

This regulation will implement House Bill 7029 which codifies the Board's performance-based funding model.

The regulation provides guidance on the following:

- Includes the four guiding principles;
- Measures excellence and improvement;
- Sets 51 points as the threshold to be eligible for the State's investment;
- Describes the distribution methodology for the State investment;
- Sets 51 points as the threshold for an university to have its institutional investment restored;
- Establishes the criteria for a university implementing an improvement plan when scoring 50 points or fewer;
- Limits a university to only one improvement plan starting July 1, 2016;
- Discusses the improvement plan review process and how funds are distributed if a university had previously submitted an improvement plan or is not successful in implementing the improvement plan; and

COMMENTS REGARDING THE PROPOSED REGULATION SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW. The comments must identify the regulation on which you are commenting:

General Counsel, Board of Governors, State University System, 325 W. Gaines Street, Suite 1614, Tallahassee, Florida 32399, (850) 245-0466 (phone), (850) 245-9685 (fax), or generalcounsel@flbog.edu

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

- (a) Align with the State University System's (SUS) Strategic Plan goals;
- (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 graduation rates; 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; and other metrics that may be approved by the Board in a formally noticed meeting.

(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 allocation to SUS institutions shall consist of the state's investment, plus the institutional investment from each institution's base budget, as determined in the General Appropriations Act. The amount of institutional investment withheld from each SUS institution shall be a proportional amount based on each institution's recurring base state funds to the total SUS recurring base state funds (excluding special units). Florida Polytechnic University is not included in the model until such time as data is readily available.

(4) On a 100-point scale, a threshold of 51-points is established as the minimum number of total points needed to be eligible for the state's investment.

- (a) All SUS institutions eligible for the state's investment shall have their proportional amount of institutional investment restored.
- (b) The three universities with the lowest points, regardless of whether they meet the 51-point threshold, are not eligible for the state's investment. The proportional amount of the state's investment that would have been distributed to the three lowest scoring institutions will be distributed to the top three scoring institutions based on the total points of the top three scoring eligible institutions.
- (c) Institutions eligible for the state's investment shall receive an amount based on their prorated share of recurring state base funds to the total SUS recurring base state funds.

(5) Any

improving the institution's performance. As of July 1, 2016, an institution is limited to only one improvement plan.

- (a) The Board of Governors will monitor the institution's progress on implementing 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.
- (b) Improvement plan monitoring reports shall be submitted to the Board of Governors no later than December 31 and May 31 of each fiscal year.
- (c) 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.
- (d) 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.
- (e) Any institution that fails to make satisfactory progress shall not have its full institutional investment restored, and any institutional investment funds

Authority: Section 7(d), Art. IX, Fla. Const., Section 1001.92, Florida Statutes; History:
New_____.