FORT MYERS— In a measure designed to reward university excellence and improvement and maximize the return on investment for Florida students, the Board of Governors has developed a performance funding model for implementation during the 2014-2015 year in partnership with the Legislature and Governor.

Designed with input from university presidents, provosts and boards of trustees, the model builds on the SUS Strategic Plan while acknowledging each university’s unique mission. The measure will ensure student access to a first-class education at an affordable cost, providing the best-possible opportunities for graduates to obtain and create good jobs and contribute to a successful Florida workforce.

“We listened to our stakeholders and worked closely with the universities to craft a way forward that is thoughtful and appropriate to today’s economic environment,” said Board Vice Chair Tom Kuntz. “This represents a new era of accountability and improvement for our State University System.”

Marshall Criser III, who recently took the helm as chancellor of the State University System, has presented the new model to legislative, education and business leaders across the state, garnering broad support.

“I applaud Chancellor Criser for making performance funding a priority for our State University System,” said Florida House Speaker Will Weatherford. “I look forward to working with him as we continue to move Florida’s higher education system forward.”

“Florida’s policy must be to make sure a college degree actually leads to a real job in the real economy,” said Florida Senate President Don Gaetz. “That’s why we strongly support the Board of Governors in tying funding of education to the measurable performance of our colleges and universities.”

"The new performance funding model will give the citizens of Florida greater confidence that our universities will serve the needs of our state and will also help incentivize success," said Florida State University President Eric Barron. “Just as our students understand that rigor and accountability lead to success, FSU is committed to those same principals for Florida.”
The model uses data from the annual SUS Accountability Report to determine funding based on the following system:

**Metrics**

- Each university will adhere to seven common metrics: percent of bachelor’s degree graduates employed and/or continuing their education; average wages of employed baccalaureate graduates; cost per undergraduate degree; six-year graduation rate for full-time and part-time first time students; academic progress rate (2nd-year retention with GPA above 2.0); bachelor’s degrees awarded in areas of strategic emphasis (includes STEM); university access rate (percent of undergraduates with a Pell grant).

- An eighth metric, graduate degrees awarded in areas of strategic emphasis, applies to 10 of the state’s 12 universities[1]. New College, which offers undergraduate degrees only, adheres to an alternative metric: freshmen in the top 10 percent of graduating high school class.

- The Board of Governors and Board of Trustees have decided on the final two metrics for each university.

**Funding**

- Each university metric is evaluated based on Excellence or Improvement with five benchmarks ranging from high to low. The maximum score is 50 points, with universities that earn 26 points or higher eligible to receive new funds.

- Each university would contribute a small portion of their recurring base state funds to be allocated through the performance funding model.

- Universities earning 26 points or higher would have their base funding restored.

- Universities earning 25 points or fewer would have a portion of their base funding at risk. Those funds would be reallocated for strategic initiatives at high-performing universities.

- During the first year, a floor would be established so universities would lose no more than 1 percent of their existing base state funds.

- The Board has included $50 million in its Legislative Budget Request, which universities will match with a prorated amount from their recurring base state funds. For example, if $50 million is appropriated, the Board will award a total of $100 million in performance funding to the top-performing and most-improved universities.
By providing new incentives, this model not only recognizes excellence, but encourages universities’ year-over-year improvement and creates an even better value for Florida students.

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Facts about the State University System of Florida and the Board of Governors

The State University System of Florida is a constitutional body led by the 17-member Board of Governors. The system has 12 universities and more than 335,000 students, making it the second-largest public university system in the nation. Responsibilities include defining the distinctive mission of each institution and managing the system’s coordination and operation. The Board appoints a Chancellor who serves as the system’s chief executive. For more, visit http://www.flbog.edu/.