

**Market Tuition Rate**  
**2016 Pilot Program Review Survey**  
**Florida State University**  
**Master in Business Administration**  
**Master in Management Information Systems**  
**Master in Mgmt with major in Risk Mgmt & Insurance**

1. How has this market rate tuition program achieved “success?”

a. How many degrees have been awarded as a direct result of the approval of market tuition rate?

During the course of the market rate program, 398 MBA degrees, 75 MIS degrees, and 66 RMI degrees were awarded. The largest portion of these being produced since 2014, indicating growth in each of the three programs.

i. How does this number compare to the number of degrees awarded for E&G funded program offerings in the same or related CIP code? On campus levels have remained constant since the implementation of Market Rate and the overall number of online degrees awarded has increased. We believe this is the direct result of the cost efficiency that Market Rate offers to those who are out of state students.

b. How many additional students have enrolled as a direct result of approval of market tuition rate?

The exact number of additional students enrolled as a result of market rate tuition is difficult to discern. However, our research shows that at the graduate level, students are increasingly price sensitive. As the Market Rate tuition is considerably less than out-of-state tuition, this has resulted in the growth in the non-residents students. For the 15-16 academic year, the MBA was composed of 37%, the RMI 58%, and the MIS program 34% out of state students. We have also found that the number of in-state students enrolled has remained relatively static since implementing the market rate tuition program.

c. How has each approved program achieved success in terms of outcome measures in original program proposal?

For each of the College's three Market Rate programs, four accountability measures for success were proposed. The first was growth in student enrollment in each of the degree programs. As seen in the table below, these numbers have steadily grown over the last few years.

The second measure was that of student quality, with success represented by an increase in GMAT scores for entrance and through class assessments and assurance of learning techniques. While the GMAT scores are covered in more detail below in section e, the data we have collected through class assessments, assurance of learning, and overall GPAs have demonstrated a consistent pattern of growth.

The third measure was that of Faculty Excellence. This measure focused on two areas, maintaining a high level of teaching quality and a high level of research as evidenced by peer reviewed publications. Teaching evaluations among the 26 faculty involved continue to be near the top of the college in terms of ranking, with most faculty receiving an "excellent" rating from the students in their online courses. The faculty who participate in the Market Rate program have maintained a high level of research publishing 596 peer refereed journal articles amongst the 26 faculty involved.

The final measure was student satisfaction and that will be covered in further detail in section e.

- d. How does attrition for the market tuition rate program offering compare to attrition rates for E&G funded program offerings in the same or related CIP code?

The program with the closest comparisons are the MBA full-time and part-time programs that are offered on campus compared with the online MBA. When comparing these programs, we find that the attrition rates are generally the same regardless of whether the program is on campus or online. In order to try to combat the factors that cause this, the college periodically updates the curriculum involved in the program and have just transitioned MBA program directors, which will bring a fresh perspective to both the on campus and online programs. The college is continuing efforts to promote our online offerings and connect with alumni in order to spread the word on the value of an MBA degree from FSU. Additionally, the college is making inroads with industry to help grow the potential student base for the online market rate programs.

- e. Provide other indicators of success:

The College is continuing to measure the success rates of the programs. The College continues to monitor input measures such as GMAT scores for all the programs as well as student satisfaction measures.

For MBA and MIS the trends are similar.

MBA

Summer 2013: average GMAT score 565	Summer 2014: average GMAT score 578	Summer 2015: average GMAT score 563	Fall 2013: average GMAT score 570	Fall 2014: average GMAT score 569	Fall 2015: average GMAT score 549
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MIS

Spring 2013: average GMAT score 583	Spring 2014: average GMAT score 545	Spring 2015: average GMAT score 430	Fall 2013: average GMAT score 552	Fall 2014: average GMAT score 548	Fall 2015: average GMAT score 515
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The data indicates that the average GMAT score were lower in 2015. However, for the students starting summer 2015, the new College of Business GMAT waiver was in place. This means that for a candidate meeting key criteria, the GMAT can be waived, and their score is not reflected in the above data. Anecdotally, this helped to create a class with higher levels of work experience. The College is carefully monitoring trends in enrollment, quality and retention for these students.

However, for RMI, there actually was an increase in GMAT scores in 2015.

Summer 2013: average GMAT score 542	Summer 2014: average GMAT score 542	Summer 2015: average GMAT score 525	Fall 2013: average GMAT score 538	Fall 2014: average GMAT score 546	Fall 2015: average GMAT score 590
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For the MBA program, student satisfaction has been assessed in an exit survey. Sixty percent of respondents rated this program overall as “Excellent” while approximately thirty-five percent rated the program as “Good”. Over ninety-six percent of the respondents would recommend this program to a friend or colleague. Students were very pleased with the flexibility of the program (i.e., manageable while maintaining employment) and really enjoyed the diverse (professionals) students with whom they interacted. One thing students would really like to see more of is the use of video lectures in their courses.

sixty-one percent rated the MIS Program “Excellent.” Over 95 percent of the respondents would recommend this program to a friend or colleague. Students were very satisfied with the quality of program faculty. Students would like to see more coverage of technical issues coursework offered in the program.

For the RMI Program, student satisfaction has been assessed in an exit survey. This program was rated as “Excellent” by sixty-eight percent of respondents and “Very Good” by thirty-two percent. All students would recommend this program to friends or colleagues. Students were very satisfied with the quality of faculty in the program and really enjoyed working with students in the program. Students would like to see a greater use of technology in this program through use of streaming lectures, group chat and video conferencing.

Given the nature of the online Market Rate programs, most students are currently working at full time jobs. The College of Business focuses on offering a superior level academic experience that will translate into the workplace, thus helping the student to advance with their current employer. The College of Business also offers “Corporate Networking Nights” which connect students with potential employers. In addition, online Market Rate students have the same access to The Career Center as students on campus.

2. If market tuition rate was approved for a program identified as a state critical workforce need, how has implementing market tuition rate increased the number of critical need graduates overall?

