AGENDA

FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES

Friday, December 9, 2016  8:30 – 11:40 a.m. / 11 a.m.

COHEN CENTER BALLROOM, ROOM # 203-B
FLORIDA GULF COAST UNIVERSITY

Indicated times within the agenda are approximate and are subject to change. Agenda items may be taken out of order at the call of the Chair and with the concurrence of the Board.

A slot for an Executive Session will appear on each Agenda with an estimated allocation of time. If no Executive Session is necessary or if the time allocated is not used in its entirety, the public meeting may continue or be reconvened immediately thereafter. The agenda's below indicated times appear in RED when an Executive Session is held, and in BLUE when not.

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8:30 a.m.  | 8:30 a.m.  Call to Order, and Roll Call – Chair Dudley Goodlette

8:35 a.m.  | n/a  Call for Executive Session – Vice President and General Counsel Vee Leonard

8:40 a.m.  | n/a  Executive Session (30 minutes)

9:10 a.m.  | n/a  Break (5 minutes)

9:15 a.m.  | n/a  As Applicable, Reconvene Regular Meeting at 9:15 a.m. or Upon Conclusion of Executive Session – Chair Dudley Goodlette

9:15 a.m.  | 8:35 a.m.  FGCU Presidential Search – Committee Chair Ken Smith

Information Only:
• Update on Presidential Search
**Action Item: (Includes Public Comment)**
- **Revised Search Timeline** (TAB #1)

9:30 a.m. | 8:50 a.m.  **Performance Based Funding and Metrics** – Chair Dudley Goodlette

**Information and Discussion:**
- **Performance Based Funding and Metrics** – Chair Dudley Goodlette and President Bradshaw (TAB #2)

11:25 a.m. | 10:45 a.m.  **Old Business** – Chair Dudley Goodlette

11:30 a.m. | 10:50 a.m.  **New Business** – Chair Dudley Goodlette

11:35 a.m. | 10:55 a.m.  **Chair's Closing Remarks** – Chair Dudley Goodlette

11:40 a.m. | 11 a.m.  **Meeting Adjournment** – Chair Dudley Goodlette

(END)
SUBJECT: Revised Timeline for Presidential Search

PROPOSED BOARD ACTION

Approve the recommended revised timeline for the presidential search

BACKGROUND INFORMATION

The FGCU Presidential Search Advisory Committee selected 10 candidates to interview on November 17 and 18, and shortly before their scheduled interviews two candidates withdrew from further consideration. As such, the Committee interviewed eight candidates, and from them, advanced two to the FGCU Board of Trustees for hiring consideration.

Given FGCU Board of Trustees (BOT) Chair Dudley Goodlette’s charge to the Committee to advance to the BOT a minimum of three qualified, unranked candidates – and the Board of Governors’ determination that the last minute withdrawal by two interview candidates did not constitute exceptional circumstances in the Regulation requiring more than two presidential candidates be advanced to the board of trustees – the FGCU presidential search’s application period for best consideration can be extended to January 31, 2017 and the timeline revised accordingly as proposed.

Supporting Documentation Included: Revised Timeline (#5) for Presidential Search

Prepared by: Vice President and Chief of Staff Susan Evans

Legal Review by: N/A

Submitted by: Presidential Search Advisory Committee Chair Ken Smith
TIMELINE (#5) – (As of December 1, 2016, and starting with July 13, 2016 Meetings) [Revisions Indicated in Green]

2016-2017 Florida Gulf Coast University (FGCU) Presidential Search Timeline
(NOTE: Timeline Subject to Change)

Wednesday, July 13, 2016 – (Cohen Room 213):
9 to 11 a.m. Position Announcement Sub-Committee (PA) with Executive Search Firm Witt/Kieffer
• Discusses draft Advertisement. Approves Advertisement for recommendation to Presidential Search Advisory Committee.
• Discusses draft Survey. Approves Survey for recommendation to Presidential Search Advisory Committee.
• Discusses and approves Community Outreach Vehicles for recommendation to Presidential Search Advisory Committee.
• Discusses process for developing Leadership Profile.

11 a.m. to 12:15 p.m. Presidential Search Advisory Committee (PSAC) with Witt/Kieffer
• Approves Advertisement.
• Approves Survey.
• Approves Community Outreach Vehicles.
• Discusses revised Timeline. Approves revised Timeline for recommendation to FGCU Board of Trustees.

