

**Tennessee Higher Education Commission
Breakdown of Outcomes-Based Formula Components
Impact on 2023-24 State Appropriations**

This analysis examines the impact of individual outcome changes on each institution's 2023-24 state appropriations. It isolates the impact that each outcome had on the bottom line distribution of state funding, institution by institution. All else being equal, if an institution's outcomes or other formula components had not changed in the 2023-24 formula, and remained as they were in the 2022-23 formula, under the same outcome definitions, weights and scales, this analysis isolates the appropriation gained or lost.

The starting point for the analysis is a scenario where all other institutions' 2023-24 formula data is updated, except the institution under analysis. This represents the change in state appropriations the institution would have experienced if its data (outcomes, fixed costs, and quality assurance points) had not changed in the 2023-24 formula. The analysis then adds new data, one outcome at a time, and calculates the resulting state appropriation impact.

Additional explanation is provided as footnotes on the 'CC' and 'University' tabs.

Impact of Outcomes Formula Components on 2023-24 THEC Recommended State Appropriations

Starting Point	APSU			ETSU			MTSU			TSU		
	\$ 1,043,800 Effect	Outcome Change	Outcome Weight	\$ 1,208,400 Effect	Outcome Change	Outcome Weight	\$ 1,503,900 Effect	Outcome Change	Outcome Weight	\$ 554,800 Effect	Outcome Change	Outcome Weight
Students Accumulating 30 hrs	\$ (84,400)	-13.0%	2.0%	\$ (106,800)	-9.2%	4.0%	\$ (56,500)	-4.8%	2.0%	\$ (3,500)	-1.0%	2.0%
Students Accumulating 60 hrs	\$ (115,900)	-6.7%	4.0%	\$ (172,600)	-6.6%	6.0%	\$ (145,300)	-5.5%	3.0%	\$ (73,200)	-10.5%	3.0%
Students Accumulating 90 hrs	\$ (141,500)	-3.9%	6.5%	\$ (224,400)	-3.0%	10.0%	\$ (185,900)	-2.6%	5.0%	\$ (106,200)	-6.8%	5.0%
Bachelors and Associates	\$ 1,026,900	3.3%	25.0%	\$ 377,400	3.9%	22.5%	\$ (1,116,400)	-0.8%	22.5%	\$ (1,068,000)	-5.5%	22.5%
Masters / Ed Specialists	\$ (19,200)	-0.2%	20.0%	\$ (151,300)	-1.6%	15.0%	\$ 581,500	3.7%	20.0%	\$ 162,900	4.0%	15.0%
Doctoral / Law Degree	\$ 77,000	800.0%	5.0%	\$ 587,100	5.4%	15.0%	\$ 61,600	2.7%	7.5%	\$ (325,900)	-5.1%	15.0%
Six-Year Graduation Rate	\$ (59,000)	-0.5%	15.0%	\$ 210,900	2.7%	10.0%	\$ 496,700	3.8%	15.0%	\$ 32,600	0.9%	7.5%
Degrees per 100 FTE	\$ 1,551,500	15.1%	15.0%	\$ 199,600	3.9%	7.5%	\$ 61,100	0.5%	15.0%	\$ (465,600)	-9.2%	10.0%
Research and Service	\$ 8,300	2.2%	7.5%	\$ 421,600	12.4%	10.0%	\$ 106,200	6.8%	10.0%	\$ 2,072,000	13.2%	20.0%
E&G sf (less portables)	\$ (1,600)	0.0%		\$ 5,400	0.1%		\$ 277,400	2.5%		\$ 155,500	3.0%	
Rate for E&G sf	\$ 241,900	5.2%		\$ 356,700	5.2%		\$ 596,500	5.2%		\$ 272,800	5.2%	
Portable E&G sf	\$ -	NA		\$ -	0.0%		\$ -	0.0%		\$ -	NA	
Rate for Portable E&G sf	\$ -	5.2%		\$ 100	5.2%		\$ 200	5.2%		\$ -	5.2%	
Equipment	\$ 16,000	2.1%		\$ (21,600)	-1.6%		\$ 173,100	5.5%		\$ 68,000	6.5%	
Quality Assurance	\$ -	0.0%		\$ (174,400)	-4.3%		\$ (302,200)	-5.3%		\$ 49,200	2.4%	
Total Increase	\$ 3,543,800			\$ 2,516,100			\$ 2,051,900			\$ 1,325,400		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on THEC's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2022-23 formula to the 2023-24 formula.

