



TENNESSEE HIGHER EDUCATION COMMISSION

REGULAR CALENDAR ITEM: II.

MEETING DATE: November 3, 2022

SUBJECT: 2023-24 Operating State Appropriation Recommendations

ITEM TYPE: Action

ACTION RECOMMENDATION: Approval

BACKGROUND

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 funding points, inflationary factors, and changes to fixed costs. The resulting recurring appropriation increase presented below works in partnership with the recommended guiding 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 2023-24 fiscal year, THEC staff recommend a recurring increase of \$150 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 0 to 3 percent for in-state undergraduate students at the academic formula units. Of this recommended funding increase, \$35 million fully funds the growth in outcomes at the community colleges and universities as well as growth in enrollment at the colleges of applied technology. The remaining \$115 million represents a state investment in maintaining affordability for Tennessee students in the face of continued unprecedented cost increases.

The outcomes-based funding formula utilizes a three-year average to determine growth in outcomes. The new three-year average in the 2023-24 formula includes outcomes produced in 2019-20, 2020-21, and 2021-22. This year's formula incorporates the changes approved by the Commission in May 2022, including: adoption of a new high-need fields focus population premium for undergraduate awards; recognition of out-of-state students in the low-income focus population premium; reduction of the influence of fixed costs; and a refined workforce training measure.

Institutions continue to show improvement in funding formula outcomes when comparing 2021-22—the most recent year of data used for the 2023-24 formula request—to 2018-19—the data year dropped off with the movement to the new three-year average. Community colleges produced more associate degrees in 2021-22 than in 2018-19, even despite double-digit enrollment declines due to the pandemic and a booming

economy. At the universities, graduate degree outcomes increased 13 percent from 2018-19 to 2021-22 while graduation rates increased 1.5 percentage points over that same period.

SPECIALIZED UNITS RECOMMENDATION

Along with the academic formula unit recommendation, staff recommend a funding increase of \$22.8 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 \$8.9 million in both recurring and nonrecurring funding for the agency-led initiatives presented to the Commission in July. The recurring requests include \$925,000 to sustain and expand Advise TN, \$800,000 to increase Navigate Reconnect capacity, \$625,000 to reinstate the HBCU Success Summer Bridge Program, and \$500,000 to sustain the TN Promise Summer Bridge Program. The agency is also requesting \$6 million in nonrecurring funds to conduct a statewide facilities condition survey.

Operating fund recommendations for the academic formula, specialized, and agency-led units are detailed in Attachment II.

OTHER SPECIAL INITIATIVES

Staff also recommend \$13.8 million in recurring and nonrecurring funds for strategic program investments in several specialized units. These specialized unit strategic initiatives include \$1.0 million recurring to meet the state match for TSU’s Institute of Agricultural and Environmental Research federal land grant funding, \$275,000 recurring to ETSU Family Practice to support an Institute for Integrated Behavioral Health, and \$994,000 recurring to expand the Substance Misuse and Addiction Resource for Tennessee (SMART) Policy Network at the UT Institute for Public Service. For the Tennessee Board of Regents, staff recommend \$4.2 million recurring to fund the Student Support Network, an integrated package of reforms and investments to address issues identified in the Education Recovery and Innovation Committee report released in June 2022. Staff also recommend \$3 million recurring to modernize the learning experience portfolio at TBR institutions and \$4.4 million nonrecurring to address final safety and security needs across all TBR institutions.

Additional information on these strategic initiatives can be found in Attachment III.

REDUCTION SCENARIO

Finally, the Department of Finance & Administration has requested that state agencies prepare the 2023-24 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. For higher education, a 1.0 reduction to the remaining units results in a state appropriation decline of \$19.3 million.

This distribution is detailed in Attachment IV.

RECOMMENDATION SUMMARY

The grand total recurring recommendation for all higher education operating appropriations for 2023-24 is \$2.24 billion. This includes \$1.55 billion to fund the universities, community colleges and colleges of applied technology, \$579.7 million to fund the specialized units, and \$108.5 million for strategic program investments. These recommendations total \$195.5 million of new funds, an increase of 9.6 percent over 2022-23.

ATTACHMENT I

State Appropriations History

Academic Formula Units	2018-19	2019-20	2020-21	2021-22	2022-23
LGI Universities					
Austin Peay	\$47,857,100	\$50,503,100	\$51,097,700	\$58,069,700	\$66,773,300
East Tennessee	65,770,700	70,579,000	71,656,300	78,255,200	89,413,300
Middle Tennessee	103,216,200	107,399,400	106,483,000	112,926,200	126,537,400
Tennessee State	39,402,300	41,795,200	41,365,200	43,192,500	47,671,200
Tennessee Tech	55,020,600	59,597,500	60,428,600	64,329,000	74,695,300
University of Memphis	117,771,000	123,370,700	123,734,100	133,589,000	151,179,000
Subtotal	\$429,037,900	\$453,244,900	\$454,764,900	\$490,361,600	\$556,269,500
Community Colleges¹					
Chattanooga	\$31,863,600	\$33,669,500	\$33,084,400	\$35,357,600	\$38,480,200
Cleveland	11,215,700	12,302,400	11,937,900	12,983,800	14,638,800
Columbia	15,821,100	16,836,200	17,615,800	19,529,800	22,011,600
Dyersburg	9,734,200	10,516,000	10,717,100	11,574,200	12,900,400
Jackson	14,266,600	15,102,200	14,879,600	16,234,400	17,835,300
Motlow	15,023,000	17,565,300	19,334,000	22,731,900	25,764,300
Nashville	22,228,600	23,374,700	22,732,000	23,863,600	26,991,000
Northeast	19,695,300	21,089,900	23,013,900	24,770,700	26,952,800
Pellissippi	32,729,600	34,933,800	35,442,700	38,335,600	43,071,500
Roane	22,518,000	24,110,700	24,116,500	26,138,700	28,434,700
Southwest	28,504,100	30,253,800	29,938,100	31,503,300	34,496,100
Volunteer	23,498,200	26,331,900	27,806,100	30,892,500	34,821,200
Walters	24,606,600	25,527,400	25,474,600	27,113,400	31,017,600
Subtotal	\$271,704,600	\$291,613,800	\$296,092,700	\$321,029,500	\$357,415,500
UT Universities					
UT Chattanooga	\$56,184,500	\$58,905,900	\$59,510,200	\$63,908,400	\$71,977,100
UT Knoxville	234,382,200	247,059,300	247,566,300	265,574,900	303,375,800
UT Martin	34,698,100	35,748,200	34,665,400	36,668,900	41,369,400
Subtotal	\$325,264,800	\$341,713,400	\$341,741,900	\$366,152,200	\$416,722,300
Total Colleges and Universities					
	\$1,026,007,300	\$1,086,572,100	\$1,092,599,500	\$1,177,543,300	\$1,330,407,300
TN Colleges of Applied Technology	\$71,579,600	\$75,727,400	\$75,622,700	\$88,471,700	\$105,030,600
Total Academic Formula Units	\$1,097,586,900	\$1,162,299,500	\$1,168,222,200	\$1,266,015,000	\$1,435,437,900

