

Performance Agreements and Performance Reports
Frequently Asked Questions
6/15/06

Questions about Performance Agreements

1. What is the role of Board staff in reviewing performance agreements?

Board staff makes recommendations to the Board Academic Affairs Standing Committee (BAASC); all final recommendations are made by the BAASC.

Board staff will review the performance agreements for potential issues and communicate these issues to the institution. The institution makes the final decision about whether to revise the performance agreement. If appropriate, the Vice President for Academic Affairs will inform the chief executive officer of the institution that the performance agreement is unlikely to be accepted by BAASC without major revisions. Again, the institution makes the final decision about whether to revise the performance agreement.

2. Why do performance agreements cover a calendar year instead of an academic year?

The calendar year was the only way the cycle could be made to work.

The statute dictates that funding be awarded based on performance beginning July 1, 2005. The Board did not approve the Performance Agreement Guidelines and Procedures until October 2003 (with a conceptual amendment in November 2003). At that point, it was too late to begin the first performance agreement cycle at the beginning of the 2003/04 academic year. The task force and the Board felt that the earliest that the first performance agreement could be submitted was March 2004 with Board approval during the June 2004 meeting.

Therefore, we knew when we had to be ready to award funding, and we knew the earliest date that the performance agreement could begin. We then had to determine how to make the timeline work within those two parameters.

Staff knew that performance reports had to be in the Board office by March 2005 in order to be in compliance with statute and award performance-based funding by July 2005. A March deadline for the report would allow time for staff to prepare the performance reports for review by the Board Academic Affairs standing committee prior to action by the full Board.

Staff also had to allow time for the institution to collect data and prepare the report. With a deadline of submitting the report to the Board in March, staff reasoned that the only logical time to end the reporting period was December 31. Therefore, staff was forced into a position in which the only option was for the initial performance agreement to cover performance during the period of July 1, 2004 through December 31, 2004. The next performance agreement would

have to begin January 2005 and end December 31, 2005 in order to cover a year's worth of performance and maintain compliance with statute.

Once the calendar year cycle has begun, moving to another cycle is difficult. In order to move to an academic year cycle (i.e. in order to cover performance from July 1 through June 30), staff would have to either

- initiate a one-semester cycle. . . e.g. from January 1, 2007 through June 30, 2007; or
- initiate an 18-month cycle . . . e.g. from January 1, 2007 through June 20, 2008.

The latter option would mean a year of performance-based funding would be “skipped”; therefore the latter option would be out of compliance with statute.

3. How many goals do I have to have in my performance agreement?

The performance agreement must include a minimum of three goals. One of these must address Regents' System Goal B (Improve Learner Outcomes). Institutional goals must support two additional Regents' System Goals selected from Regents' System Goals A, C, and D.

A maximum of six goals may be included in the performance agreement. Up to three institutional goals may be unrelated to the Regents' System Goals (with the understanding that these institutional goals may not conflict with or detract from the Regents' System Goals).

4. Do I have to keep the same goals in my performance agreement each year?

Once an institution begins the 3-year cycle, **yes**, the same goals **MUST** be kept for a minimum of three years.

Prior to beginning the 3-year cycle, the institution is strongly encouraged to make as few changes as possible from the previous approved performance agreement. If changes are essential, the rationale for the changes shall be presented in the narrative.

5. What if we have completed work on a particular goal? Do we still have to include it in our performance agreement? How do we “retire” goals?

In the narrative, be sure to explain that the goal has been deleted or modified because of completion of the original goal.

6. Do I have to keep the same indicators in my performance agreement each year?

Once an institution begins the 3-year cycle, **yes**, the same indicators should be kept for a minimum of three years. Under exceptional circumstances, an institution may formally apply for a change in indicators. See number 12.

Prior to beginning the 3-year cycle, the institution is strongly encouraged to make as few changes as possible from the previous approved performance agreement. If changes are essential, the rationale for the changes should be presented in the narrative.

7. Can I have only one indicator under a goal?

Yes, but this practice is strongly discouraged.

8. What types of indicators can I use as direct measures of learner outcomes?

The Board Academic Affairs Standing Committee makes the final decision about whether an indicator is a direct measure of student learner outcomes. The following are examples that have been approved in the past:

- Scores on certification/licensing exams
- Other standardized scores
- Evaluation of student portfolios (if portfolios are evaluated according to a rubric)
- Performance in capstone courses
- Pretest/post-test gain scores
- Performance of developmental students in the next course in the sequence
- Student goal attainment

9. What types of indicators can I use as direct measurements of efficiency/effectiveness/seamlessness?

The Board Academic Affairs Standing Committee makes the final decision about whether an indicator is a direct measurement of efficiency/effectiveness/seamlessness. Examples of indicators include:

- Success of transfer students at the receiving institution
- Number of dollars spent on joint facilities
- Number of students participating in joint programs
- Dollar savings as a result of joint ventures

10. Which baseline should I use in my performance agreement? Should I use the original baseline, or should I update the baseline each year?

In March 2006, the Board indicated that it expects to see improvement in performance each year. Therefore, the baseline should be updated each year so that the Board can more easily judge whether continual improvement is being made.

11. How do I update the targets from year to year?

Targets must be updated from year to year until the institution begins the 3-year cycle. Remember that target year 1 ALWAYS refers to the predicted performance at the end of the calendar year covered by the performance agreement. If the “target yr 1, 2, and 3” terminology seems confusing, substitute “target year 200x, 200x+1, 200x+2.”

12. Can I request a change in my approved 3-year performance agreement?

Yes, but requests are expected to be few and far between. In March 2006 the Board approved the following:

- A. Institutions should expect their performance agreement to remain unchanged during the 3-year period.
- B. Any changes to the performance agreement must be approved by the Board Academic Affairs Standing Committee on behalf of the Board.
- C. Any requests for changes to the performance agreement must be submitted to staff by July 15th of the year preceding the effective change. Requests for changes will be processed between July 15 and November 1.
- D. Any requests for changes to the performance agreement shall be limited to changes in the indicators and shall include the following:
 - 1. The current indicator that is being replaced and an update on current data for the indicator.
 - 2. The proposed indicator, the baseline, and appropriate targets.
 - 3. A rationale for change, which should include documentation of extreme circumstances beyond the institution’s control that result in changes in direction for the institution.
 - 4. A revised memorandum of agreement signed by the chief executive officer of the institution or the chair or president of the governing board.

13. What if I discover incorrect baselines or targets in a performance agreement that has already been approved?

Because the performance agreement is essentially a contract between the institution and the Board, the performance agreement cannot be changed without following the procedure described in number 12. Therefore, the performance agreement shall include the baselines and targets in the approved performance agreement. However, the narrative of the performance report may be used to explain any miscalculations and present any revised data.

14. What if the data collection procedure described in the approved performance agreement turns out to be impractical or impossible?

See number 13.

15. What should I put in the narrative?

The narrative should supplement the information in the summary table instead of repeating it. The narrative should contain any information required for a member of the lay public to understand the goal, the indicators, and the significance/stretch of both.

16. What should I do with the unused rows on the performance agreement template?

Nothing. Staff will eliminate them when the agreements are combined for review by the Board Academic Affairs Standing Committee.

17. Who should sign the Memorandum of Agreement?

At state universities, the chief executive officer shall sign the Memorandum of Agreement (MOA). At other institutions, either the chief executive officer or the president/chair of the governing board shall sign the MOA.