Prepared by the North Dakota Legislative Council staff for the Higher Education Committee - Financial Accountability Measurements Subcommittee
July 3, 2000

FINANCIAL ACCOUNTABILITY MEASUREMENT PRACTICES IN OTHER STATES

This memorandum provides information regarding financial accountability measurement practices in other states.

ARIZONA

Arizona public universities show accountability by reporting on their performance and achievement in an annual report card designed to inform the public, elected officials, business leaders, and students about the universities' performance and progress. To develop the report card, the universities complete a self-assessment for each performance indicator. The Arizona Board of Regents reviews the self-assessments and other factors and assigns a grade to each performance indicator.

The performance indicators are grouped into four performance measurement categories. The following table summarizes the four categories and provides examples of performance indicators for each category:

Performance Measurement Categories	Performance Indicators
Improving the quality and effectiveness of undergraduate education	Rates at which students stay in school and graduate
Demonstrating the quality of instruction	Overall student/alumni satisfaction with faculty
Demonstrating excellence and innovations	New patents and licenses
	Research grant and contract expenditures
Improving the utilization of resources	Privatization of university functions
	Proportion of state operating budget used for educational activities

A copy of the *Arizona University System 2000 Report Card* is attached as Appendix A.

NEW MEXICO

The New Mexico Commission on Higher Education is committed to a state-level public higher education accountability process that provides ongoing feedback and guides the continuous improvement of the higher education system.

The following table summarizes the general responsibilities the New Mexico Commission on Higher Education believes must be addressed in order to adequately provide accountability at the state level:

Responsibilities of each individual institution include:

1. Evaluate institutional operations annually to ensure institutional missions are being achieved.
2. Assess the quality and continuous improvement of student learning, teaching, student services, and the overall operations of institutions.
3. Assess what employers and communities need, with associated indicators to assess whether graduates are meeting those needs.

Responsibilities of the Commission on Higher Education include:

1. Assess whether the university system is improving and making progress in attaining state-level goals for education.
2. Provide students, counselors, and interested parties with information about postsecondary education options.
3. Assess how well higher education is meeting the work force needs of the state and identify areas where new initiatives are needed.

A copy of the *New Mexico Commission on Higher Education's Policy for Accountable Post-Secondary Education for New Mexico* is attached as Appendix B.

OREGON

The Oregon University System developed performance measures and indicators based on four goals set to serve as a basis for transforming public higher education.

The following table summarizes the four goals, associated performance measures, and examples of corresponding performance indicators:

Goals	Performance Measures	Performance Indicators
Expand **access** by students of different circumstances	New students	High school graduates, lifelong learners
	Student quality and diversity	Total enrollment, higher ability enrollments, adult enrollment
Strengthen existing **quality** of academic programs	Degree completion (graduation rate)	Entering freshmen, persistence, graduate and professional
	Graduate abilities at degree completion	Professional standards, undergraduate general abilities
	Customer satisfaction	Recent graduates, students, employers, citizens
Enhance **employability** of graduates	Graduate success and state needs	Employment, degrees in shortage areas
Achieve **cost-effectiveness** appropriate to institutional missions	Entrepreneurship	Sponsored research, private gifts and grants, foundation assets
	Institutional management	Status of deferred maintenance backlog, current fund balance

NOTE: For each performance indicator, the Oregon University System analyzes performance trends and peer data to set improvement target rates.

A copy of the Oregon University System's *Performance Measures and Indicators: 1999 Baseline Performance and 2005 Improvement Targets* report is attached as Appendix C.

WASHINGTON

The Washington Legislature in its 1997-99 biennial budget instructed the Higher Education Coordinating Board to use five defined performance measurements to implement an accountability system for the state's public four-year institutions. The legislature placed a portion of each institution's 1997-99 funding in reserve to be released upon the Higher Education Coordinating Board's approval of the institution's accountability plans and the Higher Education Coordinating Board's institutional performance assessment for the 1997-98 academic year. The following are the five legislative-defined performance measurements:

- Undergraduate graduation efficiency index - 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.
- Undergraduate student retention - The proportion of undergraduate students who continue to be enrolled from one year to the next.
- Five-year graduation rates - The percentage of students who begin as freshmen who graduate within five years.
- Faculty productivity measure - Measures related to faculty work, normally a different mixture of measures for each institution.
- Unique accountability measure for each institution - Measures reflective of the institution's mission.

A copy of the Washington State Higher Education Coordinating Board's *Performance Funding and Accountability: Progress Report and Recommendations for the Future* is attached as Appendix D.

HAWAII

The Hawaii State Legislature has determined the University of Hawaii is to demonstrate accountability through the use of benchmarks linked to goals of the university and has required the use of benchmarks in the development of budget and tuition schedules.

The following table summarizes the goals of the University of Hawaii and provides examples of associated performance areas outlined in the University of Hawaii's *Benchmarks - Performance Indicators Report 1997-1998 Update* report which is attached as Appendix E:

Goals	Performance Areas
Providing access to quality educational experiences and service to the state	Access, graduation rates, examination performance, access to faculty, program review, work force development
Implementing differentiated campus missions and functioning as a system	Campus mission and transfer and articulation
Continuing to champion diversity and respect for differences	Diversity
Strengthening the university as the premier resource in Hawaiian, Asian, and Pacific affairs, and advancing its international leadership role	International education, special emphases
Acquiring and managing resources with accountability and responsiveness	Funding, stewardship and management, private giving

ATTACH:5

Arizona University System 2000 Report Card

Arizona Board of Regents

Arizona State University ! Northern Arizona University ! The University of Arizona

APPENDIX A

Arizona University System 2000 Report Card

Dear Citizens of Arizona:

Since joining the Board of Regents six years ago, I have witnessed solid, steady improvement in the way Arizona's public universities operate. Our targets for improvement have ranged from accountability of faculty to effective use of buildings and facilities to privatization opportunities and to improvements in the way innovation is shared with the private sector.

A sustained focus by my colleagues and I on institutional accountability has encouraged Arizona State University, Northern Arizona University and the University of Arizona to serve students better by providing more access to required classes and academic advisors; making available more sections of classes to match demand; enhancing opportunities for interaction between undergraduate students and ranked faculty; and streamlining graduation requirements to encourage timely completion of studies. In addition, this Board has worked with the institutions to lower administrative overhead and improve the efficiency of resources provided through the state general fund, tuition and fees, gifts, grants and contracts.

In short, we have pushed these universities to operate in a more business-like manner, because the public's business deserves nothing less. That's the philosophy and spirit behind this annual accountability report.

You will find that the universities have made important improvements in the last year, reflecting that the reforms and initiatives are making headway. You will also find that not everything is perfect – we have more work to do and more changes to initiate.

We believe the Board – and the Universities – are on the right track. By keeping our attention focused on key priorities and measuring our forward progress, we can sustain and enhance the university system for the Grand Canyon State.

***— George H. Amos, III,* President**
The Arizona Board of Regents

CONTENTS

Arizona University System 2000 Report Card

Purpose of the Report Card

Arizona's public universities serve broad and diverse communities across a vast geography that includes downtown urban centers as well as remote, rural hilltops and river valleys. Their pursuit of excellence involves balancing changing public policies, finite resources, rising expectations and the dynamic needs of students. Arizona State University, Northern Arizona University and the University of Arizona continue to build on their achievements as outstanding instructional and research institutions. They show accountability by reporting on their performance and achievement. This annual report is designed to inform the public, elected officials, business leaders and students about the universities' progress and milestones. It reflects up-to-date information collected and analyzed by the universities and the Board of Regents staff. It is intended as a balanced, accurate reflection of where the universities excel and where they need to improve. The measurements in the report card are updated and refined as appropriate: in some cases, information reported for an indicator may be slightly different than information used in previous editions. The date on the cover reflects when the report card was issued; the data inside generally reflect results from the prior full academic year.

The Process for Developing the Report Card

The universities completed a self-assessment for each performance indicator. The self assessments are reviewed, along with other factors, by the Regents in assigning grades. The grades reflect a consensus of the Board and its best effort to measure value, assess trends, and establish benchmarks for on-going improvement and communication. The indicators in the Report Card establish a baseline against which future performance will be measured and reported.

In addition, the Board and the Universities continuously refine and focus the performance measures. An initiative to consolidate various internal measures is underway and may shape standards and benchmarks in subsequent editions.

Grading System for the Report Card

One of four levels is assigned to the progress of the universities on key benchmarks or institutional goals:

Superior Performance: Goals have been met or exceeded, or results compare favorably with established benchmarks, or a high level of baseline performance is shown, or a qualitative indication of excellence is demonstrated.

Satisfactory Performance. Progress has been made but performance has not met goals, or performance is above average, or performance exhibits competence and initiatives for improvement are underway.

Needs Improvement. Limited evidence of positive change or performance is below expectations and no initiative for improvement is underway.

Unsatisfactory: No evidence of positive change; no initiative for improvement is underway.

Alignment with University System Strategic Plan

The Arizona Board of Regents has established seven strategic directions for improving the quality of the Arizona University System:

1) Improve undergraduate education
2) Strengthen graduate education
3) Develop research and encourage economic development
4) Provide access to Arizona's universities
5) Capitalize on new technologies
6) Strengthen relationships with constituent groups
7) Improve efficiency

The Report Card indicators align with the strategic directions in the following manner:

CATEGORY 1: Improving the Quality and Effectiveness of Undergraduate Education

Figure 1.1
Percentage of Entering Freshmen Who Persist One Year or Graduate in Six

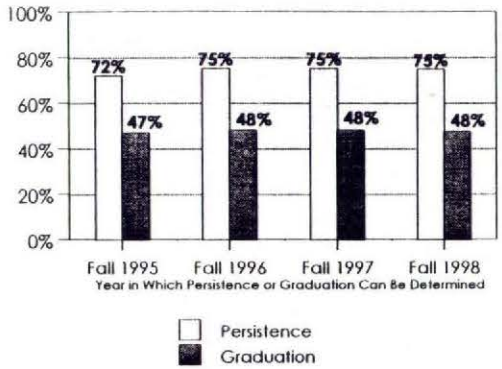
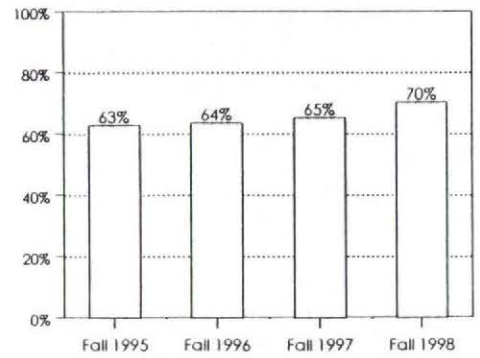


Figure 1.2
Percentage of Students who Reported Being Satisfied or Very Satisfied with Academic Advising



Ability of students to progress in their academic programs: Timely, efficient completion of studies toward a degree is important to students and to the universities. The universities track the percentage of general studies completed by the end of the sophomore year or survey students about course availability. The university measures have remained relatively constant over the past few years, with approximately 80% of general education requirements having been taken by the time students attain junior status, and about 70% of those surveyed reporting course availability in general education courses.

Rating: Superior_____ Satisfactory__✔__ Needs Improvement_____ Unsatisfactory_____

Percentage of seniors graduating without excess hours: The current standard requirement for the completion of most baccalaureate degrees is 120 credit hours. More than 85% of undergraduate students are enrolled in programs that require 120 hours for graduation. The current convention regarding the level at which students are considered to have accumulated excess credit hours is 160 credit hours. Transfer hours from Arizona Community Colleges are not included in this calculation. The most recent data indicate that the percentage of students who graduate with excess hours remains very low, falling from 1.9% in Fall 1997 to 1.6% in Fall 1998.

Rating: Superior__✔__ Satisfactory_____ Needs Improvement_____ Unsatisfactory_____

Rates at which students stay in school and graduate: The universities assess the effectiveness of the support they provide students by tracking how many freshmen return for their sophomore year and how many graduate within six years. Both persistence and graduation rates have remained relatively constant over the past four years. (Figure 1.1)

Rating: Superior_____ Satisfactory_____ Needs Improvement__✔(+)__ Unsatisfactory_____

Satisfaction of students with academic advising: Academic advisors guide students in selecting and scheduling coursework that leads to the completion of their degrees. More than 70 percent of students surveyed in the most recent year were satisfied or very satisfied with advising. This indicates a noticeable increase in satisfaction (Figure 1.2).

Rating: Superior_____ Satisfactory_____ Needs Improvement__✔__ Unsatisfactory_____

CATEGORY 1: Improving the Quality and Effectiveness of Undergraduate Education

Figure 1.3
Percentage of Lower-Division Students With Two or More Classes Taught by Regular Faculty

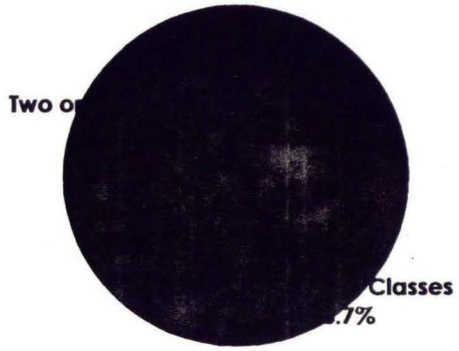
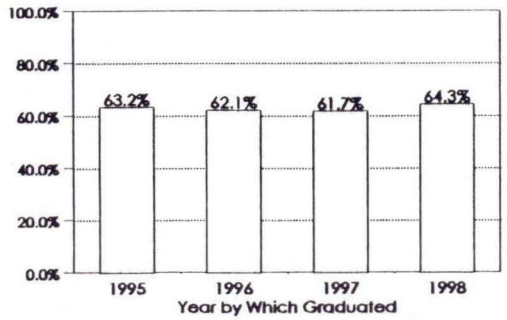


Figure 1.4
Four-Year Graduation Rates of Upper-Division Transfer Students



Success of alumni: Arizona employers or employers who interview on campus are surveyed regarding their satisfaction with Arizona University System graduates. There is strong agreement among employers that graduates are satisfactory or better, with an average of 84% of employers rating graduates in one of these categories.

Rating: Superior_____ Satisfactory_✔(+) Needs Improvement_____ Unsatisfactory_____

Access to regular faculty by undergraduate students: The universities measure the classroom contact of lower-division students with regular faculty (tenure and tenure track faculty, instructors, and lecturers are included as regular faculty; graduate teaching assistants and associates, and part-time faculty paid on a per-class basis are not). 91.3% of lower-division students have two or more courses per semester taught by regular faculty. This measure has been fairly constant over the past few years. (Figure 1.3)

Rating: Superior_____ Satisfactory_✔(+) Needs Improvement_____ Unsatisfactory_____

Success of Transfer Students: This indicator measures the completion rates of students who enter the universities at the junior level or above, usually from an Arizona community college. The most current year's data show that the percentage of transfer students who graduate within four years of their transfer to the university is 64.3%. (Figure 1.4)

Rating: Superior_____ Satisfactory_✔ Needs Improvement_____ Unsatisfactory _____

CATEGORY 2: Demonstrating the Quality of Instruction

Figure 2.1
Percentage of Faculty With Good or Excellent Teaching Ratings

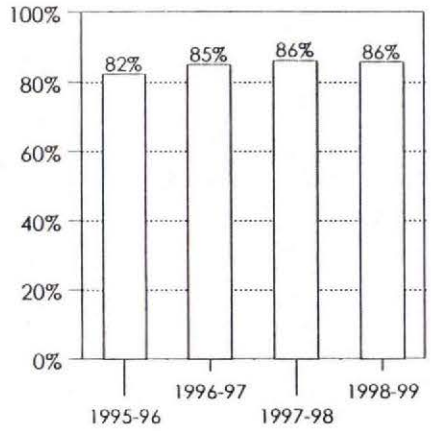
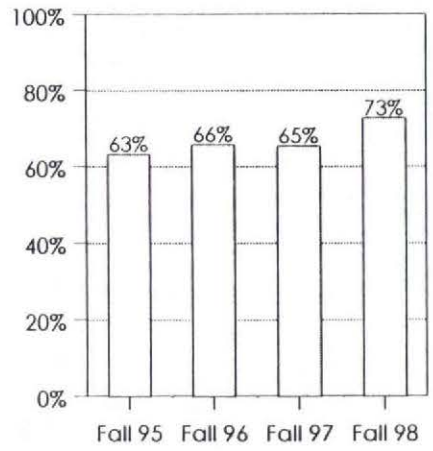


Figure 2.2
Top High School Scholars Enrolling at Arizona's Public Universities



Percentage of faculty with "good" or "excellent" teaching ratings: The universities track students' ratings of the teaching performance of faculty. The most recent data show that more than 85.6% of faculty were rated as "good" or "excellent" by students. This measure has increased over the four-year period covered by the Report Card, but appears now to be holding constant. (Figure 2.1)

Rating: Superior ✔ Satisfactory_____ Needs Improvement _____ Unsatisfactory_____

Overall student/alumni satisfaction with faculty: The universities survey students and alumni to determine their level of satisfaction with faculty interest in and concern for students, their education, and their career plans. Combining data from the most recent survey from the universities indicate that 78% are satisfied or very satisfied. This percentage fluctuates rather dramatically, having changed from 74% to72% to 87% to 78%. Overall, however, there appears to be an increase from the inception of the Report Card.

Rating: Superior_____ Satisfactory ✔(+) Needs Improvement_____ Unsatisfactory_____

Top Arizona high school scholars attending Arizona universities: The universities strive to attract and retain top student scholars (as defined by the top 10% of the previous year's high school graduating class). 72.6% of the top high school graduates from 1997-98 entered an Arizona university in 1998, a substantial increase over previous years. (Figure 2.2)

Rating: Superior ✔ Satisfactory_____ Needs Improvement _____ Unsatisfactory_____

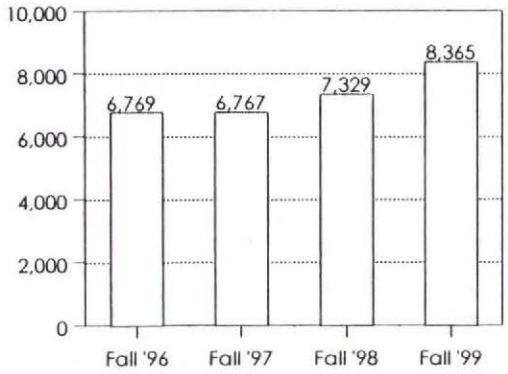
New National Merit Scholars entering Arizona universities each year: Strong instructional programs enable the universities to attract top student scholars from throughout the United States. In 1999, 195 new National Merit Scholars entered Arizona's public universities, a substantial increase over previous years. Over time, there has been a more gradual increase in the number of National Merit Scholars entering Arizona's public universities.

Rating: Superior ✔ Satisfactory_____ Needs Improvement _____ Unsatisfactory_____

CATEGORY 3: Demonstrating Excellence & Innovations

Figure 3.1
Research Grant and Contract Expenditures (in Millions)

Figure 3.2
Student Registrations in Electronically Delivered Courses



New patents and licenses: Through intensive research by faculty and students, universities document new patents, apply for additional patents, grant licenses for using technological breakthroughs, and make disclosures of new inventions. The average number of patents and licenses in a year has increased to 76 for the period from FY97 to FY99, up from 53 for the period from FY96 to FY98.

Rating: Superior_____ Satisfactory ✔ Needs Improvement_____ Unsatisfactory_____

Research grant and contract expenditures: Research at the universities expands the body of knowledge and provides opportunities for students to participate in leading-edge studies. The universities track the level of external research funding on a yearly basis. Research expenditures and funding have been shown to contribute significantly to local economic development. The most recent data show that research grant and contract expenditures have increased 32.4%, from $256.0 million in FY98 to $339.0 million in FY99. (Figure 3.1)

Rating: Superior ✔ Satisfactory_____ Needs Improvement _____ Unsatisfactory_____

Use of new technology to deliver instruction: Technology provides new dimensions for classroom instruction as well as service to a broader community. In Fall 1999, there were 8,365 student registrations in courses that were provided via electronic delivery modes, an increase of 14% over last year and 24% over the year before that. (Figure 3.2.) In addition and more importantly, the quality of many other classes has increased significantly as a result of the inclusion of new technologies as a communication or teaching modality.

Rating: Superior_____ Satisfactory ✔(+) Needs Improvement _____ Unsatisfactory_____

Progress toward implementing collaborative on-line academic degree programs: Collaborative programs for a Baccalaureate in Agricultural System Management and a Master's in Engineering are now available. A Joint PhD in the Theory and History of Art will begin in Fall 2000. Each of these programs have coursework available on-line.

Rating: Superior_____ Satisfactory ✔ Needs Improvement _____ Unsatisfactory_____

Scope, Size and Character of the Arizona University System

The following facts and figures provide further explanation of the condition of the Arizona University System and offer greater context to the indicators presented in the body of the Report Card. They represent a snapshot of the system as of Fall 1999:

- Enrollment levels and patterns: Enrollment of nearly 105,000 students at three main campuses, three branch campuses, and more than 220 centers and sites around Arizona

- Number of degrees awarded by type of degree (1998-99):

Baccalaureate degrees	15,066
Graduate\professional degrees	6,667

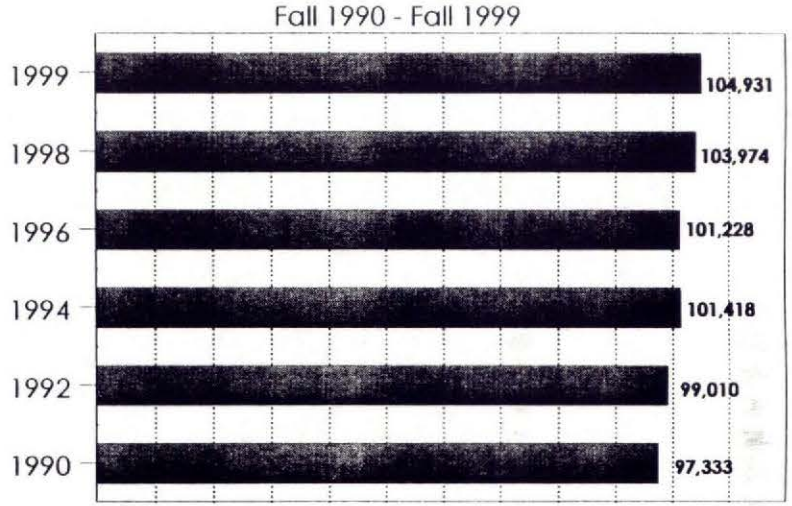
- Sources and uses of funds: Funds are divided into four main categories: general fund revenues (appropriations from the State), collections (tuition and miscellaneous revenues in support of the state operating budget), designated funds (which include auxiliary enterprises such as bookstores and dormitories (local collections (tuition in support of local activities financial aid debt service and plant fund) and restricted monies (gifts, grants, and contracts). For FY 2000, revenues from all sources are estimated at $2.157 billion.

