

Tuition Differential Fee Report



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

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Note concerning data accuracy: The Office of the Board of Governors believes that the accuracy of the data it collects and reports is paramount to ensuring accountability in the State University System. Thus, the Board Office allows university resubmissions of data to correct errors when they are discovered. This policy can lead to changes in historical data. The data in this document are based on university file submissions as of December 2015.

Executive Summary

The tuition differential fee was created in statute in 2007 and was first charged by five state universities in the 2008-09 academic year. The statute was modified in 2009 to include all state universities. The 2009 tuition differential fee statute includes specific provisions for need-based financial aid and performance accountability, and it set an upper limit of all tuition and fees at the national average¹ for public universities. The universities are to use the funds generated by the tuition differential fee to invest in undergraduate instruction and undergraduate student support services.

The Board of Governors implemented the tuition differential fee throughout the State University System and is monitoring university implementation and performance.

- The Board's tuition and fee Regulation 7.001 defines the process for proposing, approving, and monitoring the success of each university's tuition differential fee. This regulation includes requirements for use of financial aid funds generated by the fee to ensure that undergraduate need-based aid increases at least as much as the law envisions.
- The Board continues to monitor the fiscal and programmatic uses of the tuition differential fee revenue.

During the 2014 Legislative Session, legislation reduced the tuition differential increase from 15 percent to 6 percent. Only a university that "is designated as a preeminent state research university by the Board of Governors pursuant to section 1001.7065" is eligible for future increases. The following language was included on eligibility criteria:

The tuition differential may be increased if the university meets or exceeds performance standard targets for that university established annually by the Board of Governors for the following performance standards, amounting to no more than a 2-percent increase in the tuition differential for each performance standard:

- An increase in the 6-year graduation rate for full-time, first-time-in-college students, as reported annually to the Integrated Postsecondary Education Data System.
- An increase in the total research expenditures.
- An increase in the total patents awarded by the United States Patent and Trademark Office for the most recent years.

¹ As determined by the College Board's *Annual Survey of Colleges*

Only two institutions have preeminent designation, University of Florida and Florida State University, and neither pursued an increase in tuition differential for 2014-15.

In 2014-15, each state university charged a tuition differential fee, with rates ranging from \$35.14 to \$52.29 per credit hour and reported 2014-15 revenues of \$250.8 million. The funds provided need-based financial aid and support undergraduate education through investments in faculty and advisors, course offerings and course sections, and other undergraduate educational resources.

For the current (2015-16) academic year, the tuition differential fee rates also range from \$35.14 to \$52.29 per credit hour. These funds will contribute an estimated \$253 million for institutional need-based financial aid and undergraduate educational services.

Background

The tuition differential fee was first created in statute in 2007. The charge was levied for the first time starting in fall 2008 by the five universities authorized to do so by the Board of Governors at that time (FIU, FSU, UCF, UF, and USF). Chapter 2009-98, *Laws of Florida*, expanded the tuition differential to allow the Board of Governors to consider proposals from all state universities.

The 2009 law codified a process by which each university board of trustees may annually propose to the Board of Governors (the “Board”) a tuition differential fee to improve undergraduate instruction. To balance these quality improvements with affordability, 30 percent of tuition differential revenues are to be set aside for undergraduate need-based financial aid. The law limited the annual increase in the aggregate sum of tuition and the tuition differential fee to 15 percent growth per year, and it set a cap on in-state, undergraduate tuition and fees at the national average of four-year public institutions. The law also requires an annual report from the Board to the Legislature regarding the impacts of these new revenues on the State University System (the “System”). This report provides a summary of Board and institutions’ implementation of the tuition differential statute.

In the 2010 legislative session, the Legislature amended this statute to include explicitly the recipients of STARS prepaid scholarships as “students who exhibit financial need” and therefore qualify for tuition differential-funded need-based aid. The statutory change also clarified that waivers of the tuition differential fee granted to students receiving need-based awards may be counted toward the 30 percent need-based aid requirement.

In the 2011 legislative session, the Legislature amended this statute again, stating that if the tuition and fee costs of resident students who have applied for and received Pell Grant funds have been met and the university has excess funds remaining from the 30 percent that would have been used for students with financial need, the university may expend the excess portion for other undergraduate education needs.

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The tuition differential may be increased if the university meets or exceeds performance standard targets for that university established annually by the Board of Governors for the following performance standards, amounting to no more than a 2-percent increase in the tuition differential for each performance standard:

- An increase in the 6-year graduation rate for full-time, first-time-in-college students, as reported annually to the Integrated Postsecondary Education Data System.
- An increase in the total research expenditures.
- An increase in the total patents awarded by the United States Patent and Trademark Office for the most recent years.

