January 15, 2016

The Honorable Rick Scott
Governor
Plaza Level 05, The Capitol
400 S. Monroe Street
Tallahassee, FL 32399-0001

Dear Governor Scott:

Thank you for your letter of November 3rd with its focus on the quality of Florida’s workforce and the education and skills needed by graduates of Florida’s universities and colleges to work for companies that are growing and competing in a global economy. Consistent with your goals, the leadership of the University of Florida fully embraces our responsibility to help our students understand which fields of study lead to the jobs after graduation that will best enable them to enter the workforce and achieve their goals and dreams. We stand committed to providing our students with the very best information and education for achieving those goals.

The University of Florida embraces online education as a means to increase the number of students receiving UF degrees, particularly in high-demand fields. UF has, in just a few years, become one of the nation’s leaders in implementing online undergraduate and graduate degree programs that are recognized as among the nation’s best in quality and affordability. Just this week U.S. News & World Report ranked nationally UF’s online graduate programs in education No. 1, our online MBA program No. 4 and our online bachelor’s program No. 11.

UF is nationally unique in providing the highest quality education at an affordable cost. Kiplinger’s in mid-December ranked UF No. 2 nationally among all public universities for our combination of quality and affordability. Others included in the top five were the University of North Carolina, the University of Virginia, the University of California at Berkeley, and the University of Michigan. Similarly, The New York Times ranked UF No. 6 nationally among all universities, public and private, for our combination of high graduation rates and percentage of students receiving federal Pell grants.
Although we are proud of these accomplishments, we are not resting on our laurels. We will answer your challenge to do all we can to prepare our students for their future careers and to enter the workforce. The following paragraphs are intended as a candid summary of how UF is addressing the specific issues raised in your letter. Progress is already being made in each of these areas, and we are committed to redoubling our efforts with your input, encouragement, and support.

1. Are we offering programs that meet the demand of our current job openings, and are we implementing programs that will meet the demand of our fastest growing jobs and companies?

Yes. The current and future demand for jobs in Florida is particularly acute in the fields of science, technology, engineering, mathematics and medicine. The University of Florida offers more undergraduate and graduate STEM degree programs than any other public university in the Florida. In addition, a greater proportion of undergraduate and graduate students major in STEM degrees than at other public universities in the state.

In order to ensure we are in sync with demand, we are committed to adding majors in important STEM fields that offer students attractive career opportunities while furthering the state's goal of developing a robust economy. We have expanded our biomedical engineering major from the graduate level to the undergraduate level, and that major is attracting increasing numbers of students and growing rapidly. We have just approved a new bachelor's degree in public health to meet student and industry demand. We are projecting an enrollment of 360 students, which will help meet the public health workforce shortage in areas including health service and community service managers.

The University of Florida will take an additional step to enhance the employment credentials of students and assist them in obtaining employment. We will develop job skills courses that will enable students to supplement the knowledge obtained in their chosen major with particularly marketable skills, including information technology, business, and communications. While we will target initially students in our two largest majors, we will build capacity to make this available to all of our undergraduate students. Our initial focus is on non-credit tech courses. Undergraduate students will be able to enroll in these courses free of charge and enhance their portfolio of skills in applied information technology that will complement their major studies. We will consult with technology companies such as Mindtree to ensure that the courses are relevant and attractive to employers.
We are deploying our Career Resource Center, which is recognized as among the best in the country, to even more effectively determine employer’s needs and to prepare our students for positions that meet those needs. In addition to helping students prepare for the workforce and connect them to job opportunities, the center works directly with an Employer Advisory Board; hosts an annual retreat for businesses so the university can determine the private sector’s future employment needs; and created Employer University so that business leaders can learn how to best market to, recruit and retain our graduates in their companies. These programs are significantly increasing the number of companies that participate in our career fairs. Our Career Showcase, the largest career fair in the Southeast, welcomes over 350 companies and 7,000 students each semester for students and alumni seeking full-time or internship opportunities.

We also help create future opportunities for our students’ employment by participating in the state’s economic development efforts. Our university leadership is involved in initiatives to bring technology companies to Florida. In tandem with the Chamber of Commerce and others, the Career Resource Center team is working with companies considering our state for their operations. Our goals are to create sustainable employment relationships that increase employment connections and support employers in building their recruitment strategies. Going forward, a team of career center staff members will concentrate solely on increasing employment connections with industries specifically in the state. Through the work of the career center, 182 new companies from Florida initiated recruitment efforts with the university in the 2014-2015 academic year.

2. Have we eliminated or downsized programs where our graduates experience difficulty obtaining jobs in their degree area?

Yes. We have deployed a rolling review of almost 400 undergraduate and graduate degree programs using a seven-year cycle in order to determine if an individual program should be continued, terminated, suspended or re-vamped/re-organized. This intensive review will answer questions regarding projected future job openings, employer demand, how the degree will help the state, earnings potential, student demand, enrollment numbers and cost. We have also established five-year enrollment targets for undergraduate and graduate programs. Programs not meeting these targets are flagged for closer examination and potential elimination, regardless of where that particular program is in the process of our seven-year review cycle.

