

Performance Funding Comparison: Arkansas and Florida

| | Arkansas | Florida |
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| Funding Allocated | <p>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.</p> | <p>For FY 2021-2022, the current appropriation of \$560 million includes \$265 million for state investment and \$295 million for institutional investment.</p> <p>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.</p> |
| Eligibility | <p>All institutions are eligible for the productivity-based funding.</p> | <p>All institutions are eligible to receive performance funding. A university must score 60-points or higher on a 100-point scale to be eligible for their portion of the institutional investment. A university must score 70-points or higher and their score may not decrease for two consecutive years for their portion if the state investment.</p> |
| Guiding Principles | <ol style="list-style-type: none"> 1. Student Centered: The model should place at its center students and students' needs including both access to and completion of meaningful and quality post-secondary learning. 2. Outcomes: The model should focus on completion, and particularly on completions of underserved and at-risk students and completions in areas of need by the state and industry. 3. Collaboration: The model should provide incentives for cross-institutional collaboration and reward the successful transitions. 4. Supporting Institutional mission: The model should respect and be responsive to the diverse set of missions represented by each public institution of higher education. 5. Formula structure: The model should maintain clarity and simplicity. 6. Flexibility: The model should be adaptable in the face of a dynamic institutional and external environment. 7. Stability and transition: The model should support short-, mid- and long-term financial stability of the public institutions of higher education, while focusing attention on outcomes and the goals of the state. | <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. |

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| Metrics | Summary of Measures: Effectiveness ❖ Credentials ❖ Progression ❖ Transfer Success ❖ Gateway Course Success Affordability ❖ Time to Degree ❖ Credits at Completion Adjustment ❖ Research (4-year only) Efficiency ❖ Core Expense Ratio ❖ Faculty to Administrator Salary Ratio | 10-Metric Model: 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. Four-Year Graduation Rate (Full-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 and FL Poly Alternative Metric) 9. (9a) Two-Year Graduation Rate for FCS Associate in Arts Transfer Students (9b) Six-Year Graduation Rate for Students who are Awarded a Pell Grant in their First Year (9b1) Academic Progress Rate, 2 nd Year Retention for FTIC with a Pell Grant (FL Poly alternative metric) 10. Board of Trustees Choice |
| Weighting and Improvement Scores | Effectiveness (80%) ❖ Credentials (32%) ❖ Progression (24%) ❖ Transfer (12%) ❖ Gateway Course Success (12%) Affordability (20%) ❖ Time to Degree (10%) ❖ Credits at Completion (10%) Research Adjustment The research adjustment will be recognized by adjusting the comparative year productivity index score of an institution by the three-year average percentage of expenditures on research. Efficiency (+/- 2%) ❖ Core Expense Ratio ❖ Faculty to Administrator Salary Ratio | Presently the Florida 10-Metric Model is not weighted but the Board reserves the option to weight specific metrics in the future. 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. |
| Institutional Control | Arkansas institutions do not have control over appropriation levels and institutions can control performance on outcomes within reason. | Florida institutions 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. Institutions are also included in yearly discussions held to improve the Performance Funding Model. |

Note: 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 policies developed by the Department of Higher Education necessary to implement a productivity-based funding model for state-supported institutions of higher education.

<https://www.adhe.edu/institutions/productivity-funding/>

[https://static.ark.org/eeuploads/adhe/Productivity_Funding_Policy - Universities \(April 2020\).pdf](https://static.ark.org/eeuploads/adhe/Productivity_Funding_Policy_-_Universities_(April_2020).pdf) (last updated May 27, 2020)

https://static.ark.org/eeuploads/adhe/Productivity_Funding_Distribution_Policy1.pdf (last updated October 20, 2017)

Arkansas Code Title 6, Chapter 61, Subchapter 2 (6-61-234) relating to Productivity-based funding model can be found here:

<https://advance.lexis.com/container?config=00JAA3ZTU0NTIzYy0zZDEyLTRhYmQtYmRmMS1iMWIxNDgxYWxZTQKAFBvZENhdGFsb2cubRW4ifTiw5vLw6cl1uX&crd=64bfba80-f333-4f60-84cc-f5063e8a0a5a>