

MINUTES  
FLORIDA BOARD OF GOVERNORS  
STRATEGIC PLANNING/EDUCATIONAL POLICY COMMITTEE  
FLORIDA INTERNATIONAL UNIVERSITY  
MIAMI, FLORIDA  
JULY 20, 2005

Mr. Dasburg, Chair, convened the meeting of the Strategic Planning/Educational Policy Committee of the Board of Governors at 4:20 p.m., in the Ballroom, Graham Center, Florida International University, Miami, Florida, July 20, 2005, with the following members present: René Albors, Dr. Akshay Desai; Ann Duncan; Dr. Stanley Marshall; Bill McCollum; Sheila McDevitt; Gerri Moll; Lynn Pappas; Ava Parker; Carolyn K. Roberts; John Temple; Dr. Dreamal Worthen; and Dr. Zach Zachariah.

1. Approval of Minutes of Meeting held June 9, 2005

Ms. Moll moved that the Committee approve the Minutes of the Meeting held June 9, 2005, as presented. Mr. Temple seconded the motion, and members of the Committee concurred.

2. Report from Medical Education Subcommittee

Dr. Zachariah said the Subcommittee had met earlier that day and had explored options for this Board and the universities to address the State's need for additional physicians. He said the Subcommittee had recommended that representatives from the two universities seeking to begin medical schools, UCF and FIU, be prepared to make presentations of their proposals to the Strategic Planning Committee or to the full Board at the Board's November meeting.

Mr. Dasburg thanked the Co-chairs of the Medical Education Subcommittee, Dr. Zachariah and Mr. Temple, for their work in educating the Board on these important issues over the past year. He said they should advise staff if there was additional information they wanted Board members to have prior to the November meeting. He said these university presentations should be made to the full Board. He recommended that the Chair allow ample time at that meeting for a complete discussion and hoped there could be a final vote. He thanked the Subcommittee and, with their concurrence, dissolved it.

3. Cost per Degree: Continuing Discussion

Mr. Dasburg said the Committee had already had extensive discussions on the topic of "cost per degree." He said this topic was difficult; there were different methodologies. He said the Committee had begun these discussions with the assistance of consultants and had now continued the project with staff.

Dr. Nancy McKee explained that there were several potential uses for the "cost per degree." She said the information could be used for accountability purposes, for planning purposes or for funding requests. She reported the consultants' analysis of the

average instructional costs by degree level and the system average degree cost for first-time-in-college students. She said this exercise demonstrated that instructional costs and student completion rates had a great impact on cost per degree. Traditionally, instructional costs were calculated from costs per credit hour. She explained some of the challenges in analyzing cost per degree, e.g., that graduate and undergraduate program costs were related; that research, instruction and public service costs were related; that growth rates and institutional size affected costs; and that students entered institutions with varying levels of credit and/or preparation. She noted that the staff had traditionally evaluated the data from the expenditure analysis. This analysis, however, had its limitations as it did not include all funding sources and did not include information from all program levels. She noted, for example, that it was not possible to isolate the costs of the nursing degree, because this was one program within the broader category of Health Professions. She noted that the data was currently collected for different reasons.

She said that during the development of this information, several universities had suggested different cost per degree models. UWF had suggested looking at the costs of the standard course requirements for a degree. This model, however, would not include the costs of any additional courses. She said one university had suggested "transcript price," the cost of credits taken by graduates, but this model would not include the costs for students who did not graduate.

She said if the rationale for a cost per degree model were for accountability purposes, the questions should be about instructional cost and whether students were completing their degrees. If the model is to be used for planning purposes, then new program requests should apply consistent methodology to estimate costs, including the costs associated with related programs. This model could also be used for special allocations of funds for growth in key programs, providing consistent analyses of projected costs. She said that the cost per degree model would not be feasible for the purpose of requesting all funds as it was not possible to develop a single model to predict reliably future costs of programs. She commented that there were approximately 1600 programs in the System, and added that aggregate estimates, e.g., cost per bachelor degree systemwide, might be more useful and reliable than the detailed model.

She noted that for any of these models, the expenditure analysis would need to be refined and that this would be a significant undertaking. She explained that it would take a year to plan the change and another year to collect the data in a new format. She noted that any changes to the expenditure analysis required the concurrence of the Legislature and the Governor's Office, so they should be included in any efforts to refine the analysis. Mr. Dasburg inquired whether there was some statutory requirement to advise the Legislature if the Board broke out certain costs in a more refined way. He asked whether the Board needed legislative approval to make some changes in the collection of some data. Dr. McKee said approval was not necessary if the Board continued to collect the current data, as well. Mr. Dasburg said the purpose for the additional information was to enhance the Board's focus. Dr. McKee said this would not require legislative permission as long as legislative staff got the information they had always received.

