

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
APPROPRIATIONS COMMITTEE ON HIGHER EDUCATION
Senator Harrell, Chair
Senator Bradley, Vice Chair

MEETING DATE: Wednesday, November 19, 2025
TIME: 11:00 a.m.—12:30 p.m.
PLACE: James E. "Jim" King, Jr Committee Room, 401 Senate Building

MEMBERS: Senator Harrell, Chair; Senator Bradley, Vice Chair; Senators Bracy Davis, Burgess, Calatayud, Davis, and Leek

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Update on University System Performance-Based Funding		Presented
2	Presentation on State University System Efficiency Study		Presented
Other Related Meeting Documents			



SUS 30

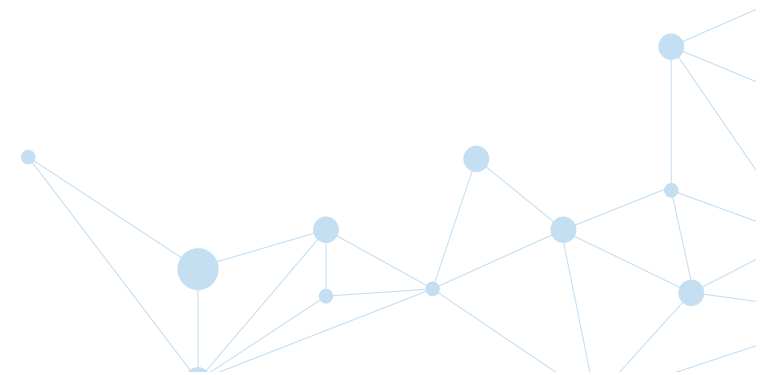
EXTRAORDINARY IMPACT

Performance-Based Funding
Senate Appropriations Committee on Higher Education

Sarah deNagy, Vice Chancellor, Finance and Administration

November 19, 2025

www.flbog.edu



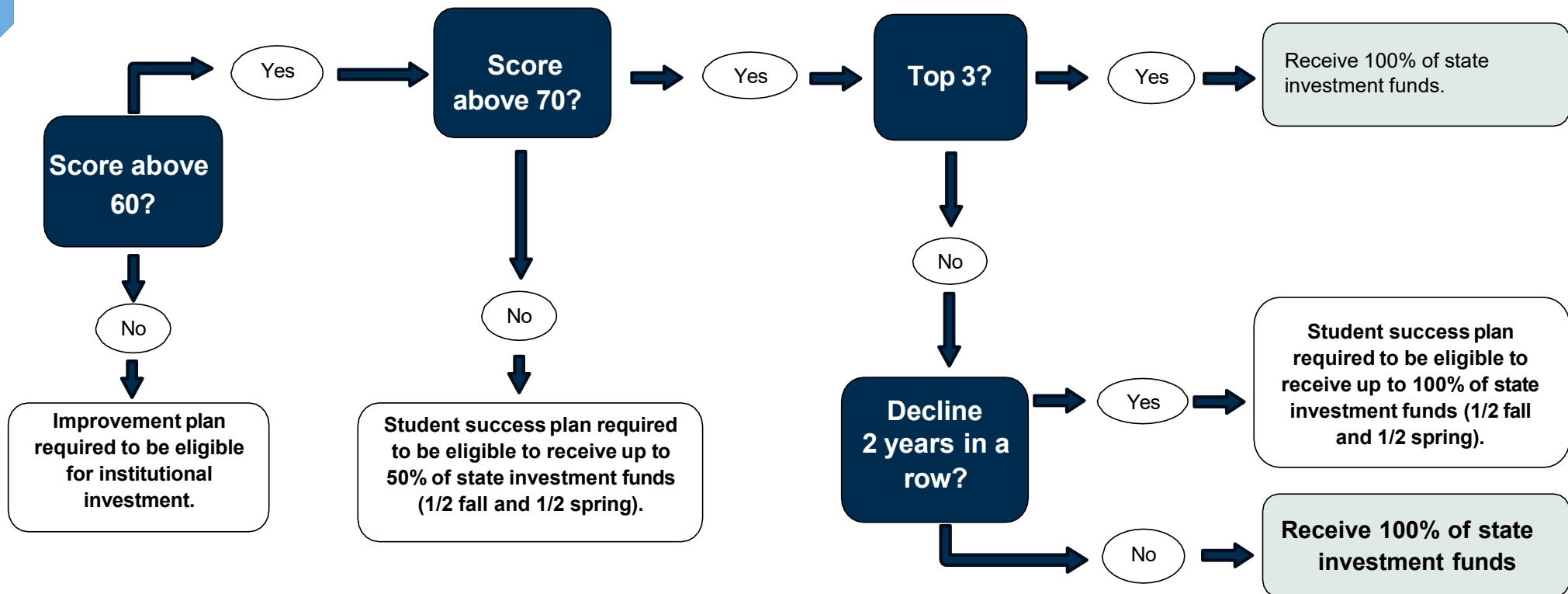
Performance-Based Funding

Key Components



- ✓ Institutions are evaluated on excellence or improvement
- ✓ Benchmarks for excellence were based on the 2025 System Strategic Plan Goals
- ✓ Max score 100 points
- ✓ Data based on 1 year
- ✓ Legislature and Governor determine state investment funding amount and institutional investment funding amount that comes from each university's recurring state base appropriation

Performance-Based Funding Allocation Methodology



Board Action: 2026-27 Current Model



1

Accept the recommendations for metric 6 & 8a benchmarks for the current model & normalize scores

2

Staff to run current model for 2026-27 funding

Metrics 6 and 8a

Benchmarks Current Model 2026-27



Metric 6: Bachelor's Degrees in Programs of Strategic Emphasis

	10	9	8	7	6	5	4	3	2	1	Increments
Current Benchmarks	50.0%	47.5%	45.0%	42.5%	40.0%	37.5%	35.0%	32.5%	30.0%	27.5%	2.5%
Proposed Benchmarks	45.0%	42.5%	40.0%	37.5%	35.0%	32.5%	30.0%	27.5%	25.0%	22.5%	2.5%

Metric 8a: Graduate Degrees in Areas of Strategic Emphasis

	10	9	8	7	6	5	4	3	2	1	Increments
Current Benchmarks	60.0%	57.5%	55.0%	52.5%	50.0%	47.5%	45.0%	42.5%	40.0%	37.5%	2.5%
Proposed Benchmarks	50.0%	47.5%	45.0%	42.5%	40.0%	37.5%	35.0%	32.5%	30.0%	27.5%	2.5%

Why a new framework?



Linking PBF to SUS 30



Modeling Excellence & Improvement



Achieving Extraordinary Impact

Timeline for Building New Model



Feedback from Sept. Workshop

- Differentiated goals for universities by metric for the System to achieve SUS 30 goal
- A model that supports improvement & excellence
- Ensure universities are not being penalized for students transferring in the System
- An expanded affordability metric

Model 2.0 Overview



Differentiated goals by university

Benchmarks are **12 separate goals** based on each institution's 2025 performance & the improvement needed for the **System to meet the SUS 30 goal**

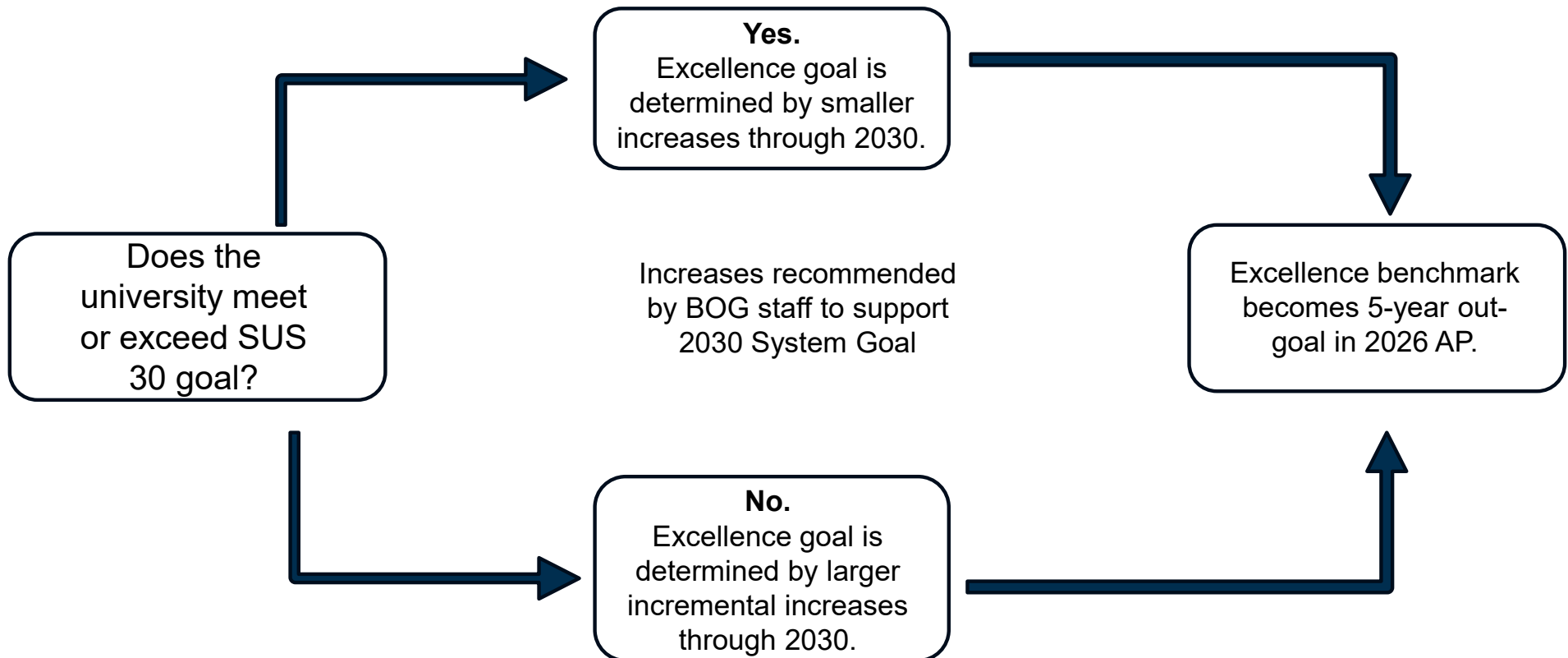
Excellence (max points)

