To the Graduate Council:

I am submitting herewith a dissertation written by Mary Hodge Taylor entitled "Tuition Policy Setting: The University of Tennessee, Knoxville, 1960 – 2000." I have examined the final paper copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Education, with a major in Educational Administration and Policy Studies.

E. Grady Bogue, Major Professor

We have read this dissertation
and recommend its acceptance:

Robert Cunningham

Malcolm McInnis

Norma Mertz

Accepted for the Council:

Vice Provost and Dean of
Graduate Studies

Tuition Policy Setting: The University of Tennessee, Knoxville, 1960 – 2000

A Dissertation
Presented for the
Doctor of Education Degree
The University of Tennessee, Knoxville

Mary Hodge Taylor
August 2004

Thesis
2004b
.T496

Dedication

To my daughter, Amanda Leigh Taylor. May she realize all dreams and aspirations and have a happy future. May God richly bless her throughout her life so that she can make a difference in this world.

Acknowledgments

I would like to thank the following individuals for their advice, encouragement, patience, and sense of humor during this project:

The members of my dissertation committee Drs. Malcolm McInnis, Norma Mertz, Bob Cunningham, and Grady Bogue. Dr. Mertz has been a source of encouragement for four years. Dr. Cunningham has been a friend and mentor for more than 20 years. Dr. Bogue has been a great source of inspiration.

My family, particularly my daughter Amanda, who endured many nights of study and weekends without recreation while supporting me, and many other family members who never nagged, but always supported and encouraged to finish.

My doctoral cohort, particularly Keith Carver and Robert Stewart, who provided words of support and endured many study hours (and lots of whining).

My co-workers in the Institute for Public Service, particularly Jill Marling and Charlotte Brooks, who supported and encouraged me during these long years of study, and Tom Ballard who has been an outstanding mentor.

Abstract

The purpose of this study was to describe tuition policy setting at the University of Tennessee, Knoxville, 1960 – 2000. A case study method was employed that involved interviews with current and former chancellors, campus business officers, presidents, system business officers, THEC officials, and a member of the board of trustees. A variety of documentary evidence was also reviewed to assist in triangulation of the data. Four significant themes emerged during the study. These four themes include: (1) there is no formal tuition policy at the University of Tennessee, (2) there is significant input in the decision making process, (3) there is minimal formal communication regarding decisions, and (4) the proliferation of special fees is a recent phenomenon.

The overwhelming evidence confirmed there were no formal policies guiding tuition setting at the University of Tennessee, although the palpable long standing philosophy was "keep tuition low." This low tuition approach was adopted as an informal policy dating back to at least the 1950s and held throughout most of the 40 year period of this study. There were considerable discussions every year during the budget process regarding the needs of the university, the likely state funding, and the share of expenses expected to come from students. The reality was tuition paid by students became the balance wheel, for the most part, in the budget planning process. The interviewees discussed many factors that influenced the tuition discussion including "what will the traffic bear", peer comparisons regarding both tuition and faculty salaries, inflation, the state budget situation, enrollment, and the need for new programs and facilities. There was an overwhelming desire to remain competitive in the SREB region as it relates to tuition, but this desire continually competes with the desire for improved quality and

expanded programs. The budget process was fairly consistent throughout the 40 year history. Keeping tuition low and shifting a portion of the expenses to fees is perceived to put the university in a more competitive position rather than combining these additional costs with the general tuition. This trend is expected to continue not only at the University of Tennessee, but also throughout higher education.

Overall, the research participants were extremely committed to the purpose of higher education, fervent in their support for state funding for higher education, firmly convinced that students should pay a "fair share" of their own education, and skeptical of an improved state funding situation. In fact, only one of the twelve participants believed tuition should continue to rise, but all twelve believed it would continue to do so. In addition, none of them believed the state funding situation would significantly improve, at least not in the short-run.

There must be a public policy debate in Tennessee regarding the significance of higher education to the state and why increased funding for higher education is important. We must develop a policy that recognizes the cumulative consequences of our decisions before they cause irreparable harm to some students by forcing them out of the higher education system.

Table of Contents

Chapter Page

I. Introduction
Introduction to the Study 1
Background 1
Problem Statement 8
Purpose Statement 8
Research Questions 9
Significance 9
Organization of the Study 9
Definitions 10

II. Review of the Literature
Introduction 11
A Historical Perspective on Financing Public Higher Education 11
Shifting Trends in Public Financing 15
Policy Implications for Access and Opportunity 20
Outcomes and Consequences 23
Summary 27

III. Research Design
Introduction to the Research Design 31
Case and Sample Definition 32
Sources of Data 33
Procedures 34
Timeline 37
Data Analysis 38
Validity and Reliability 39
Delimitations and Limitations 40

IV. Research Findings
Introduction 41
A Brief Description of the University of Tennessee, Knoxville 42
A Brief Description of the Tennessee Higher Education Commission. 43
Presentation of Findings 44
Overview of Findings 80

V. Discussion and Conclusions
Introduction 83
Summary of Findings 84
Discussion of Findings 84
Conclusions 93

Recommendations for Future Research 94

List of References 97

Appendices

A Institutional Review Board 110
B Initial Letter 115
C Informed Consent Form 117
D Interview Guide 120
E Interview Field Note Form 123
F Transcriber Confidentiality Statement 125
G Documents Reviewed 127

Vita 131

List of Tables

Table Page

1 Sources of Revenue for Higher Education Public and Private Institutions 13

2 Tuition and Fees Public Universities 16

3 Enrollment at Public Colleges 16

4 State Appropriations for Higher Education 19

5 UTK Percent of Recommendation Funded 47

6 UTK Change in Annual Tuition 56

7 UTK State Appropriation 58

8 UTK Enrollment 66

9 UTK Change in Annual Mandatory Fees 77

10 UTK Change in Mandatory Fees Collected 79

List of Figures

Figure Page

1 Income Sources for Public Institutions 1970 and 1995 2

2 Average Tuition and Fees for Public Universities.....5

3 Aggregated Public Institutional Income 13

4 UTK Percent Change in Revenue 1960 – 2000 50

5 UTK Student Tuition and Fees as a Percent of Total Revenue 1960 – 2000 53

6 Tuition Comparison Adjusted for Inflation 60

7 UTK Tuition Decision Making Model 62

Chapter I
Introduction

Introduction to the Study

Financing of public higher education is a complex matter with implications for public finance as well as public policy. Is tuition policy determined deliberately and with purpose, or is it the balance wheel in the budget process? What are the trends in financing public higher education? How is tuition policy expressed to the general public and specifically to students? What are the consequences of these decisions? These overriding issues were explored in this study of tuition policy setting at the University of Tennessee, Knoxville, between 1960 and 2000.

Background

Financing Public Higher Education

Following a century of trial and error, the funding patterns for American colleges and universities remained remarkably stable during the 75 years preceding World War II (Stampen, 1980). Although public institutions received funding from a variety of sources, they were funded largely by state appropriations. Higher education in the United States grew enormously after the end of World War II. Enrollment nearly tripled between 1944 and the early 1970s and increased another 66% between 1971 and 1991. Government funding remained the primary means of financing public higher education, as indicated in Figure 1. Through the 1970s, modest tuition increases kept college affordable, and student aid programs flourished (Hauptman, 1990). Hauptman noted, however, that the methods of paying for college became similar to American higher education itself:

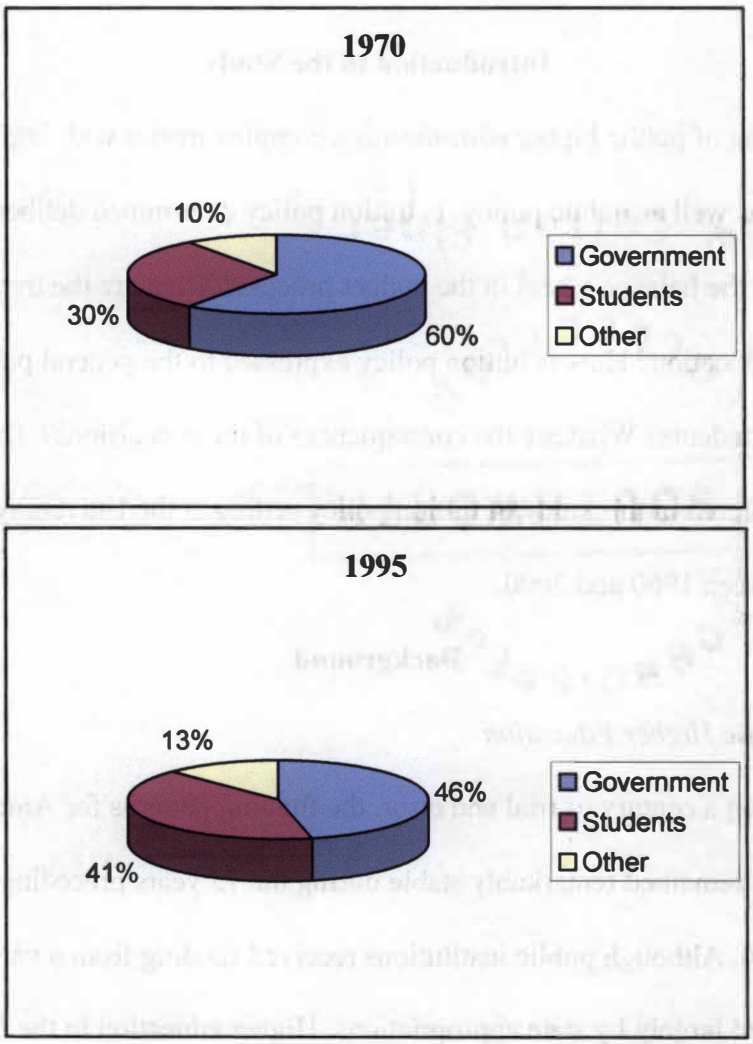


Figure 1

Income Sources for Public Institutions
1970 and 1995

Source: Carnegie Commission, 1973, Appendix A. and Public and Private Financing of H.E., 1997, p. 162.

diverse and complex. How did higher education finance this exponential growth during the 50 years between 1950 and 2000?

During the 20th century, public higher education has been financed in a combination of three ways: state appropriations, tuition and fees paid by parents and students, and voluntary gifts. Federal grants also contributed to some institutions, but this was not widespread throughout higher education. States have traditionally borne the largest percentage of funding for public higher education, particularly those costs not directly associated with instruction such as research and service (Orwig, 1971). The Carnegie Commission on Higher Education (1973) indicated that in 1970-71 about 30% of educational income came from students and their families while 60% came from governments, and 10% came from private philanthropy. The Higher Education Act of 1964 and the Higher Education Amendment of 1972 both focused on putting college within reach of the poor, and the Middle Income Student Assistance Act of 1978 extended assistance to the middle class (Stampen, 1980).

In 2000, "A State by State Report Card for Higher Education" (National Center for Public Policy and Higher Education) indicated that states then provided 46% of the financial support for public colleges and universities and approximately 29% of the total support for all public and private colleges and universities. This had not always been the case, as indicated by the shifting trends in financing.

Shifting Trends

Over the last three decades, there has been a shift in who pays for college. A number of significant trends converged in the 1970s and 80s, according to Hossler, Lund, Ramin, Westfall and Irish (1997), which placed extreme demands on states to meet the

funding needs of higher education. These trends included competing demands for state funds, declining federal funding for higher education, sluggish economies, declines in disposable family income, and increased demand for higher education. The decrease in state support prompted Alexander (2000) and others to note that to remain competitive in a global environment more educational investments, not fewer, were needed to produce the highly educated and skilled workforce that is vital for economic growth. Anderson and Meyerson (1990) urged colleges and universities to explain the value of higher education, advocate a long-term perspective as it relates to financing higher education, and plan institutional responses to anticipated economic changes in order to fight for a larger share of public funds.

Direct state support for higher education has trended downward during the last several decades. State support for higher education in Southern Regional Education Board (SREB) states, as an example, has decreased from 56% to 44% of public four-year colleges' revenues since the mid-1980s (Marks and Caruthers, 1999). During the 1990s, according to "A State by State Report Card" (National Center for Public Policy and Higher Education, 2000), the share of state budgets devoted to higher education decreased from 15% to 13%. This trend is expected to continue over the next decade. Ehrenberg (2000) argued that in order to reverse this trend states need to understand the role that higher education plays in economic development and in boosting the incomes of residents when making these funding decisions.

Hossler et al. (1997) estimated that students and their families now pay approximately 142% more out of pocket when compared to their level of effort in 1980, as demonstrated in Figure 2. This contrasts to an increase of 72% in expenditures for the

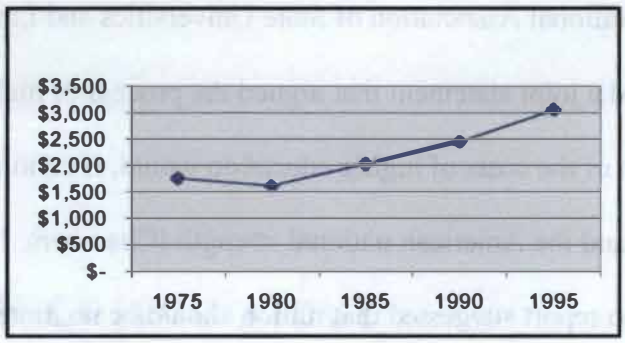


Figure 2

Average Tuition and Fees for Public Universities (in constant 1996 dollars)

Source: Straight Talk About College Costs, 1998. Exhibit I-2a.

federal government and 81% for state governments during the same period. The College Board explained in 2001 that average tuition at four-year schools had more than doubled inflation since 1981-82, while median family income had only increased by 27% in real terms. Clearly there has been a shift in who pays for college away from state governments and toward students and their families. These trends present serious problems for low-income and moderate-income students.

Access and Opportunity

According to "A Very Public Agenda" (1998), for 30 years public policy at both the state and federal levels has sought to fulfill one overarching objective: access to higher education. A 1947 report from the President's Commission on Higher Education maintained that the time had come to make education through the 14th grade available in the same way high school was then available. In 1958, the Association of State Universities and Land-Grant Colleges and the State Universities Association (later

merged to form the National Association of State Universities and Land-Grant Colleges or NASULGC) issued a joint statement that argued the process of making students pay an increasing proportion of the costs of higher education would, if continued, be disastrous to American society and the American national strength (Chambers, 1963). A 1974 Carnegie Commission report suggested that tuition should be no more than one-third to one-half of the total instructional cost.

Researchers on the impact of college tuition on attendance determined that for those students on the margin of attending college, tuition charges are the deciding factor (Financing College Tuition, 1999). Heller (1999) determined that tuition prices are inversely related to the probability of enrolling in college, all other things being equal. McPherson and Shapiro (1999) concluded that a $150 increase in net cost to students reduces enrollment by 1.8%. As a result, increased tuition has caused fewer students on the margin to enroll in college or has affected their choice of institution. According to Wellman (U.S. Department of Education, 2001), as a result of the shift in who pays for college, the notion that access to higher education is a social responsibility that should be funded from the broadest possible revenue sources has been turned on its head. Instead, responsibility for economic access has shifted from the government to the institution, and, increasingly, to students.

Policy makers have to balance a number of issues that affect access to higher education and choice of institution. Whether the shifting trend toward students financing a larger share of higher education is good public policy is debatable, but clearly shifting the burden of who pays from government to individuals violates the long-held policy of

enhancing open access to higher education. As in any change in public policy, there are consequences to be considered.

Outcomes and Consequences

One would logically assume that any change in public policy of the significance that has occurred in funding higher education would have been thoughtfully considered and debated. However, 20 years ago Schietinger (1981) noted that 33 states indicated that they did not have an established policy for determining tuition levels. McGuinness (2000) asserted that it is difficult, if not misleading, to focus on individual policy initiatives without a sense of their relationship to other initiatives. Unfortunately, the planning process is generally single focused and comprehensive planning is infrequent in higher education. He also noted that, in the majority of states, higher education policy elements remain largely unaligned with a long-term strategy to improve education opportunity and attainment. Layzell and Lyddon (1990) argued that tuition in the public sector has been seen as a way to plug the gap between state appropriations and expected expenditures rather than linking it to some rational factor. This is, of course, one rather passive way to deal with this public policy issue and has resulted in defacto policy. Hauptman (1990) argued that policy makers must deal with difficult questions as they think about how a college education should be financed in the future, decide on the merits of alternative financing approaches, and choose among different plans.

The problem, as pointed out by Hossler et al. (1997), is that we have reached a point in our history at which higher education has become more frequently viewed as an economic necessity or universal right at the very moment when the rising costs of higher education coupled with state and federal budget constraints appear unable to support

these expectations. The methods of financing public higher education have shifted responsibilities from states to students and their families. Many studies have explored the financial aspects of how public higher education institutions are funded; few studies, however, have addressed the question of how policies are determined, specifically from the tuition policy setting perspective. Unfortunately, we know little about how states and institutions formed policies to address the shift in funding or even if they did so deliberately and with purpose. Clearly, we must begin to understand the tuition policy setting phenomenon if we are to understand the effects of these changes on students and institutional goals.

Problem Statement

Public higher education has been financed historically in three ways: state appropriations, tuition and fees, and private gifts. Federal grants have contributed in a less significant way and only to some higher education institutions. States have traditionally borne the largest share of the burden. During the past 30 years, the percentage paid by students has grown larger and larger. As the burden has shifted to students, access to higher education has been affected. We do not know if this shift in funding from states to students has been a deliberate policy shift or a budget accommodation.

Purpose Statement

Little is known regarding tuition policy setting, although its impact is significant. The purpose of this study is to describe tuition policy setting at the University of Tennessee, Knoxville, 1960 – 2000.

Research Questions

The research questions guiding this study are:

1. What policies have guided tuition setting?
2. How have changes in policy been expressed?
3. What factors have influenced tuition policy setting between 1960 and 2000?
4. What process was used to set tuition policy?

Significance

We know little about the phenomenon of tuition policy setting at the state level or for public institutions in general. We know little about how decisions are made that affect these policies. This study describes how tuition setting is accomplished at one institution as a basis for comparison. It allows other institutions to see the factors that affect the decisions and the way one institution goes about it. This study also could provide guidance for legislators on possible incongruities in policies and the decision-making process, and adds to the limited literature on how tuition policy is made.

Organization of the Study

This study consists of five chapters. Chapter one includes the background, context, purpose, and organization of the study. Chapter two, presented in four sections, provides a critical review of the appropriate and relevant literature. The four sections include a historical perspective on financing public higher education, the shifting trends in public financing, the policy implications for access and opportunity, and the outcomes and consequences of policy decisions. Chapter three describes the research design and methods used during the study. Chapter four presents the findings. Chapter five includes

a brief review of the study, a summary of the findings, a discussion of the findings, recommendations for future research, and conclusions from the study.

