

DATE: November 15, 2017

SUBJECT: 2018-19 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. Since 2012-13, THEC has made state appropriation recommendations in a lump-sum fashion for the community college sector, per the Complete College Tennessee Act. Outcomes-based formula calculations for individual community colleges are presented for informational purposes only.

RECOMMENDATION SUMMARY

For the 2018-19 fiscal year, THEC staff recommend a recurring increase of \$55 million in state appropriations for universities, community colleges, and colleges of applied technology. This recommended increase in state funding, along with the increases in the last three fiscal years, recognizes the 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 2016-17, the most recent year of data used for the 2018-19 request. Awards in both sectors are increasing. Universities awarded approximately three percent more bachelor’s and associate degrees and community colleges over five percent more associate degrees and certificates in 2016-17 than the previous year. Community colleges also increased dual enrollment by over five percent, while universities increased research and service activity by nearly four percent. Relationships between institutions continue to encourage students to persist; more students transferred out with 12 hours in 2016-17 than in the previous four years, and in the second year of inclusion in the formula, community colleges awarded 807 reverse transfer associate degrees. Similar to last year, the effects of the Tennessee Promise continue to trigger outcomes at community colleges, including student progression and degree completion.

Regarding affordability, students continue to be responsible for the majority of costs at community colleges and universities. On average, tuition and fees account for nearly 60 percent of revenue at the formula units, compared to 50 percent nearly a decade ago. Staff recommendations for operating appropriations, student fees, and need-based financial aid are working together to address this trend and improve affordability for students in Tennessee.

Along with the formula unit recommendation, staff recommend a funding increase for non-formula unit operations equivalent to the estimated salary increase reported by the Higher Education Price Index. This 2.5 percent increase in state appropriations will fund \$9.3 million in new operating dollars across all non-formula units, such as medical colleges, agriculture research units, public service entities, and program initiatives. All 2018-19 operating fund recommendations for the formula and non-formula units are detailed in Attachment II.

Staff also recommend \$9.6 million in recurring and non-recurring funds for strategic program initiatives across all sectors. First, for the Tennessee Board of Regents (TBR), \$1 million in recurring appropriations for 13 full-time advisors across the community college sector, \$3 million non-recurring for three TBR mobile adaptive training units, and, with Locally Governed Institutions (LGIs) included, \$2 million non-recurring for Safety and Security Enhancements. Additionally, THEC staff recommend \$3 million recurring for the University of Tennessee Health Science Center for outreach strategies at the Center for Excellence in Addiction Medicine and \$600,000 recurring to increase the partnership between ETSU College of Medicine and the Children's Hospital in Johnson City. Additional information on the non-formula strategic initiatives can be found in Attachment III.

Finally, the TSAC Board of Directors recommends an increase of \$13.7 million to the Tennessee Student Assistance Award, the state's need-based grant. This increase will provide approximately 7,600 additional awards to currently unfunded eligible students. The staff recommendation also includes: a \$500,000 non-recurring request to support Tennessee Promise Bridge Programs; \$500,000 recurring request recognizing year two of the Tennessee Technological University's Carnegie Classification change; and continued funding for several Drive to 55 initiatives, including the College Advisor Corps, LEAP, SAILS, and Veterans Reconnect.

The grand total recurring and non-recurring recommendation for all higher education operating appropriations for 2018-19 is \$1.59 billion. This includes \$1.07 billion to fund the formula units and Tennessee Colleges of Applied

Technology, \$444.2 million for nonformula and specialized units, and \$71.3 million for strategic program investments. These recurring and non-recurring recommendations total \$95.5 million of new funds, an increase of 6.4 percent.

Finally, the Department of Finance & Administration has requested that state agencies prepare the 2018-19 budget with a 2.5 percent reduction in state appropriations. Financial aid funding provided by TSAC and recurring funds for the Governor's Drive to 55 Initiatives are exempt from these reduction scenarios. For higher education, this would result in a reduction in state appropriations of \$34.8 million. This distribution is detailed in Attachment IV.

ATTACHMENT I

State Appropriations History

Academic Formula Units	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
LGI Universities						
Austin Peay	\$28,537,600	\$32,995,000	\$34,239,800	\$36,983,700	\$40,378,500	\$44,621,700
East Tennessee	45,772,200	48,685,000	48,048,900	51,428,100	55,362,800	61,099,800
Middle Tennessee	77,193,600	81,024,600	82,830,300	85,856,700	90,753,200	97,003,700
Tennessee State	30,810,900	32,610,800	32,088,900	32,892,000	33,717,900	36,757,500
Tennessee Tech	37,288,600	39,559,500	38,394,000	39,297,400	42,671,100	47,231,100
University of Memphis	87,346,700	89,106,400	89,331,900	95,139,600	102,440,600	110,827,200
Subtotal	\$306,949,600	\$323,981,300	\$324,933,800	\$341,597,500	\$365,324,100	\$397,541,000
Community Colleges*						
Chattanooga	\$21,902,500	\$26,624,800	\$26,008,100	\$27,449,400	\$29,315,200	\$31,118,200
Cleveland	8,672,000	8,997,100	8,843,700	9,336,300	9,751,700	10,988,200
Columbia	11,294,400	12,339,500	12,349,500	12,842,400	13,970,500	15,026,400
Dyersburg	6,867,800	7,238,900	7,317,900	7,841,700	8,622,500	9,388,600
Jackson	10,821,400	11,510,200	11,095,700	11,401,100	12,395,800	13,561,500
Motlow	10,310,000	11,017,200	10,656,700	11,007,400	11,739,900	13,292,500
Nashville	14,516,500	15,983,500	15,861,200	16,935,900	17,756,500	20,259,300
Northeast	12,920,300	13,648,200	13,224,100	14,594,100	16,059,900	18,137,200
Pellissippi	20,819,800	22,913,400	23,429,800	25,599,300	27,349,000	30,477,800
Roane	15,244,700	16,619,800	17,399,500	18,011,800	19,093,300	21,087,900
Southwest	27,953,000	25,739,300	24,677,200	25,278,600	26,115,800	27,147,100
Volunteer	15,614,700	16,075,400	16,216,000	17,198,100	18,698,700	20,809,700
Walters	17,043,300	19,866,900	20,350,200	20,967,800	21,912,500	23,469,700
Subtotal	\$193,980,400	\$208,574,200	\$207,429,600	\$218,463,900	\$232,781,300	\$254,764,100
UT Universities						
UT Chattanooga	\$34,601,800	\$36,128,500	\$37,501,400	\$41,674,700	\$45,835,300	\$51,005,300
UT Knoxville	153,343,900	174,335,300	179,044,900	187,890,300	199,911,900	217,270,000
UT Martin	24,609,100	25,243,000	26,249,700	27,892,100	29,922,900	32,495,400
Subtotal	\$212,554,800	\$235,706,800	\$242,796,000	\$257,457,100	\$275,670,100	\$300,770,700
Total Colleges and Universities	\$713,484,800	\$768,262,300	\$775,159,400	\$817,518,500	\$873,775,500	\$953,075,800
TN Colleges of Applied Technology	\$53,848,800	\$57,400,500	\$55,346,600	\$56,343,900	\$60,790,600	\$66,857,600
Total Academic Formula Units	\$767,333,600	\$825,662,800	\$830,506,000	\$873,862,400	\$934,566,100	\$1,019,933,400

