

Performance Based Funding Model

October 8, 2014

Recommended Changes:

- Metric 1 (Percent of Bachelor's Graduates Employed and/or Continuing their Education Further) - Include graduates in the military and federal government and graduates employed outside of Florida.
 - *Adjustment 1: Data is now available from the Department of Economic Opportunity and Florida Education and Training Placement Information Program (FETPIP) to include military & federal government graduates and graduates employed outside Florida.*
 - *Adjustment 2: Exclude graduates who do not have valid social security numbers if they are not found in the enrollment data.*
 - *Benchmarks will be adjusted to reflect the new system average.*
- Metric 3 (Average Cost per Undergraduate Degree to Institution) - Modify the benchmark to account for increased costs as additional funds are received.
 - *Adjustment: Adjust the benchmark based on the new system average after reviewing 2013-14 expenditure data.*
- Metric 6 (Bachelor Degrees in Strategic Emphasis) (Includes STEM) - Modify the definition to reflect the inclusion of other degrees in Areas of Strategic Emphasis as approved by the Board of Governors November 2013.
 - *Adjustment: In November 2013, the Board approved a new list of strategic emphasis programs. This change aligns the PBF metric to the new categories for degrees awarded in Programs of Strategic Emphasis. The revised list includes: 113 disciplines within STEM, 46 disciplines within Health, 34 disciplines within Education, 24 disciplines within Global Competitiveness, and 10 disciplines identified in the GAP Analysis (ie. finance, accounting, banking, human resources).*
 - *STEM and Health programs comprise 34% of the total bachelor degree programs.*
 - *The Board is not considering changing the 2025 goal for this metric in the System Strategic Plan, so the benchmark does not need to be adjusted.*
- Metric 7 (University Access Rate) - Exclude non-US students since they are not eligible for Pell Grants.
 - *Adjustment: Non-US students shall be removed from both the numerator and denominator because they typically are not eligible for Pell grants.*
 - *Note: A small percentage of non-US students do receive a Pell grant but these are for special circumstances as detailed by the US Dept of Education – for more information see: <https://studentaid.ed.gov/eligibility/non-us-citizens>.*
- Metric 8a (Graduate Degrees in Strategic Emphasis) (Includes STEM) - Modify the definition and benchmarks to reflect the inclusion of other degrees in Areas of Strategic Emphasis as approved by the Board of Governors November 2013.
 - *Adjustment: In November 2013, the Board approved a new list of strategic emphasis programs. This change aligns the PBF metric to the new categories for degrees awarded in Programs of Strategic Emphasis. The revised list includes:*

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113 disciplines within STEM, 46 disciplines within Health, 34 disciplines within Education, and 24 disciplines within Global Competitiveness.

- *The Board is considering changing the 2025 goal for this metric in the System Strategic Plan, so the benchmark does need to be adjusted.*
- Metric 9 (National Ranking) (NCF Board Choice) - Add *Fiske Guide* to the methodology for awarding performance points for the National Ranking metric. The methodology for 2014-15 performance funds used a list of 12 ranking systems that were developed for the pre-eminence legislation.
 - *Adjustment: Add Fiske Guide to the list. The updated list of ranking systems includes Princeton Review, Fiske Guide, QS World University Ranking, Times Higher Education World University Ranking, Academic Ranking of World University, US News and World Report National University, US News and World Report National Public University, US News and World Report Liberal Arts Colleges, Forbes, Kiplinger, Washington Monthly Liberal Arts Colleges, Washington Monthly National University, and Center for Measuring University Performance.*

Changes Under Continuing Evaluation:

- Metric 2 (Median Wages of Undergraduates)
 - Include salaries of graduates in the military and federal government and graduates employed outside of Florida.
- Metric 3 (Average Cost per Undergraduate Degree to Institution)
 - Consider the average cost per undergraduate degree to the student. Rely on the work done by the Cost-per-Degree workgroup in the spring of 2013.
- Metric 4 (Six-year Graduation Rate)
 - Consider including students who transfer to another institution and graduate.
 - Consider looking at a university's peer graduation rates.
- Metrics 6 & 8 (Bachelor/Graduate Degrees in Strategic Emphasis)
 - Consider having a metric that only focuses on STEM degrees.
- Metric 7 (University Access Rate)
 - Consider shifting the focus to '% of graduates with a Pell Grant.'
- Metrics 9 & 10 (BOG, BOT Choice)
 - Consider weighting the mission differentiation metric, to provide a focus on a university mission.
 - Review benchmarks for choice metrics.
- General Comments
 - Consider weighting some of the metrics.
 - Consider including more than just the fall FTIC, but also the summer and spring FTIC.
 - In terms of institutional and system performance, consider a metric measuring critical topics of the day such as student debt.

