



Board of Governors Meeting September 24, 2003

Presentation

**Council for Education Policy, Research
and Improvement**

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Feasibility of Contracts with Universities



- **UF/FSU proposed a 5-year contract between the Legislature and them.**
- **Legislature directed CEPRI to study the feasibility of 5-year contracts between the state and universities. The study is due November 1.**



Notes

The original proposal from FSU and UF was to contract directly with the Legislature. The following slide is derived from current constitutional provisions, statutory language, and court decisions.

Feasibility of Multi-Year Contracts with the Legislature



- **One Legislature can not bind a future Legislature**
- **Due to the separation of powers, the executive branch can not bind the Legislature in funding executive agreements**
- **Contracts must contain funding contingency statement**
- **Constitution can bind the Legislature**

Contract Template: Draft Report



- **Council discussion has been that the contract should be between the Board of Governors and individual universities.**
- **Report will include a draft contract that can be used with any university. It will include such issues as:**
 - **Term of the contract**
 - **Dispute resolution**
 - **Fiscal specifications**
 - **Performance expectations**



Advantages of Contract

- **Provides a mechanism for one-on-one dialogue between each university and the Board of Governors to recognize:**
 - **The mission of each university**
 - **The performance expectations of each university**
 - **The role of the Board of Governors**
- **Draft report will contain a direct link between tuition flexibility and performance.**

Proposed Contracting Process



- **CEPRI Submits Report Nov. 1, 2003**
- **BOG Recommends Process to Legislature**
- **Legislature Statutorily Authorizes Process**
- **BOG Develops Process within Legislative Framework**
- **CEPRI Recommends Criteria for BOG to Use in Evaluating University Proposals**
- **University Develops Proposal**
- **BOG & Univ. Negotiate & Sign Contract**
- **University Implements Contract**
- **BOG Submits Annual Reports**
- **CEPRI Reviews after Two Years**