How to read this table: Using East Tennessee State as an example, the starting point (Cell E5) of \$1,208,400 represents the difference between 2023-24 and 2023-24 appropriations due to the funding formula if East Tennessee State's data had stayed at 2023-24 levels while all other institutions' data changed to 2023-24 levels. This is the beginning "base" on which the effects of East Tennessee State's changes in 2023-24 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 30 hours -- is determined. East Tennessee State had a 9.2% decline (Cell F7) for this outcome between 2022-23 and 2023-24. East Tennessee State's performance on this outcome resulted in a loss of \$106,800 (E7) in recommended appropriations in 2023-24.

The effects of the next outcome -- Students Accumulating 60 hours -- is then determined. Here, East Tennessee State declined 6.6% (F8) from 2022-23 to 2023-24, which corresponds to a loss of \$172,600 (E8) in recommended appropriations in 2023-24.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to East Tennessee State's performance in 2023-24 are then summed (Cell F26) for the total change in recommended appropriations from 2022-23 to 2023-24 of \$2,516,100. This amount corresponds to East Tennessee State's change in recommended appropriations highlighted in Column E on the '2023-24 Governor's Budget' tab.

Impact of Outcomes Formula Components on 2023-24 THEC Recommended State Appropriations

Starting Point	TTU			UofM			UTC			UTK		
	\$	Outcome Change	Outcome Weight	\$	Outcome Change	Outcome Weight	\$	Outcome Change	Outcome Weight	\$	Outcome Change	Outcome Weight
Students Accumulating 30 hrs	\$ (59,800)	-5.7%	4.0%	\$ (65,800)	-6.0%	2.0%	\$ (63,600)	-5.0%	4.0%	\$ 18,200	0.6%	3.5%
Students Accumulating 60 hrs	\$ (41,700)	-1.8%	6.0%	\$ (124,800)	-5.0%	3.0%	\$ (48,200)	-1.9%	6.0%	\$ 144,700	1.8%	6.5%
Students Accumulating 90 hrs	\$ (88,100)	-1.6%	10.0%	\$ (101,900)	-1.7%	5.0%	\$ 24,200	0.4%	10.0%	\$ 151,800	1.2%	7.5%
Bachelors and Associates	\$ (152,300)	-4.2%	22.5%	\$ 273,900	0.2%	20.0%	\$ (168,300)	1.5%	25.0%	\$ 1,433,200	3.1%	20.0%
Masters / Ed Specialists	\$ 66,000	1.8%	10.0%	\$ 1,237,500	6.7%	17.5%	\$ 20,700	0.6%	10.0%	\$ 885,700	5.5%	10.0%
Doctoral / Law Degree	\$ 202,300	18.3%	7.5%	\$ 1,840,100	7.6%	15.0%	\$ 230,900	5.7%	10.0%	\$ 474,900	1.3%	10.0%
Research and Service	\$ 260,600	2.0%	15.0%	\$ (351,900)	-3.1%	12.5%	\$ 142,500	1.1%	15.0%	\$ (100,800)	-0.5%	15.0%
Degrees per 100 FTE	\$ 103,700	1.6%	10.0%	\$ 92,800	1.3%	10.0%	\$ (11,500)	-0.1%	15.0%	\$ (96,700)	-0.9%	15.0%
Six-Year Graduation Rate	\$ 414,400	10.3%	15.0%	\$ (503,700)	-3.9%	15.0%	\$ 105,500	14.7%	5.0%	\$ 1,417,100	3.3%	12.5%
E&G sf (less portables)	\$ 37,600	0.6%		\$ 70,700	0.4%		\$ (165,300)	-2.9%		\$ 28,800	0.1%	
Rate for E&G sf	\$ 317,000	5.2%		\$ 816,700	5.2%		\$ 288,100	5.2%		\$ 1,309,900	5.2%	
Portable E&G sf	\$ -	0.0%		\$ -	0.0%		\$ 4,600	26.5%		\$ -	NA	
Rate for Portable E&G sf	\$ 300	5.2%		\$ 100	5.2%		\$ 1,200	5.2%		\$ -	5.2%	
Equipment	\$ 101,000	6.5%		\$ 90,100	4.2%		\$ 13,000	1.3%		\$ 848,500	8.7%	
Quality Assurance	\$ (69,000)	-2.1%		\$ (215,100)	-3.2%		\$ 71,900	2.2%		\$ (492,900)	-4.3%	
Total Increase	\$ 1,959,900			\$ 5,128,600			\$ 1,402,100			\$ 10,746,300		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on THEC's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2022-23 formula to the 2023-24 formula.

