

Tuition Differential Fee Report

January 2022





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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 is based on university file submissions as of December 2021.

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.

Only three institutions have preeminent designation, University of Florida, Florida State University, and University of South Florida and none pursued an increase in tuition differential.

In 2020-21, each state university charged a tuition differential fee, with rates ranging from \$36.38 to \$52.29 per credit hour and reported 2020-21 revenues of \$292.7 million. The funds provided need-based financial aid and support for undergraduate education through investments in faculty and advisors, course offerings and course sections, and other undergraduate educational resources.

For the current (2021-22) academic year, the tuition differential fee rates have not changed. These funds will contribute an estimated \$295.1 million for institutional need-based financial aid and undergraduate educational services.

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

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.

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.

Only University of Florida, Florida State University, and University of South Florida are designated as preeminent but none of the institutions have pursued an increase in tuition differential.

Universities currently charging a tuition differential fee at the time of the 2014 legislation were allowed to maintain the fee at the 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, Florida State University and University of South Florida are eligible, however, none of the institutions have pursued an increase.

Board Review and Approval

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

2020-21 Tuition Differential Fee Summary

In 2020-21, all state universities charged a tuition differential fee except FL Poly. In total, universities generated \$292.7 million from the tuition differential fee, \$87.8 million in need-based financial aid and \$292.7 million to support undergraduate education.

| Institutions | Per Credit Hour Fee | Actual Revenue |
|-----------------------------------|---------------------|----------------------|
| FAMU | \$36.38 | \$7,228,261 |
| FAU | \$40.13 | \$23,726,905 |
| FGCU | \$36.38 | \$11,318,399 |
| FIU | \$52.29 | \$52,740,688 |
| FL Poly ¹ | \$0 | \$0 |
| FSU | \$49.59 | \$35,228,899 |
| NCF | \$40.13 | \$712,308 |
| UCF | \$44.20 | \$63,215,731 |
| UF | \$44.17 | \$37,563,880 |
| UNF | \$37.63 | \$12,269,298 |
| USF-Tampa | \$46.88 | \$31,159,577 |
| USF-St. Petersburg ² | \$46.88 | \$3,254,812 |
| USF-Sarasota/Manatee ² | \$46.88 | \$2,354,296 |
| USF-HSC | \$46.88 | \$4,027,728 |
| UWF | \$38.88 | \$7,884,980 |
| TOTAL | | \$292,685,762 |

Source: Board of Governors 2021-22 Operating Budget Schedule 625

¹Florida Polytechnic University (FL Poly) does not charge the tuition differential fee.

² When USF consolidated with their branch campuses, the tuition differential fee became the same among all three campuses.

Seventy percent of the tuition differential fee revenue must be spent on undergraduate education. The universities reported that these revenues were used to retain and 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 | 10 | 570 |
| FAU | 199 | 44 | 946 |
| FGCU | 62 | 8 | 354 |
| FIU | 224.04 | 136 | 3,303 |
| FL Poly* | 0 | 0 | 0 |
| FSU | 312 | 38 | 2,389 |
| NCF | 5.5 | 4.05 | 16 |
| UCF | 558 | 0 | 5,238 |
| UF | 198 | 3 | 2,944 |
| UNF | 258.75 | 0 | 1,035 |
| USF-Tampa | 299 | 84 | 3,851 |
| USF-St. Petersburg | 14 | 6 | 64 |
| USF-Sarasota/Manatee | 98 | 0 | 198 |
| UWF | 46 | 1 | 572 |
| SUS TOTAL | 2,300 | 334 | 21,480 |

Source: Board of Governors 2021-22 Operating Budget Supplemental Schedule

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

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 2016 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 \$87.8 million allocated to need-based financial aid provided scholarship awards to over 48,898 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."

48,898 Students Received a Financial Aid Award

| University | # of Students Receiving an Award | Minimum Awarded | Maximum Awarded |
|--------------------------|----------------------------------|-----------------|-----------------|
| FAMU | 1,476 | \$228 | \$4,700 |
| FAU | 3,391 | \$72 | \$12,377 |
| FGCU | 1,979 | \$42 | \$2,000 |
| FIU | 10,591 | \$22 | \$17,116 |
| FL Poly* | 0 | \$0 | \$0 |
| FSU | 4,896 | \$101 | \$14,755 |
| NCF | 59 | \$483 | \$6,864 |
| UCF | 13,130 | \$300 | \$6,400 |
| UF | 1,142 | \$16 | \$17,338 |
| UNF | 1,987 | \$108 | \$6,000 |
| USF-Tampa | 7,312 | \$72 | \$4,800 |
| USF-St. Petersburg | 587 | \$150 | \$4,800 |
| USF-Sarasota/Manatee | 482 | \$400 | \$4,550 |
| UWF | 1,866 | \$58 | \$4,000 |
| SUS TOTAL/AVERAGE | 48,898 | \$158 | \$8,131 |

Source: Board of Governors 2021-22 Operating Budget Supplemental Schedule

*Florida Polytechnic University (FL Poly) does not charge the tuition differential fee and is not included in the average award amounts.

