

**A PLAN OF ACTION FOR TENNESSEE HIGHER EDUCATION:
A REVISION OF THE 2000-05 MASTER PLAN**

PREAMBLE

The Tennessee Higher Education Commission is statutorily charged with the responsibility of framing and developing a master plan for higher education in Tennessee (TCA 49-7-202). Throughout its history, the Commission has worked diligently to fulfill this responsibility through six iterations of master plans. While these plans successfully charted the course for higher education, they were based on a series of fiscal assumptions that are no longer applicable in Tennessee. Tennessee higher education is presently faced with unprecedented challenges and must be ready to meet them. The state anticipates significant demand for enrollment growth over the next few years, both in terms of traditional and non-traditional students. Furthermore, many of the new jobs being developed in Tennessee will require a college degree, and/or training for expanding technologies.

The primary objective of this revision to the *2000-05 Master Plan* is to promote realistic and imaginative response to the educational and fiscal challenges presently facing higher education in Tennessee. Given the austere funding situation, and the limited hope for additional investments in the immediate future, higher education cannot continue to operate under the modus operandi of “business as usual.” While the traditional goal of providing access for all Tennesseans remains constant, educators must be mindful of their responsibility to provide the highest quality educational product to the taxpayers of Tennessee. The *Plan of Action* attempts to balance this tension, and provides assurance that institutions will continue to offer the highest quality education possible, while constantly seeking to operate efficiently and making the best use of technology.

The policy initiatives outlined in this *Plan of Action* are designed to encourage Tennessee colleges and universities to strategically position themselves and to maintain the highest level of academic integrity and quality even though state support has been declining. The policies outlined in the plan ensure that that higher education will continue to serve the complex demands of our state’s diverse economy, and workforce. While the proposals contained in the *Plan of Action* may adversely impact the traditional access goals of Tennessee higher education, it is the hope of the Commission that the examination of programs and services that will result will induce institutional mission reclassification and adjustment in which campuses will focus on specific areas of emphasis. Given our present funding conditions, Tennessee higher education cannot easily balance the call for both access and quality.

In this *Plan of Action*, and in all considerations of reductions and redirections, the Commission will work to protect the central missions of research, instruction, and public service core activities of Tennessee higher education. The following represent is a summary of the action items central to the *Plan of Action*:

A PLAN OF ACTION FOR TENNESSEE HIGHER EDUCATION: A REVISION OF THE 2000-05 MASTER PLAN


Recommends....

1. Establishment of formal enrollment ranges for the four-year institutions.
2. Revision of institutional admissions standards.
3. Removal of state appropriation for remedial coursework across both community colleges and universities, and appropriations for developmental instruction at the four-year level.
4. Removal of the moratorium on new academic programs by recommending additional program review evaluative criteria.
5. Restriction on the establishment of new doctoral programs to specific institutions.
6. Removal of E&G student fees and state appropriations for intercollegiate athletics.
7. Revision of the funding formula.
8. Removal of the moratorium on new off-campus instructional activity concurrent with a new set of screening criteria.
9. Termination of several associates programs at the university level.
10. Initiation of external peer review of Engineering/Engineering Technology and Agriculture/Human Ecology programs.
11. Implementation of a variety of initiatives that will allow higher education to better serve its accountability mission.

Through the implementation of the *Plan of Action* and its associated policy initiatives Tennessee higher education has chosen to protect its central core through strategic reallocation of resources.

PLANNING RESPONSIBILITIES

Among the duties specified for the Tennessee Higher Education Commission in Title 49, Chapter 7 of the Tennessee Code are the duties to:

- Study the use of public funds for higher education in Tennessee
- Develop a Master Plan for the future development of public higher education in Tennessee and to analyze programs and needs in the field of higher education.
-  • Study the need for particular programs, departments, academic divisions, branch operations, extension services, adult education activities, public service activities and work programs of the various institutions of higher learning, with a particular view to their costs and relevance.

- Make recommendations to the governing boards for the termination of existing on campus and off campus programs and a copy of the recommendations shall be filed with the education committees of both the House of Representatives and the Senate. (The governing boards shall make a report annually on any such program termination to the education committees of the House of Representatives and Senate.)

