

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

University: University of South Florida

| Date | |
|---|-------------------|
| University Board of Trustees approval date: | September 2, 2011 |
| Proposed Implementation Date (month/year): | August 2012 |

Market Tuition Rate Process

Explain the process used to determine market tuition.

The existing tuition and fees for the Master of Science in Entrepreneurship (MSEAT) program is \$415.86/credit hour (Florida resident) and \$837.29 (non-resident). Currently, this program is not online.

A market tuition rate of \$1250.00/credit hour is requested for off-campus and online delivery of the MSEAT, based on market pricing, reputation and brand identity of USF and the MSEAT program.

The Interdisciplinary MSEAT is a specialized master's degree program, with a limited number of competing programs offered through in-classroom or online delivery. Nine comparable programs, both public and private, including both in-classroom and online formats, were identified where market tuition rate information was available. Each program charged the same market-based tuition for both resident and non-resident students. They are listed below. USF is well under the average of \$1842/SCH for in-classroom instruction and \$1419/SCH for online instruction.

MS Programs in Entrepreneurship

| Online | Public/Private | \$/SCH | Program Cost |
|-------------------|-----------------------|---------------|---------------------|
| Northeastern | Private | \$1,681 | \$60,500 |
| U. North Carolina | Public | \$2,472 | \$89,000 |
| Walden U | Private | \$1,348 | \$43,150 |
| Capella U | Private | \$1,868 | \$67,275 |

| In-Class | | | |
|--------------------|---------|---------|----------|
| Pepperdine U | Private | \$1,280 | \$50,000 |
| SMU | Private | \$1,560 | \$49,900 |
| DePaul U | Private | \$1,163 | \$41,800 |
| Syracuse U | Private | \$1,773 | \$53,183 |
| UT at Dallas | Public | \$1,318 | \$47,448 |
| USF Market Tuition | Public | \$1,250 | \$37,500 |

Mission Alignment

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

The proposed market tuition USF Interdisciplinary MSEAT program is well-aligned with the University's mission to establish a strong and sustainable economic base in support of USF's growth, one of four strategic initiatives outlined in USF's Strategic Plan, 2007-2012.

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The Interdisciplinary MSEAT further contributes to USF's mission by:

- 1) Promoting student access and success in an engaged, and interdisciplinary, learner-centered environment,
- 2) Supporting the generation, dissemination and translation of new knowledge across disciplines, to strengthen the economy and design and build sustainable communities, and
- 3) Embracing innovation to build a community of learners together with significant and sustainable university-community partnerships and collaborations.

For Students: The proposed market tuition revenue would be used to enhance the Interdisciplinary MSEAT program by hiring and retaining high-caliber graduate faculty, promoting additional assistantships and scholarships for students and recruiting exceptional out-of-state and international students to help improve the educational experiences of Florida resident students. The online format provides a graduate degree opportunity for students who would not otherwise be able to attend classes due to work constraints, location, or family needs.

For Research and Scholarship: The hiring of exceptional graduate faculty to teach in the proposed Interdisciplinary MSEAT program would also bolster the research orientation and contributions of the existing faculty.

For Florida and Society: The USF Interdisciplinary MSEAT program equips students to create, manage and grow new innovative businesses, leading to sustained economic growth, new product and service innovations and more effective translation of new technologies to meet the needs of our state and increase the economic potential of our region.

Similarly, the proposed market tuition MSEAT program is aligned with the Board of Governors system goals, established for 2012-2013:

Goal 1: Access to and production of degrees. It is expected that the proposed market tuition program will provide significant enrollment growth and will mirror the growth of USF's Interdisciplinary in-residence MSEAT program which has grown to over 130 students in the past five years. The off-campus and online formats provide additional flexibility and access to students from across the state and around the world.

Goal 2: Meeting statewide professional and workforce needs. USF's Interdisciplinary MSEAT graduates can apply concepts and skills learned through the program to create and grow new business ventures and help existing businesses become more innovative and compete more effectively in global marketplaces. This, in turn, strengthens the state economy, creating new jobs and opportunities for graduates of the program throughout the state.

