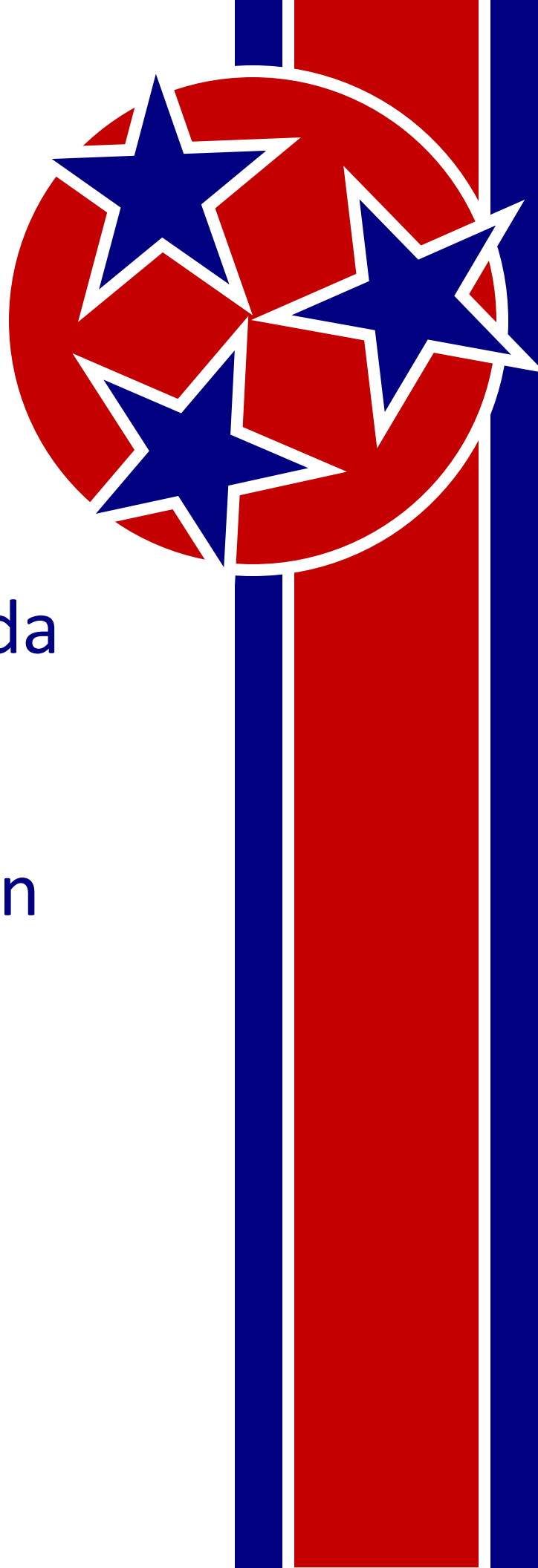




The Public Agenda
for Tennessee
Higher Education
2010-2015

THE PUBLIC AGENDA FOR TENNESSEE HIGHER EDUCATION 2010-2015

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THE PUBLIC AGENDA FOR TENNESSEE HIGHER EDUCATION 2010-2015

Responsibility for developing the State's master plan for higher education was a central provision in the 1967 enabling legislation of the Tennessee Higher Education Commission (THEC). From the outset, the Commission has formulated plans, covering five-year cycles, in consultation with broad-based constituents. The orientation and content of the plans have varied as a result of prevailing federal and state policy, economic factors, legislative initiatives, and events.

Development of the 2010-15 master plan for higher education comes at a time of unprecedented challenges in higher education, nationally and in Tennessee. In particular, the Complete College Tennessee Act of 2010 (CCTA) is a significant public policy statement that establishes expectations for the State's system of higher education. It speaks directly to the State's need for greater educational attainment of its people and the responsibility of its institutions of higher education to accomplish that objective.

Accordingly, rather than a broad spectrum plan, the 2010-15 higher education master plan targets full implementation of the letter and spirit of the CCTA. The plan requires that policy and programming decisions by the Commission, the University of Tennessee, and the Tennessee Board of Regents systems during this period adhere to the provisions of the legislation. This plan will not include recommendations beyond those explicitly or implicitly included in the CCTA.

I. THE PUBLIC AGENDA DEFINED

Statute (T.C.A. § 49-7-205 (c)(1)) instructs the THEC to develop a statewide master plan for the future development of public universities, community colleges and technology centers that holds higher education accountable for increasing the educational attainment levels of Tennesseans. This statutory responsibility presents the higher education community with the opportunity to develop a public policy agenda for the next five years that is shared by campus and system personnel, policymakers, CEOs of companies that hire graduates, and the many other constituents with a vested interest in the enterprise. That being the case, a conscious attempt is made here to substitute the language of "Public Agenda" for the "Master Plan" terminology of the statute. The former indicates a shared, collaborative process, which is descriptive of how the Agenda was developed to result in broad buy-in and sustainable change (see **Appendix A** for Committee membership).

In arriving at such an agenda, the Commission was aided greatly by:

- The 106th General Assembly's passage of the Complete College Tennessee Act of 2010, which established increased educational attainment as the State's primary need relative to higher education and mandated certain fiscal, academic, and research policies in service of educational attainment;
- Participation in several discussions of higher education reform convened by Governor Bredesen and involving campus and system leaders, legislative leaders, and national higher education policy experts; and
- Lumina Foundation for Education's Productivity Grant Initiative, which unfolded over a two-year period, establishing a state leadership team, conducting a higher education Policy Audit that laid the groundwork and built momentum for the higher education productivity agenda, and resulting ultimately in the funding of various activities designed to engage stakeholders and improve degree production (see **Appendix B** for Policy Audit).

The master plan for the 2010-15 planning cycle is built around a Public Agenda for higher education in Tennessee that aims to:

- Increase the number of degrees awarded 3.5 percent annually so that undergraduate degree production (associate's and bachelor's degrees) grows by 26,000 by 2015 and 210,000 by 2025, bringing Tennessee to the national average for undergraduate degree attainment by 2025 (**Appendix C**);¹
- Improve efficiency (time to degree, graduation rates) while also increasing overall production (numbers of degrees);
- Recognize the Tennessee Technology Centers for student success and efficiency measures characterizing their operations and seek to adopt best features of these practices;
- Target underserved students and undersupplied occupations;
- Improve quality of programs and services even as volume increases;
- Close gaps in the supply of graduates in high demand fields that require a postsecondary credential, particularly science-technology-engineering-math (STEM) fields;

¹ Defined as the percentage of the working age adults (age 25-64) holding an associates degree or higher.

- Fund institutions and pursue academic policies in a manner consistent with the desired ends; and
- Enhance the research achievements of institutions in accord with their individual missions.

2. CONTEXT FOR THE PUBLIC AGENDA

A. Emerging National Consensus about the Public Agenda

The imperative for postsecondary education is growing, and the need for state and national action is critical. To remain globally competitive, the United States must expedite efforts to further develop a well educated citizenry. Recognizing this urgency, the President, several foundations, policy organizations, and states recently set bold college completion goals:

- President Obama called for the United States to be first in the world again in college attainment by 2020;
- Lumina Foundation set a national goal of 60 percent of Americans to have a high-quality degree or credential by 2025;
- The Bill and Melinda Gates Foundation aims to double the number of low-income adults who earn a postsecondary degree or credential with genuine value in the marketplace by age 26; and
- Complete College America, along with its Alliance of 22 states, set a national goal that six out of 10 young adults in the United States will have a college degree or credential of value by 2020.

A recent study by the Georgetown University Center on Education and the Workforce underlines the Agenda's urgency for Tennessee:²

- Between 2008 and 2018, new jobs in Tennessee requiring postsecondary education and training will grow by 194,000, while jobs for high school graduates and dropouts will grow by 145,000.
- Between 2008 and 2018, Tennessee will create 967,000 job vacancies both from new jobs and from job openings due to retirement; 516,000 of these job vacancies will be for those with postsecondary credentials, 336,000 for high school graduates and 115,000 for high school dropouts.

² Carnevale, A.P., Smith, N. and Strohl, J. (June 2010). *Help wanted: Projections of jobs and education requirements through 2018*. Washington, DC: Georgetown University Center on Education and the Workforce.

- Tennessee ranks 41st nationally in the proportion of its jobs in 2018 that will require a bachelor's degree, and is 13th in jobs for high school dropouts.
- Fifty-four percent of all jobs in Tennessee (1.8 million) will require some postsecondary training beyond high school in 2018.

Currently, the state ranks 46th in the percentage of jobs projected to require training beyond high school. Even at that level, the need for Tennesseans with postsecondary credentials is great, and the state will need many more graduates if it hopes to evolve a cutting-edge knowledge economy like those of the highest-ranked states.

B. The Complete College Tennessee Act: A Consensus Agenda

The Complete College Tennessee Act sets the tone for much of the current Public Agenda for higher education. The Act's major provisions are as follows:

- Focuses the Public Agenda on educational attainment and increased degree production, taking into consideration Tennessee's economic development, work force development and research needs;
- Requires attention to the distinctive missions of the institutions. The mission of each institution must be approved by THEC after consultation with the respective governing boards (**Appendix D**);
- Revises the public higher education funding formula. The Commission is charged with developing a means of fair and equitable method of distribution and use of public funds, but, consistent with the direction of the Public Agenda, the formula will be outcomes-based. The Act directs that information such as end of semester enrollment, student retention, and timely progress toward degree completion shall be included in the model, and elements such as student transfer activity, research, and student success may be included. Language is included to ensure that unique factors of the community colleges are considered in the funding formula;
- Retains and codifies the Commission's current practice of making fee recommendations as part of the funding recommendation;
- Charges the Commission with developing a university parallel program consisting of 60 credit hours that will allow a student to transfer from a community college as a junior. The 60 hours are to consist of 41 hours of general education instruction and 19 hours of pre-major instruction. The intent is that any student who completes the 60 hours and earns an associate of science or associate of arts degree will be admitted to any state

public university except for the University of Tennessee Knoxville, which will remain selective while also committed to cooperating with the spirit of this reform;

- Requires that a common course numbering system be developed at the community colleges and directs that any list of course offerings by a community college be listed in a way that clearly identifies courses that will not transfer to a university;
- Directs the Commission, in consultation with the governing boards, to develop dual admission policies to allow applicants who meet the admissions requirements of both a community college and a university to be admitted to both institutions simultaneously;
- Precludes universities from offering remedial and developmental instruction after July 1, 2012;
- Charges the Board of Regents, in consultation with the Commission, with setting up a comprehensive community college system to be managed as a unified system. The Board is to incorporate the use of block scheduling and cohort programming in delivering instruction in the community colleges; and
- Authorizes the University of Tennessee to set up an academic unit for research and collaboration with the Oak Ridge National Laboratory. The Act also recognizes the University of Memphis' potential in collaborative research in areas such as biomedical fields, particularly through St. Jude Children's Research Hospital and the University of Tennessee Center for Health Sciences, and authorizes the pursuit of such collaboration.

The legislation is significant because it specifically directs funding reform away from an enrollment- and workload-driven formula toward an outcomes-based instrument. The legislation is also notable because it enumerates several things the state needs from higher education (more graduates, better program articulation, smoother student transfer, a dynamic and unified community college system) and no longer simply seeks "fair and equitable" funding for institutions. The new law is the foundation upon which increased degree production and efficiency, not calculated workload, becomes the basis of arguing for increased support.

C. Fidelity to the Core Values of Liberal Education

The CCTA strongly emphasizes higher education's obligation to provide the state an educated workforce, competitive research, and capacity for economic development. In fulfilling this role, higher education must also embrace and defend the core values of a liberal education and the development of habits of mind that will equip students for intellectual inquiry in an ever-changing world.

The CCTA requires higher education to implement strategies aimed at student success, and establishing a General Education Core common to all institutions and full transferable across them is a primary policy action for efficient transfer. While the CCTA names commonality in a 41-hour Core and ease of transfer as efficiency measures, in naming general education as the foundation of a degree the legislation also recognizes the primary importance of liberal education. A General Education Core common to all institutions has been constructed through the deliberations and professional judgment of faculty in community colleges and universities about essential knowledge in the arts, humanities, social sciences, history, physical sciences, and mathematics that must undergird and enhance student learning in the major field. Likewise, faculty decisions about necessary skills of communication, critical thinking, and application of theory and concept shape the General Education core. An ability to appreciate diversity of thought and culture is also fostered by liberal education.

