



BOARD *of* GOVERNORS

State University System of Florida

Budget & Finance Committee
Tom Kuntz, Chair

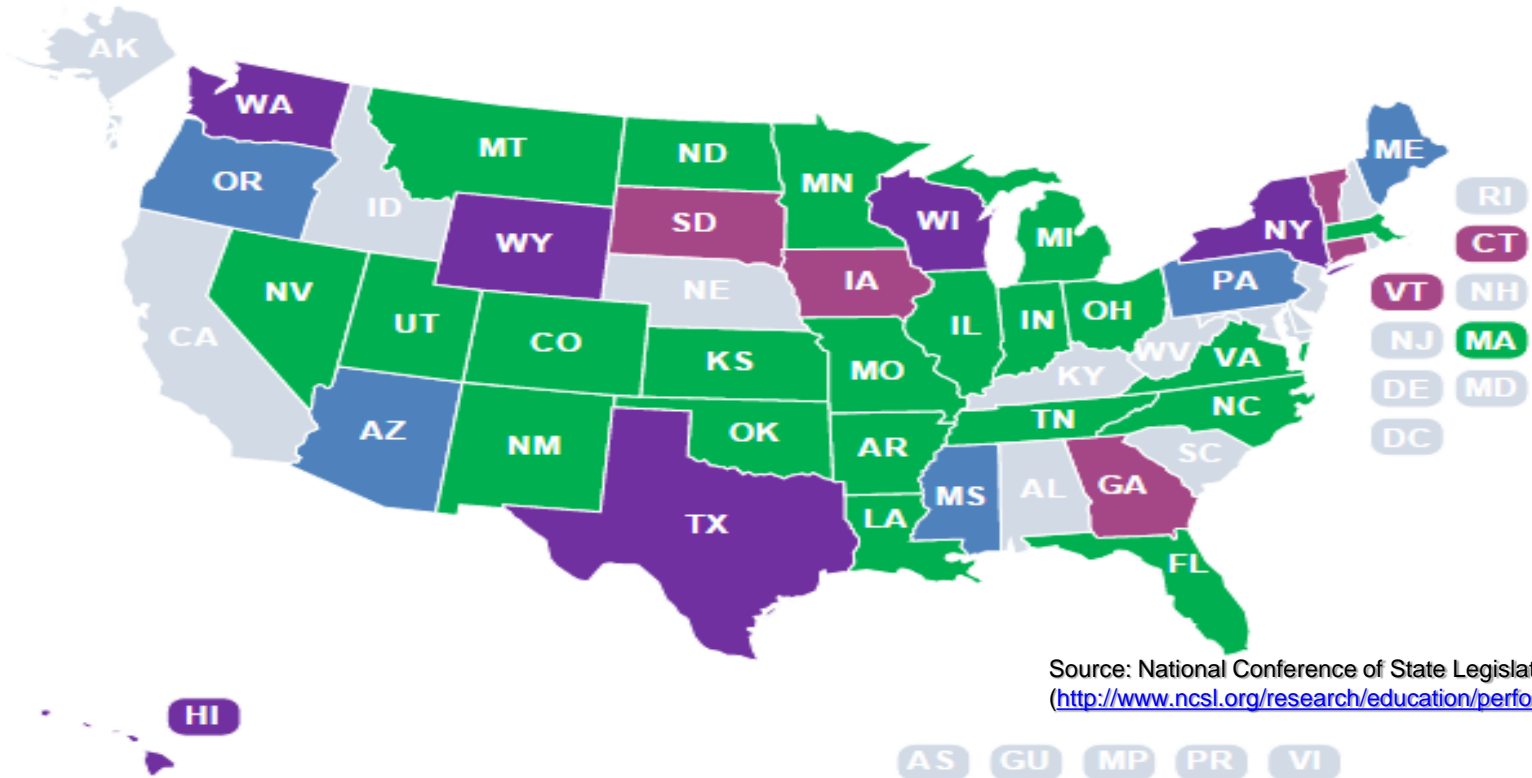
Performance Funding Model
September 22, 2015

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Performance-Based Funding for Higher Education A National Trend

In place at two-year institutions **In place at four-year institutions** **In place at two-year and four-year institutions** **In transition**



Source: National Conference of State Legislatures
<http://www.ncsl.org/research/education/performance-funding.aspx>



Performance Funding Model

4 Guiding Principles:

- Use metrics that align with Strategic Plan goals
- Reward excellence or improvement
- Have a few clear, simple metrics
- Acknowledge the unique mission of the different institutions

Other Key Components:

- Funds allocated based on only 10 metrics
- No wholesale changes in any given year
- One metric chosen by the Board of Governors and one by the Board of Trustees
- Institutions evaluated on the excellence or improvement for each metric



Discussion Items

1.