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	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Medical Education						
ETSU College of Medicine	\$27,321,000	\$28,893,900	\$28,948,800	\$30,166,900	\$31,268,700	\$33,094,900
ETSU Family Practice	5,731,700	6,117,800	6,130,800	6,447,000	6,687,600	7,160,800
UT College of Vet Medicine	15,385,200	16,453,000	16,530,900	17,379,800	18,124,700	19,710,800
UT Health Science Center*	121,623,200	128,887,400	129,382,100	134,984,800	140,534,000	149,498,300
Subtotal	\$170,061,100	\$180,352,100	\$180,992,600	\$188,978,500	\$196,615,000	\$209,464,800
Research and Public Service						
UT Agricultural Experiment Station	\$24,342,600	\$25,438,800	\$25,557,800	\$26,380,600	\$27,625,600	\$29,048,400
UT Agricultural Extension Service	29,431,800	30,836,900	31,044,400	32,384,200	33,831,200	35,590,500
TSU McMinnville Center	543,300	560,400	560,400	575,500	594,500	608,200
TSU Institute of Ag. and Environmental Research	2,208,900	2,280,500	2,278,500	2,340,600	3,456,300	3,541,700
TSU Cooperative Extension	3,010,500	3,110,400	3,108,900	3,207,300	3,318,500	3,510,100
TSU McIntire-Stennis Forestry Research	174,100	179,400	179,400	183,400	189,400	193,300
UT Space Institute	7,603,400	7,896,700	7,916,500	8,187,700	8,490,500	8,900,500
UT Institute for Public Service	4,541,300	5,232,400	5,247,800	5,420,500	5,628,900	5,827,300
UT County Technical Assistance Service	1,646,200	1,753,200	1,763,100	1,858,100	2,236,600	2,962,700
UT Municipal Technical Advisory Service	2,732,200	2,886,200	2,897,500	3,033,400	3,157,300	3,408,700
Subtotal	\$76,234,300	\$80,174,900	\$80,554,300	\$83,571,300	\$88,528,800	\$93,591,400
Other Specialized Units						
UT University-Wide Administration	\$4,440,900	\$4,589,300	\$4,661,800	\$4,859,900	\$5,202,100	\$5,537,800
TN Board of Regents Administration	4,881,800	5,104,200	5,133,100	5,465,400	5,720,200	6,483,500
TN Student Assistance Corporation	55,205,400	61,586,800	61,566,800	70,459,600	83,568,600	93,536,000
Tennessee Student Assistance Awards	52,762,500	57,762,500	57,762,500	67,762,500	80,962,500	90,962,500
Tennessee Student Assistance Corporation Loan/Scholarships Program	1,251,900	1,353,500	1,333,500	1,476,300	1,627,900	1,795,300
Endowment Scholarships	1,191,000	1,220,800	1,220,800	1,220,800	978,200	778,200
-	-	1,250,000	1,250,000	-	-	-
TN Foreign Language Institute	378,600	410,300	414,100	426,500	516,700	637,800
Contract Education	2,178,400	2,232,900	2,180,800	2,110,800	2,176,000	1,832,500
TN Higher Education Commission	2,292,100	2,479,200	2,438,800	2,921,000	3,619,300	4,495,700
Subtotal	\$69,377,200	\$76,402,700	\$76,395,400	\$86,243,200	\$100,802,900	\$112,523,300
Total Specialized Units	\$315,672,600	\$336,929,700	\$337,942,300	\$358,793,000	\$385,946,700	\$415,579,500
Total Formula and Specialized Units	\$1,083,006,200	\$1,162,592,500	\$1,168,448,300	\$1,232,655,400	\$1,320,512,800	\$1,435,512,900
Program Initiatives						
Campus Centers of Excellence	\$17,538,300	\$18,193,700	\$17,769,000	\$17,414,600	\$17,133,600	\$17,685,600
Campus Centers of Emphasis	1,265,900	1,313,300	1,282,600	1,257,000	1,236,600	1,288,100
Academic Scholars Program	401,800	411,800	411,800	411,800	711,800	1,211,800
UT Access and Diversity Initiative	5,550,100	5,688,900	5,688,900	5,806,700	5,806,700	5,806,700
TBR Access and Diversity Initiative	9,803,700	10,048,800	10,048,800	10,256,900	10,256,900	10,256,900
Research Initiatives - UT	5,594,300	5,734,200	5,734,200	5,852,900	5,852,900	5,852,900
THEC Grants	2,318,100	2,403,300	2,353,900	5,778,400	5,778,400	6,028,400
Subtotal	\$42,472,200	\$43,794,000	\$43,289,200	\$46,778,300	\$46,776,900	\$48,130,400
Total Operating	\$1,125,478,400	\$1,206,386,500	\$1,211,737,500	\$1,279,433,700	\$1,367,289,700	\$1,483,643,300

