

DATE: November 18, 2021

SUBJECT: 2022-23 Operating State Appropriation Recommendations

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION

The Strategic Financial Plan, released by the Tennessee Higher Education Commission (THEC) in 2020, sets a goal to make Tennessee the most affordable state in the South for higher education. In alignment with this goal, 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. The resulting recurring appropriation increase presented below works in partnership with the recommended binding tuition and fee range to prioritize student affordability across the universities, community colleges, and colleges of applied technology.

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 2022-23 fiscal year, THEC staff recommend a recurring increase of \$90 million in state appropriations, recognizing the growth in outcomes productivity for universities, community colleges, and colleges of applied technology and centering a recommended tuition and fee increase of zero to three percent. Of this recommended funding increase, \$25 million fully funds the growth in outcomes at the academic formula units and the remaining \$65 million represents a state investment in maintaining affordability for Tennessee students.

The outcomes-based funding formula utilizes a three-year average to determine growth in outcomes. The new three-year average in the 2022-23 formula includes outcomes produced in 2018-19, 2019-20 and 2020-21. This year’s formula also incorporates an update to the methodology for counting associate degrees awarded

by universities. Approved by the Commission in July 2021, associate degrees in the university sector now have a standardized scale in alignment with like degrees awarded in the community college sector and include only those degrees awarded to students who did not return to the awarding institution in the following academic year. To accommodate this latter change, the 2022-23 formula three-year average includes associate degrees awarded 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 2022-23 formula request to 2017-18—the data year dropped off with the movement to the new three-year average. Continuing to show the effects of the growth of the Tennessee Promise and Tennessee Reconnect programs, the community colleges produced nearly 11,400 associate degrees in 2020-21, compared to fewer than 10,600 in 2017-18. This represents about a seven percent increase from new-year to dropped-year of outcomes data. Community colleges awarded nearly 16,000 total credentials in 2020-21, a four percent increase since 2017-18. Even facing sharp declines in enrollment and retention due to the effects of the pandemic, community colleges continued to grow the number of credentials awarded.

Universities continue to succeed in the model as well. In 2020-21, universities awarded nearly 22,500 bachelor's degrees, just under 200 more degrees than were awarded in 2017-18. Universities also awarded nearly 6,000 Master's and Ed Specialists degrees in 2020-21, an increase of seven percent since 2017-18. Additionally, the average graduation rate continued to increase, up from 60.4 percent in 2017-18 to 63.8 percent in 2020-21. Finally, universities generated over \$400 million in externally funded research and public service expenditures, the highest amount ever reported.

However, some outcomes more tightly connected to enrollment are beginning to show the effects of the pandemic. Community colleges reported nearly 10,000 fewer total progression success points in 2020-21 compared to 2017-18, with the largest decline in the earliest measure of success—completion of 12 credit hours. Dual enrollment participation dropped below 19,000 students for the first time since 2016-17 and transfers of students with at least 12 credit hours fell to the lowest number since 2014-15. THEC will continue to monitor the long-term effects of the pandemic on student success and the outcomes-based funding formula.

SPECIALIZED UNITS RECOMMENDATION

Along with the formula unit recommendation, staff recommend a funding increase of \$15.8 million recurring for the specialized units—which include the medical colleges, agriculture research units, public service entities and non-THEC related statewide program initiatives. Funding increases for these units reflect annual growth in several cost drivers. These drivers often 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.

Additionally, THEC is requesting both recurring and nonrecurring funding for several agency-led initiatives and staffing needs. These requests include \$25 million nonrecurring to provide facility security, safety, and preparedness upgrades to all higher education campuses; \$5 million nonrecurring to retain a consultant team to complete a statewide facilities condition survey of all Education & General (E&G) facilities; \$850,000 recurring to reinstate summer bridge programs offered in partnership with TN Achieves and Tennessee’s Historically Black Colleges and Universities (HBCUs); \$565,000 recurring for a contracts manager position and three capital project managers positions; and \$360,000 recurring to fully-fund the reverse transfer portal, a program used to identify and award associate degrees to those who transfer from a community college to a university prior to degree conferral.

Operating fund recommendations for the formula and specialized units are detailed in Attachment II.

OTHER SPECIAL INITIATIVES

Staff also recommend \$17.9 million in recurring and nonrecurring funds for strategic investments in several specialized units. The specialized unit strategic initiatives include \$2.8 million recurring to address comparative salary inequities and an additional \$3.3 million nonrecurring to purchase a digital medical record system at the College of Veterinary Medicine housed in the University of Tennessee Institute of Agriculture. THEC staff also recommend \$1.04 million recurring to establish a department of Orthopedic Surgery at the ETSU Quillen College of Medicine; \$784,000 recurring to permanently fund the Substance Misuse and Addiction Resource for Tennessee (SMART) Policy Network at the UT Institute for Public Service; \$336,000 recurring to expand faculty and clinical support for the Addiction Medicine Fellowship at the ETSU Family Practice; and \$315,000 recurring to establish a

Center of Excellence in School Safety within the UT Law Enforcement Innovation Center. Staff also recommend recurring and nonrecurring funding for TCAT security—a statewide system priority at the Tennessee Board of Regents—totaling \$9.34 million. Continuing the state’s investment in campus safety and security, a recurring recommendation of \$5.2 million will fully fund 56 full-time police officers serving all 27 TCATs, and the remaining \$4.14 million in nonrecurring will provide start-up costs related to these sworn officers.

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 2022-23 budget with a 1.0 percent reduction in state appropriations. Financial aid funding provided by TSAC and recurring funds for capital maintenance are exempt from these reduction scenarios. THEC has also elected to hold the first year of Graduate Medical Education funding exempt from reduction. For higher education, a 1.0 reduction to the remaining units results in a state appropriation decline of \$17.2 million.

This distribution is detailed in Attachment IV.

RECOMMENDATION SUMMARY

The grand total recurring recommendation for all higher education operating appropriations for 2022-23 is \$1.99 billion. This includes \$1.34 billion to fund the formula units and Tennessee Colleges of Applied Technology, \$527.7 million to fund the specialized units, and \$125.1 million for strategic program investments. These recommendations total \$155.5 million of new funds, an increase of 8.5 percent over 2021-22.