D. The State's Economy and Resource Outlook for Higher Education

It is recognized that this national and state urgency surrounding postsecondary education comes during an era of significant state government divestment in higher education in Tennessee and at a time when the state is not in a strong financial position. Year-over-year tax revenue changes are at an all-time low and are only just beginning to show signs of rebounding. State operating appropriations per student, adjusted for inflation, have fallen continuously over the past 15 years and are now at an all-time low for both public universities and community colleges. The result has been a predictable shift toward institutional reliance on tuition revenues, threatening affordability for many students. In 2000, Tennessee public universities received approximately 60 percent of total operating revenues (defined as state operating appropriations and student maintenance fee revenue) from state appropriations. By 2009 that portion has fallen to 45 percent as public universities were more reliant on student tuition revenue than taxpayer appropriations. Similarly, community colleges in 2000 received approximately 70 percent of their operating revenue from state appropriations, a number that had fallen to just over 50 percent by 2009.

From 2009 to 2011, higher education around the country benefited from the Federal American Recovery and Reinvestment Act (ARRA) which infused higher education with unprecedented, yet temporary, operating revenues designed to delay state government spending cuts for three years. Accounting for the sharp decline in state funding of higher education, subsequent tuition increases and the ARRA funds, revenues at Tennessee public institutions kept pace with inflation and enrollment growth over the decade 2000-2010. Even though tuition increases changed Tennessee's status from a low to a moderate fee state, total revenues per student in inflation adjusted dollars increased less than one percent per year over the 10 year period. As revenues were steady, the production of bachelors degrees increased 32 percent from 1999 to

2009, along with a 29 percent rise in certificates and a 19 percent increase in associates degrees. Tennessee institutions had become more productive, producing significantly more degrees with small increases in revenues.

The 2011-12 budget year will mark the end of ARRA funding, resulting in an immediate revenue decline of approximately \$200 million. Though Tennessee higher education has been planning and preparing for this for two and a half years, the resulting decline in revenues will be the single largest change in the State's recent higher education history and will abate at least 15 years of revenue growth that allowed institutions to keep pace with enrollment and inflation.

In light of these facts, the Public Agenda requires that institutions adopt new approaches, try new instructional models, establish instructional partnerships with other institutions and with business and industry, and leverage the promise of instructional technology as never before. It may be from the basis of demonstrated resourcefulness, efficiency, productivity, and observance of distinct and differentiated institutional missions, that higher education will be able to argue for increased support, either from the state or from students, in the future.

E. Race to the Top: A Window of Opportunity

Tennessee has been thrust into the national spotlight as a leader in educational reform. The State's recent selection for one of two grants nationally in the federal Race to the Top competition solidified the State's position as an education innovator. Tennessee's Race to the Top bid was built upon the foundation of successful collaboration among K-12, higher education, community, and business leaders who have enacted sweeping reforms in the educational pipeline over the past few years. These changes have included more rigorous standards, better alignment of K-12 and postsecondary education, and a focus on workforce needs.

Higher education has been a key player in this work and will continue to play a significant role in enacting the State's Race to the Top programs funded through the four-year, \$500 million federal grant. Specifically, higher education's focus will be on strengthening the ability of K-12 teachers to use data and assessments in improving student performance, reforming teacher pre-service training to increase the content knowledge of teachers and increase capacity in high-need subjects, providing accountability in teacher preparation programs, and increasing Tennessee's competitiveness in science, technology, engineering, and math (STEM). These reforms will improve the efficiency and effectiveness of education at every level.

Public universities produce the greatest percentage of K-12 teachers available for employment in Tennessee schools. Tennessee public higher education will, therefore, be highly accountable

for the production of graduates in teacher preparation who have the skills and knowledge required for the classrooms of tomorrow. Specifically, \$20 million of Race to the Top grants to institutions will be managed by the THEC, and these funds will help underwrite teacher preparation curriculum and professional development qualitative improvements.

The Public Agenda's focus on workforce development and meeting the needs of the state will thus be served as Race to the Top resources lead to an increased number of better prepared teachers to match employment opportunities. Teaching, especially in the STEM disciplines, is recognized as a high-demand field. Furthermore, the existing and emerging STEM centers at Tennessee universities are equipped to play a major role in the Race to the Top statewide enhancement of STEM education.

The funding, expertise, and expectations associated with Race to the Top provide a window of opportunity for higher education to collaborate with K-12 on initiatives of common concern such as teacher preparation and STEM education. Further, this initiative holds promise for improving the number of capable high school graduates who not only seek postsecondary opportunities but also have the skills to succeed at the postsecondary level (**Appendix E**).

3. GOALS OF THE PUBLIC AGENDA

A. State Need: 26,000 Additional Undergraduate Degrees by 2015

Tennessee's higher education institutions, taken together,³ currently produce 39,000 associate and bachelor's degrees annually. Extending recent trends and assuming no performance improvements in higher education or in the quality or number of students produced by K-12, the base projection for annual degree production is projected to be 41,000 in the year 2014-15. Over the course of the 2010-2015 planning cycle, cumulative associate and bachelor's production by the end of the cycle is estimated at 281,000 degrees. The 2010-2015 Public Agenda for Tennessee Higher Education establishes goal of 26,000 *additional* undergraduate degrees by 2015.

This sustained rate of growth will enable Tennessee institutions to have produced 210,000 additional degrees by 2025 (above the base projection of 709,000 cumulative degrees), which is the number needed to attain the projected national average for attainment of an associate degree or higher in the working-age population. It is important to note, however, that the system-level implications on degree production are different, given that the mission profiles and student progression rates vary by system.

³ Total includes public, private non-profit, and proprietary institutions.

Planning scenarios developed with the THEC Student Flow Model, suggest that this goal can be accomplished with improvements in both K-12 and higher education. The model parameters for K-12 education include a five percent increase over five years (2010-2015) in the public high school graduation rate and the college-going rate for high school graduates as well as a five percent decrease over five years in the out of state migration rate for Tennessee high school graduates and the percentage of first-time freshmen taking remedial and developmental courses in college. The postsecondary education model parameters include a five percent increase over five years in the second year college retention rate and a two percent increase in the third year retention rate in addition to the level already achieved as a result of the improved second year retention rate, resulting in a five percent increase in the six-year graduation rate.

B. State Need: Workforce and Economic Development

Which comes first, good jobs or highly skilled workers? Realistically, the relationship between workforce development—educating the future employees, and economic or “workplace” development—growing or recruiting high value-added companies— is probably more synergistic than sequential. A state or region needs a balance between attractive employment opportunities and well-educated and trained individuals in the workforce. Sometimes an industry is willing to invest in an area with the assurance that the region has the capacity to develop and deliver the education and training required to produce a workforce that is viable for employment with the firm. At other times, there is something in the population base that is attractive to an employer-- cost, prevailing education levels, or other factors. Today, cities and counties are wise not to promote themselves solely on inexpensive labor costs, because employers have an endless supply of places to choose from where labor is less expensive. In the knowledge economy, regions must develop knowledge workers in order to be competitive. In the past, Tennessee may have competed successfully on wages; now it must compete on education and trainability. In short, Tennessee must make its workers worth the cost.

The new Public Agenda supports economic and workforce development by:

- Developing a public higher education funding formula that rewards increases in the supply of trained program completers and educated graduates;
- Including in the funding formula recognition of research activity that has regional (and sometimes national) application and relevance;
- Providing incentives to community colleges for training-related job placements through the Performance Funding program; and

- Commissioning a Labor Market Supply-Demand study to increase awareness of the directions in which the economy is growing and needs to grow, and to provide a focus for the productivity agenda within the context of demand for graduates from certain degree programs and certain levels.

More generally, by accepting state funding, public institutions implicitly accept that responding to state needs is a major part of their mission. By focusing the Public Agenda on graduates, higher education not only supplies current needs and anticipates future demands; it raises the aspirations and educational attainment expectations of future generations of Tennesseans.

C. State Need: Quality Underpinning Increased Productivity

Understandably, concern has been expressed that degree productivity will come at the expense of instructional rigor and the quality of the student experience -- in short, that the meaning of a college degree will be devalued. The faculties of Tennessee's public colleges and universities will reaffirm their commitment to the rigor and quality of their instruction and programs even though budget realities and state needs require institutions to become more efficient in graduating more students. Curricula "belong" to the faculty, and the faculty is the final arbiter of quality.

Even so, it is important to note that the Performance Funding program has, for more than 30 years, served as a main quality assurance accountability piece for Tennessee public higher education. In the past it has measured both quality and productivity. For the 2010-2015 cycle, it focuses entirely on quality assurance and relinquishes the productivity measures (retention and persistence to graduation) to the new outcomes-based funding formula. While the formula works as an incentive for productivity, Performance Funding works as an incentive for increased quality of programs and services. Therefore, Performance Funding scores will monitor higher education quality. As accountability companions, the funding formula and Performance Funding provide a system of "checks and balances" with regard to productivity and quality (**Appendix F**).

D. State Need: Enhanced Competitive Research

The Complete College Tennessee Act directs THEC to construct a plan that will hold higher education accountable not only for increasing the educational attainment levels of Tennesseans, but also for addressing the State's economic development, workforce development, and research needs. The CCTA encourages Tennessee public higher education to become increasingly competitive on a national and international scene through leveraging resources, both from within and outside the state.

THEC will act on the CCTA imperatives by exercising its statutory authority to use mission distinctiveness as the first principle for approving new degree programs, especially doctoral

programs. This approval process will emphasize the reality that non-state funding will become increasingly necessary to contribute to funding for new, high cost academic degree programs, even those that are unique in their service to the State's degree production and competitive research needs.

The CCTA is prescriptive in naming the directions public higher education will follow in enhancing research, and these directions emphasize the capacity of the University of Tennessee, Knoxville in its collaboration with the Oak Ridge National Laboratory, to seek advances in the fields of energy sciences, engineering, science and technology, and emerging related fields. The CCTA also recognizes the capacity of the Memphis Research Consortium, a collaborative of the University of Memphis, University of Tennessee Health Science Center, St. Jude Children's Research Hospital and other leading research and business entities in Memphis, for promoting research and development in health care, chemical manufacturing, logistics and supply chain, computational sciences, learning technologies, and related fields. Mission distinctions of other institutions not named in the CCTA will likewise guide development of their programs and enhancement of research efforts within mission scope while guarding against unnecessary program duplication.

4. POLICY LEVERS FOR ACHIEVING STATE GOALS

To actualize the new master plan's public policy agenda, THEC and the two systems have three powerful policy levers at hand: a funding formula that rewards productivity and efficiency; a quality assurance program (Performance Funding) that rewards student achievement and success; and the extension of increased institutional autonomy to reward efficiencies in operations and external resource acquisition.

A. Promoting Productivity and Efficiency Through an Outcomes-Based Funding Formula

The Complete College Tennessee Act states that the Commission is to develop policies and formulae or guidelines for fair and equitable distribution and use of public funds among the State's institutions of higher learning that are consistent with and further the goals of the statewide policy agenda. It also requires that:

- The policies and formulae or guidelines shall result in an outcomes-based model;
- The model shall emphasize outcomes across a range of variables that shall be weighted to reinforce each institution's mission and provide incentives for productivity improvements consistent with the State's higher education master plan.

Previously, THEC utilized an enrollment-based model, where as much as 60 percent of the calculation was dependent on fall full-time equivalent (FTE) counts. The outcomes-based model

incorporates data on broad institutional activities including but not limited to student progression, undergraduate and graduate degree production, student transfer and research at universities and at community colleges, certificate and associate awards, student transfer and job placement. The new model rewards institutions for the production of these outcomes that further the productivity goals of the Public Agenda. As well, a major design component of the new model is the incorporation of institutional specific weighting factors that reflect both the priority of that outcome at a particular institution and the institution's Basic Carnegie Classification. This weighting system allows the outcomes model to properly account for the role of various activities within a specific institutional mission. These weights are designed so that the state can clearly communicate its expectations to each institution, while not being prescriptive in how to achieve higher levels of productivity. Weights and outcomes can easily be changed should the state revise its expectations for higher education or should institutional missions shift. Unlike Performance Funding, the outcomes based formula does not have annual targets or benchmarks. Therefore, it is not punitive for failure to achieve a predetermined goal. Finally, a key design feature of the outcomes-based model is the inclusion of a significant premium for student progression and degree production from low income and adult students. This feature reflects the statewide priority of these types of students and provides institutions with a strong incentive to recruit, retain and graduate them.

In addition to utilizing the new model for the 2011-12 budget cycle as called for in the CCTA, THEC will phase out the hold harmless provision over the next 3-5 years, which will result in each institution being funded at the same percentage of the outcomes-based formula recommendation. Rather than being a function largely of enrollment growth, the new model will spread the financial spread the incentives across a broader array of metrics, providing stability to the formula calculations and reinforcing the new principles and goals of the Public Agenda (**Appendix G**). Institutional productivity and excellence will no longer be overshadowed by enrollment growth. As with the current methodology, actual student tuition revenue and funding from external private sources will not affect the outcomes-based formula calculation.

