



COST BENEFIT ANALYSIS OF THE FLORIDA RESIDENT ACCESS GRANT

**Report and Recommendations by the
Florida Postsecondary Education Planning Commission**

January 1999

POSTSECONDARY EDUCATION PLANNING COMMISSION

*Cost Benefit Analysis of the Florida
Resident Access Grant*

Prepared in Response to Section 240.147(15), Florida Statutes

January 1999

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
INTRODUCTION	1
COST BENEFIT ANALYSIS	2
Tuition Assistance	
Student Choice	
Institutional Diversity	
Reduced Tax Burden	
ISSUES AND RECOMMENDATIONS	5
CONCLUSION	6

TABLES

EXECUTIVE SUMMARY

The Florida Resident Access Grant (FRAG), formerly called the Tuition Voucher Program, was created by the Legislature in 1979 as a non-need-based program to provide tuition assistance to Florida's undergraduates who attend independent, nonprofit, SACS-accredited institutions in the State. The program's enabling legislation, s. 240.605, F.S., identifies the program's primary goals:

- (1) to broaden student choice through the provision of tuition assistance to reduce the gap between public and independent institutions;
- (2) to support institutional diversity through the provision of a dual system of higher education;
- (3) to reduce the tax burden on the citizens of the State.

The Commission first assessed the FRAG pursuant to s. 240.147(15), F.S., in 1994. The current examination builds on this initial effort.

Based on this analysis, the FRAG is cost-effective, given the current policies governing public sector tuition and subsidies. The FRAG assists private institutions to compete for students and contributes to both student and institutional diversity. Given the policies in place, the State should continue to support the administration of the FRAG program as authorized in statute. However, the report does provide several suggestions for calculating the FRAG award level and developing cost comparisons in the future.

Recommendations:

- 1. The Legislature should continue to support the FRAG as a tool to provide student choice through tuition assistance and maintain a strong independent postsecondary sector in Florida.***
- 2. The method of calculating the FRAG should be adjusted in two ways. First, the maximum percentage of cost of public undergraduate education used to set the FRAG should be increased from 40 percent to a figure closer to the recommended share of costs to be covered by the State for students in public institutions (currently this is 75 percent). Second, the cost figures to which this percentage is applied should include both university and community college data in view of Florida's continued commitment to and reliance on the two-plus-two system. Any adjustments to the current calculation method should be done in consultation with the independent colleges and universities eligible for the FRAG awards.***
- 3. The principals involved in the Education Estimating conference conducted pursuant to s. 216.136(4), F.S., should include the***

independent sector in the enrollment estimating process in recognition of the important role these institutions play in providing access. Action by the 1998 Legislature to include student financial assistance in the conference deliberations is an important step in this direction.

- 4. The process used to estimate and fund FRAG recipients should be comparable to that used to calculate enrollment workload funding for state universities and public community colleges.*
- 5. Efforts to increase awareness of the FRAG among high school students should be undertaken by eligible institutions in consultation with the Department of Education, the Board of Regents, and the State Board of Community Colleges.*
- 6. Future assessments of the cost-effectiveness of the FRAG should include interviews/surveys with those eligible for the grants to better ascertain the impact of the program on students' postsecondary decisions.*

Section 240.147(15), Florida Statutes, assigns the following responsibility to the Postsecondary Education Planning Commission:

In consultation with the Independent Colleges and Universities of Florida, recommend to the Legislature accountability measures and an accountability process for independent institutions that participate in the Florida resident access grant program. The process shall make use of existing information submitted to the federal and state governments. The process shall provide for an assessment of the benefits and cost-effectiveness of the Florida resident access grant program in providing state residents with access to 4-year college programs and with the successful completion of a baccalaureate degree. The commission shall provide oversight of this accountability process.

