Item: <u>AC: I-1</u>

AUDIT AND COMPLIANCE COMMITTEE
Tuesday, February 11, 2020

SUBJECT: REVIEW OF AUDITS: FAU 19/20-1, PERFORMANCE BASED FUNDING DATA INTEGRITY AS OF NOVEMBER 30, 2019

PROPOSED COMMITTEE ACTION

Acceptance of the audit as a basis of support for certification representations requested of the president and BOT chair by the Florida Board of Governors and fulfillment of the BOG's request for an audit of the completeness, accuracy and timeliness of data submissions.

BACKGROUND INFORMATION

The integrity of data provided to the Board of Governors is critical to the performance based funding decision-making process. The BOG has requested that an audit be conducted to evaluate the controls and processes established by state universities as part of its Strategic Plan and governance responsibilities. In addition, the BOG has requested that a data integrity certification form be signed by the president and BOT chair and submitted by March 2, 2020.

There were no reportable findings as a result of this audit.

IMPLEMENTATION PLAN/DATE

Not applicable

FISCAL IMPLICATIONS

University data integrity is foundational to fiscal accountability and critical to future BOG performance based funding of Florida's public universities.

Supporting Documentation: OIG Report FAU 19/20-1, Performance Based Funding Data Integrity as of November 30, 2019

Presented by: Ms. Stacy Volnick, VP of Administrative Affairs And Chief Administrative Officer **Phone:** 561-297-3450

FLORIDA ATLANTIC UNIVERSITY™

Office of Inspector General

Audit Report: *Performance Based Funding Data Integrity*

As of November 30, 2019

BOCA RATON • DANIA BEACH • DAVIE • FORT LAUDERDALE • JUPITER • PORT ST. LUCIE

REPORT ON THE AUDIT OF
PERFORMANCE BASED FUNDING DATA INTEGRITY

TABLE OF CONTENTS

2019 Performance-Based Funding Model Final Metric Score Sheet											
Scores in black are based on Excellence.					Scores in orange are based on Improvement.						
Metric	**FAMU**	**FAU**	**FGCU**	**FIU**	**FSU**	**NCF**	**UCF**	**UF**	**UNF**	**USF**	**UWF**
1	6	7	8	7	7	1	7	9	8	8	10
2	6	9	8	9	9	4	9	10	9	8	8
3	10	10	10	10	10	10	10	10	10	10	10
4	1	10	10	10	10	10	6	10	7	10	10
5	2	3	0	8	10	0	8	10	0	7	10
6	7	9	10	8	7	9	10	10	10	10	10
7	10	10	7	10	6	7	9	6	7	9	9
8.a	8	10	10	8	9		10	10	7	10	7
8.b						6					
9	10	8	8	7	10	10	9	10	10	10	10
10.a	10										
10.b		10	10	10							
10.c					10						
10.d						10					
10.e							10				
10.f								10			
10.g									10		
10.h										10	
10.i											10
Total Score	70	86	81	87	88	67	88	95	78	92	94

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

Metric 2 - Median Average Wages of Undergraduates Employed 1 Yr after Graduation

Metric 3 - Net Tuition & Fees per 120 Credit Hours

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

Metric 5 - Academic Progress Rate (2nd Year Retention with GPA above 2.0)

Metric 6 - Bachelor's Degrees Awarded in Areas of Strategic Emphasis (includes STEM)

Metric 7 - University Access Rate (Percent of Undergraduates with a Pell Grant)

Metric 8a - Graduate Degrees Awarded in Areas of Strategic Emphasis (includes STEM)

Metric 8b - Freshmen in Top 10% of Graduating High School Class

Metric 9 - Board of Governors' Choice (Percentage of Bachelor's Degrees Awarded Without Excess Hours)

Metric 10 - Board of Trustees' Choice (see detailed sheets)

MEMORANDUM

TO: Dr. John Kelly
        President

FROM: Stacy Volnick
        Interim Chief Audit Executive

DATE: January 16, 2020

SUBJ: PERFORMANCE BASED FUNDING DATA INTEGRITY AUDIT

In accordance with the University's Internal Audit Plan for fiscal year 2019-20, and at the request of the Florida Board of Governors (BOG), we have conducted an audit of the processes and controls that Florida Atlantic University has in place related to data submissions in support of the BOG performance based funding metrics as of November 30, 2019. The report contained herein presents our scope and objectives and provides comments and conclusions resulting from procedures performed.

Please call me if you have any questions.

cc: University Provost
        Vice Presidents
        University Chief Information Officer
        University Data Administrator
        FAU Board of Trustees
        Inspector General, Florida Board of Governors
        Florida Auditor General

Executive Summary

In accordance with the University's Internal Audit Plan for fiscal year 2019-20, and at the request of the Florida Board of Governors (BOG), we have conducted an audit of the University's processes and controls, which support data submitted to the BOG for its performance, based funding (PBF) metrics. This audit was part of a system-wide examination of data integrity based on data due to be submitted to the BOG as of November 30, 2019.

The primary objectives of this audit were to:

- Evaluate controls and processes established by the Office of Institutional Effectiveness and Analysis and primary data custodians to ensure completeness, accuracy, and timeliness of data submitted to the BOG; and,

- Provide a reasonable basis of support for the Performance Based Funding Data Integrity Certification statement that is required to be signed by the University president and Board of Trustees chair.