ATTACHMENT I

State Appropriations History

Academic Formula Units	2017-18	2018-19	2019-20	2020-21	2021-22
LGI Universities					
Austin Peay	\$44,621,700	\$47,857,100	\$50,503,100	\$51,097,700	\$58,069,700
East Tennessee	61,099,800	65,770,700	70,579,000	71,656,300	78,255,200
Middle Tennessee	97,003,700	103,216,200	107,399,400	106,483,000	112,926,200
Tennessee State	36,757,500	39,402,300	41,795,200	41,365,200	43,192,500
Tennessee Tech	47,231,100	55,020,600	59,597,500	60,428,600	64,329,000
University of Memphis	110,827,200	117,771,000	123,370,700	123,734,100	133,589,000
Subtotal	\$397,541,000	\$429,037,900	\$453,244,900	\$454,764,900	\$490,361,600
Community Colleges¹					
Chattanooga	\$31,118,200	\$31,863,600	\$33,669,500	\$33,084,400	\$35,357,600
Cleveland	10,988,200	11,215,700	12,302,400	11,937,900	12,983,800
Columbia	15,026,400	15,821,100	16,836,200	17,615,800	19,529,800
Dyersburg	9,388,600	9,734,200	10,516,000	10,717,100	11,574,200
Jackson	13,561,500	14,266,600	15,102,200	14,879,600	16,234,400
Motlow	13,292,500	15,023,000	17,565,300	19,334,000	22,731,900
Nashville	20,259,300	22,228,600	23,374,700	22,732,000	23,863,600
Northeast	18,137,200	19,695,300	21,089,900	23,013,900	24,770,700
Pellissippi	30,477,800	32,729,600	34,933,800	35,442,700	38,335,600
Roane	21,087,900	22,518,000	24,110,700	24,116,500	26,138,700
Southwest	27,147,100	28,504,100	30,253,800	29,938,100	31,503,300
Volunteer	20,809,700	23,498,200	26,331,900	27,806,100	30,892,500
Walters	23,469,700	24,606,600	25,527,400	25,474,600	27,113,400
Subtotal	\$254,764,100	\$271,704,600	\$291,613,800	\$296,092,700	\$321,029,500
UT Universities					
UT Chattanooga	\$51,005,300	\$56,184,500	\$58,905,900	\$59,510,200	\$63,908,400
UT Knoxville	217,270,000	234,382,200	247,059,300	247,566,300	265,574,900
UT Martin	32,495,400	34,698,100	35,748,200	34,665,400	36,668,900
Subtotal	\$300,770,700	\$325,264,800	\$341,713,400	\$341,741,900	\$366,152,200
Total Colleges and Universities	\$953,075,800	\$1,026,007,300	\$1,086,572,100	\$1,092,599,500	\$1,177,543,300
TN Colleges of Applied Technology	\$66,857,600	\$71,579,600	\$75,727,400	\$75,622,700	\$88,471,700
Total Academic Formula Units	\$1,019,933,400	\$1,097,586,900	\$1,162,299,500	\$1,168,222,200	\$1,266,015,000

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	2017-18	2018-19	2019-20	2020-21	2021-22
Medical Education					
ETSU College of Medicine	\$33,094,900	\$34,470,700	\$35,543,300	\$36,717,300	\$40,577,400
ETSU Family Practice	7,160,800	7,526,300	7,816,500	7,835,800	8,577,200
UT College of Vet Medicine	19,710,800	21,398,400	22,192,700	22,280,200	24,129,000
UT Health Science Center ¹	149,498,300	157,683,100	162,001,500	162,748,000	177,089,400
Subtotal	\$209,464,800	\$221,078,500	\$227,554,000	\$229,581,300	\$250,373,000
Research and Public Service					
UT Agricultural Experiment Station	\$29,048,400	\$30,435,300	\$31,092,900	\$31,160,800	\$32,488,900
UT Agricultural Extension Service	35,590,500	37,509,700	38,276,100	38,428,800	42,280,600
TSU McMinnville Center	608,200	619,400	1,429,200	1,429,900	1,466,200
TSU Institute of Ag. and Environmental Research	3,541,700	3,613,700	4,771,800	4,771,600	4,858,100
TSU Cooperative Extension	3,510,100	3,610,200	3,703,500	3,705,200	5,865,100
TSU McIntire-Stennis Forestry Research	193,300	196,200	198,900	198,900	207,800
UT Space Institute	8,900,500	9,129,100	9,290,800	9,301,200	9,668,700
UT Institute for Public Service	6,465,100	6,684,800	6,823,000	6,837,800	7,120,500
Tennessee Language Center	637,800	672,000	712,300	720,600	802,400
Institute for Public Service: Other Agencies	5,827,300	6,012,800	6,110,700	6,117,200	6,318,100
UT County Technical Assistance Service	2,962,700	3,103,800	3,203,900	3,221,000	3,396,000
UT Municipal Technical Advisory Service	3,408,700	3,603,800	3,713,700	3,731,200	3,970,600
Subtotal	\$94,229,200	\$98,506,000	\$102,503,800	\$102,786,400	\$111,322,500
Other Specialized Units					
UT Southern	\$0	\$0	\$0	\$0	\$5,230,000
UT University-Wide Administration	5,537,800	5,939,000	6,032,100	6,064,200	6,270,600
TN Board of Regents Administration	6,483,500	8,196,600	8,444,700	12,775,800	14,177,100
TN Student Assistance Corporation	93,536,000	103,703,900	116,177,100	116,195,200	116,386,300
Contract Education	1,832,500	1,832,500	2,249,900	2,249,900	2,577,000
TN Higher Education Commission	4,495,700	5,187,100	5,757,200	5,588,500	5,888,100
Subtotal	\$111,885,500	\$124,859,100	\$138,661,000	\$142,873,600	\$150,529,100
Total Formula and Specialized Units	\$1,435,512,900	\$1,542,030,500	\$1,631,018,300	\$1,643,463,500	\$1,778,239,600
Program Initiatives					
Campus Centers of Excellence	\$17,685,600	\$18,063,100	\$18,363,900	\$18,379,300	\$19,045,000
Campus Centers of Emphasis	1,288,100	1,314,400	1,338,100	1,340,000	1,381,700
Academic Scholars Program	1,211,800	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	6,028,400	5,852,900	11,089,000	11,089,000	15,417,200
Subtotal	\$48,130,400	\$48,358,700	\$53,919,300	\$53,936,600	\$58,972,200
Total Operating²	\$1,483,643,300	\$1,590,389,200	\$1,684,937,600	\$1,697,400,100	\$1,837,211,800

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.

2 - Does not include recurring capital maintenance funding.

