

Market Tuition Rate Pilot Study Executive Summary

The market tuition rate program began in 2011 and allows the Board to consider market tuition rates for graduate courses offered online or through continuing education.¹ Since 2011 the Board has approved a total of 91 programs through 2015. The table below provides details by year and institution. All of the SUS institutions are represented with the exception of Florida Agricultural and Mechanical University, Florida Polytechnic University, and New College of Florida.

Each university has the opportunity to bring up to five proposals to the Board of Governors for consideration at the November Board Meeting after its own Board of Trustees has approved them. However, two meetings were held in 2011 in which program proposals were considered. The full list of programs is available online and this list includes a wide variety of offerings such as Master of Arts in Disaster Management (FIU), Master of Science in Sports Management (UF), and Master of Arts in Global Sustainability (USF) along with traditional popular programs such as Master of Business Administration (FAU, FIU, FSU, UCF, UF, and USF), Master of Public Administration (FIU and USF), and Master of Accountancy (FAU, FIU, and UWF). This staff analysis was done based on program proposals.

	2011	2012	2013	2014	2015	Totals
FAU	0	0	3	3	0	6
FGCU	0	0	1	0	0	1
FIU	9	1	4	3	3	20
FSU	9	0	0	0	0	9
UCF	4	1	0	3	2	10
UF	8	5	5	5	4	27
UNF	0	0	3	0	0	3
USF	5	4	1	0	1	11
UWF	0	0	4	0	0	4
Totals	35	11	21	14	10	91

The Board implemented the market rate program as a pilot in 2011 with the understanding that a review of the program would be initiated upon the expiration of the pilot program. The Budget and Finance Committee requested Board staff to conduct a review of the Market Tuition Rate program pilot and report the results in 2016. This review began in early 2016 with a review of the data collected during annual reporting on all approved programs. Programs approved in 2015 were not included in the review because these programs were too new to have data to be considered. The universities were given the opportunity to review all available data in the spring of 2016 as well as

¹ Board Regulation 7.001(15)

complete a survey instrument that allowed university leaders to express their opinions on the program.

The following summarizes the survey² results in three areas and includes Board staff analysis and recommendations:

1. Enrollments/completions
2. Career placement/promotion
3. University feedback
4. Board staff analysis
5. Board staff recommendations

Enrollments/completions

Two of the major goals the universities had when beginning market tuition rate programs were increased enrollments and additional completions. Many of the approved programs are too new to have data on enrollments, much less completions. Even the programs that were approved early in the pilot period often have little to no completion data. This is largely due to the number of students who are seeking their degrees part-time most likely because of professional or family obligations. However the data that is available and the university survey responses show that there has been an overall increase in enrollments, particularly among out-of-state students. The universities also report success with retention and student satisfaction in market tuition rate programs, which should lead to eventual completions.

The different delivery methods used for these programs, such as weekend intensive and accelerated pace as well as online, have enabled the recruitment of previously unreached students such as those who are place-bound and working professionals. The result is a more diverse student body with often higher credentials and a more broad alumni base.

Career placement/promotion

The universities provide a variety of opportunities and services to enable market rate students to find jobs or advance their careers. Online services include searchable databases on employers, career newsletters, job search tools, and assistance with resume- and portfolio-building, interviewing skills, career advice, and continued connection through services like LinkedIn. On-campus services include faculty

² Complete survey results can be found on the Board's website:
http://www.flbog.edu/about/budget/market_rate_tuition.php

advising/mentoring, workshops³, networking events, support centers, writing labs, employment fairs, mock interviews, and internships.

Many programs include a portfolio or major project as part of the curriculum. These requirements also provide an opportunity to connect a student's education with the job market. Students gain hands-on experience and often work with a potential employer in order to complete capstone-type projects. An example is the Master in Global Governance at FIU where students complete a capstone project with government agencies and other organizations, which enables them to establish valuable professional connections. Portfolios also provide a means for students to showcase their skills and achievements in a format that can be shown to potential employers. Another example is FIU's Master of Science in Hospitality and Tourism Management program that requires students to complete a portfolio, which the Career Services offices use to match students to potential employers.

Some of the market tuition rate programs are of the "executive" or "professional" variety, where there is a requirement that students have a substantial amount of work experience in order to enroll. These students already have jobs but are looking for advanced opportunities, promotions, and personal growth. For example, UCF reports that a survey of three years of graduates of the market tuition rate Executive Masters of Business Administration (EMBA) and Professional Masters of Business Administration (PMBA) had the following workplace outcomes:

- 66.6% of EMBA and 50% of PMBA alumni received new job responsibilities from their employers as a result of involvement in the program;
- 35% of EMBA and 43% of PMBA alumni received a promotion while attending the program; and
- 36% of EMBA and 40% of PMBA students made an internal job change while enrolled in the program.

