

INDEX OF MINUTES  
ACADEMIC PROGRAMS/STRATEGIC PLANNING COMMITTEE  
MEETING AS COMMITTEE OF THE WHOLE  
BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
FLORIDA ATLANTIC UNIVERSITY  
LIVE OAK PAVILION, UNIVERSITY CENTER  
BOCA RATON, FLORIDA  
JANUARY 24, 2007

<u>ITEM</u>	<u>PAGE</u>
1. Introduction of New Medical Deans.....	1
2. Structure of the State University System: Consultant's Report.....	2
3. Adjournment.....	11

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The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors, meeting as a Committee of the Whole, in the Live Oak Pavilion, University Center, Florida Atlantic University, Boca Raton, Florida, at 2:50 p.m., January 24, 2007, with the following members present: Sheila McDevitt, Vice Chair; Jorgé Arrizurieta; Dr. Arlen Chase; John Dasburg; Ann Duncan; Charles Edwards; Frank Harrison; Dr. Stanley Marshall; Frank Martin; Lynn Pappas; Ava Parker; Tico Perez; John Temple; and Dr. Zach Zachariah.

1. Introduction of New Medical Deans

Mrs. Roberts said the Board had authorized two new medical schools, at UCF and at FIU, at its meeting in March, 2006. She invited the Presidents to introduce their new medical school deans.

Dr. Hitt introduced Dr. Deborah C. German. He described her academic background, her experience on several medical school faculties, and her experience in administering a large hospital. Dr. German said she was committed to the mission of the UCF Medical School, including producing physicians for Central Florida and the state, and contributing to the economic development of the state through a focus on biotechnology and research. She said she was dedicated to building a strong foundation for medical education and creating a top-tier medical school for UCF. She said she hoped to share her passion for medicine with the new medical students and help them grow their careers.

Dr. Maidique introduced Dr. John A. Rock, who was most recently the dean of the Medical School at LSU, as well as the chancellor of the Health Sciences Center and had management oversight of Louisiana's statewide Charity Hospital System. He said he had also had positions at Duke, Emory and at Johns Hopkins. Dr. Rock said this was an exciting time for Florida. He said he recognized a clear mandate to produce physicians for the state, and he, too, was committed to create an environment of excellence. He said it was critical to prepare doctors who were culturally competent to

provide care to the citizens of Florida. He said he hoped the curriculum for the new medical school would serve as a model for the U.S.

2. Structure of the State University System: Consultant's Report

Mrs. Roberts said that when this Board had begun its business in January 2003, Mr. Dasburg had recognized that there was no plan in place for the State University System. She said he had undertaken the initial discussions regarding a Strategic Plan for the System, but that it had not addressed structure of the future SUS. She said he had raised the funds to underwrite the consultants' study. She said he had emphasized that this was not a report by the Board staff, but an independent assessment of the universities by outside observers. She gave the gavel to Mr. Dasburg, as Chair of the Academic Programs/ Strategic Planning Committee, to receive and discuss the report.

Mr. Dasburg said this Board, 18 months ago, had taken its first stab at a Strategic Plan. He said there were considerable gaps on the data side. The Board had not had good forecasts on the demographics of high school graduates and their potential demands on the SUS. The Board had also lacked data on capital and infrastructure needs. He explained that the Strategic Plan had left open the entire question of the structure of the SUS going forward. He said the consultants had examined previous reports and had found very little documentation laying a foundation for a Strategic Plan. He said Chuck Cobb and the Council of 100 had issued several reports on the "Emerging Catastrophe" and MGT America had also done a study of the System. Studies had also described relationships with the Legislature, but these were not strategic studies. He noted that over the past year, this Board had heard estimates of 50,000 new students in K-12 classrooms; actually, there were fewer than 500 new students enrolled last year. He said these uncertain forecasts created difficulties for enrollment planning in the SUS. He said these forecasts were more art than science.

He said the report from the Pappas Consulting Group was a first big step in creating a strategy. He said the consultants had been asked to digest and present the data, and not to filter the information. Once presented, this Board would deal with the data. He viewed this report as "the unvarnished report." He commented that this Board would not rush to any conclusions, nor did it have any hidden agenda as to the report. The Board would take the consultants' recommendations under consideration.

