BUSINESS AFFAIRS SUB-COUNCIL

October 20, 2010

MINUTES

The meeting began at 9:00 a.m. in the TBR Board Room. Present were Ms. Ranee Baker (NeSCC); Ms. Cynthia Brooks (TSU); Mr. Horace Chase (JSCC); Dr. David Collins (ETSU); Ms. Beth Cooksey (VSCC); Mr. John Cothern (MTSU); Ms. Mary Cross (NaSCC); Ms. Elaine Curtis (CoSCC); Mr. Danny Gibbs (RSCC); Mr. Mike Gower (MTSU); Mr. Lowell Hoffman (DSCC); Mr. Tim Hurst (APSU); Dr. Rosemary Jackson (WSCC); Mr. Ron Kesterson (PSCC); Ms. Debbie Mailen; Mr. Ron Parr (STCC); Mr. Mitch Robinson (APSU); Dr. Claire Stinson (TTU); Ms. Hilda Tunstill (MSCC); Mr. Greg Wilgocki (ETSU); Mr. Tommy Wright (ClSCC); Mr. Jeff Young (TTU); Mr. David Zettergren (UOM); Mr. Blayne Clements, Ms. Alicia Gillespie, Ms. Deanna Hall; Ms. Pat Massey, Mr. Ron Ostenfeld, Ms. Brooke Shelton, Mr. Dale Sims, and Ms. Renee Stewart (TBR).

1. <u>Report of the Committees</u>

A. Finance Committee

Dr. Collins highlighted the following issues from the October 6, 2010 Finance Committee meeting.

- In State Tuition Rates for Border Counties with Satellite Campuses

  The committee discussed the in-state tuition rate for border counties with satellite campuses. The question was raised whether the 30 mile radius applies to the main campus or the satellite campus. In the past it had been assumed that it applied to the main campus and not the satellite campus. However, the committee members were unclear on this issue and it will be checked on by TBR staff.

- Auxiliary Budget Analysis

  The committee discussed the auxiliary budget analysis forms required for the universities. Currently, a form must be completed for dorms, apartments, other rentals and total housing. TBR staff only reviews the total housing form. It was discussed whether the universities need to separate these auxiliaries or just have the total housing form. The committee decided that only the total housing form should be submitted with the budget. Some campuses may want to complete all of the forms for internal purposes.

- Non-Recurring State Appropriations

  The committee discussed non-recurring state appropriations and the use of them for scholarships. For the 10-11 allocation, SFSF funds have been switched to non-recurring state appropriations. Institutions have used SFSF funds for scholarships for two years and had intended to use them for 10-11. However, now that non-recurring appropriations will be received instead of SFSF, the institutions are not in compliance with Policy 3:04:01:00, which states that state appropriations shall be expended or applied only to Access and Diversity grants.

Since institutions have already planned for these scholarships, a recommendation will be made to the Board to allow schools to continue with their original plans.

- Findings and Weaknesses

  The committee was given all findings and weaknesses published since the last quarterly Finance Committee meeting. There were three audit reports released in the last quarter with a total of one finding. The finding was that amounts were not properly reported in the foundation's financial statements and notes to the financial statements. (Attachments A and B)

- OPEB Liability

  The committee discussed the OPEB liability. An institution had proposed that we go back to having a negative allocation for OPEB rather than the new way of adjusting the beginning balance to remove the negative allocation. This only helps the smaller schools. Several members discussed that the negative allocation distorts the fund balance by making it look like there are more funds than the institution really has.

  The committee decided to go ahead and send in their revised budget as planned. The members were asked to complete Form I and Form II without the negative allocations for OPEB and Compensated Absences and send it to TBR for review. A decision will then be made for future budgets.

  Tim Hurst agreed to develop a list of issues that this is creating for discussion with THEC.

- Data Plans

  The committee discussed the data plans allowed on devices such as iPads and wireless PC cards per IRS rules. The committee discussed the three ways that cell phone allowances are given to employees. The taxability of allowances was also discussed in relation to data plans. The committee also discussed the security and encryption issue with the iPads.

  Another issue discussed was personal usage verses business usage. It would be hard to tell the difference in the usage on an iPad or wireless PC card where as the cell phone usage can be easily tracked by reviewing the bill.

  After much discussion, the committee decided that the easiest way to have an employee allowance would be a stipend to employees. Also, ETSU is working on a security policy and will share it with the group upon completion. (Attachment C)

- Travel Policy

  The committee discussed the travel policy language regarding the reference to two round trips to the airport. The committee determined that this language was not necessary and will delete this language in the travel policy. (Attachment D).

  It was recommended that the committee review the policy for any additional changes before the April cycle and go to the Board with all of the recommended changes at the June meeting.

- IPEDS Submission

  The committee discussed the IPEDS submission and its new requirements of allocating out central charges such as O&M and depreciation to different functions.

  The committee discussed how private schools are allocating these charges. Since the IPEDS report is not due until next year, it was determined to review the IPEDS website and check with private schools to see how they are allocating these charges. Ms. Stewart will also contact Ron Maples to see how UT is going to handle this.

- CFI Methodology

  The committee discussed the CFI methodology and whether there was any feedback. The CFI has been calculated for the previous 5 years and will be presented in December.

- Payback Provision for Employee Scholarship Program

  The committee discussed the payback provision for the employee scholarship program. Several questions have been raised about repayment of the entire tuition amount for employees that do not work the entire time period required. Most institutions prorate the amount of tuition. Another question was whether the amount can be held from the employee's final paycheck. The committee asked for clarification from the HR officers. The HR officers will look at this issue in the future.

The Finance Committee minutes were approved.

B. Council of Buyers

Ms. Stewart highlighted the following issue from the September 30, 2010 Council of Buyers meeting.

- Staples Contract

  The committee requested clarification from Ms. Gregory on two issues regarding the Staples contract. The first question was whether or not promotional and printing items will be included in the contract. The committee also inquired if this will be an exclusive contract. Ms. Gregory will respond to the questions when she returns to the office.

The Council of Buyers minutes were approved.

C. Human Resources

Mr. Ostenfeld highlighted the following issues from the October 12, 2010 Human Resource Officers Committee meeting.

- FLSA Audit Update

  Mr. Ostenfeld updated the HR Officers on the progress of the system-wide FLSA audit on positions. The Information Technology position audits have been completed with each institution receiving a reply to their submission and guidance on how to proceed. The "academic counseling" and "admission/enrollment counseling" classifications were selected for the second round with a memorandum from the Office of the General Counsel sent on October 5, 2010. This audit will also include employees who are performing like functions but may have different job titles. Each institution was asked to complete the audit and submit a summary to Kae Carpenter in the Office of the General Counsel by November 19, 2010. Please contact Mr. Ostenfeld if you have any questions or concerns during the review.

- Non-Exempt Teaching Adjunct Working in Other Positions

  Kae Carpenter led a review of how to handle overtime pay for non-exempt employees working in other positions. Mr. Ostenfeld reminded the Committee that we can no longer use the blended calculation. Further guidance on this issue from the Office of the General Counsel should be forthcoming.

- Use of Sick Leave for Birth of Grandchild

  Mr. Ostenfeld and Kae Carpenter reviewed the previously discussed use of sick leave for the birth of a grandchild. At this time, there will not be any changes to the TBR policy. The use of sick leave for the birth should be treated the same as any other medical condition and only applies to those family members specifically listed in the policy.

- General Compensation Update from September Board Meeting

  Mr. Ostenfeld gave a general overview of the compensation presentation given by Mr. Sims to the Committee of Personnel and Compensation at the September Board meeting. A request will be made to the Board at the December meeting, with the intention of submitting plans at the March meeting for a Board decision at the June meeting.

- Miscellaneous Updates

  Mr. Ostenfeld gave the following status updates:

  International Immigration – International immigration and employment is scheduled to be covered by the Office of the General Counsel at the next HR Officers meeting.

  Long-Term Disability RFP (UT) – UT is still evaluating the long-term disability proposals.