- Economic impact on local communities: Arizona's universities receive funding from the state, and the universities give back technology, trained workers, payroll, local purchases, and a broader tax base to the economy of the state. The overall annual economic impact of the universities is estimated to be more than $5.3 billion.

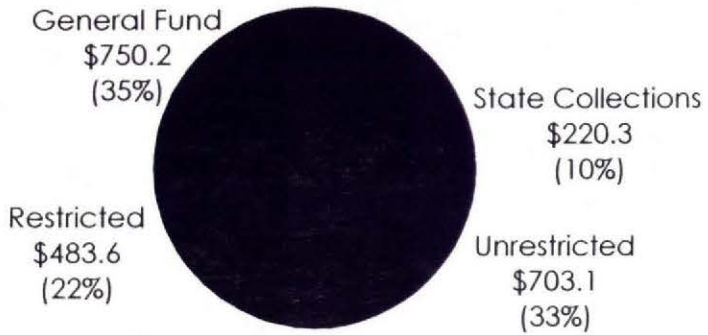
- Number of employees: The University System employs more than 27,000 full and part-time staff who live and work in communities throughout the state.

- Value of Building System: It is estimated that the replacement cost of the more than 1,700 buildings of the universities is $3.9 billion.

Arizona University System Enrollment



All Funds Operating Budget, Sources of Funds, FY2000 Total: $2.157 billion



CATEGORY 4: Improving the Utilization of Resources

Figure 4.1
Student Credit Hours
Per Full-Time Faculty Member

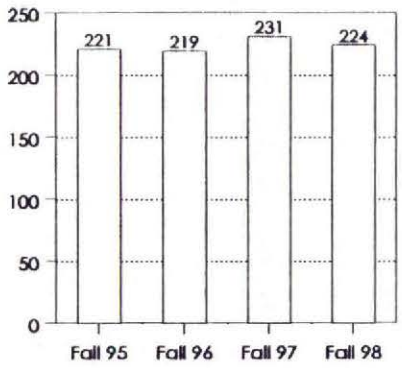
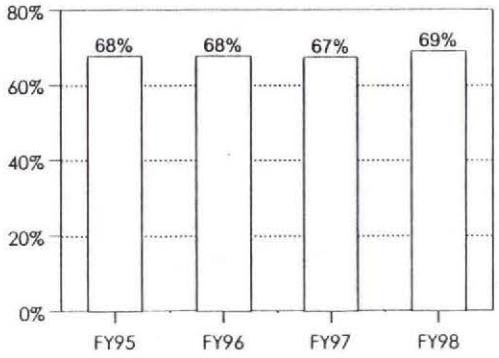


Figure 4.2
Proportion of State Operating Budget
Used for Educational Activities



Privatization of university functions: Arizona's universities have continued to involve private sector entities in auxiliary services and functions where appropriate. An external review committee completed a study of privatization in the Arizona University System in mid-1999. The Board approved plans to implement 26 of the recommendations of the committee. (This indicator was not graded in 1999, pending completion of the external review.)

Rating: Superior_____ Satisfactory ✔ Needs Improvement_____ Unsatisfactory_____

Participation of faculty in instructional activities: Ranked and full-time faculty are the primary teaching resource of the universities. Faculty contact with students is tracked to ensure that students have contact with faculty. Faculty contact with students in Fall 1998 was 224 student credit hours (the credit hours of each course multiplied by the number of students enrolled) per full-time faculty member in 1998-99. This measure fluctuates somewhat, but in spite of the decrease since last year, there appears to be an overall increase since the measure was first employed in the 1997 Report Card. (Figure 4.1)

Rating: Superior_____ Satisfactory ✔ Needs Improvement_____ Unsatisfactory_____

Proportion of state operating budget used for educational activities: Providing quality instruction and strong instructional resources is a high priority for Arizona's University System. The universities track the percentage of state operating resources, including general fund appropriations and tuition and fees, used for instruction and student-related expenditures. This has increased from 67.4% in FY96 to 69.0% in FY98. (Figure 4.2)

Rating: Superior_____ Satisfactory ✔(+) Needs Improvement_____ Unsatisfactory_____

Efficient use of resources for primary institutional functions: The foremost missions of the universities are to instruct students, conduct research, and provide public service. The universities track the portion of their resources earmarked for those core functions and the portion that is used for administrative purposes. As a percentage of total expenditures, administrative costs were 8.1% in FY98, down from 8.3% in FY97. These costs included the expense of successfully achieving Year 2000 compliance.

Rating: Superior_____ Satisfactory ✔ Needs Improvement_____ Unsatisfactory_____

Achievements of the Arizona Board of Regents

Arizona's public university system encompasses two Research I universities and one Doctoral granting institution. The institutions provide top ranked academic programs, and employ faculty members who are leaders in their field. Maintaining the quality of a strong university system is the responsibility of the Arizona Board of Regents. The Board has made a commitment to making higher education accessible to all of Arizona's citizens.

Greater Accessibility: In line with legislative enactments, the Board has increased access to Arizona's universities by changing policy to allow honorably discharged military personnel who declare Arizona as their state of legal residence to pay in-state tuition rates. Admission and merit waiver policies also have been changed to give home-school and charter-school students fair access to Arizona's universities.

Learner Centered Education: The Board has conducted a year-long review of learner centered education to identify ways to keep concentrating undergraduate learning more on the student.

Tuition and Fees Process: The Board has implemented a new tuition and fees process that was proscribed by the legislature last year. The Board will publish notices of meetings scheduled to consider tuition and will for the first time consider all class fees that require Board approval at the tuition meeting. The Board will once again have an annual tuition hearing to allow students from across the state to address the Board about their concerns.

Undergraduate Consolidated Accountability Report: The Board has streamlined university reporting on processes and outcomes for improving undergraduate education with this consolidated report. The universities continue to measure and make progress in areas such as course availability for lower-division students, classroom environment and technology, graduation and retention rates, and employer satisfaction with graduates.

Public–Private Partnerships: Continuing its efforts to reach out and work with the public sector, Regents established an external review committee to study opportunities for privatization at Arizona's public universities. The universities are currently implementing 26 recommendations made by the committee.

Governor's Task Force on Higher Education: Members of the Board as well as the university presidents and the Board's executive director are working with the business community and representatives from higher education across the state to develop a blue print for higher education in Arizona for the next 20 years.

Arizona Partnership for the New Economy: Key representatives from the universities have been tapped by Governor Hull to assist in developing a strategy for the new economy that is expected to continue developing into the new century. Arizona's universities are integral to Arizona's efforts to build a strong economic engine under the new economy.

Biennial Budgeting: A change approved by the Arizona Legislature in 1997 required the university system to submit a biennial budget. The first two-year budget was submitted in Fall 98 for Fiscal years 2000 and 2001. Using guidelines provided by the Governor, the universities submitted a disciplined request for supplemental funds for the second year of the biennium.

Arizona State University Highlights

- The freshman class for Fall, 1999 includes a record 892 Regents' Scholars and a record 132 National Merit Scholars. ASU has enrolled 233 new National Merit Scholars in the past three years, compared to only six enrolled in 1991.
- A record 2,560 students are enrolled in the Craig and Barbara Barrett Honors College at ASU. The Barretts made a strong statement about the importance of the Honors College with the donation of a $10 million endowment to fund scholarships and special programs.
- Three ASU students won top prizes in the 1998 American Society of Landscape Architecture National Student Design Competition.
- ASU has the highest number and highest proportion of Hispanic faculty of any major research university in the United States.
- The percentage of baccalaureate degrees granted to minority students has increased from 9.9% in 1988 to 16.7% in 1998.
- The National Science Foundation awarded $2.5 million to ASU for a five-year project to increase graduate degrees received by minorities in science, mathematics and engineering.
- The CPA Personnel Report ranked the Main Campus, College of Business's School of Accountancy and Information Management among the nation's top 10 public institutions. In addition, the College's MBA program was ranked 43rd in the world by the London Financial Times.
- Three ASU history professors, Stephen J. Pyne, Vicki Ruiz and Peter Iverson, have been named among the year's top academic authors by Choice Magazine, a publication of the Association of College and Research Libraries.
- Marketing professor Rajiv Sinha was selected for the Fulbright Distinguished Chairs in New Product Development. There are only 31 Distinguished Chairs awarded each year.
- Physics professors John Spence, Jian Min Zuo and Moon Kim and Chemistry Professor Michael O'Keefe's research was featured in Nature Magazine. Their startlingly clear images of the electron orbitals of a ceramic semiconductor (Cu2O) were featured on the cover of this international magazine.
- Dr. Clifford Shultz joined the faculty of the Morrison School of Agribusiness and Resource Management at the East Campus as the first Marley Chair in Consumer Food Marketing.
- ASU was one of 7 universities selected to be a charter member of NASA's Astrobiology Institute. Additionally, three of the finalists for astronaut are graduates from ASU.
- The Kellogg Foundation provided one of its largest grants for ASU's Non-profit Management Institute.
- With support from ASU and the Arizona Education, Association 51 Arizona Teachers have achieved National Board Certification, an advanced teaching credential granted by the National Board for Professional Teaching Standards. The Arizona teachers enjoyed an 81% success rate on the examination which far surpasses the national average of 42%
- ASU West's College of Education and several public and private sector partners have received a $1.1 million grant from the U.S. Department of Education for their Preparing Tomorrow's Teachers to Use Technology (PT3) project.
- ASU will lead a U.S. Department of Education funded partnership between the state's three universities, local community colleges and state school districts to improve teacher preparation in science and mathematics. The award to ASU was the largest of 25 partnership grants.
- Enrollment at ASU East increased by 34% to a high of 1466. New degree programs in elementary education, business administration, applied psychology, engineering technology and interdisciplinary studies have been added to the East campus. Bachelors and masters degree programs in environmental resources were moved from ASU Main to the East Campus.
- ASU West increased its ability to address the needs of its service area by developing four new career-oriented and applied master's degree programs and the B.A.S. degree.
- ASU West received its largest gift ever from Edwin K. and Margaret J. Delph. The Delphs established two endowed scholarship funds and also an endowed Visiting Professorship in Ethics.
- In fiscal year 1999, ASU processed 57 new invention disclosures, filed 49 patent applications, was granted 10 new patents by the U.S. Patent Office and signed 12 new licenses or options.
- ASU is a $2.3 billion force in the Arizona economy according to a study released by the Center for Business Research in the College of Business.

The University of Arizona Highlights

- The National Science Foundation ranks The UA 13th among public universities and 19th among all universities for total research and development spending.
- The UA had 15 Flinn Scholars enroll in 1999 giving a total of 67 Flinn Scholars on campus.
- The UA's graduation rate is highest in 15 year history of data collection.
- The NSF awarded the UA a $13 million Science and Technology center for hydrology and arid lands studies.
- The UA is one of the ten best universities to integrate teaching and research for undergraduates, says the National Science Foundation, which awarded us half a million dollars so we can teach other institutions how we do it.
- Faculty at The UA continue to be recognized for their world-class accomplishments, including a Nobel Prize winner, 13 elected members of the National Academy of Sciences, eight members of the National Academy of Engineering, five MacArthur "Genius" Award recipients, one Pulitzer Prize winner, and a Vetlesen Prize winner.
- For the third year in a row (1997-99), UMC is among the nation's best hospitals for cardiac care, according to U.S. News and World Report's annual guide to "America's Best Hospitals.
- Fifty-four freshmen National Merit Scholars chose to attend The UA in Fall 1999.
- The UA is the first to offer a Ph.D. in American Indian Studies. This is still the only Ph.D. in Indian Studies in the nation.
- The UA's Athletic Department was ranked 9th in the Sears Director's Cup for 1998-99. National Association of Collegiate Directors of Athletics named Jim Livengood NCAA Division I Athletic Director 1998.
- The National Research Council ranked one third of The UA's graduate programs in the top 25 percent in the nation.
- Cancer research and treatment is a continuing concern at The UA, where medical professionals recently have won $23 million in research grants for their work, improving the lives and odds of survival for many patients.
- The UA students are among the best in the nation, winning prestigious fellowships and research support from many sources, including Fulbright, Rhodes, Ford, Goldwater, Udall, Flinn, Truman, Marshall, Churchill, Luce, Muskie, AT&T, Hughes, NASA, NSF, NIH, Foreign Language and Area Studies and the U.S. Air Force.

- The UA Mexican American Studies & Research Center and the College of Medicine were awarded a $1.2 million, three-year training grant to create a "Hispanic Center of Excellence."
- The MIS department at The UA has been ranked as one of the top 5 departments in information systems for the last ten years.
- The UA College of Pharmacy is ranked 7th in the nation by U.S. News and World Report.
- David Kingery, Regents Professor of Anthropology and Material Science and Engineering, was the recipient of the internationally prestigious Kyoto Prize for seminal contributions to his discipline.
- Astronomers at the Mount Graham International Observatory made the first observations of a source outside our Milky Way Galaxy at the shortest wavelengths possible from Earth .
- UA South continues to prosper. The Foreign Language Program, through their affiliation with the Department of Defense, continues to reach national and international prominence. Moreover, two new buildings are being constructed this year, one funded by the State of Arizona, and the other by the community in southern Arizona.
- Produce aisles are increasingly filled with vegetables from commercial greenhouses. The UA College of Agriculture is heavily involved in this research which stabilizes crop production and availability for the consumer, provides a tax base and other monies for rural counties, and saves water due to the controlled environment.

Northern Arizona University Highlights

- NAU's College of Engineering and Technology won the prestigous Boeing Outstanding Educator Award, surpassing other finalists Embry-Riddle Aeronautical University and Iowa State University.
- "Hispanic Outlook on Higher Education" has once again selected NAU as one of the top universities for Hispanics. The Hispanic Association of Colleges and Universities (HACU) named NAU as a Hispanic-serving institution because Hispanic enrollment grew to 10 percent for the first time in university history. Enrollment of Native Americans is 6.6 percent, also a record figure.
- College of Arts & Sciences professor of geology, Larry Agenbroad, is the only American scientist involved in the historic excavation of a perfectly preserved woolly mammoth from the Siberian tundra. Dr. Agenbroad is also on the faculty of the Quaternary Studies program, which he initiated.
- NAU was singled out as a top school in four of 12 categories by the Kaplan Newsweek College Catalog 2000 because it is a "hidden treasure," offers the maximum amount of individual academic attention, accommodates the learning disabled and represents the best value for the tuition dollar.
- The Points of Light Foundation recognized NAU's Pipeline Program as a Daily Point of Light for offering talented, at-risk students the opportunity to attend NAU through a program of mentoring and scholarships. The Points of Light Foundation was created in 1990 in conjunction with former President George Bush's Thousand Points of Light program.
- KPMG LLP loaned the powerful new supercomputer IBM RS/6000 SP to NAU's Center for Data Insight. The IBM SP is so powerful it can process 20 billion calculations per second. The CDI provides a unique and neutral environment supported by the 14 leading data mining product vendors where corporate users can test the latest of these technologies.

- NAU's College of Business Administration graduated the largest class to date in the Oracle Academic Initiative (OAI). Oracle Corp. started OAI in 1997 to address the critical shortage of information technology professionals. Now more than 425 universities worldwide participate.
- The National Archives and Records Administration (NARA) loaned NAU the Navajo Treaty of 1868 for a year-long display at Cline Library, ending June 1, 1999. More than 14,000 people viewed the treaty at NAU, which is adjacent to the Navajo Nation. It was the first time any Native American treaty has been loaned out by NARA.
- NAU's New Century Honors program is graduating 50 students each year and the number is expected to double each year for the next several years.
- NAU has more than 20 learning centers around Arizona as well as technology-delivered courses to assist place-bound students with family and employment obligations who wish to further their education.

Regents, University Presidents

Arizona Board of Regents 1999-2000

George H. (Hank) Amos, III, President
Don Ulrich, President Elect

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Judy Gignac
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Kay McKay
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Christina Palacios (starting Spring 2000)
Gary Stuart (starting Spring 2000)
Christine Thompson
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Executive Director, ABOR

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Clara M. Lovett, Northern Arizona University

State of NEW MEXICO
Commission on Higher Education

Publications, Reports, and the WWW

Policy for Accountable Post-Secondary Education for New Mexico

The strength of New Mexico's economy, the quality of our workforce, the vitality of our communities, and the productivity and well-being of our citizens depend on an education system that provides residents of all ages with the knowledge and skills needed to live, learn and work in a changing world. A strong system of higher education is essential for the continuing development of our state. Our challenge is to determine how higher education can best meet the needs of our citizens within available resources. We must recognize and support the many strengths of our colleges and universities, while simultaneously encouraging them to implement new strategies that promote continuous improvement. In order to encourage innovation while ensuring responsible stewardship to our taxpayers, the New Mexico Commission on Higher Education is committed to a program of accountability for our public colleges and universities that will

- assure citizens and state policy makers that our public colleges and universities are investing their public support wisely,
- encourage our public post-secondary institutions to continually improve their programs and operations, fostering innovations that will better serve their customers' needs, and
- provide information to assist parents, students, employers, and other consumers in making appropriate choices about post-secondary options.

State Goals for Higher Education Accountability in New Mexico:

Inherent in the New Mexico Commission on Higher Education's mission of statewide leadership is a fundamental responsibility to communicate and support a vision for a coordinated system of higher education in our state. The Commission's employment of the term "system" in this context means a regularly interacting or interdependent group of colleges and universities forming a unified whole. The Commission has articulated a vision of Ahigh quality student-centered education and training delivered efficiently throughout the state at campuses, learning centers, homes and businesses. In order to make progress in achieving this vision, the goals for New Mexico's higher education system must be clearly defined. The quality and effectiveness of the higher education enterprise can then be periodically assessed and improved.

Because the state serves as a major funder, steward of public investments, and consumer advocate and guardian, it is important that state goals for higher education reflect the public interest. During the 1999 legislative session, Senate Joint Memorial 11 was enacted requesting the Commission and the higher education institutions cooperate in adopting and implementing the following goals for a coordinated post-secondary education system:

1. effective and efficient use of the human, financial and physical resources in the delivery of education, services, and research;
2. quality education and training to cultivate a competitive high quality workforce;
3. service to New Mexico through the discovery and sharing of knowledge, research and innovation;

4. teacher education and professional development in partnership with the public school system to achieve the highest quality teaching;

5. accessible and affordable education to fulfill the personal, social, cultural, and economic potential of the state's diverse population; and

6. partnerships among public schools, colleges, universities, and the private sector to promote coordinated educational opportunities appropriate to the global marketplace.

Principles Guiding State-Level Public Higher Education Accountability:

The Commission is committed to a process of accountability that provides ongoing feedback guiding the continuous improvement of the higher education system in meeting these state goals. This effort, and the feedback system that supports it, will be structured to encourage innovation within our public post-secondary institutions as well as to remove barriers and create incentives to equitable access, high quality, and efficiency. Within this context, and in order to provide useful reports of performance, certain principles underpin the Commission's state-level public higher education accountability policy:

- State-level accountability planning should recognize the differentiated capacities and responsibilities of the respective institutions so that each can focus upon innovations appropriate to its students. Accountability initiatives should avoid simplistic, uniform methods for evaluating institutional performance. The Commission anticipates that it should be possible to identify some uniform indicators of institutional performance, at least for subsets of institutions with comparable missions. But the Commission also recognizes the value of utilizing indicators that have been developed by a particular institution, appropriate to its operations and most likely to be used by that institution to advance its improvement.

- A state-level accountability program should be structured so as to support and benefit from the student outcomes assessment requirements of the North Central Association of Colleges and Schools, the regional accreditation body serving New Mexico. To the extent possible, information gathered to meet NCA requirements should also be used to meet state-level accountability needs.

- A state-level accountability initiative should also encourage and support specialized accreditation or certification of particular programs. Not all areas of study have access to specialized, programmatic accreditation or certification but they are also valuable indicators of institutional performance. Institutions should be assisted in engaging in specialized accreditation or certification reviews and the results of those efforts should be recognized in state accountability reports.

- Any state-level accountability effort should define issues and establish general performance standards and reporting expectations, covering the range of programs and operations that influence the delivery and impact of higher education. However, the particular measures of performance adopted within the accountability program can be expected to evolve as issues shift and institutional performance improves.

- A state-level accountability program should incorporate those student outcomes considered fundamental to higher education -- the core competencies needed by any degree or certificate recipient in order to meet expectations of the workplace and to advance the welfare of society -- and institutional assessment of students' achievement of these outcomes. The state-level accountability program, like institutional programs, should assure that each graduate has these basic competencies but also should assess the institutions' contributions to their graduates' development, that is, the value added by the post-secondary experience of these students.

