

Communicating Funding Formulas to Stakeholders

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Communities of Practice: Connecting Funding Formulas to State Goals Using Postsecondary Data



SHEEO

STATE HIGHER EDUCATION EXECUTIVE OFFICERS ASSOCIATION

Higher Education in the Headlines...

As demand for skilled workers rises in Texas, work-based educational programs see a resurgence

By Maria Mendez
June 27, 2023



88th Texas Legislature makes historic investments in higher ed

By Odessa American
June 2, 2023



Research ties with Texas get a boost

By Rachel Lin
June 4, 2023



Gov. Greg Abbott signs bill to help boost semiconductor industry in Texas

By Kara Carlson
June 10, 2023

Austin American-Statesman

Texas' \$4B investment fund for colleges such as UH, Texas Tech to be decided by voters in November

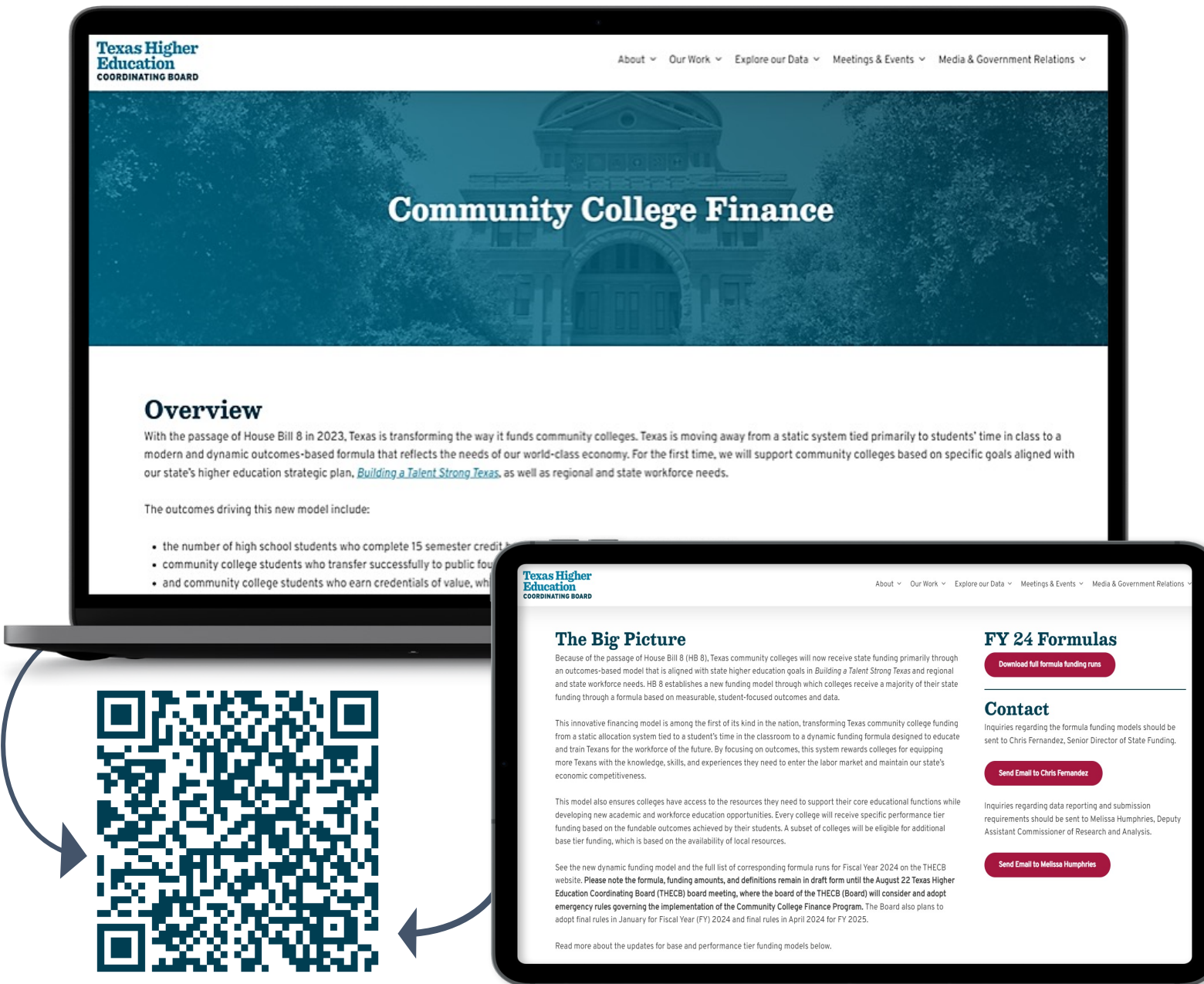
By Samantha Ketterer
June 23, 2023



Texas Adopts 'Outcome-Centered' Community College Funding Plan with \$2.2B Over Next Two Years

By Lance Murray
June 12, 2023





Online Resources

More information about community college finance and HB8 implementation is available on THECB's website including:

- Formula funding: definitions and calculations
