

FLORIDA BOARD OF GOVERNORS

NOTICE OF PROPOSED AMENDED REGULATION

DATE: June 28, 2017

REGULATION NUMBER AND TITLE: 8.002 Self Supporting and Market Tuition Rate Program and Course Offerings

SUMMARY: In consultation with members of the Council of Academic Vice Presidents, Board of Governors Regulation 8.002 has been substantially amended in order to address the needs of continuing education (college credit and non-credit), sponsored credit courses and programs, and market tuition rate courses and programs. The substantial amendments:

1. Defines continuing education as an Auxiliary Enterprise of the university; differentiates between non-credit and college credit offerings and provides a process for setting tuition and fees for each; and establishes certain criteria and limitations on the offering of college credit continuing education courses and programs.
2. Defines sponsored credit courses and programs; provides authority for university boards to waive any tuition or fees not paid by the sponsoring entity; requires that sponsored credit courses and programs be budgeted in the auxiliary enterprise accounts or contract and grants accounts as appropriate.
3. Defines market tuition rate courses and programs; provides a process for approval of new graduate degree programs established only as market tuition rate programs; provides a process of approval for majors and certificates under existing graduate degree programs to be approved as market tuition rate; provides certain criteria and limitations for programs and certificates offered as market tuition rate; provides for an appeal process of any adverse Board of Governors decision; and provides a process for changing the approved tuition for market tuition rate programs, majors, and certificates.
4. Requires that credit hours generated and degrees granted be reported in the State University Data System for college credit continuing education, sponsored credit courses and programs, and market tuition rate courses and programs separate from those funded through the E&G budget entity.

FULL TEXT OF THE REGULATION IS INCLUDED WITH THIS NOTICE.

AUTHORITY TO PROPOSE REGULATION(S): Section 7(d), Art. IX, Fla. Const.; BOG Regulation Development Procedure dated March 23, 2006.

THE BOARD OF GOVERNORS' OFFICIAL INITIATING THE PROPOSED

REGULATION: Dr. Jan M. Ignash, Vice Chancellor, Academic and Student Affairs.

COMMENTS REGARDING THE PROPOSED REGULATION SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW. The comments must identify the regulation on which you are commenting:

General Counsel, Board of Governors, State University System, 325 W. Gaines Street, Suite 1614, Tallahassee, Florida 32399, (850) 245-0466 (phone), (850) 245-9685 (fax), or generalcounsel@flbog.edu

8.002 Self Supporting and Market Tuition Rate Program and Course Offerings

(1) Continuing Education – Continuing education is defined as an Auxiliary Enterprise of the university providing non-state fundable, self-supporting college credit courses or programs, non-credit professional development courses or programs designed to upgrade existing technical or professional skills, and courses that are provided primarily for personal enrichment or as a public service to the community. Continuing education allows prospective students who wish to pursue their higher education beyond the attainment of traditional degrees the option to pursue alternative curricula or alternative credentials, which may be offered via alternative delivery models.

(a) The administrative unit(s) under which continuing education programs are managed shall be determined by the university.

(b) Continuing education activity shall be reflected in the Auxiliary budget entity, except that activity related to sponsored credit courses and programs may be reflected in the contracts and grants trust fund.

1. Costs associated with non-college credit continuing education activity must be recovered from student fees or sponsoring entities and shall not be recovered from funds appropriated in the Education & General (E&G) budget entity. Universities may collect and expend revenues collected above the level needed for cost-recovery of non-college credit continuing education activity when such revenues are used to provide enhanced support for the academic units associated with the courses or programs, or to provide financial support to students.

2. Tuition and fees charged for college-credit continuing education courses must be sufficient to offset the full instructional cost of serving the student and shall not exceed the existing approved tuition and out-of-state fees for similar level courses unless Board of Governors' approval for an exception has been granted pursuant to Regulation 7.001 (4) or the process for Market Tuition Rate established in this regulation.

(2) Continuing Education College Credit Courses and Programs – College credit courses and programs offered through continuing education shall be self-supporting through tuition and fees and shall not supplant existing university offerings funded by state appropriations.

(a) Admissions and graduation criteria, as well as academic standards, for degree programs offered through continuing education must align with those criteria and standards in equivalent programs funded through the E&G budget entity and must go through the same curriculum approval processes as those E&G-funded programs.

