

MEETING OF THE



TENNESSEE HIGHER EDUCATION COMMISSION

Winter Quarterly Meeting
18th Floor, Parkway Towers
January 27, 2011

AGENDA
TENNESSEE HIGHER EDUCATION COMMISSION
Winter Meeting
Commission Boardroom, Parkway Towers
January 27, 2011, 1:00 p.m. CST

Adoption of Agenda

Approval of Minutes: November 18, 2010

Chairman's Report

Executive Director's Report

Systems' Reports

University of Tennessee System

Tennessee Board of Regents

I. Action Items

- A. Policy Revision: A1.0 (New Academic Programs: Approval Process) and A1.1 (New Academic Programs)
- B. Temporary Authorization of New Institutions, Postsecondary Authorization Act
- C. Approval of New Programs, Postsecondary Authorization Act
- D. University of Tennessee at Martin Master Plan Update
- E. October 31 Revised Budgets, 2010-11
- F. Confirmation of New Audit Committee Member

II. Information Items

- A. Academic Program Review
- B. 2010 Lottery Scholarship Annual Report
- C. Master Plan Annual Progress Report
- D. GEAR UP and College Access Challenge Grant Status Reports
- E. Legislative Report
- F. Spring Quarterly Meeting, April 28, 2011

MINUTES
TENNESSEE HIGHER EDUCATION COMMISSION
November 18, 2010, 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. Ross Rowland
Mr. Tre Hargett (via teleconference)	Mr. Zack Walden
Mr. Cato Johnson	Mr. Robert White
Mr. David Lillard (via teleconference)	Mr. Justin Wilson (via teleconference)
Mr. Charlie Mann	Ms. Katie Winchester
Mr. Jack Murrah (via teleconference)	

Adoption of Revised Agenda

Mr. White welcomed all and thanked them for their attendance. He recognized Mr. John Hood, former state representative. Mr. White noted the need to amend the agenda to move all action items to the top. He then called for a motion to adopt the amended agenda. Mr. Cato Johnson made a motion to approve the agenda accordingly. Mr. David Lillard seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Tre Hargett (via teleconference)	x		
Mr. Cato Johnson	x		
Mr. David Lillard (via teleconference)	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Mr. Justin Wilson (via teleconference)	x		
Ms. Katie Winchester	x		

Action Items

Outcomes-Based Funding Formula

Mr. White stated that in the work session earlier in the day, a presentation and discussion was held in regard to updates and changes in the outcomes-based funding formula. Ms. Katie Winchester made a motion recommending approval of the fully reviewed Master Plan, funding formula, and performance funding standards. She noted that the Commission had approved the 2010 Master Plan for higher education, the new outcomes-based funding formula, and the 2010-15 performance funding program at the July 2010 THEC meeting and stated that those three initiatives are designed to implement the letter of intent of the Complete College Tennessee Act of 2010. Pursuant to the Commission's action

at the July quarterly meeting, THEC staff presented the initiatives to the appropriate legislative committees, held further discussions with the TBR and UT systems, the institutions, the administration, and received additional input from THEC members. She stated that the recommendations presented by staff reflect the input received during these discussion and recommends that the Commission take action to approve, as presented, the new 2010-15 master plan for higher education, the new outcomes-based formula, and the 2010-15 performance funding program (included as Attachment A to the official copy of the minutes). Mr. Lillard seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Tre Hargett (via teleconference)	x		
Mr. Cato Johnson	x		
Mr. David Lillard (via teleconference)	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Mr. Justin Wilson (via teleconference)	x		
Ms. Katie Winchester	x		

2011-2012 Operating, Capital Outlay, and Capital Maintenance Appropriation Recommendations and 2011-2012 Student Fee Recommendations

Mr. White called on Dr. Russ Deaton, Director of Fiscal Policies and Facilities Analysis, to provide information regarding the 2011-2012 Operating, Capital Outlay, and Capital Maintenance Appropriation Recommendations. Dr. Deaton stated that the recommendations reflect a one percent reduction as requested by the Department of Finance and Administration; a full complement of capital outlay projects including maintenance and buildings; and tuition increases. Both systems recommend a seven percent minimum increase at universities. TBR recommends a five percent increase at two year institutions and technology centers, as well as a further implementation of differential fee policy. Mr. White then called for a motion. Mr. Johnson made a motion to approve staff recommendations for the 2011-2012 Operating, Capital Outlay, and Capital Maintenance Appropriation, as well as the 2011-12 tuition increases and differential fees (included as Attachment B to the official copy of the minutes). He noted that the recommendations have been carefully considered by staff and fulfill a requirement in the Complete College Tennessee Act that THEC utilize the outcomes-based formula for the 2011-12 budget recommendations. He moved that the recommendations be approved and forwarded to the administration for their consideration. Ms. Winchester seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Tre Hargett (via teleconference)	x		

Mr. Cato Johnson	x		
Mr. David Lillard (via teleconference)	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Mr. Justin Wilson (via teleconference)	x		
Ms. Katie Winchester	x		

Chairman's Report

Mr. White began his report by briefing the Commission on the meeting with the Gates Foundation the previous day regarding their commitment to K-12 education in the State of Tennessee, specifically within Shelby County. He noted it was a productive meeting where he and Dr. Rhoda represented THEC and shared ideas regarding higher education and how THEC would work with the K-12 Race to the Top initiatives.

Executive Director's Report/Tennessee Student Assistance Corporation

Dr. Rhoda began by thanking everyone for their attendance and also commented on the meeting with the Gates Foundation. He acknowledged that this is Mr. John Morgan's first meeting in his capacity as Chancellor of the Tennessee Board of Regents. He then thanked Dr. Jan Simek for his service as Interim President of the University of Tennessee system and noted that Dr. Joe DiPietro will take office as the new UT president on January 1.

Next, Dr. Rhoda recognized new staff members: Leigh Ann Merry, Jessica Gibson, Emily Carter, Wesley Hall, Sara Strong, and Alan Hall. He then commented on the Complete College Tennessee Act and the positive impact it has on higher education.

In closing, Dr. Rhoda stated that this was Mr. Jack Murrah's last meeting. He thanked Mr. Murrah for his many contributions to THEC and higher education in Tennessee.

Approval of Minutes, July 29, 2010, Meeting

Mr. White called for a motion to approve the minutes of the July 29, 2010, Commission meeting. Mr. Johnson made a motion to approve the minutes as presented (included as Attachment C to the official copy of the minutes). Mr. Charlie Mann seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		

Ms. Katie Winchester	x		
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Systems' Reports

University of Tennessee

Dr. Jan Simek, Interim President of the University of Tennessee, was recognized to present his report. Dr. Simek announced that this was his final meeting as president of UT; he will be returning to his previous faculty position on January 1. He stated that he has learned much in every aspect of higher education in his role as president and looks forward to being involved more in the future. He thanked everyone for the opportunity to serve the students and the state. Dr. Simek briefly discussed the transition of the presidency and noted that Dr. DiPietro's absence was due to a prior commitment but he would be attending the next THEC meeting.

Dr. Simek discussed the Complete College Tennessee Act as being a high priority of UT to produce more and more high quality graduates. He stated that obtaining the status of a top 25 public institution is also a UT priority. Dr. Simek also discussed the new funding formula, the master plan, and the performance funding program.

In closing, he noted his concern of retaining the best and brightest faculty and staff members at all colleges and universities across the state and noted that a compensation increase in the near future is necessary in order to retain them.

Tennessee Board of Regents

Mr. John Morgan, Chancellor of the Tennessee Board of Regents, was recognized to present his report. Mr. Morgan commented on the meeting with the Gates Foundation. He also commented on the Complete College Tennessee Act and stated that the TBR institutions are embracing the Act. In closing, he reiterated Dr. Simek's remarks regarding the necessary compensation increase for faculty and staff across the state.

Institutional Mission Profiles

Dr. Linda Doran, Associate Executive Director of Academic Affairs presented the institutional mission profiles (included as Attachment D to the official copy of the minutes). She stated that the Complete College Tennessee Act directs that THEC approve each institution's mission statement. Dr. Doran briefly discussed the logistics of the development of the profiles.

Ms. Winchester made a motion to approve the Institutional Mission Profiles presented by staff and stated that the Complete College Tennessee Act 2010 requires that THEC, in consultation with the governing boards, approve institutional mission statements concurrent with the adoption of each statewide master plan. She noted that pursuant to the Commission's actions at the July quarterly meeting, THEC staff compiled institutional mission statements with the participation of the TBR and UT systems and their respective institutions. Ms. Winchester stated that recommendations by the staff reflect efforts of all participants and therefore recommended the Commission approve the

institutional mission profiles as presented. Mr. Johnson seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

University of Tennessee, Knoxville, Ph.D. in Energy Science and Engineering

Dr. Doran stated that the Complete College Tennessee Act authorizes the University of Tennessee to establish an academic unit of the University of Tennessee, Knoxville (UTK) for interdisciplinary research and graduate education in collaboration with the Oak Ridge National Laboratory (ORNL) focused toward energy science and engineering. She stated that the university and ORNL have signed a memorandum of understanding governing the new partnership in the establishment of the academic and research unit, known as the Center for Interdisciplinary Research and Graduate Education (CIRE).

She stated that CIRE has developed and proposes to offer a new model for interdisciplinary Ph.D. programs in energy science and engineering. The proposed new degree will provide breadth while preserving the depth and rigor of a research doctorate. Dr. Doran noted that two external consultants in the field have conducted proposal evaluation and site visits and have submitted positive reviews. She then discussed the need for the program, the curriculum, faculty, administrative organization, size, implementation, cost, and post-approval evaluation. In closing, she stated that staff recommendations are for the program to be accepted by the Commission with the delegated authority to Dr. Rhoda to approve the program by interim action.

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

Dr. Stephanie Bellard-Chase, Assistant Executive Director for Postsecondary School Authorization, presented the recommendations of staff and the Postsecondary Education Authorization Advisory Committee to grant temporary authorization to proposed new institutions and new programs. A listing of the institutions and programs (included as Attachment E to the official copy of the minutes). A motion was made by Ms. Winchester 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 by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		

Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

Dr. Chase then discussed the appointment of Committee members. She stated that currently, three (3) positions on the committee are vacant. Therefore, the staff recommends that Mr. Miles Burdine and Dr. Earlie Steele be appointed until June 30, 2013 and Mrs. Lethia Swett Mann be appointed until June 30, 2011.

With no further discussion, Mr. White called for a motion. Mr. Johnson made a motion to approve staff recommendations. Ms. Winchester seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

Chattanooga State Community College Master Plan Update

Mr. Jim Vaden stated that Mr. Carl Manka of the Tennessee Board of Regents staff presented the 2010 Chattanooga State Community College (CHSCC) Master Plan (TBR) at the earlier worksession. He stated that the master plan provides a comprehensive guide for future growth and development of the CHSCC campus for the next 15 years and addresses the long term needs of the CHSCC campus. He then stated that the CHSCC Campus Master Plan Update has been thoroughly reviewed and THEC staff recommends it for approval.

Ms. Sue Atkinson made a motion to approve staff recommendations. Mr. Ross Rowland seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

Improving Teacher Quality Grant Program Awards, 2010-11

Mr. Mike Krause, Director of Academic Programs and Interagency Grants, was recognized to make a report on Improving Teacher Quality Grants for FY 2010-2011. Mr. Krause noted that of the 30 proposals submitted for these federal grant funds, the advisory committee identified 10 for funding (included as Attachment F to the official copy of the minutes). Mr. Johnson made a motion to approve the Advisory Committee recommendations. Mr. Rowland seconded the motion, which was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

Audit Committee Report

Ms. Ann Collett, Internal Auditor, was recognized to provide the Audit Committee Report. Ms. Collett reviewed the previous changes in the Audit Committee Charter, approved at previous THEC and TSAC meetings. She then reviewed the annual risk assessment, the status of the TSAC Federal Family Education Loan Program averted claims, and the status of the TSAC Financial and Compliance Audits. Ms. Collett briefly discussed the minutes of the previous Audit Committee report and noted that Mr. Sammie Stuard of the TSAC board has been selected to replace Mr. Jack Murrah on the committee, effective December 1.

Mr. White then called for a motion. Mr. Mann made a motion to approve the report. Mr. Johnson seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

Information Items

GEAR-UP TN/ College Access Challenge Grant Status Report

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. Ms. Brock began by noting changes in staff. She reported highlights from GEAR UP TN and CACG fall activities and provided a report on

the establishment and progression of the Tennessee College Access and Success Network. She stated that the next GEAR UP competition will open in early 2011 and staff is talking with partners and stakeholders and reviewing the current program to strengthen the next application.

Ms. Brock then briefed the Commission on two GEAR UP initiatives: the fourth annual College Access and Success conference in Chattanooga and the third annual College application week, noting both initiatives were successful.

Race to the Top Implementation Status

Ms. Katrina Miller, Higher Education Race to the Top Program Administrator, was recognized to provide the status report on the Race to the Top implementation. Ms. Miller stated that the federal government had approved the contract, with a grant of \$500 M for a four-year period. She advised the Commission that Mr. Patrick Smith had been named as interim executive director of the state First to the Top oversight team. Ms. Miller then briefed the Commission on the five areas of focus which are: improving standards and assessments, improving teachers and leaders, turning around low performing schools, using data to improve instruction, and developing STEM initiatives.

UTeach Replication Sites

Ms. Sara Strong, Higher Education Program Coordinator, was recognized to provide information on the UTeach replication sites. Ms. Strong briefed the Commission on the background of the program and noted that of the 22 universities nationwide replicating UTeach; four of those universities are in Tennessee. Those universities are: Middle Tennessee State University, funded by ITQ with 48 students enrolled; the University of Memphis, funded by Race to the Top with 18 students enrolled; the University of Tennessee Knoxville, funded by ITQ with 71 students enrolled; and the University of Tennessee Chattanooga, funded by Race to the Top with 31 students enrolled.

Mr. Krause then briefed the Commission on statistics of the program. He stated that 90 percent of UTeach graduates enter the teaching profession, more than 80 percent of UTeach graduates who enter the teaching profession are still teaching five years after graduation, about 45 percent of UTeach graduates teach in high-need schools, and in just two years, enrollment in UTeach programs across the nation grew from 500 to more than 3,000 students.

Special Capital Appropriation for Community Colleges and Technology Centers

Dr. Russ Deaton, Director of Fiscal Policy and Facilities Analysis, was recognized. He stated that the General Assembly appropriated \$120 million for capital construction at Tennessee's community colleges and technology centers, and these funds are intended to recognize that the Complete College Tennessee Act of 2010 which encourages greater enrollments at community colleges and technology centers.

He stated that the goal of the Community College Special Capital Outlay Program is to make higher education more accessible and help reduce capacity constraints in the community college system (included as Attachment G to the official copy of the minutes).

Title VI Implementation Plan Update and Compliance Report

Mr. Will Burns, Associate Executive Director of Legal and Regulatory Affairs, reviewed the Title VI Implementation Plan Update and Compliance Report (included as Attachment H to the official copy of the minutes). He noted that the purpose of the plan is to show how the state agency, and the entities to which its federal funds flow, is assuring compliance of Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of a person's race, color, or national origin. Mr. Burns also noted that the plan was filed with the Comptroller's office on October 1, 2010.

Mr. White noted that the Articulation and Transfer Report and Fall 2010 Update on Enrollments and Graduates had been presented at the worksession earlier in the day.

Schedule of 2011 Commission Meetings

Dr. Rhoda advised the Commission that the 2011 meeting dates will be:

- Thursday, January 27;
- Thursday, April 28;
- Thursday, July 28; and
- Thursday, November 17.

He reminded the Commission that the January meeting will include a joint meeting with the State Board of Education. In closing, Dr. Rhoda announced that Katie Winchester has submitted her letter of resignation from the Commission effective December 31. He thanked Ms. Winchester for her valuable service to the Commission in the seven years of her service.

Ms. Winchester stated that it had been an honor to serve on the Commission and complimented the staff on the high quality work they produce. She thanked the Commission for the opportunity to be part of higher education.

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

Approved:

Robert White
Chair

DATE: January 27, 2011

SUBJECT: Policy Revision: A1.0 (*New Academic Programs: Approval Process*) and A1.1 (*New Academic Programs*)

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION: The Complete College Tennessee Act’s (CCTA) productivity directive, which is being actualized in the Master Plan and in the outcomes-based formula, also has implications for the development of new academic programs and monitoring continued viability of approved programs.

To ensure policy consonance with the CCTA focus on heightened attention to institutional mission distinction, importance of institutional collaboration, avoidance of duplication of programs and services, and workforce development, staff have revised Commission policy governing the approval process for academic programs (A1.0 *New Academic Programs: Approval Process* and A1.1 *New Academic Programs*).

The policy revisions also make the THEC program approval calendar more flexible for institutions while equipping campuses, systems, and Commission staff with a more rigorous evaluation of program need earlier in the program exploration process. THEC staff consulted the two systems in this recent policy revision process, and the policies presented here for Commission approval incorporate suggestions from campus and system review.

The purposes of the revisions to A1.0 and A1.1 are:

- To bring A1.0 and A1.1 into compliance with the Complete College Act of 2010.
- To change the THEC new program approval calendar from July and January to each quarterly meeting. This change also effectively ends THEC’s “soft moratorium” on approval of new programs which has been in place in recognition of budget reductions and in anticipation of higher education reform legislation.
- To institute a Letter of Intent that will require a thorough feasibility study and financial projection at the earliest stage of program exploration. The Letter of Intent will also bring consistency between systems on responses to early THEC consultation and notification requirements. The Letter of Intent will require an institution to make the case that a prospective program is in accord with its THEC-approved mission, is not duplicative,

and that program need has been carefully assessed. With this documented evidence of program need and financial support, the institution, system, and THEC will have a more studied basis for approving the institution's development of a full program proposal. And, this more rigorous initial feasibility study will increase the likelihood that programs that are subsequently developed will indeed thrive and will meet expectations for enrollment and number of graduates. To assist institutions in the analysis, THEC will post data on program productivity, Post Approval Monitoring status of newly approved programs, lists of Letters of Intent from both systems, and statewide and regional analyses matching supply of graduates and employer demand by employment fields. Additionally, a searchable (by CIP classification and program title) Academic Program Inventory is available for institutions to use to assess opportunities for collaboration or to avoid program duplication.

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.

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. ~~Please refer to proposal format for criteria.~~ (See A1.1.20I (New Academic Programs).

Program Costs/Revenues – evidence should be provided that program costs will be met ~~may be~~ met from internal reallocation or from other sources such as grants and gifts. ~~instead of being met from additional Formula dollars will be viewed favorably.~~ 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 ~~based on required that~~ assessment, evaluation, and accreditation criteria (A1.1.20M) ~~are being met. that are identified on forms for new program proposals.~~

1.0.20 **Schedule.** The Commission will normally consider proposals for new programs, extensions of existing academic programs, academic units, and instructional locations ~~only at its July and January meetings; however, in special circumstances, consideration may be given at other Commission meetings.~~ 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/or 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 the institutional mission, the state master plan for higher education, and campus master plan or academic plan. This 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 of a early versions of proposals with the Commission staff leading up to the submission of and provide 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).

1.0.60

Articulation/Transfer. Upon consideration of a new degree baccalaureate program, evidence must be provided to ensure adherence to the requirements of Chapter 795 of the Public Acts of 2000. “The university track program within the University of Tennessee and the Tennessee Board of Regents systems consists of general education courses and pre-major courses as prescribed by the Commission. Courses in the university track program shall transfer and apply toward the requirements for graduation with a bachelor’s degree at all public universities. Successful completion of the university track program shall meet the academic requirement for transfer to a public university as a junior.” 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 **Time- 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.

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

THEC Financial Estimate Form
Please Enter the Name of the Institution Here
Please Enter the Name of the Proposed Program Here
Attachment A

Five-year projections are required for baccalaureate and post-baccalaureate programs and certificates. Three-year projections are required for associate degrees and undergraduate certificates. Projections should include cost of living increases per year.

	Year 1	Year 2	Year 3	Year 4	Year 5
I. Expenditures					
A. One-time Expenditures					
New/Renovated Space	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	-	-	-	-	-
Library	-	-	-	-	-
Consultants	-	-	-	-	-
Travel	-	-	-	-	-
Other	-	-	-	-	-
Sub-Total One-time	\$ -	\$ -	\$ -	\$ -	\$ -
B. Recurring Expenditures					
Personnel					
Administration					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Administration	-	-	-	-	-
Faculty					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Faculty	\$ -	\$ -	\$ -	\$ -	\$ -
Support Staff					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Support Staff	\$ -	\$ -	\$ -	\$ -	\$ -
Graduate Assistants					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Tuition and Fees* (See Below)	-	-	-	-	-
Sub-Total Graduate Assistants	\$ -	\$ -	\$ -	\$ -	\$ -
Operating					
Travel	\$ -	\$ -	\$ -	\$ -	\$ -
Printing	-	-	-	-	-
Equipment	-	-	-	-	-
Other	-	-	-	-	-
Sub-Total Operating	\$ -	\$ -	\$ -	\$ -	\$ -
Total Recurring	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -
(A+B)					

*If tuition and fees for Graduate Assistants are included, please provide the following information.

Base Tuition and Fees Rate	\$ -	\$ -	\$ -	\$ -	\$ -
Number of Graduate Assistants	-	-	-	-	-

II. Revenue	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Tuition and Fees ¹	-	-	-	-	-
Institutional Reallocations ²	-	-	-	-	-
Federal Grants ³	-	-	-	-	-
Private Grants or Gifts ⁴	-	-	-	-	-
Other ⁵	-	-	-	-	-
BALANCED BUDGET LINE	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

- In what year is tuition and fee revenue expected to be generated and explain any differential fees. Tuition and fees include maintenance fees, out-of-state tuition, and any applicable earmarked fees for the program.

- Please identify the source(s) of the institutional reallocations, and grant matching requirements if applicable.

- Please provide the source(s) of the Federal Grant including the granting department and CFDA number.

- Please provide the name of the organization(s) or individual(s) providing grant(s) or gift(s).

- Please provide information regarding other sources of the funding.

Attachment B (A1.0)

Tennessee Higher Education Commission

Letters of Intent for Proposed New Academic Programs **THEC Policy A1.0 (New Academic Programs: Approval Process)** **Section A1.0.50: *Early Consultation/Notification***

Complete College Tennessee Act of 2010. Tennessee Code Annotated § 49-7-202 as amended by Chapter 3, Acts of 2010 (1st Executive Session) directs state higher education to be accountable for increasing the educational attainment level of Tennesseans and, in doing so, address the state's economic development, workforce development and research needs; ensure increased degree production within the state's capacity to support higher education; and use institutional mission differentiation to realize statewide efficiencies through institutional collaboration and minimized redundancy in degree offerings, instructional locations and competitive research.

Purpose of the Letter of Intent. The following Letter of Intent contents are designed to follow the CCTA directives and to meet early notification requirements of Policy A1.0 (New Academic Programs: Approval Process), section A1.0.50: *Early Consultation/Notification*. The questions below are intended to guide institutions in compiling appropriate data and information sufficient to judge program feasibility relative to mission distinction and priority, program need, and resource availability.

These standard Letter of Intent contents call for quality and depth of assessment of program need and institutional commitment at the earliest stage of program exploration. It is anticipated that this thorough feasibility evaluation will enable institutions and systems to identify program priorities and support only those programs with the greatest likelihood of success.

Program Feasibility. Letters of Intent to plan academic degree programs and certificates (24 or more semester hours) certify that the proposed program does not duplicate student access and that 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 collaboration with other institutions.

The feasibility study and financial projections required for a Letter of Intent guide the institution through careful assessment of program need and resource availability necessary for requesting approval to move forward with proposal development. The Letter of Intent serves as the basis for the system decision to support program planning with a request for THEC authorization of the intent to plan. THEC authorization of a Letter of Intent signifies statewide coordination of the development of new academic degree programs.

THEC A1.0.50 Early Consultation/Notification

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Procedures and time lines for Letters of Intent:

- A Letter of Intent to plan a new program (a degree program or a certificate requiring 24 or more semester hours) may be filed at any time.
- A THEC-approved Letter of Intent is valid for three years. If the system governing board has not approved the program within three years after THEC has authorized the Letter of Intent, a new letter of intent must be filed. THEC will post on its website a list of active Letters of Intent.
- The Letter of Intent itself should be a narrative, addressing all feasibility questions raised below.
- A transmittal letter from the system office must accompany the Letter of Intent (signed by the president/chancellor) requesting, on behalf of the institution, THEC approval to proceed with proposal development. The system request should indicate that the proposed action is a priority of the institution and system and should indicate the source of start-up funding.

CONTENTS FOR THE LETTER OF INTENT NARRATIVE

Proposed Program:

State the title of the proposed program and degree designation, proposed concentrations, CIP Code, and proposed implementation date.

Institutional Mission:

- How will the proposed program further the mission of the institution?
- How will the program meet the priorities of the State Master Plan for Higher Education and follow the directives of the Complete College Tennessee Act of 2010 relative to increased degree production?
- How will the program meet the goals of the system and institutional strategic plans?
- Will the program require the addition of a new organizational unit and, if so, what is the nature of the unit?
- Will establishment of the program require a SACS Substantive Change Review and, if so, what is the scope of the substantive change?

Program Need:

- What academic, workforce development, and/or research needs will the program meet? Cite employment projection and supply/demand data appropriate to the discipline and degree level as justification. Cite THEC supply/demand analyses as appropriate for degree or certificate field.
- Why is establishing this program an institutional priority at this time?

THEC A1.0.50 Early Consultation/Notification

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- List newly approved and established programs (within the same CIP classification) at the same degree level offered at other public institutions in Tennessee (See THEC web-based inventory and program productivity analyses for state institutions). Identify any low-producing programs among those listed. (See THEC annual program productivity reports).
- If similar programs exist, describe any opportunities for collaboration with other institutions that will be pursued.
- At what campus and off-campus locations does the institution plan to offer the program?
- In particular circumstances where state economic development opportunities emerge and resources are made available from external sources, THEC may request that Letters of Intent address additional criteria (A1.1.20).
- For proposed doctoral programs, cite THEC data on productivity of existing doctoral programs listed in the same CIP classification and provide a rationale for the addition of a same-CIP program. For proposed doctoral programs, provide letters from presidents of Tennessee institutions offering same-CIP doctoral programs within the same broad geographic service area certifying that the proposed program will not be perceived as duplicative.

Enrollment/Productivity:

- Project annual full-time, part-time and FTE enrollments and number of graduates for the first five years of program operation.
- Include an explanation of how these projections were derived.

Curriculum:

- Describe the academic focus of the program and number of hours required.
- Project the date for program accreditation (where applicable).
- Identify the delivery methods for the program (online, on-ground, hybrid) and provide a rationale for the delivery mode(s).
- Describe the articulation and transfer avenues projected for the proposed program in compliance with PC § 49-7-202.

Resources:

- Describe the strengths of the existing faculty in credentials and available FTE (state number of full- and part-time faculty) and estimate additional FTE (specify number of full-time and part-time faculty) needed to support the program.
- Describe existing and needed library and information technology resources to be available to support the projected program.

THEC A1.0.50 Early Consultation/Notification

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- Describe existing or anticipated facilities and equipment needed to support the program.
- Describe student advising support.
- Describe the anticipated effect the program will have on existing associated degree programs or concentrations within the institution.

Financial Projections:

- Attach the THEC Financial Projections form (Attachment A).
- Provide evidence of non-state funds (gifts, grants, awards) available to meet start-up costs.
- Provide a rationale for reallocation of budgeted funds.
- Institutions should cite THEC annual degree productivity data where funds may be redirected from closed low-producing programs (A1.1.20P).
- As a summary of the institution's program development plans and resource commitments, please list the institution's active Letters of Intent, programs that are in Post Approval Monitoring and are failing to meet benchmarks, low-producing programs at all levels, and programs terminated within the last 12 months.

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. ~~A standard format is required to ensure that all proposals for new academic programs are submitted in a complete and consistent manner.~~ 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 State Tennessee Technology Centers.
- 1.1.10B **Certificates.** The Commission approval for an undergraduate certificate program is required only when the program, ~~would be both free standing and~~ 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 Agriculture, Education, and Engineering 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 ~~also include a limited number of courses to satisfy General Education requirements~~ ensure General Education core requirement commonality and transfer (where appropriate) of 19-hour pre-major paths. ~~The curriculum and~~ 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 ~~reviews~~ 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 according to the principles set forth and 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, ~~campus, governing board, and~~ Commission staff will perform a summative evaluation and present the summary to the Commission annually. ~~These goals~~ 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 ~~July~~ 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, ~~should~~ 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.

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

THEC Financial Estimate Form
Please Enter the Name of the Institution Here
Please Enter the Name of the Proposed Program Here
Attachment A

Five-year projections are required for baccalaureate and post-baccalaureate programs and certificates. Three-year projections are required for associate degrees and undergraduate certificates. Projections should include cost of living increases per year.

	Year 1	Year 2	Year 3	Year 4	Year 5
I. Expenditures					
A. One-time Expenditures					
New/Renovated Space	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	-	-	-	-	-
Library	-	-	-	-	-
Consultants	-	-	-	-	-
Travel	-	-	-	-	-
Other	-	-	-	-	-
Sub-Total One-time	\$ -	\$ -	\$ -	\$ -	\$ -
B. Recurring Expenditures					
Personnel					
Administration					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Administration	-	-	-	-	-
Faculty					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Faculty	\$ -	\$ -	\$ -	\$ -	\$ -
Support Staff					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Sub-Total Support Staff	\$ -	\$ -	\$ -	\$ -	\$ -
Graduate Assistants					
Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Tuition and Fees* (See Below)	-	-	-	-	-
Sub-Total Graduate Assistants	\$ -	\$ -	\$ -	\$ -	\$ -
Operating					
Travel	\$ -	\$ -	\$ -	\$ -	\$ -
Printing	-	-	-	-	-
Equipment	-	-	-	-	-
Other	-	-	-	-	-
Sub-Total Operating	\$ -	\$ -	\$ -	\$ -	\$ -
Total Recurring	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -
(A+B)					

*If tuition and fees for Graduate Assistants are included, please provide the following information.

Base Tuition and Fees Rate	\$ -	\$ -	\$ -	\$ -	\$ -
----------------------------	------	------	------	------	------

Number of Graduate Assistants

-

-

-

-

-

II. Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Tuition and Fees ¹	-	-	-	-	-
Institutional Reallocations ²	-	-	-	-	-
Federal Grants ³	-	-	-	-	-
Private Grants or Gifts ⁴	-	-	-	-	-
Other ⁵	-	-	-	-	-
BALANCED BUDGET LINE	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

1. In what year is tuition and fee revenue expected to be generated and explain any differential fees. Tuition and fees include maintenance fees, out-of-state tuition, and any applicable earmarked fees for the program.

2. Please identify the source(s) of the institutional reallocations, and grant matching requirements if applicable.

3. Please provide the source(s) of the Federal Grant including the granting department and CFDA number.

4. Please provide the name of the organization(s) or individual(s) providing grant(s) or gift(s).

5. Please provide information regarding other sources of the funding.

DATE: January 27, 2011

SUBJECT: Temporary Authorization of New Institutions under the Postsecondary Authorization Act

ACTION RECOMMENDED: Temporary Authorization

BACKGROUND INFORMATION: The Commission, under the Postsecondary Authorization Act, has the “power and duty” to act upon applications for authorization to operate an educational institution in the state. For the institutions listed below, applications have been reviewed, site visits have been performed, and staff has determined that all necessary documentation and bonds have been secured. The Committee on Postsecondary Educational Institutions met on January 13, 2011 and endorsed staff recommendations for Temporary Authorization of these institutions.

**A. American Red Cross of Northeast Tennessee
2203 McKinley Rd Suite 219, Johnson City, TN 37604**

Corporate Structure:	Not-For-Profit Corporation
Accreditation:	None
Title IV Funding:	No

American Red Cross of Northeast Tennessee is seeking approval for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Johnson City, Tennessee.

- | | | |
|----|---------------------|-----------------------------|
| 1. | Program: | Nursing Assistant Training |
| | Credential Awarded: | Certificate of Completion |
| | Length of Program: | 118 contact hours (4 weeks) |

**B. Lindsey Wilson College
1480 Nashville Pike, Gallatin, TN 37066**

Corporate Structure:	Not-For-Profit Corporation
Accreditation:	Southern Association of Colleges and Schools
Title IV Funding:	Yes

Lindsey Wilson College is seeking approval for two new programs. The programs will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Gallatin, Tennessee.

- | | | |
|----|---------------------|--------------------------------------|
| 1. | Program: | Counseling and Human Development |
| | Credential Awarded: | Master of Education |
| | Length of Program: | 60 semester credit hours (24 months) |

2. Program: Human Services and Counseling
Credential Awarded: Bachelor of Arts
Length of Program: 48 semester credit hours (16 months)

**C. Tennessee Truck Driving School
5227 N. Middlebrook Pike Suite D, Knoxville, TN 37921**

Corporate Structure: For-Profit Corporation
Accreditation: None
Title IV Funding: No

Tennessee Truck Driving School is seeking approval for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Knoxville, Tennessee.

1. Program: Class A CDL Training
Credential Awarded: Certificate of Completion
Length of Program: 180 contact hours (18 days)

**D. Western International University
9215 North Black Canyon Highway, Phoenix, AZ 85021**

Corporate Structure: For Profit Corporation
Accreditation: The Higher Learning Commission of the North
Central Association
Title IV Funding: Yes

Western International University is seeking approval for twenty-nine new programs. These programs will be offered in an online format. The institution is recruitment only.

1. Program: Human Dynamics
Credential Awarded: Master of Arts
Length of Program: 39 semester credit hours (26 months)
2. Program: Innovative Leadership
Credential Awarded: Master of Arts
Length of Program: 39 semester credit hours (26 months)
3. Program: Business Administration
Credential Awarded: Master of Business Administration
Length of Program: 39 semester credit hours (26 months)
4. Program: Finance
Credential Awarded: Master of Business Administration
Length of Program: 39 semester credit hours (26 months)

5. Program: International Business
 Credential Awarded: Master of Business Administration
 Length of Program: 39 semester credit hours (26 months)
6. Program: Management
 Credential Awarded: Master of Business Administration
 Length of Program: 39 semester credit hours (26 months)
7. Program: Marketing
 Credential Awarded: Master of Business Administration
 Length of Program: 39 semester credit hours (26 months)
8. Program: Public Administration
 Credential Awarded: Master of Public Administration
 Length of Program: 39 semester credit hours (26 months)
9. Program: Information Systems Engineering
 Credential Awarded: Master of Science
 Length of Program: 39 semester credit hours (26 months)
10. Program: Behavioral Science
 Credential Awarded: Bachelor of Arts
 Length of Program: 126 semester credit hours (84 months)
11. Program: Criminal Behavior
 Credential Awarded: Bachelor of Arts
 Length of Program: 126 semester credit hours (84 months)
12. Program: Human Resource Management
 Credential Awarded: Bachelor of Arts
 Length of Program: 126 semester credit hours (84 months)
13. Program: Legal Studies
 Credential Awarded: Bachelor of Arts
 Length of Program: 126 semester credit hours (84 months)
14. Program: Professional Communication
 Credential Awarded: Bachelor of Arts
 Length of Program: 126 semester credit hours (84 months)
15. Program: Accounting
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
16. Program: Business/Accounting
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
17. Program: Business/Business Communication
 Credential Awarded: Bachelor of Science

- Length of Program: 126 semester credit hours (84 months)
18. Program: Business/Criminal Behavior
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
19. Program: Business/Finance
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
20. Program: Business/Human Resource Management
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
21. Program: Business/Informatics
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
22. Program: Business/Legal Studies
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
23. Program: Business/Management
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
24. Program: Business/Marketing
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
25. Program: Business Administration
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
26. Program: Informatics
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
27. Program: Management
 Credential Awarded: Bachelor of Science
 Length of Program: 126 semester credit hours (84 months)
28. Program: Business
 Credential Awarded: Associate of Arts
 Length of Program: 60 semester credit hours (40 months)
29. Program: Accountancy
 Credential Awarded: Certificate of Completion
 Length of Program: 54 semester credit hours (36 months)

DATE: January 27, 2011

SUBJECT: Approval of New Programs under the Postsecondary Authorization Act

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION: The Commission, under the Postsecondary Authorization Act, has the “power and duty” to act upon applications for authorization of educational programs in the state. Applications have been reviewed and all necessary documentation for the institutions submitting new program applications is in accordance with the Act and postsecondary rules. The Committee on Postsecondary Educational Institutions, which is a review and advisory committee to the Commission, met on January 13, 2011 and affirmed staff recommendations for approval.

A. Argosy University Nashville, TN

Corporate Structure:	For-Profit Corporation
Authorization Date:	November 15, 2001
Accreditation:	Higher Learning Commission, North Central Association
Title IV Funding:	Yes
Highest Credential Offered:	Doctoral Degree

Argosy University is seeking authorization for four new programs. The programs will be offered in a residential and blended format. Instruction will be provided by faculty from their authorized site in Nashville, Tennessee, as well as on-line.

1. Program: Human Resource Management
 Credential Awarded: Master of Science
 Length of Program: 30 semester credit hours (24 months Full Time)
 (48 months Part Time)
2. Program: Non-Profit Management
 Credential Awarded: Master of Science
 Length of Program: 30 semester credit hours (24 months Full Time)
 (48 months Part Time)
3. Program: Organizational Leadership
 Credential Awarded: Master of Science
 Length of Program: 30 semester credit hours (24 months Full Time)
 (48 months Part Time)

4. Program: Service Sector Management
 Credential Awarded: Master of Science
 Length of Program: 30 semester credit hours (24 months Full Time)
 (48 months Part Time)

B. Argosy University – Online

Phoenix, AZ

- Corporate Structure: For-Profit Corporation
 Authorization Date: April 26, 2007
 Accreditation: Higher Learning Commission, North Central Association
 Title IV Funding: Yes
 Highest Credential Offered: Doctoral Degree

Argosy University – Online is seeking authorization for twelve new programs. The programs will be offered in an online format. The institution is recruitment only.

1. Program: Human Resource Management
 Credential Awarded: Master of Science
 Length of Program: 30 semester credit hours (24 months Full Time)
 (48 months Part Time)
2. Program: Non-Profit Management
 Credential Awarded: Master of Science
 Length of Program: 30 semester credit hours (24 months Full Time)
 (48 months Part Time)
3. Program: Organizational Leadership
 Credential Awarded: Master of Science
 Length of Program: 30 semester credit hours (24 months Full Time)
 (48 months Part Time)
4. Program: Service Sector Management
 Credential Awarded: Master of Science
 Length of Program: 30 semester credit hours (24 months Full Time)
 (48 months Part Time)
5. Program: Education/Higher and Postsecondary Education
 Credential Awarded: Master of Arts
 Length of Program: 30 semester credit hours (24 months)
6. Program: Public Health
 Credential Awarded: Master of Public Health
 Length of Program: 45 semester credit hours (24 months)
7. Program: Homeland Security
 Credential Awarded: Master of Public Administration
 Length of Program: 36 semester credit hours (24 months)

- | | | |
|-----|---|--|
| 8. | Program:
Credential Awarded:
Length of Program: | Emergency Preparedness and Response
Master of Public Administration
36 semester credit hours (24 months) |
| 9. | Program:
Credential Awarded:
Length of Program: | State and Local Government
Master of Public Administration
36 semester credit hours (24 months) |
| 10. | Program:
Credential Awarded:
Length of Program: | Psychology/Advanced Studies
Bachelor of Arts
120 semester credit hours (48 months) |
| 11. | Program:
Credential Awarded:
Length of Program: | Psychology/Human Services
Bachelor of Arts
120 semester credit hours (48 months) |
| 12. | Program:
Credential Awarded:
Length of Program: | Psychology/Organizational Psychology
Bachelor of Arts
120 semester credit hours (48 months) |

C. Art Institute of Tennessee – Nashville Nashville, TN

Corporate Structure:	For-Profit Corporation
Authorization Date:	July 27, 2006
Accreditation:	Southern Association of Colleges and Schools (SACS)
Title IV Funding:	Yes
Highest Credential Offered:	Bachelors Degree

The Art Institute of Tennessee is seeking authorization for one new program and one revised program. The programs will be taught by faculty from their authorized site in Nashville, Tennessee. The programs will be offered in a residential format.

- | | | |
|----|---|--|
| 1. | Program:
Credential Awarded:
Length of Program: | Baking and Pastry
Associate of Arts
90 quarter credit hours (18 months Full Time)
(24 months Part Time) |
| 2. | Program:
Credential Awarded:
Length of Program: | Culinary Arts (Revised)
Diploma
56 quarter credit hours (12 months Full Time)
(24 months Part Time) |

D. Chattanooga College Medical, Dental and Technical Careers - Brainerd Chattanooga, TN

Corporate Structure:	For-Profit Corporation
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Authorization Date: November 15, 2001
Accreditation: Accrediting Commission of Career Schools and Colleges
Title IV Funding: Yes
Highest Credential Offered: Associate of Applied Science Degree

Chattanooga College Medical, Dental and Technical Careers, Inc. is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Chattanooga, Tennessee.

1. Program: Paralegal Studies
Credential Awarded: Associate of Applied Science
Length of Program: 96 quarter credit hours (18 months - 24 months)

E. Concorde Career College Memphis, TN

Corporate Structure: For-Profit Corporation
Authorization Date: October 19, 2006
Accreditation: Council on Occupational Education
Title IV Funding: Yes
Highest Credential Offered: Associate of Applied Science

Concorde Career College is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Memphis, Tennessee.

1. Program: Nurse Aide Training
Credential Awarded: Diploma
Length of Program: 180 contact hours (2 months)

F. Harding University Memphis, TN

Corporate Structure: Not-For-Profit Corporation
Authorization Date: January 1, 1981
Accreditation: Higher Learning Commission – North Central Association
National Council for Accreditation of Teacher Education
Title IV Funding: Yes
Highest Credential Offered: Doctoral Degree

Harding University is seeking authorization for two new programs. The programs will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Memphis, Tennessee.

1. Program: Teaching

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|----|---------------------|--|
| | Credential Awarded: | Master of Arts |
| | Length of Program: | 35 semester credit hours (22 months - 24 months) |
| 2. | Program: | Special Education |
| | Credential Awarded: | Master of Education |
| | Length of Program: | 35 semester credit hours (15 months - 24 months) |

G. Kaplan University

Chicago, IL

- | | |
|-----------------------------|---|
| Corporate Structure: | For-Profit Corporation |
| Authorization Date: | October 27, 2009 |
| Accreditation: | The Higher Learning Commission of the North Central Association |
| Title IV Funding: | Yes |
| Highest Credential Offered: | Master of Science Degree |

Kaplan University is seeking authorization for twenty-eight new programs. The programs will be offered in an online format. The institution is recruitment only.

- | | | |
|----|---------------------|--|
| 1. | Program: | Environmental Policy |
| | Credential Awarded: | Master of Science |
| | Length of Program: | 55 quarter credit hours (15 months) |
| 2. | Program: | Fire and Emergency Services |
| | Credential Awarded: | Master of Science |
| | Length of Program: | 55 quarter credit hours (17.5 months) |
| 3. | Program: | Homeland Security and Emergency Management |
| | Credential Awarded: | Master of Science |
| | Length of Program: | 55 quarter credit hours (15 months) |
| 4. | Program: | Information Technology/Entrepreneurship |
| | Credential Awarded: | Master of Science |
| | Length of Program: | 56 quarter credit hours (10.5 months) |
| 5. | Program: | Management/Information Technology |
| | Credential Awarded: | Master of Science |
| | Length of Program: | 56 quarter credit hours (21 months) |
| 6. | Program: | Management/Leadership |
| | Credential Awarded: | Master of Science |
| | Length of Program: | 56 quarter credit hours (21 months) |
| 7. | Program: | Cisco Networks |
| | Credential Awarded: | Postbaccaluate Certificate |
| | Length of Program: | 27 quarter credit hours (7.5 months) |
| 8. | Program: | Computer Forensics |

- | | | |
|-----|---------------------|--|
| | Credential Awarded: | Postbaccaluareate Certificate |
| | Length of Program: | 28 quarter credit hours (7.5 months) |
| 9. | Program: | Human Resources |
| | Credential Awarded: | Postbaccaluareate Certificate |
| | Length of Program: | 30 quarter credit hours (7.5 months) |
| 10. | Program: | Information Security |
| | Credential Awarded: | Postbaccaluareate Certificate |
| | Length of Program: | 21 quarter credit hours (5 months) |
| 11. | Program: | Internet Web Design |
| | Credential Awarded: | Postbaccaluareate Certificate |
| | Length of Program: | 26 quarter credit hours (7.5 months) |
| 12. | Program: | Linux System Administration |
| | Credential Awarded: | Postbaccaluareate Certificate |
| | Length of Program: | 21 quarter credit hours (5 months) |
| 13. | Program: | Microsoft Operating Systems |
| | Credential Awarded: | Postbaccaluareate Certificate |
| | Length of Program: | 26 quarter credit hours (7.5 months) |
| 14. | Program: | National Security Administration |
| | Credential Awarded: | Postbaccaluareate Certificate |
| | Length of Program: | 18 quarter credit hours (5 months) |
| 15. | Program: | Oracle Database |
| | Credential Awarded: | Postbaccaluareate Certificate |
| | Length of Program: | 23 quarter credit hours (5 months) |
| 16. | Program: | Early Childhood Development |
| | Credential Awarded: | Bachelor of Science |
| | Length of Program: | 180 quarter credit hours (37.5 months) |
| 17. | Program: | Information Technology/Information Systems
Management |
| | Credential Awarded: | Bachelor of Science |
| | Length of Program: | 180 quarter credit hours (37.5 months) |
| 18. | Program: | Early Childhood Development |
| | Credential Awarded: | Associate of Applied Science |
| | Length of Program: | 90 quarter credit hours (20 months) |
| 19. | Program: | Educational Paraprofessional |
| | Credential Awarded: | Associate of Applied Science |
| | Length of Program: | 90 quarter credit hours (20 months) |
| 20. | Program: | Information Technology/Help Desk Administration |

- | | | |
|-----|---------------------|---|
| | Credential Awarded: | Associate of Applied Science |
| | Length of Program: | 90 quarter credit hours (20 months) |
| 21. | Program: | Corrections |
| | Credential Awarded: | Certificate of Completion |
| | Length of Program: | 36 quarter credit hours (7.5 months) |
| 22. | Program: | Crime Scene Technician |
| | Credential Awarded: | Certificate of Completion |
| | Length of Program: | 44 quarter credit hours (10 months) |
| 23. | Program: | Information Technology Pathway |
| | Credential Awarded: | Certificate of Completion |
| | Length of Program: | 36 quarter credit hours (7.5 months) |
| 24. | Program: | Introduction to Computer Programming Language |
| | Credential Awarded: | Certificate of Completion |
| | Length of Program: | 36 quarter credit hours (7.5 months) |
| 25. | Program: | Legal Secretary |
| | Credential Awarded: | Certificate of Completion |
| | Length of Program: | 31 quarter credit hours (7.5 months) |
| 26. | Program: | Management Supervision in Criminal Justice |
| | Credential Awarded: | Certificate of Completion |
| | Length of Program: | 36 quarter credit hours (7.5 months) |
| 27. | Program: | Pathway to Paralegal |
| | Credential Awarded: | Certificate of Completion |
| | Length of Program: | 36-37 quarter credit hours (10 months) |
| 28. | Program: | Private Security |
| | Credential Awarded: | Certificate of Completion |
| | Length of Program: | 53 quarter credit hours (12.5 months) |

H. Lab Four Career Training Institute

Memphis, TN

- | | |
|-----------------------------|---------------------------|
| Corporate Structure: | Sole Proprietorship |
| Authorization Date: | April 24, 2008 |
| Accreditation: | None |
| Title IV Funding: | No |
| Highest Credential Offered: | Certificate of Completion |

Lab Four Career Training Institute is seeking authorization for six new programs. The Certificate of Completion in Certified Electronic Healthcare Specialist and Solar Photovoltaic will be offered in a residential format and the Technical E-learning Certificates of Completion will be offered in a blended format. Instruction will be

provided by faculty from their authorized site in Memphis, Tennessee, as well as online.