The Florida Resident Access Grant (FRAG), formerly called the Tuition Voucher Program, was created by the Legislature in 1979 as a non-need-based program to provide tuition assistance to Florida's undergraduates who attend independent, nonprofit, SACS-accredited institutions in the State. In 1998, the name of the program was again amended to the William L. Boyd, IV, Florida Resident Access Grant in memory of the individual who represented the independent colleges and lobbied for support of the program since its inception. The program's enabling legislation, s. 240.605, F.S., identifies the program's primary goals:

- (1) to broaden student choice through the provision of tuition assistance to reduce the gap between public and independent institutions;
- (2) to support institutional diversity through the provision of a dual system of higher education;
- (3) to reduce the tax burden on the citizens of the State.

A FRAG award may not exceed 40 percent of the State's cost per academic year for an undergraduate student in a state university. Eligible students must maintain a minimum cumulative grade point average of 2.0 on a 4.0 scale and earn the equivalent of at least 12 student credit hours for each term an award is received. A student may receive the award for a maximum of nine semesters or 14 quarters.

In 1996-97, the Florida Resident Access Grant accounted for over 39 percent of all appropriations of state tax funds on behalf of students in independent higher education. In 1998-99, the FRAG is the largest single appropriation benefiting independent higher education in Florida and will expend \$40.9 million to grant approximately 22,000 students a maximum award of \$1,800 (Table 2).

The Commission first assessed the FRAG pursuant to s. 240.147(15), F.S., in 1994. The current examination will build on this initial effort.

COST-BENEFIT ANALYSIS

As part of the review of the FRAG, this is the second year that the Commission has undertaken a cost benefit analysis, which is described as a technique for systematically estimating the efficiency impacts of policies.

Essentially, there are four questions to be answered:

1. *Does the FRAG provide tuition assistance?*
2. *Does the FRAG broaden student choice?*
3. *Is institutional diversity supported?*
4. *Is the cost to the taxpayer reduced?*

In addressing these questions, data from the recently completed 1997 *Accountability Report for the Independent Colleges and Universities of Florida* (October 1998) is cited along with other information.

Tuition Assistance

Clearly, the FRAG serves this function. However, its impact on reducing the gap between public and independent tuition has diminished over time. Table 3 indicates that the FRAG was equal to 42 percent of the gap in 1979. In 1998, even with a significant increase in the FRAG this year, the maximum award only covers 19 percent of the gap. A significant portion (34 percent) of FRAG recipients also qualify for the need-based FSAG (Table 4). The role of FRAG in providing tuition assistance is particularly critical for this group. Support of students at FRAG eligible institutions also contributes to the goal of increased access to the baccalaureate degree. According to the ICUF *Accountability Report*, the six-year (1991 cohort) graduation rate for ICUF institutions is 49 percent compared to 60 percent in the SUS.

Student Choice

The FRAG is limited to 4-year, non-profit, regionally accredited, independent institutions, which for the most part are primarily dedicated to undergraduate education. With few exceptions, this type of institution does not exist in Florida's public postsecondary sectors. The 1997 *Accountability Report* indicates that 87 percent of the Fall 1997 undergraduate courses in ICUF institutions had fewer than 30 students. To the extent that these independent institutions are assisted by the FRAG, student choice is enhanced. ICUF institutions also admitted 100 percent of AA degree transfer students into programs of their choice. Some have suggested that this choice would remain even if the FRAG no longer existed. Others have urged that the FRAG be extended to other independent institutions including those that offer less than a four-year degree and technical certificates. Finally, with regard to choice, portability to out-of-state institutions could be considered. Any of the options for expansion would have significant implications for the cost of the program as well as the value of individual awards if funding were not increased. In *Challenges and Choices: The Master Plan for Florida Postsecondary Education* (January 1998), the Commission states that any expansion of

independent institutional state support beyond existing approaches should include a performance component. For example, programs leading to technical degrees or certificates in fields with a high labor market demand should be able to demonstrate the performance of their graduates on licensure exams or other external validation mechanisms.

The FRAG eligible institutions include three historically black colleges and universities - Edward Waters, Florida Memorial, and Bethune-Cookman - as well as one other whose enrollment is primarily minority - St. Thomas (59 percent). Overall, in Fall 1997, 30 percent of the students enrolled in ICUF institutions were minority, according to the 1997 ICUF *Accountability Report*, compared to 31 percent at SUS institutions. As with the question of student choice, it can be agreed that the FRAG does contribute to the maintenance of a dual system of higher education. While the awards directly assist students, indirectly they free other institutional resources that can be used for financial assistance and other institutional needs.