Audit procedures included, but were not limited to, the evaluation of internal controls as those controls relate to the accomplishment of the foregoing audit objectives, as well as limited compliance testing of data elements comprising the *Student Instruction*, *Degrees Awarded, Hours to Degree* and *Student Financial Aid* data files which are used in computations for Metrics 3 and 4 of the BOG performance based funding model.

Based on our observations and tests performed, we are of the opinion that the University's processes and internal controls for data compilation and reporting to the BOG are adequate. There were no findings or recommendations as a result of this audit.

FAU
FLORIDA ATLANTIC
UNIVERSITY

January 16, 2020

Dr. John Kelly
President
Florida Atlantic University
Boca Raton, Florida

Dear President Kelly:

SCOPE AND OBJECTIVES

At the request of the Florida Board of Governors, we have conducted an audit of the processes used by the University to ensure the completeness, accuracy, and timeliness of data submissions to the BOG. As part of this system-wide audit, we chose to focus on data elements supporting Metric #3: *Cost to the Student,* and Metric #4: *Four-Year First-Time-In-College Graduation Rate.*

The primary objectives of this audit were to:

- Evaluate controls and processes established by the Office of Institutional Effectiveness and Analysis and primary data custodians to ensure completeness, accuracy and timeliness of data submitted to the BOG; and,

- Provide a reasonable basis of support for the Performance Based Funding Data Integrity Certification statement that is required to be signed by the University president and Board of Trustees chair.

Our audit covered data submissions to the BOG through November 30, 2019. Detailed testing of data submitted to the BOG was limited to information found in the *Student Instruction (SIF), Hours to Degree (HTD)* and *Student Financial Aid (SFA)* files used for calculation of Metric #3 and *Degrees Awarded (SIFD)* file used for calculation of Metric #4. Elements located in data tables of these four files were tested on a sample basis for validation with information primarily recorded in the Banner Student System and other records such as scanned documents maintained in the University's virtual imaging system - VIP. Other relevant information reviewed for the audit included BOG narratives on PBF metric derivations, BOG data definitions, minutes of the University's data integrity committee, and documentation related to controls over centralized and decentralized data validation, compilation and submission protocols.

Our audit was conducted in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

BACKGROUND

The Florida Board of Governors has broad governance responsibilities affecting administrative and budgetary matters for Florida's 12 public universities. In January 2014, the BOG approved a performance funding model for the State University System of Florida (SUS) based on ten metrics, the first eight of which are common to all institutions and the last two reflecting the choices of the BOG and each university's board of trustees respectively. Listed below are the 10 performance based funding metrics, which are applicable to Florida Atlantic University for the 2019/20 scoring cycle:

1. **Percent of Bachelor's Graduates Employed (Earning $25,000 +) or Continuing their Education**
2. **Median Wages of Bachelor's Graduates Employed Full-time**
3. **Average Cost to the Student** (Net Tuition per 120 Credit Hours)
4. **Four Year Graduation Rate** (Full-time FTIC)
5. **Academic Progress Rate (Second Year Retention Rate with GPA Above 2.0)**
6. **Bachelor's Degrees Awarded in Areas of Strategic Emphasis**
7. **University Access Rate** (Percent of Undergraduates with a Pell grant)
8. **Graduate Degrees Awarded in Areas of Strategic Emphasis**
9. **Percent of Baccalaureate Degrees Awarded Without Excess Hours**
10. **Percent of Baccalaureate Degrees Awarded to Minorities**

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

Controls over Data Validation, Compilation, and Submission

The Florida Board of Governors maintains a student unit record database titled the State University Database System (SUDS). This database contains over 400 data elements about students, faculty and programs at SUS institutions. SUDS is part of a web-based portal developed by the BOG for the SUS to report data, and has centralized security protocols for access, data encryption, and password controls. Initial input of data files supporting PBF metrics is the responsibility of primary data custodians, such as the Admissions Office, Office of the Registrar, and Student Financial Aid, and is scheduled to be uploaded to SUDS based on the BOG's *Due Date Master Calendar*. Data uploaded to SUDS by various departments are subject to edit checks to help ensure propriety, consistency with BOG-defined data elements, and accuracy of information submitted. Once satisfied that any edit errors have been fully addressed, official submission of data files to the BOG is managed by the Office of Institutional Effectiveness and Analysis (IEA), a unit within the Office of Information Technology.

Each file submission by IEA is subject to an affirmation statement in SUDS, which declares that data submitted for approval "represents electronic certification of this data per Board of Governors Regulation 3.007". The University also requires an internal certification by departments when they upload data to SUDS. The internal certification is an email notification to IEA from the departmental data custodian manager, which states, "I certify that the approved business process for submission of the data file(s) has been followed and that the data submission is free from any major errors and accurate to the best of my knowledge."

2

Board of Governors acceptance of data submissions is a formal process which is documented in SUDS, and if a submission is rejected it will be subject to resubmission protocols established by the BOG.

Student Instruction, Hours-to-Degree, Student Financial Aid, and Degrees Awarded data submissions

As part of the audit, we chose to focus on Metrics 3 and 4 since both metrics are deemed moderate high risk in light of recent updated PBF methodologies by the BOG. The methodology for Metric #3 was recently updated to account for new third-party payments (Financial Aid). A third-party payment contract is a category of financial assistance in which a sponsor pays all, or a portion of a student's invoice directly to the institution (not the student) via a special billing process. The majority of third-party payments are related to the military. Regarding Metric #4, recent changes included clarification of the cohort year definition, and an update to the 4-year graduation rate methodology regarding cohort adjustments.