How to read this table: Using Tennessee Tech University as an example, the starting point (Cell B49) of \$867,900 represents the difference between 2022-23 and 2023-24 appropriations due to the funding formula if Tennessee Tech's data had stayed at 2022-23 levels while all other institutions' data changed to 2023-24 levels. This is the beginning "base" on which the effects of Tennessee Tech's changes in 2023-24 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 30 hours -- is determined. Tennessee Tech had a 5.7% decrease (Cell C51) for this outcome between 2022-23 and 2023-24. Tennessee Tech's performance on this outcome resulted in a loss of \$59,800 (B51) in recommended appropriations in 2023-24.

The effects of the next outcome -- Students Accumulating 60 hours -- is then determined. Here, Tennessee Tech declined 1.8% (C52) from 2022-23 to 2023-24, which corresponds to a loss of \$41,700 (B52) in recommended appropriations in 2023-24.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Tennessee Tech's performance in 2023-24 are then summed (Cell B70) for the total change in recommended appropriations from 2022-23 to 2023-24 of \$1,959,900. This amount corresponds to Tennessee Tech's change in recommended appropriation highlighted in Column E on the '2023-24 Governor's Budget' tab.

Impact of Outcomes Formula Components on 2023-24 THEC Recommended State Appropriations

Starting Point	UTM		
	\$ 558,800	Outcome	Outcome
	Effect	Change	Weight
Students Accumulating 30 hrs	\$ (49,900)	-6.6%	5.0%
Students Accumulating 60 hrs	\$ (81,000)	-5.3%	7.5%
Students Accumulating 90 hrs	\$ (76,700)	-2.8%	10.0%
Bachelors and Associates	\$ (320,300)	-1.9%	27.5%
Masters / Ed Specialists	\$ 756,400	45.2%	15.0%
Doctoral / Law Degree	\$ -	NA	0.0%
Research and Service	\$ 504,200	3.9%	20.0%
Degrees per 100 FTE	\$ 39,200	0.8%	10.0%
Six-Year Graduation Rate	\$ (16,200)	-6.8%	5.0%
E&G sf (less portables)	\$ 109,300	3.2%	
Rate for E&G sf	\$ 181,200	5.2%	
Portable E&G sf	\$ 300	NA	
Rate for Portable E&G sf	\$ -	5.2%	
Equipment	\$ 61,000	11.9%	
Quality Assurance	\$ 42,700	2.2%	
Total Increase	\$ 1,709,000		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on THEC's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2022-23 formula to the 2023-24 formula.

How to read this table: Using University of Tennessee at Martin as an example, the starting point (Cell B93) of \$558,800 represents the difference between 2022-23 and 2023-24 appropriations due to the funding formula if UT Martin's data had stayed at 2022-23 levels while all other institutions' data changed to 2023-24 levels. This is the beginning "base" on which the effects of UT Martin's changes in 2023-24 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 30 hours -- is determined. UT Martin had a 6.6% decrease (Cell C95) for this outcome between 2022-23 and 2023-24. UT Martin's performance on this outcome resulted in a loss of \$49,900 (B95) in recommended appropriations in 2023-24.

The effects of the next outcome -- Students Accumulating 60 hours -- is then determined. Here, UT Martin declined 5.3% (C96) from 2022-23 to 2023-24, which corresponds to a loss of \$81,000 (B96) in recommended appropriations in 2023-24.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to UT Martin's performance in 2023-24 are then summed (Cell B114) for the total change in recommended appropriations from 2022-23 to 2023-24 of \$1,709,000. This amount corresponds to UT Martin's change in recommended appropriation highlighted in Column E on the '2023-24 Governor's Budget' tab.

Impact of Outcomes Formula Components on 2023-24 THEC Recommended State Appropriations

