

PERFORMANCE FUNDING PLAN

**AS RECOMMENDED BY THE
STEERING COMMITTEE
TO THE
COMMISSION ON HIGHER EDUCATION**

APRIL 4, 1997

Determination of Performance Score (Please refer to attached table)

- Institutions will report current status and propose annual institutional benchmarks
- Commission will develop sector averages/benchmarks and approve institutional benchmarks
- At end of the assessment period, institutions will report actual results
- Commission will evaluate results (range of 0 - 5) considering achievement of institutional benchmarks, comparison to other institutions' performance, and sector average and benchmark
- Indicator evaluations are totaled and divided by the maximum potential score (# of indicators x 5) to yield a performance percentage

Higher Education Performance Indicators - 1997-98

Rating Scale:

- Rating Scale:
- 1 - Non-Compliance
 - 2 - Needs Improvement
 - 3 - Satisfactory Progress
 - 4 - Meets Goal
 - 5 - Exceeds Goal

(Note: At the discretion of the Commission a score of 6 may be awarded for exemplary performance, or a 0 for non-compliance after a probationary period.)

Indicator Number & Description		Sector Average	Sector Benchmark	Beginning Institutional Average	Institutional Benchmark	Actual Performance	Commission Rating
1.	Mission Focus						
C.	Approval of a mission statement						
2.	Quality of faculty						
D.	Compensation of faculty						
3.	Instructional Quality						
A.	Class sizes and student/teacher ratios						
B.	Number of credit hours taught by faculty						
C.	Ratio of full-time faculty as compared to other full-time employees						
D.	Accreditation of degree granting programs						
4.	Administrative Efficiency						
A.	Percentage of administrative costs as compared to academic costs						
D.	Amount of general overhead costs						
5.	Entrance Requirements						
A.	SAT and ACT scores of student body						
D.	Priority on enrolling in-state students						
7.	Graduates' Achievements						
D.	Scores of graduates on post-graduate or employment-related examinations and certification tests						
F.	Credit hours earned of graduates						
8.	User-Friendliness of Institution						
C.	Accessibility to the institution of all citizens of the State						
9.	Research Funding						
B.	Amount of Public and Private Sector Grants						
Total Rating							
Maximum Potential Rating							
Performance Percentage							

Performance Rating Criteria

<u>Score</u>	<u>Description</u>
6	Exemplary Performance. Performance substantially exceeds institutional and sector benchmarks and represents extraordinary effort. (This is a "bonus" rating beyond the five point scale)
5	Exceeds goals: Performance is above institutional benchmarks.
4	Meets Goals: Performance meets institutional benchmarks
3	Satisfactory progress: Performance falls below institutional benchmarks, but represents progress towards goals.
2	Needs improvement: Performance falls below institutional benchmarks
1	Non-compliance: Performance falls substantially below institutional benchmarks
0	Non-compliance following a probationary period during which the institution continues to show no effort to improve. (This rating is below the five point scale)

Critical Success Factor: Mission Focus

Performance Indicator:

1 C APPROVAL OF MISSION STATEMENT

Measure: Mission statement with defined characteristics will be approved by the Commission on Higher Education on a five year cycle

1. C. Approval of a Mission Statement

Beginning Performance

Institution A	N/A
Institution B	N/A
Institution C	N/A

Sector Average	N/A
----------------	-----

Sector Benchmark	Yes
------------------	-----

Reported Data for Institution A

Beginning Performance	N/A
Institutional Benchmark	Yes
Year-end Actual Performance	Yes
Commission Rating	5

Note) For "Yes/No" indicators,
a "Yes" will generate a rating of 5, and
a "No" will generate a rating of 1

***Critical Success Factor:* Instructional Quality**

Performance Indicator:

**3D ACCREDITATION OF DEGREE-GRANTING
PROGRAMS**

***Measure:* Number of programs listed in the Inventory of Academic Programs holding accreditation from a recognized accrediting agency as a percent of the total number of programs listed in the Inventory of Academic Degree Programs for which accreditation is available.**

3. D. Accreditation of Degree Granting Programs

<u>Beginning Performance</u>	<u>Number of Accredited Programs</u>	<u>Number of Eligible Programs</u>	<u>Percent Accredited</u>
Institution A	25	25	100%
Institution B	25	28	89%
Institution C	15	18	83%
Sector Average	92%		
Sector Benchmark	100%		

Reported Data for Institution A

Beginning Performance	100%
Institutional Benchmark	100%
Year-end Actual Performance	100%
Commission Rating	5

Note) When an institution has earned the maximum possible score (eg: 100%), a rating of 5 will automatically be applied

***Critical Success Factor:* Research**

Performance Indicator:

**9B AMOUNT OF PUBLIC AND PRIVATE
SECTOR GRANTS**

Measure: The current year's grants (i.e. the total dollars received from public and private sector grants expended in State fiscal year for research, including federal and state grants, private gifts and grants, and local support, and excluding monies for financial aid, student scholarships and loans) divided by the weighted average of grant funding from the prior three years (weighted at 60%, 30%, and 10% from most recent year to least recent year respectively).