Implementing Accountability for New Mexico's System of Higher Education:

Designing an effective feedback system and communicating to multiple stakeholders, such as state policy makers, employers, students and other consumers is a significant challenge. The Commission desires to develop a consistent,

concisely demonstrate the performance of our system of higher education from a state-level perspective. At the same time a range of indicators is necessary to demonstrate accountability at the institutional level, while preserving distinctions appropriate to differing institutional missions. In keeping with the Commission's commitment to consultation and collaboration, the responsibility of developing the appropriate tools and methods to assess the performance of our system of higher education must be jointly shared by the higher education institutions with the Commission. While the design of specific accountability indicators will be an ongoing activity, at a minimum the following general responsibilities must be addressed in order to adequately provide accountability at the state level:

Responsibilities of each individual institution include:

1. Annually evaluating institutional operations to ensure that the institutional missions are being achieved;

2. Ensuring that ongoing processes are in place to assess the quality and continuous improvement of student learning, teaching, student services, and the overall operations of the institution; and

3. Ensuring that ongoing processes are in place to assess what employers and communities need, with indicators in place to assess whether its graduates meet those needs.

Responsibilities of the Commission include:

1. Assessing whether public higher education collectively is improving and making progress in attaining state-level goals for education;

2. Providing students, prospective students, and counselors with effective information about post-secondary options in New Mexico; and

3. Assessing how well the workforce needs of the state as a whole are being met by higher education, and identifying areas where new initiatives are needed by our colleges and universities.

Therefore, it is the policy of the Commission to actively advance the implementation of institutional and state-level strategies designed to promote the development of high quality student-centered education and training delivered efficiently throughout the state at campuses, learning centers, homes, and businesses. These activities will

- encourage institutional efforts to improve accountability, focusing on institutional efforts that (1) enhance the quality of student learning, (2) assess their progress in achieving the institutional mission, and (3) strengthen the preparation of their students to enter the workforce; and

- provide (1) state-level accountability in assessing the effectiveness of higher education collectively in achieving state goals, (2) useful and timely information to the customers of higher education about their post-secondary options, and (3) timely analyses of actions needed by our colleges and universities to respond to the economic development needs of New Mexico.

Return to Publications and Reports

Posted July 9, 1999

Oregon University System

Performance Measures and Indicators: 1999 Baseline Performance and 2005 Improvement Targets

To obtain a copy of the original report, please contact OUS.

Overview

The performance measures and indicators initiative is a statewide effort to refine priorities, strengthen quality, and improve the productivity of the Oregon University System (OUS). This effort was launched by the Board of Higher Education in January 1997 with the identification of four goals as a basis for transforming public higher education and meeting the needs of the state of Oregon.

This is the first baseline performance report on OUS progress on the attainment of four overarching goals that reflect the needs of the state. These goals stem from the common purposes for OUS units, yet recognize the different missions of the institutions. These goals are as follows:

1. Expand access by students of different circumstances;

2. Strengthen existing quality of academic programs;

3. Enhance employability of graduates; and

4. Achieve cost-effectiveness appropriate to institutional missions.

The Governor and legislature have endorsed these goals for OUS. Oregon law now supports development and implementation of performance indicators for public higher education.

The State Board of Higher Education shall continue development of accountability and performance measures with indicators in broad goal areas...report to the Legislative Assembly each biennium on the progress of the Board in implementing this Act... [and] report on fiscal, physical, and technological resources necessary for implementation of these goals. (Senate Bill 919)

The Governor favored both greater autonomy and accountability in campus operations to meet the educational needs of the state in his discussion with the Board of Higher Education.

The Board should strategically determine the specific outcomes that the system should produce (to meet the needs of the state as a whole), explicitly allocate resources to support these outcomes in the budget, and enter into performance contracts with institutions to deliver these outcomes. (July 18, 1999)

The educational needs and priorities of the state are reflected in several reports, including the strategic plan for the state, *Oregon Shines II* (1997).

Education is not only linked to higher earnings, it is central to...our goals. If Oregon is to have a comparative advantage in a knowledge-based economy, then this state must have a world-class education system.... Even though Oregon companies are creating more managerial and professional jobs, there has been little change in the number of four-year college graduates produced in Oregon.... To ensure that Oregonians are prepared for tomorrow's jobs, we reaffirm the strategic initiative in the original Oregon Shines: Oregon's workforce will be the best educated and trained in America by the year 2000, and equal to any in the world by 2010. (pp. 35-36)

According to Oregon's strategic plan, the indicator of success in this area is reflected in the percentage of Oregonians who have completed a bachelor's degree. The goal set for Oregon adults with at least a bachelor's degree is 33 percent in 2000 and 45 percent in 2010. As the public provider of higher educational services in Oregon, this OUS accountability initiative is critical to increasing the quantity and quality of Oregon adults with bachelor's and advanced degrees.

Over the past two years, the Board, the Chancellor, the presidents, and chief academic and financial officers have discussed the need for performance measures and indicators. The proposed performance measures provide the basis for the Board and System administrators to emphasize results achieved by the institutions while empowering institutions to select the means of achieving these goals and meeting the needs of the state. This approach will help OUS advocate more effectively for public higher education.

Refinement of Indicators

The availability of data suggested the number and range of indicators for the four broad goals. For many indicators, the institutions and the Chancellor's Office already maintain databases using conventions followed throughout the country. For a few others, new efforts such as surveys are required. Performance measures refocus institutional research from an exclusively accounting function to include an improvement function as data become a basis for improving processes, services, and results. Very few campuses had sufficient institutional research capacity to support "doing business differently." Institutions are building capacity to support this effort.

Since the November 1997 meeting of the Board, Chancellor's Office staff have consulted with campus leadership to refine the list of indicators. The eight proposed performance measures are as follows:

Measure	Strategic Goal	Type
New students	Access	Input
Student quality and diversity	Access	Input
Degree completion (graduation rate)	Quality	Results
Graduate abilities at degree completion	Quality	Results
Customer satisfaction	Quality	Results

Entrepreneurship	Cost-effectiveness	Results
Institutional management	Cost-effectiveness	Process/Results
Graduate success and state needs	Employability	Results

Most of the measures are complex and require considering several indicators of performance. *(See Table 1, entitled "Oregon University System Performance Measures and Indicators.")*

Table 1. Oregon University System Performance Measures and Indicators

Measure	Indicator
New students	High school graduates
	Community college transfers
	Lifelong learners
	Alternative formats
Student quality and diversity	Total enrollment
	Students by county
	Higher ability
	Racial/ethnic
	Gender
	Adults
Successful completion	Entering freshmen
	Community college transfers
	Persistence
	Graduate and professional
Graduate abilities	Professional standards
	Undergraduate general abilities
Customer satisfaction	Recent graduates
	Students
	Employers
	Oregon citizens
Entrepreneurship	Sponsored research
	Private gifts and grants
	Foundation assets
Institutional management	Maintenance backlog
	Current fund balance
Graduate success and state needs	Employment
	Internships
	Total degree production
	Degrees in shortage areas

This complexity is illustrated for the measure: "completion of a bachelor's degree," which is used by 32 states. (*SHEEO Network News*, February 1998)

- For this performance measure, four snapshots or indicators are needed to tell the story. Following national conventions, graduation rates are calculated separately for the entering freshmen cohort and the community college transfer cohort. Each cohort is followed for six years after entering. The cumulated credits for these two cohorts are compared to measure transfer efficiency. Because first-year persistence is one of the best predictors of successful completion, student retention is an important interim measure to monitor advancement toward a degree.

- With this focus, we do not pay attention to success for other students who do not follow traditional student migration

patterns. For example, one student begins at "Institution A," fully expecting to transfer to "Institution B" to complete a program. Another student enrolls to "pick up a few classes" to enhance career opportunities and has no intention of earning a degree. A third student starts and stops, balancing school and work, and completes a degree in ten years. Yet, despite meeting their educational objectives, these students may be counted as "stopped out" or not counted at all.

- Notwithstanding these shortcomings, degree completion remains the best measure available and permits comparisons with institutions around the country. A few of the System campuses are exploring ways of capturing success from the student's perspective by surveying students' intentions when they first enroll.

The purpose of the performance indicators is to improve what each institution does in comparison to its past performance and external standards (based on institution's peers). Different views of the data are needed to develop appropriate System and institution targets for improvement. The views of performance are as follows:

Trend analysis. OUS's and each institution's current performance compared with the performance over ten years (1997, compared with 1987);

Baseline development. For indicators where new data collection efforts are required, OUS will phase in appropriate data collection in 1997 through 2000;

Mission differences. Institution's performance compared with overall System performance; and

Peer analysis. Performance of OUS campuses compared with the selected peers (e.g., do Oregon's institutions perform "on par with," "better than," or "not as well as" its public peers). The peer analysis will be used for setting "stretch targets" for the 2001-2003 biennium. *(See Table 2, entitled "Oregon University System Peer Groups.")*

Table 2. Oregon University System Peer Groups

OSU List	PSU List	UO List
*University of Arizona	*University of Illinois, Chicago	*University of Colorado, Boulder
*University of California, Davis	*Indiana University/Purdue University at Indianapolis	*University of California, Santa Barbara
*Iowa State University	*University of Memphis	*University of Iowa
*Purdue University	*University of Wisconsin, Milwaukee	*Indiana University, Bloomington
*North Carolina State University	George Mason University	*University of Washington
Michigan State University	San Diego State University	*University of North Carolina, Chapel Hill
Colorado State University	Western Michigan University	University of Michigan
	University of Texas, Arlington	University of Virginia
	University of Toledo	
***Note:** Institutions highlighted in *blue are also peer schools of all three large OUS universities.*		

Regional Universities (EOU, SOU, WOU) Shared List	OIT List
California State University, Stanislaus	Cal Poly Pomona
Fort Hays State University (Kansas)	University of Southern Colorado
University of Michigan, Flint	Southern Polytechnic State University (Georgia)
Southeast Missouri State University	Purdue University, North Central
Plymouth State College (New Hampshire)	Pittsburgh State University (Kansas)
SUNY College of Fredonia	Western Carolina University (North Carolina)
Southern Utah University	SUNY at Alfred
Mary Washington College (Virginia)	East Tennessee State University
Eastern Washington University	University of Houston, Downtown
University of Wisconsin, Parkside	Weber State University (Utah)

Target-Setting Method

Based on analysis of ten-year performance trends and peer data for benchmarking the proposed measures and indicators, institutions set realistic yet challenging improvement targets for 2005. The Board of Higher Education adopted the target-setting methods used by the Oregon Progress Board in establishing Oregon Benchmarks.

For Positive Trending Benchmarks

Establish the percentage change using the longest data time series available. Apply percentage change to the most recent data to set the 2010 target. Assume a straight line between 2010 and most recent data to set interim target. If 2010 target is better than the current value for the best state in the nation, the value for the best state is substituted. This method is applied to Benchmarks that have shown satisfactory progress.

For Negative Trending Benchmarks

Return to best level in time series by 2000. Improve by 0 percent between 2000 and 2010.

Institutions used these guidelines to set improvement targets for 2005. Trend data and improvement targets are displayed in the individual indicator reports.

Indicator Reports

Goal: Access
Measure: Student Quality and Diversity
Indicator: Higher Ability (GPA)

How many higher-ability Oregon high school graduates are attracted to the Oregon University System?

As a factor used in making admission decisions, high school grade point average (GPA) is a measure of academic ability and preparation to do college level work. According to a recent survey, more than 40% of the top high school graduates (high school GPA 3.75 and above) left Oregon to attend college in 1995, many of them citing reasons of high tuition and program reductions. It is in the state's interest to encourage academically talented Oregon high school graduates to attend college in Oregon.

Trend: The proportion of higher-ability entering freshmen, as measured by high school GPAs of 3.75 or higher, has improved over the past ten years. In fall 1987, the proportion was 11%; by fall 1997, the proportion had increased to over 17%.

Improvement Target: Increase enrollment of higher-ability entering freshmen by 30% to meet Oregon's articulated needs by 2005.

Goal: Access
Measure: Student Quality and Diversity
Indicator: Racial/Ethnic Representation

What are the trends in the enrollment of racial/ethnic minority students in the Oregon University System?

The collective diversity among institutions is a great strength. Providing diversity is essential, for it enriches the educational experience, promotes personal growth and a healthy society, strengthens communities and the workplaces, and enhances Oregon's economic competitiveness. Achieving diversity on our campuses requires an effort to build healthy and diverse learning environments appropriate to missions. Diversity includes representation of students from different racial/ethnic groups, gender, and nontraditional age groups.

Trend: Ethnic minority undergraduates and graduates have increased over the past 10 years, especially Asian American and Hispanic/Latino students. Total ethnic minority enrollment in OUS is 12.6%. In comparison, minorities constitute 11.1% of Oregon public high school graduates. Racial/ethnic minority enrollment and degree completion varies by specific disciplines.

Improvement Target: Maintain proportion of minority students as total enrollment increases by 2005.

Goal: Access
Measure: New Students
Indicator: High School Graduates

How well has the Oregon University System done in attracting and providing access to first-time resident students?

The Oregon University System provides opportunities for qualified high school graduates in Oregon to obtain access to an OUS institution to pursue a bachelor's degree. From the peak years in the late 1980s to the early 1990s, Oregon first-time freshman participation rates declined. By the mid-1990s, the rates began to return to higher levels, although not as high as in 1987-88. At the same time as resident freshman participation rates have declined, greater numbers of Oregon high school graduates have attended out-of-state institutions. An analysis of the new undergraduate transfers from out-of-state institutions suggests that many who leave the state return and enroll in OUS after a year or two. As the state's need for a more highly educated citizenry increases, the demand for higher education from the traditional population, as well as other groups such as older, working adults, should grow.

Trend: The percentage of Oregon high school graduates enrolling in OUS institutions in the fall after graduation declined from 1987 to 1993 (from 23.0% to 18.4%) but appears to have stabilized at around 20%.

Improvement Target: Increase the OUS participation rate of recent Oregon high school graduates by 10% by 2005.

Goal: Access
Measure: New Students
Indicator: Community College Transfers

How many community college students transfer to the Oregon University System?

Of the total admitted undergraduate enrollment, about 10% are new transfers to the System. The educational sources for new transfers include OUS institutions, Oregon community colleges, independent Oregon colleges, U.S. colleges, and foreign colleges. Students from Oregon community colleges account for more than 40% of the new transfers. From 1987 to 1995, the number of associate degrees awarded by Oregon community colleges increased 24%.

Trend: The number of transfers to OUS from Oregon community colleges has remained fairly stable over 10 years.

Improvement Target: Increase community college transfer students enrolled in undergraduate programs by 5% by 2005.

Goal: Quality
Measure: Successful Completion
Indicator: Entering Freshmen

How many entering freshmen successfully complete a baccalaureate at the Oregon University System?

The graduation rate of first-time freshmen at OUS has improved some. Slightly more than half of the students who entered as freshmen in fall 1991 graduated within 150% of the traditional time (six years, compared with four years). Although the six-year graduation rate for OUS is 55%, this graduation rate varies by institution, discipline, high school performance, gender, racial/ethnic group, and educational goals of the student. Those students who persist one year improve their graduation rates to 69% (the same as community college transfers). Those students who persist two years improve their graduation rates to 80%.

Trend: The OUS six-year graduation rate improved by almost 7 percentage points for the freshmen cohort entering 1991 compared with those entering in 1987.

Improvement Target: Improve the overall graduation rates and/or time-to-degree for the freshmen cohort entering 1999 by 6% by 2005.

Goal: Quality
Measure: Successful Completion
Indicator: Community College Transfers

How many Oregon community college transfers complete a bachelor's degree at the Oregon University System?

Successful community college students become successful OUS students. By graduation these students are indistinguishable from students who enter as first-time freshmen. The OUS grade point average for both groups was 3.03 at graduation.

Trend: The OUS six-year graduation rate improved by almost 7 percentage points for the freshmen cohort entering 1991 compared with those entering in 1987.

Improvement Target: Improve the overall graduation rates and/or time-to-degree for the freshmen cohort entering 1999 by 6% by 2005.

Goal: Quality
Measure: Graduate Abilities
Indicator: Professional Standards

Do Oregon University System graduates exceed pass rates on national and state professional licensure and certification exams?

Many professions — accounting, architecture, education, engineering, law, pharmacy, veterinary medicine — have examinations related to granting licensure to practice a profession. The standards for passing an examination may be quite rigorous or may be more lenient. These certification and licensure requirements, which are state-mandated and controlled, provide some information on the quality of the preparation. Reviewing the pass rates over time reveals that OUS graduates exceed the national pass rates.

Trend: OUS graduates consistently exceed national and state pass rates on professional licensure and certification exams.

Improvement Target: Continue to be at or above national pass rates for all professional licensure and certification exams. If test scores for a professional exam ever fall below national norms, improvement goals will be set to return pass rates to national pass rates.

Goal: Quality
Measure: Customer Satisfaction
Indicator: Recent Graduates

How do recent graduates of the Oregon University System rate the quality of education they received? **(See following table.)**

Graduates Who Rated Education Quality

Rating	1994-95	1996-97	2005-06
Excellent	16%	17%	16%
Very Good	56%	46%	56%
Good	20%	30%	20%
Fair	7%	7%	7%
Poor	1%	1%	1%

More than two-thirds of recent students rated highly ("very good" or higher) the education they received at an OUS institution. These graduates also indicated that what they learned in college has been helpful in performing their jobs and they would choose the OUS institution again.

Trend: OUS established the baseline for customer satisfaction by surveying recent graduates one year after graduation. These surveys included graduates in 1994-95 and 1996-97.

Improvement Target: Return the ratings of "very good" and "excellent" by 1996-97 graduates to that of 1994-95 graduates by 2005.

Goal: Cost-effectiveness
Measure: Institutional Management

Indicator: Fund Balance

How much of the current fund expenditures is maintained as a current fund balance?

The 6.9% fund balance level (reserve) at the end of the 1997-98 fiscal year represents approximately 18 days of expenditures during normal operations. By itself, one monthly payroll amounts to over half of this reserve. Prudent business practice indicates a need for a higher fund balance level to sustain short-term cash flow declines and backstop any emergency situations whereby revenue streams are temporarily interrupted or significant unanticipated expenditures are incurred.

Trend: Although the OUS fund balance has fluctuated since fiscal 1987-88 from a low of 3.8% in 1987-88 to a high of 11.3% in 1994-95, the last 10 years have seen an improvement of 3.1%.

Improvement Target: Increase the current fund balance by 20% in 2005.

Goal: Cost-effectiveness
Measure: Entrepreneurship
Indicator: Sponsored Research

How well has the Oregon University System done in attracting outside revenues?

The basic goal of the academic profession is the furthering of knowledge which is realized through teaching, research, and service. The activities of the knowledge business are discovery, integration, synthesis, application, and dissemination. The amount of effort directed toward these activities varies by an institution's mission. In 1996-97, the research universities — OSU and UO — were responsible for 83% of these expenditures. (OSU, due to its land- and sea-grant status, had additional expenditures of $32.6 million in 1996-97 from federal and state appropriations.)

The sponsored research expenditures emphasize the competitiveness of OUS faculty in securing funding to support research interests.

Trend: Sponsored research activity increased more than 20 percentage points since 1992-93 or slightly less than 5 percentage points per year.

Improvement Target: Increase sponsored research activity by $27 million to total $200 million (5% increase) by 2005.

Goal: Cost-effectiveness
Measure: State's Investment
Indicator: Capital Assets

What is the current status of the deferred maintenance backlog?

Over the past decade, OUS campuses have increasingly used a substantial portion of scarce maintenance operating budget funds for high cost emergency repairs which have developed because they lack sufficient funding for routine maintenance and capital repair. A new study has updated the baseline of capital repair and total deferred maintenance needs for the seven OUS campuses. The "deferred" maintenance that results has grown exponentially to $390 million. This problem is linked to the increasing needs in the capital budget to fund predictable major capital repair, the backlog of "deferred" maintenance, and code-driven needs. Despite Oregon's increased investment in recent years the capital budget cannot keep up. The state's capital asset value (estimated at over $2 billion for all campuses) is being eroded. The goal is for the condition of the physical plant not to worsen in the next six years. This assumes substantial new finances can be acquired ($198 million over three biennia).

Trend: The maintenance backlog as a percent of total replacement value of plant worsened from 10% in 1989-90 to 18% in 1997-98.

Improvement Target: By 2005, maintenance backlog should not worsen from 1997-98 levels.

Goal: Employability
Measure: Graduate Success and State Needs
Indicator: Internships

How many Oregon University System graduates complete internships in their academic experiences?

About 51 percent of the OUS 1994-95 bachelor's graduates completed an internship compared to 57 percent in 1997. There are wide variations in the opportunities for internships at the institutions and by discipline. These opportunities include volunteer and paid experiences in a workplace which could be a term or longer. Graduates in career-related majors — engineering, education, agriculture, architecture and journalism — are more likely to complete an internship than graduates in business, math and sciences, social sciences, and the liberal arts. Programs in arts and sciences are also less likely to have advisory boards composed of employers from either the private or public sector. The general abilities developed in baccalaureate programs are valued in the workplace — critical thinking and analytical problem solving, oral and written communication skills, and teamwork — but some graduates do not have experience in applying these skills to real problems.

Trend: OUS has collected data for 1994-95 and 1996-97 graduates. The proportion of bachelor's graduates completing internships increased 6 percentage points.

Improvement Target: All students who wish to complete an internship will be provided the opportunity by 2005.

Goal: Employability
Measure: Graduate Success and State Needs
Indicator: Degrees Production

Are the degrees awarded by the Oregon University System sufficient to meet state needs?

OUS's distribution of degrees produced compared to three larger universities suggests that OUS is producing a larger proportion of its degrees in lower cost disciplines (social sciences, history, humanities, and business) than in higher cost disciplines (engineering, sciences, and math). Additional analysis is needed to determine Oregon's needs.

Trend: After an initial increase, the number of degrees awarded by OUS has remained stable over the last 5 years with 74% of these bachelor's degrees.

Improvement Target: Degree production in two areas (engineering/technology/computer science/ mathematics/sciences and teacher education specialties in special education/counseling/bilingual/ speech therapy/foreign languages) will be increased 13% (270) in engineering/technology/computer science/mathematics/sciences and by about 40% (200) in teacher education shortage areas by 2005 to meet Oregon's workforce needs.

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Washington State Higher Education Coordinating Board

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.

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

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- Graduation efficiency of native and transfer students
- Faculty productivity (2 of 3 measures)
- Institution-specific measures (4 of 4 measures)

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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

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

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.