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	2018-19	2019-20	2020-21	2021-22	2022-23
Medical Education					
ETSU College of Medicine	\$34,470,700	\$35,543,300	\$36,717,300	\$40,577,400	\$43,928,600
ETSU Family Practice	7,526,300	7,816,500	7,835,800	8,577,200	9,275,600
UT College of Vet Medicine	21,398,400	22,192,700	22,280,200	24,129,000	29,130,000
UT Health Science Center ¹	157,683,100	162,001,500	162,748,000	177,089,400	191,150,900
Subtotal	\$221,078,500	\$227,554,000	\$229,581,300	\$250,373,000	\$273,485,100
Research and Public Service					
UT Agricultural Experiment Station	\$30,435,300	\$31,092,900	\$31,160,800	\$32,488,900	\$33,945,100
UT Agricultural Extension Service	37,509,700	38,276,100	38,428,800	42,280,600	44,418,800
TSU McMinnville Center	619,400	1,429,200	1,429,900	1,466,200	1,506,700
TSU Institute of Ag. and Environmental Research	3,613,700	4,771,800	4,771,600	4,858,100	4,982,200
TSU Cooperative Extension	3,610,200	3,703,500	3,705,200	5,865,100	6,070,200
TSU McIntire-Stennis Forestry Research	196,200	198,900	198,900	207,800	215,400
UT Space Institute	9,129,100	9,290,800	9,301,200	9,668,700	10,101,600
UT Institute for Public Service	6,684,800	6,823,000	6,837,800	7,120,500	7,429,900
Tennessee Language Center	672,000	712,300	720,600	802,400	878,100
Institute for Public Service: Other Agencies	6,012,800	6,110,700	6,117,200	6,318,100	6,551,800
UT County Technical Assistance Service	3,103,800	3,203,900	3,221,000	3,396,000	3,625,300
UT Municipal Technical Advisory Service	3,603,800	3,713,700	3,731,200	3,970,600	4,241,500
Subtotal	\$98,506,000	\$102,503,800	\$102,786,400	\$111,322,500	\$116,536,700
Other Specialized Units					
UT Southern	\$0	\$0	\$0	\$5,230,000	\$5,656,700
UT University-Wide Administration	5,939,000	6,032,100	6,064,200	6,270,600	5,829,000
TN Board of Regents Administration	8,196,600	8,444,700	12,775,800	14,177,100	29,534,300
TN Student Assistance Corporation	103,703,900	116,177,100	116,195,200	116,386,300	116,688,000
Contract Education	1,832,500	2,249,900	2,249,900	2,577,000	2,577,000
TN Higher Education Commission	5,187,100	5,757,200	5,588,500	5,888,100	6,564,300
Subtotal	\$124,859,100	\$138,661,000	\$142,873,600	\$150,529,100	\$166,849,300
Total Formula and Specialized Units	\$1,542,030,500	\$1,631,018,300	\$1,643,463,500	\$1,778,239,600	\$1,992,309,000
Program Initiatives					
Campus Centers of Excellence	\$18,063,100	\$18,363,900	\$18,379,300	\$19,045,000	\$19,728,600
Campus Centers of Emphasis	1,314,400	1,338,100	1,340,000	1,381,700	1,431,300
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	5,852,900	11,089,000	11,089,000	15,417,200	8,661,200
Subtotal	\$48,358,700	\$53,919,300	\$53,936,600	\$58,972,200	\$52,949,400
Total Operating²	\$1,590,389,200	\$1,684,937,600	\$1,697,400,100	\$1,837,211,800	\$2,045,258,400

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

2023-24 State Appropriations Distribution Recommendation

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
			Breakdown of 2023-24 Changes					
Academic Formula Units	2022-23 Appropriation ¹	2023-24 Formula Calculation	Outcomes Formula Adjustments	Share of New Funding	2023-24 Changes	2023-24 Recommendation	Percent Change	Percent Funded
LGI Universities								
Austin Peay	\$66,773,300	\$104,125,900	\$1,831,800	\$7,337,000	\$9,168,800	\$75,942,100	13.7%	72.9%
East Tennessee ²	87,313,300	133,019,900	329,100	9,373,000	9,702,100	97,015,400	11.1%	72.9%
Middle Tennessee	126,537,400	190,415,800	(1,078,800)	13,417,300	12,338,500	138,875,900	9.8%	72.9%
Tennessee State	47,671,200	72,554,500	132,500	5,112,400	5,244,900	52,916,100	11.0%	72.9%
Tennessee Tech ²	68,195,300	103,886,200	251,900	7,320,100	7,572,000	75,767,300	11.1%	72.9%
University of Memphis	151,179,000	231,461,200	1,323,100	16,309,500	17,632,600	168,811,600	11.7%	72.9%
Subtotal	\$547,669,500	\$835,463,500	\$2,789,600	\$58,869,300	\$61,658,900	\$609,328,400	11.3%	72.9%
Community Colleges³								
Chattanooga	\$38,480,200	\$58,216,500	(\$123,300)	\$4,102,100	\$3,978,800	\$42,459,000	10.3%	72.9%
Cleveland	14,638,800	22,798,000	382,000	1,606,400	1,988,400	16,627,200	13.6%	72.9%
Columbia	22,011,600	32,973,200	(286,700)	2,323,400	2,036,700	24,048,300	9.3%	72.9%
Dyersburg	12,900,400	19,974,500	260,100	1,407,500	1,667,600	14,568,000	12.9%	72.9%
Jackson	17,835,300	26,908,000	(106,500)	1,896,000	1,789,500	19,624,800	10.0%	72.9%
Motlow	25,764,300	37,931,400	(772,600)	2,672,800	1,900,200	27,664,500	7.4%	72.9%
Nashville	26,991,000	40,513,200	(298,200)	2,854,700	2,556,500	29,547,500	9.5%	72.9%
Northeast	26,952,800	38,871,900	(1,341,200)	2,739,100	1,397,900	28,350,700	5.2%	72.9%
Pellissippi	43,071,500	62,837,200	(1,670,200)	4,427,700	2,757,500	45,829,000	6.4%	72.9%
Roane	28,434,700	41,636,700	(1,001,700)	2,933,800	1,932,100	30,366,800	6.8%	72.9%
Southwest	34,496,100	51,260,200	(722,500)	3,612,000	2,889,500	37,385,600	8.4%	72.9%
Volunteer	34,821,200	51,968,300	(581,000)	3,661,800	3,080,800	37,902,000	8.8%	72.9%
Walters	31,017,600	48,208,400	745,300	3,396,900	4,142,200	35,159,800	13.4%	72.9%
Subtotal	\$357,415,500	\$534,097,500	(\$5,516,500)	\$37,634,200	\$32,117,700	\$389,533,200	9.0%	72.9%
UT Universities								
UT Chattanooga	\$71,977,100	\$108,660,300	(\$384,400)	\$7,656,500	\$7,272,100	\$79,249,200	10.1%	72.9%
UT Knoxville ²	296,407,600	454,835,200	3,268,200	32,049,100	35,317,300	331,724,900	11.9%	72.9%
UT Martin ²	40,729,400	62,843,000	675,800	4,428,100	5,103,900	45,833,300	12.5%	72.9%
Subtotal	\$409,114,100	\$626,338,500	\$3,559,600	\$44,133,700	\$47,693,300	\$456,807,400	11.7%	72.9%
Total Colleges and Universities	\$1,314,199,100	\$1,995,899,500	\$832,700	\$140,637,200	\$141,469,900	\$1,455,669,000	10.8%	72.9%
TN Colleges of Applied Technology ²	\$88,379,600	\$132,875,000	(\$832,700)	\$9,362,800	\$8,530,100	\$96,909,700	9.7%	72.9%
Total Academic Formula Units	\$1,402,578,700	\$2,128,774,500	\$0	\$150,000,000	\$150,000,000	\$1,552,578,700	10.7%	72.9%