COMMENTS AND RECOMMENDATIONS

Current Findings and Recommendations

No findings were noted as a result of this audit.

Other Comments

In response to the 2019 Florida Legislature action that amended section 1001.7065 of the Florida Statutes to require the BOG to define the data components and methodology used to implement the annual evaluation for Preeminent State Research Universities, as defined in section 1001.7065 of the Florida Statutes. Each university that has been approved by the Board as a Preeminent Research University, or an emerging Preeminent Research University, is required to conduct, and submit, an annual audit to the BOG Office of Inspector General to verify that relevant data complies with the definitions and methodology for 12 Preeminence metrics. Florida Atlantic University was not classified as one of these designations; therefore, a Preeminence or Emerging Preeminence Data Integrity audit is not required.

Prior Audit Recommendations

Our examination generally includes a follow-up on findings and recommendations of prior internal audits, where the subjects of such findings are applicable to the scope of the current audit being performed.

Within the past three years, our office has conducted data integrity audits related to the BOG performance based funding model. There were no reportable findings in the prior year's audit and any audit recommendations reported in similar audits completed during the last three fiscal years were satisfactorily addressed with appropriate corrective action.

CONCLUSION

Based on our audit, we have concluded that the controls and processes that Florida Atlantic University has in place to ensure the accuracy and completeness of data submitted to the Board of Governors in support of performance based funding are adequate.

We believe our audit can be relied upon by the University Board of Trustees and president as a basis for certifying representations to the Board of Governors related to the integrity of data required for its performance based funding model.

We wish to thank the staffs of the Office of Institutional Effectiveness and Analysis, Office of the Registrar, and other primary data custodians for their cooperation and assistance, which contributed to the successful completion of this audit.

Stacy Volnick
Interim Chief Audit Executive

Audit performed by: Ben Robbins, CPA (N.C.)
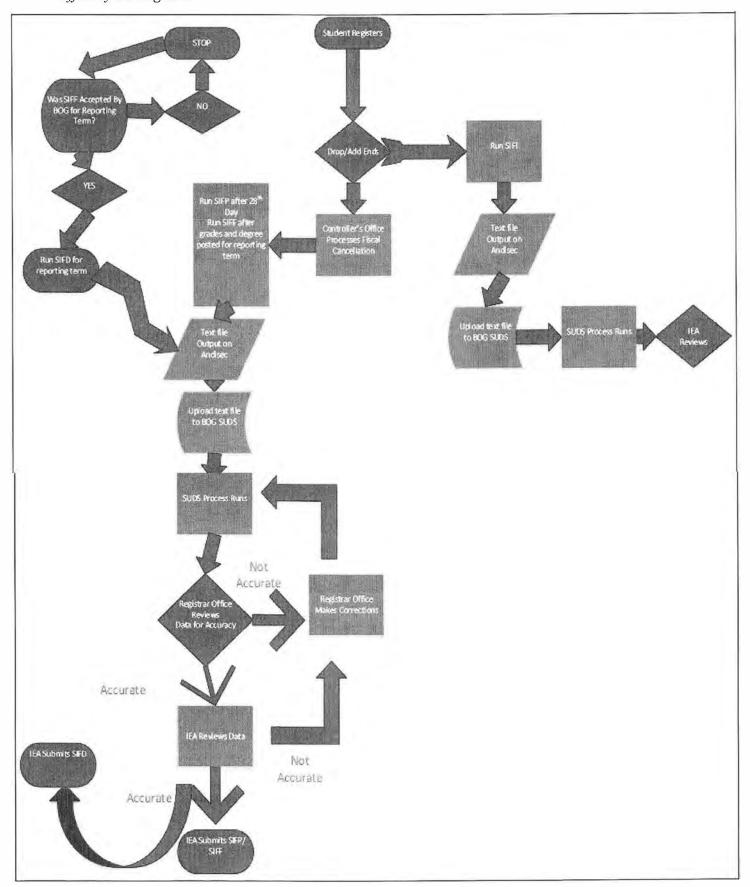   Allaire Vroman

Performance Based Funding Data Integrity Audit
11/30/2019

LIST OF REPORT APPENDICES

Performance Funding Metrics

Cost To The Student:

Net Tuition & Fees Per 120 Credit Hours

OVERVIEW

OF METHODOLOGY

AND PROCEDURES

REVISED 08/25/2019

STATE UNIVERSITY SYSTEM *of* FLORIDA
Board of Governors

Performance Funding Model Background

The Performance Based Funding (PBF) model was approved at the January 2014 Board of Governors Meeting. The development of the model included university presidents, provosts, boards of trustees, and other stakeholders starting in the fall of 2012. The PBF model includes ten metrics that were chosen from the Board's 2025 System Strategic Plan.

The integrity of data provided to the Board of Governors is critical to the PBF model process. To provide assurance that the data submitted for this process is reliable, accurate, and complete, the Board of Governors developed a Data Integrity Certification process in June 2014. University presidents and boards of trustees were directed to task their chief audit executives to perform annual audits of the university's processes, which ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors.