ATTACHMENT II

2022-23 State Appropriations Distribution Recommendation

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
			Breakdown of 2022-23 Changes					
Academic Formula Units	2021-22 Appropriation ¹	2022-23 Formula Calculation	Outcomes Formula Adjustments	Share of New Funding	2022-23 Changes	2022-23 Recommendation	Percent Change	Percent Funded
LGI Universities								
Austin Peay	\$58,069,700	\$92,275,200	\$1,733,000	\$4,306,300	\$6,039,300	\$64,109,000	10.4%	69.5%
East Tennessee ²	77,155,200	119,353,700	197,000	5,570,000	5,767,000	82,922,200	7.5%	69.5%
Middle Tennessee	112,926,200	173,307,000	(607,300)	8,087,900	7,480,600	120,406,800	6.6%	69.5%
Tennessee State	43,192,500	64,754,000	(1,225,800)	3,022,100	1,796,300	44,988,800	4.2%	69.5%
Tennessee Tech ²	61,329,000	93,862,400	(497,500)	4,380,400	3,882,900	65,211,900	6.3%	69.5%
University of Memphis	133,589,000	207,352,600	794,600	9,676,800	10,471,400	144,060,400	7.8%	69.5%
Subtotal	\$486,261,600	\$750,904,900	\$394,000	\$35,043,500	\$35,437,500	\$521,699,100	7.3%	69.5%
Community Colleges³								
Chattanooga	\$35,357,600	\$53,184,400	(\$889,200)	\$2,482,000	\$1,592,800	\$36,950,400	4.5%	69.5%
Cleveland	12,983,800	20,220,000	120,600	943,600	1,064,200	14,048,000	8.2%	69.5%
Columbia	19,529,800	30,510,100	243,600	1,423,900	1,667,500	21,197,300	8.5%	69.5%
Dyersburg	11,574,200	17,802,400	(36,600)	830,800	794,200	12,368,400	6.9%	69.5%
Jackson	16,234,400	24,615,400	(281,300)	1,148,800	867,500	17,101,900	5.3%	69.5%
Motlow	22,731,900	35,675,300	389,000	1,664,900	2,053,900	24,785,800	9.0%	69.5%
Nashville	23,863,600	37,061,200	155,500	1,729,600	1,885,100	25,748,700	7.9%	69.5%
Northeast	24,770,700	37,332,500	(575,800)	1,742,200	1,166,400	25,937,100	4.7%	69.5%
Pellissippi	38,335,600	59,275,100	80,100	2,766,300	2,846,400	41,182,000	7.4%	69.5%
Roane	26,138,700	39,261,000	(693,900)	1,832,200	1,138,300	27,277,000	4.4%	69.5%
Southwest	31,503,300	47,440,800	(757,300)	2,214,000	1,456,700	32,960,000	4.6%	69.5%
Volunteer	30,892,500	48,145,100	310,000	2,246,800	2,556,800	33,449,300	8.3%	69.5%
Walters	27,113,400	42,916,500	700,500	2,002,800	2,703,300	29,816,700	10.0%	69.5%
Subtotal	\$321,029,500	\$493,439,800	(\$1,234,800)	\$23,027,900	\$21,793,100	\$342,822,600	6.8%	69.5%
UT Universities								
UT Chattanooga	\$63,908,400	\$98,653,100	\$27,900	\$4,604,000	\$4,631,900	\$68,540,300	7.2%	69.5%
UT Knoxville ²	262,574,900	406,992,500	1,193,800	18,993,600	20,187,400	282,762,300	7.7%	69.5%
UT Martin ²	36,028,900	55,937,300	223,600	2,610,500	2,834,100	38,863,000	7.9%	69.5%
Subtotal	\$362,512,200	\$561,582,900	\$1,445,300	\$26,208,100	\$27,653,400	\$390,165,600	7.6%	69.5%
Total Colleges and Universities	\$1,169,803,300	\$1,805,927,600	\$604,500	\$84,279,500	\$84,884,000	\$1,254,687,300	7.3%	69.5%
TN Colleges of Applied Technology ²	\$80,045,700	\$122,577,000	(\$604,500)	\$5,720,500	\$5,116,000	\$85,161,700	6.4%	69.5%
Total Academic Formula Units	\$1,249,849,000	\$1,928,504,600	\$0	\$90,000,000	\$90,000,000	\$1,339,849,000	7.2%	69.5%

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), TCATs Correctional Education Investment Initiative (\$426K), and TCAT Staffing Capacity (\$8M). 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

2022-23 State Appropriations Share of Total Calculation

	A	B	C	D	E = D + A	F = D / A
Academic Formula Units	2021-22 Appropriation ¹	2021-22 Appropriation Share	2022-23 Appropriation Share	2022-23 Funding Changes	2022-23 Recommendation	Percent Change
LGI Universities						
Austin Peay	\$58,069,700	4.96%	5.11%	\$6,039,300	\$64,109,000	10.4%
East Tennessee ²	77,155,200	6.60%	6.61%	5,767,000	82,922,200	7.5%
Middle Tennessee	112,926,200	9.65%	9.60%	7,480,600	120,406,800	6.6%
Tennessee State	43,192,500	3.69%	3.59%	1,796,300	44,988,800	4.2%
Tennessee Tech ²	61,329,000	5.24%	5.20%	3,882,900	65,211,900	6.3%
University of Memphis	133,589,000	11.42%	11.48%	10,471,400	144,060,400	7.8%
Subtotal	\$486,261,600	41.57%	41.58%	\$35,437,500	\$521,699,100	7.3%
Community Colleges³						
Chattanooga	\$35,357,600	3.02%	2.94%	\$1,592,800	\$36,950,400	4.5%
Cleveland	12,983,800	1.11%	1.12%	1,064,200	14,048,000	8.2%
Columbia	19,529,800	1.67%	1.69%	1,667,500	21,197,300	8.5%
Dyersburg	11,574,200	0.99%	0.99%	794,200	12,368,400	6.9%
Jackson	16,234,400	1.39%	1.36%	867,500	17,101,900	5.3%
Motlow	22,731,900	1.94%	1.98%	2,053,900	24,785,800	9.0%
Nashville	23,863,600	2.04%	2.05%	1,885,100	25,748,700	7.9%
Northeast	24,770,700	2.12%	2.07%	1,166,400	25,937,100	4.7%
Pellissippi	38,335,600	3.28%	3.28%	2,846,400	41,182,000	7.4%
Roane	26,138,700	2.23%	2.17%	1,138,300	27,277,000	4.4%
Southwest	31,503,300	2.69%	2.63%	1,456,700	32,960,000	4.6%
Volunteer	30,892,500	2.64%	2.67%	2,556,800	33,449,300	8.3%
Walters	27,113,400	2.32%	2.38%	2,703,300	29,816,700	10.0%
Subtotal	\$321,029,500	27.44%	27.32%	\$21,793,100	\$342,822,600	6.8%
UT Universities						
UT Chattanooga	\$63,908,400	5.46%	5.46%	\$4,631,900	\$68,540,300	7.2%
UT Knoxville ²	262,574,900	22.45%	22.54%	20,187,400	282,762,300	7.7%
UT Martin ²	36,028,900	3.08%	3.10%	2,834,100	38,863,000	7.9%
Subtotal	\$362,512,200	30.99%	31.10%	\$27,653,400	\$390,165,600	7.6%
Total Colleges and Universities	\$1,169,803,300	100.00%	100.00%	\$84,884,000	\$1,254,687,300	7.3%

1 - Recurring funding. Includes historical funding of \$7.1M 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.