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 inrollments	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).*

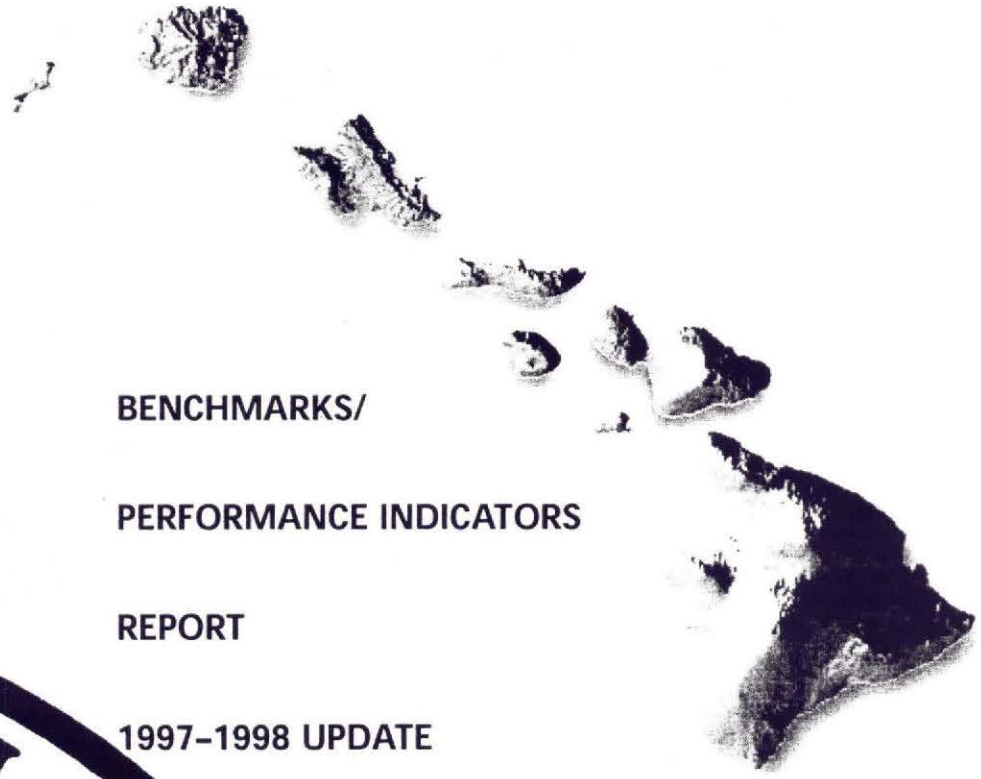
- *Authorize each institution to disaggregate performance measures to focus more precisely on groups of students who can most benefit from such efforts and practices that are in need of change.*

- *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.*

UNIVERSITY OF HAWAI'I



BENCHMARKS/

PERFORMANCE INDICATORS

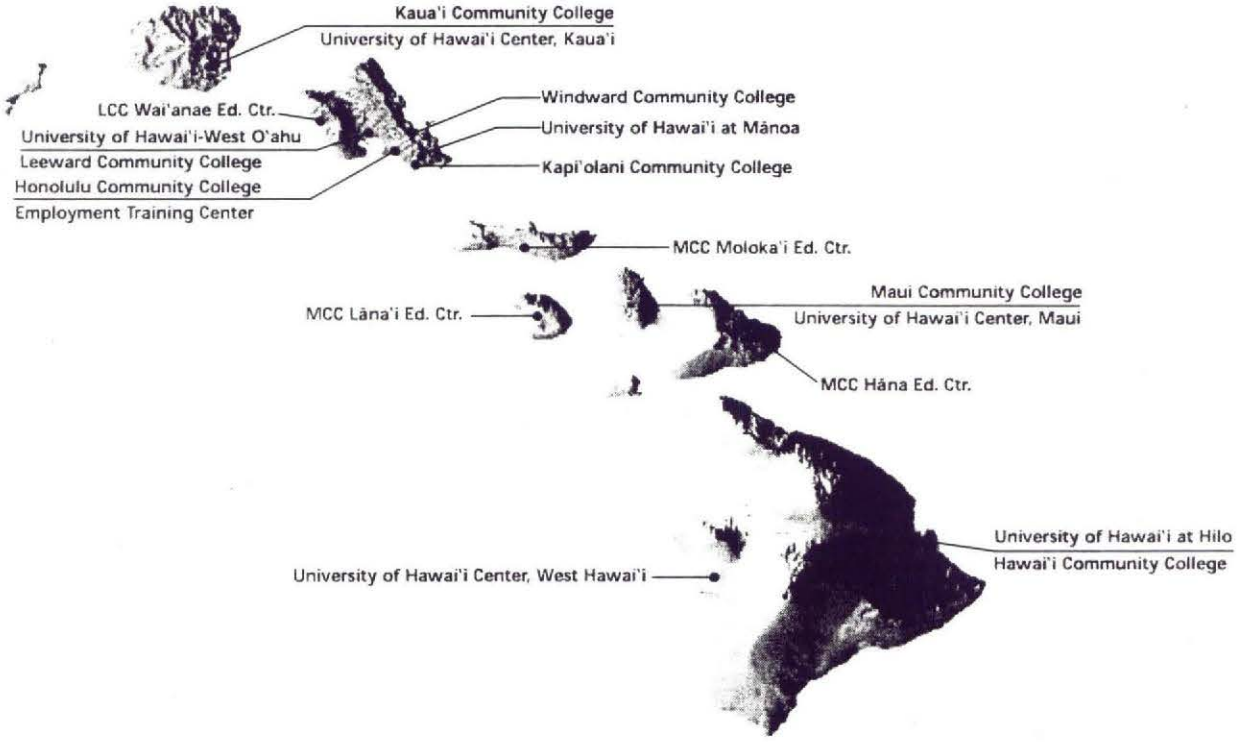
REPORT

1997–1998 UPDATE

System Academic Affairs Council
and the
Office of the Vice President for
Planning and Policy
University of Hawai'i

June 1998

The University of Hawai'i System



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Joanne E. Clark, UH West O'ahu
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We extend our appreciation to all contributors and advisers.

Colleen O. Sathre
Vice President for Planning and Policy

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Message from the President

The *University of Hawai'i Benchmarks/Performance Indicators Report, 1997–1998 Update,* demonstrates the University's continued commitment to public accountability. Board of Regents policy requires regular and systematic assessment of programs, services, campuses, and the University system as a whole. Evidence about the institution's effectiveness in meeting its mission, goals, and objectives can be used to improve programs and services; its publication and broad dissemination honors our mission of serving the residents of Hawai'i.

This *Benchmarks/Performance Indicators Report* update is timely because it coincides with the beginning of a new University-State relationship. On June 16, 1998, members of the 1998 Hawai'i Legislature and UH Regents joined the University community to celebrate as Governor Benjamin J. Cayetano signed the UH autonomy bill (H.B. 2560) into law as Act 115. The new law affords the University a substantial degree of flexibility in managing its resources. It improves our ability to achieve our multiple mission: teaching, research, and community service.

Since the earliest universities were established, there has been a tension between institutional control and public accountability. Both are essential in preserving the integrity that allows higher education to serve society. Act 115 will enable the University to be more entrepreneurial, to forge new relationships that benefit the University, and to be more flexible in its fiscal and administrative affairs. Such increased control does not lessen the University's responsibility to the public. As a land-, sea-, and space-grant institution, the University recognizes public/community service as a fundamental obligation and a top priority. The University seeks to be held accountable for performance and results produced. Hawai'i's people deserve to have their University judged by the quality and success of its students and graduates, by its first-rate research, and by the volume and relevance of its public service. With adequate support, the University can play a major role in Hawai'i's long-term economic development.

Without excessive regulations and external controls, the University will be held accountable through such mechanisms as the legislative process and oversight, external and internal audits, and accreditation and program reviews. Additionally, Act 161 of the 1996 Legislative Session required the adoption and use of benchmarks for developing budget and tuition schedules, reviewing programs, and framing progress reports. The benchmarks/performance indicators the Board of Regents adopted in September 1996—subject to modifications as warranted—shape the biennial *Benchmarks/Performance Indicators Report,* linking the University's goals with evidence of specific achievements. Each report clearly states the University's strategic goals, identifies relevant performance indicators and benchmarks, and details progress relative to these goals. This UH *Benchmarks/Performance Indicators Report* corresponds to the goals developed—with broad community input—for the *UH Strategic Plan, 1997–2007.* Performance indicators reveal progress over time, at intervals, and against standards/practices used elsewhere.

The University will continue to seek better ways to measure and demonstrate the effectiveness of its programs and services, not only to satisfy accountability concerns, but also to inform improvement efforts. Act 115 reflects the public's trust in this University. The University will prove worthy of that trust. It will manage its affairs to increase the strength and reputation of a world-class institution accountable to the public it serves.

Kenneth P. Mortimer

Kenneth P. Mortimer
President, University of Hawai'i and Chancellor, University of Hawai'i at Mānoa

Contents

Goal I

Providing Access to Quality Educational Experiences and Service to the State

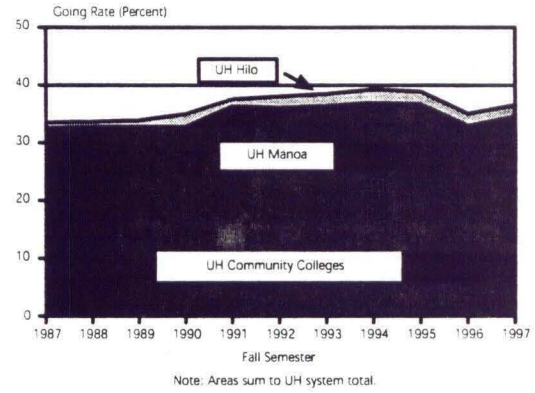
The University of Hawai'i system provides the people of Hawai'i access to quality postsecondary education. Sustaining and enriching educational experiences, advancing excellence in undergraduate education, and integrating scholarship across the undergraduate, graduate, and research components are fundamental University goals. These goals are inseparable from the goal of supporting the economic development of the state. The University of Hawai'i is the state's most important "high-tech industry." The education and training of a highly skilled workforce, the provision of specialized expertise and service, and the continued development of world-class research programs fuel the economic engine that powers Hawai'i's economy.

Access

What is the status of access to the University of Hawai'i for recent Hawai'i high school graduates?

The going rate of Hawai'i high school graduates into University of Hawai'i campuses increased in fall 1997 from 35.2% to 36.6%.

Going Rates to UH, by Campus



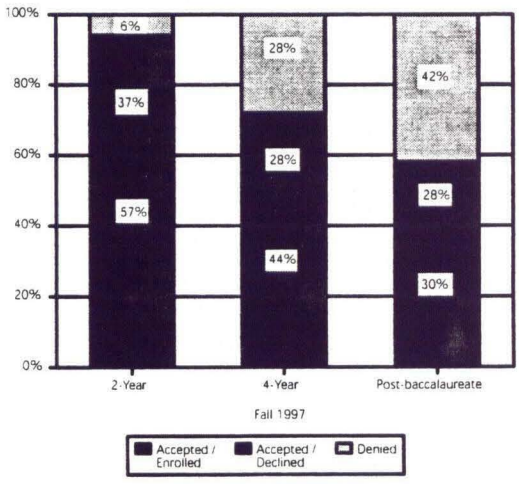
Note: Areas sum to UH system total.

What are the chances of a Hawai'i resident being admitted to the University of Hawai'i system?

Acceptance Rate:

- 2-year (94%)
- 4-year (72%)
- Post-baccalaureate (58%)

UH Admission Activity of Residents, by Level



I. Access to Quality and Service to the State

What is the status of off-campus access to UH credit programs?

In fall 1997, the University of Hawai'i delivered over 280 distance education courses that accounted for over 4,900 student registrations in a variety of disciplines, including 29 graduate, bachelor, and associate programs.

Receive Sites by County/Region

HONOLULU
Honolulu CC
Kapi'olani CC
Leeward CC
Windward CC
UH Mānoa
UH West O'ahu
LCC Wai'anae
Correctional Facilities
Hospitals
Military Bases
Public Schools
Individual Homes

HAWAI'I
Hawai'i CC
UH Hilo
University Center, West Hawai'i
Correctional Facilities
Public Schools
Individual Homes

KAUA'I
University Center, Kaua'i
Public Schools
Individual Homes

MAUI
University Center, Maui
Educational Centers, Hāna, Lāna'i, Moloka'i
Public Schools
Individual Homes

U.S. & FOREIGN
Asia
Pacific Basin
U.S. Mainland

Credential Programs

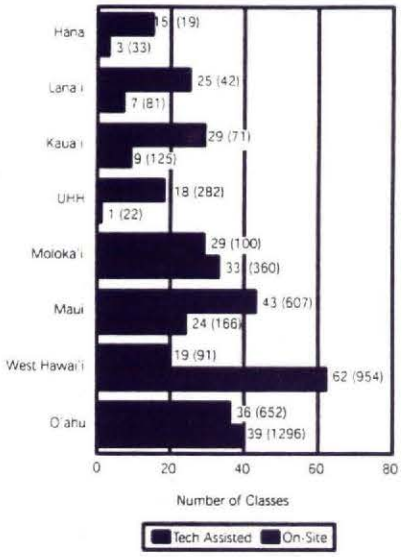
GRADUATE
- Educational Administration
- Educational Foundations
- Elementary or Secondary Education
- Counseling & Guidance
- Special Education
- Info & Computer Science
- Library & Info Science
- Nursing
- Social Work

BACHELOR'S
- Business Administration
- Elementary/Special Education
- Elementary Education
- English
- Liberal Studies
- Professional Studies
- Sociology

ASSOCIATE/CERTIFICATE
- Accounting
- Administration of Justice
- Agricultural Careers
- Applied Trades
- Business Careers
- Early Childhood Education
- Fire & Environmental Emergency Response
- Food Service
- Hotel Operations
- Human Services
- Liberal Arts
- Office Administration & Technology
- Welding

As called for in the UH Strategic Plan, an extensive review of distance learning was completed in 1997-98. This review resulted in an updated Board of Regents policy and a revised Executive Policy, *University of Hawai'i Distance Learning Plans, Policies, and Procedures*, May 1998.

Distance Education Classes by Receive Sites, Fall 1997
(Student Registrations in Parentheses)



What is the status of remedial education at the University of Hawai'i?

The University of Hawai'i Community Colleges (UHCC) remain committed to the Open Door concept and to the provision of remedial education for students who are not prepared to pursue learning at the post-secondary level. It is recognized, however, that federal and state support for the provision of the most basic level of remediation—Adult Basic Education (ABE)—is provided to the Department of Education's (DOE) Adult Community Schools. The UHCC have stopped offering ABE-level remediation for credit and have focused on working collaboratively with the DOE Adult Community Schools to insure that adult basic education classes are available to all students in need of such instruction.

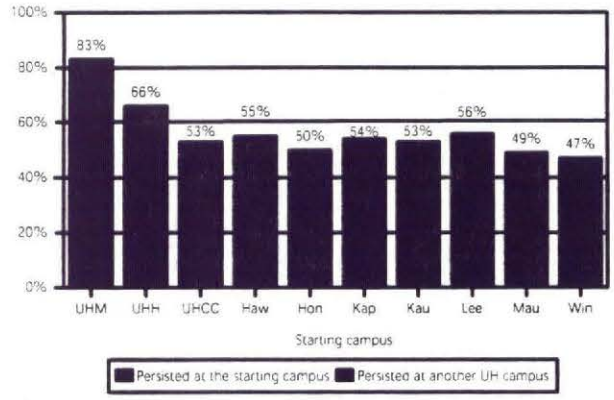
In fall 1997, six UHCC campuses offered adult basic education non-credit classes in English and mathematics resulting in 1,576 registrations.

Graduation Rates

What are the UH persistence and graduation outcomes for entering students?

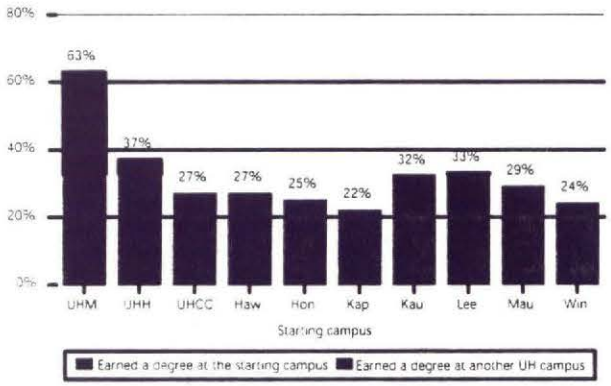
The average UH persistence rates for undergraduates one year after entry are:

- 83% for UH Mānoa
- 66% for UH Hilo
- 53% for UH Community Colleges



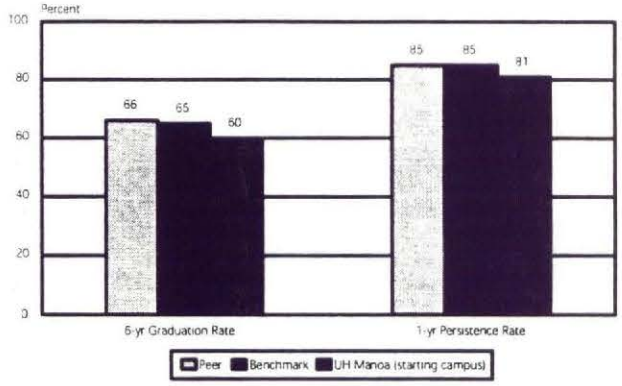
The average UH undergraduate graduation rates six years after entry are:

- 63% for UH Mānoa
- 37% for UH Hilo
- 27% for UH Community Colleges



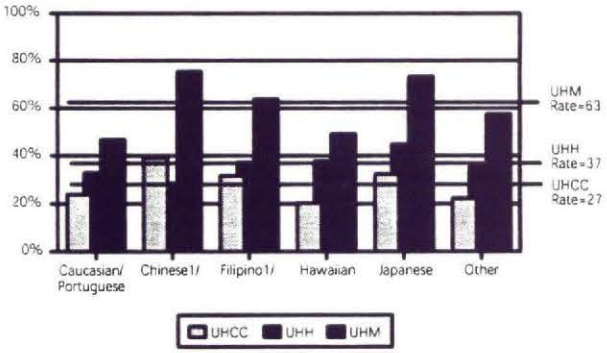
UH Mānoa's average graduation and persistence rates for first-time students were slightly lower than the average rates for peer and benchmark groups as derived from a national study.

Average Graduation and Persistence Rates
UH Mānoa, Peer, and Benchmark Groups



Source: Consortium for Student Retention Data Exchange 1996–97 Survey
6-year graduation rate = F87–F90 cohorts, 1-year persistence rate = F87–F95 cohorts

Average System-wide Graduation Rates, by Ethnicity
Fall 1987 to Fall 1990 Cohorts, Six Years After Entry



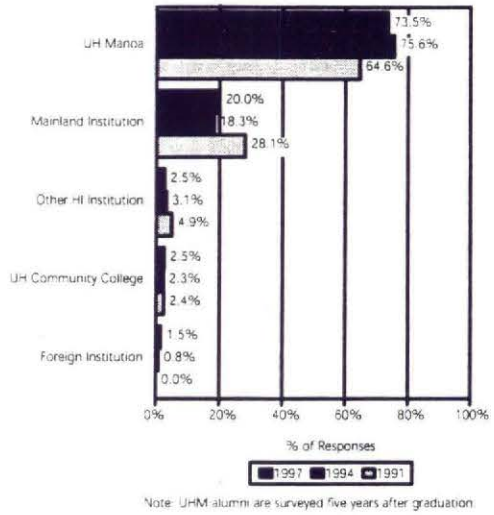
Note: 1/ At UHH, actual numbers are small, so rates may not be reliable.

What is the status of post-baccalaureate enrollment at UH Mānoa of UH undergraduates?

Five years after graduation, significant numbers (39%) of UH Mānoa alumni are continuing and/or have completed further higher education, and approximately three-fourths of those completing advanced studies did so at UH Mānoa.

1997 UHM ALUMNI OUTCOMES SURVEY

Place Completed Further Higher Education

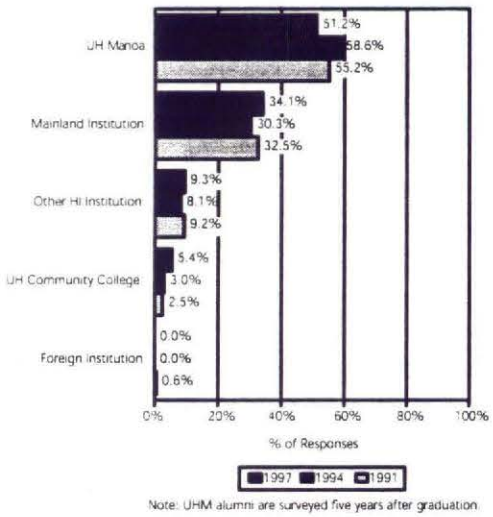


Note: UHM alumni are surveyed five years after graduation.

After five years, 25% of UH Mānoa alumni are still pursuing higher education and more than half of these are studying at UH Mānoa. Between 1994 and 1997 there has been a slight decline in the share pursuing advanced studies at UHM and a slight increase in those doing so on the mainland.

1997 UHM ALUMNI OUTCOMES SURVEY

Place Pursuing Further Higher Education



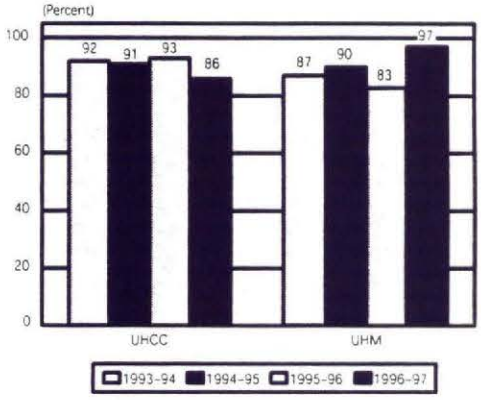
Note: UHM alumni are surveyed five years after graduation.

