



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

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December 22, 2016

The Honorable Rick Scott, Governor
State of Florida
Office of the Governor
The Capitol
400 South Monroe Street
Tallahassee, Florida 32399-0001

The Honorable Joe Negron, President
Florida Senate
409 The Capitol
404 South Monroe Street
Tallahassee, Florida 32399-1100

The Honorable Richard Corcoran, Speaker
Florida House of Representatives
420 The Capitol
402 South Monroe Street
Tallahassee, Florida 32399-1300

Dear Governor Scott, President Negron and Speaker Corcoran:

Pursuant to section 1004.084, Florida Statutes, each December 31st, the Board of Governors is to submit a report that identifies strategies to promote college affordability for all Floridians. In compliance with section 1004.084, we respectfully submit the Board of Governors' report entitled "*State University System of Florida Efforts to Increase Affordability.*"

The report is organized by four areas. The first provides information and a link to further information regarding the Board's in-depth year-long study to explore whether Florida's state universities are affordable for all undergraduate students who are qualified and motivated to attend, taking into consideration affordability's main components: tuition and fees, including textbooks; state appropriations; and financial aid. The second identifies particular strategies being used to reduce the time it takes for students to earn their degrees. The third focuses exclusively on textbook affordability,

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and the fourth describes the Board's efforts in online learning with a view toward making college more affordable.

Key strategies identified in the report include:

- **Use of Tutors, Counselors and Degree Mapping:** Degree mapping alerts university counselors to students who are veering off-track on their progress toward their degrees. Degree mapping then leads to more intensive counseling and better outcomes. Similarly, tutors (both in-person and online) help students find pathways to success, particularly in courses that are math or science intensive, which improves student retention and accelerates time to degree.
- **Reducing excess hours:** SUS institutions have worked diligently to reduce the number of excess credit hours taken by students and the efforts are paying off. Counseling is critical so students are mindful of the excess hour surcharge and the need to stay on track with their degree program. The percentage of bachelor's degrees earned *without excess* hours has increased to 71.2% in 2014-15 as compared to 66% in 2012-13.
- **Improving academic progress rates:** Students who don't return after their first year have spent valuable dollars without receiving a return on their investment and university efforts to retain students are proving successful. The academic progress rate, a metric in performance funding model, has improved from 81.5% in 2010-11 to 85.2% in 2014-15.
- **Improving graduation rates:** Universities are working closely with students to accelerate their time to degree. This metric, like the academic progress rate, is tracked annually and incentivized through the performance funding model. We are seeing dramatic improvement across the State University System as evidenced by the fact that graduation rates for first-time-in-college students have improved from the 2005-11 cohort's average of 65.1% to the 2009-15 cohort's average of 71%.
- **Initiatives to reduce the costs of textbooks and instructional materials:** Universities are pursuing initiatives that will reduce the cost of textbooks and

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instructional materials for students. Initiatives include requiring approval of course materials information by each department dean, reviewing sales history and apprising faculty of materials options and costs, assisting faculty in locating open-access and alternative materials, expanding textbook loan and rental programs and lending libraries, and expanding the provision of no-cost instructional materials.

We thank you for your leadership in ensuring that a higher education is both affordable and accessible to Florida families. We look forward to continuing to work with you to accelerate the progress we are making on the initiatives outlined in the report and we share your commitment to making a higher education affordable to all.

If you have any questions regarding the report or would like to discuss it further, I am available to meet with you at any time.

Respectfully submitted,



Marshall M. Criser III
Chancellor

Enclosure

c: Thomas G. Kuntz, Chair, Board of Governors
Ned Lautenbach, Vice Chair, Board of Governors
Dr. Jan Ignash, Vice Chancellor, Academic and Student Affairs



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State University System of Florida Efforts to Increase Affordability

December 2016

This report responds to 1004.084, Florida Statutes, requiring the Board of Governors of the State University System (SUS) of Florida to annually report on strategies to promote college affordability, including reducing the cost of textbooks and accurately conveying to students and their families the actual cost of attending an SUS institution.

The Board of Governors is keenly aware that college affordability is a critical issue in Florida and across the entire United States. At the national- and state-levels, strategies are ongoing in an attempt to make a college education more affordable. The Board of Governors believes that individuals who aspire to receive a college education should not be excluded because they cannot afford to do so. Consequently, the Board has put in place a number of strategies and tools to enhance affordability, and more are being developed.