Goal 3: Building world-class academic programs and research capacity. The USF in-residence Interdisciplinary MSEAT program is recognized as one of the top graduate programs in entrepreneurship in the world. Since its launch in 2005, the Interdisciplinary MSEAT program has consistently been ranked among the world's best graduate business programs by The Princeton Review and Entrepreneurship Magazine. The proposed market tuition program will strengthen the recognition and stature of USF's entrepreneurship programs and financially support USF's efforts to expand and strengthen research capacity.

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Goal 4: Meeting community needs and fulfilling unique institutional responsibilities. The proposed USF Interdisciplinary MSEAT program provides degree access to working professionals in Florida, across the nation and around the world. As a globally recognized program of excellence in interdisciplinary entrepreneurship education, USF successfully fulfills an important institutional responsibility as it relates to enabling access to this degree across the state. This access serves to meet statewide professional and workforce needs, as outlined above, and strengthens Florida's economy through new business and job creation.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation:

USF's Interdisciplinary MSEAT market rate will not result in an increase in the State's fiscal liability or obligation.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

Pursuant to BOG Regulation 7.001, any annual increase shall be no more than 15% over the preceding year.

Accountability Measures

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

USF continuously reviews all of its academic programs with respect to student learning outcomes and other quality indicators. Annual assessment plans with expected learning outcomes are maintained for all degree programs and in-depth reviews are conducted at least once every seven years.

The success of the proposed market tuition program will also be measured by student enrollment, student quality, faculty excellence and student satisfaction.

- 1) **Student Enrollment.** Approximately 30 students will be admitted annually into the off-campus Interdisciplinary MSEAT program and an additional 160 to 200 students will be admitted per year into the online Interdisciplinary MSEAT program. If these numbers are maintained and increased, the market rate pricing will be considered a success.
- 2) **Student Quality.** To ensure student quality, the program will be assessed by undergraduate GPA, previous professional work experience, and class assessments.
- 3) **Faculty Excellence.** With the establishment of market pricing, USF can continue to recruit top entrepreneurship scholars who in turn will not only teach students but also share their continuing research in respective fields of expertise. Currently teaching evaluations and research productivity are used to monitor and ensure the quality of the faculty in the program.
- 4) **Student Satisfaction.** Student satisfaction will be measured by way of student surveys as well

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as post-graduate employment placements and new business creations.

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.

From its inception in 2005, the availability of MSEAT course offerings and the ability to complete a program of study in a timely fashion have never been issues. It is anticipated that any extraordinary demand would be met with faculty hired from program revenues.

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.

As state revenues continue to decline, it has become increasingly important for USF to find alternative sources of funding. The ability to charge market rates for the USF Interdisciplinary MSEAT program offers one such avenue while simultaneously providing a service that is clearly in demand. The demand is evidenced by enrollment statistics.

The Interdisciplinary MSEAT faculty will actively contribute to the research productivity and mission of USF. These new programs will provide greater access to graduate entrepreneurship education for working professionals who may be location bound and unable to attend in-residence classes. It is anticipated that the additional cohorts of well-trained students versed in entrepreneurship skills will have an immediate and long-term positive impact on the economy and private and public sector growth and performance.

Estimated revenue for the market tuition MSEAT is \$1,031,250. A portion of the revenue will be used to support the delivery of the program (approximately \$476,563). The residual revenue generated each year will be used to enhance the MSEAT program by hiring additional high-caliber graduate faculty, providing assistantships and scholarships, investing in state-of-the-art technologies, and recruiting exceptional out-of-state and international students to help improve the educational experiences for Florida residents (\$554,687).

There are no plans to use private vendors. Funds for the market tuition MSEAT program will be budgeted to a designated continuing education auxiliary account.

Other Information

CIP code: 52.0701

Currently the MSEAT is not offered online and is not offered on a cost recovery basis through continuing education. Enrollments reported in the USF Market Tuition Proposal Summary Spreadsheet are E&G enrollments.

The MSEAT, if approved as a market tuition program, will be offered in off campus and online formats to provide flexibility and access to students from across the State and around the world.

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The market tuition program will be offered in addition to the E&G-funded program that is currently offered and does not supplant existing university offerings funded by State appropriations.