



Flat-Rate Tuition Model and Tech Promise Scholarship



Making History, Serving Students

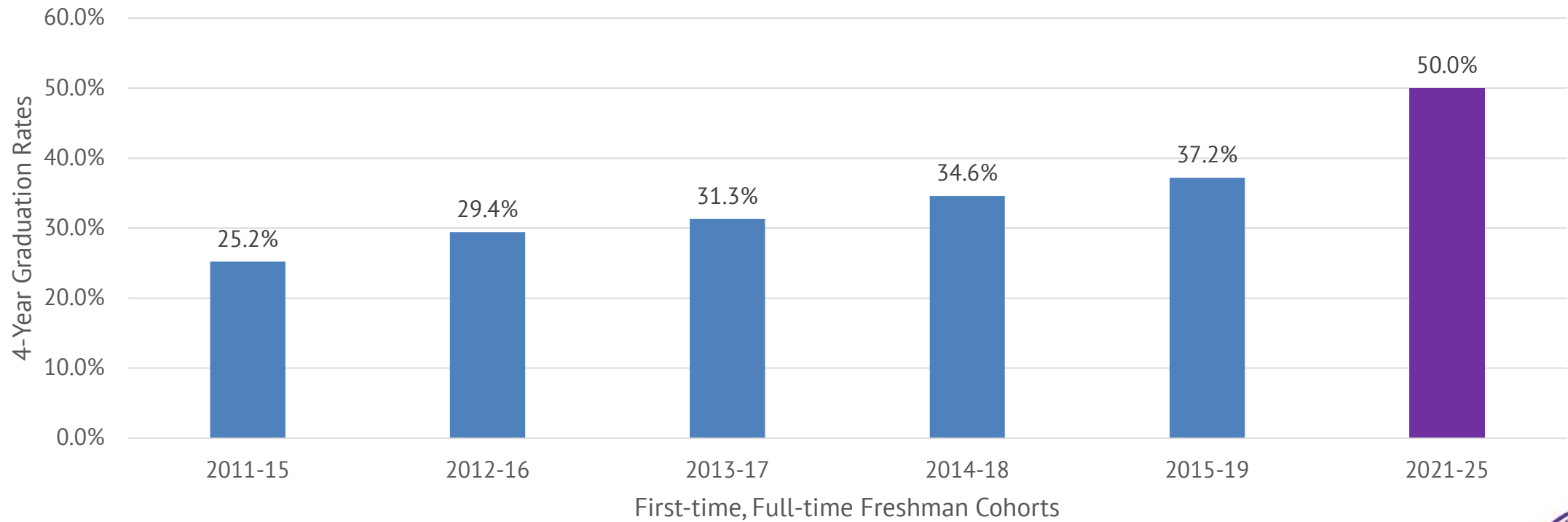
With the Flat-Rate Tuition Model and Tech Promise students will:

- Graduate faster
- Enter the workforce and earn salaries quicker
- Be served no matter what their income



Improving Student Success by Improving Time to Graduation

4-Year Graduation Rates
First-time, Full-time Freshman



More Time = More Money!

Tennessee Tech University Average Salary

Student Graduates in...	Approximate Tuition & Fees	Beyond Four Years Cost	Average Salary Lost	Total Extra Cost & Salary Lost
4 Years	\$42,454			
5 Years	\$53,539	\$11,085	\$55,000	\$66,085
6 Years	\$64,820	\$22,366	\$110,000	\$132,366
8 Years	\$87,986	\$45,532	\$220,000	\$265,532

*All amounts shown are based on a student enrollment of 15 credit hours per semester and fees assessed through a Full-time/Part-time Fee Model.

*Assumes a 2% tuition fee increase for year 2, year 3, year 4, year 5, and year 6.



More Time = More Money!

College of Agriculture and Human Ecology Average Salary

Student Graduates in...	Approximate Tuition & Fees	Beyond Four Years Cost	Average Salary Lost	Total Extra Cost & Salary Lost
4 Years	\$42,454			
5 Years	\$53,539	\$11,085	\$45,206	\$56,291
6 Years	\$64,820	\$22,366	\$90,412	\$112,778
8 Years	\$87,986	\$45,532	\$180,824	\$226,356

*All amounts shown are based on a student enrollment of 15 credit hours per semester and fees assessed through a Full-time/Part-time Fee Model.

*Assumes a 2% tuition fee increase for year 2, year 3, year 4, year 5, and year 6.



