

University Feedback – PBF Changes 2020

The following universities submitted written feedback on the potential PBF changes: FAU, FL Poly, NCE, UCF, UF, UNF, USF, and UWF. Their full responses are attached to this document.

Topic 1 - Replacing a current metric:

- 4 institutions in favor of replacing Metric 9 with the two new metrics
- 2 institutions in favor of replacing Metric 8 with the two new metrics
- Other suggestions:
 - 2 institutions suggested combining Metric 8 and Metric 6 into one metric

Topic 2 - Benchmark Options for New Metric: two-year graduation rate for FCS associate in arts transfer student

- 5 institutions in favor of the proposed benchmarks (not in favor of a phased-in approach)
- 1 institution is in favor of a phased-in approach to raising the benchmarks

Topic 3 - Benchmark Options for New Metric: six-year graduation rate for students who are awarded a Pell Grant in their first year

- 4 institutions in favor of the proposed benchmarks (not in favor of a phased-in approach)
- 1 institution is in favor of a phased-in approach to raising the benchmarks

Topic 3 - Improvement Scale for New Metrics

- 3 institutions not in favor of proposed improvement scale, would prefer the following:

| % Improvement | 2.5% | 2.0% | 1.5% | 1.0% | 0.5% |
|---------------|------|------|------|------|------|
| Points | 5 | 4 | 3 | 2 | 1 |

- 2 institutions in favor of proposed improvement point scale

Topic 4 - Metric 1 – Percent of Bachelors Graduates Employed (earning \$25,000+) or Enrolled One Year after Graduation

- 6 institutions in favor of making no changes until the full impacts of the pandemic are known
- If a change must be made, 4 institutions prefer raising the wage threshold in the metric with no changes to the benchmarks
- 1 institution in favor of raising the wage threshold in the metric and increasing the benchmarks with a 10-point threshold of 80%

Topic 5 - Metric 4 - Four-Year Graduation Rate (Full-time FTIC)

- 3 institutions in favor of making no changes until the full impacts of the pandemic are known
 - Of those 3 institutions, 2 institutions would be in favor of the proposed benchmarks (3% increments) if a change must be made
- 3 institutions in favor of the proposed benchmarks (3% increments)
- 1 institution in favor of changing the benchmarks to a 10-point threshold of 65% with 2% increments
- 1 institution is in favor of a phased-in approach to raising the benchmarks

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Other Suggestions:

- UWF:
 - UWF agrees that the two new metrics should be considered to be placed on a 10-point benchmark scale. And, for consistency, the improvement benchmark should observe the same scale as any other 10-point metric by having the improvement percentage maintained using the standard improvement benchmark.
 - Change Metric 7 from a 10-point metric to a 5-point metric and use the combination of the new Six-Year Graduation Rate for Students who are awarded a Pell in their first year as the new Metric 11 also on a 5-point metric scale. Replacing the current Metric 9 with the new Two-Year FCS Associate of Arts Graduation Rate metric.
 - Convert both Metric 6 and Metric 8 to be a combined metric and place the measurement benchmark on a 5-point scale while introducing the two new metrics on a 10-point benchmark scale. The two new metrics would replace the current Metric 9 and a new addition of Metric 11.
- FL Poly:
 - As an alternative to the new metric, six-year graduation rate for students who are awarded a Pell Grant in their first year, FL Poly suggests an appropriate measure would be the four-year graduation rate for Pell recipients.
 - Requests new benchmarks for Metric 8b, Freshmen in Top 10% of Graduating High School Class (NCF and FL Poly only). FL Poly requests to work with BOG staff to set the scale so that the points received on Metric 8b are fairly apportioned.
- NCF:
 - Combine Metric 6 and Metric 8 into a single “areas of strategic emphasis” metric (with undergraduate and graduate degrees each worth a maximum of 5 excellence points). Eliminate Metric 8b by including graduate degrees awarded by NCF and FPU (or making undergraduate degrees awarded by NCF and FPU worth 10 points).
 - Combine the two new metrics into a single graduation rate metric (with the 2-year AA transfer and the 6-year Pell recipient graduation rates each worth a maximum of 5 points). Set the 3-point threshold at the current system average and align excellence benchmarks for 6-year graduation rates for Pell recipients with the SUS Strategic Plan goal of 80%.
 - Use annual data across all metrics and schools. Do not use rolling three-year averages for NCF and FPU in calculating 2-year FCS AA transfer graduation rates. If rolling three-year averages are used to determine excellence points, annual data should be used to calculate improvement. New College should not be expected to improve 3-years’ worth of performance each year (and should not be rewarded or penalized for previous years’ data). By the same token, given the small scale of our AA transfer population, we need flexibility to determine what additional measures truly work to move NCF into excellence territory here, a rolling average strikes us as the antithesis of innovative approaches towards improvement.
- UF:
 - We would like to change our Metric #10, BOT Choice from six-year graduation rates to a new metric – the Pell graduation rate gap. This would be defined as the difference in the six-year graduation rate for Pell recipients and non-Pell recipients. We ask that you follow the Federal definition, so that the BOG numbers are consistent with the numbers we are already tracking and working to improve. This is also a focus of the APLU Degree Completion project we are working on, which is funded by the Bill and Melinda Gates Foundation. They are asking 130 institutions to reduce the gap in graduation rates between majority and under-represented students.



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Dear Tim,

Thank you for hosting the PBF meeting in Thursday afternoon. We found the discussion very intriguing and thank you for the opportunity to provide input into the revision of State Performance Metrics. Here are FAU's comments:

Two New Metrics

Replace Metric 9: We believe that metric 8 with its focus on graduate programs and metric 10 which allows universities to work towards their distinct missions are important to retain. Metric 9 is already tracked as a precursor to outcomes in several other metrics; it is somewhat redundant to include it as a separate metric and therefore is one that we recommend to place with the two new metrics.

