

2007 Accountability Report

Board of Governors, State University System of Florida

January 23, 2008

The State University System includes 10 universities and one liberal arts honors college, with sites in all 67 Florida counties. The system currently enrolls about 300,000 students and projects demand for another 50,000 over the next five years.

The Florida Constitution (Article IX, Section 7) creates the Board of Governors to operate, regulate, control, and be fully responsible for the management of the whole university system. The responsibilities of the Board also include: defining the distinctive mission of each constituent university and its articulation with free public schools and community colleges, ensuring the well-planned coordination and operation of the system, and avoiding wasteful duplication of facilities and programs.

Since the early 1990s, the Legislature has required the university system to report annually on specific measures of accountability. In the initial years following the establishment of the Board of Governors, system leadership for the state universities resided within the Department of Education's Division of Colleges and Universities. As part of the state's K-20 educational delivery system, the Division's Long-Range Program Plan was a component of the Department of Education plan. In addition, the Board of Governors continued to produce a State University System accountability report on 27 specific measures of performance that was mandated annually in the Legislature's General Appropriations Act.

The Board of Governors adopted the State University System of Florida's Strategic Plan 2005-2013 in 2005. The Board established specific, measurable goals for the State University System that focus on providing access, meeting the workforce needs of the state, and building world-class academic programs and research capacity, while defining and approving university missions that meet community needs and fulfill unique institutional responsibilities.

With the adoption of the Strategic Plan, the Board focused on a smaller set of meaningful, actionable measures of performance and accountability to which can be ascribed reliable data. The seven accountability measures flow from the strategic goals identified by the Board and are well aligned with the legislative goals of highest student achievement, seamless articulation and maximum access, skilled workforce and economic development, and quality efficient services. The role of each university in achieving the system goals is determined by the mission of each institution. Accordingly, each university board of trustees has adopted additional, measurable goals consistent with its institution's distinctive mission.

The current accountability system of the Board of Governors includes strategic system-wide goals and targets out through year 2012-13 and performance standards and measures. The Strategic Plan, which is utilized as the Board of Governors' Long-Range Program Plan, provides for a systematic and ongoing evaluation of the quality and effectiveness of state universities.

As part of the "Forward by Design" initiatives adopted at the December 2007 meeting of the Board of Governors, the Board will develop compacts over the next year with individual institutions that reflect each university's distinctive contribution to the system. Appropriate and predictable funding will be essential to the success of those compacts, as well as to meaningful progress on the system-level measures included in this report.

Overview

Florida's public universities fall behind in almost every category of comparison except for size in the national rankings of colleges and universities. Indeed, the University of Florida is the state's only public institution ranked in the nation's top 25 public universities and is the state's sole member of the Association of American Universities (AAU), the country's leading, invitation-only association of research universities. According to *U.S. News and World Report*, only the University of Florida ranks in the nation's top 50 institutions – public or private. Contrast this with California. Seven of its public universities are ranked in the nation's top 25. Berkeley alone has 212 faculty who are members of the National Academies. The entire State University System of Florida has fewer than 25. The combined federal research expenditures at all Florida public universities are less than those at the University of Washington alone.¹

Florida lags in baccalaureate production nationally. Despite being the fourth largest state in the United States, Florida ranks 46th for bachelors degrees per 1,000 residents.² Nationally, 29% of the 25-64 age population has a bachelor or higher degree. In the ten states with the highest gross domestic product per capita, 33% do. In Florida, the percentage is 27%, a gap that translates into \$180 billion annually in lower economic productivity.³ The system's six-year graduation rate has barely moved in the last few years – hovering at about 64%. Neither has the freshman to sophomore retention rate, which remains at about 88%. By 2027, if Florida is to compete with other states and nations that are investing in education, the state will need to have 3.5 million adults aged 25-64 with bachelor or higher degrees, a million more than it has today.

Funding per student is a key measure of support for Florida's public universities. During the past two decades, it has plummeted by more than 20% after adjusting for inflation. Declining funding has undermined quality and the ability to plan. Every year, citizens of the state and public university administrators play a guessing game to determine annual tuition charges, faculty hiring and course availability. The end result is an inability to meet growing state needs for quality and baccalaureate degree production. Florida now ranks last nationally in student/faculty ratios. The State University System will need to add an additional 1,600 faculty members just to achieve the national average in this important indicator of quality.⁴

¹ See **The Top American Research Universities, 2006 Annual Report** (Tempe: Arizona State University, 2006), pp. 16-19. See also the **US News & World Report** "America's Best Colleges," 2008 edition.

