

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
STRATEGIC PLANNING COMMITTEE  
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY  
TALLAHASSEE, FLORIDA  
March 27, 2019

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and its committees are accessible at <http://www.flbog.edu/>.*

1. Call to Order

Chair Darlene Jordan convened the Strategic Planning Committee meeting at 1:39 p.m. with Governors Morton, Cerio, Felton, Frost, Huizenga, Levine, and Zachariah in attendance. A quorum was established.

2. Minutes of Committee Meeting

Chair Jordan entertained a motion to approve the minutes of the January 31, 2019, Committee meeting. Governor Frost moved to approve the minutes, Governor Huizenga seconded the motion, and the motion carried unanimously.

3. University of South Florida Consolidation Implementation Plan

Chair Jordan advised the Committee that Mr. Brian Lamb, Chair of the USF Board of Trustees, would report on efforts to consolidate USF Tampa, USF St. Petersburg, and USF Sarasota-Manatee, resulting in a single accreditation by the Southern Association of Colleges and Schools Commission on Colleges.

Mr. Lamb said that seven principles guided the effort: strengthening preeminence, preserving distinctive campus identifies, expanding student opportunities, building a clear leadership structure, establishing centers of excellence on each campus, promoting regional economic development, and maximizing operational efficiencies.

Mr. Lamb noted that all students would have access to doctoral and master's degree programs, that partnerships with Florida College System institutions will be a priority, and that USF's focus on research excellence will continue to be a priority.

Mr. Lamb noted several accomplishments thus far, including creating a single promotion and tenure process, standardizing general education, and agreeing to single admissions criteria across all campuses.

Chair Jordan thanked Mr. Lamb for the update and said that the committee looked forward to receiving future information.

#### 4. State University System 2025 Strategic Plan Mid-course Correction

Chair Jordan indicated that the committee would be reviewing the strategic plan's research, scholarship and innovation metrics; and metrics about community and business engagement. She recognized Vice Chancellor Dr. Christy England to present the metrics.

Dr. England reminded the committee that the 29 Strategic Plan metrics are organized into three categories: teaching and learning; scholarship, research, and innovation; and community and business engagement. Dr. England said the committee might wish to revise four metrics in the latter two categories: total research and development (R&D) expenditures, the percentage of R&D expenditures from external sources, the number of licenses/options executed annually, and the number of start-up companies.

Dr. England reported that 2018 R&D expenditures were \$2.32 billion, exceeding the current \$2.29 billion goal. She indicated that the system has seen an increase of 30% since 2013 and if projections hold, the system will grow by at least \$60 million per year--on pace to reach at least \$2.68 billion by 2025. That notwithstanding, she reported that the system is still fourth in the country for research expenditures.

Board Chair Lautenbach queried as to whether a \$2.68 billion 2025 goal was aggressive enough. Governor Kitson concurred. Governor Huizenga also agreed and pointed out that the Board has asked the Legislature to provide additional funds to bring more excellent researchers to Florida. He noted that the system has focused on university research collaboration to present bigger ideas and pursue higher funding. Governor Huizenga asked if it would be possible to review research expenditure projections from when the Board made the World Class Faculty and Scholar proposal to the Legislature a few years ago. Dr. England indicated that staff would provide more detail. Chair Jordan directed Dr. England to ask the universities to review their research goals.

Dr. England stated that the second metric to consider for revision was the percentage of R&D expenditures from external sources. She indicated that external funds as defined for this metric include research expenditures coming from federal awards, business and industry, and non-profit entities. Dr. England reported that while the system has grown by 11% in external expenditures over the last five years, internal expenditures

have grown as well and at a faster rate. She said that staff identified two potential options for the Committee to consider: to reduce the percentage to be aligned with national averages or to revise the goal to a dollar amount rather than a percentage. Governor Levine suggested that the Board may wish to consider breaking out external and internal funding to establish a goal based on external dollars. Chair Jordan and Governor Cerio agreed.

Governor Kitson asked what steps the universities are taking to increase external funding. Chancellor Criser responded that all research vice presidents meet yearly with major granting agencies regarding funding priorities. The Chancellor agreed that measuring dollars rather than percentages was more appropriate. Governor Levine suggested that this metric might require a deeper dive. He noted that Florida's increased funding for research might have unintentional consequences associated with this metric. Chair Jordan requested that staff further review the metric and provide the Committee with research expenditure data broken out by external and internal amounts.

Dr. England stated that the third metric to consider for revision is the number of licenses/options executed annually. Dr. England reported that the system exceeded the 2025 goal of 270 by executing 496 licenses/options in 2018 noting, though, that the metric is challenging to predict and that projections in university accountability plans are fairly conservative. Board Chair Lautenbach stated that he would like a higher goal. Chair Jordan suggested that 500 should be the goal, and the Committee agreed.