- Draft FY24 formula runs for all community colleges
- Rule-making timeline
- FAQs
- THECB contact information



THEC

**Communicating Funding
Formulas to Stakeholders**

Who?

- **Institution Affiliates**

- Presidents
- Faculty
- Administrators
- Students

- **State Stakeholders**

- Legislators
- Other Government Agencies

- **Internal Partners**

- THEC/TSAC Staff

- **External Partners**

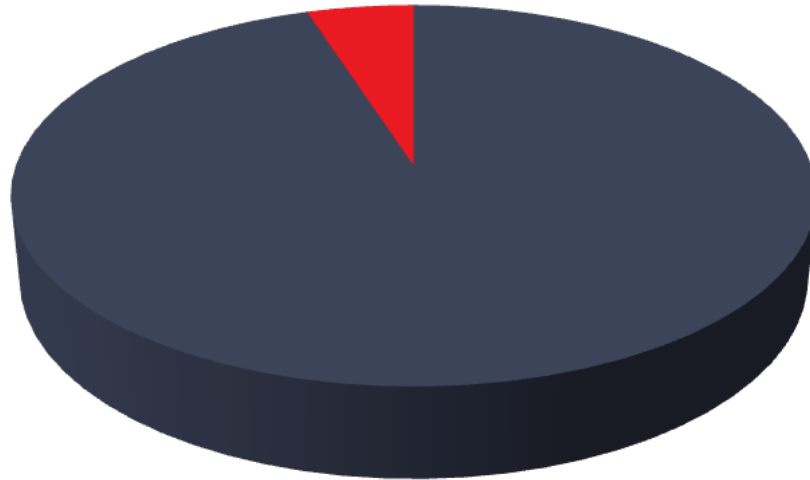
- Local and National Non-profits
- Other States
- Conference presentations
- General public

What?

- **Overview of Outcomes-Based Funding**
- **Outcomes Formula Demonstration – ETSU**
- **Tracking the Pipeline – Dyersburg State Community College**
- **Materials and Resources**
- **Future Considerations**

Higher Education Funding Basis

1979-2011



- Enrollment
- Performance Funding

Central Tenants:

14-Day Enrollment

Discipline Cost Intensity:

- High: Engineering
- Medium: Physical Sciences
- Low: Mathematics

Base Support per Student:

- Instruction
- Public Service (1% of Inst.)
- Academic Support (12.5%)
- Student Services (20%)
- Institutional Support (10%)

Maintenance & Operation

Performance Funding

Higher Education Funding Basis

Central Tenants:

