

## **Performance Funding Standards 1997-98 through 2001-02**

### **EXECUTIVE SUMMARY**

The performance funding program in Tennessee dates back to the mid 1970's. The program has a long history of success in the state and has been the focus of much national attention over the two decades of its existence.

Tennessee's vision of performance funding supplements objective formula funding by focusing on rewarding institutional performance. The program's incentive based funding approach has resulted in substantive improvements in academic programs and services which benefit students enrolled at public institutions.

The program measures each institution on a set of quantitative outcomes-based standards. It has resulted in:

- Improvements in student's scores on national exit examinations of general education outcomes as well as major field test scores;
- Exceptionally high job placement rates for two-year institutions that are the envy of other states;
- Assessment based improvements which have fostered more comprehensive and responsive college planning processes through building an assessment infrastructure on each college campus;
- Careful review of each academic program for effectiveness on a regular basis; and
- Feedback on student and recent alumni satisfaction with the institution's academic programs and services.

Under the performance funding program, institutions can earn up to **5.45%** over their operating budget. This incentive funding has been used to improve the quality of an institution's programs and services. The program is reviewed every five years by institutional representatives, governing boards and the Commission for needed modifications.

Since the program's inception in 1979, over one-quarter of a billion dollars have been earned by institutions through successful achievement of measurable performance outcomes.

The following page shows a summary of the performance standards and point distribution for universities and two-year institutions that will be measured from 1997-98 through 2001-02.

<u>Performance Standards</u>	<u>Points</u>	
	<u>Univ.</u>	<u>2 Yr.</u>
<b>Standard 1 - Academic Performance: General Education</b>		
1.A. Foundation Testing of General Education Outcomes	15	15
1.B. Pilot Evaluations of Other General Education Outcome Measures	10	10
<b>Standard 2 - Academic Performance: Major Fields</b>		
2.A. Accreditation of Academic Programs	15	10
2.B. Program Review	20	10
2.C. Major Field Assessment	15	15
<b>Standard 3 - Student Success and Satisfaction</b>		
3.A. Enrolled Student or Alumni Survey	10	10
3.B. Retention/Persistence	5	5
3.C. Job Placement (two-year institutions only)		15
<b>Standard 4 - State and Institutional Initiatives</b>		
4.A. Institutional Strategic Plan Goals	5	5
4.B. State Strategic Master Plan Goals	<u>5</u>	<u>5</u>
<b>Total Points</b>	100	100

## **GENERAL PROVISIONS**

1. These standards and provisions shall apply to all public universities, community colleges, and technical institutes in Tennessee.
2. Each institution shall annually conduct the assessment activities required by the standards and shall report the results to its governing board and, through it, to the Tennessee Higher Education Commission.
3. Reports are due to the governing boards by July 1 of each year and to the Commission by August 1.
4. All sampling plans must be submitted to and approved by the Commission and governing boards.
5. Data and other information will be submitted in formats provided by the Commission.
6. All information requested as additional documentation in these standards will be included with an institution's completed Performance Funding Annual Reporting Template. This information (if text files or documents) should be included as an electronic word processing file in either WordPerfect or Microsoft Word format. Any spreadsheets should be included with the template as well (e.g., major field test results) in Microsoft Excel format.
7. Final responsibility and authority for implementation of these standards reside with the Tennessee Higher Education Commission.

## Standard 1 - Academic Performance: General Education

### 1.A FOUNDATION TESTING OF GENERAL EDUCATION OUTCOMES

**Points:** 15 points

**Purpose:** Standard 1A is designed to provide incentives to an institution for improvement in the quality of its undergraduate general education program as measured by the performance of graduates on an approved standardized test of general education.

**Evaluation:** Foundation testing is measured by the performance in mean score of an institution's students. National norms will be drawn from the same population as the institution, e.g., for two-year institutions, the national norm will be drawn from all two-year institutions utilizing the particular instrument chosen by the institution.

