

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Performance-Based Funding (PBF) Workshop
November 5, 2025

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<https://thefloridachannel.org/videos/11-5-25-florida-board-of-governors-meeting/>

1. Call to Order and Opening Remarks

Governor Levine convened the meeting at 3:31 p.m. with the following Governors present: Lamb, Levine, Bell Barnett, Broxson, Cerio, Dale, Dunn, Good, Haddock, Jones, Kamoutsas, Lydecker, and Renner. A quorum was established.

2. Performance-Based Funding Workshop

Governor Levine opened the discussion by noting the alignment required between the Performance-Based Funding Model (PBF), the SUS 30 Strategic Plan, and the budget. He stated that this is the Board's second workshop in two months and recalled that staff presented several potential updates to the model at the September meeting. He noted that the Board requested further development of those items following that discussion.

Governor remarked that feedback from Board members, university leaders, and staff emphasized the need to avoid unintended consequences in any revisions. He stated that the Board may use a parallel approach, which keeps the current model in place while testing PBF Model 2.0 with live data, allowing adequate time to evaluate changes before implementation.

Governor Jones expressed appreciation for the preparation of the workshop materials and stated that Ms. Emily Sikes, Vice Chancellor for Academic and Student Affairs, would review the development and rationale behind the proposed options.

Governor Jones encouraged an open and interactive discussion, welcoming input from university presidents as the Board considers potential changes to the Performance-Based Funding Model.

Chancellor Rodrigues stated that staff conducted the PBF review based on the Board's direction from prior meetings. He identified the Board's three priorities for the refresh: aligning the model with the updated SUS 30 Strategic Plan, strengthening metrics that have become too easily attainable, and raising expectations to support continued improvement in student outcomes. Chancellor Rodrigues emphasized that all recommendations comply with Florida Statutes, noting that while some benchmarks and elements may be adjusted, several metrics are defined in law and must remain unchanged.

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

Ms. Sikes provided an overview of the work completed since the September workshop. She noted that staff met with university leaders throughout October to collect input, which informed the development of PBF Model 2.0. She explained that the revised model incorporates the priorities the Board identified in September, including differentiated goals, support for improvement and excellence, avoiding penalties for SUS transfers, and adding a new affordability metric.

Ms. Sikes explained that PBF Model 2.0 aligns the excellence and improvement scales, allowing universities to earn maximum points by being a top-three performer, meeting or exceeding their 2030 institutional goal, or reaching a cap threshold on specific metrics. Ms. Sikes added that university improvement benchmarks are based on 2025 performance and whether current performance is above or below the SUS 30 goal. The model assumes year-over-year improvement unless a university has reached a cap.

Ms. Rhea F. Law, President of the University of South Florida, remarked that the proposed criteria raise performance expectations and support the one-year testing period for the model prior to implementation.

Dr. Alexander Cartwright, President of the University of Central Florida, stated that the testing year will indicate how the revised model affects institutional scores and that further modeling is needed to assess impacts across universities.

Dr. Moez Limayem, President of the University of North Florida, noted that removing SUS transfers from Metric 5, Academic Progress Rate, supports collaboration rather than competition among universities.

Governor Jones emphasized that the revised metrics are designed to incentivize stronger performance without creating setbacks for institutions.

Ms. Sikes provided a summary chart of the 10 proposed metrics, highlighting two new metrics for the Board's consideration and noting recommended structural and alignment changes to several existing metrics. She explained that staff recommend dividing Metric 7, University Access Rate into Metric 7a and Metric 7b to capture both Pell access and the FTIC Pell Recipient Six-Year Graduation Rate. Ms. Sikes added that staff recommend excluding SUS transfer students from Metric 4, Four-Year Graduation Rate for FTIC Students, and Metric 5, Academic Progress Rate. To ensure accountability for these students, staff proposed adding a new Metric 9b, Transfer Student Four-Year Graduation Rate that includes students who transfer and do not have A.A. degree.