1. Program: Certified Electronic Healthcare Specialist
Credential Awarded: Certificate of Completion
Length of Program: 110 contact hours (3 months)
2. Program: Solar Photovoltaic Installer
Credential Awarded: Certificate of Completion
Length of Program: 96 contact hours (3 months)
3. Program: Technical E-Learning/Microsoft Certified Professional
Credential Awarded: Certificate of Completion
Length of Program: 72 – 301 contact hours (3 months – 12 months)
4. Program: Technical E-Learning/Microsoft Certified Professional Developer
Credential Awarded: Certificate of Completion
Length of Program: 301 contact hours (12 months)
5. Program: Technical E-Learning/Microsoft Certified Technology Specialist
Credential Awarded: Certificate of Completion
6. Program: Technical E-Learning/Microsoft Office Specialist
Credential Awarded: Certificate of Completion
Length of Program: 72 – 301 contact hours (3 months – 12 months)

I. Mid-South Christian College

Memphis, TN

Corporate Structure: Not-For-Profit
Authorization Date: January 1, 1998
Accreditation: None
Title IV Funding: No
Highest Credential Offered: Bachelors Degree

Mid-South Christian College is seeking authorization for one new program. The program will be offered in a blended format. Instruction will be provided by faculty from their authorized site in Memphis, Tennessee, as well as on-line.

1. Program: Christian Leadership
Credential Awarded: Bachelors of Christian Leadership
Length of Program: 135 semester credit hours (48 months)

J. NASCAR Technical Institute**Mooresville, NC**

Corporate Structure: For-Profit Corporation
 Authorization Date: January 14, 2002
 Accreditation: Accrediting Commission of Career Schools and Colleges
 Title IV Funding: Yes
 Highest Credential Offered: Diploma

NASCAR Technical Institute is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Mooresville, North Carolina.

1. Program: Automotive Technology with NASCAR & NATT
 Credential Awarded: Diploma
 Length of Program: 94 semester credit hours (15 months)

K. National College of Business and Technology**Bartlett, TN**

Corporate Structure: For-Profit Corporation
 Authorization Date: November 16, 2006
 Accreditation: Accrediting Council for Independent Colleges and Schools
 Title IV Funding: Yes
 Highest Credential Offered: Associate of Applied Science Degree

National College of Business and Technology is seeking authorization for four new programs. The programs will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Bartlett, Tennessee.

1. Program: Health Care Management
 Credential Awarded: Bachelor of Applied Science
 Length of Program: 180 quarter credit hours (45 months Full Time)
 (68 months Part Time)
2. Program: Information Systems Engineering
 Credential Awarded: Associate of Applied Science
 Length of Program: 96 quarter credit hours (24 months Full Time)
 (36 months Part Time)
3. Program: Office Technology Professional
 Credential Awarded: Associate of Applied Science
 Length of Program: 96 quarter credit hours (24 months Full Time)
 (36 months Part Time)
4. Program: Systems and User Support
 Credential Awarded: Diploma
 Length of Program: 48 quarter credit hours (12 months Full Time)
 (15 months Part Time)

L. National College of Business and Technology Bristol, TN

Corporate Structure: For-Profit Corporation
Authorization Date: January 27, 2005
Accreditation: Accrediting Council for Independent Colleges and Schools
Title IV Funding: Yes
Highest Credential Offered: Bachelor of Applied Science Degree

National College of Business and Technology is seeking authorization for four new programs. The programs will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Bristol, Tennessee.

1. Program: Health Care Management
Credential Awarded: Bachelor of Applied Science
Length of Program: 180 quarter credit hours (45 months Full Time)
(68 months Part Time)
2. Program: Information Systems Engineering
Credential Awarded: Associate of Applied Science
Length of Program: 96 quarter credit hours (24 months Full Time)
(36 months Part Time)
3. Program: Office Technology Professional
Credential Awarded: Associate of Applied Science
Length of Program: 96 quarter credit hours (24 months Full Time)
(36 months Part Time)
4. Program: Systems and User Support
Credential Awarded: Diploma
Length of Program: 48 quarter credit hours (12 months Full Time)
(15 months Part Time)

M. National College of Business and Technology Knoxville, TN

Corporate Structure: For-Profit Corporation
Authorization Date: July 11, 2002
Accreditation: Accrediting Council for Independent Colleges and Schools
Title IV Funding: Yes
Highest Credential Offered: Associate of Applied Science Degree

National College of Business and Technology is seeking authorization for two new programs. The programs will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Knoxville, Tennessee.

1. Program: Office Technology Professional
 Credential Awarded: Associate of Applied Science
 Length of Program: 96 quarter credit hours (24 months Full Time)
 (36 months Part Time)
2. Program: Systems and User Support
 Credential Awarded: Diploma
 Length of Program: 48 quarter credit hours (12 months Full Time)
 (15 months Part Time)

N. National College of Business and Technology Madison, TN

Corporate Structure: For-Profit Corporation
 Authorization Date: July 27, 2006
 Accreditation: Accrediting Council for Independent Colleges and Schools
 Title IV Funding: Yes
 Highest Credential Offered: Associate of Applied Science Degree

National College of Business and Technology is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Madison, Tennessee.

1. Program: Office Technology Professional
 Credential Awarded: Associate of Applied Science
 Length of Program: 96 quarter credit hours (24 months Full Time)
 (36 months Part Time)

O. National College of Business and Technology Memphis, TN

Corporate Structure: For-Profit Corporation
 Authorization Date: November 17, 2005
 Accreditation: Accrediting Council for Independent Colleges and Schools
 Title IV Funding: Yes
 Highest Credential Offered: Associate of Applied Science Degree

National College of Business and Technology is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Memphis, Tennessee.

1. Program: Office Technology Professional
 Credential Awarded: Associate of Applied Science
 Length of Program: 96 quarter credit hours (24 months Full Time)
 (36 months Part Time)

P. National College of Business and Technology Nashville, TN

Corporate Structure: For-Profit Corporation
Authorization Date: July 16, 1991
Accreditation: Accrediting Council for Independent Colleges and Schools
Title IV Funding: Yes
Highest Credential Offered: Associate of Applied Science Degree

National College of Business and Technology is seeking authorization for three new programs. The programs will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Nashville, Tennessee.

1. Program: Health Care Management
Credential Awarded: Bachelor of Applied Science
Length of Program: 180 quarter credit hours (45 months Full Time)
(68 months Part Time)
2. Program: Office Technology Professional
Credential Awarded: Associate of Applied Science
Length of Program: 96 quarter credit hours (24 months Full Time)
(36 months Part Time)
3. Program: Systems and User Support
Credential Awarded: Diploma
Length of Program: 48 quarter credit hours (12 months Full Time)
(15 months Part Time)

Q. New Horizons Computer Learning Center Chattanooga, TN

Corporate Structure: For-Profit Corporation
Authorization Date: January 28, 2010
Accreditation: None
Title IV Funding: No
Highest Credential Offered: Certificate of Completion

New Horizons Computer Learning Center - Chattanooga is seeking authorization for two new programs. The programs will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Chattanooga, Tennessee.

1. Program: CompTIA Strata: IT Fundamentals
Credential Awarded: Certificate of Completion
Length of Program: 280 Contact hours (3 months)
2. Program: Project Management Program
Credential Awarded: Certificate of Completion

Length of Program: 216 Contact hours (3 months)

R. New Horizons Computer Learning Center Knoxville, TN

Corporate Structure: For-Profit Corporation
Authorization Date: January 28, 1999
Accreditation: None
Title IV Funding: No
Highest Credential Offered: Certificate of Completion

New Horizons Computer Learning Center – Knoxville is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Knoxville, Tennessee.

1. Program: Pharmacy Technician
Credential Awarded: Certificate of Completion
Length of Program: 224 contact hours (6 months Full Time)
(9 months Part Time)

S. Remington College Memphis Campus Memphis, TN

Corporate Structure: For-Profit Corporation
Authorization Date: January 12, 1987
Accreditation: Accrediting Commission of Career Schools and Colleges
Title IV Funding: Yes
Highest Credential Offered: Bachelors of Applied Science Degree

Remington College - Memphis is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Memphis, Tennessee.

1. Program: Medical Assistant
Credential Awarded: Certificate of Completion
Length of Program: 49 quarter credit hours (9 months)

T. Remington College Nashville Campus Nashville, TN

Corporate Structure: For-Profit Corporation
Authorization Date: July 17, 2003
Accreditation: Accrediting Commission of Career Schools and Colleges
Title IV Funding: Yes
Highest Credential Offered: Bachelors of Applied Science Degree

Remington College - Nashville is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Nashville, Tennessee.

1. Program: Medical Assistant
Credential Awarded: Certificate of Completion
Length of Program: 49 quarter credit hours (9 months)

U. Richmond Graduate University **Chattanooga, TN**

Corporate Structure: For-Profit Corporation
Authorization Date: July 31, 1998
Accreditation: Southern Association of Colleges and Schools
Title IV Funding: Yes
Highest Credential Offered: Master of Arts

Richmont Graduate University is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Chattanooga, Tennessee.

1. Program: Ministry
Credential Awarded: Master of Arts
Length of Program: 48 semester credit hours (24 months)

V. South College - Lonas **Knoxville, TN**

Corporate Structure: For-Profit Corporation
Authorization Date: January 1, 1980
Accreditation: Southern Association of Colleges and Schools
Title IV Funding: Yes
Highest Credential Offered: Doctor of Pharmacy

South College is seeking authorization for three new programs. The Bachelor of Science in Health Science and Certificate of Completion in Paralegal Studies Programs will be offered in a residential format and the Master of Science in Criminal Justice Program will be offered in a blended format. Instruction will be provided by faculty from their authorized site in Knoxville, Tennessee.

1. Program: Criminal Justice
Credential Awarded: Master of Science
Length of Program: 48 quarter credit hours (12 months Full Time)
(18 months Part Time)
2. Program: Health Science (Post Physical Therapist Degree)
Credential Awarded: Bachelor of Science
Length of Program: 84 quarter credit hours (18 months Full Time)

(24 months Part Time)

- 3. Program: Paralegal Studies
- Credential Awarded: Certificate of Completion
- Length of Program: 56 quarter credit hours (12 months Full time)
(18 months Part time)

W. University of Phoenix

Chattanooga, TN

Corporate Structure:	For-Profit Corporation
Authorization Date:	July 27, 2006
Accreditation:	The Higher Learning Commission of the North Central Association
Title IV Funding:	Yes
Highest Credential Offered:	Doctoral Degree

University of Phoenix is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Chattanooga, Tennessee.

1. Program: Curriculum and Instruction – Reading
- Credential Awarded: Master of Arts in Education
- Length of Program: 35 quarter credit hours (15 months)

X. University of Phoenix

Clarksville, TN

Corporate Structure:	For-Profit Corporation
Authorization Date:	January 28, 2010
Accreditation:	The Higher Learning Commission of the North Central Association
Title IV Funding:	Yes
Highest Credential Offered:	Doctoral Degree

University of Phoenix is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Clarksville, Tennessee.

1. Program: Curriculum and Instruction – Reading
- Credential Awarded: Master of Arts in Education
- Length of Program: 35 quarter credit hours (15 months)

Y. University of Phoenix

Knoxville, TN

Corporate Structure:	For-Profit Corporation
Authorization Date:	April 29, 2010
Accreditation:	The Higher Learning Commission of the North Central Association
Title IV Funding:	Yes
Highest Credential Offered:	Doctoral Degree

University of Phoenix is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Knoxville, Tennessee.

1. Program: Curriculum and Instruction – Reading
 Credential Awarded: Master of Arts in Education
 Length of Program: 35 quarter credit hours (15 months)

Z. University of Phoenix

Memphis, TN

- Corporate Structure: For-Profit Corporation
 Authorization Date: July 17, 2003
 Accreditation: The Higher Learning Commission of the North Central Association
 Title IV Funding: Yes
 Highest Credential Offered: Doctoral Degree

University of Phoenix is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Memphis, Tennessee.

1. Program: Curriculum and Instruction – Reading
 Credential Awarded: Master of Arts in Education
 Length of Program: 35 quarter credit hours (15 months)

AA. University of Phoenix

Murfreesboro, TN

- Corporate Structure: For-Profit Corporation
 Authorization Date: July 17, 2003
 Accreditation: The Higher Learning Commission of the North Central Association
 Title IV Funding: Yes
 Highest Credential Offered: Doctoral Degree

University of Phoenix is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Murfreesboro, Tennessee.

1. Program: Curriculum and Instruction – Reading
 Credential Awarded: Master of Arts in Education
 Length of Program: 35 quarter credit hours (15 months)

BB. University of Phoenix

Nashville, TN

- Corporate Structure: For-Profit Corporation
 Authorization Date: November 19, 2009
 Accreditation: The Higher Learning Commission of the North Central Association
 Title IV Funding: Yes

Highest Credential Offered: Doctoral Degree

University of Phoenix is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Nashville, Tennessee.

1. Program: Curriculum and Instruction – Reading
Credential Awarded: Master of Arts in Education
Length of Program: 35 quarter credit hours (15 months)

CC. University of Phoenix

Phoenix, AZ

Corporate Structure: For-Profit Corporation
Authorization Date: November 15, 2001
Accreditation: The Higher Learning Commission of the North Central Association
Title IV Funding: Yes
Highest Credential Offered: Doctoral Degree

University of Phoenix is seeking authorization for one new program. This program will be offered in an online format. The institution is recruitment only.

1. Program: Curriculum and Instruction – Reading
Credential Awarded: Master of Arts in Education
Length of Program: 35 quarter credit hours (15 months)

DD. Virginia College of Business and Health

Chattanooga, TN

Corporate Structure: Limited Liability Corporation
Authorization Date: July 27, 2006
Accreditation: Accrediting Counsel for Independent Colleges and Schools
Title IV Funding: Yes
Highest Credential Offered: Bachelor of Applied Science

Virginia College School of Business and Health is seeking authorization for one new program. The program will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Chattanooga, Tennessee.

1. Program: Business Administration
Credential Awarded: Associate of Applied Science
Length of Program: 96 quarter credit hours (24 months)

EE. YWCA of Greater Memphis

Memphis, TN

Corporate Structure: Not-For-Profit Corporation

Authorization Date: November 20, 2008

Accreditation: None
Title IV Funding: No
Highest Credential Offered: Certificate of Completion

YWCA of Greater Memphis is seeking authorization for three new programs. The programs will be offered in a residential format. Instruction will be provided by faculty from their authorized site in Memphis, Tennessee.

1. Program: Pre-Apprenticeship Carpentry
Credential Awarded: Certificate of Completion
Length of Program: 75 contact hours (2.5 months)
2. Program: Pre-Apprenticeship Plumbing
Credential Awarded: Certificate of Completion
Length of Program: 75 contact hours (2.5 months)
3. Program: Warehouse Logistics
Credential Awarded: Certificate of Completion
Length of Program: 75 contact hours (2.5 months)

Agenda Item: I.D.

DATE: January 27, 2011

SUBJECT: Presentation of the University of Tennessee at Martin Master Plan Update

ACTION RECOMMENDED: Approval

The 2010 University of Tennessee at Martin (UTM) Master Plan Update will be presented by Mr. Marion Fowlkes from Centric Architecture. The UTM Master Plan provides a guide for campus expansion while preserving and renewing existing facilities and reinforcing the positive aspects of the campus.

The UTM Master Plan addresses the long term needs of the campus with respect to academic facilities, student housing, parking, circulation, visual improvements and land acquisition. The THEC Space Planning Guidelines were utilized to identify and project needs for campus space.

The Master Plan details scenarios for meeting expected enrollment growth through the expansion and renovation of existing instructional buildings and the construction of three new classroom and laboratory buildings. Student housing needs are addressed through the proposed replacement of two existing dorms with apartment-style housing and consolidation of sororities and fraternities on campus through the construction of new Greek facilities. Also, additional food service facilities are planned within or adjacent to the future student housing. The Master Plan also calls for campus visual improvements such as ceremonial gateways, landscaping, plazas, as well as pedestrian and vehicular improvements such as new signage.

The three new capital projects identified in the Master Plan have an estimated cost of \$88.6 million. The Master Plan also lists five potential real estate acquisitions at an estimated cost of \$3.1 million. The proposed acquisitions would provide land for future parking space, on-campus student apartments, and agricultural program use.

The UTM Campus Master Plan Update has been thoroughly reviewed and THEC staff recommend it for approval.

DATE: January 27, 2011

SUBJECT: October 31 Revised Budgets, FY 2010-11

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION: The General Appropriations Act requires that the operating budgets of all higher education units be submitted by the respective governing boards to the Higher Education Commission. Each higher education system submits operating budget estimates two times each year. The initial and revised estimates are referred to as the July 1 and October 31 operating budgets, respectively. These two operating budget estimates are compared throughout the enclosed material.

The budgets are to be submitted, with the Commission's action and comments, to the Department of Finance and Administration for review and approval.

SUMMARY OF COMMENTS: The FY 2010-11 revised operating budgets for higher education are balanced. Campuses have again directed the majority of their resources to the teaching functions. Expenditures for auxiliary enterprises have not exceeded revenues plus unallocated auxiliary fund balances. Budgeted expenditures for maintenance and operation are at least 100 percent of the legislative appropriation for FY 2010-11 for each institution. All higher education budget entities have submitted the required financial data to the Commission and are in compliance with all the budget guidelines and legislative directives.

Overall, revenue from tuition and fees was revised from 45.6 percent in the July 1 estimate to 45.9 percent in the October 31 estimate, while revenue from state appropriations was revised from 44.1 to 43.8 percent. Expenditures for the teaching functions – instruction, research, public service, and academic support – were revised from 62.5 to 62.9 percent.

RECOMMENDATION: It is recommended that the Commission approve the revised FY 2010-11 October 31 budgets, authorize the Executive Director to make technical adjustments to the budgets if necessary and transmit the approval of the referenced budgets, along with the appropriate commentary, to the Commissioner of Finance and Administration.

Table 1
Tennessee Higher Education Commission
State Appropriations History

Academic Formula Units	Total FY 2007-08 Appropriation*	Total FY 2008-09 Appropriation*	Total FY 2009-10 Appropriation*	Total FY 2010-11 Appropriation*	Four Year Percentage Change
TBR Universities					
Austin Peay	\$36,196,500	\$32,935,800	\$27,228,700	\$25,191,800	-30.4%
East Tennessee	63,070,900	57,792,100	48,353,800	44,870,000	-28.9%
Middle Tennessee	100,775,700	91,965,400	76,102,500	70,600,000	-29.9%
Tennessee State	42,553,700	38,448,300	30,371,100	28,281,900	-33.5%
Tennessee Tech	49,204,400	45,198,900	38,341,600	35,635,400	-27.6%
University of Memphis	123,224,900	113,093,400	97,397,500	91,348,000	-25.9%
Subtotal	\$415,026,100	\$379,433,900	\$317,795,200	\$295,927,100	-28.7%
Two-Year Colleges					
Chattanooga	\$24,993,200	\$23,667,300	\$21,297,300	\$20,166,700	-19.3%
Cleveland	10,830,700	10,271,300	9,408,300	8,911,100	-17.7%
Columbia	14,015,400	13,246,700	12,025,200	11,392,300	-18.7%
Dyersburg	7,581,500	7,190,000	6,506,300	6,131,100	-19.1%
Jackson	13,096,600	12,393,900	11,104,800	10,423,300	-20.4%
Motlow	10,910,000	10,302,500	9,159,600	8,625,000	-20.9%
Nashville	16,285,700	15,375,500	13,429,500	12,554,500	-22.9%
Northeast	13,156,400	12,442,600	11,051,400	10,383,600	-21.1%
Pellissippi	21,961,000	20,741,200	18,242,100	17,062,500	-22.3%
Roane	19,061,900	18,044,100	16,437,400	15,620,800	-18.1%
Southwest	40,042,000	37,845,200	34,396,200	32,426,900	-19.0%
Volunteer	19,159,800	18,134,900	16,269,400	15,345,700	-19.9%
Walters	19,355,100	18,347,900	16,578,900	15,740,800	-18.7%
Subtotal	\$230,449,300	\$218,003,100	\$195,906,400	\$184,784,300	-19.8%
UT Universities					
UT Chattanooga	\$46,033,200	\$42,102,800	\$35,886,300	\$33,162,700	-28.0%
UT Knoxville	195,397,500	178,669,100	152,036,100	142,165,100	-27.2%
UT Martin	33,231,400	30,386,700	25,683,900	23,680,900	-28.7%
Subtotal	\$274,662,100	\$251,158,600	\$213,606,300	\$199,008,700	-27.5%
Total Colleges and Universities	\$920,137,500	\$848,595,600	\$727,307,900	\$679,720,100	-26.1%
Technology Centers	\$53,607,000	\$50,825,800	\$47,842,700	\$46,263,500	-13.7%
Total Academic Formula Units	\$973,744,500	\$899,421,400	\$775,150,600	\$725,983,600	-25.4%

*Recurring; No ARRA or Maintenance of Effort Funding

Table 1
Tennessee Higher Education Commission
State Appropriations History

Specialized Units	Total FY 2007-08 Appropriation*	Total FY 2008-09 Appropriation*	Total FY 2009-10 Appropriation*	Total FY 2010-11 Appropriation*	Four Year Percentage Change
Medical Education					
ETSU College of Medicine	\$29,028,900	\$27,619,200	\$26,297,600	\$25,377,900	-12.6%
ETSU Family Practice	5,677,800	5,408,600	5,333,500	5,150,800	-9.3%
UT College of Medicine	49,340,900	46,573,700	44,057,000	42,524,700	-13.8%
UT Family Practice	10,161,400	9,654,000	9,487,500	9,169,900	-9.8%
UT Memphis	71,168,300	68,934,900	64,637,400	61,842,100	-13.1%
UT College of Vet Medicine	16,631,600	15,799,600	14,718,500	14,037,400	-15.6%
Subtotal	\$182,008,900	\$173,990,000	\$164,531,500	\$158,102,800	-13.1%
Research and Public Service					
UT Ag. Experiment Station	\$25,094,000	\$23,841,500	\$23,377,800	\$22,674,300	-9.6%
UT Ag. Extension Service	30,095,000	28,694,300	28,143,100	27,180,600	-9.7%
TSU McMinnville Center	531,200	503,100	521,500	527,900	-0.6%
TSU Institute of Agr and Envir. Research	2,173,000	2,055,700	2,109,800	2,156,200	-0.8%
TSU Cooperative Education	1,927,000	1,823,000	2,371,700	2,918,300	51.4%
TSU McIntire-Stennis Forestry Research	NA	NA	185,400	171,900	NA
UT Space Institute	8,282,000	7,821,000	7,465,900	7,191,600	-13.2%
UT Institute for Public Service	4,980,000	4,806,500	4,705,100	4,296,800	-13.7%
UT County Tech Asst. Service	1,605,300	1,519,600	1,491,700	1,477,400	-8.0%
UT Municipal Tech Adv. Service	2,743,100	2,601,900	2,556,500	2,496,200	-9.0%
Subtotal	\$77,430,600	\$73,666,600	\$72,928,500	\$71,091,200	-8.2%
Other Specialized Units					
UT University-Wide Administration	\$4,564,500	\$4,399,600	\$4,353,700	\$4,113,800	-9.9%
TN Board of Regents Administration	4,871,700	4,517,100	4,429,300	4,392,800	-9.8%
TN Student Assistance Corporation	49,836,900	48,712,900	48,589,500	48,567,100	-2.5%
Tennessee Student Assistance Awards	47,108,500	46,162,500	46,162,500	46,162,500	-2.0%
Tenn. Students Assistance Corporation	1,537,400	1,359,400	1,236,000	1,213,600	-21.1%
Loan/Scholarships Program	1,191,000	1,191,000	1,191,000	1,191,000	0.0%
TN Higher Education Commission	2,381,500	2,207,300	2,186,500	2,160,300	-9.3%
TN Foreign Language Institute	372,200	369,000	349,100	338,100	-9.2%
Contract Education	2,542,700	2,490,700	2,289,700	2,217,000	-12.8%
Subtotal	\$64,569,500	\$62,696,600	\$62,197,800	\$61,789,100	-4.3%
Total Specialized Units	\$324,009,000	\$310,353,200	\$299,657,800	\$290,983,100	-10.2%
Total Formula and Specialized Units	\$1,297,753,500	\$1,209,774,600	\$1,074,808,400	\$1,016,966,700	-21.6%
Program Initiatives					
Campus Centers of Excellence	\$19,635,500	\$18,774,500	\$17,717,700	\$17,238,700	-12.2%
Campus Centers of Emphasis	1,429,600	1,344,900	1,269,200	1,240,700	-13.2%
Ned McWherter Scholars Program	401,800	401,800	401,800	401,800	0.0%
UT Access and Diversity Initiative	6,448,900	6,181,900	5,833,900	5,648,700	-12.4%
TBR Access and Diversity Initiative	11,391,100	10,543,000	10,313,200	9,977,400	-12.4%
THEC Grants	2,715,900	2,581,800	2,436,500	2,359,200	-13.1%
Research Initiatives - UT	6,500,000	6,231,000	5,880,300	5,693,700	-12.4%
Subtotal	\$48,522,800	\$46,058,900	\$43,852,600	\$42,560,200	-12.3%
Total Operating	\$1,346,276,300	\$1,255,833,500	\$1,118,661,000	\$1,059,526,900	-21.3%

2010-11 Total Operating	\$1,059,526,900
2010-11 Lottery for Education Account	\$295,700,000
2010-11 GRAND TOTAL	\$1,355,226,900

*Recurring; No ARRA or Maintenance of Effort Funding

Table 1 (continued)
Total Enrollment Based Formula Need Funding

Institution/Unit	FY 2010-11					Enrollment Based Funding Formula Total Need	Difference	Percent Difference
	Oct 31 Unrestricted Legislative Appropriation*	Maintenance Fees	Technology Access Fee	Out-of-State Tuition	Total Revenue			
Austin Peay	\$ 35,740,600	\$ 50,158,500	\$ 2,264,100	\$ 2,788,500	\$ 90,951,700	\$ 78,195,000	\$ 12,756,700	116.3%
East Tennessee	62,509,000	70,971,100	2,885,000	10,037,000	146,402,100	143,316,000	3,086,100	102.2%
Middle Tennessee	99,257,000	127,174,600	5,201,700	9,443,300	241,076,500	227,255,000	13,821,500	106.1%
Tennessee State	40,492,400	40,099,300	1,744,300	16,911,400	99,247,400	107,397,000	(8,149,600)	92.4%
Tennessee Tech	48,261,600	51,853,900	2,286,900	5,055,100	107,457,500	106,785,000	672,500	100.6%
University of Memphis	122,610,200	119,925,200	4,262,700	9,005,200	255,803,300	267,115,000	(11,311,700)	95.8%
Subtotal TBR Universities	\$ 408,870,800	\$ 460,182,600	\$ 18,644,700	\$ 53,240,500	\$ 940,938,600	\$ 930,063,000	\$ 10,875,600	101.2%
Chattanooga	\$ 25,285,700	\$ 26,500,000	\$ 2,000,000	\$ 500,000	\$ 54,285,700	\$ 48,515,000	\$ 5,770,700	111.9%
Cleveland	10,921,300	8,848,000	725,000	221,900	20,716,200	20,176,000	540,200	102.7%
Columbia	14,032,600	12,300,500	975,000	301,300	27,609,400	27,388,000	221,400	100.8%
Dyersburg	7,650,100	8,145,600	739,700	108,100	16,643,500	16,520,000	123,500	100.7%
Jackson	13,125,000	13,080,400	915,500	107,000	27,227,900	25,985,000	1,242,900	104.8%
Motlow	10,963,300	11,600,000	850,000	195,000	23,608,300	25,279,000	(1,670,700)	93.4%
Nashville	16,356,200	21,173,000	1,791,900	788,700	40,109,800	35,668,000	4,441,800	112.5%
Northeast	13,232,800	15,793,800	1,080,000	79,000	30,185,600	31,610,000	(1,424,400)	95.5%
Pellissippi	22,008,600	26,740,000	2,250,000	1,360,000	52,358,600	48,839,000	3,519,600	107.2%
Roane	19,021,500	15,734,700	1,372,900	371,300	36,500,400	35,577,000	923,400	102.6%
Southwest	40,037,700	29,934,900	3,171,000	1,476,700	74,620,300	67,816,000	6,804,300	110.0%
Volunteer	19,279,800	19,047,500	1,496,600	576,300	40,400,200	37,815,000	2,585,200	106.8%
Walters	19,563,200	17,822,200	1,504,600	351,900	39,241,900	38,793,000	448,900	101.2%
Subtotal 2-Year Institutions	\$ 231,477,800	\$ 226,720,600	\$ 18,872,200	\$ 6,437,200	\$ 483,507,700	\$ 459,981,000	\$ 23,526,700	105.1%
UT Chattanooga	\$ 48,844,300	\$ 47,230,000	\$ 1,530,200	\$ 6,262,100	\$ 103,866,500	\$ 104,335,000	\$ (468,500)	99.6%
UT Knoxville	225,689,000	177,979,700	5,200,000	34,364,800	443,233,500	465,000,000	(21,766,500)	95.3%
UT Martin	35,228,900	38,244,000	1,342,000	3,872,000	78,686,900	70,994,000	7,692,900	110.8%
Subtotal UT Universities	\$ 309,762,200	\$ 263,453,700	\$ 8,072,200	\$ 44,498,900	\$ 625,786,900	\$ 640,329,000	\$ (14,542,100)	97.7%
Technology Centers	\$ 54,374,900	\$ 23,042,300	\$ 2,069,700	\$ -	\$ 79,486,900	\$109,477,000	\$ (29,990,100)	72.6%
Total Formula Units	\$ 1,004,485,700	\$ 973,399,200	\$ 47,658,800	\$ 104,176,500	\$ 2,129,720,100	\$ 2,139,850,000	\$ (10,129,900)	99.5%

*Includes 2010-11 State Funds that replaced the 2010-11 ARRA and Maintenance of Effort Allocation

Table 2

**SUMMARY OF UNRESTRICTED EDUCATIONAL AND GENERAL REVENUE DOLLARS AND PERCENT BY SOURCE
FOR THE TBR AND UT SYSTEMS, JULY 1 & OCTOBER 31 BUDGETS 2010-11**

	APSU	ETSU	MTSU	TSU	TTU	UM	Total TBR Universities	Chattanooga	Cleveland
Tuition & Fees									
Jul 1 - Dollar	\$60,750,500	\$92,056,400	\$152,713,800	\$62,795,500	\$64,612,000	\$147,374,000	\$580,302,200	\$28,250,100	\$9,781,700
Jul 1 - Percent	60.59%	55.11%	57.30%	57.26%	53.80%	46.41%	53.68%	51.96%	46.66%
Oct 31 - Dollar	\$64,103,800	\$93,606,200	\$159,954,500	\$63,364,800	\$65,890,400	\$152,757,700	\$599,677,400	\$32,368,500	\$10,442,600
Oct 31 - Percent	61.59%	55.13%	58.26%	56.90%	53.74%	46.60%	54.01%	55.50%	48.52%
State Appropriation									
Jul 1 - Dollar	\$35,415,400	\$62,124,600	\$98,467,000	\$39,653,300	\$47,933,200	\$121,831,000	\$405,424,500	\$25,608,500	\$11,024,700
Jul 1 - Percent	35.32%	37.19%	36.95%	36.16%	39.91%	38.37%	37.50%	47.10%	52.59%
Oct 31 - Dollar	\$35,740,600	\$62,509,000	\$99,257,000	\$40,492,400	\$48,261,600	\$122,610,200	\$408,870,800	\$25,285,700	\$10,921,300
Oct 31 - Percent	34.34%	36.81%	36.15%	36.36%	39.36%	37.41%	36.83%	43.36%	50.74%
Sales & Service									
Jul 1 - Dollar	\$3,235,700	\$6,257,100	\$12,391,200	\$4,245,600	\$5,418,900	\$24,620,800	\$56,169,300	\$291,000	\$9,900
Jul 1 - Percent	3.23%	3.75%	4.65%	3.87%	4.51%	7.75%	5.20%	0.54%	0.05%
Oct 31 - Dollar	\$3,376,300	\$6,245,300	\$12,401,200	\$4,538,900	\$6,307,500	\$27,669,800	\$60,539,000	\$296,000	\$9,900
Oct 31 - Percent	3.24%	3.68%	4.52%	4.08%	5.14%	8.44%	5.45%	0.51%	0.05%
Other Sources									
Jul 1 - Dollar	\$861,400	\$6,610,600	\$2,940,600	\$2,968,600	\$2,129,000	\$23,714,200	\$39,224,400	\$221,800	\$147,400
Jul 1 - Percent	0.86%	3.96%	1.10%	2.71%	1.77%	7.47%	3.63%	0.41%	0.70%
Oct 31 - Dollar	\$861,400	\$7,443,400	\$2,944,700	\$2,968,600	\$2,160,000	\$24,744,400	\$41,122,500	\$370,700	\$149,400
Oct 31 - Percent	0.83%	4.38%	1.07%	2.67%	1.76%	7.55%	3.70%	0.64%	0.69%
Total Educ. & Gen.									
Jul 1 - Dollar	\$100,263,000	\$167,048,700	\$266,512,600	\$109,663,000	\$120,093,100	\$317,540,000	\$1,081,120,400	\$54,371,400	\$20,963,700
Jul 1 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Oct 31 - Dollar	\$104,082,100	\$169,803,900	\$274,557,400	\$111,364,700	\$122,619,500	\$327,782,100	\$1,110,209,700	\$58,320,900	\$21,523,200
Oct 31 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 2 (cont'd)

**SUMMARY OF UNRESTRICTED EDUCATIONAL AND GENERAL REVENUE DOLLARS AND PERCENT BY SOURCE
FOR THE TBR AND UT SYSTEMS, JULY 1 & OCTOBER 31 BUDGETS 2010-11**

	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest
Tuition & Fees									
Jul 1 - Dollar	\$14,283,700	\$9,023,000	\$13,430,100	\$13,050,600	\$23,101,300	\$15,795,000	\$32,942,000	\$18,562,900	\$38,648,200
Jul 1 - Percent	49.84%	53.12%	49.05%	53.50%	55.80%	53.32%	58.39%	48.26%	47.81%
Oct 31 - Dollar	\$14,517,900	\$9,673,700	\$14,444,400	\$13,352,200	\$24,637,600	\$17,488,600	\$32,419,000	\$19,120,800	\$36,851,700
Oct 31 - Percent	50.41%	55.07%	51.12%	54.52%	58.01%	55.68%	58.39%	48.99%	46.93%
State Appropriation									
Jul 1 - Dollar	\$14,123,900	\$7,733,100	\$13,290,700	\$11,157,400	\$16,594,100	\$13,379,200	\$22,336,200	\$19,200,900	\$40,549,100
Jul 1 - Percent	49.28%	45.53%	48.54%	45.74%	40.08%	45.17%	39.59%	49.92%	50.16%
Oct 31 - Dollar	\$14,032,600	\$7,650,100	\$13,125,000	\$10,963,300	\$16,356,200	\$13,232,800	\$22,008,600	\$19,021,500	\$40,037,700
Oct 31 - Percent	48.72%	43.55%	46.45%	44.76%	38.51%	42.13%	39.64%	48.74%	50.98%
Sales & Service									
Jul 1 - Dollar	\$46,100	\$12,100	\$116,500	\$0	\$3,900	\$0	\$0	\$10,500	\$13,400
Jul 1 - Percent	0.16%	0.07%	0.43%	0.00%	0.01%	0.00%	0.00%	0.03%	0.02%
Oct 31 - Dollar	\$46,100	\$25,400	\$116,500	\$0	\$2,000	\$0	\$0	\$12,000	\$13,400
Oct 31 - Percent	0.16%	0.14%	0.41%	0.00%	0.00%	0.00%	0.00%	0.03%	0.02%
Other Sources									
Jul 1 - Dollar	\$204,700	\$217,400	\$545,000	\$186,500	\$1,698,600	\$447,000	\$1,136,600	\$692,600	\$1,627,900
Jul 1 - Percent	0.71%	1.28%	1.99%	0.76%	4.10%	1.51%	2.01%	1.80%	2.01%
Oct 31 - Dollar	\$204,500	\$217,400	\$571,600	\$177,200	\$1,472,000	\$688,000	\$1,093,000	\$872,200	\$1,627,700
Oct 31 - Percent	0.71%	1.24%	2.02%	0.72%	3.47%	2.19%	1.97%	2.23%	2.07%
Total Educ. & Gen.									
Jul 1 - Dollar	\$28,658,400	\$16,985,600	\$27,382,300	\$24,394,500	\$41,397,900	\$29,621,200	\$56,414,800	\$38,466,900	\$80,838,600
Jul 1 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Oct 31 - Dollar	\$28,801,100	\$17,566,600	\$28,257,500	\$24,492,700	\$42,467,800	\$31,409,400	\$55,520,600	\$39,026,500	\$78,530,500
Oct 31 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 2 (cont'd)

**SUMMARY OF UNRESTRICTED EDUCATIONAL AND GENERAL REVENUE DOLLARS AND PERCENT BY SOURCE
FOR THE TBR AND UT SYSTEMS, JULY 1 & OCTOBER 31 BUDGETS 2010-11**

	Volunteer	Walters	Total Two-Year Institutions	Technology Centers	TSU McMinnville Center	ETSU Medical School	ETSU Family Practice	ETSU Pharmacy School	Tennessee Board of Regents
Tuition & Fees									
Jul 1 - Dollar	\$22,915,200	\$20,329,500	\$260,113,300	\$25,189,100	\$0	\$7,679,600	\$0	\$8,709,700	\$0
Jul 1 - Percent	53.57%	49.52%	51.68%	30.32%	0.00%	14.55%	0.00%	92.29%	0.00%
Oct 31 - Dollar	\$23,636,600	\$20,998,500	\$269,952,100	\$25,971,300	\$0	\$7,794,600	\$0	\$8,679,100	\$0
Oct 31 - Percent	54.62%	50.58%	52.86%	30.98%	0.00%	14.76%	0.00%	80.39%	0.00%
State Appropriation									
Jul 1 - Dollar	\$19,501,600	\$19,771,200	\$234,270,600	\$54,494,700	\$553,000	\$29,547,000	\$5,945,500	\$0	\$4,761,200
Jul 1 - Percent	45.59%	48.16%	46.55%	65.60%	100.00%	55.97%	45.02%	0.00%	24.35%
Oct 31 - Dollar	\$19,279,800	\$19,563,200	\$231,477,800	\$54,374,900	\$570,600	\$29,194,600	\$5,754,300	\$0	\$4,433,200
Oct 31 - Percent	44.56%	47.13%	45.33%	64.86%	100.00%	55.30%	43.83%	0.00%	21.44%
Sales & Service									
Jul 1 - Dollar	\$18,700	\$142,600	\$664,700	\$601,300	\$0	\$14,225,600	\$7,195,400	\$0	\$0
Jul 1 - Percent	0.04%	0.35%	0.13%	0.72%	0.00%	26.95%	54.48%	0.00%	0.00%
Oct 31 - Dollar	\$22,200	\$139,500	\$683,000	\$637,900	\$0	\$14,225,600	\$7,308,300	\$0	\$0
Oct 31 - Percent	0.05%	0.34%	0.13%	0.76%	0.00%	26.95%	55.67%	0.00%	0.00%
Other Sources									
Jul 1 - Dollar	\$338,400	\$805,800	\$8,269,700	\$2,782,100	\$0	\$1,339,400	\$65,400	\$727,400	\$14,794,800
Jul 1 - Percent	0.79%	1.96%	1.64%	3.35%	0.00%	2.54%	0.50%	7.71%	75.65%
Oct 31 - Dollar	\$333,100	\$811,400	\$8,588,200	\$2,854,700	\$0	\$1,578,100	\$65,400	\$2,117,700	\$16,241,900
Oct 31 - Percent	0.77%	1.95%	1.68%	3.40%	0.00%	2.99%	0.50%	19.61%	78.56%
Total Educ. & Gen.									
Jul 1 - Dollar	\$42,773,900	\$41,049,100	\$503,318,300	\$83,067,200	\$553,000	\$52,791,600	\$13,206,300	\$9,437,100	\$19,556,000
Jul 1 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Oct 31 - Dollar	\$43,271,700	\$41,512,600	\$510,701,100	\$83,838,800	\$570,600	\$52,792,900	\$13,128,000	\$10,796,800	\$20,675,100
Oct 31 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 2 (cont'd)

**SUMMARY OF UNRESTRICTED EDUCATIONAL AND GENERAL REVENUE DOLLARS AND PERCENT BY SOURCE
FOR THE TBR AND UT SYSTEMS, JULY 1 & OCTOBER 31 BUDGETS 2010-11**

	Sub-Total TBR System	UTC	UTK	UTM	Total UT Formula Universities	UT Space Institute	UT Memphis	UT College of Medicine	UT Family Medicine
Tuition & Fees									
Jul 1 - Dollar	\$881,993,900	\$61,282,800	\$252,681,200	\$47,628,600	\$361,592,500	\$1,723,900	\$38,771,600	\$17,721,100	\$0
Jul 1 - Percent	50.03%	55.00%	49.15%	57.72%	51.07%	14.57%	26.77%	22.05%	0.00%
Oct 31 - Dollar	\$912,074,500	\$62,138,400	\$254,361,300	\$48,293,900	\$364,793,600	\$1,723,900	\$38,765,100	\$17,721,100	\$0
Oct 31 - Percent	50.59%	52.82%	48.81%	54.80%	50.18%	14.39%	26.84%	23.91%	0.00%
State Appropriation									
Jul 1 - Dollar	\$734,996,500	\$44,019,800	\$218,391,300	\$30,833,900	\$293,245,000	\$8,960,200	\$80,921,700	\$50,649,300	\$11,070,700
Jul 1 - Percent	41.69%	39.51%	42.48%	37.37%	41.42%	75.75%	55.87%	63.02%	51.56%
Oct 31 - Dollar	\$734,676,200	\$48,844,288	\$225,689,000	\$35,229,000	\$309,762,200	\$9,002,900	\$78,876,700	\$50,752,000	\$11,115,000
Oct 31 - Percent	40.75%	41.52%	43.31%	39.97%	42.61%	75.14%	54.62%	68.49%	51.72%
Sales & Service									
Jul 1 - Dollar	\$78,856,300	\$4,049,800	\$6,896,200	\$2,498,100	\$13,444,200	\$60,000	\$7,376,500	\$1,612,000	\$9,644,400
Jul 1 - Percent	4.47%	3.63%	1.34%	3.03%	1.90%	0.51%	5.09%	2.01%	44.91%
Oct 31 - Dollar	\$83,393,800	\$4,060,400	\$6,896,800	\$2,799,100	\$13,756,300	\$60,000	\$7,466,700	\$1,612,000	\$9,520,200
Oct 31 - Percent	4.63%	3.45%	1.32%	3.18%	1.89%	0.50%	5.17%	2.18%	44.30%
Other Sources									
Jul 1 - Dollar	\$67,203,200	\$2,061,200	\$36,165,500	\$1,551,100	\$39,777,800	\$1,084,700	\$17,776,300	\$10,389,500	\$758,400
Jul 1 - Percent	3.81%	1.85%	7.03%	1.88%	5.62%	9.17%	12.27%	12.93%	3.53%
Oct 31 - Dollar	\$72,568,500	\$2,604,300	\$34,193,400	\$1,810,800	\$38,608,500	\$1,194,800	\$19,299,100	\$4,015,400	\$857,000
Oct 31 - Percent	4.03%	2.21%	6.56%	2.05%	5.31%	9.97%	13.36%	5.42%	3.99%
Total Educ. & Gen.									
Jul 1 - Dollar	\$1,763,049,900	\$111,413,600	\$514,134,200	\$82,511,700	\$708,059,500	\$11,828,800	\$144,846,100	\$80,372,000	\$21,474,000
Jul 1 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Oct 31 - Dollar	\$1,802,713,000	\$117,647,300	\$521,140,500	\$88,132,800	\$726,920,500	\$11,981,500	\$144,407,500	\$74,100,600	\$21,492,000
Oct 31 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 2 (cont'd)

**SUMMARY OF UNRESTRICTED EDUCATIONAL AND GENERAL REVENUE DOLLARS AND PERCENT BY SOURCE
FOR THE TBR AND UT SYSTEMS, JULY 1 & OCTOBER 31 BUDGETS 2010-11**

