



THE COLLEGE SYSTEM
of TENNESSEE

Committee on Finance & Business Operations

Maintenance Fee & Tuition Discussion

April 23, 2019

Discussion Topics

- Preliminary Schedule
- Goals
- Background Information
- Decision Framework
- Review of Indicated Student Revenue Increases
- Mandatory Fees
- Next Steps

Preliminary Schedule

- April 23rd: Telephonic Meeting
 - Review process and background information
 - Provide staff guidance on informational needs
- May 14th: Telephonic Meeting
 - Review initial indicated student revenue increase levels
 - Review of information developed, including institutional feedback
- June 4th: In Person Meeting on Day of Committee Chairs Meeting
 - Receive staff recommendations on maintenance fees & tuition
 - Consider making recommendations to the full Board
- June 20th: Committee Meeting during Quarterly Board Meeting
 - Consider minutes of May --th meeting
- June 21st: Board Meeting
 - Committee Recommendations Considered by Board

Goals

- Be aware of and address student affordability concerns by living within tuition guidance issued by THEC
- Identify and address fiscal needs of institutions, including ability to offer competitive compensation to employees
- To degree possible, preserve institutional outcome funding increases for use in supporting campus-based student success initiatives
- Continue to identify and address institutional economy and efficiency measures

Background Information

General Financial Environment

- Governor's budget includes funding of operating outcomes improvements – additional \$56.0 million (\$17.6 million for TBR colleges and TCATs).
- Operating outcomes improvement funding includes partial funding for a 2.0% salary increase (\$6.2 million for TBR)
- Additionally, TCATs received \$426,000 in Correctional Education Investment funding.
- This represents a 6.0% increase for TBR in recurring state funding
 - Community Colleges: 6.2%
 - TCATs: 4.9%
 - Not evenly distributed among institutions

FY 2019-20 State Funds (recommended)

COLUMN INSTITUTION	A	B	C	D		E	F G	
	Recurring 2018-19 Approp.	Outcome Adjustments	Salary Adjustment	Correctional Education Investment	Special Initiatives	Total Recommended 2019-20	Recurring Change	
							Total	%
CHSCC	31,910,000	1,453,200				33,363,200	1,453,200	4.6%
CLSCC	11,169,300	1,009,300				12,178,600	1,009,300	9.0%
COSCC	15,843,000	822,800				16,665,800	822,800	5.2%
DSCC	9,761,300	648,000				10,409,300	648,000	6.6%
JSCC	14,272,100	607,100				14,879,200	607,100	4.3%
MSCC	14,999,500	2,376,200				17,375,700	2,376,200	15.8%
NASCC	22,218,800	922,800				23,141,600	922,800	4.2%
NE SCC	19,719,500	1,163,500				20,883,000	1,163,500	5.9%
PSCC	32,781,900	1,828,900				34,610,800	1,828,900	5.6%
RSCC	22,521,600	1,325,100				23,846,700	1,325,100	5.9%
STCC	28,400,500	1,560,000				29,960,500	1,560,000	5.5%
VSCC	23,486,800	2,583,500				26,070,300	2,583,500	11.0%
WSCC	24,620,300	650,500				25,270,800	650,500	2.6%
Subtotal	271,704,600	16,950,900	-	-	-	288,655,500	16,950,900	6.2%
TCAT	71,579,600	3,095,200		426,000		75,100,800	3,521,200	4.9%
Academic Units	343,284,200	20,046,100	-	426,000	-	363,756,300	20,472,100	6.0%
TBR	8,196,600	-	343,200	30,800	4,444,800	13,015,400	1,374,000	16.8%
Access & Diversity	10,256,900	-	-	-	-	10,256,900	-	0.0%
TOTAL	\$ 361,737,700	\$ 20,046,100	\$ 343,200	\$ 456,800	\$ 4,444,800	\$ 387,028,600	\$ 21,846,100	6.0%

FY 2019-20 State Funds - TCATs (recommended)