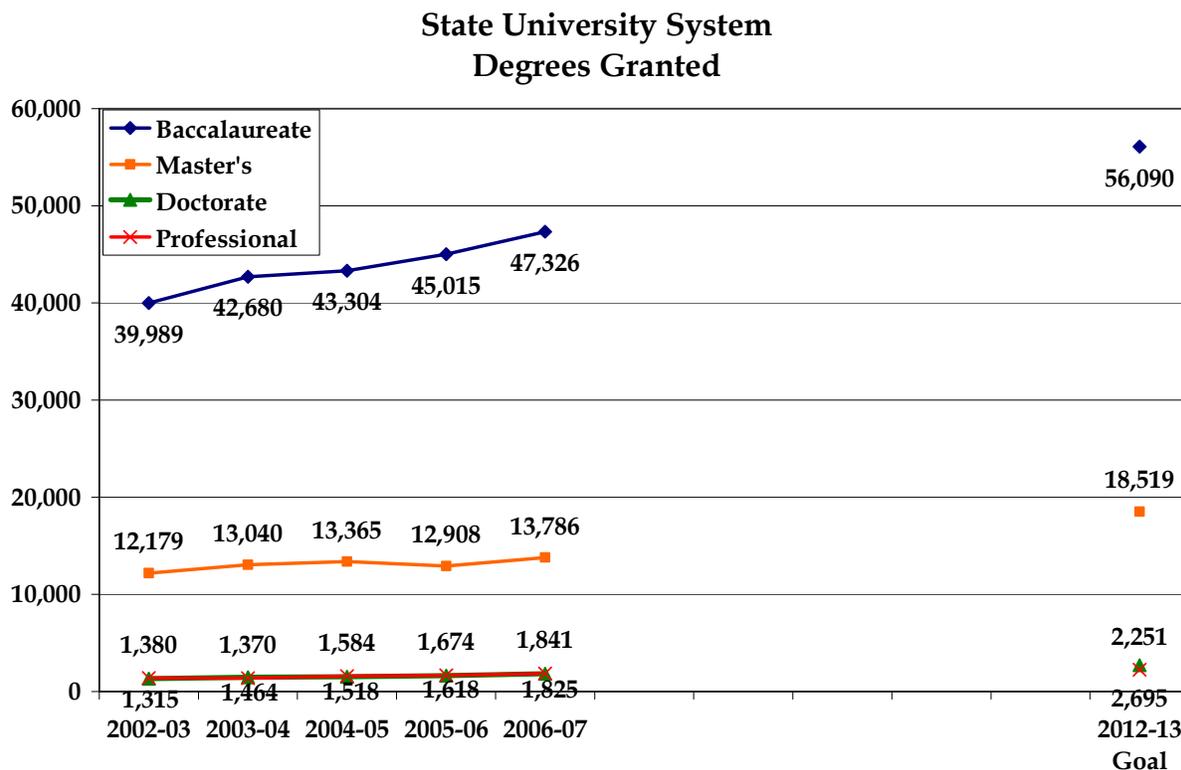
² Based on July 1, 2005 U.S. Census Bureau population estimates for states, and 2004-05 degrees awarded by state, as reported in the U.S. Department of Education's *Digest of Education Statistics 2006*.

³ Based on the U.S. Census Bureau's American Community Survey 2006 estimates of state population by age and educational attainment, and the Bureau of Economic Analysis estimate of 2006 GDP by state.

⁴ Based on 2005 full-time tenured and tenure track faculty and full-time equivalent students, as reported in the U.S. Department of Education's *Integrated Postsecondary Education Data System*.

In spite of the considerable challenges confronting the system, there are some bright spots. In the years ahead, the “Forward by Design” process will focus resources on the state’s key priorities; we should expect progress in most of the areas described in this report. In some, the system may need to revisit the measures used to evaluate that progress, and compacts between the Board and each institution will be a key context within which some of these measures evolve.

DEGREES EARNED



64,778 undergraduate and graduate students received degrees in the SUS in 2006-07, a 6% increase from the prior year and 18% more than five years ago.

