



THE COLLEGE SYSTEM  
*of* TENNESSEE

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Committee on Finance & Business Operations  
June 11, 2021

## Action Items

Consideration of Recommended Actions for Maintenance Fees, Tuition, Mandatory Fees, and Non-mandatory Fee Rates for AY 2021-22

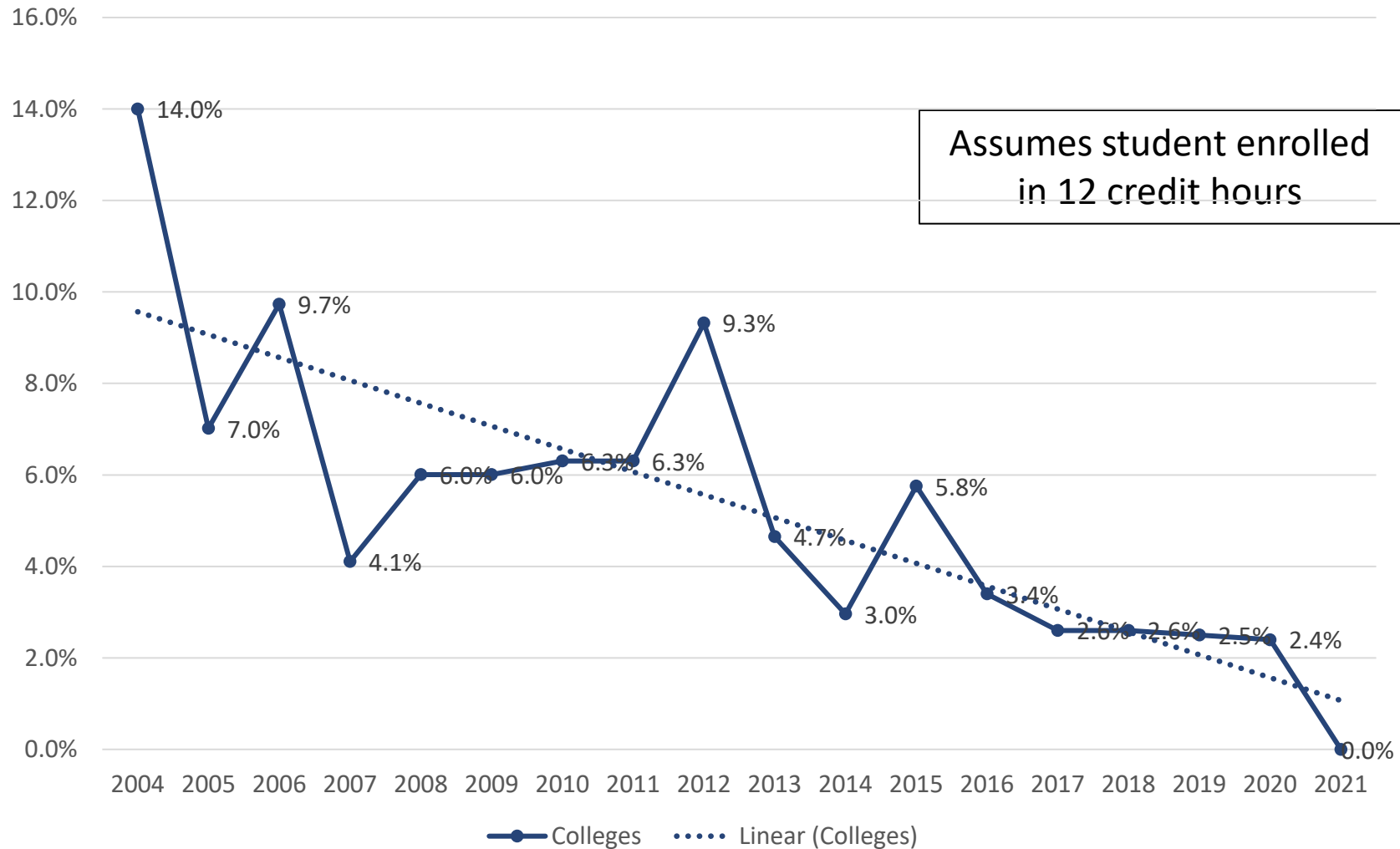
# General Financial Environment

- Fiscal Year 20-21 tuition and fee revenue estimated to decline approximately \$40 million because of COVID disruptions. Fall enrollment down 12%. Spring enrollment down 14%.
- Most schools are anticipating near flat enrollment for Fall 2021.
- CARES Act funding mitigated the impact of the enrollment decline on revenue on a nonrecurring basis.
- Governor's budget includes funding of operating outcomes improvements – additional \$36.0 million (\$14.6 million for TBR colleges and TCATS).
- Additional \$54 million direct investment into the TCATS
- Additionally, Higher Education received partial funding for a 2.0% salary increase as of January 2021 and an additional 2.0% salary increase as of July 2021 (\$13.6 million for TBR)
