

# Performance Funding Model Questions and Answers

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## Table of Contents

Guiding principles (questions 1 - 4)	Page 3
Operational topics (questions 5 - 19)	Page 3
Data issues (questions 20 - 29)	Page 6
Determining performance funding allocations (questions 30 - 37)	Page 8
Improvement plans (questions 38 - 39)	Page 9
Student success plans (questions 40 - 41)	Page 10
New allocation methodology (questions 42 - 46)	Page 11
Changes to metric 3, 4, 7 and 9 (questions 47 - 68)	Page 12

## Guiding principles

- 1. Did the Board establish guiding principles in the development of the model?**
  - Early in the process the Board established 4 guiding principles that were the basis for the development of the model:
    - i. Use metrics that align with Strategic Plan goals;
    - ii. Reward Excellence and Improvement;
    - iii. Have a few clear, simple metrics; and
    - iv. Acknowledge the unique mission of the different institutions.
- 2. Universities have numerous metrics that are tracked and reported on in the annual accountability report. Why were only 10 chosen?**
  - One of the Board's guiding principles was to have a 'few clear, simple metrics'. This was a common theme when discussing models with systems around the country.
  - With approximately 40 metrics included in the annual accountability report, 10 metrics were identified as follows:
    - i. 3 metrics were identified in the 2013 General Appropriations Act.
    - ii. 5 metrics were identified by the Board based on key Strategic Plan initiatives.
    - iii. 2 metrics were 'choice' metrics that were picked by the Board and local boards of trustees. These 2 metrics focused on areas of improvement or the specific mission of the university.
- 3. Why reward 'Excellence' or 'Improvement'?**
  - Due to numerous reasons (university age, student demographics, regional location, funding, etc.) university metrics vary. It was important to recognize those universities that have 'Excellence' metrics, but it was also important to recognize those universities who are making improvements from one year to another.
- 4. Current funding per full-time equivalent (FTE) student is well below the national average. Why implement a performance model when many universities are funded so low?**
  - The amount of funding provided by the state and students through the appropriations process and tuition payments should not be an impediment to utilizing funds in a manner that ensures a university is performing at the highest levels. Students and parents expect the best no matter the funding levels. Waiting to implement performance funding until additional resources are provided would be a disservice to our students and other stakeholders

## Operational topics

- 5. What is the maximum number of points available?**
  - Prior to 2016-17, each of the 10 metrics are weighted the same and the highest point value for each was 5 points. Thus the total number of points available was 50.
  - Starting in 2016-17, each of the 10 metrics remain weighted the same and the highest point value for each metric is now 10 points. Thus the new total number of points available is 100. Metric 9 is split into two metrics, each worth 5 points.
- 6. Will any of the metrics be weighted differently?**
  - At this time all 10 of the metrics have equal weight.

