



COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS

Tuesday, September 9, 2014

SUBJECT: REQUEST FOR APPROVAL OF MARKET-RATE PROGRAMS

PROPOSED COMMITTEE ACTION

Request approval of market-rate program proposals.

BACKGROUND INFORMATION

Under Florida Board of Governors Regulation 7.001, revised September 15, 2011, a university board of trustees may submit a proposal for market tuition rates for graduate-level courses offered online or through the university's continuing education unit when such courses constitute an approved degree program or college credit certificate program.

This year, the proposals selected for submission to the Board of Governors come from the College of Business:

- Executive Master of Accounting
- Master of Taxation
- Master of Science in International Business

IMPLEMENTATION PLAN/DATE

Market-rate proposals will be submitted to the BOG in September 2014 pending full Board approval.

FISCAL IMPLICATIONS

It is anticipated that these market-rate programs will generate more than \$2 million for Fiscal Year 2015-16.

Supporting Documentation:

**2014 Market-Rate Program Proposals
Florida Board of Governors Regulation 7.001**

**Presented by: Dr. Gary Perry, Interim Provost
Dr. Daniel Gropper, Dean of the College of Business**

Phone: 561.297.3061

**State University System
Market Tuition Proposals**

University: Florida Atlantic University

		Proposal 1	Proposal 2	Proposal 3	Proposal 4	Proposal 5
1	Degree Program	Master of Science in International Business	Master of Taxation	Master of Accounting	N/A	N/A
2	CIP Code	52.1101	52.1601	52.0301		
3	Has the program been approved pursuant to Regulation?	Yes	Yes	Yes		
4	Does the program lead to initial licensing or certification?	No	No	No		
5	Is the program identified as a state critical workforce need?	No	No	No		
6	Are the program's admission and graduation requirements the same as other programs?	Yes	Yes	Yes		
7	Current Tuition (Resident/Non-Resident)	\$11,464.42 / \$31,769.11	\$27,000 / \$27,000	\$35,000 / \$45,000		
8	Proposed Market Tuition Rate	\$33,000.00	\$27,000 / \$27,000	\$35,000 / \$45,000		
9	Different Market Tuition Rate for Resident vs. Non-Resident Student?	No	No	Yes		
10	5 Other Public/Private Rates for Similar Program:					
11	University name and rate: (Resident/Non-Resident)	University of Florida \$15,736 / \$36,029	University of Miami \$51,900 / NA	University of Miami \$51,900 / NA		
12	University name and rate: (Resident/Non-Resident)	Florida International University \$33,000 / \$36,600	Florida International University \$32,000 / \$35,000	Florida International University \$32,000 / \$35,000		
13	University name and rate: (Resident/Non-Resident)	Nova Southeastern University \$31,003 / NA	University of Central Florida \$11,089 / \$35,821	University of Central Florida \$11,089 / \$35,821		
14	University name and rate: (Resident/Non-Resident)	Georgia State University \$37,500 / NA	Georgia State University \$37,500 / NA	Georgia State University \$21,524 / \$45,794		
15	University name and rate: (Resident/Non-Resident)	Northeastern University \$38,100 / NA	University at Albany (SUNY) \$15,447 / \$27,717	University at Albany (SUNY) \$15,447 / \$27,717		
17	Length of Program (Student Credit Hours)	33	30	30		
18	Current E&G Student Enrollment (Headcount)					
19	Resident	N/A	N/A	N/A		
20	Non-Resident	N/A	N/A	N/A		
21	Total	N/A	N/A	N/A		
22	Similar Program at other SUS Institutions (if yes, provide university and program name)	See Above	See Above	See Above		

**State University System
Florida Board of Governors
Request to Establish Market Tuition Rates - Regulation 7.001(15)**

University: Florida Atlantic University

Proposed Market Tuition Program: Executive Master of Accounting

Date	
University Board of Trustees approval date:	September 9, 2014
Proposed Implementation Date (month/year):	08/2015
Graduate online or Graduate Continuing Ed. Course:	Graduate Online and Graduate Continuing Education
CIP Code:	52.0301

Description of the Program and the Market Tuition Rate Process

Describe the program and explain the process used to determine market tuition.

The College of Business at Florida Atlantic University requests market rate pricing for Executive Master of Accounting program (M.AC.) offered to working professionals. The Master of Accounting cohort program will be offered online and face-to-face to best serve the needs of the working professionals. The Master of Accounting program will be offered through the School of Accounting Executive Programs (SOAEP), a self-supporting auxiliary unit in the College of Business.

