



TENNESSEE BOARD OF REGENTS
STATE UNIVERSITY & COMMUNITY COLLEGE SYSTEM OF TENNESSEE

Complete College Tennessee Act of 2010 An Update

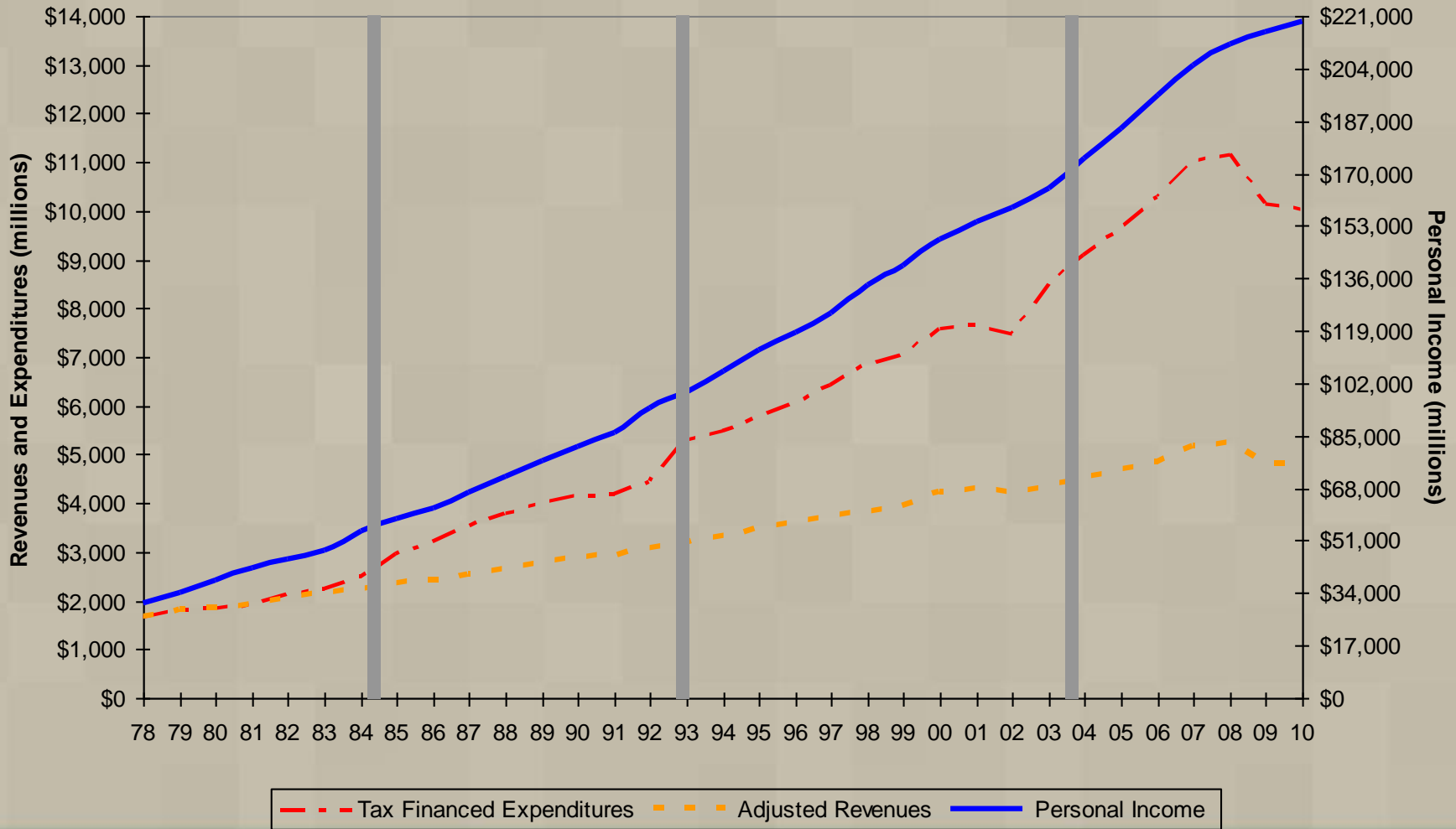
Association of Government Accountants
2013 Southeast Region Professional
Development Conference

STATE FISCAL CONDITION & IMPACT ON HIGHER EDUCATION

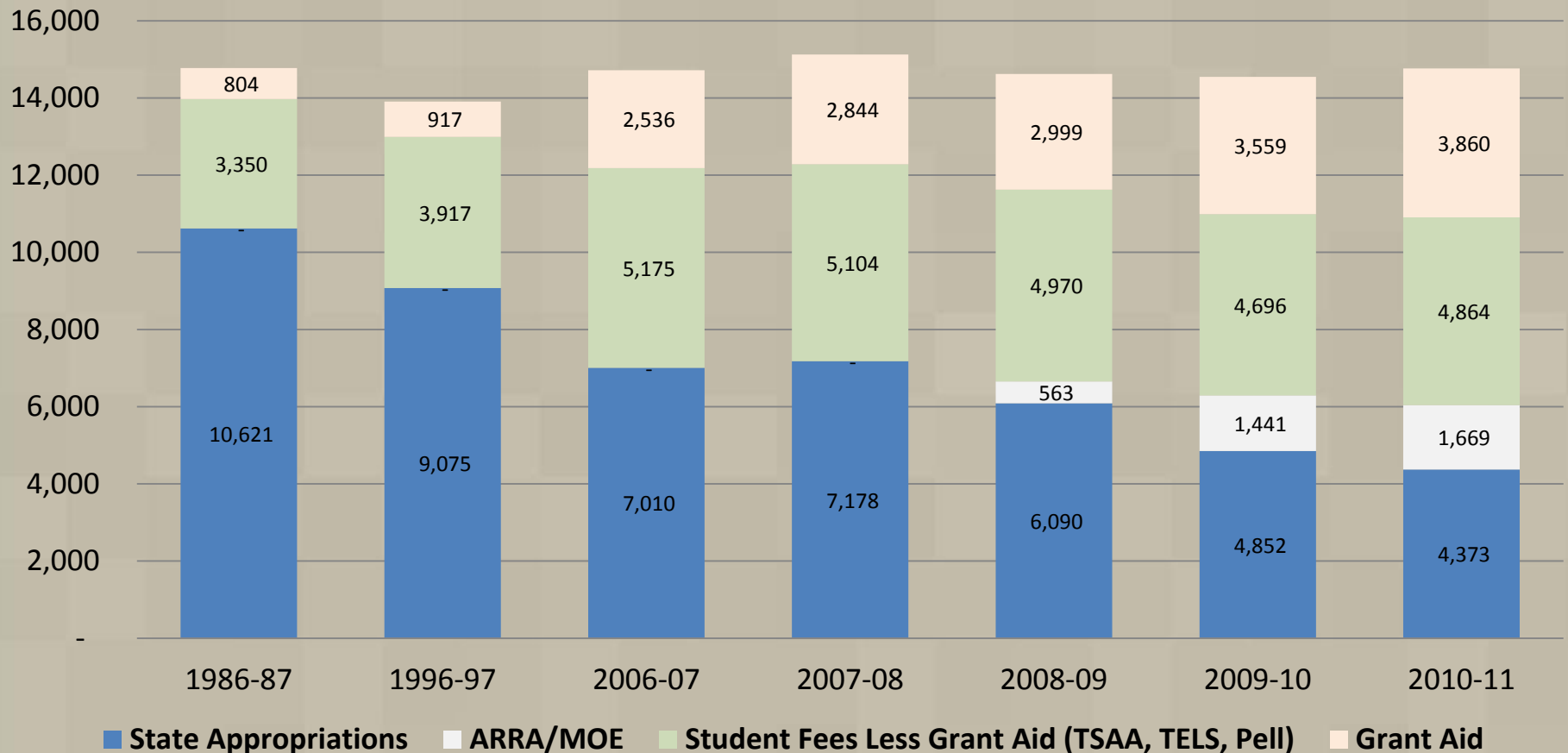
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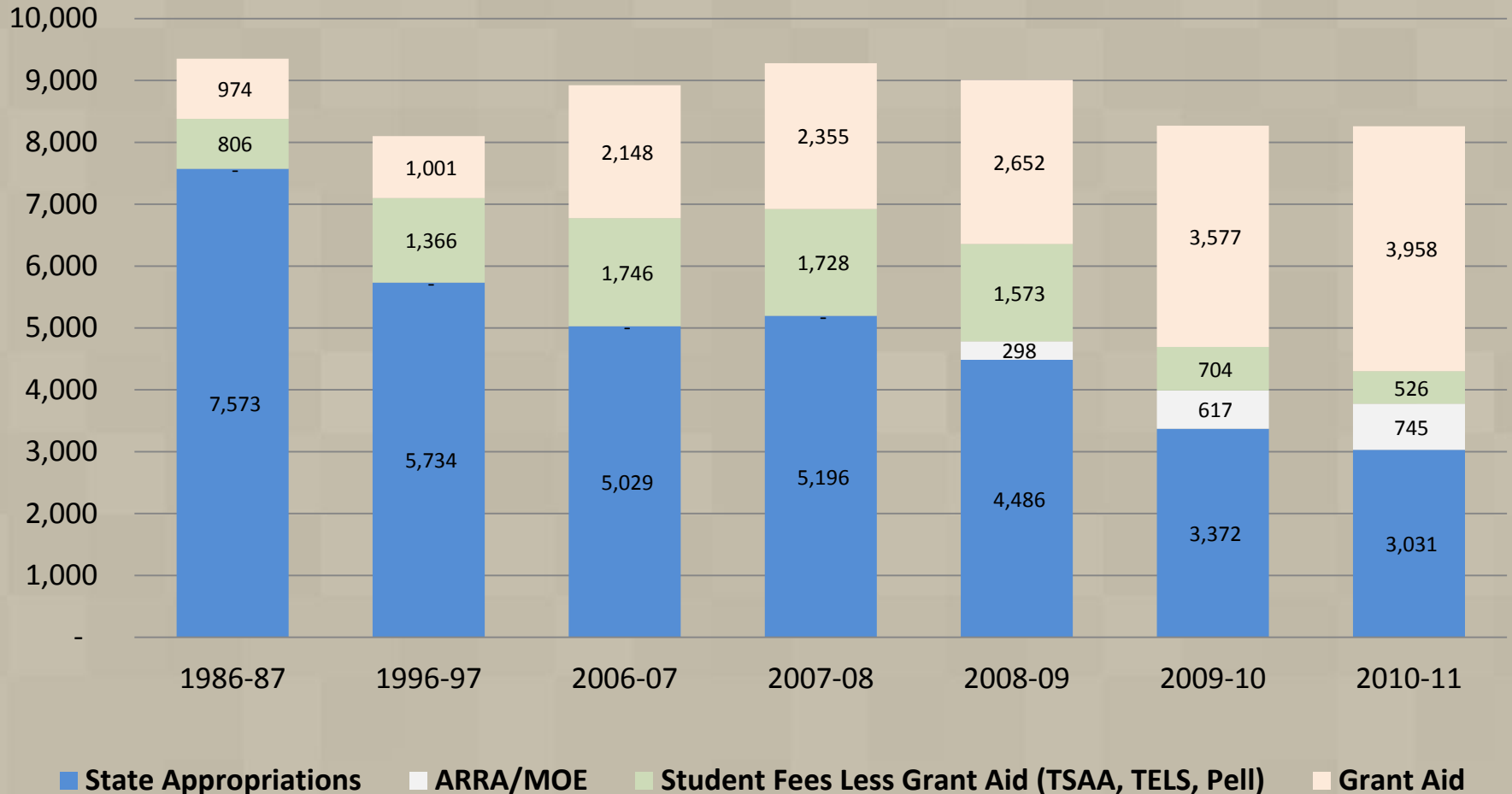
Revenues and Expenditures in Tennessee, 1978 Base



