



Information BRIEF

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Tuition and Fees Fact Sheet

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HOW THE PROCESS WORKS

The topic of setting base tuition and “tuition differential” applies only to undergraduate tuition. Tuition at public universities in Florida has two aspects:

- “Base tuition” is set by the Legislature during its budget process each Session. The Legislature may increase tuition for any percentage between 0 and 15 percent. The per credit hour charge (base tuition) is in budget proviso, then addressed by the Governor during the budget-review process. The final budget action is taken in the spring by the Governor for the next fiscal year of the State.
- “Tuition differential” is an option that each one of the universities’ Boards of Trustees can pursue by law. If pursued, each Board of Trustees must develop, create and vote on a tuition differential proposal that is then forwarded to the Florida Board of Governors for a decision. The Legislature can decide not to set a base increase. In that case, it would then fall to each university to propose, optionally, any amount for tuition differential; however, the base and differential together cannot exceed a 15 percent increase over the previous year, which is the cap in Florida law. So, for example, if the Legislature set the base tuition increase at (the cap of) 15 percent, there would be no option for Universities to seek tuition differential that year (and assuming the Governor approved that in the budget).

When we talk about base tuition or tuition differential, this does not include student fees (i.e., Health, Athletics, etc.). However, when we compare Florida to other states, we include tuition and fees, and the national rankings also include both tuition and fees.

For an historical chart of year-by-year base tuition, tuition differential, and averages, see graphic #1.

DOES TUITION COVER REDUCTIONS IN STATE BASE OPERATING FUNDS?

No. One of the “urban legends” in public university funding discussions is that for every dollar of state support reduced, universities basically raise tuition to cover the gap. This is not the case for nearly every state in the union, and definitely not the case in Florida. Tuition increases in the State University System do not fill or cover reductions by the State in “state base operating funds.” In fact, the tuition increase since FY 2007-08 has amounted to about 20 percent or less of the total state FTE (enrollment basis) cuts over the same period of time. Further, in nearly all cases during that time period, the FTE total cut/state contribution has been more than two times the tuition increase.

Separately, since FY 2007-08, the State funding that universities receive annually per full-time student has fallen by \$2,628. The universities have been allowed to raise tuition by \$1,233 in that time, covering less than half the shortfall. For a snapshot list by university of year-to-year reductions in FTE, with tuition raised in the same timeframe, see graphic #2.

WHERE DOES FLORIDA RANK NATIONALLY?

Tuition *and fees* for the State University System put Florida at the 45th-lowest among 51 (the 50 states plus the District of Columbia) for public university tuition and fees, according to The College Board in its long-standing annual rankings (see press release – dated Oct. 26, 2011 – at www.flbog.edu/pressroom). The national average for tuition and fees in the nation is \$8,244. The Florida average is \$5,626. These are based on yearly costs and a total of 30 credit hours. The highest four-year public university in the nation is Pennsylvania State’s Main Campus at more than \$15,000.

DO BASE TUITION AND TUITION DIFFERENTIAL HAVE DIFFERENT COMPONENTS?

Yes. In the 2009 Session, the Legislature set specific mandates tied to any increases in tuition differential. For instance, 30 percent of any tuition differential amount (or funds that represent the same amount from other sources), must be set aside toward need-based student financial aid at that university. Given the increases in federal Pell Grant awards in recent years (notwithstanding the decreases by the U.S. Congress), the 30 percent Florida requirement has provided a very important and positive “offset” to tuition differential increases. The remaining 70 percent must be expended on undergraduate education only. In contrast, base tuition can be utilized for a broader list of a university’s initiatives.

ARE THERE OTHER RESTRICTIONS THAT KEEP COSTS IN CHECK?

There are three student fees at all state universities: A&S (Activities & Services), Health, and Athletics – all of which are capped in law. Those fees cannot go up by more than 5 percent a year or equal to the percentage of base tuition increase, whichever is higher.

WHAT IS THE MINDSET OF THE BOARD OF GOVERNORS IN REVIEWING TUITION DIFFERENTIAL REQUESTS? WHAT DOES IT CONSIDER WHEN REVIEWING TUITION PROPOSALS?

- *Student Access:* The Board of Governors is extremely sensitive to our students’ situations, and the Board of Governors takes accessibility to public higher education very seriously, all the while understanding economic conditions of the State, the Universities, and our families and students. The State University System is an organization supported by state funds, so it is critical to keep student access a top priority – and certainly affordability comes into play. However, academic quality is equally important. Further, the Board of Governors and stakeholder groups across the spectrum all agree that Florida needs higher baccalaureate degree attainment. We must have an educated workforce meeting the economic demands of Florida.
- *Base Tuition Considerations:* If the Legislature does not increase base tuition, the Universities have to consider and develop tuition alternatives, which often have occurred in direct response to state base reductions in the same fiscal year.
- *State Base Funding Reductions:* The State University System has experienced a 45 percent cumulative reduction in base state funding support since 2008, while experiencing growth and demand of 3 percent per year the past several years in student enrollment System-wide. More than 329,000 students are enrolled today (at all levels) amid the 11 institutions. [Click here](#) for a year-over-year growth trends and a by-university list, or see www.flbog.edu/pressroom.
- *Other Challenges for Universities:* The Florida Revenue Estimating Conference has PECO/fixed capital outlay funding at zero this year for new capital projects for state universities. Lack of PECO funds leaves basic needs for building and facility maintenance and repairs with no funding. The two “private donor matching gift” programs for state universities have accumulated eligible state matches of approximately \$400 million; programs were last funded in FY 2007-08, and, as a result,

those projects also are pending/carrying forward from FY 2006-07. These seriously impact a University's ability to sustain basic operations, not to mention meet student access demands and keeping pace capital enhancements.