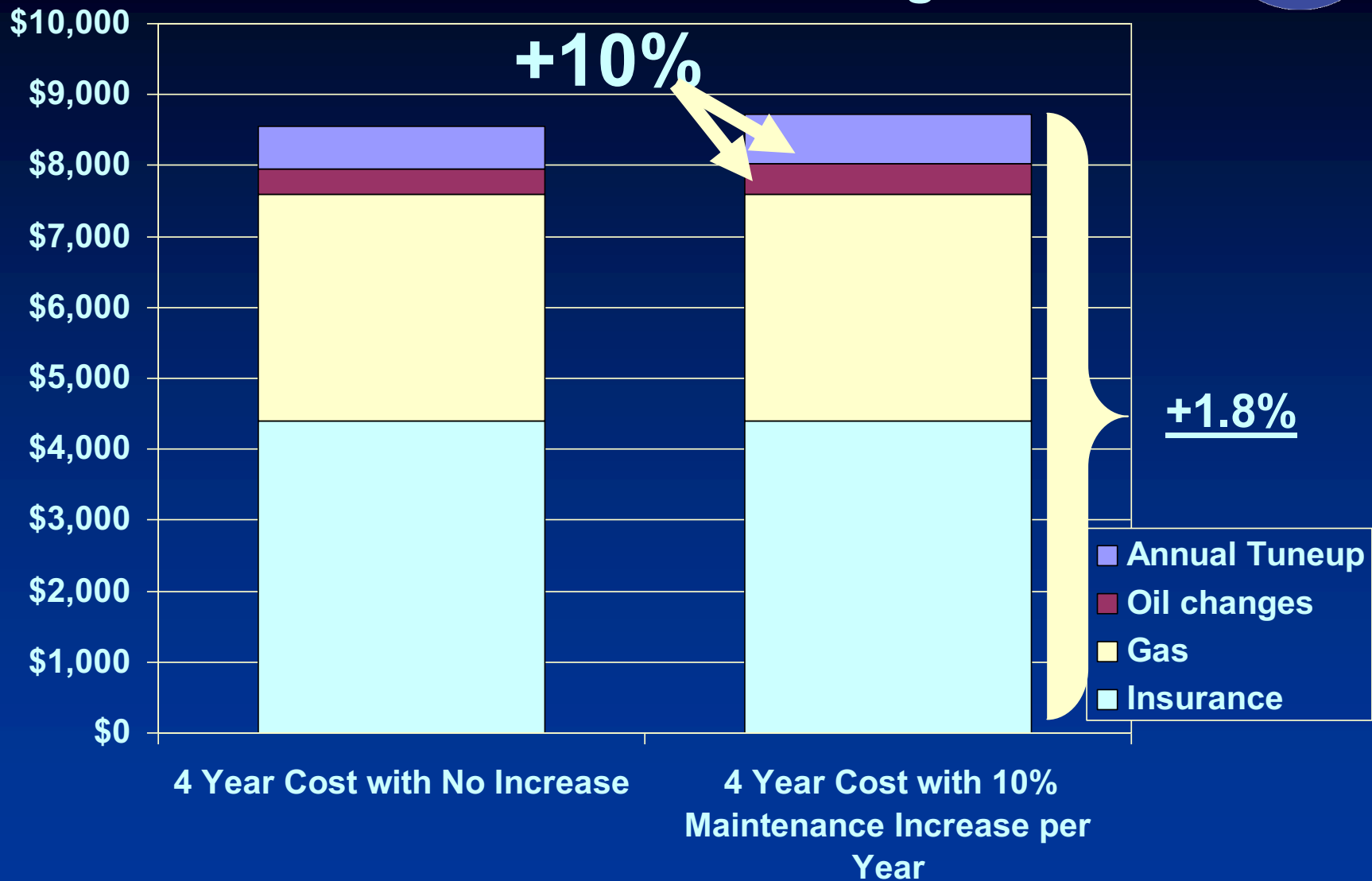
Notes

The following slides demonstrate that increasing a portion of the total cost by a certain percent does not mean that the total cost is increased by that percentage.

When a % increase in tuition is granted, it is sometimes reported that the cost of a college education is increased by that percentage. Such statements are inaccurate.