Definitions

1. Defacto or informal policy – unofficial application or practice of philosophy, theory, or guiding principles of an organization that may or may not be in written form.
2. Fees - charges to students that are in addition to maintenance fees (tuition).
3. Formal policy – official written documentation of the philosophies, theories, or guiding principles of an organization or institution.
4. Mandatory fees – charges in addition to tuition that apply to all students, regardless of major or status.
5. Maintenance Fees – in-state tuition.
6. Policy – philosophies, theories, or guiding principles leading an organization or institution. May be described as formal, informal, public, or covert.
7. Policy maker – one who influences or sets policy.
8. Stakeholder – one who has a significant concern about or is directly impacted by a decision.
9. Tuition – known as the maintenance fee for in-state students in Tennessee and referred to as tuition for out-of-state students.

Chapter II
Review of the Literature

Introduction

Financing of public higher education is a complex matter with implications for public finance as well as public policy. What is the history of financing public higher education during the last century? What are the trends in financing? What are the policy implications for access and opportunity? What are the consequences of shifting financing patterns? These primary questions related to the financing of public higher education are considered in this literature review; however, questions remain regarding tuition policy setting in public institutions.

A Historical Perspective on Financing Public Higher Education

Funding patterns for American colleges and universities remained remarkably stable during the 75 years preceding World War II (Stampen, 1980). Enrollment increased steadily, and public institutions during this time were funded mainly by state appropriations, essentially because higher education was considered, according to Chambers (1963), a public function and a public obligation. However, concern regarding public financing was at the forefront for many observers early in the 20th century. The Carnegie Commission (1933) reported that student tuition increased 225% between 1920 and 1930 and predicted that attempts to permanently shift the major costs of higher education from taxpayer to students was destined to fail.

In 1947, President Truman's Commission on Higher Education warned the nation that "by allowing the opportunity for higher education to depend so largely on the individual's economic status, we are not only denying to millions of young people the

chance in life to which they are entitled, we are also depriving the nation of a vast amount of potential leadership and potential social competence which it sorely needs" (Mumper, 1996, p. xv). In 1963, Chambers noted that the upward trend in student tuition at public institutions continued nevertheless, increasing by 15% between 1940 and 1955. Even so, by 1962 public institutions derived only about 18% of their total operating budgets from students while, as indicated in Table 1, all institutions, private and public, received about 25% of total revenue from students.

Higher education in the United States grew enormously after the end of World War II with enrollments nearly tripling between 1944 and the early 1970s. Expenditures and revenues increased tremendously between the end of the war and the late 1960s, as indicated in Figure 3. Mumper (1996) argued that during the 1960s removing college price barriers became a broad national goal because the country was interested in expanding access to all eligible students. As a result, the federal government began increasing its financing programs by offering various types of grants and loans, and community colleges began their rapid growth period. At the beginning of World War II, there were a little over 1,700 colleges and universities. Today, there are more than 3,500. This expansion of institutions along with an expansion of programs and services and increased financial aid allowed more students the opportunity to pursue higher education.

Through the 1960s, responsibility for financing the student share of higher education was considered a responsibility of the family not the student, with the exception of the widespread use of the GI Bill. Loans were considered supplemental, not primary, funding for most students of higher education. There was continuing

Table 1

Sources of Revenue for Higher Education Public and Private Institutions

Year	State/ Local	Tuition	All Others
1949-50	30%	21%	49%
1955-56	35%	25%	40%
1961-62	31%	25%	44%
1967-68	29%	26%	45%

Source: Carnegie Commission, 1973, Appendix A.

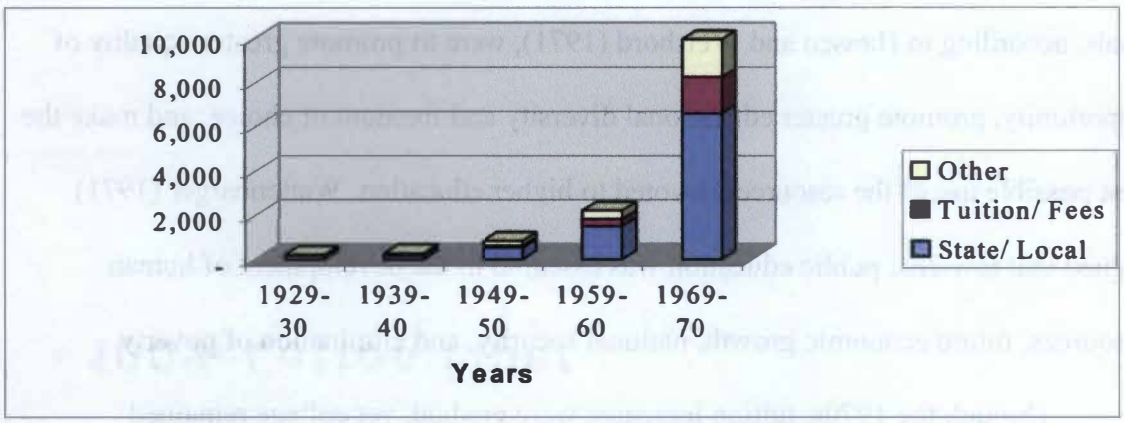


Figure 3

Aggregated Public Institutional Income (in millions)

Source: Carnegie Commission on Higher Education, 1973, Appendix A.

debate during this time regarding the allocation of costs to students via tuition and the role state appropriations and private giving should play in the overall financing of higher education. Questions lingered: Who should pay for college - those who benefit from it or those who have the greatest ability to pay? Is higher education more of an individual benefit or a societal benefit? In 1971, Bowen argued "the nation would be well advised to eliminate or reduce tuition or at least to avoid raising them further" (p. 291) because it was in the national interest.

Orwig (1971) argued that all students who attended public institutions were, in effect, receiving a subsidy in the form of state appropriations and, therefore, were not paying the true cost of education. This was acceptable at the time because society's major goals, according to Hansen and Weisbord (1971), were to promote greater equality of opportunity, promote greater educational diversity and freedom of choice, and make the best possible use of the resources devoted to higher education. Wattenbarger (1971) argued that low-cost public education was essential to the development of human resources, future economic growth, national security, and elimination of poverty.

Through the 1970s, tuition increases were gradual, yet college remained affordable, while student aid programs flourished. Hauptman and Merisotis (1990) noted, however, that the methods for paying for college became similar to American higher education itself: diverse and complex. The Higher Education Act of 1964 and the Higher Education Amendment of 1972 both focused on putting college within reach of the poor, and the Middle Income Student Assistance Act of 1978 extended assistance to the middle class (Stampen, 1980). Many factors began influencing tuition policies, and the pressures gave way to a shift in the traditional patterns of financing.

Shifting Trends in Public Financing

During the 20th century, public higher education has been financed primarily in a combination of three ways: state appropriations, tuition and fees paid by parents and students, and voluntary gifts. States have traditionally borne the primary responsibility for funding public higher education, particularly those costs not directly associated with instruction such as research and service (Orwig, 1971). The Carnegie Commission on Higher Education (1973) indicated that in 1970-71 about 30% of educational income for public institutions came from students and their families while 60% came from governments and 10% came from private philanthropy, as illustrated in Figure 1.

A number of significant trends converged in the 1970s and 80s, according to Hossler et al. (1997), which placed extreme demands on states to meet the funding needs of higher education. These trends included competing demands for state funds, declining federal funding for higher education, sluggish economies, declines in disposable family income, and increased demand for higher education. Tuition and fees at public universities continued to rise, increasing 1,118% during the 35-year period from 1966 to 2001, as indicated in Table 2.

The economics of public financing continued to encourage tuition increases as state and federal resources shrank. Colleges faced rising costs for the goods and services they purchased, particularly labor costs, while the demand for more and expanded services for students increased as well. Enrollment growth of 4,970,691 students (73%) between 1971 and 2001, as illustrated in Table 3, also contributed to the financial squeeze. These factors caused public institutions to begin behaving more like private institutions and placed more emphasis on fundraising and other sources of revenue.

Table 2

Tuition and Fees
Public Universities

Years	Tuition and Fees	Increase Since 1966
1965-66	$327	
1970-71	$478	46.2%
1975-76	$642	96.3%
1980-81	$915	179.8%
1985-86	$1,536	369.7%
1990-91	$2,159	560.2%
1995-96	$3,151	863.6%
2000-01*	$3,983	1118.0%

Source: Hauptman & Merisotis, 1990, Appendix A, page 103 Straight Talk About College, 1998, Exhibit 1-1a and www.nces.ed.gov. *Projected

Table 3

Enrollment at Public Colleges

Year	Total Enrollment	FTE Enrollment
1971	6,804,309	5,344,356
1976	8,653,477	6,349,903
1981	9,647,032	6,781,300
1986	9,713,893	6,778,045
1991	11,310,000	7,863,000
1996	11,120,000	N/A
2001*	11,775,000	N/A

Source: Mumper, 1996, p. 141 and www.nces.ed.gov.
*Projected

Hauptman and Merisotis (1990) noted, "higher education is one of the few industries in our economy in which the price charged the consumer is substantially lower than the cost of producing the product, and in which the price for the product constitutes a relatively small share of total revenues" (p. 9) suggesting that students are not paying anywhere near the actual cost of their education at public institutions. Gabrick (2003) concluded that higher education has become a consumer-oriented, education-as-commodity entity. All of these factors contributed to the shift in patterns of financing.

Direct state support for higher education has been in a downward trend for the last several decades. In 2000, "A State by State Report Card for Higher Education" (National Center for Public Policy and Higher Education), indicated that states provided 46% of the financial support for public colleges and universities and approximately 29% of the total support for all public and private colleges and universities. State support for higher education in Southern Regional Education Board (SREB) states, as an example, has decreased from 56% to 44% of public four-year colleges' revenues since the mid-1980s while tuition and fees have risen from 15% to 20% of revenues (Marks, 1999). During the 1990s, according to "A State by State Report Card," the share of the total state budget devoted to higher education decreased from 15% to 13%. In Tennessee, the portion decreased from 10.1% in FY1987 to 9.4% in FY1997. This trend is expected to continue across the country during the ensuing decade.

Hossler et al. (1997) estimated that students and their families pay approximately 142% more out of pocket when compared to their level of effort in 1980. This contrasts to an increase of 72% in expenditures for the federal government and 81% for state

governments during the same period. By 1995, the percent contributed by students and their families had grown significantly, as shown in Figure 1 (page 2). The College Board explained in 2001 that average tuition at four-year schools had more than doubled inflation since 1981-82 while median family income had increased by only 27% in real terms. In Tennessee, as an example, median annual tuition and required fees for full-time undergraduate students at public four-year colleges and universities increased by 35.5% when adjusted for inflation between 1995 and 2000 while state scholarships and grant funds decreased by 28.9% (Marks, 2001). Clearly, there has been a shift in who pays for college away from state governments and toward students and their families. As Hossler et al. (1997) noted, higher education is situated at the bottom of the "fiscal food chain." State leadership and partisan political activity play an important role in funding, as does the historical relationship higher education institutions in any particular state have with their state government. Hossler et al. argued that we are unlikely to be able to afford to maintain our commitment to equity and access without more integrated public policy.

The downward trend in state funding is not likely to make a significant improvement in the short term, as illustrated in Table 4. Anderson and Meyerson (1990) argued that prices will continue to escalate, financial resources will continue to be constrained, management will be more complex, and the economy will continue to be volatile. Trombley and Valigra (2003) argued these spending cuts are coming just as the children of baby boomers are arriving on the doorsteps of college and the national pool of high school graduates is larger than ever. Colleges and universities must more clearly articulate the importance of higher education and advocate a longer-term perspective at the institutional level, postulated Anderson and Meyerson, in order to anticipate

Table 4

State Appropriations for Higher Education (in millions and in current dollars)

Year	Total Appropriations	% Change from Previous Year
1980	19,219,837	
1981	21,261,805	10.6%
1982	23,417,094	10.1%
1983	24,758,748	5.7%
1984	26,261,710	6.1%
1985	28,787,388	9.6%
1986	31,162,946	8.3%
1987	32,497,326	4.3%
1988	34,514,618	6.2%
1989	36,246,499	5.0%
1990	39,337,633	8.5%
1991	40,887,720	3.9%
1992	40,066,823	-2.0%
1993	39,394,110	-1.7%
1994	40,775,658	3.5%
1995	39,405,865	-3.4%
1996	40,081,437	1.7%
1997	42,226,673	5.4%

Source: Straight Talk About College Costs, 1998, Exhibit 10-1 and www.nces.ed.gov.

economic changes and work toward a shift away from increasing tuition and toward additional state funding. These trends present serious problems for low-income and moderate-income students.

Policy Implications for Access and Opportunity

The concept of choice or opportunity in higher education involves a student's ability to attend the college or university most suited to his or her academic abilities. Access, on the other hand, simply means the student can attend from a financial standpoint. Interpretation of the relative importance of these issues has changed over time, and several factors influenced this shift.

In 1860, one of every 1,000 people attended college, and by 1900, four of every 1,000 attended college. A 1947 report from the President's Commission on Higher Education maintained that the time had come to make education through the 14th grade available in the same way high school was then available. By 1968, 30 in every 1,000 people attended college (Chambers, 1968). In the 1970s, commitment to choice was a goal supported by the federal financial aid system. In the 1980s, the private sector and higher education institutions fought to keep these policies in place. Today more than 11,000,000 students attend public colleges and universities, about 78% of the total students in higher education. Although the numbers of students attending higher education institutions have grown significantly, it has not been without controversy.

In 1958, the Association of State Universities and Land-Grant Colleges and the State Universities Association (later merged to form the National Association of State Universities and Land-Grant Colleges) issued a joint statement that argued the process of making students pay an increasing proportion of the costs of higher education would, if

continued, be disastrous to American society and the American national strength (Chambers, 1963). A 1974 Carnegie Commission report suggested that tuition should be no more than one-third to one-half of the total instructional cost, not including research and service expenditures.

According to "A Very Public Agenda" (1998), since the late 1960s public policy at both the state and federal levels has sought to fulfill one overarching objective – access to higher education. Yet today, according to Joyner (1996), paying for college ranks as one of the most costly investments for American families at the same time that education and training beyond high school are virtually required to achieve a middle-class standard of living. Research on the impact of college tuition on attendance demonstrates that for those students on the margin of attending college, tuition charges are the deciding factor (Financing College Tuition, 1999). For example, McPherson and Shapiro (1999) concluded that a $150 increase in net cost to students reduces enrollment by 1.8%. Of particular concern is their finding that 25% of high-ability, low-income students do not enroll in any of our 3,500 higher education institutions. "Responding to the Crisis in College Opportunity" (2004) estimated that at least 250,000 prospective students were shut out of higher education in the fall of 2003 due to the rising costs, decreased admissions, and cuts in offerings. The combined effect of higher tuition and limits on federal aid prohibits many students access to any option except community colleges. Heller (1999) confirmed that tuition prices are inversely related to the probability of enrolling in college, all other things being equal. As a result, increased tuition has caused fewer students on the margin to enroll in college or has affected their choice of institution.

According to Wellman (U.S. Department of Education, 2001), as a result of the shift in who pays for college, the notion that access to higher education is a social responsibility that should be funded from the broadest possible revenue sources has been turned on its head. Instead, responsibility for economic access has shifted from the government to the institution, and, increasingly, to students. A college education should be available to anyone who wants to learn, regardless of educational background, ethnicity, or economic circumstance (Of Precept, 2002). Further, higher education should be affordable.

Johnstone (1999) argued that finance underlies much of the three overarching themes of contemporary higher education policy: quality, access, and efficiency. Policy makers have to balance these issues and many more when determining long-term financial strategies for higher education institutions. Whether the shifting trend toward students financing a larger share of higher education is good public policy is debatable, but clearly, shifting the burden of who pays for college from government to students violates the long-held open access policy of higher education. The public is concerned about the impact on access, especially at the community college level, and the possibility that higher education will be beyond the grasp of many students if these issues are not addressed. Callan (College Affordability, 2003) postulated that the cumulative effect of decreasing state support and increasing tuition is a major assault on affordability. He argued, "This comes at a time when unemployment is high, personal income is basically flat, and college-level education and training is a requirement for most well-paying jobs" p. 12). Tom Mortenson (Quinn, 2004), a higher education policy analyst, referred to this

phenomenon as "creeping privatization." As in any change in public policy, there are consequences to be considered.

Outcomes and Consequences

One could logically assume that any change in public policy of the significance that has occurred in financing public higher education would have been thoughtfully considered and debated. St. John (1991) opined that state policy as it relates to higher education evolves incrementally and mostly without periodic comprehensive reexamination; therefore, we should not be surprised by the result. Higher education leaders and public officials have been "co-depending agents in a process that has transformed practices without redefining policy" (Of Precept, 2002, p. 1). Getting policy without making policy, defacto policy, has been the result of budget negotiations without regard to the long-term effects. In the absence of stated policy, other forces take over. Atwell and Wellman (National Center for Public Policy and Higher Education, 2002) argued that the last time America paid serious attention to a public policy agenda for higher education was in the 1960s.

In 1981, Schietinger determined that 33 states did not have an established policy for determining tuition levels. In 2000, the Education Commission of the States (2001) determined that 31 states had updated their higher education master plans since 1996 and that the most common themes related to access, technology, and economic development. McGuinness (2000) asserted that it is difficult, if not misleading, to focus on individual policy initiatives without a sense of their relationship to other initiatives, but he found coordination was infrequent. He also noted that, in the majority of states, higher education policy elements remain largely unaligned with a long-term strategy to improve

education opportunity and attainment. Layzell (1990) noted that very few states have attempted to integrate their policies relating to aid and tuition into a cohesive program. Instead, they have focused on tuition prepayment and savings plans to offset the increases in tuition.

Several states have established study groups or commissions to consider changes in state tuition policies. McKeown-Moak (2000) noted that Hawaii is considering a five-year strategic plan, while New Mexico is considering setting tuition as a percentage of cost. The Chancellor of the City University of New York proposed tying tuition increases to a set of economic indicators allowing rates to rise with the cost of goods and services. Kentucky and Missouri have established new rules while North Dakota is studying a per-credit-hour tuition model, and Pennsylvania adopted a comprehensive tuition policy. Utah implemented a differential tuition for graduate programs. In 2003, the University of Texas System's Board of Regents proposed free tuition for all Texas students from families with annual incomes below the state's median, and the University of North Carolina system proposed a tuition freeze. The University of Oregon began giving discounts to students taking classes at unpopular times. In perhaps the most striking move on the part of a university, Miami University in Ohio proposed increasing in-state tuition to the out-of-state level ($16,300) while providing in-state students a $5,000 scholarship. This is, in effect, a 48% tuition increase for in-state students. Illinois passed a truth in tuition law that guarantees that tuition will not rise between a student's freshman year and graduation. Finally, the state legislature in Colorado is weighing a voucher-like system that would send state funds to students, not directly to institutions. It is unclear if these

policy changes are intended to "balance the budget" or to set a more appropriate allocation between state resources and tuition.

"Measuring Up 2002" (National Center for Public Policy and Higher Education, 2002) reported that higher education opportunities remain unevenly distributed among the states. College preparation, affordable education, and enrollment opportunities vary enormously from state to state and even within states. James B. Hunt concluded in the report that "far too often, the accidents of geography, income, and race trump talent and motivation" (p. 12). Callan, in the same report argued, "The prospects – economic, civic, and social – of individuals, communities, states, and nations depend as never before on the availability and effectiveness of education and training beyond high school" (p. 15).