Examination Performance

What share of eligible students pass external exams in their field of study?

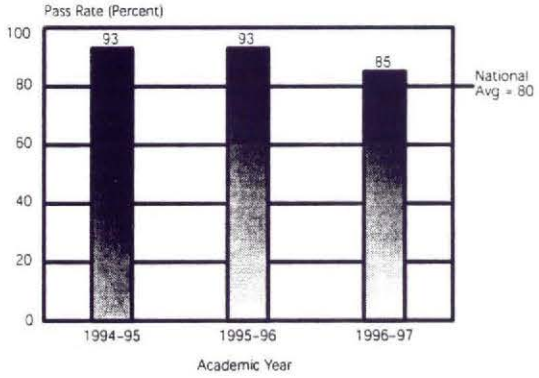
Of the 128 UH Community College Nursing Program graduates who took the licensing examination administered by the National Council for Licensing Examinations (NCLEX) in 1996–97, 86% passed on their first attempt. For UHM and UHH graduates, 97% achieved a passing score on their first attempt.

Board of Nursing Examination
Pass Rate of First-Time Takers
(NCLEX)



Eighty-five percent of UHM Medical Technology students pass the national certification examination on their first attempt, and scores are consistently above the national average.

Medical Technology
National Certification Examination
Pass Rate of First-Time Takers



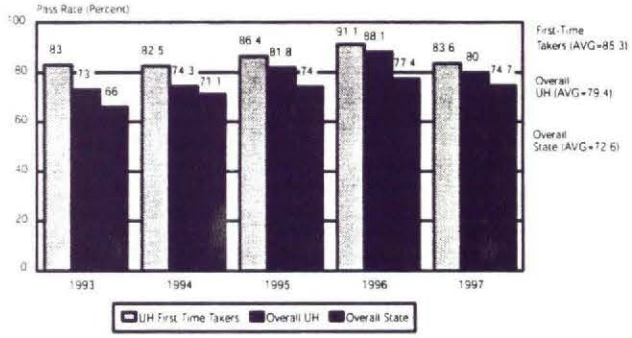
On average, UHM College of Education graduates score higher than the national mean in almost every assessment area on the Praxis teacher certification exam and exceed Department of Education qualifying scores in all areas except mathematics.

Praxis Teacher Certification Examinations (October 1, 1996 - September 1997)

Assessment Area	Median Score		DOE Min.	UH Pass
	UH	National	Qual. Score	Rate
PRINCIPLES OF LEARNING & TEACHING				
K-6	176	175	163	93%
7-12	179	177	157	98%
ELEMENTARY				
Curric, Instruction & Assessment	183	179	164	92%
Pedagogy	159	159	135	98%
ENGLISH				
Language, Literature & Composition	175	177	164	84%
Pedagogy	155	150	150	58%
MATHEMATICS				
Content Knowledge	140	137	147	40%
Pedagogy	140	135	140	45%
SOCIAL STUDIES				
Content Knowledge	164	168	154	69%
Pedagogy	179	175	144	97%
PHYSICAL EDUCATION				
Movement Forms (Analysis/Design)	154	153	151	100%
BIOLOGY				
Content Knowledge	175	167	161	94%
Pedagogy	164	156	139	100%
SPECIAL EDUCATION				
Knowledge-based Core Principles	162	162	136	94%
Teaching Stud w/ Behavior Disorders/Emotional Disturbances	159	164	141	98%
PHYSICAL SCIENCE				
Content Knowledge	179	165	151	92%
SCHOOL GUIDANCE & COUNSELING	680	670	580	100%

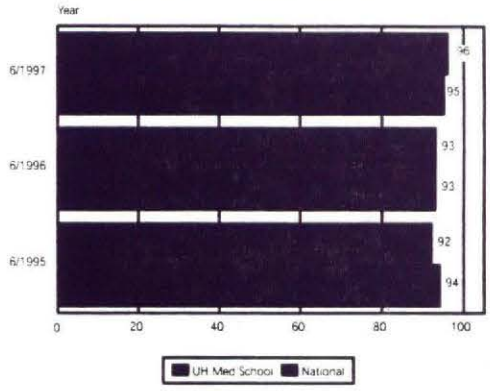
On average, 85% of UHM Law School graduates pass the Hawai'i state bar exam on their first attempt, and overall pass rates are consistently above the state average.

Hawai'i State Bar Exam Pass Rates

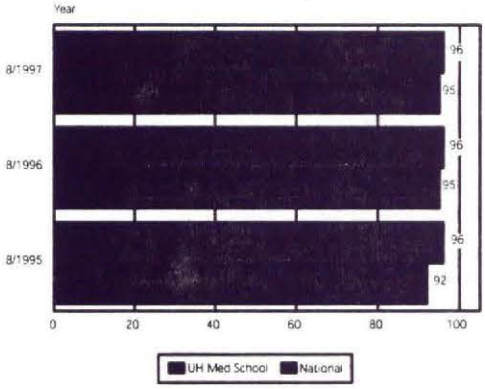


More than 95% of students at the John A. Burns School of Medicine pass Step 2 of the United States Medical Licensing Exam (USMLE) and at a consistently higher rate than the national average. On the last administration of Step 1 of the three-step process, 96% of students passed, the highest percentage ever over the past five years, and above the national passing percentage for U.S. medical students taking the exam for the first time.

USMLE Step 1 Passing Percentages

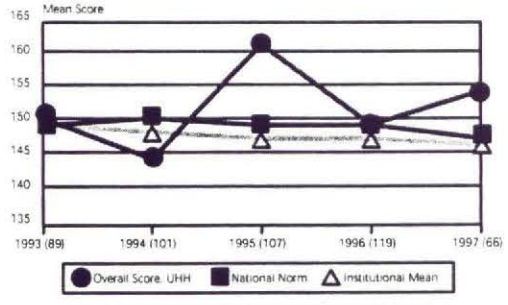


USMLE Step 2 Passing Percentages



At UHH, the Educational Testing Service (ETS) Major Field Achievement Test provides national comparisons and serves as a vehicle for program improvement. UHH Computer Science Department students usually perform at or above national norms.

UH Hilo ETS Major Field Achievement Test



Note: Numbers in parentheses are the number of participating institutions making up the normative base.

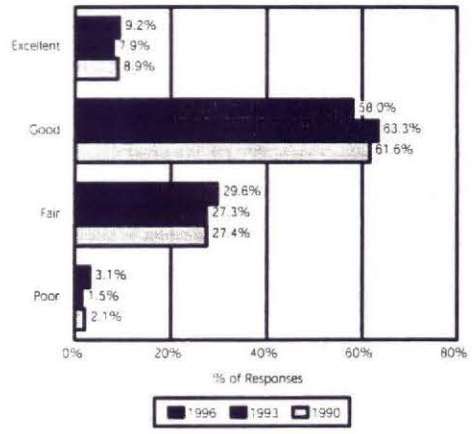
Satisfaction

What do UH students think of their UH educational experience?

Over 67% of the UHM **graduating seniors** rated their overall undergraduate experience at Mānoa as being either *Good* or *Excellent*.

SPRING 1996 UHM GRADUATING SENIOR SURVEY

UH Mānoa Graduating Seniors
Rating of Overall Academic Experience



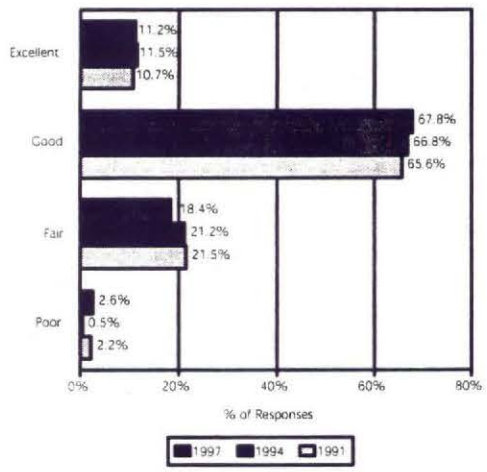
Over two-thirds (68%) of UHM classified undergraduates are satisfied with their experience at Mānoa and a similar percentage (67%) indicated that, if they could start over again, they would still choose UHM.

1996 UHM COLLEGE STUDENT EXPERIENCES QUESTIONNAIRE

Over three-fourths (79%) of UHM **alumni** rated their overall undergraduate experience either *Good* or *Excellent*.

1997 UHM ALUMNI OUTCOMES SURVEY

UH Mānoa Alumni
Rating of Overall Undergraduate Experience



Over 93% of UHCC **graduates and leavers** are *Very Well Satisfied* or *Well Satisfied* with their UH Community College educational experience.

FALL 1996 UHCC SURVEY OF FORMER STUDENTS

98% of UH West O'ahu graduating seniors rate their educational experience as being either *Good* or *Excellent*.

1992, 1994, 1995, 1996 UHWO GRADUATING SENIOR SURVEYS

The foregoing UH satisfaction results can be compared with those from the NCHEMS Comprehensive Alumni Survey. This survey, used by about 40 four-year institutions, asks an overall satisfaction question and a quality-related question about preparation for future study. About 80–84% of respondents rate their experience as *Good* or *Excellent*.

NATIONAL CENTER FOR HIGHER EDUCATION MANAGEMENT SYSTEMS

How satisfied are UH students with their general education core requirements and experience?

OVERALL MOST SATISFIED WITH:	OVERALL LEAST SATISFIED WITH:
• Quality of instruction	• Availability of courses
• Knowledge gained	• Content of courses
• Variety of courses	• Relevance of courses

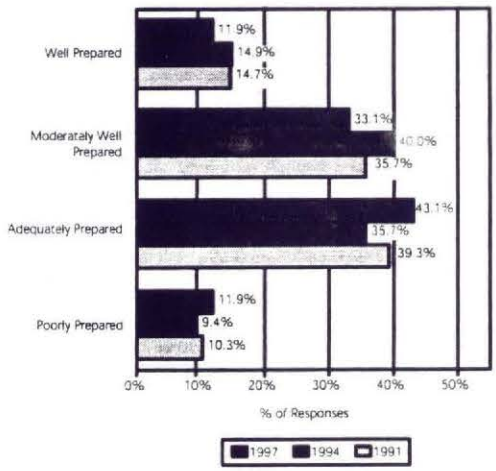
SPRING 1996, UHM, UHH, UHWO AND UHCC SURVEY OF GRADUATING STUDENTS

How satisifed are UH students with their preparation for employment?

At UH Mānoa, over 88% of the alumni indicated that they were *Adequately* to *Well Prepared* for their current primary job.

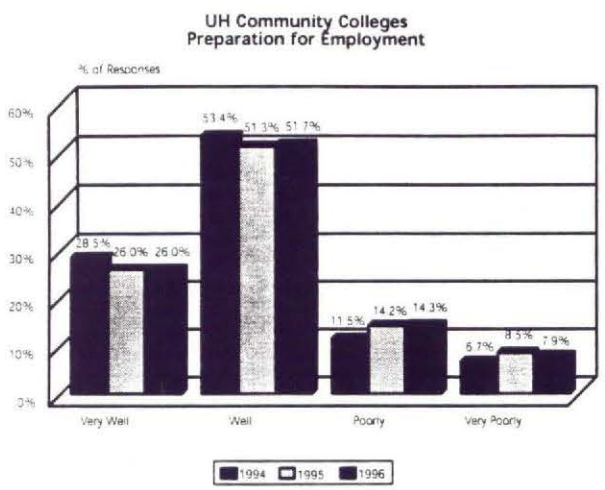
1997 UHM ALUMNI OUTCOMES SURVEY

Job Preparation for Current Primary Job



Almost 80% of UHCC graduates and leavers were *Very Well* or *Well Satisfied* with their preparation for employment.

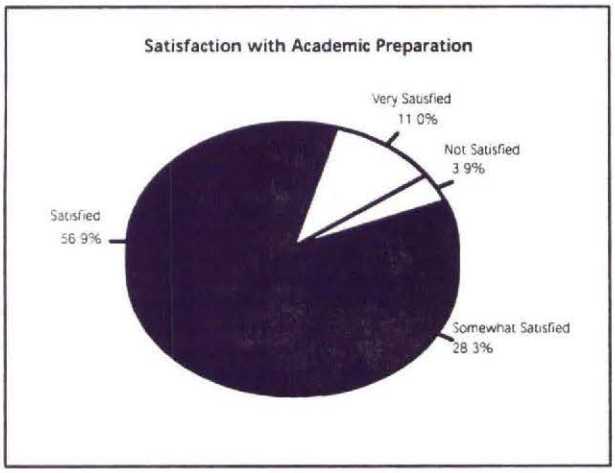
FALL 1996 UHCC SURVEY OF FORMER STUDENTS



How satisfied are UH students with the academic preparation they receive?

Over two-thirds (67.9%) of UHM baccalaureate alumni were *Satisfied* or *Very Satisfied* with their academic preparation, and only 3.9% were *Not Satisfied*. UHM Alumni Outcomes Survey findings for 1989, 1991, 1994 and 1997 were similar.

1997 UHM ALUMNI OUTCOMES SURVEY



What is the overall state of faculty awards, turnover, and morale at UH?

Numerous national and international awards are bestowed on UH faculty. Over the past two years, 60 faculty members received various UH awards for distinguished service, excellence in teaching, and excellence in research.

Faculty Awards, 1996–97

- Robert Clopton Award for Distinguished Community Service
- Willard Wilson Award for Distinguished University Services
- Frances Davis Award for Excellence in Undergraduate Teaching
- Presidential Citation for Meritorious Teaching
- Board of Regents Medal for Excellence in Research
- Board of Regents Medal for Excellence in Teaching
- Faculty Service to the Community Award
- Employment Training Center's Outstanding Employee of the Year
- Masaki & Momoe Kunimoto Award for Outstanding Contribution to Vocational Education
- John Fry Award for Outstanding Service in Staff Development
- State of Hawai'i Award for Vocational-Technical Excellence

UH faculty members received 342 travel grants to present their research results at major professional meetings. Through these awards, investigators are able to exchange ideas with professional colleagues at other institutions, stimulate additional research activity and support, and expose the broader professional community to the work being accomplished by them and the University of Hawai'i.

1996–97 ANNUAL REPORT ON THE RESEARCH & TRAINING REVOLVING FUND

In the last three years, the faculty turnover rate due to resignations has been about 105 or 3%. Seeking greater opportunities for advancement, better pay, and lower cost of living/housing are the most common reasons given for leaving the UH.

EXIT QUESTIONNAIRE, UH OFFICE OF HUMAN RESOURCES, JULY 1996–JUNE 1997

UH Faculty Resignations Processed (Excludes Grad Assistants and Lecturers)

FY 94–95	FY 95–96	FY 96–97
107	96	113

RESIGNATIONS OF UH EMPLOYEES, JULY 1994–JUNE 1997, OFFICE OF HUMAN RESOURCES

Based on the most recent data available, the Mānoa faculty reported no significant change relative to their morale.

SPRING 1994 SURVEY OF UH MĀNOA FACULTY MORALE

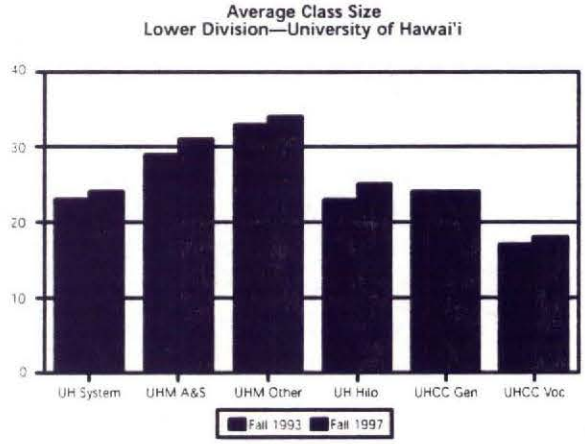
Overall Change in Faculty Morale			
1987	1990	1992	1994
4.7	4.6	4.3	4.3

1.0 = declined morale
5.5 = midpoint or unchanged morale
10.0 = improved morale

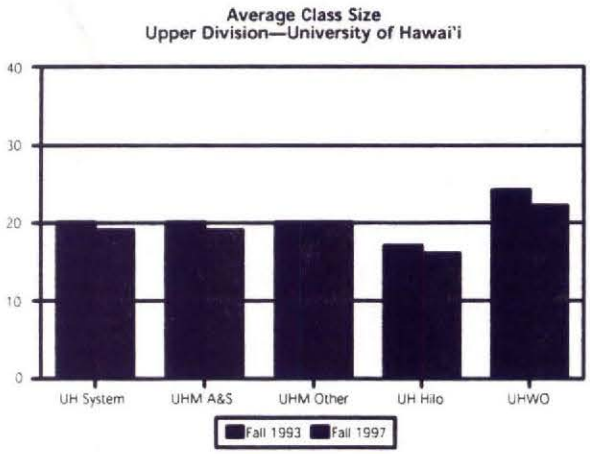
Access to Faculty

What is the usual UH undergraduate student experience in terms of class size and faculty type?

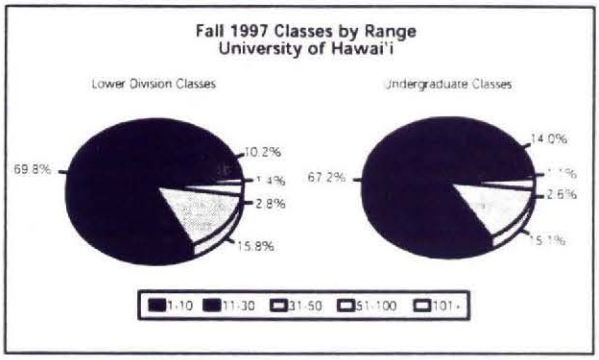
Lower division average class size has increased since fall 1993.



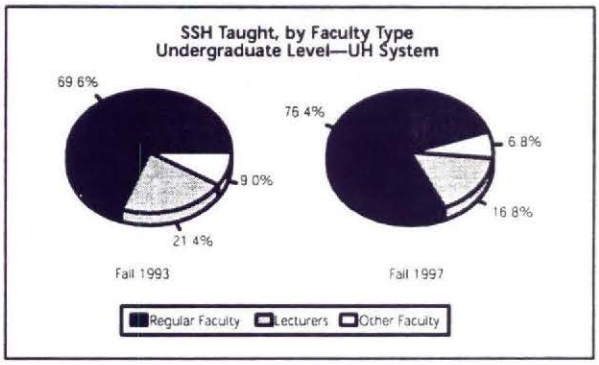
Upper division average class size has decreased slightly since fall 1993.



Approximately 80% of all UH undergraduate and lower division classes enroll 30 or fewer students.



At the undergraduate level, over three-fourths of student semester hours are taught by regular faculty.

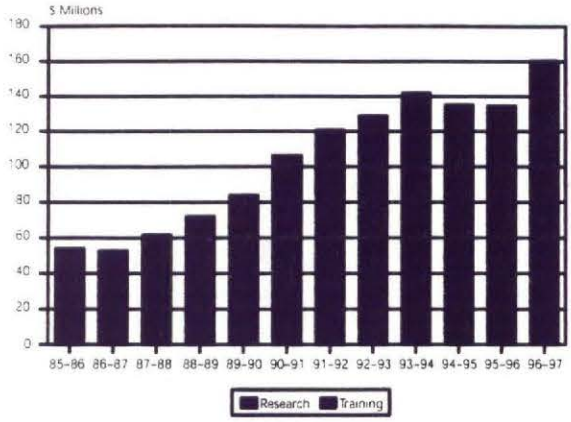


Research and Training

How have UH research and training activities fared in recent years?

UH contracts and grants from external sources reached record levels in FY 1996–97. Project awards totaled 1,255 with funding at $160.8 million.

Office of Research Services
Extramural Fund Support



Of the 342 UH faculty members granted support to travel to professional meetings to present the results of their research, 209 received extramural funding for research and training projects totaling $54.9 million.

1996–97 ANNUAL REPORT ON THE RESEARCH & TRAINING REVOLVING FUND

Among the top 50 universities, the UH Astronomy program ranks 5th in the nation in competitive federal grants from the National Science Foundation (NSF). UH is among the top five nationally in Ocean Sciences and 4th in Earth Sciences. In FY 97, UH ranked 28th nationally in NSF funding in atmospheric sciences.

FY 97 NSF Funding Levels
UH Ranking Among Top 50 Institutions

	National Ranking		Value	
Program	FY 96	FY 97	FY 96	FY 97
Ocean Sciences	3	5	$6.0 million	$9.2 million
Astronomy	7	5	$1.5 million	$1.4 million
Earth Sciences	11	4	$1.5 million	$2.5 million

Among all groups (federal, industry, small business and university), the UH ranks 7th nationally in NSF funding in Earth Sciences and 6th in Ocean Sciences, as well as 6th in Astronomy.

Library

How does UH's major library compare on a national basis?

Among the 108 university libraries that are members of the Association of Research Libraries (ARL), UH ranks 77th.

1996–97 ARL MEMBERSHIP INDEX

Given the 1995–98 budget cuts and the loss of positions, the Library is not expected to return to the higher rankings attained in 1993–95.

University of Hawai'i at Mānoa Library Rankings
Out of the 108 ARL Member Libraries

Variables	UHM Ranking			
	(93–94)	(94–95)	(95–96)	(96–97)
Overall ARL Criteria Index	**48**	**47**	**78**	**77**
Book/Journal Expenditures	58	96	106	107
Volumes Added (Gross)	54	53	102	91
Volumes in the Library	44	44	45	48
Current Serials	23	24	36	39
Professional & Support Staff (FTE)	69/Professional 83/Support	69/Professional 82/Support	93 (Combined)	91 (Combined)
Total Library Expenditures	63	66	87	92

1993–94 TO 1996–97 ARL STATISTICS

Program Review

What is the status of program review?

