

**DATE:** November 7, 2018

**SUBJECT:** 2019-20 Operating State Appropriation Recommendations

**ACTION RECOMMENDED:** Approval

**BACKGROUND INFORMATION**

The operating appropriation recommendations are informed by increased productivity in the Outcomes-Based Funding Formula, Quality Assurance points, inflationary factors, and changes to fixed costs. Per the Complete College Tennessee Act, 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 only.

**RECOMMENDATION SUMMARY**

For the 2019-20 fiscal year, THEC staff recommend a recurring increase of \$64 million in state appropriations for universities, community colleges, and colleges of applied technology. This recommended increase in state funding recognizes growth in outcome productivity and continues the shift in funding responsibilities from students and their families back to the state.

Institutions showed improvement in funding formula outcomes in 2017-18, the most recent year of data used for the 2019-20 request. In the third year of statewide Tennessee Promise implementation, the community college sector produced nearly 11,000 associate degrees. This represents an eight percent increase over 2016-17—with some colleges experiencing a thirty percent increase. Universities continue to succeed in the model as well. In 2017-18, universities awarded over 23,000 bachelor’s and associate degrees, a nearly four percent increase from the previous year.

Collaboration between institutions continue to help the state in its pursuit of Drive to 55; more students transferred out with 12 hours from community colleges in 2017-18 than ever before, and in the third year of inclusion in the formula, community colleges—in coordination with universities—awarded 945 reverse transfer associate degrees. The Tennessee Colleges of Applied Technology continue to grow, serving three percent more students in 2017-18 than the previous year and reporting a completion rate of over 80 percent.

Along with the formula unit recommendation, staff recommend a funding increase of \$13.6 million recurring for the specialized units—which include the medical colleges, agriculture research units, public service entities and statewide program initiatives. Funding increases for these units reflect annual growth in several operational factors, including maintenance, inflationary costs, and salaries and benefits. All 2019-20 operating fund recommendations for the formula and specialized units are detailed in Attachment II.

Staff also recommend \$9.145 million in recurring funds for strategic initiatives for specialized units and statewide systems. The specialized units strategic initiatives include \$1.1 million for the Quillen College of Medicine at East Tennessee State University to provide increased care in pediatric surgery and children services and \$1.1 million for the Tennessee State University Institute of Agricultural and Environmental Research to establish a food science research lab. Additionally, staff recommend \$3 million for the University of Tennessee Health Science Center for outreach strategies at the Center for Excellence in Addiction Medicine, \$808,500 to the University of Tennessee Institute for Public Service to improve rural community outreach and \$1.04 million at the University of Tennessee Institute of Agriculture to establish a Center for Agricultural and Synthetic Biology. Finally, staff recommend \$2.1 million for a statewide system strategic initiative at the Tennessee Board of Regents. This system strategic initiative focuses on programmatic startup funding for the Tennessee Colleges of Applied Technology, to offset the costs of establishing needed new programs across the system. Additional information on the specialized units and statewide strategic initiatives can be found in Attachment III.

The staff recommendation also includes: \$5 million for round three of Labor Education Alignment Program (LEAP) grants, \$1 million to continue the Veteran Reconnect Grant program, \$900,000 to recognize year three of the Tennessee Technological University's Carnegie classification change, \$400,000 for historical inflation adjustments to the SAILS and Advise TN programs, \$400,000 for the HBCU Summer Bridge Program, \$300,000 for an outreach specialist to assist the Reverse Associate Degree program, and \$300,000 for scholarship restoration at the Southern College of Optometry.

Lastly, the TSAC Board of Directors recommends an increase of \$12.3 million to the Tennessee Student Assistance Award (TSAA), the state's need-based grant. Since 2013-14, the State has invested over \$43 million, or 75 percent, in new recurring funds to this program. Yet, approximately 27,500 students are

currently eligible to receive the TSAA but do not due to lack of funds. This increase will provide approximately 6,875 additional awards to these unfunded eligible students.

The grand total recurring recommendation for all higher education operating appropriations for 2019-20 is \$1.7 billion. This includes \$1.08 billion to fund the formula units and Tennessee Colleges of Applied Technology, \$469.3 million for specialized units, and \$80 million for strategic program investments. These recurring recommendations total \$107.6 million of new funds, an increase of 6.7 percent.

Finally, the Department of Finance & Administration has requested that state agencies prepare the 2019-20 budget with a 2.0 percent reduction in state appropriations. Financial aid funding provided by TSAC and recurring funds for the capital maintenance are exempt from these reduction scenarios. For higher education, this would result in a reduction in state appropriations of \$29.85 million. This distribution is detailed in Attachment IV.

## ATTACHMENT I

### State Appropriations History

<b>Academic Formula Units</b>	<b>2013-14 *</b>	<b>2014-15 *</b>	<b>2015-16*</b>	<b>2016-17*</b>	<b>2017-18*</b>	<b>2018-19*</b>
<b>LGI Universities</b>						
Austin Peay	\$32,995,000	\$34,239,800	\$36,983,700	\$40,378,500	\$44,621,700	\$47,857,100
East Tennessee	48,685,000	48,048,900	51,428,100	55,362,800	61,099,800	65,770,700
Middle Tennessee	81,024,600	82,830,300	85,856,700	90,753,200	97,003,700	103,216,200
Tennessee State	32,610,800	32,088,900	32,892,000	33,717,900	36,757,500	39,402,300
Tennessee Tech	39,559,500	38,394,000	39,297,400	42,671,100	47,231,100	55,020,600
University of Memphis	89,106,400	89,331,900	95,139,600	102,440,600	110,827,200	117,771,000
<b>Subtotal</b>	<b>\$323,981,300</b>	<b>\$324,933,800</b>	<b>\$341,597,500</b>	<b>\$365,324,100</b>	<b>\$397,541,000</b>	<b>\$429,037,900</b>
<b>Community Colleges</b>						
Chattanooga	\$26,624,800	\$26,008,100	\$27,449,400	\$29,315,200	\$31,118,200	\$31,863,600
Cleveland	8,997,100	8,843,700	9,336,300	9,751,700	10,988,200	11,215,700
Columbia	12,339,500	12,349,500	12,842,400	13,970,500	15,026,400	15,821,100
Dyersburg	7,238,900	7,317,900	7,841,700	8,622,500	9,388,600	9,734,200
Jackson	11,510,200	11,095,700	11,401,100	12,395,800	13,561,500	14,266,600
Motlow	11,017,200	10,656,700	11,007,400	11,739,900	13,292,500	15,023,000
Nashville	15,983,500	15,861,200	16,935,900	17,756,500	20,259,300	22,228,600
Northeast	13,648,200	13,224,100	14,594,100	16,059,900	18,137,200	19,695,300
Pellissippi	22,913,400	23,429,800	25,599,300	27,349,000	30,477,800	32,729,600
Roane	16,619,800	17,399,500	18,011,800	19,093,300	21,087,900	22,518,000
Southwest	25,739,300	24,677,200	25,278,600	26,115,800	27,147,100	28,504,100
Volunteer	16,075,400	16,216,000	17,198,100	18,698,700	20,809,700	23,498,200
Walters	19,866,900	20,350,200	20,967,800	21,912,500	23,469,700	24,606,600
<b>Subtotal</b>	<b>\$208,574,200</b>	<b>\$207,429,600</b>	<b>\$218,463,900</b>	<b>\$232,781,300</b>	<b>\$254,764,100</b>	<b>\$271,704,600</b>
<b>UT Universities</b>						
UT Chattanooga	\$36,128,500	\$37,501,400	\$41,674,700	\$45,835,300	\$51,005,300	\$56,184,500
UT Knoxville	174,335,300	179,044,900	187,890,300	199,911,900	217,270,000	234,382,200
UT Martin	25,243,000	26,249,700	27,892,100	29,922,900	32,495,400	34,698,100
<b>Subtotal</b>	<b>\$235,706,800</b>	<b>\$242,796,000</b>	<b>\$257,457,100</b>	<b>\$275,670,100</b>	<b>\$300,770,700</b>	<b>\$325,264,800</b>
<b>Total Colleges and Universities</b>	<b>\$768,262,300</b>	<b>\$775,159,400</b>	<b>\$817,518,500</b>	<b>\$873,775,500</b>	<b>\$953,075,800</b>	<b>\$1,026,007,300</b>
<b>TN Colleges of Applied Technology</b>	<b>\$57,400,500</b>	<b>\$55,346,600</b>	<b>\$56,343,900</b>	<b>\$60,790,600</b>	<b>\$66,857,600</b>	<b>\$71,579,600</b>
<b>Total Academic Formula Units</b>	<b>\$825,662,800</b>	<b>\$830,506,000</b>	<b>\$873,862,400</b>	<b>\$934,566,100</b>	<b>\$1,019,933,400</b>	<b>\$1,097,586,900</b>

Note: All years of appropriations are recurring funds only.

