

DATE: November 7, 2019

SUBJECT: 2020-21 Operating State Appropriation Recommendations

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION

The operating appropriation recommendations are informed by increased productivity in the outcomes-based funding formula, quality assurance points, inflationary factors, and changes to fixed costs. Per the Complete College Tennessee Act, the Tennessee Higher Education Commission (THEC) makes state appropriation recommendations in a lump-sum fashion for the community college sector. Outcomes-based formula calculations for individual community colleges are presented for informational purposes.

FORMULA UNIT RECOMMENDATION

For the 2020-21 fiscal year, THEC staff recommend a recurring increase of \$38 million in state appropriations to recognize growth in outcomes productivity for universities, community colleges, and colleges of applied technology. At the request of the administration, this recurring recommendation does not include a salary component, allowing the administration to apply general government’s salary policy to higher education. However, for the purposes of the tuition and fee guiding range recommendation found in Agenda Item VIII, THEC staff are utilizing an estimated 2 percent salary increase of approximately \$23 million. This salary estimate is based upon the administration’s 2019-20 salary policy.

The outcomes-based funding formula utilizes a three-year average to determine growth in outcomes. The 2020-21 formula includes outcomes produced in 2016-17, 2017-18 and 2018-19. Institutions continue to show improvement in funding formula outcomes when comparing the most recent year of data used for the 2020-21 formula request to 2015-16, the data year dropped off with the movement to the new three-year average. Rooted in statewide implementation of the Tennessee Promise program, the community colleges produced nearly 11,000 associate degrees in 2018-19, compared to 9,400 degrees in 2015-16. This represents a 17 percent increase from new-year to dropped-year of outcomes data. Community colleges awarded 15,000 total credentials in 2018-19, a 10 percent increase since 2015-16. Universities continue to succeed in the model as well. In 2018-19,

universities awarded over 22,000 bachelor's degrees, a three percent increase from 2015-16. Additionally, the average graduation rate has increased significantly from 57.0 percent in 2015-16 to 61.8 percent in 2018-19.

Collaboration between institutions and the local community continue to help the state in its pursuit of Drive to 55; more students pursued a dual enrollment opportunity at a community college in 2018-19 than ever before, community colleges provided nearly 1 million hours of workforce training to local residents and businesses, universities generated nearly \$375 million in research and public service expenditures, and, in the fourth year of inclusion in the formula, community colleges—in coordination with universities—awarded over 800 reverse transfer associate degrees. The Tennessee Colleges of Applied Technology continue to grow, serving over 20,000 students in Fall 2018—a three percent increase over the previous year. These institutions are reporting a completion rate of over 80 percent and a job placement rate for graduates of 85 percent.

SPECIALIZED UNITS RECOMMENDATION

Along with the formula unit recommendation, staff recommend a funding increase of \$17.9 million recurring for the specialized units—which include the medical colleges, agriculture research units, public service entities and statewide program initiatives. Funding increases for these units reflect annual growth in several cost drivers. These drivers exceed general inflation and include increases in costs due to maintenance, salaries and benefits, information technology systems, laboratory supplies, and scientific equipment. For example, Tennessee's medical unit costs are driven by the need to provide students with current information and techniques that require updated medical technology and journal access. Tennessee's agricultural centers have unique cost drivers related to equipment, farming machinery, crops, and livestock. Specialized units have not received general operating dollars to address these non-salary and benefit related cost increases since 2016-17. Operating fund recommendations for the formula and specialized units are detailed in Attachment II.

OTHER SPECIAL INITIATIVES

Staff also recommend \$7.7 million in recurring funds for strategic investments in several specialized units. The specialized unit strategic initiatives include \$1.1 million for the Quillen College of Medicine at East Tennessee State University to provide increased care in pediatric surgery and children services. Additionally, staff recommend \$6.6 million for the University of Tennessee Institute of Agriculture to address comparative salary inequities and to increase the

number of extension county agents, placing one in each of Tennessee's 95 counties. Staff also recommend three statewide system priorities at the Tennessee Board of Regents, totaling \$10.55 million. The first investment of \$3.9 million recurring would expand the community college advising capacity to include the colleges of applied technology, the second would provide \$750,000 to support faculty as they create competency-based coursework; and the third would provide \$5.9 million to employ a sworn police officer at each TCAT campus and hire a Chief of Police at the system office to coordinate all safety and security functions for the Board of Regents. Additional information on these initiatives can be found in Attachment III.

The staff recommendation also includes \$2 million for Statewide Security Grants to complete phase IV of safety and security investments in higher education infrastructure, \$1 million to continue the Veteran Reconnect Grant program, \$400,000 for the HBCU Summer Bridge Program, \$337,000 to expand access to Tennessee Promise Bridge Awards into five previously unserved counties, \$300,000 to fund a Reverse Transfer Portal, and \$110,000 for a Veterans Success Director.

Lastly, the TSAC Board of Directors recommends an increase of \$9.6 million to the Tennessee Student Assistance Award (TSAA), the state's need-based grant program. Since 2013-14, the State has invested over \$55 million into TSAA, nearly doubling recurring funds to this program. Due to this investment, all students who are eligible under the current guidelines will receive funding in 2019-20. This additional investment will allow the student assistance corporation to expand the students served to those with an expected family contribution of up to \$3,000—an EFC equivalent to an adjusted gross income of \$44,000 for a family of four.

REDUCTION SCENARIO

Finally, the Department of Finance & Administration has requested that state agencies prepare the 2020-21 budget with a 1.0 percent reduction in state appropriations. Financial aid funding provided by TSAC, recurring funds for capital maintenance, the University of Tennessee system, the Statewide University and Community College System, and other essential higher education programs are exempt from this reduction scenario in 2020-21. A 1.0 reduction to the remaining units results in a reduction in state appropriations of \$110,000. This distribution is detailed in Attachment IV.

RECOMMENDATION SUMMARY

The grand total recurring recommendation for all higher education operating appropriations for 2020-21 is \$1.77 billion. This includes \$1.2 billion to fund the formula units and Tennessee Colleges of Applied Technology, \$495.7 million to fund the specialized units, and \$85 million for strategic program investments. These recurring recommendations total \$87.9 million of new funds, an increase of 5.2 percent over 2019-20.

