MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Workshop Committee
Florida Atlantic University
June 25, 2026

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[6/25/26 Florida Board of Governors Meeting - The Florida Channel]

1. Call to Order and Opening Remarks.

Mr. Tim Cerio, Chair, convened the Budget and Finance Committee workshop at 8:50 a.m. on June 25, 2026. Members present for the roll call were Chair Cerio, Ken Jones, Douglas Broxson, Kimberly Dunn, Aubrey Edge, Alan Levine, Craig Mateer, Michael Okaty, Ian Seibert, and Nick Sinatra.

2. Legislative Update

Mr. Cerio introduced the first item on the agenda, a legislative update on statutory changes that passed during the recent special session that impact the Market Tuition Rate Program discussion. He asked Ms. Sarah deNagy, Vice Chancellor for Finance and Administration, to present that update.

Ms. deNagy began her presentation, explaining that the House Bill 5601E was passed by the Legislature on May 29 and is still subject to the Governor's approval.

The bill provides that, subject to Board of Governors approval, each university board of trustees may establish tuition for graduate and professional programs and out-of-state fees. This includes market tuition rate programs. The yearly 15% on cap to out-of-state fee increases, and graduate and professional program tuition increases was removed.

The bill further specifies that Board of Governors approval for out-of-state fee increases may only be denied if the following happens:

1. If the System exceeds the 10% undergraduate nonresident enrollment cap, pursuant to Board Regulation 7.006, or
2. A university enrolls a greater percentage of nonresident students than projected in their accountability plan.

If the Board determines that a university enrolled a greater percentage of students than projected in their accountability plan, the Board must implement corrective action. The bill allows the following three corrective actions, but does not limit it to just these three options:

- The Board may require the university to revise their accountability plan;

- The Board may require the university to implement an enrollment reduction plan; or
- The Board may reduce the university's undergraduate out-of-state fee.

The next update presented was regarding House Bill 5003E, which was also passed by the Legislature on May 29 and is awaiting the Governor's approval.

House Bill 5003E is the Implementing Bill, which is passed in conjunction with the General Appropriations Act each year. Both the Implementing Bill and the General Appropriations Act are only effective for 1 year.

The bill allows each university board of trustees to decide whether its auxiliary services are self-supporting on an individual or collective basis, including intercollegiate athletics programs.

Market tuition rate programs are considered continuing education programs, which are auxiliary enterprises. Per statute, auxiliary enterprises include activities that directly or indirectly provide a product or service to a university or its students, faculty, or staff, for which a charge is made. They are business activities of a university which require no support from the general revenue fund.

The bill also allows each university board of trustees to approve the transfer of unreserved cash from one auxiliary enterprise to another if the transfer does not reduce revenues necessary to cover all expenditures of the auxiliary enterprise nor violate any bond covenants or impact debt service payments and required reserves. The bill requires the Board of Governors to collect reporting on the transfers.

Mr. Cerio asked if there were any questions for Sarah. Seeing none, he proceeded on to the next agenda item

3. Market Tuition Rate Program Discussion

Mr. Cerio asked Ms. Emily Sikes, Vice Chancellor of Academic and Student Affairs, to present the information. He stated that while the Budget and Finance Committee approves the tuition, the Academic Affairs Committee amends the market tuition rate program regulation and would approve any new programs.

Ms. Sikes began presenting information on market tuition rate programs (market rate). The pilot program started in 2011. Following the Great Recession, universities sought alternative revenue sources when state funding declined, and tuition was below the national average. Ms. Sikes noted the landscape of 2010 was very different than it is today in 2026. A timeline was presented to the committee. In 2011, the Board approved the regulation allowing for market rate requests. By 2015, there were 91 approved programs.

The project was designed as a limited pilot for select graduate online and continuing education programs. An annual report was collected each year by Board staff. In 2016 this report came back with some findings. There were instances where the universities were using market rate programs and terminating state funding programs. The report also identified some programs that did not have significant enrollment or revenue gain that the initial programs were intended to do. In 2016, the Board put a moratorium on new market rate requests, no new requests have been made since 2016.

