

MINUTES
TENNESSEE HIGHER EDUCATION COMMISSION
July 28, 2011, 1:00 p.m. CDT

The meeting was called to order by Chairman Robert White at 1:00 p.m.
Commission Members present:

Ms. Sue Atkinson	Mr. David Lillard
Mr. Charles Bone	Mr. Charlie Mann
Mr. Tre Hargett	Dr. Gary Nixon
Ms. Sharon Hayes	Mr. Zack Walden
Mr. Greg Isaacs	Mr. Robert White
Mr. Cato Johnson	Mayor AC Wharton
Mr. Jon Kinsey	Mr. Justin Wilson

Adoption of Agenda

Mr. White welcomed all and thanked them for their attendance. He then called for a motion to adopt the agenda. Mr. Cato Johnson made a motion to approve the agenda. Mr. Jon Kinsey seconded the motion; the motion was duly adopted.

Approval of Minutes, April 28, 2011, Meeting

Mr. White called for a motion to approve the minutes of the April 28, 2011, Commission meeting. Mr. Kinsey made a motion to approve the minutes as presented. Mr. Johnson seconded the motion; the motion was duly adopted.

Chairman's Report

Mr. White began his report by commenting on the College Board presentation earlier in the day. He then congratulated staff on the development of a proposal that was selected to be funded for \$1 M from Complete College America, which Governor Haslam announced earlier in the week. He recognized Ms. Jessica Gibson to provide a brief summary of the proposal.

Ms. Gibson briefly reviewed the proposal and the positive impact it will have on higher education. She discussed the three initiatives that will be supported from this grant. The initiatives are: the expansion of the adaptive advising tool; a statewide prior learning assessment initiative; and a series of college completion academies in partnership with the University of Tennessee and the Tennessee Board of Regents.

Executive Director's Report/Tennessee Student Assistance Corporation

Dr. Richard G. Rhoda began by thanking everyone for their attendance. He thanked Ms. Gibson and other staff members for their work on the CCA proposal. Dr. Rhoda then called on Mr. Johnson to comment on the passing of Dr. R. Eugene Smith, a long-time member of the Tennessee higher education community. Mr. Johnson remarked on the many contributions and successes of Dr. Smith over the years. Dr. Rhoda also acknowledged the retirement of Dr.

Bob Bell as president of Tennessee Technological University at the end of June, 2012.

Dr. Rhoda then briefed the Commission on a recent TSAC called meeting to approve rules that implement the recent legislation for lottery scholarship program. He briefly discussed the direct loan program as well as the services to students and parents being offered by TSAC.

Dr. Rhoda next recognized Dr. Douglas Wood, Program Officer of the Advancing Higher Education Access and Success Initiative at the Ford Foundation, to brief the Commission on efforts being made by the Ford Foundation. Dr. Wood stated that the Foundation provides grants for higher education throughout the United States. Dr. Wood then discussed his plan and budget that will outline the goals and opportunities related to the funding strategies he is currently considering. He then discussed the community college initiatives underway at the Foundation for underserved and disadvantaged students.

Systems' Reports

Tennessee Board of Regents

Mr. John Morgan, Chancellor of the Tennessee Board of Regents, was recognized to present his report. Mr. Morgan began his report by thanking Ms. Jessica Gibson for her work on the Complete College Act. Mr. Morgan briefed the Commission on changes at the TBR institutions: President Bob Bell from TTU announcing his retirement in January; President Alan Edwards' retirement from Pellissippi State in June, succeeded by Dr. Anthony Wise; and President Paul Stanton's retirement from ETSU on January 14, 2012. Chancellor Morgan noted that the search firm, Greenwood/Asher, is being used to fill the ETSU position. Chancellor Morgan also noted that a search will begin next year to fill the TSU presidency permanently. Mr. Morgan then discussed the meeting earlier in the day with technology centers and community colleges that are collaborating to create a pathway for students for an easier transition between institutions.

University of Tennessee

Dr. Joe DiPietro, President of the University of Tennessee, was recognized to present his report. Dr. DiPietro began his report by announcing recent appointments at UT campuses: Dr. Larry Arrington, Chancellor of the UT Institute of Agriculture, beginning in September, and Dr. Dennis Hegstetler, System Institutional Research Director. He then noted the active search for the Vice President of Development position. Dr. DiPietro then discussed the UT Knoxville master plan and noted its connection with former Governor Bredesen's challenge for UTK to become a top 25 research institution. He then introduced Ms. Nel Campbell of Bullock Smith and Partners. Ms. Campbell reviewed the goals and specifications of the master plan, including the THEC space needs analysis, access for pedestrians and parking options.

Action Items

Lambuth Campus Feasibility Study

Dr. Russ Deaton, Associate Executive Director of Fiscal Affairs, was recognized. Dr. Deaton briefed the Commission on the language in the appropriations bill directing THEC to conduct a study to determine the feasibility of the state obtaining the facilities, properties, and assets of Lambuth University. He stated that although no acute gaps were identified in the Memphis/Jackson area, the presence of a University of Memphis campus would provide an affordable public institution option that has been lacking. Dr. Deaton discussed the key observations and costs included with the acquisition. He then stated that THEC staff recommended acquisition of the facility with the following two conditions for TBR: they develop biannual plans for addressing near-term facilities issues with non-state funding sources, and they are to report on several metrics related to enrollment projections, facilities, and accreditation that will provide a measure of success of the Lambuth campus. After discussion, Mr. David Lillard made a motion to approve the staff recommendation. Ms. Sharon Hayes seconded the motion; the motion was duly adopted.

Policy Revision: A1.0 New Academic Programs: Approval Process and A1.1 New Academic Programs

Dr. Linda Doran, Associate Executive Director of Academic Affairs, was recognized. Dr. Doran stated that the policy proposal is to delegate final approval of new community college programs to the Tennessee Board of Regents. She stated that, as provided by the Complete College Tennessee Act of 2010, the policy revisions are designed to support the development of the "Tennessee community college system." She also stated that policy modifications delegate, but do not abdicate, THEC responsibility for ensuring that programs meet documented need and evidence highest quality. Dr. Doran noted the revisions require that TBR meet the quality standards of THEC policy A1.0 and A1.1 as a condition of the delegated authority for final approval of new programs. The proposed revisions also will allow a new program TBR approves for one community college to be approved for other TBR community colleges, should they wish to meet the same quality and resource standards but replication will apply only to those programs TBR approves after the Commission sanctions THEC A1.0 and A1.1 policy revisions.

Dr. Doran also stated that THEC does not delegate to the TBR its authority for conducting post-approval review and evaluation of all community college academic degree programs and certificates, whether currently listed on the THEC Academic Program Inventory or those approved by TBR after approval of delegated authority. All community college programs will continue to be monitored and reviewed through the THEC Post-Approval Monitoring process. After discussion, Mr. Charles Bone made a motion to approve the policy revisions. Mr. Johnson seconded the motion. Mr. White called for a vote on the motion that was duly adopted. A copy of the new policies is attached as Attachment A.

Approval of New Academic Degree Programs

Dr. Doran then discussed the five new academic degree programs in detail: Chattanooga State Community College, Technical Certificate in Process Technology; General Education Core academic certificate for the Associate of Arts and the Associate of Science degree programs at all community colleges; East Tennessee State University, M.S. in Geosciences with concentrations in Geospatial Analysis and Paleontology; University of Tennessee, Knoxville, Doctor of Social Work; and University of Memphis, Ph.D. in Epidemiology. She noted specifics such as credit hours, funding, and faculty requirements. There being no further discussion, Mr. Greg Isaacs made a motion to approve the programs as presented. Mr. Bone seconded the motion; the motion was duly adopted.

Temporary Authorization of New Institutions, Approval of New Programs Under the Postsecondary Authorization Act, and Conditional Approval of New Programs

Dr. Stephanie Bellard-Chase, Assistant Executive Director for Postsecondary School Authorization, was recognized. Dr. Bellard-Chase presented the recommendations of staff and the Postsecondary Education Authorization Advisory Committee to grant temporary authorization to proposed new institutions, new programs, and conditional authorization of new programs. A listing of the institutions and programs is included as attachment A to the official copy of the minutes. A motion was made by Mr. Justin Wilson to adopt the recommendations as presented. The motion was seconded by Mr. Johnson. There being no further discussion, Mr. White called for a vote on the motion that was duly adopted.

Recommendations for Appointments to the Committee on Postsecondary Educational Institutions

Dr. Bellard-Chase stated that, currently, two positions on the committee are vacant. She presented the staff recommendations that two committee members be reappointed to the Committee on Postsecondary Educational Institutions: Mr. Larry Griffin and Mrs. Lethia Swett Mann. Mr. Johnson made a motion to approve staff recommendations. Mr. Zack Walden seconded the motion; the motion was duly adopted.

Proposed Rule Revisions

Ms. Julie Woodruff was recognized to provide a presentation on the new rule revision of Chapter 1540-01-02, Authorization and Regulation of Postsecondary Education Institutions and their agents, included as attachment B. Ms. Woodruff stated that over the past two years there has been much discussion with institutions that have availed themselves of the process. She advised the Commission that DPSA staff recently met with three groups of institutions: unaccredited, nationally accredited, and regionally accredited as well as with the Tennessee Association of Independent Colleges & Schools. Following these meetings, staff drafted proposed rule revisions. She stated that those proposed revisions were sent to all authorized institutions and interested persons in May and gave recipients the opportunity to comment. She advised that substantive comments were received from four institutions: Remington College, H&R Block,

Capella University, and Virginia College School of Business and Health. After considering the comments, DPSA placed the proposed revisions on the agenda of the July 7, 2011, meeting of the Committee on Postsecondary Educational Institutions. Staff sent the rule revisions to the Committee with a detailed explanation of the revisions and the comments submitted thereon. She stated that at its meeting, the Committee voted to recommend adoption by the Commission of all of the rule revisions. There being no further discussion, Mr. Isaacs made a motion to approve the rule revisions; Mr. Bone seconded the motion.

Mr. White called for a vote on the motion that was duly adopted by the following roll call vote:

Ms. Sue Atkinson – aye

Mr. Charles Bone – aye

Mr. Tre Hargett – *

Ms. Sharon Hayes – aye

Mr. Greg Isaacs – aye

Mr. Cato Johnson – aye

Mr. Jon Kinsey – aye

Mr. David Lillard - *

Mr. Charlie Mann – aye

Mr. Zack Walden – aye

Mayor AC Wharton – (absent during item presentation and vote)

Mr. Robert White – aye

Mr. Justin Wilson - *

*Constitutional officers had to depart before the vote.

University of Tennessee Knoxville Master Plan

Chairman White noted the presentation earlier in the meeting of the Master Plan and called for a motion. Mr. Johnson made a motion to approve the UT Knoxville campus Master Plan. Mr. Isaacs seconded the motion; the motion was duly adopted.

July 1 2011-12 Operating Budgets

Dr. Deaton discussed key facts for the operating budgets, noting the exclusion of approximately \$280 million previously included from the Federal American Recovery and Reinvestment Act. He also noted tuition and fee increases, formula needs, and revenue. Dr. Deaton stated that upon approval, the budget

recommendations, shown as attachment C, would be forwarded to the department of finance and administration. There being no further discussion, Mr. White called for a motion. Mayor AC Wharton made a motion to approve. Mr. Walden seconded the motion; the motion was duly adopted.

Election of 2011-12 Officers and Audit Committee Appointments

Mr. Bone noted the current Commission officers are: Mr. Robert White – Chairman, Mr. Cato Johnson – Vice Chairman, Mr. Charlie Mann – Vice Chairman, and Mayor A C Wharton – Secretary. He commented on the excellent job each officer did and made a motion to approve the officers as they stand, as well as reappointing Robert White to the Audit Committee for another 3-year term, beginning on July 1, 2011 ending June 30, 2014. Mr. Isaacs seconded the motion; the motion was duly adopted.

Information Items

Tennessee Education Lottery Scholarship Annual Report

Mr. David Wright, Associate Executive Director of Policy, Planning, and Research was recognized. Mr. Wright presented an overview of the annual legislative report, which details the postsecondary outcomes of scholarship recipients from the program's inception (Fall 2004) through Fall 2010, by student demographic and academic characteristics. He noted that as in the past, this year's report reinforces the importance of high school preparation and performance in renewing scholarship awards and collegiate success in general. Mr. Wright also noted that this year's report releases for the first time information relative to student employment of lottery scholarship recipients. Mr. Wright reviewed the report's major sections which are: Program Overview and Recipient Demographic; Scholarship Renewal; Graduation Rates with TELS Intact; 6-year Graduation Rates for TELS Recipients; College-retention for Scholarship Non-renewals; and Scholarship Recipients and Employment During College.

Special Report on Student Loan Default Rates in Tennessee Institution

Mr. Wright presented a report on institutional three-year default rates in Tennessee. He stated that when the Higher Education Opportunity Act was renewed in 2008, the period used to define students who defaulted for inclusion in an institution's default rate was extended from two to three years beginning in 2012 (2009 cohort).

Status of the First to the Top Grant

Ms. Katrina Miller, Director of THEC First to the Top, was recognized to provide a status report on the Race to the Top Grant. Ms. Miller stated THEC's responsibility for implementing several projects of the state's First to the Top initiatives. She noted that THEC has been working closely with institutions of higher education and the TN Department of Education to ensure that the work aligns with the overall goals of education reform. Ms. Miller noted that one of the primary goals of the First to the Top agenda is implementing the Common Core State Standards that will dramatically increase the rigor of K-12 education and lead to high school graduates who are college and career ready. Ms. Miller also noted that THEC convened a working group of Deans of Colleges of

Education and Arts and Sciences to integrate the Common Core State Standards into teacher training programs and briefed the Commission on the working group's plan for implementation.

STEM Professional Development

Mr. Wesley Hall, Higher Education Program Director, was recognized to provide a report on STEM professional development. Mr. Hall discussed the following four key areas in statewide education reform: adopting standards and assessments that prepare students to succeed in college and the workplace; building data systems that measure student growth and success, and inform teachers and principals how to improve instruction; recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most, turning around their lowest-performing schools; and expanding STEM (Science, Technology, Engineering, and Math) education opportunities through the STEM Innovation Network. Mr. Hall noted that Tennessee's higher education institutions have the expertise to develop and implement such programs and the close collaboration between the institutions and LEAs will strengthen the goal of increasing student achievement.

Diversity in Teaching Grant Awards, 2011-2013

Mr. Mike Krause, Director of Academic Affairs, was recognized. Mr. Krause briefly reviewed background on the Diversity of Teaching grant program and noted that with the settlement of the *Geier* desegregation lawsuit, and in light of current federal laws, the Minority Teacher Education program has evolved into the Diversity in Teaching program. He stated that THEC remains committed to the overarching goals of the program as previously administered. Mr. Krause noted that four institutions were funded for this program totaling \$375,784 and will be funded for the period August 1, 2011 to July 31, 2013.

GEAR UP and College Access Challenge Grant Status Reports

Ms. Katie Brock, Associate Executive Director for GEAR UP, was recognized to provide an updated report on the progress of GEAR UP TN and College Access Challenge Grant (CACG). Ms. Brock gave a brief overview on highlights from the Latino Student Success, GEAR UP TN, and College Access Challenge Grant proposals submitted for funding to the Lumina Foundation for Education and the U.S. Department of Education.

Fall Quarterly Meeting

Dr. Rhoda advised the Commission that the next meeting will be Thursday, November 17, 2011, in the THEC board room.

There being no further business, the meeting was adjourned at 3:00 p.m.