3. Are we providing students with adequate information about the salary they can expect for their degree choice?

We have extensive information and resources available for students and plan to convey this information to students and parents in a more proactive manner going forward. We are especially committed to informing students and families about the job prospects and expected compensation for graduates of UF’s majors early in the process, when students are choosing their majors. We will redouble our efforts in this important area through providing students and parents with career, employment, and compensation information and data from the first day they begin orientation (UF Preview).
The career center has led efforts to institute a mandatory university-wide graduation survey to collect information about students’ post-graduation outcomes including employment, further graduate studies, military service or volunteering. The results of the survey highlight average salaries, employing industries, and geographic placement of our students. This information can be found on the Office of Institutional Research’s website http://ir.aa.ufl.edu/grad-survey.

Additionally, the career center provides a host of programs, events and services that equip students with valuable information about salaries to expect upon graduation. For example, this year the career center hosted 900 companies on-campus to network and connect with students through participation in career fairs, on-campus interviews and educational programs. We are strengthening our efforts to ensure that students have the opportunity to interact directly with employers to discover current salary information and industry trends on a consistent basis.

The career center also created a highly effective online assessment tool, Career Help or Major Planning (CHOMP) that is accessible to all UF students and alumni to provide industry information. Through CHOMP, the career center provides students with personality, interests, values and skills assessments. CHOMP allows students to research career opportunities including salary trends, job outlook, sample job titles, job tasks and educational requirements.

Our Division of Student Affairs currently provides students and college deans with information about the earning potential of the majors offered at UF, including data from our current graduates obtained through the university wide graduation survey. UF has also helped develop the methodology used for tracking university graduates across the state and the country in order to determine their success. We are committed to enhancing the student response rate for our student and graduate surveys, which will help us track this information and better inform future students.

One of our consistent findings over the past several years is that students are more likely to have higher salaries if they had internships while enrolled at UF. With our acceptance of your challenge to strive for 100-percent placement of our top majors, the Career Resource Center is working closely with our colleges so that students develop the skills that employers value early in their academic studies, including communication skills and the ability to effectively work as a member of a team. New career center positions, embedded directly into colleges, in addition to an existing liaison structure, are contributing to this effort.

4. Have we looked at all of our costs to discover ways to reduce operating or capital costs in higher education?

In response to your November 3rd correspondence, UF is redoubling its efforts to reduce operating and capital costs through a) effectively and consistently reallocating and repurposing facilities, particularly academic program space; b) renewing critical infrastructure to reduce costs incurred by deferring maintenance; c) encouraging shared services and consortia that reduce costs; and d) eliminating processes and procedures that don’t contribute to our core mission or add value to the institution. The following examples illustrate recent initiatives:
In the area of operations, we are pursuing more efficient and effective ways to provide services in the academic arena, university support functions, and investment in capital programs. In the area of content sharing and learning analytics, UF was a founding member of a consortium called Unizin that includes 11 major universities across the country plus the State University System. By relying on the combined power of these universities, Unizin was able to secure substantial discounts on the price of a learning management system (CANVAS). These discounts have been extended to the entire state university system, thanks to UF’s leadership in Unizin.

UF’s efficiency report, as recently submitted to the Board of Governors, cites savings of more than $10 million in the past few years. Much of this results from major changes in the use of printed materials as well as optimization of varying print output devices. Other initiatives include better integration of the campus district chilled water system and a major overhaul of design and construction standards with continuous project manager training to assure the use of best practices. We have also secured rebates from utility companies, upgraded to LED lighting and tracked waste in order to meet the university’s goal of having 75 percent of its waste recycled by 2020. Many more efficiency initiatives are underway.

At this time, our annual infrastructure critical, preventive, and deferred maintenance needs are approximately $47 million (per year) with $14 million available in funding. We are working to reduce this gap through increasing philanthropy dedicated to facility renewal, internal reallocation of operating funds, and seeking state funding focused on infrastructure renewal. In addition, we have recently initiated the use of energy service contracts (ESCOs) to upgrade the HVAC systems in older campus buildings. The initial results indicate that this creative approach has decreased electric bills by 33 percent that will reduce the carbon footprint and repay the cost of the upgrades in less than ten years.

5. Have we moved courses online where we can, and reduced building and operating costs?

Yes. The University of Florida launched UF Online in January 2014 to grow the number of undergraduate students in UF degree programs, without all of the residential infrastructure costs associated with that growth, and to make higher education more affordable for families by offering Florida residents a high-quality online college degree at 75 percent of the tuition of on-campus students. By fall 2016, 17 majors will be offered online, covering a variety of business, computer science, health and science fields.