9. B. Research Funding

	Current Year's Funding (in Millions)	Weighted Average of Prior Three Years (in Millions)	Performance Ratio
<u>Beginning Performance</u>			
Institution A	40	38	105%
Institution B	45	40	113%
Institution C	50	40	125%
 Sector Average	 114%		
 Sector Benchmark	 115%		

Reported Data for Institution A

Beginning Performance	105%
Institutional Benchmark	110%
Year-end Actual Performance	105%
Commission Rating	2

Institution A

1 - Non-Compliance
2 - Needs Improvement
3 - Satisfactory Progress
4 - Meets Goal
5 - Exceeds Goal

Indicator Number & Description		Sector Average	Sector Benchmark	Beginning Institutional Average	Institutional Benchmark	Actual Performance	Commission Rating
1.	Mission Focus						
C.	Approval of a mission statement	N/A	Yes	N/A	Yes	Yes	5
2.	Quality of faculty						
D.	Compensation of faculty						5
3.	Instructional Quality						
A.	Class sizes and student/teacher ratios						5
B.	Number of credit hours taught by faculty						5
C.	Ratio of full-time faculty as compared to other full-time employees						5
D.	Accreditation of degree granting programs	92%	100%	100%	100%	100%	5
4.	Administrative Efficiency						
A.	Percentage of administrative costs as compared to academic costs						5
D.	Amount of general overhead costs						5
5.	Entrance Requirements						
A.	SAT and ACT scores of student body						5
D.	Priority on enrolling in-state students						4
7.	Graduates' Achievements						
D.	Scores of graduates on post-graduate or employment -related examinations and certification tests						4
F.	Credit hours earned of graduates						4
8.	User-Friendliness of Institution						
C.	Accessibility to the institution of all citizens of the State						4
9.	Research Funding						
B.	Amount of Public and Private Sector Grants	114%	115%	105%	110%	105%	2
Total Rating							63
Maximum Potential Rating							70
Performance Percentage							90%

Determination of Allocation (Please refer to attached Resource Allocation Plan package)

- Commission will calculate need based on a Mission Resource Requirements model which will consider mission, program mix, and size of respective institutions
- The Commission will create a pool of funds (up to a maximum of \$5 million) to be allocated for performance improvement projects.
- Actual appropriations are first divided by sector, based on sector share of total determined requirement
- Performance percentage is applied to institution's determined requirement, to yield an allocation amount

Resource Allocation Plan

"RAP" for FY 1997-98

***** All numbers on this page are fictitious and are provided
for the purpose of illustrating the process only. *****

Illustration of Weighting Approach with Performance Indicators Score ranging
from a 85% to 95%

line #	Institution	"\$4.6 million" Allocation Based on all institutions receiving 100% Preliminary Allocation (1)	Fictional Scores for illustration purposes only Perf. Indicators Score (2)	Performance Funding Allocation (3) (Column 1 times 2)	Weighted % (4)	25% of Excess Dollars for Improvement in Performance (Col. 1 minus Col. 3, times 25%) (5)	Excess Dollars (\$) Above Indicators & after Improvement (6)	Final Weighted Allocation (7) (Column 3 plus 6)
Research Sector								
1	Clemson Univ.	\$695,014	90%	\$625,512	27.1%		\$45,201	\$670,713
2	U.S.C. - Columbia	1,222,426	95%	1,161,305	50.4%		83,918	1,245,223
3	Medical Univ. of S. C.	<u>609,866</u>	85%	<u>518,386</u>	22.5%		<u>37,459</u>	<u>555,845</u>
4	Subtotal	2,527,306	90%	2,305,203	100%	55,526	166,578	2,471,781
Teaching University Sector								
5	The Citadel	103,818	85%	88,246	9.5%		6,402	94,648
6	Coastal Carolina Univ.	88,795	90%	79,915	8.6%		5,797	85,712
7	College of Charleston	240,011	95%	228,011	24.5%		16,541	244,552
8	Francis Marion Univ.	91,821	95%	87,230	9.4%		6,328	93,558
9	Lander Univ.	62,457	90%	56,211	6.0%		4,078	60,289
10	S. C. State Univ.	149,256	90%	134,330	14.4%		9,745	144,075
11	U.S.C. - Aiken	69,570	85%	59,134	6.3%		4,290	63,424
12	U.S.C. - Spartanburg	82,727	95%	78,591	8.4%		5,701	84,292
13	Winthrop Univ.	<u>133,172</u>	90%	<u>119,855</u>	12.9%		<u>8,695</u>	<u>128,550</u>
14	Subtotal	1,021,627	91%	931,523	100%	22,526	67,578	999,100
Regional Campuses Sector								
15	U.S.C. - Beaufort	17,521	90%	15,769	20.3%		1,324	17,092
16	U.S.C. - Lancaster	19,473	95%	18,500	23.9%		1,553	20,052
17	U.S.C. - Salkehatchie	15,282	85%	12,989	16.7%		1,090	14,080
18	U.S.C. - Sumter	28,654	90%	25,788	33.3%		2,165	27,953
19	U.S.C. - Union	<u>5,307</u>	85%	<u>4,511</u>	5.8%		<u>379</u>	<u>4,890</u>
20	Subtotal	86,237	89%	77,557	100%	2,170	6,510	84,067
Technical Colleges Sector								
21	SBTCE	989,830	90%	890,847	100.0%	24,746	74,237	965,084
22	Grand Totals	<u>\$4,625,000</u>		<u>\$4,205,130</u>		<u>\$104,967</u>	<u>\$314,903</u>	<u>\$4,520,032</u>