Cost per Degree Metric Background

The original Cost per Bachelor's Degree focused on the Cost to the Institution and was derived from university Expenditure Analysis reports. During the June 2015 Budget and Finance Committee meeting, Governor Kuntz indicated that the Board would take suggestions for a possible alternative methodology that would enhance how the Cost of a Bachelor's Degree was calculated. Board staff convened multiple conference calls with university representatives and included a face-to-face workshop meeting on March 29, 2016, which was attended by Board Chair Kuntz and Budget Chair Lautenbach to hear university proposals for alternative metrics. After reviewing all the proposals, the Board decided to use a Cost to the Student metric that was largely based on a 2013 report from the Cost-per-Degree Workgroup.[1]

This document provides details on the methodology and procedures used by Board of Governors staff to calculate the Cost to the Student: Net Tuition & Fees per 120 Credit Hours metric that was approved by the Board at its November 3, 2016 meeting.[2] The data for this metric is reported in the annual Accountability Report (Table 1D) and included within the PBF model as metric #3.

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[1] The 2013 report, *Cost of a Degree to the Student, the State & the Institution*, is available at:
http://www.flbog.edu/about/budget/docs/cost_per_degree/Cost-Per-Degree-Report-FINAL-06-03-2013.pdf.
[2] The November Board meeting includes an FAQ document that addresses many questions about the new metric and is available at: http://www.flbog.edu/documents_meetings/0202_1033_7800_7.4.4%20BUD%2004c%20-%20Metric3_FAQ_JJ_2016-10-11.pdf.

1. Data Sources and Procedures

The State University System of Florida Board of Governors maintains a student unit record database titled the State University Database System (SUDS). This database contains over 400 data elements about students, faculty and programs at SUS institutions. It is important to note that SUDS does not include student tuition, fee, or book payments, so this 'Cost to the Student' metric is based on a model that serves as a reasonable estimate of the costs to the student.

The Board of Governors' Office of Data & Analytics (ODA) calculate this metric from the following SUDS files: Student Instruction File (SIF), Student Financial Aid File (SFA), and the Hours to Degree (HTD) file. Once ODA staff have finished their analysis, each university Data Administrator leads the university review of the data analysis to make sure it is accurate before the data is approved by each university board of trustees and the Board of Governors as part of the Accountability Report process.

2. Overview

The 'Sticker Price' is the published tuition and fee amount; however, it does not represent the actual amount of tuition paid by most students. Students actually pay the 'net tuition' amount, which is the amount of tuition and fees that remain *after* financial aid has been taken into account.

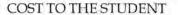STICKER PRICE — FINANCIAL AID = NET TUITION & FEES

3. Sticker Price

The sticker price refers to the sum of the published tuition and required fees amount per credit hour and the national average cost for books and supplies. Because this metric represents the cost of a degree, each institution's sum of tuition, fees, books and supplies is multiplied by the average number of credit hours attempted by students for the most recent class of bachelor's recipients who started as first-time-in-college students (FTICs) and graduated from a program that requires only 120 credit hours. This method recognizes that a student who enrolls in more credit hours pays more for tuition, fees and books.

a. Tuition and Required Fees:

The per credit hour tuition rate is established annually by the Florida Legislature in the General Appropriations Act (GAA). The Cost to the Student metric is based on the tuition rate for resident undergraduates and required fees (e.g., activity & service, transportation, health, technology, capital improvement, tuition differential, etc.) that have been approved by the Board of Governors at the request of the university boards of trustees. The tuition and fees used for this metric are available at: http://www.flbog.edu/about/budget/current.php.

b. Books & Supplies:

Textbook affordability is a concern of the Florida Legislature, the Governor, the Board of Governors and students. Board staff chose to use a national cost for books and supplies, as reported annually by the College Board,[3] as a proxy due to the lack of comprehensive data regarding book costs across the multiple sources used by students to acquire their course materials.
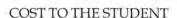
- The calculation of book costs is based on the costs for a 120-hour degree. The College Board's national average book cost is based on annual costs, so the average annual cost is multiplied by 4 to produce the book costs for a four-year, 120-hour degree. This new cumulative four-year cost amount is then divided by 120 to produce a 'per credit hour' cost amount.

- Due to the annual volatility of the national estimated costs for books and supplies, Board staff have decided to use the same data for book costs for the two years that are evaluated within the PBF model. This serves to standardize the book costs for the year-over-year improvement assessment.

c. Total Hours Attempted:

The average number of credit hours attempted by students who were admitted as FTIC and who graduated with a bachelor's degree from a program that requires 120 credit hours, as reported on the Hours to Degree (HTD) file.

- **Native Credits:** Includes all credit hours attempted at the state university from which the student received a baccalaureate degree, which is based on the sum of SECTION_CREDIT [#1459] when CRS_SYSTEM [#1484] = 'N--native'. Native credits include all failed, dropped, repeated, and withdrawals.
  - Board of Governors staff have clarified that graduate-level credit that is attempted for completion of a baccalaureate degree is included in the Cost to the Student metric. However, if graduate credit is attempted as part of a (3+2 or 4+1) dual bachelor's/master's degree, where the credit applies to both the undergraduate and graduate requirements, then it should be considered graduate degree coursework and is therefore excluded from the Cost to the Student metric. The exempted credits are based on the sum of SECTION_CREDIT [#1459] when COURSE_GROUP [#1485] = 'R'.

- **Non-Native Credits Used Toward the Degree:** Includes only the credit hours (sum of SECTION_CREDIT [#1459]) that are accepted for transfer by the degree-awarding institution (CRS_SYSTEM [#1484] <> 'N--native') and used toward the student's baccalaureate degree program (USAGE_INDICATOR [#1489] = 'D'). Transfer credits that were not used toward the degree are excluded from the calculation of total hours.

