



August 2007

Report No. 07-35

## University Centers and Institutes Report Many Benefits; the Oversight Process Needs to Be Strengthened

### *at a glance*

Florida's public universities support 554 centers and institutes that pursue research, teaching, and public service goals. The centers and institutes report achieving varied benefits for Florida, including enhancing student learning, attracting federal and private research funding, furthering scientific and technical research, and developing new medical treatments.

While there are reporting systems in place for centers and institutes, accountability should be strengthened. Universities have not adequately evaluated the performance of most centers and institutes to determine their effectiveness or whether they are making adequate progress towards fulfilling their missions. In addition, while centers and institutes must follow university financial reporting processes, few are audited to ensure their compliance with these processes. Additional accountability information would help the Florida Legislature, the Board of Governors, and universities better allocate limited research funds and determine whether current centers and institutes should be continued.

### Scope

As directed by the Legislature, OPPAGA reviewed centers and institutes at Florida's public universities. To conduct our review, we visited a sample of 30 university centers and institutes and addressed the two questions below.

- What benefits do the centers and institutes report achieving for Florida?
- What oversight mechanisms have been established for centers and institutes?

A supplemental report ([OPPAGA Report No. 07-36](#)) provides detailed information on the activities, resources, and reported accomplishments of the 30 centers and institutes we examined for this report.

### Background

Florida's public universities support a wide range of centers and institutes. In contrast to research conducted by individual faculty and departments, which often focuses on issues within their particular disciplines, such as chemistry, physics, or psychology, centers and institutes generally bring together faculty from multiple disciplines to address large-scale, complex issues. While most centers and institutes focus on research activities, some also perform teaching and public service activities. In Fiscal Year 2005-06 (the most recent year for which data are available), Florida's public universities reported supporting 554 centers and institutes. These centers and institutes were located at 10 of the 11 state universities.<sup>1</sup>

Centers and institutes can be established in several ways, including legislative and university initiatives. The Legislature frequently establishes and/or provides funds for a center or institute through statute or the appropriations act. For instance, the 2003 Legislature passed the Florida Technology Development Act, which provided \$30 million to create three new

<sup>1</sup> New College of Florida had no centers or institutes as of Fiscal Year 2005-06.

university centers of excellence.<sup>2</sup> The 2006 Legislature similarly passed the 21st Century Technology, Research, and Scholarship Enhancement Act that appropriated \$30 million to create or expand centers of excellence.<sup>3</sup>

Universities may create university centers and institutes, but state centers and institutes require approval of the Board of Governors.<sup>4</sup> As provided by a policy directive adopted by the Board of Governors in July 2004, universities may establish university centers or institutes on their own or submit a proposal to the Board of Governors for a state center or institute.

In Fiscal Year 2005-06, Florida's public universities reported \$447 million in expenses and 2,733 employees assigned to centers and institutes. Centers and institutes are typically funded through a combination of state and university sources, including appropriations, contracts, grants, fees, and donations. Relatively few are totally funded by state or university sources.

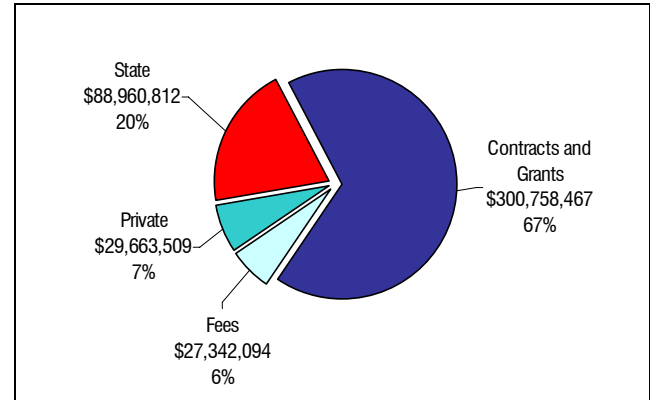
For Fiscal Year 2005-06, about 73% (403) of centers and institutes reported expenditures totaling \$447 million. The funds came from a variety of sources including state, federal, and local government entities; private donations and gifts; fees for service; and income from licenses and patents. Almost one-fifth (\$88.9 million of \$447 million) of these expenditures were derived from state appropriations to the university system or directly to the centers and institutes with the majority of support provided from contracts and grants. (See Exhibit 1.)