Section 240.605, F.S., provides that the value of the FRAG shall be “40 percent in 1998-99 and thereafter of the full cost to the state per academic year of the undergraduate student in public postsecondary education established pursuant to s 240.209 or an amount as specified in the General Appropriations Act.”

Section 240.209(3)(e), F.S., authorizes the Board of Regents to establish student fees and specifies that resident undergraduate matriculation and financial aid fees shall be “up to but not more than 25 percent of the previous year’s cost of undergraduate programs.” This provision was initially enacted in 1991 (Chapter 91-55, L.F.). The same Act also required the Board of Regents to adopt a rule providing for the calculation of the full cost of education and general programs by levels of instruction and of other programs as separately identified in the annual expenditure analysis. The language requiring the cost calculation rule was removed in 1994 (Chapter 94-230, L.F.), however the Board continues to calculate the full cost of education under the authority of S. 240.209(3), F.S.

Based on 1996-97 figures, the SUS full cost per undergraduate student was \$10,511 (Table 5). Subtracting \$2,517, the average SUS tuition and fees for 40 hours in 1996-97, yields a cost to the state per FTE of \$7,994. Simply applying 40 percent to this cost yields a maximum FRAG award of \$3,197.

For cost comparison purposes, the value of the FRAG was converted to a credit hour basis. The SUS cost figures are based on a 40 credit hour FTE, while most national comparisons use 30 credit hours. For the independent institutions, several divisors are possible ranging from a low of 24 (representing two 12-hour semesters, the minimum a student

Institutional Diversity

Reduced Tax Burden

can be enrolled annually to qualify for the FRAG) to a high of 40 (the SUS divisor). According to the recently published 1997 *Accountability Report for the Independent Colleges and Universities of Florida*, the mean time to graduate is 4.2 years and the mean credit hours accrued is 133, yielding an average annual load of 31.67 hours. This figure was rounded to 32 and used as the divisor for calculating the per credit hour cost of the FRAG award.

Table 5 displays the total cost per FTE for state university undergraduates as well as identifying costs within the SUS figure not directly related to undergraduate instruction (e.g., Research and Public Service). The table also includes a factor for capital outlay which is not included in the full cost figures reported by the Board of Regents. Since capital costs have totaled approximately ten percent of operating costs over the past 20 years, this percentage was used to approximate a capital outlay cost factor. After deducting tuition, these data permit calculation of a variety of net costs to which the FRAG can be compared. The 1998 General Appropriations Act (Chapter 98-422, L.F.) provided for systemwide per FTE funding by level for the state universities as follows: Lower Level - \$6,013; Upper Level - \$8,144; and Graduate Level - \$14,085. This attempt to more accurately reflect the differential costs of educating within the universities will affect future cost benefit analyses of the FRAG. However, unless and until S.240.209 is amended, the cost benefit analysis of the FRAG will continue to be based on available prior year figures.

The next step in this analysis includes community college cost figures in view of the State's heavy reliance on the two-plus-two system. Since the FRAG is limited to four-year institutions, using state university system costs for comparison is a reasonable approach. However, since almost half of public undergraduate enrollment (47.3 percent in 1997-98: Community College Advanced and Professional FTEs - 96,610; State University undergraduates - 103,885) is served by the Community College System at considerably lower cost, it is also reasonable to prepare calculations which reflect this situation. If community college costs are included, should the same be done for the independent institutions which also enroll community college transfers? In Fall 1994, there were 600 AA transfers to ICUF institutions, according to their 1997 *Accountability Report*. This only represented 3.8 percent of the 15,928 FRAG recipients that year. If the number of community college transfers continues to grow, this would be a factor to consider in future calculations.