- Received \$1.0 million non-recurring for Mechatronics
- TBR received \$3,630,000 in nonrecurring funding for equipment for the TCAT Morristown building.
- Capital Outlay includes funding for the Columbia State Williamson County Arts and Technology Building for \$26.98 million and \$42.4 million for a new TCAT Shelbyville campus.
- \$1.7 million non-recurring to Roane State Community College for the Cumberland County Science Lab project and \$1.0 million non-recurring to Roane State Community College for planning funds for their Knox County Health Sciences campus
- Correctional Education Investment Initiative - \$872,000 (\$222,000 recurring and \$650,000 non-recurring)
- Competency-Based Education Capacity at the community colleges \$750,000 (\$400,000 recurring and \$350,000 non-recurring)
- Capital Maintenance \$30.8 million

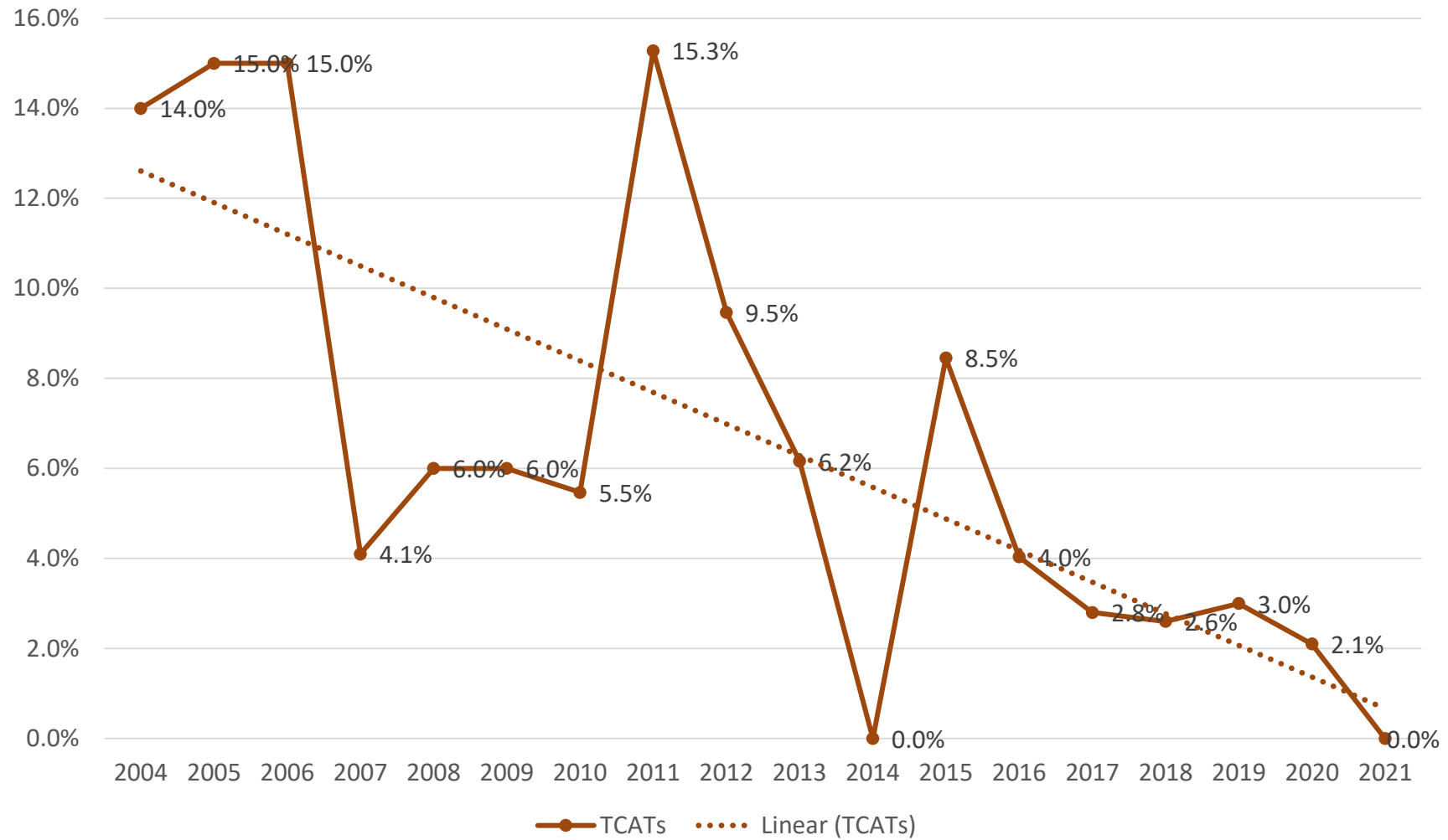
## Combined Maintenance & Mandatory Fees Rate Changes FY 2011-12 to FY 2020-21