ATTACHMENT I

State Appropriations History

Academic Formula Units	2015-16	2016-17	2017-18	2018-19	2019-20
LGI Universities					
Austin Peay	\$36,983,700	\$40,378,500	\$44,621,700	\$47,857,100	\$50,503,100
East Tennessee	51,428,100	55,362,800	61,099,800	65,770,700	70,579,000
Middle Tennessee	85,856,700	90,753,200	97,003,700	103,216,200	107,399,400
Tennessee State	32,892,000	33,717,900	36,757,500	39,402,300	41,795,200
Tennessee Tech	39,297,400	42,671,100	47,231,100	55,020,600	59,597,500
University of Memphis	95,139,600	102,440,600	110,827,200	117,771,000	123,370,700
Subtotal	\$341,597,500	\$365,324,100	\$397,541,000	\$429,037,900	\$453,244,900
Community Colleges¹					
Chattanooga	\$27,449,400	\$29,315,200	\$31,118,200	\$31,863,600	\$33,669,500
Cleveland	9,336,300	9,751,700	10,988,200	11,215,700	12,302,400
Columbia	12,842,400	13,970,500	15,026,400	15,821,100	16,836,200
Dyersburg	7,841,700	8,622,500	9,388,600	9,734,200	10,516,000
Jackson	11,401,100	12,395,800	13,561,500	14,266,600	15,102,200
Motlow	11,007,400	11,739,900	13,292,500	15,023,000	17,565,300
Nashville	16,935,900	17,756,500	20,259,300	22,228,600	23,374,700
Northeast	14,594,100	16,059,900	18,137,200	19,695,300	21,089,900
Pellissippi	25,599,300	27,349,000	30,477,800	32,729,600	34,934,000
Roane	18,011,800	19,093,300	21,087,900	22,518,000	24,110,700
Southwest	25,278,600	26,115,800	27,147,100	28,504,100	30,253,800
Volunteer	17,198,100	18,698,700	20,809,700	23,498,200	26,331,900
Walters	20,967,800	21,912,500	23,469,700	24,606,600	25,527,400
Subtotal	\$218,463,900	\$232,781,300	\$254,764,100	\$271,704,600	\$291,614,000
UT Universities					
UT Chattanooga	\$41,674,700	\$45,835,300	\$51,005,300	\$56,184,500	\$58,905,900
UT Knoxville	187,890,300	199,911,900	217,270,000	234,382,200	247,059,300
UT Martin	27,892,100	29,922,900	32,495,400	34,698,100	35,748,200
Subtotal	\$257,457,100	\$275,670,100	\$300,770,700	\$325,264,800	\$341,713,400
Total Colleges and Universities	\$817,518,500	\$873,775,500	\$953,075,800	\$1,026,007,300	\$1,086,572,300
TN Colleges of Applied Technology	\$56,343,900	\$60,790,600	\$66,857,600	\$71,579,600	\$75,727,400
Total Academic Formula Units	\$873,862,400	\$934,566,100	\$1,019,933,400	\$1,097,586,900	\$1,162,299,700

Note: All years of appropriations are recurring funds only.

1 - Detail for the community colleges was estimated by THEC based on information from the Tennessee Board of Regents. Funds are allocated to the community colleges as a system.

ATTACHMENT I

State Appropriations History

Specialized Units	2015-16	2016-17	2017-18	2018-19	2019-20
Medical Education					
ETSU College of Medicine	\$30,166,900	\$31,268,700	\$33,094,900	\$34,470,700	\$35,543,300
ETSU Family Practice	6,447,000	6,687,600	7,160,800	7,526,300	7,816,500
UT College of Vet Medicine	17,379,800	18,124,700	19,710,800	21,398,400	22,192,700
UT Health Science Center ¹	134,984,800	140,534,000	149,498,300	157,683,100	162,001,500
Subtotal	\$188,978,500	\$196,615,000	\$209,464,800	\$221,078,500	\$227,554,000
Research and Public Service					
UT Agricultural Experiment Station	\$26,380,600	\$27,625,600	\$29,048,400	\$30,435,300	\$31,092,900
UT Agricultural Extension Service	32,384,200	33,831,200	35,590,500	37,509,700	38,276,100
TSU McMinnville Center	575,500	594,500	608,200	619,400	1,429,200
TSU Institute of Ag. and Environmental Research	2,340,600	3,456,300	3,541,700	3,613,700	4,771,800
TSU Cooperative Extension	3,207,300	3,318,500	3,510,100	3,610,200	3,703,500
TSU McIntire-Stennis Forestry Research	183,400	189,400	193,300	196,200	198,900
UT Space Institute	8,187,700	8,490,500	8,900,500	9,129,100	9,290,800
UT Institute for Public Service	5,847,000	6,145,600	6,465,100	6,684,800	6,823,000
Tennessee Language Center	426,500	516,700	637,800	672,000	712,300
Institute for Public Service: Other Agencies	5,420,500	5,628,900	5,827,300	6,012,800	6,110,700
UT County Technical Assistance Service	1,858,100	2,236,600	2,962,700	3,103,800	3,203,900
UT Municipal Technical Advisory Service	3,033,400	3,157,300	3,408,700	3,603,800	3,713,700
Subtotal	\$83,997,800	\$89,045,500	\$94,229,200	\$98,506,000	\$102,503,800
Other Specialized Units					
UT University-Wide Administration	\$4,859,900	\$5,202,100	\$5,537,800	\$5,939,000	\$6,032,100
TN Board of Regents Administration	5,465,400	5,720,200	6,483,500	8,196,600	8,444,700
TN Student Assistance Corporation	70,459,600	83,568,600	93,536,000	103,703,900	116,177,100
Tennessee Student Assistance Awards	67,762,500	80,962,500	90,962,500	100,962,500	113,262,500
Tennessee Student Assistance Corporation Loan/Scholarships Program	1,476,300	1,627,900	1,795,300	1,963,200	2,136,400
Loan/Scholarships Program	1,220,800	978,200	778,200	778,200	778,200
Contract Education	2,110,800	2,176,000	1,832,500	1,832,500	2,249,900
TN Higher Education Commission	2,921,000	3,619,300	4,495,700	5,187,100	5,757,200
THEC Administration	2,921,000	3,202,900	3,669,800	3,735,700	3,879,800
College Completion Initiatives for Minority Students	-	-	105,000	105,000	105,000
Tennessee Reconnect Grant Coordinator	-	-	100,000	100,000	100,000
Capital Projects Coordinator	-	-	120,600	120,600	120,600
Drive to 55 Support Specialist	-	-	83,900	83,900	83,900
FOCUS Act	-	416,400	416,400	416,400	416,400
Advise TN (College Advisor Corp)	-	-	-	245,200	245,200
Adult Learner Initiatives	-	-	-	200,000	200,000
Labor Education Alignment Program	-	-	-	96,300	96,300
Tennessee Reconnect Coordinator	-	-	-	84,000	84,000
Correctional Education Investment	-	-	-	-	426,000
Subtotal	\$85,816,700	\$100,286,200	\$111,885,500	\$124,859,100	\$138,661,000
Total Specialized Units	\$358,793,000	\$385,946,700	\$415,579,500	\$444,443,600	\$468,718,800
Total Formula and Specialized Units	\$1,232,655,400	\$1,320,512,800	\$1,435,512,900	\$1,542,030,500	\$1,631,018,500
Program Initiatives					
Campus Centers of Excellence	\$17,414,600	\$17,133,600	\$17,685,600	\$18,063,100	\$18,363,900
Campus Centers of Emphasis	1,257,000	1,236,600	1,288,100	1,314,400	1,338,100
Academic Scholars Program	411,800	711,800	1,211,800	1,211,800	1,211,800
UT Access and Diversity Initiative	5,806,700	5,806,700	5,806,700	5,806,700	5,806,700
TBR Access and Diversity Initiative	10,256,900	10,256,900	10,256,900	10,256,900	10,256,900
Research Initiatives - UT	5,852,900	5,852,900	5,852,900	5,852,900	5,852,900
THEC Grants	5,778,400	5,778,400	6,028,400	5,852,900	11,089,000
Subtotal	\$46,778,300	\$46,776,900	\$48,130,400	\$48,358,700	\$53,919,300
Total Operating	\$1,279,433,700	\$1,367,289,700	\$1,483,643,300	\$1,590,389,200	\$1,684,937,800

Note: All years of appropriations are recurring funds only.