Tables 6A, B, C reflect variations of this step with the value of the FRAG adjusted to reflect its current value (\$1,800 - Table 6A), the midpoint between the current value and the ICUF stated goal (\$2,400 - Table 6B), and the stated goal of the Independent Colleges and Universities of Florida (\$3,000 - Table 6C). Examined collectively, the data reveal that if only SUS costs are used, as specified in statute, both the current and midpoint level for FRAG fall within the 40 percent policy. However, the goal of a \$3,000 award would actually represent 49 percent of the 1996-97 cost

per undergraduate FTE. If community college costs are included, only the current level of FRAG would comply with the established policy.

An assessment of the performance of FRAG, in response to each of the four questions raised above, is positive. Only in the last area, related to cost and taxpayer savings, would the Commission raise any issues. At the outset, it should be stated that the FRAG, at its current level, is well within the statutory limit. The basis for that limit of 40 percent of the full prior year costs to the state for state university undergraduates is not well defined. It could just as easily be 30 percent or 50 percent. Whether the Legislature wishes to include community college costs or capital outlay in the calculation is not an immediate concern, but the Commission believes these inclusions would result in a more accurate figure for purposes of determining the cost and benefits of the FRAG.

The Commission has consistently recognized the significant role played by independent institutions in providing postsecondary education opportunities. In *Challenges and Choices: The Master Plan for Florida Postsecondary Education* (January 1998), the Commission recommended inclusion of representatives of the independent sector in the Education Estimating Conference. This is a consensus process involving representatives of the Executive Office of the Governor, the Legislature, and the sector boards in projecting enrollment workload and the amount needed for support for public education. The Commission believes that involvement of the independent sector in this process will provide a stronger basis for determining the necessary funding level for the FRAG and assist in avoiding the need for proration of the value of individual awards in the future.

The 1998 Legislature addressed this recommendation in part by amending s. 216.136(4), F.S., to specify that the conference shall address “the number of students qualified for state financial aid programs and the appropriation required to fund the full award amounts for each program.” Initial meetings concerning this responsibility have included information on the FRAG and have involved representatives of independent institutions.

An aspect of the FRAG not directly addressed in the current analysis is the extent to which the grant influences students to choose to attend an independent institution. It would be difficult to measure a cause and affect relationship between the FRAG and student enrollment decisions. However, in view of the role independent institutions can play in relieving pressure on the state’s public institutions, the potential for the FRAG to affect this should be explored. Unlike the Bright Futures Scholarship and Prepaid Tuition Programs, the FRAG has not had a major statewide marketing campaign. In fact, some presidents and other campus officials have testified that some students first appear to be aware of the FRAG after they have applied and been accepted at an independent college or

ISSUES AND RECOMMENDATION

university. This points to the need for an increased awareness campaign among high school students as well as an effort to gauge this awareness in future cost-benefit analyses of the FRAG.

Recommendations:

1. *The Legislature should continue to support the FRAG as a tool to provide student choice through tuition assistance and maintain a strong independent postsecondary sector in Florida.*
2. *The method of calculating the FRAG should be adjusted in two ways. First, the maximum percentage of cost of public undergraduate education used to set the FRAG should be increased from 40 percent to a figure closer to the recommended share of costs to be covered by the State for students in public institutions (currently this is 75 percent). Second, the cost figures to which this percentage is applied should include both university and community college data in view of Florida's continued commitment to and reliance on the two-plus-two system. Any adjustments to the current calculation method should be done in consultation with the independent colleges and universities eligible for the FRAG awards.*
3. *The principals involved in the Education Estimating conference conducted pursuant to s. 216.136(4), F.S., should include the independent sector in the enrollment estimating process in recognition of the important role these institutions play in providing access. Action by the 1998 Legislature to include student financial assistance in the conference deliberations is an important step in this direction.*
4. *The process used to estimate and fund FRAG recipients should be comparable to that used to calculate enrollment workload funding for state universities and public community colleges.*
5. *Efforts to increase awareness of the FRAG among high school students should be undertaken by eligible institutions in consultation with the Department of Education, the Board of Regents, and the State Board of Community Colleges.*
6. *Future assessments of the cost-effectiveness of the FRAG should include interviews/surveys with those eligible for the grants to better ascertain the impact of the program on students' postsecondary decisions.*

CONCLUSION

Based on this analysis, the FRAG is cost-effective, given the current policies governing public sector tuition and subsidies. The FRAG assists private institutions to compete for students and contributes to both student and institutional diversity. Given the policies in place, the State should

continue to support the administration of the FRAG program as authorized in statute. However, the report does provide several suggestions for calculating the FRAG award level and developing cost comparisons in the future.

