



Item:AS-A2

Tuesday, June 8, 2021

SUBJECT: PERFORMANCE-BASED FUNDING MODEL – METRIC 10

PROPOSED Board ACTION

Approval of FAU Board of Trustees' choice metric, Total Research Expenditures, as defined by the Florida Board of Governors in its annual accountability planning process.

BACKGROUND INFORMATION

At its September 12, 2013 meeting, the State University System of Florida's Board of Governors (BOG) announced the introduction of the Performance Funding Model, which includes 10 metrics that evaluate the institutions on a range of issues such as six-year graduation rates and degrees awarded in areas of strategic emphasis. An important metric included in the model is the Board of Trustees (BOT) Choice Metric, which is a metric that each institution chooses for itself. This metric is an opportunity for each institution's Board to customize the model with a metric that best suits the individual goals and challenges of each institution. This metric is evaluated on the basis of Improvement (.5% equals 1 point) or Excellence (set by the BOT).

Updated Board of Trustees Choice were implemented beginning in Fiscal Year 2020-21. With two years of the updated metrics in place, the Board of Governors (BOG), Budget and Finance Committee plans to discuss making minor changes to the metrics at the PBF workshop this year. The committee would like for the university Boards to evaluate their current Metric 10 and request any changes they deem necessary. Requested changes may include changing percentages to numbers; resetting benchmarks; etc.

Florida Atlantic University's current choice for metric 10, Total Research Expenditures, was selected as one of three options by the Board of Trustees in May 2017. Research expenditures have increased by \$23M over the past 5 years and are expected to grow by another \$14M by 2025. At this time, FAU's Division of Research and FAU's Division of Academic Affairs recommends no change in the choice for the metric, thus maintaining a focus on Total Research Expenditures as outlined in the FAU Strategic Plan.

IMPLEMENTATION PLAN/DATE

The Florida Board of Governors has requested that universities submit University Board of Trustee decisions to maintain or change the choice Metric 10 by July 23, 2021.

FISCAL IMPLICATIONS

Successful attainment of university targets on Metric 10 will contribute to the university continuing to earn excellence or improvement points in the performance-based funding model, resulting in nonrecurring funds as allocated by the Florida Legislature and the Florida Board of Governors.

Supporting Documentation: Excerpt from FAU BOT-Approved 2021 Accountability Plan (Metric #10)
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Excerpt from the Performance-Based Funding Metrics Section on Page 10 of FAU’s 2021 *Accountability Plan* as approved by the FAU Board of Trustees on April 20, 2021:

10.BOT Choice: Total Research Expenditures (NSF HERD) (\$M)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
ACTUAL	31	46	48	51	54	.	.	.	.	.
APPROVED GOALS	23	35	57	66	53	56	59	62	65	.
PROPOSED GOALS	.	.	.	.	.	56	59	62	65	68

Excerpt from the Data Definitions for Performance-Based Funding Metrics Section on Page 23 of FAU’s 2021 *Accountability Plan* as provided by the Florida Board of Governors in the official template and as approved by the FAU Board of Trustees on April 20, 2021:

PBF-10.FAU: Total Research Expenditures: Total expenditures for all research activities, including non-science and engineering activities. Source: As reported by each institution to the National Science Foundation annual survey of Higher Education Research and Development (HERD) based on the NSF rules and definitions.