Metric 1 Definition Enhancement

- Modify the definition to increase the minimum wage threshold to a higher level

2.

Student Loan Default Rates

- Should this be a metric

3.

2 + 2 Articulation

- Should this be a metric

4.

Tiebreaker Options

- Options for breaking ties


5.

Doubling of Points

- Modify the benchmarks to double points from 50 to 100



Performance Funding Model

Points	EXCELLENCE <i>(Achieving System Goals)</i>					IMPROVEMENT <i>(Recognizing Annual Improvement)</i>				
	5	4	3	2	1	5	4	3	2	1
1  Percent of Bachelor's Graduates Employed and/or Continuing their Education Further 1 Yr after Graduation	80%	75%	70%	65%	60%	5%	4%	3%	2%	1%
2 Median Average Full-time Wages of Undergraduates Employed in Florida 1 Yr after Graduation	\$40,000	\$35,000	\$30,000	\$25,000	\$20,000	5%	4%	3%	2%	1%
3 Average Cost per Undergraduate Degree to the Institution	\$20,600	\$23,175	\$25,750	\$28,325	\$30,900	5%	4%	3%	2%	1%
4 Six Year Graduation Rate <i>Full-time and Part-time FTIC</i>	70%	67.5%	65%	62.5%	60%	5%	4%	3%	2%	1%
5 Academic Progress Rate <i>2nd Year Retention with GPA Above 2.0</i>	90%	87.5%	85%	82.5%	80%	5%	4%	3%	2%	1%
6 Bachelor's Degrees Awarded in Areas of Strategic Emphasis (includes STEM)	50%	45%	40%	35%	30%	5%	4%	3%	2%	1%
7 University Access Rate <i>Percent of Undergraduates with a Pell-grant</i>	30%	27.5%	25%	22.5%	20%	5%	4%	3%	2%	1%
8 Graduate Degrees Awarded in Areas of Strategic Emphasis (includes STEM)	60%	55%	50%	45%	40%	5%	4%	3%	2%	1%
Institution-Specific Metrics										
9 Board of Governors choice	Varies by metric					Varies by metric				
10 Board of Trustees choice	Varies by metric					Varies by metric				



1. Metric 1: Percent of Bachelor’s Graduates Employed and/or Continuing their Education

Current Definition:

- Percentage of a graduating class of bachelor’s degree recipients who are employed full-time making at least minimum wage or continuing their education somewhere in the U.S. Students who do not have valid SSNs and are not enrolled are excluded.

Proposed Definition Adjustment:

- Modify to raise the wage criteria from minimum wage to \$xx,xxx.*

EXCELLENCE BENCHMARKS					
	1pt	2pts	3pts	4pts	5pts
PREVIOUS	60%	65%	70%	75%	80%
REVISED	x%	x%	x%	x%	x%



Informational Item: Additional states join WRIS2

Metric 1: Percent of Bachelor's Graduates Employed and/or Continuing their Education

WRIS2 Data Sharing Agreement Status



Updated August 2015

Source: US Dept of Labor (http://www.doleta.gov/performance/pfdocs/WRIS2_Map_Aug_2015.pdf)