Total Revenue per FTE – Universities Inflation Adjusted - 2011 Dollars

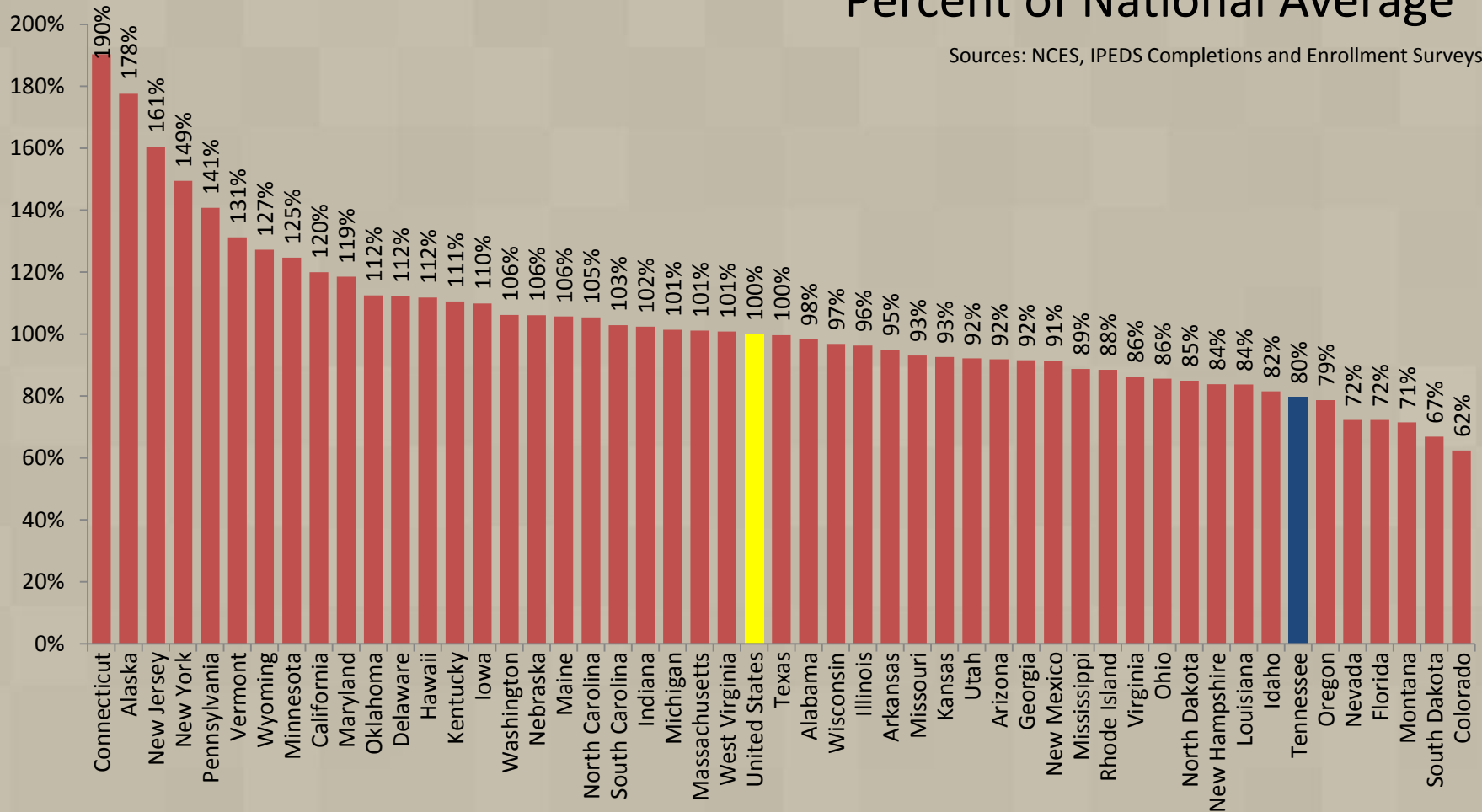


Total Revenue per FTE - Community Colleges Inflation Adjusted – 2011 Dollars



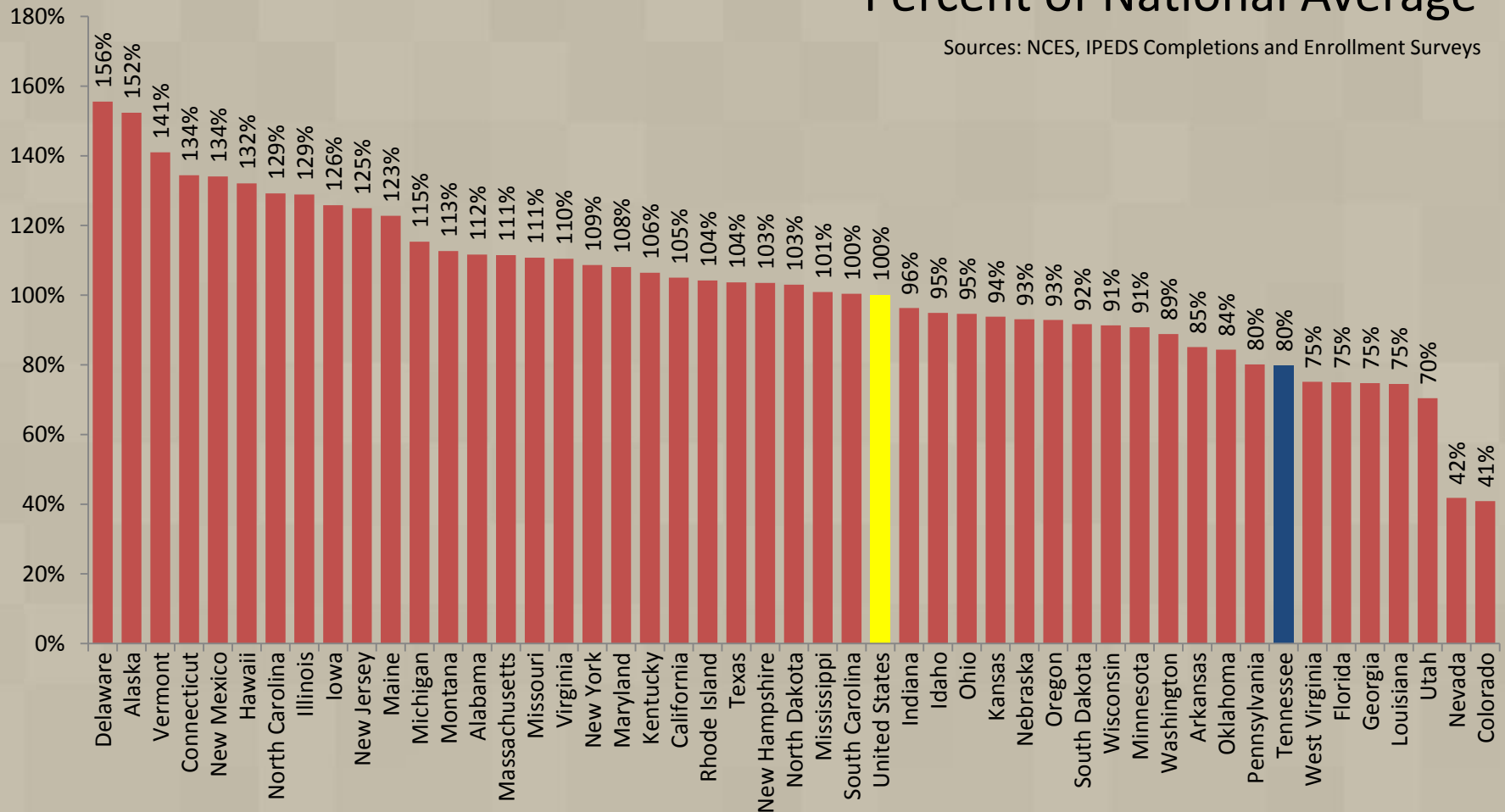
State, Local, Tuition and Fee Revenues per FTE Student Public Research, 2009-10 Percent of National Average

Sources: NCES, IPEDS Completions and Enrollment Surveys



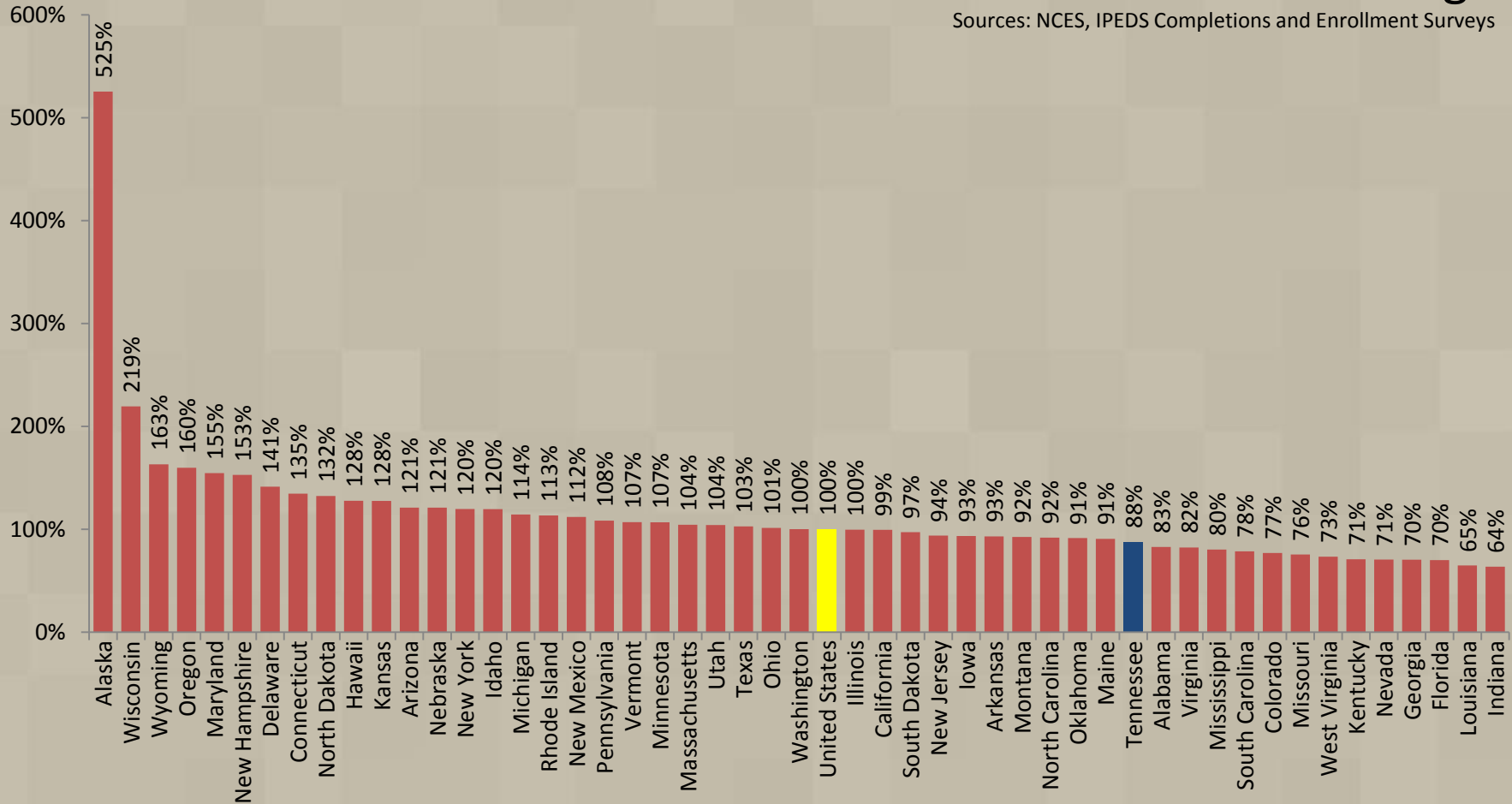
State, Local, Tuition and Fee Revenues per FTE Student Public Bachelor's and Masters, 2009-10 Percent of National Average

Sources: NCES, IPEDS Completions and Enrollment Surveys



State, Local, Tuition and Fee Revenues per FTE Student Public Two-Year, 2009-10 Percent of National Average