<sup>2</sup> This program funded the FAU Center of Excellence in Biomedical and Marine Biotechnology, UCF Florida Photonics Center of Excellence, and UF Center of Excellence for Regenerative Health Biotechnology.

<sup>3</sup> This program funded six centers: the USF Florida Center of Excellence in Biomolecular Identification and Targeted Therapeutics, FAU Center of Excellence in Ocean Energy Technology, UF Florida Institute for Sustainable Energy Technology Incubator, UCF Florida Photonics Center of Excellence Laser Technology Initiative, UF Center for Nano-Bio Sensors, and FSU Center of Excellence in Advanced Materials.

<sup>4</sup> The Board of Governors July 2004 policy directive defines state centers and institutes as having a statewide mission, include two or more universities, and must be approved by the Board of Governors. University centers and institutes are defined as generally being established by a single university and may expend state funds appropriated to it by the Legislature and/or by university administration decisions.

### Exhibit 1 About One-Fifth of Centers and Institutes' Reported Expenditures in Fiscal Year 2005-06 Were State Funds

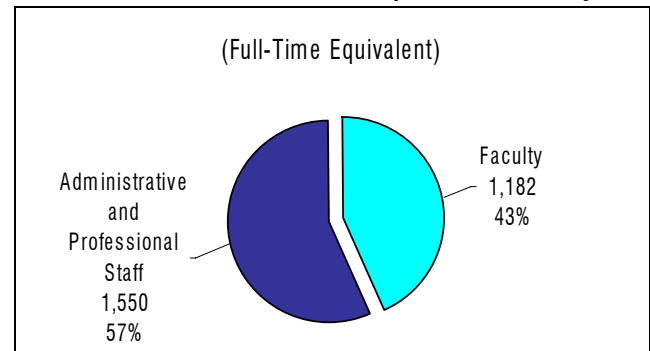


Note: Total expenditures reflect those reported to the Board of Governors and may not include all expenses such as construction, equipment, and student support.

Source: Board of Governors centers and institutes expenditure report.

Centers and institutes employed 2,733 full-time equivalent faculty and staff during Fiscal Year 2005-06.<sup>5</sup> As shown in Exhibit 2, over half (57%) of these staff were professional and administrative employees, while the remainder (43%) were faculty (including full- or part-time and tenure or non-tenure track faculty).<sup>6</sup>

### Exhibit 2 Less Than One-Half of Center and Institute Employees in Fiscal Year 2005-06 Were Reported as Faculty



Source: Board of Governors centers and institutes expenditure report.

<sup>5</sup> Centers and institutes report full-time equivalent employees (FTEs) to control for the variation in full-time and part-time workers. An FTE is calculated by dividing the part-time hours paid by the standard number of hours for full-time employees and then adding the resulting quotient to the number of full-time employees.

<sup>6</sup> Tenure generally provides employees the right not to be dismissed without cause after an initial probation period.

## Questions

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### What benefits do the centers and institutes report achieving for Florida?

Universities reported that the centers and institutes they support have produced several types of benefits. These include enhancing teaching and student learning, attracting federal and private research funding, furthering scientific and technical research, and developing new medical treatments.

We asked staff at the 30 centers and institutes we visited to identify their most significant accomplishments and describe how these accomplishments benefited the state of Florida. The reported accomplishments fell into three major categories—helping state universities fulfill their research and instructional missions, advancing knowledge in a field of study, and improving the lives of Floridians.<sup>7</sup> Refer to Appendix A for additional information on the 30 centers and institutes visited as part of this review.

#### *Most centers and institutes reported helping achieve university missions*

Staff at 25 centers and institutes identified activities such as enhancing student learning, attracting additional federal and private research funding, and assisting the state in meeting higher education goals.

Student instruction. Twenty-one centers and institutes reported contributions to student learning including providing direct teaching, providing opportunities for funding graduate

research, and bringing in scholars and noted experts. In addition, some centers and institutes employed students from various colleges and departments or allowed students access to their facilities for school work. Ten of the centers and institutes provided the majority of instruction leading to a degree resulting in approximately 100 degrees being awarded in Fiscal Year 2004-05 at the master's and doctoral level.

