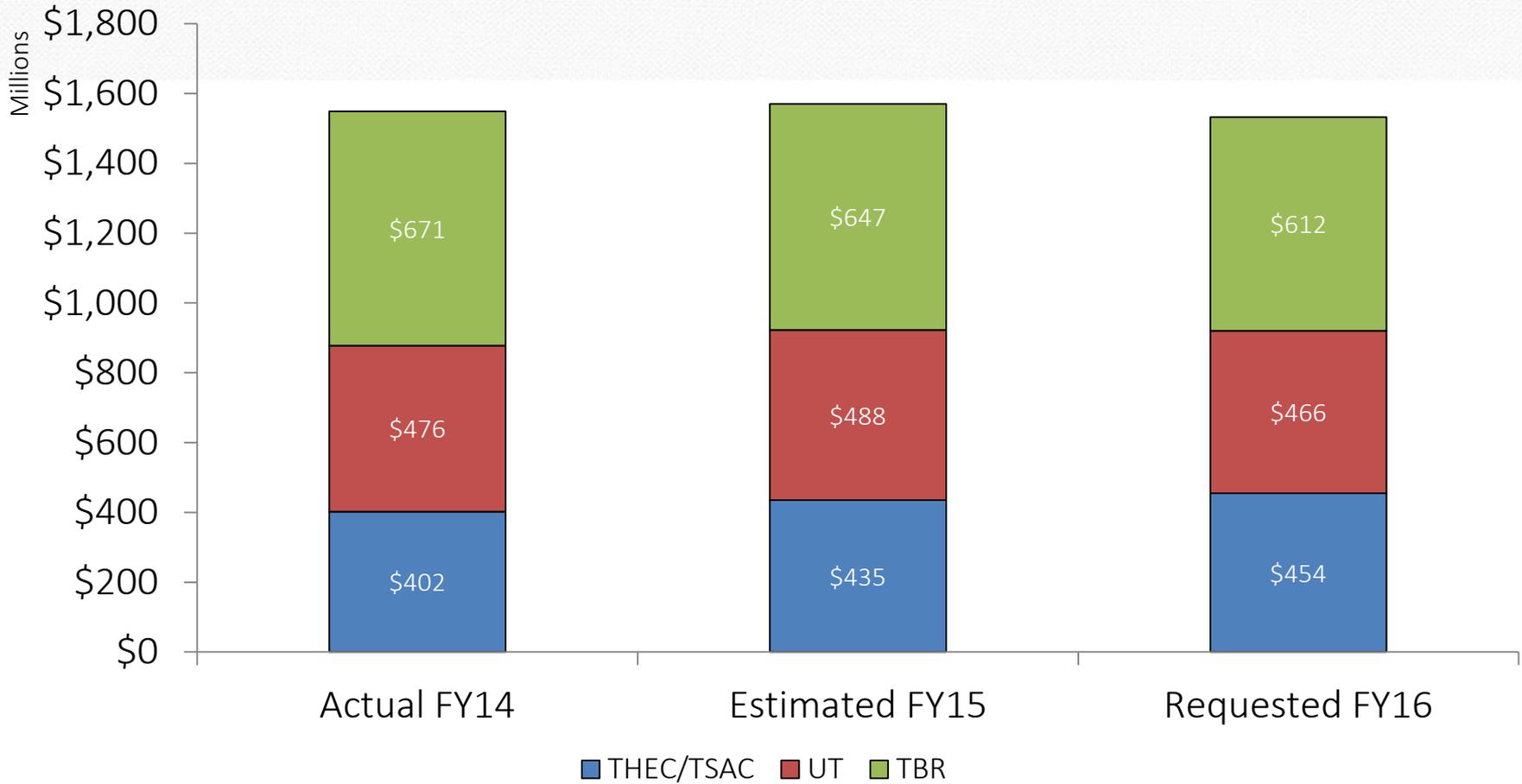




Higher Education Budget Hearing

December 5, 2014

State Dollars By System





Proposed Reduction Plan

Priority	Category	Reduction Description	State Savings
1.	THEC/TSAC - Program Operations	THEC and TSAC Administration - Reduce funding for operations and travel to institutions in THEC and TSAC administration. A similar reduction was submitted in FY14-15 and \$89,500 was taken.	\$120,900
2.	THEC/TSAC - Program Operations	Contract Education - Reduce the amount available for slots at private colleges and universities including Meharry Medical College, Southern College of Optometry, John A. Gupton College, and Vanderbilt University. A similar reduction was submitted in FY14-15 and \$52,100 was taken.	\$70,000
3.	THEC/TSAC - Program Operations	Centers of Excellence and Emphasis - Reduce recurring payments to the Centers of Excellence at four-year institutions and the Centers of Emphasis at two-year institutions. A similar reduction was submitted in FY14-15 and \$455,400 was taken.	\$611,100
4.	THEC/TSAC - Program Operations	Tuition & Fee Discount Program - Reduce the amount of reimbursement that colleges and universities receive to offset the cost of state employees and their dependents attending classes at a reduced rate. The current reimbursement rate is less than 20% of the total cost. A similar reduction was submitted in FY14-15 and \$56,100 was taken.	\$75,500
5.	THEC/TSAC - Program Operations	Tennessee Foreign Language Institute - Reduce operational expenditures. A similar reduction was submitted in FY14-15 but was not taken.	\$13,300