- ✓ Meets university 2030 goal approved by the BOG
- ✓ Top 3 on a metric
- ✓ Hit a metric cap

Improvement

Model built on **improvement** based on 2025 performance & if the university is **above or below the SUS 30 goal**

Framework for Establishing Benchmarks



Excellence & Improvement Scales Aligned



Excellence

To earn maximum points per metric

- Top 3 performers in any metric
- Meet/Exceed university 2030 goal
- Meet/Exceed cap on specified metrics:

3b. Annual Students w/o Loans Rate (Florida resident undergraduates)	85%
5. Academic Progress Rate	95%
7a. % of Pell students	35%

Improvement

Each university will have separate benchmarks for each metric based on:

- 2025 performance
- Whether current performance is above or below SUS 2030 goal

Model assumes improvement each year, unless the university is at the cap

Model 2.0: Metric Summary



	Metric Name	Pts	Type of Change	Goal	
				PBF	SUS 30
1	% of Bachelor's Graduates Employed/Continuing their Education	10		80%	85%
2	Median Wages 1 Yr after Graduation	10		\$55k	\$60k
3a	Net Tuition & Fees per 120 credit hours	5	5 pt metric; Retain 2025-26 Benchmarks		n/a
3b	Annual Students without Loans Rate (Florida resident undergraduates)	5	Expanding the affordability metric; Metric Cap = 85%	85%	85%
4	4-yr Graduation Rate for First-time-in-College (FTIC) Students	10	Exclude SUS transfers & allow extra term for engineering	72%	70%*
5	Academic Progress Rate	10	Exclude SUS transfers; Metric Cap = 95%	92%	92%*
6	Bachelor's Degrees in Areas of Strategic Emphasis	10	Retain 2026-27 Benchmarks	45%	45%
7a	University Access Rate (% of Undergraduates with a Pell Grant)	5	5 pt metric; Metric Cap = 35%	35%	35%*
7b	FTIC Pell Recipient 6-yr Graduation Rate (Full-Time and Part-Time)	5	Move from 9b to 7b	80%	80%
8a	Graduate Degrees in Areas of Strategic Emphasis	10	Retain 2026-27 Benchmarks	50%	50%
9a	FCS AA Transfer 3-yr Graduation Rate (Full- & Part-Time students)	5		72%	72%
9b	Transfer Student 4-yr Graduation Rate (non-FCS AA transfers, Full- & Part-Time students)	5	Expanding the transfer student metric (SUS transfers & others)	72%	TBD
10	BOT Choice	10	Universities select new metric for new model	TBD	
	Total:	100			

*Indicates methodology in SUS 30 differs from the methodology used for PBF. This is to allow for national comparisons for SUS 30 metrics.

**Max rate indicates that once a university hits that number, they will receive the maximum points for that metric.

Model 2.0: Metrics 3b and 9b



3b

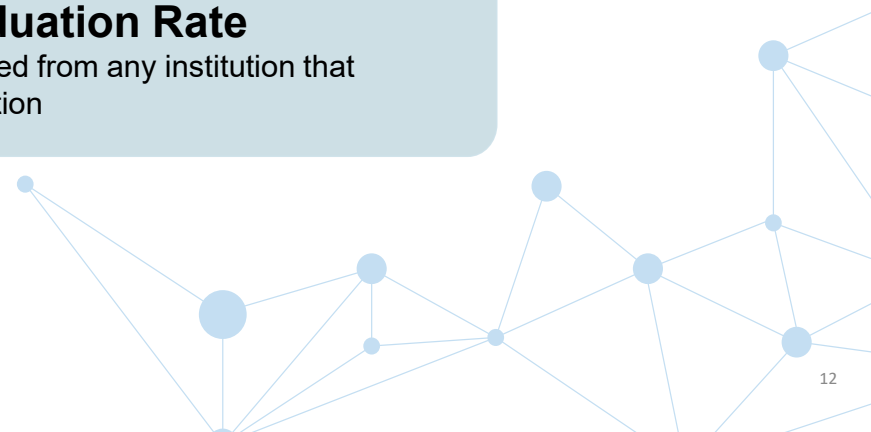
Annual Students without Loans Rate

The percent of Florida-resident undergraduate students without loans in the last year.

9b

Transfer Student 4-yr Graduation Rate

Full- & Part-Time students who transferred from any institution that was not a Florida College system institution



Metric 10: BOT Choice



One SUS

- \$ of annual giving
- Shared initiatives savings

World-Class Talent

- % of faculty in the Top Quintile of their field
- National Academy Members

Student Success

- % of undergraduates participating in internships
- Licensure examination pass rates

Research & Economic Development

- Total research expenditures
- # of licenses & options executed annually

Board Action: Model 2.0



1

Staff to run Model 2.0 & provide scores for new model at June 2026 meeting

- Using rules, framework, & goals in the materials, including options for PBF 10
- Allow Chancellor to make technical changes to Model 2.0 as needed*

2

Request that universities select a new PBF 10 metric

- Submit to the BOG in January for approval
- Be included in Model 2.0, but not for funding purposes in 2026-27

3

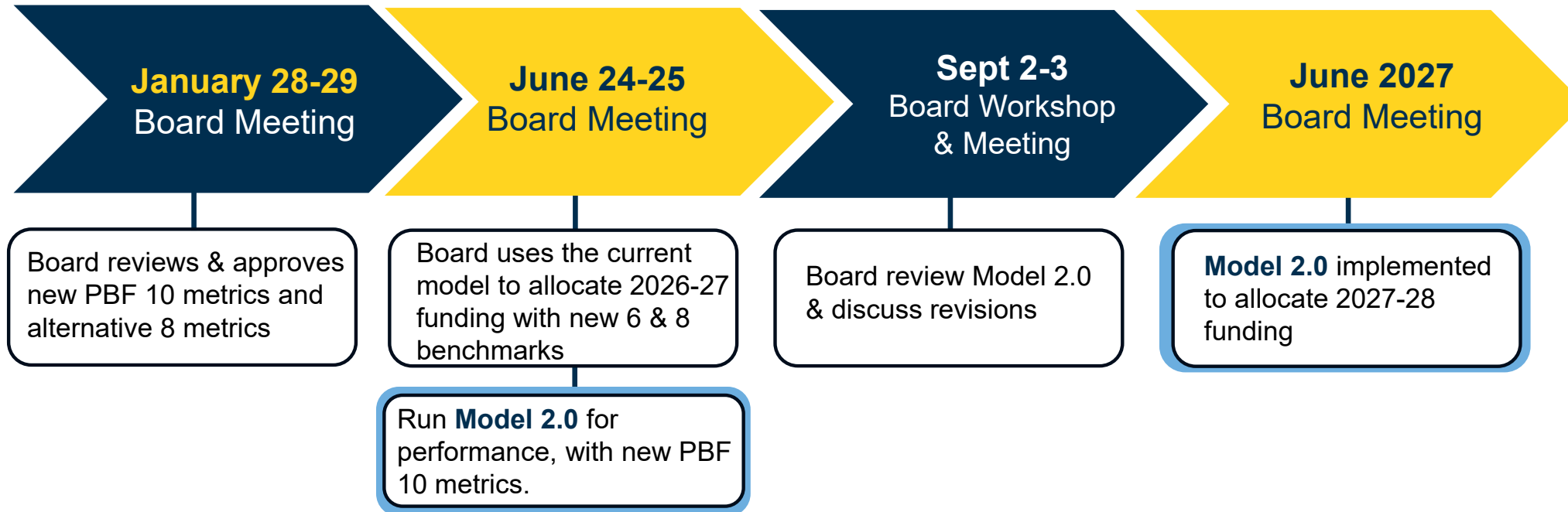
Provide option to NCF and FL Poly to select a new PBF 8 alternative metric

- Submit to the BOG in January for approval
- Be included in Model 2.0, but not for funding purposes in 2026-27

*Technical changes related to metric definitions.

Model 2.0 Implementation Timeline

18 months to prepare Phase-in approach to Model 2.0





SUS 30

EXTRAORDINARY IMPACT



**STATE UNIVERSITY
SYSTEM OF FLORIDA**

Dr. Tony Lee, Associate Vice Chancellor for Public Affairs
altony.lee@flbog.edu

11/19/2025

Meeting Date

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

Performance Based Fund

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name

Sarah de Nagy

Phone

850-245-0464

Address

325 W. Gaines Street

Email

Sarah.DeNagy@flbx.edu

Street

Tallahassee

FL

32399

City

State

Zip

Speaking:

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For

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Against

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In Support

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Against

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While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf](#) [flsenate.gov](#)

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S-001 (08/10/2021)



