Governor's Budget Recommendation Conforming Bill State University System Performance Funding

A bill to be entitled 1 2 An act relating to performance funding; amending s. 3 1001.92, F.S.; providing additional metrics for 4 performance funding; providing additional incentives for 5 recruiting and retaining faculty; providing an effective 6 date. 7 8 Be It Enacted by the Legislature of the State of Florida: 9 10 Section 1001.92, Florida Statutes, is amended Section 1. to read: 11 12 1001.92 State University System Performance-Based Incentive.-13 14 (1) A State University System Performance-Based Incentive 15 shall be awarded to state universities using performance-based metrics adopted by the Board of Governors of the State 16 17 University System. Beginning with the Board of Governors' 18 determination of each university's performance improvement and 19 achievement ratings, and the related distribution of annual 20 fiscal year appropriation, the performance-based metrics must 21 include: 22 (a) The 4-year graduation rate for first-time-in-college 23 students; (b) Beginning in fiscal year 2022-2023, the 3-year 24 25 graduation rate for associate in arts transfer students; 26 (c) Retention rates; 27 (d) Postgraduation education rates; 28 (e) Degree production; 29 (e) (f) Affordability; 30 (f) (g) Postgraduation employment and salaries, including

Page 1 of 4

- wage thresholds that reflect the added value of a baccalaureate degree;
- (g) (h) Access rate, based on the percentage of undergraduate students enrolled during the fall term who received a Pell Grant during the fall term; and

- (h) (i) Beginning in fiscal year 2021-2022, the The 6-year graduation rate for students who are awarded a Pell Grant in their first year.
- (i) Non-degree credential attainment rates as specified in section 445.004 (4)(h), F.S.; and
- (j) Beginning in fiscal year 2024-2025, the 3-year graduation rate for students who enter the university upon completion of an adult education program as defined by 1004.93, F.S., the graduation rate for the adult learner may include but is not limited to non-degree credential attainment as specified in section 445.004 (4)(h), F.S.
- (k) The ratio of salaries and benefits for classroom instructors versus salaries and benefits for all types of non-classroom personnel, including full-time employees, part-time employees and contractors, and inclusive of all funding sources; and
- (1) The percentage of funds appropriated annually by the legislature to the institution, not including authority for tuition revenue, expended on non-classroom instruction expenses relative to state funds appropriated to the institution by the legislature expended in direct instruction to students.

The Board of Governors may approve other metrics in a publicly noticed meeting. The board shall adopt benchmarks to evaluate each state university's performance on the metrics to measure

the state university's achievement of institutional excellence or need for improvement and minimum requirements for eligibility to receive performance funding. Benchmarks and metrics may not be adjusted after university performance data has been received by the Board of Governors.

- (5) A State University System Performance-Based Recruitment and Retention Incentive shall be awarded to state universities, subject to annual appropriation by the Legislature. The funds awarded under this incentive may only be used to recruit or retain instructional personnel for an institution. For the purposes of determining eligibility for this incentive, the Board of Governors shall use the same performance-based metrics outlined in paragraphs (1)(k)-(1) for the purposes of awarding the performance-based incentive, and the Board of Governors shall apply additional weight to those institutions it has identified with the greatest academic liberty and civil discourse when determining award allocation for distribution of funds under this subsection.
- (a) 1. By a date prescribed by the Board of Governors, for an eligible institution to receive funds pursuant to this subsection, the institution's Board of Trustees must submit a spend plan based on the determined portion of the appropriated funds to the Board of Governors for approval.
- 2. If an institution's spend plan does not utilize their entire allocation determined by the Board of Governors, the board has authority to reallocate any funding not accounted for in an institution's spend plan to other eligible institutions.
- (b) The Board of Governors will distribute funds to eligible institutions under this subsection after the Board of Governors has approved their spend plan.

(5)(6) Notwithstanding any other provision of this section, if any institution is found to have a substantiated violation of s. 1000.05(4)(a), the institution shall be ineligible to receive performance funding during the next fiscal year following the year in which the violation is substantiated. Substantiated findings are those as determined by a court of law, a standing committee of the Legislature, or the Board of Governors.

(6) (7) By October 1 of each year, the Board of Governors shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report on the previous fiscal year's performance funding allocation which must reflect the rankings and award distributions.

 $\frac{(7)}{(8)}$ The Board of Governors shall adopt regulations to administer this section.

Section 2. This act shall take effect July 1, 2023.