\*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	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Medical Education</b>						
ETSU College of Medicine	\$28,893,900	\$28,948,800	\$30,166,900	\$31,268,700	\$33,094,900	\$34,470,700
ETSU Family Practice	6,117,800	6,130,800	6,447,000	6,687,600	7,160,800	7,526,300
UT College of Vet Medicine	16,453,000	16,530,900	17,379,800	18,124,700	19,710,800	21,398,400
UT Health Science Center*	128,887,400	129,382,100	134,984,800	140,534,000	149,498,300	157,683,100
<b>Subtotal</b>	<b>\$180,352,100</b>	<b>\$180,992,600</b>	<b>\$188,978,500</b>	<b>\$196,615,000</b>	<b>\$209,464,800</b>	<b>\$221,078,500</b>
<b>Research and Public Service</b>						
UT Agricultural Experiment Station	\$25,438,800	\$25,557,800	\$26,380,600	\$27,625,600	\$29,048,400	\$30,435,300
UT Agricultural Extension Service	30,836,900	31,044,400	32,384,200	33,831,200	35,590,500	37,509,700
TSU McMinnville Center	560,400	560,400	575,500	594,500	608,200	619,400
TSU Institute of Ag. and Environmental Research	2,280,500	2,278,500	2,340,600	3,456,300	3,541,700	3,613,700
TSU Cooperative Extension	3,110,400	3,108,900	3,207,300	3,318,500	3,510,100	3,610,200
TSU McIntire-Stennis Forestry Research	179,400	179,400	183,400	189,400	193,300	196,200
UT Space Institute	7,896,700	7,916,500	8,187,700	8,490,500	8,900,500	9,129,100
UT Institute for Public Service	5,642,700	5,661,900	5,847,000	6,145,600	6,465,100	6,684,800
Tennessee Language Center	410,300	414,100	426,500	516,700	637,800	672,000
Institute for Public Service: Other Agencies	5,232,400	5,247,800	5,420,500	5,628,900	5,827,300	6,012,800
UT County Technical Assistance Service	1,753,200	1,763,100	1,858,100	2,236,600	2,962,700	3,103,800
UT Municipal Technical Advisory Service	2,886,200	2,897,500	3,033,400	3,157,300	3,408,700	3,603,800
<b>Subtotal</b>	<b>\$80,585,200</b>	<b>\$80,968,400</b>	<b>\$83,997,800</b>	<b>\$89,045,500</b>	<b>\$94,229,200</b>	<b>\$98,506,000</b>
<b>Other Specialized Units</b>						
UT University-Wide Administration	\$4,589,300	\$4,661,800	\$4,859,900	\$5,202,100	\$5,537,800	\$5,939,000
TN Board of Regents Administration	5,104,200	5,133,100	5,465,400	5,720,200	6,483,500	8,196,600
TN Student Assistance Corporation	61,586,800	61,566,800	70,459,600	83,568,600	93,536,000	103,703,900
Tennessee Student Assistance Awards	57,762,500	57,762,500	67,762,500	80,962,500	90,962,500	100,962,500
Tennessee Student Assistance Corporation	1,353,500	1,333,500	1,476,300	1,627,900	1,795,300	1,963,200
Loan/Scholarships Program	1,220,800	1,220,800	1,220,800	978,200	778,200	778,200
Endowment Scholarships	1,250,000	1,250,000	-	-	-	-
Contract Education	2,232,900	2,180,800	2,110,800	2,176,000	1,832,500	1,832,500
TN Higher Education Commission	2,479,200	2,438,800	2,921,000	3,619,300	4,495,700	5,187,100
THEC Administration	2,479,200	2,438,800	2,921,000	3,202,900	3,669,800	3,735,700
College Completion Initiatives for Minority Students	-	-	-	-	105,000	105,000
Tennessee Reconnect Grant Coordinator	-	-	-	-	100,000	100,000
Capital Projects Coordinator	-	-	-	-	120,600	120,600
Drive to 55 Support Specialist	-	-	-	-	83,900	83,900
FOCUS Act	-	-	-	416,400	416,400	416,400
College Advisor Corps	-	-	-	-	-	245,200
Adult Learner Initiatives	-	-	-	-	-	200,000
Labor Education Alignment Program	-	-	-	-	-	96,300
Tennessee Reconnect Coordinator	-	-	-	-	-	84,000
<b>Subtotal</b>	<b>\$75,992,400</b>	<b>\$75,981,300</b>	<b>\$85,816,700</b>	<b>\$100,286,200</b>	<b>\$111,885,500</b>	<b>\$124,859,100</b>
<b>Program Initiatives</b>						
Campus Centers of Excellence	\$18,193,700	\$17,769,000	\$17,414,600	\$17,133,600	\$17,685,600	\$18,063,100
Campus Centers of Emphasis	1,313,300	1,282,600	1,257,000	1,236,600	1,288,100	1,314,400
Academic Scholars Program	411,800	411,800	411,800	711,800	1,211,800	1,211,800
UT Access and Diversity Initiative	5,688,900	5,688,900	5,806,700	5,806,700	5,806,700	5,806,700
TBR Access and Diversity Initiative	10,048,800	10,048,800	10,256,900	10,256,900	10,256,900	10,256,900
Research Initiatives - UT	5,734,200	5,734,200	5,852,900	5,852,900	5,852,900	5,852,900
THEC Grants	2,403,300	2,353,900	5,778,400	5,778,400	6,028,400	10,739,000
<b>Subtotal</b>	<b>\$43,794,000</b>	<b>\$43,289,200</b>	<b>\$46,778,300</b>	<b>\$46,776,900</b>	<b>\$48,130,400</b>	<b>\$53,244,800</b>
<b>Total Operating</b>	<b>\$1,206,386,500</b>	<b>\$1,211,737,500</b>	<b>\$1,279,433,700</b>	<b>\$1,367,289,700</b>	<b>\$1,483,643,300</b>	<b>\$1,595,275,300</b>

Note: All years of appropriations are recurring funds only.

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

## ATTACHMENT II

### 2019-20 State Appropriations Distribution Recommendation

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
	<b>Breakdown of 2019-20 Changes</b>							
Academic Formula Units	2018-19 Appropriation <sup>1</sup>	2019-20 Formula Calculation	Outcomes Formula Adjustments	Share of New Funding	2019-20 Changes	2019-20 Recommendation	Percent Change	Percent Funded
<b>LGI Universities</b>								
Austin Peay	\$47,857,100	\$73,145,700	(\$11,900)	\$2,810,300	\$2,798,400	\$50,655,500	5.8%	69.3%
East Tennessee <sup>2</sup>	65,420,700	100,654,100	417,900	3,867,200	4,285,100	69,705,800	6.6%	69.3%
Middle Tennessee	103,216,200	155,578,100	(1,451,400)	5,977,400	4,526,000	107,742,200	4.4%	69.3%
Tennessee State	39,402,300	60,449,500	138,200	2,322,500	2,460,700	41,863,000	6.2%	69.3%
Tennessee Tech <sup>2</sup>	50,820,600	78,939,500	814,300	3,032,900	3,847,200	54,667,800	7.6%	69.3%
University of Memphis	117,771,000	178,978,400	(699,900)	6,876,500	6,176,600	123,947,600	5.2%	69.3%
<b>Subtotal</b>	<b>\$424,487,900</b>	<b>\$647,745,300</b>	<b>(\$792,800)</b>	<b>\$24,886,800</b>	<b>\$24,094,000</b>	<b>\$448,581,900</b>	<b>5.7%</b>	<b>69.3%</b>
<b>Community Colleges<sup>3</sup></b>								
Chattanooga	\$31,863,600	\$48,445,000	(\$175,400)	\$1,861,300	\$1,685,900	\$33,549,500	5.3%	69.3%
Cleveland	11,215,700	17,776,000	411,700	683,000	1,094,700	12,310,400	9.8%	69.3%
Columbia	15,821,100	24,201,400	9,200	929,800	939,000	16,760,100	5.9%	69.3%
Dyersburg	9,734,200	15,096,400	140,500	580,000	720,500	10,454,700	7.4%	69.3%
Jackson	14,266,600	21,627,500	(119,900)	830,900	711,000	14,977,600	5.0%	69.3%
Motlow	15,023,000	25,299,700	1,525,700	972,000	2,497,700	17,520,700	16.6%	69.3%
Nashville	22,228,600	33,663,800	(208,900)	1,293,400	1,084,500	23,313,100	4.9%	69.3%
Northeast	19,695,300	30,330,200	143,900	1,165,300	1,309,200	21,004,500	6.6%	69.3%
Pellissippi	32,729,600	50,250,500	139,600	1,930,700	2,070,300	34,799,900	6.3%	69.3%
Roane	22,518,000	34,669,500	159,600	1,332,000	1,491,600	24,009,600	6.6%	69.3%
Southwest	28,504,100	43,715,300	90,400	1,679,600	1,770,000	30,274,100	6.2%	69.3%
Volunteer	23,498,200	37,924,500	1,308,500	1,457,100	2,765,600	26,263,800	11.8%	69.3%
Walters	24,606,600	36,725,400	(584,200)	1,411,000	826,800	25,433,400	3.4%	69.3%
<b>Community College Subtotal</b>	<b>\$271,704,600</b>	<b>\$419,725,200</b>	<b>\$2,840,700</b>	<b>\$16,126,100</b>	<b>\$18,966,800</b>	<b>\$290,671,400</b>	<b>7.0%</b>	<b>69.3%</b>
<b>UT Universities</b>								
UT Chattanooga	\$56,184,500	\$85,281,000	(\$401,500)	\$3,276,600	\$2,875,100	\$59,059,600	5.1%	69.3%
UT Knoxville <sup>2</sup>	231,382,200	353,584,900	(99,600)	13,585,000	13,485,400	244,867,600	5.8%	69.3%
UT Martin <sup>2</sup>	34,248,100	50,842,300	(991,600)	1,953,600	962,000	35,210,100	2.8%	69.3%
<b>Subtotal</b>	<b>\$321,814,800</b>	<b>\$489,708,200</b>	<b>(\$1,492,700)</b>	<b>\$18,815,200</b>	<b>\$17,322,500</b>	<b>\$339,137,300</b>	<b>5.4%</b>	<b>69.3%</b>
<b>Total Colleges and Universities</b>	<b>\$1,018,007,300</b>	<b>\$1,557,178,700</b>	<b>\$555,200</b>	<b>\$59,828,100</b>	<b>\$60,383,300</b>	<b>\$1,078,390,600</b>	<b>5.9%</b>	<b>69.3%</b>
TN Colleges of Applied Technology	\$71,579,600	\$108,582,200	(\$555,200)	\$4,171,900	\$3,616,700	\$75,196,300	5.1%	69.3%
<b>Total Academic Formula Units</b>	<b>\$1,089,586,900</b>	<b>\$1,665,760,900</b>	<b>\$0</b>	<b>\$64,000,000</b>	<b>\$64,000,000</b>	<b>\$1,153,586,900</b>	<b>5.9%</b>	<b>69.3%</b>