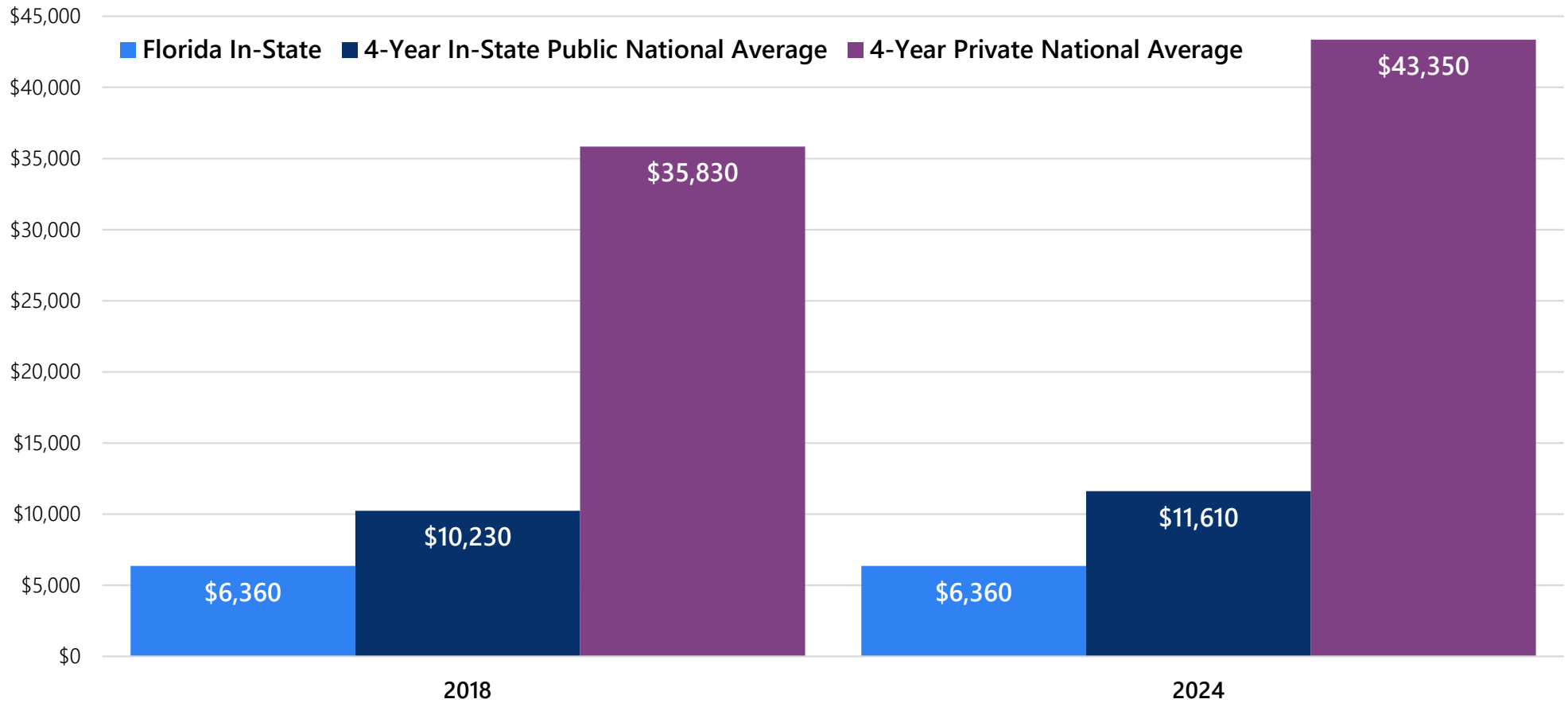
Florida State University System Efficiency Study

Presentation to Senate Appropriations Committee on Higher Education

Introduction

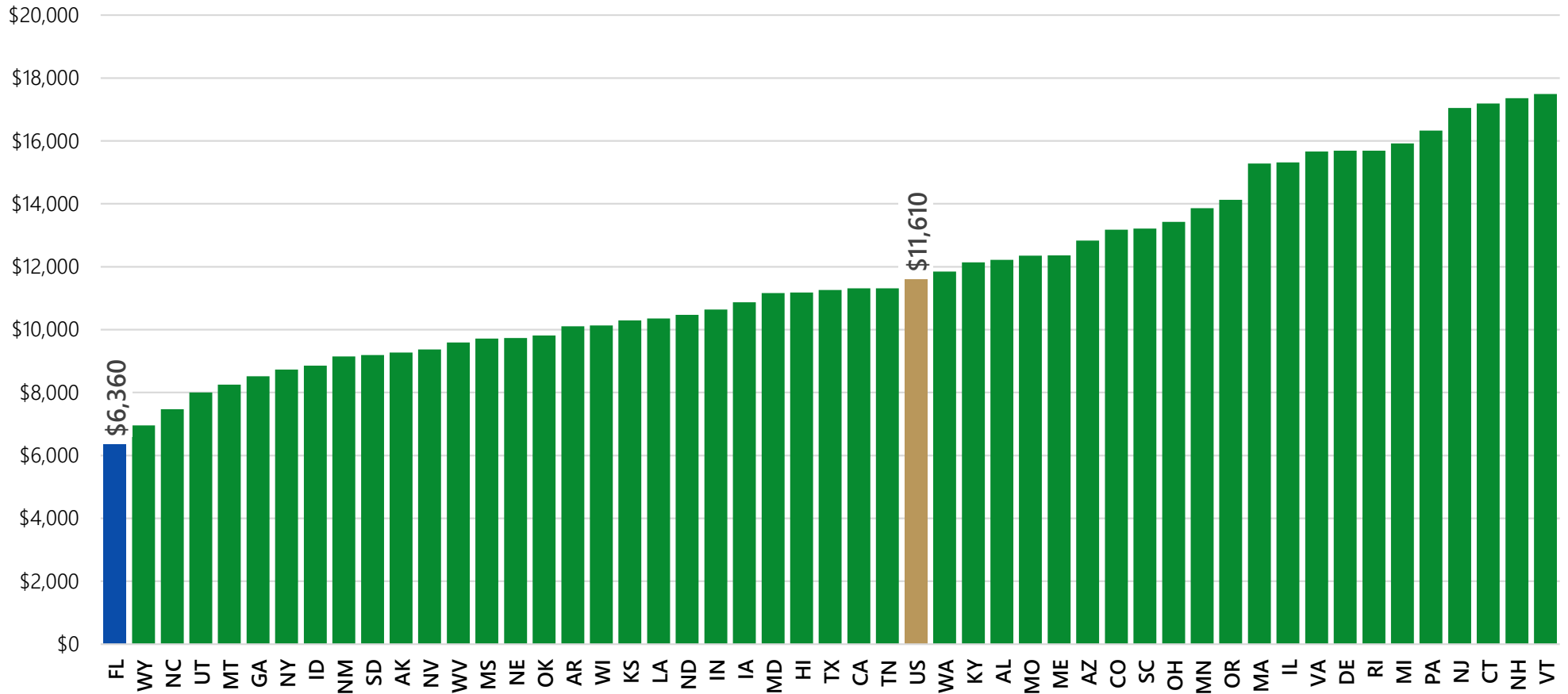
- Governor DeSantis' Executive Order No. 25-44 issued on February 24, 2025, directed a study of efficiency for the State University System
- Efficiency Study conducted using university audited financial statements, student performance information and personnel data provided by Universities to evaluate efficiency
- Conclusion: Florida has the best public university system in the country
- Florida also leads the country in higher education reforms and performance because of performance funding model used over the last 10 years
- Regardless of Florida's leadership position, there is room for improvement in the State University System by incorporating financial efficiency metrics into performance funding

Florida versus National Average Tuition and Fees Public and Private 2018 v. 2024



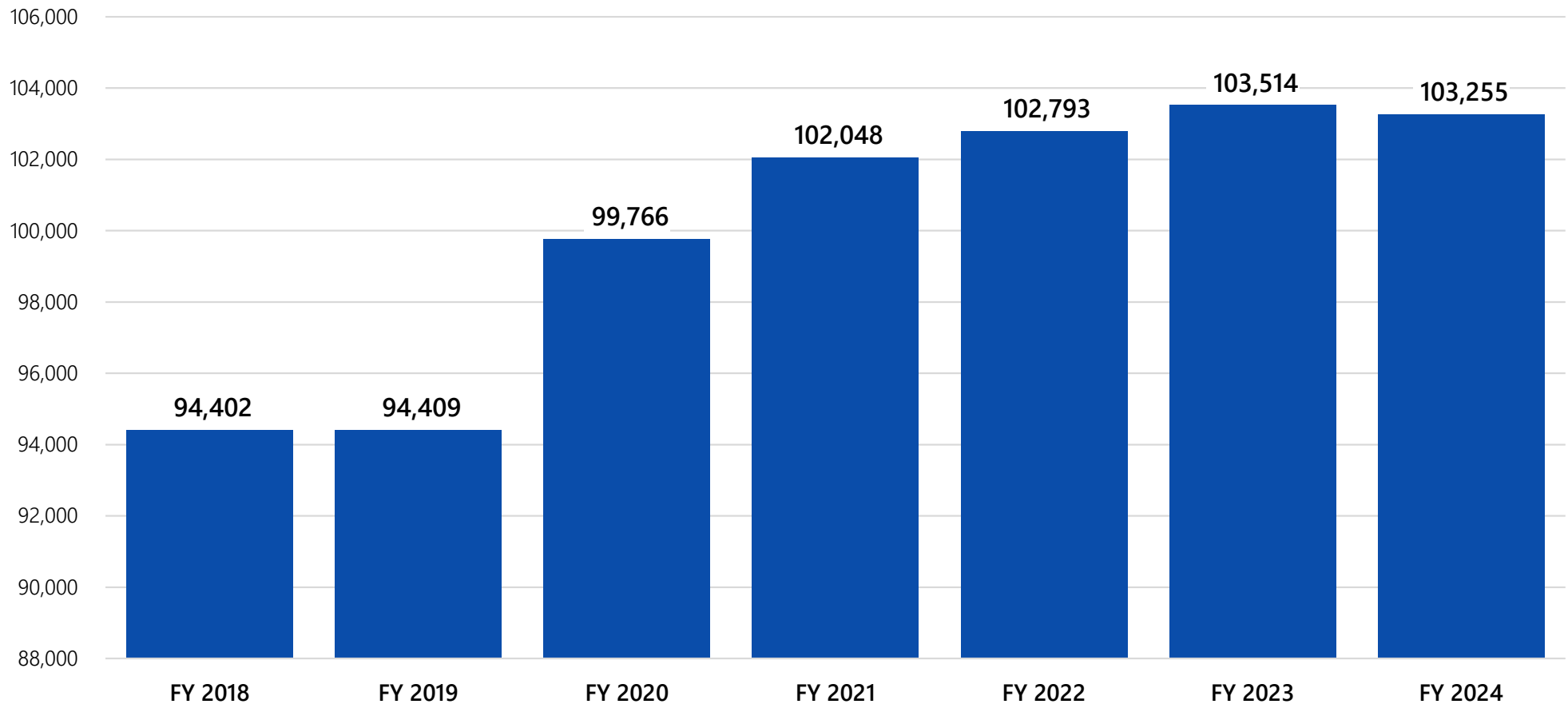
- Florida is leading the country in providing a high-quality, low-cost college education
- Florida has been holding the line on the cost of college while other states and private colleges have been increasing the cost
- Tuition for public higher education is up 13% nationally since 2018. Private college tuition up even more at 21%
- Tuition for Florida's public higher education is a fraction of the average cost of tuition charged by private universities (15%)