	Agricultural Experiment Station	Agricultural Extension Service	College of Veterinary Medicine	Institute for Public Service	MTAS	CTAS	University- Wide Administration	Sub-Total UT System	Grand Total
Tuition & Fees									
Jul 1 - Dollar	\$0	\$0	\$9,481,100	\$0	\$0	\$0	\$0	\$429,290,300	\$1,311,284,200
Jul 1 - Percent	0.00%	0.00%	24.46%	0.00%	0.00%	0.00%	0.00%	38.63%	45.62%
Oct 31 - Dollar	\$0	\$0	\$9,353,600	\$0	\$0	\$0	\$0	\$432,357,200	\$1,344,431,700
Oct 31 - Percent	0.00%	0.00%	24.23%	0.00%	0.00%	0.00%	0.00%	38.48%	45.95%
State Appropriation									
Jul 1 - Dollar	\$25,572,000	\$30,779,900	\$17,444,200	\$4,929,700	\$2,992,400	\$1,776,600	\$4,484,700	\$532,826,400	\$1,267,822,900
Jul 1 - Percent	70.07%	69.39%	45.01%	81.17%	52.10%	38.45%	52.65%	47.95%	44.11%
Oct 31 - Dollar	\$25,566,200	\$31,032,200	\$17,355,300	\$4,912,300	\$2,923,700	\$1,705,400	\$4,369,300	\$547,373,100	\$1,282,049,300
Oct 31 - Percent	69.87%	69.40%	44.97%	80.02%	52.76%	37.45%	52.00%	48.72%	43.81%
Sales & Service									
Jul 1 - Dollar	\$2,910,400	\$3,387,800	\$10,231,700	\$0	\$0	\$0	\$50,600	\$48,717,700	\$127,574,000
Jul 1 - Percent	7.97%	7.64%	26.40%	0.00%	0.00%	0.00%	0.59%	4.38%	4.44%
Oct 31 - Dollar	\$2,910,400	\$3,387,800	\$10,231,700	\$0	\$0	\$0	\$50,600	\$48,995,800	\$132,389,600
Oct 31 - Percent	7.95%	7.58%	26.51%	0.00%	0.00%	0.00%	0.60%	4.36%	4.52%
Other Sources									
Jul 1 - Dollar	\$8,013,500	\$10,192,300	\$1,601,100	\$1,144,000	\$2,750,900	\$2,843,400	\$3,983,000	\$100,315,100	\$167,518,300
Jul 1 - Percent	21.96%	22.98%	4.13%	18.83%	47.90%	61.55%	46.76%	9.03%	5.83%
Oct 31 - Dollar	\$8,116,500	\$10,295,300	\$1,656,300	\$1,226,700	\$2,617,700	\$2,848,100	\$3,983,000	\$94,718,200	\$167,286,700
Oct 31 - Percent	22.18%	23.02%	4.29%	19.98%	47.24%	62.55%	47.40%	8.43%	5.72%
Total Educ. & Gen.									
Jul 1 - Dollar	\$36,496,000	\$44,360,000	\$38,758,100	\$6,073,700	\$5,743,300	\$4,620,000	\$8,518,300	\$1,111,149,400	\$2,874,199,300
Jul 1 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Oct 31 - Dollar	\$36,593,000	\$44,715,000	\$38,596,800	\$6,139,000	\$5,541,400	\$4,553,500	\$8,402,900	\$1,123,444,400	\$2,926,157,400
Oct 31 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 3

**SUMMARY OF PERCENT UNRESTRICTED EDUCATIONAL AND GENERAL EXPENDITURES
BY FUNCTIONAL AREA BY INSTITUTION FOR THE TBR AND UT SYSTEMS
JULY 1 & OCTOBER 31 BUDGETS 2010-11**

	APSU	ETSU	MTSU	TSU	TTU	UM	Total TBR Universities	Chattanooga	Cleveland
Instruction									
Jul 1 - Dollar	\$44,278,800	\$80,185,600	\$122,652,000	\$49,651,700	\$51,077,000	\$137,787,200	\$485,632,300	\$28,152,100	\$9,307,200
Jul 1 - Percent	48.71%	50.69%	51.13%	46.54%	47.79%	44.98%	48.14%	54.24%	46.88%
Oct 31 - Dollar	\$48,615,900	\$83,179,500	\$135,010,100	\$51,090,300	\$52,886,800	\$155,782,300	\$526,564,900	\$29,123,300	\$9,429,400
Oct 31 - Percent	50.26%	50.78%	51.56%	47.23%	46.77%	44.61%	48.18%	54.13%	45.61%
Research									
Jul 1 - Dollar	\$438,900	\$2,331,800	\$5,257,100	\$1,692,800	\$1,226,200	\$12,812,100	\$23,758,900	\$0	\$0
Jul 1 - Percent	0.48%	1.47%	2.19%	1.59%	1.15%	4.18%	2.35%	0.00%	0.00%
Oct 31 - Dollar	\$700,100	\$4,735,600	\$9,383,600	\$1,762,900	\$1,884,000	\$22,203,500	\$40,669,700	\$0	\$0
Oct 31 - Percent	0.72%	2.89%	3.58%	1.63%	1.67%	6.36%	3.72%	0.00%	0.00%
Public Service									
Jul 1 - Dollar	\$301,400	\$1,941,100	\$3,165,400	\$1,042,300	\$1,641,100	\$6,458,000	\$14,549,300	\$75,000	\$104,300
Jul 1 - Percent	0.33%	1.23%	1.32%	0.98%	1.54%	2.11%	1.44%	0.14%	0.53%
Oct 31 - Dollar	\$300,100	\$1,978,100	\$3,858,400	\$682,200	\$1,874,300	\$7,682,100	\$16,375,200	\$75,000	\$111,100
Oct 31 - Percent	0.31%	1.21%	1.47%	0.63%	1.66%	2.20%	1.50%	0.14%	0.54%
Academic Support									
Jul 1 - Dollar	\$6,461,200	\$16,941,100	\$21,524,900	\$10,010,400	\$8,900,900	\$25,970,200	\$89,808,700	\$4,458,800	\$1,434,300
Jul 1 - Percent	7.11%	10.71%	8.97%	9.38%	8.33%	8.48%	8.90%	8.59%	7.22%
Oct 31 - Dollar	\$6,561,500	\$17,047,400	\$22,123,600	\$10,066,600	\$9,856,400	\$29,136,200	\$94,791,700	\$4,469,000	\$1,506,500
Oct 31 - Percent	6.78%	10.41%	8.45%	9.31%	8.72%	8.34%	8.67%	8.31%	7.29%
Sub-Total									
Jul 1 - Dollar	\$51,480,300	\$101,399,600	\$152,599,400	\$62,397,200	\$62,845,200	\$183,027,500	\$613,749,200	\$32,685,900	\$10,845,800
Jul 1 - Percent	56.63%	64.10%	63.61%	58.49%	58.81%	59.74%	60.83%	62.98%	54.63%
Oct 31 - Dollar	\$56,177,600	\$106,940,600	\$170,375,700	\$63,602,000	\$66,501,500	\$214,804,100	\$678,401,500	\$33,667,300	\$11,047,000
Oct 31 - Percent	58.08%	65.28%	65.06%	58.80%	58.81%	61.52%	62.08%	62.57%	53.43%
Student Services									
Jul 1 - Dollar	\$16,145,000	\$18,826,300	\$35,469,500	\$16,059,700	\$15,273,200	\$52,817,300	\$154,591,000	\$5,999,900	\$3,443,000
Jul 1 - Percent	17.76%	11.90%	14.79%	15.05%	14.29%	17.24%	15.32%	11.56%	17.34%
Oct 31 - Dollar	\$16,508,700	\$19,007,600	\$37,006,700	\$16,349,000	\$16,490,300	\$56,725,800	\$162,088,100	\$6,451,100	\$3,501,400
Oct 31 - Percent	17.07%	11.60%	14.13%	15.11%	14.58%	16.25%	14.83%	11.99%	16.93%
Institutional Support									
Jul 1 - Dollar	\$9,653,200	\$13,814,000	\$21,616,300	\$13,753,700	\$10,186,600	\$30,762,400	\$99,786,200	\$7,661,900	\$3,134,100
Jul 1 - Percent	10.62%	8.73%	9.01%	12.89%	9.53%	10.04%	9.89%	14.76%	15.79%
Oct 31 - Dollar	\$10,080,100	\$13,336,400	\$23,215,600	\$13,715,900	\$11,162,800	\$32,838,800	\$104,349,600	\$7,841,900	\$3,235,200
Oct 31 - Percent	10.42%	8.14%	8.87%	12.68%	9.87%	9.40%	9.55%	14.57%	15.65%
Operation & Maintenance									
Jul 1 - Dollar	\$8,780,100	\$13,270,100	\$18,702,400	\$10,839,000	\$12,454,800	\$27,083,900	\$91,130,300	\$4,712,300	\$1,961,500
Jul 1 - Percent	9.66%	8.39%	7.80%	10.16%	11.65%	8.84%	9.03%	9.88%	9.88%
Oct 31 - Dollar	\$8,816,400	\$13,328,600	\$18,747,200	\$10,852,300	\$12,510,100	\$30,645,300	\$94,899,900	\$4,974,800	\$2,326,800
Oct 31 - Percent	9.12%	8.14%	7.16%	10.03%	11.06%	8.78%	8.68%	9.25%	11.25%
Scholarships & Fellowships									
Jul 1 - Dollar	\$4,844,100	\$10,879,900	\$11,495,500	\$3,631,100	\$6,108,400	\$12,667,400	\$49,626,400	\$841,000	\$470,000
Jul 1 - Percent	5.33%	6.88%	4.79%	3.40%	5.72%	4.13%	4.92%	1.62%	2.37%
Oct 31 - Dollar	\$5,140,300	\$11,202,000	\$12,517,900	\$3,651,100	\$6,410,700	\$14,158,400	\$53,080,400	\$871,000	\$565,300
Oct 31 - Percent	5.31%	6.84%	4.78%	3.38%	5.67%	4.05%	4.86%	1.62%	2.73%
Total Educational & General Expenditures									
Jul 1 - Dollar	\$90,902,700	\$158,189,900	\$239,883,100	\$106,680,700	\$106,868,200	\$306,358,500	\$1,008,883,100	\$51,901,000	\$19,854,400
Jul 1 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Oct 31 - Dollar	\$96,723,100	\$163,815,200	\$261,863,100	\$108,170,300	\$113,075,400	\$349,172,400	\$1,092,819,500	\$53,806,100	\$20,675,700
Oct 31 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 3 (cont'd)

**SUMMARY OF PERCENT UNRESTRICTED EDUCATIONAL AND GENERAL EXPENDITURES
BY FUNCTIONAL AREA BY INSTITUTION FOR THE TBR AND UT SYSTEMS
JULY 1 & OCTOBER 31 BUDGETS 2010-11**

	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest
Instruction									
Jul 1 - Dollar	\$15,195,700	\$8,405,900	\$13,313,800	\$10,852,100	\$24,918,000	\$15,249,500	\$28,878,700	\$19,228,700	\$32,954,700
Jul 1 - Percent	57.27%	49.99%	54.76%	46.53%	59.15%	49.80%	56.74%	55.77%	41.18%
Oct 31 - Dollar	\$15,530,500	\$8,281,600	\$13,342,100	\$11,044,700	\$25,064,400	\$16,253,900	\$29,447,200	\$19,333,100	\$31,601,800
Oct 31 - Percent	57.18%	50.26%	54.68%	47.61%	58.41%	50.40%	55.34%	55.09%	40.62%
Research									
Jul 1 - Dollar	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jul 1 - Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 31 - Dollar	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oct 31 - Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public Service									
Jul 1 - Dollar	\$93,600	\$142,800	\$54,000	\$119,100	\$437,300	\$33,900	\$628,500	\$352,800	\$98,400
Jul 1 - Percent	0.35%	0.85%	0.22%	0.51%	1.04%	0.11%	1.23%	1.02%	0.12%
Oct 31 - Dollar	\$91,000	\$109,400	\$53,100	\$114,700	\$463,500	\$33,900	\$618,900	\$413,700	\$147,000
Oct 31 - Percent	0.34%	0.66%	0.22%	0.49%	1.08%	0.11%	1.16%	1.18%	0.19%
Academic Support									
Jul 1 - Dollar	\$1,726,400	\$950,300	\$1,365,200	\$2,020,500	\$3,926,600	\$3,239,600	\$4,876,000	\$2,002,800	\$11,052,500
Jul 1 - Percent	6.51%	5.65%	5.61%	8.66%	9.32%	10.58%	9.58%	5.81%	13.81%
Oct 31 - Dollar	\$1,709,300	\$738,500	\$1,418,200	\$2,378,600	\$4,093,700	\$3,268,800	\$6,604,600	\$1,867,800	\$12,027,300
Oct 31 - Percent	6.29%	4.48%	5.81%	10.25%	9.54%	10.14%	12.41%	5.32%	15.46%
Sub-Total									
Jul 1 - Dollar	\$17,015,700	\$9,499,000	\$14,733,000	\$12,991,700	\$29,281,900	\$18,523,000	\$34,383,200	\$21,584,300	\$44,105,600
Jul 1 - Percent	64.13%	56.50%	60.60%	55.70%	69.51%	60.49%	67.55%	62.60%	55.11%
Oct 31 - Dollar	\$17,330,800	\$9,129,500	\$14,813,400	\$13,538,000	\$29,621,600	\$19,556,600	\$36,670,700	\$21,614,600	\$43,776,100
Oct 31 - Percent	63.80%	55.41%	60.71%	58.35%	69.03%	60.64%	68.91%	61.59%	56.27%
Student Services									
Jul 1 - Dollar	\$3,126,400	\$2,244,700	\$2,653,300	\$2,910,900	\$3,147,800	\$3,975,500	\$5,421,700	\$4,052,500	\$9,134,000
Jul 1 - Percent	11.78%	13.35%	10.91%	12.48%	7.47%	12.98%	10.65%	11.75%	11.41%
Oct 31 - Dollar	\$3,267,000	\$2,139,600	\$2,635,000	\$2,818,500	\$3,090,200	\$4,116,500	\$5,348,700	\$4,054,700	\$9,229,400
Oct 31 - Percent	12.03%	12.98%	10.80%	12.15%	7.20%	12.76%	10.05%	11.55%	11.86%
Institutional Support									
Jul 1 - Dollar	\$3,493,500	\$2,777,100	\$3,978,000	\$3,963,600	\$4,888,300	\$3,929,300	\$6,531,000	\$4,753,700	\$14,846,600
Jul 1 - Percent	13.17%	16.52%	16.36%	16.99%	11.60%	12.83%	12.83%	13.79%	18.55%
Oct 31 - Dollar	\$3,617,100	\$2,752,800	\$4,016,700	\$4,102,000	\$4,802,000	\$4,564,600	\$6,592,500	\$5,123,500	\$15,174,400
Oct 31 - Percent	13.32%	16.71%	16.46%	17.68%	11.19%	14.15%	12.39%	14.60%	19.50%
Operation & Maintenance									
Jul 1 - Dollar	\$2,665,500	\$1,844,300	\$2,337,100	\$2,930,900	\$4,304,600	\$4,026,100	\$3,566,200	\$3,650,700	\$10,131,500
Jul 1 - Percent	10.05%	10.97%	9.61%	12.57%	10.22%	13.15%	7.01%	10.59%	12.66%
Oct 31 - Dollar	\$2,713,900	\$1,745,300	\$2,318,000	\$2,205,600	\$4,892,400	\$3,843,600	\$3,604,400	\$3,848,100	\$7,802,300
Oct 31 - Percent	9.99%	10.59%	9.50%	9.51%	11.40%	11.92%	6.77%	10.97%	10.03%
Scholarships & Fellowships									
Jul 1 - Dollar	\$234,000	\$448,500	\$612,200	\$525,900	\$505,000	\$168,000	\$996,000	\$438,200	\$1,817,000
Jul 1 - Percent	0.88%	2.67%	2.52%	2.25%	1.20%	0.55%	1.96%	1.27%	2.27%
Oct 31 - Dollar	\$234,000	\$710,300	\$618,800	\$535,900	\$505,000	\$168,000	\$996,000	\$453,200	\$1,817,000
Oct 31 - Percent	0.86%	4.31%	2.54%	2.31%	1.18%	0.52%	1.87%	1.29%	2.34%
Total Educational & General Expenditures									
Jul 1 - Dollar	\$26,535,100	\$16,813,600	\$24,313,600	\$23,323,000	\$42,127,600	\$30,621,900	\$50,898,100	\$34,479,400	\$80,034,700
Jul 1 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Oct 31 - Dollar	\$27,162,800	\$16,477,500	\$24,401,900	\$23,200,000	\$42,911,200	\$32,249,300	\$53,212,300	\$35,094,100	\$77,799,200
Oct 31 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 3 (cont'd)

**SUMMARY OF PERCENT UNRESTRICTED EDUCATIONAL AND GENERAL EXPENDITURES
BY FUNCTIONAL AREA BY INSTITUTION FOR THE TBR AND UT SYSTEMS
JULY 1 & OCTOBER 31 BUDGETS 2010-11**

	Volunteer	Walters	Total Two-Year Schools	Total Technology Centers	TSU McMinnville Center	ETSU Family Practice	ETSU College of Medicine	ETSU Pharmacy School	TBR Administration
Instruction									
Jul 1 - Dollar	\$21,123,200	\$21,908,200	\$249,487,800	\$51,376,900	\$0	\$8,866,200	\$35,765,100	\$5,380,500	\$0
Jul 1 - Percent	51.37%	53.16%	51.63%	60.57%	0.00%	67.19%	67.59%	61.32%	0.00%
Oct 31 - Dollar	\$21,136,000	\$22,175,800	\$251,763,800	\$52,807,600	\$0	\$9,022,500	\$36,119,500	\$5,687,100	\$0
Oct 31 - Percent	50.72%	52.25%	51.27%	60.52%	0.00%	67.56%	67.39%	62.17%	0.00%
Research									
Jul 1 - Dollar	\$0	\$0	\$0	\$0	\$541,200	\$358,700	\$3,411,300	\$947,300	\$0
Jul 1 - Percent	0.00%	0.00%	0.00%	0.00%	100.00%	2.72%	6.45%	10.80%	0.00%
Oct 31 - Dollar	\$0	\$0	\$0	\$0	\$612,200	\$339,000	\$3,248,800	\$947,200	\$0
Oct 31 - Percent	0.00%	0.00%	0.00%	0.00%	100.00%	2.54%	6.06%	10.35%	0.00%
Public Service									
Jul 1 - Dollar	\$288,700	\$469,500	\$2,897,900	\$500	\$0	\$0	\$0	\$0	\$0
Jul 1 - Percent	0.70%	1.14%	0.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oct 31 - Dollar	\$293,400	\$526,000	\$3,050,700	\$500	\$0	\$0	\$0	\$0	\$0
Oct 31 - Percent	0.70%	1.24%	0.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Academic Support									
Jul 1 - Dollar	\$3,021,800	\$2,457,200	\$42,532,000	\$20,000	\$0	\$2,509,700	\$4,602,400	\$1,149,700	\$0
Jul 1 - Percent	7.35%	5.96%	8.80%	0.02%	0.00%	19.02%	8.70%	13.10%	0.00%
Oct 31 - Dollar	\$3,332,000	\$2,669,300	\$46,083,600	\$20,000	\$0	\$2,563,700	\$5,029,700	\$1,153,900	\$0
Oct 31 - Percent	8.00%	6.29%	9.38%	0.02%	0.00%	19.20%	9.38%	12.61%	0.00%
Sub-Total									
Jul 1 - Dollar	\$24,433,700	\$24,834,900	\$294,917,700	\$51,397,400	\$541,200	\$11,734,600	\$43,778,800	\$7,477,500	\$0
Jul 1 - Percent	59.42%	60.27%	61.03%	60.59%	100.00%	88.93%	82.74%	85.21%	0.00%
Oct 31 - Dollar	\$24,761,400	\$25,371,100	\$300,898,100	\$52,828,100	\$612,200	\$11,925,200	\$44,398,000	\$7,788,200	\$0
Oct 31 - Percent	59.42%	59.78%	61.27%	60.54%	100.00%	89.30%	82.84%	85.14%	0.00%
Student Services									
Jul 1 - Dollar	\$4,886,800	\$5,101,500	\$56,098,000	\$9,386,400	\$0	\$0	\$1,208,900	\$474,100	\$0
Jul 1 - Percent	11.88%	12.38%	11.61%	11.07%	0.00%	0.00%	2.28%	5.40%	0.00%
Oct 31 - Dollar	\$4,904,400	\$5,364,800	\$56,921,300	\$9,536,800	\$0	\$0	\$1,212,700	\$474,200	\$0
Oct 31 - Percent	11.77%	12.64%	11.59%	10.93%	0.00%	0.00%	2.26%	5.18%	0.00%
Institutional Support									
Jul 1 - Dollar	\$6,172,000	\$4,592,400	\$70,721,500	\$13,296,400	\$0	\$1,166,900	\$2,633,700	\$351,800	\$18,708,400
Jul 1 - Percent	15.01%	11.14%	14.64%	15.67%	0.00%	8.84%	4.98%	4.01%	97.78%
Oct 31 - Dollar	\$6,325,200	\$4,735,300	\$72,883,200	\$13,296,900	\$0	\$1,135,600	\$2,650,500	\$353,800	\$20,503,600
Oct 31 - Percent	15.18%	11.16%	14.84%	15.24%	0.00%	8.50%	4.95%	3.87%	97.97%
Operation & Maintenance									
Jul 1 - Dollar	\$4,701,600	\$5,265,900	\$52,098,200	\$10,226,000	\$0	\$293,500	\$5,230,100	\$471,700	\$410,000
Jul 1 - Percent	11.43%	12.78%	10.78%	12.06%	0.00%	2.22%	9.88%	5.38%	2.14%
Oct 31 - Dollar	\$4,741,800	\$5,557,900	\$50,574,900	\$10,948,000	\$0	\$293,500	\$5,273,900	\$531,100	\$410,000
Oct 31 - Percent	11.38%	13.09%	10.30%	12.55%	0.00%	2.20%	9.84%	5.81%	1.96%
Scholarships & Fellowships									
Jul 1 - Dollar	\$925,800	\$1,414,000	\$9,395,600	\$520,700	\$0	\$0	\$60,000	\$0	\$14,500
Jul 1 - Percent	2.25%	3.43%	1.94%	0.61%	0.00%	0.00%	0.11%	0.00%	0.08%
Oct 31 - Dollar	\$935,900	\$1,414,000	\$9,824,400	\$650,200	\$0	\$0	\$60,000	\$0	\$14,500
Oct 31 - Percent	2.25%	3.33%	2.00%	0.75%	0.00%	0.00%	0.11%	0.00%	0.07%
Total Educational & General Expenditures									
Jul 1 - Dollar	\$41,119,900	\$41,208,700	\$483,231,000	\$84,826,900	\$541,200	\$13,195,000	\$52,911,500	\$8,775,100	\$19,132,900
Jul 1 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Oct 31 - Dollar	\$41,668,700	\$42,443,100	\$491,101,900	\$87,260,000	\$612,200	\$13,354,300	\$53,595,100	\$9,147,300	\$20,928,100
Oct 31 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 3 (cont'd)

**SUMMARY OF PERCENT UNRESTRICTED EDUCATIONAL AND GENERAL EXPENDITURES
BY FUNCTIONAL AREA BY INSTITUTION FOR THE TBR AND UT SYSTEMS
JULY 1 & OCTOBER 31 BUDGETS 2010-11**

	Sub-Total TBR System	UTC	UTK	UTM	Total UT Universities	UT Space Institute	UT Memphis	UT College of Medicine	UT Family Medicine
Instruction									
Jul 1 - Dollar	\$836,508,800	\$50,284,900	\$218,954,800	\$37,534,600	\$306,774,200	\$3,650,500	\$49,169,700	\$5,953,500	\$18,844,800
Jul 1 - Percent	50.05%	44.42%	40.38%	44.67%	41.49%	30.88%	33.37%	78.94%	86.85%
Oct 31 - Dollar	\$881,965,400	\$49,296,500	\$225,757,700	\$39,531,200	\$314,585,400	\$3,674,300	\$48,851,400	\$53,208,400	\$19,065,900
Oct 31 - Percent	49.86%	41.55%	39.75%	43.68%	40.49%	30.68%	32.14%	79.04%	87.80%
Research									
Jul 1 - Dollar	\$29,017,400	\$1,606,800	\$24,460,400	\$994,300	\$27,061,600	\$3,447,200	\$7,845,200	\$201,600	\$0
Jul 1 - Percent	1.74%	1.42%	4.51%	1.18%	3.66%	29.16%	5.32%	0.27%	0.00%
Oct 31 - Dollar	\$45,816,900	\$2,896,300	\$36,435,000	\$1,057,800	\$40,389,200	\$3,233,700	\$9,611,500	\$1,459,900	\$0
Oct 31 - Percent	2.59%	2.44%	6.42%	1.17%	5.20%	27.00%	6.32%	2.17%	0.00%
Public Service									
Jul 1 - Dollar	\$17,447,700	\$2,093,600	\$8,162,600	\$530,300	\$10,786,500	\$10,300	\$335,000	\$17,600	\$0
Jul 1 - Percent	1.04%	1.85%	1.51%	0.63%	1.46%	0.09%	0.23%	0.02%	0.00%
Oct 31 - Dollar	\$19,426,400	\$2,126,700	\$8,849,200	\$565,700	\$11,541,600	\$10,300	\$335,000	\$17,600	\$0
Oct 31 - Percent	1.10%	1.79%	1.56%	0.63%	1.49%	0.09%	0.22%	0.03%	0.00%
Academic Support									
Jul 1 - Dollar	\$140,622,500	\$7,030,600	\$62,449,100	\$10,105,000	\$79,584,600	\$371,800	\$33,721,800	\$8,191,600	\$0
Jul 1 - Percent	8.41%	6.21%	11.52%	12.03%	10.76%	3.14%	22.88%	10.86%	0.00%
Oct 31 - Dollar	\$149,642,600	\$7,279,100	\$66,973,500	\$10,109,100	\$84,361,700	\$712,600	\$29,301,500	\$7,188,500	\$0
Oct 31 - Percent	8.46%	6.14%	11.79%	11.17%	10.86%	5.95%	19.28%	10.68%	0.00%
Sub-Total									
Jul 1 - Dollar	\$1,023,596,400	\$61,015,900	\$314,026,900	\$49,164,200	\$424,206,900	\$7,479,800	\$91,071,700	\$67,945,900	\$18,844,900
Jul 1 - Percent	61.24%	53.90%	57.91%	58.51%	57.37%	63.27%	61.80%	90.09%	86.85%
Oct 31 - Dollar	\$1,096,851,300	\$61,598,600	\$338,015,400	\$51,263,800	\$450,877,800	\$7,630,900	\$88,099,300	\$61,874,400	\$19,065,900
Oct 31 - Percent	62.01%	51.92%	59.52%	56.65%	58.03%	63.71%	57.96%	91.92%	87.80%
Student Services									
Jul 1 - Dollar	\$221,758,400	\$15,438,500	\$42,156,200	\$9,225,600	\$66,820,300	\$173,900	\$3,365,900	\$1,120,700	\$0
Jul 1 - Percent	13.27%	13.64%	7.77%	10.98%	9.04%	1.47%	2.28%	1.49%	0.00%
Oct 31 - Dollar	\$230,233,100	\$16,297,400	\$42,244,600	\$10,795,200	\$69,337,200	\$149,600	\$3,430,000	\$1,125,300	\$0
Oct 31 - Percent	13.02%	13.74%	7.44%	11.93%	8.92%	1.25%	2.26%	1.67%	0.00%
Institutional Support									
Jul 1 - Dollar	\$206,664,900	\$11,522,600	\$49,271,700	\$8,248,200	\$69,042,500	\$2,024,900	\$18,609,000	\$2,538,500	\$2,695,800
Jul 1 - Percent	12.36%	10.18%	9.09%	9.82%	9.34%	17.13%	12.63%	3.37%	12.42%
Oct 31 - Dollar	\$215,173,200	\$13,149,900	\$48,504,700	\$10,199,600	\$71,854,100	\$2,002,500	\$27,726,700	\$483,300	\$2,493,400
Oct 31 - Percent	12.16%	11.08%	8.54%	11.27%	9.25%	16.72%	18.24%	0.72%	11.48%
Operation & Maintenance									
Jul 1 - Dollar	\$159,859,800	\$15,950,300	\$98,463,300	\$10,251,000	\$124,664,600	\$1,922,600	\$28,430,500	\$2,250,000	\$156,600
Jul 1 - Percent	9.56%	14.09%	18.16%	12.20%	16.86%	16.26%	19.29%	2.98%	0.72%
Oct 31 - Dollar	\$162,931,300	\$17,969,600	\$99,051,100	\$11,160,600	\$128,181,300	\$1,955,400	\$26,610,900	\$2,133,800	\$156,600
Oct 31 - Percent	9.21%	15.15%	17.44%	12.33%	16.50%	16.33%	17.51%	3.17%	0.72%
Scholarships & Fellowships									
Jul 1 - Dollar	\$59,617,200	\$9,273,200	\$38,330,500	\$7,138,600	\$54,742,200	\$220,700	\$5,890,200	\$1,564,500	\$0
Jul 1 - Percent	3.57%	8.19%	7.07%	8.50%	7.40%	1.87%	4.00%	2.07%	0.00%
Oct 31 - Dollar	\$63,629,500	\$9,625,800	\$40,062,500	\$7,072,700	\$56,760,900	\$238,500	\$6,138,100	\$1,700,000	\$0
Oct 31 - Percent	3.60%	8.11%	7.05%	7.82%	7.31%	1.99%	4.04%	2.53%	0.00%
Total Educational & General Expenditures									
Jul 1 - Dollar	\$1,671,496,700	\$113,200,400	\$542,248,600	\$84,027,600	\$739,476,600	\$11,821,900	\$147,367,300	\$75,419,600	\$21,697,200
Jul 1 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Oct 31 - Dollar	\$1,768,818,400	\$118,641,300	\$567,878,200	\$90,491,800	\$777,011,300	\$11,976,900	\$152,005,000	\$67,316,700	\$21,715,900
Oct 31 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 3 (cont'd)

**SUMMARY OF PERCENT UNRESTRICTED EDUCATIONAL AND GENERAL EXPENDITURES
BY FUNCTIONAL AREA BY INSTITUTION FOR THE TBR AND UT SYSTEMS
JULY 1 & OCTOBER 31 BUDGETS 2010-11**

	UT Agri. Exp. Station	UT Extension Service	UT College of Vet. Medicine	Institute for Public Service	MTAS	CTAS	UT Univ.-Wide Administration	Sub-Total UT System	GRAND TOTAL
Instruction									
Jul 1 - Dollar	\$0	\$0	\$28,015,200	\$0	\$0	\$0	\$0	\$465,989,500	\$1,302,498,300
Jul 1 - Percent	0.00%	0.00%	71.80%	0.00%	0.00%	0.00%	0.00%	40.68%	46.24%
Oct 31 - Dollar	\$0	\$0	\$30,562,700	\$0	\$0	\$0	\$0	\$469,948,000	\$1,351,913,400
Oct 31 - Percent	0.00%	0.00%	71.14%	0.00%	0.00%	0.00%	0.00%	39.38%	45.64%
Research									
Jul 1 - Dollar	\$33,101,700	\$0	\$3,112,000	\$0	\$0	\$0	\$0	\$74,769,300	\$103,786,700
Jul 1 - Percent	90.88%	0.00%	7.98%	0.00%	0.00%	0.00%	0.00%	6.53%	3.68%
Oct 31 - Dollar	\$35,568,700	\$0	\$3,829,200	\$0	\$0	\$0	\$0	\$94,092,300	\$139,909,200
Oct 31 - Percent	91.11%	0.00%	8.91%	0.00%	0.00%	0.00%	0.00%	7.89%	4.72%
Public Service									
Jul 1 - Dollar	\$0	\$43,004,900	\$0	\$4,595,500	\$5,497,600	\$4,723,500	\$0	\$68,970,900	\$86,418,600
Jul 1 - Percent	0.00%	96.24%	0.00%	77.34%	95.35%	99.27%	0.00%	6.02%	3.07%
Oct 31 - Dollar	\$0	\$49,236,700	\$0	\$4,535,000	\$5,186,700	\$4,567,800	\$0	\$75,430,600	\$94,857,000
Oct 31 - Percent	0.00%	96.44%	0.00%	75.95%	95.00%	99.15%	0.00%	6.32%	3.20%
Academic Support									
Jul 1 - Dollar	\$1,289,000	\$773,600	\$4,207,300	\$0	\$231,800	\$0	\$0	\$128,371,500	\$268,994,000
Jul 1 - Percent	3.54%	1.73%	10.78%	0.00%	4.02%	0.00%	0.00%	11.21%	9.55%
Oct 31 - Dollar	\$1,301,500	\$798,600	\$4,396,400	\$0	\$231,800	\$0	\$0	\$128,292,500	\$277,935,100
Oct 31 - Percent	3.33%	1.56%	10.23%	0.00%	4.25%	0.00%	0.00%	10.75%	9.38%
Sub-Total									
Jul 1 - Dollar	\$34,390,700	\$43,778,500	\$35,334,500	\$4,595,500	\$5,729,400	\$4,723,500	\$0	\$738,101,200	\$1,761,697,600
Jul 1 - Percent	94.42%	97.97%	90.56%	77.34%	99.37%	99.27%	0.00%	64.43%	62.54%
Oct 31 - Dollar	\$36,870,200	\$50,035,300	\$38,788,300	\$4,535,000	\$5,418,500	\$4,567,800	\$0	\$767,763,300	\$1,864,614,600
Oct 31 - Percent	94.45%	98.01%	90.29%	75.95%	99.24%	99.15%	0.00%	64.34%	62.95%
Student Services									
Jul 1 - Dollar	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$71,480,800	\$293,239,200
Jul 1 - Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.24%	10.41%
Oct 31 - Dollar	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,042,100	\$304,275,200
Oct 31 - Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.21%	10.27%
Institutional Support									
Jul 1 - Dollar	\$1,505,000	\$907,600	\$676,670	\$1,346,500	\$36,300	\$34,500	\$13,206,200	\$112,623,500	\$319,288,400
Jul 1 - Percent	4.13%	2.03%	1.73%	22.66%	0.63%	0.73%	100.00%	9.83%	11.33%
Oct 31 - Dollar	\$1,624,000	\$1,017,300	\$746,177	\$1,435,800	\$41,300	\$39,100	\$14,124,500	\$123,588,300	\$338,761,500
Oct 31 - Percent	4.16%	1.99%	1.74%	24.05%	0.76%	0.85%	100.00%	10.36%	11.44%
Operation & Maintenance									
Jul 1 - Dollar	\$526,700	\$0	\$2,945,664	\$0	\$0	\$0	\$0	\$160,896,700	\$320,756,500
Jul 1 - Percent	1.45%	0.00%	7.55%	0.00%	0.00%	0.00%	0.00%	14.04%	11.39%
Oct 31 - Dollar	\$543,800	\$0	\$3,366,306	\$0	\$0	\$0	\$0	\$162,948,000	\$325,879,300
Oct 31 - Percent	1.39%	0.00%	7.84%	0.00%	0.00%	0.00%	0.00%	13.66%	11.00%
Scholarships & Fellowships									
Jul 1 - Dollar	\$0	\$0	\$60,000	\$0	\$0	\$0	\$0	\$62,477,600	\$122,094,800
Jul 1 - Percent	0.00%	0.00%	0.15%	0.00%	0.00%	0.00%	0.00%	5.45%	4.33%
Oct 31 - Dollar	\$0	\$0	\$60,000	\$0	\$0	\$0	\$0	\$64,897,600	\$128,527,100
Oct 31 - Percent	0.00%	0.00%	0.14%	0.00%	0.00%	0.00%	0.00%	5.44%	4.34%
Total Educational & General Expenditures									
Jul 1 - Dollar	\$36,422,500	\$44,686,200	\$39,016,834	\$5,942,000	\$5,765,700	\$4,758,000	\$13,206,200	\$1,145,579,900	\$2,817,076,600
Jul 1 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Oct 31 - Dollar	\$39,038,200	\$51,052,500	\$42,960,805	\$5,970,800	\$5,459,800	\$4,606,900	\$14,124,500	\$1,193,239,200	\$2,962,057,600
Oct 31 - Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 4

**MANDATORY STUDENT FEE CHARGES
2009-10 & 2010-11**

	2009-10			2010-11			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	\$4,644	\$5,868	\$1,224	\$5,004	\$6,228	0.0%	7.8%	6.1%
East Tennessee	949	4644	5593	1000	5004	6004	5.4%	7.8%	7.3%
Middle Tennessee	1404	4644	6048	1474	5004	6478	5.0%	7.8%	7.1%
Tennessee State	800	4644	5444	850	5004	5854	6.3%	7.8%	7.5%
Tennessee Tech	942	4644	5586	1032	5004	6036	9.6%	7.8%	8.1%
University of Memphis	1154	5370	6524	1212	5778	6990	5.0%	7.6%	7.1%
UT Chattanooga	1150	4506	5656	1150	4912	6062	0.0%	9.0%	7.2%
UT Knoxville	932	5918	6850	932	6450	7382	0.0%	9.0%	7.8%
UT Martin	1061	4708	5769	1058	5132	6190	-0.3%	9.0%	7.3%
Chattanooga	\$291	\$2,700	\$2,991	\$295	\$2,940	\$3,235	1.4%	8.9%	8.2%
Cleveland	269	2700	2969	269	2940	3209	0.0%	8.9%	8.1%
Columbia	241	2700	2941	261	2940	3201	8.3%	8.9%	8.8%
Dyersburg	271	2700	2971	271	2940	3211	0.0%	8.9%	8.1%
Jackson	253	2700	2953	253	2940	3193	0.0%	8.9%	8.1%
Motlow	259	2700	2959	273	2940	3213	5.4%	8.9%	8.6%
Nashville	225	2700	2925	225	2940	3165	0.0%	8.9%	8.2%
Northeast	281	2700	2981	281	2940	3221	0.0%	8.9%	8.1%
Pellissippi	293	2700	2993	297	2940	3237	1.4%	8.9%	8.2%
Roane	281	2700	2981	281	2940	3221	0.0%	8.9%	8.1%
Southwest	285	2700	2985	285	2940	3225	0.0%	8.9%	8.0%
Volunteer	261	2700	2961	265	2940	3205	1.5%	8.9%	8.2%
Walters	269	2700	2969	269	2940	3209	0.0%	8.9%	8.1%
Technology Centers	\$200	\$2,199	\$2,399	\$200	\$2,535	\$2,735	0.0%	15.3%	14.0%

Table 5

**COMPARISON OF MAJOR AUXILIARY ENTERPRISE REVENUES, EXPENDITURES AND TRANSFERS
FOR THE TBR AND UT SYSTEMS - 2009-10 & 2010-11**

	Actual 2009-10			October 31 2010-11		
	Revenue	Expenditures/ Transfers	Difference	Revenue	Expenditures/ Transfers	Difference
Austin Peay	\$7,902,025 *	\$7,902,025	-	\$8,299,700	\$8,299,700	-
East Tennessee	16,280,588	16,175,600	104,988	17,750,300	17,677,900	72,400
Middle Tennessee	25,368,740	25,058,987	309,753	37,669,500	37,669,400	100
Tennessee State	15,054,972	14,841,654	213,318	15,316,300	15,316,300	-
Tennessee Tech	10,529,129	10,529,129	-	13,891,300	13,891,300	-
University of Memphis	14,903,344	14,526,848	376,496	19,032,100	18,168,600	863,500
subtotal	\$90,038,799	\$89,034,244	\$1,004,555	\$111,959,200	\$111,023,200	\$936,000
Chattanooga	\$1,082,060	\$687,061	\$394,999	\$1,060,000	\$737,900	\$322,100
Cleveland	154,834	33,475	121,358	148,900	43,600	105,300
Columbia	308,987	90,421	218,566	217,700 *	217,700	-
Dyersburg	133,707 *	133,707	-	135,000	135,000	-
Jackson	244,328 *	244,328	-	200,000	200,000	-
Motlow	283,599	8,228	275,371	274,000	11,500	262,500
Nashville	299,350	18,032	281,318	280,200	21,100	259,100
Northeast	244,924	-	244,924	192,500	9,700	182,800
Pellissippi	640,089	202,061	438,029	640,000 *	640,000	-
Roane	315,225	54,285	260,941	317,100	312,800	4,300
Southwest	612,990	188,995	423,995	700,000	192,500	507,500
Volunteer	357,059	77,651	279,408	352,000	83,400	268,600
Walters	334,219	46,531	287,688	349,700 *	349,700	-
subtotal	\$5,011,371	\$1,784,774	\$3,226,597	\$4,867,100	\$2,954,900	\$1,912,200
UT Chattanooga	\$10,911,997	\$10,739,076	\$172,921	\$7,845,433	\$7,845,433	-
UT Knoxville	165,595,603	164,914,004	681,599	166,973,044	166,973,044	-
UT Martin	12,654,659	12,625,086	29,573	12,502,324	12,502,324	-
subtotal	\$189,162,259	\$188,278,166	\$884,093	\$187,320,801	\$187,320,801	\$0
UT Space Institute	\$127,216 *	\$127,216	-	\$149,222	\$149,222	-
UT Memphis	3,231,649	\$3,191,903	39,746	3,331,407	\$3,331,407	-
Technology Centers	4,893,500	4,435,203	458,297	4,893,500	4,194,800	698,700
subtotal	\$8,252,365	\$7,754,322	\$498,043	\$8,374,129	\$7,675,429	\$698,700
TOTAL	\$292,464,794	\$286,851,506	\$5,613,288	\$312,521,230	\$308,974,330	\$3,546,900

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

Table 6

**ACTUAL & ESTIMATED REQUIRED EXPENDITURES
OF MAINTENANCE AND OPERATION OF PHYSICAL PLANT*
UNRESTRICTED EDUCATIONAL AND GENERAL BUDGETS**

**ACADEMIC FORMULA INSTITUTIONS
2009-10 & 2010-11**

	2009-10			2010-11		
	Appropriations	Actual*	Percent	Appropriations	October 31*	Percent
Austin Peay	\$2,386,000	\$3,446,800	144.5%	\$2,198,000	\$3,910,300	177.9%
East Tennessee	4,220,000	5,666,900	134.3%	3,903,000	6,644,200	170.2%
Middle Tennessee	5,306,000	8,026,300	151.3%	4,890,000	8,274,700	169.2%
Tennessee State	3,213,000	5,708,600	177.7%	2,945,000	5,160,600	175.2%
Tennessee Tech	3,352,000	4,757,400	141.9%	3,113,000	5,421,500	174.2%
University of Memphis	6,953,000	13,727,400	197.4%	6,491,000	17,003,800	262.0%
 subtotal	\$25,430,000	\$41,333,500	162.5%	\$23,540,000	\$46,415,000	197.2%
Chattanooga	\$1,217,000	\$2,097,600	172.4%	\$1,144,000	\$2,412,000	210.8%
Cleveland	836,000	1,056,300	126.3%	790,000	1,451,800	183.8%
Columbia	815,000	1,162,000	142.6%	768,000	1,472,300	191.7%
Dyersburg	451,000	808,300	179.2%	424,000	847,000	199.8%
Jackson	802,000	932,900	116.3%	753,000	1,091,900	145.0%
Motlow	693,000	1,122,500	162.0%	649,000	1,122,900	173.0%
Nashville	771,000	1,362,500	176.7%	717,000	3,349,700	467.2%
Northeast	874,000	1,539,100	176.1%	819,000	2,003,500	244.6%
Pellissippi	1,166,000	1,911,900	164.0%	1,088,000	1,967,500	180.8%
Roane	1,544,000	1,806,500	117.0%	1,460,000	1,996,700	136.8%
Southwest	2,931,000	4,008,100	136.7%	2,765,000	4,422,800	160.0%
Volunteer	851,000	1,747,600	205.4%	799,000	3,395,700	425.0%
Walters	1,404,000	1,909,700	136.0%	1,322,000	2,563,800	193.9%
 subtotal	\$14,355,000	\$21,465,000	149.5%	\$13,498,000	\$28,097,500	208.2%
UT Chattanooga	\$3,488,000	\$5,932,200	170.1%	\$3,488,000	\$8,212,300	235.4%
UT Knoxville	15,211,000	27,019,800	177.6%	15,211,000	51,335,500	337.5%
UT Martin	3,048,000	4,497,100	147.5%	3,048,000	6,120,600	200.8%
 subtotal	\$21,747,000	\$37,449,100	172.2%	\$21,747,000	\$65,668,300	302.0%
Technology Centers	2,685,000	4,811,300	179.2%	2,566,000	6,156,100	239.9%
Grand Total	\$64,217,000	\$105,058,900	163.6%	\$61,351,000	\$146,337,000	238.5%

*Exclusive of utilities, staff benefits (including longevity), and transfers to plant fund for extraordinary maintenance.

Table 7

**Athletics Data
2009-10 & 2010-11**

	2009-10 General Fund Support	Athletics General Fund as Percent of E&G	2009-10 Student Athletics Fee	2009-10 Student Athl Fee Revenue	2009-10 Athletics Budget
APSU	\$3,818,000	4.7%	\$250	\$1,866,000	\$7,305,800
ETSU	4,104,300	2.9%	200	2,840,700	8,654,600
MTSU	6,462,200	2.9%	300	6,848,100	18,247,800
TSU	4,504,800	4.4%	174	1,536,400	8,406,000
TTU	4,422,500	4.4%	250	2,458,300	9,339,700
UM	2,498,900	0.9%	400	7,666,100	36,546,400
UTC	4,668,900	4.3%	240	3,033,200	11,483,000
UTM	4,009,800	5.1%	308	2,000,600	7,657,700
UTK*	0	NA	0	1,000,000	97,634,000
Subtotal	\$34,489,300			\$29,249,400	\$205,275,000
Chattanooga	\$645,100	1.4%	\$0	\$0	\$945,000
Cleveland	487,500	2.7%	0	0	704,900
Columbia	316,700	1.3%	0	0	441,000
Dyersburg	347,000	2.4%	0	0	459,300
Jackson	361,600	1.6%	0	0	459,500
Motlow	336,300	1.7%	0	0	496,300
Roane	372,900	1.1%	0	0	588,800
Southwest	663,200	1.0%	0	0	912,700
Volunteer	602,100	1.6%	0	0	794,400
Walters	598,600	1.6%	0	0	888,700
Subtotal	\$4,731,100			\$0	\$6,690,600
Total	\$39,220,400			\$29,249,400	\$211,965,600

	2010-11 General Fund Support	Athletics General Fund as Percent of E&G	2010-11 Student Athletics Fee	2010-11 Student Athl Fee Revenue	2010-11 Athletics Budget
APSU	\$4,618,000	4.8%	\$250	\$1,922,000	\$8,518,200
ETSU	4,177,500	2.6%	250	3,400,000	9,237,700
MTSU	7,251,300	2.8%	350	7,950,000	19,867,500
TSU	4,376,300	4.0%	224	1,950,000	8,815,200
TTU	4,203,800	3.7%	300	3,031,000	9,153,700
UM	2,200,900	0.6%	450	8,990,000	35,571,300
UTC	4,720,700	4.0%	240	2,832,500	11,299,200
UTM	4,586,600	5.1%	308	1,975,000	8,257,800
UTK*	0	NA	0	1,000,000	101,000,000
Subtotal	\$36,135,100			\$33,050,500	\$211,720,600
Chattanooga	\$670,600	1.2%	\$0	\$0	\$938,600
Cleveland	519,200	2.5%	0	0	783,500
Columbia	325,000	1.2%	0	0	483,500
Dyersburg	335,300	2.0%	0	0	448,700
Jackson	349,800	1.4%	0	0	460,000
Motlow	359,600	1.5%	0	0	560,600
Roane	410,400	1.2%	0	0	632,600
Southwest	610,100	0.8%	0	0	860,500
Volunteer	662,400	1.6%	0	0	782,400
Walters	659,400	1.6%	0	0	980,100
Subtotal	\$4,901,700			\$0	\$6,930,400
Total	\$41,036,800			\$33,050,500	\$218,651,000

*Athletics at UTK are self supporting.