There are several areas of critical need including impacted by our programs. For example, accounting; finance; banking and financial support services; human resources management/personnel administration; insurance; international business; international real estate, and management information systems are listed as areas of critical need in the state. Each of our market rate programs specifically addresses these key areas. The presence of the market rate tuition allows for the program to be offered. In some cases, without the market rate programs, it would not be possible to fund faculty overload to teach some of the specialized classes with highly qualified faculty. This would impact the quality of the programs and the availability of classes.

3. What has been the impact on similar existing E&G funded program offerings in the same or related CIP code at the same degree level?

There has likely been very little decrease in enrollments between the market rate MBA and the E&G funded MBA as the delivery option (online vs. in person) seems to drive the preference rather than price. Many of our online students prefer the format because of the convenience and the ability to maintain jobs in other cities and/or family schedules that would not permit traditional classroom education.

4. Have any E&G funded program offerings in the same or related CIP code at the same level been eliminated since the approval of market tuition rate? If so, please explain.

Over time, enrollments in the E&G funded programs in Risk Management and Management Information Systems have declined. However, the College has expanded offerings at the master's level in Accounting and Finance to offset these decreases.

5. How do program revenues compare to program costs?

A goal of the market rate programs was to create additional revenue streams to support the market rate online MBA, increase faculty research support, and create additional graduate faculty lines. Since their inception, the Market Rate programs have collected approximately \$8.3 million in revenue. Of this revenue approx. \$6.3 million has gone into the teaching, administration, and technology support of the three market rate programs while approximately \$2 million has been used to enhance research efforts. There has not been a consistent track record of steady revenue that would support additional faculty hires. It is the College's hope that if the Market Rate program continues, this consistent stream of revenue can be established and the hiring of additional faculty can commence.

6. How much revenue has been generated by market tuition rate cohorts and how has the revenue been used?

During the course of the Market Rate programs at the College of Business, the MBA (\$6.04 mil), RMI (\$1.3 mil), and MIS (\$958k) programs have collected approximately \$8.3 million in revenue. \$1.9 million of this revenue was used to support the teaching and instructional efforts of faculty serving the programs. Additionally, this revenue was to support and enhance the research efforts of the College's world renowned faculty with approximately \$2 million spent on those efforts. The Market Rate supported research conducted by our faculty in turn enhances the class experience for the Market Rate students as the research information is shared through the classes and is used by faculty during course development.

7. Describe the positive aspects of the market tuition rate initiative.

There are a variety of positive effects for the College and University. First, the flexibility in the ability to pay faculty overload for extra sections of courses in the market tuition cohorts has allowed the College to leverage high quality faculty to teach in the program when otherwise the courses could not be offered or would be offered by adjunct faculty without the academic qualifications. Thus the quality and availability of the course offerings has increased. Further, the funds generated have allowed the College to better support research efforts of high quality faculty and provide the staff needed for the programs. Additionally, because the market rate programs are online, the pricing structure has allowed us to be competitive in key segments such as business, management information systems and risk management/insurance which have critical workforce needs both in Florida and across the country. The strong online presence of these programs has led to highly ranked online programs. For example, the College of Business online graduate programs ranked No. 4 among public and private universities on *U.S. News & World Report's* 2016 list. The ranking reflects the combined strength of the college's online Master of Science in Management Information Systems (MS-MIS) and Master of Science in Risk Management and Insurance (MS-RMI). FSU's online Master of Business Administration (MBA) climbed 18 places to secure the No. 44 spot among all universities (No. 38 for public schools) on the magazine's online MBA rankings list. Additionally, according to *BestCollege.com*, the college's Online Master of Business Administration (MBA) program ranks No. 8 among both public and private universities (2015). Furthermore, the online market rate format has allowed us to better serve the continuing education needs of our alumni across the country and around the world at a price appropriate to the market. The E&G funded structure would constrain the College in the ability to meet the demands

a. Describe the negative aspects

The pricing structure of the MBA program varies since the on campus program is E&G funded and the online program is market rate. While that sometimes raises questions, has not been a significant problem.

8. How does the market tuition rate initiative compare to Continuing Education?

The market rate offers additional flexibility in using the funds strategically for the whole College. After funds are used to support the operation of the program, surplus funds can be used for other initiatives at the College. As mentioned above, the College could use these funds to hire additional faculty members.

9. If the Board's Continuing Education Regulation 8.002 was modified to allow greater flexibility, could this take the place of market tuition rate for future programs? Please explain.

One potential challenge may come in the event that a class used in a program is also offered for another program that is E&G funded. The current regulations will not allow for offering a course in both formats. Otherwise, the details would relate to the flexibility needed for funding and any potential issues with transfer credit if the student decides to move to an E&G program.

**Campus contact for any follow-up questions about this survey:**

Name: Paul Harlacher\_\_\_\_\_

Title of campus contact: Assistant Vice President, Academic Affairs

Phone: 850-644-0170\_\_\_\_\_

Email address: pharlacher@fsu.edu\_\_\_\_\_

**Market Tuition Rate  
2016 Pilot Program Review Survey  
Florida State University  
Communication & Information - Communication Science & Disorders  
Bridge Program**

1. How has this market rate tuition program achieved “success?”

- a. How many degrees have been awarded as a direct result of the approval of market tuition rate?

This is not a degree program so no degrees have been awarded.

This program is designed specifically to help students with a degree in something other than speech language pathology take 6 courses required to gain admission to most master’s programs.

Some students can receive a certificate, but it is not required and most do not. In fact many of the students report being accepted into graduate programs in speech language pathology without completing all 6 of the required courses.

- i. How does this number compare to the number of degrees awarded for E&G funded program offerings in the same or related CIP code?

We admit one cohort of 35 to 40 students every other year and are thinking about changing that to every year.

- b. How many additional students have enrolled as a direct result of approval of market tuition rate?

All of them since this program does not exist as a degree program.

- c. How has each approved program achieved success in terms of outcome measures in original program proposal?