Layzell and Lyddon (1990) argued that tuition in the public sector has been seen as a way to plug the gap between state appropriations and expected expenditures rather than linking it to some rational factor. This is, of course, one rather passive way to deal with this pubic policy issue. William T. Pound, Executive Director of the National Conference of State Legislatures, described higher education as the balance wheel in state budgets, receiving more money in good times and seeing significant reductions in bad times (Selingo, 2002). A substantial percentage of voters, Hovey (1999) noted, believe government is too large and too intrusive and simply do not want to raise taxes for any purpose, even education. At the same time, more Americans than ever believe higher education is the key to the middle class and are worried about access (Immerwahr, 1998). Ironically, Immerwahr found that the public is opposed to public policy that limits access or raises the amount families have to pay. There is no consensus on how society should

pay for this desired access, either from the public perspective or the policy makers' perspective.

Historically, according to Mumper (1996), state and higher education institutions have shared a common interest in keeping public tuition low. States benefited economically and socially, and public institutions were able to compete with private institutions. No other nation has created a system of higher education that provides greater access, and no other system provides more chances for success. Yet, "whereas policy was once the trigger for finance, finance has become the trigger for policy" (A Very Public Agenda, 1998, p. 2). Family income, the principal basis for assessing the affordability of higher education, is seldom considered explicitly when tuition hikes are approved. Instead, other comparisons, such as those with other states or similar institutions, usually dominate the discussion. "Losing Ground" (National Center for Public Policy and Higher Education, 2002) reported that from 1992 to 2001 tuition at four-year public colleges and universities in 41 states rose faster than family income.

Ehrenberg (2000) argued that states need to understand the role that higher education plays in economic development and in boosting the incomes of residents when making funding decisions if they are to reverse the trend in state funding. The decrease in state support prompted Alexander (2000) and others to note that to remain competitive in a global environment more educational investments, not fewer, were needed to produce the highly educated and skilled workforce that is vital for economic growth. Anderson and Meyerson (1990) urged colleges and universities to explain the value of higher education, advocate a long-term perspective as it relates to financing higher education,

and plan institutional responses to anticipated economic changes in order to fight for a larger share of public funds.

Without sufficient public funding, there is little hope for a successful public agenda for higher education. Ikenberry (2001) made a convincing argument when he noted,

> The fundamental reasons academic institutions exist have little to do with the market. Higher education's role in society, the search for truth, the concept of academic freedom, the aims of undergraduate education, scholarly standards of excellence, our aspirations and convictions about equity and equality of opportunity all embody core values embedded in the higher education culture, not market concepts (p. 16).

Hauptman (1990) argued that policy makers must deal with difficult questions as they think about how a college education should be financed in the future, decide on the merits of alternative financing approaches, and choose among different plans. Mumper (1998) postulated that challenging conventional practice involves risks that few campus leaders are willing to take. Zemsky (Selingo, 2003) argued,

> The truth is, public universities might be a victim of their own success. They are no longer seen as places for educating the masses, as they were when private colleges enrolled only the children of the wealthy elite. Public colleges are not places of public purpose anymore. They're educational deliverers with some public funds (p. A24).

Summary

As Bogue and Aper (2000) reminded us, by any standard, Americans have made a magnificent financial investment in higher education during the last century. We

> have used that investment to advance the goals of enhanced access and quality, and the social and economic health of our nation. The results of that investment are apparent in the number, size, diversity, and achievement of our colleges; in the training, competence, and devotion of those serving in our colleges and universities; and in the recognition accorded American higher education, as other nations send their students

> to our colleges and universities for developing the leadership promise of their citizens (p.130).

The problem, pointed out by Hossler et al. (1997), is that we have reached a point in our history at which higher education has become viewed as a universal right at the very moment when the rising costs of higher education coupled with state and federal budget constraints appear unable to support these expectations. Explicit long-term policies are rare and, when they exist, they often focus more on institutional criteria than on the impact of tuition on students and their families (National Center for Public Policy and Higher Education, 2002). According to Hovey (1999), the reasons for major differences in states relate to their tax systems, spending needs, and economic growth. Higher education institutions are viewed as more flexible in their budget needs and share disproportionately during adverse economic conditions at the state level. There is no evidence that any imminent, profound, national policy shift toward the elimination of significantly subsidized public sector tuition policy is likely (Johnstone, 1999). However, economic policy, in general, is moving toward more user charges. "Responding to the Crisis in College Opportunity" (2004) urged states to take a long-term view of financing and to begin dialogue among taxpayers, elected officials, students and their families, and colleges and universities to understand the rapidly changing global and technological marketplace and the need for a more college-educated workforce.

There is no question that the methods for financing public higher education have shifted responsibilities from states to students and their families. State tuition policies should consider both institutional needs and the ability of students and families to pay (National Center for Public Policy and Higher Education, 2002). Many studies have

explored the financial aspects of how public higher education institutions are funded; few studies, however, have addressed the question of how policies are determined, specifically from the tuition policy setting perspective. Unfortunately, we know little about how states and institutions formed policies to address the shift in funding or even if they did so deliberately and with purpose. Clearly, we must begin to understand the tuition policy setting phenomenon if we are to understand the effects of these changes on students and institutional goals. In the end, noted Zemsky and Wegner (1997), it will prove not just a question of vision but of values that determines higher education's quality and accessibility.

Chapter III
Research Design

Introduction to the Research Design

The purpose of this study was to describe tuition policy setting at the University of Tennessee, Knoxville, 1960 – 2000. Case study design was selected as the most effective way to realize the purpose of the study and answer the research questions. Merriam (1998) argued that qualitative research is designed to build inductively rather than to test concepts, hypotheses, and theories. Case study research, a type of qualitative research, is an "in-depth study of instances of a phenomenon in its natural context and from the perspective of the participants involved in the phenomenon" (Gall and Gall, 1996, p.545). Case study allowed an in-depth study of tuition setting policy, the phenomenon under study, at one institution, the University of Tennessee, Knoxville.

According to Merriam (1998), case studies are particularistic; that is they focus on a particular situation, event, program or phenomenon. They are also descriptive, providing a rich, thick description of the phenomenon under study. And, they are heuristic, meaning they clarify the reader's understanding of the phenomenon under study. Case studies are concrete, contextual, developed by reader interpretation, and based more on reference populations determined by the reader than other research methods. A descriptive case study in education, according to Merriam, is "one that presents a detailed account of the phenomenon under study – a historical case study that chronicles a sequence of events, for example" (p. 38). These arguments for the case study method are particularly pertinent to this study as it focused on a single institution,

describing it in depth in order to clarify the situation at this one institution and help explain the phenomenon in general.

Interview and document review data collection methods were chosen to provide multiple sources to help minimize bias of information and seek convergence of the data. The use of multiple methods to collect data, according to Yin (1994), enhances the validity of case study findings through a process called triangulation.

Case and Sample Definition

Case study research design requires the researcher to first identify the "case" to be investigated. The case for this study was the University of Tennessee, Knoxville. The Carnegie Foundation classifies UT Knoxville as a Doctoral/Research University - Extensive institution that is also designated the state of Tennessee's land-grant institution. It is representative of a large number of such institutions across the country. The Knoxville campus is considered the state's flagship institution and, therefore, sets the standard for public policy as it relates to four-year public institutions in the state. A similar relationship among institutions exists in other states. It is important to understand these types of institutions because they enroll a large majority of four-year students in each state, and their tuition policies affect a large segment of the student population.

The primary reason for selecting this institution was its representativeness of institutions of its type across the country. The researcher also had access to the interviewees and the records necessary for the study. This relatively easy access allowed the researcher to readily engaged the questions under study.

Sources of Data

Data for this study came from two primary sources: people involved in tuition policy setting and documents related to tuition and policy. As Merriam (1998) pointed out, data collection is guided by questions, educated hunches, and emerging findings.

People/Interviews

The individuals in this study were purposefully selected in order to get a full range of perspectives across the time period being studied. The individuals included in this study consisted of three presidents, two chancellors, four chief financial officers, two state officials and one member of the board of trustees who served in office between 1960 and 2000. This group of individuals represented 40 years of history at the university, and extensive interviews with these individuals provided a good perspective on tuition policy setting during this period. No other individuals emerged as important to this study during the interviews. The researcher reached saturation on the subject confirmed by the repetitive responses to questions.

Accessibility and willingness to participate were considerations in determining whom to include in the interviews. One proposed interviewee refused to participate. Confidentiality of the interviewees was maintained, to the extent possible, by referring to interviewees without specific reference to the office each held and by not identifying them by name in the findings. Many of the individuals included in the study are so directly tied to the institution that it was difficult to disguise their identities. However, the primary source of data was interviews. The interviews were guided by a protocol developed from the research questions. The interview questions were purposefully broad

and open ended to get the interviewees to talk about the process (see Appendix D). Probing questions were used as necessary to pull out additional information.

Documents

A second data source was various documents produced during the time period under study including treasurer's reports and other material regarding tuition policy. In addition, Tennessee Higher Education Commission (THEC) reports and other appropriate documents were examined to determine consistency between THEC and university information (see Appendix G for a complete list of documents examined). Yin (1994) argued that the most important use of documents was to corroborate and augment evidence from other sources. Documents were obtained from a variety of sources including the University of Tennessee Office of the Vice President for Budget and Finance, Treasurer's Office, Bursar's Office, and Office of Institutional Research, and the Tennessee Higher Education Commission. The researcher looked for policy statements, appropriations, enrollment, tuition and fee amounts and a variety of other information pertinent to the study. These documents were used to complement, verify, and explain the information collected during the interviews. Confidentiality of the data from the documents was not a concern since they are all public information as identified in the State of Tennessee's Open Records Law.

Procedures

The first step was to seek University of Tennessee Institutional Review Board approval for the conduct of the study (Appendix A). Following approval for the study, the researcher began conducting interviews and then reviewing documents.

Interviews

Yin (1994) argued that interviews were one of the most important sources for case study information because most case studies are about human affairs; "these human affairs should be reported and interpreted through the eyes of specific interviewees, and well-informed respondents can provide important insights into a situation" (p. 85). This philosophy guided the interview process during this study. The Interview Guide (Appendix D) for this study included the specific questions asked during the interviews. The guide was field-tested using a key informant not used in the actual study. The informant had a long history with the university and was very familiar with university policies. The key informant provided feedback regarding clarity of the questions and made suggestions regarding additional questions that were valuable to the study. It was also important to field test the questionnaire to ensure that responses to the interview questions would answer the research questions.

After making changes in the questions suggested by the key informant, the next step was to contact the interviewees to get their permission to participate in the study and to arrange interviews. An initial letter (Appendix B) was sent to each potential interviewee to introduce the study and its purpose, as well as to outline human subjects' regulations. Interviewees were informed that the interview responses would be kept confidential unless permission was given otherwise. Each interviewee received an Informed Consent Form (Appendix C) with the letter explaining the purpose of the study and requesting consent to participate in the study. These letters were followed up with a phone call to schedule the interview with those willing to participate. Each interview was scheduled for 90 minutes and included tape recording.

At the beginning of each interview, the researcher reviewed the purpose of the study and the format of the interview session and collected the consent form (Appendix C). The researcher explained that the sessions would be tape recorded and that all transcripts would be coded and kept in a locked file. The interviewees were offered the opportunity to review the transcript of the interview and make revisions and comments as appropriate. After these preliminary discussions, the formal interview began.

Yin (1994) pointed out that a good interviewer "hears the exact words used by the interviewee, captures the mood and affective components, and understands the context from which the interviewee is perceiving the world" (p. 57). The researcher took care not to lead the interviewees or to point the conversation into any particular direction. Following the Interview Guide and allowing the interviewee to talk more than the researcher controlled for this possibility. The researcher confirmed the list of potential interviewees by asking each interviewee to identify other important individuals in the tuition policy setting process. The researcher also asked probing questions when important issues did not arise during the interview process. For example, probing questions were asked related to state leader involvement in the decision-making process and the proliferation of special fees.

A transcription was made as soon as practical following the interviews. The researcher used a transcriber to type the interview tapes. The transcriber signed a confidentiality statement (Appendix F) before beginning work that ensured that the transcriber would not discuss the contents of the tapes with anyone other than the researcher. The transcripts were returned to the interviewee for review and correction, if

they were interested in following up. No changes to the transcripts were made as a result of this follow-up.

The researcher took field notes during the interviews (Appendix E) to record body language and other observations that could not be captured on the recording. The original tapes and field notes along with the transcriptions were locked in a file cabinet, except when in use by the researcher. They will be destroyed three years after the end of the project.

Documents

The researcher identified document sources and collected originals of the documents, then transcribed data directly from the document or made copies when necessary. Each document was reviewed thoroughly while searching for answers to the research questions as well as confirmation of the information received during the interviews. Much of the data were summarized in a single electronic format for ease of use and review. Some data were no longer available either because the records had been purged or no one could identify their location. Sufficient documents were available, however, to fully confirm the information gathered in interviews and to answer the research questions.

Timeline

The interviews were conducted during the fall of 2003 and the winter of 2004. The documents were reviewed during the winter of 2004. Data were analyzed continuously during the process and summarized during the winter and spring of 2004. Files and diskettes were locked in the Office of the Assistant Vice President Room 105

Student Services Building when not in use to protect original recordings, field notes, and document summaries.

Data Analysis

According to Yin (1994), "data analysis consists of examining, categorizing, tabulating, or otherwise recombining the evidence to address the initial propositions of a study" (p. 102). The analysis for this study occurred primarily in terms of answering the research questions. Using the research questions to analyze documents and compare findings from the documents to the interviews helped guide the study. The interviewees were offered the opportunity to receive a typed transcript of the interview and make revisions and comments. These member checks assisted the researcher in validating the data received during the interview process.

Data analysis was conducted simultaneously with data collection, as is the norm for qualitative research. The researcher coded the interview data in search of recurring themes. Coding, according to Merriam (1998), is "nothing more than assigning some sort of short-hand designation to various aspects of your data so that you can easily retrieve specific pieces of the data" (p. 164). Sorting and categorizing according to emerging themes in relation to the research questions were important to show the relationships among the various data sources. The researcher used the left margin of the transcript to begin the coding process indicating issues addressed or observed during interviews and document review.

Each transcript was entered into a computer software program as the transcripts were typed. This made data management and analysis easier and reduced the time needed to sift through the data again and again. This allowed meaningful categories to be

grouped together to facilitate review and discovery of findings for each research question. Once all the transcripts were coded, the information was sorted by code and theme in order to integrate the information from the various data sources. During this process, clear links were maintained from the original data source to the findings.

Validity and Reliability

Internal validity was addressed in several ways. Member checks occurred when interviewees reviewed their transcripts. Triangulation of the data occurred given the use of multiple data collection methods including interviews and document reviews. A clear chain of evidence was recorded to link questions, data, and findings. These multiple data sources allowed for convergence of the data.

External validity rests on the richness of the description of the phenomenon under study allowing others to understand it. The purpose of the study was to describe the situation at a single institution; however, the themes that emerged will likely relate to other institutions.

Reliability of this study as it relates to duplicating the methods and procedures will be relatively easy since each step was clearly identified in the study. Future researchers can follow the procedures to replicate the study at another institution. However, a researcher would not likely be able to precisely replicate this study due to the nature of the interview process and the possible future unavailability of some of the interviewees. As recommended by Yin (1994), the researcher maintained a formal, presentable data file so that other investigators can review the evidence and the links between the evidence and findings. This method significantly improved the reliability of

the study. A clear chain of evidence, including where the data came from and how it was used, will allow future researchers to verify the findings and trace the steps of this study.

Delimitations and Limitations

This study was designed to describe tuition policy setting at one institution. As a single case study, while the findings may be suggestive of what may have happened at other public institutions, they are limited to the institution studied. Using one institution limited the breadth of this study; however, it provides a rich, thick, in-depth description of the phenomenon at that institution.

It is assumed that the information and opinions provided by the interviewees were as accurate and truthful as possible; however, 40 years is a significant period of time in which to recall information, and their recollections may be tainted by bias, poor recall, and poor or inaccurate articulation (Yin, 1994).

Chapter IV
Research Findings

Introduction

The purpose of this study was to describe tuition policy setting at the University of Tennessee, Knoxville, 1960 – 2000. The researcher employed a case study method using interviews and document analysis to answer the four primary research questions:

1. What policies have guided tuition setting?
2. How have changes in policy been expressed?
3. What factors have influenced tuition policy setting between 1960 and 2000?
4. What process was used to set tuition policy?

The methods used to collect data involved individual interviews with chancellors, campus business officers, presidents, system business officers, state higher education officials, and a member of the board of trustees as well as review of documentary evidence related to the study. Data were collected from 12 interviews and a variety of documents.

Interviews were held primarily in Knoxville, Tennessee; however, two interviews were held in Nashville and one over the telephone. Transcripts were made of each interview and were read, coded, and summarized according to themes. Documents from the University of Tennessee and the Tennessee Higher Education Commission were analyzed for evidence related to the research questions as well the emerging themes.

A variety of organizational options are available to present the answers to the research questions, including a chronology of events between 1960 and 2000 or a description from the perspective of each type of interviewee, as examples. The researcher

determined the most effective way to get at the questions was to report the findings in a thematic way that, ultimately, will reveal the answers to the research questions, as well as provide a rich, thick description of the historical context of the tuition setting process.

Tuition policy setting is a complex task involving a variety of policy makers and stakeholder groups. Although this study covered a 40-year period at the University of Tennessee, Knoxville, surprisingly little has changed in the policy decision-making, approval, or communication processes. This may be largely attributed to the considerable number of individuals who have held leadership positions for more than 25 years. Nevertheless, there has been a significant shift in the overarching philosophy toward tuition.

The findings of the study are presented in this chapter. First, a brief description of the university is provided, including its founding and purpose. Then, a brief description of the Tennessee Higher Education Commission is included to help set the context for its role in tuition policy setting. Next, the major themes that emerged from the interview responses and document analyses are presented. The emerging themes are validated through direct quotations taken from the interviews. Finally, the findings are summarized.

A Brief Description of the University of Tennessee, Knoxville

The University of Tennessee was chartered on September 10, 1794, as Blount College by the legislature of the Southwest Territory. According to historical accounts written by UT Historian Milton Klein (The University of Tennessee, 1996), it received no state support. During its 13-year existence, it occupied a single building in downtown Knoxville. It had few students and conferred only one degree.

In 1807, a grant of public lands from the state resulted in the renaming of the institution to East Tennessee College. When the first president, Samuel Carrick, died in 1809, the college closed and reopened in 1820. East Tennessee University was designated in 1869 by the state legislature as the land-grant institution of the state. In 1879, the state legislature redesignated East Tennessee University as the University of Tennessee. According to Klein's review of historical documents, trustees hoped that the name change would inspire the legislature to provide regular state financial support, but state appropriations did not come on a regular basis until early in the 20th century. Thereafter, the university has been the beneficiary of state support.