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Explanations of Suggested Changes that are Not Under Consideration:

- Metric 1 (% of Bachelor's Graduates Employed/Continuing Ed)
 - Consider changing the time horizon to 2 or 3 years after graduation instead of the current 1 year.
 - *Comment: This metric focuses on the immediate impact of graduation for Bachelor Graduates in terms of job placement and continuing education. Extending the time horizon would potentially include Graduate and Professional graduates and other external factors.*
- Metric 2 (Median Wages of Undergraduates)
 - Consider looking at wages 2 years or more after graduation, since many students take a 'gap' year after graduating.
 - *Comment: This metric focuses on the immediate impact Bachelor Graduates in the job market. Extending the time frame would potentially include graduates who achieve additional certifications or graduate/professional programs as well as other external factors that would increase earnings.*
 - Exclude non-resident aliens from this metric as it is expected that they will return to their country after graduation.
 - *Comment: Only graduates employed above the minimum wage in the United States are included.*
- Metric 3 (Average Cost per Undergraduate Degree to Institution)
 - Calculate to include undergraduate and graduate degrees and modify the calculation to be total expenditures divided by total degrees awarded.
 - *Comment: The current metric focuses on the cost to the institution for undergraduate students.*
- Metric 4 (Six-year Graduation Rates)
 - A state university's mission is to serve part-time students who may take up to 8 or so years to graduate while working full or part time. Thus, an institution should not be penalized under a performance funding model.
 - *Comment: The Board of Governors has had a consistent focus on graduating FTIC student's in 6 years or less as evidenced by the Strategic Plan. The use of 6 years is a national standard defined in the 1990 Student Right to Know Act.*
- Metric 7 (University Access Rate)
 - Consider revising the benchmark for the university access metric to recognize those institutions who serve more Pell Grant students (i.e. make the benchmark more stringent).
 - *Comment: Benchmarks are in line with the amended draft Board of Governors Strategic Plan to be approved November 2014 which has a goal of each institution having at least 30% Pell recipients enrolled.*

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- Replace this metric with a metric that measures average student debt and percentage of students graduating without debt. Student debt is a major concern in higher education affecting both access and outcomes post-graduation.
 - *Comment: While student debt is a concern and timely topic, this metric is designed to incentivize the universities to provide a minimum level of access to low-income students, which is important for the state and system. This metric is aligned with the amended draft Board of Governors Strategic Plan to be approved November 2014 which has a goal of each system institution having at least 30% Pell recipients enrolled.*
- Metric 8 (NCF only, Freshmen in Top 10% of Class)
 - NCF enrolls many students from high school programs that do not rank their graduating class. For the Fall 2014 NCF entering class, only 57% of the enrolled students have class rank information. A more reliable measure of academic quality would be SAT Score currently reported as a key performance indicator in the University Work Plan.
 - *Comment: Students who do not have a class rank are not included in the calculation and therefore do not disadvantage New College's performance on this metric. In addition, NCF has chosen this as an institution specific goal in its annual Work Plan.*
- General Comments
 - Consider exploring a different methodology for the distribution of funds so that a university that earns more points gets a larger distribution than a university that gets fewer points.
 - *Comment: The current methodology has been established to ensure that an institution is not disproportionately rewarded due to the number of student enrollments or financial support.*
 - The current set of metrics is a “one size fits all” approach. Historically, the Board of Governors has encouraged mission differentiation. This formula would point the universities to a state norm. Adjustments to focus on the individual work plan goals of each school would better inform the Board as to how well each university is fulfilling its mission, and how it compares to its peers. Wherever possible, each university should be asked to demonstrate its added value.
 - *Comment: Two choice metrics in the model, one chosen by the Board of Governors and one chosen by the university boards of trustees, provide a means of rewarding universities for different missions and goals. The model also provides points for improving year over year for each institution as well as points for meeting excellence on system goals. Improving, regardless of how a university compares to the excellence goals, is rewarded on the same scale as excellence.*
 - Consider benchmarking institutions against peer schools.

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- *Comment: At this time there is not a place in the model for benchmarking against peer institutions. For now the benchmarks are for system goals, such as those in the strategic plan, and State priorities. The improvement component of the model does give institutions the ability to benchmark against their own performance last year and be rewarded for making progress.*