

Public Postsecondary Centers and Institutes

Introduction

The Legislature directed CEPRI, in coordination with the Leadership Board for Applied Research and Public Service, to review and make recommendations regarding the activities of research centers and institutes supported with state funds. The study is to assess the return on the State's investment in research conducted by public postsecondary education institutions.

Major Findings

The Council determined that Centers & Institutes (C&Is) are cost-effective and productive settings for scientific discovery, technological innovation, policy development, teaching and instruction, and public outreach activities and found that:

- The return on the State's investment in C&Is is calculated to be 217%.
- For every \$17,829 spent by the State of Florida on C&Is, one job is created; in addition, the external funds generated by these C&Is will generate an additional 6,955 jobs statewide.
- Given the State's FY 2000-01 investment, C&I expenditures resulted in an additional \$18 million in tax revenues.
- For every dollar of state support spent on C&Is, personal income will increase by \$1.96.
- C&I faculty taught over 3,000 courses, both undergraduate and graduate, during FY 2000-01, thereby directly and substantially contributing to the teaching mission of Florida's public universities.
- A relatively large number of students (4,275) work or volunteer with Florida's public C&Is. Almost two-thirds of their time is spent conducting research with C&I faculty, teaching, or in public service activities.

Florida's public postsecondary C&Is can be created by an institution (with approval by the Department of Education's Division of Colleges and Universities) or by the Legislature, and vary considerably in size, focus, and funding. In FY 2000-01, 68% of all C&Is in the state were located at the University of Florida, the University of South Florida, and Florida State University.

According to the results of the Council's statewide C&I survey, approximately 50 percent of all C&I effort in FY 2000-01 was devoted to research activities. Approximately 30 percent of C&I effort was spent on instructional activities, while about 20 percent of C&I effort was devoted to service to the community and professional organizations.



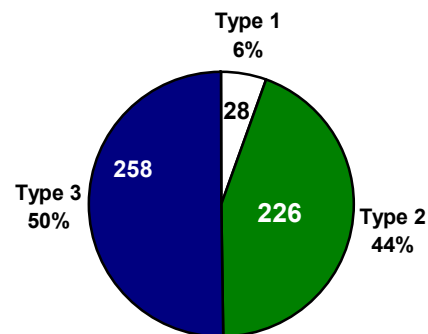
Council for Education Policy,
Research and Improvement

<http://www.cepri.state.fl.us>

The Council for Education Policy, Research and Improvement (CEPRI) was created as an independent office under the Office of Legislative Services by the 2001 Legislature (Section 1008.51, Florida Statutes). The Council serves as a citizen board for independent policy research and analysis and is composed of five members appointed by the Governor and two members appointed by Speaker of the House and two members appointed by the President of the Senate.

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SUS Centers and Institutes by Type FY 2000-01



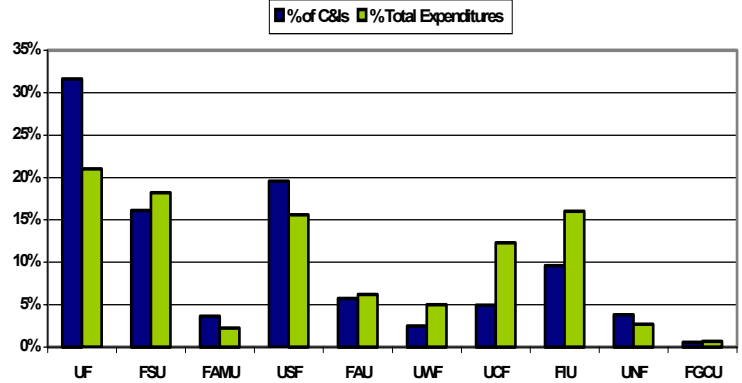
N= 512
(includes affiliates)

