

Agenda Item: I.D.

DATE: November 18, 2010

SUBJECT: Outcomes-Based Funding Formula

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION: At the July quarterly meeting, THEC approved a motion that agreed in principle with and endorsed as presented the outcomes-based funding formula required by the Complete College Tennessee Act. The Commission also authorized the Executive Director to make any adjustments that may be required as a result of the various legislative reviews and for those adjustments to be brought before the Commission at the November meeting.

Since the July THEC meeting, THEC staff presented the outcomes model to the House and Senate Education and Finance Committees. As a result of the feedback obtained at those hearings, THEC convened the Formula Review Committee (FRC) on October 8th to review the comments and suggestions made by various legislators. Subsequently, THEC met with the University of Tennessee, the Tennessee Board of Regents and Commission members where ideas for improvements to the model were discussed. Revisions to the formula model were then presented to the FRC on November 4th without objection. Staff will review the revisions to the model and present it to the Commission for approval. Staff members will be pleased to respond to questions.