Approved:

Robert White

Chair

Section Title: Academic Policies

Policy Title: New Academic Programs: Approval Process

Policy Number: A1.0

1.0.10 **Scope and Purpose.** In accordance with Chapter 179 of the Legislative Act creating the Higher Education Commission in 1967, the Commission has the statutory responsibility to review and approve new academic programs, off-campus extensions of existing academic programs, new academic units (divisions, colleges, and schools) and new instructional locations for public institutions of higher education in the State of Tennessee. These responsibilities shall be exercised so as to:

- promote academic quality
- maximize cost effectiveness and efficiency to ensure that the benefits to the state outweigh the costs and that existing programs are adequately supported
- fulfill student demand, employer need and societal requirements
- avoid and eliminate unnecessary duplication to ensure that proposed programs cannot be delivered through collaboration or alternative arrangements
- encourage cooperation among all institutions, both public and private

These expectations for program quality and viability are underscored by Tennessee Code Annotated §49-7-202 as amended by Chapter 3, Acts of 2010 (1st Extraordinary Session). This Act directs public higher education to:

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

Program Review Criteria -- In order to ensure that these responsibilities are optimized, the Commission strenuously considers the following criteria in order to maximize state resources:

Need – evidence of program need that justifies institutional allocation/reallocation of state resources (See A1.1.20I New Academic Programs).

Program Costs/Revenues – evidence should be provided that program costs will be met from internal reallocation or from other sources such as grants and gifts. Institutional commitment should be consistent with the centrality and level of priority as described in the program proposal and projected on THEC Fiscal Projection form (Attachment A).

Quality – evidence should be provided that assessment, evaluation, and accreditation criteria (A1.1.20M) are being met.

1.0.20 **Schedule.** The Commission will normally consider proposals for new programs, extensions of existing academic programs, academic units, and instructional locations at each regularly scheduled Commission meeting.

1.0.30 **Action.** Commission action on a given proposal must follow approval by the governing board and may take one of four forms:

- approval
- disapproval
- conditional approval
- deferral

Conditional approval may be granted in special cases. This type of approval is reserved for programs for which the need is temporary. Conditional approvals will identify a date that the program must be terminated.

1.0.40 **Funding.** Evidence must be provided on forms for approval of new academic programs relative to internal reallocation and other sources such as grants and gifts must be validated. The Commission will approve no special start-up funding (See 1.0.10, Program Costs/Revenue).

1.0.50 **Early Consultation/Notification.**
Upon consideration by an institution to develop a proposal for a new program, governing board staffs must provide the Commission staff with a copy of that institution's letter of intent to develop a program proposal. The letter of intent should be in the format provided as Attachment B, and the THEC Financial Form (referenced as Attachment A in A1.0.10) should accompany it. Programs that institutions intend to develop should be consistent with and reference institutional mission, the state master plan for higher education, and campus master plan or the academic plan. A thorough early assessment of program justification is necessary for programs requiring Commission approval in order to identify issues relative to the need for the program, program duplication, accessibility through collaboration or alternative means of delivery (distance education), source of start-up funds, and the need for reviews by external consultants.

Upon consultation and approval to proceed, governing board staffs must share all relevant documents in a timely fashion with the Commission staff leading up to the submission of the final proposal at least two weeks prior to notification of being placed on the agenda for consideration by a governing board (See also 1.1.20A in Policy A1.1 - New Academic Programs). THEC delegates the TBR the authority to approve community college Letters of Intent to Plan associate degrees and certificates.

1.0.60 **Articulation/Transfer.** Upon consideration of a new degree program, evidence must be provided to ensure adherence to the requirements of Tennessee Code Annotated § 49-7-202 as amended by Chapter 3, Acts of 2010 (1st Extraordinary Session) requires that “an associate of science or arts degree graduate from a Tennessee community college shall be deemed to have met all general education and university parallel core requirements for transfer to a Tennessee public university as a junior. . . .” Admission into a particular program, school, or college within the university, or into the University of Tennessee, Knoxville shall remain competitive in accordance with generally applicable policies.

- (1) The forty-one (41) hour lower division general education core common to all state colleges and universities shall be fully transferrable as a block to, and satisfy the general education core of, any public community college or university. A completed subject category (for example, natural sciences or mathematics) within the forty-one (41) hour general education core shall also be fully transferrable and satisfy that subject category of the general education core at any public community college or university.
- (2) The nineteen (19) hour lower division AA/AS area of emphasis articulated to a baccalaureate major shall be universally transferrable as a block satisfying lower division major requirements to any state university offering that degree program major.

1.0.60A **Credit Hours to Degree.** The Commission recommends that credit hour requirements for new and existing undergraduate academic programs shall not be substantially more than 120 hours for baccalaureate degrees or 60 hours for associate degrees without justification. The principle intent is to reduce the time and costs of earning a degree for individual students and taxpayers and, over time, improve graduation rates and increase the higher educational attainment levels of Tennesseans. This excludes programs with accreditation or licensure requirements.

1.0.60B **Announcements.** Announcements of plans for new academic programs, extensions of existing programs, new academic units, and/or new instructional locations must await Commission approval, prior to implementation.

1.0.70A **Delegated Authority for Final Approval of New Community College Programs (Associates and Certificates) to the Tennessee Board of Regents.** Tennessee Code Annotated §49-8-101 as amended by Public Chapter 3, Acts of 2010 (1st Extraordinary Session) directs that “the board of regents, in consultation with the Tennessee Higher Education Commission, shall establish a comprehensive statewide community college system of coordinated programs and services to be known as the Tennessee community college system.”

Notwithstanding anything in this policy to the contrary, the Tennessee Higher Education Commission, in accord with Chapter 3 and toward the establishment of the unified and comprehensive community college system, delegates authority to the Tennessee Board of Regents (TBR) for final approval of new community college associate degrees and certificates. THEC also delegates final approval authority to TBR for the replication of a certificate or associate program approved for one community college (after August 1, 2011) at other TBR community colleges. TBR final approval is subject to the following conditions:

- (1) The criteria for review and accountability (especially justification of need and documented sufficiency of resources and faculty to support the program) set forth in THEC Policies A1.0 (New Academic Programs – Approval Process) and A1.1 (New Academic Programs) must be the basis for the TBR review and approval of new and replicated certificates and associate programs.
- (2) The TBR will provide a monthly summary report to THEC of all community college program actions approved by the TBR, including community college Letters of Intent to Plan associate degrees and certificates, community college associate degree program and certificate approvals, associate and certificate substantive curricular changes, community college associate degree major and concentration name changes, and associate, concentration, and certificate terminations.
- (3) The TBR will provide program proposals and financial projection forms for all TBR-approved associates and certificates as baseline data for THEC Post-Approval Monitoring.
- (4) THEC will list all TBR-approved community college associate and certificate programs and reported changes on the State Inventory of Academic Programs;

1.0.70B

THEC Authority for Post-Approval Monitoring of All Community College Programs. THEC expressly does not delegate to the TBR the authority for the post-approval review of community college associate and certificate programs set forth in A1.1.30 and A1.1.30A-C (New Academic Programs). All TBR community college programs listed on the THEC Inventory of Academic Programs will be subject to the following THEC monitoring and evaluation:

- (1) Community college associate degree programs and certificates are subject to THEC annual reporting through Post Approval Monitoring of programs for the first three years after implementation and annual productivity evaluations of programs in operation more than three years;
- (2) Community colleges will participate in all components of the THEC Performance Funding Quality Assurance Program, and associate and certificate programs will be evaluated according to Performance Funding program review standards.

Approved: April 22, 1988
Revised: January 29, 1997
Revised: November 14, 2002
Revised: January 27, 2011

Section Title: Academic Policies

Policy Title: New Academic Programs

Policy Number: A1.1

- 1.1.10 **Programs Subject to Approval.** New academic programs requiring Commission approval are those that differ from currently approved programs in level of degree or major offered, as reflected in the institution's catalog and the Commission's academic inventory, subject to specified provisions. In the interest of minimizing duplication of effort and institutional document development, THEC will accept for review the program proposal in the program proposal formats required by University of Tennessee and Tennessee Board of Regents system policies, provided these formats address criteria named in 1.1.20A through 1.1.20P below. All program proposals must include THEC Financial Projections form (Attachment A).
- 1.1.10A **Non-degree and non-certificate programs.** Commission approval is not required for non-degree and non-certificate programs, such as those offered at Tennessee Technology Centers.
- 1.1.10B **Certificates.** The Commission approval for a TBR community college certificate program is not required. Commission approval is required for an undergraduate certificate at universities only when the program consists of at least 24 semester hours.
- 1.1.10C **(Reserved)**
- 1.1.10D **Name Changes.** Renaming an existing program without an essential change in the originally approved curriculum does not require Commission approval; planned large-scale curriculum change in a program without a name change does require Commission approval.
- 1.1.10E **Reconfigurations.** A reconfiguration of existing programs without an essential change in the originally approved curriculum and without a net gain in the number of programs (e.g., a consolidation of two programs into one) does not require Commission approval.
- 1.1.10F **Sub-majors.** Additions, deletions, and revisions of sub-majors (options, concentrations emphases, tracks, etc.) without an essential change in the originally approved major curriculum do not require Commission approval.

- 1.1.10G **Notice.** Before governing board consideration of the changes described in Provisions 1.1.10A - 1.1.10F above, a two-week notice should be given to the Commission staff. In the event the staff interprets the proposed change as one requiring Commission approval, prompt arrangements will be made to discuss the proposed change with the institution and its governing board staff for a determination of applicable policy.
- 1.1.10H **Special Areas.** For programs at baccalaureate or higher level in program areas where annual THEC statewide and institutional degree production analyses indicate there is great potential for unnecessary program duplication, no additional programs may be submitted for approval without exceptional determination of need. Such need must be demonstrated to and approved by governing board and Commission staff before the proposal or development of any new programs in these three areas.
- 1.1.20 **Criteria for Review.** The criteria set out in Provisions 1.1.20A - 1.1.20Q will generally be used in reviewing new program proposals. However, the stringency of individual criteria will depend on the specific program, and, in particular circumstances, other criteria may be added at the time of notification (See 1.0.050 New Academic Programs: Approval Process).
- References to provisions of certain institutional policies, such as overall admissions standards, do not mean that such policies need to be approved by the Commission.
- 1.1.20A **Mission.** Proposed new programs must adhere to the role and scope as set forth in the approved mission of the institution.
- 1.1.20B **Curriculum.** The curriculum should be adequately structured to meet the stated objectives of the program, and reflect breadth, depth, theory, and practice appropriate to the discipline and the level of the degree. The undergraduate curriculum should ensure General Education core requirement commonality and transfer (where appropriate) of 19-hour pre-major paths. The curriculum should be compatible with accreditation, where applicable, and meet the criteria for articulation and transfer (See A1.0.60 (New Academic Programs: Approval Process)).
- 1.1.20C **Academic Standards.** The admission, retention, and graduation standards should be clearly stated, be compatible with institutional and governing board policy, and encourage high quality.
- 1.1.20D **Faculty.** Current and/or anticipated faculty resources should ensure a program of high quality. The number and qualifications of faculty should meet existing institutional standards and should be consistent with external standards, where appropriate.

- 1.1.20E **Library Resources.** Current and/or anticipated library and information technology resources should be adequate to support a high quality program and should meet recognized standards for study at a particular level or in a particular field where such standards are available.
- 1.1.20F **Administration/Organization.** The organizational placement and the administrative responsibility for the program should be clearly defined and designed to promote success of the program.
- 1.1.20G **Support Resources.** All other support resources--existing and/or anticipated, should be adequate to support a high quality program. This would include clear statements of clerical personnel or equipment needs, student advising resources, and arrangements for clinical or other affiliations necessary for the program.
- 1.1.20H **Facilities.** Existing and/or anticipated facilities should be adequate to support a high quality program. New and/or renovated facilities required to implement the program should be clearly outlined by amount and type of space, costs identified and source of costs. (Facility Master Plans F4.1)
- 1.1.20I **Need and Demand.** Evidence should be provided that a proposed new program contributes to meeting the priorities/goals of the institution's academic or master plan, why the institution needs that program, and why the state needs graduates from that particular program.
- Student Demand. Evidence of student demand, normally in the form of surveys of potential students and enrollment in related programs at the institution, should be adequate to expect a reasonable level of productivity.
- Employer Need/Demand. Evidence of sufficient employer demand/need, normally in the form of anticipated openings in an appropriate service area (that may be national, regional, or local), in relation to existing production of graduates for that service area. Evidence may include the results of a need assessment, employer surveys, current labor market analyses, and future workforce projections. Where appropriate, evidence should also demonstrate societal need and employers' preference for graduates of the proposed program over persons having alternative existing credentials and employers' willingness to pay higher salaries to graduates of the proposed program.
- 1.1.20J **No Unnecessary Duplication.** Where other similar programs may serve the same potential student population, evidence should demonstrate that the proposed program is in accord with the

institution's THEC-approved distinct mission, is sufficiently different from the existing programs or that access to the existing programs is sufficiently limited to warrant initiation of a new program. The proposal should explain why it is more cost effective or otherwise in the best interests of the State to initiate a new program rather than meet the demand through other arrangements. (e.g., collaborative means with another institution distance education technologies, Academic Common Market, and consortia).

- 1.1.20K **Cooperating Institutions.** For programs needing the cooperation of other institutions (including government, education, health, and business), evidence of the willingness of these institutions to participate is required.
- 1.1.20L **Diversity and Access.** The proposed program will not impede the state's commitment to diversity and access in higher education (Post *Geier*). A statement should be provided as to how the proposed program would enhance racial diversity.
- 1.1.20M **Assessment/Evaluation and Accreditation.** Evidence should be provided to demonstrate that careful evaluation of the program being proposed would be undertaken periodically. Information must be provided to indicate the schedule for program assessments or evaluations, (including program evaluations associated with Performance Funding) those responsible for conducting them, and how the results are to be used. Where appropriate, professional organizations that accredit programs should be identified and any substantive change that may require a SACS review should be indicated.
- 1.1.20N **Graduate Programs.** New graduate programs will be evaluated according to criteria set forth in this policy, as these criteria are informed by the principles supported by the Tennessee Council of Graduate Schools and best practices in the disciplines.
- 1.1.20O **External Judgment.** The Commission staff may, in consultation with the governing board staffs, determine that review by an external authority is required before framing a recommendation to the Commission. Consultants will normally be required for new graduate programs. Consultants will not normally be required for new undergraduate and certificate programs, but there may be exceptions in cases of large cost or marked departure from existing programs at the institution.
- 1.1.20P **Cost/Benefit.** The benefit to the state should outweigh the cost of the program. Institutions should, in the program proposal, estimate the effect on funding caused by the implementation of the program. Detailed costs should be provided on forms required for consideration of new undergraduate and graduate programs

(See 1.0.10, Program Costs/Revenues). These details should include reallocation plans, grants, gifts or other external sources of funding/partnerships. The THEC Financial Projection form (Attachment A) must accompany the proposal.