In compliance with its planning responsibility, the Commission last issued a formal Master Plan in 2000 for the period 2000-2005. Because the *2000-05 Master Plan* was developed during a period of fiscal uncertainty, provisions were included calling for an annual evaluation of each of the theoretical operating principles. Specifically, the plan notes that:

“At the time this statewide master plan was developed, the future revenues for Tennessee and appropriations for higher education were uncertain. Discussions were underway in the executive and legislative branches concerning means for increasing state revenues. The plan is predicated on the assumption that higher education revenues will increase during the next five years; however, because of the uncertainty, only short-term benchmarks were written for many goals. The plan will be updated annually.”

As evidenced through the budget discussions over the past two legislative sessions, the fiscal assumptions upon which the *2000-05 Master Plan* were based have yet to be realized. While the *2000-05 Master Plan* called for increasing appropriations for higher education, per-student appropriations have fallen precipitously over the past decade. According to data provided by the Southern Regional Education Board, per-student funding has actually declined \$1303 when adjusting for inflation over the past five years. This decrease was the most precipitous downturn of any member state of the SREB.

The public debate over revenue and expenditure priorities in the State of Tennessee and over appropriations to higher education makes clear that one of the central assumptions of the *2000-05 Master Plan* concerning increasing appropriations for higher education remains in question. There is clearly a leadership challenge to recognize the change in fiscal conditions for both the state and higher education.

The Commission took the first step in recognition of the need for Master Plan reform when it approved on August 13, 2001 a *Plan of Action for Public Higher Education in Tennessee 2001-2002*. That document contained a revised set of fiscal assumptions and a set of “considerations” for future action. *The Plan of Action* constitutes a next step in revision of the *2000-05 Master Plan* and frames specific policies that operationalize that revision. In addition to the *Plan of Action*, the Commission has worked diligently to articulate the needs of higher education to various constituency groups. By means of its annual appropriations recommendations to the Governor and General Assembly and in testimony before executive and legislative bodies, the Commission has clearly stated the financial needs of Tennessee higher education. Through reports and presentations such as *The Status of Higher Education in Tennessee: Challenges, Promises, and Expectations*, *Tennessee Challenge 2000*, *The Condition of Higher Education in Tennessee* and in various presentations to legislative and executive leadership and to other civic, corporate and media groups

across the state, the Commission has made visible the relative condition of Tennessee higher education on key participation and performance variables relative to other states that are a part of the Southern Regional Education Board and relative to national indicators.

THE NEED FOR POLICY REVISION AND REVIEW

Since the case is clear for higher education's role and stewardship in the state, this report encourages neither lament nor regret. It is intended, instead, to do what Tennesseans have the historic reputation for doing, for volunteering and standing to duty no matter what circumstances may present themselves. The series of policy recommendations contained in the *Plan of Action* represent a set of specific proposals designed to carry higher education into the immediate future, to nurture and promote distinction in the Tennessee higher education system, and to make the most effective stewardship of resources entrusted to our care. These proposals will affirm cost savings steps already taken by the two governing boards in their reports responding to legislative directive - *Critical Choices for Tennessee* (the University of Tennessee) and *Defining our Future* (the Tennessee Board of Regents).

The policy actions presented here recognize that those entrusted with leadership in Tennessee higher education can no longer be inconsistent in our public conversation with civic, corporate, and political partners by saying that higher education is having trouble . . .

- Recruiting and retaining faculty
- Providing an adequate number of academic courses and sections
- Supporting travel for conference and professional presentations
- Acquiring and updating instructional equipment.
- Maintaining current programs and services at an acceptable quality level
- Creating a credible and competitive educated populace essential for both social and economic health of our state

. . . while at the same time continuing to propose new program offerings and allocating scarce resources to athletics that might have been devoted to the academic core. This *Plan of Action* recognizes that the fiscal difficulties afflicting Tennessee higher education demand swift, bold, and imaginative public policy proposals. Conditions demand more than “academic tinkering” and “cosmetic changes.” This report is not about eliminating low quality programs, because higher education could be accused of violating public trust and stewardship if it allowed such programs to develop and remain in the first place. It is not about unnecessary duplication because presumably higher education should not have allowed unnecessary duplication to begin with and because what is evaluated as “unnecessary” may vary with economic conditions of a state. And it is not about the “need” for a specific new academic program anywhere in the state, since it might well be argued that current programs are not being fully supported. Instead, this *Plan of Action* represents a strategic re-direction and the re-design of priorities given the current fiscal climate of Tennessee.

