

**MASTER PLAN
2005 - 2010**



*Creating Partnerships
for a Better Tennessee*

**Challenge 2010
Annual
Master Plan Progress
2009 Report**

**TENNESSEE
HIGHER EDUCATION
COMMISSION**

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Challenge 2010

Master Plan Progress 2009 Report

PREFACE

The coming years hold unprecedented opportunities for Tennessee higher education to forge new partnerships that will both broaden its scope and improve the fortunes of countless generations of Tennesseans. Through a focus on collaboration, the *2005-2010 Master Plan for Tennessee Higher Education* introduces a broad-based public agenda that balances state and campus priorities and expands the role of higher education in improving the quality of life for all Tennesseans. The *Plan* challenges educational leaders to re-examine their traditional missions and create partnerships focusing on both statewide and institutional priorities.

As Tennessee transitions into an economic era in which its fortunes will be determined more by the human capital potential of its citizens than by the state's physical capital and natural resources, higher education must begin to play a larger role in critical policy areas such as public health, industrial training and recruitment, economic and community development, and adult literacy. Given the strong correlation between educational attainment and the accumulation of social and economic status, education is increasingly cited as a prime determinant of economic well-being. In order for all Tennesseans to realize the direct and indirect benefits of postsecondary opportunities, higher education must broaden its traditional institutional focus to include a focus on statewide needs and priorities.

To assist Tennessee higher education in meeting the challenges of the coming decades, the *Master Plan* outlines a series of priorities that enhance the state's human capital infrastructure. Correspondingly, it frames a public agenda for education that brings together diverse constituencies, promotes a broad vision for state efforts to nurture our human capital potential, and demonstrates the significant role that postsecondary education plays in providing the foundation for knowledge expansion and economic competitiveness.

Purpose of the Annual Progress Report

2009 Master Plan Annual Progress Report:

The February 2009 *Master Plan Annual Progress Report* documents progress toward meeting the 2010 goals of *The 2005-2010 Master Plan for Tennessee Higher Education: Creating Partnerships for a Better Tennessee*.

The *Master Plan Annual Progress Report* underscores the centrality of the nineteen *Master Plan* goals in guiding State efforts to improve access, student preparation, and affordability and to ensure excellence in Tennessee postsecondary education. The genesis of the current report and its precursors was legislation calling for accountability in public higher education. To respond to this call for accountability, the *Master Plan Annual Progress Report* communicates accomplishments of public higher education toward meeting the nineteen goals of the *Plan*. The success of the *Master Plan* will be measured by evidence in 2010 that these goals have been reached and the following core policy questions have been answered in the affirmative:

CORE POLICY QUESTIONS – THE PUBLIC AGENDA

1. Are more Tennesseans prepared for postsecondary education?
2. Are more students enrolling in postsecondary education?
3. Are more students progressing through the educational pipeline?
4. Does college remain affordable for the average Tennessean?
5. Are Tennessee's local communities and economies benefiting from the policies articulated in the public agenda?

Integrated Accountability Reporting

For the *2005-10 Master Plan*, the Commission worked diligently to unify all aspects of its accountability framework for public higher education in Tennessee. The five areas of emphasis articulated in the public agenda are directly linked to the assessments and performance benchmarks articulated in this report. Additionally, for the first time in the state's long and storied history of performance funding, the *State Master Plan* goals and associated assessment measures are directly tied to institutional performance measures. Institutional funding is implicitly linked to performance along a series of areas critical to the public agenda such as student retention and persistence, the expansion of college access opportunities to traditionally under-served groups, and the protection and promotion of financial aid opportunities for low-income Tennesseans.

Additionally, a host of other existing quality evaluations central to the mission of higher education and of critical importance to the general public have been integrated into the *Master Plan Annual Progress Report*. Among these quality measures are research productivity by public universities; contributions of higher education to workforce development in preparing graduates for targeted employment fields; an array of Tennessee P-16 issues, such as increasing student readiness for college and improving the strength of teacher preparation; and institutional mission-related contributions by Centers and Chairs of Excellence. In short, *Challenge 2010: the Master Plan Annual Progress Report* proposes to keep key access, preparation, affordability, and excellence goals of the five-year plan continuously in the forefront

of State and institutional decision-making. By bringing continuity to reporting on *Master Plan* goals, the annual report will serve as a primary accountability document addressed to the General Assembly and to the public.

Data Sources: Data for public institutions referred to in these reports are drawn from the state's higher education data system and are carefully edited and audited. Financial data are drawn from records of the Commission and the Department of Finance and Administration. Information for independent colleges comes from several sources including the Southern Regional Education Board Fact Book and Data Exchange and the IPEDS (Integrated Postsecondary Education Data System collected by the U.S. Department of Education). A complete listing of data sources and the applicable goals can be found at the end of this report.

History of Accountability Reports

Responding to an Act of the General Assembly in 1989, the Tennessee Higher Education Commission developed goals for public higher education for the final decade of the 20th century. The Commission determined that an annual report, titled *Tennessee Challenge 2000*, would be made to the Legislature. In the Second Session of the 97th General Assembly, an act was passed (Public Chapter 739) which expanded the *Challenge 2000 Report*. The *Condition of Higher Education in Tennessee* (issued from 2002-2005) subsequently reported on progress toward accountability measures developed in concert with the University of Tennessee system, the Tennessee Board of Regents, and Tennessee independent colleges and universities. Effective with the implementation of the *2005–2010 Master Plan*, the *Challenge 2010* report is issued as its assessment component for the life of the planning cycle and has replaced the *Conditions* document as the annual accountability report.