	2011-12		2020-21		Cumulative Increase Since FY 2011-12		Average Change Per Year
	% Increase	Fees	% Increase	Fees	%	Amount	
CHSCC	9.1%	3,411	0.0%	4,358	28%	947	2.8%
CLSCC	8.5%	3,365	0.0%	4,338	29%	973	2.9%
COSCC	8.9%	3,367	0.0%	4,372	30%	1,005	2.9%
DSCC	8.8%	3,377	0.0%	4,338	28%	961	2.8%
JSCC	9.3%	3,373	0.0%	4,324	28%	951	2.8%
MSCC	8.6%	3,372	0.0%	4,344	29%	972	2.9%
NASCC	8.6%	3,321	0.0%	4,294	29%	973	2.9%
NESCC	8.5%	3,377	0.0%	4,350	29%	973	2.9%
PSCC	9.1%	3,413	0.0%	4,378	28%	965	2.8%
RSCC	8.6%	3,381	0.0%	4,342	28%	961	2.8%
STCC	8.8%	3,391	0.0%	4,358	29%	967	2.8%
VSCC	8.6%	3,363	0.0%	4,332	29%	969	2.9%
WSCC	8.8%	3,375	0.0%	4,327	28%	952	2.8%
<b>TCATs</b>	<b>8.8%</b>	<b>2,975</b>	<b>0.0%</b>	<b>3,936</b>	<b>32%</b>	<b>961</b>	<b>3.2%</b>

# College's Maintenance Fee History



# TCATs Maintenance Fee History



# THEC Tuition and Mandatory Fee Guidance

On May 21, 2021, THEC adopted the following binding tuition guidance for Tennessee's public higher education institutions.

- 0% to 2.0% Tuition and mandatory fee range for Universities, Community Colleges, and TCATs

# Mandatory Fee Requests



# FY 2021-22 Mandatory Fee Requests

	<b>Institution</b>	<b>Description</b>	<b>Current</b>	<b>Proposed</b>	<b>Increase</b>	<b>Annual Revenue Generated</b>
1	NASCC	Establish a Student Activity fee	\$ -	2/headcount	2/headcount	\$ 29,800
2	NASCC	Establish a Student Government fee	\$ -	1/headcount	1/headcount	\$ 14,900
3	PSCC	Establish a Student Activity fee	\$ -	3/headcount	3/headcount	\$ 72,100
	<b>Total</b>					\$ 116,800

# Mandatory Fee Requests - NASCC

**Request:** Establish a Student Activity Fee of \$2.00/sem/headcount.

**Student Exposure:** The SGA held a student vote on December 7, 2020. A majority of students voting approved the new fee.

**Prior Revisions of Fee:** None

**Annual Revenue Generated by Proposal:** \$29,800

**Rationale for Why Fee Adjustment is Needed:** The new fee will provide funding to allow for travel and professional development for students, provide funds for better quality programming for student campus events and provide funds for student activity programs such as FallFest, SpringFling, SouthernWord, and Student Appreciation events.

**For the courses to which this fee will apply, how many credit hours does a typical student enroll in in one semester:** N/A

**For the courses to which this fee will apply, what is the total headcount enrollment and total credit hour enrollment for a typical semester:** N/A

**How did you determine the amount of the fee adjustment and how does it relate to the cost of the activity it will fund?**

Student Government Association initiated this request to improve campus life for students. A list of student activities and related costs was compiled. Next fees being charged at other TBR community college was reviewed. Based on reviewing and comparing the data, the student body determined that a \$5 student activity fee would be appropriate. The student body voted and approved the \$5 fee. However, due to the way THEC calculates the fee increase for compliance with a 2% ceiling, we can only request \$2.

# Mandatory Fee Requests - NASCC

**Request:** Establish a Student Government Fee of \$1.00/sem/headcount.

**Student Exposure:** The SGA held a student vote on December 7, 2020. A majority of students voting approved the new fee.

