



# **2021-2022 Performance-Based Funding**

**Brian Lamb, Chair Budget & Finance Committee**

**November 5, 2020**

**[www.flbog.edu](http://www.flbog.edu)**

# Discussion Topics



1. Senate Bill 72 added 2 new metrics:
  - a. 2-year graduation rate for associate in arts transfer student
  - b. 6-year graduation rate for students who are awarded a Pell Grant in their first year
2. Strategic Plan updates to 2 existing metrics:
  - a. Metric 1 – Percent of Bachelors Graduates Employed (earning \$25,000+) or Enrolled 1 Year after Graduation
  - b. Metric 4 - Four-year Graduation Rate (Full-time FTIC)
3. Florida Polytechnic – Metric 10 Benchmarks

# Performance Funding Metrics



## 1001.92 - State University System Performance-Based Incentive

(1) A State University System Performance-Based Incentive shall be awarded to state universities using performance-based metrics adopted by the Board of Governors of the State University System. Beginning with the Board of Governors' determination of each university's performance improvement and achievement ratings, and the related distribution of annual fiscal year appropriation, the performance-based metrics must include:

- (a) The 4-year graduation rate for first-time-in-college students; (METRIC 4)
- (b) Beginning in fiscal year 2021-2022, the 2-year graduation rate for associate in arts transfer student; (NEW)
- (c) Retention rates; (METRIC 5)
- (d) Postgraduation education rates; (METRIC 1)
- (e) Degree production; (METRIC 6 AND 8)
- (f) Affordability; (METRIC 3)
- (g) Postgraduation employment and salaries, including wage thresholds that reflect the added value of a baccalaureate degree; (METRIC 1 AND 2)
- (h) Access rate, based on the percentage of undergraduate students enrolled during the fall term who received a Pell Grant during the fall term; and (METRIC 7)
- (i) Beginning in fiscal year 2021-2022, the 6-year graduation rate for students who are awarded a Pell Grant in their first year. (NEW)



## Possible metrics to replace in the model:

- **Metric 8:** Graduate Degrees Awarded in Areas of Strategic Emphasis (8a - Freshman in Top 10% of Graduating HS Class – NCF & FL Poly)
  - Leaving metric 6 in the model will satisfy the statutory requirement for a degree production metric
  - Most universities are consistently scoring high on this metric
- **Metric 9:** Board Choice, Percent of Bachelor's Degrees without Excess Hours
  - Not a statutory requirement
  - Most universities are consistently scoring high on this metric
  - This metric is related to metrics 3 (Cost to the Student) and 4 (Four Year Graduation Rate)
- **Metric 10:** BOT Choice
  - Not a statutory requirement
  - Most universities are consistently scoring high on this metric
  - One of the original four guiding principles was to 'Acknowledge the unique mission of the different institutions.'

Recommendation: Replace Metric 9 with the two new metrics. Each metric will be worth 5 points.

# New Metric: Two-year graduation rate for FCS associate in arts transfer student



## Most Recent Data:

	FAMU	FAU	FGCU	FIU	FL Poly	FSU	NCF	UCF	UF	UNF	USF	UWF	SUS Avg
2016-18 Data	41%	40%	41%	42%	0%	53%	25%	32%	40%	41%	43%	32%	40%
2017-19 Data	34%	40%	43%	46%	10%	56%	42%	33%	42%	43%	41%	31%	41%
Improvement	-8%	0%	2%	4%	10%	3%	17%	1%	3%	3%	-1%	-1%	1%

## Proposed Excellence Benchmarks:

Points	5	4	3	2	1
increments of 5%	50%	45%	40%	35%	30%

The Strategic Plan currently does not have a two-year graduation rate goal for FCS transfer students.

## Proposed Improvement Scale:

Points	5	4	3	2	1
increments of 1%pt	5%	4%	3%	2%	1%

Recommendation: Implement the above benchmarks and improvement scale. Improvement will be based on a review of year over year data.

# New Metric: Two-year graduation rate for FCS associate in arts transfer student



New College and Florida Polytechnic have small 'Florida College System AA Transfer' cohorts.

- When an institution reaches a minimum cohort size (of 25) for three years in row, then the institution can be evaluated based on a single cohort. Until then, any institution with a small cohort will be evaluated based on the performance from the last three cohorts.

FL Poly Cohort Sizes:

Cohort Year	Cohort Size	3Yr Rolling Cohort Size
2014-15	32	.
2015-16	21	.
2016-17	16	69
2017-18	31	68
2018-19	24	71

NCF Cohort Sizes:

Cohort Year	Cohort Size	3Yr Rolling Cohort Size
2014-15	17	.
2015-16	12	.
2016-17	16	45
2017-18	12	40
2018-19	11	39

Committee Recommendation: Implement proposed rule for universities with small cohort sizes.