Both the funding formula and Performance Funding program will provide incentives for increasing the college completion of subpopulations based on institutional mission. Meeting the State's ambitious educational attainment goal can only be achieved by increasing productivity with students currently enrolled as well as reaching out to populations previously underserved by Tennessee higher education, particularly adults. There are nearly two million potential adult college students in Tennessee, of which 39 percent have some college experience according to the 2000 Census. This large potential college population may address gaps in Tennessee's workforce needs left by the limited number of traditional age students in the college pipeline (**Appendix H**).

Improving the college completion of a variety of subpopulations is vital to reaching the State's educational attainment goals. Addressing the needs of these diverse groups requires the expertise of the full array of higher education institutions. To that end, each institution identified the subpopulations for which its mission and community specify its particular expertise in serving. The institution specific subpopulations identify underserved populations as well as populations with particular state or regional importance in economic development. The targeted subpopulations include adults; low-income students; African-American students; Hispanic students; males; students from high-need geographical areas; students in STEM disciplines; students in Health-related fields; students in high-need fields, community college students who transfer to universities with at least 24 credit hours (CC measure only); community college AA, AS, or AST graduates who transfer to a university (CC measure only); bachelor's graduates who previously earned an associate degree from a Tennessee community college (university measure only); and institutional selection of subpopulations not otherwise named.

B. Promoting Quality Assurance Through Revised Performance Funding Standards

Until the development of the 2010-2015 outcomes based funding formula, the Performance Funding program, which enables institutions to earn a small portion of their operating budgets based on performance on a range of measures of institutional effectiveness and quality, included measures of student retention and graduation. For the 2010-2015 Performance Funding cycle, these productivity measures have been reassigned to the formula. The new Performance Funding standards will focus entirely on quality assurance.

Defining features of the proposed 2010-2015 Performance Funding standards. The next five years will:

- Closely ally Performance Funding with the outcomes-based public higher education funding formula and will serve as a central accountability piece for the Public Agenda. These connections are more organic than in past cycles;
- Greatly simplify the reporting obligations of campuses while focusing sharply on academic integrity and institutional quality; and
- Draw on existing data and will not require institutions to collect and report additional information.

Further, the annual results of institutional performance will be made public and will be paired with funding formula results, thus providing a unified and comprehensive accountability reporting system.

Quality assurance focus of the 2010-2015 Performance Funding standards. The 2010-2015 Performance Funding standards will provide a quality assurance component to the Public Agenda in the following manner:

- Quality of student performance— measured by traditional tests and surveys;
- Quality of institutional effectiveness operations – measured by the capacity of the institution to build and sustain a mature, multi-faceted assessment system for continuous improvement; and
- Quality of programs for student access and success – measured by institutional success in graduating students from subpopulations critical to institutional priorities derived from unique mission.

Institutions can earn up to 100 points from the variety of measures and standards in the Performance Funding program. In the new 2010-2015 cycle, all 100 points will be devoted to quality assurance: 75 points allocated to student learning, using the traditional measures of previous cycles and the remaining 25 points will be allocated to a measure of the quality of student access and support efforts serving subpopulations important to the institution's mission. Measuring the quality of access and support services for subpopulations is critically important for two primary reasons: mission distinction and diversity. An institution will select those subpopulations particularly consonant with its mission and will measure the quality of its services dedicated to those subpopulations. The measure of the institution's commitment will be student subpopulation success – greater numbers enrolled, retained, and graduated. It is important for a state with the legacy of Geier to address diversity in its primary policy tools – not just African-American student success, but also the access and success of other underserved subpopulations.

C. Promoting Economic and Workforce Development Through Responses to a Study of Labor Market Supply and Demand

To gauge workforce sufficiency, it is important to prompt productivity, encourage efficiency, incent institutional improvement, and ask for accountability. It is also important to operate with a level of familiarity about the current labor market, to have some idea of the directions in which the economy is growing and needs to grow, and to understand the implications for higher education. Such information has salience not only for policymakers and institutions, but also for current and prospective students, perhaps even primarily so.

Therefore, THEC asked the Center for Business and Economic Research (CBER) at the University of Tennessee, Knoxville to develop a Labor Market Supply and Demand Study as a companion piece to the Public Agenda. The study provides supply and demand projections from 2008 to

2018 by discipline and degree level. Given that resources are limited for the state, institutions, and individuals, information is needed about alignment between the supply and demand for graduates. However, policymakers have long faced the problem that, while the Department of Labor routinely publishes job outlook projections by occupation, higher education annually reports graduates and program completers by program.

Therefore, CBER's task was to create a crosswalk between instructional programs and occupations. As might be anticipated, the relationships between degree programs and the occupations they feed are often one to many, or many to one. This is particularly true of academic programs at the baccalaureate level. So, while such nuances require caution in reading, interpreting, and drawing conclusions from the report, the report offers guidance not previously available.

The study is provided as one of several Technical Supplements to the Public Agenda. It is intended that the study will make the Public Agenda more pragmatic and evidence-based by:

- Providing a focus for the productivity agenda within the context of demand for graduates from certain degree programs at certain levels;
- Enabling institutions to calibrate program offerings to current and projected labor market conditions within the state;
- Making market demand a stronger and more reliable component of the program approval process;
- Helping policymakers at the system or state level make judgments about academic program duplication; and
- Providing useful information to institutional leaders who must make internal resource reallocation decisions.

Furthermore, institutions may choose graduates from high demand fields, as determined by the Supply and Demand study, as one of the targeted subpopulation for Performance Funding. In this way, data are useful by providing a way for institutions to leverage their responsiveness to state needs in order to achieve funding (**Appendix I**).

D. Promoting Efficiency and Effectiveness Through Purposeful Reporting

Accountability for addressing the goals of the Public Agenda is addressed in several ways. Accountability is built into the system due to the direct linkage between higher education funding and institutional performance in the funding formula and Performance Funding metrics.

Additionally, a state-level Progress Report (**Appendix J**) will keep the focus on statewide progress toward overarching goals. The score card identifies the State's big goal: increase the number of degrees awarded 3.5 percent annually so that undergraduate degree production (associate's and bachelor's degrees) grows by 26,000 by 2015. It also identifies metrics to monitor effectiveness in the strategies for student success, efficiency, and quality, as well as process milestones for specific components of CCTA. State and system (not institutional) levels and progress will be monitored annually toward goal completion at the end of the five-year master planning cycle. No year-by-year benchmarks for progress are dictated. The score card and additional accountability metrics will also be published on a publicly available web portal.

E. Promoting Efficiencies through Mission and Sector Differentiation

The Complete College Tennessee Act of 2010 elevates to law a number of practices in Tennessee higher education increasingly in play through policy and expedience. Specifically, resource limitations have brought greater clarity on institutional mission differences, sector compatibility, and resource leveraging. The CCTA turns good practices into public policy.

Institutional mission differentiation is the fundamental principle guiding fair and equitable distribution of state appropriations through an outcomes or productivity-based funding formula. The formula operationalizes efficiency through capitalizing on each institution's distinct capacity to serve the state and by avoiding unnecessary redundancy of those programs and services. The effectiveness of the formula will be evident in actual annual appropriations and charted as a number of productivity measures in the "Public Agenda Progress Report" previously referenced.

The annual Progress Report will declare progress toward or completion of the CCTA requirements by dates stipulated in the law. As the Agenda's public accountability piece, the Progress Report will show implementation status of specific CCTA efficiency strategies, all aimed at reducing institutional cost redundancies and increasing student affordability:

- Student progress toward degree attainment is being improved through formalized statewide articulation and transfer of degree programs, components of degree programs, and equivalent courses. The CCTA requires statewide commonality and universal transfer of the 41-hour general education core and pre-major (19-hour) tracks to baccalaureate majors capturing most transfers.
- Implementation of dual admissions by all public higher education institutions. Dual admissions encourages eligible students to be admitted concurrently to a community college and a university, whereby students benefit from the academic advisement,

financial aid provisions, and opportunity for concurrent enrollment to attain associate and baccalaureate degree completion in a timely manner.

- Common course numbering is an efficiency practice recognized by colleges and universities through the establishment of common numbering, and in many instances, common course titling, for general education courses and other lower-division courses in specific disciplines. This commonality will be accelerated through building the pre-major pathways to baccalaureate majors.
- Remedial and developmental-level instruction will be provided by community colleges through contractual arrangements with partnering universities.
- The CCTA requires establishment of a comprehensive and unified community college system within the governance of the Tennessee Board of Regents. Through this organization, a unified community college system is expected to realize cost-efficiencies and to create more effective management of programs and services. Such a system will be designed to maximize student success as measured in an increased number of certificate and associate completers and to address affordability, as more students elect to enter higher education through the lower tuition and costs of the community college portal.

F. Promoting Efficiencies through Inter-Institutional Collaboration and Reduced Duplication

The CCTA calls for greater collaboration among institutions for cost-efficiency and minimized duplication in programs and locations. Through its statutory authority to approve institutional mission distinctions, academic programs, and instructional locations, THEC will work with governing boards to:

- Use mission differentiation (evident in institutional mission profiles) to reduce the likelihood of duplication of high cost academic programs, particularly at the doctoral level where student access can be assured through doctoral programs serving the entire state.
- Give highest priority to programs and services where inter-institutional collaboration is evident.
- Give highest priority to inter-institutional collaboration for instructional delivery sites drawing upon significant community partnerships and projecting cost-efficiencies.

- Reduce inefficiencies in resource allocation through either eliminating low-producing programs or improving their productivity levels.

G. Promoting Efficiencies through Incentives for Extramural Support

The fundamental characteristic of the outcomes-based funding formula is that it is predicated on institutional mission difference, as defined by Carnegie Classification. The Carnegie Classification recognizes the level of institutional research funding derived from multiple external sources as a differentiating metric. The Tennessee outcomes-based funding formula encourages increased research productivity by assigning research a value and weighting depending on institutional research capacity. Additionally, the formula gives institutions incentives to seek extramural support by excluding extramural support (funds from which the institution recovers an indirect cost) from total revenue.

Taken as a whole, the various state higher education policy levers – the CCTA as a Public Agenda, the outcomes-based formula, and the Performance Funding quality assurance program – encourage institutions to engage in behaviors to further their missions in a manner affordable to the state. With formula implementation over the next three years, THEC will consult with systems and institutions on appropriate ways to encourage acquisition of extramural support.

The CCTA introduction of two research-intensive initiatives to capitalize on institutional and state resources coupled with research revenue generated for service is an example of the State's recognition of increasing reliance on multiple revenue sources. The University of Tennessee Knoxville, in collaboration with the Oak Ridge National Laboratory, is authorized to establish an academic unit for interdisciplinary research and education. The CCTA also authorizes the Memphis Research Consortium, a collaborative venture with leading research and business entities in Memphis to further research and development in named fields.

5. CONCLUSION

The Public Agenda calls on higher education to collaborate with industry, government, and communities to build a future for Tennessee. Success in advancing this Public Agenda will mean that by 2015:

- Growth in certificate and degree production will be sustained;
- Degree efficiency will be improved, in terms of both graduation rates and average time to degree;
- Gaps in employment demands will be filled;

- Institutions will be funded based on outcomes, in a manner consistent with their individual missions;
- The quality of programs and services will be strengthened;
- Academic program offerings will probably be fewer, as institutions will understand where their greatest productivity options lie and where greatest student interest is apparent;
- Growth in the number of doctoral programs will slow, but those offered will be more robust, mission-focused, and increasingly reliant on non-state funding for implementation;
- Costs per FTE student will decrease, both at the undergraduate and graduate levels, realized through efficiencies and the realities of budget reductions or static funding but without significant student fee increases;
- The average cost per degree produced will be reduced;
- The use of instructional technology and non-traditional instructional approaches will increase in order to increase instructional capacity and student choice while controlling unit costs;
- Community colleges will be revitalized through the establishment of the community college system;
- The state will see a resurgence in the number of adults who complete undergraduate degrees;
- Institutions will become more resourceful in acquiring non-state funds;
- Tennessee will be more competitive in the workplace; and
- Progress of all the foregoing will be made evident through an annual statewide Public Agenda Progress Report.

6. APPENDICES

Elements of the Public Agenda referenced in this document will be appended. They include technical supplements, data dictionaries and methodologies, and accountability tools.

