MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Performance-Based Funding (PBF) Workshop
September 10, 2025

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https://thefloridachannel.org/videos/9-10-25-florida-board-of-governors-meeting/

1. Call to Order and Opening Remarks

Governor Jones convened the meeting at 3:00 p.m. with the following Governors present: Lamb, Levine, Bell, Barnett, Cerio, Dale, Dunn, Frost, Haddock, Jones, Kamoutsas, and Renner. A quorum was established.

2. Performance-Based Funding Workshop

Governor Levine began the workshop discussion by highlighting the importance of assessing the strengths of Performance-Based Funding (PBF) and identifying areas for improvement while continuing to raise performance across all universities. Governor Levine noted the updated framework should align with the metrics and goals of the SUS 30 Strategic Plan. He stated the Budget and Finance Committee is scheduled to consider proposed changes in November 2025.

Governor Levine reported that the foundation of PBF must remain committed to targeting student success, recognizing the System's progress over the past decade. He commented that the System's progress has been driven by setting higher expectations, referencing impressive advancements such as the University of South Florida's medical school ranking first in Florida and among the nation's best. He encouraged continued collaboration and a robust discussion.

Chair Jones recognized Ms. Emily Sikes, Vice Chancellor of Academic and Student Affairs, and Ms. Sarah deNagy, Assistant Vice Chancellor of Finance and Administration, to provide an overview of PBF changes to the Board.

Ms. Sikes explained that some PBF metrics are specifically defined in statute, while others are defined by the Board. Ms. Sikes stated that staff have modeled scenarios using data from the current accountability plan, as statute requires decisions to be based on the most recently approved data.

Ms. Sikes stated that staff had worked with Chancellor Rodrigues to identify key areas for discussion based on previous Board conversations and updates to the SUS 30 Strategic Plan. Ms. Sikes reported that the first group of metrics under review relates to those where the current benchmarks do not align with the ambitious goals established in the SUS 30 Strategic Plan.

Ms. deNagy reviewed PBF 1, noting that the SUS 30 Strategic Plan goal has been raised to 85 percent. She explained that the ten-point benchmark has been set to align with this goal, with increments between benchmarks maintained at three percent, consistent with prior methodology. Ms. deNagy commented that universities are currently performing well on this metric and stated that, as with prior changes, scores would be normalized in the first year to prevent point losses.

Governor Dunn expressed concern about the measurement timeline, noting that some graduates in high-achieving fields may take a year after graduation to pursue activities such as preparing for professional exams.

Ms. Sikes stated that employment and wage outcomes are currently available in the MyFloridaFuture database at one, five, and ten years after graduation, but not at two years. She explained that obtaining two-year data would require a request to Florida Commerce and noted that it could provide useful context in evaluating whether measurement timelines impact results. Ms. Sikes commented that the goal is to measure whether graduates are securing good-paying jobs. She indicated that Board staff would work to provide a statewide comparison of one and two-year outcomes prior to the November 2025 meeting.

Mr. Troy Miller, Chief Data Officer, reported that staff requested and reviewed data on wages three years after graduation through the MyFloridaFuture tool, mentioning that average wages were approximately $10,000 higher than one year post-graduation. He explained that while additional years provide valuable context, the farther out the data is collected, the older it becomes for use in PBF reviews.

Mr. Miller stated that employment and wage outcomes are not survey-based but are derived from unemployment insurance wage records provided by Florida Commerce, which track full-time employment within a year of graduation. He commented that this method ensures reliable data and that the Board could consider options such as maintaining one-year outcomes while incorporating later wage increases into a total scoring approach.

Ms. deNagy reported that PBF 2, which measures the median wages of graduates with bachelor's degrees employed full-time one year after graduation, has a new strategic plan goal of $60,000. Ms. deNagy noted that staff modeled the 10-point benchmark at $60,000 while maintaining the same structure as before.

Governor Levine stated that graduates from preeminent universities often work in higher-paying markets, while regional university graduates tend to stay in their local geographical areas, where lower wages are more commonplace. He suggested that the Board consider setting different benchmarks for preeminent and regional universities to ensure fairness.

Chancellor Rodrigues commented that, unlike in 2014 when PBF funding was first implemented, the Board now has more than a decade of data to direct future improvements. Chancellor Rodrigues explained that this evidence shows institutional outcomes often vary by Carnegie classification and suggested that benchmarks could be adjusted to institutional progress while still advancing strategic goals. He added that this approach would position the System to reach its established goals over a five-year period.

Governor Levine stated that regional universities design programs to meet local workforce needs and should not be penalized for producing outcomes different from those of preeminent institutions. He noted that performance expectations should reflect the role of each university in serving its individual community.

Governor Cerio asked university presidents to assist the Board in developing a balance, recognizing regional workforce differences, while setting lofty goals to entice higher-paying employers. He noted that various law schools are moving from regional to national firms as an example and emphasized the importance of ensuring that taxpayer investments in students produce successful returns and retain workforce talent within the state.

