

**State University System
Education and General
2020-2021 Legislative Budget Request
Form I**

University(s):	University of South Florida
Issue Title:	Advancing the academic excellence and national stature of USF, the SUS and the State of Florida
Date Issue Approved by University Board of Trustees:	September 10, 2019
Recurring Funds Requested:	\$50,020,903
Non-Recurring Funds Requested:	
Total Funds Requested:	\$50,020,903
Please check the issue type below:	
Shared Services/System-Wide Issue for Fiscal Year 2020-2021	<input type="checkbox"/>
Unique Issue for Fiscal Year 2020-2021	<input checked="" type="checkbox"/>

I. Description

The University of South Florida (USF) is requesting a recurring investment of new state dollars beginning in FY 2020-21. By accelerating USF’s trajectory, this investment will create economic advantages for the State of Florida by providing numerous positive benefits for current and future USF students and faculty, for the State University System (SUS) and for the State of Florida as a whole.

With USF’s momentum, the impact of additional state resources of \$50 million represents an opportunity for the state to further support one of the most promising universities in the nation.

For example, in the past five years, USF has risen faster in *U.S. News & World Report’s* (USN&WR) annual rankings of national universities than any public or private university. Furthermore, leaders in higher education are recognizing the increasing impact of USF. For instance, as Holden Thorp, provost at Washington University in St. Louis noted, it is the “...University of South Floridas of the world that are the real game-changers for students and their communities...”¹

¹ <https://www.chronicle.com/article/How-Well-Do-Elite-Colleges/246100>.

To fully leverage its positive impact on the State of Florida, USF strives to become a Top 25-ranked public university in *USN&WR*'s annual rankings. Additionally, USF's aspirations are to maximize the state's opportunity to be home to another member of the prestigious Association of American Universities (AAU). AAU evaluates new members based upon their academic reputation, as well as their national leadership in its research and development enterprise. USF is well on its way – already positioned as a Top 25 public institution in research expenditures and in the Top 10 for intellectual property (e.g., patent) creation.

Our request is the first phase of a multi-year investment plan – in concert with other external and philanthropic funds contributed by the university. It is particularly timely because the new investment will be made concurrently with the consolidation of the USF System into one Preeminent State Research University, geographically distributed. The investment will benefit all communities, all campuses, all students and all faculty of the newly consolidated “One USF.” The consolidation will take place on the first day of the next state fiscal year: July 1, 2020.

The justification for this request is divided into the following sections:

1. Why invest in USF? A University with a Trajectory of Increasing Academic Excellence;
2. Florida's Benefits from Additional Prestigious Universities;
3. Broad Benefits from Additional State Funds Invested in the Future of USF;
4. Building an “Architecture of Academic Excellence” for USF; and
5. Strategic Deployment of Investments to Further Enhance Academic Excellence.

Why Invest in USF? A University with a Trajectory of Increasing Academic Excellence

Evidence shows that a dollar invested in USF has stretched farther and delivered greater returns to students and the economy during the last decade than at any public university in Florida or the United States.

Consider USF's² remarkable ascent in national rankings over the past decade. Indeed, since the first year of our current institutional strategic plan in 2013, USF has:

- Achieved the largest gain in *USN&WR*'s rankings of any public or private university in the United States.
- Achieved and maintained a Top 50 ranking among all public universities in the United States in six of the 10 official rankings approved by the BOG to measure national preeminence.

² At times throughout this document, the term “USF” may refer to the data, ranking, etc. of the USF Tampa campus. As three separately accredited institutions by SACSCOC, each campus of the current USF System is classified differently and reports separate federal data and therefore receives separate national rankings. Consolidation eliminates the need for this separate reporting and ranking in the future.

Furthermore, USF's rise in the national rankings during the past several years has – not coincidentally – corresponded with record-breaking gains in student success metrics.