Program	Credit Hours	Tuition (in state/out-of-state)
Master of Accounting	30 Two-year program	\$35,000 / \$45,000

Pricing for the market rate programs will be determined by market forces but, pursuant to BOG requirement, will not be increased by more than 15% per year.

University	Program	Tuition (in state/out-of-state)
University of Miami	MAcc (30 hrs.)	\$51,900 / NA
Florida International University	MAcc –Assurance (30 hrs.) Ten-month program	\$32,000 / \$35,000
University of Central Florida	MS in Accounting (30 hrs.)	\$11,089 / \$35,821
Georgia State University	MA Accounting (30 hrs.) Two-year program	\$21,524 / \$45,794
University at Albany (SUNY)	MS in Forensic Accounting (30 hrs.) One-year program	\$15,447 / \$27,717

The market tuition for the Master of Accounting program was determined by benchmarking against other programs with similar structure and incorporating all associated costs of managing the

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programs. FAU will offer the market rate Master of Accounting program at a different tuition rate for In-State and Out-of-State students. The out-of-state tuition is based on market conditions as well as costs of out-of-state recruiting and services (e.g., book shipments and technical support) provided for out-of state and international students enrolled in our programs.

Mission Alignment

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

The Mission Statement of Florida Atlantic University is: Florida Atlantic University is a multi-campus public research university that pursues excellence in its missions of research, scholarship, creative activity, teaching, and active engagement with its communities.

The Master of Accounting program aligns well with the mission of the University to pursue excellence in teaching and engagement with the community. The market rate tuition contributes to the strategic goal of enriching the educational experience by strengthening and expanding graduate programs at FAU, as well as meeting professional and workforce needs.

As the Southeast Florida region continues to grow as a hub of international commerce, so has the need for accountants and auditors in the financial services sector. Enterprise Florida Inc. (EFI) has designated Accounting/Auditing as an industry targeted for growth and predicts for 2014-2105 a need for nearly 1,200 additional advanced degreed professionals in the field in FAU’s service area, including the counties of St. Lucie, Martin, Palm Beach, Broward, and Dade.

There has been an increased focus on accounting and auditing as a response to corporate scandals and recent financial crises. Stricter laws and regulations, particularly in the financial sector, have greatly increased the demand for accounting services as organizations seek to comply with new standards as well as oversight agencies seek to curtail fraudulent activities.

In addition, market rate tuition will allow the College to generate revenue that will contribute to other strategic goals of the University related to enhancing faculty research and scholarly activity as well as a state-of-the-art information technology environment.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state’s fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The market rate policy for the Master of Accounting program will not increase the state’s fiscal liability or obligation. The Master of Accounting market rate cohort program will not supplant an existing E&G funded degree program in the same discipline.

Restrictions / Limitations

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Identify any proposed restrictions, limitations, or conditions to be placed on the policy:
There will not be any proposed restrictions, limitations, or conditions placed on the policy.

Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

- Number of cohorts initiated: The cohort structure reinforces timely graduation rates. In the cohort arrangement, the same group of students takes the same courses throughout the duration of the program. This arrangement differs from the alternative flexible structure in which students select the course/s they take in any given semester. Since the latter staggered approach is less efficient for the College, and less effective for student success, each market rate program will be a cohort program. The number of cohorts run for each program during each calendar year will be reported.
- Number of students enrolled: The number of students enrolled in each cohort will vary. Enrollment is a function of market tuition and economic conditions in the state and across the out of state recruiting area, as well as a prospective student's self-assessment of their time and availability to commit to a program. An appropriate range of students in each cohort is important to sustain a high level of student interaction and ensure sufficient contributions from each student.
- Student satisfaction: An overall satisfaction score will be reported for each program. The score will be a composite of items intended to measure student assessment of the program content, pedagogical effectiveness of the professor, and administrative services provided to the student.

Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

The market rate Master of Accounting program will be managed in a cohort format, which will ensure that a sufficient number of courses are available to meet student demand and facilitate completion of each program. The schedules of the programs are finalized well in advance and the School of Accounting Executive Programs will work with the School of Accounting Director to ensure sufficient faculty staffing for all programs.

FAU's College of Business currently offers a Traditional E&G funded Master of Accounting program. This program will not be eliminated or scaled back if the market rate Master of Accounting program is implemented.

Economic Impact

Provide economic impact that this proposal will have on the university and the student,

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anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

The proposal will enable the University to provide students greater access to programs, increase the number of degreed graduates, and improve visibility through increased advertising.

It is expected that the market rate Master of Accounting will generate \$1,700,000 FY 2015-2016.

