

State of the System Address
Chair Tom Kuntz
January 21, 2016

This is my first meeting as Chair, and I would like to express my appreciation to the outgoing Chair for the advances we've made over the last two years due in large part to his unwavering leadership and unbounded energy. It's been a privilege to serve alongside of him and with the other members of this Board who are equally committed to taking the State University System to the next level.

In particular, I want to recognize Governor Ned Lautenbach. This is his first meeting as Vice Chair, and I'm sure he already senses he has a lot of work cut out for him. Not only will he continue his good work as Chair of the Innovation and Online Committee, but now he will take on a new role as Chair of the Budget and Finance Committee. He'll be a key partner over the next few years as we work to implement the initiatives I'll outline today. I look forward to working together.

I also want to thank Chancellor Criser and the Board of Governors' staff. The Chancellor is an effective advocate for the System, and he and his staff work tirelessly to implement the policies we've established to keep our System accessible, accountable, and affordable. We're fortunate to have such a dedicated staff, and I look forward to continuing to work with them in continuing our climb toward excellence.

I'd also like to recognize the efforts of our Governor, the Legislature, and the university boards of trustees, who have worked so diligently with our Board to create and implement performance-based funding. That effort has already paid off in the form of improvements across the System in areas such as graduation and retention rates and degrees in areas of strategic emphasis, especially STEM, and provides a strong foundation for future improvements.

My focus for the next two years will be to build on that foundation as we move from being a good system to one that is considered exemplary. To do that, we need to concentrate on three areas: (1) aligning our degrees to match the needs of Florida's high-skilled workforce; (2) elevating the System's research profile; and (3) increasing access to, and the affordability of, postsecondary degrees through Florida's 2+2 plan and our online programs.

Aligning Degrees to Match High-skilled Workforce Needs

On my first point, aligning degrees to match high-skilled workforce needs, recently, Governor Scott challenged our universities to set a goal of 100 percent employment for our graduates. Full employment is an actionable goal and we should embrace that challenge. In responding to the challenge, we need to ask ourselves two questions: (1) whether we are doing all we can so our students are adequately equipped with the skills needed to step into high-wage, high-skilled jobs, and (2) whether our universities are offering degree programs that align with those needs? As a result of the leadership of this Board, the Governor, and the Legislature, we've already laid a solid foundation that we can build on. We have actively incentivized universities to offer more degrees in areas of strategic emphasis for the State through the use of performance funding and by measuring degree production each year through our Accountability Report.

Programs of strategic emphasis include STEM, health, global competitiveness, education, and the disciplines identified in the Gap Analysis. In the past five years, STEM

degrees at the baccalaureate level have grown 37 percent, outpacing the 14 percent growth in non-STEM disciplines. Similarly, graduate STEM degrees grew 27 percent compared to the 9 percent of non-STEM graduate degrees. So how can we build on that success?

One approach is staying the course with our performance funding metric that incentivizes the production of bachelor's and graduate degrees in these high-wage, high-demand areas. By working with the Governor and the Legislature to ensure performance funds are available, we can encourage more degree production in areas identified as being critical-need now and as our workforce evolves. We've approved a legislative budget request for \$100 million in performance funding which, if funded, will help us continue to direct university resources into the production of the type of graduates needed to meet the demands of Florida's employers.

Another approach is through the competitive TEAm grant model, which has proven to be an effective and efficient strategy for the System to quickly and successfully produce more professionals in critical high-demand fields. In 2014-2015 alone, total TEAm Grant enrollments were 733 more than historical projections and 53 ahead of our target while total TEAm Grant graduates were 259 more than historical projections and 41 ahead of our target. Another TEAm grant type of competitive grant program, this time in critical health care fields, could better position Florida to respond to its future health care needs and produce a solid return on investment of taxpayer dollars.