Only University of Florida and Florida State University are designated as preeminent but neither institution pursued an increase in tuition differential for 2014-15.

Universities currently charging a tuition differential fee at the time of the 2014 legislation were allowed to maintain the fee their current approved rate.

Tuition Differential Fee Proposals and Approval Process

Legislation passed during the 2014 Legislative Session only allows institutions designated as preeminent to be eligible to tuition differential increases. At this time only University of Florida and Florida State University are eligible, however, neither institution pursued an increase during 2014-15.

Board Review and Approval

The review and approval process are detailed in Board Regulation 7.001.

2014-15 Tuition Differential Fee Summary

In 2014-15, all state universities charged a tuition differential fee. In total, universities generated \$250.8 million from the tuition differential fee, \$75.2 million in need-based financial aid and \$175.6 million to support undergraduate education.

2014-15 Tuition Differential Fee Per Credit Hour and Revenues

University	Per Credit Hour Fee	Actual Revenues
FAMU	\$36.38	\$8,891,506
FAU	\$40.13	\$20,045,043
FGCU	\$36.38	\$11,762,279
FIU	\$52.29	\$45,891,646
FPU*	\$0	\$0
FSU	\$49.59	\$30,316,845
NCF	\$40.13	\$844,335
UCF	\$44.20	\$48,573,637
UF	\$44.17	\$28,829,444
UNF	\$37.63	\$11,098,743
USF-Tampa	\$46.88	\$29,015,053
USF-St. Petersburg	\$35.14	\$2,994,726
USF-Sarasota/Manatee	\$35.14	\$1,419,335
USF-HSC	\$46.88	\$3,339,071
UWF	\$38.88	\$7,802,707
SUS TOTAL		\$250,824,370

Source: Board of Governors 2015-16 Operating Budget Schedule 625

*Florida Polytechnic University (FPU) does not charge the tuition differential fee.

Seventy percent of the tuition differential fee revenue must be spent on undergraduate education. The universities reported that these revenues were used to hire additional undergraduate faculty and academic advisors and to preserve or increase course offerings.

Staffing and Course Sections

University	Adjuncts / Faculty Hired and/or Retained	Advisors Hired and/or Retained	Course Sections Added and/or Saved
FAMU	26	20	939
FAU	193	10	770
FGCU	59	8	342
FIU	195.78	77	1,625
FPU*	0	0	0
FSU	343	68	2,671
NCF	19.35	5	42
UCF	335	30	2,680
UF	188	3	2,009
UNF	98	0	709
USF-Tampa	329	83	3,238
USF-St. Petersburg	18	8	75
USF- Sarasota/Manatee	110	0	272
UWF	72	1	706
SUS TOTAL	1,986.13	313	16,078

Source: Board of Governors 2015-16 Operating Budget Supplemental Schedule

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The statute also requires that 30 percent of revenue be spent on undergraduate need-based financial aid and contains an additional non-supplanting provision regarding those funds.² The Board's Regulation 7.001(13)(b)⁴ outlines for universities the parameters by which to determine compliance with that statute, and universities submitted to the Board office in August 2015 the information necessary to monitor statutory compliance.

The Board monitors compliance with this and other state financial aid-related statutes using data and narratives submitted by universities in the latter part of the calendar year.

The \$75.2 million allocated to need-based financial aid provided scholarship awards to over 47,400 students.

² Section 1009.24(16)(a), Florida Statutes includes the following: "This expenditure for need-based financial aid shall not supplant the amount of need-based aid provided to undergraduate students in the preceding fiscal year from financial aid fee revenues, the direct appropriation for financial assistance provided to state universities in the General Appropriations Act, or from private sources."

47,430 Students Received a Financial Aid Award

University	# of Students Receiving an Award	Minimum Awarded	Maximum Awarded
FAMU	1,664	\$200	\$4,363
FAU	5,055	\$67	\$4,000
FGCU	2,051	\$70	\$10,624
FIU	8,790	\$45	\$33,472
FPU*	0	\$0	\$0
FSU	3,872	\$104	\$6,800
NCF	86	\$152	\$13,000
UCF	11,824	\$300	\$5,000
UF	1,215	\$57	\$10,154
UNF	1,459	\$600	\$3,500
USF-Tampa	8,756	\$23	\$2,500
USF-St. Petersburg	924	\$25	\$2,500
USF-Sarasota/Manatee	367	\$38	\$2,500
UWF	1,367	\$47	\$4,000
SUS TOTAL/AVERAGE	47,430	\$133	\$7,878

Source: Board of Governors 2015-16 Operating Budget Supplemental Schedule

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2015-16 Tuition Differential Fee Summary

In 2015-16, eleven state universities are charging a tuition differential fee. The fee ranges from \$35.14 to \$52.29 per credit hour. In total, SUS institutions estimate \$253 million will be generated from the tuition differential fee. These funds will contribute an estimated \$76 million to institutional need-based financial aid and an additional \$177 million in undergraduate educational services.