Revenues will be spent to cover direct and indirect instructional costs, program administration, student support services, career services, advertising, renovation of classrooms and facilities, technology upgrades for program delivery, professional development for faculty and staff, and to support College and University initiatives.

Private vendors will not be utilized for direct delivery and administration of the program; however, private approved university vendors such as food caterers, textbook publishers, media outlets for advertising, technology and material providers will be used to support the program.

Funds will be budgeted through the School of Accounting Executive Programs, a self-supporting auxiliary unit within the College of Business.

Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

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University: Florida Atlantic University

Proposed Market Tuition Program: Master of Taxation

Date	
University Board of Trustees approval date:	September 9, 2014
Proposed Implementation Date (month/year):	08/2015
Graduate online or Graduate Continuing Ed. Course:	Graduate Online and Graduate Continuing Education
CIP Code:	52.1601

Description of the Program and the Market Tuition Rate Process

Describe the program and explain the process used to determine market tuition.

The College of Business at Florida Atlantic University requests market rate pricing for Executive Masters of Taxation (M.TX.) offered to working professionals. The Masters of Taxation cohort program will be offered online and face-to-face to accommodate the working professionals. The Masters of Taxation program will be offered through the School of Accounting Executive Programs (SOAEP), a self-supporting auxiliary unit in the College of Business.

Program	Credit Hours	Tuition (in state/out-of-state)
Master of Taxation	30 Two years and one semester program	\$27,000 / \$27,000

Pricing for the market rate programs will be determined by market forces but, pursuant to BOG requirement, will not be increased by more than 15% per year.

University	Program	Tuition (in state/out-of-state)
University of Miami	Master of Science in Taxation (MST) (30 hrs.)	\$51,900 / NA
Florida International University	MACC-Taxation (30 hrs.) One-year program	\$32,000 / \$35,000
University of Central Florida	MS in Taxation (30 hrs.) One-year program	\$11,089 / \$35,821
Georgia State University	MS Taxation (30 hrs.) One-year or two-year program	\$37,500/ NA
University at Albany (SUNY)	MS Taxation (30 hrs.) One-year program	\$15,447 / \$27,717

The market tuition for the Masters of Taxation program was determined by benchmarking against other programs with similar structure and incorporating all associated costs of managing the programs. FAU will offer the market rate Masters of Taxation program at the same tuition for In-State

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and Out-of-State students.

Mission Alignment

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

The Mission Statement of Florida Atlantic University is: Florida Atlantic University is a multi-campus public research university that pursues excellence in its missions of research, scholarship, creative activity, teaching, and active engagement with its communities.

The Masters of Taxation program aligns well with the mission of the University to pursue excellence in teaching and engagement with the community. The market rate tuition contributes to the strategic goal of enriching the educational experience by strengthening and expanding graduate programs at FAU, as well as meeting professional and workforce needs.

As the Southeast Florida region continues to grow as a hub of international commerce, so has the need for accountants and auditors in the financial services sector. Enterprise Florida Inc. (EFI) has designated Accounting/Auditing as an industry targeted for growth and predicts for 2014-2105 a need for nearly 1,200 additional advanced degreed professionals in the field in FAU's service area, including the counties of St. Lucie, Martin, Palm Beach, Broward, and Dade.

There has been an increased focus on accounting and auditing as a response to corporate scandals and recent financial crises. Stricter laws and regulations, particularly in the financial sector, have greatly increased the demand for accounting services as organizations seek to comply with new standards as well as oversight agencies seek to curtail fraudulent activities.

In addition, market rate tuition will allow the College to generate revenue that will contribute to other strategic goals of the University related to enhancing faculty research and scholarly activity as well as a state-of-the-art information technology environment.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The market rate policy for the Masters of Taxation program will not increase the state's fiscal liability or obligation. The Masters of Taxation market rate cohort program will not supplant an existing E&G funded degree program in the same discipline.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:
There will not be any proposed restrictions, limitations, or conditions placed on the policy.

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Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

- Number of cohorts initiated: The cohort structure reinforces timely graduation rates. In the cohort arrangement, the same group of students takes the same courses throughout the duration of the program. This arrangement differs from the alternative flexible structure in which students select the course/s they take in any given semester. Since the latter staggered approach is less efficient for the College, and less effective for student success, each market rate program will be a cohort program. The number of cohorts run for each program during each calendar year will be reported.
- Number of students enrolled: The number of students enrolled in each cohort will vary. Enrollment is a function of market tuition and economic conditions in the state, as well as a prospective student's self-assessment of their time and availability to commit to a program. An appropriate range of students in each cohort is important to sustain a high level of student interaction and ensure sufficient contributions from each student.
- Student satisfaction: An overall satisfaction score will be reported for each program. The score will be a composite of items intended to measure student assessment of the program content, pedagogical effectiveness of the professor, and administrative services provided to the student.

Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

The market rate Masters of Taxation program will be managed in a cohort format, which will ensure that a sufficient number of courses are available to meet student demand and facilitate completion of each program. The schedules of the programs are finalized well in advance and the School of Accounting Executive Programs will work with the School of Accounting to ensure sufficient faculty staffing for all programs.

FAU's College of Business currently offers a Traditional E&G funded Masters of Taxation program. This program will not be eliminated or scaled back if the market rate Masters of Taxation program is implemented.

Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

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The proposal will enable the University to provide students greater access to programs, increase the number of degreed graduates, and improve visibility through increased advertising.

It is expected that the market rate Masters of Taxation will generate \$300,000 FY 2015-2016.

Revenues will be spent to cover direct and indirect instructional costs, program administration, student support services, career services, advertising, renovation of classrooms and facilities, technology upgrades for program delivery, professional development for faculty and staff, and to support College and University initiatives.

Private vendors will not be utilized for direct delivery and administration of the program; however, private approved university vendors such as food caterers, textbook publishers, media outlets for advertising, technology and material providers will be used to support the program.

Funds will be budgeted through the School of Accounting Executive Programs, a self-supporting auxiliary unit within the College of Business.

Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

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University: Florida Atlantic University

Proposed Market Tuition Program: Master of Science in International Business

Date	
University Board of Trustees approval date:	September 9, 2014
Proposed Implementation Date (month/year):	08/2015
Graduate online or Graduate Continuing Ed. Course:	Graduate Online and Graduate Continuing Education
CIP Code:	52.1101

Description of the Program and the Market Tuition Rate Process

Describe the program and explain the process used to determine market tuition.

The College of Business at Florida Atlantic University requests market rate pricing for Master of Science in International Business (MSIB) offered to working professionals. The Master of Science in International Business cohort program will be offered online and face-to-face to accommodate the working professionals. The program will incorporate practical, international experiences, and emphasize the global nature of commerce. The MS in International Business program will be offered through the Department of Executive Education, a self-supporting auxiliary unit in the College of Business.

Program	Credit Hours	Tuition (in state/out-of-state)
Master of Science in International Business	33	\$33,000 / \$33,000

Pricing for the market rate programs will be determined by market forces but, pursuant to BOG requirement, will not be increased by more than 15% per year.

The market tuition for the MS in International Business cohort program was determined by benchmarking against other MS in International Business programs in Florida and the United States, and incorporating all associated costs of managing the programs. FAU will offer the market rate MS in International Business program at the same tuition for In-State and Out-of-State students.

Current tuition for similar programs at other institutions:

University	Program	Tuition (in state/out-of-state)
University of Florida	MAIB (30 hrs.)	\$15,736 / \$36,029
Florida International University	MIB (36 hrs.)	\$33,000 / \$36,600
Nova Southeastern University	MIBA (43 hrs.)	\$31,003 / NA
Georgia State University	MIB (33 hrs.)	\$37,500 / NA
Northeastern University	MSIB (30 hrs.)	\$38,100 / NA

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Mission Alignment

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

The Mission Statement of Florida Atlantic University is: Florida Atlantic University is a multi-campus public research university that pursues excellence in its missions of research, scholarship, creative activity, teaching, and active engagement with its communities.

The MS in International Business program aligns well with the mission of the University to pursue excellence in teaching and engagement with the community. The market rate tuition contributes to the strategic goal of enriching the educational experience by strengthening and expanding graduate programs at FAU, as well as meeting professional and workforce needs. The demographics of the region and the increasing growth of SE Florida as an international commerce hub, especially with Latin America and the Caribbean, will increase the demand for highly skilled individuals who are able to manage a wide range of global business entities throughout the region. International business and trade is a significant driver of the region's economic engine. This is reflected by the Florida Department of Economic Opportunity's recent strategic plan, which specifically targets strengthening "Florida's leadership in expanding and emerging talent and innovation clusters and help transition established clusters to serve new markets" along with expanding "the number of Florida businesses selling goods and services internationally to diversify the markets they serve" (p. 29 Florida Strategic Plan for Economic Development 2013).

In addition, market rate tuition will allow the College to generate revenue that will contribute to other strategic goals of the University related to enhancing faculty research and scholarly activity as well as a state-of-the-art information technology environment.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The new market rate policy for the MS in International Business program will not increase the state's fiscal liability or obligation. The MS in International Business market rate cohort program will not supplant an existing E&G funded degree program in the same discipline.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:
There will not be any proposed restrictions, limitations, or conditions placed on the policy.

Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

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- Number of cohorts initiated: The cohort structure reinforces timely graduation rates. In the cohort arrangement, the same group of students takes the same courses throughout the duration of the program. This arrangement differs from the alternative flexible structure in which students select the course/s they take in any given semester. Since the latter staggered approach is less efficient for the College, and less effective for student success, each market rate program will be a cohort program. The number of cohorts run for each program during each calendar year will be reported.
- Number of students enrolled: The number of students enrolled in each cohort will vary. Enrollment is a function of market tuition and economic conditions in the state, as well as a prospective student's self-assessment of their time and availability to commit to a program. An appropriate range of students in each cohort is important to sustain a high level of student interaction and ensure sufficient contributions from each student.
- Student satisfaction: An overall satisfaction score will be reported for each program. The score will be a composite of items intended to measure student assessment of the program content, pedagogical effectiveness of the professor, and administrative services provided to the student.

Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

The market rate MS in International Business program will be managed in a cohort format, which will ensure that a sufficient number of courses are available to meet student demand and facilitate completion of each program. The schedules of the programs are finalized well in advance and the Department of Executive Education will work with department chairs to ensure sufficient faculty staffing for all programs. Historically, FAU's Executive Education degree programs offered to working professionals under Continuing Education BOG Regulation 8.002, have always provided a sufficient number of courses to meet student demand.

FAU's College of Business does not currently offer a Masters of International Business program; the curriculum for it was established in 2000, but the program has been dormant since 2006.

Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

The proposal will enable the University to provide students greater access to programs, increase the number of graduates, and improve visibility through increased advertising.

It is expected that the market rate MS in International Business will generate \$360,000 FY 2015-2016.

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Revenues will be spent to cover direct and indirect instructional costs, program administration, student support services, career services, advertising, renovation of classrooms and facilities, technology upgrades for program delivery, professional development for faculty and staff, and to support College and University initiatives.

Private vendors will not be utilized for direct delivery and administration of the program, however private approved university vendors such as food caterers, textbook publishers, media outlets for advertising, technology and material providers will be used to support the program.

Funds will be budgeted through the Executive Education auxiliary department within the College of Business.

Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

7.001 Tuition and Associated Fees

- (1) All students shall pay tuition and associated fees, unless waived pursuant to Regulation 7.008, as authorized by the Board of Governors or its designee.
- (2) Tuition shall be defined as the basic fee assessed to students for enrollment in credit courses at any of the state universities. Non-resident tuition shall be defined as the basic fee and out-of-state fee assessed to non-resident students for enrollment in credit courses at any of the state universities. The out-of-state fee is the additional fee charged to a non-resident student. The non-resident tuition must be sufficient to offset the full instructional cost of serving the non-resident student. Calculations of the full cost of instruction shall be based on the university average of the prior year's cost of programs using the expenditure analysis.
- (3) Effective with the Fall 2011 term, undergraduate tuition shall be \$103.32 per credit hour.
- (4) Each university board of trustees may set tuition for graduate, including professional, programs.
- (5) Each university board of trustees may set out-of-state fees for undergraduate and graduate, including professional, programs.
- (6) Associated fees shall include the following fees and other fees as authorized by the Board of Governors:
 - (a) Student Financial Aid Fee;
 - (b) Capital Improvement Fee;
 - (c) Building Fee;
 - (d) Health Fee;
 - (e) Athletic Fee;
 - (f) Activity and Service Fee;
 - (g) Non-Resident Student Financial Aid Fee, if applicable;
 - (h) Technology Fee; and
 - (i) Tuition Differential.
- (7) Students shall pay tuition and associated fees or make other appropriate arrangements for the payment of tuition and associated fees (installment payment, deferment, or third party billing) by the deadline established by the university for the courses in which the student is enrolled, which shall be no later than the end of the second week of class.

(8) Registration shall be defined as the formal selection of one or more credit courses approved and scheduled by the university and tuition payment, partial or otherwise, or other appropriate arrangements for tuition payment (installment payment, deferment, or third party billing) for the courses in which the student is enrolled as of the end of the drop/add period.

(9) Tuition and associated fees liability shall be defined as the liability for the payment of tuition and associated fees incurred at the point at which the student has completed registration, as defined above.

(10) Tuition and associated fees shall be levied and collected for each student registered in a credit course, unless provided otherwise in Board regulations.

