

AGENDA
Tennessee Higher Education Commission
Formula Review Committee (FRC)
June 28, 2010
10:00 a.m. to 12:00 p.m. Central; 18th Floor THEC Boardroom

- **Welcome**

- **Review of Draft Model Prototype**

- **Discussion of Graduation Rates & Degrees per FTE**

- **Discussion of Sub-populations in Formula and Performance Funding**

- **Model Simulation & Sensitivity Testing**

- **Other Issues**

- **Adjourn**

DRAFT - Simulating 2010-11 Formula

Points per Outcome	APSU	ETSU	MTSU	TSU	TTU	UM	UTC	UTK	UTM
Students Accumulating 24 hrs	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Students Accumulating 48 hrs	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Students Accumulating 72 hrs	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Bachelors and Associates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Masters / Ed Specialists	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Doctoral / Law Degree	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Research and Service	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Transfers Out with 12 hrs	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Degrees per FTE	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Six-Year Graduation Rate	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	100	100	100	100	100	100	100	100	100

Outcomes (2008-09 Data)	APSU	ETSU	MTSU	TSU	TTU	UM	UTC	UTK	UTM
Students Accumulating 24 hrs	1,797	2,200	4,116	1,245	1,725	2,779	2,044	4,358	1,595
Students Accumulating 48 hrs	1,572	1,947	4,022	1,086	1,592	2,775	1,540	4,809	1,269
Students Accumulating 72 hrs	1,478	1,998	4,138	1,178	1,656	2,878	1,532	4,685	1,239
Bachelors and Associates	1,319	1,878	3,789	1,060	1,528	2,590	1,256	4,107	1,018
Masters/Ed Specialist Degrees	254	577	777	426	804	872	404	1,622	115
Doctoral / Law Degrees	0	75	24	60	17	253	50	416	0
Research and Service	1,320,883	21,215,712	29,447,515	33,450,696	9,548,860	37,961,032	9,277,657	142,052,558	4,386,318
Transfers Out with 12 hrs	190	390	720	226	313	444	466	801	271
Degrees per FTE	0.18	0.17	0.19	0.16	0.18	0.16	0.15	0.17	0.16
Six-Year Graduation Rate	36.5	47.8	51.8	42.2	56.9	40.9	51.4	65.4	55.0

Sub-population Outcomes (2008-09 Data)	APSU	ETSU	MTSU	TSU	TTU	UM	UTC	UTK	UTM
Adults Accumulating 24 hrs	364	234	246	105	59	242	33	54	166
Adults Accumulating 48 hrs	445	247	352	132	96	422	71	104	150
Adults Accumulating 72 hrs	484	355	598	218	187	644	168	202	174
Adults Bachelors and Associates	759	752	1376	418	534	1282	421	692	271
Low-income Accumulating 24 hrs	889	833	1684	710	634	1366	694	1009	754
Low-income Accumulating 48 hrs	833	736	1562	576	606	1401	523	1192	592
Low-income Accumulating 72 hrs	784	806	1716	617	682	1365	603	1320	617
Low-income Bachelors and Associates	636	810	1430	452	761	1197	500	1126	456

