

DATE: July 23, 2015

SUBJECT: 2015-20 Master Plan for Tennessee Higher Education

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION:

Postsecondary Attainment in the Decade of Decision: The Master Plan for Tennessee Postsecondary Education 2015-2025

State statute charges the Tennessee Higher Education Commission (THEC) with developing a statewide *Master Plan* for the future development of public universities, community colleges, and colleges of applied technology, with input from the Tennessee Board of Regents and the University of Tennessee Board of Trustees. The overriding function of the *Plan* is to direct higher education to be accountable for increasing the educational attainment levels of Tennesseans, while also: addressing the state's economic development, workforce development and research needs; ensuring increased degree production within the state's capacity to support higher education; and using institutional mission differentiation to realize statewide efficiencies through institutional collaboration and minimized redundancy in degree offerings, instructional locations, and competitive research.

The *Plan* for 2015-2025 represents a departure from previous such documents in that it adopts a longer view than the typical five-year planning horizon that has characterized prior efforts. Rather, this *Plan* proposes that the ten year period 2015-2025 will represent a "decade of decision" for Tennessee postsecondary education in that: 1) the year 2025 has been identified as the "due date" for accomplishment of Governor Haslam's Drive to 55 postsecondary attainment goal; 2) achieving that goal will require focus and persistence over an extended period; and 3) the goal and its attendant policy objectives are unlikely to change fundamentally over the next ten years.

The organizing framework of the 2015-2025 *Plan* is that it: 1) makes the case for continued, focused pursuit of the Drive to 55, Tennessee's college completion policy agenda; 2) takes stock of important achievements to date since passage of the Complete College Tennessee Act of 2010; 3) calculates statewide and sector-specific degree and certificate production targets necessary for meeting the statewide goal; 4) recognizes three historically underserved student populations worthy of focused policy and programmatic attention throughout the coming decade; 5) identifies tools and strategies for serving these students; and 6) offers observations and recommendations intended to guide policymakers, system leaders, and campuses as they carry out their appropriate roles relative to Drive to 55 goal attainment.

Those observations and recommendations are as follows.

OBSERVATIONS AND RECOMMENDATIONS

The Drive to 55

The principal tool at Tennessee's disposal for achieving the Governor's audacious goal – that, in contrast to Tennessee's current postsecondary attainment rate of 38 percent, a decade from now 55 percent of the state's working-age population (ages 25-64) will have earned a college degree or other high-value postsecondary credential -- is the Drive to 55 itself. This policy agenda has united stakeholders in both the public and independent sectors around a universally accepted goal that is simultaneously aspirational and achievable. Furthermore, it is inclusive, relying on institutions at every level and from every sector – public and independent, including proprietary schools – to contribute to goal attainment.

The Drive to 55 goal and agenda also provide a framework for establishing priorities and allocating resources, both to and within campuses. Two key tasks of first importance are: 1) to understand the numbers of degrees and other postsecondary awards necessitated by the Drive to 55 -- statewide, by system, by sector, and eventually by institution; and 2) to develop widespread agreement about the implications of the Drive to 55 for aligning postsecondary outputs and outcomes with current and future workforce and economic development needs of the State.

How Many Credentials?

- 1) The statewide goal is rightly placed in terms of rhetoric, achievability, and the duration of sustained effort required. However, it assumes that current rates of in-state employment and net in-migration by college graduates will remain unchanged. Additionally, it carries an implicit assumption that a 55 percent postsecondary attainment rate will be as competitive (or "competitive enough") in the global marketplace in 2025 as it is today. The adequacy of the 55 percent goal should be re-assessed in five years in light of intra- and inter-state contexts that are likely to change.
- 2) The accumulating deficit between institutions' projected (natural) degree growth and that required for reaching the Drive to 55 by the year 2025 will amount to the need for about 79,200 *additional* state residents (beyond current production levels and those suggested by natural growth) with postsecondary credentials over the next ten years. The compound annual growth rate (year over year) required to bridge that gap is 1.15 percent annually, or about an additional 850 credentials per year. Current production from all systems and sectors, public and independent, stands at about 70,000 awards annually.
- 3) Furthermore, this *Plan* asserts that two-thirds of this growth will need to come from adult learners (individuals of age 25 and above at the time of

degree completion), with the remaining one-third coming from what has historically been thought of as “traditional aged” students (18-24).

