

**Tennessee Higher Education Commission
Breakdown of Outcomes-Based Formula Components
Impact on 2016-17 State Appropriations**

This analysis examines the impact of individual outcome changes on each institution's 2016-17 state appropriations. It isolates the impact that each outcome had on the bottom line distribution of state funding, institution by institution. All else being equal, if an institution's outcomes or other formula components had not changed in the 2016-17 formula, and remained as they were in the 2015-16 formula, this analysis isolates the state appropriation gained or lost.

The starting point for the analysis is a scenario where all other institutions' 2016-17 formula data is updated, except the institution under analysis. This represents the change in state appropriations the institution would have experienced if its data (both outcomes and other formula components) had not changed in the 2016-17 formula. The analysis then adds new data, one outcome at a time, and calculates the resulting state appropriation impact.

Additional explanation is provided as footnotes on the 'CC' and 'University' tabs. Also, a summary of the 2016-17 Governor's recommended state funding and the 2016-17 Preliminary Work Program are provided for reference.

Impact of Outcomes Formula Components on 2016-17 THEC Recommended State Appropriations

Starting Point	APSU			ETSU			MTSU			TSU		
	Effect	Outcome Change	Outcome Weight	Effect	Outcome Change	Outcome Weight	Effect	Outcome Change	Outcome Weight	Effect	Outcome Change	Outcome Weight
	\$ 2,109,400			\$ 2,832,500			\$ 4,620,300			\$ 1,732,400		
Students Accumulating 30 hrs	\$ (7,900)	-1.7%	3.0%	\$ (17,900)	-1.7%	6.0%	\$ (62,300)	-6.2%	3.0%	\$ 11,000	3.0%	4.0%
Students Accumulating 60 hrs	\$ (18,200)	-2.1%	4.5%	\$ (56,500)	-3.4%	7.5%	\$ (80,400)	-3.8%	4.5%	\$ (7,100)	-1.1%	6.0%
Students Accumulating 90 hrs	\$ 72,000	3.5%	7.5%	\$ (141,000)	-4.2%	9.0%	\$ (213,100)	-3.8%	7.5%	\$ (16,500)	-1.0%	10.0%
Bachelors and Associates	\$ 602,500	4.4%	27.5%	\$ 179,600	1.4%	20.0%	\$ 558,500	2.1%	22.5%	\$ (233,800)	-3.8%	22.5%
Masters / Ed Specialists	\$ (50,400)	-1.4%	20.0%	\$ (70,500)	-1.3%	15.0%	\$ (323,800)	-2.8%	20.0%	\$ (39,600)	-1.3%	12.5%
Doctoral / Law Degree	\$ -	0.0%	0.0%	\$ 687,100	13.8%	15.0%	\$ 93,400	13.3%	7.5%	\$ (142,700)	-8.1%	7.5%
Research and Service	\$ (72,200)	-21.6%	10.0%	\$ (200,400)	-7.7%	10.0%	\$ (867,900)	-37.3%	10.0%	\$ (50,500)	-1.0%	15.0%
Degrees per 100 FTE	\$ 248,600	8.0%	17.5%	\$ 54,700	3.9%	7.5%	\$ 117,100	6.0%	10.0%	\$ (66,400)	-3.9%	12.5%
Six-Year Graduation Rate	\$ (146,300)	-1.8%	10.0%	\$ (5,800)	-0.1%	10.0%	\$ (405,700)	-2.6%	15.0%	\$ (526,400)	-8.0%	10.0%
E&G sf (less portables)	\$ 152,700	3.9%		\$ (346,100)	-5.3%		\$ 44,900	0.4%		\$ (2,400)	0.0%	
Rate for E&G sf	\$ 50,700	2.2%		\$ 85,100	2.2%		\$ 133,200	2.2%		\$ 62,100	2.2%	
Portable E&G sf	\$ -	0.0%		\$ 300	15.8%		\$ -	0.0%		\$ -	0.0%	
Rate for Portable E&G sf	\$ -	2.2%		\$ -	2.2%		\$ 100	2.2%		\$ -	2.2%	
20+ Yr Old sf	\$ 2,700	0.8%		\$ (48,200)	-5.2%		\$ 28,500	2.7%		\$ 19,700	3.1%	
Rate for 20+ Year Old sf	\$ 7,700	2.2%		\$ 18,800	2.2%		\$ 22,900	2.2%		\$ 14,100	2.2%	
Rate for Utilities	\$ 23,400	1.4%		\$ 31,500	1.4%		\$ 61,300	1.4%		\$ 28,600	1.4%	
Rent	\$ (3,900)	-8.2%		\$ 1,800	2.5%		\$ (4,700)	-3.2%		\$ (2,800)	-100.0%	
Equipment	\$ (700)	-0.1%		\$ 20,500	-3.4%		\$ 71,700	4.2%		\$ (166,700)	-21.5%	
Quality Assurance	\$ -	0.0%		\$ 65,700	2.7%		\$ (20,800)	-0.5%		\$ (268,600)	-19.0%	
Total Increase	\$ 2,970,100			\$ 3,091,200			\$ 3,773,200			\$ 344,400		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on the Governor's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2016-17 formula to the 2016-17 formula.

How to read this table: Using Tennessee State as an example, the starting point (Cell K5) of \$1,732,400 represents the difference between 2015-16 and 2016-17 appropriations due to the funding formula if Tennessee State's data had stayed at 2015-16 levels while all other institutions' data changed to 2016-17 levels. This is the beginning "base" on which the effects of Tennessee State's changes in 2016-17 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 30 hours -- is determined. Tennessee State had a 3.0% increase (Cell L7) for this outcome between 2015-16 and 2016-17. Tennessee State's performance on this outcome resulted in a gain of \$11,000 (K7) in recommended appropriations in 2016-17.