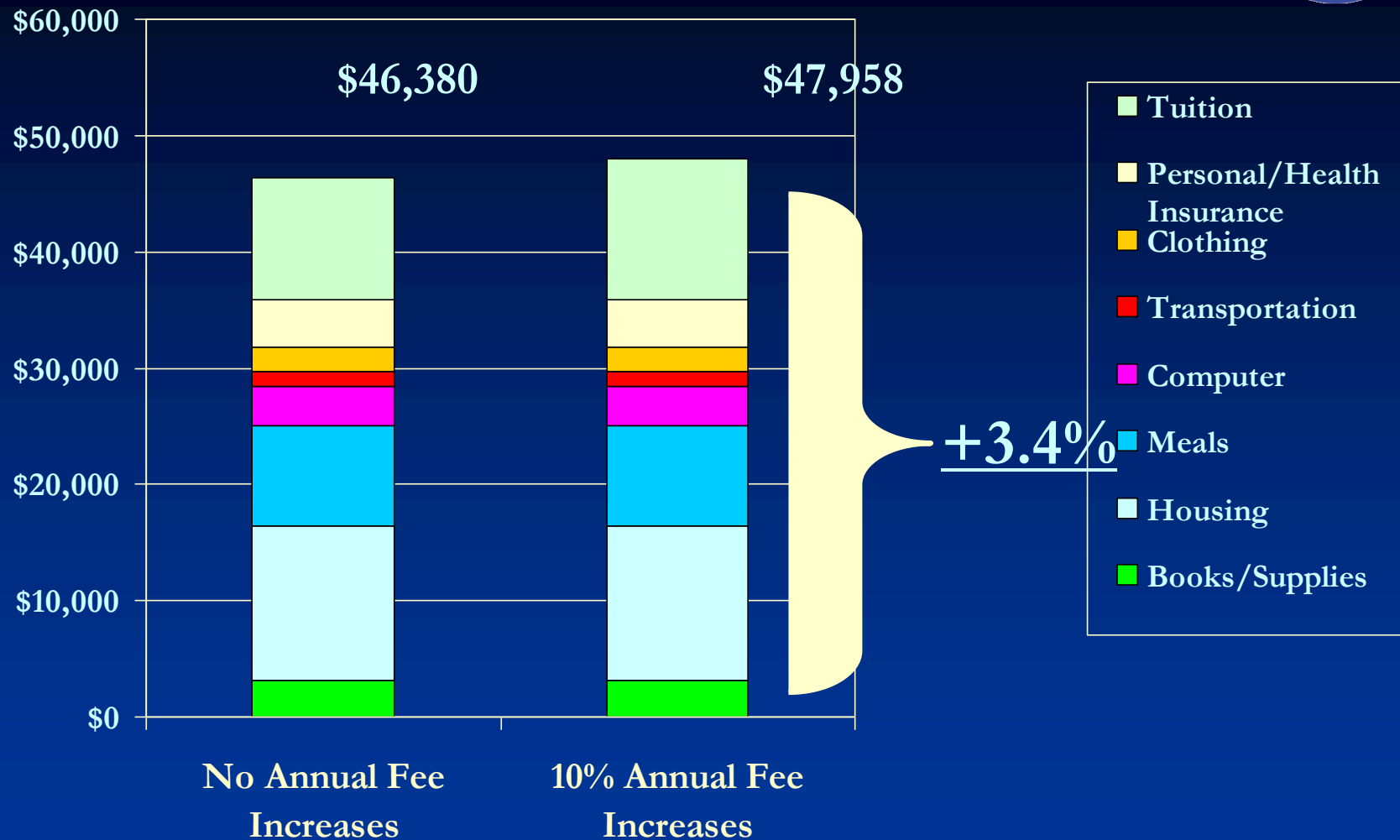


Maintenance Is Not the Total Cost of Driving



Tuition Isn't the Main Cost of College

4 Year Cost

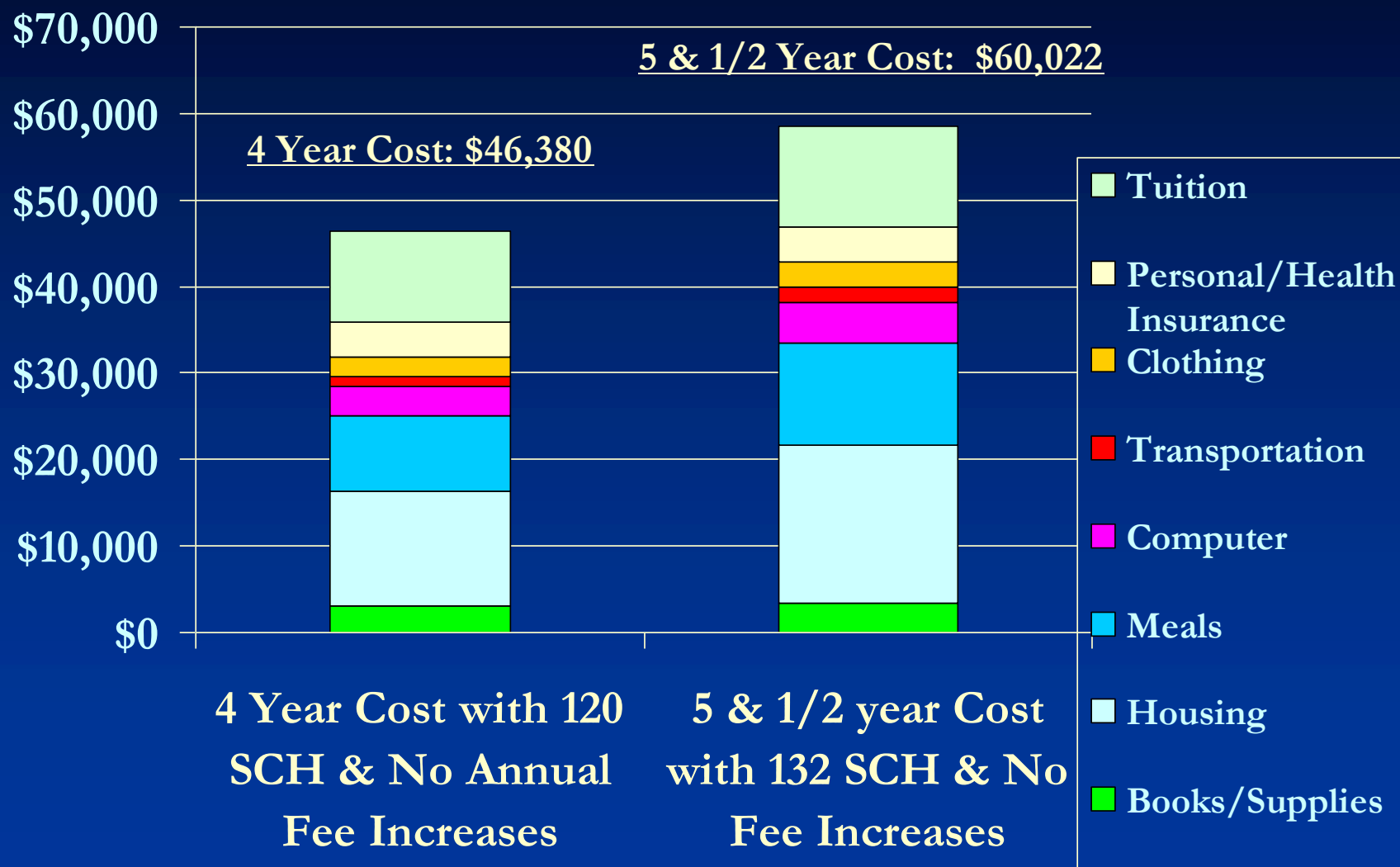




Notes

Costs other than tuition account for the majority of the cost of attendance. If students have to attend one extra year, the cost is significant both in terms of college costs and deferred income.

Time to Degree Is!!!





Notes

The following slide was placed in the slide show to demonstrate two concepts:

- 1. Universities can improve graduation rates if they implement student tracking systems as did the University of Florida.**
- 2. NO TWO universities operate in identical environments and should not be expected to have the same graduation rate.**

Four Year Graduation Rate of All FTIC Students



1 st Yr	SUS	UF	FSU	USF	UCF	FIU
1990	26.13%	29.49%	37.63%	17.92%	20.91%	18.70%
1991	25.89%	28.90%	38.95%	19.75%	20.14%	17.69%
1992	27.61%	30.69%	38.47%	20.04%	23.32%	16.10%
1993	28.26%	33.69%	39.61%	20.42%	21.80%	15.38%
1994	28.87%	37.95%	39.81%	19.23%	23.98%	14.28%
1995	31.29%	42.90%	39.56%	19.17%	26.17%	14.66%
1996	32.51%	50.04%	39.54%	18.79%	24.95%	15.71%
1997	32.99%	49.01%	39.86%	21.41%	26.91%	16.45%

Tuition Increases Can Save Students Money If...



Revenues are used...