1 - UT Health Science Center includes funding for UT College of Medicine, UT Family Practice, and UT Memphis.

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2020-21 State Appropriations Distribution Recommendation

A B C D E = C + D F = E + A G = E / A H = F / B

	2019-20 Appropriation ¹	2020-21 Formula Calculation	Breakdown of 2020-21 Changes		2020-21 Changes	2020-21 Recommendation	Percent Change	Percent Funded
			Outcomes Formula Adjustments	Share of New Funding				
Academic Formula Units								
LGI Universities								
Austin Peay	\$50,503,100	\$76,111,000	\$263,700	\$1,671,500	\$1,935,200	\$52,438,300	3.8%	68.9%
East Tennessee ²	69,479,000	105,044,500	586,800	2,306,900	2,893,700	72,372,700	4.2%	68.9%
Middle Tennessee	107,399,400	158,590,000	(1,618,200)	3,482,900	1,864,700	109,264,100	1.7%	68.9%
Tennessee State	41,795,200	61,600,800	(706,800)	1,352,800	646,000	42,441,200	1.5%	68.9%
Tennessee Tech ²	56,597,500	85,458,500	404,200	1,876,800	2,281,000	58,878,500	4.0%	68.9%
University of Memphis	123,370,700	184,595,400	(243,600)	4,054,000	3,810,400	127,181,100	3.1%	68.9%
Subtotal	\$449,144,900	\$671,400,200	(\$1,313,900)	\$14,744,900	\$13,431,000	\$462,575,900	3.0%	68.9%
Community Colleges³								
Chattanooga	\$33,669,500	\$49,350,900	(\$751,900)	\$1,083,800	\$331,900	\$34,001,400	1.0%	68.9%
Cleveland	12,302,400	17,803,600	(427,200)	391,100	(36,100)	12,266,300	-0.3%	68.9%
Columbia	16,836,200	26,282,000	694,200	577,200	1,271,400	18,107,600	7.6%	68.9%
Dyersburg	10,516,000	15,975,200	139,600	350,800	490,400	11,006,400	4.7%	68.9%
Jackson	15,102,200	22,167,300	(316,400)	486,800	170,400	15,272,600	1.1%	68.9%
Motlow	17,565,300	28,835,500	1,668,100	633,300	2,301,400	19,866,700	13.1%	68.9%
Nashville	23,374,700	33,885,300	(772,900)	744,200	(28,700)	23,346,000	-0.1%	68.9%
Northeast	21,089,900	34,311,600	1,796,300	753,500	2,549,800	23,639,700	12.1%	68.9%
Pellissippi	34,934,000	52,887,200	342,300	1,161,500	1,503,800	36,437,800	4.3%	68.9%
Roane	24,110,700	35,969,400	(118,700)	789,900	671,200	24,781,900	2.8%	68.9%
Southwest	30,253,800	44,665,800	(461,200)	980,900	519,700	30,773,500	1.7%	68.9%
Volunteer	26,331,900	41,482,200	1,337,200	911,000	2,248,200	28,580,100	8.5%	68.9%
Walters	25,527,400	37,976,400	(196,700)	834,000	637,300	26,164,700	2.5%	68.9%
Community College Subtotal	\$291,614,000	\$441,592,400	\$2,932,700	\$9,698,000	\$12,630,700	\$304,244,700	4.3%	68.9%
UT Universities								
UT Chattanooga	\$58,905,900	\$88,588,800	\$183,800	\$1,945,500	\$2,129,300	\$61,035,200	3.6%	68.9%
UT Knoxville ²	244,059,300	365,012,200	(592,400)	8,016,200	7,423,800	251,483,100	3.0%	68.9%
UT Martin ²	35,108,200	50,848,900	(1,191,500)	1,116,700	(74,800)	35,033,400	-0.2%	68.9%
Subtotal	\$338,073,400	\$504,449,900	(\$1,600,100)	\$11,078,400	\$9,478,300	\$347,551,700	2.8%	68.9%
Total Colleges and Universities	\$1,078,832,300	\$1,617,442,500	\$18,700	\$35,521,300	\$35,540,000	\$1,114,372,300	3.3%	68.9%
TN Colleges of Applied Technology ²	\$75,301,400	\$112,865,900	(\$18,700)	\$2,478,700	\$2,460,000	\$77,761,400	3.3%	68.9%
Total Academic Formula Units	\$1,154,133,700	\$1,730,308,400	\$0	\$38,000,000	\$38,000,000	\$1,192,133,700	3.3%	68.9%

1 - Recurring funding. Includes historical funding of \$7.4M for legislative initiatives. A breakdown of these initiatives by campus is included in Appendix A.

2 - Does not include recurring funds appropriated to the ETSU Gray Fossil Site (\$350K), ETSU Rural Public Health Project (\$750K), TTU College of Engineering (\$3M), UT Knoxville College of Engineering (\$3M), UT Martin Parsons Center (\$200K), UT Martin Selmer Center (\$190K), UT Martin Somerville Center (\$250K) and the TCATs Correctional Education Investment Initiative (\$426K). These appropriations are included as Program Initiatives.

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

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2020-21 State Appropriations Share of Total Calculation