Thursday, July 21, 2016 – (Conference Call Meeting Originating in Edwards Hall Room 309):
10 a.m. Meeting of FGCU Board of Trustees (BOT)
• Committee Chair Ken Smith provides update on work of FGCU Presidential Search Advisory Committee.
• Presidential Search Advisory Committee recommends revised Timeline for action by FGCU BOT. (ACTION ITEM)
Monday, August 22 and Tuesday, August 23, 2016 – (Various Rooms on Campus):

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Times TBA

FGCU Community Outreach

- Witt/Kieffer and Presidential Search Advisory Committee meet with FGCU community members (students, faculty, and staff) to provide overview of search process, and seek input on selection criteria.

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Tuesday, September 6, 2016 – (Cohen Room 213):

9 a.m. to Noon

FGCU Presidential Search Advisory Committee (PSAC) with Witt/Kieffer

- Reviews Survey responses, and Community Outreach input.
- Finalizes Leadership Profile for recommendation to FGCU Board of Trustees for action.
- Finalizes recruiting and advertising plan.

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Tuesday, September 13, 2016 – (Cohen Ballroom):

8:30 a.m. to TBA

FGCU Board of Trustees (BOT)

- Committee Chair Ken Smith provides update on work of FGCU Presidential Search Advisory Committee.
- Presidential Search Advisory Committee recommends Leadership Profile for action by FGCU BOT. (ACTION ITEM)

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NOTE: September through November 8:

Ongoing

Witt/Kieffer Advertisement Placements, and Active Recruiting of Candidates

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Wednesday, October 19, 2016 – (Room TBA):

9 to 11 a.m.

FGCU Presidential Search Advisory Committee (PSAC) with Witt/Kieffer

- Witt/Kieffer provides update on applicant pool, and recruiting.
**NOTE: November 8, 2016 (First) Application Deadline for Best Consideration**

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**Thursday, November 10, 2016 – (Cohen Room 213):**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 a.m.</td>
<td>FGCU Presidential Search Advisory Committee (PSAC) with Witt/Kieffer (Includes Lunch)</td>
</tr>
<tr>
<td>8:30 a.m.</td>
<td>Committee and Witt/Kieffer review applications, and select candidates for on-site interviews with the Committee.</td>
</tr>
</tbody>
</table>

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**Thursday, November 17 and Friday, November 18, 2016 – (Room TBA):**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBA</td>
<td>Presidential Search Advisory Committee Interviews</td>
</tr>
<tr>
<td>TBA</td>
<td>Committee interviews selected candidates.</td>
</tr>
<tr>
<td>TBA</td>
<td>At conclusion of interviews, Committee selects minimum of three unranked, qualified candidates to advance to FGCU Board of Trustees (BOT) for interviews and hiring consideration. (NOTE: Two candidates were advanced to the BOT on November 18, 2016.)</td>
</tr>
</tbody>
</table>

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**NOTE: January 31, 2017 (Second) Application Deadline for Best Consideration**

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**Monday, February 6, 2017 – (Cohen Room 213):**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBA</td>
<td>FGCU Presidential Search Advisory Committee (PSAC) with Witt/Kieffer</td>
</tr>
<tr>
<td>TBA</td>
<td>Committee and Witt/Kieffer review applications, and select candidates for on-site interviews with the Committee.</td>
</tr>
</tbody>
</table>
Wednesday, February 15 and (if needed) Thursday, February 16, 2017 – (Myra Janco Daniels Public Media Center):
Wednesday & Thursday/Times TBA  Presidential Search Advisory Committee Interviews
- Committee interviews selected candidates.
- At conclusion of interviews, Committee selects additional candidate(s) in order to meet its charge to advance a minimum of three unranked, qualified candidates to the FGCU Board of Trustees (BOT) for interviews and hiring consideration. (NOTE: Two candidates were advanced to the BOT on November 18, 2016.)

Wednesday, February 22 and Thursday, February 23, 2017 – (Rooms TBA):
Wednesday & Thursday/Times TBA  Campus Forums
- Constituents meet and provide feedback on candidates selected for interviews with FGCU Board of Trustees.