The Knoxville campus serves the state, nation, and international community through a broad spectrum of undergraduate and graduate studies, research and creative activity, and public service and outreach. The total campus enrollment is about 25,000, a mix of undergraduate and post-baccalaureate students. Graduate and professional degrees are offered in the colleges of Agricultural Sciences and Natural Resources; Architecture and Design; Arts & Sciences; Business Administration; Communication and Information; Education, Health & Human Sciences; Engineering; Law; Nursing; Social Work; and Veterinary Medicine. The University of Tennessee's primary purpose is to "move forward the frontiers of human knowledge and enrich and elevate society." (The University of Tennessee, 2004).

A Brief Description of the Tennessee Higher Education Commission

The Tennessee Higher Education Commission (THEC) was created in 1967 by the Tennessee General Assembly for the purpose of coordinating and supporting the efforts of post-secondary institutions in the state of Tennessee. One of its statutory

requirements is to create a master plan for the development of public higher education in Tennessee. THEC's mission for the 21st century is

> to elevate the overall educational attainment of citizens in the State through increased accessibility to mission-focused institutions, which deliver educational services on campus, as well as through a planned network of off-campus instruction, and to prepare citizens responsibly for success in the new century by providing high quality teaching and research in an environment that serves the needs of its consumers (Tennessee Higher Education Commission, 2004).

THEC is also responsible for approving new programs and making recommendations for budget priorities.

THEC coordinates two systems of higher education, the University of Tennessee institutions governed by the Board of Trustees and the Tennessee Board of Regents that oversees the state universities, community colleges, technical institutes, and technology centers. There are currently nine public universities, two special purpose institutes, 14 two-year institutions, and 26 technology centers in Tennessee, which serve over 200,000 students.

Presentation of Findings

Four significant findings emerged during the study. These four findings include: 1) there is no formal tuition policy at the University of Tennessee, 2) there is significant input in the decision-making process, 3) there is minimal formal communication regarding decisions, and 4) the proliferation of special fees is a recent phenomenon.

From 1946 to 1959, C.E. Brehm was President of the University of Tennessee. According to one interviewee, "before 1960, there was no policy towards student fees (tuition)." Brehm "took the position that it was the state's responsibility to finance the program of education. He didn't want any raises (in tuition)."

Andy Holt was elected president in 1959. "Even then, there was no such thing as a policy, because Andy felt somewhat like Brehm did towards the students. He wanted it to be as cheap as it possibly could be for students. He would've given free tuition if he could've afforded it." Tuition at Knoxville was $225 per year for in-state undergraduates, and, according to one interviewee, "We were always in the bottom quarter of the schools (as it relates to the price of admission), always, and we did not look to get out. We wanted to be down there with them." This background and philosophy set the stage for the next 40 years.

No Formal Tuition Policy

According to one interviewee, in the 1950s, every four-year institution was getting about the same level of funding, no matter the size of the school. There was no higher education commission; all schools except the University of Tennessee, which was separate, were operated under the state Board of Education, including K-12 schools. Getting state appropriation was "a harum-scarum thing because there was no policy. Nothing. It was the political involvement of the president."

After Andy Holt became president, he stuck with the philosophy of not increasing fees because, according to one interviewee, Holt argued that the university was supported by the state. "We were putting pressure on the state to raise its ante." One interviewee said,

> There was a great commitment at that time, particularly by President Holt and also by President Boling that we are a public university, and we are here to serve the public. And therefore, we ought to be, to be as great an extent as possible, supported by the state taxpayers, because we exist to educate the young people of Tennessee. And, I think that was felt very, very keenly at that time.

The individual went on to argue that there was a more egalitarian approach to higher education at that time and that Dr. Holt's philosophy was that everybody should come to the University of Tennessee. There was a great commitment to the land grant concept, and as a public university, there was a strong feeling that the university should be as inexpensive as possible.

During the 1960s, the higher education commission was formed and then it helped higher education institutions join together to agree on a funding mechanism to equitably distribute the available state funds. "We freed higher education then, because we weren't fighting each other when we got this formula." The formula calculated the need, but the state's position was "everybody would like to have what they thought they needed." When asked about the formula, one individual claimed it had been funded only once or twice and had been changed a few times because of some flaws in the original methods. The formula is complex. In fact, multiple formulas exist for the various types of higher education institutions in the state. Knoxville has its own formula because of its uniqueness as the only Carnegie Research Extensive classified institution. As indicated in Table 5, the University of Tennessee, Knoxville, has been funded at or above the THEC recommendation six times since 1980 and in the 98-99 percent range an additional five times. Therefore, the state has funded the THEC recommendation for UT Knoxville 52% of the time during the period 1980 – 2000. This may be more than is perceived, but still reflects significant inadequacies.

The formula, argued one interviewee, "determines the needs, that is what the state should fund." Generally, the state funds some percentage of that need. The total need calculated by THEC minus tuition and other outside revenue determines the

Table 5

UTK Percent of Recommendation Funded

FY	Total Unrestricted State Appropriation	THEC Recommen-dation	Percent Funded
80	51,050,500	49,851,700	102.4%
81	52,359,200	55,003,700	95.2%
82	53,093,080	58,520,000	90.7%
83	56,985,500	64,067,500	88.9%
84	60,007,600	60,007,600	100.0%
85	86,688,500	87,186,300	99.4%
86	94,632,300	101,867,000	92.9%
87	104,356,000	104,507,000	99.9%
88	109,209,000	107,286,632	101.8%
89	119,816,800	110,965,930	108.0%
90	122,244,600	119,007,143	102.7%
91	121,806,700	128,672,204	94.7%
92	115,717,700	134,244,218	86.2%
93	128,202,149	137,935,200	92.9%
94	135,695,900	137,948,000	98.4%
95	144,104,324	143,644,000	100.3%
96	151,841,800	153,783,300	98.7%
97	148,889,200	150,840,600	98.7%
98	146,180,700	161,120,000	90.7%
99	151,841,800	160,916,100	94.4%
2000	150,779,000	162,455,600	92.8%

Source: THEC Budget Documents and UT Treasurer's Reports

THEC recommendation for state appropriation. Between 1988 and 2000, for example, the state funded between a low of 60% (1992) to a high of 71% (1995) of the THEC calculated need. Not all institutions were funded at the same percent of the formula, and this was an issue at one point. When asked about the purpose of the formula, another interviewee admitted, "The formula is really driven to say 'this is a way to equitably distribute whatever monies are made available at the state level of higher education'." It is not about need.

The baby boomers from World War II came to the university in the 1960s and began to put a pressure on university resources that continued through the mid 1970s. The building program expanded tremendously during this time period to accommodate all the new students. Dr. Ed Boling became president in 1970. During the pressures of the 1970s, "UT wanted very much to remain a low fee (tuition) institution. The overall board felt that way and our fees were low." "Make it the cheapest you could to get through school" continued as the general philosophy of the time.

During the 1970s, admissions standards were raised, and the average ACT score, according to one interviewee, went from 19 to 23. The number and type of required courses to be admitted to the university increased, which caused high schools to look at what they were requiring of students. Even with the changes in admission standards, one interviewee insisted,

> I don't know of anything that changed very much in terms of philosophy towards fees (tuition). I think the philosophy is still there. We were still pushing hard to get as many Tennesseans enrolled at the University of Tennessee, Knoxville, as we could, pushing the notion that we were a unique university, we were a research university, and pushing hard to expand our undergraduate enrollment as well as our graduate enrollment.

Another individual said setting tuition "was more a matter of tradition, not policy. The primary focus was looking at the needs, deducting the state appropriation, and determine the amount for fees (tuition)." One interviewee commented, "You know, universities never get all the money they think they need."

When Lamar Alexander was Governor of Tennessee in the 1980s, one interviewee quoted him as saying, "I don't want to give a dollar to that prisoner that I can spend on a child in school." That, according to the interviewee, appealed to everybody. In his second term, Alexander made higher education a priority. President Boling made a proposal to the governor to increase tuition charges to the students at the same rate the state increased appropriation to the university. There was never a formal policy, per se, but there was an agreement, supported by students according to several interviewees. For example, if state appropriations increased by 5%, tuition would increase by 5%. Figure 4 verifies this assertion indicating that as state appropriations increased in the mid 1980s so did total student fees, although not exactly in the same proportions. Actually, tuition tracked with appropriations fairly consistently across the entire period of the study in that when one increased, the other generally did as well. So one might argue that this idea was not unique, but a formalization of what was already occurring.

Not everyone agreed with this "balanced" approach. One interviewee said, "It seems to me that the better policy would be if you had a high increase in state appropriation, you wouldn't raise fees as much." Another interviewee described this approach as a "double-whammy." One interviewee argued, "It is impossible to have a policy of doing one thing or another" because of the shifting priorities in the state. For

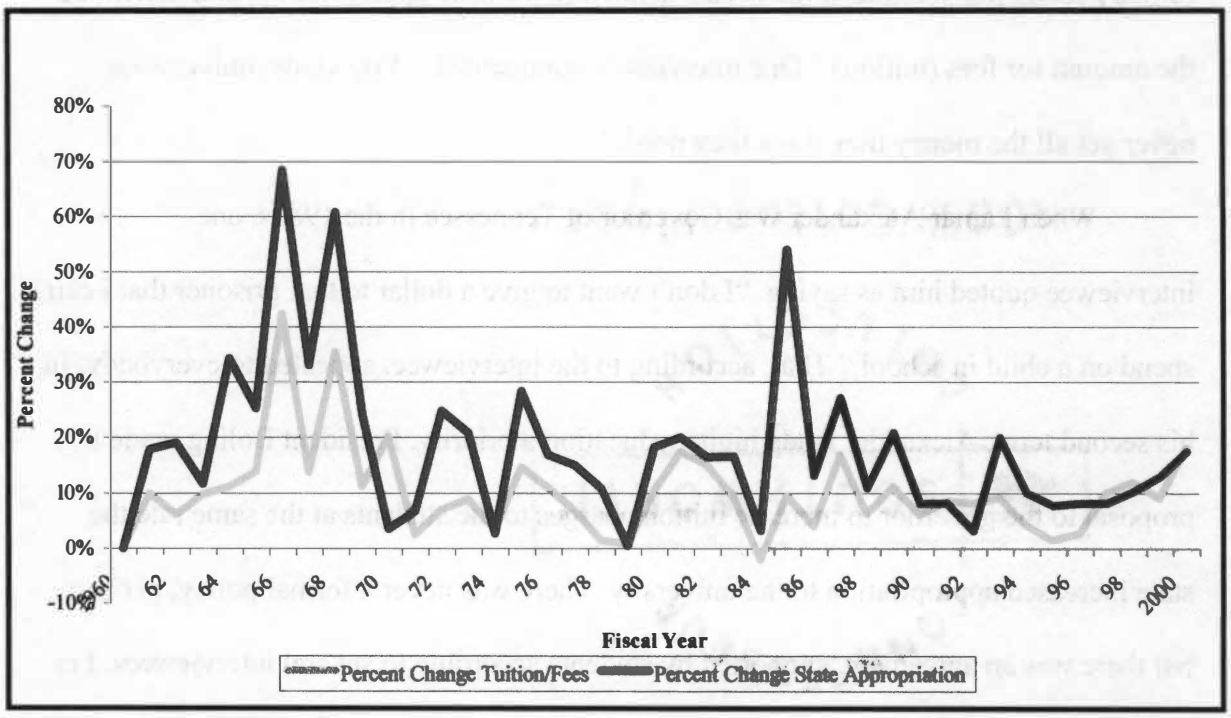


Figure 4

UTK Percent Change in Revenue 1960 - 2000

Source: UT Treasurer's Report

example, K-12 education, corrections, and health care have all taken their turn as top priorities. "The university didn't really have one (a policy), and THEC didn't really have one; therefore, the state didn't really have a tuition policy."

It was during this 1980s time period that the so-called 70-30 philosophy was adopted. The idea was that the state should pay 70% of the cost of higher education and the student should pay 30%. There are varying opinions about the implementation of this philosophy with one individual stating, "That is not a real policy. That was just a thing to look at." THEC was trying to "strike some kind of balance." Another individual argued, "It was a policy position taken, espoused by the governor at that time, adopted by the higher education commission, and, in a sense, applauded by all of us who were a part of the higher education process, governing boards, and coordinating boards." There was no long, extensive study or thought process, he argued. Another interviewee said, "I don't think it was ever a policy; it was a standard. The students were 30% involved and the state was 70% involved." He went on to argue that there have never been any policies in Tennessee set by THEC or otherwise that directed how higher education should be funded or how tuition should be set.

The THEC Policy Manual states that the "Commission's tuition and fee policies are general guidelines" (p.60). One might debate whether this establishes them as formal policy, yet they were put in writing and adopted by the commission in April 1988. The financing policy for tuition and fees states that a tuition indexing approach should be used as a general goal and that tuition should not exceed the SREB average or the that of peer institutions. The tuition index was set at 40% for in-state students. This means that for

every one dollar appropriated from the state, 40 cents should be earned in tuition. Forty cents of $1.40 is 28.9%, thus the so-called 70-30 rule was borne.

Figure 5 demonstrates the percent funding from students at UT Knoxville during the 41 years covered by this study. Clearly, students at UT Knoxville have paid an increasing share of the cost. Students paid 21.6% of the total in 1960, decreasing to a low of 20.4% in 1964. The student percentage remained at or below 30% through the early 1990s, except for a few years in the early 1980s. The student share increased to 41.3% in 2000. The THEC guidelines remain in place, but, obviously, they are being ignored.

Ned McWherter became Governor of Tennessee in the late 1980s. Governor Alexander had "made political hay" out of the fact that he had fully funded the higher education formula. The economics of the time were not going to allow that to continue to happen and the new commissioner of Finance and Administration "declared the formula irrelevant and flawed and claimed it generated unrealistic numbers." These difficult circumstances led to ignoring the formula funding recommendations. When asked if the formula was considered irrelevant why it wasn't changed, the interviewee commented,

> There were multiple efforts to look at the formula. It is not a mechanism to define need; it is a mechanism to distribute the funds that are available. Change is perceived as bad because of the chance of losing any portion of the money because the size of the pie would be the same. There is no incentive for the institutions to want to change. Policy makers were discouraged because there wasn't enough money anyway, so why change the formula.

At the same time, there was some "blatant political manipulation of THEC," which caused a crisis in confidence. It was at this point that the state legislature added the constitutional officers to the higher education commission. One interviewee said

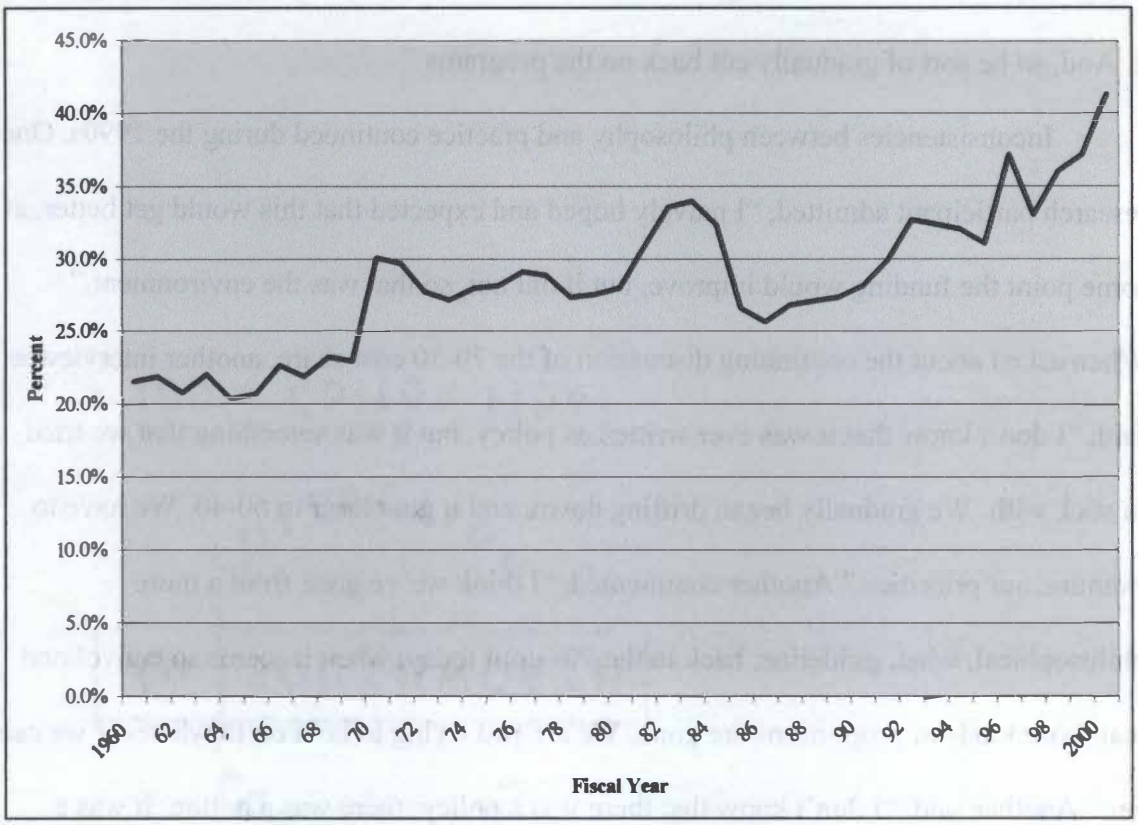


Figure 5

UTK Student Tuition and Fees as a Percent of Total Revenue
1960 – 2000

Source: UT Treasurer's Reports

McWherter "didn't believe in higher education, and he did not want to do anything about it. And, so he sort of gradually cut back on the programs."

Inconsistencies between philosophy and practice continued during the 1990s. One research participant admitted, "I naively hoped and expected that this would get better, at some point the funding would improve, but it did not, so that was the environment." When asked about the continuing discussion of the 70-30 cost share, another interviewee said, "I don't know that it was ever written as policy, but it was something that we tried to stick with. We gradually began drifting down, and it got closer to 60-40. We have to examine our priorities." Another commented, "I think we've gone from a more philosophical, what, guideline, back in the 70s until today, when it seems so convoluted that those kinds of proportions are gone. We are just trying to hold on to whatever we can get." Another said, "I don't know that there was a policy; there was a notion. It was a goal. I guess it was assumed or embraced as public policy, but there was never a bill or a law. We have drifted away from that notion of 70-30." Another commented, "I don't remember any discussion about a tuition policy as such, either by THEC or within the administration. It was a year-to-year thing." One consideration was "how much will the traffic bear?"

There was a general belief advocated by several interviewees that the purpose of tuition was to fund "added" items that the state funds could not support. For example, additional pay raises, additional equipment, and new non-academic facilities were cited as items that the state would not support, but that tuition increases were expected to pay. In the early days, tuition was not intended to make up a loss in state appropriation, but to enrich and add quality to the academic programs. When tuition increases were discussed,

the philosophy was "let's keep the increase as low as possible. And, there was a lot of conversation at that time about pricing people out of the market."