#### **Processes:**

1. Testing instruments will be chosen before the beginning of the cycle from either the ACT COMP or College BASE. The instrument chosen will be used by the institution throughout the five-year cycle.
2. Testing for this standard will be applied to all undergraduates seeking associate degrees or baccalaureate degrees whether in traditional degree programs or in career training programs.
3. Testing will be applied to students of all ages graduating in all terms of the year (summer, fall, and spring terms). International students for whom English is not their native language should not be included in calculations and should not be tested.
4. Institutions which graduate more than 500 students in any year may apply to the Commission, through the respective governing boards, for permission to test a representative sample of graduates. Request for this permission should demonstrate that the sample will be statistically representative of the institution's graduates. The request must be approved by the governing boards and Commission. At least 20% of the graduates must be tested if an institution chooses to sample, but in no case should fewer than 500 students be tested. Where all students are tested, exception for individual students (for good cause) may be approved by the chief academic officer. Exceptions should not be approved for simple inconvenience.
5. Institutions that do not sample may exclude some of their graduates from foundation testing to be used in pilot evaluations of Standard 1B.
6. A copy of the letter from the testing company must be included with the Performance Funding Annual Reporting Template.

**Scoring:** [See Appendix A for scoring at institutions not participating in Standard 1B]

There are three methods for scoring performance on this standard. The method which results in the largest point award to the institution is used. No institution may receive more than 15 points on this standard in any given year of the cycle.

*Option 1 - Comparison to national norms and trends of the institutional score*

1. Compare the current test score to the national norm score to establish base points. If the test score is at or above the national norm score, the institution receives 11 base points. If the test is below the national norm, the institution receives 8 base points.
2. The base points are increased or decreased if there is a *notable change* in the current test score. *For purposes of this standard, a notable change is indicated if the current test score has changed by 0.5 points on the ACT COMP or 2 points on the College BASE.*

- In year 1, compare the current test score to the most recent test score and if the change is notable, add 1 point to the base points if the change is an increase; subtract one point if the change is a decrease.
- In years 2-5 of the cycle, compare the current test score to the most recent score in the cycle which shows a notable change, add one point to the previous year's points if the change is an increase; subtract one point from the previous year's points if the change is a decrease.

*Option 2 - Comparison with the previous cycle and subsequent changes in test scores*

In the first year of the cycle, comparison is made to prior cycle performance.

1. Average the points received from the previous cycle of performance funding and multiply by 1.5 to establish the base points (e.g., 9 point average would convert to 14 points).
2. Compare the current score to previous scores using the notable change criteria (as defined above):
  - In year 1, compare the current test score to the most recent test score and if the change is notable, add one point to the base points if the change is an increase; subtract one point if the change is a decrease.
  - In years 2-5 of the cycle, compare the current test score to the most recent score in the cycle which shows a notable change, add one point to the previous year's points if the change is an increase; subtract one point from the previous year's points if the change is a decrease.

*Option 3 - Comparison of test scores to percentile ranking*

If an institution's current test score is at or above the 65<sup>th</sup> percentile compared to the national norm score, then the institution is awarded the full 15 points. However, if the institution's score at any time drops below the 65<sup>th</sup> percentile, then scoring will proceed as in Option 1 or Option 2.

## **1.B PILOT EVALUATIONS OF OTHER GENERAL EDUCATION OUTCOME MEASURES**

**Points:** 10 points

**Purpose:** Standard 1B is designed to provide incentives for experimentation into better ways of evaluating the quality of the undergraduate general education program. The pilot evaluation must be a measurement of the performance of associate and/or baccalaureate graduates other than the ones used in foundation testing (Standard 1A).

**Evaluation:** Institutions may choose to research other means of evaluating general education outcomes. Some examples are provided below. These projects may be done cooperatively across institutions and/or systems.

- Other nationally standardized tests (e.g. ETS Tasks in Critical Thinking),
- Writing samples,
- Rising Junior evaluations,
- Other validations of general education.

Institutions choosing not to pilot any alternative general education measures will have their entire points for this standard awarded based on their performance on the foundation testing (Standard 1A).

**Processes:**

1. Institutional participation in the pilot evaluation is optional. However, if an institution has no pilot project in progress for a given cycle year, all points for this standard will be based on the foundation testing performance.
2. Institutions that do not sample in Standard 1A may exclude some of their graduates from foundation testing of Standard 1A to be used in pilot evaluations of Standard 1B.
3. When sampling from the graduates population, institutions must use valid sampling procedures. These procedures must be approved by the Commission and governing board staff prior to beginning the pilot evaluation.
4. When developing their pilot evaluations, institutions should look to the feasibility of their project on a state-wide basis.
5. An outline of the proposed pilot evaluation (including the sampling plan) must be submitted to governing board and Commission staff prior to the start of the project.