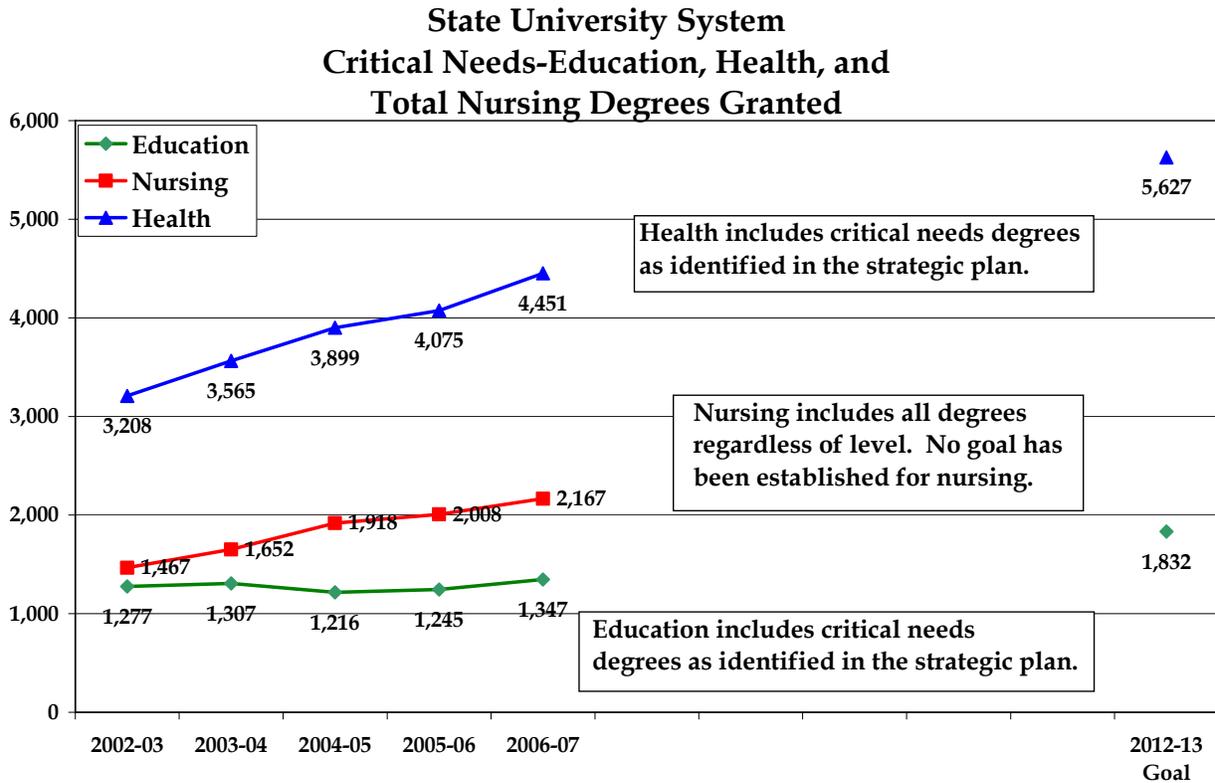
The 47,326 bachelor graduates from 2006-07 (an increase of 5% compared to 2005-06) will earn, on average, \$20,000 more per year than they would have without that degree. If these graduates spend an average of 20 years working in the state, the total added value those graduates represent to Florida's economy will approach \$19 billion.

The rapid growth in degrees awarded is the payoff of investments earlier in this decade in expanding the capacity of the university system. To reach the Board of Governor's goals for 2012-13, and to drive the state's future economic competitiveness in the longer term, the system would have to sustain the current rate of growth for many years.

Based on current enrollment and admission patterns, however, growth in bachelor degrees awarded is likely to flatten out after another substantial increase next year. Future growth in degrees awarded will depend on a renewed commitment to predictable and appropriate funding for enrollment growth on the one hand, and a relentless focus on graduation rates and efficiency on the other. The university system should plan for the success of K-12 system and community colleges in expanding the pipeline of qualified students coming into the system, but should also look to potential

students already in the workforce who could benefit from degree completion opportunities.

TARGETED PROGRAMS



In addition to contributing economically, SUS graduates will also enhance the state's quality of life.

288 new doctors (up from 207 five years ago), 2,167 nursing graduates (up from 1,467), 185 physical therapists (up from 168), 79 dentists (down slightly from 80) and 557 pharmacists (up from 355) will contribute to Florida's health;

3,848 new education graduates (up from 3,642) will teach the state's children. 1,347 of the education graduates were in fields identified as critical shortage areas by the State Board of Education, including science education and special education teachers.

A recent analysis of new public school teachers found that over 60% of them had enrolled in State University System courses, and half earned a degree from a State University.

Teacher compensation continues to be a major obstacle to recruitment and retention of highly qualified teachers. In fall 2005, education bachelor graduates from the previous year were earning about 7% more than other bachelor recipients one year after graduation, but 17% less after five years and 27% less after ten.

285 new architects (up from 158), 21 urban planners (up from 11), and 494 civil engineers (up from 300) will shape the built environment.

10,081 new science and engineering graduates (up from 8,236) will expand the frontiers of knowledge and technology. Their discoveries may cure disease or create whole new industries not yet imagined.

Over the next year, as the BOG develops compacts with each university, the State University System will work to ensure that statewide and regionally important academic programs are included among those targeted for special emphasis and accountability.

