

BEST PRACTICES IN COMMUNITY COLLEGE BUDGETING

CHECK PERFORMANCE

5A – Monitor and Evaluate Outcomes from Budgeting Decisions

SUMMARY

Key Points:

- A college should establish a system to ensure that its strategies and priorities are being implemented. The system should monitor the processes associated with implementation and collect and evaluate interim performance results.
- The monitoring system should identify responsible parties to carry out and oversee the Action Plan's implementation and to manage specific elements and initiatives within the plan; set milestone dates for necessary steps to be taken; and establish a reporting process so that the college is informed on progress in implementing the strategies.
- Throughout the year the college should evaluate student progress towards academic achievement goals. At a minimum, a college should develop a timeline that outlines project checkpoints and identifies which steps are to be completed by what dates. Important information that a college should consider in its evaluation of student achievement are data related to the goals and financial resources critical to achieving those goals.

Related Award Program Criteria:

- Criterion 5.A.1: Monitoring Implementation. The Applicant can show documented responsible parties, milestones, and system of reporting for monitoring strategy implementation in its Supplementary Materials.
- Criterion 5.A.2: Continuous Improvement. The Applicant can document in its Supplementary Materials and Budget Document the difference between planned and actual results (both financial and student achievement results), the root causes of those differences, and plan for how the planning, budgeting, and/or implementation process will be adjusted accordingly.

INTRODUCTION

To ensure that the strategy and priorities are implemented with fidelity to the budget document, a community college ("college") needs to establish a system that:

- I. Monitors the processes that are associated with implementation.
- II. Collects and evaluates interim performance results to ascertain whether the strategy is on track to have the intended impact.
- III. Uses the information from the monitoring process to make needed adjustments and inform future budgeting efforts.

An example of a monitoring system is shown in Appendix 1.

I. MONITORING STRATEGY IMPLEMENTATION

Background. A well-developed budget outlines a course of action for the upcoming fiscal year. Such a plan needs to be implemented. However, excellent plans are often improperly or incompletely put into practice. Even if a plan is properly executed, there needs to be some method to determine whether or not the plan/budget is having the desired effect.

Strategic Planning and the Budget

If a college has a strategic planning process, there ideally would be a unified monitoring system for goals, strategies, and budgets.

Recommendation. A college should start by assigning responsibility to a member of the college's staff with sufficient authority for carrying out and overseeing the implementation of the strategy. Next, the steps needed to successfully put the strategy into practice should be identified, including a timeline and a set of milestones. The Action Plan that is part of the college's strategy development should identify most if not all of the required steps. (See Best Practice in Community College Budgeting, 3B – Develop Strategies.) Finally, a reporting process should be established to track the implementation of the strategy.

II. EVALUATING INTERIM RESULTS THROUGHOUT THE YEAR

Background. Most colleges have in place periodic check-ins (quarterly, biennially) for monitoring budget execution where the purpose is to compare actual spending to budgeted amounts. A complimentary system for monitoring the implementation of the strategies should build upon these checks, incorporating the implementation review with the fiscal review.

Recommendation. The GFOA recommends that the implementation monitoring system should first identify the key elements that could serve as indicators of progress. At a minimum, a timeline should outline project checkpoints and identify which steps are to be completed by what dates. In addition to a timeline, a college should begin collecting data that are tied to the college's goals. For example, if the goal is to increase completion, the college could compare the number of degree/certificate completions from the first semester/quarter/trimester relative to those in prior years. While it may take some time for the college's strategies to fully impact these numbers, this step may provide some indication of whether or not progress is being made. These indicators could also serve as an early warning system of unexpected declines in performance.

Where it is not practical to collect data specifically tied to the goals, there may be other forms of evidence showing whether the strategy is being implemented. For example, if the strategy is to develop a cohort model for incoming students, the monitoring system could track how many new students took part in the program, how many times they were contacted, what percentage of the first-term cohort registered for classes in the second term, etc. Although these measures may reflect program outputs, as opposed to outcomes, they will at least provide an earlier indication as to whether the implementation is on track.

Finally, with financial resources critical to achieving the goals, the college should also have processes established to monitor risks to the budget, as often as monthly, and have options to implement changes in the spending plan to preserve the college's financial health, while still doing the most that is practical to achieve the college's goals.

III. ADJUSTING STRATEGY AND BUDGETING IN RESPONSE

Background. A college may find that a strategy is not having the intended impact on its goals. If so, the college needs to examine the reason for this and adjust its approach.