**Scoring:** Scores will be determined by successful completion of the testing and distribution of the results. To receive full points an institution must:

1. In the first year of participation, institutions may submit their pilot evaluation plans for the cycle in order to receive points. However, institutions are encouraged to submit these plans prior to the start of the cycle. If an institution participates in the ACT regional pilot sponsored by SREB during the first year of the cycle, then they may submit their subsequent evaluation plans in the second year of the cycle.
2. In each succeeding year of participation, an institution must submit a brief executive summary progress report on the pilot effort. This executive summary must be included with the institution's completed reporting template as an electronic document in WordPerfect or Microsoft Word format.
3. In the final year of the pilot effort, an institution must submit a final analysis of their pilot project. This report should include relevant statistics and conclusions drawn from the pilot as well as potential adaptability and feasibility for state-wide testing. This report must be included with the institution's completed reporting template as an electronic document in WordPerfect or Microsoft Word format.

**STANDARD 2 - ACADEMIC PERFORMANCE: MAJOR FIELDS****2.A ACCREDITATION OF ACADEMIC PROGRAMS**

**Points:** 15 points for universities; 10 points for two-year institutions

**Purpose:** Standard 2A is designed to provide incentives for institutions to achieve and maintain program accreditation.

**Evaluation:** Evaluation will be based on the percentage of eligible programs which are accredited.

**Processes:**

1. Only programs which appear on the Tennessee Higher Education Commission Program Inventory are eligible under this standard. Options, concentrations, or other sub-majors are not covered under this standard even if separately accredited.
2. A program is defined as eligible if there is a recognized agency which accredits programs for that field and degree level. Commission staff will maintain a list of approved accrediting agencies. The Commission reserves the right to determine if accreditation by any agency is

consonant with individual missions of institutions and/or the state's master plan for higher education.

3. Institutions or groups of institutions may petition the Commission through their respective governing boards for agencies to be included on, or excluded from, the approved list. An agency may be added or deleted upon affirmation by a majority of institutions affected by the nominated agency.
4. All institutional programs will be considered for this standard, with the following exceptions:
  - Programs that have been approved by the Commission for fewer than five years, unless the program is accredited by a recognized agency;
  - Programs that have been terminated or are being phased out by governing board action;
  - Programs that have been placed on "inactive" status by the governing board;
  - Programs that are accreditable by any agency that received recognition by the state fewer than five years before; or
  - Programs that have obstacles to accreditation because of program organization or curriculum.
5. Proposals for changes in eligibility of programs must be submitted to Commission staff by January 1 of each year of the cycle.
6. If multiple programs are accredited by a single agency, each program counts separately for this standard.
7. A program eligible for accreditation by more than one agency will be counted only once for this standard, although all accreditation must be reported so that the Commission's inventory may reflect accurate accreditation data.

**Scoring:** The number of accredited programs will be divided by the total number of accreditable programs to calculate the overall accreditation percentage. This percentage is used to generate points for this standard based on Table 2A-1 for universities or Table 2A-2 for two year institutions.

Table 2A-1

Percent Accredited	Below 70%	70% to 71%	72% to 73%	74% to 75%	76% to 77%	78% to 79%	80% to 81%	82% to 83%	84% to 85%	86% to 88%	89% to 91%	92% to 93%	94% to 95%	96% to 97%	98% to 99%	100%
Points	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Table 2A-2

Percent Accredited	Below 70%	70% to 74%	75% to 78%	79% to 81%	82% to 84%	85% to 87%	88% to 90%	91% to 93%	94% to 96%	97% to 99%	100%
Points	0	1	2	3	4	5	6	7	8	9	10

## 2.B PROGRAM REVIEW

**Points:** Universities - 10 points for undergraduate and 10 points for graduate programs  
Two-Year Institutions - 10 points

**Purpose:** Standard 2B is designed to provide incentives for institutions to improve the quality of their non-accreditable undergraduate and all graduate programs as evaluated by external reviewers.

**Evaluation:** For non-accreditable undergraduate programs, evaluation will be measured by the percentage of successful standards of the total number of standards.

For graduate programs, evaluation will be based a set of objective and qualitative standards. Institutions will evaluate each eligible program at least once during its evaluation cycle.