Tuesday, February 28, 2017 – (Cohen Ballroom):
8:30 a.m. to TBA  FGCU Board of Trustees Meeting for Selection of New President
- BOT interviews for hiring consideration the candidates advanced by Presidential Search Advisory Committee.
- BOT selects new President subject to confirmation by Board of Governors (BOG). (ACTION ITEM)

March 29 & 30, 2017 (BOG)  Board of Governors (BOG) Meeting at Florida A&M University (Tallahassee)
- FGCU BOT Chair and Presidential Search Advisory Committee Chair present BOT-selected candidate for new FGCU President to BOG for confirmation action.
- BOG acts on confirmation of new FGCU President. (ACTION ITEM)

(End)
ITEM: 2

Florida Gulf Coast University Board of Trustees
December 9, 2016

SUBJECT: Performance Based Funding and Metrics

PROPOSED BOARD ACTION

Information Only

BACKGROUND INFORMATION

State University System of Florida institutions, including Florida Gulf Coast University (FGCU), annually are evaluated on a set of 10 metrics which comprise the Performance Based Funding Model of the Board of Governors. This process began in the fall of 2012, and continues.

FGCU Board of Trustees Chair Dudley Goodlette recently participated in a Tallahassee meeting of Governor Rick Scott, Board of Governors Chair Tom Kuntz, and his colleague chairs of the universities’ boards of trustees. Additionally, Board of Governors Chair Tom Kuntz and Vice Chair Ned Lautenbach recently held a performance based funding metrics workshop with the FGCU Board of Trustees.

These meetings, including with recent changes to Metric 3, prompted Chair Goodlette to schedule an in-depth discussion of performance based funding and metrics at the December 9 meeting of the FGCU Board of Trustees, as follows:

- History of FGCU Funding Model
- Overview of the 10 Metrics
- Metric 3
- BOT Q&A and Discussion

Supporting Documentation Included: (1) Performance Based Funding and Metrics Information Packet, and (2) October 31, 2016 Letter from Chair Goodlette
Prepared by: Senior Associate Provost and Associate Vice President Paul Snyder; Director of University Budgets David Vazquez; and Vice President and Chief of Staff Susan Evans

Legal Review by: N/A

Submitted by: Chair Dudley Goodlette; President Wilson Bradshaw; Provost and Vice President for Academic Affairs Ron Toll; and Vice President for Administrative Services and Finance Steve Magiera
Funding History of Florida Gulf Coast University

At inception and consistent with the funding mechanisms of the State University System (SUS) in place at the time, Florida Gulf Coast University (FGCU) was funded on a per student “full-time equivalent” (FTE) model. Simply put, a model was used that granted a fixed amount per student FTE to support the majority of functions on campus. At the time, discussions were held on how to handle the economies of scale issues that would be in place at a new institution with a small student enrollment. It was reasoned that in order to operate a fully functional campus, FGCU would be forward funded at a minimal level of student FTE funding, with the expectation that the University would grow into this budget. Any new funding based on enrollment would not be provided until the minimum threshold was met. In fiscal year 2004-05 Florida Gulf Coast University received its first allocation based on enrollment growth. The university would continue to earn enrollment based funding through fiscal year 2007-08. This would be the last year that FGCU or any SUS institution would receive funding based upon the per student FTE model.

Shortly after the start of fiscal year 2007-08, via a special session of the Legislature, the State University System received a budget reduction of appropriated funds due to the downturn in the economy and its negative pressure on revenue. Reductions in state provided funding would be the norm for the next five fiscal years. Coinciding with these events was the ideological shift away from enrollment based funding to a performance funding model. While institutions may always receive funding for special items, Performance Based Funding is the new gold standard on how universities receive new General Revenue funding.

Fiscal year 2013-14 brought with it some fiscal restoration for the State University System, the funding of local initiatives, and the first ever Performance Based Funding allocation. With the restoration of state revenue to the SUS in combination with Performance Based Funding the university had real and substantial growth in available funding. Florida Gulf Coast University has continued to receive Performance Based Funding in each year since the start of the program.