(11) Each student enrolled in the same undergraduate college-credit course more than twice shall pay tuition at 100 percent of the full cost of instruction and shall not be included in calculations of full-time equivalent enrollments for state funding purposes. Students who withdraw or fail a class due to extenuating circumstances may be granted an exception only once for each class pursuant to established university regulations. The university may review and reduce these fees paid by students due to continued enrollment in a college-credit class on an individual basis contingent upon the student's financial hardship. For purposes of this paragraph, first-time enrollment in a class shall mean enrollment in a class fall semester 1997 or thereafter. Calculations of the full cost of instruction shall be based on the system-wide average of the prior year's cost of undergraduate programs in the state university system using the expenditure analysis.

(12) Each FAMU student enrolled in the same college-preparatory class more than twice shall pay 100 percent of the full cost of instruction to support continuous enrollment of that student in the same class, and shall not be included in calculations of full-time equivalent enrollments for state funding purposes. Students who withdraw or fail a class due to extenuating circumstances may be granted an exception only once for each class pursuant to established university regulations. Calculations of the full cost of instruction shall be based on FAMU's average of the prior year's cost of remedial undergraduate programs using the expenditure analysis and adjusted by the percentage budget increase in the current year appropriation.

(13) A university board of trustees may submit a proposal for a block tuition policy to the budget committee for consideration by the committee during a November meeting. The proposed block tuition policy for resident undergraduate or graduate students shall be based on the per-credit hour tuition amount. The proposed block tuition policy for nonresident undergraduate or graduate students shall be based on the per-credit-hour tuition and out-of-state

fee amount. The block tuition policy can only be implemented beginning with the fall term.

(a) The proposal shall be submitted in a format designated by the Chancellor and include at a minimum:

1. An explanation of the process used to determine the block tuition ranges.
2. An explanation of how the university will ensure that sufficient courses are available to meet student demand.
3. A description of how the policy is aligned with the mission of the university.
4. A declaratory statement that the policy does not increase the state's fiscal liability or obligation.
5. An explanation of any proposed restrictions, limitations, or conditions to be placed on the policy.
6. A clear statement that any student that is a beneficiary of a prepaid tuition contract, purchased prior to the first fall term in which the block tuition is implemented, will not be included in any block tuition policy and will be billed on a per-credit-hour basis. The university shall work with the Florida Prepaid Board to determine how block tuition will be paid for beneficiaries of prepaid tuition contracts after implementation of block tuition. The university shall report the final resolution to the budget committee.
7. An estimation of the economic impact that implementation of the policy will have on the university and the student by identifying the incremental revenue the university anticipates collecting if this policy is implemented and the financial impact on the typical student subject to the policy.
8. A description of any outcome measures that will be used to determine the success of the policy, including but not limited to, time to degree, course load impact, and graduation rates.

(b) The Board of Governors will act upon the budget committee recommendation at the next scheduled meeting. If a university board of trustees' proposal is denied, within five days, the university board of trustees may request reconsideration by the Board's Tuition Appeals Committee, which shall consist of the Chair of the Board and the Chair of each Board committee. The Tuition Appeals Committee will meet within ten days after the Board of Governors' denial to consider a university board of trustees request for reconsideration.

(c) Every five years, the university board of trustees shall review the policy to determine if it has met its intended outcomes and whether the policy should

be continued or modified. The university board of trustees shall submit its findings to the Board.

(14) As a component of the annual university Work Plan, a board of trustees may submit a proposal to the budget committee of the Board of Governors by May 31 of each year to establish an increase in the undergraduate tuition differential to be implemented with the fall academic term. The tuition differential shall promote improvements to undergraduate education and provide financial aid to undergraduate students who have financial need. University boards of trustees shall have flexibility in distributing need-based financial aid awards according to university policies and Board of Governors' regulations.

(a) The aggregate sum of tuition and tuition differential can not be increased by more than 15 percent of the total charged for the aggregate sum of these fees in the preceding fiscal year.

1. The tuition differential may be assessed on one or more undergraduate courses or all undergraduate courses and may vary by campus or center location.
2. The sum of undergraduate tuition and associated fees per credit hour may not exceed the national average undergraduate tuition and fees at four-year degree granting public postsecondary educational institutions.
3. Students having prepaid contracts in effect on July 1, 2007, and which remain in effect, are exempt from paying the tuition differential.
4. Students who were in attendance at the university before July 1, 2007, and maintain continuous enrollment may not be charged the tuition differential.