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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2022-23 State Appropriations Distribution Recommendation

	A	B	C = B - A	D = C / A
Specialized Units	2021-22 Appropriation ¹	2022-23 Recommendation ¹	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$40,577,400	\$42,200,500	\$1,623,100	4.0%
ETSU Family Practice	8,577,200	8,920,300	343,100	4.0%
UT College of Vet Medicine	24,129,000	25,094,200	965,200	4.0%
UT Health Science Center	177,089,400	184,173,000	7,083,600	4.0%
Subtotal	\$250,373,000	\$260,388,000	\$10,015,000	4.0%
Research and Public Service				
UT Agricultural Experiment Station	\$32,488,900	\$33,788,500	\$1,299,600	4.0%
UT Agricultural Extension Service	42,280,600	43,971,800	1,691,200	4.0%
TSU McMinnville Center	1,466,200	1,524,800	58,600	4.0%
TSU Institute of Ag. and Environmental Research	4,858,100	5,052,400	194,300	4.0%
TSU Cooperative Extension	5,865,100	6,099,700	234,600	4.0%
TSU McIntire-Stennis Forestry Research	207,800	216,100	8,300	4.0%
UT Space Institute	9,668,700	10,055,400	386,700	4.0%
UT Institute for Public Service	7,120,500	7,405,300	284,800	4.0%
Tennessee Language Center	802,400	834,500	32,100	4.0%
Institute for Public Service: Other Agencies	6,318,100	6,570,800	252,700	4.0%
UT County Technical Assistance Service	3,396,000	3,531,800	135,800	4.0%
UT Municipal Technical Advisory Service	3,970,600	4,129,400	158,800	4.0%
Subtotal	\$111,322,500	\$115,775,200	\$4,452,700	4.0%
Other Specialized Units				
UT Southern	\$5,230,000	\$5,606,600	\$376,600	7.2%
UT University-Wide Administration	6,270,600	6,270,600	-	0.0%
TN Board of Regents Administration	14,177,100	14,177,100	-	0.0%
TN Student Assistance Corporation	116,386,300	116,386,300	-	0.0%
Contract Education	2,577,000	2,628,500	51,500	2.0%
TN Higher Education Commission	5,888,100	6,453,100	565,000	9.6%
TN Higher Education Commission Admin. Contracts Manager	5,888,100	5,888,100	-	0.0%
Capital Projects Manager	-	90,000	90,000	NA
Statewide Facility Security Improvement Project Manager	-	155,000	155,000	NA
ADA Funding Project Manager	-	160,000	160,000	NA
Subtotal	\$150,529,100	\$151,522,200	\$993,100	0.7%
Total Formula and Specialized Units	\$1,762,073,600	\$1,867,534,400	\$105,460,800	6.0%
Program Initiatives				
Campus Centers of Excellence	\$19,045,000	\$19,425,900	\$380,900	2.0%
Campus Centers of Emphasis	1,381,700	1,409,300	27,600	2.0%
Academic Scholars Program	1,211,800	1,236,000	24,200	2.0%
UT Access and Diversity Initiative	5,806,700	5,922,800	116,100	2.0%
TBR Access and Diversity Initiative	10,256,900	10,462,000	205,100	2.0%
Research Initiatives - UT	5,852,900	5,970,000	117,100	2.0%
THEC Grants	15,417,200	46,627,200	31,210,000	202.4%
THEC Grants Administration	9,917,200	9,917,200	-	0.0%
Graduate Medical Education Expansion	5,500,000	5,500,000	-	0.0%
Summer Bridge Program	-	850,000	850,000	NA
Tennessee Reverse Transfer Program Portal	-	360,000	360,000	NA
Statewide Facility Security Improvement Project ²	-	25,000,000	25,000,000	NA
Facilities Condition Survey ³	-	5,000,000	5,000,000	NA
Specialized Units Strategic Initiatives ⁴	-	8,590,400	8,590,400	NA
Statewide System Priorities ⁴	-	9,340,000	9,340,000	NA
ETSU Rural Public Health Project ⁵	750,000	750,000	-	0.0%
ETSU Gray Fossil Site ⁵	350,000	350,000	-	0.0%
TTU College of Engineering ⁵	3,000,000	3,000,000	-	0.0%
UT Knoxville College of Engineering ⁵	3,000,000	3,000,000	-	0.0%
UT Martin Parsons, Somerville & Selmer Centers ⁵	640,000	640,000	-	0.0%
TCAT Correctional Education Investment Initiative ⁵	426,000	426,000	-	0.0%
TCAT Waitlist Expansion Funding ⁵	8,000,000	8,000,000	-	0.0%
Subtotal	\$75,138,200	\$125,149,600	\$50,011,400	66.6%
Total	\$1,837,211,800	\$1,992,684,000	\$155,472,200	8.5%

1 - Recurring funds.

2 - Nonrecurring funding for facility security, safety, and preparedness upgrades across all public state higher education campuses.

3 - Nonrecurring funding to conduct a statewide facilities condition survey of all core "Education & General" (E&G) buildings.

4 - Recurring and nonrecurring funding for strategic investments in specialized units and statewide system priorities. See Attachment III for further detail.

5 - Recurring funds appropriated to ETSU (\$1.1M), TTU (\$3M), UT Knoxville (\$3M), UT Martin (\$640K), and the TCATs (\$8.43M).