In addition, the report calls for an increased effort in publicizing the FRAG to parents and high school students across the state. Only when students are aware of the FRAG can its potential for expanding student choice and relieving access issues be maximized. Future assessments should address this issue by incorporating student interviews and surveys into the analysis.

TABLES

TABLE 2
FLORIDA RESIDENT ACCESS GRANT

	Amount Appropriated	Amount Expended	Number Students Served	Proviso Maximum Award	Actual Award Amount
1979-80	\$ 2,400,000	\$ 2,400,000	3,518	\$ 750	\$ 750
1980-81	\$ 4,100,000	\$ 4,100,000	6,827	\$ 750	\$ 750
1981-82	\$ 7,299,000	\$ 7,350,000	9,914	\$ 750	\$ 750
1982-83	\$ 9,500,000	\$ 9,310,000	13,422	\$ 750	\$ 717
1983-84	\$ 10,100,000	\$ 10,100,000	14,645	\$ 750	\$ 750
1984-85	\$ 11,900,000	\$ 11,900,000	15,613	\$ 835	\$ 778
1985-86	\$ 13,323,984	\$ 13,144,215	15,886	\$ 876	\$ 852
1986-87	\$ 15,989,392	\$ 14,078,496	13,976	\$ 1,000	\$ 1,000
1987-88	\$ 15,975,700	\$ 14,920,950	14,083	\$ 1,100	\$ 1,100
1988-89	\$ 16,672,650	\$ 16,369,841	15,174	\$ 1,150	\$ 1,122
1989-90	\$ 16,672,650	\$ 16,313,685	15,035	\$ 1,150	\$ 1,110
1990-91	\$ 18,839,300	\$ 17,175,945	16,127	\$ 1,200	\$ 1,100
1991-92	\$ 18,215,531	\$ 16,588,799	16,987	\$ 1,200	\$ 990
1992-93	\$ 16,564,373	\$ 15,809,054	17,424	\$ 1,200	\$ 924
1993-94	\$ 18,539,373	\$ 17,849,215	16,820	\$ 1,200	\$ 1,090
1994-95	\$ 19,872,443	\$ 17,322,155	15,928	\$ 1,300	\$ 1,090
1995-96	\$ 19,852,300	\$ 19,454,893	16,257	\$ 1,200	\$ 1,200
1996-97	\$ 28,852,200	\$ 28,789,377	17,061	\$ 1,800	\$ 1,725
1997-98	\$ 28,852,200	\$ 28,032,600	20,106	\$ 1,800	\$ 1,412
1998-99	\$ 40,852,200	NA	*21,626	\$ 1,800	\$ 1,800

*Preliminary estimate

SOURCE: Department of Education, Office of Student Financial Assistance

TABLE 3

**RESIDENT ACCESS GRANT AS A PERCENTAGE OF AVERAGE TUITION AND FEES*
IN INDEPENDENT NON-PROFIT BACCALAUREATE INSTITUTIONS
AND OF THE INDEPENDENT/PUBLIC TUITION GAP
1979-80 TO 1998-99**

