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STATE COMPTROLLER



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STATE OF NEW YORK  
OFFICE OF THE STATE  
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September 3, 1998

Dr. John W. Ryan  
Chancellor  
State University of New York  
State University Plaza  
Albany, New York 12246

Re: Report 97-F-54

Dear Dr. Ryan:

According to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law, we have reviewed the actions taken by officials of the State University of New York (SUNY) as of August 21, 1998, to implement the recommendations included in our prior audit report, Report 95-S-76, entitled "Report on Performance Indicators." Our prior audit report, which was issued on July 30, 1996, examined SUNY performance indicator measurement and reporting processes.

**Background**

In 1991, SUNY developed a vision statement entitled *SUNY 2000*, to help establish a plan to take SUNY into the next century. In December 1994, SUNY issued its first Performance Indicators Report. Our prior audit addressed how SUNY's indicator reporting compared to that of other institutions of higher learning, whether the Report indicators reflected input from key users and measured progress toward *SUNY 2000* goals, and whether SUNY's internal controls were adequate to ensure the accuracy of performance data.

SUNY has not issued another Report since the first one in 1994. However, since 1994, there have been changes in SUNY's leadership, including several new appointees to the Board of Trustees and a new Chancellor. SUNY officials have told us that the new leadership has developed new initiatives and direction for SUNY performance indicators. For example, the SUNY Board of Trustees recently approved a plan, called the Resource Allocation Methodology (RAM), which will build performance indicators into the funding mechanism for each campus. It is expected that these measures will be used, in part, to assess the performance of the campus in the achievement of its mission and also to serve as a component in the allocation of State appropriations. SUNY expects performance measures to be introduced in the 1999-2000 fiscal year. A System-wide Performance Indicators Task Force report detailing possible measures and how they will be used has recently been

submitted to the University's Provost and provided to campuses for comment.

### **Summary Conclusions**

Our prior audit determined that SUNY's Report could be a more valuable tool for management and Report users if SUNY ensured that indicators measured progress toward specific *SUNY 2000* goals; reported more outcome indicators as did certain other comparable institutions; ensured that indicators reflected the input of key Report users; and formalized its documentation and quality control process to ensure the accuracy of indicator data.

In our follow-up review, we found that SUNY has generally implemented our recommendations in the context of the RAM initiative. This initiative makes it particularly important that SUNY identify appropriate indicators and accurately measure them because performance indicators will, for the first time, play a role in determining the financing of each SUNY campus.

### **Summary of Status of Prior Recommendations**

We found that SUNY officials generally implemented all four recommendations from our prior audit report.

### **Follow-up Observations**

#### **Recommendation 1**

*Consider linking the indicators in future performance indicators reports to the specific goals stated in SUNY 2000, and using the Report as a management tool to identify opportunities for improved performance.*

Status - Implemented

Agency Action - SUNY officials have advised us that *SUNY 2000* has become less relevant than it was at the time of our original audit because of the new RAM initiative that SUNY has chosen to pursue. The performance measures associated with RAM, however, will be linked to each campus's unique mission and activities. Furthermore, SUNY intends to monitor each campus's performance indicators to assess how well each campus is meeting its own goals, as well as the goals of the System. Gaps between actual performance and goals will be seen as opportunities for improved performance.

#### **Recommendation 2**

*Investigate the feasibility of using additional output and outcome indicators to demonstrate the quality of the services provided.*

Status - Implemented

Agency Action - The System-wide Performance Indicators Task Force was charged with the responsibility of developing a set of performance measures that will permit the System to monitor the progress of individual campuses in meeting their own and System-wide goals. These measures address student achievement with respect to learning, graduation and post-graduation outcomes; faculty achievement with respect to scholarship, research and teaching; the robustness of the academic enterprise with respect to student applications, external support and reputation; and the quality of campus services and facilities as well as its environment and climate. All of these are output or outcome measures that demonstrate the quality of the services that each campus provides.

In addition, SUNY officials told us that they intend to hire an outside consulting firm to survey SUNY alumni to determine their level of satisfaction with various areas of their academic experience. SUNY also plans to conduct a student opinion survey that will determine student views on their educational environment. This data will form a part of the suite of performance measures.

### **Recommendation 3**

*Identify and involve key report users in the development of future performance indicator reports.*

Status - Implemented

Agency Action - As mentioned previously, the System-wide Performance Indicators Task Force has been charged with the responsibility of developing a set of performance measures that will permit the System to monitor the progress of individual campuses in meeting their own and System-wide goals. This Task Force consists of System-wide leadership representatives. Campus representatives are key stakeholders in the performance measurement process because, under the RAM, the amount of State financing allocated to each campus will be tied, in part, to how well the campus meets its own goals.

### **Recommendation 4**

*Improve the quality control process to address the issues raised in this report.*

Status - Implemented

Agency Action - SUNY has not issued another Performance Indicators Report since the first one which was issued in 1994. However, SUNY officials have stated that they intend to further improve their documentation standards and procedures for performance measures and for related information development, analysis and reporting in conjunction with the RAM initiative.

Major contributors to this report were Karen Bogucki and Richard Loveless.

We thank the management and staff of SUNY System Administration for the courtesies and cooperation extended to our staff during this review.

Yours truly,

Jerry Barber  
Audit Director

cc: Robert L. King