

**BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
May 8, 2008**

**SUBJECT:** Tuition and Fees

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**PROPOSED BOARD ACTION**

Approve tuition and fees effective with the fall 2008 semester.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Section 7(d), Article IX, Florida Constitution

**BACKGROUND INFORMATION**

In the context of its commitment to quality, the Board of Governors adopted a tuition motion at the January 2008 meeting that increased tuition by eight percent for the 2008-2009 academic year, with 70 percent directed to a reduction of the student-faculty ratio and related support and administrative costs and 30 percent to need-based financial aid. Since that meeting, the economic forecast for the State has worsened and the state's general revenue is not expected to reach 2005-2006 levels until at least 2009-2010. In addition, the April 9 estimating conference reduced anticipated lottery revenues for 2008-2009. State funding for the university system will continue to be tight over the short term even as university costs continue to increase. As a result, state universities will need to work even more diligently in setting priorities, seeking efficiencies, competing for contracts and grants, and enhancing private endowments if educational services to students and our community are to be maintained.

In addition, the issue of tuition authority has yet to be determined by the court and a ruling is not anticipated on this issue within the immediate future based on the current schedule in the *Graham, Frey* action. The Legislature, acting in accordance with its position in the lawsuit, is continuing to assert authority over university tuition and has included a six percent tuition increase for undergraduate students in the 2008-2009 General Appropriations Act. The Legislature is conditioning a university's receipt of general revenue funds based upon university compliance with legislative tuition and fee policies. While conditioning receipt of general revenue funds upon compliance with legislative tuition and fee policies is also at issue in the *Graham, Frey* action, that issue will likewise not be resolved within the immediate future. Due to these factors, it is recommended that the Board revisit the tuition motion adopted in January so that university funding is not placed at jeopardy and that students are not placed in the untenable position of trying to reconcile the differences between Board and legislative tuition policies.

Consequently, it is recommended that the Board adopt the following tuition policy for fall 2008 as a commitment to quality, keeping tuition affordable for students and families, providing flexibility to the universities, and safeguarding the best interests of our students and universities:

1. University Boards of Trustees shall increase undergraduate tuition by six percent, which would equal \$4.64 per student credit hour for a maximum base tuition of \$82.03. Seventy percent of the increased revenue shall be directed to the reduction of student-faculty ratio and related support and administrative costs and 30 percent to need-based financial aid.
2. University Boards of Trustees are authorized to set graduate and professional tuition and all out-of-state fees.
3. University Boards of Trustees that meet Funding Level I or Level II definitions outlined in section 1004.635(3), Florida Statutes, may implement a differential undergraduate tuition as follows:
  - a. Funding Level I institutions may implement a differential undergraduate tuition that does not exceed 40 percent of base tuition. The combination of a base tuition increase and a differential tuition increase may not be increased by more than 15 percent annually. The maximum differential tuition for fall 2008 shall not exceed \$6.96 per student credit hour above the \$82.03 maximum base tuition.
  - b. Funding Level II institutions may implement a differential undergraduate tuition that does not exceed 30 percent of base tuition. The combination of a base tuition increase and a differential tuition increase may not be increased by more than 15 percent annually. The maximum differential tuition for fall 2008 shall not exceed \$6.96 per student credit hour above the \$82.03 maximum base tuition.
  - c. The following categories of students are exempt from any differential tuition: students who were in attendance at a university as of July 1, 2007 and who have maintained continuous enrollment, and students who are beneficiaries of prepaid tuition contracts that were in effect on July 1, 2007.

At the January Budget Committee meeting, Governor Temple led a discussion regarding graduate and professional tuition comparisons with other states. Attached for the Board is the information discussed during that meeting.

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**Supporting Documentation Available:** 1) Section 1004.635(3), Florida Statutes  
2) Graduate and Professional Program Tuition Rates

**Facilitators/Presenters:** Tim Jones