- 7. To be eligible for new funding a university must score in the top three, improve or maintain their score over the previous year, or not score below 70 points (starting in FY 2021-22). How were these minimum requirements determined?**
  - To make this model truly a performance funding model, then funds should be awarded to the highest performing institutions and institutions that continue to improve upon their scores. An institution should be held responsible if they are unable to score above 70 points.
- 8. If the model focuses on excellence and improvement, why are the bottom three institutions always kept out of the money, even if they obtain the minimum set score or higher?**
  - The bottom 3 requirement was removed from the Performance-Based Funding Regulation; beginning in FY 2019-20, there is no longer a bottom 3 requirement.
- 9. Why are UF and FSU included in the model if they're preeminent institutions?**
  - This is a system model that measures system performance. In order to determine the health of the SUS as a whole, our highest achieving universities must be a part of the model. They help set the standards for excellence—standards which we believe are also attainable by other universities. The “improvement” scores help provide incentives while institutions are on their way to excellence. For institutions that have already achieved high standards the model recognizes that in the Excellence scoring for those institutions.
- 10. Will the performance-based funding model drag down the preeminent institutions and New College, which is considered a top liberal arts college?**
  - See the response to #9 above. This is a system model based upon 4 guiding principles. One of those principles states that the model “Rewards excellence as well as improvement.” For example, UF is rated very highly nationally on its graduation rate and received an excellence rating in this metric. Other institutions, although not as high performing, can demonstrate year-over-year improvement.
- 11. How do we prevent the universities from “dumbing down” graduation rates?**
  - The model includes metrics that focuses upon both achievement and access. The “University Access Rate” metric has been deliberately included so that institutions that serve a higher percentage of undergraduates with a Pell grant are acknowledged for their commitment to students with financial need. The model balances the need for achievement, by including 4-year graduation rates and academic progress rates with the need for access, by including the university access rate metric.
- 12. Were the universities involved in the development of the performance model?**
  - The development of the performance funding model began in the fall of 2012. At each Board meeting there has been discussion and updates provided on the status of developing the model. Discussions have been held with universities through phone calls and face-to-face meetings. The final metric, the board of trustee choice metric, involved the universities as their own boards made the recommendation of the metric and benchmarks for Excellence and Improvement.
- 13. How can the universities improve their performance on the metrics?**
  - Universities will need to be strategic in the investment of performance funds to focus on improving metrics. For example, a university could choose to invest in improving internship opportunities within the disciplines that perform the best on these post-graduation metrics, and other career center efforts. For other metrics, there are many initiatives the universities have and can undertake to improve graduation rates, retention rates, degrees awarded, etc.

**14. What would happen if there was a tie, where two or more universities had the same total score?**

- Prior to 2016-17, the Board’s practice was to address all ties to the benefit, not the detriment, of the institutions in question. No matter where the tie took place in the score rankings, the practice was the same. For example, if two institutions had the same score and this score was the third best then both would be considered part of the “top 3.” By the same practice if two universities tied for the score above the “bottom 3,” both would be considered eligible for new funds.
- From 2016-17 until 2018-19, the following Tiebreaker Policy (approved at the November 2015 Board Meeting) was established to break all ties:
  - i. Compare the total of Excellence and Improvement scores
  - ii. Give advantage to higher points earned through Excellence
  - iii. Score metric by metric giving a point to the school with the higher score
  - iv. If tied after three levels of tiebreakers, the tie will go to the benefit of the institutions
- Beginning in 2019-20, all ties go to the benefit of the institution. The same as was applied prior to 2016-17.

**15. Are all twelve institutions included in the model?**

- Yes, beginning in FY 2021-22, all twelve institutions are now included in the model. Florida Polytechnic University was previously not included in the model; they needed at least two years of data on enrolled students to have performance be evaluated.

## **Data issues**

**16. How are the scores calculated for Improvement?**

- Improvement is current year performance minus previous year performance. The result is generally a percentage change and is scored 1 point for 0.5% up to 10 points for 5%. For metric 9, which is two metrics each worth 5 points, 1 improvement is given for 1% increase up to 5 points for 5%.

**17. How do current metrics deal with the military, working students, etc.?**

- Students who leave school to serve in the armed forces, have been called up to active duty, who leave to serve with a foreign aid service of the Federal Government, who leave to serve on an official church mission, or who die or become permanently disabled are not included in the graduation rate metric. Among all 11 public universities in the SUS during 2011-12, only 16 full- or part-time students were called to active duty. Among all four categories of exclusions listed above in the 2005-11 six-year cohort of students, only 131 students fell into these categories—and they were excluded from the graduation rate calculations.
- In addition, only military students who are FTICs (first time in college) are included in the graduation rate. If they began their college career outside an SUS institution, they are excluded from the graduation rate calculation.
- Military students and working students are just as able to successfully persist and complete college as other groups of students. Although some military students may need longer to complete due to a variety of factors, many are mature, instrumentally motivated adults who know what they want and have a strong work ethic. It is misleading to say that because a student is working or is a veteran, she or he is less likely to persist and complete college.