COLUMN <u>INSTITUTION</u>	A	B	C	D	E F	
	Recurring 2018-19 Approp.	Outcome Adjustments	Correctional Education Investment	Total Recommended 2019-20	Recurring Change	
					Total	%
Athens	1,631,800	36,500		1,668,300	36,500	2.2%
Chattanooga	4,536,600	137,200		4,673,800	137,200	3.0%
Covington	1,274,800	40,900		1,315,700	40,900	3.2%
Crossville	2,355,800	47,800		2,403,600	47,800	2.0%
Crump	1,628,400	30,300		1,658,700	30,300	1.9%
Dickson	3,394,100	190,200		3,584,300	190,200	5.6%
Elizabethton	2,673,800	95,700		2,769,500	95,700	3.6%
Harriman	1,660,000	78,000		1,738,000	78,000	4.7%
Hartsville	2,159,000	35,100		2,194,100	35,100	1.6%
Hohenwald	2,027,900	62,800		2,090,700	62,800	3.1%
Jacksboro	1,428,200	24,400		1,452,600	24,400	1.7%
Jackson	3,442,300	70,700		3,513,000	70,700	2.1%
Knoxville	3,837,400	289,400		4,126,800	289,400	7.5%
Livingston	2,530,100	263,800		2,793,900	263,800	10.4%
McKenzie	1,446,600	35,200		1,481,800	35,200	2.4%
McMinville	1,536,100	38,600		1,574,700	38,600	2.5%
Memphis	4,915,000	646,400		5,561,400	646,400	13.2%
Morristown	3,995,700	88,900		4,084,600	88,900	2.2%
Murfreesboro	3,284,300	326,700		3,611,000	326,700	9.9%
Nashville	4,583,400	163,400		4,746,800	163,400	3.6%
Newbern	1,861,900	30,200		1,892,100	30,200	1.6%
Oneida	1,584,400	26,200		1,610,600	26,200	1.7%
Paris	1,958,000	47,200		2,005,200	47,200	2.4%
Pulaski	2,424,000	40,200		2,464,200	40,200	1.7%
Ripley	1,178,100	23,500		1,201,600	23,500	2.0%
Shelbyville	2,753,800	194,900		2,948,700	194,900	7.1%
Whiteville	1,402,100	31,000		1,433,100	31,000	2.2%
TBR	4,076,000		426,000	4,502,000	426,000	10.5%
TOTAL	71,579,600	3,095,200	426,000	75,100,800	3,521,200	4.9%

History of Changes in Recurring State Appropriations

	2009-10 Recurring Base	2018-19 Recurring Base	2019-20 Recurring Base (est.)	FY 2019-20 Over (Under) FY 2018-19		Cumulative Change Since FY 2009-10 thru FY 2019-20		Average Change Per Year (FY 2010 to FY 2020)
				%	Amount	%	Amount	
CHSCC	21,252,500	31,910,000	33,363,200	5%	1,453,200	57%	12,110,700	5%
CLSCC	9,379,600	11,169,300	12,178,600	9%	1,009,300	30%	2,799,000	3%
COSCC	11,998,000	15,843,000	16,665,800	5%	822,800	39%	4,667,800	3%
DSCC	6,491,900	9,761,300	10,409,300	7%	648,000	60%	3,917,400	5%
JSCC	11,102,400	14,272,100	14,879,200	4%	607,100	34%	3,776,800	3%
MSCC	9,159,600	14,999,500	17,375,700	16%	2,376,200	90%	8,216,100	7%
NASCC	13,412,600	22,218,800	23,141,600	4%	922,800	73%	9,729,000	6%
NESCC	11,043,500	19,719,500	20,883,000	6%	1,163,500	89%	9,839,500	7%
PSCC	18,249,000	32,781,900	34,610,800	6%	1,828,900	90%	16,361,800	7%
RSCC	16,444,000	22,521,600	23,846,700	6%	1,325,100	45%	7,402,700	4%
STCC	34,405,800	28,400,500	29,960,500	5%	1,560,000	-13%	(4,445,300)	-1%
VSCC	16,274,200	23,486,800	26,070,300	11%	2,583,500	60%	9,796,100	5%
WSCC	16,585,400	24,620,300	25,270,800	3%	650,500	52%	8,685,400	4%
Subtotal	195,798,500	271,704,600	288,655,500	6%	16,950,900	47%	92,857,000	4%
TCATs	47,877,100	71,579,600	75,100,800	5%	3,521,200	57%	27,223,700	5%
Total	243,675,600	343,284,200	363,756,300	6%	20,472,100	49%	120,080,700	4%

