

STATE BOARD OF EDUCATION
Action Item
July 21, 2016

SUBJECT: Approval of New Rule 6A-14.07621, Performance-Based Incentive Program

PROPOSED BOARD ACTION

For Approval

AUTHORITY FOR STATE BOARD ACTION

Section 1001.66, Florida Statutes

EXECUTIVE SUMMARY

The proposed rule administers the Florida College System Performance-Based Incentive program, in accordance with Section 1001.66, F.S., by defining the terms, measures, benchmarks, and allocation of funds to colleges. The program is funded at \$30 million from institutional investments and \$30 million from state investments for the 2016-17 fiscal year.

The program will use each college's most recently available year of performance data and compare it to 1) historical system averages or criterion-based values to measure Excellence, and 2) the college's own historical performance data to measure Improvement. Whichever comparison is larger will be used for the college's point accumulation for each measure. The college's total points from all measures are associated with one of four categories: Purple, Bronze, Silver or Gold.

Colleges in the Purple category will have a portion of their institutional investment withheld until a performance improvement plan is presented to, and approved by, the State Board of Education. The Board may release the withheld funds when a college has presented sufficient evidence that the performance improvement plan is being implemented. Colleges in this category are not eligible to receive state investment funds.

Colleges in the Bronze category will have institutional investment funds automatically restored but are not eligible to receive state investment funds.

Colleges in the Silver and Gold categories will have institutional investment funds automatically restored and receive a prorated share of state investment funds.

Colleges in the Gold category will also receive a prorated share of the state investment funds which would have otherwise been awarded to colleges in the Purple and Bronze categories.

Supporting Documentation Included: Proposed Rule 6A-14.07621, F.A.C.

Facilitator/Presenter: Chancellor Madeline Pumariega, Division of Florida Colleges

6A-14.07621 Performance-Based Incentive Program.

(1) Purpose. This rule administers the Florida College System Performance-Based Incentive, in accordance with Section 1001.66, F.S.

(2) Definitions. For the purposes of administering the performance-based incentive program, the following definitions shall be used.

(a) “College” means an institution within the Florida College System as defined in s. 1000.21, F.S.

(b) “Division” means the Division of Florida Colleges within the Florida Department of Education.

(c) “Lower Division” means coursework applicable to academic programs offered during what is generally considered the first two years of postsecondary education.

(d) “Upper Division” means coursework applicable to academic programs offered during what is generally considered the third and fourth years of postsecondary education.

(e) “First-time-in-college (FTIC)” means students who are enrolled in their first semester in college after high school graduation. For purpose of this rule, students enrolled in dual enrollment courses while concurrently enrolled in high school are not defined as FTIC. Additionally, students who enroll for the first time in the fall semester in college after graduating from high school, who have previously earned college credit via an acceleration mechanism such as dual enrollment, or who enroll in any of the summer terms immediately preceding the fall term are considered FTIC.

(f) “Full-time” means a student was enrolled in twelve (12) or more credit hours or the equivalent in contact hours during the semester.

(g) “Part-time” means a student was enrolled in between one (1) and eleven (11) credits or the equivalent in contact hours during the semester.

(h) “Catalogue Time” means the amount of time a student would be expected to graduate if they were to enroll in thirty (30) credit hours per year or the equivalent number of contact hours per year.

(3) Measures. The Florida College System performance-based incentive shall include four (4) measures, also referred to as metrics in s. 1001.66, F.S. These four (4) measures, as described herein, are the only measures used by the Division for purposes of the distribution of the performance-based incentive.

(a) “Retention Rate” means the percent of FTIC students who returned to the same Florida College System institution for their fall term of the next academic year.

1. For this measure there are four (4) different classifications of students: lower division students enrolled full-time, lower division students enrolled part-time, upper division students enrolled full-time and upper division students enrolled part-time.

a. Lower Division Students Enrolled Full-Time. This classification includes all lower division students at an institution who were enrolled full-time in the initial fall semester.

b. Lower Division Students Enrolled Part-Time. This classification includes all lower division students at an institution who were enrolled part-time in the initial fall semester.

c. Upper Division Students Enrolled Full-Time. This classification includes all upper division students at an institution who were enrolled full-time in the initial fall semester.

d. Upper Division Students Enrolled Part-Time. This classification includes all upper division students at an institution who were enrolled part-time in the initial fall semester.