Notes:

- (1) Institutional needs illustration is based on national data.
- (2) All funds allocated to a particular sector remains within that sector.

**Commission on Higher Education
Mission Resource Requirement Model**

ALL
INSTITUTIONS*
5,913,158

Student Credit Hours & FTE Divisors

(Undergraduate: 30, Masters: 24, Doctoral: 18, Law: 28)

Total FTE Students 124,188

Total FTE Faculty 13,350

Average National Faculty Salaries, By Sector

Instructional Support Percentage, By Sector

Employers Contribution as a % of Salaries

Step 1 Instruction \$613,145,410

**Steps 2 - 7 (Unrestricted E & G Expenditures Per FTE by Sector, using
Intergrated Postsecondary Education Data System - IPEDS)**

2 Research 46,287,785

3 Public Service 35,605,306

4 Libraries 39,018,637

5 Student Services 78,082,319

6 Administration 237,582,295

7 Physical Plant 95,329,639

Step 8 TOTAL Educ. & General Cost (Lines 1-7) \$1,145,051,391

Step 9 Revenue Deduction (Student Portion) (307,064,484)

Step 10 State Support Needs Amount (Line 8 & 9) \$837,986,907

Medical Entities (Estimated Formula) 158,666,637

Grand Total \$996,653,544

**Excludes AHEC*

Schedule I

**SC Commission on Higher Education
Calculations of "National Amounts Per Student"**

Research University Sector

	NCES Data	Unrestricted Percentage	Adjusted Amount	HEPI Inflation	Final Adjusted Amount
Research	3,781	25%	946	109.7%	1,038
Public Service	1,400	53%	739	109.7%	811
Libraries	495	94%	466	109.7%	511
Student Services	625	98%	615	109.7%	675
Administration	\$2,227	98%	\$2,192	109.7%	\$2,404
Physical Plant	1,220	100%	1,218	109.7%	1,336

Teaching University Sector

	NCES Data	Unrestricted Percentage	Adjusted Amount	HEPI Inflation	Final Adjusted Amount
Research	1,136	14%	163	109.7%	179
Public Service	506	22%	110	109.7%	121
Libraries	343	98%	336	109.7%	368
Student Services	757	98%	740	109.7%	812
Administration	2,224	99%	2,202	109.7%	2,416
Physical Plant	1,035	100%	1,032	109.7%	1,132

University Branches Sector

	NCES Data	Unrestricted Percentage	Adjusted Amount	HEPI Inflation	Final Adjusted Amount
Research	9	6%	0	109.7%	1
Public Service	129	33%	43	109.7%	47
Libraries	125	100%	125	109.7%	137
Student Services	577	100%	577	109.7%	633
Administration	1,156	100%	1,156	109.7%	1,268
Physical Plant	562	100%	562	109.7%	617

Technical Colleges Sector

	NCES Data	Unrestricted Percentage	Adjusted Amount	HEPI Inflation	Final Adjusted Amount
Research	9			109.7%	
Public Service	129			109.7%	
Libraries	125	87%	109	109.7%	120
Student Services	577	70%	406	109.7%	445
Administration	1,156	91%	1,047	109.7%	1,149
Physical Plant	562	100%	560	109.7%	615