- 1.1.30 **Post Approval Monitoring.** During the first five years (three years for pre-baccalaureate programs) following approval, performance of the program, based on goals established in the proposal, will be evaluated annually. At the end of this period, Commission staff will perform a summative evaluation and present the summary to the Commission annually. This summative evaluation will include, but not be limited to, enrollment and graduation numbers, program cost, progress toward accreditation, library acquisitions, student performance, and other goals set by the institution and agreed to by governing board and Commission staff. As a result of this evaluation, if the program is deficient, the Commission may recommend to the governing board that the program be terminated. Copies of such recommendation will be forwarded to the Education Committees of the General Assembly. The Commission may also choose to extend this period if additional time is needed and is requested by the governing board.
- 1.1.30A **Schedule.** At the January Commission meeting the Commission will review post approval reports on programs that have recently received approval.
- 1.1.30B **Unfulfilled Productivity.** Institutions with programs that fall markedly short of projected goals as approved in program proposals, must submit, through their governing boards, an explanation of the shortfall and a discussion of the future expectations to accompany annual program progress reports.
- 1.1.30C **Further Action.** The Commission may request the governing board to take action on any program that is performing significantly below projections.
- 1.1.40A **Delegated Authority for Final Approval of Community College Programs (Certificates and Associates) to the Tennessee Board of Regents.** Notwithstanding anything in this policy to the contrary, the Tennessee Higher Education Commission delegates authority for final approval of community college associate degrees and certificates of any credit-hour requirement to the TBR subject to the conditions outlined in Policy A1.0.70, New Academic Programs: Approval Process.
- 1.1.40B **THEC Authority for Post-Approval Monitoring of All Community College Programs.** Notwithstanding anything in this policy to the contrary, the Tennessee Higher Education Commission expressly does not delegate to the TBR the authority for the post-approval monitoring and evaluation of community

college associate and certificate programs as required in A1.0.70B, A1.1.30, A1.1.30A – C (New Academic Programs).

Approved: April 22, 1988
Revised: April 19, 1996
Revised: January 29, 1997
Revised: November 14, 2002
Revised: April 26, 2007
Revised: January 27, 2011

**PROPOSED REVISIONS TO:
CHAPTER 1540-01-02, AUTHORIZATION AND REGULATION OF
POSTSECONDARY EDUCATION INSTITUTIONS AND THEIR AGENTS**

NOTE: There are no proposed revisions to Rules 1540-01-02-.01, .04, .07, .12, .17, or .21 thru .25.

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1540-01-02-.02 ROLE OF THE COMMISSION, COMMITTEE AND STAFF

.....

(2) Role of the Executive Director:

(a) The Executive Director is empowered to take any urgent action, based on these rules and Act, necessary to conduct this consumer protection regulatory function, during the periods between authorization action meetings of the Commission, subject to ratification by the Commission provided that:

1. the Executive Director shall give written notice of such action to the affected party;
2. the Executive Director shall instruct the affected party that they may notify the Commission within ten (10) [business](#) days if the aggrieved party desires a hearing and review by the Commission, and that otherwise the action shall be deemed final;
3. at the same time the Executive Director shall give written notice of the action to members of the Commission.

.....

(3) Role of the [Committee on Postsecondary Educational Institutions](#)~~Postsecondary Education Institution Committee~~:

.....

Authority: T.C.A. §49-7-2014. **Administrative History:** Original rule filed March 26, 1974; effective April 24, 1974. Amendment filed August 7, 1978; effective November 29, 1998. Repeal and new rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendment filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revision to .02(2)(a)2 clarifies that the ten day time period is calculated using business days. The revision to .02(3) inserts the name of the Committee as stated in T.C.A § 49-7-207. **These revisions should improve users' understanding of the rules.**

1540-01-02-.03 DEFINITIONS

- (1) The following definitions are complementary to definitions in Tenn. Code Ann. §49-7-2003 and have the following meanings, unless the context clearly indicates otherwise:

.....

(h) ~~“Articulation agreement” means an arrangement between two higher education institutions approved and signed by the chief executive officers and constructed by faculty in the discipline that equates for transfer of a defined set or block of academic credits that will meet requirements of a specified academic degree program major at the degree-awarding institution for the purposes of the Division of Postsecondary School Authorization, refers specifically to “program articulation,” i.e., the process of developing a formal, written agreement that specifically breaks down courses (or sequences of courses within a program) from institution(s) that are comparable, and acceptable in lieu of specific course requirements at similar institution(s). An articulation agreement is a legal document with the appropriate signatures that specifies which courses at said institution(s) may be transferred to meet general education, major requirements, and electives at the receiving institution. These agreements, maintained by the Articulation Officers at both institutions, facilitate the successful transfer of students between the two entities, to include, but are not limited to, associate and baccalaureate level institutions and ultimately comprehensive or research universities for masters and doctoral level programs.~~

.....

(p) ~~“College” means (1) a unit of a university offering specialized degrees or (2) a postsecondary institution offering courses of study leading to traditional undergraduate college degrees. Some examples of traditional degrees include, but are not limited to: Associate of Arts, Associate of Science, Bachelor of Arts, Bachelor of Business Administration, Bachelor of Science, Bachelor of Fine Arts, Master of Arts, Master of Science, Master of Fine Arts, Master of Business Administration, Doctor of Philosophy, Doctor of Psychology, and Doctor of Education.~~

.....

~~(s) “Credential” refers to educational credentials which include, but are not limited to: certificates, diplomas, letters of designation, degrees, transcripts or any other papers generally taken to signify progress or completion of education and/or training at a postsecondary educational institution.~~

[re-letter current (t) and (qq)]

(qq) “Traditional degree” shall mean degrees including, but not limited to: Associate of Arts, Associate of Science, Bachelor of Arts, Bachelor of Business Administration, Bachelor of Science, Bachelor of Fine Arts, Master of Arts, Master of Science, Master of Fine Arts, Master of Business Administration, Doctor of Philosophy, Doctor of Psychology, and Doctor of Education.

.....

(tt) ~~“University” means a postsecondary institution that provides facilities for teaching and research, offers traditional undergraduate and graduate degrees at the baccalaureate and higher level, and is organized into largely independent colleges or schools offering undergraduate, graduate, and/or professional programs. Some examples of traditional degrees are: Bachelor of Arts, Bachelor of Business Administration, Bachelor of Science, Bachelor of Fine Arts, Master of Arts, Master of Science, Master of Fine Arts, Master of Business Administration, Doctor of Philosophy, Doctor of Psychology, and Doctor of Education.~~

Authority: T.C.A. §49-7-2005, Public Chapter 766, Acts of 2006. **Administrative History:** Original rule filed March 26, 1974; effective April 4, 1974. Amendment filed August 7, 1978; effective November 29, 1998. Repeal and new rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendment filed February 3, 2000; effective June 28, 2000. Repeal and new rule filed June 6, 2008; effective August 20, 2008

DPSA Comments: The revision to .03(1)(h) details what an articulation agreement must contain for purposes of the proposed revision to .08(3)(b)3. **This should benefit institutions by providing a more concise definition.**

The revisions to .03(1)(p) and .03(1)(tt) and the addition of .03(1)(qq) result from the determination that the term “traditional degree” should be defined separately and not as part of the definitions of “college” and “university.” **This revision should make the rules more user-friendly and improve understanding.**

DPSA is proposing to delete .03(1)(s) because .04(2)(b) references only the statutory definition and two definitions are not needed. **This is a housekeeping item.**

1540-01-02-.05 EXEMPTION

- (1) In addition to institutions exempt by Tenn. Code Ann. §49-7-2004, the following institutions and programs are exempt from the annual reporting requirements and the provisions of these regulations:
- (a) ~~any entities offering~~ education, instruction or training that ~~is meet 1, 2, 3, or 4 in its entirety as follows:~~
1. maintained or given by an employer or group of employers, for employees or for persons they anticipate employing without charge, payroll deduction or minimum length of employment, except that the employer/institution may accept funds provided through a state or federal program that provides adequate institutional and/or programmatic review as determined by Commission staff; or
 2. maintained or given by a U. S. Department of Labor or state recognized labor organization, without charge, to its membership or apprentices, except that the institution may accept funds provided through a state or federal program that provides adequate institutional and/or programmatic review as determined by Commission staff; or
 3. financed and/or subsidized by public funds, without charge to the students, having a closed enrollment; or
 4. given under a contract agreement, having a closed enrollment, at no cost to the student and does not offer degrees or educational credentials such as, but not limited to, diplomas or special certifications that in the opinion of the Commission are specifically directed toward new or additional vocational, professional or academic goals.
- (b) Short-term programs, seminars or workshops that are motivational, enrichment, recreational, or avocational as determined by Commission staff shall be considered exempt from authorization requirements. Upon review by Commission staff, a provider that presents the instruction in such a way as to suggest a vocational end may be required to become authorized in the state, or clarify through public advertising that the program, seminar, or workshop is in fact motivational, enrichment, recreational, or avocational. Short-term programs for which all promotional materials and advertisements indicate that the program purpose is exclusively for self-improvement, or instruction that is motivational or avocational in intent as determined by Commission staff.
- (c) Short-term programs, seminars or workshops that are solely for professional enhancement as determined by Commission staff shall be considered exempt from authorization requirements. Businesses offering specialized certifications clearly used to denote technical, professional or vocational proficiency toward an additional vocational goal or new job title must be authorized for operation.
- (de) Programs that operate under Part 61 of the Federal Aviation Regulations and that provide only avocational training are exempt. Aviation programs that operate entirely under Part 141 of the Federal Aviation Regulations and programs that operate under Part 61 of the Federal Aviation Regulations and that provide vocational training are non-exempt. Oversight of these aviation schools will in no way conflict with oversight provided by the Federal Aviation Administration. While the FAA oversight ensures adequate curricula and safety of the student, the Commission's oversight is focused on protection of the personal and financial interests of the student.

- (ed) ~~Institutions which offer~~ intensive review courses designed solely to prepare students for graduate and/or professional school entrance exams, certified public accountancy tests, public accountancy tests, and the bar examination shall be considered exempt from authorization requirements.
- (f) Training designed to prepare students for credit-by-examination tests may be considered exempt from authorization requirements. The exemption is contingent on the entity's agreement to indicate in all promotional materials that the training is for test preparation for credit-by-examination tests and to refrain from any misleading representations. Such representations include:
1. suggesting that the training results in receipt of a credential, such as a degree;
 2. listing anticipated salary amounts; and
 3. stating that the entity is accredited.
- (eg) Bona fide religious institutions that:
- offer instruction or training without charge or any expense to participants and do not offer degrees of any type within the institution;
 - do not suggest that postsecondary credit may be awarded by another party or transfer in educational credentials from another source;
 - do not offer diplomas/certificates that in the opinion of the Commission replicate letters of designation or degrees.
- (h) Businesses offering limited computer training in hardware, software, delivery systems or any related technology for clients or customers (closed enrollment) directly related to a sale of equipment or services are exempt from the provisions of authorization.
- (i) Businesses offering short term computer training in common software or basic computer hardware that is intended for enrichment or professional enhancement are exempt from the provisions of authorization unless in the opinion of the Commission courses using various software are offered concurrently toward a vocational goal. (e.g. word processing software offered toward secretarial goals).
- (2) To operate within exemption status, the following guidelines shall be used:
- (a) Institutions that clearly qualify as exemption under the Act or these regulations after Commission staff review shall be considered exempt from authorization without a vote of the Commission.
 - (b) Any institutional or programmatic exemption is subject to annual staff review and/or revocation any time the activity deviates from the original determination factors for exemption.
 - ~~(c) Exemptions secured under this section of the rules are effective for each authorization year beginning on July 1, except as individuals or groups of institutions are notified prior to June 15 preceding any authorization year by a letter from the Executive Director of the Commission which shall state the bases for removal of any exemption.~~
 - (cd) Exemptions can be revoked or amended by the Commission as they pertain to individual institutions whenever it is determined by the Commission that an institution exempted by the Act or these regulations has not acted in accordance to the purpose of T.C.A. 49-7-2002, 'Legislative intent'.

- (3) ~~To request an exemption, institutions or educational providers seeking an exemption status (or not wanting to pursue authorization) that in the opinion of Commission staff do not clearly qualify under the exemption categories given in the Act and these rules will be required to complete an Exemption Request Form. The form shall submit a descriptive narrative describing how the institution and/or programs qualify for an exemption. The request shall include a citation to the Act and/or rules and documentation supporting the requested exemption such as include but not be limited to: copies of all institutional materials; brochures; advertising; state charter or business license; and organizational ties and/or contracts with other educational providers and a descriptive narrative of how the organization qualifies for exemption specifically citing the Act and/or rules. Based upon the submitted material, Commission authorization staff shall make a written determination.~~
- ~~(a) Based upon the submitted material Commission staff shall make a written determination of institutional status.~~
- (4) ~~If the institution is aggrieved by a that determination concerning exemption status, the party/institution may appeal seek review as provided for in the manner provided by Rule 1540-01-02-.02(2)(b) and T.C.A. §49-7-2010(b). Any request for review shall be in writing, signed, list each instance where Commission staff erred, and provide a detailed explanation of each error, including, where applicable, references to specific statutes or rules. Requests for review shall be received through hand delivery, mail, electronic mail or facsimile. A request may be denied if it is not timely received.~~

Authority: T.C.A. §49-7-2002, 49-7-2004, 49-7-2005, 49-7-2006, 49-7-2008. **Administrative History:** Original rule filed March 26, 1974; effective April 24, 1974. Amendment filed August 7, 1978; effective November 29, 1998. Repeal and new rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendment filed February 3, 2000; effective June 28, 2000. Amendment filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revisions to .05(1)(a)1 and 2 address situations where there is no charge directly to the student but the institution does receive funds on behalf of the student through a program as described in the revision. It has become apparent to DPSA that the current rule restricts the allocation of federal funds to certain educational providers and that this was not the intent of the rule. Thus, the revision is made to avoid an unintended consequence of the current wording of the rule.

The revisions to .05(1)(b) and .08(10) and the addition of .05(1)(c) place all exemptions under .05 and clarify the grounds under which short term programs, seminars, and workshops may be exempt. **This revision should make the rules more user-friendly and improve understanding.**

The revision to .05(1)(d) includes language that appeared in the 1998 version of the rules, but that appears to have been deleted in error. **This is a housekeeping item.**

The addition of .05(1)(f) exempts a type of exam preparation not contained in .05(1)(d). This exemption is listed separately because the nature of the training requires that explicit provisions be included to address promotion and advertising.

The additions of .05(1)(h) and (i) and the deletion of .08(8) result in all exemptions being listed under .05. **This revision should make the rules more user-friendly and improve understanding.**

The revisions to .05(2) clarify that either programs or institutions may be granted exemptions. The revisions also remove the language that limits the term of the exemption status. This allows DPSA to award exemptions for an unlimited amount of time while preserving the ability to revoke or amend an exemption as provided for in revised .05(2)(c). **These revisions benefit institutions by simplifying the exemption review process and better describing the procedure for receiving an exemption.**

1540-01-02-.06 MINIMUM AUTHORIZATION STANDARDS AND REQUIREMENTS

....
(14) ~~School~~Institution Name:

(a) No postsecondary educational institution under the Act and these rules may use the word "university" in ~~their~~its name unless the ~~school~~institution meets the definition of university as set forth in these rules and has been ~~so~~-approved by a regional accrediting body ~~so~~-recognized by the U. S. Department of Education.

(b) No postsecondary educational institution under the Act and these rules may use the word "college" in ~~their~~its name unless:

1. ~~The school~~ institution meets the definition of college as set forth in these rules;

2. The institution has been ~~so~~-approved by an ~~regional~~-accrediting body recognized by the U. S. Department of Education to offer degree level programs; and

3. The institution offers or is seeking approval to offer at least one (1) degree program.~~or~~

~~(c)~~ No unaccredited institution may use "college" in its name unless:

1. For institutions authorized prior to October 1, 2006, the institution name includes an appropriate qualifier along with the word "college," such as "career," "vocational," "business," "technical," "art" etc., or in the case of a religious institution, "Bible" or a denominational term or.

2. For institutions authorized on or after October 1, 2006, the institution name includes an appropriate qualifier preceding the word "college," such as "career," "vocational," "business," "technical," "art" etc., or in the case of a religious institution, "Bible" or a denominational term.

~~(d)~~ (e) All institutions ~~authorized after July 1, 1997~~ using "college" in accordance with item 14~~(c)~~ above, must achieve ~~regional or national~~-accreditation from an accrediting body recognized by the U. S. Department of Education in a timely manner while demonstrating consistent good faith efforts toward achieving that goal. Institutions that fail to make good faith efforts toward accreditation or to achieve accreditation in a timely manner shall be required to remove "college" from the institutional name.