Governor Levine noted the absence of an affordability measure tied to taxpayer cost and reiterated the Board's interest in evaluating institutional efficiency through the accountability plans. He explained that a cost-per-degree measure is challenging due to differing institutional cost structures and potential impacts of legislative funding.

Governor Levine stated that he will continue working with university financial leaders on efficiency measures and emphasized the need for proactive planning in light of revenue forecasts.

Chancellor Rodrigues explained that staff reviewed all suggestions, including a taxpayer-focused affordability metric. He noted that earlier versions of the Performance-Based Funding Model used this approach, but it was discontinued because it conflicted with statutory expectations that universities increase resources to improve national rankings.

Chancellor Rodrigues reported that staff are incorporating operational benchmarks into the accountability plan and reviewed several affordability options. He stated that Metric 3b, Annual Students Without Loans Rate – Florida Resident Undergraduates, was selected because student debt is central to national affordability discussions and can be benchmarked consistently. He noted that it complements Metric 3a, Net Tuition and Fees per 120 Credit Hours.

Mr. Adam Hasner, President of Florida Atlantic University, expressed concern that the student loan metric overlooks regional cost-of-attendance factors, especially high housing costs in south Florida. He noted that this disproportionately affects institutions with a high number of Pell-eligible and first-generation students. Governor Dunn commented that the metric may be workable if excellence benchmarks reflect regional cost-of-attendance differences and students' financial resources. She suggested varying excellence thresholds across universities to account for environmental and demographic factors. Governor Good asked how geographic differences across Florida would influence the metric's outcomes. Governor Dunn replied that geographic cost-of-living differences, particularly those related to housing, can impact student borrowing. President Hasner noted that Florida Atlantic University enrolls 26,000 undergraduates but has fewer than 5,000 residence hall beds and under 1,000 nearby student-housing units, leaving most students to compete in the higher-cost south Florida housing market.

Ms. Sikes explained that PBF Model 2.0 accounts for Metric 3b, Annual Students Without Loans Rate and stated that institutions would begin at their current baselines with differentiated improvement goals that reflect cost differences across the state. Ms. Sikes clarified that all universities currently begin at three points on this metric and that moving to four points would require a half-percentage-point improvement within a year.

Governor Levine commented that other sectors, including healthcare, use geographic cost-of-living adjustments and suggested exploring a similar indexing approach. He added that the cost of living varies significantly across Florida and offered to follow up with staff on possible options.

President McCullough observed that the metric is complex due to variation in cost of living, commuting patterns, and borrowing behavior across institutions, and he encouraged continued discussion.

Chancellor Rodrigues emphasized that staff welcome alternative suggestions and encouraged universities to bring forward additional ideas for review.

Ms. Sikes noted that the System tracks and compares average student debt nationally and stated that Florida's debt levels remain significantly lower than those in many other states because of the System's low-tuition model.

Ms. Sikes stated that staff recommend retaining existing benchmarks for several metrics this year. For Metrics 6 and 8, Programs of Strategic Emphasis, she explained that PBF Model 2.0 will use the new 2023 Programs of Strategic Emphasis list, while maintaining the current benchmark scale, as the 2023–24 degree completions data do not yet reflect recent university program realignment efforts.

Ms. Sikes reported that staff recommend retaining the current benchmark for Metric 7a, University Access Rate, Percent of Undergraduates with a Pell Grant, because federal changes to Pell eligibility will not be reflected in the data until the next accountability plan. She stated that updated data in June may support more accurate benchmarks next year.

Ms. Sikes explained that staff recommend retaining Metric 3a, Net Tuition and Fees per 120 Credit Hours, but shifting it to a five-point scale to balance the new loan-related metric. She noted that tuition is low and flat across the System, leaving limited variation among universities, so differentiated goals are not proposed at this time.

Ms. Sikes stated that no methodological changes are recommended to Metric 1, Percent of Bachelor's Graduates Employed or Continuing Their Education. She reported that staff recommend an 80-percent excellence benchmark due to recent economic uncertainty. Ms. Sikes explained that institutions above the 80-percent benchmark would be expected to improve by 0.8 percentage points annually, while those below the benchmark would be expected to improve by 1.2 percentage points per year. She added that the top three performers would receive 10 excellence points, noting that the scale aligns points with year-over-year improvement.