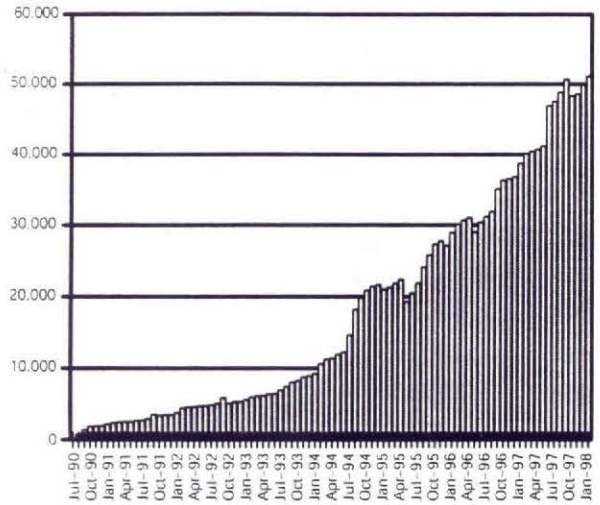
During 1997–98, the Board of Regents approved seven new academic programs, moved one program from provisional to established status, and terminated eight academic programs. The administration authorized seven certificate credentials. Fourteen academic programs underwent name and/or structure changes, two were stopped out, and 105 others underwent routine review.

Computing & Information Technology

How has access to technology increased at UH?

More IDs have been created on the general purpose computing systems, which allow access to computer applications and Internet services.

Total Number of UHUNIX IDs



There has been an increase in the total number of microcomputers available for student use in both general purpose and departmental labs.

Total Number of Microcomputers for Student Use				
	Total #	# of Macs	# of PCs	# of Other Devices
December 1994	771	242	382	147
November 1996	941	252	555	134
November 1997	983	275	562	146

1994, 1996, 1997 ITS SURVEY, UHCC NEWSLETTER

75% of all UHM classified undergraduate students have a personal computer available for use at home.

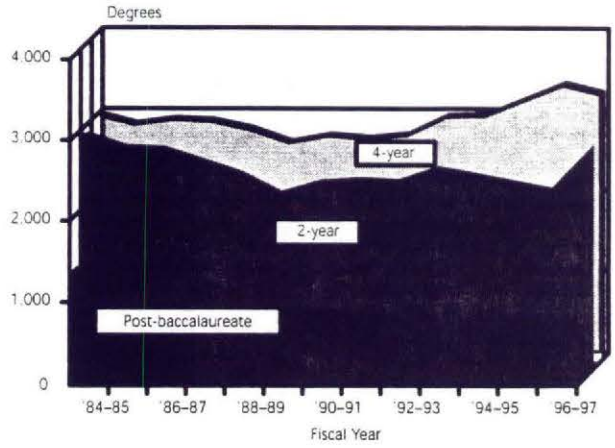
1996 UHM COLLEGE STUDENT EXPERIENCES QUESTIONNAIRE

Workforce Development

What is the volume of credentials awarded annually by UH?

On average, 7,422 degrees are awarded annually by UH.

UH Degrees & Certificates Awarded, by Level



What is the University's response to jobs in demand in Hawai'i?

The UH recently established an Associate of Science degree and Certificate of Achievement in Travel and Tourism with classes designed to present contemporary trends and topics vital to the success and growth of the State's leading industry and economic engine. Travel/tourism/hospitality is one of the two largest occupational areas (along with health services) and will contribute approximately 71% of the growth posted by the top 40 fastest growing occupations.

1997 REPORT TO THE GOVERNOR ON EMPLOYMENT AND TOURISM TRAINING EMPLOYMENT OUTLOOK FOR INDUSTRIES AND OCCUPATIONS (1997-2005), DEPARTMENT OF LABOR

In response to the need for special education teachers, an additional 50 to 75 students per year from the University of Hawai'i at Mānoa will be eligible for an initial teaching license in special education, with approximately 25 completing programs by December 1999.

UH Mānoa will offer the first doctoral nursing program in the Pacific to meet the projected shortage and demand for doctorally prepared nurses—especially teachers for nursing education programs.

A new commercial aviation program at Honolulu Community College was established in response to the growth of Pacific and Asian airlines and the need to replace pilots who are approaching mandatory retirement age in record numbers.

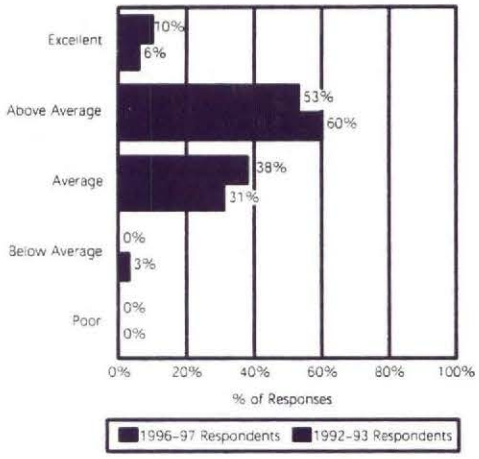
A new Cosmetician Training program was established at Honolulu Community College to meet a growing demand for certified cosmeticians at luxury hotels and salons.

How satisfied are employers with UH graduates?

Sixty-three percent of the employers (local and mainland) who conducted student and alumni interviews at Mānoa to fill current or future employment needs rated the academic preparation and training of UHM students as *Above Average* or *Excellent*.

1996-97 SURVEY OF EMPLOYER RECRUITMENT ACTIVITY, CAREER PLACEMENT SERVICES

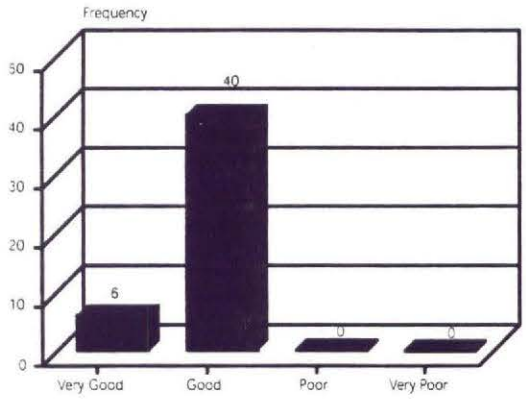
Employer Satisfaction with UHM Academic Preparation/Training



Almost 95% of the firms contacted had employees who had benefited from skills training provided by the UH Community Colleges. Employers rated their overall satisfaction as *Good* or *Very Good*. High ratings were given for their technical knowledge, adaptability, motivation, and work quality.

1997 SURVEY OF EMPLOYER PERCEPTIONS OF GRADUATES FROM HAWAI'I BUSINESS EDUCATION AND OFFICE SKILLS PROGRAMS OFFICE OF THE STATE DIRECTOR FOR VOCATIONAL EDUCATION

Employer Satisfaction with Community College Hires

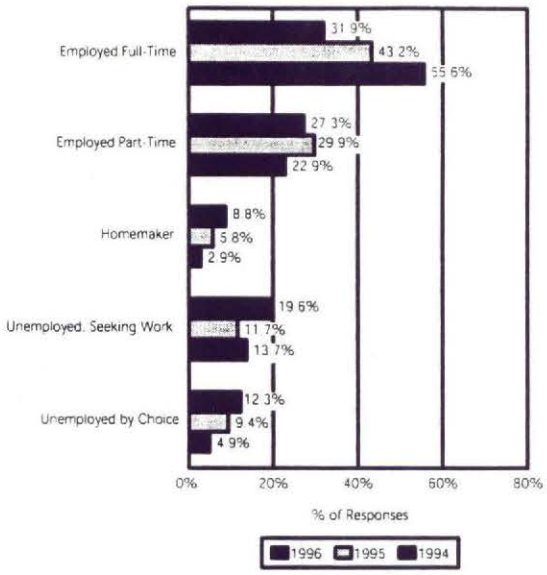


What is the likelihood of a UH Community College vocational student getting a job in Hawai'i?

Most UH Community College vocational education graduates are likely to get jobs in Hawai'i. Three-fourths of those seeking employment were employed at least part-time.

FALL 1996 UHCC SURVEY OF FORMER STUDENTS

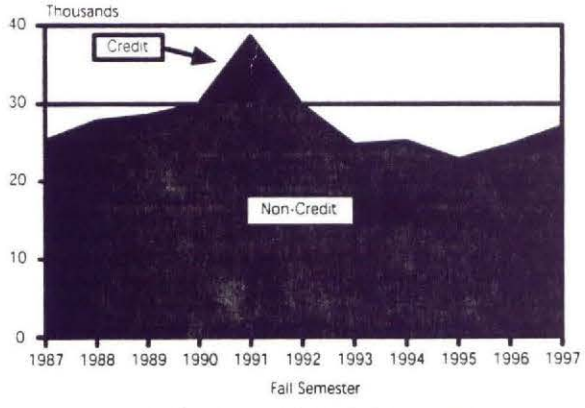
Employment of Voc Ed Graduates



What are the opportunities for continuing education and non-credit instruction across the UH system?

The diversity and volume of UH continuing education offerings are considerable. Registrations in UH continuing education programs increased in fall 1997 to over 25,000.

Continuing Education Enrollment



Note: Some apparent decline may be due to more exact reporting requirements in recent years

Economic Impact

What is the overall economic impact of the UH on the community?

The University of Hawai'i system has a very substantial and direct economic impact on the state of Hawai'i. This impact is evident in the detailed information provided throughout this benchmarks/performance indicators report. Highlights are summarized here. In FY 1996–1997 the University of Hawai'i:

- Enrolled more than 47,000 students in credit programs and 25,000 in non-credit offerings. The University of Hawai'i is the primary higher education opportunity for most Hawai'i residents;
- Employed more than 7,700 regular employees and more than 5,300 students who earned wages in excess of $438.4 million;
- Spent over $648.9 million in operating funds, including $272 million in state general funds and $113.1 million in federal funds;
- Spent more than $15.7 million in capital expenditures. (The yearly average for the 1993–95 biennium was $83.3 million; for the 1997–99 biennium the yearly average will be $123.2 million.)

A conservative estimate is that $1.5 to $2.0 billion direct, indirect, and induced economic activity in Hawai'i results from University of Hawai'i operating, capital, and faculty, staff, and student expenditures. These multiplier benefits are similar to those of any economic or industrial activity.

The University of Hawai'i's direct contribution to Hawai'i's gross state product is roughly 2 to 3 percent. This is nearly twice the size of agriculture, equivalent to the business services sector, and only slightly smaller than the communications, manufacturing, and financial services sectors.

The most important economic impact of the University of Hawai'i is the development of human capital and a knowledge infrastructure. The integration of Hawai'i into the global academic, business, and technology communities is not possible without the University. UH produces a broad range of positive economic results and is key to repositioning Hawai'i's economy by:

- Fostering new businesses, assisting existing business, and creating long-term job growth.
- Promoting innovation and capitalizing on Hawai'i's unique natural and cultural endowments. As a premier research and development institution and the only research university in Hawai'i, UHM is a laboratory for the creation of new knowledge and a warehouse for additions to the pool of knowledge.
- Enhancing the work force through human capital formation. The higher incomes of individuals endowed with skills gained at UH Community Colleges and four-year UH institutions lead to higher incomes that benefit those who attend and those around them.
- Improving the quality of life through the performing arts, nurturing the renaissance of Hawaiian culture, and improving health services within the community.
- Extending public service through the provision of educational, training, and research services within Hawai'i and to buyers/funders from the mainland and Asian/Pacific region.
- Serving as a center for Hawaiian, Pacific, and Asian studies.
- Serving as a community institution for intercollegiate sports and athletics.
- Participating in the ongoing global revolution in telecommunications and microprocessing.

HALEAKALĀ OBSERVATORIES

UH currently operates the Mees Solar Observatory and LURE Observatory, a satellite ranging facility, on Haleakalā. In addition, Rocketdyne Technical Services is contracted by the U.S. Air Force to carry out satellite ranging, surveillance, and other developmental activities on land leased from UH. The scope of this facility, which has an annual operating budget of approximately $31 million and employs approximately 175 people within Maui County, far exceeds the UH operations, which have a total operating budget of $1.4 million and employ 19 people within Maui County.

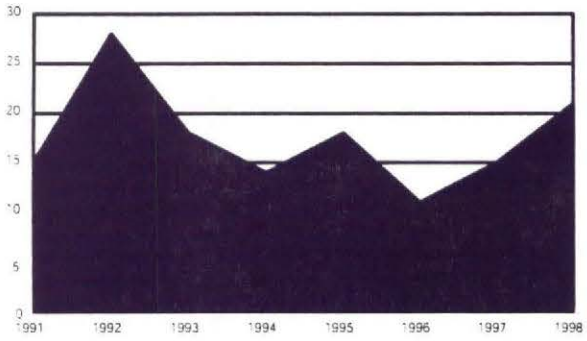
MAUNA KEA OBSERVATORIES

Currently nine telescopes, plus the Hawai'i Antenna of the Very Long-Baseline Array, are in full operation and three others are under construction. All telescopes are being built with funds from outside the State of Hawai'i. Typically at least one-third of the funds for construction and more than 80 percent of funds for operations are spent in Hawai'i, predominantly on the Big Island. By the year 2000, the telescope facilities on Mauna Kea will represent a total capital investment of $600 million and their annual operations will provide employment for more than 350 people and infuse nearly $50 million per year into the County of Hawai'i economy.

TECHNOLOGY TRANSFER

The Office of Technology Transfer and Economic Development serves as a gateway for access to the University's rich educational, scientific, and technical resources and facilitates technology transfer and economic development activities. The technology transfer process begins with the disclosure of discoveries and inventions by University researchers. The number of disclosures bears a direct relationship to the number of patents filed, licenses executed, and spin-off companies created, all of which may result in economic development. These disclosures have resulted in 198 patent applications filed by the University, 21 active license agreements or options for future licenses, and $1.6 million gross licensing revenues (cumulative).

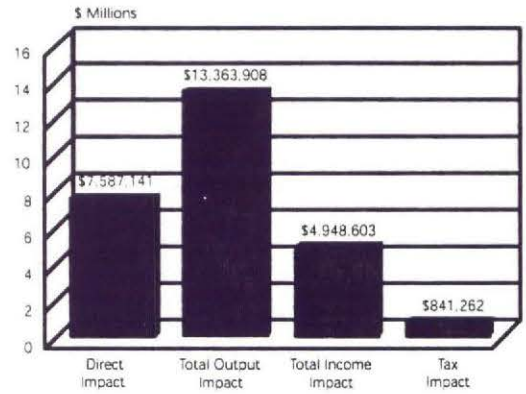
UH Invention Disclosures



INTERCOLLEGIATE ATHLETICS

Through intercollegiate athletic events, UH has made significant and long-standing contributions to diversifying tourism and the economic base of the state. Athletic events pour millions of dollars into Hawai'i's economy, benefiting residents in the form of increased sales, income, tax revenue, and job opportunities.

Economic Impact of UH Athletic Events for the Weekend of November 28-30, 1997



Note: Events included UH-Notre Dame football game and United Airlines Tipoff Basketball Tournament.

Source: Economic Impact Analysis of UH Athletic Events, November 28-30, 1997

Accreditation

What is the status of accreditation at the University of Hawai'i and what does it mean?

All ten campuses of the University system are separately and regionally accredited by the Western Association of Schools and Colleges. Regional accreditation means that, as the result of an external review process, the University is judged to be fulfilling its stated purposes and can be expected to continue to do so. Students and the public can be assured that University of Hawai'i campuses have met standards of quality across the entire range of institutional activities.

In addition, nearly 50 University of Hawai'i academic programs hold separate professional accreditation. These programs have been subjected to rigorous external reviews that ensure high standards of professional practice. As a result the UH credentials conferred convey a special merit of quality within these specialized fields of study.

Among the 25 accredited professional programs at UHM are law, medicine, architecture, business, travel industry management, nursing, social work, engineering, journalism, chemistry, dental hygiene, dietetics, library and information studies, clinical psychology, microbiology, audiology, speech-language pathology, public health, education, medical technology, music, and urban and regional planning.

Twenty Community College programs hold separate accreditation, including nursing and a variety of food service programs at multiple campuses, aeronautics maintenance, automotive maintenance, cosmetology, fire science, motorcycle safety, legal assistant, medical assistant, medical lab technician, occupational therapy, physical therapy, radiologic technology, and respiratory care.

The nursing and education programs at UH Hilo are separately accredited.

Goal II

Implementing Differentiated Campus Missions and Functioning as a System

The University of Hawai'i system's guiding principle is to preserve diverse campus roles and missions while working together as one system. The system mission components of instruction, research, service, and extension are embodied in the liberal arts, vocational/technical, graduate, professional, research, community service, extension, and student life programs that span the campuses. It is the goal of the system to achieve broad access to excellent instruction, prominence in research, and outstanding service to the state by means of campus differentiation, collaboration, and priority-setting.

Campus Mission

How have UH campuses specialized in order to avoid duplication?

The mission statement adopted by the Board of Regents on November 15, 1996, and the *University of Hawai'i Strategic Plan, 1997–2007*, clarify campuses' roles and missions and are available separately.

FUNCTIONING AS A SYSTEM:

UH MĀNOA is a research university with selective admissions. It offers:

- baccalaureate degrees across a comprehensive array of liberal arts and professional programs;
- master's and PhD degrees in a broad array of fields;
- first professional degrees in law and medicine; and
- organized research units.

UH HILO is a comprehensive, primarily baccalaureate institution with a regional mission, offering selected master's degrees. It offers baccalaureate degrees in business, humanities, natural/social sciences, agriculture, and the master's degree in Hawaiian language and literature.

UH WEST O'AHU is an upper division institution that will eventually become a four-year campus. It offers baccalaureate degrees in limited humanities, professional studies, and social science fields.

UH COMMUNITY COLLEGES are open-door, low-tuition institutions offering associate degrees and certificate programs in academic, technical, and occupational subjects.

HAWAI'I COMMUNITY COLLEGE offers a strong liberal arts program, including basic skills, and a comprehensive vocational program that includes business, nursing, trades technology, and public service career fields.

HONOLULU COMMUNITY COLLEGE offers a strong liberal arts program in addition to the largest number of vocational/technical offerings in Hawai'i, including programs that are not offered at any other campus, e.g., marine technologies, cosmetology, refrigeration and air conditioning, aeronautic maintenance, and commercial aviation pilot training.

KAPI'OLANI COMMUNITY COLLEGE offers a comprehensive liberal arts program. This campus is a statewide leader in health services education with nine unique programs in allied health professions; it offers the state's only legal assisting program and an extensive food service and hospitality education program.

KAUA'I COMMUNITY COLLEGE offers a comprehensive liberal arts program and vocational programs in fields such as business education, health care, and the visitor industry.

LEEWARD COMMUNITY COLLEGE offers an extensive liberal arts program, combined with selected vocational offerings, and provides courses in 67 disciplines; unique programs include television production, commercial music, and information and computer sciences.

MAUI COMMUNITY COLLEGE offers a strong liberal arts program and a comprehensive vocational program that includes business, nursing, trade technology, and public service career fields; courses offered over cable TV and a campus interactive television system provide instruction to Moloka'i, Lāna'i, and Hāna.

WINDWARD COMMUNITY COLLEGE offers a strong comprehensive liberal arts program and selected vocational education programs, including business education and agriculture.

EMPLOYMENT TRAINING CENTER provides job training for "at risk" populations in high-demand areas such as food service, auto repair, construction occupations, and office technology.

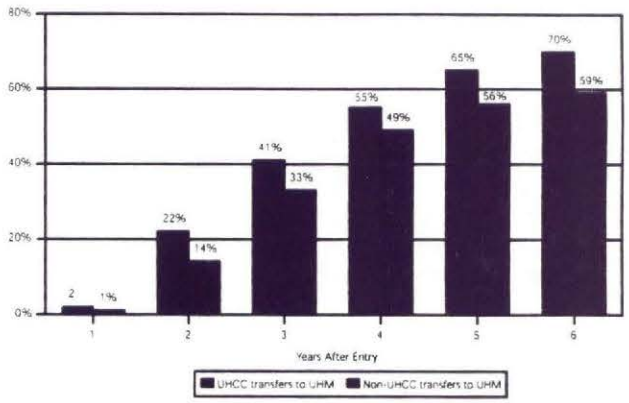
UNIVERSITY OF HAWAI'I CENTERS on Maui and Kaua'i and in West Hawai'i establish a University of Hawai'i presence in communities that otherwise lack access to programs offered elsewhere in the UH system. University Centers are system entities that are assigned for administrative purposes to existing University campuses. The courses and credentials offered at these Centers are those of the existing accredited UH campuses.

Transfer and Articulation

How successful are UH Community College students who transfer to UH four-year institutions?

UHCC transfers to UHM graduate at higher rates than their non-UHCC transfer counterparts.

Average Graduation Rates of UHCC Transfers to UH Mānoa



What is the K–12 linkage relative to student success at UH?

There has been general agreement between UH and the Department of Education about the importance of information exchange that focuses on the initial performance of DOE graduates attending UH.

UH Data to the DOE by High School on Recent Graduates Attending UH Campuses

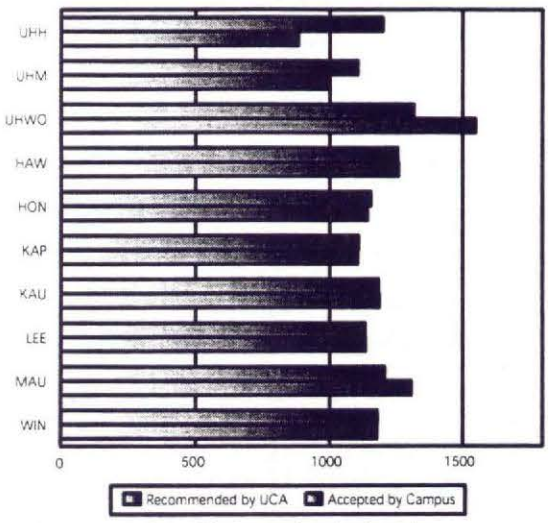
- Grades
- Course Completions
- Grade Point Average
- Writing Assessment Results

Nearly 50 UHM faculty members have become faculty ambassadors and serve as liaisons and friends to every high school in Hawai'i. These and similar efforts throughout the UH system help to build better bridges between Hawai'i high schools and UH.

