



State Council of  
Higher Education for Virginia

# Higher Education Advisory Committee: Performance Measures Workgroup Preliminary Recommendations

Council of Higher Education for Virginia

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# HEAC Responsibilities

**Establish a workgroup consisting of representatives of the bodies listed in the Act (*Chairs of the House Committees on Appropriations and Education and the Senate Committees on Finance and on Education and Health, or their designees, representatives of public institutions of higher education in the Commonwealth, and such other state officials as may be designated by the Governor*) to be responsible for making recommendations to the Advisory Committee by mid-2012:**

- state goals and objectives each public institution of higher education should be expected to achieve, and
- objective criteria for measuring educational-related performance with regard to those goals and objectives, including incentive performance, and
- the benefits or consequences for meeting or not meeting those goals and objectives, including incentive performance benefits.



# Other States & Best Practices

- Secretary of Education, SCHEV staff, VBHEC representatives, and money committee staff met with staff from HCM Strategists and the Lumina Foundation.
- The Lumina Foundation provides financial support for the HCM Strategists' Productivity Strategy Labs which provides "policymakers with the opportunity to connect with peers from other states to share, identify, and pursue solutions to ensure that more students complete within existing resources."
- The intent of the daylong meeting was to share what Virginia is doing and understand approaches by other states.

# Performance Measures Workgroup

## Institutions

- **Presidents**
  - Rick Hurley (UMW)†
  - Keith Miller (VSU)†
- **Academic Officers**
  - Sandy Huguenin (UVAW)
  - Susan Wood (VCCS)\*
- **Financial Officers**
  - Bob Green (VMI)
  - Dwight Shelton (VT)\*
- **Institutional Research**
  - Alona Smolova (NSU)
  - George Stovall (UVA)\*

## Administration/GA

- **DPB\***
  - Scott Sandridge
  - Ruth Anderson
- **GA Money Committees**
  - April Kees (SFC)\*
  - Tony Maggio (HAC)\*
- **SCHEV Staff\***
  - Jim Alessio
  - Beverly Covington
  - Diane Vermaaten

† HEAC member

\* HEAC representation



# Survey Results

## ■ **Current performance measure process**

- Too complex, too many measures, difficult to contextualize, targets/thresholds discourage risk-taking
- Biennial review with annual updating
- 50/50 split on whether target/threshold approach is appropriate
- Institutions should be required to meet some, but not all, measures for certification
- The process should allow for remediation and follow-up instead of automatic failure
- The loss of financial benefits are appropriate consequences as long as institutions are first given an opportunity to take corrective action
- There should not be statewide numeric goals other than the 100,000 degrees by 2025
- “Maintenance of effort” should be balanced against achievement of other objectives