- **Excluded credit hours:** It is important to note that the courses that are excluded for the calculation of total hours for the Cost to the Student metric are slightly different than the methodology used to calculate the Excess Hours PBF metric. This difference is due to the fact that students pay for some courses (e.g., internships, remedial, and foreign language (up to 12 credits that are used to satisfy the FTIC admission requirement) that are exempt from the excess hours calculation. See Table 1 for the comparison of which course credits are included for the two metrics.

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[3] The College Board's *Trends in College Pricing* report (Average Estimated Full-Time Undergraduate Budgets, Figure 1), that is based on their Annual Survey of Colleges for public four-year institutions, is available at: https://trends.collegeboard.org/college-pricing.

Table 1. Comparison of Excluded Course Categories	
EXCLUDED FROM EXCESS HOURS	EXCLUDED FROM COST TO THE STUDENT
ACTIVE DUTY MILITARY	ACTIVE DUTY MILITARY
DUAL ENROLLMENT	DUAL ENROLLMENT
EXAM CREDIT	EXAM CREDIT
FOREIGN LANGUAGE	
GRADUATE ROLLOVER	GRADUATE ROLLOVER
INTERNSHIP	
LIFE EXPERIENCE	LIFE EXPERIENCE
MILITARY COURSE	MILITARY COURSE
PERSONAL HARDSHIP	PERSONAL HARDSHIP
REMEDIAL	

4. Financial Aid

Financial aid is an administrative tool for achieving federal, state and institutional goals. Financial aid is used by universities to offset the published tuition (or sticker) price as a way to recruit students based on merit and/or to change campus diversity. The "Cost to the Student" metric includes grants, scholarships, waivers and third-party payments awarded to resident undergraduates in a given academic year. The "Cost to the Student" metric does not include forms of self-help financial aid such as loans, work study programs, or Florida Prepaid College Plans. The total grants, scholarships, waivers and third-party payments are divided by the total credit hours earned by that same group of resident undergraduates during the same academic year. This methodology provides an average 'gift aid' per credit hour, which is then multiplied by 120 credit hours and compared to the sticker price. It is worth noting that federal 'education tax credits' are not collected within SUDS and not included in the data for the Cost to the Student metric. Therefore, this metric slightly over-estimates the total costs to students.

a. Resident Undergraduates:

The only financial aid data that is included in this "Cost to the Student" metric are funds that were awarded to resident undergraduate students (FEE CLASSIFICATION [#1106] = 'F', 'R', 'T' and STUDENT CLASS LEVEL [#1060] = 'L','U'). This group of students is selected from the enrollments table by academic year and then matched to the financial aid awards table and the courses taken table using a "left join" merge procedure that includes the academic term. Including "term" in the match ensures that the resulting gift aid and credit hours do not include data for graduate students (as some undergraduates become graduate students within the same academic year).

b. **Grants & Scholarships:**

Grants and scholarships are often called "gift aid" because they are free money—financial aid that doesn't have to be repaid. Grants are often need-based, while scholarships are *usually* merit-based. Grants and scholarships can come from the federal government, state government, university, or a private or nonprofit organization.

- All grants are included (Financial Aid Award Program Identifier [#1253] between '0 – 99').
- All scholarships are included (Financial Aid Award Program Identifier [#1253] between '200 – 299').

c. **Waivers:**

A waiver is a form of "gift aid" that allows for a portion of a student's tuition and fees to be reduced, or discounted. Using the same methodology as grants and scholarships, the total waivers awarded to resident undergraduates during an academic year are calculated. BOG staff worked with university Data Administrators and Financial Aid Directors to resolve any questions about the waiver data calculated for any university.

- Note: BOG staff are working with university staff in an effort to improve how waivers are reported in SUDS.

d. **Third-Party Payments [NEW]**

A third-party payment contract is a category of financial assistance in which a sponsor pays all, or a portion, of a student's invoice directly to the institution (not to the student) via a special billing process. These third-party sponsors are typically from government agencies, private companies, embassies, or service organizations. A majority of third-party payments are related to the military, including: the Department of Veterans Affairs (payments related to Chapters 31 and 33 of the GI Bill[4]); the Division of Vocational Rehabilitation (for veteran and civilian disabilities); Reserve Officers' Training Corps (ROTC) and the National Guard; and, the Education Dollars for Duty (EDD) scholarship program administered by the Florida Department of Military Affairs – see Section 250.10, Florida Statute. Third-party payments cannot be contingent on academic performance or employee reimbursement policies. These funds do not include university foundation funds, Florida Pre-Paid, or any other 529 savings plans that parents/students previously paid.

Note: Third-party payments were first included in SUDS queries for reporting AY2017-18 data. Since the Board office evaluates one-year improvement as part of PBF, Board staff requested an official ad hoc data request for the third-party payments that were gifted to resident undergraduates during the 2016-17 academic year.

e. **Credit Hours:**

The total credit hours attempted by the group of resident undergraduates during the academic year are included as a denominator in order to calculate the total gift aid amount per credit hour. All credit hours, regardless of the course budget entity, are included. The only exception is for courses which are taught at the institution reporting the credit but are funded through another SUS institution (STU_SECTN_FUND_CD= A-I, K). It should be noted that credit hours are based on student-level (not course-level), so any credit hours attempted at the graduate level by students coded as undergraduates are included in the count.