Chancellor Rosenberg said the report had been posted to the Board's website. The site included a web-based survey for individual participation and response. There was also a dedicated email address to receive comments. He said the Board hoped to receive comments and reactions to the report from members of the University Boards of Trustees, from the Council of 100, from the Chamber of Commerce, from ICUF and from legislators. A public hearing would be held on February 27, 2007, in Orlando, at UCF. He said the report set forth the beginnings of a vision and a plan for the next 30 years. He said at the March Board meeting, the Strategic Planning Committee would

begin to identify the areas of the report where consensus was easiest to gather. By June, the Board would be able to discuss the responses from all the interested constituencies and discuss next steps. By September, he said it was his expectation that there would be isolated initiatives on which the Board could focus, as well as a plan for implementation.

Ms. Parker inquired whether the Board had reached out to university alumni. She inquired whether there would be additional workshops in other parts of the state. Mr. Dasburg said other hearings would be scheduled and more if requested. This might also depend on the "hits" made to the blog.

Mr. Dasburg noted that this was the first time the Board had the opportunity to discuss this report. He said the Board would be deliberative in taking input and developing the strategy, as well as narrowing the issues the Board would address. Thereafter, the Board would work to see that its strategy was properly funded.

#### CONSULTANTS' BACKGROUND AND OVERVIEW

Dr. Alceste Pappas, President, Pappas Consulting Group, said she and Dr. Stephen Portch had 75 years of history in higher education management. She said she had been at the University of California – Berkeley, as well as with KPMG. In 1992, she founded her own firm to consult with universities and university systems on the complexity of issues facing higher education. She said her colleague, Dr. Stephen Portch, was the Chancellor-Emeritus of the University System of Georgia, and had previously served as the President and Chief Academic Officer at the University of Wisconsin-Madison. She said they had both conducted numerous interviews with Board members, State Board members, and legislators; Dr. Portch had met with the University Presidents and with the universities' leadership teams. She said Dr. Portch had done the analysis and had written the report.

Dr. Pappas said she had worked with numerous public systems of higher education. She explained that this represented the beginning of a dialogue on a statewide higher education policy in Florida and included the universities, the community colleges, and the independent colleges and universities. She said the study had been commissioned by the BOG Foundation. The report reflected only the views of the consultants and was not influenced by any political agenda. She said as a blueprint, it could be changed or modified. The recommendations were made at the 90,000 foot-level and looked forward to the next 20 to 30 years. She said that the State of Florida deserved better. She said the structure for the system should be Florida-centric, and not based on any governance structures in place in other states.

She reviewed some of the report's major issues. She reminded the Board that the whole was greater than the sum of its parts. She explained one recommendation to create a system of state colleges with its own set of governance rules within the Board of

Governors to focus on undergraduate education. Institutions which might be included would be current SUS institutions with a large undergraduate population, SUS branch campuses, community colleges and possibly private schools. She said the Board needed to consider a new funding model to reward quality over quantity and to respond to the state's priorities. She said the Board also needed to enhance distance-learning opportunities, and consider the role of private and independent colleges as a part of the higher education dialogue. Further, the report recommended creating specific targeted funding for research, keying on the current research strengths and building on the Centers of Excellence and World Class Scholars funded this past Legislative Session. She said the state also needed a plan for economic development that linked to the strengths and assets of the universities.

### STRUCTURAL ISSUES

Dr. Portch then continued the presentation. He said that from the initial responses to the report, it was clear that nobody agreed with every statement in it. The report, however, was a conversation starter. He said structure was not the right issue. He said in looking around the country, each state had a different higher education structure, and there was no pattern relating success to structure. California developed its three-part system of universities, state colleges and community colleges 50 years ago; Wisconsin had a single system for all the colleges and universities and no local boards; Virginia had institutional boards and a State Coordinating Board; North Carolina had a Board of Governors and local institutional boards; Michigan had no statewide coordinating board nor a statewide governing board, but local election for members of all the institutional boards. He said there was likely agreement that all of these states had excellent universities, and that structure did not equal success. He said good leadership leads to success. He said that leadership, a plan and a sustained state commitment would lead to university excellence. He suggested that the Board test what percentage of its agenda was about student achievement, what was about excellence, what was about serving the needs of the state. If these issues constituted the majority of the agenda, then the Board was governing. He said there was currently ambiguity in the governance of higher education in Florida and this needed to be resolved, but this was not where the Board should spend its energies.

Dr. Portch said that a strong state had strong universities, and should try to have a group of strong research universities. There should also be a mix of other institutions with specific mission niches. He said a state would also be well-served with a strong community college system as well as strong independent colleges and universities to meet its needs. He noted that the Chancellor of the University of North Carolina had declared the community colleges as major partners and met with the community college presidents to consider common concerns.

