



BOARD *of* GOVERNORS

State University System of Florida

Budget & Finance Committee
Ned Lautenbach, Chair

Performance Funding Model
October 17, 2016

www.flbog.edu



Four Guiding Principles

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



Key Components

- Funding is allocated based on 10 metrics
- 10 points for each metric
- A portion of institutional base funds at risk
- One metric chosen by the Board of Governors & one by the Board of Trustees
- Institutions evaluated on the excellence or improvement for each metric
- Must score at least 51 points to have institutional base funds restored
- Must score at least 51 points and not be in the bottom 3 to be eligible for the State Investment
- Universities scoring 50 points or less must do an improvement plan
- Only 1 improvement plan allowed



Discussion Items

1.

Metric 1 Reminder of \$25K Threshold

- The \$25K wage threshold is effective for Year 4 and requires new benchmarks

2.

Metric 2 Enhancement to include US wages

- Should this metric include wages from graduates employed outside of Florida?

3.

Metric 3 Enhancement to focus on students

- Should this metric be enhanced to focus on student cost and efficiency?

4.

Metric 10 (UNF) Request to change metric

- UNF BOT has approved request to change Metric 10

5.

Metric 10 (UF) Request to change metric

- UF BOT has approved request to change Metric 10

6.

Metrics 9 & 10 Process for changing metrics

- What should the process be for changing the choice metrics?



Performance Funding Model Metrics

		EXCELLENCE (Achieving System Goals)									
Points		10	9	8	7	6	5	4	3	2	1
1	Percent of Bachelor's Graduates Employed and/or Continuing their Education Further 1 Yr after Graduation	80%	77.5%	75%	72.5%	70%	67.5%	65%	62.5%	60%	57.5%
2	Median Average Full-time Wages of Undergraduates Employed in Florida 1 Yr after Graduation	\$40K	\$37.5K	\$35K	\$32.5K	\$30K	\$27.5K	\$25K	\$22.5K	\$20K	\$17.5K
3	Average Cost per Undergraduate Degree to the Institution	\$21,589	\$22,939	\$24,287	\$25,637	\$26,986	\$28,336	\$29,685	\$31,034	\$32,383	\$33,733
4	Six Year Graduation Rate <i>Full-time and Part-time FTIC</i>	70%	68.8%	67.5%	66.3%	65%	63.8%	62.5%	61.3%	60%	58.8%
5	Academic Progress Rate <i>2nd Year Retention with GPA Above 2.0</i>	90%	88.8%	87.5%	86.3%	85%	83.8%	82.5%	81.3%	80%	78.8%
6	Bachelor's Degrees Awarded in Areas of Strategic Emphasis <i>(includes STEM)</i>	50%	47.5%	45%	42.5%	40%	37.5%	35%	32.5%	30%	27.5%
7	University Access Rate <i>Percent of Undergraduates with a Pell-grant</i>	30%	28.8%	27.5%	26.3%	25%	23.8%	22.5%	21.3%	20%	18.8%
8	Graduate Degrees Awarded in Areas of Strategic Emphasis <i>(includes STEM)</i>	60%	57.5%	55%	52.5%	50%	47.5%	45%	42.5%	40%	37.5%
Institution-Specific Metrics											
9	Board of Governors choice	Varies by metric									
10	Board of Trustees choice	Varies by metric									



Metric 1: Reminder of \$25K Wage Threshold

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

Year 3 Excellence Benchmarks Before Wage Threshold

Points	10	9	8	7	6	5	4	3	2	1
Benchmark	80%	77.5	75	72.5	70	67.5	65	62.5	60	57.5

Proposed Excellence Benchmarks for Year 4 with Wage Threshold (9% SUS decrease)

Points	10	9	8	7	6	5	4	3	2	1
Benchmark	72.8	70.5	68.3	66	63.7	61.4	59.2	56.9	54.6	52.3



Performance Funding Model Metrics

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Metric 2: Consider including non-Florida wages

Current definition:

- Only bachelor's graduates employed full-time in Florida one year after graduation.

For consideration:

- *Include all bachelor's graduates employed full-time in the US one year after graduation.*



Metric 2: Consider including non-Florida wages

	Total Grads	Total Employed in FL	FL Median Wage	Total Employed US	US Median Wage	Difference Employed	Difference Wage
FAMU	1,547	665	\$31,100	791	\$32,000	126	\$900
FAU	4,902	2,730	\$36,500	2,910	\$36,800	180	\$300
FGCU	1,845	1,085	\$35,200	1,170	\$35,200	85	\$0
FIU	7,913	4,032	\$36,900	4,303	\$37,400	271	\$500
FSU	7,842	3,101	\$32,700	3,657	\$33,800	556	\$1,100
NCF	144	21	\$24,800	33	\$24,800	12	\$0
UCF	12,129	6,745	\$36,200	7,344	\$37,000	599	\$800
UF	8,192	2,833	\$35,200	3,545	\$37,700	712	\$2,500
UNF	3,158	1,906	\$35,900	2,013	\$36,100	107	\$200
USF	9,151	4,941	\$36,300	5,377	\$36,700	436	\$400
UWF	1,904	880	\$34,900	1,022	\$35,400	142	\$500
SUS	58,727	28,939	\$35,600	32,165	\$36,300	3,226	\$700



