

DATE: November 16, 2016

SUBJECT: 2017-18 Operating State Appropriation Recommendations

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION

Grounded in the outcomes-based funding formula, a product of the Complete College Tennessee Act of 2010 (CCTA), the following recommendations for operating state appropriations are presented for consideration. After a thorough review of the funding formula, the 2015-2020 outcomes-based funding formula was approved by the Commission in July 2015. The 2017-18 operating state appropriations represent the second year of utilizing this revised version of the model to make funding recommendations. Funds continue to be allocated on an equitable basis as academic formula unit campuses are recommended to receive the same percentage of their formula calculation.

Since 2012-13 THEC has made state appropriations recommendations in lump sum fashion for the community college sector as a whole, per a provision of the CCTA. The CCTA transferred responsibility for determining individual community college allocations to the Tennessee Board of Regents (TBR). Outcomes-based formula calculations for individual community colleges are presented for informational purposes only.

RECOMMENDATION SUMMARY

Institutions showed improvement in funding formula outcomes in 2015-16, the most recent year of data that is utilized for the 2017-18 budget cycle. Most progression metrics are up across the universities and community colleges. Undergraduate awards in both sectors also are increasing. Universities awarded more bachelor's degrees in 2015-16 than the previous three years. Community colleges awarded more associate degrees and provided more dual enrollment opportunities to high school students this year than last. Additionally, reverse articulated associate degrees awarded to students who transferred to a university before completing the degree requirements at the community college are being counted in the formula for

the first time. These partnerships between two- and four-year institutions resulted in 905 additional awards in 2015-16. Finally, the effects of the Tennessee Promise, a statewide program providing tuition free community college to recent high school graduates, are beginning to trigger outcomes at the community colleges.

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. A decade ago, these fees were responsible for less than half. Staff recommendations presented today for operating appropriations, student fees and need-based financial aid work together to address this divestment trend and improve affordability for students in Tennessee.

For the 2017-18 fiscal year, THEC staff are recommending an increase of \$48 million in state appropriations for formula units, increasing the percent funded of the formula to 67.6 percent. As recently as 2007-08, formula units were funded at an average of 86 percent of their formula calculations. This recommended increase in state funding, along with the increases in fiscal years 2015-16 and 2016-17, have begun to shift the funding responsibilities from students and their families back to the state.

Along with the formula unit funding recommendation, THEC is requesting an increase in funding for operations at the non-formula units equivalent to the estimated increase in salaries as reported by the Higher Education Price Index (HEPI). This 2.7 percent increase in state appropriations will fund \$9.7 million in new operating dollars spread across all non-formula units. THEC is also requesting \$10.3 million in recurring and non-recurring funds for strategic program initiatives in both systems. The THEC staff recommendations for 2017-18 operating funds for the formula and non-formula units are detailed in Attachment II. Additional information on the non-formula strategic initiatives can be found in Attachment IV.

The staff recommendations include other components of note. First is an improvement to the state's need-based grant, the Tennessee Student Assistance Award (TSAA). In 2016-17, this program will fund approximately 48,600 students across public, private and proprietary institutions in Tennessee with total funding of \$81 million in state appropriations and \$6.8 million in lottery funds. In September, the TSAC Board recommended that funding

increase in 2017-18 by \$18.1 million, which would fund approximately 10,000 additional students or 15 percent of the estimated 76,000 students that are eligible for the award — based on financial need — but currently do not receive the grant due to limited funds being exhausted. THEC staff concur with this recommendation and believe that this improvement, coupled with the student fee recommendations presented in Item V, represent continued advancement in college affordability for Tennesseans.

Additionally, THEC staff are recommending \$1 million in non-recurring funds to pilot a new Student Retention Grant program at the universities, community colleges and the colleges of applied technology. Supported by research and a national dialogue around student affordability and success, these grants will improve completion by addressing unforeseen emergency expenses that impede student retention. While the parameters of the program are not yet finalized, it is envisioned that the grants would be used to fund emergency transportation needs, unforeseen medical expenses, and other needs as they arise that could jeopardize a student's enrollment and persistence. THEC will develop and implement protocols for institutions that choose to participate, addressing student award eligibility, approved expenses and program procedures.