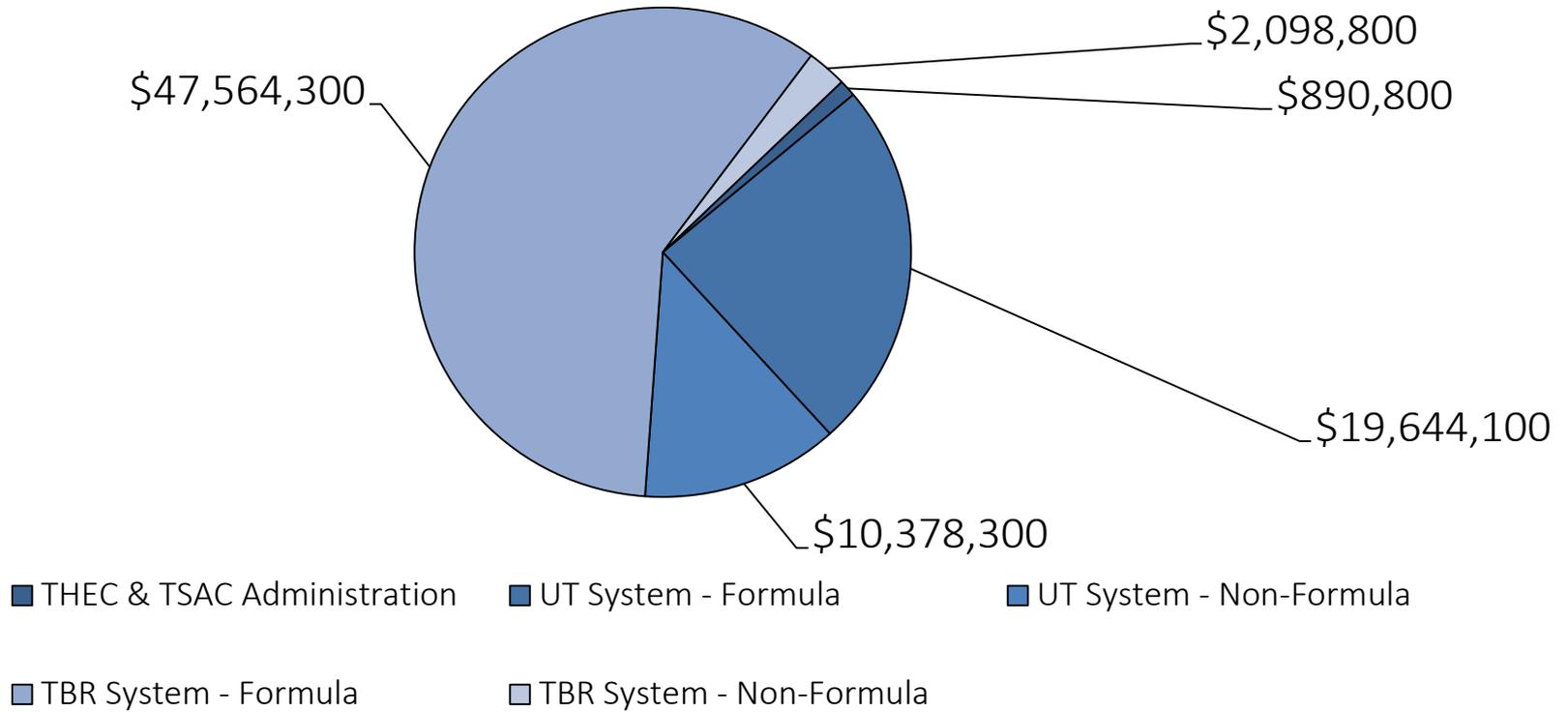


Proposed Reduction Plan

Priority	Category	Reduction Description	State Savings
6.	UT System - Program Operations	UT System Non-Formula Units - Seven percent (7%) reduction to non-formula programs and operations.	\$10,378,300
7.	UT System - Program Operations	UT System Formula Units - Seven percent (7%) reduction to formula programs and operations.	\$19,644,100
8.	TBR System - Program Operations	TBR System Non-Formula Units - Seven percent (7%) reduction to non-formula programs and operations.	\$2,098,800
9.	TBR System - Program Operations	TBR System Formula - Seven percent (7%) reduction to formula programs and operations.	\$47,564,300
	Total Higher Education Savings		\$80,576,300

Proposed State Dollar Reductions By System

Total Reductions = \$80,576,300





Proposed Cost Increases

	Increase	Total	State	Federal	Other	Positions
1.	Need-Based Student Financial Aid - <i>Recurring funds for need-based financial aid to serve unfunded eligible students. The Tennessee Student Assistance Awards (TSAA) program provides grants to financially needy undergraduate students who are residents of Tennessee attending in-state institutions.</i>	\$29,400,000	\$29,400,000	0	0	0
2.	TSAC Operations - <i>This cost increase will offset revenue from the federal loan program which will terminate operations in FY16-17 and allow the continuation of agency programs and services partially funded with federal loan revenue.</i>	\$550,000	\$550,000	0	0	0
3.	LEAP Position – <i>Additional position for the Labor Education Alignment Program (LEAP).</i>	\$96,300	\$96,300	0	0	1
4.	Database Positions – <i>Additional positions for the lottery and scholarship payment database. Funding will be non-recurring. Positions will be recurring.</i>	\$600,000	\$600,000			6
5.	THEC/TSAC Operations – <i>Additional funding for non-formula unit program and operations.</i>	\$872,000	\$872,000	0	0	0

