

**Performance Funding Model
Discussion Items
November 3, 2016**

1. **Metric 1 – Percent of Bachelor’s Graduates Employed and/or Continuing their Education Further 1 Year after Graduation** – In January, 2016 the Board approved increasing the wage threshold from minimum wage to \$25,000 when determining if a bachelor’ degree recipient is included in the data set. The Board determined this change would go into effect with the Year 4 (2017) performance model. By raising the wage threshold, the number of graduates employed that will be included in the calculation will be nine percent less. The benchmark was established based on the system average, thus adjusting the benchmark to the new system average is consistent with past practice.
 - a. **Decision** – Approve the proposed revised benchmarks.

Current benchmarks:

| Points | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----------|-----|------|----|------|----|------|----|------|----|------|
| Benchmark | 80% | 77.5 | 75 | 72.5 | 70 | 67.5 | 65 | 62.5 | 60 | 57.5 |

Proposed benchmarks:

| Points | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----------|-------|------|------|----|------|------|------|------|------|------|
| Benchmark | 72.8% | 70.5 | 68.3 | 66 | 63.7 | 61.4 | 59.2 | 56.9 | 54.6 | 52.3 |

2. **Metric 2 – Median Wages of Bachelor’s Graduates Employed Full-time in Florida One Year After Graduation** – Currently this metric only includes wages from bachelor’s recipients that work in Florida. Data is now available from 42 states, District of Columbia, and Puerto Rico. By including graduates outside Florida, we are able to capture about 12 percent more of university system graduates. The system average wage increases about \$700. The benchmark was established based on the system average, thus adjusting the benchmark to the new system average is consistent with past practice.
- a. **Decision** – Approve the proposed revised benchmarks.

Current benchmarks:

| Points | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Benchmark(thousands) | \$40.0 | \$37.5 | \$35.0 | \$32.5 | \$30.0 | \$27.5 | \$25.0 | \$22.5 | \$20.0 | \$17.5 |

Proposed benchmarks:

| Points | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Benchmark(thousands) | \$40.7 | \$38.2 | \$35.7 | \$33.2 | \$30.7 | \$28.2 | \$25.7 | \$23.2 | \$20.7 | \$18.2 |

3. **Metric 3 – Average Cost per Bachelor’s Degree** – Currently this metric consists of the last four years of expenditure data divided by the number of credit hours for that year to create a cost per credit hour for each year. This cost per credit hour for each year is multiplied by 30 to derive an annual cost. The average annual cost for each year is summed to provide an average cost for a baccalaureate degree that requires 120 credit hours.
- a. **Decision** – Approve the recommended metric on Net Tuition and Fee Cost to the Student.

The current metric has two primary concerns; 1) as long as the appropriations to the universities increase, there will not be any improvement on this metric; and 2) the allocation of faculty effort can significantly impact expenditures.

Florida statute passed in 2016 and Board Regulation 5.001 adopted September 22, 2016 requires an affordability metric.

The proposal is to replace this metric with a metric that determines a student’s net tuition and fee cost for a 120 hour baccalaureate degree. This

metric will have four entry points for the universities to impact; 1) although undergraduate tuition is set by the legislature, the university controls fees and will have an incentive to keep fees low; 2) inclusion of textbooks as an effort to reduce the cost; 3) universities can increase institutional financial aid to lower a student's cost; and 4) universities will be incentivized to ensure that students take only the courses needed to obtain their baccalaureate degree in 120 hours.

Proposed benchmarks:

| Points | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Benchmark | \$9K | \$10K | \$11K | \$12K | \$13K | \$14K | \$15K | \$16K | \$17K | \$18K |

See attached proposed new metric and a question and answer document for this metric.

4. Metric 9 and 10 – Board of Governors and Board of Trustees Choice Metrics –

These choice metrics and benchmarks are determined by the respective Boards. These metrics have not changed since the implementation of the model in 2014.

- a. **Decision** – Approve the proposed revisions to the UNF and UF to the Board of Trustee choice metric.
 - i. UNF is requesting to change the BOT Choice Metric from *Percentage of Course Sections Offered via Distance and Blended Learning* to *Percentage of SUS Undergraduate FTE Enrollments in Online Courses*. This change aligns UNF's metric with the revised SUS Online Education Strategic Plan Goal.
 - ii. UF is requesting to change the BOT Choice Metric from *Total Research Expenditures* (benchmarked against AAU institutions) to *Licenses & Options Completed with Companies Commercializing Researcher Discoveries*. This change would remove the "stretch" from UF's metric and create a metric and benchmarks that result in a higher Excellence score.