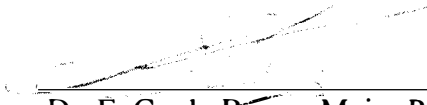


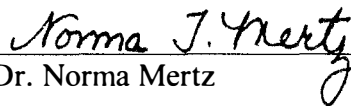
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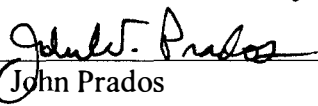
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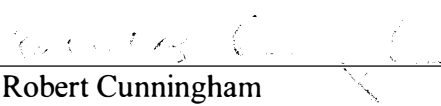


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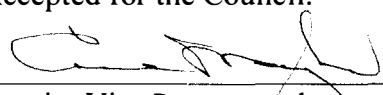


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***Tennessee Performance Funding and
The University of Tennessee, Knoxville: A Case Study***

A Dissertation
Presented for the
Doctor of Education Degree
The University of Tennessee, Knoxville

Kimberely B. Hall
December 2000

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DEDICATION

This dissertation is dedicated to my husband, Ronnie, and my two daughters, Taylr and Raygn. Their love, patience, and understanding have made it possible for this project to be completed.

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There are many professional colleagues and mentors to whom I owe much gratitude for their patience and guidance throughout the completion of this project. I want to thank the staff and faculty at Knoxville Business College for understanding my commitment to continuing my educational endeavors. Foremost, I am thankful to President Steve South for his support and flexibility and cannot express how helpful Dr. Aleka Blackwell, Rachael Ross, and Patty Stinger-Barnes have been by reviewing what must have seemed like an endless number of proofs.

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Many other family members and friends have assisted me throughout the completion of this project, particularly the members of my doctoral cohort. I wish to extend my heartfelt gratitude to each of them.

ABSTRACT

This case study was undertaken to provide a description of the Tennessee Performance Funding Policy's impact on the University of Tennessee, Knoxville over the past twenty years. Answers to three research questions were sought:

1. How has the Tennessee Performance Funding Policy impacted the University of Tennessee, Knoxville with regard to (a) awareness of the policy and its purposes and (b) the activities of the institution in relation to the policy?
2. How has educational decision making been affected by the Tennessee Performance Funding Policy at the University of Tennessee, Knoxville?
3. Based on professional experience and opinion, are strengths/liabilities and reform suggestions regarding the Tennessee Performance Funding Policy identified by selected University of Tennessee, Knoxville administrative and academic personnel?

The sources of information for this study included available and relevant documentation obtained from the University of Tennessee, Knoxville, twenty-eight interviews conducted with selected past and present administrative and academic personnel associated with the institution, and observations of the attitudes and actions relating to the policy or this study when visiting the campus and conducting the interviews

Findings of the study include the routinization of the university's response to the policy, inconsistent communication of data relating to the policy to colleges and departments, little recent evidence that educational decision making has been affected by the data generated for the policy, and skepticism relating to the validity of the data generated for certain performance funding indicators. Paradoxically, much support was communicated regarding the philosophical foundation of the policy and only one interviewee participating in this study indicated that the policy should be discontinued.

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Chapter I

INTRODUCTION

Is it possible to allocate a portion of state funding appropriations to institutions of higher education based on performance? During the 1970's, the Tennessee Higher Education Commission began considering a venture aimed at answering this question – the Tennessee Performance Funding Project. At that time, a project of this nature was a phenomenon; no other state had implemented anything of this type. Why then would Tennessee attempt this unprecedented project? Contributing to Tennessee's consideration of this project was a key policy accent that emerged during the latter part of the twentieth century – Accountability.

The Dartmouth College Case in 1819 had provided early colonial colleges with “...effective barriers against advancing democratic forces pressing for control of higher education and alteration of conventional curriculum policies” (Brubacher and Rudy, 1997, p. 35), but the latter quarter of the twentieth century saw various stakeholders, concerned with clear and sustained quality in higher education, begin to more vigorously demand increased evidences of the thoughtful use of monetary allocations given to institutions. Students and parents began to seek greater levels of comfort that completion of a college degree would provide assurance of a bright future. State and federal agencies began requiring increased evidences that colleges and universities were meeting their mission and utilizing increasingly limited state and federal funds appropriately. Corporate enterprises, plagued with increasing international competition, demanded graduates possessing the skills necessary for these enterprises to “keep up.”

Banta and Fisher (1984a) discussed the emergence of accountability issues in the following passage:

...with the eighties have come reduced confidence in the entire system of publicly assisted education in America and a critical need to make well-informed decisions concerning the appropriate allocation of scarce resources among a variety of social services. These forces have counteracted any immunity from public scrutiny that colleges and universities enjoyed in the past, and today there is increasing recognition of the need for comprehensive program evaluation in institutions of higher education (p. 29).

The 1990's only brought more intense demands for evidences of educational quality. The attention paid to annual media rankings of institutions and programs had risen. These rankings supposedly inform the public of those who rise to the top and even though some educators put little stock in the validity and reliability of these rankings, many institutions still strive for a top spot. Accreditation criteria have evolved to focus more on student and program outcomes, rather than merely physical resources and educational processes. Book-length critiques of aspects of American higher education, public statements of faculty leaders and college presidents, and policy papers issued by centers for the study of higher education continue to be published (Bogue and Saunders, 1992, p. xi).

In the 1970's, the Tennessee Higher Education Commission "saw the writing on the wall," anticipating that increased accountability issues in higher education would only intensify in future years. With critics complaining about the quality and quantity of faculty teaching and student learning, how could the call for accountability be addressed in the state without completely taking all autonomy out of the hands of the institutions? How could the higher education community within the state address accountability issues before being mandated to do so by the state legislature? It could not be ignored that nationwide the discussions of how the assessment of undergraduate learning – asking

“campuses to identify the knowledge and skills that their graduates should possess, to design indicators that reflect these objectives, to evaluate the extent of their achievement, and to use the results to improve institutional effectiveness” (Burke, Modarresi, and Serban, 1999, pp. 2-3) – could satisfy concerned stakeholders in higher education, meet accountability challenges, and improve quality in higher education.

The Tennessee Performance Funding Project was conceptualized and piloted to answer such questions for higher education in the state of Tennessee and sought to determine if a portion of state allocations could be made to public institutions in the state based on performance standards, providing an impetus and reward for assessment, evaluation, and hopefully improved instructional quality. Thus, the concept of performance funding “...began as a means for anticipating the demands for increased civic accountability from institutions, while allowing for some campus autonomy to remain” (Burke and Serban, 1998).

Reports from the Tennessee Higher Education Commission indicate that the outcomes of the project have been positive. A 1980 report describes the project as leading to “A specific policy for recognizing and rewarding performance, for linking state dollars and instructional performance, has been designed, implemented, evaluated, and revised for implementation again” (Bogue and Troutt, 1980, pp. 108-109). Its longevity is unmatched, having now been in effect for over twenty years, and over \$343 million dollars having been allocated to Tennessee public institutions of higher education based on this policy during the past twenty years (Bogue, 1999).

Several reports regarding this policy have been published by various authors since the inception of this project (i.e., Albright, 1997, Banta and et.al., 1996, Banta and Fisher

1984(a), 1984(b), 1989, Banta and Moffett, 1987, Ewell, 1986, Astin, 1991, Bogue, 1999 and 2000). Some praise, and others criticize, the structural and conceptual aspects of this policy. This scrutiny by others may largely be due to the great dialogue within many states regarding performance funding. In fact, “by mid-1998, 13 states had such programs and 12 more appeared likely to adopt them” (Burke, Modarresi, and Serban, 1999, p. 3).

The Tennessee policy is indeed an exemplar to be studied. However, what is really known about this policy other than its structural and conceptual history? Has the policy provided an impetus for institutions within the state to truly seek improved instructional effectiveness? Do institutions merely perform the necessary steps to obtain the funding associated with the policy? What do stakeholders at the institutional level perceive to be the successes and failures of this policy? Seeking answers to questions such as these leads to the current study.

The University of Tennessee, Knoxville was one of eleven campuses chosen by the Tennessee Higher Education Commission to conduct an original pilot study for this project in 1979 (Bogue and Troutt, 1980). Therefore, the institution’s involvement began at the earliest stages. Studying the impact of the policy on the University of Tennessee, Knoxville, the processes established by the institution in order to collect and report the data required for compliance with the policy, the ideas and attitudes of selected administrative and academic personnel related to the policy, and the value placed on the ability of the policy to achieve improved instructional effectiveness will allow for a new perspective on the policy to be gained – a campus level viewpoint focusing on not only results, but implementation, process, value, and attitudes associated with the policy.

Only through studying the policy's impact at the campus level can it be determined if the state of Tennessee should be awarding dollars to institutions in this manner.

Problem Statement

The state of Tennessee has the longest running performance funding policy in the United States. This policy has evolved over a twenty-year period and continues to function today as a model for other states considering implementation of performance funding measures. However, as an exemplar for other states, little is known regarding the impact of the policy at the campus level. To what extent has the performance policy impacted the decisions and policies of the institution? Are faculty members and administrators aware of the policy and its specifics? Has improvement in instructional effectiveness been realized or do institutions merely perform the steps necessary to earn available monies?

The Tennessee Performance Funding Project's goal as defined by the Tennessee Higher Education Commission (1990) is, "...to stimulate instructional improvement and student learning as institutions carry out their respective missions." This study is being undertaken to provide a description of the policy's impact in these areas particularly, while remaining watchful for unexpected consequences as well. When combined with similar, concurrent studies being undertaken at the University of Memphis, Tennessee Technological University, Walters State Community College, and Pellissippi State Technical Community College in Tennessee, a significant and sizable contribution will be made to the prevailing body of literature on performance-based funding in the state of Tennessee.

The Purpose

The purpose of this study is to describe the impact of Tennessee Performance Funding Policy on the University of Tennessee, Knoxville campus over the past twenty years.

Research Questions

The proposed study seeks to develop a rich, thick, description of the phenomenon under study, Tennessee Performance Funding Policy at the University of Tennessee, Knoxville over the past twenty years. The research questions guiding the study are:

1. How has the Tennessee Performance Funding Policy impacted the University of Tennessee, Knoxville with regard to (a) awareness of the policy and its purposes and (b) the activities of the institution in relation to the policy?
2. How has educational decision making been affected by the Tennessee Performance Funding Policy at the University of Tennessee, Knoxville?
3. Based on professional experience and opinion, are strengths/liabilities and reform suggestions regarding the Tennessee Performance Funding Policy identified by selected University of Tennessee, Knoxville administrative and academic personnel?

Significance

The Tennessee Performance Funding Policy was the first adopted policy aimed at basing a portion of state allocations to institutions of higher education based on performance. Since it is still in effect today, it is also the longest standing. One could argue that since the policy has been in effect for twenty years and since institutions in the state have earned over \$343 million dollars through this policy, it must certainly be a success. On the other hand, instances have been documented where the outcomes of a policy do not provide the true, or the most important picture, of its impact. Determining the processes involved in the implementation of the policy in order to attain the reported outcomes may provide more beneficial information regarding the accomplishment of a

policy's purpose and goals. For example, the University of Tennessee, Knoxville has received over \$81 million dollars through the performance funding policy since its inception. However, does this outcome provide the Tennessee Higher Education Commission with a clear indication that the policy has achieved its goals at this institution? Since it clearly does not, this study will contribute to a greater understanding of how the policy impacts the institution, and thus the state. Is the policy in fact facilitating improvement in the education received by the students at the University of Tennessee, Knoxville or does the state allocate millions of dollars to the institution each year based on meaningless data? Concomitantly, this study will provide extensive information relating to the policy from the perspective of principal stakeholders at the institutional level - those responsible for the integration of the policy, assessment and evaluation, and educational decision making. Therefore, the information gained through this study should be of significant interest to the Tennessee Higher Education Commission in considering possible future modifications to the policy, to the University of Tennessee, Knoxville for consideration of possible modifications to its implementation of the policy and use of the data generated, and to future performance funding researchers by contributing to the current body of available literature.

Also, through the study of the effects of the longest running performance funding policy in the nation at the campus level - both the successes and failures, strengths and weaknesses, assumptions and expectations, - other states seeking to implement or modify a similar policy may capitalize on the positives, while avoiding the negatives. The information obtained through this study will contribute to a larger national study of

performance funding as one of a cluster of case studies being conducted at selected institutions in the state of Tennessee.

Delimitations

This study is designed to solely examine performance funding in the state of Tennessee and its subsequent impact at the University of Tennessee, Knoxville since inception of the policy in 1979. The impact of this policy at the University of Tennessee, Knoxville will be sought through the use of a single case study design and will include the examination of pertinent performance funding literature, an analysis of available documentation and data obtained from the University of Tennessee, Knoxville, interviews conducted with past and present administrative and academic personnel of the institution, and through observations.

Limitations

This study is delimited to the review of performance funding at the University of Tennessee, Knoxville. No comparison of the data gained will be made at this time to other institutions in the state. Therefore, the external validity of the study is limited. While the findings and recommendations of the study may prove beneficial to interested parties, no claim of generalizability to other institutions or state policies is made.

Turnover of personnel throughout the university during the past twenty years was addressed as a possible limitation to this study in its early stages. It was realized that individuals who played a central role in the administration of performance funding on the campus who were no longer employed at the institution could be unavailable for an interview, thus providing an incomplete picture of the policy's impact. Fortunately, the variety in longevity at the institution of those interviewed for the study allowed for both a

historical and present day perspective of performance funding to be gained. Yet, several individuals involved in the performance funding endeavors of the institution in the eighties were unavailable.

It is assumed that those interviewed during the course of this study provided information and opinions that are as accurate and truthful as possible and it is recognized that due to the different roles within the university of these participants, varying interpretations of policy aspects, intentions, and modifications exist. Yet, even though interviewees were assured that their name and position would not be revealed unless permission was given, it is acknowledged that some interviewees may not have wished to provide complete information as to their opinions regarding the policy for various personal reasons.

An interviewer protocol was established to promote clearness and consistency of information gained through the interviews conducted for the study. A clear system of data analysis was also designed. Yet, as with all research studies, interviewer interpretation of responses is realized as a challenge to internal validity.

Another limitation associated with this study is the maintenance and availability of appropriate documents for review. Performance funding reports for the past twenty years were available for review and additional pertinent documents were found. However it was communicated to the researcher that due to reorganization of the institution over time, many unknown documents possibly relating to this study may have been discarded.

This study attempts to provide insight into the impacts of this policy over the past twenty years at the University of Tennessee, Knoxville. Since changes in chancellors, and possibly other key personnel, can affect the entire climate and focus within a

university, the information gained and conclusions drawn through this study are not meant to predict the university's response to this policy in the future.

Definitions

The following terms are used in this study and their definitions are as follow:

Formula Funding – a method that prescribes the amount of funding an institution should receive based on quantifiable measures such as student enrollment, programs of study, and degree level.

Performance Funding – a method by which states tie special funds directly to the performance results on specific indicators (Burke and Serban, 1997).

Performance Indicator – generally prescribed as an indicator of the efficiency or effectiveness of a program as a function of the program's inputs, processes, and outcomes.

Accountability – in the context of higher education, generally prescribed as satisfying and documenting an institution's success in meeting a predetermined set of outcomes or measures. Jones and Ewell (1987) stated that being accountable not only means "effectively discharging an obligation" but also being answerable for the results (p. v).

Program Evaluation – in the context of higher education, the systematic determination of the merit or worth of an educational program or function.

Tennessee Higher Education Commission – Established in 1967, the state of Tennessee's planning and coordinating agency for higher education.

Chapter II

LITERATURE REVIEW

In preparing to conduct the proposed case study to examine the impact of the Tennessee Performance Funding Policy on the University of Tennessee, Knoxville, the first step was to establish a general overview of public higher education funding, the beginnings of performance funding, and more specifically, the history of Tennessee performance funding through the review of pertinent literature on these topics.

Public Higher Education Funding – A General Overview

Institutions of higher education saw strong growth in enrollment during the 1960s and early 1970s. Largely contributing to this growth were the World War II baby boomers who began enrolling in colleges during this time period. To accommodate the enrollment demand, the numbers and types of institutions increased at a phenomenal rate.

Community colleges, aimed at increasing educational opportunities for all socioeconomic levels, were established. The numbers of state universities also grew. Doctoral programs expanded in order to provide faculty for the growing numbers of institutions. In fact, the number of institutions in the United States increased from 1900 in 1950 to 3100 in 1980 (Bogue and Aper, 2000, p. 5).

At this time, funding appropriations to institutions were based largely on the lobbying power of the institution's president – the more charismatic a president was in lobbying the legislature, the more funding allocated to his institution (Bogue and Troutt, 1980, p. 2, Bogue and Brown, 1982, Bogue and Aper, 2000). But funding appropriations became

more complex as the numbers and types of colleges increased. Presidents of these newly emerging institutions began lobbying for more equitable funding practices.

Many states responded to the policy need for equity of financial allocation with the creation of “academic referees” that took much of the pressure off the legislature and governor in the formulation of allocation procedures (Bogue and Aper, 2000, p. 114). These referees took on different forms in different states. Some states created single statewide governing boards and in others coordinating commissions were established. The state of Tennessee responded with a legislative act in 1967 creating the Tennessee Higher Education Commission, a statewide planning and coordinating agency for higher education with major statutory responsibility “to develop a master plan, to review and approve new academic programs, to develop a system for representing the financial needs of higher education and for equitably allocating funds, and to make recommendations on capital construction and facilities” (Bogue, 1999, p. 3).

How did these academic referees address their primary responsibilities of ensuring equity and adequacy in state appropriations? Formula funding seemed to be the answer.

Bogue and Aper (2000) discuss this method of appropriation as:

the policy instrument constructed by these coordinating agencies for (1) presenting the reasonable needs of higher education, (2) for promoting the equitable allocation of those funds, (3) for recognizing differences in campus missions, and (4) for accomplishing statewide goals (p. 114).

One model of formula funding, enrollment driven formula funding, bases allocations primarily on instructional activity (credit hours), degree level of this activity, and the program of study in which this activity is included.

For example, one might expect instructional costs to be lower for undergraduate instruction as compared to doctoral instruction. And one might expect

instructional costs to be lower for those disciplines in which expensive capital costs were not required, English versus Engineering as an example (Bogue and Aper, 2000, p. 114-115).

Peer funding is an example of a more complex model, but it does place a greater emphasis on the mission of each institution by considering the salary requirements for faculty at peer institutions.

“The basic intent and effect of formula funding was to recognize both mission and enrollment patterns of an institution. Thus, the principle of equity was advanced by means of this policy” (Bogue and Aper, 2000, p. 115). This policy was easily understood by state legislators – “equivalent funding for equivalent programs.” (Bogue and Brown, 1982, pp. 123-124). Subjectivity was minimalized (Pickens, 1982). Political warfare and open competition among colleges and universities were reduced (Bogue and Brown, 1982, pp. 123-124).

However, formula funding was not destined to be problem-free. Bogue and Brown (1982) stated that

this approach ensures objectivity and equity nicely, but it ignores important considerations. For example, enrollment-driven funding tends to emphasize growth as a measure of achievement – to obtain additional dollars, an institution has to add students. And it displaces an institution’s purpose. Obtaining students gains more importance than giving them a good education. Furthermore, an enrollment-based model provides no incentives to improve quality (pp. 123-124).

Bogue and Troutt have elaborated similar points earlier in 1977 by stating that awarding state appropriations using formula funding

- 1) tend to impose a leveling effect upon the quality of educational programs. Similar programs are identically funded with no consideration to the clientele served or the nature of the institution.
- 2) provide no incentive for improved instructional performance. Instructional rates are the same regardless of the effectiveness or ineffectiveness of instructional performance. The emphasis is on quantity rather than quality.

- 3) encourage a displacement of institutional goals. Serving students is displaced with the goal of obtaining more students.....
- 4) tend to utilize a linear approach which fails to recognize both economies of scale and plateaus of fixed or marginal costs. As a result, formulae are great during periods of enrollment growth since unit costs decline while revenues increase (pp. 1-2).

These concerns, compounded by increased demands by stakeholders for evidences of educational quality, led to important policy conversations regarding the possible modification of accepted methods used for awarding state appropriations.

The Beginnings of Performance Funding

The 1980s brought increases in accountability expectations to the higher education community. Banta (1986) stated that growth in enrollments leveled, available tax dollars grew increasingly scarce, and external constituencies began demanding more evidence of quality returns for investments in higher education (p. 1). In *Assessment for Excellence*, Alexander Astin also comments that a factor contributing to the increasing popularity of the concept of accountability in higher education was the strain on most state budgets caused by increasing deficits and decreasing domestic spending at the federal level during the 1980s (p. 216).

The belief that faculty and administrators were those best suited to determine institutional effectiveness and appropriate student outcomes was replaced by a rising societal skepticism about higher education's effectiveness in an era when all large organizations were coming under close scrutiny including corporations, religious organizations, and government agencies (Gaither, Nedek, and Neal, 1994). The Southern Regional Education Board wrote in 1984 that "Today, there is interest in a new form of accountability for higher education – accountability on the basis of the demonstrated

achievement of students, not just on financial criteria, and quality judgements on the basis of student academic success, not just on the basis of selectivity” (p. 42). Jones and Ewell (1987) stated that being accountable not only means “effectively discharging an obligation” but also being answerable for the results (p. v). The focus of higher education’s obligation in terms of accountability evolved from one primarily focused on the means of education to one focused on the ends of education (Jones and Ewell, 1987).

With this change in focus, evaluation methods of higher education also evolved. Past evaluation efforts concentrated “on measurements of resources such as expenditures per student, number of volumes in the library, percentage of faculty with a doctorate, and ability levels of students” (Banta, 1986, p. 1). New methods of evaluation focused on student outcomes such as satisfaction with academic programs and student services, placement in the field of training, and student achievement in general education and the major field (Banta, 1986). Thus, what is considered the assessment movement began.