**18. Why weren’t regional differences taken into account when calculating the metrics?**

- The employment data that the state collects as part of its unemployment insurance (UI) program, only includes the county for the company headquarters – not the county where the former student is employed. For example, a former student living in Duval county working for Publix would be assigned to Polk County - where Publix is headquartered.

**19. Why not use expected graduation rates instead of actual graduation rates?**

- One of the issues with calculating an expected graduation rate is that it is difficult to determine whether differences between estimates and actual data are due to university performance or model error. The performance funding model accounts for student differences at each university by awarding points equally for ‘Excellence’ and ‘Improvement’.
- Actual graduation rates are a standard measure of performance used by IPEDS and other national reporting agencies.

**20. Why is the data based on one year and not 2, 3 or 5-year averages?**

- The data used to drive the model is from the annual accountability report which focuses on yearly data. A yearly snap-shot also allows for comparison with other systems and/or states. For some metrics, historical data is not available and in other cases the metric definitions have been revised recently, thus the use of averages would not be appropriate.

**21. Why wasn’t the standard deviation used when setting benchmarks?**

- This was considered for each metric but it was decided to set the benchmarks close to the data and therefore ensure that schools were rewarded for reasonable performance above, at, and just below the system average.

**22. For Percent of Bachelor’s Graduates Employed and/or Continuing their Education Further metric, why was a different methodology used than what is in FETPIP’s standard reports and why were recent graduates used instead of data on graduates three or more years post-graduation? <sup>1</sup>**

- SUS institutions produce graduates with a national scope, yet FETPIP’s reports only include data for alumni who are found within Florida – missing about one-quarter of our bachelor’s graduates. To get a more complete picture, Board staff have merged FETPIP’s Florida data with the National Student Clearinghouse data to include enrollment outside of Florida.
- Board staff worked with FETPIP and the Department of Economic Opportunity (DEO) to add graduates employed out-of-state, graduates in the military, and graduates employed with the federal government. Florida has joined the national Wage and Record Information System (WRIS2) data system that provides data on whether graduates are employed across state lines.
- In contrast to FETPIP’s methodology of only looking at the October-December fiscal quarter for employment data, Board staff recommends that each graduate be given a full year to find employment or re-enroll. A year for each graduate provides a better standard than the October-December fiscal quarter because of the variation among universities regarding when degrees are awarded (year-round or only in May). In addition, by allowing for a full year, students who are sitting for licensure exams (i.e., CPA exam) will have time to take their post-graduation exams and look for work.
- The decision was made to use data from one year out so students (and their parents) will know what their prospects are immediately after graduation. Board staff plans to study longer-term (three to five years) employment data and publish the information in the future.

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<sup>1</sup> The Florida Education & Training Placement Information Program (FETPIP) is a data collection and consumer reporting system within the Florida Department of Education that was established to provide follow-up data on former students and program participants who have graduated, exited or completed a public education or training program within the State of Florida.

- 23. For Percent of Bachelor’s Graduates Employed and/or Continuing their Education Further metric, what is the impact for institutions that have graduates living and working overseas?**
- Graduates who live and work abroad are not currently included in the data except for a few from New College. The small number of NCF graduates makes it necessary to account for every single graduate or their percentages are disproportionately affected.
- 24. For Median Average Wage of Full-time Employed Baccalaureate Graduates in Florida, One Year After Graduation metric, why was a different methodology used than what is in FETPIP’s standard reports?**
- Median wage, rather than the mean wage used in FETPIP’s standard reports was recommended. Mean wages are potentially skewed by outliers. As an example, the State University System’s median wage (of \$33,044) for 2010-11 baccalaureates is lower than the mean wage (of \$35,820) used in FETPIP’s reports.
  - Each graduate should be given a full year to find employment or re-enroll, which is in contrast to FETPIP’s methodology of only looking at the October-December fiscal quarter for employment data. By allowing for a full year, students who are sitting for licensure exams such as the CPA exam will have time to take their post-graduation exams and look for work.
- 25. Why was the Cost per Degree Work Group report not utilized for the Cost per Undergraduate Degree metric?**
- The Cost per Degree report completed by the Chancellor’s Work Group in June of 2013 calculated the cost per degree to the student, state and institution based on state appropriations and tuition. While this report was considered, it was determined that actual expenditures from the SUS Expenditure Analysis, instead of appropriations, should be used.
  - The cost per degree to the institution calculated in the Cost per Degree report and those calculated from the Expenditure Analysis for 2011-12 are very similar and the difference between the two for the SUS is only \$334.
  - Please note: This metric was changed in November 2016 by the Board. Please see the questions concerning “Changes to Metric 3” for more details.