History of Changes in Recurring State Appropriations - TCATs

	2009-10 Recurring Base	2018-19 Recurring Base	2019-20 Recurring Base (est.)	FY 2019-20 Over (Under) FY 2018-19		Cumulative Change Since FY 2009-10 thru FY 2019-20		Average Change Per Year (FY 2010 to FY 2020)
				%	Amount	%	Amount	
Athens	1,208,700	1,631,800	1,668,300	2%	36,500	38%	459,600	3%
Chattanooga	2,753,600	4,536,600	4,673,800	3%	137,200	70%	1,920,200	5%
Covington	1,014,800	1,274,800	1,315,700	3%	40,900	30%	300,900	3%
Crossville	1,995,300	2,355,800	2,403,600	2%	47,800	20%	408,300	2%
Crump	1,385,100	1,628,400	1,658,700	2%	30,300	20%	273,600	2%
Dickson	2,067,600	3,394,100	3,584,300	6%	190,200	73%	1,516,700	6%
Elizabethton	1,640,800	2,673,800	2,769,500	4%	95,700	69%	1,128,700	5%
Harriman	1,239,700	1,660,000	1,738,000	5%	78,000	40%	498,300	3%
Hartsville	1,012,400	2,159,000	2,194,100	2%	35,100	117%	1,181,700	8%
Hohenwald	1,503,500	2,027,900	2,090,700	3%	62,800	39%	587,200	3%
Jacksboro	1,151,900	1,428,200	1,452,600	2%	24,400	26%	300,700	2%
Jackson	2,621,900	3,442,300	3,513,000	2%	70,700	34%	891,100	3%
Knoxville	2,751,500	3,837,400	4,126,800	8%	289,400	50%	1,375,300	4%
Livingston	1,849,800	2,530,100	2,793,900	10%	263,800	51%	944,100	4%
McKenzie	1,136,300	1,446,600	1,481,800	2%	35,200	30%	345,500	3%
McMinnville	1,237,200	1,536,100	1,574,700	3%	38,600	27%	337,500	2%
Memphis	3,726,900	4,915,000	5,561,400	13%	646,400	49%	1,834,500	4%
Morristown	3,363,400	3,995,700	4,084,600	2%	88,900	21%	721,200	2%
Murfreesboro	1,624,600	3,284,300	3,611,000	10%	326,700	122%	1,986,400	8%
Nashville	3,174,900	4,583,400	4,746,800	4%	163,400	50%	1,571,900	4%
Newbern	1,215,900	1,861,900	1,892,100	2%	30,200	56%	676,200	5%
Oneida	1,151,600	1,584,400	1,610,600	2%	26,200	40%	459,000	3%
Paris	1,563,900	1,958,000	2,005,200	2%	47,200	28%	441,300	3%
Pulaski	1,507,100	2,424,000	2,464,200	2%	40,200	64%	957,100	5%
Ripley	995,600	1,178,100	1,201,600	2%	23,500	21%	206,000	2%
Shelbyville	1,849,400	2,753,800	2,948,700	7%	194,900	59%	1,099,300	5%
Whiteville	1,133,700	1,402,100	1,433,100	2%	31,000	26%	299,400	2%
TBR	-	4,076,000	4,502,000	10%	426,000	0%	4,502,000	0%
Total	47,877,100	71,579,600	75,100,800	5%	3,521,200	57%	27,223,700	5%

Combined Maintenance & Mandatory Fees Rate Changes FY 2009-10 to FY 2018-19

	2009-10		2018-19		Cumulative Increase Since FY 2009-10		Average Change Per Year
	%	Fees	%	Fees	%	Amount	
	Increase		Increase				
CHSCC	5.9%	2,955	2.3%	4,255	44%	1,300	4.1%
CLSCC	5.8%	2,933	2.3%	4,235	44%	1,302	4.2%
COSCC	5.7%	2,905	2.4%	4,269	47%	1,364	4.4%
DSCC	5.7%	2,935	2.3%	4,235	44%	1,300	4.2%
JSCC	5.7%	2,917	2.3%	4,221	45%	1,304	4.2%
MSCC	5.8%	2,923	2.3%	4,241	45%	1,318	4.2%
NASCC	5.7%	2,889	2.3%	4,191	45%	1,302	4.2%
NESCC	5.6%	2,945	2.3%	4,247	44%	1,302	4.2%
PSCC	5.7%	2,957	2.3%	4,275	45%	1,318	4.2%
RSCC	5.7%	2,945	2.3%	4,239	44%	1,294	4.1%
STCC	5.7%	2,949	2.3%	4,255	44%	1,306	4.2%
VSCC	5.7%	2,925	2.3%	4,229	45%	1,304	4.2%
WSCC	5.7%	2,933	2.3%	4,224	44%	1,291	4.1%
TCATs	5.0%	2,399	2.8%	3,842	60%	1,443	5.4%