The grand total recurring and non-recurring recommendation for all higher education operating appropriations for 2017-18 is \$1.46 billion. This includes \$48 million to fund the formula units, \$9.7 million for institutional operating costs and \$10.3 million for strategic program investments at non-formula units, \$18.1 million for expansion of the need-based financial aid program, \$1 million in non-recurring funds to pilot a new Student Retention Grant program and additional funds for the Governor's Drive to 55 Initiative. These recurring and non-recurring recommendations total \$87.8 million, or an increase of 6.3 percent.

Finally, the Department of Finance & Administration has requested that state agencies prepare the 2017-18 budget with a two percent reduction in state appropriations. Financial aid funding provided by TSAC — primarily through the need-based grant award — and recurring funds for the Governor's Drive to 55 Initiatives are exempted from these reduction scenarios. For higher education this would result in a reduction in state appropriations of \$25.7 million. This distribution is detailed in Attachment IV.

ATTACHMENT I

State Appropriations History

Academic Formula Units	2011-12	2012-13 *	2013-14 *	2014-15 *	2015-16*	2016-17*
TBR Universities						
Austin Peay	\$26,107,600	\$28,537,600	\$32,995,000	\$34,239,800	\$36,983,700	\$40,378,500
East Tennessee	44,000,700	45,772,200	48,685,000	48,048,900	51,428,100	55,362,800
Middle Tennessee	73,423,800	77,193,600	81,024,600	82,830,300	85,856,700	90,753,200
Tennessee State	29,335,100	30,810,900	32,610,800	32,088,900	32,892,000	33,717,900
Tennessee Tech	35,086,300	37,288,600	39,559,500	38,394,000	39,297,400	42,671,100
University of Memphis	85,464,300	87,346,700	89,106,400	89,331,900	95,139,600	102,440,600
Subtotal	\$293,417,800	\$306,949,600	\$323,981,300	\$324,933,800	\$341,597,500	\$365,324,100
Community Colleges						
Chattanooga	\$19,970,200	\$21,902,500	\$26,624,800	\$26,008,100	\$27,449,400	\$29,315,200
Cleveland	8,421,200	8,672,000	8,997,100	8,843,700	9,336,300	9,751,700
Columbia	11,121,800	11,294,400	12,339,500	12,349,500	12,842,400	13,970,500
Dyersburg	6,484,500	6,867,800	7,238,900	7,317,900	7,841,700	8,622,500
Jackson	10,518,500	10,821,400	11,510,200	11,095,700	11,401,100	12,395,800
Motlow	9,662,900	10,310,000	11,017,200	10,656,700	11,007,400	11,739,900
Nashville	13,794,900	14,516,500	15,983,500	15,861,200	16,935,900	17,756,500
Northeast	11,924,900	12,920,300	13,648,200	13,224,100	14,594,100	16,059,900
Pellissippi	18,692,600	20,819,800	22,913,400	23,429,800	25,599,300	27,349,000
Roane	14,750,900	15,244,700	16,619,800	17,399,500	18,011,800	19,093,300
Southwest	28,648,100	27,953,000	25,739,300	24,677,200	25,278,600	26,115,800
Volunteer	15,281,400	15,614,700	16,075,400	16,216,000	17,198,100	18,698,700
Walters	15,745,100	17,043,300	19,866,900	20,350,200	20,967,800	21,912,500
Subtotal	\$185,017,000	\$193,980,400	\$208,574,200	\$207,429,600	\$218,463,900	\$232,781,300
UT Universities						
UT Chattanooga	\$33,294,400	\$34,601,800	\$36,128,500	\$37,501,400	\$41,674,700	\$45,835,300
UT Knoxville	144,150,000	153,343,900	174,335,300	179,044,900	187,890,300	199,911,900
UT Martin	23,636,300	24,609,100	25,243,000	26,249,700	27,892,100	29,922,900
Subtotal	\$201,080,700	\$212,554,800	\$235,706,800	\$242,796,000	\$257,457,100	\$275,670,100
Total Colleges and Universities	\$679,515,500	\$713,484,800	\$768,262,300	\$775,159,400	\$817,518,500	\$873,775,500
TN Colleges of Applied Technology	\$52,260,300	\$53,848,800	\$57,400,500	\$55,346,600	\$56,343,900	\$60,790,600
Total Academic Formula Units	\$731,775,800	\$767,333,600	\$825,662,800	\$830,506,000	\$873,862,400	\$934,566,100