Goals of the 2005-10 Master Plan

The *2005-2010 Master Plan* is built upon a rich tradition of educational excellence in Tennessee. Through the tireless efforts of faculty and staff in the state's public and private institutions, the state was able to weather the difficult financial period of the late 1990s and maintains a complement of academic programs that are nationally recognized for excellence. However, while our state is recognized for institutional and programmatic excellence, a host of policy reports indicate that much work remains to create a statewide system of excellence that fosters the broad goals of a public agenda for higher education. It is from this framework that the *Plan* seeks to develop a new paradigm for Tennessee higher education that supports the vision articulated below.

Through the establishment of a public agenda built upon civic, corporate, and community partnerships, Tennessee higher education will be able to better serve the broad needs of the state and create a workforce that is able to compete in the Knowledge Economy. Such partnerships will ensure that all students are prepared for postsecondary education and have access to high quality educational programs that expand knowledge creation and civic responsibility.

To reach the goals of this vision, Tennessee must develop:

- **Partnerships for access** that focus on the human capital aspects of increasing educational attainment levels. If the state is to move forward in the Knowledge Economy, it must make greater strides to ensure that more Tennesseans participate successfully in higher education.
- **Partnerships for student preparation** that create an invigorated P-16 system which works to ensure that all students are prepared for postsecondary education and eventual entry into the workforce.
- **Partnerships for affordability** through the construction of funding and finance policy which ensures that all students are able to participate in higher education. Given the funding shift from state support to student fees, greater attention and effort must be placed on the promotion and expansion of need-based aid programs. Furthermore, the state should establish system-level affordability through the broad utilization of community colleges and technology centers as enhanced access options for Tennesseans, especially non-traditional students, while concurrently working to strengthen and promote student transfer and articulation.
- **Partnerships for educational excellence** that enable the state to become more competitive in the national market for sponsored research dollars. Tennessee has developed outstanding academic and research facilities and investing in and utilizing these facilities is crucial to excellence in research. Through the creation of targeted funding to enhance mission specific research initiatives, institutions will be able to attract world-renowned faculty, encourage economic and community development, and enhance teaching and research activities.

The broad areas of focus articulated in this *Plan* provide a vision for Tennessee higher education that enhances and expands the role of our colleges and universities in economic and community development, knowledge creation, job growth, and public health. The *Plan* serves as a blueprint for postsecondary education in Tennessee for 2005-2010.

The *Challenge 2010: Master Plan Annual Progress Report* is organized around the four partnership areas, each with specific goals. *The 2006 Master Plan Progress Report* established the reporting Baseline, which was current year data or most recent year available, and it identified the Assessment, the measure by which progress will be evaluated. The 2009 report marks the progress made on each goal and serves as an indication of the improvement necessary to reach the target in 2010. Notations after specific goals show where Performance Funding Program assessments serve as the accountability mechanism for *Challenge 2010* (the asterisk by the goal indicates that goal attainment is measured through the 2005-2010 Performance Funding standards). The *2005-2010 Master Plan* marked the first time priority was placed on integrating performance evaluation with State planning goal assessment toward creating an accountability document for the legislature and the general public.

PARTNERSHIPS FOR ACCESS

More Tennesseans must reap the benefits of higher education if the state is to enhance its economic viability through an improved workforce and healthier citizenry. As Tennessee transitions into the Knowledge Economy, one important phenomenon should not be overlooked in the planning process: the need to expand significantly and enhance educational access opportunities for all Tennesseans. In addition to a burgeoning traditional college-aged population, the number of non-traditional students will need to increase in higher education. This new reality poses both challenges and opportunities for Tennessee. As a result, state policies and individual institutions must recognize this changing dynamic.

Both the state and individual citizens stand to benefit from increased access to higher education. At the state level, a better educated citizenry yields: increases in personal income and thus state tax revenues; decreases in unemployment rates; improved workforce flexibility and better economic activity across the state; fewer demands on expensive social services and governmental financial support; and enhanced participation in civic and community life. Likewise, individuals will benefit as increases in educational attainment yield increased salaries and benefits, better employment opportunities, and, consequently, enhanced health and life expectancy. With greater attention placed on these mutual benefits, Tennessee must recognize higher education as a sound investment and promote access to life-long learning for all Tennesseans.

Tennessee's present performance and readiness to address this reality is limited. According to the most recently available Census data, only 46.3 percent of adults in the state have some college experience, which is seven percent below the national average. Tennessee also trails national averages with respect to educational attainment levels for adults aged 25 and older, as the state average of 21.7 percent is almost six percent below the national average. These data serve to illustrate the importance of the need to improve access opportunities for all Tennesseans, thereby providing a foundation for reaching the vision for higher education articulated in the public agenda. Unless greater attention and resources are brought into the fold to provide a foundation for expanding access to postsecondary education, the economic future of Tennessee is at risk.

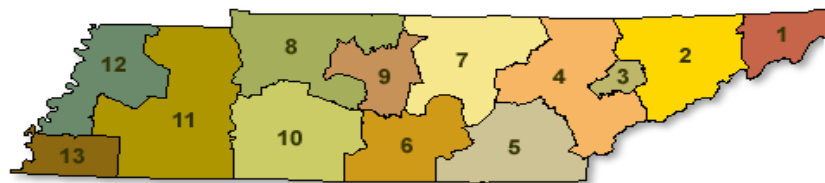
Overall, access to higher education is improving but more work needs to be done to achieve a diverse population of students. In order to achieve this end, the following goals aim to promote and expand educational access.

1.1 Ensure that access to postsecondary education is available across the diverse regions of Tennessee.

Assessment: Number of Tennessee students aged 25 and older enrolled in public institutions (delineated by Workforce Investment Area)

Target: By 2010, the number of Tennessee students aged 25 and older will increase by five percent across all workforce investment areas.

