



Board of Governors Action July 10, 2007

The Board of Governors has taken unprecedented actions to ensure that the State University System and its 11 institutions have the resources needed to provide high-quality education to its 300,000 students.

At its July 10, 2007, meeting, the Board of Governors:

- ▶ Placed a freeze on freshmen enrollment growth at the current level – about 38,000 students – beginning Spring 2008;
- ▶ Declared a tuition increase of not more than 5 percent, effective January 2008;
- ▶ Joined the Graham-Frey legal action over governance and tuition authority;
- ▶ Announced its intention to develop a new University Accord with the Governor and Legislature to end the era of uncertainty and unreliability in state support for Public universities.

These actions were taken out of a growing concern among members of the Board of Governors that continued enrollment funding shortfalls and cutbacks were undermining quality university education and shortchanging Florida's students.

The Board of Governors takes seriously its fiduciary responsibility – it must look after the strength and stability of the 11 universities.

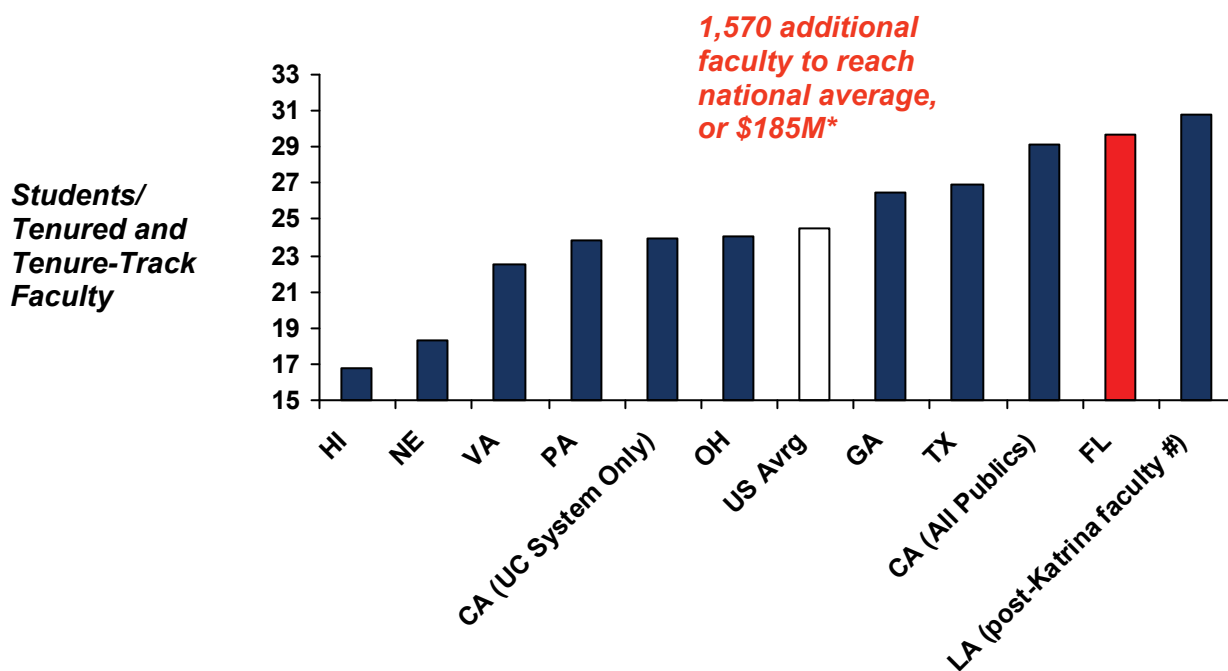
In response to the State's budget shortfall, the Board of Governors is making immediate base budget cuts of 4 percent (\$100 million) and preparing for up to 10 percent base budget reductions.

The budget cuts are a shared responsibility – universities must shoulder that burden. The universities will make cuts carefully and strive to avoid any impact on students and their instruction.

▶ Enrollment Freeze

- ▶ Freeze on freshmen enrollment growth at current levels – about 38,000 students
- ▶ Effective Spring 2008 for the next three calendar years (through Fall 2010)
- ▶ Does not affect community college AA and AS transfers