## **Determining performance funding allocations**

- 26. Are there guidelines on how the universities will spend their allocations?**
- No restrictions or guidance has been provided on the expenditure of performance funds. Universities have discretion, but are encouraged to spend the funds on initiatives that enhance the student’s experience and improve performance on the model’s metrics.
- 27. Please give a detailed explanation for how “new funding” or “state investment” is allocated.**
- Universities are scored on Excellence and Improvement on each of the ten metrics. The higher score for each metric is summed for a final score. The maximum score was 50 points prior to 2016-17. Starting in 2016-17 each metric is worth 10 points with a maximum score of 100 points.
  - Prior to 2016-17, universities were required to earn at least 26 points to receive new funding. From in 2016-17 until 2018-19, the requirement was 51 points in order to be eligible for new funding.
  - The new allocation methodology (approved November 2018) now requires the following:
    - i. Institutions with the top 3 scores are eligible for the state’s investment. In the case of a tie for the top 3 scores, the tie will go to the benefit of the institutions.
    - ii. All institutions with a score the same or higher as the previous year, are eligible for their proportional amount of the state’s investment.



- iii. Any institution with a score less than the previous year but the previous year's score was higher or the same than the year before, is eligible for their proportional amount of the state's investment.
- iv. Any institution with a score lower than the previous year's score for two consecutive years shall submit a student success plan to the Board for consideration at its August/September meeting that specifies the activities and strategies for improving the institution's performance metrics in order to be eligible for their proportional amount of the state's investment.
- v. Any institution with a score lower than 70 points must submit a student success plan to the Board for consideration at its August/September meeting that specifies the activities and strategies for improving the institution's performance metrics in order to be eligible for 50 percent of their proportional amount of the state's investment.
- Eligible universities receive new funding proportional to their existing recurring base funds compared to the total system recurring base funds, excluding IFAS and medical schools.
- The three highest scoring universities are eligible for distribution of any new funds remaining based on final point total.

**28. Please explain the impact on a university that scores below the point threshold in terms of the “base funding” or “institutional investment” at risk.**

- Prior to 2016-17, if a university scores below 26 points and loses a portion of its base budget, the reduction is only for one year. The following year the base budget would be restored (answer provided by Florida Board of Governors Chair, Mori Hosseni, and Vice Chair, Tom Kuntz).
- From 2016-17 to 2019-20, the point threshold was 51 points and the process remained the same.
- Starting in 2020-21, the point threshold is now 60 points and the process remains the same.

**29. Please explain the sources of funding that make up the “base” funding at risk and if only recurring funding included**

- The base funding at risk includes both Lottery and General Revenue E&G funds. Only recurring funding is included.

**30. How is the prorated share of base funding at risk for each institution calculated?**

- The calculation uses the startup base for each institution for the year in question. For example, as the legislature prepared the 2020-21 budget, it calculated the beginning base for each institution before adding additional budget issues for 2020-21.

**31. Are there any other funding sources included in the base such as E&G tuition and fees, Preeminence Program funding, for example?**

- The legislature determines the base for PBF purposes. For the current year, they made one adjustment to the base: they deducted preeminence and emerging preeminence funding for UF, FSU, USF and UCF.

**32. Please describe how the base calculated for the institutions is used when distributing the state investment funding.**

- The base, as determined by the legislature (with the adjustments) is used to calculate the institution's investment and to calculate the state's investment. The first distribution of the state investment is the percentage of the institution's share of the sum of recurring base dollars multiplied by the amount of state investment.