Average Tuition and Fees State by State Comparison 2024



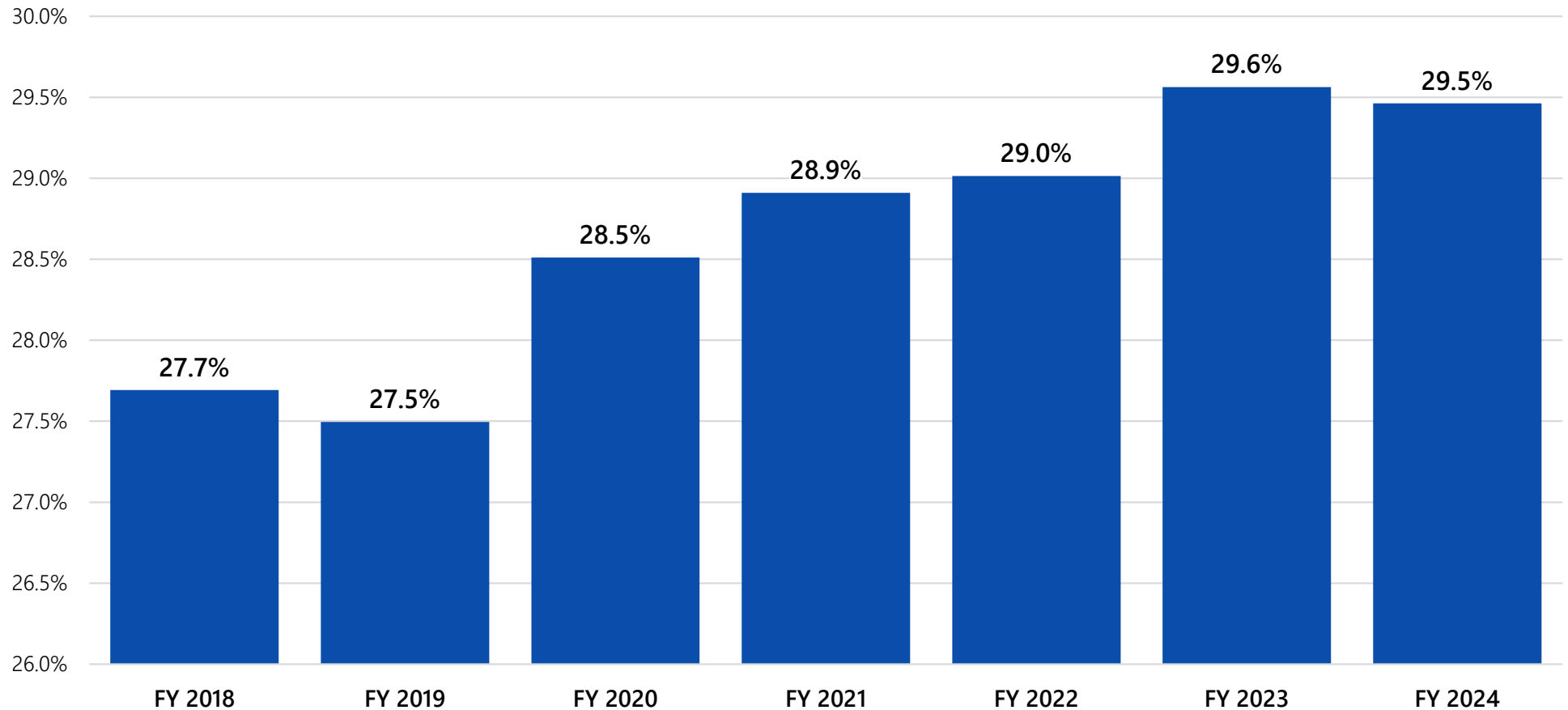
- Florida has the lowest tuition of any state in the country
- Keeping the cost of college affordable for Florida's families has been a priority and explicit policy of the Governor and Legislature for many years
- Florida's tuition is 55% of the national average tuition for public universities at \$6,360/year

Degrees Awarded as Performance Measure Last 7 Years



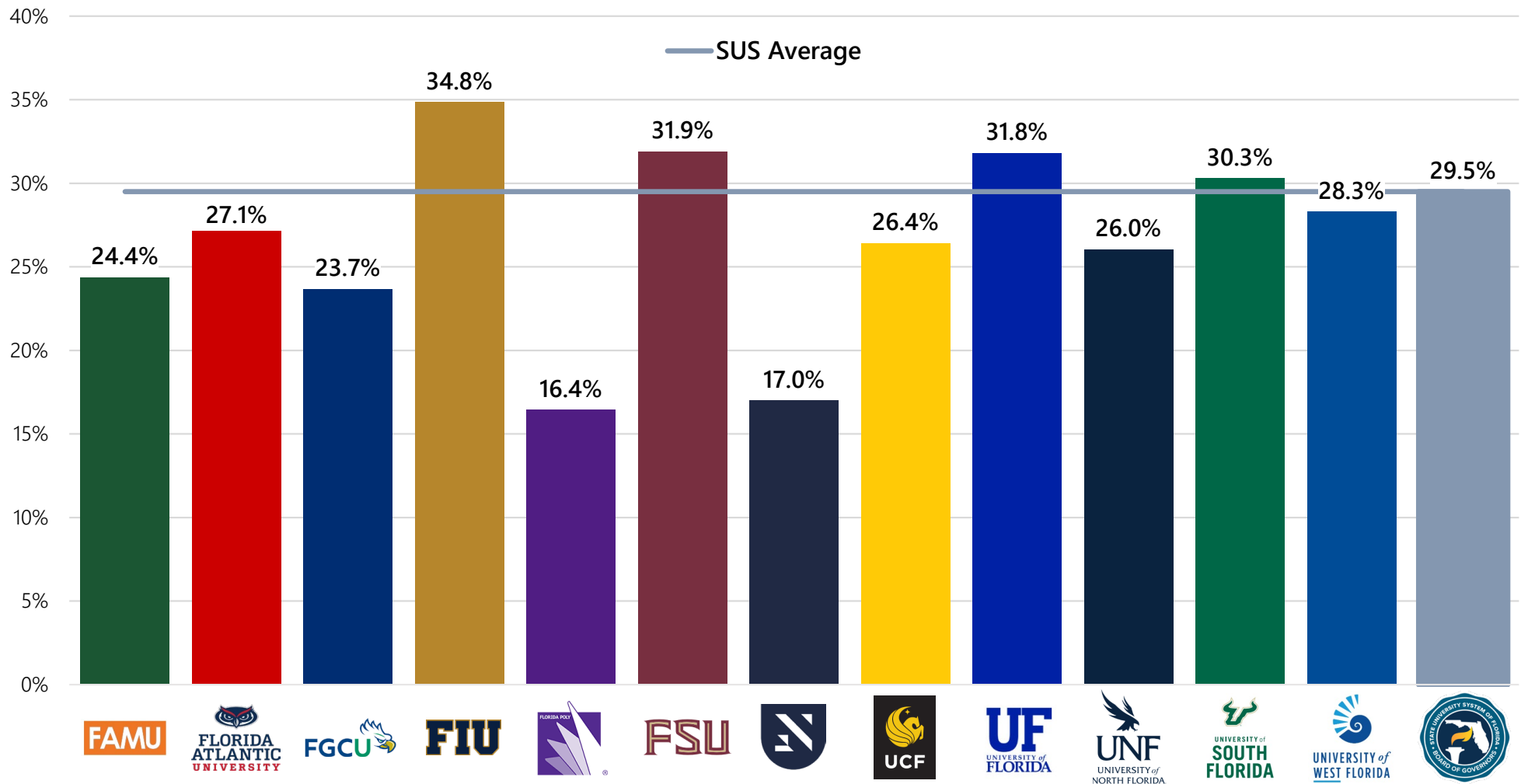
- Increase in number of graduates exceeds student population growth
- 9.4% increase in degrees awarded over last 7 years reflecting impact of performance funding and focus on student outcomes
- Student enrollment grew by a more modest 2.4% over the last 7 years
- Aligning incentives (funding) with policy priorities (graduation rates) is a powerful dynamic in effectuating change

Degree Yield as Performance Metric Ratio of Graduates to Student Enrollment FY 2024



- Degree Yield is the percentage of students graduating in any year relative to student population – high level metric that can be traced over time to evaluate performance
- Degree Yield over the last 7 years has increased nearly 2 percentage points (27.7% to 29.5%) reflecting increased productivity, or an additional 1,475 degrees awarded per year