Attracting research funding. Over one-third of centers and institutes reported helping their universities attract significant additional federal and private research funding. In Fiscal Year 2005-06, 26 centers and institutes reported spending \$63 million in research dollars they received through contracts and grants, primarily from federal and private sources. The amount of external funding generated by center and institute faculty exceeded the level generated by university faculty in general. The Board of Governors uses contract and grant expenditures per faculty member as a measure of an institution's ability to generate external funding. In Fiscal Year 2005-06, the Board of Governors reported that university faculty overall spent, on average, \$152,832 in externally generated research and training grant funds. In comparison, during this same period, faculty at centers and institutes exceeded this funding amount, spending, on average, \$183,200 external dollars. Exhibit 3 provides examples of contracts and grants received by centers and institutes.

In addition, the centers and institutes reported activities that assist the state in meeting its higher education goals. The work of all 30 centers and institutes we visited addressed at least one of the Board of Governors' four strategic plan goals: improving access to higher education, increasing degree productivity, strengthening research capability and technology transfer, and meeting community needs and fulfilling unique institutional responsibilities. The work of 13 of the centers and institutes related to all four goals.

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<sup>7</sup> We used this information and verifying documentation provided to develop a list of accomplishments for each center and institute. We asked staff at each center and institute to review the resulting list of accomplishments for accuracy and completeness, and categorized the final list of accomplishments by primary beneficiary. In some cases, the cited accomplishment had multiple beneficiaries.

**Exhibit 3****Examples of Contracts and Grants Received by Centers and Institutes**

Calendar Year	Examples of Contracts and Grants Received			
	Funding Source	Funding Amount	Center and Institute	Purpose
2001	National Science Foundation	\$2.6 million	The Center for Research and Education in Optics and Lasers at the University of Central Florida	Continue an integrative graduate education and research training program in optical communications and networking
2002	Florida Department of Health	\$1.5 million	The Institute of Public Health at Florida Agricultural and Mechanical University	Provide disaster preparedness training for first responders and workshops for pharmacists on bioterrorism
2002	MacArthur Foundation	\$1.5 million	The Center for Urban and Environmental Solutions at Florida Atlantic University	Develop the South Florida Regional Resource Center and Capacity Building Program, including the Public Officials Design Institute at Abacoa
2005	Moore Foundation	\$1.9 million	The Center for Latin American Studies at the University of Florida	Support leadership development for forest conservation in the Andes Amazon region
2005	U.S. Department of Homeland Security	\$6.2 million	Learning Systems Institute at Florida State University	Develop national performance standards and a training curriculum for port security and other personnel to prevent, deter, and respond to terrorist acts
2006	National Institutes of Health	\$1.4 million	The Diabetes Center at the University of South Florida	Continue to examine the relationship between diabetes control and certain circulatory and nervous system complications related to diabetes mellitus

Source: OPPAGA analysis of center and institute documents.

### ***Centers and institutes reported helping advance knowledge in several technical fields of study***

Staff at 22 centers and institutes identified accomplishments that advanced research in their field of study. The centers and institutes reported that such research can contribute to breakthroughs that can benefit the lives of Floridians and others.

**Providing equipment access.** Nine centers and institutes reported that they support research by providing access to laboratories, equipment, and training. Sharing equipment use and/or conducting specific analyses for researchers can reduce costs. For example, the Interdisciplinary Center for Biotechnology Research at the University of Florida allows access to its facilities and equipment on a fee basis and produces materials such as monoclonal antibodies used in cancer research, organ rejection prevention, and other health applications at a lower cost than charged in the commercial market. Several entities including most state universities, the Kennedy Space Center, and the U.S. Department of Agriculture have used the center's services.

Disseminating research findings. Ten centers and institutes reported disseminating research findings in scholarly publications and at conferences as one of their primary accomplishments. In Fiscal Year 2004-05, the 30 centers and institutes we visited employed staff who had published over 1,000 scholarly publications including books and journal articles, and made numerous professional presentations. These publications and presentations focused on topics including social and environmental determinants of hypertension in African Americans, women and corporate leadership, and grape metabolites with anticancer properties.

