

**Florida State University  
Comments on the  
2004-2005 Governor Recommended Policies**

**In general these recommended policies would benefit from having a small group analyze each area in some detail. I am sure that each individual set of comments will be valuable but some direct discussions among those who will be implementing the policies would likely result in some additional improvements.**

**We have provided some brief comments at the end of each section in bold to make it easier to read.**

Targeted Incentive Program

- The Board of Governors shall allocate \$10,000,000 as incentive awards to individual university boards of trustees for establishing programs, policies, and procedures which lead to increased degree production in academic discipline areas deemed critical to Florida's future job growth needs.
- For fiscal year 2004-2005, the targeted critical career areas shall be defined as: Teaching, Nursing, Engineering, and Information Technology. The Florida Board of Governors, in conjunction with the individual university boards of trustees, shall identify the specific academic disciplines and the related, upper-division and graduate level academic courses which link to the targeted critical career areas.
- For allocating the incentive awards, the Florida Board of Governors shall establish a base from the 2003-2004 FTE enrollments in the targeted upper-division and graduate level academic courses taken by students who are majoring in the targeted academic disciplines. Incentive awards shall be determined at the end of each semester based on the prorated share of the FTE growth above the base year. The Florida Board of Governors shall determine the incentive award amount for each additional FTE by August 1, 2004. Any funds in Specific Appropriation 157 for incentives that are not awarded by June 30, 2005, shall revert to General Revenue unallocated.
- By October 1, 2004, the Florida Board of Governors, in consultation with the Agency for Workforce Innovation, Workforce Florida Inc., and Enterprise Florida shall develop a multi-year forecasting mechanism for identifying occupations to target for increased degree production. Such forecasting shall identify occupations with the largest unmet growth rates and/or highest wage potential for subsequent years. By November 1, 2004, the Florida Board of Governors shall develop a proposal for providing incentive awards beginning with the 2005-2006 fiscal year based on increasing degree production in academic disciplines linked to the occupations determined by the forecast. By December 1, 2004, the Florida Board of Governors shall report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, the details regarding targeted occupations, which meet the guidelines of the forecast,

the incentive award proposal, and any university successes or barriers to implementing this proposal.

## Comments

- **There is any number of ways that the process, as described, could work in favor of, or against, the production of additional degrees. Lets take a program such as nursing which requires a certain faculty: student ratio. Consider that a university adds faculty to generate additional FTEs and at the same time seven other universities do the same thing. The end result for the first university is that we have an increase in nursing FTEs at an average cost of about \$12,000 per FTE (not an unreasonable estimate). But what if other universities added FTEs in other cheaper areas such as Information Technology. At the end of the process one could foresee a university being forced to cut back on one of the areas because the “payment” under this plan was considerably less than the university investment. Without some agreement on how this will actually work and given the fact that the funds are non-recurring it would be a gamble for universities to invest in these programs and in the process lower the investments in other students, some of whom may be in exactly the programs the state wants to encourage!**
- **An alternative would be to create the pool of funds as recurring dollars and simply pay a bonus for each degree over some baseline. This would cause the universities to make an investment knowing the ROI would be in the future but reasonably assured.**
- **Other issues.**
- **If base is established by term and growth will be determined by comparing from one year to the next, what happens if an institution is over one term and under the next?**
- **In most instances, universities received funds in advance to generate growth rather than not having access to the funds until after growth appears. For example, if the incentive is awarded in January 2005; it will not be directly linked to activities initiated in this policy since most graduates would already have been in the pipeline. Should the incentive be linked to policy actions motivated by the proviso?**
- **Should the estimating conference identify the level of growth in addition to rates and wage potential?**