Sources: NCES, IPEDS Completions and Enrollment Surveys

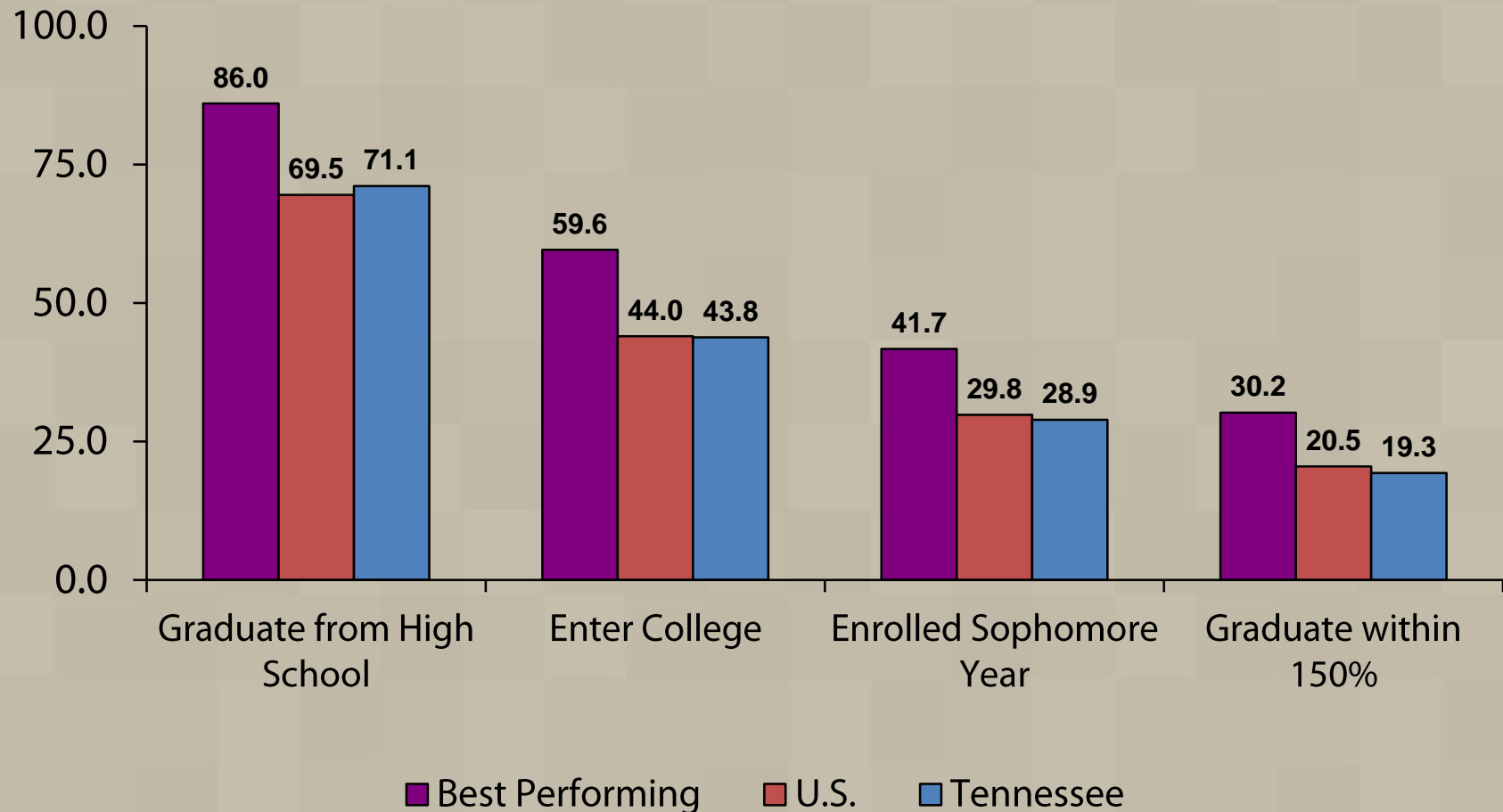


Complete College Tennessee Act of 2010

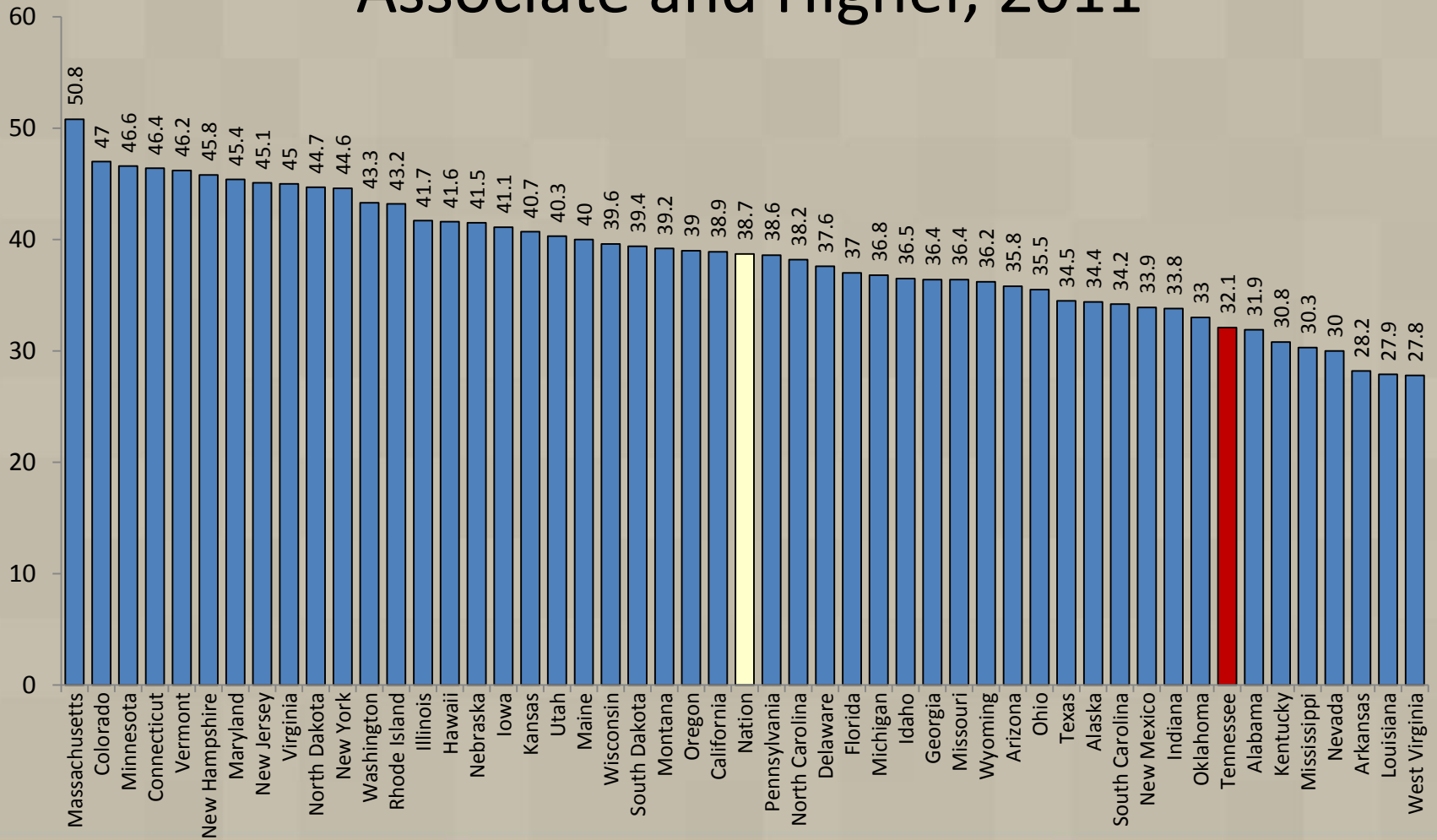
WHY WAS IT NECESSARY?



Our human capital flow: the Tennessee student pipeline, 2008



Percent of 25-64 Year Olds with College Degrees – Associate and Higher, 2011



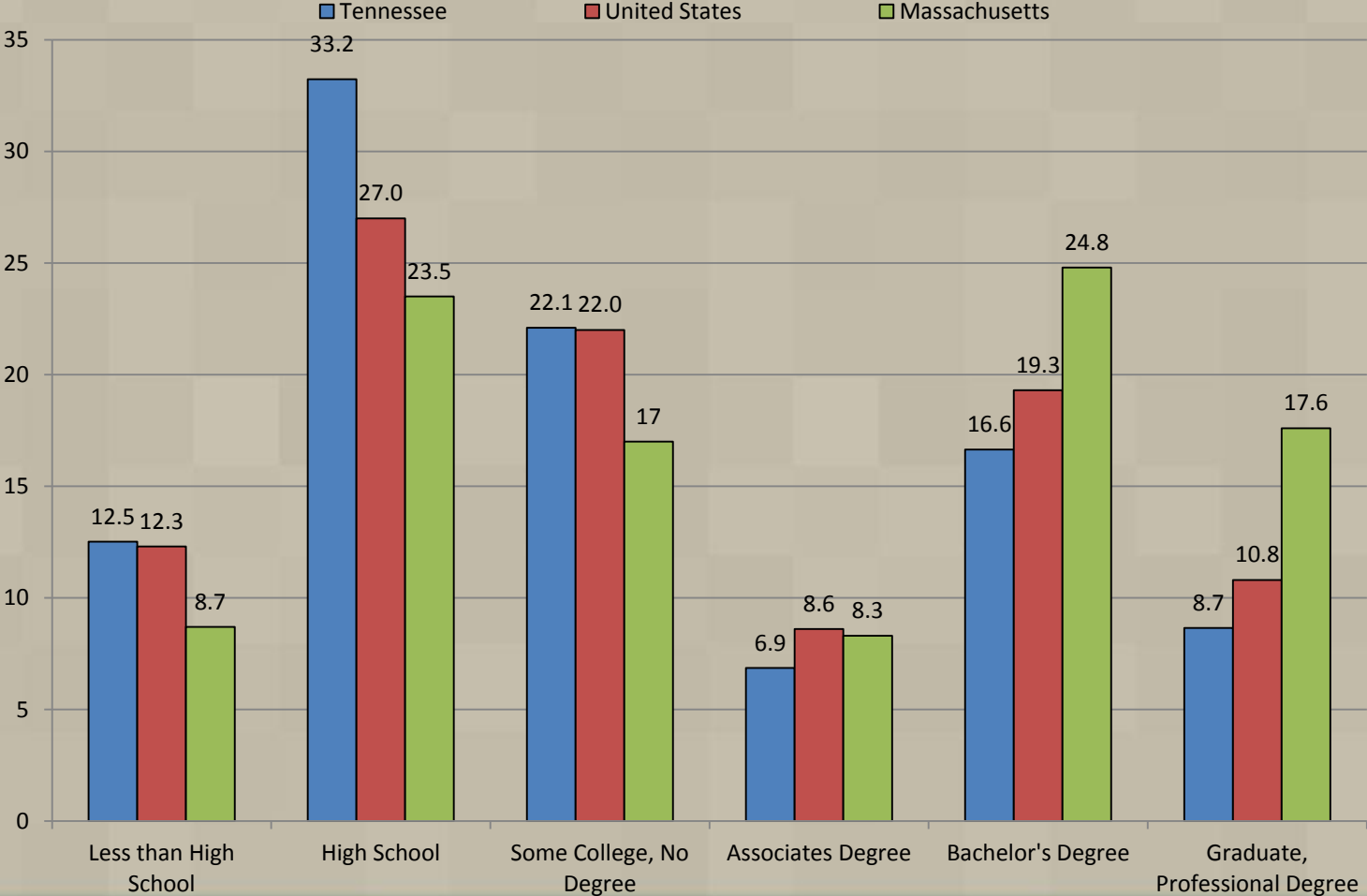
Comparing Tennessee with Nations and Other States in the Percentage of Young Adult Degree Attainment (Ages 25-34)

U.S. States	%	OECD Country
		Korea (65.0)
	60	
	56	Japan, Canada
Massachusetts	54	
North Dakota	52	
Minnesota • New York	50	
New Jersey	48	Ireland
New Hampshire		Norway
Connecticut • Iowa	46	New Zealand, United Kingdom
Virginia • Illinois • Maryland • South Dakota		
Pennsylvania • Nebraska • Colorado • Vermont	44	Australia, Luxembourg, Israel, Belgium
Rhode Island • Kansas		France
Montana • Wisconsin	42	UNITED STATES , Sweden
• Washington		Netherlands, Switzerland
Missouri • Hawaii	40	
Wyoming • Maine • Delaware • Utah		Finland, Spain, Chile
Ohio • California • Oregon	38	Estonia, Denmark
Michigan • North Carolina		Poland
Indiana • Florida • South Carolina	36	Iceland
Georgia		
Alaska • Kentucky • Tennessee	34	
Arizona • Mississippi • Texas		
Alabama • Idaho	32	
Louisiana		Slovenia, Greece
Oklahoma • Arkansas • West Virginia	30	
Nevada	28	
New Mexico		
	26	Germany, Hungary
		Portugal
	24	Slovak Rep
		Czech Rep
	22	Mexico
		Austria, Italy
	20	
		Turkey (17.4)