- USF is ranked as the #1 public research university in the nation for gains in the six-year graduation rate of its students between 2008 and 2018. USF raised its six-year graduation rate by 25 percentage points during that decade, a gain of six percentage points greater than the #2 ranked institution in America during that same time period³.
- The USF System raised its four-year graduation rate from 35.5% in 2011 to 58.6% in 2018, which was the largest percentage point gain (+23.1%) in the SUS during that time period.
- USF is ranked #1 in America among all public universities for Latino student success⁴.
- USF is ranked #6 in America and #1 in Florida among all public universities for black student success⁴.
- USF is ranked #9 in America and #1 in Florida among all public universities for Pell-recipient student success⁵.

USF also achieved similar gains in research and development rankings during the same time period.

- Total research expenditures for USF now exceed \$550 million annually, which places USF as the #2 ranked public or private university in Florida with an annual amount of total research spending that doubles the next-closest SUS institution⁶.
- USF is ranked #25 in America among all public universities in total annual research expenditures, according to the National Science Foundation's (NSF) HERD Survey⁶.
- USF is ranked #7 in America and #1 in Florida among all public universities for the most U.S. patents granted in 2018, according to the Intellectual Property Owners Association⁷.

Florida's Benefits from Additional Prestigious Universities

The Association of American Universities (AAU) is considered the most prestigious of all university associations. It is an invitation-only association that consists of 34 American public universities, 26 American private universities and

³https://tableau.dashboard.utah.edu/t/idmv/views/GraduationRateTrendsPublicResearchInstitutions/Dashboard1?iframeSizedToWindow=true&:embed=y&:showAppBanner=false&:display_count=no&:showVizHome=no&:origin=viz_share_link.

⁴ The Education Trust, 2017.

⁵ Third Way, May 2018.

⁶ <https://ncesdata.nsf.gov/profiles/site?method=rankingBySource&ds=herd>.

⁷ <https://academyofinventors.org/wp-content/uploads/2019/05/Top-100-Universities-2018.pdf>.

two Canadian public universities. Currently, the University of Florida is Florida's only member institution, public or private.

Why should taxpayers and policymakers in Florida seek more AAU member institutions? The answer is simple: The most talented faculty, students and entrepreneurs gravitate to the most prestigious institutions, particularly when those institutions are located in large, metropolitan areas such as the AAU member institutions in the cities of New York, Boston, Los Angeles, the San Francisco Bay Area, San Diego, Houston, Seattle, Atlanta, Chicago, Philadelphia and others. Moreover, membership in the AAU, in its most basic sense, is a recognition that Florida universities are nationally prestigious, and thereby so is Florida's entire State University System.

Additionally, the AAU institutions – despite representing fewer than two percent of American universities – are awarded 60 percent of the nation's approximately \$40 billion in federally funded research each year. Upwards of 70 percent of America's Nobel Prize winners, National Academy of Sciences members and National Medal of Science winners are faculty members at AAU institutions. The AAU institutions represent America's greatest economic development assets by being awarded over 5,000 new U.S. patents per year, executing over 4,000 licensing agreements and creating over 3,600 operational startup companies annually⁸.

Consequently, Florida – with only one AAU institution – may be lagging in the battle for intellectual capital and research funding, which are primary factors in the recognition and ranking of elite universities and university systems. California boasts nine AAU member institutions (six public) and New York is home to six others (two public). Texas has three AAU members, two of which are public. Florida is the only one of America's top 10 most populous states that is home to fewer than two AAU member institutions; five of those 10 states boast at least two *public* AAU institutions. Focused state investments, coupled with increased institutional fundraising and responsible university stewardship of existing resources, could allow other Florida institutions – and especially USF – to cross the thresholds necessary to be considered for eligibility by outpacing existing AAU members' performance.

Given the historical track record of AAU institutions to date, the state and taxpayers will be more than repaid for these additional investments. As more of its top research institutions join the ranks of the elite national universities, the state as a whole will be elevated to new economic and reputational heights. Although AAU does not guarantee membership to any institution based on a level of achievement, the association is quite transparent in revealing the "indicators" it looks for in its prospective members. The AAU's most important membership indicators ("Phase I Indicators") relate to research competitiveness and the quality and impact of the institution's faculty. They include competitively funded federal research expenditures, National Academy

⁸ <https://www.aau.edu/who-we-are/aau-numbers>.

memberships and faculty awards, and faculty research citation volume and impact. Secondary, or “Phase II,” indicators that are considered include non-competitively awarded research funding, doctoral education quality, postdoctoral appointments and undergraduate education. The full listing of AAU Membership Indicators is available on the AAU’s website⁹, www.aau.edu.