- *Accountability*: Each tuition differential proposal must demonstrate and utilize a market-based approach, including socioeconomic status of the student body. The presentation must include retention and graduation rates and how adding tuition differential will improve those metrics – for instance, methods to reach struggling students, or precise information about hiring and retaining faculty.

ACCOUNTABILITY MEASURES & THE IMPACT OF FEES ON TUITION

The partnership between the Board and the Legislature in 2010 regarding this and other issues also resulted in a Board of Governors regulation that created a more comprehensive process across the System for tuition differential increase requests. [Click here](#) for details found in Regulation 7.001. A quick-look summary of all current-year student fees at the respective universities can be found here: <http://www.flbog.edu/about/budget/tuition.php> (click on Current Tuition and Fees).

HOW ARE STUDENTS' VOICES HEARD IN THIS DECISION-MAKING?

A student representative sits, year-round, as a full and voting member of the 17-member Board of Governors; this person is typically the President of the Florida Student Association, a separate non-profit organization (www.myfsa.org). There is also one student, the university's Student Body President, who sits as a voting member of the 13-member Board of Trustees at every university. The Board of Trustees at a university must create and vote on any tuition differential proposal before it is heard at the Board of Governors. Students have significant input in these decisions at both the university level, and again at the Board of Governors level. For the first time in 2011 – which is also the first time the Board of Governors had the responsibility to evaluate fees as per the 2010 governance agreement with the Legislature – the Board asked for the university President or a designee as well as the university's Student Body President or a designee to sit *en banc* with the Board of Governors for deliberations and to field any questions on each proposal.

The Board of Governors will continue to be sensitive to the needs of students, the economy, and the accessibility and affordability of higher education in their deliberations. Also, Board leadership and senior staff participate fully at the annual gathering of student government leaders – the Florida Student Association. The Board of Governors also convened a workshop in 2011 dedicated to student tuition and financial assistance matters across the State University System – an issue that Chair Dean Colson has stated he will continue through his two-year term (end of 2013).

IS THERE AN APPEAL PROCESS?

Yes. While Florida law allows the Board of Governors to deny or revise a tuition differential proposal, a university has the option to appeal, also provided by law. Board of Governors Regulation 7.001 (linked above) establishes that process. If a proposal is denied or revised by the Board of Governors:

- The university's Board of Trustees may appeal to the Board of Governors' Tuition Appeals Committee, a standing committee, within 5 days of the decision (by June 26, 2012, this year).
- The Board's Committee would meet within 10 days (by July 2, 2012).
- The Tuition Appeals Committee consists of the Board Chair and each Chair of the standing committees of the Board of Governors.

GRAPHIC #1: HISTORICAL BACKGROUND

Year	Base Tuition	Tuition Differential	Total Increase	Base Tuition Per Credit Hour (across all 11 universities)	Base Tuition Increase per Credit Hour (across all 11 universities)	Tuition Differential Average Increase per Credit Hour	Total Base & Tuition Differential Average Per Credit Hour
2006-07	3%	0%	3%	\$73.71	\$2.14	\$0	\$73.71
2007-08	5%	0%	5%	\$77.39	\$3.68	\$0	\$77.39
*2008-09	6%	8%	14%	\$82.03	\$4.64	\$6.03	\$88.06
2009-10	8%	7%	15%	\$88.59	\$6.56	\$2.86	\$91.45
2010-11	8%	7%	15%	\$95.67	\$7.08	\$7.54	\$103.21
2011-12	8%	7%	15%	\$103.32	\$7.65	\$9.16	\$119.74

** Only 5 universities were authorized to charge tuition differential the first year of the differential. FY 2009-10 was the first year differential was available to all 11 universities. Also, there have been years of 0% increase in tuition.*

GRAPHIC #2: CHANGE IN FUNDING PER FTE SINCE FY 2007-08 WITH TUITION

	<u>STATE FUNDS</u>	<u>TUITION</u>
FAMU	\$ -3,355	\$ 603
FAU	\$ -3,042	\$ 635
FGCU	\$ -3,179	\$ 1,091
FIU	\$ -2,628	\$ 1,233
FSU	\$ -1,985	\$ 1,476
NCF	\$ -5,400	\$ 1,284
UCF	\$ -2,515	\$ 1,100
UF	\$ -2,316	\$ 2,754
UNF	\$ -1,287	\$ 1,427
USF	\$ -1,955	\$ 1,175
UWF	\$ -3,807	\$ 1,043