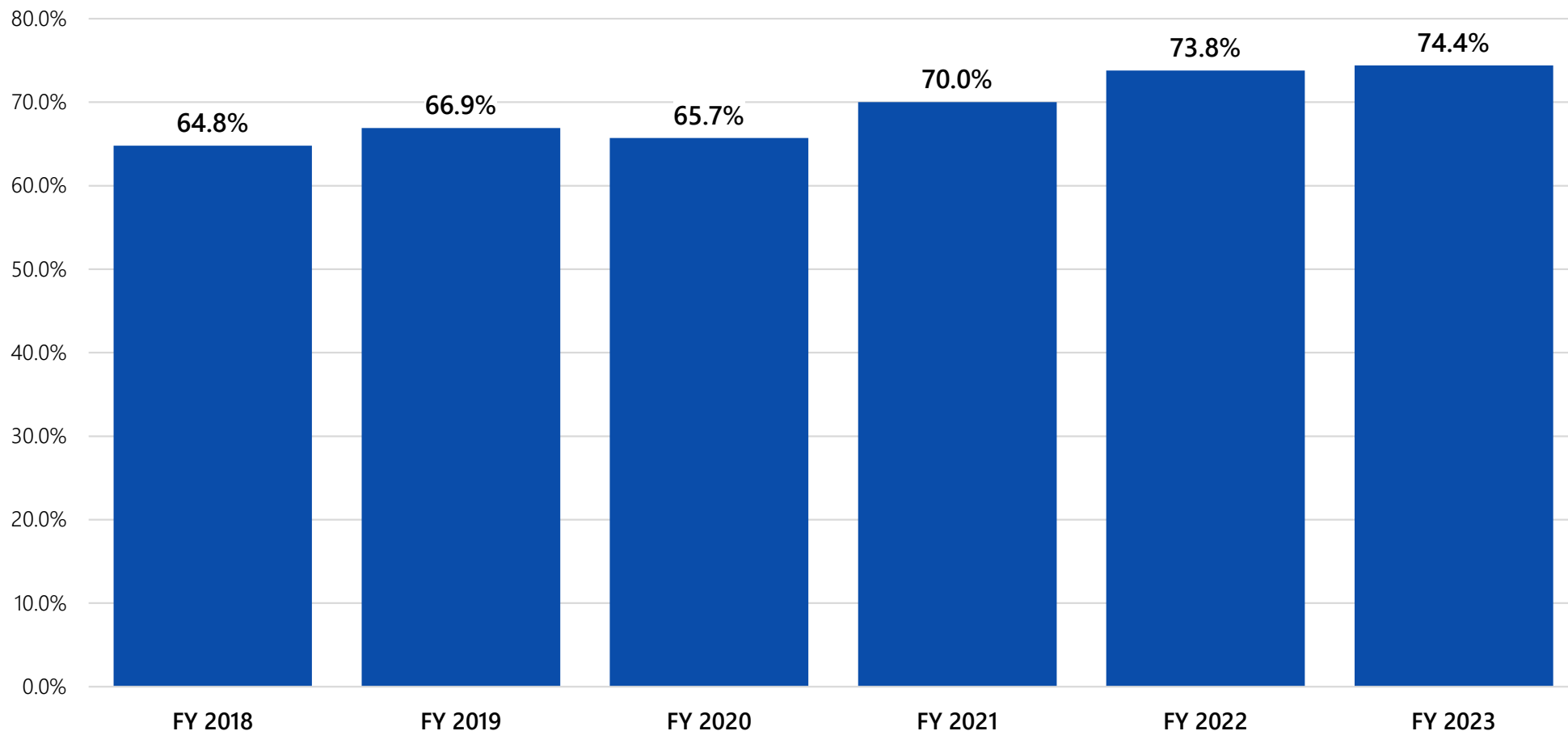
Degree Yield by University FY 2024



- Degree yield signals effectiveness in moving students to timely completion of degrees

Job Placement*

Percentage of Bachelor Graduates Employed/Continuing Education Last 6 Years



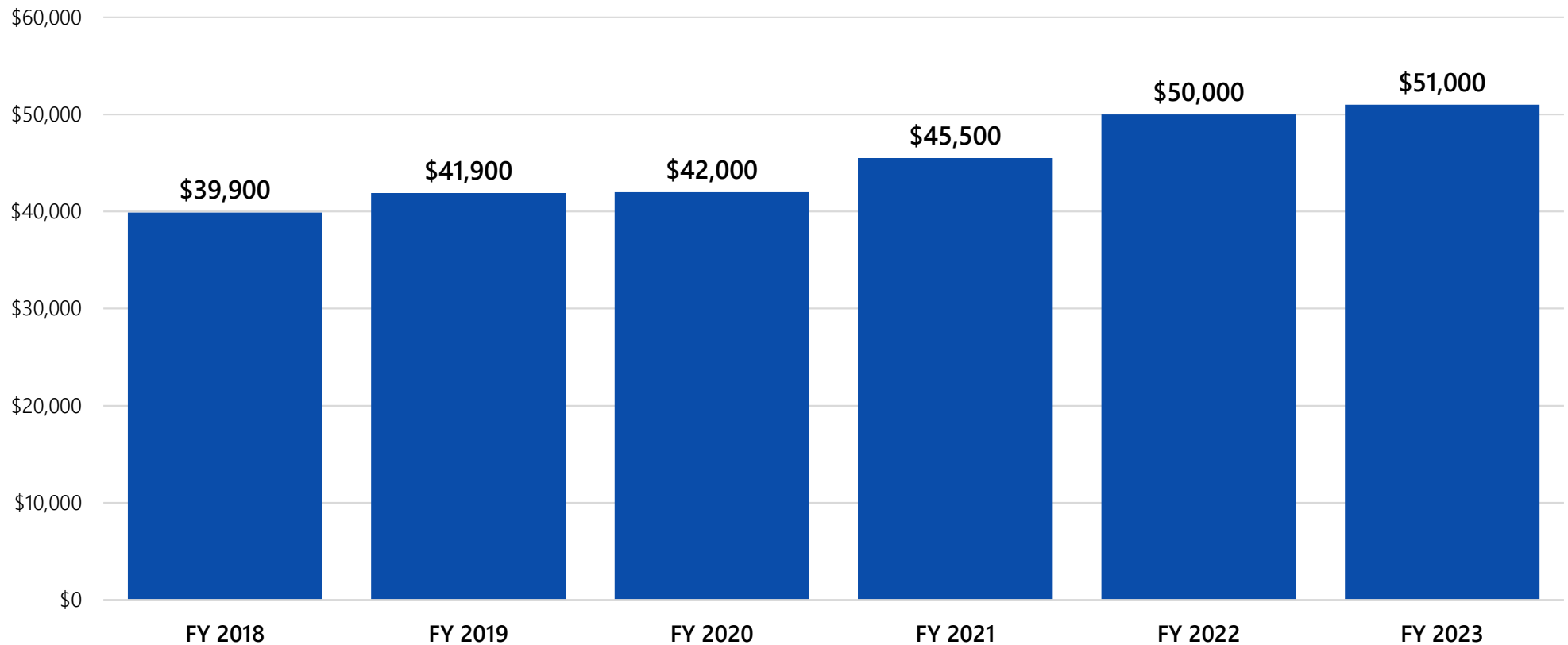
- Increase in job placement/continuing education nearly 10 percentage points over last 6 years; 64.8% to 74.4%
- Drop in job placement in 2020 likely due to COVID
- National average job placement/continuing education rate for class of 2023 bachelor graduates estimated at 85%**

Source: Board of Governors Accountability Plans. Salary threshold for graduates was \$30,000 in FY 2018 through FY 2020 and \$40,000 in FY 2021 through FY 2023

*Represents undergraduate graduates meeting applicable salary thresholds or continuing education 1 year after graduation

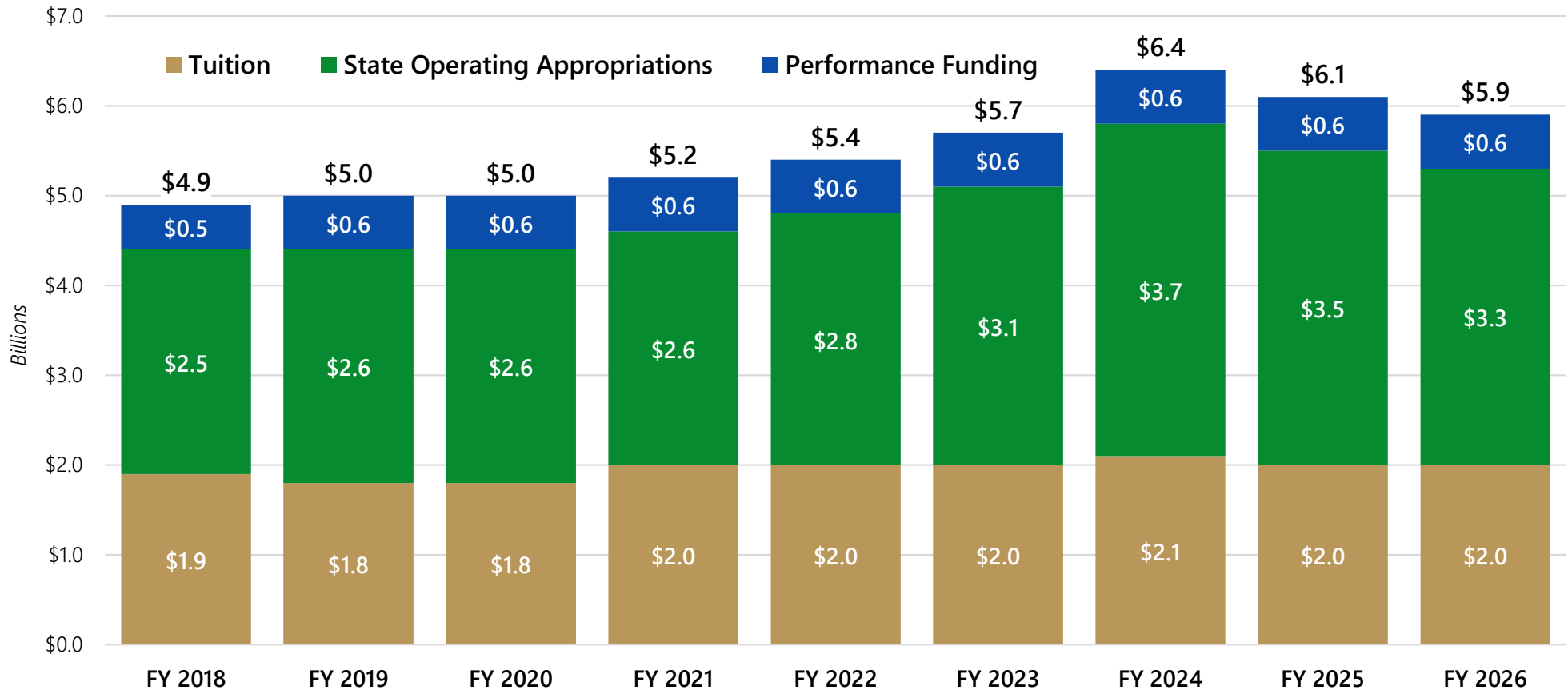
**As reported by the National Association of Colleges and Employers (NACE)