The effects of the next outcome -- Students Accumulating 60 hours -- is then determined. Here, Tennessee State declined 1.1% (L8) from 2015-16 to 2016-17, which corresponds to a loss of \$7,100 (K8) in recommended appropriations in 2016-17.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Tennessee State's performance in 2016-17 are then summed (Cell K26) for the total change in recommended appropriations from 2015-16 to 2016-17 of \$344,400. This amount corresponds to Tennessee State's change in recommended appropriations highlighted in Column E on the '2016-17 Gov's Recommendation' tab.

Impact of Outcomes Formula Components on 2016-17 THEC Recommended State Appropriations

Starting Point	TTU			UM			UTC			UTK		
	Effect	Outcome Change	Outcome Weight									
	\$ 2,204,400			\$ 5,320,400			\$ 2,361,400			\$ 9,956,400		
Students Accumulating 30 hrs	\$ 18,400	3.2%	4.0%	\$ (20,700)	-2.8%	3.0%	\$ (800)	-0.1%	4.0%	\$ 7,600	1.1%	2.0%
Students Accumulating 60 hrs	\$ 48,200	4.7%	6.0%	\$ (14,300)	-0.9%	4.5%	\$ 38,600	3.6%	6.0%	\$ (9,300)	-0.5%	4.0%
Students Accumulating 90 hrs	\$ 13,300	0.5%	10.0%	\$ 61,900	1.5%	7.5%	\$ 38,800	1.5%	10.0%	\$ 72,400	1.6%	6.5%
Bachelors and Associates	\$ 307,400	3.0%	25.0%	\$ 446,100	2.3%	22.5%	\$ 581,400	5.7%	25.0%	\$ 10,200	0.0%	20.0%
Masters / Ed Specialists	\$ (259,300)	-8.8%	15.0%	\$ (166,700)	-2.5%	10.0%	\$ (113,900)	-4.5%	10.0%	\$ (66,200)	-0.7%	10.0%
Doctoral / Law Degree	\$ 5,100	1.9%	5.0%	\$ (450,600)	-3.0%	15.0%	\$ 55,100	5.2%	5.0%	\$ 16,000	0.1%	12.5%
Research and Service	\$ (56,300)	-6.3%	10.0%	\$ (77,100)	-1.1%	10.0%	\$ (104,200)	-9.1%	10.0%	\$ (590,400)	-2.5%	12.5%
Degrees per 100 FTE	\$ 12,300	0.8%	10.0%	\$ 85,800	4.6%	10.0%	\$ 114,700	5.1%	15.0%	\$ (59,800)	-1.5%	17.5%
Six-Year Graduation Rate	\$ 241,400	1.8%	15.0%	\$ 124,000	0.8%	17.5%	\$ 382,600	2.9%	15.0%	\$ 262,100	1.2%	15.0%
E&G sf (less portables)	\$ 192,600	4.2%		\$ 91,800	0.7%		\$ (8,000)	-0.1%		\$ 394,300	1.8%	
Rate for E&G sf	\$ 59,600	2.2%		\$ 180,500	2.2%		\$ 73,500	2.2%		\$ 284,200	2.2%	
Portable E&G sf	\$ -	0.0%		\$ -	0.0%		\$ (300)	-5.2%		\$ -	0.0%	
Rate for Portable E&G sf	\$ -	2.2%		\$ -	2.2%		\$ -	2.2%		\$ -	2.2%	
20+ Yr Old sf	\$ 13,200	1.8%		\$ 329,300	18.8%		\$ 17,700	3.1%		\$ 317,400	11.2%	
Rate for 20+ Year Old sf	\$ 16,400	2.2%		\$ 44,700	2.2%		\$ 12,800	2.2%		\$ 67,600	2.2%	
Rate for Utilities	\$ 27,400	1.4%		\$ 66,200	1.4%		\$ 33,900	1.4%		\$ 129,500	1.4%	
Rent	\$ -	0.0%		\$ -	0.0%		\$ -	0.0%		\$ -	0.0%	
Equipment	\$ 44,700	6.7%		\$ 56,500	4.6%		\$ 3,500	0.8%		\$ (823,600)	-12.7%	
Quality Assurance	\$ (83,100)	-4.1%		\$ 162,500	4.0%		\$ 88,800	4.3%		\$ -	0.0%	
Total Increase	\$ 2,805,700			\$ 6,240,300			\$ 3,575,600			\$ 9,968,400		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on the Governor's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2016-17 formula to the 2016-17 formula.

How to read this table: Using the University of Memphis as an example, the starting point (Cell E49) of \$5,320,400 represents the difference between 2015-16 and 2016-17 appropriations due to the funding formula if Memphis's data had stayed at 2015-16 levels while all other institutions' data changed to 2016-17 levels. This is the beginning "base" on which the effects of Memphis's changes in 2016-17 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 30 hours -- is determined. Memphis had a 2.8% decline (Cell F51) for this outcome between 2015-16 and 2016-17. Memphis's performance on this outcome resulted in a loss of \$20,700 (E51) in recommended appropriations in 2016-17.