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College of Business Average Salary

Student Graduates in...	Approximate Tuition & Fees	Beyond Four Years Cost	Average Salary Lost	Total Extra Cost & Salary Lost
4 Years	\$42,454			
5 Years	\$53,539	\$11,085	\$46,027	\$57,112
6 Years	\$64,820	\$22,366	\$92,054	\$114,420
8 Years	\$87,986	\$45,532	\$184,108	\$229,640

*All amounts shown are based on a student enrollment of 15 credit hours per semester and fees assessed through a Full-time/Part-time Fee Model.

*Assumes a 2% tuition fee increase for year 2, year 3, year 4, year 5, and year 6.



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College of Education Average Salary

Student Graduates in...	Approximate Tuition & Fees	Beyond Four Years Cost	Average Salary Lost	Total Extra Cost & Salary Lost
4 Years	\$42,454			
5 Years	\$53,539	\$11,085	\$37,381	\$48,466
6 Years	\$64,820	\$22,366	\$74,762	\$97,128
8 Years	\$87,986	\$45,532	\$149,524	\$195,056

*All amounts shown are based on a student enrollment of 15 credit hours per semester and fees assessed through a Full-time/Part-time Fee Model.

*Assumes a 2% tuition fee increase for year 2, year 3, year 4, year 5, and year 6.



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College of Engineering Average Salary

Student Graduates in...	Approximate Tuition & Fees	Beyond Four Years Cost	Average Salary Lost	Total Extra Cost & Salary Lost
4 Years	\$42,454			
5 Years	\$53,539	\$11,085	\$60,125	\$71,210
6 Years	\$64,820	\$22,366	\$120,250	\$142,616
8 Years	\$87,986	\$45,532	\$240,500	\$286,032

*All amounts shown are based on a student enrollment of 15 credit hours per semester and fees assessed through a Full-time/Part-time Fee Model.

*Assumes a 2% tuition fee increase for year 2, year 3, year 4, year 5, and year 6.



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College of Nursing Average Salary

Student Graduates in...	Approximate Tuition & Fees	Beyond Four Years Cost	Average Salary Lost	Total Extra Cost & Salary Lost
4 Years	\$42,454			
5 Years	\$53,539	\$11,085	\$47,651	\$58,736
6 Years	\$64,820	\$22,366	\$95,302	\$117,668
8 Years	\$87,986	\$45,532	\$190,604	\$236,136

*All amounts shown are based on a student enrollment of 15 credit hours per semester and fees assessed through a Full-time/Part-time Fee Model.

*Assumes a 2% tuition fee increase for year 2, year 3, year 4, year 5, and year 6.



Impact of New Tuition Model on Student Success

- Extensive research exists on the relationship between student academic loads and student academic success
- Students who take 15 credits/semester (versus 12 credits/semester) on average tend to have
 - a slightly higher GPA
 - a higher chance of continuing toward graduation
 - a significantly higher chance of graduating in 6 years



Impact of New Tuition Model on Student Success

Attewell, P. & Monaghan, D. "How Many Credits Should an Undergraduate Take?", Res High Educ (2016) 57: 682.

Longitudinal study of 8,230 undergraduates with varying backgrounds and from a variety of 2-year and 4-year institutions
Compared 6-year graduate rates of students enrolled in 12 credits/semester versus 15 credits/semester during freshman year

6-year graduation rate increased by 5.5%

Normalized for influence of confounding factors

- Race
- Gender
- Age
- Household Income
- Academic Preparedness
- Parental Education Levels
- Independence from Parents
- Existence of Dependents
- Work Hours/Week

Increase in 6-year graduate rates (by subpopulation)

White/Asian	Black/Latino	Continuing Gen	1 st Gen	Working <20hr/week	Working >30hr/week	High Academic Prep	Low Academic Prep
4.6%	10.4%	4.1%	7.7%	4.3%	1.2%	2.5%	8.4%



Impact of New Tuition Model on Student Success

Why do students have more academic success with increased academic momentum (15 credit hours/semester versus 12 credit hours/semester)?

- Increased integration into campus life
- Increased sense of accomplishment and commitment to degree completion
- Crowd out distractors from degree completion
- Decreased window for unforeseen life events
- 15 credit hours/semester X 2 semesters/year X 4 years = 120 credit hours
= 1 degree!



Impact of New Tuition Model on Student Success

How many hours per week does the average Tennessee Tech student work?

- Each year, we use NSSE survey to collect a variety of information about our freshmen and seniors, including work habits.
- More than 500 colleges and universities use NSSE, so we can compare against other students across the nation.