Board Chair Lamb noted that the university's accountability plan provides five years of university-specific data with actual results and projections. He suggested that PBF could be more closely tied to these plans to strengthen accountability, observing that universities sometimes lower goals without consequence. He commented that linking accountability plans to PBF could provide better oversight.

Ms. deNagy reported that PBF 5, the second-year retention rate with a GPA above 2.0, has a higher goal under the new strategic plan. She explained that the System was already close to the previous goal and noted that the 10-point benchmark was raised to align with the new goal. She added that the increments between benchmarks were adjusted to one percentage point each.

Ms. Sikes reported that Programs of Strategic Emphasis are included in metrics 6 and 8 of PBF. She stated that the Board approved a revised list in fall 2023, as required by statute, and has to review and make any necessary updates to the list every three years. The new list, which reduced the number of programs to focus on critical state workforce needs, will first be reflected in the 2026 accountability plan. Ms. Sikes noted that universities provided input to address regional needs, resulting in the addition of about 20 programs.

Governor Bell Barnett commented on the importance of incorporating workforce initiatives and micro-credentialing into the metric system. She noted that students enter higher education at different points and stressed the need to ensure they are equipped with both degrees and skills that can immediately impact the state workforce.

Ms. deNagy reported that staff recommend a 45 percent goal for undergraduate degrees in Programs of Strategic Emphasis, with 2.5 percent increments between benchmarks. She also noted that PBF 8A, which measures graduate degrees in Programs of Strategic Emphasis, uses the same method, with staff recommending a 10-point benchmark of 50 percent.

Ms. Sikes noted that the only graduate-level PBF metric currently in place is Programs of Strategic Emphasis. She reported that staff had modeled an additional option that would utilize wage outcomes for graduate programs, as employment and median wage data are not currently tracked at that level. Ms. Sikes noted that this would be an innovative approach and could be offered as a potential future option.

Ms. Sikes referenced PBF 4 and stated that SUS 30 sets a higher goal for the four-year graduation rate. The Board has provided some feedback at the last few meetings, asking staff to review potential changes to the methodology related to engineering students. She noted that most SUS engineering programs now require 128 credit hours, mirroring the nation's top programs.

Ms. Sikes noted that two bachelor's programs in architecture, at Florida Agricultural & Mechanical University and Florida Atlantic University, require higher credit hours because of their design, while most other architecture programs are offered at a master's level. She mentioned that beyond engineering and architecture, only a few programs in education and the performing arts remain above 120. Ms. Sikes stated that universities have largely succeeded in bringing programs down to the 120-credit-hour standard.

Board Chair Lamb stated that the recommendation to adjust PBF 4 stemmed from the impact of programs exceeding 120 credit hours. He commented that the proposal was raised at the request of universities and asked whether the adjustment should remain focused on engineering or be expanded to include general education requirements or other programs.

Governor Dunn emphasized the importance of maintaining program quality in engineering and supported allowing 128 credit hours to ensure rigorous preparation. She also suggested reviewing data on students engaged in internships or other high-impact practices to determine whether they should receive consideration for additional time to complete their degree.

Chancellor Rodrigues stated that full-time internships should be encouraged, referencing strong employment outcomes that justify excluding them from the graduation rate measure. He emphasized that 128 credit hours is the national standard for engineering programs and warned against penalizing state universities for following that trend. He added that the exception should apply to engineering and not all degree programs.

Governor Levine raised the issue of easing the constraints of general education, noting that some courses may not align with students' career pathways or develop the necessary skills. He acknowledged the importance of aligning general education more closely with areas experiencing employment shortages, such as healthcare finance, and observed that many graduates lack strong writing and communication skills. Governor Levine suggested reviewing the 36-hour general education requirement to make sure it supports workforce needs.

Ms. Sikes explained that staff reviewed a methodology change for PBF 4 to account for students who transfer between universities within the SUS, so institutions are not penalized when these students graduate from another institution.

Ms. deNagy presented a scenario for PBF 4, in which the ten-point benchmark is raised to the new strategic plan goal, with three percent increments maintained. She noted that this also shows the adjusted rate mentioned by Ms. Sikes and reiterated the fact that benchmarks may be changed by the Board.

Governor Dunn suggested using cluster analysis to group universities with similar missions. She noted that institutions such as the University of Florida, Florida State University, University of South Florida, and the University of Central Florida may line up with one group, while others like Florida Atlantic University, Florida Gulf Coast University, University of North Florida, and the University of West Florida may form another. Governor Dunn also stated that clustering would allow comparable institutions to set benchmarks collectively, rather than each institution developing different standards.

Board Chair Lamb suggested developing examples that use institution-specific data. He noted that while the Systemwide goal remains the four-year graduation rate, the Board would have to define what realistic progress looks like for each institution over the next three to five years.

