- (1) The Performance-Based Funding (PBF) model is based upon four guiding principles:
 (a)
 - (b) Reward excellence and improvement;
 - (c) Have a few clear, simple metrics; and
 - (d) Acknowledge the unique mission of the different institutions.
- (2) The PBF model measures institutional excellence and improvement of performance using metrics adopted by the Board of Governors. The metrics include 4-year graduation rates for first-time-in-college students; 3-year graduation rates for associate in arts transfer students; retention rates; post-graduation education rates; degree production; affordability; postgraduation employment and salaries, including wage thresholds that reflect the added value of a baccalaureate degree; access; 6-year graduation rates for students who are awarded a Pell Grant in their first year; and other metrics that may be approved by the Board in a formally noticed meeting. Benchmarks and metrics may not be adjusted after university performance data has been received by the Board.
- (3) The performance of an institution is evaluated based on benchmarks adopted by the Board of Governors for each metric. For each fiscal year, the amount of funds available for

satisfactory progress on implementing the plan, the institution shall receive up to 50 percent of its institutional investment.

- (4) The May 31 monitoring report will be considered by the Board of Governors at its June meeting and if it is determined that the institution has fully completed the plan, the institution shall receive the remaining balance of its institutional investment.
- (5) Any institution that fails to make satisfactory progress shall not have its full institutional investment restored, and any institutional investment funds remaining shall be distributed to the three institutions that demonstrate the most

improvement points.

(d) If an institution, after the submission of one improvement plan, subsequently fails to meet the point threshold, its institutional investment will be redistributed to the institutions meeting the point threshold, based on the points earned by each institution.

(5) State Investment

(a) On a 100-

(6) Beginning with the Fiscal Year 2021-22 appropriation, any institution with a score lower than 70 points shall submit a student success plan to the Board of Governors for consideration at its