

CS/SB 198 by **GO, Thrasher**; (Similar to H 0495) State University System Optional Retirement Program

SB 94 by **Fasano (CO-INTRODUCERS) Evers, Sachs**; (Similar to CS/H 0045) Postsecondary Education Course Registration for Veterans

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
BUDGET SUBCOMMITTEE ON HIGHER EDUCATION
APPROPRIATIONS
Senator Lynn, Chair
Senator Thrasher, Vice Chair

MEETING DATE: Thursday, January 12, 2012
TIME: 3:15 —5:15 p.m.
PLACE: *Pat Thomas Committee Room, 412 Knott Building*

MEMBERS: Senator Lynn, Chair; Senator Thrasher, Vice Chair; Senators Altman, Braynon, Detert, Hays, Joyner, Montford, Oelrich, Simmons, Siplin, and Wise

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 198 Governmental Oversight and Accountability / Thrasher (Similar H 495)	State University System Optional Retirement Program; Increasing to no more than six the number of companies from which contracts may be purchased under the program; providing a procurement process for additional provider companies, etc. HE 11/17/2011 Favorable GO 12/05/2011 Fav/CS BHI 01/12/2012 Favorable BC	Favorable Yeas 12 Nays 0
2	SB 94 Fasano (Similar CS/H 45, Compare H 977, CS/S 922)	Postsecondary Education Course Registration for Veterans; Requiring certain Florida College System institutions and state universities to provide priority course registration for veterans; providing eligibility requirements; encouraging certain independent postsecondary educational institutions to provide priority course registration for veterans, etc. MS 10/03/2011 Favorable HE 11/03/2011 Favorable BHI 01/12/2012 Favorable BC	Favorable Yeas 12 Nays 0
3	Outcome Based Funding for Higher Education		Presented
4	Budget Work Session		Not Considered
Other Related Meeting Documents			

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Budget Subcommittee on Higher Education Appropriations

BILL: CS/SB 198

INTRODUCER: Governmental Oversight and Accountability Committee and Senator Thrasher

SUBJECT: State University System Optional Retirement Program

DATE: December 5, 2011 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Brown</u>	<u>Matthews</u>	<u>HE</u>	Favorable
2.	<u>McKay</u>	<u>Roberts</u>	<u>GO</u>	Fav/CS
3.	<u>Bryant</u>	<u>Hamon</u>	<u>BHI</u>	Pre-meeting
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

This bill increases the number of companies that the Department of Management Services (DMS) is authorized to contract with for provision of State University System optional retirement plans (SUSORP) from five to six companies. The bill also provides that if an additional company is to be added by competitive procurement, that the contract with the new provider be effective from July 1, 2012 until December 14, 2014, and that all SUSORP providers to be designated after January 1, 2015, must participate together in a competitive procurement.

The DMS continues to be limited in its contract selection to the potential pool of companies proffered by the Board of Governors of the State University System.

This bill substantially amends section 121.35 of the Florida Statutes.

II. Present Situation:

Chapter 121, F.S., addresses the Florida Retirement System (FRS). The FRS provides retirement benefits to public employees and officers, generally offering membership to agencies, branches,

the judiciary, district school boards, and institutions, including institutions of higher education.¹ The Department of Management Services (DMS) is designated the administrator of the FRS.²

Chapter 83-197, Laws of Florida, established an optional retirement program for the State University System in s. 121.35, F.S. Through this program, participants elect coverage as an alternative to membership in the traditional FRS and direct their own investments, subject to those offered by way of provider and plan.³ Participation is available to certain instructional and research faculty, administrative and professional personnel, and the Chancellor and university presidents.⁴ Participation is mandatory for faculty members at a college with faculty practice plans.⁵ Contracts are awarded through recommendation of the Board of Governors to the DMS, which, in turn, is authorized to designate up to five companies for contract purchase.⁶ The investment products, retirement, and death benefits offered by provider companies are subject to State Board of Administration review.⁷

The DMS indicates that about 17,000 eligible members elected participation in optional retirement as of June 30, 2011. Effective July 1, 2011, employer contribution amounts to 7.42 percent for deposit in the participant's account and 0.01 percent for administrative costs. Employee contribution is mandated at 3 percent of salary, and can be supplemented by up to an additional 7.42 percent, at the prerogative of the employee.

The optional retirement program currently offers five investment provider choices. These are:

- ING (3,042 participants);
- Jefferson National Life Insurance Company (134 participants);
- MetLife Investors USA Insurance Company (1,853 participants);
- Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) (8,870 participants); and
- VALIC Retirement (4,615 participants).⁸

This constitutes a total number of plans at 18,514.⁹ All contracts currently in place expire between March and December of 2014.¹⁰

¹ ss. 121.011 and 121.021(10), F.S.

² s. 121.021(5), F.S.

³ s. 121.35 (1), F.S.

⁴ s. 121.35 (2)(a), F.S.

⁵ s. 121.051(1)(a)2., F.S.

⁶ s. 121.35 (6)(b), F.S.

⁷ s. 121.35 (6)(c), F.S.

⁸ Bill Analysis, Department of Management Services (September 20, 2011.) The number of participants cited is as of June 30, 2011.

⁹ As participants are authorized to select more than one provider category, this number is higher than that reflecting total number of participants (16,999.)

¹⁰ The VALIC contract expires March 2014, followed by MetLife in April 2014, with the remaining contracts all set to expire December 2014. (Information received by phone from Todd Gunderson, Senior Benefits Analyst, DMS, on November 14, 2011.)

III. Effect of Proposed Changes:

The bill provides that DMS must designate no more than six companies for inclusion in the optional retirement program for the State University System, up from the current five companies. Provided that the DMS selects six, consumers electing optional retirement would have increased choice.

The bill also provides that if an additional company is to be added by competitive procurement, that the contract with the new provider be effective from July 1, 2012, until December 14, 2014, and that all SUSORP providers to be designated after January 1, 2015, must participate together in a competitive procurement.

The bill takes effect upon becoming law.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

To the extent that an additional provider increases market-driven competition based on financial return, this provision may financially benefit the end consumer through higher returns or lower costs and fees.

C. Government Sector Impact:

The DMS does not anticipate an actuarial impact should this bill pass, as the number of participants and the funds available for investment remain the same. Therefore, a Milliman study is not required.

The Board of Governors of the State University System does not anticipate a fiscal impact on universities.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Governmental Oversight and Accountability on December 5, 2011:

The CS provides that if an additional company is to be added by competitive procurement, that the contract with the new provider be effective from July 1, 2012, until December 14, 2014, and that all SUSORP providers to be designated after January 1, 2015, must participate together in a competitive procurement.

B. Amendments:

None.

By the Committee on Governmental Oversight and Accountability;
and Senator Thrasher

585-01514-12

2012198c1

1 A bill to be entitled
2 An act relating to the State University System
3 optional retirement program; amending s. 121.35, F.S.;
4 increasing to no more than six the number of companies
5 from which contracts may be purchased under the
6 program; providing a procurement process for
7 additional provider companies; providing an effective
8 date.
9
10 Be It Enacted by the Legislature of the State of Florida:
11
12 Section 1. Paragraph (b) of subsection (6) of section
13 121.35, Florida Statutes, is amended, and subsection (7) is
14 added to that section, to read:
15 121.35 Optional retirement program for the State University
16 System.—
17 (6) ADMINISTRATION OF PROGRAM.—
18 (b) After receiving and considering the recommendations of
19 the Board of Governors of the State University System, the
20 department shall designate no more than six ~~five~~ companies from
21 which contracts may be purchased under the program and shall
22 approve the form and content of the optional retirement program
23 contracts. Any domestic company that has been designated as of
24 July 1, 2005, shall be included in the six ~~five~~ companies until
25 expiration of its existing contract with the department. The
26 domestic company may assign its contract with the department to
27 an affiliated qualified company that is wholly owned by the
28 domestic company's parent company and has assumed 100 percent of
29 the responsibility for the contracts purchased from the domestic

Page 1 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

585-01514-12

2012198c1

30 company.
31 (7) PROCUREMENT OF ADDITIONAL PROVIDERS.—If the department
32 chooses to designate an additional provider company from which
33 contracts may be purchased under the program as provided in
34 paragraph (6) (b), the department shall conduct a competitive
35 procurement and the designation of the additional provider is
36 effective from July 1, 2012, until December 31, 2014. All
37 companies seeking a designation that is effective on or after
38 January 1, 2015, shall participate together in a separate
39 competitive procurement conducted by the department for the
40 purpose of selecting the total number of provider companies
41 authorized in paragraph (6) (b) and deemed reasonable and prudent
42 by the department.
43 Section 2. This act shall take effect upon becoming a law.

