

# Performance Funding Metrics

**Cost To The Student:**

*Net Tuition & Fees Per 120 Credit Hours*

## OVERVIEW OF METHODOLOGY AND PROCEDURES

1/21/2017



STATE UNIVERSITY SYSTEM *of* FLORIDA  
**Board of Governors**



## COST TO THE STUDENT

## Performance Funding Model Background

The Performance Based Funding (PBF) model was approved at the January 2014 Board of Governors Meeting. The development of the model included university presidents, provosts, boards of trustees, and other stakeholders starting in the fall of 2012. The PBF model includes ten metrics that were chosen from the Board's 2025 System Strategic Plan.

The integrity of data provided to the Board of Governors is critical to the PBF model process. To provide assurance that the data submitted for this process is reliable, accurate, and complete, the Board of Governors developed a Data Integrity Certification process in June 2014. University presidents and boards of trustees were directed to task their chief audit executives to perform annual audits of the university's processes, which ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors.

## Cost per Degree Metric Background

The original Cost per Bachelor's Degree focused on the Cost to the Institution and was derived from university Expenditure Analysis reports. During the June 2015 Budget and Finance Committee meeting, Governor Kuntz indicated that the Board would take suggestions for a possible alternative methodology that would enhance how the Cost of a Bachelor's Degree was calculated. Board staff convened multiple conference calls with university representatives and included a face-to-face workshop meeting on March 29, 2016, which was attended by Board Chair Kuntz and Budget Chair Lautenbach to hear university proposals for alternative metrics. After reviewing all the proposals, the Board decided to use a Cost to the Student metric that was largely based on a 2013 report from the Cost-per-Degree Workgroup.<sup>1</sup>

This document provides details on the methodology and procedures used by Board of Governors staff to calculate the Cost to the Student: Net Tuition & Fees per 120 Credit Hours metric that was approved by the Board at its November 3, 2016 meeting.<sup>2</sup> The data for this metric is reported in the annual Accountability Report (Table 1D) and included within the PBF model as metric #3.

<sup>1</sup> The 2013 report, *Cost of a Degree to the Student, the State & the Institution*, is available at: [http://www.flbog.edu/about/budget/docs/cost\\_per\\_degree/Cost-Per-Degree-Report-FINAL-06-03-2013.pdf](http://www.flbog.edu/about/budget/docs/cost_per_degree/Cost-Per-Degree-Report-FINAL-06-03-2013.pdf).

<sup>2</sup> The November Board meeting includes an FAQ document that addresses many questions about the new metric and is available at: [http://www.flbog.edu/documents\\_meetings/0202\\_1033\\_7800\\_7.4.4%20BUD%2004c%20-%20Metric3\\_FAQ\\_JJ\\_2016-10-11.pdf](http://www.flbog.edu/documents_meetings/0202_1033_7800_7.4.4%20BUD%2004c%20-%20Metric3_FAQ_JJ_2016-10-11.pdf).



## 1. Data Sources and Procedures

The State University System of Florida Board of Governors maintains a student unit record database titled the State University Database System (SUDS). This database contains over 400 data elements about students, faculty and programs at SUS institutions. It is important to note that SUDS does not include student tuition, fee, or book payments, so this 'Cost to the Student' metric is based on a model that serves as a reasonable estimate of the costs to the student.

The Board of Governors' Information Resource Management (IRM) unit builds datamarts that the Institutional Research (IR) staff use to calculate this metric. The datamarts are essentially the same data that is submitted to SUDS by the universities, except that IRM staff replace the student's Social Security Number (SSN) with a new unique ID that IR staff use in the analysis. IRM staff perform a series of quality assurance validation steps before providing IR staff with datamarts.

The datamarts used for this metric are built from the following SUDS files: Student Instruction File (SIF), Student Financial Aid File (SFA), and the Hours to Degree (HTD) file. Once IR staff have finished their analysis, each university Data Administrator leads the university review of the data analysis to make sure it is accurate before the data is approved by each university board of trustees and the Board of Governors as part of the Accountability Report process.

