

DATE: November 6, 2020

SUBJECT: 2021-22 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 2021-22 fiscal year, THEC staff recommend a recurring increase of \$36 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.

The outcomes-based funding formula utilizes a three-year average to determine growth in outcomes. The 2021-22 formula includes outcomes produced in 2017-18, 2018-19 and 2019-20. Institutions continue to show improvement in funding formula outcomes when comparing the most recent year of data used for the 2021-22 formula request to 2016-17, 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 11,500 associate degrees in 2019-20, compared to fewer than 10,000 in 2016-17. This represents a 16 percent increase from new-year to dropped-year of outcomes data. Community colleges awarded nearly 16,000 total credentials in 2019-20, a 12 percent increase since 2016-17. Universities continue to succeed in the model as well. In 2019-20, universities awarded over 22,500 bachelor’s degrees, a two percent increase from 2016-17.

Additionally, the average graduation rate has increased significantly from 57.1 percent in 2016-17 to 61.8 percent in 2019-20.

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 2019-20 than ever before, community colleges provided nearly 1 million hours of workforce training to local residents and businesses, universities generated over \$360 million in research and public service expenditures, and, in the fifth year of inclusion in the formula, community colleges—in coordination with universities—awarded over 850 reverse transfer associate degrees. The Tennessee Colleges of Applied Technology continue to grow, serving over 21,000 students in Fall 2019—a six percent increase over the previous year. These institutions reported a completion rate of 82 percent and a job placement rate for graduates of 89 percent in 2018-19.

SPECIALIZED UNITS RECOMMENDATION

Along with the formula unit recommendation, staff recommend a funding increase of \$8.9 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 \$8.6 million in recurring funds for strategic investments in several specialized units. The specialized unit strategic initiatives include \$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. Additionally, staff recommend \$2 million for the TSU Cooperative Extension to sustain current extension operations in fifty counties in concert with federal and county support funds. Staff also recommend three statewide system priorities at the Tennessee Board of Regents, totaling \$9.35 million. The first

investment of \$5.9 million recurring would allow TBR 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. For a recurring investment of \$2.7 million, the second statewide system priority would fund additional personnel at the TCATs, building student supports and expertise to better serve students through graduation and into the workforce. The final recommended strategic investment would provide \$750,000 to support faculty as they create competency-based coursework, an approach to instruction that emphasizes mastery of material rather than seat time. Additional information on these initiatives can be found in Attachment III.

REDUCTION SCENARIO

Finally, the Department of Finance & Administration has requested that state agencies prepare the 2021-22 budget with a 2.0 percent reduction in state appropriations. Financial aid funding provided by TSAC and recurring funds for capital maintenance are exempt from these reduction scenarios. For higher education, a 2.0 reduction to the remaining units results in a reduction in state appropriations of \$31.6 million. This distribution is detailed in Attachment IV.

RECOMMENDATION SUMMARY

The grand total recurring recommendation for all higher education operating appropriations for 2021-22 is \$1.76 billion. This includes \$1.2 billion to fund the formula units and Tennessee Colleges of Applied Technology, \$484.1 million to fund the specialized units, and \$80.0 million for strategic program investments. These recommendations total \$62.8 million of new funds, an increase of 3.7 percent over 2020-21.

ATTACHMENT I

State Appropriations History

Academic Formula Units	2016-17	2017-18	2018-19	2019-20	2020-21
LGI Universities					
Austin Peay	\$40,378,500	\$44,621,700	\$47,857,100	\$50,503,100	\$51,097,700
East Tennessee	55,362,800	61,099,800	65,770,700	70,579,000	71,656,300
Middle Tennessee	90,753,200	97,003,700	103,216,200	107,399,400	106,483,000
Tennessee State	33,717,900	36,757,500	39,402,300	41,795,200	41,365,200
Tennessee Tech	42,671,100	47,231,100	55,020,600	59,597,500	60,428,600
University of Memphis	102,440,600	110,827,200	117,771,000	123,370,700	123,734,100
Subtotal	\$365,324,100	\$397,541,000	\$429,037,900	\$453,244,900	\$454,764,900
Community Colleges¹					
Chattanooga	\$29,315,200	\$31,118,200	\$31,863,600	\$33,669,500	\$33,084,400
Cleveland	9,751,700	10,988,200	11,215,700	12,302,400	11,937,900
Columbia	13,970,500	15,026,400	15,821,100	16,836,200	17,615,800
Dyersburg	8,622,500	9,388,600	9,734,200	10,516,000	10,717,100
Jackson	12,395,800	13,561,500	14,266,600	15,102,200	14,879,600
Motlow	11,739,900	13,292,500	15,023,000	17,565,300	19,334,000
Nashville	17,756,500	20,259,300	22,228,600	23,374,700	22,732,000
Northeast	16,059,900	18,137,200	19,695,300	21,089,900	23,013,900
Pellissippi	27,349,000	30,477,800	32,729,600	34,933,800	35,442,700
Roane	19,093,300	21,087,900	22,518,000	24,110,700	24,116,500
Southwest	26,115,800	27,147,100	28,504,100	30,253,800	29,938,100
Volunteer	18,698,700	20,809,700	23,498,200	26,331,900	27,806,100
Walters	21,912,500	23,469,700	24,606,600	25,527,400	25,474,600
Subtotal	\$232,781,300	\$254,764,100	\$271,704,600	\$291,613,800	\$296,092,700
UT Universities					
UT Chattanooga	\$45,835,300	\$51,005,300	\$56,184,500	\$58,905,900	\$59,510,200
UT Knoxville	199,911,900	217,270,000	234,382,200	247,059,300	247,566,300
UT Martin	29,922,900	32,495,400	34,698,100	35,748,200	34,665,400
Subtotal	\$275,670,100	\$300,770,700	\$325,264,800	\$341,713,400	\$341,741,900
Total Colleges and Universities	\$873,775,500	\$953,075,800	\$1,026,007,300	\$1,086,572,100	\$1,092,599,500
TN Colleges of Applied Technology	\$60,790,600	\$66,857,600	\$71,579,600	\$75,727,400	\$75,622,700
Total Academic Formula Units	\$934,566,100	\$1,019,933,400	\$1,097,586,900	\$1,162,299,500	\$1,168,222,200