### ***Two-thirds of centers and institutes reported benefits that helped improve citizens' lives***

Staff at 20 of 30 centers and institutes reported that their activities helped to directly improve citizens' lives. Specifically, staff reported activities such as helping the state and local governments address pressing problems, aiding in the expansion of Florida's economy, and contributing to advances in medicine and health care.

Addressing state and local problems. Staff at nine centers and institutes cited accomplishments that helped the state address problems such as urban decay, traffic congestion, and crime. For example, the Institute on Urban Policy and Commerce at Florida Agricultural and Mechanical University identified Florida's most distressed urban areas and made recommendations to assist the state in addressing critical economic, social, and physical issues in these areas. Several centers and institutes reported working to aid local governments. One example is the Florida Institute of Government at Florida State University which conducted training programs for city officials, developed a model certification program recognized for improving the professionalism of city clerks, and published the *Clerk of Courts Digest* and *Municipal Officials Handbook*.

Supporting economic growth. Staff at eight centers and institutes reported activities that supported state economic growth. These benefits included promoting and expanding the state's wine industry, increasing the use of solar power, and creating spin-off or start-up companies in high-tech areas such as aerospace and civil engineering, biomedical technology, and pharmaceuticals. In addition, most centers and institutes reported activities with the potential to provide additional economic benefits. For example, over two-thirds (22) of the centers and institutes we visited were working in areas that addressed one or more of the key economic sectors identified by Enterprise Florida.<sup>8</sup> These key sectors have the greatest potential for growth, high-paying job opportunities, and overall positive economic impact and include the life sciences, information technology, aviation and aerospace, and manufacturing.

Scientific advances in health care. Staff of six centers and institutes reported activities that contribute to advances in medicine and health care. For example, research conducted at the University of Florida's Interdisciplinary Center for Biotechnology Research has led to advances in the treatment of glaucoma and other vision-

related conditions. The Center of Excellence in Biomedical and Marine Biotechnology at Florida Atlantic University reported developing a treatment for actinic keratosis, a pre-cancerous skin lesion.

## What oversight mechanisms have been established for centers and institutes?

Oversight of centers and institutes is necessary to ensure that their accomplishments are reasonable, they are fulfilling their missions, and they are appropriately expending funds. The Board of Governors and the state's 11 public universities share responsibility for overseeing center and institute activities and finances. In general, the Board of Governors and the universities have not provided adequate oversight in the areas of performance expectations, financial management, and performance evaluation. In addition, the Leadership Board for Applied Research and Public Service, which was created to assist decision makers in providing statewide direction for university centers and institutes, has not met in several years.

The majority of universities have not established performance expectations for centers and institutes. Universities are responsible for providing accountability processes and financial oversight to the centers and institutes they house. However, only one university, the University of Central Florida, formally requires centers and institutes to establish performance-based goals and objectives. This university requires program faculty or staff to set objectives and/or student learning outcomes and determine appropriate performance indicators. During the year, the university collects data to allow it to evaluate the centers and institutes and their operations.

At the other five universities we visited, administrators identified only a few measures that they use to assess center and institute performance. These measures included obtaining external funding and publishing journal articles. However, university administrators often were unclear about the amount of external funding they expected centers and institutes to obtain or

<sup>8</sup> Since 1996, Enterprise Florida, Inc., a public-private partnership has served as Florida's primary organization devoted to statewide economic development.

how many journal articles each center and institute was expected to produce each year.

Also, most centers and institutes we visited had not established internal mechanisms to measure performance. Sixteen of the 30 centers and institutes had not established goals and objectives to guide their work. Furthermore, only 12 of the centers and institutes that had established goals and objectives used measurable terms to gauge their progress toward outcomes.

Universities should improve financial oversight of centers and institutes. Universities are responsible for ensuring that their centers and institutes are subject to the same internal institutional financial oversight and accountability processes as other university entities. However, due to variations among universities in how financial oversight is conducted, centers and institutes at high risk for financial mismanagement may not be identified.