Questions became more prevalent regarding what institutions of higher education were really supposed to do. Reports began surfacing that critically assessed higher education performance – Involvement in Learning, Integrity in the College Curriculum, To Reclaim a Legacy, A Nation at Risk – to name a few (Ewell, 1985b). Certainly, the character of accountability for institutions of higher education appeared to be changing. Accrediting agencies evolved from focusing primarily on inputs to outputs. The Southern Association of Colleges and Schools (SACS) stated in 1989 that “the institutions must define its expected educational results and describe how the achievement of these observable results will be ascertained” (p.14). The federal government became more involved in the monitoring of financial aid programs. But the

emergence of state government as a principal stakeholder in the quality of collegiate education was perhaps the most notable change.

Astin articulates that “the real state interest in formulating higher education policy on assessment or on any other issue is to facilitate the institutions’ task of developing the human capital in the state” (1991, p. 218). Peter Ewell (1985b) comments that a delicate balance exists between internal and external state authority in promoting the achievement of this goal:

The result can be a paradox for external authority. On the one hand, if higher education is left entirely to itself, the probable result will be a neglect of socially important tasks. On the other hand, if state regulatory authority is applied directly, the very mechanism for effectively achieving these tasks may be threatened. state role in improving the quality of higher education will be more indirect and circumscribed. The key is to develop policy mechanisms which trigger institution-level efforts toward self-improvement (p. 3).

State legislators and policy makers who wished to promote the achievement of this goal and meet the increasing accountability demands from state constituents began approving the implementation of a variety of assessment and evaluation measures – competency testing, incentive funding, mandated assessment, etc. The state of Tennessee proved to be forward thinking and in fact self-imposed such a policy mechanism in 1979. The state’s performance funding policy, the first of its kind, was a highly scrutinized policy during the 1980s and continues today as a model for those researching either performance funding or state assessment programs. “Performance funding changes the funding equation by altering educator’s expectations that programs or institutions are entitled to a certain level of resources; instead, it creates rewards for achievement and changes in institutional behavior” (Albright, 1997, p. 19). “...the philosophical

justification for performance funding is persuasive in that institutions should receive some income for educational results, not simply for activities” (Pickens, 1982, p. 1).

Burke and Serban in 1998 provided the following information on performance funding:

Performance funding ties state allocations to prescribed levels of campus achievement on designated indicators. It adds institutional results to the input factors traditionally used in state budgeting for public higher education; current costs, student enrollments, and inflationary increases. States had previously provided front-end funding to encourage desired activities in public colleges and universities. Performance funding differs from these earlier efforts by allocating resources for achieved rather than promised results. It shifts somewhat the budget question from what states should do for their campuses toward what campuses do for their states (p. 4).

As with most policy initiatives, supporters and critics were found. Proponents of performance funding stated that if institutions are financially rewarded “for meeting or exceeding specific goals, those goals become central to campus activities. The idea is for performance funding to be both an incentive and a reward for sustained commitment to improvement” (Albright, 1997, p. 19). Strategic plans also become more integral to the institution as a whole and to the objectives of the state.

“Detractors believe performance funding interferes with campus autonomy and creates uncertainty among educators. They say elected leaders tend to be fickle, often changing the state’s goals and priorities based on shifting political winds, while institutional missions are more durable” (Albright, 1997, p. 20). Several other difficulties appear prevalent when linking performance to funding appropriation. Choosing the performance indicators, and the right number, that effectively assess higher education results, while protecting campus diversity and autonomy, are conceptual problems that are complex to deal with. A continual area of contention is the lack of agreement as to what the

objectives should be, as well as how to measure the objectives once determined.

Designing policies to fit all institutional types and missions presents further difficulty (Burke, Modarresi, and Serban, 1999, pp. 9-10).

Alexander Astin (1991) provided an extensive critique of performance funding. The marrying of monetary funds to certain aspects of institutional performance is cited as an area of concern to Astin. Teaching to the test, the shifting of resources towards those that reap the greatest performance payoff, and the possibility that these funds made available through performance funding initiatives would be better directed to institutions in trouble are examples of topics addressed by Astin. Astin states that

There is nothing inherently dysfunctional about value-added assessments (even those mandated by the state). Indeed, value-added assessments, coupled with other data, can be extremely useful as an aid to self-study, in student counseling, and for program evaluation. The problems arise when the state also ties a system of competitive rewards directly to gains in performance (1991, p. 222).

Even with the presence of these areas of contention, the linking of performance to higher education funding has taken a considerable hold in the funding formulas of several states. This is evidenced by the fact that by mid-1998, 13 states had some sort of performance funding program and 12 more appeared likely to adopt them. But, of note is the fact that four states have abandoned their initiatives (Burke and Seban, 1998). This leads us to an overview of performance funding in the latter 1990s.

Performance Funding in the Latter 1990s

In a survey conducted in mid-1998 for the Rockefeller Institute, Burke and Serban (1998) found that in 1997, 10 states had implemented a performance funding policy. This number increased to 13 in 1998 (Colorado, Connecticut, Florida, Kentucky, Minnesota, Missouri, Ohio, South Carolina, Tennessee, Washington). This study seems

to provide evidence that an increasing number of states are considering performance in their allocation of funding to higher education – a sharp increase from the 1979 implementation of the first performance funding project.

However, the numbers alone can be misleading. While the concept may be attractive and appear to be a means for addressing accountability issues, four states have in fact implemented a performance funding policy and discontinued it after a relatively short time (Kentucky, Arkansas, Colorado, and Minnesota) due to political undercurrents and implementation issues. For example, in 1993, based on recommendation from the Higher Educational Review Commission appointed by democratic governor Bremer Jones, performance funding was approved by the Kentucky state legislature. According to Burke (1998), this policy was not publicly opposed by the influential university presidents in the state. “Governor Jones offered a blunt bargain to presidents... - support his reforms, including performance funding, and he promised no cuts in the current year and better budgets in the future” (Burke, 1998, p. 32). While the legislature mandated performance funding, the responsibility for determining the details of the policy and its implementation was left to the Council on Higher Education in consultation with university presidents.

It was a two-year struggle in the state to develop a permanent performance funding policy. The players in this struggle included the Council on Higher Education, the university presidents, and the still functioning Higher Educational Review Commission established by Governor Jones. The struggle seemed to focus on two main issues – Should performance indicators be prescribed for all institutions or leave room for

individual discretion and should institutions have a wide or restricted choice in setting indicator weights.

The recommendations made by the Jones Commission to the Council on Higher Education focused on state accountability issues and included common indicators that allowed institutions to choose the weight of each. These common indicators focused on outcomes and included “five performance areas that stressed student persistence, student and employer satisfaction, research and service productivity, and management efficiency” and twenty-six specific indicators (Burke, 1998, p. 32). The university presidents focused on campus self-interests and fought for more campus discretion on indicators and weights. However their struggle seemed somewhat muted with the promise of an additional \$18 million promised for the 1995-96 budget year for performance funding (p. 32).

The Council on Higher Education sought to develop a plan that would serve as a compromise between these conflicts. Their final plan included both common mandatory indicators and institution-specific indicators. Latitude was given to institutions in the assignment of point values to each indicator. In their compromise however, the focus seemed to shift from indicators of outcomes to process measures and much of the specificity of the indicators proposed by the Jones Commission was deleted (Burke, 1998, p. 33).

This policy was utilized for the 1996-97 and 1997-98 budget cycle with very little money allocated to performance funding - \$3.3 million and \$2.6 million respectively (Burke, 1998, p. 33). However, in the mean time a new governor had been elected, democrat Paul Patton. Governor Patton felt that the implementation of performance

funding in the state had been ineffectual and established a Task Force on Higher Education to review the process. The new governor also had other ideas for the goals and governance of higher education in the state. He moved to increase the power of the CHE and decrease the influence of the university presidents. He also proposed the use of incentive funding rather than performance funding. Incentive funding provides money up-front to institutions to encourage compliance rather than funding for results. In 1997 the Kentucky Postsecondary Education Improvement Act (HB 1) was passed by the legislature which directs the Council on Higher Education to develop base funding using institutional benchmarks and design incentive trust funds to finance and advance the goals of HB 1 and the state's long range plans for education.

Performance funding was desired in the state of Kentucky by the governor and legislature for the same reasons as in many other states – accountability and promotion of increased educational quality. The promise of new money led to lack of opposition to such a policy by university presidents in the beginning, though they lobbied to be heard during the design of the program. The desire by the CHE to compromise and try to please all constituencies during the implementation of performance funding led to the decreased confidence in the council by the legislature, allowing for a new governor to influence a total change in the funding policy for the state.

Those states who have implemented and maintained performance funding policies have designed them in a variety of ways, but possibly the most discussed in recent years has been the policy implemented by the state of South Carolina. While Tennessee charted new territory by pioneering performance funding in the 1970's, South Carolina certainly broke new ground when the legislature mandated that by 1999 one hundred percent of

funding for public colleges and universities would depend on results from nine critical success factors and thirty-seven corresponding performance indicators, including indicators relating to mission, quality of faculty, instructional quality, institutional cooperation and collaboration, administrative efficiency, entrance requirements, graduates' achievements, user friendliness of the institution, and research funding.

The mandated performance funding program faced several imposing obstacles from the beginning. First, a program such as this had no model from which to learn. While other states had implemented performance funding policies, none had attempted to appropriate funding solely based on performance. Second, this mandate “emerged out of a battle between the South Carolina Commission on Higher Education and the campuses, on the one hand, and the legislature, on the other, which was dissatisfied with the performance of both the commission and the campuses” (Burke, 2000, p. 42). The joint legislative committee that developed the performance funding indicators and measures subsequently adopted by the legislature for evaluating institutional performance was developed with little input from educators internal or external to the state. And third, a reconstituted Commission on Higher Education made up of mostly new members met in July 1996 and was charged with a deadline of submitting a proposal for the implementation of this mandate to the legislature by January 1997.

In its endeavor to meet this January 1997 deadline, the Commission on Higher Education appointed a Steering Committee made primarily of members from the business community focused on compliance with Legislative Act 359. This Steering Committee decided on a two-stage special committee approach. The first stage involved the use of three Task Forces - Academics, Administrative Management, and Planning/Institutional

Effectiveness - to develop the measures, definitions, and methods of reporting for the 37 indicators. The second stage scheduled four Sector Committees, organized by institutional type, to develop indicator weights, performance standards, and the funding methodology. (CHE, Special Reports, No. 1 and 2). The placement of individuals within each individual type on the associated sector committees, ensured that the self-interests of the institutions were addressed; a component that had been ignored in the process thus far.

While the Commission on Higher Education did meet the deadline of submitting measures, definitions, and methods of reporting for the 37 indicators by the January 1997 deadline, the commission postponed submission of indicator weights, performance standards, and funding methodologies. The report submitted proposed a graduated implementation of the policy. Fourteen of the indicators would be implemented the first year, eight additional in the second, and all thirty-seven in the third (Burke, 1998, p. 43).

Still facing the legislature and the committee was the tasks of determining an appropriate funding formula and a performance scoring system for the institutions. A resource allocation plan was established to address the funding formula issue that used national averages of funding per students – basically establishing a base budget for institutions based on the budgets of their peers. This strategy met the need for consideration of institutional size, complexity, and diversity. Burke summarizes the scoring system adopted as follows:

Its final form gave each institution a performance score for each indicator based on a five-point scale: one, Non-compliance; two, Needs Improvement; three, Satisfactory Progress, four, Meets Goal, five, Exceeds Goals. The plan later added a sixth score for “exemplary performance” and included a zero for non-compliance after a probationary period. The rating plan called for institutions to

report their current level of performance and to propose their annual benchmarks for each indicator. The CHE would develop sector benchmarks and approve institutional benchmarks. At the end of the assessment period, institutions would report their performance on each indicator, which the CHE would rate from one through six (Burke, 2000, p. 36).

Today, the system in South Carolina for funding institutions of higher education has two components:

- 1) A determination of financial needs for the institution.

This determination of need identifies the total amount of money the institution should receive based on nationally and recognized comparable costs for institutions of similar mission, size, and complexity of programs (Mission Resource Requirement) and by the prior year's level of appropriation.

- 2) A process for rating the institution based on performance across the indicators.

The performance rating is determined by assessing whether or not the institution meets or exceeds standards for each indicator. Standards are set either for the individual institution or for institutions within the same sector and approved annually by the CHE. Each year, the institution is rated on its success in meet the standards on each of the indicators. These rating are totals and expressed as an average score for the institution. The institution with the high score received a proportionally greater share of available state funding (South Carolina Commission on Education, 2000).

Peter Schmidt of Francis Marion states that this policy's impact on the states colleges' and universities' bottom line has not been as drastic as the policy may sound. "In practice, the commission has carried out the law in a way that puts no more than 5 percent of any institution's budget at stake – a far cry from the rhetoric about tying 100 percent of funds to performance espoused by the sponsors of the 1996 law that created the system" (Schmidt, 1999, p. 26). Burke (2000) elaborates on this issue by stating that following major scoring issues in the first two years of implementation, the commission changed the funding allocations to institutions based on performance to 1% of their allocations for Achieving, 3% for Exceeding and 5% for Substantially Exceeding. They

would lose 3% of their allocations for not achieving and 5% for substantially not achieving the standards (p. 47).

Most criticisms of the program seem to emanate from the institutions. Though little public opposition to the policy was heard from campus presidents prior to being approved, great support of the policy is also not present today. Despite these many criticisms, some of which are outlined below, institutional administrators seem to feel that performance funding is in the state to stay.

1. The amount of data gathering required – time and money – is immense and many times seems irrelevant.
2. 37 indicators are too many and some are ambiguous.
3. Campuses seemed to expect greater rewards for proof of their performance levels, which has not been realized.
4. Campus autonomy has been decreased.
5. Some specialty schools, such as the Citadel, state that the performance standards do not take in consideration their added overhead and personnel costs required for a residential military college.
6. Most campus decisions are now made based on how their performance rating and consequent funding will be affected.
7. Some standards seem to be at cross purposes (example: pressure to use more selective admission criteria but demand that more minority and in-state students be enrolled).
8. The indicators were written primarily for those offering baccalaureate degrees. Therefore, the technical colleges and graduate programs are virtually ignored.
9. There are winners and losers in the process. If a losing score is earned, the negative publicity could be very damaging to the institution (Schmidt, 1999 and Burke, 1998).

When the state of South Carolina passed Act 359 in 1996, they proceeded with implementation of a unique performance funding policy – 100 percent funding based on

37 indicators. Legislatures seemed to relish the idea that the state could be the first to appropriate funding based solely on performance. The state Commission of Higher Education sought to maintain this goal during implementation, but soon realized that budget instability must be addressed – the state could not afford to close schools who did not meet the scoring levels required. Therefore a resource allocation plan was designed and approved by the legislature that essentially established baseline budgets for institutions. Scoring levels of institutions remained an issue as problems occurred during the first two implementation years. Faced with these problems, this goal of 100 percent funding based on performance was abandoned and reduced to only about five percent. A task force appointed by the legislature is now reviewing implementation of performance funding in the state and it is predicted that the number of indicators may be reduced (Burke, 2000). Burke (2000) sums up their current position well in the following passage:

Whatever the changes to come, South Carolina has aborted its star trek voyage into the uncharted territory of 100 percent funding. It tried to complete the fantastic voyage safely by constantly readjusting the controls without altering course. Two rounds of campus scoring showed that full funding would produce unacceptable shifts in funding among campuses. These virtual voyages persuaded the CHE to adopt a less adventuresome flight plan (p. 51).

The story of performance funding in the state of Kentucky is fraught with political undercurrents. It was approved in 1993 during the term of one democratic governor, but not designed for implementation until the 1995-96 appropriation year due to struggles between state focused and institutional focused constituencies. Then in 1997, during the term of a new democratic governor, the policy was abolished and a new funding formula enacted. Currently, there are some rumblings that it may resurface, with a proposal for its

inclusion in the 2000-2002 budget being made. The state of South Carolina sought to implement a policy which awarded 100% of state allocations to institutions based on performance, yet in reality the policy has been modified to involve only about 5% of the funding allocations (Burke, 2000). This leads to questions relating to the elements needed to implement and successfully maintain a performance funding policy. While the answers to these questions are difficult, a review of the longest running policy may provide some insight – the Tennessee Performance Funding Policy.

Tennessee Performance Funding – Overview of 20 year History

“Progress on public policy evolves – beginning as speculation in the minds of a few, enjoying limited application, showing a ragged history of mistakes and failures along with successes, and breaking into fuller acceptance when time and climate are ready” (Bogue and Troutt, 1980, p. 87). The Tennessee Performance Funding Project began in the minds of the Tennessee Higher Education Commission. It was primarily led by project architects Dr. E. Grady Bogue and Dr. William Troutt. Opinions, advice, criticism, praise, and evaluation were sought and received by advisory panels both internal and external to the state, institutional personnel, and legislators. These advisory panels also led the design of the policy.

This project represents an evolution of public funding policy in the state – a policy that has now been in effect twenty years. Bogue and Troutt (1977), provide an overview of the project in the following passage:

The Performance Funding Project is an attempt on the part of the Tennessee Higher Education Commission, a statewide coordinating agency, to improve the current appropriations formula in Tennessee. Underwritten by grants from the Fund for the Improvement of Postsecondary Education, the Kellogg Foundation, and the Ford Foundation, the project represents a response to criticisms of the

current formula and an opportunity for higher education to demonstrate publicly the effectiveness of instructional performance.

The major purpose of the project is to explore the feasibility of allocating some portion of state funds on a performance criterion, as compared to allocating funds solely on an enrollment criterion. The project assumes funding will continue to be primarily on an enrollment basis, but that a complementary feature might be built into the formula to promote institutional diversity and improved instructional performance (p. 3).

The project rests on a number of debatable assumptions:

- 1) that a complement to the current allocation formula could result in improved instructional performance; i.e., that the behavior of a public sector agency can be affected by economic reinforcement;
- 2) that instructional effectiveness can be measured in terms of student outcomes;
- 3) that some instructional outcomes can be quantitatively described;
- 4) that acceptable measures of institution-wide instructional performance can be developed or identified and agreed upon by both institutions and a state-level agency;
- 5) that in a society with diffused aims, an institution can reach consensus on its fundamental purposes and make them explicit;
- 6) that institutions fare better when their purposes are explicit;
- 7) that rewarding a public sector agency for effective performance would be acceptable public policy;
- 8) that performance funding should reward achievement rather than process;
- 9) that performance funding should be for demonstrated performance, not proposed or promised performance; and
- 10) that current allocation formulae impede institutional diversity (Bogue and Troutt, 1977, p. 5-6).

In order to gain an understanding of the project planning, involvement, and activities undertaken by the Tennessee Higher Education Commission in order to make this project a reality, an overview of early project milestones is included in Table 2-1.

In 1979-80, the first year of performance funding implementation in the state, institutions were able to earn an additional 2% of their Educational and General appropriations based on their performance in relation to five performance indicator variables. A maximum of twenty points on each variable could be earned by an

Table 2-1 Tennessee Performance Funding Project Milestones

Year(s)	Activity
1974-75	THEC committed to the Tennessee Performance Funding Project. -Dr. E. Grady Bogue and Dr. William E. Troutt appointed Project Director and Assistant. Proposal to the Fund for the Improvement of Postsecondary Education funded in the amount of \$165,700. -Grant used to continue planning and implementation of the project. State and National Advisory Panels created. -Assist in further project planning. -Test ideas of staff and contribute their own. -Continually evaluate the project.
1975-76	Additional funding for project was secured. -Anonymous Foundation \$75,000 -W.K. Kellogg Foundation \$250,000 -The Ford Foundation \$64,400
1976-77	Campus Pilot Projects -First year involved development of institutional performance indicators. -Second year involved data acquisition and “exploration of funding policies that might promote and reward performance effectiveness in instruction (Bogue and Troutt, 1980, p. 15). -21 of 23 public institutions submitted pilot project proposals. 11 were selected to participate – 2 research universities, six regional universities, and three community colleges.
1977-78	Evaluation of promising performance funding projects for the state through the review of the data derived from the institutional performance indicators submitted by the institutions completing pilot projects. -National invitation conference held in Nashville. -Project report completed and sent to interested parties.
1978-79	THEC adopted first performance funding proposal. (August 28, 1978) The Governor of the state did not support the first proposal, but the second proposal was implemented in the fall appropriations cycle of 1979.

(Adapted from Bogue and Troutt, 1980, and Bogue and Troutt, 1977)

institution. These variables are as follows:

- (1) Eligible Academic Programs Accredited
- (2) Performance of Graduates on a Measure of General Education Outcomes
- (3) Performance of Graduates on a Measure of Specialized Field Outcomes
- (4) Evaluation of Institutional Programs by Alumni
- (5) Instructional Improvement Measures (Bogue and Troutt, 1980, Bogue, 1999)

These variables have been revised every five years by a committee comprised of representatives from THEC, governing boards, and campuses (Bogue, 1999, p. 22) and the percentage of education and general appropriations based on performance that can be earned by public institutions in the state has increased to 5.45%. The number of indicators has grown from five to ten and some acknowledgment of institutional mission and campus goals is included. The evolution of these variables over the past twenty years seems to suggest an increased emphasis on the evaluation process, not just the data collected but how that data are used to improve the institution, and increased flexibility of application for different types of institutions (Pickens, 1982, p. 9).