~~1. New institutions authorized after July 1, 1997 that demonstrate in the application process, that the school is capable by program length, content, adequate physical site and administrative capability of achieving accreditation, may initially use "college" in the institutional title as outlined in 1540-01-02-.06(14)(b) above.~~

21. Institutions may use "Junior College" as a qualifier in the name of the institution provided that the institution has a current articulation agreement with a regionally accredited college or university. Loss of the articulation agreement will require removal of "Junior" as a qualifier, to be replaced on a schedule agreeable to the Commission with an institutional name in compliance with these rules.

~~3. Institutions that fail to make good faith efforts toward accreditation or achieve accreditation in a timely manner shall be required to remove "college" from the institutional title.~~

4. ~~The Executive Director may consider an exception to 1540-01-02-.06(14)(a), (b) given above for special or unique circumstances. Institutional waivers will be null and void with a change in ownership.~~

....

Authority: T.C.A. §49-7-2002, 49-7-2004, ~~49~~, 49-7-2005, 49-7-2006, 49-7-2008. **Administrative History:** Original rule filed March 26, 1974; effective April 24, 1974. Amendment filed August 7, 1978; effective November 29, 1998. Repeal and new rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendments filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revisions to .06(14)(a) clarify that institutions that use “university” in the institution name must meet the definition of “university” in .03(1)(tt). Additionally, the revision to .06(14)(b) permits institutions to use the word college in the institution name without a qualifier as long as the institution is accredited, meets the definition of “college” in .03(1)(p), and offers at least one degree program. This revision is similar to requirements in other states. The addition of .06(14)(c) maintains the current requirement that an unaccredited institution using college in the institution name include a qualifier. **These revisions benefit institutions by ensuring that the name of an institution appropriately describes the institution and permitting nationally accredited institutions to use the word college in their names without a qualifier.**

The revisions to .06(14)(c) serve to condense and clarify current requirements. The revision removes references to dates that are no longer relevant and the provision allowing the Executive Director to consider an exception to current rule .06(14)(a) and (b). DPSA opines that exceptions are no longer needed given the other revisions to the rules.

1540-01-02-.08 REGULATIONS FOR SPECIFIC SCHOOL TYPES

.....
(3) Degree Granting Institutions:

.....
(b) All degrees offered must be approved by name and designation by the Commission. No institution may offer traditional degrees or professional degree designations ~~such as those given in the definitions under "college" and "university"~~ unless previously approved by a recognized regional accrediting body. An exception may be approved by the Executive Director upon recommendation of Commission staff. Any request for exception shall be made in writing and include proof of the following:

1. The institution is accredited by a U.S. Department of Education approved accreditor for the specific degree level;
2. The program is accredited by an appropriate accrediting agency if such accreditation is necessary for employment in or licensure by the state; and
3. The institution has articulation agreements with two (2) regionally accredited institutions with physical locations in the Southeast region and the agreements are applicable to at least one of the institutions' physical locations in the Southeast region.~~An exception may be approved by the Executive Director upon recommendation of Commission staff.~~

.....
~~(8) Computer Training:~~

- ~~(a) Businesses offering limited computer training in hardware, software, delivery systems or any related technology for clients or customers (closed enrollment) directly related to a sale of equipment or services are exempt from the provisions of authorization.~~
- ~~(b) Businesses offering short term computer training in common software or basic computer hardware that is intended for enrichment or professional enhancement are exempt from the provisions of authorization unless in the opinion of the Commission courses using various software are offered concurrently toward a vocational goal. (e.g. word processing software offered toward secretarial goals).~~
- ~~(c) Businesses offering specialized certifications clearly used to denote technical, professional or vocational proficiency toward an additional vocational goal or new job title must be authorized for operation of that training in the state.~~

~~(98) Teacher Training (K-12) or Licensing or Recertification:~~

- ~~(a) The Tennessee State Board of Education or the Commission may request a dual review of any institution or business with physical presence in Tennessee offering courses related to but not limited to teacher (K-12) licensing, recertification or career ladder.~~

~~(10) Seminars / Workshops:~~

- ~~(a) Seminars or workshops of short duration that are motivational, enrichment, recreational, avocational or solely for professional enhancement as determined by Commission staff shall be considered exempt from authorization requirements.~~
- ~~(b) Upon review by Commission staff a seminar/workshop provider regardless of length that presented the instruction in such a way to suggest a vocational end may be~~

~~required to become authorized in the state, or clarify through public advertising that the seminar/workshop is in fact enrichment or recreational.~~

Authority: T.C.A. §49-7-2003, 49-7-2005, 49-7-2008. **Administrative History:** Original rule filed March 26, 1974; effective April 24, 1974. Amendment filed August 7, 1978; effective November 29, 1998. Repeal and new rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendments filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The addition of .08(3)(b)1 thru 3 were included to describe in detail what an institution must provide in order to receive a exception to the restriction in .08(3)(b). DPSA opines that this addition provides an institution with a better understanding of how to plan for and obtain an exception. DPSA further asserts that the provisions of 1 thru 3 will help to ensure that students of nationally accredited institutions that receive an exception will have more options available if they choose to transfer credits.

DPSA is deleting .08(8) and (10), but is providing for the exemptions in .05. This modification neither expands nor limits the scope of the current exemptions and serves to place all exemptions under .05. **This revision should make the rules more user-friendly.**

1540-01-02-.09 ANNUAL REAUTHORIZATION

-
- (3) For all authorized institutions and institutions under Temporary or Conditional Authorization, unless otherwise required by Commission staff, the reauthorization application must be accompanied by the following:

....

(c) the latest financial statement for the most recent institutional fiscal year as given under Financial Standards, 1540-1-2-.14, and shall include:

1. a balance sheet (statement of financial position);
2. an income statement (statement of the results of institutional operation including, but not limited to, gross amount of tuition and fees earned and total refunds during the fiscal year);

....

Authority: T.C.A. §49-7-2005, 49-7-2006, 49-7-2014. **Administrative History:** Original rule filed March 26, 1974; effective April 24, 1974. Amendment filed August 7, 1978; effective November 29, 1998. Repeal and new rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Repeal and new rule filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revision to .09(3) allows DPSA to modify the reauthorization application to accommodate the various types of institutions subject to the Commission's regulation. This revision will allow greater flexibility in the amount and type of information collected and will benefit institutions by permitting DPSA to more easily implement suggestions made by institutions and streamline the reauthorization process by allowing for truncated versions of the application when deemed appropriate by DPSA staff.

The revision to .09(3)(c)2 clarifies that the statement requested is an income statement. This revision should improve understanding of the rules.

1540-01-02-.10 REQUIRED MINIMUM STANDARDS

-
- (5) Beginning with the July 2011 through June 2012 reporting period, Liberal arts schools or professional schools may request a waiver of the requirement to provide placement rates for programs for which the institution does not that typically do not report vocational placement data may be required to report to the Commission either by testimonial, survey or by some other means that program completers have benefited from the instruction.
- (a) Requests for waiver shall be made when filing a new program application or, for programs approved prior to the effective date of this rule, by submitting a letter requesting a waiver for each program.
- (b) Requests for waiver shall include at a minimum an explanation as to why the institution does not typically report vocational placement data for that program.
- (c) Institutions are required to gather the data required for reporting until such time as a waiver is granted.
-

Authority: T.C.A. §49-7-2005, 49-7-2006. **Administrative History:** Original rule filed March 26, 1974; effective April 24, 1974. Amendment filed August 7, 1978; effective November 29, 1998. Repeal and new rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendment filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revision to .10(5) describes how to obtain a waiver from the requirement to annually provide placement data and clarifies how institutions should act until a waiver is granted. Additionally, the rule now requires that waivers be received at the program level. **These revisions should improve users' understanding of and provide better guidance as to the waiver process.**

DPSA notes that this rule was revised with the federal program integrity regulations (published October 29, 2010) in mind and that under the new regulations many institutions will be required to provide placement disclosures to students.

1540-01-02-.11 INSTITUTIONAL CATALOG

- (1) Each institution must publish a catalog or brochure (a draft copy may be provided for original application) which must include at least the following information;

.....

- (o) ~~in catalogs which describe educational programs conducted in Tennessee and with enrollment contracts used by programs outside of Tennessee,~~ a statement provided within the first four pages or in a designated state authorization section of the catalog ~~and on the signature page of enrollment contracts, which must that~~ reads as follows:

“The (name of institution) is authorized by the Tennessee Higher Education Commission. This authorization must be renewed each year and is based on an evaluation by minimum standards concerning quality of education, ethical business practices, health and safety, and fiscal responsibility.”;

.....

- (r) for institutions that disseminate electronic copies of catalogs, a hard copy must be available upon request; and

- (s) the cash discount policy, if offered to students.

.....

Authority: T.C.A. §49-7-2002, 49-7-2006. **Administrative History:** Original rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendments filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revision to .11(1)(o) allows institutions to include the mandatory authorization statement in the state authorization section of the catalog. This modification is made to address instances where a catalog is used in multiple states including Tennessee. **This revision benefits institutions by affording them greater flexibility.**

DPSA added .11(1)(s) as a result of the revision made to .19 concerning cash discounts. **This revision seeks to ensure that all students receive the policy and protects an institution in the event of a complaint.**

1540-01-02-.13 ENROLLMENT AGREEMENTS AND DISCLOSURE STANDARDS

....

- (2) Institutions prior to enrolling an individual shall require the prospective student to sign and date a ~~pre-enrollment checklist form to be placed in the student file, which is either part of the enrollment contract or a pre-enrollment check list~~ verifying that the student:
- (a) ~~toured the institution (not applicable for to institutions that deliver all instruction through distance learning on-line);~~
 - (b) received an institutional catalog;
 - (c) was given the time and opportunity to review the institutional policies in the catalog;
 - (d) knows the length of the program for full time and part time students in academic terms and actual calendar time;
 - (e) has been informed of the total tuition and fee cost of the program;
 - (f) has been informed of the estimated cost of books and any required equipment purchases such as a stenography machine, computer, specialized tools, art supplies etc.;
 - (g) has been given a copy of the institutional cancellation and refund policy;
 - (h) ~~has been given a copy of the completed transferability of credit disclosure statement required by T.C.A. § 49-7-144 and~~ understands what 'transferability of credits' means and the specific limitations (if any) should the institution have articulation agreements;
 - (i) knows of their rights in a grievance situation including contacting the Tennessee Higher Education Commission by including on the form a statement in the following format:
 - 1. ~~A statement:~~ "I realize that any grievances not resolved on the institutional level may be forwarded to the Tennessee Higher Education Commission, Nashville, TN 37243-0830, (615) 741-5293."
 - (j) ~~has received the most recent withdrawal, completion and in-field placement data as calculated by the Commission by including:~~
 - 1. ~~the following statement: "For the program entitled, (program name), I have been informed that, for the July (year)/June (year) period, the withdrawal rate is (percent)%, the completion rate is (percent)%, and the in-field placement rate is (percent)%. Detailed statistical data for this program may be viewed by going to www.tn.gov/thec and clicking on the Authorized Institution Data button."; or Also included, shall be documentation that the student received graduation placement data exactly as presented to the Commission during the last reauthorization cycle in the following format:~~
 - 2. ~~a copy of the report created for the institution by Commission staff and a statement that "the report can be viewed by going to www.tn.gov/thec and clicking on the Authorized Institution Data button"; and~~
 - (a) ~~A statement: "For the program entitled _____, I have been informed that the current withdrawal rate is __%, or in the past 12 months ___ students enrolled in this program and ___ completed this program."~~

- (b) ~~A statement: "For the program entitled _____, I have been informed that for the students who graduated, the job placement rate is __%, or in the past 12 months ___ were placed in their field of study out of ___ students who graduated from this program."~~
- (k) has received and understands the institution's cash discount policy (applicable only to those institutions that have a cash discount policy).
- (34) ~~Liberal arts schools or professional schools~~Institutions that receive a typically do not report vocational placement data may request a waiver pursuant to Rule of 1540-01-02-10(5)3(3) above do not have to include the in-field placement rate for the program in the pre-enrollment checklist.
- (45) Institutions shall require a student enrolling to sign and date Aa enrollment ~~contract~~ agreement, which shall include, but not be limited to, the following items:
- (a) full and correct name and location of the institution;
 - (b) name, address and social security number of the student;
 - (c) date training is to begin and program length;
 - (d) full-time or part-time status of the student;
 - (e) projected date of graduation/completion as a full-time or part-time student;
 - (f) program title;
 - (g) total cost of the program, including itemized separate costs for tuition (including costs of any books and equipment required to be purchased from the institution), fees paid to the institution, and estimated costs for items such as books and ~~any~~ required equipment that students may purchases from the institution or a third-party;
 - (h) cancellation and refund policy;
 - (i) verification that the student has received an exact signed copy of the agreement; and-
- (j6) ~~Institutions shall contractually~~ guarantee of the total cost of tuition and fees for 1200 contact hours or ~~one calendar year~~ twelve (12) months from the time of enrollment ~~for full and part time student.~~
- (5) When enrolling a student in a single class that is part of an approved program, an institution may modify the pre-enrollment checklist and enrollment agreement as needed to substitute the word class (or other similar word) for the word program where necessary and to qualify any other language so that it applies to the specific class. In no event shall any modification result in less protection for or fewer disclosures to the student.
- (67) Programs less than 1200 clock (contact) hours must have ~~a~~ an enrollment contract with a set total tuition and fees.
- (78) Programs longer than 1200 clock (contact) hours that increase tuition and fees ~~east~~ after the initial 1200 clock (contact) hours or ~~one year~~ twelve (12) month period, must provide counseling related to the ~~tuition~~ increase.

- (89) Tuition increases that in the opinion of the Commission are excessive, unreasonable and exceed initial disclosure to the student may be denied and/or result in an in depth audit of the institution at the school's expense to assure the Commission of financial stability.
- (949) All tuition changes must be submitted on forms provided by the Commission and approved by Commission staff prior to their inception.

Authority: T.C.A. §49-7-2006. **Administrative History:** Original rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendments filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revision to .13(2) requires institutions to use a pre-enrollment checklist and clarifies what must be in the checklist. The requirement to use a pre-enrollment checklist is proposed to ensure that students receive the required information. Review of reauthorization applications reveals that institutions often combine the pre-enrollment checklist and enrollment agreement. Often when this occurs, the items in the pre-enrollment checklist are not clearly stated. Additionally, the pre-enrollment checklist by the very title is to be completed in advance of the student signing an enrollment agreement further supporting the need for two documents. This revision seeks to ensure that all students are made aware of the checklist items and protects an institution in the event of a complaint.

The addition to .13(2)(h) is due to the fact that pursuant to T.C.A. § 49-7-144 institutions are required to provide prospective students a written disclosure about transferability of credits. This revision seeks to ensure that all students have received the statutory disclosure and protects an institution in the event of a complaint.

The addition of .13(2)(k) was made as a result of adding language to .19 allowing institutions to offer cash discounts. This revision seeks to ensure that all students are made aware that the institution has a cash discount policy and protects an institution in the event of a complaint.

The revision to current .13(3) is due to the waiver made by Dr. Richard Rhoda on April 29, 2010. At that time, it was determined that it was necessary to waive the provisions of .13(3), which require that certain language concerning placement, completion and withdrawal data appear in the enrollment agreement, because the language contained in subparagraphs (a) and (b) had become obsolete as a result of the passage of and subsequent implementation of 2008 Public Chapter 1103 (codified at Tenn. Code Ann. § 49-7-2019). The revision will benefit students and institutions by making sure students clearly receive the most recent statistical data.