1 - Recurring funding. Includes historical funding of \$2.81M 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), TTU Carnegie Classification Change (\$1.2M), TTU College of Engineering (\$3M), UT Knoxville College of Engineering (\$3M), UT Martin Parsons Center (\$200K), or to UT Martin Somerville Center (\$250K). These appropriations are included as Program Initiatives.

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

## ATTACHMENT II

### 2019-20 State Appropriations Share of Total Calculation

	A	B	C	D	E = D + A	F = D / A
Academic Formula Units	2018-19 Appropriation <sup>1</sup>	2018-19 Appropriation Share	2019-20 Appropriation Share	2019-20 Funding Changes	2019-20 Recommendation	Percent Change
<b>LGI Universities</b>						
Austin Peay	\$47,857,100	4.70%	4.70%	\$2,798,400	\$50,655,500	5.8%
East Tennessee <sup>2</sup>	65,420,700	6.43%	6.46%	4,285,100	69,705,800	6.6%
Middle Tennessee	103,216,200	10.14%	9.99%	4,526,000	107,742,200	4.4%
Tennessee State	39,402,300	3.87%	3.88%	2,460,700	41,863,000	6.2%
Tennessee Tech	50,820,600	4.99%	5.07%	3,847,200	54,667,800	7.6%
University of Memphis	117,771,000	11.57%	11.49%	6,176,600	123,947,600	5.2%
<b>Subtotal</b>	<b>\$424,487,900</b>	<b>41.70%</b>	<b>41.60%</b>	<b>\$24,094,000</b>	<b>\$448,581,900</b>	<b>5.7%</b>
<b>Community Colleges<sup>3</sup></b>						
Chattanooga	\$31,863,600	3.13%	3.11%	\$1,685,900	\$33,549,500	5.3%
Cleveland	11,215,700	1.10%	1.14%	1,094,700	12,310,400	9.8%
Columbia	15,821,100	1.55%	1.55%	939,000	16,760,100	5.9%
Dyersburg	9,734,200	0.96%	0.97%	720,500	10,454,700	7.4%
Jackson	14,266,600	1.40%	1.39%	711,000	14,977,600	5.0%
Motlow	15,023,000	1.48%	1.62%	2,497,700	17,520,700	16.6%
Nashville	22,228,600	2.18%	2.16%	1,084,500	23,313,100	4.9%
Northeast	19,695,300	1.93%	1.95%	1,309,200	21,004,500	6.6%
Pellissippi	32,729,600	3.22%	3.23%	2,070,300	34,799,900	6.3%
Roane	22,518,000	2.21%	2.23%	1,491,600	24,009,600	6.6%
Southwest	28,504,100	2.80%	2.81%	1,770,000	30,274,100	6.2%
Volunteer	23,498,200	2.31%	2.44%	2,765,600	26,263,800	11.8%
Walters	24,606,600	2.42%	2.36%	826,800	25,433,400	3.4%
<b>Community College Subtotal</b>	<b>\$271,704,600</b>	<b>26.69%</b>	<b>26.95%</b>	<b>\$18,966,800</b>	<b>\$290,671,400</b>	<b>7.0%</b>
<b>UT Universities</b>						
UT Chattanooga	\$56,184,500	5.52%	5.48%	\$2,875,100	\$59,059,600	5.1%
UT Knoxville <sup>2</sup>	231,382,200	22.73%	22.71%	13,485,400	244,867,600	5.8%
UT Martin <sup>2</sup>	34,248,100	3.36%	3.27%	962,000	35,210,100	2.8%
<b>Subtotal</b>	<b>\$321,814,800</b>	<b>31.61%</b>	<b>31.45%</b>	<b>\$17,322,500</b>	<b>\$339,137,300</b>	<b>5.4%</b>
<b>Total Colleges and Universities</b>	<b>\$1,018,007,300</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$60,383,300</b>	<b>\$1,078,390,600</b>	<b>5.9%</b>

1 - Recurring funding. Includes historical funding of \$2.81M 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), TTU Carnegie Classification Change (\$1.2M), TTU College of Engineering (\$3M), UT Knoxville College of Engineering (\$3M), UT Martin Parsons Center (\$200K), or to UT Martin Somerville Center (\$250K). These appropriations are included as Program Initiatives.

