Performance Funding and Accountability: Progress Report and Recommendations for the Future

December 1998

BACKGROUND

In its 1997-99 biennial budget (ESSB 6108), the Washington Legislature directed the Higher Education Coordinating Board (HECB) to implement an accountability system in consultation with Washington's public four-year universities and college. The Legislature tied resources to completion of institutional plans early in the first fiscal year of the biennium, and, during the second year, to actual performance on five measures outlined in the budget legislation. The Legislature directed the HECB to evaluate each institution's achievement of performance targets for the 1997-98 academic year and to notify the Office of Financial Management (OFM) by November 15, 1998, what portion of the institutions' reserve funds to release.

ESSB 6108 also directs the Board, by January 1999, to recommend to OFM and appropriate legislative committees additions, deletions, or revisions to the performance and accountability measures incorporated into the 1997-99 biennial budget. The measures are to be developed in consultation with the six public baccalaureate institutions of higher education. They *may* include additional performance indicators to measure successful student learning and other student outcomes for possible inclusion in the 1999-01 operating budget. They *shall* include measures of performance demonstrating specific and measurable improvements related to distance education and education provided primarily through technology *(ESSB 6108, Laws of 1998, Chapter 454, Sections 601 - 610).*

The first section of this report, "1997-98 Achievements in Performance," summarizes each institution's performance on the accountability measures. The second section, "Performance Funding and Accountability: The First 18 Months," discusses the concerns and questions that have surfaced as institutions have worked to comply with the new requirements. The final section, "Recommendations for Change," suggests revisions to the current system, including new measures in distance education and education provided primarily through technology.

SECTION I: 1997-98 ACHIEVEMENTS IN PERFORMANCE ON SELECTED MEASURES OF ACCOUNTABILITY

The HECB adopted guidelines for the institutions' Accountability Plans at its June 3, 1997, meeting, and reviewed and approved the plans at its September 17, 1997, meeting. Those plans described strategies the institutions would pursue to progress toward goals on the five performance measures defined in the Legislature's proviso to the 1997-99 biennial budget:

1. ***Undergraduate Graduation Efficiency Index***, a measure of how efficiently students complete their degrees, by taking into consideration the total number of credits earned, dropped, repeated, transferred and required for graduation.

2. ***Undergraduate Student Retention***, the proportion of undergraduate students who continue to be enrolled from one year to the next.

3. ***Five-year Graduation Rates***, the percentage of students who begin as freshmen who graduate within five years.

4. ***Faculty Productivity Measure***, a mixture of measures, related to outcomes of faculty work, that are generally different for each institution.

5. ***Unique Accountability Measure for Each Institution***, reflective of the mission of each four-year public institution.

Funds in Reserve. The Legislature placed a portion of each institution's 1997-99 appropriation in reserve, contingent upon Board approval of the Accountability Plans (for 1997-98), and the Board's assessment of institutional performance toward accountability targets (for 1998-99). In total, $10.6 million in base funding was withheld through the performance funding process.

Release of Funds. After reviewing and approving the institutions' plans at its September 17, 1997, meeting the HECB recommended to OFM the release of all institutional funds held in reserve for the first year of the biennium.

At its July 21, 1998, meeting the HECB recommended to OFM the partial release of funds held in reserve for performance. Three institutions, Washington State University, Eastern Washington University, and Central Washington University, presented results for selected accountability measures. On the basis of performance, the HECB recommended the release of $992,947 to WSU; $256,800 to EWU; and $161,000 to CWU.

The HECB notified OFM on November 13, 1998, to release the portion of the remaining funds that the institutions earned by their performance on the accountability measures. The following table shows how funds were distributed over the biennium:

Accountability Funding – 1997-99
Dollars in thousands

	Funds held in reserve by OFM			Funds released to institutions			Residual reserve funds
	1st year	2nd year	**Total**	1st year	2nd year	**Total**	**Total**
CWU	$269	$403	**$672**	$269	$302	**$571**	**$101**
EWU	$285	$428	**$713**	$285	$385	**$670**	**$43**
The Evergreen State College	$144	$217	**$361**	$144	$153	**$297**	**$64**
UW	$2,019	$3,029	**$5,048**	$2,019	$2,562	**$4,581**	**$467**
WSU	$1,204	$1,807	**$3,011**	$1,204	$1,199	**$2,403**	**$607**
WWU	$342	$514	**$856**	$342	$331	**$673**	**$183**
Total	$4,263	$6,398	**$10,661**	$4,263	$4,932	**$9,195**	**$1,465**

Note: Numbers have been rounded. Exact figures are reported by institution later in this report.

1997-98 PERFORMANCE ON ACCOUNTABILITY MEASURES

Following is a summary of performance by each institution on the accountability measures. Each summary concludes with a description of the fiscal impact on each institution of the 1997-1999 accountability initiative.

