

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES**

**Agenda Item Summary Sheet**

**Committee:** Audit Committee

**Date of Meeting:** April 15, 2003

**Agenda Item:**

Update on System-Level Accountability Framework

- Proposed Policy Change       Approvals Required by Policy       Other Approvals       Monitoring
- Information

**Cite policy requirement, or explain why item is on the Board agenda:**

The Chancellor's Work plan action 17 requires developing system-level performance measures. A task force has been assembled to develop recommended measures. This update is intended to obtain board feedback prior to delivering final recommendations in June 2003.

**Scheduled Presenter(s):**

John Asmussen, Executive Director, Office of Internal Auditing

**Outline of Key Points/Policy Issues:**

- Resolution of suggestions from February 2003 Board/Leadership retreat.
- Recommended measures for the five composite indicators selected by the board.

**Background Information:**

Board and leadership council members reviewed a preliminary accountability framework at the February 2003 retreat. The task force held two meetings in March 2003 to develop the information cited above as key points.

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES  
*INFORMATION ITEM***

UPDATE ON SYSTEM-LEVEL ACCOUNTABILITY FRAMEWORK

**BACKGROUND**

The system-level accountability framework drafting team has continued efforts to develop system-level indicators and measures for the Board of Trustees. At a February 2003 retreat, the Board of Trustees and the Leadership Council reviewed the task force's preliminary drafts of the framework and twelve composite indicators. Retreat participants provided several suggestions for the task force to consider. The task force's resolution of those suggestions is shown in the attached materials.

Also, at the February 2003 retreat, the board selected five composite indicators for which it wanted the task force to begin developing measures. The task force met on March 6 and 13 and developed the recommended measures shown in the attached materials. These recommended measures have been referred to the Institutional Research (IR) Directors group. The IR Directors have meetings scheduled in April and May to consider the availability of data to support the recommended measures and to begin developing technical specifications.

Based on the analysis from the IR Directors and any additional suggestions from members of the board and the leadership council, the task force is expected to deliver final recommendations to the Audit Committee at its June 2003 meeting.

*Date presented to the Board of Trustees: April 16, 2003*

**Minnesota State Colleges and Universities  
System-Level Accountability Framework Drafting Team**

**Board and Leadership Council Suggestions and Drafting Team Resolutions  
April 4, 2003**

The following chart shows the issues brought up by the Leadership Council and Board of Trustees at the retreat on February 19, 2003. On March 6, 2003, the issues were presented to the System-Level Accountability Framework Drafting Team for review and resolutions. The following chart shows the issue and resolution. Appendix A is the Revised Composite Indicators Developed by the Drafting Team.

	<b>Suggestions</b>	<b>Resolutions</b>
1.	Link the 21 goals to the 12 indicators	Appendix B, Mapping Goals from the Strategic Plan to Accountability Indicators, shows how the goals and indicators are linked.
	<b>Add Measures for the following:</b>	
2.	E-learning	Included as a component of indicators for Access & Opportunity and Student Learning.
3.	Faculty development and success	Added as measure category for Indicator #4.
4.	Innovation	Innovation is a basic building block of strategy that affects multiple indicators. While it is important to consider this concept, it should not be isolated in any particular measure.
5.	Technology	Is appropriately represented as a measure category for Fiscal & Physical Capital Utilization indicator. Technology is an input and an infrastructure issue that can influence measures of productivity and student satisfaction.
	<b>Amend the following measures:</b>	
6.	“All” Minnesotans in indicator #1.	Removed “All” from Indicator #1. Minnesotans is still all inclusive.
7.	Include private grants in Financial Resources Availability, Other Revenues (2.C)	Private sources of funds will be included in the measures of the Other Revenues.