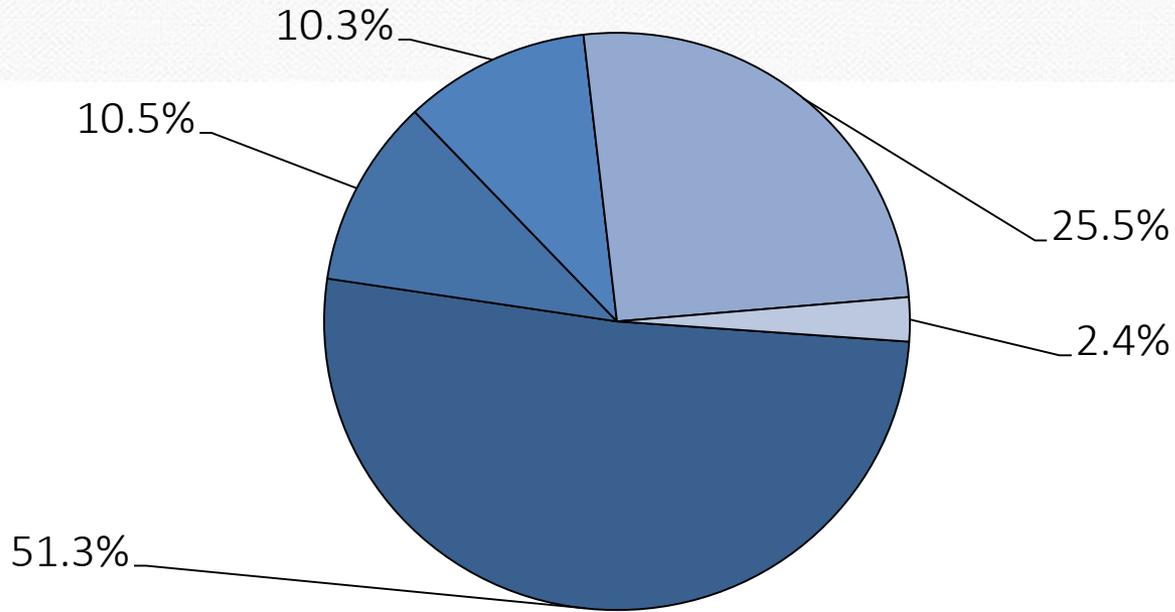


Proposed Cost Increases

	Increase	Total	State	Federal	Other	Positions
6.	Drive to 55 – <i>Additional non-recurring funding for the Governor’s Drive to 55 Initiative.</i>	\$5,000,000	\$5,000,000	0	0	0
7.	Tennessee Promise Position – <i>Additional position for the Tennessee Promise Program.</i>	\$80,000	\$80,000	0	0	1
8.	UT System Program Operations – <i>To provide funding associated with greater institutional productivity, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units.</i>	\$7,511,500	\$7,511,500	0	0	0