(b) Graduate level degree programs and majors that address clearly identified post-professional workforce demand may be implemented as a unique continuing education

offering which is not available as a state funded program, subject to the tuition and fees policy and data reporting requirements established in this regulation

(c) Degree programs and majors offered through continuing education shall not include those which lead to initial licensing or certification for occupational areas identified as a state critical workforce need by the Board of Governors unless it can be demonstrated to be the best strategy to increase the number of graduates in the state and has been approved for market tuition rate in accordance with subsection (4) of this regulation.

(3) **Sponsored Credit Courses and Programs** – Sponsored credit courses and programs are self-supporting college credit offerings where substantially all the direct costs are paid by the external sponsoring entity, where there is no direct expenditure of E&G funds for the conduct of the programs, and where no fees or other assessments are collected from students by the sponsoring entity, the university, or any other entity.

(a) In determining whether the direct costs are paid by the sponsoring entity, funds paid directly to the participants in a form such as, but not limited to, stipends, travel or book allowances should not be taken into account. "Direct costs" refer to the costs associated with the instruction or training which a participant receives. All funds collected from sponsoring entities for sponsored credit courses and programs will be remitted to the university's contract and grants trust fund and/or continuing education auxiliary trust funds as appropriate.

(b) Each university board of trustees is authorized to waive any tuition, associated fees, and material and supply fees for students participating in sponsored credit courses and programs when they are not covered under the contract with the sponsoring entity, and pursuant to a regulation adopted by the university board of trustees under section 1009.26 (9), Florida Statutes, and Board of Governors Regulation 7.008.

(4) **Market Tuition Rate Courses and Programs** – Market Tuition Rate is defined as a tuition rate that is competitively aligned with comparable programs offered by public and independent institutions located both in-state and out-of-state.

(a) A university board of trustees may approve a new graduate-level degree program for market tuition rate at the time it approves the new degree for implementation pursuant to Board of Governors Regulation 8.011. The new degree proposal must provide a convincing rationale for seeking market tuition rate and the proposed budget must clearly indicate that the revenue generated will be sufficient to operate the program without E&G funding. New degree programs approved for market tuition rate must be submitted to the Board of Governors for consideration and approval of the tuition and any associated fees before enrollment of any students.

(b) A university board of trustees may submit a proposal for market tuition rates for graduate-level courses offered online or through the university's continuing education

unit when such courses are included as a major of an existing approved degree program or as a college credit certificate program. Proposals to charge market tuition rates for majors of existing degree programs and college credit certificate programs shall be considered by the Board during a November meeting if documentation is provided that demonstrates:

1. The existing degree program majors and college credit certificates have been approved in accordance with Regulation 8.011 and the university has established one or more separate market tuition rate student cohorts, each of which can be tracked for administrative and reporting purposes.
2. The programs do not lead to initial licensing or certification for occupational areas identified as state critical workforce need in the most current State University System of Florida Strategic Plan. A university may request establishment of market tuition rates for such programs for non-residents if such programs do not adversely impact development of other programs for Florida residents. A university, upon a written request for a special exception from the Chancellor, may submit a proposal for market tuition rate for a program leading to initial licensing or certification in a state critical workforce need area if it can be demonstrated to increase the number of graduates in the state.
3. The program admission and graduation requirements shall be the same as similar programs funded by state appropriations.

(c) The Board shall approve no more than five new graduate-level degree programs or college credit certificate program proposals per university per academic year.

(d) The proposal for market tuition rate programs shall be submitted in a format designated by the Chancellor and include at a minimum:

1. A description of the program and its compliance with the requirements outlined in subsection (3) (b) 1.
2. An explanation of the process used to determine the market tuition rate and the tuition at similar programs from at least five other institutions, including both private and public.
3. A description of similar programs offered by other state university system institutions.
4. An estimate of the market tuition rate to be charged over the next three years.
5. A description of how offering the proposed program at market tuition rate is aligned with the mission of the university.
6. An explanation and declaratory statement that offering the proposed program at market tuition rate does not increase the state's fiscal liability or obligation.
7. An explanation of any differentiation in rate between resident and non-

resident students paying market tuition rate.

