

January 3, 2002

F. Philip Handy, Chairman
Florida Board of Education
1614 Turlington Building
325 West Gaines Street
Tallahassee, Florida 32399

Dear Mr. Handy:

As you are aware, Chapter 2001-170, Laws of Florida, created the Council for Education Policy, Research and Improvement for the primary purpose of recommending to the Florida Board of Education a long-range master plan, performance plan, and accountability measures for education; responding to requests for policy analysis by the Governor, Legislature, and the Board of Education and, in response to those persons or upon its own initiative, recommending measures for improvement in Florida's educational system. The Council, which consists of members appointed by the Governor, President of the Senate, and Speaker of the House, held its organizational meeting in September of this year. Enclosed are the first official work products generated by the Council in performance of its statutory duties or as directed in proviso contained in the General Appropriations Act:

1. Recommendations to the Florida Board of Education for inclusion in their strategic imperatives.

The Council prepared an analysis of items for consideration by the Florida Board of Education as strategic imperatives as part of its strategic planning process.

2. Workforce Development Education Program Cost/Reimbursement Analysis

The Council evaluated the workforce education funding formula in order to determine if adjustments, such as including a cost factor, should be considered. While exclusion of this factor has raised some concerns among school district and community college administrators, the analysis showed that the addition of a weight for program cost does little to change the distribution of performance funding. In addition, a weight for program cost does not appear to resolve any discrepancies between the relative shares of performance funding outcomes and program expenditures among program areas. The Council **found the program to be working well with increases in performance as the**

value of individual occupational completion points declines and recommended that no changes be made to the workforce funding formula.

3. An Evaluation of State University System Branch Campus Programs

The Council compiled, summarized, and analyzed detailed data reports from ten state university branch campuses that displayed information on how the university and its branch campus(es) allocated funds that the Legislature appropriated for university branch campuses from 1999 through 2001. Results indicate that legislative appropriations that have been targeted to increase the delivery of academic degree programs at university branch campuses have stimulated new degree program development. The Council recommended that start-up funding for the development of new degree programs be continued. This type of funding should continue no more than two years without review by the Florida Board of Education and the Legislature.

4. The Cost and Benefits of State Matching Funds for Community College and State University Private Donations

The Council examined the net returns on the investment of endowments, the degree to which the donor-driven allocation of funds through the matching process responds to the mission of the institution and the priorities of the state, the benefits derived from the total cumulative expenditures on these programs to benefits which could be expected from alternative investments, the use of the proceeds from the endowments, and the number and type of endowments by program area. The analysis concluded that the matching programs do provide a valuable incentive to strengthen the commitment of citizens and organizations in promoting excellence in Florida's colleges and universities, thus should be continued. The Council recognized that, while there is a place for matching programs, these should not come at the expense of other educational priorities. **Due to the ongoing reform effort**, the Council further recommended that the projects receiving matching program funds **be** those that maximize the priorities set forth by the state and are closely aligned with the unique institutional missions of Florida's community colleges and universities.

As the appointing authorities and/or primary clients of the Council, it will be our customary practice to forward all of our official work products, **upon completion**, to each of you for your review and use. If you have any questions or if the Council can be of service in any way, please do not hesitate to call upon us.

Very truly yours,

Philip E. Morgaman
Chairman

PEC/gm

Enclosures