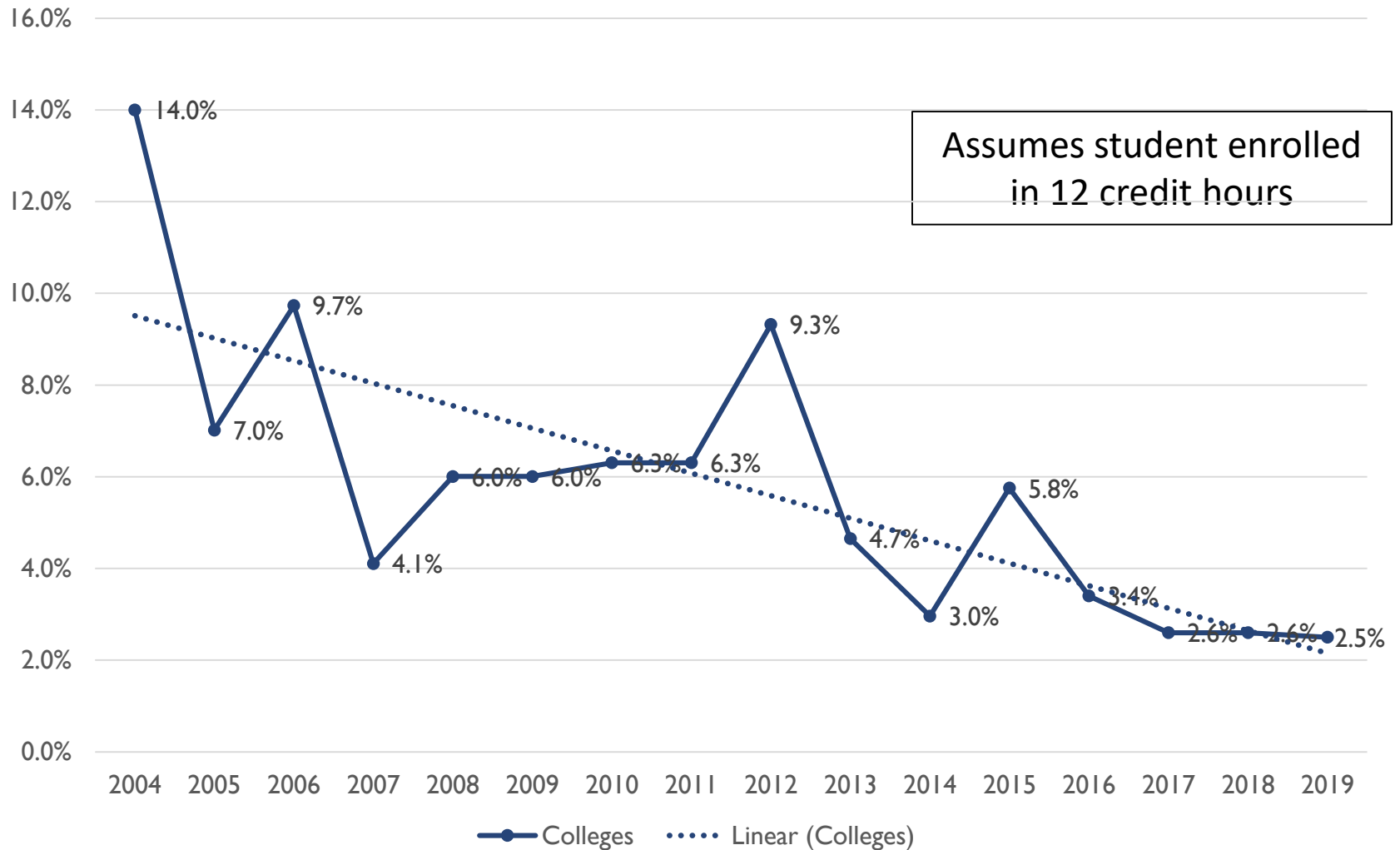
THEC Tuition Guidance

In November 2018, THEC adopted the following tuition guidance for Tennessee's public higher education institutions.