The revision to .13(4) clarifies that institutions do not have to provide placement data in the pre-enrollment checklist if the institution received a waiver for that program pursuant to .10(5). This is a housekeeping item.

The revisions to current .13(5) result in part from the decision to require that the pre-enrollment checklist and the enrollment agreement be two separate documents. Additionally, some of the revisions to .13(6), (7) and (8) are proposed to better reflect the definition of "tuition" in .03(rr). Lastly, .13(6) and (8) are also revised to clarify that "one year" is a twelve-month period. These are housekeeping items and clarify the rules.

The addition of .13(5) allows institution to customize the language of the pre-enrollment checklist and the enrollment agreement to address instances where a student chooses to enroll in a single class rather than an entire program. The rules did not previously address this.

1540-01-02-.14 FINANCIAL STANDARDS

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- (6) All authorized institutions must file each year the most recent audited financial statement, certified by an independent certified public accountant [for the most recent institutional fiscal year](#). For multi-campus institutions, or for institutions owned by one (1) parent company, an audited consolidated corporate financial statement shall be routinely required. The staff, Committee, or Commission, however, may request additional campus or institution specific-information where needed to protect the public interest. The audited income statement must be compiled for each institution, or group of institutions owned by the same company, authorized to operate under the Act; the balance sheet must reflect owner's (proprietorship, partnership, corporation, other) assets and liabilities. In the preparation of these statements, it should be noted that goodwill is not generally considered a current asset unless it is being amortized; related parties must be disclosed; related party footnotes, debt agreements with owners, and supplemental footnotes on separate campuses or branches are expected. It should be noted whether or not tuition revenue is recognized up front or on a pro rata basis. Current financial statements on each site separately authorized under the Act must be filed annually [for the most recent institutional fiscal year](#). Neither the ratio of current fund revenues to current fund expenditures nor the ratio of current assets to liabilities, both site specific and corporate, where applicable, shall be less than 1:1. Institutions that have annual gross tuition revenue of one ~~million~~~~hundred thousand~~ dollars (\$1,000,000) or less may request a waiver of the audit contemplated by this section and provide the most recent financial information [in a format acceptable to on forms provided by](#) the Commission.
-

Authority: T.C.A. §49-7-2006, 49-7-2015. **Administrative History:** Original rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendments filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revision to .14(6) is due to the waiver made by Dr. Richard Rhoda on April 29, 2010. At that time, it was determined that certified public accountants are not performing audits on smaller companies and that the cost of approximately \$10,000 is prohibitive to smaller institutions. This trend has been verified and documented by letters from the certified public accountants of several of our authorized institutions.

1540-01-02-.15 INSTITUTIONAL AND STUDENT RECORDS

- (1) Records of enrollees, completers, and placements must be sufficient to verify data reported to the Commission.~~provide annual auditable reports to the Commission from the master student registration list.~~

.....

- (5) Each institution must maintain a master student registration list, in table format, consisting of at least the following information for any person who signs an enrollment agreement financially obligating that person or makes a down payment to attend, or both:

- (a) full name of the student;
- (b) complete address;
- (c) telephone number;
- (d) social security number or unique student identification number;
- (e) registration/enrollment date;
- (f) program name;
- (g) status of student (e.g., enrolled, withdrawn, leave of absence, or graduated);
- (h) employment status at time of enrollment; and
- (i) name, address and telephone number of employer at time of enrollment.

- (6) Institutions must maintain the following documentation in each enrolled student's file~~or folder~~ and shall include but not be limited to:

- (a) ~~transferability of credit disclosure statement required by T.C.A. § 49-7-144; an admissions form that provides basic information such as student name, social security number, address, telephone number, program or area of application, projected entrance date, etc., and information relevant for determination that the student meets the minimum entrance requirements of the institution, (see 1540-01-02-.12). This information may be incorporated into the enrollment contract;~~

.....

- (c) ~~pre-enrollment disclosure statement or checklist as given in these regulations (unless incorporated in the enrollment agreement);~~

.....

- (e) an up-to-date educational transcript for each enrollee in a form that permits easy and accurate review by the student, transfer schools, potential employers and authorized state or federal agencies. Transcripts must indicate the name and address of the institution and be signed by an appropriate institutional officer(s), (e.g., registrar, president, dean). The transcript shall be a permanent record of the student's progress and academic performance, which shall include, but not be limited to:

.....

- 13. appropriate signature(s); and-

- (f) an exhibit of the institution's enforcement of standards acceptable to the Commission related to attendance, academic satisfactory progress, and proper documentation of any leave of absence (LOA) that may affect progress.

....

Authority: T.C.A. §49-7-2006, 49-7-2016. **Administrative History:** Original rule filed May 15, 1985; effective July 1, 1985. Repeal and new rule filed January 24, 1990; effective May 1, 1990. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendments filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revision to .15(1) is proposed to more accurately describe the requirement given the change in data collection from aggregate data to student-level data. **This revision benefits institutions by clarifying which records an institution must maintain.**

The revision to .15(5) corrects a publication error from the 2008 version of the rules. At that time, the items inserted in this proposal were inadvertently left out of the rules. **This is a housekeeping item.**

The revision to .15(6) adds the transferability of credit disclosure statement and pre-enrollment checklist to the items that must be maintained in a student's file. The former is required to ensure compliance with T.C.A. § 49-7-144 and the latter is required to ensure compliance with the revisions to rule .13. The revision also deletes the language requiring an institution to maintain an admissions form in the student's file. This revision is due to the fact that the information on the admission form is required by .12 to be in the enrollment agreement, which is already required by .15 to be maintained in the student's file. **This is a housekeeping item.**

1540-01-02-.16 PERSONNEL AND INSTRUCTOR QUALIFICATIONS

....

(11) Instructors:

....

- (d) An instructor must be qualified by education and experience/background demonstrably higher than the level to be taught and must meet the following qualifications as minimum requirements:

....

4. Minimum for an associate level:

(i) [Meet the minimum requirements for doctorate, masters or baccalaureate level; or](#)

[\(ii\)](#) Hold an associate degree from a postsecondary institution judged to be appropriate by the Commission and either:

(I) an associate degree with a concentration in the subject to be taught and one year of practical experience; or

(II) an associate degree not in the subject area but with a minimum of two years of practical experience within the last five years in the subject area to be taught and satisfactory completion in a postsecondary educational institution of nine semester hours or 12 quarter credit hours in the subject area to be taught. Additional years of documented experience in the subject area may be substituted for semester / quarter hour requirements.

5. Minimum for diploma and certificate level:

(i) [Meet the minimum requirements for doctorate, masters, baccalaureate or associate level; or](#)

[\(ii\)](#) Hold a high school diploma or GED and a certificate of completion from a postsecondary institution judged to be appropriate by the Commission in a relevant subject area and a minimum of three years of practical experience within the last seven years in the subject area to be taught. Additional years of documented experience in the subject area may be substituted for the postsecondary educational requirements.

(12) Minimum Requirements for Instructors of All Authorized Institutions:

- (a) Instructors must provide evidence of [education, experience and training as requested by Commission staff](#)~~higher than the level to be taught.~~

....

~~(15) Agents and Recruiters:~~

- ~~(a) Institutional agents as defined by the Act and these regulations must submit an application, on forms provided by the Commission have authorization and an agent permit and secure the appropriate bond prior to any solicitation. The applicant must be accompanied by the following:~~

- ~~1. new applicants must forward recommendations by two reputable persons certifying that the applicant is of good character and reputation;~~

- ~~2. a check payable to the State Treasurer of Tennessee as required under these regulations;~~
 - ~~3. a surety bond of \$5,000 per agent of an out-of-state institution or as specified in 1540-1-2-.07 of these rules; and~~
 - ~~4. certification by the institutional director that the applicant will be directed to act in accordance with these regulations.~~
- ~~(b) Agent permits must be renewed every year. The expiration date of a permit is one year from the date of issue or termination of employment whichever occurs first.~~
- ~~(c) Agents must have separate permits to represent separate institutions unless they are commonly held. Mutual agreement by institutions is required.~~
- ~~(d) All agents must verify by signature that they have read and are familiar with rules on advertising and solicitation and must verify intent to follow rules as set forth in Fair Consumer Practices.~~
- ~~(e) Institutional directors, not marketing offices, are responsible for actions of agents.~~
- ~~(f) The agent shall be under the control of the institution, and the institution is responsible for any representations or misrepresentations, expressed or implied, made by the agent.~~
- ~~(g) Any student solicited or enrolled by a non-licensed agent is entitled to a refund of all moneys paid and a release of all obligations. Any contract signed by a prospective student as a result of solicitation or enrollment by a non-licensed agent may be null and~~
- ~~(h) void and unenforceable. In cases where the institution is willing to honor the contract and the student wishes the contract enforced, it can be. However, in cases where the contract has been fully executed between the institution and the student, the student would not be entitled to a refund solely because he or she was solicited by a non-licensed agent.~~
- ~~(i) An agent is prohibited from inappropriate activities in procuring enrollees including, but not limited to the following:~~
- ~~1. administering the admission test;~~
 - ~~2. advising students about financial aid other than informing the student of the general availability of financial assistance;~~
 - ~~3. giving false, misleading, or deceptive information about any aspect of the institution's operation, job placement, or salary potential;~~
 - ~~4. representing that a program has sponsorship, approval, characteristics, uses, benefits, or qualities which it does not have;~~
 - ~~5. soliciting enrollments in a program which has not been approved by the Commission.~~
- ~~(j) An agent must display the current permit to all prospective students and other interested parties.~~

(4615) Agents and Recruiters:

- (a) Institutional agents as defined by the Act and these regulations must submit an application, on forms provided by the Commission, have authorization and an agent permit and secure the appropriate bond prior to any solicitation. The application must be accompanied by the following:
 - 1. recommendations by two (2) reputable persons certifying that the applicant is of good character and reputation;
 - 2. a check payable to the State Treasurer of Tennessee as required under these regulations;
 - 3. a surety bond of five thousand dollars (\$5,000) per agent of an out-of-state institution or as specified in 1540-1-2-.07 of these rules; and
 - 4. certification by the institutional director that the applicant will be directed to act in accordance with these regulations.
- (b) Agent permits must be renewed every year. The expiration date of a permit is one (1) year from the date of issue or termination of employment whichever occurs first.
- (c) Agents must have separate permits to represent separate institutions. Mutual agreement by institutions is required.
- (d) All agents must verify by signature that they have read and are familiar with rules on advertising and solicitation and must verify intent to follow rules as set forth in Fair Consumer Practices.
- (e) Institutional directors, not marketing offices, are responsible for actions of agents.
- (f) The agent shall be under the control of the institution, and the institution is responsible for any representations or misrepresentations, expressed or implied, made by the agent.
- (g) Any student solicited or enrolled by a non-licensed agent is entitled to a refund of all moneys paid and a release of all obligations by the institution. Any contract signed by a prospective student as a result of solicitation or enrollment by a non-licensed agent shall be unenforceable at the option of the student. In cases where the institution is willing to honor the contract and the student wishes the contract enforced, it can be. However, in cases where the contract has been fully executed between the institution and the student, the student would not be entitled to a refund solely because he or she was solicited by a non-licensed agent.
- (h) An agent is prohibited from inappropriate activities in procuring enrollees including, but not limited to the following:
 - 1. administering the admission test;
 - 2. advising students about financial aid other than informing the student of the general availability of financial assistance;
 - 3. giving false, misleading, or deceptive information about any aspect of the institution's operation, job placement, or salary potential;
 - 4. representing that a program has sponsorship, approval, characteristics, uses, benefits, or qualities which it does not have;

5. soliciting enrollments in a program which has not been approved by the Commission.
 - (i) An agent must display the current permit to all prospective students and other interested parties.

Authority: T.C.A. §49-7-2002, 49-7-2006, 49-7-2009, 49-7-2011. **Administrative History:** Original rule filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendments filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The language of .16(11) can be read such that an instructor with a bachelor's degree may not be qualified to teach an associate, diploma or certificate level program. DPSA opines that this was not the intent of the rule. Therefore, DPSA has revised the rule so that an instructor will be qualified to teach all program levels beneath the highest level for which the instructor is qualified. **This revision benefits institutions by simplifying the qualification requirements.**

The requirement in .16(12) is modified to clearly state that institutions must be able to provide evidence of qualifications as provided for in .16(11). The rule as currently written does not accurately reflect what the qualifications are in .16(11). **This is a housekeeping item.**

Subparagraph .16(15) is deleted. This paragraph should have been deleted in the 2008 publication. Current subparagraph (16) will become (15). **This is a housekeeping item.**

1540-01-02-.18 PROHIBITED ACTS

-
- (6) Non-accredited institutions shall not accept funds for tuition and fees prior to ten (10) business days efbefore the scheduled start date of the class or program.

Authority: T.C.A. §49-7-2006, 49-7-2007, 49-7-2008, 49-7-2013. **Administrative History:** Original rule filed June 15, 1992; effective September 28, 1992. Amendment filed December 15, 1992; effective March 31, 1993. Repeal and new rule filed June 24, 1998; effective October 28, 1998. Amendment filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The first revision to .18(6) is proposed to better reflect the definition of "tuition" in .03(rr). The second revision corrects a typographical error. **This is a housekeeping item.**

1540-01-02-.19 FAIR CONSUMER PRACTICES AND STUDENT COMPLAINTS

- (1) No discounting is allowed. All students must be charged the same price for all programs and classes regardless of their method of payment. Institutions may not discount tuition except that an institution may provide a discount for cash payments provided:
1. the institution has a written policy in the catalog that includes the definition of cash and details the qualifications for receiving and the amount of a cash discount and
 2. the student verifies receipt and understanding of the policy in the pre-enrollment checklist.
- (2) An institution may award a scholarship, tuition waiver or other award provided:
1. the criteria for receiving the award are clearly defined in writing;
 2. the institution has a form and procedure to verify eligibility; and
 3. the amount of the award is a flat dollar amount or subject to calculation using a defined formula or scale.

[re-letter current (2) thru (5)]

- (7) The investigation and further review of complaints will occur in accordance with the following provisions:
- (a) Complaints shall be signed and submitted through hand delivery, mail, electronic mail or facsimile.
 - (b) Commission staff shall investigate all written complaints.
 - (c) Any named institution and/or agent will receive a copy of the complaint and be provided an opportunity to respond to all allegations contained in the complaint.
 - (d) Any named institution and/or agent shall provide all information requested by Commission staff as part of the investigation.
 - (e) As part of the investigation process, Commission staff may work with the complainant and the named institution and/or agent to effectuate a settlement.
 - (f) Following the completion of the investigation, Commission staff shall provide to all parties written findings and conclusions, including any determinations with regard to the complainant's receipt of a refund or other monetary relief or the assessment of a fine or other adverse action. The written findings and conclusions shall contain a date by which an aggrieved party may submit a request for further review by the Executive Director as provided for in Rule 1540-01-02-.02(2)(b). Such date shall not be earlier than ten (10) business days after the date of the findings and conclusions.
 - (g) Any request for review shall be in writing, signed, list each instance where Commission staff erred, and provide a detailed explanation of each error, including, where applicable, references to specific statutes or rules. Requests for review shall be received through hand delivery, mail, electronic mail or facsimile. A request may be denied if it is not timely received.

Authority: T.C.A. §49-7-2006, 49-7-2007, 49-7-2008, 49-7-2013. **Administrative History:** Original rule filed June 24, 1998; effective October 28, 1998. Amendment filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revision of .19(1) allows institutions to provide cash discounts to students under certain circumstances. The addition of .19(2) allows institutions to issue monetary awards, such as scholarships, under certain circumstances. Neither provision requires pre-approval by DPSA, but institutions are required to provide any necessary documentation if asked by DPSA to establish compliance. DPSA proposes this revision in recognition of the fact that under certain circumstances cash discounts and monetary awards are appropriate. This revision, which was requested by institutions, will benefit institutions by allowing students to use cash payments, but it will also protect students by requiring that all students be made aware of the policy.