Page 2 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Budget Subcommittee on Higher Education Appropriations

BILL: SB 94

INTRODUCER: Senator Fasano

SUBJECT: Postsecondary Education Course Registration for Veterans

DATE: November 2, 2011 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Fleming/Willar	Carter	MS	Favorable
2.	Harkey	Matthews	HE	Favorable
3.	Bryant	Hamon	BHI	Pre-meeting
4.			BC	
5.				
6.				

I. Summary:

This bill requires institutions within the Florida College System and the State University System of Florida that offer priority course registration for a segment of the student population, or that establish such a policy, to provide priority course registration to veterans of the U.S. Armed Forces. Those eligible for priority registration under the bill include veterans using GI Bill educational benefits or the spouse or dependent children of a veteran to whom the GI Bill educational benefits have been transferred. The bill provides that qualified GI Bill users will be eligible for priority registration until the expiration of the GI Bill educational benefits.

The bill also encourages independent postsecondary institutions to provide priority course registration to veterans or their spouses or dependents who utilize GI Bill education benefits as public colleges and universities are required to provide under s. 1004.075, F.S.

The bill creates ss. 1004.075 and 1005.09, Florida Statutes.

II. Present Situation:

Priority Course Registration

Priority course registration allows designated groups of students at colleges and universities to register for courses for an upcoming semester before the entire student population is able to register. Some examples of groups of students who may typically be eligible for priority course registration at institutions that implement such a policy include: upper division students; student athletes; students with disabilities; honor college students; and student veterans.

Postsecondary institutions are currently not required to offer veterans of the U.S. Armed Forces priority when registering for courses based on their status as a veteran.¹ Rather, it is at the discretion of both public² and private³ institutions of higher education whether or not to offer priority course registration and to determine which groups of students would be eligible.⁴ If an institution does not offer priority registration for veterans, students who are veterans register for courses at the same time as the general student population.⁵ It is common for a veteran to have put higher education on hold when he or she makes the decision to serve in the U.S. Armed Forces.

Veterans in Florida

Florida's population of 1.6 million veterans is the third largest in the nation, after California and Texas.⁶ More specifically, Florida is home to approximately 127,000 veterans whose ages range from 18-34, which demonstrates a significant concentration of "college age" veterans who may be interested in pursuing higher education, either at the undergraduate or the graduate level. As the fourth largest state in the nation, Florida offers a broad range of opportunities for those pursuing higher education, in the public and private postsecondary sectors. Veterans interested in utilizing their GI Bill benefits⁷ can choose from a selection over 400 postsecondary institutions in deciding on an institution to attend.

Both nationwide and in Florida, there has recently been an influx of veterans on college campuses. Nationwide the number of veterans enrolling in college has increased to approximately 800,000 veterans using the GI Bill in 2010, which is up 40 percent from 2009.⁸ Likewise, there is a large student veteran presence in universities and colleges in Florida. For the 2010 academic year, 7,047 veterans were enrolled within the State University System of

¹ Section 1.01(14), F.S., defines the term "veteran" as a person who served in the active military, naval, or air service and who was discharged or released there from under honorable conditions only or who later received an upgraded discharge under honorable conditions, notwithstanding any action by the U.S. Department of Veterans Affairs on individuals discharged or released with other than honorable discharges.

² There are 11 public universities within the State University System of Florida and 28 institutions in the Florida College System.

³ The private postsecondary institutions eligible to provide training for veterans include 375 institutions licensed by the Commission for Independent Education (CIE) pursuant to s. 1005.21, F.S., and 31 independent, non-profit colleges and universities which are exempt from licensure by CIE.

⁴ For public universities, the Florida Board of Governor's Regulation 1.001(4)(a)3. authorizes the board of trustees of each state university to adopt university regulations or policies relating to the admission and enrollment of students, which could include priority course registration policies. Section 1007.263, F.S., governs admission of students to Florida College System institutions.

⁵ The following public colleges and universities currently offer priority course registration for veterans: Florida International University; Florida State University; the University of South Florida; Tallahassee Community College; St. Petersburg College; Northwest Florida State College; and Miami-Dade College (E-mail correspondence with SUS and FCS staff September 27, 2011).

⁶ Florida Department of Veterans' Affairs. 2009-10 Annual Report. Available at: http://www.floridavets.org/pdf/ann_rprt_10.pdf.

⁷ GI Bill benefits refer to the financial support for tuition and housing provided to veterans by the U.S. Department of Veterans Affairs.

⁸ *Vets go from Combat to Campus* by Trevor Hughes, USA Today, April 12, 2011 from http://www.usatoday.com/news/education/2011-04-11-college-vets_N.htm.

Florida,⁹ 17,453 within the Florida College System,¹⁰ 4,490 at private non-profit institutions,¹¹ and 16,500 at private for-profit institutions.¹²

Federal Education Benefits for Veterans¹³

The U.S. Department of Veterans Affairs (VA) administers a variety of education benefit programs, commonly known as the GI Bill, for veterans pursuing higher education.¹⁴ The most commonly utilized GI Bill benefits include the Montgomery GI Bill¹⁵ and the Post-9/11 GI Bill.¹⁶ The Post-9/11 GI Bill is the most recent adaptation of the GI Bill and offers substantially enhanced financial assistance compared to the Montgomery GI Bill.¹⁷

The Post-9/11 GI Bill offers an unprecedented level of benefits in providing financial support for education and housing to individuals with at least 90 days of aggregate service on or after September 11, 2001, or individuals discharged with a service-connected disability after 30 days. A service member must have received an honorable discharge to be eligible for the Post-9/11 GI Bill. The Post-9/11 GI Bill covers the cost of tuition and fees, not to exceed the most expensive in-state undergraduate tuition at a public institution of higher education.¹⁸ The Post-9/11 GI Bill provides veterans with 36 months of education benefits which expire 15 years from a veteran's last period of active duty of at least 90 consecutive days.¹⁹

For Post-9/11 GI Bill users attending a private school or a public school as a non-resident out-of-state student, the VA offers the Yellow Ribbon Program to help reimburse the difference. Under the Yellow Ribbon Program, institutions of higher learning voluntarily enter into an agreement with the VA to fund tuition and fee expenses that exceed the highest public in-state undergraduate tuition and fee rate in their state.²⁰

The Post-9/11 GI Bill also includes the Transfer of Post-9/11 GI-Bill Benefits to Dependents program which allows an individual to transfer Post-9/11 GI Bill benefits to the individual's spouse, one or more of the individual's children, or any combination of spouse and child. An eligible service member may transfer up to the total months of unused Post-9/11 GI Bill benefits, or the entire 36 months if the member has used none.

⁹ State University System of Florida 2012 Legislative Bill Analysis.

¹⁰ E-mail correspondence with Florida College System staff September 23, 2011.

¹¹ Email correspondence with ICUF staff September 23, 2011, and 2010-11 ICUF Accountability Report.

¹² E-mail correspondence with CIE staff, November 2, 2011.