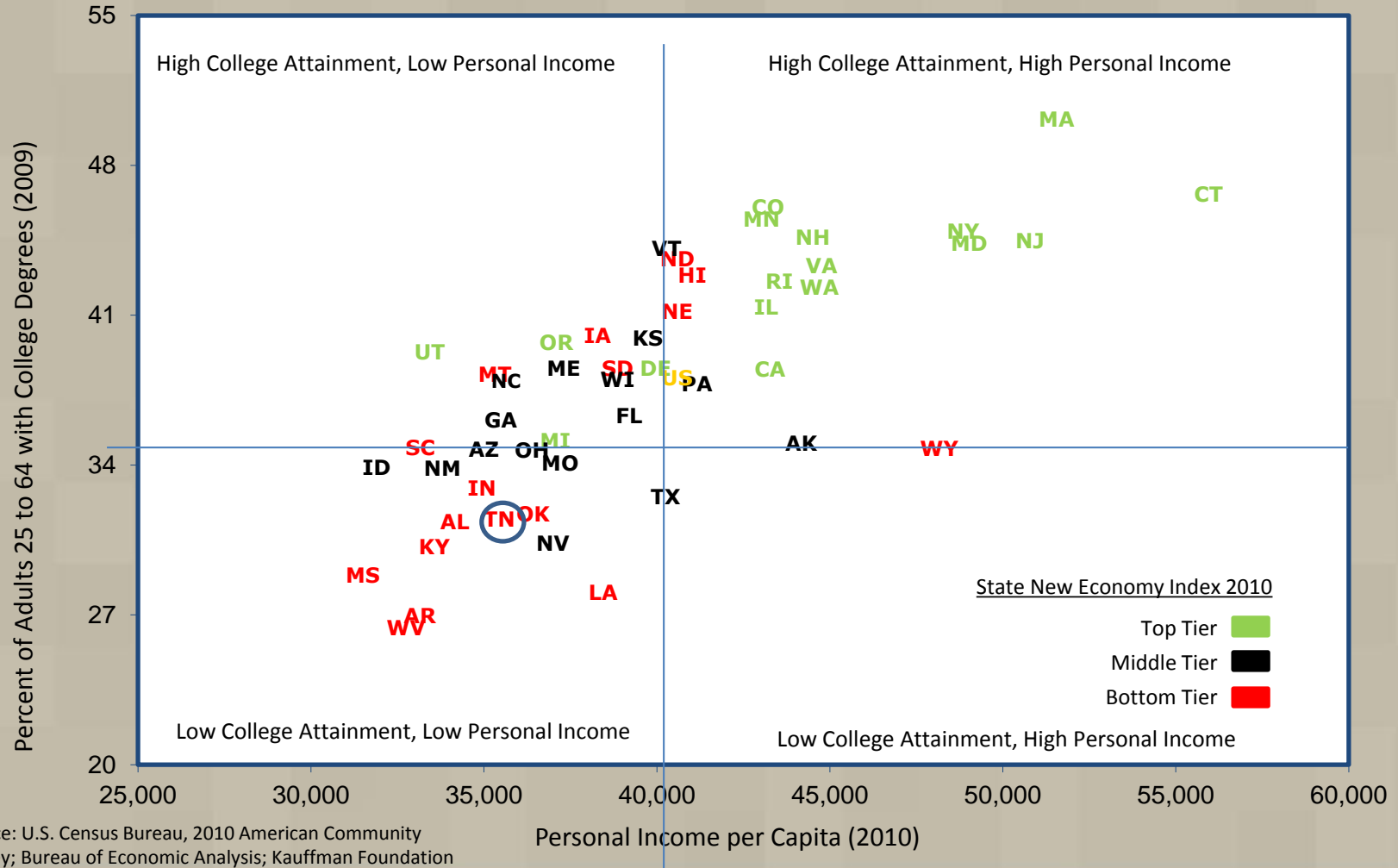
Source: 2012 OECD Education at a Glance; 2010 American Community Survey



Educational Attainment of Working Aged Adults, Ages 25-64 – Tennessee, U.S., and Most Educated State, 2011



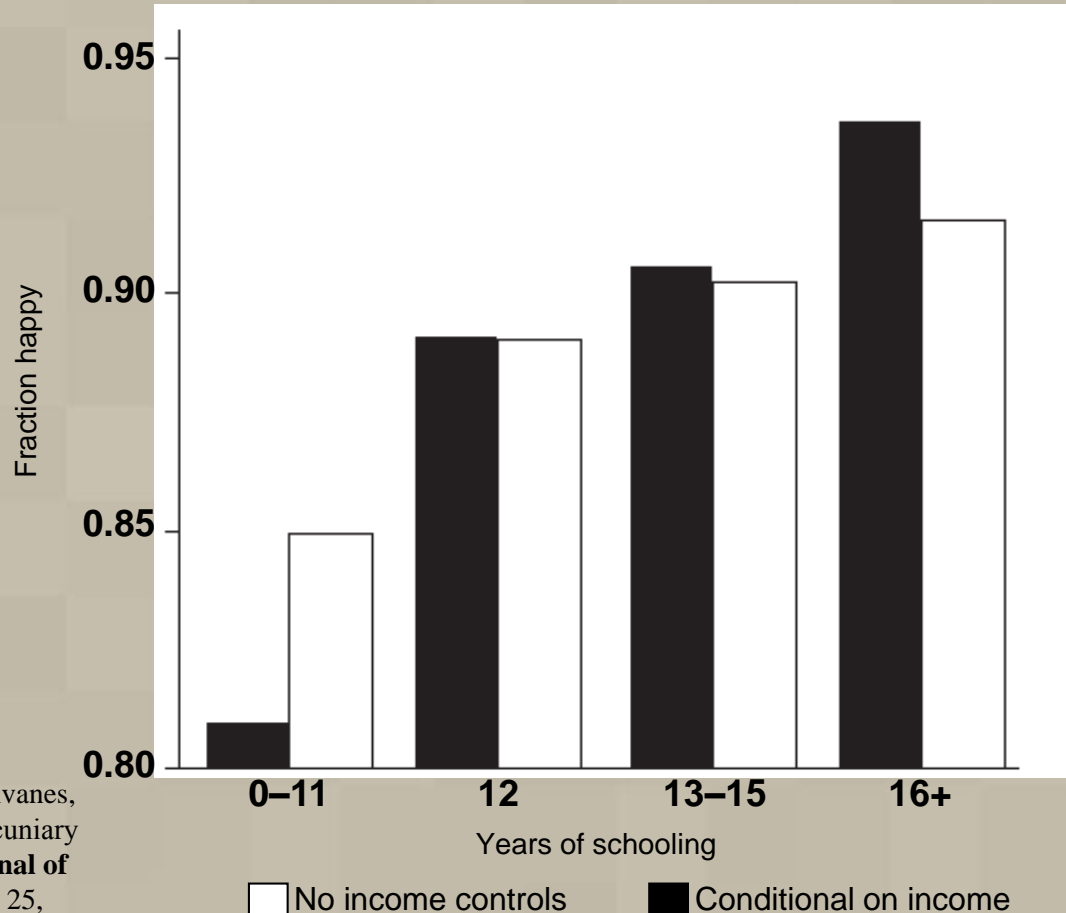
The Relationship Between Educational Attainment, Personal Income, and the State New Economy Index (2010)



Source: U.S. Census Bureau, 2010 American Community Survey; Bureau of Economic Analysis; Kauffman Foundation



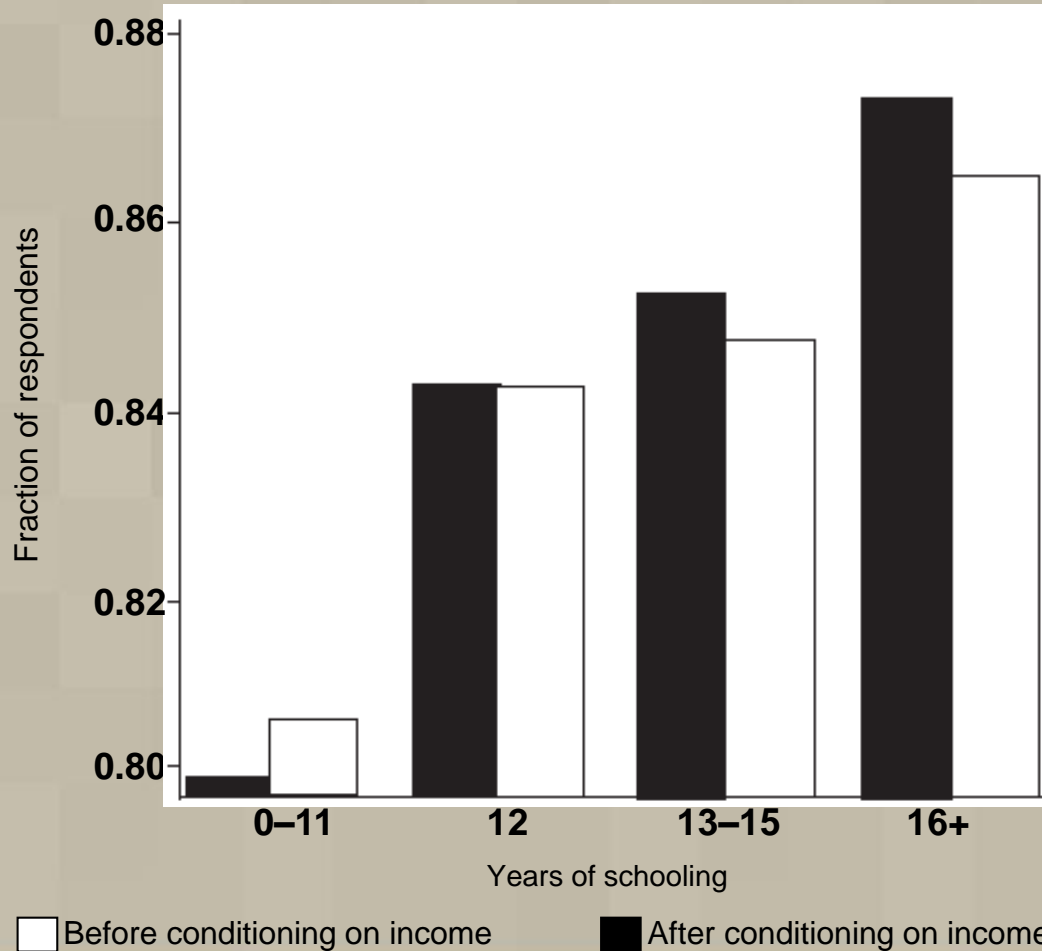
Fraction *happy about life* by years of completed schooling before and after conditioning on income



Source: Oreopoulos, P. & Salvanes, K.G., "Priceless: The Nonpecuniary Benefits of Schooling," *Journal of Economic Perspectives*, Vol. 25, No.1.



Job satisfaction and years of completed schooling before and after conditioning on income

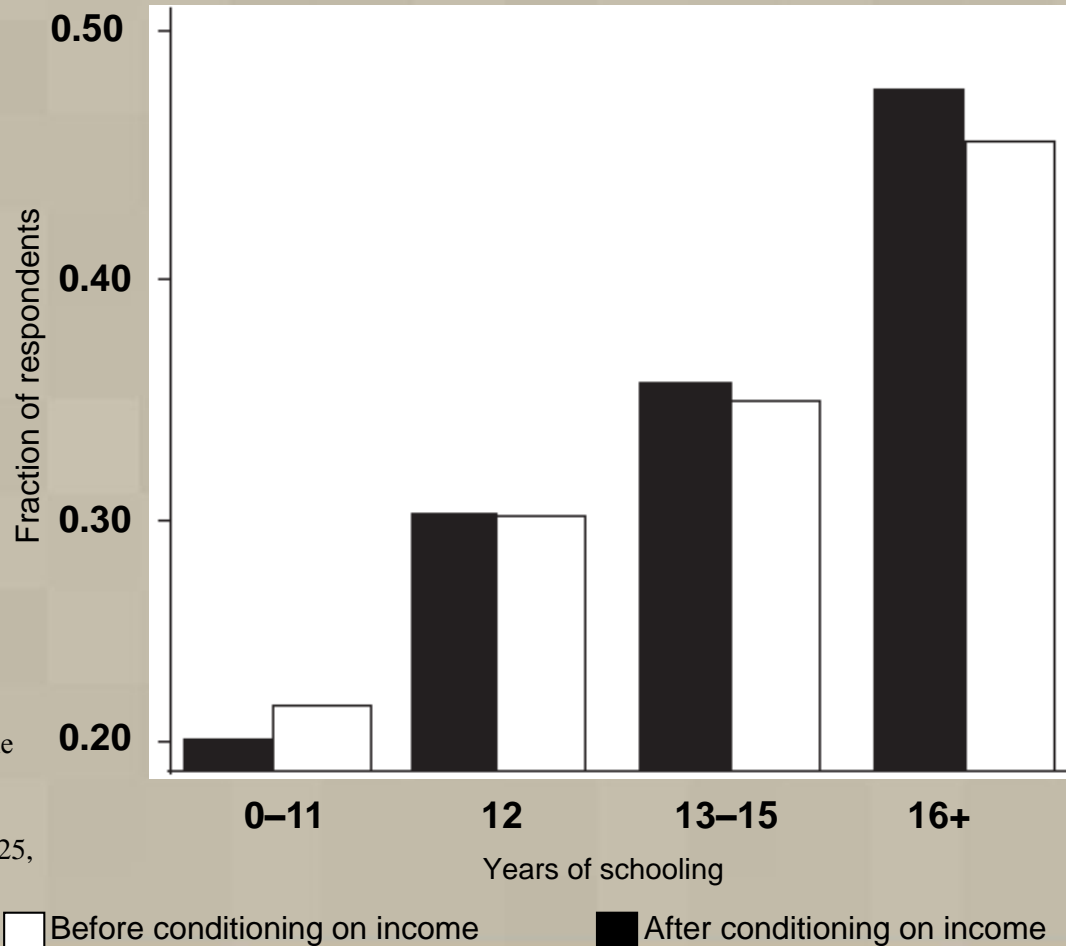


Are you satisfied with your job?

Source: Oreopoulos, P. & Salvanes, K.G., "Priceless: The Nonpecuniary Benefits of Schooling," *Journal of Economic Perspectives*, Vol. 25, No.1.