What is the status of articulation within the UH system?

Across the UH system, over 1,600 core courses (excluding foreign language) have been submitted for articulation. These involve more than 11,800 campus actions and approximately 99% have been approved.

Articulation—Course Acceptance Patterns



Note: UCA = University Council on Articulation

In addition to core articulation, several program committees are involved in articulation: agriculture, art, business, information and computer sciences, and travel industry management.

All seven Community College Associate of Arts (AA) degrees now conform to the requirements for admission and acceptance at the upper division campuses as fulfilling the general education core.

Transfers to UH Hilo Arts and Sciences with 30 or more semester credits from an accredited institution are evaluated on the basis of general education course subject areas rather than specific course equivalencies.

Students accepted as first-time engineering freshmen are able to defer their enrollment at UH Mānoa and complete their lower division requirements at any UH campus.

A faculty-led system-wide general education project resulted in agreement in principle by campus-wide faculty senates of minimum outcomes for five academic areas expected of students upon completion of general education. UH campuses have been directed to build upon these recommendations to improve general education.

The UH transfer and articulation policy was updated in 1997–1998 to reinforce the University's commitment to make transfer within the system simple and predictable.

Goal III

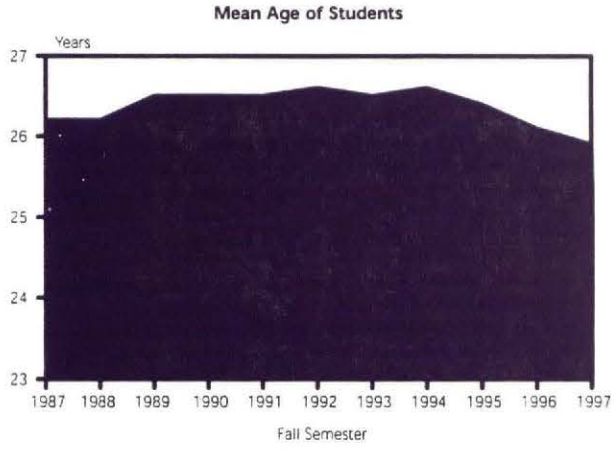
Continuing to Champion Diversity and Respect for Differences

The University of Hawai'i believes that the understanding and experience of diversity are compelling institutional and societal interests, essential components of a quality education, and central to the fulfillment of the University's mission. The University strives to be a model for society through the diversity of its people, policies, and programs. This diversity is fully expressed in campus climates that respect and honor differing opinions and cultures and the academic traditions of collegiality and civility. Combining these experiences with excellent education in a chosen field of study is a central University goal.

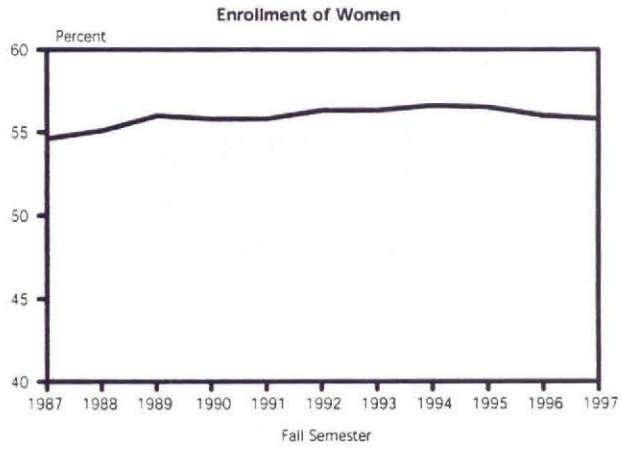
Diversity

What are the demographic trends in the composition of the UH student body?

Mean age has declined since fall 1994 from 26.6 to 25.9 years.



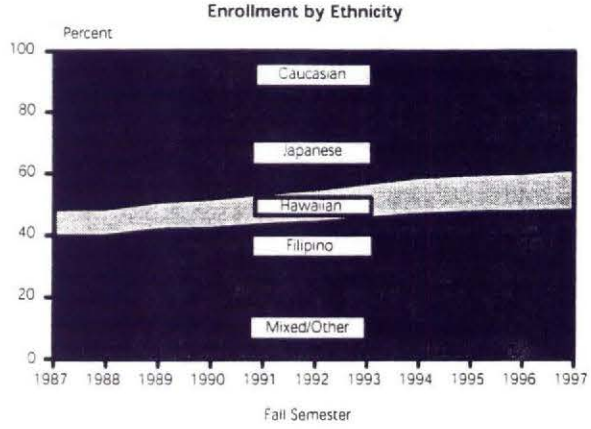
Women represent well over 55% of the UH student body.



III. Diversity and Respect for Differences

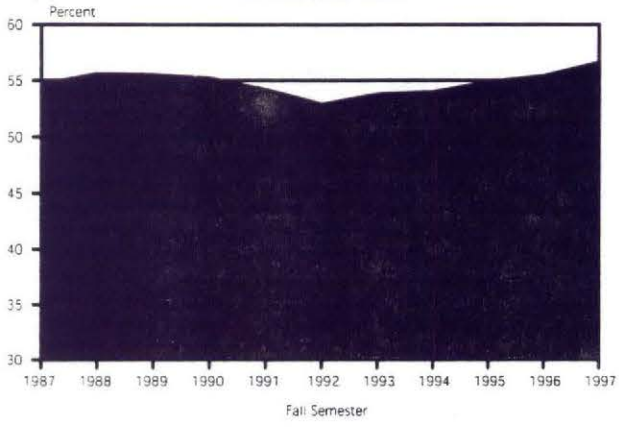
While the proportion of Japanese and Caucasian students has decreased, Hawaiian, Filipino and other ethnic groups have increased.

Enrollment by Ethnicity



Since fall 1992, the proportion of students enrolled full-time has steadily increased to over 56% of the UH student body.

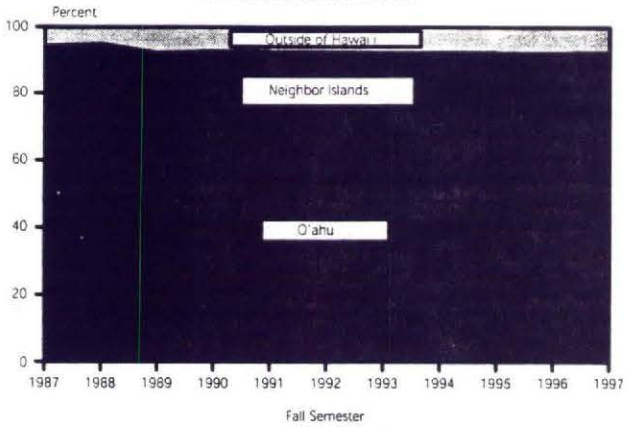
Full-Time Enrollment



What is the status of enrollment by geographic origin within Hawai'i?

Over 90% of UH students are from Hawai'i.

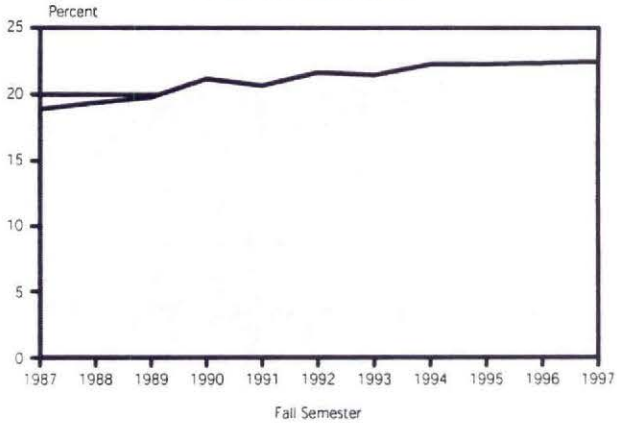
Permanent Home Address



Note: From 1987 to 1989 there were many "No Data" records. "No Data" records have been ratioed for all years.

Enrollment of students on or from the Neighbor Islands has been slowly increasing.

Percentage of UH System Enrollment With Neighbor Island Permanent Home Address



Goal IV

Strengthening the University as the Premier Resource in Hawaiian, Asian, and Pacific Affairs, and Advancing Its International Leadership Role

The University of Hawai'i system's special distinction is found in its Hawaiian, Asian, and Pacific focus. The program structure and research thrusts of the University must strive to take advantage of Hawai'i's unique location, physical and biological environment, and rich cultural setting. Advancing this focus means preserving the native Hawaiian heritage in language, culture, and history, as well as advancing research, scholarship, and instruction in Asian and Pacific affairs. The University of Hawai'i must pursue its special distinction, while providing leadership in the international arena. It must also ensure that students can function in an information society in which telecommunications and information technology are increasingly the basis for access to information and knowledge, economic activity, and political/social interactions worldwide.

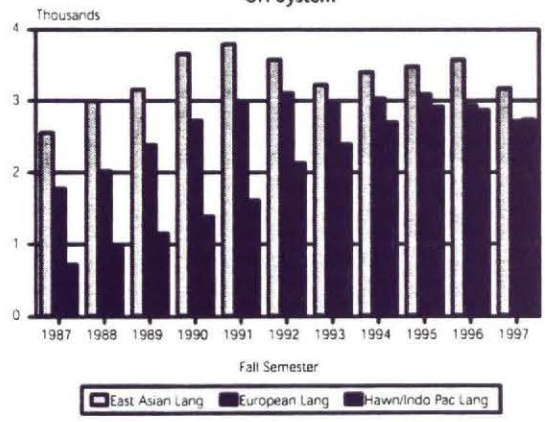
International Education

What are the opportunities for a UH student to have access to international, especially Asian/Pacific, programs, faculty expertise, travel, etc?

HIGHLIGHTS

- *U.S. News & World Report* ranks UH Mānoa's international Master's of Business Administration (MBA) 24th among the nation's 300 accredited MBA programs.
  U.S. NEWS & WORLD REPORT, MARCH 1998
- Only six other U.S. campuses house National Foreign Language Resource Centers, and only UH Mānoa has an Asian/Pacific focus.
  UHM COLLEGE OF LANGUAGES, LINGUISTICS, AND LITERATURE
- UHM Department of English as a Second Language ranks number one worldwide among similar programs.
  INTERNATIONAL SURVEY OF THE QUALITY OF INSTRUCTION AND RESEARCH IN SECOND AND FOREIGN LANGUAGE ACQUISITION
- The UHM program in linguistics ranks among the top 25 such programs in the U.S.
  1995 NATIONAL RESEARCH COUNCIL SURVEY
- The UHM College of Languages, Linguistics, and Literature teaches 30 foreign languages, more than any other U.S. institution except the Department of State, and is the only college in the U.S. that specializes in Asian and Indo-Pacific languages.
- In the past ten years, UH system registrations in languages have increased.
  Hawaiian/Indo-Pacific Languages (+282%)
  East Asian Languages (+24%)
  European Languages (+53%)

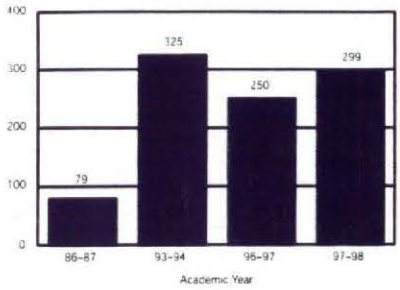
Registrations in Languages UH System



OVERSEAS STUDY PROGRAMS

Throughout the UH system, nearly 300 students currently participate in overseas education experiences, including study abroad, exchange programs, field research, internships, etc.

Students Engaged in UHM Study Abroad Programs



INTERNATIONAL STUDENTS

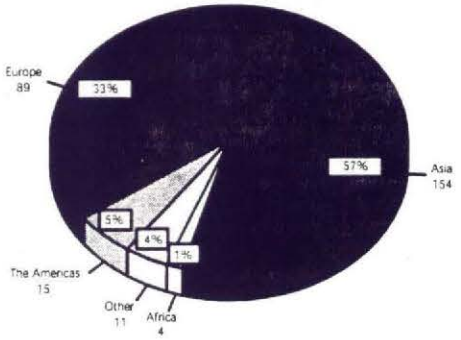
In fall 1997, 2,038 degree-seeking international students enrolled in the UH system. UH Mānoa enrolled 1,347 or almost 8% of its total enrollment. One hundred ninety-nine attended UH Hilo, 2 attended UH West O'ahu, and 490 enrolled at the UH Community Colleges.

In addition, 4,301 international students participated in short-term training in various disciplines and intensive English language programs across the UH system.

INTERNATIONAL FACULTY

In 1997, 216 visiting scholars and 57 international faculty taught and conducted research in the UH system. The majority (57%) of these international faculty and scholars came from Asia, one-third were from Europe, and the remainder were from countries in Africa, the Americas, and the Pacific.

International Faculty/Countries



TOTAL FACULTY: 273

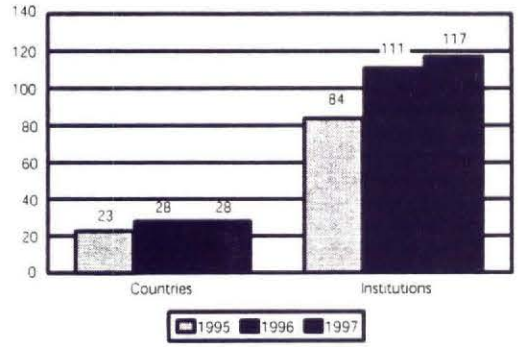
Sixty percent of international visiting scholars are supported by funds from outside the University. The University directly supports 35% of these scholars, and 5% receive funds from both UH and outside sources.

THE INTERNATIONAL LINK, VOL. 7, NOV/DEC 1997
UH OFFICE OF INTERNATIONAL AFFAIRS

FORMAL AGREEMENTS

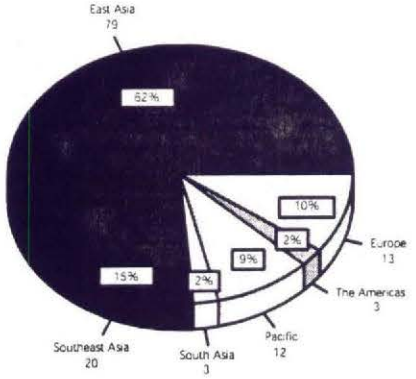
The University has 130 formal agreements with 117 institutions in 28 countries. These international linkages provide opportunities for faculty and student exchange, library exchanges, collaborative research, and the development of international programs that benefit the University.

Formal Institutional Agreements with Foreign Partners



Eighty-eight percent of the UH institutional agreements are in the Asian-Pacific Region.

International Agreements Distributed by Region



TOTAL FORMAL AGREEMENTS: 130

EXTRAMURAL FUNDING

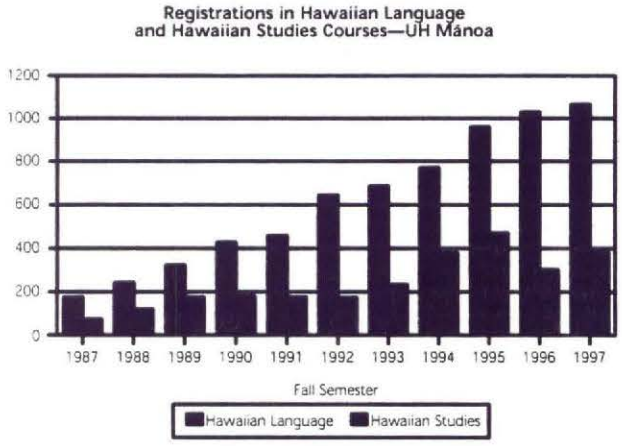
For fiscal year 1996–97, the number of foreign projects awarded remained about the same; total dollars awarded was $2.8 million.

Awards from Foreign Sources		
Fiscal Year	# of Projects	Amount Awarded ($ million)
95–96	47	7.5
96–97	44	2.8

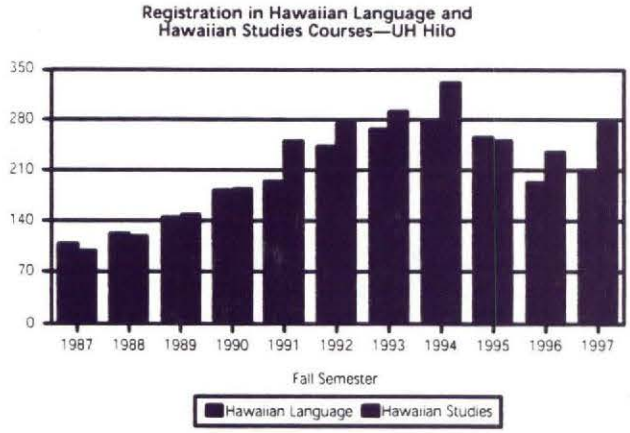
Special Emphases

How well is the University doing in its commitment to preserve and disseminate Hawaiian history, language, and culture?

Registrations in Hawaiian language and Hawaiian studies courses at UH Mānoa have increased over the past ten years.

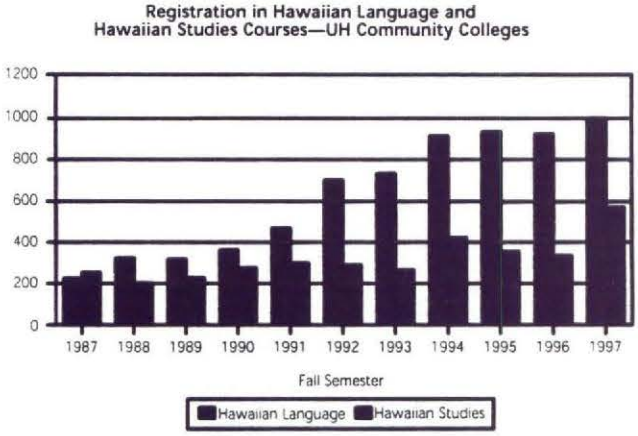


At UH Hilo, student registrations in Hawaiian language and Hawaiian studies courses have increased over the past ten years although the fall 1997 registrations are somewhat lower than the peak reached in fall 1994.



In 1996, UH Hilo became the first university in the nation to offer a graduate degree in an indigenous language—the master of arts in Hawaiian language and literature.

At the UH Community Colleges, student registrations in Hawaiian language and Hawaiian studies courses continue their upward trend.



Goal V

Acquiring and Managing Resources with Accountability and Responsiveness

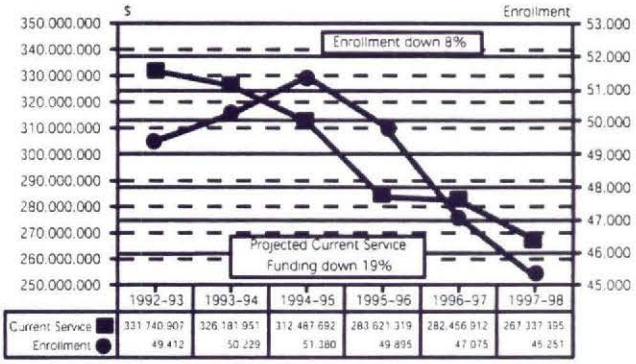
To deliver on its commitment to access and quality, the University of Hawai'i must acquire increased resources and maximize their use. Accountability and responsiveness engender the public trust necessary to achieve this overall goal.

Funding

What is the relationship between State General Fund support and UH enrollments?

Over the past five years, UH enrollment decreased 8%, while current service funding is down 19%.

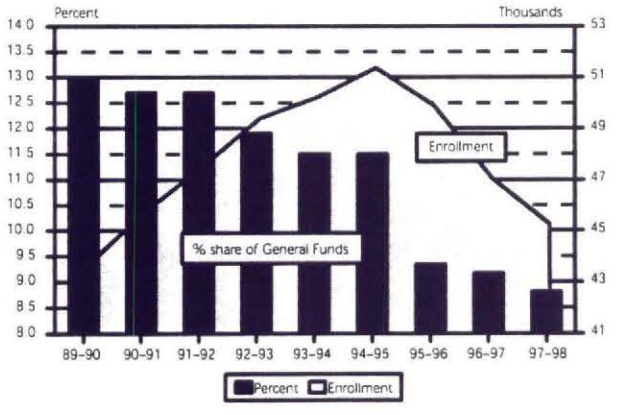
Budgets & Enrollments



How has UH fared relative to the rest of the state in its share of General Fund support?

UH's enrollment is at the 1990–91 level, but UH's share of State general funds continues to decline. In FY 1997–98, the UH share was 8.8%.

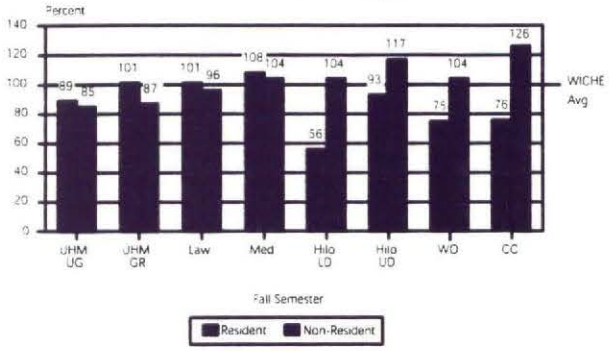
Headcount Enrollments



How do UH tuitions compare with like institutions elsewhere?

Resident tuition rates at all UH campuses (except for Medicine) remain below or equivalent to WICHE averages. Non-resident tuition is below WICHE averages only for Mānoa undergraduate, graduate, and law tuition.

1997-98 UH Tuition & Required Fees as a Percentage of 1997-98 WICHE Averages



Note: WICHE = Western Interstate Commission for Higher Education

Stewardship & Management

What is the level of investment for maintaining the UH physical plant?

Repairs and maintenance (R&M) allocation per gross square foot (GSF) between fiscal years 1992 and 1996 has decreased substantially. However, in fiscal year 1998, the University received $14.5 million in capital improvement program (CIP) funds for certain R&M projects (reroofing, mechanical and electrical systems).