	<b>Combine indicators:</b>	
8.	Financial and Human Resources: Combine 3 & 4	Did not combine because human resources is the largest cost category and is the variable with the most direct relationship to student learning satisfaction and program responsiveness to the market.
9.	Student Learning, Engagement and Satisfaction: Combine 6, 7, & 8	Did not combine.
10.	Strengthen the concept of Civic Engagement and Community Development. Possibly combine 11 & 12 or 10 & 12. Indicator #12 is more than community enrichment.	Changed "Community Enrichment" to Community Engagement," but left existing indicators separate. Added measurement categories 12C Social and 12D Civic.
	<b>Other Ideas:</b>	
11.	Focus of External Partnerships, Economic Development and Community Enrichment is on colleges and universities rather than the "system" – 10, 11, & 12	The unit of analysis for this strategic direction is colleges and universities, but the indicator will focus on their collective achievement, rather than individual performance.
12.		Composite Indicator #9 - new wording: Programs are responsive to <i>current and future</i> market needs.

Prepared by the System-Level Accountability Framework Drafting Team, March 6, 2003

**Appendix A**  
**MnSCU System-level Accountability Framework**  
**Revised Composite Indicators Developed by Drafting Team**

c	Composite Indicators		Measurement Category
	Indicator Short Title	Full Indicator	
I. Access & Opportunity	Access to Programs & Courses	1 Minnesotans have access to an array of MnSCU programs and courses.	A. Participation B. Unmet Student Needs C. Affordability
	Financial Resources Availability	2 Financial resources are available to foster student access and success.	A. State Revenues B. Tuition Revenues C. Other Revenues
II. Fully Integrate the System	Fiscal & Physical Capital Utilization	3 The system is effectively and efficiently utilizing its fiscal and physical resources.	A. Financial Ratios B. Facilities Condition and Usage C. Administrative & Instructional Technologies
	Human Resources	4 The system is effectively and efficiently utilizing its human resources.	A. Employee Turnover and Retention B. Employee Diversity C. Workload D. Faculty Development and Success
	Planning and Resource Alignment	5 The system is engaged in effective planning, collaboration, and resource decision-making.	A. Effective Planning (Includes program duplication) B. Resource Allocation C. Collaborative Strategies (Includes credit transfer) D. Campus Satisfaction with Office of the Chancellor Services
III. Expand High Quality Learning Programs & Services	Student Learning	6 Students achieve identified learning outcomes.	A. External Validation B. Institutional Validation C. Students'/Graduates' Goal Achievement D. Best Practices
	Student Satisfaction	7 Students are satisfied with their educational experience.	A. Instructional Quality B. Program Delivery Modes C. Student Services
	Student Engagement	8 Students are actively engaged in their education.	A. Academic Challenge B. Active and Collaborative Learning C. Interaction with Faculty D. Enriching Educational Experiences E. Supportive Campus Environment
	Program Development	9 Programs are responsive to current and future market needs.	A. Alignment with Student Interest B. Alignment with Employer Demand
IV. Community Development & Economic Vitality	External Partnerships	10 Colleges and universities enhance community development through external partnerships.	A. Students Served B. Employee Networks C. Organizations Served D. Participant Satisfaction
	Economic Development	11 College and university expertise contributes to the state's economic development.	A. Employer Satisfaction B. Policymaker Satisfaction C. Satisfaction with research and consulting services rendered. D. Outcomes of research and consulting services rendered. E. Learner Outcome Impact on Economy
	Community Engagement	12 Colleges and universities contribute to the quality of life in the community.	A. Cultural B. Recreational C. Social D. Civic

Highlighted Indicator Short Title - At the Board Retreat on February 19, 2003, the Board selected indicators 3, 5, 11, 1 and 6.