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 ETSU (Gray Fossil Site \$350,000, School of Nursing \$1.0M, and Rural Public Health Project \$750,000), TTU (Wind Tunnel / Supercomputer \$3.5M and College of Engineering \$3.0M), UT Knoxville (College of Engineering \$3.0M and American Civics Institute \$3.97M), UT Martin (Parsons Center \$200,000, Selmer Center \$190,000, and Somerville Center \$250,000), and the TCATs (Correctional Education Investment Initiative \$426,000, TCAT Morristown Truck Driving School \$225,000, and TCAT Waitlist \$16.0M). 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

2023-24 State Appropriations Share of Total Calculation

	A	B	C	D	E = D + A	F = D / A
Academic Formula Units	2022-23 Appropriation ¹	2022-23 Appropriation Share	2023-24 Appropriation Share	2023-24 Funding Changes	2023-24 Recommendation	Percent Change
LGI Universities						
Austin Peay	\$66,773,300	5.08%	5.22%	\$9,168,800	\$75,942,100	13.7%
East Tennessee ²	87,313,300	6.64%	6.66%	9,702,100	97,015,400	11.1%
Middle Tennessee	126,537,400	9.63%	9.54%	12,338,500	138,875,900	9.8%
Tennessee State	47,671,200	3.63%	3.64%	5,244,900	52,916,100	11.0%
Tennessee Tech ²	68,195,300	5.19%	5.20%	7,572,000	75,767,300	11.1%
University of Memphis	151,179,000	11.50%	11.60%	17,632,600	168,811,600	11.7%
Subtotal	\$547,669,500	41.67%	41.86%	\$61,658,900	\$609,328,400	11.3%
Community Colleges³						
Chattanooga	\$38,480,200	2.93%	2.92%	\$3,978,800	\$42,459,000	10.3%
Cleveland	14,638,800	1.11%	1.14%	1,988,400	16,627,200	13.6%
Columbia	22,011,600	1.67%	1.65%	2,036,700	24,048,300	9.3%
Dyersburg	12,900,400	0.98%	1.00%	1,667,600	14,568,000	12.9%
Jackson	17,835,300	1.36%	1.35%	1,789,500	19,624,800	10.0%
Motlow	25,764,300	1.96%	1.90%	1,900,200	27,664,500	7.4%
Nashville	26,991,000	2.05%	2.03%	2,556,500	29,547,500	9.5%
Northeast	26,952,800	2.05%	1.95%	1,397,900	28,350,700	5.2%
Pellissippi	43,071,500	3.28%	3.15%	2,757,500	45,829,000	6.4%
Roane	28,434,700	2.16%	2.09%	1,932,100	30,366,800	6.8%
Southwest	34,496,100	2.62%	2.57%	2,889,500	37,385,600	8.4%
Volunteer	34,821,200	2.65%	2.60%	3,080,800	37,902,000	8.8%
Walters	31,017,600	2.36%	2.42%	4,142,200	35,159,800	13.4%
Subtotal	\$357,415,500	27.20%	26.76%	\$32,117,700	\$389,533,200	9.0%
UT Universities						
UT Chattanooga	\$71,977,100	5.48%	5.44%	\$7,272,100	\$79,249,200	10.1%
UT Knoxville ²	296,407,600	22.55%	22.79%	35,317,300	331,724,900	11.9%
UT Martin ²	40,729,400	3.10%	3.15%	5,103,900	45,833,300	12.5%
Subtotal	\$409,114,100	31.13%	31.38%	\$47,693,300	\$456,807,400	11.7%
Total Colleges and Universities	\$1,314,199,100	100.00%	100.00%	\$141,469,900	\$1,455,669,000	10.8%

1 - Recurring funding. Includes historical funding of \$7.0M for legislative initiatives. A breakdown of these initiatives by campus is included in Appendix A.

2 - Does not include recurring funds appropriated to ETSU (Gray Fossil Site \$350,000, School of Nursing \$1.0M, and Rural Public Health Project \$750,000), TTU (Wind Tunnel / Supercomputer \$3.5M and College of Engineering \$3.0M), UT Knoxville (College of Engineering \$3.0M and American Civics Institute \$3.97M), UT Martin (Parsons Center \$200,000, Selmer Center \$190,000, and Somerville Center \$250,000), and the TCATs (Correctional Education Investment Initiative \$426,000, TCAT Morristown Truck Driving School \$225,000, and TCAT Waitlist \$16.0M). These appropriations are included as Program Initiatives.

