

MINUTES
FLORIDA BOARD OF GOVERNORS
STRATEGIC PLANNING/EDUCATIONAL POLICY COMMITTEE WORKSHOP
UNIVERSITY OF SOUTH FLORIDA
TAMPA, FLORIDA
MARCH 24, 2005

Mr. Dasburg, Chair, convened the meeting of the Strategic Planning/Educational Policy Committee Workshop of the Board of Governors at 8:20 a.m., in Traditions Hall, Gibbons Alumni Center, University of South Florida, Tampa, Florida, March 24, 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; Peter Rummell; John Temple; Commissioner John Winn; Dr. Dreamal Worthen; and Dr. Zach Zachariah.

1. Welcome and Call to Order

Mr. Dasburg said the Strategic Planning Committee had now spent more than a year developing Strategic Goals for the Board. In the context of identifying these Goals, Board members had raised questions about cost accounting inside the universities. The Committee had engaged consultants to help determine the cost to produce “our product,” a degree, and to look at the state’s geography in relationship to the size of the population and its range of ages to forecast student demand. At the November meeting, the consultants had presented initial findings regarding the Board’s targeted programs and the production of degrees at the universities. The universities had provided extensive commentary to these findings and had provided information about the factors that distorted “cost per degree” information, such as non-degree seeking students and continuing education requirements. He said the Committee wanted to be sure it had the Strategic Goals right. He said that there should be an ongoing discussion of the list of targeted programs to keep it fresh, in terms of the needs of the state and the demands of the students. He said the Committee had heard about differences in programs in terms of supply and demand. President Maidique had described the student demand for nursing, for which the university had neither the space nor the faculty to accept the demand. President Hitt had described the lack of student demand for education, although the University was prepared to produce graduates in education. Mr. Dasburg noted that the universities could not be expected to solve statewide problems, that these would require statewide solutions. He noted that Mr. Handy, Chair, State Board of Education, had announced that he would appoint a Task Force to explore ways to address the statewide need for new classroom teachers, and that Mrs. Roberts and he would serve as members of that Task Force. This was an issue that could not be solved only by the Board of Governors and the universities. One way the University could help address such an issue was through tuition differentiation by programs.

2. Introduction

Dr. Nancy McKee said that after the November Committee discussions, staff had been directed to do further research into the issues that had been raised, including

degree production, the targeted programs and cost per degree. Staff members had held several follow-up meetings with university staff to obtain further data. In addition, staff and the consultants visited campuses to meet with university staff. As a result of these meetings, the consultants revised their analyses. All the materials, including the universities' full responses, were included in the Board's February 2005 meeting materials.

Dr. McKee said that several questions were posed in the geographic analysis. Where in Florida will population growth in the college-aged cohort generate the most student demand? Where will population growth in the 5-15 and 60+ populations generate the most workforce demand for teachers and health professionals? How are the universities situated to meet the demand? She said the analysis would illustrate the case for growth and provide context for evaluating university plans and goals. It also highlights the areas of the state where needs will be particularly acute. She said there were certain policy questions not asked by the geographic access analysis. These included whether branch campuses serve populations as effectively as new main campuses; the cost differential to meet growth challenges with existing institutions vs. new ones; the optimal mix of branch campuses and new campuses for satisfying demand and minimizing the cost of doing so; and how growth would be financed. She said these questions remained to be answered.

3. Geographic Access

Dr. Grant Thrall said the state would experience growth needs in the fields of biotechnology, nanotechnology, and geospatial technology. He said Florida is projected to grow by 600 people per day and will have a population greater than New York within 10 to 15 years, when California, Texas and Florida are projected to be the largest states. Within the state, population growth will be in Southeast Florida, along the I-4 corridor, and Naples and Southwest Florida. The graduate-age population increases in Southeast Florida, Orlando, Tampa, Tallahassee, Gainesville and Jacksonville. For the undergraduate-age population, 15 to 25, there are similar concentrations. The 5 to 15 year old population growth places indirect pressure on higher education because of their need for teachers. He also showed the growth in the elder 60+ population, which places pressure on higher education because of their need for services.