Central Washington University

CWU **met** its accountability targets for:
- Undergraduate student retention
- Faculty productivity (3 of 3 measures)
- Institution-specific measures (3 of 3 measures)

CWU **did not meet** its accountability targets for:
- Graduation efficiency of native and transfer students
- Undergraduate five-year graduation rate

For the 1997-99 biennium, OFM held in reserve $672,000 of funds appropriated to CWU. When the HECB approved CWU's accountability plan, OFM released all of the institution's planning resources ($269,000). In addition, CWU claimed $302,250 (75 percent) of the funds

that were contingent upon its performance on the 1997-98 accountability measures. Overall, CWU received $571,250 (85 percent) of its planning and performance funds.

Eastern Washington University

EWU **met** its accountability targets for:
- Undergraduate student retention
- Undergraduate five-year graduation rate
- Faculty productivity (3 of 3 measures)
- Institution-specific measure (1 of 1 measure)

EWU **did not meet** its accountability targets for:
- Graduation efficiency of native and transfer students

For the 1997-99 biennium, OFM held in reserve $713,000 of funds appropriated to EWU. When the HECB approved EWU's accountability plan, OFM released all of the institution's planning resources ($285,000). In addition, EWU claimed $385,200 (90 percent) of the funds that were contingent upon performance on the 1997-98 accountability measures. Overall, EWU received $670,200 (94 percent) of its planning and performance funds.

The Evergreen State College

TESC **met** its accountability targets for:
- Graduation efficiency of native and transfer students
- Undergraduate student retention
- Institution-specific measures (3 of 3 measures)

TESC **did not meet** its accountability targets for:
- Undergraduate five-year graduation rate
- Faculty productivity (1 of 1 measure)

For the 1997-99 biennium, OFM held in reserve $361,000 of funds appropriated to TESC. When the HECB approved TESC's accountability plan, OFM released all of the institution's planning resources ($144,000). In addition, TESC claimed $152,959 (70 percent) of the funds that were contingent upon its performance on the 1997-98 accountability measures. Overall, TESC received $296,959 (82 percent) of its planning and performance funds.

University of Washington

UW **met** its accountability targets for:
- Graduation efficiency of transfer students
- Undergraduate student retention
- Undergraduate five-year graduation rate
- Faculty productivity (1 of 4 measures)
- Institution-specific measures (4 of 4 measures)

UW **did not meet** its accountability targets for:
- Graduation efficiency of native students
- Faculty productivity (3 of 4 measures)

For the 1997-99 biennium, OFM held in reserve $5,048,000 of funds appropriated to UW. When the HECB approved UW's accountability plan, OFM released all of the institution's planning resources ($2,019,000). In addition, UW claimed $2,561,848 (85 percent) of the funds that were contingent upon its performance on the 1997-98 accountability measures. Overall, UW received $4,580,848 (91 percent) of its planning and performance funds.

Washington State University

WSU **met** its accountability targets for:
- Graduation efficiency of native and transfer students
- Faculty productivity (2 of 3 measures)
- Institution-specific measures (4 of 4 measures)

WSU **did not meet** its accountability targets for:
- Undergraduate student retention
- Undergraduate five-year graduation rate
- Faculty productivity (1 of 3 measures)

For the 1997-99 biennium, OFM held in reserve $3,011,000 of funds appropriated to WSU. When the HECB approved WSU's accountability plan, OFM released all of the institution's planning resources ($1,204,000). In addition, WSU claimed $1,199,845 (66 percent) of the funds that were contingent upon its performance on the 1997-98 accountability measures. Overall, WSU received $2,403,845 (80 percent) of its planning and performance funds.

Western Washington University

WWU **met** its accountability targets for:
- Undergraduate five-year graduation rate
- Faculty productivity (1 of 3 measures)
- Institution-specific measures (2 of 2 measures)

WWU **did not meet** its accountability targets for:
- Graduation efficiency of native and transfer students
- Undergraduate student retention
- Faculty productivity (2 of 3 measures)

For the 1997-99 biennium, OFM held in reserve $859,000 of funds appropriated to WWU. When the HECB approved WWU's accountability plan, OFM released all of the institution's planning resources ($342,000). In addition, WWU claimed $331,385 (64 percent) of the funds that were contingent upon its performance on the 1997-98 accountability measures. Overall, WWU received $673,385 (78 percent) of its planning and performance funds.

Institutional Reports. Individual institutional summaries of performance on all of the accountability measures are in Appendix A of this report.

SUMMARY OF 1997-98 ACCOUNTABILITY PERFORMANCE OVERALL

Among the 58 separate performance measures reported, institutions met or exceeded 39 (67 percent) of them. This performance earned the institutions $4,933,438 or 77 percent of the $6,398,000 in funds held in reserve. Conversely, 23 percent ($1,464,562) of the funds will not be eligible for release. For the biennium, institutions received 86 percent of the reserve funds, taking into consideration both planning and performance funds.

Recommendation for Release of Accountability Funds. Higher Education Coordinating Board recommends to the Office of Financial Management the release of accountability funds held in reserve for FY 1999 as follows: Central Washington University: $141,050; Eastern Washington University: $128,400; The Evergreen State College: $152,959; University of Washington: $2,561,848; Washington State University: $206,898; and Western Washington University: $331,336.