Dr. Aysegul Timur, President of Florida Gulf Coast University, supported the use of differentiated benchmarks, noting that they reflect institutional and regional differences and support progress toward the SUS 30 Strategic Plan goals.

Ms. Sikes introduced Metric 9b, Transfer Student Four-Year Graduation Rate, and explained that it complements proposed changes to Metrics 4 and 5, which would exclude SUS-to-SUS transfers. She noted that this group is relatively small, representing approximately 2,000 students. Ms. Sikes stated that staff identified approximately 18,000 transfer students who are not captured in any current PBF metric because they enter without an associate's degree. She explained that Metric 9b would include all transfers, whether coming from an SUS institution, a Florida College System institution without an A.A., or an out-of-state or private institution. She recommended a four-year graduation rate to account for differences in incoming credits.

Ms. Sikes noted that Metric 9b is not yet included in the SUS 30 Strategic Plan and that staff could bring forward a proposed goal in early 2026. She stated that staff recommend a 72-percent excellence benchmark with annual improvement increments of 0.5 percentage points and five points for the top three performers. President Hasner asked whether a non-A.A. transfer student counted in the proposed Metric 9b would be removed if the student subsequently transferred out of the university. Ms. Sikes responded that no students were excluded from this metric.

Chancellor Rodrigues added that staff can review how many students leave the cohort after transferring out. He clarified that Florida Statutes requires measuring Florida College System A.A. transfers on a three-year rate, while the proposed metric would measure non-A.A. transfers on a four-year rate to reflect expected completion time.

Ms. Sikes noted that benchmarks for the proposed Metric 9b are based on current performance and account for institutional differences. She cautioned that some volatility is expected because the measure has not been previously tracked, but stated that staff will continue to review the data.

President Cartwright asked whether the proposed four-year graduation rate for non-A.A. transfers measures four years from a student's entry into the institution to graduation. Chancellor Rodrigues confirmed that the metric measures whether non-A.A. transfer students graduate within four years of entering the institution. President Cartwright then asked whether students who transfer multiple times would still fall within the receiving institution's four-year window. Chancellor Rodrigues responded that the receiving institution is responsible for graduating the student within four years of enrollment.

Governor Dunn expressed concern that allocating five points to the new transfer metric may place disproportionate weight on a relatively small share of the student population. She questioned whether the point value is aligned with the size of the group being measured. Chancellor Rodrigues explained that approximately 18,000 non-A.A. transfer students are not captured in any current metric and that adding Metric 9b would fill this accountability gap.

President McCullough suggested considering national rankings when setting differentiated goals, noting that institutions already performing at top levels may have limited room for additional improvement. Board Chair Lamb affirmed that national rankings should inform improvement expectations, noting that institutions performing at elite levels have limited room for additional gains. He stated that PBF Model 2.0 reflects this reality and that staff will continue to ensure expectations are aligned across all metrics.

Chancellor Rodrigues added that metrics such as the Academic Progress Rate and the Four-Year Graduation Rate will include differentiated expectations and noted that the proposed Metric 9b will also be adjusted before Board adoption.

Board Chair Lamb stated that the discussion illustrates why PBF Model 2.0 requires university-specific benchmarks rather than uniform goals, given institutional differences in areas such as retention. He emphasized that improvement expectations should align with each university's achievable trajectory and remain consistent with their five-year accountability plans.

Ms. Sarah deNagy, Vice Chancellor of Finance and Administration, explained that Florida Polytechnic University's cohort under the new Programs of Strategic Emphasis list includes only about 40 students and recommends using graduate degrees awarded as an alternative metric under Metric 8b. Dr. Devin Stephenson, President of Florida Polytechnic University, stated that the alternative Metric 8b should focus on graduate student outcomes, such as employment in the field and competitive salaries, rather than on the number of graduate degrees awarded. He emphasized that prioritizing outcomes over volume better reflects the rigor of the university's STEM programs and preserves program quality as the institution grows.