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

# ATTACHMENT II

## 2019-20 State Appropriations Distribution Recommendation

	A	B	C = B - A	D = C / A
	2018-19 Appropriation <sup>1</sup>	2019-20 Recommendation <sup>1</sup>	Total Change	Percent Change
Specialized Units				
<b>Medical Education</b>				
ETSU College of Medicine	\$34,470,700	\$35,332,500	\$861,800	2.5%
ETSU Family Practice	7,526,300	7,784,600	258,300	3.4%
UT College of Vet Medicine	21,398,400	22,491,100	1,092,700	5.1%
UT Health Science Center	157,683,100	163,786,200	6,103,100	3.9%
UT College of Medicine	56,826,511	58,618,300	1,791,789	3.2%
UT Family Practice	12,767,812	13,187,000	419,188	3.3%
UT Memphis Other Specialized Units	88,088,778	91,980,900	3,892,122	4.4%
<b>Subtotal</b>	<b>\$221,078,500</b>	<b>\$229,394,400</b>	<b>\$8,315,900</b>	<b>3.8%</b>
<b>Research and Public Service</b>				
UT Agricultural Experiment Station	\$30,435,300	\$31,760,000	\$1,324,700	4.4%
UT Agricultural Extension Service	37,509,700	38,447,400	937,700	2.5%
TSU McMinnville Center	619,400	668,600	49,200	7.9%
TSU Institute of Ag. and Environmental Research	3,613,700	3,771,000	157,300	4.4%
TSU Cooperative Extension	3,610,200	3,767,400	157,200	4.4%
TSU McIntire-Stennis Forestry Research	196,200	204,700	8,500	4.3%
UT Space Institute	9,129,100	9,431,900	302,800	3.3%
UT Institute for Public Service	6,684,800	6,939,000	254,200	3.8%
Tennessee Language Center	672,000	716,100	44,100	6.6%
Institute for Public Service: Other Agencies	6,012,800	6,222,900	210,100	3.5%
UT County Technical Assistance Service	3,103,800	3,181,400	77,600	2.5%
UT Municipal Technical Advisory Service	3,603,800	3,693,900	90,100	2.5%
<b>Subtotal</b>	<b>\$98,506,000</b>	<b>\$101,865,300</b>	<b>\$3,359,300</b>	<b>3.4%</b>
<b>Other Specialized Units</b>				
UT University-Wide Administration	\$5,939,000	\$6,087,500	\$148,500	2.5%
TN Board of Regents Administration	8,196,600	8,401,500	204,900	2.5%
TN Student Assistance Corporation	103,703,900	116,072,500	12,368,600	11.9%
Tennessee Student Assistance Awards	100,962,500	113,262,500	12,300,000	12.2%
Tennessee Students Assistance Corporation	1,963,200	2,012,300	49,100	2.5%
Loan/Scholarships Program	778,200	797,700	19,500	2.5%
Contract Education	1,832,500	1,878,300	45,800	2.5%
TN Higher Education Commission <sup>2</sup>	5,187,100	5,603,800	416,700	8.0%
<b>Subtotal</b>	<b>\$124,859,100</b>	<b>\$138,043,600</b>	<b>\$13,184,500</b>	<b>10.6%</b>
<b>Program Initiatives</b>				
Campus Centers of Excellence	\$18,063,100	\$18,514,700	\$451,600	2.5%
Campus Centers of Emphasis	1,314,400	1,347,300	32,900	2.5%
Academic Scholars Program	1,211,800	1,242,100	30,300	2.5%
UT Access and Diversity Initiative	5,806,700	5,951,900	145,200	2.5%
TBR Access and Diversity Initiative	10,256,900	10,513,300	256,400	2.5%
Research Initiatives - UT	5,852,900	5,999,200	146,300	2.5%
THEC Grants <sup>3</sup>	10,739,000	18,407,500	7,668,500	71.4%
Specialized Units Strategic Initiatives <sup>4</sup>	-	7,045,100	7,045,100	NA
Statewide System Strategic Initiatives <sup>4</sup>	-	2,100,000	2,100,000	NA
TTU Carnegie Classification Recognition <sup>5</sup>	1,200,000	2,100,000	900,000	75.0%
ETSU Gray Fossil Site <sup>6</sup>	350,000	350,000	-	NA
TTU College of Engineering <sup>6</sup>	3,000,000	3,000,000	-	0.0%
UT Knoxville College of Engineering <sup>6</sup>	3,000,000	3,000,000	-	NA
UT Martin Parsons & Somerville Centers <sup>6</sup>	450,000	450,000	-	NA
<b>Subtotal</b>	<b>\$61,244,800</b>	<b>\$80,021,100</b>	<b>\$18,776,300</b>	<b>30.7%</b>
<b>Total</b>	<b>\$1,595,275,300</b>	<b>\$1,702,911,300</b>	<b>\$107,636,000</b>	<b>6.7%</b>

1 - Recurring funds.

2 - Recurring increases for Capital Projects Coordinator (\$162K), Dual Enrollment Coordinator (\$125K), and a 2.5% programmatic adjustment for THEC Administration.

3 - Recurring increases for SAILS (\$200k) and Advise TN (\$200K), as well as recurring funds for Southern Optometry (\$300K), LEAP 3.0 (\$5M), Reverse Associate Degrees Outreach (\$300K), Veteran Reconnect Grants (\$1M), HBCU Summer Bridge Program (\$400K), and a 2.5% programmatic adjustment for all THEC Grants.

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

5 - Year 3 of 3 of recurring funding to recognize a 2015 Carnegie classification change.

6 - Recurring funds appropriated to ETSU (\$350K), TTU (\$3M), UT Knoxville (\$3M) and UT Martin (\$450K).



**ATTACHMENT III  
2019-20 Specialized Units Strategic Initiatives**

Board Priority	Governing Board	Institution	Project Name	Total Cost	Project Description
1	ETSU	ETSU College of Medicine	<b>Pediatric Surgery</b>	\$495,500	Recent manpower studies have demonstrated the need for three pediatric surgeons in Northeast Tennessee. Currently, a single pediatric surgeon serves the entire region. An expansion of the program will require additional faculty support. A sole provider cannot possibly meet the service or educational needs of the College of Medicine and the region. Insurance reimbursement will not provide for clinical revenue capable of sufficiently compensating pediatric surgeons. (\$495,500 recurring)
2	ETSU	ETSU College of Medicine	<b>Pediatric and Children Services</b>	\$600,000	The increase in pediatric sub-specialization and demand for higher level of care has resulted in the need for increased faculty positions to train and provide care in these fields. Prior approval of positions has been unfunded, leading to revenue shortfalls. Opportunities exist for partial support from Ballad Health System (formerly Mountain States Health Alliance) but will require increased expenditures on the part of the College of Medicine to fund faculty positions. The resulting increases in educational opportunities for students and resident physicians will aid in development of a higher level of pediatric care and education. (\$600,000 recurring)
1	TSU	Institute of Agricultural and Environmental Research	<b>Expanding Capacity in Food and Agricultural Research</b>	\$1,100,000	To implement phase I of a four phase capacity expansion into new Food and Agricultural Research areas. The first phase will set up a new Food Science Research Lab in Memphis to support the food industry and strengthen the TSU Main Campus Food Science Program with a virologist. The recurring initiative would allow the institution to hire four new Food Science faculty members as well as a support staff of graduate students and technical staff. (\$1.1M recurring)
1	UT	UT Health Science Center	<b>Addiction Medicine</b>	\$3,000,000	In November 2016, the University of Tennessee College of Medicine's Center for Addiction Science was recognized as the nation's first Center of Excellence in Addiction Medicine by the Addiction Medicine Foundation. The Center was founded to address the untreated addiction epidemic, not only in Memphis, but across the country. The Center is also training physicians to offer alternate forms of pain therapy to avoid over-prescription of opioids. The Center of Excellence designation from the Addiction Medicine Foundation, a national organization that accredits physician training in addiction medicine, puts the Center at the forefront of its field—as the first in the country to bring together clinical care, research, education, and community outreach to address addiction and deadly substance use. Leveraging the strengths of an academic medical center, a new addiction medicine fellowship through the Center for Addiction Science will train physicians and health care professionals in evidence-based protocols to better recognize, diagnose, treat, and prevent addiction. Multidisciplinary research is also underway, with particular focus on neonatal abstinence syndrome, which affects newborns exposed to addictive drugs in the womb. (\$3.0M recurring)
2	UT	Institute for Public Service	<b>Strategic Initiative to Improve Rural Communities</b>	\$808,500	A crucial component of updating its strategic plan included asking IPS customers how the University could better serve them. A consistent theme emerging from statewide listening sessions, particularly from leaders in distressed rural communities, was a need for more staff in IPS agencies to allow for both more timely responses and greater access to a broader range of expertise. Examples include comments, such as: "understaffed, you need more staff" and "need more consultants for special projects (like rate studies)". These funds would add a consultant or training specialist at each of IPS' six agencies to begin addressing this clearly articulated customer need and invest more focused time on issues impacting rural areas. (\$808,500 recurring)
3	UT	Institute of Agriculture	<b>Center for Agricultural Synthetic Biology</b>	\$1,041,100	UTIA proposes to establish the first university center of its kind focusing on development of advanced tools and technologies to enhance the productivity, efficiency and sustainability of agriculture and address new and unsolved problems in plant, animal and environmental health. The primary emphasis of the UTIA Center for Agricultural Synthetic Biology (CASB) will be establishing UTIA as a world leader in Synthetic Biology research and educating a new cadre of undergraduate and graduate students entering the workforce and providing industry leadership. The Institute is already home to recognized leaders in agricultural Synthetic Biology discovery and innovation and this funding will enable UTIA to establish the first Center equipped to translate Synthetic Biology innovations for the direct benefit of Tennessee's economic engine and agricultural productivity in feeding the state and the world. (\$1.04M recurring)

**2019-20 Statewide System Strategic Initiatives**

1	TBR	TBR Administration	<b>TCAT Programmatic Startup Funding</b>	\$2,100,000	It presently takes up to five years for a new TCAT program to become cash flow neutral or positive. Maintenance fees comprise a relatively small portion of the instructional cost of a new program and full state appropriation lags enrollment growths by four to five years. This financial burden makes it difficult for TCATs to respond quickly or at all to the demand generated by the economic development needs of the state. The Tennessee Board of Regents requested \$3.2M in recurring startup funding to assist with one new program at each of the system's 27 TCATs. This level of funding is equivalent to funding two-thirds of campuses and relies on the TBR Administration to distribute as needed. (\$2.1M recurring)
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# ATTACHMENT IV