Baseline: In Fall 2005, the number of students aged 25 and older in postsecondary public institutions was 65,097.



Enrollment of Students Age 25 or Older Fall 2005			
Investment Area	Enrollment	Investment Area	Enrollment
1	5,067	8	6,510
2	3,403	9	10,210
3	5,310	10	1,929
4	3,913	11	2,828
5	7,144	12	2,089
6	1,888	13	12,509
7	2,297	Total	65,097

Progress: The number of students aged 25 and older in postsecondary institutions
 Fall 2006: 65,314 (increase of 0.3 percent over the baseline)
 Fall 2007: 63,996 (decrease of 1.7 percent over the baseline)
 Fall 2008: 65,190 (increase of 0.1 percent over the baseline)

**Enrollment of Students Age 25 or Older
Fall 2006**

Investment Area	Enrollment	One Year Percent Change	Investment Area	Enrollment	One Year Percent Change
1	5,001	-1.3%	8	6,700	2.9%
2	3,344	-1.7%	9	10,154	-0.5%
3	5,184	-2.4%	10	1,849	-4.1%
4	4,011	2.5%	11	2,948	4.2%
5	6,974	-2.4%	12	2,189	4.8%
6	1,968	4.2%	13	12,649	1.1%
7	2,343	2.0%	Total	65,314	0.3%

**Enrollment of Students Age 25 or Older
Fall 2007**

Investment Area	Enrollment	Two Year Percent Change	Investment Area	Enrollment	Two Year Percent Change
1	5,144	1.5%	8	6,408	-1.6%
2	3,442	1.1%	9	9,738	-4.6%
3	5,110	-3.8%	10	1,878	-2.6%
4	4,028	2.9%	11	2,955	4.5%
5	6,907	-3.3%	12	2,188	4.7%
6	1,962	3.9%	13	11,892	-4.9%
7	2,344	2.0%	Total	63,996	-1.7%

**Enrollment of Students Age 25 or Older
Fall 2008***

Investment Area	Enrollment	Three Yr Percent Change	Investment Area	Enrollment	Three Yr Percent Change
1	4,938	-2.5%	8	6,701	2.9%
2	3,507	3.1%	9	10,052	-1.5%
3	5,011	-5.6%	10	1,795	-6.9%
4	4,139	5.8%	11	2,960	4.7%
5	7,182	0.5%	12	2,217	6.1%
6	2,064	9.3%	13	12,261	-2.0%
7	2,363	2.9%	Total	65,190	0.1%

*Fall 2008 data has been updated.

*1.2 Increase the percentage of African American and Hispanic students enrolled in higher education.
(* Indicates Performance Funding Measure)

Assessment 1: College enrollment and demographic proportions of African Americans (18-24 year old cohort)

Target: By 2010, the proportion of African American students enrolled in Tennessee higher education will equal that of the overall state population. According to the 2000 Census, African Americans comprised 20.13 percent of the overall state population aged 18-24.

Baseline: African Americans as a percent of overall undergraduate population in 2005:
19.3 percent (34,080 students)

Progress: African Americans as a percent of overall undergraduate population:
2006: 19.1 percent (34,616 students)
2007: 18.6 percent (34,256 students)
2008: 18.5 percent (34,923 students)

Assessment 2: College enrollment and demographic proportions of Hispanic-Americans (18-24 year old cohort)

Target: By 2010, the proportion of Hispanic students enrolled in Tennessee higher education will equal that of the overall state population. According to the 2000 Census, Hispanics comprised 2.1 percent of the overall state population aged 18-24.

Note: According to the 2007 American Community Survey, Hispanics comprised 4.7 percent of the state population aged 18-24.

Baseline: Hispanic students as a percent of overall undergraduate population in 2005:
1.65 percent (2,912 students)

Progress: Hispanic students as a percent of overall undergraduate population:
2006: 1.71 percent (3,104 students)
2007: 1.79 percent (3,285 students)
2008: 1.94 percent (3,673 students)

1.3 Increase the percentage of recent high school graduates participating in postsecondary education.

Assessment: Percentage of recent public high school graduates enrolled in the public community college and university sectors.

Target: By 2010, the number of recent high school graduates enrolled will increase by five percent over the baseline (from 24,887 in Fall 2005 to 26,131 by Fall 2009).

Baseline: 24,887 recent high school graduates enrolled as first time freshmen (Fall 2005)

Progress: Recent high school graduates enrolled as first time freshmen:
 Fall 2006: 25,907 (4.1 percent increase over the baseline)
 Fall 2007: 25,670 (3.1 percent increase over the baseline)
 Fall 2008: 26,711 (7.3 percent increase over the baseline)

Year	High School Graduates*	Recent HS Grads Enrolled as FTF	Percent of Grads Enrolled as FTF
Fall 2005	53,473	24,887	46.5%
Fall 2006	55,459	25,907	46.7%
Fall 2007	59,035	25,670	43.5%
Fall 2008	<i>Data Pending</i>	26,711	<i>Data Pending</i>

*Source: Tennessee public high school graduates are actual figures from the Tennessee Department of Education's *Annual Statistical Report* and private high school graduates are projections from WICHE's *Knocking at the College Door*
 Note: The high school graduates data in the table has been updated from previous reports to reflect the estimates as described above.

1.4 Increase the number of non-traditional students participating in postsecondary education, especially in the community college sector.

Assessment: Adult student enrollment aged 25 and older as a percentage of total undergraduate headcount.

