

DATE: July 29, 2010

SUBJECT: 2010-2015 State Master Plan for Higher Education

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION: Executive Summary: 2010-2015 State Master Plan

The Public Agenda Defined. The Public Agenda for higher education for the 2010-2015 planning cycle is to:

- improve degree efficiency (time to degree, graduation rates) and increase productivity (completer counts, especially targeting underserved students and undersupplied occupations) within available resources while maintaining instructional quality;
- sustain growth in the production of additional degrees at four percent annually so that undergraduate degree production (associate and bachelors degrees) is increased by 26,000 new degrees by 2015 and 210,000 by 2025, bringing Tennessee to the national average for undergraduate degree attainment by 2025;
- close gaps in the supply of graduates in high demand fields that require a postsecondary credential, particularly science-technology-engineering-math (STEM) fields;
- fund institutions and pursue academic policies in a manner consistent with the desired ends;
- be accountable for quality assurance in programs and services;
- enhance the research capacity of institutions in accord with their individual missions; and
- demonstrate annual progress through purposeful reporting.

Context for the Public Agenda. Statute requires the Tennessee Higher Education Commission (THEC) to develop a master plan for the future development of public universities, community colleges and technology centers. Historically, the plan has been revised every five years, coincident with revision of the public higher education Funding Formula, Performance Funding standards, and system-level strategic plans.

The 2010-2015 master plan is cast as a Public Agenda that focuses on educational attainment, sets out state-level goals for increased degree production, and concentrates on implementing the provisions of the Complete College Tennessee Act of 2010 (CCTA). Agreement on the focus for the 2010-2015 Public Agenda was aided greatly by:

- 1) emergence of a national agenda centered on attainment and increased degree production;
- 2) participation in the Lumina-funded Making Opportunity Affordable grant program and the associated higher education “policy audit;”

- 3) K-12 reforms like the Diploma Project and the Race to the Top grant competition; and
- 4) passage of the Complete College Tennessee Act of 2010 (CCTA), the most direct and comprehensive statement ever placed in statute regarding the state's needs relative to higher education.

Mission Distinctiveness. The commission, in consultation with the respective governing boards, is to approve institutional mission statements concurrent with the adoption of each revised statewide master plan. The statutorily-required mission statement must characterize the institution by stating its distinctiveness in degree offerings by level and focus and must address institutional accountability for the quality of instruction, student learning and, where applicable, research and public service. This mission statement does not replace the mission statement essential for regional accreditation; rather, its purpose is to provide a basis for role differentiation when considering performance goals, funding, and programmatic offerings. Institutional statements are due to the Commission by August 1.

What Does the State Need from Higher Education? The Agenda establishes the state's need for: significant, sustained increases in the certificate and degree completion; workforce and economic development; quality underpinning increases productivity; and enhanced competitive research. To be on course for reaching the national average for educational attainment by 2025, Tennessee higher education institutions must produce an *additional* 26,000 undergraduate degrees by 2015 and an additional 210,000 by 2025. The THEC Student Flow Model provided a basis for assessing the achievability of the goal and defining process targets that enable goal achievement. Realizing the goal will set the state on a sustained upward course to increase degree productivity by four percent annually; the implications for systems and individual institutions vary, as students vary in the manner in which they distribute and progress across systems.

What Are the Policy Levers for Implementing Change? The Public Agenda identifies the following policy levers available for addressing the state's needs relative to higher education:

- promoting productivity through an outcomes-based Funding Formula;
- promoting quality assurance through revised Performance Funding standards;
- promoting economic and workforce development through responses to a study of labor market supply and demand;
- promoting efficiency and effectiveness through purposeful reporting;
- promoting efficiencies through mission and sector differentiation;
- promoting efficiencies through inter-institutional collaboration and reduced duplication; and
- promoting efficiencies through incentives for extramural support.

What Will Success Look Like? Success in advancing the Public Agenda will mean that, by 2015: growth in certificate and degree productivity 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; growth in the number of doctoral programs will slow, but those offered will be more robust; average cost per degree produced will be reduced; 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 students in targeted subpopulations 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 the foregoing will be evident through the Tennessee Tracks web portal for higher education accountability.