ATTACHMENT III

2022-23 Specialized Units Strategic Initiatives

Board Priority	Governing Board	Institution	Project Name	Total Cost	Project Description
1	UT	UT Institute of Agriculture	Veterinary Recruitment and Retention	\$2,815,600	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's College of Veterinary Medicine, 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 contribute to UT'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. (\$2,815,600 recurring)
3	ETSU	ETSU College of Medicine	Orthopedic Surgery Department	\$1,040,000	The Quillen College of Medicine is now operating an Orthopedic Residency relying solely on community faculty. The establishment of a department of Orthopedic Surgery will secure needed teaching resources and expand clinical services to the region. The TennCare population is underserved in orthopedic services in this region and the expansion of faculty will improve patient access for these services. (\$1,040,000 recurring)
3	UT	UT Institute for Public Service	Substance Misuse and Addiction Resource for Tennessee (SMART)	\$783,800	In 2020, UT President Randy Boyd established the Substance Misuse and Addiction Resource for Tennessee (SMART) Policy Network to provide a forum for policymakers and addiction experts from across the state to examine policy that will improve the health and welfare of Tennesseans who suffer from substance use disorder. UT proposes making this a permanent program within the Institute for Public Service. (\$783,800 recurring)
1	ETSU	ETSU Family Practice	Addiction Medicine Faculty	\$336,000	The ETSU Family Medicine Residency program needs additional faculty and clinical support in the newly established Addiction Medicine Fellowship to increase patient capacity for the northeast Tennessee community. One full-time faculty member currently is being supplemented with part-time faculty. An expansion of the faculty will meet a critical community need and produce future physicians that will help with the statewide initiative to battle the opioid crisis in Tennessee. A registered nurse specializing in addiction management to assist with operation of the fellowship is essential to provide case management. (\$336,000 recurring)
4	UT	UT Institute for Public Service	Tennessee School Safety Training Center of Excellence	\$315,000	UT proposes establishing a Center of Excellence in School Safety within UT's Law Enforcement Innovation Center (LEIC) to serve law enforcement agencies, first responders, and school systems across Tennessee by providing a comprehensive training, assessment, and research center in support of school safety initiatives and programs. Two additional training specialists will be needed to staff this training center. (\$315,000 recurring)
5	UT	UT Institute of Agriculture	Veterinary Medical Center Records Management System	\$3,300,000	UT's College of Veterinary Medicine (CVM) has evaluated and provided healthcare to more than 1 million patients since opening its doors in the late 1970s. A necessary component of managing any patient's clinical problems is keeping an accurate medical record. Medical record management has evolved from a paper-based to digital-based format and, although the CVM hospital has attempted to keep pace with evolving technology, the hospital is currently relying on an open source, free medical records system for which external technology support does not exist and program support must be provided internally for system management. To achieve evidence-based medical care, CVM needs a fully functional, turn-key, efficient medical record system that allows for easy-access biomedical searches. UT reports this upgrade need is essential to move the veterinary medical center forward and will be a topic of conversation at the scheduled AVMA Council on Education accreditation site visit March 6-10, 2022. (\$3,300,000 nonrecurring)

2022-23 Statewide System Priorities

Board Priority	Governing Board	Institution	Project Name	Total Cost	Project Description
1	TBR	TCATs	Safety and Security for TCATs	\$9,340,000	These funds would continue the investments that Tennessee has made in campus safety and security by adding police personnel at each TCAT. Given the state's recent investments in the TCAT Capacity Initiative and the expectation of growth to serve even more TCAT students, it is imperative that additional investment be made in the safety and security of the TCAT student body, faculty, and staff in the same manner as occurs at the community colleges and public universities. The TBR Police Department with its proposed staffing and structure will also assume roles in coordinating and assessing campus safety to build upon the recently completed Tennessee Department of Safety and Homeland Security facility surveys coordinated by THEC. Officers assigned to patrol duties will conduct continual safety and security surveys to address issues as they arise. Officers will also coordinate emergency management on TBR property and at TCAT institutions, assisting in the updating of emergency plans and procedures. This request would fund 56 full-time officers serving 27 TCATs. (\$5,200,000 recurring; \$4,140,000 nonrecurring)

ATTACHMENT IV

2022-23 State Appropriations Distribution with 1.0% Reduction

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
			Breakdown of 2022-23 Changes					
Academic Formula Units	2021-22 Appropriation ¹	2022-23 Formula Calculation	Outcomes Formula Adjustments	1.0% Reduction to Higher Education	2022-23 Change	2022-23 Recommendation	Percent Change	Percent Funded
LGI Universities								
Austin Peay	\$58,069,700	\$92,275,200	\$1,733,000	(\$664,400)	\$1,068,600	\$59,138,300	1.8%	64.1%
East Tennessee ²	77,155,200	119,353,700	197,000	(859,400)	(662,400)	76,492,800	-0.9%	64.1%
Middle Tennessee	112,926,200	173,307,000	(607,300)	(1,247,900)	(1,855,200)	111,071,000	-1.6%	64.1%
Tennessee State	43,192,500	64,754,000	(1,225,800)	(466,000)	(1,691,800)	41,500,700	-3.9%	64.1%
Tennessee Tech ²	61,329,000	93,862,400	(497,500)	(675,900)	(1,173,400)	60,155,600	-1.9%	64.1%
University of Memphis	133,589,000	207,352,600	794,600	(1,493,100)	(698,500)	132,890,500	-0.5%	64.1%
Subtotal	\$486,261,600	\$750,904,900	\$394,000	(\$5,406,700)	(\$5,012,700)	\$481,248,900	-1.0%	64.1%
Community Colleges³								
Chattanooga	\$35,357,600	\$53,184,400	(\$889,200)	(\$383,000)	(\$1,272,200)	\$34,085,400	-3.6%	64.1%
Cleveland	12,983,800	20,220,000	120,600	(145,600)	(25,000)	12,958,800	-0.2%	64.1%
Columbia	19,529,800	30,510,100	243,600	(219,700)	23,900	19,553,700	0.1%	64.1%
Dyersburg	11,574,200	17,802,400	(36,600)	(128,200)	(164,800)	11,409,400	-1.4%	64.1%
Jackson	16,234,400	24,615,400	(281,300)	(177,200)	(458,500)	15,775,900	-2.8%	64.1%
Motlow	22,731,900	35,675,300	389,000	(256,900)	132,100	22,864,000	0.6%	64.1%
Nashville	23,863,600	37,061,200	155,500	(266,900)	(111,400)	23,752,200	-0.5%	64.1%
Northeast	24,770,700	37,332,500	(575,800)	(268,800)	(844,600)	23,926,100	-3.4%	64.1%
Pellissippi	38,335,600	59,275,100	80,100	(426,800)	(346,700)	37,988,900	-0.9%	64.1%
Roane	26,138,700	39,261,000	(693,900)	(282,700)	(976,600)	25,162,100	-3.7%	64.1%
Southwest	31,503,300	47,440,800	(757,300)	(341,600)	(1,098,900)	30,404,400	-3.5%	64.1%
Volunteer	30,892,500	48,145,100	310,000	(346,700)	(36,700)	30,855,800	-0.1%	64.1%
Walters	27,113,400	42,916,500	700,500	(309,000)	391,500	27,504,900	1.4%	64.1%
Subtotal	\$321,029,500	\$493,439,800	(\$1,234,800)	(\$3,553,100)	(\$4,787,900)	\$316,241,600	-1.5%	64.1%
UT Universities								
UT Chattanooga	\$63,908,400	\$98,653,100	\$27,900	(\$710,400)	(\$682,500)	\$63,225,900	-1.1%	64.1%
UT Knoxville ²	262,574,900	406,992,500	1,193,800	(2,930,600)	(1,736,800)	260,838,100	-0.7%	64.1%
UT Martin ²	36,028,900	55,937,300	223,600	(402,800)	(179,200)	35,849,700	-0.5%	64.1%
Subtotal	\$362,512,200	\$561,582,900	\$1,445,300	(\$4,043,800)	(\$2,598,500)	\$359,913,700	-0.7%	64.1%
Total Colleges and Universities	\$1,169,803,300	\$1,805,927,600	\$604,500	(\$13,003,600)	(\$12,399,100)	\$1,157,404,200	-1.1%	64.1%
TN Colleges of Applied Technology ²	\$80,045,700	\$122,577,000	(\$604,500)	(\$882,800)	(\$1,487,300)	\$78,558,400	-1.9%	64.1%
Total Academic Formula Units	\$1,249,849,000	\$1,928,504,600	\$0	(\$13,886,400)	(\$13,886,400)	\$1,235,962,600	-1.1%	64.1%