¹³ For more information on federal education benefits for veterans, see: <http://www.gibill.va.gov/benefits/index.html>.

¹⁴ For more information, see <http://www.gibill.va.gov/benefits/index.html>.

¹⁵ Chapter 30 of Title 38, U.S. Code.

¹⁶ Chapter 33 of Title 38, U.S. Code.

¹⁷ Congress passed the Post-9/11 Veterans Educational Assistance Act in June 2008, which came to be known as the Post-9/11 GI Bill.

¹⁸ In addition to graduate and undergraduate degrees, individuals may use the Post-9/11 GI Bill benefits towards vocational/technical training, on-the-job training, flight training, correspondence training, licensing and national testing programs, and tutorial assistance.

¹⁹ Post-9/11 GI Bill Pamphlet. Available at: http://www.gibill.va.gov/documents/pamphlets/ch33_pamphlet.pdf.

²⁰ http://www.gibill.va.gov/benefits/post_911_gibill/index.html.

III. Effect of Proposed Changes:

This bill requires institutions within the Florida College System and the State University System of Florida that offer priority course registration for a segment of the student population (or upon the establishment of such policy) to provide priority course registration to veterans of the U.S. Armed Forces. Those eligible for priority registration under the bill include veterans using GI Bill educational benefits or the spouse or dependent children of a veteran to whom the GI Bill educational benefits have been transferred. The bill provides that qualified GI Bill users will be eligible for priority registration until the expiration of the GI Bill educational benefits.

The bill encourages independent postsecondary institutions that are under the jurisdiction of the Commission for Independent Education (Commission) or exempt from the jurisdiction of the Commission to provide the same benefit of priority course registration to veterans or their spouses or dependents who utilize GI Bill education benefits as public colleges and universities are required to provide under s. 1004.075, F.S.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

A veteran pursuing higher education may benefit from priority course registration which could give the veteran greater access to the courses he or she needs in order to move through a degree program quickly and graduate.

C. Government Sector Impact:

The State University System of Florida and the Florida College System expect a minimal fiscal impact as a result of the bill. Both systems acknowledge that minimal expenses may occur due to additional administrative staff time that would be spent to notify and process eligible veteran students.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Fasano

11-00147-12

201294__

A bill to be entitled

An act relating to postsecondary education course registration for veterans; creating s. 1004.075, F.S.; requiring certain Florida College System institutions and state universities to provide priority course registration for veterans; providing eligibility requirements; creating s. 1005.09, F.S.; encouraging certain independent postsecondary educational institutions to provide priority course registration for veterans; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 1004.075, Florida Statutes, is created to read:

1004.075 Priority course registration for veterans.—Each Florida College System institution and state university that offers priority course registration for a segment of the student population, or upon implementation of priority course registration for a segment of the student population, shall provide priority course registration for each veteran of the United States Armed Forces who is receiving GI Bill educational benefits or for the spouse or dependent children of the veteran to whom the GI Bill educational benefits have been transferred. Each eligible veteran, or his or her spouse or dependent children, shall be granted priority for course registration until the expiration of the GI Bill educational benefits.

Section 2. Section 1005.09, Florida Statutes, is created to read:

Page 1 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

11-00147-12

201294__

1005.09 Priority course registration for veterans.—Each independent postsecondary educational institution that is under the jurisdiction of the commission or is exempt from the jurisdiction of the commission and that offers priority course registration for a segment of the student population, or upon implementation of priority course registration for a segment of the student population, is encouraged to provide priority course registration for each veteran of the United States Armed Forces, or his or her spouse or dependent children, who is receiving GI Bill educational benefits, in accordance with s. 1004.075.

Section 3. This act shall take effect July 1, 2012.

Page 2 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

Florida State University Accountability and Performance

January 2012



THE FLORIDA STATE UNIVERSITY



Guide to Strategic Metrics

- (1) Without goals, it is difficult to select metrics that will guide the University.
- (2) Good leadership is required to evolve toward successful outcomes; requires the authority to direct resources and effort
- (3) Good metrics should promote strategic analysis and improvement. Demands for more measures and more frequent reporting results in diminishing returns and higher costs.
- (4) Metrics should be include multiple easily understood and broadly accepted measures
- (5) Metrics should assess process as well as outcomes



1st Guide: Start with Goals

- ◆ Student Success - Timely Graduation & Good Jobs
- ◆ Keep the Best and Brightest in Florida
- ◆ Provide Access to Higher Education
- ◆ Research Performance - Innovation/Jobs
- ◆ Advance the National Reputation of Florida (attractor)
- ◆ Efficient and Effective Use of Taxpayer Dollars
- ◆ Financial Stability

*endorse separate BOG goals to strengthen programs and increase productivity



Metrics for FSU

Metrics Related to a Full Commitment to Students.

- (1) Freshman Retention Rate
- (2) Academic Maps – Path to Graduation
- (3) 6-Year Graduation Rate
- (4) 6-Year Graduation Rate for Minorities

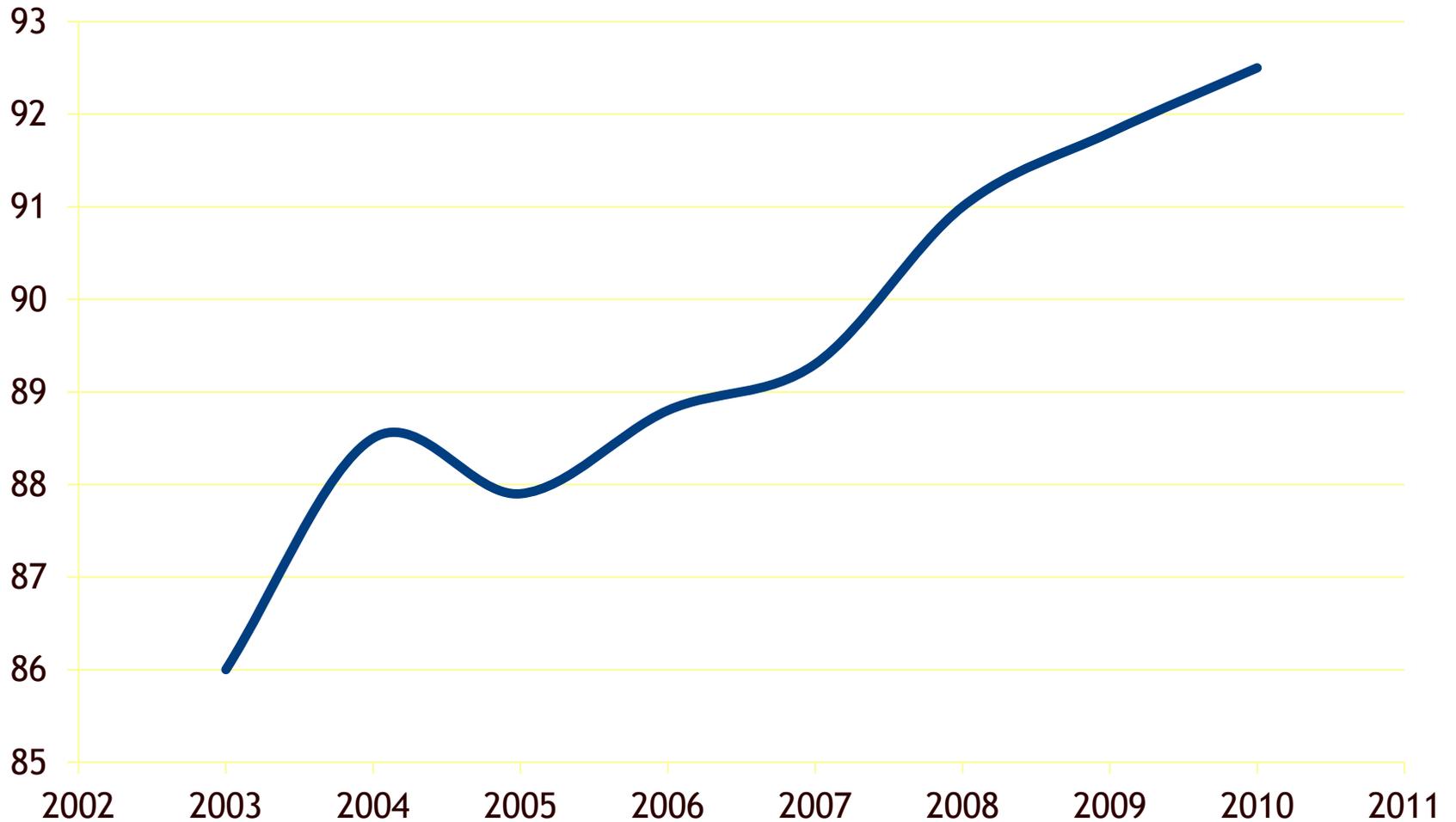
WHY?

