University Funding Formula

November 2023

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Overview

The 2023-2024 General Appropriations Act (Ch. 2023-239, L.O.F.) states:

> The Board of Governors shall develop a university funding formula that provides for the different missions and programs of the universities, and achieves adequate and stable funding. The funding formula should be mission driven, equitable, use data easily obtained at the state or national level and may include components of the existing performance-based funding model. The funding formula should be submitted to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House by November 15, 2023.

The Board of Governors has approved a funding formula that meets all the requirements specified in proviso. The formula has six components grouped into three areas to address the proviso language. All the components recognize the missions of the universities.

- **Performance Based Outputs and Inputs:**
  - ✓ Bachelor Degree production and graduation rates
  - ✓ Freshman FTIC Enrollments and retention rates
- **Equity Based:**
  - ✓ Compares universities to their peer institutions via funding per student
  - ✓ Identifies each university Carnegie classification and compares funding per student to other universities in that Carnegie classification
- **Research and Graduate Degree Outputs:**
  - ✓ Research expenditures and licenses/options produced annually
  - ✓ Graduate expenditures and graduate degrees produced

Funds can be allocated to any or all the components depending on priorities. Anywhere from one component can be used to allocate funds to all six of the components. Funds can be allocated equally or may vary by component depending on priorities. For example, if three components are being used to allocate funds, two components may each be used to allocate 25% of the funds and the other component can be used to allocate the remaining 50% of the funds.

There is also a base allocation option that may or may not be used. Base funds are intended to be split equally between each university.

Component Details

Component 1 – Bachelor Degrees and Graduation Rates

This component focuses on bachelor degree output weighted by 4-year graduation rates. Funding is allocated on a pro-rata share of the weighted degrees calculation. The data used for this component is collected and reported annually in the State University System Annual Accountability Plan.

Component 2 – Freshmen FTIC Headcount and 2nd Year Retention Rates

This component focuses on freshmen headcount weighted by 2nd year retention rates with a GPA above 2.0. Funding is allocated on a pro-rata share of the total weighted headcount. The data used for this component is collected and reported annually in the State University System Annual Accountability Plan.

Component 3 – Total funding per FTE compared to peer institutions

This component focuses on state and tuition revenues per full-time equivalent (FTE) student of five peer institutions for each SUS institution. The peer institutions were identified by each university. The total funding per FTE goal can be changed to any desired percent of the total revenues per FTE of the five peer institutions' average. For example, if a university's funding per FTE student is below their peers average, and the goal is to provide the university funding to meet that average, then the goal is set to the peers average. If a university funding per FTE student is higher than their peer institutions' average, then no additional resources would be allocated.

The averages are reported in IPEDS from each institution. IPEDS is the Integrated Postsecondary Education Data System. IPEDS gathers information from every college, university, and technical and vocational institution that participates in the federal student financial aid programs.[1] This component also utilizes state fundable credit hours information provided in the State University System Expenditure Analysis to calculate FTE students.

Component 4 – Total funding per FTE compared to Carnegie classification institutions

This component focuses on state and tuition revenues per FTE student of the Carnegie class of each SUS institution. The goal can be changed to any desired percent of the total revenues per FTE student of the institutions in the same Carnegie class average as reported in IPEDS. For example, if a university's funding per FTE student is below their Carnegie class average, and the goal is to provide the university funding to meet that average, then the goal is set to the Carnegie class average. If a university funding per FTE student is higher than their Carnegie class average, then no additional resources would be allocated.

This component also utilizes state fundable credit hours information provided in the State University System Expenditure Analysis to calculate FTE students.

[1] IPEDS Integrated Postsecondary Education Data System, "About IPEDS" *https://nces.ed.gov/ipeds/about-ipeds*

Component 5 – Research Expenditures and Licenses/Options Executed

This component focuses on total research expenditures and Licenses/Options Executed annually. The percent of total from each item is averaged to distribute the funding on a pro-rata share. The data used for this component is collected and reported annually in the State University System Annual Accountability Plan.

Component 6 – Graduate expenditures weighted by graduate degrees awarded

This component focuses on graduate expenditures weighted by the percent of SUS total graduate degree output. Graduate degrees do not include medicine, dentistry, pharmacy or veterinary medicine. The data used for this component is collected and reported annually in the State University System Annual Accountability Plan and the State University System Expenditure Analysis.

Excel Summary

Below is a snapshot of the Excel document for the funding formula. This is the summary tab that calculates the appropriated funds. Behind the summary tab are supporting tabs for each of the six components.

2023 STATE UNIVERSITY SYSTEM FUNDING FORMULA PROPOSAL

TOTAL APPROPRIATED FUNDS:	$0 ← E		
FUNDING FORMULA APPROPRIATED FUNDS:	$0 ← D		BASE ALLOCATION: $0 (↑ C)
Component 1 - Bachelor's Degrees & Graduation Rates	$0	20%	
Component 2 - Freshmen Headcount and 2nd Year Retention Rates	$0	20%	
Component 3 - Total funding per FTE compared to peer institutions	$0	15%	
Component 4 - Total funding per FTE compared to Carnegie classification institutions	$0	15%	
Component 5 - Research Expenditures	$0	15%	
Component 6 - Graduate expenditures weighted by graduate degrees awarded	$0	15%	
		100%	

(A – bracket around the six component rows; B – bracket around the percentages)

1	2	3	4	5	6	7	8	9	10	11
Group	Carnegie Class Basic	Institution	Base Allocation	Component 1 - Bachelor's Degrees	Component 2 - Freshmen Headcount and 2nd Year Retention Rate	Component 3 - Total funding per FTE compared to peer institutions	Component 4 - Total funding per FTE compared to Carnegie classification institutions	Component 5 - Research Expenditures and Licenses/Options Executed	Component 6 - Graduate expenditures weighted by graduate degrees awarded	2024-25 Total Appropriated Funds
Doctoral Universities: Very High Research Activity										
	15	FIU	$0	$0	$0	$0	$0	$0	$0	$0
	15	FSU	$0	$0	$0	$0	$0	$0	$0	$0
	15	UCF	$0	$0	$0	$0	$0	$0	$0	$0
	15	UF	$0	$0	$0	$0	$0	$0	$0	$0
	15	USF	$0	$0	$0	$0	$0	$0	$0	$0
Doctoral/Masters Universities										
	16	FAMU	$0	$0	$0	$0	$0	$0	$0	$0
	16	FAU	$0	$0	$0	$0	$0	$0	$0	$0
	16	UNF	$0	$0	$0	$0	$0	$0	$0	$0
	17	FGCU	$0	$0	$0	$0	$0	$0	$0	$0
	18	UWF	$0	$0	$0	$0	$0	$0	$0	$0
Baccalaureate Universities										
	21	NCF	$0	$0	$0	$0	$0	$0	$0	$0
	22	FPOLY	$0	$0	$0	$0	$0	$0	$0	$0
		System	$0	$0	$0	$0	$0	$0	$0	$0

A – The six components are shown here and in columns 5 – 10.

B – These cells are used to weigh each component depending on priority. The percentages can be set to any amount, including zero.

C – The base allocation offers the option to give each university the same amount of funding. The amount input into this section will be spread evenly across all twelve institutions in column 4.

D – The desired funding amount, after the base allocation will be entered into the funding formula appropriated funds section. Once an amount is entered, the rows and columns will then be populated with a distribution for each component and university.

E – This section displays the total appropriated funds to be allocated. This amount adds the base allocation and the funding formula appropriated funds together to display the total amount to be appropriated.

STATE UNIVERSITY SYSTEM OF FLORIDA

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