	Independent Average T&F	SUS Average T & F	Independent/Public Tuition Gap	FRAG Award	FRAG as % of Independent T & F	FRAG as % of Tuition Gap
1979-80	\$ 2,548	\$ 750	\$ 1,798	\$ 750	29%	42%
1980-81	\$ 2,866	\$ 750	\$ 2,116	\$ 750	26%	35%
1981-82	\$ 3,195	\$ 770	\$ 2,425	\$ 750	23%	31%
1982-83	\$ 3,529	\$ 795	\$ 2,734	\$ 717	20%	26%
1983-84	\$ 3,869	\$ 840	\$ 3,029	\$ 716	19%	24%
1984-85	\$ 4,254	\$ 900	\$ 3,354	\$ 778	18%	23%
1985-86	\$ 4,493	\$ 900	\$ 3,593	\$ 852	19%	24%
1986-87	\$ 4,614	\$ 1,000	\$ 3,614	\$ 1,000	22%	28%
1987-88	\$ 5,072	\$ 1,050	\$ 4,022	\$ 1,100	22%	27%
1988-89	\$ 5,520	\$ 1,100	\$ 4,420	\$ 1,122	20%	25%
1989-90	\$ 6,494	\$ 1,195	\$ 5,299	\$ 1,110	17%	21%
1990-91	\$ 6,974	\$ 1,344	\$ 5,630	\$ 1,110	16%	20%
1991-92	\$ 7,647	\$ 1,512	\$ 6,135	\$ 990	13%	16%
1992-93	\$ 8,184	\$ 1,706	\$ 6,478	\$ 924	11%	14%
1993-94	\$ 8,962	\$ 1,765	\$ 7,197	\$ 1,090	12%	15%
1994-95	\$ 9,566	\$ 1,783	\$ 7,783	\$ 1,090	11%	14%
1995-96	\$ 10,677	\$ 1,795	\$ 8,882	\$ 1,200	11%	14%
1996-97	\$ 11,290	\$ 1,888	\$ 9,402	\$ 1,725	15%	18%
1997-98	\$ 11,084	\$ 1,994	\$ 9,090	\$ 1,412	13%	16%
1998-99	\$ 11,652	\$ 2,114	\$ 9,538	\$ 1,800	15%	19%

*Average tuition and fees is based on 30 credit hours

SOURCE: Department of Education, Office of Student Financial Assistance &

Information submitted for 1998-99 tuition and fee rates: A National Comparison, Washington State Higher Education Coordinating Board

TABLE 4
FRAG RECIPIENTS IN FRAG ELIGIBLE INSTITUTIONS
ALSO RECEIVING FSAG
PRELIMINARY 1997-98 AWARDS

Institution	FRAG Recipients	FSAG Recipients	Number FRAG Recipients Also Receiving FSAG	Percent FRAG Recipients Also Receiving FSAG
Barry University	1,067	431	409	38%
Bethune Cookman College	1,275	588	506	40%
Clearwater Christian	283	132	129	46%
Eckerd College	477	178	177	37%
Edward Waters College	302	31	28	90%
Embry-Riddle University	541	255	241	45%
Flagler College	852	208	199	23%
Florida College	91	16	16	18%
Florida Institute of Technology	365	171	148	41%
Florida Memorial College	889	406	325	37%
Florida Southern College	1,258	373	362	29%
Jacksonville University	696	257	235	34%
Lynn University	274	56	56	20%
Nova Southeastern University	1,661	584	544	33%
Palm Beach Atlantic University	879	221	199	23%
Ringling School	353	138	135	38%
Rollins College	537	268	189	35%
Southeastern College	271	131	93	34%
Saint Leo College	1,235	447	418	34%
Saint Thomas University	500	206	198	40%
Stetson University	1,295	424	417	32%
University of Miami	3,626	1,485	1,403	39%
University of Tampa	691	294	287	42%
Warner Southern College	487	122	115	24%
Webber College	169	71	68	40%
Total	20,074	7,493	6,897	34%

SOURCE: Department of Education, Office of Student Financial Assistance

TABLE 5
COST-BENEFIT ANALYSIS OF THE FRAG
SUS COST FACTORS PER FTE

	\$	SCH*	\$/SCH
Instruction	3,584	40	90
Academic Advising	445	40	11
Academic Administration	1,054	40	26
Public Service	144	40	4
Research	1,335	40	33
Library Staffing	437	40	11
Library Resources	268	40	7
University Support	1,487	40	37
Financial Aid	194	40	5
Student Services, Other	607	40	15
Capital Outlay	956	40	24
Total	10,511		263
Shaded Total	8,838		221
Total w/o Capital Outlay	9,555		239
Shaded Total w/o Capital Outlay	7,882		197

*SCH - Student Credit Hour

NOTE: Shaded figures are those directly related to the provision of undergraduate instruction. The capital outlay figure is derived from average capital costs over the past 20 years, which have averaged 10% of operating costs.