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. Beginning in 2012-13, funds are allocated to the community colleges as a system.

ATTACHMENT I

State Appropriations History

Specialized Units	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Medical Education						
ETSU College of Medicine	\$25,859,200	\$27,321,000	\$28,893,900	\$28,948,800	\$30,166,900	\$31,268,700
ETSU Family Practice	5,322,000	5,731,700	6,117,800	6,130,800	6,447,000	6,687,600
UT College of Vet Medicine	14,416,600	15,385,200	16,453,000	16,530,900	17,379,800	18,124,700
UT Health Science Center ¹	115,223,000	121,623,200	128,887,400	129,382,100	134,984,800	140,534,000
Subtotal	\$160,820,800	\$170,061,100	\$180,352,100	\$180,992,600	\$188,978,500	\$196,615,000
Research and Public Service						
UT Agricultural Experiment Station	\$23,111,900	\$24,342,600	\$25,438,800	\$25,557,800	\$26,380,600	\$27,625,600
UT Agricultural Extension Service	27,825,100	29,431,800	30,836,900	31,044,400	32,384,200	33,831,200
TSU McMinnville Center	527,300	543,300	560,400	560,400	575,500	594,500
TSU Institute of Ag. and Environmental Research	2,145,000	2,208,900	2,280,500	2,278,500	2,340,600	3,456,300
TSU Cooperative Extension	2,918,200	3,010,500	3,110,400	3,108,900	3,207,300	3,318,500
TSU McIntire-Stennis Forestry Research	170,600	174,100	179,400	179,400	183,400	189,400
UT Space Institute	7,276,600	7,603,400	7,896,700	7,916,500	8,187,700	8,490,500
UT Institute for Public Service	4,341,200	4,541,300	5,232,400	5,247,800	5,420,500	5,628,900
UT County Technical Assistance Service	1,521,800	1,646,200	1,753,200	1,763,100	1,858,100	2,236,600
UT Municipal Technical Advisory Service	2,554,300	2,732,200	2,886,200	2,897,500	3,033,400	3,157,300
Subtotal	\$72,392,000	\$76,234,300	\$80,174,900	\$80,554,300	\$83,571,300	\$88,528,800
Other Specialized Units						
UT University-Wide Administration	\$4,209,000	\$4,440,900	\$4,589,300	\$4,661,800	\$4,859,900	\$5,202,100
TN Board of Regents Administration	4,563,400	4,881,800	5,104,200	5,133,100	5,465,400	5,720,200
TN Student Assistance Corporation	48,579,200	55,205,400	61,586,800	61,566,800	70,459,600	83,568,600
Tennessee Student Assistance Awards	46,162,500	52,762,500	57,762,500	57,762,500	67,762,500	80,962,500
Tennessee Student Assistance Corporation Loan/Scholarships Program	1,225,700	1,251,900	1,353,500	1,333,500	1,476,300	1,627,900
Endowment Scholarships	1,191,000	1,191,000	1,220,800	1,220,800	1,220,800	978,200
-	-	-	1,250,000	1,250,000	-	-
TN Foreign Language Institute	352,800	378,600	410,300	414,100	426,500	516,700
Contract Education	2,198,200	2,178,400	2,232,900	2,180,800	2,110,800	2,176,000
TN Higher Education Commission	2,224,500	2,292,100	2,479,200	2,438,800	2,921,000	3,619,300
THEC Administration	2,224,500	2,292,100	2,479,200	2,438,800	2,921,000	3,202,900
FOCUS Act	-	-	-	-	-	416,400
College Advisor Corps	-	-	-	-	-	-
Adult Learner Initiatives	-	-	-	-	-	-
Labor Education Alignment Program	-	-	-	-	-	-
Subtotal	\$62,127,100	\$69,377,200	\$76,402,700	\$76,395,400	\$86,243,200	\$100,802,900
Total Specialized Units	\$295,339,900	\$315,672,600	\$336,929,700	\$337,942,300	\$358,793,000	\$385,946,700
Total Formula and Specialized Units	\$1,027,115,700	\$1,083,006,200	\$1,162,592,500	\$1,168,448,300	\$1,232,655,400	\$1,320,512,800
Program Initiatives						
Campus Centers of Excellence	\$17,328,000	\$17,538,300	\$18,193,700	\$17,769,000	\$17,414,600	\$17,133,600
Campus Centers of Emphasis	1,247,600	1,265,900	1,313,300	1,282,600	1,257,000	1,236,600
Academic Scholars Program	401,800	401,800	411,800	411,800	411,800	711,800
UT Access and Diversity Initiative	5,600,600	5,550,100	5,688,900	5,688,900	5,806,700	5,806,700
TBR Access and Diversity Initiative	9,892,900	9,803,700	10,048,800	10,048,800	10,256,900	10,256,900
Research Initiatives - UT	5,645,200	5,594,300	5,734,200	5,734,200	5,852,900	5,852,900
THEC Grants	2,339,200	2,318,100	2,403,300	2,353,900	5,778,400	5,778,400
Subtotal	\$42,455,300	\$42,472,200	\$43,794,000	\$43,289,200	\$46,778,300	\$46,776,900
Total Operating	\$1,069,571,000	\$1,125,478,400	\$1,206,386,500	\$1,211,737,500	\$1,279,433,700	\$1,367,289,700