Agenda Item: I. F.

DATE: January 27, 2011

SUBJECT: Confirmation of New Audit Committee Member

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION: The THEC/TSAC Audit Committee Charter outlines the requirements for membership on the audit committee. The committee and its chair shall be selected by the Executive Director of THEC/TSAC and confirmed by the Commission/Board of Directors. The audit committee shall consist of five members with representation from both organizations who are generally knowledgeable in financial, management, and auditing matters. The committee chair shall have some accounting or financial management expertise. Each member shall serve for a term not to exceed three years, and may be reappointed. Each member shall be free of any appearance of conflict and of any relationship that would interfere with his or her exercise of independent judgment.

The current composition of the audit committee is:

Robert White, THEC
Claude Presnell, TSAC
Cathy Pierce, TSAC
Sammy Stuard, TSAC

New appointment: Ms. Sharon Hayes has been selected by Dr. Rhoda to serve as the fifth member on the audit committee, representing THEC.

DATE: January 27, 2011

SUBJECT: Academic Program Review

ACTION RECOMMENDED: Information

BACKGROUND INFORMATION: In January 2010, the Tennessee Higher Education Commission, in consultation with the two systems, began reporting annually on the status of all facets of academic program productivity. THEC had for many years reported the performance of new programs and established programs on a cyclic basis. These separate reports met statutory requirements that the Commission evaluate proposed and existing academic programs to ensure their quality and viability, certify program demand, and avoid unnecessary duplication.

The 2011 report, second in the series of annual reports, pulls together a comprehensive analysis of all program activity. The use of these data is fundamental to institutional, system, and state responses to the Complete College Tennessee Act of 2010 (CCTA). The comprehensive report and the data analysis behind it are intended to guide institutions in decisions about planning new programs, eliminating those for which student interest has diminished, and serving the state through mission distinction.

The CCTA constitutes the framework for the 2010-2015 state Master Plan for higher education, the outcomes-based funding formula, and the sharpened emphasis on institutional mission differentiation. This public agenda requires careful planning for academic programs that are characterized by quality and strategic funding to meet the transformative legislation's goals of increased state educational attainment and economic development.

The January 2011 Annual Academic Program Review incorporates improvements suggested from institutional application of the 2010 data.

- **Mission Distinctions.** This year's report has been changed to provide summary information on academic programs that are thriving along with those that are not meeting standard viability thresholds for minimum number of graduates. This report highlights top-producing statewide programs and top-producing programs at individual institutions. These analyses emphasize institutional mission differences, which should become more distinct as a result of both the operation of the outcomes-based funding formula and heightened mission focus in program planning. To assist institutions and systems in reinforcing mission priorities, especially for doctoral programs, THEC maintains publicly available web information on program productivity and program supply/demand data at:

www.state.tn.us/thec/Divisions/AcademicAffairs/AcademicAffairs.html

- **Resource Commitment.** This year's report tracks for the first time the actions that institutions and systems took over the year to terminate or to revitalize those programs identified as low-producing. Based on feedback from institutions and systems, Commission staff conducted analyses of low-producing programs to identify those degree fields which constitute core academic programs essential to the institution's general education infrastructure and were under-productive at more than three institutions. These core programs are excluded from the low-producing accountability, though institutions are expected to continue to monitor them.

The results of the upcoming year's program review, which will be reported in January 2012, should be additionally strengthened by revisions in THEC policy governing approval of program planning and implementation.

- **More Rigorous Assessment of Program Need.** In response to the 2010 review, THEC staff is recommending revisions in Commission policy governing the approval and monitoring of academic programs. Specifically, these revisions require that institutions demonstrate greater depth and quality of assessment of mission consonance and need for a new program at the earliest stage in the program planning process, the Letter of Intent to plan. The requirement of a full feasibility study and detailed financial projections at this step should reduce the number of programs the governing boards and THEC approve that eventually fail to meet institutional, system, and state expectations for productivity.
- **More Flexible Program Approval Calendar.** The final major policy revision is increasing the frequency at which the Commission will entertain approval of new programs to support institutional responses to demonstrated market demand. The policy change will place program approvals on the THEC agenda at each regularly scheduled Commission meeting rather than only in January and July.

The following comprehensive analysis presents the status of the four components of THEC academic program review:

1. **Program Approvals and Terminations: Net change in state program inventory.** The number of programs approved and programs terminated by institution, system, and state from January 2010 to January 2011.
2. **Post Approval Monitoring: New programs.** Assessment of success of new programs approved within the last five years against their projected enrollment, financial, and productivity goals.
3. **Academic Program Productivity Review: Programs in operation at least five years.** On-going monitoring of all programs in operation for more than five years to identify those that are not graduating a sufficient number of students.
4. **Program Accreditation and Program Evaluation: Performance Funding qualitative reviews.** Results of accreditation reviews, consultant evaluations, or academic audits of established programs as a Performance Funding qualitative measure.

THEC 2011 Comprehensive Academic Program Review Conclusions

The following summary statements represent the status as of January 2011 of the state academic program inventory of academic programs at all levels and certificate programs requiring at least 24 semester hours.

Program Approvals and Terminations: Net change in the state inventory of programs

A total of 32 new programs have been approved and a total of 37 have been terminated within 2009-10. Twenty-six (26) of these new programs are associates and certificates at community colleges. This activity indicates responsiveness to the work place needs, particularly in the establishment of certificates.

Post Approval Monitoring: New programs

Of the 79 new programs approved in the last five years and currently under Post-approval Monitoring, 29 (or 36 percent) are meeting institutional projections for enrollment and graduation.

The remaining 50 programs are failing to meet one of these projections, and 66 percent are failing to meet both standards.

Academic Program Productivity Review: Programs in operation at least five years

Fifteen (15) percent of established programs (all certificate and degree levels) delivered by Tennessee institutions are not meeting nationally used minimum number of graduates indicators.

Following last year's report, there were 214 of approximately 1,100 programs remaining as low-producing. The current report identifies 190 as low-producing. After excluding low-producing core service programs, the number is reduced to 168. This significant shift is attributed to the concerted efforts of both systems in terminating and consolidating low-producing programs.

In addition, Commission staff conducted analysis of low-producing programs to identify those degree fields that constitute core academic programs essential to general education infrastructure, and were under-productive at more than three institutions. Following these guidelines, 22 programs were extracted and identified as "Core CIP" programs, rather than as simply low-producing programs.

Tennessee supports 121 doctoral programs (excluding medicine, dentistry, pharmacy, veterinary medicine, and law). Close to 40 percent, or 46 of the 121 are either newly established (29) or are low-producing

(17). The continuing large number of low-producing doctoral programs that have been in operation five years or longer remains a resource allocation issue for institutions to monitor.

Program Accreditation and Program Review: Performance Funding qualitative reviews

During the last year, 100 programs were evaluated using the traditional external consultant review or the Tennessee-specific academic audit. Collectively, evaluation results revealed that 89 percent of all standards were satisfied.

Currently 556 programs are eligible for specialized accreditation by program field. Eligibility is determined when all Tennessee institutions agree on a specific accreditor as best representing qualitative standards for each discipline. All programs are accredited except for newly approved programs (27) and two programs where institutions elected not to seek accreditation. In those instances where accreditation was not achieved, institutions' performance funding scores were negatively impacted.

Four Components of Annual THEC Program Evaluation

(1) Program Approvals and Terminations: Net change in state program inventory

The Commission has the statutory responsibility to review and approve new academic programs. New programs are developed as the needs and demands within the state warrant. The responsibility of program termination lies with the two governing boards, although the Commission staff may recommend termination to the TBR and UT systems. During 2010, the Commission approved a total of 10 new programs and the governing boards terminated 37 programs. The Board of Regents also approved 22 certificate programs that were less than 24 credit hours.

In recognition of institutional budget reductions, Dr. Rhoda approved through interim action only those new programs proposed as highest priority by the two system leaders. Additionally, during this period of budget reductions, new program start-up must be met through external funding sources or documented institutional redirection of existing funds. A complete listing of program approvals and terminations can be found in Appendix A.

Table 1: New Programs and Terminations

	New Programs	Terminations	Net Change
UT System	2	4	-2
TBR Universities	4	10	-6
TBR Community Colleges	26	23	3
Total Actions	32	37	-5

- Of the 32 new programs, 26 programs were approved at the associate or certificate level as meeting immediate demand for regional work force development. THEC also approved 2 master’s and 4 doctoral degree programs. Three of the four doctoral programs were approved in the field of Nursing Practice, in accordance with the recent endorsement of the Doctor of Nursing Practice as the entry level credential for advanced nursing practice.
- The majority of programs terminated by the governing boards were either at the pre-baccalaureate or baccalaureate level. One doctoral program, one Educational Specialist and 4 Master’s programs were removed from the state inventory.
- The majority of the 37 programs terminated were in the education field with an additional four programs terminated in the fields of Agriculture and Health Professions.

(2) Post Approval Monitoring: New programs

Newly approved programs remain in the Post Approval Monitoring cycle for five years at the baccalaureate level and above and three years for pre-baccalaureate programs. This review evaluates programs against enrollment and graduate ratios, program cost, program progress toward accreditation, and other goals agreed upon by the governing boards and THEC through program authorization. THEC notifies institutions when programs fail to meet these goals and requests plans to ensure program viability. THEC can recommend termination for those programs that do not, over the monitoring period, show improvement. The January 2011 Post Approval Monitoring report can be found in Appendix B.

Table 2: Summary of Post Approval Monitoring

	Programs Meeting Benchmarks	Programs Not Meeting Benchmarks	Delayed Programs
UT System	11	15	-
TBR Universities	11	21	-
TBR Community Colleges	7	14	1
Total	29	49	1

- Of the seventy-nine (79) programs reviewed during the 2010 Post Approval Monitoring cycle, 29 or 36 percent met the projections listed in the program proposal or exceeded productivity benchmarks.
- Forty-nine (49) programs did not meet projections or benchmarks, and will be required to submit Program Productivity Plans in the upcoming year.
- Seventeen (17) of the 50 programs that did not meet projections attained at least one standard in either enrollment or graduation.

(3) Academic Program Productivity Review: Programs in operation at least five years

Once a program completes the Post Approval Monitoring cycle, it is considered “mature” and is then evaluated through THEC’s Academic Program Productivity review. The purpose of this review is to ensure that demand for the programs continues as is evidenced by the number of graduates produced. This process identifies programs that are not meeting nationally-used graduate production benchmarks: an average of ten graduates per year over a five-year period for baccalaureate and pre-baccalaureate programs, an average of 5 for master’s programs over five-years, and an average of three for doctorates over this same period of time.

Using these reports as tools, the systems work with institutions in determining whether to terminate or commit necessary resources to strengthen low-producing programs. In so doing, institutions may retain programs that may not produce a desired number of graduates but may otherwise contribute to the general education curriculum in providing service courses or complementing other degree offerings. The THEC Academic Program Productivity study for the 2009-10 academic year can be found in Appendix C.

Table 3: Low-Producing Program Status – January 2011

	Reviewed Programs	Achieved Benchmark	Core CIP Programs	Pending Consolidation/ Termination	Retain	No Recommended Action
UT System	61	4	7	16	30	4
TBR Universities	71	7	15	4	25	20
TBR Comm Colleges	82	13	0	13	38	18
Total	214	24	22	32	94	42

Summary of Low Producing findings:

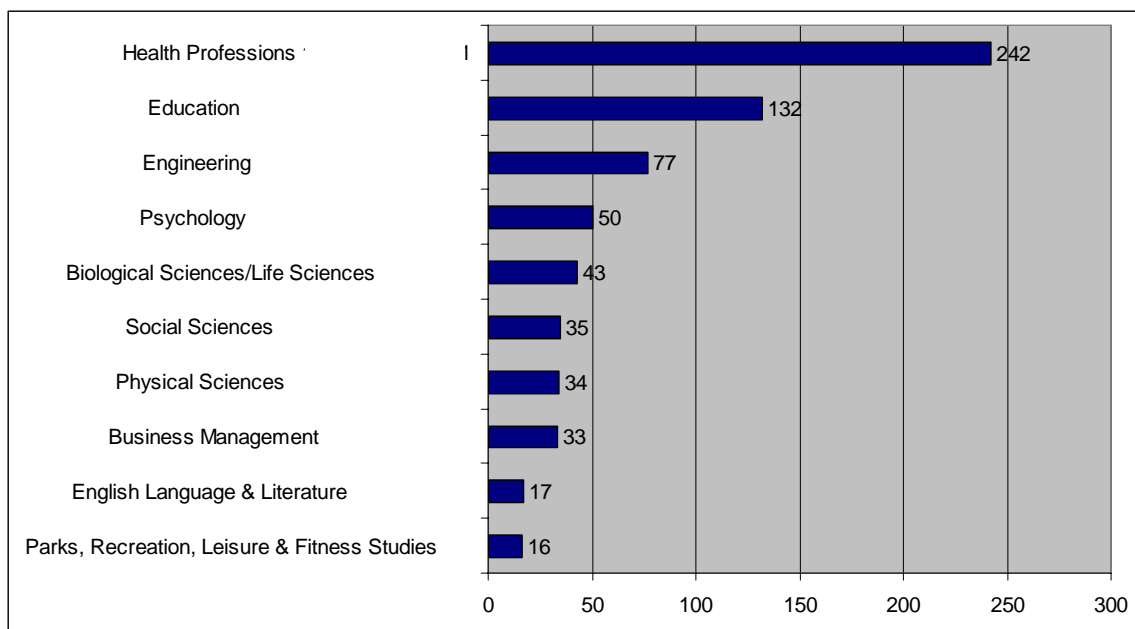
- Twenty-four (24) programs achieved benchmarks during the 2009-10 academic year, and will be removed from the low-producing list during next year’s review.
- Based on feedback from both the system and institutional level, Commission staff conducted analysis of low-producing programs to identify those degree fields which:
 - (1) Constitute core academic programs essential to the institution’s general education infrastructure, and
 - (2) Were under-productive at more than three institutions.

Following these guidelines, 22 programs were extracted and identified as “Core CIP” programs, rather than as simply low-producing programs, and are listed in Appendix D.

- Currently, 32 programs have either been terminated by governing boards or are awaiting action by TBR and UT. If students are enrolled in the program, it is phased out over time to allow all students the opportunity to graduate. Thus, terminating a program with enrolled students does not realize immediate cost savings. Furthermore, in many cases institutions preserve the field and the tenured faculty in it by lodging the terminated program as a concentration under another related degree program.
- Ninety-four (94) of the programs, or 44 percent, were previously recommended by the institution for retention. This recommendation was submitted to THEC at the January 2010 meeting with steps identified to improve overall program productivity or justification that the retained program contributed service courses to general education or academic minors.
- Thirty-five (35) academic programs failed to meet benchmark standards and did not receive any response or recommendation from the system or institution during the January 2010 low producing review. Seven doctoral programs listed as low-producing are new programs and were not evaluated during last year's cycle, and are thus without a response.

Productive Programs. This year's academic program review included analysis of not only low-producing programs, but also sought to identify those programs which are highly productive and are worthy of mention as successful academic programs. For the purposes of this report, degree production trends as a state were analyzed, and the top 10 academic program fields at the doctoral, master's, bachelor's, and associate levels were identified (Charts 4-7).

Chart 4: Top Producing Doctoral Programs, 2009-10 *



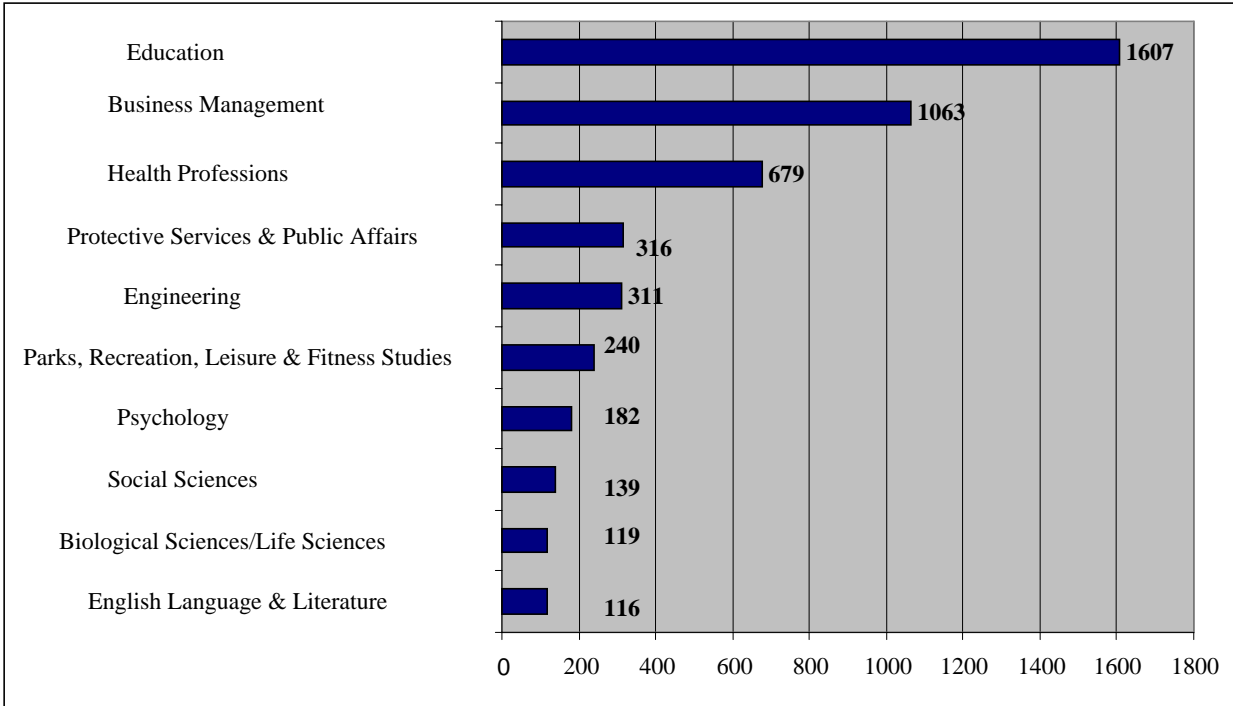


Chart 6: Top Producing Bachelor Degree Programs, 2009-10

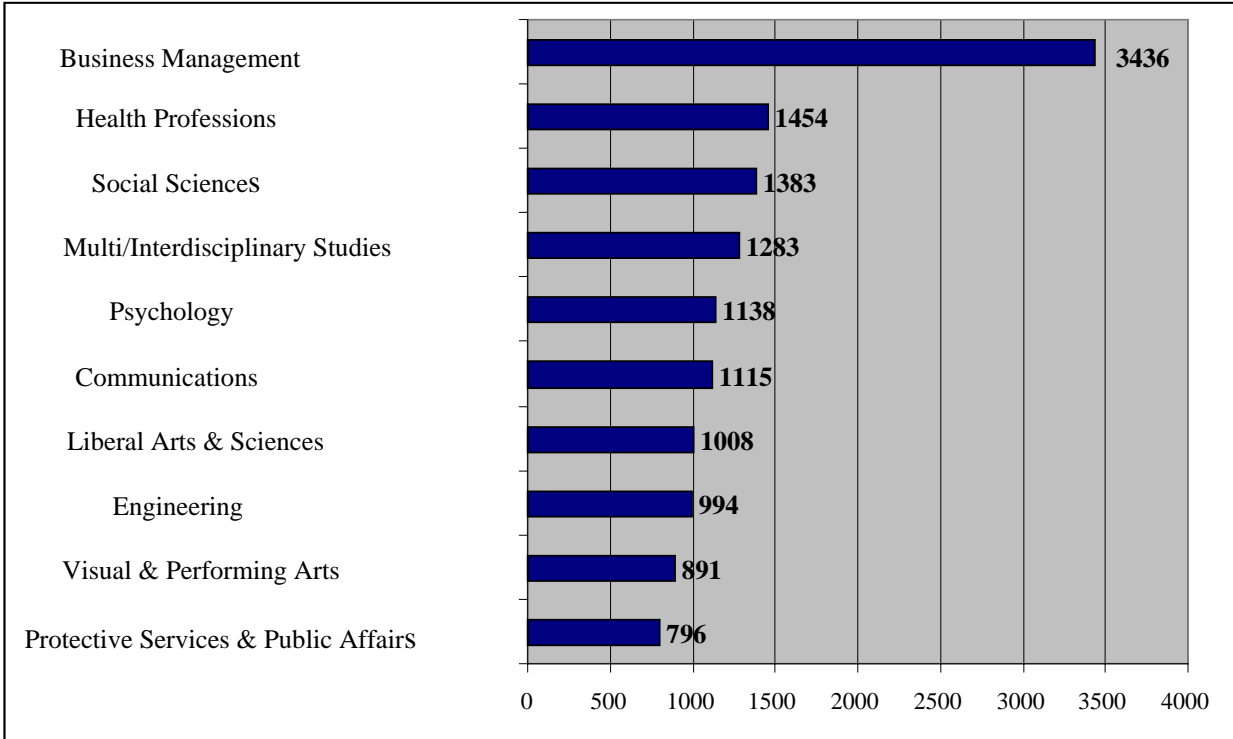
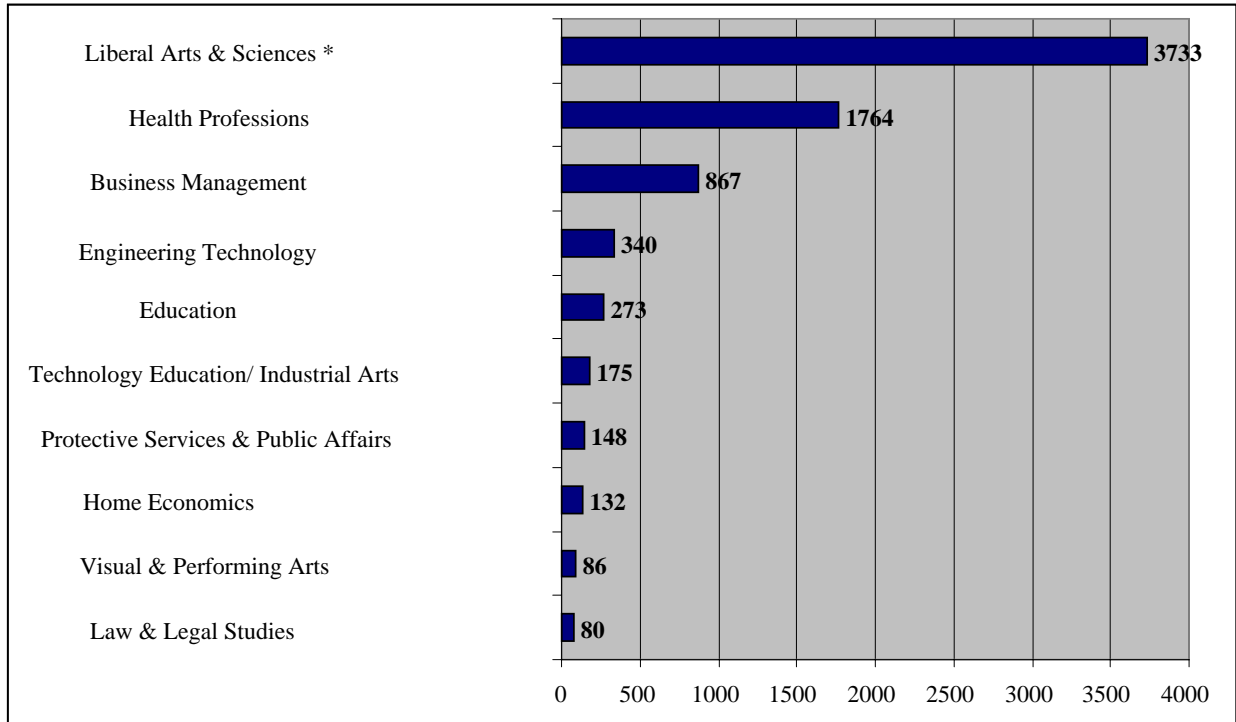


Chart 7: Top Producing Associate Degree Programs, 2009-10



* Liberal Arts and Sciences degrees represent the University Parallel Associate of Arts (AA) and Associate of Science (AS) degrees for students who intend to transfer to a four-year institution.

In addition, each institution's 2009-2010 Report of Graduates was individually analyzed to determine the top performing academic program at each degree level. These high producing programs, listed below, serve as an illustration of the existing mission distinctions between institutions. These distinctions are a key element of both the 2010-2015 Master Plan and the recently adopted funding formula.

**Top Producing Programs by Institution
2009-10**

University of Tennessee System

UT Chattanooga

Bachelor BS, Business Administration
Master's MBA
Doctoral DPT, Doctor of Physical Therapy

UT Knoxville

Bachelor BA, Psychology
Master's MS, Education
Doctoral PhD, Education

UT Martin

Bachelor BS, University Studies
Master's MSED, Teaching

UT Health Science Center

Bachelor BSN, Nursing
Master's MSN, Nursing
Doctoral DPT, Doctor of Physical Therapy

Tennessee Board of Regents 4 Year Institutions

Austin Peay State University

Bachelor BBA, General Business
Master's MAT, Teaching

Tennessee State University

Bachelor BS, Education
Master's MSN, Nursing
Doctoral DPT, Doctor of Physical Therapy

East Tennessee State University

Bachelor BSN, Nursing
Master's MSN, Nursing
Doctoral DPT, Doctor of Physical Therapy

Tennessee Tech University

Bachelor BS, Education
Master's MA, Instructional Ldrship.
Doctoral PhD, Engineering

Middle Tennessee State University

Bachelor BS, Mass Communication
Master's MBA
Doctoral PhD, Public History

University of Memphis

Bachelor BPS, Individual Studies
Master's Instructional Leadership
Doctoral PhD Business Admin

Among two year institutions, Associate degree programs in the Liberal Arts are the most productive programs at 12 of 13 institutions. At one community college, Jackson State, the most productive program was in the Health Professions field.

Doctoral Programs. The productivity of high-cost doctoral programs warrants close attention from the institutions, systems, and THEC. Doctoral education is vitally important to the state and to the larger mid-South region Tennessee institutions increasingly serve. Providing highly qualified researchers, specialists, and educators is a fundamental charge to universities with research missions. It is also the responsibility of the state to ensure program quality by sufficiently funding a complement of doctoral programs which will meet demand but not duplicate costs.

Several concerns drive the THEC's focused attention to ensuring the viability of doctoral programs in state-supported universities: start-up costs during difficult budget years, the large number of new doctoral programs, the large number of low-producing established doctorates, and the potential unnecessary duplication of student access and state spending within specific degree program areas. In complying with the Complete College Tennessee Act of 2010, the 2010-2015 Master Plan for higher education stresses institutional mission distinction as a fundamental principle governing program placement and state need as a funding priority in approval of new doctoral programs. The Master Plan also asserts that doctoral programs coverage and access assurance will be statewide; the rationale for new doctoral programs will not be immediate geographic region need. The status of Tennessee's doctoral program inventory is as follows:

- Tennessee supports 121 doctoral degree programs (excluding doctorates in medicine, dentistry, pharmacy, veterinary medicine, and law).

- Forty-six (46) of the 121 doctoral degree programs are either new or low-producing. This number represents close to 40 percent of the total doctoral program offerings.
- Twenty-nine [29] of the 121 programs have been approved or implemented in the last five years. THEC monitors these programs to determine if their actual enrollments and expenditures meet projections on which THEC approved the programs.
- Seventeen (17) of the 91 doctoral programs that have been in operation more than five years did not produce an average of three graduates per year over a five-year period. During the last academic year (2009-10), three programs did not graduate any students, and 15 awarded only one degree.
- Of the 17 low-producing doctoral programs, five programs are in engineering and three programs are in the health professions.

Commission staff has conducted an analysis of doctoral program productivity and fields where additional programs would likely be redundant. The analysis revealed that there are adequate numbers of doctoral programs in the fields of biological sciences, education, engineering, and psychology. The doctoral program analysis can be found in Appendix E.

The following chart shows the number of new programs, mature programs, and the productivity status of mature programs by institution.

Table 5: Doctoral Programs

	New Doctoral Programs	Mature Doctoral Programs	Low- Producing Doctoral Programs	% Low- Producing (Mature Programs)
UT Chattanooga	2	2	1	50%
UT Knoxville	12	42	8	19%
UT Health Science	1	9	2	22%
East Tennessee	6	5	1	20%
Middle Tennessee	5	3	0	0%
Tennessee State	1	6	2	33%
Tennessee Tech	0	3	1	33%
Univ of Memphis	2	22	2	9%
Total	29	92	17	18%

(4) Accreditation and Program Review: Performance Funding qualitative review.

Within the state’s Performance Funding accountability program, institutions are required to evaluate undergraduate and graduate programs. These reviews call for institutions to first develop self-evaluations of programs under review. The accreditation peer review process satisfies the Performance Funding requirements for programs that are eligible for accreditation. Other programs must undergo evaluation by external consultants or trained teams of auditors. The purpose of academic program review is to ensure that standards of the discipline are being met and that adequate financial support is evident. Each program is reviewed according to accreditation review cycles or at least once every five to seven years by THEC program evaluation criteria.

Table 6: Academic Program Evaluation by Type

	Accreditable Programs	Traditional Program Review	Academic Audit	Total
UT System	140	113	0	253
TBR Universities	284	136	65	485
TBR Community Colleges	132	57	96	205
Total	556	306	161	1023
Percentage	54%	30%	16%	

- During 2009-10, approximately 100 academic programs were evaluated using the traditional program review or academic audit. Evaluation results revealed that 89 percent of all standards were satisfied. These reviews and subsequent follow-up by the institutions also help to assess program quality, need, and demand.
- Currently 556 programs are eligible for accreditation. Eligibility is determined when all Tennessee institutions agree on a specific accreditor as best representing qualitative standards for each discipline. All programs are accredited except for newly approved programs (27) and two programs where institutions elected not to seek accreditation. In those instances where accreditation was not achieved, institutions’ performance funding scores were negatively impacted.

Appendix A
Tennessee Higher Education Commission
2010 Program Actions: Approvals and Terminations

Program Approvals				
	Institution	Academic Program	Degree Level	Approval Date
1	Chattanooga	Emergency Med Technician - Paramedic	Certificate	Mar-10
2	Middle Tennessee	Horse Science	Masters	Jun-10
3	Nashville	Drafting and Construction (10 SCH)	Certificate	Jun-10
4	Dyersburg	Agriculture Applications	Certificate	Jul-10
5	Northeast	Auto Body Service Technology	Certificate	Jul-10
6	Walters	Clean Energy Building Tech (23 SCH)	Certificate	Jul-10
7	Walters	Clean Energy Core Tech (11 SCH)	Certificate	Jul-10
8	Walters	Clean Energy Electricity Technology (23 SCH)	Certificate	Jul-10
9	Walters	Clean Energy Transportation Tech (23 SCH)	Certificate	Jul-10
10	Dyersburg	Corrections and Law Enforcement	Certificate	Aug-10
11	Walters	Clean Energy	Associate	Aug-10
12	Cleveland	Accounting (22 SCH)	Certificate	Aug-10
13	Cleveland	Business and Management (21 SCH)	Certificate	Aug-10
14	Cleveland	Computer Business Applications (23 SCH)	Certificate	Aug-10
15	Cleveland	Customer Service (21 SCH)	Certificate	Aug-10
16	East Tennessee	Doctor of Nursing Practice	Doctorate	Aug-10
17	Univ of Memphis	Social and Behavioral Science	Doctorate	Aug-10
18	UT Chattanooga	Doctor of Nursing Practice	Doctorate	Aug-10
19	UT Knoxville	Doctor of Nursing Practice	Doctorate	Aug-10
20	Walters	Clean Energy Technology	Associate	Aug-10
21	Univ of Memphis	Social Work	Masters	Sep-10
22	Walters	Industrial Automation (20 SCH)	Certificate	Sep-10
23	Walters	Industrial Electricity (19 SCH)	Certificate	Sep-10
24	Walters	Operations Management & Quality (18 SCH)	Certificate	Sep-10
25	Walters	Industrial Mechanics (18 SCH)	Certificate	Sep-10
26	Chattanooga	General Engineering	Associate	Oct-10
27	Nashville	Information Security (21 SCH)	Certificate	Nov-10
28	Pellissippi	Commercial & Industrial Electricity (17 SCH)	Certificate	Nov-10
29	Pellissippi	Electrical Construction (14 SCH)	Certificate	Nov-10
30	Pellissippi	Industrial Maintenance Technology (20 SCH)	Certificate	Nov-10
31	Pellissippi	Alternate Energy & Process Control (14 SCH)	Certificate	Nov-10
32	Pellissippi	General Culinary Arts	Certificate	Nov-10

Program Terminations				
	Institution	Academic Program	Degree Level	Termination Date
1	Austin Peay	Computer Technology and Information Management	Associate	Jan-10
2	Middle Tennessee	Chemistry	Doctorate	Jan-10
3	Volunteer	Histotechnology	Associate	Jan-10
4	Volunteer	Social Services	Associate	Jan-10
5	Walters	Workforce Preparedness	Certificate	Mar-10
6	Columbia	Commercial Music -- Multimedia for Songwriters	Certificate	Apr-10
7	Columbia	Early Childhood Education	Associate	Apr-10
8	Columbia	Horticulture	Associate	Apr-10
9	Nashville	Medical Transcription	Certificate	Apr-10
10	Univ of Memphis	Women and Gender Studies	Masters	Apr-10
11	Northeast	CISCO Networking Technology	Certificate	Jun-10
12	Northeast	Personal Computer/Network Technology	Certificate	Jun-10
13	Northeast	Industrial Maintenance	Certificate	Jun-10
14	Roane	Police Management	Certificate	Jun-10
15	Southwest	Landscape Management	Certificate	Jun-10
16	Southwest	Turfgrass Management	Certificate	Jun-10
17	Southwest	Landscape and Turfgrass Management	Associate	Jun-10
18	Southwest	Occupational Safety and Environmental Health	Certificate	Jun-10
19	Southwest	Fire Science	Associate	Jun-10
20	Tennessee State	School Psychology	Educational Specialist	Jun-10
21	Tennessee State	Speech Pathology and Audiology	Bachelor	Jun-10
22	Tennessee State	Medical Technology	Bachelor	Jun-10
23	Tennessee Tech	Industrial Engineering	Bachelor	Jun-10
24	Univ of Memphis	Earth Sciences	Bachelor	Jun-10
25	UT Chattanooga	Foreign Language Education	Bachelor	Jun-10
26	UT Chattanooga	Music Education	Bachelor	Jun-10
27	UT Chattanooga	Secondary Mathematics Education	Bachelor	Jun-10
28	UT Chattanooga	Secondary Natural Sciences Education	Bachelor	Jun-10
29	Walters	Quality Control Technology	Certificate	Jun-10
30	Walters	Industrial Maintenance	Certificate	Jun-10
31	Middle Tennessee	Aerospace Education	Masters	Jul-10
32	Middle Tennessee	Human Sciences	Masters	Jul-10
33	Cleveland	Workforce Preparedness: Business	Certificate	Aug-10
34	Jackson	Home Manager	Certificate	Aug-10
35	Jackson	Public Library	Certificate	Aug-10
36	Roane	Office Information Technology	Certificate	Aug-10
37	Nashville	Sign Language Interpreting	Associate	Nov-10

**Appendix B
Tennessee Higher Education Commission
2009-10 Post Approval Monitoring**

Programs - Benchmarks Attained

<p>Austin Peay State University</p> <ul style="list-style-type: none"> • Criminal Justice, BS • Teaching, MAT <p>East Tennessee State University</p> <ul style="list-style-type: none"> • Anthropology, BA • Geology, BS • Clinical Psychology, PhD • Pharmacy, PharmD <p>Middle Tennessee State University</p> <ul style="list-style-type: none"> • Global Studies, BA • Construction Management, BS • Professional Science, MS • Literacy Studies, PhD <p>Regents Online Campus Collaborative:</p> <ul style="list-style-type: none"> • Master of Professional Studies 	<p>University of Tennessee, Chattanooga</p> <ul style="list-style-type: none"> • Mechanical Engineering, BS • Athletic Training, MS • Mathematics, MS • Learning and Leadership, EdD <p>University of Tennessee, Knoxville</p> <ul style="list-style-type: none"> • Public Relations, BSC • Biomedical Engineering, MS • Landscape Architecture, MLA, MA, MS • Exercise and Sports Science, PhD • Retail/Hospitality Management, PhD <p>University of Tennessee, Martin</p> <ul style="list-style-type: none"> • Finance, BSBA <p>University of Tennessee, Health Science Center</p> <ul style="list-style-type: none"> • Health Informatics and Information Management, MS
<p>Chattanooga State Community College</p> <ul style="list-style-type: none"> • Cardiovascular Sonography, Technical Certificate <p>Motlow State Community College</p> <ul style="list-style-type: none"> • General Technology, AAS <p>Nashville State Community College</p> <ul style="list-style-type: none"> • Industrial Process Control Technology, AAS • Paralegal Studies, AAS 	<p>Southwest Tennessee Community College</p> <ul style="list-style-type: none"> • Paramedic, AAS* <p>Volunteer State Community College</p> <ul style="list-style-type: none"> • Criminal Justice/Law Enforcement, AAS <p>Regents Online Campus Collaborative</p> <ul style="list-style-type: none"> • Nursing, AAS

**Program met productivity thresholds based on performance of an embedded certificate*

**2009-10 Post Approval Monitoring
Programs - Benchmarks Not Attained**

Austin Peay State University

- Chemical Engineering Technology, AAS
- Military History, MA*

East Tennessee State University

- International Affairs, BA
- Theatre, BA
- Women's Studies, BA
- Allied Health, MSAH
- Environmental Health, PhD
- Public Health, DrPH
- Early Childhood Education, PhD

Middle Tennessee State University

- Exercise Science, BS*
- Recording Arts and Technology, MFA
- Public History, PhD*

Tennessee State University

- Urban Studies, BS
- Occupational Therapy, MOT*
- Physical Therapy, DPT*

University of Memphis

- Biomedical Engineering, BSBE
- Bioinformatics, MS
- Computer Science, MS
- Public Health, MPH
- Architecture, MArch
- Computer Science, PhD*

UT Chattanooga

- Electrical Engineering, BS
- Early Childhood Education, BS*

UT Knoxville

- Computer Engineering, MS
- Reliability Engineering, MS
- Computer Engineering, PhD*
- Biomedical Engineering, PhD*
- Educational Psych/Research, PhD*
- School Psychology, PhD*
- Counselor Education, PhD*
- Higher Education Admin., PhD*
- Nutritional Sciences, PhD*
- Child and Family Studies, PhD

UT Health Science Center

- Cytopathology Practice, MS
- Dental Hygiene, MDH
- Physical Therapy, ScDPT

** Program met either enrollment or graduation benchmark.*

Programs - Benchmarks Not Attained (continued)

<p>Chattanooga State Community College</p> <ul style="list-style-type: none">• Dental Assisting, Certificate• Veterinary Technology, AAS <p>Columbia State Community College</p> <ul style="list-style-type: none">• Film Crew Technology, Certificate• Stage Crew Technology, Certificate <p>Dyersburg State Community College</p> <ul style="list-style-type: none">• Paramedic, Certificate• Emergency Medical Services, AAS*• General Technology, AAS	<p>Nashville State Community College</p> <ul style="list-style-type: none">• 3D Design and Graphics, Certificate• Healthcare Management, AAS*• Logistics Technology, AAS <p>Walters State Community College</p> <ul style="list-style-type: none">• Information Technology, AAS*• General Technology, AAS <p>Regents Online Campus Collaborative</p> <ul style="list-style-type: none">• Web Page Authoring, Certificate• Web Page Technology, AAS
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** Program met either enrollment or graduation benchmark*

Programs – Delayed Implementation

Jackson State Community College

- Occupational Therapy Assistant, AAS

Appendix C
Tennessee Higher Education Commission
Low Producing Program Report

Summary by Institution

	Reviewed Programs	Achieved Benchmarks	Core CIP ¹	Pending Consolidation Termination	Retain ²	No Recommended Action ³
UT Chattanooga	14	0	2	5	7	0
UT Knoxville	32	3	2	8	16	3
UT Martin	9	0	3	3	3	0
UT Memphis	6	1	0	0	4	1
UT System	61	4	7	16	30	4
Austin Peay	4	0	2	1	0	1
East Tennessee	14	0	3	0	3	8
Middle Tennessee	9	0	3	0	3	3
Tennessee State	20	4	2	3	8	3
Tennessee Tech	9	2	3	0	3	1
Univ of Memphis	15	1	2	0	8	4
TBR Universities	71	7	15	4	25	20
Chattanooga	6	2	0	0	4	0
Cleveland	3	2	0	0	1	0
Columbia	5	1	0	0	3	1
Dyersburg	6	0	0	0	5	1
Jackson	4	1	0	0	1	2
Motlow	2	1	0	0	0	1
Nashville	12	0	0	2	7	3
Northeast	8	3	0	3	0	2
Pellissippi	1	0	0	0	0	1
Roane	8	2	0	0	5	1
Southwest	13	0	0	5	7	1
Volunteer	5	0	0	1	2	2
Walters	9	1	0	2	3	3
TBR Community Colleges	82	13	0	13	38	18
Grand Total	214	24	22	33	93	42

¹ Core CIP Programs are listed in Appendix D, and are degree fields that constitute core academic programs essential to general education infrastructure and were under-productive at more than three institutions.

² Programs classified under the “retain” category are those programs that were reviewed by the systems during 2010 and were determined to contribute to general education or complement other degree offerings.

³ Programs classified under the category of “no recommended action” received neither a recommendation of retain or terminate from systems during the 2010 low producing review.