  Education Assistance Programs – The Finance Committee asked the HR Officers to review the payback provision in the Education Assistance Programs. This item was discussed and further action will take place in the coming weeks.

The HR Officers minutes were approved.

D. Internal Audit

Mr. Clements highlighted the following issues from the September 29, 2010 Internal Auditors meeting.

- Reporting Leave/Timekeeping/HR Issues to Internal Audit

  The group discussed leave/timekeeping and human resources issues reported to internal audit and how to determine if these issues should be reviewed by internal audit or referred to Human Resources or management for review and follow-up. Examples include an individual who failed to use leave for several years versus an employee who is frequently 10 minutes late. While both of these issues are problematic, the first instance is a red flag that deserves additional investigation and the second issue may be more appropriately handled by management. A key question is whether there is apparent intent to defraud. Ultimately, cases must be addressed on a case by case basis, considering all relevant facts.

- Surveillance Procedures

  Auditors discussed the procedure for surveillance to be included in the Internal Audit manual. The procedure requires the auditor planning to perform surveillance procedures to submit a request in writing to the Director of System-Wide Internal Audit, who will consult with General Counsel and the Audit

Committee chair, if considered necessary. Some auditors expressed concern about the timing of requesting authorization and the role of campus police in considering and conducting surveillance. Ms. Gourley will discuss these concerns with General Counsel and provide information back to the group.

- Tax Reporting for Presidential Expense Allowances

  One campus asked about the proper procedure for reporting a president's monthly expense allowance to the president for tax purposes. The group indicated the proper format was to report this on a W-2 form as taxable wages rather than on a 1099 form.

The Internal Auditors minutes were approved.

2. <u>AppWorx/UC4 Upgrade</u>

Ms. Gregory has not received the clarifications that she has requested regarding the AppWorx/UC4 upgrade. Ms. Gregory will send more detailed information as she receives it.

3. <u>Banner/Sungard Issues</u>

There have been complaints from the Student Affairs group about Banner's capability for tracking students' chicken pox vaccination records. There should be a Banner modification to handle this; however, it is still not ready for use.

4. <u>Student Insurance Concerns</u>

Two of the institutions indicated that they had received complaints from students regarding their student insurance claims. The committee was reminded to forward any unresolved issues to Ms. Gillespie for follow-up with the insurance carrier.

5. <u>Outcome Based Formula</u>

Mr. Sims distributed the Outcome Based Formula worksheets. This information is subject to change up until the November 18' 2010 THEC meeting, where it will be finalized. (Attachment E)

The meeting was adjourned at 11:30 a.m.

Tennessee Board of Regents
Audit Committee
September 8, 2010
Review of Comptroller's Office Audit Reports
Financial and Compliance Audits—No Findings Reported

Institution	For the Years Ended	Fairness of Financial Statement Presentation	Report on Internal Control	Report on Compliance	Findings
Tennessee Board of Regents – Central Office	June 30, 2008 and June 30, 2009	Unqualified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	0
Tennessee State University Foundation – Endowment for Educational Excellence	June 30, 2009	Unqualified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	0 (1)

(1) This report did not contain an audit finding but did reference the university's audit report for the year ended June 30, 2009 which included a finding on various reporting errors in the financial statements and related notes to the financial statements. The university's audit report was reviewed by the committee in the prior quarter.

multiplying each employee's accumulated hours by the individual current rate of pay. The current portion is then determined by taking the combined hours of annual leave taken by each employee during the prior three years, subtracting the hours which will be earned in the next year, dividing the remaining hours by three, and multiplying that result by each employee's current pay rate. The amount reported as noncurrent compensated absences is the difference between the total amount and the current amount. The calculation for FY 09's current portion should have included hours of annual leave taken during 2007, 2008, and 2009. Instead, hours taken in 2007 were omitted from the calculation resulting in an understatement of current compensated absences of $119,414.11 and an equal overstatement of noncurrent compensated absences. She noted that the compensated absences liability was correct in total and stated that the report printed for the preparation of the financial statement was not the correct version. This caused the allocation of the liability between current and noncurrent to be inaccurate.

<u>Response</u>: Error was noted and care will be taken in subsequent years to ensure accurate calculation and reporting of the liability.

5. The Database Administrator and Director of Fiscal Services did not maintain documentation of any tests performed of the disaster recovery plan. Therefore, we could not verify results of tests of the disaster recovery plan.

   <u>Response</u>: Documentation will be maintained for future tests of the disaster recovery plan.

Investments for the Endowment for Educational Excellence

The Fiscal Accounts Manager misclassified investments on the maturity schedule and credit risk schedule in the notes to the financial statements.

In the maturity schedule, U.S. Treasury investments in the amount of $25,462.58 that were scheduled to mature in five to ten years and U.S. Treasury investments in the amount of $26,798.86 that were scheduled to mature in more than ten years were incorrectly reported as scheduled to mature in one to five years. Mortgage-backed securities in the amount of $334,329.52 that were scheduled to mature in more than ten years were incorrectly reported as scheduled to mature in six to ten years. Adjustments were made to the notes for these errors.

In the credit risk schedule, $2,807,672.74 in real estate investment trusts (REITS) was inappropriately included in this note. Adjustments were made to the notes for this error.

As the majority of infomation included in this exception was already included in a finding for Tennessee State University in its 2009 audit report, a finding was not drafted for the Endowment for Educational Excellence.

Tennessee Board of Regents
Audit Committee
September 8, 2010
Review of Comptroller's Office Audit Reports
Financial and Compliance Audits—Finding Reported

Institution	For the Years Ended	Fairness of Financial Statement Presentation	Report on Internal Control	Report on Compliance	Findings
Middle Tennessee State University	June 30, 2009	Unqualified Opinion	One material weakness identified as a Finding	No instances of noncompliance required to be reported	1

Finding - The university did not ensure that amounts were properly reported in the foundation's financial statement and accompanying notes to the financial statements.

- On the foundation's Statement of Net Assets, restricted nonexpendable net assets were overstated by $754,596, and restricted expendable net assets and unrestricted net assets were understated buy $654,814 and $99,782, respectively. Total net assets for the foundation were $58,498,396.
- On the foundation's Statement of Cash Flows, various components of cash flows from investing activities were misstated by amounts that were more than inconsequential. Discrepancies ranged from $26,830 to $320,894.
- In the foundation's note disclosure of changes in endowment net assets, all beginning balances, ending balances, and changes were misstated. Total beginning balances were understated by $6,095,589, and total ending balances were overstated by $2,157,453.

The financial statements and related notes to the financial statements included in the audit report reflect corrected information.

Management's Comment – Management concurred with the finding, noting that the issues related to the financial presentation, not the actual accounting information. Management stated that the Director of Accounting Services, or other appropriate staff, will have periodic meetings throughout the year with the Foundation Accountant for reviewing various aspects of financial reporting. The Controller and/or Director of Accounting Services will review all foundation statements, notes, and other financial data prior to publication of the annual unaudited financial statements. Management stated that the following, specific actions, had already been taken:

- The foundation chart of accounts has been revamped in order that the Statement of Net Assets can be prepared automatically from the Banner system.
- Investment transactions included in the various investment statements have been reviewed, categorized, and documented as to how they should be reported on the Statement of Cash Flows. This will provide consistency in reporting these transactions in the financial statements.
- Staff is working on an ad-hoc report to pull the information needed for the foundation's endowment note disclosures. Changes made to the chart of accounts will automate the process used to prepare the related note disclosure, eliminating the manual process used during the period under audit.

Internal Audit Follow Up: The MTSU Office of Internal Audit and Consulting Services have scheduled a follow-up audit on this finding; the results will be reported to the Audit Committee next quarter.

More detailed information on these errors is presented below.

Inaccuracies in the Foundation's Statement of Net Assets

Section 352.35 of the National Association of College and University Business Officers (NACUBO) Financial Accounting and Reporting Manual (FARM) states that quasi-endowments may be either temporarily restricted or unrestricted net assets, depending on the source of the funds used to establish them.

