



**The State University System**  
**A Part of the Solution to Florida's Economic Future**  
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## Introduction

Florida must challenge certain of its fundamental economic assumptions if it is to assume a world leadership role by the year 2020. In some ways Florida is positioned to point itself in the right direction. For example, Brazil is currently Florida's number one trading partner. It will be those states doing business on a dynamic international platform that will be future economic winners.

Elsewhere, though, Florida appears to be gambling with its future. State university tuition is about half the national average, and Florida's universities have the worst student-faculty ratio in the nation. Its professors are either being lured away to other states while as many as 60,000 qualified students might not be admitted. All of these inefficiencies translate to one of the lowest baccalaureate graduation rates in the Country.

Maintaining the status quo is not really an option. And while Florida is blessed in comparison to some of its peers – most notably by its geographic position-- Florida policymakers need to consider two important economic realities.

The first is that no state or country with a mediocre postsecondary education system has ever been or will ever be more than a minor player on the global economic stage. Put another way, if Florida's universities are not seen as integral to its future, then Florida will not have the future that it deserves. The second reality is that many good ideas for universities as engines for economic development have been tried but underfunded, thereby ensuring their minimal impact. This is why certain of the solutions listed below will be familiar.

The State University System is supportive of the National Conference of State Legislators' (NCSL's) Blue Ribbon Commission recommendations for a national imperative on higher education reform. Making progress in these reforms, in turn, will have a direct impact on Florida's economic development. Some of the most key NCSL recommendations are:

- recommitting to access;
- focusing on productivity, and holding institutions accountable for their performance; and
- embracing innovation, and encouraging partnerships.

As importantly, Florida's legislative leadership, the Florida Chamber, Enterprise Florida, the Office of the Governor, and Workforce Florida have all identified

similar key focus areas in order to ensure Florida's innovation economy. These are:

- building, recruiting, and retaining world-class talent;
- enhancing Florida's business climate;
- promoting sustainable development to ensure Florida's superior quality of life;
- investing in Florida's innovation economy;
- establishing Florida as a pre-eminent global hub; and
- accelerating Florida's economic diversification.

The State University System can have an impact in each and every one of these areas.

### Two Priority Ideas

There are many good ideas. The two cited below have especially good chances for immediate and long-term economic development impact. These two ideas conceptually diverge, in that one takes advantage of the strength of grass-roots, entrepreneurial activity, while the other calls for a more top-down philosophy, commitment, and focus.

#### **Priority Idea One: Incubating University Commercialization**

The Problem / Solution: Other states have demonstrated that business creation is effectively enhanced by having university-associated incubators in research parks and on campuses. While Florida's universities have made great strides in this area, much more could be done. Last year's SUS Commercialization Assistance Grant Program is likely to have only \$1.92M available after cuts. Substantial investments have been recently made in luring outside research and development entities to Florida. The same sort of investment should be made toward creating public-private entrepreneurial partnerships between the State University System and the private sector.

How it Would Work: An investment fund should be created as the state's match toward enhancing business incubation and commercialization activity. SUS institutions could compete for funds from such a pool, with a view toward adding to the number and types of incubator investments currently being made, increasing commercial ventures, and creating startup businesses. The program would be a competition rather than an entitlement, with nationally recognized external reviews assessing scientific and economic development viability of proposals. Triangular partnerships would be created between the State's match, private investors, and the universities themselves through their research

foundations and external funding. A clear accountability on the return on such investments would be expected.

The program could be administered by the already statutorily created Florida Technology, Research, and Scholarship Board which is currently configured to administer such a program: the State University Commercialization Assistance Grant Program established by the 2007 Florida Legislature within the 21<sup>st</sup> Century Technology, Research, and Scholarship Enhancement Act (F.S. 1004.226). The Program is designed to promote the commercialization of university research products for the purpose of enhancing the state's economy and creating a more vital link between venture capitalists, industry, and Florida's state universities. The interest generated by that program demonstrates that many good ideas will be left on the table unless an infusion of resources is provided.

The recommendation forthcoming, therefore, is to provide ample support of this existing program and to enhance its scope to include more incubation activity.

### **Priority Idea Two: Super Centers in Critically Needed Areas**

The Problem / Solution: While Florida's nine state-supported Centers of Excellence are each demonstrating a strong return on investment, Florida's limited resources makes it imperative that the state take a top-down approach in identifying and investing in areas that are both pressing needs as well as opportunities for global niche identification.

Florida needs to make an even greater commitment in the multifaceted array of research and development clusters surrounding energy, alternate energy, and creating a sustainable, efficient, and green footprint for the Florida's future. Investing in a "super center" in alternative energy would demonstrate a sizeable a sizeable commitment by Florida as seen by its peers and its competitors. Such a "super center" would have the standing to compete globally in all areas of alternative energy sources, composite materials creation and associated areas.

Similarly, economic development, growth, and diversification will not be possible without protecting Florida's precious water resources. This is an already national and growing issue made more immediate and intense in Florida. (Coincidentally, and in what might otherwise appear to be written in jest, Georgia is suggesting moving its borders to resolve a water dispute with Tennessee.) While Florida has several existing resources and areas of expertise, none are well enough coordinated or funded to address and solve the problem in a multifaceted manner. Florida's universities should be empowered to take advantage of their several existing research institutes and centers as well as other

relevant public and private agencies to form a collaborative “super center” that would bring its expertise to bear on the constellation of issues associated with Florida’s waters – its aquifers, its Everglades, its other wetlands, and its coastal bay and inland waters. Such a Super Center would be charged with creating solutions through state and national facilitation and collaboration and determining the extent to which water reclamation in and of itself will become an economic engine.