A progressive overview of the outcomes assessment variables adopted as measures for performance funding appropriations in the state of Tennessee, taken from the *First Annual Report on Performance Funding: Fashionable Fad or Emerging Trend* presented to the Research Foundation of the State University of New York by Dr. E. Grady Bogue in 1999, can be found in Table 2-2.

The indicators approved for the performance funding cycle (1997-98 to 2001-02) and associated points are as follows (Bogue, 1999, p.23):

Table 2-2**Performance Funding Standards - Points Available**

Area of Evaluation	Experimental Years (3) 1979-1982	First Five-year Cycle 1982-1987	Second Five-year Cycle 1987-1992	Third Five-year Cycle 1992-1997
Accreditation	20	25	20	10
General Education	20	25 ^a	20	10
Major Fields	20	30 ^b	20	10
Master's Review/Placement			10 ^c	10 ^c
Peer Review of non-Accred. Programs				10
Alumni Surveys	20	10	15	
Alumni/Enrolled Students Surveys				10 ^d
Instruction Improvement Measures	20	10	15	10
Student Enrollment Goals				10
Student Retention and Graduation				10
Mission-Specific Goals				10
Bonus Points		10 ^e		

^a Two-year institutions could choose between general education or job placement measures.

^b Institutions could choose between major field tests or external reviews of non- accredit able programs.

^c Master's reviews at universities; placement at two-year institutions.

^d Institutions alternate between alumni surveys and surveys of enrolled students.

^e Institutions could earn up to a total of 10 points over the cycle (no more than 5 in one year) for piloting assessment measures.

	Univ.	2-yr.
Standard One – Academic Performance: General Education		
1.A Foundation Testing of General Education Outcomes	15	15
1.B Pilot Evaluations of Other General Education Outcomes	10	10
Standard Two – Academic Performance – Major Fields		
2.A Accreditation of Academic Programs	15	10
2.B Program Review	20	10
2.C Major Field Assessment	15	15
Standard Three – Student Success and Satisfaction		
3.A Enrolled Student – Alumni Survey	10	10
3.B Retention/Persistence	5	5
3.C Job Placement (two year institutions)		15
Standard Four – State and Institutional Initiatives		
4.A Institutional Strategic Plan and Goals	5	5
4.B State Strategic Plan Goals	5	5

While this cycle was not scheduled for completion until 2001-02, the Tennessee Higher Education Commission called for a mid-cycle review of the indicators “in an effort to strengthen the standards and align the program with the Higher Education Master Planning cycle” (Tennessee Higher Education Commission, 2000). The indicators which will be implemented for a new cycle (2000-01 to 2004-2005) are as follows (Tennessee Higher Education Commission, 2000):

	Univ.	2-yr.
Standard One – Academic Testing and Program Review		
A. Foundation Testing of General Education Outcomes	15	15
B. Pilot Evaluations of Other General Education Outcomes	5	5
C. Program Accountability		
Program Review	10	5
Program Accreditation	15	10
D. Major Field Testing	15	15
Standard Two – Satisfaction Studies		
A. Student/Alumni/Employer Surveys	10	10
B. Transfer and Articulation	5	NA

	Univ.	2-yr.
Standard Three – Planning and Collaboration		
A. Mission Distinctive Institutional Goals	5	5
B. State Strategic Plan Goals	5	5
Standard Four – Student Outcomes and Implementation		
A. Output Attainment		
1. Retention/Persistence	5	5
2. Job Placement	NA	10
B. Assessment Implementation	10	10

During the past twenty years, approximately \$343 million has been allocated to Tennessee public institutions of higher education based on the performance funding policy. The complete history of points earned by institutions and resulting allocations through this policy can be found in **Appendix A**. As evidenced by this history, the dollar amounts available to institutions each year is enough to get the attention of even those institutions with the smallest budgets. Of course the largest institution in the state, the University of Tennessee, could have been allocated approximately \$7 million for the 1999-2000 budget year (Bogue, 1999).

Several key points about this policy deserve to be emphasized. First, performance funding was implemented in the state of Tennessee voluntarily. No legislative act forced the state into including performance as a factor in budget allocations. A key point in its successful implementation stressed by the originators of the project is the involvement of a wide variety of individuals in not only the developmental stages, but also in regular evaluation and necessary revision.

Second, improvement in instructional performance is the focus of the policy, not improvement in research or administration. This is evidenced by the performance indicators chosen. Revisions to the performance indicators in recent years also place an importance on institutional strategic planning. Mayes predicted in 1995 that the focus of

the next 10 years will shift even more toward the evaluation of the outcomes of the assessments (p. 17). In 1999, Bogue states

that the policy should more effectively recognize and reward institutions for putting performance intelligence and information to work in the improvement of policy and program. Such an accent should help limit the cosmetic and adaptive responses to the performance incentive and enable the policy to have a more constructive and penetrating impact on the instructional heart of the institution (p. 26).

Third, institutions compete with their own performance; they do not compete with one another. For example, an increase in performance funding points earned at the University of Tennessee, Knoxville increases the performance funding allocation for the institution. This increase in allocation does not decrease the allocation of other schools as a response. The percentage of education and general expenditures available to institutions based on performance is significant to get the attention of each institution, but not extreme enough to cripple the institutions' operations if it is not earned (Bogue and Troutt, 1980, Bogue, 1999).

Of course, as with most any policy, complaints from various constituencies are inevitable. As Bogue and Troutt (1980) express, important lessons were and are learned from "friendly skeptics. They extend sensitivity to the impact of potential processes and outcomes" (p. 92). Skepticism and critique is healthy – lack of these could mean complacency or the absence of caring. Major concerns associated with the early implementation of performance funding policy in Tennessee included (Bogue and Troutt, 1980) concerns that the first set of performance variables were adopted too quickly and, in some cases, poorly constructed. These concerns were recognized as valid and addressed with revisions to the variables. There were also feelings that the adopted

variables did not consider the diversity of institutions and programs within the state, particularly two-year colleges and graduate programs. Merit was given to this criticism and addressed through revision and addition to the variables. Two additional concerns that may continue to be voiced today are:

- (1) This policy took a portion of available funding that was insufficient in the first place to produce institutional quality. Performance funding took a portion of this funding to evaluate the quality that could not be reached – Bogue and Troutt (1980) in addressing this concern stated that this was difficult to counter, but pointed out that there would most likely never be a time when administrators would feel that funding levels were sufficient. They pointed to the fact that the percentage available to institutions through this policy is significant to get the attention of the institution, but not large enough to damage efforts.
- (2) The possibility of misinterpretation of policy results by the public – While there is always a possibility of misuse and misinterpretation of public data, this assumption has not been proven to be true. Bogue and Troutt stated that “Placing the concern for effectiveness and quality in public forum should have positive effects in the long run – better understanding of what quality means, additional funding, understanding of choices required in funding public programs, etc” (p. 75).

Dr. Grady Bogue (1999) states in his first annual report to the Research Foundation of the State University of New York that

Over the years, the standards of the Tennessee Performance Funding Policy have reflected that inevitable tension found in any accountability policy, the tension between improvement and stewardship, between the use of quality assurances exercises to improve programs and policies and the use of quality assurance exercises to demonstrate that public monies have been applied effectively and efficiently (p. 25).

So what has this policy accomplished for the state of Tennessee? Bogue and Troutt stated in 1977 "...that at worst we have brought people together across Tennessee to grapple with the issue of instructional effectiveness, and at best we may have come across a policy for funding a public sector agency on some means other than an analysis of activity" (p. 10) and later in 1980 that "What was confirmed through the Project was that a cooperative union of state level agencies, governing boards, and institutions is possible – that it is possible to develop a community of concern and initiative on a theme of common interest" (p. 89). The policy has remained in effect for a twenty-year period – the longest running program of its type in the country. Yet, considering the assumptions underlying this policy, as well as its strengths and weaknesses, several evaluative questions remain unanswered, especially at the institutional level. Has this policy achieved its desired results? Are the results clearly definable? How has the policy affected instructional improvement methods? Have institutions in the state responded to the policy on a purely cosmetic basis? Questions such as these are the focus of this study – a study that is a part of a national and state level look at Tennessee performance funding policy.

Summary

Accountability, a key policy accent of the latter part of the twentieth century, has led to greater emphasis placed on institutions of higher education to provide evidences of

quality. One instrument developed to address the calls of accountability for these institutions is performance funding. While those states who have implemented performance funding have designed the mechanics, the indicators, and the incentives and rewards of their policies very differently, many find commonality in the desire for the results of the policy – improved evidence of institutional quality and effectiveness. The goals of the Tennessee Performance Funding Policy are clear tied to the stimulation of instructional improvement and student learning. What is left unanswered is the policy's actual impact in these areas.

Chapter III

RESEARCH DESIGN

“Every type of empirical research has an implicit, if not explicit, research design. In the most elementary sense, the design is the logical sequence that connects the empirical data to a study’s initial research questions, ultimately, to its conclusions” (Yin, 1994, p. 19). While strategies/designs may overlap, three conditions should be considered in order to determine the optimal strategy for any study. First is the type of research questions. Second is the amount of control that the investigator has over actual behavioral events associated with the study, and third is the choice to focus on contemporary versus historical events. For example, an experimental research design may be considered when the research questions best suited to the study are in the form of “how” or “why” questions, the study focuses on contemporary events, and control over actual behavioral events associated with the study is required. However, a case study may be more advantageous when a “how” or “why” question is being asked about a contemporary set of events over which the investigator has little or no control (Yin, 1994, p. 9).

Case study is best chosen when the need is to understand complex situations.

A case study design is employed to gain an in-depth understanding of the situation and meaning for those involved. The interest is in process rather than outcomes, in context rather than a specific variable, in discovery rather than confirmation. Insights gleaned from case studies can directly influence policy, practice, and future research” (Merriam, 1998, p. 19).

Merriam draws from the work of Reichardt and Cook in describing two views of process in case studies:

The first meaning of process is monitoring: describing the context and population of the study, discovering the context and population of study, discovering the extent to which the treatment or program has been implemented, providing

immediate feedback of a formative type, and the like. The second meaning of process is causal explanation: discovering or confirming the process by which the treatment had the effect that it did (1979, p. 21).

Determining when to use case studies greatly depends on what the researcher wants to know. As discussed earlier, Yin (1994) suggests that case study is most appropriate when “how” or “why” research questions are most appropriate and when little control is possible over a set of contemporary events. Case study design allows for investigation of multiple variables, and the end result is a holistic account of the phenomenon. Other research methods, such as experiments, may be more appropriate when the information sought is more concerned with outcome rather than process, when the focus is more narrow than broad (one variable versus multiple variables), and when confirmation rather than discovery is sought.

Merriam (1998) also described case studies as being particularistic, descriptive, and heuristic. “Particularistic means that case studies focus on a particular situation, event, program, or phenomenon” (p. 29). Readers may find direction for similar situations through review of a case study and the examination of a specific case may also reveal an overall general problem. “Descriptive means that the end product of a case study is a rich, thick, description of the phenomenon under study. Thick description is a term from anthropology and means the complete, literal description of the incident or entity being investigated” (p. 29). In the case study, not only are outcomes of a phenomenon described, but also the processes, ideas, opinions, etc. involved. Their descriptive nature is valuable due to the fact that the study is not limited. Influences of such items as varying viewpoints, passage of time, and varying written materials such as reports, articles, and correspondence can be examined and presented in a variety of ways.

“Heuristic means that case studies illuminate the reader’s understanding of the phenomenon under study” (p. 30). Through increased understanding of a phenomenon, the background, what happened and why, reasons for a problem, why a policy failed, why other alternatives were not chosen, or conclusions regarding the applicability of an initiative may be drawn.

It was desired through this study to determine the impact of the Tennessee Performance Funding policy on the University of Tennessee, Knoxville. Determining the impact involves not only reviewing the dollar amount awarded the institution each year, but developing a rich description of the processes involved, the ideas and opinions of those involved, expected and possibly unexpected consequences of the policy, and the value of the data generated for the policy. Therefore, a single case study approach was chosen to best allow the research needed for the completion of this study to be obtained.

Strengths and Weaknesses of Case Studies

Case study is a frequently used research strategy in a variety of fields, including social science, policy and public administration, and education. Even though case studies are frequently used, there still seems to be uncertainty centering on the nature of what a case study really is and its appropriate usage. Yin (1994), in his preface to *Case Study Research: Designs and Methods*, states that “the case study has long been stereotyped as a weak sibling among social science methods. Investigators who do case studies are regarded as having deviated from their academic disciplines, their investigations as having insufficient precision (that is quantification), objectivity, and rigor” (p. xiii). So, a paradox exists. If the case study method is weak, why the frequent use? Yin argues that

the stereotype of case studies as a weak research strategy is wrong and that its strengths and weaknesses are merely misunderstood.

Strengths

Broad Focus, Not Limited, Holistic

The detailed data and holistic account provided by case studies regarding complex units and multiple variables can be very valuable to the advancement of knowledge in fields associated to cases studied. The insights gained through such studies can serve as tentative hypotheses for future research. “Education processes, problems, and programs can be examined to bring about understanding that in turn can affect and perhaps even improve practice. Case study has proven particularly useful for studying educational innovations, for evaluating programs, and for informing policy ” (Merriam, 1998, p. 41).

Multiple Sources of Data

Case studies encourage the use of multiple methods for data collection. The use of these multiple methods leads to triangulation which reduces the risk of systematic distortions inherent in the use of only one method.

Not Static, Greater Understanding of Human Behavior

Case studies do not provide just static accounts of events. The rich description of the phenomenon can provide a historical account of actions and interactions, but can also detail first hand observations of these events as the study is being conducted. Human behavior is a central part of the study, and a better understanding of how the phenomenon affects behavior can be gained.

Weaknesses

Time Consuming, Expensive, Lack of Researcher Training, Lengthy Report

The case study may appear easy to do, but in reality it is one of the most time-consuming research methods. Data must be collected in a variety of settings and from a variety of resources. This can lead to great expense to the researcher (travel, accommodations, time away from job, etc.). Researchers who enter a case study unprepared with regard to data collection methods and data analysis may be overwhelmed by the complexity of case studies. In addition, in order to provide a holistic and complete account of a phenomenon, the case study report may become lengthy and very detailed. It could be too long and involved for busy administrators, policy makers, or educators to read.

Researcher Bias, Subjectivity of Researcher and Subjects, Possibility of Unethical Research Behavior

The case study method is often criticized due to the amount of researcher bias and subjectivity involved in the process of data collection and due to the possibility of unethical actions on the part of the researcher. For example, a researcher who wishes to influence the case study results may present only a portion of the whole picture. Certain aspects of the study may be exaggerated or oversimplified. Individuals interviewed may not disclose complete information, may not fully recall important historical facts or events, or may simply tell the researcher what he/she wishes to hear. Individuals being observed may act differently than when they are not observed. Each of these issues may result in incorrect conclusions by the researcher and/or the readers of the study. Thus, establishing validity and reliability proves more difficult than with some other research methods.

Cannot Establish Causal Effects

Cause and effect relationships cannot be established through the use of case studies. While the researcher may speculate, not only are there insufficient data to support the speculations, studying causal relationships is not the purpose of the method.

Lack of Generalizability

Due to the nature of case studies, the generalizability or external validity of the findings is limited. Although much may be learned about students, programs, or policies similar to the one in a particular case study, “it is not wise to conclude that because the focus of the study is similar, the findings might be as well” (Salkind, 1997, p. 195).

Data Collection

Following approval for the study from the University of Tennessee, Knoxville Institutional Review Board and President Wade Gilley, a twenty-year perspective of the impact of performance funding at the University of Tennessee was constructed through the collection and analysis of available relevant documentation obtained from the University of Tennessee, Knoxville, through interviews conducted with selected past and present administrative and academic personnel associated with the institution, and through observations of the attitudes and actions relating to the policy or this study when visiting the campus and conducting the interviews. This data collection method was designed to employ multiple sources of data in order to reduce biases and seek convergence of information found. Table 3-1 provides a comparison of the research questions of this study with the three data sources employed. These sources are then discussed in depth in the text following the table.

Table 3-1 Comparison of Research Questions with Data Sources

Research Question	Document	Interview	Observation
Question #1 - How has the Tennessee Performance Funding Policy impacted The University of Tennessee, Knoxville with regard to (a) awareness of the policy and its purposes and (b) the activities of the institution in relation to the policy?	College Catalogs Annual Performance Funding Reports Strategic Plans Documents Relating to Performance Funding Activities Papers and Presentations Made by Staff Members in Relation to Performance Funding	Question 1, Probe, and Follow-up Question 2 and Probe	Direct Observation in relation to attitudes and actions relating to Performance Funding and this study during visitation to the University of Tennessee
Question #2- How has educational decision making been affected by the Tennessee Performance Funding Policy at the University of Tennessee, Knoxville?	College Catalogs Documents Relating to Performance Funding Activities Papers and Presentations Made by Staff Members in Relation to Performance Funding	Question 1, Probe, and Follow-up Question 2 and Probe	
Question #3 - Based on professional experience and opinion, are strengths/liabilities and reform suggestions regarding the Tennessee Performance Funding Policy identified by selected University of Tennessee, Knoxville administrative and academic personnel?	Papers, Presentations, and Memos by Staff Members in Relation to Performance Funding	Question 3 and Probe Question 4 and Probe Question 5 and Probes	

Documents

The review of available documents pertaining to performance funding at the University of Tennessee, Knoxville provided key background information for this study. Since a twenty-year perspective was sought, documents many times allowed for written verification of information learned through other sources, particularly interview sources. Yin (1994) states that “For case studies, the most important use of documents is to corroborate and augment evidence from other sources” (p. 81). Documents assist researchers in verifying specific facts and may provide clues for further investigation.

Documents pertaining to performance funding and the University of Tennessee, Knoxville which were available and reviewed in the data collection process included:

1. A Sample of University of Tennessee, Knoxville Annual Performance Funding Reports submitted to the Tennessee Higher Education Commission
2. The University of Tennessee, Knoxville Five Year Plan, 1994-95 through 1998-99, submitted by Dr. William T. Snyder, Chancellor
3. UT Campus and Institute Five Year Plans and Related Documents (Memo and Documents from Dr. Joseph Johnson, President)
4. Institute of Agriculture Progress Report, Five-Year Plan 1996-2000
5. College of Veterinary Medicine Progress Report on Five Year Plan, 1996-2000
6. Agriculture Experiment Station Progress Report on Five Year Plan, 1996-2000
7. Institute of Agriculture Extension Service Progress Report on Five Year Plan, 1996-2000
8. The Institute for Public Service Progress Report Five Year Plan: 1996-2000
9. The University of Tennessee, Knoxville Progress Report, Five-Year Plan 1996-2000

10. University of Tennessee Academic Program Reviews – Standards for Evaluating Graduate Degree Programs (in effect Spring 2000)
11. Department of Food Science and Technology Academic Program Review February 28-March 1, 2000
12. The University of Tennessee Committee for the Future Report to the President, April 25, 2000
13. Student Evaluation of Advising Services, Suggested Procedures: Spring 2000
14. Student Evaluation of Advising Services Forms (utilized during Spring 2000)
15. Student Evaluation of Assigned Major/Departmental Advisors Pilot Program, Suggested Procedures: Spring 2000
16. Student Evaluation of Assigned Major/Departmental Advisors Forms (utilized during Spring 2000)
17. Major Field Testing Handbook (copy in Use Spring 2000)
18. Four Year Alumni Survey (in effect Spring 2000)
19. Four Year Enrolled Student Survey (in effect Spring 2000)
20. University of Tennessee, Knoxville List of Accrediting Agencies for Performance Funding 1997-98 through 2001-02
21. The University of Tennessee General Education Pilot Project 1998-99
22. Tennessee Performance Funding Standards 1997-98 to 2001-02
23. March 14, 2000 Memorandum from Brian Nolan of the Tennessee Higher Education Commission to all Performance Funding Administrators regarding the 2000-01 to 2004-05 Cycle (revised in middle of 1997-98 to 2001-02 cycle)
24. Tennessee Performance Funding Standards 2000-01 through 2004-05
25. March 31, 2000 Memo from Nancy McGlasson of the University of Tennessee to Brian Nolan of the Tennessee Higher Education Commission on the subject of Major Field Sample Size
26. Paper presented by Dr. Trudy Banta and Dr. Homer Fisher at the 1986 AAHE Assessment Forum sponsored by George Mason University entitled “Assessing Outcomes: The Real Value-Added is in the Process”

27. Paper presented at the annual meeting of the American Educational Research Association in 1984 by Dr. Trudy Banta and Dr. Homer Fisher entitled "Performance Funding: Tennessee's Noble Experiment in Promoting Program Quality Through Assessment of Outcomes"
28. Book edited by Dr. Trudy Banta entitled Performance Funding in Higher Education: A Critical Analysis of Tennessee's Experience with contributions from the following:
- a. Chapter written by Dr. Robert Levy entitled "Development of Performance Funding Criteria by the Tennessee Higher Education Commission: A Chronology and Evaluation"
 - b. Chapter written by Homer S. Fisher entitled "Planning and Resource Allocation at the University of Tennessee, Knoxville: Institutional Responses to Changes in State Funding Policies"
 - c. Chapter written by Trudy W. Banta entitled "Comprehensive Program Evaluation at the University of Tennessee, Knoxville: A Response to Changes in State Funding Policy"
 - d. Chapter written by C. Warren Neal entitled "Accreditation as a Performance Indicator"
 - e. Chapter written by W. Lee Humphreys entitled "Measuring Achievement in General Education"
 - f. Chapter written by William H. Calhoun entitled "Measuring Achievement in Major Field"
 - g. Chapter written by Kent D. Van Liere and William Lyons entitled "Measuring Perceived Program Quality"
 - h. Chapter written by Mary P. Richards and C.W. Minkel entitled "Assessing the Quality of Higher Education through Comprehensive Program Review"
29. Article written by Trudy W. Banta and Marian S. Moffett for Fall 1987 issue of *New Directions for Higher Education* entitled "Performance Funding in Tennessee: Stimulus for Program Improvement"
30. Article written by Trudy W. Banta, Linda B. Randolph, Janice Van Dyke, and Homer S. Fisher for January-February 1996 issue of the *Journal of Higher Education* entitled "Performance Funding Comes of Age in Tennessee"

31. Chapter published in Assessing Educational Outcomes (Peter Ewell, Editor) by Trudy W. Banta entitled “Use of Outcomes Information at the University of Tennessee, Knoxville.
32. Articles published in December 1984 issue of *New Directions for Higher Education* by Trudy W. Fisher and Homer S. Fisher entitled “Performance Funding: Tennessee’s Experiment”
33. Paper presented to the American Educational Research Association in 1978 by E. Grady Bogue and William E. Troutt which includes an appendix entitled “Summary of Performance Funding Project at the University of Tennessee, Knoxville”
34. University of Tennessee Undergraduate 2000-2001 Catalog

Notes were completed by the researcher as each document was reviewed. These notes identify the document, summarize its contents, and contain researcher comments regarding relationships to other documents/interviews and ideas for additional research pursuits.