(b) The university board of trustees' proposal shall be submitted in a format designated by the Chancellor, and include at a minimum:

1. The course or courses for which the tuition differential will be assessed.
2. The amount that will be assessed for each tuition differential proposed.
3. The purpose of the tuition differential.
4. Identification of how the revenues from the tuition differential will be used to promote improvements in the quality of undergraduate education and to provide financial aid to undergraduate students who have financial need.
 - a. For the purposes of the following subsection,
 - i. "Financial aid fee revenue" means financial aid fee funds collected in the prior year.
 - ii. "Private sources" means prior-year revenue from sources other than the financial aid fee or the direct appropriation

for financial assistance provided to state universities in the General Appropriations Act.

b. At least thirty percent of the revenue shall be expended to provide need-based financial aid to undergraduate students to meet the cost of university attendance. If the entire tuition and fee costs of resident students who have applied for and received Pell Grant funds have been met and the university has excess funds remaining, the university may expend the excess portion on undergraduate education.

i. Universities shall increase undergraduate need-based aid over the prior year by at least thirty percent of the tuition differential.

ii. This expenditure shall not supplant the amount of need-based aid provided to undergraduate students in the preceding fiscal year from financial aid fee revenues, the direct appropriation for financial assistance provided to state universities in the general appropriations act, or from private sources.

iii. If a university's total undergraduate need-based awards does not meet or exceed the sum of the prior year's undergraduate need-based awards plus thirty percent of new tuition differential funds, the university may still be considered in compliance. However, the university shall provide detailed documentation demonstrating that the difference is attributed to a decrease in financial aid fee collections (Regulation 7.003(18)), tuition differential collections, the direct appropriation for student financial assistance in the General Appropriations Act, and/or a decrease in foundation endowments that support undergraduate need-based aid awards.

c. The remaining revenue shall be expended on undergraduate education.

5. Indicate how the university will monitor the success of the tuition differential in achieving the purpose for which the tuition differential is being assessed.

(c) The budget committee will examine data gathered as part of the University Annual Reports instituted pursuant to Regulation 2.002 to inform members' deliberations regarding institutional proposals for tuition differential increases. At a minimum, the committee will review:

1. Undergraduate retention and graduation rates.
2. Percentage of students graduating with more than 110 percent of the hours required for graduation.

3. Licensure pass rates for completers of appropriate undergraduate programs.
4. Number of undergraduate course offerings.
5. Percentage of undergraduate students who are taught by each instructor type.
6. Average salaries of faculty who teach undergraduate courses.
7. Undergraduate student-faculty ratio.
8. Other university specific measures identified by the boards of trustees pursuant to subparagraph (14)(b)5.
9. Number of need-based financial aid awards provided, average award, and median award.

(d) The budget committee shall review each proposal and advise the university board of trustees of the need for any additional information or revision to the proposal. The budget committee will make a recommendation to the Board of Governors at the next scheduled meeting.

(e) The Board of Governors will act upon the budget committee recommendation at the next scheduled meeting. If a university board of trustees' proposal is denied, within five days the university board of trustees may request reconsideration by the Board's Tuition Appeals Committee, which shall consist of the Chair of the Board and the Chair of each Board committee. The Tuition Appeals Committee will meet within ten days after the Board of Governors denial to consider a university board of trustees request for reconsideration.

(f) Each university board of trustees that has been approved to assess a tuition differential shall submit the following information to the Board of Governors General Office in a format and at a time designated by the Chancellor, so that such information can be incorporated into a system report that will be submitted to the Governor and Legislature by January 1.

1. The amount of tuition differential assessed.
2. The course or courses for which the tuition differential was assessed.
3. Total revenues generated.
4. Number of students eligible for a waiver as outlined in Regulation 7.008(20), number of these students receiving a waiver, and the value of these waivers.
5. Detailed expenditures (submitted as a part of the August operating budget).
6. Detailed reporting of financial aid sources and disbursements sufficient to meet the requirements in subparagraph (14)(b)4.
7. Data on indicators outlined in subparagraph (14)(c).

(g) Universities must maintain the need-based financial aid revenue generated from the tuition differential in a separate Education and General account, with the revenue budget in the Student and Other Fee Trust Fund.

(h) If, after approval by the Board of Governors, a university determines that modifications need to be made to the monitoring and implementation of the proposed undergraduate improvement programs, the university shall notify the Chancellor.

(15) A university board of trustees may submit a proposal for market tuition rates for graduate-level courses offered online or through the university's continuing education unit when such courses constitute an approved degree program or college credit certificate program. Proposals shall be submitted to the budget committee for consideration by the committee during a November meeting.