Appendix A: Master Plan 2010-15 Committee Membership

Appendix B: Making Opportunity Affordable *Policy Audit*

Appendix C: THEC Student Flow Model

Appendix D: Institutional Mission Profiles

Appendix E: Race to the Top Projects Managed by THEC

Appendix F: 2010-2015 Performance Funding Quality Assurance Standards

Appendix G: Outcomes-Based Funding Formula Summary

Appendix H: Final Report and Recommendations of the Adult Strategies Group

Appendix I: Supply-Demand Study by UTK Center for Business and Economic Research

Appendix J: Public Agenda Annual Progress Report

Appendix A: Master Plan 2010-15 Committee Membership

Master Plan Steering Committee

Bert Bach	Provost and Vice President for Academic Affairs, East Tennessee State University
Bob Bell	President, Tennessee Technological University
Representative Harry Brooks	Chair, House Education Committee, Tennessee House of Representatives
Roger Brown	Chancellor, University of Tennessee at Chattanooga
Jimmy Cheek	Chancellor, University of Tennessee at Knoxville
Nate Essex	President, Southwest Tennessee Community College
Gordon Fee	Chairman of the Education Committee, Tennessee Business Roundtable
Senator Dolores Gresham	Chair, Senate Education Committee, Tennessee Senate
Katie High	Interim Vice President for Academic Affairs and Student Success, University of Tennessee
Carl Hite	President, Cleveland State Community College
Melvin Johnson	President, Tennessee State University
Nate Johnson	Higher Education Consultant, Lumina Foundation- funded Productivity Grant Initiative
Dennis Jones	President, National Center for Higher Education Management Systems
James King	Vice Chancellor for Tennessee Technology Centers, Tennessee Board of Regents
Matt Kisber	Commissioner, Tennessee Department of Economic and Community Development
David Lillard	Treasurer, State of Tennessee

Master Plan Steering Committee

Charles Manning	Chancellor, Tennessee Board of Regents
John Morgan	Deputy Governor, State of Tennessee
Jim Murphy	Vice Chair, University of Tennessee Board of Trustees
Jack Murrah	Chairman, Tennessee Higher Education Commission
Gary Nixon	Executive Director, Tennessee State Board of Education
John Nolt	President, Association of Tennessee University Faculty Senates
Claude Pressnell	President, Tennessee Independent College and University Association
Gary Rogers	Chief Financial Officer, University of Tennessee System
Ross Rowland	Student Member, Tennessee Higher Education Commission
Paula Short	Vice Chancellor for Academic Affairs, Tennessee Board of Regents
Jan Simek	President, University of Tennessee System
Dale Sims	Vice Chancellor for Business and Finance, Tennessee Board of Regents
Karen Siska	Chair, Tennessee Board of Regents Faculty Sub-Council
Bob Thomas	Vice Chair, Tennessee Board of Regents
Ellen Thornton	Executive Director, Tennessee Business Roundtable
Tim Webb	Commissioner, Tennessee Department of Education
Anthony Wise	Vice President of Learning, Mississippi State Community College

Tennessee Higher Education Commission Staff

Betty Dandridge Johnson
Linda Doran
Richard Rhoda
David Wright
Jim Vaden

Master Plan- Formula Review Committee

Richard Brown	Chief Financial Officer, University of Tennessee at Chattanooga
Horace Chase	Chief Financial Officer, Jackson State Community College
Chris Cimino	Chief Financial Officer, University of Tennessee at Knoxville
John Cothran	Chief Financial Officer, Middle Tennessee State University
Ralph Faudree	Chief Academic Officer, University of Memphis
Jessica Gibson	Legislative Research Analyst, Comptroller's Office
Tim Hall	President, Austin Peay State University
Tré Hargett	Secretary of State, State of Tennessee
Katie High	Interim Vice President for Academic Affairs and Student Success, University of Tennessee System
Nate Johnson	Higher Education Consultant, Lumina Foundation- funded Productivity Grant Initiative
Dennis Jones	President, National Center for Higher Education Management Systems
Stan Jones	President, Complete College America
Jack Murrah	Chairman, Tennessee Higher Education Commission
Warren Nichols	President, Volunteer State Community College
Phil Oldham	Chief Academic Officer, University of Tennessee at Chattanooga
Cathy Pierce	Education Coordinator, Department of Finance and Administration
Tom Rakes	Chancellor, University of Tennessee at Martin
Paul Robertson	Legal Compliance Officer, Treasurer's Office
Gary Rogers	Chief Financial Officer, University of Tennessee System

Master Plan- Formula Review Committee

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Dale Sims	Vice Chancellor, Tennessee Board of Regents
David Thurman	Director, Legislative Budget Analysis
Ellen Weed	Chief Academic Officer, Nashville State Community College

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Master Plan- Performance Funding Committee

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Debbie Scott	Vice President for Planning, Research and Assessment, Walters State Community College
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Janet Smith	President, Columbia State Community College
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Master Plan- Academic Affairs Committee

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Jerald Ogg	Vice Chancellor for Academic Affairs, University of Tennessee at Martin
Claude Pressnell	President, Tennessee Independent College and University Association
Mary Ann Sellars	Vice President of the College, Dyersburg State Community College
Paula Short	Vice Chancellor for Academic Affairs, Tennessee Board of Regents

Tennessee Higher Education Commission Staff

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Master Plan- Adult Strategies Group

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Lucille Booker	Special Projects Advisor, Shelby County Mayor's Office
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Sharon Peters	Director of Off-Campus Programs and Evening Weekend College, Tennessee State University

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John Townsend	Executive Director, Workforce Development, Tennessee Board of Regents
Bonnie Yegidis	Vice President for Academic Affairs and Student Success, University of Tennessee

Tennessee Higher Education Commission Staff

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Appendix B: Making Opportunity Affordable Policy Audit

The full report can be retrieved from:

www.tn.gov/moa/documents/TNPolicyAuditMakOppAfford.pdf

Making Opportunity Affordable- Tennessee Policy Audit Report Summary

In 2008, Tennessee was awarded a Making Opportunity Affordable Planning Grant from Lumina Foundation for Education. To support these efforts, THEC engaged the National Center for Higher Education Management Systems (NCHEMS) to conduct a policy audit to identify ways in which state- and system-level policies could be better aligned with the degree productivity goals of MOA.

NCHEMS conducted the policy audit by: reviewing existing policies and performance reports; reviewing and providing data on system performance; and engaging higher education stakeholders in a series of roundtable discussions across the state. Meetings were held in February 2009 at 11 campus sites involving over 100 college and university leaders from 20 institutions. Interviews were also held with the Governor's staff, legislative leaders, and the Tennessee Business Roundtable. The policy audit document highlighted several areas in need of greater alignment with the productivity agenda of MOA.

1. P-16/ College Readiness. Institutional admission requirements and student college readiness are not aligned. Students may meet the admissions requirements, but require remediation which is costly and slows progress.

2. College Placement. Different examinations or standards for admissions and placement open the possibility that colleges are not clearly articulating their expectations to K-12 and potential students.

3. System-level Developmental Education Courses. The Tennessee Board of Regents' developmental studies redesign system could be applied to course redesign outside of developmental studies as well. Specifically in regard to aligning college standards and courses with the Tennessee Diploma Project.

4. Transfer Policies. Although transfer policies are well designed on the whole, it is unclear how knowledgeable students are about these policies. There are also few transfers from Tennessee Technology Centers (TTC).

5. Adult Education. There is no cohesive body of higher education policy oriented specifically to adults and policies have been developed with traditional age students in mind.

6. Geographic Access/ Site Locations. Programmatic access is different in locations across the state. Access can be improved by increasing co-location of institutions, on-line course delivery, mission differentiation to ensure gaps are covered and duplication does not exist, and creating “responsibility areas” as opposed to “service areas” where institutions are responsible for identifying the needs in their area and inviting other institutions in to serve the needs they cannot meet.

7. Two-Year Institutions/ Programs. The community colleges and technical centers serve a diverse population and provide many services. These services are not uniformly available in all parts of the state however. See table on page 17. More emphasis should be placed on workforce development and transfer from TTC diplomas and certificates to Associates Degrees.

8. Funding Formula- Design. While theoretically sound, the funding formula could be improved by using course completers instead of 14th day enrollment.

9. Formula Funding- Implementation. The funding formula is limited by hold harmless provisions and lack of funding.

10. Performance Funding- Design. Performance Funding has many positive features including SACS accreditation preparation, but is complex, has limited re-distributional effects, and an absence of an overall goal.

11. Performance Funding- Implementation. Performance Funding is rolled into all institutional funds for budget cuts and thus loses its monetary incentive.

12. Student Financial Aid- Alignment with Tuition Policy. Financial aid serves university (with the HOPE scholarship) and technology center (with Wilder-Naifeh) students well. Community college students seem to be left out.

13. Overall Tuition Policy. Differential tuition policy could create an incentive for enrolling or retaining upper level students and would recognize that students, not the state, is not the largest contributor to institutional base funding.

14. Tuition Policy- Out-of-state Students. Out-of-state tuition policy should be reviewed in terms of an e-rate for online course delivery and institutions serving their regional economy, which happens to include other states for several institutions.

15. Block Tuition. Analyses of alternatives to, and effects of, block tuition should be conducted.

16. Lottery Scholarship- Technical Issues. The lottery scholarship is limited by the inability to use it during the summer term and the course completion requirements for low-income adults.

17. Administrative Regulations. Institutions voiced a need for differential policies instead of a one-size-fits-all.

Appendix C: THEC Student Flow Model

A Roadmap for Increasing Degree Productivity in Tennessee

Tennessee higher education institutions need to produce a cumulative additional 26,000 degrees (Associates and Bachelors) by 2015 and 210,000 degrees by 2025 for the state to reach the national average degree attainment¹. Currently, Tennessee produces approximately 39,000 such graduates per year. Holding conditions constant, trends indicate that annual degree production will be about 41,000 in 2015. The state cannot reach the national average by 2025 with this level of degree production. Tennessee higher education must be producing 49,000 postsecondary degrees per year by 2015 and eventually 73,000 degrees per year by 2025 (**Chart 1**). In other words, Tennessee needs to continuously increase its degree productivity by 4.0 percent every year from now until 2025.

Chart 1: Projected Annual Degree Production² by Tennessee Higher Education from 2009-2025, and Production Required to Reach the National Average of Educational Attainment by 2025

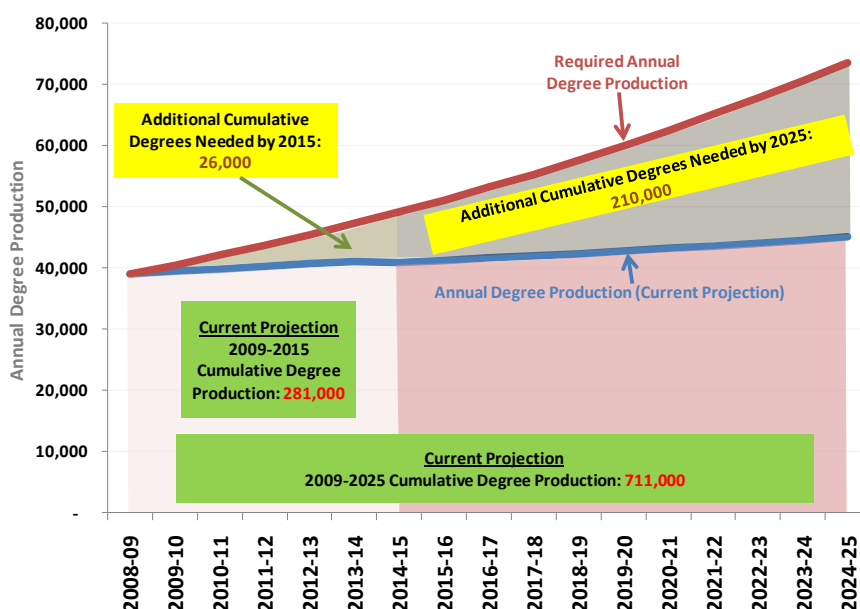


Table 1 below shows projected degree production levels in 2015 simulated by the Student Flow Model³. The current cycle of the public agenda ends at 2015, and the model was developed to explore what must be accomplished by then to put Tennessee on track to reach the national average in educational attainment by 2025. Scenario 1 assumes K-12 alone will make improvements by 2015, while the second scenario assumes that only higher education will improve. The third scenario combines these first two scenarios, assuming performance improvements across the P-20 spectrum.

¹ Educational attainment refers to the rate at which age 25-64 population has associate's degree or higher, and the attainment gap was computed based upon 2007 American Community Survey data. The projection of educational attainment drew on unpublished data from the National Center for Higher Education Management Systems.

² Includes for-profit institutions. The projection assumes that for-profit institutions will increase their annual degree completion by 3 percent every year.

³ In all scenarios, both for-profit and non-profit independent sectors are assumed to increase degree productivity by the annual growth rate of 3 percent.