A PLAN OF ACTION FOR TENNESSEE HIGHER EDUCATION

The following series of policy recommendations and proposals aim to ...

- Identify significant dollars to be reallocated from discontinued programs and services and applied to programs and services deemed of higher strategic need for the state of Tennessee and those that build institutional strength and mission distinction. Given the labor-intensive character of colleges and universities and the need to phase down programs over time so that the interests of both students and staff are protected, the savings for reallocation will be realized over a multi-year period.
- Produce a more distinctive and nationally recognized system of higher education whose campus reputations are derived less from enrollment size and more from imagination, creativity, and quality of programs.
- Reduce the tendency toward bracket creep and program proliferation, especially at the graduate level, in the face of limited funding.
- Recognize that an increase in statewide participation, retention, and graduation rates for undergraduate education may be the most critical educational need of the state.
- Accent research development as a principal engine for economic development and higher education recognition.
- Encourage the development of accountability indicators that enjoy consent and affirmation from education and political and civic leaders.
- Position higher education for quick recovery and advancement when funding for higher education improves in the future.

On this last point there is merit in recognizing that once a program, service or unit has been identified for discontinuance, it is very difficult to build back. A balance of optimism and soberness is to be commended, however. If one looked at the steps taken by colleges and universities during the Great Depression, the leadership challenges confronting post-secondary education could be seen as modest at best. The recovery of American higher education from that depression and its remarkable and extraordinary development during the latter half of the 20th century would hardly have been predicted by those having to make the difficult decisions of that day; but not knowing what pleasant developments the future might bring did not relieve them of standing to duty for the decisions of the day.

The policy proposals detailed below recognize and affirm steps already taken by the two governing boards in *Critical Choices for Tennessee* and *Defining our Future*. While direct savings from these plans are yet to be firmly established, the Commission has worked diligently to ensure that the recommendations and proposals below are within the spirit and framework of the redistribution plans of both systems. The Commission recognizes and affirms steps already taken by the two governing boards to redistribute an estimated \$42 million for institutional quality enhancements (Note: TBR estimated \$22 Million and UT estimated \$20 million).

POLICY RECOMMENDATIONS

- 1. Enrollment Management:** It is recommended that enrollment ceilings and range for universities be established in the Spring of 2002 to become effective for the 2002-03 academic year. Enrollment ranges based upon actual Fall 2001 enrollments are presented in the chart below. These enrollment ranges allow for a 3 percent enrollment growth and up to a 10 percent enrollment reduction, with campuses to be held harmless on appropriations recommendations within the lower limit of the enrollment range. Any campus enrollment that exceeds the 3 percent ceiling will not be included in the funding formula calculations, and the fee revenue generated by the student enrollment above the range will be deducted from the appropriation recommendation. Thus, campuses exceeding the range will not realize long term gain from increased student enrollments.

Recommended Enrollment Ranges for 2002-07

Institution	FTE	Ceiling (+3%)	Floor (-10%)	HC	Ceiling (+3%)	Floor (-10%)	Summer	Ceiling (+3%)	Floor (-10%)
Austin Peay	5,975	6,154	5,378	7,400	7,622	6,660	1800	1,854	1,620
East Tennessee	9,525	9,811	8,573	11,575	11,922	10,418	2475	2,549	2,228
University of Memphis	15,900	16,377	14,310	20,825	21,450	18,743	4400	4,532	3,960
Middle Tennessee	17,100	17,613	15,390	19,975	20,574	17,978	4200	4,326	3,780
Tennessee State	7,575	7,802	6,818	8,675	8,935	7,808	1600	1,648	1,440
Tennessee Tech	7,450	7,674	6,705	8,600	8,858	7,740	1500	1,545	1,350
UT Chattanooga	7,025	7,236	6,323	8,625	8,884	7,763	1950	2,009	1,755
UT Knoxville	22,750	23,433	20,475	26,225	27,012	23,603	5325	5,485	4,793
UT Martin	5,575	5,742	5,018	5,950	6,129	5,355	925	953	833