## 2. Overview

The 'Sticker Price' is the published tuition and fee amount; however, it does not represent the actual amount of tuition paid by most students. Students actually pay the 'net tuition' amount, which is the amount of tuition and fees that remain *after* financial aid has been taken into account.



## 3. Sticker Price

The sticker price refers to the sum of the published tuition and required fees amount per credit hour and the national average cost for books and supplies. Because this metric represents the cost of a degree, each institution's sum of tuition, fees, books and supplies is multiplied by the average number of credit hours attempted by students for the most recent class of bachelor's recipients who started as first-time-in-college students (FTICs) and graduated from a program that requires only 120 credit hours. This method recognizes that a student who enrolls in more credit hours pays more for tuition, fees and books.

### a. Tuition and Required Fees:

The per credit hour tuition rate is established annually by the Florida Legislature in the General Appropriations Act (GAA). The Cost to the Student metric is based on the tuition rate for resident undergraduates and required fees (e.g., activity & service, transportation, health, technology, capital improvement, tuition differential, etc.) that have been approved by the Board of Governors at the request of the university boards of trustees. The tuition and fees used for this metric are available at:

<http://www.flbog.edu/about/budget/current.php>.



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**b. Books & Supplies:**

Textbook affordability is a concern of the Florida Legislature, the Governor, the Board of Governors and students. Board staff chose to use a national cost for books and supplies, as reported annually by the College Board,<sup>3</sup> as a proxy due to the lack of comprehensive data regarding book costs across the multiple sources used by students to acquire their course materials.

- The calculation of book costs is based on the costs for a 120-hour degree. The College Board's national average book cost is based on annual costs, so the average annual cost is multiplied by 4 to produce the book costs for a four-year, 120-hour degree. This new cumulative four-year cost amount is then divided by 120 to produce a 'per credit hour' cost amount.
- Due to the annual volatility of the national estimated costs for books and supplies, Board staff have decided to use the same data for book costs for the two years that are evaluated within the PBF model. This serves to standardize the book costs for the year-over-year improvement assessment.

**c. Total Hours Attempted:**

The average number of credit hours attempted by students who were admitted as FTIC and who graduated with a bachelor's degree from a program that requires 120 credit hours, as reported on the Hours to Degree (HTD) file.

- **Native Credits:** Includes all credit hours attempted at the state university from which the student received a baccalaureate degree, which is based on the sum of SECTION\_CREDIT [#1459] when CRS\_SYSTEM [#1484] = 'N--native'. Native credits include all failed, dropped, repeated, and withdrawals.
  - Board of Governors staff have clarified that graduate-level credit that is attempted for completion of a baccalaureate degree is included in the Cost to the Student metric. However, if graduate credit is attempted as part of a (3+2 or 4+1) dual bachelor's/master's degree, where the credit applies to both the undergraduate and graduate requirements, then it should be considered graduate degree coursework and is therefore excluded from the Cost to the Student metric. The exempted credits are based on the sum of SECTION\_CREDIT [#1459] when COURSE\_GROUP [#1485] = 'R'.
- **Non-Native Credits Used Toward the Degree:** Includes only the credit hours (sum of SECTION\_CREDIT [#1459]) that are accepted for transfer by the degree-awarding institution (CRS\_SYSTEM [#1484] <> 'N--native') and used toward the student's baccalaureate degree program (USAGE\_INDICATOR [#1489] = 'D'). Transfer credits that were not used toward the degree are excluded from the calculation of total hours.
- **Excluded credit hours:** It is important to note that the courses that are excluded for the calculation of total hours for the Cost to the Student metric are slightly different than the methodology used to calculate the Excess Hours PBF metric. This difference is due to the fact that students pay for some courses (e.g., internships, remedial, and foreign language (up to 12 credits that are used to satisfy the FTIC admission requirement) that are exempt from the excess hours calculation. See Table 1 for the comparison of which course credits are included for the two metrics.