Broad Benefits from Additional State Funds Invested in the Future of USF

The 2018 Florida Legislature mandated that by July 1, 2020, the current USF System will consolidate into one university, geographically distributed. During June 2019, the USF Board of Trustees updated the BOG on its plan for consolidation and is on track to meet this goal. “One USF” affords the State of Florida the opportunity to maximize the impact of a major, highly ranked research university located across a large metropolitan area. In fact, USF (at #44 in *USN&WR* and #25 in NSF’s ranking of total research expenditures) is already Florida’s highest-ranked public university in any of its major metropolitan areas and is poised to continue its upward trajectory under our plan for consolidation.

Today, the Tampa Bay region is served by the three institutions of the USF System, and under consolidation this will only accelerate. USF already has campuses in Tampa, a city of nearly 400,000 located in a county (Hillsborough) with a population exceeding 1.4 million residents; St. Petersburg, a city of nearly 300,000 residents located in a county (Pinellas) with a population of nearly 1 million residents; and Sarasota-Manatee, representing two counties with a combined population exceeding 800,000 residents.

This year alone, Tampa and/or the Tampa Bay region were ranked as:

- The #6 (Sarasota-Bradenton) and #8 (Tampa-St. Petersburg) Fastest Growing City in America by *Forbes*¹⁰;
- The best large city in Florida to live in and #15 in the United States by Wallet Hub¹¹; and
- The #1 city in Florida and #29 in the nation for tech talent¹².

The decision by the Legislature to consolidate the USF System into one university, geographically distributed, provides the first opportunity in the Tampa Bay region’s history to be fully served by one preeminent, nationally ranked research university. The BOT’s Consolidation Plan calls for investment in all three campuses to raise the national profile of “One USF” and to provide students and faculty with new academic and research opportunities never before available.

This LBR contemplates the initial phases of that investment in all three campuses, as well as the resources necessary to develop and strengthen

⁹ <https://www.aau.edu/who-we-are/membership-policy>.

¹⁰ <https://www.forbes.com/pictures/mlj45hdfd/1-austin-texas/#5fa856da56d0>.

¹¹ <https://wallethub.com/edu/best-worst-large-cities-to-live-in/14358/>.

¹² <https://www.tampabay.com/business/tampa-bay-ranks-no-29-among-top-areas-for-tech-talent-20190725/>.

specialized, nationally renowned academic and research centers of excellence on each of the three campuses.

“One USF” also allows the institution to maximize new investments for even greater returns, which will be realized in every corner of the Tampa Bay region. Instead of three USF System institutions competing for limited state resources and philanthropic gifts, “One USF” will allow new investments to pay dividends for all three campuses. This multiplier effect of new financial investments in a single USF will greatly benefit Florida, as one of its largest and fastest-growing regions is recognized internationally as a destination for exceptionally talented students and faculty. It sends a message to corporations looking to avail themselves of that talent in a large and growing population center.

For the first time ever, beginning July 1, 2020, no particular municipality or county in Tampa Bay will be the exclusive “home” to the region’s top public research university, nor will any one campus be the primary destination for its talent and commensurate corporate investment. Rather, each of Hillsborough, Manatee, Pinellas and Sarasota counties will be home to a campus of a top-ranked research university with access to the world-class talent, research programs and economic-development initiatives available through a united USF.

USF’s geographical location and unique vision for alignment across Tampa, St. Petersburg and Sarasota-Manatee make it a strong candidate for new investment, which can stretch each dollar for tripartite benefit. This provides the best return on investment to the state, and importantly, across the entirety of the eight-county Tampa Bay region.