Table 1: Degree Production Scenarios Simulated by Student Flow Model

Variables	Base	Scenario1	Scenario2	Scenario3
High School Graduation Rate	71	76	71	76
College-going rate of HS Grad	65	70	65	70
Out-migration rate of HS grad	13	8	13	8
% of students required to take at least one remedial or developmental course	33	28	33	28
2nd Year retention rate				
UT	78	78	81	81
TBR Universities	73	73	76	76
TBR Community Colleges	55	55	58	58
3rd Year retention rate*				
UT	68	68	75	75
TBR Universities	63	63	69	69
TBR Community Colleges	32	32	37	37
6-year Graduation rate				
UT	55	55	60	60
TBR Universities	44	44	48	48
TBR Community Colleges	21	21	24	24
Annual Expected Degree Production (Associates and Bachelors) by 2015	40,919	47,355	47,730	49,305

*3rd year retention rates will increase by 2 percentage points in addition to the level already reached by the improved second year retention rate

Chart 2 shows projected annual degree production for each scenario in 2015. Only scenario 3 enables Tennessee to reach the goal. This chart implies that the necessary improvements in degree production must result from collaboration between K-12 and higher education.

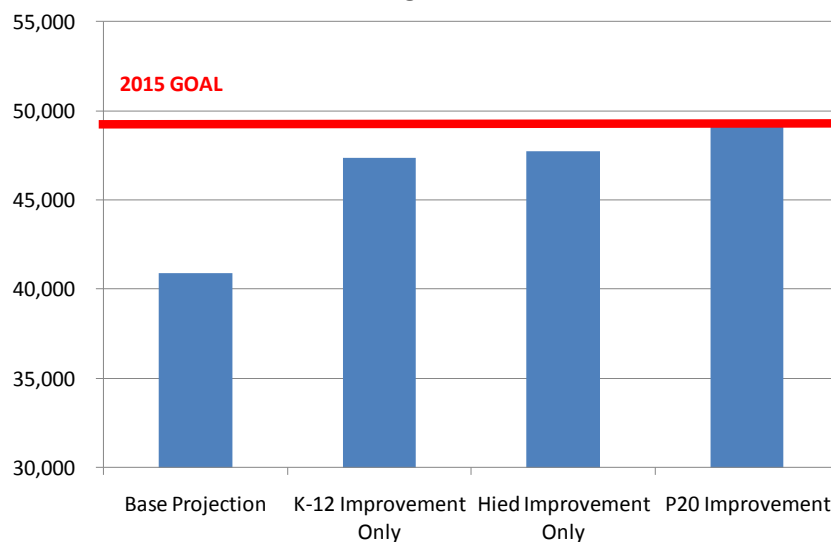
Chart2: Projected Annual Degree Projection (Associates and Bachelors) 2015, Tennessee Higher Education⁴

Table 2-1 shows system-level implications for degree production under Scenario 3, suggesting the average annual growth rate for each system in order to accomplish the state's goal. According to the Student Flow Model, Scenario 3 will improve the degree productivity of Tennessee higher education by an annual growth rate of 4.0 percent, resulting in an increase of 4.8 percent for the UT system, 3.4 percent for TBR Universities, and 2.7 percent for TBR community colleges. The flow model assumes TICUA institutions and for-profit private institutions will increase degree production by 3.5 and 8.4 percent, respectively, every year until 2015.

⁴ Includes public as well as not-for-profit and for-profit private institutions

Table 2-1: Degree Production Projections and Suggested Goals in 2015, by System

System	Current Degree Production in 2008-09 (Est.)	Completion Level in 2014-15 (Base)	Annual Growth Rate (Natural Growth Rate)	Completion Level in 2014-15 (Scenario3)	Annual Growth Rate Necessary Under Scenario3
UT	6,216	7,169	2.4%	8,235	4.8%
TBR Universities	11,153	12,154	1.4%	13,649	3.4%
TBR 2-year	7,254	7,597	0.8%	8,494	2.7%
TICUA	11,062	10,715	-0.5%	13,598	3.5%
For-profit	3,285	3,285	0.0%	5,329	8.4%
Total	38,970	40,919	0.8%	49,305	4.0%

Lastly, **Tables 3-1** and **3-2** present the estimated annual degree productions of each system under the baseline projection and Scenarios 3 as computed by the Student Flow Model. Along with **Table 3-3** that shows cumulative degree productions for three different time periods, these tables can be used as numeric guidelines for systems and institutions in the development of their master plans.

Table 3-1: Annual Degree Production under Baseline Projection

System	Base: 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2019-20	2024-25
UT	6,216	6,396	6,668	6,903	7,127	7,164	7,169	8,074	9,092
TBR Universities	11,153	11,218	11,614	11,921	12,110	12,172	12,154	13,056	14,025
Community Colleges	7,254	7,310	7,366	7,423	7,481	7,539	7,597	7,896	8,206
TICUA	11,062	11,003	10,945	10,887	10,829	10,772	10,715	10,434	10,160
For-profit	3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285
Total	38,970	39,211	39,878	40,419	40,831	40,932	40,919	42,618	44,388

Table 3-2: Annual Degree Production Required to Meet the State's Goal (Scenario 3)

System	Base: 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2019-20	2024-25
UT	6,216	6,396	6,677	7,165	7,737	8,006	8,235	10,410	13,160
TBR Universities	11,153	11,219	11,632	12,270	12,921	13,344	13,649	16,150	19,110
Community Colleges	7,254	7,566	7,487	7,706	8,053	8,373	8,494	9,688	11,050
TICUA	11,062	11,449	11,850	12,265	12,694	13,138	13,598	16,150	19,181
For-profit	3,285	3,560	3,860	4,184	4,535	4,916	5,329	7,976	11,938
Total	38,970	40,190	41,505	43,589	45,941	47,778	49,305	59,983	72,974

Table 3-3: Cumulative Degree Production: Baseline vs. Goal (Scenario 3)

System	Cumulative Degree Production: 2009 - 2015			Cumulative Degree Production: 2009 - 2020			Cumulative Degree Production: 2009 - 2025		
	Baseline	Goal	Diff	Baseline	Goal	Diff	Baseline	Goal	Diff
UT	41,427	44,216	2,789	79,942	91,713	11,771	123,318	151,756	28,437
TBR Universities	82,341	86,188	3,847	145,791	161,768	15,978	213,948	251,198	37,250
Community Colleges	51,971	54,934	2,963	90,848	100,923	10,075	131,254	153,378	22,124
TICUA	76,213	86,055	9,842	128,940	161,526	32,586	180,285	251,161	70,876
For-profit	22,992	29,669	6,677	39,415	63,829	24,415	55,837	114,960	59,122
Total	281,160	307,278	26,118	490,825	585,000	94,175	709,195	922,869	213,674

Appendix D: Institutional Mission Profiles

2010-2015 University Profiles

As part of Tennessee's implementation of the Complete College Tennessee Act of 2010, each institution is required to construct a profile, as a component of the 2010-15 Master Plan, that will guide the development of the outcomes-based funding formula and Performance Funding. These profiles will reflect each institution's Basic Carnegie Classification and will focus on degree level, academic programs, student characteristics, and, where applicable, research and public service. This exercise is not meant to supplant the development of comprehensive institutional mission statements that are utilized for accreditation. Rather, they are simply to assist higher education in implementation of the new 2010-15 Master Plan.

Complete College Tennessee Act (CCTA), Section 3.2:

An institutional mission statement shall characterize the institution by stating its distinctiveness in degree offerings by level and focus and student characteristics including, but not limited to, non-traditional students and part-time students, and shall address institutional accountability for the quality of instruction, student learning and, where applicable, research and public service to benefit Tennessee citizens.

Based on the language of the CCTA, the institutional profile on page 2 and other pertinent data, please construct a short paragraph identifying your institution's profile. The description should address degree level, primary academic programs of focus, student characteristics, public service where applicable, and other features that differentiate the institution. Please feel free to attach as an appendix additional documentation that elaborates on any aspects of the institution profile that are warranted.

Process for Governing Board and THEC mission profile review:

- 1. Institutions shall submit profiles to their respective governing boards to review, modify through consultation with institutions, and ratify;*
- 2. Governing boards then provide the profiles to THEC by **August 1, 2010** ;*
- 3. THEC, in consultation with governing boards, reviews, and, after any modifications as indicated, approves mission profiles.*

SAMPLE STATEMENT: Nashville University is a moderately selective institution located in metropolitan Nashville, predominantly serving undergraduate students (80 percent of total enrollment). Outreach programs and special services for sub-populations include first-generation and adult students. With limited graduate offerings targeted primarily on Business, Health and Engineering, Nashville University serves Middle Tennessee by preparing professionals for practice in Communication Disorders and Law. Nashville University's Carnegie Classification is Masters Large, with limited research activity revolving primarily around Organizational Psychology and Engineering Technology. A largely residential campus, the most recent six-year graduation rate was 68 percent.

2010-2015 University Profiles

Data	APSU	ETSU	MTSU	TSU	TTU	UOM	UTC	UTK	UTM
Carnegie Classification	Master's Medium	Doctoral / Research	Master's Large	Doctoral / Research	Master's Large	Research High	Master's Large	Research Very High	Master's Medium
Doctoral Programs	N/A	10	8	7	3	22	3	53	NA
Professional Programs	N/A	Medicine, Pharmacy	N/A	N/A	N/A	Law	N/A	Law, Veterinary Medicine	N/A
Educational Specialist Programs	1	1	2	2	3	1	1	4	NA
Master's Programs	17	35	34	26	17	52	20	81	6
Graduate Programs at Highest Degree Level by Broad CIP Classifications (Number shows programs in CIP category, e.g., ETSU has 5 doctorates in Health Sciences)	1: Educ Specialist	5: Health Sci.	2: Education	2: Education	1: Engineering	4: Education	1: Engineering	13: Engineering	<u>Master's</u>
	<u>Master's</u>	2: Education	1: English	1: Engineering	1: Environ. Sci.	3: Psychology	1: Phys. Therapy	10: Single Programs	3: Education
	11: Single Programs	1: Bio. Sci.	1: Biology	1: Biology	1: Education	2: Physical Sci.	1: Education	4: Biology	1: Agriculture
	6: Education	1: Exercise Sci.	1: Math	1: Psychology		2: Audiology		4: Psychology	1: Business Admin.
		1: Psychology	1: Health/PE	1: Public Admin		2: Engineering		4: Social Sciences	1: Family & Consumer
			1: Economics	1: Phys Therapy		1: Communication		4: History	
			1: History			1: Computer Sci.		3: Agriculture	
						1: English		3: Education	
						1: Biology		3: Consumer Sci.	
						1: Math		3: Physical Sci.	
						1: Philosophy		2: Health	
						1: History			
						1: Business			
						1: Music			
Doctoral Degrees Granted	N/A	75	24	60	17	132	50	277	N/A
Professional Degrees	N/A	61	N/A	N/A	N/A	121	N/A	200	N/A
Ed. Specialist Degrees	4	18	95	25	260	10	27	17	0
Master's Degrees	250	559	682	401	544	862	377	1,628	115
Bachelor's Degrees	1,161	1,878	3,789	948	1,528	2,590	1,256	4,107	1,018
Associate's Degrees	158	N/A	N/A	112	N/A	N/A	N/A	N/A	N/A
Total Degrees Granted	1,573	2,591	4,590	1,546	2,349	3,715	1,710	6,229	1,133
Percent Bachelor's Degrees	74%	72%	83%	61%	65%	70%	73%	66%	90%
Land-Grant Status	N/A	N/A	N/A	1958	N/A	N/A	N/A	1869	N/A
Six-year Graduation Rate - Fall 2003 Cohort	37%	48%	52%	42%	57%	41%	51%	65%	55%
Research Activity (Restricted)	\$ 964,900	\$ 2,950,000	\$ 2,500,000	\$ 8,045,700	\$ 12,800,000	\$ 34,637,800	\$ 4,555,075	\$ 110,086,600	\$ 155,000
Research Activity (Unrestricted)	\$ 554,000	\$ 3,567,600	\$ 8,995,100	\$ 1,664,000	\$ 1,788,300	\$ 19,720,600	\$ 1,666,071	\$ 30,306,423	\$ 1,093,115
Sample Undergraduate Student Demographics									
Average Freshman ACT	21.7	22.4	22.6	17.8	23.2	22.1	22.3	24.0	21.1
Percent First-Time Freshman	16%	14%	14%	15%	17%	10%	21%	13%	17%
Percent Adult Students (age 25+)	40%	25%	22%	26%	17%	30%	15%	9%	19%
Percent Part-Time Students	37%	25%	24%	35%	25%	34%	22%	19%	27%