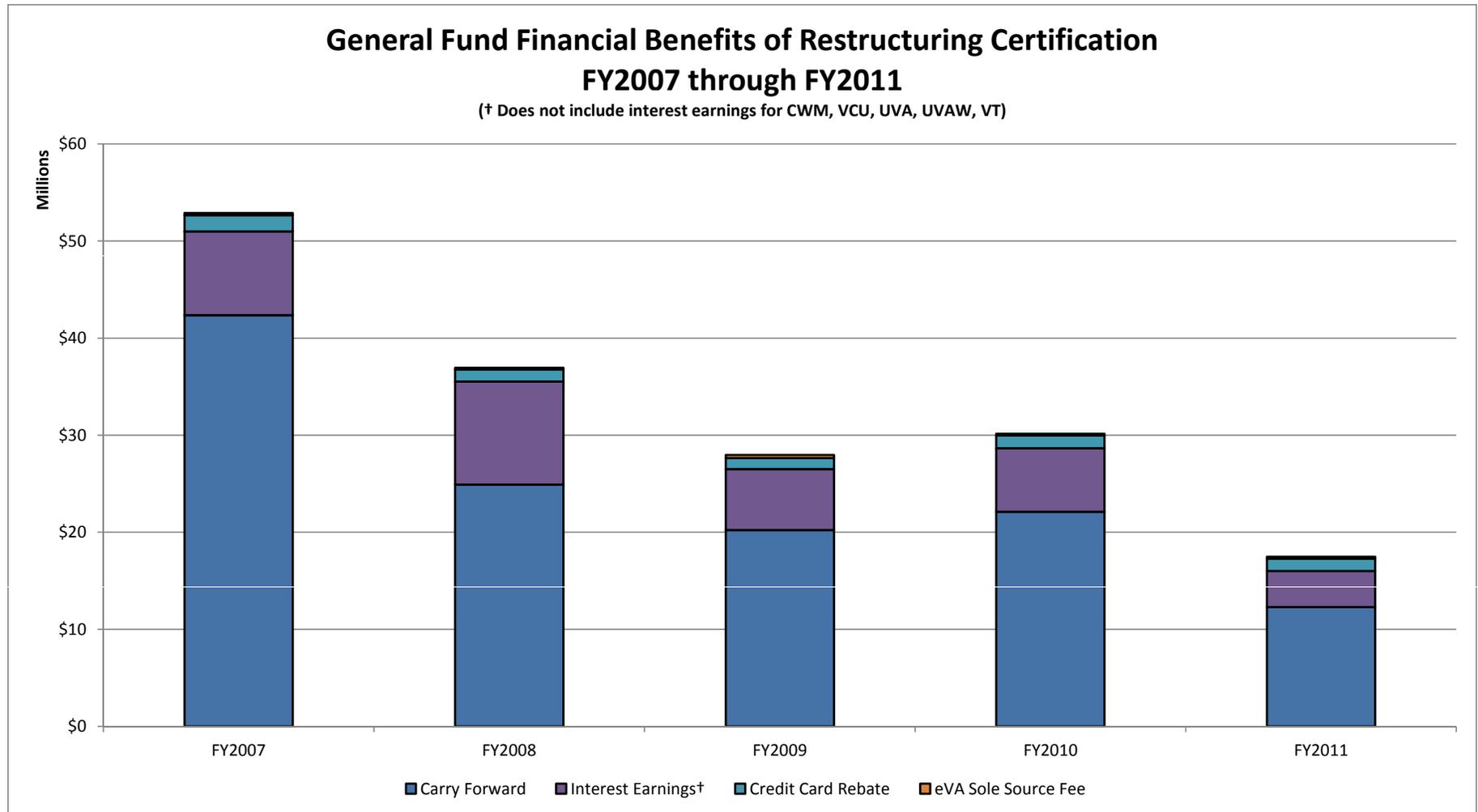
# Recommendations

- Eliminate the current certification process
- Move to a biennial review of performance
- Incorporate performance measures into the Six-Year Planning process
- Use performance metrics as a basis for “targeted economic and innovation incentive” funding

# Eliminate the current certification process

- Restructuring financial benefits are not an effective incentive

# Impact of Financial Benefits



# Eliminate the current certification process

- Restructuring financial benefits are not an effective incentive
- TJ21 added several funding sources
- Certification and the financial benefits do not enhance TJ21 initiatives – they are an added layer that is not necessary
- TJ21 incentives are focused and provide a better means to foster change



# Move to a biennial review of performance

- Annual reviews do not adequately show the impact of institutional change.
- There is a lag between the implementation of a change initiative and a change in the performance metric.
  - For example, an initiative to improve graduation rate might begin with an entering class and take four or more years before the performance metric shows a significant change.
- Improvement of a performance metric should be measured over more than one year.



# Incorporate performance measures into the Six-Year Planning process

- Performance measures should be presented and evaluated in the context of institutional plans.
  - How is the institution approaching metric improvement?
  - What are the challenges?
  - How will the institution deal with the challenges?
- Improvement should be integrated into the institution's strategic direction.
- Six-Year Plans provide a contextual framework for improvement.



# Performance Metrics Become the Basis for Incentive Funding

- Performance would be rigorously evaluated as part of the Six-Year Plan review process.
- The review group represents the key financial decision makers – GA, Administration, and SCHEV.
- The review group would make incentive funding recommendations to their respective bodies.
- The recommendations would include initiatives that should receive funding and initiatives that should not receive funding based on institutional performance of key metrics.

# Performance Metrics

- Four key areas outlined in TJ21:
  - Access
  - Affordability
  - Production
  - Efficiency
- Two levels of measures
  - State-wide – apply to all institutions
  - Mission-specific – unique to institutions

# State-Wide Performance Measures

- Number of Virginia Associate and Bachelor degrees
  - Total
  - STEM-H
  - Underrepresented
- In-state undergraduate enrollment
  - Headcount
  - FTES
- In-state undergraduate graduation rates
- Number of two-year transfers
  - Total
  - GAA
  - Underrepresented
- Indebtedness of in-state undergraduate degree recipients
- Student costs and financial aid by income levels
- Revenues per degree



# Mission-Specific Performance Measures

- Degree completion of Virginians who have partial credit
- Veteran and current military enrollments
- Technology enhanced instruction
- Innovation and continuous improvement
- Research and collaboration promoting outside investment in Virginia
- Operational efficiencies
- Optimal year-round utilization of resources
- Number of dual enrollments – two-year institutions



# Consequences

- Institutions that do not improve – or maintain for some institutions/metrics – would be required to submit a remediation plan as part of their Six-Year Plan.
- Failure to improve based on the remediation plan could result in suspension of further incentive funding.
- The status of ‘improvement’ versus ‘maintenance’ of a metric would be determined by the Six-Year Plan review group.
- The determination of which mission-specific measures are appropriate for an institution would be determined by the Six-Year Plan review group.



# Summary

- The emphasis shifts from Institutional Performance Standards, certification, and selected financial benefits to the major objectives of TJ21 and incentive funding.
- Measures consistent with TJ21 objectives
- Measurement, review, and evaluation are integrated into the Six-Year Planning process.
- Representatives of the major funding stakeholders manage the process.



# Next Steps

- Adjust/refine recommendations in light of discussion and feedback from HEAC.
- Review and discussion among institutional representatives – Presidents, Academic Officers, Finance Officers, Institutional Research staff.
- Present final recommendations to HEAC on August 27.



# Timeline

- July 30 – IPAC update/discussion
- August 27 – HEAC final recommendations
- August 27 – GPAC update/discussion
- September 7 – HEAC final recommendations forwarded to SCHEV
- September 12 – FAC update/discussion
- September 14 – IPAC update/discussion
- September 24 – SCHEV & GPAC review/discussion of HEAC recommendations
- September 25 – SCHEV review of HEAC recommendation
- October 12 – IPAC update/discussion
- October 22 – GPAC update/discussion
- October 24 – FAC update/discussion
- October 30 – SCHEV final recommendations to Governor and General Assembly