## 2019-20 State Appropriations Distribution With a 2.0% Reduction

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

	2018-19 Appropriation <sup>1</sup>	2019-20 Formula Calculation	Breakdown of 2019-20 Changes		2019-20 Change	2019-20 Recommendation	Percent Change	Percent Funded
			Outcomes Formula Adjustments	2.0% Reduction to Higher Education				
<b>Academic Formula Units</b>								
<b>LGI Universities</b>								
Austin Peay	\$47,857,100	\$73,145,700	(\$11,900)	(\$1,094,500)	(\$1,106,400)	\$46,750,700	-2.3%	63.9%
East Tennessee <sup>2</sup>	65,420,700	100,654,100	417,900	(1,506,100)	(1,088,200)	64,332,500	-1.7%	63.9%
Middle Tennessee	103,216,200	155,578,100	(1,451,400)	(2,327,900)	(3,779,300)	99,436,900	-3.7%	63.9%
Tennessee State	39,402,300	60,449,500	138,200	(904,500)	(766,300)	38,636,000	-1.9%	63.9%
Tennessee Tech <sup>2</sup>	50,820,600	78,939,500	814,300	(1,181,200)	(366,900)	50,453,700	-0.7%	63.9%
University of Memphis	117,771,000	178,978,400	(699,900)	(2,678,000)	(3,377,900)	114,393,100	-2.9%	63.9%
<b>Subtotal</b>	<b>\$424,487,900</b>	<b>\$647,745,300</b>	<b>(\$792,800)</b>	<b>(\$9,692,200)</b>	<b>(\$10,485,000)</b>	<b>\$414,002,900</b>	<b>-2.5%</b>	<b>63.9%</b>
<b>Community Colleges<sup>3</sup></b>								
Chattanooga	\$31,863,600	\$48,445,000	(\$175,400)	(\$724,900)	(\$900,300)	\$30,963,300	-2.8%	63.9%
Cleveland	11,215,700	17,776,000	411,700	(266,000)	145,700	11,361,400	1.3%	63.9%
Columbia	15,821,100	24,201,400	9,200	(362,100)	(352,900)	15,468,200	-2.2%	63.9%
Dyersburg	9,734,200	15,096,400	140,500	(225,900)	(85,400)	9,648,800	-0.9%	63.9%
Jackson	14,266,600	21,627,500	(119,900)	(323,600)	(443,500)	13,823,100	-3.1%	63.9%
Motlow	15,023,000	25,299,700	1,525,700	(378,600)	1,147,100	16,170,100	7.6%	63.9%
Nashville	22,228,600	33,663,800	(208,900)	(503,700)	(712,600)	21,516,000	-3.2%	63.9%
Northeast	19,695,300	30,330,200	143,900	(453,800)	(309,900)	19,385,400	-1.6%	63.9%
Pellissippi	32,729,600	50,250,500	139,600	(751,900)	(612,300)	32,117,300	-1.9%	63.9%
Roane	22,518,000	34,669,500	159,600	(518,800)	(359,200)	22,158,800	-1.6%	63.9%
Southwest	28,504,100	43,715,300	90,400	(654,100)	(563,700)	27,940,400	-2.0%	63.9%
Volunteer	23,498,200	37,924,500	1,308,500	(567,500)	741,000	24,239,200	3.2%	63.9%
Walters	24,606,600	36,725,400	(584,200)	(549,500)	(1,133,700)	23,472,900	-4.6%	63.9%
<b>Community College Subtotal</b>	<b>\$271,704,600</b>	<b>\$419,725,200</b>	<b>\$2,840,700</b>	<b>(\$6,280,400)</b>	<b>(\$3,439,700)</b>	<b>\$268,264,900</b>	<b>-1.3%</b>	<b>63.9%</b>
<b>UT Universities</b>								
UT Chattanooga	\$56,184,500	\$85,281,000	(\$401,500)	(\$1,276,100)	(\$1,677,600)	\$54,506,900	-3.0%	63.9%
UT Knoxville <sup>2</sup>	231,382,200	353,584,900	(99,600)	(5,290,700)	(5,390,300)	225,991,900	-2.3%	63.9%
UT Martin <sup>2</sup>	34,248,100	50,842,300	(991,600)	(760,500)	(1,752,100)	32,496,000	-5.1%	63.9%
<b>Subtotal</b>	<b>\$321,814,800</b>	<b>\$489,708,200</b>	<b>(\$1,492,700)</b>	<b>(\$7,327,300)</b>	<b>(\$8,820,000)</b>	<b>\$312,994,800</b>	<b>-2.7%</b>	<b>63.9%</b>
<b>Total Colleges and Universities</b>	<b>\$1,018,007,300</b>	<b>\$1,557,178,700</b>	<b>\$555,200</b>	<b>(\$23,299,900)</b>	<b>(\$22,744,700)</b>	<b>\$995,262,600</b>	<b>-2.2%</b>	<b>63.9%</b>
TN Colleges of Applied Technology	\$71,579,600	\$108,582,200	(\$555,200)	(\$1,624,700)	(\$2,179,900)	\$69,399,700	-3.0%	63.9%
<b>Total Academic Formula Units</b>	<b>\$1,089,586,900</b>	<b>\$1,665,760,900</b>	<b>\$0</b>	<b>(\$24,924,600)</b>	<b>(\$24,924,600)</b>	<b>\$1,064,662,300</b>	<b>-2.3%</b>	<b>63.9%</b>

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

1 - Recurring funding. Includes historical funding of \$2.81M 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), TTU Carnegie Classification Change (\$1.2M), TTU College of Engineering (\$3M), UT Knoxville College of Engineering (\$3M), UT Martin Parsons Center (\$200K), or to UT Martin Somerville Center (\$250K). These appropriations are included as Program Initiatives.

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

## ATTACHMENT IV

### 2019-20 State Appropriations Distribution With a 2.0% Reduction

	A	To Be Hidden		B	C = B - A	D = C / A
	2018-19 Appropriation <sup>1</sup>	2018-19 Formula Calculation	2019-20 Formula Calculation	2019-20 Recommendation <sup>1</sup>	Total Change	Percent Change
<b>Specialized Units</b>						
<b>Medical Education</b>						
ETSU College of Medicine	\$34,470,700	\$73,358,000	\$74,930,000	\$34,038,600	(\$431,700)	-1.3%
ETSU Family Practice	7,526,300	6,911,900	7,149,100	7,452,400	(73,900)	-1.0%
UT College of Vet Medicine	21,398,400	25,928,000	27,252,000	21,058,200	(340,200)	-1.6%
UT Health Science Center	157,683,100	352,956,000	366,420,000	155,322,300	(2,360,800)	-1.5%
UT College of Medicine	56,826,511	159,713,000	164,749,000	55,975,715	(850,795)	-1.5%
UT Family Practice	12,767,812	9,716,000	10,035,000	12,576,655	(191,157)	-1.5%
UT Memphis Other Specialized Units	88,088,778	183,527,000	191,636,000	86,769,930	(1,318,848)	-1.5%
<b>Subtotal</b>	<b>\$221,078,500</b>	<b>\$459,153,900</b>	<b>\$475,751,100</b>	<b>\$217,871,500</b>	<b>(\$3,206,600)</b>	<b>-1.5%</b>
<b>Research and Public Service</b>						
UT Agricultural Experiment Station	\$30,435,300	\$86,476,000	\$90,240,000	\$30,136,600	(\$298,700)	-1.0%
UT Agricultural Extension Service	37,509,700	46,266,000	47,361,000	37,141,600	(368,100)	-1.0%
TSU McMinnville Center	619,400	356,300	384,600	613,300	(6,100)	-1.0%
TSU Institute of Ag. and Environmental Research	3,613,700	4,955,800	5,171,500	3,578,200	(35,500)	-1.0%
TSU Cooperative Extension	3,610,200	2,971,900	3,101,300	3,574,800	(35,400)	-1.0%
TSU McIntire-Stennis Forestry Research	196,200	239,000	249,400	194,300	(1,900)	-1.0%
UT Space Institute	9,129,100	27,433,000	28,343,000	9,028,700	(100,400)	-1.1%
UT Institute for Public Service	6,684,800	13,671,000	14,173,000	6,619,200	(65,600)	-1.0%
Tennessee Language Center	672,000	793,000	845,000	665,400	(6,600)	-1.0%
Institute for Public Service: Other Agencies	6,012,800	12,878,000	13,328,000	5,953,800	(59,000)	-1.0%
UT County Technical Assistance Service	3,103,800	2,614,000	2,648,000	3,073,300	(30,500)	-1.0%
UT Municipal Technical Advisory Service	3,603,800	3,635,000	3,684,000	3,568,400	(35,400)	-1.0%
<b>Subtotal</b>	<b>\$98,506,000</b>	<b>\$188,618,000</b>	<b>\$195,355,800</b>	<b>\$97,528,400</b>	<b>(\$977,600)</b>	<b>-1.0%</b>
<b>Other Specialized Units</b>						
UT University-Wide Administration	\$5,939,000	\$5,783,000	\$5,805,000	\$5,880,700	(\$58,300)	-1.0%
TN Board of Regents Administration	8,196,600	7,607,000	7,607,000	8,116,200	(80,400)	-1.0%
TN Student Assistance Corporation	103,703,900	93,388,700	115,688,700	103,684,600	(19,300)	0.0%
Tennessee Student Assistance Awards	100,962,500	90,962,500	113,262,500	100,962,500	-	0.0%
Tennessee Students Assistance Corporation Loan/Scholarships Program	1,963,200 778,200	1,235,200 1,191,000	1,235,200 1,191,000	1,943,900 778,200	(19,300) -	-1.0% 0.0%
Contract Education	1,832,500	3,344,500	3,540,900	1,814,500	(18,000)	-1.0%
TN Higher Education Commission	5,187,100	5,187,100	5,187,100	5,136,200	(50,900)	-1.0%
<b>Subtotal</b>	<b>\$124,859,100</b>	<b>\$115,310,300</b>	<b>\$137,828,700</b>	<b>\$124,632,200</b>	<b>(\$226,900)</b>	<b>-0.2%</b>
<b>Program Initiatives</b>						
Campus Centers of Excellence	\$18,063,100	\$38,451,000	\$41,098,700	\$17,885,800	(\$177,300)	-1.0%
Campus Centers of Emphasis	1,314,400	2,759,300	2,949,300	1,301,500	(12,900)	-1.0%
Academic Scholars Program	1,211,800	1,211,800	1,211,800	1,211,800	-	0.0%
UT Access and Diversity Initiative	5,806,700	6,181,900	6,181,900	5,749,700	(57,000)	-1.0%
TBR Access and Diversity Initiative	10,256,900	10,919,100	10,919,100	10,156,200	(100,700)	-1.0%
THEC Grants	10,739,000	10,739,000	10,739,000	10,633,600	(105,400)	-1.0%
Research Initiatives - UT	5,852,900	10,000,000	10,000,000	5,795,500	(57,400)	-1.0%
ETSU Gray Fossil Site <sup>2</sup>	350,000	-	-	350,000	-	0.0%
TTU College of Engineering <sup>2</sup>	3,000,000	-	-	3,000,000	-	0.0%
TTU Carnegie Classification Recognition <sup>3</sup>	1,200,000	-	-	1,200,000	-	0.0%
UT Knoxville College of Engineering <sup>2</sup>	3,000,000	-	-	3,000,000	-	0.0%
UT Martin Parsons & Somerville Centers <sup>2</sup>	450,000	-	-	450,000	-	0.0%
<b>Subtotal</b>	<b>\$61,244,800</b>	<b>\$80,262,100</b>	<b>\$83,099,800</b>	<b>\$60,734,100</b>	<b>(\$510,700)</b>	<b>-0.8%</b>
<b>Total</b>	<b>\$1,595,275,300</b>	<b>\$2,223,866,200</b>	<b>\$2,557,796,300</b>	<b>\$1,565,428,500</b>	<b>(\$29,846,400)</b>	<b>-1.9%</b>