**33. Please explain how the Top Three institutions receive extra funds during the distribution of the state investment.**

- The three highest scoring universities are eligible for distribution of any new funds remaining based on final point total. (see #30)

## **Improvement plans**

**34. Briefly explain how the Improvement Plan process works for institutions scoring below the threshold of 60 points.**

- An eligible institution may submit an improvement plan to the Board of Governors for consideration at the June Board Meeting. The Chancellor will withhold the institutional investment funds starting July 1. If the improvement plan has been approved, there are two progress checkpoints in December and May. At each progress checkpoint, the Board of Governors can release up to 50% of the withheld funds.
- If an institution fails to make progress and the full amount of withheld funds are not restored, any remaining funds will be distributed to the institutions earning the most improvement points on the performance based funding metrics.
- Starting July 1, 2016 each of the institutions has the opportunity to use the Improvement Plan process one time in order to have institutional investment funds restored. Institutions that used the process during the 2014-15 Fiscal Year also have one opportunity.

**35. If an institution scores below 60 points and has already been through the Improvement Plan process after July 1, 2016, what happens to that institution's institutional investment funds?**

- The funds are redistributed based on points earned to the other universities that scored 51 points or more.
- The forfeited institutional investment funding would only be lost to the non-achieving institution for that fiscal year only. Funds will be restored to that institution's base budget at the beginning of the next fiscal year.

## **Student Success plans**

**36. Briefly explain how the Student Success Plan process works for institutions with a score the same or lower than the previous year's score for two consecutive years.**

- An eligible institution must submit a student success plan to the Board for consideration at its August/September meeting that specifies the activities and strategies for improving the institution's performance metrics in order to be eligible for their proportional amount of the state's investment.
- If the student success plan is approved by the Board, the institution can receive up to half of its state's investment at the time of approval.
- The Board will monitor the institution's progress on implementing the activities and strategies specified in the plan, and the Chancellor will withhold the remaining disbursement of the state's investment until the student success plan monitoring report for each institution is approved by the Board.
- The monitoring report will be considered by the Board at its March meeting and if it is determined that the institution is making satisfactory progress on implementing the plan, the institution may receive up to the remaining balance of its state's investment.

**37. Briefly explain how the Student Success Plan process works for institutions with a score lower than 70 points.**

- Beginning with the Fiscal Year 2021-22 appropriation, any institution with a score lower than 70 points must submit a student success plan to the Board for consideration at its August/September meeting that specifies the activities and strategies for improving the institution's performance metrics in order to be eligible for half of their proportional amount of the state's investment.
- If the student success plan is approved by the Board, the institution will receive up to 25 percent of its state's investment at the time of approval.
- The Board will monitor the institution's progress on implementing the activities and strategies specified in the plan, and the Chancellor will withhold the remaining 25% of the disbursement of the state's investment until the student success plan monitoring report for each institution is approved by the Board.
- The monitoring report will be considered by the Board at its March meeting and if it is determined that the institution is making satisfactory progress on implementing the plan, the institution will receive up to the remaining balance of its state's investment.

## **New Allocation Methodology**

**In November 2018, the Board approved a new allocation methodology to be applied beginning in Fiscal Year 2019-20.**

**38. What happens to a school with a one-year score decline? For example, suppose an institution drops from 75 to 74 points (and suppose they are not in the top 3). Would the institution receive the state investment?**

- Yes, the university would receive 100% of their state investment in this scenario.

**39. What happens to an institution if their score doesn't increase, but it also does not decrease for two consecutive years?**

- If a score stays the same as the previous year, the institution receives 100% of the state investment.

**40. Suppose an institution improves their score from 45 to 46 points. Since they scored less than 51 points, the school would not receive the institutional investment. Since the school's score increased, would the school receive the state investment?**

- Although it is very unlikely, yes, for 2019-20 and 2020-21, the institution would be eligible for the state investment. However, starting with the 2021-22 appropriation, a school that scores below 70 would only be eligible for 50% of their state investment allocation. They would have to do a student success plan to receive those funds.