Target: Meet or exceed the participation rate of adult students as indexed against the top quartile of the SREB states:
 Fall 2003: 38.5 percent
 Fall 2005: 37.9 percent
 Fall 2007: *Data Pending*

Baseline: Adults were 36.1 percent of total undergraduate enrollment for Fall 2003.

Progress: Adults as percent of total enrollment
 Fall 2005: 36.2 percent
 Fall 2007: *Data Pending*

1.5 Increase the number of students in academic programs identified as critical workforce areas.

Assessment: The number of graduates in the areas central to the public agenda. According to The Bureau of Labor and Statistics (2004), the labor market sectors that will experience pronounced growth include Education, Health Services, and a host of new economy jobs related to Information Technology, Engineering, and the Sciences.

Target: Increase the number of graduates in the critical workforce areas.

Baseline: 2004-05: 9,587 graduates

Progress: 2005-06: 9,837 graduates (increase of 2.6 percent over the baseline)
 2006-07: 9,722 graduates (increase of 1.4 percent over the baseline)
 2007-08: 8,914 graduates (decrease of 7.0 percent over the baseline)

2004-05 Graduates			
Major Taxonomy	Undergraduate	Graduate	Total
Computer & Info Sciences	437	79	516
Education	626	2,315	2,941
Engineering	1,400	435	1,835
Health Professions	3,349	946	4,295
Grand Total	5,812	3,775	9,587

2005-06 Graduates			
Major Taxonomy	Undergraduate	Graduate	Total
Computer & Info Sciences	417	61	478
Education	592	2,480	3,072
Engineering	1,375	363	1,738
Health Professions	3,580	969	4,549
Grand Total	5,964	3,873	9,837

2006-07 Graduates			
Major Taxonomy	Undergraduate	Graduate	Total
Computer & Info Sciences	347	95	442
Education	591	2,229	2,820
Engineering	1,282	399	1,681
Health Professions	3,696	1,083	4,779
Grand Total	5,916	3,806	9,722

2007-08 Graduates			
Major Taxonomy	Undergraduate	Graduate	Total
Computer & Info Sciences	287	56	343
Education	557	1,794	2,351
Engineering	961	153	1,114
Health Professions	3,825	1,281	5,106
Grand Total	5,630	3,284	8,914

PARTNERSHIPS FOR STUDENT PREPARATION

If the state is to realize its human capital potential, significant investments must be made to create and nurture an integrated system of education stretching from early childhood through postsecondary education. This P-16 framework challenges policymakers to consider the implications of public policy for the entire education pipeline. Furthermore, it clarifies issues and offers a setting for consensus on contentious initiatives such as standardized testing, remedial and developmental instruction, improved teacher training and quality, and the sharing of student information across educational sectors. The P-16 framework provides an opportunity for Tennessee to acquire both a common voice and a consistent plan to reach the broad vision for education outlined in the *Master Plan*.

When one examines the P-16 educational pipeline from a holistic perspective, gaps are evident across all educational sectors; however, Tennessee is making progress. The following findings indicate that there have been tremendous strides in student preparation. Currently, 19 of 100 ninth graders complete college within 150 percent of normal time compared to 14 of 100 in 2000. This increase has moved Tennessee from 38th to 28th in national rankings. There are several important indicators within this statistic that are noteworthy: 1) high school graduation rates have increased from 55 to 67 percent; 2) the percentage of the ninth grade cohort entering college has increased from 34 to 43 percent; and 3) the number still enrolled their sophomore year has increased from 23 to 29 percent.

While progress has been incremental, many initiatives are working to better align the curriculum for success in postsecondary education and improve retention and graduation rates in higher education. The following indicators reflect the progress on these initiatives.

- 2.1 Establish an integrated and seamless system of education from ninth grade through fourth year of college that emphasizes the continuity of student learning and focuses on alignment across educational sectors.

Assessment: Educational pipeline data from the National Center for Higher Education Management Systems (NCHEMS)

Target: The educational pipeline data for Tennessee will meet or exceed the national average.

Baseline: 2000: For every 100 ninth graders, 14 graduate from college within six* years in Tennessee, 18 in the nation
* Three years for community college graduates

Progress: For every 100 ninth graders, the number who graduate from college within six* years
2004: 17 in Tennessee, 18 in the nation
2006: 19 in Tennessee, 20 in the nation

2000					
State	For every 100 Ninth Graders	Graduate from High School	Enter College	Still Enrolled Sophomore Year	Graduate within 6 years
Virginia	100	74	39	30	20
Delaware	100	61	36	28	19
Maryland	100	74	40	30	18
North Carolina	100	59	38	28	18
Nation	100	67	38	26	18
West Virginia	100	75	39	27	15
Tennessee (38th)	100	55	34	23	14
Florida	100	55	32	23	14
South Carolina	100	51	34	23	14
Kentucky	100	66	39	25	13
Mississippi	100	56	36	23	13
Alabama	100	59	34	23	13
Arkansas	100	74	39	26	12
Georgia	100	52	32	21	12
Louisiana	100	56	33	22	12
Oklahoma	100	73	36	23	12
Texas	100	62	32	19	11

2004					
State	For every 100 Ninth Graders	Graduate from High School	Enter College	Still Enrolled Sophomore Year	Graduate within 6 years
Virginia	100	73	42	31	22
Delaware	100	65	36	26	20
Maryland	100	74	43	30	19
North Carolina	100	64	41	28	19
Nation	100	70	39	27	18
Tennessee (32nd)	100	63	39	27	17
West Virginia	100	73	39	26	16
Arkansas	100	75	42	27	15
Florida	100	55	30	21	15
Oklahoma	100	74	39	23	15
South Carolina	100	52	35	23	15
Georgia	100	54	35	23	14
Louisiana	100	67	37	26	14
Alabama	100	60	37	23	14
Texas	100	68	35	22	13
Kentucky	100	65	37	24	12
Mississippi	100	60	36	23	11