The effects of the next outcome -- Students Accumulating 60 hours -- is then determined. Here, Memphis declined 0.9% (F52) from 2015-16 to 2016-17, which corresponds to a loss of \$14,300 (E52) in recommended appropriations in 2016-17.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Memphis's performance in 2016-17 are then summed (Cell E70) for the total change in recommended appropriations from 2015-16 to 2016-17 of \$6,240,300. This amount corresponds to Memphis's change in recommended appropriation highlighted in Column E on the '2016-17 Gov's Recommendation' tab.

Impact of Outcomes Formula Components on 2016-17 THEC Recommended State Appropriations

Starting Point	UTM		
	\$ 1,548,900 Effect	Outcome Change	Outcome Weight
Students Accumulating 30 hrs	\$ (18,500)	-5.7%	4.0%
Students Accumulating 60 hrs	\$ (25,100)	-4.1%	6.0%
Students Accumulating 90 hrs	\$ 1,500	0.1%	10.0%
Bachelors and Associates	\$ 161,300	2.4%	30.0%
Masters / Ed Specialists	\$ (25,600)	-3.6%	15.0%
Doctoral / Law Degree	\$ -	0.0%	0.0%
Research and Service	\$ (10,000)	-10.5%	5.0%
Degrees per 100 FTE	\$ 54,500	5.0%	10.0%
Six-Year Graduation Rate	\$ (188,500)	-1.4%	20.0%
E&G sf (less portables)	\$ (136,500)	-5.3%	
Rate for E&G sf	\$ 33,600	2.2%	
Portable E&G sf	\$ (300)	-100.0%	
Rate for Portable E&G sf	\$ -	2.2%	
20+ Yr Old sf	\$ (27,700)	-6.3%	
Rate for 20+ Year Old sf	\$ 8,900	2.2%	
Rate for Utilities	\$ 12,400	1.4%	
Rent	\$ (43,000)	-19.0%	
Equipment	\$ 15,800	6.0%	
Quality Assurance	\$ 14,600	4.3%	
Total Increase	\$ 1,376,300		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on the Governor's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2016-17 formula to the 2016-17 formula.

How to read this table: For UT Martin, the starting point (Cell B93) of \$1,548,900 represents the difference between 2015-16 and 2016-17 appropriations due to the funding formula if UT Martin's data had stayed at 2015-16 levels while all other institutions' data changed to 2016-17 levels. This is the beginning "base" on which the effects of UT Martin's changes in 2016-17 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 30 hours -- is determined. UT Martin had an 5.7% decline (Cell C95) for this outcome between 2015-16 and 2016-17. UT Martin's performance on this outcome resulted in a loss of \$18,500 (B95) in recommended appropriations in 2016-17.

The effects of the next outcome -- Students Accumulating 60 hours -- is then determined. Here, UT Martin decreased 4.1% (C96) from 2015-16 to 2016-17, which corresponds to a loss of \$25,100 (B96) in recommended appropriations in 2016-17.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to UT Martin's performance in 2016-17 are then summed (Cell B114) for the total change in recommended appropriations from 2015-16 to 2016-17 of \$1,376,300. This amount corresponds to UT Martin's change in recommended appropriation highlighted in Column E on the '2016-17 Gov's Recommendation' tab.

Impact of Outcomes Formula Components on 2016-17 THEC Recommended State Appropriations

Starting Point	Chattanooga			Cleveland			Columbia			Dyersburg		
	\$ 1,513,000 Effect	Outcome Change	Outcome Weight	\$ 510,800 Effect	Outcome Change	Outcome Weight	\$ 713,400 Effect	Outcome Change	Outcome Weight	\$ 431,900 Effect	Outcome Change	Outcome Weight
Students Accumulating 12 hrs	\$ (31,800)	-5.5%	3.0%	\$ (20,800)	-9.0%	3.0%	\$ (24,400)	-7.3%	3.0%	\$ (29,800)	-13.8%	3.0%
Students Accumulating 24 hrs	\$ (97,600)	-6.9%	5.0%	\$ (50,100)	-9.6%	5.0%	\$ (61,000)	-6.9%	5.0%	\$ (77,500)	-16.1%	5.0%
Students Accumulating 36 hrs	\$ (202,900)	-8.1%	7.0%	\$ (80,000)	-9.2%	7.0%	\$ (66,100)	-4.5%	7.0%	\$ (65,200)	-8.4%	7.0%
Dual Enrollment	\$ 52,000	7.4%	5.0%	\$ 105,700	20.3%	7.5%	\$ 84,300	12.7%	7.5%	\$ 91,500	6.6%	15.0%
Associates	\$ 2,400	0.0%	22.5%	\$ (48,200)	-1.7%	22.5%	\$ 155,800	3.5%	22.5%	\$ 58,200	2.5%	22.5%
1-2 Year Certificates	\$ 10,900	2.8%	10.0%	\$ (6,500)	-38.9%	2.5%	\$ 8,600	5.0%	17.5%	\$ (7,000)	-11.4%	10.0%
<1yr Certificates	\$ (65,400)	-14.6%	10.0%	\$ (74,500)	-9.7%	17.5%	\$ 11,900	119.7%	2.5%	\$ 13,100	37.2%	10.0%
Job Placements	\$ 701,800	12.6%	15.0%	\$ 44,600	2.6%	15.0%	\$ 8,500	1.2%	5.0%	\$ 108,500	19.2%	7.5%
Transfers Out with 12 hrs	\$ 1,900	0.2%	10.0%	\$ (7,900)	-4.7%	5.0%	\$ (11,000)	-1.0%	15.0%	\$ (19,900)	-5.2%	10.0%
Workforce Training (Contact Hours)	\$ (605,200)	-25.9%	7.5%	\$ (800)	-0.6%	10.0%	\$ (29,700)	-3.1%	10.0%	\$ 16,900	19.4%	5.0%
Awards per 100 FTE	\$ 42,900	8.1%	5.0%	\$ 8,900	2.0%	5.0%	\$ 42,000	8.0%	5.0%	\$ 73,000	15.8%	5.0%
E&G sf (less portables)	\$ -	0.0%		\$ (48,300)	-4.2%		\$ 122,600	7.3%		\$ 6,100	0.5%	
Rate for E&G sf	\$ 43,000	2.2%		\$ 15,000	2.2%		\$ 22,600	2.2%		\$ 17,600	2.2%	
Portable E&G sf	\$ -	0.0%		\$ -	0.0%		\$ -	0.0%		\$ -	0.0%	
Rate for Portable E&G sf	\$ -	2.2%		\$ -	2.2%		\$ -	2.2%		\$ -	2.2%	
20+ Yr Old sf	\$ -	0.0%		\$ (35,400)	-14.3%		\$ (21,400)	-12.0%		\$ -	0.0%	
Rate for 20+ Year Old sf	\$ 9,800	2.2%		\$ 4,600	2.2%		\$ 3,400	2.2%		\$ 2,000	2.2%	
Rate for Utilities	\$ 19,800	1.4%		\$ 5,600	1.4%		\$ 10,300	1.4%		\$ 6,400	1.4%	
Rent	\$ (4,300)	-3.4%		\$ (5,300)	-6.2%		\$ -	0.0%		\$ -	0.0%	
Equipment	\$ 60,500	10.4%		\$ (2,600)	-1.5%		\$ 16,000	8.7%		\$ 33,500	37.7%	
Quality Assurance	\$ 101,400	7.5%		\$ (9,900)	-2.2%		\$ 28,400	4.5%		\$ 17,500	4.2%	
Total Increase	\$ 1,552,200			\$ 304,900			\$ 1,014,200			\$ 676,800		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on the Governor's recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2016-17 formula to the 2016-17 formula.