- 4) Tennessee should withhold from counting non-credit continuing education certificates, industry certifications, and digital badges in Drive to 55 educational attainment analyses until clear consensus emerges on:
 - a) The quality and rigor of education and training programs issuing such credentials;
 - b) The extent to which the labor market values these kinds of awards and distinguishes them from the more traditional diplomas, certificates, and degrees awarded by postsecondary institutions;
 - c) How reliable, valid, accurate, and comprehensive data on these credentials might be collected, by whom, and at what intervals, and;
 - d) Whether these educational episodes can be linked to subsequent employment outcomes.
- 5) Credential production targets for postsecondary systems, sectors, and award levels should be established by the THEC analysis contained in this *Plan*, pending review and approval by the appropriate boards. A governing board may choose to establish targets for institutions under its purview.
- 6) Responsibility for tracking system and state progress against the Drive to 55 should rest with THEC.

Credentials for What? Aligning postsecondary outputs and outcomes with economic needs

- 7) Through a consultative process involving the Department of Economic & Community Development, the Department of Labor & Workforce Development, the Board of Regents, the University of Tennessee System, and the Center for Business & Economic Research, THEC should develop a “hot list” of the most under-supplied high-skill and/or high-wage occupations. Under-supply may be defined in terms of supply-to-demand ratio or the raw number of annual job openings requiring some level of postsecondary education or training.
 - a) The aforementioned list *may* be used in future iterations of the outcomes-based public higher education funding formula, the Quality Assurance (formerly Performance Funding) program, and academic program development.
 - b) The list *should* be used to inform broad-based communication campaigns aimed at students, their families, and other influencing agents such as college planning websites, high school guidance

counselors and other school personnel, Tennessee Promise mentors, college career counselors and counseling centers, and student peers.

- 8) Stakeholders' thinking about educational supply and occupational demand should increasingly be informed by larger "catchment areas" of related skills, academic and training programs, and occupations that require or utilize those skills.
- 9) Consistent with the previous recommendation, degrees in the liberal arts and social sciences must not be devalued in pursuit of the Drive to 55. Multiple studies indicate that these are not mutually exclusive aims. Liberal arts degrees *are* in fact workforce degrees.
- 10) The Governor's Workforce Sub-Cabinet should remain in effect as a standing (as opposed to ad hoc) task force to coordinate higher education, state agency, and business/industry informational needs and roles relative to the Drive to 55.
 - The task force should determine informational needs, adopt Drive to 55 in-common performance metrics that are shared across two or more agencies, and set (and re-set as necessary) priorities that cut across agencies and stakeholder groups.
- 11) In consultation with stakeholders in the state's postsecondary community, THEC should study and make recommendations concerning the feasibility of phasing in a requirement that certificate and degree programs contain an embedded "real world" work requirement (i.e., internship, externship, on-the-job training, apprenticeship, or co-op).

The Complete College Tennessee Act Revisited

The Complete College Tennessee Act (CCTA) of 2010 was landmark legislation nationally at the time of its passage, and still is in many respects. That said, five years in, certain provisions of the act bear re-examination.

Articulation and Transfer Provisions

- 12) Based on the higher education agencies' response to a May 2012 performance audit of CCTA implementation, statute was amended to assign THEC responsibility for identifying institutions for which dual admission agreements are appropriate, based on geographic or programmatic considerations. As a result, THEC should: undertake a formal review of existing agreements based on feeder- and receiver-institution patterns found in its annual *Articulation and Transfer* report to the General Assembly; take inventory of the geographic, programmatic and other considerations that govern institutions' decisions to forge or forego these

agreements; and make recommendations to executive and legislative leadership concerning continuation and/or improvement of the dual admission process.

- 13) Contrary to a provision in the CCTA, there are examples of universities not accepting certain community college courses identified in one of the 52 Tennessee Transfer Pathways (TTPs) negotiated by community college and university faculty members in each discipline. Such courses may be accepted by the receiving university as elective, but not degree, credit. Hearing and resolving such instances should become part of the regular work of the UT-TBR Articulation and Transfer Council.
- 14) All current and future TTPs should be amplified to the extent that transferable course sequences are not only identified and listed, but each course is sequenced and “mapped” to the semester during which it is recommended that the course be completed.
- 15) Common numbering and leveling (freshman, sophomore, etc.) should be applied to all courses in the TTPs to aid in the articulation and transfer of these courses.
- 16) Reverse transfer should be factored into future iterations of the outcomes-based formula, but only after all public universities and community colleges begin participating in the reverse transfer network in the fall semester of 2015.
- 17) Consistent with the recent recommendation of the Tennessee Articulation and Transfer Council, the higher education outcomes-based funding formula should weight equally the community college’s and the university’s proportion of effort in producing an associate degree graduate by way of reverse transfer, with half of the outcome funding for that graduate accruing to the sending community college and the other half to the receiving public university.