Note: All years of appropriations are recurring funds only.

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

ATTACHMENT II

2017-18 State Appropriations Distribution Recommendation

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
			Breakdown of 2017-18 Changes					
Academic Formula Units	2016-17 Appropriation ¹	2017-18 Formula Calculation	Outcomes Formula Adjustments	Share of New Funding	2017-18 Changes	2017-18 Recommendation	Percent Change	Percent Funded
TBR Universities								
Austin Peay	\$40,378,500	\$63,626,500	\$545,900	\$2,110,500	\$2,656,400	\$43,034,900	6.6%	67.6%
East Tennessee ²	55,012,800	85,772,800	156,000	2,845,100	3,001,100	58,013,900	5.5%	67.6%
Middle Tennessee	90,753,200	138,131,800	(1,907,300)	4,581,900	2,674,600	93,427,800	2.9%	67.6%
Tennessee State	33,717,900	51,923,500	(320,900)	1,722,400	1,401,500	35,119,400	4.2%	67.6%
Tennessee Tech	42,671,100	66,008,700	(214,500)	2,189,500	1,975,000	44,646,100	4.6%	67.6%
University of Memphis	102,440,600	158,122,400	(736,800)	5,244,900	4,508,100	106,948,700	4.4%	67.6%
Subtotal	\$364,974,100	\$563,585,700	(\$2,477,600)	\$18,694,300	\$16,216,700	\$381,190,800	4.4%	67.6%
Community Colleges³								
Chattanooga	\$29,315,200	\$44,487,900	(\$700,700)	\$1,475,600	\$774,900	\$30,090,100	2.6%	67.6%
Cleveland	9,751,700	15,738,100	371,000	522,000	893,000	10,644,700	9.2%	67.6%
Columbia	13,970,500	21,580,700	(89,900)	715,900	626,000	14,596,500	4.5%	67.6%
Dyersburg	8,622,500	13,325,500	(51,600)	442,000	390,400	9,012,900	4.5%	67.6%
Jackson	12,395,800	19,330,000	37,200	641,100	678,300	13,074,100	5.5%	67.6%
Motlow	11,739,900	18,942,900	444,100	628,300	1,072,400	12,812,300	9.1%	67.6%
Nashville	17,756,500	28,887,800	824,000	958,300	1,782,300	19,538,800	10.0%	67.6%
Northeast	16,059,900	25,733,000	491,500	853,500	1,345,000	17,404,900	8.4%	67.6%
Pellissippi	27,349,000	43,553,900	664,700	1,444,700	2,109,400	29,458,400	7.7%	67.6%
Roane	19,093,300	30,132,000	287,500	999,500	1,287,000	20,380,300	6.7%	67.6%
Southwest	26,115,800	38,854,400	(1,124,800)	1,288,800	164,000	26,279,800	0.6%	67.6%
Volunteer	18,698,700	29,615,300	349,800	982,300	1,332,100	20,030,800	7.1%	67.6%
Walters	21,912,500	33,660,400	(262,200)	1,116,500	854,300	22,766,800	3.9%	67.6%
Community College Subtotal	\$232,781,300	\$363,841,900	\$1,240,600	\$12,068,500	\$13,309,100	\$246,090,400	5.7%	67.6%
UT Universities								
UT Chattanooga	\$45,835,300	\$72,351,100	\$700,700	\$2,399,900	\$3,100,600	\$48,935,900	6.8%	67.6%
UT Knoxville ²	196,911,900	305,713,700	(277,800)	10,140,500	9,862,700	206,774,600	5.0%	67.6%
UT Martin ²	29,472,900	45,443,900	(243,500)	1,507,300	1,263,800	30,736,700	4.3%	67.6%