How to read this table: Using Columbia State as an example, the starting point (Cell H5) of \$713,400 represents the difference between 2015-16 and 2016-17 appropriations due to the funding formula if Columbia State's data had stayed at 2015-16 levels while all other institutions' data changed to 2016-17 levels. This is the beginning "base" on which the effects of Columbia State's changes in 2016-17 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 12 hours -- is determined. Columbia State had a 7.3% decline (Cell I7) for this outcome between 2015-16 and 2016-17. Columbia State's performance on this outcome resulted in a loss of \$24,400 (H7) in recommended appropriations in 2016-17.

The effects of the next outcome -- Students Accumulating 24 hours -- is then determined. Here, Columbia State declined 6.9% (I8) from 2015-16 to 2016-17, which corresponds to a loss of \$61,000 (H8) in recommended appropriations in 2016-17.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Columbia State's performance in 2016-17 are then summed (Cell H28) for the total change in recommended appropriations from 2015-16 to 2016-17 of \$1,014,200. This amount corresponds to Columbia State's change in recommended appropriations highlighted in Column E on the '2016-17 Gov's Recommendation' tab. THEC's Community College recommendation is only for the sector as a whole. Institutional detail is for informational purposes only.

Impact of Outcomes Formula Components on 2016-17 THEC Recommended State Appropriations