9.	TBR System Program Operations - <i>To provide funding associated with greater institutional productivity, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units.</i>	\$18,188,500	\$18,188,500	0	0	0
10.	UT System Program Operations - <i>To provide funding to non-formula units to offset inflationary cost increases.</i>	\$7,344,400	\$7,344,400	0	0	0
11.	TBR System Program Operations - <i>To provide funding to non-formula units to offset inflationary cost increases.</i>	\$1,751,900	\$1,751,900	0	0	0
	Total Cost Increases Higher Education	\$71,394,600	\$71,394,600	0	0	8



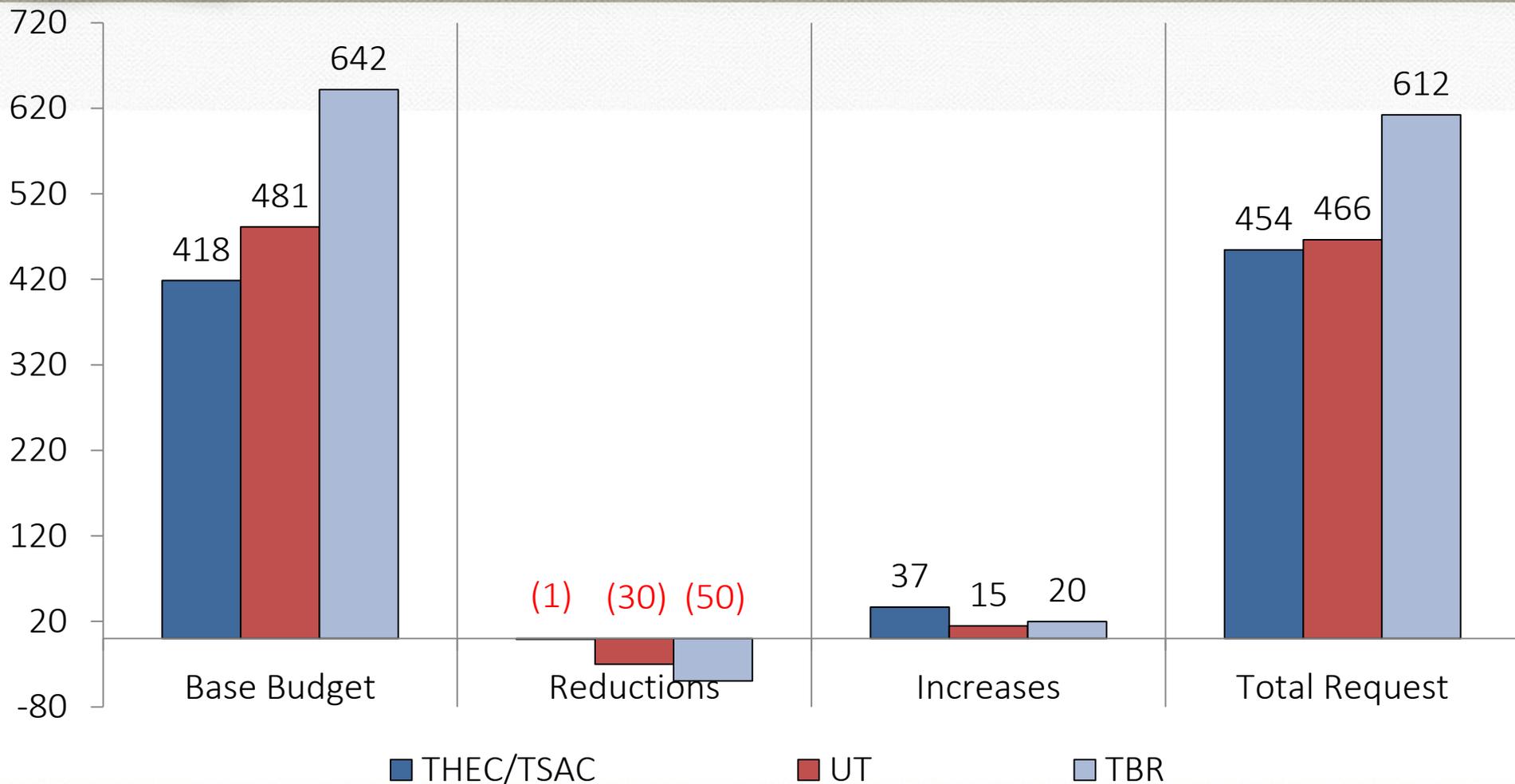
Proposed State Dollar Cost Increases *As A Percentage of Total Increases Requested*