Funding Mechanisms and Issues

- 18) Fully funding the productivity gains captured by the public higher education outcomes-based formula (OBF) is of paramount importance to the institutions.
- 19) Since the CCTA established the community colleges as a unified system, the community college degree and credential production metrics should carry equivalent or very similar weights across all colleges. The remaining community college OBF metrics should be weighted differentially based on each college’s mission and priorities.

- 20) The time has come for OBF progression metrics to be based on an assumed full-time credit load of 15 hours per semester, rather than the 12-hour assumption that characterized the formula for its first five years of operation.
- a) This will set university progression benchmarks at 30, 60, and/or 90 credit hours.
 - b) Serious consideration should be given to changing the community college progression benchmarks from the current 12, 24, 36, and/or 48 student credit hours to 15, 30, and/or 45 credits.
- 21) By the end of FY 2015-16, and on an annual basis after that, a task force involving executive, legislative, and higher education leadership should be convened to discuss long-term financing strategies for the Drive to 55. As institutional outputs and outcomes escalate under the OBF and demands on the State budget increase and intensify, an urgent need exists to map a strategy regarding how the State, its postsecondary systems and institutions, the Federal government, employers, and local community leaders can come together to pay for the Drive to 55 and its component parts. Part and parcel of any set of strategies will be trade-offs and role definitions for:
- a) Tuition and financial aid, including a re-examination of state aid programs in light of financial commitments to Tennessee Promise and Tennessee Reconnect;
 - b) In-state and out-of-state students;
 - c) Federal, state, and local support; and
 - d) Investments in capital and other innovations or priorities (including shared programs and facilities, research collaboratives, related equipment and personnel, and technology transfer opportunities).

Community Capacity-Building: Toward a Culture of Access and Success

- 22) The construct of working with communities to build a rich community-based culture supportive of postsecondary student access and success serves as the organizing framework of future outreach efforts to underserved populations – adult learners, low-income students, and academically underprepared students.
- 23) The “student flow model” developed for Tennessee by the National Center for Higher Education Management Systems (NCHEMS) demonstrates that Tennessee cannot reach the Drive to 55 without investing financial, human, and political resources in adult learners. As stated above, adult learners will

make up the majority of new growth in degree and other postsecondary credential production.

24) This investment should begin with the “low-hanging fruit” – a concentrated campaign to re-engage previously enrolled adult learners (approximately 100,000 of them in public and participating independent institutions), beginning in the fall semester of 2015.

- These adults, and the campuses that will serve them, should be supported by a concentrated college coaching effort to build self-efficacy skills among adult learners and encourage their continued enrollment and progress. Adult-serving institutions should be offered the optional external support of a proven college coaching organization should they need it, with the understanding that the external agent will assist the college(s) in building their own internal capacity to support adult learners on an ongoing basis.

25) The majority of Tennessee’s public institutions have undergone the Adult Learner Friendly Institution (ALFI) self-study process and received the Council for Adult & Experiential Learning’s (CAEL’s) ALFI designation. The remainder of institutions should make it a priority to do the same.

Optimizing Online Education

26) The Regents Online Campus Cooperative (ROCC) should be re-imagined as a statewide electronic campus, a consumer-facing environment that appears seamless (“all one system”) to the user but includes information about every course and program being offered online by the TBR and UT systems.

- a) An underlying principle should be that this realm is about online *programs*, not just *courses*.
- b) Provide linkages to the TPPs organically within the site.
- c) This information (the State of Tennessee’s online presence) must be disentangled -- more visible, transparent, and clear -- for students.
- d) The tuition “premium” for online courses should be reconsidered and potentially phased out over time.
- e) Over time, online section enrollments should get larger and instructional costs per student should come down.

