

## **National Commission for Accountability in Higher Education**

### **Submission from South Carolina Commission on Higher Education in response to the request for written testimony from interested individuals and organizations**

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The South Carolina Commission on Higher Education is pleased to submit written testimony to the National Commission on Accountability in Higher Education. As the National Commission proceeds in its work in reviewing state accountability policies and practices and considering actions aimed at helping states and educational leaders improve performance, the South Carolina Commission on Higher Education is committed to assisting the Commission.

Over the past two decades, South Carolina and its public higher education institutions have been very involved in issues of accountability and performance measurement. Testimony herein is aimed at providing the National Commission with a better understanding of some of the recent statewide accountability initiatives in South Carolina. A brief history and description of statewide accountability initiatives is given and is followed by a summary describing some of the challenges faced and lessons learned as South Carolina has worked to implement these initiatives. The primary focus here relates in large part to South Carolina's implementation over the past eight years of a legislatively mandated statewide accountability system for higher education that tied allocations of state dollars to performance.

### **Historical Perspective**

South Carolina has a long history of mandated requirements related to accountability for its public two- and four-year higher education institutions.

In the late 1980's, South Carolina's state legislature passed legislation (Act 629 of 1988, *The Cutting Edge* legislation) aimed at improving accountability through planning and assessment to ensure that public institutions of higher education in South Carolina implemented institutional assessment programs. In the years that followed, all of South Carolina's institutions adopted assessment programs, and an assessment network was formed to share and review information being gathered.

In 1992, additional legislation (Act 255, Institutional Effectiveness) was passed that required public higher education institutions through the South Carolina Commission on Higher Education to provide an annual report to the General Assembly. The items to be included in the report were specified in the legislation and included: institutional performance related to

specialized program accreditation; student degree completion; the type faculty teaching lower division courses; enrollment and success of students in remedial courses; student participation in sponsored research; graduate placement data; minority enrollment; the state from which graduate students received undergraduate degrees; information on student transfers; student performance on professional examinations; information from alumni satisfaction surveys; and information from institutional assessment activities.

Most recently, the focus for statewide higher education accountability has centered on legislation passed in 1996 (Act 359, Performance Funding) that required the South Carolina Commission on Higher Education to base allocations for public institutions entirely on performance. As an aside, it is noted that a couple of years later the state also adopted an accountability program that was not tied directly to funding for the K-12 education system.

Act 359 dramatically affected accountability for public institutions of higher education in South Carolina. It identified the mission of higher education in South Carolina and of the different types of institutions in South Carolina (research, four-year comprehensive teaching, two-year regional campuses, and technical colleges). It identified indicators that could be used to determine performance of institutions and provided the Commission with a three-year timeframe to fully implement a system to allocate funding based on performance on the indicators. As a result, immediate action by the Commission in coordination with the institutions and members of the business community was undertaken in order to comply with the legislation. Within less than a year, indicators were defined and a system was designed to base funding on performance.

South Carolina is currently in its eighth year of performance funding. In each year since Act 359 was enacted, annual performance reports have been produced displaying performance on the measured indicators, and the overall institutional performance results have been used in determining funding allocations. Since the initial development of the system, both the system and indicators have been reviewed and modified as lessons were learned. A brochure entitled *Performance Funding at a Glance* is attached and provides a more detailed overview of the history and the performance funding system that was developed and is in use in South Carolina. Other detailed information may be found through the Commission's website at [www.che.sc.gov](http://www.che.sc.gov) by selecting from the home page, "Performance Funding" under the heading "Finance." A document found on the website entitled *Performance Funding Workbook: A Guide to South Carolina's Performance Funding System for Public Higher Education* provides detailed guidance regarding the measures and scoring/allocation system that are currently in use. Institutional data related to performance funding and other general information related to the system and its history are also found on the website.

Currently, in South Carolina, there is on-going discussion related to the state's higher education accountability system. Conversations relate to whether and how the system that is currently in use should be changed in order to improve higher education accountability. Over the course of the past eight years, SC has learned a great deal related to the measurement of institutional performance on a statewide basis. The remaining comments reflect briefly on those lessons and also some of the positive impacts of South Carolina's efforts in implementing such a broad-based accountability system for its public institutions of higher education.