Exclusive Use of Outcomes

NO Use of Enrollment

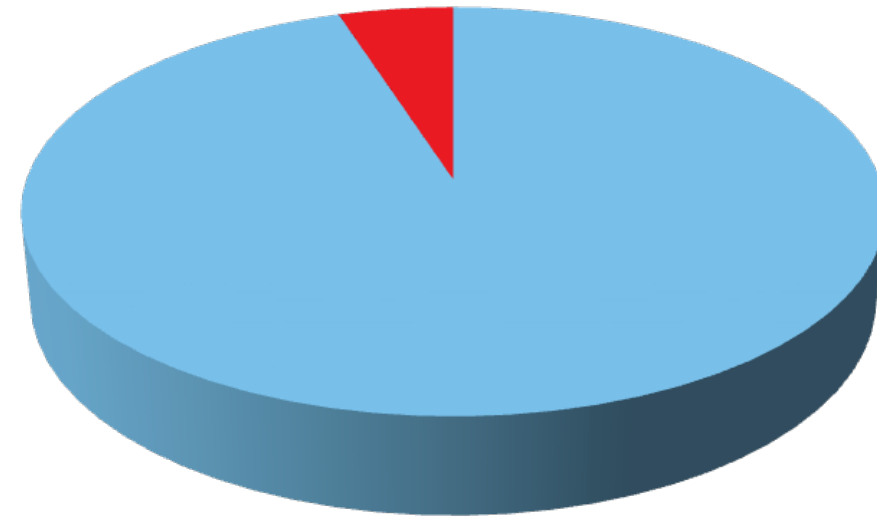
Mission-differentiated Weights

Recognition of Focus Populations

Maintenance & Operation

Quality Assurance Funding

2011-Present



- Outcomes Performance
- Quality Assurance Funding

Sector-Differentiated Outcomes

University

Students Accumulating 30 hours

Students Accumulating 60 hours

Students Accumulating 90 hours

Bachelors and Associates

Masters/Ed Specialist Degrees

Doctoral / Law Degrees

Six-Year Graduation Rate

Degrees per 100 FTE

Research, Service and Sponsored Programs

Community College

Students Accumulating 12 hours

Students Accumulating 24 hours

Students Accumulating 36 hours

Associates

1-2 Year Certificates

<1yr Certificates

Dual Enrollment

Transfers Out with 12 hours

Awards per 100 FTE

Job Placements

Workforce Training

Overview of Focus Populations

Populations



Adult



Low-Income



Academically Underprepared (CC)