- Retention is indicative of the entire student experience from multiple classrooms to advising to environment
- Increased retention saves considerable taxpayer dollars
- Higher graduation rate = effective use of the State dollar and the greater student success; efficiency without sacrificing quality
- Higher graduation rates for minorities reflects a commitment to the entire Florida population
- Simple, strategic, actionable



Commitment to Students

FSU First-Year Full-Time FTIC Retention Rate (%)





Metrics for FSU

Metrics Related to Research Prominence

(1) Total Research Expenditures

(2) Total Federal Research Expenditures-non medical/health

(3) Research \$ Rank in STEM fields

(4) Total number of doctoral degrees awarded

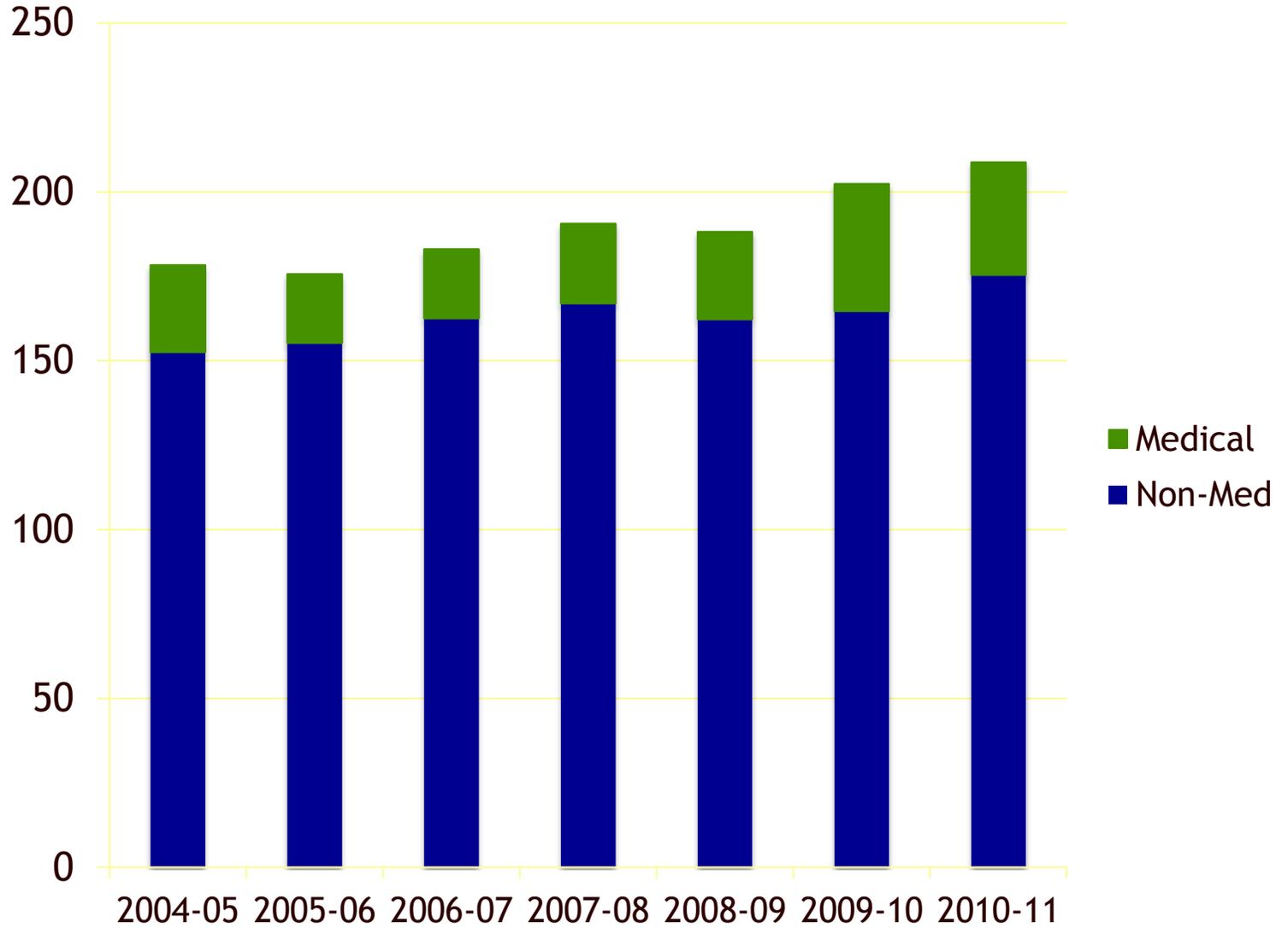
(5) Scientific Impact (e.g. Web of Science)

WHY?

- Reflects national prominence of faculty – ability to attract \$
- Ability to involve students in cutting edge research
- Non-medical grants reflect innovation in STEM fields
- STEM funding rank – cutting edge programs
- Doctoral programs = leading edge; ability to populate other centers of higher Ed; pinnacle of STEM capability
- Science and Engineering cited/used by others



FSU Total Research





Federal Research \$ by STEM Discipline (all universities)

<u>Computer Sciences:</u>	29 FSU; 38 FIU; 76 UF
<u>Mathematics:</u>	51 FSU; 57 UF; 76 FAU
<u>Chemistry:</u>	34 UF; 50 FSU; 99 USF
<u>Physics:</u>	9 FSU; 13 UCF; 43 UF
<u>Psychology:</u>	3 FSU, 27 UF; 58 USF; 87 FAU
<u>Engineering:</u>	21 UF; 70 UCF; 75 FSU; 86 FIU; 88 USF



Metrics for FSU

Metrics Related to Financial Stability

- (1) Size of Endowment
- (2) Unallocated Funds
- (3) Alumni Giving Rate

WHY?

- Tuition is similar; state appropriation target for student #s – endowments reflect financial resources beyond state appropriations and tuition
- Reflects ability to weather an adverse budget
- Ability to energize alumni for financial support
- \$ to attract the best and brightest



Endowments

At close of 2010 (in millions) – top 3 in the SUS

- (1) UF – \$1100
- (2) FSU - \$ 453
- (3) USF – \$ 296

Major swings: FSU currently exceeds \$500M

Many gifts don't become endowed (size of gift; donor providing specific purpose funds)

Last Year:

FSU Foundation: \$40M to enhance academics

FSU Boosters: \$ 23M athletics and academics

FSU Research Foundation: \$ 17M research/creative

Note: The vast majority of donations have a specific purpose and cannot be used for purposes other than specified



Metrics for FSU

National Reputation

- (1) Prominent Rankings
- (2) Ranking with respect to financial resources
- (3) Quality of Students

WHY?

