Florida Gulf Coast University Board of Trustees
September 14, 2004

SUBJECT: Governor's 2004-2005 Initiatives for Higher Education - Targeted Incentive Program, Block Tuition, University Billing Statements, and Excess Credit Hours

PROPOSED BOARD ACTION

Authorize the University to support the Governor's 2004-2005 Initiatives for Higher Education - Targeted Incentive Program, Block Tuition, University Billing Statements, and Excess Credit Hours

BACKGROUND INFORMATION

In January 2004, Governor Jeb Bush promulgated four recommendations concerning state higher education policy: The 2004-2005 Initiatives for Higher Education. In February 2004, Dr. Debra Austin, Chancellor, Colleges and Universities, Florida Department of Education, asked that each university evaluate the Governor's initiatives in the following areas:

- Targeted Incentive Program
- Block Tuition
- University Billing Statements
- Excess Credit Hours

On behalf of the University, Dr. Thomas Healy, then Assistant to the President for Government Relations responded in writing on February 25, 2004 to the Chancellor's request for input. Subsequently, proposed legislation to enact the four initiatives was not passed by the 2004 Legislature.

Recently, Chancellor Austin again has requested that each state university review its initial response to the initiatives and provide additional advice. The University administration believes that the Governor's initiatives should be supported. However, each university should be given significant local autonomy
to design the block tuition and other initiatives to meet its needs and the unique needs of its students, as suggested in Dr. Healy's memorandum. In addition, all four proposals require additional research, in consultation with Division of Colleges and Universities staff and internally, before they could be implemented.

Dr. Yegidis will provide additional details at the September 14, 2004 meeting.

If approved by the Board of Trustees, the University will inform the Florida Board of Governors of its support for the Governor’s initiatives and of the need for local autonomy in their implementation.

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**Supporting Documentation Included:** (1) Memorandum by Dr. Thomas Healy, dated February 25, 2004, and (2) 2004-2005 Governor Recommended Policies Document (from Memorandum by Debra Austin, Chancellor, Colleges and Universities, Florida Department of Education, dated February 16, 2004)

**Prepared by:** Dr. Paul Snyder, Associate Vice President, Planning and Institutional Performance

**Legal Review by:** Ms. Wendy S. Morris, General Counsel

**Submitted by:** Dr. Bonnie L Yegidis, Provost and Vice President for Academic Affairs
February 25, 2004

TO: Mr. Tim Jones  
Florida Department of Education

FROM: Tom Healy  
Assistant to the President for Government Relations

SUBJECT: Florida Gulf Coast University (FGCU) Response to Chancellor Austin’s  
Memo of February 16, 2004, regarding University Policies as  
Recommended by the Governor

Florida Gulf Coast University supports the Targeted Incentive Program and permitting  
Block Tuition at those universities who wish to implement it. We have minor concerns  
regarding the University Billing Students and greater concerns as they relate to the  
Excess Credit Hours proposal. What follows is the feedback provided by our  
administrative team and the offices who would implement these policies.

I. Targeted Incentive Program

FGCU Response: FGCU supports the concept and suggests that funding should  
be released up front to hire faculty, then universities should be held accountable for  
achieving the desired enrollment increases in critical need areas. Accreditation standards  
require that full-time faculty teach a reasonable percentage of the courses a student takes  
and in those times of austere budgets, universities and community colleges are stretching  
the upper boundaries of part-time or adjunct faculty utilized to offer the number of  
sections needed. Funding full-time faculty in areas of critical need would provide a long-
term solution to long-term problems.

II. Universities Can Establish Block Tuition

FGCU Response: While FGCU supports this initiative, there are several  
questions that have arisen which should be addressed either in legislation or in rule.

- Is the block fee for tuition only, and would local fees (athletic, health, activity and  
service, financial aid and transportation access fees) still be charged at the hourly  
rates? Or must we provide a comprehensive block rate? If we charge tuition for  
15 hours and the student registers for 21, are the additional 6 hours counted  
differently towards meeting our fundable FTE total? There will be policy issues  
for refunds when the student drops courses and ends up below the block number,  
and federal financial aid regulatory issues.
- Block tuition language of the proposed bill and Board of Governors (BOG)  
interpretation differs. The bill says University Board of Trustees (UBOT) shall
establish, BOG document says they can establish. Is this mandatory or not? What would be the impact on current tuition revenues if we were forced to move to this model? How many additional or fewer FTE’s are we likely to generate as a result of its implementation? What would tuition have to be set at to ensure we have adequate revenue to sustain future growth?

- Assuming passage of the block tuition proposal, will universities have enough time to seek UBOT and BOG approval of tuition changes in the short time period between legislative adjournment and the start of fall semester or would we be expected to wait at least one year before implementation?

III. University Billing Statements:

FGCU Response:

- Will the Appropriation Act or the Division of Colleges and Universities report to the universities what they are being allocated per credit hour, so we will know what to report is being funded by the state for undergraduate and graduate credit hours? If not, how is the amount of funding paid by the state to be calculated?