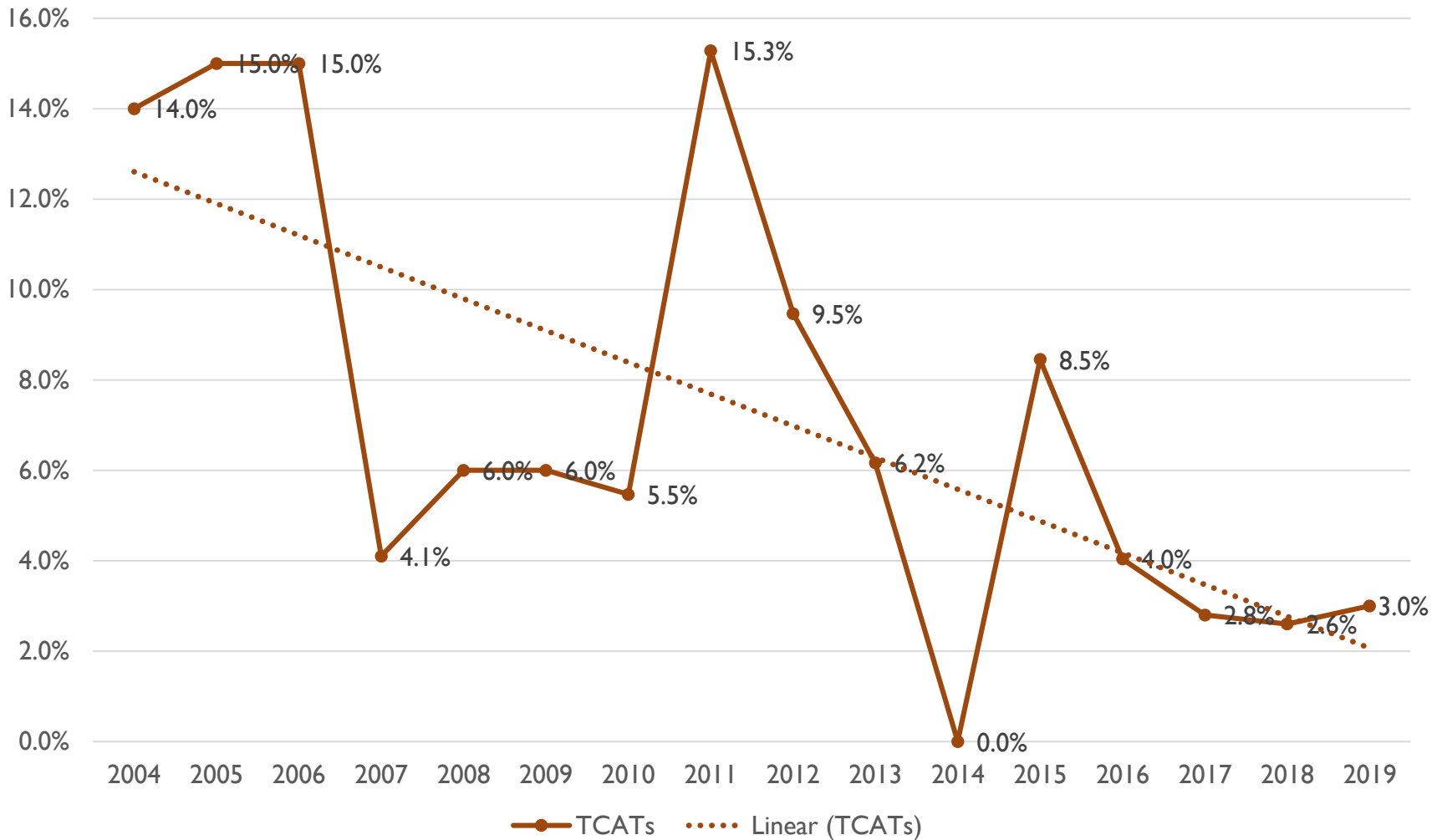
- 0% to 2.5% at Universities, Community Colleges, and TCATs

THEC will issue binding guidance for tuition and mandatory fees this Spring (May 17, 2019)