Summary of Low Producing Programs
University of Tennessee System
5 Year Average (2005-06 through 2009-10)

Institution	2000 CIP	Program	Degree	5 Yr. Avg.	Response
UTC	08.13.1302.00	ART EDUCATION	Bachelor	2	Consolidate
UTC	08.13.1312.00	MUSIC EDUCATION	Bachelor	0	Consolidate
UTC	08.13.1311.00	SECONDARY MATHEMATICS	Bachelor	2	Consolidate
UTC	08.13.1316.00	SECONDARY NATURAL SCIENCES	Bachelor	6	Consolidate
UTC	25.40.0601.00	GEOLOGY	Bachelor	5	Core CIP
UTC	25.40.0801.00	PHYSICS	Bachelor	2	Core CIP
UTC	10.16.0101.00	FOREIGN LANGUAGE & LITERATURE	Bachelor	8	Retain
UTC	16.24.0103.00	HUMANITIES	Bachelor	5	Retain
UTC	24.38.9999.01	PHILOSOPHY & RELIGION	Bachelor	7	Retain
UTC	30.50.0501.00	THEATRE & SPEECH	Bachelor	3	Retain
UTC	19.27.0301.00	APPLIED MATHEMATICS	Bachelor	5	Retain
UTC	09.15.1501.00	ENGINEERING TECHNOLOGY MGMT	Bachelor	3	Retain
UTC	30.50.0901.00	MUSIC	Bachelor	9	Retain
UTC	08.13.1306.00	FOREIGN LANGUAGE EDUC K-12	Bachelor	1	Terminate
UTK	25.40.0501.00	CHEMISTRY	Masters	5	Achieved Benchmark
UTK	28.54.0101.00	HISTORY	Doctoral	3	Achieved Benchmark
UTK	09.14.0701.00	CHEMICAL ENGINEERING	Doctoral	3	Achieved Benchmark
UTK	10.16.0902.00	ITALIAN	Bachelor	3	Consolidate
UTK	10.16.0402.00	RUSSIAN	Bachelor	1	Consolidate
UTK	32.52.1301.00	MANAGEMENT SCIENCE	Masters	4	Consolidate
UTK	25.40.0601.00	GEOLOGY	Bachelor	9	Core CIP
UTK	25.40.0801.00	PHYSICS	Bachelor	9	Core CIP
UTK	30.50.0703.00	ART HISTORY	Bachelor	9	Retain
UTK	10.16.0501.00	GERMAN	Bachelor	5	Retain
UTK	24.38.0201.00	RELIGIOUS STUDIES	Bachelor	8	Retain
UTK	21.30.9999.03	PRE-PROFESSIONAL PROGRAMS	Bachelor	6	Retain
UTK	31.51.1005.00	MEDICAL TECHNOLOGY	Bachelor	2	Retain
UTK	09.14.0301.00	BIOSYSTEMS ENGINEERING	Bachelor	6	Retain
UTK	01.01.1101.00	ENVIRONMENTAL & SOIL SCIENCES	Bachelor	7	Retain
UTK	09.14.1801.00	MATERIALS SCI & ENGINEERING	Bachelor	6	Retain
UTK	10.16.0501.00	GERMAN	Masters	3	Retain
UTK	18.26.0202.00	BIOCHEM/CELL/MOLECULAR BIOL	Masters	2	Retain
UTK	08.13.0401.00	LEADERSHIP STUDIES IN EDUC	Masters	4	Retain
UTK	09.14.0201.00	AEROSPACE ENGINEERING	Doctoral	1	Retain
UTK	09.14.1301.00	ENGINEERING SCIENCE	Doctoral	1	Retain
UTK	09.14.0301.00	BIOSYSTEMS ENGINEERING	Doctoral	1	Retain
UTK	09.14.3201.00	POLYMER ENGINEERING	Doctoral	2	Retain

Institution	2000 CIP	Program	Degree	5 Yr. Avg.	Response
UTK	28.45.1101.00	SOCIOLOGY	Doctoral	2	Retain
UTK	21.30.9999.04	INDIVIDUALIZED PROGRAM	Bachelor	2	Terminate
UTK	09.14.1201.00	ENGINEERING PHYSICS	Bachelor	1	Terminate
UTK	12.19.0402.00	CONSUMER SERVICES MGMT	Masters	2	Terminate
UTK	08.13.0401.00	EDUCATIONAL ADMINISTRATION	Educational Specialist	3	Terminate
UTK	08.13.0301.00	INSTRUCTIONAL TECH & EDUC STUD	Educational Specialist	2	Terminate
UTK	24.38.0101.00	PHILOSOPHY	Doctoral	1	
UTK	01.01.0901.00	ANIMAL SCIENCE	Doctoral	1	
UTK	32.52.1301.00	MANAGEMENT SCIENCE	Doctoral	2	
UTM	24.38.0101.00	PHILOSOPHY	Bachelor	4	Core CIP
UTM	19.27.0101.00	MATHEMATICS	Bachelor	2	Core CIP
UTM	25.40.0601.00	GEOSCIENCE	Bachelor	7	Core CIP
UTM	25.40.0501.00	CHEMISTRY	Bachelor	7	Retain
UTM	28.45.0901.00	INTERNATIONAL STUDIES	Bachelor	6	Retain
UTM	30.50.0901.00	MUSIC	Bachelor	9	Retain
UTM	10.16.0901.00	FRENCH	Bachelor	1	Terminate
UTM	10.16.0905.00	SPANISH	Bachelor	5	Terminate
UTM	08.13.1001.00	SPECIAL EDUCATION	Bachelor	9	Terminate
UTHSC	31.51.0799.01	CLINICAL LAB SCIENCE	Masters	6	Achieved Benchmark
UTHSC	18.26.9999.01	BIOMEDICAL SCIENCES	Masters	2	Retain
UTHSC	31.51.2004.00	PHARMACEUTICAL SCIENCES	Masters	1	Retain
UTHSC	18.26.1001.00	PHARMACOLOGY	Masters	0	Retain
UTHSC	31.51.0204.00	SPEECH & HEARING SCIENCE	Doctoral	1	Retain
UTHSC	31.51.2212.00	HEALTH OUTCOMES/POLICY	Doctoral	2	

**Summary of Low Producing Programs
Tennessee Board of Regents - Universities
5 Year Average (2005-06 through 2009-10)**

Institution	2000 CIP	Program	Degree	5 Yr. Avg.	Response
APSU	24.38.0101.00	PHILOSOPHY	Bachelor	2	Core CIP
APSU	25.40.0801.00	PHYSICS	Bachelor	7	Core CIP
APSU	32.52.0407.00	DATA PROCESSING	Associate	5	Terminate
APSU	10.16.0905.00	SPANISH	Bachelor	3	
ETSU	28.45.0601.00	ECONOMICS	Bachelor	3	Core CIP
ETSU	24.38.0101.00	PHILOSOPHY	Bachelor	8	Core CIP
ETSU	25.40.0801.00	PHYSICS	Bachelor	4	Core CIP
ETSU	28.45.0701.00	GEOGRAPHY	Bachelor	7	Retain
ETSU	31.51.2202.00	ENVIRONMENTAL HEALTH	Bachelor	5	Retain
ETSU	31.51.2202.00	ENVIRONMENTAL HEALTH	Masters	2	Retain
ETSU	30.50.0701.00	ART	Bachelor	8	
ETSU	32.52.0601.00	ECONOMICS	Bachelor	8	
ETSU	09.15.1102.00	SURVEYING & MAPPING SCIENCE	Bachelor	6	
ETSU	30.50.0701.00	ART	Masters	2	
ETSU	28.45.1101.00	SOCIOLOGY	Masters	4	
ETSU	08.13.0401.00	EDUCATIONAL LEADERSHIP	Masters	4	
ETSU	08.13.1205.00	SECONDARY EDUCATION	Masters	4	
ETSU	31.51.1608.00	NURSING	Doctoral	2	
MTSU	24.38.0101.00	PHILOSOPHY	Bachelor	5	Core CIP
MTSU	28.45.0601.00	ECONOMICS	Bachelor	6	Core CIP
MTSU	25.40.0801.00	PHYSICS	Bachelor	5	Core CIP
MTSU	09.15.0303.00	ENVIRONMENTAL SCIENCE & TECH	Bachelor	6	Retain
MTSU	29.49.0104.00	AVIATION ADMINISTRATION	Masters	2	Retain
MTSU	19.27.0101.00	MATHEMATICS	Masters	2	Retain
MTSU	31.51.0913.00	ATHLETIC TRAINING	Bachelor	9	
MTSU	28.45.1101.00	SOCIOLOGY	Masters	4	
MTSU	08.13.1311.00	MATHEMATICS	Masters	4	
TSU	31.51.0602.00	DENTAL HYGIENE	Bachelor	10	Achieved Benchmark
TSU	30.50.0901.00	MUSIC	Bachelor	10	Achieved Benchmark
TSU	15.23.0101.00	ENGLISH	Masters	5	Achieved Benchmark
TSU	27.44.0401.00	PUBLIC ADMINISTRATION	Doctoral	3	Achieved Benchmark
TSU	19.27.0101.00	MATHEMATICS	Bachelor	8	Core CIP
TSU	25.40.0801.00	PHYSICS	Bachelor	3	Core CIP
TSU	10.16.0101.00	FOREIGN LANGUAGES	Bachelor	4	Retain
TSU	28.54.0101.00	HISTORY	Bachelor	6	Retain
TSU	03.05.0201.00	AFRICANA STUDIES	Bachelor	4	Retain
TSU	09.14.0801.00	CIVIL ENGINEERING	Bachelor	6	Retain
TSU	08.13.1210.00	EARLY CHILDHOOD EDUCATION	Bachelor	4	Retain

Institution	2000 CIP	Program	Degree	5 Yr. Avg.	Response
TSU	08.13.1312.00	MUSIC EDUCATION	Masters	3	Retain
TSU	18.26.0101.00	BIOLOGICAL SCIENCES	Doctoral	2	Retain
TSU	09.14.0901.00	COMPUTER/INFO SYSTEMS	Doctoral	1	Retain
TSU	31.51.1005.00	MEDICAL TECHNOLOGY	Bachelor	4	Terminate
TSU	31.51.0204.00	SPEECH PATHOLOGY & AUDIOLOGY	Bachelor	6	Terminate
TSU	26.42.1701.00	SCHOOL PSYCHOLOGY	Educational Specialist	2	Terminate
TSU	30.50.0701.00	ART	Bachelor	7	
TSU	25.40.0501.00	CHEMISTRY	Masters	3	
TSU	19.27.0101.00	MATHEMATICAL SCIENCES	Masters	4	
TTU	25.40.0501.00	CHEMISTRY	Masters	5	Achieved Benchmark
TTU	08.13.1299.00	ADV STUDIES IN TCHG & LEARNING	Masters	6	Achieved Benchmark
TTU	25.40.0601.00	GEOSCIENCES	Bachelor	8	Core CIP
TTU	19.27.0101.00	MATHEMATICS	Bachelor	6	Core CIP
TTU	25.40.0801.00	PHYSICS	Bachelor	4	Core CIP
TTU	10.16.0101.00	FOREIGN LANGUAGES	Bachelor	9	Retain
TTU	21.30.9999.02	WORLD CULTURES & BUSINESS	Bachelor	8	Retain
TTU	32.52.0601.00	ECONOMICS	Bachelor	4	Retain
TTU	01.03.0103.00	ENVIRONMENTAL SCIENCES	Doctoral	1	
UoM	15.23.0101.00	ENGLISH: WRITING & LANG STUD	Doctoral	3	Achieved Benchmark
UoM	28.45.0601.00	ECONOMICS	Bachelor	7	Core CIP
UoM	25.40.0801.00	PHYSICS	Bachelor	2	Core CIP
UoM	03.05.0201.00	AFRICAN AND AFRIC-AMER STUDIES	Bachelor	7	Retain
UoM	02.04.0401.00	ARCHITECTURE	Bachelor	8	Retain
UoM	09.14.0901.00	COMPUTER ENGINEERING	Bachelor	5	Retain
UoM	08.13.1314.00	PHYSICAL EDUC TEACHER EDUC	Bachelor	7	Retain
UoM	30.50.0703.00	ART HISTORY	Bachelor	6	Retain
UoM	26.42.1801.00	EDUCATIONAL PSYCH & RESEARCH	Masters	3	Retain
UoM	25.40.0801.00	PHYSICS	Masters	4	Retain
UoM	31.51.0204.00	AUDIOLOGY & SPEECH-LANGUAGE PATHOLOGY	Doctoral	2	Retain
UoM	28.45.0701.00	GEOGRAPHY	Bachelor	6	
UoM	25.40.0601.00	GEOLOGICAL SCIENCES	Bachelor	3	
UoM	09.15.0613.00	MANUFACTURING ENGIN TECH	Bachelor	5	

Summary of Low Producing Programs
Tennessee Board of Regents - Community Colleges
3 Year Average (2007-08 through 2009-10)

Institution	2000 CIP	Program	Degree	3 Yr. Avg.	Response
Chattanooga	09.15.1301.00	CAD TECHNOLOGY	Certificate	4	Retain
Chattanooga	32.52.1201.00	INFORMATION SYSTEMS TECH	Certificate	6	Retain
Chattanooga	27.43.0203.00	FIRE SCIENCE TECHNOLOGY	Associate	10	Achieved Benchmark
Chattanooga	09.15.0000.00	ENGINEERING TECHNOLOGY	Associate	20	Achieved Benchmark
Chattanooga	13.21.0101.01	APPLIED TECHNOLOGY	Associate	9	Retain
Chattanooga	09.15.0612.00	INDUSTRIAL MAINTENANCE TECH	Associate	3	Retain
Cleveland	31.51.0904.00	EMERGENCY MEDICAL SERVICES	Certificate	13	Achieved Benchmark
Cleveland	27.43.0107.00	LAW ENFORCEMENT TRAINING	Certificate	31	Achieved Benchmark
Cleveland	27.44.9999.00	PUBLIC & GOV'T SERVICES	Associate	4	Retain
Columbia	32.52.0201.01	BUSINESS MANAGEMENT	Certificate	14	Achieved Benchmark
Columbia	30.50.0999.02	COMMERCIAL PERFORMANCE	Certificate	5	Retain
Columbia	27.43.0107.00	CRIMINAL JUSTICE	Associate	7	Retain
Columbia	01.01.0601.00	HORTICULTURE	Associate	3	Retain
Columbia	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	5	
Dyersburg	06.11.0401.00	COMPUTER SYSTEMS OPERAT & MGT	Certificate	1	Retain
Dyersburg	31.51.0707.00	MEDICAL CODING	Certificate	6	Retain
Dyersburg	06.11.0401.00	COMPUTER INFORMATION TECH	Associate	2	Retain
Dyersburg	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	4	Retain
Dyersburg	27.43.0107.00	JUSTICE SERVICES	Associate	5	Retain
Dyersburg	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	4	
Jackson	12.19.0799.00	HOME MANAGER	Certificate	8	Retain
Jackson	13.21.0101.01	GENERAL TECHNOLOGY	Associate	10	Achieved Benchmark
Jackson	30.50.0402.00	GRAPHICS DESIGN TECHNOLOGY	Associate	2	
Jackson	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	9	
Motlow	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Certificate	11	Achieved Benchmark
Motlow	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	6	
Nashville	01.01.0605.00	HORT & LAND. GARDENING	Certificate	7	Retain
Nashville	30.50.0605.00	PHOTOGRAPHY	Certificate	3	Retain
Nashville	09.15.1301.00	COMPUTER-AIDED DRAFTING	Certificate	5	Retain
Nashville	32.52.0701.00	ENTREPRENEURSHIP	Certificate	0	Terminate
Nashville	07.12.0503.00	CULINARY ARTS	Certificate	2	
Nashville	29.48.0503.00	PRODUCTION MACHINE OPERATOR	Certificate	9	
Nashville	07.12.0503.00	CULINARY SCIENCE	Associate	7	Retain
Nashville	29.47.0604.00	AUTOMOTIVE TECHNOLOGY	Associate	4	Retain
Nashville	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	9	Retain
Nashville	10.16.1603.00	SIGN LANGUAGE INTERPRETING	Associate	5	Terminate
Nashville	27.44.0201.00	SOCIAL SERVICES	Associate	5	Retain

Institution	2000 CIP	Program	Degree	3 Yr. Avg.	Response
Nashville	09.15.0000.00	ARCH, CIVIL & CONSTRU ENG TECH	Associate	8	
Northeast	12.19.0706.00	EARLY CHILDHOOD DEVELOPMENT	Certificate	22	Achieved Benchmark
Northeast	31.51.0904.00	EMT: PARAMED	Certificate	14	Achieved Benchmark
Northeast	32.52.0401.00	OFFICE TECHNOLOGY	Certificate	6	Achieved Benchmark
Northeast	06.11.0203.00	CISCO NETWORK TECHNOLOGY	Certificate	1	Terminate
Northeast	06.11.0901.00	PERSONAL COMP/NETWORK TECH	Certificate	1	Terminate
Northeast	29.47.0303.00	INDUSTRIAL MAINTENANCE	Certificate	5	Terminate
Northeast	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	4	
Northeast	30.50.0402.00	GRAPHICS DESIGN TECHNOLOGY	Associate	2	
Pellissippi	13.21.0101.01	GENERAL TECHNOLOGY	Associate	6	
Roane	27.43.0107.00	POLICE MANAGEMENT	Certificate	10	Achieved Benchmark
Roane	31.51.0805.00	PHARMACY TECHNICIAN	Certificate	10	Achieved Benchmark
Roane	31.51.09999.00	DIAGNOSIS & PROCEDURAL CODING	Certificate	9	Retain
Roane	28.45.0702.00	GEOGRAPHIC INFO SYSTEMS	Certificate	7	Retain
Roane	32.52.0401.00	OFFICE INFORMATION TECH	Certificate	1	Retain
Roane	31.51.2202.00	ENVIRONMENTAL HEALTH TECH	Associate	5	Retain
Roane	28.45.0702.00	GEOGRAPHIC INFO SYSTEMS	Associate	5	Retain
Roane	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	4	
Southwest	32.52.0101.00	CUSTOMS BROKERAGE	Certificate	3	Retain
Southwest	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Certificate	6	Retain
Southwest	29.46.0302.00	ELECTRIC UTILITY CONSTRUCTION	Certificate	4	Retain
Southwest	29.46.0302.01	UTILITY TECHNOLOGY/ELECTRIC	Certificate	4	Retain
Southwest	29.46.9999.00	UTILITY TECHNOLOGY/GAS	Certificate	0	Retain
Southwest	01.01.0605.00	LANDSCAPE MANAGEMENT	Certificate	3	Terminate
Southwest	01.01.0607.00	TURFGRASS MANAGEMENT	Certificate	0	Terminate
Southwest	09.15.0701.00	OCCUPATIONAL SAFETY & ENV HEAL	Certificate	0	Terminate
Southwest	31.51.3104.00	DIETETIC TECHNICIAN	Associate	9	Retain
Southwest	29.47.0101.00	ELECTRONIC TECHNOLOGY	Associate	5	Retain
Southwest	27.43.0203.00	FIRE SCIENCE	Associate	4	Terminate
Southwest	01.01.0699.01	LANDSCAPE AND TURFGRASS MNGT	Associate	4	Terminate
Southwest	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	3	
Volunteer	32.52.0401.00	OFFICE MANAGEMENT TECHNOLOGY	Certificate	7	Retain
Volunteer	31.51.1004.00	MEDICAL LAB TECHNOLOGY	Associate	7	Retain
Volunteer	27.44.0201.00	SOCIAL SERVICES	Associate	0	Terminate
Volunteer	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	5	
Volunteer	13.21.0101.01	GENERAL TECHNOLOGY	Associate	6	
Walters	07.12.0503.00	CULINARY ARTS	Certificate	10	Achieved Benchmark
Walters	31.51.0713.01	MEDICAL INSURANCE SPECIALIST	Certificate	7	Retain
Walters	29.47.0303.00	INDUSTRIAL MAINTENANCE	Certificate	0	Terminate
Walters	09.15.0702.00	QUALITY CONTROL TECHNOLOGY	Certificate	1	Terminate
Walters	23.32.0101.00	WORKFORCE PREPAREDNESS	Certificate	0	

Institution	2000 CIP	Program	Degree	3 Yr. Avg.	Response
Walters	31.51.0707.00	HEALTH INFORMATION TECH	Associate	7	Retain
Walters	01.01.0603.00	PRODUCTION HORTICULTURE	Associate	9	Retain
Walters	32.52.0401.00	OFFICE ADMINISTRATION	Associate	1	
Walters	12.19.0706.00	EARLY CHILDHOOD EDUCATION	Associate	4	

Appendix D
Tennessee Higher Education Commission
Core CIP Baccalaureate Programs
5 Year Average (2005-06 through 2009-10)

Institution	2000 CIP	Academic Program	5 Yr. Avg
UT Martin	27.0101	Mathematics	2
Tennessee Tech	27.0101	Mathematics	6
Tennessee State	27.0101	Mathematics	8
Austin Peay	38.0101	Philosophy	2
UT Martin	38.0101	Philosophy	4
Middle Tennessee	38.0101	Philosophy	5
East Tennessee	38.0101	Philosophy	8
UT Chattanooga	40.0601	Geology	5
UT Martin	40.0601	Geoscience	7
Tennessee Tech	40.0601	Geoscience	8
UT Knoxville	40.0601	Geology	9
Univ of Memphis	40.0801	Physics	2
UT Chattanooga	40.0801	Physics	2
Tennessee State	40.0801	Physics	3
East Tennessee	40.0801	Physics	4
Tennessee Tech	40.0801	Physics	4
Middle Tennessee	40.0801	Physics	5
Austin Peay	40.0801	Physics	7
UT Knoxville	40.0801	Physics	9
East Tennessee	45.0601	Economics	3
Middle Tennessee	45.0601	Economics	6
Univ of Memphis	45.0601	Economics	7

Appendix E
Tennessee Higher Education Commission
Doctoral Program Productivity
5 Year Average (2005-06 through 2009-10)

Institution	CIP Code	Academic Program	Degree Level	5 Year Average	Program Status
AGRICULTURE					
1. UT Knoxville	010000	Plant, Soils and Insects	PhD	4	
2. UT Knoxville	010901	Animal Science	PhD	2	Low-Producing
3. UT Knoxville	011001	Food Science & Technology	PhD	3	
NATURAL RESOURCES AND CONSERVATION					
4. UT Knoxville	030101	Natural Resources	PhD	4	
5. Tennessee Tech	030103	Environmental Sciences	PhD	1	Low-Producing
COMMUNICATION AND JOURNALISM					
6. Univ of Memphis	090102	Communication	PhD	5	
7. UT Knoxville	090102	Communication	PhD	7	
8. Univ of Memphis	110701	Computer Science	PhD	2	Jan-06
9. UT Knoxville	110701	Computer Science	PhD	6	
EDUCATION **					
10. UT Knoxville	130101	Education	PhD	27	
11. Tennessee State	130301	Curriculum & Instruction	EdD	15	
12. Tennessee Tech	130301	Exceptional Learning	PhD	8	
13. Univ of Memphis	130301	Instruc & Curriculum Leadership	EdD	8	
14. East Tennessee	130401	Educational Leadership	EdD	29	
15. Tennessee State	130401	Admin & Supervision	EdD	19	
16. Univ of Memphis	130401	Leadership & Policy Studies	EdD	4	
17. UT Chattanooga	130401	Learning and Leadership	EdD	6	Jul-04
18. Univ of Memphis	130406	Higher and Adult Education	EdD	7	
19. UT Knoxville *	130406	Higher Education Administration	PhD	3	Jul-08
20. Univ of Memphis	131101	Counseling & Personnel Services	EdD	3	
21. UT Knoxville *	131102	Counselor Education	PhD	5	Jul-08
22. East Tennessee	131210	Early Childhood Education	PhD		Jul-08
23. Middle Tennessee	131315	Literacy Studies	PhD		Jul-07
24. Middle Tennessee	139999	Mathematics & Science Education	PhD		Jul-09
ENGINEERING **					
25. Tennessee Tech	140101	Engineering	PhD	10	
26. Univ of Memphis	140101	Engineering	PhD	5	
27. UT Knoxville	140201	Aerospace Engineering	PhD	1	Low-Producing
28. UT Knoxville	140301	Biosystems Engineering	PhD	1	Low-Producing
29. Univ of Memphis	140501	Biomedical Eng (w/ UTHSC)	PhD	2	Joint Program
30. UT Health Science	140501	Biomedical Eng (w/ UoM)	PhD	1	Joint Program
31. UT Knoxville	140501	Biomedical Engineering	PhD		Jan-08

Institution	CIP Code	Academic Program	Degree Level	5 Year Average	Program Status
32. UT Knoxville	140701	Chemical Engineering	PhD	3	
33. UT Knoxville	140801	Civil Engineering	PhD	6	
34. Tennessee State	140901	Computer & Info Systems	PhD	1	Low-Producing
35. UT Knoxville	140901	Computer Engineering	PhD	3	Jul-04
36. UT Knoxville	141001	Electrical Engineering	PhD	10	
37. UT Knoxville	141301	Engineering Science	PhD	2	Low-Producing
38. UT Knoxville	141801	Materials Science & Engineering	PhD	11	
39. UT Knoxville	141901	Mechanical Engineering	PhD	4	
40. UT Knoxville	142301	Nuclear Engineering	PhD	3	
41. UT Chattanooga	142701	Computational Engineering	PhD	2	Low-Producing
42. UT Knoxville	143201	Polymer Engineering	PhD	2	Low-Producing
43. UT Knoxville	143501	Industrial and Information Engineering	PhD	4	
FOREIGN LANGUAGES					
44. UT Knoxville	160101	Modern Foreign Languages	PhD	3	
FAMILY AND CONSUMER SCIENCES					
45. UT Knoxville	190101	Human Ecology	PhD	7	
46. UT Knoxville *	190501	Nutritional Sciences	PhD	1	Jul-08
47. UT Knoxville *	190701	Child and Family Studies	PhD	3	Jul-08
ENGLISH LANGUAGE AND LITERATURE					
48. Middle Tennessee	230101	English	PhD	4	
49. Univ of Memphis	230101	English: Writing & Lang Studies	PhD	3	
50. UT Knoxville	230101	English	PhD	7	
BIOLOGICAL AND BIOMEDICAL SCIENCES **					
51. Tennessee State	260101	Biological Sciences	PhD	2	Low-Producing
52. Univ of Memphis	260101	Biology	PhD	5	
53. East Tennessee	260102	Biomedical Sciences	PhD	5	
54. UT Knoxville	260202	Biochem/Cellular/Molecular Biology	PhD	4	
55. Middle Tennessee	260204	Molecular Biosciences	PhD		Jul-09
56. UT Knoxville	260503	Microbiology	PhD	4	
57. UT Knoxville	261301	Ecology & Evolutionary Biology	PhD	5	
58. UT Health Science	269999	Biomedical Sciences	PhD	11	
59. UT Knoxville	269999	Life Sciences	PhD	5	
MATHEMATICS AND STATISTICS					
60. Univ of Memphis	270101	Mathematical Sciences	PhD	5	
61. UT Knoxville	270101	Mathematics	PhD	5	
62. Middle Tennessee	270303	Computational Science	PhD		Jul-09
PARKS, RECREATION, LEISURE AND FITNESS STUDIES					
63. Middle Tennessee	310501	Human Performance	PhD	7	
64. East Tennessee	310505	Sport Physiology and Performance	PhD		Jul-09

Institution	CIP Code	Academic Program	Degree Level	5 Year Average	Program Status
65. UT Knoxville *	310505	Exercise & Sports Science	PhD	4	Jul-08
PHILOSOPHY					
66. Univ of Memphis	380101	Philosophy	PhD	3	
67. UT Knoxville	380101	Philosophy	PhD	1	Low-Producing
PHYSICAL SCIENCES					
68. Univ of Memphis	400501	Chemistry	PhD	4	
69. UT Knoxville	400501	Chemistry	PhD	12	
70. Univ of Memphis	400601	Earth Science	PhD	3	
71. UT Knoxville	400601	Geology	PhD	3	
72. UT Knoxville	400801	Physics	PhD	11	
PSYCHOLOGY **					
73. Tennessee State	420101	Psychology	PhD	10	
74. Univ of Memphis	420101	Psychology	PhD	12	
75. UT Knoxville	420101	Psychology	PhD	15	
76. East Tennessee	420201	Psychology	PhD		Jul-06
77. Univ of Memphis	420601	Counseling Psychology	PhD	8	
78. UT Knoxville	420901	Industrial/Organizational Psych	PhD	4	
79. UT Knoxville	421701	School Psychology	PhD		Jul-08
80. Univ of Memphis	421801	Educational Psych & Research	PhD	4	
81. UT Knoxville	421801	Educational Psych & Research	PhD	4	Jul-08
PUBLIC ADMINISTRATION AND SOCIAL SERVICES					
82. Tennessee State	440401	Public Administration	PhD	3	
83. UT Knoxville	440701	Social Work	PhD	4	
SOCIAL SCIENCES					
84. UT Knoxville	450201	Anthropology	PhD	4	
85. Middle Tennessee	450601	Economics	PhD	4	
86. UT Knoxville	450701	Geography	PhD	4	
87. UT Knoxville	451001	Political Science	PhD	4	
88. UT Knoxville	451101	Sociology	PhD	2	Low-Producing
VISUAL AND PERFORMING ARTS					
89. Univ of Memphis	500901	Music	PhD	2	Low-Producing
90. Univ of Memphis	500901	Music	DMA	7	
HEALTH PROFESSIONS					
91. East Tennessee	510202	Audiology	AUD	5	
92. Univ of Memphis	510202	Audiology	AUD	6	
93. UT Health Science	510202	Audiology	AUD	8	
94. Univ of Memphis	510204	Audiology & Speech Pathology	PhD	2	
95. UT Health Science	510204	Speech & Hearing Science	PhD	1	Low-Producing
96. East Tennessee	511605	Doctor of Nursing Practice	DNP		Aug-10
97. UT Chattanooga	511605	Doctor of Nursing Practice	DNP		Aug-10

Institution	CIP Code	Academic Program	Degree Level	5 Year Average	Program Status
98. UT Health Science	511605	Nursing Practice	DNP	43	
99. UT Knoxville	511605	Doctor of Nursing Practice	DNP		Aug-10
100. East Tennessee	511608	Nursing	PhD	2	Low-Producing
101. UT Health Science	511608	Nursing (joint with UTK)	PhD	6	
102. UT Knoxville	511608	Nursing (joint with UTHSC)	PhD	4	
103. UT Health Science	512004	Pharmaceutical Sciences	PhD	11	
104. East Tennessee	512201	Public Health	DrPH		Jul-06
105. Univ of Memphis	512201	Social and Behavioral Science	PhD		Aug-10
106. East Tennessee	512202	Environmental Health	PhD		Jul-06
107. UT Health Science	512212	Health Outcomes & Policy Research	PhD	2	Low-Producing
108. East Tennessee	512308	Physical Therapy	DPT	20	
109. Tennessee State	512308	Physical Therapy	DPT	20	Jan-05
110. UT Chattanooga	512308	Physical Therapy	DPT	35	
111. UT Health Science	512308	Physical Therapy	DPT	45	
112. UT Health Science	512308	Physical Therapy	ScDPT	2	Approved Nov 2002 and Implemented 2005
113. UT Knoxville	519999	Comparative/Exp Medicine	PhD	3	
BUSINESS, MANAGEMENT AND MARKETING					
114. Univ of Memphis	520201	Business Administration	PhD	11	
115. UT Knoxville	520201	Business Administration	PhD	10	
116. UT Knoxville	520601	Economics	PhD	3	
117. UT Knoxville *	520901	Retail, Hospitality, Tourism Mgmt	PhD	2	Jul-08
118. UT Knoxville	521301	Management Science	PhD	2	Low-Producing
HISTORY					
119. Univ of Memphis	540101	History	PhD	4	
120. UT Knoxville	540101	History	PhD	3	
121. Middle Tennessee	540105	Public History	PhD	3	Jul-05

* Productivity figures reported for new programs are based on degrees awarded for the past two reporting years (2008-09 through 2009-10). New programs at University of Tennessee Knoxville were converted from existing concentrations within the Health and Human Sciences, PhD and Education, PhD programs.

** Analysis of Doctoral Programs by Discipline

Discipline	Number of Doctoral Programs	2005-06	2006-07	2007-08	2008-09	2009-10	5 Year Average
Biological Sciences	9	35	38	45	41	42	40
Psychology	9	54	53	53	66	50	55
Education	14	117	106	119	114	125	116
Engineering	18	55	65	81	74	76	70

DATE: January 27, 2011**SUBJECT:** 2010 Lottery Scholarship Annual Report**ACTION RECOMMENDED:** Information

BACKGROUND INFORMATION: Pursuant to T.C.A. § 49-4-903(b), the Tennessee Higher Education Commission is to annually report findings related to lottery scholarship programs to the Senate and House Education Committees at the beginning of each legislative session.

Staff will present an overview of the Tennessee Lottery Education Lottery Scholarship Special Report, which consists of the following four chapters:

Impact of the Provisional Renewal Rule

This chapter provides analyses of the impact of T.C.A. §49-4-911 (a)(2), a new lottery scholarship renewal rule adopted by the 105th General Assembly in 2008. This provision became effective in the Fall 2008 semester, lowering the previous scholarship renewal criteria.

Impact of the Lower GPA Requirement at the 48 Hour Benchmark on College Retention

This chapter analyzes the impact of the revised scholarship renewal rule on college retention rates. The revised renewal rule, also adopted during the 105th General Assembly in 2008, lowered the minimum GPA criteria at the benchmark of 48 cumulative credit hours from 3.0 to 2.75.

Lottery Scholarship and Affordability

This chapter analyzes the extent to which the lottery scholarship has contributed to reducing student payments for the cost of higher education across different levels of family income. It also explores how unmet needs can be reduced through the TELS program.

The General Assembly Merit Scholarship and its Outcomes

Pursuant to T.C.A. §49-4-903(d), the new statute that directs THEC to evaluate the General Assembly Merit Scholarship (GAMS) program, this chapter analyzes scholarship renewal and college completion for the high-achieving students in the GAMS program.



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Executive Director


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BILL HASLAM
Governor

MEMORANDUM

To: Governor Bill Haslam
Senator Dolores Gresham, Chair, Senate Education Committee
Representative Richard Montgomery, Chair, House Education
Committee

CC: Senator Ron Ramsey, Speaker of the Senate
Representative Beth Harwell, Speaker of the House of Representatives
Senator Jamie Woodson, Speaker Pro Tempore of the Senate
Representative Judd Matheny, Speaker Pro Tempore of the House of
Representatives
Senator Randy McNally, Chair, Senate Finance, Ways and Means
Committee
Representative Charles Sargent, Chair, House Finance, Ways and
Means Committee
Members, Tennessee Higher Education Commission
Phillip Doss, Director, Offices of Research and Education Accountability
David Thurman, Director, Office of Legislative Budget Analysis
Rebecca Hargrove, President and CEO, Tennessee Education Lottery
Corporation

From: Richard G. Rhoda 

Date: January 21, 2011

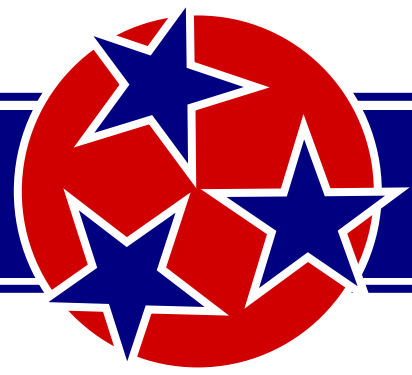
In fulfillment of the Commission's statutory responsibility pursuant to T.C.A. §49-4-903(b), attached for your information is a special report relative to the Tennessee Education Lottery Scholarship program. This report consists of the following four chapters:

- *Chapter 1: Impact of the Provisional Renewal Rule*
This chapter provides analyses of the impact of T.C.A. §49-4-911 (a)(2), a new lottery scholarship renewal rule adopted by the 105th General Assembly in 2008. This provision became effective in the Fall 2008 semester, lowering the previous scholarship renewal criteria.

- *Chapter 2: Impact of the Lower GPA Requirement at the 48 Hour Benchmark on College Retention*
This chapter analyzes the impact of the revised scholarship renewal rule on college retention rates. The revised renewal rule, also adopted during the 105th General Assembly in 2008, lowered the minimum GPA criteria at the benchmark of 48 cumulative credit hours from 3.0 to 2.75.
- *Chapter 3: Lottery Scholarship and Affordability*
This chapter analyzes the extent to which the lottery scholarship has contributed to reducing student payments for the cost of higher education across different levels of family income. It also explores how unmet needs can be reduced through the TELS program.
- *Chapter 4: The General Assembly Merit Scholarship and its Outcomes*
Pursuant to T.C.A. §49-4-903(d), the new statute that directs THEC to evaluate the General Assembly Merit Scholarship (GAMS) program, this chapter analyzes scholarship renewal and college completion for the high-achieving students in the GAMS program.

An overview of the information contained in this report will be presented at the Higher Education Commission meeting on January 27, 2011. Both the report and a copy of the presentation will be available on the Commission's website, <http://thecreports.state.tn.us>, after the meeting.

Please do not hesitate to contact this office with any specific questions or comments regarding the Tennessee Education Lottery Scholarship program.

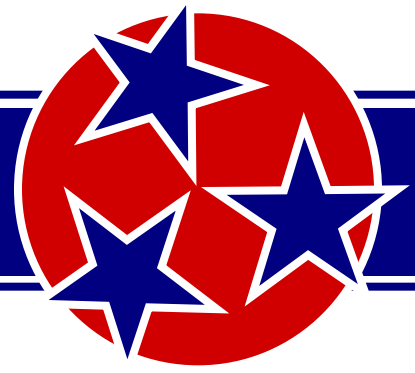


**TENNESSEE EDUCATION LOTTERY
SCHOLARSHIP PROGRAM
SPECIAL REPORT**

January 2011

Prepared by the Tennessee Higher Education Commission

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2010 – 2011 COMMISSION MEMBERS

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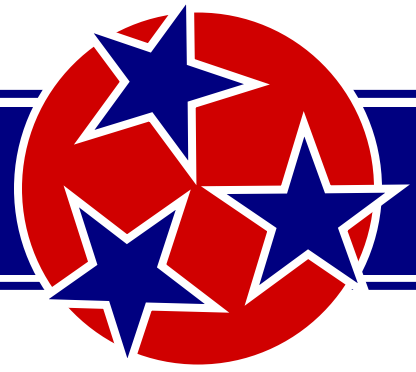
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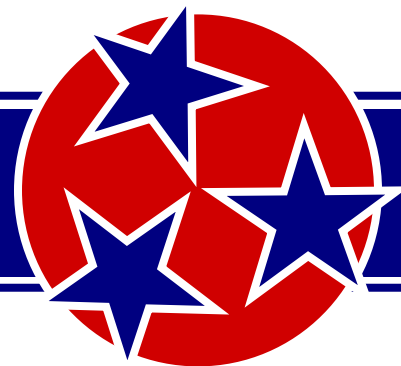
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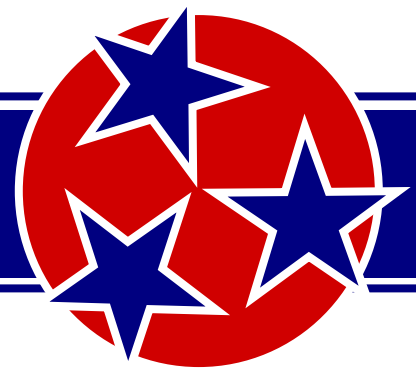
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Introduction



This special report is prepared pursuant to T.C.A. §49-4-903(b), which directs the Tennessee Higher Education Commission (THEC) to:

“...provide assistance to the general assembly and to the Tennessee Student Assistance Corporation (TSAC) by researching and analyzing data concerning the scholarship and grant programs created under this part, including, but not limited to, student success and scholarship renewal.”

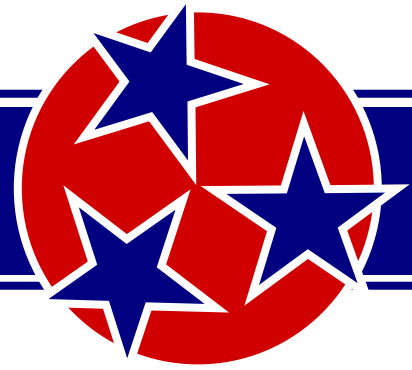
This report comes at a time when the Tennessee Education Lottery Scholarship (TELS) program is at a critical juncture. Over the past several months, the program has undergone extensive review for long-term sustainability in the face of burgeoning expenditures. Projections released by the University of Tennessee Center for Business and Economic Research in August, 2010 warned that program expenditures will continue to exceed revenues. In response, the Lottery Stabilization Task Force urged higher education leaders to provide information and analysis to inform decision making for program improvement. A number of working group meetings have taken place among state and system-level leaders and other stakeholders to fully discuss policy alternatives to enhance the effectiveness of the lottery scholarship. The discussion process has produced a wealth of data and analyses, revealing aspects of the program that were previously unknown. This report shares some of findings presented throughout the process and through independent study by THEC over the last year.

This report is divided into four chapters:

- *Impact of the Provisional Renewal Rule* provides analyses of the impact of T.C.A. §49-4-911 (a)(2), a new lottery scholarship renewal rule adopted by the 105th General Assembly in 2008. This provision became effective in the Fall 2008 semester, lowering the previous scholarship renewal criteria.
- *Impact of the Lower GPA Requirement at the 48 Hour Benchmark on College Retention* analyzes the impact of the revised scholarship renewal rule on college retention rates. The revised renewal rule, also adopted during the 105th General Assembly in 2008, lowered the minimum GPA criteria at the benchmark of 48 cumulative credit hours from 3.0 to 2.75.
- *Lottery Scholarship and Affordability* examines the extent to which the lottery scholarship has contributed to reducing student payments for the cost of higher education across different levels of family income. It also explores how unmet needs can be reduced through the TELS program.

- *The General Assembly Merit Scholarship and its Outcomes* analyzes scholarship renewal and college completion for the high-achieving students in the General Assembly Merit Scholarship (GAMS) program.

The majority of data and analyses in this report are based upon data prior to Fall 2010. Prior to Fall 2010, all headcount data were based on fourteenth day enrollment and were available near the middle of the term. Beginning in Fall 2010, THEC has started to collect end-of-term enrollment student information as specified by the Complete College Tennessee Act of 2010. The responsible organizations are presently submitting Fall 2010 data to THEC. The upcoming 2011 Lottery Scholarship Annual Report, which will be released upon the completion of the current data collection, will include data and analyses for the 2010-11 academic year.

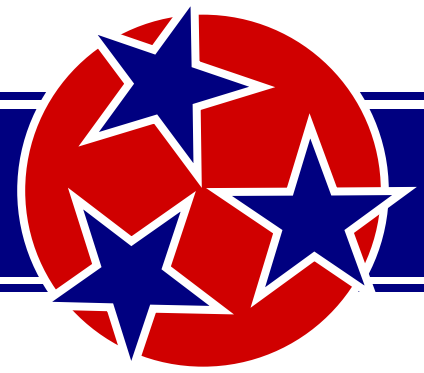


Chapter 1 : Impact of the Provisional Renewal Rule

Abstract

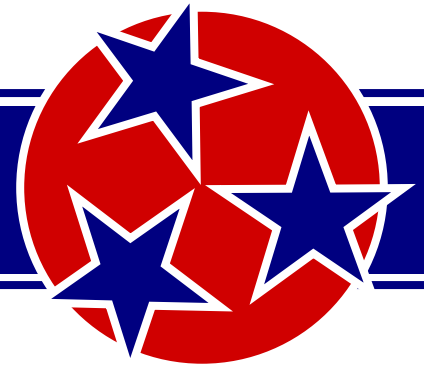
This report provides analyses of the impact of T.C.A. §49-4-911 (a)(2), a new lottery scholarship renewal rule adopted by the 105th General Assembly in 2008. This provision became effective in the Fall 2008 semester, allowing certain students to renew a lottery scholarship if they failed to meet existing scholarship renewal criteria. This report presents a brief account of this new provision (hereafter referred to as the “provisional rule” or “provisional path”) and explains characteristics of provisional recipients as well as the rule’s impact on scholarship renewal and graduation rates.

Executive Summary



- During the 2008-09 academic year, the provisional renewal rule enabled 1,185 students to maintain their lottery scholarship eligibility. The state expenditure for these additional students was \$2.9 million. The expense for this provision was \$4.3 million in 2009-10.
- Of the students who received the scholarship, certain demographic groups were better represented among students on the provisional path.
 - The share of male recipients was higher among provisional recipients than non-provisional recipients, 41.0 percent to 38.5 percent;
 - The share of African American students among provisional recipients was almost double as compared to non-provisional students; and
 - Provisional scholarships have served a higher proportion of lower-income students than the traditional lottery scholarship.
- Students who met initial scholarship criteria based on either high school GPA alone *or* ACT alone were more than twice as likely to become provisional recipients as compared to those who qualified on the basis of both ACT *and* GPA.
 - 4.4 percent of students who qualified based on high school GPA *and* ACT for initial scholarship eligibility went into the provisional path, as compared to 10.6 percent of students who qualified only on the basis of high school GPA, and 9.6 percent who qualified solely on the basis of the ACT.
- A lottery scholarship recipient's chance of becoming a provisional recipient by the fourth year of college is 4.8 percent.
 - Of all Fall 2006 entering freshmen with lottery scholarships—the first cohort group that received the full benefit of the provision—4.8 percent were on the provisional path by Fall 2010.
- The fall-to-fall scholarship renewal rate for Fall 2008 provisional recipients (who started the provisional track at the 72 credit-hour benchmark) was 49 percent.
 - 23.5 percent of the provisional recipients returned to the traditional path in Fall 2009 by returning to a cumulative GPA of 3.0 or higher at the next 24 hour benchmark.

Introduction



Overview of T.C.A. §49-4-911 (a)(2)

T.C.A. §49-4-911 (a)(2) is a provision that was added in 2008 under the section for scholarship renewal requirements in the Tennessee Education Lottery Scholarship (TELS) program. Students' scholarship eligibility is evaluated at every 24 credit hours. Students must meet specified renewal criteria at each benchmark to maintain scholarship eligibility. Traditionally, at the first benchmark (i.e., 24 credit hours), students were required to have at least a 2.75 cumulative GPA; the GPA threshold increased to 3.0 at subsequent benchmarks.¹

The newly introduced provision slightly relaxed these renewal rules at benchmarks of 72 credit hours and after². It allows students who would have lost scholarships under the previous renewal criteria to maintain scholarships as long as they:

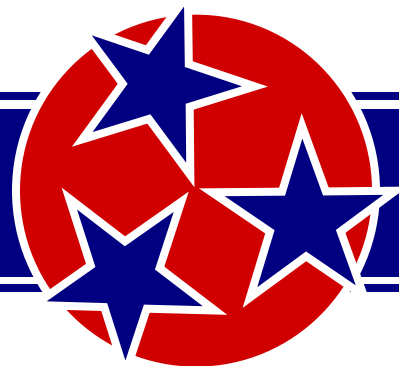
- have attempted at least 72 cumulative credit hours;
- have maintained a cumulative grade point average of at least 2.75;
- have earned a semester grade point average of at least 3.0 for the semester in which continuing eligibility was reviewed;
- have enrolled full-time in the semester when continuing eligibility was reviewed; and
- will enroll full-time in the subsequent semester.

Once students become subject to the provisional rule, their scholarship eligibility will be evaluated every semester regardless of their cumulative credit hours. If their cumulative GPA recovers to 3.0 or above at a subsequent benchmark, their scholarship status will be returned to the traditional track and they will be reviewed under the regular renewal criteria from the next benchmark on.

¹ These rules are applicable to HOPE, ASPIRE, and General Assembly Merit Scholarship (GAMS) only.

² The 105th General Assembly in 2008 also amended the renewal rule defined in T.C.A. §49-4-911 (a)(1), lowering the GPA threshold at the 48 hour benchmark to 2.75.

Program Size and Recipient Demographics



Program Size and Scope

Table 1-1 shows the numbers of students who received lottery scholarships in the provisional path, and associated expenses, during academic years 2008-09 and 2009-10. In 2008-09, the new renewal rule enabled 1,185 students to maintain their scholarships at a cost to the State of approximately \$2.9 million. The total recipient headcount and the State's expenditure increased to 1,701 students and \$4.3 million in 2009-10.

Table 1-1 : Scholarship Recipients and Dollars Awarded Under T.C.A. §49-4-911(a)(2), AY 2008-09 and AY 2009-10

Sector	Students (Unduplicated)		Dollars		Average Amount	
	AY 2008-09	AY 2009-10	AY 2008-09	AY 2009-10	AY 2008-09	AY 2009-10
TBR 4-year	560	773	1,466,067	1,996,274	2,618	2,583
TBR 2-year	33	63	30,463	79,000	923	1,254
UT System	351	522	843,809	1,352,765	2,404	2,592
Independents	241	343	595,230	877,273	2,470	2,558
Total	1,185	1,701	2,935,569	4,305,312	2,477	2,531

Note: 2009-10 scholarship expenditures for students who returned to the traditional path (totaling less than \$500,000) are not included in this table.

Source: Tennessee Student Assistance Corporation (TSAC) Free Application for Federal Student Aid (FAFSA) Data

In Fall 2009, the number of provisional recipients was 884, which accounted for 6.1 percent of the total number of TELS recipients with 72 or more credit hours (**Table 1-2**). Community colleges had the highest percentage at 9.6 percent, as compared to 6.9 percent at the Tennessee Board of Regents' universities, 5.3 percent at the University of Tennessee campuses, and 5.4 percent at Tennessee private institutions.

Table 1-2 : Percentage of TELS Students who Received Scholarships in the Provisional Path, Fall 2009

Sector	Provisional Students	All TELS Recipients	%
TBR 4-year	422	6,075	6.9%
TBR 2-year	30	312	9.6%
UT System	266	5,018	5.3%
Independents	166	3,101	5.4%
Total	884	14,506	6.1%

Note: "All TELS Recipients" is limited to TELS recipients with 72 or more cumulative credit hours. Award must have been received in Fall 2009.

