

**RHODE ISLAND COUNCIL ON POSTSECONDARY EDUCATION****Performance Funding Policies and Procedures**

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**I. INTRODUCTION**

The missions of Rhode Island's public institutions of higher education reflect a strong commitment to the well-being and successful education of their students, and a firm belief in the value of faculty engagement and mentorship to help students attain their personal education goals. Recognizing that the value of public higher education is found not only in addressing the practical need to create a highly skilled and resilient workforce, but also in fostering well-rounded, independent, and engaged Rhode Islanders, whose postsecondary experiences will support their life-long participation in the fundamental project of building a more just, equitable, and robust democratic society, performance funding shall and always reflect the unique missions of Rhode Island's public institutions of higher education and support their roles in improving the overall prosperity of the state.

**II. AUTHORITY AND GENERAL PURPOSE**

In 2016, the Rhode Island General Assembly passed the "Performance Incentive Funding Act" (RIGL §16-106), which sets forth requirements for performance funding in relation to Rhode Island's public institutions of higher education—the University of Rhode Island (URI), Rhode Island College (RIC), and the Community College of Rhode Island (CCRI)—along with the responsibilities for administration through the Rhode Island Office of the Postsecondary Commissioner (RIOPC) and the Council on Postsecondary Education. The following guidelines further describe the processes, roles and responsibilities of RIOPC and the public institutions of higher education ("the institutions") pertaining to performance funding.

**III. GUIDING PRINCIPLES**

- A. Performance funding should incent, recognize, demonstrably reward institutions' progress, and support institutional efforts toward continuous improvement.
- B. Performance metrics should recognize and support the distinct and unique purpose, role, scope, and mission of each institution, as well as the broader value of higher education in bettering society and promoting overall prosperity.
- C. Performance metrics should advance equity and diversity and help to close equity gaps in student access, persistence, and success.
- D. Performance metrics should be transparent, substantive, and measurable, and uphold high academic standards relative to institutional missions.
- E. The evaluation of institutional performance should be consistent, equitable, and transparent.

#### IV. PERFORMANCE CATEGORIES AND METRICS

- A. Graduation/ Completion. Measures related to graduation rates and completion of degrees and certificates shall incent and reward institutional efforts to increase student success and advance equity for low-income and underrepresented students, while maintaining a high degree of academic quality and integrity. In addition to measuring outcomes for first-time, full-time students, metrics in this category may also consider outcomes for other classes of students, including transfer students, returning students, part-time students, or other non-traditional students.
1. Statutory Metrics.
    - a. For CCRI, consistent with its purpose, role, scope, and mission, performance metrics in this category shall include the following metrics specified in RIGL §16-106-3(c):
      - i. The number and percentage of first-time/ full-time students, including growth thereof in relation to enrollment and in prior years, of associate's degrees awarded to students within two (2) years and three (3) years, including summer graduates; and
      - ii. For part-time students, performance-based measures shall be based on incremental milestones made toward achieving degree or certificate completion.
    - b. For RIC and URI, consistent with their respective purposes, roles, scopes, and missions, metrics in this category shall include the following metrics specified in RIGL §16-106-4(c): the number and percentage, including growth in relation to enrollment and prior years, of bachelor's degrees awarded to first-time, full-time students within four (4) years and six (6) years, including summer graduates.
  2. Additional metrics. Pursuant to RIGL §16-106-3(c)(4) and RIGL §16-106-4(c)(4), additional metrics may be established that recognize and incent improved outcomes related to graduation rates and/ or completion of degrees and certificates.
  3. Equity factors. Performance reported for metrics under graduation/ completion shall be accompanied by disaggregation by income status based on Pell-eligibility and by race/ ethnicity based on categories used by the Integrated Postsecondary Education Data System (IPEDS).
- B. Workforce Development. Measures related to workforce development shall incent and reward institutional efforts to increase alignment with the state's workforce development strategies and priorities and ensure that graduates can secure employment in "high-demand, high-wage" occupations, while maintaining a high degree of academic quality and integrity.
1. Defining high-demand, high-wage. "High-demand, high-wage" (HDHW) shall be defined broadly by the Commissioner in collaboration with the Presidents of the public institutions and the Council, and shall consider the workforce needs of the state and be consistent with the purposes and goals of the Performance Incentive Funding Act of 2016.

