



Executive Committee Meeting

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Thursday, January 20, 2011

Agenda

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Committee Members: Kenneth M. Jarin (*Chair*), Marie Conley Lammando, Paul S. Dlugolecki, C.R. "Chuck" Pennoni, Thomas M. "Doc" Sweitzer, and Aaron A. Walton.

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**Executive Committee Meeting
January 20, 2011**

SUBJECT: Revisions to Performance Funding Program (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: PASSHE's accountability and performance funding program, originally established by the Board of Governors in January 2003, has been the driver for University and System change to better serve students and the Commonwealth. Since the inception of this program and in conjunction with other policy tools, improvements across the System have been achieved in retention and graduation rates; diversity of students, faculty and administrators; program quality; and faculty productivity. The current program (1) incorporates both quantitative data and qualitative information and (2) monitors university performance over time in comparison to peer institutions and against System performance targets. This design has created a culture of accountability throughout the System and the universities. As such, it has served as a national model for accountability and institutional improvement.

To enhance these successes, a review of the program has been conducted, resulting in the attached proposed improvements to ensure each university and the System as a whole continues to achieve desired outcomes. These recommendations center on improving student success, increasing access to PASSHE Universities, and ensuring stewardship of public resources.

opportunity to choose its measures within limitations. All the universities will be responsible for the five performance indicators in Group I. The universities will select the remaining five performance measures from Groups II and III. Each university must select at least one measure from the Stewardship theme in Group II. Otherwise, there are no limits on the number of performance measures selected from any theme. Group III allows the university to propose to the Chancellor a maximum of two unique performance measures not listed in Group II. Any proposed measure should be derived from the university's strategic plan, have an element of risk as well as reward, have an external comparative base, and be capable of being quantified such that it can be determined if the university meets or does not meet the goal.

Performance Measurement

For all indicators, university performance will be measured via progress toward institution-specific goals and against external comparisons or expectations. Whenever possible, external comparisons will be based upon similar universities participating in national studies. As needed, benchmark institutions will be developed in consultation with the Chancellor and based on, but not limited to, such factors as numbers of FTE students, budgets, etc. Institutional goals, established in concert with the Office of the Chancellor, will take into consideration each University's historical trends, overall performance levels, and reasonable expectations for improvement. University performance will be measured either as meeting or not meeting each performance target; there will no longer be a three-tiered assessment of performance on each target (e.g., exceeding performance will no longer be used). All indicators and goals must be established by June 2011 to be used for the 2011-2012 award year.

Performance Funding Pool and Distribution

- Points are earned by a university for at least meeting the performance requirement. For measures that contain submeasures, each submeasure is worth the appropriate fraction of a point. For example, for an indicator with two submeasures, each submeasure is worth 0.5 point.

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2. Closing the Achievement Gaps (1.0)
 - a. Closing the Achievement Gap for Pell Recipients (.50)
 - b.

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SUBJECT: Strategic Planning Process (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: The Board of Governors approved