	A	B	C	D	E = D + A	F = D / A
Academic Formula Units	2019-20 Appropriation ¹	2019-20 Appropriation Share	2020-21 Appropriation Share	2020-21 Funding Changes	2020-21 Recommendation	Percent Change
LGI Universities						
Austin Peay	\$50,503,100	4.68%	4.71%	\$1,935,200	\$52,438,300	3.8%
East Tennessee ²	69,479,000	6.44%	6.49%	2,893,700	72,372,700	4.2%
Middle Tennessee	107,399,400	9.96%	9.80%	1,864,700	109,264,100	1.7%
Tennessee State	41,795,200	3.87%	3.81%	646,000	42,441,200	1.5%
Tennessee Tech ²	56,597,500	5.25%	5.28%	2,281,000	58,878,500	4.0%
University of Memphis	123,370,700	11.44%	11.41%	3,810,400	127,181,100	3.1%
Subtotal	\$449,144,900	41.63%	41.51%	\$13,431,000	\$462,575,900	3.0%
Community Colleges³						
Chattanooga	\$33,669,500	3.12%	3.05%	\$331,900	\$34,001,400	1.0%
Cleveland	12,302,400	1.14%	1.10%	(36,100)	12,266,300	-0.3%
Columbia	16,836,200	1.56%	1.62%	1,271,400	18,107,600	7.6%
Dyersburg	10,516,000	0.97%	0.99%	490,400	11,006,400	4.7%
Jackson	15,102,200	1.40%	1.37%	170,400	15,272,600	1.1%
Motlow	17,565,300	1.63%	1.78%	2,301,400	19,866,700	13.1%
Nashville	23,374,700	2.17%	2.09%	(28,700)	23,346,000	-0.1%
Northeast	21,089,900	1.95%	2.12%	2,549,800	23,639,700	12.1%
Pellissippi	34,934,000	3.24%	3.27%	1,503,800	36,437,800	4.3%
Roane	24,110,700	2.23%	2.22%	671,200	24,781,900	2.8%
Southwest	30,253,800	2.80%	2.76%	519,700	30,773,500	1.7%
Volunteer	26,331,900	2.44%	2.56%	2,248,200	28,580,100	8.5%
Walters	25,527,400	2.37%	2.35%	637,300	26,164,700	2.5%
Community College Subtotal	\$291,614,000	27.03%	27.30%	\$12,630,700	\$304,244,700	4.3%
UT Universities						
UT Chattanooga	\$58,905,900	5.46%	5.48%	\$2,129,300	\$61,035,200	3.6%
UT Knoxville ²	244,059,300	22.62%	22.57%	7,423,800	251,483,100	3.0%
UT Martin ²	35,108,200	3.25%	3.14%	(74,800)	35,033,400	-0.2%
Subtotal	\$338,073,400	31.34%	31.19%	\$9,478,300	\$347,551,700	2.8%
Total Colleges and Universities	\$1,078,832,300	100.00%	100.00%	\$35,540,000	\$1,114,372,300	3.3%

1 - Recurring funding. Includes historical funding of \$7.4M for legislative initiatives. A breakdown of these initiatives by campus is included in Appendix A.

2 - Does not include recurring funds appropriated to the ETSU Gray Fossil Site (\$350K), ETSU Rural Public Health Project (\$750K), TTU College of Engineering (\$3M), UT Knoxville College of Engineering (\$3M), UT Martin Parsons Center (\$200K), UT Martin Selmer Center (\$190K), and UT Martin Somerville Center (\$250K). These appropriations are included as Program Initiatives.

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2020-21 State Appropriations Distribution Recommendation

	A	B	C = B - A	D = C / A
Specialized Units	2019-20 Appropriation ¹	2020-21 Recommendation ¹	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$35,543,300	\$38,398,400	\$2,855,100	8.0%
ETSU Family Practice	7,816,500	7,972,800	156,300	2.0%
UT College of Vet Medicine	22,192,700	23,011,100	818,400	3.7%
UT Health Science Center	162,001,500	171,798,000	9,796,500	6.0%
Subtotal	\$227,554,000	\$241,180,300	\$13,626,300	6.0%
Research and Public Service				
UT Agricultural Experiment Station	\$31,092,900	\$32,305,100	\$1,212,200	3.9%
UT Agricultural Extension Service	38,276,100	39,269,400	993,300	2.6%
TSU McMinnville Center	1,429,200	1,533,600	104,400	7.3%
TSU Institute of Ag. and Environmental Research	4,771,800	4,957,800	186,000	3.9%
TSU Cooperative Extension	3,703,500	3,847,900	144,400	3.9%
TSU McIntire-Stennis Forestry Research	198,900	206,600	7,700	3.9%
UT Space Institute	9,290,800	9,600,200	309,400	3.3%
UT Institute for Public Service	6,823,000	7,030,100	207,100	3.0%
Tennessee Language Center	712,300	751,100	38,800	5.4%
Institute for Public Service: Other Agencies	6,110,700	6,279,000	168,300	2.8%
UT County Technical Assistance Service	3,203,900	3,275,300	71,400	2.2%
UT Municipal Technical Advisory Service	3,713,700	3,788,000	74,300	2.0%
Subtotal	\$102,503,800	\$105,814,000	\$3,310,200	3.2%
Other Specialized Units				
UT University-Wide Administration	\$6,032,100	\$6,032,100	\$0	0.0%
TN Board of Regents Administration	8,444,700	8,444,700	-	0.0%
TN Student Assistance Corporation	116,177,100	125,777,100	9,600,000	8.3%
Tennessee Student Assistance Awards	113,262,500	122,862,500	9,600,000	8.5%
Tennessee Students Assistance Corporation	2,136,400	2,136,400	-	0.0%
Loan/Scholarships Program	778,200	778,200	-	0.0%
Contract Education	2,249,900	2,288,100	38,200	1.7%
TN Higher Education Commission	5,757,200	6,167,200	410,000	7.1%
TN Higher Education Commission Admin.	5,757,200	5,757,200	-	0.0%
Reverse Transfer Portal	-	300,000	300,000	NA
Veterans Success Director	-	110,000	110,000	NA
Subtotal	\$138,661,000	\$148,709,200	\$10,048,200	7.2%
Program Initiatives				
Campus Centers of Excellence	\$18,363,900	\$18,676,100	\$312,200	1.7%
Campus Centers of Emphasis	1,338,100	1,360,800	22,700	1.7%
Academic Scholars Program	1,211,800	1,232,400	20,600	1.7%
UT Access and Diversity Initiative	5,806,700	5,905,400	98,700	1.7%
TBR Access and Diversity Initiative	10,256,900	10,431,300	174,400	1.7%
Research Initiatives - UT	5,852,900	5,952,400	99,500	1.7%
THEC Grants ²	11,089,000	15,014,500	3,925,500	35.4%
Specialized Units Strategic Initiatives ³	-	7,690,600	7,690,600	NA
Statewide System Priorities ³	-	10,550,000	10,550,000	NA
ETSU Rural Public Health Project ⁴	750,000	750,000	-	0.0%
ETSU Gray Fossil Site ⁴	350,000	350,000	-	0.0%
TTU College of Engineering ⁴	3,000,000	3,000,000	-	0.0%
UT Knoxville College of Engineering ⁴	3,000,000	3,000,000	-	0.0%
UT Martin Parsons, Somerville & Selmer Centers ⁴	640,000	640,000	-	0.0%
TCAT Correctional Education Investment Initiative ⁴	426,000	426,000	-	0.0%
Subtotal	\$62,085,300	\$84,979,500	\$22,894,200	36.9%
Total	\$1,684,937,800	\$1,772,816,700	\$87,878,900	5.2%

1 - Recurring funds.

2 - Recurring increases for Veteran Reconnect Grants (\$1M), Tennessee Bridge Awards (\$337K), Statewide Security Grants (\$2M), HBCU Summer Bridge Program (\$400K), and a 1.7% programmatic adjustment for THEC Grants Administration.

3 - Recurring and non-recurring funding for strategic investments in specialized units and statewide system priorities. See Attachment III for further detail.

4 - Recurring funds appropriated to ETSU (\$1.1M), TTU (\$3M), UT Knoxville (\$3M), UT Martin (\$640K), and TCATs (\$426K).