High-Need Fields

Premiums

1

2

3

4

80%

100%

120%

140%



2



2



1.8



2



1.8



1



2.4



2



2



1

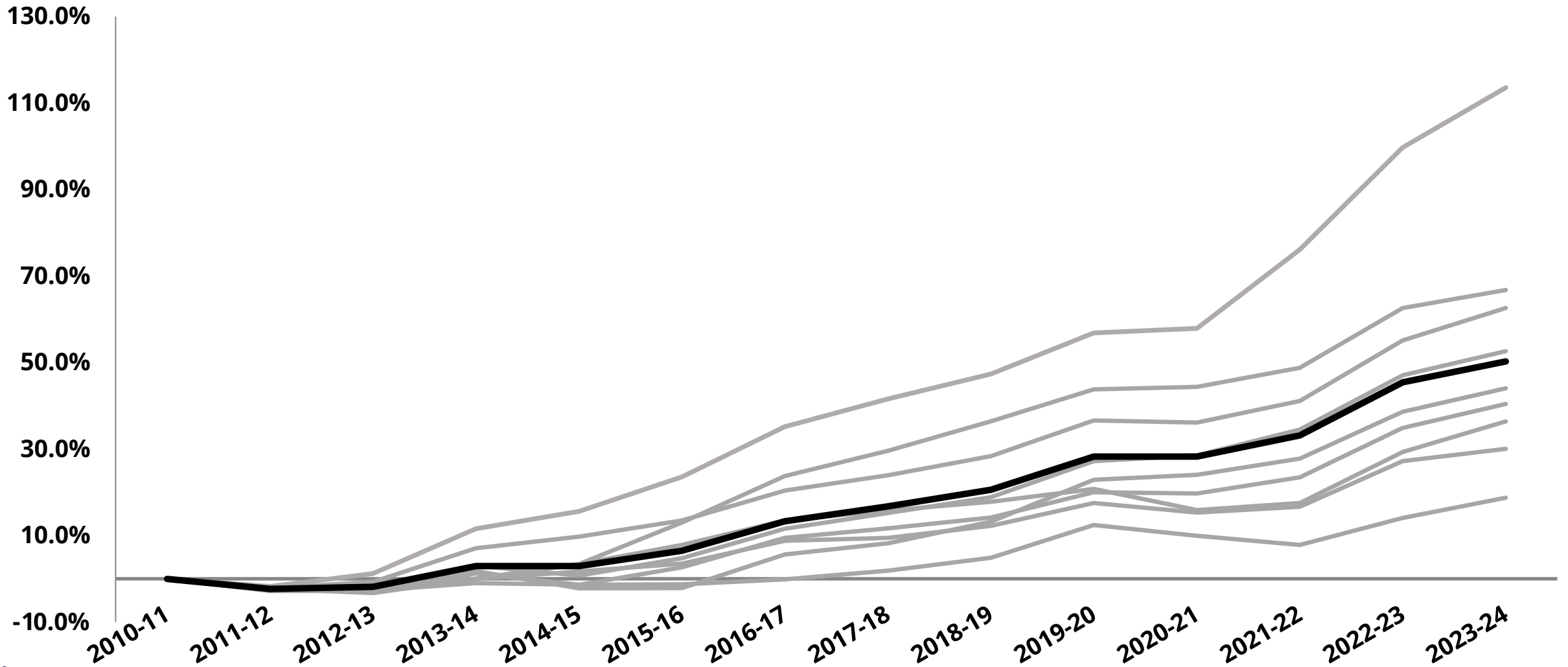


2.2



1.8

Cumulative Change in Appropriations



Outcomes Formula Demonstration

East Tennessee State University

Step 1

Identify university outcomes for the formula model

Outcomes
Students Accumulating 30 hrs
Students Accumulating 60 hrs
Students Accumulating 90 hrs
Associate Degrees
Bachelor's Degrees
Masters/Ed Specialist Degrees
Doctoral / Law Degrees
Six-Year Graduation Rate
Degrees per 100 FTE
Research, Service and Sponsored Programs

Outcomes Formula Demonstration

East Tennessee State University

Outcomes	Data	Data + Premiums	Scaled Data	x	Weight	=	Weighted Outcomes
Students Accumulating 30 hrs	1,409	1,975	987	x	4.0%	=	39.49
Students Accumulating 60 hrs	1,592	2,284	1,523	x	6.0%	=	91.36
Students Accumulating 90 hrs	2,242	3,341	2,672	x	10.0%	=	267.24
Bachelor's + Associates Degrees	2,609	4,522	4,488	x	22.5%	=	1,009.70
Masters/Ed Specialist Degrees	702	702	2,341	x	15.0%	=	351.17
Doctoral / Law Degrees	142	142	2,847	x	15.0%	=	427.00
Six-Year Graduation Rate	60.3	60.3	3,017	x	10.0%	=	301.67
Degrees per 100 FTE	26.6	26.6	2,658	x	7.5%	=	199.34
Research, Service and Sponsored Programs	\$28,601,637	\$28,601,637	1,430	x	10.0%	=	143.01
Total Weighted Outcome Points =							2,830

Fixed Cost Points	313
Quality Assurance Points	151
2023-24 Total Points (Outcomes, Fixed Cost, and QA)	3,294
2022-23 Total Points	3,259
Percent Change from 22-23 to 23-24	1.08%

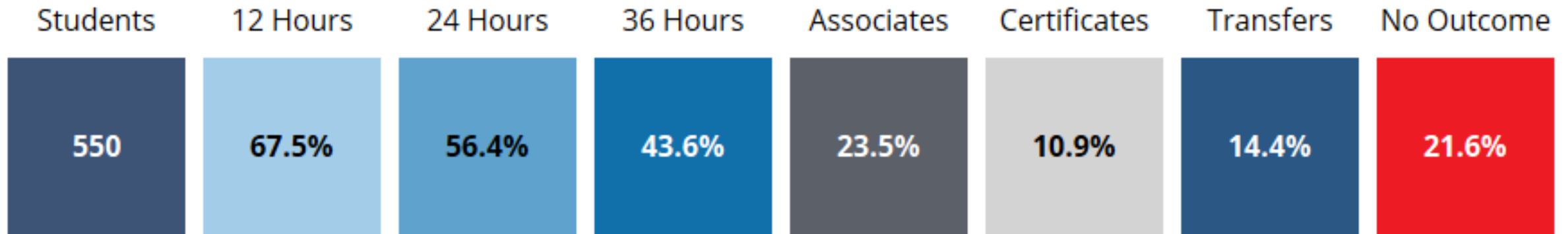
Figures are rounded.