This program has achieved success in a number of ways:

It has created an online path for students who needed a specific set of courses to get into graduate school.



It has provided resources that have enabled us to expand our online master's in communication science and disorders. Expanding this program helps reduce the bottleneck in getting students into the profession.

- d. How does attrition for the market tuition rate program offering compare to attrition rates for E&G funded program offerings in the same or related CIP code?

Over the last three years 70% (115/169) of the students who entered the Bridge program completed all 6 courses. We have found that few of them really want the certificate because they can achieve their goal of getting into graduate school without it. The 30% who did not complete the program included those who simply dropped out as well as a sizable number who just needed one or two courses to be eligible to apply to graduate school.

- e. Provide other indicators of success:

The outside reviewer examining our programs (a former president the American Speech-Language Hearing Association - ASHA) identified the Bridge program as one of the most innovative programs he had seen.

2. If market tuition rate was approved for a program identified as a state critical workforce need, how has implementing market tuition rate increased the number of critical need graduates overall?

The area of communication science and disorders (speech language pathology) is in an area identified as a state critical workforce need. The specific degree required to practice in this area is the master's degree. This program has helped students from other majors get the critical courses needed for admission into graduate programs.

3. What has been the impact on similar existing E&G funded program offerings in the same or related CIP code at the same degree level?

This program has produced additional students who have been admitted into graduate degree programs in Speech Language Pathology throughout the state.

4. Have any E&G funded program offerings in the same or related CIP code at the same level been eliminated since the approval of market tuition rate? If so, please explain.

No. There has never been a corresponding E&G program. We were able to create this program only because the market rate option existed.

5. How do program revenues compare to program costs?

Program revenues (over and above expenses) generated approximately

6. How much revenue has been generated by market tuition rate cohorts and how has the revenue been used?

Each cohort generates approximately \$808,000 (for the six courses - we track it annually not by cohort so we took the one year total and multiplied by 2 - this overestimate the revenue generated by cohort due to attrition). Approximately 20% is reserved to cover university administrative costs. Approximately 8% is used to cover College and School costs. Approximately 39% is used to cover instructional costs and approximately 6% is used to cover technology costs. The remaining 27% (\$210,000 per cohort) is used to cover the cost of providing masters students with additional clinical experience by paying for staff to manage remote clinical experiences, additional clinical teaching staff in Tallahassee, faculty start-up costs, graduate students and technical support.

7. Describe the positive aspects of the market tuition rate initiative.

The market rate program has enabled us to create an option for students that didn't exist before. The revenue generated has enable us to improve our technology used to provide online courses. By sharing technology costs with our other on-campus and online programs, we have been able to improve the technology for instruction. For example, it has helped us provide remote students in all of our academic programs with HIPAA compliant access to practitioner-client interactions.

- a. Describe the negative aspects

In this particular program we have found no negative aspects.

8. How does the market tuition rate initiative compare to Continuing Education?

Continuing Education- Under the current standards for continuing education, the program has to be operated in a cost recovery, revenue neutral fashion. The revenue from programs that are set up this way can

only be used to cover the direct costs of the program. There is no provision that allows for collection of revenues above the level for cost recovery. Funding from the continuing education budgets cannot be used to improve or extend E&G funded programs.

Market Rate Tuition- Under the standards for market rate tuition, the program tuition can be set at a competitive market rate. Because these budgets allow for revenues that are above the level of cost recovery, after covering direct expenses for the program, the residual amount can be placed in a budget that can fund expenses incurred by other programs to include E&G funded programs. By growing the market rate tuition program, more resources are available for the E&G funded program. These resources enhance program access and quality for E&G funded students.

9. If the Board's Continuing Education Regulation [8.002](#) was modified to allow greater flexibility, could this take the place of market tuition rate for future programs? Please explain.

If regulation 8.002 was amended to allow programs to charge a fee that is based upon a market analysis while allowing the program to collect revenues above the level for cost recovery, it could take the place of market tuition for future programs.

**Campus contact for any follow-up questions about this survey:**

Name: Paul Harlacher\_\_\_\_\_

Title of campus contact: Assistant Vice President, Academic Affairs

Phone: 850-644-0170\_\_\_\_\_

Email address: pharlacher@fsu.edu\_\_\_\_\_

**Market Tuition Rate  
2016 Pilot Program Review Survey  
Florida State University  
Master in Library & Information Studies**

1. How has this market rate tuition program achieved “success?”

- a. How many degrees have been awarded as a direct result of the approval of market tuition rate?

This market rate program was designed to help compete for out-of-state students who are seeking a masters in information studies (MIS).

The program uses the same courses, the same faculty, the same assignments, the same exams and the same support services for both our market rate and E&G students. We have seen that the student learning outcomes and graduation rates for these programs have grown over the period covered by the market rate program.

The table below shows the number of degrees awarded in our normal and market rate programs. There is a small ambiguity in the number of graduates due to the fact that students sometimes change from the market rate program to the E&G program when they get permission to participate in our E&G program via the Academic Common Market.

We estimate that the number of degrees awarded via this program is 157 between its inception and April 18, 2016 (this excludes graduates in Spring of 2016).

- i. How does this number compare to the number of degrees awarded for E&G funded program offerings in the same or related CIP code?

During this time approximately 1387 degrees were awarded in our normal E&G program.

Year	E&G Program	% of yearly total	Market Rate Program	% of yearly total
2008-2009	240	100%	0	0%
2009-2010	292	96%	13	4%
2010-2011	238	92%	18	8%
2011-2012	227	88%	26	12%
2012-2013	199	84%	32	16%

2013-2014	156	81%	30	19%
2014-2015	116	82%	21	18%
2015-2016	76	85%	11	15%

It was also our goal to keep this program size between 10 and 15% of our total program size. However, changes in the economy and the job market let to major reductions in the number of students seeking an MIS degree. Our overall enrollment dropped by over 60% from its peak about 2 years before the market rate program was established. That trend is just now starting to stabilize. This is a national phenomenon, not just at FSU. As a result we overshot our percentage enrollment target and had to correct our market rate admissions downward.