* Data definitions and sources on following page

**2010-2015 University Profiles
Data Definitions and Sources**

Data	Definition	Source
Carnegie Classification	Basic institutional classification as determined by the Carnegie Foundation for the Advancement of Teaching	www.classifications.carnegiefoundation.org
Doctoral Programs	Number of doctoral programs offered at the institution	THEC Academic Program Inventory
Professional Programs	Professional degrees offered at institution	THEC Academic Program Inventory
Educational Specialist Programs	Number of educational specialist programs offered at the institution	THEC Academic Program Inventory
Master's Programs	Number of master's programs offered at the institution	THEC Academic Program Inventory
Graduate Programs at Highest Degree Level	Programs at highest degree level grouped by Classification of Instructional Program (CIP) code	THEC Academic Program Inventory
Doctoral Degrees Granted	Total number of doctoral degrees granted during the 2008-09 academic year	THEC Report of Graduates
Professional Degrees Granted	Total number of professional degrees granted during the 2008-09 academic year	THEC Report of Graduates
Ed. Specialist Degrees Granted	Total number of Ed. specialist degrees granted during the 2008-09 academic year	THEC Report of Graduates
Master's Degrees Granted	Total number of master's degrees granted during the 2008-09 academic year	THEC Report of Graduates
Bachelor's Degrees Granted	Total number of bachelor's degrees granted during the 2008-09 academic year	THEC Report of Graduates
Associate's Degrees Granted	Total number of associate's degrees granted during the 2008-09 academic year	THEC Report of Graduates
Total Degrees Granted	Sum of all degrees granted during the 2008-09 academic year	THEC Report of Graduates
Percent Bachelor's Degrees	Percentage of total degrees granted during the 2008-09 academic year that were bachelor's	THEC Report of Graduates
Land-Grant Status	Year designated a land-grant institution	Institution websites
Six-year Graduation Rate - Fall 2003 Cohort	Fall 2003 first-time, full-time freshman and summer first-time freshman who continued in fall 2003, matched to graduates through 2008-09	THEC Student Information System
Research Activity (Restricted)	Total restricted research expenditures budgeted for FY 2009-10	Operating Budgets
Research Activity (Unrestricted)	Total unrestricted research expenditures budgeted for FY 2009-10	Operating Budgets
Average Freshman ACT	Average ACT score of first-time freshman: Fall 2009	THEC Student Information System
Percent First-Time Freshman	Percentage of total student headcount enrolled in postsecondary education for the first time: Fall 2009	THEC Student Information System
Percent Adult Students (age 25+)	Percentage of undergraduate student headcount age 25 and up: Fall 2009	THEC Student Information System
Percent Part-Time Students	Percentage of students enrolled for less than 12 hours of degree credit: Fall 2009	THEC Student Information System

2010-2015 Community College Profiles

As part of Tennessee's implementation of the Complete College Tennessee Act of 2010, each institution is required to construct a profile, as a component of the 2010-15 Master Plan, that will guide the development of the outcomes-based funding formula and Performance Funding. These profiles will focus on degree level, academic programs, student characteristics, and public service where applicable. This exercise is not meant to supplant the development of comprehensive institutional mission statements that are utilized for accreditation. Rather, they are simply to assist higher education in implementation of the new 2010-15 Master Plan.

Complete College Tennessee Act (CCTA), Section 3.2:

An institutional mission statement shall characterize the institution by stating its distinctiveness in degree offerings by level and focus and student characteristics including, but not limited to, non-traditional students and part-time students, and shall address institutional accountability for the quality of instruction, student learning and, where applicable, research and public service to benefit Tennessee citizens.

Based on the language of the CCTA, the institutional profile on page 2 and other pertinent data, please construct a short paragraph identifying your institution's profile. The description should address degree level, primary academic programs of focus, student characteristics, public service where applicable, and other features that differentiate the institution. Please feel free to attach as an appendix additional documentation that elaborates on any aspects of the institution profile that are warranted.

Process for Governing Board and THEC mission profile review:

- 1. Institutions shall submit profiles to their respective governing boards to review, modify through consultation with institutions, and ratify;*
- 2. Governing boards then provide the profiles to THEC by **August 1, 2010** ;*
- 3. THEC, in consultation with governing boards, reviews, and, after any modifications as indicated, approves mission profiles.*

SAMPLE STATEMENT: Nashville University is a moderately selective institution located in metropolitan Nashville, predominantly serving undergraduate students (80 percent of total enrollment). Outreach programs and special services for sub-populations include first-generation and adult students. With limited graduate offerings targeted primarily on Business, Health and Engineering, Nashville University serves Middle Tennessee by preparing professionals for practice in Communication Disorders and Law. Nashville University's Carnegie Classification is Masters Large, with limited research activity revolving primarily around Organizational Psychology and Engineering Technology. A largely residential campus, the most recent six-year graduation rate was 68 percent.

2010-2015 Community College Profiles

Data	CHSCC	CLSCC	COSCC	DSCC	JSCC	MSCC	NASCC
Associate's Degrees Granted	617	291	483	213	462	460	529
Certificates Granted	119	64	71	15	43	0	121
FTE	5,987	2,504	3,569	2,213	3,313	3,353	5,154
Six-year Graduation Rate - Fall 2003 Cohort	25.5%	30.9%	43.6%	25.0%	28.5%	40.7%	25.0%
Percent Remedial/Developmental	65.1%	59.9%	51.1%	67.1%	64.2%	67.7%	76.8%
Sample Student Demographics							
Average Freshman ACT	18.6	19.7	20.6	18.0	18.1	18.9	18.0
Percent Adult Students (age 25+)	42%	39%	32%	39%	36%	30%	51%
Percent Part-Time Students	53%	44%	53%	47%	47%	46%	63%
Percent First-Time Freshman	17%	20%	23%	25%	22%	26%	15%

Data	NESCC	PSCC	RSCC	STCC	VSCC	WSCC
Associate's Degrees Granted	635	670	617	609	616	558
Certificates Granted	171	3	78	382	277	247
FTE	4,231	6,695	4,227	8,465	5,501	4,780
Six-year Graduation Rate - Fall 2003 Cohort	35.4%	37.4%	40.0%	15.0%	31.1%	35.6%
Percent Remedial/Developmental	63.1%	56.0%	56.3%	85.2%	60.0%	57.9%
Sample Student Demographics						
Average Freshman ACT	19.7	20.6	20.1	16.6	19.3	20.0
Percent Adult Students (age 25+)	44%	33%	36%	38%	32%	31%
Percent Part-Time Students	44%	47%	45%	49%	48%	43%
Percent First-Time Freshman	21%	19%	23%	21%	20%	24%

* Data definitions and sources on following page

2010-2015 Community College Profiles

Data Definitions and Sources

Data	Definition	Source
Associate's Degrees Granted	Total number of associate degrees awarded in the 2008-09 academic year	THEC Report of Graduates
Certificates Granted	Total number of certificates granted in the 2008-09 academic year	THEC Report of Graduates
FTE	Full time equivalent enrollment. Total number of credits attempted divided by 15: Fall 2009	THEC Report of Graduates
Six-year Graduation Rate - Fall 2003 Cohort	Fall 2003 first-time freshman and summer first-time freshman who continued in fall 2003, matched to graduates through 2008-09	THEC Student Information System
Percent Remedial/Developmental	Full-time, first-time freshman, 18 years or younger taking any remedial and developmental course: Fall 2009	THEC Student Information System
Average Freshman ACT	Average ACT score of first-time freshman: Fall 2009	THEC Student Information System
Percent Adult Students (age 25+)	Percentage of undergraduate student headcount age 25 and up: Fall 2009	THEC Student Information System
Percent Part-Time Students	Percentage of students enrolled for less than 12 hours of degree credit: Fall 2009	THEC Student Information System
Percent First-Time Freshman	Percentage of total student headcount enrolled in postsecondary education for the first time: Fall 2009	THEC Student Information System

Appendix E: Race to the Top Projects Managed by THEC

Higher Education's Involvement in Tennessee's Race to the Top

As a part of the American Recovery and Reinvestment Act of 2009, President Barack Obama and Secretary of Education Arne Duncan announced the United States Department of Education's Race to the Top competition. Race to the Top is a \$4.35 billion incentive program designed to make drastic reforms and improvements in education and student performance. Tennessee was one of 41 states to submit applications for the program in January of 2010. After a rigorous competition, Tennessee emerged as one of two states awarded Race to the Top funding and will receive \$501 million over the next four years.

Tennessee's Race to the Top proposal concentrated on five areas of improvement: Great Teachers and Leaders, Standards and Assessments, Data Systems to Support Instruction, Turning Around Low-Performing Schools, and STEM (Science, Technology, Engineering, and Math) Education. This sweeping educational reform will require collaboration from all educational stakeholders. The Tennessee Department of Education, State Board of Education, Tennessee Higher Education Commission, and Governor's Office of State Policy and Planning will lead the efforts in implementing the reforms proposed in Race to the Top.

With Tennessee's successful Race to the Top bid, higher education will have a significant role in achieving the overall goals of the federal school reform grant. THEC and institutions of higher education are instrumental in ensuring the success of Race to the Top in the state. The THEC Executive Director serves on the First to the Top Advisory Council which oversees implementation. THEC staff also serve on various First to the Top working teams such as Project Management Oversight Committee, STEM leadership team, and the First to the Top Oversight Team.

Not only will higher education be involved in shaping the education reforms being enacted but will also be directly responsible as programmatic and fiscal manager for numerous programs. Individual institutions will have opportunities to apply for funding for projects that will address the provisions of the federal award. Tennessee's Race to the Top framework names THEC as directing and managing several projects with a total fiscal impact of over \$20 million. These projects aim to accomplish the following:

- **Strengthen the ability of K-12 teachers to use TVAAS data in improving student outcomes.** Through engagement of individual institutions, THEC will work with SAS and Battelle to develop a module for teacher pre-service curriculum. This module will prepare teachers to use TVAAS data to modify classroom content to ensure student success. (Integrating TVAAS into Pre-Service Training: \$1,350,000)

- **Improve the quality and quantity of teachers in K-12 education.** Through collaboration with the State Board of Education, TDOE, the UT Center for Business and Economic Research, and the 39 teacher preparation programs in the state, THEC will facilitate funding for projects that will improve the quality and quantity of teachers in the state. This will be accomplished through evaluating the capacity of the teacher workforce in the state and projecting the demand for teachers and principals. This will be done on a geographic basis as well as by subject area and grade level. (Integrating Common Core Standards into Pre-Service Teachers: \$1,350,000 and School Leaders Supply and Demand Study: \$172,800)
- **Provide accountability in teacher preparation focused on strengthening programs.** Responsibility for the Report Card on Teacher Preparation has been shifted from the State Board of Education to THEC, and this responsibility is addressed in the Race to the Top framework. The Report Card process provides accountability for the teacher preparation programs and their graduates and provides valuable feedback to the institutions to make programmatic changes. (Teacher Preparation Program Effectiveness Report Card: \$432,000)
- **Increase Tennessee's competitiveness in STEM.** The STEM network in Tennessee will continue to expand through Race to the Top through two new initiatives.
 - In addition to the two UTeach replication sites being currently funded by THEC and TDOE, the Race to the Top funding names the establishment of two additional UTeach replication sites at the University of Memphis and UT Chattanooga. THEC will facilitate these additions which will dramatically increase the number of secondary math and science teachers across the state. (UTeach Program Replication: \$4,104,000)
 - THEC will also contract with the university STEM centers to provide high quality professional development to K-12 teachers in STEM disciplines. (STEM Professional Development: \$6,480,000)
- **Expand the College Access Network.** THEC will receive additional funding to expand the current College Access Network and to assist students in successful application and admission to colleges and universities. (College Access Network: \$3,240,336)

While THEC has primary responsibility for the projects listed above, there are numerous other initiatives in which THEC and higher education institutions play a role. The Race to the Top proposal team selected STEM as a competitive priority. Along with the STEM professional development managed by THEC, other STEM initiatives include: STEM Innovation Network Infrastructure, Regional STEM Hubs, and the Oak Ridge Associated Universities STEM Teacher Training Academy. Another area where higher education and THEC will have significant involvement is the state longitudinal data system. THEC and the institutions will provide data to build the P-20 data system being housed at the University of Tennessee, Knoxville's Center for Business and Economic Research.

List of Projects from Race to the Top Managed by THEC: \$20,369,136

1. Integrating Common Core Standards into Pre-Service: \$1,350,000
 - a. THEC will contract with an external source to provide training for college faculty. Training will be provided for faculty at no cost to the institution.
2. Integrating TVAAS into Pre-Service: \$1,350,000
 - a. RFP issued for development of module (geared toward SAS or Battelle).
 - b. RFP issued for higher education institutions to receive funds to implement the module as well as contract with SAS for additional studies related to graduate performance as measured by TVAAS.
3. School Leaders Supply and Demand Study: \$172,800
 - a. This will be a direct contract with UTK's Center for Business and Economic Research.
4. UTeach Program Replication: \$4,104,000
 - a. These will be direct contracts with the University of Memphis and the University of Tennessee, Chattanooga to implement the UTeach programs proposed through the RFP issued in March 2009.
5. Teacher Preparation Program Effectiveness Report Card: \$432,000
 - a. THEC will be working with teacher preparation programs to design a more effective report card. This will include the state-wide report card as well as institutional feedback reports related to graduates.
6. College Access Network: \$3,240,336
7. STEM Professional Development: \$6,480,000
 - a. RFPs will be issued for STEM Centers to provide professional development to K-12 teachers in STEM disciplines.
8. Tennessee Consortium on Research, Evaluation, and Development (TNCRED) (This will flow through to Vanderbilt University's National Center for Performance Incentives.): \$3,240,000

Appendix F: 2010-15 Performance Funding Quality Assurance Standards

Tennessee Higher Education Commission 2010-15 Performance Funding Quality Assurance Standards July 2010

Thirty-year History with National Recognition. The Tennessee Higher Education Commission's Performance Funding Program has been in operation for over thirty years. It is nationally recognized as a successful statewide supplemental funding incentive to encourage continuous improvement of programs and services. All public universities and community colleges have been able to "earn" additional funds (up to 5.45 percent of the institution's state funding) on the basis of quality improvement as measured by a common set of indicators. A collective \$50 million is awarded annually for evidence of improved quality in programs and services.