According to the Foundation Accountant, he reviewed the donor agreements for each quasi-endowment and determined that 11 should be classified as temporarily restricted funds and one should be classified as unrestricted. However, he did not properly report the net assets for 11 of the 12 quasi-endowments. As a result, the net assets of 11 quasi-endowments with a total fair value of $754,595.97 were reported in nonexpendable net assets at June 30, 2009. For the audit report, an adjustment was made to reclassify four quasi-endowments totaling $393,388.56 to restricted net assets expendable for scholarships and fellowships, six quasi-endowments totaling $261,425.01 to restricted net assets expendable for instruction, and one quasi-endowment of $99,782.40 to unrestricted net assets.

Transactions Misstated on the Foundation's Statement of Cash Flows

We performed tests to determine the accuracy of the foundation's Statement of Cash Flows. We noted several inaccuracies in the cash flows from investing activities reported on the statement. The Foundation Accountant uses year-end investment account statements from the investment advisor as the primary source used to prepare the investing information on the Statement of Cash Flows. However, the Foundation Accountant did not properly classify all of the information from the investment advisor on the Statement of Cash Flows.

We notified the Controller of these errors, and the Controller prepared a revised Statement of Cash Flows. We did not note any problems with the revised statement. The differences between the original and revised versions are listed below:

	Original	Revised	Difference
Proceeds from sales and maturities of investments	$4,155,803.66	$4,476,698.34	$320,894.68
Income on investments	732,824.75	526,174.04	(206,650.71)
Purchase of investments	(3,954,133.63)	(4,093,566.35)	(139,432.72)
Other investing receipts (payments)	(846.81)	25,984.03	26,830.84
Total	$ 933,647.97	$935,290.06	$ 1,642.09

The revised Statement of Cash Flows is included in the audit report.

Inaccuracies in the Foundation's Endowment Note Disclosures

Management's Comment

MTSU concurs with this finding. Since the issues noted only relate to the financial presentation of the component unit and not to the amounts reported from the accounting system, action has been taken to address each of the issues noted in this presentation.

The Director of Accounting Services, or other appropriate Business Office staff, will have periodic meetings throughout the year with the Foundation Accountant for reviewing various aspects of financial reporting. The Controller and/or Director of Accounting Services will review all foundation statements, notes, and other financial reporting prior to publication of the University's annual financial statements. Specific actions already taken include the following:

> The foundation's chart of accounts has been revamped in order that the Statements of Net Assets can now be prepared automatically from the Banner accounting system. Each fund in the chart has been mapped to the appropriate net assets category, including the twelve quasi-endowments. This automation is similar to the process used to prepare the university's statements.
>
> Investments transactions included on the various investment statements have been reviewed, categorized, and documented as to how they should be reported on the Statement of Cash Flows. This will provide consistency in the method used to reflect these transactions in the financial statements from year to year.
>
> University staff is currently working on an ad-hoc report to pull the information needed for the foundation's endowment note disclosures. Changes made to the chart of accounts will automate the process used to prepare this note disclosure, eliminating the manual process used for the 2008-09 fiscal year. This report will be completed by the end of the 2009-2010 fiscal year.

The university is continually reviewing and evaluating its internal controls through risk assessments. Business and Finance related risks and controls are evaluated in the spring of each year. Staff is responsible for monitoring internal processes for identifying risks, putting controls in place to mitigate these risks, and taking prompt action when exceptions occur. Documented risk assessments are submitted to the Tennessee Board of Regents twice a year.

EMPLOYER-PROVIDED CELL PHONES REMOVED FROM LISTED PROPERTY

September 23, 2010

E-MAIL
PRINT
FAVORITES
SHARE

As part of legislation including $12 billion in tax relief aimed at helping small businesses, Congress has passed legislation removing employer-provided cell phones from the definition of listed property. The House by a vote of 237-187 has passed H.R. 5297, the Small Business Lending Funding Act, as approved by the Senate on September 16. President Obama is expected to sign the measure into law shortly.

The effective date of the provision is January 1, 2010.

In response to the outpouring of employer opposition (including colleges and universities) to taxability and complicated recordkeeping requirements related to personal use of employer-provided cell phones, this year Treasury and IRS were very vocal in pushing Congress to simplify this issue by removing cellular phones and similar telecommunications devices (smart phones) from the definition of listed property, which the bill does.

Considering the Administration's strong support for getting rid of the taxability of employer-provided cellular phones, further interest in this issue on the Service's part is unexpected. An explanation of the provision in the Joint Committee on Taxation technical explanation of the bill begins at page 26.

The text of footnote #90 provides insight into Congressional intent to enable Treasury to allow the non-taxability of cell phones under two exceptions in the tax code:

> The provision does not affect Treasury's authority to determine the appropriate characterization of cell phones as a working condition fringe benefit under section 132(d) or that the personal use of such devices that are provided primarily for business purposes may constitute a *de minimis* fringe benefit, the value of which is so small as to make accounting for it administratively impracticable, under section 132(e).

Working with the both the higher education community as well as larger coalitions in favor of this provision, NACUBO has pushed for this change in the law for a few years. While it is a win, it is not without some administrative hurdles and uncertainty for college and university business officers.

It is unclear if and when IRS will provide guidance following enactment of the legislation to assist employers with the many questions they have related to moving forward on these issues. NACUBO is working to provide additional information with options and strategies for institutions that may be making adjustments to policies and practices in light of the new law.

Attachment C

d. Necessary charges for hotel and airport parking will be allowed. ~~provided that airport parking fees do not exceed normal taxi fare to and from the airport or the cost of two round trips in the employee's personal car (see item 10 below).~~

6. Limousine and Taxi Service - When travel is by common carrier, reasonable limousine and taxi fares will be allowed for necessary transportation. Bus or limousine service to and from airports will be used when available and practical. After arrival at destination, necessary taxi fares for traveling between hotel or lodging and meeting or conference will be allowed. No receipt is required for reimbursement of reasonable taxi fares.

7. Car Rentals at Destination - Charges for automobile rental shall be allowed whenever it is more economical than alternative methods of transportation or it is the only practical means of transportation. Charges for insurance for rented automobiles are not reimbursable. Whenever possible, employees should refuel before returning vehicles.

8. Tolls and Ferry Fees - Reasonable tolls and ferry fees will be allowed when necessary. No receipt is required for reimbursement of tolls and ferry fees.

9. Daily Parking Fees - Daily parking fees for those employees working in downtown offices will not be allowed. However, if an employee is required to leave his office on official business and later returns the same day, the actual additional charge required to park will be reimbursed up to the maximum indicated (see Addendum). Also, those employees required to utilize commercial parking facilities in the daily performance of duties, or while on travel status, will be allowed reimbursement for actual costs. Receipt is required if the fee exceeds the maximum indicated per day (see Addendum).

10. Unnecessary meals and lodging expenses which are occasioned by the use of an automobile for reasons of the employee's personal convenience, or which are due to travel by an indirect route, will not be allowed.