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

2018-19 State Appropriations Distribution Recommendation

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
	Breakdown of 2018-19 Changes							
Academic Formula Units	2017-18 Appropriation ¹	2018-19 Formula Calculation	Outcomes Formula Adjustments	Share of New Funding	2018-19 Changes	2018-19 Recommendation	Percent Change	Percent Funded
LGI Universities								
Austin Peay	\$44,621,700	\$68,775,400	\$198,900	\$2,427,200	\$2,626,100	\$47,247,800	5.9%	68.7%
East Tennessee ²	60,749,800	93,186,000	(21,000)	3,288,700	3,267,700	64,017,500	5.4%	68.7%
Middle Tennessee	97,003,700	147,765,100	(706,000)	5,214,900	4,508,900	101,512,600	4.6%	68.7%
Tennessee State	36,757,500	56,099,700	(197,600)	1,979,800	1,782,200	38,539,700	4.8%	68.7%
Tennessee Tech ²	46,731,100	72,418,100	463,400	2,555,700	3,019,100	49,750,200	6.5%	68.7%
University of Memphis	110,827,200	168,880,200	(768,900)	5,960,000	5,191,100	116,018,300	4.7%	68.7%
Subtotal	\$396,691,000	\$607,124,500	(\$1,031,200)	\$21,426,300	\$20,395,100	\$417,086,100	5.1%	68.7%
Community Colleges³								
Chattanooga	\$31,118,200	\$45,946,800	(\$1,174,900)	\$1,621,500	\$446,600	\$31,564,800	1.4%	68.7%
Cleveland	10,988,200	16,024,700	(544,900)	565,700	20,800	11,009,000	0.2%	68.7%
Columbia	15,026,400	22,770,300	(187,100)	803,600	616,500	15,642,900	4.1%	68.7%
Dyersburg	9,388,600	13,967,900	(285,800)	492,900	207,100	9,595,700	2.2%	68.7%
Jackson	13,561,500	20,389,500	(273,800)	719,600	445,800	14,007,300	3.3%	68.7%
Motlow	13,292,500	21,567,600	763,000	761,200	1,524,200	14,816,700	11.5%	68.7%
Nashville	20,259,300	32,035,600	618,100	1,130,600	1,748,700	22,008,000	8.6%	68.7%
Northeast	18,137,200	28,420,700	384,400	1,003,000	1,387,400	19,524,600	7.6%	68.7%
Pellissippi	30,477,800	47,210,300	288,900	1,666,100	1,955,000	32,432,800	6.4%	68.7%
Roane	21,087,900	32,335,900	(14,800)	1,141,200	1,126,400	22,214,300	5.3%	68.7%
Southwest	27,147,100	40,644,900	(659,000)	1,434,400	775,400	27,922,500	2.9%	68.7%
Volunteer	20,809,700	33,720,200	1,165,600	1,190,000	2,355,600	23,165,300	11.3%	68.7%
Walters	23,469,700	35,155,300	(559,200)	1,240,700	681,500	24,151,200	2.9%	68.7%
Community College Subtotal	\$254,764,100	\$390,189,700	(\$479,500)	\$13,770,500	\$13,291,000	\$268,055,100	5.2%	68.7%
UT Universities								
UT Chattanooga	\$51,005,300	\$79,558,000	\$842,200	\$2,807,700	\$3,649,900	\$54,655,200	7.2%	68.7%
UT Knoxville ²	214,270,000	329,357,500	370,600	11,623,500	11,994,100	226,264,100	5.6%	68.7%
UT Martin ²	32,045,400	48,561,500	(398,100)	1,713,800	1,315,700	33,361,100	4.1%	68.7%
Subtotal	\$297,320,700	\$457,477,000	\$814,700	\$16,145,000	\$16,959,700	\$314,280,400	5.7%	68.7%
Total Colleges and Universities	\$948,775,800	\$1,454,791,200	(\$696,000)	\$51,341,800	\$50,645,800	\$999,421,600	5.3%	68.7%
TN Colleges of Applied Technology	\$66,857,600	\$103,658,300	\$696,000	\$3,658,200	\$4,354,200	\$71,211,800	6.5%	68.7%
Total Academic Formula Units	\$1,015,633,400	\$1,558,449,500	\$0	\$55,000,000	\$55,000,000	\$1,070,633,400	5.4%	68.7%

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 (\$500K), UT Knoxville for the engineering college (\$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

2018-19 State Appropriations Share of Total Calculation

	A	B	C	D	E = D + A	F = D / A
Academic Formula Units	2017-18 Appropriation ¹	2017-18 Appropriation Share	2018-19 Appropriation Share	2018-19 Funding Changes	2018-19 Recommendation	Percent Change
LGI Universities						
Austin Peay	\$44,621,700	4.70%	4.73%	\$2,626,100	\$47,247,800	5.9%
East Tennessee ²	60,749,800	6.40%	6.41%	3,267,700	64,017,500	5.4%
Middle Tennessee	97,003,700	10.22%	10.16%	4,508,900	101,512,600	4.6%
Tennessee State	36,757,500	3.87%	3.86%	1,782,200	38,539,700	4.8%
Tennessee Tech	46,731,100	4.93%	4.98%	3,019,100	49,750,200	6.5%
University of Memphis	110,827,200	11.68%	11.61%	5,191,100	116,018,300	4.7%
Subtotal	\$396,691,000	41.81%	41.73%	\$20,395,100	\$417,086,100	5.1%
Community Colleges³						
Chattanooga	\$31,118,200	3.28%	3.16%	\$446,600	\$31,564,800	1.4%
Cleveland	10,988,200	1.16%	1.10%	20,800	11,009,000	0.2%
Columbia	15,026,400	1.58%	1.57%	616,500	15,642,900	4.1%
Dyersburg	9,388,600	0.99%	0.96%	207,100	9,595,700	2.2%
Jackson	13,561,500	1.43%	1.40%	445,800	14,007,300	3.3%
Motlow	13,292,500	1.40%	1.48%	1,524,200	14,816,700	11.5%
Nashville	20,259,300	2.14%	2.20%	1,748,700	22,008,000	8.6%
Northeast	18,137,200	1.91%	1.95%	1,387,400	19,524,600	7.6%
Pellissippi	30,477,800	3.21%	3.25%	1,955,000	32,432,800	6.4%
Roane	21,087,900	2.22%	2.22%	1,126,400	22,214,300	5.3%
Southwest	27,147,100	2.86%	2.79%	775,400	27,922,500	2.9%
Volunteer	20,809,700	2.19%	2.32%	2,355,600	23,165,300	11.3%
Walters	23,469,700	2.47%	2.42%	681,500	24,151,200	2.9%
Community College Subtotal	\$254,764,100	26.85%	26.82%	\$13,291,000	\$268,055,100	5.2%
UT Universities						
UT Chattanooga	\$51,005,300	5.38%	5.47%	\$3,649,900	\$54,655,200	7.2%
UT Knoxville ²	214,270,000	22.58%	22.64%	11,994,100	226,264,100	5.6%
UT Martin ²	32,045,400	3.38%	3.34%	1,315,700	33,361,100	4.1%
Subtotal	\$297,320,700	31.34%	31.45%	\$16,959,700	\$314,280,400	5.7%
Total Colleges and Universities	\$948,775,800	100.00%	100.00%	\$50,645,800	\$999,421,600	5.3%