2. Student Loan Defaults

3 yr Cohort – National Summary	Public	Private	Proprietary	Total
	9%	7%	19%	11%

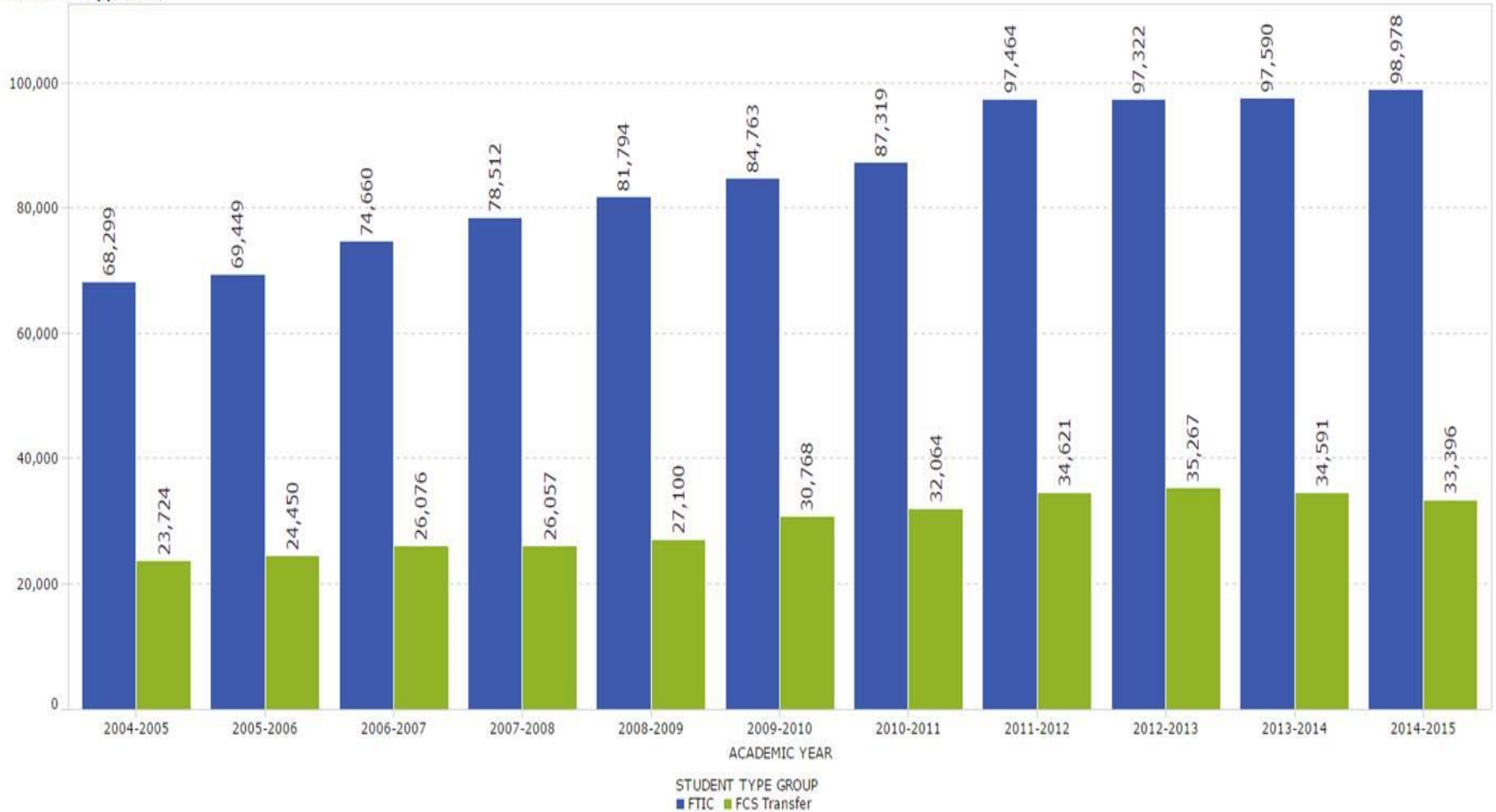
Default Rates for Public 4-yr Universities Among 10 Largest States (2010-13)		
1	TX	10%
2	CA	6%
3	OH	13%
4	MI	8%
5	PA	7%
6	NY	7%
7	FL	7%
8	GA	9%
9	IN	9%
10	NC	9%
Top 10 Average		8%

	2008-11	2010-13
FAMU	18%	15%
FAU	8%	8%
FGCU	7%	6%
FIU	9%	9%
FSU	5%	6%
NCF	8%	1%
UCF	8%	5%
UF	3%	4%
UNF	9%	8%
USF	10%	7%
UWF	7%	10%
SYSTEM	8%	7%