Recommendation. The GFOA recommends that colleges address the following line of questioning in response to strategies that are not having the intended impact:

- Was the Action Plan implemented correctly? If so...
- Were the actions steps the right ones to take? If so...
- Was the Guiding Policy the right one for the root cause of the problem? If so...
- Did we have the root cause right?

The answers to these questions will guide the college on where adjustment is needed in its planning and budget process.

See Appendix 1 for an example of a monitoring system.

APPENDIX 1

ACCESSIBLE REPORTING SYSTEM ILLUSTRATED – A PERFORMANCE DASHBOARD

A performance dashboard makes available indicators of performance using presentation techniques that allow users to discern important information “at a glance.” The following examples are taken from Higher Education Finance Research: Policy, Politics, and Practice.¹ They illustrate how metrics can be used to track progress relative to a college’s strategic goals. Presented here are just a few of the quantifiable measures that could constitute the system to ensure that the strategy is being put into practice and whether it is having an impact.

Also included is an example of how these individual metrics can be aggregated to communicate to a broader audience. The external dashboard model conveys both the key elements of the strategic plan as well as the college’s progress toward its goals in an accessible graphic.

I. EXAMPLES OF DASHBOARDS

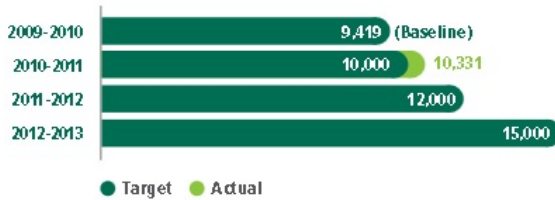
EXAMPLE A: INTERNAL DASHBOARDS

Strategy 1 - Ensure that students achieve their educational goals

METRIC 1.0.2

NUMBER OF STUDENTS COMPLETING CERTIFICATES OR DEGREES

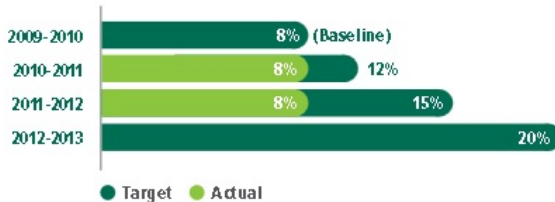
Ivy Tech Community College is committed to increasing the number of students who complete certificates and degrees. To do so, we strengthened our focus on retention and completion.



METRIC 1.0.3

RATE AT WHICH STUDENTS COMPLETE CERTIFICATES OR DEGREES WITHIN THREE YEARS

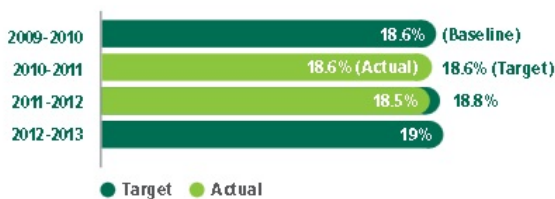
In addition to ensuring that more students reach their goals, Ivy Tech also seeks to move students toward their goals more quickly.



METRIC 1.0.4

RATE AT WHICH STUDENTS COMPLETE DEGREES WITHIN SIX YEARS

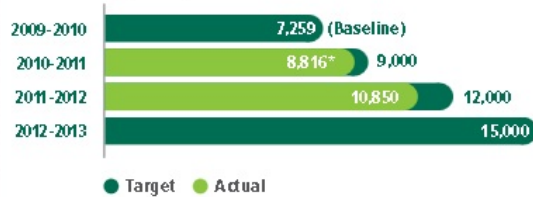
Ivy Tech measures student progress toward completion by multiple variables, including completion within six years.



METRIC 1.4.1

NUMBER OF STUDENTS WHO TRANSFER IVY TECH CREDIT HOURS TO FOUR-YEAR PUBLIC INSTITUTIONS

Ivy Tech strives to increase the number of students who move on to a four-year college or university after earning credits at Ivy Tech. We believe this is as much a measure of success as degree completion.