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 Education & General 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), TCATs Correctional Education Investment Initiative (\$426K), and TCAT Staffing Capacity (\$8M). 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

2022-23 State Appropriations Distribution with 1.0% Reduction¹

	A	B	C = B - A	D = C / A
Specialized Units	2021-22 Appropriation ²	2022-23 Recommendation ²	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$40,577,400	\$40,300,900	(\$276,500)	-0.7%
ETSU Family Practice	8,577,200	8,530,100	(47,100)	-0.5%
UT College of Vet Medicine	24,129,000	23,927,000	(202,000)	-0.8%
UT Health Science Center	177,089,400	175,667,800	(1,421,600)	-0.8%
Subtotal	\$250,373,000	\$248,425,800	(\$1,947,200)	-0.8%
Research and Public Service				
UT Agricultural Experiment Station	\$32,488,900	\$32,310,400	(\$178,500)	-0.5%
UT Agricultural Extension Service	42,280,600	42,048,300	(232,300)	-0.5%
TSU McMinnville Center	1,466,200	1,458,100	(8,100)	-0.6%
TSU Institute of Ag. and Environmental Research	4,858,100	4,831,400	(26,700)	-0.5%
TSU Cooperative Extension	5,865,100	5,832,900	(32,200)	-0.5%
TSU McIntire-Stennis Forestry Research	207,800	206,700	(1,100)	-0.5%
UT Space Institute	9,668,700	9,610,100	(58,600)	-0.6%
UT Institute for Public Service	7,120,500	7,081,400	(39,100)	-0.5%
Tennessee Language Center	802,400	798,000	(4,400)	-0.5%
Institute for Public Service: Other Agencies	6,318,100	6,283,400	(34,700)	-0.5%
UT County Technical Assistance Service	3,396,000	3,377,300	(18,700)	-0.6%
UT Municipal Technical Advisory Service	3,970,600	3,948,800	(21,800)	-0.5%
Subtotal	\$111,322,500	\$110,705,400	(\$617,100)	-0.6%
Other Specialized Units				
UT Southern	\$5,230,000	\$5,165,300	(\$64,700)	-1.2%
UT University-Wide Administration	6,270,600	6,236,200	(34,400)	-0.5%
TN Board of Regents Administration	14,177,100	14,099,200	(77,900)	-0.5%
TN Student Assistance Corporation	116,386,300	116,386,300	-	0.0%
Tennessee Student Assistance Awards	113,262,500	113,262,500	-	0.0%
Tennessee Students Assistance Corporation	2,345,600	2,345,600	-	0.0%
Loan/Scholarships Program	778,200	778,200	-	0.0%
Contract Education	2,577,000	2,552,000	(25,000)	-1.0%
TN Higher Education Commission	5,888,100	5,888,100	-	0.0%
Subtotal	\$150,529,100	\$150,327,100	(\$202,000)	-0.1%
Total Specialized Units	\$512,224,600	\$509,458,300	(\$2,766,300)	-0.5%
Total Formula and Specialized Units	\$1,762,073,600	\$1,745,420,900	(\$16,652,700)	-0.9%
Program Initiatives				
Campus Centers of Excellence	\$19,045,000	\$18,845,000	(\$200,000)	-1.1%
Campus Centers of Emphasis	1,381,700	1,365,200	(16,500)	-1.2%
Academic Scholars Program	1,211,800	1,211,800	-	0.0%
UT Access and Diversity Initiative	5,806,700	5,774,800	(31,900)	-0.5%
TBR Access and Diversity Initiative	10,256,900	10,200,600	(56,300)	-0.5%
THEC Grants	15,417,200	15,242,200	(175,000)	-1.1%
THEC Grants Administration	9,917,200	9,742,200	(175,000)	-1.8%
Graduate Medical Education Expansion	5,500,000	5,500,000	-	0.0%
Research Initiatives - UT	5,852,900	5,820,700	(32,200)	-0.6%
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%
TCAT Waitlist Expansion Funding ³	8,000,000	8,000,000	-	0.0%
Subtotal	\$75,138,200	\$74,626,300	(\$511,900)	-0.7%
Total	\$1,837,211,800	\$1,820,047,200	(\$17,164,600)	-0.9%

¹ - Finance and Administration identified TSAA Awards, Loan/Scholarship Program, Academic Scholars Program, and Recurring Capital Maintenance as exempt from the 1.0% reduction scenario for 2022-23. In addition, THEC has elected to hold the Graduate Medical Education Expansion funding exempt.

² - Recurring funds.

³ - Recurring funds appropriated to ETSU (\$1.1M), TTU (\$3M), UT Knoxville (\$3M), UT Martin (\$640K), and the TCATs (\$8.43M).