The information that follows provides a perspective on the current funding of Florida Gulf Coast University, and the history of Performance Based Funding Allocations.
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>Florida Gulf Coast University is founded.</td>
</tr>
<tr>
<td>1994</td>
<td>3,000-FTE, forward-funded model established for FGCU.</td>
</tr>
<tr>
<td>1997</td>
<td>FGCU opens.</td>
</tr>
<tr>
<td>2004-05</td>
<td>FGCU meets 3,000-FTE, forward-funded target and receives enrollment growth funding for first time.</td>
</tr>
<tr>
<td>2007-08</td>
<td>FGCU receives final enrollment growth funding.</td>
</tr>
<tr>
<td>2007-08 through 2012-13</td>
<td>SUS receives reductions to state appropriations.</td>
</tr>
<tr>
<td>2013-14</td>
<td>FGCU receives first performance based funding.</td>
</tr>
<tr>
<td>2014-15</td>
<td>Model changes from three metrics to ten metrics.</td>
</tr>
</tbody>
</table>
## Funding per FTE FY 2014-15

<table>
<thead>
<tr>
<th>SUS Average</th>
<th>NCF</th>
<th>FAMU</th>
<th>UWF</th>
<th>FSU</th>
<th>UF</th>
<th>USF</th>
<th>UNF</th>
<th>FAU</th>
<th>UCF</th>
<th>FGCU</th>
<th>FIU</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriation (General Revenue and Lottery)</td>
<td>7,436</td>
<td>20,644</td>
<td>12,194</td>
<td>9,421</td>
<td>8,883</td>
<td>8,607</td>
<td>7,849</td>
<td>6,833</td>
<td>6,440</td>
<td>5,509</td>
<td>5,312</td>
</tr>
</tbody>
</table>

Source: Board of Governors 2014-15 Accountability Reports, US Definition of FTE. FPU data was not provided.

## Total Student FTE FY 2014-15

<table>
<thead>
<tr>
<th>SUS Total</th>
<th>NCF</th>
<th>FAMU</th>
<th>UWF</th>
<th>FSU</th>
<th>UF</th>
<th>USF</th>
<th>UNF</th>
<th>FAU</th>
<th>UCF</th>
<th>FGCU</th>
<th>FIU</th>
<th>FPU</th>
</tr>
</thead>
<tbody>
<tr>
<td>279,471</td>
<td>947</td>
<td>9,215</td>
<td>9,116</td>
<td>36,763</td>
<td>43,133</td>
<td>40,479</td>
<td>13,386</td>
<td>23,107</td>
<td>50,137</td>
<td>12,120</td>
<td>40,548</td>
<td>520</td>
</tr>
</tbody>
</table>

Source: Board of Governors 2014-15 Accountability Reports, US Definition of FTE
### Performance Based Funding

#### Net New Allocations History

<table>
<thead>
<tr>
<th></th>
<th>FY 14-15</th>
<th>FY 15-16</th>
<th>FY 16-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Points</strong></td>
<td>New</td>
<td>New</td>
<td>Net</td>
</tr>
<tr>
<td>UF</td>
<td>42</td>
<td>25,821,084</td>
<td>UF</td>
</tr>
<tr>
<td>USF</td>
<td>37</td>
<td>19,664,626</td>
<td>USF</td>
</tr>
<tr>
<td>FIU</td>
<td>34</td>
<td>15,999,338</td>
<td>FIU</td>
</tr>
<tr>
<td>UCF</td>
<td>34</td>
<td>19,271,461</td>
<td>UCF</td>
</tr>
<tr>
<td>FSU</td>
<td>33</td>
<td>18,890,974</td>
<td>FSU</td>
</tr>
<tr>
<td>FGCU</td>
<td>30</td>
<td>3,792,521</td>
<td>FGCU</td>
</tr>
<tr>
<td>FAMU</td>
<td>29</td>
<td>6,372,933</td>
<td>FAMU</td>
</tr>
<tr>
<td>UNF</td>
<td>29</td>
<td>5,187,064</td>
<td>UNF</td>
</tr>
<tr>
<td>NCF</td>
<td>25</td>
<td>-</td>
<td>NCF</td>
</tr>
<tr>
<td>FAU</td>
<td>24</td>
<td>-</td>
<td>FAU</td>
</tr>
<tr>
<td>UWF</td>
<td>21</td>
<td>-</td>
<td>UWF</td>
</tr>
<tr>
<td></td>
<td><strong>115,000,001</strong></td>
<td></td>
<td><strong>99,999,998</strong></td>
</tr>
</tbody>
</table>

