

THE UNIVERSITY OF TENNESSEE  
BOARD OF TRUSTEES

MINUTES OF THE  
SUBCOMMITTEE ON TUITION, FEES, AND FINANCIAL AID

June 11, 2018  
Knoxville, Tennessee

The meeting of the Subcommittee on Tuition, Fees and Financial Aid of The University of Tennessee Board of Trustees met via teleconference at 2:00 p.m. EDT, Monday, June 11, 2018, in the 7<sup>th</sup> Floor Conference Room of Andy Holt Tower, 1331 Circle Park Drive, Knoxville, Tennessee.

**I. CALL TO ORDER**

John N. Foy, Chair of the Subcommittee, called the meeting to order and recognized Catherine Mizell, Secretary of the Board of Trustees to call the roll.

**II. ROLL CALL FOR SUBCOMMITTEE ON TUITION, FEES, AND FINANCIAL AID**

Ms. Mizell called the roll of the Subcommittee on Tuition, Fees, and Financial Aid. The following members were present:

John N. Foy, Subcommittee Chair  
Terrance G. Cooper  
Raja J. Jubran, Vice Chair of the Board  
Brad A. Lampley  
Andrew P. McBride  
John D. Tickle

Absent:  
George E. Cates  
Charles E. Wharton

Ms. Mizell announced the presence of a quorum for the Subcommittee. Administrative staff, representatives of the UT Knoxville Faculty Senate, representatives of the media also attended either in person or by telephone. Ms. Mizell reminded the Subcommittee

of the requirements under the Open Meetings Act for meetings held by electronic means, including the requirement of a roll-call vote on all action items. She also informed those participating remotely of those present at the meeting location. All members participating remotely stated that no one else was present at their location.

### **III. FY 2018-19 STUDENT FEES APPROVED AT THE CAMPUS OR SYSTEM LEVEL**

Chair Foy advised the Committee that the agenda item was information only:

- A. Fees Approved by the Chancellors: These schedules include housing fees, meal plan fees, and certain special fees. These fees have been approved by the Chancellor of each campus and are presented for information only.
- B. Fees Approved by the President: These schedules include various special course fees, lab fees, application fees, and other fees at each campus requiring approval by the President, on the recommendation of the Chancellor. These fees have been approved by the President and are presented for information only.

Chair Foy called for any questions regarding the fees approved by the Chancellors, and hearing none, moved to the next agenda item.

### **IV. PROPOSED FY 2018-19 STUDENT TUITION AND FEES REQUIRING APPROVAL BY THE BOARD OF TRUSTEES**

Chair Foy asked Mr. Miller to present the proposed FY 2018-19 Student Tuition and Fees Requiring Approval by the Board of Trustees:

- A. Student Tuition and Fee Schedules – Maintenance fee (“in-state tuition”) and out-of-state tuition for each campus; and
- B. Course-Related Fees and Other Dedicated Student Fees (Tab 2.2)

Mr. Miller began with a PowerPoint summary of the proposal, and walked through the critical information from the tables. He explained that upon the recommendation of the Subcommittee and then the Finance and Administration Committee, the tables would be part of the overall operating budget presented to the Board on June 22. He called attention to a high-level summary of the request, noting that no increase is requested in

tuition for in-state undergraduates at Knoxville and Chattanooga, and the request for UT Martin is 3%. The Tennessee Higher Education Commission (THEC) adopted a cap of 3% for tuition and fees for the coming fiscal year, so all the fees are within the THEC cap. There is no increase in out-of-state tuition. He noted a few increases in other fees that are detailed in the materials.

Revenue generated from the recommended tuition and fee changes is \$5.7 million, adding that other factors such as enrollment increases would generate approximately \$10.4 million.

On the expenditure side, Mr. Miller said faculty and staff salary adjustments, promotions, and new start-up for faculty totals approximately \$3.5 million of the revenue. Scholarships, grants and aids, and fee waivers is another \$3.5 million. Construction, student services, and academic support is the majority of \$8.7 million, and about \$500,000 towards facilities, equipment and debt service.

Mr. Miller pointed out that the State of Tennessee provides significant financial aid in a variety of ways. The institutions also provide financial aid and this reduces the net price of tuition for most students. Approximately 44% of students graduating from UT campuses have no debt at all. The national average is around 30% for all universities. Mr. Miller also presented information on the net cost of tuition after financial aid is applied. In 2017, depending on family income, the average net cost for in-state freshman at UT Chattanooga ranges from (\$3,377) to \$4,448. At UT Knoxville, it ranges from (\$4,813) to \$6,817, and at UT Martin it is (\$2,069) to \$1,587.

Chair Foy called for a motion that the Subcommittee recommend the following Resolution to the Finance and Administration Committee for recommendation to the Board of Trustees:

**RESOLVED: The proposed student tuition and fee schedules for FY 2018-19 are approved as presented in the meeting materials and recommended to the Board of Trustees for final approval by incorporation in the FY 2018-19 Operating Budget.**

Vice Chair Jubran made the motion, Trustee Lampley seconded, and the motion carried by roll-call vote.

**V. REVISION OF UTC REGIONAL TUITION DISCOUNT FOR GRADUATE PROGRAMS**

Mr. Miller presented the next agenda item, revision of UTC Regional Tuition Discount for Graduate Programs. He noted there is no net fiscal effect from this change, and the intent is to ensure that undergraduate and graduate students are treated similarly with respect to the regional tuition discount.

Chair Foy called for a motion that the Subcommittee recommend the following Resolution to the Finance and Administration Committee for recommendation to the Board of Trustees:

**RESOLVED: The UT Chattanooga regional tuition discount for graduate programs is reduced from 75 percent to 50 percent, effective as of fall semester 2018.**

Trustee Cooper made the motion, Vice Chair Jubran seconded, and the carried by a roll-call vote.

**VI. REVISION OF BOARD POLICY ON APPROVAL OF STUDENT FEES**

Mr. Miller presented the last item on the agenda. He advised the Subcommittee that the proposed revision will make room and board fees subject to Board approval, noting that these fees are major contributors to the total cost of education. Committee members expressed appreciation for the administration's recommendation of this policy change.

Chair Foy called for a motion that the Subcommittee recommend the following Resolution to the Finance and Administration Committee for recommendation to the Board of Trustees:

**RESOLVED: Proposed revisions to the Board of Trustees Policy on Approval of Student Fees to require Board approval of student housing rates and the cost of meal plans or other dining options are approved and shall be effective as of July 1, 2018.**

Vice Chair Jubran made the motion, Trustee Tickle seconded, and the motion carried by a roll-call vote.

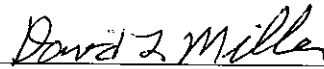
**VII. OTHER BUSINESS**

There was no other business.

**VIII. ADJOURNMENT**

With no further business to come before the Committee, the Chair adjourned the meeting.

Respectfully Submitted,



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David L. Miller  
Chief Financial Officer