#### How It Would Work:

The Board of Governors has a current regulation (10.015) pertaining to the creation of what are called “State of Florida” Institutes and Centers. This regulation provides the manner in which such entities are to operate and be held accountable. A State of Florida Institute or Center is an entity with a statewide mission, that may include two or more State universities, established to coordinate inter-institutional research, service, and teaching across the State University System. Statutory language stipulating the creation of Super Centers in critically needed areas of research and development need only reference the Board of Governors regulation in order to ensure oversight and compliance with statutory intent.

#### **Other Ideas**

Many other worthwhile ideas involving Florida’s universities can be realized that would benefit Florida’s economy. The following list of projects and their accompanying accountability mechanisms could be quickly put in place.

#### Project: Degree Productivity Incentive Mechanisms

Problem / Solution: Florida ranks virtually at the bottom in baccalaureate degree production. Provide new incentive dollars to increase degree productivity generally and increase degree productivity in specific areas such as science, engineering, and technology, nursing, and teacher preparation. These dollars can be used to create financial rebates, “finishing bonuses,” tuition waivers, and graduate stipends for students graduating within four years, or in targeted areas, or with expectations of one-to-one yearly employment in Florida as a payback for their support.

#### Project: World-class Scholars

Problem / Solution: At the graduate level, Florida is having an increasingly difficult time attracting the best faculty and graduate students. The research-intensive SUS institutions made strides with the 2006 funding associated with

World-class Scholars. One-time funding in this category help stem the migration of top talent out of Florida postsecondary institutions.

Project M.D. / Ph.D. Fellowship Program

Problem / Solution: To retain top prospective medical students and to create greater alliances with independent research institutions such as Scripps and Torrey Pines, a state matching program to support a highly select group of medical students who also aspire to doctoral research should be created. Such a program, based on Harvard University's highly successful joint program, would see state funding matched by independent research entities, and their labs would also serve as exciting training areas for a cohort of future medical educators whose likelihood of staying in Florida would thereby be enhanced.

Project: Aerospace Center

Problem solution: Florida needs to front-end fund a space-related "super center" of excellence that will add value to all existing and independent areas of expertise in aerospace research and development at both public and private universities. Otherwise, the demise of the Space Shuttle program, scheduled for 2012, will also see the demise of the Nation's considerable investment at Kennedy Space Center.

Project: Facilities Construction

Problem / Solution: Florida should invest in Fixed Capital Outlay projects that will have the dual effect of creating an immediate impact for the building industry while creating homes for research and development with the potential to generate Florida-external funding. Such a list of projects across the State can be quickly identified, approved, and, if funded, made a bricks-and-mortar reality within three years.

Project: Committing to an International Platform:

Problem / Solution: Currently, the several Florida International Linkage Institutes created by statute and residing in the SUS do not have the minimal level of funding necessary to make any impact in the increase of business with their partners. Linkage Institutes are good ideas if they receive the minimal funding necessary to effect their missions. Further, it would make sense to co-locate certain key Linkage Institutes with Enterprise Florida offices internationally. Similarly, the State should support a university-based Center for Global Competitiveness, whose highest priority is to promote international business, irrespective of country of destination. Such a Center would serve as a clearinghouse for information, including university expertise in research and in commercialization activity, as well as a nexus and instant line of communication

between foreign countries and their thousands of prospective businesses that might be eager to invest in themselves by investing in Florida. The Center would also be a distance learning provider of critical foreign language instruction in languages that may not be offered at multiple sites.

The Center should also be the foremost entity in internationalizing Florida's higher education system, including serving as a distance learning provider of critical foreign language instruction in less commonly taught languages. The Center will have the expertise to attract external funding to support development of global competencies in Florida's students through study abroad, foreign language acquisition, and cultural awareness curricula. It will be nimble in providing "as needed" education for business, industry, and state agencies to maximize efficacy in specific international endeavors.

Project: Production of Nurses and Economic Development

Problem / Solution: Florida is desperately short of Registered Nurses (RNs). Funding the production of more RNs will stimulate the economy of Florida in the short term and long term. Health care is one of the largest current growth industries in Florida and the U.S. There are currently at least 12,000 vacant positions for RNs in Florida and the need for more RNs is projected to grow steadily over the next decade. RNs are highly educated and technically skilled professionals, many of whom have salaries in excess of \$50,000. Hospitals and other health care providers must have adequate RN staff not only to maintain current levels of operations, but also to expand operations with new facilities and services. This expansion in turn creates more professional and ancillary positions in support of patient care and facility operation. Expansion also contributes to the economy in the short term through construction jobs.

An initiative has been proposed by members of Florida's healthcare industry to raise \$15 million from private funds as a challenge grant to support expansion of nursing education. The expectation would be that the Governor and Legislature would include \$15 million nonrecurring in the 2007-2008 economic stimulus package as a match for the private funds. The combined total of \$30 million would be placed into a trust fund provided to nursing schools in Florida on a competitive basis over a 3 year period. The grants will focus on increasing the capacity of Florida's baccalaureate nursing programs to produce new Registered Nurses.

The proposed economic stimulus package for nursing will provide the necessary funds to address the challenges currently being encountered. Use of the funds would include:

- Scholarships and stipends for graduate nursing education to provide potential nursing faculty.
- Incentive programs for retention of high quality nursing faculty and attracting new nursing educators.
- Faculty development programs to provide workshops on medical simulation, use of technology, or other innovative instructional methods.
- Funding for the purchase of clinical nursing simulators/scenarios, particularly those for obstetrical and pediatric specialties.
- Innovation in undergraduate clinical education.
- Clinical placement software and centralized data resources to maximize usage of clinical sites.

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