

**FLORIDA BOARD OF GOVERNORS  
NOTICE OF PROPOSED AMENDED REGULATION**

**DATE: July 23, 2020**

**REGULATION NUMBER AND TITLE: 5.001, Performance-Based Funding**

**SUMMARY:**

**FULL TEXT OF THE REGULATION IS INCLUDED WITH THIS NOTICE.**

**AUTHORITY TO PROPOSE REGULATION(S):**

**THE BOARD OF GOVERNORS' OFFICIAL INITIATING THE PROPOSED  
REGULATION: Tim Jones, Vice Chancellor Finance and Administration**

**COMMENTS REGARDING THE PROPOSED REGULATION SHOULD BE  
SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE  
CONTACT PERSON IDENTIFIED BELOW.**

## 5.001 PerformanceBased Funding

(1) The Performance-Based Funding (PBF) model is based upon four guiding principles:

- (a) Reward excellence and improvement;
- (b) Have a few clear, simple metrics; and
- (c) 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; 2-year graduation rates for associate in arts transfer students; retention rates; post-graduation education rates; degree production; affordability; post - graduation 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

~~DOORFDWLRQ WR 686 LQVWLWXWLRQV VKDOO FRQVLVW RI WKH LQYHVWPHQW IURP HDFK LQVWLWXWLRQ V EDVH EXGJHW DV C Appropriations Act. The amount of institutional investment withheld from each SUS LQVWLWXWLRQ VKDOO EH D SURSRUWLRQDO DPRXQW EDVHG R Florida Polytechnic University is not included in the model until such time as data is readily available.~~

(4) Institutional Investment

(a) On a 100-point scale, a threshold of 55-points is established as the minimum number of total points needed to be eligible for the institutional investment. Beginning with Fiscal Year 2021-22, a threshold of 60points is established as the minimum number of total points needed to be eligible for the institutional investment.

(b) All SUS institutions eligible for th amount of institutional investment restored.

(c) Any institution that fails to meet the minimum point threshold of 51-points for the institutional investment shall submit a n improvement plan to the Board of Governors for consideration at its August/September meeting that specifies the activities and is limited to only one improve ment plan.

(1) the activities and strategies specified in the plan, and the Chancellor shall withhold disbursement of the institutional investment until the improvement plan monitoring report for each institution is approved by the Board of Governors.

(2) Improvement plan monitoring reports shall be submitted to the Board of Governors no later than December 31 and May 31 of each fiscal year.

- (3) The December 31 monitoring report will be considered by the Board of Governors at its January meeting and if it is determined that the institution is making 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 point scale, institutions with the top 3 scores shall be eligible for their share of the state investment fund. The remaining 70 percent of the state investment fund will go to the benefit of the institutions.

(b) All SUS institutions meeting the point threshold, based on the points earned by each institution.