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	2016-17	2017-18	2018-19	2019-20	2020-21
Medical Education					
ETSU College of Medicine	\$31,268,700	\$33,094,900	\$34,470,700	\$35,543,300	\$36,717,300
ETSU Family Practice	6,687,600	7,160,800	7,526,300	7,816,500	7,835,800
UT College of Vet Medicine	18,124,700	19,710,800	21,398,400	22,192,700	22,280,200
UT Health Science Center ¹	140,534,000	149,498,300	157,683,100	162,001,500	162,748,000
Subtotal	\$196,615,000	\$209,464,800	\$221,078,500	\$227,554,000	\$229,581,300
Research and Public Service					
UT Agricultural Experiment Station	\$27,625,600	\$29,048,400	\$30,435,300	\$31,092,900	\$31,160,800
UT Agricultural Extension Service	33,831,200	35,590,500	37,509,700	38,276,100	38,428,800
TSU McMinnville Center	594,500	608,200	619,400	1,429,200	1,429,900
TSU Institute of Ag. and Environmental Research	3,456,300	3,541,700	3,613,700	4,771,800	4,771,600
TSU Cooperative Extension	3,318,500	3,510,100	3,610,200	3,703,500	3,705,200
TSU McIntire-Stennis Forestry Research	189,400	193,300	196,200	198,900	198,900
UT Space Institute	8,490,500	8,900,500	9,129,100	9,290,800	9,301,200
UT Institute for Public Service	6,145,600	6,465,100	6,684,800	6,823,000	6,837,800
UT County Technical Assistance Service	2,236,600	2,962,700	3,103,800	3,203,900	3,221,000
UT Municipal Technical Advisory Service	3,157,300	3,408,700	3,603,800	3,713,700	3,731,200
Subtotal	\$89,045,500	\$94,229,200	\$98,506,000	\$102,503,800	\$102,786,400
Other Specialized Units					
UT University-Wide Administration	\$5,202,100	\$5,537,800	\$5,939,000	\$6,032,100	\$6,064,200
TN Board of Regents Administration	5,720,200	6,483,500	8,196,600	8,444,700	12,775,800
TN Student Assistance Corporation	83,568,600	93,536,000	103,703,900	116,177,100	116,195,200
Contract Education	2,176,000	1,832,500	1,832,500	2,249,900	2,249,900
TN Higher Education Commission	3,619,300	4,495,700	5,187,100	5,757,200	5,588,500
Subtotal	\$100,286,200	\$111,885,500	\$124,859,100	\$138,661,000	\$142,873,600
Total Specialized Units	\$385,946,700	\$415,579,500	\$444,443,600	\$468,718,800	\$475,241,300
Program Initiatives					
Campus Centers of Excellence	\$17,133,600	\$17,685,600	\$18,063,100	\$18,363,900	\$18,379,300
Campus Centers of Emphasis	1,236,600	1,288,100	1,314,400	1,338,100	1,340,000
Academic Scholars Program	711,800	1,211,800	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	6,028,400	5,852,900	11,089,000	11,089,000
Subtotal	\$46,776,900	\$48,130,400	\$48,358,700	\$53,919,300	\$53,936,600
Total Operating²	\$1,367,289,700	\$1,483,643,300	\$1,590,389,200	\$1,684,937,600	\$1,697,400,100

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.

2 - Does not include \$40M recurring for Capital Maintenance.