Outcome Based Formula and Explanatory Notations
Data as of October 14, 2010

Row	A		B	APSU	UTM	TTU	UTC	MTSU	ETSU	TSU	UM	UTK	All Univ.
3			**Outcomes (07-08 to 09-10 Data)**	**APSU**	**UTM**	**TTU**	**UTC**	**MTSU**	**ETSU**	**TSU**	**UM**	**UTK**	**All Univ.**
4			Students Accumulating 24 hrs	1,792	1,561	1,795	2,077	4,152	2,212	1,410	2,831	4,179	22,008
5			Students Accumulating 48 hrs	1,561	1,288	1,554	1,561	4,034	1,965	1,126	2,717	4,687	20,493
6			Students Accumulating 72 hrs	1,446	1,209	1,653	1,504	4,192	2,083	1,178	2,886	4,759	20,912
7		Data Reported to THEC	Bachelors and Associates	1,293	1,011	1,500	1,263	3,656	1,815	1,101	2,585	3,946	18,120
8			Masters/Ed Specialist Degrees	249	128	707	410	765	587	421	860	1,573	5,702
9			Doctoral / Law Degrees	-	-	20	47	20	67	63	246	477	939
10			Research and Service	3,081,821	4,408,440	9,734,174	10,418,112	28,022,616	28,183,894	25,838,060	62,175,576	128,078,182	299,940,875
11			Transfers Out with 12 hrs	206	292	356	445	764	409	245	440	822	3,979
12			Degrees per 100 FTE	18	16	20	16	19	19	19	19	20	
13			Six-Year Graduation Rate	38	55	55	51	53	49	42	43	66	
16	Scale		**Scaled Outcomes**	**APSU**	**UTM**	**TTU**	**UTC**	**MTSU**	**ETSU**	**TSU**	**UM**	**UTK**	**All Univ.**
17	1		Students Accumulating 24 hrs (Scale=1)	1,792	1,561	1,795	2,077	4,152	2,212	1,410	2,831	4,179	22,008
18	1		Students Accumulating 48 hrs (Scale=1)	1,561	1,288	1,554	1,561	4,034	1,965	1,126	2,717	4,687	20,493
19	1		Students Accumulating 72 hrs (Scale=1)	1,446	1,209	1,653	1,504	4,192	2,083	1,178	2,886	4,759	20,912
20	1	Convert Raw Outcomes by Dividing by Scale	Bachelors and Associates (Scale=1)	1,293	1,011	1,500	1,263	3,656	1,815	1,101	2,535	3,946	18,120
21	0.3		Masters/Ed Specialist Degrees (Scale=0.3)	830	427	2,357	1,368	2,551	1,958	1,403	2,868	5,244	19,006
22	0.05		Doctoral / Law Degrees (Scale=.05)	0	0	400	933	393	1,340	1,260	4,920	9,540	18,787
23	20000		Research and Service (Scale=20,000)	154	220	487	521	1,401	1,409	1,292	3,109	6,404	14,997
24	1		Transfers Out with 12 hrs (Scale=1)	206	292	356	445	764	409	245	440	822	3,979
25	0.02		Degrees per 100 FTE (Scale=.02)	911	823	982	823	973	931	927	966	989	
26	0.04		Six-Year Graduation Rate (Scale=.04)	951	1,367	1,383	1,279	1,317	1,217	1,057	1,069	1,641	
29			**Sub-population Outcomes (07-08 to 09-10 Data)**	**APSU**	**UTM**	**TTU**	**UTC**	**MTSU**	**ETSU**	**TSU**	**UM**	**UTK**	**All Univ.**
30			Adults Accumulating 24 hrs	371	160	69	32	257	232	120	264	71	1,575
31			Adults Accumulating 48 hrs	429	151	94	74	375	265	147	433	113	2,080
32		Data Reported to THEC	Adults Accumulating 72 hrs	505	175	187	177	630	375	230	661	241	3,181
33			Adults Bachelors and Associates	734	301	445	404	1,334	737	512	1,237	607	6,311
34			Low-income Accumulating 24 hrs	881	752	669	713	1,691	875	805	1,373	1,029	8,787
35			Low-income Accumulating 48 hrs	829	617	583	537	1,627	763	613	1,339	1,171	8,079
36			Low-income Accumulating 72 hrs	752	582	694	579	1,705	849	631	1,409	1,324	8,524
37			Low-income Bachelors and Associates	623	456	695	500	1,440	766	541	1,176	1,009	7,206
40	Scale		**Scaled Sub-population Outcomes**	**APSU**	**UTM**	**TTU**	**UTC**	**MTSU**	**ETSU**	**TSU**	**UM**	**UTK**	**All Univ.**
41	1		Adults Accumulating 24 hrs	371	160	69	32	257	232	120	264	71	1,575
42	1		Adults Accumulating 48 hrs	429	151	94	74	375	265	147	433	113	2,080
43	1	Convert Raw Outcomes by Dividing by Scale	Adults Accumulating 72 hrs	505	175	187	177	630	375	230	661	241	3,181
44	1		Adults Bachelors and Associates	734	301	445	404	1,334	737	512	1,237	607	6,311
45	1		Low-income Accumulating 24 hrs	881	752	669	713	1,691	875	805	1,373	1,029	8,787
46	1		Low-income Accumulating 48 hrs	829	617	583	537	1,627	763	613	1,339	1,171	8,079
47	1		Low-income Accumulating 72 hrs	752	582	694	579	1,705	849	631	1,409	1,324	8,524
48	1		Low-income Bachelors and Associates	623	456	695	500	1,440	766	541	1,176	1,009	7,206
51	Sub-pop premium		**Sub-pop Outcomes Premiums**	**APSU**	**UTM**	**TTU**	**UTC**	**MTSU**	**ETSU**	**TSU**	**UM**	**UTK**	**All Univ.**
52	40%		Adults Accumulating 24 hrs	148.5	64.1	27.5	12.7	102.7	92.9	47.9	105.6	28.3	630
53		Multiply Scaled Sub-Pop Outcomes by Sub-pop Premium Facor to calculate Sub-pop Premiums	Adults Accumulating 48 hrs	171.5	60.3	37.6	29.6	150.0	105.9	58.8	173.2	45.1	832
54			Adults Accumulating 72 hrs	201.9	70.0	74.9	70.9	251.9	150.0	92.1	264.3	96.3	1,272
55			Adults Bachelors and Associates	293.5	120.3	178.0	161.7	533.5	294.9	204.9	494.8	242.8	2,524
56			Low-income Accumulating 24 hrs	352.5	300.7	267.5	285.1	676.3	350.1	321.9	549.2	411.7	3,515
57			Low-income Accumulating 48 hrs	331.6	246.9	233.1	214.7	650.9	305.1	245.3	535.7	468.3	3,232
58			Low-income Accumulating 72 hrs	300.7	232.8	277.7	231.5	682.1	339.6	252.3	563.5	529.5	3,410
59			Low-income Bachelors and Associates	249.2	182.3	277.9	200.1	576.1	306.4	216.4	470.3	403.6	2,882

Outcome Based Formula and Explanatory Notations
Data as of October 14, 2010

Add Scaled Outcomes to Scaled Sub-Population Premiums to obtain Total Scaled

Total Scaled Outcomes	APSU	UTM	TTU	UTC	MTSU	ETSU	TSU	UM	UTK	All Univ.
Students Accumulating 24 hrs	1,792	1,561	1,795	2,077	4,152	2,212	1,410	2,831	4,179	22,008
Adults Accumulating 24 hrs	148.5	64.1	27.5	12.7	102.7	92.9	47.9	105.6	28.3	630
Low-income Accumulating 24 hrs	352.5	300.7	267.5	285.1	676.3	350.1	321.9	549.2	411.7	3,515
Subtotal - Student Accumulating 24 hrs	2,293	1,925	2,090	2,375	4,931	2,655	1,779	3,486	4,619	26,153
Students Accumulating 48 hrs	1,561	1,288	1,554	1,561	4,034	1,965	1,126	2,717	4,687	20,493
Adults Accumulating 48 hrs	171.5	60.3	37.6	29.6	150.0	105.9	58.8	173.2	45.1	832
Low-income Accumulating 48 hrs	331.6	246.9	233.1	214.7	650.9	305.1	245.3	535.7	468.3	3,232
Subtotal - Student Accumulating 48 hrs	2,064	1,596	1,825	1,805	4,835	2,376	1,430	3,426	5,200	24,557
Students Accumulating 72 hrs	1,446	1,209	1,653	1,504	4,192	2,083	1,178	2,886	4,759	20,912
Adults Accumulating 72 hrs	201.9	70.0	74.9	70.9	251.9	150.0	92.1	264.3	96.3	1,272
Low-income Accumulating 72 hrs	300.7	232.8	277.7	231.5	682.1	339.6	252.3	583.5	529.5	3,410
Subtotal - Student Accumulating 72 hrs	1,949	1,512	2,006	1,807	5,126	2,573	1,522	3,714	5,385	25,594
Bachelors and Associates	1,293	1,011	1,500	1,263	3,656	1,815	1,101	2,535	3,946	18,120
Adult Bachelors and Associates	293.5	120.3	178.0	161.7	533.5	294.9	204.9	494.8	242.8	2,524
Low-income Bachelors and Associates	249.2	182.3	277.9	200.1	576.1	306.4	216.4	470.3	403.6	2,882
Subtotal - Bachelors and Associates	1,835	1,314	1,956	1,625	4,765	2,416	1,522	3,500	4,593	23,526
Masters/Ed Specialist Degrees	830	427	2,357	1,368	2,551	1,958	1,403	2,868	5,244	19,006
Doctoral / Law Degrees	0	0	400	933	393	1,340	1,260	4,920	9,540	18,787
Research and Service	154	220	487	521	1,401	1,409	1,292	3,109	6,404	14,997
Transfers Out with 12 hrs	206	292	356	445	764	409	245	440	822	3,979
Degrees per 100 FTE	911	823	982	823	973	931	927	966	989	8,323
Six-Year Graduation Rate	951	1,367	1,383	1,279	1,317	1,217	1,057	1,069	1,641	11,281