2. Cohorts. Each of the four (4) classifications of students are captured in four (4) mutually exclusive groups of students referred to as cohorts, beginning with the most recently completed academic year for which data is available and one (1) cohort for each of three previous academic years referred to in descending order as prior year one (1), prior year two (2), and prior year three (3). In total, there are sixteen (16) cohorts of data utilized in the Retention Rate measure; four (4) retention calculations for each of four (4) independent years.

3. Timeframe for Measurement. This measure is calculated using data from two (2) consecutive academic years.

4. Calculation of the Retention Rate for a Cohort.

a. Cohort Numerator. Those students who enrolled as FTIC students at a Florida College System institution and enrolled at the same Florida College System institution for the fall term of the next academic year are placed in the numerator and counted as retained.

b. Cohort Denominator. Those students who enrolled as FTIC students at a Florida College System institution.

(I). Adjustments to the Denominator.

(A). Students who are found to have enrolled in a different postsecondary institution after the first fall semester are considered to have transferred and removed from the denominator. They are not counted as retained by the institution.

(B). Students who have completed a program are graduates and removed from the denominator.

(C). Students who died or were totally and permanently disabled; those who left school to serve in the armed

forces or were called to active duty; those who left to serve with a foreign aid service of the federal government, such as the Peace Corps; and those who left to serve on an official church mission are removed from the denominator.

c. Calculating Rates.

(I). Full-time Retention Rate. For each of four (4) years, each college's numerator for full-time lower division and full-time upper division students are summed as are the denominators. The resulting full-time numerator is divided by the resulting full-time denominator to arrive at a full-time retention rate. This process is repeated for all years of data, to result in four (4) years of independent full-time retention rates.

(II). Part-time Retention Rate. For each of four (4) years, each college's numerator for part-time lower division and part-time upper division students are summed as are the denominators. The resulting part-time numerator is divided by the resulting part-time denominator to arrive at a part-time retention rate. This process is repeated for all years of data, to result in four (4) years of independent part-time retention rates.

(b) "Completion Rates" means a Florida College System student has earned an academic credential in the form of a degree, certificate, diploma or apprenticeship.

1. This measure captures the outcomes of a cohort of full-time, FTIC students who graduate within a defined period of time. For this measure there are four (4) different classifications of students.

a. Lower Division Students Graduating in 150% of Catalogue Time. This classification includes all FTIC lower division students at an institution who earned an academic credential within 150% of catalogue time for the credential.

b. Lower Division Students Graduating in 200% of Catalogue Time. This classification includes all FTIC lower division students at an institution who earned an academic credential within 200% of catalogue time for the credential.

c. Upper Division Students Graduating in 150% of Catalogue Time. This classification includes all upper division students at an institution who earned an academic credential within 150% of catalogue time for the credential.

d. Upper Division Students Graduating in 200% of Catalogue Time. This classification includes all upper division students at an institution who earned an academic credential within 200% of catalogue time for the credential.

2. Cohorts. Each of the four (4) classifications of students are captured in four (4) mutually exclusive groups of students referred to as cohorts, beginning with the most recently completed academic year for which data is available and one (1) cohort for each of three (3) previous academic years referred to in descending order as prior year one (1), prior year two (2), and prior year three (3). In total, there are sixteen (16) cohorts of data utilized in the Retention Rate measure; four (4) retention calculations for each of four (4) independent years.

3. Timeframe for Measurement. This measure is calculated using data crossing over consecutive academic years. The amount of time is dependent on the catalogue time for the academic program, to which one half is added to arrive at 150% of catalogue time and to which the catalogue time is doubled to arrive at 200% of catalogue time.