DRAFT - Simulating 2010-11 Formula

Weighted Points	APSU	ETSU	MTSU	TSU	TTU	UM	UTC	UTK	UTM
Students Accumulating 24 hrs	57.7	138.4	215.5	92.9	125.6	117.6	105.8	89.3	101.2
Students Accumulating 48 hrs	85.0	163.6	337.1	115.7	166.2	177.4	128.0	98.8	107.5
Students Accumulating 72 hrs	112.3	211.4	480.6	151.4	209.1	215.5	177.0	145.1	145.0
Bachelors and Associates	388.9	406.8	949.6	229.4	386.8	567.6	314.6	943.5	290.9
Masters / Ed Specialists	254.0	432.8	582.8	319.5	201.0	654.0	303.0	811.0	57.5
Doctoral / Law Degree	-	75.0	38.4	60.0	27.2	506.0	80.0	832.0	-
Research and Service	3.3	84.9	73.6	133.8	38.2	189.8	23.2	710.3	11.0
Transfers Out with 12 hrs	47.5	195.0	180.0	56.5	78.3	111.0	116.5	200.3	67.8
Degrees per FTE	87.9	42.2	47.2	39.6	44.6	65.1	37.2	41.6	80.7
Six-Year Graduation Rate	45.7	35.9	38.8	31.7	71.1	51.1	38.6	327.0	68.8
Total	1,082	1,786	2,944	1,230	1,348	2,655	1,324	4,199	930
SREB Instn Type Avg Salary	58,366	64,336	62,951	64,336	62,951	75,260	62,951	89,643	58,366
Outcome Based Performance	63,171,969	114,903,895	185,298,365	79,156,606	84,859,922	199,827,061	83,334,405	376,393,691	54,293,323
Fixed Costs									
M&O & Utilities	12,865,748	21,689,910	29,904,007	17,815,635	19,027,246	42,802,200	18,925,217	74,135,763	13,856,528
Equipment Replacement	1,180,012	1,905,863	4,201,071	2,446,582	1,929,919	3,793,709	1,330,149	17,876,584	786,905
Fixed Costs Subtotal	14,045,759	23,595,773	34,105,079	20,262,217	20,957,165	46,595,909	20,255,365	92,012,347	14,643,434
Formula Subtotal	77,217,729	138,499,668	219,403,444	99,418,823	105,817,087	246,422,970	103,589,770	468,406,038	68,936,757
Performance Funding Score	83.5	92.0	95.0	79.0	97.0	86.0	89.0	88.0	92.0
Performance Funding Amount	3,513,986	6,944,373	11,359,613	4,280,477	5,594,020	11,549,845	5,024,622	22,464,754	3,456,489
Total Formula Calculation	80,731,700	145,444,000	230,763,100	103,699,300	111,411,100	257,972,800	108,614,400	490,870,800	72,393,200
Total	80,731,700	145,444,000	230,763,100	103,699,300	111,411,100	257,972,800	108,614,400	490,870,800	72,393,200
Current Formula	78,195,000	143,316,000	227,255,000	107,397,000	106,785,000	267,115,000	104,335,000	465,000,000	70,994,000
% Comparison	1.03	1.01	1.02	0.97	1.04	0.97	1.04	1.06	1.02

DRAFT - Simulating 2010-11 Formula

Points per Outcome	CHSCC	CLSCC	COSCC	DSCC	JSCC	MSCC	NASCC	NESCC	PSCC	RSCC	STCC	VSCC	WSCC	CC Points
Students Accumulating 12 hrs	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Students Accumulating 24 hrs	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Students Accumulating 36 hrs	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Associates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Certificates	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Job Placements	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Remedial & Developmental Success	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Transfers Out with 12 hrs	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
CEU Contact Hours	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Grads per FTE	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Outcomes (2008-09 Data)	CHSCC	CLSCC	COSCC	DSCC	JSCC	MSCC	NASCC	NESCC	PSCC	RSCC	STCC	VSCC	WSCC	All CC
Students Accumulating 12 hrs	3,950	1,598	1,979	1,395	2,134	2,241	3,293	2,425	4,382	2,273	6,260	3,606	2,728	38264
Students Accumulating 24 hrs	2,348	944	1,470	789	1,183	1,407	2,150	1,759	2,753	1,562	4,066	2,015	1,828	24274
Students Accumulating 36 hrs	1,806	758	1,176	555	968	1,073	1,733	1,304	2,028	1,286	2,769	1,502	1,496	18454
Associates	617	291	483	213	462	460	529	635	670	617	609	616	558	6760
Certificates	119	64	71	15	43	0	121	171	3	78	382	277	247	1591
Job Placements	407	135	158	77	246	74	268	248	190	375	435	335	467	3415
Remedial & Developmental Success	2,593	892	1,431	960	1,367	1,393	2,657	1,668	2,105	1,494	5,065	2,272	1,688	25585
Transfers Out with 12 hrs	429	189	448	224	306	470	572	314	772	485	677	567	413	5866
CEU Contact Hours	4,728	379	44,440	6,373	2,704	1,990	110,590	6,011	19,668	107,148	57,015	56,858	10,460	428364
Grads per FTE	0.14	0.16	0.18	0.13	0.18	0.16	0.15	0.22	0.12	0.18	0.14	0.19	0.20	2

Sub-population Outcomes (2008-09 Data)	CHSCC	CLSCC	COSCC	DSCC	JSCC	MSCC	NASCC	NESCC	PSCC	RSCC	STCC	VSCC	WSCC	All CC
Adults Accumulating 12 hrs	938	501	348	362	469	415	1093	620	791	498	1813	724	595	9167
Adults Accumulating 24 hrs	785	352	384	234	329	341	850	579	668	389	1446	571	507	7435
Adults Accumulating 36 hrs	703	302	368	215	331	298	792	514	565	387	1224	510	473	6682
Adult Associates	353	176	214	127	258	215	351	337	324	325	413	317	283	3693
Adult Certificates	72	57	54	14	32	0	93	103	3	47	242	155	146	1018
Low-income Accumulating 12 hrs	2134	825	839	842	1309	1044	1939	1414	1976	1226	4131	1719	1561	20959
Low-income Accumulating 24 hrs	1238	526	652	494	737	670	1230	1008	1251	901	2627	1001	1047	13382
Low-income Accumulating 36 hrs	985	435	553	355	620	548	1036	743	940	746	1758	772	837	10328
Low-income Associates	320	164	239	129	259	237	260	358	313	318	342	283	309	3531
Low-income Certificates	46	17	21	9	16	0	38	83	0	45	191	107	119	692