Benefit to Institutions. The incentive has encouraged institutions to build comprehensive evaluation systems whereby they can reliably measure student learning. Over the years, Tennessee institutions have developed a culture of continuous improvement and comfort with assessment that serves them in good stead with their institutional accreditor, the Commission on Colleges of the Southern Association of Colleges and Schools, and with specialized accreditors, such as those in engineering, business, law, medicine, nursing, and teacher preparation.

Accountability Instrument for the Master Plan. The Performance Funding Incentive Program serves as an accountability instrument for each five-year Master Plan and tracks measures THEC is statutorily required to report annually to the Tennessee General Assembly.

Quality Assurance Companion to the Funding Formula. For the 2010-15 cycle, the Performance Funding Program will also serve as the quality assurance component of the new productivity-focused higher education Funding Formula. In previous Performance Funding five-year cycles, some 60 percent of Performance Funding dollars available were awarded on the basis of productivity (student retention and graduation rates). For 2010-15, these productivity measures have been ceded to the productivity-based Funding Formula, and 100 percent of Performance Funding points are now dedicated to quality assurance. Thus, the 2010-15 Performance Funding Program reinforces the Funding Formula but does not duplicate its purpose.

Quality of Student Learning. The Performance Funding standards measure student learning and quality of programs and services against annual improvement targets. For example, institutions strive to improve student learning as evidenced in scores on national tests of general education, major fields, and licensure administered to graduating students. Institutional score averages are measured against national score averages for same-type institutions and points are awarded accordingly.

Quality of Student Support and Success. The Standards also measure quality through accreditation of programs eligible for accreditation, results of academic program reviews by teams of peer evaluators, survey evidence of student and alumni satisfaction with the quality of the institution, and employer satisfaction with the work-readiness of graduates.

Diversity and Opportunity. The 2010-15 Standards also measure institutional quality through the success of targeted subpopulations each institution seeks to attract and graduate in accord with its particular mission goals. These subpopulations expand the college-going pool and include students who are adults, low income, African-American, Hispanic, first-generation college-goers, students from underserved counties, and those entering high need fields (such as health care, science, technology, engineering, and math).

2005-10 Performance Funding Cycle	2010-15 Performance Funding Cycle
Defining Features • Served as Master Plan assessment mechanism • Capitalized on availability of national benchmarking tools (NSSE, IPEDS, CSRDE, Delaware/Kansas Cost Study) • Recognized SACS process for Quality Enhancement Plan (QEP) • Used funding formula peer set • Integrated campus strategic planning, system planning and Master Plan • Stressed transfer success • Emphasized employer feedback • Placed greater emphasis on student persistence	Defining Features • Serves as Master Plan assessment mechanism • Serve as funding formula quality assurance piece • Retains traditional quality assurance measures to document sustained quality • Uses Carnegie peer sets • Keeps emphasis on national benchmarking • Keeps QEP as peer review and qualitative measure • Places greater emphasis on student learning and evaluation of academic programs • Continues to use faculty peer teams for assessment evaluation • Simplifies standards and makes institutional reporting easier and transparent (no pilot assessments or planning initiatives) • Relies on existing data collection systems for degree productivity
■ Standard One – Student Learning & Outcomes (35% - 40%) A. General Education (15) B. Major Field Assessment (10) C. Accreditation and Program Review (10-15) ■ Standard Two – Student Satisfaction – 10% ■ Standard Three – Student Persistence – 15% (retention and graduation rates) ■ Standard Four – State Master Plan Priorities (20% - 25%) A. Institutional Strategic Planning Goals (5) B. State Strategic Planning Goals (10) C. Transfer and Articulation (5 – universities only) D. Job Placement (10 – community colleges only) ■ Standard Five – Assessment Outcomes (15%) A. Assessment Pilot (5) B. Assessment Implementation (10)	■ Standard One – Quality of Student Learning and Engagement (75%) A. General Education (15 points) B. Major Field Assessment (15 points) C. Academic Programs: Accreditation and Evaluation¹ (15 points community colleges and 25 points universities) D. Satisfaction Surveys – NSSE and CCSSE, Alumni and Employer² (10 points) E. Job Placement (10 points community colleges only) F. Assessment Implementation – QEP and SLI (10 points) ¹ Institutions will have the flexibility to review programs on a five to seven-year cycle in accord with specialized accrediting agencies' length of award. ² Alumni and Employer Satisfaction Projects will focus on surveying and/or interviewing the specified group. In the fifth year a summary report for all surveys and projects is required. ■ Standard Two – Quality of Student Access and Student Success (25%) Subpopulations: ¹Adult, ²Low-income, ³African American, ⁴Hispanic, ⁵Males, ⁶High Need Geographical Area, ⁷STEM, ⁸Health, ⁹High Need Institutional Selection ¹¹CC Transfers with 24 SCH to Universities ¹²AA/AS/AST Transfers and ¹³TN Community College <i>* Institutions will select 5 subpopulations that are important to their mission and service area.</i>

2010-15 Performance Funding Cycle

■ Standard Two – Quality of Student Access and Student Success (25%)

Student success is defined as credential completion (*certificates, Associate and Bachelor's degrees*) which is the unifying goal of the Public Agenda, the Outcomes-based formula and the Performance Funding incentive program.

Institutions will select 5 of the 13 student sub-populations to focus on student success.	Evaluation: Rolling average (rates of previous 3 years) compared with current year	Each sub-population valued at 5 points each for a total of 25 maximum points.
Sub-population	Definition	Data Source
1. Adult	Year of Birth Field: Age 25 and over at time degree was earned	Annual Report of Graduates
2. Low Income	Pell Eligible	Annual Report of Graduates linked with TSAC FAFSA data
3. African American	Ethnicity field: African American	Annual Report of Graduates
4. Hispanic	Ethnicity field: Hispanic	Annual Report of Graduates
5. Males	Gender field: Male	Annual Report of Graduates
6. High Need Geographical Area	County of Permanent Residence Field	Annual Report of Graduates and Educational Needs Index http://educationalneedsindex.com/ to support geographical focus
7. Science, Technology, Engineering and Mathematics (STEM)	Student Major Field -- STEM Disciplines -- CIP Code 01 Agriculture -- CIP Code 03 Natural Resources -- CIP Code 11 Computer and Information Sciences -- CIP Code 14 Engineering -- CIP Code 15 Engineering Technologies -- CIP Code 26 Biological and Biomedical Sciences -- CIP Code 27 Mathematics and Statistics -- CIP Code 40 Physical Sciences	Annual Report of Graduates
8. Health	Student Major Field -- Health Discipline -- CIP Code 32 Health Professions	Annual Report of Graduates
9. High-Need Fields	Programs identified as high need from the Supply/Demand Study	Annual Report of Graduates
10. Institutional Selection	Sub-population to be defined by institution but no duplication of other sub-populations	Annual Report of Graduates and Institutional Data
11. CC Transfers with 24 SCH to Universities *	Student transfers with 24+ SCH	Enrollment Report
12. AA/AS/AST Transfers *	Community college graduates (AA/AS/AST) who enroll at a university the following fall term	Match Report of Graduates for Community Colleges with University Enrollment Report
13. TN Community Graduates who complete Bachelor's Degree **	Bachelor's graduates who previously earned associate degree	Match Report of Graduates for Universities with previous Graduate Reports for Community Colleges
* Community college sub-population only		
** University sub-population only		

Appendix G: Outcomes-Based Funding Formula Summary
2010-11 Outcomes Formula Model

Outcomes (2006-07 to 2008-09 Data)	APSU	UTM	TTU	UTC	MTSU	ETSU	TSU	UM	UTK
Students Accumulating 24 hrs*	1,776	1,489	1,650	1,862	4,065	2,136	1,428	2,854	4,477
Students Accumulating 48 hrs*	1,536	1,200	1,502	1,416	3,913	1,896	1,206	2,701	4,671
Students Accumulating 72 hrs*	1,454	1,179	1,577	1,409	4,071	1,990	1,255	2,758	4,673
Bachelors and Associates*	1,259	991	1,442	1,210	3,658	1,756	1,103	2,495	3,742
Masters/Ed Specialist Degrees	234	142	731	394	693	538	414	875	1,534
Doctoral / Law Degrees	0	0	21	38	19	66	52	237	403
Research and Service	951,511	4,797,473	9,341,101	10,224,305	28,365,644	21,266,792	28,686,081	39,043,610	118,768,446
Transfers Out with 12 hrs	219	307	370	475	791	385	227	424	794
Degrees per 100 FTE	17.6	16.1	17.8	14.9	18.9	16.9	15.8	16.3	16.6
Six-Year Graduation Rate	36	52	51	50	50	46	41	41	64

**Premium of 40% added for Adults and Low-Income Students*

Weights Based on Institutional Mission	APSU	UTM	TTU	UTC	MTSU	ETSU	TSU	UM	UTK
Students Accumulating 24 hrs	3%	3%	3%	3%	3%	3%	3%	2%	2%
Students Accumulating 48 hrs	5%	5%	5%	5%	5%	5%	5%	3%	3%
Students Accumulating 72 hrs	7%	7%	7%	7%	7%	7%	7%	5%	5%
Bachelors and Associates	30%	30%	25%	25%	25%	25%	25%	25%	15%
Masters/Ed Specialist Degrees	15%	15%	15%	15%	15%	15%	15%	15%	15%
Doctoral / Law Degrees	0%	0%	5%	5%	5%	8%	8%	10%	10%
Research and Service	10%	10%	10%	10%	10%	13%	13%	13%	15%
Transfers Out with 12 hrs	10%	10%	10%	10%	10%	5%	5%	5%	5%
Degrees per 100 FTE	15%	15%	10%	10%	10%	10%	10%	10%	10%
Six-Year Graduation Rate	5%	5%	10%	10%	10%	10%	10%	13%	20%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Outcomes Model Estimation	85,910,400	72,302,400	118,213,400	99,566,000	215,428,400	137,476,000	105,876,600	252,801,600	480,549,800
Old Model Calculation	78,195,000	70,994,000	106,785,000	104,335,000	227,255,000	143,316,000	107,397,000	267,115,000	465,000,000
% Comparison	1.10	1.02	1.11	0.95	0.95	0.96	0.99	0.95	1.03

2010-11 Outcomes Formula Model

Outcomes (2006-07 to 2008-09 Data)	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville
Students Accumulating 12 hrs*	3,645	1,440	2,089	1,250	2,177	2,068	2,954
Students Accumulating 24 hrs*	2,247	920	1,458	755	1,167	1,315	2,077
Students Accumulating 36 hrs*	1,725	724	1,113	571	929	991	1,674
Dual Enrollment	966	393	528	446	371	528	478
Associates*	654	273	494	205	450	424	519
Certificates*	102	62	38	20	30	3	116
Job Placements	407	149	202	95	232	74	308
Remedial & Developmental Success	2,593	892	1,431	960	1,367	1,393	2,657
Transfers Out with 12 hrs	485	223	469	240	299	452	610
Workforce Training (Contact Hours)	6,620	213	44,623	8,251	24,659	1,679	74,750
Awards per 100 FTE	14.71	16.09	17.63	13.22	16.87	15.66	15.29

**Premium of 40% added for Adults and Low-Income Students*

Weights	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville
Students Accumulating 12 hrs	6.0%	6.0%	4.0%	6.0%	6.0%	6.0%	4.0%
Students Accumulating 24 hrs	7.0%	7.0%	5.0%	7.0%	7.0%	7.0%	5.0%
Students Accumulating 36 hrs	7.0%	7.0%	6.0%	7.0%	7.0%	7.0%	6.0%
Dual Enrollment	5.0%	10.0%	10.0%	5.0%	5.0%	5.0%	5.0%
Associates	5.0%	15.0%	10.0%	10.0%	20.0%	10.0%	20.0%
Certificates	10.0%	10.0%	5.0%	10.0%	10.0%	5.0%	20.0%
Job Placements	20.0%	5.0%	5.0%	10.0%	5.0%	10.0%	10.0%
Remedial & Developmental Success	10.0%	20.0%	10.0%	20.0%	15.0%	10.0%	10.0%
Transfers Out with 12 hrs	15.0%	10.0%	20.0%	15.0%	10.0%	20.0%	10.0%
Workforce Training (Contact Hours)	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Awards per 100 FTE	5.0%	5.0%	20.0%	5.0%	10.0%	15.0%	5.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Outcomes Model Estimation	45,897,000	19,932,800	28,972,100	16,669,100	27,797,700	24,773,900	38,325,500
Old Model Calculation	48,515,000	20,176,000	27,388,000	16,520,000	25,985,000	25,279,000	35,668,000
% Comparison	0.95	0.99	1.06	1.01	1.07	0.98	1.07