SECTION II: PERFORMANCE FUNDING AND ACCOUNTABILITY: THE FIRST 18 MONTHS

As part of their final performance reports to the HECB, each four-year university and college prepared an evaluation of progress on accountability measures. In those reports, institutions discussed the challenges they had faced, strategies they had tried, and successes and disappointments they had experienced. Each campus recommended changes that would help it improve.

Although many of these changes were specific to the institution, the institutions collectively forwarded five recommendations to the HECB for its consideration regarding changes in the accountability initiative (see Appendix B). The concerns that underlie these recommendations provide a framework for a review of the first 18 months of the accountability initiative. Although 18 months is a brief trial period for an initiative of this magnitude, it is useful to consider its current status and emerging issues.

CURRENT STATUS

- ***Public accountability for performance to the state and to other external constituents is widely accepted and practiced.***

With its first Master Plan, *Building a System*, the HECB in 1988 underscored the importance of an accountability system that would improve student learning and provide a record of institutional performance. The assessment initiative that emerged from that Master Plan directed the institutions to create systematic ways to collect information about students at critical junctures: when students entered college, at an intermediate point between matriculation and graduation, when they completed their majors, and after they graduated. This decade of assessment practice — a deliberate and systematic focus on evaluating strategies for improving education — provides a strong foundation from which to consider the new performance measures.

This foundation helps in two ways. First, most institutions already have conducted institutional studies on topics such as retention, time-to-degree, or graduation efficiency. This wealth of information informs the conversation by helping to identify where the problems are, what strategies might work to address them, and what the potential consequences of different approaches might be. For instance, many institutions are aware that an umbrella measure for undergraduate student retention may mask problem areas with particular groups of students. A strong upper-division retention rate may help the overall retention numbers to look good, while disguising a weaker freshman retention rate. Assessment studies direct institutional attention to the problem areas.

The second way a foundation of assessment practice informs the new performance measures is that it has engendered a way of thinking about change that is now integral to institutional planning and policy. Institutions have become more accustomed to asking, and responding to,

critical assessment questions: What do we know about our performance? What do we need to change? What strategies will help us change? And finally, how will this change affect the quality of education? To conduct the business of education in an environment where it is routine to ask these questions — to expect a "culture of evidence" — was not commonplace ten years ago. The cycle of information-collection/decision-making/intervention/evaluation lends itself well to work on the new performance measures.

Assessment is not, however, the only means by which institutions demonstrate accountability. In a competitive marketplace, institutions must respond to a variety of forces that assess educational quality. Regional and disciplinary accreditation associations regularly review and judge the quality of institutions and programs. Foundations and organizations award grant applications that must meet an established set of performance criteria. Competitive market forces enable students to "vote with their feet." National rankings report the relative standing of state institutions. Licensure and certification agencies provide feedback about the preparation of graduates. Public opinion polls (such as the statewide 1995 Elway study or the more recent 1998 Spokane study) give opportunities for Washington residents to comment upon their perceptions of the state's higher education institutions. In short, there are many ways the institutions are held "accountable" and the quality of education is judged.

- ***The focus on specific performance measures has encouraged spirited conversation and creative thinking.***

One effect of the accountability initiative is that it has focused institutional attention on issues most educators — and citizens — would agree are significant. Although institutions have been working on these issues for some time, the public spotlight of accountability has heightened interest. Vigorous, campus-wide discussions about strategies to improve retention, graduation rate, etc. have taken place over the past 18 months, as faculty and administrators together have considered what variables within their control might have a positive impact on change.

The reference to student learning outcomes in the context of the accountability system also gave rise to a pilot project to evaluate the writing of college seniors at all of the public baccalaureates. This project involved faculty from five different disciplines, writing specialists, and members of the professional community. Over four days, participants created a set of common criteria to evaluate papers written by students in their senior year; participants then applied those criteria as they read and judged the papers. Opportunities for this type of spirited exchange of views across disciplines, professions, and institutions are rare, yet they are imperative if higher education is to consider seriously the learning outcomes of a baccalaureate education. Ironically, although this initiative was prompted by accountability, it may not fit easily into a quantitative structure of targets and goals. Washington's students will benefit, however, if we can figure out ways to encourage more innovations of this nature.

- ***An accountability system that is striving to improve efficiency, productivity, and quality is bound to evoke tension.***

One goal of accountability is, literally, to account for the investment of public funds in higher education. Another goal is to improve the higher education system. To meet these goals, the

sometimes-competing aims of efficiency, productivity, and quality must be balanced. The looming access challenge posed by Washington's changing demographics is inescapable, and institutions recognize that they will continue to be pressed to find more efficient and productive ways to deliver education. At the same time, both the Legislature and institutions are committed to maintaining a high quality of education. The inevitable tension in striving to meet all of these ends serves an important role. An education system that errs too far on the side of quality at the expense of efficiency and productivity is unlikely to survive, and vice versa. Continued efforts to resolve these tensions should lead to a middle ground where efficiency and productivity are considered significant, but not exclusive components of a high quality education.