Share of Outcomes-Based Funding

Institution	2022-23	2023-24
Austin Peay	5.08%	5.22%
East Tennessee	6.64%	6.66%
Middle Tennessee	9.63%	9.54%
Tennessee State	3.63%	3.64%
Tennessee Tech	5.19%	5.20%
Univ. of Memphis	11.50%	11.60%
UT Chattanooga	5.48%	5.44%
UT Knoxville	22.55%	22.79%
UT Martin	3.10%	3.15%
Community Colleges	27.20%	26.76%
	100.0%	100.0%

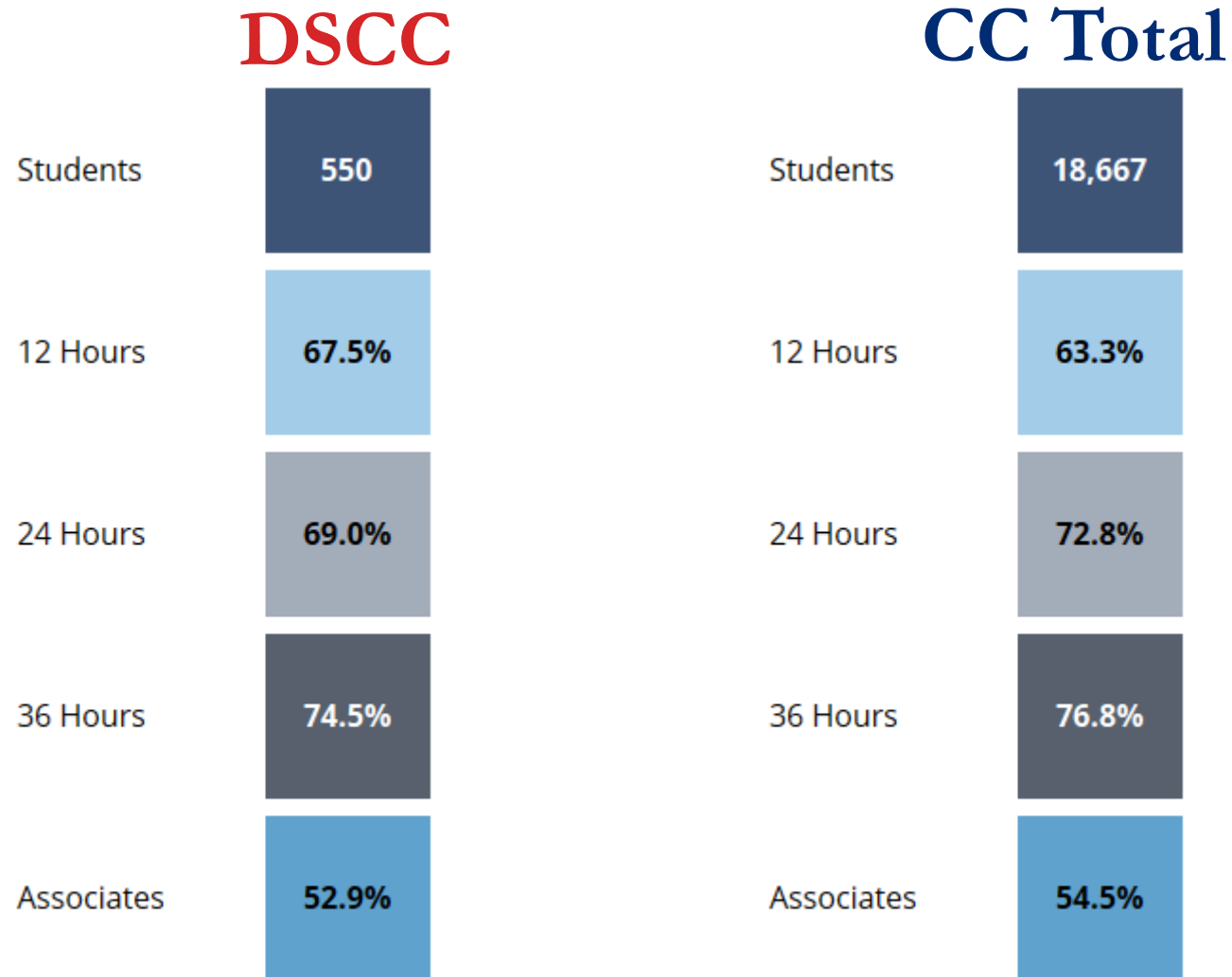
Dyersburg State Community College

2019 Cohort Data



2019 Pipeline Data

DSCC & the Community College Sector



THEC Website Resources

The screenshot shows the THEC website header with the logo and navigation menu. The main content area features a sidebar with 'Outcomes Based Funding Formula Resources' and a main section for the '2015-20 Outcomes Based Funding Formula'. A tabbed interface allows users to view different formula years, with the '2022-23 Formula' tab selected. The selected tab displays a title, a paragraph of text, and a list of links to various resources.

THEC Tennessee Higher Education Commission

Go to TN.gov

Search all THEC

Home About THEC Bureaus Learn About Reports, Studies, and Publications News and Events Contact Us

Outcomes Based Funding Formula Resources

2015-20 Outcomes Based Funding Formula

2010-15 Outcomes Based Funding Formula

Statutory Formula Review Committee Meeting

Research

2015-20 Outcomes Based Funding Formula

2022-23 Formula 2021-22 Formula 2020-21 Formula 2019-20 Formula 2018-19 Formula

2017-18 Formula Analysis Background

2022-23 Outcomes Based Funding Formula

THEC is in the process of completing the five-year review of the funding formula and in the interim has continued to use the 2015-2020 formula to make the 2022-23 formula recommendation. THEC plans to implement updates from the five-year review during the next formula cycle.

- [Outcomes Formula Model \(Excel\)](#)