Note: FTE, HC, and summer represent 2001 enrollment data

Note: Range = +3% to -10% over current base

- 2. Admission Requirements:** It is recommended that during the 2002-03 academic year, universities review and revise their admissions standards so that admissions requirements will promote and help insure student readiness for college level work. Institutions will be expected to phase in revised admission requirements over the next three academic years consistent with the revised enrollment management policy detailed above. The Commission staff will work cooperatively with both governing boards to ensure that these revised standards do not disparately impact any demographic groups.
- 3. Remedial and Developmental Education:** It is recommended that state appropriations for remedial education be phased out immediately for both universities and community colleges, effective with the appropriations recommendations for 2003–2004 fiscal year. Additionally, the Commission recommends that state support for developmental education be phased out at university sector over a two-year period beginning with the appropriations recommendation for the 2003-2004 fiscal year. Institutions retain the option of offering these services for a fee to cover the cost of the service.

Tennessee Higher Education Commission
Remedial and Developmental Instructional Activity and Appropriations
FY 2001-02

Institution	Remedial		Developmental		Total	
	FTE	Cost	FTE	Cost	FTE	Cost
Austin Peay	56	\$149,155	303	\$798,191	358	\$947,346
East Tennessee	42	105,995	252	648,579	294	754,574
Middle Tennessee	40	105,130	508	1,387,355	548	1,492,485
Tennessee State	128	325,354	353	898,195	481	1,223,549
Tennessee Tech	25	62,056	170	429,508	194	491,564
University of Memphis	67	204,258	305	940,408	372	1,144,666
UT Chattanooga	0	0	174	453,785	174	453,785
UT Knoxville	0	0	18	58,726	18	58,726
UT Martin	0	0	175	451,323	175	451,323
Chattanooga	216	482,232			216	482,232
Cleveland	49	112,745			49	112,745
Columbia	52	114,741			52	114,741
Dyersburg	64	149,046			64	149,046
Jackson	55	122,002			55	122,002
Motlow	36	83,481			36	83,481
Nashville State Tech	146	327,900			146	327,900
Northeast	50	112,921			50	112,921
Pellissippi	130	291,789			130	291,789
Roane	42	93,695			42	93,695
Southwest	354	784,923			354	784,923
Volunteer	99	217,547			99	217,547
Walters	94	209,652			94	209,652
TOTALS	1,746	\$4,054,622	2,258	\$6,066,070	4,004	\$10,120,692
4-Year Institutions	358	\$951,948	2,258	\$6,066,070	2,616	\$7,018,018
2-Year Institutions	1,388	3,102,674	NA	NA	1,388	3,102,674

4. New Academic Programs: Concurrent with Commission policy, the following are recommended as additional evaluative criteria to complement those in the existing policy:

- Need - evidence of extraordinary need that would justify allocation/reallocation of state resources in face of current limited support of existing academic programs and services.
- Costs/Revenues - evidence that costs of program may be fully met from internal reallocation or from other sources such as grants and gifts, to include evidence that such grants and gifts are continuing and sustained over long term.
- Quality - evidence of the following:
 - The institution has faithfully staffed and funded all new programs proposed and approved over past five years as set forth in new program proposals approved by THEC.
 - That no existing academic program or the institution is under qualitative challenge from accreditation bodies—professional or regional. This means full and unconditional accreditation recognition of the institution and all programs eligible for accreditation.
 - That external consultant reports on program reviews conducted during past five years indicate adequate support of programs reviewed.
 - That licensure performance of graduates is at satisfactory level when benchmarked against national pass rates.

These criteria would be applied to new program proposals not as separate and independent expectations, but in overall evaluation. The Commission will work in cooperation with the governing boards to revise and review current academic approval policies consistent with the criteria identified above, and will present these criteria at the July Commission meeting.

5. **Doctoral Programs:** It is recommended that approval of new doctoral programs be restricted for the immediate future to the University of Tennessee, Knoxville and the University of Memphis, and limited approval at Tennessee State University only as necessary to meet conditions of the Geier Consent Decree, unless conversion is mandated by accreditation concerns.

6. **Athletics:** It is recommended that intercollegiate athletic programs be designated and operated as an auxiliary enterprise, and that the governing boards adopt a specific and dedicated student fee to support intercollegiate athletics. This action will be phased in over a four-year period effective with the Fall 2003 academic year. The effect of this action is that E&G student fees and appropriations will no longer be used to support athletics. The staff further urges that any savings realized from this action be used in concert with other savings that may become available to (a) to raise faculty/staff salaries to the SREB average and above and (b) to strengthen qualitative support of academic programs.