4. Calculation of the Completion Rate for a Cohort.

a. Cohort Numerator. Those students who started at a Florida College System institution and graduated from the same Florida College System institution within the time frame of 150% or 200% of catalogue time are placed in the numerator and counted as a completer. An additional weight of 0.25 is added to each graduate who received a federal Pell Grant while enrolled. The result being that graduates who received a federal Pell Grant count as 1.25 graduates, whereas a graduate who did not receive a federal Pell Grant counts as 1.0 graduates. The intent of this weight is to recognize the extra institutional efforts required to graduate low-income students.

b. Cohort Denominator. Those students who started at a Florida College System institution are placed in the denominator. The denominator will be adjusted by:

(I). Students who are found to have enrolled in a different postsecondary institution after the first fall semester are considered to have transferred and removed from the denominator.

(II). Students who died or were totally and permanently disabled; those who left school to serve in the armed forces or were called to active duty; those who left to serve with a foreign aid service of the federal government, such as the Peace Corps; and those who left to serve on an official church mission are removed from the denominator.

c. Calculating Rates.

(I). 150% Completion Rate. For each of four (4) years, each college's numerator for 150% lower division and 150% upper division graduates are summed as are the denominators. The resulting 150% numerator is divided by the resulting 150% denominator to arrive at a 150% completion rate. This process is repeated for all years of data, to result in four (4) independent 150% retention rates.

(II). 200% Completion Rate. For each of four (4) years, each college's numerator for 200% lower division and 200% upper division graduates are summed as are the denominators. The resulting 200% numerator is divided by the resulting 200% denominator to arrive at a 200% completion rate. This process is repeated for all years of data, to result in four (4) independent 200% retention rates.

(c). "Postgraduation Employment and Continuing Education" means a student has either an enrollment record in the year following graduation or a student graduated from college and has an earnings record during at least one (1) fiscal quarter in the year following graduation.

1. This measure captures the outcomes of a cohort of graduates in the year after graduating. To be included in the cohort, the student would have earned a degree, certificate, diploma or apprenticeship awarded by the Florida College System institution.

2. There are two (2) post-college outcomes that this measure recognizes for graduates. The first outcome identifies if the graduate is working, the second outcome identifies if the graduate is enrolled in continuing education.

3. This calculation is determined for each college for each of the four (4) most recently completed academic years, resulting in four (4) Postgraduation Employment and Continuing Education Rates for each college.

(d) "Completer Entry-Level Wages" means the wages of a Florida College System graduate in their first year after completion.

1. This measure captures the outcomes of a cohort of graduates a year after graduating. To be included in the cohort, the student would have earned a degree, certificate, diploma or apprenticeship awarded by the Florida College System institution.

2. The gap between a college's average wage of all college graduates in a given year found working full-time in the year following graduation and the entry-level wages in the college's service area is divided by the entry-level wages in the college's service area as determined by the Florida Department of Economic Opportunity to arrive at a Completer Entry Level Wages measure.

3. This calculation is determined for each college for each of the two (2) most recent years, resulting in two (2) Completer Entry Level Wage rates for each college.

(4) Benchmarks. Each college has the opportunity to earn points in one of two ways, either by meeting an Excellence benchmark or an Improvement benchmark. Both benchmarks are calculated for each of the four (4)

measures. The benchmark resulting in the highest score for each Florida College System institution on each measure is utilized in the awarding of points as described herein.

(a) Excellence Benchmarks.

1. Retention Rate Excellence Benchmark. For the Retention Rate measure, the two (2) Excellence Benchmarks are determined using data for each college's most recent year available and comparing it to the mean for all twenty-eight (28) colleges' prior three-year means for full time and part time cohorts. Colleges below the mean minus one standard deviation receive no points. Colleges receive points on a scale from low (the mean minus one standard deviation) to high (the mean plus one standard deviation) in five (5) increments. Colleges above the high point of the scale receive the maximum points available.

2. Completion Rate Excellence Benchmark. For the Completion Rate measure, the two Excellence Benchmarks are determined using data for each college's most recent year available and are compared to the mean for all twenty-eight (28) colleges' prior three-year means. For each of the 150% and 200% thresholds, colleges below the mean minus one standard deviation receive no points. Colleges receive points on a scale from low (the mean minus one standard deviation) to high (the mean plus one standard deviation) in ten increments. Colleges above the high point of the scale receive the maximum points available.