Source: SUS Centers and Institutes Final Report: 2000-01

Methodology

CEPRI conducted a comprehensive analysis of Florida's 512 public postsecondary centers and institutes (C&Is) located at 10 of Florida's 11 public universities. New College of Florida, established in July 2001, was not included. Because there is currently no statutory definition of what constitutes a university center or institute, the Council focused this study on the Type 1, 2, and 3 centers and institutes. Other operating entities within the State University System (SUS) that contained the term center or institute in their titles, for example the Florida Mental Health Institute (FMHI) and the Institute of Food and Agricultural Sciences (IFAS), were not included. The Council's analysis, based on a multifaceted research design, included the following: a nationwide review of the literature pertaining to C&Is; an in-depth analysis of C&I organization and activities at 14 SUS peer institutions; an analysis of state-level policies regarding C&I establishment, funding and evaluation in 13 high growth states; an electronic survey submitted to the state's C&Is; an economic

Percent of C&Is and Total C&I Expenditures by Institution FY 2000-01



Source: SUS Centers and Institutes Final Report 2000-01 & institutional external expenditure data 2000-01

analysis/return on investment assessment based on C&I expenditures for FY 2000-01; a review of C&I annual reports for FY 2000-01; site visits to ten of the 11 state universities; an analysis of institutional data regarding C&I expenditures and performance; and, a review of other related data provided by the Department of Education's Division of Colleges and Universities.

Funding for Centers and Institutes

Centers and institutes receive their funding from both internal and external sources. Specifically, C&Is receive externally generated dollars through contracts and grants (government and private sponsors) fees and other non-state sources. C&Is receive state revenue through specific legislative appropriations and university budget allocations. Type 1, 2, and 3 centers and institutes expended \$301.5 million on a variety of research, service, and training activities in FY 2000-01, typically in the form of salaries, travel, equipment, sub-contracts and other direct costs.

Total Centers and Institutes Expenditures by Funding/Expenditure Category, 2000-01

Type	STATE FUNDS	EXTERNAL FUNDS				All FUNDS
	SUS	C&G Gov't	C&G Private	Fees/ Aux	Other	
1	\$26,029,804	\$26,375,476	\$5,169,722	\$6,102,137	\$211,393	\$63,888,532
	41%	41%	8%	10%	<1%	100%
2	\$62,106,979	\$98,974,727	\$15,938,183	\$12,498,981	\$2,090,612	\$191,609,481
	33%	52%	8%	7%	1%	100%
3	\$645,645	\$32,695,007	\$7,075,023	\$4,531,297	\$1,044,003	\$45,990,976
	1%	71%	15%	10%	2%	100%
Total	\$88,782,428	\$158,045,210	\$28,182,928	\$23,132,415	\$3,346,008	\$301,488,989
	30%	52%	9%	8%	1%	100%

Source: SUS Centers and Institutes Final Report 2000-01 & institutional external expenditure data 2000-01

Accountability

After analyzing nationwide data related to C&Is, the Council determined that, in general, Florida universities exercise considerably less institutional oversight, review, and analysis of C&Is than their peer institutions in other states. At the same time, the State of Florida appears to require much more oversight of its university C&Is than is currently required by other state governing boards or legislative bodies. This state oversight is primarily in the form of the annual reports submitted by all C&Is to the Department of Education's Division of Colleges and Universities (DCU). While the reports contain basic fiscal and directory information and provide some descriptive detail of C&I activities, they do not contain or require core evaluative elements that can be compared or analyzed over time. In short, the reports are not routinely used by the universities or by the DCU to evaluate, fund, continue, or disband C&Is.

Survey of Centers and Institutes

The survey results revealed that C&Is address a variety of issues and concerns and produce a plethora of both tangible (scientific discoveries and technological advancements) and intangible (basic knowledge and intellectual advancement) products and services that are vital to the state's economy and well-being. Selected benefits were summarized and included in the eight broad categories listed in the table to the right.