Ms. Sikes stated that staff reviewed ways to account for SUS transfer students if they are removed from the four-year graduation rate under PBF 4. She explained that one option is to add these students to the FCS AA transfer graduation rate. Ms. Sikes included the option of creating a combined measure that captures both FCS and SUS transfers on the same timeline.

Governor Dunn noted that AA transfer students vary widely in profile, with some resembling traditional first-time-in-college (FTIC) students and others working full-time while attending part-time.

Chancellor Rodrigues mentioned that the three-year graduation rate for FCS transfer students is set in statute and can only be changed by the legislature. He explained that while universities often establish pathway programs with nearby FCS institutions, statute guarantees admission to a SUS institution for any student who earns an associate's degree, regardless of GPA.

Ms. Sikes reviewed PBF 3 on affordability, noting that the measure of student cost often results in negative numbers and is difficult to communicate to outside stakeholders. She commented that Florida ranks first nationally for affordability and that it remains an important statutory priority. Ms. Sikes also reported that staff modeled scenarios focused on affordability for the student.

Governor Levine stated that affordability is defined in statute and currently measured through PBF 3, which is the average cost to the student. He suggested that the Board consider metrics that advocate affordability for taxpayers, noting that Florida's ability to keep tuition low has relied heavily on the support of the Florida Legislature. Governor Levine commented on the value of crafting measures, such as the cost per student and the cost to taxpayers, to ensure long-term success.

Governor Dunn agreed that affordability should be viewed from both the student and taxpayer perspectives. She noted that educating students in fields such as engineering carries higher costs than other majors and suggested that affordability metrics could also reflect return on investment. Governor Dunn proposed considering a combined measure of cost and post-graduation earnings to capture both the cost of education and the benefits to students and taxpayers. She noted that affordability metrics should reflect the broader value of degrees, extending beyond just salaries. She referred to fields such as social work and public service, where some graduates may earn less but provide benefits to the state by strengthening communities and reducing long-term community costs.

Governor Dale stated that affordability extends beyond tuition and associated fees, highlighting the fact that housing costs in surrounding communities are a significant driver of student expenses. He suggested collecting data on local housing markets and exploring ways universities might help reduce these costs to support student affordability.

Board Chair Lamb acknowledged the importance of affordability and agreed with Governor Dale’s point on housing, noting the link between on-campus housing availability, off-campus costs, and student success. He stated that staff could provide context on university housing plans and market conditions. Board Chair Lamb commented that while the main point of the affordability metric is sound, the current scenarios do not account for differences in institutional resources or student demographics. He encouraged looking into data-driven and AI-informed approaches to improve the metric and ensure consistent outcomes across all institutions.

Governor Levine noted the challenges in defining affordability, emphasizing that return on investment should be considered for both students and taxpayers. He observed that some degree programs may not align with workforce demand, creating a gap between graduate output and job opportunities. Governor Levine stated that clearer data is needed to ensure resources are given to programs that meet industry needs.

Governor Good addressed the importance of advising students on the relationship between their chosen majors, future career paths, and debt. He noted that income outcomes may not always reflect long-term success, citing examples such as English majors preparing for law school, and emphasized the need for stronger guidance to help students make informed decisions.

Ms. Sikes noted that the MyFloridaFuture tool provides students and parents with data on loans and earnings by program, allowing them to compare debt and income outcomes. She explained that while the data is aggregated and may not capture all details, it was designed to support informed decision-making about majors and career paths.

Ms. deNagy stated that PBF 7 and 9b are required by statute, with PBF 7 differing from the strategic plan in that it measures all undergraduates rather than only FTIC students. Ms. deNagy added that PBF 8b applies specifically to New College and may be viable for revision.

Ms. deNagy noted that all universities are currently scoring the maximum on PBF 10 and explained that it has been five years since boards of trustees were last asked to reevaluate any measures. She presented that the Board may consider providing a menu of options for this metric, including faculty excellence, undergraduate internships, private giving, and research, all of which are aligned with the SUS 30 Strategic Plan.

Governor Jones included that PBF 10 has become automatic, with all universities consistently earning full points in this section. He recognized the need for revisions that keep the metric obtainable and invited university presidents to provide input on potential changes.

Governor Levine added that while universities have set solid stretch goals for PBF 10 in the past, not all have directly advanced the SUS 30 Strategic Plan. He noted that future board of trustees metrics should align with the plan's priority areas. Governor Levine asked institutions to identify where they would like to work toward higher standards and use those areas as the foundation for PBF 10.

He stated that he would like to have any required or proposed changes to PBF metrics for the 2025-2026 ready to be considered for approval by the November 2025 Board meeting.

Commissioner Kamoutsas addressed the Board and spoke about the tragedy relating to Charlie Kirk.

3. Concluding Remarks and Adjournment

Having no further business, Board Chair Lamb adjourned the meeting at 5:00 p.m.

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Brian Lamb, Board Chair

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Tyler Aldinger, Associate Director, ASA