2. Statutory metrics.
    - a. For CCRI, metrics in this category shall include the following metrics specified in RIGL §16-106-3(c):
      - i. The number of one-year or longer industry-recognized certificates earned by students within an expected amount of time, and weighted to increase high-demand, high-wage field certificates consistent with CCRI's purpose; and
      - ii. The number of associate degrees awarded that are tied to Rhode Island's high-demand, high-wage employment opportunities consistent with the institution's mission.
    - b. For RIC and URI, metrics in this category shall include the following metrics specified in RIGL §16-106-4(c): the number of degrees awarded that are tied to Rhode Island's high-demand, high-wage employment opportunities consistent with each institution's mission.
  3. Additional workforce development metrics. Pursuant to RIGL §16-106-3(c)(4) and RIGL §16-106-4(c)(4), additional metrics may be established that recognize and incent improved outcomes related to postsecondary workforce development efforts.
- C. Mission-Specific. Mission-specific measures shall incent and reward institutional efforts to improve performance in activities that reflect the institution's distinct mission. Each of Rhode Island's three public institutions of higher education is dedicated to serving the state and its population, as articulated in its respective mission statement. The missions range from a strong focus on accessibility for Rhode Island students new to higher education and two-year academic programs at CCRI, to a focus on high-quality and affordable four-year undergraduate and graduate programs at RIC, to URI's tripartite mission of undergraduate and graduate education, research and extension/public engagement that is characteristic of all land-grant and sea-grant institutions across the nation.
- [CCRI - Mission Statement](#)  
[RIC - Mission Statement](#)  
[URI - Mission Statement](#)
1. Pursuant to RIGL §16-106-3(c)(3) and §16-106-4(c)(3), metrics for each institution shall include one measure agreed to by the Commissioner and the institutional President.
  2. Additional mission-specific metrics. Pursuant to RIGL §16-106-3(c)(4) and RIGL §16-106-4(c)(4), additional may be established that recognize and incent improved outcomes related to institutional mission.
- D. Weights Assigned.
1. Category Weights. The weight associated with each category shall be as follows: 40% for graduation/ completion, 20% for workforce development, and 40% for mission-specific.
  2. Metric Weights. Within each category, weights may be assigned to individual metrics to reinforce the purpose, role, scope, and mission of the institution, as well as the economic needs of the state and socio-economic status of the students. See RIGL §16-106-3(d) and §16-106-4(d).

E. Revisions.

1. Revisions to non-statutory performance metrics may be approved by the Commissioner, in consultation with the Council.
2. Performance metrics in each category shall be reviewed every four years, and elimination or addition of metrics may be considered as part of the review.

V. PERFORMANCE TARGETS

- A. Performance targets for statutory metrics. Each statutory metric shall be measured against a four-year performance target that is consistent with the priorities and aims of the institution, the Council on Postsecondary Education, and the State of Rhode Island.
- B. Target Setting. Every four years, each institution shall set performance targets for that institution, which shall include a transparent rationale for each target. Each performance target shall be set at a level that incents continuous improvement, while recognizing the distinct purpose, role, scope, and mission of each institution. The targets shall require approval by the Commissioner, in consultation with the Council.
- C. Sustained Excellence. Sustained excellence recognizes that institutional performance for certain metrics may reach a peak or point of recognized excellence where the challenge and value is to sustain performance at that level. In such cases, the performance target would incent maintenance of high performance within a range of sustained excellence.
- D. Reaching pre-defined level. Pursuant to RIGL §16-106-6(b), if an institution reaches one or more of its performance targets prior to the completion of the four-year cycle, the Commissioner in consultation with the Council and the institutional President, shall establish a new target for that metric, providing a rationale.

VI. INSTITUTIONAL PERFORMANCE REPORTING

- A. Annual Submission. Along with or prior to the submission of institutional restricted and unrestricted budget requests, each institution shall submit its performance report to the Office of the Postsecondary Commissioner.
- B. Structure. The annual performance report shall include the following components:
  1. Performance narrative, including a discussion of performance in relation to established baselines and progress toward four-year performance targets.
  2. Data on current performance for each metric, along with the baseline and four-year performance target where appropriate.
    - a. Any metric reported as a rate shall also specify total number of individuals or credentials awarded.
    - b. The standard baseline for each metric shall be a static, five-year average of performance in that metric over the five academic years prior to the four-year performance cycle.
    - c. An institution may also include a baseline related to its strategic goals.
  3. Definitions of metrics, including data source and time period.
- C. Publication. Annual performance reports must be published on each institution's website, as well as on RIOPC's website.

## VII. PERFORMANCE REVIEW

- A. Annual Performance Evaluation. The Commissioner of Postsecondary Education shall review the institutional performance reports and, in consultation with the institutional President and the Council, produce an annual performance evaluation for each institution.
- B. Performance Determinations. For each performance category and metric, the Commissioner shall compare current performance with the performance target and the five-year static baseline and make a determination as to whether an institution has achieved performance. In making a determination for the category, the Commissioner shall consider individual metrics within the category.
  - 1. Performance Achieved. For each metric, performance that exceeds the five-year, static baseline and is on-track to meet the performance target shall be deemed "performance achieved." The Commissioner may consider extenuating circumstances in determining whether performance has been achieved or not.
  - 2. Performance Not Achieved. If the Commissioner should determine that an institution has not achieved performance, the performance evaluation shall include specific and actionable recommendations for improving performance, including redirection of funds associated with each unachieved category or metric to improve performance, with oversight and direction by RIOPC (See RIGL §16-106-5).
- C. Publication. The annual performance evaluations shall be published on the institutions' respective websites, as well as on RIOPC's website.

## VIII. DISTRIBUTION OF FUNDS

- A. Proportional Distribution. Unless specifically appropriated to each institution, the amount of performance funding available for a given year shall be designated within the budget of the Office of the Postsecondary Commissioner, and beginning in FY 2020, shall be distributed to each institution in proportion to the amount of state general revenue appropriation allocated to each institution in the unrestricted budget for the same fiscal year. In calculating the institutional proportions for distribution, amounts earmarked for special projects or debt service shall not be included.
- B. Distribution Following Review. Distribution of funds to each institution shall be initiated following publication of the annual performance evaluation.