Outcome Weights Assigned by THEC based on Institutional

Weights Based on Institutional Mission	APSU	UTM	TTU	UTC	MTSU	ETSU	TSU	UM	UTK
Students Accumulating 24 hrs	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%
Students Accumulating 48 hrs	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
Students Accumulating 72 hrs	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	5.0%	5.0%
Bachelors and Associates	30.0%	30.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	15.0%
Masters/Ed Specialist Degrees	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Doctoral / Law Degrees	0.0%	0.0%	5.0%	5.0%	5.0%	7.5%	7.5%	10.0%	10.0%
Research and Service	10.0%	10.0%	10.0%	10.0%	10.0%	12.5%	12.5%	12.5%	15.0%
Transfers Out with 12 hrs	10.0%	10.0%	10.0%	10.0%	10.0%	5.0%	5.0%	5.0%	5.0%
Degrees per 100 FTE	15.0%	15.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Six-Year Graduation Rate	5.0%	5.0%	10.0%	10.0%	10.0%	10.0%	10.0%	12.5%	20.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Multiply Total Scaled Outcomes by appropriate Weighting Factor to calculate Weighted Outcomes

Weighted Outcomes	APSU	UTM	TTU	UTC	MTSU	ETSU	TSU	UM	UTK	All Univ.
Students Accumulating 24 hrs	69	58	63	71	148	80	53	70	92	704
Students Accumulating 48 hrs	103	80	91	90	242	119	72	103	156	1,055
Students Accumulating 72 hrs	136	106	140	126	359	180	107	186	269	1,610
Bachelors and Associates	551	394	489	406	1,191	604	381	875	689	5,580
Masters / Ed Specialists	125	64	354	205	383	294	211	430	787	2,851
Doctoral / Law Degree	-	-	20	47	20	101	95	492	954	1,727
Research and Service	15	22	49	52	140	176	161	389	961	1,965
Transfers Out with 12 hrs	21	29	36	44	76	20	12	22	41	302
Degrees per 100 FTE	137	123	98	82	97	93	93	97	99	919
Six-Year Graduation Rate	48	68	138	128	132	122	106	134	328	1,203
Total Weighted Outcomes	1,204	944	1,478	1,253	2,788	1,788	1,289	2,796	4,376	17,916

Multiply Total Weighted Outcomes by SREB Salary to calculate Outcome Based

	APSU	UTM	TTU	UTC	MTSU	ETSU	TSU	UM	UTK	All Univ.
SREB Carnegie Type Avg Salary	58,869	58,869	63,273	63,273	63,273	64,983	64,983	76,018	89,473	
Outcome Based Funding	70,861,539	55,600,041	93,495,843	79,268,611	176,379,548	116,197,735	83,763,893	212,566,707	391,530,256	1,279,664,171

Outcome Based Formula and Explanatory Notations
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M&O, Utilities, & Equipment costs based on traditional THEC standards

Performance Funding calculated in same manner as in

PF Percentage 5.45%

Add Outcome Based Funding, Fixed Cost Subtotal, & Performance Funding to

B	C	D	E	F	G	H	I	J	K	L
Fixed Costs										
M&O & Utilities	12,930,398	14,502,301	19,254,240	20,483,100	31,712,405	22,509,537	18,523,830	43,454,488	77,396,034	260,766,334
Equipment Replacement	1,258,118	989,652	2,130,704	1,367,077	4,151,975	1,946,215	2,492,144	3,624,832	19,176,288	37,137,006
Fixed Costs Subtotal	**14,188,516**	**15,491,953**	**21,384,944**	**21,850,177**	**35,864,380**	**24,455,752**	**21,015,975**	**47,079,320**	**96,572,322**	**297,903,339**
Formula Subtotal	**85,050,035**	**71,091,993**	**114,880,787**	**101,118,788**	**212,243,928**	**140,653,487**	**104,779,868**	**259,646,028**	**488,102,578**	**1,577,567,511**
Performance Funding Score	83.5	92.0	97.0	89.0	95.0	92.0	79.0	86.0	88.0	
Performance Funding	**3,870,415**	**3,564,553**	**6,073,173**	**4,904,767**	**10,988,929**	**7,052,366**	**4,511,297**	**12,169,609**	**23,409,400**	76,544,509
Total Formula Need	88,920,500	74,656,500	120,954,000	106,023,600	223,232,900	147,705,900	109,291,200	271,815,600	511,512,000	1,654,112,000
Total	88,920,500	74,656,500	120,954,000	106,023,600	223,232,900	147,705,900	109,291,200	271,815,600	511,512,000	1,654,112,200
Year 1 of 3 Phase-In Factor	0.93	0.99	0.93	1.03	1.03	1.03	1.01	1.04	0.98	
2011-12 Total Need Recommendation	83,129,877	73,748,407	112,410,431	109,222,081	230,900,308	151,678,364	110,312,362	281,428,686	500,222,580	1,653,053,097
2010-11 Total Need Recommendation (Old Formula)	78,195,000	70,994,000	106,785,000	104,335,000	227,255,000	143,316,000	107,397,000	267,115,000	465,000,000	1,570,392,000
% Change	6.31%	3.88%	5.27%	4.68%	1.60%	5.83%	2.71%	5.36%	7.57%	1.05
10-11 Outcomes Based Formula Simulation	85,910,400	72,302,400	118,213,400	99,566,000	215,428,400	137,476,000	105,876,600	252,801,600	480,549,800	1,568,124,600
% Change	3.50%	3.26%	2.32%	6.49%	3.62%	7.44%	3.23%	7.52%	6.44%	5.48%
11-12 Enrollment Based Formula	80,547,000	73,753,000	109,790,000	108,859,000	231,726,000	150,186,000	103,633,000	272,756,000	471,126,000	1,602,376,000
% Change	3.21%	-0.01%	2.39%	0.33%	-0.36%	0.99%	6.45%	3.18%	6.18%	3.16%

Calculation of State Share of Total Need

	APSU	UTM	TTU	UTC	MTSU	ETSU	TSU	UM	UTK	All Univ.
2011-12 Total Need Recommendation	83,129,877	73,748,407	112,410,431	109,222,081	230,900,308	151,678,364	110,312,362	281,428,686	500,222,580	1,653,053,097
Student Share of Need (40% of total)	33,251,951	29,499,363	44,964,172	43,688,832	92,360,123	60,671,346	44,124,945	112,571,475	200,089,032	661,221,239
State Share of Need (60% of total)	49,877,926	44,249,044	67,446,258	65,533,249	138,540,185	91,007,018	66,187,417	168,857,212	300,133,548	991,831,858
Deduct Out of State Tuition (no subsidy for O/S students)	(1,132,218)	(2,097,959)	(2,689,033)	(4,005,518)	(4,371,117)	(10,337,750)	(12,102,705)	(14,427,658)	(24,669,394)	(75,833,352)
Net State Share of Need	48,745,708	42,151,085	64,757,225	61,527,731	134,169,068	80,669,268	54,084,712	154,429,554	275,464,154	915,998,506
Est. % of State Share Funded in FY '11-'12	52.9%	55.9%	55.2%	54.4%	53.6%	55.5%	53.4%	57.9%	52.9%	54.5%
Est. FY '11-'12 State Appropriation	**25,790,045**	**23,578,148**	**35,724,624**	**33,478,354**	**71,857,436**	**44,804,149**	**28,861,447**	**89,396,542**	**145,673,181**	499,163,926

