Thank you, Chair Hosseini.

Good morning, and thank you for the opportunity to speak to you about the Performance Funding Model.

I support the model, which includes nationally-accepted standards for judging the quality of higher education.
For this reason, we at UCF are proud of our ranking on the first two administrations of these metrics, tying for first place in 2013 and for third place this year.

At your request, I will discuss several strategies that UCF is employing to improve our performance on these metrics.

[Slide 2: Four Strategies]

This slide lists four strategies that we are employing to improve the quality of education that we offer at UCF. After each strategy are the numbers of the metrics that each strategy impacts.
DirectConnect to UCF guarantees admission to UCF for any student in one of our four partner state colleges who earns an associate’s degree. This program has greatly enhanced our standing on several of the performance metrics.

First, DirectConnect saves students money. They benefit from two years of lower tuition at state colleges, then profit from the resources of a major metropolitan research university during their junior and senior years.

These students also largely account for the increase in our Pell Grant-eligible students in the past five years, from 32 percent to 40 percent of our undergraduates.
Overall, DirectConnect has increased the total number of transfer students at UCF, in round numbers, from 19,000 in 2006 to 29,000 in 2013. And the number of transfer students earning a baccalaureate degree has increased from 2,900 in 2007 to 4,200 in 2013.

Our second strategy to retain students and to move them efficiently to graduation is by means of our award-winning, online course-delivery initiative. Students at UCF can now complete 14 undergraduate degree programs, including all of their general education classes, online.

We did not design this program to recruit online students from outside our service area.
Rather, our online program provides our native students the opportunity to complete classes in a more timely fashion. If students graduate a semester early because of online classes, we estimate they will save more than $10,000.

The effectiveness of this approach is proven by our data: 72 percent of all UCF students take at least one online class, and the percentage of credit hours that are generated by online and blended classes is now 36 percent, and that is increasing by approximately 2 percent each year.

Student success—undergraduate and graduate—has been implicit in the five goals I established at UCF when I arrived as president 1992. During that time, we have moved our one-year retention rate from approximately 75 percent to 87.1 percent, and our six-year graduate rate from 47.8 percent to 67.4 percent.
As for what’s next, I have committed UCF to achieve a 90 percent retention rate and a 70 percent graduate rate in five years, or sooner with additional funding.

We proposed to achieve these goals by a greater reliance on cutting-edge technology. For instance, using the power of big data, we will identify more accurately and more quickly students who are at risk to “drift” through the system, and provide them with effective advising. We will also automate the mapping of degree requirements with class availability and course success rates.

Predictive analytics linked to big data will help us address what is now our biggest challenge in the performance-funding process: metric #9, our students’ generation of excess hours.
We are thoroughly analyzing the causes of excess hours at UCF, and we have begun a number of strategies to limit their number.

We have created an “excess-hours counter” that is now linked to every student’s account. We have also begun to offer small grants to help seniors graduate on-time, thereby taking fewer non-essential classes. And, we are designing a multi-disciplinary STEM major for students who may be unable to complete a STEM degree—chemistry, for instance—but will still be able to use the chemistry hours she or he has earned toward completing a rigorous degree.

UCF has 8,118 graduate students, which is the fourth-largest graduate program in the state. And increasing the number of graduate degrees awarded in areas of strategic emphasis is good for our state, good for Central Florida, and good for UCF.
To this end, UCF recently opened a graduate-student center with high-powered computing and costly, much-in-demand analytical software. Also, eight new degree programs attuned to our area’s STEM needs are in the works. And our graduate dean has convened a group of distinguished faculty members to study doctoral retention issues.

[Slide 3, Florida Consortium and University Alliance]

Academic success at UCF will be helped, I believe, by two recent partnerships that UCF has forged with other institutions of higher learning. The first is an alignment of Florida’s three great metropolitan research universities, and the second is a coalition of national institutions with similar missions.
The Florida Consortium of Metropolitan Research Universities—comprised of FIU, USF, and UCF—together represent

- 47 percent of the total SUS enrollment,
- 54 percent of the state’s undergraduate minority enrollment,
- and 60 percent of the transfer students from state colleges.

The Consortium city-states represent the fourth-largest economy in the nation, behind New York, Los Angeles, and Chicago. And if the Miami, Tampa, and Orlando were a nation, it would comprise the 31st-largest economy in the world, projected to become the 17th-largest by 2040.
The goals of this new alliance are

- to enhance student success,
- to create and exploit synergies,
- to increase efficiencies,
- and to benefit the state’s three largest city-states.

And, the Florida Consortium is off to a promising start. The Helios Education Foundation has funded teams from the three institutions to participate in a national institute.

Also, the schools are supporting the career-readiness of their students by sharing an internship database that will track positions and employers more effectively.
Finally, the Florida Consortium applied to the Board of Governors’ Targeted Educational Attainment Grant Program in each of three proposed areas. And, the Consortium was awarded grants totaling $8.8 million in two of the three areas: information technology and accounting.

UCF’s second partnership is with 10 other leading institutions of higher education from across the nation. [Refer to Slide 3.] The goals of the University Innovation Alliance support the efforts of UCF to excel on the Performance Funding Model. Those goals are

- to provide access to low-income and first-generation students,
- to share and test innovative ideas,
- and to contain costs and reduce student loan indebtedness.
The Alliance has the support of the Lumina Foundation, the Ford Foundation, and the Bill and Melinda Gates Foundation.

Stay tuned!

[Slide 4, Florida At Night]

The inclusion of UCF in the national University Innovation Alliance and its partnership with FIU and USF attest to the increasing importance and influence of Florida’s great cities. The bright lights in this photograph of Florida at night reveal the predominance of our population centers.

The three great urban areas of our state require great research universities to assure their continued well-being. UCF—like FIU and USF—has aligned its programs around the distinctive economic characteristics of its city-state.
Together, these metropolitan areas and their universities form a dynamic alliance that serves the interests of Florida, and they represent:

- nearly two-thirds of Florida’s population,
- almost half of the total SUS enrollment,
- and 70 percent of the state’s minorities.

Through education, our three metropolitan universities prepare our state’s future workers, entrepreneurs, and leaders. Through research, we power Florida’s innovation economy by making new discoveries and earning new patents. And through commercialization of that research, we create new companies, new industries, and a brighter future for all of our people.

[Slide 5, UCF Performance Funding Matrix]
Your performance measures are important tools for our metropolitan research universities. They guide us in how we allocate our resources, assess our performance, and identify areas for improvement. We support this performance-funding model, and I appreciate this opportunity to discuss its implementation at UCF.

Chair Hosseini, Chancellor Criser, and Governors, thank you.