Starting Point	Chattanooga			Cleveland			Columbia			Dyersburg		
	\$ 440,200 Effect	Outcome Change	Outcome Weight	\$ 165,400 Effect	Outcome Change	Outcome Weight	\$ 283,300 Effect	Outcome Change	Outcome Weight	\$ 143,500 Effect	Outcome Change	Outcome Weight
Students Accumulating 12 hrs	\$ (41,200)	-6.7%	2.0%	\$ (16,100)	-6.3%	2.0%	\$ (39,100)	-8.3%	2.0%	\$ (7,700)	-3.7%	2.0%
Students Accumulating 24 hrs	\$ (93,500)	-7.3%	4.0%	\$ (12,200)	-2.7%	4.0%	\$ (98,900)	-9.8%	4.0%	\$ (200)	0.0%	4.0%
Students Accumulating 36 hrs	\$ (166,600)	-6.6%	6.5%	\$ (34,600)	-4.2%	6.5%	\$ (64,800)	-3.4%	6.5%	\$ (20,600)	-2.5%	6.5%
Associates	\$ 116,900	0.8%	20.0%	\$ 224,500	5.5%	20.0%	\$ 443,000	5.4%	20.0%	\$ 143,700	3.6%	20.0%
1-2 Year Certificates	\$ (85,600)	-9.6%	15.0%	\$ (400)	-0.3%	12.5%	\$ 1,600	1.0%	12.5%	\$ (18,000)	-13.1%	12.5%
<1yr Certificates	\$ (114,600)	-10.5%	12.5%	\$ 135,700	9.7%	15.0%	\$ (13,800)	-2.3%	15.0%	\$ 80,100	14.8%	15.0%
Dual Enrollment	\$ 238,100	7.3%	10.0%	\$ (66,600)	-3.4%	10.0%	\$ (136,700)	-5.3%	10.0%	\$ (64,200)	-5.3%	7.5%
Transfers Out with 12 hrs	\$ (22,000)	-2.3%	5.0%	\$ (38,800)	-14.8%	5.0%	\$ (16,100)	-1.1%	10.0%	\$ (2,800)	-0.7%	7.5%
Awards per 100 FTE	\$ 213,300	8.0%	10.0%	\$ 171,900	9.3%	10.0%	\$ 146,900	11.1%	7.5%	\$ 65,500	3.0%	10.0%
Job Placements	\$ (141,300)	-4.4%	7.5%	\$ 83,600	7.3%	7.5%	\$ 6,700	0.7%	5.0%	\$ 149,600	13.2%	10.0%
Workforce Training (Contact Hours)	\$ 183,600	10.1%	7.5%	\$ 5,300	2.1%	7.5%	\$ (300,300)	-27.6%	7.5%	\$ 72,100	64.1%	5.0%
E&G sf (less portables)	\$ -	0.0%		\$ -	0.0%		\$ -	0.0%		\$ (19,100)	-1.3%	
Rate for E&G sf	\$ 196,600	5.2%		\$ 84,400	5.2%		\$ 93,300	5.2%		\$ 73,700	5.2%	
Portable E&G sf	\$ -	NA		\$ -	NA		\$ -	NA		\$ -	NA	
Rate for Portable E&G sf	\$ -	5.2%		\$ -	5.2%		\$ -	5.2%		\$ -	5.2%	
Equipment	\$ 31,000	2.7%		\$ 38,900	10.6%		\$ (15,700)	-4.9%		\$ 6,700	2.0%	
Quality Assurance	\$ 79,000	4.3%		\$ 15,800	2.2%		\$ (34,000)	-3.1%		\$ (13,800)	-2.0%	
Total Increase	\$ 833,900			\$ 756,800			\$ 255,400			\$ 588,500		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on THEC's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2022-23 formula to the 2023-24 formula.

How to read this table: Using Columbia State as an example, the starting point (Cell H5) of \$283,300 represents the difference between 2022-23 and 2023-24 appropriations due to the funding formula if Columbia State's data had stayed at 2022-23 levels while all other institutions' data changed to 2023-24 levels. This is the beginning "base" on which the effects of Columbia State's changes in 2023-24 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 12 hours -- is determined. Columbia State had a 8.3% decline (Cell I7) for this outcome between 2022-23 and 2023-24. Columbia State's performance on this outcome resulted in a loss of \$39,100 (H7) in recommended appropriations in 2023-24.

The effects of the next outcome -- Students Accumulating 24 hours -- is then determined. Here, Columbia State decreased 9.8% (I8) from 2022-23 to 2023-24, which corresponds to a loss of \$98,900 (H8) in recommended appropriations in 2023-24.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Columbia State's performance in 2023-24 are then summed (Cell H28) for the total change in recommended appropriations from 2022-23 to 2023-24 of \$255,400. This amount corresponds to Columbia State's change in recommended appropriations highlighted in Column E on the '2023-24 Governor's Budget' tab. THEC's Community College recommendation is only for the sector as a whole. Institutional detail is for informational purposes only.

