



## CAMPUS MEMO

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**TO:** Dr. Michael Nietzel, President

**FROM:** Greg Burris, Vice President for Administrative & Information Services and  
Chair, Ad Hoc Process Improvement Committee

**CC:** Ad Hoc Process Improvement Committee

**DATE:** December 14, 2005

**RE:** **Recommendations – Peers of Aspiration and Consumer Price Index**

Four charges were given to the Ad Hoc Process Improvement Committee – three via your memo dated July 27, 2005, and one delegated to the committee subsequent to that memo. This memo is intended to make recommendations addressing the first two charges, although a status update addressing the last two charges is also included.

### **Recommended List of “Peers of Aspiration”**

The first charge given to the committee was the following:

*Identify a set of up to 15 “peers of aspiration.” This set of institutions should be similar to Missouri State University-Springfield in many respects (e.g., student headcount, level and span of degree programs), but possess characteristics and accomplish outcomes that we aspire to achieve. This set of institutions will be used as a benchmark cohort for comparing our performance in a variety of categories over the next few years.*

The Ad Hoc PIC consists of the original members of the Process Improvement Committee plus two additional faculty representatives assigned by Faculty Senate, two

additional staff representatives assigned by Staff Senate, and Paul Langston, Director of Institutional Research.

The Ad Hoc Process Improvement Committee used the following process to develop the proposed list of “peers of aspiration”:

- The committee identified the master list of major characteristics it would consider when identifying peers of aspiration (e.g., selectivity). Some characteristics were determined to be used as selection parameters to narrow the list of institutions; others were to be used subjectively once the list was reduced. (See Appendix A – Characteristics to Consider when Identifying Missouri State University’s “Peers of Aspirations”)
- The committee determined a specific indicator for each characteristic (e.g., ACT or SAT score over a specified level).
- The committee discussed the relative weight of each characteristic, but did not determine a specific value for each.
- The committee solicited input from the Futures Committee. Feedback from the Chair indicated two major areas of emphasis: (a) increased research funding (\$20 million annually by 2010) and an increase in total graduate enrollment from 2,850 to 3,000-3,500.
- The committee reviewed a series of institutional lists prepared from the IPEDS Peer Analysis System database by Paul Langston. An initial set of criteria produced a list of 120 institutions. During each review iteration, the committee refined its list of selection parameters to narrow the list.
- Additional information was collected from the U.S. News & World Report’s institutional rankings and the list of Metropolitan Universities.
- The committee agreed that the process will not produce a perfect set of “peers of aspiration” because some institutions are performing better than us in some respects, but not as well in others.

The following criteria were used to narrow the list of proposed “peers of aspiration”:

- Public university
- Total headcount enrollment in the range of 10,000-29,000
- Enrollment mix of graduate students + first professional students as a percentage of undergraduate students = 12-30%
- Lower end of the range of admission test scores representing the middle 50% of the freshman class must be either 19 or higher for schools reporting ACT scores or 950 or higher (sum of critical reading and math) for schools reporting SAT scores
  - Must have reported ACT or SAT scores; we excluded institutions that did not report any scores

- Actual graduation rate of 45% or higher
- Research expenditures per FTE > \$170
- Both Masters I and Doctoral-Research Intensive institutions were considered
  - As reported by the U.S. News & World Report institutional rankings, our list includes top-performing Masters institutions and second-, third- and fourth-tier doctoral institutions
- No more than two institutions from any state
- No more than one institution from California; no more than one institution from New York
- No institution from Missouri
- No institution with a hospital or where a medical degree is awarded
- No historically black institution
- Note: The institutions included in the list generally scored higher than Missouri State University in these categories. However, included on the list are institutions that scored lower than us in some categories while scoring higher than us in other characteristics to which we aspire.

On the enclosed spreadsheet, those “peer” indicators that exceed Missouri State University’s values are highlighted.

The Ad Hoc Process Improvement Committee recommends the following institutions be considered our “Peers of Aspiration” in conjunction with the new long-range plan:

- Ball State University (Muncie, Indiana)
- College of Charleston (Charleston, South Carolina)
- Grand Valley State University (Allendale, Michigan)
- Illinois State University (Normal, Illinois)
- James Madison University (Harrisonburg, Virginia)
- Louisiana Tech University (Ruston, Louisiana)
- Northern Iowa University (Cedar Falls, Iowa)
- Towson University (Towson, Maryland)
- University of Montana—Missoula (Missoula, Montana)
- University of North Carolina—Charlotte (Charlotte, North Carolina)
- University of Texas—Arlington (Arlington, Texas)
- University of Wisconsin—La Crosse (La Crosse, Wisconsin)
- Wichita State University (Wichita, Kansas)

The committee recognizes there is no “perfect” peer of aspiration. However, the committee feels it has identified a set of thirteen institutions that have, in the aggregate, performed better than Missouri State University in a number of key indicators.