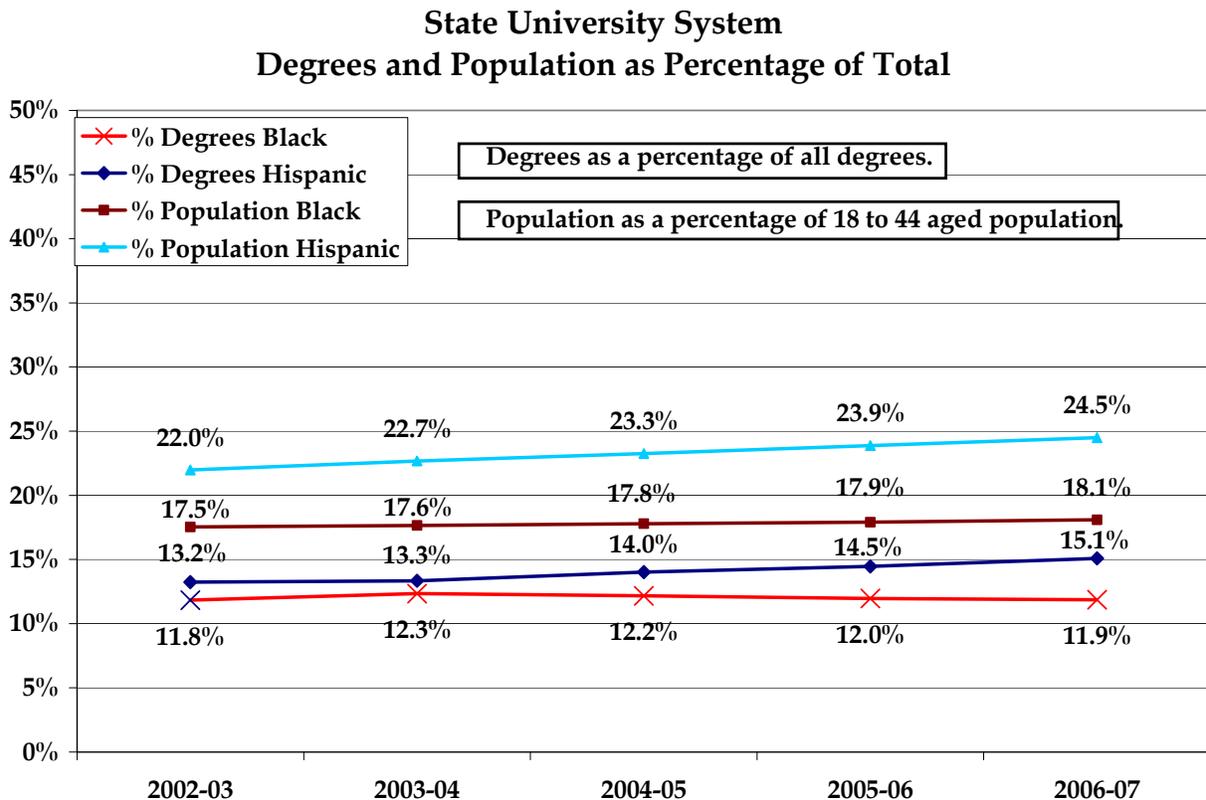
Yet it is important that the system not focus too narrowly on the current set of “targeted” degree programs. Most of the state’s business, political and community leaders are alumni of the State University System, including many with degrees in disciplines such as English, psychology, political science, or law. The system’s newest Rhodes Scholar, FSU student body president Joe O’Shea, majors in philosophy, which he cites as an important foundation for public service.

Significant contributions will be made, for example, by:

- 587 new social workers (up from 509) who will work with the Floridians who are most at risk;
- 1,714 new fine and performing artists (up from 1,398) who will give the state a cultural depth and texture valued by residents and visitors alike;
- 10,704 new business graduates (up from 10,342) who will improve existing companies and start new ones.

MINORITY PARTICIPATION

Expanding need-based financial aid is a critical strategy to improve the odds for students currently graduating from the K-12 system and hoping to continue their education. More aid must be made available and what aid there is must be allocated as efficiently as possible to those who would not succeed without it. The state's largest financial aid program currently spends nearly \$400 million on aid that does not take into account students' ability to pay and that disproportionately goes to non-minority students.



Minority students continue to graduate from SUS institutions in smaller numbers than expected given the diversity of the state. 11.9% of the system's graduates this year were black, compared to 18.1% of the state's 18-44 population. 15.1% of graduates were Hispanic, compared to 24.5% in the population base.

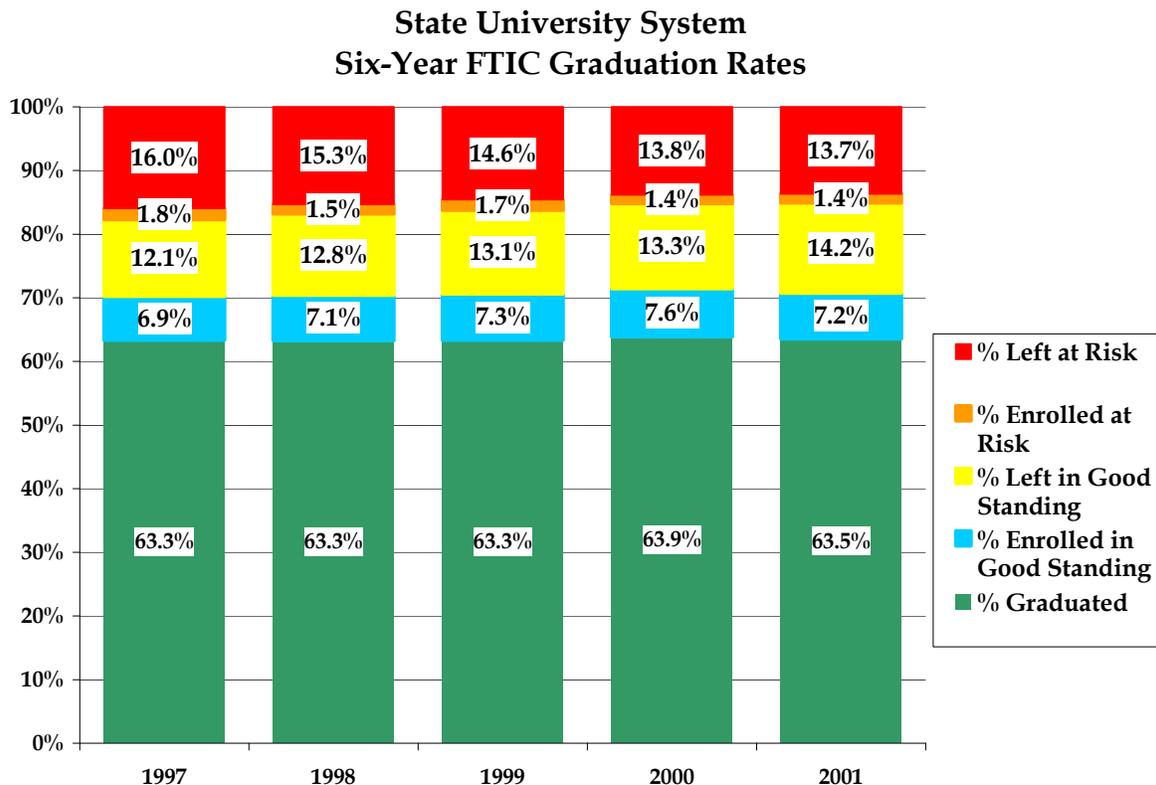
It is unlikely at this point that the system will achieve the Board's 2012-13 goal of eliminating those gaps altogether.