He reviewed the degrees awarded and the planned enrollment growth of current and planned campuses. He showed where community colleges were sending their transfer students, and the supply of the graduate population in relation to doctoral degrees. He reviewed the supply of nursing degrees by both the SUS and the private institutions. He showed the production of selected emerging technology degrees, noting that higher education is the key to sustained economic growth. He also showed where high school students were enrolling in the SUS.

Mr. Dasburg inquired if there were indicators of relationships between high schools and a university. Dr. Thrall said there was no simple rule as to a "catchment area." President Genshaft said it was commonly believed that students attended a university within a two and a half hour driving distance, but that direct recruitment was also a strong factor. President Cavanaugh added that there might be a certain

catchment area, but that an alumni network also mattered. President Maidique said there were also differences in the numbers of area high schools. FIU gets the most students from the large public high schools in Miami. Mr. Dasburg inquired if the urban area in which the university was located made a difference. President Hitt said that approximately one-third of UCF students came from Orlando, but that it also enrolled significant numbers of students from Southeast Florida. President Genshaft also noted that the more urban the surrounding area, the more likely the university was to attract more commuter and part-time students. President Brogan added that it was more likely that a large urban area makes the university attractive, but also that the students cannot afford to move away from home to live on a distant campus. President Merwin said FGCU's enrollment might more accurately reflect the effect of local area. He said that when FGCU opened, 90 percent of its students were from the surrounding area; seven years later, 60 percent came from Lee, Charlotte and Collier Counties. He said he suspected that the percent of students from the local area would continue to decline. Ms. Pappas said she would be interested to know the factors which limited student mobility. She said this might help the Board determine the areas where the state is underserved. There might be a high concentration of certain factors that indicate why people do not travel to the universities.

President Bryant said other important factors were the age of the student and the student's enrollment status. She noted that there were many part-time students who were still first-generation in their families to be enrolled in higher education.

Dr. Thrall explained that he had plotted the density of the university's metropolitan area and the density of the population area. He said that unless the university had a special mission, there was a relationship between density of area and of population. President Hitt said the ratio of area students would more likely resemble the one third, if total enrollment were considered, and not just FTIC students.

Dr. Thrall said that the universities do appear to have catchment areas around them, which can be geographically defined. He said it appeared that several universities could grow to 60,000 students, but that a quality and financial analysis would need to be done to assess whether the decision would be to add new universities or to add branches of existing universities. This involved critical decisions about faculty and construction.

Commissioner Winn noted that while a university relationship with a high school may not necessarily follow a formula or a pattern, as the high schools graduate more successful students more will be seeking access to university admission. Student eligibility criteria may have a greater bearing on university choices.

President Brogan inquired where the state was going. He noted that a sub-strata system was already developing with the change for community colleges authorized to offer the four-year degree. He said Florida could have three levels of schools, i.e., state universities, state colleges, and community colleges. He said rather than passage of a bill, the Board should consider the whole picture. President Genshaft said all the states had different models for their higher education systems. She recommended that staff gather data on these various systems to see how they worked.

Mr. Dasburg said the Board should determine the questions and bring the solutions to the Legislature. It was critical to ask the right questions. Commissioner Winn noted that there were also partnerships in place between community colleges and universities. President Maidique said California had a three-tiered system in place, with distinct missions for the institutions in each system. Mr. Dasburg noted that a former business partner of his would soon become the Chair of the California Board of Regents and could be invited to address the Board. Meanwhile, he requested staff to make a brief presentation describing the California system at the next Board meeting.

Mr. Temple inquired about Dr. Thrall's growth projections. Dr. Thrall responded that he had not calculated the projections. He said he had used numbers which were commercially available and determined by zip code. The growth figure of 600 new people in Florida each day came from the U.S. Census website.

Ms. McDevitt said the Board needed to take a detailed and deliberative approach to university growth. She said she was concerned about a piecemeal legislative approach creating individual institutions. Mr. Dasburg said he believed the Legislature would appreciate this Board's recommended solutions, although it might choose not to follow those recommendations. Dr. Worthen added that it was critical to consider all the possibilities, so as to better serve the students. She added that duplication is wasteful. Ms. McDevitt commented that she was also concerned about quality.

