



# Florida Agricultural and Mechanical University Board of Trustees Action Item

Meeting Date January 8, 2014

Agenda Item \_\_\_\_\_

### Item Origination and Authorization

Policy \_\_\_\_\_ Award of Bid \_\_\_\_\_ Budget Amendment \_\_\_\_\_ Change Order \_\_\_\_\_  
Resolution \_\_\_\_\_ Contract \_\_\_\_\_ Grant \_\_\_\_\_ Other \_\_\_\_\_

### Action of Board

Approved \_\_\_\_\_ Approved w/ Conditions \_\_\_\_\_ Disapproved \_\_\_\_\_ Continued \_\_\_\_\_ Withdrawn \_\_\_\_\_

**Subject:** Request for tuition increase for PharmD Students to assure compliance with Accreditation Standards from the Accreditation Council for Pharmacy Education (ACPE)

**Rationale:** The College of Pharmacy and Pharmaceutical Sciences was cited as being *noncompliant* for ACPE standard 24 (Quantitative Faculty) and *partially compliant* for standard 30 (Financial Resources) after being reviewed for a comprehensive accreditation visit March 5-8, 2013. Action must be taken within two years (AY 2014-15) to assure full compliance with stated standards. In order to come into compliance, the University proposes a tuition increase as outlined below, to generate sufficient resources. The following points are important determinants that led to this request:

1. The ACPE evaluation team reviewed, and the ACPE Board of Directors affirmed that salaries for pharmacy faculty were unacceptably low when compared to pharmacy programs in the State of Florida and throughout the country
2. ACPE cited unacceptably low salaries as a major reason for the increased faculty turnover and inability to hire and retain experienced faculty. The report notes the alarming absence of mid-career faculty as a result of the low salaries.
3. ACPE standards that are cited as *partially compliant* and *noncompliant* are required to be in compliance within two years according to ACPE and United States Department of Education (USDE) Regulation 602.20. AY 2014-15 marks the second year and the ACPE team will return in October 2014 to ascertain whether or not the university has corrected the problem. Programs not correcting deficiencies after two years will be placed on public probation as per ACPE policy.
4. PharmD students take graduate level courses during the final two years of the program (P3 and P4). Tuition for the FAMU program was cited by ACPE as being significantly less than other pharmacy programs in the state and nation and suggested increasing tuition as a way to enhance pharmacy faculty salaries. The University has confirmed that FAMU PharmD tuition and fees are indeed significantly lower than tuition and fees at the other State University System PharmD programs.
5. The PharmD program has 400-500 qualified applicants each year for a total of 180 available slots in the program for each entering cohort. Therefore a 15% increase in tuition is unlikely to affect enrollment in the program.
6. The tuition increase would bring a direct benefit to students by ensuring that the program remains accredited and the program maintains and successfully recruits highly qualified faculty.
7. According to the Florida Education and Training Placement Information Program (FETPIP) in the Florida Department of Education, FAMU PharmD graduates in 2010-11, who were employed in Florida, earned an estimated annual average salary of \$99,504 in their first year after graduation. At the aforementioned salary levels upon graduation, pharmacy



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graduates receive sufficient salary to avoid default on any loans taken to supplement the requested increase in tuition. In a field with such competitive salaries even for new graduates, it is essential that faculty salaries be competitive.

8. According to Board of Governors Regulation 7.001 Tuition and Associated Fees, paragraph 4, "Each university board of trustees may set tuition for graduate, including professional, programs". This requires no further approval. The amount of increase can be no more than 15% compared to the prior year. Therefore the Board of Trustees has the authority to increase tuition for the graduate level courses in the PharmD program. Doing so for the 2014-15 academic year will result in addressing a substantial portion of the faculty salary issue and demonstrate progress, averting the threat of probation when the evaluation team returns Fall 2014. In order to bring faculty salaries to the 25<sup>th</sup> percentile of PharmD faculty salaries compared to national data, a further increase of 13% will be necessary for 2015-16.

**Recommendation:** Based upon the rationale presented above, an increase in tuition for graduate courses taken by students enrolled in the last two years of the PharmD program is requested. A 15% increase is requested for the last two years of this program effective fall 2014, and an additional 13% increase effective fall 2015. The additional revenue obtained will be utilized to enhance faculty salaries to the 25<sup>th</sup> percentile as indicated by annual AACP data. This percentile was used in the comparison by ACPE in the Evaluation Team Report from the March 5<sup>th</sup>-8<sup>th</sup> comprehensive on-site program review. It is estimated that a total of \$566,049.63 will be generated in 2014-15. By 2015-16, with the additional 13% increase, the net difference between the tuition revenue in 2013-14 and the tuition revenue in 2015-16 and thereafter is estimated at \$1,254,909.15. An estimated total of \$1,187,938 will bring faculty to minimally competitive rates (25<sup>th</sup> percentile) compared to current salaries. This amount includes the salary and benefits increase needed. The estimated additional amount generated in 2015-16 of \$66,971 above what is required to bring Pharmacy faculty into the 25<sup>th</sup> percentile of current salaries nationally, will be utilized to further enhance the educational experience of students.

### Attachments

**Comparison of PharmD  
Tuition and Fees Fall 2012**

<b>Comparison of PharmD Tuition and Fees, 2013-14</b>			
<b>Resident Tuition and Fees</b>			
<b>Professional Year</b>	<b>FAMU</b>	<b>USF</b>	<b>UF</b>
1st	\$6,596.94	\$20,642.43	\$22,759.54
2nd	\$6,596.94	\$20,642.43	\$22,759.54
3rd	\$14,338.45	\$20,642.43	\$22,759.54
4th	\$15,961.13	\$20,642.43	\$22,759.54
<b>Non Resident Tuition and Fees</b>			
<b>Professional Year</b>	<b>FAMU</b>	<b>USF</b>	<b>UF</b>
1st	\$20,129.62	\$38,313.43	\$45,903.00
2nd	\$20,129.62	\$38,313.43	\$45,903.00
3rd	\$35,911.40	\$38,313.43	\$45,903.00
4th	\$39,999.56	\$38,313.43	\$45,903.00
Sources of data:			
FAMU: Comptroller's Office			
USF: BOG budget office for 2013-14			
UF: UF website on tuition for 2013-14			

### Potential Income Generating Effect of Proposed PharmD Tuition Increase

Increase for 2014-15		Increase for 2015-16	
2013-14 tuition per credit hour for P3 and P4	\$334.13	2014-15 tuition per credit hour for P3 and P4	\$384.25
2014-15 proposed tuition per credit hour with 15% increase	\$384.25	2015-16 proposed tuition per credit hour with 13% increase	\$434.20
Estimated increase per credit hour	\$50.12	Estimated increase per credit hour	\$49.95
Estimated increased revenue generated by 160 P3 students	\$280,669.20	Estimated increased revenue generated by 180 P3 students	\$314,700.75
Estimated increased revenue generated by 146 P4 students	\$285,380.43	Estimated increased revenue generated by 160 P4 students	\$311,703.60
Total estimated revenue increase 2014-15	\$566,049.63	Total estimated revenue increase 2015-16, compared to 2014-15	\$626,404.35
		Total estimated revenue increase 2015-16, compared to 2013-14	\$1,254,909.15