ATTACHMENT II

2021-22 State Appropriations Distribution Recommendation

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

	2020-21 Appropriation ¹	2021-22 Formula Calculation	Breakdown of 2021-22 Changes		2021-22 Changes	2021-22 Recommendation	Percent Change	Percent Funded
			Outcomes Formula Adjustments	Share of New Funding				
Academic Formula Units								
LGI Universities								
Austin Peay	\$51,097,700	\$83,521,800	\$2,967,400	\$1,677,800	\$4,645,200	\$55,742,900	9.1%	66.7%
East Tennessee ²	70,556,300	109,774,200	502,500	2,205,200	2,707,700	73,264,000	3.8%	66.7%
Middle Tennessee	106,483,000	161,044,200	(2,236,300)	3,235,100	998,800	107,481,800	0.9%	66.7%
Tennessee State	41,365,200	61,057,400	(1,841,700)	1,226,500	(615,200)	40,750,000	-1.5%	66.7%
Tennessee Tech ²	57,428,600	88,052,200	(430,900)	1,768,800	1,337,900	58,766,500	2.3%	66.7%
University of Memphis	123,734,100	190,519,200	(407,700)	3,827,200	3,419,500	127,153,600	2.8%	66.7%
Subtotal	\$450,664,900	\$693,969,000	(\$1,446,700)	\$13,940,600	\$12,493,900	\$463,158,800	2.8%	66.7%
Community Colleges³								
Chattanooga	\$33,084,400	\$50,969,200	(\$91,100)	\$1,023,900	\$932,800	\$34,017,200	2.8%	66.7%
Cleveland	11,937,900	18,747,000	197,400	376,600	574,000	12,511,900	4.8%	66.7%
Columbia	17,615,800	28,293,400	699,000	568,400	1,267,400	18,883,200	7.2%	66.7%
Dyersburg	10,717,100	16,729,900	112,500	336,100	448,600	11,165,700	4.2%	66.7%
Jackson	14,879,600	23,477,000	317,500	471,600	789,100	15,668,700	5.3%	66.7%
Motlow	19,334,000	32,847,700	1,928,800	659,700	2,588,500	21,922,500	13.4%	66.7%
Nashville	22,732,000	34,225,000	(577,600)	687,500	109,900	22,841,900	0.5%	66.7%
Northeast	23,013,900	35,954,300	259,900	722,300	982,200	23,996,100	4.3%	66.7%
Pellissippi	35,442,700	55,201,900	290,500	1,108,900	1,399,400	36,842,100	3.9%	66.7%
Roane	24,116,500	37,779,600	338,900	758,900	1,097,800	25,214,300	4.6%	66.7%
Southwest	29,938,100	45,287,900	(622,400)	909,800	287,400	30,225,500	1.0%	66.7%
Volunteer	27,806,100	44,524,400	1,015,300	894,400	1,909,700	29,715,800	6.9%	66.7%
Walters	25,474,600	39,145,300	(135,200)	786,400	651,200	26,125,800	2.6%	66.7%
Community College Subtotal	\$296,092,700	\$463,182,600	\$3,733,500	\$9,304,500	\$13,038,000	\$309,130,700	4.4%	66.7%
UT Universities								
UT Chattanooga	\$59,510,200	\$91,369,200	(\$365,300)	\$1,835,400	\$1,470,100	\$60,980,300	2.5%	66.7%
UT Knoxville ²	244,566,300	377,009,200	(521,600)	7,573,400	7,051,800	251,618,100	2.9%	66.7%
UT Martin ²	34,025,400	51,570,500	(642,900)	1,036,000	393,100	34,418,500	1.2%	66.7%
Subtotal	\$338,101,900	\$519,948,900	(\$1,529,800)	\$10,444,800	\$8,915,000	\$347,016,900	2.6%	66.7%
Total Colleges and Universities	\$1,084,859,500	\$1,677,100,500	\$757,000	\$33,689,900	\$34,446,900	\$1,119,306,400	3.2%	66.7%
TN Colleges of Applied Technology ²	\$75,196,700	\$114,997,200	(\$757,000)	\$2,310,100	\$1,553,100	\$76,749,800	2.1%	66.7%
Total Academic Formula Units	\$1,160,056,200	\$1,792,097,700	\$0	\$36,000,000	\$36,000,000	\$1,196,056,200	3.1%	66.7%

1 - Recurring funding. Includes 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.

ATTACHMENT II

2021-22 State Appropriations Share of Total Calculation

	A	B	C	D	E = D + A	F = D / A
Academic Formula Units	2020-21 Appropriation ¹	2020-21 Appropriation Share	2021-22 Appropriation Share	2021-22 Funding Changes	2021-22 Recommendation	Percent Change
LGI Universities						
Austin Peay	\$51,097,700	4.71%	4.98%	\$4,645,200	\$55,742,900	9.1%
East Tennessee ²	70,556,300	6.50%	6.55%	2,707,700	73,264,000	3.8%
Middle Tennessee	106,483,000	9.82%	9.60%	998,800	107,481,800	0.9%
Tennessee State	41,365,200	3.81%	3.64%	(615,200)	40,750,000	-1.5%
Tennessee Tech ²	57,428,600	5.29%	5.25%	1,337,900	58,766,500	2.3%
University of Memphis	123,734,100	11.41%	11.36%	3,419,500	127,153,600	2.8%
Subtotal	\$450,664,900	41.54%	41.38%	\$12,493,900	\$463,158,800	2.8%
Community Colleges³						
Chattanooga	\$33,084,400	3.05%	3.04%	\$932,800	\$34,017,200	2.8%
Cleveland	11,937,900	1.10%	1.12%	574,000	12,511,900	4.8%
Columbia	17,615,800	1.62%	1.69%	1,267,400	18,883,200	7.2%
Dyersburg	10,717,100	0.99%	1.00%	448,600	11,165,700	4.2%
Jackson	14,879,600	1.37%	1.40%	789,100	15,668,700	5.3%
Motlow	19,334,000	1.78%	1.96%	2,588,500	21,922,500	13.4%
Nashville	22,732,000	2.10%	2.04%	109,900	22,841,900	0.5%
Northeast	23,013,900	2.12%	2.14%	982,200	23,996,100	4.3%
Pellissippi	35,442,700	3.27%	3.29%	1,399,400	36,842,100	3.9%
Roane	24,116,500	2.22%	2.25%	1,097,800	25,214,300	4.6%
Southwest	29,938,100	2.76%	2.70%	287,400	30,225,500	1.0%
Volunteer	27,806,100	2.56%	2.65%	1,909,700	29,715,800	6.9%
Walters	25,474,600	2.35%	2.33%	651,200	26,125,800	2.6%
Community College Subtotal	\$296,092,700	27.29%	27.62%	\$13,038,000	\$309,130,700	4.4%
UT Universities						
UT Chattanooga	\$59,510,200	5.49%	5.45%	\$1,470,100	\$60,980,300	2.5%
UT Knoxville ²	244,566,300	22.54%	22.48%	7,051,800	251,618,100	2.9%
UT Martin ²	34,025,400	3.14%	3.07%	393,100	34,418,500	1.2%
Subtotal	\$338,101,900	31.17%	31.00%	\$8,915,000	\$347,016,900	2.6%
Total Colleges and Universities	\$1,084,859,500	100.00%	100.00%	\$34,446,900	\$1,119,306,400	3.2%