**ATTACHMENT III
2020-21 Specialized Units Strategic Initiatives**

Board Priority	Governing Board	Institution	Project Name	Total Cost	Project Description
1	ETSU	ETSU College of Medicine	Pediatric Surgery	\$495,500	Recent manpower studies have demonstrated the need for three pediatric surgeons in Northeast Tennessee which is currently being served by a sole provider. The lack of personnel presents a challenge in meeting the service or educational needs of the College of Medicine and the region as currently only 35 percent of patients that need a pediatric surgeon receive care in the area. Additionally, insurance reimbursements do not provide clinical revenue capable of sufficiently compensating pediatric surgeons. This initiative will provide partial salary to support two additional pediatric surgeons, preventing the need for patients to seek care elsewhere. (\$495,500 recurring)
2	ETSU	ETSU College of Medicine	Pediatric and Children Services	\$600,000	Recent manpower studies by Niswonger Children's Hospital, part of Ballad Health, describe a deficit of two Pediatric Neurologists, one Pediatric Endocrinologist, two Pediatric Pulmonologists, two Pediatric Adolescent Physicians, and 13 General Pediatricians to meet the needs of the population served by the facility in Johnson City. Pediatric specialty care in the region is supplied largely by the Quillen College of Medicine. The additional funding requested will supply six academic salaries and will be supplemented by clinical earnings and a partnership with Niswonger Children's Hospital. This model has resulted in an addition of 15 Pediatric specialists to the region. (\$600,000 recurring)
1	UT	UT Institute of Agriculture	Competitive Salaries and Extension Agents for Distressed Rural Counties	\$6,595,100	Meeting UT's responsibility to the land-grant mission is tied directly to the professional quality of the system's faculty and staff, but recently the system has been facing competition from its peers related to salary. Currently, no peer veterinary college pays its faculty less than UT Vet Med, increasing concerns about the system's ability to recruit top talent for new or existing positions. To improve prospects of attracting and retaining the best scientific talents-and to further contributions to The University of Tennessee's goal of becoming a true comprehensive research-extensive institution-it is imperative that salaries for research faculty also be increased to a level on par with other land-grant institutions. A compensation study conducted by Sibson in April 2019 indicated that \$2.3 million would be needed to retain and recruit competitively with our veterinary college peers and \$2.1 million would be needed for research salaries. Additionally, UT Extension plays a critical role in addressing the challenges found in Tennessee's distressed rural counties. An additional investment of \$2.19 million to the extension budget would provide at least one full-time county agent in the 4-H, family and consumer sciences, and agriculture and natural resources program areas to the citizens of every county in Tennessee. The requested budget would support the hire of 32 additional county agents that would fully implement a three-county agent model in each of Tennessee's 95 counties. (\$6.595M recurring)

2020-21 Statewide System Priorities

Board Priority	Governing Board	Institution	Project Name	Total Cost	Project Description
1	TBR	Community Colleges	Student Support Personnel	\$3,900,000	Recurring funding is requested to expand community college advising capacity, consistent with best practices, to improve student success. Additionally, funds will support each of the 27 TCATs, adding a proactive advisor to assist students in the transition from K-12 to postsecondary and finding a job in-field through a career services function. (\$3.9M recurring)
2	TBR	Community Colleges and TCATs	Competency-Based Education Capacity	\$750,000	Recurring and non-recurring funding is requested to support faculty as they convert their courses to the competency-based education (CBE) model throughout numerous programs. CBE is an approach to instruction that emphasizes mastery of material rather than simply seat time. It is a cornerstone of the TCAT model and is utilized by other colleges throughout the country to great effect. (\$400,000 recurring; \$350,000 non-recurring)
3	TBR	TCATs	Safety and Security for TCATs	\$5,900,000	Recurring funding is requested to continue the investment that Tennessee has made in campus safety and security by adding security personnel at each TCAT campus location. Additionally, the Board will add a Director of Public Safety/Chief of Police who would be responsible for campus security operations across the system. (\$5.9M recurring)

ATTACHMENT IV

2020-21 State Appropriations Distribution with 1.0% Reduction¹

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
	Breakdown of 2020-21 Changes							
Academic Formula Units	2019-20 Appropriation ²	2020-21 Formula Calculation	Outcomes Formula Adjustments	1.0% Reduction to Higher Education	2020-21 Change	2020-21 Recommendation	Percent Change	Percent Funded
LGI Universities								
Austin Peay	\$50,503,100	\$76,111,000	\$263,700	\$0	\$263,700	\$50,766,800	0.5%	66.7%
East Tennessee ³	69,479,000	105,044,500	586,800	-	586,800	70,065,800	0.8%	66.7%
Middle Tennessee	107,399,400	158,590,000	(1,618,200)	-	(1,618,200)	105,781,200	-1.5%	66.7%
Tennessee State	41,795,200	61,600,800	(706,800)	-	(706,800)	41,088,400	-1.7%	66.7%
Tennessee Tech ³	56,597,500	85,458,500	404,200	-	404,200	57,001,700	0.7%	66.7%
University of Memphis	123,370,700	184,595,400	(243,600)	-	(243,600)	123,127,100	-0.2%	66.7%
Subtotal	\$449,144,900	\$671,400,200	(\$1,313,900)	\$0	(\$1,313,900)	\$447,831,000	-0.3%	66.7%
Community Colleges⁴								
Chattanooga	\$33,669,500	\$49,350,900	(\$751,900)	\$0	(\$751,900)	\$32,917,600	-2.2%	66.7%
Cleveland	12,302,400	17,803,600	(427,200)	-	(427,200)	11,875,200	-3.5%	66.7%
Columbia	16,836,200	26,282,000	694,200	-	694,200	17,530,400	4.1%	66.7%
Dyersburg	10,516,000	15,975,200	139,600	-	139,600	10,655,600	1.3%	66.7%
Jackson	15,102,200	22,167,300	(316,400)	-	(316,400)	14,785,800	-2.1%	66.7%
Motlow	17,565,300	28,835,500	1,668,100	-	1,668,100	19,233,400	9.5%	66.7%
Nashville	23,374,700	33,885,300	(772,900)	-	(772,900)	22,601,800	-3.3%	66.7%
Northeast	21,089,900	34,311,600	1,796,300	-	1,796,300	22,886,200	8.5%	66.7%
Pellissippi	34,934,000	52,887,200	342,300	-	342,300	35,276,300	1.0%	66.7%
Roane	24,110,700	35,969,400	(118,700)	-	(118,700)	23,992,000	-0.5%	66.7%
Southwest	30,253,800	44,665,800	(461,200)	-	(461,200)	29,792,600	-1.5%	66.7%
Volunteer	26,331,900	41,482,200	1,337,200	-	1,337,200	27,669,100	5.1%	66.7%
Walters	25,527,400	37,976,400	(196,700)	-	(196,700)	25,330,700	-0.8%	66.7%
Community College Subtotal	\$291,614,000	\$441,592,400	\$2,932,700	\$0	\$2,932,700	\$294,546,700	1.0%	66.7%
UT Universities								
UT Chattanooga	\$58,905,900	\$88,588,800	\$183,800	\$0	\$183,800	\$59,089,700	0.3%	66.7%
UT Knoxville ³	244,059,300	365,012,200	(592,400)	-	(592,400)	243,466,900	-0.2%	66.7%
UT Martin ³	35,108,200	50,848,900	(1,191,500)	-	(1,191,500)	33,916,700	-3.4%	66.7%
Subtotal	\$338,073,400	\$504,449,900	(\$1,600,100)	\$0	(\$1,600,100)	\$336,473,300	-0.5%	66.7%
Total Colleges and Universities	\$1,078,832,300	\$1,617,442,500	\$18,700	\$0	\$18,700	\$1,078,851,000	0.0%	66.7%
TN Colleges of Applied Technology ³	\$75,301,400	\$112,865,900	(\$18,700)	\$0	(\$18,700)	\$75,282,700	0.0%	66.7%
Total Academic Formula Units	\$1,154,133,700	\$1,730,308,400	\$0	\$0	\$0	\$1,154,133,700	0.0%	66.7%