- THEC/TSAC Administration
- UT System - Formula
- UT System - Non-Formula
- TBR System - Formula

Request Summary

State Appropriations (in millions)

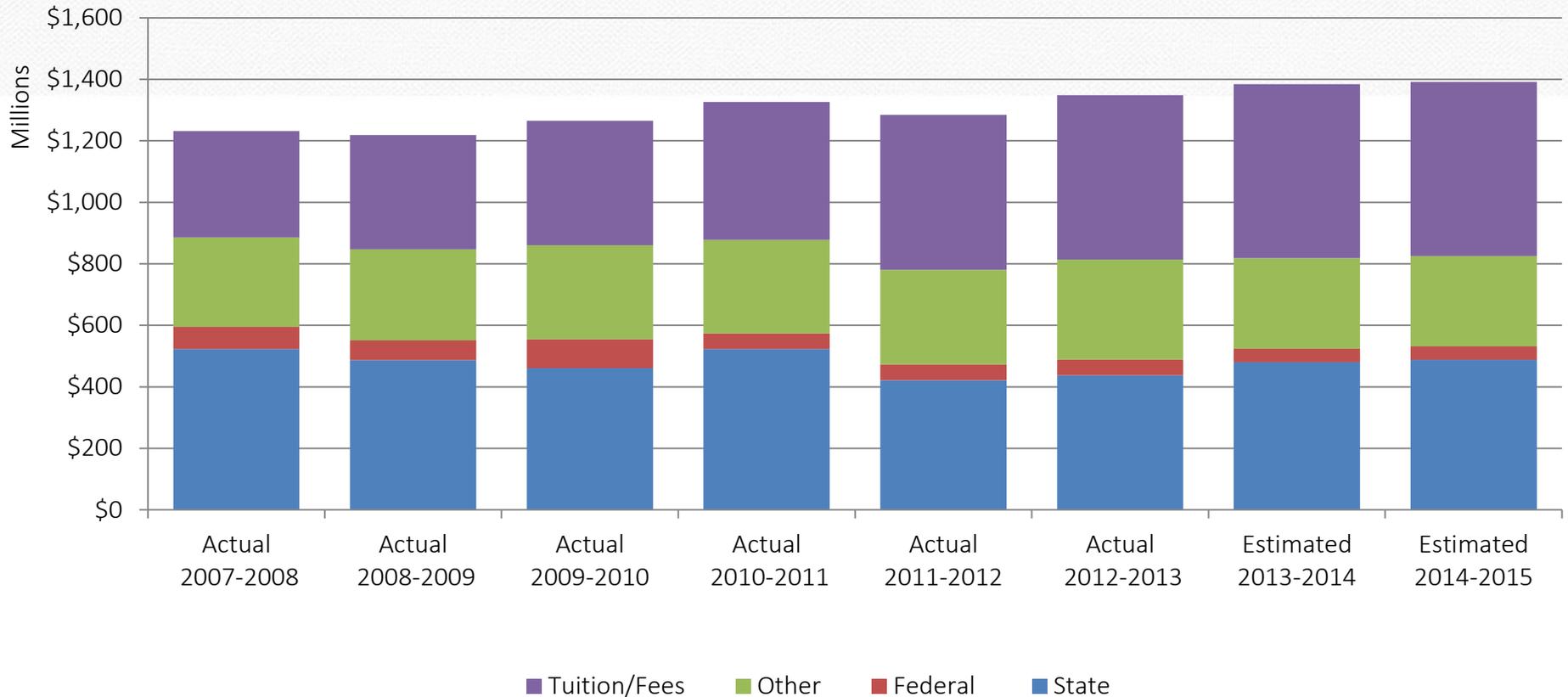




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Funding History

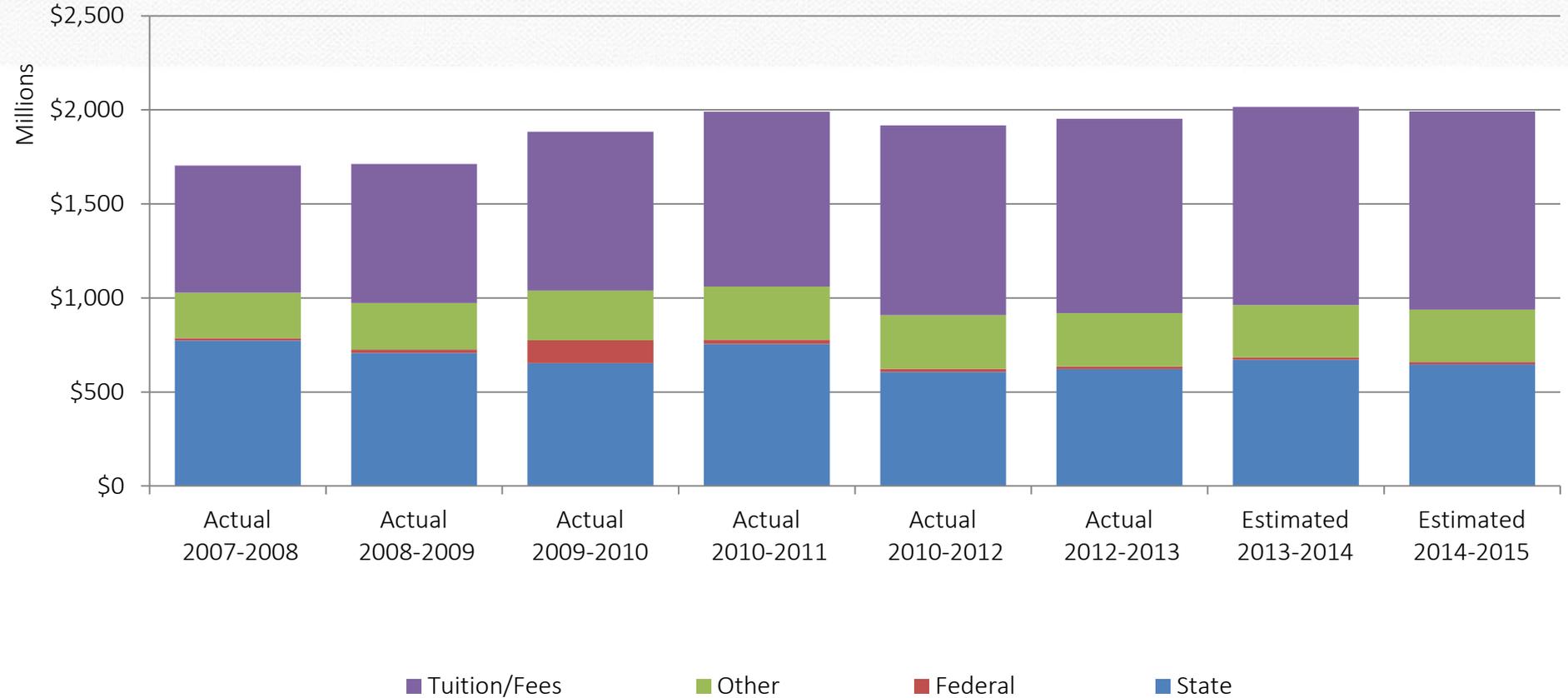
University of Tennessee System





Funding History

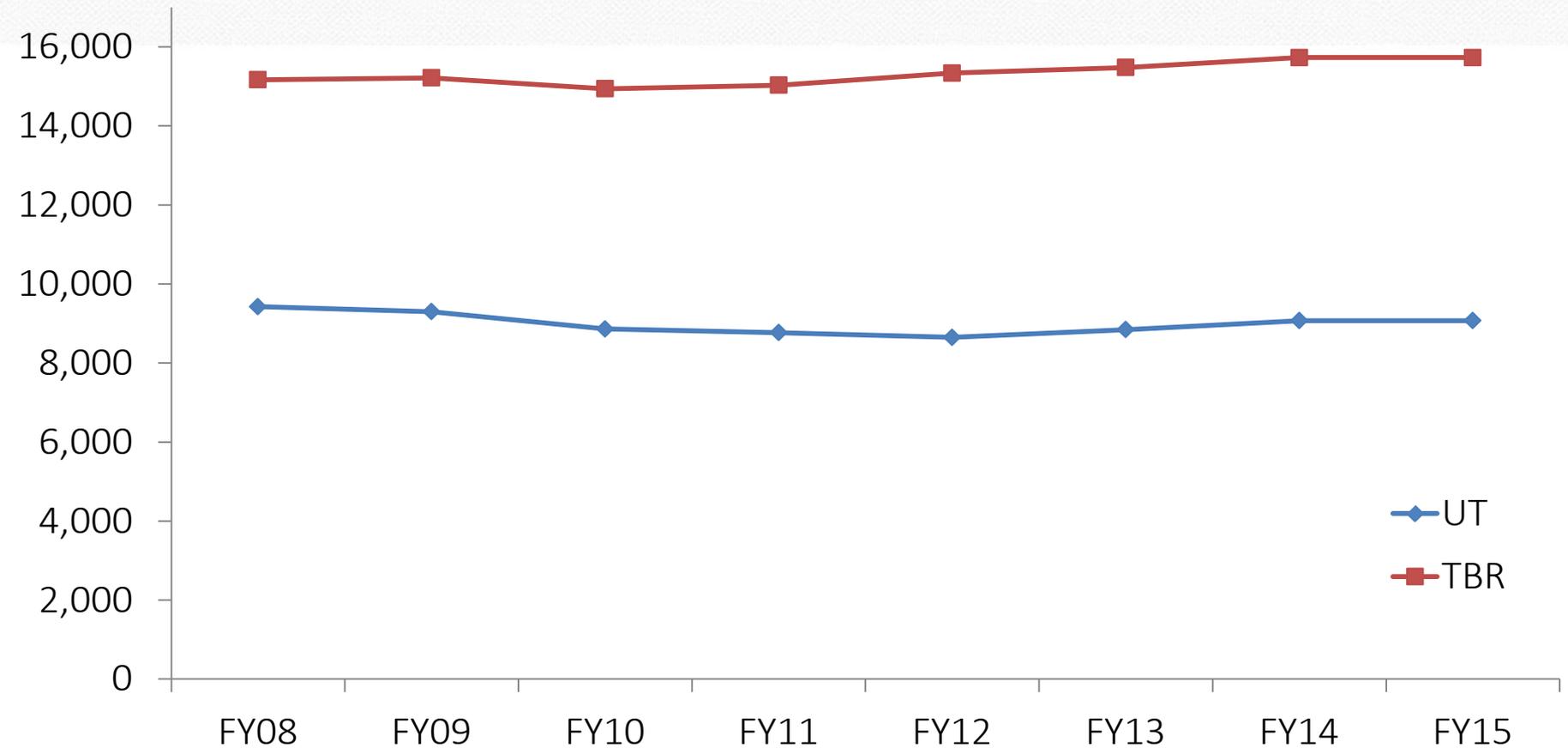
Tennessee Board of Regents System





Authorized Positions

University of Tennessee & Tennessee Board of Regents





Capital Outlay Projects

THEC Priority	System	System Priority	Institution	Project Name	Total Project Cost	State Request
1.	TBR	1.	Tennessee Colleges Applied Technology	TCAT Improvements	\$24,600,000	\$23,370,000
2.	UT	1.	University of Tennessee Institute of Agriculture	West Tennessee 4-H Center – Land Acquisition	\$15,900,000	\$14,310,000
3.	TBR	2.	Austin Peay State University	Fine Arts Improvements	\$21,300,000	\$15,975,000
4.	TBR	3.	Jackson State Community College	Health Sciences Building	\$18,000,000	\$16,200,000
5.	TBR	4.	East Tennessee State University	Fine Arts Classroom Building	\$40,650,000	\$30,487,000
6.	UT	2.	University of Tennessee – Knoxville	Science Laboratory Facility (Cumberland and 13 th)	\$102,490,000	\$83,740,000
				Total Capitol Outlay Projects	\$222,940,000	\$184,082,000



Capital Maintenance

	System	Number of Projects	Total State Request
	Tennessee Board of Regents	69	\$79,750,000
	University of Tennessee	11	\$53,160,000
	Total Systems Capital Maintenance	80	\$132,910,000