- b. How many additional students have enrolled as a direct result of approval of market tuition rate?

This market rate program was designed to help compete for out-of-state students who are seeking a masters in information studies. This is a very competitive degree with almost all of the top ranked national programs being offered online, almost all of which (public and private) offer “tuition discounts”. As a result we were one of the most expensive online programs offering an MIS degree. Without the market rate program it is very likely that none of these students would have enrolled at FSU.

- c. How has each approved program achieved success in terms of outcome measures in original program proposal?

The market rate program in MS in Information Studies program has been a success in many ways that were not achievable without the market rate programs.

**It increased the funding available to support our E&G program,** thus making it possible for us to improve the technology we use for online instruction, increase the number of online mentors and improve our advising services for all of our online students.

**It increased the variety of courses we could offer:** with a large number of students enrolled in this program we were able to offer courses on library and technology, library services for the elderly, library services for students, and library services for those on the autism spectrum, and museum informatics. This diversity of courses is only sustainable with

large program enrollments, because with small program enrollments such specialized courses don't attract enough enrollment to be offered.

**It increased the geographic diversity in the program:** It allowed us to attract a significant cohort of out-of-state students to our program. These students brought experiences and challenges from libraries, museums and other information organizations into the classroom.

**It helped us retain our national reputation in the field:** information schools such as the one at FSU build at least a part of their reputation on the number and quality of their graduates. As national enrollments have dropped in this field, we have done better than most. This leadership has enabled us to maintain high national rankings (#1 in School Media, #5 in Digital Libraries and #11 Library and Information Studies).

- d. How does attrition for the market tuition rate program offering compare to attrition rates for E&G funded program offerings in the same or related CIP code?

The students in the program are enrolled in the same courses as the students enrolled in the normal E&G courses. Our student information system uses different sections to set costs, so the market rate sections can be "cohorted" with the normal E&G sections. As a result, market rate students directly reduce the costs borne by the E&G students in our courses by spreading the fixed costs over a broader group of students.

- e. Provide other indicators of success:

The program was re-accredited by the American Library Association in 2014.

The market rate program in MIS was part of the reason we were able to develop an online masters in information technology (this is a regular E&G program, not a market rate program).

2. If market tuition rate was approved for a program identified as a state critical workforce need, how has implementing market tuition rate increased the number of critical need graduates overall?

This program has not been so identified.

3. What has been the impact on similar existing E&G funded program offerings in the same or related CIP code at the same degree level?

The impact has been very positive as noted above.

4. Have any E&G funded program offerings in the same or related CIP code at the same level been eliminated since the approval of market tuition rate? If so, please explain.

No.

5. How do program revenues compare to program costs?

The program revenues exceed program costs by approximately 12%.

6. How much revenue has been generated by market tuition rate cohorts and how has the revenue been used?

The program currently generates approximately \$270,000 per year (we don't track revenue by cohort but it should work out to roughly the same amount of money since the average number of cohorts equals the average number of years required to complete the degree). From these funds, approximately 52% are paid out in faculty salaries and benefits, 28% program administration, 6% are used to pay for graduate students and 2% are used to pay for technology. The remainder is returned to the School of Information and used to support graduate student assistants. Since the instructional costs are fixed costs (at least once a class is scheduled) additional market rate students would reduce the cost for everyone and a larger percentage of the funds would flow through to the School.

7. Describe the positive aspects of the market tuition rate initiative.

The market rate program is having a very positive impact on our normal program by reducing the costs borne by our E&G students, increasing the number of courses taught, enabling us to invest in better technology and provide better student support. Nationally it is seen as an innovation that other public universities are trying to emulate.

- a. Describe the negative aspects

Our major problem was our inability to raise the market rate tuition over a long period of time, even as the normal E&G tuition was growing. This greatly reduced the margins in this program and lessened its positive impact.

8. How does the market tuition rate initiative compare to Continuing Education?

Continuing Education- Under the current standards for continuing education, the program has to be operated in a cost recovery, revenue neutral fashion. The revenue from programs that are set up this way can only be used to cover the direct costs of the program. There is no provision that allows for collection of revenues above the level for cost recovery. Funding from the continuing education budgets cannot be used to improve or extend E&G funded programs.

Market Rate Tuition- Under the standards for market rate tuition, the program tuition can be set at a competitive market rate. Because these budgets allow for revenues that are above the level of cost recovery, after covering direct expenses for the program, the residual amount can be placed in a budget that can fund expenses incurred by other programs to include E&G funded programs. By growing the market rate tuition program, more resources are available for the E&G funded program. These resources enhance program access and quality for E&G funded students.

9. If the Board's Continuing Education Regulation [8.002](#) was modified to allow greater flexibility, could this take the place of market tuition rate for future programs? Please explain.

If regulation 8.002 was amended to allow programs to charge a fee that is based upon a market analysis while allowing the program to collect revenues above the level for cost recovery, it could take the place of market tuition for future programs.

**Campus contact for any follow-up questions about this survey:**

Name: Paul Harlacher \_\_\_\_\_

Title of campus contact: Assistant Vice President, Academic Affairs

Phone: 850-644-0170 \_\_\_\_\_

Email address: pharlacher@fsu.edu \_\_\_\_\_



**Market Tuition Rate  
2016 Pilot Program Review Survey  
Florida State University  
Project Management Certificate**

1. How has this market rate tuition program achieved “success?”

- a. How many degrees have been awarded as a direct result of the approval of market tuition rate?

This is not a degree program so no degrees have been awarded. Certificates are awarded after students complete 4 courses and students qualify to sit the Project Management Professional (PMP) exam after one course.

- i. How does this number compare to the number of degrees awarded for E&G funded program offerings in the same or related CIP code?

Very few people have taken advantage of our market rate program to date (seven to date).

- b. How many additional students have enrolled as a direct result of approval of market tuition rate?

7 students through 2015.