One interviewee expressed a belief that tuition had increased every year except maybe two during the time period of this study. "Raising fees (tuition) is a common ailment at the university, a common phenomenon. I guess I should say a common event." In fact, as indicated in Table 6, tuition has increased 26 times in the last 40 years or 65% of the time; however, tuition has increased the last 12 years in a row by at least 3% with an average increase of 6.6 %. Another individual argued, "There's no underlying philosophy or theory behind the decision. We don't consider affordability or student aid or student investment in education as a percent of the total. It's about supplementing appropriations. Reviewing the policy would force people to recognize what we are doing. THEC should adopt a policy." In some cases, student fees are increased to replace rather than supplement funding. "We (the state) out-stripped our policy years and years ago," admitted one interviewee. "That policy (the 70-30 cost share) made a lot of sense when there was anticipated and sustained growth in the way the state was funding higher education and the way enrollments were growing." With appropriations flat or decreasing, "students were our only source of revenue, so we got out of kilter as far as that relationship (70-30) was, what our writing on policy was, and how we would go about determining the fees (tuition) and fee level." Another admitted, "I don't recall it being an actual formal policy."

There was significant concern about the formula and its effectiveness in today's climate. "This formula really ought to be reexamined, reworked, taken apart and put back

Table 6

UTK Change in Annual Tuition

FY	Annual In-State Undergraduate Tuition	Percent Change	FY	Annual In-State Undergraduate Tuition	Percent Change
60	225		81	549	13.7%
61	225	0.0%	82	633	15.3%
62	225	0.0%	83	729	15.2%
63	225	0.0%	84	729	0.0%
64	225	0.0%	85	831	14.0%
65	225	0.0%	86	957	15.2%
66	225	0.0%	87	1209	26.3%
67	225	0.0%	88	1209	0.0%
68	270	20.0%	89	1270	5.0%
69	315	16.7%	90	1372	8.0%
70	315	0.0%	91	1490	8.6%
71	315	0.0%	92	1566	5.1%
72	333	5.7%	93	1676	7.0%
73	354	6.3%	94	1760	5.0%
74	354	0.0%	95	1830	4.0%
75	372	5.1%	96	1884	3.0%
76	408	9.7%	97	1940	3.0%
77	450	10.3%	98	2096	8.0%
78	450	0.0%	99	2264	8.0%
79	450	0.0%	2000	2604	15.0%
80	483	7.3%			

Source: UT Bursar's Office

together again; and I think that needs to happen. I feel very keen – there has to be a formula." Another individual argued, "The formula grossly underestimates the need." Another commented,

> We have been so far away from 'ought'; we used to look at peer institutions in other states and how they are assessing their students. We used to say that it was kind of policy by default that we have this policy that talks about a stated relationship between fee revenue and appropriations, and then we have gotten away from it as reality dictated, but we really did not want to do that. No one wants to adversely impact students, particularly those who are at high risk to shut the door of access on them. The overall policy movement, not just in Tennessee but also in all states, has been public and elected officials just don't want to pay for public services the way they used to. That gets a little philosophical argument, like who benefits most from higher education, the individual or the state. Where there is a better-educated citizenry, it makes for a better state.

Another said, "I don't think the formula is, under today's circumstances, is as relevant as it was, say, 15 years ago." It was noted in "The Status of Higher Education in Tennessee" (2001), "State appropriations for higher education increased 45.5% from 1991-92 to 1999-2000. During the same period though, the percentage of total state appropriations devoted to higher education actually declined slightly from 15.1% to 14.7%" (p. 17). The "Statewide Master Plan for Tennessee Higher Education 2000 – 2005" (June 2000) assumed "there will be increasing appropriations for higher education" and, more importantly, that "the state will resolve whether public policy will continue to shift an increasing proportion of the costs of education to the student" (p. 2). These arguments recognize the dual purpose of funding formulas, both to estimate need and to allocate funding. The plan also calls for a public policy debate that has not occurred.

Table 7 outlines state appropriation changes for UTK. Appropriations have increased in all but seven of the last 40 years. Five of the seven decreases have occurred,

Table 7

UTK State Appropriation

FY	Unrestricted State Appropriation	Percent Change	FY	Unrestricted State Appropriation	Percent Change
60	8,025,419		81	52,359,200	2.6%
61	8,662,943	7.9%	82	53,093,080	1.4%
62	9,789,003	13.0%	83	56,985,500	7.3%
63	9,978,799	1.9%	84	60,007,600	5.3%
64	12,287,500	23.1%	85	86,688,500	44.5%
65	13,694,000	11.4%	86	94,632,300	9.2%
66	17,273,038	26.1%	87	104,356,000	10.3%
67	20,601,500	19.3%	88	109,209,000	4.7%
68	25,847,000	25.5%	89	119,816,800	9.7%
69	29,218,000	13.0%	90	122,244,600	2.0%
70	24,375,000	-16.6%	91	121,806,700	-0.4%
71	25,421,975	4.3%	92	115,717,700	-5.0%
72	29,946,000	17.8%	93	128,202,149	10.8%
73	33,545,000	12.0%	94	135,695,900	5.8%
74	33,319,147	-0.7%	95	144,104,324	6.2%
75	37,884,000	13.7%	96	151,841,800	5.4%
76	40,094,000	5.8%	97	148,889,200	-1.9%
77	43,376,000	8.2%	98	146,180,700	-1.8%
78	47,455,550	9.4%	99	151,841,800	3.9%
79	47,309,070	-0.3%	2000	150,779,000	-0.7%
80	51,050,500	7.9%			

Source: UT Treasurer's Reports (Prior to 1970 appropriations for Knoxville, Memphis, and Martin were lumped together. This does not reflect an actual decrease from 1969 – 70, but represents the first year that each campus was reported separately.)

however, since 1990. Total appropriations have increased 1,778.8% during the time period of this study while total tuition and fees collected have increased 4,705.6%. The Governor's Council on Excellence in Higher Education (Investing in People, 1999) concluded, "Students and parents need to be prepared to assume an increased cost for the improvements being proposed" (p. 40).

Two individuals agreed that the cost-per-student needs to be studied within the broader context of financial aid available and perhaps address the student affordability issue from that perspective. There is "a real disconnect in the way that tuition has been viewed as independent of financial aid, as independent of the state funding of higher education." Another argued, "I think the philosophy should be the fact that not necessarily the low tuition (as the policy); I think you need to have a tuition that's affordable for students of various needs. So," he went on to say, "I don't think you want to say that we're necessarily keeping it as a low tuition. We want to keep it reasonable and affordable based on needs of various students within the state." Another said, "We don't want to charge students any more than we have to. Then you get into a discussion of, well, what is 'have to'." The "Statewide Master Plan for Tennessee Higher Education 2000 –2005" (June 2000, p. 8) argued, "funding for higher education is an investment in the future and provides different benefits for individuals, businesses, and the State as a whole". This argument supports Goal Five of the plan, "strive for a sustained level of funding that will allow Tennessee citizens to reach their educational objectives, attain cultural and social goals, and compete economically with the most progressive states in the region" (p. 8). Figure 6 illustrates the actual increase in annual tuition as 1,057.3% compared to where tuition would be if it had tracked to the consumer price index (CPI)

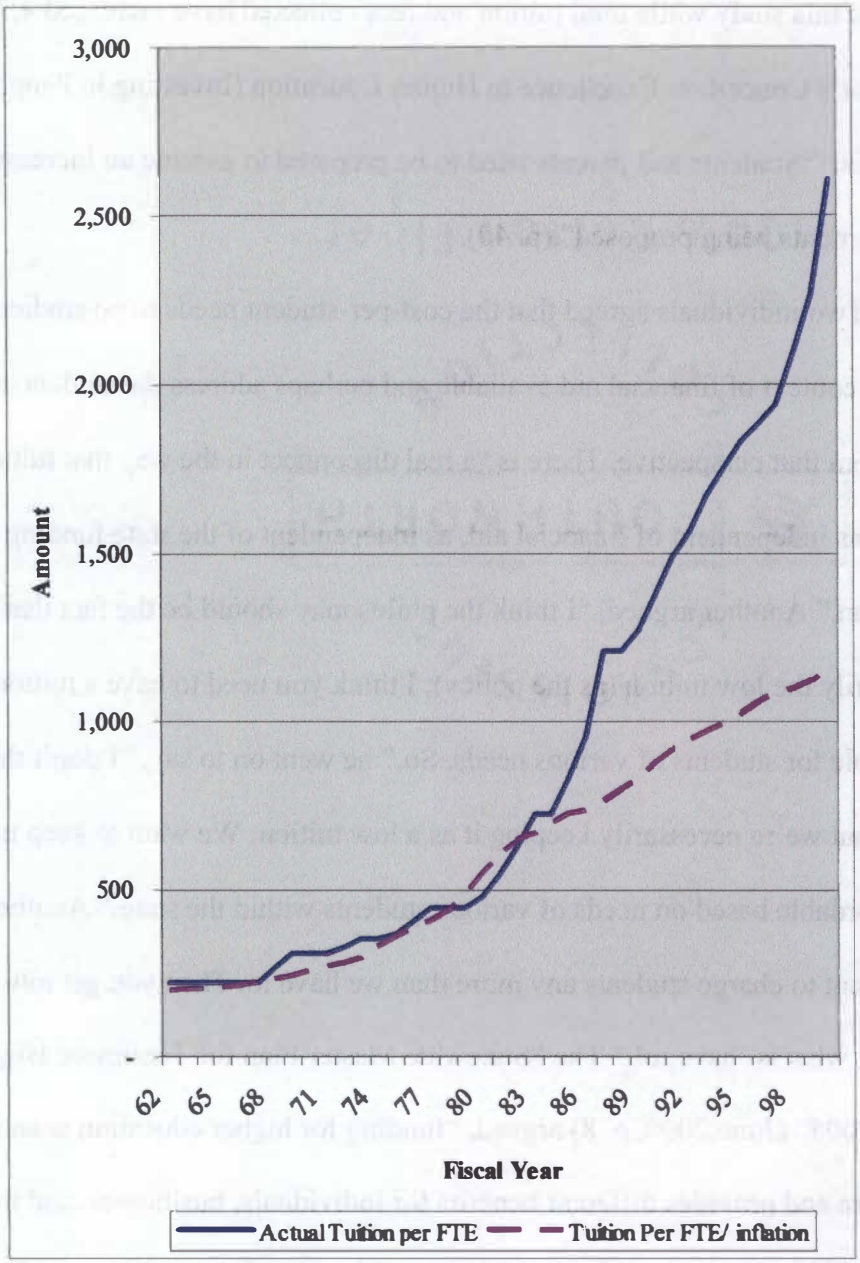


Figure 6

Tuition Comparison Adjusted for Inflation
(1967 as the base year)

Source: UT Budget Documents and U.S. Bureau of Labor Statistics

during the period of the study. The consumer price index, as calculated by the Bureau of Labor Statistics, set 1967 as the base year. Tuition would have increased by 469.3% to $1,161 rather than its current level of $2,604 if it had tracked with the CPI.

When pressed on the general issue of whether there is an official, written policy in Tennessee regarding tuition, one individual said there is "policy, in a very general sense. Neither board has a policy that talks about fees (tuition). The commission does not have a written policy. In various documents, like the THEC Master Plan, you find philosophical standards." Another admitted, "There is not any really formal policy, it just comes down to needs." The THEC Policy Manual sets forth tuition guidelines in a manner that might be considered formal policy, but there is no such document at the University of Tennessee.

Significant Involvement in Decision Making

It will be helpful, before examining the specifics of the decision-making process, to describe the flow of information and recommendations that ultimately results in the tuition setting decision. As illustrated in Figure 7, the campus administration conducts budget hearings with the colleges and departments and gathers information from a variety of sources including students and faculty members. The chancellor makes a recommendation to the system administration on what campus needs are for the coming year. The system business officers and others gather significant data in coordination with the president to determine the university-wide needs. This process occurs at the University of Tennessee system level as well as the Tennessee Board of Regents. Staff of the Tennessee Higher Education Commission have significant conversations with the two systems and collects data of their own. The THEC staff makes a recommendation to the

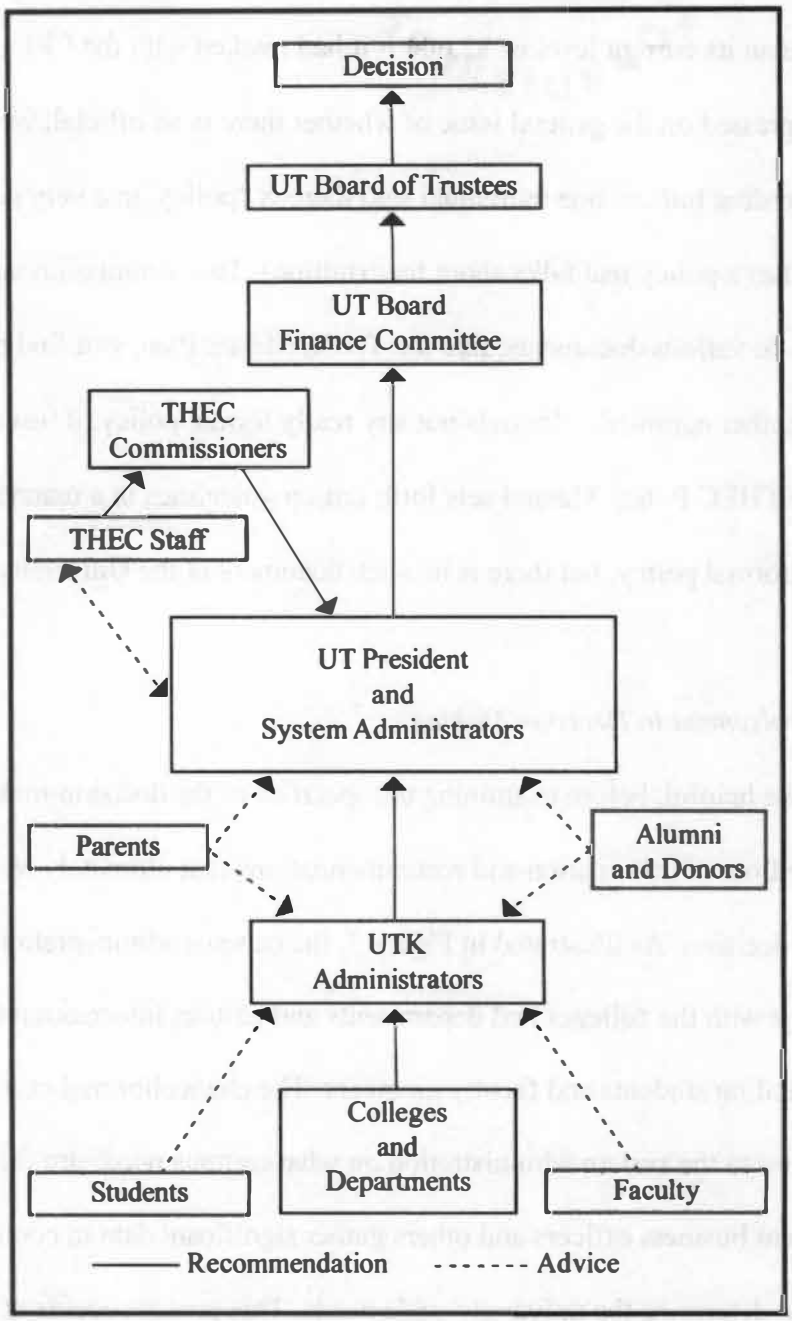


Figure 7

UTK Decision Making Model

commissioners who vote on a recommendation for the two systems. The President of the University makes a recommendation to the Chair of the Board of Trustees Finance Committee considering this feedback from THEC. The Finance Committee makes a recommendation to the full board, which in turn sets tuition for the entire institution. The researcher examined the extent of involvement of various individuals throughout this process.

Decisions at the campus level, as they relate to tuition setting, involved a number of stakeholder groups. The chancellor and his staff, particularly the finance staff, managed the process. Holding a series of budget hearings with the various components of the campus was common practice. These hearings were more public some years than others. But, for the most part, they always have been open and available to interested parties. The purpose of the meetings was to understand the needs of the various programs. One interviewee commented, "The gist of tuition setting always bears a pretty direct relationship to the amount of money needed to run the institution." One of the main drivers was what was "bearable and acceptable" and trying to limit it to something reasonable.

Student government leaders were involved in the process during the entire period of this study, according to the interviewees. The idea was to "keep them informed so they would know why we were increasing tuition." Their involvement, for the most part however, was "after the fact, trying to make the case or articulate why a tuition increase of a certain percentage was being proposed." The campus administrators were "sensitive to what would the traffic bear. What did we think the students and the parents and the public would accept without big chaos?" The process was, according to one interviewee,

"a seat-of-the-pants, not a rational thing at all, but a kind of a mindset to avoid double-digit increases as much as possible." Students were much more involved some years than others. For example, the students approached then Governor Alexander in the 1980s to support the need for additional funding and to agree to share in the cost by allowing tuition to increase at the same rate as state appropriation.

The faculty was involved to a more limited extent. There were occasional meetings with the faculty senate budget committee or even with the entire faculty senate. One research participant commented, "They have been a pretty docile group with the budget." The same person also commented, "They have expressed concern that they don't get the full picture or they're not there on the tail end when the real decisions are made." Another commented, "Faculty had almost no interest." There were occasionally faculty advisors to the president, but they "have not been major players in the fee-setting process."

When asked about parents and alumni, one interviewee commented, "We listened to them at orientation, community talks, and during alumni visits. They were concerned about the cost of college." It is apparent, however, that their involvement was minimal and usually in response to a decision already made.

After campus budget hearings were complete and a budget was proposed, that information was submitted to the system budget officer. There were several factors considered in the overall decision at the system level. The overall driving factor was "what does the institution need?" Salaries were always a driving factor because of the desire to stay competitive with peer institutions. Uncontrollable operating increases such as utilities were also considerations, as was the need for new and improved facilities.

After all the needs were carefully considered, external factors such as the rate of inflation were studied. The state budget situation was an additional consideration because officials had to anticipate the projected state appropriation when planning the budget because, more often than not, the actual appropriation was not known until late in the budget setting process.

The institution also had to project enrollment because of the significant impact it had on both sides of the budget equation. One interviewee noted, "My observation is that any reasonable fee increase will have little impact on enrollment." Table 6 illustrates that tuition has increased 26 times in the last 40 years. Table 8 illustrates that FTE enrollment actually decreased 12 times in the last 40 years. The six consecutive years of decreases in the mid-1980s was a result of the university's decision to purposefully decrease enrollment to a more manageable level for the resources available. A comparison of the data indicates that tuition increased five of these six years, so it is possible that some of the decrease was related to tuition increases, but because of the stated policy to decrease enrollment, it is impossible to determine the extent to which tuition played a role. Three consecutive decreases in enrollment from 1993 to 1995 also coincided with three consecutive tuition increases of seven, five, and four percent. However, without controlling for other variables, it is not possible to conclude from this simple comparison that the decrease in enrollment necessarily related to tuition. Enrollment remained relatively stable during the 1990s when reviewed as a whole, and there was a tuition increase every year. Therefore, the researcher concludes that tuition increases, even at the level that has occurred during this period, have had relatively minor to no impact on

Table 8

UTK Enrollment

FY	FTE Enrollment	Percent Change	FY	FTE Enrollment	Percent Change
62	11,440		81	24,294	-6.3%
63	12,100	5.8%	82	22,876	-5.8%
64	14,520	20.0%	83	22,564	-1.4%
65	15,840	9.1%	84	21,625	-4.2%
66	17,600	11.1%	85	20,924	-3.2%
67	19,360	10.0%	86	21,298	1.8%
68	20,240	4.5%	87	21,695	1.9%
69	21,120	4.3%	88	20,569	-5.2%
70	22,000	4.2%	89	20,885	1.5%
71	22,605	2.8%	90	21,094	1.0%
72	23,339	3.2%	91	21,300	1.0%
73	23,631	1.3%	92	21,903	2.8%
74	24,754	4.8%	93	21,205	-3.2%
75	26,407	6.7%	94	21,095	-0.5%
76	25,883	-2.0%	95	20,996	-0.5%
77	26,290	1.6%	96	21,069	0.3%
78	25,554	-2.8%	97	21,389	1.5%
79	25,958	1.6%	98	21,998	2.8%
80	25,918	-0.2%	99	22,782	3.6%

Source: THEC and the UT Office of Institutional Research

enrollment. During the period of study, overall enrollment increased by 99.1% while tuition increased by 1,057%.