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 (\$500K), UT Knoxville for the engineering college (\$3M), UT Martin Parsons Center (\$200K), or to UT Martin Somerville Center (\$250K). These appropriations are included as Program Initiatives.

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2018-19 State Appropriations Distribution Recommendation

	A	B	C = B - A	D = C / A
Specialized Units	2017-18 Appropriation ¹	2018-19 Recommendation ¹	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$33,094,900	\$33,922,300	\$827,400	2.5%
ETSU Family Practice	7,160,800	7,339,800	179,000	2.5%
UT College of Vet Medicine	19,710,800	20,203,600	492,800	2.5%
UT Health Science Center	149,498,300	153,235,800	3,737,500	2.5%
Subtotal	\$209,464,800	\$214,701,500	\$5,236,700	2.5%
Research and Public Service				
UT Agricultural Experiment Station	\$29,048,400	\$29,774,600	\$726,200	2.5%
UT Agricultural Extension Service	35,590,500	36,480,300	889,800	2.5%
TSU McMinnville Center	608,200	623,400	15,200	2.5%
TSU Institute of Ag. and Environmental Research	3,541,700	3,630,200	88,500	2.5%
TSU Cooperative Extension	3,510,100	3,597,900	87,800	2.5%
TSU McIntire-Stennis Forestry Research	193,300	198,100	4,800	2.5%
UT Space Institute	8,900,500	9,123,000	222,500	2.5%
UT Institute for Public Service	5,827,300	5,973,000	145,700	2.5%
UT County Technical Assistance Service	2,962,700	3,036,800	74,100	2.5%
UT Municipal Technical Advisory Service	3,408,700	3,493,900	85,200	2.5%
Subtotal	\$93,591,400	\$95,931,200	\$2,339,800	2.5%
Other Specialized Units				
UT University-Wide Administration	\$5,537,800	\$5,676,200	\$138,400	2.5%
TN Board of Regents Administration	6,483,500	6,645,600	162,100	2.5%
TN Student Assistance Corporation	93,536,000	114,100,400	20,564,400	22.0%
Tennessee Student Assistance Awards	90,962,500	111,462,500	20,500,000	22.5%
Tennessee Students Assistance Corporation Loan/Scholarships Program	1,795,300 778,200	1,840,200 797,700	44,900 19,500	2.5% 2.5%
TN Foreign Language Institute	637,800	653,700	15,900	2.5%
Contract Education	1,832,500	1,878,300	45,800	2.5%
TN Higher Education Commission	4,495,700	4,608,100	112,400	2.5%
Subtotal	\$112,523,300	\$133,562,300	\$21,039,000	18.7%
Program Initiatives				
Campus Centers of Excellence	\$17,685,600	\$18,127,700	\$442,100	2.5%
Campus Centers of Emphasis	1,288,100	1,320,300	32,200	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%
THEC Grants	6,028,400	6,179,100	150,700	2.5%
Research Initiatives - UT	5,852,900	5,999,200	146,300	2.5%
ETSU Gray Fossil Site ²	350,000	350,000	-	NA
UT Knoxville College of Engineering ²	3,000,000	3,000,000	-	NA
UT Martin Parsons & Somerville Centers ²	450,000	450,000	-	NA
TTU Carnegie Classification Recognition ³	500,000	1,000,000	500,000	100.0%
Governor's Drive to 55 Initiative ⁴	7,001,800	7,585,800	584,000	8.3%
Strategic Program Initiatives ⁵	-	9,613,200	9,613,200	NA
Subtotal	\$52,430,400	\$54,133,600	\$1,703,200	3.2%
Total Recurring	\$1,483,643,300	\$1,568,962,000	\$85,318,700	5.8%
Total with Non-Recurring Request	\$1,490,645,100	\$1,586,161,000	\$95,515,900	6.4%

1 - Recurring funds unless otherwise footnoted.

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

3 - Year 2 of 3 of recurring funding to recognize a 2015 Carnegie classification change.

4 - Non-recurring funds for the Adult Learner Initiatives (\$200K), the Governor's Drive to 55 Initiatives (\$150K), and the Labor Education Alignment Program (\$96.3K). Recurring funds for the College Advisor Corps (\$2.46M), Financial Aid for Medical Students (\$750K), Institutional Outcome Improvement Fund Grant (\$800K), Veterans Reconnect Grant (\$1M), TN Promise Forward Grant (\$800K), the SAILS program (\$750K), and a Tennessee Reconnect Coordinator (\$84K). Also includes a non-recurring request for \$500K for TN Promise Bridge Program in 2018-19.

5 - Recurring and non-recurring funding for strategic investments at non-formula units. See Attachment III for further detail.