FAU prefers option 1 for Excellence Benchmarks. It is more stable and helps institutions setting the goals and planning initiatives, and institutions have a reasonable chance of at achieving the first rung on the Excellence ladder in the near future.

For Improvement Benchmarks, FAU prefers using the same scale as the other metrics (0.5%=1 point) rather than the proposed adjusted scale of 1% = 1 point. We understand the mathematical reasoning behind BOG's proposal. However, although it does make sense to weight the Excellence Benchmarks, but we are not sure this weighting should be applied to Improvement Benchmarks. To improve a metric, institutions need to put in resource and effort regardless if it worth 5 points or 10 points. Further, this would be the only metric where there is a 'cap' on improvement- no matter how great improvement is in one metric, the maximum points received would be 5; improving a full 5% in both metrics to receive the full 10 points would be a daunting challenge that many universities may not be able to achieve. In fact, these two new metrics might be even harder to improve than other metrics, especially the Pell graduation rate. We suggest keeping the same scale as other metrics but cap these two new at 5 points each. That way the overall total is still within 100 and institutions are incentivized to improve the two metrics.

Metric 1 - Percent of Bachelor's Graduates Employed and/or Continuing their Education Further 1 Yr after Graduation

Comment: FAU agrees with the discussions on Thursday that the thresholds increase has no impact on relative scores between SUS institutions but may negatively impact the overall SUS publicity due to the pandemic. We prefer no change or adopting option 1 that keeps the benchmarks particularly with the unknown impacts of the pandemic on our graduating students.

Metric 4 – Four Year Graduation Rates (Full-time FTIC)

Comment: graduation rate is a metric that requires longer term commitment starting from admissions through to graduation. FAU has been making significant progress in recent years and a lag will still be present in our outcomes data due to the nature of this metric. We prefer option 1b that provides both a stable goal and a reasonable entering threshold for universities.

Thank you again and we are looking forward to working with BOG on improving the success of our students.

Sincerely,

Bret S. Danilowicz, Ph.D.
Provost and Vice President for Academic Affairs
Florida Atlantic University

CC: Jeff Atwater, CFO, Art Kite



To: Tim Jones, Vice Chancellor, Finance/Administration & CFO
Christy England, Vice Chancellor for Academic and Student Affairs

FROM: Terry Parker, Provost and Executive Vice President

DATE: September 4, 2020

RE: Performance Based Funding Metric Changes -FL Poly's Response

The purpose of this document is to provide feedback on changes to PBF metrics. We have attempted to address these changes as they were presented at the PBF workshop on August 27th.

1. The stated preference is to keep the model at 100 points. Given the legislative mandates (see the memo provided to the universities that lists items a through l as legislated mandates), the addition of two new metrics would lead to a scale of 120 points. Our position on the challenge that this brings is the following:
 - a. We do support maintaining a "simple" 100-point scale.
 - b. We do support and will continue to support Metric 6 (BS degrees in areas of strategic emphasis) as written.
 - c. The suggestion out of the discussion was to replace Metric 8 (graduate degrees awarded in areas of strategic emphasis). It is in fact difficult to appropriately choose which metric to remove and replace with the new metrics. Metrics 9 and 10 ties to the governance function of the Board of Trustees and Board of Governors and removing one or more of these metrics seems problematic. Hence, the choice to remove this metric is regrettably logical. Although we do not participate in this metric, we are sensitive to the removal of the only metric that is aligned with graduate education.
Florida Poly supports using the "new" metrics required by legislation as a combined metric that are worth five points each. Knowing this requires one of the current metrics to be dropped for the System, noting our comment above, we recommend using the new metrics as replacements for Metric 8: Graduate Degrees Awarded in Areas of Strategic Emphasis. For Florida Poly, this would include our current replacement metric for # 8 of Freshmen in Top 10% of Graduating High School Class. There is a separate issue with this metric that is addressed later in this document.
 - d. Two-year graduation rate for AA transfer students
 - i. This metric will be a very difficult measure for us as our rigorous STEM degrees leave little room to transfer in hours toward our degree. Using fall 2019 AA transfers to our Engineering majors, an average of 34% (median 33%) of their 60 hours were accepted toward the major. Even with strong articulation agreements in place, engineering programs can at most accept (and are only

required to accept) 35% of A.A. Transfer credits in total. This is due to the heavier emphasis on humanities, physical education, and social sciences required in the A.A. versus the mathematics and hard sciences requirements in engineering programs. In the meantime, our AA transfer graduation rate since 2014 never has been greater than 10%. We support the Option 1 scale that begins at 30% and tops out at 50%, although we will have difficulty with this metric.