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2023-24 State Appropriations Distribution Recommendation

	A	B	C = B - A	D = C / A
Specialized Units	2022-23 Appropriation ¹	2023-24 Recommendation ¹	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$43,928,600	\$47,637,600	\$3,709,000	8.4%
ETSU Family Practice	9,275,600	9,787,700	512,100	5.5%
UT College of Vet Medicine	29,130,000	30,461,000	1,331,000	4.6%
UT Health Science Center	191,150,900	204,216,900	13,066,000	6.8%
Subtotal	\$273,485,100	\$292,103,200	\$18,618,100	6.8%
Research and Public Service				
UT Agricultural Experiment Station	\$33,945,100	\$35,484,100	\$1,539,000	4.5%
UT Agricultural Extension Service	44,418,800	45,516,800	1,098,000	2.5%
TSU McMinnville Center	1,506,700	1,518,300	11,600	0.8%
TSU Institute of Ag. and Environmental Research	4,982,200	5,208,100	225,900	4.5%
TSU Cooperative Extension	6,070,200	6,220,300	150,100	2.5%
TSU McIntire-Stennis Forestry Research	215,400	225,200	9,800	4.5%
UT Space Institute	10,101,600	10,288,600	187,000	1.9%
UT Institute for Public Service	7,429,900	7,694,900	265,000	3.6%
Tennessee Language Center	878,100	927,100	49,000	5.6%
Institute for Public Service: Other Agencies	6,551,800	6,767,800	216,000	3.3%
UT County Technical Assistance Service	3,625,300	3,684,300	59,000	1.6%
UT Municipal Technical Advisory Service	4,241,500	4,316,500	75,000	1.8%
Subtotal	\$116,536,700	\$120,157,100	\$3,620,400	3.1%
Other Specialized Units				
UT Southern	\$5,656,700	\$6,261,700	\$605,000	10.7%
UT University-Wide Administration	5,829,000	5,829,000	-	0.0%
TN Board of Regents Administration	29,534,300	29,534,300	-	0.0%
TN Student Assistance Corporation	116,688,000	116,688,000	-	0.0%
Contract Education	2,577,000	2,577,000	-	0.0%
TN Higher Education Commission	6,564,300	6,564,300	-	0.0%
Subtotal	\$166,849,300	\$167,454,300	\$605,000	0.4%
Total Formula and Specialized Units	\$1,959,449,800	\$2,132,293,300	\$172,843,500	8.8%
Program Initiatives				
Campus Centers of Excellence	\$19,728,600	\$19,728,600	\$0	0.0%
Campus Centers of Emphasis	1,431,300	1,431,300	-	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	8,661,200	17,511,200	8,850,000	102.2%
THEC Grants Administration & Programming	8,661,200	8,661,200	-	0.0%
Advise TN Advisor Core Expansion	-	925,000	925,000	NA
Navigate Reconnect Capacity	-	800,000	800,000	NA
HBCU Success Summer Bridge Program	-	625,000	625,000	NA
TN Promise Summer Bridge Program	-	500,000	500,000	NA
Facilities Condition Survey ²	-	6,000,000	6,000,000	NA
Specialized Units Strategic Initiatives ³	-	2,269,000	2,269,000	NA
Statewide System Priorities ³	-	11,550,000	11,550,000	NA
ETSU Special Legislative Initiatives ⁴	2,100,000	2,100,000	-	0.0%
TTU Special Legislative Initiatives ⁴	6,500,000	6,500,000	-	0.0%
UT Knoxville Special Legislative Initiatives ⁴	6,968,200	6,968,200	-	0.0%
UT Martin Special Legislative Initiatives ⁴	640,000	640,000	-	0.0%
TCAT Special Legislative Initiatives ⁴	16,651,000	16,651,000	-	0.0%
Subtotal	\$85,808,600	\$108,477,600	\$22,669,000	26.4%
Total	\$2,045,258,400	\$2,240,770,900	\$195,512,500	9.6%

1 - Recurring funds.

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

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

4 - Recurring funds appropriated to ETSU (Gray Fossil Site \$350,000, School of Nursing \$1.0M, and Rural Public Health Project \$750,000), TTU (Wind Tunnel / Supercomputer \$3.5M and College of Engineering \$3.0M), UT Knoxville (College of Engineering \$3.0M and American Civics Institute \$3.97M), UT Martin (Parsons Center \$200,000, Selmer Center \$190,000, and Somerville Center \$250,000), and the TCATs (Correctional Education Investment Initiative \$426,000, TCAT Morristown Truck Driving School \$225,000, and TCAT Waitlist \$16.0M).

ATTACHMENT III
2023-24 Specialized Units Strategic Initiatives

Governing Board	Institution	Project Name	Total Cost	Project Description
TSU	TSU Institute of Agricultural and Environmental Research	Agricultural Research at 1890 Land Grant Institutions Federal Match Funds	\$1,000,000	Recurring funding to address a gap in the matching requirement for the TSU Institute of Agricultural and Environmental Research for 2021-22 and estimated for 2022-23 and 2023-24. (\$1,000,000 recurring) The United States Department of Agriculture (USDA) National Institute of Food and Agriculture (NIFA) offers capacity grants to support research and extension activities at institutions of higher education that have been identified as 1862 or 1890 Land-Grant institutions. The grant amounts are based on statutory formulas which include share of state population living in rural areas and percent of land dedicated to farming activity. Each fiscal year, when institutions are asked by the USDA NIFA to respond to grant requests, grant award levels are estimated based on the previous year's approved budget. These grants require institutions to provide matching funds from a non-federal source that are equal to or greater than the final federal appropriation.
ETSU	ETSU Family Practice	Institute for Integrated Behavioral Health	\$275,000	Recurring funding to address three gaps that currently exist in the behavioral health workforce pipeline: funds to off-set the three-year long supervision period for Masters of Social Work completers while they work toward their license in Clinical Social Work; funds to establish a pre-doctoral internship for psychology students who currently must leave the northeast Tennessee region for clinical experience; and funds to establish a leadership program for behavioral health professionals to grow their capacity to engage in the community, break down stigma around behavioral health, and bring the best of their skillset to more settings. (\$275,000 recurring) ETSU Health and the College of Medicine is engaged in a focused effort to address the mental health professions workforce shortage in Northeast Tennessee. In 2019, ETSU established the Institute for Integrated Behavioral Health, which aims to increase access to mental/behavioral healthcare by integrating mental health professionals into health care practices and training students in mental health graduate training programs and building vital careers for them in the northeast Tennessee region.
UT	UT Institute for Public Service	Substance Misuse and Addiction Resource for Tennessee (SMART)	\$994,000	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 requests funding to expand the SMART Initiative to implement county-level technical assistance programs. Through this model, a regional consultant would be placed in each grand division and charged with assisting Tennessee's rural communities in identifying, applying for and managing large grants, as well as research and evaluate program effectiveness in addressing the state's opioid crisis. (\$994,000 recurring)