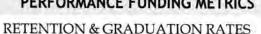[4] This does not include Chapter 35 benefits that are paid directly to the student.

Performance Funding Metrics
Retention and Graduation Rates

OVERVIEW

OF METHODOLOGY

AND PROCEDURES

REVISED 04/24/2019

STATE UNIVERSITY SYSTEM *of* FLORIDA
Board of Governors

Background

The national standard graduation rate was created by the Student Right to Know Act of 1990, which required institutions of higher education receiving federal financial assistance to report graduation rates to current and prospective students via the US Department of Education's Integrated Postsecondary Education Data System (IPEDS). This act established the graduation rate for first-time in college (FTIC) students based on 150% of the normal time for completion from the program - which is six years for a four-year program.

In 2011, the Board of Governors included retention and graduation rate metrics in its 2012-2025 System Strategic Plan. In 2014, the importance of the retention and graduation rate data was further elevated by their inclusion in a new Performance-Based Funding (PBF) Model. In 2018, the Florida Legislature changed the graduation rate metric included in PBF from a six-year to a four-year measure. This document provides details on the methodology and procedures used by Board of Governors staff during the analysis of the retention and graduation rate data as reported in the annual Accountability Plan and used in the Performance Based Funding model.

1. Overview of Data Sources & Procedure

The State University System of Florida Board of Governors maintains a student unit record database titled the State University Database System (SUDS). This database contains over 400 data elements about students, faculty and programs at SUS institutions. Retention and graduation rate data are finalized using the Retention submission. The Board's Office of Data & Analytics (ODA) unit builds the Retention file annually using data from the Admission (ADM), Student Instruction File (SIF) and the Degrees Awarded (SIFD) submissions that have been previously submitted by Institutional Data Administrators. Once Retention has been built, each Institutional Data Administrator reviews the Retention data and works with ODA staff to make edits before Institutional Data Administrators approve and submit the final data to ODA. After universities have approved the Retention submission, the Board's ODA staff analyze the number of students in a cohort (which serves as the denominator) and the number of those same students who are retained or graduated by a specified year (which serves as the numerator). ODA staff then provide the results of the retention and graduation rate data analysis to each Institutional Data Administrator for their review and approval prior to the data being shared with, and approved by, each university Board of Trustee and the Board of Governors as part of the Accountability Plan process.

2. Defining the Cohort

A cohort is a group of people used in a study who have something in common. In this case, a cohort is composed of students who were all admitted to the university during the same year. The number of students who are assigned to a cohort serves as the denominator in the calculation of retention and graduation rates. Institutional Data Administrators classify students based on the following components which Board staff use to determine student cohorts:

a. Student Level:

Only the students who meet the following criteria are included in the cohort.

- STUDENT CLASS LEVEL [#1060] is either L (lower division undergraduate) or U (upper division undergraduate).
- DEGREE HIGHEST HELD [#1112] must be less than a Bachelor's.
- FEE CLASSIFICATION KIND [#1107] must equal 'G' (general instruction).

b. Cohort Year:

A retention cohort year is defined as the summer, fall, and spring terms when DATE MOST RECENT ADMISSION [#1420] equals REPORTING TIME FRAME [#2001].

COHORTS	RECENT ADMIT DATE		
	SUMMER	FALL	SPRING
2016-2017	201605	201608	201701
2017-2018	201705	201708	201801
2018-2019	201805	201808	201801

Cohort Types:

The COHORT TYPE [#1429] is a derived element that is built by ODA staff and is based on the TYPE OF STUDENT AT TIME OF MOST RECENT ADMISSION [#1413] as assigned by the institution.

- First-Time in College Students include two types of students:
  - Students who are admitted into a university for the first time and who have earned less than 12 credit hours after high school graduation [#1413= 'B'].
  - Students who are considered 'Early Admits' because they have been officially admitted and are seeking a degree at the university prior to their high school graduation [#1413= 'E'].

- AA Transfer Students who have transferred from the Florida College System with an Associate in Arts Degree. This value is based on the three following elements:
  - TYPE OF STUDENT AT DATE OF ENTRY [#1068] or TYPE OF STUDENT AT TIME OF MOST RECENT ADMISSION [#1413] equals 'J'.
  - DEGREE HIGHEST HELD [#1112] equals 'A' (Associates).
  - LAST INSTITUTIONAL CODE [#1067] or INSTITUTION GRANTING HIGHEST DEGREE [#1411] must equal a Florida Public Community College.

- Other Transfer Students include all other undergraduate transfer students.

c. Student Right to Know Flag:

The STUDENT RIGHT TO KNOW (SRK) FLAG [#1437] is an entry status indicator that is a 'Yes/No' flag based on the term (Summer, Fall, or Spring) that a student is first admitted.

- YES: If a student enters the institution in the fall term the SRK flag will be set to 'Yes'. If a student enters the institution in the summer term and progresses to fall term, the SRK flag will be set to 'Yes'.

- NO: If a student enters in the summer term and does not progress to the fall term; or, if a student enters in the spring term the SRK flag will be set to 'No'.

d. Full-Time / Part-Time Indicator:

The FULL-TIME / PART-TIME INDICATOR [#1433] is an indicator based on the number of credit hours attempted (not earned) during their first fall term. A student entering in the fall and taking 12 or more credit hours will remain in the full-time category regardless of the number of credits taken in subsequent terms.