Dr. England stated that the final metric for potential revision in the scholarship, research, and innovation category is the number of start-up companies dependent on licensing a university's information. She reported that the system has also done very well on this metric, exceeding the current goal of 40. Dr. England cautioned that goals are challenging to predict. Governor Huizenga proposed revising the goal to 60 start-up companies each year. Chair Jordan and the committee concurred.

Dr. England indicated that the next metric-- included in the Community and Business Engagement area of the Board's strategic plan--is the percentage of baccalaureate graduates continuing their education or employed full-time one year after completing their baccalaureate degree. She explained that the metric was intended to better inform students as to how previous graduating classes fared when entering the workforce and is a metric in the performance based funding model. Dr. England informed the Board that performance is currently 14% below the 2025 90% goal.

Dr. England stated that employment data is from a voluntary national data exchange which includes information from 44 states, the D.C. area, and Puerto Rico, but that Alabama, California, Hawaii, Massachusetts, and New York do not participate. Dr. England noted that the data exchange excludes graduates who are temporarily

employed, self-employed, or employed by the military, by the federal government, or by many non-profits.

Dr. England explained that staff identified options to consider: to keep the goal at 90%, to revise the goal, or to replace the metric with the current metric in the performance based funding model. Chair Jordan said that aligning with the performance based funding metric would be a good option because the data is missing a good number of graduates.

Governor Morton asked if the staff can track degrees by types of employment. Dr. England stated that staff does not have access to occupational information. She said, however, that staff could analyze some data points to determine if students are earning a wage that will enable them to pay off their student loans.

Chair Jordan said that the Committee needed more data to make good decisions. Governor Kitson expressed his opinion that institutions should not be penalized for graduating entrepreneurs just because the data doesn't capture it.

Dr. England indicated that staff had identified two areas in which the Committee might wish to add metrics: student wellness and median wages of bachelor's graduates employed full-time. She noted that student wellness is a priority for the Board and that during the Drug, Alcohol, and Mental Health Task Force meeting the Council for Student Affairs identified potential metrics related to student wellness for inclusion in a new dashboard. The Committee decided that a metric pertaining to student wellness would not be included in the Strategic Plan.

As to bachelor's graduates' wages, Dr. England noted that given the Board's recent emphasis on earnings, staff recommended a metric for the median wages for bachelor's graduates employed full-time as currently reported in the performance-based funding model. Dr. England indicated that this metric is currently at \$38,100 for the system, but the university accountability plans project that it will be over \$41,000 by 2019-20.

Chair Jordan said that she was in favor of adding the metric because it helps students negotiate better salaries once they graduate and enter the workforce. Governor Lautenbach noted that the metric looks good when compared to average wages and that the system should feel good about these results. Chair Jordan confirmed that the committee wished to add the metric

Dr. England summarized the discussion and follow-up work to be conducted by staff. She stated that the Committee asked staff to go back to the institutions for additional projections about total R&D expenditures and to provide recommendations as to a more aggressive goal. She said that regarding the percentage of R&D externally funded the Committee asked staff to break out the dollar amounts by internal and external

funding. For the number of licenses and options, Dr. England said that a goal of 500 was proposed and that for the number of start-up companies, a goal of 60 was proposed. For the percentage of baccalaureate graduates continuing their education or employed, Dr. England indicated that the metric needed further analysis and that median wages for baccalaureate graduates should be kept on the table for consideration. Dr. England said that more information would be provided about AA transfer graduation rates. She also noted that the universities would be working together over the next few months to develop a recommendation to measure undergraduate students engaged in research. Finally, Dr. England indicated that student wellness metrics would not be included in the strategic plan. Chair Jordan agreed with Dr. England's summary.

Dr. England reported that this concluded the review of existing strategic plan metrics. She noted that there are a few metrics for which staff will provide additional information at the Committee's August meeting, including AA transfer graduation rates and research expenditure data broken out by external and internal amounts. Dr. England also noted that the Vice Presidents for Research and the Council for Academic Vice Presidents would be working together over the next few months to develop a recommendation to measure undergraduate students engaged in research. She indicated that a recommendation should be available in August.

Dr. England indicated that this concluded the review of existing strategic plan metrics, noting that staff will provide additional information concerning AA transfer graduation rates and the metrics identified for further review during this meeting.

Also, Dr. England noted that a metric from the Board's Strategic Plan not yet defined or reported on is the number of undergraduate students engaged in research. She reported that the vice presidents for research and the Council of Academic Vice Presidents would develop a recommendation for this metric and bring it to the Committee in August.