Interviews

“Overall, interviews are an essential source of case study evidence because most case studies are about human affairs. These human affairs should be reported and interpreted through the eyes of specific interviewees...” (Yin, 1994, p. 85). The categories of participants interviewed for this study were purposefully selected in order to gain a wide perspective of performance funding at the University of Tennessee, Knoxville. These categories were identified as:

- A. **Past and Present Administrative Staff** (These roles purposefully selected due to their involvement in performance funding within the institution – 11 interviews in this category were conducted with past and present holders of the following positions):

1. *Chancellor*
2. *Chief Academic Officer*

3. *Executive Vice President*
4. *Chief Financial Officer*
5. *Performance Funding Officer*
6. *Institutional Effectiveness Officer*

B. Past and Present Deans (This role was purposefully selected – 6 interviews in this category were conducted based on purposeful sampling of deans with longevity and additional random sampling)

C. Past and Present Department Chairs (This role was purposefully selected – 11 interviews in this category were conducted based on initial purposeful sampling based on longevity and subsequent snowball sampling)

Of primary assistance in the early determination of interviewees was Dr. Grady Bogue, Professor of Leadership and Policy Studies at the University of Tennessee. Due to his tenure at the University, his knowledge of length of service of administrative and faculty members and their level of involvement in performance funding activities was very valuable. Individuals at varying levels of the institution were chosen in order to provide a perspective relating to the awareness of performance funding policy within the institution during the past twenty years. Those with varying lengths of tenure were initially chosen and others added as additional individuals were identified by interviewees, with attention paid to the fact that longer tenure periods had the potential for providing a more thorough view of the policy (i.e., strengths, liabilities, impacts). Accessibility and willingness to participate were also considerations in determining those to be interviewed.

In total, twenty-eight interviews were conducted. The length of tenure with the University of this group ranged from eight months to thirty-eight years. While the interviewees have been classified for this study in the category listed above representing

their current position, most have held a variety of positions on campus, both administratively- and academically-related.

An initial letter was sent to each potential interviewee in order to introduce the study and identify its purpose, as well as outline all necessary information to comply with human subject regulations (**Appendix B**). Each letter included a copy of an Interview Consent Form – which was returned to the researcher at the beginning of the interview (**Appendix C**). These letters were then followed up with a telephone call to each potential interviewee in order to determine their willingness to participate and to schedule the interview at a time and location convenient for the interviewee. Each interview lasted approximately thirty minutes to one hour, with one lasting approximately two hours. All interviews were conducted between March 31, 2000 and September 15, 2000.

The interviews conducted were of a focused nature – a certain series of questions were followed. The Interview Protocol (**Appendix D**) used included questions derived for the main purpose of gaining information relating to the research questions, however their open-ended and conversational design encouraged free expression from interviewees. The Interview Protocol (**Appendix D**) was reviewed in-depth with the researcher's major professor and a member of the dissertation committee who is adept in the completion of case studies. Following this review, the Protocol was tested through two pilot interviews. Based on results from the in-depth review and pilot interviews, modifications were made to the Protocol which centered on the addition of probing questions in order to gain as many concrete examples of ideas presented by interviewees as possible. The interviews included in this study were then initiated.

All interviews except two were tape-recorded during the interview session. Permission was gained from each interviewee for the taping. Those interviews tape-recorded were then transcribed by the researcher. Notes from the interviews not tape-recorded were transcribed as well. The identity of each interviewee was preserved by the construction of a coding system used to identify each interview transcription known only to the researcher.

Observation

While researcher interpretation is just that, much can be learned about the importance placed on performance funding policy by individuals within the institution by their reactions and comments, as well as the accessibility of records pertaining to the policy. During the course of data collection through document review and interviews, campus climate and attitudes in relation to performance funding were observed and recorded. These observations provided key insights for the researcher and allowed for verification of information learned through other sources, particularly interviews.

Strengths and Weaknesses of Data Sources

Creswell discusses in *Research Design: Qualitative & Quantitative Approaches* (1994) the need to find convergence among sources of information and to employ different methods of data collection (p. 158). Supporting this idea, Yin (1994) also discusses the complementary nature of these data sources and encourages the use of as many sources of evidence as possible when conducting case studies. Table 3-2 summarizes the strengths and weaknesses of the data sources chosen for this study – documents, interviews, and observation.

Table 3-2 Strengths & Weaknesses of Data Collection Methods

Sources of Evidence	Strengths	Weaknesses
Documentation	Stable – can be reviewed repeatedly and may contain information that cannot be gained any other way	Retrievability – can be low
	Access – May be easily accessible and free	Access – may be deliberately blocked
	Unobtrusive – not created as a result of the case study	Biased selectivity – if collection is incomplete (also difficult to determine if complete and accurate)
	Exact – contains exact names, references, and details of an event	Reporting bias –reflects (unknown) bias of author
	Broad Coverage – long span of time, many events, and many settings	Understandability – because not prepared for research, may not be in a form that is understandable
Interviews	Targets – focus directly on case study topic	Bias due to poorly constructed questions
	Insightful – provides perceived causal inferences	Response bias
		Inaccuracies due to poor recall
		Reflexivity – interviewee gives what interviewer wants to hear
Direct Observations	Reality – covers events in real time	Time-Consuming
	Contextual – covers extent of event	Selectivity – unless broad coverage
		Reflexivity – event may proceed differently because it is being observed
		Cost – hours needed by human observers

Modified from Yin (1994, p. 80) and Merriam (1998, pp. 124-126).

Documents

For most case studies today, documents are a likely source for data collection. The many different types of documents depend on the phenomenon under study. For this study, available relevant document included memos, reports, and publications.

Table 3-2 outlines the strengths and weaknesses of documents as a data source. While the strengths identified were realized in completion of this study, unfortunately, so were two of the weaknesses – retrievability and access. While documents were available from both the 1980's and 1990's relating to performance funding at the University of Tennessee, Knoxville, additional documents were thought to possibly have existed but could not be located. In the early 1990's, the Learning Research Center was reorganized

and it was articulated to the researcher by institutional effectiveness personnel that many of the documents relating to the work done by this office during the 1980's had been discarded. Also, during the past year, the University has undergone a great deal of reorganization at the executive level. The researcher found it difficult to locate some requested documents due to the fact that certain offices and departments no longer exist and it is not known where those documents are currently located or if they have been discarded.

Interviews

“Overall, interviews are an essential source of case study evidence because most case studies are about human affairs. These human affairs should be reported and interpreted through the eyes of specific interviewees...” (Yin, 1994, p. 85). Each interviewee is expected to have a unique perspective and specific stories to tell relating to the phenomenon.

The strengths and weaknesses of interviews as a data collection method are outlined in Table 3-2. Except in one instance, the interviewees who participated in this study appeared to provide truthful and clear information relating to the interview questions posed. Their answers did not always portray the Tennessee Performance Funding Policy, the University of Tennessee, Knoxville, their college or department, or themselves in either a positive or negative light. It is believed by the researcher that the interviewees felt free, except in the one case noted, to communicate their ideas and opinions with no threat of repercussions.

Observation

Observation may take on two forms – direct observation or participant observation.

Direct observation, which is pertinent to this study, involves making visits to the location of the phenomenon under study. This observation may be to observe such formal activities as meetings or to just view the surroundings and climate. Some researchers may even take photographs.

The major advantage of observation is that important data may be gained that would not have been otherwise. Attitudes and actions reveal much that other data sources may not, and an outsider may notice things that have become routine for insiders. The major problem associated with observation is researcher bias. Researchers may have pre-formulated positive or negative opinions regarding the phenomenon which may affect interpretations of observations. Also, as Merriam articulates (1998), human perception is unreliable.

Table 3-2 summarizes strengths and weaknesses of observation as a data source. Due to the researcher's lack of connection to the University and the fact that in all but one instance, the researcher had never conversed with any of the interviewees prior to the interview conducted for this study, observations of attitudes and actions regarding performance funding and this study when visiting the University of Tennessee, Knoxville was as free from researcher bias as possible. Field notes were transcribed following visits to the University and formatted in the same manner as interview transcripts and document notes.

Analysis of Data

Merriam (1998) states that data analysis and data collection are simultaneous processes. “Analysis begins with the first interview, the first observation, and the first document read” (Merriam, 1998, p. 151). The researcher begins a study with a guiding purpose. Data collection methods are chosen to address this purpose. However, the researcher does not know what will be found in this process. The final analysis of a case study is shaped by the constant analysis of the data collected. “Without ongoing analysis, the data can be unfocused, repetitious, and overwhelming in the sheer volume of material that needs to be processed. Data that have been analyzed while being collected are parsimonious and illuminating” (1998, p. 162).

Researchers must devise a system for organizing and managing data early in their study. This involves coding the data. “Coding is nothing more than assigning some sort of shorthand designation to various aspects of your data so that you can retrieve specific pieces of data. Coding occurs at two levels – identifying information about the data and interpretive constructs related to analysis” (Merriam, 1998, p. 164). Coding assists the researcher in making sense of the data.

For this study, each interview transcript, document review notes, and observation field notes were entered verbatim into a computer database set up in table format. According to Yin, two important benefits are yielded from the construction of this database - “(a) The composition of your case study report is made considerably easier, and (b) the thorough use of your evidence in covering any given topic reduces your need to go back and continually sift through the evidence” (1998, p. 248).

The database tables allowed each line of the text to be coded based on pre-determined categories determined by the researcher. Once the database tables and all added researcher notes were completed, all data were then reviewed and re-reviewed again for information meaningful to the purpose of the study. Meaningful units of data were then sorted by categories. After several additional reviews, and recoding of some data points, the researcher was able to retrieve and print data by category.

Next these categories were examined to determine emerging themes revealed by the data. Some categories were discarded – they appeared in few transcripts or document notes. Some were combined. The major emergent themes, both positive and negative, are reported in Chapter 4 of this study.

Validity and Reliability

Creswell (1994) states that “qualitative researchers have no single stance or consensus on addressing traditional topics such as validity and reliability in qualitative studies”(p. 157). Merriam (1998) supports this statement and elaborates that most researchers in education do not want to wait for the research community to come to a consensus, even if that were possible. However, certain steps were taken in this study to enhance validity and reliability.

Internal Validity - Strategies

Triangulation

“The use of multiple sources of evidence in case studies allows an investigator to address a broader range of historical, attitudinal, and behavioral issues. However the most important advantage presented by using multiple sources of evidence is the development of converging lines of inquiry...” (Yin, 1994, p. 92). Findings are much

more convincing if based on several different sources of evidence. This study utilizes three sources of data – documentation, interviews, and observation.

Specific measures to enhance internal validity of data sources were also taken. A strategy for the selection of appropriate documents was formulated prior to the beginning of this study. However, the limited availability of documents from the 1980's relating to internal performance funding activities has been recognized as a limitation of this study. In order to assure that the best possible questions were asked during the interviews, an Interview Protocol was piloted and modified based on feedback. Poor recall, response bias, and reflexivity were issues that the researcher sought to recognize during the interviews conducted and additional interviews were planned if suspected.

Systematic Data Analysis Process

As discussed in the data analysis section, it is critically important that researchers establish a system for data analysis early in the study (data analyses for emerging themes was discussed for this study).

Reliability – Strategies

Triangulation

As with internal validity, using multiple sources of evidence strengthens reliability – particularly the dependability and consistency of findings.

Audit Trail

Researchers should establish a chain of evidence that explains how findings were determined. This trail should be clear enough for an independent reviewer to follow. The creation of the research database assisted in the establishment of an audit trail for this study.

External Validity – Strategies

Some researchers argue that generalizability in the traditional quantitative sense is impossible in case study research, a limitation of the technique. Erickson (1986) supports the idea that while generalizable knowledge is not an appropriate goal, concrete universals are arrived at by study of a specific case. Most people deal with everyday life in this manner – what we learn on a particular situation can be transferred to similar subsequent situations.

Merriam (1998) states that the communication of a rich, thick description increases the possibility of generalizability in some sense. Enough description should be given to allow readers to “determine how closely their situations match the research situation, and hence, whether findings can be transferred (p. 211). The researcher has attempted to provide such a description in this study.

Chapter IV

FINDINGS

The findings of this case study reveal a twenty-year perspective of the impact of performance funding at the University of Tennessee, Knoxville. The data used to determine this impact were derived from available and relevant documentation obtained from the University of Tennessee, Knoxville, through interviews conducted with selected past and present administrative and academic personnel associated with the institution, and through observations of the attitudes and actions relating to the policy or this study when visiting the campus and conducting the interviews. The narrative presented has been categorized by research question in order to provide logical organization of the data gained. In addition, each research question narrative has been presented in subcategories describing themes that emerged during data analysis. Quotations are cited from participants in order to illustrate and elaborate on these themes.

Research Question One

How has the Tennessee Performance Funding Policy impacted the University of Tennessee, Knoxville with regard to (a) awareness of the policy and its purposes and (b) the activities of the institution in relation to the policy?

Mechanics of the Policy

In 1981, the administration at the University of Tennessee, Knoxville (UTK) became concerned about the potential impact of the new performance funding policy in the state and chose to undertake a formal study of the program's requirements. Of particular focus was the university's development of activities to meet these requirements. "This effort was furthered by the selection of UTK as one of seven institutions in the country to receive a small grant from the W.K. Kellogg Foundation through the National Center for

Higher Education Management Systems for increasing the use of student outcome information in program planning and decision making” (Banta and Fisher, 1984, p. 31). Leadership for this assessment was assigned to faculty associated with the Learning Research Center. The university assigned task forces to work in areas such as choosing a general education outcomes assessment exam and developing student and alumni surveys. Deans and department heads were asked to choose national major field tests or set in motion the activities to create a locally developed test. The university had been conducting academic program reviews long before performance funding had been enacted and their systems associated with these reviews had just been improved. This multitude of efforts was rewarded in 1984 when the university was designated as a recipient of a triennial award given by the National Council on Measurement in Education (NCME). “This award is for an outstanding example of the application of educational measurement technology” (Banta, 1986, p. 7).

Much of the efforts by the university were new – new for the state and the country as well. Peter Ewell (1986) stated that

The UTK response to the THEC initiative is an excellent example of the way such a process ideally works. But it is important to stress that considerable planning, investments, and sensitivity has been required to make it work. Indeed, careful examination of the manner in which the UTK program has been developed tells us a great deal about what constitutes success in an institution’s self-assessment effort (p. 113).

Interviewees for this study generally felt that the administration paid attention to the policy in the early days and that both time and money were devoted to the policy.

Though there was skepticism, the national and international attention brought to the university through publications by those working on the policy and other faculty

members who were involved in developing assessment and outcomes measures provided some excitement about the policy. One administrator expressed this belief by saying that initially the policy provided incentive for the institution. “I think it meant a lot back when Trudy [Banta] was having a lot to do with this...They were getting a lot of attention nationally with what was happening and as a result, took it very seriously. And the overall administration tended to take it seriously.”

Did this commitment to the institution’s self-assessment effort continue into the 1990’s? The 1994-99 University of Tennessee, Knoxville Strategic Plan, included a goal to continue the improvement of the academic program review process by linking institutional planning and budget allocation to review outcomes (p. 24). A revised version of this plan added two other goals. First, to increase the overall retention and graduation rate of undergraduate students and to establish a task force on retention (p. 7). Second, to strengthen the relationship between assessment of student performance/educational outcomes and teaching/learning activities (p. 11). The Progress Report issued by the university in relation to this plan states that progress has been made in each of the areas identified. Academic program reviews continued and up to \$20,000 had generally been offered to departments to address the highest priorities that emerged during these reviews (p. 3). Retention was reported to have increased (p. 9) and the inclusion of outcomes data in academic program reviews was cited as the progress made toward assessment areas identified (p. 25). Though performance funding is not mentioned in these documents, several aspects of the policy are evident. A former University of Tennessee, Knoxville executive level administrator communicated that while the initial 1994-99 Strategic Plan was widely distributed on campus, the revised

plan was not. Though it is a stretch to assume that the inclusion of these goals evidences commitment to the policy by the administration, it does evidence that certain focus areas of the policy are considered important.

While a focus on performance indicators related to performance funding appears to be maintained in some major written documents of the institution, confidence in the mechanics of the assessment program by campus constituencies seems to have diminished from hopeful in the beginning to very skeptical today. This is evidenced by the diminishing use of data generated for performance funding, which will be discussed later in this chapter.

Within this theme relating to confidence in the mechanics of the performance funding policy, two categories of uncertainties arose. The first category relates to the mechanics involved for earning the possible points associated with several of the performance indicators chosen for the policy. The second category relates to questions concerning the validity of the indicators chosen for measuring institutional performance.

Scoring

The scoring mechanics utilized by THEC for awarding performance funding points to institutions for major field testing, general education testing, and student and alumni satisfaction survey results was of particular concern to the interviewees. Of greatest concern was the concept of required continuous improvement.

- “Like this continuous improvement thing. I mean after a while there is a limit to how much you are going to improve your retention rate or your score on general education.” (Administrator)

- “A program cannot show improvement over successive testings, as the THEC suggests, it is presently doing an excellent job of educating its students.”
(Calhoun, 1986, p. 74)
- “Well I think the idea that something is wrong unless the students are continually making progress is ridiculous. ...it’s a myth that they can always be better.” (Department Head)
- “...some of their rules and so forth I find puzzling. For example on our [major field test] in order for us to maximize our points, we have to do better – the year you take it you should have performed better than the previous year. Now why should we be penalized on performance funding if we don’t increase every year? Does that make sense?” (Dean)
- “There is strange scoring. In law student surveys, UTK student responses went up on 30 items, remained the same on 32, and went down on 4 items. We lost 8 point out of 10.” (Administrator)

This idea of continuous improvement when admissions requirements for entering students remained constant was of great concern in relation to the scoring mechanisms imposed by THEC on associated performance indicators. In response to this unfairness perceived by the university, the tendency is to seek methods to deter its effects.

According to one administrator, in relation to scoring, it was communicated to the researcher that in the case of the law student surveys, “we fixed how we send out the questionnaires so that we are less likely to get the disgruntled people responding.” Two administrators stated that when scheduling major field tests, higher scoring programs are scheduled during the first part of the performance funding cycle since dollars are awarded

based on aggregate scores for the entire cycle. This is done in hopes that those programs will score high enough that lower scoring programs scheduled for the latter part of the cycle will not bring the aggregate score below the required level for the full award. Four department chairs commented that in their more conspiratorial moments, their departments had considered asking students in their benchmarking year to score poorly on their major field test so that it would be easier to show an improvement in scores the following year. One administrator commented that “institutions manipulate the scoring where possible. And you can’t blame them for that. But when you can manipulate it, there’s just something wrong about the system.”

Validity of Indicators

In all twenty-eight interviews conducted, at least one of the indicators chosen for inclusion in the Tennessee Performance Funding Policy was discussed. Those receiving little attention were accreditation of programs, retention, and graduation rates. It is noted that these indicators are those where the data gathered to earn the associated performance funding points are quantitative in nature.

The general education outcomes assessment examination was given the most attention during the interviews conducted and has been given attention since the beginning of the performance funding policy. In 1979, then Chancellor Jack Reese, concerned with the general education component of the newly instituted performance funding policy, “called for an assessment of general education at UTK. A coordinating committee was formed to assess the current state of general education and to formulate goals that should inform all baccalaureate programs” (Humphreys, 1986, p. 64). No real focus had been given to defining general education on campus and determining common goals for all students in

this area. In order to proceed with the evaluation of general education as called for by the performance funding policy required this first step. Though this committee formed goals, only a few on campus knew about them, so they never had much effect. Other committees throughout the year have examined general education at the university; in fact, a current committee plans to release a report next year addressing its analysis of these very issues. However, a member of this committee indicated that its work never involved even a mention of the term “performance funding.” Another member expressed that the committee had discussed assessment to some degree, but that the focus of the committee was more on defining general education for all majors.

In the early 1980’s, a task force was also appointed to choose or to develop the various instruments needed by the university to assess the performance in general education as required by the performance funding process. The task force concluded “that while the ACT COMP exam did not cover all skills and understandings that general education at UTK is designed to convey, it could nonetheless provide information that would be useful in evaluating the effectiveness of the general education curriculum” (Banta and Fisher, 1984, p. 32). Through the years, the instrument was criticized as to its validity and finally in 1992, institutions were allowed to utilize other instruments. The university changed to the CBASE at that time. Documentation was found that during 1998-99, the university has piloted two additional general education instructions, the Academic Profile and the California Test of Critical Thinking. Based on the pilot project results, it is predicted by assessment personnel on campus that the Academic Profile will be used in the near future.