Each of the 30 centers and institutes we visited were required by their respective universities to follow internal financial management policies and procedures. These policies and procedures are designed to provide employees with adequate direction to ensure that financial obligations are met in a timely and legal manner, funds are spent appropriately, and physical and intellectual property is not lost or stolen. The centers and institutes may also be examined by university internal auditors to ensure compliance with these policies and procedures. Internal audits are crucial because they are able to focus on entities not specifically in the scope of broader state audits, such as those conducted by the Auditor General.<sup>9</sup>

However, university internal auditors vary in how they select which entities to review, which can result in limited oversight for centers and institutes. Of the six universities we visited, only the University of Central Florida had a risk assessment process that addressed each center and institute individually. The internal audit offices of the remaining five universities had

either no risk assessments for centers and institutes or generally considered all of these as a group rather than assessing their individual potential risk.

In recent years there have been instances of financial mismanagement at institutes and centers. For example, in 2006, an employee of the University of South Florida's Charter School Resource Center was wrongly reimbursed \$36,801 for unsupported travel and other expenses, and the center could not account for \$2,451 in computer equipment.<sup>10</sup> In addition, recent Auditor General operational audits have found inefficient center and institute processes for collecting cash or payments, recording costs or revenues properly, appropriately distributing authority to spend university funds, and ensuring effective economical usage of funds.

The Board of Governors collects accountability information from centers and institutes but needs to improve its performance evaluation process. The Board of Governors, which is required by the Florida Constitution to ensure the well-planned coordination and operation of the university system and to avoid wasteful duplication of facilities or programs, has primary oversight responsibility for centers and institutes. While the board collects some information useful for accountability purposes such as fiscal data, it should strengthen its performance evaluation process.

The Board of Governors collects information from centers and institutes each year. For example, universities must annually report basic descriptive, contact, and fiscal information for each center or institute. The board also maintains a website that provides expenditure data for each center or institute, as well as the ExpertNet website which profiles individual centers and institutes and identifies those working on particular issues.<sup>11</sup>

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<sup>9</sup> The Florida Auditor General conducts operational audits of universities, which include centers and institutes along with other university entities. The latest Auditor General operational audits we reviewed include Report Nos. 2004-207, 2005-025, 2005-032, 2005-048, 2006-036, 2006-040, 2006-044, 2006-052, 2006-054, and 2006-064.

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<sup>10</sup> The Charter School Resource Center at the University of South Florida is operated within the Institute for At-Risk Infants, Children and Youth, and Their Families.

<sup>11</sup> ExpertNet is a web-based network of applied research expertise in Florida's public universities sponsored by the Leadership Board for Applied Research and Public Service.

The Board of Governors also requires universities, through a July 2004 policy directive, to conduct periodic performance evaluations of centers and institutes using specific criteria provided in the directive.<sup>12</sup> However, the board has not ensured the timely and appropriate implementation of the directive. For example, at the time of our field visits in July 2006, the Board of Governors was still in the process of providing feedback to universities on their proposed policies to implement the directive, two years after the directive was issued.<sup>13</sup>

The six universities we visited were at varying stages of implementing evaluation processes, but none of their evaluations met the criteria in the policy directive. The most formal process was used by the University of Central Florida to evaluate two centers using independent peer reviewers. Florida Atlantic University used an internal process that required all centers and institutes to conduct self-studies every year focusing on current accomplishments and future direction in relation to the university's strategic plan. An independent university research committee with support from the Office of Research reviewed these studies, commented on progress made, and suggested areas for improvement.

Center and institute evaluations are important in helping the Florida Legislature, the Board of Governors, and universities better determine how to allocate limited research funds. In addition, evaluative data could aid universities in determining whether a center or institute should be closed because it is no longer needed or meeting its intended purpose and/or expected outcomes.

The leadership board has not met since 2002. The Leadership Board for Applied Research and Public Service was created in 1998 to assist decision makers in providing statewide direction for university centers and institutes.<sup>14</sup>

Florida law requires the board to better identify and define the missions and roles of existing institutes and centers at each state university and work to eliminate duplication and confusion over conflicting roles and missions. The board is not meeting its mandate because it has not met since 2002. While leadership board staff has continued to work on some of these statutory directives without direction from its board or the Board of Governors, staff's effectiveness in identifying duplication of effort and mission creep among university centers and institutes is limited.