- ii. We do understand that this metric is a legislative requirement. As it is implemented, we must collectively work to manage the unintended consequences of this metric. The intention of retention and graduation rate metrics is to move students efficiently through the higher education system. Transfers from community and state colleges include a higher than the campus average of students on the lower end of the socioeconomic scale. In order to have reasonable success on this metric, Florida Poly will have to not accept students with coursework that is not aligned with our degree requirements. While over time this can be mitigated somewhat with strong articulation agreements, it will not mitigate the student that discovers one year into their education that they desire a STEM degree, and it will not mitigate circumstances where students use their first year of community college to repair poor preparation. Thus, an unintended consequence of this metric may be a decline in lower socioeconomic status individuals receiving STEM degrees.
- e. Six-year graduation rate for students who are awarded a Pell Grant in their first year
 - i. As FL Poly only began providing Pell in 2017, we will not be on this metric until 2023 (AP 2024). We will need to work with the BOG to produce an appropriate measure. Possibly an appropriate measure would be the four-year graduation rate for Pell recipients. We believe that by working carefully with the BOG staff, we can find a metric that is appropriate and fair to both the Performance Based Funding system and also to Florida Poly as a member of the system. (insert a scale??)
 - f. As expressed by many during the call, the improvement scale for the two new 5-point scale compounds the equivalent scale for year over year improvement to match the 10-point scale. As suggested by colleagues on the call, we agree that the 5-point threshold be set at 2.5%.
2. PBF #1; Percent of Bachelor's Graduates Employed and/or Continuing their Education 1 year after Graduation – Wage threshold from \$25K to \$30K and a goal of 80%
 - a. Florida Poly recommends maintaining the current point scale but does support raising the threshold wage from \$25,000 to \$30,000.
3. PBF #4; Four Year Graduation Rates (Full-time FTIC) – Strategic Plan Goal changes to 65%.
 - a. Florida Poly recommends option 1 B (1 point = 38% and 10 points = 65% with 3% incremental change between points). This allows this metric to match the 2025 strategic plan goal of 65%.
4. COVID 19 Impacts to PBF
 - a. Florida Poly agrees with the impact assessment for all PBF's as outlined in the table provided.
5. Metric 8 for Florida Poly is the number of entering freshman in the top 10% of their high school class. Since more and more high schools are not capturing this ranking and all universities in the SUS compete for the same students, it makes this metric counterintuitive. As indicated on the table below, if Florida Poly were able to use Percent of Graduate Degrees in PSE, all our

graduate students (or 100%) would meet this criterion and would give an excellence score of 10. Likewise, if all universities in the SUS used the Freshmen in Top 10% of Graduating High School Class, six would be at or below Florida Poly's percentage using the benchmark created for New College and presumably the benchmark for Florida Poly. Therefore, it does not appear to be a fair basis for placing us (and New College) in this metric unless the benchmark were adjusted to equalize for all universities. Hence, for the remainder of the time that this metric is used for Florida Poly, we request that we work with BOG staff to set the scale so that the points received on metric 8 are fairly apportioned. In its current incarnation, we receive zero points on a metric that if applied to other schools would produce a significant loss of points (for instance, this metric is applied to FAU and FGCU would result in a loss of a full ten PBF excellence points).

| Metric | FAMU | FAU | FGCU | FIU | FLPOLY | FSU | NCF | UCF | UF | UNF | USF | UWF |
|----------------------------|------|-------|------|-------|------------|-------|-----|-------|------|-------|------|------|
| PBF 8A | | | | | | | | | | | | |
| % | 51.7 | 65.4 | 64.4 | 56.5 | 100 | 58.4 | 0 | 61.2 | 69.4 | 54.4 | 72.2 | 57.4 |
| Exc. Score | 6 | 10 | 10 | 8 | 10 If used | 9 | 0 | 10 | 10 | 7 | 10 | 8 |
| | | | | | | | | | | | | |
| PBF 8B Points (NCF) | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | | |
| NCF Benchmark | 50% | 47.5% | 45% | 42.5% | 40% | 37.5% | 35% | 32.5% | 30% | 27.5% | | |
| | | | | | | | | | | | | |
| % (2018) | 11 | 16.5 | 14 | 25 | 25 | 39 | 37 | 34 | 74 | 16 | 32 | 15 |
| Exc. Score If all used 8B | 0 | 0 | 0 | 0 | 0 | 6 | 5 | 3 | 10 | 0 | 3 | 0 |

I appreciate the ability to provide comments on the changes to the Performance-Based Funding metrics. We understand that with twelve universities weighing-in, there likely will be conflicting recommendations. That said, I hope you will consider that as we are just now entering PBF our recommendations are particularly sensitive to these changes as we build a university with a mission focused on STEM. Please let me know if there are questions or if you would like any points addressed further.



DATE: September 4, 2020
TO: Chancellor Marshall Criser III
FROM: Donal O'Shea, New College of Florida
RE: New College of Florida's recommendations for proposed changes to PBF Model

Chancellor Criser,

Thank you for the opportunity to provide input into the proposed changes to the PBF model.

Before presenting our recommendations, I was struck by the conversation at the workshop in which the CFOs took for granted that there should **not** be a metric on which their institution had *no chance* of earning points, either through excellence or improvement. Metric 8b is such a metric for us: the large institutions in the preeminence stakes are aggressively recruiting Florida students in the top 10% of their class. It doesn't make sense to divert institutional resources in an effort to compete with them. We use narrative evaluations, and are unlikely to attract students who care about numerical or letter grades. The students who do well at New College are those in IB programs and in very good schools that do not rank.

With this noted, let me get to our recommendations. It's tempting to recommend the changes that would most directly benefit New College's PBF score¹, but I instructed my team to consider changes that will lead to a PBF system that best incentivizes New College to improve the success of its students.

As we considered the options proposed by BOG staff, we evaluated each option according to six guiding principles²:

1. PBF works by allowing universities to compete in achieving common aspirational goals.
2. The clarity of having 10 metrics and 100 total points is a strength of the PBF system.
3. We should incorporate the two new metrics without eliminating existing common metrics.
4. We should align excellence benchmarks with 2025 SUS Strategic Plan goals.
5. We should apply common metrics and benchmarks to all SUS schools.
6. Metric 10 is important because it acknowledges the unique mission of each institution.

¹ In case you're wondering what changes would benefit New College from a financial standpoint only, they would be:

- (a) Replace Metric 8 with the new 2-year graduation rate for FCS AA transfer students
- (b) Combine Metric 7 with the new 6-year graduation rate for Pell recipients
- (c) Keep all benchmarks as low as possible

² These principles are very similar to the four guiding principles used by the BOG to develop the PBF model: (1) use metrics that align with SUS Strategic Plan goals, (2) reward excellence and improvement, (3) have a few clear, simple metrics, (4) acknowledge the unique mission of the different institutions.