Impact of Outcomes Formula Components on 2023-24 THEC Recommended State Appropriations

Starting Point	Jackson			Motlow			Nashville			Northeast		
	\$ 203,100 Effect	Outcome Change	Outcome Weight	\$ 326,100 Effect	Outcome Change	Outcome Weight	\$ 320,700 Effect	Outcome Change	Outcome Weight	\$ 308,100 Effect	Outcome Change	Outcome Weight
Students Accumulating 12 hrs	\$ (71,100)	-12.9%	3.0%	\$ (96,300)	-11.7%	3.0%	\$ (85,900)	-11.0%	3.0%	\$ (17,600)	-4.4%	2.0%
Students Accumulating 24 hrs	\$ (67,100)	-7.7%	5.0%	\$ (101,100)	-7.7%	5.0%	\$ (129,200)	-9.2%	5.0%	\$ (55,600)	-6.5%	4.0%
Students Accumulating 36 hrs	\$ (78,200)	-5.5%	7.0%	\$ (113,700)	-5.3%	7.0%	\$ (181,000)	-7.4%	7.0%	\$ (164,300)	-9.5%	6.5%
Associates	\$ 111,100	1.8%	20.0%	\$ (274,500)	-2.9%	20.0%	\$ 177,600	1.7%	20.0%	\$ (337,700)	-3.6%	20.0%
1-2 Year Certificates	\$ 400	0.1%	12.5%	\$ 1,600	8.9%	5.0%	\$ (24,300)	-2.9%	12.5%	\$ (55,700)	-4.9%	15.0%
<1yr Certificates	\$ 18,300	7.1%	12.5%	\$ (15,600)	-3.1%	12.5%	\$ 33,100	8.6%	12.5%	\$ (53,100)	-7.3%	12.5%
Dual Enrollment	\$ (116,400)	-7.3%	5.0%	\$ (122,600)	-3.1%	12.5%	\$ (25,900)	-1.1%	10.0%	\$ 41,300	2.6%	7.5%
Transfers Out with 12 hrs	\$ (51,300)	-7.5%	7.5%	\$ (66,800)	-4.2%	10.0%	\$ (65,200)	-5.5%	7.5%	\$ (61,000)	-10.1%	5.0%
Awards per 100 FTE	\$ 173,200	8.5%	10.0%	\$ 67,900	3.3%	10.0%	\$ 88,900	8.8%	5.0%	\$ 50,700	2.1%	10.0%
Job Placements	\$ 48,500	4.3%	7.5%	\$ 52,500	7.0%	7.5%	\$ (155,200)	-9.0%	7.5%	\$ (434,500)	-12.0%	10.0%
Workforce Training (Contact Hours)	\$ (31,600)	-4.9%	10.0%	\$ 54,600	12.1%	7.5%	\$ (78,300)	-7.1%	10.0%	\$ (93,000)	-7.1%	7.5%
E&G sf (less portables)	\$ 5,500	0.3%		\$ -	0.0%		\$ 143,400	5.2%		\$ -	0.0%	
Rate for E&G sf	\$ 96,200	5.2%		\$ 98,200	5.2%		\$ 149,700	5.2%		\$ 109,700	5.2%	
Portable E&G sf	\$ -	NA		\$ -	NA		\$ -	0.0%		\$ -	NA	
Rate for Portable E&G sf	\$ -	5.2%		\$ -	5.2%		\$ 400	5.2%		\$ -	5.2%	
Equipment	\$ 11,600	2.7%		\$ 27,700	5.5%		\$ 74,300	20.3%		\$ 34,200	4.2%	
Quality Assurance	\$ 83,700	10.8%		\$ 13,000	1.1%		\$ 124,800	10.1%		\$ 26,700	2.2%	
Total Increase	\$ 335,900			\$ (149,000)			\$ 367,900			\$ (701,800)		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on THEC's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2022-23 formula to the 2023-24 formula.

How to read this table: Using Jackson State as an example, the starting point (Cell B52) of \$203,100 represents the difference between 2022-23 and 2023-24 appropriations due to the funding formula if Jackson State's data had stayed at 2022-23 levels while all other institutions' data changed to 2023-24 levels. This is the beginning "base" on which the effects of Jackson State's changes in 2023-24 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 12 hours -- is determined. Jackson State had a 12.9% decline (Cell C54) for this outcome between 2022-23 and 2023-24. Jackson State's performance on this outcome resulted in a loss of \$71,100 (B54) in recommended appropriations in 2023-24.