The report is organized into four areas. The first provides information and a link to further information regarding the Board's in-depth year-long study to explore whether Florida's state universities are affordable for all undergraduate students who are qualified and motivated to attend, taking into consideration affordability's main components: tuition and fees, state appropriations, and financial aid. The second identifies particular strategies being used to reduce the time it takes for students to earn their degrees. The third focuses exclusively on textbook affordability. The fourth describes the Board's efforts in online learning with a view toward making college more affordable.

According to Board staff analysis of data reported by The College Board in October 2015,¹ Florida is #48 among all 50 states and the District of Columbia for the lowest tuition in the country. In addition, and in compliance with the statutory direction of the Governor and the Legislature, the Board has modified Regulation 7.001 - Tuition and Associated Fees - to require university boards of trustees to submit proposals for tuition increases for graduate and professional programs, along with increases to market tuition programs, to the Board of Governors for consideration. This will ensure that all proposals will have a thorough vetting before being considered. Application of this Regulation in 2016 resulted in one university rejecting its tuition proposal for a Physician Assistant degree program.

The Board is also aware, however, that efforts to increase affordability need to occur at the institution-level with a continual focus. The State University System cannot afford to rest on its laurels. Affordability initiatives and strategies need to be monitored, measured, and adjusted in order to improve.

¹Available at http://www.flbog.edu/about/_doc/budget/tuition/College-Board-Tuition-and-Fees-by-State-Table.pdf

SUS 2015 Affordability Study

During 2015, the Board of Governors undertook an in-depth year-long study to explore whether Florida's state universities are affordable for all undergraduate students who are qualified and motivated to attend, taking into consideration affordability's main components: tuition, state appropriations, and financial aid. The study addressed how Florida's affordability compares with other states, as well as an in-depth look at the cost of attending an SUS institution by family income quintiles, by Expected Family Contribution, and by Pell-eligible and other financial aid recipient groups. The Board also discussed the differences between sticker price and net cost and considered policies and practices that would further enhance affordability, such as encouraging more students to attend college in the summer so that they might graduate sooner.

Among the study's important findings was the difference in affordability for different family income groups, with results suggesting that students in the \$40,000 - \$99,000 middle income quintile were less well-represented in Florida higher education than other groups. This study, in the form of three presentations given to the Board of Governors by Chancellor Marshall Criser, can be accessed at the following link: http://www.flbog.edu/documents/SUS_2015_Affordability_Study.pdf.

Work Plan Accountability

The annual State University System Work Plan measures a number of metrics associated with affordability. The latest System Work Plan can be accessed at the following link on the Board website:

http://www.flbog.edu/about/_doc/budget/workplan_2016/2016_SYSTEM_WORK_PLAN_2016-09-09.pdf.

Average Cost Per Bachelor's Degree

It's important to note that the Performance Based Funding metric "Average Cost Per Bachelor's Degree" is currently defined as the average cost to the university. At the November 3, 2016 Budget and Finance Committee meeting of the Board of Governors, the Board redefined this metric as the average cost to the *student* (calculated as the net tuition and fees per 120 credit hours). This change will provide more useful information to parents and students and provide further incentives for SUS institutions to lower that cost.

Acceleration: A Key to Affordability

The math is simple: The more quickly students move through college, the less it costs. For students, graduation equates, first, with an end to the direct costs of an education, and, secondly, to the availability for employment that pays back that cost. Working with the Florida Legislature, the System has in place several incentivized metrics that address this goal.

Reducing Excess Credit Hours

Accruing credit hours that don't contribute toward receiving a degree makes college less affordable, and the SUS has worked hard to address this longstanding issue. Page 7 of the 2016 System Work Plan provides data on bachelor's degrees earned without excess hours, indicating that in 2014-15 71.2% of bachelor's degree-earners graduated without excess hours, as compared to 66% in 2012-13. The Board's 2018-19 goal is 76%.

In addition, the SUS adheres to the policy that baccalaureate programs are limited, with exceptions, to 120 credit hours to degree. Of the 756 bachelor's degree programs in the SUS, only 138 (18%) have approval to exceed 120 credit hours.