The students in UF Online receive the same assistance in finding jobs and career services as those who attend on campus through the Career Resource Center. Our national network of employers, who often rank UF graduates as their No. 1 target employees, provide employment opportunities no matter where the student resides.

The University of Florida also has extensive offerings at the graduate and professional levels, providing education to more than 6,000 students annually. UF’s provost chairs the steering committee of the Board of Governor’s Online Education Implementation Task Force to better engage the State University System in online education.
6. **When considering capital investments, have you considered whether the program can be provided online?**

Yes. The University of Florida has prioritized capital investment funds into areas that have no online equivalent. In particular, investments into critical research facilities, experiential STEM laboratory education and tech transfer facilities have assumed priority. The one other area in which the university is making significant investments is study and collaboration space for residential students, easing a critical shortfall in recent years.

7. **When considering capital projects for a new degree program, are you considering eliminating other programs?**

Yes. However, we have not proposed capital projects for new degree programs in many years. The top priorities on UF’s PECO list support the College of Engineering, the College of Education, IFAS (agriculture) and the Florida Museum of Natural History. The University of Florida’s largest capital project in recent years is a chemistry building, which will be completed in 2016. All of these are long-standing, high-priority academic and research programs.

8. **Have we considered refurbishing existing buildings if it is more cost effective than building new ones?**

Yes. Our top priorities for the 2016-17 legislative session are deferred maintenance needs as well as renovation and re-purposing of older facilities on the campus. As an example, our 2016 Legislative Budget Request includes, as a top priority, a special request for $18 million for Utilities/Infrastructure/Capital Renewal in order to supplement the gap between UF’s annual maintenance funding need and the statutory maintenance formula; $20.5 million for renovation of the 52-year old Nuclear Sciences building into an Engineering Innovation facility; and $8 million to begin much-needed renovations to the 82-year old Norman Hall, the home of UF’s College of Education, which will enable the university to provide for increased education degrees identified by the Board of Governors GAP Analysis. In addition, the complete renovation of Newell Hall for student study and collaboration space is underway.

9. **Are there operations we provide which should be outsourced because of costs and the quality of service or focus?**

We are looking for additional areas that can be outsourced that are not in our area of core expertise and mission and where we can utilize private-public partnerships to save capital costs. For example, we have outsourced our campus food services to Aramark and bookstore operations to Follett Higher Education Group. In both of these partnerships the outsourcing has saved UF both operating and capital costs.
10. Are we providing our institutions’ workforce with information about their productivity?

Yes. However, there is room for improvement. In the area of degree production, we routinely monitor our graduation rates and numbers of degrees. These are points of pride for the campus and are broadcast widely. UF leads its national public research university peers in productivity of bachelor degree students per revenue received from tuition and state appropriations. In addition, colleges and departments are keenly aware of their production in online classes, since they earn additional revenue by being productive in this area.

In the area of externally funded research contracts and grants, we quarterly provide feedback about success to deans, department chairs and individual faculty. Again, this is a point of pride for the campus and state, since we are a top performer nationally. This is particularly important to the State of Florida, since it brings external federal, foundation, and industry funding to Florida and is a metric for evaluating national stature. UF is among the top 10 of all universities nationally, public or private, in the companies created from the results of this research. As you know, these new companies lead to more job opportunities.

In the area of scholarly productivity, we have contracted with Academic Analytics to continuously assess the scholarly productivity of our faculty and benchmark it against the scholarly productivity of the nation’s other top public research universities. This information is provided to deans and department chairs and is being used for strategic planning purposes.

11. Have we reviewed long-term contracts to determine whether those contracts are in the best interests of our students?

Yes. The university currently has a standard business process for reviewing contracts prior to expiration. Business process owners assess and evaluate the performance of contractors. Recently a change in a provider of student account collections was made to better serve the UF student population. We also recently terminated a major contract for UF Online and are now using university personnel to provide the services previously delivered by the vendor.

All real estate leases are in the process of being abstracted to analyze the long-term obligations of the university and to reduce these expenses. These are being benchmarked to ensure they are within competitive market rates and, if they do meet this standard, will be renegotiated at the earliest possible opportunity to reduce costs.

12. Do we have unused assets we should sell in order to re-allocate those resources?

Real estate owned by the Foundation is being liquidated aggressively in order to provide financial support for the university’s units. This has included some properties owned since the 1990s which have now been sold. In response to your November 3rd correspondence, we will initiate a more focused analysis to determine if there are additional efficiencies to be gained by selling unused/underutilized assets.
Governor, I hope the information provided above is responsive and demonstrates our commitment to your goals for Florida’s students. This correspondence is meant to describe a starting point, not a finish line. Thanks to you and the Florida Legislature, the University of Florida is in a position of strength and momentum, and I am confident that we can continue to meet your goal of providing Florida students the highest-quality and affordable college education that will enable them to be productive members of the state’s workforce, and that UF will rise to be the very best public university in the nation. I look forward to continuing to discuss these important issues with you.

Sincerely,

W. Kent Fuchs