DRAFT
Austin Peay State University
2010-11 Funding Formula Simulation

Outcomes	Outcome Data	Sub-population Premium	Premium Outcome	Scaling Factor	Scaled Outcomes	Points	Weights	Total Points
Students Accumulating 24 hrs	1,797	N/A	1,797					
Adults Accumulating 24 hrs	364	10%	36.4					
Low-income Accumulating 24 hrs	889	10%	88.9					
Students Accumulating 24 hrs - Total			1,922	10	192	10.0	3%	57.7
Students Accumulating 48 hrs	1,572	N/A	1,572					
Adults Accumulating 48 hrs	445	10%	44.5					
Low-income Accumulating 48 hrs	833	10%	83.3					
Students Accumulating 48 hrs - Total			1,700	10	170	10.0	5%	85.0
Students Accumulating 72 hrs	1,478	N/A	1,478					
Adults Accumulating 72 hrs	484	10%	48.4					
Low-income Accumulating 72 hrs	784	10%	78.4					
Students Accumulating 72 hrs - Total			1,605	10	160	10.0	7%	112.3
Bachelors and Associates	1,319	N/A	1,319					
Adults Bachelors and Associates	759	10%	75.9					
Low-income Bach. and Assoc.	636	10%	63.6					
Bachelors and Associates - Total			1,459	15	97	10.0	40%	388.9
Masters/Ed Specialist Degrees	254	N/A	254	2	127	10.0	20%	254.0
Doctoral / Law Degrees	0	N/A	0	0.5	0	10.0	0%	0.0
Research and Service	1,320,883	N/A	1,320,883	200,000	7	10.0	5%	3.3
Transfers Out with 12 hrs	190	N/A	190	2	95	10.0	5%	47.5
Degrees per FTE	0	N/A	0	0.002	88	10.0	10%	87.9
Graduation Rate	37	N/A	37	0.4	91	10.0	5%	45.7

**Calculation Summary
and Explanation**

Sum of Total Points	SREB Average Salary	Fixed Costs M&O, Util, Equip	Performance Funding Score	Performance Funding Amount	Total Formula Calculation
1,082.3	\$58,366	\$14,045,759	83.5	\$3,513,986	\$80,731,700

- The first four outcomes received a 10% sub-population premium for each Adult or Low-income student they included. Each sub-population outcome was multiplied by the premium. In the case of the 1,797 students who accumulated 24 hours, 364 were Adults and 889 were Low-income students. These were multiplied by 10%, yielding 36.4 for Adults and 88.9 for Low-income students. These numbers were then added to the original student outcome of 1,797 to arrive at 1,922.
- Each outcome was then standardized by dividing each by a unique scaling factor. For example, the number of students who accumulated 24 hours (1,922) was divided by a scaling factor of 5 to arrive at a scaled outcome of 384.
- Each scaled outcome was multiplied by 10 Points. For instance, the students accumulating 24 hours scaled outcome (384) was multiplied by 10.
- These values were then each multiplied by a unique weight. For example, the students accumulating 24 hours was multiplied by 8% for a total point value of 307.6.
- The total points were added together (equaling 1744.9) and multiplied by the SREB average salary of \$58,366.
- Fixed costs for utilities, M&O and equipment replacement are added, using the same calculations and methodologies and the current funding formula.
- Performance Funding allows an institution to add up to an additional 5.45% to the total calculation. The 5.45% is the maximum for an institution that scores a 100. The percentage is pro-rated down based on the institution's score.

**Outcomes Based Formula Model
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 FTE	Number of associate's and bachelor's degrees conferred during the prior academic year (all semesters) divided by 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

**Outcomes Based Formula Model
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
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, TICUA and Clearinghouse
CEU Contact Hours	The total number of continuing education units (CEUs) awarded during the prior academic year.	Reported by system
Grads per FTE	Number of associate's degrees and certificates conferred during the prior academic year (all semesters) divided by 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