**Notes:**
- FY 14-15: Points 42, New $25,821,084
- FY 15-16: Points 44, New $19,371,969
- FY 16-17: Points 84, New $13,980,430

**Total Net New Allocations:**

- FY 14-15: $115,000,001
- FY 15-16: $99,999,998
- FY 16-17: $75,000,000
Board of Governors
Performance Funding Model Overview

The Performance Funding Model includes 10 metrics that evaluate the institutions on a range of issues. Two of the 10 metrics are Choice metrics; one picked by the Board and one by the university boards of trustees. These metrics were chosen after reviewing over 40 metrics identified in the University Work Plans.

The model has four guiding principles: 1) use metrics that align with SUS Strategic Plan goals, 2) reward Excellence or Improvement, 3) have a few clear, simple metrics, and 4) acknowledge the unique mission of the different institutions.

Key components of the model:
- Institutions will be evaluated on either Excellence or Improvement for each metric.
- Data is based on one-year data.
- The benchmarks for Excellence were based on the Board of Governors 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were determined after reviewing data trends for each metric.
- The Florida Legislature and Governor determine the amount of new state funding and an amount of institutional funding that would come from each university’s recurring state base appropriation.

Metrics Common to all Institutions:
Seven metrics apply to all eleven institutions. The eighth metric, graduate degrees awarded in areas of strategic emphasis (8a), applies to all institutions except New College. The alternative metric for New College (8b) is “freshman in the top 10% of graduating high school class.”

<table>
<thead>
<tr>
<th>Metrics Common to all Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Percent of Bachelor’s Graduates Employed and/or Continuing their Education</td>
</tr>
<tr>
<td>2. Median Wages of Bachelor’s Graduates Employed Full-time in Florida</td>
</tr>
<tr>
<td>3. Average Cost per Bachelor’s Degree</td>
</tr>
<tr>
<td>4. Six Year Graduation Rate (Full-time and Part-time FTIC)</td>
</tr>
<tr>
<td>5. Academic Progress Rate (2nd Year Retention with GPA Above 2.0)</td>
</tr>
<tr>
<td>6. Bachelor’s Degrees Awarded in Areas of Strategic Emphasis</td>
</tr>
<tr>
<td>7. University Access Rate (Percent of Undergraduates with a Pell-grant)</td>
</tr>
<tr>
<td>8a. Graduate Degrees Awarded in Areas of Strategic Emphasis</td>
</tr>
<tr>
<td>8b. Freshman in Top 10% of Graduating High School Class – for NCF only</td>
</tr>
<tr>
<td>9. Board of Governors Choice</td>
</tr>
<tr>
<td>10. Board of Trustees Choice</td>
</tr>
</tbody>
</table>

Board Choice Metric - The Board has approved metrics that focuses on areas of improvement and the distinct missions of each university. UF and FSU have a metric measuring faculty awards to represent the research focus of these institutions. New College has “national ranking for institutional and program achievement.” The remaining eight institutions all have the “percentage of students graduating without excess hours”.

Board of Trustees Choice Metric – Each Board of Trustees has chosen a metric from the remaining metrics in the University Work Plans that are applicable to the mission of that university and have not been previously chosen for the model.
Board of Governors
Performance Funding Model Overview

How will the funding component of the model work?
To ensure each university is striving to excel and improve on key metrics, there must be a financial incentive. That financial incentive will not only be new state funding, but an amount of the base state funding reallocated.