**TENNESSEE HIGHER EDUCATION COMMISSION
ANALYSIS OF ATHLETIC GENERAL FUND SUPPORT**

Institution	Fiscal Year 1998-99			Fiscal Year 1999-2000			Fiscal Year 2000-01		
	Total E&G	Athletic General Fund Support	Percentage	Total E&G	Athletic General Fund Support	Percentage	Total E&G	Athletic General Fund Support	Percentage
Austin Peay	\$45,309,440	\$1,749,537	3.9%	\$47,126,448	\$2,104,333	4.5%	\$50,046,100	\$1,859,549	3.7%
East Tennessee	83,580,420	2,341,684	2.8%	86,182,877	2,401,072	2.8%	90,122,900	2,780,300	3.1%
Middle Tennessee	124,381,413	2,758,705	2.2%	129,516,836	4,130,761	3.2%	143,859,200	4,856,000	3.4%
Tennessee State	71,812,608	2,448,666	3.4%	72,114,096	2,663,370	3.7%	83,837,200	3,467,380	4.1%
Tennessee Tech	63,948,010	2,291,682	3.6%	63,156,748	2,600,880	4.1%	67,487,000	2,803,170	4.2%
University of Memphis	174,710,016	2,401,003	1.4%	184,441,983	2,179,664	1.2%	200,976,100	3,763,386	1.9%
Subtotal TBR	\$563,741,907	\$13,991,277	2.5%	\$582,538,988	\$16,080,080	2.8%	\$636,328,500	\$19,529,785	3.1%
Chattanooga	\$29,988,279	\$154,515	0.5%	\$30,122,562	\$162,223	0.5%	\$32,497,500	\$150,000	0.5%
Cleveland	11,933,638	133,213	1.1%	12,119,425	150,585	1.2%	13,506,100	130,129	1.0%
Columbia	15,360,077	171,300	1.1%	15,529,538	180,132	1.2%	17,713,300	141,000	0.8%
Dyersburg	8,260,213	129,457	1.6%	8,266,481	145,731	1.8%	9,034,900	79,300	0.9%
Jackson	14,091,945	148,663	1.1%	14,417,954	155,263	1.1%	16,023,500	135,000	0.8%
Motlow	11,568,813	134,512	1.2%	12,007,729	134,721	1.1%	12,939,600	118,500	0.9%
Roane	20,938,075	147,713	0.7%	21,978,258	164,188	0.7%	24,018,800	115,500	0.5%
Southwest	49,445,082	199,106	0.4%	48,480,481	247,143	0.5%	53,082,700	195,000	0.4%
Volunteer	21,200,043	196,437	0.9%	21,811,100	186,868	0.9%	25,188,500	150,000	0.6%
Walters	21,090,012	162,404	0.8%	21,624,894	175,180	0.8%	23,874,500	147,400	0.6%
Subtotal 2-Year	\$203,876,177	\$1,577,320	0.8%	\$206,358,422	\$1,702,034	0.8%	\$227,879,400	\$1,361,829	0.6%
UT Chattanooga	\$63,639,857	\$2,835,571	4.5%	\$65,999,307	\$2,634,598	4.0%	\$68,614,312	\$2,623,950	3.8%
UT Martin	43,834,157	1,811,706	4.1%	45,197,374	1,825,251	4.0%	47,448,719	1,953,434	4.1%
Subtotal UT	\$107,474,014	\$4,647,277	4.3%	\$111,196,681	\$4,459,849	4.0%	\$116,063,031	\$4,577,384	3.9%
Total	\$875,092,098	\$20,215,874	2.3%	\$900,094,091	\$22,241,963	2.5%	\$980,270,931	\$25,468,998	2.6%

- 7. **Funding Formula Revision:** It is recommended that the staff undertake an immediate study and revision of the THEC funding formula. The Commission will examine the formula’s primary reliance on enrollment, funding peers, and the possibility of creating “mission enhancement” features that recognize and strengthen the development of distinctive missions for each campus and that recognize campus performance in meeting state goals. A recommendation on formula revision would be brought to the Commission no later than the July 2003 Commission meeting.
- 8. **Off-Campus Locations:** It is recommended that the attached revised policy (Attachment A) for approval of off-campus centers be adopted in response to legislation requiring the Commission to approve such centers.