It is important, however, that the system makes progress in the right direction. The State University System has recently joined with a coalition of 20 states in the "Access to Success" initiative, which focuses in particular on the postsecondary participation and

graduation of minority and low-income Floridians. This will be the framework within which the system works to improve and is held publicly accountable for the results.

The state should also look to institutions within the system to continue and build on their national leadership in this area. Florida A&M University awards more degrees to black graduates every year than any other institution in the country. Florida State ranks fifth on the same measure, and has no gap at all between its graduation rates for minority and majority students – an achievement almost unheard of among national research universities. Florida International University is top in the country in the number of Hispanic students earning bachelor degrees. In spite of these accomplishments, the system needs to build on its partnerships with the K-12 and community college sectors to expand the pipeline of qualified students and supporting their success once they arrive.

GRADUATION AND RETENTION RATES



Although Florida's six-year graduation rates are higher than the national average, there has been little progress in the last few years. Of the 30,443 full-time freshmen who entered the State University System in fall 2001, 63.5% had graduated by spring 2007—about the same percentage as the prior year.

Another 7.2% of the 2001 cohort was still enrolled and in good academic standing; past experience indicates more than 90% of these students—who may have shifted to part-time attendance for financial or family reasons—will eventually graduate. 14.2% had left the system but had a GPA over 2.0, allowing them to continue their education elsewhere if they desire. This percentage has increased significantly over the last several years; further research is needed to determine whether students are not finding the program offerings they desire or whether they may be leaving for financial reasons.

Most troubling are the true dropouts—the 13.7% who left the system with poor grades (the same as last year, but a lower percentage than five years ago).

Among AA transfer students, 70% of the 11,504 full-time students who entered in fall 2003 had graduated by spring 2007, up from 69% the prior year. Another 8% were still

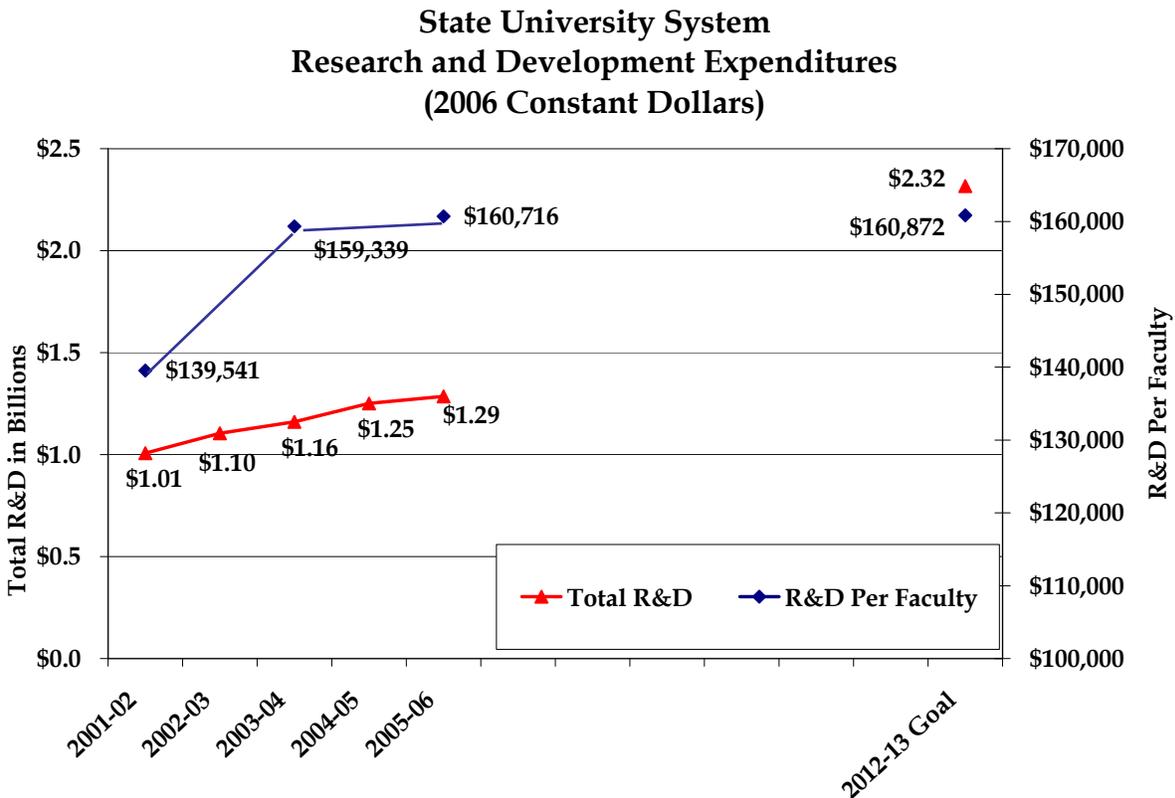
enrolled in good standing, 11% had left the system in good standing, 9% left with poor grades (down from 10%).