## Conclusions and Recommendations

To improve the accountability of university centers and institutes, we recommend that the Board of Governors take a more active role in providing guidance to university administrators and center and institute directors and oversight of center and institute performance. Specifically, the Board of Governors should

- ensure that universities require centers and institutes to establish performance-based goals and objectives;
- enforce the directive that universities conduct periodic performance evaluations of centers and institutes;
- ensure that center and institute evaluations, once completed, comply with the Board of Governors' directive and provide information on efficiency and effectiveness in meeting or moving towards the mission; and
- either recommend to the Legislature that it abolish the leadership board and reassign its responsibilities or reconvene the board.

<sup>12</sup> "State of Florida" centers or institutes must be evaluated at least once every five years while other centers and institutes must be evaluated once every seven years.

<sup>13</sup> The Board of Governors sent written comments to universities in January 2007.

<sup>14</sup> [Section 1004.58, F.S.](#)

At the university level, we recommend that the Board of Governors require institutions to

- establish clear, specific, and measurable goals and expectations for each center and institute including measurable outcomes that could demonstrate benefit to the state. These goals and expectations should not be limited to additional funding brought in by the center or institute or to the number of scholarly publications;
- evaluate centers and institutes based on their established goals and expectations. These evaluations should determine whether each center or institute is fulfilling its particular mission, assess the reasonableness of center and institute accomplishments and benefits, and determine whether each center or institute should be closed because it is no longer needed or meeting its intended purpose;
- report evaluation findings to center or institute administrators, university administrators, and the Board of Governors for use in program operational decisions and resource allocation; and
- ensure that university internal audit risk assessments consider the individual risk of centers and institutes that would indicate a center's or institute's elevated potential for fraud, abuse, or mismanagement.

## Agency Response

In accordance with the provisions of s. 11.51(5), *Florida Statutes*, a draft of our report was submitted to the chancellor of the State University System to review and respond. The chancellor's written response is reproduced herein in Appendix B.

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OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

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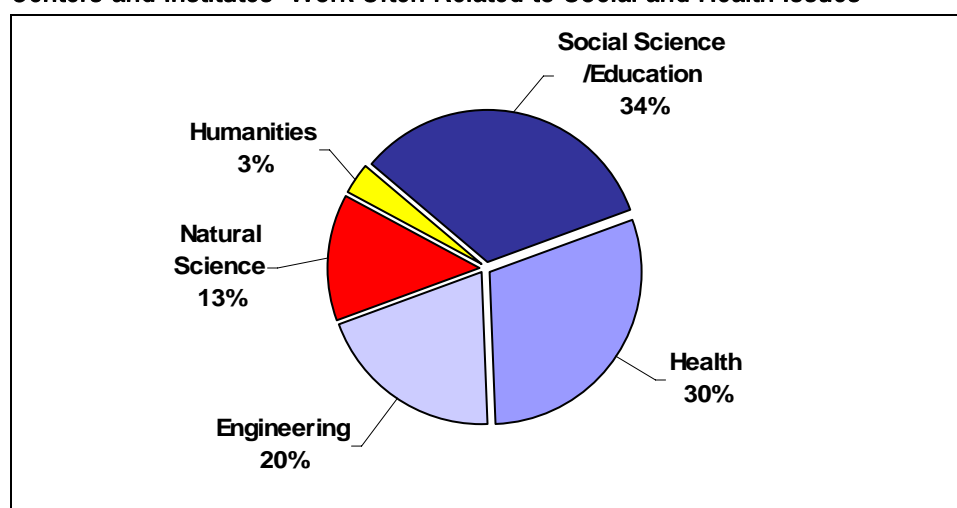
## Appendix A

# Detailed Information on the 30 Centers and Institutes Visited

This report focuses on the analysis of 30 centers and institutes across six of the state's 11 public universities. We chose the centers and institutes based on their reported state expenditures over the past five years. We selected the centers and institutes with the largest state-funded expenditures in each of the top five academic disciplines at a sample of universities, taking into account university size and geographic location.<sup>15</sup>

We used information provided by center and institute staff and university administrators to further classify each of the 30 center's and institute's activities by field of study (see Table A-1).

**Table A-1**  
**Centers and Institutes' Work Often Related to Social and Health Issues**



Source: OPPAGA analysis of center and institute assigned classification of instructional program codes.