EMERGING ISSUES

- ***Institutions are committed to striving for continuous improvement in their performance on the three common measures. However, the goals and timetable for reaching them may need to be reassessed in order to produce educational practices that are in the best interests of students.***

The Legislature stipulated goals for the three common measures of undergraduate student retention, graduation efficiency, and five-year graduation rate.

Measures	*Goals*
Undergraduate student retention	
Research Universities	95 percent
Comprehensive Universities and College	90 percent
Graduation efficiency	
Freshmen ("native")	.95
Transfer students	.90
Graduation rates	
Research Universities	65 percent
Comprehensive Universities and College	55 percent

Research studies have shown that retention and graduation rates tend to be higher in highly selective institutions. Even within the general categories of "research universities" and "comprehensive universities," there is considerable variation in selectivity among Washington's public institutions. For this reason, the same goals may not be appropriate for all institutions. (Graduation efficiency is a new measure and research on it is only beginning.) With only one year of data on which to base judgement, it would be prudent to return to this issue at the end of the next biennium when three years of trend data are available.

Further, the eight-year timetable created by the HECB to assure that institutions make "meaningful and substantial progress" toward the goals gradually increases the percentage of improvement required each year. In this first year of implementation, the percentage of

improvement (7 percent) was the smallest annual increment expected. Collectively, institutions met targets on 50 percent of these measures.

It may be that the relatively short period of time to implement strategies inhibited progress toward the goals. However, it is questionable whether institutions will be able to develop educationally sound strategies to meet continually escalating targets. The pressure to meet the targets or risk losing substantial portions of reserve funds will dramatically ratchet up the stakes, and cause institutions to consider strategies for meeting accountability goals that are at odds with other statewide goals (such as increasing access), or that would diminish the quality of students' educational experiences. This would be of greater concern if the state significantly increased the amount of funds linked to performance measures.

- ***A system that withholds appropriated funds pending achievement at designated performance levels may discourage creativity and innovation.***

In this first biennium of performance funding, 23 percent of the reserve funds — almost $1.5 million — will go to the Education Savings Account instead of to the institutions to which the funds were initially appropriated. Ten percent of the Education Savings Account is marked for higher education for distinguished professorships and graduate fellowships. Although the $1.5 million represents a very small portion of the overall higher education budget, it is not an insignificant sum of money for the system to forego. If this trend persists, higher education will lose resources that might better be used to improve educational practices.

In the long term, rather than withholding base funds, a better approach may be to provide incentives that encourage innovative approach to improving performance, and to provide support to make continuous progress toward state goals.

- ***A focus on student learning outcomes is emerging from a variety of sources***.

Colleges and universities have always evaluated student work, and faculty have routinely identified goals and objectives for their classes. For almost a decade, a subtle shift in emphasis has occurred as the movement to identify and measure student learning outcomes has gained momentum. At the classroom level, this shift may represent a change in focus, from "What do I plan to teach?" to "What do I want students to know and be able to do, and how will I know they have accomplished those ends?"

Many forces are bringing about this shift in emphasis, and influencing conversations about student learning outcomes in Washington, including accreditation, assessment, returning adults seeking credit for prior learning, professional communities with clear standards for performance, and virtual universities. One of the most influential forces is Washington's K-12 standards-based reform effort. The new standards — essential academic learning requirements — already are being assessed at the fourth and seventh grades.

The Certificate of Mastery, which is currently required for a high school diploma, will certify students' attainment of the standards in reading, writing, communication, and math. The

Certificate of Mastery in these areas will become mandatory for the class graduating in 2006. Other content areas may be added as state-level assessments become available.

As students emerge from this system, they are likely to be better prepared academically and more sophisticated in their expectations of a learning environment. In order to align more effectively with Washington's education systems, it will be important to clarify the qualitative differences among levels of education. By identifying the common threads in students' education, it will be easier to scaffold students' experiences so they are methodically working their way to greater sophistication and complexity of knowledge and skills.

A coordinated approach to developing student learning outcomes has begun with the senior writing pilot project described earlier in this paper. In addition, individual campuses are exploring these issues at program and institutional levels. By giving greater visibility and priority to this work, higher education can begin to rise to the challenge of identifying and assessing some of the student learning outcomes represented by a baccalaureate education.

SECTION III: PERFORMANCE FUNDING AND ACCOUNTABILITY: RECOMMENDATIONS FOR CHANGE

ESSB 6108 directs the HECB to recommend to the OFM and appropriate legislative committees additions, deletions, or revisions to the performance and accountability measures incorporated into the 1997-99 biennial budget by January 1998. These recommendations are to be developed in consultation with the six public baccalaureate institutions of higher education, and *may* include additional performance indicators to measure successful student learning and other student outcomes for possible inclusion in the 1999-01 operating budget. In addition, they *shall* include measures of performance demonstrating specific and measurable improvements related to distance education and education provided primarily through technology *(ESSB 6108, Laws of 1998, Chapter 454, Sections 601 - 610).*

The accountability initiative is still in its early stages, and much has been learned in these first 18 months. As we move toward a second generation of accountability thinking, it will be critical in the next two years to pose the questions, "How can accountability help to make changes in higher education that are in the best interests of students in this state? What policies are most likely to help us develop a system that will serve all students well?" Based on a review of the first 18 months of the accountability initiative, and taking into consideration the institutions' recommendations for change, the following recommendations are put forward for the Board's consideration.