Sources: Tennessee Higher Education Commission Student Information System (THEC SIS) and TSAC FAFSA Data

Demographics of Provisional Recipients

Gender

Table 1-3 shows the distributions of provisional and non-provisional recipients by gender and higher education sector in Fall 2009. For the Tennessee higher education total, female recipients constituted 59.0 percent of provisional recipients and 61.5 percent of non-provisional recipients. The share of male recipients was higher among provisional recipients than non-provisional recipients, 41.0 percent to 38.5 percent.

Table 1-3 : Distributions of Provisional and Non-provisional Recipients, Fall 2009, by Gender and Sector

Sector	Provisional		Non-Provisional	
	Female	Male	Female	Male
TBR 4-year	59.7%	40.3%	62.5%	37.5%
TBR 2-year	70.0%	30.0%	80.5%	19.5%
UT System	54.9%	45.1%	56.2%	43.8%
Independents	62.0%	38.0%	66.1%	33.9%
Total	59.0%	41.0%	61.5%	38.5%

Note: For comparison purposes, “non-provisional students” is limited to recipients who were not in the provisional track with cumulative credit hours of 72 or above.

Sources: THEC SIS and TSAC FAFSA Data

Race/Ethnicity

Table 1-4 shows the proportions of provisional and non-provisional recipients by race/ethnicity and sector in Fall 2009. Caucasian recipients comprised 81.6 percent of provisional recipients and 86.4 percent of non-provisional recipients. African American students represented 11.4 percent of provisional recipients and 6.1 percent of non-provisional recipients. The share of African American students among provisional recipients was almost double compared to non-provisional students.

Table 1-4 : Distributions of Provisional and Non-provisional Recipients, Fall 2009, by Race, Ethnicity, and Sector

Sector	Provisional Students			Non-Provisional		
	White	African American	Other	White	African American	Other
TBR 4-year	77.7%	14.0%	8.3%	84.3%	8.2%	7.5%
TBR 2-year	86.7%	10.0%	3.3%	89.7%	4.3%	6.0%
UT System	85.7%	10.5%	3.8%	89.5%	4.2%	6.3%
Independents	83.7%	6.6%	9.6%	85.2%	5.5%	9.3%
Total	81.6%	11.4%	7.0%	86.4%	6.1%	7.4%

Note: Non-provisional students are limited to recipients who were not in the provisional track with cumulative credit hours of 72 or above.

Sources: THEC SIS and TSAC FAFSA Data

Income

Tables 1-5 and 1-6 compare income distributions between provisional and non-provisional recipients across different higher education sectors for Fall 2009 recipients. Scholarship recipients are broken into nine groups according to their family income level as measured by adjusted gross income, with above \$96,000 being the highest income category.

For the Tennessee higher education overall, the highest income group accounted for the largest share of scholarship recipients among both provisional and non-provisional recipients, at 30 percent and 38 percent, respectively. The income distribution for provisional students leans more toward the lower end of the income spectrum than for non-provisional students, indicating that provisional scholarships have served a higher proportion of lower-income students than has the traditional lottery scholarship.

Table 1-5 : Family Income Distribution of Provisional Recipients, Fall 2009

System	Family Income Level (Adjusted Gross Income)									Grand Total
	\$12,000 or less	12,001-24,000	24,001-36,000	36,001-48,000	48,001-60,000	60,001-72,000	72,001-84,000	84,001-96,000	above \$96,000	
TBR 4-year	13.1%	8.0%	9.4%	9.7%	9.0%	10.2%	6.8%	5.1%	28.8%	100%
TBR 2-year	28.6%	17.9%	10.7%	7.1%	0.0%	10.7%	3.6%	10.7%	10.7%	100%
UT	5.7%	8.6%	7.0%	4.5%	9.8%	6.6%	3.7%	11.1%	43.0%	100%
Independents	7.5%	9.9%	9.9%	8.7%	7.5%	9.3%	9.9%	6.2%	31.1%	100%
Grand Total	9.0%	8.0%	8.5%	7.3%	8.2%	8.2%	5.8%	7.2%	30.0%	100%

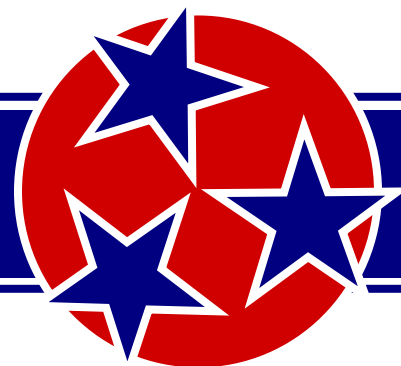
Sources: THEC SIS and TSAC FAFSA Data

Table 1-6 : Family Income Distribution of Non-provisional Recipients, Fall 2009

System	Family Income Level (Adjusted Gross Income)									Grand Total
	\$12,000 or less	12,001-24,000	24,001-36,000	36,001-48,000	48,001-60,000	60,001-72,000	72,001-84,000	84,001-96,000	above \$96,000	
TBR 4-year	6.6%	8.3%	9.7%	8.6%	8.5%	9.1%	9.3%	8.4%	31.4%	100%
TBR 2-year	18.8%	17.7%	10.7%	7.4%	10.7%	9.2%	6.3%	5.9%	13.3%	100%
UT	5.5%	5.8%	6.3%	6.2%	6.9%	6.9%	8.1%	7.5%	46.9%	100%
Independents	6.5%	7.8%	9.3%	6.7%	7.4%	7.5%	7.8%	8.1%	38.8%	100%
Grand Total	6.2%	7.5%	8.4%	7.4%	7.8%	8.1%	8.6%	8.1%	38.3%	100%

Notes: Non-provisional recipients are limited to only scholarship recipients with cumulative credit hours of 72 or above.
Sources: THEC SIS and TSAC FAFSA Data

Pathways to the Provisional Track



Chances of Entering the Provisional Path

Table 1-7 exhibits percentages of TELS recipients in the provisional path by scholarship cohort group and institutional sector, demonstrating the eventual likelihood of becoming provisional recipients for first-time TELS freshmen. The percentage values in the table refer to the numbers of students who renewed their scholarship eligibility in the provisional path at least once by Fall 2010 relative to the entire cohort headcount of TELS recipients. The scholarship cohort year represents the fall term when freshman students received lottery scholarships for the first time.

The table demonstrates that the share of TELS recipients in the provisional path gradually increased from 0.9 percent of the Fall 2004 cohort to 4.8 percent of the Fall 2006 cohort. However, Fall 2004 and 2005 cohorts were already in their fifth and fourth years when the provisional renewal rule was adopted in Fall 2008, and thus these two groups probably did not fully benefit from this change. A couple more years of data are necessary to develop stable estimates of probability for TELS freshmen to become provisional recipients.

Table 1-7 : Percentages of First-time TELS Freshmen Who Received Scholarships in the Provisional Path at Least Once by Fall 2010: Fall 2004 through Fall 2006 Cohorts

	Fall 2004 Cohort			Fall 2005 Cohort			Fall 2006 Cohort		
	FTF	Provisional	%	FTF	Provisional	%	FTF	Provisional	%
TBR 4-year	7,220	85	1.2%	7,184	256	3.6%	7,539	372	4.9%
TBR 2-year	4,384	24	0.5%	4,719	69	1.5%	5,037	130	2.6%
UT System	5,283	61	1.2%	5,345	187	3.5%	5,485	316	5.8%
Independents	3,109	16	0.5%	3,270	106	3.2%	3,428	211	6.2%
Total	19,996	186	0.9%	20,518	618	3.0%	21,489	1,029	4.8%

Sources: THEC SIS and TSAC FAFSA Data

The analysis displayed in **Table 1-8** explored the chances of becoming a provisional student from a different perspective. This approach included only students whose cumulative credit hours were at or above 72 in Fall 2009, calculating the percentage of recipients who were in the provisional path by qualification standards met for initial scholarship eligibility. This analysis excluded students without ACT or high school GPA data.

The results suggest that academic preparation before entering college makes a difference in the likelihood of becoming a provisional recipient. Table 1-8 shows that students who qualified based on high school GPA *and* ACT for initial scholarship eligibility are least likely to be in the provisional path (4.4 percent), as compared to students who qualified only on the basis of high school GPA (10.6 percent) or ACT (9.6 percent). This finding implies that students who qualified for scholarships based on either high school GPA *or* ACT alone are more than twice as likely to become provisional recipients.

Table 1-8 : Percentages of Scholarship Recipients who Were in the Provisional Path, by Academic Standards Met for Initial Scholarship Eligibility, Fall 2009

Academic Standards Met	Provisional Students	All TELS Students	Provisional %
GPA & ACT	504	10,981	4.4%
GPA Only	230	1,931	10.6%
ACT Only	103	970	9.6%
Total	837	13,882	5.7%

Note: "All TELS Students" is limited to recipients with cumulative credit hours of 72 or above in Fall 2009.
Sources: THEC SIS and TSAC FAFSA Data

Timing of Becoming a Provisional Recipient

Scholarship recipients can enter the provisional path not only at 72 cumulative credit hours, but subsequently at every 24 credit hours. **Table 1-9** displays the distribution of provisional students by the benchmark at which they became provisional recipients for the first time. In Fall 2009, 48.1 percent of new provisional recipients entered at the 72 hour benchmark, while approximately another one-third of new provisionals had at least 96 credit hours. The remaining 17.2 percent of recipients had accumulated 120 or more credit hours before they became provisional recipients.

Table 1-9 : Lottery Scholarship Receipt by Credit Hour Benchmark at which Recipients Went into the Provisional Path for the First Time, Fall 2009

Credit Hours	TBR 4-year		TBR 2-year		UT System		Independents		Grand Total	
72-95	132	51.8%	19	90.5%	78	46.7%	41	41.0%	251	48.1%
96-119	80	31.4%	2	9.5%	58	34.7%	43	43.0%	181	34.7%
120 and above	43	16.9%	-	0.0%	31	18.6%	16	16.0%	90	17.2%
Grand Total	255	100%	21	100%	167	100%	100	100%	522	100%

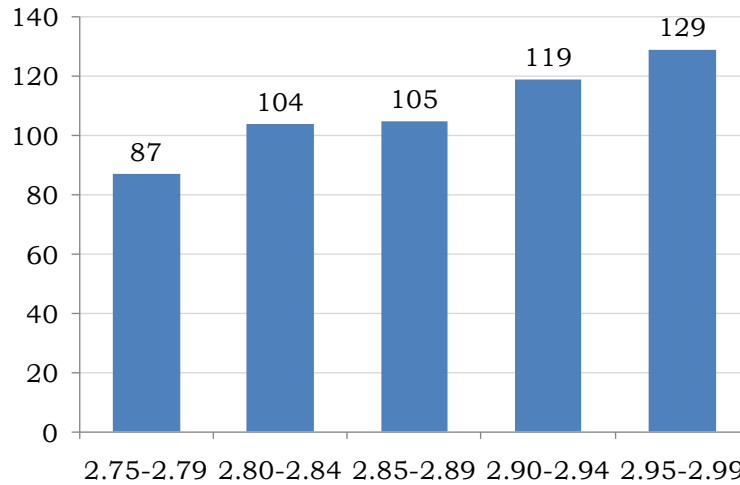
Source: TSAC FAFSA Data

Academic Standing of Provisional Recipients before Entering the Provisional Path

The following two figures illustrate the academic standing of provisional recipients in the semester before they entered the provisional track. While **Figure 1-1** exhibits the distribution of cumulative GPA for Fall 2009 provisional recipients, **Figure 1-2** shows the distribution of their term GPAs. Both GPAs were as of the end of Spring 2009, the last semester before they entered the provisional path. Both cumulative GPAs and term GPAs are broken into five groups, with 0.05 and 0.2 grade point scales, respectively.

Figure 1-1 shows that the distribution of cumulative GPA is skewed to the higher end of the eligible cumulative GPA range, revealing that the largest number of students entered provisional status with a GPA range of 2.95-2.99. The 2.90-2.94 range forms the second largest group, followed by the 2.85-2.89 through 2.75-2.79 groups in descending order. The figure indicates that the closer a student's cumulative GPA is to 3.0, the higher chance he/she has of becoming eligible for provisional renewal.

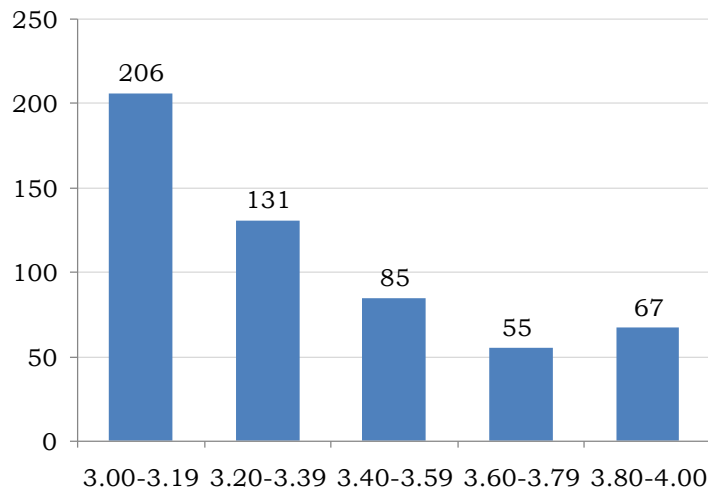
Figure 1-1: Distribution of Cumulative GPA of Fall 2009 Provisional Recipients at the End of Spring 2009



Note: Include only first-time provisional recipients in Fall 2009.
Source: TSAC FAFSA Data

To be eligible for the provisional scholarship, students also must have at least a 3.0 *term* GPA in the semester before they enter the provisional path. Unlike Figure 1-1, the distribution in Figure 1-2 leans toward the lower end of GPA spectrum, indicating that the largest number of provisional students were in the lowest eligible range of term GPA.

Figure 1-2: Distribution of Term GPA of Fall 2009 Provisional Recipients at the End of Spring 2009



Note: Include only first-time provisional recipients in Fall 2009.
Source: TSAC FAFSA Data

So, Figures 1-1 and 1-2 paint a picture of the new provisional recipient as someone who was most likely to have had a cumulative GPA just under 3.0 and a prior term GPA just above 3.0. Table 1-10 cross-tabulates the data presented in Figures 1-1 and 1-2, showing the distribution of provisional recipients by the combination of cumulative and term GPAs in the semester before entering the provisional path in Fall

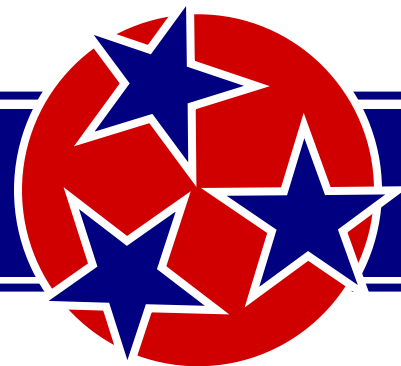
2009. This table groups scholarship recipients into four groups according to cumulative and term GPAs, presenting a closer look at students' academic standing. The dividing points for cumulative and term GPAs were at 2.875 and 3.5, respectively. The table shows that students at the higher end of cumulative GPA and the lower end of term GPA comprised the largest share among the four groups at 43.2 percent, followed by students with the low term GPA and low cumulative GPA.

Table 1-10: Distribution of Fall 2009, First-time Provisional Recipients by Cumulative GPA and Term GPA, Spring 2009

			Cumulative GPA	
			Low	High
			2.75-2.874	2.875 - 2.99
Term GPA	Low	3.0-3.49	25.4%	43.2%
	High	3.5-4.0	9.7%	21.7%

Source: TSAC FAFSA Data

Scholarship Renewal and Graduation



Scholarship Renewal and Graduation Rates for Provisional Recipients

Under the provisional rule, students can maintain scholarship eligibility with a minimum term GPA of 3.0 and a cumulative GPA of 2.75 while continuously enrolling full-time in subsequent semesters. Unlike the traditional path, provisional scholarship eligibility is evaluated every semester. Once a cumulative GPA of 3.0 is recovered, however, scholarship status will be transferred back to the traditional path, and scholarship eligibility will not be evaluated until the next credit hour checkpoint is reached.

Tables 1-11, 1-12, and 1-13 show fall-to-fall scholarship renewal rates by higher education sector for Fall 2008 provisional recipients. The Fall 2008 cohort is divided into three groups based upon the benchmarks at which students entered the provisional track. Each table displays renewal and graduation rates for each student group. Table 1-11 exhibits renewal and graduation rates for students who entered the provisional path in the Fall 2008 term at the 72 credit hour benchmark. The table reveals that 49.0 percent either maintained scholarships in the following fall semester or earned a degree by the end of Spring 2009. 23.5 percent of the provisional students returned to the traditional path in Fall 2009. The cohort group from TBR universities demonstrated the best performance among the sectors, with a total of 57.1 percent either maintaining scholarships or attaining degrees.

Table 1-11: Fall-to-Fall Scholarship Renewal Rates for Provisional Recipients, Starting at the 72 Credit Hour Benchmark in Fall 2008, by Sector

Sector	Fall 2008 Provisional Cohort	Fall 2009			
		Provisonal	Traditional	Graduated	Total
TBR 4-year	84	16.7%	34.5%	6.0%	57.1%
TBR 2-year	6	16.7%	0.0%	33.3%	50.0%
UT System	34	26.5%	5.9%	5.9%	38.2%
Independents	29	3.4%	17.2%	17.2%	37.9%
Total	153	16.3%	23.5%	9.2%	49.0%

Note: "Graduated" includes students who graduated by the end of academic year 2008-09 (earned either associate's or bachelor's degrees).

Sources: THEC SIS and TSAC FAFSA Data

Table 1-12 presents scholarship renewal rates for students who started the provisional path in the Fall 2008 term with 96 cumulative credit hours. 64.8 percent of them either maintained scholarships by Fall 2009 or had earned a degree by the end of Spring 2009.

Table 1-12: Fall-to-Fall Scholarship Renewal Rates for Provisional Recipients, Starting at the 96 Credit Hour Benchmark in Fall 2008, by Sector

Sector	Fall 2008 Provisional Cohort	Fall 2009			
		Provisonal	Traditional	Graduated	Total
TBR 4-year	89	14.6%	6.7%	43.8%	65.2%
UT System	63	14.3%	7.9%	44.4%	66.7%
Independents	30	0.0%	0.0%	60.0%	60.0%
Total	182	12.1%	6.0%	46.7%	64.8%

Note: "Graduated" includes students who graduated by the end of academic year 2008-09 (earned either associate's or bachelor's degrees).

Sources: THEC SIS and TSAC FAFSA Data

Table 1-13 presents scholarship renewal rates for students who started on the provisional path in Fall 2008 with cumulative credit hours of 120 or above. The table reveals that, out of 77 students in the entire cohort group, none renewed their scholarships in the following fall. However, 84.4 percent earned a degree by the end of Spring 2009. The graduation rate at independent institutions was 100 percent compared to 76.7 percent for TBR universities and 85.3 percent for UT campuses.

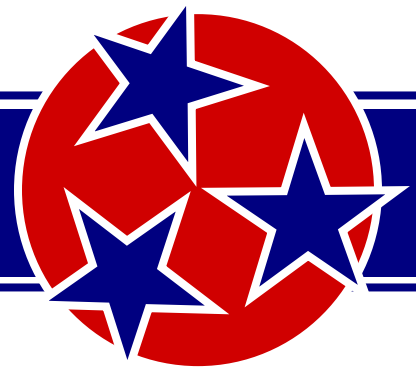
Table 1-13: Fall-to-Fall Scholarship Renewal Rates for Provisional Recipients, Starting at the 120 Credit Hour Benchmark in Fall 2008, by Sector

Sector	Fall 2008 Provisional Cohort	Fall 2009			
		Provisonal	Traditional	Graduated	Total
TBR 4-year	30	0.0%	0.0%	76.7%	76.7%
UT System	34	0.0%	0.0%	85.3%	85.3%
Independents	13	0.0%	0.0%	100.0%	100.0%
Total	77	0.0%	0.0%	84.4%	84.4%

Note: "Graduated" includes students who graduated by the end of academic year 2008-09 (earned either associate's or bachelor's degrees).

Sources: THEC SIS and TSAC FAFSA Data

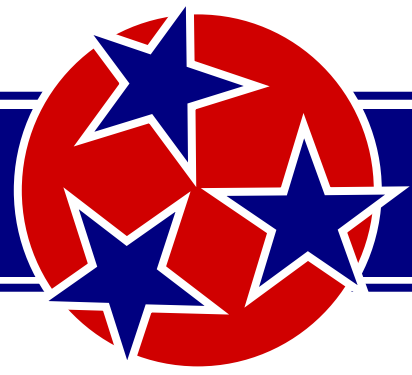
Conclusion



The 105th General Assembly in 2008 made two important changes in scholarship renewal criteria for the Tennessee Education Lottery Scholarship (TELS) program. One was to lower the minimum cumulative GPA at the 48 credit hour benchmark from 3.0 to 2.75, and another was to add the provisional rule, T.C.A. §49-4-911 (a)(2), to scholarship renewal criteria. This study focused on the latter amendment.

As an aid to students who made it more than halfway through their undergraduate careers with their scholarships intact, the provision had an initial implementation cost of \$2.9 million in academic year 2008-09, and approximately 1,200 students benefited from the provision. The annual expenditure for provisional students in AY 2009-10 was \$4.3 million with 1,700 students. This study found male students, African-American students, and low-income students more likely to be beneficiaries of the provision as compared to female, non-African-American, and mid-to-high income students.

The fall-to-fall scholarship renewal rate of provisional students was 49 percent for students who entered the provisional path at the 72 credit benchmark in Fall 2008. Approximately 20 percent of the students successfully returned to the traditional renewal track. For those who became provisional students at the 96 credit benchmark, the renewal rate was 18.1 percent, but an additional 46.7 percent of the provisional recipients graduated by the end of Spring 2009. While students undoubtedly have benefited from this provision, it also should be pointed out that half of provisional recipients lost scholarships within one year following receipt of the provisional scholarship. THEC will continue its research efforts in this area.

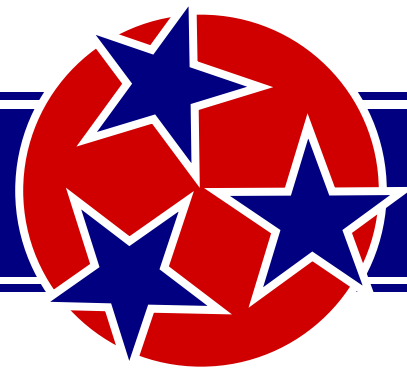


Chapter 2 : Impact of the Lower GPA Requirement at the 48 Hour Benchmark on College Retention

Abstract

This report analyzes the impact of the revised scholarship renewal rule for the Tennessee Education Lottery Scholarship (TELS) program on college retention rates. The revised renewal rule, adopted during the 105th General Assembly in 2008, lowered the minimum GPA criteria at the benchmark of 48 cumulative credit hours from 3.0 to 2.75. This study found that the revised GPA requirement slightly improved college retention rates, enabling some students to continue their education. However, the effectiveness of the revised rule is probably not maximized in improving college retention, given that scholarships have mostly benefited students who likely would have continued their education regardless of scholarship receipt.

Executive Summary

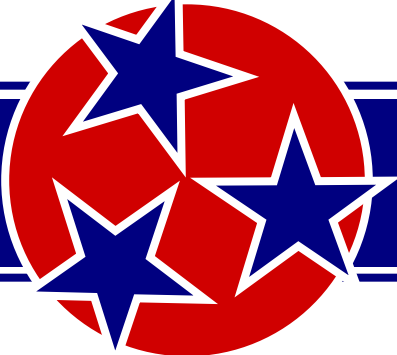


This report analyzes the impact of the revised scholarship renewal rule for the Tennessee Education Lottery Scholarship (TELS) program on college retention rates. The revised renewal rule, adopted during the 105th General Assembly in 2008, lowered the minimum GPA criteria at the benchmark of 48 cumulative credit hours from 3.0 to 2.75. This study found that the revised GPA requirement slightly improved college retention rates, enabling some students to continue their education. However, the effectiveness of the revised rule is probably not maximized in improving college retention, given that scholarships have mostly benefited students who likely would have continued their education regardless of scholarship receipt.

Over the last two academic years, 2008-09 and 2009-10, Tennessee expended an additional \$13.0 million on approximately 3,500 students (hereafter referred to as the “2.75 beneficiaries”), under the revised GPA rule. A higher proportion of male, ethnic minority, and lower income scholarship recipients renewed eligibility under the revised GPA than their counterparts. Students who qualified for initial scholarship eligibility on the basis of either ACT *or* High School GPA had a higher chance of becoming 2.75 beneficiaries as compared to students who met the initial criteria based on both ACT *and* high school GPA. The fall-to-fall scholarship renewal rate for the Fall 2008 cohort of 2.75 beneficiaries was 55.8 percent.

A binary logistic regression model revealed that the degree of impact of the lottery scholarship on college retention rates for students at the 48 credit hour benchmark varies according to student characteristics. For instance, the model estimated that the likelihood of college retention for students from mid-to-high income families attending four-year institutions, the largest constituency of 2.75 beneficiaries, increases only by 3.1 percentage points as a result of lottery scholarships. Meanwhile, the lottery scholarship improves the chance of college retention by 11 percentage points for students from low-income families at community colleges. Yet the latter group of lower income community college students comprised the smallest portion of 2.75 beneficiaries – only 3 percent. These results suggest that the GPA rule change has mostly provided financial assistance to students who are capable of continuing their education without scholarships, although the greatest retention benefit derives to low-income students at low-cost colleges.

Introduction



Overview of T.C.A. §49-4-911 (a)(1)

T.C.A. §49-4-911 (a)(1) defines scholarship renewal rules in the TELS program. This code mandates that scholarship continuation must be evaluated for all recipients at every 24 cumulative credit hours. It requires students to maintain a minimum GPA of 2.75 at the 24 and 48 hour benchmarks and 3.0 afterwards³. Prior to Fall 2008, the GPA threshold at the 48 hour benchmark was set at 3.0. The state legislature lowered this GPA requirement to 2.75 during the 105th General Assembly in 2008.

Program Size and Scope

Table 2-1 shows the numbers of 2.75 beneficiaries and associated expenses during academic years 2008-09 and 2009-10. In academic year 2008-09, the new revised rule enabled 1,607 students to maintain their scholarships at a cost to the state of approximately \$5.9 million. The total recipient headcount increased to 1,856 in the following academic year. The State’s expenditure increased to \$7.0 million.

Table 2-1 : Scholarship Recipients and Dollars Awarded under the Revised GPA Rule at 48 Hour Benchmark, AY 2008-09 and AY 2009-10

	Students (Unduplicated)		Dollars	
	AY 2008-09	AY 2009-10	AY 2008-09	AY 2009-10
Total	1,607	1,856	\$ 5,943,850	\$ 7,054,292

Source: Tennessee Student Assistance Corporation (TSAC)

In Fall 2009, 989 recipients renewed their scholarships under the revised GPA rule, comprising 9.7 percent of all TELS recipients in the same term who had completed between 48 and 71 credit hours by the beginning of the semester (**Table 2-2**). The TBR community colleges had the highest percentage of 2.75 beneficiaries at 11.0 percent, compared to 10.9 percent at the Tennessee Board of Regents’ universities, 9.4 percent at the UT campuses, and 6.9 percent at Tennessee private institutions.

³ The 105th General Assembly also amended a scholarship renewal rule at the benchmark of 72 credit hours and thereafter. Another THEC report, “Impact of the Provisional Renewal Rule”, has detailed explanations and analyses of this provision.

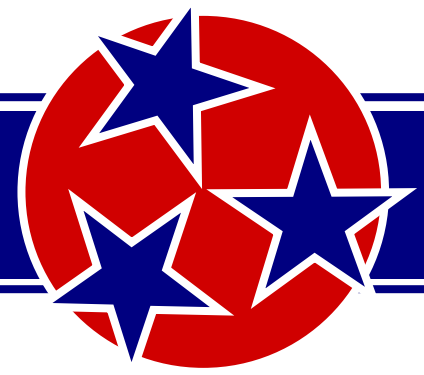
Table 2-2 : 2.75 Beneficiaries as a Percent of TELS Students who Earned Cumulative Credit Hours between 48 and 71, Fall 2009

System	2.75 Rule Beneficiaries	All TELS Recipients	%
TBR 4-year	450	4,135	10.9%
TBR 2-year	126	1,143	11.0%
UT System	290	3,100	9.4%
Independents	123	1,778	6.9%
Total	989	10,156	9.7%

Note: "All TELS Recipients" is limited to scholarship recipients with cumulative credit hours between 48 and 71 at the beginning of Fall 2009.

Sources: Tennessee Higher Education Commission Student Information System (THEC SIS) and TSAC Free Application for Federal Student Aid (FAFSA) Data

Characteristics of Recipients



Demographic Characteristics of 2.75 Beneficiaries

Gender

Table 2-3 shows the gender distributions of the 2.75 beneficiaries and the other recipients who renewed the scholarship with a GPA of 3.0 or above (hereafter referred to as “Regular Recipients”) by sector. For the Tennessee higher education total, the females’ share was larger than males’ for both types of recipients, 53.8 percent and 61.8 percent, respectively. Although female students formed the majority for both recipient groups, female representation among the 2.75 beneficiaries was 8.0 percentage points lower than that of regular recipients, implying that male students were more likely to benefit from this revision than females.

Table 2-3 : Gender Distributions of 2.75 Beneficiaries and Regular Recipients, Fall 2009, by Sector

System	2.75 Beneficiaries		Regular Recipients	
	Female	Male	Female	Male
TBR 4-year	52.0%	48.0%	61.8%	38.2%
TBR 2-year	67.5%	32.5%	71.7%	28.3%
UT System	48.3%	51.7%	57.6%	42.4%
Independents	59.2%	40.8%	63.1%	36.9%
Total	53.8%	46.2%	61.8%	38.2%

Note: “Regular Recipients” is limited to scholarship recipients who maintained the scholarship with 3.0 GPA or above and cumulative credit hours between 48 and 71 as of the beginning of Fall 2009.

Sources: THEC SIS and TSAC FAFSA Data

Race/Ethnicity

Table 2-4 shows the proportions of the 2.75 beneficiaries and the regular recipients by race/ethnicity and sector. Caucasian recipients comprised approximately 79.8 percent of the 2.75 beneficiaries and 83.9 percent of the regular recipients. African American students represented 12.0 percent of the 2.75 beneficiaries and 8.2 percent of the regular recipients. The share of African American students among the 2.75 beneficiaries was almost 1.5 times higher compared to that for the regular recipients.

Table 2-4 : Racial/Ethnic Distributions of 2.75 Beneficiaries and Regular Recipients, Fall 2009, by Sector

System	2.75 Beneficiaries			Regular Recipients		
	Caucasian	African American	Other	Caucasian	African American	Other
TBR 4-year	76.0%	14.4%	9.6%	80.7%	10.6%	8.7%
TBR 2-year	87.3%	4.0%	8.7%	84.9%	8.4%	6.8%
UT System	83.1%	10.3%	6.6%	88.1%	5.8%	6.0%
Independents	78.3%	15.0%	6.7%	83.3%	7.0%	9.7%
Total	79.8%	12.0%	8.2%	83.9%	8.2%	7.8%

Note: "Regular Recipients" is limited to scholarship recipients who maintained the scholarship with 3.0 GPA or above and cumulative credit hours between 48 and 71 as of the beginning of Fall 2009.

Sources: THEC SIS and TSAC FAFSA Data

Income

Tables 2-5 and 2-6 compare income distributions between the 2.75 beneficiaries and the regular recipients across different higher education sectors for Fall 2009 recipients. Scholarship recipients are broken into nine groups according to their family income level as measured by adjusted gross income, with above \$96,000 being the highest income. For Tennessee higher education overall, the highest income group accounted for the largest share of scholarship recipients among both 2.75 beneficiaries and regular recipients, at 33 percent and 36 percent, respectively. For the rest of the income groups, the income distributions of both kinds of recipients draw similar trajectories.

Table 2-5 : Family Income Distribution of 2.75 Beneficiaries, Fall 2009

System	Family Income Level (Adjusted Gross Income)									Grand Total
	\$12,000 or less	12,001-24,000	24,001-36,000	36,001-48,000	48,001-60,000	60,001-72,000	72,001-84,000	84,001-96,000	above \$96,000	
TBR 4-year	7%	8%	11%	11%	7%	11%	11%	11%	24%	100%
TBR 2-year	9%	10%	11%	12%	11%	12%	10%	12%	12%	100%
UT	3%	8%	6%	7%	8%	8%	6%	8%	46%	100%
Independents	9%	10%	8%	7%	12%	6%	7%	7%	35%	100%
Grand Total	6%	8%	9%	8%	9%	9%	9%	9%	33%	100%

Sources: THEC SIS and TSAC FAFSA Data

Table 2-6 : Family Income Distribution of Regular Recipients, Fall 2009

System	Family Income Level (Adjusted Gross Income)									Grand Total
	\$12,000 or less	12,001-24,000	24,001-36,000	36,001-48,000	48,001-60,000	60,001-72,000	72,001-84,000	84,001-96,000	above \$96,000	
TBR 4-year	6%	8%	9%	7%	9%	9%	10%	8%	33%	100%
TBR 2-year	15%	18%	14%	9%	9%	10%	9%	4%	12%	100%
UT	5%	5%	6%	7%	7%	7%	8%	8%	47%	100%
Independents	7%	8%	10%	7%	7%	8%	8%	8%	37%	100%
Grand Total	7%	8%	9%	8%	8%	8%	9%	8%	36%	100%

Note: "Regular Recipients" is limited to scholarship recipients who maintained the scholarship with 3.0 GPA or above and cumulative credit hours between 48 and 71 as of the beginning of Fall 2009.

Sources: THEC SIS and TSAC FAFSA Data

Chances of Becoming 2.75 Beneficiaries

Table 2-7 exhibits percentages of TELS recipients (the Fall 2007 cohort) who renewed scholarships with less than a 3.0 GPA at the 48 hour benchmark by Spring 2011, showing the likelihoods of becoming 2.75 beneficiaries for each sector. The Fall 2007 cohort was chosen for this analysis because this was the first recipient group to fully benefit from the revised GPA requirement. According to the table, 7.0 percent of all first TELS freshmen were able to maintain their scholarship eligibility as a result of the lower GPA requirement.

Table 2-7 : Percentages of First-time TELS Freshmen who Renewed Scholarships Due to the Lower GPA Threshold by Fall 2010, Fall 2007 Cohort

	Fall 2007 Cohort		
	First-time TELS Freshmen	2.75 Beneficiaries	%
TBR 4-year	8,449	639	7.6%
TBR 2-year	5,852	263	4.5%
UT System	6,005	470	7.8%
Independents	3,486	291	8.3%
Total	23,792	1,663	7.0%

Sources: THEC SIS and TSAC FAFSA Data

Table 2-8 shows the 2.75 beneficiaries as a percent of TELS recipients with cumulative credit hours between 48 and 71 in Fall 2009 by qualification standards met for initial scholarship eligibility. Students who were qualified based on high school GPA *and* ACT for initial scholarship eligibility were the least likely to become 2.75 beneficiaries (7.3 percent), as compared to students who qualified only on the basis of high school GPA (13.2 percent) or ACT (12.4 percent). The table suggests that academic preparation before entering college has some relationship with the likelihood that students will become 2.75 beneficiaries.

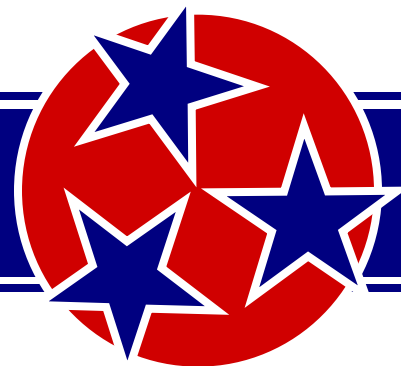
Table 2-8 : 2.75 Beneficiaries as a Percent of TELS Recipients by Academic Standards Met for Initial Scholarship Eligibility, Fall 2009

Academic Standards Met	2.75 Beneficiaries	TELS Recipients	2.75 Beneficiaries (%)
GPA & ACT	547	6,959	7.3%
GPA Only	271	1,780	13.2%
ACT Only	115	812	12.4%
Total	933	9,551	8.9%

Notes: 1) Includes only students who hit the 48 hour benchmark in the Spring 2009 with GPA less than 3.0 and received scholarships in Fall 2009; 2) "TELS Recipients" is limited to students with cumulative credit hours between 48 and 71; 3) Students with missing ACT or High School GPA were excluded from the table.

Sources: THEC SIS and TSAC FAFSA Data

Scholarship Renewal



Scholarship Renewal Rate

After the 48 hour benchmark, students can maintain scholarship eligibility at the 72 hour benchmark and thereafter by maintaining either: 1) a 3.0 cumulative GPA or 2) a minimum term GPA of 3.0 and a cumulative GPA of 2.75 while continuously enrolling full-time in subsequent semesters. The latter is the new provision added to scholarship renewal rules in Fall 2008. More detailed information on the provisional renewal rule is available in Chapter 1: “Impact of the Provisional Renewal Rule.”

Table 2-9 displays fall-to-fall scholarship renewal rates, by higher education sector, for 2.75 beneficiaries in Fall 2008, showing the percentage of students who either renewed the scholarship in Fall 2009 or earned associate’s degrees by the end of Summer 2009. The table reveals that 55.8 percent of them either renewed their scholarships or obtained an associate’s degree. TBR two-year institutions had the highest renewal rate at 64.5 percent, followed by TBR four-year universities (56.2 percent), and UT campuses (51.4 percent). Tennessee independent institutions had the lowest renewal rate among the sectors at 48.4 percent.

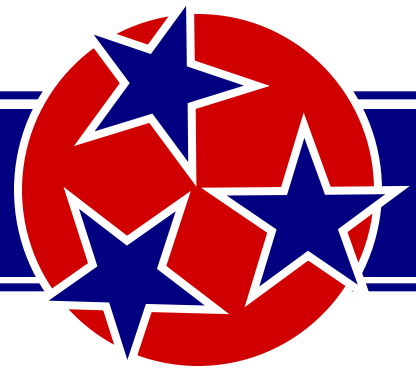
Table 2-9 : Fall-to-Fall Scholarship Renewal Rates for 2.75 Beneficiaries of Fall 2008, by Sector

System	Fall 2008 "2.75" Cohort	Fall 2009 Retained	Earned Associates	Renewal %
TBR 4-year	418	234	1	56.2%
TBR 2-year	110	47	24	64.5%
UT System	109	56	0	51.4%
Independents	91	44	0	48.4%
Total	728	381	25	55.8%

Notes: “Earned Associates” excludes students who obtained associate’s degrees and renewed the scholarship at 4-year institutions in Fall 2009. Such students were counted under “Fall 2009 Retained.”

Sources: THEC SIS and TSAC FAFSA Data

Analysis: Impact of the Lower GPA Threshold on College Retention



One of the intended purposes of the revision in scholarship renewal rules at the 48 hour benchmark is to provide financial assistance to students who would not be able to continue their education without financial aid. By relaxing a scholarship renewal condition for students who completed almost half of their college careers with scholarships intact, the legislature hoped to give them another chance so that they would not have to leave their schools for financial reasons. The assumption underlying this decision was that lottery scholarships play an important role in student's decision-making on whether to continue their education. This section examines the extent to which this revision has improved college retention rates.

Table 2-10 compares college retention rates by sector before and after the revised rule became effective. The Fall 2008 cohort, the control group, represents students who were able to renew scholarship status by virtue of the lower GPA threshold in Fall 2008. The Fall 2007 cohort, the comparison group, includes students who lost scholarships prior to Fall 2007 but continued enrollment with a cumulative GPA of at least 2.75. Both groups demonstrated the same general level of academic aptitude as measured by cumulative GPA, which ranges from 2.75 to 2.99. The only difference between these two student groups is that the latter group did not receive lottery scholarships whereas the former group did. The retention rates stand for the percentage of students who returned to school, including students who transferred to a different institution, in the following fall. Those who earned an associate's degree and left school before the following fall term were also counted as "retained" for the purpose of this analysis.

According to Table 2-10, retention rates were higher for scholarship recipients across all sectors as compared to non-recipients. The overall retention rate for Tennessee public higher education went up from 88 percent for the Fall 2007 cohort to 93 percent for the Fall 2008 cohort, a 5 percentage-point increase. Both Tennessee Board of Regents' universities and UT campuses increased retention rates by 4 percentage points, respectively. The college retention rate at community colleges also rose to 80 percent, a 5 percentage-point increase.

In order to ascertain whether the increase in retention rate is significant or simply a product of coincidence, a chi-square test was conducted for the Tennessee public higher education total. The test revealed a chi-square value of 12.9023 and a p-value of 0.0003 as presented below Table 2-10, meaning the rate at which this event occurs due merely to chance is 0.03%. In other words, the chi-square test indicated that the improved retention rate was not a result of chance but was caused by something else, suggesting that the lottery scholarship might have played a role in the improved college retention rates.

Table 2-10: Comparison of Fall-to-Fall College Retention Rates by Sector: Fall 2007 Cohort (2.75 Non-Beneficiaries) vs. Fall 2008 Cohort (2.75 Beneficiaries)

System	Did Not Receive Lottery Scholarships (2.75 Non-Beneficiaries)			Received Lottery Scholarships (2.75 Beneficiaries)		
	Fall 2007 Cohort	Fall 2008 Returned	Retention %	Fall 2008 Cohort	Fall 2009 Returned	Retention %
TBR 4-year	498	448	90%	531	501	94%
TBR 2-year	203	152	75%	127	102	80%
UT System	360	331	92%	191	184	96%
Total	1,061	931	88%	849	787	93%

Sources: THEC SIS and TSAC FAFSA Data

Tennessee Public Higher Education Total

Chi-square value = 12.9023

P-value = 0.0003

Notes: 1) Fall 2007 Cohort = Students who lost scholarships but continued to enroll in Fall 2007 with at least a 2.75 cumulative GPA and with cumulative credit hours between 48 and 71; 2) Fall 2008 Cohort = Scholarship recipients whose cumulative GPA was between 2.75 and 2.99 at the 48 hour benchmark.

Sources: THEC SIS and TSAC FAFSA Data

Although Table 2-10 above observes that college retention rates improved after the minimum GPA requirement was lowered to 2.75 at the 48 hour benchmark, the improvement cannot be solely attributed to lottery scholarships. Student demographics such as race, gender, and income level or institutional type also might have contributed to the increased retention, interplaying with lottery scholarships to increase retention rates. Therefore, the examination of the direct impact of lottery scholarship on college retention requires the removal of influences such as demographic and institutional factors.

To understand the extent to which non-lottery factors influence college retention, **Table 2-11** exhibits fall-to-fall retention rates for the combined Fall 2007 and 2008 cohorts by ethnicity, gender, family income, institutional type, and the receipt of Tennessee Student Assistance Award (TSAA), the state-funded need based aid program. The table reveals that institutional type and family income played statistically significant roles in college retention, showing that students from a mid-to-high family income or from four-year institutions are more likely to remain in school as compared to students from lower income families or those attending community colleges. Non-white and male students also demonstrated higher retention rates, but chi-square tests indicated that the differences are not statistically significant⁴, suggesting the differences could have occurred due to chance. The retention rates for both TSAA recipients and non-recipients are at 84 percent; the receipt of TSAA does not appear to make a difference in college retention either.

⁴ $\alpha = 0.05$

Table 2-11: Fall-to-Fall College Retention Rates by Ethnicity, Gender, Family Income, Institutional Type, and TSAA Receipt, Fall 2007 and 2008 Cohorts Combined

	Retention Rate	Chi-Square	P-value
White	89%	2.4477	0.1177
Non-white	92%		
Female	89%	1.62	0.23
Male	91%		
\$36,000 and below	84%	25.1097	<0.0001
\$36,001 and above	92%		
2-yr	77%	72.0938	<0.0001
4-yr	92%		
Received TSAA	84%	0.0236	0.8778
Not Received TSAA	84%		

Sources: THEC SIS and TSAC FAFSA Data

Preceding Tables 2-10 and 2-11 confirm that lottery scholarship, family income, and institutional type probably exert a significant influence over college retention for students at the 48 hour benchmark. However, these tables still did not elaborate on the extent to which these factors interplay to result in college retention, and thus it is necessary to single out the impact of lottery scholarship from the influence of other factors. It is for this reason that a binary logistic regression analysis was conducted.

A goal of logistic regression is to predict the probability of a discrete outcome (Glynn et.al, 2006⁵), and the outcome of interest in this study is whether students returned to school the next fall. Converting a dichotomous dependent variable into a continuous variable that stands for the probability of college retention by using the logit transformation, this model calculates the likelihood of returning for each student based on their characteristics (Glynn et.al, 2006). A total of 1,916 students from the Fall 2007 and 2008 cohorts was tracked until the following fall term, coded as 0 if they did not come back to school in the next fall term and as 1 if they returned the next fall or obtained associate's degrees prior to the fall term.

Also, the logistic regression model quantifies the impact of the lottery scholarship on the chances that the students will return, while controlling for other predicting variables, allowing researchers to estimate the direct impact of the scholarship on college retention. In this study, the logistic regression included only variables that were deemed statistically significant in preceding chi-square tests as independent variables: They are:

- Low income (Less than \$36,000 = 1; Otherwise = 0)
- Attended four-year institutions (Yes = 1; No (i.e. attended 2-year institutions) = 0)
- 2.75 beneficiaries (Yes = 1; No = 0)

Table 2-12 shows the results of the logistic regression. According to the table, all three independent variables influence college retention at a statistically significant

⁵ Glynn, J.G., Sauer, P.L., and Miller, T.E. (2005-06). Configural invariance of a model of student attrition. *Journal of College Student Retention: Research, Theory & Practice*, 7(3-4), 263-282

level. Students attending a four-year institution, students from mid-to-high income families, and 2.75 beneficiaries have a higher chance of returning to school in the next fall semester than their respective comparison groups, given the odds ratio presented in the table. The second portion of Table 2-12 is called a “classification table,” a conventional method to gauge the predictability of logistic regression models to show how accurately the model can predict the outcome (Greene, 2003⁶, and Glynn et al. 2006). The “percent of events predicted correctly” below the table represents the overall fitness of the model.