**Prior Revisions of Fee:** None

**Annual Revenue Generated by Proposal:** \$14,900

**Rationale for Why Fee Adjustment is Needed:** This new fee will provide funding for student clubs and organizations to support club activities and student travel and other programs and events.

**For the courses to which this fee will apply, how many credit hours does a typical student enroll in in one semester:** N/A

**For the courses to which this fee will apply, what is the total headcount enrollment and total credit hour enrollment for a typical semester:** N/A

**How did you determine the amount of the fee adjustment and how does it relate to the cost of the activity it will fund?**

Student Government Association initiated this request to provide funding for student government activities. A list of activities and related costs was compiled. Next fees being charged at other TBR community college was reviewed. Based on reviewing and comparing the data, the student body determined that a \$5 student government fee would be appropriate. The student body voted and approved the \$5 fee. However, due to the way THEC calculates the fee increase for compliance with a 2% ceiling, we can only request \$1.

# Mandatory Fee Requests - PSCC

**Request:** Establish a Student Activity Fee of \$3.00/sem.

**Student Exposure:** Students across the college were asked to vote in a fee referendum during Fall 2019. The referendum was first introduced to students during Welcome Week in September 2019. Advertising and marketing for the vote went on during the semester until the voting period went live on November 18, 2019 and lasted until December 3, 2019. Student Government Association members and Student Activity Board members engaged students through campus activities and social media campaigns at each campus location during the voting period. As a result of the affirmative vote of 53% of the student body, the Student Government Association passed a bill in support of a new student activity fee on December 5, 2019. Students participating in the vote were 1,020; 544 of which voted yes.

**Prior Revisions of Fee:** None

**Annual Revenue Generated by Proposal:** \$72,100

**Rationale for Why Fee Adjustment is Needed:** Pellissippi State has been using a nominal SGA fee to fund student activities opportunities through our Student Engagement and Leadership Office. This \$4 fee funds all activities and extracurricular programming that occur across all five campuses. In order to provide broad opportunity for students to participate in high quality engagement and developmentally appropriate co-curricular opportunities, we must have funding that will meet these needs for our 10,000+ student body. Currently, our budget is not healthy enough to provide students with access to leadership or professional organization conferences, co-curricular travel, online engagement platform for online students, or expert speakers that may enrich and intertwine the classroom and extracurricular learning environment at the college. Such programming opportunities will move the college onward in its mission to provide a transformational, holistic educational experience for our students.

# Mandatory Fee Requests – PSCC (cont)

**For the courses to which this fee will apply, how many credit hours does a typical student enroll in in one semester:** N/A

**For the courses to which this fee will apply, what is the total headcount enrollment and total credit hour enrollment for a typical semester:** N/A

**How did you determine the amount of the fee adjustment and how does it relate to the cost of the activity it will fund?** Students were polled over four semesters to determine the fee amount. The poll questions were generated by researching and comparing student activities fees and student government fees across TBR institutions. The

student activity fee will help support student activities, club activities, including but not limited to cultural and performing arts, collaborations with clubs, faculty, and service learning. It will increase the amount of student programming and engagement opportunities which promote personal growth, a sense of respect and social awareness, and intellectual development.

# Non-mandatory Fee Requests

# FY 2021-22 Non-mandatory Fee Requests

	<b>Institution</b>	<b>Description</b>	<b>Current</b>	<b>Proposed</b>	<b>Increase</b>	<b>Annual Revenue Generated</b>
1	<b>PSCC</b>	Reduce Specialized Academic Course fee for Culinary Arts	725/credit hr	150/credit hr	(575)/credit hr	\$ 94,500
2	<b>VSCC</b>	Eliminate Specialized Academic Course fee for Fire Science program	\$25/credit or audit hr	\$ -	(25)/credit or audit hr	\$ (23,000)
3	<b>All community colleges</b>	Suspend campus online fees for one year	10/credit hr to 25% of maint fees	Suspend for one year	Suspend for one year	\$ (2,640,000)
	<b>Total</b>					\$ (2,568,500)

# Nonmandatory Fee Requests - PSCC

**Request:** Reduce the Culinary Arts Specialized Academic Course fee from \$725/credit hour to \$150/credit hour.

**Prior Revisions of Fee:** None

**Annual Revenue Generated by Proposal:** \$94,500

**Rationale for Why Fee Adjustment is Needed:**

Pellissippi State Community College previously contracted with The University of Tennessee to provide a culinary kitchen, three instructors, and all food and ingredients necessary for the cooking and food service related to culinary arts courses.