### DATA ISSUES

Dr. Portch addressed enrollment projections for the universities. He said the report from the Access Task Force had no discussion about the change in demographics in Florida, which he described as profound. These changes would have an effect on higher education enrollment. He said the population now in K-12 was 56 percent white; by 2018, the white K-12 population would be 40 percent. Black enrollment is projected to decline slightly. Hispanic enrollment is projected to leap from 21 percent of the K-12 population to 36 percent in 2018. He said that looking at SAT scores, the achievement gap was widening; white students in Florida had an average SAT of 1043 in 2005, Hispanics 961, and Blacks 856. He said Florida already had a low high school graduation rate, and without working aggressively to close the achievement gaps, participation in higher education would be declining. At present, 24 percent of the white population held the bachelor's degree, 17.5 percent of the Hispanic population, and 12.4 percent of Blacks, all below the national average. He said there were similar achievement gaps already in 8<sup>th</sup> grade National Assessment of Educational Progress scores. The pipeline to higher education was "leaking."

Dr. Portch said they had also looked at degree production. He said the State University System had significantly increased degree production and has emphasized high demand degrees, but graduate and professional programs had grown at a faster rate than undergraduate degrees. He said that in 2006, Florida ranked 43<sup>rd</sup> for bachelors degrees per 1000 residents, and 33<sup>rd</sup> for graduate degrees. Over the past decade Florida has increased its bachelors degree production by 42 percent, its masters by 58 percent, and its doctorates by 56 percent. He said that while the increases were commendable, more emphasis should be placed on increasing the number of bachelors degrees. He said this would require intentional effort by the Board.

#### GRADUATE EDUCATION AND ECONOMIC DEVELOPMENT

Dr. Portch said this Board and the local boards of trustees, mindful of state economic development activity, should determine the priority graduate programs for the state. He encouraged them to find a way to provide incentives such that students behave as the Board wanted them to behave, vis-à-vis the selected graduate programs. In Ohio, the state funds the graduate programs the state deemed important. He said the universities could provide whatever courses it wanted to provide, but the state was not funding the programs it did not want. The Governor and the legislature declare the areas the state would fund.

A conversation with university presidents, university board of trustee chairs and Board of Governors members ensued. Dr. Maidique said it was possible to create demand for graduate degrees by students coming from out-of-state. Dr. Portch responded that it was difficult to create demand for bachelors degrees in-state if the pipeline were not strong.

Mr. Tripp said new graduate programs also helped prevent the loss of excellent faculty. Dr. Portch replied that Florida could let other states educate its Ph.D.s. Dr. Rosenberg estimated that the SUS would need to hire 2000 new faculty members in the next five years. Mr. Dasburg commented that there were not enough nursing faculty with Ph.D.s to teach the masters level programs. Faculty were also needed to teach at the bachelors degree level. He said the Board might have to choose some doctoral programs which the state did not need.

Mr. Perez inquired whether the consultants had had discussions with the high-tech employers which had chosen to cluster around the universities. He commented that by serving citizens, universities were driving the economic base of their communities. He said this was particularly evident in the North Carolina Research Triangle linking businesses with the research of area universities. Dr. Portch noted, however, that the Research Triangle had little impact on the rural areas of North Carolina. He said that urban areas had an ability to attract business, as did strong research universities. He said that both the University of Illinois and Purdue University were strong research universities, but were not creating economic development in their rural environs. It is important when a state works with the universities with a plan for economic development.

Dr. Portch noted that this was a fast-growing state. He said that Florida was not beginning with a clean slate; research intensity was not found in the urban areas. He said that Boston and Atlanta were both cities with multiple higher education institutions filling different niches. The universities had fueled an economic boom in both cities. Ms. Pappas said there were immediate economic outcomes from having a basic degree. With research, there was no certainty as to outcome.

#### MISSION DIFFERENTIATION

Dr. Portch said the Board should consider different ways to reach its objectives, for the immediate, mid-range and long-range periods. He noted that there was not very much mission differentiation among the institutions in this state; New College, however, had a distinct mission. He said it was not possible to reach any solution without addressing the resource base. There were constraints on the resource base. Florida was almost 50<sup>th</sup> among the states in public university tuition, and the universities lacked the authority to approve tuition. He said that both the Florida Prepaid College Program and the Bright Futures Scholarships imposed limits on tuition increases. He commented that low tuition did not necessarily mean improved access. There were states with high tuition, which also provided significant financial-need aid.

Mr. Temple inquired about Florida's ability to support world-class universities. Dr. Portch said Florida might be able to support two or three major research universities; Texas had two universities at this level. He said this was a time when Federal research dollars were leveling. He said it was difficult for a university to have

research strengths across-the-board, but universities could develop outstanding research niches. He said the importance of mission review would lead to building on existing strengths.