**41. In November 2018, the Board made changes to Metric 10 (the Board of Trustees Choice), please explain the change and how it may impact the new allocation methodology.**

- Boards of Trustees have presented the metric they have chosen to be measured on. The plan is to collect the data, and set the benchmarks based on the most recent data. The Board will not implement these metrics in the next cycle (2019 performance scores) but will wait until the 2020 scores. This will provide 2 years of data in order to measure improvement.
- Benchmarks will be set in 2019, which will make whatever the institution scores 7 points. The new metric 10 will not be applied to PBF scores until 2020. We will continue to use current metric 10 for 2019. We will begin counting the new metric 10 scores in 2020.

## Changes to metrics 3, 4, 7 and 9

In 2018 the Legislature and Governor passed and signed into law Senate Bill 4 (Ch. 2018-4) which made changes to Metrics 4 and 7.

### **42. What impact did Senate Bill 4 have on Metric 4, 6-Year Graduation Rates for full-time and part-time FTIC students?**

- The bill requires the Performance Funding Model to include a 4-year graduation rate metric. In March 2018 the Board of Governors changed the 6-year graduation rate metric to a 4-year graduation rate metric. The metric now includes only full-time FTIC students.

### **43. What impact did Senate Bill 4 have on the benchmarks for Metric 7, University Access Rates (percent of undergraduates with a Pell-grant)?**

- The bill requires access rate benchmarks to be differentiated and scored to reflect the varying access rate levels among the state universities, and prohibits the use of bonus points. In March 2018, the Board of Governors changed the benchmarks as shown in the table below.
- Florida's population with family incomes less than \$40k for ages 18-24 is 42% based on a 3 year average of US Census data (76% of fall 2016 Pell-grant students match this criteria).
- The updated benchmark incentivizes institutions to be representative of the state's population of low income families and continues to reflect the Board's policy of encouraging the institutions not to decline in this metric

Points	10	9	8	7	6	5	4	3	2	1
2017-18 Benchmark	30%	28.8%	27.5%	26.3%	25%	23.8%	22.5%	21.3%	20%	18.8%
2018-19 Benchmark	42%	38%	34%	30%	26%	22%	18%	14%	10%	6%

In November 2016 the Board of Governors voted to change metric 3 from 'Average Cost per undergraduate Degree to the Institution' to 'Net Tuition & Fees per 120 Credit Hours'.

### **44. Why was a metric on student affordability considered?**

- The Board of Governors is dedicated to the principle that a high-quality university education remain an accessible and affordable opportunity for Floridians. The Board spent over a year looking at student affordability and how to restrain student costs. Including a 'Net Tuition per Degree' metric within the performance funding model is considered one of the strongest actions the Board can take to restrain tuition and fee growth.
- Including an affordability metric within the performance funding model acts to reframe the narrative around university costs that has heretofore been dominated by sticker price, which ignores the billion dollars of financial aid awarded to undergraduates annually within the State University System. Shifting the focus from 'sticker price' to 'net tuition' may encourage qualified students to apply that would have otherwise deferred their postsecondary education due to concerns about costs. It may also encourage institutions to look at fee policies and ways to maximize institutional financial aid to students.
- Florida Statute 1001.92, and Board Regulation 5.001, requires an affordability metric as part of the performance funding model.

**45. What actions can universities take to improve a ‘Net Tuition per Degree’ metric?**

- There are several levers that a university can act on to impact a ‘Net Tuition per Degree’ metric:
  - i. Tuition and Fees – Although undergraduate tuition is set by the legislature, fees are established by the universities. The proposed ‘Net Tuition’ metric provides an incentive for universities to keep fees low.
  - ii. Total Credit Hours – The proposed ‘Net Tuition’ metric considers a university’s mean total credit hours required to complete a degree in recognition that the amount of time, and credit hours, required to earn a degree is a key component of student cost. University advising and tracking can help students stay on course and complete their degree in a timely manner. Total credit hours impact the costs for books and supplies in addition to tuition and fees – see question 14 for more information about book costs.
  - iii. Financial Aid – The proposed ‘Net Tuition’ metric provides an incentive for universities to provide additional institutional financial aid. University leadership has discretion regarding funding levels for institutional aid provided to undergraduate students.