The effects of the next outcome -- Students Accumulating 24 hours -- is then determined. Here, Jackson State decreased 7.7% (C55) from 2022-23 to 2023-24, which corresponds to a loss of \$67,100 (B55) in recommended appropriations in 2023-24.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Jackson State's performance in 2023-24 are then summed (Cell B75) for the total change in recommended appropriations from 2022-23 to 2023-24 of \$335,900. This amount corresponds to Jackson State's change in recommended appropriations highlighted in Column E on the '2023-24 Governor's Budget' tab. THEC's Community College recommendation is only for the sector as a whole. Institutional detail is for informational purposes only.

Impact of Outcomes Formula Components on 2023-24 THEC Recommended State Appropriations

Starting Point	Pellissippi			Roane			Southwest			Volunteer		
	\$ 436,100	Outcome	Outcome	\$ 292,100	Outcome	Outcome	\$ 232,000	Outcome	Outcome	\$ 418,200	Outcome	Outcome
	Effect	Change	Weight	Effect	Change	Weight	Effect	Change	Weight	Effect	Change	Weight
Students Accumulating 12 hrs	\$ (64,700)	-8.5%	2.0%	\$ (36,100)	-8.6%	2.0%	\$ (154,600)	-20.9%	2.0%	\$ (127,200)	-12.4%	3.0%
Students Accumulating 24 hrs	\$ (179,900)	-9.8%	4.0%	\$ (74,500)	-8.6%	4.0%	\$ (289,000)	-17.7%	4.0%	\$ (139,700)	-8.5%	5.0%
Students Accumulating 36 hrs	\$ (406,500)	-11.7%	6.5%	\$ (155,500)	-9.1%	6.5%	\$ (358,900)	-11.6%	6.5%	\$ (182,900)	-6.6%	7.0%
Associates	\$ (227,400)	-1.4%	20.0%	\$ (443,500)	-4.5%	20.0%	\$ 332,800	3.0%	20.0%	\$ 109,100	0.9%	20.0%
1-2 Year Certificates	\$ (8,100)	-9.2%	12.5%	\$ (55,200)	-9.7%	15.0%	\$ (41,700)	-19.5%	12.5%	\$ 31,400	3.7%	12.5%
<1yr Certificates	\$ (462,200)	-14.9%	15.0%	\$ (49,800)	-16.1%	12.5%	\$ (139,800)	-13.0%	15.0%	\$ 62,100	5.3%	12.5%
Dual Enrollment	\$ (72,700)	-2.7%	7.5%	\$ (47,300)	-1.4%	10.0%	\$ 217,100	9.1%	10.0%	\$ (142,100)	-3.6%	10.0%
Transfers Out with 12 hrs	\$ (174,600)	-6.4%	10.0%	\$ (24,100)	-4.6%	5.0%	\$ (116,200)	-8.3%	7.5%	\$ (148,500)	-8.9%	10.0%
Awards per 100 FTE	\$ 178,100	7.6%	10.0%	\$ 105,600	4.0%	10.0%	\$ 242,600	15.0%	10.0%	\$ 94,700	8.9%	5.0%
Job Placements	\$ (76,700)	-4.8%	5.0%	\$ 8,200	0.4%	7.5%	\$ (210,900)	-9.7%	7.5%	\$ 71,900	3.0%	7.5%
Workforce Training (Contact Hours)	\$ (900)	-0.1%	7.5%	\$ (104,600)	-5.0%	7.5%	\$ 61,700	6.6%	5.0%	\$ (6,800)	-0.5%	7.5%
E&G sf (less portables)	\$ 9,400	0.2%		\$ (10,100)	-0.3%		\$ -	0.0%		\$ -	0.0%	
Rate for E&G sf	\$ 240,100	5.2%		\$ 175,900	5.2%		\$ 298,600	5.2%		\$ 157,200	5.2%	
Portable E&G sf	\$ -	0.0%		\$ -	0.0%		\$ -	NA		\$ -	NA	
Rate for Portable E&G sf	\$ 1,900	5.2%		\$ 400	5.2%		\$ -	5.2%		\$ -	5.2%	
Equipment	\$ 64,600	6.4%		\$ 30,000	6.1%		\$ 11,600	0.7%		\$ 40,500	5.1%	
Quality Assurance	\$ 106,400	5.5%		\$ 71,400	5.7%		\$ 35,000	2.2%		\$ 35,500	2.2%	
Total Increase	\$ (637,100)			\$ (317,100)			\$ 120,300			\$ 273,400		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on THEC's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2022-23 formula to the 2023-24 formula.