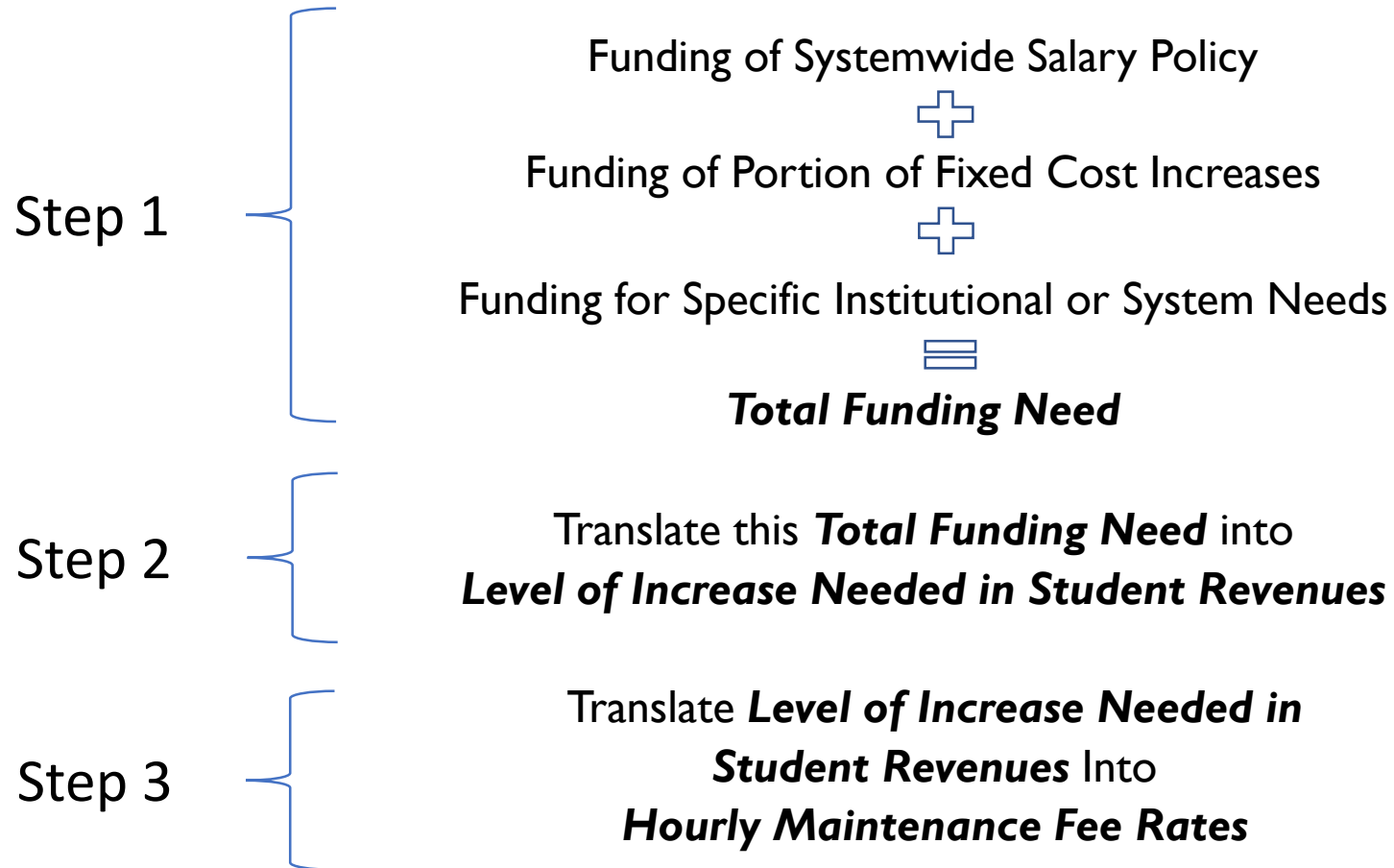
College's Maintenance Fee History



TCATs Maintenance Fee History



Decision Framework



Recent TBR System Wide Salary Policy

Fiscal Year Ending June 30	State Mandated (b)	Additional TBR Funded	Total
2011	0.0%	0.0%	0.0%
2012 (a)	1.1%	1.9%	3.0%
2013 (a)	2.5%	0.0%	2.5%
2014 (a)	1.5%	0.0%	1.5%
2015 (a)	0.9%	1.1%	2.0%
2016 (a)	1.5%	0.5%	2.0%
2017 (a)	0.0%	1.0%	1.0%
2018 (a)	3.0%	0.0%	3.0%
2019 (a)	2.5%	0.0%	2.5%

(a) Institutions were permitted to use local funds to provide supplemental salary adjustments.