A substantial number of students do not fit in either the AA transfer or the first-time freshman category; these include transfers from institutions other than community colleges, transfers prior to the AA, and students who enter spring term. Over the next year, as part of the focus on closing gaps, the system is developing an online graduation rate reporting tool that includes every undergraduate student who comes into the system.

The highest attrition rates occur in the first year or two after students come into the university system. That means that graduation rates above largely reflect what happened from 2001-02 to 2003-04.

The second-year retention rate is a leading indicator of the system's more recent performance. For fall 2005 full-time freshmen, the number who came back and remained in good standing in 2006-07 was 79%, down from 80% the prior year. For AA transfer students, retention in good standing was 81%, down from 83% the prior year. Unfortunately, this means there may be declining graduation rates in the years ahead.

RESEARCH



USF Engineering Professor Robin Murphy recently demonstrated the multidimensional value of university research at a meeting of the Senate Education Appropriations Committee. USF is developing technologies to use robots at disaster sites to enter areas unsafe or inaccessible for human rescuers. With both graduate and undergraduate students involved in the research, programs such as hers deliver in all three areas of the SUS mission: teaching, research, and public service.

Research expenditures are one shorthand measure of performance because, as Dr. Murphy's program illustrates, the variety of research results achieved in the system is so difficult to quantify. The vast majority of research funding is based on competitive grants; the fact that a grant has been awarded means that a research project has been validated by a peer review process and that the institution has the faculty and facilities needed to convince a funding body that it is a good investment. Researchers who do not produce results generally have a harder time getting funding in the future.

External research funds also represent a direct benefit for the state as money that is coming from an outside source to generate high-level jobs and economic activity here in Florida. According to estimates generated by IMPLAN software, each \$1 million in research spending employs 19 people directly and another 19 indirectly, even without

taking into consideration the potential business spinoffs or licensing revenues the research may eventually generate.

In FY 2006, the SUS generated \$1.29 billion was in reportable research expenditures in fields defined by the National Science Foundation in its national database (up from \$1.25 billion the prior year), of which \$650 million came from federal sources (up from \$642 million the prior year).