2006					
State	For every 100 Ninth Graders	Graduate from High School	Enter College	Still Enrolled Sophomore Year	Graduate within 6 Years
Delaware	100	70	45	33	25
Virginia	100	68	46	32	23
Maryland	100	74	49	32	20
Nation	100	69	42	28	20
North Carolina	100	65	43	29	19
Tennessee (28th)	100	67	43	29	19
Kentucky	100	72	44	29	18
West Virginia	100	73	42	28	17
Arkansas	100	79	45	28	17
Oklahoma	100	75	44	26	17
Georgia	100	56	38	25	16
Florida	100	54	32	22	16
Louisiana	100	58	38	24	15
South Carolina	100	57	36	23	15
Alabama	100	62	39	25	14
Mississippi	100	61	46	28	14
Texas	100	64	35	23	14

2.2 Link K-12 curricula with postsecondary offerings to ensure that all students are prepared for postsecondary education.

Assessment: Status of curricula alignment process and university admission policy

Target: By 2009-10, four units of mathematics will be required for high school graduation and for university admission.

Baseline: In 2005-06, three units of mathematics are required for high school graduation and university admission.

Progress: Governor Bredesen has entered Tennessee into the American Diploma Project (ADP) network of over 30 states. The goals of the ADP are to improve college readiness, add rigor to the high school curriculum, increase high school graduation rates, and increase participation in post-secondary education. The State Board of Education approved (2008) new high school graduation requirements, including four units of mathematics and math in every year of high school. The University of Tennessee and the Tennessee Board of Regents are formulating more rigorous university admission requirements to answer the new math, science, and language arts requirements of the Tennessee high school diploma, with the requirements effective for first-time freshmen entering state universities in Fall 2013.

*2.3 Reduce the number of recent high school graduates who need remedial or developmental education.

(* Indicates Performance Funding measure.)

Assessment: Percentage of first-time freshmen 18 years of age or younger (recent high school graduates) taking remedial and/or developmental studies courses at the university level.

Target: By 2009-10, the percentage of recent high school graduates in university remedial and/or developmental studies courses will be reduced by 20 percent (from 2,681 students in Fall 2005 to 2,145 students by Fall 2009).

Baseline: For the Fall 2005 term, 2,681 recent high school graduates were enrolled in remedial and/or developmental studies courses at the university level.

Progress: The number of recent high school graduates enrolled in remedial and/or developmental studies courses at the university level:
Fall 2006: 2,290 (decrease of 14.6 percent from the baseline)
Fall 2007: 2,147 (decrease of 19.9 percent from the baseline)
Fall 2008: 2,165 (decrease of 19.2 percent from the baseline)

- *2.4 Increase retention and graduation rates for all students across public postsecondary education to equal or exceed the regional top quartile.
(* Indicates Performance Funding measure.)

Assessment 1: Retention rates (first to second year) – public universities

Target: By 2009-10, Tennessee will reach the public university retention rate for the top quartile of SREB states:
2001 Cohort: 88 percent
2004 Cohort: 87 percent
2005 Cohort: 88 percent

Baseline: Fall to fall retention rate for Tennessee public universities for the 2001 cohort:
80 percent

Progress: Fall to fall retention rate for Tennessee public universities:
2004 Cohort: 82 percent
2005 Cohort: 82 percent

Assessment 2: Graduation rates - public universities

Target: By 2009-10, Tennessee will reach the public university six year graduation rate for the top quartile of SREB states:
1997 Cohort: 58 percent
1999 Cohort: 59 percent
2001 Cohort: 64 percent

Baseline: Six year graduation rate for Tennessee public universities for the 1997 cohort:
43 percent

Progress: Six year graduation rate for Tennessee public universities:
1999 Cohort: 46 percent
2001 Cohort: 48 percent

Assessment 3: Retention rates (first to second year) – public community colleges

Target: By 2009-10, Tennessee will reach the public community college retention rate for the top quartile of SREB states:
2001 Cohort: 68 percent
2004 Cohort: 68 percent
2005 Cohort: 65 percent

Baseline: Fall to fall retention rate for Tennessee public community colleges for the 2001 cohort: 60 percent

Progress: Fall to fall retention rate for Tennessee public community colleges:
2004 Cohort: 58 percent
2005 Cohort: 59 percent

Assessment 4: Progression* rates – public community colleges

Target: By 2009-10, Tennessee will reach the public community college progression rate for the top quartile of SREB states:
2000 Cohort: 54 percent
2002 Cohort: 54 percent
2003 Cohort: 53 percent

Baseline: The progression rate for Tennessee public community colleges for the 2000 cohort: 43 percent

Progress: The progression rate for Tennessee public community colleges:
2002 Cohort: 44 percent
2003 Cohort: 43 percent

** The SREB progression rate for two-year colleges and technical institutes or colleges is the percentage of the entering class who, within 150 percent of normal time (three years for most programs), either completed degrees or certificates or remained enrolled at their original institutions or transferred to other postsecondary institutions.*

PARTNERSHIPS FOR AFFORDABILITY

The composition of higher education funding has changed markedly over the last decade. State appropriations for higher education have declined as a percentage of public college operating revenue, while tuition and fee revenue has nearly doubled after adjusting for inflation. In 2003-2004, for the first time in the history of higher education in Tennessee, public universities collected more revenue from students than from the state.

