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April 13, 2012

The Honorable Rick Scott Governor State of Florida Plaza Level 5, The Capitol 400 S. Monroe Street Tallahassee, FL 32399

RE: Request to veto Senate Bill 1994 (Florida Polytechnic University)

Dear Governor Scott:

Thank you very much for taking time to meet with me and other leaders of the Florida Council of 100 regarding SB 1994 (Florida Polytechnic University). As you know, the Florida Council of 100 has been deeply engaged in education policy in Florida since its inception in 1961. We have weighed in on every important education policy initiative since then and are compelled to do so again. After careful consideration, we respectfully urge you to veto SB 1994.

The Council of 100 has regularly published its policy recommendations on higher education. Primary among these reports is *Closing the Talent Gap*, which we published in 2010. Based on our research, the Council has declared that the following 10 principles should drive discussion of all 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.

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

On November 4, 2011, the Florida Council of 100 sent a proposal to the chairs of the Board of Governors and the State Board of Education, regarding "Proposed Decision Points for Creating a New University or Increasing an Existing University's Campus Status" that applied these principles. On November 9, the Board of Governors approved the concept of USF Polytechnic becoming a freestanding institution *contingent* upon meeting criteria substantially relating to the Council's ten education reform principles and decision points. This Board of Governors action was measured, data-driven, and clearly consistent with its constitutional mandate to "operate, regulate, control, and be fully responsible for the management of the whole university system [including, but not limited to] defining the distinctive mission of each constituent university and its articulation with free public schools and community colleges, ensuring the wellplanned coordination and operation of the system, and avoiding wasteful duplication of facilities or programs."

Notwithstanding the Constitution and the Board of Governor's reasoned and deliberative action, the Legislature passed Senate Bill 1994, which would bypass the Board's process for establishing the independence of USF Polytechnic and would immediately create Florida Polytechnic University. Thus, the Council of 100 has called on state leaders to respect the constitutional powers and expertise of the Board of Governors by rejecting Senate Bill 1994 and allowing the Board of Governors approval process to proceed without delay. This should include a public endorsement of the Board of Governors' approach to, and authority over, USF Polytechnic governance change,

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which comprehensively and constitutionally lays the foundation for both a strong, fiscally whole University of South Florida and a new, vibrant independent polytechnic institution within the State University System.

In support of this position, and with specific reference to the Florida Polytechnic proposal, please consider the following:

- The state cannot afford to operate another new university in the same fiscal year that it cuts \$300 million from the other 11 state universities and during a recession that has resulted in close to \$1 billion in total being cut from state universities.
- The state cannot afford the capital investment in a new university when the state's PECO fund is already operating at a deficit, and the state cannot afford basic maintenance on the existing university facilities it already owns. The "business plan" for Florida Polytechnic University calls for an additional \$338 million in new facility construction in the next 10 years.
- Building a new STEM university from the ground up is the slowest and most expensive way to produce more STEM graduates in the state. The "business plan" for FPU calls for hundreds of millions of dollars in state funds to be spent to grow the new university to only 5,705 FTE students by 2026. Investing these funds in the existing universities' STEM enterprises produces more, better, faster and less expensive results.
- There's no evidence that a new state university is even needed. There has been no true feasibility study supporting a new university and there should be.
- SB 1994 creates an unaccredited state university. SACS itself has said it will not grant accreditation to this new institution for at least five years. Without accreditation, students cannot receive federal financial aid or transfer their credits to other schools or graduate schools and faculty cannot obtain federal research grants and this assumes that students would want to attend, or faculty would want to work at, this unaccredited institution.

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You have repeatedly and correctly stated that the decision to invest taxpayer dollars should be based on an objective analysis of the return on investment. Plainly, the case for Florida Polytechnic University has not been made. The process adopted by the Board of Governors would assure the right kind of analysis, and that process should be followed. The Council of 100 wholeheartedly supports making our state university system the best in the country. The future of Florida depends on it. Deciding where and how to invest scarce resources to achieve that objective should be the product of a fact-based, thorough analysis of the return on investment. That analysis hasn't been done, and until it is, we urge you to guard the system of accountability that the BOG process represents and veto SB 1994.

Sincerely,

Steven T. Halverson

Chair. Florida Council of 100

cc: Marshall Criser, III. Vice Chair, Florida Council of 100