Subtotal	\$272,220,100	\$423,508,700	\$179,400	\$14,047,700	\$14,227,100	\$286,447,200	5.2%	67.6%
Total Colleges and Universities	\$869,975,500	\$1,350,936,300	(\$1,057,600)	\$44,810,500	\$43,752,900	\$913,728,400	5.0%	67.6%
TN Colleges of Applied Technology	\$60,790,600	\$96,157,400	\$1,057,600	\$3,189,500	\$4,247,100	\$65,037,700	7.0%	67.6%
Total Academic Formula Units	\$930,766,100	\$1,447,093,700	\$0	\$48,000,000	\$48,000,000	\$978,766,100	5.2%	67.6%

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), 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.

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2017-18 State Appropriations Share of Total Calculation

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

	2016-17 Appropriation ¹	2016-17 Appropriation Share	2017-18 Appropriation Share	2017-18 Funding Changes	2017-18 Recommendation	Percent Change
Academic Formula Units						
TBR Universities						
Austin Peay	\$40,378,500	4.64%	4.71%	\$2,656,400	\$43,034,900	6.6%
East Tennessee ²	55,012,800	6.32%	6.35%	3,001,100	58,013,900	5.5%
Middle Tennessee	90,753,200	10.43%	10.22%	2,674,600	93,427,800	2.9%
Tennessee State	33,717,900	3.88%	3.84%	1,401,500	35,119,400	4.2%
Tennessee Tech	42,671,100	4.90%	4.89%	1,975,000	44,646,100	4.6%
University of Memphis	102,440,600	11.78%	11.70%	4,508,100	106,948,700	4.4%
Subtotal	\$364,974,100	41.95%	41.72%	\$16,216,700	\$381,190,800	4.4%
Community Colleges³						
Chattanooga	\$29,315,200	3.37%	3.29%	\$774,900	\$30,090,100	2.6%
Cleveland	9,751,700	1.12%	1.16%	893,000	10,644,700	9.2%
Columbia	13,970,500	1.61%	1.60%	626,000	14,596,500	4.5%
Dyersburg	8,622,500	0.99%	0.99%	390,400	9,012,900	4.5%
Jackson	12,395,800	1.42%	1.43%	678,300	13,074,100	5.5%
Motlow	11,739,900	1.35%	1.40%	1,072,400	12,812,300	9.1%
Nashville	17,756,500	2.04%	2.14%	1,782,300	19,538,800	10.0%
Northeast	16,059,900	1.85%	1.90%	1,345,000	17,404,900	8.4%
Pellissippi	27,349,000	3.14%	3.22%	2,109,400	29,458,400	7.7%
Roane	19,093,300	2.19%	2.23%	1,287,000	20,380,300	6.7%
Southwest	26,115,800	3.00%	2.88%	164,000	26,279,800	0.6%
Volunteer	18,698,700	2.15%	2.19%	1,332,100	20,030,800	7.1%
Walters	21,912,500	2.52%	2.49%	854,300	22,766,800	3.9%
Community College Subtotal	\$232,781,300	26.76%	26.93%	\$13,309,100	\$246,090,400	5.7%
UT Universities						
UT Chattanooga	\$45,835,300	5.27%	5.36%	\$3,100,600	\$48,935,900	6.8%
UT Knoxville ²	196,911,900	22.63%	22.63%	9,862,700	206,774,600	5.0%
UT Martin ²	29,472,900	3.39%	3.36%	1,263,800	30,736,700	4.3%
Subtotal	\$272,220,100	31.29%	31.35%	\$14,227,100	\$286,447,200	5.2%
Total Colleges and Universities	\$869,975,500	100.00%	100.00%	\$43,752,900	\$913,728,400	5.0%