Traditionally, higher education finance policy in Tennessee has ensured the equitable distribution of state appropriations among institutions, often with an associated across-the-board fee increase for all institutional sectors. While this methodology appears equitable, it ignores institutional mission differentiation and falsely assumes that state appropriations have an equal impact wherever they are appropriated. The funding paradigm required to support the goals of the public agenda must not only create incentives that protect the academic core, but must also ensure that policy mechanisms are enacted that protect affordability. Such mechanisms could eventually lead to a shift in state support so that affordability is protected at those institutions that offer access opportunities for students at the lowest cost, the community college and technology centers, while allowing the universities to expand student generated revenues and other funding sources as their primary funding mechanisms. This new funding paradigm challenges all institutions to maximize efficiencies in order to minimize costs and protect affordability.

Early assessment indicates that Tennessee has not improved in regards to most of its affordability measures. While the average financial aid award per FTE has increased 400 percent from 2003 to 2007, the majority of this increase is associated with the merit-based portion of the Tennessee Education Lottery Scholarship.

Legislative attention to student financial aid has increased funding for the Tennessee Student Assistance Award (TSAA). However, even with the funding increases to the TSAA and the need-based aid component of the Tennessee Education Lottery Scholarship program, Tennessee continues to trail the national average for need-based grant funding per FTE. Despite the creation of the lottery scholarship program, the coupling of limited increases in operating appropriations and increasing tuition has had an adverse effect on college affordability as many families are in effect being "priced out" of public higher education.

3.1 Promote affordability via an increased focus on need-based financial aid, both at the state and institutional levels.

Assessment 1: Financial aid award per FTE (undergraduate)

Note: Includes estimated undergraduate grant, scholarship, and other gift aid dollars divided by fall undergraduate full-time equivalent enrollment

Target: By 2009-10, the Tennessee average financial aid award per FTE will equal or exceed the NASSGAP national average:

2004-05: \$562

2005-06: \$575

2006-07: \$613

Baseline: The Tennessee average financial aid award per FTE in 2003-04: \$211

Progress: The Tennessee average financial aid award per FTE:

2004-05: \$621

2005-06: \$815

2006-07: \$1,055

Assessment 2: Need-based financial aid award per FTE (undergraduate)

Note: Includes estimated undergraduate need-based grant, scholarship, and other gift aid dollars divided by fall undergraduate full-time equivalent enrollment

Target: By 2009-10, the Tennessee average financial aid need-based award per FTE will equal or exceed the NASSGAP national average:

2005-06: \$415

2006-07: \$440

Baseline: The Tennessee average need-based financial aid award per FTE in 2003-04: \$208

Progress: The Tennessee average need-based financial aid award per FTE:

2005-06: \$240

2006-07: \$265

3.2 Ensure that community college tuition rates remain affordable.

Assessment: Index of community college tuition to median household income

Target: By 2009-2010, the tuition index for Tennessee will be equal to or less than the SREB average (4.4 percent in 2004).

Baseline: The 2004 Tennessee tuition index (2004 Median CC tuition/ 2004 Median Household Income) is 5.7 percent.

Progress: The 2005 Tennessee tuition index is 6.2 percent.
The 2006 Tennessee tuition index is 6.2 percent.

State	Median 2 Yr Tuition 2004-05	2004 Median Household Income	Percent	SREB Rank
North Carolina	\$1,255	\$40,365	3.1%	16
Texas	\$1,345	\$41,326	3.3%	15
Virginia	\$2,006	\$51,438	3.9%	14
Georgia	\$1,656	\$40,970	4.0%	13
Delaware	\$2,088	\$47,968	4.4%	12
Florida	\$1,773	\$40,554	4.4%	11
Mississippi	\$1,600	\$34,930	4.6%	10
Maryland	\$2,806	\$57,319	4.9%	9
Arkansas	\$1,760	\$34,963	5.0%	8
Louisiana	\$1,836	\$36,440	5.0%	7
Oklahoma	\$2,109	\$39,681	5.3%	6
Tennessee	\$2,187	\$38,223	5.7%	5
South Carolina	\$2,836	\$38,747	7.3%	4
Alabama	\$2,700	\$36,579	7.4%	3
Kentucky	\$2,760	\$35,643	7.7%	2
West Virginia	\$2,624	\$33,286	7.9%	1
SREB Average	\$1,785	\$40,527	4.4%	

State	Median 2 Yr Tuition 2005-06	2005 Median Household Income	Percent	SREB Rank
North Carolina	\$1,324	\$40,729	3.3%	16
Texas	\$1,430	\$42,139	3.4%	15
Georgia	\$1,742	\$45,604	3.8%	14
Virginia	\$2,134	\$54,240	3.9%	13
Delaware	\$2,196	\$52,499	4.2%	12
Florida	\$1,911	\$42,433	4.5%	11
Maryland	\$2,927	\$61,592	4.8%	10
Louisiana	\$1,877	\$36,729	5.1%	9
Mississippi	\$1,726	\$32,938	5.2%	8
Arkansas	\$1,840	\$34,999	5.3%	7
Oklahoma	\$2,270	\$37,063	6.1%	6
Tennessee	\$2,395	\$38,874	6.2%	5
Alabama	\$2,700	\$36,879	7.3%	4
South Carolina	\$3,000	\$39,316	7.6%	3
West Virginia	\$2,624	\$33,452	7.8%	2
Kentucky	\$2,940	\$37,369	7.9%	1
SREB Average	\$1,921	\$41,678	4.6%	