One interviewee commented, "After discussions with the campuses, the systems' personnel may have started with a thought that we weren't going to be looking for much of a student fee (tuition) increase this year, but have their minds changed because of the needs expressed to them by the campuses." One administrator explained that part of the discussion was "sort of do a reasonable test. Is that (tuition) really too high? Is that too much to ask a student to pay?" This discussion might lead to making further adjustments in the budget because "we cannot go out with that kind of fee increase. We're also doing what I call a 'reality check,' and that's going out and looking at what we could consider peer institutions in the South, saying if fees come in at this level, are we still competitive with our peers?" Throughout this process, one of the senior administrators would touch base with the Chair of the Board Finance Committee to get a feel for how the board might react to a particular increase. In addition, conversations with the Board of Regents staff occurred, "so we're kind of trying to see where each other is so we don't blindside each other."

THEC was working simultaneously during the budget process. The role of THEC was to act as the coordinating agency. They were accountable to the Governor and the General Assembly. "THEC staff works with staff of the institutions on a 'range of acceptability' for tuition. The director recommends an amount to the commission. It is rarely debated and almost always accepted as recommended." "We work closely with THEC in the process. THEC is asking us for information to help base their decisions. The only thing that they will have in hand is peer analysis, and so they have to get feedback

from us. 'What are the internal problems?' and 'What is it we have to do?' and 'Why are you thinking the way that you're thinking?' So it's kind of a collaborative effort."

To clarify the role of THEC, one interviewee said, "It is not their prerogative to set those fees (tuition), but they suggest one. And they suggested to us, and sometimes we have agreed with them, and sometimes we haven't; but usually we pretty well agree with them." THEC looks at what other states and peer institutions are doing to arrive at their recommendation. THEC is a board of lay people who "are honored to serve, mean well, and are good hearted. It is not realistic to ask them to give a lot of hours, so it is not surprising that they, for the most part, go along with the recommendation of the THEC staff," proclaimed one interviewee. The commissioners often, however, "lament the fact that we are shifting the cost to the students." One administrator claimed, "If you look historically at the THEC recommendation versus what we do, they are fairly well in sync, and I think you will find generally what the Regents do and what we do are fairly well in sync." The same person noted, however, that

> THEC has the legal responsibility for recommending a fee level to us, and then as far as law is concerned, we can do whatever the heck we want to do. The board has the authority to set the fees, and with approval of our board, UT can do whatever it wants to do; but again, we have tried to work that so that when we get through with it all, we are not widely apart.

The board of trustees finance committee eventually makes a recommendation to the full board. The board wants to know "What are our peers doing? How are they doing it? Are we reasonably competitive so that we don't lose our good Tennesseans?" The board sees it as the chief financial officer's responsibility to "keep the board informed and to make sure he and his staff would present the necessary information to the board members, and specifically to the finance committee, so we could make those decisions.

We would have some casual conversations regarding the situation." One administrator commented, "We just lay out everything that we looked at to get to the decision that we've reached and why we reached it and what we will do with the additional monies that are generated."

There are several board meetings throughout the year, and board members begin to get a sense of the budget situation and how tuition might be increased the coming year. The Chair of Finance takes on the responsibility of explaining, "Here's what we're facing, and we need to be thinking about what we're going to do come the next meeting concerning if we have shortfalls." Initially the discussions focus primarily on members of the finance committee, but all board members are encouraged to be involved in the discussion.

As far as reaching the final decision, "a lot of that was done through informal, one-on-one kinds of conversations with the chairman of the finance committee or the members of finance committee." Working with the chancellor and vice presidents, we tried to "arrive at a common recommendation." "Occasionally a board member would speak against an increase." On other occasions, "We had to lean on some people" to get them to go along with the recommendation. At the same time, there might be "people (a board member) who are impressed by high fees. They think it looks good to charge a lot." Information was presented on what peer institutions were doing; however, the board was "not a proactive factor in the setting of fees (tuition). That was why they looked to us to do all of our studies, all of our analyses, look at our priorities, and come to them and, in a sense, convince them that what we were recommending made sense."

When pressed about the role of the board, one interviewee said it "was generally more support" than actual decision making. He said, "They won't have much to argue with, because we convince them it was the only thing we could get done that time. They accepted our recommendations, but it was a have-to." In fact, one former president commented that he would never make a recommendation to the board unless he was certain that it would be approved. "Before you got it to that stage, you would find out whether they would accept it or not, because I wouldn't want them rejecting my recommendation."

When asked about the impact of state officials on the decision-making process, one interviewee commented, "We always heard from some of them on how they felt about the level of fees (tuition) we set. Some may be against raising fees at all and others might suggest that students weren't paying enough." Another said, "We don't want them involved." In fact, statutorily the board, not the legislature or the administration, has the authority to set tuition. One interviewee expressed concern about what might happen should the legislature, in particular, try to usurp the authority of the board. The only "interference" recalled by any of the interviewees was a recent year when the legislature made it clear in the budget recommendation that they did not want tuition to rise past a certain percent. That was "kind of a warning shot across the bow."

One person commented, "At some point it comes down to personalities, where in some administrations, the administration tends to be more involved early on, and other administrations have been less engaged." There are conversations during the year with officials from the Tennessee Department of Finance and Administration. "We don't want to blindside the administration. We're trying to communicate what it is that we think our

intent might be." The larger concern is autonomy, not authority, of the board because "the autonomy is what you want your governing boards to have." One administrator summed up the decision-making process well when he argued,

> Generally speaking, I think people in power prefer fewer fees (tuition) to keep them low and are concerned about access and making sure that it is affordable. Who is to argue against that? But again, in the climate that we're operating in, we have a huge enterprise here, a billion dollar enterprise. At best, support from the state is inconsistent, is variable, and you don't know until the last minute. It makes it kind of hard. In fact, we closed down once. You really never do know how it's going to turn out. You can't plan for a billion dollar industry on an ad hoc basis. So, we rely on fees; have come to rely on fees (tuition).

These findings provide sufficient information to demonstrate the significant involvement of a number of stakeholders in the decision-making process. Opinions and data were gathered from a variety of sources. As the point of decision rose to higher levels, fewer individuals were consulted.

Minimal Formal Communication

The communication process used during tuition setting was inconsistent throughout the years and primarily a reactive one. One interviewee indicated there were meetings with the media "irregularly to lay out priorities and help them understand our funding." Occasionally the Chancellor's Associates, a group of community lay people, were briefed, but the timing of those briefings was unclear. One administrator commented, "Until the legislature goes home, you really can't get too far out." There is a very small window of time available between the end of the legislative season, the THEC recommendation, and the board of trustees meeting. There is no formal notice of a decision regarding tuition that comes from the board.

The most common communication came from inquiries from the press, sometimes months before a recommendation was even made. One interviewee said he was often asked, "What are you going to do for next year?" as early as six months before the summer board meeting. This caused speculation not only among the media but among students, parents, and others, as well. THEC's recommendation often comes weeks before the board of trustees meets, so media speculation continued during this time. With the Tennessee open meetings process, the press received the board packet before the board meeting and, therefore, began making news reports before the university could take an official position. One interviewee commented, "When we submit our proposals and all the materials to the board about two weeks before the June meeting, and that is public, effectively that's when it becomes available, when it becomes public knowledge."

Students most often learned of the tuition increase by reading a story in the school newspaper, the Daily Beacon, even though a student representative served on the board of trustees. One interviewee commented that during some years the intent was to "try to have at least our chief student affairs officers and our chief campus officers talk with student leadership about what they thought the fee increase might ought to be." In some years there also were "student counselors to the president, and we would meet with those people about two or three times a year." What we tried to do is "communicate with the student leadership, hopefully with the intent of getting their understanding, and hopefully with at least a reluctant endorsement of how those fee (tuition) dollars would be used." Another interviewee, when pressed to answer if anything special was done to communicate with students responded, "No, no not really." Most of the communication

with students occurred during the budget process, but no particular strategy was used to communicate the ultimate decision before it was reported in the press.

When asked about alumni and donors, one interviewee commented, "There was communication with alumni and potential donors and donors about the need to augment the public funds from private giving, and the numbers would be shared." This did not occur during the budget-building process or decision-making process, necessarily, but occurred as the occasion arose.

Although communications might be considered a key part of the overall strategy for any organization, it is apparent from these findings that limited formal communication exists at the university as it relates to announcing tuition or the policy it represents. The media are clearly in charge of who knows what and when they know it.

Proliferation of Fees a Recent Phenomenon

According to one interviewee, the only student charge up through about 1969 was the in-state maintenance fee (tuition). The activities fee, also known as the program services fee, came about "in 69, 70, 71 when we suddenly discovered that we were a state university with a terrific drama program, but nowhere to perform, no theater; and they (state officials) wouldn't talk to us about a theater because we needed classroom buildings so badly." University officials worked to create a student fee to help build what is now the Clarence Brown Theater, and Mr. Brown "left us enough money to really make a program." Data from the university treasurer's report confirmed that this fee began in FY 1966, at least in some parts of the university, although significant revenue was not reported until FY 1970. It is possible that these fees were collected on another

campus; because prior to FY1970, Memphis, Martin, and Knoxville data were all reported together in the university's annual report.

When pressed about the level of student involvement to fund the building program during this time period, the interviewee insisted, "We worked with the students. You have to. They wanted it. And then, that went so well that we built a student aquatic center." The interviewee was proud to proclaim that many buildings during that time were built with "no state money." He argued it was difficult to get the state to fund "nonacademic buildings." There was some controversy when the fee was increased to cover the women's athletics program. According to one interviewee, "some people thought men's athletics ought to pay for the women. But, we decided to increase the program and services fee (activities fee)."

The activities fee was fairly common in many institutions, claimed one interviewee. These fees were intended to pay for specific special programs. He said, "We could have done that out of general fees (tuition), but we thought it was better to do it this way. And, those fees did not have an impact on the formula." It is "because of our inability to do all the things that we wanted to do with the support, which is very variable, from the state and our concern about out-pricing ourselves on tuition, enter the whole idea of dedicated fees as a way to get that column over here on the expenditures side called enhancements." He described it as "off-loading" the enhancements on specialized fees because "the general coffers and revenue of the state did not provide for the enhancements and embellishments of the product we were offering and we had to look for a different way to do it. So, we simply off-loaded them to the student consumer using specialized fees."

Another interviewee argued, "We did not believe in adding fees. A lot of departments wanted to add fees for the labs and music and things like that. If we let every program add additional fees to what it cost, we wouldn't be able to have some programs. They were just too costly. We wanted to hold down the cost of education." Several other interviewees confirmed, "We didn't want the students to have to pay a lot of additional fees." The primary intent, it seemed, was to limit special fees to those that applied to all students, so called mandatory fees. This single fee held at the university until 1981, although a few departmental fees were implemented over the years especially in art, music, and labs; however, those fees were paid only by the students who took those particular courses and not by the student population in general.

In 1981, when a health fee was added, it was lumped in with the activities fee. No additional fee was listed in the cost of education. Essentially, argued one interviewee, "It was a way to move a section of the budget off to the students." He argued however, "the philosophy in the early years was that we didn't want to nickel and dime the students. We wanted maintenance and tuition to cover nearly everything. The activities fee was for a specific set of student-type events, except that we made that one change with the health service." The single activities fee held through the 1980s and into the mid-1990s.

In 1996, the technology fee was introduced. One interviewee explained this fee was "to help us because we were so far behind in technology." One justification for the fee was that "the formula doesn't do a whole lot for providing special money for technology and teaching equipment." There was a factor in the formula, but it was inadequate. "We effectively went to our students and talked to them about it, and, in fact, they endorsed the technology fee with the understanding that money would only go for

technology. It would either benefit them directly or benefit them in the classroom directly and indirectly." "Our thinking was that it would be more palatable if we put in a special fee and would document or commit to document that this money would be used for that purpose, which we did," agreed another interviewee.

> What they've tried to do is to identify needs and say that instead of doing a general fee across everything, that we would analyze it and differentiate - like the technology fee, I'll go back to that - and that way you have a clear identification of what that money is going to be used for. If you do it general, it's like anything else, you know, it's liable to get its share and it's liable not to.

He went on to say, "I like earmarked better than I do generalization anyway." Table 9 summarizes the increase in the annual fee since the first fee was introduced in the fall of 1965. The annual fee has grown by 1,011.1% over this 35 year period.

The university now has facilities fees and transportation fees in addition to the activities fee and the technology fee. Part of the philosophy has been "the State of Tennessee is not going to do this at an adequate level, so we will put that special fee on. So, when you do special fees, usually what you do is that it goes into a special fund, and the money is dedicated for that purpose." One interviewee described this as a "consumer issue" in that the students know exactly what the fees are paying. "The reality is," he argued, "it's not just in Tennessee. We go more and more into that user fee mentality" like other institutions across the country. "In times past, the state saw that as its responsibility, but it is now abdicated, out of necessity. It just isn't in a position to do it, so that's a reality." Another agreed, "We don't have the luxury of not having them. If we want to have a campus transportation system, the consumers are going to have to pay for that because the state is not going to pay for it." The total amount of mandatory fees

Table 9

UTK Change in Annual Mandatory Fees

FY	Annual Mandatory Fees Per Student	Percent Change	FY	Annual Mandatory Fees Per Student	Percent Change
60	0		80	75	25.0%
61	0		81	75	0.0%
62	0		82	108	44.0%
63	0		83	138	27.8%
64	0		84	138	0.0%
65	0		85	168	21.7%
66	45		86	168	0.0%
67	45	0.0%	87	195	16.1%
68	45	0.0%	88	195	0.0%
69	45	0.0%	89	196	0.5%
70	45	0.0%	90	210	7.1%
71	45	0.0%	91	222	5.7%
72	45	0.0%	92	222	0.0%
73	45	0.0%	93	222	0.0%
74	45	0.0%	94	222	0.0%
75	45	0.0%	95	222	0.0%
76	45	0.0%	96	280	26.1%
77	45	0.0%	97	280	0.0%
78	45	0.0%	98	480	71.4%
79	60	33.3%	99	480	0.0%
			2000	500	4.2%

Source: UT Bursar's Office

collected annually now exceeds $10,000,000 as indicated in Table 10. Annual fees now comprise 10% of the total tuition and fees collected from students.

Students continue to be involved in the decision-making process as it relates to fees. When one administrator realized that we were seriously being "out-classed by institutions around us, even smaller ones" in the area of student aquatics and exercise facilities, students were engaged in the process. Student government leaders visited other campuses to explore the possibilities. According to this administrator, then "it was an easy sell." Student leaders agreed to increase the activities fee to help finance the cost of the new facility. "They were always involved. Without them, it wouldn't happen. Same thing with the Black Cultural Center. We have a Black Cultural Center not because the state put up any money. The state didn't put up a dime." It was the involvement of the students.

When asked about accountability to the students regarding the various fees, one interviewee reported that every year an ad is run in the Daily Beacon to show how the student activities fee is used. In fact, it was reported that there is a "covenant" with the students that the activities fee will not increase more than once every four or five years. So, students know their financial obligation for the term they are in school, if they are progressing normally. Fees have increased four times since 1990, primarily due to the new fees.

One of the concerns expressed about special fees is that "students start shopping and they don't read all the fine print. They just look up tuition, so you are at a disadvantage if you have all your fees lumped into tuition. So, some of that was 'keeping

Table 10					
UTK Change in Mandatory Fees Collected					
FY	**Actual Program/ Services Fees**	**Percent Change**	**FY**	**Actual Program/ Services Fees**	**Percent Change**
60			81	1,411,585	54.1%
61			82	1,680,562	19.1%
62			83	2,287,716	36.1%
63			84	2,214,620	-3.2%
64			85	2,538,307	14.6%
65			86	2,474,944	-2.5%
66	26,784		87	3,014,713	21.8%
67	14,013	-47.7%	88	3,041,305	0.9%
68	13,467	-3.9%	89	3,141,158	3.3%
69	16,622	23.4%	90	3,313,114	5.5%
70	229,867	1282.9%	91	3,658,270	10.4%
71	255,597	11.2%	92	3,751,153	2.5%
72	277,208	8.5%	93	3,816,215	1.7%
73	296,654	7.0%	94	3,783,709	-0.9%
74	293,898	-0.9%	95	3,793,252	0.3%
75	298,626	1.6%	96	4,598,220	21.2%
76	237,651	-20.4%	97	6,717,254	46.1%
77	228,936	-3.7%	98	9,598,250	42.9%
78	251,616	9.9%	99	9,836,855	2.5%
79	550,515	118.8%	2000	10,692,838	8.7%
80	915,809	66.4%			

Source: UT Treasurer's Report

up with the Joneses'." Another interviewee described these special fees as "a combination of a necessary evil, just because it's a stream of revenue that can't be ignored, so it's been a way of justifying bringing in additional revenue." Another commented, "It is a way to generate additional money without embedding it in the maintenance fee (tuition)."

As far as future predictions, one interviewee speculated, "I guess looking ahead, there probably will come a day if we, for all the right reasons, probably put some kind of cautionary cap out there so that incidental fees don't become as burdensome as tuition." One interviewee summed it up well when he argued,

> Basically, the philosophy behind special fees is that if this is a service that is deemed important, it has to be paid for, and you have three alternatives. You can try to get more money from the state, and in those years that was not going to happen; you can reallocate, which means you cut out some things and reallocate that money to something else; or you can put in a special fee. So, I think that is the philosophy that guides special fees.

It is apparent from these findings that although fees have been a part of the cost to students since 1965, the proliferation of new fees has occurred primarily in the last eight years. This is partly due to decreases in state appropriations, but it is also a national trend in higher education to distinguish among the various student charges.

Overview of Findings

A brief summary of the most significant findings that emerged from the data follows. A discussion of each of these findings will be presented in Chapter Five.

Through the perspective of 12 different university and state officials, the researcher was able to gain insight into the history and philosophy of tuition and fees at the University of Tennessee, Knoxville. Several themes emerged through patterns found

in these participants' comments. The themes included: 1) there is no formal tuition policy at the University of Tennessee, 2) there is significant input in the decision-making process, 3) there is minimal formal communication regarding decisions, and 4) the proliferation of special fees is a recent phenomenon.

