



October 21, 2011

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Ava L. Parker
Chair, Florida Board of Governors
State University System
325 West Gaines Street, Suite 1614
Tallahassee, Florida 32399-0400

Kathleen Shanahan
Chair, State Board of Education
325 West Gaines Street, Suite 1520
Tallahassee, Florida 32399

RE: Proposals for New Universities and Colleges

Dear Chair Parker and Chair Shanahan:

Simply put, the decision to create a new college or university is one of the biggest our higher education system ever has to face. Not only does it involve a significant, long-term (even permanent) commitment of taxpayer dollars, such a decision comes with an equally weighty opportunity cost because other vital programs will often have to make do with less. With the state apparently facing such decisions again over the next few years, it behooves the Florida Council of 100 to remind our state's policy makers of the key principles underlying our report, *Closing the Talent Gap*, and how those ideas might apply to proposals for new universities and colleges.

As you are aware, the Florida Council of 100 is a private, nonprofit, nonpartisan organization of business leaders, which exists to promote the economic growth of Florida and improve the economic well-being and quality of life of its citizenry. Formed in 1961, the Council was the first of its kind in the United States, and we work with the Governor and the state agencies, the Legislature, the Judicial branch, and other private organizations, to achieve quality of life improvements for the citizens of Florida.

For the Council, education is the key driver for spurring long-term economic prosperity. Since inception, we have had a vital, ongoing interest in improving Florida's education system, publishing such reports as *Review of the A+ Plan to Improve Education* (1999), *We Must Do Better!* (2004), *Preparing for the Future* (2006), and most recently and most importantly, *Closing the Talent Gap: A Business Perspective* (2010). We have always fervently held that Florida needs a world-class workforce infrastructure if our citizens are to have the career tools they need to compete and prosper in the ever-changing economy of the 21st century.



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Florida faces an emerging Talent Gap -- an urgent shortage of a resource critical to success in the global innovation economy. This gap represents a vast and growing unmet need for a highly skilled and educated and educable workforce -- our state's most important resource for driving sustainable economic development and a diversified economy.

While predicting the future of such economic development is never exact, one fact is certain. The leading companies and business clusters that will emerge over the next 20 years will locate themselves wherever they have access to a top-quality workforce. Florida today is not leading the race in providing its workers with the professional skills and education they need to compete and succeed in the economy of this new century.

To address this Talent Gap, we have recommended that there be a “comprehensive and quantitative assessment of the current and future talent requirements of the state’s economy and a methodical examination of all options, public and private, to increase high-quality degree and certification production in the state to meet Florida’s short- and long-term needs. Further, proposed strategies must be designed and weighed to provide maximum economic return to the state.” [Emphasis added.]

We further recommend that the following 10 principles drive discussion of such talent-related issues and be a lens through which policies and programs are evaluated and alternatives assessed:

- **Market-determined need:** Supply and demand must drive program creation, expansion, and contraction.
- **Access:** A person’s circumstances (demographic, geographic, economic, or otherwise) must not be a barrier to full participation in the education system.
- **Highest expectations:** Performance standards must be established and maintained at the highest levels, nationally and internationally.
- **Accountability:** All participants and providers must answer for their performance.
- **Rewarding performance:** Superior results merit superior benefits.
- **Cost-effectiveness:** Resources must be allocated where they have the greatest impact.
- **Administrative efficiency:** Front-line funding must be maximized.
- **Leveraging resources:** Private and federal monies must be brought to bear whenever possible.



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- **Partnership:** Cross-organizational synergies must be fostered, institutionalized, and capitalized.
- **Data-driven decision-making:** Objective analysis must drive policy.

In order to facilitate a more robust discussion of the future of all proposed new universities and colleges, the Florida Council of 100 calls for proponents of the creation of all new universities and colleges, including USF Polytechnic, to fully address the following questions and to definitively (and quantitatively whenever possible) show how their proposals would specifically fulfill the above 10 fundamental principles and do so better than the status quo. While such proposals might appear to be meritorious on their face, it is vital that the business cases for these proposals are sufficiently comprehensive, quantitative, and methodically developed and that related policy options have been weighed in terms of their relative economic return to the state. Questions related to this business case should include, but not be limited to:

- Is there a quantifiable need for the new university or college? If so, what are the advantages and disadvantages (quantitative and qualitative) to the proposed new university or college being an independent entity?
- How would the new university or college fit into the state's current higher education system and further the mission of that system?
- What is the amount of public and private investment needed, and over what period of time, to successfully create the new university or college?
- How would the new university or college provide a net higher return on the state's investment than the status quo?
- What is the estimate of student enrollment at the new university or college in one year, five years, and ten years? What level of enrollment is needed to make the new university or college viable?
- What would be the new university's or college's focus in degree production? Why is being an independent university or college a necessary condition for producing those degrees? What would be the new university's or college's cost per degree produced?



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In summary, the Florida Council of 100 seeks to ensure that a rigorous and logical process is in place to measure and manage decisions relating to the creation of new colleges and universities, now and in the future. Vital to this approach is the recognition that in difficult economies like today's, as well as in good, the first and last education dollar spent must be targeted based on a clear and articulated strategy to align our educational programs with the future of our students. As new education dollars are available, the threshold question should be, "Where does the public investment provide the greatest student return?" The Florida Council of 100 is supportive, if on balance, a proposal convincingly shows, quantitatively and qualitatively, that the creation of a new college or university would provide the highest relative student return, and return on the state's investment, of available policy options.

Sincerely,

Steve Halverson
Chair, Florida Council of 100

Susan Pareigis
President & CEO, Florida Council of 100

- cc: **The Honorable Rick Scott, Governor, State of Florida**
 The Honorable Jennifer Carroll, Lt. Governor, State of Florida
 The Honorable Dean Cannon, Speaker, Florida House of
 Representatives
 The Honorable Mike Haridopolos, President, Florida Senate
 The Honorable Will Weatherford, Speaker Designate, Florida House
 of Representatives
 The Honorable Don Gaetz, Senator Designate, Florida Senate
 The Honorable J.D. Alexander, Chair, Budget Committee, Florida
 Senate
 The Honorable Denise Grimsley, Chair, Appropriations Committee,
 Florida House of Representatives
 The Honorable Evelyn Lynn, Chair, Higher Education
 Appropriations Subcommittee, Florida Senate



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The Honorable Marlene O'Toole, Chair, Higher Education Appropriations Subcommittee, Florida House of Representatives

The Honorable Steve Oelrich, Chair, Higher Education Committee, Florida Senate

The Honorable Bill Proctor, Chair, Education Committee, Florida House of Representatives

The Honorable Erik Fresen, Chair, K-20 Competitiveness Subcommittee, Florida House of Representatives

The Honorable Kelli Stargel, Chair, K-20 Innovation Subcommittee, Florida House of Representatives

Mr. Frank Brogan, Chancellor, State University System of Florida

Mr. Gerard Robinson, Commissioner, Florida Department of Education