

Board of Governors' Performance Funding Model (10 Metrics)

Questions and Answers

- **Universities have numerous metrics that are tracked and reported on in the annual accountability report. Why were only 10 chosen?**
 - The Board established 4 guiding principles in the early stages of developing the model. One of those principles was to have 'few clear, simple metrics'. This was a common theme when discussing models with systems around the country.
 - There is no right or wrong number of metrics to have. With approximately 40 metrics included in the annual accountability report, 10 metrics were chosen based on:
 - i. 3 metrics were identified in the 2013 General Appropriations Act.
 - ii. 5 metrics were identified by the Board based on key Strategic Plan initiatives.
 - iii. 2 metrics were 'choice' metrics that were picked by the Board and local boards of trustees. These 2 metrics focused on areas of improvement or the specific mission of the university.
- **What is the maximum number of points available?**
 - Each of the 10 metrics are weighted the same and the highest point value for each is 5 points. Thus the total number of points available is 50.
- **Will any of the metrics be weighted differently?**
 - At this time all 10 of the metrics have equal weight.
- **Why reward 'Excellence' or 'Improvement'?**
 - Due to numerous reasons (university age, student demographics, regional location, funding, etc.) university metrics vary. It was important to recognize those universities that have 'Excellence' metrics, but it was also important to recognize those universities who are making improvements from one year to another.
- **How are the scores calculated for Improvement?**
 - Improvement is current year performance minus previous year performance. The result is a percentage change and is scored 1 point for 1% up to 5 points for 5%. In the case of all metrics, except Cost per Undergraduate Degree, to earn points there should be positive improvement from previous year to current year.
- **To be eligible for funding a university must score 26 points or higher and not be in the bottom three. How were these minimums determined?**
 - To make this model truly a performance funding model, then funds should be awarded to the top performing institutions. Since this is the first year of implementing the model it was determined that a university should be able to score at least half of the total points possible to be eligible and not be in the bottom third. These thresholds can be adjusted in the future to make the model more rigorous.
- **Current funding per full-time equivalent (FTE) student is well below the national average. Why implement a performance model when many universities are funded so low?**
 - The amount of funding provided by the state and students through the appropriations process and tuition payments should not be an impediment to utilizing funds in a manner that ensures a university is performing at the highest levels. Students and parents expect the best no matter the funding levels. Waiting to implement performance funding until additional resources are provided would be a disservice to our students and other stakeholders.
- **Why weren't regional differences taken into account when calculating the metrics?**

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- Board staff considered how regional differences in the state of Florida impact various performance metrics. At the request of the Legislature, the Bureau of Economic and Business Research (BEBR) at the University of Florida produces an annual Florida Price Level Index (FPLI), which measures the cost differences between Florida's counties. The FPLI serves as the basis for the District Cost Differential (DCD) in the Florida Education Finance Program for K-12. For example, the 2012 FPLI reports a 12% difference between Palm Beach and Leon counties. For some of the metrics regional differences would not be appropriate. Board staff decided not to adjust data to account for possible regional differences at this time, but could possibly be used for benchmarking in the future.
- **Were the universities involved in the development of the performance model?**
 - The development of the performance funding model began in the fall of 2012. At each Board meeting there has been discussion and updates provided on the status of developing the model. Discussions have been held with university provosts through phone calls and face-to-face meetings. The final metric, the Board of Trustee choice metric, involved the universities as their own boards made the recommendation of the metric and benchmarks for Excellence and Improvement.
- **Why not use expected graduation rates instead of actual graduation rates?**
 - The Board of Governors does not collect data on expected graduation rates. One of the issues with calculating an expected graduation rate is that it is difficult to determine whether differences between estimates and actual data are due to university performance or model error. The PBF model accounts for student differences at each university by awarding points equally for 'Excellence' and 'Improvement'.
 - Actual graduation rates are a standard measure of performance used by IPEDS and other national reporting agencies.
- **Why is the data based on one-year and not 2, 3 or 5-year averages?**
 - The data used to drive the model is primarily from the annual accountability report which focuses on yearly data. A yearly snap-shot also allows for comparison with other systems and/or states. For some metrics, historical data is not available and in other cases the metric definitions have been revised recently, thus the use of averages would not be appropriate.
- **Why didn't staff use the standard deviation when setting benchmarks?**
 - Board staff did consider using the standard deviation for each metric but decided rather to set the benchmarks close to the data for Year 1 and therefore ensure that schools were rewarded for reasonable performance above, at, and just below the system average. The standard deviation could possibly be used for benchmarking in the future.
- **How can the universities improve their performance on the metrics?**
 - Universities have not been viewed as having much control over several of the post-graduation metrics; however, they do have control over others. Universities will need to be strategic in the investment of performance funds to focus on improving metrics. For example, a university could choose to invest in improving internship opportunities within the disciplines that perform the best on these post-graduation metrics, and other

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- career center efforts. For other metrics, there are many initiatives the universities have and can undertake to improve graduation rates, retention rates, degrees awarded, etc.
- **Will Florida Polytechnic University (FPU) be included in performance funding?**
 - FPU has not enrolled students yet and therefore they need at least two years, possibly more in order to have performance to be evaluated. At that point Board staff will have to ensure that there is adequate data available in order to add FPU to the model.