Summary of Performance Standard-Setting Models

Model	Policy Strategy	Example	Pro	Con
Continuous improvement. The standard is based on program's past performance.	It is designed to make all programs improve compared with themselves.	The program will show a 10% increase from last year in the number of students advancing to low–intermediate ESL.	It works well when there is stability and a history of performance on which to base the standard.	A ceiling is reached over time so that little additional improvement is possible.
Relative ranking. Programs are ranked by score on the measure, and the standard is the mean or median performance.	It is used for relatively stable measures in which median performance is acceptable.	The percentage of students passing the GED in the program will be equal or greater than the state average.	It focuses program improvement mainly on low-performing programs.	Higher performing programs have little incentive to improve.
External criteria. The standard is set by a formula or external policy criteria.	Promotes adoption of a policy goal to achieve a uniform higher standard of performance.	Twenty percent of all students enrolled in ABE annually will enter community college.	This model is appropriate for strategies when large improvements are needed, often over the long term.	An external goal set without considering past performance may be unrealistic and unachievable.
Return on investment. The net value of the program is compared with the cost.	It provides information on whether the services are worth the investment.	A sufficient number of students from the program will enter employment to offset the cost of instruction (through taxes or welfare savings).	It is best used to decide whether a program or site is worth the resources spent.	It may ignore other advantages offered by the program or site.