(b) State funded approximately 60% of cost of salary increase. Remainder was funded by increased tuition revenue.

2.0% Salary Increase Cost vs. State Appropriation

	Salary Funding In Budget	Cost of 2.0% Salary Inc	Unfunded Portion	Tuition Inc Needed for Salary Inc
CHSCC	\$ 589,500	\$ 879,900	\$ (290,400)	1.0%
CLSCC	193,800	289,300	(95,500)	1.0%
COSCC	295,900	441,600	(145,700)	0.8%
DSCC	168,000	250,800	(82,800)	1.0%
JSCC	263,100	392,700	(129,600)	0.9%
MSCC	327,400	488,700	(161,300)	0.8%
NASCC	445,600	665,000	(219,400)	0.9%
NESCC	334,600	499,400	(164,800)	0.9%
PSCC	652,300	973,600	(321,300)	0.9%
RSCC	398,700	595,000	(196,300)	1.1%
STCC	504,800	753,500	(248,700)	0.9%
VSCC	517,300	772,100	(254,800)	0.9%
WSCC	426,600	636,700	(210,100)	1.0%
Subtotal	5,117,600	7,638,300	(2,520,700)	0.9%
TCATs	1,100,000	1,374,200	(274,200)	0.8%
Total	6,217,600	9,012,500	(2,794,900)	0.9%

2.0% Salary Increase Cost vs. State Appropriation - TCATs

	Salary Funding In Budget	Cost of 2.5% Salary Inc	Unfunded Portion	Tuition Inc Needed for Salary Inc
Athens	\$ 26,300	\$ 34,200	\$ (7,900)	0.8%
Chattanooga	73,900	85,700	(11,800)	0.5%
Covington	20,800	22,200	(1,400)	0.2%
Crossville	34,600	30,500	4,100	-0.3%
Crump	24,600	33,400	(8,800)	1.1%
Dickson	58,100	78,700	(20,600)	1.1%
Elizabethton	44,000	56,900	(12,900)	0.9%
Harriman	27,900	32,500	(4,600)	0.5%
Hartsville	33,900	45,800	(11,900)	1.3%
Hohenwald	33,100	40,700	(7,600)	0.7%
Jacksboro	22,200	26,900	(4,700)	0.8%
Jackson	50,400	67,600	(17,200)	1.2%
Knoxville	68,100	91,100	(23,000)	1.0%
Livingston	47,300	55,400	(8,100)	0.7%
McKenzie	19,800	23,600	(3,800)	0.7%
McMinnville	20,700	29,300	(8,600)	1.4%
Memphis	96,300	101,400	(5,100)	0.2%
Morristown	56,800	82,900	(26,100)	1.2%
Murfreesboro	60,900	78,200	(17,300)	1.0%
Nashville	75,500	102,400	(26,900)	1.1%
Newbern	29,300	38,100	(8,800)	0.9%
Oneida	24,800	29,200	(4,400)	0.8%
Paris	26,900	37,900	(11,000)	1.4%
Pulaski	37,900	45,600	(7,700)	0.7%
Ripley	17,400	22,300	(4,900)	1.2%
Shelbyville	48,500	55,300	(6,800)	0.5%
Whiteville	20,000	26,400	(6,400)	1.2%
Total	\$ 1,100,000	\$ 1,374,200	\$ (274,200)	0.8%

Non Personnel Inflation

Average of HEPI and CPI

HEPI Rate	2.76%
CPI Rate	1.52%
Average	2.14%
Share of Inflation to Replace	80%
Inflationary Costs to Replace	1.71%

Community Colleges Indicated Student Revenue Increase

	Percent	Amount
Institutions' salary increase	0.92%	\$ 2,521,400
Inflation (80%)	0.90%	\$ 2,466,600
Subtotal	1.82%	\$ 4,988,000
Special Initiatives	0.00%	\$ -
Grand Total	1.82%	\$ 4,988,000
FY 19-20 Incr. in Outcomes Funding		\$ 16,950,900