Pellissippi State Community College no longer contracts for those services. The reduction in per credit hour fee reflects costs now absorbed by PSCC in the form of facilities and instructor costs. The per credit hour fee now includes only student protective gear, food, ingredients, and individual student specific tools. The culinary arts curriculum includes an additional three-hour course (catering) which increases the total credit hours to which this fee applies (from 18 to 21 hours).



# Nonmandatory Fee Requests – PSCC (cont)

**For the courses to which this fee will apply, how many credit hours does a typical student enroll in in one semester:** A typical student enrolls in six credit hours in one semester.

**For the courses to which this fee will apply, what is the total headcount enrollment and total credit hour enrollment for a typical semester:** A typical semester will have 60 unduplicated students with 315 credit hour total enrollment in culinary courses subject to the fee. These numbers are based on pre-Covid semesters (example of a typical semester with a cohort of 20 incoming culinary students - projected to include the full program of classes offered in a typical semester).

**How did you determine the amount of the fee adjustment and how does it relate to the cost of the activity it will fund?** The fee was calculated based on actual per student program costs for the items covered by the fee during the Spring 2019 and Fall 2020 academic semesters. Facility costs, maintenance, and instructor costs were specifically excluded from the calculation. Only costs related to student protective gear, food, ingredients, and individual student specific tools were included. This fee does not include the cost of textbooks or similar materials.

# Nonmandatory Fee Requests - VSCC

**Request:** Eliminate the Fire Program Specialized Academic Course fee of \$25/credit or audit hr.

**Prior Revisions of Fee:** None

**Annual Revenue Generated by Proposal:** (\$23,000)

**Rationale for Why Fee Adjustment is Needed:** The Fire Science program is housed in the Health Sciences division at VSCC. The fee was imposed because Health Sciences programs are very expensive to deliver. Having had two years of experience charging this fee, it has now been observed that this program is an outlier among the academic division. The program does not have unusual academic costs, and therefore, the faculty and dean believe this fee should be eliminated.

**For the courses to which this fee will apply, how many credit hours does a typical student enroll in in one semester:** N/A

**For the courses to which this fee will apply, what is the total headcount enrollment and total credit hour enrollment for a typical semester:** N/A

**How did you determine the amount of the fee adjustment and how does it relate to the cost of the activity it will fund?** N/A

# Nonmandatory Fee Requests – All Community Colleges

**Request:** Suspend the campus online course fees for one year at the seven schools that currently assess the fee (Chattanooga, Cleveland, Columbia, Dyersburg, Jackson, Roane, Walters)

**Prior Revisions of Fee:** Varies

**Annual Revenue Generated by Proposal:**  
(\$2,640,000)

**Rationale for Why Fee Adjustment is Needed:** The COVID19 pandemic has driven many students who would normally attend on-ground courses to online courses for safety reasons. Suspension of the fee will remove a financial barrier for students opting to take online courses during the pandemic.

