

Tuition Differential Fee Report



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

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Table of Contents

Executive Summary	<u>3</u>
Background	<u>4</u>
Tuition Differential Fee Proposals and Approval Process	<u>5</u>
2017-18 Tuition Differential Fee Summary	<u>6</u>
2018-19 Tuition Differential Fee Summary	<u>8</u>
Performance Accountability	<u>11</u>

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 2018.

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.

In 2017-18, each state university charged a tuition differential fee, with rates ranging from \$35.14 to \$52.29 per credit hour and reported 2017-18 revenues of \$269.6 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 (2018-19) academic year, the tuition differential fee rates also range from \$35.14 to \$52.29 per credit hour. These funds will contribute an estimated \$269.9 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.

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 and Florida State University are designated as preeminent but neither institution has 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 and Florida State University are eligible, however, neither institution has pursued an increase.

Board Review and Approval

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

2017-18 Tuition Differential Fee Summary

In 2017-18, all state universities charged a tuition differential fee except FPU. In total, universities generated \$269.6 million from the tuition differential fee, \$80.9 million in need-based financial aid and \$188.7 million to support undergraduate education.

2017-18 Tuition Differential Fee Per Credit Hour and Revenues

University	Per Credit Hour Fee	Actual Revenues
FAMU	\$36.38	\$8,274,875
FAU	\$40.13	\$21,958,087
FGCU	\$36.38	\$10,543,908
FIU	\$52.29	\$50,172,625
FPU*	\$0	\$0
FSU	\$49.59	\$31,558,220
NCF	\$40.13	\$903,126
UCF	\$44.20	\$54,765,171
UF	\$44.17	\$33,454,608
UNF	\$37.63	\$10,670,343
USF-Tampa	\$46.88	\$31,675,335
USF-St. Petersburg	\$35.14	\$3,335,392
USF-Sarasota/Manatee	\$35.14	\$1,716,155
USF-HSC	\$46.88	\$3,049,153
UWF	\$38.88	\$7,571,208
SUS TOTAL		\$269,648,206

Source: Board of Governors 2018-19 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 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	20	577
FAU	210	30	859
FGCU	62	8	354
FIU	184	83	2,030
FPU*	0	0	0
FSU	299	54	2,553
NCF	11.05	5.25	36
UCF	1,033	0	5,087
UF	198	3	2,395
UNF	281.5	0	1,126
USF-Tampa	270	83	3,958
USF-St. Petersburg	19	6	95
USF- Sarasota/Manatee	129	0	293
UWF	54	1	652
SUS TOTAL	2,776.55	293.25	20,015

Source: Board of Governors 2018-19 Operating Budget Supplemental Schedule

*Florida Polytechnic University (FPU) 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.

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."

The \$80.9 million allocated to need-based financial aid provided scholarship awards to over 47,500 students.

47,525 Students Received a Financial Aid Award

University	# of Students Receiving an Award	Minimum Awarded	Maximum Awarded
FAMU	1,562	\$110	\$4,500
FAU	3,213	\$33	\$4,042
FGCU	1,798	\$2,000	\$2,000
FIU	17,634	\$15	\$19,002
FPU*	0	\$0	\$0
FSU	3,719	\$116	\$6,150
NCF	102	\$95	\$5,660
UCF	10,922	\$300	\$5,650
UF	1,139	\$8	\$11,703
UNF	1,031	\$431	\$4,000
USF-Tampa	7,185	\$20	\$4,805
USF-St. Petersburg	739	\$43	\$5,043
USF-Sarasota/Manatee	401	\$103	\$3,250
UWF	1,337	\$41	\$5,000
SUS TOTAL/AVERAGE	50,782	\$237	\$5,772

Source: Board of Governors 2018-19 Operating Budget Supplemental Schedule

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

2018-19 Tuition Differential Fee Summary

In 2018-19, 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 \$269.9 million will be generated from the tuition differential fee. These funds will contribute an estimated \$81 million to institutional need-based financial aid and an additional \$188.9 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 2018-19 year.

Planned Uses of the Tuition Differential Fee Revenues

University	Uses
FAMU	Position with a combination of tenure track positions and visiting positions in the core critical academic disciplines will continue to be supported. In addition, adjuncts will continue to be hired to address the class size 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 and for the following initiatives - On-Line Academic Advancement Module, Career Development, Student Debt and Testing initiatives developed 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; enhance student advising. This is a continuation of funding allocation started several years ago. Since that time, the 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 communication skills; Student support and success, improving student experience with advisors; One-stop shop and graduation success library, undergraduate scholarly journals and database
FPU*	NA
FSU	Enhance the undergraduate experience by retaining faculty and advisors; reduce the student to faculty ratio; reduce the student to advisor ratio; need-based grants for undergraduate students

NCF	Support the Writing Resource Center and Adjunct Faculty, Quantitative Resource Center and Library Faculty, Pritzker Marine Science, Gender Studies and Environmental Studies, Library Electronic Resources, Wiley and SciFinder
UCF	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.
UF	Fund faculty/instructors to provide instruction and improve student-faculty ratio, Fund advisors to provide student advising, These funds will also be used to fund specific undergraduate programs, Provide funding to replace budget reductions from FY13
UNF	Fund faculty salaries and need-based aid; funds additional faculty FTE and increase course sections to support the culture of completion initiatives
USF-Tampa	Expand the high-skilled workforce and assuring job placement, especially in STEM; financial counseling and debt reduction
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, undergraduate education, and academic advising
USF-Sarasota/Manatee	Funds support undergraduate education; enhance timely college completion rates; provide high quality professors and academic advisors to enhance instruction and learning to help students stay on track for timely graduation
UWF	Funds support undergraduate initiatives including retaining full-time faculty, enhancing support for the Office of Financial Aid and Enrollment Affairs, enhancing support for the Marine Services Center, operating expenses and advisors.

Source: Board of Governors 2018-19 Operating Budget Supplemental Schedule

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

2018-19 Tuition Differential Fees and Estimated Revenues

Institutions	Per Credit Hour Fee	Estimated Revenue
FAMU	\$36.38	\$7,000,000
FAU	\$40.13	\$22,347,797
FGCU	\$36.38	\$10,299,274
FIU	\$52.29	\$49,321,016
FPU*	\$0	\$0
FSU	\$49.59	\$31,359,674
NCF	\$40.13	\$935,895
UCF	\$44.20	\$55,615,384
UF	\$44.17	\$33,850,000
UNF	\$37.63	\$10,159,393
USF-Tampa	\$46.88	\$32,800,000
USF-St. Petersburg	\$35.14	\$3,300,000
USF-Sarasota/Manatee	\$35.14	\$1,719,000
USF-HSC	\$46.88	\$3,049,275
UWF	\$38.88	\$8,156,296
TOTAL		\$269,913,004

Source: Board of Governors 2018-19 Operating Budget Schedule 625

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

Performance Accountability

Universities' annual accountability plans, will be approved by the Board in June 2019, 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, six 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 2018 Accountability Plans and individual institution reports for data and measures related to items identified in Statute.