One-third (10) of these centers and institutes primarily focused on social science or education-related issues including urban and regional planning, Latin American studies, women's studies, criminology, and charter schools. Examples of centers and institutes whose work involves social science-related issues include Learning Systems Institute at Florida State University, which specializes in the fields of human performance, expertise, leadership, reading research, learning, educational technology, and complex cognitive skills, and the Center for Urban and Environmental Solutions at Florida Atlantic University, which conducts research and public service related to the environmental and growth challenges facing South Florida and the state through partnerships, education, and research.

<sup>15</sup> Collectively, the centers and institutes selected represent 39% of the reported state funds expended at all reported centers and institutes between Fiscal Years 2000-01 and 2004-05.

About one-third (9) of the 30 centers and institutes primarily focused on health-related issues such as diabetes research, biotechnology, public health, and neuroscience. These centers and institutes include the Diabetes Center at the University of South Florida; the Center of Excellence in Biomedical and Marine Biotechnology at Florida Atlantic University, which fosters collaboration involving the disciplines of ocean engineering, marine biotechnology, functional genomics, and bioinformatics in a synergistic fashion with the overall goal of discovering and developing new medicines; the Center of Excellence for Regenerative Health Biotechnology at the University of Florida, which is working to stimulate promising research and facilitate commercialization of technologies that will provide treatments and cures for human diseases, as well as create new companies and high-wage jobs for Florida; and the Center for Complex Systems and Brain Sciences at Florida Atlantic University, which focuses on research and training to prepare a new generation of mathematically and biologically literate scientists who can participate in multi-disciplinary research to understand the interactions performed by genes, cells, and brains.

Ten of the remaining centers and institutes focused on engineering and/or natural sciences. For instance, six centers and institutes focused on engineering-related issues such as nanotechnology, renewable energy, and optics and lasers; and four focused on natural sciences issues that included oceanography, forensic science, and agriculture. The remaining institute focused on the creation, exhibition, and publishing of visual arts.

## Appendix B

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### FLORIDA BOARD OF GOVERNORS

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August 14, 2007

Gary R. VanLandingham, Ph.D.  
Director  
Office of Program Policy Analysis and Government Accountability  
111 West Madison Street, Room 312  
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Tallahassee, FL 32399-1475

Dear Dr. VanLandingham:

Thank you for the opportunity to review the draft reports *University Centers and Institutes Report Many Benefits; the Oversight Process Needs to be Strengthened* and the supplemental report *Profiles of Selected University Centers and Institutes*. The reports offer numerous observations that provide insight into the important role of institutes and centers within the university community, and data provided illustrates their ability to leverage state funds to bring external funding into the university.

While generally in agreement with the findings of the primary report, it is not made clear as to what standards were used to measure the effectiveness of existing university policies and processes for evaluating institutes and centers. Created as flexible entities to facilitate interdisciplinary collaboration and attract external grants, most institutes and centers exist in large part to take advantage of unique opportunities that present themselves from year to year. For this reason, many of them are perceived to be very low risk by the university and may even lie relatively dormant for extended periods of time. The recommendation that the universities "establish clear, specific, and measurable goals and expectations for each center and institute" has been pointed out by university administrators as being inconsistent with their inherent flexibility of purpose. For such institutes and centers it would be extremely difficult to establish specific measurable goals and prohibitively expensive to determine their incremental contribution to overarching university goals.

The recommendations for Board of Governors policies will be taken into consideration as this office develops a new regulation on Institutes and Centers. However, they do suggest a level of direct supervision that is inconsistent with the current governance philosophy and structure. Each board of trustees has both constitutional and delegated

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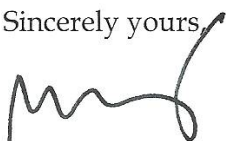
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authority for oversight of university operations, and the Board of Governors is methodically putting into place regulations that support this arrangement without jeopardizing system-level accountability.

Thank you once again for the opportunity to review and respond to these reports.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Mark B. Rosenberg', with a stylized flourish at the end.

Mark B. Rosenberg  
Chancellor

cc: Dr. R. E. LeMon  
Mr. Derry Harper