RECOMMENDATION 1. Institutions should continue to make continuous improvement and "meaningful and substantial progress" on all performance measures, and report their progress to the HECB and to the Legislature each year.

At the end of the 1999-2001 biennium, the HECB will evaluate three years of trend data and recommend changes to the legislatively mandated goals, if appropriate.

RECOMMENDATION 2. To encourage progress toward state goals, the Legislature should establish an incentive pool of performance funds. The pool should be funded at not less than $10 million per biennium. The pool should be derived from a variety of sources and made available through a competitive grant process to support institutional initiatives that help to achieve state goals.

> **RECOMMENDATION 2a. Reserve funds from the second year of the 1997-99 biennium should be redirected to this pool, rather than to the Education Savings Account, and used to support student learning outcomes initiatives.**

A performance funding system based on incentives should be piloted to determine how well an incentive system works to encourage improvements in the higher education system that are in the best interests of students. The HECB would establish a process for evaluating institutions' proposals and for awarding funds. The HECB would report to the Legislature in January 2001

on the institutions' projects, and recommend revisions, if needed, to the performance funding system.

The HECB recognizes that the Legislature faces funding constraints that will make it difficult to create a pool of performance funds that is not derived entirely from a percentage of the base budget. The HECB also recognizes that when funds are redirected from *any* source intended for the institutions, institutions face the risk of losing resources. However, the pool of performance funds available through a competitive grant process might be drawn from a combination of some or all of the following sources:

1. Reserve funds not released for the second year of the 1998-99 biennium (all)
2. Corporate donations
3. General fund enhancement
4. Cost savings from completed capital projects
5. New enrollment funds (small percentage)
6. Tuition increases (small percentage)
7. Assessment funds (small percentage)

RECOMMENDATION 3. In collaboration with Washington's public baccalaureate institutions, the HECB shall establish distance education performance measures by June 30, 1999. No funding should be tied to these measures for the next biennium, to allow time to define the measures, establish baseline data, and resolve governance issues related to distance education and the K-20 network. The HECB will report to the Legislature in January 2001 on the outcomes of this effort and recommend next steps.

The intent of the measures is to assess the number of students gaining access to education primarily through web-based, interactive video, satellite, or other technologies, and to assess the number of opportunities available. The measures should provide information about the number of students served in courses offered primarily through distance education technology, and the number of courses/programs available. Distinctions between in-state and out-of-state students enrolled in distance education courses, and in-state students taking courses on-site and through distance education should be clarified.

There are many forms of distance education, ranging from off-campus learning centers and branch campuses to courses offered entirely over the Internet. Although all of these forms are important, the state's compelling interest is to determine to what extent technology is helping students gain access to higher education.

The HECB will work with the institutions to create common definitions and ways of measuring this form of distance education. Although all campuses may not consider this type of distance education to be integral to their institutional missions and strategic plans, it is still important to find a way to measure current practice and progress *for the state* in this area. The HECB will establish definitions and measures by June 30, 1999. Institutions will collect data during academic year 1999-2000.

RECOMMENDATION 4. Incentive funds should be used to reinforce institutional and state initiatives in the area of student learning outcomes, and to encourage new assessment projects, particularly in the areas of quantitative skills and technological literacy. By 2003, all institutions should have student learning outcomes in place for every undergraduate academic program, aligning those outcomes where appropriate with the K-12 and community college systems. Beginning in December 1999, institutions should report annually to the HECB on progress in establishing and assessing these outcomes. By December 1999, institutions should report to the HECB on the development of the senior writing project.

Important work on a statewide look at student learning outcomes has begun with the senior writing pilot project described in the second section of this paper. Similar projects in the areas of quantitative skills (reasoning and problem-solving processes used frequently in math, statistics, and other quantitative-oriented disciplines), and technological literacy (ability to use technology in ways typically used in the professional work place) could be undertaken as well. Central Washington University already has an institution-specific performance measure to develop student learning outcomes for all of its academic programs. The University of Washington is considering using student learning outcomes as a measure of faculty productivity. Most institutions already have begun work to establish student learning outcomes in academic programs. Incentive funds would provide an opportunity to encourage institutions to expand work quickly in this very important area.