- Best and Brightest care about university stature (jobs & prestige)
- Attracts faculty & resources
- Educational quality a major factor in corporate relocation
- Rankings already include many previously described metrics
- Ranking with respect to available financial resources is a metric for efficiency and effectiveness



National Rankings

US News and World Report (top 100 Publics Only)

- University of Florida 19
- Florida State University 46
- University of Central Florida 97
- University of South Florida 100

Lombardi Report: Performance Research Universities (top 50 Publics only)

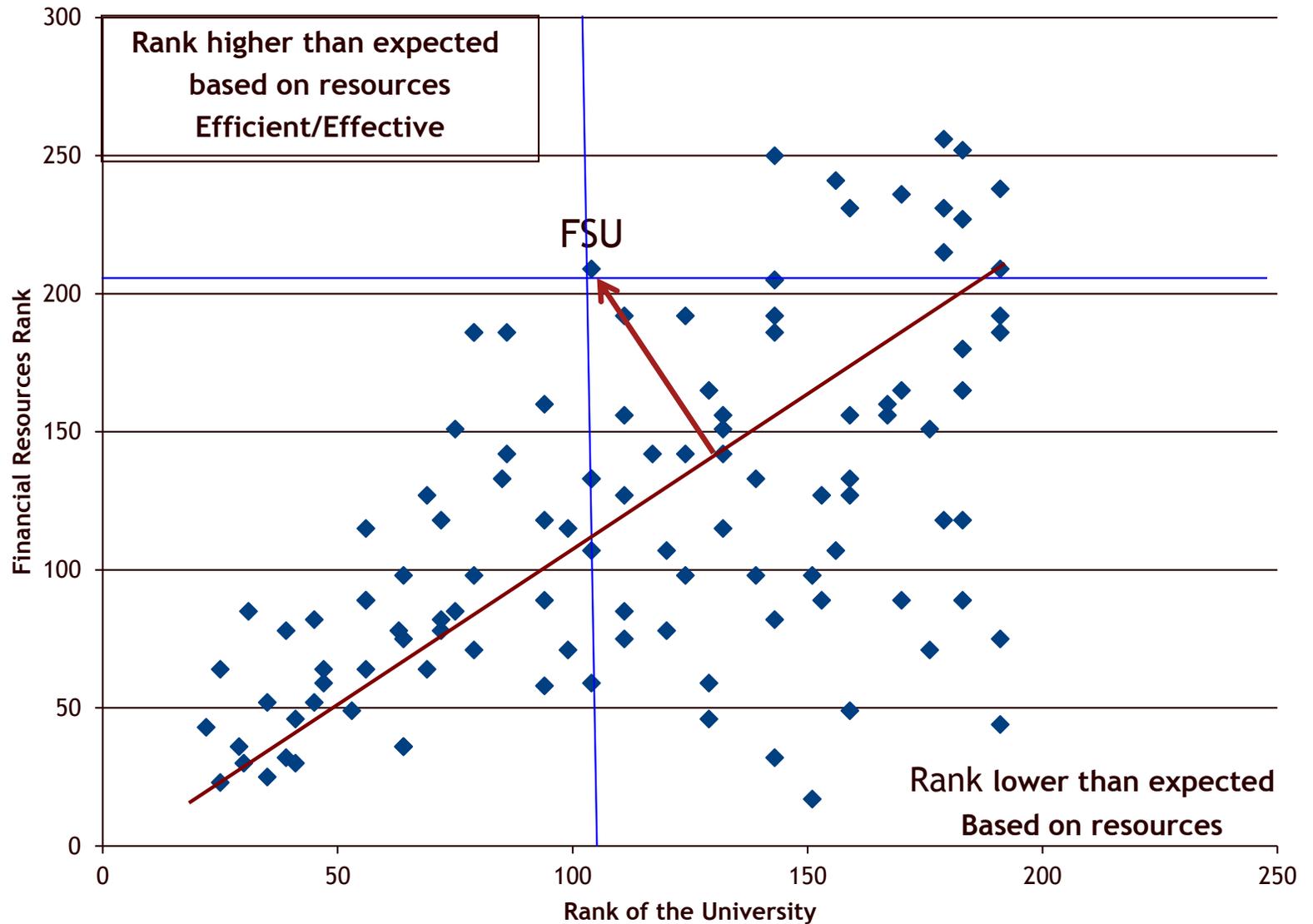
- University of Florida – top 7
- Florida State University – top 45
- University of South Florida – top 45

Shanghi Rankings: all International Universities

- University of Florida – 72
- Florida State University – 151-200
- University of South Florida – 201-300
- University of Central Florida – 201-300