- c. How has each approved program achieved success in terms of outcome measures in original program proposal?

The project management program has not achieved success primarily based on the number of students enrolled. On the plus side, the program was built so that the cost of the program is tied directly to the number of students enrolled.

- d. How does attrition for the market tuition rate program offering compare to attrition rates for E&G funded program offerings in the same or related CIP code?

The students in the program are enrolled in the same courses as the students enrolled in the normal E&G courses. Our student information

system uses different sections to set costs, so the market rate sections can be “cohorted” with the normal E&G sections.

- e. Provide other indicators of success:

The small number of students enrolled in this program make it difficult to claim great successes. However, it is clear that our funding model adequately addresses costs even when there are very few students. What it doesn't do is generate enough revenue to adequately market the program.

Another plus is that this program regularly catches the attention of U.S. military personnel. They initially apply to the market rate program. We redirect them to the E&G funded program and charge them the lower in-state rate.

- 2. If market tuition rate was approved for a program identified as a state critical workforce need, how has implementing market tuition rate increased the number of critical need graduates overall?

This program has not been so identified.

- 3. What has been the impact on similar existing E&G funded program offerings in the same or related CIP code at the same degree level?

No.

- 4. Have any E&G funded program offerings in the same or related CIP code at the same level been eliminated since the approval of market tuition rate? If so, please explain.

No. The current program enrolls either 140+ or 110+ students a year, depending on how many sections we offer in a given year. These variations are due to the availability of PMP's to teach.

- 5. How do program revenues compare to program costs?

Program revenues exceed program costs by approximately \$248 per course on a per student basis. So the 7 enrollments between program initiation and the current time have generated a net of approximately \$1736. Program costs are not incurred until students apply for admission into the program's courses.

6. How much revenue has been generated by market tuition rate cohorts and how has the revenue been used?

The program has not generated significant revenue at this point in time. We have used the above funds to pay for program administration (28%), and to pay the portion of the instructor's time used to provide instruction for market rate students (55%). The remaining funds (\$400) have been kept as a reserve in the auxiliary.

7. Describe the positive aspects of the market tuition rate initiative.

We had hoped that this would provide us a way to grow this program beyond our current (mostly in-state) efforts and use the revenue to enhance the courses offered to all of our students and the technologies required to deliver the program online.

- a. Describe the negative aspects

We did not have funding needed to market this program beyond some of the least expensive avenues. As a result, it did not grow as we had hoped it would.

8. How does the market tuition rate initiative compare to Continuing Education?

Continuing Education- Under the current standards for continuing education, the program has to be operated in a cost recovery, revenue neutral fashion. The revenue from programs that are set up this way can only be used to cover the direct costs of the program. There is no provision that allows for collection of revenues above the level for cost recovery. Funding from the continuing education budgets cannot be used to improve or extend E&G funded programs.

Market Rate Tuition- Under the standards for market rate tuition, the program tuition can be set at a competitive market rate. Because these budgets allow for revenues that are above the level of cost recovery, after covering direct expenses for the program, the residual amount can be placed in a budget that can fund expenses incurred by other programs to include E&G funded programs. By growing the market rate tuition program, more resources are available for the E&G funded program. These resources enhance program access and quality for E&G funded students.

9. If the Board's Continuing Education Regulation [8.002](#) was modified to allow greater flexibility, could this take the place of market tuition rate for future programs? Please explain.

If regulation 8.002 was amended to allow programs to charge a fee that is based upon a market analysis while allowing the program to collect revenues above the level for cost recovery, it could take the place of market tuition for future programs.

**Campus contact for any follow-up questions about this survey:**

Name: Paul Harlacher \_\_\_\_\_

Title of campus contact: Assistant Vice President, Academic Affairs

Phone: 850-644-0170 \_\_\_\_\_

Email address: pharlacher@fsu.edu \_\_\_\_\_

**Market Tuition Rate  
2016 Pilot Program Review Survey  
Florida State University  
Master in Criminal Justice**

**1. How has this market rate tuition program achieved “success?”**

The market rate tuition program has achieved success by increasing the number of students in our master’s in criminal justice studies program. Prior to the implementation of market rate tuition, students attracted to our program based on our reputation and #1 national ranking found the cost of attendance prohibitive. The high cost of out-of-state tuition impeded our ability to recruit non-resident students into the online master’s program which at that time made up just 6% of students. Since market rate was implemented in Fall 2012, enrollment and the number of degrees awarded to out-of-state students in the online master’s in criminal justice studies has increased.

By offering the online master’s to non-residents at a nationally competitive rate, the College has been able to increase access to and number of degrees for non-residents enrolling in the program. Market rate tuition has assisted the College in extending its #1 national/international program ranking through the use of increased revenue resulting from non-resident enrollment growth, and has helped meet state and national community needs by providing world class education thereby preparing graduates as community, state and national leaders.

**a. How many degrees have been awarded as a direct result of the approval of market tuition rate?**

31 master’s degrees in criminal justice studies have been awarded to non-residents since offering market rate tuition in Fall 2012.

**b. How does this number compare to the number of degrees awarded for E&G funded program offerings in the same or related CIP code?**

The number of degrees awarded to non-residents is less than the number of degrees awarded to residents in both our online and on-campus master’s program. However, the number of non-resident degrees has been increasing since implementation of market rate tuition for non-residents. Table 1 lists the number of degrees awarded in our campus master’s and online master’s degree programs within the same CIP code for comparison purposes. Since 2012-13, there has been a significant increase in the number of degrees awarded to non-residents.

Table 1. MASTER'S DEGREES AWARDED FOR CIP CODE 43.0104  
ON-CAMPUS MASTER'S IN CRIMINOLOGY AND ONLINE MASTER'S  
CRIMINAL JUSTICE STUDIES

Degree Year	<u>ONLINE MASTER'S</u>			Total
	On Campus MS Fl./Non-Res Fundable	Fl.Resident Fundable	Non-resident Market Rate- Non fundable	
2012-13	27	41	3*	71
2013-14	17	21	2	40
2014-15	30	22	15	67
2015-16	28	16	11	55
Total Degrees	102	100	31	233

\*2 additional masters were awarded to non-residents before the implementation of market rate tuition.