Guided by these principles, we offer the following five recommendations:

1. Update the wage threshold for **Metric #1** to \$30,000 and update excellence benchmarks to 80% to align with the 2025 Strategic Plan.
2. Update excellence benchmarks for **Metric #4** to align with the 2025 Strategic Plan goal of 65% and use 2% increments so that “excellence” does not apply to graduation rates below 40%.
3. Combine **Metric #6** and **Metric #8** into a single “areas of strategic emphasis” metric (with undergraduate and graduate degrees each worth a maximum of 5 excellence points). Eliminate **Metric #8b** by including graduate degrees awarded by NCF and FPU (or making undergraduate degrees awarded by NCF and FPU worth 10 points).
4. Combine the **two new metrics** into a single graduation rate metric (with the 2-year AA transfer and the 6-year Pell recipient graduation rates each worth a maximum of 5 points). Set the 3-point threshold at the current system average and align excellence benchmarks for 6-year graduation rates for Pell recipients with the SUS Strategic Plan goal of 80%. Set improvement benchmarks so that +1% improvement corresponds with +1 improvement point.
5. Use annual data across all metrics and schools. Do not use rolling three-year averages for NCF and FPU in calculating 2-year FCS AA transfer graduation rates. If rolling three-year averages are used to determine excellence points, annual data should be used to calculate improvement. New College should not be expected to improve 3-years’ worth of performance each year (and should not be rewarded or penalized for previous years’ data). By the same token, given the small scale of our AA transfer population, we need flexibility to determine what additional measures truly work to move NCF into excellence territory here, a rolling average strikes us as the antithesis of innovative approaches towards improvement.

To return to New College, the PBF model has been a challenge for us. We have focused significant energy on improvement (as evidenced by our +20 point jump in performance last year), but we continue to worry how changes to the PBF model will hurt us. In particular:

- Changes to the salary threshold and benchmarks for Metric #1: While we support these changes — and believe a \$30,000 threshold is entirely reasonable — we worry about implementing this change in a year when the unemployment rate spiked dramatically.
- The proposal to use rolling 3-year averages for the new 2-year transfer student graduation rate metric: We can demonstrate that it is *mathematically impossible* for New College to earn 10 improvement points for 2019-20, even if 100% of our transfer students graduated within two years. Every school should have the opportunity to earn the full 10 improvement points and improvement should be measured by *year-over-year* changes.
- Metric 8b: Calculated from limited data (60% of our students have class ranks), this metric does not capture anything we value. While our score on this metric drops, our retention and graduation rates increase (showing we are enrolling students who are prepared for the academic rigor of a New College education).

The following three pages summarize our recommendations (highlighted in yellow) in the context of the entire PBF model.

Summary of New College of Florida's recommended modifications to the PBF system.

Metric 1: Percent of bachelor's graduates employed (\$30,000+) and/or continuing their education further one year after graduation

| | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----|------|------|------|------|------|------|------|------|------|------|
| Exc | 80% | 77% | 74% | 71% | 68% | 65% | 62% | 59% | 56% | 53% |
| Imp | 5.0% | 4.5% | 4.0% | 3.5% | 3.0% | 2.5% | 2.0% | 1.5% | 1.0% | 0.5% |

Update the metric to match the 2025 Strategic Plan goal of \$30,000 wage threshold.

Update excellence benchmarks align with the Strategic Plan goal of 80%.

Metric 2: Median wages of bachelor's graduates employed full-time one year after graduation

| | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Exc | \$40,700 | \$38,200 | \$35,700 | \$33,200 | \$30,700 | \$28,200 | \$25,700 | \$23,200 | \$20,700 | \$18,200 |
| Imp | 5.0% | 4.5% | 4.0% | 3.5% | 3.0% | 2.5% | 2.0% | 1.5% | 1.0% | 0.5% |

Metric 3: Net tuition & fees per 120 credit hours

| | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----|---------|----------|----------|----------|----------|---------|----------|----------|----------|----------|
| Exc | \$9,000 | \$10,000 | \$11,000 | \$12,000 | \$13,000 | \$14,00 | \$15,000 | \$16,000 | \$17,000 | \$18,000 |
| Imp | -5.0% | -4.5% | -4.0% | -3.5% | -3.0% | -2.5% | -2.0% | -1.5% | -1.0% | -0.5% |

Metric 4: Four year graduation rate (full-time FTIC)

| | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----|------|------|------|------|------|------|------|------|------|------|
| Exc | 65% | 63% | 61% | 59% | 57% | 55% | 53% | 51% | 49% | 47% |
| Imp | 5.0% | 4.5% | 4.0% | 3.5% | 3.0% | 2.5% | 2.0% | 1.5% | 1.0% | 0.5% |

Update excellence benchmarks to align with the new 2025 Strategic Plan goal of 65%. Use 2% increments (so that "excellence" does not apply to a graduation rate below 40%).

Metric 5: Academic progress rate (2nd year retention with GPA above 2.0)

| | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Exc | 90% | 88.8% | 87.5% | 86.3% | 85.0% | 83.8% | 82.5% | 81.3% | 80.0% | 78.8% |
| Imp | 5.0% | 4.5% | 4.0% | 3.5% | 3.0% | 2.5% | 2.0% | 1.5% | 1.0% | 0.5% |

Metric 6: Degrees (undergraduate and graduate) awarded in areas of strategic emphasis

6a: Percent of undergraduate degrees awarded in areas of strategic emphasis

6b: Percent of graduate degrees awarded in areas of strategic emphasis

| | | 5 | 4 | 3 | 2 | 1 |
|---|-----|-----|-----|-----|-----|-----|
| 6a. % of undergraduate degrees in PSEs | Exc | 50% | 45% | 40% | 35% | 30% |
| | Imp | 5% | 4% | 3% | 2% | 1% |

| | | 5 | 4 | 3 | 2 | 1 |
|--|-----|-----|-----|-----|-----|-----|
| 6b. % of graduate degrees in PSEs | Exc | 50% | 45% | 40% | 35% | 30% |
| | Imp | 5% | 4% | 3% | 2% | 1% |

Combine metrics 6 and 8a into a single “areas of strategic emphasis” metric.