State	Median 2 Yr Tuition 2006-07	2006 Median Household Income	Percent	SREB Rank
North Carolina	\$1,324	\$42,625	3.1%	16
Texas	\$1,594	\$44,922	3.5%	15
Georgia	\$1,832	\$46,832	3.9%	14
Virginia	\$2,269	\$56,277	4.0%	13
Florida	\$2,020	\$45,495	4.4%	12
Delaware	\$2,364	\$52,833	4.5%	11
Maryland	\$2,960	\$65,144	4.5%	10
Louisiana	\$1,876	\$39,337	4.8%	9
Mississippi	\$1,740	\$34,473	5.0%	8
Arkansas	\$1,910	\$36,599	5.2%	7
Oklahoma	\$2,377	\$38,770	6.1%	6
Tennessee	\$2,483	\$40,315	6.2%	5
Alabama	\$2,700	\$38,783	7.0%	4
South Carolina	\$3,094	\$41,100	7.5%	3
West Virginia	\$2,748	\$35,059	7.8%	2
Kentucky	\$3,270	\$39,372	8.3%	1
SREB Average	\$2,285	\$43,621	5.2%	

3.3 Ensure that all institutions are able to establish “total revenue adequacy” through a combination of state and student sources.

Assessment: Percent of formula (calculated need) funded from all sources

Target: 100 percent of formula need funded from all revenue sources

Baseline: 98.9 percent of total formula need funded from all sources in 2004-05

Progress: Percent of total formula need funded from all sources:
2006-07: 95.1 percent
2007-08: 96.2 percent
2007-08: 89.2 percent

3.4 Develop, support, and maintain a new funding formula for higher education aligned with the objectives of the *THEC Master Plan*.

Assessment: THEC will annually review the funding formula to determine if the model appropriately includes various fiscal incentives and disincentives that link to the *THEC Master Plan*.

Target: By 2009-10, the funding formula will be fully operational in addressing the goals of the *THEC Master Plan*.

Baseline: In 2005, a new funding formula was approved by the THEC with the provision that the formula will be reviewed annually by the Formula Advisory Committee and revised when necessary to reflect policy change.

Progress: The current iteration of the funding formula, implemented in FY2006-07, was designed to reflect the goals and objectives of the 2005-10 *THEC Master Plan*. For instance, *Master Plan* goals of increasing adult participation in higher education and increasing student retention are imbedded in the funding formula and provide incentives for institutions to pursue those *Master Plan* goals. The formula continues to be reviewed annually by the Formula Advisory Committee.

PARTNERSHIPS FOR EDUCATIONAL EXCELLENCE

Tennessee higher education is comprised of a wide demographic cross-section of students and a diversity of institutions in both the public and private sectors. These institutions have differences in mission, and these mission distinctions govern the types and levels of degrees offered, focus research and service aspirations, direct internal resource allocation, and anchor strategies for ensuring student access. System strategic plans and the institutional plans derived from them build on these mission distinctions, especially in planning for increased educational excellence in the quality of programs and services and in the caliber and support of faculty. A difficult task for educational planners is to reconcile the seemingly conflicting missions of increasing access and maintaining affordability while simultaneously facilitating student success and maximizing institutional quality.

While creating access to an affordable education is one of the highest priorities for the state, these needs should not be addressed in a way that diminishes opportunities for highly qualified and performing students, i.e. the best and brightest. In addition, adapting to the needs of the growing Knowledge Economy should not lead to an abandonment of the ideals and principles upon which institutions of higher education were founded. Higher education serves a broad role in the civic and cultural realm in addition to preparing students for the workforce. In fact, the traditional liberal arts core remains at the heart of academe, for all students must possess a broad appreciation of literature, the arts, and the humanities if they are to be active participants in our civic democracy.

The enhancement of educational excellence in the state’s postsecondary institutions will ultimately benefit the quality of life for all Tennesseans, for our institutions will train tomorrow’s health care providers, develop technology that will facilitate competitiveness in the Knowledge Economy, educate the teachers of our children, and attract a variety of cultural and entertainment venues that will bring communities and neighborhoods together. The trends in measures that relate to educational quality indicate improvement on several fronts.

- 4.1 Increase faculty salaries as a means to attract and retain world-renowned faculty and thereby expand the research enterprise in public postsecondary education and enhance teaching, learning, and research activities across the state.

Assessment: Faculty salary levels by SREB classification

SREB Classifications		
Level 1	UTK	Awarding at least 100 doctoral degrees distributed among at least 10 CIP categories with no more than 50 percent in any one category
Level 2	UM	Awarding at least 30 doctoral degrees distributed among at least 5 CIP categories
Level 3	ETSU, MTSU, TSU, UTC	Doctoral Degrees with Master's Degrees distributed among at least 10 CIP categories
Level 4	APSU, TTU	Awarding at least 30 Master's, Education Specialist, Post-Master's, or Doctoral Degrees distributed among at least 5 CIP categories
Level 5	UTM	Awarding at least 30 Master's, Education Specialist, Post-Master's, or Doctoral Degrees

Target: By 2009-10, average faculty salaries for Tennessee institutions will meet or exceed the SREB average for their institutional classification.