Mrs. Roberts said this was serious work. It was hard to discount what is factual. Mr. Dasburg said this also extends to funding. The Board needs to understand the costs of the several options. Commissioner Winn said questions about delivery systems and governance would never be finally answered. The important issue was to take a positive approach to working with students. He said it had been his experience that Legislators welcomed thoughtful work and would welcome this Board's study and recommended solutions to providing education to Florida's citizens.

Dr. Thrall pointed out that the community colleges did fall in the geographic "trade areas" of the universities. He referenced a report by the Postsecondary Education Planning Commission that estimated that a population of 262,500 between the ages of 18 to 44 was required to support a state university. He identified growth areas between UCF and USF and also between FIU and FAU.

Mr. Dasburg commented that with the data to support the Board's assumptions, the Board should be successful in making recommendations. The Board had not previously discussed these population figures, this demand for education, and alternatives to providing it. The Board still needed to explore the least expensive, and high quality options, and how it would be funded over the next seven to ten years. The Board would have to explore whether to add new branch campuses, and how large the current universities should become. These are not simple questions, but the Board needs to have a coherent proposal that answers all these questions.

President Brogan noted how FAU was growing to meet area needs. FAU was using a distributive campus approach, along 150 miles of coastline. He said the Board's new funding formula makes allowances for services to be provided to students in a

multi-campus model. He suggested that to keep pace with the growth in Southeast Florida, the Board might consider additional state colleges there.

President Hitt said there were advantages with the joint-use model for students who do not meet the high admissions standards of the universities, but who are served well by the voluntary agreement of the universities to accept these students as transfers from the community colleges.

Dr. Desai said that UF had a statewide reputation as a high quality institution, and was not just attractive to students who were within its geographic proximity. He wondered if the universities had conducted surveys of its students as to why they chose particular institutions. Dr. Thrall reported that UF had done such a survey, and had found students were attracted to UF for a wide variety of reasons, including their financial ability to pay tuition, the Bright Futures Scholarships, the Prepaid Tuition program, access to post-baccalaureate programs, the strength of programs, and the social options provided by on-campus living. Dr. Desai noted that from a performance and accountability standpoint, UF also attracted the best students.

Ms. Pappas said she was particularly interested in the breakdown by age, and the need to look at changes to the structural system into the future. Mr. Dasburg said the Board should continue to ask how to structure higher education. The first question should be, "What is the best model?" President Cavanaugh suggested that the question should be, "What is the best model to best serve the state?," and to include all the options, whether branch campuses, distributive campuses, joint-use campuses. President Hitt suggested that branches could be either stand-alone campuses or joint-use campuses.

Mr. Dasburg said the Board also needed to understand the cost differential between the several options, as this question would be asked. Commissioner Winn said it was critically important to ask very clear and specific questions. He suggested adding sub-questions to each of the broader questions. Mr. Dasburg said one of the sub-questions should be consideration of the four-year community colleges. Mr. Dasburg added that the question about the optimal mix of branch campuses and new campuses for satisfying demand and minimizing the cost of doing so should be a sub-question to the first question. The final question dealt with financing this growth. He said the variables were quality and cost. President Machen added a third variable, access. Dr. Desai inquired whether costs should be viewed as marginal costs or differential cost between fixed and variable costs. Mr. Dasburg said using marginal costs was not a good idea. He suggested that the best way to deal with funding was through increasing enrollment, and the costs of the various models.

Mr. McCollum said questions of access and student demand did not address the needs of the communities. He said that in addition to questions of dollars for financing growth, there should be a factor addressing differentiation of the needs of the state. Mr. Dasburg said these questions addressed infrastructure and an appropriate model for the system. The requests to the Board from the universities reflected the needs of the state.

President Maidique said the Board needed to define what was meant by branch campuses and main campuses, so that it could differentiate research universities, from state four-year colleges, from community colleges. The question begins with the needs of the student.

President Genshaft reminded the Board of the 2001 legislative mandate that created two campuses from USF branches at St. Petersburg and at Sarasota-Manatee, and directed they be separately accredited. These regional campuses have more autonomy than a branch campus, as they have fiscal and academic autonomy and make their own admission decisions. The Board may want to consider a mix of different types of institutions. The final questions and sub-questions agreed to are:

- With attention to quality, cost and access, what is the best campus model to serve the state?
 - Stand-alone
 - Branch
 - Distributive
 - Joint-use
 - Additional universities
 - Other models
- What is the optimal mix of campus models for satisfying demand and minimizing the cost?
- What is the fixed, variable and marginal cost differential to meet growth challenges of each model?
- How will this growth be financed?