The addition of .19(7) describes the complaint process. To date, this process has not been described in the rules and the description should help complainants and institutions understand the process.

1540-01-02-.20 ADVERTISING AND SOLICITATION

.....

(3) Institutions authorized by the Commission that have presence, advertise or offer instruction via internet, world wide web or other electronic telecommunication means must state on the first 'page' (as registered with standard web/internet search engines) viewed by the consumer, "[name of school] is authorized for operation as a postsecondary educational institution by the Tennessee Higher Education Commission".

(a) In the case of an internet site, within the required statement given above, "Tennessee Higher Education Commission" must be an electronic link to the agency's web site at <www.tn.gov/thec/www.state.tn.us/thec>.

.....

(7) Institutions that advertise in formats that will be in the public domain for long periods (such as the telephone book directory), where such advertising, if in noncompliance, cannot be rewritten or

—retracted may be fined in accordance with the Act for each day, week or month the advertisement is in active circulation. Such fines shall not exceed \$10,000.

.....

(17) No advertisements of any type shall use the word "wanted," "help wanted," or the word "trainee," either in the headline or the body of the advertisement, nor shall any advertisement indicate in

—any manner that the institution has or knows of jobs or employment of any nature available to prospective students; only "placement assistance," if offered, may be advertised.

.....

Authority: T.C.A. §49-7-2006, 49-7-2007, 49-7-2008, 49-7-2013. **Administrative History:** Original rule filed June 24, 1998; effective October 28, 1998. Amendments filed June 6, 2008; effective August 20, 2008.

DPSA Comments: The revisions to this rule insert the updated web address for THEC and correct typographical errors in the 2008 version. **This is a housekeeping item.**

1540-01-02-.26 RETURN OF REGULATORY FEES

- (1) Following the year-end closing, the Commission shall return to authorized institutions as described herein any reserve balance as of the end of the fiscal year that is greater than 1.5 million dollars.
- (2) No monies shall be returned if the amount due an institution is less than \$25.00.
- (3) The percentage of the excess due an institution is calculated by determining the percentage of the total of all reauthorization fees paid by the institution during the fiscal year.
- (4) Institutions that did not pay a reauthorization fee during the fiscal year shall not receive any share of the excess.
- (5) Institutions that close or that have had their authorization to operate revoked prior to the end of the fiscal year shall forfeit any share of the excess.

Authority: T.C.A. §49-7-2005, 49-7-2014.

DPSA Comments: The addition of .26 is a result of discussions during the 2009 rulemaking proceeding. At that time, institutions complained that the rate increase was excessive. In response, DPSA crafted this rule to ensure that it collects no more than is necessary to cover the costs in the annual budget and to maintain a reasonable surplus. **This will benefit institutions by ensuring that** excess collections will be returned to the institutions as described in the rule.

**Table 1
HIGHER EDUCATION
STATE APPROPRIATIONS
2011-12**

Academic Formula Units	THEC FY 2011-12 Formula Calculation	Total FY 2010-11 Appropriation*	2011-12 Preliminary State Appropriations*	2011-12 Preliminary NR State Appr**	2011-12 Preliminary Total
TBR Universities					
Austin Peay	\$45,733,000	\$25,570,600	\$26,055,800	\$209,400	\$26,265,200
East Tennessee	73,803,000	45,582,600	44,134,600	2,006,800	46,141,400
Middle Tennessee	125,569,700	71,318,700	73,333,400	626,400	73,959,800
Tennessee State	50,000,300	28,554,800	29,327,500	226,400	29,553,900
Tennessee Tech	60,145,900	35,853,000	35,181,500	974,200	36,155,700
University of Memphis	141,729,000	91,785,400	85,406,900	6,933,100	92,340,000
Subtotal	\$496,980,900	\$298,665,100	\$293,439,700	\$10,976,300	\$304,416,000
Two-Year Colleges					
Chattanooga	\$34,074,000	\$20,086,100	\$19,775,300	\$516,200	\$20,291,500
Cleveland	14,153,000	9,062,000	8,522,500	576,000	9,098,500
Columbia	19,024,700	11,439,800	11,110,100	371,400	11,481,500
Dyersburg	11,332,000	6,168,000	6,484,800	62,300	6,547,100
Jackson	18,313,000	10,479,000	10,527,600	87,800	10,615,400
Motlow	17,710,000	8,591,400	9,569,800	70,300	9,640,100
Nashville	25,136,000	12,677,800	13,835,600	108,200	13,943,800
Northeast	21,335,000	10,605,000	12,072,800	120,200	12,193,000
Pellissippi	33,406,000	17,199,100	18,724,100	163,100	18,887,200
Roane	24,113,000	15,684,300	14,732,200	923,300	15,655,500
Southwest	43,464,000	32,436,900	28,532,400	3,634,000	32,166,400
Volunteer	25,756,000	15,389,800	15,236,400	226,100	15,462,500
Walters	26,909,000	16,032,000	15,923,700	223,800	16,147,500
Subtotal	\$314,725,700	\$185,851,200	\$185,047,300	\$7,082,700	\$192,130,000
UT Universities					
UT Chattanooga	\$56,745,000	\$33,463,400	\$33,260,900	\$527,000	\$33,787,900
UT Knoxville	248,582,000	143,699,500	144,003,300	1,110,100	145,113,400
UT Martin	39,092,000	24,047,300	23,613,500	820,400	24,433,900
Subtotal	\$344,419,000	\$201,210,200	\$200,877,700	\$2,457,500	\$203,335,200
Total Colleges and Universities	\$1,156,125,600	\$685,726,500	\$679,364,700	\$20,516,500	\$699,881,200
Technology Centers	\$96,361,000	\$46,263,500	\$51,998,100	\$304,200	\$52,302,300
Total Academic Formula Units	\$1,252,486,600	\$731,990,000	\$731,362,800	\$20,820,700	\$752,183,500

*Recurring

**Non-recurring funds include 401K match and \$15 million to facilitate the phase-out of the Hold Harmless provision.

**Table 1
HIGHER EDUCATION
STATE APPROPRIATIONS
2011-12**

Specialized Units	THEC FY 2011-12 Formula Calculation	Total FY 2010-11 Appropriation*	2011-12 Preliminary State Appropriations*	2011-12 Preliminary NR State Appr**	2011-12 Preliminary Total
Medical Education					
ETSU College of Medicine	\$56,811,000	\$25,377,900	\$25,736,100	\$112,700	\$25,848,800
ETSU Family Practice	6,866,000	5,150,800	5,289,800	29,400	5,319,200
UT College of Medicine	122,698,000	42,524,700	42,810,600	194,700	43,005,300
UT Family Practice	10,017,000	9,187,200	9,337,700	45,700	9,383,400
UT Memphis	134,585,000	62,105,000	63,059,900	272,400	63,332,300
UT College of Vet Medicine	23,289,000	14,160,600	14,415,400	93,000	14,508,400
Subtotal	\$354,266,000	\$158,506,200	\$160,649,500	\$747,900	\$161,397,400
Research and Public Service					
UT Ag. Experiment Station	\$62,081,000	\$22,812,000	\$23,278,000	\$112,400	\$23,390,400
UT Ag. Extension Service	40,147,000	27,416,300	27,803,200	160,800	27,964,000
TSU McMinnville Center	1,200,000	527,900	527,300	1,500	528,800
TSU Institute of Agr and Environmental Resea	2,733,000	2,156,200	2,145,700	-	2,145,700
TSU Cooperative Extension	2,129,000	2,918,300	2,917,000	-	2,917,000
TSU McIntire-Stennis Forestry Research	171,200	171,900	170,600	-	170,600
UT Space Institute	21,267,000	7,212,500	7,259,000	29,300	7,288,300
UT Institute for Public Service	9,722,000	4,312,800	4,341,400	13,700	4,355,100
UT County Tech Asst. Service	2,351,000	1,482,500	1,522,800	11,400	1,534,200
UT Municipal Tech Adv. Service	3,348,000	2,499,300	2,554,500	15,200	2,569,700
Subtotal	\$145,149,200	\$71,509,700	\$72,519,500	\$344,300	\$72,863,800
Other Specialized Units					
UT University-Wide Admn.	\$5,627,000	\$4,143,800	\$4,221,800	\$213,300	\$4,435,100
TN Board of Regents Admn.	6,143,000	4,407,400	4,563,400	40,400	4,603,800
TN Student Assistance Corp.	54,617,500	48,567,100	48,556,600	-	48,556,600
Tennessee Student Assist. Awards	52,191,300	46,162,500	46,162,500	-	46,162,500
Tenn. Students Assist. Corporation	1,235,200	1,213,600	1,203,100	-	1,203,100
Loan/Scholarships Program	1,191,000	1,191,000	1,191,000	-	1,191,000
TN Higher Education Comm.	2,184,000	2,160,300	2,141,900	-	2,141,900
TN Foreign Language Institute	612,000	338,100	335,400	-	335,400
Contract Education	2,854,000	2,217,000	2,198,200	-	2,198,200
Subtotal	\$72,037,500	\$61,833,700	\$62,017,300	\$253,700	\$62,271,000
Total Specialized Units	\$571,452,700	\$291,849,600	\$295,186,300	\$1,345,900	\$296,532,200
Total Formula and Specialized Units	\$1,823,939,300	\$1,023,839,600	\$1,026,549,100	\$22,166,600	\$1,048,715,700
Program Initiatives					
Campus Centers of Excellence	\$29,067,000	\$17,238,700	\$17,328,000	\$0	\$17,328,000
Campus Centers of Emphasis	2,086,000	1,240,700	1,247,600	-	1,247,600
Ned McWherter Scholars Program	\$401,800	401,800	401,800	-	\$401,800
UT Access and Diversity Initiative	\$6,181,900	5,648,700	5,600,600	-	\$5,600,600
TBR Access and Diversity Initiative	10,919,100	9,977,400	9,892,900	-	9,892,900
THEC Grants	\$3,436,000	2,359,200	2,339,200	-	\$2,339,200
Research Initiatives - UT	10,000,000	5,693,700	5,645,200	-	5,645,200
Subtotal	\$62,091,800	\$42,560,200	\$42,455,300	\$0	\$42,455,300
Total Operating	\$1,886,031,100	\$1,066,399,800	\$1,069,004,400	\$22,166,600	\$1,091,171,000

*Recurring

**Non-recurring funds include 401K match and \$15 million to facilitate the phase-out of the Hold Harmless provision.

Table 2 Capital Projects Legislative Action - FY 2011-12

Capital Outlay Projects

COSCC Williamson County Campus	\$	6,500,000
UTHSC Pharmacy Building- 6th Floor	\$	4,500,000
Capital Outlay - Total	\$	11,000,000

Capital Maintenance Projects

1 UTHSC	Alexander Building Improvements	\$	3,130,000
2 UTK	Electrical Distribution Systems Improvements - Phase IV	\$	3,500,000
3 UTIA	College of Veterinary Medicine Building Improvements	\$	4,840,000
4 UTM	Campus Elevator Upgrades	\$	3,750,000
5 UTK	Utilities Infrastructure Study	\$	1,250,000
6 UTC	Holt Hall Improvements - Phase I	\$	7,450,000
Capital Maintenance Subtotal - UT (6 Projects)		\$	23,920,000
1 ETSU	Accessibility and Code Corrections	\$	1,500,000
2 Statewide	Tennessee Technology Centers Roof Replacements	\$	1,330,000
3 UM	Various Roof Replacements - Phase I	\$	5,600,000
4 Dyersburg	Glover Roof Replacement - Phase I	\$	260,000
5 Pellissippi	Several Buildings Elevator Updates	\$	150,000
6 ECOM	Several Buildings HVAC Corrections	\$	1,500,000
7 APSU	Underground Electrical Update - Phase I	\$	1,350,000
8 MTSU	Physical Plant Updates	\$	1,690,000
9 TSU	Boswell Fume Hood Updates - Phase I	\$	2,500,000
10 TTU	Several Buildings Upgrades A - Phase I	\$	2,900,000
11 Statewide	Tennessee Technology Centers Mechanical System Repairs - Phase I	\$	380,000
12 Jackson	Classroom Building and Gym Plumbing Corrections - Phase I	\$	400,000
13 Southwest	Union Campus Mechanical Systems Updates A	\$	1,020,000
14 Motlow	Underground Piping Replacement - Phase I	\$	310,000
15 Cleveland	HVAC Equipment and Controls Update - Phase I	\$	490,000
16 Volunteer	Warf Building HVAC Replacement - Phase I	\$	600,000
17 Columbia	Library HVAC Updates - Phase I	\$	560,000
18 Roane	Several Buildings HVAC Corrections	\$	460,000
Columbia	Library HVAC Updates - Phase II		Funding Included in #17
Volunteer	Warf Building HVAC Replacement - Phase II		Funding Included in #16
19 Chattanooga	Several Buildings Envelope Repairs	\$	730,000
20 Walters	Greenville Sewer Corrections	\$	740,000
21 Northeast	Auditorium Updates	\$	210,000
UM	Various Roof Replacements - Phase II		Funding Included in #3
22 ETSU	HVAC System Repairs	\$	2,000,000
APSU	Underground Electrical Update - Phase II		Funding Included in #7
23 ECOM	Drainage System Repairs	\$	850,000
TSU	Boswell Fume Hood Updates - Phase II		Funding Included in #9
24 MTSU	Domestic Water-Sewer System Updates	\$	460,000
TTU	Several Buildings Upgrades A - Phase II		Funding Included in #10
25 ECOM	Several Buildings Exterior Updates	\$	1,500,000
26 MTSU	Saunders Fine Arts HVAC Updates	\$	1,290,000
Capital Maintenance Subtotal - TBR (26 Projects)		\$	30,780,000

Capital Maintenance - Total	\$	54,700,000
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Original THEC Recommendations

Capital Outlay	7 Projects	\$	341,830,000
Capital Maintenance	106 Projects	\$	143,160,000

Original Governor Recommendations

Capital Outlay	0 Projects	\$	-
Capital Maintenance	32 Projects	\$	54,700,000

**Table 3
CAPITAL OUTLAY
FY 2011-12**

THEC Priority	System Priority	Institution	Project Name	Previous State Funding	Funding From Other Sources	2011-12 State Appropriations	Governor's Recommendation	Legislative Action	Future State Funding Required	Total Project Cost	2011-12 Cumulative State Appr.	2011-12	
												Cumulative UT Total	Cumulative TBR Total
1	1	MTSU	Science Facilities Improvements	\$ 16,820,000		\$ 126,600,000	\$ -	\$ -		\$ 143,420,000	\$ 126,600,000	\$ -	\$ 126,600,000
2	1	UTK	Strong Hall Addition and Renovation			\$ 52,500,000	\$ -	\$ -		\$ 52,500,000	\$ 179,100,000	\$ 52,500,000	\$ 126,600,000
3	2	UTK	Academic Building - Number I			\$ 55,000,000	\$ -	\$ -		\$ 55,000,000	\$ 234,100,000	\$ 107,500,000	\$ 126,600,000
4	3	UTHSC	Humphreys General Education Building Addition			\$ 21,100,000	\$ -	\$ -		\$ 21,100,000	\$ 255,200,000	\$ 128,600,000	\$ 126,600,000
<i>NA</i>	<i>NA</i>	<i>Southwest</i>	<i>Nursing and Biotechnology Facility Phase 2*</i>			\$ -	\$ -	\$ -		\$ -	\$ 255,200,000	\$ 128,600,000	\$ 126,600,000
5	2	Nashville	New Academic and Support Building			\$ 20,430,000	\$ -	\$ -		\$ 20,430,000	\$ 275,630,000	\$ 128,600,000	\$ 147,030,000
6	3	Northeast	Technical Education Complex			\$ 35,200,000	\$ -	\$ -		\$ 35,200,000	\$ 310,830,000	\$ 128,600,000	\$ 182,230,000
7	4	UTK	Audiology & Speech Pathology/Psychology Clinic			\$ 31,000,000	\$ -	\$ -		\$ 31,000,000	\$ 341,830,000	\$ 159,600,000	\$ 182,230,000
Projects Funded that Were Not Part of THEC Recommendation													
		UTHSC	Pharmacy Building- 5th and 6th Floors			\$ -	\$ -	\$ 4,500,000					
		COSCC	COSCC Williamson County Campus			\$ -	\$ -	\$ 6,500,000					
TOTAL CAPITAL OUTLAY PROJECTS FOR FY2011-12				\$16,820,000		\$ 341,830,000	\$ -	\$ 11,000,000		\$ 358,650,000			
										Projects			
TBR Total for 2011-12				\$16,820,000		\$ 182,230,000	\$ -	\$ 6,500,000	53%	3			
UT Total for 2011-12				\$ -		\$ 159,600,000	\$ -	\$ 4,500,000	47%	4			
				\$ 16,820,000		\$ 341,830,000	\$ -	\$ 11,000,000					

* Project was funded in January 2011. Included \$8.4m of 2010-11 Special Capital Outlay Appropriations for Community Colleges and Technology Centers, \$2.8m in previous capital outlay funding, and \$7m in gifts and a federal grant.