Baseline:

2004-05	SREB	Tennessee	Percentage
Level 1	\$73,161	\$69,788	95.4%
Level 2	\$67,015	\$59,775	89.2%
Level 3	\$56,461	\$55,447	98.2%
Level 4	\$54,118	\$55,836	103.2%
Level 5	\$50,275	\$51,593	102.6%
All Univs.	\$63,768	\$60,110	94.3%
All 2-Yr.	\$45,248	\$43,822	96.8%
All Tech Centers	\$41,205	\$35,354	85.8%

Progress:

2005-06	SREB	Tennessee	Percentage	One-Year Change
Level 1	\$75,688	\$71,340	94.3%	-1.1%
Level 2	\$69,216	\$63,850	92.2%	3.0%
Level 3	\$58,184	\$55,987	96.2%	-2.0%
Level 4	\$55,155	\$56,449	102.3%	-0.9%
Level 5	\$52,233	\$53,741	102.9%	0.3%
All Univs.	\$65,966	\$61,617	93.4%	-0.9%
All 2-Yr.	\$46,732	\$45,959	98.3%	1.5%
All Tech Centers	\$41,020	\$34,920	85.1%	-0.7%

2006-07	SREB	Tennessee	Percentage	Two-Year Change
Level 1	\$78,762	\$72,531	92.1%	-3.3%
Level 2	\$73,047	\$68,039	93.1%	3.9%
Level 3	\$59,905	\$57,668	96.3%	-1.9%
Level 4	\$57,626	\$57,057	99.0%	-4.2%
Level 5	\$54,406	\$55,270	101.6%	-1.0%
All Univs.	\$68,583	\$63,379	92.4%	-1.9%
All 2-Yr.	\$48,440	\$46,075	95.1%	-1.7%
All Tech Centers	\$42,540	\$35,996	84.6%	-1.2%

2007-08	SREB	Tennessee	Percentage	Three-Year Change
Level 1	\$81,657	\$76,985	94.4%	1.0%
Level 2	\$75,823	\$69,100	91.1%	-1.9%
Level 3	\$62,000	\$60,218	97.1%	1.1%
Level 4	\$59,871	\$59,537	99.4%	3.8%
Level 5	\$57,000	\$57,636	101.1%	1.5%
All Univs.	\$71,258	\$66,163	92.9%	1.4%
All 2-Yr.	\$50,191	\$47,584	94.8%	2.0%
All Tech Centers	\$43,807	\$37,274	85.1%	0.7%

- *4.2 Increase extramural research and development funding to Tennessee institutions across the remainder of the decade.
(* Indicates Performance Funding measure)

Assessment: Total restricted and unrestricted research revenues

Target: Maintain research revenue at or above prior year levels
2003-04 restricted and unrestricted revenues: \$276,504,357

Baseline: 2004-05 restricted and unrestricted research revenues: \$298,613,481

Progress: Restricted and unrestricted research revenues:
2005-06: \$285,705,267
2006-07: \$286,086,360
2007-08: \$296,119,331

- 4.3 Encourage collaboration among public and private institutions, the business community, and the state of Tennessee that fosters and promotes the expansion of research capacities, technology transfer, and intellectual capital.

Assessment: Percentage of Tennesseans with a baccalaureate degree or higher (ACS)

Target: By 2009-10, the percentage of Tennessee citizens with baccalaureate degrees or above will reach the national average:
2005: 27.2 percent
2006: 27.0 percent
2007: 27.5 percent

Baseline: Percent of Tennesseans with a baccalaureate degree or above in 2003:
21.5 percent

Progress: Percent of Tennesseans with a baccalaureate degree or above:
2005: 21.8 percent
2006: 21.7 percent
2007: 21.7 percent

- *4.4 Reinvalidate the centers and chairs of excellence/emphasis so that they enhance institutional and state priorities.
(* Indicates Performance Funding measure)

Assessment: Process of evaluation and revision of the centers and chairs of excellence/emphasis.

Target: All centers and chairs demonstrate enhancement of institutional and state priorities and sound financial status.

Baseline: The effectiveness of existing centers and chairs is determined through a 2006 THEC-directed evaluation of all entities to validate current focus or redirect resources to ensure consonance with institutional mission.

Progress: The Centers of Excellence and Emphasis have responded to opportunities to eliminate, restructure, or refocus existing centers in anticipation of a comprehensive THEC evaluation of these entities.

- *4.5 Improve educational quality, as evidenced through students' achievement, as a means to encourage life-long learning and to prepare students for the workforce.
(* Indicates Performance Funding Measure)

Assessment 1: Passage rates on professional licensure examinations in medicine, dentistry, engineering, nursing, law, pharmacy, and physical therapy.

Target: By 2009-10, the Tennessee average cumulative pass rate on licensure examinations will remain above 85 percent.

Baseline: In 2003-04, the Tennessee average cumulative pass rate on licensure examinations was 85.2 percent.

Progress: The Tennessee average cumulative pass rate on licensure examinations:
2004-05: 89.5 percent
2005-06: 88.8 percent
2006-07: 88.8 percent

Assessment 2: Community college job placement rate

Target: By 2009-10, the Tennessee average community college placement rate will remain above 90 percent.

Baseline: In 2004-05, 92 percent of community college graduates were placed in jobs related to their degree.

Progress: Percent of community college graduates placed in jobs related to their degree:
2005-06: 92 percent
2006-07: 93 percent
2007-08: 92 percent

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Data Sources

American Community Survey (ACS)

Goals: Affordability	3.2
Educational Excellence	4.3

National Association of State Student Grant and Aid Programs (NASSGAP)

Goals: Affordability	3.1
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National Center for Higher Education Management Systems (NCHEMS)

Goals: Student Preparation	2.1
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Southern Regional Education Board (SREB)

Goals: Access	1.3, 1.4
Student Preparation	2.4
Educational Excellence	4.1

Tennessee Higher Education Commission (THEC)

Goals: Access	1.1, 1.2, 1.5
Student Preparation	2.2, 2.3
Affordability	3.2, 3.3, 3.4
Educational Excellence	4.2, 4.4, 4.5



TENNESSEE HIGHER EDUCATION COMMISSION
404 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0830
(615) 741-3605

WWW.STATE.TN.US/THEC