

BRIEFING



center for
Educational
Performance
& Accountability

LEGISLATION CREATES “PREEMINENT INSTITUTION” STATUS IN FLORIDA

May 2013

According to *U.S. News & World Report*, seven states currently have at least one institution ranked in the top ten. Unfortunately, Florida has none, despite the fact that our state is the fourth most populous in the country. Internationally renowned institutions provide an enormous economic benefit to their state and local communities, due in large part to the talented pipeline of graduates and that institution’s capacity to conduct state-of-the-art research.

The 2013 Florida Legislature, with support from the Governor, passed landmark legislation that established the criteria by which the state can declare preeminent institutions of higher education within Florida’s State University System. Achieving the benchmarks required for preeminence will ensure that Florida public universities rank among the highest in the nation.

The bill grants preeminence status based on an institution meeting at least eleven of the twelve benchmarks established, standards commonly accepted as indicators of excellence in the nation’s top ranked institutions. Academic and research standards required for preeminence include:

- Average GPA of 4.0 and SAT score of 1800 for incoming freshman;
- A current top 50 ranking as reflected in highly respected national ranking metrics;
- A freshman retention rate of 90 percent;
- A six-year graduation rate of 70 percent;
- Six or more faculty members with National Academy status;
- Total research expenditures of \$200 million or more in the sciences;
- Total research expenditures of \$150 million or more in the non-medical sciences;
- A top-100 national ranking in research expenditures in five or more STEM-related fields;
- One-hundred or more patents awarded for the most recent 3-year period;
- Four-hundred or more doctoral degrees awarded annually;
- Two-hundred or more post-doctoral degrees awarded annually; and
- An endowment of \$500 million or more.



Under the preeminence criteria established, UF will develop and implement fully-online baccalaureate degree programs, with tuition costs at 25 percent lower than current institution rates.

Fully-online baccalaureate degree programs will be available beginning January 2014, with admissions standards commensurate with those currently exercised by the institution.

Preeminence status for UF also allows them to offer a fully-online Masters Degree in Business Administration, access to which will result in a more robust business climate in the state. Fifty-percent of all revenues generated from the UF online programs must be used to enhance their online program offerings and the remaining 50 percent must be used to enrich the university's research programs and facilities.

It is anticipated that with this new distinction, UF may very well be poised to reach their goal of being ranked as a top-10 institution nationally.



Preeminent status for FSU will provide the same flexibility given to UF; however, FSU will focus on three targeted areas, all of which will provide an economic benefit to the state.

Some of the increased funding will be used to support recruitment of additional National Academy Members. National Academy membership is a widely accepted mark of excellence in science and is considered one of the highest honors that a scientist can receive.

FSU will also concentrate their efforts on Masters Degrees in the area of cloud virtualization, and an entrepreneurs-in-residence program to provide business administration skills for students in a variety of potential career paths.

Based on the provisions in the bill and FSU's five-year plan, the university has the potential to reach a top-25 ranking.

Preeminence status will provide for performance-based funding and marked flexibility for the individual institutions.

Although future Legislatures are not fiscally bound to the performance-based funding in out years, the bill includes provisions for recurring funding, contingent upon each institution meeting the annual benchmarks outlined in the institution's plan for maintaining preeminence status, which is required to be submitted to the Board of Governors.

What Will Preeminence Mean to Florida's Economy?

Nationally-ranked preeminent institutions are highly correlated with career success and job placement, thus providing a substantial increase in the number of workforce-ready graduates throughout the state. Top-ranked institutions also provide the potential to advance and expand Florida's economy.

The establishment of the entrepreneur outreach at FSU, and total online access to high-demand Bachelor's degrees and Masters in Business Administration at UF will create unprecedented opportunity for emerging business enterprises. It is anticipated that this will be seen in occupational areas well beyond the tourism and agriculture industries Florida currently depends on.

The emphasis placed on business creation at both UF and FSU can shift the mindset of finding a job or a career to creating jobs and careers. To illustrate, an FSU student seeking a degree in early childhood education will have open access to entrepreneurial courses in the College of Business to attain the skills necessary to start a business as a daycare provider, a service projected to be in high demand for years to come.

It will also provide a catalyst for start-up companies by talented individuals with visionary concepts who simply need to acquire the business skills necessary to operationalize their talent.

Benefits to Florida's Postsecondary Institutions

Because the target benchmarks for preeminent status have been clearly articulated, the legislation provides a vision for other research institutions that aspire to this designation. The bill distinctly encourages the Board of Governors to establish standards and measures so that institutions can be identified and recommendations made to the Legislature to enhance and promote programs of national excellence.

Conclusion

Overall, having established institutions of preeminence in Florida will cast a positive spotlight on our system of postsecondary education, the benefits of which will help advance the work of all of Florida's universities. While only UF and FSU received this distinction initially, other Florida universities are well-positioned to achieve preeminent status in the near future.

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible memberships and private grants, and does not accept government funding. Memberships provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves for the last 33 years.

FLORIDA TAXWATCH RESEARCH LEADERSHIP

Dominic M. Calabro	President & CEO
Robert E. Weissert, Esq.	Vice President for Research & General Counsel
Kurt Wenner	Vice President for Tax Research
Jerry D. Parrish, Ph.D.	Chief Economist
Steve Evans	Senior Advisor

RESEARCH TEAM FOR THIS *BRIEFING*

All Florida TaxWatch research done under the direction of: Dominic M. Calabro, President & Publisher; and Robert E. Weissert, VP for Research & General Counsel

Elizabeth Carrouth	Lead Researcher & CEPA Exec. Dir.
Chris Barry	Layout, Graphics, Publication

FOR MORE INFORMATION: WWW.FLORIDATAXWATCH.ORG

The findings in this *Briefing* are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please feel free to contact us if you feel that this paper is factually inaccurate.

The research findings and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff, or Board of Trustees; and are not influenced by the individuals or organizations who may have sponsored the research.

106 N. Bronough St., Tallahassee, FL 32301 o: 850.222.5052 f: 850.222.7476
Copyright © May 2013, Florida TaxWatch Research Institute, Inc. All Rights Reserved.