ATTACHMENT III
2018-19 Non-Formula Units Strategic Initiatives

Board Priority	Governing Board	Institution	Project Name	Total Cost	Project Description
1	TBR	TBR-System	Relational Advising	\$1,000,000	Recurring funding is requested to implement a relational advising model at the Tennessee Board of Regents' 13 community college campuses. Student advising is a critical component of student access, retention, and success, and has gained greater prominence as a foundational strategy for Tennessee's completion agenda and Drive to 55. Success coaches/advisors complement the faculty and academic advisor role as they help students navigate aspects such as financial aid and career exploration. Faculty, academic advisors, and the success coaches work together to intervene and assist the student when the real-time data indicates the student is struggling academically. This funding request will provide 13 full-time advisors across the community college sector and one full-time position at the Tennessee Board of Regents central office. (\$1M recurring)
3	TBR	TBR-System	Mobile Adaptive Training Units	\$3,000,000	Non-recurring funding is requested to acquire and equip three mobile adaptive training units. The units will provide quick responses to training needs for new and existing industries. The units will fill the gaps for quick classroom expansion in critical areas. The mobile adaptive training units will be more cost-effective than brick and mortar for response critical training facilities. (\$3M non-recurring)
4	TBR	LGIs/CCs/TCATs	Safety and Security Enhancements Phase II	\$2,000,000	In December 2015, the Tennessee Board of Regents heard testimony about the level of security services provided across the System. Services appeared to vary greatly, with concern raised about the adequacy of security at various locations. Early in 2016, the TBR created a Task Force to review the status of security provided across the TBR System and report its observations and recommendations. In 2017-18, TBR and LGIs received appropriations for Phase I to address the highest prioritized recommendations. This request will allow TBR and LGIs to address Phase II of the recommendations. (\$2M non-recurring)
1	UT	UT Health Science Center	Addiction Medicine	\$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. (\$3M recurring)
1	ETSU	ETSU College of Medicine	Pediatric and Child Services	\$613,200	The Mountain States Health System has initiated an increased presence at the Children's Hospital in Johnson City and has requested that the ETSU College of Medicine collaborate with them to expand services further. The services associated with this partnership enhance the College of Medicine education programs and the training of the ETSU College of Medicine students. This proposed collaboration has resulted in a significant investment by the hospital system and is dependent on the College of Medicine providing matching funds. The end result will be significant improvement in training at a lower cost than if fully supported by the ETSU College of Medicine. (\$586,900 recurring, \$26,300 non-recurring)

ATTACHMENT IV

2018-19 State Appropriations Distribution With a 2.5% Reduction

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
			Breakdown of 2018-19 Changes					
Academic Formula Units	2017-18 Appropriation ¹	2018-19 Formula Calculation	Outcomes Formula Adjustments	2.5% Reduction to Higher Education	2018-19 Change	2018-19 Recommendation	Percent Change	Percent Funded
LGI Universities								
Austin Peay	\$44,621,700	\$68,775,400	\$198,900	(\$1,281,400)	(\$1,082,500)	\$43,539,200	-2.4%	63.3%
East Tennessee ²	60,749,800	93,186,000	(21,000)	(1,736,200)	(1,757,200)	58,992,600	-2.9%	63.3%
Middle Tennessee	97,003,700	147,765,100	(706,000)	(2,753,100)	(3,459,100)	93,544,600	-3.6%	63.3%
Tennessee State	36,757,500	56,099,700	(197,600)	(1,045,200)	(1,242,800)	35,514,700	-3.4%	63.3%
Tennessee Tech	46,731,100	72,418,100	463,400	(1,349,200)	(885,800)	45,845,300	-1.9%	63.3%
University of Memphis	110,827,200	168,880,200	(768,900)	(3,146,500)	(3,915,400)	106,911,800	-3.5%	63.3%
Subtotal	\$396,691,000	\$607,124,500	(\$1,031,200)	(\$11,311,600)	(\$12,342,800)	\$384,348,200	-3.1%	63.3%
Community Colleges³								
Chattanooga	\$31,118,200	\$45,946,800	(\$1,174,900)	(\$856,100)	(\$2,031,000)	\$29,087,200	-6.5%	63.3%
Cleveland	10,988,200	16,024,700	(544,900)	(298,300)	(843,200)	10,145,000	-7.7%	63.3%
Columbia	15,026,400	22,770,300	(187,100)	(424,200)	(611,300)	14,415,100	-4.1%	63.3%
Dyersburg	9,388,600	13,967,900	(285,800)	(260,200)	(546,000)	8,842,600	-5.8%	63.3%
Jackson	13,561,500	20,389,500	(273,800)	(379,900)	(653,700)	12,907,800	-4.8%	63.3%
Motlow	13,292,500	21,567,600	763,000	(401,800)	361,200	13,653,700	2.7%	63.3%
Nashville	20,259,300	32,035,600	618,100	(596,900)	21,200	20,280,500	0.1%	63.3%
Northeast	18,137,200	28,420,700	384,400	(529,500)	(145,100)	17,992,100	-0.8%	63.3%
Pellissippi	30,477,800	47,210,300	288,900	(879,600)	(590,700)	29,887,100	-1.9%	63.3%
Roane	21,087,900	32,335,900	(14,800)	(602,500)	(617,300)	20,470,600	-2.9%	63.3%
Southwest	27,147,100	40,644,900	(659,000)	(757,300)	(1,416,300)	25,730,800	-5.2%	63.3%
Volunteer	20,809,700	33,720,200	1,165,600	(628,300)	537,300	21,347,000	2.6%	63.3%
Walters	23,469,700	35,155,300	(559,200)	(655,000)	(1,214,200)	22,255,500	-5.2%	63.3%
Community College Subtotal	\$254,764,100	\$390,189,700	(\$479,500)	(\$7,269,600)	(\$7,749,100)	\$247,015,000	-3.0%	63.3%
UT Universities								
UT Chattanooga	\$51,005,300	\$79,558,000	\$842,200	(\$1,482,300)	(\$640,100)	\$50,365,200	-1.3%	63.3%
UT Knoxville ²	214,270,000	329,357,500	370,600	(6,136,400)	(5,765,800)	208,504,200	-2.7%	63.3%
UT Martin ²	32,045,400	48,561,500	(398,100)	(904,800)	(1,302,900)	30,742,500	-4.1%	63.3%
Subtotal	\$297,320,700	\$457,477,000	\$814,700	(\$8,523,500)	(\$7,708,800)	\$289,611,900	-2.6%	63.3%
Total Colleges and Universities	\$948,775,800	\$1,454,791,200	(\$696,000)	(\$27,104,700)	(\$27,800,700)	\$920,975,100	-2.9%	63.3%
TN Colleges of Applied Technology	\$66,857,600	\$103,658,300	\$696,000	(\$1,931,300)	(\$1,235,300)	\$65,622,300	-1.8%	63.3%
Total Academic Formula Units	\$1,015,633,400	\$1,558,449,500	\$0	(\$29,036,000)	(\$29,036,000)	\$986,597,400	-2.9%	63.3%

