

Performance Funding Comparison: Arkansas* and Florida

	Arkansas	Florida
Funding Allocated	A productivity index for each institution will be calculated based on the Productivity Funding Model policies. One productivity index will be calculated to represent productivity changes for institutions as a whole and will be used to determine how much new state funding is recommended. Funding recommendations generated by the model will be no more than a 2% growth over the prior year's general revenue funding amount.	For 2017-2018, the current appropriation of \$520 M includes \$245 M for state investment and \$275 M for institutional investment. Florida has not provided funding based on enrollments since 2007-2008. Rather, funding is based primarily on performance and the allocation of dollars towards special university initiatives.
Eligibility	All institutions are eligible for the productivity-based funding.	Starting in 2016-2017, institutions must score 51 points and not be in the bottom three to be eligible for new funding. For fiscal years 2014-2015 and 2015-2016, universities were required to score 26 points or more and not be in the bottom three to be eligible for new funds.
Guiding Principles	<ol style="list-style-type: none"> 1. Model should place at its center students and students' needs 2. Model should focus on completion 3. Model should provide incentives for cross-institutional collaboration 4. Model should respect and be responsive to the diverse set of missions represented by each institution 5. Model should maintain clarity and simplicity 6. Model should be adaptable 7. Model should support financial stability 	<ol style="list-style-type: none"> 1. Use metrics that align with SUS Strategic Plan goals 2. Reward excellence or improvement 3. Have a few clear, simple metrics 4. Acknowledge the unique mission of the different institutions
Metrics	<p>Summary of Measures:</p> <p>Effectiveness</p> <ul style="list-style-type: none"> ❖ Credentials ❖ Progression ❖ Transfer Success ❖ Gateway Course Success <p>Affordability</p> <ul style="list-style-type: none"> ❖ Time to Degree ❖ Credits at Completion <p>Adjustment</p> <ul style="list-style-type: none"> ❖ Research (4-year only) <p>Efficiency</p> <ul style="list-style-type: none"> ❖ Core Expense Ration ❖ Faculty to Administrator Salary Ratio 	<p>10-Metric Model:</p> <ol style="list-style-type: none"> 1. Percent of Bachelor's Graduates Employed (\$25,000+) and/or Continuing their Education Further 1 year after graduation 2. Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation 3. Net Tuition and Fees per 120 Credit Hours 4. Six Year Graduation Rate (Full-time and Part-time FTIC) 5. Academic Progress Rate (2nd Year Retention with GPA Above 2.0) 6. Bachelor's Degrees Awarded in Areas of Strategic Emphasis (includes STEM) 7. University Access Rate (Percent of Undergraduates with a Pell-grant) 8. (8a) Master's Degrees Awarded in Areas of Strategic Emphasis (includes STEM) (NCF Excluded) (8b) Freshman in Top 10% of Graduating High School Class (NCF Alternative Metric) 9. Board of Governors Choice 10. Board of Trustees Choice

Weighting and Improvement Scores	Effectiveness 80% Affordability 20% Adjustments and Efficiency +/- 2%	<p>Presently the Florida 10-Metric Model is not weighted but the Board reserves the option to weight specific metrics such as the Six Year Graduation Rates and the Academic Progress Rate.</p> <p>Improvement points are determined after reviewing data trends for each metric. If the improvement score is higher than the excellence score, the improvement points are counted. This can result in a university scoring lowest in one metric but getting the most points for that metric because of their improvement in the metric.</p>
Institutional Control	Arkansas institutions do not have control over appropriation levels and institutions can control performance on outcomes within reason.	Florida institutions also do not have control over appropriation levels and institutions can control performance on outcomes within reason. However, the Florida 10-Metric Model does give institutions some control given that there is a metric chosen by institutional boards as part of the model.

* The 2017 Arkansas Legislature repealed the needs-based and outcome-centered funding formulas as prescribed in previous Arkansas Code and created a new productivity-based funding model. The new law directs the Arkansas Higher Education Coordinating Board to adopt polices developed by the Department of Higher Education necessary to implement a productivity-based funding model for state-supported institutions of higher education.

[https://static.ark.org/eeuploads/adhe/ADHE_Policy - 12-2018 for WEB.pdf](https://static.ark.org/eeuploads/adhe/ADHE_Policy_-_12-2018_for_WEB.pdf)

<http://www.adhe.edu/data-publications/higher-education-policies/>

<http://www.adhe.edu/institutions/institutional-finance/higher-education-funding>

<http://www.arkleg.state.ar.us/assembly/2017/2017R/Acts/Act148.pdf>

<http://www.adhe.edu/publications/details/2017-summary-of-higher-education-legislation>