**46. Compared to the previous metric, will the new metric give all of the universities the opportunity to earn Excellence and/or Improvement points?**

- Yes, the proposed ‘Net Tuition per Degree’ metric enables all of the universities the opportunity to earn Excellence or Improvement points. Two institutions were unable to score points on the ‘Average Cost’ metric and no institutions were able to score Improvement points.

**47. Does the new metric include a faculty effort component?**

- No. One of the primary concerns raised by the universities on the existing ‘Average Cost’ metric was the allocation of faculty effort and how that can be manipulated to drive costs to areas other than undergraduate education. The proposed metric is a relatively simple methodology that emphasizes cost to the undergraduate resident student.

**48. Since the methodology for the new metric is based on a theoretical calculation, does it truly reflect the actual institutional performance for real students?**

- The Board Office does not collect the amount of tuition and fees paid by each individual student within its State University Database System (SUDS), so it is not possible to tie the actual amount of undergraduate tuition and fees collected for each bachelor degree awarded.
- The new metric is based on a model, just like the ‘Average Cost’ metric, that makes various assumptions about student costs and represents an average cost per student at each university.

**49. Does the new metric incentivize institutions to modify recruiting strategies of undergraduate students?**

- A decision to alter recruitment policies based on one metric could have an adverse impact on another metric, which would negate the perceived advantages.
- The new metric could incentivize the universities to focus on the retention of students, specifically students with Bright Futures.

**50. Should Florida Bright Futures Scholarships and Federal Pell Grants be excluded?**

- No, excluding two key financial aid components for a metric that looks at student affordability would be short-sighted and would provide a misrepresentation of a student’s net costs. Universities can influence this ‘Net Tuition per Degree’ via student recruitment efforts and institutionally-funded awards and waivers.
- If significant changes are made to Bright Futures or Pell Grants, then the Board of Governors will consider adjusting the benchmarks.

- 51. Does the new metric overlap with metrics for Access and Excess Hours?**
- Many of the metrics complement each other. Thus, a focus on one particular metric could potentially impact another metric. The Board of Governors Choice Metric 9, as well as Board of Trustees Choice metric 10, will be reviewed and considered for future modification.
- 52. Pell Grants don't stop at 120 credit hours so why doesn't the methodology include all of the credits when calculating total gift aid?**
- The new metric was designed to represent the cost of a degree for a student in a *standard* 120 hour program. The financial aid data is based on one academic year's awards and then multiplied by 120 to model the gift aid amount for a degree. This annual methodology is more responsive to university policy decisions than using the total awards from a particular graduating class.
- 53. Does the new metric provide an incentive to the university to reduce the amount of instructional activity as measured by student credit hours?**
- Board staff will actively monitor the average term course load of students to ensure that universities maintain their focus on 'Finish in Four' policies.
- 54. Why isn't student attrition considered in the new metric?**
- All performance based funding metrics were designed to be clear and simple. The Board has resisted compound metrics or making metrics too complex.
- 55. Why can't the new 'Net Tuition per Degree' metric just be tuition collected divided by number of degrees?**
- The Board Office does not collect the amount of tuition paid by each student within its State University Database System (SUDS), so it is not possible to tie the actual amount of undergraduate tuition collected for each bachelor degree awarded.
- 56. Should waivers be removed from the new metric until a later date?**
- The new metric includes tuition waivers because waivers are an important component of how student financial aid is packaged. Not including the waivers would understate the amount of aid a student receives.
  - Including waivers in the new metric ensures that they will be extensively reviewed to ensure accurate reporting.
- 57. How are the costs of textbooks calculated in the new metric?**
- Textbook affordability is a concern of the Florida Legislature, the Governor, Board of Governors and students. The proposed 'Net Tuition per Degree' metric includes the national average cost of textbooks and supplies as reported annually by the College Board. Board staff chose to use national cost data because students purchase course materials from too many sources to accurately track on an individual level in a state database.
  - The calculation of book costs, for the proposed 'Net Tuition per Degree' metric, is based on the costs for a 120 hour degree. The national average book cost is based on annual costs, so the average annual cost is multiplied by 4 to produce the book costs for a 120 hour degree. This new cumulative cost amount is divided by 120 to produce a 'per credit hour' cost amount. The 'per credit hour' costs are then added to tuition and fees and that subtotal is multiplied by the university's average total credit hours. This method recognizes that a student who takes more credit hours pays more for books.
- 58. Why didn't the Board choose a metric related to student loan debts or loan default rates?**
- Board staff actively monitor the System's student debt/default data and these data are reported annually to, and approved by, the Board of Governors and each university's Boards of Trustees as part of the University Work Plans.
  - The challenge of using student loan/default data as an accountability metric is that **student loan debts** are largely comprised of non-instructional costs that are part of a

