Agenda item: (Board Office to complete)

USF Board of Trustees
Finance & Audit Workgroup
May 29, 2008

Issue: Tuition and Fee Recommendations for the 2008/09 academic year
(Please note: This is a draft agenda item, pending Governor’s approval of
the legislation in 2008-09 House Bill 5001)

Proposed action: Approve the USF Tuition and Fee Recommendations for AY
2008/09

Background information:
The Florida State Legislature has included the following language in the Conference

Beginning with the Fall 2008 semester, undergraduate tuition is established at $82.03
per credit hour for the 2008-2009 fiscal year. Consistent with section 1009.24(4)(b),
Florida Statutes, if the tuition increase provided herein becomes law, the statutory
increase for inflation will not be made.

Tuition for graduate and professional programs and out-of-state fees for all programs
shall be established pursuant to section 1009.24, Florida Statutes.

In accordance with 2008-09 House Bill 5001, Florida Statute 1009.24 and the authority
granted to the USF Board of Trustees, recommendations are presented with regard to
(a) changing tuition levels for AY 2008-09, (b) implementing differential tuition increase
for undergraduate students enrolling in Fall 2007 or later in Tampa campus, (c)
amending the list of classes requiring facilities and equipment charge for instructional
laboratories, and (d) amending the distance learning fee structure based on the cost of
development and delivery.

Further, to implement these changes the Board is asked to authorize a) an emergency
regulation effective immediately reflecting modified tuition and fee amounts (emergency
regulations while effective immediately lasting for 90 days under the BOG regulation
development policy); b) a permanent regulation reflecting the proposed tuition and fee
changes to become effective thirty days after the Board meeting (i.e., June 12, 2008).

Significant Policy Issues for the Board to Consider
USF’s ability to (a) expand student access to higher education (for Florida residents),
(b) recruit high ability undergraduate and graduate students from around the country
and the world, (c) deliver a globally competitive education, and (d) enhance student
success through improved retention and graduation rates will, in large part, be
dependent upon increased faculty, space, and laboratory resources. State appropriations and student tuition are two of the primary revenue sources to support the core academic enterprise, which are set by the State Legislature. While Boards of Trustees are granted the authority to set tuition levels for all other groups (excluding for in-state undergraduates), tuition pricing is accompanied by economic sensitivities that may impact student enrollment and success at USF.

Extensive analysis has been conducted with the objective of establishing appropriate price points for (i) out-of-state undergraduates, (ii) out-of-state graduate students, and (iii) programmatic tuition rates by academic program (e.g., MD, DPT, and graduate degrees in the college of business) for the academic year 2008/09. Tuition history (of increases) is presented for USF, along with comparisons with tuition rates in other states, and across SUS institutions. Consistent with USF’s Strategic Plan, 2007-2012, referential tuition rates are provided for public AAU institutions and national peers. Caution has been taken in considering programmatic in-state graduate tuition increases, which are supported by high enrollment demand, high cost of delivery, and high market value of the graduates.

While out-of-state (undergraduate and graduate) tuition has not been increased since AY 2004/05, data shows that we are still priced higher than where we should be. Thus we have proposed a reduction in the out-of-state fee for both graduate and undergraduate programs, which is currently not prohibited by the Florida statute. Moreover, as USF seeks a student profile with greater percentages of national and international students (currently at less than 4%), it is essential that out-of-state tuition and fees remain at a level competitive with other SUS institutions, AAU universities, states (especially Pennsylvania, New Jersey, Michigan, and Ohio) and nations.

A comprehensive and detailed approach was undertaken to assess the facilities and equipment charge for classes requiring equipment intensive “instructional laboratories.” The approach was designed to ensure that the charge recovers only the cost of instructional laboratory equipment in proportion to the time of their usage for the classes. As required by the statute, the distance learning fee was carefully amended to reflect the “development and delivery cost” of the distance learning courses.