4. Degree Production and Targeted Programs

Dr. Cyndi Balogh, MGT of America, Inc., explained the assignment to analyze the Board's degree production goals and goals for its targeted programs. The universities submitted plans for each year between 2003-04 and 2012-13, which were further revised as a result of additional information and university site visits. She explained the methodology for the degree production analysis by level. Institutional plans closely match the Board's degree production goals for bachelor's degrees, for master's degrees and for first professional degrees, but greatly exceed the 2012-13 Board goal for doctoral degree production. She noted that the goal and analysis at the doctoral level was complicated by awards in two general types of degrees, research-focused degrees (typically Ph.D.s) and professional practice-focused degrees (Pharm.D., D.P.T.).

She reviewed the projected growth rate in total degree production, by institution. The institutional responses suggested that the Board's expectations for growth should be tied to mission variation, institution size and maturity, population served, geographic access, and funding of enrollment growth. The challenges facing the Board include ensuring that institutions realize their growth plans, analyze the goals and plans for doctoral degree production and for achieving world class academic programs and research capacity, and addressing minority access issues. She noted that the goal to award 50 percent of all degrees in the Board's nine identified targeted programs, was to be looked at across the system, not by individual institution. Further, the Board's goals

were imputed across the nine targeted program areas and compared against the targeted degrees produced in 14 large, economically competitive states. She noted that Florida seemed to be falling short in the production of bachelor's degrees in the emerging technologies. She said the institutions sought clarification of their contributions toward goal achievement and the further opportunity to revisit the targeted programs. The institutions also noted that these goals had implications on the enrollment in existing programs. They also expressed concern that student demand might not align with these goals. The challenge for the Board will be increasing the share of bachelor's degrees in the targeted areas, providing the opportunity for revising the target area designation and providing the means for incorporating regional economic development and workforce preparation needs into institutional expectations.

Dr. Balogh also reviewed enrollment and growth projections. She noted that currently only two institutions in the country had more than 50,000 students, the University of Texas at Austin and Miami-Dade College. Institutional plans for additional students to 2012-2013 result in four institutions exceeding 50,000 students, FIU, UCF, UF, and USF. Mr. Dasburg said the questions for this Board were what the SUS should look like in 2012-2013, in size of institution, type, and mission.

Mr. Temple inquired why Texas was not included as one of the comparison states. Dr. Balogh said they used the list from a Beacon Hill report, and Texas was not in the top 25 states. Ms. Pappas said she was concerned that the institutional responses seemed in some instances to conflict with institutional mission.

Dr. Johnson said the universities had expressed concerns about the list of targeted programs. There were questions about how the list was adopted. Dr. Desai said it appeared to him that the targeted program list was in reaction to identified shortage areas. It is important that the Board now develop a more accurate list of these projected state needs. He inquired whether staff had worked with the Agency for Workforce Development and with the Council of 100 to generate a more accurate assessment. Mr. Dasburg responded that staff had generated the list of programs from several sources. Mr. Dasburg said such a list would be in constant change. He suggested that Mrs. Roberts assign the currency of this list to a committee of the Board for review and update. He suggested that this be a task assigned to the Board's Economic Development Committee. Mr. Temple so moved. Ms. Parker seconded the motion, and members of the Committee concurred.

Dr. Desai said the Committee might want to install a regular period for this review, perhaps annually or biannually. He said he was concerned how regional needs would be addressed on this list and rise to the importance of addressing statewide needs. Mr. Dasburg said the universities had the ability to address those needs. They have not been precluded from adding those programs. He said he had had conversations about the targeted programs with the Provosts. Potential program additions to the list included Hospitality Management, Social Work and Architecture. He recommended that the Board establish a process to update the list of targeted programs and review the 50 percent goal.

Mr. Dasburg said there were continuing concerns about the 50 percent goal for the targeted programs. He inquired whether there was a sense among Board members to change this number. It was the sense of the Committee that a systemwide goal of 50 percent was appropriate as a directional goal.