Self-assessed health status and years of completed schooling before and after conditioning on income

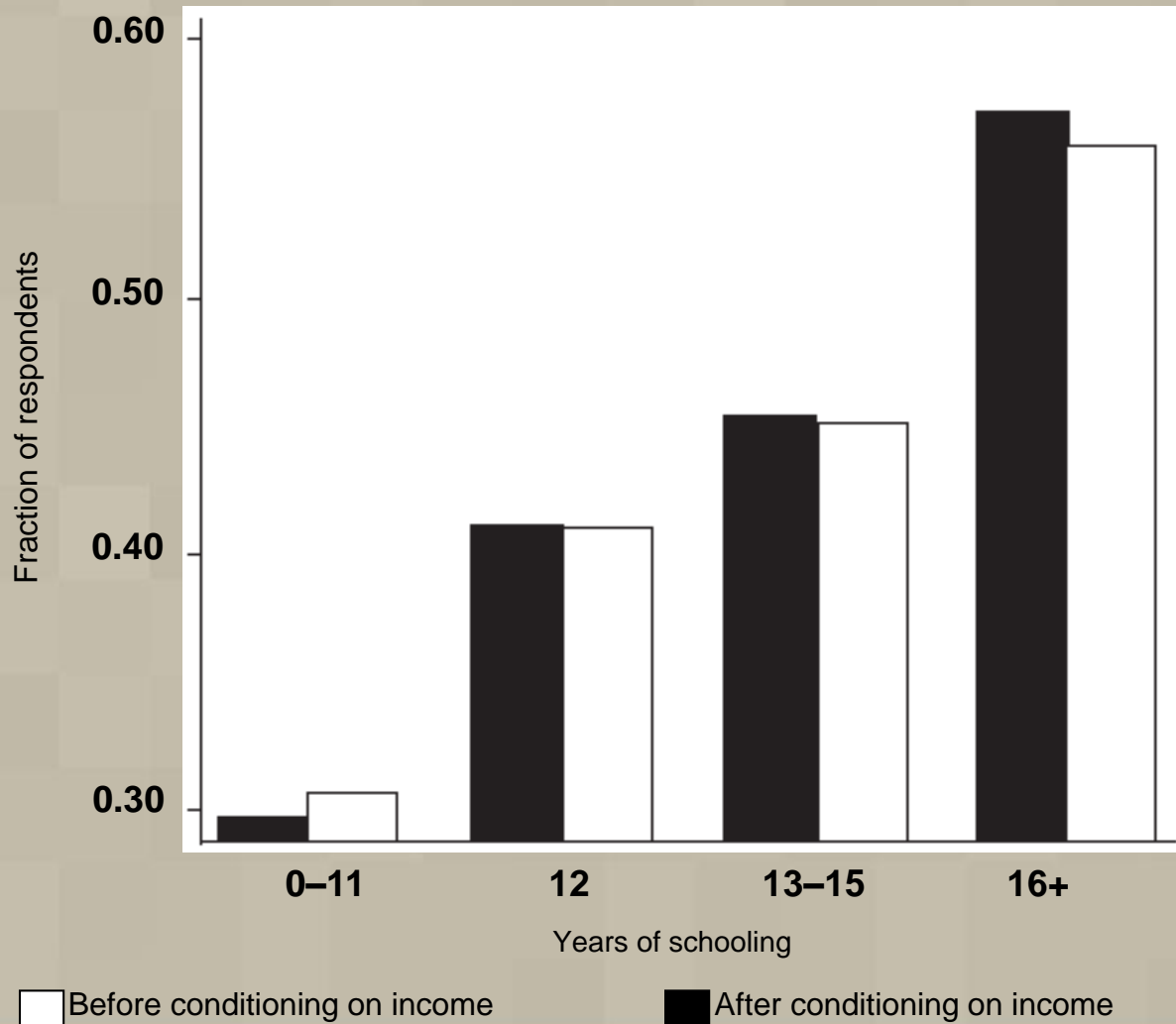


Fraction reporting
Very Good Health

Source: Oreopoulos, P. & Salvanes, K.G., "Priceless: The Nonpecuniary Benefits of Schooling," *Journal of Economic Perspectives*, Vol. 25, No.1.



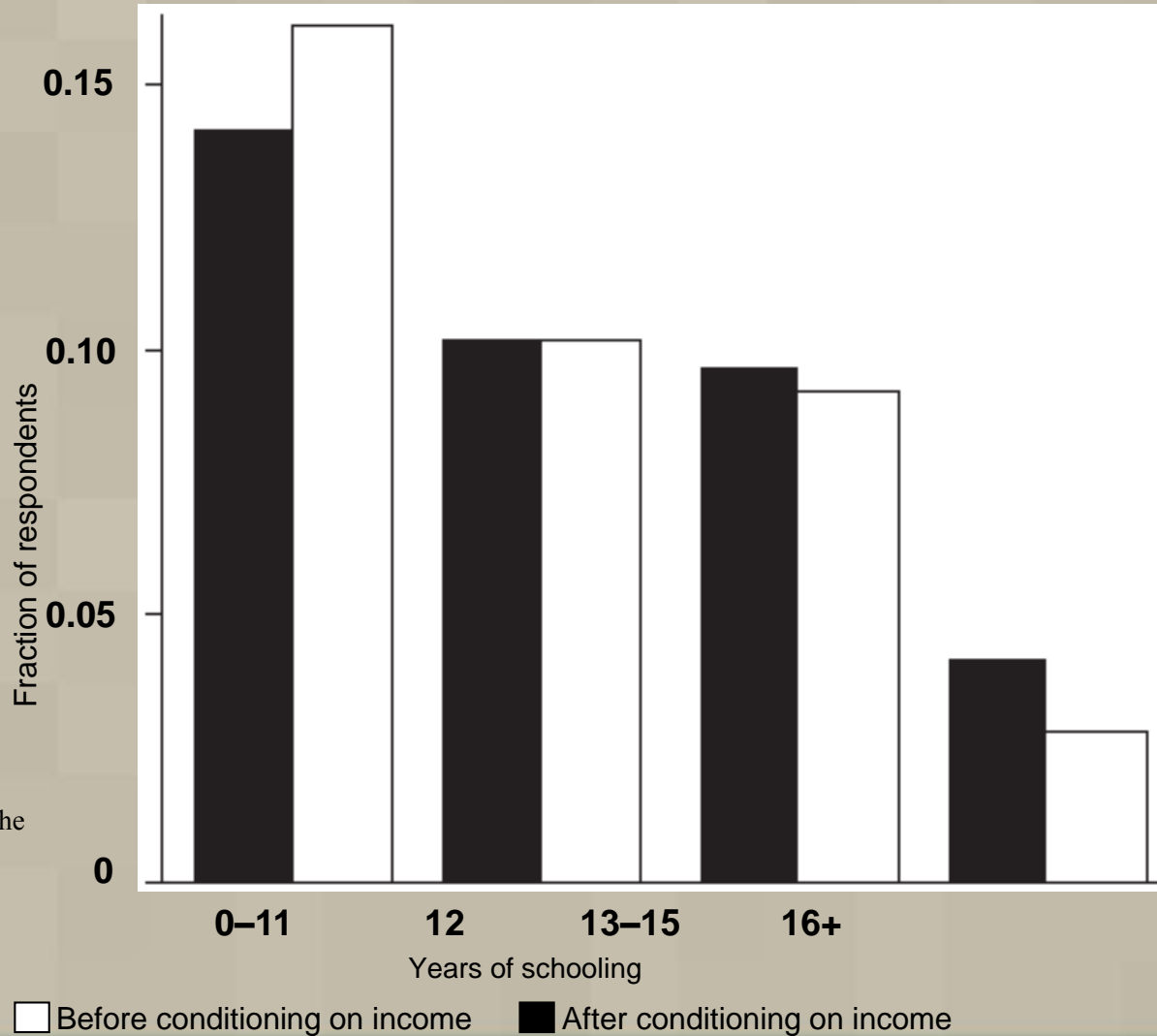
Do you believe people can be trusted?



Source: Oreopoulos, P. & Salvanes, K.G., "Priceless: The Nonpecuniary Benefits of Schooling," *Journal of Economic Perspectives*, Vol. 25, No.1.



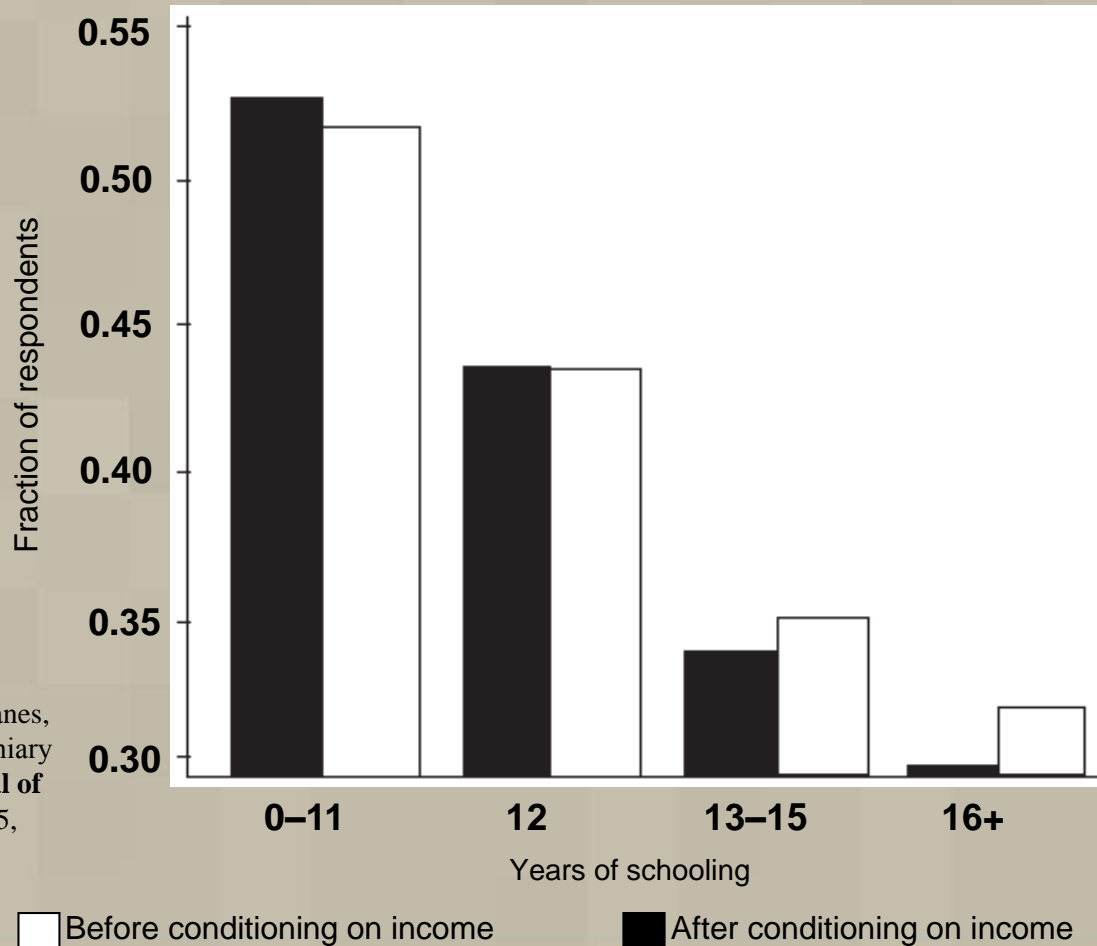
Likelihood of divorce or separation



Source: Oreopoulos, P. & Salvanes, K.G., "Priceless: The Nonpecuniary Benefits of Schooling," *Journal of Economic Perspectives*, Vol. 25, No.1.



Time preferences for today or the future: *Do you live for today?*



Source: Oreopoulos, P. & Salvanes, K.G., "Priceless: The Nonpecuniary Benefits of Schooling," *Journal of Economic Perspectives*, Vol. 25, No.1.



An Insider's Story

HOW THE COMPLETE COLLEGE TENNESSEE ACT COME ABOUT

TENNESSEE BOARD OF REGENTS
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Discussion Points

- Why Interested?
 - Governor Bredesen: Higher Ed represented “unfinished business”
 - Legislature: What do we get for our investment in higher ed?
- What was the Environment?
 - Great Recession’s impact on higher education funding
 - Race to Top competition
 - Status of TBR & UT System Heads
 - All members of TBR/UT/THEC boards were appointed by Governor Bredesen
- External Expertise & Resources Made Available
- Process
- Direction
 - Initial Thoughts: “It about organizational structure”
 - Final thoughts: “Its about aligning higher educations goals and funding structure to those of the State”
- Result: Complete College Tennessee Act



Complete College Tennessee Act of 2010

WHAT DID IT DO?