Note: Finance and Administration sets a reduction amount each year. THEC divides this reduction amount between the non-exempt formula and specialized units based on the percent of total E&G revenue reported in the most recent proposed operating budgets. Specialized units with no ability to generate additional revenue from tuition are reduced at a lower rate.

1 - Finance and Administration identified all universities, community colleges and Tennessee Colleges of Applied Technology as exempt from the 1.0% reduction scenario for 2020-21.

2 - Recurring funding. Includes historical funding of \$7.4M for legislative initiatives. A breakdown of these initiatives by campus is included in Appendix A.

3 - Does not include recurring funds appropriated to the ETSU Gray Fossil Site (\$350K), ETSU Rural Public Health Project (\$750K), TTU College of Engineering (\$3M), UT Knoxville College of Engineering (\$3M), UT Martin Parsons Center (\$200K), UT Martin Selmer Center (\$190K), UT Martin Somerville Center (\$250K) and the TCATs Correctional Education Investment Initiative (\$426K). These appropriations are included as Program Initiatives.

4 - THEC's community college recommendation is for the sector as a whole. Institutional detail displayed here is for informational purposes only.

ATTACHMENT IV

2020-21 State Appropriations Distribution with 1.0% Reduction¹

	A	B	C = B - A	D = C / A
Specialized Units	2019-20 Appropriation ²	2020-21 Recommendation ²	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$35,543,300	\$35,543,300	\$0	0.0%
ETSU Family Practice	7,816,500	7,816,500	-	0.0%
UT College of Vet Medicine	22,192,700	22,192,700	-	0.0%
UT Health Science Center	162,001,500	162,001,500	-	0.0%
Subtotal	\$227,554,000	\$227,554,000	\$0	0.0%
Research and Public Service				
UT Agricultural Experiment Station	\$31,092,900	\$31,092,900	\$0	0.0%
UT Agricultural Extension Service	38,276,100	38,276,100	-	0.0%
TSU McMinnville Center	1,429,200	1,429,200	-	0.0%
TSU Institute of Ag. and Environmental Research	4,771,800	4,771,800	-	0.0%
TSU Cooperative Extension	3,703,500	3,703,500	-	0.0%
TSU McIntire-Stennis Forestry Research	198,900	198,900	-	0.0%
UT Space Institute	9,290,800	9,290,800	-	0.0%
UT Institute for Public Service	6,823,000	6,823,000	-	0.0%
Tennessee Language Center	712,300	712,300	-	0.0%
Institute for Public Service: Other Agencies	6,110,700	6,110,700	-	0.0%
UT County Technical Assistance Service	3,203,900	3,203,900	-	0.0%
UT Municipal Technical Advisory Service	3,713,700	3,713,700	-	0.0%
Subtotal	\$102,503,800	\$102,503,800	\$0	0.0%
Other Specialized Units				
UT University-Wide Administration	\$6,032,100	\$6,032,100	\$0	0.0%
TN Board of Regents Administration	8,444,700	8,444,700	-	0.0%
TN Student Assistance Corporation	116,177,100	116,122,100	(55,000)	0.0%
Tennessee Student Assistance Awards	113,262,500	113,262,500	-	0.0%
Tennessee Students Assistance Corporation	2,136,400	2,081,400	(55,000)	-2.6%
Loan/Scholarships Program	778,200	778,200	-	0.0%
Contract Education	2,249,900	2,249,900	-	0.0%
TN Higher Education Commission	5,757,200	5,702,200	(55,000)	-1.0%
Program Initiatives				
Campus Centers of Excellence	\$18,363,900	\$18,363,900	\$0	0.0%
Campus Centers of Emphasis	1,338,100	1,338,100	-	0.0%
Academic Scholars Program	1,211,800	1,211,800	-	0.0%
UT Access and Diversity Initiative	5,806,700	5,806,700	-	0.0%
TBR Access and Diversity Initiative	10,256,900	10,256,900	-	0.0%
THEC Grants	11,089,000	11,089,000	-	0.0%
Research Initiatives - UT	5,852,900	5,852,900	-	0.0%
ETSU Rural Public Health Project ³	750,000	750,000	-	0.0%
ETSU Gray Fossil Site ³	350,000	350,000	-	0.0%
TTU College of Engineering ³	3,000,000	3,000,000	-	0.0%
UT Knoxville College of Engineering ³	3,000,000	3,000,000	-	0.0%
UT Martin Parsons, Somerville & Selmer Centers ³	640,000	640,000	-	0.0%
TCAT Correctional Education Investment Initiative ³	426,000	426,000	-	0.0%
Subtotal	\$61,659,300	\$61,659,300	\$0	0.0%
Total	\$1,684,511,800	\$1,684,401,800	(\$110,000)	0.0%

1 - Finance and Administration identified TSAA Awards, Loan/Scholarship Program, Academic Scholars Program, Recurring Capital Maintenance, and Other Essential Programs as exempt from the 1.0% reduction scenario for 2020-21.

2 - Recurring funds.

3 - Recurring funds appropriated to ETSU (\$1.1M), TTU (\$3M), UT Knoxville (\$3M), UT Martin (\$640K), and TCATs (\$426K).