How to read this table: Using Volunteer State as an example, the starting point (Cell K99) of \$418,200 represents the difference between 2022-23 and 2023-24 appropriations due to the funding formula if Volunteer State's data had stayed at 2022-23 levels while all other institutions' data changed to 2023-24 levels. This is the beginning "base" on which the effects of Volunteer State's changes in 2023-24 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 12 hours -- is determined. Volunteer State had a 12.4% decline (Cell L101) for this outcome between 2022-23 and 2023-24. Volunteer State's performance on this outcome resulted in a loss of \$127,200 (K101) in recommended appropriations in 2023-24.

The effects of the next outcome -- Students Accumulating 24 hours -- is then determined. Here, Volunteer State decreased 8.5% (L102) from 2022-23 to 2023-24, which corresponds to a loss of \$139,700 (K102) in recommended appropriations in 2023-24.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Volunteer State's performance in 2023-24 are then summed (Cell K122) for the total change in recommended appropriations from 2022-23 to 2023-24 of \$273,400. This amount corresponds to Volunteer State's change in recommended appropriations highlighted in Column E on the '2023-24 Governor's Budget' tab. THEC's Community College recommendation is only for the sector as a whole. Institutional detail is for informational purposes only.

Impact of Outcomes Formula Components on 2023-24 THEC Recommended State Appropriations

Starting Point	Walters		
	\$ 347,900 Effect	Outcome Change	Outcome Weight
Students Accumulating 12 hrs	\$ (64,300)	-9.1%	3.0%
Students Accumulating 24 hrs	\$ (72,200)	-6.4%	5.0%
Students Accumulating 36 hrs	\$ (121,700)	-6.5%	7.0%
Associates	\$ (52,000)	-0.5%	20.0%
1-2 Year Certificates	\$ 31,200	9.4%	12.5%
<1yr Certificates	\$ 26,400	2.4%	12.5%
Dual Enrollment	\$ 99,400	2.9%	10.0%
Transfers Out with 12 hrs	\$ (25,900)	-4.2%	5.0%
Awards per 100 FTE	\$ 131,000	7.5%	7.5%
Job Placements	\$ (174,500)	-5.0%	10.0%
Workforce Training (Contact Hours)	\$ 692,500	32.7%	7.5%
E&G sf (less portables)	\$ 348,600	8.7%	
Rate for E&G sf	\$ 226,500	5.2%	
Portable E&G sf	\$ -	NA	
Rate for Portable E&G sf	\$ -	5.2%	
Equipment	\$ 95,500	19.3%	
Quality Assurance	\$ 49,500	3.4%	
Total Increase	\$ 1,537,900		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on THEC's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2022-23 formula to the 2023-24 formula.

How to read this table: For Walters State, the starting point (Cell B146) of \$347,900 represents the difference between 2022-23 and 2023-24 appropriations due to the funding formula if Walters State's data had stayed at 2022-23 levels while all other institutions' data changed to 2023-24 levels. This is the beginning "base" on which the effects of Walters State's changes in 2023-24 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 12 hours -- is determined. Walters State had a 79.1% decline (Cell C148) for this outcome between 2022-23 and 2023-24. Walters State's performance on this outcome resulted in a loss of \$64,300 (B148) in recommended appropriations in 2023-24.

The effects of the next outcome -- Students Accumulating 24 hours -- is then determined. Here, Walters State decreased 6.4% (C149) from 2022-23 to 2023-24, which corresponds to a loss of \$72,200 (B149) in recommended appropriations in 2023-24.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Walters State's performance in 2023-24 are then summed (Cell B169) for the total change in recommended appropriations from 2022-23 to 2023-24 of \$1,537,900. This amount corresponds to Walters State's change in recommended appropriations highlighted in Column E on the '2023-24 Governor's Budget' tab. THEC's Community College recommendation is only for the sector as a whole. Institutional detail is for informational purposes only.