Metric 2: Potential Benchmarks with US Data

Metric 2 – Median Average Full-Time Wages of Undergraduates Employed in Florida 1 Year After Graduation

Year 3 Excellence Benchmarks Florida Data Only

Points	10	9	8	7	6	5	4	3	2	1
Benchmark (thousands)	\$40.0	\$37.5	\$35.0	\$32.5	\$30.0	\$27.5	\$25.0	\$22.5	\$20.0	\$17.5

Proposed Excellence Benchmarks Including US Data (\$700 SUS increase)

Points	10	9	8	7	6	5	4	3	2	1
Benchmark (thousands)	\$40.7	\$38.2	\$35.7	\$33.2	\$30.7	\$28.2	\$25.7	\$23.2	\$20.7	\$18.2



Performance Funding Model Metrics

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Enhancement of Metric 3

Current Metric 3:

- The current metric is a measure of institutional efficiency focusing on institutional expenditures on undergraduate education and undergraduate credit hours using the SUS Expenditure Analysis.

Suggestion:

- *Enhance this metric to focus on the undergraduate student experience. Institutions would be rewarded for graduating students in 120 credit hours, keeping fees low, and providing institutional financial aid.*



Proposed Metric 3 Enhancement

Sticker Cost
per Degree

Tuition
& Fees

Books

Gift Aid per
120 Credits

Grants

Scholarships

Waivers

Net Tuition per
Degree



Proposed Metric 3 Enhancement

2014-15

	Sticker Cost per Degree	Gift Aid per Degree	Net Tuition per Degree
FAMU	\$35,970	\$22,440	\$13,530
FAU	\$31,890	\$15,300	\$16,590
FGCU	\$32,050	\$13,990	\$18,060
FIU	\$35,250	\$17,770	\$17,470
FSU	\$31,180	\$32,550	\$14,410
NCF	\$32,610	\$24,940	\$7,670
UCF	\$31,640	\$16,710	\$14,930
UF	\$30,650	\$21,120	\$9,530
UNF	\$32,220	\$15,550	\$16,660
USF	\$31,850	\$18,660	\$13,180
UWF	\$31,850	\$17,170	\$14,690
SUS	\$32,030	\$17,690	\$14,340



Proposed Metric 3 Enhancement

Suggestion:

- Create benchmarks that represent the value of an undergraduate degree from an SUS institution and incentivize the universities to make college more affordable.

Options:

- *Form benchmarks around the SUS average.*
- *Form benchmarks around a national average for a 4-year degree.*
- *Form benchmarks around an aspirational target.*



Performance Funding Model Metrics

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Metric 10: UNF BOT Request to Change Metric

Current Metric 10: Percentage of course sections offered via distance and blended learning

Current Excellence Benchmarks

Points	10	9	8	7	6	5	4	3	2	1
Benchmark	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%	4.0%	3.5%	3.0%

Proposed Metric 10: Percentage of SUS undergraduate FTE enrollments in online courses (aligns with revised SUS Online Education Strategic Plan Goal)

Proposed Excellence Benchmarks

Points	10	9	8	7	6	5	4	3	2	1
Benchmark	13%	12%	11%	10%	9%	8%	7%	6%	5%	4%



Metric 10: UF BOT Request to Change Metric

Current Metric 10: Total Research Expenditures

Current Excellence Benchmarks (compared to other AAU institutions)

Points	10	9	8	7	6	5	4	3	2	1
Benchmark	1 st - 6 th	7 th - 12 th	13 th - 18 th	19 th - 24 th	25 th - 30 th	31 st - 36 th	37 th - 42 nd	43 rd - 48 th	49 th - 54 th	55 th - 60 th

Proposed Metric 10: Licenses & Options Completed with Companies Commercializing Researcher Discoveries

Proposed Excellence Benchmarks

Points	10	9	8	7	6	5	4	3	2	1
Benchmark	1 st - 10 th	11 th - 20 th	21 st - 30 th	31 st - 40 th	41 st - 50 th	51 st - 60 th	61 st - 70 th	71 st - 80 th	81- 90 th	91- 100 th



Model Operations: Process for Changing Choice Metrics

Suggestion:

- Create a process for Board of Governors and Board of Trustees choice metrics.

Options:

- *For Board of Governors Choice Metrics: these metrics and benchmarks should be reviewed at least every 5 years and changed as the Board sees necessary.*
- *For Board of Trustees Choice Metrics: these metrics and benchmarks should be reviewed by the trustees at least every 5 years. Recommended changes would be considered by the Board of Governors. Should this metric be a stretch metric?*



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