Dr. Portch said that in its report, "We Must Do Better," the Council of 100 had recommended higher tuition. He said that low tuition did not guarantee access but if tuition were higher, the Board would need to work with programs to improve access.

He observed that Florida had collected excellent data, but did not use this data very well. He noted that there were also a number of reports and recommendations made by business groups on which there was no action taken. He said the data did not appear to inform decision-making.

Dr. Chase said he viewed the greater production of masters and doctoral degrees as a sign of quality. The existence of doctoral programs was attractive in recruiting potential faculty members. Dr. Portch replied that there were a number of elite institutions, such as Amherst, which offered only the baccalaureate degree which had superb faculty.

Ms. McDevitt commented on a recent meeting with business leaders who had identified skill sets students needed. These included critical thinking, as well as personality characteristics such as taking responsibility and being self-starters.

Ms. Parker said it appeared that all the institutions wanted to be research institutions. There was push-back on the issue of declaring institutions as primarily baccalaureate degree granting institutions. She said it was normal for universities to strive to be greater. She said she was interested in hearing how offering baccalaureates would be a good thing and how the Board could control the expansion of programs. Dr. Portch said a first-class baccalaureate institution was far better than a mediocre research institution. He said for some institutions, attaining world class status was out of reach. He said there were some excellent public liberal-arts institutions which had deliberately chosen not to be research institutions. Dr. Cavanaugh said that UNC-Wilmington was an institution which had used its geography to carve out a niche in marine biology.

#### DISCUSSION OF "STATE COLLEGE SYSTEM" OPTION

Dr. Portch said Florida had a mix of institutions with branch campuses, regional campuses, and other types of extended higher education facilities. Some of the current SUS institutions might choose to be part of the proposed "state college system." They could continue the graduate programs already in place. He said he had suggested institutions for this designation which had enrollments which were 90 percent undergraduate and ten percent graduate. The Board could choose to add branch campuses to this new system since the state had already made the financial

commitment to these locales, but he recommended that these not pursue a graduate mission. He said he recognized that universities were at a certain place in their program offerings. He said he did not suggest taking programs away, but that new institutions would be limited. He said funding drove behavior.

A discussion of potential involvement of current SUS institutions in a new state college system followed. Mr. Edwards said UNF and UWF might be well-positioned as primarily baccalaureate institutions, but they would need a "carrot" to do that, which should be the ability to choose an area in which to excel. Ms. Pappas said prestige seemed to be driving the focus. In allocating the funds, the bigger institutions were getting the funds, and the smaller institutions were not getting the funds they needed. Dr. Portch said the Board would need a covenant with the Governor and the Legislature. He said the funding to the institutions should be in accordance with a formula designed by this Board. The components of the funding were influencing behavior. The current funding model was enrollment driven; he suggested that it be changed to reward retention and graduation rates. The change in funding should be driven by state priorities.

President Cavanaugh said that however a state college system was defined, a tier by any other name was still a tier system. He suggested that the Board should focus on need. He noted that talk of a state college system put the universities on the defensive. He said the universities in North Carolina had clear missions. Dr. Portch said that a discussion of mission alone did not encourage the creation of more stand-alone institutions. He said nobody was being told to be a state college; it was offered as an option for the Board

Ms. Duncan said she was concerned about discussing the universities which might fall into a state college system while these universities were trying to recruit "world class scholars" under the program created and funded by the 2006 Legislature. Dr. Hitt echoed that concern. Mr. Dasburg said this was a "strategy document" which had not been massaged by the Board. Dr. Hitt commented that the press on the report was not helpful. Mr. Tripp said the Board should keep up this work; the status quo was not necessarily the best. He said the Board needed to get people in Florida to buy-in to these recommendations. Dr. Maidique said the proposal should include the word "option," although he said FIU did not intend to select that option. He said there were no state colleges in the country with a medical school.

Mr. Clark said adding another group of colleges reporting to the Board of Governors, another level of governance, would not help. He said UWF was a regional comprehensive university with a clear mission statement. He suggested that the Board could achieve these results by other means. Dr. Chase said he could see all the universities, but one, choosing to opt out of the state college system. He inquired about branch campus development. Dr. Portch said there was the possibility of the branch campuses growing into independent institutions. He said it was really jazzy to build new universities, but he cautioned the Board to keep on its green eye shades. There

were buildings already out there available to accommodate growth. He said there were options available to the Board in addition to a state college system.