Chair Jordan said that she was encouraged by the robust and thorough conversation among Committee members and appreciated the suggestions of the Chancellor and Committee members. She said that certain of the issues surrounding the metrics were complicated and that some will require a more in-depth discussion. In conclusion, she thanked Dr. England for leading an informative and helpful discussion.

##### 5. State University System Enrollment Growth Considerations

Chair Jordan reminded the committee that June 2018 university accountability plans approved by the Board of Governors contained enrollment plans to the year 2021. She indicated that following the June Board meeting, Board Chair Lautenbach asked

Governors Cerio and Patel to work with staff to develop a framework for future discussions regarding enrollment planning.

Governor Cerio emphasized that the Board needs to ensure that enrollment growth considers quality as demonstrated by high retention and graduation rates. He stressed the need for high-quality faculty, appropriate student-to-faculty ratios, and excellent student support services.

Governor Patel stressed the importance of adequate facilities. He noted that on several occasions the Board had been advised that facilities across the system need urgent attention. Governor Patel reminded the Board that it annually reviews requests for new facilities and that enrollment has not been a part of those discussions.

Chair Jordan added that discussions regarding enrollment should continue when the Committee reviews accountability plans in June and during the strategic plan mid-course correction exercise because enrollment has an impact on several metrics. She then recognized Associate Vice Chancellor Dr. R.E. LeMon and Assistant Vice Chancellor Chris Kinsley to make a presentation.

Dr. LeMon indicated that he and Mr. Kinsley would be presenting information on workforce demand, performance on metrics, educational space capacity, and facilities funding. He made the point that student demand in and of itself was an insufficient reason to grow.

Dr. LeMon stressed the linkage between performance and quality. He indicated that the presentation would focus on unmet or lowered four-year graduation rate goals because of the Board's interest in that metric, the metric's precision, and its connection with both input and throughput performance indicators. He stated that hallmarks of quality such as enrolling qualified students, retaining them, graduating them in a timely fashion, and doing so at a low cost to the student were also performance metrics found in the SUS Strategic Plan.

Dr. LeMon then touched on workforce and access issues. He reminded the Committee that as discussed during the Committee's January 2019 meeting, Florida has several sources of talent supply other than the SUS to meet Department of Economic Opportunity projections that the state will have 143,000 annual job openings requiring a bachelor's degree by 2026. He pointed out that Florida College System institutions and Florida's private universities were also points of access to higher education.

Dr. LeMon indicated that, if realized, enrollment plans approved last year by the Board will result in an additional 14,000 undergraduates by Fall 2021.

Mr. Kinsley said that PECO dollars have declined from \$650 million to \$200 million over the past ten years, disrupting the system's business model. He indicated that the State University System (SUS) has over 80 million square feet and that \$3 billion is deemed necessary to meet deferred maintenance needs.

Dr. LeMon and Mr. Kinsley provided the committee with a graph showing where several universities stood relative to the four-year graduation rate goal and acceptable educational space capacity. He noted that only three universities were above the four-year graduation rate goal.

Mr. Kinsley pointed out that four universities--the University of Central Florida (UCF), Florida International University (FIU), Florida Atlantic University (FAU), and Florida Gulf Coast University (FGCU)-- had less than acceptable educational space capacity while not meeting the four-year graduation rate goal. He also mentioned that the space capacity formula took online courses into account.

Dr. LeMon also pointed out that three of the universities exceeded graduation rate goals while one--UCF--did not. He also noted that in its 2018 Accountability Plan UCF lowered its four-year graduation goals, that FIU held its goals steady, that FAU raised its goals, and that FGCU lowered its goals. He noted that UCF, FAU, FIU, and FGCU projected enrollment growth of 4,661, 1,299, 2,054, and 522, respectively.

Board Chair Lautenbach noted that the SUS graduates 58,000 students a year and that if the Board's four-year graduation rate goal were met 75,000 students would graduate every year. He reinforced that the focus should be on quality and increasing graduation rates. Governor Kitson asked why a university of 68,000 students needed to increase its enrollment. He emphasized that the focus should be on quality and metric improvement and that continuing to grow for the sake of growing makes no sense.

Governor Cerio said that the Board might need to discuss whether enrollment should be reduced. Governor Levine agreed. Governor Patel indicated that enrollment growth might need to be considered by the Facilities Committee.

Governor Huizenga said that deferred maintenance is staggering and that it might make sense to reduce enrollment. He remarked that how universities are funded should also be reviewed, noting that universities are funded the same irrespective of the types of programs they offer.

Chair Jordan indicated that she was encouraged that the presentation focused on the need for quality. She concluded by stating the information presented would serve as a valuable framework for important discussions when accountability plans are reviewed in June.

6. Concluding Remarks and Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 3:54 p.m.

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Darlene Jordan, Chair

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R.E. LeMon, Ph.D.  
Associate Vice Chancellor for Planning and Policy