As aforementioned, the logistic regression calculates the probability of college retention for each individual student based on their income level, institution attended, and whether they received a lottery scholarship (i.e. 2.75 beneficiaries or not). The classification table compared this predicted outcome to an actual event, showing the rate at which this model predicted outcomes accurately. This analysis sets a rule by which a prediction is considered a “success” if students with at least an 80 percent chance of returning actually came back to school in the following fall term or students with less than an 80 percent chance of returning actually did not return. 1,916 events were tested and the success rate was 83 percent. A closer look at the classification table reveals that the model is good at predicting the return of students, but the precision of the model declined when it comes to the prediction of non-returning students.

Table 2-12: Results of Binary Logistic Regression
(N=1915)

Parameter	Estimate	Standard Error	Wald Chi-Square	P-value	Odds Ratio	Interpretation
Intercept	2.35	0.17	184.05	<.0001		N/A
Attending 4-year Institution	-1.19	0.16	53.25	<.0001	0.303	"2yr" relative to "4yr"
Low Income (AGI<\$36,000)	0.66	0.16	17.24	<.0001	1.939	"High" relative to "Low"
Received lottery scholarship	-0.54	0.16	10.89	0.001	0.584	"No" relative to "Yes"

Classification Table (Probability = 0.8)

	Correct		Incorrect		Total
Returned	1,530	92%	133	8%	1,664
Not Returned	65	26%	187	74%	252
Total	1,595	83%	320	17%	1,916

Percentage of Correct Prediction 83.3%

Table 2-13 summarizes the chances of returning based on student characteristics. TELS recipients in all demographic groups demonstrated higher likelihoods of college retention than non-TELS students. Students attending four-year institutions are expected to have more than a 85 percent chance of returning to school. The highest probability of retention—95.3 percent—was demonstrated by TELS students from mid-to-high income families. In the meantime, students attending two-year institutions display a wider variation of retention likelihoods, ranging from 64.9 percent for low-income non-TELS students to 86.0 percent for mid-to-high income TELS students.

⁶ Greene, W.H. (2003). *Econometric Analysis*, 5th Edition.

Table 2-13: Predicted Chances for Returning in Next Fall Semester by Institution Attended, Income, and Scholarship Receipt

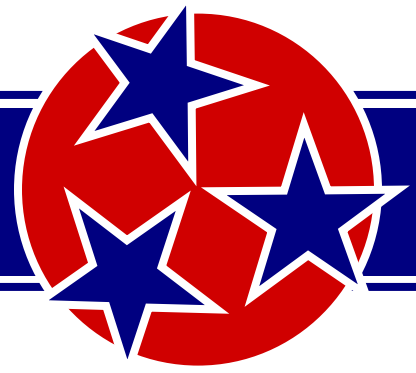
		2-yr	4-yr
with TELS	Low Income	76.0%	91.3%
	Mid-to-High Income	86.0%	95.3%
without TELS	Low Income	64.9%	85.9%
	Mid-to-High Income	78.2%	92.2%

Table 2-14 summarizes the extent to which the likelihood of college retention increases due to the lottery scholarship for each student group. Each piece of data in the table was obtained by subtracting the average chance of college retention for non-TELS students from that of TELS students, thus displaying the degree of increase in college retention likelihood due to lottery scholarship. The retention probability improves by the greatest extent for low-income students attending two-year institutions, who demonstrate an 11.1 percentage-point increase. The second largest increase is observed for mid-to-high income students attending two-year institutions (7.8 percentage points), followed by low-income students at four-year institutions (5.3 percentage points). The chance hardly improves for mid-to-high income class students at four-year institutions, suggesting that these students would return to school regardless of whether they receive scholarships or not.

Table 2-14: Improved Chances for Returning in Next Fall Semester Due to Lottery Scholarship

		2-yr	4-yr
Impact of TELS	Low Income	11.1%	5.3%
	Mid-to-High Income	7.8%	3.1%

Policy Implications



The analysis in the previous section reveals that the revised GPA requirement at the 48 hour benchmark has been the most effective in improving the chance for retention for low-income students attending two-year institutions. As a result of the rule change, these students improved their chance of returning to school in the next fall term by 11 percentage points. On the other hand, the revision hardly increases the probability of college retention for mid-to-high income students at four-year institutions. These results suggest that the impact of the lottery scholarship on college retention for students at the 48 hour benchmark varies according to student income and the type of institutions in which they participate.

Table 2-15 presents the actual allocation of lottery scholarship expenditures for 2.75 beneficiaries in academic years 2008-09 and 2009-10 according to student income level and institutional type. A total of \$11.1 million was expended on the 2.75 beneficiaries over the last two years, and approximately two-thirds of the total expenditure (\$7.5 million) was for students from mid-to-high income class at four-year institutions who, according to the statistical analysis, would have been able to return anyway without lottery scholarships. Meanwhile, the State spent only \$0.3 million for low-income students at community colleges, the student population whose retention rates would be improved substantially by lottery scholarships. It is certainly true that the lower GPA requirement at the 48 credit hour benchmark has improved college retention. Nonetheless, the majority of 2.75 beneficiaries were from mid-to-high income families and attending four-year institutions, the implication being that the most salient contribution of this revision is not probably an increased college retention rate but, for most students, a reduction in the net cost of attendance.

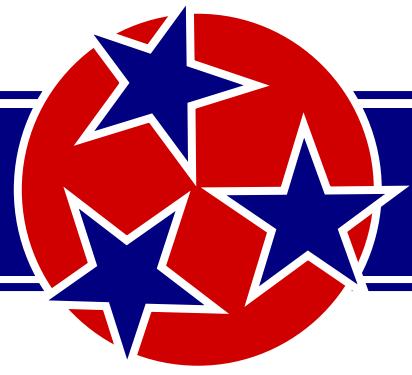
Table 2-15: Allocation of Lottery Scholarship Expenditures for 2.75 Beneficiaries by Institution Attended and Income Level, Academic Years 2008-09 and 2009-10 Combined

Row Labels	2-yr	4-yr	Grand Total
Low Income	\$ 325,841	\$ 2,861,923	\$ 3,187,764
Mid-to-High Income	\$ 382,755	\$ 7,546,249	\$ 7,929,004
Grand Total	\$ 708,596	\$ 10,408,172	\$ 11,116,768

Source: TSAC FAFSA Data

Since the inception of the TELS program, lottery scholarships have been instrumental to many students in pursuing their education beyond the secondary level. It needs to be noted, however, that there is a variation of “how” they have been beneficial among students. For students attending two-year institutions, particularly from low income families, receiving a lottery scholarship is a deciding factor when it comes to pursuing further education. They need financial aid to continue their education, and it could pose a formidable threat to their education if they lost scholarships in the middle of their college career. Contrarily, a lottery scholarship is a cost saving factor for mid-to-high income students attending four-year institutions. Their financial capacity would

be surely challenged once they lost scholarships, but most of these students appear to have a financial cushion to absorb the loss. It is valuable for policymakers to be cognizant of such a reality - the impact of the lottery scholarship is not the same for all students.

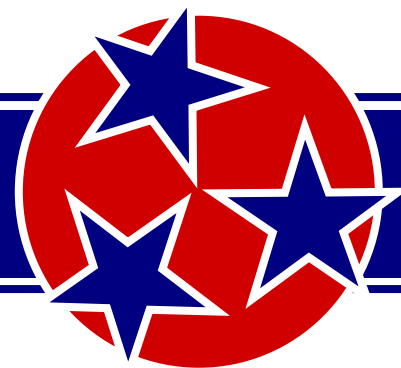


Chapter 3 : Lottery Scholarship and Affordability

Abstract

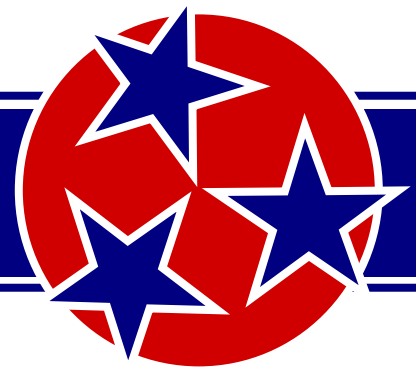
This chapter examines the extent to which the lottery scholarship has contributed to reducing students' payment for the cost of higher education, by income level. First, the report shows average student resources by income source, income level, and institutional type. Then it discusses the effectiveness of the lottery scholarship in improving college affordability, exploring how unmet needs can be reduced through the TELS program.

Executive Summary



- In academic year 2009-10, the average total cost of attendance (including tuition, fees, books, supplies, and room and board) for full-time, in-state undergraduate students was \$18,946 at the Tennessee Board of Regents' (TBR) universities, compared to \$18,126 at the University of Tennessee (UT) campuses, and \$27,364 at not-for-profit, independent institutions. At the TBR community colleges, the total costs were \$8,945 for students living with family and \$14,570 for those living on their own.
- In Fall 2009, the average sum of Expected Family Contribution (EFC) and publicly funded grant aid (hereafter referred to as "total student resources") was \$7,235 at the Tennessee Board of Regents' (TBR) universities for traditional-aged, full-time undergraduate students with adjusted gross income (AGI) less than \$12,000, the lowest income group. Their remaining financial gap to pay for the total cost of attendance was \$11,261.
- The average total student resources were \$8,215 for those from the lowest income group at the University of Tennessee campuses in Fall 2009. Their unmet gap was \$9,911.
- At TBR community colleges, average total student resources were \$5,671 for students in the lowest income group in Fall 2009. Their average unmet need was \$3,274 if they lived with family, compared to \$8,899 for those living on their own.
- Average total student resources for the lowest income students at not-for-profit, independent institutions were \$8,393 in Fall 2009. Their unmet gap was \$18,971.
- Students from the most affluent families might have the financial ability to pay for the cost of attendance without the lottery scholarship. At public institutions, the average EFC of students with AGI higher than \$84,000, even without the lottery scholarship, exceeded their cost of attendance. At private institutions, students with AGI of \$96,000 or above had an average EFC high enough to pay the cost. The State dedicated approximately one-third of all TELS expenditures to awards for these students.
- In Fall 2009, approximately 45,500 traditional aged undergraduate students could not receive the Tennessee Student Assistance Award, the state's need-based grant, due to insufficient funding for that program. The estimated funding shortfall was \$86.3 million, less than the lottery scholarship expenditures that were spent for students whose EFC was sufficient to leave them with no unmet need.

Introduction



One of the policy objectives of the Tennessee Education Lottery Scholarship (TELS) program is to supply financial aid for Tennessee students and thereby improve their financial capacity to pursue postsecondary education. In light of this mission, the lottery scholarship has made substantial contributions to many students and families. Over the course of the last six years, the lottery has provided scholarship awards to approximately 247,000 students with nearly \$1.2 billion⁷. In academic year 2009-10 alone, the state awarded approximately \$284 million through the program to 97,000 students. As a hybrid scholarship program that combines both merit- and need-based characteristics, TELS has reduced the cost of education for a broad range of students.

While it is clear that many students have received benefits from the lottery, it is not clear how effectively the lottery scholarship has improved affordability by reducing students' financial burden. Generally speaking, merit-based scholarships are not designed to address affordability as their primary purpose. Students receive merit awards on a need-blind basis, a mechanism that tends to benefit high-income students more than low-income students. Consequently, a larger portion of financial assistance goes to more affluent students. Given this awarding scheme of merit-aid programs, some may think affordability should not be a policy concern for the TELS program.

Although TELS is recognized primarily as a merit-based program, it is different from merit-aid programs in other states. In addition to its merit-based features, TELS has a need-based component that incentivizes low-income students to participate and succeed in college, which makes this program unique among the states. The TELS program is intended to address a wide range of higher education issues, however, improving college affordability is one of the program's primary goals; therefore much of the policy conversation about TELS centers on how the lottery has financially supported low-income and underrepresented students.

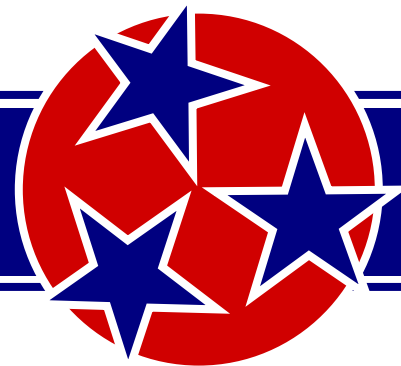
Toward that end, this chapter examines the extent to which the lottery scholarship has enhanced affordability for students in the state. First, it introduces data on how undergraduate students have financed their education through multiple resources, including: 1) the lottery scholarship, 2) Pell Grant, 3) Tennessee Student Assistance Award (TSAA), and 4) the Expected Family Contribution (EFC) derived from the Free Application for Federal Student Aid (FAFSA). Institutional dollars and other grants from private corporations or foundations are not reflected in this analysis due to the general unavailability of such data. The results were disaggregated by family income level to illustrate the average financial contribution made by each aid program, with a particular focus on the lottery scholarship. This report also discusses whether the lottery scholarship is distributed effectively and equitably to reduce students' financial burden. Finally, it explores a way to improve the spending power of the lottery scholarship against the unmet need of Tennessee students.

⁷ Source: Tennessee Student Assistant Corporation (TSAC)

It is important to note that this particular study is limited to full-time undergraduate, age 24 or less, Tennessee resident students attending one of the following institutions in academic year 2009-10: Tennessee Board of Regents' universities and community colleges, University of Tennessee campuses, or in-state, private not-for-profit institutions. Tennessee Technology Centers and private for-profit institutions are not included in this study. Also, all analyses are based upon those who filled out a FAFSA form, as these analyses drew on data from the FAFSA data file provided to THEC by the Tennessee Student Assistance Corporation (TSAC). The THEC database contained 145,631 undergraduate, resident students who met such criteria. They represented approximately 97 percent of the total number of Tennessee resident, undergraduate full-time students of the same age group in the state.

Lastly, this study repeatedly presents average award amounts such as average TELS, average TSAA, etc. In the calculation of these averages, non-recipients are treated as if they received \$0 for the aid. For instance, if a student did not receive a lottery scholarship, this individual is considered to have received \$0 of the lottery scholarship. One may argue that this methodology is misleading as it makes the average scholarship amount look smaller than the actual average amount awarded *to recipients*. However, the purpose of this analysis is to understand the macro-level impact of the lottery scholarship on student affordability, not the micro-level financial impact on TELS students alone. Because the research interest lies in the financial conditions of the overall student body, not just lottery recipients, this approach would be preferable to excluding non-recipients from the average award calculation.

Total Student Resources and Average Cost of Attendance



Tennessee Board of Regents' Universities

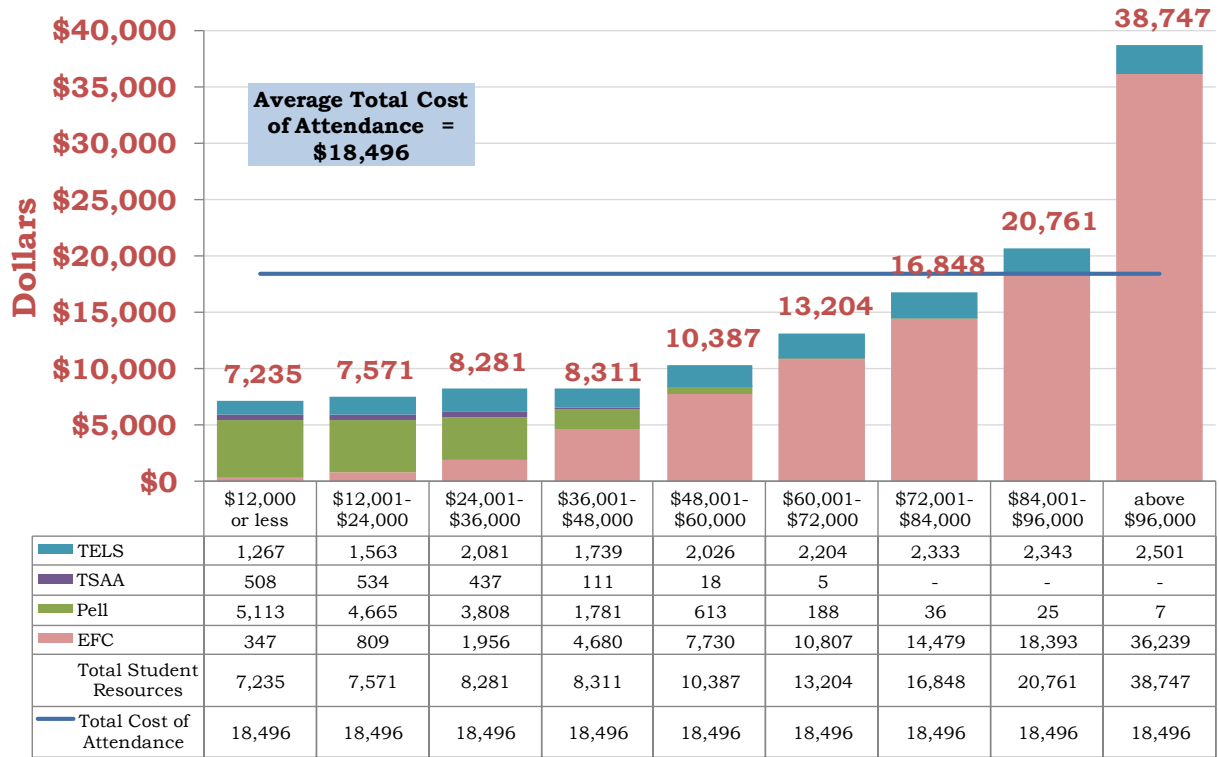
Figure 3-1 displays the average sum of Expected Family Contribution (EFC) and gift aid received by traditional-aged students attending Tennessee Board of Regents' universities (TBR 4-year) in academic year 2009-10. The horizontal line on the figure represents the unweighted, average total cost of attendance⁸ of the six public universities during that year, which was \$18,496. This amount represents the average cost paid by a resident full-time undergraduate student living on campus, as reported to the Integrated Postsecondary Education Data Systems (IPEDS).

Students' financial aid portfolios vary substantially by adjusted gross income (AGI). The combined amount of all financial sources (hereafter referred to as "total student resources") including EFC was \$7,235 for students from the lowest income bracket, \$0 to \$12,000 AGI. The student total resources of this group were \$11,261 lower than the average total cost of attendance. The student total resources edge upward as AGI increases, growing rapidly after the \$48,000 - \$60,000 AGI range. The average lottery scholarship amount also rises as income level goes up, except at the \$36,000 - \$48,000 AGI range, where it dips slightly. The lowest average lottery scholarship was \$1,267 for the lowest income group, and the highest average was \$2,501 for the highest income group. This difference occurs because lower income students have less representation in the TELS program compared to higher income students.

The average amount of unmet need stays at almost the same level from the lowest AGI bracket to the \$36,000 - \$48,000 range. It starts to decline quickly after the \$48,000-\$60,000 income group, reaching negative numbers at the \$84,000-\$96,000 range. The negative figure indicates total student resources actually exceed the cost of attendance. The chart suggests that traditional students from the two highest income groups may have the financial ability to pay for the cost of attendance without the lottery scholarship.

⁸ Includes tuition and fees, books and supplies, on-campus room and board, and other on-campus expenses.

Figure 3-1: Average Expected Family Contribution and Undergraduate Gift Aid by Income Level, 2009-10 -- TBR Universities, Full-time Tennessee Resident Students, Age 24 or less



Adjusted Family Income, 2009-10

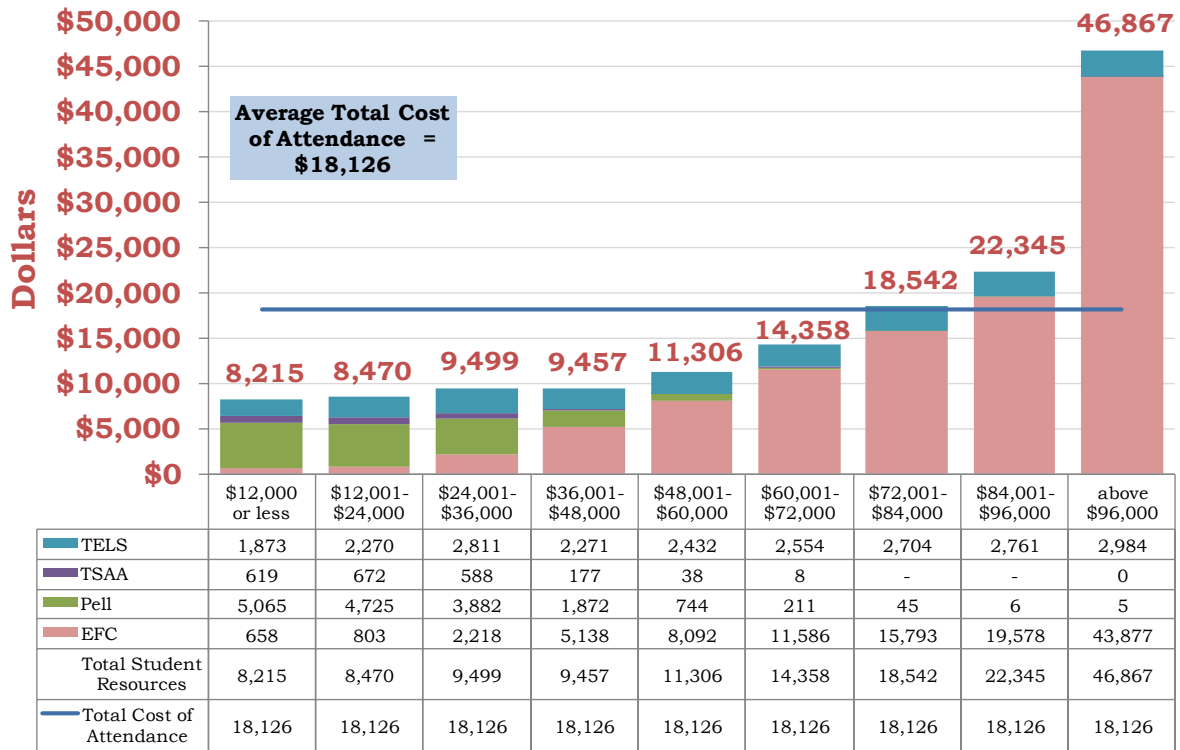
Sources: FAFSA and IPEDS

University of Tennessee Campuses

Figure 3-2 displays the average total student resources by income level at the University of Tennessee (UT) campuses in academic year 2009-10. The horizontal line on the figure represents the unweighted, average total cost of attendance of the three institutions within the sector during that year, which was \$18,126. As is the case for the TBR universities, the total cost of attendance corresponds to the average amount paid by a resident full-time undergraduate student living on campus, as retrieved from the Integrated Postsecondary Education Data Systems (IPEDS).

This figure presents almost identical results as seen in the figure for TBR 4-year institutions. The only notable difference is that UT students had a relatively lower break-even point, which is the point at which students' EFC and other revenues meet or exceed the cost of attendance. This occurred at the income range of \$72,000 to \$84,000. This figure and the one for TBR 4-year institutions convey a similar message – that most high income students could probably pay for the total cost of attendance without the lottery scholarship.

Figure 3-2: Average Expected Family Contribution and Undergraduate Gift Aid by Income Level, 2009-10 -- UT Campuses, Full-time Tennessee Resident Students, Age 24 or less



Adjusted Family Income, 2009-10

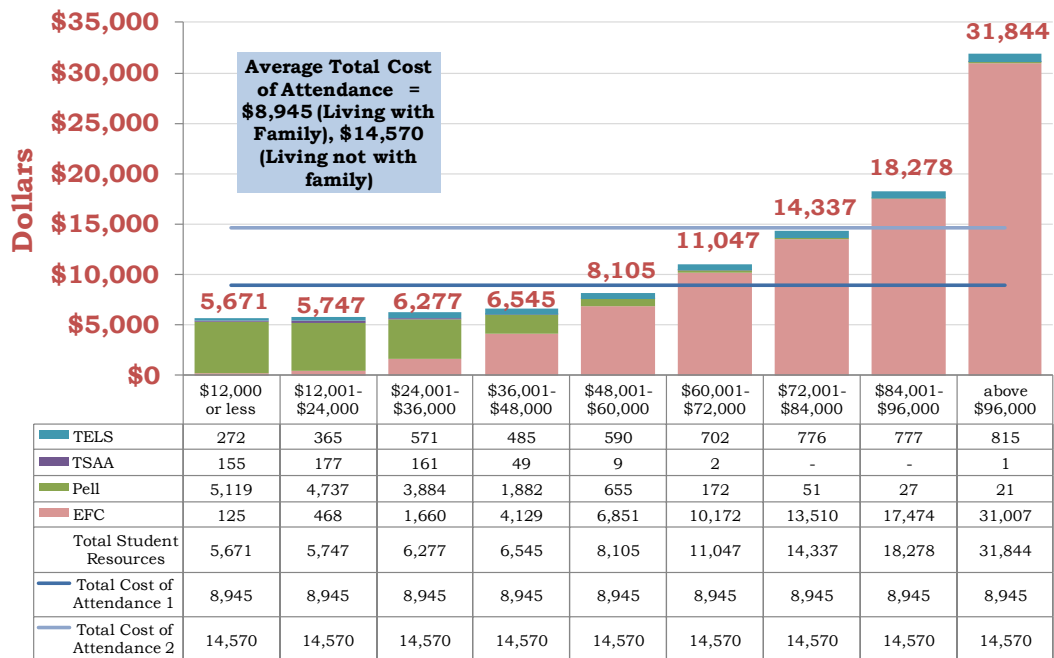
Sources: TSAC FAFSA Data and IPEDS

Tennessee Board of Regents' Community Colleges

Figure 3-3 presents the average of total student resources by income level at TBR community colleges (TBR 2-year) in academic year 2009-10. Different from the preceding figures for public 4-year institutions, this figure displays two horizontal lines, which represent the total cost of attendance for two types of students. The line above corresponds to the average cost for students not living with family, while the other line represents the cost for those living with family, in other words, commuters from one's parents' house. The average cost of attendance was \$14,570 for the former students in 2009-10 and \$8,945 for commuters. These figures are the unweighted average costs of attendance of the 13 community colleges in Tennessee, as retrieved from IPEDS.

Students living with family had a relatively lower break-even point than students attending 4-year institutions. The figure indicates that these students should have enough financial resources to pay the cost if their family income is at or above the \$60,000-\$72,000 range. Meanwhile, those who live off-campus away from family need to have higher incomes to pay for the cost. The total cost of attendance was \$14,570 for those students, 62 percent higher than the cost for commuting students. This is because they need to pay their own living costs such as rent and utilities in addition to tuition and fees. The figure indicates that commuters would need to have at least \$72,000-\$84,000 family income to afford the cost of education without relying on other income sources such as institutional aid or loans. The break-even point for community college commuters who live on their own is similar to that of students at 4-year institutions.

Figure 3-3: Average Expected Family Contribution and Undergraduate Gift Aid by Income Level, 2009-10 -- TBR Community Colleges, Full-time Tennessee Resident Students, Age 24 or less



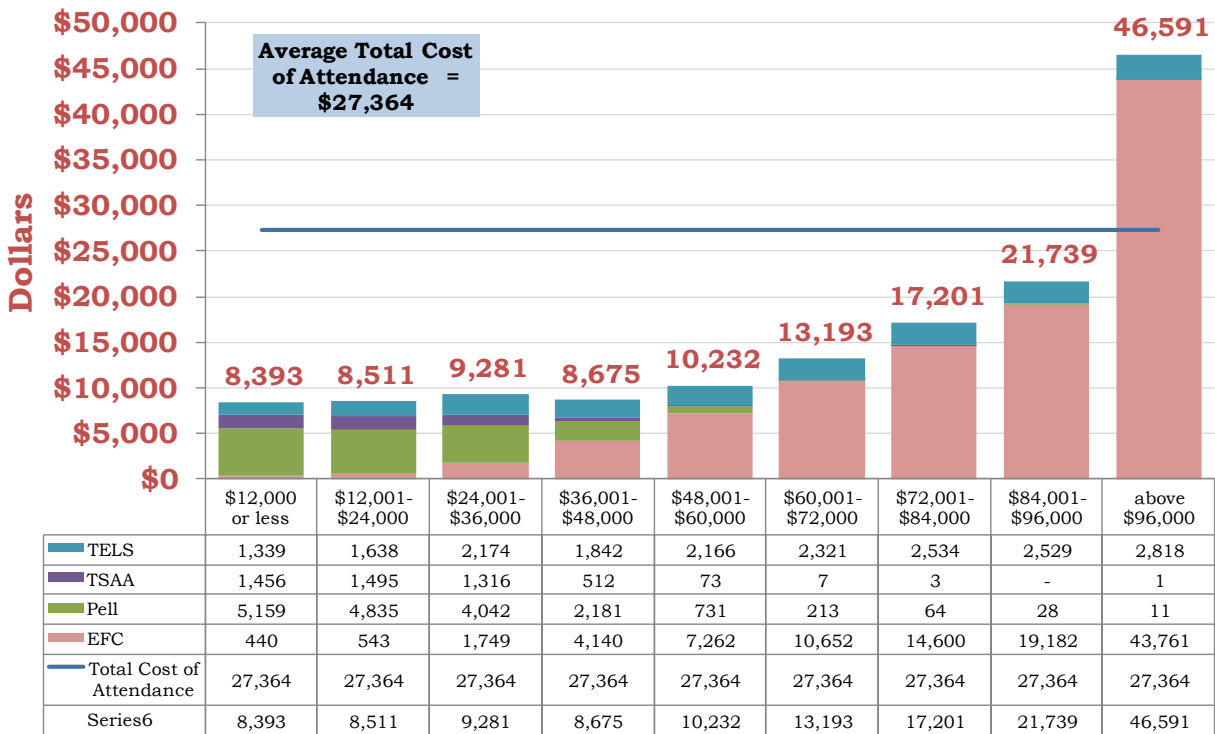
Adjusted Family Income, 2009-10

Sources: TSAC FAFSA Data and IPEDS

Tennessee Not-for-profit, Independent Institutions

Tennessee not-for-profit, independent institutions require the highest cost of attendance across the sectors. In 2009-10, the unweighted average cost of attendance was \$27,364 for on-campus, full-time students. Only students from the highest income bracket can pay the total cost of attendance entirely from their Expected Family Contribution, as **Figure 3-4** illustrates below. The average total student resources range from \$8,393 for the lowest income group to \$46,591 for the highest group. In general, students attending these institutions face higher unmet needs than those attending public institutions. The following section elaborates more on unmet need issues.

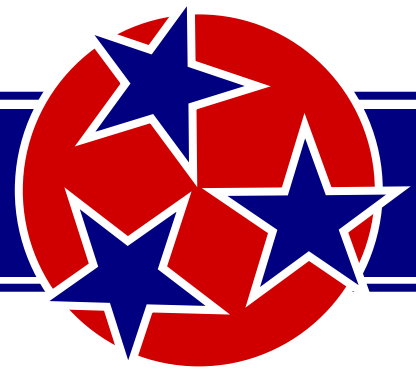
Figure 3-4: Average Expected Family Contribution and Undergraduate Gift Aid by Income Level, 2009-10 -- Tennessee Not-for-profit, Independent Institutions, Full-time Tennessee Resident Students, Age 24 or less



Adjusted Family Income, 2009-10

Sources: TSAC FAFSA Data and IPEDS

Student Unmet Need



This section examines the level of unmet need among Tennessee students by family income level and institutional type. The average unmet need is derived using the following formula:

$$\text{Average Unmet Need} = \text{Average Total Cost of Attendance} - \text{Average EFC} - \text{Average TELS} - \text{Average TSAA} - \text{Average Pell}$$

As mentioned in the beginning of this chapter, non-recipients of a particular award were treated as though they received \$0 from the resource in the calculation of average.

For TBR community colleges, the average cost of attendance was set at \$11,758, the middle point between the average costs charged for students living with family and on their own. This is based upon an assumption that 50 percent of traditional full-time students commute from home. For the other sectors, the same average costs as shown in the preceding figures were used. A positive number in **Table 3-1** indicates that, on average, unmet need exists in the group. A negative figure within the parenthesis means that the unmet need is negative, implying that the average student total resources exceed the average total cost of attendance.

Unmet need varies by income level and institutional sector. Not surprisingly, the lowest income group faces the highest unmet need, which ranges from \$6,086 at TBR 2-year institutions to \$18,971 at TICUA institutions (Table 3-1). The state average of unmet need hovers between \$9,400 and \$9,800 for the four lowest income groups, then it starts to decline at the \$48,000 - \$60,000 income range and afterward. The two highest income groups have negative unmet need, meaning that their average financial capacities exceed the average cost of attendance.

Table 3-1 : Average Unmet Need Amount for Full-time Undergraduate, Tennessee Resident Students, Age 24 or less, in 2009-10

	TBR 4-yr	TBR 2-yr	UT	TICUA	Total
\$12,000 or less	11,261	6,086	9,911	18,971	9,745
12,001-24,000	10,925	6,010	9,656	18,853	9,768
24,001-36,000	10,215	5,481	8,627	18,083	9,370
36,001-48,000	10,185	5,212	8,669	18,689	9,584
48,001-60,000	8,109	3,652	6,820	17,132	7,834
60,001-72,000	5,292	710	3,768	14,171	5,019
72,001-84,000	1,648	(2,580)	(416)	10,163	1,377
84,001-96,000	(2,265)	(6,521)	(4,219)	5,625	(2,461)
above \$96,000	(20,251)	(20,086)	(28,741)	(19,227)	(23,059)
Total	2,205	2,163	(7,118)	7,654	1,138

To better understand unmet need in relative terms, **Table 3-2** shows the average unmet need as a percent of the average cost of attendance. The higher the percent, the higher unmet need relative to the cost. The values are coded by one of three colors according to need level. Groups with a rate of 50 percent or above are displayed in red cells, identifying the neediest group. The second neediest group is shown in yellow cells, including students who have unmet need between 0 percent and 50 percent. The green cells signify students who have financial resources exceeding the average cost of attendance.

According to the table, the neediest group includes the following students on each sector:

- TBR 4-year institutions – students with adjusted gross family income of \$48,000 or less
- TBR 2-year and UT institutions – students with adjusted gross family income of \$24,000 or less
- TICUA institutions – students with adjusted gross family income of \$72,000 or less.

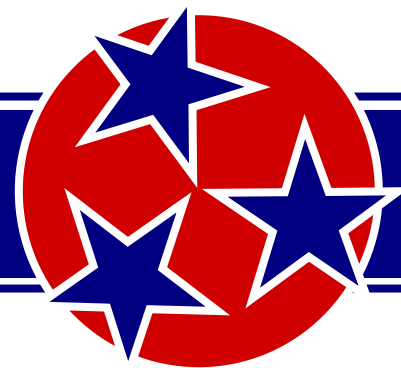
In the meantime, the following students have enough financial capacity to pay for the necessary cost of education:

- TBR 4-year institutions – students with adjusted gross family income of \$84,000 or above
- TBR 2-year and UT institutions – students with adjusted gross family income of \$72,000 or above
- TICUA institutions – students with adjusted gross family income of \$96,000 or above.

Table 3-2 : Average Unmet Need as a Percent of Average Cost of Attendance, Full-time Undergraduate, Tennessee Resident Students, Age 24 or less, in 2009-10

	TBR 4-yr	TBR 2-yr	UT	TICUA
\$12,000 or less	61%	52%	55%	69%
12,001-24,000	59%	51%	53%	69%
24,001-36,000	55%	47%	48%	66%
36,001-48,000	55%	44%	48%	68%
48,001-60,000	44%	31%	38%	63%
60,001-72,000	29%	6%	21%	52%
72,001-84,000	9%	-22%	-2%	37%
84,001-96,000	-12%	-55%	-23%	21%
above \$96,000	-109%	-171%	-159%	-70%

Discussion: Does the Lottery Scholarship Address the Affordability Issue Effectively?



This study has discussed that the majority of students, except those from the highest income families, have unmet need after accounting for Expected Family Contribution (EFC) and publicly-available grant aid, regardless of institutional type. Although the level of unmet need varies by income and institutional type, the gaps remain relatively large for many students, especially for those from low income families. The preceding analyses also reveal that the lottery scholarship has been awarded to students whose needs are fully met without the lottery scholarship. While there are legitimate reasons for this, these observations inevitably lead to the following questions: have lottery dollars been effectively allocated to improve the affordability of Tennessee students? If not, is there any better way to allocate the limited resource to reduce students' financial burdens? This section attempts to discuss these questions, intending to bring an equity perspective into policy conversations on the state's lottery scholarship program.

According to **Table 3-3**, the statewide unmet need for full-time undergraduate students at age 24 or less amounted to approximately \$165.7 million in 2009-10. The unmet need in each group was obtained by multiplying the average unmet need by the corresponding number of students in the group. Each income group has a widely different level of collective unmet need, which ranges from \$269.9 million for the lowest income group to negative \$701.0 million for the highest income group. After combining all the sectors, only the two highest income groups had sufficient financial resources without relying on the lottery scholarship to pay the cost of attendance.

Table 3-3 : The Sum of Unmet Need by Sector and Income Level, Tennessee Resident Students, Age 24 or less, 2009-10

	TBR 4-yr	TBR 2-yr	UT	TICUA	Total
\$12,000 or less	95,516,571	76,958,434	29,781,100	67,648,884	269,904,989
12,001-24,000	74,301,232	49,895,951	23,965,017	48,998,708	197,160,909
24,001-36,000	59,133,566	32,676,446	20,609,881	41,644,235	154,064,128
36,001-48,000	45,515,447	19,972,939	17,423,922	32,649,709	115,562,017
48,001-60,000	33,109,326	12,202,481	14,179,193	27,548,012	87,039,013
60,001-72,000	19,919,554	2,003,468	7,498,015	21,086,591	50,507,628
72,001-84,000	5,834,067	(6,150,677)	(858,190)	14,075,492	12,900,693
84,001-96,000	(7,200,135)	(11,782,667)	(8,615,770)	7,166,229	(20,432,343)
above \$96,000	(214,351,620)	(78,457,842)	(309,076,718)	(99,116,774)	(701,002,953)
Total	111,778,008	97,318,534	(205,093,549)	161,701,088	165,704,081

Although affordability does not appear to be an issue for many high income students, the TELS program does not limit access to funding for students based upon income level. The table below displays the estimated amount of the lottery scholarships awarded to students whose EFCs are high enough to cover the cost of attendance

without financial aid (**Table 3-4**). In other words, these dollars stand for the State’s investment that might not have necessarily paid for the cost directly associated with education. In 2009-10, that investment amounted to \$90.0 million in total, accounting for approximately 32 percent of entire program expenditures (\$284 million). For the highest income group, the state spent \$76.1 million in TELS awards exceeding their necessary costs for education, and \$11.4 million and \$2.4 million for the second and third highest income groups, respectively. UT has the highest amount of such scholarships at \$38.3 million, followed by TBR 4-year universities with \$30.8 million.

Table 3-4 : The Sum of the Lottery Scholarship Paid Beyond the Total Cost of Attendance after Need Has Been Fully Met by Sector and Income Level, Tennessee Resident Students, Age 24 or less, 2009-10

	TBR 4-yr	TBR 2-yr	UT	TICUA	Total
\$12,000 or less	-	-	-	-	-
12,001-24,000	-	-	-	-	-
24,001-36,000	-	-	-	-	-
36,001-48,000	-	-	-	-	-
48,001-60,000	-	-	-	-	-
60,001-72,000	-	-	-	-	-
72,001-84,000	-	1,843,780	587,665	-	2,431,444
84,001-96,000	4,398,447	1,402,325	5,638,534	-	11,439,305
above \$96,000	26,406,513	3,178,542	32,078,458	14,470,626	76,134,140
Total	30,804,959	6,424,647	38,304,657	14,470,626	90,004,889

From a purely economic perspective, the current scholarship mechanism may not optimize the available resource to address student affordability issues, as the lottery scholarship has not completely dedicated its resources to the reduction of unmet need. \$90 million of the lottery scholarships were awarded to students whose needs were fully met without the scholarship. This amount could ease the financial burden of other students who are in need of other resources to fill the financial gap. This section explores a hypothetical scenario that may improve the overall affordability of Tennessee students by allocating the lottery scholarship differently.

One example is to reallocate the available funding to the need-based TSAA program. Tennessee had a total of 45,556 full-time, undergraduate students (age 24 or less) who were eligible for the TSAA grant but could not receive it due to shortages in program funding (**Table 3-5**). As the state’s only need-based aid subsidized by the general fund, the TSAA grant awards students whose EFC is 2,100 or less. Due to the relatively small budget of this program, however, the award is given to students on a first-come first-served basis, and thus funding usually runs out quickly and is not awarded to all eligible applicants.

Table 3-5 : Students who Could not Receive TSAA Grants despite Being Eligible by Sector and Income Level, Tennessee Resident Students, Age 24 or less, 2009-10

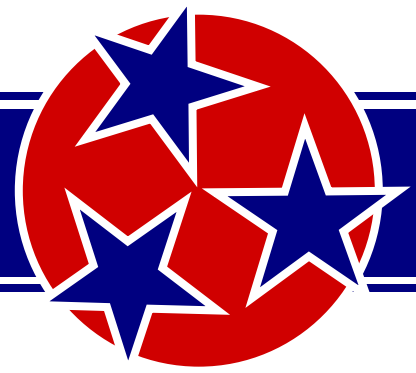
	TBR 4-yr	TBR 2-yr	UT	TICUA	Total
\$12,000 or less	6,189	10,694	2,015	2,209	21,107
12,001-24,000	4,145	6,137	1,406	1,408	13,096
24,001-36,000	2,884	3,547	1,059	1,033	8,523
36,001-48,000	736	760	319	336	2,151
48,001-60,000	142	158	84	66	450
60,001-72,000	44	28	17	15	104
72,001-84,000	10	14	6	4	34
84,001-96,000	17	9	3	7	36
above \$96,000	20	14	12	9	55
Total	14,187	21,361	4,921	5,087	45,556

Table 3-6 shows the estimated shortfall of TSAA grants for traditional age students by sector and income level, assuming all received the maximum amount. Beginning in academic year 2010-2011, the maximum award was set at \$2,000 for students attending public 4-year universities and \$4,000 for those at private institutions. Public 2-year and TTC students can receive up to \$1,300 and \$1,000, respectively, according to their need. The total shortfall amounted to \$86.3 million, very close to the amount of the lottery scholarships awarded for students whose needs are already met without the scholarship. Mathematically speaking, the \$90 million of the lottery could allow the State to award TSAA grants to all full-time eligible applicants of age 24 or less.

Table 3-6 : Shortfall in TSAA Grants by Sector and Income Level, Tennessee Resident Students, Age 24 or less, 2009-10

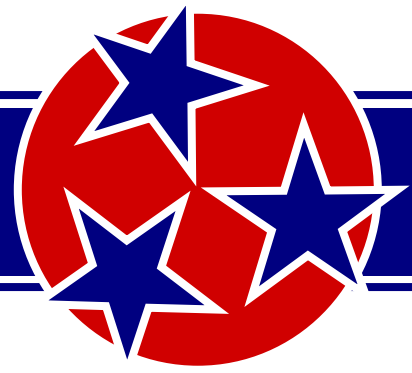
	TBR 4-yr	TBR 2-yr	UT	TICUA	Total	Cumulative Total
\$12,000 or less	12,378,000	13,902,200	4,030,000	8,836,000	39,146,200	39,146,200
12,001-24,000	8,290,000	7,978,100	2,812,000	5,632,000	24,712,100	63,858,300
24,001-36,000	5,768,000	4,611,100	2,118,000	4,132,000	16,629,100	80,487,400
36,001-48,000	1,472,000	988,000	638,000	1,344,000	4,442,000	84,929,400
48,001-60,000	284,000	205,400	168,000	264,000	921,400	85,850,800
60,001-72,000	88,000	36,400	34,000	60,000	218,400	86,069,200
72,001-84,000	20,000	18,200	12,000	16,000	66,200	86,135,400
84,001-96,000	34,000	11,700	6,000	28,000	79,700	86,215,100
above \$96,000	40,000	18,200	24,000	36,000	118,200	86,333,300
Total	28,374,000	27,769,300	9,842,000	20,348,000	86,333,300	

Conclusion



This study found that the State spent approximately one-third of the entire expenditures of the Tennessee Education Lottery Scholarship program for students who appear to have the financial ability to pay for college without the lottery scholarship. In the meantime, approximately 45,500 students could not receive the state's need-based grant aid due to the lack of sufficient funding for the program. The estimated insufficient funding was \$86.3 million, less than the lottery scholarship expenditures that were spent for those whose needs were met by their own EFC alone.

Although there are inefficiencies and inequities in its allocation of dollars, the lottery scholarship has multiple missions to pursue. Because it is designed to address a wide range of policy issues, an evaluation of the entire program would require a holistic approach that examines effectiveness in light of all intended missions, not just one of the missions. As any policy has strengths and weaknesses, the lottery scholarship program's weakness is in the equity with which it addresses college affordability for all students. However, this is not a definitive statement on the effectiveness of the program, as affordability is only one of many issues that the Tennessee Education Lottery Scholarship program seeks to address.

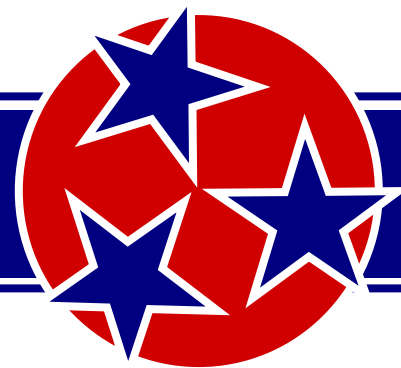


Chapter 4 : The General Assembly Merit Scholarship and its Outcomes

Abstract

This study provides an analysis of scholarship renewal and college completion rates for the General Assembly Merit Scholarship (GAMS) program. It reports descriptive statistics of scholarship renewal and graduation, and explores the common characteristics of students who do not retain the scholarship by employing a stepwise binary logistic regression. This study also compares the current renewal standard for GAMS to that of similar programs in other Southern states and considers the impact on scholarship renewal if the State were to raise the academic standard for scholarship renewal. Lastly, it analyzes the extent to which Tennessee has successfully retained GAMS-eligible public high school graduates at in-state institutions, which is one of the missions of the Tennessee Education Lottery Scholarship program.