Starting Point	Jackson			Motlow			Nashville			Northeast		
	\$ 633,200 Effect	Outcome Change	Outcome Weight	\$ 608,300 Effect	Outcome Change	Outcome Weight	\$ 932,100 Effect	Outcome Change	Outcome Weight	\$ 813,100 Effect	Outcome Change	Outcome Weight
Students Accumulating 12 hrs	\$ (3,700)	-1.5%	3.0%	\$ (2,300)	-0.7%	3.0%	\$ (500)	-0.1%	3.0%	\$ (5,900)	-1.9%	3.0%
Students Accumulating 24 hrs	\$ (34,800)	-5.7%	5.0%	\$ (7,000)	-0.9%	5.0%	\$ (27,000)	-1.9%	5.0%	\$ (51,400)	-6.1%	5.0%
Students Accumulating 36 hrs	\$ (45,900)	-4.4%	7.0%	\$ (37,300)	-2.9%	7.0%	\$ (112,000)	-4.5%	7.0%	\$ (126,900)	-8.4%	7.0%
Dual Enrollment	\$ 285,800	40.1%	7.5%	\$ 33,700	4.8%	7.5%	\$ 201,900	12.1%	15.0%	\$ 102,500	16.3%	10.0%
Associates	\$ (335,700)	-9.3%	22.5%	\$ (127,800)	-3.0%	22.5%	\$ (120,800)	-2.4%	22.5%	\$ 9,800	0.2%	22.5%
1-2 Year Certificates	\$ (12,200)	-18.4%	10.0%	\$ -	0.0%	0.0%	\$ 14,900	7.2%	10.0%	\$ 10,600	4.1%	12.5%
<1yr Certificates	\$ 35,600	84.1%	10.0%	\$ 86,300	56.3%	20.0%	\$ 15,000	16.4%	10.0%	\$ 25,400	11.5%	7.5%
Job Placements	\$ 51,500	1.9%	15.0%	\$ 20,500	5.1%	7.5%	\$ 75,600	4.9%	7.5%	\$ 364,800	11.8%	15.0%
Transfers Out with 12 hrs	\$ (3,800)	-1.5%	5.0%	\$ (71,000)	-6.8%	12.5%	\$ (53,700)	-4.9%	10.0%	\$ (13,400)	-4.6%	5.0%
Workforce Training (Contact Hours)	\$ 73,900	27.3%	10.0%	\$ (29,700)	-31.4%	10.0%	\$ (43,600)	-14.5%	5.0%	\$ 27,100	33.3%	7.5%
Awards per 100 FTE	\$ (4,100)	-0.8%	5.0%	\$ 8,400	1.6%	5.0%	\$ (1,800)	-0.5%	5.0%	\$ 38,700	8.1%	5.0%
E&G sf (less portables)	\$ 89,000	6.5%		\$ -	0.0%		\$ (294,200)	-12.4%		\$ -	0.0%	
Rate for E&G sf	\$ 20,000	2.2%		\$ 21,000	2.2%		\$ 28,400	2.2%		\$ 16,400	2.2%	
Portable E&G sf	\$ -	0.0%		\$ -	0.0%		\$ -	0.0%		\$ -	0.0%	
Rate for Portable E&G sf	\$ -	2.2%		\$ -	2.2%		\$ -	2.2%		\$ -	2.2%	
20+ Yr Old sf	\$ 76,100	48.0%		\$ -	0.0%		\$ -	0.0%		\$ 18,900	15.5%	
Rate for 20+ Year Old sf	\$ 5,000	2.2%		\$ 2,500	2.2%		\$ -	2.2%		\$ 3,100	2.2%	
Rate for Utilities	\$ 7,400	1.4%		\$ 7,900	1.4%		\$ 10,500	1.4%		\$ 7,500	1.4%	
Rent	\$ (7,500)	-10.2%		\$ -	0.0%		\$ 3,200	4.5%		\$ (74,700)	-11.5%	
Equipment	\$ 24,300	10.6%		\$ 29,400	21.5%		\$ 27,200	12.2%		\$ 47,300	13.2%	
Quality Assurance	\$ -	0.0%		\$ 83,300	17.5%		\$ (17,900)	-2.1%		\$ 48,300	6.4%	
Total Increase	\$ 854,100			\$ 626,200			\$ 637,300			\$ 1,261,200		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on the THEC recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2015-16 formula to the 2016-17 formula.

How to read this table: Using Motlow State as an example, the starting point (Cell E52) of \$608,300 represents the difference between 2015-16 and 2016-17 appropriations due to the funding formula if Motlow State's data had stayed at 2015-16 levels while all other institutions' data changed to 2016-17 levels. This is the beginning "base" on which the effects of Motlow State's changes in 2016-17 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 12 hours -- is determined. Motlow State had a 0.7% decline (Cell F54) for this outcome between 2015-16 and 2016-17. Motlow State's performance on this outcome resulted in a loss of \$2,300 (E54) in recommended appropriations in 2016-17.

The effects of the next outcome -- Students Accumulating 24 hours -- is then determined. Here, Motlow State declined 0.9% (F55) from 2015-16 to 2016-17, which corresponds to a loss of \$7,000 (E55) in recommended appropriations in 2016-17.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Motlow State's performance in 2016-17 are then summed (Cell E75) for the total change in recommended appropriations from 2015-16 to 2016-17 of \$626,200. This amount corresponds to Motlow State's change in recommended appropriations highlighted in Column E on the '2016-17 Gov's Recommendation' tab. THEC's Community College recommendation is only for the sector as a whole. Institutional detail is for informational purposes only.

Impact of Outcomes Formula Components on 2016-17 THEC Recommended State Appropriations