State Investment versus Institutional Base Funding:
The amount of the state investment appropriated by the Legislature and Governor for performance funding will be matched by an amount reallocated from the university system base budget. These "institutional base" funds are the cumulative recurring state appropriations the Legislature has appropriated to each institution. Any state investment funding appropriated would be allocated as follows:

State Investment Funding Allocation
1. Each university metric is evaluated based on Excellence or Improvement and has ten benchmarks ranging from low to high. The lowest benchmark receives one point, while the highest receives ten points. The higher point value for Excellence or Improvement on each metric are counted in the university's total score.
2. The state investment will be allocated based on points earned, with a maximum of 100 points possible.
3. A university is required to earn more than 50 points in order to be eligible to receive the state investment.
4. A university not meeting the required point threshold or the three lowest scoring universities will not receive any of the state investment.
5. A university that is not one of the three lowest scoring institutions and has earned more than the required point threshold will receive the state investment funds proportional to their existing base funds with the highest scoring universities eligible for additional state investment funds.
6. All ties within the scoring will be broken using the Board's approved tiebreaker procedure:
   a. Compare the total of Excellence and Improvement scores
   b. Give advantage to higher points earned through Excellence
   c. Score metric by metric giving a point to the school with the higher score
   d. If tied after three levels of tiebreakers, the tie will go to the benefit of the institutions

Institutional Base Funding Allocation
1. A prorated amount will be deducted from each university's base recurring state appropriation.
2. A university earning more than 50 points will have their institutional investment funding restored.
3. A university scoring 50 points or less will have to submit an improvement plan to the Board of Governors and show improvement according to that approved plan in order to have their institutional investment funding restored.
The 10 Metrics – Overview (see BOG Performance Funding Model Overview)

- There are 10 metrics that contribute to an overall score on a 100-point scale, and a maximum of 10 points can be earned on each of the 10 based on either (1) improvement over the previous year’s score, or (2) by achieving designated benchmarks to earn excellence points.

- If the overall point total is less than 50 then an institution loses its state investment (the proportion of the institutional base budget that constitutes “skin in the game”). Additionally, if the overall score is among the lowest three in the State University System, the total aggregate of the performance funding previously earned is lost and no performance funding is awarded for the upcoming fiscal year.

The 10 Metrics – Defined

- Seven metrics (because graduate education is new to New College, it has a different measure for metric 8) are common to all 11 participating SUS institutions (Florida Polytechnic is considered too new to be included)

- One metric (metric 9) was chosen by the BOG specifically for each institution to address mission differences and one by each university BOT for the same reason (metric 10).

- The metrics for FGCU and the scores received on each metric last year are attached.

The 10 Metrics – Challenges

- The BOG has declared its intention to replace metrics 9 and 10 for each institution next year (17-18 for FY 19 funding).
  - Intention is to make these stretch goals (i.e., suggesting scores in the first instance would be in the mid-range e.g., 4-6).
  - Most recently FGCU scored 18 of a maximum 20 points, or 27% of FGCU’s total score, on these two metrics.
  - Impact of such a move is unpredictable but anticipated to be negative and thereby jeopardize funding

- The dynamic nature of the performance funding model, e.g., substituting measures, tweaks to scoring, etc. will make it increasingly difficult for FGCU to
predictably invest in student success and be in a solid position to “move the needle”

- The changes being implemented this year to metric 3 are a case in point.

**Metric 3**

- Being changed from the current “cost per degree” measure to a “cost to the student” measure
  - BOG rationale for the change is that both statute and regulation require one metric to address “affordability”
  - Metric 3 as adopted will seriously disadvantage FGCU because it creates a net tuition cost to students that is largely dependent upon the amount of grant and scholarship aid the student receives.
    - Based on the complex calculations for computing this metric, FGCU has the highest net tuition within the System.
    - FGCU is a young institution and has not acquired the financial resources other SUS institutions have to support its students at the same level.
    - The amount of additional resources needed for FGCU to show improvement is prohibitive.
    - This metric alone has the strong potential to place FGCU among the bottom three institutions in overall score for the first time in the five-year history of performance funding and would have very serious fiscal implications for FGCU potentially for many years.
# Performance Funding Model 2016-17