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 (\$500K), UT Knoxville for the engineering college (\$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

2018-19 State Appropriations Distribution With a 2.5% Reduction

	A	B	C = B - A	D = C / A
Specialized Units	2017-18 Appropriation ¹	2018-19 Recommendation ¹	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$33,094,900	\$32,579,400	(\$515,500)	-1.6%
ETSU Family Practice	7,160,800	7,074,600	(86,200)	-1.2%
UT College of Vet Medicine	19,710,800	19,324,300	(386,500)	-2.0%
UT Health Science Center	149,498,300	146,710,500	(2,787,800)	-1.9%
Subtotal	\$209,464,800	\$205,688,800	(\$3,776,000)	-1.8%
Research and Public Service				
UT Agricultural Experiment Station	\$29,048,400	\$28,698,600	(\$349,800)	-1.2%
UT Agricultural Extension Service	35,590,500	35,161,900	(428,600)	-1.2%
TSU McMinnville Center	608,200	600,900	(7,300)	-1.2%
TSU Institute of Ag. and Environmental Research	3,541,700	3,499,000	(42,700)	-1.2%
TSU Cooperative Extension	3,510,100	3,467,800	(42,300)	-1.2%
TSU McIntire-Stennis Forestry Research	193,300	191,000	(2,300)	-1.2%
UT Space Institute	8,900,500	8,780,500	(120,000)	-1.3%
UT Institute for Public Service	5,827,300	5,757,100	(70,200)	-1.2%
UT County Technical Assistance Service	2,962,700	2,927,000	(35,700)	-1.2%
UT Municipal Technical Advisory Service	3,408,700	3,367,600	(41,100)	-1.2%
Subtotal	\$93,591,400	\$92,451,400	(\$1,140,000)	-1.2%
Other Specialized Units				
UT University-Wide Administration	\$5,537,800	\$5,471,100	(\$66,700)	-1.2%
TN Board of Regents Administration	6,483,500	6,405,400	(78,100)	-1.2%
TN Student Assistance Corporation	93,536,000	93,514,400	(21,600)	0.0%
Tennessee Student Assistance Awards	90,962,500	90,962,500	-	0.0%
Tennessee Students Assistance Corporation Loan/Scholarships Program	1,795,300	1,773,700	(21,600)	-1.2%
Loan/Scholarships Program	778,200	778,200	-	0.0%
TN Foreign Language Institute	637,800	630,100	(7,700)	-1.2%
Contract Education	1,832,500	1,810,400	(22,100)	-1.2%
TN Higher Education Commission	4,495,700	4,441,600	(54,100)	-1.2%
Subtotal	\$112,523,300	\$112,273,000	(\$250,300)	-0.2%
Program Initiatives				
Campus Centers of Excellence	\$17,685,600	\$17,472,600	(\$213,000)	-1.2%
Campus Centers of Emphasis	1,288,100	1,272,600	(15,500)	-1.2%
Academic Scholars Program	1,211,800	1,211,800	-	0.0%
UT Access and Diversity Initiative	5,806,700	5,736,800	(69,900)	-1.2%
TBR Access and Diversity Initiative	10,256,900	10,133,400	(123,500)	-1.2%
THEC Grants	6,028,400	5,955,800	(72,600)	-1.2%
Research Initiatives - UT	5,852,900	5,782,400	(70,500)	-1.2%
ETSU Gray Fossil Site ²	350,000	350,000	-	0.0%
TTU Carnegie Classification Recognition ²	500,000	500,000	-	0.0%
UT Knoxville College of Engineering ²	3,000,000	3,000,000	-	0.0%
UT Martin Parsons & Somerville Centers ²	450,000	450,000	-	0.0%
Subtotal	\$52,430,400	\$51,865,400	(\$565,000)	-1.1%
Total	\$1,483,643,300	\$1,448,876,000	(\$34,767,300)	-2.3%

1 - Recurring funds unless otherwise footnoted.

2 - Recurring funds appropriated to ETSU (\$350K), TTU (\$500K), UT Knoxville (\$3M), and UT Martin (\$450K).

NOTE: TSAA Awards, Loan/Scholarship Program, Academic Scholars Program, and Recurring Capital Maintenance are exempt from 2018-19 reductions per F&A budget instructions.

ATTACHMENT V

2018-19 State Appropriations Funding Scenarios

	A	B	C	D		E
				Alternative Funding Scenarios		
	Outcomes Formula Calculation	Share of Total Formula Calculation	\$55,000,000 THEC Recommendation	0.0% Flat Funding Scenario	2.5% Reduction Scenario	
Academic Formula Units						
LGI Universities						
Austin Peay	\$68,775,400	4.73%	\$47,247,800	\$44,820,600	\$43,539,200	
East Tennessee	93,186,000	6.41%	64,017,500	60,728,800	58,992,600	
Middle Tennessee	147,765,100	10.16%	101,512,600	96,297,700	93,544,600	
Tennessee State	56,099,700	3.86%	38,539,700	36,559,900	35,514,700	
Tennessee Tech	72,418,100	4.98%	49,750,200	47,194,500	45,845,300	
University of Memphis	168,880,200	11.61%	116,018,300	110,058,300	106,911,800	
Subtotal	\$607,124,500	41.73%	\$417,086,100	\$395,659,800	\$384,348,200	
Community Colleges						
Chattanooga	\$45,946,800	3.16%	\$31,564,800	\$29,943,300	\$29,087,200	
Cleveland	16,024,700	1.10%	11,009,000	10,443,300	10,145,000	
Columbia	22,770,300	1.57%	15,642,900	14,839,300	14,415,100	
Dyersburg	13,967,900	0.96%	9,595,700	9,102,800	8,842,600	
Jackson	20,389,500	1.40%	14,007,300	13,287,700	12,907,800	
Motlow	21,567,600	1.48%	14,816,700	14,055,500	13,653,700	
Nashville	32,035,600	2.20%	22,008,000	20,877,400	20,280,500	
Northeast	28,420,700	1.95%	19,524,600	18,521,600	17,992,100	
Pellissippi	47,210,300	3.25%	32,432,800	30,766,700	29,887,100	
Roane	32,335,900	2.22%	22,214,300	21,073,100	20,470,600	
Southwest	40,644,900	2.79%	27,922,500	26,488,100	25,730,800	
Volunteer	33,720,200	2.32%	23,165,300	21,975,300	21,347,000	
Walters	35,155,300	2.42%	24,151,200	22,910,500	22,255,500	
Community College Subtotal	\$390,189,700	26.82%	\$268,055,100	\$254,284,600	\$247,015,000	
UT Universities						
UT Chattanooga	\$79,558,000	5.47%	\$54,655,200	\$51,847,500	\$50,365,200	
UT Knoxville	329,357,500	22.64%	226,264,100	214,640,600	208,504,200	
UT Martin	48,561,500	3.34%	33,361,100	31,647,300	30,742,500	
Subtotal	\$457,477,000	31.45%	\$314,280,400	\$298,135,400	\$289,611,900	
Total Colleges and Universities	\$1,454,791,200	100.00%	\$999,421,600	\$948,079,800	\$920,975,100	
TN Colleges of Applied Technology	\$103,658,300	NA	\$71,211,800	\$67,553,600	\$65,622,300	
Total Academic Formula Units	\$1,558,449,500	100.00%	\$1,070,633,400	\$1,015,633,400	\$986,597,400	