APPENDICES

Appendix A Accountability Performance Tables
Appendix B ICAO Recommendations

APPENDIX A

CENTRAL WASHINGTON UNIVERSITY
ACCOUNTABILITY PERFORMANCE FOR 1997-98

Total Resources Held in Reserve for the 1997-99 Biennium: ***$672,000***
1997-98: ***$269,000*** (for Plan Approval); 1998-99: ***$403,000*** (for Accountability Performance in 1997-98)

	Statewide Goals	1995-96 Baseline	"Gap"	Planning Funds Released in September 97	1997-98 Target	1997-98 Actual	Percent Target Attained	1998-99 Funds Tied to Target	Percent Funds in Reserve	Performance Funds Released in July 98	Performance Funds Eligible for Release	Performance Funds Not Eligible for Release
ACCOUNTABILITY PLAN:				$269,000								
ACCOUNTABILITY MEASURES:												
. Graduation Efficiency Index:								$40,300	10%			
Native Students	95	91.9	3.1		92.12	87.87	0	$20,150	5%	0	0	$20,150
Transfer Students	90	84.6	5.4		84.98	83.15	0	$20,150	5%	0	0	$20,150
. Retention Rate:	90%	74.4%	15.6%		75.49%	80.3%	100%	$60,450	15%	0	$60,450	
. 5-Year Graduation Rate:	55%	39.5%	15.5%		40.59%	38.9%	0	$60,450	15%	0	0	$60,450
	Institution Goals											
. Faculty Productivity Measure:								$120,900	30%			
Student Learning Outcomes	100%	1.3%	98.7%		20%	32.9%	100%	$60,450	15%	$60,450		
Faculty-student Mentoring (percent faculty)	33.3%	14.5%	18.8%		18.4%	26.3%	100%	$40,300	10%	$40,300		
SCH/Instructional FTE Faculty (full year)	1:1058	1:1000	1:0058		1:1004	1:1007	100%	$20,150	5%	$20,150		
. Institution Specific Measure:								$120,900	30%			
Service to Transfer Students	90%	47.7%	42.3%		51%	79.5%	100%	$40,300	10%	$40,300		
Diversity	25%	19.91%	5.09%		20.27%	21.6%	100%	$40,300	10%		$40,300	
Internships	10%	6.52%	3.48%		6.76%	6.76%	100%	$40,300	10%		$40,300	
Total				**$269,000**				**$403,000**	**100 %**	**$161,200**	**$141,050**	**$100,750**

The Washington Legislature in its 1997-99 Budget defined the Statewide Goals, Baseline Year, and "Performance Gap" in budget provisos for the first three measures.

EASTERN WASHINGTON UNIVERSITY
ACCOUNTABILITY PERFORMANCE FOR 1997-98

Total Resources Held in Reserve for the 1997-99 Biennium: ***$713,000***
1997-98: ***$285,000*** (for Plan Approval); 1998-99: ***$428,000*** (for Accountability Performance in 1997-98)

	Statewide Goals	1995-96 Baseline	"Gap"	Planning Funds Released in September 97	1997-98 Target	1997-98 Actual	Percent Target Attained	1998-99 Funds Tied to Target	Percent Funds in Reserve	Performance Funds Released in July 98	Performance Funds Eligible for Release	Performance Funds Not Eligible for Release
ACCOUNTABILITY PLAN:				$285,000								
ACCOUNTABILITY MEASURES:												
. Graduation Efficiency Index:								$42,800	10%			
Native Students	95	88.3	6.7		88.77	87.7	0	$21,400	5%	0	0	$21,400
Transfer Students	90	78.3	11.7		79.12	77.3	0	$21,400	5%	0	0	$21,400
. Retention Rate:	90%	86.5%	3.5%		86.75%	89.3%	100%	$85,600	20%	0	$85,600	
. 5-Year Graduation Rate:	55%	38.5%	16.5%		39.66%	47.9%	100%	$42,800	10%	0	$42,800	
	Institution Goals											
. Faculty Productivity Measure:								$128,400	30%			
Faculty Workload	300	274	26		275.82	295.5	100%	$21,400	5%	$21,400		
Use of Technology by Faculty	40	0	40		2.8	3	100%	$42,800	10%	$42,800		
Instructional Efficiency	85%	47%	38%		49.66%	54%	100%	$64,200	15%	$64,200		
. Institution Specific Measure:												
Student Internships/Coop:												
Number of Students	2,740	2,284	456		2,316	2,653	100%	$128,400	30%	$128,400		
Total:				**$285,000**				**$428,000**	**100%**	**$256,800**	**$128,400**	**$42,800**

The Washington Legislature in its 1997-99 Budget defined the Statewide Goals, Baseline Year, and "Performance Gap" in budget provisos for the first three measures.

THE EVERGREEN STATE COLLEGE
ACCOUNTABILITY PERFORMANCE FOR 1997-98

Total Resources Held in Reserve for the 1997-99 Biennium: ***$361,000***
1997-98: ***$144,000*** (for Plan Approval); 1998-99: ***$217,000*** (for Accountability Performance in 1997-98)