**Florida Gulf Coast University**

<table>
<thead>
<tr>
<th>Key Metrics Common to All Universities Plus 2 Institution Specific Metrics</th>
<th>Excellence</th>
<th>Improvement</th>
<th>Final Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Bachelor's Graduates Employed and/or Continuing their Education (1 Yr after Graduation)</td>
<td>75.7%</td>
<td>8</td>
<td>1.3%</td>
</tr>
<tr>
<td>Median Wages of Bachelor's Graduates Employed Full-Time in Florida (1 Yr after Graduation)</td>
<td>$35,200</td>
<td>8</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Average Cost per Bachelor's Degree</td>
<td>$30,080</td>
<td>3</td>
<td>2.3%</td>
</tr>
<tr>
<td>Six Year Graduation Rate (Full-time and Port-time FTIC)</td>
<td>43.0%</td>
<td>0</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Academic Progress Rate (2nd Year Retention with GPA Above 2.0)</td>
<td>73.5%</td>
<td>0</td>
<td>1.8%</td>
</tr>
<tr>
<td>Bachelor's Degrees Awarded In Areas of Strategic Emphasis</td>
<td>44.7%</td>
<td>7</td>
<td>-0.4%</td>
</tr>
<tr>
<td>University Access Rate</td>
<td>33.8%</td>
<td>10</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Percent of Undergraduates with a Pell-grant</td>
<td>60.2%</td>
<td>10</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Graduate Degrees Awarded in Areas of Strategic Emphasis</td>
<td>75.9%</td>
<td>8</td>
<td>3.7%</td>
</tr>
<tr>
<td>Institution-Specific Metrics</td>
<td>504</td>
<td>10</td>
<td>11.5%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Potential Impacts to FGCU Based on the PBF Model

Performance Based Funding has two primary components, state investment and institutional investment. The institutional investment is always returned to the University provided the minimum performance standard is met (51 points). The state investment is earned by being one of the top performing institutions. The “bottom three” institutions do not receive any state investment funds. And, this matter is complicated given how the allocations have occurred.

Prior to 2014-15, state investment funds were not subject to reversion and redistribution. In 2014-15, any University in the bottom was required to revert to the Board of Governors 50% of its received state investment funds. In 2015-16, 100% of the state investment funding was subject to reversion and redistribution based upon performance. 2016-17 continued this methodology. Because FGCU has not previously been in the bottom three, there is the potential for reversion of the state investment of the Performance Based funding equal to 50% of the funds received in 2014-15 and 100% of the state investment of Performance Funding in 2015-16 and 2016-17.

Therefore, if FGCU falls into the bottom three in 2017-18 a total of $8,010,395 in performance funding earned to date will be lost. There is no opportunity to submit an improvement plan to protect this funding. This is the funding earned by year and the potential for redistribution:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>13-14</th>
<th>14-15</th>
<th>15-16</th>
<th>16-17</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net New Funds to FGCU</td>
<td>2,173,913</td>
<td>3,297,844</td>
<td>3,291,743</td>
<td>3,069,730</td>
<td>11,833,230</td>
</tr>
<tr>
<td>Potential for Redistribution$^{1,2}$</td>
<td>-</td>
<td>1,648,922</td>
<td>3,291,743</td>
<td>3,069,730</td>
<td>8,010,395</td>
</tr>
</tbody>
</table>

1) The first year no funds were subject to possible reversion for falling into “bottom three”
2) In FY 14-15, only half was subject to potential reversion

The impact to FGCU for a bottom three score is both the funding currently being utilized of approximately $8 million, and the opportunity lost to earn another potential $3 million if the increment in State Investment is consistent with the past two years.
October 31, 2016

Chair Tom Kuntz, Florida Board of Governors
Vice Chair Ned Lautenbach, Florida Board of Governors
Chancellor Marshall Criser, State University System of Florida
Florida Board of Governors/State University System of Florida
325 West Gaines Street, Suite 1614
Tallahassee, FL 32399-0400

Dear Chair Kuntz, Vice Chair Lautenbach, and Chancellor Criser,

On behalf of the Florida Gulf Coast University (FGCU) Board of Trustees, it was a pleasure to host you for Thursday’s workshop and the opportunity to discuss important issues and challenges. I greatly appreciated opening the workshop with a list of FGCU’s key accomplishments, and have attached to this letter a copy of those points. We are eager to continue successfully building on them and also improving on our more challenging areas to best serve our students, local employers, region, and state.

We very much appreciate the clarification and better understanding we gained with regard to emerging pre-eminence status. Your description of improved performance-based funding metrics as being the strong foundation upon which to build a stable and sturdy structure is entirely consistent with our expressed desire to work intensively on those metrics where we recognize that we have considerable room and opportunity to improve. These include (4- and) 6-year graduation rates, academic progress, and by extension, the academic profile of our incoming students.