In the next chapter, the researcher will summarize the study and discuss these findings. She will provide topics for future research studies related to this study. Finally, she will provide concluding remarks.

Chapter V
Discussion and Conclusions

Introduction

The purpose of this study was to describe tuition policy setting at the University of Tennessee, Knoxville, 1960 – 2000. Given this purpose, four primary research questions guided this study:

1. What policies have guided tuition setting?
2. How have changes in policy been expressed?
3. What factors have influenced tuition policy setting between 1960 and 2000?
4. What process was used to set tuition policy?

Case study design was selected as the most effective way to realize the purpose of the study and to answer the research questions. Case study allowed an in-depth study of tuition policy setting, the phenomenon under study, at one institution, the University of Tennessee, Knoxville. Data for this study came from two primary sources: people involved in tuition policy setting and documents related to tuition and policy. The individuals interviewed included current and former chancellors, campus business officers, presidents, system business officers, state officials, and a member of the board of trustees. Documents came from a number of sources at the university as well as the Tennessee Higher Education Commission. Interviews and document reviews occurred over a five month period and data were analyzed throughout the collection process, as is the norm for qualitative study.

Common themes emerged as the interviews and data were collected and analyzed. Comments and recollections made during the interviews were validated by data gathered

in the document reviews. Together these data sources combined to provide a rich, thick description of tuition policy setting at the University of Tennessee, Knoxville.

This chapter presents a summary of the findings, a discussion of the findings as they relate to the research questions, recommendations for future research, and conclusions regarding the study.

Summary of Findings

Four significant themes emerged during the study, including: (1) there is no formal tuition policy at the University of Tennessee, (2) there is significant involvement in the decision making process, (3) there is minimal formal communication regarding decisions, and (4) the proliferation of special fees is a recent phenomenon. These findings helped answer the research questions and revealed other pertinent information about tuition policy setting at the University of Tennessee, Knoxville.

Discussion of Findings

As a result of the interviews and document reviews, four key findings emerged as outlined above. The information gathered around these findings also answered the research questions. Research question one was "What policies have guided tuition setting." To the surprise of the researcher, the overwhelming evidence revealed there were no formal policies guiding tuition policy at the University of Tennessee. Although there were no formal policies, the palpable long standing philosophy was "keep tuition low." This low tuition approach was accepted as an informal policy dating back to at least the 1950s and held throughout most of the 40-year period of this study, although the realities of this philosophy did not always play out as advocated by the philosophy. Tuition increased steadily for more than one-quarter of the period under study while

policy makers continued to espouse the low tuition philosophy. This continued increase in tuition is consistent with Marks' (2001) findings throughout higher education. Relative to other SREB states, for example, Tennessee is no longer considered a low tuition state. In 2002, SREB states' tuition and fees averaged 87% of the U.S. median and Tennessee averaged 93.6% of the U.S. median.

Another informal policy that guided tuition during a portion of the study was the agreement to increase tuition in the 1980s in proportion to state appropriation increases. There was not complete concurrence among university leaders that this was a good approach. In fact, several interviewees thought that as state appropriation increased tuition should hold steady. Even though this was the espoused philosophy, state appropriations and tuition did not increase proportionately. In fact, tuition increased 26 of the 40 years studied, so the 1980s were not unique.

The espoused philosophy during the period of study that came closest to being a formal policy was adopted by THEC as a guideline in 1988. It recommended that students pay 30% of the cost of their education. This is consistent with the Carnegie Commissions' (1973) findings of the actual allocation of revenue in 1970. Although there is still a strongly held belief by many interviewees that this should remain the case today, clearly the majority of them believe it is an unrealistic expectation. The share of the cost of education for students at the University of Tennessee hovered near the 41% level in 2000 and is expected to level off at best and continue to rise in a worst case scenario, especially given that the percentage has been on a fairly steady upward trend since 1986. Data analysis from 1997 in "Public and Private Financing of Higher Education" revealed a national trend in public institutions with this same 41% allocation of revenue coming

from students (see Figure 1, page 2). It is not clear that having a more formal policy would have prohibited this shift in costs to students; however, a policy may have caused more deliberate and purposeful dialogue regarding the issues surrounding this shift and its ultimate impact on access and opportunity for students. Anderson and Meyerson (1990) made this same argument more than a decade ago. Atwell and Wellman of the National Center for Public Policy and Higher Education (2002) argued that the last time America paid serious attention to a public policy agenda for higher education was in the 1960s. This is certainly the case in Tennessee.

Research question two was "How have changes in policy been expressed." This is a little more difficult to explain in that there were no formal policies in place at the University of Tennessee, so there was relatively little opportunity to explain changes in policies. The espoused philosophy was widely known, but as the university's ability to maintain low tuition diminished, the philosophy did not change and many questions were raised about the inconsistencies in practice and philosophy. There were considerable discussions every year during the budget process regarding the needs of the university, the likely state funding, and the share of expenses expected to come from students. The reality was that tuition paid by students became the balance wheel, for the most part, in the budget planning process and higher education became the balance wheel in the state budget process. This is consistent with Layzell and Lyddon's (1990) argument that tuition in the public sector has been seen as a way to plug the gap between state appropriations and expected expenditures rather than linking it to some rational factor. There was no formal tuition policy or a formal communication process in Tennessee to inform students and others of tuition-related decisions.

The media clearly have the upper hand in communicating the informal policy decisions of the university. Without a more focused and strategic effort toward communication, students and other stakeholders might not get the full picture of the university's position as it relates to tuition. Some effort to show the relative cost of education might be beneficial to an overall public relations strategy. This argument might be challenging in that in 2002 tuition and fees as a percent of family income in Tennessee was 29.1%, in SREB states it was 27.1%, and in the U.S. it was 29.9%. Tennessee's pattern is consistent with findings in "Losing Ground" (National Center for Public Policy and Higher Education, 2002) where tuition in 41 states rose faster than family income. Clearly, more of the burden of the cost of education has shifted to students, but higher education is still a bargain nearly any way you look at it. The future income that a college graduate can expect to earn (estimated at $50,000) significantly exceeds that of a high school graduate (estimated at $26,000). The benefits to society in general and individuals in particular are exponentially greater.

There has been considerable media attention related to the cost of higher education, not just in Tennessee, but also throughout the nation. In Knoxville, where enrollment has remained fairly steady for more than 20 years, there is little cause for alarm that tuition increases will affect overall enrollment. However, tuition increases at Knoxville have somewhat of a snowball effect in that students who cannot afford tuition at the Knoxville campus may go to some other state supported four-year school. Attendance at those schools and their corresponding tuition increases may cause potential students to be unable to attend there. This pushes students to community colleges and, may, eventually push some students out of the higher education system altogether.

"Responding to the Crisis in College Opportunity" (2004) estimated that at least 250,000 prospective students nationwide were shut out of higher education in the fall of 2003 due to the rising costs, decreased admissions, and cuts in offerings. This snowball effect limits access and opportunity for students at a time when Tennessee, in particular, needs more graduates and a broader, better-trained work force to improve the economy and attract higher-paying jobs to the state.

The discussion around research question three, "What factors have influenced tuition policy setting between 1960 and 2000" was consistent with what the researcher expected to find. The interviewees discussed many factors that influenced the tuition discussion including "what will the traffic bear," peer comparisons regarding both tuition and faculty salaries, inflation, the state budget situation, enrollment, and the need for new programs and facilities. Mumper (1996) argued state and higher education institutions have historically shared a common interest in keeping tuition low. This was evident by the overwhelming desire at the University of Tennessee to remain competitive in the SREB region as it relates to tuition, but this desire continually competes with the desire for improved quality and expanded programs. There is also considerable concern regarding the perception of tuition increases and how the public and the legislature, in particular, would accept them. One overarching philosophy seemed to assume single digit increases would be received better than double-digit increases. So, sometimes the budget was adjusted to accommodate this arbitrary limit to tuition when, in fact, needs provided rationale for a higher increase.

Peer institution comparisons were important. One interviewee explained the process of looking at the total cost of education, adding tuition and fees, and comparing

that to what other states are doing. The interviewee explained they look at the total cost, try to understand the other states' philosophies and the companion legislatures' philosophies regarding "how much that student should pay versus how much the state should pay." This is a way to determine if Tennessee is competitive with its peers. One interviewee suggested, "We are becoming a high tuition state and we should accept it and adopt it as our policy. Then we can address financial aid and put more resources there."

Inflation was somewhat of a concern, but only one interviewee made any significant reference to it and the impact it ought to have on tuition decisions. Obviously, the state has failed to continue to fund higher education adequately, even as it relates to the formula. This is consistent with national findings from the National Center for Public Policy and Higher Education (2000). There are many priorities competing for resources including health care, K-12 education, and corrections in particular. The state funding outlook is not encouraging. Even though there is widespread disagreement regarding the adequacy of the formula, everyone agreed there ought to be one and that it ought to be the driving force behind state funding and student tuition charges. After all, formulas are intended to be both an indicator of need and a method to distribute available funds.

In reality, the overall driving factor was identifying "What does the institution need?" There was considerable involvement from a number of stakeholders and significant discussions, but in the end, tuition was almost always the difference between need and state appropriation with adjustments when the percentage increase appeared too high. Again, this portrays tuition as the balance wheel in the budget process.

The responses to research question four, "What process was used to set tuition policy," were surprising in that the process was virtually unchanged during the entire

period under study. The university developed a comprehensive decision-making process with significant opportunity for input throughout the process. Involvement from faculty was limited, but students were often very involved. Alumni, parents, and donors expressed opinions, mostly after the fact. Campus administrators expressed their opinions and ideas to system administrators. It is at the system level that the official recommendation was reached. Although THEC had a coordinating role, its input in the tuition setting process was merely advisory. The president or the chief financial officer had the responsibility of convincing the board of the appropriate tuition level. The board, being part-time volunteers, were mostly in a position of hearing the arguments, asking questions, and ultimately approving the president's recommendation.

A very analytical approach is taken when studying the available data. However, when the time comes to make a recommendation, the discussion often revolves around what will be perceived as acceptable and what will cause the least debate. A better communication strategy might help convince the appropriate stakeholders of the need for a particular increase to supplement available funds or perhaps limit this more "politically correct" approach. Although there may be some room for improvement, overall the decision-making process works well from the perspective of all the research participants. The time and expertise as it relates to studying the issue and gathering the facts rests at the system level, and this is probably an appropriate role for both the president and the board. It is interesting to note, however, that members of the president's staff did not always agree on the philosophy being espoused and were often vocal in their disagreement. This caused healthy dialogue among the staff and provided evidence that

the process was not merely one of rubber-stamping what any one individual wanted to do, but an honest, open dialogue.

In addition to answers for the four research questions, another finding emerged during the interviews. This related to the increasing reliance on special fees. The cumulative cost of education includes these fees and many cost comparisons do not add tuition and fees to determine the total cost of education. Only one special fee, the activities fee, existed at the University of Tennessee from 1965 to 1996. This fee is currently $380 per year. Its original purpose was to cover the cost of non-academic activities that enhanced the educational experience. Today, it also includes student health costs. Since 1996, three new fees have been added including a technology fee ($200 per year), a transportation fee ($32 per year), and a facilities fee ($50 per year). In addition to special non-academic fees, many institutions have added special fees to academic programs. Laboratory fees and art supply fees have long been common on university campuses. New academic fees are also being implemented. For example, the Knoxville campus has instituted a special academic fee for students in the College of Engineering and executive programs in the College of Business are priced significantly more than the normal tuition.

This "off-loading" of a portion of the budget from tuition to fees is attractive to university officials for several reasons. One reason is that fees do not have a negative impact on the formula calculation, so any revenue generated through fees is in addition to the formula-calculated revenue. In addition, these special fees are a national trend in higher education, so they are perceived as acceptable and a way to have increased accountability. Finally, when "shopping for college" many students compare the cost of

tuition and may not realize the extent to which costs are "hidden" in special fees. Keeping tuition low and shifting a portion of the expenses to fees is perceived as putting the university in a more competitive position rather than combining these additional costs with the general tuition. Universities must be forthcoming about the total cost of education, and students and parents must be informed enough to look at the total cost when comparing institutions. Although these special fees are a national trend, that does not mean they should be automatically accepted as a continuing way of doing business at the University of Tennessee. An analysis of these fees and their impact on costs and services provided as a result would provide valuable information for policy makers.

One strong argument in higher education circles advocates significant increases in state funding to colleges and universities. Another alternative to increased direct state support is to increase tuition equal to the true cost of education and then provide deep discounts in the form of financial aid to the neediest students. This model has been used successfully in private institutions for many years and is being considered at Miami University in Ohio. This method would require affluent students to pay more, but at the same time, the steep sticker price might cause students from lower socio-economic incomes to never consider pursuing higher education. This method would put pressure on the legislature to respond to the financial aid issue. There are many other possible methods to fund higher education; thus the importance of the public policy debate. Hossler et al. (1997) called for a similar national public policy debate.

With additional funding may come increased accountability. The researcher did not hear any resistance to this idea. In fact, one interviewee suggested there should be accountability factors consistent with an institution's mission and if an institution is not

doing well, someone should be determining why and there should consequences, even monetary ones. One interviewee mentioned that a study is underway to look at the university's tuition and fee structure. The long term impact of any change in the structure and its affect on students must be broadly discussed with stakeholders. One interviewee admitted, "There is a policy lacking in some sense and a total misunderstanding of the whole process which adds to the confusion and the frustration, and I fully understand why." We must develop a policy that recognizes the cumulative consequences of our decisions before they cause irreparable harm to some students by forcing them out of the higher education system as also argued in "Responding to the Crisis in College Opportunity" (2004).

Although the purpose of the study was to describe tuition policy setting at the University of Tennessee, the researcher found early in the data gathering process that no such formal policy existed during the 40-year period under study. Still, the data gathered and the findings that emerged provided significant information regarding the strengths and deficiencies in the tuition setting process, and provided valuable information for future policy makers to consider when discussing the role of higher education in the economic vitality of the state.

Conclusions

Overall, the research participants were extremely committed to the purpose of higher education, fervent in their support for state funding for higher education, firmly convinced that students should pay a "fair share" of their own education, and skeptical of an improved state funding situation. In fact, only one of the 12 participants believed tuition should continue to rise, but all 12 believed it would continue to do so. In addition,

none of them believed the state funding situation would improve significantly, at least not in the short run.

In the absence of a formal tuition policy at the University of Tennessee, decisions regarding tuition have been reactive and based on the need for financial resources to balance the budget despite significant involvement from a number of stakeholders. One might argue that even with a formal tuition policy, higher education institutions in Tennessee would have continued to shift a larger portion of the burden to students. However, without stated formal policy, when will we know when we arrive at a "fair" distribution of the burden? We will likely continue making decisions on a year-to-year basis with limited long-term planning and more emphasis on what the traffic will bear. Off-loading more of the costs of education onto special fees will likely continue and therefore misrepresent the true cost of education if one only considers tuition. There must be a public policy debate in Tennessee regarding the significance of higher education to the state and why increased funding for higher education is important.

Recommendations for Future Research

This research project revealed a plethora of additional studies that could be worthwhile. The following research studies and questions are worthy of further inquiry:

1. Is the University of Tennessee unique among its peer institutions in that it has no formal tuition policy? Other case studies of similar institutions would answer this question. In addition, case studies of different types of institutions would help determine if this is widespread across higher education.

2. What is a "fair-share" of the cost of education for students to pay? A large scale quantitative study of the cost of education versus family income and ability to pay would get at this question.
3. How should student aid be used to balance the rising cost of higher education? A qualitative study of the historical use of financial aid with projections for the future might get at this question.
4. What is the impact of this rising cost on access and opportunity for students in Tennessee? A large scale study of the impact of rising costs on college attendance will answer this question.

List of References

References

Alexander, F. King, (July/August 2000). "The changing face of accountability." The Journal of Higher Education. Columbus, 71, 4, 411– 431.

Anderson, Richard E. and Joel W. Meyerson, (1990). Financing higher education in a global economy. New York: American Council on Education and Macmillan Publishing Company.

"A very public agenda," (Summer 1998). Policy Perspectives. The Knight Higher Education Collaborative.

Bogue, E. Grady and Jeffery P. Aper, (2000). Exploring the heritage of American higher education: The evolution of philosophy and policy. Phoenix: The American Council on Education and the Oryx Press.

Bowen, Howard R., (1971). "Finance and the aims of American higher education" in Financing higher education: Alternatives for the federal government. Editor M.D. Orwig. Iowa City, Iowa: American College Testing Program.

Carnegie Commission on Higher Education, (1973). Higher education: Who pays? who benefits? who should pay? New York: McGraw-Hill Book Company.

Carnegie Foundation for the Advancement of Teaching in cooperation with the United States Office of Education Department of Interior, (1933). Economy in higher education.

Chambers, M. M., (1963). Financing higher education. Washington, D.C.: The Center for Applied Research in Education, Inc.

Chambers, M. M., (1968). Higher education: Who pays? who gains? Danville, Illinois: The Interstate Printers and Publishers, Inc.

"College affordability in jeopardy," (March 13, 2003). Black Issues in Higher Education, 20, 2, 12.

Education Commission of the States, (December 2001). "State Master/Strategic Plans for Postsecondary Education." Denver, Colorado.

Ehrenberg, Ronald G., (2000). Tuition rising: Why college costs so much. Cambridge, Massachusetts: Harvard University Press.

Financing college tuition: Government policies and educational priorities, (1999). Editor Marvin H. Kosters. Washington, D.C.: The American Enterprise Institute.

Gabrick, Andrea, (July/August 2003). "Fair Market Value." Currents, 40-47.

Gall, M., W. Borg, and J. Gall, (1996). Educational research: An introduction (6th ed.). New York: Longman.

Hansen, W. Lee and Burton A. Weisbrod, (1971). "A new approach to higher education finance" in Financing higher education: Alternatives for the federal government. Editor M.D. Orwig. Iowa City, Iowa: American College Testing Program.

Hauptman, Arthur M. and Jamie P. Merisotis, (1990). The college tuition spiral: An examination of why charges are increasing. Washington, D.C.: The American Council on Education and the College Board.

Hauptman, Arthur M., (1990). The tuition dilemma: Assessing new ways to pay for college. Washington, D.C.: The Brookings Institution.

Heller, Donald E., (1999). "The effects of tuition and state financial aid on public college enrollment." The Review of Higher Education, 23.1, 65-89.

Hossler, Don, Jon P. Lund, Jackie Ramin, Sarah Westfall, and Steve Irish, (March/April 1997). "State funding for higher education." The Journal of Higher Education, 68, 2, 160-190.

Hovey, Harold A., (July 1999). "State spending for higher education in the next decade: The battle to sustain current support." Washington D.C.: The National Center for Public Policy and Higher Education.

Ikenberry, Stanley O., (Spring 2001). "The practical and the ideal: Striking a balance." The Presidency. Washington, 4, 2, 14-19.

Immerwahr, John, (Spring 1998). "The price of admission: The growing importance of higher education." Washington D.C.: The National Center for Public Policy in Higher Education.