Set improvement benchmarks so that +1% improvement is awarded +1 improvement point.

Metric 7: University access rate (percent of undergraduates with a Pell grant)

| | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----|------|------|------|------|------|------|------|------|------|------|
| Exc | 42% | 38% | 34% | 30% | 26% | 22% | 18% | 14% | 10% | 6% |
| Imp | 5.0% | 4.5% | 4.0% | 3.5% | 3.0% | 2.5% | 2.0% | 1.5% | 1.0% | 0.5% |

Metric 8: Graduation rates

8a: 2-year graduation rate for full-time FCS associate in arts transfer students

8b: 6-year graduation rate for students who are awarded a Pell Grant in their first year

| | | 5 | 4 | 3 | 2 | 1 |
|--|-----|-----|-----|-----|-----|-----|
| 8a. 2-year graduation rate for full-time FCS associate in arts transfer students | Exc | 50% | 45% | 40% | 35% | 30% |
| | Imp | 5% | 4% | 3% | 2% | 1% |

| | | 5 | 4 | 3 | 2 | 1 |
|--|-----|-----|-----|-----|-----|-----|
| 8b. 6-year graduation rate for students who are awarded a Pell Grant in their first year | Exc | 80% | 75% | 70% | 65% | 60% |
| | Imp | 5% | 4% | 3% | 2% | 1% |

Combine the new legislatively-mandated metrics into a single “graduation rates” metric.

Set the 3 point threshold at the current system average.

Align excellence benchmarks for 8b with 2025 Strategic Plan goals.

Set improvement benchmarks so that +1% improvement is awarded +1 improvement point.

Use annual data for all schools — do not use rolling three-year averages for NCF and FPU. If rolling 3-year average data is used to determine excellence points, annual data should be used to calculate improvement points. NCF and FPU should not be expected to improve 3-years of performance each year (and we should not be rewarded or penalized for old data).

Metric 9: Percent of bachelor’s degrees without excess hours

| | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----|------|-------|------|-------|-------|-------|-------|-------|-------|-------|
| Exc | 80% | 77.5% | 75% | 72.5% | 70.0% | 67.5% | 65.0% | 62.5% | 60.0% | 57.5% |
| Imp | 5.0% | 4.5% | 4.0% | 3.5% | 3.0% | 2.5% | 2.0% | 1.5% | 1.0% | 0.5% |

Metric 10: BOT choice (varies by university)

| | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|-----|----------------------|------|------|------|------|------|------|------|------|------|
| Exc | varies by university | | | | | | | | | |
| Imp | 5.0% | 4.5% | 4.0% | 3.5% | 3.0% | 2.5% | 2.0% | 1.5% | 1.0% | 0.5% |

MEMORANDUM



UNIVERSITY OF CENTRAL FLORIDA

Office of the Provost and Academic Affairs

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DATE: September 4, 2020

TO: Tim Jones, Vice Chancellor for Finance/Administration and CFO

FROM: Michael D. Johnson, Interim Provost and Vice President

SUBJECT: Performance Based Funding Metric Considerations – August 2020

Thank you for the opportunity to respond to the suggested Performance Based Funding (PBF) metric considerations presented at the August 27, 2020 virtual meeting. The University of Central Florida fully supports the PBF model and continues to work hard to advance the metrics and achieve UCF and State University System strategic goals. Overall, four metrics were presented for discussion, two new legislatively mandated metrics and two suggested strategic plan metric alignments.

UCF provides the following feedback to the elements under consideration.

Metric Candidates for Removal

Three metrics were suggested as possible candidates for removal. Removing one metric (worth 10 points) would free up space to insert the two new mandated metrics (worth 5 points each). This was suggested to maintain the 100-point model. UCF supports this replacement structure.

UCF recommends the removal of metric 9. The element measured within metric 9 – Percent of Bachelor's Degrees Without Excess Hours – remains a critical component of metric 3 (net tuition) and metric 4 (4-year graduation rate). The reduction of excess hours will also be critical to the two new mandated metrics (2-year AA graduation rate and 6-year Pell graduation rate).

New Metric: Two-year Graduation Rate for FCS AA Transfer Students

UCF recommends threshold Option 1. UCF prefers to set a single, consistent threshold.

New Metric: Six-year FTIC Pell Graduation Rate

UCF recommends threshold Option 1. UCF prefers to set a single, consistent threshold.

MEMORANDUM

Alignment: Metric 1 – Percent of Graduates Employed and/or Continuing Education

There are two elements related to this metric: increasing the salary minimum and increasing the thresholds.

UCF recommends delaying this metric adjustment for at least one year. This metric will already experience some degree of impact from the incorporation of a new employment dataset. Additionally, UCF anticipates significant impacts related to COVID-19 economic challenges. If this metric suggestion moves forward, UCF recommends Option 1: adjusting only the salary minimum.

Alignment: Metric 4 – Four-year FTIC Graduation Rate

This metric adjustment is related to increasing the threshold.

UCF recommends delaying this metric adjustment for at least one year. This metric may be impacted by COVID-19 if the economy stays depressed and students alter graduation timelines. If this metric suggestion moves forward, UCF recommends Option 1B: the broader threshold with a 3-percentage point variance.