2023-24 State Appropriations Distribution Recommendation

A B C D E = C + D F = E + A G = E / A H = F / B

	2023-24 Appropriation ¹	2023-24 Formula Calculation	Breakdown of 2023-24 Changes		2023-24 Changes	2023-24 Recommendation	Percent Change	Percent Funded
			Outcomes Formula Adjustments	Share of New Funding				
Academic Formula Units								
LGI Universities								
Austin Peay	\$66,773,300	\$104,125,900	\$1,831,700	\$1,712,000	\$3,543,700	\$70,317,000	5.3%	67.5%
East Tennessee ²	87,313,300	133,019,900	329,100	2,187,000	2,516,100	89,829,400	2.9%	67.5%
Middle Tennessee	126,537,400	190,415,800	(1,078,800)	3,130,700	2,051,900	128,589,300	1.6%	67.5%
Tennessee State	47,671,200	72,554,500	132,600	1,192,900	1,325,500	48,996,700	2.8%	67.5%
Tennessee Tech ²	68,195,300	103,886,200	251,900	1,708,000	1,959,900	70,155,200	2.9%	67.5%
University of Memphis	151,179,000	231,461,200	1,323,100	3,805,500	5,128,600	156,307,600	3.4%	67.5%
Subtotal	\$547,669,500	\$835,463,500	\$2,789,600	\$13,736,100	\$16,525,700	\$564,195,200	3.0%	67.5%
Community Colleges³								
Chattanooga	\$38,480,200	\$58,216,500	(\$123,300)	\$957,200	\$833,900	\$39,314,100	2.2%	67.5%
Cleveland	14,638,800	22,798,000	382,000	374,800	756,800	15,395,600	5.2%	67.5%
Columbia	22,011,600	32,973,200	(286,700)	542,100	255,400	22,267,000	1.2%	67.5%
Dyersburg	12,900,400	19,974,500	260,100	328,400	588,500	13,488,900	4.6%	67.5%
Jackson	17,835,300	26,908,000	(106,500)	442,400	335,900	18,171,200	1.9%	67.5%
Motlow	25,764,300	37,931,400	(772,600)	623,600	(149,000)	25,615,300	-0.6%	67.5%
Nashville	26,991,000	40,513,200	(298,200)	666,100	367,900	27,358,900	1.4%	67.5%
Northeast	26,952,800	38,871,900	(1,341,200)	639,400	(701,800)	26,251,000	-2.6%	67.5%
Pellissippi	43,071,500	62,837,200	(1,670,200)	1,033,100	(637,100)	42,434,400	-1.5%	67.5%
Roane	28,434,700	41,636,700	(1,001,700)	684,600	(317,100)	28,117,600	-1.1%	67.5%
Southwest	34,496,100	51,260,200	(722,500)	842,800	120,300	34,616,400	0.3%	67.5%
Volunteer	34,821,200	51,968,300	(581,000)	854,400	273,400	35,094,600	0.8%	67.5%
Walters	31,017,600	48,208,400	745,300	792,600	1,537,900	32,555,500	5.0%	67.5%
Subtotal	\$357,415,500	\$534,097,500	(\$5,516,500)	\$8,781,500	\$3,265,000	\$360,680,500	0.9%	67.5%
UT Universities								
UT Chattanooga	\$71,977,100	\$108,660,300	(\$384,400)	\$1,786,500	\$1,402,100	\$73,379,200	1.9%	67.5%
UT Knoxville ²	296,407,600	454,835,200	3,268,200	7,478,100	10,746,300	307,153,900	3.6%	67.5%
UT Martin ²	40,729,400	62,843,000	675,800	1,033,200	1,709,000	42,438,400	4.2%	67.5%
Subtotal	\$409,114,100	\$626,338,500	\$3,559,600	\$10,297,800	\$13,857,400	\$422,971,500	3.4%	67.5%
Total Colleges and Universities	\$1,314,199,100	\$1,995,899,500	\$832,700	\$32,815,400	\$33,648,100	\$1,347,847,200	2.6%	67.5%
TN Colleges of Applied Technology ²	\$88,379,600	\$132,875,000	(\$832,700)	\$2,184,600	\$1,351,900	\$89,731,500	1.5%	67.5%
Total Academic Formula Units	\$1,402,578,700	\$2,128,774,500	\$0	\$35,000,000	\$35,000,000	\$1,437,578,700	2.5%	67.5%

1 - Recurring funding. Includes funding of \$7.4M for legislative initiatives. A breakdown of these initiatives by campus is included in Appendix A.

2 - Does not include recurring funds appropriated to ETSU (Gray Fossil Site \$350,000, School of Nursing \$1.0M, and Rural Public Health Project \$750,000), TTU (Wind Tunnel / Supercomputer \$3.5M and College of Engineering \$3.0M), UT Knoxville (College of Engineering \$3.0M and American Civics Institute \$3.97M), UT Martin (Parsons Center \$200,000, Selmer Center \$190,000, and Somerville Center \$250,000), and the TCATs (Correctional Education Investment Initiative \$426,000, TCAT Morristown Truck Driving School \$225,000, and TCAT Waitlist \$16.0M). These appropriations are included as Program Initiatives.

3 - THEC's community college recommendation is for the sector as a whole. Institutional detail displayed here is for informational purposes only.