The University of Tennessee at Martin
Phase II
Premium Out-of-State Tuition Scholarship Proposal Summary

OVERVIEW

The financial sustainability of the University of Tennessee at Martin 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 creation of a Premium Out-of-State Tuition (POST) scholarship that adjusts out-of-state full-time students’ tuition to an amount equal to the per-student subsidy in the THEC funding formula recommendation calculation, currently approximately $2,800 per semester. Students eligible to receive the POST scholarship must meet all University requirements for regular full-time admission, and must be a U.S. citizen or permanent resident. Undergraduate students must pay for university housing and 15 meal plan each semester for the first two years of attendance. Current UTM out-of-state students who already have met the above criteria would be eligible to receive the scholarship.

ACTION PLAN

Marketing and enrollment consultants will assist in the formulation of a comprehensive strategy and the implementation based on industry research. Additional research of higher education best practices will aid UTM in the development of the optimum out-of-state student population diversity to sustain the university financially. The success of the POST scholarship initiative would require aggressive marketing and recruitment efforts. The preliminary target for the first year is the recruitment of at least 160 full-time out-of-state students, which is an addition of 20 students beyond the breakeven enrollment requirement of 140 out-of-state students. The phase-in of 20 additional out-of-state students for four years is the initial plan. The projected implementation for the POST scholarship is Fall 2015.

During FY 2013-2014, the in-state undergraduate maintenance and fees per full-time semester total $3,757; out-of-state students pay additional tuition of $6,972 per semester for a total of $10,729 per semester. To illustrate the POST scholarship using FY 2014 tuition and fee rates, a full-time out-of-state student who met the criteria would be assessed $10,729 per semester and receive a scholarship for $4,172 for a net amount of $6,557 for the term.