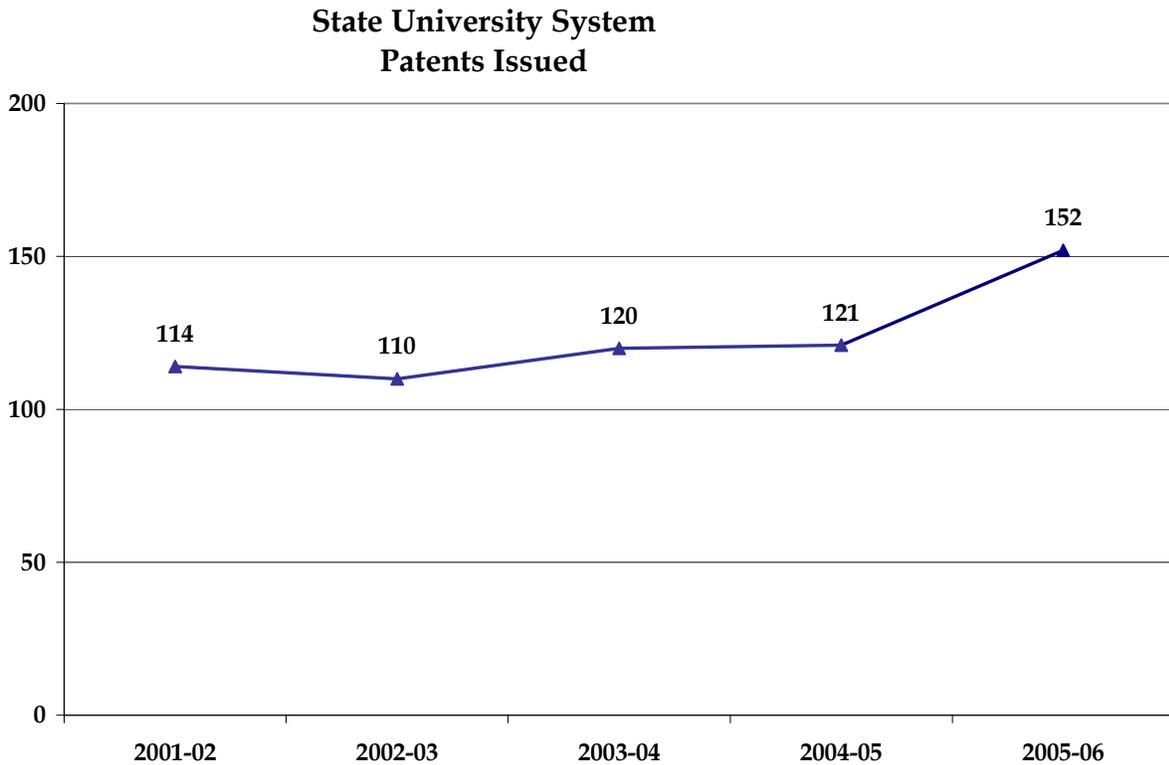
These increases, however, were no faster than population growth, meaning that Florida made no progress toward the goal of closing its research productivity gap with the national average. In 2006 dollars, total research per capita was flat at \$72, with federal research at \$36 per Floridian.

Why is the state stalled out in research productivity per capita? The faculty are more productive than most in the United States in the research dollars they bring in. Research per tenured/tenure-track faculty member remains above the national average, with \$161,000 in total research per faculty and \$81,000 in federal research.

Unfortunately, there are simply far fewer faculty than the size of the state or the system would suggest. This results not only in the worst student/faculty ratio in the country, but also in a much smaller research footprint than the fourth largest state should have.

Florida is unlikely to make significant progress in this area without accelerated efforts to expand the number of faculty in the system and to retain those already here.

PATENTS



SUS institutions were awarded 152 patents in 2005-06, compared to 131 the prior year. The trend line continues to roughly follow the total patents awarded by the U.S. Patent and Trademark Office, which had declined for two years in spite of rising applications, but increased substantially from 157,717 in 2005 to 196,404 in 2006. The SUS has benefited as the Patent Office cleared its backlog.

As with research expenditures, Florida continues to lag the nation in patent awards because the faculty base, while highly productive for its size, is not as large as it should be for a state of 18 million people.

ACADEMIC LEARNING COMPACTS

Academic Learning Compacts

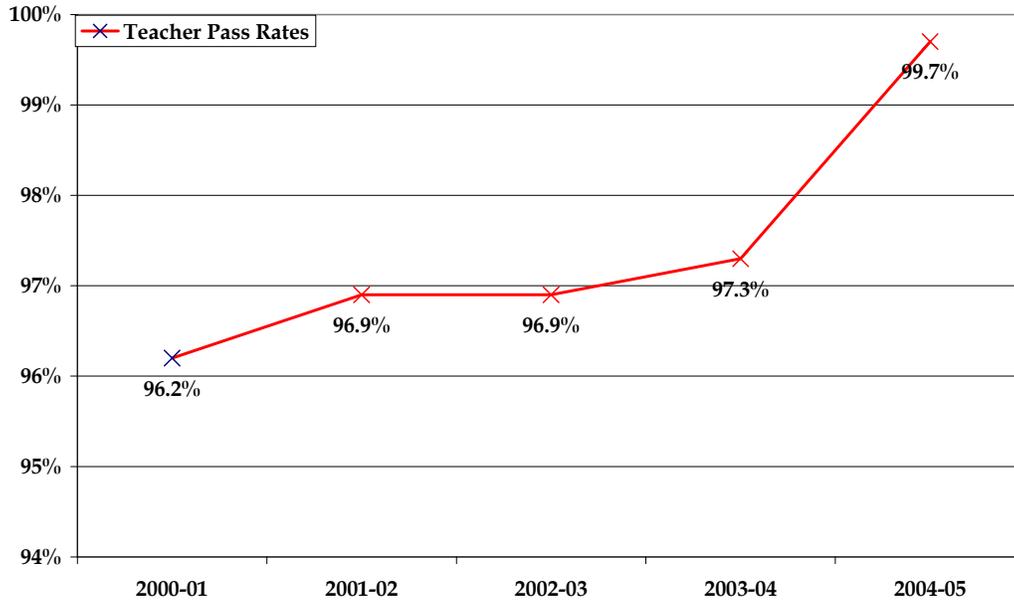
The Board of Governors continues to emphasize the importance of student achievement in its strategic planning and accountability processes. Simultaneously, the Board has placed more emphasis on the devolution of authority to the universities, campus-level decision making, and institutional accountability. Accordingly, the Board has directed that all state universities develop “academic learning compacts” and related assessment processes for all baccalaureate degree programs.