- This indicator is based on the CURRENT TERM COURSE LOAD [#1063] which is the number of hours enrolled/attempted during a term. This excludes courses that are audited and all credits awarded during the term through 'Credit by Examination'. Students completing prior term incompletes are not included unless they have registered and paid fees for the credits they are completing.

- This indicator is used in reporting retention and graduation data to the federal government - to IPEDS.

e. Cohort Revisions and Adjustments:

The US Congress and the US Dept. of Education allow institutions to make revisions and adjustments to their student cohorts. There is a difference between revising and adjusting a cohort. Revising a cohort means modifying the cohort data to reflect better information that has become available since the cohort was first reported. Adjusting a cohort means subtracting any allowable exclusions from the revised cohort to establish a denominator for graduation rate calculation. These cohort revisions and adjustments are typically the cause of the differences between historical and updated retention and graduation rates.

- Cohort Adjustment Flag [#1442] is a data element on the Retention Cohort Changes (RETC) table that is used by Institutional Data Administrators to indicate that a retention file record has been modified

based on a change in status of the student at the institution. Historically, this field was usually only populated for students for the six year cohort, but with the switch to the four year graduation rate, several institutions have started identifying cohort adjustments for multiple cohorts in a single retention submission.

- o Institutional Data Administrators identify the students who have died, suffered a permanent disability, left to serve in the Armed Services, left to serve in with Foreign Aid Service of the federal government (such as the Peace Corps), or left to serve on an Official Church Mission. These students are removed from the cohort and are not included in the retention and graduation rates.
- o Institutional Data Administrators also identify students who are officially admitted to an Advanced Graduate program (classified as 'P' or 'T') without earning a bachelor's degree. It is important to stress that this code cannot be used for students who are just seeking an Advanced Graduate degree – only students who have been formally admitted to the program and will not be earning a bachelor's degree can have this designation. Since these students will not earn a bachelor's degree, they can be removed from the FTIC cohort for the calculation of graduation rates.
  - When the 2018 Legislature changed the PBF graduation rate from six to four years effective immediately, the institutions did not have time to identify which students in their four-year cohorts had been officially accepted into advanced graduate programs, so the Board's Office of Data & Analytics made a temporary, one-year emergency methodological change to also exclude those students whose Degree Level Sought (#01053), during their fourth year, was identified as seeking a Pharmacy Degree ('W'). The graduation rates reported in the 2018 Accountability Plans used the temporary fix. The graduation rates reported in the 2019 Accountability Plans no longer used the temporary fix, which is why the historical rates for some institutions were revised in the 2019 Accountability Plans.
  - Finally, it is important to note that these Advanced Graduate students will not be removed from the Academic Progress Rate or Retention Rate calculations, as there is no reason why entry into an accelerated program would prohibit enrollment during the second fall term.
- o Information Adjusted by Correction (I) is used to revise the cohort type, SRK flag, or full/part-time indicator based on newly confirmed information (e.g., SSN change, new transcription info, etc...).

COHORT ADJUSTMENTS USED IN PBF METRICS

CATEGORIES	APR/RETENTION	GRAD RATES
Death (A)	Used	Used
Registered but never attended (B)	Used	Used
Totally/Permanently Disabled (D)	Used	Used
Serve in Armed Forces (F)	Used	Used
Federal Foreign Aid Service (eg, Peace Corps) (G)	Used	Used
Natural Disaster (K)	Used	Used
Official Church Mission (M)	Used	Used
Multiple Cohorts/Illegally Enrolled (Q)	Used	Used
Information Adjusted by Correction (I)	Used	Used
Pharmacy doctoral program (P)	Not used	Used
Advanced Graduate Program (T)	Not used	Used
Transfers (1, 2, 4)	Not used	Not used

3. <u>Calculating the Number Retained or Graduated</u>

a. Second Year Retention Rates

- **Cohorts:** The number of students in the cohort serves as the denominator for the retention rate, and is based on the following rules: Cohort Type= 'FTIC'; Student Right to Know (SRK)= 'Yes'; FT/PT Indicator= 'Full-time'.
  - ○ The methodology used for the Retention Rate in the annual Accountability Plans is different from what is reported to the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS). The primary difference is due to timing – the retention rate that is reported to IPEDS is based on preliminary enrollment data; whereas the retention rate in the annual Accountability Plan is based on final enrollment data.

- **Retained or Graduated:** The numerator for the retention rate includes two components: (1) the number of students in the cohort who are still enrolled during the second fall term, and (2) those students who graduated in their first year - prior to the start of the second fall term.

- **Grade Point Average:** A GPA criterion was added to the standard retention rate metric to gain a sense of how well students who were retained were actually doing in their courses. Board staff decided to use a cumulative GPA (at the end of the first year - before the second fall term) of at least 2.0 as a threshold because 2.0 is a commonly referenced measure of satisfactory academic progress that is a common eligibility threshold for financial aid eligibility. It is also important to know that FTICs who return for their 2nd fall with a first-year GPA above 2.0 are 8 times more likely to graduate within six years than students who begin their second Fall with a GPA of less than 2.0.