3. 2 + 2 Articulation – Number of Applicants

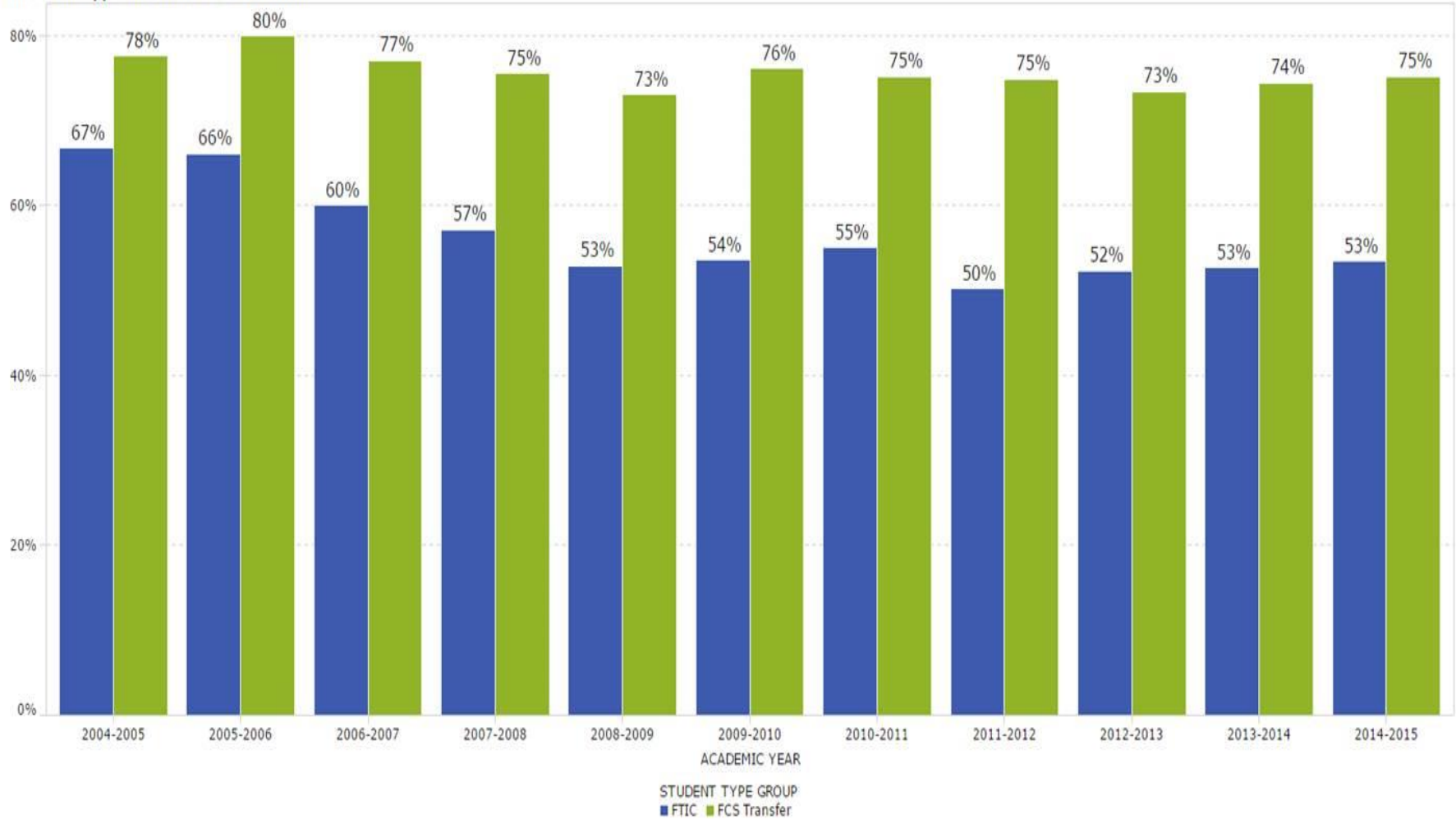
Number of Applicants





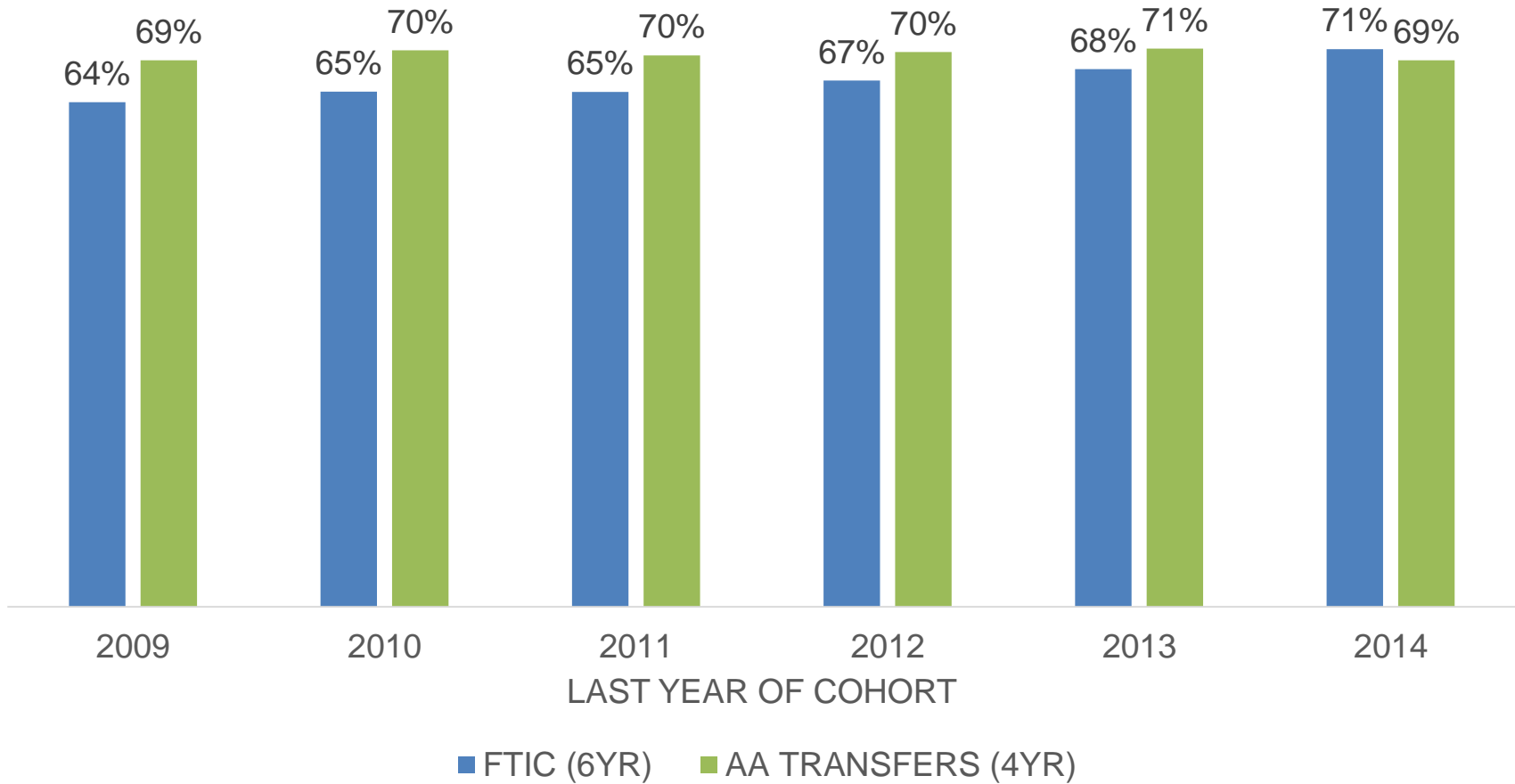
2 + 2 Articulation – Percent of Applicants Admitted

Percent of Applicants Who Were Admitted





2+2 Articulation – Graduation Rates





4. Model Operations: Tiebreakers

Suggestion:

- Create and implement a tiebreaker procedure to break all ties within rankings

Options:

- *Total of excellence and improvement scores*
- *Give advantage to higher points earned through Excellence*
- *Score metric by metric giving a point to the school scoring higher*
- *Use Excellence scores as first mechanism; if a tie remains use Metric 4 as a quality differentiator*
- *First tiebreaker is most 5's, then most 4's, and so on*
- *Have ties go to the benefit of the institution*
- *Other suggestions*



5. Model Operations: Point Scale from 50 to 100

2014	50 PTS	100 PTS
FAMU	29	46
FAU	24	43
FGCU	30	50
FIU	34	57
FSU	33	57
NCF	25	46
UCF	34	64
UF	42	78
UNF	29	48
USF	37	71
UWF	21	35

2015	50 PTS	100 PTS
FAMU	26	43
FAU	37	66
FGCU	38	66
FIU	39	66
FSU	36	61
NCF	35	63
UCF	39	76
UF	44	84
UNF	36	60
USF	42	76
UWF	37	59



Model Operations: Point Scale from 50 to 100

Example: Metric 1 – Percent of Bachelor’s Graduates Employed and/or Continuing their Education Further 1 Year after Graduation

Points	5	4	3	2	1
Benchmark	80%	75%	70%	65%	60%

Points	10	9	8	7	6	5	4	3	2	1
Benchmark	80%	78%	76%	74%	72%	70%	68%	66%	64%	62%



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