C&I Research & Service Priorities

Maternal/Child Health and
 Child Development
 Economy/Business/Transportation
 Elderly/Aging/Environmental/
 Ecology/ Energy
 Governance/Law/Race/Healthcare/ Medicine
 Schools/Education/
 Community, State, National and
 International Outreach

Economic Benefits/Return on Investment

The Council analyzed the state's return on investment in C&I activity in part by measuring the economic impact of C&Is on Florida's economy. The results of that analysis revealed that C&Is perform a significant role in the state's economy and that the economic benefits of C&Is were substantially greater than the State of Florida investment (expenditures) in FY 2000-01. By

leveraging the State of Florida's monetary investment (\$88 million) C&Is generated an additional \$212 million in external expenditures. The economic benefits of all C&I expenditures extend to job creation, generation of GRP (gross regional product) and personal income, and state taxes. The ROI (return on investment) for all types of C&Is was calculated to be 217 percent. It is important to note that the ROI analysis used by the Council included only the direct financial benefits or returns generated for the state (income, employment, taxes) as a result of the monetary investment that the state makes in C&Is and excludes "returns" to the state that are not financial benefits.

Summary of REMI Generated Expenditures Results for Types 1, 2, & 3 C&Is (2001-2035)	
Net Present Value of GRP	\$269,416,041
Net Present Value of Taxes	\$18,162,728
Net Present Value of Wages	\$243,924,273
Number of Jobs*	6,955

Conclusions

While addressing many of the State's most fundamental and high priority concerns, C&Is provide a myriad of academically and professionally related opportunities for both undergraduate and graduate students. The economic benefits of C&Is extend broadly throughout the state to job creation and the generation of substantial amounts of GRP, personal income, state taxes, and other direct financial benefits. Because they are purposefully designed to be more flexible and entrepreneurial than academic departments, C&Is respond quickly to issues and problems from a variety of stakeholders throughout the state and nation. Concomitantly, their semi-autonomous position within the larger university means that some C&Is operate outside the stricter accountability oversight that applies to other academic units, which receive greater and more systematic institutional review and evaluation. To improve C&I accountability, maximize state resources, and bring greater visibility to C&I activities and resources, the Council made several recommendations including the following:

Recommendations:

1. *Chancellor's Memorandum: CM-C-07.00-01/99 should be abolished. The current categorization (Type 1, 2, 3) for State University Centers and Institutes should be discontinued and replaced with the following functional categories: State of Florida Centers and Institutes, and University Centers and Institutes. This should be implemented in conjunction with the following actions:*
 - A. *The Council of Academic Vice-Presidents (CAVP) should convene and review all currently classified Type 1 C&Is to determine if those entities are: 1) Achieving, or are making progress toward achieving, their statewide mission; 2) Have established working relationships with two or more SUS universities; and, 3) Are successful in leveraging (as established by the CAVP) external funding support. Former Type 1 C&Is that meet these criteria should be reclassified as State of Florida Centers and Institutes. The Legislature should*

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- provide adequate funding for those entities to meet the statewide missions for which they were created.*
- B. *The CAVP should establish a review cycle that will allow each State of Florida Center or Institute to be evaluated every 3 years using a formal professional process to determine if they should continue their status or be reclassified as a University Center or Institute.*
- C. *All University Centers and Institutes should receive a formal professional evaluation at least once every five years to determine if they should continue as a University Center or Institute, be classified as inactive, or be discontinued.*
2. *All State of Florida and University C&Is should maintain an up-to-date website that includes minimum directory and fiscal information, the date of the most recent C&I evaluation, and a link to where the results of that evaluation may be requested and obtained. Each university should maintain an up-to-date informational/directory web site on its C&Is with links to the individual C&I web sites.*
3. *University Centers and Institutes should no longer be required to submit an annual report to the Division of Colleges and Universities. Using a procedure developed by the DCU, each university should provide basic descriptive and contact information to the DCU for all of its State of Florida Centers and Institutes and for all of its University Centers and Institutes by October 1 of each year. The DCU should maintain this data in its statewide database and on its website.*
4. *The DCU should provide the basic descriptive and contact information on all Centers and Institutes to the Leadership Board for Applied Research and Public Service (LBARPS). The LBARPS should increase its efforts to make information and data about C&I activities and faculty available to policy makers and government entities throughout Florida. This Website should provide information on how interested parties can request access to the latest formal evaluation of any center or institute.*

Please visit our website at <http://www.cepri.state.fl.us> for the full report

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