<sup>3</sup> The College Board's *Trends in College Pricing* report (Average Estimated Full-Time Undergraduate Budgets, Figure 1), that is based on their Annual Survey of Colleges for public four-year institutions, is available at: <https://trends.collegeboard.org/college-pricing>.



EXCLUDED FROM EXCESS HOURS	EXCLUDED FROM COST TO THE STUDENT
ACTIVE DUTY MILITARY	ACTIVE DUTY MILITARY
DUAL ENROLLMENT	DUAL ENROLLMENT
EXAM CREDIT	EXAM CREDIT
FOREIGN LANGUAGE	
GRADUATE ROLLOVER	GRADUATE ROLLOVER
INTERNSHIP	
LIFE EXPERIENCE	LIFE EXPERIENCE
MILITARY COURSE	MILITARY COURSE
PERSONAL HARDSHIP	PERSONAL HARDSHIP
REMEDIAL	

#### 4. Financial Aid

Financial aid is an administrative tool for achieving federal, state and institutional goals. Financial aid is used by universities to offset the published tuition (or sticker) price as a way to recruit students based on merit and/or to change campus diversity. The “Cost to the Student” metric includes all the gift aid (e.g., scholarships, grants and waivers) awarded to resident undergraduates in a given academic year. The total gift aid is then divided by the total credit hours earned by that same group of resident undergraduates during the same academic year. This methodology provides an average gift aid per credit hour that is then multiplied by 120 credit hours and compared to the sticker price. It is worth noting that federal ‘education tax credits’ are not collected within SUDS are therefore not included in the data for the Cost to the Student metric. Therefore, this metric slightly over-estimates the total costs to students.

##### a. Resident Undergraduates:

The only financial aid data that is included in this “Cost to the Student” metric are funds that were awarded to resident undergraduate students (FEE CLASSIFICATION [#1106] = ‘F’, ‘R’, ‘T’ and STUDENT CLASS LEVEL [#1060] = ‘L’, ‘U’). This group of students is selected from the enrollments table by academic year and then matched to the financial aid awards table and the courses taken table using a “left join” merge procedure that includes the academic term. Including “term” in the match ensures that the resulting gift aid and credit hours do not include data for graduate students (as some undergraduates become graduate students within the same academic year).

##### b. Grants & Scholarships:

Grants and scholarships are often called “gift aid” because they are free money—financial aid that doesn’t have to be repaid. Grants are often need-based, while scholarships are usually merit-based. Grants and scholarships can come from the federal government, state government, university, or a private or nonprofit organization. Gift aid does not include loans or Florida Prepaid College Plans.

- All grants are included (Financial Aid Award Program Identifier [#1253] between ‘0 – 99’).
- All scholarships are included (Financial Aid Award Program Identifier [#1253] between ‘200 – 299’).<sup>4</sup>

<sup>4</sup> For the first year of reporting, universities that did not include the ‘Education Dollars for Duty’ awards in their annual Student Financial Aid file (SFA) were asked to provide BOG IR staff with the EDD amounts by term, so these funds could be manually added to the scholarship totals. The Education Dollars for Duty (EDD) scholarship program is administered by the Florida Department of Military Affairs – see Section 250.10, Florida Statutes, for more information.



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**c. Waivers:**

A waiver is a form of “gift aid” that allows for a portion of a student's tuition and fees to be reduced. Using the same methodology as grants and scholarships, the total waivers awarded to resident undergraduates during an academic year are calculated. BOG staff worked with university Data Administrators and Financial Aid Directors to resolve any questions about the waiver data calculated for any university.

- Note: BOG staff are working with university staff in an effort to improve how waivers are reported in SUDS.

**d. Credit Hours:**

The total credit hours attempted by the group of resident undergraduates during the academic year are included as a denominator in order to calculate the total gift aid amount per credit hour. All credit hours, regardless of the course budget entity, are included. The only exception is for courses which are taught at the institution reporting the credit but are funded through another SUS institution (STU\_SECTN\_FUND\_CD= A-I, K). It should be noted that credit hours are based on student-level (not course-level), so any credit hours attempted at the graduate level by students coded as undergraduates are included in the count.