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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2021-22 State Appropriations Distribution Recommendation

	A	B	C = B - A	D = C / A
	2020-21 Appropriation ¹	2021-22 Recommendation ¹	Total Change	Percent Change
Specialized Units				
Medical Education				
ETSU College of Medicine	\$36,717,300	\$38,449,300	\$1,732,000	4.7%
ETSU Family Practice	7,835,800	7,945,500	109,700	1.4%
UT College of Vet Medicine	22,280,200	22,592,100	311,900	1.4%
UT Health Science Center	162,748,000	167,917,200	5,169,200	3.2%
Subtotal	\$229,581,300	\$236,904,100	\$7,322,800	3.2%
Research and Public Service				
UT Agricultural Experiment Station	\$31,160,800	\$31,597,100	\$436,300	1.4%
UT Agricultural Extension Service	38,428,800	38,966,800	538,000	1.4%
TSU McMinnville Center	1,429,900	1,478,300	48,400	3.4%
TSU Institute of Ag. and Environmental Research	4,771,600	4,838,400	66,800	1.4%
TSU Cooperative Extension	3,705,200	3,757,100	51,900	1.4%
TSU McIntire-Stennis Forestry Research	198,900	201,700	2,800	1.4%
UT Space Institute	9,301,200	9,431,400	130,200	1.4%
UT Institute for Public Service	6,837,800	6,993,600	155,800	2.3%
UT County Technical Assistance Service	3,221,000	3,281,700	60,700	1.9%
UT Municipal Technical Advisory Service	3,731,200	3,783,400	52,200	1.4%
Subtotal	\$102,786,400	\$104,329,500	\$1,543,100	1.5%
Other Specialized Units				
UT University-Wide Administration	\$6,064,200	\$6,064,200	\$0	0.0%
TN Board of Regents Administration	12,775,800	12,775,800	-	0.0%
TN Student Assistance Corporation	116,195,200	116,195,200	-	0.0%
Contract Education	2,249,900	2,249,900	-	0.0%
TN Higher Education Commission	5,588,500	5,588,500	-	0.0%
Subtotal	\$142,873,600	\$142,873,600	\$0	0.0%
Total Specialized Units	\$475,241,300	\$484,107,200	\$8,865,900	1.9%
Program Initiatives				
Campus Centers of Excellence	\$18,379,300	\$18,379,300	\$0	0.0%
Campus Centers of Emphasis	1,340,000	1,340,000	-	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%
Research Initiatives - UT	5,852,900	5,852,900	-	0.0%
THEC Grants	11,089,000	11,089,000	-	0.0%
Specialized Units Strategic Initiatives ²	-	8,595,000	8,595,000	NA
Statewide System Priorities ²	-	9,350,000	9,350,000	NA
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	\$62,102,600	\$80,047,600	\$17,945,000	28.9%
Total	\$1,697,400,100	\$1,760,211,000	\$62,810,900	3.7%

1 - Recurring funds.

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

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

ATTACHMENT III
2021-22 Specialized Units Strategic Initiatives

Board Priority	Governing Board	Institution	Project Name	Total Cost	Project Description
1	UT	UT Institute of Agriculture	Competitive Salaries and Extension Agents for Distressed Rural Counties	\$6,595,000	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)
1	TSU	TSU Cooperative Extension	Sustaining Cooperative Extension Services	\$2,000,000	Recurring funding is requested to allow the TSU Cooperative Extension program to sustain current extension operations in fifty counties in concert with federal and county support funds. (\$2.0M recurring)

2021-22 Statewide System Priorities

Board Priority	Governing Board	Institution	Project Name	Total Cost	Project Description
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. This request would fund 90 FTE officers to serve approximately 68 locations for coverage when students are on campus. 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)
1	TBR	TCATs	TCAT Student Success Support	\$2,700,000	Over the last few years, TCATs have undergone significant operational strategic changes building off their successful foundation and expanding into new areas of student access and success. The current strategic policy environment requires TCATs to have greater capacity to serve student and workforce needs. Through a partnership with Achieving the Dream, TCATs have begun building student supports and expertise to better serve students through graduation and into the workforce. Additionally, these institutions have modernized their systems of financial aid, admissions, and business operations in recent years. This recurring funding request would provide one FTE position per TCAT main campus, allowing these institutions to build the necessary additional capacity to meet these growing strategic and operational demands. (\$2.7M 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)

