



Performance-based and Preeminence Funding

The following provides an explanation of the performance-based funding and preeminence requests.

1. Performance-based Funding - \$400 million

Performance-based funding has proven over the past decade to be an exceptional tool to drive improvement and enhance university accountability as well as improve student outcomes in very tangible ways, including profound increases in student retention, on-time graduation rates, wages for recent graduates, and research efforts and related expenditures. The Board recommends increasing the performance-based funding State investment incentive next year by \$50 million, from \$350M to \$400M. These funds will be allocated in accordance with the current model as outlined in Board Regulation 5.001. The current model is based on either excellence or improvement for each of the metrics.

2. Preeminence Funding - \$140 million

Funding of \$140 million is being requested to recognize universities designated as preeminent pursuant to section 1001.7065, Florida Statutes, Universities designated as preeminent shall receive an equal amount of state funding.

3. Performance-based Recruitment & Retention Initiative - \$100 million

Recurring funding of \$100 million is being requested to reward universities that achieve maximum PBF excellence scores. Universities should be financially incentivized to reach the maximum score for each of the performance-based funding metrics since that will ensure alignment with the Board's Strategic Plan Goals and will directly benefit students and the state. Top excellence scores also contribute to Florida maintaining its position as the number one state for higher education. Recognizing and rewarding excellence is critical to motivating universities to achieve the highest scores possible. Funds will be used to retain existing and recruit new university full-time instruction and research personnel. Funds will also be used to recognize and honor exceptional achievements of full-time instruction and research personnel.

- a. Excellence scores would be determined based on the 2025 performance-based funding scores.
- b. Funds would be prorated to those universities based on their total maximum excellence scores weighted by the number of full-time faculty and researchers employed in programs of strategic emphasis.
- c. Maximum improvement scores are not eligible.

State University System Initiatives

The following provides a brief explanation of the system initiatives included in the 2025-2026 Legislative Budget Request. Additional detailed information is available from the Board Office.

4. Cybersecurity Resiliency Program - \$20 million

The goal of this program is to equip the universities for participation in a fully managed higher education cybersecurity operations center. We anticipate a three-to-five-year timeframe for the program to reach full maturity. The recurring base funds will be used in year one to establish a cybersecurity baseline for all State University System institutions. After the program is established, matching funding may be requested as gaps are identified, additional security layers are initiated, or new technologies and threats emerge.

5. PSE Waiver Incentive Funding - \$20.9 million

The Programs of Strategic Emphasis Waiver has grown in significance for both students and institutions since its inception in 2021. Last year, more than 18,000 students received this waiver, and institutions waived over \$42.5 million, which was \$4 million more than the Legislature provided in incentive funding to reimburse institutions for the lost revenue. The Board requests an additional \$20.9 million in incentive funding for the upcoming year to offset expected revenue losses in support of this waiver program.

It is projected that growth in the existing 12 designated programs, which is the intended purpose of the waiver, could result in a shortfall of as much as \$17.4 million next year. This includes the statutorily required continued funding of students in Physics who previously received the waiver, even though Physics is no longer an eligible program starting in the 2024-25 academic year.

The addition of Mechanical Engineering, which is a relatively large and important workforce program, could result in a shortfall of up to \$3.6 million next year. Mechanical Engineering replaced Physics as an eligible STEM program beginning in the 2024-25 academic year.

6. University of Florida – Institute of Food & Agricultural Sciences (IFAS) Workload - \$6.4 million

The UF/IFAS Workload Formula is a cost-to-continue funding formula model. It provides for increased research and extension workload demand. The model was developed at the request of and approved by the Florida Board of Governors in 2004. Increased demand for UF/IFAS research and Extension activities is based on the delivery of research information to UF/IFAS clientele throughout all 67 counties in Florida.

The model uses Extension delivery methods to measure increases in workload by both Extension and research faculty in the form of workload delivery units. UF/IFAS faculty disseminate a wide

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range of research-based information to the public as well as community leaders and experts. The model uses non-traditional teaching methods (such as field consultations, office consultations, telephone and email requests, group workshops, social media engagement, and printed materials) and converts these contacts to the equivalent of student FTEs. These delivery methods are converted by multiplying by a factor to account for the level of effort and then dividing by 30, which is the number used to convert student credit hours to FTEs. The total UF/IFAS research and Extension budget (General Revenue) is divided by this number to determine the value of a workload delivery unit.

The request for UF/IFAS Workload addresses three separate priorities of the University of Florida in its strategic plan: (1) to have “an exceptional academic environment, achieved by a diverse community of students, faculty, and staff;” (2) “growth in research and scholarship that improves the lives of the world’s citizens;” and 3) to have “a physical infrastructure and efficient administration and support structure that enables preeminence.”

7. State Fire Marshal Inspections - \$3.1 million

Pursuant to Section 633.218, Florida Statute, the State Fire Marshal (SFM) is required to inspect all state-owned buildings on a recurring basis, and high-hazard occupancies must be inspected annually. The 4,000+ buildings of the State University System generally fall in the category of both state-owned and high-hazard, and thus, as a practical matter, all university facilities are inspected every year by SFM employees.

Historically, the SFM has not assessed an inspection fee to the universities for the annual inspections. It appears that this practice dates back many years to the former Board of Regents with an agreement between Chancellor Reed and the SFM office. Section 633.218, Florida Statutes, provides that each state department must include in its annual budget proposal a request for sufficient funds to cover the costs of any fees imposed by the SFM services, including inspection fees. Pursuant to statutory language, the SUS requests recurring appropriations in the amount of \$3.1 million to cover the annual inspection costs for each university for the 2025-2026 fiscal year.

Below is a breakdown from the SFM by university for the annual inspection fees:

University	Annual Fee
Florida Agricultural & Mechanical University	\$128,451.42
Florida Atlantic University	\$295,674.51
Florida Gulf Coast University	\$106,456.47
Florida International University	\$289,957.74
Florida Polytechnic University	\$39,154.65
Florida State University	\$533,453.97
New College of Florida	\$21,754.17
University of Central Florida	\$798,973.93

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University of Florida	\$283,348.43
University of North Florida	\$85,112.29
University of South Florida	\$475,461.88
University of West Florida	\$66,510.28
Total:	\$3,124,309.74