The committee used a relatively empirical approach to narrow the master list of institutions to a more focused subset, then considered a variety of both objective and subjective factors to reach the recommended list. For example, while the committee recognizes that a directional reference in an institution’s name does not dictate quality (something our own institution knows very well), the committee tried not to include too many institutions with directional names. The committee does, however, recommend including Northern Iowa since they seem to have transcended their regional name and are the third largest institution in a state that emphasizes higher education.

The committee acknowledges that a few of the institutions on the list have exceptional programs or emphasis in specific areas (e.g., Louisiana Tech University for engineering, College of Charleston for high-quality undergraduate instruction). The committee also acknowledges that the funding per FTE student for most of the listed institutions is higher than Missouri State University’s comparable funding. The committee did not exclude any institution from the list just because it was lower funded than our own institution. The committee did, however, exclude a few institutions because they were funded substantially higher than Missouri State University.

While the committee did not set as a goal developing a list of geographically dispersed institutions, the resulting list happens to be reasonably dispersed. Included in the list are institutions from states contiguous to Missouri.

Based upon your remarks during our November 23<sup>rd</sup> meeting, it is the committee’s understanding that the Peers of Aspiration list will be used for the following three primary purposes:

- To provide a comparison group that can be used as benchmarks when comparing public performance measures. We don't want a list where Missouri State is last on every indicator, but the mean or median should be higher than Missouri State. Additionally, we may use these to set standard benchmarks for many other comparisons (instead of comparing our performance to other Missouri schools).
- To analyze their operations and seek out "best practices" to emulate to make Missouri State more effective and/or efficient.
- To analyze their salary levels as one component toward identifying salary goals for Missouri State University.

The committee will present its recommendations to the Faculty Senate, Staff Senate, Administrative Council, and then the Board of Governors. The purpose of the presentations to Faculty Senate, Staff Senate, and Administrative Council will be to collect feedback from these constituencies. The intended purpose of the presentation to the Board of Governors will be to seek their concurrence that these institutions are appropriate to become the University's "peers of aspiration." If the list can be adopted soon, it can be included in the University's long-range plan that is currently under development. If not, the "peers of aspiration" list can be mentioned (without listing the actual institution names) in the hardcopy version and can be specifically listed by name in the version posted on the web.

The committee recommends this process be repeated every five years in conjunction with the University's strategic plan development.

Please contact me if you have any questions or comments regarding this report or the recommended institutions.

### **Recommended Consumer Price Index**

The Ad Hoc Process Improvement Committee was also charged with the following task within your July 27, 2005 memo:

*Recommend a consumer price index (CPI) that should be used to benchmark our salary targets over time for all workforce categories.*

After considering various CPI options, including whether to use a national or regional index, the committee recommends use of the CPI-All Urban Index.

### **Additional Tasks**

The Ad Hoc PIC will continue its work to address its final two tasks. The committee's third task was also included in the July 27, 2005, memo:

*Develop two recommended salary objectives – one for classified staff (typically selected from a local pool of candidates) and one for faculty, unclassified staff, and administrators (typically selected from a larger geographic region – regionally, nationally, or internationally). These objectives should be adjusted based upon the recommended CPI, if possible. One method to be considered is determining the median salaries at our peer institutions, adjusting them based upon their respective CPI's, and comparing them to our median salaries adjusted by the CPI selected in task #2 above. [Note: The term "CPI" is to be replaced with "Cost of Living Index" in this charge, per clarification received from Dr. Nietzel on 12/7/05.]*

Work on this task is in progress. The committee hopes to have a recommendation addressing this charge soon.

The committee's fourth task was delegated to it informally in October. In essence, the Ad Hoc PIC has been asked to coordinate the selection of the performance measures for the University's new strategic plan that external stakeholders and policy makers can use to evaluate the University's performance. Included within this task is the recommendation of a subset of "dashboard indicators." This task has not yet been started by the committee.

Enclosure – Peers of Aspiration Spreadsheet dated 12/14/05