The philosophy that improvement in general education can be measured through the use of a standardized test appears to be the major issue raised by university administrators, deans, and department chairs. The validity of these tests has been questioned since the inception of the performance funding policy. One administrator stated that “at one point I actually advocated that we simply refuse to do it because I felt the general education tests were so bad. Then Chancellor Snyder asked me to tell him where we could make up the six hundred thousand dollars.” A dean explained that “during the 1980s and early 1990s, one of the issues that came up every year in the faculty senate was whether or not we had to continue to do this. But the statements always came that if we didn’t do this and turn in these scores, we would lose millions of dollars.” Two other administrators commented that the idea of measuring general education is a joke and that all the tests measure are students’ ability on the ACT – those coming in with high ACT scores will score higher on these tests.

Other questions regarding the validity of the test scores for general education center on the issue of student motivation.

- “We are asking them to come in on a night, a weekend, a nice Saturday in the fall, to come and sit for three hours and think hard for us for absolutely no purpose under the sun. It won’t affect their graduation. They won’t get into graduate school for it. They won’t get a better job because of it. What would you do? First it is a random sample that is chosen and some of them are mad as hell that they got chosen and not their roommate who loves to take tests. That’s the problem – motivation.” (Dean)

- “The administration of the test is problematic. Students may or may not show up and they may not even attempt to do well on the test. What is the best time – Saturday mornings or in the evening? With 3 graduations a year, this is not an easy thing.” (Department Head)
- “Well you can see how the motivation would be....[test administrator] does everything but tap dance in administering those things to get the students involved. She tries to call out their pride in the university, their pride as individuals and how they perform. She plays Mozart as they are walking in. She has bottled water and snickers bars. I mean she gives everything she’s got to this. And still we don’t do especially well on that.” (Administrator)

These issues with student motivation beg the question, “Why isn’t the test required for graduation?” In fact, “In the winter of 1983, the UTK Faculty Senate approved a graduation requirement that seniors take part in at least one evaluation activity to aid the institution in the assessment and design of its programs and support services” (Humphrey, 1986, p. 66). A review of the UTK 2000-2001 Undergraduate Catalog reveals that the requirements still remains in effect today. Of the interviewees who discussed general education testing (twelve), not all were aware of this requirement for graduation.

- “The catalog says you have to do something, but I’m not aware of the specifics.” (Administrator)
- “It is not a requirement that students take the test, and the college has no control.” (Department Chair)

- “It’s not a graduation requirement. The lucky person that gets to take it as a senior, the general education test, there is no incentive for it.” (Administrator)
- “It is correct that students are not required to take the outcomes examinations to graduate.” (Administrator)

Others commented on the fact that the graduation requirement exists, but that students are not required to pass the exam or even to try. Stories of students coming in and only drawing Christmas trees on their test, others marking “C” for every answer, and others that only sign their name were communicated.

One department chair commented that he wished we [the university] could have done better in terms of general education. He stated that he “wished we could have been able to do something like the Georgia Rising Junior examination or something of that nature, that affects every student and not just a few. As it is, only a sample is affected and it definitely doesn’t impact their ability to advance from one level to another.” As the problems in motivating students to do their best on the general education outcomes examination were discussed, the idea of requiring a certain score for graduation was probed. This idea was not positively received due to the issues regarding the validity of standardized examinations and their appropriate association to the UTK curriculum. One department chair stated that a charismatic academic leader would have to take this on as a project to try to make it happen – someone who knew how to get influential faculty members to support it.

The consensus among each of the interviewees who discussed general education testing (twelve of the twenty-eight) was that the general education testing was not beneficial to the university, its colleges, or departments. No examples could be provided

to demonstrate that the data had been used for anything other than to satisfy performance funding requirements.

Another indicator discussed by twenty-three of the interviewees was major field testing.

According to the Tennessee Higher Education's (THEC's) guidelines for Performance Funding, UTK must provide during each cycle a set of test scores in major fields for every graduate in undergraduate fields averaging 10 or more senior students a year. Once during every five-year THEC cycle the departments report scores to THEC in order to fulfill this requirement (UTK Major Field Testing Handbook, 2000, p. 3).

The University of Tennessee Major Field Testing Handbook states that "the majority of UTK departments use locally developed major field tests. Others use standardized tests such as the Major Field Achievement Test (MFAT), the Graduate Record Examination (GRE), or licensure tests such as the FE or NCLEX (in Engineering and Nursing, respectively)" (2000, p. 4). A set of guidelines exist for those departments choosing to develop a test locally. These include ensuring that the test is reviewed by two external specialists in the discipline or one discipline expert and one measurement consultant.

The discussions regarding the validity of the general education test scores in relation to student motivation were mirrored in the discussion of major field testing by several deans and department chairs who utilize locally developed tests.

- "I think most don't take it seriously unless it's time for certification, like in some areas if it's a pre-professional exam that they know they are going to have to take anyway. I think the closer we can tie it to something professional, it gives them a much greater incentive. But if there is nothing professional to tie it to, it's a chore." (Dean)

- “Students tend to resent it. It is not clear that they take it seriously.”

(Department Chair)

However, the deans and department chairs focusing on disciplines that require professional certification or licensure exhibited little concern in this area. Since graduating students are required to complete these examinations to practice in their field of choice, motivation is greater for the student to prepare and perform at his/her best. These departments also communicated that these tests scores were taken seriously to and low pass rates were cause for concern.

Though not overwhelming in number, benefits relating to major field testing and the resulting test score data were communicated to the researcher.

- “It you didn’t have it, you might not really have any empirical data about your program at all.” (Department Chair)
- “First, students are positively affected when someone shows interest in their achievements. Second, department faculty are sensitized to areas of strength and weakness in the program.” (Calhoun, 1986, p. 82)
- “I am a big fan of major field tests. Faculty in a unit ought to be able to put together a curriculum that results in a student being proficient in that degree program and, therefore, they have to do two things. They have to design a local test or find a national test that mirrors that degree. And, if they pick a test and the students don’t do well, then they have to adjust their curriculum and their approach so that they do well.” (Administrator)

Only seven interviewees commented on student satisfaction and alumni surveys. One administrator stated that the surveys are important to the institution politically – “the

Tennessee Higher Education Commission and the public want to have some consumer satisfaction rating.” However, the other interviewees felt that this anecdotal information was questionable in evaluating institutional effectiveness. Van Liere and Lyons in 1986 also spoke of this by stating that “when students reply that they are very satisfied, this response can mean either that they expected high quality and received it or that they expected low quality and received it” (p. 86).

Possibly the most valued indicator cited by the interviewees and one that seems to be considered most valid in determining strengths and weaknesses of programs is the academic program reviews. While academic program reviews are required by THEC in relation to performance funding, the university had been conducting these types of reviews prior to the implementation of this policy. Richards and Minkle communicated in 1986 that when THEC adopted its 1981 Instruction Evaluation Schedule related to performance funding, the University of Tennessee, Knoxville, “had just expanded its program reviews to focus not just on doctoral programs, but to encompass entire academic programs.” The new approach included a self study, interviews of program personnel and students by internal and external consultants, formal reports and recommendations and scheduled follow-up meetings (p. 99). This approach has remained active today, although now including a standardized checklist prescribed by THEC to be completed by each consultant participating in a review. Each academic program completes an academic program review every eight years. An entire wall of the Vice President of Academic Affairs office included shelving where what appeared to be hundreds of these studies are maintained. A review of the University of Tennessee’s Academic Program Review Handbook provided evidence that procedures are in place for

the systematic completion of these reviews and a review of the Department of Food Science and Technology Academic Program Review February 28-March 1, 2000 confirmed that a comprehensive self-study including recommendations was written by the department which was utilized by the external review committee whose report also included recommendations for the department.

Several interviewees commented that the process was labor intensive and that most of the work fell to the department head. However, all but one of the interviewees commenting on the academic program review (twelve of twenty-eight), indicated positive results associated with this activity.

- “My god those are dear.” (Administrator)
- “Program reviews are important and can help departments a lot.” (Dean)
- “The academic program reviews – I guess I have always found as helpful.

From a department perspective it was an awful lot of work, but it was helpful to me as a department head. As a dean, the academic program reviews were very, very helpful.” (Dean)

- “Some faculty members don’t really care what students say about the program or if they’re able to do it. What they really care about is what their peers say about their work – questions they ask and what they think are important.”
(Department Head)

Seven of the eleven administrative interviewees commented on the two indicators which allow the institution to set strategic plans and goals important to the institution and related to the strategic goals of the state. Each of these interviewees indicated their satisfaction with these indicators and placed great value on their benefit to the institution.

Examples of goals set by the University of Tennessee, Knoxville, for the 1997-2002 performance funding cycle pertaining to issues important to the university include goals relating to budgeting salary improvement funds, faculty development funds, instructional equipment funds, and classroom upgrades and improvements. Those goals set which relate to state strategic goals include building closer alliances with public schools, enhancing the number of scholarships for African Americans, improving communication with civic and political constituents, and enhancing partnerships with business, industry, and government (Bogue, 2000, p. 22-23). These goals are set primarily through the office of the Vice President for Academic Affairs and Provost.

Awareness and Communication

Of the twenty-eight individuals interviewed, each exhibited awareness that a performance funding policy exists in the state of Tennessee, but two department chairs were not able to distinguish between formula funding and performance funding. Even when questions were posed regarding performance indicators and data collection, no clear delineation was made. All interviewees in the administrative staff and dean categories were able to delineate between the two funding methods.

The level of awareness regarding the activities at the University of Tennessee, Knoxville, in relation to performance funding varied depending upon the position held by each interviewee. All individuals communicated their knowledge that funding is received by the university in relation to the performance funding policy. However, the knowledge of what the university does to earn this money is far more diverse. Those interviewees categorized as administrators exhibited a broad institutional perspective of the policy and its effect on the institution as a whole, particularly with regard to the university's need for

the possible monetary allocations associated with the policy. Each has a working knowledge of how data for most performance indicators are gained.

Interviewees categorized as deans presented a college level perspective of the university's activities, most often understanding only those performance indicators for which data are collected in their respective colleges. Though this perspective was somewhat narrower than that of the administrators, these individuals also exhibited an understanding of the university's need for the possible additional funding through this policy for daily operational needs.

The perspective of the department heads interviewed involved an even greater narrowing, most often only referring to outcomes examinations administered by the department. General comments were made that the university received money for the activity, but no particular needs were discussed.

Though a category of faculty was not identified for this study, over fifty percent of the interviewees in the other three categories have held faculty positions at some point during their tenure at the university. The following are comments typical of interviewees in relation to the faculty's awareness of this policy and associated activities:

- "I don't think most people inside the university understand it. I would say that 95% of the faculty don't know anything about it." (Administrator)
- "Faculty may have a fuzzy concept of performance funding, but they forget about it and don't know much at all about the mechanics." (Dean)
- "The implementation of performance funding at UTK has had a benign effect on most faculty." (Document – Administrators)

It also became evident during the interview process with deans and department heads in particular, that though they are aware of the performance funding policy, their confidence in their ability to discuss involvement in the university's activities is low. One dean's secretary communicated to the researcher that upon receiving the request for an interview, the dean wrote a note to the college's associate dean asking "Do we know anything about this policy?" An associate dean scheduled an interview but by the time the researcher arrived, he had determined that giving an interview would not be feasible at that time due to his limited knowledge. A department head indicated that scheduling an interview would be a waste of time for all involved since he possessed no knowledge of the policy. Another department head was emphatic that the only way he could participate in an interview was if the researcher spent an entire day explaining the performance funding policy and its indicators to him. Yet another department head became frustrated when asked to be interviewed because she knew nothing that her department did which related to performance funding.

The experience of the researcher was that even those individuals who stated that they know little about performance funding activities at the University of Tennessee, Knoxville, knew far more than they realized. Many individuals simply do not associate activities such as major field testing, general education testing, and academic program reviews, with this policy. This issue relates to communication on campus regarding this policy.

It was communicated in 1986 by Dr. Trudy Banta, who coordinated many of the performance funding activities at the university from 1979-1992, that "Communication about the purposes, methods, and results of evaluation of academic programs is critical if

faculty members and students are to cooperate in the evaluation process and successfully use the findings” (p. 42). Dr. Banta wrote in 1985 that “The chief dissemination effort was aimed at department heads and faculty – the individuals most responsible for the quality of instruction and most capable of effecting improvements in academic programs. Each college received a report approximately fifteen pages in length summarizing the findings of the student outcomes information collected by and for the college during the previous year” (p. 24). Of those interviewed, 36% commented that communication of information regarding assessment data was more regular during the period that Dr. Banta was employed by the university. However, these comments were not always positive in nature. While the information communicated was more regular, it was also many times too voluminous and frustrating for the colleges and departments.

The following comment by a University of Tennessee administrator summarizes the information learned by the researcher in relation to campus communication in relation to performance funding today:

- “I don’t think that we administratively (presidents, vice presidents, or deans), that we do a consistently year in and year out good job of underscoring what performance funding is, why it exists, and the significance of it. And what happens, and I think the faculty and others are involved in all of this, they never hear about it until they have a drop off in one of the measurements. And then you work on it and get it back up there and you get most of your performance funding for the next three years. And then you don’t hear about it any more. I don’t think we do the kind of job we ought to sometimes.”

Twelve of the interviewees commented on the communication of information relating to this policy. Of those twelve, seventy-five percent stated that the communication was poor. These comments include:

- “Since the initial part, I’ve not been involved in this. I don’t really know what’s happened since then.” (Department Chair)
- “I can tell you that I have no idea what is going on right now in performance funding – none whatsoever. I never hear about it. I used to know exactly where we stood, where we needed to improve, why we needed to do this, this, and this. For the past two years, I have not heard the word mentioned in academic circles.” (Dean)
- “I’d say the communication has been real bad. I like to get that kind of stuff, but I don’t get it on a regular basis.” (Dean)

The three interviewees who commented that they did receive communication regarding this policy were all deans. These individuals made the following comments:

- “I would say that out of the Provost’s office, they certainly tell us what needs to be done. I think we’re all on the same page of the hymnal with regard to the process and how we go about it. So there’s no issue with regards to communication....I mean I have little bits and pieces of it, and to be honest with you, to some degree it’s sort of out of my bailiwick, so to speak.” (Dean)
- “I was fully aware of performance funding and its processes because of involvement in the faculty senate. I was on committees that tried to understand from a faculty perspective what performance funding was about.” (Dean)

- We do get information in the form of results of the alumni and student surveys.” (Dean)

The communication of information in relation to student outcomes appears generally important to deans (six of the seven interviewed commented on this issue), and from the comments received, the communication appears inconsistent. Only four of the twelve department chairs and only two administrators commented on communication of information.

Attitudes and Impact

The basic philosophy behind performance funding was by and large supported by the interviewees. Comments, such as “Conceptually there is nothing wrong with performance funding; in fact it is a wonderful idea (Administrator),” “I think that with scarce resources there’s always gonna be concern with accountability. That’s a good thing and maybe this is a mechanism to address that (Department Chair),” and “I think performance funding is clearly based on the proposition that few of us would disagree with; that state universities should be accountable to state agencies and to the public more broadly (Dean)” are examples of average comments. However, when each interviewee was asked what impact the policy had had on the university, the comments took on a much more negative tone.

- “I guess the simplest answer would be uneven.” (Department Chair)
- “The effect that it has had on us is that it’s given us one more task to do...” (Department Chair)
- “So the impact that this has had on us in the department has really been to simply add another administrative task. I don’t think, in fact, I think it is

almost certain, that it has changed the way a single faculty member teaches, the kind of materials that a single faculty member presents, it has had no impact on our curriculum.” (Department Chair)

- “I would say, initially, fairly significant. As soon as the university learned how to play the games, in terms of knowing exactly what to do to get the maximum, then it stopped making any difference.” (Department Chair)
- “None that one would be able to point to specifically.” (Department Chair)
- “It has no impact...If you do poorly, all right, yeah that could affect you. In matter of fact I consider performance funding as a negative incentive.” (Dean)
- “I’m afraid I have to say that I think that most of the standards have had very little impact on the university. They have required us to create processes, create a bureaucracy really. I know this because I have talked to department across this campus – most departments feel like it is an irritating add on to what they have to do.” (Dean)
- “At the department level, it’s hard to see the difference it makes. We try to play the game as best we can.” (Department Chair)
- “I’m not alone in stating that it probably has a negative impact since it diverts a tremendous amount of energy away from our basic mission of teaching, research, and taking care of our students.” (Dean)

More comments such as these were given, and most were communicated by deans and department chairs. These categories of interviewees perceive the impact of the policy on the university in a negative light – creating additional work that is of little value. One department chair suggested that this study be titled “Just Trouble.”

The average responses given by administrators when commenting on the impact of this policy were of a more varied nature.

- “My view is that here’s an opportunity to supplement your basic appropriation by 5% and if the criteria are properly set, it will motivate an institution to do and give attention to things that it ought to do, that without performance funding you might not. Over the years, we have done that.” (Administrator)
- I personally have kind of been won over by performance funding. When it was first, let’s not say thrust on us, but given to us, I thought it was just a kind of excuse to make us jump through hoops to give us x amount of dollars. But I have come to alter that. I see it in a much more positive light now, and I do think that some positive change is made based upon the whole performance funding metric.” (Administrator)
- “See, it gives you external validation to do something you want to do internally that you may have not wanted to do or can’t do. Everyone wants better classrooms, but there are very few advocates for better classrooms when it comes to setting budgets.” (Administrator)
- “Not really from my perspective. It’s just a pain to have to go through because it doesn’t produce, from what I see, great results.” (Administrator)
- “It’s like a thermometer gauge. If everything stays about the same, ok. If not, then I nudge...” (Administrator)
- “I think it is a sham in so many ways. It is not a program I’m inclined to go out and beat the bushes and try to make people organize a pep rally.” (Administrator)

The variation in these responses is possibly explained by the position held by the interviewee. Administrators tended to communicate a broader perspective of the policy and its impact on the university in contrast to the more narrow college or department perspective exhibited by the deans and department chairs. Administrators remained focused on the additional millions of dollars the policy affords the university each year, while the colleges and departments focused on the lack of benefits the policy affords their particular environment.

It is noteworthy that several department chairs commented that in the beginning the policy was taken seriously. Dr. Trudy Banta was given the responsibility for implementing on campus processes needed to comply with the new policy, and it was stated by one department chair that during the initial years “the central administration put lots of money into the cutting edge research that she was doing.” While not all department chairs interviewed found value in the activities conducted by Dr. Banta, they still commented that since her departure, the administration has not paid much attention to the policy. Statements regarding the institutionalized or routinized nature of the policy were frequent.

An emerging topic in relation to attitudes exhibited toward performance funding centered on the scarcity of financial resources for higher education in the state of Tennessee. Administrators focused on the fact that performance funding money was needed in order to “pay the light bills.” They argued that due to the underfunding of budgets in the state, this money could not be used for much other than general operating expenses. Deans’ and department chairs’ attitudes centered on the fact that reaching greater levels of quality in a period when basic expenses couldn’t be met is very difficult.

One dean commented that “having a performance component of the funding in periods of financial duress such as this is a joke.” An administrator stated that “it turned into a numbers game and tremendous pressure to score ten on all your various standards or your base budget would be hit. And that’s not performance funding.”

Summary

When a new policy is implemented, many times a great deal of focus is centered on that policy. It is new, and whether interesting or cumbersome, those affected by it focus much time and attention in determining the best way to address the policy. In the case of awareness and impact of the Tennessee Performance Funding Policy on the University of Tennessee over the past twenty years, this scenario appears to describe the university’s initial response to the policy. Though not greeted with open arms by all, the university focused time and money on developing assessment and evaluation procedures sufficient to meet the requirements of the policy. Committees and task forces worked diligently to create meaningful processes. Information was communicated to all involved on a regular basis.

In doing so, the university received nationwide attention through publications by administrators involved in overseeing the process and by department heads and deans. An award for measurement methods was even earned. At a time when accountability issues in higher education were escalating in the 1980’s and most institutions were struggling with assessment and evaluation, the University of Tennessee, Knoxville appeared to lead the way.

However, as many times occurs with policies that are implemented and as their associated requirements become familiar, a policy may become routinized. The

processes involved become rote and less meaningful than when they were new. Other internal and external factors may become more pressing. The University of Tennessee, Knoxville, seems to have fallen into this scenario as well. Many factors seem to have affected this routinization – turnover in personnel administering the program, lack of emphasis placed on the policy by the administration, and the increasingly scarce financial resources available to state institutions.

Not to say that those currently responsible for the administration of performance funding at UTK are not responsible and enthusiastic, but since the resignation of the former principal performance funding administrator, Dr. Trudy Banta, who was both nationally and internationally known for her publications in the areas of performance funding and assessment, the emphasis placed on performance funding and associated activities seems to have waned from the administration. Though Dr. Banta was seen by some as persistent to the point of annoyance, there doesn't appear to be an argument that she definitely kept the policy alive. Of course with the increasingly scarce financial resources in the state each year, the administrators, deans, and department chairs have been forced to focus on meeting student credit hour needs with fewer faculty and fewer resources. As a result, less attention has been given to assessment and planning.

The university appears to be going through the motions to collect the data needed in order to submit the results to THEC. Except for the academic program reviews which remain departmentally focused, the awareness and impact of the performance funding program have gone from at least a foggy understanding and a half-hearted attempt to improve institutional or departmental effectiveness, to a situation where few desire to

understand the policy and who only gather the data necessary to obtain the monetary rewards associated with the policy.