There's also another component to this equation, and that's matching students with employment opportunities, because this is where the rubber meets the road in terms of employment. Pivotal to this are the university career centers. The career centers provide students with assessments to help them choose majors as well as employment resources that enable them to develop a "career roadmap" that meets their individualized career goals. Career centers maintain web-based resources that help students connect degree programs to career options. They provide students with access to supply and demand data, wage data, training requirement information, professional associations, and skills that employers want in graduates. In addition, the career centers maintain robust partnerships with local, regional, and national employers. They serve as the conduit for students to connect with employers through internships, job fairs, and employment opportunities. This is key because career centers translate into job opportunities for our students and a stronger economy for our state. Over the next two years, we need to focus on strengthening and promoting the career centers so when I hand over the gavel to the next chair, every student has had the opportunity to take advantage of their services. Even more importantly, I'd like to be able to show a demonstrable increase in the number of our graduates who are gainfully employed.

Elevating the Research Profile

An exemplary university system must do exemplary research. My second goal is to elevate the research profile of our System so we can bring more research dollars to our state and play an even bigger role in fueling Florida's economy through discovery and innovation. We can do that by ensuring that we are more competitive nationally and are on track to meet the goal established in our Strategic Plan. Over the past several years, we have taken strides to improve the research standing of our universities. Our Vice Presidents for Research meet regularly and have identified the major research foci that make sense for Florida's economy, including health, Big Data, Advanced Manufacturing, and Marine/Coastal Sciences.

For the past three years, universities have sent key administrators and research faculty to annual workshops in Washington D.C. to hear about the latest research priorities and available funding. No other state does this. We need to continue to pull together to raise the research profile of the State University System so that we are “Best in Class.” This includes attracting additional external research funding through System collaboration and infrastructure for shared research and data. It also includes making targeted faculty hires so those who are on the cutting edge of research with impressive research portfolios see Florida as an optimal state in which to pursue their research goals.

We also need to calibrate institutional and System efforts to reach our goals for external funding for research. We are currently last among the 10 largest states for external research funding. California has 76 percent of its research funded externally; Pennsylvania has 79 percent, Ohio 73 percent. We’re at 59 percent, but we’re close to Texas at 60 percent and Virginia at 61 percent. Over the next two years, I would like to see us hire more faculty stars, build the big data infrastructure we’ve been talking about, and move ahead of Texas and Virginia in the percent of funding from external sources. Our 2025 *Strategic Plan* Goal is 71 percent and we need to start moving the needle now to reach that goal in 10 years.

We should expect our two preeminent universities, the University of Florida and Florida State University, to continue to contribute significantly to our research portfolio. Since the passage of the preeminence legislation in 2013, the Board of Governors has focused its efforts on helping UF and FSU attain top 10 and top 25 status, respectively. The Board has participated in the progress of these two universities and we have worked closely with their Boards of Trustees in recruiting and ultimately hiring new presidents that are positioned to take these schools to the next level. We’ve seen the addition of many new and highly qualified faculty with extensive research agendas, which is the bottom line for attaining national status. Elsewhere, the Board has endeavored to champion the facility and infrastructure needs of UF and FSU to help them achieve their greatest potential. We need to maintain that focus on year-over-year improvements in the areas that will truly put UF and FSU on the national map, such as National Academy memberships, national rankings in research expenditures, patents awarded, doctoral degrees awarded annually, and the number of post-doctoral appointees.

Increasing Access and Affordability

My third goal is to increase access to postsecondary degrees and make sure that the degrees we offer are affordable for Florida students. The mechanisms for achieving this goal lie in things we are already doing, but need to build upon.