8. An explanation of any proposed restrictions, limitations, or conditions to be placed on the program.

9. A description of any outcome measures that will be used to determine the success of the proposal.

10. In addition, the following information will be included with the proposal:

a. An explanation of how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration.

b. A baseline of current enrollments, including a breakout of resident and nonresident enrollment, in similar state-funded courses.

c. An estimation of the economic impact that implementation of the proposal will have on the university and the student by identifying the incremental revenue the university anticipates collecting if the proposal is approved.

d. A description of how revenues will be spent, including whether any private vendors will be utilized, and which budget entity the funds will be budgeted.

(e) The Board of Governors will act upon the responsible committee's recommendation at the next scheduled meeting. If a university board of trustees' proposal is denied, within five calendar days, the university board of trustees may request reconsideration by the Board's Tuition Appeals Committee, which shall consist of the Chair of the Board and the Chair of each Board committee. The Tuition Appeals Committee will meet within ten calendar days after the Board of Governors' denial to consider a university board of trustees request for reconsideration.

(f) Any proposed increase in tuition and fees for an approved market tuition rate program or certificate must be approved first by the university board of trustees and then the Board of Governors.

(5) Reporting Credit Hours and Degrees Earned -

(a) Credit hours generated by college credit courses offered through continuing education, sponsored credit courses and programs, and market tuition rate shall not be reported as fundable credit hours and shall be reported to the Board of Governors using the State University Data System separately from credit hours funded through the E&G budget entity.

(b) Degrees awarded for programs offered entirely through continuing education, sponsored credit courses and programs, or market tuition rate shall be reported to the Board of Governors using the State University Data System separately from degrees

awarded for programs funded through the E&G budget entity.

8.002 Continuing Education

- (1) — Continuing education is defined as non fundable, self-supporting college credit courses or programs, non-credit professional development courses or programs designed to upgrade existing technical or professional skills, and courses that are provided primarily for personal enrichment. Continuing education courses and programs are funded in the Auxiliary budget entity, except that funds collected from sponsoring entities for sponsored credit institutes may be remitted to the university's contract and grants trust fund, pursuant to Regulation 7.008(2)(b).
- (2) — The administrative unit(s) under which the continuing education program is managed shall be determined by the university.
- (3) — Continuing education college credit courses shall not supplant existing university offerings funded by state appropriations.
- (4) — Admissions and graduation criteria, as well as academic standards, for degree programs offered through continuing education must align with those criteria and standards in equivalent programs funded through the E&G budget entity and must go through the same curriculum approval processes as those E&G funded programs.
- (5) — Student full-time equivalent (FTE) enrollments calculated from college credit hours earned through continuing education shall be reported to the Board of Governors separately from student FTE funded through the E&G budget entity.
- (6) — Degrees awarded for continuing education programs shall be reported to the Board of Governors separately from degrees awarded for programs funded through the E&G budget entity.
- (7) — For the purpose of planning, offering, and recovering all direct costs of continuing education courses and programs, continuing education activity shall be reflected in the Auxiliary budget entity, except that activity related to sponsored credit institutes may be reflected in the contracts and grants trust fund, pursuant to Regulation 7.008(2)(b).
 - a. — Costs associated with continuing education activity may not be recovered from funds appropriated in the E&G budget entity.
 - b. — Universities may collect and expend revenues collected above the level needed for cost recovery of continuing education courses in a program approved pursuant to the process for Market Rate Tuition established in Regulation 7.001.
- (8) — Each board of trustees shall include the following continuing education information in its annual report submitted to the Board of Governors pursuant to Regulation 2.002, beginning with the 2012-2013 annual report:

- a. ~~For college credit courses:~~
 - i. ~~Revenues;~~
 - ii. ~~Expenditures for continuing education activities;~~
 - iii. ~~FTE enrollment by level;~~
 - iv. ~~Degrees earned;~~
 - v. ~~Certificates earned; and~~
 - vi. ~~Out-of-state locations in which face-to-face instruction was offered.~~
- b. ~~For non-credit courses:~~
 - i. ~~Revenues;~~
 - ii. ~~Expenditures for continuing education activities;~~
 - iii. ~~Headcount for enrollees in K-12 programs, professional and executive programs, and lifelong learning programs;~~
 - iv. ~~Certificates earned; and~~
 - v. ~~Out-of-state locations in which face-to-face instruction was offered.~~

Authority: Section 7(d), Art. IX, Fla. Const.; History: New 09-15-11; Amended