## Lessons Learned From Implementation of Accountability Initiatives in South Carolina

- ❑ South Carolina's higher education community was provided a very short timeframe to design and implement an accountability system intended to measure overall performance and quality of institutions and use that measurement in determining annual funding. The system and measures were defined on schedule – within less than one year. Despite South Carolina's prior experience in assessment and other accountability initiatives and data collection, many of the measures and other components of the system proved problematic as they were implemented. As a result, change became the only constant feature of South Carolina's system in the initial five to six years. Constant change in the measures as well as the standards used in determining performance led to a great deal of confusion in terms of what it was that was being measured and what the expectations were. Additionally, the changes led to an inability to fully assess year-to-year progress since measures and standards for determining progress changed frequently.
- ❑ Educators need to have input in the preliminary stages of system development. In South Carolina, higher education had limited involvement in the development of the legislation that was enacted. More input from the ground level from those in the field would have proved beneficial in ensuring success in implementing the legislation.
- ❑ Clear and reasonable/practical goals should be identified from the start in order to promote understanding the intent of the expected accountability.
- ❑ There needs to be an identified on-going process for indicator review and modification to ensure that the accountability goals are being met.
- ❑ If funding is associated with performance measurement, there needs to be more positive money associated with the system – “More carrot than stick” so to speak. In South Carolina, performance on measures overall was used in determining the annual state allocations for institutions. Institutions performing well were to receive a proportionately higher level of funding. However, fiscal constraints that developed as performance funding was being implemented led to the prominence of funding disincentives for poor performance and the lack of funding incentives for good performance, with consequent disappointment and frustration with the accountability system.
- ❑ Data review and an audit system should be associated with any accountability initiative in order to ensure consistent reporting and understanding of measures. South Carolina implemented a data review process in the initial years of the performance funding system that was designed to be non-punitive in nature. Having a regular review cycle of data helped provide a better understanding of the measures and led to clarification of measurement details. The process also provided assurance on the part of institutions as well as the Commission that data were reported accurately across the institutions.
- ❑ The number of indicators measured must be manageable to promote understanding and a clear focus of performance being measured. Additionally, care should be taken to recognize and avoid indicators that contradict each other.

- ❑ Be careful what you measure to ensure that it meets the intended goals and avoids unintended consequences. A well-known tenet of measurement says, “What gets measured gets focused on and is likely to change as a result.” Therefore, it becomes important to ensure that what is being measured is what was intended to be measured.

### **Positive Impacts Related to Accountability Initiatives in South Carolina**

Despite some of the problems with the system implemented in South Carolina, there have been several positive impacts. Some of the positive effects have related directly to performance while others related more to collateral activities important to accountability. The following list provides a sample of positive affects of accountability initiatives in South Carolina:

- ❑ Since 1988, a strong ethic of accountability has developed across South Carolina’s public institutions.
- ❑ Communication has increased among institutions, across sectors of institutions, and between the institutions and the Commission in relation to data and policy implications of data. The entire higher education community has been engaged in challenging dialogue about how to define and measure key dimensions of institutional performance.
- ❑ South Carolina, through these discussions and work on data issues, has developed a well-respected data system useful in policy determinations and in better understanding institutional and statewide performance.
- ❑ An increase in collaboration among institutions, both two-and four-year institutions, has resulted.
- ❑ Indicators that were mandated and implemented have led to improvement in and a better understanding of performance in a number of areas. Examples follow:
  - Specialized accreditation of academic programs has increased greatly across South Carolina’s institutions.
  - Student graduation rates have been improving.
  - Public institutions have adopted and implemented post-tenure review policies such that post-tenure reviews of faculty occur at least every six years.
  - Faculty at public higher education institutions are reviewed annually and student evaluations are included in those reviews.
  - Best management practices were considered and adopted for use at the public institutions.
  - Faculty diversity and compensation and minority enrollment and retention have been positively impacted.