1 - Recurring funds.

2 - Recurring funds appropriated to ETSU (\$350K), TTU (\$3M), UT Knoxville (\$3M) and UT Martin (\$450K).

3 - Year 3 of 3 of recurring funding to recognize a 2015 Carnegie classification change.

NOTE: TSAA Awards, Loan/Scholarship Program, Academic Scholars Program, and Recurring Capital Maintenance are exempt from 2019-20 reductions per F&A budget instructions.

## ATTACHMENT V

### 2019-20 State Appropriations Funding Scenarios

	A	B	C	D	E
				Alternative Funding Scenarios	
	Outcomes Formula Calculation	Share of Total Formula Calculation	\$64,000,000 THEC Recommendation	0.0% Flat Funding Scenario	2.0% Reduction Scenario
Academic Formula Units					
<b>LGI Universities</b>					
Austin Peay	\$73,145,700	4.70%	\$50,655,500	\$47,845,200	\$46,750,700
East Tennessee	100,654,100	6.46%	69,705,800	65,838,600	64,332,500
Middle Tennessee	155,578,100	9.99%	107,742,200	101,764,800	99,436,900
Tennessee State	60,449,500	3.88%	41,863,000	39,540,500	38,636,000
Tennessee Tech	78,939,500	5.07%	54,667,800	51,634,900	50,453,700
University of Memphis	178,978,400	11.49%	123,947,600	117,071,100	114,393,100
<b>Subtotal</b>	<b>\$647,745,300</b>	<b>41.60%</b>	<b>\$448,581,900</b>	<b>\$423,695,100</b>	<b>\$414,002,900</b>
<b>Community Colleges</b>					
Chattanooga	\$48,445,000	3.11%	\$33,549,500	\$31,688,200	\$30,963,300
Cleveland	17,776,000	1.14%	12,310,400	11,627,400	11,361,400
Columbia	24,201,400	1.55%	16,760,100	15,830,300	15,468,200
Dyersburg	15,096,400	0.97%	10,454,700	9,874,700	9,648,800
Jackson	21,627,500	1.39%	14,977,600	14,146,700	13,823,100
Motlow	25,299,700	1.62%	17,520,700	16,548,700	16,170,100
Nashville	33,663,800	2.16%	23,313,100	22,019,700	21,516,000
Northeast	30,330,200	1.95%	21,004,500	19,839,200	19,385,400
Pellissippi	50,250,500	3.23%	34,799,900	32,869,200	32,117,300
Roane	34,669,500	2.23%	24,009,600	22,677,600	22,158,800
Southwest	43,715,300	2.81%	30,274,100	28,594,500	27,940,400
Volunteer	37,924,500	2.44%	26,263,800	24,806,700	24,239,200
Walters	36,725,400	2.36%	25,433,400	24,022,400	23,472,900
<b>Community College Subtotal</b>	<b>\$419,725,200</b>	<b>26.95%</b>	<b>\$290,671,400</b>	<b>\$274,545,300</b>	<b>\$268,264,900</b>
<b>UT Universities</b>					
UT Chattanooga	\$85,281,000	5.48%	\$59,059,600	\$55,783,000	\$54,506,900
UT Knoxville	353,584,900	22.71%	244,867,600	231,282,600	225,991,900
UT Martin	50,842,300	3.27%	35,210,100	33,256,500	32,496,000
<b>Subtotal</b>	<b>\$489,708,200</b>	<b>31.45%</b>	<b>\$339,137,300</b>	<b>\$320,322,100</b>	<b>\$312,994,800</b>
<b>Total Colleges and Universities</b>	<b>\$1,557,178,700</b>	<b>100.00%</b>	<b>\$1,078,390,600</b>	<b>\$1,018,562,500</b>	<b>\$995,262,600</b>
TN Colleges of Applied Technology	\$108,582,200	NA	\$75,196,300	\$71,024,400	\$69,399,700
<b>Total Academic Formula Units</b>	<b>\$1,665,760,900</b>	<b>100.00%</b>	<b>\$1,153,586,900</b>	<b>\$1,089,586,900</b>	<b>\$1,064,662,300</b>

# ATTACHMENT VI

## Three-Year Average Change in Formula Outcomes

### Community Colleges

Total Outcomes	2018-19 Formula	2019-20 Formula	Change	
Students Accumulating 12 hrs	23,577	23,782	205	0.9%
Students Accumulating 24 hrs	18,091	18,367	275	1.5%
Students Accumulating 36 hrs	14,664	14,987	323	2.2%
Dual Enrollment	17,799	18,467	668	3.8%
Associates*	10,033	10,839	806	8.0%
Certificates 1-2 Year	743	775	32	4.4%
Certificates <1 Year	2,702	2,735	33	1.2%
Job Placements	3,694	3,756	62	1.7%
Student Transfers	6,204	6,445	241	3.9%
Workforce Training (Contact Hours)	622,779	659,723	36,943	5.9%
Awards per 100 FTE	20.25	22.63	2.37	11.7%
<b>Adult Focus Population</b>				
Students Accumulating 12 hrs	3,841	3,599	(242)	-6.3%
Students Accumulating 24 hrs	3,896	3,558	(339)	-8.7%
Students Accumulating 36 hrs	3,958	3,585	(373)	-9.4%
Associates*	4,674	4,488	(186)	-4.0%
Certificates 1-2 Year	444	435	(9)	-2.0%
Certificates <1 Year	1,533	1,497	(36)	-2.4%
<b>Low-Income Focus Population</b>				
Students Accumulating 12 hrs	14,261	13,981	(280)	-2.0%
Students Accumulating 24 hrs	11,526	11,382	(144)	-1.3%
Students Accumulating 36 hrs	9,601	9,547	(53)	-0.6%
Associates*	6,738	7,227	488	7.2%
Certificates 1-2 Year	478	505	27	5.6%
Certificates <1 Year	1,540	1,571	31	2.0%
<b>Academically Underprepared Focus Population</b>				
Students Accumulating 12 hrs	14,486	14,487	2	0.0%
Students Accumulating 24 hrs	11,724	11,753	29	0.2%
Students Accumulating 36 hrs	9,377	9,537	160	1.7%
Associates*	6,174	6,549	375	6.1%
Certificates 1-2 Year	423	444	21	4.9%
Certificates <1 Year	1,417	1,398	(19)	-1.3%
<b>One Focus Population Only</b>				
Students Accumulating 12 hrs	8,275	8,434	158	1.9%
Students Accumulating 24 hrs	6,147	6,410	263	4.3%
Students Accumulating 36 hrs	4,759	5,073	314	6.6%
Associates*	2,909	3,311	401	13.8%
Certificates 1-2 Year	218	224	5	2.4%
Certificates <1 Year	967	989	22	2.3%
<b>Two Focus Populations Only</b>				
Students Accumulating 12 hrs	9,004	8,989	(14)	-0.2%
Students Accumulating 24 hrs	7,018	7,043	25	0.4%
Students Accumulating 36 hrs	5,478	5,601	123	2.2%
Associates*	3,446	3,808	362	10.5%
Certificates 1-2 Year	279	304	25	8.8%
Certificates <1 Year	942	980	38	4.0%
<b>All Three Focus Populations</b>				
Students Accumulating 12 hrs	2,102	1,885	(217)	-10.3%
Students Accumulating 24 hrs	2,321	2,065	(256)	-11.0%
Students Accumulating 36 hrs	2,407	2,131	(275)	-11.4%
Associates*	2,527	2,445	(82)	-3.2%
Certificates 1-2 Year	190	184	(5)	-2.8%
Certificates <1 Year	546	506	(41)	-7.4%