Growth in Starting Salary Median Salary of SUS Graduates Last 6 Years



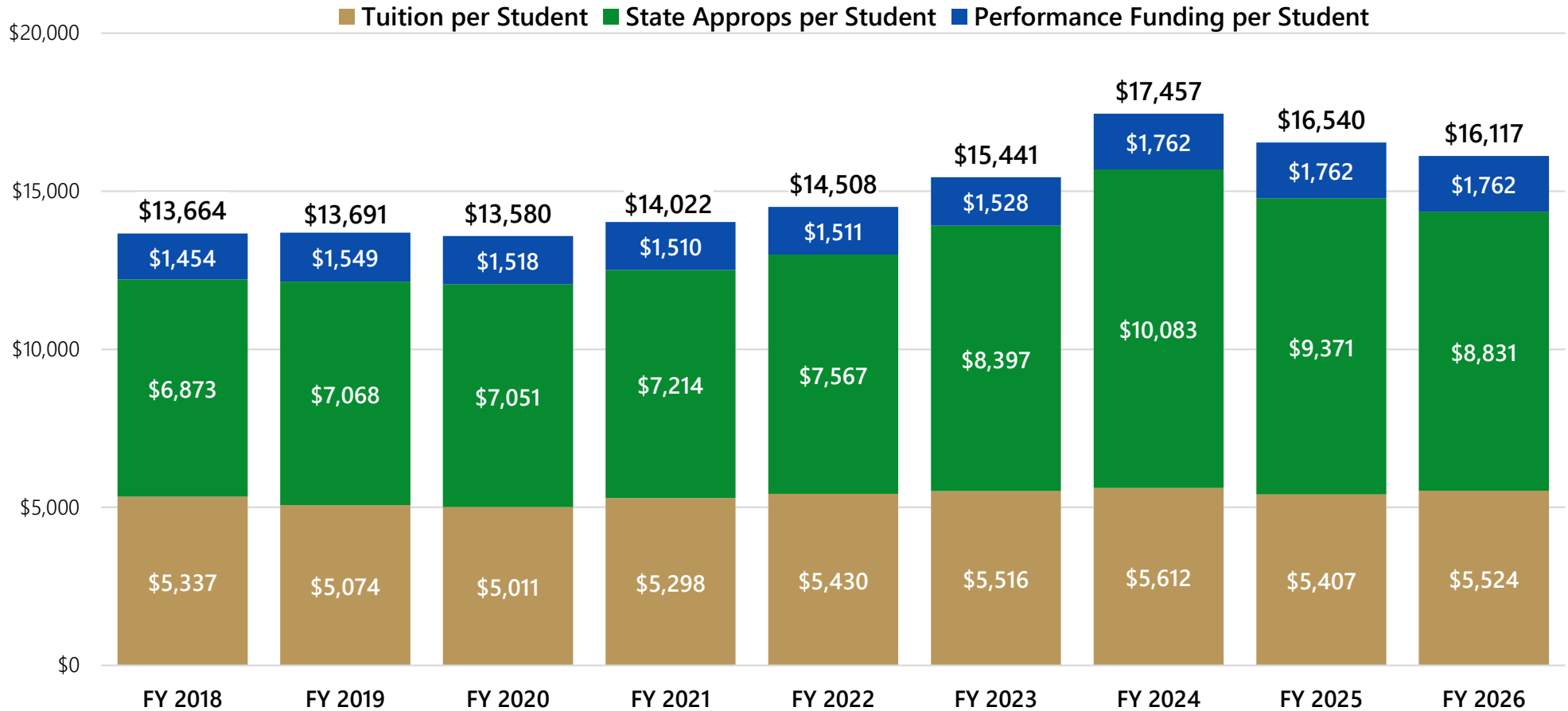
- Growth in median income for Florida graduates increasing; 28% increase in median salary over last 6 years
- National average salary (mean, not median) for 2023 university graduates was estimated at approximately \$64,291
- Higher starting salaries for STEM (\$79,900 to \$91,400) and business (\$66,600) based on NACE survey data

State University System Funding Tuition and State Operating Appropriations* Last 8 Years



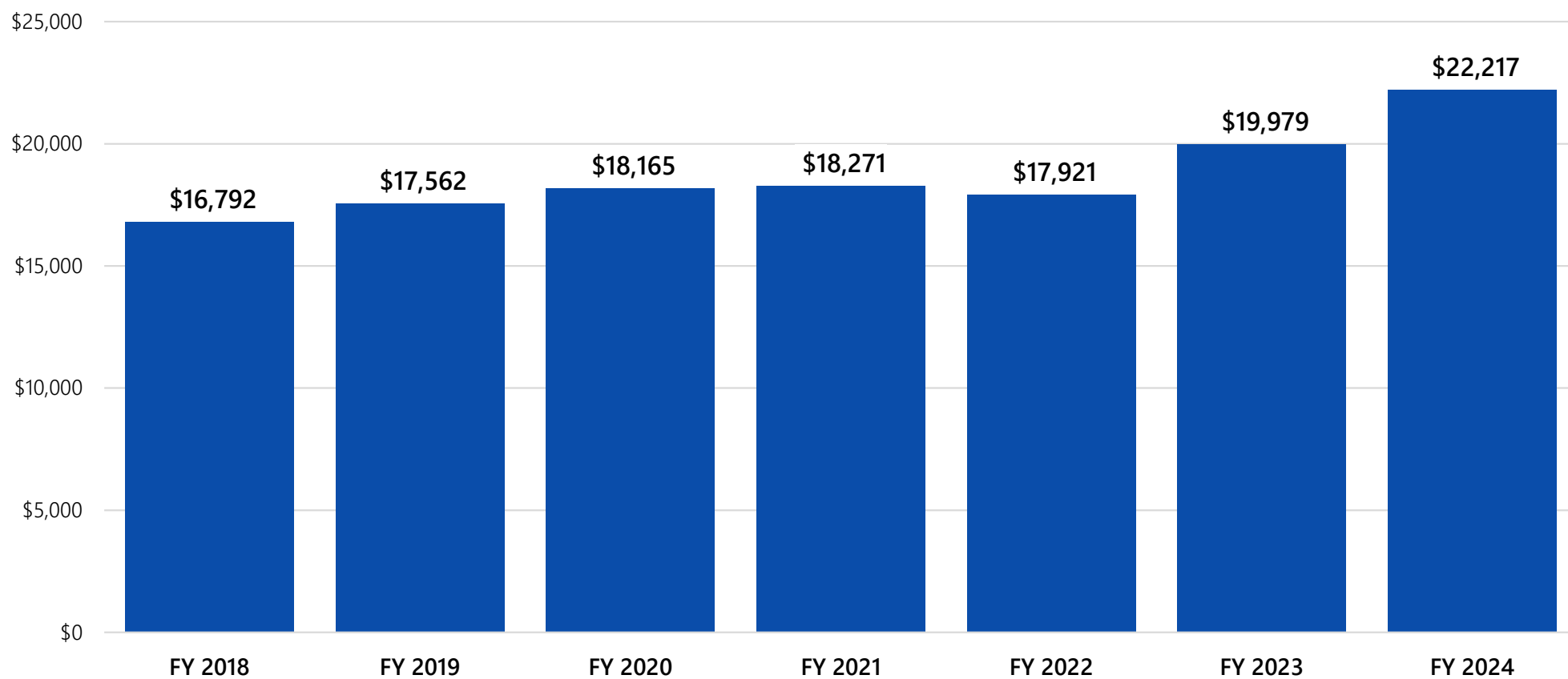
- Significant increase in State investment in public higher education
- State funding for Florida higher education peaked in FY 2024 at \$4.3 billion, but down by about \$400 million in FY 2026 from peak
- State funding for university operations has increased \$1 billion or 37% from FY 2018 to FY 2025, exceeding cumulative inflation rate of 28% through FY 2025
- Performance funding, while relatively modest proportion of State funding (16% in FY 2026), has had significant impact by emphasizing student outcomes

Operating Funding per Student* Last 8 Years



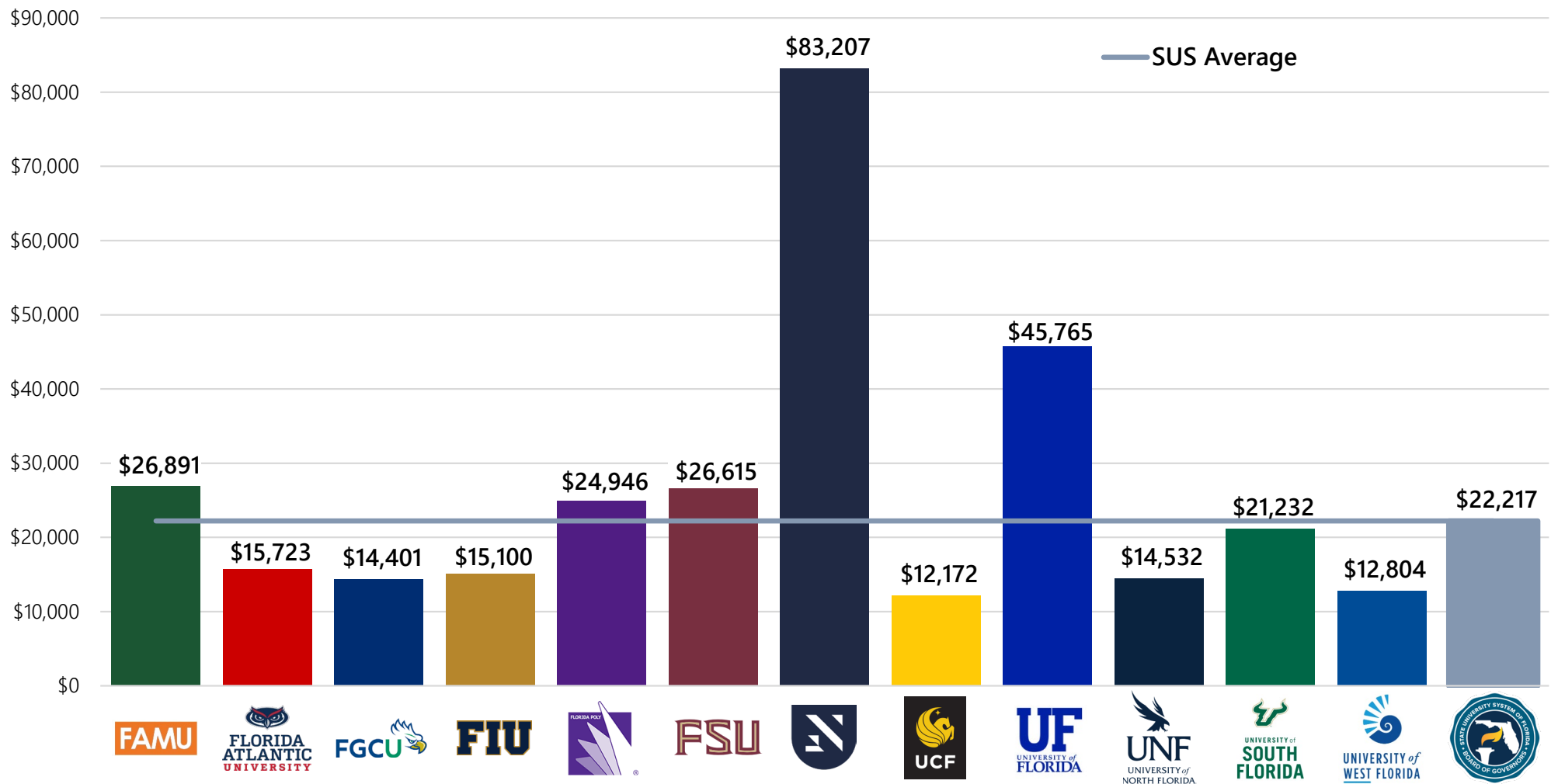
- Combined tuition and state funding per student has increased from \$13,664 in FY 2018 to \$16,117 in FY 2026, an almost 18% increase per student
- Combined state appropriations and performance funding per student increased by 27%, from \$8,327 per student to \$10,593 per student, from FY 2018 to FY 2026
- Tuition and fees paid by Florida families has not increased since FY 2018; increases in tuition and fees due to increase in student population – not increased tuition