Master Plan With a Purpose

- Establishes Master Planning with a Purpose
 - Address the state's economic development, workforce development and research needs;
 - Ensure increased degree production within the state's capacity to support higher education; and
 - Use institutional mission differentiation to realize statewide efficiencies through institutional collaboration and minimized redundancy in degree offerings, instructional locations and competitive research



Common Core & Transfer Pathways

- Requires 60 Hour University Track Program
 - 41 Hours of General Education
 - 19 Hours of Pre-Major
- Requires creations of Transfer Pathways
 - Guarantees Transfer of A.A. or A.S. degrees to Public Universities as a Junior
 - Guarantees Transfer of Completed Blocks of University Track
 - Non-transfer Courses Will be Clearly Identified



Establishes a Comprehensive Community College System

- System Elements
 - Coordinated Programs Statewide
 - Consolidate Services and Standardize Processes
 - Utilize Cohort Programs and Block Scheduling
 - Develop More Cooperative Programs Between Technology Centers and Community Colleges
 - Single Budget Line Item



Outcome Based Funding Formula

- Directs New Funding Formula be Implemented
 - Must be consistent with and further the goals of the statewide master plan
 - Funding recommendations shall reflect the priorities of the approved master plan
- New Funding Formula:
 - shall emphasize outcomes across a range of variables;
 - be weighted to reinforce each institution's mission;
 - provide incentives for productivity improvements.
- Outcomes **shall** include:
 - end of term enrollment,
 - student retention,
 - timely progress toward degree completion, and
 - degree production
- Outcomes **may** include:
 - student transfer activity,
 - research;
 - student success, and
 - compliance with transfer and articulation principles.



Other Provisions

- Prohibits Remedial or Developmental Courses at Universities
- Mandates Dual Admission Policies
- Research Initiatives
- Various Reporting and Implementation Provisions



Summary

When Taken Together...

- Complete College Act of 2010
- First to the Top Act of 2010
- Tennessee Diploma Project and Achieve

...Will be Transformative for Tennessee



Complete College Tennessee Act of 2010

RESULTS SO FAR



Common Core & Tennessee Transfer Pathways

- Common Core Requirement – Completed
- Transfer Pathways – Completed
- Pathway example



Tennessee College Transfer Guarantee

<http://www.tntransferpathway.org/>



Community College System

- System Approach
 - Creation of Vice Chancellor's Office
 - Marketing Plan
 - Single Line Item Appropriation
 - Program Coordination Among and Between Colleges and TTC's
- Consolidate Services and Standardized Processes
 - ERP Hosting Initiative – a consolidation activity
 - Business Process Modeling – a standardization activity



Dual Admission

- THEC – established policy governing dual admission agreements
 - Every university & community college has agreements in place with institutions within their geographic proximity
- Cohort / Block Scheduling Programs



Outcome Formula

- Developed by THEC with involvement of Systems and state leadership
- First used to make funding recommendation for FY 2011-12
- Transition Provisions
 - Formula phased in over 3 years (FY 2013-14)
 - Hold Harmless provision phased out over 3 years (FY 2013-14)



Higher Education Funding Formula Outcomes Rewarded

University Outcomes

Students Accumulating 24 hours
Students Accumulating 48 hour
Students Accumulating 72 hours
Bachelors and Associates Degrees
Masters/Ed Specialist Degrees
Doctoral/Law Degrees
Research and Service Expenditures
Transfers Out with 12 hours
Degrees per 100 FTE
Six-Year Graduation Rate

Community College Outcomes

Students Accumulating 12 hours
Students Accumulating 24 hours
Students Accumulating 36 hours
Dual Enrollment
Associates Degrees
Certificates
Job Placements
Remedial & Development Success
Transfers Out with 12 hours
Workforce Training (contact hours)
Awards per 100 FTE



“Premium” Outcomes

For Each

Low Income Student (Pell eligible); or
Adult Student (age 24+)

Earning One of the Following Outcomes

University Outcomes

Students Accumulating 24 hours
Students Accumulating 48 hour
Students Accumulating 72 hours
Bachelors and Associates Degrees

Community College Outcomes

Students Accumulating 12 hours
Students Accumulating 24 hours
Students Accumulating 36 hours
Associates Degrees
Certificates

The Institution Earns a Premium of 40%
(each outcome counts as 1.4 outcomes)



How the Outcome Formula Works – A Community College Example

Outcome	Outcomes		Subpopulations		Total Scaled Outcomes
	Raw Data	Scaled Data	Raw Data	Scaled @ Premium	
Students Accumulating 12 hrs (Scale=2)	1,885	943	1,926	385.2	1,328
Students Accumulating 24 hrs (Scale=2)	1,557	779	1,685	337.0	1,116
Students Accumulating 36 hrs (Scale=2)	1,293	647	1,439	287.8	934
Dual Enrollment (Scale=2)	546	273			273
Associates (Scale=1.5)	716	477	847	225.9	703
Certificates (Scale=1.5)	159	106	198	52.8	159
Job Placements (Scale=.5)	224	448			448
Remedial & Developmental Success (Scale=5)	1,561	312			312
Transfers Out with 12 hrs (Scale=2)	370	185			185
Workforce Training (Contact Hours)(Scale=50)	5,610	112			112
Awards per 100 FTE (Scale=.05)	18.50	370			370
					5,940



How the Outcome Formula Works – A Community College Example

Outcome	Data	Weight		Weighted Outcomes
Students Accumulating 12 hrs (Scale=2)	1,328	4%		53
Students Accumulating 24 hrs (Scale=2)	1,116	5%		56
Students Accumulating 36 hrs (Scale=2)	934	6%		56
Dual Enrollment (Scale=2)	273	5%		14
Associates (Scale=1.5)	703	20%		141
Certificates (Scale=1.5)	159	20%		26
Job Placements (Scale=.5)	448	10%		45
Remedial & Developmental Success (Scale=5)	312	5%		16
Transfers Out with 12 hrs (Scale=2)	185	10%		19
Workforce Training (Contact Hours)(Scale=50)	112	5%		6
Awards per 100 FTE (Scale=.05)	370	10%		37
	5,940	100%	Total	467
Total Weighted Outcomes		Avg SREB Salary		Subtotal
	467	x	\$ 54,782	= \$ 25,572,899
			M&O, Utilities	+ \$ 4,719,866
			Equipment	+ \$ 778,721
			Performance Funding	+ \$ 1,659,607
			Deduct Out of State Tuition	- \$ 28,300
			Grand Total Calculation	\$ 32,702,800
			State Portion (66.7% of total)	\$ 21,812,800