Research Question Two

How has educational decision making been affected by the Tennessee Performance Funding Policy at the University of Tennessee, Knoxville?

Information learned in relation to this question was more general in nature, rather than specific. Most interviewees provided their assessment in relation to the policy's effect on educational decision making, but even when probed many times, failed to communicate specific examples to confirm the hypothesis. Many times, it appeared the interviewees were communicating what they wished was happening, rather than knowing what was.

Administrator comments regarding the use of the data in relation to educational decision making tended to vary.

- "Not as much as could be by any means, but I do know that there are departments, and colleges, and units out there who really use it and look at it and consider the implications of what performance funding finds and acts to make improvements in their programs because of that." (Administrator)
- "I just know that there are department heads and deans who take this information seriously and who look at it and disseminate it to the unit. Likewise I know that sometimes it is not looked at. If it is even examined, it is dismissed and just kind of routinely sloughed off. You get it both ways." (Administrator)
- "Now obviously, if the criteria are valid and if we do well on it, there's got to be some impact, but it's indirect. I don't think you can make a direct coupling

between the impact of performance funding that comes to this university and the teaching program.” (Administrator)

- “Well, it probably makes some impact somewhere. But again, I don’t know that; I don’t believe in light switches. I don’t think we decide to change our undergraduate admissions policy because of this thing. We decide after years of talking about all different things. Should the English department change because of their major field testing? I don’t think so.” (Administrator)
- “No. I’m sure there are some. In terms of general education, the results are so vague. I think that saying the results are useful is dangerous because the statistics aren’t there. They are good as a benchmark and if something were really horrific or wonderful, probably there would be more.” (Administrator)
- “Strange circumstance where we cheerfully evaluate things and pay no attention to it.” (Administrator)

So, while these administrators appear hopeful that the data is useful to some extent in educational decision making, none exhibited great confidence that it is used consistently by colleges and departments and even more telling is their lack of examples given to illustrate its use. Only one administrator interviewed was able to provide a specific example illustrating that the policy had impacted educational decision making. This example was related to educational decision making as it related to physical facilities.

- “I’ve used it to improve classrooms. What I was able to do was write improvement of classrooms up to \$300,000 a year. What that permitted me to do is make sure that the institution in its central budgeting set aside \$300,000

a year because I could claim that if we didn't do that, we'd lose points in performance funding.” (Administrator)

As an afterthought, one administrator did communicate that an institutional advising pilot project originated from student satisfaction survey results. This advising project, led by the Advising Committee, has involved the additional evaluation of assigned major/departmental advisors for the past two years. Once the pilot project is completed, the results of the two-year evaluation will be reviewed and additional steps will be taken to improve this service if deemed appropriate. Evidence was available that this project was progressing, including the suggested procedures for administering these evaluations. These procedures were distributed to departments in spring 2000, as well as the evaluation forms utilized.

Information published by administrators Dr. Trudy Banta and Dr. Homer Fisher in 1984 include several examples of educational decisions that were impacted by performance funding data. It was reported that the Dean of the College of Communications was concerned with student ratings in relation to advisor and major required courses availability, and immediate steps were taken to improve these areas. Students' scores on the major field test in business revealed strength in economics and weakness in business law. These results led to a reduction in economics courses and an addition of a business law requirement. Student concerns relating to the registration process led to the university's decision to establish an earlier cutoff date for admission so that “student demand for classes could be assessed in a timely fashion and extra sections could be scheduled to accommodate demand” (p. 36). Another example given involved the design and distribution of a new curriculum planning sheet for majors (Banta, 1985,

p. 28-29). None of these examples was mentioned by the interviewees for this study even though some of these administrators, deans, and department chairs were directly involved in these changes.

Up until the 1997-2002 performance funding cycle, one of the indicators was Instructional Improvement Measures. Performance funding reports submitted by the university to THEC included narratives of improvement measures taken by the university to earn the points associated with this indicator. Improvement projects indicated include efforts to improve first year studies courses to improve retention and academic experience (1992-93), new approaches to freshman English courses to reduce failure rates (1992-93), encouragement of departments to design major field tests that can be incorporated into the coursework of students to improve test scores (1992-93), review of the Learning Research Center to determine additional services needed to enhance teaching (1993-94), reform in the College of Education to dissolve traditional departments and replace them with smaller faculty-defined units (1993-94), and implementation of additional merit-based scholarships to increase the number of high-achieving students and raise the number of minority undergraduates (1994-95).

Three of the six deans interviewed were able to relate specific examples of how results from either major field testing or academic program reviews were used in educational decision making. One dean stated that the construction of the major field test caused the faculty to really look at the curriculum and to examine what they were teaching in order to determine if the outcomes were appropriate. The same dean also stated that a department chair had been removed due to findings from an academic program review. Another dean commented that the academic program reviews are very useful in bringing

the faculty together to focus on the college as a whole and that some of their departments had made major changes based on these reviews. A third dean stated that several years ago the performance of students on a major field test was not as high as that in other programs being tested in the college. This low performance resulted in efforts to look more closely at what the test was measuring and to determine if there was content validity with what they were teaching.

The other half of the deans interviewed (three of six) stated that performance funding data has had no impact on educational decision making. One dean stated that the major field test certainly wasn't useful for the college. Another stated that the data were never brought up. And a third stated that

- "I don't think much has been learned internally that has changed anything that we do. And this I think is not because of bad faith on the part of the faculty and the administration; it's because we didn't learn much that we didn't already know." (Dean)

The response of the deans seems to illustrate what was expected by administrators. There are some colleges that correlate certain educational decisions with performance funding data. There are others who see no correlation.

Four of the eleven department chairs interviewed provided illustration of how the performance funding data had affected educational decision making. Based on student performance, one department instituted a one-hour course during the senior year which provided a review for the major field test and includes the requirement that a sample test be passed before a student is allowed to graduate. Another department chair was more general when providing illustrations but stated that results are reviewed in faculty

meetings and that faculty members are always looking for evidence and challenging evidence. So, this department chair felt the data were used to some extent, but gave no specifics. Another department chair stated that through the academic program reviews, additional faculty positions had been added to the department.

Other department chairs interviewed stated that instruction was not affected by the performance funding data. Comments, such as “no knowledge of any educational decisions made, “I don’t see any substantive improvement as a result of performance funding,” and “it’s a game we have to play but we don’t see that its making our instruction any better,” seem to summarize these department chairs’ feelings.

Though department chairs provide some variety in comments relating to the impact of performance funding data on educational decision, a majority (seven of eleven) felt that no impact was made.

Reasons cited by interviewees who felt that performance funding data had little or no impact on educational decision making include lack of confidence in the validity of the data and the viewpoint that the policy is simply a game.

- [In relation to general education testing, I] “would like to see a test that I really think measures that college is aiming, but I don’t think a single test is out there that does that right now.” (Administrator)
- “THEC constantly wants us to use the results of performance funding measures but when you don’t believe in the validity of the performance funding measures because you know full well the shortcomings of them you are not about to use them.” (Administrator)
- “It’s just a game we have to play.” (Department Chair)

- “We participate in something, but it’s just a game.” (Department Chair)
- “....they’ve had four different heads during the period I have been here and as a result they haven’t known how to work the system effectively. Now it’s a shame that’s actually what it comes down to, but that’s what it is.
(Department Chair)
- “...departments doubt how good the major field tests are.” (Dean)

Summary

The life cycle of a policy many times involves an implementation period that yields recognizable results because the policy and its processes are new. The performance funding policy and the data generated for its associated indicators appeared to yield some recognizable results during the 1980’s when the policy was implemented and the University of Tennessee, Knoxville was establishing its procedures for data gathering and dissemination. According to publications by several administrators during that time, educational decision making was impacted both at the institutional and departmental levels.

However, these impacts do not seem to be remembered by current administrators, deans, and department heads even though many of them were present and involved in the areas in which these occurred. Further, impacts such as these were not communicated as currently occurring at the University of Tennessee, Knoxville. Most examples of impacts given were ambiguous and even additional probing by the researcher led to no greater specifics. Those examples given that were specific in nature were for the most part related to improving effectiveness of instruction to reach a determined outcome.

Research Question Three

Based on professional experience and opinion, are strengths/liabilities and reform suggestions regarding the Tennessee Performance Funding Policy identified by selected University of Tennessee, Knoxville administrative and academic personnel?

Strengths

There were multiple strengths of the performance funding policy cited by the interviewees. However, two were more dominant than others. The strength mentioned most often pertains to the theory behind the policy – institutions must be accountable and this policy provides a mechanism to do that. Interviewees commented that it is “theoretically a good idea,” that “we must demonstrate that we are doing a good job,” and “that I think that it has improved the things over time that are important legislators.” One administrator compared the policy to a thermometer, stating that “you must take the temperature and then you know if the temperature is normal.” A department chair stated that the strength of the policy is that it makes us aware that “we have a mission to serve the people of the state of Tennessee, that we should be answerable to the citizens of the state, and that by having a structure in place it regularizes that answerability.”

The second strength mentioned on multiple occasions is the policy’s ability to motivate an institution, with a financial lever, to do the things that it might not want to do. Examples of “things” included emphasizing academic performance reviews and trying to increase student and alumni satisfaction. This strength was solely discussed by administrators.

Other strengths that were noted by the interviewees, though infrequently, include:

1. Academic program review
2. Potential to improve educational process

3. Recognition of mission in schedule of indicators

When discussing strengths and weaknesses of the performance funding policy, the researcher probed interviewees who had difficulty responding (eight of twenty-eight) if campus autonomy was threatened by the performance funding policy. Five of the eight responding to this question stated that they did not feel that the policy affected campus autonomy in any way.

Weaknesses

Weaknesses of the performance funding policy were cited far more frequently than strengths. Four categories of weaknesses emerged with close to equal frequency.

A frequently cited weakness of the policy relates to the fact that performance funding does not provide a reward or an incentive to the institution or college/department.

- "...its not a reward. In order for it to be a reward, you have to reward those who do the work. I can't discern that those who do the work got any better reward than those who ignored it." (Dean)
- "I don't think it's much of a reward. I think it's viewed as basically a requirement and you do the best you can with it." (Department Chair)
- "If the English department really cared about this, they are smart enough to figure out a way to find out something better than we have now about what their students know and what they can do. But what is the incentive for the English department to do that? That the university gets more money from some stupid performance funding thing that they know nothing about?" (Administrator)

- “But in the grand scheme of things, it’s not enough money to make us turn ourselves inside out on the performance criteria.” (Administrator)

Several of the interviewees did admit that some funding trickles down to the college and department level occasionally. One department chair stated that his department had received \$5,000 on one occasion when they had done particularly well on the major field test. A dean stated that departments get a little money if their scores improve on the major field test. One administrator communicated that the university budgets approximately \$50,000 annually for rewarding departments for major field testing in particular. However, each acknowledged that in no way was the amount of money given to departments an amount great enough to be considered a reward.

Other interviewees discussed the fact that if the money awarded through performance funding was appropriated through the regular formula funding process, the institution would most likely recap close to equal monetary benefits, especially when considering the investments made by the institution in gathering the data required by performance funding. One dean described a “little exercise” that she had conducted five to a few years ago. She took the funds that had been allocated through performance funding and then determined what the university would have gotten if that money had simply been allocated in the same way as all other funding. She stated that “the difference was almost nil.”

A second weakness cited by interviewees was the funding of the policy by the legislature, or the lack thereof.

- “...performance funding wasn’t really performance funding in terms of the budgetary impact, because performance funding should have been a way for

institutions to get some extra resources to improve itself about and beyond its base budget. So if you had a budget of 100% and then if you did certain things, hit certain performance indicators, then you could get some extra dollars to do some things. It never worked that way. They never funded it that way. So it became an issue of having to get 100 points on performance funding to maximize your 100% base budget.” (Administrator)

- “They never injected the extra money and that’s a complete lie if you believed any of that. They skimmed money to make the pool that’s performance funding.” (Administrator)
- “...we failed to get the money from the legislature. So for the last twenty years, the institutions have been trying to get 100 points, and not hardly ever being successful, from a pot of money that was their money to begin with.” (Administrator)

All interviewees citing this weakness are administrators (six of eleven). Several of these administrators spoke about this issue with great frustration, indicating that the performance funding policy was sold to the institutions of the state as a way of earning additional funding above their base budget. However, in their opinion, no new allocations to cover this new component of the funding policy were made. It was stated by one administrator that this issue had been discussed on several occasions with Dr. Arliss Roaden, former Executive Director of THEC. Dr. Roaden had indicated that additional funding was allocated which would be taken away if the policy was discontinued, but the administrator was not convinced that the allocations had been made.

A third weakness discussed by the interviewees centers on the indicators chosen for inclusion in the performance funding policy and the process used by THEC to implement the policy. These comments are continuations of the information presented in the discussion of research question one in relation to the indicators.

- “..the problem is trying to get meaningful measures that have an impact on the educational process. And as I said, I think we’ve done a very poor job in the general education area. I think we are doing an uneven job in the discipline specific area.” (Department Chair)
- “I’m not a believer in standardized testing. I’ve been here 15 years and I don’t see the usefulness really. Being measured by these standards that are extrinsic to the university and devised by people who don’t know the university that well – the same standards apply to use, as to ETSU, MTSU, Memphis – we’re all different. I think that difference should be acknowledged and respected.” (Department Chair)
- “I guess the one complaint I have about the criteria for the performance as far as the campus is concerned – I’ve felt that it did not adequately reflect or represent the research mission of the campus.” (Administrator)
- “The weakness right now is the notion that you can use these crude and very general instruments to measure.” (Department Chair)
- “I’ve always felt that performance funding had two major problems. It is not always logical; in fact it’s rarely logical. And second, nobody can tell that any good comes from it because the fact and figures aren’t useful. If the results of the outcomes aren’t useful and the money isn’t being used for anything like

keeping the library open for an extra Saturday, what's it doing?"

(Administrator)

- "The problem is the process. We aren't making a can of potatoes. The point is that we know general education is important because we all do it. But we don't know what it is and we don't know how to figure out whether this school or that school is doing a good job with it. We don't know that any better now that we did twenty years ago. And so, giving people money or withholding money on the basis of general education is a very slippery proposition." (Administrator)
- I think often the criteria were not the appropriate ones for the various disciplines." (Dean)

A fourth weakness identified by the interviewees relates to the additional tasks brought to the faculty as a result of the policy with little noticeable results.

- "The weakest is just that it is an additional task for an already very busy faculty and administration. I call it an intrusion, an impact on an academic department. It does take time away from other things." (Administrator)
- "The liability is that it does take a lot of work and it is not implemented in a way that has a very significant impact." (Department Chair)
- "My general impression is that it's a lot of work for not much payoff."
(Administrator)

Other weaknesses identified infrequently by interviewees include:

1. The hidden agenda of the policy to compare institutions in the state.
2. The "bean counter" mentality of THEC (reducing everything to a number).

3. The launching of the policy in the budget cycle rather than the academic cycle which turned the policy into a way to get money rather than a way to improve.

Reform Suggestions

Reform suggestions by interviewees primarily centered on revising the performance funding indicators. The interviewees seemed to fall into two categories with regard to this issue. One category argued for reviewing the current set of indicators and determining what items are measurable and if the measurable items are worth rewarding. Several of the current indicators would most likely be discontinued or have less emphasis placed on them. Other kinds of assessments would be sought for inclusion. Most department chairs were on this side of the issue.

- “Well I would put more emphasis on peer reviews and less on the enrolled students surveys or the alumni surveys. I think those provide anecdotal data.”
(Department Chair)
- What I would like to do is try to build some incentives to have performance measures that are closely related to students’ ability to graduate.”
(Department Chair)
- “I would focus indicators in the programs’ core competency. I would put the performance on those, not generalized measures. For example, are all the students satisfied when they leave here? Is that supposed to be a measure?”
(Dean)

Other than the student and alumni surveys and general education testing that was identified as suspect, no other specific suggestions for indicator changes were given.

The interviewees that fell into the other category regarding this issue felt that all indicators should be set by individual institutions. These individuals feel that the standards institutions write themselves are best.

- “To me, what you are doing to make the place better every year, ought to be a fundamental piece of what you get evaluated on.” (Administrator)
- “Hopefully we can get in there the possibility that finding a weakness and working to correct it is just as worthwhile as finding more strength, because finding more strength doesn’t help anything – it just makes us feel better.” (Administrator)
- “The best way to revise the standards is to let each institution set them – they could set the categories to fit state goals.” (Administrator)
- “If changing performance funding, I would allow the institutions to make their own goals or indicators based on their needed. I would want performance criteria that would relate more specifically campus by campus by campus.” (Dean)
- “If we are really trying to bring all of the institutions up, let’s compare them to peer institutions. Let’s build in some goals that will help us not just stay on an even keel but will help us reach another level with our peer institutions. So, it might look quite different from institution to institution.” (Dean)

It is interesting that with the number of weaknesses of the program cited relating to its lack of impact, lack of funding for the policy, and the amount of work involved for the policy, only one of the interviewees, a dean, suggested that the policy should be discontinued. Only one interviewee suggested that the management philosophy of the

institution should be reviewed and communication improved in order to place more emphasis on the policy and its impact, and only one interviewee suggested that the funding for the policy should be changed to promote it as a progressive rather than a regressive funding policy.

Also of note is the fact that the most often cited weakness of the policy was its lack of reward to the institution, colleges, and departments. Yet, only two interviewees suggested that measures should be taken to ensure that rewards be given to those who are performing the work associated with the policy.

Summary

Weaknesses of the performance funding policy were more readily identified by interviewees than strengths. Yet, while this was the case, the interviewees felt that the basic philosophical foundation of the performance funding policy is valid – institutions of higher education must and should be held accountable to the state and its citizens. Many felt this policy may be a mechanism to accomplish this. However, the mechanics of the policy – implementation, indicators, on-going processes – were areas which the interviewees felt should be addressed in order for this policy to have the impact desired.

Chapter V

CONCLUSIONS AND RECOMMENDATIONS

Overview of Study

The state of Tennessee has the longest running performance funding policy in the United States. This policy has evolved over a twenty-year period and continues to function today as a model for other states considering implementation of performance funding measures. However, as an exemplar for other states, little is known regarding the impact of the policy at the campus level.

This study was undertaken to provide a description of the policy's impact on the University of Tennessee, Knoxville over the past twenty years. Answers to three research questions were sought:

1. How has the Tennessee Performance Funding Policy impacted the University of Tennessee, Knoxville with regard to (a) awareness of the policy and its purposes and (b) the activities of the institution in relation to the policy?
2. How has educational decision making been affected by the Tennessee Performance Funding Policy at the University of Tennessee, Knoxville?
3. Based on professional experience and opinion, are strengths/liabilities and reform suggestions regarding the Tennessee Performance Funding Policy identified by selected University of Tennessee, Knoxville administrative and academic personnel?

The sources of information for this study included available and relevant documentation obtained from the University of Tennessee, Knoxville, through twenty-eight interviews conducted with selected past and present administrative and academic personnel associated with the institution, and through observations of the attitudes and actions relating to the policy or this study when visiting the campus and conducting the interviews

Through the vast amount of information gained through the interviews conducted, the documents reviewed, and the observations made, there is no question that the Tennessee Performance Funding Policy has impacted the University of Tennessee, Knoxville. It's the "how" that is diverse. Different individuals, departments, and colleges vary in their attitudes regarding the policy and their utilization of the assessment processes.

Something of a paradox also became apparent during this study. Though weaknesses of the program were quickly identified and much frustration was communicated by the interviewees, only one stated that the program should be discontinued. So while many dislike the policy, there is a belief that it should be in existence.

Summary of Findings

1. How has the Tennessee Performance Funding Policy impacted the University of Tennessee, Knoxville with regard to (a) awareness of the policy and its purposes and (b) the activities of the institution in relation to the policy?

The interviewees participating in this study largely understand that a performance funding policy exists in the state of Tennessee. The philosophical foundation for the policy is also understood and supported – public institutions of higher education must in some systematic way be accountable to the state and its citizens. So one might say that the policy has impacted the university by raising the awareness of accountability issues and the need for some means of addressing those.

However, the university has not done a consistent job in maintaining an awareness of the campus's response to the requirements of the policy. During the implementation stage, for most of the decade of the 1980's, much attention was given to establishing procedures – what general education test was going to be used, how should departments go about major field testing, who was responsible for data gathering? The administration

acknowledged the potential financial impact for the university and allocated resources for these efforts. Presentations were made regularly to the dean's council and to other faculty groups, and reports were distributed to all colleges regarding the processes established and the data generated. The University received both national attention for its efforts in assessment planning.

As time went by and changes in administrative leadership and other personnel occurred, the processes for performance funding assessment appear to have become routinized. Uses of the data generated were identified during the 1980's, but fewer are evident in the 1990's. Personnel newly involved in coordinating performance funding efforts in the 1990's sought to rejuvenate campus awareness through visitations to all colleges in order to gather input for revitalizing the procedures. Even though performance funding annual reports were distributed to all colleges until online submission began in the 1997-2002 cycle, interviewees stated that the communication of the data used to generate that report was inconsistent. Therefore, many arrived at what appears a logical conclusion due to the inconsistency of the communication – it has little impact on the activities of the university. It is only being generated to satisfy performance funding requirements.

Are the data communicated regularly? Are they communicated and discarded? If they are not communicated regularly, how can deans or department chairs use it in any meaningful way? There are no clear answers to these questions. Some deans report that they get results of student and alumni satisfaction surveys and others do not. One administrator stated that the annual performance funding reports are no longer distributed on campus since the data are now transmitted electronically. Other interviewees weren't

sure if the report was distributed or not. Department chairs report that the only time they hear anything about major field test scores is if scores go down. Two department chairs were not aware that performance funding was in any way different from formula funding. This is not to say that all deans and department chairs who get the data would use them in any meaningful way, however this lack of consistent communication speaks volumes as to the emphasis placed on the data by the administration of the university – a justification for not using them even if they are received.