**Processes:**

*Non-Accreditable Undergraduate Programs*

1. External review of programs will be according to standards established by governing board and Commission staff in consort with appropriate campus personnel.
2. External reviews must be conducted by at least one qualified out-of-state consultant selected through a process which has received prior approval from board and Commission staff. Selection of consultants is subject to review by governing boards and Commission staff.
3. Programs identified as “low producing” which are addressed by other review processes may be excluded upon request of governing board staff.
4. Each institution will notify the board and Commission of its cycle of evaluations for all programs. That cycle may or may not coincide with the five year Performance Funding cycle (e.g., a seven year evaluation cycle).
5. Scoring will be cumulative. All undergraduate programs that have been scored in prior years of the cycle stay on the list and new scores are added to the list in each succeeding year of the cycle.
6. For each program, the completed summary evaluation sheet from the external reviewer(s) must be included with the institution’s completed reporting template.
7. **Care must be taken in establishing the review schedule for it is expected that the institution will carefully adhere to it. Requests for changes to the schedule must be approved by governing board and Commission staff by January 1 of the reporting year.**

*All Graduate Programs*

1. All graduate (i.e., masters, education specialist, and doctoral) programs will be considered for reporting in this standard.
2. External review of graduate programs will be conducted according to standards established by the Tennessee Conference of Graduate Schools.
3. External reviews must be conducted by at least one qualified out-of-state consultant selected through a process which has received prior approval of governing board and Commission staff. Selection of consultants is subject to review by governing board and Commission staff.
4. Programs identified as "low producing" which are addressed by other review processes may be excluded upon request of governing board staff.
5. Each institution will establish a cycle of evaluations as part of its planning process. That cycle may or may not coincide with the five-year Performance Funding cycle (e.g. a seven-year evaluation cycle).
6. Scoring will be cumulative. All graduate programs that have been scored in prior years of the cycle stay on the list and new scores are added to the list in each succeeding year of the cycle.
7. For each program, the completed summary evaluation sheet from the external reviewer(s) must be included with the institution’s completed reporting template.

8. **Care must be taken in establishing the review schedule for it is expected that the institution will carefully adhere to it. Requests for changes to the schedule must be approved by governing board and Commission staff by January 1 of the reporting year.**

**Scoring:** Scoring methodology for undergraduate and graduate programs are detailed below. The resulting points from undergraduate and graduate programs are summed to get the total points awarded under this standard.

*Non-Accreditable Undergraduate Programs*

For non-accreditable undergraduate programs, scoring is accomplished by dividing the total number of successful standards met by the total number of standards, excluding those judged “Not Applicable”. The resulting percentage will be applied to Table 2B-1 to award points.

Table 2B-1

Successful Standards	Below 50%	50% to 55%	56% to 60%	61% to 65%	66% to 70%	71% to 75%	76% to 80%	81% to 85%	86% to 90%	91% to 95%	96% to 100%
Points	0	1	2	3	4	5	6	7	8	9	10

*All Graduate Programs*

Graduate programs are evaluated in two parts: (1) objective standards and (2) qualitative standards.

The objective standards are scored by averaging the objective standards met for all programs being evaluated. The resulting value is compared to Table 2B-2 to determine the points awarded.

Table 2B-2

Average Standards Met	0, 1, or 2	3 or 4	5 or 6	7 or 8	9	10
Points	0	1	2	3	4	5

The qualitative standards are scored by averaging the qualitative scores for all programs being evaluated. The resulting value is compared to Table 2B-3 to determine the points awarded.

Table 2B-3

Average Score	Below 1	1 to 1.4	1.5 to 1.8	1.9 to 2.3	2.4 to 2.7	2.8 and Above
Points	0	1	2	3	4	5

The points awarded from the two tables above are summed to get the total points awarded.

## 2.C MAJOR FIELD ASSESSMENT

**Points:** 15 points

**Purpose:** Standard 2C is designed to provide incentives for institutions to improve the quality of major field programs as evaluated by the performance of graduates on approved examinations.

**Evaluation:** A major field will be considered successful if its score is either at or above a recognized norm or shows improvement over a previous testing. Each program (including licensure testing) will be reported once during the five-year cycle.