The State University System Academic Learning Compact is the identification, for each baccalaureate degree program in the System, of what it is that students will have learned by the end of the program, and how that learning will be measured above and beyond course grades. An Academic Learning Compact focuses on content knowledge by discipline, communication skills, and critical thinking skills.

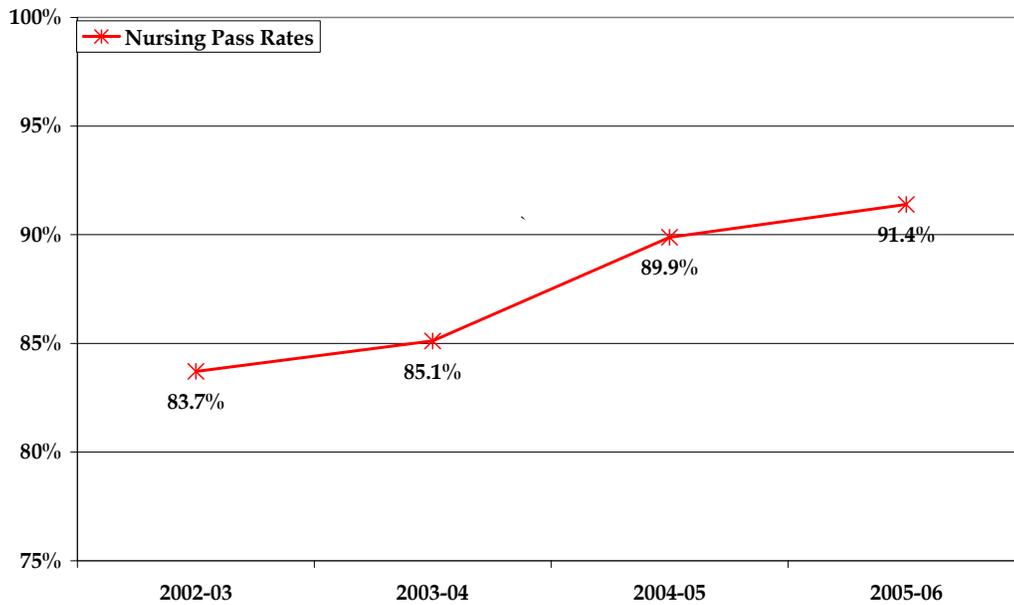
The Board of Governors now collects annual progress reports on Academic Learning Compacts to ensure that all baccalaureate degree programs are fulfilling requirements regarding the assessment of the core student learning expectations.

LICENSURE PASS RATES

State University System
Teacher Licensure Pass Rates



State University System
Nurse Licensure Pass Rates



Only a few university programs lead directly to licensed professions; even in those cases, the timing and scope of the test and the availability of data from the testing agency make these difficult measures to evaluate. Where data are available, however, the record of SUS graduates is generally good.

APPROPRIATE AND PREDICTABLE FUNDING

Florida's policymakers, taxpayers, parents, and students should hold the university system accountable for results. But results come with a price, and it is unrealistic to expect increasing returns on a static or diminishing investment.

Overall funding per FTE student in the university system increased nominally by 8.6% in 2006-07. At the same time, the cost of goods and services purchased by universities increased by over 5%. This means a tuition or tax dollar in 2006-07 purchased only 95% as much as the previous year. In real dollars, therefore, the net increase in purchasing power was actually 3.4% per student.

This gain was more than erased by the 2007-08 budget cuts. Combined with the additional holdback of 4% the universities are now experiencing, funding per student is now near an all-time low.

One result is that the student-faculty ratio in the SUS has deteriorated by 45% since 1989-90. The students are attending institutions that, in some cases, have twice as many students as when their parents graduated – but with no additional faculty members.

Before the cuts this year, the system was just starting to halt the slide in quality. In fall 2007, there were 9,382 tenured and tenure track faculty (and faculty on multi-year contracts at FGCU), or one for every 27.3 FTE students. This was up from 9,165 faculty in fall 2006 – also one for every 27.3 FTE students.

In a normal year, about 8% of the faculty leaves, some through retirement, others as a result of competing job offers, failure to earn tenure, or other reasons. This means the system has to hire over 700 faculty annually just to maintain the ranks. At average productivity levels, those faculty would bring the state \$57 million a year in federal research funding and receive 10-15 new patents in addition to teaching tens of thousands of graduate and undergraduate students. Not to replace them means losing that capacity. This year's cuts, however, will make those vacancies extremely difficult to fill, and may increase faculty attrition as institutions struggle to keep up with salaries and employment conditions at peer institutions.

Over the next year, the system will develop a business plan that will fund a substantial increase in the number of faculty and provide compensation for faculty that at least keeps pace with peer systems and institutions nationally. This will require contributions from the legislature, from students, and from private sources. As this plan is funded, stakeholders should insist on results: better graduation rates, more access for underrepresented groups, expanded research programs, and a more economically vibrant and dynamic Florida.