Building an “Architecture of Academic Excellence” for USF

Although USF has already reached the Top 25 public universities in various research and development rankings (as noted above), those rankings tend to be more objective, rather than subjective, measurements. For instance, where USF is now ranked as the 25th best public university in America in terms of total research expenditures¹³, that ranking is the result of a straightforward sum total of all research spending with no subjective judgment. USF, which is a relatively young university compared with other national peers, has traditionally fared well in these types of national rankings where institutional reputation is not a dominant factor and objective results are the only (or the principal majority) measurement.

Conversely, although *USN&WR* and *AAU* consider certain objective data elements to evaluate institutional performance, a large component of their rankings and membership decisions are also based on an institution’s national academic reputation for excellence. USF has more work to do in this regard. Indeed, much of this LBR is tailored to requesting and deploying strategic

¹³ <https://ncesdata.nsf.gov/profiles/site?method=rankingBySource&ds=herd>.

investments in specific, targeted areas that will build upon USF's already growing national academic reputation.

Leadership of USF refers to these key components and the plan to address them as the "*architecture of academic excellence*"¹⁴. The "architecture" is built upon four components:

- 1) Quality of undergraduate students and their educational experience;
- 2) Quality of graduate students and their educational experience;
- 3) Faculty, research and creative impact; and
- 4) Strategic partnerships for economic growth and societal enrichment.

Collectively, these four components form and drive the overall academic reputation of any public research institution.



An institution's academic reputation and its effect on *USN&WR* rankings and AAU membership cannot be overstated, and in fact the two are closely intertwined. Consider that:

¹⁴ Adapted from: <https://www.smu.edu/-/media/Site/Provost/Provost/PDF/Continuing-the-Ascent.pdf?la=en>.

- 21 of the current *USN&WR* Top 25 public universities are members of the AAU¹⁵;
- 28 of the 34 public AAU members are ranked in the *USN&WR* Top 40; and
- Only four of the 34 public AAU members are ranked outside the *USN&WR* Top 50, the lowest of which is ranked #64 (USF, at #44, currently ranks ahead of four public AAU member institutions and is tied with two others)¹⁶.

A sustained investment in USF over a period of time, targeted in the four components of the “architecture” described above, will position USF to raise our national academic reputation. This, in turn, will continue to raise our national rankings and the likelihood of becoming eligible for AAU membership in the future. This trajectory also builds on the BOG’s stated vision for the SUS that by 2025, the State University System of Florida “will be internationally recognized as a premier public university system, noted for the distinctive and collective strengths of its member institutions.” A key strategy for fulfilling this vision will be to promote the successes and achievements of USF and the SUS to the leadership of other universities, as well as to high school guidance counselors nationwide to raise the overall reputation of USF and the entire SUS.

Strategic Deployment of Investments to Further Enhance Academic Excellence

Based on the architecture outlined above and USF’s extraordinary track record of success over the past decade, any new recurring investments provided by the Legislature and Governor for this initiative will be deployed specifically to achieve the following goals, all of which will advance USF’s national prestige:

- Increased student success outcomes, including improved FTIC retention rates and four-year and six-year graduation rates.
- Increased individualized attention for student success by lowering the student-to-faculty ratio and the proportion of classes with fewer than 20 students and with fewer than 50 students.
- Increased faculty resources and productivity, including more competitive faculty salaries; the ability to hire more National Academy-member faculty and other world-class scholars; increasing external grant funding and research citations; and citation impact. Additional faculty will be focused primarily in areas of strategic emphasis as identified by the BOG, including science and mathematics, engineering, business and medicine.
- Enhancements to the quality of and access for incoming students, including attracting students with high SAT and ACT scores, students

¹⁵ There are currently 26 schools ranked in *USN&WR*’s Top 25 because three institutions are tied for #24 in the 2020 rankings. The only non-AAU members ranked in *USN&WR*’s Top 25 public universities are the College of William & Mary (#12), University of Georgia (#16), Florida State University (#18), University of Connecticut (tied #24) and University of Massachusetts–Amherst (tied #24).

