

# Board of Governors

## Performance Funding Model Overview

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The Performance Funding Model includes 10 metrics that evaluate the institutions on a range of issues. Two of the 10 metrics are Choice metrics; one picked by the Board and one by the university boards of trustees. These metrics were chosen after reviewing over 40 metrics identified in the University Work Plans.

The model has four guiding principles: 1) use metrics that align with SUS Strategic Plan goals, 2) reward Excellence or Improvement, 3) have a few clear, simple metrics, and 4) acknowledge the unique mission of the different institutions.

### Key Components of the Model:

- Institutions will be evaluated on either Excellence or Improvement for each metric.
- Data is based on one-year data.
- The benchmarks for Excellence were based on the Board of Governors 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were determined after reviewing data trends for each metric.
- The Florida Legislature and Governor determine the amount of new state funding and an amount of institutional funding that would come from each university's recurring state base appropriation.

### Metrics Common to all Institutions:

Seven metrics apply to all eleven institutions. The eighth metric, graduate degrees awarded in areas of strategic emphasis (8a), applies to all institutions except New College. The alternative metric for New College (8b) is "freshman in the top 10% of graduating high school class."

| Metrics Common to all Institutions  |   |
|---|---|
| 1. Percent of Bachelor's Graduates Employed (Earning \$25,000+) or Continuing their Education | 6. Bachelor's Degrees Awarded in Areas of Strategic Emphasis  |
| 2. Median Wages of Bachelor's Graduates Employed Full-Time                                    | 7. University Access Rate (Percent of Undergraduates with a Pell-Grant)   |
| 3. Average Cost to the Student (Net Tuition per 120 Credit Hours)                             | 8a. Graduate Degrees Awarded in Areas of Strategic Emphasis<br>8b. Freshman in Top 10% of Graduating High School Class - for NCF only |
| 4. Four Year Graduation Rate (Full-Time FTIC)   | 9. Board of Governors Choice - Percent of Bachelor's Degrees without Excess Hours   |
| 5. Academic Progress Rate (2nd-Year Retention with GPA Above 2.0)                             | 10. Board of Trustees Choice  |

**Board Choice Metric** - All universities should be working to improve the percentage of degrees awarded without excess credit hours.

**Board of Trustees Choice Metric** - Each Board of Trustees has chosen a metric from the remaining metrics in the University Work Plans that are applicable to the mission of that university and have not been previously chosen for the model.

### How will the funding component of the model work?

To ensure each university is striving to excel and improve on key metrics, there must be a financial incentive. That financial incentive will not only be new state funding, but an amount of the base state funding reallocated.

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### **State Investment versus Institutional Base Funding:**

The amount of the state investment appropriated by the Legislature and Governor for performance funding will be matched by an amount reallocated from the university system base budget. These “institutional base” funds are the cumulative recurring state appropriations the Legislature has appropriated to each institution. Any state investment funding appropriated would be allocated as follows:

#### Institutional Base Funding Allocation

1. A prorated amount will be deducted from each university’s base recurring state appropriation.
2. On a 100-point scale, a threshold of 55 points is established as the minimum number of total points needed to be eligible for the institutional investment. Beginning in Fiscal Year 2021-22, a threshold of 60 points is established as the minimum number of points needed to be eligible for the institutional investment.
3. Any institution that fails to meet the minimum point threshold for the institutional investment must submit an improvement plan to the Board for consideration at its August/September meeting that specifies the activities and strategies for improving the institution’s performance. As of July 1, 2016, an institution is limited to only one improvement plan.

#### State Investment Funding Allocation

1. Each university metric is evaluated based on Excellence or Improvement and has ten benchmarks ranging from low to high. The lowest benchmark receives one point, while the highest receives ten points. The higher point value for Excellence or Improvement on each metric are counted in the university’s total score.
2. The state investment will be allocated based on points earned, with a maximum of 100 points possible.
3. On a 100-point scale, institutions with the top three scores are eligible for their proportional amount of the state’s investment. In the case of a tie for the top three scores, the tie will go to the benefit of the institutions.
4. All SUS institutions with a score the same or higher as the previous year, are eligible for their proportional amount of the state’s investment.
5. Any institution with a score less than the previous year but the previous year’s score was higher or the same than the year before, are eligible for their proportional amount of the state’s investment.
6. Any institution with a score the same or lower than the previous year’s score for two consecutive years must submit a student success plan to the Board for consideration at its August/September meeting that specifies the activities and strategies for improving the institution’s performance metrics in order to be eligible for their proportional amount of the state’s investment. The baseline scores begin with the June 2018 results.
7. Beginning with the Fiscal Year 2021-22 appropriation, any institution with a score lower than 70 points must submit a student success plan to the Board for consideration at its August/September meeting that specifies the activities and strategies for improving the institution’s performance metrics in order to be eligible for 50% of their proportional amount of the state’s investment.