

**Performance Funding Indicators:
Summary and Staff Recommendation**

Following recommendations from the Business Advisory Council and action by the Commission on Higher Education, the Commission staff began a process of developing recommendations related to the indicators used in determining performance scores.

Each sector provided recommendations regarding indicators that were most appropriate to its mission. The staff forwarded these recommendations to Dr. Peter Ewell, Senior Associate with the National Center for Higher Education Managements Systems, for his comments. The staff then developed preliminary recommendations, circulated them, and met with institutional representatives for feedback on them. Following this additional input, the staff refined its recommendations for consideration by the Planning and Assessment Committee on December 7, 2000.

The current recommendations reflect what has been learned about performance measurement since 1996 when performance funding first went into effect. Experience with all of the indicators has demonstrated which ones are duplicative and could reasonably be combined with others and which should be effective measures that should be retained. In addition, some indicators that required policy changes or compliance with best practices have already been addressed and no longer require annual scoring. Based on the knowledge gained during four years of implementation, the staff, in consultation with the institutions, recommends changes to eliminate duplication among indicators, ease reporting requirements for institutions, reduce the total number of indicators that are scored annually, and tailor the measures more effectively to the missions of each sector and the strategic goals of each institution. Still represented would be all nine of the critical success factors identified in Act 359 of 1996, with each critical success factor measured by the most appropriate and effective indicators.

The staff recommendations will require revision of some of the current measures, the collection of some base line data, and possibly the overall scoring scheme. The details of those revisions are not presented here. Instead, following the Commission's consideration of the recommended indicators, the staff will work with the institutions to develop a time line for implementation, including the development of revised measures and the collection of supporting data. Two options will be considered in the time line: (1) immediate implementation of all feasible changes effective with the scoring process this spring and (2) implementation beginning next year impacting the scoring process in the spring of 2001.

ACTION: The staff recommends that the indicators listed below be used in assessing annual performance for performance funding, with the understanding that time lines will need to be developed for implementation and that for some indicators revised measures will also need to be developed.

SUMMARY OF RECOMMENDED PERFORMANCE INDICATORS BY CRITICAL SUCCESS FACTOR AND SECTOR				
RECOMMENDED INDICATORS BY CRITICAL SUCCESS FACTOR	RESEARCH INSTITUTIONS	TEACHING INSTITUTIONS	REGIONAL CAMPUSES	TECHNICAL COLLEGES
CRITICAL SUCCESS FACTOR 1, MISSION FOCUS				
1B, Curricula Offered to Achieve Mission	✓	✓	✓	✓
1C, Approval of a Mission Statement	✓	✓	✓	✓
Combined 1D, Adoption of a Strategic Plan to Support the Mission Statement, and 1E, Attainment of Goals of the Strategic Plan, to provide for a campus-specific indicator related to each institution's strategic plan	✓	✓	✓	✓
CRITICAL SUCCESS FACTOR 2, QUALITY OF FACULTY				
2A, Academic and Other Credentials of Professors and Instructors :	✓	✓	✓	✓
2A1, % headcount faculty teaching undergraduates meeting SACS requirements				☑
2A2b, % full-time faculty with terminal degrees (with refinements to this subpart to be considered)	☑	☑	☑	
2D, Compensation of Faculty	✓	✓	✓	✓
Average Compensation of All Faculty			☑	☑
2D1a Average Compensation of Instructors	☑	☑		
2D1b Average Compensation of Assistant Professors	☑	☑		
2D1c Average Compensation of Associate Professors	☑	☑		
2D1d Average Compensation of Professors	☑	☑		
CRITICAL SUCCESS FACTOR 3, CLASSROOM QUALITY				
3D, Accreditation of Degree-Granting Programs	✓	✓	✓	✓
3E, Institutional Emphasis on Quality Teacher Education and Reform		✓		
3E1, Program Quality – NCATE Accreditation		☑		
3E2a – Student Performance, Performance on Professional Knowledge Portion of National Teacher Examinations		☑		
3E2b – Student Performance, Performance on Specialty Area Portions of National Teacher Examinations		☑		
3E3a – Critical Needs, Percentage of Teacher Education Graduates in Critical Shortage Areas		☑		
3E3b– Critical Needs, Percentage of Teacher Education Graduates Who Are Minority		☑		
Further discussion of a "classroom quality" measure to apply in the future to the regional campuses.			FURTHER DISCUSSION	
CRITICAL SUCCESS FACTOR 4, INSTITUTIONAL COOPERATION AND COLLABORATION				
Combined 4A, Sharing and Use of Technology, Programs, Equipment, and Source Matter Experts Within the Institution, With Other Institutions, and with the Business Community, and 4B, Cooperation and Collaboration With Private Industry, defined tailored to each sector.	✓	✓	✓	✓
CRITICAL SUCCESS FACTOR 5, ADMINISTRATIVE EFFICIENCY				
5A, Ratio of Administrative Costs as Compared to Academic Costs	✓	✓	✓	✓
CRITICAL SUCCESS FACTOR 6, ENTRANCE REQUIREMENTS				
Combined 6A, SAT and ACT Scores of Student Body, and 6B, High School Class Standing, Grade Point Averages and Activities of Student Body	✓	✓	✓	