Improving Academic Progress Rates

Academic Progress Rate is measured by students who return for their 2nd Fall semester with at least a 2.0 Grade point Average (GPA). This is a key to affordability, because students who do not return have spent a year's worth of dollars without receiving a return on their investment. The minimum 2.0 GPA is important, because students who return for a 2nd Fall semester with that GPA are eight times more likely to graduate within six years. Page 5 of the 2016 System Work Plan indicates that the System's Academic Progress Rate has improved from 81.5% in 2010-11 to 85.2% in 2014-15. The Board's 2018-19 goal is 88%.

Graduation Rates

Graduation rates are measured by *time* and are, therefore, associated with acceleration. Page 4 of the 2016 System Work Plan indicates that the graduation rates for first-time-in-college students have improved from the 2005-11 cohort's average of 65.1% to the 2009-15 cohort's average of 71%. The System's improvement on this typically slow-moving metric is dramatic, and Florida is currently #1 among the top 10 largest states on this metric.

Championing Bright Futures in the Summer

As another acceleration tool, the Board strongly encourages that Bright Futures be made available in summer terms. The benefits to students also include faster time-to-degree,

quicker entry into the job market, and the likelihood of reduced debt. The benefit to the State includes a better educated workforce as students earn baccalaureate degrees more quickly, more room in the baccalaureate degree pipeline as time-to-degree is shortened, and more efficient use of campus facilities throughout the entire year.

Other Key Acceleration Activities that Positively Impact Affordability

The institutions of the State University System have employed a number of tools and strategies to address reducing the time it takes to earn a degree. These include using tutors and hiring additional counselors who can assist students in streamlining their academic experience. Most universities use Degree Mapping that immediately lets counselors know if students are off-track from the most direct route to their degrees, after which even more intrusive counseling is used. (New College of Florida and Florida Polytechnic University have such small student populations that Degree Mapping is not necessary.)

Textbook Affordability

That the costs of textbooks have skyrocketed over time is well-known both within and external to the academy, and these costs fall directly on the shoulders of students. No academic discipline is impervious to increases; however, textbooks in the areas of science, technology, engineering, and mathematics (STEM) – the very areas to which more and more students are rightfully being recruited and drawn – are particularly vulnerable to rising costs.

House Bill 7019 was passed during the 2016 Legislative Session (Chapter 2016-236, Laws of Florida). The legislation focused directly on the issue of textbook affordability. Working to implement that legislation, and to share best practices, the SUS created a system-wide Textbook and Instructional Material Affordability Work Group.

Universities reported a variety of initiatives to reduce textbook and instructional affordability costs. The initiatives included, but were not limited to

- requiring approval of course materials information by each department dean,
- reviewing sales history and informing faculty of materials options and costs,
- assisting faculty in locating open-access and alternative materials,
- expanding textbook loan programs and lending libraries, and
- expanding the provision of no-cost instructional materials and textbook rental programs.

Online Textbook Affordability Considerations

Driving Down the Associated Costs

A valid argument of longstanding is that developing and creating online courses is expensive, at least initially, due to technological considerations and to the amount of resources necessary to build and to provide quality and support services for online students courses. However, the Board's *2025 Strategic Plan for Online Education* includes goals and strategies for increasing shared services by using statewide buying power, and building economies-of-scale that will help drive control the costs of online learning. The entire Plan may be accessed at <http://www.flbog.edu>.

Online Textbook Affordability

The Board's *2025 Strategic Plan for Online Education* contains strategies and tactics to reduce the costs of educational materials for students. One such strategy is to develop a statewide model for the use of eTextbooks and other open educational resources to reduce costs for students in Florida. One tactic associated with this strategy is to determine and promote methods to increase the use of open-access textbooks and educational resources to reduce costs to students. A second tactic is to reduce the costs of eTextbooks for students, including those with disabilities, through mechanisms that could include negotiating lower pricing with vendors and providing an enhanced repository for educational materials.

Conclusion

Clearly, the critical components of college affordability have increasingly become a national dialogue, and the universities of those states willing to energetically enter into that dialogue are the universities that will be viewed as solutions rather than as problems. The State University System of Florida, working with the Governor and the Florida Legislature, will continue to address the challenges posed by college affordability, creating new and aggressive policies and taking advantage of best practices, thereby ensuring greater opportunities for its entire citizenry.