

**STATE BOARD OF EDUCATION**  
**Action Item**  
July 17, 2017

**SUBJECT:** Approval of Amendment to Rule 6A-14.07621, Performance-Based Incentive Program

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**PROPOSED BOARD ACTION**

For Approval

**AUTHORITY FOR STATE BOARD ACTION**

Section 1001.66, Florida Statutes

**EXECUTIVE SUMMARY**

The Florida legislature has allocated \$60 million for the 2017-18 Florida College System Performance-Based Incentive, the same amount as 2016-17. Based on the data and thresholds for 2017-18, all colleges would automatically receive their institutional investment and no colleges would have their institutional investment initially withheld and be required to complete an improvement plan (also referred to as purple category colleges). Six bronze colleges would have their additional state investment withheld, 15 silver colleges would receive a prorated share of the state investment, and seven gold colleges would receive their prorated share of state investment and a redistribution of the state investment from the bronze colleges.

Based on feedback from the colleges, the performance-based funding committee, rule making workshops, and staff discussions, the Division is suggesting the following updates to the model:

- All measures be equally weighted at 1.0. Therefore, each measure is worth 10.0 points, for a maximum of 40.0 total points.
- Change the base funding (institutional investment) threshold from two standard deviations below the system mean to half the total points, or 20.0. This aligns with the BOG threshold methodology. The thresholds for determining new funding (state investment) remains based on standard deviations. This ensures that the state investment dollars are allocated on excellence and recognizes improvement.
- The timeline for the prior year analysis changes from three years to two years. Therefore, the model compares an institution's current year of data to the average of two previous years, rather than three.
- The retention rate measure combines part-time and full-time students into one retention rate cohort, rather than considering part-time and full-time students separately.

In addition, we are proposing to keep the changes we have made over the past two years, including the added weight for Pell completers and the criterion measurement for excellence points in the job placement/continuing education and completer wage measures, which removes college to state average comparisons for employment data.

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

**Facilitator/Presenter:** Madeline Pumariega, Chancellor, Florida College System

**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) through (d) No change.

(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 only after high school graduation. 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) No change.

(g) “Part-time” means a student was enrolled in less than twelve (12) ~~between one (1) and eleven (11)~~ credits or the equivalent in contact hours during the semester.

(h) “Catalogue Time” means the amount of time required for a student to complete their program of study at the rate of ~~would be expected to graduate if they were to enroll in~~ thirty (30) credit hours per academic year or the equivalent number of contact hours per academic year.

(i) “First-time-upper-division (FTUD)” means a student enrolled in a baccalaureate degree program who has no record of upper-division enrollment in the previous year.

(j) “Completer” means a student who is awarded an academic credential.

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

(a) “Retention Rate” means the percent of FTIC or FTUD 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.~~

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

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

~~3. 4. Calculation of the Retention Rate for a Cohort.~~

~~a. Cohort Numerator. Those students who enrolled as FTIC or FTUD 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 or FTUD 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 and are no longer enrolled 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 three (3) ~~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 three (3) ~~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, or diploma ~~or apprenticeship~~.

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

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

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

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

d. Upper Division Students Completing Graduating in 200% of Catalogue Time. This classification includes all full-time FTUD 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 four (4) ~~one (1)~~ cohorts for each of two (2) ~~three (3)~~ previous academic years referred to in descending order as prior year one (1) and ~~;~~ prior year two (2), ~~and prior year three (3)~~. In total, there are twelve (12) ~~sixteen (16)~~ cohorts of data utilized in the Completion Retention Rate measure; four (4) completion retention calculations for each of three (3) ~~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 completed 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 completer graduate who received a federal Pell Grant while enrolled. The result being that completers graduates who received a federal Pell Grant count as 1.25 completers graduates, whereas a completer graduate who did not receive a federal Pell Grant counts as 1.0 completers graduates. The intent of this weight is to recognize the extra institutional efforts required to complete 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 three (3) ~~four (4)~~ years, each college's numerator for 150% lower division and 150% upper division completers ~~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 three (3) ~~four (4)~~ independent 150% completion ~~retention~~ rates.

(II) 200% Completion Rate. For each of three (3) ~~four (4)~~ years, each college's numerator for 200% lower division and 200% upper division completers ~~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 three (3) ~~four (4)~~ independent 200% completion ~~retention~~ rates.

(c) "Postgraduation Employment and Continuing Education Rate" means a completer ~~student~~ has either an enrollment record in the twelve (12) months ~~year~~ following the academic year of completion ~~graduation~~ or a ~~student graduated from college and~~ has an earnings record during at least one (1) fiscal quarter in the twelve (12) months ~~year~~ following the academic year of completion ~~graduation~~.

1. This measure captures the outcomes of a cohort of completers ~~graduates~~ in the twelve (12) months ~~year~~ after completion ~~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 completers ~~graduates~~. The first outcome identifies whether if the completer ~~graduate~~ is enrolled at a postsecondary education institution ~~working~~, the second outcome identifies whether if the completer ~~graduate~~ is employed ~~enrolled in continuing education~~.

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

(d) “Completer Entry-Level Wages” means the wages of a Florida College System ~~completer graduate~~ in ~~the~~ their first twelve (12) months year after the academic year of completion.

1. This measure captures the outcomes of a cohort of ~~completers graduates~~ a year after ~~completion 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 ~~completers graduates~~ in a given year found ~~e m p l o y e d~~ ~~working full time~~ in the twelve (12) months year following the academic year of completion graduation and the reported entry-level wages in the college’s service area is divided by the reported 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. No change.

(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 two 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 two 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. through 4. No change.

(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 two ~~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 two (2) ~~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 two ~~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 two (2) ~~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 Postgraduation Employment and Continuing Education rate ~~Completer Entry Level Wages~~ in the most recent year to the average of its own previous two ~~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 two (2) ~~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. No change.

(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.~~

~~(a) 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) No change.

(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 resulting in a maximum final point total of ten (10) points 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 resulting in a maximum final point total of ten (10) points 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 40.0 ~~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 with a institutional investment is not automatically restored when their final score (point total) less than half of the total points available 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. A college in the purple category will not have its institutional investment automatically restored.

2. A college's institutional investment is automatically restored when ~~its~~ ~~their~~ final score is equal to or greater than half of the total points available ~~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 ~~are~~ is additional ~~funds~~ ~~money~~ over the base funding from the prior year ~~as prescribed in the General Appropriations Act.~~

1. A college with a ~~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 with a ~~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 with a ~~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) No change.

(7) No change.

*Rulemaking Authority 1001.02(1), (2)(n), (6), 1001.66(1), (2), (6) FS. Law Implemented 1001.66 FS. History—New 8-24-16.*