# New Metric: Six-year graduation rate for students who are awarded a Pell Grant in their first year



## Most Recent Data:

	FAMU	FAU	FGCU	FIU	FL Poly*	FSU	NCF	UCF	UF	UNF	USF	UWF	SUS Avg
2012-18 Data	48%	52%	44%	58%		79%	60%	70%	86%	54%	70%	36%	68%
2013-19 Data	51%	51%	47%	60%		81%	62%	69%	86%	60%	70%	39%	70%
Improvement	3%	-1%	3%	2%		2%	2%	-1%	-1%	6%	1%	3%	2%

\*the first year FL Poly will have a 6yr Pell FTIC rate is 2018-24 that will be reported in 2025; FL Poly will have an alternative metric

## Proposed Excellence Benchmarks:

Points	5	4	3	2	1
increments of 5%	80%	75%	70%	65%	60%

The Strategic Plan's goal for six-year graduation rates is 80%.

## Proposed Improvement Scale:

Points	5	4	3	2	1
increments of 1%pt	5%	4%	3%	2%	1%

Recommendation: Implement the above benchmarks and improvement scale. Improvement will be based on a review of year over year data.

# Florida Polytechnic University – alternative metric



## Proposed Metric: **Academic Progress Rate, 2nd Year Retention for FTIC with a Pell-grant**

Most Recent Data:

	FL Poly	SUS Avg
PELL	66.7%	86.7%
NO PELL	64.9%	87.1%
TOTAL	65.4%	86.9%
Difference	1.8%	-0.5%

Proposed Excellence Benchmarks:

Points	5	4	3	2	1
increments of 1%	90%	88%	87%	86%	85%

The Strategic Plan's goal for 2<sup>nd</sup> Year Retention rate is 90%.

Proposed Improvement Scale:

Points	5	4	3	2	1
increments of 1%pt	5%	4%	3%	2%	1%

Recommendation: Implement the proposed alternative metric, benchmarks and improvement scale for FL Poly until they have a 6-year graduation rate for Pell-grant students. Improvement will be based on a review of year over year data.



# Metric 1 – Percent of Bachelors Graduates Employed (earning \$25,000+) or Enrolled 1 Year after Graduation



## Most Recent Data:

	FAMU	FAU	FGCU	FIU	FPU	FSU	NCF	UCF	UF	UNF	USF	UWF	SUS Avg
Excellence	65.6%	68.4%	70.2%	70.9%	67.5%	68%	65.3%	69.1%	71.8%	70.5%	71.6%	73.2%	70.1%
Improvement	1.7%	0.2%	1%	2.7%		2%	12.3%	1.7%	0.5%	0.6%	1.2%	4%	1.8%

## Current Benchmarks:

Points	10	9	8	7	6	5	4	3	2	1
increments of 2.3%	72.8%	70.5%	68.3%	66.0%	63.7%	61.4%	59.2%	56.9%	54.6%	52.3%

## Proposed Updated Metric:

### Percent of Bachelors Graduates Employed (earning \$30,000+) or Enrolled 1 Year after Graduation

## Proposed Benchmarks:

Points	10	9	8	7	6	5	4	3	2	1
increments of 3%	80%	77%	74%	71%	68%	65%	62%	59%	56%	53%

The Strategic Plan's goal for this metric is 80%.

Recommendation: No changes to Metric 1 for at least 1 year.

# Metric 4 – Four-year Graduation Rate (Full-time FTIC)



## Most Recent Data:

	FAMU	FAU	FGCU	FIU	FPU	FSU	NCF	UCF	UF	UNF	USF	UWF	SUS Avg
<b>Excellence</b>	27.7%	37.4%	35.7%	42.8%	39.5%	69.5%	57.9%	46.3%	70.9%	44.6%	59.4%	34.8%	55.1%
<b>Improvement</b>	5.2%	3.5%	6.9%	3.9%		-2.0%	2.2%	0.6%	3.6%	6.0%	0.8%	3.5%	2.4%

## Current Benchmarks:

Points	10	9	8	7	6	5	4	3	2	1
<b>increments of 2.3%</b>	50%	48.8%	47.5%	46.3%	45%	43.8%	42.5%	41.3%	40%	38.8%

## Proposed Benchmarks:

Points	10	9	8	7	6	5	4	3	2	1
<b>increments of 3%</b>	65%	62%	59%	56%	53%	50%	47%	44%	41%	38%

The Strategic Plan's goal for this metric is 65%.