### **Processes:**

1. Prior to the beginning of the cycle, a list of approved tests and measures will be developed in cooperation with governing boards and institutions. During the cycle, tests may be submitted through governing boards to the Commission for consideration for inclusion in the approved list. In areas where nationally standardized tests are not available, or where faculty do not consider available tests appropriate, institutions may develop special tests - either on a single campus or in concert with other schools. Where such tests are developed, plans should be made for pilot testing to provide for evaluation of the test and to develop scores for subsequent comparison for scoring purposes. These plans should be submitted through the governing board to Commission staff for prior approval.
2. Prior to the beginning of the cycle, institutions will submit a schedule of testing which will ensure that around 20% of programs are tested each year. This schedule must be approved by the appropriate governing board and Commission staff. **Care must be taken in establishing this schedule for it is expected that the institution will carefully adhere to it. Requests for changes to the schedule must be approved by governing board and Commission staff by January 1 of the reporting year.**
3. Scoring will be cumulative. All programs that have been scored in prior years of the cycle stay on the list and new scores are added to the list in each succeeding year of the cycle.
4. In programs for which national norms are not appropriate, but for which pass rates are appropriate, comparisons may be made to those pass rates and prior institutional pass rates.
5. When a program is assessed for this standard, all graduating students in that program must be tested. Exception for individual students (for good cause) may be approved by the chief academic officer. Exceptions should not be approved for simple inconvenience.
6. For purposes of this standard, a major field is defined as all programming at one degree level bearing the same name. For example, a B.A. and B.S. in Psychology would be considered as one field. Other closely related fields may be considered as one field at the request of the institution and the approval of the governing board and the Commission.
7. If both associate and baccalaureate degrees are offered in a field and if testing is appropriate to both levels (e.g. nursing), then all graduates at both levels must be tested and reported.
8. Programs will be exempt from the requirement of this standard if any of the following conditions exist:
  - Program has not been in operation for at least five years prior to the beginning of the cycle;
  - Program has not generated an average of at least 10 graduates per year during the previous cycle;
  - Program is interdisciplinary, multidisciplinary, or self-designed to include several related fields; or
  - Program is a performance-oriented program in the fine or performing arts.

9. Institutions may submit other programs for exemption through their respective governing board for consideration by the Commission.
10. For locally developed tests, the test content may be modified up to 20% of the total test content.
11. A copy of the results from the scoring template must be included with the Performance Funding Reporting Template for each reported program.

**Scoring:**

1. Each major field test should be compared to national norms or national pass rates when available. If no national data are available or the comparison is not favorable, then comparison is made to the most recent test score (or a baseline score for new tests). The scoring method which results in the largest point award is used.
2. The national norm or pass rate will be subtracted from the current year’s score. The resulting value will be scored by comparison to the standard error of the test according to the following criteria.
  - If the value falls between  $\pm 2$  standard errors of the national norm or the pass rate, the program will be given a score of 1.
  - If the value is less than 2 standard errors below the norm, then the program will be given a score of 0.
  - If the value is greater than 2 standard errors above the norm, then the program will be given a score of 2.
3. This score is then multiplied by the number of students taking the test to control for program size (e.g., a test with 14 takers that receives a score of 1 would be assigned a weighted score of 14).
4. The weighted scores for all tests during the cycle are summed. The resulting value is divided by the total number of test takers during the cycle to arrive at the average test score. The resulting value will be applied to the Table 2C to award points on this standard.

A major field scoring template will be included with your annual reporting template. This scoring template allows for entering student scores and calculates an average of those scores. In situations where pass rates are used, enter a 1 as the score for a student who passed the test or enter a 0 for a student who did not pass the test. Previous performance and/or national norms (or pass rates) can be entered as well. A weighted score will be generated which should be entered into the institution’s reporting template.

Table 2C

Score	0.00	0,01	0.02 to 0.03	0.04 to 0.05	0.06 to 0.07	0.08 to 0.09	0.10 to 0.19	0.20 to 0.29	0.30 to 0.39	0.40 to 0.49	0.50 to 0.59	0.60 to 0.69	0.70 to 0.79	0.80 to 0.89	0.90 to 0.99	1.00 or higher
Points	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

## STANDARD 3 - STUDENT SUCCESS AND SATISFACTION

### 3.A ENROLLED STUDENT OR ALUMNI SURVEY

**Points:** 10 points

**Purpose:** Standard 3A is designed to provide incentives for institutions to improve the quality of their undergraduate programs as evaluated by surveys of recent graduates and presently enrolled undergraduate degree students.