regular lifestyle (housing, food, transportation). In fact, tuition, fees and books only represent one-third of the total 2016-17 costs of attendance within the State University System of Florida. Although universities can offer, or even require, financial literacy programs and counselling services to students, it is a large conceptual jump to actually use this data to hold universities accountable for the non-instructional financial decisions that individual students choose to make about their personal lifestyle.

- It is also important to note that a possible unintended consequence of including student debt, or default rates, as a performance funding metric is that it *could* negatively impact student access, which is a key component of affordability, because it would provide an incentive for universities to admit students who are less likely to incur debt and/or default.
- The proposed metric can address student affordability and the reduction of student debt by encouraging universities to keep fees stable, offer more student aid, and reduce the time to degree.

**59. What percentage of the State University System undergraduate programs are 120-credit hour programs.**

- 82 percent of programs require 120 credit hours.

**60. Why are the triad fees (i.e. health, athletics, and Activity & Service) not excluded from the cost calculation?**

- These fees are charged to the average undergraduate student and therefore are appropriate for the proposed metric's calculation. The inclusion of these fees ensures that university officials will make thoughtful decisions regarding any changes to these fees.

**In 2020 the Legislature and Governor passed and signed into law Senate Bill 72 (Ch. 2020-114) which required two new PBF metrics.**

**61. Why was Metric 9 chosen to be replaced with the two new metrics?**

- Seven metrics are currently required by statute (not including the two new metrics), leaving the only options to be replaced to be Metric 8: Graduate Degrees Awarded in Areas of Strategic Emphasis, Metric 9: Board Choice, Percent of Bachelor's Degrees without Excess Hours, and Metric 10: BOT Choice. The Board chose Metric 9 because nearly all of the universities were consistently scoring high on this metric and the SUS average had exceeded the Strategic Plan Goal.

**62. What are the two new metrics and how many points will they be worth?**

- Each metric is worth 5 points, keeping the model on a 100-point scale.
- Metric 9a: Two-Year Graduation Rate for FCS Associate in Arts Transfer Students. This transfer cohort is defined as undergraduates entering in fall term (or summer continuing to fall) from the Florida College System with an Associate in Arts (AA) degree. The rate is the percentage of the initial cohort that has either graduated from the same institution by the summer term of their second academic year. Full-time students are used in the calculation.
- Metric 9b: Six-Year Graduation Rate for Students who are Awarded a Pell Grant in their First Year. This metric is based on the percentage of students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and who received a Pell Grant during their first year and who graduated from the same institution by the summer term of their sixth year.

**63. Why is there a different Metric for FL Poly?**

- Florida Polytechnic University will use the alternative Metric 9b1: Academic Progress Rate, 2<sup>nd</sup> Year Retention for FTIC with a Pell Grant, until they have 6-year graduation rates (which is required for Metric 9b).



# STATE UNIVERSITY SYSTEM OF FLORIDA







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