President Stephenson clarified that, similar to undergraduate Metrics 1, Percent of Bachelor's Graduates Enrolled or Employed One Year After Graduation, and 2, Median Wages of Bachelor's Graduates Employed Full-Time One Year After Graduation, Metric 8b should evaluate graduate student outcomes, such as employment and salaries, to better reflect program rigor, quality, and workforce placement.

Ms. deNagy noted that New College of Florida already uses an alternative Metric 8b, Percent of Newly Admitted FTIC Students with a High School GPA of 4.0 or Higher. She stated that staff recommend allowing New College to retain this metric for now and, if the institution wishes to propose a revised Metric 8b, bring it to the Board in January.

Ms. deNagy moved to Metric 10, University-Selected Metric. She noted that the Board previously identified four categories for the choice metric: One SUS, World-Class Talent, Student Success, and Research & Economic Development. She explained that staff are presenting two options under each category and that the Board will vote on the selections in January. Ms. deNagy stated that staff recommend allowing universities to propose their own benchmarks for Metric 10 and bring this to the Board for review and approval in January.

Board Chair Lamb emphasized that universities have flexibility in selecting a Metric 10 option as long as it aligns with the SUS 30 Strategic Plan and has national relevance. He encouraged institutions to propose options that best support their goals. Governor Levine added that universities will propose their Metric 10 selections and then work with staff to ensure clear, consistent definitions for how each metric will be measured.

President Timur emphasized that while many Metric 10 options align with institutional missions and strategic plans, clear and consistent definitions are essential. Board Chair Lamb advised that Metric 10 selections should be designed to remain stable over time, so the Board does not revisit the metric each year. He encouraged universities to think long term, noting that while the Board will set a high bar for the goal, it will be reasonable on the scale.

President Cartwright asked whether Metric 9a, Three-Year Graduation Rate for Florida College System A.A. Transfers, could account for entering GPA and enrollment intensity, noting that many UCF transfers enter with lower GPAs, which affects outcomes. He cautioned against creating incentives that could limit access for these students. Chancellor Rodrigues responded that the three-year FCS A.A. transfer metric is set in Florida Statutes and cannot be altered without legislative action, though its benchmarks may be adjusted.

Ms. deNagy noted that the current PBF model will remain in use for the 2026 allocation while Model 2.0 is run in parallel. Board Chair Lamb questioned whether the Board needs to wait until the September 2026 workshop or revisit Model 2.0 in July or August.

Ms. deNagy reviewed the Board actions for PBF Model 2.0, noting that universities will submit proposed Metric 10 selections for consideration in January. She added that New College of Florida and Florida Polytechnic University may also bring forward alternative Metric 8b proposals in January and stated that the Chancellor would be authorized to make technical adjustments during data collection.

Ms. deNagy outlined updates to the current PBF model, explaining that the reduction of the Programs of Strategic Emphasis list in 2023 warrants lowering the benchmarks for Metric 6 to 45 percent and Metric 8 to 50 percent and normalizing those scores for one year. Chancellor Rodrigues stated that normalizing scores when benchmarks change is consistent with past practice. Governor Levine clarified that the benchmark adjustments result from the removal of certain degrees from the Programs of Strategic Emphasis list. He emphasized that standards are not being lowered but adjusted to reflect the smaller set of programs now included.

Chancellor Rodrigues emphasized that a key directive for PBF Model 2.0 was to raise performance expectations. He explained that resetting the point scales will result in lower average scores even though institutional performance has not changed, noting that the adjustment is intentional to create room for growth over the next five years. He cautioned that lower scores should not be interpreted as declining performance.

3. Concluding Remarks and Adjournment

Having no further business, Board Chair Lamb adjourned the meeting at 4:49 p.m.

Brian Lamb, Board Chair

Ryan Ford, Policy Associate, ASA