2023-24 Statewide System Priorities

Governing Board	Institution	Project Name	Total Cost	Project Description
TBR	Community Colleges & TCATs	Student Support Network	\$4,200,000	Recurring funding to address issues identified in the Education Recovery and Innovation Committee report, research by the Comptroller's office into TN Promise and TN Reconnect, and additional research completed by TBR. (\$4,200,000 recurring) The first of these interventions would create a comprehensive student support network to improve student access to counseling, emergency financial aid grants, and other assistance. This network would serve all low-income students across the TBR system by forming an integrated structure for administering support services in partnership with TDLWD and TDHS. Mental health counselors and social service coordinators would be based at each community college and would also serve multiple nearby TCATs. Additionally, this investment would scale a program to provide student emergency grants for transportation, books, food, and other emergency needs that are often a barrier to student retention and success. Aligns with recommendations from the June 2022 TN Commission on Education Recovery and Innovation report.
TBR	Community Colleges & TCATs	Modernizing the Learning Experience	\$3,000,000	Recurring funding to address advancements in teaching and learning research, communication with students from recruitment to completion, and recognition of competency attainment on the way to degrees. (\$3,000,000 total recurring) First, TBR requests \$750,000 recurring to establish a Center for Innovation in Teaching and Learning (CITL). This Center would train and assist the 6,000 faculty across TBR colleges in advancements in instructional design, student engagement, software development, accessibility, and other technologies to help faculty become experts in pedagogy. Second, TBR requests \$1,750,000 recurring to implement Customs Relations Manager (CRM) software, allowing for streamlined communication between the colleges and students across multiple platforms (e.g., admissions, financial aid, advising, etc.) and for colleges to offer instant customized communication with students. Finally, TBR requests \$500,000 recurring to create a Comprehensive Learner Record (CLR) for all TBR students. The CLR is a dynamic, real-time portfolio that acts as a digital skills "wallet" verified by the institution and linked to learning outcomes aligned with today's employability skills.
TBR	Community Colleges & TCATs	Safety & Security Funding	\$4,350,000	TBR proposes additional funding to continue the important work addressing safety and security needs across all TCATs and community colleges. (\$4,350,000 nonrecurring) Feedback received from colleges on the status of projects funded under prior safety and security awards report that these projects cannot be completed under current funding levels. Examples of equipment upgrades include cameras, access control for exterior doors, speaker systems, and lighting upgrades to exterior areas and parking lots.

ATTACHMENT IV

2023-24 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 2023-24 Changes					
Academic Formula Units	2022-23 Appropriation ¹	2023-24 Formula Calculation	Outcomes Formula Adjustments	1.0% Reduction to Higher Education	2023-24 Change	2023-24 Recommendation	Percent Change	Percent Funded
LGI Universities								
Austin Peay	\$66,773,300	\$104,125,900	\$1,831,800	(\$758,800)	\$1,073,000	\$67,846,300	1.6%	65.2%
East Tennessee ²	87,313,300	133,019,900	329,100	(969,400)	(640,300)	86,673,000	-0.7%	65.2%
Middle Tennessee	126,537,400	190,415,800	(1,078,800)	(1,387,600)	(2,466,400)	124,071,000	-1.9%	65.2%
Tennessee State	47,671,200	72,554,500	132,500	(528,700)	(396,200)	47,275,000	-0.8%	65.2%
Tennessee Tech ²	68,195,300	103,886,200	251,900	(757,100)	(505,200)	67,690,100	-0.7%	65.2%
University of Memphis	151,179,000	231,461,200	1,323,100	(1,686,700)	(363,600)	150,815,400	-0.2%	65.2%
Subtotal	\$547,669,500	\$835,463,500	\$2,789,600	(\$6,088,300)	(\$3,298,700)	\$544,370,800	-0.6%	65.2%
Community Colleges³								
Chattanooga	\$38,480,200	\$58,216,500	(\$123,300)	(\$424,200)	(\$547,500)	\$37,932,700	-1.4%	65.2%
Cleveland	14,638,800	22,798,000	382,000	(166,100)	215,900	14,854,700	1.5%	65.2%
Columbia	22,011,600	32,973,200	(286,700)	(240,300)	(527,000)	21,484,600	-2.4%	65.2%
Dyersburg	12,900,400	19,974,500	260,100	(145,600)	114,500	13,014,900	0.9%	65.2%
Jackson	17,835,300	26,908,000	(106,500)	(196,100)	(302,600)	17,532,700	-1.7%	65.2%
Motlow	25,764,300	37,931,400	(772,600)	(276,400)	(1,049,000)	24,715,300	-4.1%	65.2%
Nashville	26,991,000	40,513,200	(298,200)	(295,200)	(593,400)	26,397,600	-2.2%	65.2%
Northeast	26,952,800	38,871,900	(1,341,200)	(283,100)	(1,624,300)	25,328,500	-6.0%	65.2%
Pellissippi	43,071,500	62,837,200	(1,670,200)	(457,900)	(2,128,100)	40,943,400	-4.9%	65.2%
Roane	28,434,700	41,636,700	(1,001,700)	(303,400)	(1,305,100)	27,129,600	-4.6%	65.2%
Southwest	34,496,100	51,260,200	(722,500)	(373,600)	(1,096,100)	33,400,000	-3.2%	65.2%
Volunteer	34,821,200	51,968,300	(581,000)	(378,700)	(959,700)	33,861,500	-2.8%	65.2%
Walters	31,017,600	48,208,400	745,300	(351,300)	394,000	31,411,600	1.3%	65.2%
Subtotal	\$357,415,500	\$534,097,500	(\$5,516,500)	(\$3,891,900)	(\$9,408,400)	\$348,007,100	-2.6%	65.2%
UT Universities								
UT Chattanooga	\$71,977,100	\$108,660,300	(\$384,400)	(\$791,800)	(\$1,176,200)	\$70,800,900	-1.6%	65.2%
UT Knoxville ²	296,407,600	454,835,200	3,268,200	(3,314,500)	(46,300)	296,361,300	0.0%	65.2%
UT Martin ²	40,729,400	62,843,000	675,800	(458,000)	217,800	40,947,200	0.5%	65.2%
Subtotal	\$409,114,100	\$626,338,500	\$3,559,600	(\$4,564,300)	(\$1,004,700)	\$408,109,400	-0.2%	65.2%
Total Colleges and Universities	\$1,314,199,100	\$1,995,899,500	\$832,700	(\$14,544,500)	(\$13,711,800)	\$1,300,487,300	-1.0%	65.2%
TN Colleges of Applied Technology ²	\$88,379,600	\$132,875,000	(\$832,700)	(\$968,300)	(\$1,801,000)	\$86,578,600	-2.0%	65.2%
Total Academic Formula Units	\$1,402,578,700	\$2,128,774,500	\$0	(\$15,512,800)	(\$15,512,800)	\$1,387,065,900	-1.1%	65.2%