9. **Associates Programs:**

It is recommended that all associates programs, other than allied health and nursing, at the university level be phased out over a four-year period to begin in

Institution	Major	Degree
APSU	DATA PROCESSING	AAS
APSU	MANAGEMENT TECHNOLOGY	AAS
APSU	OCCUPATIONAL STUDIES	AAS
APSU	LIBERAL ARTS	AS
MTSU	ADMINISTRATIVE BUSINESS	C3
MTSU	LAW ENFORCEMENT	AAS
TTU	CRIMINAL JUSTICE	AAS

the Fall of 2002. The chart below provides information detailing all instructional activity below the bachelor’s level at Tennessee universities.

- 10. **Program Review:** The Commission staff has entered into conversations with both the Tennessee Board of Regents and the University of Tennessee concerning low producing and low strategic need programs and services. Following a review of Commission data on the number of graduates for each academic program in the THEC program inventory, the staff has furnished both governing boards a list of academic programs with marginal and low graduation rates (See Attachment B). The staff will bring forward recommendations to the Commission at the January 2003 meeting that may recommend review of some programs and discontinuance of selected programs and services, with reallocation of savings to campus needs of higher strategic and state priority. If approved by the Commission, these recommendations will be forwarded to House and Senate Education Committees as required by law. It is expected and recommended that institutions would retain savings from such action for deployment to more strategic needs (scholarships, program enhancement, faculty salaries, etc.)

With Commission approval, the staff will also set in motion with the two governing boards immediate external consultant reviews of all public college programs in the fields of Engineering/Engineering Technology and Agriculture/Human Ecology. Consultant nominations will be sought from the two governing boards and these will be combined with Commission staff nominations. A panel will then be selected from this list of nominated consultant reviewers. The purposes of these reviews is to ascertain whether programs in these areas should be retained, retained with specified improvements, or discontinued. Consultant evaluations would be based on an assessment of enrollments and degree production, qualitative performance, state/regional/national manpower needs, contribution to institutional mission distinction, number

of programs relative to other states, and adequacy of funding support. A report and recommendation based on consultant recommendations and campus review/response would be presented to the Commission in the July 2002 meeting.

11. Accountability Initiatives: Tennessee higher education historically has championed the need for excellence in the area of education accountability. As evidenced through innovative policies such as performance funding, the state's higher education leadership has long appreciated the need for accountability, and continues to embrace its values. Its educators realize that only through responding to the needs and demands of the state's citizens, business interests, and elected officials can higher education maintain its vitality.

A series of recent reports have noted that it is once again time that higher education in Tennessee become innovative in the area of accountability. As noted in *Measuring Up 2000, Measuring Performance in Higher Education*, and the *Performance Audit of the Tennessee Higher Education Commission*, higher education must improve the manner in which it collects, analyzes, and reports performance information. The Commission anticipates an aggressive and continuing agenda of accountability initiatives and increased accountability partnerships not only with the campuses and governing boards, but with legislative and executive leaders as well. These initiatives will include a revised *Condition of Higher Education in Tennessee* that offers trend data on key performance indicators and builds upon the rich history of the indicators found in *Challenge 2000*. The state will participate in the national Delaware Cost Study of higher education costs and productivity, an engagement that will offer important comparative data on such variables as instructional costs and faculty workloads. Through these activities, the staff will continue to strive to improve the Commission's capacity to provide an in-depth analysis of critical educational issues in Tennessee.

A Summary of Commission Policy Actions and Meeting Dates

April 2002 – The Commission will take action on the following items:

1. Enrollment Ceilings for Universities
2. Revised Admissions Standards for Universities
3. Phase Out Appropriated Fund Support for Remedial and Development Education at Universities
4. Revised New Program Review Criteria
5. Phase Out Appropriated Fund Support for Intercollegiate Athletics
6. Restrict Placement of New Doctoral Programs at UTK and UM
7. Adopt Policy for Approval of Off Campus Centers
8. Phase Out Non Allied Health Associate Degrees at Universities

July 2002 - The Commission will take action on the following items:

1. Program Reviews for Engineering and Engineering Technology
2. Program Reviews for Agriculture and Human Ecology

January 2003 - The Commission will take action on the following items:

1. Academic Programs and Institutional Services Recommended for Phase Out Discontinuance
2. Implementation of the Delaware Cost Study

July 2003 - The Commission will take action on the following item:

1. Revision of THEC Funding Formula

A STRATEGIC VISION FOR HIGHER EDUCATION IN TENNESSEE

Some of the proposals put forth in this *Plan of Action* do not advance educational goals that have been important to Tennessee Higher Education for many years. The possibility of limiting access in a state that has severe pockets of poverty and the need for additional educated Tennesseans is a possibility entertained with little pleasure. However, these are different times and circumstances for Tennessee higher education. During the 1990s, Tennessee higher education has operated under increasing and more complex expectations from both state political leadership and the general public that it is entrusted to serve. It has been asked to maintain excellence, serve an increasing number of students, meet the demands of a changing workforce, adapt new technologies while faced with inadequate resources, and to accomplish all this with more effective and efficient management. The judgment of whether Tennessee higher education is efficient, for example, requires a data point or standard from which such judgment may be issued. Alabama is a state with a population base some 1.3 million less than Tennessee, but operates twice as many universities and 2-year colleges. Yet with half the number of schools, Tennessee educates 35,000 more students than Alabama. On this standard, Tennessee is efficient.

While the goal of providing access to higher education for all Tennesseans remains an area of critical importance, our equal concern is to strengthen existing academic programs and services. The inherent tension between access and quality is undeniable, and for Tennessee higher education, maintaining an effective balance has become increasingly problematic. The philosophical goal of this *Plan of Action* is to reexamine priorities – What can post-secondary education do well with resources entrusted to its care? Traditional assumptions must be re-examined and new paths forged.

Within differential levels of athletic competition as defined by the NCAA, no campus within any division would “volunteer” to compete for last place. Such an aspiration does not serve the cause of athletic excellence. Tennessee should not “volunteer” to be low or last in educational attainment and achievement. It should aspire for research universities that have national visibility and distinction. It should aspire for teaching and comprehensive universities that have national visibility and distinction. Furthermore, it should aspire for two-year colleges that have national visibility and distinction. While there is an obvious relationship between level of funding and level of excellence, other factors also work to promote the presence or absence of excellence. These factors include the

level of devotion of those serving Tennessee's colleges and universities, their persistence, their courage, and above all their imagination and creativity. The Tennessee Higher Education Commission remains hopeful that Tennesseans will "volunteer" their continued devotion, courage, persistence, and imagination to ensure continued excellence in higher education.

In meeting this call, Tennessee higher education will look significantly different from its present form. Public policy regarding remedial education and the priority given to intercollegiate athletics are two of the major landmarks along this uncharted path. The current milieu requires Tennessee higher education to operate with limited, and perhaps diminishing, resources. The *Plan of Action* seeks to shift resources away from ancillary activities and refocus resources in order to provide the highest quality educational opportunities as possible for all Tennesseans.

What will higher education look like as a result of the *Plan of Action*? Consider the following:

- Higher education will aspire to quality within its distinctive mission through redefined program offerings that meet campus, regional, and statewide needs.
- Higher education will improve the quality of undergraduate education through revised admissions standards and strengthen resource allocations to the undergraduate instructional mission.
- Higher education will build upon a strong national accountability reputation by arranging partnership dialogues among political and academic leaders so that accountability systems and performance indicators serve both educational improvement and public stewardship needs more effectively.
- Higher education will engage in and encourage both educational and public dialogue about how educational opportunity and aspiration may be enhanced even within tight financial environments.
- Through the redistribution of resources, higher education will be able to attract and retain nationally and internationally competitive faculty, support research and economic development, and provide adequate levels of student support services that will ultimately improve graduation rates across all institutions.

The importance of a vibrant higher education system for the future of Tennessee cannot be understated. Both civic and corporate partners and those within higher education acknowledge that higher education is the engine that will drive Tennessee's economy in the new century. In an economic era that demands technical expertise, Tennessee must improve the quality of education that it provides to its citizens if they are to remain competitive in the global marketplace. Of equal importance, higher education serves as the guarantor and the protector of those principles central to the cultural and political health of our democracy.