Ms. Moll said staff had identified three different uses for this data. She inquired how this data would be used. Would it be used to compare institutions in Florida; would it be used to compare against other states. Mr. Dasburg concurred that these were likely uses. He said it could also be used to benchmark against best practices. He said it was awkward for the Board to request funding for additional students, when the costs for the existing student base were not known. He said it was clear that costs for history students were less than for engineering students. If the universities were funded for average costs, then the universities were using history students to fund engineering students. He said he did not think this was a good practice.

Provost Abele said the universities calculated costs using student credit hours. He said the universities did not know whether students would graduate or whether they would transfer, but they did need to be able to support the students taking courses over a certain number of credit hours. Mr. Dasburg said he did not want to encourage perverse incentives for the universities, where the universities make money on psychology majors whose programs are less expensive, but not on engineers whose programs are more expensive.

Dr. Abele suggested that if the Board were interested in producing more graduates in particular disciplines that carefully crafted incentives would be more productive. Mr. Dasburg agreed and added that the Board should figure out the costs to meet certain demands in order to answer questions from the Legislature.

Mrs. Roberts suggested that there was some danger in this data and these questions. She said the universities were not just competing with each other. She said there were those who could use this data to try to show that the community colleges could produce graduates more cheaply. She said they needed to remember the quality of the education for the students. Mr. Dasburg said that at some point, the Board might need to know what programs cost. Dr. Desai wondered whether the Board might consider disincentives, as well as incentives. The universities might be producing graduates for whom there is little need in the market. Mrs. Roberts cautioned that the Board should not say that the universities should not make certain programs available because there was no "need."

Mr. McCollum said the information collected should be valuable to the Board, and that costs should be explainable. Mr. Dasburg said student retention had to be considered, and that attrition should also be part of the mix.

President Hitt commented that for every degree, service courses were offered in other disciplines; there were instructional loads for every degree carried by other departments that would not be reflected in the program costs.

Mr. Temple noted that many programs were offered at many of the institutions. He inquired why some programs were so much more expensive at one institution. Mr. Dasburg said the universities should not be defensive as to this question. The Board needs good data to be able to assess costs against certain benchmarks, and to ask the question why other institutions might be more efficient. The data needs to be analyzed so institutions can do what they can to improve their effectiveness. He said this was

integral to the budget issues in the state, particularly if the community colleges will be offering baccalaureate degrees. This Board must have valid numbers.

Dr. Zachariah inquired if it were possible to calculate the cost of minimum requirements. Dr. Abele said FSU could calculate its costs in order to be able to deal with valid questions. Ms. Moll said she was concerned about the unintended consequences arising from this data. She said it was good to know these costs if they are used to measure the universities against others, but it is dangerous if the universities attempt to achieve efficiencies by loading classes with Graduate Assistants. Mr. Dasburg said he did not want to abandon the exercise because the data might be abused.

Ms. Parker said she disagreed with Mr. Dasburg. She said she could not say it was wrong to mix the funds and use the funds generated by history students to support the more expensive engineering student hours. She said that it was quite another thing to try to compare institutions and to talk about the quality of the education. She said that comparing UF to UNF was a start down a very slippery slope. She said she could agree that the Board might select a particular program and use it as a test case for a cost per degree approach. She cautioned the use of this data by this Board as she understood that the State Board of Education already is of the belief that the universities spend too much money.

Mrs. Roberts said it was important not to simplify this data. Mr. Dasburg said he was interested in securing accurate data, which could be simplified or complicated, as appropriate.

Dr. Robinson said the Access Task Force was developing a common set of criteria to look at this information. The Task Force was also assembling data from the private institutions.

Mr. Dasburg said that the Committee was now at the point of bringing this project forward without making it so complicated. The State Board's Task Force has a six-month time-table. He said the Board needed an approach it could accept and which could be used in multiple ways. The information did not need to be abused. Ms. Parker said she was concerned about the speed with which the State Board would be moving. Mr. Dasburg said he had asked Mr. Handy for information on the cost per degree at the community colleges. Mrs. Roberts observed that the State Board had no authority over the universities, but that both Boards were looking at the same revenue source. Mr. Dasburg recognized that they were now cooperating and that this was data which required a certain sensitivity. Dr. Desai said this was a good exercise, even if imperfect. The Board had the opportunity to continue to fine tune the data.

Ms. McDevitt said that this data was important for a variety of purposes. The Board would also need to be aware of evaluating the quality of programs. It was clear that cost should not drive the Board's decisions on which programs were offered to students in the state. Mr. Dasburg said it was not his intent to get to the lowest common denominator, nor in debasing the quality of any programs.