ATTACHMENT IV

2021-22 State Appropriations Distribution with 2.0% Reduction

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
			Breakdown of 2021-22 Changes					
Academic Formula Units	2020-21 Appropriation ¹	2021-22 Formula Calculation	Outcomes Formula Adjustments	2.0% Reduction to Higher Education	2021-22 Change	2021-22 Recommendation	Percent Change	Percent Funded
LGI Universities								
Austin Peay	\$51,097,700	\$83,521,800	\$2,967,400	(\$1,231,500)	\$1,735,900	\$52,833,600	3.4%	63.3%
East Tennessee ²	70,556,300	109,774,200	502,500	(1,618,600)	(1,116,100)	69,440,200	-1.6%	63.3%
Middle Tennessee	106,483,000	161,044,200	(2,236,300)	(2,374,500)	(4,610,800)	101,872,200	-4.3%	63.3%
Tennessee State	41,365,200	61,057,400	(1,841,700)	(900,300)	(2,742,000)	38,623,200	-6.6%	63.3%
Tennessee Tech ²	57,428,600	88,052,200	(430,900)	(1,298,300)	(1,729,200)	55,699,400	-3.0%	63.3%
University of Memphis	123,734,100	190,519,200	(407,700)	(2,809,100)	(3,216,800)	120,517,300	-2.6%	63.3%
Subtotal	\$450,664,900	\$693,969,000	(\$1,446,700)	(\$10,232,300)	(\$11,679,000)	\$438,985,900	-2.6%	63.3%
Community Colleges³								
Chattanooga	\$33,084,400	\$50,969,200	(\$91,100)	(\$751,500)	(\$842,600)	\$32,241,800	-2.5%	63.3%
Cleveland	11,937,900	18,747,000	197,400	(276,400)	(79,000)	11,858,900	-0.7%	63.3%
Columbia	17,615,800	28,293,400	699,000	(417,200)	281,800	17,897,600	1.6%	63.3%
Dyersburg	10,717,100	16,729,900	112,500	(246,700)	(134,200)	10,582,900	-1.3%	63.3%
Jackson	14,879,600	23,477,000	317,500	(346,200)	(28,700)	14,850,900	-0.2%	63.3%
Motlow	19,334,000	32,847,700	1,928,800	(484,300)	1,444,500	20,778,500	7.5%	63.3%
Nashville	22,732,000	34,225,000	(577,600)	(504,600)	(1,082,200)	21,649,800	-4.8%	63.3%
Northeast	23,013,900	35,954,300	259,900	(530,100)	(270,200)	22,743,700	-1.2%	63.3%
Pellissippi	35,442,700	55,201,900	290,500	(813,900)	(523,400)	34,919,300	-1.5%	63.3%
Roane	24,116,500	37,779,600	338,900	(557,000)	(218,100)	23,898,400	-0.9%	63.3%
Southwest	29,938,100	45,287,900	(622,400)	(667,700)	(1,290,100)	28,648,000	-4.3%	63.3%
Volunteer	27,806,100	44,524,400	1,015,300	(656,500)	358,800	28,164,900	1.3%	63.3%
Walters	25,474,600	39,145,300	(135,200)	(577,200)	(712,400)	24,762,200	-2.8%	63.3%
Community College Subtotal	\$296,092,700	\$463,182,600	\$3,733,500	(\$6,829,300)	(\$3,095,800)	\$292,996,900	-1.0%	63.3%
UT Universities								
UT Chattanooga	\$59,510,200	\$91,369,200	(\$365,300)	(\$1,347,200)	(\$1,712,500)	\$57,797,700	-2.9%	63.3%
UT Knoxville ²	244,566,300	377,009,200	(521,600)	(5,558,800)	(6,080,400)	238,485,900	-2.5%	63.3%
UT Martin ²	34,025,400	51,570,500	(642,900)	(760,400)	(1,403,300)	32,622,100	-4.1%	63.3%
Subtotal	\$338,101,900	\$519,948,900	(\$1,529,800)	(\$7,666,400)	(\$9,196,200)	\$328,905,700	-2.7%	63.3%
Total Colleges and Universities	\$1,084,859,500	\$1,677,100,500	\$757,000	(\$24,728,000)	(\$23,971,000)	\$1,060,888,500	-2.2%	63.3%
TN Colleges of Applied Technology ²	\$75,196,700	\$114,997,200	(\$757,000)	(\$1,695,600)	(\$2,452,600)	\$72,744,100	-3.3%	63.3%
Total Academic Formula Units	\$1,160,056,200	\$1,792,097,700	\$0	(\$26,423,600)	(\$26,423,600)	\$1,133,632,600	-2.3%	63.3%

Note: Finance and Administration sets a reduction amount each year. THEC divides this reduction amount between the 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 - 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.