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

Note - Technical correction provided for 2018-19 Associate, Reverse Associate, Certificates (1 - 2 year and Less than 1 year), and Awards per 100 FTE.

# ATTACHMENT VI

## Three-Year Average Change in Formula Outcomes

### Universities

Total Outcomes	2018-19 Formula	2019-20 Formula	Change	
Students Accumulating 30 hrs	17,766	17,837	70	0.4%
Students Accumulating 60 hrs	18,583	18,667	84	0.5%
Students Accumulating 90 hrs	20,616	20,878	263	1.3%
Bachelors and Associates*	22,433	23,232	798	3.6%
Masters / Ed Specialists	5,557	5,547	(10)	-0.2%
Doctoral / Law Degree	1,158	1,203	45	3.9%
Research, Service, and Sponsored Programs	\$317,303,224	\$325,113,456	\$7,810,232	2.5%
Degrees per 100 FTE	22.30	22.81	0.51	2.3%
Six-Year Graduation Rate	54.2%	54.9%	0.01	1.3%
<b>Adult Focus Population</b>				
Students Accumulating 30 hrs	826	771	(54)	-6.6%
Students Accumulating 60 hrs	1,649	1,540	(109)	-6.6%
Students Accumulating 90 hrs	3,371	3,209	(162)	-4.8%
Bachelors and Associates*	7,343	7,183	(160)	-2.2%
<b>Low-Income Focus Population</b>				
Students Accumulating 30 hrs	7,979	7,714	(265)	-3.3%
Students Accumulating 60 hrs	9,022	8,604	(418)	-4.6%
Students Accumulating 90 hrs	10,876	10,576	(299)	-2.8%
Bachelors and Associates*	12,058	12,286	228	1.9%
<b>One Focus Population Only</b>				
Students Accumulating 30 hrs	7,716	7,473	(242)	-3.1%
Students Accumulating 60 hrs	8,268	7,951	(317)	-3.8%
Students Accumulating 90 hrs	9,052	8,965	(88)	-1.0%
Bachelors and Associates*	8,877	9,258	381	4.3%
<b>Two Focus Populations Only</b>				
Students Accumulating 30 hrs	544	506	(38)	-7.0%
Students Accumulating 60 hrs	1,202	1,096	(105)	-8.8%
Students Accumulating 90 hrs	2,597	2,410	(187)	-7.2%
Bachelors and Associates*	5,195	5,106	(90)	-1.7%

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

Note - Technical correction provided for 2018-19 Bachelor, Associate, Reverse Associate and Awards per 100 FTE.

## ATTACHMENT I 2019-20 Tuition and Fee Recommendation

Universities	0% to 2.5% Tuition Increase
CCs	0% to 2.5% Tuition Increase
TCATs	0% to 2.5% Tuition Increase

Universities	0% to 2.5% Tuition and Fee Increase
CCs	0% to 2.5% Tuition and Fee Increase
TCATs	0% to 2.5% Tuition and Fee Increase

**Tuition Levels**

	2018-19 Tuition	2019-20 Scenarios Tuition Increase				
		= 0.0%	= 1.25%		= 2.5%	
			Increase	Change	Increase	Change
APSU	\$6,888	\$6,888	\$6,974	\$86	\$7,060	\$172
ETSU	7,422	7,422	7,515	93	7,608	186
MTSU	7,380	7,380	7,472	92	7,565	184
TSU	6,900	6,900	6,986	86	7,073	172
TTU	7,860	7,860	7,958	98	8,057	196
UM	8,064	8,064	8,165	101	8,266	202
UTC	6,888	6,888	6,974	86	7,060	172
UTK	11,110	11,110	11,249	139	11,388	278
UTM*	7,734	7,734	7,831	97	7,927	193
CC Avg	4,140	4,140	4,192	52	4,244	104
TCATs	3,612	3,612	3,657	45	3,702	90

**Tuition and Fee Levels**

	2018-19			2019-20 Scenarios Tuition and Fee Increase					
	Mandatory Fees	Tuition	Total	= 0.0%	= 1.25%		= 2.5%		
					Increase	Change	Increase	Change	
APSU	\$1,583	\$6,888	\$8,471	\$8,471	\$8,577	\$106	\$8,683	\$212	
ETSU	1,855	7,422	9,277	9,277	9,393	116	9,509	232	
MTSU	1,826	7,380	9,206	9,206	9,321	115	9,436	230	
TSU	1,107	6,900	8,007	8,007	8,107	100	8,207	200	
TTU	1,243	7,860	9,103	9,103	9,217	114	9,331	228	
UM	1,637	8,064	9,701	9,701	9,822	121	9,944	243	
UTC	1,776	6,888	8,664	8,664	8,772	108	8,881	217	
UTK	1,896	11,110	13,006	13,006	13,169	163	13,331	325	
UTM*	1,460	7,734	9,194	9,194	9,309	115	9,424	230	
CC Avg	304	4,140	4,444	4,444	4,499	56	4,555	111	
TCATs	230	3,612	3,842	3,842	3,890	48	3,938	96	

\* The 2018-19 UTM tuition rate for full-time students who have completed fewer than 90 credit hours is a flat rate for 15 hours a semester regardless of how many hours the student is enrolled in. Part-time students and full-time students who have completed more than 90 credit hours are charged a flat rate for 12 hours regardless how many hours the student is enrolled in. The tuition presented here is an average of those two tuition rates.

**Note: "Tuition" is used here for ease of understanding, though UT, TBR, and the LGIs use the term "Maintenance Fee" when discussing tuition.**

# ATTACHMENT II

## Tuition and Mandatory Fees History

### Tuition and Mandatory Fees History

	2013-14	2017-18	2018-19	1 Year Change	5 Year Change
<b>APSU</b>	\$7,158	\$8,225	\$8,471	3.0%	18.3%
<b>ETSU</b>	7,543	9,015	9,277	2.9%	23.0%
<b>MTSU</b>	7,840	8,948	9,206	2.9%	17.4%
<b>TSU</b>	6,774	7,776	8,007	3.0%	18.2%
<b>TTU</b>	7,383	8,873	9,103	2.6%	23.3%
<b>UM</b>	8,666	9,701	9,701	0.0%	11.9%
<b>UTC</b>	7,555	8,664	8,664	0.0%	14.7%
<b>UTK<sup>1</sup></b>	10,062	12,970	13,006	0.3%	29.3%
<b>UTM<sup>2</sup></b>	7,514	8,927	9,194	3.0%	22.4%
<b>CC Avg</b>	3,787	4,335	4,444	2.5%	17.3%
<b>TCATs</b>	3,146	3,737	3,842	2.8%	22.1%

### Mandatory Fees Only History

	2013-14	2017-18	2018-19	1 Year Change	5 Year Change
<b>APSU</b>	\$1,284	\$1,529	\$1,583	3.5%	23.3%
<b>ETSU</b>	1,345	1,791	1,855	3.6%	37.9%
<b>MTSU</b>	1,618	1,772	1,826	3.0%	12.9%
<b>TSU</b>	930	1,050	1,107	5.4%	19.0%
<b>TTU</b>	1,287	1,217	1,243	2.1%	-3.4%
<b>UM</b>	1,256	1,637	1,637	0.0%	30.3%
<b>UTC</b>	1,490	1,776	1,776	0.0%	19.2%
<b>UTK</b>	1,414	1,860	1,896	1.9%	34.1%
<b>UTM</b>	1,178	1,418	1,460	3.0%	23.9%
<b>CC Avg</b>	283	303	304	0.1%	7.3%
<b>TCATs</b>	200	230	230	0.0%	15.0%

1 - The tuition rates for students admitted in the Fall of 2013 and later are flat rates for 15 semester credit hours, regardless of the number of credit hours taken by the student. This policy ("Fifteen in Four") was approved in 2012 by the UT Board for introduction in Fall 2013. The 2016-17 tuition rate presented is a weighted average. The tuition rates prior were split into Freshman & Transfer and Sophomore, Junior, and Senior. These groups had the same mandatory fees but maintenance fees were higher for freshman & transfers which is the group reported for the 2013-14 year.