ATTACHMENT V

2022-23 State Appropriations Funding Scenarios

	Outcomes Formula Calculation	Share of Total Formula Calculation	A \$90,000,000 THEC Recommendation ¹	B Alternative Funding Scenarios		C
				Flat Funding Scenario ²	Flat Tuition Scenario ³	
Academic Formula Units						
LGI Universities						
Austin Peay	\$92,275,200	5.11%	\$64,109,000	\$59,802,700	\$66,049,200	
East Tennessee	119,353,700	6.61%	82,922,200	77,352,200	85,440,200	
Middle Tennessee	173,307,000	9.60%	120,406,800	112,318,900	124,059,400	
Tennessee State	64,754,000	3.59%	44,988,800	41,966,700	46,340,500	
Tennessee Tech	93,862,400	5.20%	65,211,900	60,831,500	66,740,800	
University of Memphis	207,352,600	11.48%	144,060,400	134,383,600	148,449,700	
Subtotal	\$750,904,900	41.58%	\$521,699,100	\$486,655,600	\$537,079,800	
Community Colleges						
Chattanooga	\$53,184,400	2.94%	\$36,950,400	\$34,468,400	\$38,045,300	
Cleveland	20,220,000	1.12%	14,048,000	13,104,400	14,474,200	
Columbia	30,510,100	1.69%	21,197,300	19,773,400	21,840,800	
Dyersburg	17,802,400	0.99%	12,368,400	11,537,600	12,742,800	
Jackson	24,615,400	1.36%	17,101,900	15,953,100	17,620,600	
Motlow	35,675,300	1.98%	24,785,800	23,120,900	25,538,600	
Nashville	37,061,200	2.05%	25,748,700	24,019,100	26,530,300	
Northeast	37,332,500	2.07%	25,937,100	24,194,900	26,724,500	
Pellissippi	59,275,100	3.28%	41,182,000	38,415,700	42,431,600	
Roane	39,261,000	2.17%	27,277,000	25,444,800	28,104,000	
Southwest	47,440,800	2.63%	32,960,000	30,746,000	33,957,400	
Volunteer	48,145,100	2.67%	33,449,300	31,202,500	34,465,200	
Walters	42,916,500	2.38%	29,816,700	27,813,900	30,720,500	
Subtotal	\$493,439,800	27.32%	\$342,822,600	\$319,794,700	\$353,195,800	
UT Universities						
UT Chattanooga	\$98,653,100	5.46%	\$68,540,300	\$63,936,300	\$70,610,100	
UT Knoxville	406,992,500	22.54%	282,762,300	263,768,700	291,328,400	
UT Martin	55,937,300	3.10%	38,863,000	36,252,500	40,029,100	
Subtotal	\$561,582,900	31.10%	\$390,165,600	\$363,957,500	\$401,967,600	
Total Colleges and Universities	\$1,805,927,600	100.00%	\$1,254,687,300	\$1,170,407,800	\$1,292,243,200	
TN Colleges of Applied Technology	\$122,577,000	NA	\$85,161,700	\$79,441,200	\$87,605,800	
Total Academic Formula Units	\$1,928,504,600	100.00%	\$1,339,849,000	\$1,249,849,000	\$1,379,849,000	

1 - Based on a request of \$25M for outcomes productivity and \$65M to prioritize a tuition and fee range increase of 0.0% to 3.0%, resulting in a total new recurring appropriation recommendation of \$90M.

2 - Based on no new recurring funding. In this scenario, base funding is redistributed between academic formula units based on performance but no new recurring appropriations are provided.

3 - Based on a request of \$25M for outcomes productivity and \$105M to prioritize flat tuition and fees, resulting in a total new recurring appropriation recommendation of \$130M.

ATTACHMENT VI

Three-Year Average Change in Formula Outcomes

Community Colleges

Total Outcomes	2021-22 Formula	2022-23 Formula	Change	
Students Accumulating 12 hrs.	23,483	21,683	(1,800)	-7.7%
Students Accumulating 24 hrs.	18,490	17,492	(998)	-5.4%
Students Accumulating 36 hrs.	15,792	15,423	(369)	-2.3%
Dual Enrollment	19,919	19,814	(106)	-0.5%
Associates ¹	11,793	12,007	214	1.8%
Certificates 1-2 Year	932	961	29	3.1%
Certificates <1 Year	2,646	2,581	(65)	-2.4%
Job Placements	3,952	3,852	(100)	-2.5%
Student Transfer	6,603	6,437	(166)	-2.5%
Workforce Training	855,373	917,498	62,125	7.3%
Awards per 100 FTE	24.07	25.45	1.38	5.7%
Adult Focus Population				
Students Accumulating 12 hrs.	4,203	4,049	(154)	-3.7%
Students Accumulating 24 hrs.	4,249	4,319	70	1.6%
Students Accumulating 36 hrs.	4,140	4,395	255	6.2%
Associates ¹	4,392	4,650	258	5.9%
Certificates 1-2 Year	499	534	35	7.0%
Certificates <1 Year	1,445	1,442	(3)	-0.2%
Low-Income Focus Population				
Students Accumulating 12 hrs.	13,834	12,302	(1,531)	-11.1%
Students Accumulating 24 hrs.	11,519	10,669	(851)	-7.4%
Students Accumulating 36 hrs.	10,105	9,825	(280)	-2.8%
Associates ¹	7,778	7,848	70	0.9%
Certificates 1-2 Year	610	626	16	2.6%
Certificates <1 Year	1,529	1,496	(33)	-2.2%
Academically Underprepared Focus Population				
Students Accumulating 12 hrs.	14,021	12,443	(1,578)	-11.3%
Students Accumulating 24 hrs.	11,528	10,634	(893)	-7.7%
Students Accumulating 36 hrs.	9,915	9,514	(401)	-4.0%
Associates ¹	6,938	6,957	19	0.3%
Certificates 1-2 Year	544	554	10	1.8%
Certificates <1 Year	1,322	1,259	(63)	-4.7%
One Focus Population Only				
Students Accumulating 12 hrs.	7,974	7,304	(670)	-8.4%
Students Accumulating 24 hrs.	6,053	5,664	(390)	-6.4%
Students Accumulating 36 hrs.	5,108	4,882	(226)	-4.4%
Associates ¹	3,786	3,752	(34)	-0.9%
Certificates 1-2 Year	274	280	6	2.2%
Certificates <1 Year	935	923	(12)	-1.3%
Two Focus Populations Only				
Students Accumulating 12 hrs.	8,627	7,519	(1,108)	-12.8%
Students Accumulating 24 hrs.	6,852	6,243	(609)	-8.9%
Students Accumulating 36 hrs.	5,812	5,558	(254)	-4.4%
Associates ¹	4,209	4,254	45	1.1%
Certificates 1-2 Year	376	370	(6)	-1.6%
Certificates <1 Year	945	892	(53)	-5.6%
All Three Focus Populations				
Students Accumulating 12 hrs.	2,277	2,151	(126)	-5.5%
Students Accumulating 24 hrs.	2,513	2,491	(22)	-0.9%
Students Accumulating 36 hrs.	2,476	2,578	103	4.1%
Associates ¹	2,301	2,399	97	4.2%
Certificates 1-2 Year	209	231	22	10.7%
Certificates <1 Year	490	496	6	1.3%

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 public university.