Allocations Compared with Gross Square Feet

Campus	FY 92	FY 94	FY 96	FY 98[1]
UH Mānoa				
R&M Allocation	$8,421,629	$4,148,871	$1,460,643	$7,758,983
Gross Square Feet*	3,898,683	4,007,053	4,509,708	4,509,708
Ratio ($/GSF)	$2.16	$1.04	$0.32	$1.72
UH Hilo				
R&M Allocation	$966,491	$817,467	$100,000	$2,038,720
Gross Square Feet*	867,000	867,000	867,000	867,000
Ratio ($/GSF)	$1.11	$0.94	$0.12	$2.35
UH Community Colleges				
R&M Allocation	$3,453,096	$1,496,085	$1,196,085	$8,308,085
Gross Square Feet*	1,870,738	2,074,129	2,289,280	2,289,280
Ratio ($/GSF)	$1.85	$0.72	$0.52	$3.63
UH System Totals				
R&M Allocation	$12,841,216	$6,462,423	$2,756,728	$18,105,788
Gross Square Feet*	6,636,421	6,948,182	7,665,988	7,665,988
Ratio ($/GSF)	$1.93	$0.93	$0.36	$2.36

[1] FY 1997-1998 figures are projected.
*Does not include off-campus facilities and on-campus facilities that are self-supporting.

The low percentage of the general operating budget (general fund appropriations and tuition revenues) dedicated to R&M has declined, threatening the integrity of the physical plant.

Systemwide Allocations Compared with Total General Fund Operating Allocations

University System	FY 92	FY 94	FY 96	FY 98[2]
UH System				
R&M Allocation	$12,841,216	$6,462,423	$2,756,728	$3,598,788
Total Operating[1]	322,192,000	320,296,232	321,031,394	331,049,768
Ratio (R&M$/OPER$)	3.99%	2.02%	0.86%	1.09%

[1] General fund and tuition revenues.
[2] Projected.

The decreases in the general operating budget R&M expenditures add to the backlog of deferred maintenance. Although the CIP appropriations in fiscal year 1998 helped to alleviate a portion of the deferred R&M, the backlog of R&M remains one of the most serious problems currently facing the University.

Total Deferred Repairs and Maintenance

Campus	FY 96*
UH Mānoa	$36,770,000
UH Hilo	8,079,600
UH Community Colleges	22,882,600
UH System	67,732,200

*In the process of updating for FY 99.

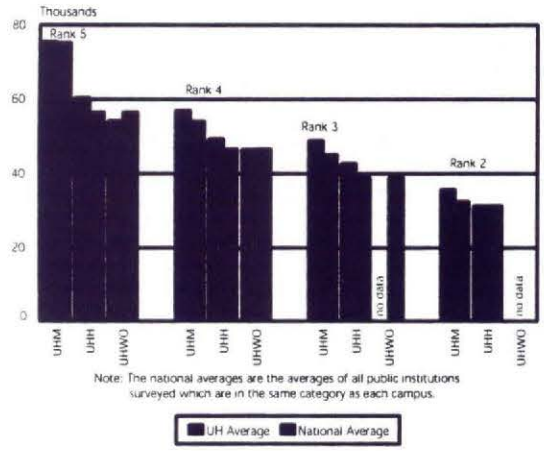
V. Accountability and Responsiveness

How do UH faculty salaries compare with counterparts elsewhere?

The 1997-98 salary averages include a 4% increase effective July 1, 1997, the first collective bargaining increase that the University of Hawai'i faculty experienced since the 1993-95 bargaining unit agreement. Despite the absence of salary increases for two years, faculty salaries are, for the most part, favorable relative to national public institutional counterparts.

UH Mānoa's average salaries surpassed those of other public doctoral level institutions at all ranks. With the exception of rank two, UH Hilo's average salaries exceeded the national averages for public general baccalaureate institutions. UH West O'ahu lags behind other public general baccalaureate institutions.

Comparison of Average Faculty Salaries with Other Public Institutions for 1997-98 (UH Mānoa, UH Hilo, UH West O'ahu)

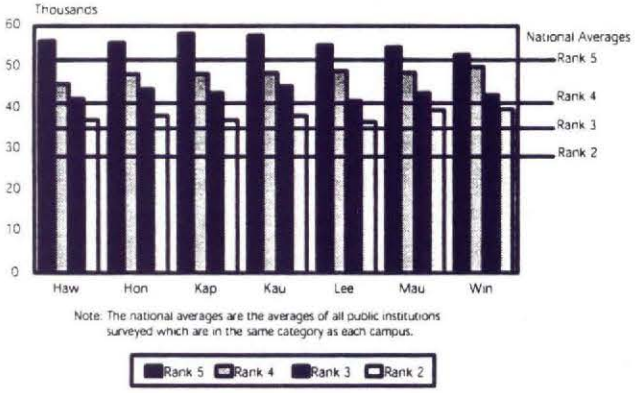


Note: The national averages are the averages of all public institutions surveyed which are in the same category as each campus.

Source: Academe March/April 1998, Bulletin of the American Association of University Professors

The Community Colleges exceeded the national averages in comparison with other public two-year institutions with academic ranks.

Comparison of Average Faculty Salaries with Other Public Institutions for 1997-98 (UH Community Colleges)



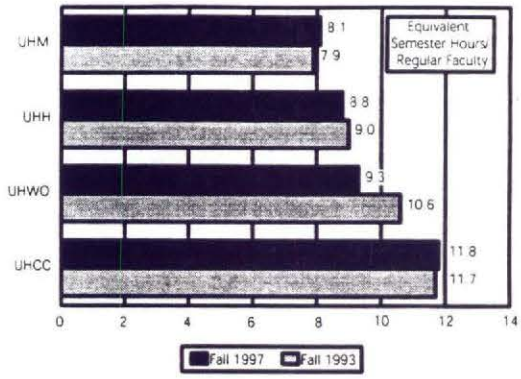
Note: The national averages are the averages of all public institutions surveyed which are in the same category as each campus.

Source: Academe March/April 1998, Bulletin of the American Association of University Professors

What is the UH instructional workload and how does it compare with counterparts elsewhere?

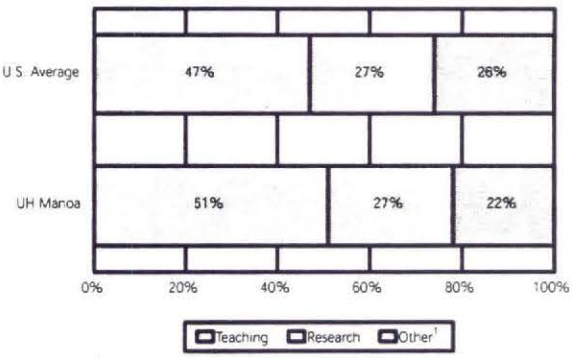
Instructional workload has increased for most UH faculty. UH regular faculty teach from two to four courses a semester, some teach five. Equivalencies for contact hours bring the Community College load to approximately 13.8 semester credits.

University of Hawai'i Instructional Workload



The UH teaching requirement is similiar to that found at comparable institutions. Faculty activity at public research universities is similar to that at UHM.

Faculty Activity at Public Research Universities



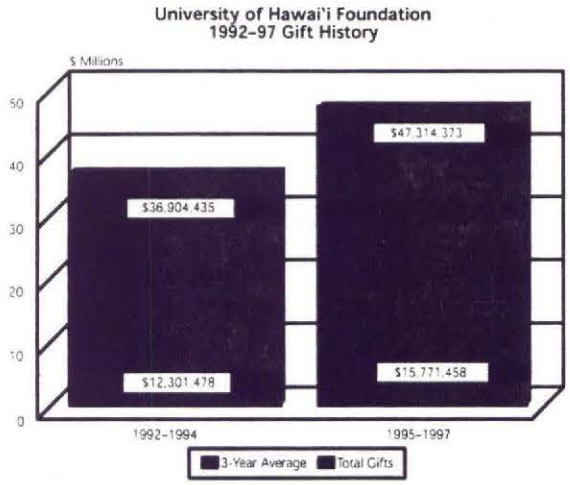
*Administration, service, professional development, consulting, etc

Source: U.S. data based on National Center for Educational Statistics 1993 National Study of Postsecondary Faculty, 1994. UHM data based on UHM Faculty Survey, 1989.

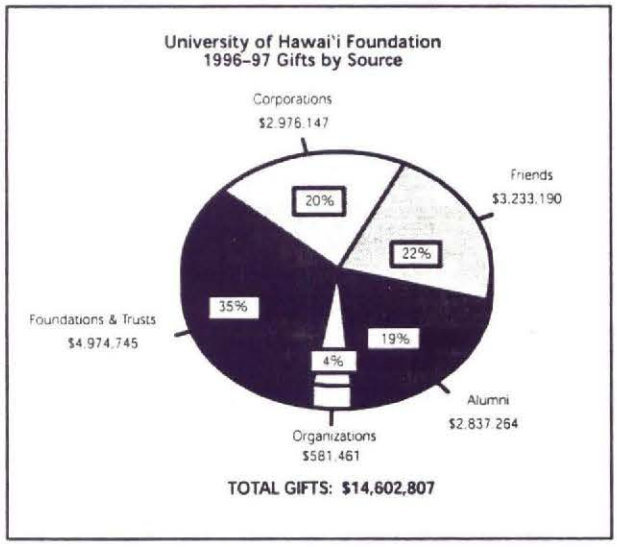
Private Giving

What are the trends in private giving through the UH Foundation?

Private gifts to the University through the Foundation remain strong. Average giving over the last three years was $15.7 million versus the average for the previous three-year period of $12.3 million.



Private gifts come from a wide variety of sources. Individuals (friends and alumni) account for 41% of the outright gifts received by the Foundation. Giving in 1997 included $1 6 million in irrevocable deferred gifts.

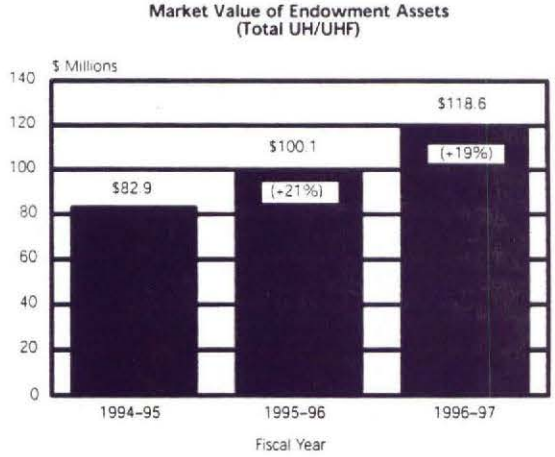


What is the status of the UH endowment?

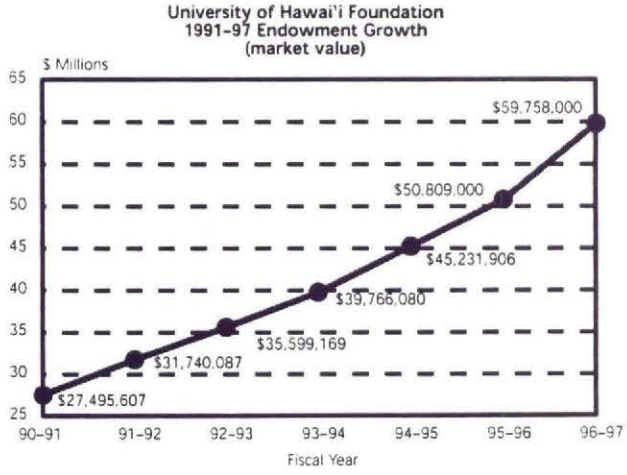
UH ranked 207th out of the 495 colleges and universities that participated in the comparative performance study conducted by the National Association of College and University Business Officers (NACUBO) on the market value of endowment assets.

CHRONICLE OF HIGHER EDUCATION, FEBRUARY 20, 1998

The market value of UH and UH Foundation endowment assets has experienced double-digit percentage increases in each of the last two fiscal years.



The market value of UH Foundation endowment funds has increased to $59.8 million. This represents a growth of $8.9 million (17.6%) over the previous fiscal year and reflects ongoing contributions and the positive impact of the investment markets.



Esteem

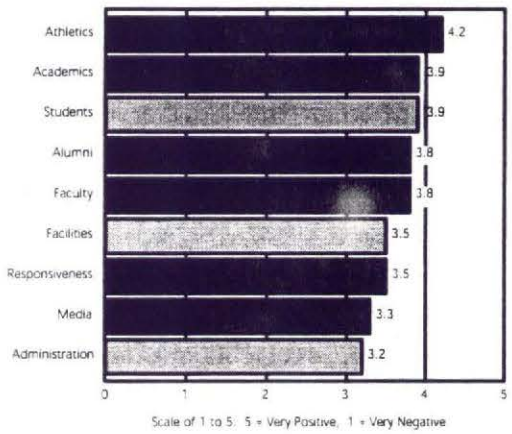
How are various aspects of the University perceived by the public?

UH faculty are tapped by the media as national experts on ocean and earth sciences, El Nino and global climate change, astronomy and planetology, Asian economics and languages, and inter-cultural relations.

The public deems UH athletics as a very positive aspect of the University's image. Academics and students are also highly rated.

1992 STATEWIDE GENERAL PUBLIC TELEPHONE SURVEY, OFFICE OF THE VICE PRESIDENT FOR UNIVERSITY RELATIONS

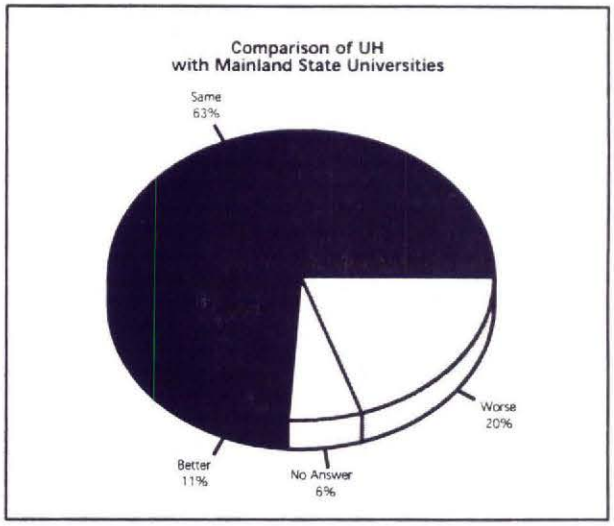
Public Opinion of Various Aspects of UH Image



What is the University's image overall?

Approximately three-fourths of the general public in the state of Hawai'i indicated that the University of Hawai'i was the *Same as* or *Better than* other state universities in the country.

1992 STATEWIDE GENERAL PUBLIC TELEPHONE SURVEY, OFFICE OF THE VICE PRESIDENT FOR UNIVERSITY RELATIONS



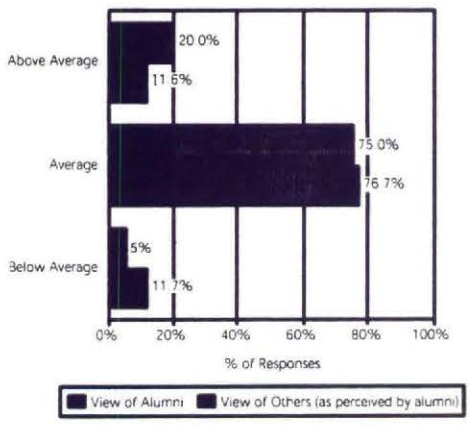
Over 90% of UHM graduating seniors view their degree as *Average* or *Above Average*.

1996 UHM GRADUATING SENIOR SURVEY

Ninety-five percent of UHM alumni perceived their undergraduate degree from Mānoa as being of *Average* or *Above Average* quality. Similar perceptions were reported in 1991 and 1994.

1997 UHM ALUMNI OUTCOMES SURVEY

Perceived Quality of Baccalaureate Degree



BY THE WAY . . .

UH Mānoa is ranked 8th nationally when comparing the major public university in each state on affordability, admissions, access to faculty, and achievement.

KIPLINGER'S PERSONAL FINANCE MAGAZINE, MARCH 1997

U.S. News & World Report listed the University of Hawai'i at Mānoa among the top 25 public universities in the nation.

U.S. NEWS & WORLD REPORT, MARCH 1998

The UH Law School is listed among the *U.S. News & World Report's* top 50 Law Schools; a remarkable achievement for one of the youngest and smallest law schools in the nation.

U.S. NEWS & WORLD REPORT, MARCH 1998

UH Mānoa operates the most active National Student Exchange program out of 140 participating institutions.

UH OFFICE OF INTERNATIONAL AFFAIRS

Nearly 7 out of 10 first-year students at UHM ranked in the top twenty-five percent of their high school class and more than one-third were in the top ten percent.

UHM OFFICE OF THE VICE PRESIDENT FOR STUDENT AFFAIRS

A team of UHM mechanical engineering students placed first in the nation in the American Society of Engineering National Human Powered Vehicle Competition.

UHM COLLEGE OF ENGINEERING

Teams of UHM law students finished second in client counseling, third in international moot court and eighth in environmental moot court competitions, going head to head with the country's most prestigious law schools.

UHM WILLIAM S. RICHARDSON SCHOOL OF LAW

Kaua'i Community College's Ka'a La 'O Kaua'i solar-powered car won the teamwork, most improved team, sportsmanship, and first-in-category awards in national competition.

KAUA'I COMMUNITY COLLEGE

The School of Medicine operates the only American-type residency program in the Far East.

JOHN A. BURNS SCHOOL OF MEDICINE

In 1998, the UHM School of Ocean and Earth Science and Technology will offer the only undergraduate degree in the nation in the field of global environmental science.

UHM SCHOOL OF OCEAN SCIENCE AND EARTH SCIENCE AND TECHNOLOGY

The UHM Department of Meteorology is recognized as one of the world's three leading programs on tropical meteorology.

UHM SCHOOL OF OCEAN SCIENCE AND EARTH SCIENCE AND TECHNOLOGY

A professor of anatomy and reproductive biology in the School of Medicine won several national and international awards for his research, including Japan's Academy of Sciences' International Prize for Biology, the country's equivalent to the Nobel Prize.

JOHN A. BURNS SCHOOL OF MEDICINE

UH's Mauna Kea facility houses the two largest telescopes in the world.

UHM INSTITUTE FOR ASTRONOMY

UHM scientists are key participants in the international physics project which recently announced the discovery of muon neutrino oscillations and, thereby, neutrino mass.

UHM COLLEGE OF NATURAL SCIENCES

The UHM School of Travel Industry Management is one of twelve International Tourism Education and Training Centers in the world.

UHM SCHOOL OF TRAVEL INDUSTRY MANAGEMENT

U.S. News & World Report ranks the UH College of Business Administration 24th in the nation for international business. UH shares that ranking with Cornell University and the University of Pittsburgh.

U.S. NEWS & WORLD REPORT, MARCH 1998

The UHH National Agri-Marketing Association (NAMA) successfully reached the semifinals and placed fifth in the nation at the 1998 NAMA competition. Marketing teams representing thirty colleges and universities participated in the competition. The UHH NAMA team's marketing plan focused on the irradiation of tropical fruits.

UHH COLLEGE OF AGRICULTURE

Introduction

Educational assessment and institutional accountability are central to the University of Hawai'i's agenda. This report reflects attention to that agenda and responds to directives from the Board of Regents and the Legislature.

Board of Regents policy commits the University to an educational assessment process that provides for the regular and systematic assessment of programs, campuses, and the University system as a whole. The intent is to gather evidence about the institution's effectiveness in meeting its mission, goals, and objectives and to use this information to improve programs and services.

The Hawai'i State Legislature has held accountability to the University of Hawai'i in the context of benchmarks linked to the goals of the University. Act 161 of the 1996 Legislative Session required the adoption and use of benchmarks in the development of budget and tuition schedules, the periodic review of programs, and the submission of biennium reports to the Legislature.

As required by Act 161, the Board of Regents adopted benchmarks/performance indicators in September 1996 with the understanding that the administration will refine and modify these indicators as warranted and report on them each biennium. These indicators served as background information for the development of the University's Strategic Plan. Major institutional goals and planning assumptions (national/state trends) as set forth in the University's Strategic Plan provide the framework for reporting on benchmark/performance indicators.

The use of benchmarks in higher education is a relatively new activity. Presently, this kind of activity is most suited to improving quality services in administrative areas where it may be possible to identify and agree on best practice or absolute outcome standards. The applicability of benchmarks to the academic enterprise, the heart of the higher education mission, is less certain and has presented unique challenges for consensus at the local and national level.

Benchmarks generally denote a standard or reference point against which a comparison can be made. In the academic area, performance indicators that demonstrate levels of performance or achievement at a point in time, over time, and/or relative to a standard or reference point seem more applicable.

Because of the importance and complexity of this accountability reporting requirement, along with the need for broad participation and the understanding that benchmarking in higher education is a relatively new activity, a prototype report—*University of Hawai'i Benchmarks/ Performance Indicators Report, November 1995*—was prepared and widely distributed in June 1996.

The following report updates the prototype report and is the University's initial response to the benchmark requirement of Act 161. It is based on data currently available and used by the University of Hawai'i system for various accountability purposes (accreditation, program review, peer review, routine institutional and federal reporting, etc.). Every year the University also develops data on tuition charges at comparable benchmark institutions. This data is routinely used as a frame of reference for setting tuition at the University of Hawai'i.

Related reports and activities also reflect the University's commitment to assessment and accountability. These include: (1) the University of Hawai'i Academic Program Actions Status Reports; (2) National Comparisons on Selected Indicators; (3) Peer and Benchmark Comparisons of Revenues and Expenditures; and (4) the National Association of College and University Business Officers Benchmark project.

The University is committed to strengthening this evolving performance and accountability system. It intends to continually evaluate and refine a set of measures that monitor institutional health and progress over time, relative to other institutions and the University's Mission Statement and Strategic Plan and, as feasible, against benchmark standards. These measures will be used to satisfy accountability concerns and to pursue program improvement and mission/goal achievement. The University will likewise continue laboring to create broadly shared ground rules that will allow us to assess and compare institutional and system-level performance in fair and useful ways.