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), 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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2017-18 State Appropriations Distribution Recommendation

	A	B	C = B - A	D = C / A
Specialized Units	2016-17 Appropriation ¹	2017-18 Recommendation ¹	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$31,268,700	\$32,113,000	\$844,300	2.7%
ETSU Family Practice	6,687,600	6,868,200	180,600	2.7%
UT College of Vet Medicine	18,124,700	18,614,100	489,400	2.7%
UT Health Science Center	140,534,000	144,328,500	3,794,500	2.7%
UT College of Medicine	50,646,244	52,013,700	1,367,456	2.7%
UT Family Practice	11,379,226	11,686,500	307,274	2.7%
UT Memphis Other Specialized Units	78,508,529	80,628,300	2,119,771	2.7%
Subtotal	\$196,615,000	\$201,923,800	\$5,308,800	2.7%
Research and Public Service				
UT Agricultural Experiment Station	\$27,625,600	\$28,371,500	\$745,900	2.7%
UT Agricultural Extension Service	33,831,200	34,744,600	913,400	2.7%
TSU McMinnville Center	594,500	610,600	16,100	2.7%
TSU Institute of Ag. and Environmental Research	3,456,300	3,549,600	93,300	2.7%
TSU Cooperative Extension	3,318,500	3,408,100	89,600	2.7%
TSU McIntire-Stennis Forestry Research	189,400	194,500	5,100	2.7%
UT Space Institute	8,490,500	8,719,700	229,200	2.7%
UT Institute for Public Service	5,628,900	5,780,900	152,000	2.7%
UT County Technical Assistance Service	2,236,600	2,297,000	60,400	2.7%
UT Municipal Technical Advisory Service	3,157,300	3,242,500	85,200	2.7%
Subtotal	\$88,528,800	\$90,919,000	\$2,390,200	2.7%
Other Specialized Units				
UT University-Wide Administration	\$5,202,100	\$5,342,600	\$140,500	2.7%
TN Board of Regents Administration	5,720,200	6,070,400	350,200	6.1%
TN Student Assistance Corporation	83,568,600	101,739,000	18,170,400	21.7%
Tennessee Student Assistance Awards	80,962,500	99,062,500	18,100,000	22.4%
Tennessee Students Assistance Corporation Loan/Scholarships Program	1,627,900	1,671,900	44,000	2.7%
978,200	1,004,600	26,400	2.7%	
TN Foreign Language Institute	516,700	530,700	14,000	2.7%
Contract Education	2,176,000	2,234,800	58,800	2.7%
TN Higher Education Commission	3,619,300	3,717,000	97,700	2.7%
Subtotal	\$100,802,900	\$119,634,500	\$18,831,600	18.7%
Program Initiatives				
Campus Centers of Excellence	\$17,133,600	\$17,596,200	\$462,600	2.7%
Campus Centers of Emphasis	1,236,600	1,270,000	33,400	2.7%
Academic Scholars Program	711,800	731,000	19,200	2.7%
UT Access and Diversity Initiative	5,806,700	5,963,500	156,800	2.7%
TBR Access and Diversity Initiative	10,256,900	10,533,800	276,900	2.7%
THEC Grants	5,778,400	5,934,400	156,000	2.7%
Research Initiatives - UT	5,852,900	6,010,900	158,000	2.7%
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 Center ²	450,000	450,000	-	NA
Governor's Drive to 55 Initiative ³	15,979,700	6,251,800	(9,727,900)	NA
Student Retention Grants ⁴	-	1,000,000	1,000,000	NA
Strategic Program Initiatives ⁵	-	10,300,000	10,300,000	NA
TTU Carnegie Classification Recognition ⁶	-	700,000	700,000	NA
Subtotal	\$50,576,900	\$51,839,800	\$1,962,900	3.9%
Total Recurring	\$1,367,289,700	\$1,443,083,200	\$76,493,500	5.6%
Total with Non-Recurring Request	\$1,383,269,400	\$1,461,335,000	\$78,765,600	5.7%