Freshmen

Part-time Work Hours / Week	Tennessee Tech	National
0 hours	63%	66%
1-10 hours	12%	10%
11-20 hours	12%	12%
21-29 hours	9%	7%
30+ hours	4%	6%

Seniors*

Part-time Work Hours / Week	Tennessee Tech	National
0 hours	42%	40%
1-10 hours	13%	11%
11-20 hours	17%	15%
21-29 hours	12%	12%
30+ hours	16%	22%

NSSE Survey, Spring 2019, Freshmen n=485, Seniors n=521

*May include internships and co-op experiences



Proposed New Tuition Model

- Flat rate for full-time students \$10,338
- Advise students to take 15 credit hours, graduate in 8 semesters
- Students pay same rate whether they take 12, 15, 18 or 21 credit hours
- Applies only to incoming students fall 2020 and beyond
- New freshman and new transfers only
- Continuing students remain on current tuition model \$9,318
- No increase in per credit hour cost for current students FY20-21
- No increase in mandatory and non-mandatory fees for FY20-21

*A portion of students have 128 credit hour programs



Implementation

- No change for continuing students
- No tuition increase for continuing students in FY20-21
- No increase in mandatory or non-mandatory fees for FY20-21
- Tech Promise



Student Success Initiatives

- Centralized advising focused on freshmen and undecided students
- Student success centers in each college
- Advising software
- Degree Works
- Tutoring resources
- Revise current scholarship allocations to allow more awards to students in the mid-20 ACT category
- Create a Tech Promise scholarship to assist low-income, high-achieving students



Tech Promise Scholarships

- Family Adjusted Gross Income (AGI) of \$40,000 or less
- Receive Hope scholarship and Pell grant
- Tuition and mandatory fee last dollar scholarship
- Four-year scholarship
 - Must receive Hope scholarship and Pell
- Must be full-time undergraduate student



Tech Promise Scholarship

AGI (Combined Adjusted Gross Income)	University Last Dollar (Fall & Spring)
AGI = 0	\$4,021
1 - 10,000	\$4,021
10,001 - 20,000	\$4,200
20,001 - 30,000	\$5,333
30,001 - 36,000	\$11,766
36,001 - 40,000	\$25,299
TOTAL Combined Freshman & Transfer	\$71,083

2020-21	2021-22	2022-23	2023-24
\$74,638	\$74,638	\$74,638	\$74,638
	\$70,906	\$70,906	\$70,906
		\$67,360	\$67,360
			\$63,992
\$74,638	\$145,543	\$212,904	\$276,896

2020-21	2021-22	2022-23	2023-24
486	486	486	486
	462	462	462
		439	439
			417
486	948	1387	1804

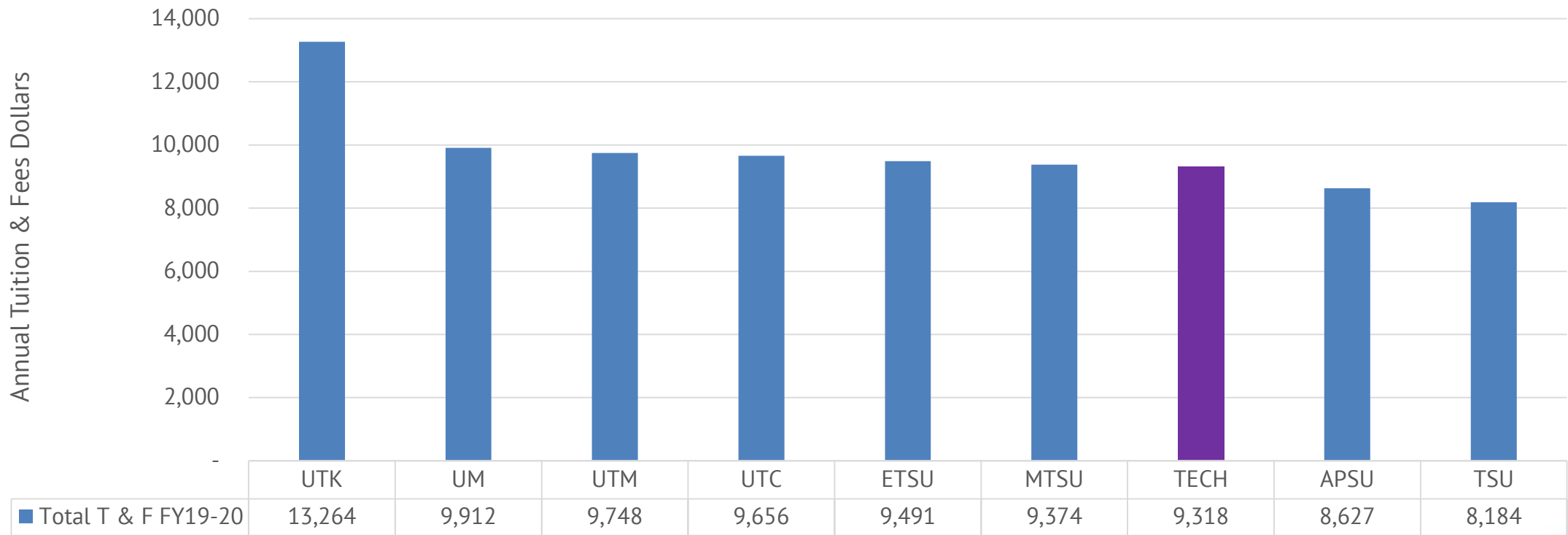
This Proposal:

- Assumes that we will experience a 5% growth in this demographic in first year, and then no additional growth thereafter
- Assumes that 95% of these students will persist to the next year
- Does not include any state-funded discounts which might reduce Tech's contribution
- Used tuition and mandatory rate of \$10,338
- Assumes no tuition/mandatory fee, Pell or Hope increase
- All data is based on fall 2018 new student demographics
- Total AGI includes Parent and Student AGI as determined by the FAFSA



Tuition & Mandatory Fee Comparisons

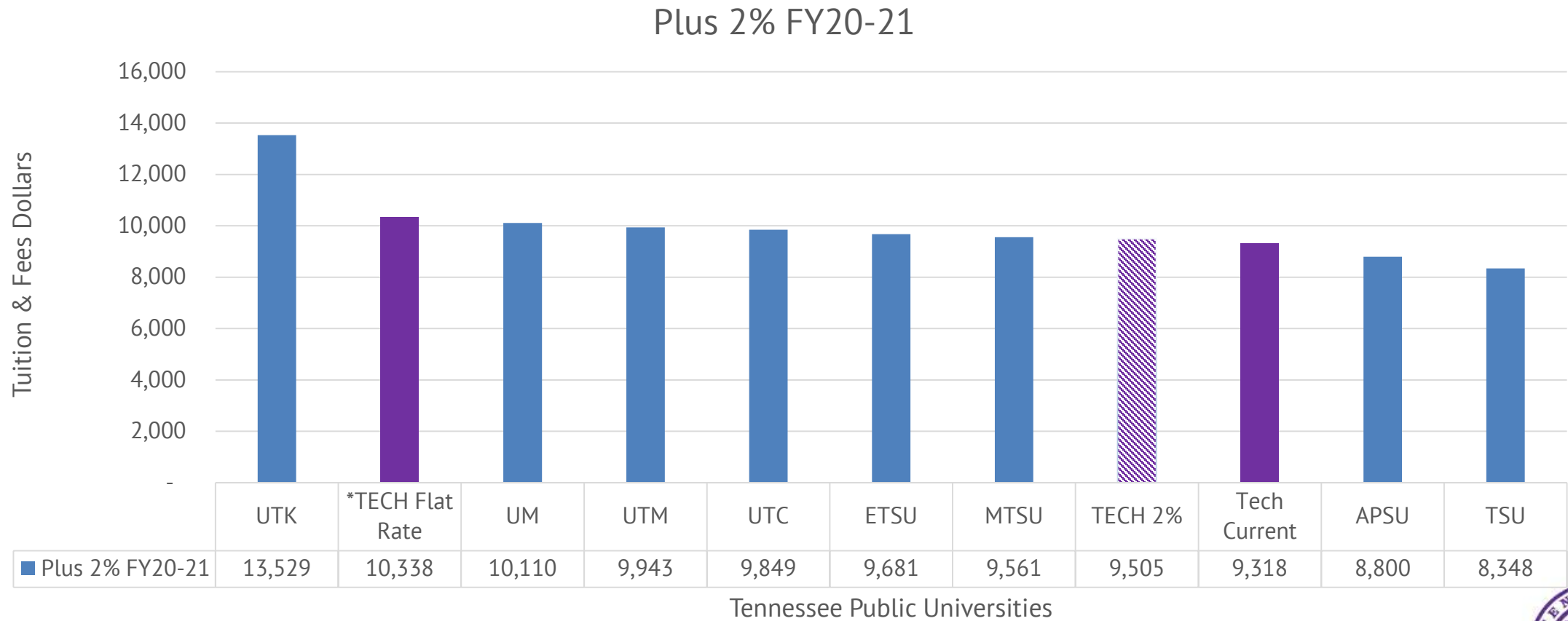
Total Annual Tuition & Mandatory Fees FY19-20



