

Funding Model Comparison: Michigan and Florida

	Michigan Performance Funding	Florida Performance Based Funding
Funding Allocated	<p>Beginning with FY 2012-13, university funding increases have been allocated to individual universities using performance funding metrics. The performance funding formula has been used only to allocate year-over-year funding increases to Michigan's 15 public universities. The performance increases for each year have been rolled into the university's base amounts for the subsequent years. \$28 million was appropriated for performance funding in FY 2017-18.</p>	<p>For 2017-2018, the current appropriation of \$520 M includes \$245 M for state investment and \$275 M for institutional investment. 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 receive funding in the Michigan model. In order to qualify for the funding increase allocated to each university, a university must comply with four policy requirements:</p> <ol style="list-style-type: none"> 1. Comply with tuition restraint requirements under section 265 of the budget, which includes limiting the increase in resident undergraduate tuition and fees for FY 2017-18 to no more than 3.8% or \$475, whichever is greater. 2. Certify that the university participates in reverse transfer agreements with at least three Michigan community colleges. A reverse transfer agreement allows a student who transfers from a community college to a four-year university and subsequently completes sufficient credits to receive an associate's degree to be 	<p>Starting in 2016-2017, institutions must score 51 points and not be in the bottom three to be eligible for new funding. For fiscal years 2014-2015 and 2015-2016, universities were required to score 26 points or more and not be in the bottom three to be eligible for new funds.</p>

	<p>awarded that degree by the community college.</p> <ol style="list-style-type: none"> 3. Certify that the university's dual enrollment policy does not consider use of dual enrollment courses toward high school graduation requirements as a consideration for awarding college credit for the courses. 4. Actively participate in, and submit timely updates to, the Michigan Transfer Network, an online service for students that provides course transfer equivalencies across all public colleges and universities and most independent colleges and universities in the state. 							
<p>Guiding Principles</p>	<p>Two metrics are allocated to the universities in direct proportion to the metric. For the remaining four metrics, universities are compared to their national peers. Universities are scored on their performance relative to public universities across the nation that have been classified into the same Basic Classification under the system developed and periodically updated by the Carnegie Foundation.</p>	<p>The Florida model has four guiding principles:</p> <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. 						
<p>Metrics</p>	<p>Michigan's 6-Metric Model:</p> <table border="1" data-bbox="477 1514 906 1801"> <tr> <td data-bbox="477 1514 695 1682">1. Undergraduate degree completions in critical areas</td> <td data-bbox="695 1514 906 1682">2. Research and development expenditures</td> </tr> <tr> <td data-bbox="477 1682 695 1801">3. Six-year graduation rate</td> <td data-bbox="695 1682 906 1801">4. Total degree completions</td> </tr> </table>	1. Undergraduate degree completions in critical areas	2. Research and development expenditures	3. Six-year graduation rate	4. Total degree completions	<p>Florida's 10-Metric Model:</p> <table border="1" data-bbox="938 1514 1446 1839"> <tr> <td data-bbox="938 1514 1190 1839">1. Percent of Bachelor's Graduates Employed (\$25,000+) and/or Continuing their Education Further 1 year after graduation</td> <td data-bbox="1190 1514 1446 1839">2. Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation</td> </tr> </table>	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
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	<p>5. Institutional support expenditures (administrative costs) as a percentage of total core expenditures</p>	<p>6. Percentage of students receiving Pell grants</p>	<p>3. Net Tuition and Fees per 120 Credit Hours</p>	<p>4. Six Year Graduation Rate (Full-time and Part-time FTIC)</p>	
			<p>5. Academic Progress Rate (2nd Year Retention with GPA Above 2.0)</p>	<p>6. Bachelor's Degrees Awarded in Areas of Strategic Emphasis (includes STEM)</p>	
			<p>7. University Access Rate (Percent of Undergraduates with a Pell-grant)</p>	<p>8a. Graduate Degrees Awarded in Areas of Strategic Emphasis (includes STEM) (NCF Excluded)</p>	
			<p>8b. Freshman in Top 10% of Graduating High School Class (NCF Alternative Metric)</p>	<p>9. Board of Governors Choice</p>	
			<p>10. Board of Trustees Choice</p>		
<p>Weighting and Improvement Scores</p>	<p>Funds are allocated in proportion to each university's total score, weighted by the size of the university's undergraduate enrollment.</p> <p>Scores for each of the four Carnegie based metrics are awarded as follows:</p> <ul style="list-style-type: none"> • 3 points for top 20 percent nationally • 2 points for above the national median • 2 points for improving over a 3-year period <p>50% of the overall FY 2017-18 funding increase (\$14.0 million), is distributed in proportion to FY 2010-11 appropriation amounts in order to recognize the</p>		<p>Presently the Florida 10-Metric Model is not weighted but the Board reserves the option to weight specific metrics such as the Six Year Graduation Rates and the Academic Progress Rate.</p> <p>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.</p>		

	significant reduction in appropriations made from FY 2010-11 amounts in the FY 2011-12 budget. FY 2011-12 included a 15.0% across-the-board reduction to university operations.	
Institutional Control	Michigan institutions do not have control over appropriation levels and 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.

http://www.senate.michigan.gov/sfa/Publications/HiEdApprops/HiEdApprops_MostRecent.pdf