2021-22 Tuition Differential Fee Summary

In 2021-22, eleven state universities are charging a tuition differential fee. The fee ranges from \$36.38 to \$52.29 per credit hour, which have not changed from the prior year. In total, SUS institutions estimate \$295.1 million will be generated from the tuition differential fee. These funds will contribute an estimated \$88.5 million to institutional need-based financial aid and an additional \$206.6 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 2021-22 year.

Planned Uses of the Tuition Differential Fee Revenues

| University | Uses |
|------------|--|
| FAMU | Positions with a combination of tenure track and visiting positions in the core critical academic disciplines (Math, English, Biology, Criminal Justice, Allied Health, Business and Chemistry) will continue to be supported. In addition, adjuncts will continue to be hired to address the class size and remote teaching issue. We will continue to support the Counselor/Advisors in the areas of Allied Health, Criminal Justice/Sociology, Engineering, Biology, Business, Psychology/Social Work, Nursing, Journalism and for the following initiatives – On-line Academic Advancement Module, Career Development, Student Debt and Testing initiatives developed, Student Success and implemented to assist in decreasing the Student/Advisor ratio. |
| FAU | To ensure access, degree completion, meet student demand, continue FTE goals and augment advising. FTE production is estimated to be increased by 2% |
| FGCU | Hire and retain faculty and staff to keep pace with enrollment, provide needed services, add breadth and depth to academic programs; and enhance student advising. Funding is continued to be used to support faculty hiring and course offerings. Student FTE growth for the year is estimated at 1.00% and these funds will contribute to supporting that growth. |
| FIU | Undergraduate Faculty hires and retention to improve graduation and retention rates. Disability Services to increase resources for deaf and hearing-impaired students. Undergraduate Studies Office to strengthen undergraduate experience and academic components. Undergraduate Tutoring Support - Writing Center - to strengthen student's communications skills. Student Support and Success – Improving student experience with advisors, One-Stop Shop & Graduation Success Library - Undergraduate Scholarly Journals and Database. Continue to improve quality of instruction and minimize impact of budget reduction to course offering and maintain enrollments. Continue to maintain advisor to student ratio, subscriptions and offset increased costs, and to support the writing center and resources for the One-Stop Shop. |
| FL Poly* | NA |
| FSU | Enhance the undergraduate experience through faculty and advisors; Hiring and retaining faculty to meet course demand is critical to timely graduation for our students; Enhanced academic advising and student mapping through the addition and retention of advisors. Reduce the student to faculty ratio and the student to advisor ratio. |

| | |
|-----|---|
| NCF | <p>Revenue earned was used to support the Quantitative Resource Center (QRC), the Writing Resource Center, the Pritzker Marine Biology Program, the Gender Studies Program, the Environmental Studies Program, Library faculty, the Off-Campus Study Program, and adjunct faculty. The QRC provides individual and small group peer tutoring for students needing assistance with various quantitative methods (mathematics, physics, chemistry, statistics, SAS, Excel and other applications). The Writing Resource Center provides one-on-one writing conferences with a Student Writing Assistant and out of class workshops (common topics include: thesis prep, lab reports and thesis crunch). The Pritzker Marine Science Program provides wet labs, aquaria, and curricula to support student learning and research about marine organisms and marine systems as well as marine science community outreach.</p> |
| UCF | <p>Hire and retain faculty positions to maintain and/or increase undergraduate course offerings. Faculty funded by tuition differential support university initiatives that directly enhance the overall undergraduate experience and improve retention and graduation rates. Maintain and/or increase undergraduate course offerings. Available tuition differential funds enabled colleges to hire and retain faculty with instructional effort toward over 5,000 undergraduate lower and upper division course sections. The remote nature of our courses enabled us to support an increase instructional effort with fewer sections.</p> |
| UF | <p>To fund faculty and advisor positions, off-set the budget reductions from FY13, support various undergraduate programs, and need-based financial aid. Departments have been provided funds to support various undergraduate programs. Such as but not limited to: Cost share the HHMI - With funding from the Howard Hughes Medical Institute the Science for Life Program has a mission “to strengthen and transform undergraduate research and interdisciplinary laboratory education in the life sciences” at the University of Florida and our partner institutions. Administered through the Office of the Provost, SFL will enhance early undergraduate research, faculty recognition and opportunities, and transform laboratory teaching in the life sciences. Fund Summer Preview and partial support of UF’s Innovation Academy. Additional college instructors and advisors. Colleges have been provided funds to support undergraduate programs.</p> |