**Evaluation:** In the 1<sup>st</sup>, 3<sup>rd</sup>, and 5<sup>th</sup> year of the cycle, institutions will survey all alumni who graduated two years before the survey is administered. In the 2<sup>nd</sup> and 4<sup>th</sup> year of the cycle, institutions will administer the enrolled student survey to a representative sample of undergraduate students.

#### **Processes:**

##### *Enrolled Students*

1. Institutions will administer the ACT Student Opinion survey to a representative sample of their undergraduate students. This survey comes in two versions - one for universities and one for two-year institutions. They explore the perceptions of enrolled students regarding the programs, services and environment of the institution.
2. Institutions may distribute the survey to a statistically representative sample of their student body. Institutions with fewer than 5,000 undergraduate students will survey at least 20% of undergraduates. Institutions enrolling between 5,001 and 10,000 undergraduate students will survey at least 15%, and those enrolling more than 10,000 undergraduates will survey at least 10%. Plans for distributing the survey and for selecting the sample must be approved by governing board and Commission staff.
3. An overall response rate minimum will be established after the first year of administration. No points will be awarded if an institution falls below the absolute minimum.

##### *Alumni*

1. Institutions will administer the ACT Alumni Outcomes survey to their alumni. This survey comes in only one version for all institutions. It shows employment history and impact of educational programs and experiences from the perspective of alumni.
2. All undergraduate alumni shall be surveyed from an entire year (graduates from summer, fall and spring terms). Alumni known to be residing outside the United States should be excluded.
3. An overall response rate minimum will be established after the first year of administration. No points will be awarded if an institution falls below the absolute minimum.

#### **Scoring:**

In the first year of administration for each survey, an institution must administer the survey according to the processes described above in order to receive the points for the initial piloting of these new national surveys. No response rate minimum is required in the first year. After this pilot year, scoring procedures and scoring tables will be developed which will probably use comparisons to norm group performance and previous performance.

### 3.B. RETENTION/PERSISTENCE

**Points:** 5 points

**Purpose:** Standard 3B is designed to provide incentives for institutions to improve the quality of their undergraduate programs as evaluated by targeting specific retention and/or persistence to graduation strategies.

**Evaluation:** Evaluation will be accomplished by establishing goals to improve overall retention/persistence rates or other specific retention and/or persistence strategies (e.g., reducing time to degree reduction, improving minority retention and/or persistence, etc.).

**Processes:**

1. Institutions will choose a minimum of 1 and a maximum of 4 specific goals derived from analysis of their retention and/or persistence data. These goals must be stated in quantifiable terms with measurable benchmarks for each year of the cycle. Baseline values must be established prior to the beginning of the cycle.
2. Goals based on raw numbers should be converted to percentages.
3. Goals which involve percentage change from one year to the next should have a clear statement of the overall change expected over the five year cycle.
4. Goals must be submitted on the approved goal submission form and must be approved by both governing board and Commission staff prior to the beginning of the cycle. A clear description of the rationale for selecting specific retention strategies must be included on the form when submitting goals to governing board and Commission staff.
5. Revision of goals and benchmarks will be allowed only in the 3<sup>rd</sup> year of the cycle. Reasons must be based on factors outside institutional control in order to be considered for revision. Revisions must be approved by governing board and Commission staff.
6. Weighting of goals is allowed. However, weighting must be the same value for a given goal throughout the cycle. Weights must be expressed as a whole percentage and all weighting values must sum to 100%. The only allowable change in weighting can occur in the 3<sup>rd</sup> year of the cycle. Any changes requested in this third year of the cycle must be on the approved goal submission form and approved by governing board and Commission staff.

**Scoring:** Progress toward goals will be evaluated by comparing the benchmark for a given cycle year with the attainment in that year.

This will be accomplished by dividing the goal's attainment value by its benchmark value for the cycle year (no percent attainment may exceed 100%). The resulting percent attainment will be averaged across all goals in the standard to obtain an overall percent attainment. Any weighting of goals will be applied while averaging these values to obtain the weighted average. This overall percentage will be rounded to the nearest whole percentage which will be compared to Table 3B to award points on this standard.