Other Considerations

The strategic direction provided by the Board of Governors though the PBF model is highly impactful on each of the 12 universities. As such, annual changes to the model should be minimized, allowing universities the greatest opportunity to retool, commit, and improve their performance under a consistent model.

The mandated inclusion of two new metrics (with the preferred option of removing one metric) already has the model moving from 10 metrics to a total of 11. The two-new metrics represent an 18% alteration to the model. If all four metrics are altered, 36% of the model will have been altered in one year.

Additionally, the 2021 model is already slated to institute the new 70-point minimum rule. Falling below 70 points, triggers the automatic hold-back of 50% of the state investment. The more alterations made to the model in each cycle, the greater the opportunity for a university to find themselves in jeopardy with that overall minimum threshold, and potentially as a result of model changes rather than falling performance.

UNF Recommendations Regarding Changes to Metrics

Possible metrics to replace in the model

- UNF supports the elimination of Metric 8, or the combination of Metric 8 with Metric 6 into one metric for programs of strategic emphasis.
- We prefer to retain Metric 9. Although this metric naturally improves with graduation rate improvement, it serves to reflect our commitment to transfer student degree completion. Metric 9 provides additional incentive to focus on transfers than is created by the new FCS AA graduation rate metric, which is arguably needed given that the new metric will likely carry only five points. The additional emphasis on transfers will help balance the much larger weight placed on FTIC student success across the current metrics.
- We prefer to retain Metric 10, as it reflects the priorities of our Board of Trustees on furthering distance learning (DL) opportunities. DL creates more flexible learning options, particularly for the nearly 70% of our undergraduates who are employed, as well as pathways to degree completion for adults with family obligations. Additional opportunity for degree completion for working adults will become even more important with the dissolution of the Complete Florida program.

New Metric: Two-year graduation rate for FCS associate in arts transfer students

UNF supports the adoption of Option 1 for the benchmarks.

We also support the consideration of changing the proposed improvement benchmarks to 0.5 percentage points per 1 point:

| Improvement Benchmarks for New Metrics | | | | | |
|--|------|------|------|------|------|
| % Improvement | 2.5% | 2.0% | 1.5% | 1.0% | 0.5% |
| Points | 5 | 4 | 3 | 2 | 1 |

New Metric: Six-year graduation rate for students who are awarded a Pell Grant in their first year

UNF supports the adoption of Option 1 for the benchmarks.

We also support the consideration of changing the proposed improvement benchmarks to 0.5 percentage points per 1 point, using the same points table as above.

Metric 1 Changes - match strategic plan goal

UNF supports delaying the change to this metric for a year given the unknown impacts of COVID to employment, the lack of historical data on percentage of Bachelor's Graduates Employed making \$30,000 or more, and the change from WRIS2 to SWIS as the data source.

Between the two benchmark options as presented, UNF supports Option 1.

Metric 4 Changes - match strategic plan goal

UNF supports delaying the change to this metric for a year given the known impacts of COVID to Summer 2020 degree completions.

Between the benchmark options as presented, UNF supports Option 1 (Increments of 3%).

From: [Jones, Tim](#)
To: [Jones, Jason](#); [Bradley, Dale](#); [deNagy, Sarah](#)
Subject: FW: PBF Funding proposed changes
Date: Wednesday, September 9, 2020 8:49:14 PM
Attachments: [PBF Agenda - August 27.pdf](#)

From: Lebo, Cathy <clebo@aa.ufl.edu>
Sent: Wednesday, September 9, 2020 7:50 PM
To: Jones, Tim <Tim.Jones@flbog.edu>
Cc: Glover, Joe <JGlover@aa.ufl.edu>
Subject: PBF Funding proposed changes

Tim,

Thank you for giving us a chance to respond after our Board of Trustees retreat in Daytona. We explain our choice for Metric #10 and the options for the other metrics. Please let us know if you have any questions.

Metric #10

We would like to change our Metric #10, BOT Choice from six-year graduation rates to a new metric – the Pell graduation rate gap.

This would be defined as the difference in the six-year graduation rate for Pell recipients and non-Pell recipients. We ask that you follow the Federal definition, so that the BOG numbers are consistent with the numbers we are already tracking and working to improve. This is also a focus of the APLU Degree Completion project we are working on, which is funded by the Bill and Melinda Gates Foundation. They are asking 130 institutions to reduce the gap in graduation rates between majority and under-represented students.

We would like to keep metric #8 (Graduate Degrees Awarded in Areas of Strategic Emphasis) because there are few graduate indicators in the Accountability Plan and it is an important aspect of what the University of Florida provides.

We also choose to keep metric #9 (percent of Bachelor's Degrees without Excess Hours), since we will still be required by statute to keep track of this metric.

AA Transfer Rates (page 2)

The two-year graduation rate will be especially challenging for any students in longer programs, like Engineering.

That is unfortunate, because we have programs working with under-represented minorities who start in the Florida college system to encourage them to try STEM majors.

We hope that this metric does not create a disincentive for AA transfers in STEM fields.

We support Option #2 to phase in the benchmarks.

Makes sense to phase in the updates to the benchmarks, so that institutions are not being graded against a benchmark that was chosen after the cohort finished.

The most recent AA transfer cohort in the 2021 Accountability Plan will be the students who entered in summer/fall 2018 and finished by Aug 31, 2020. Too late to impact those numbers.

Pell Graduation Rates (page 3)

UF does well on this metric, with the highest graduation rate in the system at 86%.

Again, we support Option #2, which is fair to the institutions that need to improve.

The most recent Pell cohort in the 2021 Accountability Plan will be the 2014 cohort, that completed their sixth year by Aug 31, 2020.

Bachelor's Graduates Employed (page 4)

UF does well on average wages after graduation (\$44,800).