	APSU	UTM	TTU	UTC	MTSU	ETSU	TSU	UM	UTK	All Univ.
11-12 Total Recommended Need - New Formula	83,129,877	73,748,407	112,410,431	109,222,081	230,900,308	151,678,364	110,312,362	281,428,686	500,222,580	1,653,053,097
10-11 Need - Old Enrollment Based Formula	78,195,000	70,994,000	106,785,000	104,335,000	227,255,000	143,316,000	107,397,000	267,115,000	465,000,000	1,570,392,000
Change - Amount	4,934,877	2,754,407	5,625,431	4,887,081	3,645,308	8,362,364	2,915,362	14,313,686	35,222,580	82,661,097
Change - Percent	6.3%	3.9%	5.3%	4.7%	1.6%	5.8%	2.7%	5.4%	7.6%	5.3%
11-12 Need - New Formula with No Phase in	88,920,500	74,656,500	120,954,000	106,023,600	223,232,900	147,705,900	109,291,200	271,815,600	511,512,000	1,654,112,200
10-11 Need - New Formula	85,910,400	72,302,400	118,213,400	99,566,000	215,428,400	137,476,000	105,876,600	252,801,600	480,549,800	1,568,124,600
Change - Amount	3,010,100	2,354,100	2,740,600	6,457,600	7,804,500	10,229,900	3,414,600	19,014,000	30,962,200	85,987,600
Change - Percent	3.5%	3.3%	2.3%	6.5%	3.6%	7.4%	3.2%	7.5%	6.4%	5.5%

Outcome Based Formula and Explanatory Notations
Data as of October 14, 2010

2011-12 Formula

	Outcomes (07-08 to 09-10 Data)	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	All CC
	Students Accumulating 12 hrs	3,891	1,627	2,225	1,506	2,345	2,266	3,361	2,513	4,545	2,449	5,915	3,853	2,832	39,328
	Students Accumulating 24 hrs	2,408	1,006	1,547	869	1,250	1,478	2,311	1,810	2,797	1,638	4,286	2,123	1,862	25,386
	Students Accumulating 36 hrs	1,864	774	1,193	604	980	1,122	1,798	1,382	2,170	1,295	2,895	1,559	1,459	19,096
Data Reported to THEC	Dual Enrollment	1,012	497	647	527	621	611	679	418	889	797	277	1,346	895	9,216
	Associates	671	298	499	205	485	467	504	619	705	638	669	611	632	7,004
	Certificates	137	95	55	12	38	20	133	180	11	89	417	308	280	1,774
	Job Placements	404	128	199	80	200	73	279	216	171	389	476	357	494	3,528
	Remedial & Developmental Success	2,162	752	1,167	801	1,072	1,131	2,076	1,232	1,824	1,242	4,180	1,790	1,416	20,845
	Transfers Out with 12 hrs	461	217	444	242	308	482	606	394	779	483	708	620	451	6,195
	Workforce Training (Contact Hours)	70,032	4,739	66,787	6,368	19,739	5,141	104,684	5,056	25,408	41,528	53,687	63,037	21,835	488,041
	Awards per 100 FTE	15	17	17	12	17	16	14	21	12	19	15	19	21	215.88

Scale		Scaled Outcomes (07-08 to 09-10 Data)	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	All CC
2		Students Accumulating 12 hrs (Scale=2)	1,946	813	1,113	754	1,172	1,133	1,681	1,257	2,272	1,225	2,957	1,926	1,416	19,664
2		Students Accumulating 24 hrs(Scale=2)	1,204	503	773	435	625	739	1,156	905	1,399	819	2,143	1,062	931	12,693
2		Students Accumulating 36 hrs (Scale=2)	932	387	597	302	490	561	899	691	1,085	648	1,448	779	730	9,548
2	Convert Raw Outcomes by Dividing by Scale	Dual Enrollment (Scale=2)	506	249	323	263	311	306	340	209	445	399	139	673	447	4,608
1.5		Associates (Scale=1.5)	448	199	333	137	324	311	336	413	470	425	446	408	421	4,669
1.5		Certificates (Scale=1.5)	91	63	37	8	25	13	89	120	7	59	278	205	187	1,183
0.5		Job Placements (Scale=0.5)	808	256	399	161	521	147	559	433	343	778	951	714	988	7,056
5		Remedial & Developmental Success (Scale=5)	432	150	233	160	214	226	415	246	365	248	836	358	283	4,169
2		Transfers Out with 12 hrs (Scale=2)	230	109	222	121	154	241	303	197	389	242	354	310	226	3,097
50		Workforce Training (Contact Hours) (Scale=50)	1,401	95	1,336	127	395	103	2,094	101	508	831	1,074	1,261	437	9,761
0.05		Awards per 100 FTE (Scale=0.05)	296	348	345	234	346	323	285	426	241	371	292	380	430	4,318

	Sub-population Outcomes (07-08 to 09-10 Data)	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	All CC
	Adults Accumulating 12 hrs	999	509	429	407	565	408	1,200	745	893	562	1,820	921	678	10,135
	Adults Accumulating 24 hrs	793	390	391	286	388	348	977	629	707	425	1,560	634	523	8,050
	Adults Accumulating 36 hrs	729	320	379	239	352	320	843	542	636	387	1,293	530	450	7,019
Data Reported to THEC	Adult Associates	397	178	243	122	273	220	340	324	342	345	463	332	307	3,885
	Adult Certificates	79	66	42	11	25	15	104	115	9	59	268	179	166	1,137
	Low-income Accumulating 12 hrs	2,106	867	1,005	947	1,485	1,065	1,977	1,520	2,082	1,385	3,894	1,884	1,639	21,857
	Low-income Accumulating 24 hrs	1,304	569	708	571	799	726	1,323	1,054	1,277	954	2,770	1,075	1,093	14,225
	Low-income Accumulating 36 hrs	991	445	568	406	620	560	1,034	805	1,014	748	1,886	799	838	10,715
	Low-income Associates	336	166	241	125	272	232	263	352	344	339	391	296	356	3,712
	Low-income Certificates	53	35	18	7	16	29	48	90	14	46	214	116	129	814

Scale		Scaled Sub-pop Outcomes (07-08 to 09-10 Data)	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	All CC
2		Adults Accumulating 12 hrs	500	255	214	204	283	204	600	372	446	281	910	460	339	5068
2		Adults Accumulating 24 hrs	396	195	196	143	194	174	489	315	354	212	780	317	262	4025
2	Convert Raw Outcomes by Dividing by Scale Factor	Adults Accumulating 36 hrs	365	160	190	120	176	160	422	271	318	194	646	265	225	3510
1.5		Adult Associates	265	118	162	82	182	146	226	216	228	230	308	222	205	2590
1.5		Adult Certificates	52	44	28	7	17	10	70	77	6	39	179	119	110	758
2		Low-income Accumulating 12 hrs	1053	434	503	474	743	533	989	760	1041	693	1947	942	820	10929
2		Low-income Accumulating 24 hrs	652	284	354	286	399	363	662	527	639	477	1385	537	547	7112
2		Low-income Accumulating 36 hrs	495	223	284	203	310	280	517	403	507	374	943	399	419	5357
1.5		Low-income Associates	224	110	161	84	181	154	175	234	229	226	261	198	237	2475
1.5		Low-income Certificates	35	23	12	4	11	19	32	60	9	30	142	78	86	543