As of March 6, 2003

## Appendix B

### Minnesota State Colleges and Universities: Mapping Goals from the Strategic Plan to Accountability Indicators

Goals	COMPOSITE INDICATORS											
	Access		Integration			Student Learning				Comm/Econ Dev		
	1	2	3	4	5	6	7	8	9	10	11	12
<b><u>I. ACCESS &amp; OPPORTUNITY</u></b>												
1 Expand post-secondary participation	X								X			
2 Increase participation of under-served students	X											
3 Make learning environments inviting and safe							X					
4 Increase support for higher education		X										
5 Maintain affordability	X											
6 Establish partnerships w/k-12 educators	X								X	X		
<b><u>II. HIGH QUALITY PROGRAMS</u></b>												
7 Develop lifelong learners & engaged citizens						X	X	X		X		X
8 Provide up-to-date education/training for work & careers									X	X		
9 Expand graduate education									X		X	
10 Offer electronic learning options	X		X				X		X			
11 Meet the full range of student learning needs						X						
<b><u>III. COMMUNITY &amp; ECONOMIC DEVELOPMENT</u></b>												
12 Contribute to vital communities											X	X
13 Support state and local economic development initiatives											X	
14 Establish state and regional collaborations										X		
15 Work collaboratively with other higher education providers										X		
<b><u>IV. INTEGRATION</u></b>												
16 Recruit & invest in excellent faculty, staff & administrators				X								
17 Develop integrated plans					X							
18 Serve as good stewards of capital assets			X									
19 Improve transfer processes					X							
20 Align the system's technology infrastructure			X		X							
21 Strengthen financial systems and processes			X		X							

**Minnesota State Colleges & Universities**  
**System-level Accountability Task Force -- Recommended Measures**  
**April 4, 2003**

<b>Strategic Direction</b>	<b>Composite Indicators (1)</b>	<b>Recommended Measures</b>
I. Access & Opportunity	1. Access to Programs & Courses	<p><u>CORE MEASURES (Basis for setting system targets)</u></p> <ul style="list-style-type: none"> <li>➤ <b>MnSCU overall participation rate.</b> Unduplicated enrollment in MnSCU / Minnesota Population in target age group (17-50?)</li> <li>➤ <b>MnSCU underserved students participation rate.</b> Unduplicated enrollment in MnSCU by underserved students / Minnesota “underserved” Population in target age groups (17-50?)</li> <li>➤ <b>Affordability index.</b> Net price to students (cost of attendance – financial aid) / Minnesota personal income level set at a predetermined percentage of the poverty level</li> </ul> <p><u>CONTEXTUAL MEASURES (Information to understand core measures)</u></p> <ul style="list-style-type: none"> <li>➤ MnSCU market share of Minnesota higher education market.</li> </ul> <p><u>IDEAL MEASURES (Potential future measure that may be developed)</u></p> <ul style="list-style-type: none"> <li>➤ Student needs unmet by MnSCU (waiting lists, etc.)</li> </ul>
II. Fully Integrate the System	3. Fiscal & Physical Capital Utilization.	<p><u>CORE MEASURES (Basis for setting system targets)</u></p> <ul style="list-style-type: none"> <li>➤ <b>Operating cost ratios.</b> Instructional Costs &amp; Academic Support Expenses: Student Support Expenses: Institutional Support Expenses.</li> <li>➤ <b>Facilities condition index.</b> Deferred Maintenance costs / Replacement Value of Facilities</li> <li>➤ <b>Technology index.</b> IT Funding and Staffing as % of Institutional Costs compared to IT% for Peer Institutions</li> </ul> <p><u>CONTEXTUAL MEASURES (Information to understand core measures)</u></p> <ul style="list-style-type: none"> <li>➤ National Peer cost Data from IPEDS</li> <li>➤ National standards for facilities condition.</li> </ul> <p><u>IDEAL MEASURES (Potential future measure that may be developed)</u></p> <ul style="list-style-type: none"> <li>➤ Define “output” (program awards, course completion?) and develop a true efficiency measure that compares inputs to outputs.</li> </ul>

*Note: The task force has referred these measures to the Institutional Research Directors group to develop technical definitions and specifications. Final project recommendations are due to the Board of Trustees in June 2003.*