Starting Point	Pellissippi			Roane			Southwest			Volunteer		
	\$ 1,418,800	Outcome	Outcome	\$ 979,600	Outcome	Outcome	\$ 1,328,900	Outcome	Outcome	\$ 965,900	Outcome	Outcome
	Effect	Change	Weight	Effect	Change	Weight	Effect	Change	Weight	Effect	Change	Weight
Students Accumulating 12 hrs	\$ (43,300)	-6.7%	3.0%	\$ (22,100)	-6.1%	3.0%	\$ (79,700)	-9.2%	3.0%	\$ (19,500)	-4.6%	3.0%
Students Accumulating 24 hrs	\$ (52,300)	-3.1%	5.0%	\$ (35,900)	-4.0%	5.0%	\$ (230,000)	-10.9%	5.0%	\$ (64,900)	-6.2%	5.0%
Students Accumulating 36 hrs	\$ (111,900)	-3.9%	7.0%	\$ (80,800)	-5.2%	7.0%	\$ (407,900)	-12.5%	7.0%	\$ (111,200)	-6.0%	7.0%
Dual Enrollment	\$ 33,500	2.2%	10.0%	\$ 47,600	1.9%	15.0%	\$ 129,400	20.2%	12.5%	\$ 63,500	3.8%	10.0%
Associates	\$ 358,300	3.9%	22.5%	\$ (93,500)	-1.6%	22.5%	\$ (362,500)	-5.2%	22.5%	\$ 88,700	1.7%	22.5%
1-2 Year Certificates	\$ -	0.0%	0.0%	\$ 4,200	2.4%	10.0%	\$ (2,900)	-11.0%	2.5%	\$ (3,100)	-4.1%	5.0%
<1yr Certificates	\$ 112,800	7.1%	20.0%	\$ 24,600	68.6%	10.0%	\$ (112,000)	-9.0%	17.5%	\$ (138,500)	-16.3%	15.0%
Job Placements	\$ (292,400)	-16.5%	7.5%	\$ (26,100)	-2.1%	5.0%	\$ 90,500	6.1%	5.0%	\$ 35,600	1.9%	7.5%
Transfers Out with 12 hrs	\$ 82,800	3.8%	15.0%	\$ (22,200)	-3.0%	10.0%	\$ (36,100)	-3.5%	7.5%	\$ (42,700)	-3.0%	15.0%
Workforce Training (Contact Hours)	\$ 10,300	2.6%	5.0%	\$ (10,800)	-0.9%	7.5%	\$ (54,200)	-3.2%	12.5%	\$ 4,000	0.6%	5.0%
Awards per 100 FTE	\$ 49,900	10.5%	5.0%	\$ 32,600	5.7%	5.0%	\$ 18,200	5.8%	5.0%	\$ 36,100	8.6%	5.0%
E&G sf (less portables)	\$ (15,400)	-0.5%		\$ (14,900)	-0.5%		\$ 1,100	0.0%		\$ 335,600	18.4%	
Rate for E&G sf	\$ 41,000	2.2%		\$ 40,300	2.2%		\$ 65,400	2.2%		\$ 29,500	2.2%	
Portable E&G sf	\$ -	0.0%		\$ -	0.0%		\$ -	0.0%		\$ -	0.0%	
Rate for Portable E&G sf	\$ 400	2.2%		\$ 200	2.2%		\$ -	2.2%		\$ -	2.2%	
20+ Yr Old sf	\$ 29,100	8.6%		\$ 13,500	5.3%		\$ 900	0.1%		\$ 41,400	32.8%	
Rate for 20+ Year Old sf	\$ 7,800	2.2%		\$ 5,800	2.2%		\$ 13,200	2.2%		\$ 3,700	2.2%	
Rate for Utilities	\$ 15,400	1.4%		\$ 15,000	1.4%		\$ 24,200	1.4%		\$ 10,800	1.4%	
Rent	\$ -	0.0%		\$ 5,100	6.1%		\$ -	0.0%		\$ -	0.0%	
Equipment	\$ 22,800	4.1%		\$ 8,400	3.8%		\$ 167,100	24.7%		\$ 54,200	18.9%	
Quality Assurance	\$ (218,700)	-16.7%		\$ 48,100	5.7%		\$ 39,000	3.3%		\$ (37,700)	-4.7%	
Total Increase	\$ 1,448,900			\$ 918,700			\$ 592,600			\$ 1,251,400		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on the THEC recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2015-16 formula to the 2016-17 formula.

How to read this table: Using Volunteer State as an example, the starting point (Cell K99) of \$965,900 represents the difference between 2015-16 and 2016-17 appropriations due to the funding formula if Volunteer State's data had stayed at 2015-16 levels while all other institutions' data changed to 2016-17 levels. This is the beginning "base" on which the effects of Volunteer State's changes in 2016-17 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 12 hours -- is determined. Volunteer State had a 4.6% decline (Cell L101) for this outcome between 2015-16 and 2016-17. Volunteer State's performance on this outcome resulted in a loss of \$19,500 (K101) in recommended appropriations in 2016-17.

The effects of the next outcome -- Students Accumulating 24 hours -- is then determined. Here, Volunteer State declined 6.2% (L102) from 2015-16 to 2016-17, which corresponds to a loss of \$64,900 (K102) in recommended appropriations in 2016-17.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Volunteer State's performance in 2016-17 are then summed (Cell K122) for the total change in recommended appropriations from 2015-16 to 2016-17 of \$1,251,400. This amount corresponds to Volunteer State's change in recommended appropriations highlighted in Column E on the '2016-17 Gov's Recommendation' tab. THEC's Community College recommendation is only for the sector as a whole. Institutional detail is for informational purposes only.

Impact of Outcomes Formula Components on 2016-17 THEC Recommended State Appropriations

Starting Point	Walters		
	\$ Effect	Outcome Change	Outcome Weight
Students Accumulating 12 hrs	\$ (32,400)	-7.4%	3.0%
Students Accumulating 24 hrs	\$ (74,200)	-7.6%	5.0%
Students Accumulating 36 hrs	\$ (107,300)	-6.4%	7.0%
Dual Enrollment	\$ 116,000	7.8%	10.0%
Associates	\$ (4,200)	-0.1%	22.5%
1-2 Year Certificates	\$ (500)	-5.1%	2.5%
<1yr Certificates	\$ 152,900	17.3%	17.5%
Job Placements	\$ (55,700)	-2.2%	7.5%
Transfers Out with 12 hrs	\$ (81,200)	-7.0%	15.0%
Workforce Training (Contact Hours)	\$ (298,500)	-23.4%	5.0%
Awards per 100 FTE	\$ 44,300	7.8%	5.0%
E&G sf (less portables)	\$ (167,000)	-4.6%	
Rate for E&G sf	\$ 47,600	2.2%	
Portable E&G sf	\$ -	0.0%	
Rate for Portable E&G sf	\$ -	2.2%	
20+ Yr Old sf	\$ -	0.0%	
Rate for 20+ Year Old sf	\$ 5,800	2.2%	
Rate for Utilities	\$ 17,600	1.4%	
Rent	\$ (3,100)	-3.0%	
Equipment	\$ 19,300	6.4%	
Quality Assurance	\$ 11,000	1.0%	
Total Increase	\$ 716,300		

Note: This table presents the estimated effects of each component of the Outcomes-Based Funding Formula on the THEC recommended state appropriation to each institution. Outcome changes are the percent changes in the weighted outcomes from the 2015-16 formula to the 2016-17 formula.

