

Tuition and Tuition Differential May 7, 2009, Conference Call

****The following process is temporary. A Board regulation will be developed for future tuition differential reviews. In addition, the timeline proposed herein is subject to change given the Legislative budget situation.****

Action:

The Board of Governors (BOG) will need to take action on the following items during the May conference call:

1. Pursuant to Regulation 7.001 - Tuition and Fees, the Board will need to establish the undergraduate tuition per credit hour for fall 2009. Currently, undergraduate tuition is \$82.03 per credit hour.
2. Establish a process for consideration of a university board of trustees' proposal for a tuition differential per credit hour.

Background:

Pursuant to the Governor's initiative last fall, House Bill 403 and Senate Bill 762 will provide the university boards of trustees the flexibility to establish a tuition differential for undergraduate courses upon approval by the BOG. The aggregate sum of base tuition and the tuition differential may not be increased by more than 15 percent over the preceding fiscal year. These bills are moving through the legislative process, and all indications are that they will pass and be submitted to the Governor for approval. In anticipation of passage and the Governor's signature, the BOG will need to establish a process to consider tuition differential effective for the fall 2009 semester.

Key provisions of these tuition differential bills include:

- The aggregate sum of base tuition and tuition differential may not be increased by more than 15 percent over the preceding fiscal year.
- 70 percent of the revenues shall be expended for purposes of undergraduate education.
- 30 percent of the revenues, or an equivalent amount of new revenue from private sources, shall be expended on need-based financial aid.
- A tuition differential may vary by undergraduate course or courses, campus or center location, and by institution.
- The aggregate sum of undergraduate tuition and fees per credit hour, including the tuition differential, may not exceed the national average at 4-year public institutions.
- The tuition differential will not be included in the Bright Futures Scholarship Program.
- Beneficiaries having prepaid tuition contracts that were in effect on July 1, 2007, and that remain in effect are exempt from payment of the tuition differential.

- A student who was in attendance at the university before July 1, 2007, and maintains continuous enrollment is exempt from payment of the tuition differential.
- The tuition differential may be waived for students who meet the eligibility requirements for the Florida Public Student Assistance Grant.
- The BOG shall review each proposal and advise the university board of trustees of approval, the need for additional information or revision to the proposal, or denial of the proposal.
- The BOG shall establish a process for any university to revise a proposal or appeal a decision of the Board.
- The BOG must submit an annual report by January 1 of each year describing implementation of the tuition differential and the related provisions as required in statute.

Proposed Process:

In order for the BOG to review each proposal and allow sufficient time for university boards of trustees to notify students of any tuition differential increase effective for the fall 2009 semester, the process will need to begin immediately after the bill passes the Legislature and in anticipation of the Governor's approval. It is proposed that the BOG Budget, Finance and Business Operations Committee review all tuition differential proposals and a recommendation be made to the Board of Governors. A university may appeal a decision of the Board of Governors. The Tuition Appeals Committee consisting of the chair of each Board committee and the Chair of the Board would hear the appeal.

The following tentative timeline is anticipated for review of the tuition differential proposals (a final timeline cannot be established until the base undergraduate tuition is established in the appropriations bill):

1. *Date to be determined* - tuition differential bill passes.
2. *Date to be determined* - Governor signs tuition differential bill.
3. *Date to be determined* - The Legislature will set the base undergraduate tuition per credit hour in the appropriations bill.
4. May 1 (Friday) - The regular 2009 legislative session ends.
5. May 22 (Friday) - The university board of trustees shall submit its request for a tuition differential to the President in Residence. The attached form shall be used for requesting the tuition differential.
6. June 4 (Thursday) - The Budget, Finance and Business Operations Committee will meet by conference call to review the proposals and make a recommendation on each proposal to the full Board at the June meeting.
7. June 18 (Thursday) - The Board will meet to consider the recommendations of the Budget, Finance and Business Operations Committee and will vote to approve or disapprove. A university may request reconsideration of the decision by filing a request for reconsideration within five (5) days of the Board's decision with the Office

of the Chancellor. The Tuition Appeals Committee will hear the request. The Tuition Appeals Committee will meet via conference call within five (5) days of receipt of the university's request for reconsideration to consider the request and make a recommendation to the full Board. The full Board will meet via conference call within five (5) days to render a final decision on the Tuition Appeals Committee's recommendation.

Attachments

1. University Request for a Tuition Differential form.
2. Maximum tuition differential that may be established by each university.

**Florida Board of Governors
Budget, Finance and Business Operations Committee
University Request for a Tuition Differential**

University:

Effective Date	
University Board of Trustees Approval Date:	
Implementation Date (month/year):	
Purpose	
Describe the overall purpose of the tuition differential:	
Campus or Center Location	
Campus or Center Location the Tuition Differential will apply (If the entire university, indicate as such):	
Undergraduate Course(s)	
Course(s) (If an undergraduate course will have a unique tuition differential then a separate form should be completed for each course. If the tuition differential applies to all university undergraduate courses, indicate as such):	
Tuition Differential	
Percentage increase from prior year:	
Amount per credit hour:	
Amount for 30 credit hours:	
Projected Revenue Generated and Intended Uses	
Amount of revenue generated in Year 1:	
<p>Seventy percent (70%) of the funds must be used for undergraduate education.</p> <p>Describe the initiative(s) and the estimated expenditure(s) for each:</p> <ol style="list-style-type: none"> 1. 2. 3. 	
<p>Thirty percent (30%) of the funds must be used for undergraduate students who have financial need.</p> <p>Describe the initiative(s) and the estimated expenditure(s) for each:</p> <ol style="list-style-type: none"> 1. 2. 3. 	
Monitoring	

**Florida Board of Governors
Budget, Finance and Business Operations Committee
University Request for a Tuition Differential**

<p>Indicate how the university will monitor the success of the tuition differential. Include any performance measures that may be used:</p>	<ol style="list-style-type: none">1.2.3.
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Maximum Tuition Differential

Setting the tuition differential cannot take place until the base undergraduate tuition has been established. Currently, the House is proposing a 7 percent and the Senate an 8% undergraduate tuition increase, from the current tuition rate of \$82.03 per credit hour.

Depending on the base undergraduate tuition increase adopted by the Legislature, the following undergraduate tuition differential per credit hour that could be charged by each university is as follows:

	House – 8% <u>Differential</u>	Senate – 7% <u>Differential</u>
FAMU	\$6.56	\$5.74
FAU	\$6.56	\$5.74
FGCU	\$6.56	\$5.74
FIU*	\$7.60	\$6.78
FSU*	\$7.60	\$6.78
NCF	\$6.56	\$5.74
UCF*	\$6.92	\$6.09
UF*	\$7.60	\$6.78
UNF	\$6.56	\$5.74
USF*	\$7.60	\$6.78
UWF	\$6.56	\$5.74

*Upon approval of the Board of Governors, five institutions implemented a tuition differential effective with the fall 2008 semester. Four institutions implemented a tuition differential of \$6.96 per credit hour and UCF implemented a \$2.32 per credit hour tuition differential. The amounts implemented in 2008-09 are not included in the maximum tuition differential amounts included above.