**Minnesota State Colleges & Universities**  
**System-level Accountability Task Force -- Recommended Measures**  
**April 4, 2003**

<b>Strategic Direction</b>	<b>Composite Indicators (1)</b>	<b>Recommended Measures</b>
II. Fully Integrate the System	5. Planning and Resource Alignment	<p><u>CORE MEASURES (Basis for setting system targets)</u></p> <ul style="list-style-type: none"> <li>➤ <b>Unnecessary program duplication.</b> Incidence of unnecessary program duplication (definition must be developed).</li> <li>➤ <b>Course transfer.</b> Percentage of courses taken at other institutions that are counted toward program completion by receiving institution.</li> </ul> <p><u>CONTEXTUAL MEASURES (Information to understand core measures)</u></p> <ul style="list-style-type: none"> <li>➤ Degree that allocation follows funding formula.</li> </ul> <p><u>IDEAL MEASURES (Potential future measure that may be developed)</u></p> <ul style="list-style-type: none"> <li>➤ Value added by being part of a system (benefit/cost analysis)</li> <li>➤ Stakeholder satisfaction with system performance.</li> </ul>
III. Expand High Quality Learning Programs & Services	6. Student Learning	<p><u>CORE MEASURES (Basis for setting system targets)</u></p> <ul style="list-style-type: none"> <li>➤ <b>Student pass rate on certification or licensure exams.</b> About 10-15% of graduates take such exams.</li> <li>➤ <b>Student success at transferring institutions versus “native” students.</b> Data available in ISRS, but needs further analysis.</li> </ul> <p><u>CONTEXTUAL MEASURES (Information to understand core measures)</u></p> <ul style="list-style-type: none"> <li>➤ Course completion percentage</li> </ul> <p><u>IDEAL MEASURES (Potential future measure that may be developed)</u></p> <ul style="list-style-type: none"> <li>➤ Higher Learning Commission’s determination of institution’s assessment level</li> <li>➤ Student satisfaction with learning, self-assessment</li> <li>➤ Non-graduate goal attainment</li> <li>➤ Standardized assessments of general education and student learning, e.g., ACT CAAP exam.</li> </ul>

*Note: The task force has referred these measures to the Institutional Research Directors group to develop technical definitions and specifications. Final project recommendations are due to the Board of Trustees in June 2003.*

**Minnesota State Colleges & Universities**  
**System-level Accountability Task Force -- Recommended Measures**  
**April 4, 2003**

<b>Strategic Direction</b>	<b>Composite Indicators (1)</b>	<b>Recommended Measures</b>
IV. Community Development & Economic Vitality	11. Economic Development	<p><u>CORE MEASURES</u> (<i>Basis for setting system targets</i>)</p> <ul style="list-style-type: none"> <li>➤ <b>Graduate employment &amp; continuing education.</b> Graduate Follow-up survey results are currently available. Show % of graduates employed, % pursuing further education, % remaining in Minnesota</li> <li>➤ <b>Graduates personal income.</b> Available from unemployment insurance wage detail. May compare to occupational wage rates of general population</li> </ul> <p><u>CONTEXTUAL MEASURES</u> (<i>Information to understand core measures</i>)</p> <ul style="list-style-type: none"> <li>➤ System spending impact on Minnesota economy (Anton study).</li> </ul> <p><u>IDEAL MEASURES</u> (<i>Potential future measure that may be developed</i>)</p> <ul style="list-style-type: none"> <li>➤ Supply &amp; Demand Measures: How well is MnSCU supplying graduates to meet economic and societal demands.</li> </ul>

Note 1: Only the five composite indicators selected by the Board of Trustees at its February 2003 retreat are listed. The board selected these five indicators by answering the question, “Where should we start our measurement efforts?” All twelve composite indicators are shown on a separate attachment in this board report.

*Note: The task force has referred these measures to the Institutional Research Directors group to develop technical definitions and specifications. Final project recommendations are due to the Board of Trustees in June 2003.*