The first mechanism is grounded in Florida’s 2+2 articulation program. Florida’s vaunted 2+2 articulation system is a national model of which we can be proud – but it is not a system that is built and then runs on auto-pilot. It needs continued attention to function smoothly and our universities should be optimizing this model by providing critical 2+2 information and guidance to prospective students, and ensuring that lower level coursework taken at Florida College System institutions transfers seamlessly into the State University System. To understand where we are as a System, I am forming a Select Committee on 2+2 Articulation that I would like Governor Levine to chair. I’m asking the committee to assess how the 2+2 program is currently working across the System and come back to the Board with recommendations on how we can enhance the opportunities this program provides to our students. The committee should explore other efforts for increasing access and affordability such as the development of pathways for persons with associate and bachelor’s degrees in applied sciences so they can obtain advanced degrees, if that is where their professional goals

take them. We also need to share the recommendations with the Higher Education Coordinating Council. During my tenure as Chair of the HECC, I've had the opportunity to participate in excellent cross-sector discussions on where we need to go as a state with respect to higher education. I'm asking Governor Levine to be the Board of Governors' designee to the HECC and to continue to the important work of the HECC as it strives to promote a system that maximizes educational access and opportunities for all Floridians.

The second mechanism for expanding access to affordable degrees is through our online programs. Florida is already a leader in online education, ranking 2nd behind Texas in the number of students taking at least one online course, but we can do better and we should do better. Why? Because in addition to increasing access to higher education, online education provides a way to increase facility utilization and decrease time-to-degree. In November, under the leadership of Governor Lautenbach, the Board approved the *2025 Strategic Plan for Online Education* to take us to the next level. While all three elements of the plan are important – quality, access, and affordability – high quality courses provide the foundation upon which everything else is built, so we need to ensure that only quality online courses are offered in our System. Two years from now, we need to see the basic infrastructure in place to promote quality. This infrastructure includes common standards used in the development and delivery of online education; enhanced professional development opportunities for faculty and staff, sharing of research and best practices, and appropriate support services for our online students. Most importantly, we need to see results. I challenge the universities to meet the FTE online enrollment projections included in the Strategic Plan for 2017-18, which will be an increase of 8,100 undergraduate online FTE and an increase of 2,000 graduate online FTE.

Further, as we build out our online programming across the System, we need to be strategic in how those online offerings can be used to increase student access and degree completion. To gain additional efficiencies, we need to increase our collaboration on the development and delivery of shared online courses, programs, and student services, both within the System but also with the Florida College System where appropriate.

It's also important for us to maintain focus on our collective efforts to make the System more efficient. Through the hard work of this Board and our university trustees, our system is #1 in graduation rates among the 10 largest states for public 4-year universities. We have been able to accomplish this while our funding per student ranks 7th among these same states. That is a testament to the efficient use of the resources that Florida taxpayers, our elected leaders and students provide to the system. Through the work of Governor Lautenbach, we are collaborating more as a system on shared initiatives to get the best financial deal possible on our contracts. As with any organization there is always more that can be done. I challenge our staff and our universities to come up with \$100 million in savings and efficiencies that can be redirected back into student initiatives.

We're also carefully measuring the return on investment from our capital projects and we need to maintain that focus to demonstrate to our stakeholders the true value of investing in the State University System. We should also be measuring the impact of increasing our online programs because online education, taken to scale across the SUS, affords an alternative means to address future capacity requirements. Where feasible, we need to work together to expand online course offerings to reduce the need for new brick and mortar facilities. So I would like to see the Facilities Committee create an interface with the Innovation and Online Committee to ensure that we look at the system holistically as we consider new capital projects.

Everything I've talked about reminds me why we are here. It's about our students. And we owe it to our students to provide them with the safest possible learning and living environment. We need to continue our vigilance and advocate for the resources that are needed to keep our campuses safe. We approved a legislative budget request for \$14 million to enhance campus law enforcement. As the System has grown, our campus law enforcement units have not kept pace and we need to provide greater security coverage. We also approved a legislative budget request for \$6.2 million to address the critical need for student mental and behavioral health coverage. The demand for university counseling services has grown exponentially over the last decade. In addition to health and safety concerns, we know that counseling services are integral to graduation and retention rates because these services help students reach their academic potential and deal with the stressors of their environment. Working together as a System, it is my fervent hope these requests rise to the top among the competing demands for state resources.

In closing, I want to say thank you to everyone across the System. Through your efforts, we do make a difference in improving higher education for all Floridians. Over the next two years, I look forward to working with all of you to make our System a destination for students who are looking for an exemplary educational experience.