ATTACHMENT VI

Three-Year Average Change in Formula Outcomes

Community Colleges

Total Outcomes	2017-18 Formula	2018-19 Formula	Change	
Students Accumulating 12 hrs	23,775	23,577	(198)	-0.8%
Students Accumulating 24 hrs	18,052	18,091	39	0.2%
Students Accumulating 36 hrs	14,522	14,664	142	1.0%
Dual Enrollment	17,134	18,136	1,001	5.8%
Associates*	9,659	10,055	395	4.1%
Certificates 1-2 Year	753	743	(10)	-1.3%
Certificates <1 Year	2,604	2,703	100	3.8%
Job Placements	3,726	3,694	(32)	-0.9%
Student Transfers	6,088	6,204	116	1.9%
Workforce Training (Contact Hours)	620,374	621,560	1,186	0.2%
Awards per 100 FTE	20.83	21.34	0.51	2.4%
Adult Focus Population				
Students Accumulating 12 hrs	4,453	3,840	(612)	-13.8%
Students Accumulating 24 hrs	4,570	3,897	(674)	-14.7%
Students Accumulating 36 hrs	4,507	3,958	(550)	-12.2%
Associates*	4,884	4,630	(254)	-5.2%
Certificates 1-2 Year	468	444	(24)	-5.1%
Certificates <1 Year	1,509	1,533	24	1.6%
Low-Income Focus Population				
Students Accumulating 12 hrs	14,348	13,088	(1,260)	-8.8%
Students Accumulating 24 hrs	11,534	10,910	(624)	-5.4%
Students Accumulating 36 hrs	9,599	9,188	(411)	-4.3%
Associates*	6,635	6,672	37	0.6%
Certificates 1-2 Year	486	478	(8)	-1.6%
Certificates <1 Year	1,543	1,541	(3)	-0.2%
Academically Underprepared Focus Population				
Students Accumulating 12 hrs	14,529	14,361	(167)	-1.2%
Students Accumulating 24 hrs	11,647	11,637	(9)	-0.1%
Students Accumulating 36 hrs	9,306	9,312	5	0.1%
Associates*	6,013	6,122	109	1.8%
Certificates 1-2 Year	433	423	(10)	-2.2%
Certificates <1 Year	1,398	1,418	19	1.4%
One Focus Population Only				
Students Accumulating 12 hrs	8,087	8,169	82	1.0%
Students Accumulating 24 hrs	5,894	6,210	317	5.4%
Students Accumulating 36 hrs	4,465	4,783	318	7.1%
Associates*	2,683	2,915	232	8.6%
Certificates 1-2 Year	219	219	-	0.0%
Certificates <1 Year	879	967	88	10.0%
Two Focus Populations Only				
Students Accumulating 12 hrs	8,877	8,537	(340)	-3.8%
Students Accumulating 24 hrs	6,824	6,735	(89)	-1.3%
Students Accumulating 36 hrs	5,356	5,301	(56)	-1.0%
Associates*	3,356	3,453	97	2.9%
Certificates 1-2 Year	283	279	(4)	-1.3%
Certificates <1 Year	927	943	16	1.7%
All Three Focus Populations				
Students Accumulating 12 hrs	2,496	2,016	(480)	-19.2%
Students Accumulating 24 hrs	2,736	2,255	(482)	-17.6%
Students Accumulating 36 hrs	2,745	2,358	(387)	-14.1%
Associates*	2,713	2,535	(178)	-6.6%
Certificates 1-2 Year	201	190	(11)	-5.6%
Certificates <1 Year	573	546	(26)	-4.6%

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

ATTACHMENT VI

Three-Year Average Change in Formula Outcomes

Universities

Total Outcomes	2017-18 Formula	2018-19 Formula	Change	
Students Accumulating 30 hrs	17,806	17,766	(40)	-0.2%
Students Accumulating 60 hrs	18,426	18,583	158	0.9%
Students Accumulating 90 hrs	20,249	20,616	367	1.8%
Bachelors and Associates*	21,744	22,451	707	3.2%
Masters / Ed Specialists	5,598	5,557	(41)	-0.7%
Doctoral / Law Degree	1,129	1,158	29	2.6%
Research, Service, and Sponsored Programs	\$259,053,113	\$255,767,579	(\$3,285,534)	-1.3%
Degrees per 100 FTE	21.58	21.93	0.35	1.6%
Six-Year Graduation Rate	54.6%	54.2%	(0.00)	-0.8%
Adult Focus Population				
Students Accumulating 30 hrs	890	826	(64)	-7.2%
Students Accumulating 60 hrs	1,707	1,649	(58)	-3.4%
Students Accumulating 90 hrs	3,526	3,371	(154)	-4.4%
Bachelors and Associates*	7,288	7,294	5	0.1%
Low-Income Focus Population				
Students Accumulating 30 hrs	8,175	7,528	(647)	-7.9%
Students Accumulating 60 hrs	9,116	8,612	(504)	-5.5%
Students Accumulating 90 hrs	10,832	10,501	(331)	-3.1%
Bachelors and Associates*	11,589	11,986	398	3.4%
One Focus Population Only				
Students Accumulating 30 hrs	7,887	7,309	(578)	-7.3%
Students Accumulating 60 hrs	8,282	7,914	(368)	-4.4%
Students Accumulating 90 hrs	8,855	8,762	(92)	-1.0%
Bachelors and Associates*	8,536	8,884	348	4.1%
Two Focus Populations Only				
Students Accumulating 30 hrs	589	522	(67)	-11.3%
Students Accumulating 60 hrs	1,270	1,173	(97)	-7.6%
Students Accumulating 90 hrs	2,752	2,555	(197)	-7.1%
Bachelors and Associates*	5,170	5,198	28	0.5%