	Statewide Goals	1995-96 Baseline	"Gap"	Planning Funds Released in September 97	1997-98 Target	1997-98 Actual	Percent Target Attained	1998-99 Funds Tied to Target	Percent Funds in Reserve	Performance Funds Released in July 98	Performance Funds Eligible for Release	Performance Funds Not Eligible for Release
ACCOUNTABILITY PLAN:				$144,000								
ACCOUNTABILITY MEASURES:												
. Graduation Efficiency Index:								$43,4300	20%			
Native Students	95	91.6	3.4		91.84	92.22	100%	$21,700	10%	0	$21,700	
Transfer Students	90	89.4	0.6		89.44	90.26	100%	$21,700	10%	0	$21,700	
. Retention Rate:	90%	73%	17%		74.19%	77.1%	100%	$43,400	20%	0	$43,400	
. 5-Year Graduation Rate:	55%	54.1%	0.9%		54.16%	49.1%	0	$21,700	10%	0	0	$21,700
	Institution Goals											
. Faculty Productivity Measure:												
Capacity for Life-Long Learning Index	37.66	31.82	5.84		32.23	31.83	2%	$43,400	20%	0	$1,059	$42,341
. Institution Specific Measure:								$65,100	30%			
Retention of Students of Color	90%	71%	19%		72.3%	79.7%	100%	$10,850	5%		$10,850	
Faculty Development/ Diversity	50%	26%	24%		27.7 %	42.3%	100%	$32,550	15%		$32,550	
Student Diversity Outcome	3.85	3.05	0.8		3.11	3.28	100%	$21,700	10%		$21,700	
Total:				**$144,000**				**$217,000**	**100%**	**0**	**$152,959**	**$64,041**

The Washington Legislature in its 1997-99 Budget defined the Statewide Goals, Baseline Year, and "Performance Gap" in budget provisos for the first three measures.

UNIVERSITY OF WASHINGTON
ACCOUNTABILITY PERFORMANCE FOR 1997-98

Total Resources Held in Reserve for the 1997-99 Biennium: ***$5,048,000***
1997-98: ***$2,019,000*** (for Plan Approval); 1998-99: ***$3,029,000*** (for Accountability Performance in 1997-98)

	Statewide Goals	1995-96 Baseline	"Gap"	Planning Funds Released in September 97	1997-98 Target	1997-98 Actual	Percent Target Attained	1998-99 Funds Tied to Target	Percent Funds in Reserve	Performance Funds Released in July 98	Performance Funds Eligible for Release	Performance Funds Not Eligible for Release
ACCOUNTABILITY PLAN:				$2,019,00								
ACCOUNTABILITY MEASURES:												
. Graduation Efficiency ndex:								$605,800	20%			
Native Students	95	89.1	5.9		89.51	89.4	73%	$302,900	10%	0	$221,634	$81,266
Transfer Students	90	80.4	9.6		81.07	81.4	100%	$302,900	10%	0	$302,900	0
. Retention Rate:	95%	86.7%	8.3%		87.28%	87.4%	100%	$605,800	20%	0	$605,800	0
. 5-Year Graduation Rate:	65%	61.7%	3.3%		61.93%	63.9%	100%	$605,800	20%	0	$605,800	0
	Institution Goals											
. Faculty Productivity:								$605,800	20%			
percent Course Enrollments	80%	71.36%	8.64%		72.3%	70.2%	0	$151,450	5%	0	0	$151,450
Quality of Instruction	98%	94.5%	3.5 %		94.75%	93.7%	0	$151,450	5%	0	0	$151,450
Research Funding ($$$ per Faculty)	$203,946	$197,948	$5,998		$201,927	$213,530	100%	$151,450	5%	0	$151,450	0
Student Credit Hours per Faculty FTE	212.60	202.47	10.13		203.2	202.80	45%	$151,450	5%	0	$68,464	$82,986
. Institution Specific:								$605,800	20%			
Undergraduate Intensive Research	600	300	300		321	653	100%	$151,450	5%	0	$151,450	0
Individual Instruction as percent of Credits	5%	3.8%	1.2%		3.9%	4%	100%	$151,450	5%	0	$151,450	0
Number of Students in Internships	2,000	500	1,500		605	696	100%	$151,450	5%	0	$151,450	0
Student Research Experience	25%	20.7%	4.3%		21%	22.4%	100%	$151,450	5%	0	$151,450	0
Total:				**$2,019,000**				**$3,029,000**	**100**		**$2,561,848**	**$467,152**

The Washington Legislature in its 1997-99 Budget defined the Statewide Goals, Baseline Year, and "Performance Gap" in budget provisos for the first three measures.

WESTERN WASHINGTON UNIVERSITY
ACCOUNTABILITY PERFORMANCE FOR 1997-98

Total Resources Held in Reserve for the 1997-99 Biennium: ***$856,000***
1997-98: ***$342,000*** (for Plan Approval); 1998-99: ***$514,000*** (for Accountability Performance in 1997-98)