ATTACHMENT VI

Three-Year Average Change in Formula Outcomes

Universities

Total Outcomes	2021-22 Formula	2022-23 Formula	Change	
Students Accumulating 30 hrs.	18,154	17,403	(751)	-4.1%
Students Accumulating 60 hrs.	18,683	18,585	(98)	-0.5%
Students Accumulating 90 hrs.	21,134	21,362	227	1.1%
Associates ¹	990	992	2	0.2%
Bachelors	22,267	22,329	62	0.3%
Masters / Ed Specialists	5,633	5,762	129	2.3%
Doctoral / Law Degree	1,240	1,231	(9)	-0.7%
Research, Service, and Sponsored Programs	\$360,940,909	\$379,575,932	\$18,635,023	5.2%
Degrees per 100 FTE	23.35	23.57	0.22	1.0%
Six-Year Graduation Rate	58.3%	59.5%	1.1	2.0%
Adult Focus Population				
Students Accumulating 30 hrs.	612	528	(84)	-13.7%
Students Accumulating 60 hrs.	1,294	1,180	(114)	-8.8%
Students Accumulating 90 hrs.	2,843	2,750	(93)	-3.3%
Associates ¹	340	327	(13)	-3.7%
Bachelors	6,103	5,898	(205)	-3.4%
Low-Income Focus Population				
Students Accumulating 30 hrs.	7,637	7,008	(629)	-8.2%
Students Accumulating 60 hrs.	8,224	7,966	(258)	-3.1%
Students Accumulating 90 hrs.	10,079	10,110	31	0.3%
Associates ¹	663	648	(15)	-2.3%
Bachelors	10,991	10,904	(86)	-0.8%
One Focus Population Only				
Students Accumulating 30 hrs.	7,440	6,850	(590)	-7.9%
Students Accumulating 60 hrs.	7,685	7,503	(181)	-2.4%
Students Accumulating 90 hrs.	8,734	8,730	(4)	0.0%
Associates ¹	443	437	(6)	-1.4%
Bachelors	8,680	8,633	(47)	-0.5%
Two Focus Populations Only				
Students Accumulating 30 hrs.	405	343	(61)	-15.2%
Students Accumulating 60 hrs.	917	821	(96)	-10.4%
Students Accumulating 90 hrs.	2,094	2,065	(29)	-1.4%
Associates ¹	280	269	(11)	-3.9%
Bachelors	4,207	4,084	(122)	-2.9%

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 partner public university.

ATTACHMENT VII

2022-23 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	\$64,109,000	\$66,701,600	\$2,393,600	\$133,204,200	\$170,669,600	(\$37,465,400)	78.0%
East Tennessee ³	84,022,200	100,772,500	18,164,800	202,959,500	234,209,000	(31,249,500)	86.7%
Middle Tennessee	120,406,800	157,154,900	18,553,800	296,115,500	321,794,600	(25,679,100)	92.0%
Tennessee State	44,988,800	42,769,800	20,111,800	107,870,400	131,976,300	(24,105,900)	81.7%
Tennessee Tech ³	68,211,900	80,050,100	3,784,400	152,046,400	176,324,500	(24,278,100)	86.2%
University of Memphis	144,060,400	166,198,700	10,571,800	320,830,900	396,639,000	(75,808,100)	80.9%
Subtotal	\$525,799,100	\$613,647,600	\$73,580,200	\$1,213,026,900	\$1,431,613,000	(\$218,586,100)	84.7%
Community Colleges⁴							
Chattanooga	\$36,950,400	\$24,622,400	\$964,300	\$62,537,100	\$81,140,400	(\$18,603,300)	77.1%
Cleveland	14,048,000	9,827,300	449,600	24,324,900	30,385,800	(6,060,900)	80.1%
Columbia	21,197,300	18,090,100	479,600	39,767,000	45,947,800	(6,180,800)	86.5%
Dyersburg	12,368,400	8,702,400	203,900	21,274,700	26,763,400	(5,488,700)	79.5%
Jackson	17,101,900	12,727,200	171,000	30,000,100	36,986,000	(6,985,900)	81.1%
Motlow	24,785,800	19,986,200	257,600	45,029,600	53,733,100	(8,703,500)	83.8%
Nashville	25,748,700	22,738,200	579,100	49,066,000	55,983,100	(6,917,100)	87.6%
Northeast	25,937,100	16,324,300	72,800	42,334,200	55,943,100	(13,608,900)	75.7%
Pellissippi	41,182,000	29,506,100	1,182,500	71,870,600	89,534,400	(17,663,800)	80.3%
Roane	27,277,000	15,619,400	338,000	43,234,400	59,154,700	(15,920,300)	73.1%
Southwest	32,960,000	20,676,300	2,722,700	56,359,000	71,337,100	(14,978,100)	79.0%
Volunteer	33,449,300	27,671,000	532,900	61,653,200	72,737,500	(11,084,300)	84.8%
Walters	29,816,700	18,841,500	621,600	49,279,800	64,515,200	(15,235,400)	76.4%
Subtotal	\$342,822,600	\$245,332,400	\$8,575,600	\$596,730,600	\$744,161,600	(\$147,431,000)	80.2%
UT Universities							
UT Chattanooga	\$68,540,300	\$90,071,700	\$7,172,500	\$165,784,500	\$184,189,600	(\$18,405,100)	90.0%
UT Knoxville ³	285,762,300	335,749,700	61,990,000	683,502,000	767,260,800	(83,758,800)	89.1%
UT Martin ³	39,503,000	54,112,800	2,361,000	95,976,800	104,664,200	(8,687,400)	91.7%
Subtotal	\$393,805,600	\$479,934,200	\$71,523,500	\$945,263,300	\$1,056,114,600	(\$110,851,300)	89.5%
Total Colleges and Universities	\$1,262,427,300	\$1,338,914,200	\$153,679,300	\$2,755,020,800	\$3,231,889,200	(\$476,868,400)	85.2%
TN Colleges of Applied Technology ³	\$93,587,700	\$39,057,300	\$0	\$132,645,000	\$151,578,000	(\$18,933,000)	87.5%
Total Academic Formula Units	\$1,356,015,000	\$1,377,971,500	\$153,679,300	\$2,887,665,800	\$3,383,467,200	(\$495,801,400)	85.3%

1 - Recurring; accounts for recommended \$90M in additional funding for academic formula units.

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

3 - Includes 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), TCAT Correctional Education Investment Initiative (\$426K), and the TCAT Staffing Capacity (\$8M).

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.

Institution	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
Systemwide	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 Technology	Administrative Support Services	\$384,500
Total Funding		\$7,359,200