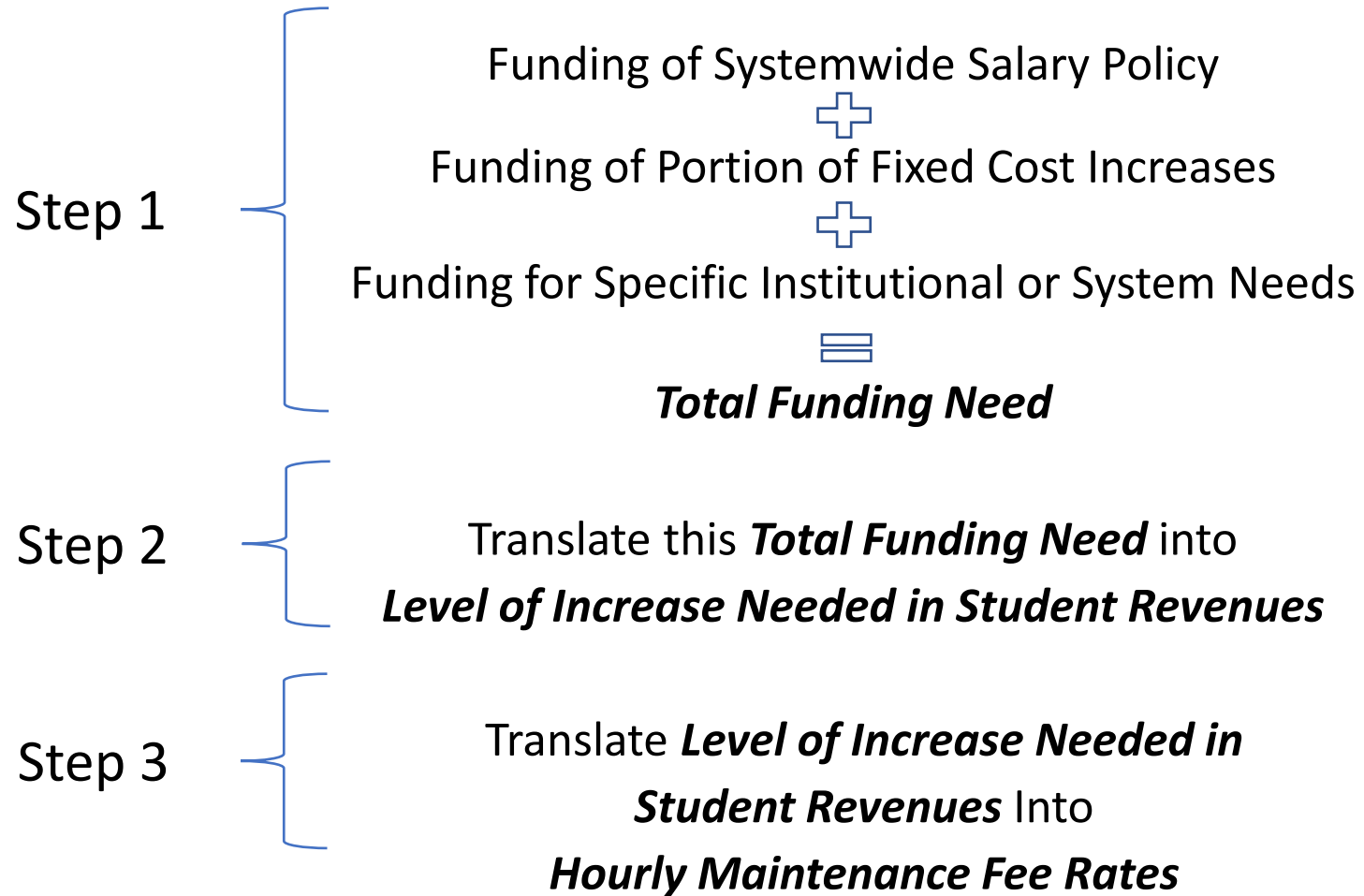
**For the courses to which this fee will apply, how many credit hours does a typical student enroll in in one semester:** N/A

**For the courses to which this fee will apply, what is the total headcount enrollment and total credit hour enrollment for a typical semester:** N/A

**How did you determine the amount of the fee adjustment and how does it relate to the cost of the activity it will fund?** N/A

# Tuition Recommendations

# Decision Framework



## 2%+2% Salary Increase Cost vs. State Appropriation

	Salary Funding In Budget	Cost of Salary Inc	Unfunded Portion	Tuition Inc Needed for Salary Inc
CHSCC	\$ 1,192,200	\$ 1,775,800	\$ (583,600)	2.3%
CLSCC	418,700	623,700	(205,000)	2.0%
COSCC	560,000	834,100	(274,100)	1.5%
DSCC	352,800	525,400	(172,600)	2.1%
JSCC	479,300	713,900	(234,600)	1.8%
MSCC	719,600	1,071,800	(352,200)	1.8%
NASCC	892,400	1,329,100	(436,700)	2.0%
NE SCC	691,200	1,029,500	(338,300)	2.1%
PSCC	1,349,900	2,010,500	(660,600)	2.1%
RSCC	831,500	1,238,400	(406,900)	2.5%
STCC	1,137,000	1,693,300	(556,300)	2.4%
VSCC	1,054,800	1,571,000	(516,200)	1.9%
WSCC	856,500	1,275,700	(419,200)	2.2%
Subtotal	10,535,900	15,692,200	(5,156,300)	2.0%
TCATs	2,377,500	2,953,200	(575,700)	1.6%
Total	12,913,400	18,645,400	(5,732,000)	2.0%