Florida has the second worst student-faculty ratio in the country



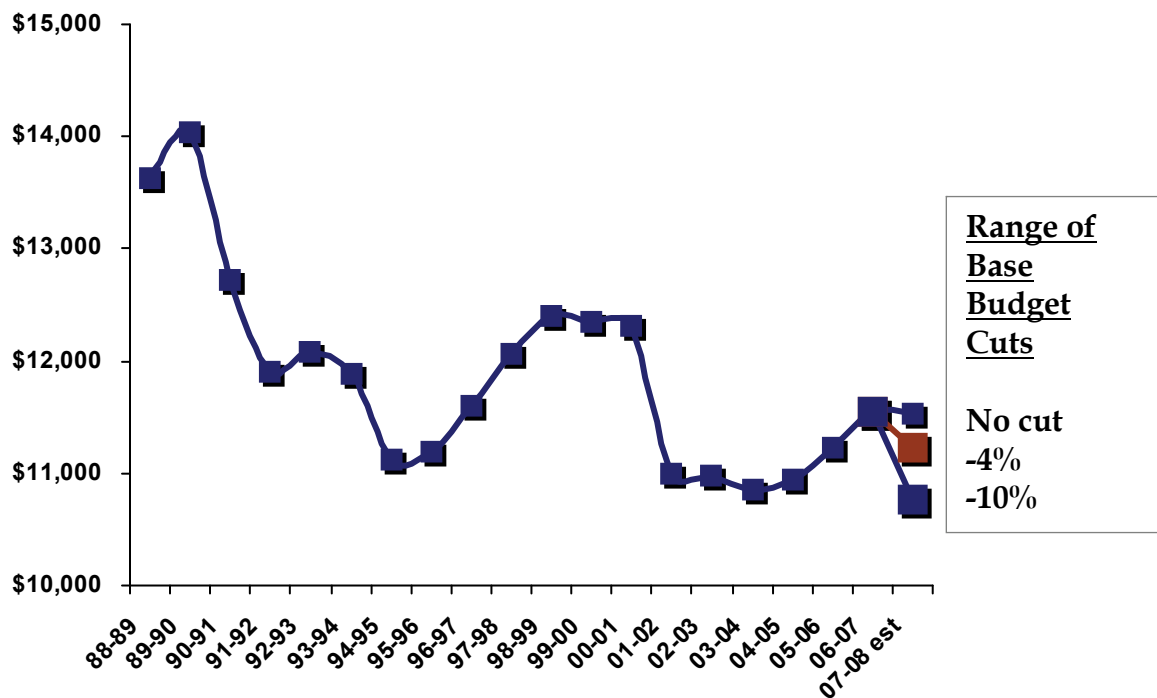
Why freeze freshman enrollment?

- ▶ For years, Florida’s public universities have not received the full basic state support for each student
- ▶ As a result, universities currently have 5,627 students enrolled for which the State University System receives no funding at all – only the tuition these students pay
- ▶ But tuition covers only a fourth of the cost of academic instruction
- ▶ So our enrollment grows – but we don’t get the full resources needed to hire additional faculty and student advisers
- ▶ Thus, Florida has the worst student-faculty ratio in the nation (see table, above)
- ▶ Freeze is not permanent – Board of Governors is seeking to reform the funding system to provide adequate, consistent funding

Tuition Increase

- ▶ The Board of Governors is committed to affordable undergraduate education
- ▶ New tuition rate to be determined later this summer, when the full extent of budget cuts can be known
- ▶ Tuition increase will be no greater than 5 percent, or about \$55 extra per semester
- ▶ Additional financial aid for eligible students will be made available from a portion of this tuition increase
- ▶ First time the Board of Governors has exercised its tuition authority

FUNDING PER STUDENT ERRATIC AND DECLINING



Why raise tuition?

- ▶ State support per student has dropped dramatically over time (see chart above)
- ▶ Modest tuition increase provides resources – \$9.5 million in current academic year, if increase is 5 percent – to underwrite needed classes and advisers
- ▶ Tuition is the lowest in the nation

Graham-Frey lawsuit

- ▶ Graham-Frey legal action follows nearly 5 years of uncertainty in public university governance
- ▶ It asks the court to clarify fundamental governance issues, including whether the Legislature or the Board of Governors holds authority to set tuition rates
- ▶ The lawsuit argues that tuition authority lies with the Board of Governors
- ▶ Does not seek monetary damages – this is about clarifying authority once and for all

Why join the Graham-Frey lawsuit?

- ▶ Uncertainty over tuition authority and other governance questions creates confusion and inefficiency
- ▶ There are still unresolved conflicts between Florida Statutes and the Florida Constitution
- ▶ Only a court ruling can settle these issues and provide needed clarity
- ▶ The Board of Governors will continue to emphasize partnership and collaboration in full recognition of the critical role played by the Legislature in appropriating funding for the State University System

Board of Governors seeks a University Accord to reform funding system

- ▶ Throughout the country, governors, legislatures and university system boards have developed multi-year finance and accountability plans to ensure quality, affordability and access
- ▶ Governor Charlie Crist, when he signed the Differential Tuition Bill, expressed strong interest in a new “partnership” and “accord” with the State University System
- ▶ Governor Crist: “This partnership will be a powerful force working to improve the quality and status of the State University System of Florida.”
- ▶ Board of Governors, Boards of Trustees and the university presidents will work with Governor Crist to forge this University Accord
- ▶ University Accord will be the foundation of a rational, reliable funding system – that is what is needed if presidents are to plan ahead and prepare for students and their education
- ▶ University Accord can end “yo-yo financial management” – up and down, reactive management caused by unreliable and ever-changing levels of support