Table 3B

Goal Attainment	Below 80%	80% to 84%	85% to 89%	90% to 94%	95% to 98%	99% to 100%
Points	0	1	2	3	4	5

### 3.C JOB PLACEMENT (TWO-YEAR INSTITUTIONS ONLY)

**Points:** 15 points

**Purpose:** Standard 3C is designed to provide incentives for two-year institutions to continue to improve job placement of their career program graduates.

**Evaluation:** Each major field career program will be evaluated by the placement rate of its graduates. A program will be considered successful if the placement rate is at least 75% of eligible graduates.

**Processes:**

1. Institutions will conduct a survey of graduates each year to determine the number placed. Graduates from the spring, summer and fall terms within a calendar year will be surveyed through June 30 of the following year. For example, graduates from spring 1997, summer 1997 and fall 1997 will be surveyed through June 30, 1998 and the results will comprise the report for the first cycle year.
2. Auditable records of survey results must be maintained for at least two years.
3. Graduates in military service or who are pursuing further education will not be included in the total number of program completers.

**Scoring:** The placement rate for each major field will be calculated by dividing the total number of students placed in fields for which they were trained by the total number of eligible completers. Graphically,

$$\frac{\text{Eligible Program Completers Placed}}{\text{Total Eligible Program Completers}}$$

Scoring will be based on the number of programs having a placement rate at or above 75% divided by the total number of programs. This percentage will be compared to Table 3C to award points on this standard.

Table 3C

Percent	Below 65%	65% to 66%	67% to 68%	69% to 70%	71% to 73%	74% to 76%	77% to 79%	80% to 82%	83% to 85%	86% to 88%	89% to 90%	91% to 92%	93% to 94%	95% to 96%	97% to 98%	99% to 100%
Points	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

## STANDARD 4 - STATE AND INSTITUTIONAL INITIATIVES

### 4.A INSTITUTIONAL STRATEGIC PLAN GOALS

**Points:** 5 points

**Purpose:** Standard 4A is designed to provide incentives for institutions to improve the quality of their academic programs by evaluating progress toward specific goals contained in their institutional strategic plan.

**Evaluation:** Measurable objectives related to the institution's strategic plans will be developed and benchmarks set for each year of the cycle. Progress will be reported each year.

**Processes:**

1. Institutions will choose a minimum of 4 and a maximum of 7 specific goals derived from their institutional strategic plan. These goals must be stated in quantifiable terms with measurable benchmarks for each year of the cycle. Baseline values must be established prior to the beginning of the cycle.
2. Goals based on raw numbers (e.g., enrollment goals) should be converted to percentages.
3. Goals which involve percentage change from one year to the next should have a clear statement of the overall change expected over the five year cycle.
4. Goals must be submitted on the approved goal submission form and must be approved by both governing board and Commission staff prior to the beginning of the cycle. The section of the institutional strategic plan that each goal is being derived from must be referenced and documented on the goal submission form when submitting goals to governing board and Commission staff.
5. Revision of goals and benchmarks will be allowed only in the 3<sup>rd</sup> year of the cycle. Reasons must be based on factors outside institutional control in order to be considered for revision. Revisions must be approved by governing board and Commission staff.
6. Weighting of goals is allowed. However, weighting must be the same value for a given goal throughout the cycle. Weights must be expressed as a whole percentage and all weighting values must sum to 100%. The only allowable change in weighting can occur in the 3<sup>rd</sup> year of the cycle. Any changes requested in this third year of the cycle must be on the approved goal submission form and approved by governing board and Commission staff.

**Scoring:** Progress toward goals will be evaluated by comparing the benchmark for a given cycle year with the attainment in that year. This will be accomplished by dividing the goal's attainment value by its benchmark value for the cycle year (no percent attainment may exceed 100%). The resulting percent attainment will be averaged across all goals in the standard to obtain an overall percent attainment. Any weighting of goals will be applied while averaging these values to obtain the weighted average. This overall percentage will be rounded to the nearest whole percentage and compared to Table 4A to award points on this standard.

Table 4A

Goal Attainment	Below 80%	80% to 84%	85% to 89%	90% to 94%	95% to 98%	99% to 100%
Points	0	1	2	3	4	5

## 4.B STATE STRATEGIC MASTER PLAN GOALS

**Points:** 5 points

**Purpose:** Standard 4B is designed to provide incentives for institutions to improve the quality of their academic programs by evaluating progress toward specific goals contained in the state strategic master plan, *Higher Education Uniting to Serve Tennesseans*.