The university appears to be going through the motions to collect the data needed in order to submit the results to THEC. Except for the academic program reviews which remain departmentally focused, the awareness and impact of the performance funding program have gone from at least a foggy understanding and a half-hearted attempt to improve institutional or departmental effectiveness, to a situation where few desire to understand the policy and who only gather the data necessary to obtain the monetary rewards associated with the policy.

Interviewees identified issues with the mechanics used by THEC to award performance funding points, particularly relating to the issue of continuous improvement. Arguments were made that the validity of data generated for some indicators is questionable. While such indicators as academic program reviews and strategic goals set by the institution were identified as being beneficial to the institution, and more quantitative indicators such as retention and graduation rates and accreditation of eligible programs were taken for granted as things the institution would look at even without the policy, major field testing, general education testing, and student and alumni satisfaction surveys were identified as most questionable.

Deans' and department chairs' perspectives regarding the performance funding policy largely centered on the policy's impact on their college and/or department. Many of these interviewees see the policy as creating additional work that is of little value. Administrators' perspectives were much broader in nature, exhibiting a greater understanding of the policy's impact on the university as a whole. These administrators' attitudes regarding the policy varied from support of the policy due to its motivational benefits and external validation to those who mirror the opinion of the department chairs and deans. The scarcity of financial resources in the state emerged as a contributor to some concerns regarding the policy. Interviewees indicated their difficulty in reaching greater levels of quality in a period when basic expenses couldn't be met.

2. How has educational decision making been affected by the Tennessee Performance Funding Policy at the University of Tennessee, Knoxville?

The performance funding policy and the data generated for its associated indicators appeared to yield some recognizable results during the 1980's when the policy was implemented and the University of Tennessee, Knoxville was establishing its procedures for data gathering and dissemination. According to publications by several administrators during that time, educational decision making was impacted both at the institutional and departmental levels. For example, advising was improved in some departments and the registration process was changed to allow for more effective class scheduling due to results from student satisfaction surveys, the curriculum was changed in the College of Business due to scores on major field tests, efforts were made to improve first year studies courses to increase retention, and new approaches to freshman English courses were explored to reduce failure rates.

However, these impacts do not seem to be remembered by current administrators, deans, and department heads even though many of them were present and involved in the areas in which these occurred. Further, impacts such as these were not communicated as currently occurring at the University of Tennessee, Knoxville. A pilot project to improve advising due to student satisfaction surveys was discovered and a pilot project for general education testing is currently being concluded. One department did communicate its addition of a one credit hour course to its curriculum in order to prepare seniors for the major field test.

The interviewees for this study were mixed in their responses to the performance funding policy's impact on educational decision making. Administrators stated hope that the data are used, but acknowledge that some colleges/departments make use of it while others do not. Half of the deans and approximately one third of the department chairs interviewed indicated that the data did impact their educational decision making. The other half of the deans and two-thirds of the department chairs quickly indicated that no educational decisions had been made as a result of performance funding data. The primary reasons cited by these interviewees for lack of use of the data are little confidence in the validity of the data and the viewpoint that the policy is simply a game.

3. Based on professional experience and opinion, are strengths/liabilities and reform suggestions regarding the Tennessee Performance Funding Policy identified by selected University of Tennessee, Knoxville administrative and academic personnel?

Two dominant strengths of the performance funding policy were identified. First, the interviewees felt that the basic philosophical foundation of the performance funding policy is valid – institutions of higher education must and should be held accountable to the state and its citizens. Many felt this policy may be a mechanism to accomplish this. The second most identified strength of the policy is its ability to motivate an institution, with a financial lever, to do the things it might not want to do.

Weaknesses of the policy were cited more frequently than strengths. Four categories of weaknesses emerged with close to equal frequency.

1. The policy does not provide a reward or an incentive to the institution or college/department,
2. Lack of legislative funding of the policy,
3. Mechanics of the policy – indicators, scoring, implementation,
4. Additional tasks brought to the faculty as a result of the policy with little noticeable results.

Only one of the twenty-eight interviewees stated that the performance funding policy should be discontinued. Each of the other interviewees did state that the policy should be modified. Several had no suggestions for this reform. Those interviewees who did have ideas in this area seemed to fall into two categories. One category argued for reviewing the current set of indicators and determining what items are measurable and if the measurable items are worth rewarding. Several of the current indicators would most

likely be discontinued or have less emphasis placed on them such as general education testing and student/alumni satisfaction surveys. Other indicators would have more emphasis placed on them such as academic program reviews. Possibly other kinds of assessments would be sought for inclusion. Most department chairs were on this side of the issue. The interviewees that fell into the other category regarding this issue felt that all indicators should be set by individual institutions.

Conclusions

Following the examination of the findings from this study, the following conclusions have been derived:

Awareness and Attitudes

Information relating to the performance funding policy at the University of Tennessee, Knoxville has not been consistently communicated on campus. Much skepticism exists regarding the validity of data generated through general education and major field testing. Dissatisfaction with the scoring requirement that continuous improvement in relation to these indicators be achieved is evident. While support for the philosophical foundation of the policy is present, many feel the policy places a burden on deans and department personnel.

Institutional Response to the Policy

When a new policy is implemented, many times a great deal of focus is centered on that policy. It is new, and whether interesting or cumbersome, those affected by it focus much time and attention in determining the best way to address the policy. This scenario appears to describe the university's initial response to the performance funding policy. Though not greeted with open arms by all, the university focused time and money in

developing assessment and evaluation procedures sufficient to meet the requirements of the policy. Committees and task forces worked diligently to create meaningful processes. Information was communicated to all involved on a regular basis.

In doing so, the university received nationwide attention through publications by administrators involved in overseeing the process and by department heads and deans. An award for measurement methods was even earned. At a time when accountability issues in higher education were escalating in the 1980's and most institutions were struggling with assessment and evaluation, the University of Tennessee, Knoxville appeared to lead the way.

However, as many times occurs with policies that are implemented and as their associated requirements become familiar, a policy may become routinized. The processes involved become rote and less meaningful than when they were new. Other internal and external factors may become more pressing. The university is collecting the data to earn the monetary rewards associated with the policy, even the manipulation of data gathering where possible was noted. Little attention is currently being given to using the data to determine if minimum outcomes standards are met or to improve educational effectiveness.

Uses of Performance Funding Dollars

One of the benefits of performance funding when initially designed was the fact that money awarded through this policy would be awarded to the institution and not designated. It was up to the institution to determine its use. Unfortunately, the University has not used these allocations to reward or to provide incentives to the colleges and departments who are doing the assessment work.

Major Field Tests

Those departments whose students take licensure or certification examinations have fewer problems with the concept of major field tests than those departments where students are required to take major fields tests purely for performance funding. Since students are required to pass these examinations to practice in their respective fields, motivation to do well is increased. These departments have fewer choices – the major field test is designed and chosen by the appropriate professional organization. Those departments whose students do not take a major field test for the purpose of licensure or certification have greater issues with the lack of student motivation to do well and the validity of their major field tests, but have more options available in choosing their test.

Is there validity in major field tests scores if only eight graduates are tested in a particular year? What if twenty-five students were tested? What if only two were tested? Well certainly the validity might increase if it is a nationally normed test. But, what if it was department generated? Some department chairs say no. But if the department was given the latitude to design the test to reflect the curriculum, what is the performance level that should be expected of all students no matter how many are taking the exam?

Then there is the argument that even if the test is valid, that students do not take it seriously and have no motivation to pass the exam. Who is responsible for this decision? Could a major field test be incorporated into a capstone course and count as part of the course grade? One department even went so far as to require the passing of a practice certification exam before their students could graduate. Graduate programs are based on this concept - written and oral comprehensive examinations are required for graduation.

It was concluded from this study that while the concerns of student motivation and test validity by several departments are valid, no efforts are being made to alleviate these issues.

General Education Testing

Of even greater concern with regard to validity are the data generated from general education testing. Yes, this test is nationally normed. Yes, the university has a choice in deciding which test to use, among several approved by THEC. But not one of the interviewees involved in this study placed any confidence in the test results. Only a random sample is chosen for testing, analysis of the data reveals that students who score well on the ACT are those who will score well on this examination, and students are in no way required to even try to do well. As it is, UTK students are performing better than those at any other college or university in the state. So what else should be done? It appears that the inclination is to do what is necessary to earn the associated points for this indicator. Committees are formed periodically to determine the goals of general education for the university, but no efforts have been made to determine a minimum level of performance in this area.

Much skepticism was communicated regarding the use of standardized testing in relation to general education, yet the University's pilot project for general education (rewarded with performance funding points) involved testing of more standardized tests. Other methods for measuring general education are allowed by the performance funding policy such as capstone courses and portfolios.

Academic Program Reviews

Of the ten indicators included in the performance funding policy, the academic program review is considered as the most beneficial. This is possibly due to the culture of a research university – peer review is sought and celebrated.

Educational Decision Making

The institution did not have an assessment plan before the policy began. While not all those interviewed agree that the mechanics of the policy have been appropriately determined, there is little argument that some sort of assessment should be conducted to evidence institutional quality. And, while not all agree that the data is useful in educational decision making, interviewees did identify the policy as a means of “taking the temperature” of the institution to determine if anything was wrong, a way to gain empirical data regarding programs, and as a financial motivator. Again, only one of those interviewed suggested that the policy should be discontinued.

Burden of the Policy

Due to doubts in the validity and scoring system of some indicators, the efforts to collect the required data for the policy are seen as one more task which needs to be done, with little or no importance attached. Also, the scarcity of resources in the state of Tennessee and the lack of rewards given to departments for associated efforts have also contributed to negative attitudes. It is felt that resources needed to meet daily operating expenses are barely available and the idea of improving performance without needed resources is impossible. Lack of resources and lack of rewards for efforts seems to have led to a minimalist attitude – do what is needed to earn the points.

“They vs. Us” Attitude

Interviewees for this study communicated a “THEC vs. the Institution” attitude. THEC imposes the performance funding policy, THEC determined the scoring mechanisms for the policy, and THEC doesn’t listen to what the colleges and universities in the state have to say. While several administrators acknowledged attending meetings at THEC to discuss the policy, only one indicated that THEC listened to the institutions. Even this comment alluded that THEC had the final decision regarding the policy. No acknowledgement was made that a state task force, which includes members from THEC, the State Board of Regents, the University of Tennessee Board, and representatives from state institutions, devised the standards and also reviews the policy every five years.

Policy Results

So, has this policy achieved its desired results? Yes, the outcome appears to have been met. The University of Tennessee, Knoxville has successfully generated data to support the award of over \$81 million dollars through the performance funding policy. As far as the policy’s desire to improve educational effectiveness, it is not discernible that that an affirmative answer can be given. The policy gained some momentum in the 1980’s and indicators, such as the academic program reviews, are viewed today as providing beneficial and usable information to academic programs for improvement. However, it appears that currently, the University of Tennessee, Knoxville is responding to this policy on a largely cosmetic basis. The focus is to do what is needed to earn the points and thus, the associated monetary allocations. Assessment efforts are important, but meeting minimum standards and attaining improved effectiveness should be the ultimate goal.

Recommendations

An area of concern which first needs to be addressed by the University of Tennessee, Knoxville is the attitude of the central administration toward the performance funding policy. Most often, the choices we are presented with when making any decision are sub-optimal. Nothing is perfect. Even if we were able to design our choices to meet our specifications of perfect, most likely we would not know how to do so. This was exhibited by the interviewees for this study in their lack of ability to verbalize, even when stating that the policy should be modified, how the policy's effectiveness could be improved.

The policy and its mechanics may not be perfect. However, the need for the policy and the desire for its continuation have been clearly validated by the interviewees for this study. The central administration of the University has two choices. The first choice is to continue on the present path of expending time and money to generate data that is used for little other than reporting for performance funding. The second choice is to accept that the policy is not perfect and become more involved in the University's assessment processes and give it the boost it most desperately needs. With any policy implementation and follow through, those involved in carrying out the daily activities look to those in positions of authority to set the tone for the policy's importance. Those identified as important and stressed, receive more attention. Not only should the central administration know what the assessment processes are, they should develop an understanding of the instruments used, their strengths, and their weaknesses. With this knowledge, efforts should be employed to establish processes for consistent communication and review of data determined to be valid and beneficial. Areas of

weakness should be addressed through the established review processes with THEC. In conjunction with this involvement, the central administration should establish consistent and systematic methods of communicating data to all colleges and departments. In order for a change to be seen in the University's response to this policy, it must have a champion to drive the policy. The central administration, or someone within, must be this champion.

A second area where improvement is possible involves establishing procedures for rewarding those who are performing the assessment work at the University – the colleges and departments. While it is understood that scarce resources at the current time makes this more difficult, it should be recognized that the vast amount of time and resources needed for completing these assessment exercises should not be wasted. Additional monetary incentives and rewards afforded colleges and departments could reap great benefits. An interest for successful generation and use of the required assessment data may be stimulated. As one administrator stated, ““If the English department really cared about this, they are smart enough to figure out a way to find out something better than we have now about what their students know and what they can do. But what is the incentive for the English department to do that? That the university gets more money from some stupid performance funding thing that they know nothing about?”

A third recommended area for improvement relates to general education testing. Of the interviews conducted for this study, no merit was given to the data generated through this indicator. Administrators interviewed stated that one issue is that the University is still not certain what constitutes general education outcomes at the University of Tennessee, Knoxville. Who is responsible for general education? Is it certain disciplines

in the college of arts and sciences, or is general education a part of a student's entire educational experience? Question such as these must first be answered by the University. Next, pilot projects to determine a more effective mechanism for general education testing at the University should be formulated and implemented. These projects can also earn performance funding points. Projects involving rising-junior evaluations, portfolios, and locally developed tests are possible avenues to explore.

If the University wishes to bring meaning to its assessment of general education, these pilot projects could be vitally important. Yes, a great deal of time and effort must be involved. But if completed effectively, THEC may also come to recognize such methods as acceptable for what they term "general education foundation testing." The only way change in acceptable methods can be achieved is by providing convincing evidence of a methods effectiveness.

A fourth area of possible improvement involves the consideration of incorporating major field testing, and possibly general education testing, into a classroom experience. Interviewees for this study regularly identified the lack of student motivation to do well on these examinations as a cause for concern in relation to the validity of scores. Having to come in during evening or weekend hours and only a sample of students being selected to take the exams, leads to ill feelings from students before even entering the testing location.

One department at the University has created a one-hour course for all senior students to be taken during the last semester before graduation. Review for the major field test is given and students are required to pass a sample major field test before graduating. Another department indicated that the grade earned in their capstone course, which

included portfolio work, was considered sufficient for major field testing. Even if only the taking of the test is required for graduation, as it is now, but it is taken in a classroom setting where reviews for the test can be given and students are educated as to the purpose of the tests, students may be more inclined to do their best. It is recommended that since this weakness is so widely identified, the University study alternatives to improve student motivation.

A fifth area of concern is more of a caution than a recommendation. Each of the interviewees for this study recognized that the data generated for the performance funding policy is supposed to be used in making educational improvements. If retention is low, efforts to improve the persistence of students should be employed. If students aren't satisfied with the advising program, modifications should be made to address their concerns. If math education students aren't scoring well on certification examinations, the University should determine their areas of weakness and address these in the curriculum or its delivery. However, no formal policy has been in place to force these actions. It has been up to the institution to interpret data generated and respond in a manner determined to be appropriate.

As we have indicated earlier, this interpretation and response has been minimal of late. However, THEC has incorporated a new indicator in the 2000-2005 cycle involving Assessment Implementation. This indicator requires institutions to

report annually on all actions taken to incorporate the information gathered from performance funding into their day-to-day activities. Furthermore, institutions will report on actions taken to remedy weaknesses identified as a result of performance funding activity. Commission and governing board staffs, as well as external and peer evaluators, will review these evaluations (THEC, 2000, p. 19).

The concern is that while the data generated for performance funding should be utilized as beneficially as possible, “knee-jerk” reactions to the data should not be made. These types of reactions are dangerous and may lead to decisions regarding curriculum, instructional delivery, or process revisions which are not well thought out – just to be able to document uses of the data. On the other hand, this indicator may be the boost needed to rejuvenate attention to the assessment data. It is cautioned however, that without a change in the response of the central administration to this policy, activities may occur in relation to this indicator just as they have for others – do what needs to be done to get the points. It is recommended that a follow-up to this study be conducted at the end of the 2000-2005 cycle to determine if this indicator has in any way affected the institution’s use of data generated for the policy.

The last recommendation is directed to THEC. The “they vs. we” attitude exhibited by interviewees participating in this study is problematic. Most individuals function more effectively when allowed to assist in determining those policies that affect them. While THEC has utilized a task force when reviewing the policy every five years, it is recommended that the make-up of this task force be examined. Are campus representatives largely administrators? Could subcommittees be utilized, reporting to the task force, that examine each indicator and the associated scoring method which is made up of deans, department chairs, and/or faculty? A greater involvement by those who are responsible for much of the data gathering in the review and evaluation of the policy may increase institutional ownership.

In addition, more in-depth study of faculty members’ knowledge and awareness of this policy would compliment the information learned from this study.

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APPENDICES

APPENDIX A

Performance Funding History Points and Dollars Awarded by Year

Performance Funding History
Points and Dollars Awarded by Year

Performance Funding Points & Dollars Awarded During the Pilot Cycle (1978-1979 through 1981-1982)

Institutions	1978-79		1979-80		1980-81		1981-82		Average Points	Total \$ for Cycle
	Points	Dollars	Points	Dollars	Points	Dollars	Points	Dollars		
APSU	39	\$57,312	49	\$75,412	62	\$95,838	74	\$123,866	56.0	\$352,428
ETSU	40	\$135,323	40	\$130,439	41	\$125,583	54	\$177,639	43.8	\$568,984
IVITSU	54	\$169,932	56	\$200,427	58	\$209,254	74	\$299,363	60.5	\$878,976
TSU	34	\$102,080	39	\$121,703	45	\$125,751	62	\$172,127	45.0	\$521,661
TTU	67	\$165,415	69	\$187,118	69	\$185,203	82	\$251,363	71.8	\$789,099
UM	53	\$323,848	58	\$383,022	65	\$410,466	69	\$460,745	61.3	\$1,578,081
Subtotals		\$953,910		\$1,098,121		\$1,152,095		\$1,485,103		\$4,689,229
UTO	55	\$113,340	63	\$137,707	71	\$156,397	62	\$152,834	62.8	\$560,278
UTK	66	\$658,042	67	\$737,050	85	\$912,429	81	\$954,360	74.8	\$3,261,881
UTM	45	\$77,113	64	\$117,713	74	\$133,682	75	\$149,033	64.5	\$477,541
Subtotals		\$848,495		\$992,470		\$1,202,508		\$1,256,227		\$4,299,700
CSTCC	36	\$34,930	56	\$51,131	50	\$46,869	58	\$60,078	50.0	\$193,008
CLSCC	34	\$22,349	59	\$40,639	56	\$39,495	80	\$58,763	57.3	\$161,246
COSCC	54	\$25,588	65	\$33,066	55	\$27,652	74	\$39,152	62.0	\$125,458
DSCC	10	\$2,306	20	\$5,414	17	\$4,292	60	\$18,085	26.8	\$30,097
JSCC	50	\$22,235	70	\$37,450	75	\$39,408	81	\$47,349	69.0	\$146,442
MSCC	25	\$10,222	75	\$32,730	88	\$36,115	80	\$35,197	67.0	\$114,264
NSTCC	N/A	N/A	13	\$4,689	13	\$5,455	10	\$4,556	12.0	\$14,700
NSTI	50	\$35,857	50	\$37,000	66	\$56,864	66	\$62,049	58.0	\$191,770
PSTCC	15	\$5,047	35	\$13,797	48	\$20,796	39	\$18,853	34.3	\$58,493
RSCC	28	\$16,461	72	\$43,884	75	\$49,625	81	\$56,486	64.0	\$166,456
SSCC	46	\$50,971	57	\$69,591	60	\$71,694	78	\$94,477	60.3	\$286,733
STIM	25	\$36,406	45	\$49,139	37	\$42,265	47	\$55,100	38.5	\$182,910
VSCC	65	\$34,949	80	\$50,395	69	\$42,743	74	\$47,016	72.0	\$175,103
WSCC	20	\$12,085	36	\$25,367	56	\$40,357	78	\$58,901	47.5	\$136,710
Subtotals		\$309,406		\$494,292		\$523,630		\$656,062		\$1,983,390
Grand Totals		\$2,111,811		\$2,584,883		\$2,878,233		\$3,397,392		\$10,972,319

Performance Funding History

Performance Funding Points & Dollars Awarded During the First Cycle (1982-1983 through 1986-1987)