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 ETSU (Gray Fossil Site \$350,000, School of Nursing \$1.0M, and Rural Public Health Project \$750,000), TTU (Wind Tunnel / Supercomputer \$3.5M and College of Engineering \$3.0M), UT Knoxville (College of Engineering \$3.0M and American Civics Institute \$3.97M), UT Martin (Parsons Center \$200,000, Selmer Center \$190,000, and Somerville Center \$250,000), and the TCATs (Correctional Education Investment Initiative \$426,000, TCAT Morristown Truck Driving School \$225,000, and TCAT Waitlist \$16.0M). 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

2023-24 State Appropriations Distribution with 1.0% Reduction¹

	A	B	C = B - A	D = C / A
Specialized Units	2022-23 Appropriation ²	2023-24 Recommendation ²	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$43,928,600	\$43,598,100	(\$330,500)	-0.8%
ETSU Family Practice	9,275,600	9,220,600	(55,000)	-0.6%
UT College of Vet Medicine	29,130,000	28,881,000	(249,000)	-0.9%
UT Health Science Center	191,150,900	189,528,100	(1,622,800)	-0.8%
Subtotal	\$273,485,100	\$271,227,800	(\$2,257,300)	-0.8%
Research and Public Service				
UT Agricultural Experiment Station	\$33,945,100	\$33,743,900	(\$201,200)	-0.6%
UT Agricultural Extension Service	44,418,800	44,155,600	(263,200)	-0.6%
TSU McMinnville Center	1,506,700	1,497,800	(8,900)	-0.6%
TSU Institute of Ag. and Environmental Research	4,982,200	4,952,700	(29,500)	-0.6%
TSU Cooperative Extension	6,070,200	6,034,200	(36,000)	-0.6%
TSU McIntire-Stennis Forestry Research	215,400	214,100	(1,300)	-0.6%
UT Space Institute	10,101,600	10,035,800	(65,800)	-0.7%
UT Institute for Public Service	7,429,900	7,385,900	(44,000)	-0.6%
Tennessee Language Center	878,100	872,900	(5,200)	-0.6%
Institute for Public Service: Other Agencies	6,551,800	6,513,000	(38,800)	-0.6%
UT County Technical Assistance Service	3,625,300	3,603,800	(21,500)	-0.6%
UT Municipal Technical Advisory Service	4,241,500	4,216,400	(25,100)	-0.6%
Subtotal	\$116,536,700	\$115,840,200	(\$696,500)	-0.6%
Other Specialized Units				
UT Southern	\$5,656,700	\$5,579,000	(\$77,700)	-1.4%
UT University-Wide Administration	5,829,000	5,794,500	(34,500)	-0.6%
TN Board of Regents Administration	29,534,300	29,359,300	(175,000)	-0.6%
TN Student Assistance Corporation	116,688,000	116,271,800	(416,200)	-0.4%
Tennessee Student Assistance Awards	113,262,500	113,262,500	-	0.0%
Tennessee Students Assistance Corporation	2,657,800	2,657,800	-	0.0%
Loan/Scholarships Program	767,700	351,500	(416,200)	-54.2%
Contract Education	2,577,000	2,577,000	-	0.0%
TN Higher Education Commission	6,564,300	6,564,300	-	0.0%
Subtotal	\$166,849,300	\$166,145,900	(\$703,400)	-0.4%
Total Formula and Specialized Units	\$1,959,449,800	\$1,940,279,800	(\$19,170,000)	-1.0%
Program Initiatives				
Campus Centers of Excellence	\$19,728,600	\$19,728,600	\$0	0.0%
Campus Centers of Emphasis	1,431,300	1,431,300	-	0.0%
Academic Scholars Program	1,211,800	1,211,800	-	0.0%
UT Access and Diversity Initiative	5,806,700	5,772,300	(34,400)	-0.6%
TBR Access and Diversity Initiative	10,256,900	10,196,100	(60,800)	-0.6%
THEC Grants	8,661,200	8,661,200	-	0.0%
Research Initiatives - UT	5,852,900	5,818,200	(34,700)	-0.6%
ETSU Special Legislative Initiatives ³	2,100,000	2,100,000	-	0.0%
TTU Special Legislative Initiatives ³	6,500,000	6,500,000	-	0.0%
UT Knoxville Special Legislative Initiatives ³	6,968,200	6,968,200	-	0.0%
UT Martin Special Legislative Initiatives ³	640,000	640,000	-	0.0%
TCAT Special Legislative Initiatives ³	16,651,000	16,651,000	-	0.0%
Subtotal	\$85,808,600	\$85,678,700	(\$129,900)	-0.2%
Total	\$2,045,258,400	\$2,025,958,500	(\$19,299,900)	-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 2023-24.

2 - Recurring funds.

3 - Recurring funds appropriated to ETSU (Gray Fossil Site \$350,000, School of Nursing \$1.0M, and Rural Public Health Project \$750,000), TTU (Wind Tunnel / Supercomputer \$3.5M and College of Engineering \$3.0M), UT Knoxville (College of Engineering \$3.0M and American Civics Institute \$3.97M), UT Martin (Parsons Center \$200,000, Selmer Center \$190,000, and Somerville Center \$250,000), and the TCATs (Correctional Education Investment Initiative \$426,000, TCAT Morrystown Truck Driving School \$225,000, and TCAT Waitlist \$16.0M).