ATTACHMENT IV

2021-22 State Appropriations Distribution with 2.0% Reduction¹

	A	B	C = B - A	D = C / A
Specialized Units	2020-21 Appropriation ²	2021-22 Recommendation ²	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$36,717,300	\$36,251,800	(\$465,500)	-1.3%
ETSU Family Practice	7,835,800	7,757,300	(78,500)	-1.0%
UT College of Vet Medicine	22,280,200	21,929,700	(350,500)	-1.6%
UT Health Science Center	162,748,000	160,304,400	(2,443,600)	-1.5%
Subtotal	\$229,581,300	\$226,243,200	(\$3,338,100)	-1.5%
Research and Public Service				
UT Agricultural Experiment Station	\$31,160,800	\$30,848,700	(\$312,100)	-1.0%
UT Agricultural Extension Service	38,428,800	38,043,900	(384,900)	-1.0%
TSU McMinnville Center	1,429,900	1,415,600	(14,300)	-1.0%
TSU Institute of Ag. and Environmental Research	4,771,600	4,723,800	(47,800)	-1.0%
TSU Cooperative Extension	3,705,200	3,668,100	(37,100)	-1.0%
TSU McIntire-Stennis Forestry Research	198,900	196,900	(2,000)	-1.0%
UT Space Institute	9,301,200	9,198,000	(103,200)	-1.1%
UT Institute for Public Service	6,837,800	6,769,300	(68,500)	-1.0%
UT County Technical Assistance Service	3,221,000	3,188,700	(32,300)	-1.0%
UT Municipal Technical Advisory Service	3,731,200	3,693,800	(37,400)	-1.0%
Subtotal	\$102,786,400	\$101,746,800	(\$1,039,600)	-1.0%
Other Specialized Units				
UT University-Wide Administration	\$6,064,200	\$6,003,500	(\$60,700)	-1.0%
TN Board of Regents Administration	12,775,800	12,647,800	(128,000)	-1.0%
TN Student Assistance Corporation	116,195,200	116,173,600	(21,600)	0.0%
Contract Education	2,249,900	2,227,400	(22,500)	-1.0%
TN Higher Education Commission	5,588,500	5,532,500	(56,000)	-1.0%
Subtotal	\$142,873,600	\$142,584,800	(\$288,800)	-0.2%
Total Specialized Units	\$475,241,300	\$470,574,800	(\$4,666,500)	-1.0%
Program Initiatives				
Campus Centers of Excellence	\$18,379,300	\$18,195,200	(\$184,100)	-1.0%
Campus Centers of Emphasis	1,340,000	1,326,600	(13,400)	-1.0%
Academic Scholars Program	1,211,800	1,211,800	-	0.0%
UT Access and Diversity Initiative	5,806,700	5,748,500	(58,200)	-1.0%
TBR Access and Diversity Initiative	10,256,900	10,154,200	(102,700)	-1.0%
THEC Grants	11,089,000	10,977,900	(111,100)	-1.0%
Research Initiatives - UT	5,852,900	5,794,300	(58,600)	-1.0%
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	\$234,205,100	\$61,574,500	(\$528,100)	-0.2%
Total	\$1,869,502,600	\$1,665,781,900	(\$31,618,200)	-1.7%

1 - Finance and Administration identified TSSA Awards, Loan/Scholarship Program, Academic Scholars Program, Recurring Capital Maintenance, and Allotment Reserves as exempt from the 2.0% reduction scenario for 2021-22.

2 - Recurring funds.

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

ATTACHMENT V

2021-22 State Appropriations Funding Scenarios

	A	B	C	D	E	F
	Outcomes Formula Calculation	Share of Total Formula Calculation	\$36,000,000 THEC Recommendation	Alternative Funding Scenarios		
				0.0% Flat Funding Scenario	\$59,000,000 Increase Scenario ¹	Flat Tuition Scenario ²
Academic Formula Units						
LGI Universities						
Austin Peay	\$83,521,800	4.98%	\$55,742,900	\$54,065,100	\$56,814,800	\$59,098,500
East Tennessee	109,774,200	6.55%	73,264,000	71,058,800	74,672,800	77,674,300
Middle Tennessee	161,044,200	9.60%	107,481,800	104,246,700	109,548,600	113,952,000
Tennessee State	61,057,400	3.64%	40,750,000	39,523,500	41,533,700	43,203,100
Tennessee Tech	88,052,200	5.25%	58,766,500	56,997,700	59,896,600	62,304,100
University of Memphis	190,519,200	11.36%	127,153,600	123,326,400	129,598,700	134,808,000
LGI Subtotal	\$693,969,000	41.38%	\$463,158,800	\$449,218,200	\$472,065,200	\$491,040,000
Community Colleges						
Chattanooga	\$50,969,200	3.04%	\$34,017,200	\$32,993,300	\$34,671,300	\$36,064,900
Cleveland	18,747,000	1.12%	12,511,900	12,135,300	12,752,500	13,265,100
Columbia	28,293,400	1.69%	18,883,200	18,314,800	19,246,300	20,019,900
Dyersburg	16,729,900	1.00%	11,165,700	10,829,600	11,380,400	11,837,800
Jackson	23,477,000	1.40%	15,668,700	15,197,100	15,970,000	16,611,900
Motlow	32,847,700	1.96%	21,922,500	21,262,800	22,344,200	23,242,200
Nashville	34,225,000	2.04%	22,841,900	22,154,400	23,281,200	24,217,000
Northeast	35,954,300	2.14%	23,996,100	23,273,800	24,457,500	25,440,600
Pellissippi	55,201,900	3.29%	36,842,100	35,733,200	37,550,600	39,059,900
Roane	37,779,600	2.25%	25,214,300	24,455,400	25,699,200	26,732,200
Southwest	45,287,900	2.70%	30,225,500	29,315,700	30,806,700	32,045,000
Volunteer	44,524,400	2.65%	29,715,800	28,821,400	30,287,200	31,504,600
Walters	39,145,300	2.33%	26,125,800	25,339,400	26,628,200	27,698,500
Community College Subtotal	\$463,182,600	27.62%	\$309,130,700	\$299,826,200	\$315,075,300	\$327,739,600
UT Universities						
UT Chattanooga	\$91,369,200	5.45%	\$60,980,300	\$59,144,900	\$62,153,000	\$64,651,200
UT Knoxville	377,009,200	22.48%	251,618,100	244,044,700	256,456,700	266,765,000
UT Martin	51,570,500	3.07%	34,418,500	33,382,500	35,080,300	36,490,400
UT Subtotal	\$519,948,900	31.00%	\$347,016,900	\$336,572,100	\$353,690,000	\$367,906,600
Total Colleges and Universities	\$1,677,100,500	100.00%	\$1,119,306,400	\$1,085,616,500	\$1,140,830,500	\$1,186,686,200
TN Colleges of Applied Technology	\$114,997,200	NA	\$76,749,800	\$74,439,700	\$78,225,700	\$81,370,000
Total Academic Formula Units	\$1,792,097,700	100.00%	\$1,196,056,200	\$1,160,056,200	\$1,219,056,200	\$1,268,056,200