¹⁶ USF is currently tied at #44 with the University of Colorado–Boulder and University of Oregon and ranks ahead of the University of Arizona (#53), Iowa State University (#55), University of Kansas (#59) and University of Missouri (#64).

- who graduated in the top 10% of their high school classes, as well as continuing to provide access for Pell grant recipients and others.
- Enhancement of institutional reputation among academic peer institutions and high school guidance counselors across the country.
 - Increased community support through philanthropy and alumni giving.

Specific investments in this first phase will be made in the following areas to enhance USF's overall national and international academic reputation via the "architecture" plan:

Quality of Undergraduate Students and their Educational Experience

\$2.0 million to enhance undergraduate student recruitment and support services.

Quality of Graduate Students and their Educational Experience

\$3.5 million to enhance graduate student recruitment and support.

Faculty, Research and Creative Impact

\$8.0 million to retain current high-performing USF faculty.

\$8.8 million to hire 20 additional National Academy members and other world-class scholars.

\$5.8 million to hire 25 additional full professors.

\$4.0 million to hire 25 additional full-time associate professors.

\$6.8 million to hire 50 additional full-time assistant professors.

\$5.8 million to hire 55 additional full-time instructors.

\$2.8 million to hire 25 additional technical personnel to support the above faculty hires.

Strategic Partnerships Involving Economic Development and Societal Engagement

\$2.5 million to support innovative new national and global research partnerships and R&D initiatives.

This first-phase investment will result in a net gain of 175 additional faculty members, contributing to USF's overall five-year plan to add 375 net new faculty. During both the first-year and the five-year plan, (if new state funding is provided) faculty will be hired at each of the three campuses consistent with the USF BOT's strategic priorities for each campus.

II. Return on Investment

The combined effect of the return on investment will:

- Strengthen Florida's position as the top state in the nation for higher education, thereby enhancing the global prominence of Florida.
- Propel USF on a trajectory toward a *USN&WR* Top 25 ranking.
- Advance USF towards AAU eligibility.

- Improve student success outcomes and students’ educational experiences.
- Increase institutional impact as an engine for innovation and economic impact.

Given that 21 of *USN&WR*’s Top 25 public universities are members of the AAU – and the fact that positioning USF for membership in the AAU has been the goal of the USF BOT in the institution’s Strategic Plan since 2007 – USF will continue to benchmark the success of the investments against that aspirational peer group’s performance. Our goal is to meet or exceed the average of the 34 public AAU institutions’ latest performance on each metric.

USN&WR’s rankings are derived from 16 specific metrics that serve as the publication’s formula inputs. In seven of those 16 metrics, USF already achieves above or very near the current average of the 34 public AAU members’ achievement level.

Notably, USF currently exceeds the average achievement level of public AAU universities in two student success outcome metrics assessed by *USN&WR* in its rankings. These include a comparison of each institution’s actual six-year graduation rate compared to that predicted by *USN&WR* and an institution’s success rate in graduating Pell Grant recipient students when compared against their Non-Pell Grant students.

The metrics in which USF is already competitive with public AAU members include¹⁷:

<i>USN&WR</i> Metric	Average Performance of Public AAUs	Current USF Performance
First-year Retention Rate	92%	91%
Pell Grant six-year Graduation Rate	74%	73%
Over/under Predicted Performance in the six-year Graduation Rate	+3.5%	+9%
Ratio of Pell and Non-Pell Grant six-year Graduation Rate	88%	93%
Proportion of Classes with Fewer than 20 Students	41%	45%

¹⁷ These metric data in both charts reflect performance on the 2019 *USN&WR* rankings as this level of data for the 2020 rankings is not yet available.

SAT Scores for the 25 th – 75 th Percentile of Incoming Students	1200-1400	1230-1350
Annual Alumni Giving Rate	11%	12%

In the other nine *USN&WR* metrics, USF strives to improve its performance to match the current average achievement level of the 34 public AAU institutions.