Tennessee Public Universities



FY20-21 Projected Annual Tuition & Fee Comparisons Using THEC 2% Recommendation



* Would require approval from THEC consistent with other institutions that have gone to this model



Flat-Rate Tuition Model & Tech Promise Scholarship

Flat-Rate and Tech Promise shared with and supported by these stakeholders:

- Faculty Senate
- College Deans
- Department Chairs
- Student Government Association
- Cabinet



Additional Factors to Consider

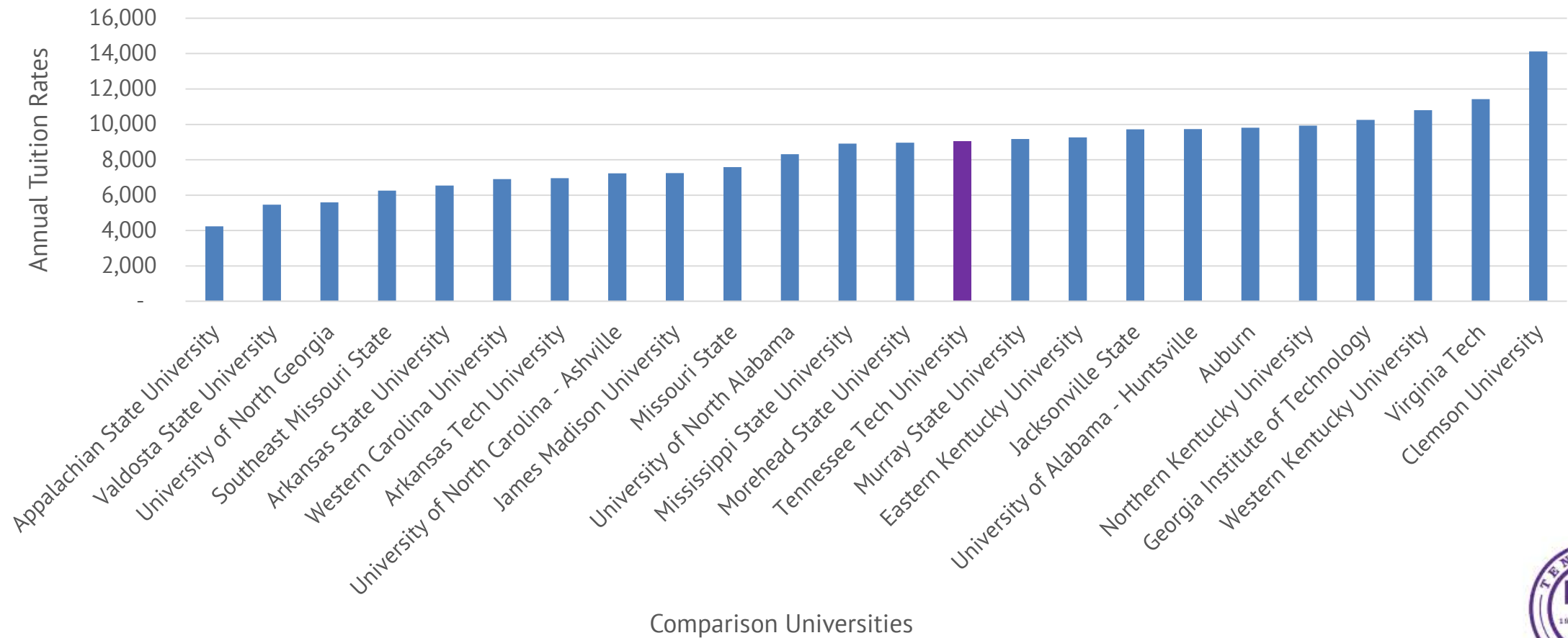
- Comparison to peer institutions and competitor institutions
- Higher Education Price Index



In-State Tuition Comparison – Universities in Bordering States

Annual In-State Tuition*

**This graph includes tuition only and not mandatory fees due to difficulty obtaining that information in a consistent manner from out-of-state universities.*



Higher Education Price Index (HEPI)

- 2019 HEPI 2.5%
- *Commonfund Higher Education Price Index December 20, 2019*
 - HEPI is an inflation index designed specifically for use by institutions of higher education. Compiled from data reported by government agencies and industry sources, HEPI measures the average relative level in the price of a fixed market basket of goods and services purchased by colleges and universities each year through current fund educational and general expenditures, excluding research. A more accurate indicator of cost changes for colleges and universities than the CPI, HEPI is used primarily to project future budget increases required to preserve purchasing power.
 - In 2005, Commonfund Institute assumed responsibility for the index and the proprietary model used to calculate HEPI's values from Research Associates of Washington, D.C.