Institutions	1982-83		1983-84		1984-85		1985-86		1986-87		Average	Total \$
	Points	Dollars	Points	Dollars	Points	Dollars	Points	Dollars	Points	Dollars	Points	for Cycle
APSU	95	\$403,308	95	\$477,470	95	\$524,115	93	\$587,665	91	\$599,976	93.8	\$2,592,534
ETSU	81	\$671,911	93	\$905,216	63	\$663,107	92	\$1,121,952	99	\$1,270,655	85.6	\$4,632,841
MTSU	77	\$784,703	98	\$1,156,841	78	\$1,011,777	98	\$1,443,337	99	\$1,551,390	90	\$5,948,048
TSU	87	\$590,256	93	\$752,231	72	\$616,248	94	\$852,188	73	\$781,785	83.8	\$3,592,708
T-TU	99	\$766,963	99	\$929,363	98	\$1,013,859	97	\$1,177,917	98	\$1,248,162	98.2	\$5,136,264
UM	100	\$1,735,050	97	\$2,062,366	80	\$1,909,120	100	\$2,719,820	80	\$2,317,383	91.4	\$10,743,739
Subtotal		\$4,952,191		\$6,283,487		\$5,738,226		\$7,902.88		\$7,769,351		\$32,646,134
UTC	92	\$578,381	86	\$696,245	94	\$761,870	70	\$647,332	92	\$873,352	86.8	\$3,557,180
UTK	99	\$2,970,376	99	\$3,525,390	99	\$3,846,051	99	\$4,289,994	99	\$4,505,802	99	\$19,137,613
UTM	84	\$424,703	89	\$529,417	94	\$606,629	94	\$668,869	94	\$695,586	91	\$2,925,204
Subtotal		\$3,973,460		\$4,751,052		\$5,214,550		\$5,606,195		\$6,074,740		\$25,619,997
CSTCC	72	\$267,530	90	\$289,845	98	\$341,726	99	\$340,728	97	\$387,756	91.2	\$1,627,585
CLSCC	81	\$147,578	95	\$205,343	74	\$166,611	100	\$249,120	100	\$244,987	90	\$1,013,639
COSCC	84	\$108,675	96	\$149,088	88	\$147,532	100	\$191,050	99	\$217,244	93.4	\$813,589
DSCC	92	\$78,968	100	\$102,400	92	\$101,660	88	\$109,461	100	\$134,795	94.4	\$527,284
JSCC	100	\$144,885	100	\$173,150	100	\$186,600	100	\$201,590	86	\$184,900	97.2	\$891,125
MSCC	100	\$106,635	100	\$135,300	88	\$136,532	100	\$162,008	88	\$163,772	95.2	\$704,247
NSTCC	76	\$85,667	88	\$123,508	94	\$136,535	90	\$138,384	94	\$153,550	88.4	\$637,644
NSTI	100	\$233,865	100	\$281,800	100	\$297,200	100	\$317.85	100	\$324,691	100	\$1,455,401
PSTCC	93	\$107,415	59	\$84,510	100	\$145,000	75	\$147,598	94	\$211,230	84.2	\$695,753
RSCC	94	\$169,106	100	\$217,950	100	\$252,650	92	\$262,350	100	\$307,061	97.2	\$1,209,117
SSCC	96	\$285,701	89	\$314,348	97	\$360,161	100	\$370,028	100	\$396,721	96.4	\$1,726,959
STIM	100	\$296,805	90	\$330,930	100	\$413,300	100	\$456,728	100	\$509,087	98	\$2,006,850
VSCC	100	\$170,475	100	\$200,850	100	\$216,100	100	\$228,995	100	\$253,204	100	\$1,069,624
WSCC	92	\$177,666	88	\$200,552	92	\$231,932	100	\$280,598	100	\$307,978	94.4	\$1,198,726
Subtotal		\$2,380,971		\$2,809,574		\$3,133,539		\$3,456,483		\$3,796,976		\$15,577.54
Grand Total		\$11,306,622		\$13,844,113		\$14,086,315		\$16,965,557		\$17,641,067		\$73,843,674

Performance Funding History

Performance Funding Points & Dollars Awarded During the Second Cycle (1987-1988 through 1991-92)

Institutions	1987-88		1988-89		1989-90		1990-91		1991-92		Avg. Points	Total \$ for Cycle
	Points	Dollars	Points	Dollars	Points	Dollars	Points	Dollars	Points	Dollars		
APSU	80	\$599,108	75	\$599,309	83	\$721,498	74	\$643,264	77	\$700,186	77.8	\$3,263,365
ETSU	86	\$1,306,267	87	\$1,480,913	85	\$1,480,825	78	\$1,358,875	69	\$1,184,445	81.0	\$6,811,325
MTSU	75	\$1,408,266	79	\$1,662,655	76	\$1,690,350	73	\$1,623,626	79	\$1,796,556	76.4	\$8,161,453
TSU	32	\$351,712	35	\$406,641	61	\$715,499	68	\$797,605	60	\$707,105	51.2	\$2,978,562
TTU	89	\$1,327,242	90	\$1,414,798	78	\$1,252,600	82	\$1,316,836	80	\$1,214,347	83.8	\$6,525,823
UM	76	\$2,586,969	69	\$2,470,310	88	\$3,198,932	82	\$2,980,823	85	\$3,001,397	80.0	\$14,238,431
Subtotal		\$7,579,564		\$8,034,626		\$9,059,704		\$8,721,029		\$8,604,036		\$41,998,959
UTC	79	\$881,078	78	\$949,546	79	\$948,674	77	\$924,657	81	\$966,157	78.8	\$4,670,112
UTK	84	\$4,462,634	88	\$4,917,579	90	\$5,203,862	78	\$4,510,013	81	\$4,615,978	84.2	\$23,710,066
UTM	82	\$703,689	76	\$678,832	77	\$701,991	75	\$683,757	76	\$702,607	77.2	\$3,470,876
Subtotal		\$6,047,401		\$6,545,957		\$6,854,527		\$6,118,427		\$6,284,742		\$31,851,054
CSTCC	75	\$394,975	97	\$578,555	92	\$618,677	86	\$578,329	72	\$514,986	84.4	\$2,685,522
CLSCC	70	\$203,225	75	\$227,878	64	\$201,781	72	\$227,003	83	\$269,239	72.8	\$1,129,126
COSCC	96	\$256,787	95	\$266,641	95	\$296,567	93	\$290,324	95	\$313,808	94.8	\$1,424,127
DSCC	83	\$131,543	77	\$129,504	81	\$147,003	87	\$157,892	83	\$159,815	82.2	\$725,757
JSCC	73	\$197,373	69	\$197,727	80	\$243,288	77	\$234,165	82	\$258,666	76.2	\$1,131,219
MSCC	94	\$203,947	87	\$207,251	88	\$226,755	85	\$219,025	72	\$198,201	85.2	\$1,055,179
NSTCC	83	\$155,427	87	\$173,112	77	\$178,393	85	\$196,928	89	\$244,417	84.2	\$948,277
NSTI	85	\$323,904	82	\$325,969	80	\$324,166	80	\$324,166	84	\$334,835	82.2	\$1,633,040
PSTCC	87	\$289,800	93	\$316,680	68	\$327,129	73	\$351,182	84	\$474,968	81.0	\$1,759,759
RSCC	97	\$341,666	91	\$401,075	92	\$460,035	89	\$445,033	91	\$473,037	92.0	\$2,120,846
SSCC	79	\$345,430	76	\$360,230	89	\$454,686	82	\$418,924	82	\$476,887	81.6	\$2,056,157
STIM	86	\$506,993	81	\$506,255	86	\$580,063	77	\$519,359	69	\$488,715	79.8	\$2,601,385
VSCC	86	\$265,565	84	\$284,935	91	\$328,765	89	\$321,540	93	\$371,977	88.6	\$1,572,782
WSCC	95	\$351,397	86	\$334,792	97	\$413,034	88	\$374,711	96	\$447,022	92.4	\$1,920,956
Subtotal		\$3,968,032		\$4,310,604		\$4,800,342		\$4,658,581		\$5,026,573		\$22,764,132
Grand Total		\$17,594,997		\$18,891,187		\$20,714,573		\$19,498,037		\$19,915,351		\$96,614,145

Performance Funding History

Performance Funding Points & Dollars Awarded During the Third Cycle (1992-1993 through 1996-97)

Institutions	1992-93		1993-94		1994-95		1995-96		1996-97		Avg. Points	Total I \$ for Cycle
	Points	Dollars	Points	Dollars	Points	Dollars	Points	Dollars	Points	Dollars*		
APSU	89	\$916,696	89	\$1,044,022	91	\$1,068,673	91	\$1,096,744	92	\$1,063,118	90.4	\$5,189,253
ETSU	84	\$1,567,278	82	\$1,688,120	85	\$1,756,922	84	\$1,765,048	89	\$1,792,745	84.8	\$8,570,113
MTSU	95	\$2,426,850	94	\$2,699,667	94	\$2,704,637	83	\$2,452,913	85	\$2,504,885	90.2	\$12,788,952
TSU	89	\$1,144,524	82	\$1,172,397	67	\$950,741	84	\$1,228,186	79	\$1,126,319	80.2	\$5,622,167
TTU	93	\$1,507,575	94	\$1,668,254	92	\$1,653,717	92	\$1,634,965	92	\$1,586,379	92.6	\$8,050,890
UM	87	\$3,315,778	91	\$3,798,531	95	\$4,023,228	85	\$3,599,916	91	\$3,764,806	89.8	\$18,502,259
Subtotal		\$10,878,701		\$12,070,991		\$12,157,918		\$11,777,772		\$11,838,252		\$58,723,634
UTC	89	\$1,156,408	87	\$1,246,920	97	\$1,413,927	93	\$1,351,262	95	\$1,364,996	92.2	\$6,533,513
UTK	92	\$5,610,816	92	\$6,094,166	81	\$5,401,406	89	\$5,909,316	91	\$5,955,169	89.0	\$28,970,873
UTM	92	\$927,590	85	\$936,784	91	\$1,010,597	81	\$907,312	88	\$969,176	87.4	\$4,751,459
Subtotal		\$7,694,814		\$8,277,870		\$7,825,930		\$8,167,890		\$8,289,341		\$40,255,845
CSTCC	96	\$751,368	91	\$784,990	79	\$683,627	74	\$654,274	95	\$820,168	87.0	\$3,694,427
CLSCC	95	\$337,521	79	\$305,346	92	\$356,395	89	\$351,467	86	\$323,778	88.2	\$1,674,507
COSCC	100	\$367,112	99	\$397,864	96	\$375,239	93	\$384,750	94	\$397,750	96.4	\$1,922,715
DSCC	89	\$185,629	91	\$207,307	88	\$201,000	77	\$178,603	87	\$207,583	86.4	\$980,122
JSCC	90	\$311,517	89	\$338,371	89	\$335,752	83	\$334,106	77	\$294,636	85.6	\$1,614,382
MSCC	99	\$304,630	98	\$334,026	93	\$313,943	94	\$322,800	91	\$301,538	95.0	\$1,576,937
NSTCC	95	\$297,758	90	\$317,893	96	\$342,839	85	\$284,981	83	\$340,848	90.2	\$1,584,319
NSTI	84	\$353,376	87	\$394,777	87	\$400,752	79	\$384,081	90	\$377,034	85.4	\$1,910,020
PSTCC	94	\$595,293	91	\$649,595	89	\$621,737	83	\$594,976	90	\$627,742	89.4	\$3,089,343
RSCC	97	\$557,779	88	\$561,947	89	\$567,411	85	\$548,164	90	\$561,721	89.8	\$2,797,022
SSCC	90	\$603,756	87	\$669,737	90	\$675,762	90	\$685,130	80	\$585,156	87.4	\$3,219,541
STIM	82	\$634,732	81	\$688,309	82	\$698,415	95	\$818,200	97	\$804,182	87.4	\$3,643,838
VSCC	100	\$464,994	96	\$523,776	98	\$528,278	80	\$447,816	94	\$582,485	93.6	\$2,547,349
WSCC	91	\$476,062	91	\$528,633	94	\$542,577	84	\$501,520	96	\$595,559	91.2	\$2,644,351
Subtotal		\$6,241,527		\$6,702,571		\$6,643,727		\$6,490,868		\$6,820,180		\$32,898,873
Grand Total		\$24,815,042		\$27,051,432		\$26,627,575		\$26,436,530		\$26,947,773		\$131,8781.35

Performance Funding History

Performance Funding Points & Dollars Awarded a During the Fourth Cycle

Institutions	1997-98		Avg. Points	Total \$ for Cycle
	Points	Dollars		
APSU	0.92	\$1,129,425	0.92	\$1,129,425
ETSU	0.94	1,930,657	0.94	\$1,930,657
MTSU	0.97	3,117,815	0.97	\$3,117,815
TSU	0.92	1,433,020	0.92	\$1,433,020
TTU	0.95	1,662,992	0.95	\$1,662,992
UM	0.88	3,689,215	0.88	\$3,689,215
Subtotal		\$12,963,124		\$12,963,124
UTC	0.96	\$1,485,320	0.96	\$1,485,320
UTK	0.98	6,492,331	0.98	\$6,492,331
UTM	0.96	1,081,642	0.96	\$1,081,642
Subtotal		9,059,293		\$9,059,293
CSTCC	0.94	839,976	0.94	\$839,976
CLSCC	0.97	380,803	0.97	\$380,803
COSCC	0.99	463,391	0.99	\$463,391
DSCC	0.96	238,568	0.96	\$238,568
JSCC	0.86	354,477	0.86	\$354,477
MSCC	0.96	333,176	0.96	\$333,176
NSTCC	0.92	464,210	0.92	\$464,210
NSTI	0.98	389,438	0.98	\$389,438
PSTCC	0.98	736,170	0.98	\$736,170
RSCC	0.92	\$597,948	0.92	\$597,948
SSCC	0.72	521,886	0.72	\$521,886
STIM	1.00	\$848,394	1.00	\$848,394
VSCC	0.94	620,389	0.94	\$620,389
WSCC	0.93	628,252	0.93	\$628,252
Subtotal		\$7,417,078		\$7,417,078
Grand Total		\$29,439,495		\$29,439,495

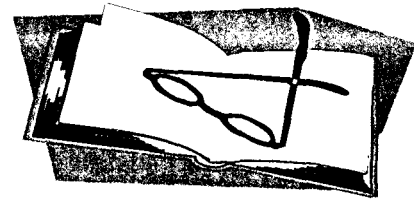
Performance Funding History

Summary for All Cycles (Total \$)

Institutions	1978-79 through 1997-92
APSU	\$12,527,005
ETSU	\$22,513,920
MTSU	\$30,915,244
TSU	\$14,148,118
TTU	\$22,165,068
UM	\$48,751,725
Subtotal	\$151,021,080
UTC	\$16,806,403
UTK	\$81,572,764
UTM	\$12,706,722
Subtotal	\$111,085,889
CSTCC	\$9,040,518
CLSCC	\$4,359,321
COSCC	\$4,749,280
DSCC	\$2,501,828
JSCC	\$4,137,645
MSCC	\$3,783,803
NSTCC	\$3,649,150
NSTI	\$5,579,669
PSTCC	\$6,339,518
RSCC	\$6,891,389
SSCC	\$7,811,276
STIM	\$9,283,377
VSCC	\$5,985,247
WSCC	\$6,528,995
Subtotal	\$80,641,016
Grand	\$342,747,985

APPENDIX B

Letter of Introduction to Interviewees



March 22, 2000

Name
Title
University of Tennessee
Address
City, State Zip

Dear Name:

Twenty years ago the state of Tennessee implemented a project that was the first of its kind – the Performance Funding Project. Since that time, the performance funding policy in the state has been modified, but has maintained its status as the longest running performance funding policy in effect today.

As a doctoral student in higher education at the University of Tennessee, I am interested in the effect that this policy has had at the campus level, specifically the University of Tennessee. As a part of my research, I am conducting a limited number of interviews with past and present administrative and academic personnel of the institution in order to assist me in obtaining a twenty-year historical perspective of the policy's impact on the UT campus. By participating in this study, you can be of great assistance to me in this endeavor.

I am requesting and hoping that you might agree to participate in this study. I will be contacting you by phone in the next few days to hopefully find approximately an hour of your time where I can visit with you in order to learn more about your experiences with this policy.

I am enclosing a copy of the Informed Consent Form for this study. At the time of our interview I will need to obtain a signed copy for my records. Your interview responses will be held confidential – your name nor position will be revealed without your permission. Participation in the study is voluntary. If at any time you wish to withdraw your participation, you may do so without penalty by contacting me.

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If you have any questions regarding the research, I can be reached at (423) 524-3043 (work). The University of Tennessee's Institutional Review Board can also be reached at (423) 974-3466. Again, I am looking forward to visiting with you.

Sincerely,

Kimberely B. Hall
Doctoral Student in Higher Education
University of Tennessee

APPENDIX C

Interviewee Consent Form

CONSENT FORM

Project Title:

Performance Funding and The University of Tennessee, Knoxville: A Case Study

The purpose of this study is to describe the impact of Tennessee Performance Funding Policy on the University of Tennessee, Knoxville campus over the past twenty years. The proposed student seeks to develop a rich, thick, description of the phenomenon under student, Tennessee Performance Funding at the University of Tennessee, Knoxville over the past twenty years. Several research questions have been derived. These questions in no way limit the intent to provide the description indicated, but provide guidance for the study:

1. How has the Tennessee Performance Funding Policy impacted the University of Tennessee, Knoxville with regard to (a) awareness of the policy and its purposes and (b) the activities of the institution in relation to the policy?
2. How has educational decision making been affected by the Tennessee Performance Funding Policy at the University of Tennessee, Knoxville?
3. Based on professional experience and opinion, what strengths/liabilities and reform suggestions regarding the Tennessee Performance Funding Policy are identified by selected University of Tennessee, Knoxville administrative and academic personnel?

Your participation in this research will involve an interview that will last approximately one hour. As a participant, your identity and the office you represent will be kept confidential unless you give your permission otherwise, thus placing you at minimal risk of identification. Therefore, unless your permission is given to reveal your name and position, comments made during the interviews will only be identified in the case study report as those made by a member of a generally identified group – administration, dean, department chair (multiple members will be interviewed). However, you are cautioned that since this study involves a policy specific to the state of Tennessee, it is impossible to keep the identity of the institution involved in the study confidential.

Your agreement to participate in this study will be evidenced through the signing and returning of one of the enclosed consent forms to the researcher. **The second consent form may be kept for your records.**

This study may have no personal benefits for you. However, participation in the study will at a minimum assist in providing an addition to the pool of literature available to future researchers on this topic. Also, through the study of the effects of the longest running performance funding policy in the nation at the campus level - both the successes and failures, strengths and weaknesses, assumptions and expectations - other states seeking to implement or modify a similar policy may capitalize on the positives, while avoiding the negatives. In addition, this study will provide the Tennessee Higher Education Commission with evidence of actual effects of the Tennessee Performance Funding Policy at the University of Tennessee, Knoxville that may aid in future planning efforts related to this policy and will provide the University of Tennessee with an unbiased review of the university's response to this policy.

Page 2
Consent Form

Confidentiality of the material from the interview will be maintained by limiting access to the interview information to the researcher and one secretary. The secretary will assist with the transcription of the interview tapes only after she has signed an agreement of confidentiality. Following transcription, all interview tapes will be destroyed. The signed consent forms will be stored in a locked filing cabinet in the College of Education, Educational Administration and Policy Studies, at the University of Tennessee, Knoxville. The interview transcriptions will be stored in a locked filing cabinet at the work of the researcher and will be maintained for a period of three years after the conclusion of the study. After this time, they will be destroyed. The results from this study will be presented in my doctoral dissertation.

Your participation in this study is voluntary. Choosing not to participate will involve no penalty and you may withdraw from the research project at any time without penalty. If you have questions about the research please contact Kimberly B. Hall at (423) 524-3043 (work). If you have questions about your rights as a participant, contact the Compliance Section of the UTK Office of Research at 423/974-3466.

I have read and understood the explanation of this study and agree to participate,

Name (Please Print)

Date

Signature

Telephone

By also signing below, I agree to have my name and office identified with my transcript.

Signature

APPENDIX D

Interview Protocol

Interview Protocol

Thank you for agreeing to talk with me today about performance funding at The University of Tennessee, Knoxville. I would like to tape this interview. May I have your permission to do so?

- 1) What impression do you have concerning the impact of Performance Funding in Higher Education at the University of Tennessee, Knoxville?

Probe: Give me an example of a process, policy, or decision at the University, positive or negative, that can be traced to the influence of the Tennessee Performance Funding Policy.

Probe: In your opinion, how has assessment of student outcomes changed due to this policy?

Follow-up: Are you aware of any educational program or policy decisions that have been heavily impacted by data derived through performance funding activities? If yes, please explain.

- 2) Describe your experience with performance funding on your campus?

Probe: Give me an example of an activity you have been involved in that was directly impacted by performance funding.

- 3) In your experience with performance funding, what is its greatest strength? Can you provide me with an example to illustrate this strength?

Probe: What is your opinion of advocates of performance funding views that the policy is both an incentive and a reward?

- 4) In your experience with performance funding, what is its greatest weakness? Can you provide me with an example to illustrate this weakness?

Probe: What is your opinion of criticisms of performance funding relating to decrease of campus autonomy?

- 5) If you were the “czar of performance funding,” what would you do with the policy?

Probe: Should the policy be modified?

Probe: Should the policy be discontinued?

Is there any additional information that you would like to provide in addition to the format of this interview? I am interested in any documentation you may have or suggest that is pertinent to this topic. Thank you for taking time to participate in this research project.

VITA

Kimberely B. Hall was born in Harriman, Tennessee on March 2, 1965. She attended school in Oakdale, Tennessee where she graduated as valedictorian from Oakdale High School in 1983. She attended two years of college at Roane State Community College and then transferred to the University of Tennessee in Knoxville where she received a Bachelor of Business Administration degree with an emphasis in Finance in March 1987. While working in private, postsecondary education as an administrator, she completed graduate courses at Austin Peay State University in Speech and Communications. She later transferred to the University of Tennessee at Knoxville and received a Master of Science degree in Educational Administration and Supervision in December 1998. In August of 1998, Ms. Hall began pursuing a Doctor of Education degree with a concentration in Educational Administration and Policy Studies, with a specialization in Higher Education. She is presently serving as the Vice President of Academic and Student Affairs at Knoxville Business College in Knoxville, Tennessee.