How to read this table: For Walters State, the starting point (Cell B158) of \$366,000 represents the difference between 2015-16 and 2016-17 appropriations due to the funding formula if Walters State's data had stayed at 2015-16 levels while all other institutions' data changed to 2016-17 levels. This is the beginning "base" on which the effects of Walters State's changes in 2016-17 are built.

Next, the estimated effect of the first outcome -- Students Accumulating 12 hours -- is determined. Walters State had a 7.4% decline (Cell C148) for this outcome between 2015-16 and 2016-17. Walters State's performance on this outcome resulted in a loss of \$32,400 (B148) in recommended appropriations in 2016-17.

The effects of the next outcome -- Students Accumulating 24 hours -- is then determined. Here, Walters State declined 7.6% (C149) from 2015-16 to 2016-17, which corresponds to a loss of \$74,200 (B149) in recommended appropriations in 2016-17.

This process is repeated for the remaining formula outcomes, quality assurance and fixed costs. Appropriations gained or lost due to Walters State's performance in 2016-17 are then summed (Cell B169) for the total change in recommended appropriations from 2015-16 to 2016-17 of \$716,300. This amount corresponds to Walters State's change in recommended appropriations highlighted in Column E on the '2016-17 Gov's Recommendation' tab. THEC's Community College recommendation is only for the sector as a whole. Institutional detail is for informational purposes only.

ATTACHMENT II

2016-17 State Appropriations Distribution Recommendation

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
			Breakdown of 2016-17 Changes					
Academic Formula Units	2015-16 Appropriation ¹	2016-17 Formula Calculation	Outcomes Formula Adjustments	Share of New Funding	2016-17 Changes	2016-17 Recommendation	Percent Change	Percent Funded
TBR Universities								
Austin Peay	\$36,983,700	\$59,934,200	\$833,000	\$2,137,100	\$2,970,100	\$39,953,800	8.0%	66.7%
East Tennessee ²	51,078,100	81,258,600	193,700	2,897,500	3,091,200	54,169,300	6.1%	66.7%
Middle Tennessee	85,856,700	134,452,400	(1,021,100)	4,794,300	3,773,200	89,629,900	4.4%	66.7%
Tennessee State	32,892,000	49,857,400	(1,433,400)	1,777,800	344,400	33,236,400	1.0%	66.7%
Tennessee Tech	39,297,400	63,158,300	553,600	2,252,100	2,805,700	42,103,100	7.1%	66.7%
University of Memphis	95,139,600	152,078,500	817,500	5,422,800	6,240,300	101,379,900	6.6%	66.7%
Subtotal	\$341,247,500	\$540,739,400	(\$56,700)	\$19,281,600	\$19,224,900	\$360,472,400	5.6%	66.7%
Community Colleges³								
Chattanooga	\$27,449,400	\$43,504,900	\$900	\$1,551,300	\$1,552,200	\$29,001,600	5.7%	66.7%
Cleveland	9,336,300	14,462,600	(210,800)	515,700	304,900	9,641,200	3.3%	66.7%
Columbia	12,842,400	20,786,000	273,000	741,200	1,014,200	13,856,600	7.9%	66.7%
Dyersburg	7,841,700	12,778,400	221,100	455,700	676,800	8,518,500	8.6%	66.7%
Jackson	11,401,100	18,383,900	198,600	655,500	854,100	12,255,200	7.5%	66.7%
Motlow	11,007,400	17,451,400	3,900	622,300	626,200	11,633,600	5.7%	66.7%
Nashville	16,935,900	26,361,300	(302,700)	940,000	637,300	17,573,200	3.8%	66.7%
Northeast	14,594,100	23,784,300	413,100	848,100	1,261,200	15,855,300	8.6%	66.7%
Pellissippi	25,599,300	40,574,700	2,100	1,446,800	1,448,900	27,048,200	5.7%	66.7%
Roane	18,011,800	28,397,300	(93,900)	1,012,600	918,700	18,930,500	5.1%	66.7%
Southwest	25,278,600	38,808,900	(791,300)	1,383,900	592,600	25,871,200	2.3%	66.7%
Volunteer	17,198,100	27,675,800	264,500	986,900	1,251,400	18,449,500	7.3%	66.7%
Walters	20,967,800	32,527,900	(443,600)	1,159,900	716,300	21,684,100	3.4%	66.7%
Community College Subtotal	\$218,463,900	\$345,497,400	(\$465,100)	\$12,319,900	\$11,854,800	\$230,318,700	5.4%	66.7%
UT Universities								
UT Chattanooga	\$41,674,700	\$67,879,200	\$1,155,100	\$2,420,500	\$3,575,600	\$45,250,300	8.6%	66.7%
UT Knoxville ²	184,890,300	292,304,400	(454,700)	10,423,100	9,968,400	194,858,700	5.4%	66.7%
UT Martin ²	27,692,100	43,605,000	(178,600)	1,554,900	1,376,300	29,068,400	5.0%	66.7%
Subtotal	\$254,257,100	\$403,788,600	\$521,800	\$14,398,500	\$14,920,300	\$269,177,400	5.9%	66.7%
Total Colleges and Universities	\$813,968,500	\$1,290,025,400	\$0	\$46,000,000	\$46,000,000	\$859,968,500	5.7%	66.7%
TN Colleges of Applied Technology	\$56,343,900	\$90,496,500	\$0	\$ 4,000,000	\$4,000,000	\$60,343,900	7.1%	66.7%
Total Academic Formula Units	\$870,312,400	\$1,380,521,900	\$0	\$50,000,000	\$50,000,000	\$920,312,400	5.7%	66.7%

1 - Recurring funding. Includes historical funding of \$2.81M for legislative initiatives. A breakdown of these initiatives by campus is included in Appendix C.