Between 2017 and 2021, universities established tracks of programs as market rate under different interpretations of Regulation 8.002. This is why the current count of programs exceeds what the Board originally approved.

In 2022, Board staff initiated a workgroup to amend the regulation. The regulation strengthens transparency and oversight, reinforces non-supplant protections, clarifies allowable program categories, and standardizes the reporting and review process.

Ms. Sikes noted that the first time the regulation was tested was in March of this year when the University of Florida requested to raise tuition for specific programs. Board staff recognizes there is a need for additional clarification in the regulation today.

There are currently 102 programs across eight universities, with UF and FIU offering the majority. There were about 4,000 graduates from these programs in 2024-25. Market tuition rate programs represent about 15% of all master's degrees.

Ms. Sikes presented market tuition rates compared to Education and General (E&G) tuition rates at the resident and non-resident levels. In most cases, the market tuition rate is much higher than E&G tuition rates.

There is some overlap between market tuition rate programs and programs of strategic emphasis. The original criteria discussed by the Board in 2010, was that programs of strategic emphasis should not be market tuition rate programs. However, the Board approved some of these programs between 2011 and 2015. There are 32 programs that are programs of strategic emphasis. These programs charge a higher tuition rate and are counted in the Performance-Based Funding Metric 8, Graduates Degrees Awarded in areas of Strategic Emphasis.

Board staff reviewed both wages and debt of these programs. This provided a tool to better evaluate the return on investment (ROI) on these programs. Staff applied an analysis looking at median wages one year after graduation, which is the same analysis that is used for Performance-Based Funding Metric 2, Median Wages of Bachelor’s Graduates One Year after Graduation. Staff looked to see if the market rate programs were performing higher or lower than all the master’s programs.

Next, staff considered if the debt the students in the market rate programs exceeded what they would have paid if they were in an E&G program. Staff also considered if more than half the graduates took out debt.

Staff used this framework to put the programs into four categories: (1) High Wage/Low Debt, (2) High Wage/High Debt, (3) Low Wage/Low Dept, and (4) Low Wage/High Debt.

Staff is most concerned with the categories that have low wage because the students are already paying more for these programs.

The analysis found that:

- 54 of the 94 programs evaluated fell into the high wage categories.
- 40 programs fell into the low wage categories, possibly representing an area for closer Board review.

These results suggest that market tuition rate programs should be evaluated individually, as outcomes vary significantly by program rather than by institution or discipline.

Another consideration presented was the new federal student loan caps, which take effect July 1, 2026. Annual federal borrowing will be capped at $20,500. 16 market tuition rate programs currently exceed that annualized tuition amount. The federal loan cap does not prevent students from taking out private loans. This raises additional questions for the Board to consider.

Ms. Sikes presented discussion items to the committee. Does the Board want to allow universities to:

- Continue to offer programs,
- Consider new programs,
- Increase tuition.

If the answer is yes, staff recommend making changes to the regulation for clearer guidelines and frameworks.

Mr. Cerio asked if there were any questions or comments for Mrs. Sikes.

Ms. Bell-Barnett asked what threshold or data metric is used to categorize programs between high-wage and low-wage outcomes.

Ms. Sikes replied, stating that they looked at the median wage for all of the State University System master's graduates, which was just below $70,000. If the program was above $70,000, they were in a high-wage category, if below $70,000, they were placed in a low-wage category.

Mrs. Bell Barnett then asked how many students are incurring debt across all programs.

Ms. Sikes replied that she would follow up with the exact number after the meeting. When staff evaluated debt, they looked at it by program. If a program showed over half of the graduates taking on debt, it was placed in a high-debt category.

Mr. Cerio asked if there is consistency amongst all universities on how the ROI of these programs would be reviewed?

Mr. Hosseini, University of Florida Board of Trustees Chair, responded by saying yes, at UF their goals are to provide students with a high-quality education at a fraction of the cost and to offer programs that help students get jobs to help pay their debt.

Florida Atlantic University President Hasner asked Ms. Sikes, “Who are these students?” At Florida Atlantic, the students are working adults. He stated that it is important to look at the debt in these programs differently than undergraduate debt.