The data submitted with university operating budgets provided the following preliminary information detailing the estimated revenues and the planned expenditures of those revenues. These planned uses continue during the 2015-16 year.

Planned Uses of the Tuition Differential Fee Revenues

University	Uses
FAMU	Academic Advisement; Advisor Training; First Year Experience; Career Development; Academic Success Course; Online Academic Curriculum Mapping/ Academic Advising Module (AAM); Student Debt Management Program
FAU	Ensure access, degree completion, meet student demand, continue FTE goals and augment student advising
FGCU	Hire faculty and staff; add breadth and depth to academic programs; enhance student advising programs
FIU	Hire undergraduate faculty/advisors; disability services; undergraduate studies office; undergraduate tutoring support; undergraduate journals and databases; undergraduate academic support;
FPU*	NA
FSU	Enhance the undergraduate experience by retaining the faculty and advisors supported by these funds
NCF	Seminars in critical inquiry; Writing Resource Center; Quantitative Resource Center; Pritzker Marine Science program and Gender Studies program; library and adjunct faculty; library electronic resources
UCF	Maintain/increase undergraduate course offerings; other undergraduate student support such as Department of Writing & Rhetoric program, President's Class Size Initiative, and support for Academic Advising Enhancement Program for First Time in College students, second-year sophomores, and transfer students
UF	Fund faculty and advisor positions, off-set the budget reductions from FY13, support various undergraduate programs, and need-based financial aid
UNF	Hire and retain teaching faculty
USF-Tampa	Workforce/job placement efforts especially in STEM; academic advising and veteran's support services; financial counseling and debt reduction
USF-St. Petersburg	Improve graduation rates through QEP implementation and SSC; Increase student research and creativity; Enhance undergraduate programs

USF-Sarasota/Manatee	Initiatives to encourage timely college completion rates
UWF	Hire and retain faculty/instructors; support Office of Financial Aid ; support for Marine Services Center; provide funding for the 2UWF Program, which provides a seamless transition from Gulf Coast State College to UWF

Source: Board of Governors 2015-16 Operating Budget Supplemental Schedule

*Florida Polytechnic University (FPU) does not charge the tuition differential fee

2015-16 Tuition Differential Fees and Estimated Revenues

Institutions	Per Credit Hour Fee	Estimated Revenue
FAMU	\$36.38	\$8,335,605
FAU	\$40.13	\$22,411,329
FGCU	\$36.38	\$9,595,071
FIU	\$52.29	\$46,304,387
FPU*	\$0	\$0
FSU	\$49.59	\$31,359,674
NCF	\$40.13	\$779,787
UCF	\$44.20	\$48,767,285
UF	\$44.17	\$29,312,100
UNF	\$37.63	\$10,585,167
USF-Tampa	\$46.88	\$28,587,945
USF-St. Petersburg	\$35.14	\$3,500,000
USF-Sarasota/Manatee	\$35.14	\$1,366,399
USF-HSC	\$46.88	\$3,542,332
UWF	\$38.88	\$8,156,296
TOTAL		\$252,603,377

Source: Board of Governors 2015-16 Operating Budget Schedule 625

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Performance Accountability

Universities' annual accountability reports, will be approved by the Board in March 2016, include performance metrics related to undergraduate education that are specifically identified in the tuition differential statute. In addition, university tuition differential fee reporting will allow the Board to monitor more specifically the impact of the tuition differential fee at each university based on how the university has elected to spend those revenues. The tuition differential proposals approved by the Board may also include additional metrics individual universities identify in order to track more specifically the impact of the institution's particular uses of the tuition differential fee revenues.

The Board's Annual Report will contain these statutory performance measures and additional data and narratives.

Statutory Performance Measures

Section 1009.94(16)(e)5, Florida Statutes, lists a set of measures, at a minimum, that universities shall report to the Board.

"Changes in retention rates, graduation rates, the percentage of students graduating with more than 110 percent of the hours required for graduation, pass rates on licensure examinations, the number of undergraduate course offerings, the percentage of undergraduate students who are taught by faculty, student-faculty ratios, and the average salaries of faculty who teach undergraduate courses."

The universities began charging the tuition differential fee in the fall 2009 term, five years of data are now available for reviewing any impact initiatives have had on various performance measures. In addition, some universities have been very focused on the use of the tuition differential fee revenue, such as, hiring more advisors.

Please refer to the Board of Governors 2014-15 Accountability Report and individual institution reports for data and measures related to items identified in Statute.