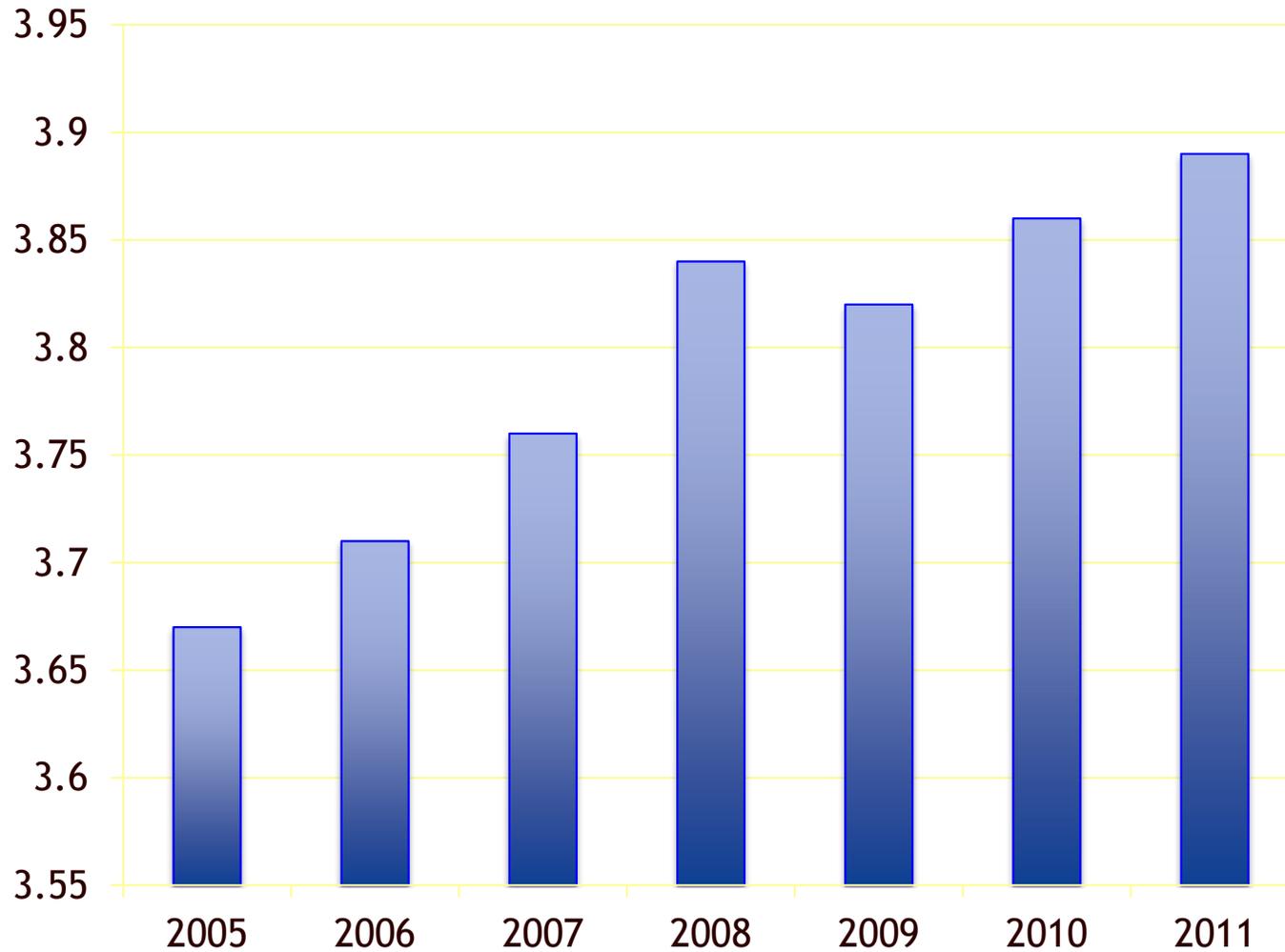


US News: Comparison of Resources vs. Rank for Public Universities





Average Weighted GPA





Metrics for FSU

Accessibility

- (1) Investment in Need-Based Aid
- (2) Commitment to Need-Based Students

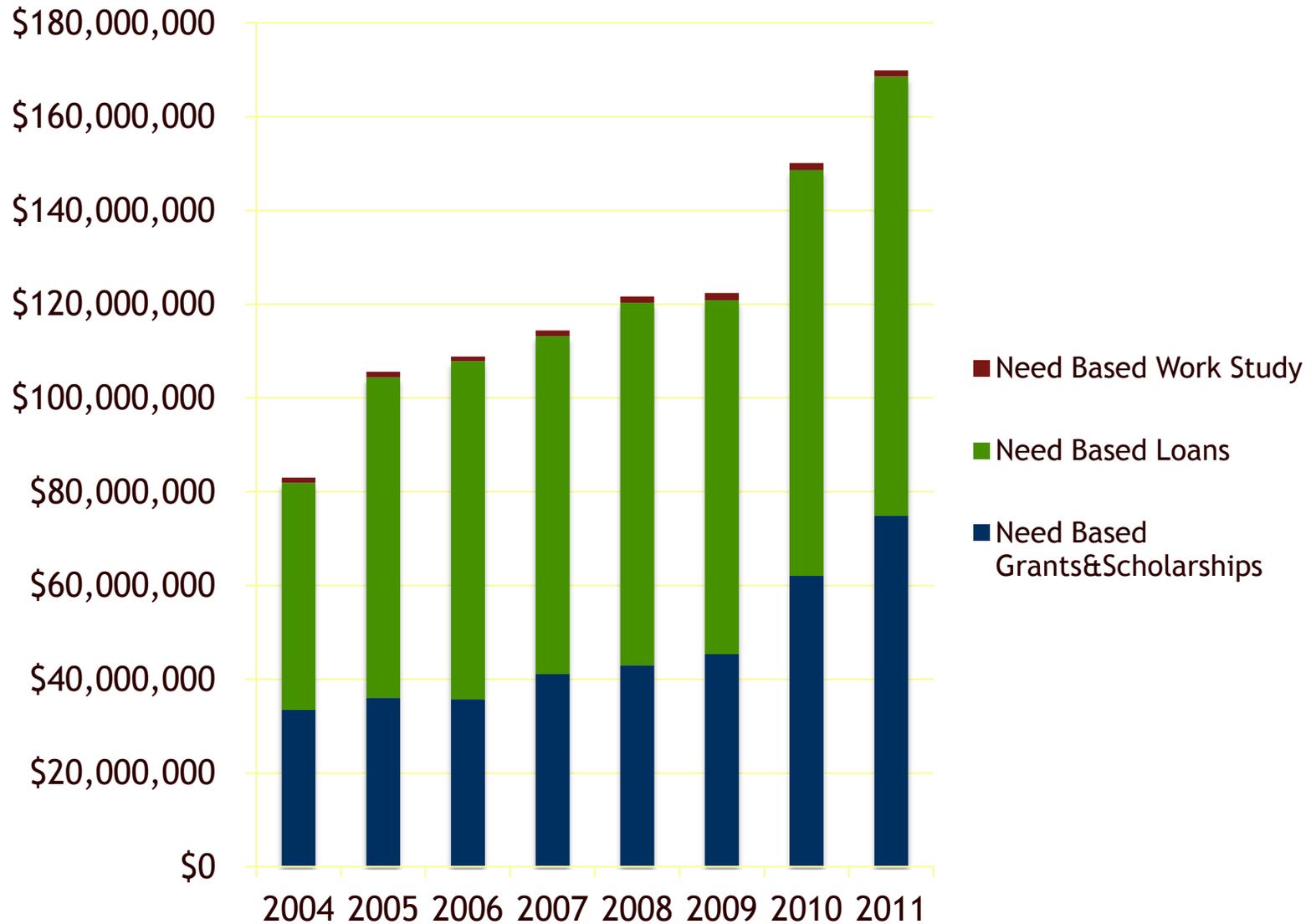
WHY?

- Cost is a significant barrier to accessibility



Need-Based Aid

(All Pell-Eligible FL Students at FSU have Tuition and Fees Covered)



Many other metrics may be developed depending on State goals for Higher Education

We should develop a model of performance where greater financial freedom is awarded to institutions that serve State goals.

Thank you – Questions?



THE FLORIDA STATE UNIVERSITY
FOUNDATION

Legislatures and Higher Education Accountability



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas



Julie Davis Bell
NCSL Education Program

January 12, 2012

*Senate Budget Subcommittee on Higher Education
Appropriations*

Tallahassee, Florida





Higher Education in the States at a Crossroads

Higher Education is a different enterprise today -- for students and for states. Policy for the future demands a whole scale look at issues, trends, funding, problems and solutions and a new relationship (funding and accountability) between the state and higher education.

- State funding capacity and state budget
- Some form of post-secondary education is now required for most jobs
- College completion numbers are dismal in most states, and completion gaps are worrisome
- Changing demographics in states (fastest growing populations are least successful)
- Students use higher ed differently (take longer to complete, work part-time, swirl among different institutions, more “non-traditional” students in the system)
- New providers/new options for students (i.e., on line and for-profit)





Public Opinion and Political Will for Reform

Higher Education is rising as a priority on state legislative agendas

- Growing national and state awareness of problems
- Growing unrest among constituents about access, affordability and quality
- Continued budget and fiscal difficulties in the states

NCSL's Blue Ribbon Commission on Higher Education
recommendations

- Elevate higher education on legislative agendas (economic development, competitiveness, equity issues)
- Higher education is an investment in the future economic strength of the state
- Be more clear about state higher education goals
- Focus on a state public agenda rather than individual institutions
- Be more strategic about budgeting and finance
- Demand data, information and accountability





Accountability and Productivity

Legislatures want higher education to be more accountable for results and improve productivity.

- **Accountability**

- State make clear the state outcomes for higher education
- State creates incentives for institutions to achieve those outcomes
- In return, institutions receive flexibility for achieving the outcomes
- State uses good data to regularly review results and hold higher education accountable

- **Productivity**

- Efficiencies in the system are eliminated
- More students get through the system successfully (with a degree or certificate)
- Completion gaps narrow for minority, low income, and adult students
- Students get through on time, with a high quality education, with less debt, with a certificate or degree that will get them a job and that has value to the state





Promising Strategies to Improve Accountability, Reduce Costs and Increase Productivity

- Improving high school rigor and college readiness
- Easing and facilitating articulation and transfer
- Supporting students (especially adults) with some credit but no degree
- Providing students with more flexibility and options
- Decreasing remediation
- Incorporating technology into instruction
- Institutional efficiencies (streamlining administrative functions; joint purchasing agreements; using facilities on evenings and weekends; increasing faculty workloads; year-round operations)
- Carefully reviewing programs to eliminate duplicative programs and close low demand high cost programs that can't be justified by economic or labor market needs
- Providing degrees that match the jobs required by the economy
- Demanding institutions and systems to begin or continue reporting performance data
- Promoting collaboration among universities
- Creating and supporting new providers
- Incorporating performance-based funding





In Conclusion

Strategic and effective reform must recognize:

- Accountability for results
- Changing state economic conditions
- Changing student needs and behavior
- The importance/connection of higher education to state economic development
- A clear statement about statewide goals and priorities for higher education
- Data to track progress
- Fundamental reform in state funding and policy
- Review of how each part of the overall post-secondary system contributes to overall state goals
- Changes in institutional behavior



www.ncsl.org

For more information



Outcomes-based Funding

**Senate Budget Subcommittee
on Higher Education Appropriations
Tallahassee, FL ~ January 12, 2012**

**Cheryl Blanco, Vice President, Special Projects
Southern Regional Education Board (SREB)
cheryl.blanco@sreb.org 443.501.3656**

Performance Funding of the Past

- Too complex
- Low buy-in
- Not transparent
- Inadequate funding level
- Unclear state goals

Why the move to an outcomes-based funding approach now?