<i>USN&WR</i> Metric	Average Performance of Public AAUs	Current USF Performance
Six-year Graduation Rate	81%	73%
Academic Peer Assessment	3.7	2.8
High School Guidance Counselors' Ratings	4.1	3.5
Average Faculty Salary	\$160,553	\$135,614
Proportion of Faculty with Highest Degree in their Field	92%	82%
Proportion of Fulltime Faculty	92%	84%
Student-to-faculty Ratio	17:1	22:1
Incoming Enrollees who Graduated in Top 10% of their High School Class	59%	34%
Average Spending Per Student	\$74,888	\$33,241

It is worth emphasizing that many of the above metrics (in which USF lags the current public AAU average performance) are directly related to available financial resources. They include: faculty salaries; the proportion of faculty with the highest degree in their field; the proportion of full-time to part-time faculty; student-to-faculty ratio; and the average institutional spending per student.

All of these metrics will be positively impacted almost immediately by the proposed investment in USF and the strategic deployment of the funds as outlined above through the “architecture” plan. More than three-fourths of the proposed first-year investment is aimed directly at hiring additional faculty and

improving the salaries of current high-performing faculty to allow USF to catch up to its national peers.

Similarly, the “architecture” plan contemplates spending additional resources to recruit and retain more high-achieving high school students in order to improve USF’s performance in two of the remaining *USN&WR* metrics (percentage of students from the Top 10% of their high school class and the six-year graduation rate).

The final two metrics are strictly related to external perceptions of USF’s academic reputation. The “architecture” plan is designed specifically to achieve gains in these areas through targeted investments and awareness campaigns. These two metrics are, however, “perceptual” rankings that tend to lag actual performance. A sustained effort will be necessary through these investments to communicate the strengths and achievements of USF and the SUS as a whole to national peers and high school guidance counselors to see the requisite gains in these two critical metrics. Even with some expected lag time in assessment ratings, improvements made in the financial resources metrics outlined above through this investment will continue USF’s upward ascent toward the Top 25.

In summary, USF has demonstrated a track record of using targeted investments to achieve results that well exceed other universities’ performance. USF embraces metrics-based accountability; We relish it, and our results speak for themselves. The timing is auspicious now for a major investment of new state funds into USF given its national momentum and trajectory, the opportunities afforded through consolidation, and the economic impact to the state by having a major nationally ranked research university located in one of Florida’s fastest-growing metropolitan areas. The “architecture” plan developed and described in this LBR presents the vision and plan to deploy those state assets to maximize the return on investment for USF students, for taxpayers, for the State University System and for the entire State of Florida.

III. Facilities:

	Facility Project Title	Fiscal Year	Amount Requested	Priority Number
1.	N/A			

2020-2021 Legislative Budget Request
Education and General
Position and Fiscal Summary
Operating Budget Form II
(to be completed for each issue)

University: University of South Florida
Issue Title: Advancing the academic excellence and national stature of USF, the SUS and the State of Florida

	RECURRING	NON-RECURRING	TOTAL
<u>Positions</u>			
Faculty	175.00	0.00	175.00
Other (A&P/USPS)	25.00	0.00	25.00
	-----	-----	-----
Total	200.00	0.00	200.00
	=====	=====	=====
<u>Salary Rate (for all positions noted above)</u>			
Faculty	\$21,238,805	\$0	\$21,238,805
Other (A&P/USPS)	\$1,750,000	\$0	\$1,750,000
	-----	-----	-----
Total	\$22,988,805	\$0	\$22,988,805
	=====	=====	=====
Salaries and Benefits	\$29,123,394	\$0	\$29,123,394
Other Personal Services	\$5,500,000	\$0	\$5,500,000
Expenses	\$7,397,509	\$0	\$7,397,509
Operating Capital Outlay	\$0	\$0	\$0
Electronic Data Processing	\$0	\$0	\$0
Special Category (Specific)		\$0	\$0
Faculty Retention	\$8,000,000	\$0	\$8,000,000
	\$0	\$0	\$0
	\$0	\$0	\$0
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Total All Categories	\$50,020,903	\$0	\$50,020,903
	=====	=====	=====