Outcome Based Formula and Explanatory Notations
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2011-12 Formula

Sub-Population Premium
40%

Multiply Scaled Sub-Pop Outcomes by Sub-pop Premium Factor to calculate Sub-pop Premiums

Scaled Sub-Population Outcome Premium	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	All CC
Adults Accumulating 12 hrs	200	102	86	81	113	82	240	149	179	112	364	184	136	2,027
Adults Accumulating 24 hrs	159	78	78	57	78	70	195	126	141	85	312	127	105	1,610
Adults Accumulating 36 hrs	146	64	76	48	70	64	169	108	127	77	259	106	90	1,404
Adult Associates	106	47	65	33	73	59	91	86	91	92	123	89	82	1,036
Adult Certificates	21	18	11	3	7	4	28	31	2	16	71	48	44	303
Low-Income Accumulating 12 hrs	421	173	201	189	297	213	395	304	416	277	779	377	328	4,371
Low-Income Accumulating 24 hrs	261	114	142	114	160	145	265	211	255	191	554	215	219	2,845
Low-Income Accumulating 36 hrs	198	89	114	81	124	112	207	161	203	150	377	160	168	2,143
Low-income Associates	90	44	64	33	72	62	70	94	92	90	104	79	95	990
Low-income Certificates	14	9	5	2	4	8	13	24	4	12	57	31	34	217

Add Scaled Outcomes to Scaled Sub-Population Premiums to obtain Total Scaled Outcomes

Total Scaled Outcomes	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	All CC
Students Accumulating 12 hrs	1,946	813	1,113	754	1,172	1,133	1,681	1,257	2,272	1,225	2,957	1,926	1,416	19,664
Adults Accumulating 12 hrs	200	102	86	81	113	82	240	149	179	112	364	184	136	2,027
Low-income Accumulating 12 hrs	421	173	201	189	297	213	395	304	416	277	779	377	328	4,371
Subtotal - Students Accumulating 12 hrs	2,566	1,089	1,399	1,025	1,582	1,428	2,316	1,709	2,867	1,614	4,100	2,487	1,879	26,062
Students Accumulating 24 hrs	1,204	503	773	435	625	739	1,156	905	1,399	819	2,143	1,062	931	12,693
Adults Accumulating 24 hrs	159	78	78	57	78	70	195	126	141	85	312	127	105	1,610
Low-income Accumulating 24 hrs	261	114	142	114	160	145	265	211	255	191	554	215	219	2,845
Subtotal - Students Accumulating 24 hrs	1,624	695	993	606	862	954	1,616	1,242	1,796	1,095	3,009	1,403	1,254	17,148
Students Accumulating 36 hrs	932	387	597	302	490	561	899	691	1,085	648	1,448	779	730	9,548
Adults Accumulating 36 hrs	146	64	76	48	70	64	169	108	127	77	259	106	90	1,404
Low-income Accumulating 36 hrs	198	89	114	81	124	112	207	161	203	150	377	160	168	2,143
Subtotal - Students Accumulating 36 hrs	1,276	540	786	431	684	737	1,275	960	1,415	874	2,083	1,045	987	13,095
Dual Enrollment	506	249	323	263	311	306	340	209	445	399	139	673	447	4,608
Associates	448	199	333	137	324	311	336	413	470	425	446	408	421	4,669
Adult Associates	106	47	65	33	73	59	91	86	91	92	123	89	82	1,036
Low-income Associates	90	44	64	33	72	62	70	94	92	90	104	79	95	990
Subtotal - Associates	643	290	462	203	469	432	496	593	653	608	674	575	598	6,695
Certificates	51	63	37	8	25	13	89	120	7	59	278	205	187	1,183
Adult Certificates	21	18	11	3	7	4	28	31	2	16	71	48	44	303
Low-income Certificates	14	9	5	2	4	8	13	24	4	12	57	31	34	217
Subtotal - Certificates	126	90	53	13	36	25	129	175	13	87	407	284	265	1,703
Job Placements	808	256	399	161	521	147	559	433	343	778	951	714	988	7,056
Remedial & Developmental Success	432	150	233	160	214	226	415	246	365	248	836	358	283	4,169
Transfers Out with 12 hrs	230	109	222	121	154	241	303	197	389	242	354	310	226	3,097
Workforce Training (Contact Hours)	1,401	95	1,336	127	395	103	2,094	101	508	831	1,074	1,261	437	9,761
Awards per 100 FTE	296	348	345	234	346	323	285	426	241	371	292	380	430	4,318
	9,908	3,910	6,551	3,344	3,575	4,921	9,828	6,291	9,035	7,146	13,919	9,451	7,794	97,712

Outcome Based Formula and Explanatory Notations
Data as of October 14, 2010

2011-12 Formula

Outcome Weights Assigned by THEC based Institutional Assessments

Weights Based on Institutional Mission	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	Average
Students Accumulating 12 hrs	6.0%	6.0%	4.0%	6.0%	6.0%	6.0%	4.0%	4.0%	6.0%	2.0%	4.0%	2.0%	4.0%	5%
Students Accumulating 24 hrs	7.0%	7.0%	5.0%	7.0%	7.0%	7.0%	5.0%	5.0%	7.0%	3.0%	5.0%	3.0%	5.0%	6%
Students Accumulating 36 hrs	7.0%	7.0%	6.0%	7.0%	7.0%	7.0%	6.0%	6.0%	7.0%	5.0%	6.0%	3.0%	6.0%	6%
Dual Enrollment	5.0%	10.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	10.0%	10.0%	5.0%	10.0%	10.0%	7%
Associates	5.0%	15.0%	10.0%	10.0%	20.0%	10.0%	20.0%	20.0%	20.0%	20.0%	10.0%	20.0%	20.0%	15%
Certificates	10.0%	10.0%	5.0%	10.0%	10.0%	5.0%	20.0%	20.0%	5.0%	20.0%	20.0%	20.0%	20.0%	13%
Job Placements	20.0%	5.0%	5.0%	10.0%	5.0%	10.0%	10.0%	10.0%	10.0%	15.0%	10.0%	5.0%	5.0%	9%
Remedial & Developmental Success	10.0%	20.0%	10.0%	20.0%	15.0%	10.0%	10.0%	5.0%	5.0%	5.0%	20.0%	10.0%	10.0%	12%
Transfers Out with 12 hrs	15.0%	10.0%	20.0%	15.0%	10.0%	20.0%	10.0%	10.0%	15.0%	10.0%	5.0%	15.0%	10.0%	13%
Workforce Training (Contact Hours)	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	10.0%	5.0%	5.0%	5.0%	5.0%	6%
Awards per 100 FTE	5.0%	5.0%	20.0%	5.0%	10.0%	15.0%	5.0%	10.0%	5.0%	5.0%	10.0%	5.0%	5.0%	8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100%

Multiply Total Scaled Outcomes by appropriate Weighting Factor to calculate Weighted Outcomes