Presented to the Council of Deans (COD): April 28, 2008
Presented to Enrollment Management Council (EMAT): May 13, 2008
Presented to the Academic Affairs Management Council (AAMC): May 19, 2008

Strategic Goal(s) Item Supports:
Supporting documentation: See Tuition and Fee Pricing Recommendations for Academic Year 2008-09.
Prepared by: Tapas K. Das, Associate Provost, (813) 974-5543
2008-09 Tuition and Fee Recommendations:

1. 6% increase of in-state tuition for all undergraduate students
   ---Legislatively approved (pending Governor's approval)

2. 9% differential increase of in-state tuition for undergraduate students joining Fall 2007 or later at Tampa campus only

3. 10% reduction of the current undergraduate out-of-state fee

4. 6% increase of graduate in-state tuition (for all students at all campuses, except those covered under programmatic tuition below)

Programmatic tuition:

5. 10% increase of graduate in-state tuition for the following:
   - Graduate programs administered by all colleges of business
   - CRNA and DNP programs offered by School of Nursing

6. 6% increase in professional tuition for MD program

7. 4.5% increase in professional tuition for DPT program

8. 10% reduction of the graduate out-of-state fee (for all students at all campuses, except MD and DPT programs)

9. Maintain out-of-state fee at current level for MD program

10. 4.5% increase in out-of-state fee for DPT program

11. Amendment of Facilities and Equipment Charge schedule to recover cost of instructional laboratory equipment

12. Amendment of distance learning fee schedule
Tuition and Fee Pricing
Academic Year 2008-09

A Presentation to:

BOT Finance & Audit Workgroup
May 29, 2008

UNIVERSITY OF SOUTH FLORIDA
Tuition and Fee Pricing
Academic Year 2008-09

Contributors to this proposal are:

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Dean Delcie Durham

Bertha Alexander
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Dr. Kathleen Moore
Dr. Michael Moore
Dr. Leellen Brigman
Dr. Helen Levine
Jodi Adamchak
Provost Ralph Wilcox
Recommendation:

#1. 6% increase of in-state tuition for all undergraduate students
(House Bill 5001, 2008-09, pending Governor’s approval)

- Tuition revenue increase is constrained by impact of Bright Futures, Florida Pre-Paid, and need-based financial aid.

- Expected new revenue for 2008-2009 is $4,313,644
USF Enrollment by Tuition Groups

- **Out-of-state Undergraduates**: 2.5%
- **Out-of-state Graduates**: 2.2%
- **In-state Undergraduates**: 73.8%
- **In-state Graduates**: 16.5%
- **Unclassified**: 5%
SREB Comparison
Public Funds for E&G Operations
4 yr Colleges and Universities Per Full-Time Equivalent Student 2006-07

Delaware
Maryland
South Carolina
North Carolina
Kentucky
Mississippi
Virginia
Alabama
SREB states
Texas
Florida
Arkansas
Tennessee
Georgia
Oklahoma
West Virginia
Louisiana

$0 $2,000 $4,000 $6,000 $8,000 $10,000 $12,000 $14,000 $16,000 $18,000 $20,000

Source: SREB, Data Exchange
Public funds consist of (1) state and (2) local tax revenues allocated to colleges and universities or for higher education-related operating expenses, (3) other funds such as earnings from state-funded endowments used for operating purposes, (4) earmarked revenues such as from lotteries used for operating purposes and (5) tuition and fee revenue. Tuition and fee revenue minus amounts dedicated to debt service. Includes state financial aid.
National Comparison (RVH & RH) – In-State Undergraduate Average Tuition and Fees by State, 2007-08

Florida
Recommendation:

#2. 9% differential increase of in-state tuition for undergraduate students joining Fall 2007 or later at Tampa campus only

Considerations:

- Authorized under Florida Statute 1009.24 (16) (a) and BOG approval to establish a uniform tuition differential not exceeding 30% of tuition. Total increase may not exceed 15% of the tuition charged in the previous fiscal year.
- Financial impact on a student per semester (@15 credit hour) is $105.
- As mandated by the statute, the revenue generated from the tuition differential will be spent on improving quality of direct undergraduate instruction and support services (e.g., new faculty hiring, academic advising)
- Tuition revenue increase will be constrained by impact of Florida Pre-Paid plans effective July 1, 2007.
- Expected new revenue for 2008-2009: $1,795,875
Recommendation:

#3. 10% reduction of the current undergraduate out-of-state fee

Considerations:

- Florida statute does not prohibit reduction in its current version
- Gross decrease in non-resident tuition revenue is $1,297,330
- Desire to recruit more out-of-state, high ability, fee-paying students in high demand and targeted degree programs, which is important to establishing USF’s position as a national research university
- Close to national average (need to maintain price point close to resident rates in target states, e.g., Pennsylvania, New Jersey, Michigan and Ohio)
- Increase our very low out-of-state tuition base (less than 3%)
- Immigration difficulties for prospective international students (USF has only 4% international students, lowest among our peer institutions)
USF Enrollment by Tuition Groups

- **In-state Graduates**: 16.5%
- **In-state undergraduates**: 73.8%
- **Out-of-state graduates**: 2.2%
- **Out-of-state undergraduates**: 2.5%
- **Unclassified**: 5%
National Comparison (RVH & RH) – Out-of-State Undergraduate Average Tuition and Fees by State, 2007-08

- Vermont
- New Hampshire
- Connecticut
- South Carolina
- Wisconsin
- Minnesota
- Maine
- Massachusetts
- Maryland
- Washington
- Delaware
- Oregon
- Ohio
- Tennessee
- Nebraska
- Montana
- Nevada
- Oklahoma
- Hawaii
- New Mexico
- Idaho
- Utah
- Alabama
- Louisiana
- Wyoming

Florida

$0 $5,000 $10,000 $15,000 $20,000 $25,000 $30,000

2006-07 2007-08
Recommendation:

Graduate In-State tuition:

#4. 6% increase over current in-state tuition
(for all students at all campuses, except those covered under programmatic tuition covered under recommendation #5)

Considerations:

• Up to 10% adjustment allowed by Florida Statute 1009.24 (4)
• Significant increase in demand for admission in 2008-2009 to our distinctive interdisciplinary graduate and research programs
• Estimated revenue (before waivers and based on current enrollment) $2,031,559
• If approved, tuition will increase from $228.35/SCH to $242.04/SCH or $246.06 more per year for a student enrolled in 18 SCH.
Demand for Master’s and Doctoral Programs at USF

Demand for Master's Programs

Demand for Doctoral Programs
National Comparison (RVH & RH) – In-State Graduate
Average Tuition and Fees by State, 2007-08

Florida
In-State Graduate Tuition and Fees for SUS, 2007-08

- UF: $6,731
- USF: $5,754
- FIU: $5,600
- UCF: $5,492
- UNF: $5,455
- FAU: $5,307
- FSU: $5,286
- UWF: $5,231
- FGCU: $4,769
- FAMU: $4,542
Recommendation:

Programmatic tuition:

#5 10% increase of graduate in-state tuition for the following:

- Graduate programs administered by all colleges of business
- CRNA and DNP programs offered by School of Nursing
Masters’ Programs in the College

- Master of Business Administration (67% of the students)
- Master of Accountancy
- Master of Arts in Economics
- Master of Science in Entrepreneurship and Applied Technologies
- Master of Science in Finance
- Master of Science in Management – Leadership and Organizational Effectiveness
- Master of Science in Management Information Systems
- Master of Science in Marketing
## Tampa Bay Area MBA Tuition

<table>
<thead>
<tr>
<th>University</th>
<th>Tuition</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Miami*</td>
<td>$1424</td>
</tr>
<tr>
<td>University of Phoenix</td>
<td>$1424</td>
</tr>
<tr>
<td>Webster</td>
<td>$1424</td>
</tr>
<tr>
<td>Stetson</td>
<td>$575</td>
</tr>
<tr>
<td>NOVA-Southeastern (full-time)</td>
<td>$570</td>
</tr>
<tr>
<td>Argosy University</td>
<td>$560</td>
</tr>
<tr>
<td>St. Leo</td>
<td>$550</td>
</tr>
<tr>
<td>Schiller International</td>
<td>$510</td>
</tr>
<tr>
<td>Webber University</td>
<td>$472</td>
</tr>
<tr>
<td>University of Tampa*</td>
<td>$472</td>
</tr>
<tr>
<td>Everglades University</td>
<td>$425</td>
</tr>
<tr>
<td>Florida Southern</td>
<td>$420</td>
</tr>
<tr>
<td>Warner Southern</td>
<td>$408</td>
</tr>
<tr>
<td>Strayer</td>
<td>$395</td>
</tr>
<tr>
<td>Kaplan University</td>
<td>$350</td>
</tr>
<tr>
<td>Troy</td>
<td>$275</td>
</tr>
<tr>
<td>University of South Florida*</td>
<td>$275</td>
</tr>
</tbody>
</table>