(a) Proposals to charge market tuition rates for degree programs and college credit certificate programs shall be considered by the Board only if documentation is provided that demonstrates:

1. The programs have been approved in accordance with Regulation 8.011 and have established one or more separate market tuition rate student cohorts, each of which can be tracked for administrative and reporting purposes.
2. The programs do not lead to initial licensing or certification for occupational areas identified as state critical workforce need in the State University System of Florida Strategic Plan, 2005-2013, Areas of Programmatic Strategic Emphasis, as amended in 2009. A university may request establishment of market tuition rates for such programs for non-residents if such programs do not adversely impact development of other programs for Florida residents. A university, upon a written request for a special exception from the Chancellor, may submit a proposal for market tuition rate for a program leading to initial licensing or certification in a state critical workforce need area if it can be demonstrated to increase the number of graduates in the state.
3. The program admission and graduation requirements shall be the same as similar programs funded by state appropriations.

(b) If approved by the Board, the university shall operate these programs for a pilot period in order to collect sufficient information to determine the merit and success of market tuition rate courses. During the pilot period, the Board shall approve no more than five new graduate-level degree programs or college credit certificate program proposals per academic year. After three years, the university shall present its findings to the Board budget committee.

The university findings shall include, but not be limited to, program enrollments, degrees produced, and enrollments in similar state funded programs. The budget committee will then make any appropriate recommendations to the Board for changes of market tuition rates programs.

(c) The proposal for market tuition rate programs shall be submitted in a format designated by the Chancellor and include at a minimum:

1. A description of the program and its compliance with the requirements outlined in (15)(a).
2. An explanation of the process used to determine the market tuition rate and the tuition at similar programs from at least five other institutions, including both private and public.
3. A description of similar programs offered by other state university system institutions.
4. An estimate of the market tuition rate to be charged over the next three years. Any annual increase shall be no more than 15 percent over the preceding year.
5. A description of how offering the proposed program at market tuition rate is aligned with the mission of the university.
6. An explanation and declaratory statement that offering the proposed program at market tuition rate does not increase the state's fiscal liability or obligation.
7. An explanation of any differentiation in rate between resident and non-resident students paying market tuition rate.
8. An explanation of any proposed restrictions, limitations, or conditions to be placed on the program.
9. A description of any outcome measures that will be used to determine the success of the proposal.
10. In addition, the following information will be included with the proposal:
 - a. An explanation of how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration.
 - b. A baseline of current enrollments, including a breakout of resident and nonresident enrollment, in similar state-funded courses.
 - c. An estimation of the economic impact that implementation of the proposal will have on the university and the student by identifying the incremental revenue the university anticipates collecting if the proposal is approved.
 - d. A description of how revenues will be spent, including whether any private vendors will be utilized, and which budget entity the funds will be budgeted.

(d) The Board of Governors will act upon the budget committee recommendation at the next scheduled meeting. If a university board of trustees' proposal is denied, within five days, the university board of trustees may request reconsideration by the Board's Tuition Appeals Committee, which shall consist of the Chair of the Board and the Chair of each Board committee. The Tuition Appeals Committee will meet within ten days after the Board of Governors' denial to consider a university board of trustees request for reconsideration.

(e) If a university charges a market tuition rate for a course within an approved program, preference shall be given to Florida residents in the admission process for similar state funded programs.

(f) Enrollments and degrees granted in market tuition rate program cohorts shall be reported in a manner to be determined by the Chancellor.

(g) Credit hours generated by courses in market tuition rate program cohorts shall not be reported as fundable credit hours and all costs shall be recouped within the market tuition rate.

(h) Programs and associated courses approved for market tuition rate shall not supplant existing university offerings funded by state appropriations.

(i) Each university approved to offer market tuition rates shall provide an annual status report in a format designated by the Chancellor.

Authority: Section 7(d), Art. IX, Fla. Const.; History—Formerly BOR Rule 6C-7.001, Adopted 4-8-79, Renumbered 12-16-74, Amended 6-28-76, 7-4-78, 8-6-79, 9-28-81, 12-14-83, 7-25-84, 10-2-84, 10-7-85, Formerly 6C-7.01, Amended 12-25-86, 11-16-87, 10-19-88, 10-17-89, 10-15-90, 9-15-91, 1-8-92, 11-9-92, 7-22-93, 8-1-94, 11-29-94, 4-16-96, 8-12-96, 9-30-97, 12-15-97, 8-11-98, 9-30-98, 8-12-99, 8-3-00, 8-28-00, 8-12-01, Amended and Renumbered as 7.001 09-25-08, Amended 12-10-09, 11-04-10, 01-20-11, 9-15-11.