**c. How many additional students have enrolled as a direct result of approval of market tuition rate?**

33 additional students have enrolled in the online master's program as a direct result of market rate tuition. Prior to the implementation of market rate tuition there were just 6 non-residents in the online master's program. However, with the implementation of market rate tuition in Fall 2012, enrollment in the program has grown from 10 students in Fall 2012 to 39 students as of Fall 2015.

	Headcount Online Master's Non-Residents
Fall 2011	6
Fall 2012*	10
Fall 2013	24
Fall 2014	29
Fall 2015	39

\*Yr. market rate implemented

**d. How has each approved program achieved success in terms of outcome measures in original program proposal?**

The primary outcome measure in the original proposal was to increase the number of non-resident students enrolled in our online master's degree program. Market rate tuition has allowed us to increase enrollment of non-residents by 290% since

Fall 2012.

**e. How does attrition for the market tuition rate program offering compare to attrition rates for E&G funded program offerings in the same or related CIP code?**

The attrition rate for non-residents in the online master's program is virtually the same as the attrition rate for Florida residents in the online master's. The attrition rate for both non-residents and resident students in the online master's is higher than on-campus master's students. A higher attrition rate is expected for online master's students, the majority of whom have been out of College for a considerable amount of time, are employed full time and may find difficulty balancing work demands against the demands of an academically rigorous master's program.

**f. Provide other indicators of success:**

The program has increased access to and production of degrees and has extended the College of Criminology and Criminal Justice's #1 national and international ranking and has assisted in helping meet state and national community needs by providing world class education thereby preparing graduates as community, state and national leaders. The online master's in criminal justice studies at FSU was recently recognized as among the very best in the country. *U.S. News and World Report* recently ranked the online master's in criminal justice studies 5<sup>th</sup> in the nation for 2016. This recent ranking is an increase from the previous ranking of 7<sup>th</sup> nationally.

The college attributes the online programs growing success to a combination of the first-rate faculty with the flexibility of a distance-learning environment. The online and campus graduate programs are taught by the #1 ranked faculty in the country for research productivity over the last 10 years. As a result, students completing the online master's are receiving the highest quality educational instruction to propel their career trajectories. Testimonials from non-residents speak to the impact the program has had on them:

"I selected Florida State University based upon its reputation and standing as one of the premiere criminal justice graduate programs in the country. My experience in the program did not disappoint as I found it both challenging and rewarding. The online facilitation was seamless and each professor pushed me to get the most from my education. I am confident that my degree from Florida State University will make a difference in my career."

— Richard Mello  
Lieutenant/Executive Officer

**2. If market tuition rate was approved for a program identified as a state critical workforce need, how has implementing market tuition rate increased the number of critical need graduates overall?**

The online master's in criminal justice studies program has not been identified as a state critical workforce need.

**3. What has been the impact on similar existing E&G funded program offerings in the same or related CIP code at the same degree level?**

Market rate tuition has had a positive impact on the overall online master's program. The program has allowed us to establish the out-of-state course sections of our online master's program with no impact to state funded sections.

**4. Have any E&G funded program offerings in the same or related CIP code at the same level been eliminated since the approval of market tuition rate? If so, please explain.**

There have been no program offerings eliminated due to the approval of market tuition rate.

**5. How do program revenues compare to program costs?**

Market rate revenue has been sufficient to cover all costs associated with offering the program. The revenue generated by non-residents covers all of the costs associated with out-of-state (non-fundable) course sections.

**6. How much revenue has been generated by market tuition rate cohorts and how has the revenue been used.**

\$647,598 in revenue has been collected over the last 3 years from FY 2012-13 through FY 2014-15. The revenue collected has been used to cover the costs of operating the out-of-state course sections of the online master's program. Costs include instructional salaries of faculty, graduate assistants, and administrative salaries for staff support, operating expenses such as supplies, travel, equipment and marketing the program.

Additionally, revenue has been used for building renovations and improvements



to distance learning space, and to enhance the educational and research environment. Residual revenue from market rate tuition has been used to support state funded graduate and undergraduate programs.

**7. Describe the positive aspects of the market tuition rate initiative.**

**a. Positive aspects of the market tuition rate initiative include:**

- Opportunity for non-residents to earn a master's degree from Florida State University at a nationally competitive rate.
- Increased teaching assistance and funding opportunities for Ph.D. graduate assistants who were previously supported with state funds.
- Provides Ph.D. graduate assistants with online teaching experience which is highly sought after by prospective employers in higher education.
- Revenue generated due to non-resident enrollment growth assists the College with funding in a time of shrinking state resources.

**b. Describe the negative aspects**

There are no negative aspects to report.

**8. How does the market tuition rate initiative compare to Continuing Education?**

- Continuing Education- Under the current standards for continuing education, the program has to be operated in a cost recovery, revenue neutral fashion. The revenue from programs that are set up this way can only be used to cover the direct costs of the program. There is no provision that allows for collection of revenues above the level for cost recovery. Funding from the continuing education budgets cannot be used to improve or extend E&G funded programs.
- Market Rate Tuition- Under the standards for market rate tuition, the program tuition can be set at a competitive market rate. Because these budgets allow for revenues that are above the level of cost recovery, after covering direct expenses for the program, the residual amount can be placed in a budget that can fund expenses incurred by other programs to include E&G funded programs. By growing the market rate tuition program, more resources are available for the E&G funded program. These resources enhance program access and quality for E&G funded students.

**9. If the Board's Continuing Education Regulation [8.002](#) was modified to allow greater flexibility, could this take the place of market tuition rate for future programs? Please explain.**

If regulation 8.002 was amended to allow programs to charge a fee that is based upon a market analysis while allowing the program to collect revenues above the level for cost recovery, it could take the place of market tuition for future programs.