Outcomes (2006-07 to 2008-09 Data)	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	All CC
Students Accumulating 12 hrs*	2,301	4,055	2,217	5,348	3,387	2,560	35,488
Students Accumulating 24 hrs*	1,669	2,579	1,535	4,027	1,930	1,706	23,387
Students Accumulating 36 hrs*	1,302	2,034	1,256	2,816	1,511	1,374	18,018
Dual Enrollment	355	695	601	216	1,323	863	7,763
Associates*	569	652	636	696	623	592	6,787
Certificates*	155	21	85	403	240	273	1,548
Job Placements	246	178	400	524	339	488	3,642
Remedial & Developmental Success	1,668	2,105	1,494	5,065	2,272	1,688	25,585
Transfers Out with 12 hrs	440	751	481	804	628	448	6,329
Workforce Training (Contact Hours)	6,696	23,141	74,440	61,010	51,351	18,784	396,220
Awards per 100 FTE	20.90	12.42	19.19	15.48	18.93	21.96	218.36

**Premium of 40% added for Adults and Low-Income Students*

Weights	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	CC Avg
Students Accumulating 12 hrs	4.0%	6.0%	2.0%	4.0%	2.0%	4.0%	4.6%
Students Accumulating 24 hrs	5.0%	7.0%	3.0%	5.0%	3.0%	5.0%	5.6%
Students Accumulating 36 hrs	6.0%	7.0%	5.0%	6.0%	5.0%	6.0%	6.3%
Dual Enrollment	5.0%	10.0%	10.0%	5.0%	10.0%	10.0%	7.3%
Associates	20.0%	20.0%	20.0%	10.0%	20.0%	20.0%	15.4%
Certificates	20.0%	5.0%	20.0%	20.0%	20.0%	20.0%	13.5%
Job Placements	10.0%	10.0%	15.0%	10.0%	5.0%	5.0%	9.2%
Remedial & Developmental Success	5.0%	5.0%	5.0%	20.0%	10.0%	10.0%	11.5%
Transfers Out with 12 hrs	10.0%	15.0%	10.0%	5.0%	15.0%	10.0%	12.7%
Workforce Training (Contact Hours)	5.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.8%
Awards per 100 FTE	10.0%	5.0%	5.0%	10.0%	5.0%	5.0%	8.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Outcomes Model Estimation	30,531,800	46,433,800	37,219,800	66,920,600	36,155,300	38,718,300	458,347,700
Old Model Calculation	31,610,000	48,839,000	35,577,000	67,816,000	37,815,000	38,793,000	459,981,000
% Comparison	0.97	0.95	1.05	0.99	0.96	1.00	1.00

**Outcomes Based Formula Model Universities
Data Definitions and Sources**

Data	Definition	Data Source
Students Accumulating 24 hrs	Number of students who pass the 24 cumulative student credit hour benchmark during the prior academic year.	THEC Student Information Systems
Students Accumulating 48 hrs	Number of students who pass the 48 cumulative student credit hour benchmark during the prior academic year.	THEC Student Information Systems
Students Accumulating 72 hrs	Number of students who pass the 72 cumulative student credit hour benchmark during the prior academic year.	THEC Student Information Systems
Bachelor's and Associate's	Number of bachelor's and associate's degrees conferred during the prior academic year.	THEC Student Information Systems
Master's/Ed Specialist Degrees	Number of master's and education specialist degrees conferred during the prior academic year.	THEC Student Information Systems
Doctoral / Law Degrees	Number of doctoral and law degrees conferred during the prior academic year.	THEC Student Information Systems
Research and Service	Funding for sponsored programs in the prior academic year	Reported by system
Transfers Out with 12 hrs	The number of students who transferred out to any public, private or out-of-state institution in the prior academic year who had accumulated at least 12 student credit hours from the transferring institution.	THEC Student Information Systems, TICUA and Clearinghouse
Degrees per 100 FTE	Number of associate's and bachelor's degrees conferred during the prior academic year (all semesters) divided by 100 year round end-of-term undergraduate FTE generated during the previous year.	THEC Student Information Systems
Six-Year Graduation Rate	For 2010-11 simulation: Fall 2003 first-time, full-time freshman and summer first-time freshman who continued in fall 2003, matched to graduates through 2008-09.	THEC Student Information Systems
Sub-populations		
Adults	Students 25 years or older at time outcome is achieved	THEC Student Information Systems
Low-Income	Pell eligible students at any time during their college career	THEC Student Information Systems
Other		
M&O	Maintenance and operations. Dollar rate per E&G square foot. Same as old formula.	Reported by system
Utilities	Dollar rate per E&G square foot. Same as old formula.	Reported by system
Equipment Replacement	Ten percent of current equipment inventory. Same as old formula.	Reported by system
SREB Avg Salary	Average faculty salary of similar Carnegie institutions in the SREB	Southern Regional Education Board

**Outcomes Based Formula Model Community Colleges
Data Definitions and Sources**

Data	Definition	Data Source
Students Accumulating 12 hrs	Number of students who pass the 12 cumulative student credit hour benchmark during the prior academic year.	THEC Student Information Systems
Students Accumulating 24 hrs	Number of students who pass the 24 cumulative student credit hour benchmark during the prior academic year.	THEC Student Information Systems
Students Accumulating 36 hrs	Number of students who pass the 36 cumulative student credit hour benchmark during the prior academic year.	THEC Student Information Systems
Dual Enrollment	Number of students participating in the Dual Enrollment program.	THEC Student Information Systems
Associates	Number of associate's degrees conferred during the prior academic year.	THEC Student Information Systems
Certificates	Number of certificates granted during the prior academic year.	THEC Student Information Systems
Job Placements	The number of graduates, who were eligible for placement in a job related to the field in which they received their degree, who were placed during the prior academic year. This is the same definition as currently used in Performance Funding.	THEC Student Information Systems
Remedial & Developmental Success	Number of students who took any remedial or developmental course or instruction who then successfully completed college level courses within three years.	THEC Student Information Systems
Transfers Out with 12 hrs	The number of students who transferred out to any public, private or out-of-state institution in the prior academic year who had accumulated at least 12 student credit hours from the transferring institution.	THEC Student Information Systems
Workforce Training (Contact Hours)	The total number of contact hours from the prior academic year.	Reported by system
Awards per 100 FTE	Number of associate's degrees and certificates conferred during the prior academic year (all semesters) divided by 100 year round end-of-term FTE generated during the previous year.	THEC Student Information Systems
Sub-populations		
Adults	Students 25 years or older at time outcome is achieved	THEC Student Information Systems
Low-Income	Pell eligible students at any time during their college career	THEC Student Information Systems
Other		
M&O	Maintenance and operations. Dollar rate per E&G square foot. Same as old formula.	Reported by system
Utilities	Dollar rate per E&G square foot. Same as old formula.	Reported by system
Equipment Replacement	Ten percent of current equipment inventory. Same as old formula.	Reported by system
SREB Avg Salary	Average SREB faculty salary	Southern Regional Education Board

Appendix H: Final Report and Recommendations of the Adult Strategies Group

The full report can be retrieved from: www.tn.gov/moa/documents/MOA-TN%20Adult%20Strategies%20Group-%20Final%20Report.pdf

Making Opportunity Affordable-Tennessee Adult Strategies Group **Final Report and Recommendations** **Executive Summary**

In 2008, Tennessee was one of 11 states awarded a one-year planning grant from Lumina Foundation for Education with the charge of increasing productivity defined as the number of certificates and degrees produced with available resources. As part of the planning grant, the National Center for Higher Education Management Systems conducted a policy audit to identify areas in which policies are not aligned to promote productivity. The policy audit highlighted adult students as an area of high need.

To address these concerns, higher education officials from across the state with expertise in adult learners were convened. The MOA-TN Adult Strategies Group was charged to create a comprehensive statewide policy for adult students. The group identified obstacles for adult students, administrators, and the state; reviewed data on adult students; discussed best practices from across the Southern region; and recommended policies to improve enrollment, retention, and graduation rates of adult learners.

Obstacles for adult learners include finances, extended time to completion, lack of awareness of the need for a college degree or necessary steps in enrolling, type and availability of student services, availability of prior learning assessment, and the lack of value of the adult learner on college campuses.

The policy recommendations consist largely of removing obstacles that hinder accelerated courses, prior learning assessment, and financial aid in addition to creating an Adult Degree Completion Program and providing adult student specific advising and student services.

The next steps are for systems and institutions to implement the recommended policy and program changes and to continue to measure progress and make improvements in serving adult learners.

Appendix I: Supply-Demand Study by UTK Center for Business and Economic Research

When completed, the full report can be retrieved from: www.tn.gov/moa/moa_reports.shtml

Labor Market Supply and Demand Study

Through Tennessee's Lumina-funded Making Opportunity Affordable grant, the University of Tennessee Knoxville Center for Business and Economic Research (CBER) produced a state Labor Market Supply and Demand Study as a companion to the Public Agenda for Tennessee higher education. The study provides supply and demand projections from 2008 to 2018 by discipline and degree level. This analysis fills a significant gap in currently available information by aligning occupational demand from the workforce to specific higher education programs.

The data on the supply of Tennessee higher education graduates from THEC and the Integrated Postsecondary Education Data System (IPEDS) was matched to the past and projected demand of the Tennessee workforce provided by the Tennessee Department of Labor and Workforce Development as well as CBER. Matching was completed through a crosswalk of Standard Occupational Classification (SOC) codes to Classification of Instructional Program (CIP) or major codes. The minimum education level required for each occupation was matched to the degree level produced.

The results of this study are forthcoming.

Appendix J: Public Agenda Annual Progress Report

Tennessee 2010-2015 Master Plan for Public Higher Education: Score Card
Tennessee Higher Education Commission

The Big Goal: Tennessee Educational Attainment All Sectors Public and Private Associates and Above	Baseline	2015	2020	2025			
	32.6%	36.8%	42.9%	49.0%			
Public Higher Education Statewide 2010-15 GOAL: Increase the number of annual public Tennessee undergraduate degrees to 31,229 by 2015.							
STRATEGIES	2008-09 Baseline	2010	2011	2012	2013	2014	2015*
Student Success							
Total undergraduate degrees (associates & bachelors awarded)	25,405						31,229
Community College Certificates	1,591						
Associate (258 associates are from TBR universities)	7,030						
Baccalaureate – TBR universities	11,894						
Baccalaureate - UT	6,481						
Technology Center Completers	6,762						
Total graduate degrees awarded	6,768						
Master’s	5,544						
Specialist	456						
Doctoral (excluding medicine, pharmacy, law, dentistry, veterinary medicine)	768						
Six-Year Grad Rates							
Community Colleges	31%						
4 Year Universities	52%						
Efficiency							
Completers per 100 FTE							
TTC	55.8						
Community College	11.3						
4 Year Undergraduate	18.9						
4 Year Graduate	44.8						
Quality							
Performance Funding Standard One (collective [all institutions] average score for all qualitative measures)	90	See footnote**					100
Complete College Tennessee Act of 2010 -- specific sections -- process milestones							
Outcomes based formula/side-by-side formula		12/1/2010					
Community College budgets determined by TBR					6/30/2013		
University track (41-hour core; 19-hour pathways)			Fall 2011				
Common course numbering in community colleges							
Designated not-for-transfer courses							
Dual Admission		7/1/2010					
Remedial/Developmental courses not taught by universities				7/1/2012			
Community College System				7/1/2012			
Research enhancement – UTK							
Research consortium – UoM							

*Currently, 24.5 percent of Tennessee adults have a bachelors degree or higher compared to the national average of 29.5 percent, while 31.3 percent of Tennesseans have an associates or higher compared to the national average of 37.9 percent. In order to reach the projected national average in degree attainment by 2025, Tennessee needs to increase the annual production of associates and bachelors degrees by 3.5% per year. The 2015 projection applies the 3.5% annual increase to the 2008-09 baseline data. See the THEC Student Flow Model for further details at: www.tn.gov/moa/moa_reports.shtml

**2010 begins new Performance Funding cycle with different scoring mechanism

***Law FTE still must be removed from FTE count