27) Transparent and easily-accessible information about offerings from a growing array of alternative, online, and competency-based providers should be posted on the Tennessee electronic campus website, with the acknowledgment that their courses are endorsed by the American Council on Education (ACE) and easily transferable into a Tennessee public

institution via the state's prior learning assessment (PLA) process, recently branded "Timewise Tennessee."

Assessing Competency

Competency-based education

28) Tennessee postsecondary systems and institutions should continue to build on and explore opportunities for the responsible use of competency-based education. The first order of business should be to build a competency-based path into and out of the previously-terminal Associate of Applied Science (A.A.S.) degree.

Prior Learning Assessment

29) Every Tennessee public institution has the responsibility and right to make its own decisions relative to the transcripting of credit earned by students by way of the prior learning assessment (PLA) process. Should an institution lack the capacity to carry out any or all of the PLA function, or adjudicate a special case, it should be able to rely on a statewide network of individuals with the necessary expertise. THEC should take inventory of this network and the academic disciplines and institutions in which this expertise exists. THEC should list this information on its Timewise Tennessee PLA website.

- a) Regardless of the PLA recommendation of another institution, the decision as to whether to award such credit (and how much) should reside with the admitting institution.
- b) On behalf of the public systems and colleges, THEC should make arrangements with ACE or the Council on Adult & Experiential Learning (CAEL) for Tennessee institutions to avail themselves of those bodies' PLA-recommending systems in instances where outside assistance is indicated.

30) Prior learning assessment (PLA) should be rewarded through the amended outcomes-based formula (OBF), beginning as soon as possible. This should begin with the Fall 2015 and Spring 2016 end-of-term data used by the OBF to build the FY 2017-18 public higher education budget request and funding distribution.

- Institutions should transcript credit hours presented for PLA according to the recommendation of the Tennessee Funding Formula Review Committee.

31) The PLA process is concluded once a Tennessee public university or community college has reached a credit-awarding decision for a student's

portfolio or particular set of demonstrated competencies -- knowledge, skills, and abilities. That is, once transcribed, any resulting credit should not be subject to re-evaluation by other public institutions.

Evaluation for Improvement and Accountability

- 32) With its greater flexibility in metric selection and inclusion of qualitative performance measures, the Quality Assurance Funding (QAF, formerly Performance Funding) program should continue as a philosophical and fiscal counterbalance to the highly-quantified and productivity-oriented outcomes-based formula.
 - A key aspect of the QAF process is that each institution is required to select five “focus populations” of students on campus, toward which the institution plans to direct resources and initiatives over the course of the 2015-20 QAF cycle. For the duration of this *Master Plan*, one exception to the inherent flexibility of the QAF program is that *all* institutions should be required to identify adult learners as a focus population due to the latter’s importance to achieving the Drive to 55.
- 33) With technical assistance from the Center for Business & Economic Research, THEC should publish an annual *Master Plan* Progress Report that tracks statewide, system, and institutional progress toward meeting the degree production and efficiency goals of the Drive to 55.
 - a) A web-enabled, user-friendly *Report* interface should be designed that is available and understandable to the general public.
 - b) The web interface should be dynamic in that it empowers users to select the performance indicator, year, system, institution, and focus population of interest. It should also contain the capability for users to print results and download data or figures generated during the users’ session.
 - c) To the extent possible, the *Report* should utilize information submitted by THEC, the Department of Education, and the Department of Labor & Workforce Development to the Tennessee Longitudinal Data System (TLDS).
 - d) It is important to note, however, that *Progress Report* interface will exclusively utilize de-identified and aggregate (tabular) data, not individual records.

CONCLUSION

Tennessee's success in meeting the goals of the Drive to 55 and this Master Plan will not be accomplished merely by instituting the right policies, procedures, or programs, but by a sustained commitment to forging a better educated and trained Tennessee for the benefit of the state and its residents. This Plan calls for commitments -- from government, communities, non-profits, educational providers, employers -- to partner, innovate, and take initiative. The commitments called for here will not be a one-time show of support or endorsement of a document, but a daily decision to undertake the incremental but urgent work of:

- increasing student access to, progression through, and completion of postsecondary education and training;
- improving the alignment among secondary and postsecondary education, Tennessee business and industry, the Tennessee Department of Labor & Workforce Development, and the Tennessee Department of Economic Development.

These efforts will enable the Volunteer State and its residents to realize greater economic competitiveness and a better quality of life.