**Evaluation:** Measurable objectives related to the state's strategic master plans will be developed and benchmarks set for each year of the cycle. Progress will be reported each year.

### Processes:

1. Institutions will choose a minimum of 4 and a maximum of 7 specific goals derived from the state strategic master plan. These goals must be stated in quantifiable terms with measurable benchmarks for each year of the cycle. Baseline values must be established prior to the beginning of the cycle.
2. Goals based on raw numbers (e.g., enrollment goals) should be converted to percentages.
3. Goals which involve percentage change from one year to the next should have a clear statement of the overall change expected over the five year cycle.
4. Goals must be submitted on the approved goal submission form and must be approved by both governing board and Commission staff prior to the beginning of the cycle. The section of the state master plan that the goal is being set for must be referenced and documented on the goal submission form when submitting goals to governing board and Commission staff.
5. Revision of goals and benchmarks will be allowed only in the 3<sup>rd</sup> year of the cycle. Reasons must be based on factors outside institutional control in order to be considered for revision. Revisions must be approved by governing board and Commission staff.
6. Weighting of goals is allowed. However, weighting must be the same value for a given goal throughout the cycle. Weights must be expressed as a percentage and all weighting values must sum to 100%. The only allowable change in weighting can occur in the 3<sup>rd</sup> year of the cycle. Any changes requested in this third year of the cycle must be on the approved goal submission form and approved by governing board and Commission staff.

**Scoring:** Progress toward goals will be evaluated by comparing the benchmark for a given cycle year with the attainment in that year. This will be accomplished by dividing the goal's attainment value by its benchmark value for the cycle year (no percent attainment may exceed 100%). The resulting percent attainment will be averaged across all goals in the standard to obtain an overall percent attainment. Any weighting of goals will be applied while averaging these values to obtain the weighted average. This overall percentage will be rounded to the nearest whole percentage. This percentage will be compared to Table to award points on this standard.

Table 4B

Goal Attainment	Below 80%	80% to 84%	85% to 89%	90% to 94%	95% to 98%	99% to 100%
Points	0	1	2	3	4	5

## Appendix A

### Scoring for Standard 1A: Foundation Testing of General Education Outcomes

#### For Institutions not participating in Standard 1B (25 points maximum)

**Scoring:** There are three methods for scoring performance on this standard. The method which results in the largest point award to the institution is used. No institution may receive more than 25 points on this standard in any given year of the cycle.

#### *Option 1 - Comparison to national norms and trends of the institutional score*

1. Compare the current test score to the national norm score to establish base points. If the test score is at or above the national norm score, the institution receives 18 base points. If the test is below the national norm, the institution receives 13 base points.
2. The base points are increased or decreased if there is a *notable change* in the current test score. *For purposes of this standard, a notable change is indicated if the current test score has changed by 0.5 points on the ACT COMP or 2 points on the College BASE.*
  - In year 1, compare the current test score to the most recent test score and if the change is notable, add two points to the base points if the change is an increase; subtract two points if the change is a decrease.
  - In years 2-5 of the cycle, compare the current test score to the most recent test score in the cycle with a notable change, add two points to the previous year's points if the change is an increase; subtract two points from the previous year's points if the change is a decrease.

#### *Option 2 - Comparison with the previous cycle and subsequent changes in test scores*

In the first year of the cycle, comparison is made to prior cycle performance.

1. Average the points received from the previous cycle of performance funding and multiply by 2.5 to establish the base points (e.g., 9 point average would convert to 23 points).
2. Compare the current score to other previous scores using the notable change criteria (as defined above):
  - In year 1, compare the current test score to the most recent test score and if the change is notable, add two points to the base points if the change is an increase; subtract two points if the change is a decrease.
  - In years 2-5 of the cycle, compare the current test score to the most recent test score in the cycle with a notable change, add two points to the previous year's points if the change is an increase; subtract two points from the previous year's points if the change is a decrease.

#### *Option 3 - Comparison of test scores to percentile ranking*

If an institution's current test score is at or above the 65<sup>th</sup> percentile compared to the national norm score, then the institution is awarded the full 25 points. However, if the institution's score at any time drops below the 65<sup>th</sup> percentile, then scoring will proceed as in Option 1 or Option 2.