1- Based on a request of \$36M for outcomes productivity and \$23M for partial funding of an estimated 2 percent salary increase, resulting in a total appropriation recommendation of \$59M.

2 - Based on a request of \$36M for outcomes productivity, \$23M for partial funding of an estimated 2 percent salary increase, and \$49M to buy down tuition increases to 0.0% at all institutions, resulting in a total appropriation recommendation of \$108M.

ATTACHMENT VI

Three-Year Average Change in Formula Outcomes

Community Colleges

Total Outcomes	2020-21 Formula	2021-22 Formula	Change	
Students Accumulating 12 hrs	23,605	23,483	(122)	-0.5%
Students Accumulating 24 hrs	18,281	18,490	209	1.1%
Students Accumulating 36 hrs	15,458	15,792	334	2.2%
Dual Enrollment	19,161	19,919	758	4.0%
Associates ¹	11,243	11,785	543	4.8%
Certificates 1-2 Year	827	932	105	12.7%
Certificates <1 Year	2,726	2,646	(80)	-2.9%
Job Placements	3,823	3,952	129	3.4%
Student Transfer	6,543	6,603	60	0.9%
Workforce Training (Contact Hours)	767,974	855,373	87,399	11.4%
Awards per 100 FTE	23.53	24.68	1.15	4.9%
Adult Focus Population				
Students Accumulating 12 hrs	4,001	4,203	202	5.0%
Students Accumulating 24 hrs	3,804	4,249	446	11.7%
Students Accumulating 36 hrs	3,718	4,140	422	11.4%
Associates ¹	4,259	4,390	131	3.1%
Certificates 1-2 Year	448	499	51	11.4%
Certificates <1 Year	1,495	1,445	(51)	-3.4%
Low-Income Focus Population				
Students Accumulating 12 hrs	13,902	13,834	(69)	-0.5%
Students Accumulating 24 hrs	11,366	11,519	154	1.4%
Students Accumulating 36 hrs	9,861	10,105	244	2.5%
Associates ¹	7,393	7,683	290	3.9%
Certificates 1-2 Year	545	610	65	11.9%
Certificates <1 Year	1,552	1,529	(23)	-1.5%
Academically Underprepared Focus Population				
Students Accumulating 12 hrs	14,348	14,021	(327)	-2.3%
Students Accumulating 24 hrs	11,614	11,528	(86)	-0.7%
Students Accumulating 36 hrs	9,820	9,915	94	1.0%
Associates ¹	6,743	6,927	184	2.7%
Certificates 1-2 Year	486	544	58	11.9%
Certificates <1 Year	1,373	1,322	(52)	-3.8%
One Focus Population Only				
Students Accumulating 12 hrs	8,154	7,974	(181)	-2.2%
Students Accumulating 24 hrs	6,151	6,053	(97)	-1.6%
Students Accumulating 36 hrs	5,207	5,108	(99)	-1.9%
Associates ¹	3,584	3,796	212	5.9%
Certificates 1-2 Year	236	274	38	16.1%
Certificates <1 Year	987	935	(52)	-5.3%
Two Focus Populations Only				
Students Accumulating 12 hrs	8,766	8,627	(139)	-1.6%
Students Accumulating 24 hrs	6,923	6,852	(71)	-1.0%
Students Accumulating 36 hrs	5,775	5,812	37	0.6%
Associates ¹	3,967	4,166	198	5.0%
Certificates 1-2 Year	334	376	41	12.4%
Certificates <1 Year	974	945	(29)	-3.0%
All Three Focus Populations				
Students Accumulating 12 hrs	2,189	2,277	88	4.0%
Students Accumulating 24 hrs	2,262	2,513	251	11.1%
Students Accumulating 36 hrs	2,214	2,476	262	11.8%
Associates ¹	2,292	2,291	(1)	-0.1%
Certificates 1-2 Year	191	209	18	9.2%
Certificates <1 Year	495	490	(5)	-1.0%