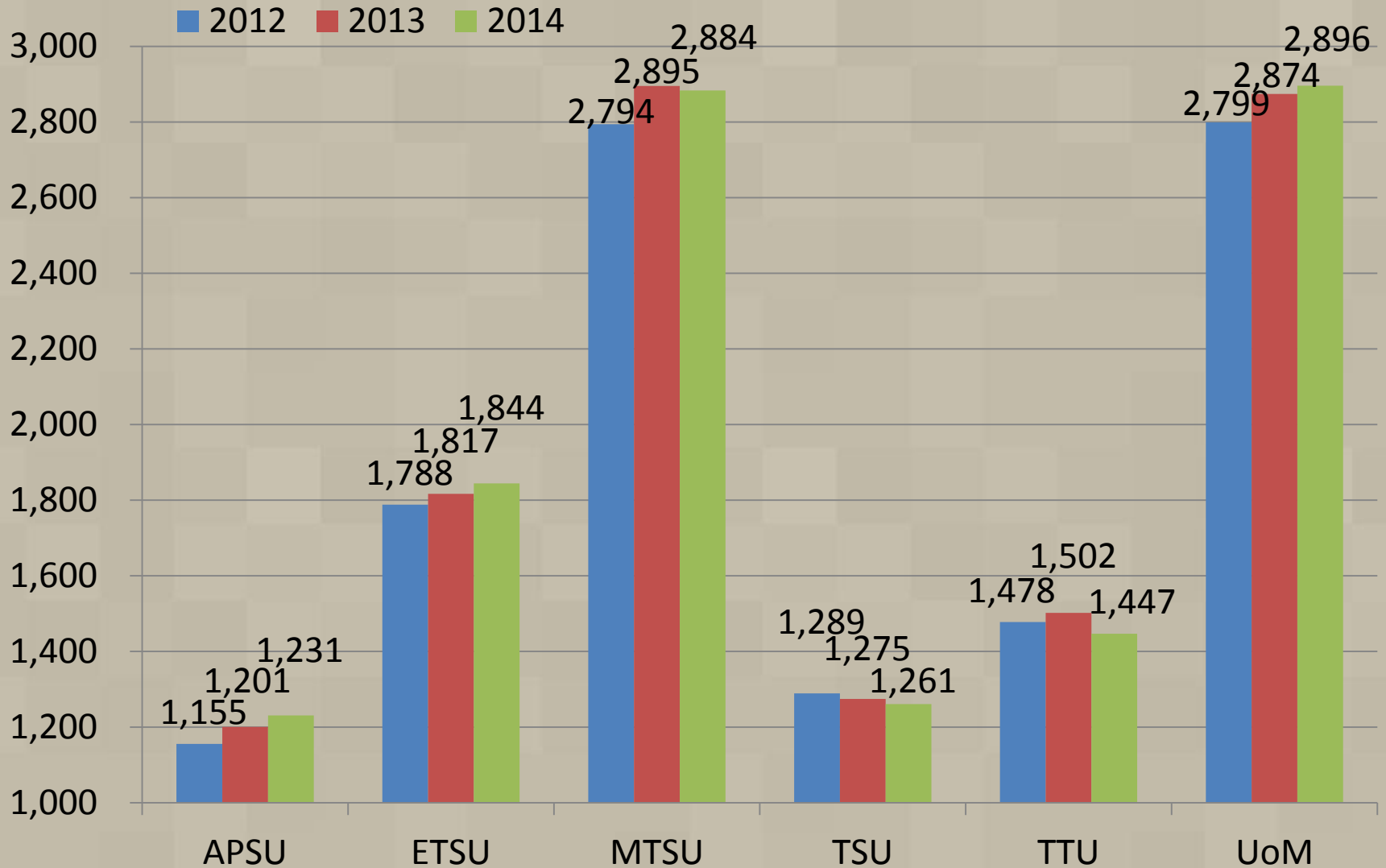


Outcome Funding Formula

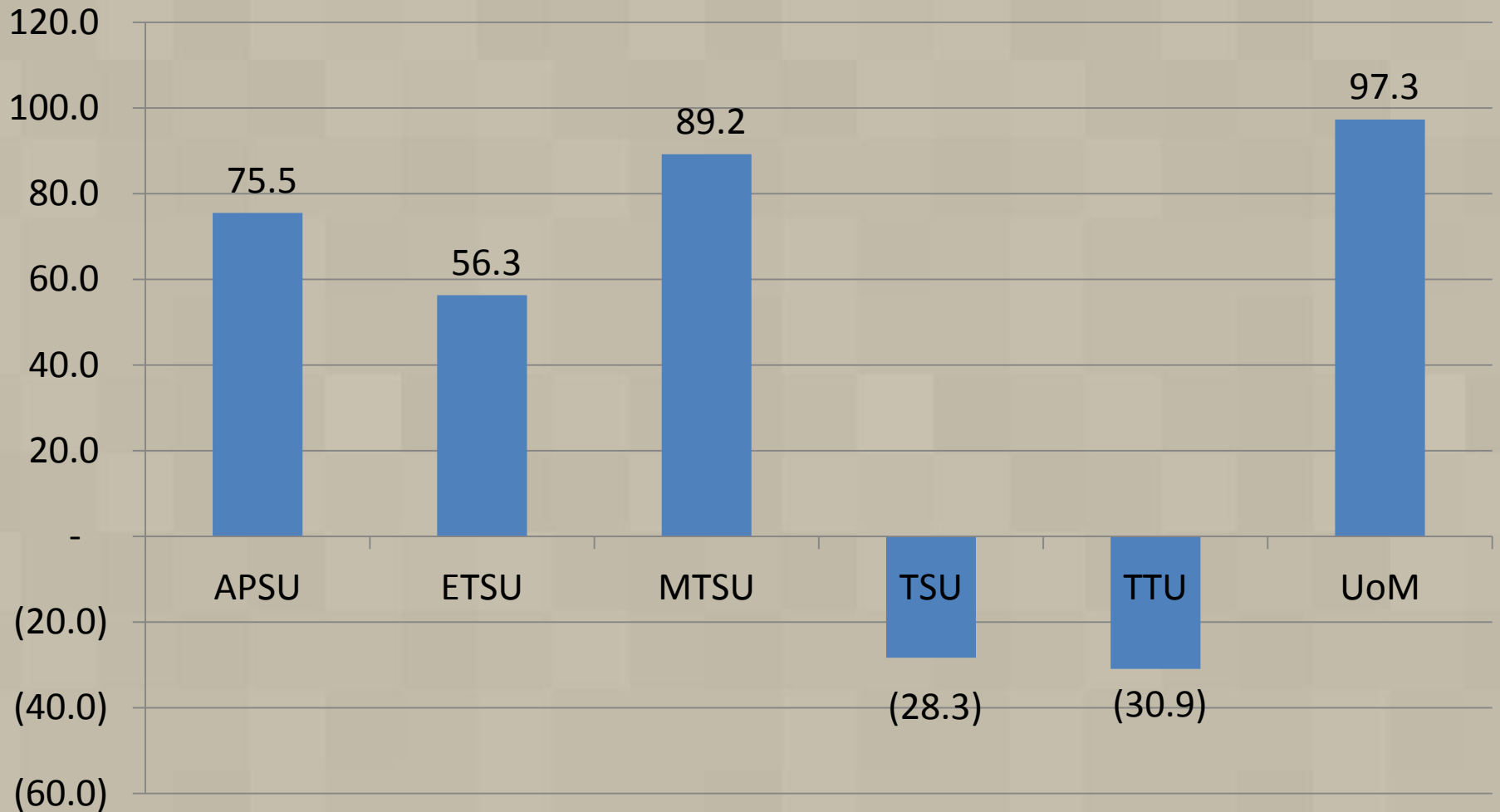
OUTCOME PERFORMANCE



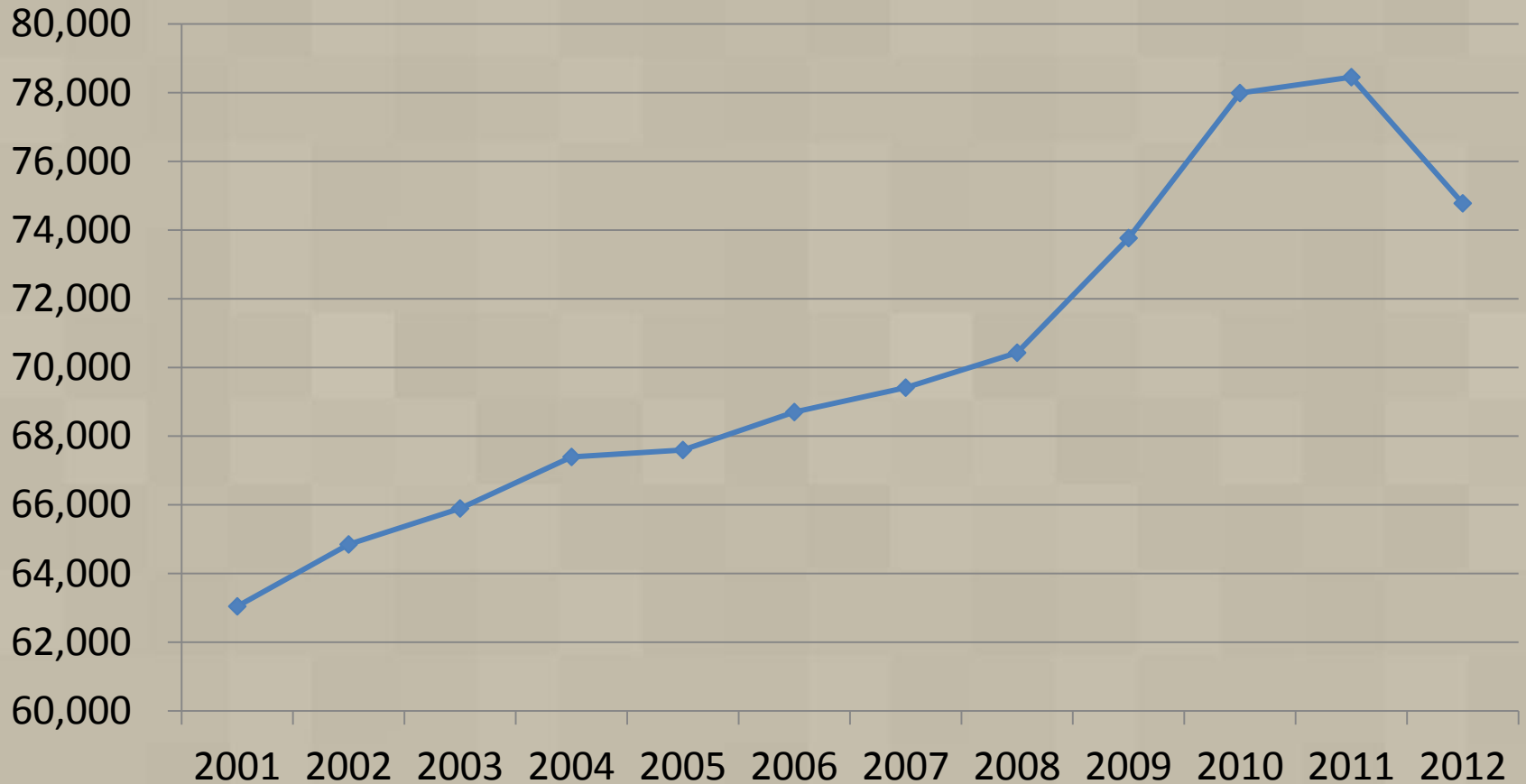
Weighted Outcomes History



Cumulative Change in Weighted Outcomes FY 2012 to FY 2014

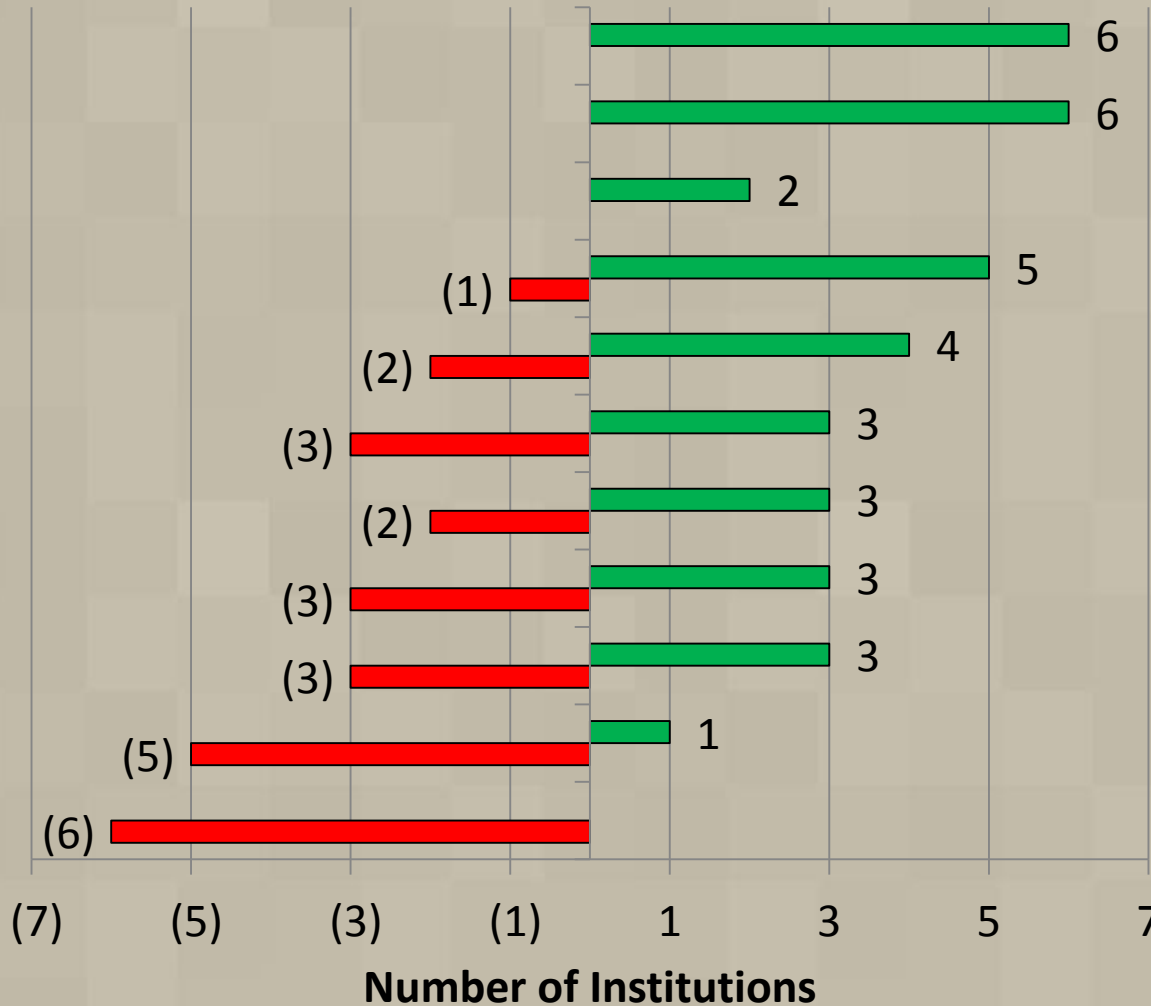


Enrollment Trend – Universities (FTE)



University Outcome Performance

FY 2010 – 2012 (enrollment adjusted)



Bach
 Transfers Out
 Assoc
 Ed Spec & Masters
 Degrees Per FTE
 Research & Serv.
 Doc & Law
 72 CH
 Grad Rate
 48 CH
 24 CH



University Outcome Summary

(Enrollment Adjusted)

+ Outcomes with Performance Increases at all Institutions

	Annual Change		
	Average	Low	High
Bachelor and Associates	6.5%	0.9%	12.7%
Transfers Out with 12 hours	19.0%	8.2%	33.4%

- Outcomes with Performance Decreases at all Institutions

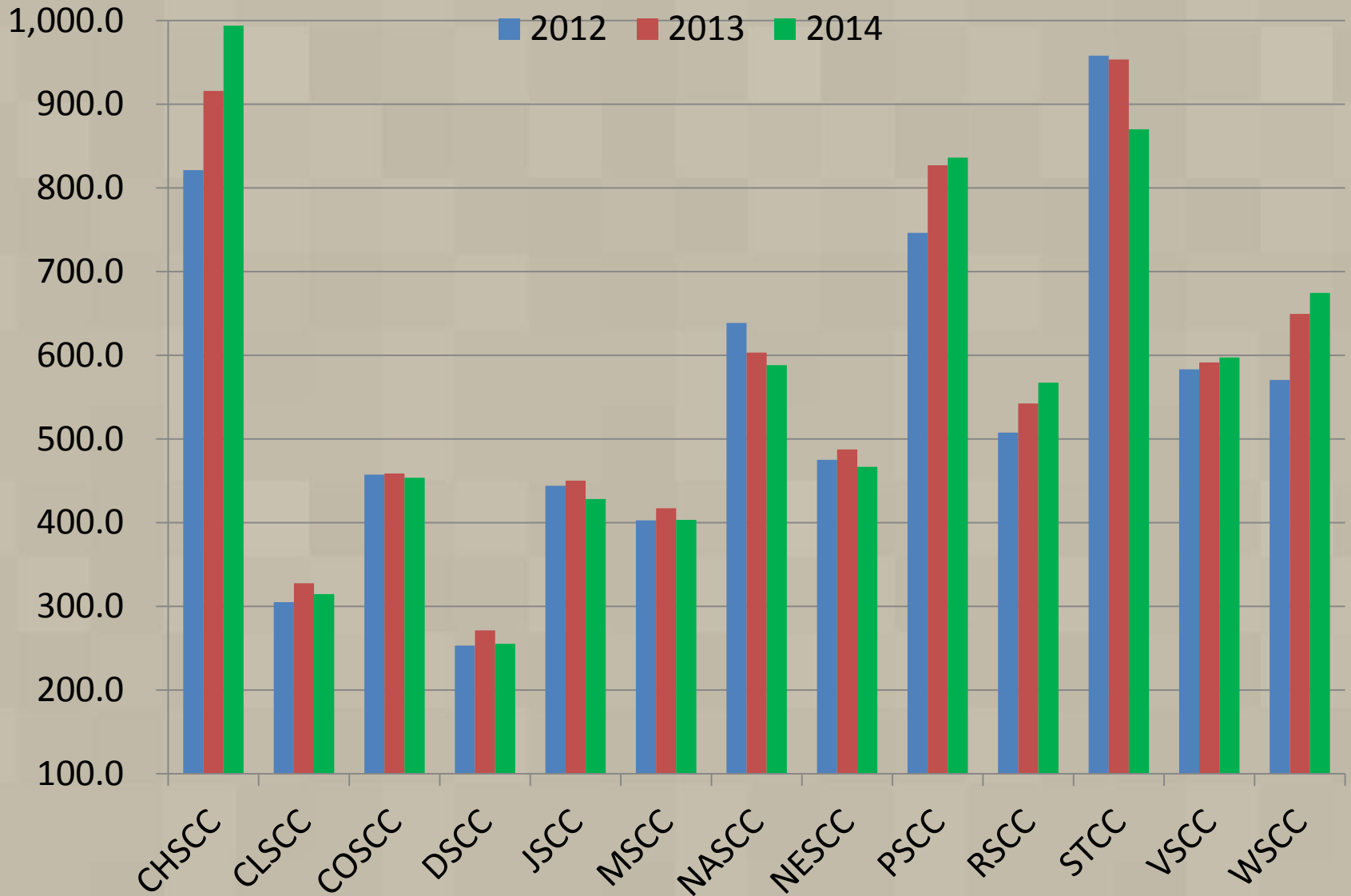
	Annual Change		
	Average	Low	High
Students Accumulating 24 hrs.	-6.9%	-13.4%	-3.1%

