%	10,144	2.9%	10,462	3.1%	10,762	2.9%
UTK	13,244	-0.2%	13,244	0%	13,484	1.8%	13,812	2.4%	13,876	0.5%
UTM	9,912	1.7%	9,912	0%	10,208	2.9%	10,566	2.9%	10,824	2.4%
UTS	10,200		10,200		10,506	3.0%	10,924	4.0%	11,264	3.1%
University Average	\$10,014		\$10,014		\$10,294		\$10,710		\$11,126	3.9%

Rate per Term	2025-26	2026-27	2026-27	Change		Additional Revenue	
	Current	Proposed	Proposed	\$	\$		
		Min	Max	Min	Max		
		2.32%	4.84%				
<i>Undergraduate In State (15 Credit Hours)</i>							
In State Undergraduate	\$4,401	\$4,503	\$4,614	\$102	\$213	\$2,705,448 (min) \$5,649,612 (max)	
Total In State Undergraduate	\$4,401	\$4,503	\$4,614	\$102	\$213		
<i>Undergraduate Out of State (15 Credit Hours)</i>							
In State Undergraduate	\$4,401	\$4,503	\$4,614	\$102	\$213		
Out of State Tuition	\$9,846	\$10,086	\$10,326	\$240	\$480		
Total Out of State Undergraduate	\$14,247	\$14,589	\$14,940	\$342	\$693		
<i>Undergraduate Five State (15 Credit Hours)</i>							
In State Undergraduate	\$4,401	\$4,503	\$4,614	\$102	\$213		
Five State Tuition	\$450	\$465	\$472	\$15	\$22		
Total Five State Undergraduate	\$4,851	\$4,968	\$5,086	\$117	\$235		
<i>Undergraduate International (15 Credit Hours)</i>							
In State Undergraduate	\$4,401	\$4,503	\$4,614	\$102	\$213		
International Tuition	\$9,846	\$10,086	\$10,326	\$240	\$480		
Total International Undergraduate	\$14,247	\$14,589	\$14,940	\$342	\$693		
<i>Graduate (12 hours)</i>							
In State Graduate	\$5,564	\$5,700	\$5,834	\$136	\$270		
Total In State Graduate	\$5,564	\$5,700	\$5,834	\$136	\$270		
<i>Graduate Out of State (12 Hours)</i>							
In State Graduate	\$5,564	\$5,700	\$5,834	\$136	\$270		
Out of State Tuition	\$7,560	\$7,740	\$7,920	\$180	\$360		
Total Out of State Graduate	\$13,124	\$13,440	\$13,754	\$316	\$630		

Mandatory Fee Request – Per Semester (Fee Capped at 8 hours)

	2025-26	2026-27	2026-27	Change		Additional Revenue
	Current	Proposed Min	Proposed Max	\$	\$	
		3.05%	4.58%	Min	Max	
Program Service Fee	\$ 1,048	\$ 1,080	\$ 1,096	\$ 32	\$ 48	\$713,370 (min)
*Increase Recreational Life, Intramurals, and other related activities and Parking/Campus Access						\$1,064,250 (max)

**Undergraduate In State Tuition and Mandatory Fee Request
Per Academic Year**

	2025-26	2026-27	2026-27	Change	
	Current	Proposed Min	Proposed Max	\$	\$
		2.46%	4.79%	Min	Max
Undergraduate Tuition @ 15 cr hr	\$ 8,802	\$ 9,006	\$ 9,228	\$ 204	\$ 426
Mandatory Fees	\$ 2,096	\$ 2,160	\$ 2,192	\$ 64	\$ 96
Total UG Tuition & Mandatory Fees	\$ 10,898	\$ 11,166	\$ 11,420	\$ 268	\$ 522

Current State

The development of the FY27 budget is occurring in an environment where the cost pressures specific to higher education continue to exceed those of the broader economy. While general inflation has moderated somewhat, the cost structure of universities remains elevated.

The Consumer Price Index (CPI), which measures general inflation in the economy, increased approximately 3.1% over the past year. In contrast, the Higher Education Price Index rose 3.4% and 3.6% in FY25. This continues a long-standing trend where higher education inflation exceeds general inflation due to the labor-intensive nature of universities and the costs associated with specialized facilities, utilities, and benefits. HEPI has exceeded CPI in 9 of the last 11 years.

Within this environment, the university continues to benefit from strong support from the State of Tennessee. While all indications are that ETSU will receive an increase in state appropriations, the actual amount will not be determined until later this spring. The proposed budget has appropriations for ETSU increasing by \$1.3 million. While this investment is appreciated, the increase offsets only a portion of the cost pressures currently facing the institution.

For example, maintaining competitive compensation for faculty and staff remains critical to recruitment and retention. A 1.5% salary increase across the institution would equate to approximately \$2.7 million, which alone exceeds the increase in state appropriations. As the Board is aware, a strategic goal for the university is to increase compensation to be closer to our peer institutions. It would require a larger salary pool to ensure progress towards this goal.

In addition, projected insurance cost increases are estimated at approximately \$2 million for the coming year. Furthermore, utilities continue to be another area of rising expense given the size and complexity of the university's physical infrastructure. Based on recent trends and current market forecasts, the university is planning for utility cost increases in the range of approximately 4-6%.

Finally, another strategic consideration in our financial planning is the competitiveness of our graduate stipends. Across the country, universities are increasing stipends to attract and retain high quality graduate students, particularly in research intensive disciplines. Graduate students play a critical role in advancing research activity and strengthening the academic enterprise. Ensuring our stipends remain competitive with peer institutions will be an important component of maintaining strong graduate programs and sustaining the university's research trajectory.

MOTION: I move that the Finance and Administration Committee recommend adoption of the following resolution.

RESOLVED: The Finance and Administration Committee directs staff to produce a final tuition and mandatory fees action item that meets all requirements of the Tennessee Tuition Transparency and Accountability Act, to be presented for consideration by this Committee and Full Board of Trustees at the quarterly meetings on May 21, 2026.