

February 25, 2004

TO: Mr. Tim Jones
Florida Department of Education

FROM: Tom Healy
Assistant to the President for Government Relations

SUBJECT: Florida Gulf Coast University (FGCU) Response to Chancellor Austin's
Memo of February 16, 2004, regarding University Policies as
Recommended by the Governor

Florida Gulf Coast University supports the Targeted Incentive Program and permitting Block Tuition at those universities who wish to implement it. We have minor concerns regarding the University Billing Students and greater concerns as they relate to the Excess Credit Hours proposal. What follows is the feedback provided by our administrative team and the offices who would implement these policies.

I. Targeted Incentive Program

FGCU Response: FGCU supports the concept and suggests that funding should be released up front to hire faculty, then universities should be held accountable for achieving the desired enrollment increases in critical need areas. Accreditation standards require that full-time faculty teach a reasonable percentage of the courses a student takes and in those times of austere budgets, universities and community colleges are stretching the upper boundaries of part-time or adjunct faculty utilized to offer the number of sections needed. Funding full-time faculty in areas of critical need would provide a long-term solution to long-term problems.

II. Universities Can Establish Block Tuition

FGCU Response: While FGCU supports this initiative, there are several questions that have arisen which should be addressed either in legislation or in rule.

- Is the block fee for tuition only, and would local fees (athletic, health, activity and service, financial aid and transportation access fees) still be charged at the hourly rate? Or must we provide a comprehensive block rate? If we charge tuition for 15 hours and the student registers for 21, are the additional 6 hours counted differently towards meeting our fundable FTE total? There will be policy issues for refunds when the student drops courses and ends up below the block number, and federal financial aid regulatory issues.
- Block tuition language of the proposed bill and Board of Governors (BOG) interpretation differs. The bill says University Board of Trustees (UBOT) shall

establish, BOG document says they can establish. Is this mandatory or not? What would be the impact on current tuition revenues if we were forced to move to this model? How many additional or fewer FTE's are we likely to generate as a result of its implementation? What would tuition have to be set at to ensure we have adequate revenue to sustain future growth?

- Assuming passage of the block tuition proposal, will universities have enough time to seek UBOT and BOG approval of tuition changes in the short time period between legislative adjournment and the start of fall semester or would we be expected to wait at least one year before implementation?

III. University Billing Statements:

FGCU Response:

- Will the Appropriation Act or the Division of Colleges and Universities report to the universities what they are being allocated per credit hour, so we will know what to report is being funded by the state for undergraduate and graduate credit hours? If not, how is the amount of funding paid by the state to be calculated?
- There may be some costs issues here, as universities will have to modify programs identifying the details. FGCU has done this on a limited basis and found it often generates more confusion on behalf of the students than benefit.

IV. Excess Credit Hours:

FGCU Response:

- The excess credit hour proposal is a well-intentioned idea that is extremely complex to implement.
- It is costly, and there are technical issues concerning the identification of students who have taken excess hours. The university may be at risk if students who incur higher fees claim they have not been properly advised. If the intent of this effort is to withhold state support from the proverbial "career student," then a blanket policy to charge out-of-state tuition for all students who have exceeded the number of hours to graduate by 10% may result in punishing a greater number of well-intentioned, motivated citizens of Florida whose plans to complete their degree have been altered by military service, career, or family need.
- There are other questions to be answered. How will credits toward the degree be counted? Who will be counted in this analysis, why and how? Would the excess tuition, if charged, stay with the university or go back to the state?
- The excess hours mandate could become extremely egregious. There are so many legitimate exceptions to the rule. Take for example, one student who has a Bachelor's Degree in Finance from the University of Florida and an MBA from the University of North Florida. He has found after using these degrees for the

past 10 to 12 years that he needs to become a CPA to further his career. He has to take 12 courses to be eligible to sit for the CPA exam. Those are not degree-seeking credits and under the proposed changes, he could be asked to pay out-of-state tuition to take all 12 courses. He is a taxpayer in the State of Florida and should have every opportunity to take these courses as an in-state student just like any other resident. If you start trying to make exceptions for legitimate cases, the law and/or rules could very well become so convoluted that all we would get out of the new policy are audit criticisms and dissatisfied students.

Tim, thank you for the opportunity to react to the University Policies Recommended by the Governor. We at FGCU stand ready to assist you and the Board of Governors in passing legislation that encourages and assists students in getting an education that best meets their needs and the needs of the State of Florida. Should you need additional information, please do not hesitate to contact me.

TH:krb