- Universities Can Establish Block Tuition
  - Individual university boards of trustees are authorized to establish block tuition and fee policies for undergraduate full-time students based on a course load of 15 credit hours beginning with the 2004-2005 academic year. The Board of Governors shall review and approve such policies prior to their implementation. Such policies shall not increase costs to students or the state regarding state supported student financial aid programs or the Florida Prepaid College Tuition Program.
    - **Shouldn't the proviso provide some flexibility in the 15 hours? Something less than 15 may be optimal for graduate/professional programs and 16 credit hours may be a better fit for some institutions. Summer sessions may also need to be in different block amounts.**
    - **If block fees are recommended to encourage students to finish quicker, perhaps this idea should be piloted a year or so before the introduction of excess hour penalties. The block fees may take care of the problem without the excess hour penalty. There are plenty of universities in this country with block tuition and we are currently looking at them to see how well it is working in terms of time to degree, costs and other factors.**
    - **Shouldn't the university boards of trustees be asked to consider the amount of additional classroom space needed to offer additional courses if average course-loads increase?**
    - **Before the university boards of trustees act, shouldn't the Board of Governors estimate the cost associated with a surge of enrollment growth if the intended result is successful and the average course loads increase? The additional student FTE will require additional state funds to meet the enrollment demand.**
    - **Students may lose their Bright Futures scholarship or other financial aid if they are unable to maintain the required GPA.**
    - **Before the university boards of trustees implement, shouldn't the Department of Education be asked to clarify the posting of hours to Bright Futures and Prepaid? For example, if a student takes 12 hours, the cost to Bright Futures would be the same as 15 hours and there would be no incentive for the student to take the additional hours.**
    - **If a student is in their final semester and only needs 12 hours to graduate within 110% of degree requirement, but under the block fees can enroll for 15 hours. Are the last 3 hours that exceed the 110% charged at out-of-state fees or "free" under block tuition?**
    - **Since most of the costs of higher education come from the costs of room and board, shouldn't the boards of trustees be directed to consider the impact on working students and the need for additional financial aid?**

- University Billing Statements
  - All students who are charged tuition and fees must receive a tuition bill which clearly identifies the amount of funding paid by the state on the student's behalf to reflect the true costs of the student's education and identify the entities which are bearing that cost. State funding to universities and state student financial aid shall be itemized. The Board of Governors shall review and approve a sample of each university's bill format prior to August 15, 2004.
  - **Shouldn't "true costs" and tuition bill be defined consistently across universities? Do the true costs include housing, private transportation, books, etc.? If we only included the GR we would have some consistency although even these amounts would vary among universities.**
  - **May we ask the Board of Governors to consider the use of electronic billing statements as a way to reduce the cost of implementation?**
  - **Shouldn't the Board of Governors be asked to specify the implementation date since the format approval is not until August 15<sup>th</sup> and bills for the fall will have long since been sent?**
  
- Excess Credit Hours
  - University boards of trustees shall establish policies which require students who are in excess of the number of hours needed to graduate by more than ten percent or who are not enrolled as degree-seeking to pay the out-of-state fee per credit hour.
  - **University boards should be directed in proviso to consider exemptions for the non-degree seeking students who must take additional courses in order to maintain certified in their profession.**
  - **Policies would have to deal with the impact on returning students or delayed students. The proviso may also discourage students who return for workforce issues, where students return to find better jobs or brush up on computer skills, etc. and are admitted as special students.**
  - **The special student status is often used for graduate students who want to return but are not originally admitted as degree seeking.**
  - **The Board of Governors should recommend whether state employees who are often classified as non-degree seeking students should pay the out-of-state fees or whether to exempt them from paying fees.**
  - **The Board of Governors should be asked to recommend how transfer students will be handled since many transfer students exceed 10% prior to being admitted to the university.**
  - **Proviso or the Board of Governors should determine if Bright Futures cover the additional costs to students?**
  - **Proviso or the Board of Governors should be asked to define excess hours. Does it include all hours attempted or earned? If based on attempted, would there be any exceptions (medical withdrawals, etc)?**

- **The policy may have an unintended notch effect. It penalizes students who actually intend to graduate, while students who flounder for a year or more and then drop out are not penalized at all. This is a very important issue, as we know that there are currently MANY thousands of students who have more than 110 but are not within 20 hours of graduation. Many of these students are non-traditional or transfer students who have had a very hard time selecting a major. Yet, as they see the light at the end of the tunnel they will be forced to drop out, as they cannot afford out-of-state tuition. We really do need to think through the best mechanism or process to serve these students.**