

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
June 22, 2016

SUBJECT: Performance-Based Funding Allocation

PROPOSED COMMITTEE ACTION

The Committee will consider a change to the 2015-2016 performance funds allocation and the allocation of performance funds for the 2016-2017 fiscal year.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Approved Performance Funding Model

BACKGROUND INFORMATION

There are two items for discussion regarding performance-based funding:

First, the Board approved an allocation of the 2015-2016 performance funds in June, 2015. A recent review of the Academic Progress Rate data (Metric 5) used in performance funding identified a programmatic error that impacted four universities (FIU, FSU, USF and UWF) that resubmitted data to the Board's Information Resource Management office in early 2015. This programmatic error led to the overstatement of the Academic Progress Rate for these four universities. The corrected Progress Rate for FIU impacts the calculated performance-based funding points for the current year distribution. The other three universities are not impacted. We have attached the calculations for your information.

Previous rankings for the top three schools (in this case top four schools due to a tie) were UF (44), USF (42), FIU (39) and UCF (39). With corrected data and a recalculation of points, the new scores are UF (44), USF (42), UCF (39) and FIU (37). FIU drops out of the top three and therefore is ineligible for the additional performance funds calculated as part of the model.

FIU received an original allocation of \$18,599,436, however, using their corrected data, their allocation should have been \$16,251,603, a difference of \$2,347,833. These funds should have been allocated to the top three universities in accordance with the model. Attached is a summary of the corrected PBF allocation for the 2015-2016 fiscal year.

Second, the 2016 General Appropriations Act includes \$500 million for Performance-Based Incentives. This includes \$225 million in state investments, plus \$275 million in institutional investments to be distributed pursuant to the Board's performance-based funding model.

These funds are allocated pursuant to the Board's model based on the performance points earned based on metrics included in the Accountability Report provided to the Board at the March meeting.

Supporting Documentation Included: 1. Year 2 correction of Academic Progress Rate
2. Year 2 Allocation Correction
3. Year 3 - 2016-2017 Allocation

Facilitators/Presenters: Mr. Tim Jones