2 - The 2017-18 and 2018-19 UTM tuition rates for full-time students who have completed fewer than 90 credit hours are flat rates for 15 hours a semester regardless of how many hours the student is enrolled in. Part-time students and full-time students who have completed more than 90 credit hours are charged a flat rate for 12 hours regardless of how many hours the student is enrolled in. The tuition presented here is an average in an academic year of those two tuition rates.



# ATTACHMENT II

## 2019-20 Tuition Model Analysis Scenarios

The following scenarios utilize the THEC Tuition Model to estimate the tuition range required to maintain the 2018-19 estimated total revenue per FTE. The scenarios assume a 0% enrollment growth at universities, a 1.5% enrollment growth at community colleges and colleges of applied technology, and a 2.3% increase in inflation costs at all institutions. This analysis is presented for information and is meant to provide guidance on the tuition recommendation analysis. Binding tuition recommendations will be made in Spring 2019 in conjunction with the General Appropriations Act.

### Average Increase Needed With a \$64.0M (5.9%) Increase in State Appropriations

Model Assumptions	University	CCs	TCATs
Costs Inflation	2.3%	2.3%	2.3%
Enrollment	0.0%	1.5%	1.5%
State Appropriations	5.6%	7.0%	5.0%
<b>Average Tuition Model Range</b>	<b>-0.8% to 2.5%</b>		

### Average Increase Needed With Overall Flat Appropriations

Model Assumptions	Universities	CCs	TCATs
Costs Inflation	2.3%	2.3%	2.3%
Enrollment	0.0%	1.5%	1.5%
State Appropriations	-0.3%	1.0%	-0.8%
<b>Average Tuition Model Range</b>	<b>3.4% to 12.6%</b>		

### Average Increase Needed With a \$24.9M (2.3%) Reduction in State Appropriations

Model Assumptions	Universities	CCs	TCATs
Costs Inflation	2.3%	2.3%	2.3%
Enrollment	0.0%	1.5%	1.5%
State Appropriations	-2.6%	-1.3%	-3.1%
<b>Average Tuition Model Range</b>	<b>4.9% to 17.5%</b>		

## ATTACHMENT VII

### 2019-20 Total Formula Revenue Analysis

Academic Formula Units	State Appropriation Recommendation <sup>1</sup>	Tuition Revenue <sup>2</sup>	Out-of-State Tuition Revenue <sup>2</sup>	Total Revenue	Total Formula Revenue Need	Difference (Short)	Percent Funded
<b>TBR Universities</b>							
Austin Peay	\$50,655,500	\$65,972,200	\$4,325,200	\$120,952,900	\$135,284,600	(\$14,331,700)	89.4%
East Tennessee <sup>3</sup>	69,705,800	101,795,200	21,567,400	193,068,400	197,507,100	(4,438,700)	97.8%
Middle Tennessee	107,742,200	147,548,700	20,959,100	276,250,000	288,828,200	(12,578,200)	95.6%
Tennessee State	41,863,000	53,337,100	24,274,000	119,474,100	123,154,700	(3,680,600)	97.0%
Tennessee Tech	54,667,800	74,924,600	8,465,600	138,058,000	149,655,500	(11,597,500)	92.3%
University of Memphis	123,947,600	157,151,100	10,381,300	291,480,000	342,329,100	(50,849,100)	85.1%
<b>Subtotal</b>	<b>\$448,581,900</b>	<b>\$600,728,900</b>	<b>\$89,972,600</b>	<b>\$1,139,283,400</b>	<b>\$1,236,759,200</b>	<b>(\$97,475,800)</b>	<b>92.1%</b>
<b>Community Colleges</b>							
Chattanooga	\$33,549,500	\$27,203,200	\$913,500	\$61,666,200	\$74,016,600	(\$12,350,400)	83.3%
Cleveland	12,310,400	9,360,500	307,600	21,978,500	26,751,200	(4,772,700)	82.2%
Columbia	16,760,100	17,564,400	361,400	34,685,900	36,484,600	(1,798,700)	95.1%
Dyersburg	10,454,700	8,132,500	250,100	18,837,300	22,726,700	(3,889,400)	82.9%
Jackson	14,977,600	13,962,200	175,500	29,115,300	32,543,500	(3,428,200)	89.5%
Motlow	17,520,700	20,499,800	431,400	38,451,900	38,149,700	302,200	100.8%
Nashville	23,313,100	22,792,100	735,600	46,840,800	50,927,000	(4,086,200)	92.0%
Northeast	21,004,500	17,420,600	92,800	38,517,900	45,510,600	(6,992,700)	84.6%
Pellissippi	34,799,900	34,415,000	2,055,500	71,270,400	76,005,100	(4,734,700)	93.8%
Roane	24,009,600	17,315,600	340,100	41,665,300	52,302,500	(10,637,200)	79.7%
Southwest	30,274,100	25,568,900	2,607,800	58,450,800	65,834,000	(7,383,200)	88.8%
Volunteer	26,263,800	28,795,000	584,300	55,643,100	57,369,300	(1,726,200)	97.0%
Walters	25,433,400	20,761,300	479,900	46,674,600	55,285,900	(8,611,300)	84.4%
<b>Community College Subtotal</b>	<b>\$290,671,400</b>	<b>\$263,791,100</b>	<b>\$9,335,500</b>	<b>\$563,798,000</b>	<b>\$633,906,700</b>	<b>(\$70,108,700)</b>	<b>88.9%</b>
<b>UT Universities</b>							
UT Chattanooga	\$59,059,600	\$78,521,000	\$6,568,100	\$144,148,700	\$159,210,300	(\$15,061,600)	90.5%
UT Knoxville <sup>3</sup>	244,867,600	297,961,800	41,084,100	583,913,500	666,577,000	(82,663,500)	87.6%
UT Martin <sup>3</sup>	35,210,100	49,271,900	3,687,100	88,169,100	95,107,800	(6,938,700)	92.7%
<b>Subtotal</b>	<b>\$339,137,300</b>	<b>\$425,754,700</b>	<b>\$51,339,300</b>	<b>\$816,231,300</b>	<b>\$920,895,100</b>	<b>(\$104,663,800)</b>	<b>88.6%</b>
TN Colleges of Applied Technology	\$75,196,300	\$34,866,200	\$0	\$110,062,500	\$135,156,000	(\$25,093,500)	81.4%
<b>Total Academic Formula Units</b>	<b>\$1,153,586,900</b>	<b>\$1,325,140,900</b>	<b>\$150,647,400</b>	<b>\$2,629,375,200</b>	<b>\$2,926,717,000</b>	<b>(\$297,341,800)</b>	<b>89.8%</b>

1 - Recurring; accounts for recommended \$64M in additional funding for formula units.

2 - Assumes no tuition increases and annual enrollment increases of 1.5% across the three sectors.

3 - Does not include recurring funds appropriated to the ETSU Gray Fossil Site (\$350K), TTU Carnegie Classification Change (\$1.2M), TTU College of Engineering (\$3M), UT Knoxville College of Engineering (\$3M), UT Martin Parsons Center (\$200K), or UT Martin Somerville Center (\$250K).

## Appendix A

### Legislative Initiatives Included in Funding Formula

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

	Initiative	Funding
<b>TBR Universities</b>		
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
University of Memphis	Seismic Safety Commission	\$ 65,000
<b>Subtotal</b>		<b>\$ 2,281,700</b>
<b>Community Colleges</b>		
Columbia	Collegiate Center	\$ 72,700
Roane	Oak Ridge Campus Operations	\$ 150,000
<b>Subtotal</b>		<b>\$ 222,700</b>
<b>UT Universities</b>		
UT Martin	Ripley Center	\$ 310,000
<b>Subtotal</b>		<b>\$ 310,000</b>
<b>Total Funding</b>		<b>\$ 2,814,400</b>