## 2%+2% Salary Increase Cost vs. State Appropriation - TCATs

	Salary Funding In Budget	Cost of Salary Inc	Unfunded Portion	Tuition Inc Needed for Salary Inc
Athens	\$ 59,100	\$ 73,500	\$ (14,400)	1.8%
Chattanooga	143,700	178,300	(34,600)	1.5%
Covington	43,500	54,000	(10,500)	1.5%
Crossville	69,900	86,800	(16,900)	1.2%
Crump	67,500	83,900	(16,400)	1.5%
Dickson	138,800	172,400	(33,600)	1.5%
Elizabethton	94,400	117,300	(22,900)	1.7%
Harriman	58,100	72,200	(14,100)	1.7%
Hartsville	81,100	100,800	(19,700)	1.7%
Hohenwald	72,000	89,500	(17,500)	1.5%
Jacksboro	56,800	70,500	(13,700)	1.9%
Jackson	106,900	132,800	(25,900)	1.6%
Knoxville	141,900	176,300	(34,400)	1.3%
Livingston	96,400	119,800	(23,400)	1.9%
McKenzie	32,000	39,700	(7,700)	1.8%
McMinnville	52,100	64,700	(12,600)	1.5%
Memphis	198,200	246,200	(48,000)	1.5%
Morristown	142,000	176,400	(34,400)	1.6%
Murfreesboro	140,500	174,500	(34,000)	2.0%
Nashville	168,300	209,100	(40,800)	1.6%
Newbern	60,200	74,800	(14,600)	1.3%
Oneida	46,000	57,100	(11,100)	2.1%
Paris	57,100	70,900	(13,800)	1.8%
Pulaski	75,900	94,300	(18,400)	1.8%
Ripley	39,000	48,400	(9,400)	1.8%
Shelbyville	98,500	122,300	(23,800)	1.7%
Whiteville	37,600	46,700	(9,100)	1.6%
<b>Total</b>	<b>\$ 2,377,500</b>	<b>\$ 2,953,200</b>	<b>\$ (575,700)</b>	<b>1.6%</b>

# Non Personnel Inflation

Average of HEPI and CPI	
HEPI Rate	1.94%
CPI Rate	2.62%
Average	2.28%
Share of Inflation to Replace	80%
Inflationary Costs to Replace	1.82%



# Indicated Student Revenue Increases

## Community Colleges Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institutions' salary increase	2.04%	\$ 5,162,700
Inflation (80%)	1.03%	\$ 2,606,600
Subtotal	<u>3.07%</u>	<u>\$ 7,769,300</u>
THEC Ceiling	-1.07%	\$ (2,707,900)
Grand Total	<u><u>2.00%</u></u>	<u><u>\$ 5,061,400</u></u>

# Colleges of Applied Technology Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institutions' salary increase	1.59%	\$ 575,900
Inflation (80%)	1.53%	554,200
Subtotal	<u>3.12%</u>	<u>\$ 1,130,100</u>
THEC Ceiling	-1.12%	(405,700)
Grand Total	<u><u>2.00%</u></u>	<u><u>\$ 724,400</u></u>

# Revenue Generated from Indicated Maintenance Fee Adjustment

	Inflation Cost	Salary Inc Cost	THEC Ceiling	Total Cost
CHSCC	263,000	521,200	(273,400)	510,800
CLSCC	104,400	206,500	(108,300)	202,600
COSCC	192,900	382,100	(200,400)	374,600
DSCC	83,700	165,800	(87,000)	162,500
JSCC	136,300	270,000	(141,600)	264,700
MSCC	206,300	408,400	(214,300)	400,400
NASCC	227,200	450,000	(236,000)	441,200
NESCC	167,500	331,800	(174,000)	325,300
PSCC	328,700	651,100	(341,500)	638,300
RSCC	169,800	336,300	(176,400)	329,700
STCC	240,800	477,000	(250,200)	467,600
VSCC	286,700	567,800	(297,800)	556,700
WSCC	199,300	394,700	(207,000)	387,000
	<u>2,606,600</u>	<u>5,162,700</u>	<u>(2,707,900)</u>	<u>5,061,400</u>
TCATs	554,200	575,900	(405,700)	724,400
System	<u><u>3,160,800</u></u>	<u><u>5,738,600</u></u>	<u><u>(3,113,600)</u></u>	<u><u>5,785,800</u></u>