*AAASB Accredited Institutions

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**Miami ($1424)**

**Stetson ($575)**

**Univ. of Tampa ($472)**

**USF ($275)**
CRNA and DNP programs offered by School of Nursing

**High Demand:**

![Graphs showing application trends for CRNA and DNP programs.]

**High Cost of Delivery:**

The educational component of this doctorate are very faculty intensive and require faculty who are not only doctoral degree holders but are also experienced clinicians.

**High employment potential:**

DNP graduates are commanding excellent salary, tuition repayment, sign-on bonus. The average salary of CRNA graduates with less than 1 year experience is $114,886, according to a recent report.
Recommendation:

Programmatic tuition:

#6  6% increase in professional in-state tuition for MD program

High Demand:

High Cost of delivery:

The cost to educate each MD student annually was estimated to be $58,000 (2006-07). The additional support via Legislative Budget Request has not yet been appropriated.

High employment potential:

The AAMC academic salary tables provide the entry level median salary for the following specializations. It should be noted that private practice salaries will be anywhere from 25-50% higher than the salaries listed here:

- General Internal Medicine: $128,625
- Family Medicine: $131,712
- Pediatrics: $119,364
- General Surgery: $194,364
- Neurosurgery: $285,033
### Recommendations:

**Programmatic tuition:**

#7 4.5% increase in professional in-state tuition for DPT program

<table>
<thead>
<tr>
<th>High Demand:</th>
</tr>
</thead>
<tbody>
<tr>
<td>USF DPT Class of 2011</td>
</tr>
<tr>
<td>Admissions Update as of December 20th, 2007*</td>
</tr>
<tr>
<td>Applications Received: 180</td>
</tr>
<tr>
<td>Admissions Offers Extended:</td>
</tr>
<tr>
<td>Full: 22 Contingent: 14</td>
</tr>
<tr>
<td>Qualified Alternates on Waiting List: 42</td>
</tr>
</tbody>
</table>

**High Cost of delivery:** The Doctor of Physical Therapy degree program is prescriptively accredited by CAPTE, and as a health professions program requires substantial numbers of faculty and classroom and laboratory facilities and equipment.

**High employment potential:** Physical Therapy has been designated as a critical workforce shortage by the state of Florida and the Bureau of Labor Statistics has identified physical therapy as one of the top professions for employment growth (>30%) in the coming decade. Starting salaries for new graduates range from $60 - $75,000 per year.
Comparison – In-State DPT Tuition
By Public Institution, 2006-07

- Pittsburgh
- SUNY at Stony Brook
- Iowa
- Washington
- South Florida
- Florida

Tuition Levels:
- $0
- $5,000
- $10,000
- $15,000
- $20,000
- $25,000
Recommendation:

Graduate Out-of-State tuition

#8 10% reduction of the graduate out-of-state fee
(for all students at all campuses, except MD and DPT programs)

Considerations:

- Florida statute does not prohibit reduction in its current version
- Gross decrease in out-of-state tuition is $1,231,896 (net amount will be much less after factoring in tuition waivers)
- Desire to recruit more out-of-state, high ability, fee-paying students in high demand and targeted graduate degree programs, which is important to establishing USF’s position as a national research university
- Current fee is very high among the states with our institutions in the Carnegie RVH and RH categories
- Increase our very low out-of-state tuition base
- Immigration difficulties for prospective international students (USF has only 4% international students, lowest among our peer institutions)
National Comparison (RVH & RH) – Out-of-State Graduate
Average Tuition and Fees by State, 2007-08