1. Focus on raising the state's educational attainment levels
2. Limited resources – no new revenues for higher education
3. Interest in targeting resources to increase productivity and efficiency
4. Shift from enrollments to outcomes (degree and certificate completion)

Essential Elements of an Outcomes-based Funding Strategy

SREB

- Design Elements
 - State Commitment
 - Source of Funding
 - Level of Funding
- Implementation Elements
 - Agreement on Goals
 - Institutional Mission Differentiation
 - Fewer, Straightforward Outcomes
 - Intermediate Momentum Points and Success
 - Unambiguous Metrics

Southern
Regional
Education
Board

Tennessee

- **State Commitment**
 - Complete College Tennessee Act (2010)
- **Source of Funding**
 - Existing base
 - 3-year phase in
 - Hold harmless/stop loss provision phase out
- **Level of Funding**
 - 100% of base
 - Institutions can earn up to an additional 5.45% from traditional performance funding

Tennessee

- **Goals**
 - Degree production – an additional 26,000 associate and baccalaureate degrees by 2015
 - Economic development and workforce development needs:
 - ✓ increasing the supply of trained and educated graduates
 - ✓ producing research activity that has regional application and relevance
 - ✓ increasing training-related job placements
 - Quality and productivity
 - Competitive research
- **Outcomes**
 - Increased retention
 - Timely progress to completion
 - Successful transfer
 - Research

Tennessee

- **Mission differentiation**
 - Yes – different funding formulas for 2-year and 4-year institutions
- **Momentum Points**
 - 2 & 4-year institutions: student progression; degrees awarded; transfers out;
 - 2-year institutions: dual enrollment; certificates and degrees awarded; job placements in program-related field; developmental ed students successfully completing college-level courses; contact hours of workforce training
- **Metrics**
 - Growth improvement – progression and number of degrees/ certificates awarded; awards per 100 end-of-term FTE students; transfer outs; research and service expenditures at 4-year institutions
 - Weights by type of institutional mission
 - Premiums for adults and low-income students

Indiana

SREB

- **State Commitment**
 - *Reaching Higher* (System Master Plan 2007)
- **Source of Funding**
 - Existing base
 - Phase in
 - Institutions won't lose more than 5% of previous year's base
- **Level of Funding**
 - 5% increasing to 12% of base

Indiana

- **Goals**

- Be in top 5 states in college-going rates of recent high school grads
- Be in top 10 states in number of adult, minority and low-income students successfully pursuing a postsecondary education
- Be in top 10 states in retention, on-time graduation rates, and 3- and 6-year graduation rates
- Achieve 80% college readiness of recent high school grads
- Implement or expand programs responding to critical state and regional workforce needs
- Be among top Midwestern states in total and federal research and development expenditures per capita

- **Outcomes**

- Increased retention
- Timely completion
- Success for at-risk students
- Successful transfer
- Economic development

Indiana

- **Mission differentiation**
 - Yes – research incentive for 4-year institutions
- **Momentum Points**
 - Credit hours completed
 - On-time graduation (4 yrs for bachelor's/2 yrs for associate's)
- **Metrics**
 - Growth improvement – enrollment (ends in 2013); transfers, progression and number of degrees/certificates awarded; on-time graduation
 - Research incentive (4-year institutions)
 - Optional measures add weights for improvement in degree production among low-income students

Key Elements

- Create strong state commitment
- Fund at a level to produce results
- Settle on a few goals and outcomes
- Provide for different types of institutions
- Use momentum points to recognize progress
- Keep the reporting measures clear and doable

SREB Selected Characteristics of State Outcomes-based Funding Approaches - DRAFT 12.02.11

	Characteristic	Arkansas	Indiana	Kentucky	Louisiana	Ohio	Tennessee	Texas	Virginia
1	What are the overall state expectations or goals that outcomes-based funding address?	Increase degree production without compromising academic rigor or quality	Increase college-going rates and number of adult, minority, and low-income students pursuing postsecondary education; retention, on-time graduation; college readiness; workforce needs and research and development	Increase high-quality degree production and completion rates at all levels and close achievement gaps among low-income, underprepared, and minority students	Increase accountability and performance in exchange for increased tuition authority and operation autonomies	Raise the educational level each year and close the gap between Ohio and competitor states and nations	Address economic development, workforce development and research needs; ensure increased degree production; realize state efficiencies	Ensure that higher education produces student outcomes aligned with state's education goals and economic development needs	Increase number of students completing bachelor's and associate's degrees and degrees in STEM areas
2	Does outcomes-based funding cover all public institutions statewide?	All public institutions	All public institutions	All public institutions	All public institutions	All public institutions	All 4-year public and 2-year public institutions	All public institutions	All public institutions
3	What is the source of statewide outcomes-based policy?	Act 1203 (2011)	<i>Reaching Higher</i> Master Plan (2007) (System/Board policy)	<i>Stronger by Degrees</i> 2011-2015 Master Plan and budget (System/Board policy)	GRAD Act (2010/2011) and funding formula	State master plan (under revision) (System/Board policy)	Complete College Tennessee Act (2010)	Texas Higher Education Coordinating Board Formula Funding Recommendations for the 2012-13 Biennium (2010), Higher Education Outcomes-Based Funding Act (2011)	Higher Education Opportunity Act (2011)

For Discussion Only

4	What is the source of funding (new/bonus vs. existing money/base)?	Base	Existing base	New	Existing base	Existing base	Existing base	Base	Both new and existing base
	Characteristic	Arkansas	Indiana	Kentucky	Louisiana	Ohio	Tennessee	Texas	Virginia
5	What proportion of the budget or how many dollars are allocated to performance funding now and projected?	5% of base withheld beginning 2013-14 (increasing to 25% by 2018) to be earned back	5% increasing to 12%	\$25 (2.5%) million in FY14	15% of state appropriation and authority to increase tuition 10%	100% at main and regional campuses; 5% at two-year campuses	The outcomes-based formula recommends 100% of base funding. Institutions can earn up to an additional 5.45% from traditional Performance Funding.	Proposed 10% of base formula funding for universities and community and technical colleges in second year of biennium.	TBD
6	Is outcomes-based funding related to institutional mission?	yes	research	yes	yes	yes	yes	yes	no