**Campus contact for any follow-up questions about this survey:**

Name: Paul Harlacher\_\_\_\_\_

Title of campus contact: Assistant Vice President, Academic Affairs

Phone: 850-644-0170\_\_\_\_\_

Email address: pharlacher@fsu.edu\_\_\_\_\_

**Market Tuition Rate  
2016 Pilot Program Review Survey  
Florida State University  
Master in Instructional Systems**

1. How has this market rate tuition program achieved “success?”

- a. How many degrees have been awarded as a direct result of the approval of market tuition rate?

Four degrees have been awarded so far.

- i. How does this number compare to the number of degrees awarded for E&G funded program offerings in the same or related CIP code?

At this time, the market rate MS program in Instructional Systems and Learning Technologies (ISLT) awards degrees at a slower rate than the E&G funded MS degree in ISLT.

- b. How many additional students have enrolled as a direct result of approval of market tuition rate?

24

- c. How has each approved program achieved success in terms of outcome measures in original program proposal?

The Master in Instructional Systems had two original outcome measures. The first was to increase overall enrollments, since market rate students would be taught in the same classes as E&G students. This has been implemented, and the two programs benefit each other by filling class sections. Our second accountability measure was to recruit and matriculate highly qualified MS students from market rate into our ISLT doctoral program. It is still early to comment on success in this area.

- d. How does attrition for the market tuition rate program offering compare to attrition rates for E&G funded program offerings in the same or related CIP code?

Attrition rates are comparable across programs.

e. Provide other indicators of success:

Our market rate graduates thus far are excellent representatives of the ISLT program at FSU. We anticipate that they will continue to represent our program in the work force and become active members of our alumni association.

Additionally, because the market rate students enroll in our regularly offered online courses for in-state online students, on occasion we have been able to offer additional electives to our in-state online students. For example, rather than offering one elective solely to in-state online students, we've been able to offer two elective courses and offer the in-state and market rate students a choice of electives, ensuring sufficient enrollment in both class sessions.

2. If market tuition rate was approved for a program identified as a state critical workforce need, how has implementing market tuition rate increased the number of critical need graduates overall?

This is not a program identified, as a state critical workforce need.

3. What has been the impact on similar existing E&G funded program offerings in the same or related CIP code at the same degree level?

There has been no impact on our E&G funded program offerings aside from occasionally being able to offer more choice of electives to students across differently funded programs as described above in 1e.

4. Have any E&G funded program offerings in the same or related CIP code at the same level been eliminated since the approval of market tuition rate? If so, please explain.

No.

5. How do program revenues compare to program costs?

The program generates an annual surplus.

6. How much revenue has been generated by market tuition rate cohorts and how has the revenue been used?

So far, each year the market rate cohort has generated approximately \$65-75 thousand in annual revenue, and about one-half of that amount has been spent on program expenses (proportional amounts of instructor / TA salaries; Office of Distance Learning overhead fees). Surplus funds have been spent to support other program functions (e.g., GA positions for PhD students who assist with program-wide administration and marketing activities; instructional technology purchases).

7. Describe the positive aspects of the market tuition rate initiative.

Market rate tuition makes our program attractive and affordable to out of state online students, which promotes our overall program reputation and builds our alumni base. Having a larger and wider spread alumni base helps us locate and offer ISLT students, whether E&G or market rate, greater and wider-spread opportunities for networking, internships, and job placement. Surplus revenue helps fund program needs and marketing efforts, and the market rate students fill the extra spots available in our classes after the E&G students enroll.

- a. Describe the negative aspects  
None.

8. How does the market tuition rate initiative compare to Continuing Education?

Market Tuition Rate allows our program to set a competitive tuition rate to attract out of state students. In addition, Market Tuition Rate allows the program to have a surplus in revenues and flexibility in those expenditures, including expenses outside the specific program which benefits the department and college. Continuing Education requires the revenue to match the expenses with a particular program, resulting in less flexibility.

9. If the Board's Continuing Education Regulation [8.002](#) was modified to allow greater flexibility, could this take the place of market tuition rate for future programs? Please explain.

We can only see Continuing Education taking place of Market Tuition Rate if it provided and matched, at minimum, the tuition rate and spending flexibility.

**Campus contact for any follow-up questions about this survey:**

Name: Paul Harlacher\_\_\_\_\_

Title of campus contact: Assistant Vice President, Academic Affairs

Phone: 850-644-0170\_\_\_\_\_

Email address: pharlacher@fsu.edu\_\_\_\_\_

**Market Tuition Rate  
2016 Pilot Program Review Survey  
Florida State University  
Master of Social Work**

1. How has this market rate tuition program achieved “success?”
  - a. How many degrees have been awarded as a direct result of the approval of market tuition rate?
    - i. Fifty-three (53) degrees have been awarded to students participating in market rate tuition program.
    - ii. How does this number compare to the number of degrees awarded for E&G funded program offerings in the same or related CIP code?

MSW Degrees Awarded Spring 2012- Fall 2015			
	Distance Learning	On Campus	Grand Total
E&G Funded	334	577	911
Market Rate	53		53
Grand Total	387	577	964

- b. How many additional students have enrolled as a direct result of approval of market tuition rate?
  - i. Ninety-five (95) market rate tuition students have enrolled since the approval of market rate tuition.
- c. How has each approved program achieved success in terms of outcome measures in original program proposal?
  - i. The Market Tuition MSW program for the FSU College of Social Work was approved in March 2011. The College has continued to recruit students to this program and enrollments have grown over the past five years. It is important to note that the College has continued to increase enrollments in courses that are state funded while increasing enrollments in the Market Tuition Program. This

report will speak to the accountability measures that were submitted with the initial program proposal.