Multiply Total Weighted Outcomes by SREB Salary to calculate Outcome Based

M&O, Utilities, & Equipment costs based on traditional THEC standards

Performance Funding calculated in same manner as in past

Add Outcome Based Funding, Fixed Cost Subtotal, & Performance Funding to

Weighted Outcomes	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	All CC
Students Accumulating 12 hrs	154.0	65.3	56.0	61.5	94.9	85.7	92.6	68.4	172.0	32.3	164.0	49.7	75.2	1,172
Students Accumulating 24 hrs	113.6	48.6	49.7	42.4	60.4	66.8	80.8	62.1	125.7	32.8	150.5	42.1	62.7	938
Students Accumulating 36 hrs	89.3	37.8	47.2	30.2	47.9	51.6	76.5	57.6	99.1	43.7	125.0	52.3	59.2	817
Dual Enrollment	25.3	24.9	32.3	13.2	15.5	15.3	17.0	10.4	44.5	39.9	6.9	67.3	44.7	357
Associates	32	44	46	20	94	43	99	119	131	122	67	115	120	1,051
Certificates	13	9	3	1	4	1	26	35	1	17	81	57	53	300
Job Placements	162	13	20	16	26	15	56	43	34	117	95	36	49	681
Remedial & Developmental Success	43	30	23	32	32	23	42	12	18	12	167	36	28	499
Transfers Out with 12 hrs	35	11	44	18	15	48	30	20	58	24	18	46	23	391
Workforce Training (Contact Hours)	140	5	67	6	20	5	105	5	51	42	54	63	22	583
Awards per 100 FTE	15	17	69	12	35	48	14	43	12	19	29	19	21	353
Total Weighted Outcomes	821	305	457	253	444	403	689	475	746	501	958	583	558	7,144
SREB Avg Salary	51,345	51,345	51,345	51,345	51,345	51,345	51,345	51,345	51,345	51,345	51,345	51,345	51,345	51,345
Outcome Based Funding	42,167,831	15,662,339	23,484,234	12,996,680	22,799,978	20,683,243	32,793,267	24,391,977	38,319,114	25,720,848	49,189,607	29,945,786	28,654,812	366,809,717
Fixed Costs														
M&O & Utilities	6,129,076	3,487,391	3,932,299	2,568,262	3,265,656	3,358,482	4,115,687	4,124,179	5,767,261	6,352,370	10,650,581	3,757,222	7,450,141	64,958,608
Equipment Replacement	954,109	256,950	326,040	143,495	382,628	183,661	400,565	208,992	907,629	494,310	894,752	459,441	652,930	6,265,502
Fixed Costs Subtotal	7,083,185	3,744,341	4,258,339	2,711,757	3,648,284	3,542,144	4,516,253	4,333,171	6,674,890	6,846,680	11,545,333	4,216,663	8,103,071	71,224,110
Formula Subtotal	49,251,017	19,406,679	27,742,573	15,708,437	26,448,263	24,225,387	37,309,520	28,725,147	44,994,005	32,567,528	60,734,940	34,162,449	36,757,883	438,033,827
Performance Funding Score	93.0	92.0	89.0	90.0	89.0	93.0	91.0	94.0	95.0	93.0	76.0	91.0	93.0	
Performance Funding	2,496,288	973,051	1,345,654	770,499	1,282,873	1,227,864	1,850,366	1,471,589	2,329,565	1,650,685	2,515,641	1,694,287	1,863,073	21,471,434
Total Formula Need	51,747,300	20,379,700	29,088,200	16,478,900	27,731,200	25,453,300	39,159,900	30,196,700	47,322,600	34,218,200	63,250,600	35,856,700	38,621,000	459,505,300
Total	51,747,300	20,379,700	29,088,200	16,478,900	27,731,200	25,453,300	39,159,900	30,196,700	47,323,600	34,218,200	63,250,600	35,856,700	38,621,000	459,505,200
Year 1 of 3 Phase-in Factor	1.04	1.02	0.98	1.00	0.96	1.02	0.96	1.03	1.05	0.99	1.02	1.05	1.02	1.01
2011-12 Total Need Recommendation	53,960,307	20,845,964	28,483,472	16,500,955	26,715,488	25,987,599	37,568,937	31,161,603	49,473,862	33,826,977	64,203,500	37,476,638	39,304,817	465,510,130
2010-11 Total Need Recommendation (Old Formula)	48,515,000	20,176,000	27,358,000	16,520,000	25,985,000	25,279,000	35,668,000	31,610,000	48,839,000	35,577,000	67,816,000	37,815,000	38,793,000	459,981,000
% Change	11.22%	3.32%	4.00%	-0.12%	2.81%	2.80%	5.33%	-1.42%	1.30%	-4.92%	-5.33%	-0.89%	1.32%	1.0
10-11 Outcomes Based Formula Simulation	45,371,400	19,476,600	28,250,700	16,486,500	27,426,900	24,475,000	37,863,600	30,079,600	45,476,700	36,193,300	66,268,000	35,226,500	37,752,300	450,347,100
% Change	14.05%	4.64%	2.96%	-0.05%	1.11%	4.00%	3.42%	0.39%	4.06%	-5.46%	-4.55%	1.79%	2.30%	2.03%

PF Percentage 5.45%

Outcome Based Formula and Explanatory Notations
Data as of October 14, 2010

2011-12 Formula

Calculation of State Share of Total Need

	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	All CC
2011-12 Total Recommended Need	53,960,307	20,845,964	28,483,472	16,500,955	26,715,498	25,987,599	37,568,937	31,161,603	49,473,862	33,826,977	64,203,500	37,476,638	39,304,817	465,510,130
Student Share of Need (1/3rd of Total Need)	17,986,769	6,948,655	9,494,491	5,500,318	8,905,166	8,662,533	12,522,979	10,387,201	16,491,287	11,275,659	21,401,167	12,492,213	13,101,606	155,170,043
State Share of Need (2/3rds of Total Need)	35,973,538	13,897,310	18,988,981	11,000,637	17,810,332	17,325,066	25,045,958	20,774,402	32,982,575	22,551,318	42,802,333	24,984,425	26,203,211	310,340,087
Deduct Out of State Tuition (no state subsidy for O/S Students)	(117,730)	(180,959)	(365,947)	(65,156)	(67,884)	(127,669)	(352,391)	(80,741)	(643,248)	(279,008)	(849,534)	(276,943)	(266,196)	(3,673,405)
Net State Share of Need	35,855,809	13,716,351	18,623,034	10,935,481	17,742,448	17,197,397	24,693,567	20,693,661	32,339,327	22,272,311	41,952,799	24,707,482	25,937,016	306,666,682
Est. % of State Share Funded in FY '11-'12	56.0%	61.8%	59.2%	55.8%	57.6%	51.9%	52.4%	51.9%	53.7%	65.2%	69.9%	59.9%	58.9%	57.8%
Est. FY '11-'12 State Appropriation	20,065,493	8,480,617	11,029,920	6,105,468	10,219,458	8,926,106	12,930,673	10,745,024	17,356,276	14,526,903	29,345,560	14,788,789	15,286,109	179,806,395

	Chattanooga	Cleveland	Columbia	Dyersburg	Jackson	Motlow	Nashville	Northeast	Pellissippi	Roane	Southwest	Volunteer	Walters	All CC
11-12 Total Recommended Need - New Formula	53,960,307	20,845,964	28,483,472	16,500,955	26,715,498	25,987,599	37,568,937	31,161,603	49,473,862	33,826,977	64,203,500	37,476,638	39,304,817	465,510,130
10-11 Need - Old Enrollment Based Formula	48,515,000	20,176,000	27,388,000	16,520,000	25,985,000	25,279,000	35,668,000	31,610,000	48,839,000	35,577,000	67,816,000	37,815,000	38,793,000	459,981,000
Change - Amount	5,445,307	669,964	1,095,472	(19,045)	730,498	708,599	1,900,937	(448,397)	634,862	(1,750,023)	(3,612,500)	(338,362)	511,817	5,529,130
Change - Percent	11.22%	3.32%	4.00%	-0.12%	2.81%	2.80%	5.33%	-1.42%	1.30%	-4.92%	-5.33%	-0.89%	1.32%	1.20%
11-12 Need - New Formula with No Phase In	51,747,300	20,379,700	29,088,200	16,478,900	27,731,100	25,453,300	39,159,900	30,196,700	47,323,600	34,218,200	63,250,600	35,856,700	38,621,000	459,505,200
10-11 Need - New Formula	45,371,400	19,476,600	28,250,700	16,486,500	27,426,900	24,475,000	37,863,600	30,079,600	45,476,700	36,193,300	66,268,000	35,226,500	37,752,300	450,347,100
Change - Amount	6,375,900	903,100	837,500	(7,600)	304,200	978,300	1,296,300	117,100	1,846,900	(1,975,100)	(3,017,400)	630,200	868,700	9,158,100
Change - Percent	14.1%	4.6%	3.0%	0.0%	1.1%	4.0%	3.4%	0.4%	4.1%	-5.5%	-4.6%	1.8%	2.3%	2.0%