For Discussion Only

7	Do outcomes go beyond number of degrees completed and include other areas that measure progress?	Progression measures use a threshold of credits earned	Enrollment (ends 2013); credit hours completed, on-time graduation, transfers; research incentive for universities and incentive for Ivy Tech to provide non-credit workforce training	Graduation rates; achievement gaps; transfers	Student success metrics are essential; in addition, reports are required on partnerships with high schools; pass rates on licensure and certification exams, articulation and transfer; workforce and economic development; institutional efficiency and accountability	Community colleges remain enrollment based but will phase in 6 Success Points	4-year institutions include: student progression; research and service dollars; transfers out; graduation rate. 2-year colleges include: student progression; job placements; developmental ed success; transfers out; contact hours of workforce training	Community and technical colleges: momentum points include completion of developmental ed, 1st year English/math, 15 & 30 credit hours, transfer, and workforce certificate. Universities: metrics include degree awarded to at-risk students and in critical workforce fields, performance above/below predicted graduation rate.	Graduation rate and efficiencies
	Characteristic	Arkansas	Indiana	Kentucky	Louisiana	Ohio	Tennessee	Texas	Virginia
8	Are metrics based on growth improvement or absolute goals?	Growth improvement	Growth improvement	Growth improvement	Institutional targets and growth improvement	Growth improvement	Growth improvement	Growth improvement	Growth improvement
9	How are weights used with the metrics?	Optional measures add weights for improvement in degree production among subsets of students	Premium for Pell recipients (\$5,000 for add'l bachelor's and \$3,500 per add'l associate's); payment for increases in credit hours transferred	Momentum point system with equally weighted metrics	Weights (points) for 3 categories of measures: targeted, tracked and descriptive	Weights applied to discipline and level costs and for at-risk students	Outcome metrics are weighted by type of institutional mission with premiums for adults and low-income students	Universities: additional weight applied to degrees in critical workforce fields	Enrollment growth, graduation rates, under-represented groups; STEM majors; progression to degree

For Discussion Only

10	How will the transition to outcomes-based funding be managed?	Institutions won't lose more than 5% of previous year's base	Phase-in	Phase-in over 4 years	TBD	Stop-loss phased in over 5 years	Phase-in over 3 years; simulataneously completely phase out hold harmless/stop loss provision	Proposed implementation in second year of state's biennial budget	TBD

**NO MEETING
MATERIALS AVAILABLE.**

THE FLORIDA SENATE

TAB 3

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1

1/12/12 Meeting Date

Topic INTRODUCTION

Bill Number N/A (if applicable)

Name DR. CAROL EATON

Amendment Barcode (if applicable)

Job Title PRESIDENT

Address 1200 W. 15E BLVD

Phone 386-506-4400

DAYTONA BEACH FL 32114

E-mail eatonco@daytona-stat.edu

Speaking: For Against Information

Representing DAYTONA STATE COLLEGE

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

TAB (✓)
3
①

1/12/12
Meeting Date

Topic _____

Bill Number _____
(if applicable)

Name Dr. Carol W. Eaton

Amendment Barcode _____
(if applicable)

Job Title President

Address Daytona State College
Street

Phone 386-506-4408

Daytona Beach FL 32114
City State Zip

E-mail Carol.Eaton@daytonastate.edu

Speaking: For Against Information

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

2

THE FLORIDA SENATE COMMITTEE APPEARANCE RECORD

(Submit to Committee Chair or Administrative Assistant)

1/12/12

Date

94

Bill Number

Name Jim Brodie or Wayne Kiger

Phone 487-1533

Address 2105 The Capitol
Street

E-mail brodiej@fdva.state.fl.us

City

State

Zip

Job Title Leg. Affairs Dir.

Speaking: For Against Information

Appearing at request of Chair

Subject Priority course registration

Representing Florida Department of Veterans Affairs

Lobbyist registered with Legislature: Yes No

Pursuant to s. 11.061, *Florida Statutes*, state, state university, or community college employees are required to file the first copy of this form with the Committee, unless appearance has been requested by the Chair as a witness or for informational purposes.

If designated employee: Time: from _____ .m. to _____ .m.

THE FLORIDA SENATE

APPEARANCE RECORD

TAB 3 (3)

3

1/12/2012

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date

Topic ~~Outlets~~ funding options + metrics

Bill Number _____ (if applicable)

Name Dr. Eric Barron

Amendment Barcode _____ (if applicable)

Job Title President

Address Westcott

Phone _____

Tallahassee FL 32306

E-mail _____

Speaking: For Against Information

Representing Florida State University

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

TAB 3 (5)

4

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

JAN 12, 2012
Meeting Date

Topic _____

Bill Number _____
(if applicable)

Name JULIE DAVID BULL

Amendment Barcode _____
(if applicable)

Job Title Education Program Director

Address 12700 W. BAY PLAZA
MEMBER CONFERENCE OF STATE LEGISLATORS
Street

Phone 363 304 7700

DENVER CO 80230
City State Zip

E-mail julie.bull@eyesl.org

Speaking: For Against Information

Representing WCSL

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

TAB 3 @ (4)

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

5

Jan. 12, 2012
Meeting Date

Topic Performance-Based Funding

Bill Number _____
(if applicable)

Name Cheryl Blanco

Amendment Barcode _____
(if applicable)

Job Title Vice President

Address 592 10th St.

Phone 443.501.3656

Atlanta GA 30318
City State Zip

E-mail cheryl.blanco@sreb.org

Speaking: For Against Information

Representing Southern Regional Education Board

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

CourtSmart Tag Report

Room: KN 412

Case:

Type:

Caption: Senate Budget Subcommittee on Higher Education Appropriations - 412 Knott 3:15pm Judge:

Started: 1/12/2012 3:17:41 PM

Ends: 1/12/2012 5:03:04 PM

Length: 01:45:24

3:17:43 PM Sen. Lynn (Chair)
3:19:44 PM Sen. Lynn introduces guests
3:20:24 PM Dr. Carol Eaton, President, Daytona State College
3:22:24 PM Sen. Lynn
3:22:29 PM Tab 1
3:22:40 PM S 198
3:23:06 PM Sen. Thrasher
3:23:21 PM Tab 2
3:24:07 PM S 94
3:24:28 PM Sen. Fasano
3:25:01 PM Wayne Keger, Florida Department of Veterans Affairs
3:26:02 PM Tab 3
3:26:13 PM Sen. Lynn
3:27:38 PM Dr. Eric Barron, President, Florida State University
3:35:24 PM Sen. Montford
3:36:09 PM Sen. Lynn
3:37:03 PM Dr. E. Barron
3:40:00 PM Sen. Lynn
3:40:16 PM Dr. E. Barron
3:42:55 PM Sen. Lynn
3:43:10 PM Dr. E. Barron
3:44:29 PM Sen. Montford
3:44:51 PM Dr. E. Barron
3:46:45 PM Dr. E. Barron
3:53:13 PM Sen Detert, Motion to note she voted yea on SB 198 and SB 94
3:58:48 PM Julie Davis Bell, Education Program Director, National Conference of State Legislatures
4:07:57 PM Sen. Montford
4:08:18 PM J. Bell
4:09:16 PM Senator Montford
4:12:25 PM Sen. Lynn
4:12:34 PM Dr. E. Barron
4:14:05 PM Sen. Lynn
4:15:12 PM Sen. Montford
4:15:29 PM Sen. Lynn
4:15:47 PM Sen. Montford
4:16:41 PM J. Bell
4:22:21 PM Sen. Lynn
4:22:46 PM Cheryl Blanco, Vice President, Southern Regional Education Board
4:35:24 PM Sen. Oelrich
4:37:18 PM C. Blanco
4:38:08 PM Sen Oelrich
4:38:49 PM C. Blanco
4:38:55 PM Sen. Oelrich
4:39:03 PM Sen. Lynn
4:39:03 PM C. Blanco
4:42:11 PM Sen. Oelrich
4:43:42 PM C. Blanco
4:45:40 PM Sen. Simmons
4:47:11 PM Sen. Lynn
4:47:30 PM C. Blanco
4:50:30 PM Sen. Montford
4:50:35 PM C. Blanco

4:52:23 PM	Sen. Lynn
4:52:48 PM	Sen. Montford
4:53:59 PM	Sen. Detert
4:54:37 PM	Sen. Lynn
4:54:58 PM	Sen. Oelrich
4:56:31 PM	C. Blanco
4:59:03 PM	Sen. Lynn
4:59:13 PM	Sen. Oelrich
5:00:23 PM	Sen. Simmons
5:01:11 PM	Sen. Lynn
5:01:34 PM	Kurt Hamon
5:02:33 PM	Sen. Lynn