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Institutional Budget Function Allocations as Predictors of Performance Outcomes of Tennessee Public Community Colleges and Universities

Abstract

With the increased use of performance funding in Tennessee and many other states, it is imperative that administrators strategically budget to meet performance outcome goals. The purpose of this research was to determine the relationship between the budget function allocations of Instruction, Academic Support, and Student Services and performance outcome measures involving student success factors defined as completion of credit hours, awards of technical certificates, and awards of undergraduate degrees through the academic years of 2006-07 and 2013-14. The population included the 13 public community colleges and 9 public universities in Tennessee within the Tennessee Board of Regents and the University of Tennessee systems. Statistical procedures included bivariate correlations and multiple regressions of the predictor variables of budget function allocations and the criterion variables of performance outcomes.

Descriptive data indicated an increase in the majority of the budget function area means and decreases in the majority of performance outcomes over the timeframe of the study. Correlation analysis of community college predictor and criterion variables revealed significant positive relationships existed between the following: (a) salary allocations for Student Services and awards of technical certificates; and (b) allocations for salaries for Instruction and completion of credit hours and number of associate degrees awarded. Multiple regression analysis of community college variables indicated salaries of Instruction were the most useful predictor of performance outcomes.

Correlation analysis of university predictor and criterion variables revealed significant negative relationships existed between the following: (a) operations for Student Services and completion of 24, 48, and 72 credit hours; (b) salaries for Student Services and completion of 24, 48, and 72 credit hours and number of bachelor degrees awarded; (c) salaries of Academic Support and completion of 24 and 48 credit hours; (d) operations budgets for Instruction and completion of 24, 48, and 72 credit hours; (e) budget allocations for salaries for Instruction and completion of 24 credit hours; and (f) combined budget allocations and completion of 24 and 48 credit hours. Correlation analysis of university predictor and criterion variables revealed significant positive relationships existed between operations budgets for Academic Support and completion of 72 credit hours and number of bachelor degrees awarded.