We support option #1, update to the Strategic Plan goal of \$30,000 wage but do not change the benchmarks.

There will be at least two tough years with the job placement data, thanks to the pandemic.

Four-Year Graduation Rates (page 5)

We have improved our four-year graduation rate to 67-71%.

The most recent cohort in the 2021 Accountability Plan will be the 2016 cohort, that finished their fourth year by Aug 31, 2020.

The summer is a critical period for our students who are enrolled in longer programs.

The pandemic has changed summer sessions, both in terms of what we can offer and student enrollment.

UF and FSU will do well with any of these options. However, looking at the spread of graduation rates across the other SUS institutions,

where the average is only 55% and ranges as low as 28% at FAMU, suggest you adopt option 2.

Phase in updating the benchmark from 55% to 65% over 3 years.

Improvement points do not help students. It would be better to set attainable goals to raise the graduation rate standards over time.

Cathy

Cathy J. Lebo, Ph.D.

Assistant Provost and Director of Institutional Planning and Research,
and University Data Administrator

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Memorandum

To: Tim Jones, Vice Chancellor, Finance/Administration and CFO, FL BOG
From: Ralph C. Wilcox, Provost & Executive Vice President, USF
Date: September 3, 2020
Subject: Performance Based Funding Model

Thank you for the opportunity to provide feedback on the proposed changes to the PBF model discussed at the joint CAFA, CAVP & Data Administrators meeting on Thursday August 27, 2020. In response to your request, the following summarizes the University of South Florida's (USF) comments regarding the proposed changes:

- USF **supports maintaining a 100-point model** by eliminating one current metric and incorporating the two new metrics, (a) Two-year Graduation Rate for FCS AA Transfer Students; and, (b) Six-year Graduation Rate for Students who are awarded a Pell Grant in the First Year, as 5-point metrics.
- USF **supports the elimination of Metric 9: Percentage of Bachelor's Degrees Awarded Without Excess Hours**, noting the following:
 - It is not statutorily required,
 - The high performance on the metric by 10 of 11 universities,
 - Excess hours are currently accounted for in Metric 3: Cost to the Student and Metric 4: Four-year Graduation Rate (Full-time FTIC),
 - Excess hours will be accounted for in the two new metrics, (a) Two-year Graduation Rate for FCS AA Transfer Students; and, (b) Six-year Graduation Rate for Students who are awarded a Pell Grant in the First Year, and
 - Changes in law, based on student advocacy, such that the threshold for students incurring the Excess Hour Surcharge is now at 120%, while PBF threshold remains 110%.
- USF **does not support the elimination of Metric 8: Graduate Degrees Awarded in Areas of Strategic Emphasis**, noting:
 - It is the only metric that focuses on graduate education, which accounts for more than one out of every four degrees awarded across the SUS, and
 - Degrees in areas of strategic emphasis are critically important to the State's economic growth.
- USF **does not support the elimination of Metric 10: the BOT Choice Metric**, noting:
 - The BOG's guiding principle for the PBF model that it should "acknowledge the unique mission of the different institutions," and
 - Significant investment of time and effort in revision of Metric 10 at the direction of the FL BOG over the last two years, along with the approvals and "buy-in" obtained by each institution's Board of Trustees.
- USF **supports Option 1 benchmarks for New Metric: Two-year Graduation Rate for FCS AA Transfers**, noting the difficulty in modeling with a phase-in approach, further noting:
 - It will be important to maintain in the definition that the cohort is the Summer/Fall Full Time admits with AAs from an FCS institution.

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- USF **supports** Option 1 benchmarks for New Metric: Six-year Graduation Rate for Students who are awarded a Pell Grant in the First Year, noting the difficulty in modeling with a phase-in approach.
- USF has **no concerns** with the proposed Improvement Scale for the new metrics.
- USF **does not** support changing the benchmark or the wage threshold for Metric 1: Percent of Bachelor's Graduates Employed (\$25,000+) and/or Continuing their Education Further 1 Year after graduation; and **does not** support changing the benchmarks for Metric 4, Four-year Graduation Rate in this cycle, noting:
 - Contrary to the requirements that were imposed by the Legislature to implement *the two new metrics this year* for use in the FY 2021-22 award distribution, there is no mandate to amend these existing metrics or metric scales right now. While acknowledging that the BOG has amended its strategic plan goals to new levels, there is no mandate to make these changes within the PBF model now. The BOG should consider deferring these changes to a later year in light of the uncertainty that the COVID-19 pandemic and the response to it has caused in the job market, which was not contemplated when the BOG voted to increase these strategic plan goals, and
 - Although changing benchmarks is in keeping with the PBF guiding principle of “using metrics that align with the SUS Strategic Plan Goals”, multiple changes in a single cycle can impact the ability of institutions to be fully responsive to statutorily required changes and have unintended consequences of the perception of overall SUS performance, especially given that the 70 point criterion will be used for the first time and will be much harder for some institutions to reach with the vast number of simultaneous changes being considered.

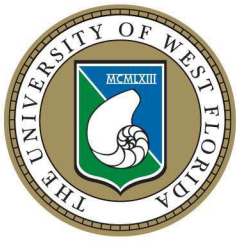
Thank you for providing us an opportunity to provide feedback and for your consideration. Please don't hesitate to reach out should you have questions.

cc: Marshall Criser, III, Chancellor, FL BOG

Steven C. Currall, President, USF

Nick Trivunovich, Vice President, Business & Finance and CFO, USF

Masha Galchenko, Data Administrator, USF



The University of West Florida appreciates the opportunity to provide feedback based on the information shared with us on the August 27th meeting. The two new metrics were introduced to the universities by the recently passed statute and, therefore, will require the universities to add these to the existing metrics. Each metric, since the beginning of the accountability metric system, requires time to implement internal processes that collect and measure successes to move towards excellence. The University of West Florida supports the accountability metrics. As evidenced by the improvements achieved by the institutions, the current system has proven to be effective in meeting the system's strategic goals and a successful transition to accountability.