President Hitt said the Board did need some metric about costs. He suggested that the Board take a subset of degrees, such as those offered by both the community colleges and the universities, and look at the costs. Mr. Dasburg said this was a good point. The Committee would identify such a group of programs and proceed with the analysis.

President Hitt said the more aggregated the data, such as looking at baccalaureates at all the universities, the better. He said, in Florida, UF got the best students in the state who were ready for university, so it would follow that it had the record of best completers, and, as a result, produced the cheapest cost degrees. He said it was absolutely necessary to reduce student attrition to reduce costs. The universities should focus on retention.

Provost Glover explained the impact of UF's student tracking system on retention. Dr. Abele noted that the Presidents Association had made student tracking its sixth priority on the funding list. President Hitt noted that improvement in student retention increases enrollment. Mr. Dasburg suggested that all the universities should implement good tracking programs. Dr. Austin noted that only one university requested funds specifically to address student tracking.

Ms. Parker inquired why it would take a year to refine the expenditure analysis. Mr. Dasburg said this would require lengthy discussions, partially because of the fear factor as to how this data would be used. He said the assignment to the group would be to develop a cost per degree for certain programs and bring a proposal for the Board's consideration.

He said the Committee had agreed to consider a subset of programs for a cost per degree analysis. The Committee had also agreed on seeking resources for nursing as one of the targeted programs.

Ms. Duncan said she was unclear on the differences which result based on when the universities calculate when a student actually "enters" a program. Mr. Dasburg said this was a big philosophical issue, in terms of how the credits are calculated.

Dr. Glover said the discussions of the structure of a cost per degree model had been productive. The problems occur in the discussions to select the model. It would be useful to adopt a methodology and to have some articulation with the community colleges. Mr. Dasburg said there would need to be similar approaches, and the discussion should not start with unnecessary analytical issues.

#### 4. Supply and Demand: Computer Science

Mr. Dasburg inquired if President Hitt would make this presentation at the September Committee meeting. President Hitt said he would be pleased to postpone the presentation.

5. Supply and Demand: Nursing, Engineering, Teaching

Mr. Dasburg said the Committee had now heard about several disciplines the Committee had identified as targeted program areas. The Committee had discussed nursing, a discipline for which there is no capacity at the universities, but high student demand; teaching, a discipline for which there is capacity, but no demand; and engineering, a discipline for which there is capacity, with students unable, or unprepared, to succeed in the rigorous program.

Dr. LeMon explained the Budget Request for each of these targeted areas. The Request included \$13.8 million for nursing, and the proposed outcome with these funds: 484 B.S.N. graduates, 84 new M.S. prepared nurses and 25 additional Ph.D. prepared nurses. The Budget Request included \$15 million for Engineering with a proposed outcome of a 21 percent increase in engineering graduates in five years. The Budget Request included \$11.3 million for Teacher Education with an outcome of 977 additional completers above normal growth in 2006-07, which is a 20 percent increase above normal growth, with approximately 1,000 more completers above normal growth each year thereafter. He said the Board would sell these issues to the Legislature by being accountable for the allocation of these funds to the universities to achieve the desired outcomes.

Mr. Dasburg said the need for more teachers was on the agenda for the Higher Education Access Task Force. He said this was an issue that transcended the Board of Governors and required a combined approach to the Legislature.

Ms. Parker inquired about the allocation of the funds. Dr. LeMon said the universities had estimated their productivity. Funds would be held centrally and allocated using an RFP approach. Once funds were appropriated, the universities would respond that with "x" dollars, they could produce "x" teachers, engineers, or nurses. Provost Hickey said this was a negotiation process with which the universities were familiar.

Dr. Marshall questioned an earlier statement on the quality of teacher education programs and that this quality affected the numbers of recruits to the programs. He said the College of Education at Florida State was an attractive program. Mrs. Roberts said the issue dealt with where these graduates would work. Mr. Dasburg said the Board had received information that there was a critical demand for new teachers. The Board had recognized that solving this problem transcended this Board. He said the Board had heard about excellent programs in the Colleges of Education and alternative certification programs available to train new teachers. He suggested that this be on the agenda in September for further discussion.

Dr. Desai inquired about the \$15 million request for engineering. Dr. LeMon stated that funding for remedial programs was not permitted to the State University System. Dr. Glover explained that the funding would enhance the math and science curriculum in the freshman and sophomore years for engineering students.

6. Adjournment

Meeting adjourned at 6:15 p.m., July 20, 2005.

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John Dasburg, Chairman

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Mary-Anne Bestebreurtje,  
Corporate Secretary