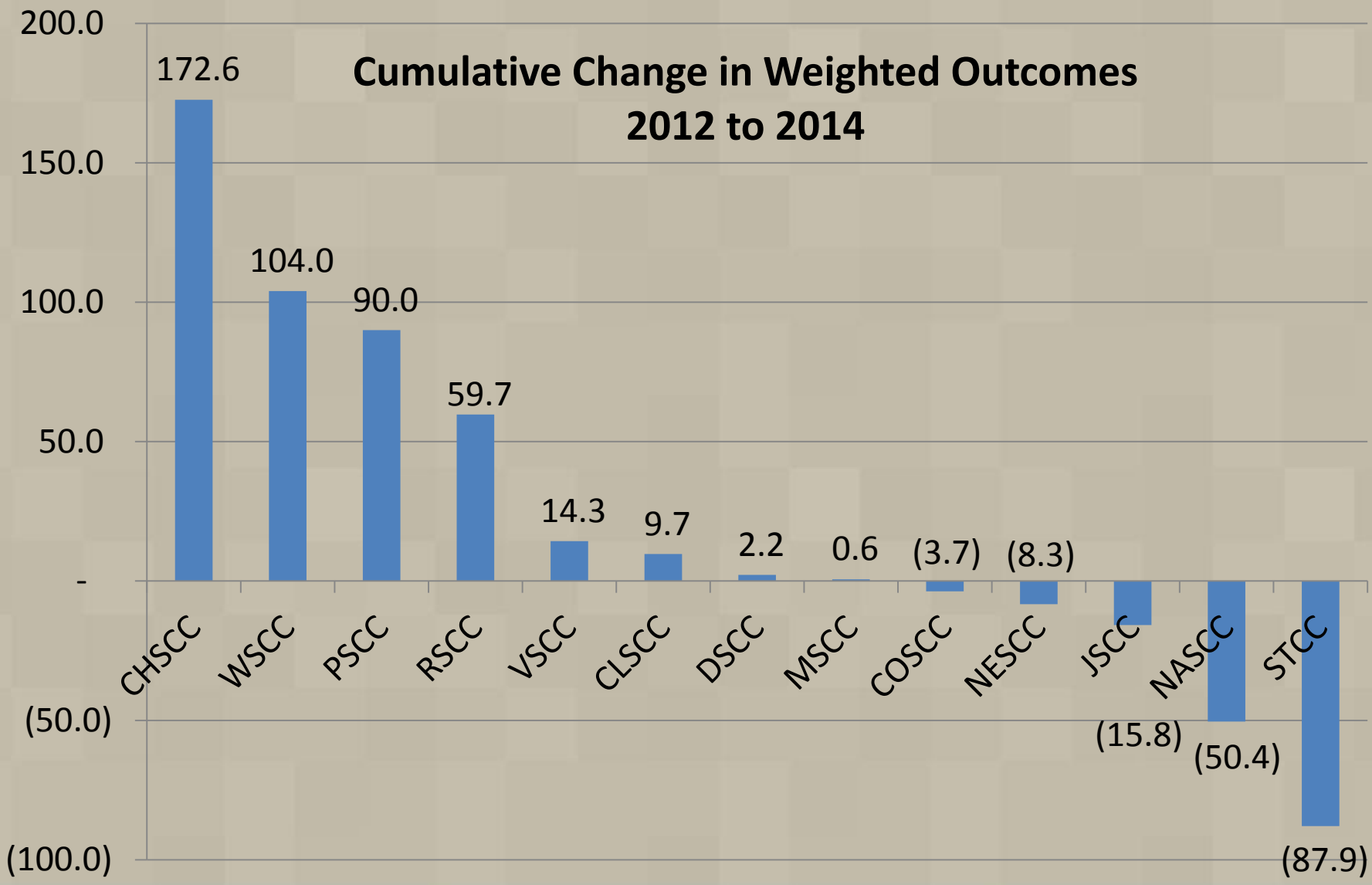
+/- Outcomes with Mixed Performance Across Institutions

	Annual Change		
	Average	Low	High
Students Accumulating 48 hrs.	-1.7%	-3.1%	0.9%
Students Accumulating 72 hrs.	0.3%	-4.5%	6.9%
Masters / Ed Specialist Degrees	4.1%	-17.2%	11.9%
Doctoral / Law Degrees	6.5%	-3.8%	27.0%
Research and Service	-0.9%	-7.8%	9.4%
Degrees per 100 FTE	1.3%	-1.4%	3.9%
Six-Year Graduation Rate	0.9%	-2.0%	4.3%

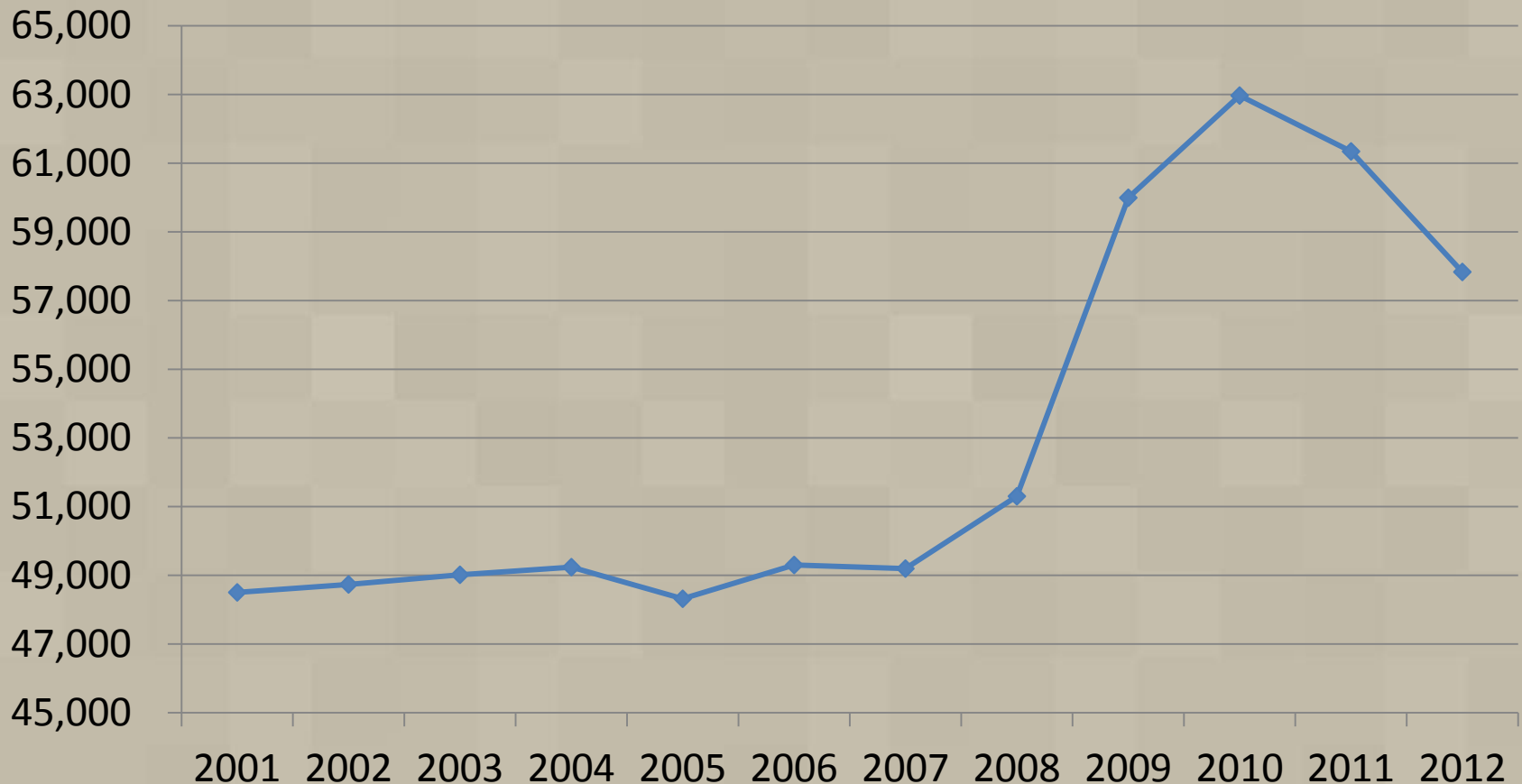


Weighted Outcomes History



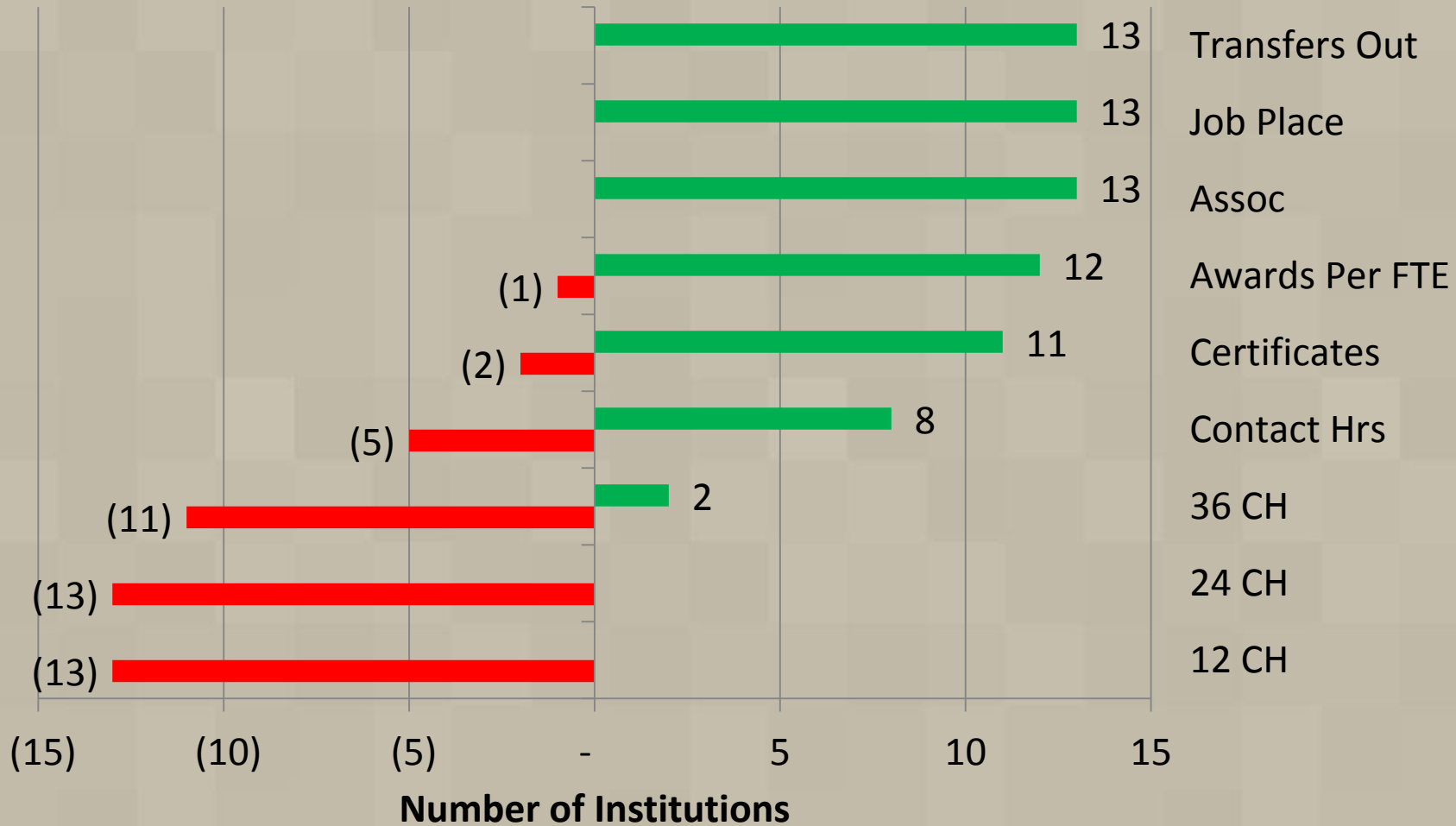


Enrollment Trend – Community Colleges (FTE)



Community College Outcome Performance

FY 2010 – 2012 (enrollment adjusted)



Community College Outcome

Summary (Enrollment Adjusted)

+ Outcomes with Performance Increases at all Institutions

	Annual Change		
	Average	Low	High
Dual Enrollment	15.0%	3.3%	34.9%
Remedial and Developmental Success	20.8%	14.2%	34.3%
Associate Degrees	14.6%	9.0%	21.6%
Job Placement	17.6%	6.5%	62.7%
Transfers Out	15.4%	3.4%	23.6%

- Outcomes with Performance Decreases at all Institutions:

	Annual Change		
	Average	Low	High
12 Credit Hours	-16.9%	-22.1%	-10.5%
24 Credit Hours	-10.1%	-13.3%	-5.2%

+/- Outcomes with Mixed Performance Across the Institutions

	Annual Change		
	Average	Low	High
36 Credit Hours	-2.9%	-6.7%	3.9%
Certificates	25.7%	-23.5%	345.8%
Awards per FTE	8.9%	-3.6%	20.3%
Contact Hours (1,000)	20.5%	-23.5%	57.7%



How Are We Responding?

- Completion Academies
- Redesign of “Gateway” Courses
- Dashboards for Staff
- Staff connection of their work to outcome generation





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Q & A