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

ATTACHMENT VII

2018-19 Total Formula Revenue Analysis

Academic Formula Units	State Appropriation Recommendation ¹	Tuition Revenue ²	Out-of-State Tuition Revenue ²	Total Revenue	Total Formula Revenue Need	Difference (Short)	Percent Funded
TBR Universities							
Austin Peay	\$47,247,800	\$64,793,900	\$4,022,600	\$116,064,300	\$127,208,400	(\$11,144,100)	91.2%
East Tennessee ³	64,017,500	100,070,100	23,793,900	187,881,500	182,818,000	5,063,500	102.8%
Middle Tennessee	101,512,600	148,420,100	21,353,300	271,286,000	274,293,900	(3,007,900)	98.9%
Tennessee State	38,539,700	55,276,100	26,499,300	120,315,100	114,232,400	6,082,700	105.3%
Tennessee Tech	49,750,200	76,078,900	10,188,100	136,017,200	137,209,700	(1,192,500)	99.1%
University of Memphis	116,018,300	159,590,100	9,854,100	285,462,500	323,019,700	(37,557,200)	88.4%
Subtotal	\$417,086,100	\$604,229,200	\$95,711,300	\$1,117,026,600	\$1,158,782,100	(\$41,755,500)	96.4%
Community Colleges							
Chattanooga	\$31,564,800	\$27,543,000	\$727,600	\$59,835,400	\$70,200,400	(\$10,365,000)	85.2%
Cleveland	11,009,000	9,702,200	159,100	20,870,300	24,115,500	(3,245,200)	86.5%
Columbia	15,642,900	16,492,600	313,400	32,448,900	34,325,600	(1,876,700)	94.5%
Dyersburg	9,595,700	8,221,100	91,500	17,908,300	21,027,300	(3,119,000)	85.2%
Jackson	14,007,300	14,910,600	174,800	29,092,700	30,680,500	(1,587,800)	94.8%
Motlow	14,816,700	19,194,400	467,400	34,478,500	32,521,900	1,956,600	106.0%
Nashville	22,008,000	24,096,700	787,600	46,892,300	48,465,100	(1,572,800)	96.8%
Northeast	19,524,600	17,911,500	92,200	37,528,300	42,645,300	(5,117,000)	88.0%
Pellissippi	32,432,800	31,482,200	1,798,100	65,713,100	71,409,200	(5,696,100)	92.0%
Roane	22,214,300	17,717,600	380,500	40,312,400	48,779,100	(8,466,700)	82.6%
Southwest	27,922,500	26,196,600	2,920,700	57,039,800	61,208,100	(4,168,300)	93.2%
Volunteer	23,165,300	29,069,100	598,300	52,832,700	51,010,900	1,821,800	103.6%
Walters	24,151,200	20,132,100	552,200	44,835,500	52,921,900	(8,086,400)	84.7%
Community College Subtotal	\$268,055,100	\$262,669,700	\$9,063,400	\$539,788,200	\$589,310,800	(\$49,522,600)	91.6%
UT Universities							
UT Chattanooga	\$54,655,200	\$78,469,200	\$6,691,600	\$139,816,000	\$148,528,100	(\$8,712,100)	94.1%
UT Knoxville ³	226,264,100	297,644,900	41,051,700	564,960,700	620,926,400	(55,965,700)	91.0%
UT Martin ³	33,361,100	47,915,200	4,047,500	85,323,800	90,824,100	(5,500,300)	93.9%
Subtotal	\$314,280,400	\$424,029,300	\$51,790,800	\$790,100,500	\$860,278,600	(\$70,178,100)	91.8%
TN Colleges of Applied Technology	\$71,211,800	\$34,175,400	\$0	\$105,387,200	\$128,864,000	(\$23,476,800)	81.8%
Total Academic Formula Units	\$1,070,633,400	\$1,325,103,600	\$156,565,500	\$2,552,302,500	\$2,737,235,500	(\$184,933,000)	93.2%

1 - Recurring; accounts for recommended \$55M in additional funding for formula units.

2 - Assumes 1.5% tuition increases and annual enrollment increases observed on the 14th day of academic year 2017-18 across the three sectors.

3 - Does not include recurring funds appropriated to the ETSU Gray Fossil Site (\$350K), TTU Carnegie Classification Change (\$500K), UT Knoxville for the engineering college (\$3M), UT Martin Parsons Center (\$200K), or to UT Martin Somerville Center (\$250K). These appropriations are included as Program Initiatives.

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
TBR Universities		
Middle Tennessee	Small Business Development Center Center for Dyslexic Studies	\$ 270,800 218,700
Tennessee State	Cooperative Agriculture Center on Aging Upward Bound Intracampus Transportation Academically-Talented Student Scholarships	\$ 50,000 37,000 31,800 75,500 832,000
Tennessee Tech	Horticultural Research Joe L. Evins Center	\$ 92,300 608,600
University of Memphis	Seismic Safety Commission	\$ 65,000
Subtotal		\$ 2,281,700
Community Colleges		
Columbia	Collegiate Center	\$ 72,700
Roane	Oak Ridge Campus Operations	\$ 150,000
Subtotal		\$ 222,700
UT Universities		
UT Martin	Ripley Center	\$ 310,000
Subtotal		\$ 310,000
Total Funding		\$ 2,814,400