| | |
|----------------------|--|
| UNF | To provide additional faculty FTE and increase course sections to support our culture of completion initiatives. |
| USF-Tampa and HSC | Support undergraduate education. Retained faculty supporting undergraduate programs; Enhanced academic advising through the development of career ladder for advisors; provided greater professional development opportunities for advisors; implemented a tracking system to support at-risk students and promote first year retention efforts. We are utilizing a contracted external party to implement predictive analytics platform and deploy sophisticated academic advising tool. Use peer educators to promote financial literacy and provide students with personal financial management skills through group and one-on-one financial education sessions. |
| USF-St. Petersburg | Cost-efficient utilization of instructional technology and innovation, along with investments in faculty and professional staff to enhance timely college completion rates, attainment, and career placement through activities such as: Need-Based Financial Aid: Expand access for students; and accelerated path to graduation. Provide much needed financial support for talented students with limited income. Undergraduate Education: Retain/hire faculty to teach undergraduate courses and enhance undergraduate degree programs. Academic Advising: Enhanced academic advising through technology and additional professional staff; focus on goal setting, time-to-degree, improved graduation rates, reducing excess hours. Improved tracking of students and graduates. |
| USF-Sarasota/Manatee | Support undergraduate education through initiatives as well as financial aid. Enhance timely college completion rates. To provide high quality professors and academic advisors to enhance instruction and learning to help students stay on track for timely graduation. |
| UWF | To support undergraduate initiatives including hiring new and retaining existing full-time faculty to teach undergraduate courses and to provide enhanced funding for need-based financial aid. Retained full time faculty. Enhanced support for the Marine Services Center. Staff positions (one advisor) is funded with these resources. This position is critical to undergraduate student retention and success. |

Source: Board of Governors 2021-22 Operating Budget Supplemental Schedule

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

2021-22 Tuition Differential Fees and Estimated Revenues

| Institutions | Per Credit Hour Fee | Estimated Revenue |
|-----------------------------------|---------------------|----------------------|
| FAMU | \$36.38 | \$7,300,000 |
| FAU | \$40.13 | \$24,201,444 |
| FGCU | \$36.38 | \$11,361,391 |
| FIU | \$52.29 | \$51,894,768 |
| FL Poly ¹ | \$0 | \$0 |
| FSU | \$49.59 | \$34,839,214 |
| NCF | \$40.13 | \$742,204 |
| UCF | \$44.20 | \$61,481,757 |
| UF | \$44.17 | \$37,525,000 |
| UNF | \$37.63 | \$12,265,970 |
| USF-Tampa | \$46.88 | \$32,525,000 |
| USF-St. Petersburg ² | \$46.88 | \$3,700,000 |
| USF-Sarasota/Manatee ² | \$46.88 | \$1,721,400 |
| USF-HSC | \$46.88 | \$7,411,740 |
| UWF | \$38.88 | \$8,156,296 |
| TOTAL | | \$295,126,184 |

Source: Board of Governors 2021-22 Operating Budget Schedule 625

¹Florida Polytechnic University (FL Poly) does not charge the tuition differential fee.

²When USF consolidated with their branch campuses, tuition differential fee became the same among all three campuses.

Performance Accountability

Universities' annual accountability plans, which is approved by the Board each June, 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 1001.706(b) and (c), Florida Statutes, lists a set of measures that universities shall report to the Board.

“Include performance metrics and standards common for all institutions and metrics and standards unique to institutions depending on institutional core missions, including, but not limited to, student admission requirements, retention, graduation, percentage of graduates who have attained employment, percentage of graduates enrolled in continued education, licensure passage, average wages of employed graduates, average cost per graduate, excess hours, student loan burden and default rates, faculty awards, total annual research expenditures, patents, licenses and royalties, intellectual property, startup companies, annual giving, endowments, and well-known, highly respected national rankings for institutional and program achievements..”

The universities began charging the tuition differential fee in the fall 2009 term, eleven 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 2021 Accountability Plans, the Board of Governors Strategic Plan and individual institution reports for data and measures related to items identified in Statute.



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