  - ○ The University GPA [#1801] element is included on the Enrollments table and provides a student's GPA for a given term as well as the cumulative GPA. Originally, the end of the first year cumulative GPA was based on data that was submitted <u>prior</u> to the second fall term. This process was complicated by timing issues due in large part to the fact that many grades were still incomplete during the summer term before the second fall term (usually due in mid-September). In order to create a smoother procedural flow, and fix timing issues caused by incomplete grades, the Board's Office of Data & Analytics worked with the Council of Data Administrators to revise the methodology to instead use the beginning of term data as reported in the second fall enrollment table (due late January). This new methodology was first implemented for the 2019 Accountability Plan, and was applied to the 2016-17 and 2017-18 cohorts to have a consistent year-over-year methodology for determining PBF 'Improvement points'. The revised GPA calculation is a simpler, more streamlined process that provides more accurate data. The detailed formulas used for calculating GPA are provided below:

  - ○ ORIGINAL END-OF-YEAR1 METHODOLOGY

  $$\frac{(GPA\_INST\_GRADE\_PTS\ [\#1086] + GPA\_TERM\_GRADE\_PTS\ [\#1090])}{(GPA\_INST\_HRS\ [\#1085] + GPA\_TERM\_CREDIT\_HRS\ [\#1088])}$$

  - ○ NEW BEGINNING-OF-YEAR2 METHODOLOGY

  $$\frac{GPA\_INST\_GRADE\_PTS\ [\#1086]}{GPA\_INST\_HRS\ [\#1085]}$$

b. Four Year FTIC Graduation Rates

- **Cohorts**: The number of students in the cohort serves as the denominator for the graduation rate. The denominator used in the calculation of the four-year FTIC graduation rate is based on the following: Cohort Type= 'FTIC' ('B' and 'E'), SRK= 'Yes', FT/PT Indicator= 'Full-time' only, and Cohort Adjustments.

- **Graduated**: The number of students in the cohort who graduated within four years (by the fourth summer term after entry) from the same institution serves as the numerator for the graduation rate. It is important to note that a small number of degrees are reported to SUDS after the degree was awarded – these are called 'late degrees'. The methodology for four-year graduation rates include these 'late degrees'; however, late degrees that haven't already been submitted on the SIFD must be submitted on the Retention submission to be included in the graduation rates.

- **Note about historic rates that change.** The table below provides a visualization showing the difference in reporting degrees awarded for graduation rates and academic year degree counts. The '+' symbol indicates when degrees are reported by institutions to the Board office by degree term (rows) and rept_time_frame (columns). Deg_Term indictes when the degree was awarded and rept_time_frame indicates when the institution reported that degree to the Board office. Degrees can be reported for previous terms, which is why each rept_time_frame reports degrees for multiple deg_terms.

  o The red box provides the logic on which degrees are counted for degrees reported in academic year 2016-17. The logic for reporting degrees in an academic year includes three degree terms (summer, fall, and spring) that is based on a 'summer to summer' rept_time_frame rule that excludes degrees if they are reported too late based on rept_time_frame.

  o Alternatively, graduation rates do not exclude 'late late' degrees, so each year historical graduation rates can change as 'late late' degrees are reported. In the table below, the blue horizontal line is the only criteria restricting degrees awarded for purposes of calculating a graduation rate that ends by summer 2017 (or, deg_term=201705).

  o The highlighted cells indicate which degrees were available for the 2016-17 Retention submission that were included in the 2013-17 graduation rate calculation – the yellow highlights would extend all the way back to the 201305 term if calculating the 2013-17 graduation rate. However, the 2017-18 Retention submission would also include any degrees awarded above the blue line that were not shaded yellow. These 'late late' degrees are not a large number but can change rates reported into the decimals.

DEG_TERM	REPT_TIME_FRAME						
	201605	201608	201701	201705	201708	201801	201805
201505	+	+	+	+	+	+	+
201508	+	+	+	+	+	+	+
201601	+	+	+	+	+	+	+
201605	+	+	+	+	+	+	+
201608	-	+	+	+	+	+	+
201701	-	-	+	+	+	+	+
201705	-	-	-	+	+	+	+
201708	-	-	-	-	+	+	+
201801	-	-	-	-	-	+	+
201805	-	-	-	-	-	-	+

Data Integrity Certification
March 2020

STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

University Name:____ Florida Atlantic University_____

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted **significant or material** audit findings.

Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making and Preeminence or Emerging Preeminence Status.	☐	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☐	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☐	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☐	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☐	☐	

Data Integrity Certification

Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications, processes, and data definitions provided by the Board Office.	☐	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☐	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☐	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☐	☐	
10. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.	☐	☐	
11. I recognize that Board of Governors' and statutory requirements for the use of data related to the Performance Based Funding initiative and Preeminence or Emerging Preeminence status consideration will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting data used for these purposes have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating the related metrics.	☐	☐	

Data Integrity Certification

Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit and the Preeminence or Emerging Preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.	☐	☐	
13. In accordance with section 1001.706, Florida Statutes, I certify that the audit conducted verified that the data submitted pursuant to sections 1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively], complies with the data definitions established by the Board of Governors.	☐	☐	

Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance Based Funding and Preeminence or Emerging Preeminence status (if applicable) is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors. Certification: _____ Date _____ 　　　　　　President
I certify that this Board of Governors Data Integrity Certification for Performance Based Funding and Preeminence or Emerging Preeminence status (if applicable) has been approved by the university board of trustees and is true and correct to the best of my knowledge. Certification: _____ Date _____ 　　　　　　Board of Trustees Chair