# Revenue Generated from Indicated Maintenance Fee Adjustment - TCATs

	Inflation Cost	Salary Inc Cost	THEC Ceiling	Total Cost
Athens	\$ 12,300	\$ 12,800	\$ (9,000)	\$ 16,100
Chattanooga	35,200	36,600	(25,600)	46,200
Covington	10,700	11,100	(7,800)	14,000
Crossville	21,100	22,000	(15,500)	27,600
Crump	16,700	17,400	(12,200)	21,900
Dickson	34,600	35,900	(25,300)	45,200
Elizabethton	20,700	21,500	(15,200)	27,000
Harriman	12,700	13,200	(9,300)	16,600
Hartsville	17,300	18,000	(12,700)	22,600
Hohenwald	17,700	18,400	(13,000)	23,100
Jacksboro	11,100	11,600	(8,100)	14,600
Jackson	24,700	25,700	(18,100)	32,300
Knoxville	41,200	42,800	(30,200)	53,800
Livingston	18,700	19,500	(13,700)	24,500
McKenzie	6,400	6,700	(4,700)	8,400
McMinnville	12,800	13,300	(9,400)	16,700
Memphis	49,500	51,300	(36,300)	64,500
Morristown	33,200	34,500	(24,300)	43,400
Murfreesboro	26,400	27,400	(19,300)	34,500
Nashville	39,300	40,800	(28,700)	51,400
Newbern	17,300	18,000	(12,700)	22,600
Oneida	8,100	8,400	(5,900)	10,600
Paris	11,600	12,000	(8,500)	15,100
Pulaski	16,100	16,700	(11,800)	21,000
Ripley	8,200	8,500	(6,000)	10,700
Shelbyville	21,800	22,700	(16,000)	28,500
Whiteville	8,800	9,100	(6,400)	11,500
<b>Total</b>	<b>\$ 554,200</b>	<b>\$ 575,900</b>	<b>\$ (405,700)</b>	<b>\$ 724,400</b>

# Recommended Maintenance Fee and Tuition Rates

# Community Colleges

	FY 2020-21		FY 2021-22	
	Base Hours	Hours > Base	Base Hours	Hours > Base
<b>Undergraduate</b>				
In-State	\$ 168	\$ 35	\$ 171	\$ 37
Incr. Amount			\$ 3	\$ 2
Incr. Percent			1.79%	5.71%
In-State increase based on 15 credit hours			1.98%	
Out-of-State	\$ 524	\$ 105	\$ 534	\$ 107
Incr. Amount			\$ 10	\$ 2
Incr. Percent			1.91%	1.90%
<b>Regents On-line Degree Program</b>				
Undergraduate	\$ 67	\$ 67	\$ 68	\$ 68
<b>E-Rate</b>				
Undergraduate	\$ 84	\$ 84	\$ 86	\$ 86
<b>Dual Enrollment</b>				
Undergraduate	\$ 166	\$ 33	\$ 166	\$ 33

# Colleges of Applied Technology

	<u>FY 2020-21</u>	<u>FY 2021-22</u>
Tri-mester Rate	\$ 1,229	\$ 1,253
Increase		
Amount		\$ 24
Percent		1.95%



# Combined Annual Fee Impact

	A	B	C	D	E	F	G	H	I	J	K	L
	Current Maintenance	Current Mandatory	Total	Requested Mandatory	Total Before Maintenance	% Incr.	Proposed Maint Inc	Total Maint and Mandatory	Proposed Total	% Increase	THEC Max	Amount under Max
CHSCC	\$ 4,242	\$ 326	\$ 4,568		\$ 4,568	0.0%	\$ 84	\$ 84	\$ 4,652	1.84%	\$ 4,659	\$ 7
CLSCC	4,242	306	4,548		4,548	0.0%	84	84	4,632	1.85%	4,639	7
COSCC	4,242	340	4,582		4,582	0.0%	84	84	4,666	1.83%	4,674	8
DSCC	4,242	306	4,548		4,548	0.0%	84	84	4,632	1.85%	4,639	7
JSCC	4,242	292	4,534		4,534	0.0%	84	84	4,618	1.85%	4,625	7
MSCC	4,242	312	4,554		4,554	0.0%	84	84	4,638	1.84%	4,645	7
NASCC	4,242	262	4,504	6	4,510	0.1%	84	90	4,594	2.00%	4,594	0
NESCC	4,242	318	4,560		4,560	0.0%	84	84	4,644	1.84%	4,651	7
PSCC	4,242	346	4,588	6	4,594	0.1%	84	90	4,678	1.96%	4,680	2
RSCC	4,242	310	4,552		4,552	0.0%	84	84	4,636	1.85%	4,643	7
STCC	4,242	326	4,568		4,568	0.0%	84	84	4,652	1.84%	4,659	7
VSCC	4,242	300	4,542		4,542	0.0%	84	84	4,626	1.85%	4,633	7
WSCC	4,242	295	4,537		4,537	0.0%	84	84	4,621	1.85%	4,628	7
TCATs	\$ 3,687	\$ 249	\$ 3,936		\$ 3,936	0.0%	\$ 72	\$ 72	\$ 4,008	1.83%	\$ 4,015	\$ 7

Note: Assumes 15 hr enrollment per semester at community colleges.

# Recommended Actions

Staff recommends approval of the increases in maintenance fees, tuition, mandatory fees, and non-mandatory fees for AY 2021-22 as shown on slides 9, 15, 31 and 32.

End of Materials