Recommendation: No changes to Metric 4 for at least 1 year.



## Metric 10.L – Percent of Bachelor Degree Graduates with 2+ Workforce Experiences

Most Recent Data:

2018-19	2019-20*	2020-21*	2021-22*	2022-23*	2023-24*
73.2	75	77	78	78	78

*\*Proposed Goals*



Proposed Benchmarks:

Points	10	9	8	7	6	5	4	3	2	1
increments of 2%	79%	77%	75%	73%	71%	69%	67%	65%	63%	61%

Proposed Improvement Scale:

Points	10	9	8	7	6	5	4	3	2	1
increments of 1%pt	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%	1.0%	0.5%

Recommendation: Implement the proposed benchmarks.

# Recommendation Summary



1. Replace Metric 9 – Board of Governors Choice Metric on Excess Hours with 2 new metrics each worth 5-points, thus keeping the model at 100 points total:
  - a. 2-year graduation rate for associate in arts transfer student
    - a. For FL Poly and New College use a 3-year cohort to smooth out volatility in their numbers until they graduate at least 25 students a year for 3 consecutive years.
  - b. 6-year graduation rate for students who are awarded a Pell Grant in their first year
    - a. For FL Poly use Pell Grant Retention rate until 6-year graduation rate data is available.
2. Delay adjustments based on Strategic Plan updates to Metric 1 and 4 and revisit next year:
  - a. Metric 1 – Percent of Bachelors Graduates Employed (earning \$25,000+) or Enrolled 1 Year after Graduation
  - b. Metric 4 - Four-year Graduation Rate (Full-time FTIC)
3. Approve Florida Polytechnic – Metric 10 Benchmarks



# **2020-2021 University Carryforward Spending Plan**

**Brian Lamb, Chair Budget & Finance Committee**

**November 5, 2020**

**[www.flbog.edu](http://www.flbog.edu)**

# E&G and Carryforward Funds



- Education & General (E&G) Funds – State appropriations and student tuition that supports instruction, research and public service operations of the university.
- Carryforward Funds – unspent E&G funds from a given year that are carried forward into the next year. Funds can accumulate over many years.

# Section 1011.45 Florida Statute



- Any balance above 7% must have a spending plan that includes the estimated cost per planned expenditure and a timeline for completion of the expenditure.
- A university may only spend the minimum carryforward balance of 7% if a demonstrated emergency exists and the plan is approved by the Board of Trustees and Board of Governors.
- Spending plans must be approved by the Board of Trustees (Sept. 30) and Board of Governors (Nov. 15).

# Section 1011.45 Florida Statute



Authorized expenditures include:

- Operating expenditures that support the university mission.
- Operating expenditures that are nonrecurring.
- Commitment of funds to a Public Education Capital Outlay (PECO) project for which an appropriation has previously been made.
- Completion of a renovation, repair, or maintenance project up to \$5 million per project and replacement of a minor facility that does not exceed 10,000 GSF in size up to \$2 million.
- Completion of a remodeling or infrastructure project, including a developmental research school, up to \$10 million per project.
- Completion of a repair or replacement project necessary due to damage caused by a natural disaster for buildings included in the building inventory.
- Any purpose specified by the board or General Appropriations Act.
- A commitment of funds to a contingency reserve for expenses incurred as a result of a state of emergency declared by the Governor pursuant to s. 252.36.



# Benefits & Uses of Carryforward Funds



- Supports bond credit ratings.
- Funds to invest in leading priorities such as start-up packages for world-class faculty, student financial aid, and other student success strategies.
- Allows the university to address growing deferred maintenance since no PECO maintenance funds have been provided the last two years.
- Funds core assets not included in the budget, i.e. ERP system updates, electric grid infrastructure, utility systems, technology updates.
- Provides a source of funding if revenue is interrupted due to a major unforeseen event. A semester's worth of carryforward is prudent.
- Fosters long-range financial planning and stewardship versus the "use-it-or-lose-it" mentality.

# University Carryforward Spending Plans Summary



- The July 1, 2020 Beginning Carryforward Balance of \$1.26 B includes the following:
  - \$356 M for the 7% Statutory Reserve
  - \$109 M in Encumbrances
  - \$245 M for Faculty Start-up Packages
  - \$145 M for Repair/Maintenance/Renovation of Facilities
  - \$80 M for Information Technology
  - \$56 M for COVID-19
  - \$46 M Restricted by Appropriation
  - Examples of other planned expenditures include; student financial aid, libraries, safety and security, retention efforts



[www.flbog.edu](http://www.flbog.edu)