- [Outcomes Formula Data \(Excel\)](#)
- [November Commission Meeting Agenda \(PowerPoint\)](#)


Materials and Resources to Communicate with Stakeholders

Materials

- [Office of Research and Accountability](#)
- THEC Website

Resources

- Formula Demonstrations



The screenshot displays the Tennessee Higher Education Commission (THEC) website. The header includes the TN logo, the text "Tennessee Higher Education Commission", a search bar, and a "Go to TN.gov" link. A navigation menu contains "About THEC", "Bureaus", "Learn About", "Reports, Studies, and Publications", "News and Events", and "Contact Us". The main content area is titled "Outcomes Based Funding Formula Resources" and lists several links: "2015-20 Outcomes Based Funding Formula", "2010-15 Outcomes Based Funding Formula", "Statutory Formula Review Committee Meeting", and "Research". A large section titled "2015-20 Outcomes Based Funding Formula" features a tabbed interface with tabs for "2022-23 Formula", "2021-22 Formula", "2020-21 Formula", "2019-20 Formula", "2018-19 Formula", "2017-18 Formula", "Analysis", and "Background". The "2022-23 Outcomes Based Funding Formula" tab is active, showing a text block stating: "THEC is in the process of completing the five-year review of the funding formula and in the interim has continued to use the 2015-2020 formula to make the 2022-23 formula recommendation. THEC plans to implement updates from the five-year review during the next formula cycle." Below this text are three bullet points with links: "Outcomes Formula Model (Excel)", "Outcomes Formula Data (Excel)", and "November Commission Meeting Agenda (PowerPoint)".

Future Considerations

- Automation
- Visualization
- Communication

When and Where?



Why?





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