OUT-OF-STATE TUITION
Phase I
Peer Competitive Rate Proposal

OVERVIEW

As a primary campus of the state-wide University of Tennessee System, UTM tuition and fees are established by the Board of Trustees in conjunction with legislative action. Current in-state undergraduate maintenance and fees per full-time semester total $3757; out-of-state students pay an additional tuition of $6972 per semester. Pursuant to the Complete College Tennessee Act (CCTA), annual state appropriations to the University shifted from an FTE- to performance-based funding model. With the emphasis on recruitment, retention, and degree progression becoming a primary component of the higher education lexicon, institutions must develop innovative strategies to attract and retain students in today’s competitive market.

As illustrated in Attachment A, undergraduate in-state tuition and fees at UTM compare favorably with peer institutions used in the Sibsons study and other THEC peer institutions not included in the Sibsons comparison group. However, while out-of-state tuition is similarly consistent with Tennessee institutions, UTM rates are significantly higher (and, hence, less competitive) than those of many of its peer institutions in surrounding states.

Financial sustainability hinges upon the University’s ability to attract the best and brightest students to its programs, and it must do so in sufficient numbers to generate resources that maintain academic excellence and expand educational opportunities for all students. The numbers of graduating high school seniors expected to enter college across UTM’s primary service area are projected to increase just 2% over the next decade. Consequently, expanding the out-of-state student base becomes a critical component within a comprehensive strategy for generating the revenue sources necessary to continue University operation at the current level without increasing the financial burden on Tennessee students and taxpayers.

RECOMMENDATION

To maximize financial sustainability across the University and competitively attract the best students in today’s higher education market, the Financial Sustainability Committee recommends freezing the undergraduate and graduate out-of-state tuition rates until they become within 10% of the peer institutions used for the Sibsons study.