Florida
Non-Resident Graduate Tuition and Fees for SUS, 2007-08

- UCF: $22,946
- UF: $21,855
- USF: $21,208
- FAU: $21,117
- UWF: $21,062
- FSU: $20,439
- FGCU: $20,421
- UNF: $19,647
- FAMU: $19,448
- FIU: $17,697
Recommendations:

#9  Maintain out-of-state fee at current level for MD program

#10 4.5% increase in out-of-state fee for DPT program
Comparison – Out-of-State DPT Tuition By Public Institution, 2006-07

- Iowa
- SUNY at Stony Brook
- Pittsburgh
- Washington
- Florida
- South Florida

Tuition:
- $0
- $5,000
- $10,000
- $15,000
- $20,000
- $25,000
- $30,000
- $35,000
- $40,000
Recommendations:

#11 Recover cost of instructional laboratory equipment based on the following criteria:
- Actual yearly cost of the laboratory equipment
- Actual % of laboratory time used by a class
- Average enrollment in a class

USF Regulation 4.0107 Section (1) (s) specifically allows USF to charge a Facilities/Equipment Use Charge

Facilities & Equipment Usage Charge Summary

<table>
<thead>
<tr>
<th>College</th>
<th>Department</th>
<th>Estimated Yearly Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture</td>
<td>Architecture</td>
<td>$24,000</td>
</tr>
<tr>
<td>CAS</td>
<td>Biology</td>
<td>$199,932</td>
</tr>
<tr>
<td></td>
<td>Chemistry</td>
<td>$91,133</td>
</tr>
<tr>
<td></td>
<td>Comm.Sci. &amp; Disorder</td>
<td>$28,797</td>
</tr>
<tr>
<td></td>
<td>English</td>
<td>$21,640</td>
</tr>
<tr>
<td></td>
<td>Geography</td>
<td>$30,000</td>
</tr>
<tr>
<td></td>
<td>Mass Communication</td>
<td>$55,000</td>
</tr>
<tr>
<td>COBA</td>
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<td>$3,200</td>
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<tr>
<td>CVPA</td>
<td>Theatre &amp; Dance</td>
<td>$26,460</td>
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<tr>
<td></td>
<td>Music</td>
<td>$24,748</td>
</tr>
<tr>
<td></td>
<td>Art &amp; History</td>
<td>$91,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$595,910</td>
</tr>
</tbody>
</table>
Recommendations:

#12 Recover additional cost of Distance Learning class development and delivery

“The amount of the distance learning course fee may not exceed the additional costs of the services provided which are attributable to the development and delivery of the distance learning course. If the distance learning course fee is assessed by a state university, the institution may not assess duplicative fees to cover the additional costs.”

A reorganization plan is currently being worked on that will consolidate most of the distance learning course offerings under the Division of Educational Outreach in Academic Affairs.

- A tentative proposal is to charge: $35 per credit hour for undergraduate and $50 per credit hour for graduate classes.
- Total estimated revenue generation will be: $4.8 Million (in comparison with the current revenue of $1.97 Million)
- Expected to reduce about $2.5 to $3.0 Million in E&G investment
Recommendations for Approval

#1 6% increase of in-state tuition for all undergraduate students
---Legislatively approved (pending Governor's approval)

#2 9% differential increase of in-state tuition for undergraduate students joining Fall 2007 or later at Tampa campus only

#3 10% reduction of the current undergraduate out-of-state fee

#4 6% increase of graduate in-state tuition (for all students at all campuses, except those covered under programmatic tuition below)

Programmatic tuition:
#5 10% increase of graduate in-state tuition for the following:
- Graduate programs administered by all colleges of business
- CRNA and DNP programs offered by School of Nursing

#6 6% increase in professional tuition for MD program
#7 4.5% increase in professional tuition for DPT program

#8 10% reduction of the graduate out-of-state fee (for all students at all campuses, except MD and DPT programs)

#9 Maintain out-of-state fee at current level for MD program

#10 4.5% increase in out-of-state fee for DPT program

#11 Amendment of Facilities and Equipment Charge schedule to recover cost of instructional laboratory equipment

#12 Amendment of distance learning fee schedule