- There may be some costs issues here, as universities will have to modify programs identifying the details. FGCU has done this on a limited basis and found it often generates more confusion on behalf of the students than benefit.

IV. Excess Credit Hours:

FGCU Response:

- The excess credit hour proposal is a well-intentioned idea that is extremely complex to implement.

- It is costly, and there are technical issues concerning the identification of students who have taken excess hours. The university may be at risk if students who incur higher fees claim they have not been properly advised. If the intent of this effort is to withhold state support from the proverbial “career student,” then a blanket policy to charge out-of-state tuition for all students who have exceeded the number of hours to graduate by 10% may result in punishing a greater number of well-intentioned, motivated citizens of Florida whose plans to complete their degree have been altered by military service, career, or family need.

- There are other questions to be answered. How will credits toward the degree be counted? Who will be counted in this analysis, why and how? Would the excess tuition, if charged, stay with the university or go back to the state?

- The excess hours mandate could become extremely egregious. There are so many legitimate exceptions to the rule. Take for example, one student who has a Bachelor’s Degree in Finance from the University of Florida and an MBA from the University of North Florida. He has found after using these degrees for the
past 10 to 12 years that he needs to become a CPA to further his career. He has to take 12 courses to be eligible to sit for the CPA exam. Those are not degree-seeking credits and under the proposed changes, he could be asked to pay out-of-state tuition to take all 12 courses. He is a taxpayer in the State of Florida and should have every opportunity to take these courses as an in-state student just like any other resident. If you start trying to make exceptions for legitimate cases, the law and/or rules could very well become so convoluted that all we would get out of the new policy are audit criticisms and dissatisfied students.

Tim, thank you for the opportunity to react to the University Policies Recommended by the Governor. We at FGCU stand ready to assist you and the Board of Governors in passing legislation that encourages and assists students in getting an education that best meets their needs and the needs of the State of Florida. Should you need additional information, please do not hesitate to contact me.

TH: krb
2004-2005 Governor Recommended Policies

- Targeted Incentive Program
  - The Board of Governors shall allocate $10,000,000 as incentive awards to individual university boards of trustees for establishing programs, policies, and procedures which lead to increased degree production in academic discipline areas deemed critical to Florida’s future job growth needs.
  - For fiscal year 2004-2005, the targeted critical career areas shall be defined as: Teaching, Nursing, Engineering, and Information Technology. The Florida Board of Governors, in conjunction with the individual university boards of trustees, shall identify the specific academic disciplines and the related, upper-division and graduate level academic courses which link to the targeted critical career areas.
  - For allocating the incentive awards, the Florida Board of Governors shall establish a base from the 2003-2004 FTE enrollments in the targeted upper-division and graduate level academic courses taken by students who are majoring in the targeted academic disciplines. Incentive awards shall be determined at the end of each semester based on the prorated share of the FTE growth above the base year. The Florida Board of Governors shall determine the incentive award amount for each additional FTE by August 1, 2004. Any funds in Specific Appropriation 157 for incentives that are not awarded by June 30, 2005, shall revert to General Revenue unallocated.
  - By October 1, 2004, the Florida Board of Governors, in consultation with the Agency for Workforce Innovation, Workforce Florida Inc., and Enterprise Florida shall develop a multi-year forecasting mechanism for identifying occupations to target for increased degree production. Such forecasting shall identify occupations with the largest unmet growth rates and/or highest wage potential for subsequent years. By November 1, 2004, the Florida Board of Governors shall develop a proposal for providing incentive awards beginning with the 2005-2006 fiscal year based on increasing degree production in academic disciplines linked to the occupations determined by the forecast. By December 1, 2004, the Florida Board of Governors shall report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, the details regarding targeted occupations which meet the guidelines of the forecast, the incentive award proposal, and any university successes or barriers to implementing this proposal.

- Universities Can Establish Block Tuition
  - Individual university boards of trustees are authorized to establish block tuition and fee policies for undergraduate full-time students based on a course load of 15 credit hours beginning with the 2004-2005 academic year. The Board of Governors shall review and approve such policies prior to their implementation. Such policies shall not increase costs to students
or the state regarding state supported student financial aid programs or the Florida Prepaid College Tuition Program.

- **University Billing Statements**
  - All students who are charged tuition and fees must receive a tuition bill which clearly identifies the amount of funding paid by the state on the student's behalf to reflect the true costs of the student's education and identify the entities which are bearing that cost. State funding to universities and state student financial aid shall be itemized. The Board of Governors shall review and approve a sample of each university's bill format prior to August 15, 2004.

- **Excess Credit Hours**
  - University boards of trustees shall establish policies which require students who are in excess of the number of hours needed to graduate by more than ten percent or who are not enrolled as degree-seeking to pay the out-of-state fee per credit hour.