SOURCE: SUS 1996-97 Expenditures Analysis

TABLE 6A

**COST-BENEFIT ANALYSIS OF THE FRAG
PER CREDIT HOUR COST TO TAXPAYERS**

(Using highest and lowest cost estimates from public sector and 1998-99 FRAG award level)

	\$	SCH	\$/SCH	Tuition*/SCH	Net	FRAG % of Public
FRAG	1,800	32	56	0	56	
CCS	4,402	30	147	44	103	54%
CCS	4,002	30	133	44	89	63%
SUS	10,511	40	263	70	193	29%
SUS	7,882	40	197	70	127	44%

When CCS and SUS Costs are Combined**, e.g., "2+2", then:						
"2+2"	7,567	35	216	49	167	34%
"2+2"	6,012	35	172	49	123	46%

*Tuition is based on the average 1998-99 tuition figures.

** "2+2" calculations are based on 1996-97 FTE enrollment figures from the SUS and CCS Fact Books.

NOTES: Highest estimated costs for the SUS and CCS are italicized and include capital outlay costs, which are assumed to be 10% of operating costs.

Shaded SUS cost figures are those directly related to the provision of undergraduate instruction.

SOURCE: CCS - Gary Yancey
SUS - 1996-97 Expenditure Analysis

TABLE 6B

**COST-BENEFIT ANALYSIS OF THE FRAG
PER CREDIT HOUR COST TO TAXPAYERS**

(Using highest and lowest cost estimates from public sector and a FRAG value at the midpoint of the current award and the ICUF stated goal of \$3,000)

	\$	SCH	\$/SCH	Tuition*/SCH	Net	FRAG % of Public
FRAG	2,400	32	75	0	75	
CCS	4,402	30	147	44	103	73%
CCS	4,002	30	133	44	89	84%
SUS	10,511	40	263	70	193	39%
SUS	7,882	40	197	70	127	59%

When CCS and SUS Costs are Combined**, e.g., "2+2", then:						
2+2	7,567	35	216	49	167	45%
2+2	6,012	35	172	49	123	61%

*Tuition is based on the average 1998-99 tuition figures.

** "2+2" calculations are based on 1996-97 FTE enrollment figures from the SUS and CCS Fact Books.

NOTES: Highest estimated costs for the SUS and CCS are italicized and include capital outlay costs, which are assumed to be 10% of operating costs.

Shaded SUS cost figures are those directly related to the provision of undergraduate instruction.

SOURCE: CCS - Gary Yancey
SUS - 1996-97 Expenditure Analysis

TABLE 6C

**COST-BENEFIT ANALYSIS OF THE FRAG
PER CREDIT HOUR COST TO TAXPAYERS**

(Using highest and lowest cost estimates from public sector
and the ICUF stated goal of \$3,000)

	\$	SCH	\$/SCH	Tuition/SCH	Net	FRAG % of Public
FRAG	3,000	32	94	0	94	
CCS	4,402	30	147	44	103	91%
CCS	4,002	30	133	44	89	106%
SUS	10,511	40	263	70	193	49%
SUS	7,882	40	197	70	127	74%

When CCS and SUS Costs are Combined**, e.g., "2+2", then:						
2+2	7,567	35	216	49	167	56%
2+2	6,012	35	172	49	123	76%

*Tuition is based on the average 1998-99 tuition figures.

** "2+2" calculations are based on 1996-97 FTE enrollment figures from the SUS and CCS Fact Books.

NOTES: Highest estimated costs for the SUS and CCS are italicized and include capital outlay costs, which are assumed to be 10% of operating costs.

Shaded SUS cost figures are those directly related to the provision of undergraduate instruction.

SOURCE: CCS - Gary Yancey
SUS - 1996-97 Expenditure Analysis