Operating Expenses per Student Last 7 Years



- Operating expenses per student an important metric in evaluating operational efficiency
- Adjusted Operating expenses are “operating expenses” as reported on university financial statements, excluding expenses for auxiliaries and research activities, divided by university student enrollment
- Operating expenses per student increased from about \$17k/year to over \$22k/year, or a 32% over the last 7 years
- Actual increase in operating expense per student more than inflation of 24.7% over the last 7 years – FY 2018 expense adjusted for 2024 dollars would be \$20,936
- The increase in operating expense per student primarily driven by increases in payroll or labor cost

Operating Expenses per Student by University FY 2024

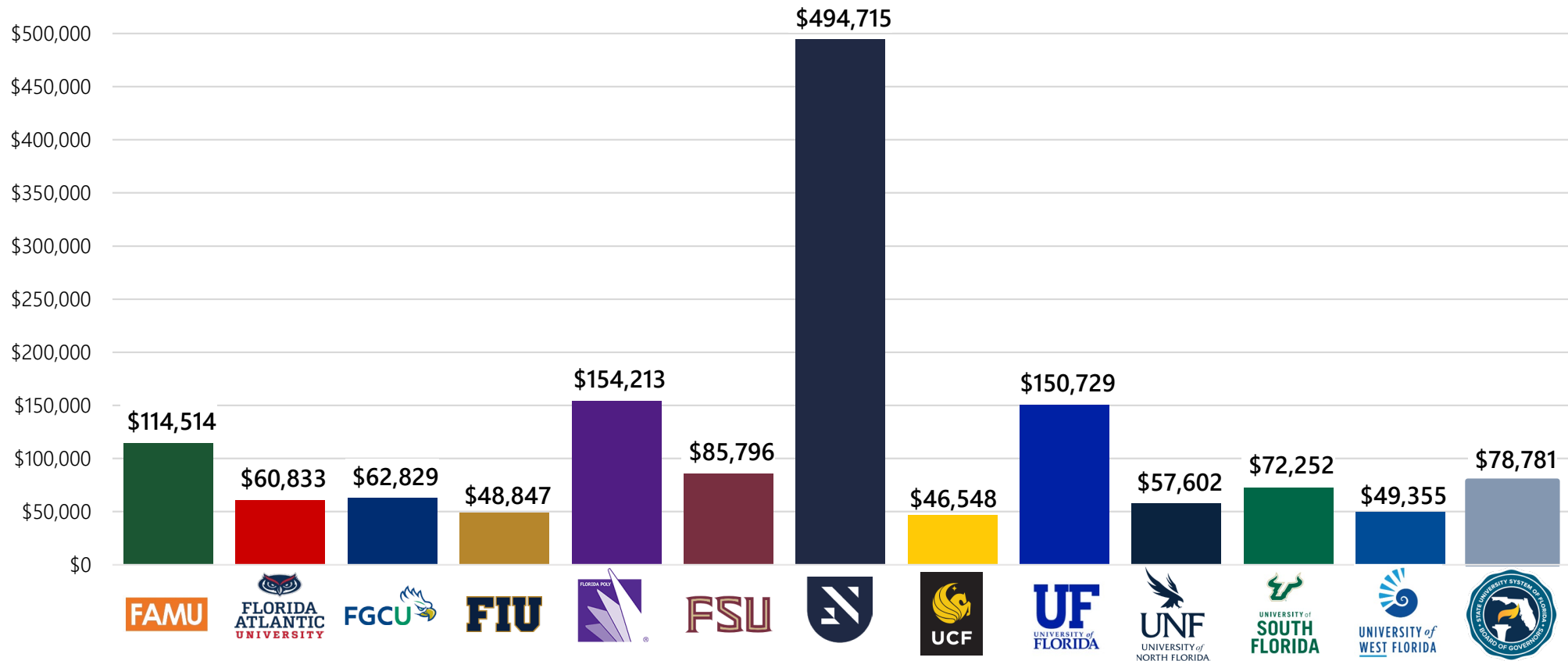


- Operating expenses per student calculated by dividing operating expenses for each university by its student enrollment
- There is a wide disparity in operating expenses per student among universities reflecting different levels of efficiency
- Operating expenses per student could be used as a metric in Performance-Based Funding to incentivize cost control

Cost to Produce a Degree by University

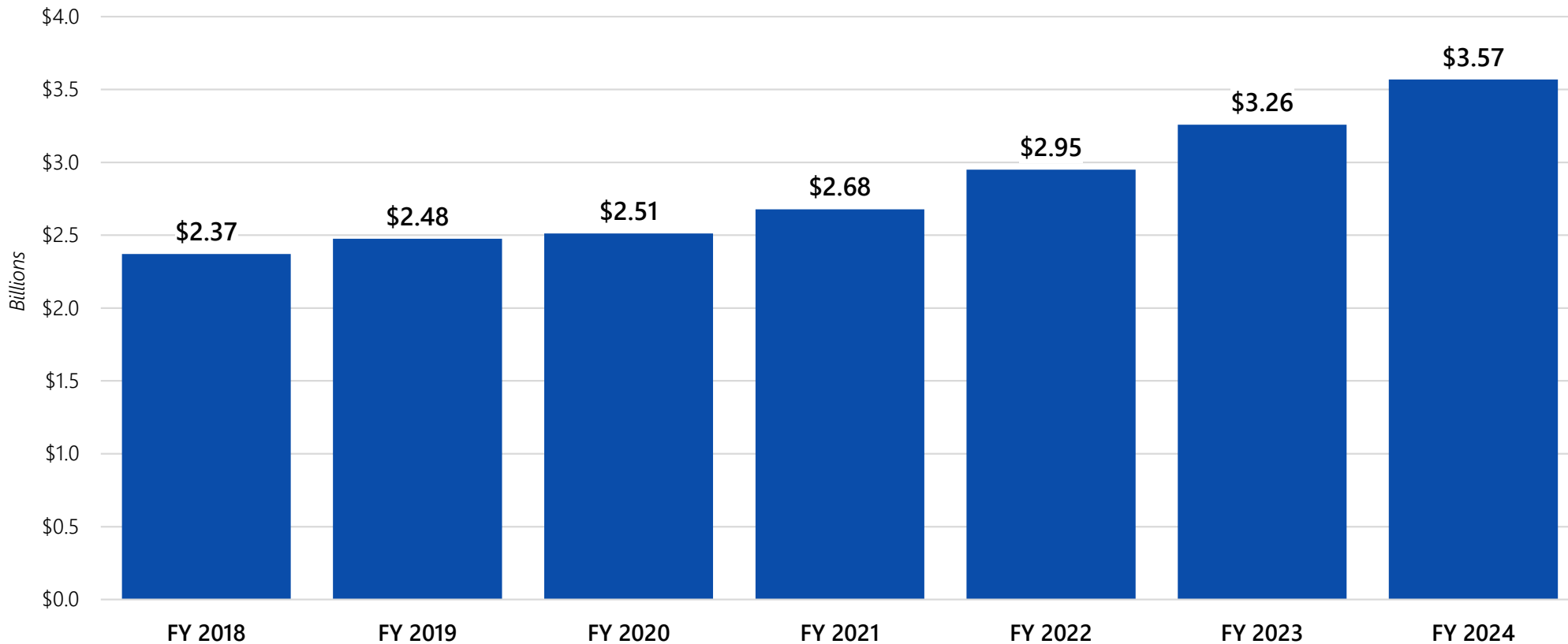
Operating Expenses per Degree

FY 2024



- Key metric for measuring overall institutional efficiency and productivity is the Cost per Degree reflecting the universities' cost structure relative the number of degrees produced
- From an investment perspective, the metric is a good measure of relative value among Florida universities
- Using Operating Expense per Degree as a metric, UCF is the most efficient university in the SUS