1. Accountability Measure 1: Increase enrollment of out-of state students by 100%
    - a. The non-resident headcount, prior to when market tuition was approved, was twenty-eight (28). The current headcount for the market tuition program is eighty-three (83). This headcount continues to exceed the original enrollment target that was set.
  2. Accountability Measure 2: Develop 3 new courses for online delivery
    - a. The College met this goal two years ago. Over the past year, the College has worked with the Office of Distance Learning (ODL) in an effort to bring all of its courses up to current best practice standards. The College has also worked with ODL to incorporate the use of the nationally validated Quality Matters rubric to assist in evaluation of online course delivery.
  3. Accountability Measure 3: Add two faculty lines
    - a. The Market Tuition program has created enough revenue to allow for funds to be transferred to a residual account during the past fiscal year. New faculty lines have not been added with this source of revenue due to concerns with budget sustainability. The College is using the residual account to support graduate assistants and pay for some of the instructional costs associated with state funded online courses.
  4. Accountability Measure 4: Add 1 student services positions to facilitate recruiting, advising, job placement, and academic skills development for in-state and out-of-state student in online and campus-based programs.
    - a. During this year, the College continued to fund a position for a graduate adviser who is dedicated to the Online and Off-Campus MSW Programs. This position has enhanced student services for individuals participating in the Market Rate Tuition Program as well as our state funded MSW Program.
- d. How does attrition for the market tuition rate program offering compare to attrition rates for E&G funded program offerings in the same or related CIP code?



i. The market rate tuition program has experienced a 13% attrition rate. This is comparable to the E&G funded program.

e. Provide other indicators of success:

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2. If market tuition rate was approved for a program identified as a state critical workforce need, how has implementing market tuition rate increased the number of critical need graduates overall?

a. The Social Work program is not considered a critical need program.

3. What has been the impact on similar existing E&G funded program offerings in the same or related CIP code at the same degree level?

a. All programs at the master's degree level within the College of Social Work fall under the same CIP code. After the market rate tuition program was implemented, enrollment for the E&G funded program has grown. Additionally, the number of elective courses available to students participating in the E&G funded programs has increased. This increase in elective options has allowed students the opportunity to choose from a wider array of courses. The choices allow students in the E&G funded program to specialize their focus of their studies. In summary, since the inception of the market rate tuition program more Florida residents are participating in the E&G funded program. Increased elective options have allowed those students to specialize their studies allowing them to be better prepared to enter their chosen area of professional practice.

4. Have any E&G funded program offerings in the same or related CIP code at the same level been eliminated since the approval of market tuition rate? If so, please explain.

a. No

5. How do program revenues compare to program costs?

a. Revenue & Cost Data- Fiscal Year 2014-15

<b>Program Revenue</b>	<b>Program Expenses</b>
<b>\$476,614.76</b>	<b>\$415,998.46</b>

6. How much revenue has been generated by market tuition rate cohorts and how has the revenue been used?
  - a. For fiscal year 2010-2011 through fiscal year 2014-2015, the market rate tuition program grossed \$1,769,994. Of that money, seventy-seven percent (77%) has been used to cover direct expenses for the program (\$1,012,370) and thirty-three percent (33%) was surplus revenue that was moved to a market rate residual account (\$589,000). Fifty-five percent (51%) of total revenue (\$894,126) was used to cover instruction and administration costs, five percent (5%) was paid to the Office of Distance Learning (ODL) for overhead (\$76,944), and the remaining seven percent (11%) was used for marketing, travel, and materials and supplies (\$208,978).
  - b. Out of the \$589,000 moved to the market rate surplus budget, sixty-five percent (65%) has been used to fund Ph.D. stipends (\$376,178) and five percent (5%) has been used to supplement instructional costs associated with online E&G funded courses (\$33,312). The thirty percent (30%) remaining revenue has been carried forward for use in the 15-16 fiscal year (\$162,147)
  
7. Describe the positive and negative aspects of the market tuition rate initiative.
  - a. Describe the positive aspects
    - i. The market rate tuition program has allowed the College to charge our out-of-state MSW students a fee that is competitive with other online MSW Programs that are available to them. It allows us to recruit and admit out-of- state students that would be deterred by the large amount of out-of-state matriculation for students participating in E&G funded programs. These students would not attend FSU without being offered the more competitive rate. Because the market rate tuition for these students can be used to cover the cost of their instruction, as well as generate additional revenue for the College, their enrollment allows us to grow and enhance the E&G funded programs. Since the inception of market rate tuition, online course offerings have expanded and enrollment numbers have climbed for both market rate tuition students and E&G funded students.
  - b. Describe the negative aspects.
    - i. Out of state students participating in the market rate tuition program do not count towards the College's fundable graduate student credit hour targets. However, because this issue has been offset by an increased enrollment in E&G funded students, it is not an issue.
  
8. How does the market tuition rate initiative compare to Continuing Education?

- a. Continuing Education- Under the current standards for continuing education, the program has to be operated in a cost recovery, revenue neutral fashion. The revenue from programs that are set up this way can only be used to cover the direct costs of the program. There is no provision that allows for collection of revenues above the level for cost recovery. Funding from the continuing education budgets cannot be used to improve or extend E&G funded programs.
  - b. Market Rate Tuition- Under the standards for market rate tuition, the program tuition can be set at a competitive market rate. Because these budgets allow for revenues that are above the level of cost recovery, after covering direct expenses for the program, the residual amount can be placed in a budget that can fund expenses incurred by other programs to include E&G funded programs. By growing the market rate tuition program, more resources are available for the E&G funded program. These resources enhance program access and quality for E&G funded students.
9. If the Board's Continuing Education Regulation [8.002](#) was modified to allow greater flexibility, could this take the place of market tuition rate for future programs? Please explain.
- a. If regulation 8.002 was amended to allow programs to charge a fee that is based upon a market analysis while allowing the program to collect revenues above the level for cost recovery, it could take the place of market tuition for future programs.

**Campus contact for any follow-up questions about this survey:**

Name: Paul Harlacher \_\_\_\_\_  
Title of campus contact: Assistant Vice President, Academic Affairs  
Phone: 850-644-0170 \_\_\_\_\_  
Email address: pharlacher@fsu.edu \_\_\_\_\_