SUMMARY OF RECOMMENDED PERFORMANCE INDICATORS BY CRITICAL SUCCESS FACTOR AND SECTOR				
RECOMMENDED INDICATORS BY CRITICAL SUCCESS FACTOR	TEACHING SECTOR INSTITUTIONS	TECHNICAL INSTITUTIONS	REGIONAL CAMPUSES	TECHNICAL COLLEGES
CRITICAL SUCCESS FACTOR 7, GRADUATES' ACHIEVEMENTS				
7A, Graduation Rate	✓	✓	✓	✓
7A1a, 150% of Program Time	☑	☑		
Revised measure to use a "student success rate" to take into account in a single measure graduates, transfer students and those who continue to be enrolled			☑	☑
7B, Employment Rate for Graduates (requiring the measure to be defined)				✓
7C, Employer Feedback on Graduates Who Were Employed or Not Employed, (requiring the measure to be defined)				✓
7D, Scores of Graduates on Post-Undergraduate Professional, Graduate, or Employment-Related Examinations and Certification Tests	✓	✓	✓	✓
7E, Number of Graduates Who Continued Their Education, be applied for the regional campus sector as a sector-specific indicator focusing on the sector's mission, requiring the measure to be defined			✓	
CRITICAL SUCCESS FACTOR 8, USER-FRIENDLINESS OF THE INSTITUTION				
8C, Accessibility to the Institution of All Citizens of the State	✓	✓	✓	✓
8C1, Percent of headcount Undergraduate Students Who Are Citizens of SC Who Are Minority	☑	☑	☑	☑
8C2, Retention of Minorities Who Are SC Citizens and identified as Degree Seeking Undergraduate Students	☑	☑	☑	☑
8C3, Percent of headcount Graduate Students Enrolled at the Institution Who Are Minority	☑	☑		
8C4, Percent of Headcount Teaching Faculty Who Are Minority	☑	☑	☑	☑
CRITICAL SUCCESS FACTOR 9, RESEARCH FUNDING				
9A, Financial Support for Reform in Teacher Education, applied to the research and teaching sectors only	✓	✓		
9B, Amount of Public and Private Sector Grants, applied to the research universities as a unique sector indicator focusing on their mission.	✓			

Notes:

1) Indicators retained in these recommendations that are currently assessed as compliance indicators include 1C for all sectors and 1B for the regional and technical colleges. It is assumed that the suggested combined 4A/4B, would become a become a "scored" performance indicator. Currently, 4A and 4B are scored separately as compliance indicators.

2) Indicators retained in staff's recommendations and currently assessed either every 2 or 3 years include: 4A and 4B (currently assessed every 3 years) and 7B and 7C (currently assessed every 2 years).

3) Several of the recommended indicators require the development or refinement of the measure and/or standard before the measure could be used as suggested. Cases where there is currently no measurement that could be used until details are resolved include:

- 1 indicator (4A/4B) for Clemson and USC Columbia and the Teaching Sector Institutions;
- 4 indicators (4A/4B, 6A/6B, 7A, and 9A) for MUSC;
- 2 indicators (4A/4B and 7E) for the Regional Campuses; and
- 3 indicators (4A/4B, 7B, and 7C) for the Technical Colleges.

Cases where current measures could be substituted until recommended refinements to measures are resolved include:

- for the suggested combined measure for 1D and 1E for all institutions, the use of 1D and 1E as currently defined;
- for the suggested revised 2A2b for all institutions in the Research, Teaching and Regional Campuses Sectors, the use of 2A2b as currently defined;
- for the suggested 6A/6B combination for the Research, Teaching and Regional Campuses Sectors, the use of the current measures for 6A and 6B. (Note: As indicated above, MUSC is not currently assessed on 6A and 6B and a measure will have to be developed); and
- for the suggested 7A for the Regional Campuses and Technical Colleges Sectors, the use of 7A1a as currently defined.

SUMMARY OF THE NUMBER OF INDICATORS AND SUBPARTS RECOMMENDED FOR ASSESSMENT AS COMPARED TO THE NUMBER CURRENTLY MEASURED FOR ANNUAL SCORING PURPOSES:

Number of Indicators Measured (count of the ✓ in the table above):					
	Research		Teaching	Regional	Technical
	Clemson/USC C	MUSC			
Recommended	14	14	14	13	13
Current	34	28	33	26	27
Actual number of "points" measured (i.e., sum total of "single-part" indicators and the subparts measures for those with multiple parts):					
	Research		Teaching	Regional	Technical
	Clemson/USC C	MUSC			
Recommended	20	20	24	15	15
Current	57	42	56	41	37