Revenues Generated by Research Total Grants & Contracts Revenue FY 2024

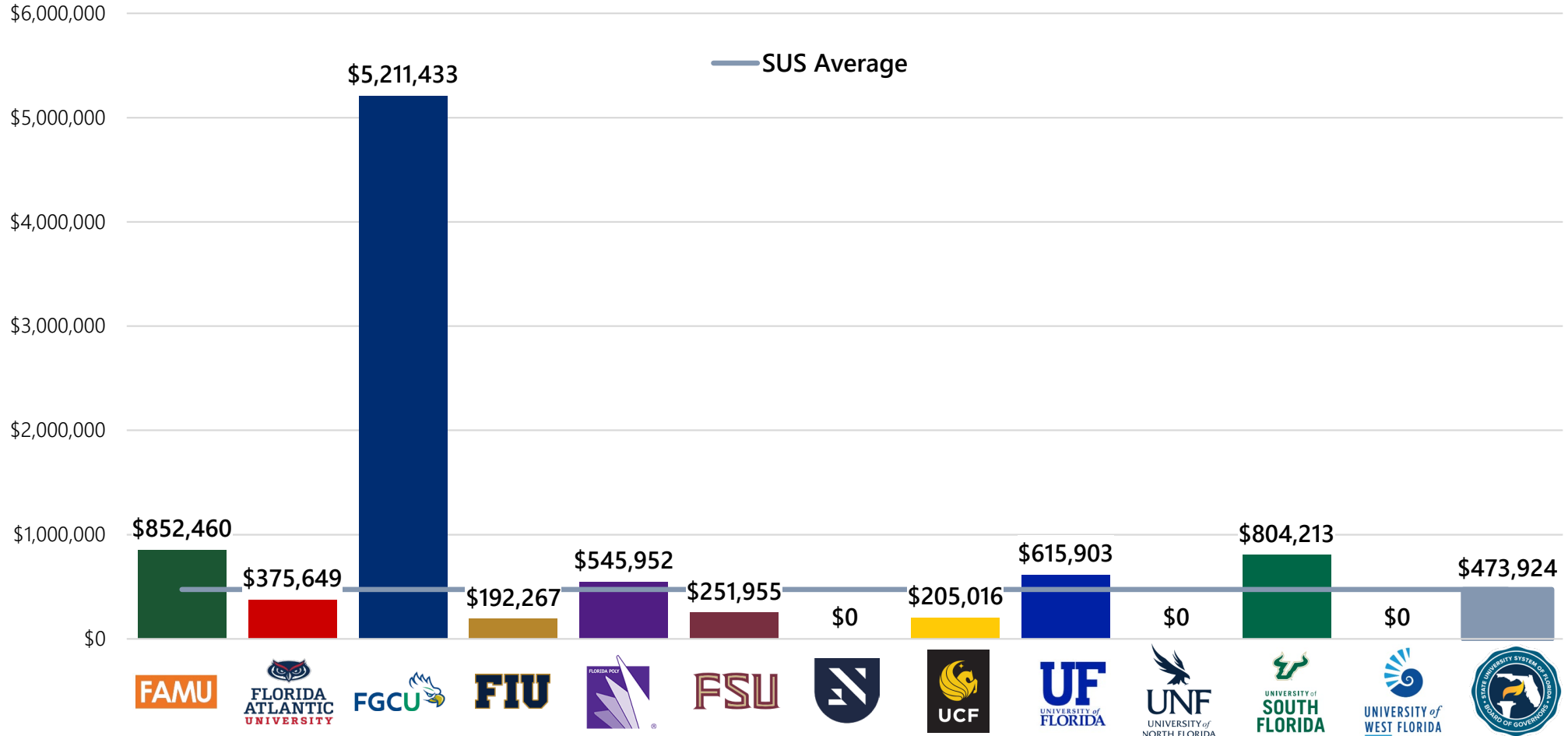


- Grants and Contracts revenue calculated by combining federal, state and local grants and contracts, with nongovernmental grants and contracts reported on university financial statements
- Grant and Contracts revenue concentrated at universities with hospitals and medical schools
- Gross revenues only indicate relative significance but do not measure efficiency or productivity
- UF dominates in Grant and Contract revenues (\$2.0B) reflecting emphasis on pursuing research grants and funding

Measuring Research Productivity

Grant Revenue per Research FTE

FY 2024



- Grant revenue per research employee is a better indicator of productivity and comparator metric across institutions
- Metric accounts for university personnel dedicated to research and can be tracked to measure productivity
- FGCU metric outlier because reported only 5.86 FTEs dedicated to research and \$30.5M in grants and contracts revenues

Main Takeaways

- Florida's universities provide the best value in the country for obtaining a college degree
- Florida has the lowest tuition in the country because of the significant state investment in higher education which is passed through to students and Florida's families
- Florida produces the most affordable college degree in the country
- Performance funding has had a profound impact on sharpening focus on student success and outcomes
- Universities have responded positively to State policies emphasizing student success and outcomes
- Universities could improve the budget and financial reporting needed to manage the State universities as enterprises with a focus on operational efficiencies
- Using key metrics to evaluate efficiencies will enable universities to use data driven decisions to enhance transparency and accountability
- University Boards of Trustees should require their administrations to track and report on key metrics to enhance their oversight of university operations and ensure that resources are dedicated to strategic institutional priorities
- Universities should apply the principles and methodologies recommended to do a more granular analysis of each college or operational unit within its institution to evaluate operational efficiencies
- Tools created and enabled by this analysis should be used by universities and their BOTs as a starting point to enhance financial transparency and accountability and move towards managing universities as enterprises so Florida can continue its position as the leader in higher education reforms and performance

The Florida Senate
APPEARANCE RECORD

Meeting Date _____

Deliver both copies of this form to
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Bill Number or Topic _____

Committee _____

Amendment Barcode (if applicable) _____

Name

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Speaking:

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S-001 (08/10/2021)



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Appropriations Committee on Pre-K - 12
Education, *Chair*
Appropriations
Appropriations Committee on Higher Education
Education Pre-K - 12
Military and Veterans Affairs, Space, and
Domestic Security
Regulated Industries
Rules

SENATOR DANNY BURGESS
23rd District

JOINT COMMITTEE:
Joint Committee on Public Counsel Oversight

November 7, 2025

Senator Gayle Harrell
Chair, Appropriations Committee on Higher Education

Dear Chair Harrell,

I respectfully request an excusal from the November 19th meeting of the Appropriations Committee on Higher Education. Thank you for your consideration on this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Danny", followed by a long horizontal flourish.

Senator Danny Burgess
The Florida Senate
District 23

CC: Tim Elwell, Staff Director
CC: Regina Alsarou, Committee Administrative Assistant

REPLY TO:

- ☐ 38507 Fifth Avenue, Zephyrhills, Florida 33542 (813) 779-7059
- ☐ 411 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5023

Senate's Website: www.flsenate.gov

BEN ALBRITTON
President of the Senate

JASON BRODEUR
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Education Postsecondary, *Chair*
Education Pre-K - 12, *Vice Chair*
Appropriations Committee on Higher Education
Appropriations Committee on Pre-K - 12 Education
Fiscal Policy
Health Policy
Regulated Industries

JOINT COMMITTEE:

Joint Committee on Public Counsel Oversight

SENATOR ALEXIS CALATAYUD

38th District

November 14, 2025

The Honorable Gayle Harrell
Chair, The Appropriations Committee on Higher Education
305 The Capitol
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chair Harrell,

Senator Calatayud respectfully requests an excused absence from the November 19th Appropriations Committee on Higher Education.

I appreciate your consideration.

Sincerely,

A handwritten signature in black ink that reads "Nicole Fumarola". The signature is written in a cursive, flowing style.

Nicole Fumarola

REPLY TO:

- ☐ Kendall Campus, 11011 SW 104th Street, Suite 5101, Miami, Florida 33176 (305) 596-3002
- ☐ 305 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5038

Senate's Website: www.flsenate.gov

BEN ALBRITTON
President of the Senate

JASON BRODEUR
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Commerce and Tourism, *Chair*
Appropriations Committee on Higher Education
Appropriations Committee on Transportation,
Tourism, and Economic Development
Community Affairs
Fiscal Policy
Health Policy
Judiciary

JOINT COMMITTEE:
Joint Administrative Procedures Committee

SENATOR TOM LEEK
7th District

November 12, 2025

The Honorable Gayle Harrell
Chair of Appropriations Committee on Higher Education
201 The Capitol
404 South Monroe Street
Tallahassee, FL 32399-1100

Honorable Chair Harrell:

Please excuse my absence from the Appropriations Committee on Higher Education scheduled for Wednesday, November 19th, 2025.

Thank you for understanding, if you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Leek", written over a horizontal line.

Sen. Tom Leek
Florida Senator, District 7

REPLY TO:

- 4475 US 1 South, Suite 404, St. Augustine, Florida 32086 (386) 446-7610
- 310 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5007

Senate's Website: www.flsenate.gov

BEN ALBRITTON
President of the Senate

JASON BRODEUR
President Pro Tempore

CourtSmart Tag Report

Room: SB 401

Case No.:

Type:

Caption: Senate Appropriations Committee on Higher Education

Judge:

Started: 11/19/2025 11:02:00 AM

Ends: 11/19/2025 12:08:06 PM

Length: 01:06:07

11:02:00 AM	Sen. Harrell (Chair)
11:03:50 AM	TAB 1 - Update on University System Performance-Based Funding
11:04:01 AM	Sen. Harrell
11:04:59 AM	Sarah DeNagy, Vice Chancellor, Finance and Administration, Board of Governors
11:22:04 AM	Sen. Harrell
11:22:29 AM	S. DeNagy
11:23:29 AM	Sen. Harrell
11:23:40 AM	S. DeNagy
11:24:48 AM	Sen. Harrell
11:24:52 AM	S. DeNagy
11:25:34 AM	Sen. Harrell
11:25:52 AM	S. DeNagy
11:26:23 AM	Sen. Harrell
11:27:00 AM	TAB 2 - Presentation on State University System Efficiency Study
11:27:01 AM	Sen. Harrell
11:28:02 AM	Ben Watkins, Director of the Florida Division of Bond Finance
11:54:12 AM	Sen. Harrell
11:54:33 AM	Sen. Bradley
11:55:30 AM	B. Watkins
11:56:10 AM	Sen. Bradley
11:56:30 AM	B. Watkins
11:59:15 AM	Sen. Bradley
11:59:55 AM	Sen. Harrell
12:00:44 PM	B. Watkins
12:01:03 PM	Sen. Harrell
12:01:12 PM	Sen. Davis
12:01:54 PM	B. Watkins
12:01:59 PM	Sen. Davis
12:02:22 PM	B. Watkins
12:03:54 PM	Sen. Davis
12:04:46 PM	B. Watkins
12:06:00 PM	Sen. Harrell
12:06:06 PM	Sen. Bracey Davis
12:06:34 PM	B. Watkins
12:06:40 PM	Sen. Bracey Davis
12:07:15 PM	Sen. Harrell