Colleges of Applied Technology Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institutions' salary increase	0.81%	\$ 273,500
Inflation (80%)	1.34%	452,500
Subtotal	<u>2.15%</u>	<u>\$ 726,000</u>
Special Initiatives	0.00%	-
Grand Total	<u><u>2.15%</u></u>	<u><u>\$ 726,000</u></u>
FY 19-20 Incr. in Outcomes Funding		\$ 3,095,200

Revenue Generated from Indicated Maintenance Fee Adjustment

	<u>Inflation Cost</u>	<u>2.0% Salary Inc Cost</u>	<u>Special Initiatives</u>	<u>Total Cost</u>
CHSCC	256,100	250,700		506,800
CLSCC	92,400	90,400		182,800
COSCC	169,000	165,300		334,300
DSCC	77,900	76,200		154,100
JSCC	131,700	128,900		260,600
MSCC	196,900	192,600		389,500
NASCC	226,500	221,500		448,000
NESCC	167,600	164,000		331,600
PSCC	323,600	316,600		640,200
RSCC	161,300	157,800		319,100
STCC	260,100	254,400		514,500
VSCC	267,900	262,000		529,900
WSCC	190,400	186,200		376,600
	<u>2,521,400</u>	<u>2,466,600</u>	<u>-</u>	<u>4,988,000</u>
TCATs	452,500	237,500	-	690,000
System	<u><u>2,973,900</u></u>	<u><u>2,704,100</u></u>	<u>-</u>	<u><u>5,678,000</u></u>

Revenue Generated from Indicated Maintenance Fee Adjustment - TCATs

	Inflation Cost	2.0% Salary Inc Cost	Special Initiatives	Total Cost
Athens	\$ 12,600	\$ 7,600		\$ 20,200
Chattanooga	30,000	18,100		48,100
Covington	8,000	4,900		12,900
Crossville	17,100	10,300		27,400
Crump	10,900	6,600		17,500
Dickson	25,000	15,100		40,100
Elizabethton	18,400	11,100		29,500
Harriman	11,200	6,800		18,000
Hartsville	12,100	7,300		19,400
Hohenwald	13,700	8,300		22,000
Jacksboro	8,000	4,900		12,900
Jackson	18,800	11,300		30,100
Knoxville	29,700	17,900		47,600
Livingston	15,700	9,500		25,200
McKenzie	7,100	4,300		11,400
McMinnville	8,400	5,100		13,500
Memphis	39,800	24,100		63,900
Morristown	29,500	17,800		47,300
Murfreesboro	23,900	14,400		38,300
Nashville	33,700	20,400		54,100
Newbern	13,500	8,200		21,700
Oneida	7,500	4,600		12,100
Paris	10,600	6,400		17,000
Pulaski	14,500	8,700		23,200
Ripley	5,400	3,300		8,700
Shelbyville	20,000	12,100		32,100
Whiteville	7,400	4,400		11,800
Total	\$ 452,500	\$ 273,500	\$ -	\$ 726,000

Mandatory Fee Requests

Mandatory Fee Requests

Campus Request						Revenue				
Institution	Description	Current	Proposed	Increase	Student Exposure to Proposal	Prior Increase	Revenue	Justification		
1 All Community Colleges and all TCATs	Increase Technology Access Fee	\$112.50/sem at CCs; \$67/trimester at TCATs	Range of \$116.00 to \$128.00/sem at CC; and \$69.00 to \$74.00/trimester at TCATs	Range of \$3.50 to \$15.50/sem at CC; and \$2.00 to \$7.00/trimester at TCATs	TBD	FY 2003-04 increased \$100/yr from \$125 to \$225 at CCs and \$75/yr from \$125 to \$200 at TCATs; FY 2000-01 increased \$25 from \$100 to \$125 for both CCs and TCATs	Range of \$440,100 to \$1,973,900 at CC; and \$19,900 to \$224,900 at TCATs	CPI has increased 38.4% since last TAF increase. College presidents have also recognized that over this same period of time, in addition to cost increases, there has been a significant increase in the dependency and use of technology in the classrooms and labs as well as in providing various support services to students.		

Next Steps

- Committee members communicate to staff:
 - Any additional information needs; and
 - Feedback on indicated student revenue increase levels
- Staff will analyze feedback from institutions.

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