Mr. Martin inquired whether other states had such a state college system. Dr. Portch said there had been state colleges in the 1960's, but the prestige game had raised the stakes on the primarily state college systems. Mr. Martin also inquired where size of a university fit into "world class" status. Dr. Portch said there was no size requirement. He said it was dependent on certain defined measures, such as amount of research dollars. He noted that most of the public research universities were large institutions whose undergraduate students supported the graduate programs.

Dr. Portch said that California was generally recognized for its great university system because its planning had been intentional and focused. The University of California System was designed to be focused on research institutions and its undergraduate students were of the highest class ranking. The California State University System was designed for institutions without stand-alone Ph.D. programs. He said California had shown great discipline in the mission differentiation of its universities. Of the nine universities in the UC System, eight were ranked among the nation's top 25 universities. He noted, however, that UC-Davis was very different from UC-Berkeley. He said this success required leadership, a sustained commitment and a plan.

Mr. Edwards said the Board had to continue to plan, as 50,000 new students were anticipated in the next 10 years. He said if the current universities did not want to go the state college route, it might be an option for New College, some community colleges and some of the universities' branch campuses. He said such a system might be created one school at a time.

Mr. Temple said that whether the universities opted in or not, the state did have limited resources. He said he was interested in the suggestion to change the funding formula. Dr. Portch said you started with what you wanted to accomplish. Factors to be considered included the mix of undergraduate and graduate students, the growth and level of degrees, improving graduation rates. He said in the 1990's, there had been a great deal of discussion of performance-based budgeting.

Ms. McDevitt said this was the Board's first conversation on the consultant's ideas. All the parts of the SUS should engage in the conversation. She said a concern of the Board should be the quality of the education given to the students in the System. She said "opt-in" should not be the focus. There were many issues to be studied and discussed, such as the funding formulas, the admission metrics. She said this report provided exciting opportunities and a beginning.

Mrs. Roberts said Legislators were important in the discussions of the funding formula. She said the Board also needed to be responsive to the citizens of the state.

Ms. Pappas said she agreed with Ms. McDevitt. She said the meetings of the System Coordination Committee had made it clear that this Board should have an open dialogue with the many players in planning for the future. She saw the concepts presented in the report as beginning concepts for a long-term discussion and conversation.

Mr. Perez noted that the report had had pushback from the university presidents because of the lines drawn. He inquired whether it would make a difference if the concept of state college and opting-in were not used, and that the distinctions would be made on some natural data points. Dr. Portch said the enrollment data showed that at least four of the universities, possibly six, had a focus on undergraduate education. He said he was comfortable with his selection of words. Mr. Perez said this seemed to create an artificial stumbling block. President Delaney said he would be interested to know what else could address mission creep.

Ms. Merkel agreed in the importance of the challenge. She said the choices made in the next years would impact the next decades.

#### DISTANCE LEARNING AND PRIVATE COLLEGES

Dr. Portch said they had also looked at the area of distance learning, where many states had stumbled. He commented that six years ago, Peter Drucker had predicted the demise of residential colleges. Dr. Portch suggested that the Board explore a Distance Education Consortium and shared opportunities. He said the Board should look for more incentives for distance education through collaborative approaches. He said the University of Illinois had created a for-profit corporation in distance education. He said a number of pieces would have to hang together to meet the long-term needs of the state.

Dr. Portch also commented that the independent colleges had a role to play. The state might want to create forgivable loan programs as a way to grow needed workforce, including making these loans available to out-of-state students. He said the Board also needed to be attentive to the pipeline, and figure ways to provide incentives to students to study fields they might not be inclined to pursue.

Mr. Tripp said the Board needed to keep in mind any proposed change to Florida's "two-plus-two" system of articulation with the community colleges, and how changes might affect the transfer of community college students to the universities. Dr. Portch said Florida had a model of two-plus-two articulation. He wondered why the state had not invested more money in the articulation and partnership baccalaureate programs offered at the community colleges. Dr. Marshall said there was promise for more partnerships with the independent colleges. He inquired whether there were private institutions who had volunteered to become part of a public system. Dr. Portch

said Rutgers University had retained some prerogatives of a private university when it had become a state land grant institution.

Mr. Dasburg said this had been an interesting beginning. He said if Board members had additions to the process document, they should advise Chancellor Rosenberg of those additions.

3. Adjournment

Having no further business, the Chair adjourned the meeting of the Board of Governors, meeting as a Committee of the Whole, at 5:30 p.m., January 24, 2007.

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Carolyn K. Roberts,  
Chair

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Mary-Anne Bestebreurtje,  
Corporate Secretary