Mr. Cerio responded by saying that these are a unique subset of students. He asked how are market rate programs reported, and if they are lumped into “low-cost education” rankings.

University of Central Florida President Cartwright stated that it is possible that these students are being reimbursed by their companies (employers), so it is better to know the debt further out in the future.

Mr. Cerio clarified that what they are talking about are unique, separate programs where they are not bound by the same tuition guidelines and there are different student demographics.

Mr. Okaty stated that he would also like to know whether the market rate is reported differently when they are talking about low-cost education.

Mrs. Sikes answered that the affordability data presented was for the undergraduates. She stated that the staff would research how the market rate tuition is rolled up and get that information back to the Board.

Mr. Okaty then asked if the 32 Programs of Strategic Emphasis are only available at market rate, or if it depends on the institution (referring to the information presented on slide 13 of the presentation).

Mrs. Sikes replied that the staff would check on that specific information.

Mr. Levine asked if we are pricing out in-state students who may want to attend these programs, or are there E&G alternatives for them?

Mrs. Sikes responded that there are some programs with both an E&G version and a market rate version. That is not consistent across programs. She also stated that staff did not pull data by student demographics, so there could be a mix of students, but they can go back and collect that information.

Mr. Cerio stated that seeing the results by student demographics is something he would like to see.

Mr. Levine asked how can low-wage/high-debt programs be evaluated to identify the non-financial reasons these programs should continue (referring to the information presented on slides 16 and 17 of the presentation).

Dr. Dunn stated that if a program is in the low-wage/high-debt category, it does not raise a red flag to her because the alternative is what the committee should be evaluating not relative to other professions.

Mr. Edward Haddock stated that when there is an opportunity to have a market rate program, a university should be able to have it.

Mr. Keith Perry asked whether there was a way to split the data into separate data points so they could look at groups and cells. He asked whether the chart showed that you could go for just a few hundred dollars and be in a totally different quadrant. Because if so, it's hard for the Board to make a decision when the scale is so close.

Ms. Bell Barnett asked if there is data on the payback of debt after a student graduates from these programs.

Mrs. Sikes answered that they don't receive data on how quickly debt is paid down; they only receive what the university can track. She noted that they did create a tool on MyFloridaFuture that compares monthly loan payments to monthly wages.

Mrs. Bell Barnett asked if there could be a 3–5-year outlook for programs that are on the cusp of falling into low-wage/high-debt.

Mrs. Sikes stated that they would follow up with that information.

President Cartwright stated that it is possible the students in these categories are receiving salary increases because they are attending these programs. Secondly, it is also important to keep the debt down as much as possible and he feels that is what the universities are doing.

University of South Florida President Limayem stated that it is very important when looking at these programs that they price it based on the competition because if they are priced higher than the competition, that program will not make it. He then asked what the impact of these programs is on other E&G programs and on the university's health in general. He also stated that these programs help retain and attract faculty.

President Hasner commented that there is a reason why out-of-state universities are opening campuses in Florida. He stated that he hopes that the Board would allow the universities to be part of the conversation with staff and be able to dig deeper into the information.

Dr. Dunn proposed for Board staff to develop an application that would allow consideration of new programs and increases in tuition.

Mr. Levine commented that he agrees with Dr. Dunn and added that there should be more detail in the analysis for the other categories, rather than the low-wage/high-wage category. He then asked if any messaging be put out to compete with other universities regarding market rate programs.

Mr. Hosseini commented that UF is able to compete with the out-of-state universities who are opening up campuses in Florida because UF has high-end, great professors. The market rate tuition allows them to pay those professors.

Mr. Haddock commented that he wants it to be clear that market rate programs are self-sustaining and do not take any tax-payer money. The universities ought to be allowed to make a profit.

4. Concluding Remarks and Adjournment

Mr. Cerio asked the committee if there was any further business; seeing none, he adjourned the meeting at 9:57 a.m.

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Tim Cerio, Vice Chair

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Heather Chason, Prepared Minutes