Table 4
CAPITAL MAINTENANCE
FY 2011-12

THE UNIVERSITY OF TENNESSEE

System			THEC	Governor's	Legislative
Priority	Institution	Project	Recommendation	Recommendation	Action
1	UTHSC	Alexander Building Improvements	\$ 3,130,000	\$ 3,130,000	\$ 3,130,000
2	UTK	Electrical Distribution Systems Improvements - Phase IV	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
3	UTIA	College of Veterinary Medicine Building Improvements	\$ 4,840,000	\$ 4,840,000	\$ 4,840,000
4	UTM	Campus Elevator Upgrades	\$ 3,750,000	\$ 3,750,000	\$ 3,750,000
5	UTK	Utilities Infrastructure Study	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000
6	UTC	Holt Hall Improvements - Phase I	\$ 7,450,000	\$ 7,450,000	\$ 7,450,000
7	UTM	Building Envelope Upgrade - Four Buildings	\$ 1,600,000		
8	UTHSC	Dunn Building Improvements - Phase I	\$ 5,000,000		
9	UTK	Roof Repair and Replacement FY 2011-2012	\$ 750,000		
10	UTIA	Greenhouse Improvements -No. 8300-West Tennessee Center	\$ 800,000		
11	UTSI	Student Center Improvements	\$ 300,000		
12	UTC	Brock Building Systems Improvements	\$ 1,950,000		
13	UTK	Science & Engineering Building Systems Improvements-Phase I	\$ 3,000,000		
14	UTIA	TVA Greenhouse Upgrade	\$ 2,340,000		
15	UTM	Steam Line Upgrade	\$ 1,840,000		
16	UTC	Campus Safety and Security Improvements	\$ 3,700,000		
17	UTK	HVAC Controls Systems - Phase I	\$ 2,000,000		
18	UTIA	Clyde Austin 4-H Center Improvements	\$ 3,450,000		
19	UTK	Elevator Improvements - Phase III	\$ 2,000,000		
20	UTHSC	Hyman Building Improvements	\$ 2,100,000		
21	UTM	Sociology Building HVAC Improvements	\$ 2,700,000		
FY 2011-12 Capital Maintenance Total for The University of Tennessee			\$ 57,450,000	\$ 23,920,000	\$ 23,920,000

TENNESSEE BOARD OF REGENTS

System			THEC	Governor's	Legislative
Priority	Institution	Project	Recommendation	Recommendation	Action
1	ETSU	Accessibility and Code Corrections	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
2	Statewide	Tennessee Technology Centers Roof Replacements	\$ 1,330,000	\$ 1,330,000	\$ 1,330,000
3	UM	Various Roof Replacements - Phase I	\$ 2,800,000	\$ 5,600,000	\$ 5,600,000
4	Dyersburg	Glover Roof Replacement - Phase I	\$ 260,000	\$ 260,000	\$ 260,000
5	Pellissippi	Several Buildings Elevator Updates	\$ 150,000	\$ 150,000	\$ 150,000
6	ECOM	Several Buildings HVAC Corrections	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
7	APSU	Underground Electrical Update - Phase I	\$ 680,000	\$ 1,350,000	\$ 1,350,000
8	MTSU	Physical Plant Updates	\$ 1,690,000	\$ 1,690,000	\$ 1,690,000
9	TSU	Boswell Fume Hood Updates - Phase I	\$ 1,250,000	\$ 2,500,000	\$ 2,500,000
10	TTU	Several Buildings Upgrades A - Phase I	\$ 1,450,000	\$ 2,900,000	\$ 2,900,000
11	Statewide	Tennessee Technology Centers Mechanical System Repairs - Phase I	\$ 380,000	\$ 380,000	\$ 380,000
12	Jackson	Classroom Building and Gym Plumbing Corrections - Phase I	\$ 400,000	\$ 400,000	\$ 400,000
13	Southwest	Union Campus Mechanical Systems Updates A	\$ 1,020,000	\$ 1,020,000	\$ 1,020,000
14	Motlow	Underground Piping Replacement - Phase I	\$ 310,000	\$ 310,000	\$ 310,000
15	Cleveland	HVAC Equipment and Controls Update - Phase I	\$ 490,000	\$ 490,000	\$ 490,000
16	Volunteer	Warf Building HVAC Replacement - Phase I	\$ 440,000	\$ 600,000	\$ 600,000
17	Columbia	Library HVAC Updates - Phase I	\$ 440,000	\$ 560,000	\$ 560,000
18	Roane	Several Buildings HVAC Corrections	\$ 460,000	\$ 460,000	\$ 460,000
	Columbia	Library HVAC Updates - Phase II	\$ 120,000	Funding Included in #17	Funding Included in #17
	Volunteer	Warf Building HVAC Replacement - Phase II	\$ 160,000	Funding Included in #16	Funding Included in #16
19	Chattanooga	Several Buildings Envelope Repairs	\$ 730,000	\$ 730,000	\$ 730,000
20	Walters	Greenville Sewer Corrections	\$ 740,000	\$ 740,000	\$ 740,000
21	Northeast	Auditorium Updates	\$ 210,000	\$ 210,000	\$ 210,000
	UM	Various Roof Replacements - Phase II	\$ 2,800,000	Funding Included in #3	Funding Included in #3
22	ETSU	HVAC System Repairs	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
	APSU	Underground Electrical Update - Phase II	\$ 670,000	Funding Included in #7	Funding Included in #7
23	ECOM	Drainage System Repairs	\$ 850,000	\$ 850,000	\$ 850,000
	TSU	Boswell Fume Hood Updates - Phase II	\$ 1,250,000	Funding Included in #9	Funding Included in #9
24	MTSU	Domestic Water-Sewer System Updates	\$ 460,000	\$ 460,000	\$ 460,000
	TTU	Several Buildings Upgrades A - Phase II	\$ 1,450,000	Funding Included in #10	Funding Included in #10
25	ECOM	Several Buildings Exterior Updates	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
26	MTSU	Saunders Fine Arts HVAC Updates	\$ 1,290,000	\$ 1,290,000	\$ 1,290,000
27	Pellissippi	Hardin Valley Paving Repairs	\$ 320,000		
28	Roane	Gym Roof Replacement	\$ 190,000		
29	TSU	Several Buildings Roof Repair/Replacements	\$ 1,250,000		
30	Dyersburg	Glover Roof Replacement - Phase II	\$ 270,000		
31	Statewide	Tennessee Technology Centers Mechanical System Repairs - Phase II	\$ 540,000		
32	ETSU	Campus-wide Water Line Repairs	\$ 1,000,000		
33	MTSU	Peck Hall HVAC Update	\$ 640,000		
34	MTSU	Murphy Center Exterior Door Repair	\$ 580,000		

TENNESSEE BOARD OF REGENTS - Continued

System			THEC	Governor's	Legislative
Priority	Institution	Project	Recommendation	Recommendation	Action
35	TSU	Electrical Distribution Updates	\$ 1,250,000		
36	Statewide	Tennessee Technology Centers Mechanical System Repairs - Phase III	\$ 740,000		
37	ETSU	Mechanical Repair and Replacement	\$ 1,750,000		
38	Jackson	Classroom Building and Gym Plumbing Corrections - Phase II	\$ 390,000		
39	Pellissippi	Campus HVAC Updates	\$ 410,000		
40	Southwest	Macon Cove Mechanical Systems Updates	\$ 1,020,000		
41	TTC Dickson	Wastewater Evaporator Correction	\$ 450,000		
42	Walters	Greeneville Mechanical System Corrections	\$ 760,000		
43	APSU	Library Mechanical Updates	\$ 1,500,000		
44	TTU	Several Buildings Upgrades B	\$ 2,900,000		
45	Motlow	Underground Piping Replacement - Phase II	\$ 360,000		
46	MTSU	Walker Library Roof Replacement	\$ 950,000		
47	Volunteer	Campus-wide Window Replacement	\$ 120,000		
48	UM	Brick & Façade Restoration	\$ 5,550,000		
49	Northeast	Faculty Building Exterior Glass Replacement	\$ 180,000		
50	Chattanooga	Omni Chemistry Lab Updates	\$ 650,000		
51	Pellissippi	McWherter Building Fire Code Corrections	\$ 210,000		
52	TSU	Utility Tunnel Stabilization	\$ 1,500,000		
53	TSU	Life Safety/ADA Updates	\$ 1,000,000		
54	Walters	Library Roof Replacement	\$ 550,000		
55	MTSU	Murphy Center Arena HVAC Updates	\$ 1,470,000		
56	MTSU	Underground Electrical Update	\$ 1,640,000		
57	ETSU	Electrical Repair and Replacement	\$ 2,000,000		
58	TTC Athens	HVAC and Door Updates	\$ 480,000		
59	UM	Elevator Modernization	\$ 2,630,000		
60	Cleveland	HVAC Equipment and Controls Update - Phase II	\$ 710,000		
61	TTC Hohenwald	HVAC System Update	\$ 480,000		
62	MTSU	Murphy Center Roof Replacement	\$ 2,290,000		
63	UM	Steam Line Replacement	\$ 3,650,000		
64	APSU	Browning Building Mechanical Updates	\$ 1,300,000		
65	Chattanooga	Campus Electrical Correction	\$ 740,000		
66	Southwest	Union Campus Mechanical Systems Updates B	\$ 1,020,000		
67	Northeast	Campus Pavement Replacement	\$ 130,000		
68	Roane	Campus-wide Paving	\$ 460,000		
69	Dyersburg	Campus Exit Door Replacement and Re-keying	\$ 220,000		
70	Roane	Gym Seating Update	\$ 150,000		
71	Dyersburg	Maintenance Roof Replacement	\$ 150,000		
72	Chattanooga	Energy Plant and Omniplex Roof Replacement	\$ 380,000		
73	Jackson	McWherter Flashing and Roofing Repairs	\$ 1,220,000		
74	TTC Elizabethton	HVAC System Repairs	\$ 550,000		
75	TTU	Several Buildings Upgrades C	\$ 2,870,000		
76	Volunteer	Campus-wide Lighting Corrections	\$ 700,000		
77	Motlow	Underground Piping Replacement - Phase III	\$ 360,000		
78	TSU	Steam Distribution Updates	\$ 1,300,000		
79	APSU	Claxton Building HVAC Corrections	\$ 1,000,000		
FY 2011-12 Capital Maintenance Total for the Tennessee Board of Regents			\$ 85,710,000	\$ 30,780,000	\$ 30,780,000
UT: 21 Projects Recommended by THEC. 6 Projects Recommended by Governor			\$ 57,450,000	\$ 23,920,000	\$ 23,920,000
TBR: 79 Projects Recommended by THEC. 26 Recommended by Governor			\$ 85,710,000	\$ 30,780,000	\$ 30,780,000
CAPITAL MAINTENANCE PROJECT TOTAL FOR FY 2011-12			\$ 143,160,000	\$ 54,700,000	\$ 54,700,000

Table 5 (cont.)

**SUMMARY OF UNRESTRICTED EDUCATIONAL AND GENERAL REVENUE DOLLARS AND PERCENT BY SOURCE
FOR THE TBR AND UT SYSTEMS, JULY 1 BUDGET 2011-12**

	TSU McIntire-Stennis Forestry Research	MTAS	CTAS	UT University- Wide Admin.	ETSU Family Practice	ETSU Medical School	ETSU College of Pharmacy	Tennessee Board of Regents	Technology Centers
Tuition & Fees									
Dollar	\$0	\$0	\$0	\$0	\$0	\$8,595,100	9342100	\$0	\$27,404,500
Percent	0.00%	0.00%	0.00%	0.00%	0.00%	16.71%	92.18%	0.00%	34.64%
State Appropriation									
Dollar	\$170,600	\$2,571,485	\$1,535,985	\$4,510,155	\$5,353,900	\$25,984,000	\$0	\$8,603,800	\$48,479,500
Percent	100.00%	46.59%	33.50%	52.79%	38.57%	50.52%	0.00%	35.31%	61.27%
Sales & Service									
Dollar	\$0	\$0	\$0	\$50,647	\$7,975,600	\$15,214,600	\$0	\$0	\$579,000
Percent	0.00%	0.00%	0.00%	0.59%	57.46%	29.58%	0.00%	0.00%	0.73%
Other Sources									
Dollar	\$0	\$2,947,874	\$3,048,800	\$3,983,000	\$550,500	\$1,640,100	\$793,000	\$15,761,900	\$2,657,700
Percent	0.00%	53.41%	66.50%	46.62%	3.97%	3.19%	7.82%	64.69%	3.36%
Total Educ. & Gen.									
Dollar	\$170,600	\$5,519,359	\$4,584,785	\$8,543,802	\$13,880,000	\$51,433,800	\$10,135,100	\$24,365,700	\$79,120,700
Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

	July 1 Grand Total
Tuition & Fees	
Dollar	\$1,457,480,364
Percent	52.64%
State Appropriation	
Dollar	\$1,009,225,882
Percent	36.45%
Sales & Service	
Dollar	\$133,526,761
Percent	4.82%
Other Sources	
Dollar	\$168,657,368
Percent	6.09%
Total Educ. & Gen.	
Dollar	\$2,768,890,375
Percent	100.00%

Table 6 (cont.)

