



ICUF & EASE EFFICIENCY STUDY

# THE TRUE COST OF HIGHER EDUCATION IN FLORIDA

HOW STATE SUBSIDIES SHAPE TUITION, ACCESS AND TAXPAYER IMPACT

## Executive Summary

The study reveals the following:

- According to a recent study, ICUF institutions are much more comparable to SUS schools regarding the true cost of education than their published tuition rates suggest.
- In terms of state support, resident SUS students receive a subsidy of \$15,129 per academic year, while out-of-state students receive a subsidy of \$4,889, and ICUF students receive only \$3,500 if they are a Florida resident and qualify for the EASE voucher.
- The study shows that out-of-state students attending SUS schools pay significantly less than the direct costs of their education, while state funds appropriated for resident students far exceed the costs of educating them, effectively acting as a subsidy for out-of-state students.
  - The total appropriations benefiting out-of-state students exceed \$369 million.
- Moreover, ICUF institutions operate more efficiently when you compare tuition rates to the direct costs associated with instruction and support services.
  - With less than 2% of the state higher education budget, ICUF schools produce 20% of all the undergraduate degrees awarded in Florida, 28% of all the nursing degrees, 25% of all the teaching degrees and more than one half of the professional and graduate degrees.
  - For every one million dollars invested by the Florida taxpayer, ICUF institutions produce 265 degrees to the SUS's 18 degrees, a 15 to 1 ROI.
- Most notably, to replace the educational capacity currently provided by ICUF institutions, the SUS system would need to increase its spending by \$5.9 billion and secure an additional \$631 million in legislated appropriations.



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Many believe that private colleges are far more expensive than public universities. While the sticker price at Independent Colleges and Universities of Florida (ICUF) appears higher, this comparison overlooks a critical factor: billions of dollars in state subsidies that fundamentally alter the cost equation. This study reveals what college actually costs when both tuition and taxpayer contributions are included.

The 2023 Florida Legislature contributed approximately \$3.6 billion to the State University System (SUS). These appropriations function as invisible discounts that lower the published tuition rates at public universities. When students choose between a private ICUF institution and a public SUS university, they are comparing a full-price education to one heavily subsidized by taxpayers. Understanding this distinction is essential for making informed decisions about higher education policy and personal college choices.

When state appropriations are factored into the analysis, ICUF institutions become far more comparable to SUS schools in terms of true educational cost than published tuition rates suggest. The perceived price gap largely reflects differences in taxpayer subsidies rather than fundamental differences in what it costs to deliver education.

These findings reveal important questions about how Florida allocates its higher education resources. The current funding structure provides generous subsidies to in-state students at public universities, moderate implicit subsidies to out-of-state students through below-cost tuition, and minimal support to Florida residents who choose private institutions. This approach may not align with Florida's stated goal of maximizing educational access and opportunity for its residents.

The data suggest that Florida taxpayers are inadvertently providing greater per-student benefits to out-of-state students at public universities than to Florida residents attending private colleges. While out-of-state enrollment brings diversity and revenue to public universities, the current pricing structure means these students receive educational services worth thousands of dollars more than they pay, with the shortfall effectively covered by appropriations intended for Florida residents. Both the efficiency of ICUF institutions and the scale of SUS institutions represent valuable assets for Florida's higher education system. A funding model that recognizes the contributions of both sectors would maximize educational opportunity, ensure fiscal responsibility, and better serve Florida residents' long-term interests. The question is not whether Florida should support public or private higher education, but rather how to structure that support to achieve the greatest benefit for Floridians.