ATTACHMENT V

2023-24 State Appropriations Funding Scenarios

	Outcomes Formula Calculation	Share of Total Outcomes Formula Calculation	A \$150,000,000 THEC Recommendation ¹	B C Alternative Funding Scenarios	
				\$200,000,000 Flat Tuition Scenario ²	Flat Funding Scenario ³
Academic Formula Units					
LGI Universities					
Austin Peay	\$104,125,900	5.22%	\$75,942,100	\$78,387,800	\$68,605,100
East Tennessee	133,019,900	6.66%	97,015,400	100,139,700	87,642,400
Middle Tennessee	190,415,800	9.54%	138,875,900	143,348,300	125,458,600
Tennessee State	72,554,500	3.64%	52,916,100	54,620,300	47,803,700
Tennessee Tech	103,886,200	5.20%	75,767,300	78,207,400	68,447,200
University of Memphis	231,461,200	11.60%	168,811,600	174,248,100	152,502,100
Subtotal	\$835,463,500	41.86%	\$609,328,400	\$628,951,600	\$550,459,100
Community Colleges					
Chattanooga	\$58,216,500	2.92%	\$42,459,000	\$43,826,400	\$38,356,900
Cleveland	22,798,000	1.14%	16,627,200	17,162,700	15,020,800
Columbia	32,973,200	1.65%	24,048,300	24,822,800	21,724,900
Dyersburg	19,974,500	1.00%	14,568,000	15,037,100	13,160,500
Jackson	26,908,000	1.35%	19,624,800	20,256,800	17,728,800
Motlow	37,931,400	1.90%	27,664,500	28,555,400	24,991,700
Nashville	40,513,200	2.03%	29,547,500	30,499,000	26,692,800
Northeast	38,871,900	1.95%	28,350,700	29,263,700	25,611,600
Pellissippi	62,837,200	3.15%	45,829,000	47,304,900	41,401,300
Roane	41,636,700	2.09%	30,366,800	31,344,800	27,433,000
Southwest	51,260,200	2.57%	37,385,600	38,589,500	33,773,600
Volunteer	51,968,300	2.60%	37,902,000	39,122,700	34,240,200
Walters	48,208,400	2.42%	35,159,800	36,292,100	31,762,900
Subtotal	\$534,097,500	26.76%	\$389,533,200	\$402,077,900	\$351,899,000
UT Universities					
UT Chattanooga	\$108,660,300	5.44%	\$79,249,200	\$81,801,400	\$71,592,700
UT Knoxville	454,835,200	22.79%	331,724,900	342,407,900	299,675,800
UT Martin	62,843,000	3.15%	45,833,300	47,309,300	41,405,200
Subtotal	\$626,338,500	31.38%	\$456,807,400	\$471,518,600	\$412,673,700
Total Colleges and Universities	\$1,995,899,500	100.00%	\$1,455,669,000	\$1,502,548,100	\$1,315,031,800
TN Colleges of Applied Technology	\$132,875,000		\$96,909,700	\$100,030,600	\$87,546,900
Total Academic Formula Units	\$2,128,774,500		\$1,552,578,700	\$1,602,578,700	\$1,402,578,700

1 - Based on a request of \$35M for outcomes productivity and \$115M to prioritize a tuition and fee range increase of 0.0% to 3.0%, resulting in a total new recurring appropriation recommendation of \$150M.

2 - Based on a request of \$35M for outcomes productivity and \$165M to prioritize flat tuition and fees, resulting in a total new recurring appropriation recommendation of \$200M.

3 - 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.

ATTACHMENT VI

Three-Year Average Change in Formula Outcomes

Community Colleges

Total Outcomes	2022-23 Formula	2023-24 Formula	Change	
Students Accumulating 12 hrs.	21,683	19,831	(1,851)	-8.5%
Students Accumulating 24 hrs.	17,492	16,133	(1,358)	-7.8%
Students Accumulating 36 hrs.	15,423	14,363	(1,060)	-6.9%
Associates ¹	11,581	11,617	36	0.3%
Certificates 1-2 Year	961	929	(32)	-3.3%
Certificates <1 Year	2,581	2,489	(93)	-3.6%
Dual Enrollment	19,814	19,599	(215)	-1.1%
Student Transfer	6,440	6,063	(377)	-5.9%
Awards per 100 FTE	25.43	27.37	1.94	7.6%
Job Placements	3,852	3,751	(102)	-2.6%
Workforce Training	682,975	707,672	24,697	3.6%
Adult Focus Population				
Students Accumulating 12 hrs.	4,049	3,389	(660)	-16.3%
Students Accumulating 24 hrs.	4,319	3,834	(485)	-11.2%
Students Accumulating 36 hrs.	4,395	4,107	(287)	-6.5%
Associates ¹	4,644	4,874	231	5.0%
Certificates 1-2 Year	534	545	12	2.2%
Certificates <1 Year	1,442	1,389	(53)	-3.7%
Low-Income Focus Population				
Students Accumulating 12 hrs.	13,208	11,232	(1,977)	-15.0%
Students Accumulating 24 hrs.	11,306	9,875	(1,431)	-12.7%
Students Accumulating 36 hrs.	10,324	9,291	(1,034)	-10.0%
Associates ¹	8,193	8,117	(76)	-0.9%
Certificates 1-2 Year	652	627	(26)	-3.9%
Certificates <1 Year	1,542	1,501	(41)	-2.7%
Academically Underprepared Focus Population				
Students Accumulating 12 hrs.	12,729	11,143	(1,586)	-12.5%
Students Accumulating 24 hrs.	10,743	9,687	(1,056)	-9.8%
Students Accumulating 36 hrs.	9,561	8,732	(829)	-8.7%
Associates ²	6,966	6,905	(61)	-0.9%
Certificates 1-2 Year	560	527	(33)	-5.9%
Certificates <1 Year	1,273	1,211	(62)	-4.8%
Workforce Investment Premium				
Associates ¹	3,202	3,222	20	0.6%
Certificates 1-2 Year	534	513	(22)	-4.1%
Certificates <1 Year	1,540	1,540	(1)	0.0%
One Focus Population				
Students Accumulating 12 hrs.	7,363	6,893	(470)	-6.4%
Students Accumulating 24 hrs.	5,620	5,352	(267)	-4.8%
Students Accumulating 36 hrs.	4,810	4,531	(279)	-5.8%
Associates ¹	2,966	2,907	(58)	-2.0%
Certificates 1-2 Year	159	148	(11)	-7.1%
Certificates <1 Year	533	498	(35)	-6.5%
Two Focus Populations				
Students Accumulating 12 hrs.	7,952	6,893	(1,059)	-13.3%
Students Accumulating 24 hrs.	6,524	5,794	(730)	-11.2%
Students Accumulating 36 hrs.	5,781	5,248	(533)	-9.2%
Associates ¹	4,087	4,014	(73)	-1.8%
Certificates 1-2 Year	328	311	(17)	-5.1%
Certificates <1 Year	896	873	(23)	-2.6%
Three Focus Populations				
Students Accumulating 12 hrs.	2,240	1,695	(545)	-24.3%
Students Accumulating 24 hrs.	2,567	2,152	(415)	-16.2%
Students Accumulating 36 hrs.	2,636	2,368	(268)	-10.2%
Associates ¹	2,693	2,771	78	2.9%
Certificates 1-2 Year	320	317	(4)	-1.1%
Certificates <1 Year	793	778	(15)	-1.9%
All Four Focus Populations				
Associates ¹	777	802	25	3.2%
Certificates 1-2 Year	126	123	(3)	-2.6%
Certificates <1 Year	273	265	(8)	-2.8%

1 - Includes reverse transfer associate degrees after the degree is split 0.5 each for the community college and the partner university.