**SUMMARY OF PERCENT UNRESTRICTED EDUCATIONAL AND GENERAL EXPENDITURES
BY FUNCTIONAL AREA BY INSTITUTION FOR THE TBR AND UT SYSTEMS
July 1 Budget 2011-12**

	TBR Admin.	July 1 GRAND TOTAL
Instruction		
Dollar	\$0	\$1,309,354,267
Percent	0.00%	47.33%
Research		
Dollar	\$0	\$106,561,513
Percent	0.00%	3.85%
Public Service		
Dollar	\$0	\$87,059,736
Percent	0.00%	3.15%
Academic Support		
Dollar	\$0	\$251,615,224
Percent	0.00%	9.10%
SubTotal		
Dollar	\$0	\$1,754,590,740
Percent	0.00%	63.43%
Student Services		
Dollar	\$0	\$301,545,677
Percent	0.00%	10.90%
Institutional Support		
Dollar	\$19,892,600	\$320,443,736
Percent	97.74%	11.58%
Operation & Maintenance		
Dollar	\$444,600	\$263,888,423
Percent	2.18%	9.54%
Scholarships & Fellowships		
Dollar	\$14,500	\$125,840,409
Percent	0.07%	4.55%
Total Educational & General Expenditures		
Dollar	\$20,351,700	\$2,766,308,985
Percent	100.00%	100.00%

Table 7

**MANDATORY STUDENT FEE CHARGES
2010-11 & 2011-12**

	2010-11			2011-12			Percent Increase		
	Total Mandatory Fees	Undergraduate Maintenance Fees	Total Undergraduate Resident	Total Mandatory Fees	Undergraduate Maintenance Fees	Total Undergraduate Resident	Total Mandatory Fees	Undergraduate Maintenance Fees	Total Undergraduate Resident
Austin Peay	\$1,224	\$5,004	\$6,228	\$1,224	\$5,466	\$6,690	0.0%	9.2%	7.4%
East Tennessee	\$1,000	\$5,004	\$6,004	\$1,063	\$5,466	\$6,529	6.3%	9.2%	8.7%
Middle Tennessee	\$1,474	\$5,004	\$6,478	\$1,498	\$5,520	\$7,018	1.6%	10.3%	8.3%
Tennessee State	\$850	\$5,004	\$5,854	\$880	\$5,466	\$6,346	3.5%	9.2%	8.4%
Tennessee Tech	\$1,032	\$5,004	\$6,036	\$1,178	\$5,520	\$6,698	14.1%	10.3%	11.0%
University of Memphis	\$1,212	\$5,778	\$6,990	\$1,246	\$6,450	\$7,696	2.8%	11.6%	10.1%
UT Chattanooga	\$1,150	\$4,912	\$6,062	\$1,320	\$5,398	\$6,718	14.8%	9.9%	10.8%
UT Knoxville	\$932	\$6,450	\$7,382	\$1,172	\$7,224	\$8,396	25.8%	12.0%	13.7%
UT Martin	\$1,058	\$5,132	\$6,190	\$1,078	\$5,640	\$6,718	1.9%	9.9%	8.5%
Chattanooga	\$295	\$2,940	\$3,235	\$315	\$3,252	\$3,567	6.8%	10.6%	10.3%
Cleveland	\$269	\$2,940	\$3,209	\$269	\$3,252	\$3,521	0.0%	10.6%	9.7%
Columbia	\$261	\$2,940	\$3,201	\$271	\$3,252	\$3,523	3.8%	10.6%	10.1%
Dyersburg	\$271	\$2,940	\$3,211	\$281	\$3,252	\$3,533	3.7%	10.6%	10.0%
Jackson	\$253	\$2,940	\$3,193	\$277	\$3,252	\$3,529	9.5%	10.6%	10.5%
Motlow	\$273	\$2,940	\$3,213	\$276	\$3,252	\$3,528	1.1%	10.6%	9.8%
Nashville	\$225	\$2,940	\$3,165	\$225	\$3,252	\$3,477	0.0%	10.6%	9.9%
Northeast	\$281	\$2,940	\$3,221	\$281	\$3,252	\$3,533	0.0%	10.6%	9.7%
Pellissippi	\$317	\$2,940	\$3,257	\$317	\$3,252	\$3,569	0.0%	10.6%	9.6%
Roane	\$281	\$2,940	\$3,221	\$285	\$3,252	\$3,537	1.4%	10.6%	9.8%
Southwest	\$285	\$2,940	\$3,225	\$295	\$3,252	\$3,547	3.5%	10.6%	10.0%
Volunteer	\$265	\$2,940	\$3,205	\$267	\$3,252	\$3,519	0.8%	10.6%	9.8%
Walters	\$269	\$2,940	\$3,209	\$279	\$3,252	\$3,531	3.7%	10.6%	10.0%
Technology Centers	\$200	\$2,535	\$2,735	\$200	\$2,775	\$2,975	0.0%	9.5%	8.8%

Table 8

**COMPARISON OF AUXILIARY ENTERPRISE REVENUES, EXPENDITURES AND TRANSFERS
FOR THE TBR AND UT SYSTEMS**

	Estimated 2010-11			July 1 2011-12		
	Revenue	Expenditures/ Transfers	Difference	Revenue	Expenditures/ Transfers	Difference
Austin Peay	\$8,302,800	\$8,302,800	-	\$9,229,100	\$9,229,100	-
East Tennessee	17,677,600	\$17,607,900	69,700	18,430,000	18,377,000	53,000
Middle Tennessee	37,773,900	37,773,900	-	38,671,300	38,671,200	100
Tennessee State	15,948,300	15,948,300	-	15,933,300	15,933,300	-
Tennessee Tech	13,862,900	13,862,900	-	14,533,100	14,533,100	-
University of Memphis	20,455,200	19,744,800	710,400	21,378,400	21,378,400	-
subtotal	\$114,020,700	\$113,240,600	\$780,100	\$118,175,200	\$118,122,100	\$53,100
Chattanooga	\$1,060,000	\$729,900	\$330,100	\$1,075,000	\$734,500	\$340,500
Cleveland	151,900	43,800	108,100	152,100	43,800	108,300
Columbia	315,000 *	315,000	-	217,700 *	217,700	-
Dyersburg	135,000	135,000	-	125,000	125,000	-
Jackson	200,000	200,000	-	200,000	200,000	-
Motlow	267,000	12,400	254,600	267,000	12,600	254,400
Nashville	264,000	19,900	244,100	264,000	19,900	244,100
Northeast	192,500	9,600	182,900	192,500	9,600	182,900
Pellissippi	640,000 *	640,000	-	640,000 *	640,000	-
Roane	315,700	312,800	2,900	318,300	312,900	5,400
Southwest	700,000	192,500	507,500	700,000	192,500	507,500
Volunteer	360,000	356,300	3,700	360,000	359,300	700
Walters	354,400 *	354,400	-	354,400 *	354,400	-
subtotal	\$4,955,500	\$3,321,600	\$1,633,900	\$4,866,000	\$3,222,200	\$1,643,800
UT Chattanooga	\$7,845,433	\$7,845,433	-	\$8,080,553	\$8,080,553	-
UT Knoxville	166,973,044	166,973,044	-	173,630,059	173,630,059	-
UT Martin	12,502,324	12,502,324	-	12,875,624	12,875,624	-
subtotal	\$187,320,801	\$187,320,801	\$0	\$194,586,236	\$194,586,236	\$0
UT Space Institute	\$149,222	\$149,222	-	\$95,400	\$95,400	-
UT Memphis	3,345,391	3,345,391	-	2,692,690	2,692,690	-
Technology Centers	4,608,200	4,033,800	574,400	4,616,900	3,958,600	658,300
subtotal	\$8,102,813	\$7,528,413	\$574,400	\$7,404,990	\$6,746,690	\$658,300
TOTAL	\$314,399,814	\$311,411,414	\$2,988,400	\$325,032,426	\$322,677,226	\$2,355,200

*Revenues include transfers from Fund Balance in order to balance out Auxiliary Enterprises

Table 9
Athletics Data
2010-11 & 2011-12

	2010-11 General Fund Support	Athletics General Fund as Percent of E&G	2010-11 Student Athletics Fee	2010-11 Athletics Fee Revenue**	2010-11 Athletics Budget		2011-12 General Fund Support	Athletics General Fund as Percent of E&G	2011-12 Student Athletics Fee	2011-12 Athletics Fee Revenue**	2011-12 Athletics Budget
APSU	\$4,617,685	4.7%	\$250	\$2,105,300	\$8,781,077	APSU	\$4,688,500	4.8%	\$250	\$2,105,300	\$8,688,600
ETSU	4,177,520	2.5%	250	3,500,000	9,466,850	ETSU	4,177,520	2.6%	250	3,500,000	9,291,310
MTSU	7,251,300	2.8%	350	7,950,000	20,080,423	MTSU	7,367,400	3.0%	350	7,950,000	20,221,600
TSU	4,629,300	4.2%	224	1,950,000	8,780,600	TSU	4,700,000	4.6%	224	1,950,000	8,855,000
TTU	4,207,390	3.7%	300	3,016,000	9,650,906	TTU	4,384,450	4.1%	350	3,520,000	9,482,990
UM	3,498,941	1.0%	450	8,990,000	39,017,496	UM	1,310,941	0.4%	450	8,990,000	35,968,496
UTC	4,773,234	3.9%	240	2,832,457	11,474,282	UTC	4,479,980	4.0%	360	3,876,695	12,125,266
UTM	4,512,781	4.9%	308	1,975,000	8,254,499	UTM	4,592,610	5.6%	308	1,975,000	8,188,529
UTK*	0	NA	0	1,000,000	101,000,000	UTK*	0	NA	0	1,000,000	103,250,000
Subtotal	\$37,668,151			\$33,318,757	\$216,506,133	Subtotal	\$35,701,401			\$34,866,995	\$216,071,791
Chattanooga	\$686,900	1.3%	\$0	\$0	\$1,069,817	Chattanooga	\$697,700	1.3%	\$0	\$0	\$957,700
Cleveland	530,506	2.5%	0	0	770,606	Cleveland	510,903	2.5%	0	0	787,053
Columbia	473,090	1.8%	0	0	720,190	Columbia	360,940	1.4%	0	0	704,240
Dyersburg	334,200	2.0%	0	0	460,200	Dyersburg	338,700	2.1%	0	0	459,700
Jackson	377,250	1.6%	0	0	463,950	Jackson	349,130	1.4%	0	0	459,330
Motlow	377,614	1.7%	0	0	645,864	Motlow	344,583	1.5%	0	0	577,243
Roane	490,426	1.3%	0	0	721,492	Roane	410,690	1.2%	0	0	632,635
Southwest	610,200	0.8%	0	0	860,600	Southwest	598,700	0.8%	0	0	849,100
Volunteer	624,998	1.5%	0	0	745,040	Volunteer	676,196	1.7%	0	0	796,235
Walters	687,900	1.6%	0	0	1,008,581	Walters	657,082	1.6%	0	0	976,127
Subtotal	\$5,193,084				\$7,466,340	Subtotal	\$4,944,624				\$7,199,363
Total	\$42,861,235			\$33,318,757	\$223,972,473	Total	\$40,646,025			\$34,866,995	\$223,271,154

*Athletics at UTK are self supporting.

**Athletics fee revenue for 2012 does not include increases to mandatory athletics fees effective fall 2011.

Table 10
2011-12 Formula Needs Analysis

Preliminary FY 2011-12

Institution/Unit	Preliminary FY 2011-12						Formula Estimated Total Need	Difference (Short)	Percent Funded	% Funded Without Hold Harmless Funds
	Legislative* Appropriation	Hold-Harmless Adjustment**	Maintenance Fees	Technology Access Fee	Out-of-State Tuition	Total Revenue				
Austin Peay	\$ 26,055,800	\$ -	\$ 52,666,300	\$ 2,426,000	\$ 2,928,100	\$ 84,076,200	\$ 85,496,116	\$ (1,419,916)	98.3%	98.3%
East Tennessee	44,134,600	1,551,000	76,971,300	2,885,000	10,433,200	135,975,100	151,879,073	(15,903,973)	89.5%	88.5%
Middle Tennessee	73,333,400	-	133,664,900	5,300,000	9,916,050	222,214,350	235,811,589	(13,597,239)	94.2%	94.2%
Tennessee State	29,327,500	-	42,534,100	1,700,000	17,919,300	91,480,900	111,287,599	(19,806,699)	82.2%	82.2%
Tennessee Tech	35,181,500	623,600	54,193,400	2,275,700	5,481,000	97,755,200	113,282,393	(15,527,193)	86.3%	85.7%
University of Memphis	85,406,900	6,518,200	127,960,204	4,262,703	9,975,115	234,123,122	283,034,655	(48,911,533)	82.7%	80.4%
Subtotal TBR Universities	\$ 293,439,700	\$ 8,692,800	\$ 487,990,204	\$ 18,849,403	\$ 56,652,765	\$ 865,624,872	\$ 980,791,425	\$ (115,166,553)	88.3%	87.4%
Chattanooga	\$ 19,775,300	\$ 318,200	\$ 27,943,900	\$ 1,950,000	\$ 625,000	\$ 50,612,400	\$ 51,604,028	\$ (991,628)	98.1%	97.5%
Cleveland	8,522,500	513,700	9,551,900	760,000	256,700	19,604,800	21,422,056	(1,817,256)	91.5%	89.1%
Columbia	11,110,100	295,600	13,563,000	967,000	295,700	26,231,400	28,664,308	(2,432,908)	91.5%	90.5%
Dyersburg	6,484,800	-	8,515,000	766,600	99,400	15,865,800	17,074,789	(1,208,989)	92.9%	92.9%
Jackson	10,527,600	-	13,186,600	869,700	83,600	24,667,500	27,561,074	(2,893,574)	89.5%	89.5%
Motlow	9,569,800	-	12,091,000	828,600	283,550	22,772,950	26,849,183	(4,076,233)	84.8%	84.8%
Nashville	13,835,600	-	22,000,000	1,600,000	800,000	38,235,600	38,185,217	50,383	100.1%	100.1%
Northeast	12,072,800	-	17,942,000	1,200,000	61,700	31,276,500	32,055,581	(779,081)	97.6%	97.6%
Pellissippi	18,724,100	-	28,660,000	2,400,000	1,470,000	51,254,100	51,069,606	184,494	100.4%	100.4%
Roane	14,732,200	812,100	17,146,600	1,401,100	407,800	34,499,800	36,262,501	(1,762,701)	95.1%	92.9%
Southwest	28,532,400	3,419,100	32,501,000	3,171,000	1,368,000	68,991,500	66,214,678	2,776,822	104.2%	99.0%
Volunteer	15,236,400	88,000	20,972,000	1,410,700	620,600	38,327,700	38,986,395	(658,695)	98.3%	98.1%
Walters	15,923,700	79,200	19,348,300	1,442,200	341,600	37,135,000	40,666,504	(3,531,504)	91.3%	91.1%
Subtotal 2-Year Institutions	\$ 185,047,300	\$ 5,525,900	\$ 243,421,300	\$ 18,766,900	\$ 6,713,650	\$ 459,475,050	\$ 476,615,919	\$ (17,140,869)	96.4%	95.2%
UT Chattanooga	\$ 33,260,900	\$ 205,100	\$ 53,748,206	\$ 1,530,203	\$ 6,782,995	\$ 95,527,404	\$ 109,628,216	\$ (14,100,812)	87.1%	87.0%
UT Knoxville	144,003,300	-	197,618,362	5,200,000	36,439,538	383,261,200	497,625,426	(114,364,226)	77.0%	77.0%
UT Martin	23,613,500	576,200	42,385,400	1,342,000	3,874,100	71,791,200	73,758,599	(1,967,399)	97.3%	96.6%
Subtotal UT Universities	\$ 200,877,700	\$ 781,300	\$ 293,751,968	\$ 8,072,203	\$ 47,096,633	\$ 550,579,804	\$ 681,012,241	\$ (130,432,437)	80.8%	80.7%
Technology Centers	\$ 51,998,100	\$ -	\$ 24,450,600	\$ 2,019,200	\$ -	\$ 78,467,900	\$ 120,451,000	\$ (41,983,100)	65.1%	65.1%
Total Formula Units	\$ 731,362,800	\$ 15,000,000	\$ 1,049,614,072	\$ 47,707,706	\$ 110,463,048	\$ 1,954,147,626	\$ 2,258,870,585	\$ (304,722,959)	86.5%	85.8%

*Recurring funds only.

**Non-recurring funds facilitating the phase-out of the Hold Harmless provision.