ATTACHMENT V

2020-21 State Appropriations Funding Scenarios

	A	B	C	Alternative Funding Scenarios	
	Outcomes Formula Calculation	Share of Total Formula Calculation	\$38,000,000 THEC Recommendation	0.0% Flat Funding Scenario	\$61,000,000 Increase Scenario ¹
Academic Formula Units					
LGI Universities					
Austin Peay	\$76,111,000	4.71%	\$52,438,300	\$50,766,800	\$53,450,000
East Tennessee	105,044,500	6.49%	72,372,700	70,065,800	73,769,000
Middle Tennessee	158,590,000	9.80%	109,264,100	105,781,200	111,372,100
Tennessee State	61,600,800	3.81%	42,441,200	41,088,400	43,260,100
Tennessee Tech	85,458,500	5.28%	58,878,500	57,001,700	60,014,400
University of Memphis	184,595,400	11.41%	127,181,100	123,127,100	129,634,800
Subtotal	\$671,400,200	41.51%	\$462,575,900	\$447,831,000	\$471,500,400
Community Colleges					
Chattanooga	\$49,350,900	3.05%	\$34,001,400	\$32,917,600	\$34,657,400
Cleveland	17,803,600	1.10%	12,266,300	11,875,200	12,502,900
Columbia	26,282,000	1.62%	18,107,600	17,530,400	18,456,900
Dyersburg	15,975,200	0.99%	11,006,400	10,655,600	11,218,800
Jackson	22,167,300	1.37%	15,272,600	14,785,800	15,567,300
Motlow	28,835,500	1.78%	19,866,700	19,233,400	20,250,000
Nashville	33,885,300	2.09%	23,346,000	22,601,800	23,796,400
Northeast	34,311,600	2.12%	23,639,700	22,886,200	24,095,800
Pellissippi	52,887,200	3.27%	36,437,800	35,276,300	37,140,800
Roane	35,969,400	2.22%	24,781,900	23,992,000	25,260,100
Southwest	44,665,800	2.76%	30,773,500	29,792,600	31,367,200
Volunteer	41,482,200	2.56%	28,580,100	27,669,100	29,131,500
Walters	37,976,400	2.35%	26,164,700	25,330,700	26,669,500
Community College Subtotal	\$441,592,400	27.30%	\$304,244,700	\$294,546,700	\$310,114,600
UT Universities					
UT Chattanooga	\$88,588,800	5.48%	\$61,035,200	\$59,089,700	\$62,212,800
UT Knoxville	365,012,200	22.57%	251,483,100	243,466,900	256,335,000
UT Martin	50,848,900	3.14%	35,033,400	33,916,700	35,709,300
Subtotal	\$504,449,900	31.19%	\$347,551,700	\$336,473,300	\$354,257,100
Total Colleges and Universities	\$1,617,442,500	100.00%	\$1,114,372,300	\$1,078,851,000	\$1,135,872,100
TN Colleges of Applied Technology	\$112,865,900	NA	\$77,761,400	\$75,282,700	\$79,261,700
Total Academic Formula Units	\$1,730,308,400	100.00%	\$1,192,133,700	\$1,154,133,700	\$1,215,133,800

1- Based on a request of \$38M for outcomes productivity and \$23M for partial funding of an estimated 2 percent increase in salary, resulting in a total appropriation recommendation of \$61M.

ATTACHMENT VI

Three-Year Average Change in Formula Outcomes

Community Colleges

Total Outcomes	2019-20 Formula	2020-21 Formula	Change	
Students Accumulating 12 hrs	23,782	23,605	(177)	-0.7%
Students Accumulating 24 hrs	18,367	18,281	(86)	-0.5%
Students Accumulating 36 hrs	14,987	15,458	472	3.1%
Dual Enrollment	18,467	19,161	694	3.8%
Associates ¹	10,839	11,243	403	3.7%
Certificates 1-2 Year	775	827	52	6.7%
Certificates <1 Year	2,735	2,726	(9)	-0.3%
Job Placements	3,756	3,823	67	1.8%
Student Transfers	6,445	6,543	98	1.5%
Workforce Training (Contact Hours)	659,723	767,974	108,251	16.4%
Awards per 100 FTE	22.63	23.53	0.91	4.0%
Adult Focus Population				
Students Accumulating 12 hrs	3,599	4,001	402	11.2%
Students Accumulating 24 hrs	3,558	3,804	246	6.9%
Students Accumulating 36 hrs	3,585	3,718	133	3.7%
Associates ¹	4,488	4,259	(229)	-5.1%
Certificates 1-2 Year	435	448	12	2.8%
Certificates <1 Year	1,497	1,495	(1)	-0.1%
Low-Income Focus Population				
Students Accumulating 12 hrs	13,981	13,902	(79)	-0.6%
Students Accumulating 24 hrs	11,382	11,366	(16)	-0.1%
Students Accumulating 36 hrs	9,547	9,861	313	3.3%
Associates ¹	7,227	7,393	166	2.3%
Certificates 1-2 Year	505	545	40	8.0%
Certificates <1 Year	1,571	1,552	(19)	-1.2%
Academically Underprepared Focus Population				
Students Accumulating 12 hrs	14,487	14,348	(139)	-1.0%
Students Accumulating 24 hrs	11,753	11,614	(139)	-1.2%
Students Accumulating 36 hrs	9,537	9,820	283	3.0%
Associates ¹	6,549	6,743	194	3.0%
Certificates 1-2 Year	444	486	42	9.5%
Certificates <1 Year	1,398	1,373	(25)	-1.8%
One Focus Population Only				
Students Accumulating 12 hrs	8,434	8,154	(279)	-3.3%
Students Accumulating 24 hrs	6,410	6,151	(260)	-4.1%
Students Accumulating 36 hrs	5,073	5,207	134	2.6%
Associates ¹	3,311	3,584	273	8.3%
Certificates 1-2 Year	224	236	13	5.7%
Certificates <1 Year	989	987	(2)	-0.2%
Two Focus Populations Only				
Students Accumulating 12 hrs	8,989	8,766	(224)	-2.5%
Students Accumulating 24 hrs	7,043	6,923	(120)	-1.7%
Students Accumulating 36 hrs	5,601	5,775	174	3.1%
Associates ¹	3,808	3,967	159	4.2%
Certificates 1-2 Year	304	334	31	10.1%
Certificates <1 Year	980	974	(6)	-0.6%
All Three Focus Populations				
Students Accumulating 12 hrs	1,885	2,189	304	16.1%
Students Accumulating 24 hrs	2,065	2,262	197	9.5%
Students Accumulating 36 hrs	2,131	2,214	83	3.9%
Associates ¹	2,445	2,292	(153)	-6.3%
Certificates 1-2 Year	184	191	7	3.8%
Certificates <1 Year	506	495	(11)	-2.1%

¹ - Includes raw counts for reverse transfer associate degrees. In the funding formula, these degrees count as 0.5 each for the community college and the partner university.

ATTACHMENT VI

Three-Year Average Change in Formula Outcomes

Universities

Total Outcomes	2019-20 Formula	2020-21 Formula	Change	
Students Accumulating 30 hrs	17,837	17,944	107	0.6%
Students Accumulating 60 hrs	18,667	18,581	(86)	-0.5%
Students Accumulating 90 hrs	20,878	21,065	187	0.9%
Bachelors and Associates ¹	23,232	23,443	212	0.9%
Masters / Ed Specialists	5,547	5,611	64	1.2%
Doctoral / Law Degree	1,203	1,207	4	0.3%
Research, Service, and Sponsored Programs	\$328,478,789	\$351,155,418	\$22,676,629	6.9%
Degrees per 100 FTE	22.81	23.24	0.43	1.9%
Six-Year Graduation Rate	54.9%	56.3%	1.4	2.6%
Adult Focus Population				
Students Accumulating 30 hrs	771	685	(87)	-11.2%
Students Accumulating 60 hrs	1,540	1,438	(102)	-6.6%
Students Accumulating 90 hrs	3,209	3,030	(179)	-5.6%
Bachelors and Associates ¹	7,183	6,839	(344)	-4.8%
Low-Income Focus Population				
Students Accumulating 30 hrs	7,714	7,672	(42)	-0.5%
Students Accumulating 60 hrs	8,604	8,350	(254)	-3.0%
Students Accumulating 90 hrs	10,576	10,359	(217)	-2.1%
Bachelors and Associates ¹	12,286	12,052	(235)	-1.9%
One Focus Population Only				
Students Accumulating 30 hrs	7,473	7,437	(37)	-0.5%
Students Accumulating 60 hrs	7,951	7,728	(223)	-2.8%
Students Accumulating 90 hrs	8,965	8,896	(69)	-0.8%
Bachelors and Associates ¹	9,258	9,283	25	0.3%
Two Focus Populations Only				
Students Accumulating 30 hrs	506	460	(46)	-9.1%
Students Accumulating 60 hrs	1,096	1,030	(67)	-6.1%
Students Accumulating 90 hrs	2,410	2,247	(164)	-6.8%
Bachelors and Associates ¹	5,106	4,804	(302)	-5.9%