ATTACHMENT VI

Three-Year Average Change in Formula Outcomes

Universities

Total Outcomes	2022-23 Formula	2023-24 Formula	Change	
Students Accumulating 30 hrs.	17,403	16,909	(494)	-2.8%
Students Accumulating 60 hrs.	18,585	18,203	(382)	-2.1%
Students Accumulating 90 hrs.	21,362	21,200	(162)	-0.8%
Associates ¹	624	728	104	16.7%
Bachelors	22,329	22,282	(48)	-0.2%
Masters / Ed Specialists	5,762	6,021	260	4.5%
Doctoral / Law Degree	1,231	1,274	43	3.5%
Research, Service, and Sponsored Programs	\$383,097,599	\$400,337,005	\$17,239,406	4.5%
Degrees per 100 FTE	23.57	23.87	0.30	1.3%
Six-Year Graduation Rate	62.9%	63.4%	0.5	0.8%
Adult Focus Population				
Students Accumulating 30 hrs.	528	492	(36)	-6.8%
Students Accumulating 60 hrs.	1,180	1,104	(76)	-6.4%
Students Accumulating 90 hrs.	2,750	2,613	(137)	-5.0%
Associates ¹	327	367	39	12.0%
Bachelors	5,898	5,649	(249)	-4.2%
Low-Income Focus Population				
Students Accumulating 30 hrs.	8,341	7,484	(857)	-10.3%
Students Accumulating 60 hrs.	9,280	8,614	(667)	-7.2%
Students Accumulating 90 hrs.	11,384	10,979	(405)	-3.6%
Associates ¹	688	754	66	9.6%
Bachelors	11,895	11,835	(60)	-0.5%
Workforce Investment Premium				
Associates ¹	70	63	(7)	-10.0%
Bachelors	6,845	7,046	201	2.9%
One Focus Population				
Students Accumulating 30 hrs.	8,097	7,284	(813)	-10.0%
Students Accumulating 60 hrs.	8,634	8,009	(625)	-7.2%
Students Accumulating 90 hrs.	9,686	9,369	(317)	-3.3%
Associates ¹	272	323	52	19.0%
Bachelors	9,060	9,119	59	0.7%
Two Focus Populations				
Students Accumulating 30 hrs.	386	346	(40)	-10.4%
Students Accumulating 60 hrs.	913	854	(59)	-6.4%
Students Accumulating 90 hrs.	2,224	2,111	(112)	-5.1%
Associates ¹	179	212	34	19.0%
Bachelors	5,748	5,633	(115)	-2.0%
All Three Focus Populations				
Associates ¹	25	19	(6)	-23.7%
Bachelors	1,361	1,382	21	1.5%

¹ - Includes reverse transfer associate degrees after the degree is split 0.5 each for the community college and the partner university.

ATTACHMENT VII

2023-24 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	\$75,942,100	\$66,713,900	\$2,393,600	\$145,049,600	\$192,588,300	(\$47,538,700)	75.3%
East Tennessee ³	99,115,400	95,995,300	15,723,700	210,834,400	260,986,500	(50,152,100)	80.8%
Middle Tennessee	138,875,900	159,454,900	18,553,800	316,884,600	353,581,300	(36,696,700)	89.6%
Tennessee State	52,916,100	50,319,000	29,793,800	133,028,900	147,993,400	(14,964,500)	89.9%
Tennessee Tech ³	82,267,300	82,399,000	3,799,900	168,466,200	195,390,300	(26,924,100)	86.2%
University of Memphis	168,811,600	168,517,500	10,923,800	348,252,900	442,727,700	(94,474,800)	78.7%
Subtotal	\$617,928,400	\$623,399,600	\$81,188,600	\$1,322,516,600	\$1,593,267,500	(\$270,750,900)	83.0%
Community Colleges⁴							
Chattanooga	\$42,459,000	\$22,736,000	\$812,000	\$66,007,000	\$88,832,200	(\$22,825,200)	74.3%
Cleveland	16,627,200	9,643,600	457,500	26,728,300	34,265,600	(7,537,300)	78.0%
Columbia	24,048,300	17,103,600	354,000	41,505,900	49,664,400	(8,158,500)	83.6%
Dyersburg	14,568,000	8,601,200	272,400	23,441,600	30,033,300	(6,591,700)	78.1%
Jackson	19,624,800	11,773,100	108,800	31,506,700	40,436,300	(8,929,600)	77.9%
Motlow	27,664,500	18,402,000	375,600	46,442,100	57,135,200	(10,693,100)	81.3%
Nashville	29,547,500	19,393,000	467,300	49,407,800	61,207,600	(11,799,800)	80.7%
Northeast	28,350,700	15,849,800	73,700	44,274,200	58,253,000	(13,978,800)	76.0%
Pellissippi	45,829,000	27,455,800	2,116,300	75,401,100	94,924,400	(19,523,300)	79.4%
Roane	30,366,800	15,619,400	266,900	46,253,100	62,745,000	(16,491,900)	73.7%
Southwest	37,385,600	19,076,600	2,621,700	59,083,900	77,089,300	(18,005,400)	76.6%
Volunteer	37,902,000	21,821,600	304,500	60,028,100	78,521,700	(18,493,600)	76.4%
Walters	35,159,800	17,288,900	498,000	52,946,700	72,481,800	(19,535,100)	73.0%
Subtotal	\$389,533,200	\$224,764,600	\$8,728,700	\$623,026,500	\$805,589,800	(\$182,563,300)	77.3%
UT Universities							
UT Chattanooga	\$79,249,200	\$92,304,700	\$7,020,200	\$178,574,100	\$202,878,900	(\$24,304,800)	88.0%
UT Knoxville ³	338,693,100	377,897,500	85,231,600	801,822,200	858,197,300	(56,375,100)	93.4%
UT Martin ³	46,473,300	50,921,700	2,082,400	99,477,400	118,324,100	(18,846,700)	84.1%
Subtotal	\$464,415,600	\$521,123,900	\$94,334,200	\$1,079,873,700	\$1,179,400,300	(\$99,526,600)	91.6%
Total Colleges and Universities	\$1,471,877,200	\$1,369,288,100	\$184,251,500	\$3,025,416,800	\$3,578,257,600	(\$552,840,800)	84.5%
TN Colleges of Applied Technology ³	\$113,560,700	\$42,973,900	\$0	\$156,534,600	\$163,374,000	(\$6,839,400)	95.8%
Total Academic Formula Units	\$1,585,437,900	\$1,412,262,000	\$184,251,500	\$3,181,951,400	\$3,741,631,600	(\$559,680,200)	85.0%

1 - Recurring; accounts for recommended \$150M 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 ETSU (Gray Fossil Site \$350,000, School of Nursing \$1.0M, and Rural Public Health Project \$750,000), TTU (Wind Tunnel / Supercomputer \$3.5M and College of Engineering \$3.0M), UT Knoxville (College of Engineering \$3.0M and American Civics Institute \$3.97M), UT Martin (Parsons Center \$200,000, Selmer Center \$190,000, and Somerville Center \$250,000), and the TCATs (Correctional Education Investment Initiative \$426,000, TCAT Morristown Truck Driving School \$225,000, and TCAT Waitlist \$16.0M).

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