3. Postgraduation Employment and Continuing Education Excellence Benchmark. The excellence benchmark for this measure is a criterion-referenced benchmark in that a Florida College System institution's Postgraduation Employment and Continuing Education Rate in the most recent year is a percentage ranging from 0 percent to 100%. Colleges receive points on a scale equal to 0.1 point for each 2% of completers who are found employed or continuing their education with precision rounded to 2 decimal places.

4. Completer Entry Level Wages Excellence Benchmark. The excellence benchmark for this measure is a criterion-referenced benchmark in that a Florida College System institution's Completer Entry Level Wages in the most recent year is a percentage. Colleges receive points on a scale equal to 0.1 point for each 2% of completer wages compared to service area wages with precision rounded to 2 decimal places and a maximum of 5.00 points

(b) Improvement Benchmarks.

1. Retention Rate Improvement Benchmark. The improvement benchmark for this measure compares a Florida College System institution's Retention Rate in the most recent year to the average of its own previous three-years of retention rates. For the Retention Rate measure, the two Improvement Benchmarks are determined by using data for

each college's most recent year rate of change from the mean of the college's three (3) prior years. Colleges with a rate below 1.0% receive no points. Colleges receive points on a scale from low (1.0%) to high (5.0%) in five increments. Colleges above the high point of the scale receive the maximum points available.

2. Completion Rate Improvement Benchmark. The improvement benchmark for this measure compares a Florida College System institution's Completion Rate in the most recent year to the average of its own previous three-years of completion rates. For the Completion Rate measure, the two (2) Improvement Benchmarks are determined by using data for each college's most recent year available rate of change from the mean of the college's three (3) prior years. Colleges with a rate below .50% receive no points. For each of the 150% and 200% thresholds colleges receive points on a scale from low (.50%) to high (5.0%) in ten (10) increments. Colleges above the high point of the scale receive the maximum points available.

3. Postgraduation Employment and Continuing Education Improvement Benchmark. The improvement benchmark for this measure compares a Florida College System institution's Completer Entry Level Wages in the most recent year to the average of its own previous three-years of Postgraduation Employment and Continuing Education rates. The improvement benchmark is determined by comparing each college's most recent year available rate of change from the mean to the three prior years for that college alone. Colleges with a rate below .25% receive no points. Colleges receive points on a scale from low (.25%) to high (2.50%) in ten increments. Colleges above the high point of the scale receive the maximum points available.

4. Completer Entry-Level Wages Improvement Benchmark. The improvement benchmark for this measure compares a Florida College System institution's Completer Entry Level Wages in the most recent year to its rate for the previous year by calculating the most recent year rate of change from the prior year. Colleges with a rate below .50% receive no points. Colleges receive points on a scale from low (.50%) to high (5.0%) in ten (10) increments. Colleges above the high point of the scale receive the maximum points available.

(5) Final Score. A final score shall be calculated for each Florida College System institution based upon the higher of the Excellence Benchmark and the Improvement Benchmark for each measure as determined pursuant to subsection (4) and weighted as follows:

(a) Retention Rate Measure.

1. The Retention Rate Excellence Benchmark is comprised of a maximum possible preliminary point total of 2.5 points for the Full-time Retention Rate and 2.5 points for the Part-time Retention Rate.

2. The Retention Rate Improvement Benchmark is comprised of a maximum possible preliminary point total of 2.5 points for the Full-time Retention Rate and 2.5 points for the Part-time Retention Rate.

3. The higher of the Retention Rate Excellence Benchmark and the Improvement Benchmark shall be multiplied by a factor of 2.0 resulting in a maximum final point total of ten (10) points. No college shall receive less than one (1) point.

(b) Completion Rate Measure.

1. The Completion Rate Excellence Benchmark is comprised of a maximum possible preliminary point total of 3.33 points for the 150% Completion Rate and 1.67 points for the 200% Completion Rate.