Further, with regard to the adoption of a replacement to the current metric #3, we appreciate the goals and thoughtful consideration that have gone into that process. However, we remain respectfully resolute in our request that any change to existing metrics not be implemented immediately, as it is impossible for any university to work to enhance its position on historic data. Also with regard to metric #3, I again wish to note that as a young institution, absent an alumni base able to make philanthropic contributions of significant size, we are disproportionately affected in terms of building endowment specifically targeted to defraying the cost of attendance for our students. And finally, we believe that the inherent complexity of the algorithm associated with the replacement metric leaves it subject to inconsistent application.

More generally, we would like to remind the Board of Governors that the current funding distribution equation, which apportions new monies consistent with current base funding, as compared to being proportional to current student enrollment, severely underfunds FGCU year after year, thereby mathematically compounding that differential and
exacerbating over time the difference between better and lesser funded institutions. While we appreciate that per capita funding can be increased by a decrease in student enrollment, that adjustment must be considered in light of lost revenues resulting from a likely decrease in housing occupancy and various fees. As the only public university serving the rapidly growing economic development zone that is southwest Florida, FGCU’s overall contribution to a better fiscal future for the State of Florida as a whole would suffer by a reduction in the number of employment ready graduates produced by our university. Certainly, all of these matters reflect a complex calculus that requires thoughtfulness, caution, and careful planning. We appreciate the opportunity to be a part of these conversations with you.

Florida Gulf Coast University historically has embraced funding based on performance, and that commitment remains as strong today. Over the years we have targeted the use of our performance funding awards in ways that have contributed to the significant successes we are having on a number of the metrics, as shown in the attached accomplishments, and we are deeply committed to using future performance funding directed to those areas which need improvement. It is with this goal that we respectfully ask you to consider our concerns and suggestions as the Board of Governors moves forward with the funding model.

Sincerely,

J. Dudley Goodlette
Chair, Florida Gulf Coast University Board of Trustees

Attachment

c: President Wilson Bradshaw, Florida Gulf Coast University
Vice Chair Shawn Felton, Florida Gulf Coast University Board of Trustees
Trustee Darleen Cors, Florida Gulf Coast University Board of Trustees
Trustee Thiedens Elneus, Florida Gulf Coast University Board of Trustees
Trustee Joseph Fogg III, Florida Gulf Coast University Board of Trustees
Trustee Blake Gable, Florida Gulf Coast University Board of Trustees
Trustee Leo Montgomery, Florida Gulf Coast University Board of Trustees
Trustee Kevin Price, Florida Gulf Coast University Board of Trustees
Trustee Russell Priddy, Florida Gulf Coast University Board of Trustees
Trustee Robbie Roepstorff, Florida Gulf Coast University Board of Trustees
Trustee Ken Smith, Florida Gulf Coast University Board of Trustees
Trustee Christian Spilker, Florida Gulf Coast University Board of Trustees
Florida Gulf Coast University – Key Accomplishments  
(As of October 2016)

• Bachelor Degree production has increased by nearly 50% since 2010:  
  • Degree production growth among Black and Hispanic students by 100%.  
  • STEM degree production growth by 77%.  
  • Highest rate of growth in degree production among students with a Pell 
    Grant in the State University System.

• FGCU ranks first within the State University System for post-graduation 
  employment and/or students continuing their education within Florida both 
  at the bachelor’s and master’s levels.

• Great Community Engagement and Support for our Region:  
  • Over 2 million hours of student service in the last 20 years to over 250 
    organizations and agencies in our region.  
  • Fund raising record year of just over $33 million.  
  • Athletic programs have gained national recognition and the support of the 
    community.

• FGCU has the smallest program inventory within the State University 
  System.

• Our Health programs first-time licensing pass rates are consistently in the 
  90%+ range.

• Over 50% of FGCU students graduate with no debt, with only the University 
  of Florida performing better.

• FGCU is among the leaders within the State University System for the 
  percentage of students graduating without excess credit hours.

• FGCU is among the most efficient institutions within the System with the 
  lowest cost per credit hour delivered:  
  • Almost 80% of instruction is provided by full-time faculty.  
  • Actual funding per FTE is the lowest in the State University System.  
  • FGCU has one of the best space utilization records within the State 
    University System.

-FGCU-