	Statewide Goals	1995-96 Baseline	"Gap"	Planning Funds Released in September 97	1997-98 Target	1997-98 Actual	Percent Target Attained	1998-99 Funds Tied to Target	percent Funds in Reserve	Performance Funds Released in July 98	Performance Funds Eligible for Release	Performance Funds Not Eligible for Release
ACCOUNTABILITY PLAN:				$342,000								
ACCOUNTABILITY MEASURES:												
. Graduation Efficiency Index:								$102,800	20%			
Native Students	95	86.8	8.2		87.37	86.43	0	$51,400	10%	0	0	$51,400
Transfer Students	90	80.2	9.8		80.89	80.57	54%	$51,400	10%	0	$27,562	$23,838
. Retention Rate:	90%	87.2%	2.8%		87.40%	85.8%	0	$51,400	10%	0	0	$51,400
. 5-Year Graduation Rate:	55%	52%	3%		52.21%	54.7%	100%	$77,100	15%	0	$77,100	
	Institution Goals											
. Faculty Productivity Measure:								$128,500	25%			
Undergrad Degrees/Upper Division FTE	0.420	0.396	0.024		0.398	0.361	0	$51,400	10%	0	0	$51,400
Individualized Credits/FTE Student	1.60	1.424	0.176		1.436	1.487	100%	$51,400	10%	0	$51,400	
SCH/Undergrad FTE in Writing Courses	2.50	2.030	0.470		2.063	2.057	82%	$25,700	5%	0	$21,074	$4,626
. Institution Specific Measure:								$154,200	30%			
Computer Lab Hours/ Undergrad FTE	10.5	8.89	1.610		9.003	22.5	100%	$77,100	15%		$77,100	
Advising Contacts/ Undergrad FTE	1.15	0.935	0.215		0.950	1.012	100%	$77,100	15%		$77,100	
Total:				**$342,000**				**$514,000**	**100%**	**0**	**$331,336**	**$182,664**

The Washington Legislature in its 1997-99 Budget defined the Statewide Goals, Baseline Year, and "Performance Gap" in budget provisos for the first three measures.

WASHINGTON STATE UNIVERSITY
ACCOUNTABILITY PERFORMANCE FOR 1997-98

Total Resources Held in Reserve for the 1997-99 Biennium: ***$3,011,000***
1997-98: ***$1,204,000*** (for Plan Approval); 1998-99: ***$1,807,000*** (for Accountability Performance in 1997-98)

	Statewide Goals	1995-96 Baseline	"Gap"	Planning Funds Released in September 97	1997-98 Target	1997-98 Actual	Percent Target Attained	1998-99 Funds Tied to Target	Percent Funds in Reserve	Performance Funds Released in July 98	Performance Funds Eligible for Release	Performance Funds Not Eligible for Release
ACCOUNTABILITY PLAN:				$1,204,000								
ACCOUNTABILITY MEASURES:												
. Graduation Efficiency Index:								$180,700	10%			
Native Students	95	89.6	7.8		89.96	90.54	100%	$90,350	5%		$90,350	
Transfer Students	90	79.8	15.2		80.47	81.84	100%	$90,350	5%		$90,350	
. Retention Rate:	95%	84.6%	10.4%		85.33%	84.2%	0	$361,400	20%	$361,400*	0*	$361,400
. 5-Year Graduation Rate:	65%	55.7%	9.3%		56.35%	53.2%	0	$180,700	10%		0	$180,700
	Institution Goals											
. Faculty Productivity Measure:								$542,100	30%			
SCH per Ranked Faculty	236.5	197.1	39.4		199.9	198.9	64%	$180,700	10%	$179,797**	$900	$65,052
Individualized Upper Div./ FTE Faculty	5.4	2.7	2.7		2.9	3.0	100%	$180,700	10%		$180,700	
Percent Faculty Completing Scholarly	95%	79.3%	15.7%		80.4%	80.5%	100%	$180,700	10%		$180,700	
. Institution Specific Measure:								$542,100	30%			
SCH through Distance Ed. off campus	34,422	17,211	17,211		23,235	24,935	100%	$180,700	10%	$180,700		
Distance Ed. Degrees off campus	12	3	9		6	6	100%	$90,350	5%	$90,350		
Technology-based Courses on campus	325	7	318		67	137	100%	$90,350	5%		$90,350	
Percent Classrooms with Full Technology	90%	42.4%	47.6%		55%	60%	100%	$180,700	10%	$180,700		
Total:				**$1,204,000**				**$1,807,000**	**100%**	**$992,947**	**$632,450 [$206,898]****	**$607,155**

* Corrected figures for actual performance indicate that the release of funds in July was premature.
** Due to a calculation error, more money was released than was due. This figure should have been $115,648.
*** Figure in brackets is the adjusted sum to be released.

The Washington Legislature in its 1997-99 Budget defined the Statewide Goals, Baseline Year, and "Performance Gap" in budget provisos for the first three measures.

APPENDIX B

ICAO Recommendations to Improve the Accountability Effort

- *Benchmark performance goals against reference standards wherever possible (e.g., peers).*

- *Authorize each institution to disaggregate performance measures to focus more precisely on groups of students who can most benefit from such efforts and practices that are in need of change.*

- *Redesign the system of accountability from a program driven by fiscal penalties to one reliant on incentives. Encourage innovation and collaboration by funding an incentive pool that fosters those values.*

- *Recognize the value of accreditation, peer review, and competitive markets in creating a climate of accountability.*

- *As part of the subsequent cycle, re-examine legislatively mandated accountability measures and targets again.*