FAU also a market rate EMBA and PMBA program and reports that students in these programs are also employed when beginning the programs but are coached to create an Individual Development Plan and improve leadership performance.

University feedback

Overall the university survey respondents reported very positive opinions of the market tuition rate program and pointed out the following as strengths of the initiative:

³ FGCU reports that graduates of its market rate Transitional Doctor of Physical Therapy program are actively pursued by potential employers due to the shortages in that field; however, the department hosts an annual employment fair and assists students with finding the position of their choice.

- Allows the institutions to generate funding, generate more degrees, and enhance current programs with minimal added cost to Florida taxpayers;
- Allows institutions to be responsive to changing market demands and deliver programs to meet those needs;
- Allows the institutions to offer high-demand degrees that would otherwise not be offered due to lack of financial resources;
- Through flexible delivery and scheduling of the coursework institutions better accommodate students;
- Enables the institutions to leverage high quality faculty to teach in these programs because they can pay faculty overloads for extra course sections taught;
- Broadens institutions' student base and allows them to recruit more diverse, high-quality students who then broaden the alumni base;
- Improves technology for all online courses and programs;
- Increases teaching opportunities for graduate students; and
- Increases national visibility.

The survey respondents had very few negative comments regarding the market tuition rate program. Some indicated an interest in having the same administrative flexibility for undergraduate programs, and some of the respondents would like to see a quicker process for program approval and less cumbersome reporting requirements.

Board staff analysis

A review of available data and the university survey responses has led Board staff to the following conclusions:

- The "success" of the market tuition rate programs is difficult to determine with any level of certainty because many of the programs are too new to have substantial data on enrollments and completions, while other programs are well established and have been running as market rate or continuing education for several years.
- Some programs have found a steady student base and are generating revenues that fully support the program, but others are still searching to gain such steady footing. Even within the same institution there is mixed success among the programs in terms of enrollments, completions, and revenues to support program operations. An example of a program that has had to lower tuition in order to find success is FSU's Master of Social Work, which lowered tuition in 2014 and had an increase in enrollment.
- The data shows there are some market tuition rate programs⁴ that appear to be supplanting or beginning to supplant the institution's state-funded similar offerings. This activity is against Board Regulation 7.001. In some cases there is

⁴ FIU acknowledged the elimination of some educational and general programs during the Budget and Finance Committee meeting held on November 8, 2012.

a reason why a market rate program appears to be supplanting the E&G offering. The Master of Science in Nurse Anesthesia program at USF began to greatly outpace its E&G counterpart program because students were choosing the market rate program in order to have a more convenient location and delivery method.

- Survey respondents largely reported that the major positive result of the market tuition rate program is the administrative relief from the strict cost-recovery requirement for continuing education programs in Board Regulation 8.002. That regulation has historically limited the amount of revenue that can be collected to covering the direct cost of the program or course offerings. This has led to audit findings in some instances when the number of students was less or more than what was projected for a particular cohort, causing a university to collect too much or too little revenue.
- Analysis of the actual program tuition rates reveals that a majority of the market tuition rate program proposals were not seeking a tuition increase, but rather seeking a decrease in out-of-state tuition, or simply moving the program from continuing education in order to avoid the cost-recovery requirement in the Board's Continuing Education Regulation. Staff analysis finds that 44 out of the 91 market tuition rate programs approved fall into these two categories. An example is the Doctor of Pharmacy at UF. The department saw the need to move to market tuition rate in order to lower the out-of-state tuition and attract qualified applicants rather than lower admission standards.

Board staff recommendations

Board staff propose the following recommendations regarding the market tuition rate program:

- Board staff should initiate a process to revise Regulation 8.002, Continuing Education, with the intent of allowing the universities more administrative and fiduciary flexibility available in the market tuition rate pilot. A moratorium on considering new market tuition rate program proposals shall be in effect for 2016 while the Continuing Education Regulation is under revision.
- Beginning in 2017, only market tuition rate program proposals that meet the following criteria would be required to seek approval by the Board of Governors:
 - Proposals that are requesting an increase in tuition rates; and
 - Proposals for programs that are considered critical workforce need and lead to initial licensure.
- Board staff should continue to monitor market tuition rate programs annually in terms of tuition rates, enrollments, completions, and comparison to similar state-funded programs. To accomplish this it will be necessary to create better tracking and reporting of continuing education and market rate program students in order to provide all stakeholders with more accurate and timely information.