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	2020-21 Formula	2021-22 Formula	Change	
Students Accumulating 30 hrs	17,944	18,154	210	1.2%
Students Accumulating 60 hrs	18,581	18,683	102	0.5%
Students Accumulating 90 hrs	21,065	21,134	69	0.3%
Bachelors and Associates ¹	23,443	23,780	337	1.4%
Masters / Ed Specialists	5,611	5,636	25	0.4%
Doctoral / Law Degree	1,207	1,240	33	2.8%
Research, Service, and Sponsored Programs	\$351,155,418	\$360,940,909	\$9,785,491	2.8%
Degrees per 100 FTE	23.24	23.75	0.51	2.2%
Six-Year Graduation Rate	56.3%	58.3%	2.0	3.6%
Adult Focus Population				
Students Accumulating 30 hrs	685	612	(73)	-10.7%
Students Accumulating 60 hrs	1,438	1,294	(144)	-10.0%
Students Accumulating 90 hrs	3,030	2,843	(187)	-6.2%
Bachelors and Associates ¹	6,839	6,569	(270)	-3.9%
Low-Income Focus Population				
Students Accumulating 30 hrs	7,672	7,637	(35)	-0.5%
Students Accumulating 60 hrs	8,350	8,224	(126)	-1.5%
Students Accumulating 90 hrs	10,359	10,079	(281)	-2.7%
Bachelors and Associates ¹	12,052	11,937	(115)	-1.0%
One Focus Population Only				
Students Accumulating 30 hrs	7,437	7,440	3	0.0%
Students Accumulating 60 hrs	7,728	7,685	(44)	-0.6%
Students Accumulating 90 hrs	8,896	8,734	(162)	-1.8%
Bachelors and Associates ¹	9,283	9,368	85	0.9%
Two Focus Populations Only				
Students Accumulating 30 hrs	460	405	(55)	-12.0%
Students Accumulating 60 hrs	1,030	917	(113)	-11.0%
Students Accumulating 90 hrs	2,247	2,094	(153)	-6.8%
Bachelors and Associates ¹	4,804	4,569	(235)	-4.9%

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

2021-22 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
LGI Universities							
Austin Peay	\$55,742,900	\$71,751,800	\$2,645,500	\$130,140,200	\$154,482,300	(\$24,342,100)	84.2%
East Tennessee ³	73,264,000	105,112,700	19,718,000	198,094,700	215,370,000	(17,275,300)	92.0%
Middle Tennessee	107,481,800	153,792,900	20,968,300	282,243,000	298,972,900	(16,729,900)	94.4%
Tennessee State	40,750,000	40,596,100	20,111,800	101,457,900	124,334,900	(22,877,000)	81.6%
Tennessee Tech ³	58,766,500	77,298,100	3,173,900	139,238,500	165,256,400	(26,017,900)	84.3%
University of Memphis	127,153,600	166,922,800	10,727,700	304,804,100	364,322,100	(59,518,000)	83.7%
LGI Subtotal	\$463,158,800	\$615,474,400	\$77,345,200	\$1,155,978,400	\$1,322,738,600	(\$166,760,200)	87.4%
Community Colleges⁴							
Chattanooga	\$34,017,200	\$27,399,800	\$852,600	\$62,269,600	\$77,756,600	(\$15,487,000)	80.1%
Cleveland	12,511,900	11,085,900	472,100	24,069,900	28,168,800	(4,098,900)	85.4%
Columbia	18,883,200	20,191,200	482,900	39,557,300	42,602,100	(3,044,800)	92.9%
Dyersburg	11,165,700	8,669,100	174,300	20,009,100	25,148,900	(5,139,800)	79.6%
Jackson	15,668,700	15,605,100	208,400	31,482,200	35,273,000	(3,790,800)	89.3%
Motlow	21,922,500	23,472,600	376,700	45,771,800	49,469,100	(3,697,300)	92.5%
Nashville	22,841,900	22,734,000	659,300	46,235,200	51,689,800	(5,454,600)	89.4%
Northeast	23,996,100	19,107,800	88,900	43,192,800	53,875,200	(10,682,400)	80.2%
Pellissippi	36,842,100	34,871,300	1,913,000	73,626,400	83,371,300	(9,744,900)	88.3%
Roane	25,214,300	18,535,100	279,300	44,028,700	56,918,100	(12,889,400)	77.4%
Southwest	30,225,500	24,240,800	2,721,100	57,187,400	68,093,500	(10,906,100)	84.0%
Volunteer	29,715,800	29,905,400	548,900	60,170,100	67,261,600	(7,091,500)	89.5%
Walters	26,125,800	21,837,200	810,000	48,773,000	58,836,100	(10,063,100)	82.9%
Community College Subtotal	\$309,130,700	\$277,655,300	\$9,587,500	\$596,373,500	\$698,464,100	(\$102,090,600)	85.4%
UT Universities							
UT Chattanooga	\$60,980,300	\$86,977,500	\$7,244,200	\$155,202,000	\$170,578,600	(\$15,376,600)	91.0%
UT Knoxville ³	251,618,100	313,478,400	52,358,400	617,454,900	710,723,300	(93,268,400)	86.9%
UT Martin ³	34,418,500	52,757,600	2,745,500	89,921,600	96,459,800	(6,538,200)	93.2%
UT Subtotal	\$347,016,900	\$453,213,500	\$62,348,100	\$862,578,500	\$977,761,700	(\$115,183,200)	88.2%
TN Colleges of Applied Technology ³	\$76,749,800	\$37,893,800	\$0	\$114,643,600	\$143,333,000	(\$28,689,400)	80.0%
Total Academic Formula Units	\$1,196,056,200	\$1,384,237,000	\$149,280,800	\$2,729,574,000	\$3,142,297,400	(\$412,723,400)	86.9%

1 - Recurring; accounts for recommended \$36M in additional funding for formula units.

2 - Assumes no salary increases, tuition increases of 1.5%, and annual enrollment increases of 0% at universities, 5.0% at community colleges and 2.5% at 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).

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 specialized units are excluded.

Initiative		Funding
Locally Governed Institutions		
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