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Comptroller's Office Examines the Cost of Online College Courses

The Tennessee Comptroller's Office has released a new report examining the cost of online courses in Tennessee's public colleges and universities. Tennessee's public higher education institutions have offered online courses for more than two decades, and the prevalence of online courses has increased during the ongoing COVID-19 pandemic.

The report found that more than half of Tennessee's public colleges and universities assess a fee for online courses. The fee amount varies by institution, but students who enroll in online courses typically pay the same tuition and mandatory fees as students who attend class in person as well as the online course fees. In most cases, students pay more to enroll exclusively in online courses than to attend courses on campus. On average, community college students pay $256.57 more; university students pay $630.81 more per semester to enroll exclusively in online courses, based on a 15-hour course load.

The revenues generated by online fees are used by institutions for online course development, student support, faculty training, and technology. Most institutions indicated the revenues generated through online course fees are essential for providing online course options. Without an online course fee, these institutions would either reduce or eliminate their online course offerings or turn to other revenue sources to fund the same level of online course offerings. Base tuition and/or mandatory fees paid by all students might be increased, for example.

Some institutions significantly increased their online course offerings in 2020 and 2021 in response to the pandemic and most adjusted their online course fee assessment. In most cases, students were not charged an online course fee for courses that were converted to an online delivery method as a result of the pandemic. Some institutions waived online course fees for all courses or adjusted their assessment method.

Approximately 97,700 undergraduate students (about half) enrolled in at least one online course through one of Tennessee's public colleges or universities in fall 2019 (the semester prior to the pandemic). Many institutions reported a steady increase in demand for online course options in the years preceding the COVID-19 pandemic, and that demand is anticipated to continue.

The report also highlights some recent changes that go into effect in the fall of 2021. For example, the University of Memphis has permanently eliminated their online course fee and the Tennessee Board of Regents has temporarily suspended the assessment of online course fees for the 2021-22 academic year.

To view the report, please visit the Comptroller's OREA website at: tncot.cc/orea

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