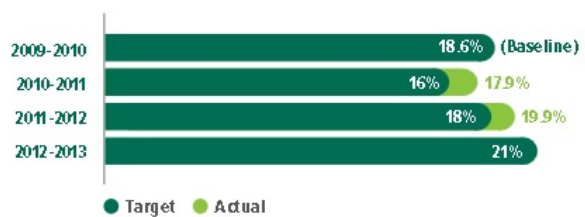


*DATA ONLY INCLUDES INDIANA PUBLIC SCHOOLS

METRIC 1.4.3

RATE AT WHICH STUDENTS TRANSFER

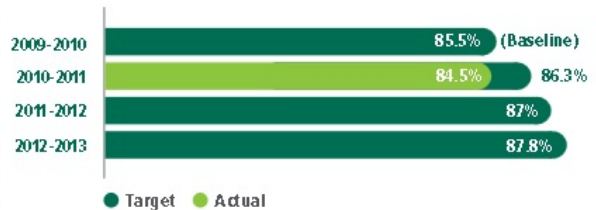
The College also strives to improve the percentage of students who transfer within three academic years of their start at Ivy Tech.



METRIC 1.5.2

PERCENT OF DUAL CREDIT ENROLLMENTS SUCCESSFULLY COMPLETED WITH GRADE OF A, B, C OR P

Dual credit courses, which provide high school and college credit simultaneously, play a critical role in accelerating student progress and making college affordable. Ivy Tech seeks to increase dual credit enrollments, specifically for those who demonstrate mastery of the course content.

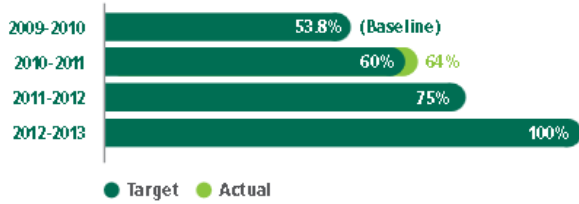


Strategy 2 – Ensure that Indiana’s Citizens, Workforce and Businesses are Globally Competitive

METRIC 2.1.1

PERCENT OF TECHNICAL AND PROFESSIONAL DEVELOPMENT PROGRAMS WITH CURRENT, VALIDATED STATEWIDE OUTCOME STANDARDS

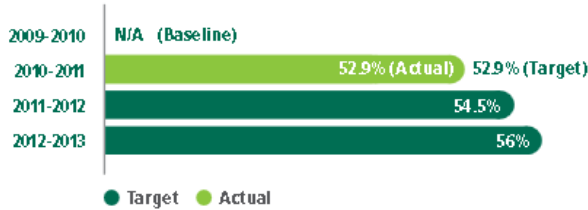
Ivy Tech seeks to ensure that AS and AAS programs are career-relevant by increasing the percentage of these programs that have current and validated outcomes.



METRIC 2.2.2

TOP 50 COMPANIES SURVEY RESULTS

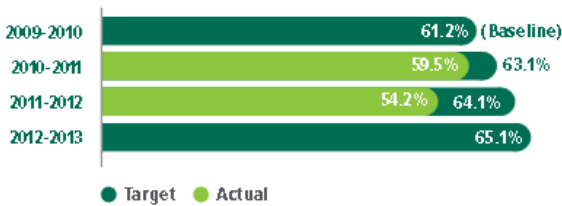
The College measures its success in meeting the needs of employers via a survey of the 50 largest employers in each of its 14 regions. Specifically, the College seeks to improve perceptions regarding student readiness for the workforce.



METRIC 2.2.3

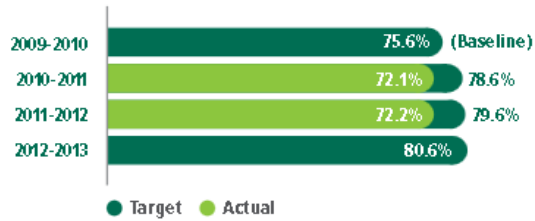
PERCENT OF GRADUATES PLACED IN PREPARATION-RELATED JOBS

Ivy Tech also assesses its ability to help employers remain globally competitive by measuring the number of graduates placed in jobs they report to be related to their area of study.



Strategy 2 – Ensure Optimal Quality and Efficiencies Statewide**METRIC 3.1.1****STUDENT SATISFACTION WITH IVY TECH IN GENERAL
(VERY SATISFIED OR SATISFIED)**

One of the most critical measures of our success is student satisfaction. One means by which the College measures this is the percentage of students who say they are "satisfied" or "very satisfied" with Ivy Tech, as reported in the ACT Student Satisfaction Survey.

**Endnote**

¹ Mary McKeown-Moak and Christopher Mullin, *Higher Education Finance Research: Policy, Politics, and Practices* (Charlotte, NC: Information Age Publishing, 2013).