1 - Includes raw counts for reverse transfer associate degrees. In the funding formula, these degrees count as 0.5 each for the community college and the university.

ATTACHMENT VII

2020-21 Total Formula Revenue Analysis

Academic Formula Units	State Appropriation Recommendation ¹	Tuition Revenue ²	Out-of-State Tuition Revenue ²	Total Revenue	Total Formula Revenue Need	Difference (Short)	Percent Funded
TBR Universities							
Austin Peay	\$52,438,300	\$68,967,300	\$4,240,900	\$125,646,500	\$140,776,500	(\$15,130,000)	89.3%
East Tennessee ³	72,372,700	104,073,800	22,359,600	198,806,100	206,122,100	(7,316,000)	96.5%
Middle Tennessee	109,264,100	150,484,900	20,453,900	280,202,900	294,417,400	(14,214,500)	95.2%
Tennessee State	42,441,200	43,134,800	19,923,900	105,499,900	125,478,800	(19,978,900)	84.1%
Tennessee Tech ³	58,878,500	75,462,000	4,938,800	139,279,300	160,339,800	(21,060,500)	86.9%
University of Memphis	127,181,100	157,989,100	10,132,700	295,302,900	353,083,400	(57,780,500)	83.6%
Subtotal	\$462,575,900	\$600,111,900	\$82,049,800	\$1,144,737,600	\$1,280,218,000	(\$135,480,400)	89.4%
Community Colleges⁴							
Chattanooga	\$34,001,400	\$27,883,900	\$820,100	\$62,705,400	\$75,402,200	(\$12,696,800)	83.2%
Cleveland	12,266,300	10,369,300	315,700	22,951,300	26,793,000	(3,841,700)	85.7%
Columbia	18,107,600	19,365,300	432,500	37,905,400	39,625,300	(1,719,900)	95.7%
Dyersburg	11,006,400	8,849,500	242,500	20,098,400	24,049,800	(3,951,400)	83.6%
Jackson	15,272,600	14,343,500	198,500	29,814,600	33,355,800	(3,541,200)	89.4%
Motlow	19,866,700	21,726,300	516,600	42,109,600	43,481,500	(1,371,900)	96.8%
Nashville	23,346,000	25,696,900	742,800	49,785,700	51,258,700	(1,473,000)	97.1%
Northeast	23,639,700	19,101,400	95,400	42,836,500	51,484,700	(8,648,200)	83.2%
Pellissippi	36,437,800	34,373,000	2,045,200	72,856,000	79,996,300	(7,140,300)	91.1%
Roane	24,781,900	18,534,900	345,600	43,662,400	54,267,700	(10,605,300)	80.5%
Southwest	30,773,500	26,271,900	2,708,900	59,754,300	67,265,700	(7,511,400)	88.8%
Volunteer	28,580,100	29,845,700	553,600	58,979,400	62,752,500	(3,773,100)	94.0%
Walters	26,164,700	21,176,600	560,900	47,902,200	57,169,200	(9,267,000)	83.8%
Community College Subtotal	\$304,244,700	\$277,538,200	\$9,578,300	\$591,361,200	\$666,902,400	(\$75,541,200)	88.7%
UT Universities							
UT Chattanooga	\$61,035,200	\$82,643,700	\$7,066,500	\$150,745,400	\$165,392,300	(\$14,646,900)	91.1%
UT Knoxville ³	251,483,100	305,787,900	51,073,900	608,344,900	690,574,200	(82,229,300)	88.1%
UT Martin ³	35,033,400	49,740,700	2,913,200	87,687,300	95,630,200	(7,942,900)	91.7%
Subtotal	\$347,551,700	\$438,172,300	\$61,053,600	\$846,777,600	\$951,596,700	(\$104,819,100)	89.0%
TN Colleges of Applied Technology ³	\$77,761,400	\$35,413,500	\$0	\$113,174,900	\$140,295,000	(\$27,120,100)	80.7%
Total Academic Formula Units	\$1,192,133,700	\$1,351,235,900	\$152,681,700	\$2,696,051,300	\$3,039,012,100	(\$342,960,800)	88.7%

1 - Recurring; accounts for recommended \$38M in additional funding for formula units.

2 - Assumes no salary and tuition increases and annual enrollment increases of 0% at universities and 2.5% at community colleges and colleges of applied technology.

3 - Does not include recurring funds appropriated to the ETSU Gray Fossil Site (\$350K), ETSU Rural Public Health Project (\$750K), TTU College of Engineering (\$3M), UT Knoxville College of Engineering (\$3M), UT Martin Parsons Center (\$200K), UT Martin Selmer Center (\$190K), UT Martin Somerville Center (\$250K) and the TCATs Correctional Education Investment Initiative (\$426K). These appropriations are included as Program Initiatives.

4 - THEC's community college recommendation is for the sector as a whole. Institutional detail displayed here is for informational purposes only.

Appendix A

Legislative Initiatives Included in Funding Formula

This appendix presents legislative initiatives that are distributed through the funding formula. Projects identified for distribution outside the funding formula or those appropriated to non-formula units are excluded.

	Initiative	Funding
TBR Universities		
Middle Tennessee	Small Business Development Center	\$ 270,800
	Center for Dyslexic Studies	218,700
Tennessee State	Cooperative Agriculture	\$ 50,000
	Center on Aging	37,000
	Upward Bound	31,800
	Intracampus Transportation	75,500
	Academically-Talented Student Scholarships	832,000
Tennessee Tech	Horticultural Research	\$ 92,300
	Joe L. Evins Center	608,600
	Carnegie Classification Change	2,100,000
University of Memphis	Seismic Safety Commission	\$ 65,000
Subtotal		\$ 4,381,700
Community Colleges		
Columbia	Collegiate Center	\$ 72,700
Roane	Oak Ridge Campus Operations	\$ 150,000
System-wide	Administrative Support Services	\$ 2,060,300
Subtotal		\$ 2,283,000
UT Universities		
UT Martin	Ripley Center	\$ 310,000
Subtotal		\$ 310,000
TN Colleges of Applied Tech	Administrative Support Services	\$ 384,500
Total Funding		\$ 7,359,200