"Investing in people: Tennessee's commitment to 21st century higher education excellence," (May 1999). Governor's Council on Excellence in Higher Education. Nashville, Tennessee.

Johnstone, D. Bruce, (2001). "Patterns of finance: Revolution, evolution, or more of the same?" in ASHE Reader on Finance in Higher Education, edited by John L. Yeager et al. Boston: Pearson Custom Publishing.

Johnstone, D. Bruce, (1999). "Financing higher education: Who should pay," in American higher education in the twenty-first century: Social, political, and economic challenges, edited by Philip G. Altbach, Robert O. Berdahl, and Patricia J. Gumport. Baltimore: The Johns Hopkins University Press.

Joyner, Carlotta C., (August 1996). "Higher education: Tuition increasing faster than household income and public colleges' costs," Report to Congressional Requesters. Gaithersburg, Maryland: General Accounting Office.

Layzell, Daniel T. and Jan W. Lyddon, (1990). Budgeting for higher education at the state level: Enigma, paradox, and ritual. ASHE-ERIC Higher Education Report No. 4. Washington, D.C.: The George Washington University, School of Education and Human Development.

Marks, Joseph L., (2001). Fact Book on Higher Education. Atlanta, Georgia: Southern Regional Education Board.

Marks, Joseph L. and J. Kent Caruthers, (August 1999). Funding public higher education in the 1990s: What's happened and where are we going? Atlanta: Southern Regional Education Board.

McGuinness Jr., Aims, (2000). "Recent state policy initiatives in education: A supplement to measuring up 2000." San Jose: National Center for Public Policy and Higher Education.

McKeown-Moak, Mary P., (2000). "Financing higher education in the new century: The second annual report from the states." www.sheeo.org: State Higher Education Executive Officers.

McPherson, Michael S. and Morton O. Shapiro, (1999). "Reinforcing stratification in American higher education: Some disturbing trends." Stanford, California: National Center for Postsecondary Improvement.

Merriam, S.B., (1998). Qualitative research and case study applications n education. San Francisco: Jossey-Bass Inc.

Mumper, Michael, (1998). "Beyond financial aid: Alternative approaches to improving college participation." The Review of Higher Education, 22.1, 83-97.

Mumper, Michael, (1996). Removing college price barriers: What government has done and why is hasn't worked. Albany, NY: State University of New York Press.

National Center for Public Policy and Higher Education, (2002). "Measuring up 2002: the state by state report card for higher education." Washington, D.C.: www/highereducation.org.

National Center for Public Policy and Higher Education, U.S. Department of Education, Office of Educational Research and Improvement, (2002). "Losing ground: A national status report on the affordability of American higher education." Washington, D.C.

National Center for Public Policy and Higher Education, U.S. Department of Education, Office of Educational Research and Improvement, (2000). "A state by state report card on higher education." Washington, D.C.

"Of precept, policy, and practice," (December 2002). Policy Perspectives. West Chester, Pennsylvania: Knight Higher Education Collaborative.

Orwig, M.D., (1971). Financing higher education: alternatives for the federal government. Iowa City, Iowa: The American College Testing Program.

Quinn, Jane Bryant, (February 2, 2004). "Colleges' New Tuition Crisis." Newsweek.

"Responding to the crisis in college opportunity," (January 2004). San Jose, California: The National Center for Public Policy and Higher Education.

Schietinger, E.F., (1981). Tuition policy for the eighties. Southern Regional Education Board: McGraw-Hill Book Company.

Selingo, Jeffrey, (February 28, 2003). "The disappearing state in public higher education." The Chronicle of Higher Education, A22-24.

Selingo, Jeffrey, (April 19, 2002). "States with the biggest deficits take aim at higher education." The Chronicle of Higher Education, A24.

Stampen, Jacob, (1980). The financing of public higher education: Low tuition, student aid, and the federal government. Washington, D.C.: American Association of Higher Education.

"Statewide Master Plan for Tennessee Higher Education 2000 – 2005." (June 2000). Nashville, Tennessee: Tennessee Higher Education Commission.

St. John, Edward P., (May/June 1991). "A framework for reexamining state resource-management strategies in higher education." Journal of Higher Education, 62, 3.

Tennessee Higher Education Commission (February 2004). "About Us." www.state.tn.us/thec/about_us.html.

Tennessee Higher Education Commission, (July 25, 1997). "Policy Manual." Nashville, Tennessee: Tennessee Higher Education Commission.

"The Status of Higher Education in Tennessee," (January 17, 2001.) Nashville, Tennessee: Tennessee Higher Education Commission.

The University of Tennessee, (June 25, 1996). "University of Tennessee, Knoxville History." web.utk.edu/~mklein.

The University of Tennessee, (2004). "The University of Tennessee Mission Statement." www.utk.edu/mission/.

Trombley, William and Lori Valigra, (Fall 2003). "Crunch time: Tuition soars as financially strapped states cut into higher education spending." National Crosstalk: www.highereducation.org.

U.S. Department of Education, National Center for Education Statistics, (2001). "Study of college costs and prices, 1988-89 to 1997-98, volume 2: Commissioned papers," (NCES 2002-158). Alisa F. Cunningham, Jane V. Wellman, Melissa E. Clinedinst, and Jamie P. Merisotis. Project Officer: C. Dennis Carroll. Washington, D.C.

Wattenbarger, James L., (1971). "Student fees and public responsibility" in Financing higher education: Alternatives for the federal government. Editor M.D. Orwig. Iowa City, Iowa: American College Testing Program.

Yin, R.K., (1994). Case study research: Design and methods, 2nd ed. Thousand Oaks, California: Sage.

Zemsky, Robert and Gregory R. Wegner, (1997). "Shaping the future," in Public and private financing of higher education: Shaping public policy for the future. Edited by

Patrick M. Callan and Joni E. Finney. Phoenix, Arizona: American Council on Education and the Oryx Press.

Appendices

APPENDIX A

INSTITUTIONAL REVIEW BOARD

Form B Application

Form B

IRB # _____

Date Received in OR_____

The University of Tennessee, Knoxville

Application for Review of Research Involving Human Subjects

Identification of Project:

1. **Principal Investigator**
   Mary H. Taylor
   10930 Anchorage Way
   Knoxville, Tennessee 37922
   865-671-0564
   Mary.Taylor@tennessee.edu

   Faculty Advisor
   Dr. E. Grady Bogue
   A319 Claxton Addition
   College of Education
   Knoxville, Tennessee 37996
   865-974-6140
   bogue@utk.edu

   Department/Unit
   Educational Administration and Policy Studies

2. **Project Classification:** Dissertation

3. **Title of Project:** Tuition Policy Setting: The University of Tennessee, Knoxville, 1960 – 2000

4. **Starting Date**: "Upon IRB Approval"

5. **Estimated Completing Date**: Spring 2004

6. **External Funding**: N/A

I. **Project Objective:** We know little about the phenomenon of tuition policy setting and we know little about how decisions are made that affect these policies. This study will allow others to understand the factors that affected the decisions and the way one institution, The University of Tennessee, goes about it. This study could provide guidance for other institutions and state leaders regarding the decision-making process and related policies. Finally, this study will add to the limited literature on tuition policy setting.

II. **Description and Source of Research Participants:** University of Tennessee Presidents, Chancellors, Chief Financial Officers, and Chairs of the Board of Trustees' Finance Committee who held these positions between 1960 and 2000 are included in the intended interview group. These individuals may lead the researcher to other significant participants in the process including students, other Board members, state legislators, Governors, or state officials. These individuals have already been identified from public records during the time period to be studied. The researcher intends to use all available participants from the four primary groups named. The researcher expects to be able to reach three each of Presidents, Chancellors, and Chief Financial Officers and at least two Finance Committee Chairs.

III. **Methods and Procedures:** This research project will use a case study design to realize the purpose of the study and to answer the research questions. The two primary data sources will be interviews and documents. The interviewees will be purposely selected in order to get a full range of perspectives across the time period being studied. A key informant will be used to review the interview questions and make suggestions for improvements.

Each 90-minute interview will be audio taped and the interviewee will have an opportunity to review the transcript and make corrections prior to the data being included in the research file. Audiotaping is necessary using the interview method in order to capture all the details of the answers being provided and to provide a method to transcribe the interviews into a usable data set.

All of the interview transcripts will be read and coded in search of recurring themes that will answer the research questions. The tape recordings and the transcripts will be stored in a locked file cabinet in the researcher's office (The University of Tennessee, 105 Student Services, Knoxville, TN 37996-0212) until the project is complete. Only the researcher and the transcriber will have access to the records during the study. No other individuals will have access to the database without express permission from the participant.

The researcher will also review a variety of documents including Board minutes, catalogs, budget documents, communication instruments, and Tennessee Higher Education Commission documents to determine consistency between what the interviews reveal and what the written history recorded.

IV. **Specific Risks and Protection Measures:** There are minimal foreseeable risks or direct benefits as a result of participation in this study. Each interviewee will sign an Informed Consent Form (see attachment). The transcriber will sign a confidentiality statement (see attachment). Because of the nature of the project, it is likely that the interviewees will be easily identified in the findings, even without mention of specific names. The researcher can ensure confidentiality, but not anonymity. The researcher will not provide access to the audiotapes or the transcripts to anyone but the transcriber and the individual participants.

V. **Benefits:** There are minimal foreseeable risks or direct benefits that will accrue directly to the interviewees as a result of participation in this study.

VI. **Methods for Obtaining "Informed Consent" From Participants:** The researcher will send the potential interviewees a letter (see attachment) explaining the project and requesting permission to conduct an interview. The Informed Consent Form will be included with the letter. A week after the interviewee receives the letter, the researcher will follow-up with a phone call confirming willingness to participate and scheduling the interview. The researcher will collect the Informed Consent Form at the beginning of each interview. The researcher will store the forms in a locked file cabinet in the researcher's office (The University of Tennessee, 105 Student Services, Knoxville, TN 37996-0212) for a period of three years after project completion.

VII. **Qualification of the Investigator to Conduct Research:** The researcher is a doctoral candidate in the College of Education. The researcher has participated in one pilot research project during doctoral study and has completed several courses in research methods.

VIII. **Facilities and Equipment To Be Used in the Research:** The researcher intends to conduct interviews in the office of those individuals with an office on campus. Otherwise, it is anticipated that all interviews, computing, and analysis will be conducted off campus and using the researcher's home computer.

IX. **Responsibility of the Principal Investigator**: By compliance with the policies established by the Institution Review Board of the University of

Tennessee, the principal investigator subscribes to the principles stated in "The Belmont Report" and standards of professional ethics in all research, development, and related activities involving human participants under the auspices of The University of Tennessee. The principal investor further agrees that:

1. Approval will be obtained form the Institutional Review board prior to instituting any change in this research project.
2. Development of any unexpected risk will be immediately reported to the Compliances Services section.
3. An annual review and progress report (Form R) will be completed and submitted when requested by the Institutional Review Board.
4. Signed informed consent documents will be kept for the duration of the project and for at least three years thereafter at a location approved by the Institutional Review Board.

X. **Signatures:**

Principal Investigator: Mary H. Taylor
Signature: _____ Date: _____
Faculty Advisor: E. Grady Bogue
Signature: _____ Date: _____

XI. **Department Review and Approval:**
The IRB departmental review committee has reviewed and approved the application described above. The DRC recommends that this application be reviewed as:

[ ] Expedited Review – Category(ies): _____
OR
[ ] Full IRB Review

Chair, DRC: _____
Signature: _____ Date: _____

Department Head: _____
Signature: _____ Date: _____

Protocol sent to Compliance Section for final approval on (Date):
_____

Approved:
Research Compliance Services
Office of Research
404 Andy Holt Tower
Signature: _____ Date: _____

APPENDIX B

INITIAL LETTER

Date

Name
Title
Address
City, State, Zip

Dear Name:

The University of Tennessee has a rich history of which you are very much a part. As a doctoral student in higher education at the University, I am interested in documenting the tuition policy setting process at the University during the last several decades.

As a part of my research, I am conducting a series of interviews with past and present administrators including presidents, chancellors, chief financial officers, and Finance Chairs from the Board of Trustees. You can greatly assist my research by participating in this study. I will contact you by phone in a few days to obtain your consent, and if you are willing, to schedule an interview that should last no more than 90 minutes.

I am enclosing a copy of the Informed Consent Form for this study. At the time of your interview, I need to obtain a signed copy for my records. Your interview responses will be held confidential – neither your name nor position will be revealed without your permission. Participation in this study is, of course, voluntary. If at any time you wish to withdraw from the study, you may do so by contacting me.

If you have any questions regarding my research, I can be reached at 974-1532. I look forward to visiting with you.

Sincerely,

Mary H. Taylor
Doctoral Student

APPENDIX C

INFORMED COSENT FORM

Tuition Policy Setting at the University of Tennessee
Informed Consent Form

The purpose of this study is to describe tuition policy setting at the University of Tennessee, Knoxville, 1960 – 2000. The central questions of this study are:

1. What policies have guided tuition setting?
2. How have changes in policy been expressed?
3. What factors have influenced tuition policy setting between 1960 and 2000?
4. What process was used to set tuition policy?

With your permission, interviews will be audio taped. Measures will be taken to assure that your responses are kept confidential. Pseudonyms will be used to protect your confidentiality unless you express a wish to be identified as the source. A written transcript will be made of your interview.

There are minimal foreseeable risks or direct benefits to you as a result of your participation in this study. It is hoped that your participation will serve a key role in improving understanding of the tuition policy setting process at public institutions.

Your participation in this study is voluntary; you may decline to participate without penalty. If you decide to participate, you may choose not to answer any specific question or may withdraw from the study at any time without penalty and without loss of benefits to which you are otherwise entitled. If you withdraw from the study before data collection is completed, your data will be returned to you or destroyed.

Initials _____

If you have questions, please contact the researcher, Mary Taylor, at (865) 974-1532, or the doctoral committee chair, Dr. Grady Bogue, at (865) 974-6140. Inquiries may also be sent to Mary Taylor, 105 Student Services Building, Knoxville, Tennessee, 37996-0212.

CONSENT

I fully understand the explanation of this study and I agree to participate. I give permission for Mary Taylor to transcribe the audiotape and use the information that I provide in writing a dissertation. I have received a copy of this form.

Participant's Signature: _____ Date: _____

Investigator's Signature _____ Date: _____

APPENDIX D

INTERVIEW GUIDE

INTERVIEW GUIDE

Thank you for agreeing to talk with me today about the history of tuition policy setting at the University of Tennessee. I would like to tape this interview. May I have your permission?

1. Describe the economic, political, and social environment surrounding the University during the 1960s (or appropriate time period).
2. What were the considerations in setting tuition policy? (If the interviewee does not broach these subjects, the interviewer will ask about the state budget, THEC policies, and students.)
3. Who was involved in the decision process? (If the interviewee does not specifically mention the Board of Trustees, students, or state government leaders, the interviewer will ask about any possible role each may have played.)
4. How was information communicated regarding the decision and to whom?
5. Do you have anything else to share about tuition policy setting at the University during this time period? (If the subject of student fees has not been broached by this time, interviewer will ask what role student fees have played in the overall tuition policy setting process).

(Repeat these questions for each of the time periods the interviewee was involved in policy setting at the University, 1970s, 1980s, and 1990s.)

Is there any additional information that you would like to provide in addition to the format of this interview?

If you are interested in reviewing a transcript of this interview, please let me know and I will get a copy to you as soon as it is typed. Thank you for taking time to participate in this research project.

APPENDIX E

INTERVIEW FIELD NOTE FORM

Interview Field Note Form

Comments from each interview question asked:

1.

2.

3.

4.

5.

Additional comments from this interview regarding setting, demeanor, body language, etc.:

_____

_____

_____

Any interview recommendations as a result of this interview:

_____

_____

_____

APPENDIX F

TRANSCRIBER CONFIDENTIALITY STATEMENT

Transcriber Confidentiality Statement

Project Title:

Tuition Policy Setting: the University of Tennessee, Knoxville 1960 - 2000

I, _____, understand that the transcriptions of the interviews that I will undertake are to be kept confidential. These transcripts are only to be discussed with the researcher for purposes of clarification. I will keep all information seen through these transcripts confidential including identities of participants and information given.

I have read the above statement and agree with the conditions of my services.

_____

Signature **Date**

APPENDIX G

DOCUMENTS REVIEWED

Documents Reviewed

Governor's Council on Excellence in Higher Education, Investing in People: Tennessee's Commitment to 21st Century Higher Education, 1999.

Tennessee Higher Education Commission, Aligning Resources to Meet State Needs: The Educational Needs Index, 2003.

Tennessee Higher Education Commission, Appropriations of State Tax Funds for Higher Education Operating Expenses, FY 1960 – FY 2000.

Tennessee Higher Education Commission, Higher Education Recommendation (Operating and Capital), for each year FY 1980 – FY 2000.

Tennessee Higher Education Commission, Policy Manual, 1997.

Tennessee Higher Education Commission, State Appropriations for Higher Education FY 1969 – FY 2003.

Tennessee Higher Education Commission, "Statewide Master Plan for Tennessee Higher Education 2000 –2005", June 2000.

Tennessee Higher Education Commission, Student Headcount Enrollment, Universities FY 1967 – FY 2003.

Tennessee Higher Education Commission, Student FTE Enrollment, Universities FY 1967 – FY 2003.

Tennessee Higher Education Commission, Ten-year Funding Summary FY 1993 – FY 2002, THEC to Governor to Legislative Action.

Tennessee Higher Education Commission, "The Context for Higher Education Planning and Policy Formulation," 2003.

Tennessee Higher Education Commission, "The Status of Higher Education in Tennessee," 2001.

Tennessee Higher Education Commission, Universities' FTE and Headcount FY 1967 – FY 2001.

The University of Tennessee, Bursar's Office, Mandatory Student Fees by Academic Year, FY 1988 – FY 2004.

The University of Tennessee, Bursar's Office, Quarterly Tuition and Fees, FY 1945 – FY 1980.

The University of Tennessee, Office of Institutional Research, UT Knoxville FTE Enrollment, 1962-1972.

The University of Tennessee, "Report of the Treasurer," Schedule of Current Revenues, for each year FY 1960 – FY 2000.

Vita

Mary Taylor was born in Jackson, Tennessee on December 8, 1959. She attended schools in Madison County, Shelby County, and Davidson County before graduating from Tennessee Preparatory School in 1977. She entered the University of Tennessee, Knoxville in June 1977 where in June 1981 she received the Bachelor of Science in Business Administration with a minor in Public Administration. She attended graduate school in Knoxville receiving her Master's in Public Administration in 1983. In 2000, she returned to graduate school to pursue the Doctorate of Education in Education Administration and Policy Studies. She received her doctorate degree in August 2004.

During her Master's program, she worked for the University of Tennessee Department of Residence Halls where she became a Financial Coordinator upon graduation. In 1985 she began work for the Institute for Public Service where she served in a number of positions including Business Assistant, Assistant to the Vice President, Director of Operations, and Executive Director before being named Assistant Vice President in 2002.

1624 4866 29
11/03/04