2. The Completion Rate Improvement Benchmark is comprised of a maximum possible preliminary point total of 3.33 points for the 150% Completion Rate and 1.67 points for the 200% Completion Rate.

3. The higher of the Completion Rate Excellence Benchmark and the Improvement Benchmark shall be multiplied by a factor of 2.0 resulting in a maximum final point total of ten (10) points. No college shall receive less than one (1) point.

(c) The higher of the Postgraduation Employment and Continuing Education Excellence Benchmark and the Improvement Benchmark shall be multiplied by a factor of 2.0 and then weighted by a factor of 0.75 resulting in a maximum final point total of 7.5 points. No college shall receive less than one (1) point

(d) The higher of the Completer Entry-Level Wage Excellence Benchmark and the Improvement Benchmark shall be multiplied by a factor of 2.0 and then weighted by a factor of 0.3 resulting in a maximum final point total of 3.0 points. No college shall receive less than one (1) point.

(e) A college's final score is the sum of the weighted points calculated for each of the four (4) measures, with a maximum final score of 30.5 points.

(6) Minimum Performance Funding Eligibility Thresholds. There are three thresholds established resulting in the creation of four (4) categories into which a college will be placed based upon their final score: Purple, Bronze, Silver, and Gold. A college with a final score that does not meet the institutional investment threshold is in the Purple category. Colleges with a final score that exceeds or is equal to the institutional investment threshold will be eligible for a state investment as determined by whether their final score meets certain thresholds.

(a) Institutional Investment Threshold. Institutional investments are calculated by withholding a proportional amount from each college's base funding as prescribed in the General Appropriations Act.

1. A college's institutional investment is not automatically restored when their final score (point total) is lower than two (2) standard deviations below the mean score for all of the colleges. Such a college is in the Purple category and must submit a performance improvement plan.

2. A college's institutional investment is automatically restored when their final score is equal to or above two (2) standard deviations below the mean score. Such a college is in either the Bronze, Silver or Gold category as determined by the State Investment Thresholds, and is not required to submit a performance improvement plan.

(b) State Investment Threshold. State investments in the Florida College System institutions is additional money over the base funding from the prior year as prescribed in the General Appropriations Act.

1. A college whose final score is lower than one (1) standard deviation below the mean score is in the Bronze category. A college in the Bronze category will not receive a state investment.

2. A college whose final score is equal to or above one (1) standard deviation below, but lower than one (1) standard deviation above, the mean score is in the Silver category. A college in the Silver category will receive a proportional share of the state investment.

3. A college whose final score is greater than or equal to one (1) standard deviation above the mean score is in the Gold category. A college in the Gold category will receive both a proportional share of the state's investment and a point-total indexed proportional share of the state's investment that otherwise would have been available to colleges in the Bronze and Purple categories.

(c) Annually, the Chancellor of the Division shall notify each college regarding that college's category. The notice to colleges in the Purple category will include the date the performance improvement plan must be submitted to the State Board of Education.

(7) Performance Improvement Plan. A Florida College System institution in the Purple category must submit a performance improvement plan to the State Board of Education

(a) The performance improvement plan must specify the activities and strategies for improving the college's performance, and must focus on specific activities where measureable and verifiable progress can be made within a single year. A performance improvement plan must:

1. Be Evidence Based: The strategy must have an evidence based foundation that the planned activities result in a measureable increase in related key performance indicators.

2. Be Clearly Communicated: The activities must be clearly defined and widely understood by parties involved

in the change.

3. Have Demonstrable Outcomes: Outcomes of the activities must be measureable and verifiable using accessible data and existing tools and technologies yielding demonstrable progress that can be documented in the mid-year and end-of-year reports.

4. Be completed within one-year.

5. Be Sustainable: The structured interventions that contribute to positive change should continue forward into the foreseeable future.

(b) The State Board of Education will review the performance improvement plan and, if the plan is approved, will monitor the college's progress in implementing the activities and strategies specified in the performance improvement plan.

Rulemaking Authority 1001.02(1), (2)(n), (6), 1001.66(1), (2), (6) FS. Law Implemented 1001.66, F.S. New