

Universities face tougher graduation standard

by Lloyd Dunkelberger/The News Service of Florida

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TALLAHASSEE, Fla. — With a record \$560 million in performance funding at stake, Florida's universities will now have to meet a four-year graduation standard.

A panel of the university system's Board of Governors, meeting Wednesday at the University of North Florida, approved a new performance-funding model that will include the four-year rate for undergraduates as well as a revised standard rewarding schools that have large numbers of students on Pell grants, a federal need-based aid program.

The full Board of Governors will take up the plan on Thursday.

The plan advanced by the board's Budget and Finance Committee is in line with a law passed during this year's legislative session and approved by Gov. Rick Scott that required a change from a former six-year graduation standard to a four-year measure, as well as the Pell grant-related adjustment.

The two metrics are part of 10 measures the board will use to rank the universities in June and then distribute the \$560 million in performance funding for the 2018-2019 academic year. The Legislature increased the state's share of performance funding by \$20 million to a total of \$265 million, with universities providing \$295 million in matching funds.

The universities at the top of the rankings get a larger share of the money, while the three bottom universities do not receive any of the state performance funding.

In 2016, the four-year graduation rate averaged 45 percent across the system, ranging from 18 percent at Florida A&M University to 67 percent at the University of Florida, according to the board.

Only four schools --- the University of South Florida, New College of Florida, the University of Florida and Florida State University --- exceeded the board's long-range goal of having at least a 50 percent four-year graduation rate.

Schools that meet or exceed the 50 percent mark under the new standard will secure the maximum points in the formula, while schools with a four-year graduation rate below 38.8 percent will receive no points.

The board is also expected to approve the change that will reward schools that serve many Pell grant recipients, who come from low-income families. Schools whose enrollment reflects 42 percent or more of

students on Pell grants will get the maximum formula points, while schools with less than 6 percent of students on Pell grants will receive no points.

Florida A&M, which had more than 65 percent of students on Pell grants, and Florida International University, with more than 51 percent on Pell grants, will likely benefit from the formula change.

More changes in the performance-funding model are expected, as Tim Jones, the board's vice chancellor for finance and administration, noted the new law also requires the board to conduct a study by October 2019 to look at shifting to a "continuous improvement" model, rather than the current performance model that measures both excellence and improvement.

Overall, Jones said state support for the university system increased by \$139 million in the new state budget, or a 2.8 percent increase.

State funding for universities has increased by 56 percent since the 2012-2013 academic year, for a total of about \$3.1 billion next year, including no increase in tuition paid by students.

"Our elected officials and leaders really continue to see the value of our higher-education system and the importance of our students getting an education and obtaining a job," said Syd Kitson, chairman of the Budget and Finance Committee. "Overall, I thought it was a pretty good year."