The University of West Florida offers the following response to the area of possible metrics to replace:

- The University of West Florida agrees with other institutions in keeping metric 8, Graduate Degrees Awarded in Programs of Strategic Emphasis, to emphasize the system's commitment to graduate education and to demonstrate that the metrics are not solely focused on undergraduate studies.
- The University of West Florida agrees with replacing Metric 9, Percent of Bachelor's Degrees without Excess Hours, with one of the two new metrics. Metric 9 has shown a progression of success over time whereas 10 out of 11 universities have moved into solid excellence point range with three institutions earning 9 points and seven institutions maximizing this metric with 10 points.
- The University of West Florida agrees with keeping the BOT Choice Metric 10 as is.

As we focus on the implementation of the two new metrics, we should also take into consideration the changes that were passed by the Board of Governors. The Board of Governors has established an overall 70-point new threshold and has raised the system goals for both Metric 1 and Metric 4 in addition to adding the requirement that a university must score the same or higher as the previous year to be eligible for their proportional amount of state's investment. It is important to note that introducing two new metrics with a cap of 5 excellence points which reduces the opportunity to increase improvement points appears to disenfranchise some lower scoring metric holders. If continuous improvement is indeed the system's overarching goal, then incentives for improvement should be maintained.

UWF agrees with the recommendation favored by most participants, if not all, that the Metric 1 strategic goal of 80% should be placed on hold for at least 2 years. However, there is no guarantee that this will be approved by the Board of Governors.

In the discussion document for the meeting, there were several options presented for implementing the benchmarks over time. UWF supports the one-time option of setting the benchmarks and does not support the incremental change over a period of years. Additionally, the Metric 4 change proposed two sets of benchmarks which UWF agrees with option 1.b. as follows:

| Points (Increments of 3%) | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 4. Four Year Graduation Rate | 65% | 62% | 59% | 56% | 53% | 50% | 47% | 44% | 41% | 38% |
| Full-time FTIC | | | | | | | | | | |

The University of West Florida presents the following recommendations for consideration. Based on the many responses provided from other university participants, UWF agrees that the two new metrics should be considered to be placed on a 10-point benchmark scale. And, for consistency, the improvement benchmark should observe the same scale as any other 10-point metric by having the improvement percentage maintained using the standard improvement benchmark as follows:

| | IMPROVEMENT | | | | | | | | | |
|---------------|-------------|------|------|------|------|------|------|------|------|------|
| % Improvement | 5.0% | 4.5% | 4.0% | 3.5% | 3.0% | 2.5% | 2.0% | 1.5% | 1.0% | 0.5% |
| Points | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |

The University of West Florida also provides the following options or recommendations for implementing the two new metrics:

1. Change Metric 7, University Access Rate, from a 10-point metric to a 5-point metric and use the combination of the new Six-Year Graduation Rate for Students who are awarded a Pell in their first year as the new Metric 11 also on a 5-point metric scale. Replacing the current Metric 9, which currently holds a 10-point scale and a 0.5% improvement benchmark, with the new Two-Year FCS Associate of Arts Graduation Rate metric.

UWF's rationale: Each university has the responsibility for providing access to those students who receive federal funding of grant dollars. Implementing the new Metric 11 with the Six Year Graduation Rate of Pell students provides an output measurement that is partially related to the current Metric 7, Access Rate. The existing Metric 7 is an input measure which does not measure student success. These two metrics, 7 and 11, should become a shared measurement which will aid in the institution's accountability and the success of the student. This is in line with the US News survey's emphasis on social mobility metrics. With the SUS current Two-Year FCS Associate of Arts Graduation Rate averaging roughly 40% for this measurement, it shows that many universities require time to move towards the system goal of 50%. By having this benchmark based on a 10-point scale this will allow all universities the opportunity to earn additional improvement points based on

a lower incremental improvement measurement as they implement their tactical and strategic processes required to enhance this student success measurement.

2. Convert both Metrics 6 and Metric 8 to be a combined metric and place the measurement benchmark on a 5-point scale while introducing the two new metrics on a 10-point benchmark scale. The two new metrics, Two-Year FCS Associate of Arts Graduation Rate and the Six Year Graduation Rate of Pell students, would replace the current Metric 9, Degrees Awarded without Excess Hours, and a new addition of Metric 11.

UWF's rationale: Both Metric 6 and Metric 8 have shown a considerable improvement since the inception of the accountability metric system. Metric 6 alone has shown a progression of success over time where eight of the 11 universities have moved into 10-points of excellence while the remaining three universities are nearing the upper level of the scale. All eleven of the universities hold points in the excellence category and no single university required improvement points for the 2020 measurement year. The same holds true for Metric 8 as 10 (NCF not applicable) institutions earned all measured points in excellence without the need for improvement points. Additionally, five of the universities scored the maximum 10-points in excellence while others are on the edge of achieving this goal.

In summary, the University of West Florida encourages that any decision for changes to the accountability metric system should take into consideration the effects on all institutions since each has a different scope and mission. This is one of the 4 guiding principles of the Performance Based Funding model which "acknowledge the unique mission of the different institutions". UWF is highly motivated and optimistic in supporting the intent of the accountability metric system when consideration is given to all university inputs and the effect of any changes on all institutions. While the introduction of these two new metrics has become part of statute, the required strategic and tactical processes will require time to implement. UWF highly recommends the two new metrics be placed on an overall 10-point benchmark scale to allow sufficient time to engage in process development and continue to gain improvement points until eventually achieving the goal of excellence range.