Mr. Winn inquired whether the targeted programs in the Strategic Plan intersected with the Board's accountability goals. He said there should be such a relationship. Mr. Dasburg concurred.

President Hitt said he was concerned about producing the numbers of degrees. He did not dispute the need for the goals, but that the University was working with students. He said he was concerned that UCF might not be able to produce its share of degrees in any one of the targeted programs. Mr. Winn said the presidents needed to work together. Mr. Dasburg suggested that this be a project for the State University Presidents Association.

Ms. Pappas added that there were decisions to be made by the universities in dealing with this directional model, issues of budget and the determination of new programs. She said that the universities and the Board should also not lose sight of the constant theme of student demand. Dr. Desai noted that there was a brighter future for students in the targeted areas.

Mr. Temple said the consultants reported that the universities were producing too many Ph.D.s. He inquired whether existing programs that were overproducing were being taken off the table or can the universities achieve the 50 percent without taking away any programs. He said if the programs producing too many graduates were not needed, why were these programs continuing.

Mr. Dasburg suggested as a first pass that SUPA review the 50 percent goals and suggest how the universities could accomplish that at the Board's next meeting. President Cavanaugh, Chair, SUPA, concurred. Mr. Dasburg added that if the Presidents determine a shortfall in the production of degrees in targeted areas that they address how they will meet this shortfall and still meet the Board's 50 percent goal. President Machen said that this seemed too industrial and linear an approach. He suggested that there should be some incentives to meet the Board's goals. President Delaney agreed that he foresaw problems with this approach, but that it was fair to let SUPA make the first attempt.

Mr. Dasburg said this planning effort was setting strategic goals for the State. Dr. Desai suggested that it could play into every institution's strength.

Dr. Johnson said there had been significant growth in Florida's external research funding. This was likely the result of growth in the System's doctoral programs. He said the staff recommendation regarding the production of doctoral degrees was to set the goals differently for the different types of doctoral programs.

President Genshaft expressed concerns about this approach. She said the universities were fueled by these external research dollars, and described a recent

grant to develop prosthetics for injured soldiers returning from Iraq. She said if the universities only created emerging technology doctorates, they would not have the necessary infrastructure in place to support these new programs. President Hitt cautioned that measuring growth in Florida per capital might be problematic. Dr. Johnson said the tracking of growth rates was in relation to other programs, as well as nationally.

President Hitt said that as the universities considered new programs to be added, investments were made. He said there was a necessary lag time between the initial investments and the pay-off. Mr. Dasburg said that clearly some universities were better positioned to receive external funding.

Dr. Johnson presented the following recommendations on the Emerging Technologies Doctoral Degrees: 1) Set goal of national average research funding per capita; 2) Set doctoral goal as a range, 941 to 1317 emerging technologies doctorates, proportionate to national average research goal; 3) Support growth and new doctoral programs in emerging technologies areas linked to high levels of external funding; and 4) Give special emphasis to biological/biomedical sciences. As to Critical Needs/ High-Wage Doctoral Degrees, he recommended that the Board support the universities' planned growth and new programs in doctorate fields in critical needs or high-wage areas, e.g. Physical Therapy, Nursing, Special Education. As to Non-Targeted Doctorate Degrees, he recommended that the Board: 1) Set no goal for doctorates in non-targeted areas; 2) Allow growth consistent with mission; 3) Evaluate funding needs for growth on a case-by-case basis for the legislative budget request; and 4) Conduct rigorous review of new program requests.

The members concurred in the recommendations.

5. Next Steps

Mr. Dasburg suggested that the discussion of cost per degree and cost accounting be held for the April meeting. He said several members had expressed an interest in further discussions of university accounting systems and the cost to produce degrees. He said there were questions of demand the Committee still wanted to discuss. He said the Committee had delegated to SUPA the task to make recommendations regarding allocating the production of degrees in targeted programs. He said the Committee was now coming to the conclusion of 18 months of serious work.

6. Adjournment

Meeting adjourned at 1:20 p.m., March 24, 2005.

John Dasburg, Chairman

Mary-Anne Bestebreurtje,
Corporate Secretary