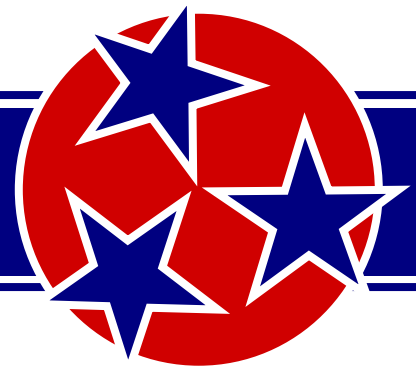
Executive Summary



- The number of freshman GAMS recipients was 1,389 in Fall 2009, accounting for 5.2 percent of all incoming TELS freshmen.
- For the Fall 2009 freshman cohort, 51 percent of GAMS recipients were females. The gender difference of GAMS was narrower than that of TELS overall, where the ratio was 57 percent to 43 percent.
- The ethnic distribution of GAMS freshmen was more skewed toward white students than the distribution of TELS recipients. African-American students composed just one percent of GAMS freshmen, while they represented 11 percent of all TELS freshman recipients.
- In Fall 2009, 47 percent of GAMS freshmen were from families with an adjusted gross income of \$96,000 or higher, compared to 29 percent for TELS freshmen overall.
- The most recent second-year renewal rate for GAMS was 90 percent, considerably higher than that of TELS freshmen overall, whose second year renewal rate was 55 percent.
- The most recent five-year college graduation rate (regardless of scholarship status at completion) for GAMS students was 81.2 percent, in comparison to 50.1 percent for the overall TELS cohort. 73 percent of GAMS freshmen graduated with their scholarship intact.
- Male students and University of Tennessee Knoxville students had a relatively lower chance of scholarship renewal in their second year, albeit very slightly, as compared to female students and those attending other institutions.
- GAMS requires students to maintain a cumulative college GPA of 2.75 in the first two years. This requirement is relatively easier compared to similar high-ability scholarship programs in other Southern states, which require at least a 3.0 GPA.
- The average GPA of the Fall 2008 GAMS cohort who renewed the scholarship in the second year was 3.57, in comparison to 3.27 for overall TELS freshmen who renewed scholarships.
- If the state increased the GPA threshold for scholarship renewal, the second year renewal rate for GAMS recipients would decline from the current 90 percent to 81 percent if a 3.0 GPA were required, 72 percent with a 3.25 GPA, and 59 percent with a 3.5 GPA.

- For the 2008-09 public high school graduates, the state enrolled 1,947 out of 2,986 students with an ACT of 29 or above. The enrollment rate in Tennessee higher education for such students was 65.2 percent.

Statutory Charge



During the 2010 legislative session, the General Assembly added the following statutory requirement relating to the Tennessee Education Lottery Scholarship (TELS) program:

“THEC shall study and include in its report required under subsection (b) an analysis of the general assembly merit scholarship program and its success in promoting exceptional academic achievement in college. Specifically, THEC shall report the number of students in each class who retain general assembly merit scholarships throughout their college careers and the number of students who do not retain general assembly scholarships and the reasons therefore. THEC shall analyze whether the retention standards for general assembly scholarships should be increased to promote further exceptional academic achievement in college.” (T.C.A. §49-4-903(d))

As directed by this law, this chapter presents the following information:

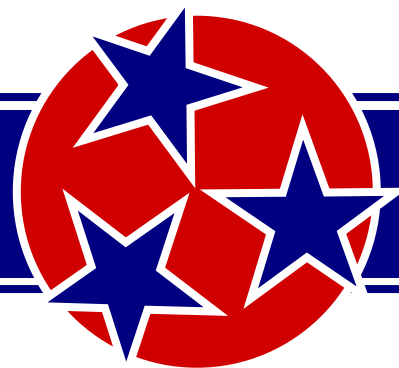
- Introduction;
- Recipient Demographic Profile;
- Scholarship Renewal Rates;
- College Completion Rates;
- Analysis of Factors Affecting Scholarship Renewal; and,
- Should the Renewal Standard be Increased?

Finally, though not required by the law, this chapter also includes the following analysis:

- Has Tennessee Retained More “Best and Brightest” Students? A Market Penetration Analysis of GAMS Eligible Students.

The last item examines the extent to which Tennessee has successfully retained the “best and brightest” students at in-state institutions, one of the missions pursued by the TELS program. First, it quantifies the size of the market and provides recent trends in the market penetration rate. Then it details the characteristics of high-achieving students who did not enroll at in-state institutions and considers distinct attributes that have been heretofore unknown.

Introduction



The General Assembly Merit Scholarship (GAMS) is the lottery-funded financial aid program for students with exceptional academic ability. GAMS provides eligible students with a \$1,000 bonus on top of the base HOPE award, which grants a maximum of \$4,000 to students at 4-year universities or \$2,000 at 2-year colleges. For initial scholarship eligibility, GAMS requires students to have a composite score of 29 on the ACT *and* a 3.75 high school GPA. In order to renew the scholarship, recipients must maintain a 2.75 cumulative college GPA at the 24 and 48 credit hour benchmarks and a 3.0 GPA at each 24 hour checkpoint after that. This requirement is applicable not only to GAMS recipients, but to anyone in the TELS program.

The number of GAMS recipients grew from 1,064 in Fall 2004 to 1,407 in Fall 2008, and then declined slightly to 1,389 in Fall 2009. During the same period, the enrollment share for GAMS students fluctuated minimally. In Fall 2004, GAMS freshman recipients accounted for 5.2 percent of all incoming TELS freshmen. The subsequent cohorts experienced ups and downs in their share of the total, which rested at 5.6 percent as of Fall 2009 (**Table 4-1**).

Table 4-1 : First-time TELS Freshmen by Major Scholarship Type, Fall 2004 through Fall 2009

		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009
Recipients	HOPE	13,554	13,278	14,245	15,281	16,089	16,416
	GAMS	1,064	1,229	1,210	1,315	1,407	1,389
	ASPIRE	5,721	5,034	5,915	5,830	5,638	6,606
	ACCESS	110	263	344	358	423	245
	Total	20,449	19,804	21,714	22,784	23,557	24,656
Enrollment Share	HOPE	66.3%	67.0%	65.6%	67.1%	68.3%	66.6%
	GAMS	5.2%	6.2%	5.6%	5.8%	6.0%	5.6%
	ASPIRE	28.0%	25.4%	27.2%	25.6%	23.9%	26.8%
	ACCESS	0.5%	1.3%	1.6%	1.6%	1.8%	1.0%
	Total	100%	100%	100%	100%	100%	100%

Note: The data include both public and private institutions.

Source: THEC Student Information System (SIS)

Recipient Demographic Profile

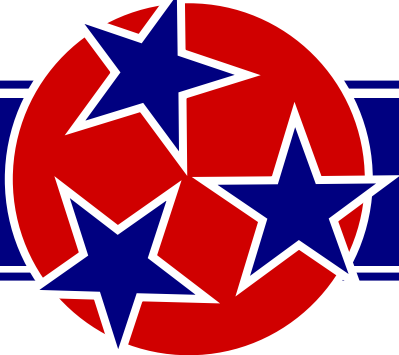


Table 4-2 shows the demographic profile of GAMS first-time freshmen in comparison to TELS freshmen overall. In Fall 2009, GAMS’ gender ratio was 51 percent for females to 49 percent for males, narrower than that of TELS overall, where the ratio was 57 percent to 43 percent. The ethnic distribution of GAMS was more skewed toward white students than the distribution of overall TELS recipients. The presence of African American students was especially low at one percent, compared to 11 percent of overall TELS recipients.

Table 4-2 : First-time TELS Freshmen by Gender and Ethnicity, TELS Total vs. GAMS, Fall 2009

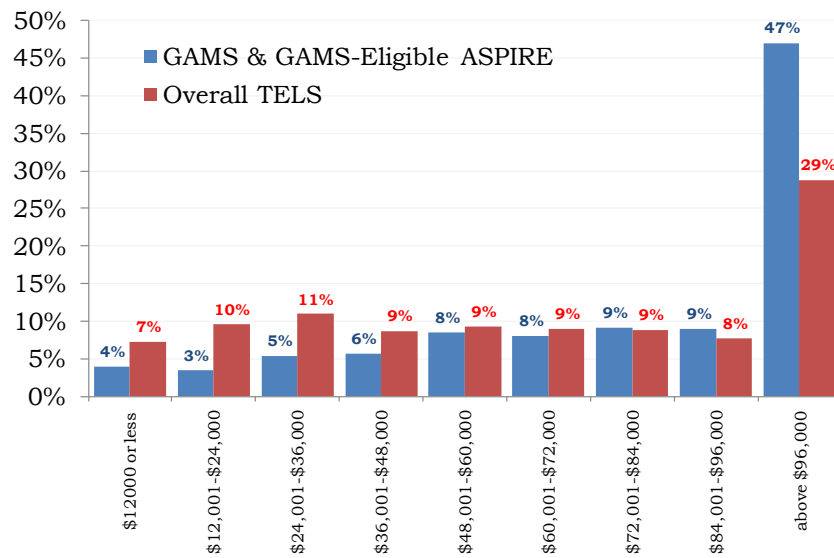
		TELS Total		GAMS	
Gender	Female	13,933	57%	708	51%
	Male	10,722	43%	681	49%
	Total	24,655	100%	1,389	100%
Ethnicity	White	19,812	80%	1,275	92%
	Black	2,819	11%	13	1%
	Other	2,024	8%	101	7%
	Total	24,655	100%	1,389	100%

Note: The data include both public and private institutions.
 Source: THEC SIS

GAMS students tended to come from wealthier families than regular TELS recipients, as illustrated in **Figure 4-1**. The figure displays the distributions of adjusted gross incomes (AGI) for GAMS and overall TELS freshmen in Fall 2009. This figure regarded students who were GAMS eligible but received ASPIRE as GAMS recipients⁹. The graph indicates that 47 percent of GAMS recipients were from families with an AGI higher than \$96,000, compared to 29 percent for TELS freshmen overall.

⁹ When students qualified for both GAMS and ASPIRE, the state awards them ASPIRE as it grants a maximum of \$5,500 for 4-year students and \$3,500 for 2-year students, a higher amount than GAMS award.

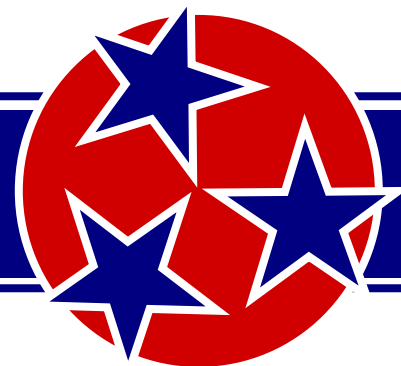
Figure 4-1: Adjusted Gross Income Distributions of GAMS Freshmen and TELS Freshmen Overall in Fall 2009



Note: The GAMS data also include GAMS-eligible ASPIRE students.

Sources: THEC SIS and Tennessee Student Assistance Corporation (TSAC) Free Application for Federal Student Aid (FAFSA) data

Scholarship Renewal Rates



As **Table 4-3** displays, the second year renewal rates for GAMS recipients were consistently high for all freshman cohorts. The renewal rate hovered around 89 to 90 percent throughout, with the most recent renewal rate being 90 percent for the Fall 2008 GAMS freshmen. These renewal rates were considerably higher than for all TELS freshmen, whose second year renewal rates were between 52 and 55 percent for the same time period.

Table 4-3 : 2nd Year Scholarship Renewal Rate, GAMS vs. TELS Total, Fall 2004 through Fall 2008 Cohorts

		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008
GAMS	Beginning Cohort	1,064	1,229	1,210	1,315	1,407
	Renewed in 2nd Year	954	1,089	1,077	1,182	1,265
	Renewal Rate	90%	89%	89%	90%	90%
TELS	Beginning Cohort	20,449	19,804	21,714	22,784	23,557
	Renewed in 2nd Year	10,221	10,983	11,339	11,861	12,845
	Renewal Rate	50%	55%	52%	52%	55%

Notes: 1) The data include both public and private institutions; 2) "TELS" data also include GAMS recipients.
Source: THEC SIS

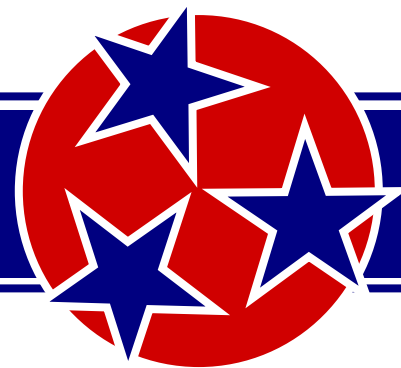
The cumulative scholarship renewal rates for GAMS students were also high. **Table 4-4** compares the cumulative scholarship renewal rates of the Fall 2005 beginning cohorts of GAMS and TELS recipients. The second year renewal rate for GAMS recipients was 89 percent, declining to 80 percent in the third year and 78 percent in the fourth year. In the 5th year of the scholarship, the renewal rate plummeted to 18 percent because many recipients had graduated by the end of the fourth year. Meanwhile, overall TELS recipients attrited at a much higher pace. The second year renewal rate was 55 percent, and then dropped to 41 and 38 percent in the third and fourth years. The fifth year renewal rate went down to 15 percent, 3 percentage points lower than for GAMS recipients.

Table 4-4 : Cumulative Scholarship Renewal Rate, GAMS vs. TELS Total, Fall 2005 Cohorts

		1st	2nd	3rd	4th	5th
GAMS	Beginning Cohort	1,229	1,089	989	954	218
	Renewal Rate	100%	89%	80%	78%	18%
TELS	Beginning Cohort	19,804	10,983	8,051	7,597	3,032
	Renewal Rate	100%	55%	41%	38%	15%

Note: The data includes both public and private institutions; 2) "TELS" data also include GAMS recipients.
Source: THEC SIS

College Completion Rates



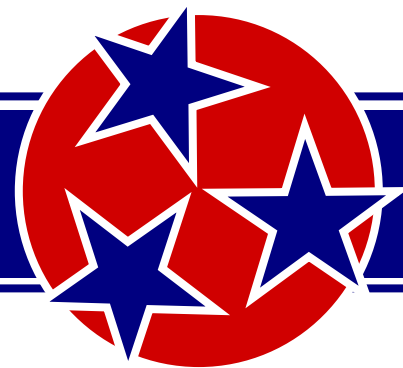
Along with the second year and cumulative scholarship renewal rates, GAMS students also tended to have a higher graduation rate than TELS recipients overall (**Table 4-5**). The table displays the five-year graduation rates for the Fall 2004 and 2005 freshman cohorts of GAMS and overall TELS recipients. The data reflect students who earned associate's degrees or above at public institutions. For the Fall 2005 cohort, the five-year college graduation rate (regardless of scholarship eligibility status at completion) for GAMS students was 81.2 percent, in comparison to 50.1 percent of the overall TELS cohort. 73.0 percent of the same GAMS cohort graduated with their scholarships intact, while only 32.9 percent of TELS recipients overall retained their scholarships through graduation.

Table 4-5 : 5-year Graduation Rates, GAMS vs. TELS Total, Fall 2005 Cohorts (Public Institutions Only)

	Fall 2004 Cohort		Fall 2005 Cohort	
	GAMS	TELS	GAMS	TELS
Beginning Cohort	717	17,341	764	16,492
Graduated within 5 year	567	7,765	620	8,269
Graduated within 5 year on TELS	502	4,877	558	5,428
5-year Grad Rate	79.1%	44.8%	81.2%	50.1%
5-year Grad Rate on TELS	70.0%	28.1%	73.0%	32.9%

Notes: 1) Graduation rates include both associate's and bachelor's degrees; 2) "TELS" data include GAMS students.
Source: THEC SIS

Analysis of Factors Affecting Scholarship Renewal



The reasons for not renewing the scholarship vary by individual. A full understanding of all the reasons would require additional research such as surveys, focus groups, or individualized interviews, which cannot be easily conducted because of difficulties in reaching non-renewals, who often do not come back to school after they lose the scholarship. While THEC and TSAC collect data on scholarship recipients, very limited data are available for non-renewing students.

Although the currently available data in the THEC database provide very little direct information on why GAMS students lost their scholarships, using statistical techniques it is possible to quantify the tendency of scholarship renewal based upon students' characteristics at entry. **Table 4-6** on the following page lays out the result from a stepwise binary logistic regression, which predicted the likelihood of retaining the scholarship in the second year for GAMS freshmen recipients in Fall 2008 based upon their entering characteristics. Coding scholarship renewal in the second year as 1 and otherwise as 0, the initial model contained the following explanatory variables:

- ACT Composite Score (29-36)
- Adjusted Gross Income
- Ethnicity (African American = 1; Others = 0)
- Gender (Male = 1; Female = 0)
- Earned College-level Course Credits Before Entering College (yes = 1; no = 0)
- Institutional Type (Other than University of Tennessee Knoxville = 1; University of Tennessee Knoxville = 0)

Logistic regression allows researchers to compare the probability of an event of interest while controlling for student or institutional characteristics. After conducting the regression with a sample of 1,336 students, the model reduced the number of independent (predictor) variables to two, dismissing the other four variables as not statistically relevant to second year scholarship renewal. The remaining two variables were: 1) Gender and 2) Institutional Type. The odds ratio in the table represents the odds of renewing the scholarship for students with one attribute relative to the odds of renewal for those with another attribute while holding other variables constant. For instance, the odds ratio for "Gender" is 0.48, meaning that a male student's odds of scholarship renewal decline by a factor of 0.48 relative to the odds for a female. In other words, female students have a higher likelihood of renewing the scholarship than male students. Similarly, the odds ratio for "Institutional Type" is 1.521, implying that GAMS recipients at UTK have a lower chance of renewing the scholarship compared to GAMS students attending other institutions.

Table 4-6 : Odds Ratios for 2nd Year Scholarship Renewal by Selected Attributes, Fall 2008 Cohort

	β	P-value	Odds Ratio
Intercept	2.5136	<.0001	n/a
Male (=1) vs. Female (=0)	-0.7344	0.0003	0.48
Other Institutions (=1) vs. UTK (=0)	0.4196	0.0291	1.521

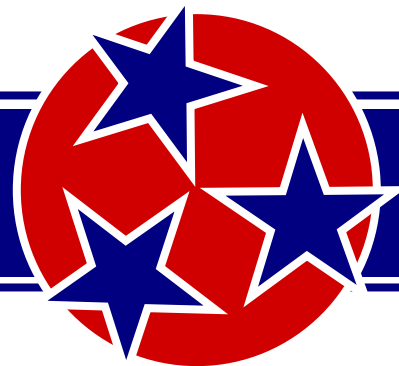
Table 4-7 below compares the average probability¹⁰ of second year scholarship renewal by gender and institutional type based upon the results from the logistic regression. The results reveal that there is a statistically significant difference in the probability of scholarship renewal among gender and institutional type.

Table 4-7 : Average Probability of Second Year Scholarship Renewal by Gender and Institutional Type, Fall 2008 Cohorts

	Male	Female
UTK	86%	93%
Others	90%	95%

¹⁰ It is important to note that a probability is different from a rate. A probability corresponds to the chance of success for an individual based upon his/her characteristics, whereas a rate measures the actual number of successful events as a percent of a total number of events.

Should the Renewal Standard be Increased?



As cited in the beginning of this chapter, state statute instructs THEC to analyze whether it is advisable to change the academic requirement for scholarship renewal. This section limits its scope to providing information that should be useful to policymakers in considering policy alternatives.

One way to examine the current renewal policy is to compare it to similar policies in other states. **Table 4-8** summarizes a list of the most selective scholarship programs in Southern states and shows their renewal policies. The other Southern states such as Georgia, Kentucky, Arkansas, and Alabama were not included in the table as they do not have an equivalent program to GAMS.

GAMS students are required to maintain a 2.75 cumulative college GPA at 24 and 48 credit hours and then a 3.0 GPA at the subsequent benchmarks. Compared to other states' scholarship programs, Tennessee's renewal criterion for the second year is less rigid, though the initial eligibility requirement is the toughest among those states. Mississippi's Eminent Scholars grant requires a 3.5 GPA for scholarship renewal, the highest GPA requirement. Florida, South Carolina, and Louisiana also set a higher renewal criterion than GAMS, requiring a college GPA of 3.0. All states except Tennessee require the same GPA at every renewal checkpoint.

Table 4-8 : Initial Eligibility Requirement and 2nd Year Renewal Requirement for Similar Scholarship Programs in Other Southern States

Scholarship Program	State	Initial Requirement	Required College GPA for Second Year Renewal	Note
Academic Scholars	FL	ACT 28	3.00	The same renewal requirement throughout college
Palmetto Fellows	SC	ACT 27 and HS GPA 3.5	3.00	
Eminent Scholars	MS	ACT 29 and HS GPA 3.5	3.50	
TOPS Honors	LA	ACT 27 and HS GPA 3.0	3.00	
GAMS	TN	ACT 29 and HS GPA 3.75	2.75	3.0 GPA at 72 hours and afterwards

Sources:

FL - <http://www.floridastudentfinancialaid.org/SSFAD/PDF/BFEligibilityAwardChart.pdf> (Initial Eligibility),
<http://www.floridastudentfinancialaid.org/SSFAD/bf/renewpg.htm> (Renewal Requirement)

SC - http://www.che.sc.gov/StudentServices/PalmettoFellows/files/Q&A_PFS_2010-11.pdf (Both Initial Eligibility and Renewal Requirement),

MS - http://www.mississippi.edu/riseupms/search-results.php?article_id=228 (Both Initial Eligibility and Renewal Requirement)

LA- http://www.osfa.la.gov/TOPS_H.htm (Both Initial Eligibility and Renewal Requirement)

As another way of looking at the current GAMS renewal policy, **Table 4-9** presents the average college GPA at the end of the freshman year for students who renewed scholarships in the second year. GAMS recipients consistently demonstrated a higher GPA than overall TELS recipients. The average GPA of the Fall 2008 GAMS cohort who renewed the scholarship in the second year was 3.57, in comparison to 3.27 for the overall TELS students. The average GPA was consistent for all cohorts in both groups,

hovering between 3.57 and 3.63 for GAMS and 3.27 to 3.29 for TELS overall. Fall 2006 cohort data are not available due to the missing data of second year GPA for a few institutions.

Table 4-9 : Average College GPA at the End of Freshman Year for Second Year Scholarship Renewals, GAMS vs. All TELS Recipients, Fall 2004 through 2008 Cohorts

	Beginning Cohort				
	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008
GAMS	3.63	3.61	N/A	3.63	3.57
TELS	3.28	3.29		3.29	3.27

Note: This table reflects both public and private institutions.
Source: THEC SIS

Policymakers need to be aware of the impact the increased GPA requirement would have on Tennessee students. Toward that end, **Table 4-10** shows the projected results of a change in the second year renewal requirement. The table presents four scenarios, which include the current requirement (i.e. 2.75 of GPA), 3.0, 3.25, and 3.5 GPAs for scholarship renewal. The estimated 2nd year renewal rates are shown in the table for the past five freshman cohorts.

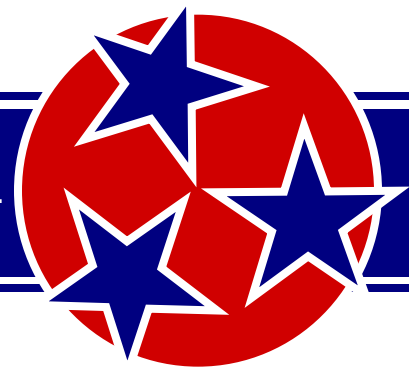
The table reveals that each scenario would have produced different results. For instance, the 3.0 GPA requirement would have lowered the renewal rate from 90 to 81 percent for the Fall 2008 cohort. The 3.25 GPA threshold would have made a further cut to the renewal rate, to 72 percent. The deepest cut would have occurred at 3.5 GPA, in which only 59 percent of Fall 2008 GAMS freshmen would have renewed. The impact of each scenario is relatively consistent for all cohorts.

Table 4-10: Projected GAMS Renewal Rate under Different Renewal Criteria, Fall 2004 though 2008 Cohorts

		Beginning Cohort				
		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008
Current	Beginning Cohort	1,064	1,229	1,210	1,315	1,407
	Renewed	954	1,089	1,077	1,182	1,265
	Renewal Rate (Actual)	90%	89%	89%	90%	90%
3.0 GPA	Would Have Renewed	897	1,017	N/A	1,099	1,145
	Projected Renewal Rate	84%	83%		84%	81%
3.25 GPA	Would Have Renewed	815	924		1,011	1,019
	Projected Renewal Rate	77%	75%		77%	72%
3.5 GPA	Would Have Renewed	689	768		851	835
	Projected Renewal Rate	65%	62%		65%	59%

Note: Data reflect both public and private institutions.
Source: THEC SIS

Has Tennessee Retained More “Best and Brightest” Students? A Market Penetration Analysis of GAMS Eligible Students



GAMS is designed to accomplish one particular mission; that is, to retain the state’s “best and brightest” students in Tennessee colleges and universities (TELS Annual Report, 2010). Past studies have shown that the in-state college participation rate has improved after the introduction of TELS, but the rate of improvement over time is within 3 percentage points (TELS Annual Report, 2010¹¹), so incremental that some might argue the change is not substantial. Furthermore, more important questions still remain unanswered: What type of students has the state recruited? Has the state kept more talented students at in-state institutions? While past studies found that the post-lottery era witnessed a higher proportion of freshmen attending in-state institutions than the pre-lottery era, it is not equally clear how successfully the state has enrolled high-achieving students, the target population for the GAMS program. The following section focuses on those students, examining the market penetration rate of Tennessee higher education for high-achieving Tennessee public high school graduates.

The following analysis defines the market penetration rate as the number of Tennessee public high school graduates with an ACT of 29 or above who attended in-state institutions as a percent of Tennessee public high school graduates with the same academic aptitude. Although GAMS requires both ACT and high school GPA for initial scholarship eligibility, this analysis relied on ACT alone in identifying the market of high achieving students due to the lack of comprehensive high school GPA data. Because all students with a 29 or better ACT do not necessarily maintain a 3.75 GPA, this approach may overstate actual market size. Given that high ACT scorers tend to earn high GPAs, however, most of them are assumed to be GAMS eligible.

Also, this study is confined to only students who took the ACT during high school. This means that students with exceptional academic skills who did not take the ACT were excluded from this analysis. **Table 4-11** shows the percent of public high school graduates who took an ACT test, with the percentage hovering between the high 60s to low 70s for the last four years. Because high-achieving students are less likely to forego a free ACT test¹² than other students, the coverage rates for GAMS eligible students are probably higher than the statewide coverage rates. Also, some students may have taken only the SAT exam. The number of such exclusive SAT takers, however, is probably few in Tennessee.

¹¹ Tennessee Higher Education Commission. (2010). *Tennessee Education Lottery Scholarship Program Annual Report*.

¹² Tennessee allows high school students to take an ACT test once for free.

Table 4-11: ACT Test Takers as a Percent of Public High School Graduates, 2005-06 through 2008-09

High School Graduation Year	2005-06	2006-07	2007-08	2008-09
Public High School Graduates	50,396	57,633	57,390	60,495
Took ACT	36,951	38,810	41,996	44,753
ACT Coverage Rate	73%	67%	73%	74%

Sources: ACT and Tennessee Department of Education (TN DOE)

Table 4-12 presents the market penetration rate of Tennessee higher education for academically high-achieving high school graduates for the last four years. For the 2008-09 graduates, the state had a market penetration rate of 65.2 percent, enrolling 1,947 students out of 2,986 high school graduates with an ACT of 29 or above. In other words, approximately 1,000 high-achieving students did not enroll in Tennessee higher education. Of those who did not attend in-state institutions, 770 students proceeded to out-of-state institutions while 269 students did not participate in higher education at all. The market penetration rate was stable over the last four years, hovering around 65 percent. It is difficult to ascertain whether this trend was the same before introduction of the lottery scholarship, due to the lack of data prior to 2005-06.

Table 4-12: Tennessee Higher Education’s Market Penetration Rate for High-Achieving Public High School Graduates

HS Graduation Year		2005-06	2006-07	2007-08	2008-09
Students	ACT ≥ 29	2,208	2,269	2,676	2,986
	Attended College	2,030	2,058	2,219	2,717
	In-state institutions	1,433	1,499	1,696	1,947
	Out-of-state institutions	597	559	523	770
	Did not Attend College	178	211	457	269
Enrollment Share	ACT ≥ 29	100.0%	100.0%	100.0%	100.0%
	Attended College	91.9%	90.7%	82.9%	91.0%
	In-state institutions	64.9%	66.1%	63.4%	65.2%
	Out-of-state institutions	27.0%	24.6%	19.5%	25.8%
	Did not Attend College	8.1%	9.3%	17.1%	9.0%

Note: High-achieving students are defined as students whose ACT is 29 or above.

Sources: ACT, THEC SIS, TN DOE, and National Student Clearinghouse

The market penetration rate differs by demographics, as shown in **Table 4-13**. The participation rate for female students was 63.1 percent in Fall 2009, lower than that for males at 67.1 percent. Non-white students had an even lower penetration rate at 46.3 percent, approximately 20 percentage points below the 67.0 percent rate for white students. The low penetration rate for non-white students was attributable to their high participation in out-of-state institutions, which enrolled 42.9 percent of high-achieving non-white students. This out-of-state participation rate was exceptionally high compared to the state average of 25.8 percent. Low-income students, defined as students with AGI less than \$36,000, had a slightly higher market penetration rate at 72.0 percent than mid-to-high income students at 67.1 percent.

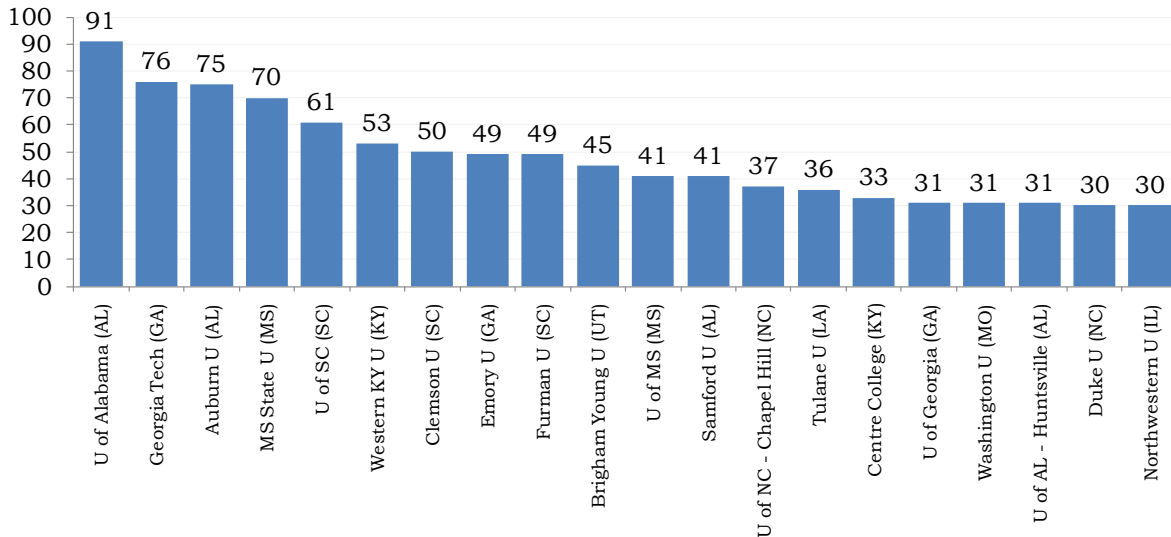
Table 4-13: Tennessee Higher Education Market Penetration Rate for High-Achieving Public High School Graduates, by Selected Demographic Characteristics, Fall 2009

Demographics	Gender		Ethnicity		Family Income			Total	
	Female	Male	White	Non-white	\$36,000 or above	Less than \$36,000	Income Not Available		
Students	ACT>=29	1,402	1,584	2,727	259	2,118	375	493	2,986
	Attended College	1,284	1,433	2,486	231	1,959	332	426	2,717
	In-state institutions	884	1,063	1,827	120	1,422	270	255	1,947
	Out-of-state institutions	400	370	659	111	537	62	171	770
	Did not Attend College	118	151	241	28	159	43	67	269
Enrollment Share	ACT>=29	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Attended College	91.6%	90.5%	91.2%	89.2%	92.5%	88.5%	86.4%	91.0%
	In-state institutions	63.1%	67.1%	67.0%	46.3%	67.1%	72.0%	51.7%	65.2%
	Out-of-state institutions	28.5%	23.4%	24.2%	42.9%	25.4%	16.5%	34.7%	25.8%
	Did not Attend College	8.4%	9.5%	8.8%	10.8%	7.5%	11.5%	13.6%	9.0%

Note: High-achieving students are defined as students whose ACT is 29 or above.
Sources: ACT, THEC SIS, TN DOE, and National Student Clearinghouse

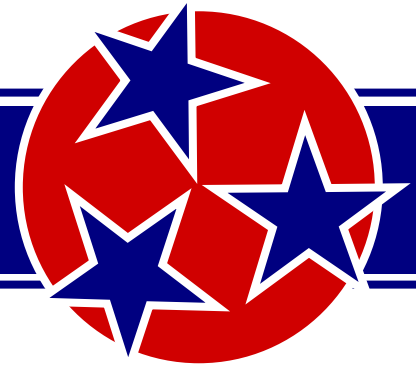
Figure 4-2 lists the top 20 out-of-state institutions that enrolled the most Tennessee students with an ACT score of 29 or above. Institutions are ranked by the total enrollment of such students from Fall 2006 to Fall 2009, the most recent four fall semesters. According to the figure, the University of Alabama attracted the highest number of high-achieving Tennessee students, 91, and the Georgia Institute of Technology is second, enrolling 76 such students. Out of the top 20 out-of-state institutions, 17 institutions are located in Southern states. Three schools are not in the South, namely, Brigham Young University in Utah, Washington University in Missouri, and Northwestern University in Illinois.

Figure 4-2: Top 20 Out-of-state Institutions Enrolling Most Tennessee Students for the Last Four Years (2006-2009)



Sources: ACT, THEC SIS, TN DOE, and National Student Clearinghouse

Conclusion



Since its inception in 2004, the Tennessee Education Lottery Scholarship (TELS) has enabled many Tennesseans to pursue their education beyond high school through its generous financial assistance. Among all TELS programs, GAMS has a unique mission, which is to retain highly talented students at Tennessee's institutions. Because of their high academic skills, GAMS students tended to excel in their academic careers, as demonstrated by their high scholarship renewal and college completion rates. This study found, however, that male students and students at the University of Tennessee Knoxville had a relatively lower chance of scholarship renewal in their second year, albeit very slightly, as compared to their peers.

The question has been raised whether the scholarship renewal requirement is too low for GAMS students. Under today's rule, the renewal standard for all TELS students is the same across the board regardless of the program, requiring any recipients to maintain a 2.75 GPA at the first two benchmark points and 3.0 afterwards. This study found that the GAMS renewal requirement in the first two years is relatively easier compared to similar kinds of scholarship programs in other Southern states, which require at least a 3.0 college GPA through graduation. If policymakers are interested in raising the renewal standard for GAMS students, they need to be aware of the consequences of the change. The analysis indicated that the second year renewal rate would decline from the current 90 percent to 81 percent with a 3.0 GPA requirement, 72 percent with a 3.25 GPA, and 59 percent with a 3.5 GPA.

Due to the lack of comprehensive student-level data in the pre-lottery era, it is difficult to determine if the GAMS program has resulted in increased recruitment of high-achieving students at in-state institutions. This study found that the most recent market penetration rate for GAMS eligible high school graduates was 65 percent, and approximately 1,000 students with exceptional academic ability did not attend in-state institutions. Because talented students are highly mobile and thus difficult to retain within the state, the GAMS award might not be enough to retain them. In order to improve the enrollment rate for such students, it may be necessary to reconsider the state's recruitment strategy and develop a better understanding of the many factors – financial, academic, and otherwise – that affect these students' enrollment decisions.

DATE: January 27, 2011

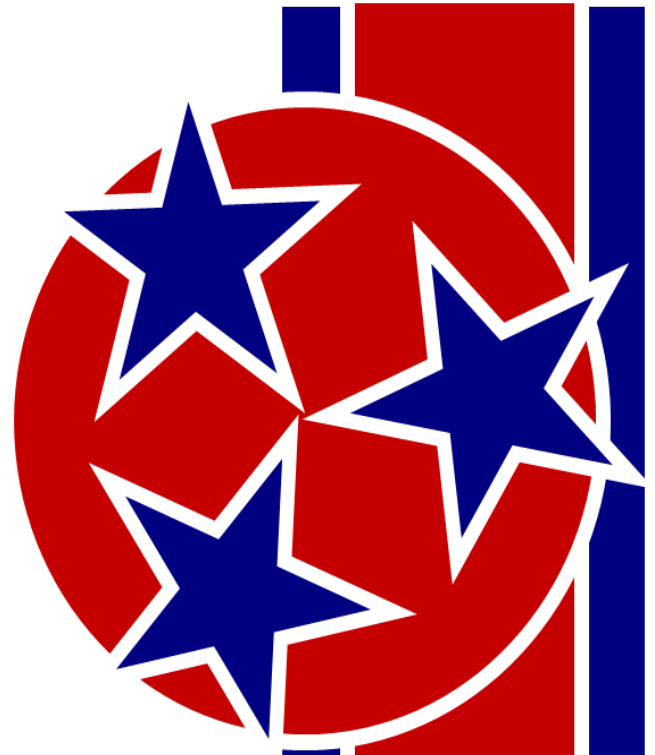
SUBJECT: 2011 Master Plan Progress Report

ACTION RECOMMENDED: Information

BACKGROUND INFORMATION: Pursuant to T.C.A. §49-5-5024(c)(2), the Tennessee Higher Education Commission, in consort with the University of Tennessee board of trustees and the state board of regents will provide a report on the goals achieved and the progress made in attaining long-term, quantifiable goals; reflect qualitative improvements for Tennessee higher education; and, recommend short-term goals for higher education by February 15 to the select joint committee.

Staff will present an overview of the annual master plan progress report, in which advancement of the Public Agenda is measured in three categories of signal strategies (student success, efficiency and quality) as well as the fulfillment and advancement of certain process milestones. This report focuses on state and system performance, while institutional goal-setting will be determined by individual institutional governing boards.

Staff will also present a web portal, currently under development, which contains state, system and institutional performance indicators included in the outcomes-based funding formula, the master plan progress report, and performance funding.



Master Plan Progress Report

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February 15, 2011

**Tennessee Higher Education Commission
404 James Robertson Parkway, Suite 1900 | Nashville TN 34243**

TENNESSEE HIGHER EDUCATION COMMISSION

2011 – 2010 COMMISSION MEMBERS

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Mr. Ross Rowland, voting ex-officio, University of Tennessee Memphis

Mr. Zack Walden, non-voting ex-officio, East Tennessee State University

Mr. A C Wharton, Secretary, Memphis

Mr. Robert White, Chair, Johnson City

Mr. Justin Wilson, Comptroller



2011 Master Plan Progress Report

The Annual Master Plan Progress Report complies with the requirements established in T.C.A. §49-5-5024(c)(2). This act directs the Tennessee Higher Education Commission, in consort with the University of Tennessee board of trustees and the state board of regents, to: provide a report on the goals achieved and the progress made in attaining long-term, quantifiable goals; reflect qualitative improvements for Tennessee higher education; and, recommend short-term goals for higher education by February 15 to the select joint committee.

The 2010-2015 master plan is a Public Agenda that focuses on educational attainment, sets out state-level goals for increased degree production, and concentrates on implementing the provisions of the Complete College Tennessee Act of 2010 (CCTA). The CCTA calls for a master plan that directs an increase in educational attainment while addressing economic and workforce development, research needs, increased degree production, and increased efficiency through institutional mission differentiation and reduced redundancy. Success in advancing the Public Agenda can be measured by three categories of signal strategies (student success, efficiency and quality) as well as the fulfillment and advancement of certain process milestones.

Signal Strategies

The following strategies have been developed to monitor and evaluate public higher education progress toward the core goal of the Public Agenda: to increase the number of working-age adults in Tennessee with an associate degree or higher by a total of 210,000 degrees by 2025, bringing Tennessee to the national average for educational attainment.¹ The degree production goal is comprehensive, including degrees conferred by the public, private non-profit and proprietary sectors.

Student Success

These strategies measure degrees and certificates awarded by Technology Centers, community colleges and 4-year universities. Although year-by-year benchmarks are not dictated, the Progress Report outlines the projected student successes necessary in order to accomplish the core goal.

Efficiency

In order to accomplish the sustained rate of growth required to achieve increased educational attainment, efficiency in degree production is essential. These strategies monitor student progress through an increased graduation rate, reduced time to degree (average semesters to degree) and increased degrees awarded per 100 full-time-equivalent (FTE) students. This snap-shot measure (degrees per 100 FTE) enhances the traditional graduation rate indicator as it is self-contained to one academic year, includes part-time as well as full-time students, and does not require student transfer or cohort tracking.

¹ Educational attainment is defined as the percentage of working-age adults (ages 25-64) with an associate's degree or higher.

Quality

The Performance Funding program enables institutions to earn a small portion of their operational budgets based on performance on a range of measures of institutional effectiveness and quality. These measures include quality of student performance, quality of institutional effectiveness as well as quality of programs for student access and success.

Process Milestones

The University of Tennessee board of trustees and the state board of regents, and the Tennessee Higher Education Commission have established process milestones as pivotal policy levers required to fulfill mandates set forth by the CCTA and the Public Agenda. Among others, these directives call for reduced redundancies through institutional mission differentiation, a labor market supply and demand study to inform economic and workforce development, and the outcomes-based public higher education funding formula, which incorporates incentives for various activities tailored to match each institution's priorities according to its unique mission.

In addition to policy and program development explicated by the Public Agenda, both systems of public education are developing short term goals to further fulfill their own goals established through system and institutional strategic planning processes.

Master Plan Progress Report

The signal strategies and process milestones are contained in the Master Plan Progress Report, published herein, which will be updated annually. As stated in the Public Agenda, this report focuses on state and system performance, while institutional goal-setting will be determined by individual institutional governing boards.

Tennessee 2010-2015 Master Plan for Public Higher Education: Progress Report
Tennessee Higher Education Commission

The Core Goal: Tennessee Educational Attainment All Sectors Public and Private Associate Degree and Above	Baseline	2015	2020	2025
	32.6%	36.8%	42.9%	49.0%

Public Higher Education Statewide 2010-15 GOAL: Increase the number of annual public Tennessee undergraduate degrees to 31,229 by 2015.							
STRATEGIES	2008-09 Baseline	2010	2011	2012	2013	2014	2015
Student Success							
Total undergraduate degrees (associates & bachelors awarded)	25,405	26,034					31,229
Community College Certificates	1,591	2,214					
Associate – Community College and TBR universities	7,030	7,784					
Baccalaureate – TBR universities	11,894	11,733					
Baccalaureate - UT	6,481	6,517					
Technology Center Completions	6,762	8,018					
Total graduate degrees awarded	6,768	6,625					
Master's	5,544	5,482					
Specialist	456	394					
Doctoral (excluding medicine, pharmacy, law, dentistry, veterinary medicine)	768	749					
Efficiency							
Six-Year Graduation Rates							
Community Colleges	31%	30%					
4 Year Universities	52%	51%					
Time to Degree (academic years)							
Associate - Community College		4.40					
Baccalaureate – TBR universities		5.39					
Baccalaureate - UT		4.75					
Completers per 100 FTE							
TTC	55.8	59.1					
Community College	18.0	18.2					
4 Year Undergraduate	23.0	22.0					
4 Year Graduate	36.8	34.5					
Quality							
Performance Funding Standard One (collective [all institutions] average score for all qualitative measures)	90	See footnote*					100
Complete College Tennessee Act of 2010 - Process Milestones							
Institutional mission differentiation profiles		7/1/2010					
Labor market supply/demand high need fields study			Jan 2011				
Outcomes based formula / Side-by-side formula		12/1/2010					
Community college system				7/1/2012			
Community college budgets (TBR)					6/30/2013		
University track (41-hour core; 19-hour pathways)			Fall 2011				
Common course numbering in community colleges							
Designated not-for-transfer courses							
Dual admission		7/1/2010					
Remedial/Developmental courses provided by community colleges				7/1/2012			
Research enhancement – UTK			Jan 2011				
Research consortium – UoM			Fall 2010				

*2010 begins new Performance Funding cycle with different scoring mechanism

Data sources: THEC Student Information System, IPEDS

DATE: January 27, 2011

SUBJECT: GEAR UP TN/CACG/TCASN Status Report

ACTION RECOMMENDED: Information

BACKGROUND INFORMATION: The GEAR UP initiative is a federal discretionary grant program designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. GEAR UP provides six-year grants to states to provide services at high-poverty middle and high schools. GEAR UP grantees serve an entire cohort of students beginning no later than the seventh grade and follow the cohort through high school. GEAR UP TN is designed to promote student achievement and enhance awareness of the need to expand access to post-secondary education statewide, especially in those areas of the state that are traditionally underserved. GEAR UP TN funds are also used to provide incentive awards to students graduating from the high schools served and scholarships to low-income students in the cohort.

The College Access Challenge Grant focuses on initiatives such as providing professional development opportunities for school counselors and postsecondary financial aid administrators and admissions officers, increasing the reach and frequency of media messages through the statewide college access campaign, and enhancing the services offered to low-income students through the expansion of current college access programs. The overall goal of Tennessee’s CACG is to create a network among organizations working in college access with a unified message while also increasing the number of underserved students enrolling and succeeding in postsecondary education.

The Tennessee College Access and Success Network, established through the Lumina Foundation KnowHow2Go re-grant and expanded through Race to the Top, connects college access and success programs with like-minded organizations with the purpose of increasing the number of Tennesseans participating and succeeding in postsecondary opportunities. The Network creates a college-going culture in communities across the state by expanding college access and success programs, creating new programs, educating professionals, ensuring statewide advocacy, and cultivating organizational and Network development.

Staff will report on winter GEAR UP TN activities and provide updates on the progress of CACG’s College Mentor Corp.

Agenda Item: II.E.

DATE: January 27, 2011

SUBJECT: Legislative Report

ACTION RECOMMENDED: Information

BACKGROUND INFORMATION: The General Assembly is scheduled to return on February 7 to begin the regular session. The staff will provide the Commission with an overview of bills filed to date and anticipated areas of legislation.

Agenda Item: II.F.

DATE: January 27, 2011

SUBJECT: Spring Quarterly Meeting

ACTION RECOMMENDED: Information

BACKGROUND INFORMATION: The next scheduled quarterly Commission meeting is April 28, 2011. The meeting will be held in the THEC board room on the 18th floor of Parkway Towers.