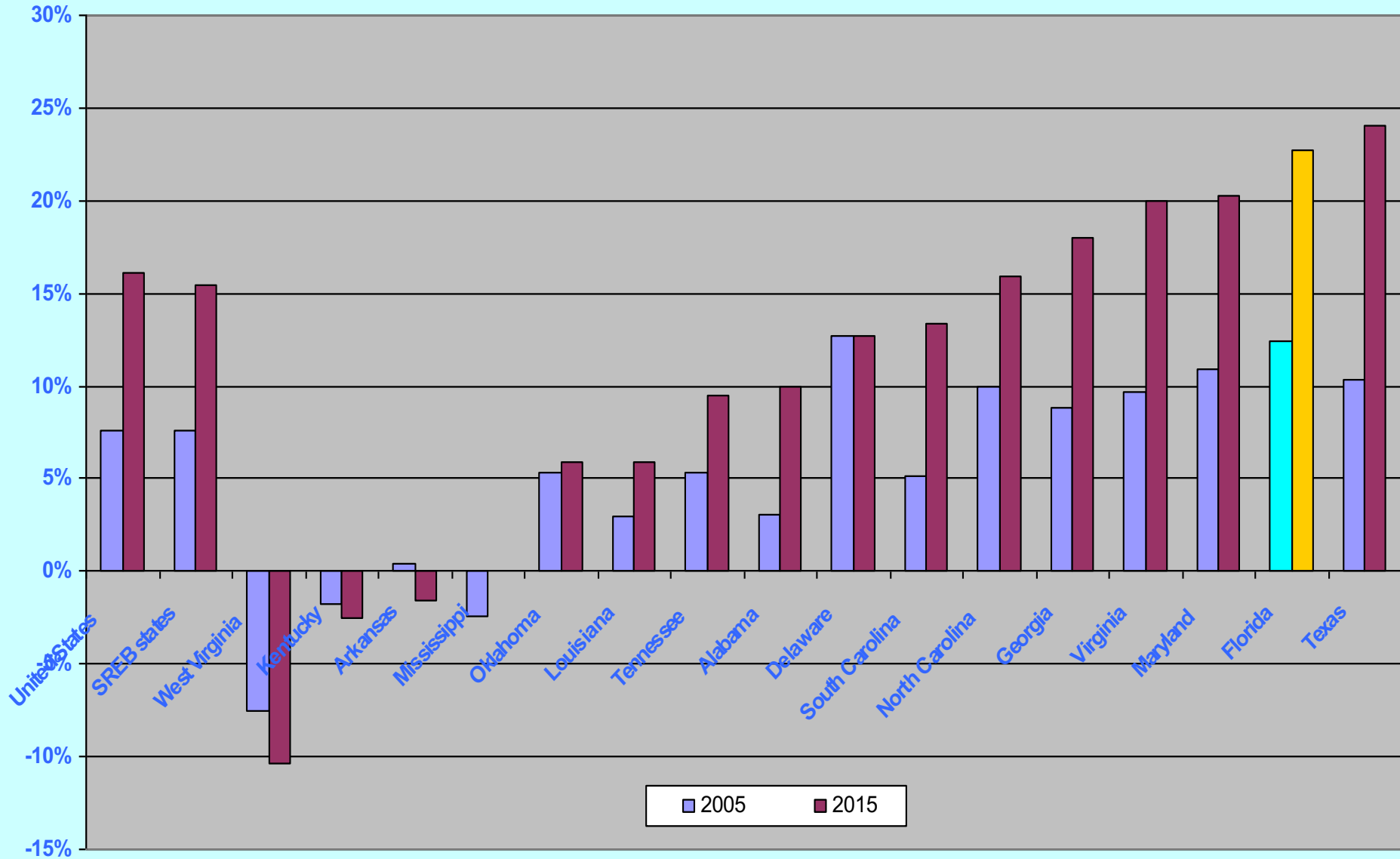
- **To reduce time to graduation**
 - **Improve program planning**
 - **Ensure timely access to courses**
- **To improve career planning**



Notes

Florida will continue to experience a strong demand for higher education based upon the demographics of the 18 – 24 year old population.

Growth of 18 to 24 Year Olds From 2000 to 2005 and 2015



Source U.S. Bureau of the Census: "Population Estimates for the U.S., Regions and States, by Selected Age Groups and Sex: Annual Time Series, July 1, 1990, to July 1, 1999," ST-99-9 (2000); and "Projections of the Population, by Age and Sex, of States: 1995 to 2025," P25-113 (1997) -- (www.census.gov).



Notes

The next slide deals with funding for higher education. It compares three of our universities to other universities in the country and demonstrates that the major difference in the way we fund our universities is in the rate of tuition rather than state support.