2 - Does not include recurring funds appropriated to the ETSU Gray Fossil Site (\$350K), UT Martin Parsons Center (\$200K) or to UT Knoxville for the engineering college (\$3M). These appropriations are included as Program Initiatives.

3 - THEC's Community College recommendation is only for the sector as a whole. Institutional detail displayed here is for informational purposes only.

2016-17 Work Program - FINAL

Academic Formula Units	2015-16 Recurring Appropriations	2016-17		2016-17 Recurring Cost Increases				2016-17 Recurring Adjustments				2016-17 Non-Recurring Adjustments		2016-17			Change in Recurring Appropriations	Recurring Percent Change	
		Outcomes Productivity	Revised Base	Outcomes/ Productivity	Salary Increase	Insurance Increase	401k Match	Salary Increases	Insurance Increases	Global Adjustments	Legislative Amendments	Global Adjustments	Legislative Amendments	Recurring Appropriations	Non-Recurring Appropriations	Total State Appropriations			
TBR Universities																			
Austin Peay	\$36,983,700	\$833,000	\$37,816,700	\$2,137,100	\$0	\$324,400	\$42,000	\$0	\$47,900	\$10,400	\$0	\$15,300	\$0	\$40,378,500	\$15,300	\$40,393,800	\$3,394,800	9.2%	
East Tennessee	51,428,100	193,700	51,621,800	2,897,500	-	638,700	91,400	-	95,100	18,300	-	29,100	-	55,362,800	29,100	55,391,900	3,934,700	7.7%	
Middle Tennessee	85,856,700	(1,021,100)	84,835,600	4,794,300	-	826,000	125,600	-	122,200	49,500	-	38,600	-	90,753,200	38,600	90,791,800	4,896,500	5.7%	
Tennessee State	32,892,000	(1,433,400)	31,458,600	1,777,800	-	379,600	45,400	-	56,200	300	1,039,000	16,500	-	34,756,900	16,500	34,773,400	1,864,900	5.7%	
Tennessee Tech	39,297,400	553,600	39,851,000	2,252,100	-	424,300	70,300	-	63,200	10,200	-	21,600	-	42,671,100	21,600	42,692,700	3,373,700	8.6%	
University of Memphis	95,139,600	817,500	95,957,100	5,422,800	-	851,000	83,200	-	127,400	(900)	-	46,900	-	102,440,600	46,900	102,487,500	7,301,000	7.7%	
Subtotal	\$341,597,500	(\$56,700)	\$341,540,800	\$19,281,600	\$0	\$3,444,000	\$457,900	\$0	\$512,000	\$87,800	\$1,039,000	\$168,000	\$0	\$366,363,100	\$168,000	\$366,531,100	\$24,765,600	7.2%	
UT Universities																			
UT Chattanooga	\$41,674,700	\$1,155,100	\$42,829,800	\$2,420,500	\$0	\$434,900	\$84,500	\$0	\$63,200	\$2,400	\$0	\$12,100	\$0	\$45,835,300	\$12,100	\$45,847,400	\$4,160,600	10.0%	
UT Knoxville	187,890,300	(454,700)	187,435,600	10,423,100	-	1,513,600	291,400	-	224,100	24,100	-	44,100	-	199,911,900	44,100	199,956,000	12,021,600	6.4%	
UT Martin	27,892,100	(178,600)	27,713,500	1,554,900	-	297,700	64,100	-	44,000	(1,300)	250,000	6,100	875,000	29,922,900	881,100	30,804,000	2,030,800	7.3%	
Subtotal	\$257,457,100	\$521,800	\$257,978,900	\$14,398,500	\$0	\$2,246,200	\$440,000	\$0	\$331,300	\$25,200	\$250,000	\$62,300	\$875,000	\$275,670,100	\$937,300	\$276,607,400	\$18,213,000	7.1%	
Community Colleges	\$218,463,900	(\$465,100)	\$217,998,800	\$12,319,900	\$0	\$1,764,900	\$312,200	\$0	\$263,900	\$121,600	\$0	\$183,200	\$0	\$232,781,300	\$183,200	\$232,964,500	\$14,317,400	6.6%	
Total Colleges and Universities	\$817,518,500	\$0	\$817,518,500	\$46,000,000	\$0	\$7,455,100	\$1,210,100	\$0	\$1,107,200	\$234,600	\$1,289,000	\$413,500	\$875,000	\$874,814,500	\$1,288,500	\$876,103,000	\$57,296,000	7.0%	
TN Colleges of Applied Tech	\$56,343,900	\$0	\$56,343,900	\$4,000,000	\$0	\$331,600	\$61,000	\$0	\$49,800	\$4,300	\$0	\$30,600	\$0	\$60,790,600	\$30,600	\$60,821,200	\$4,446,700	7.9%	
Total Academic Formula Units	\$873,862,400	\$0	\$873,862,400	\$50,000,000	\$0	\$7,786,700	\$1,271,100	\$0	\$1,157,000	\$238,900	\$1,289,000	\$444,100	\$875,000	\$935,605,100	\$1,319,100	\$936,924,200	\$61,742,700	7.1%	