1 - Recurring funds unless otherwise footnoted.

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

3 - Non-recurring funds for the D55 Operating Fund, LEAP program, Adult Learner program, Institutional Outcome Improvement Fund grants, Veteran Reconnect grants, TN Promise Forward grants, Advise TN, and the SAILS program.

4 - Non-recurring funding for a grant program offering emergency funds to students enrolled at universities, community colleges and colleges of applied technology.

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

6 - Year 1 of 3 of recurring funds to recognize a 2015 Carnegie classification change at Tennessee Tech.

ATTACHMENT III
2017-18 Non-Formula Units Strategic Initiatives

System Priority	System	Institution	Project Name	Total Cost	Project Description
1	TBR	TBR-System	Security Task Force Recommendations	\$8,900,000	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. This request represents the highest priority recommendations of the report. (\$6.3M recurring; \$2.6M non-recurring)
1	UT	UT Institute of Agriculture	Governor's Rural Task Force: AgLaunch	\$400,000	AgLaunch is focused on ventures that increase farmer efficiency, create new supply chains, establish niche value-added processing, and bolster the region's agricultural distribution capabilities. AgLaunch targets new companies that build upon the supply chains between producers and Tennessee's 1,000 existing commercial food companies located throughout the state. AgriTech startups will increase producer efficiency and yield higher profits. AgLaunch provides accountable leadership across the state for generating, developing, and scaling new agricultural enterprises and addresses: (1) Seed and Early Stage capital (see Gov RTF – AG TREP SB, Action Items); (2) an agricultural technology incubator and research farm network, and (3) entrepreneur development and business growth focused on the agricultural vertical. This program has been developed jointly between Tennessee Department of Agriculture, Memphis Bioworks Foundation, and UT's Center for Profitable Agriculture with support from USDA Rural Development. This proposal optimizes an already existing industry (vertical agriculture) which directly touches all rural counties in Tennessee; builds on investment that has already been made by TNDA and USDA; and leverages rural assets including university research farms and extension. The statewide program will focus on pilot programs in designated distressed counties to establish replicable models and generate near term impact.
2	UT	UT-System Administration	Expand and Enhance the Tennessee Governor's Chair Program	\$1,000,000	The University is requesting additional recurring support to allow for the recruitment of fifteen additional Governor's Chair faculty over the next five years. This investment request would ramp up over time and will be matched by the Oak Ridge National Laboratory (ORNL) or other private sector funding. The investment in top research talent in Tennessee will have a profound, lasting impact on our state. These individuals will greatly enhance our ability to grow our research enterprise and bring outside funding into the state of Tennessee. Their connections and expertise will also improve our ability to recruit and retain the rapidly growing number of companies in Tennessee's knowledge economy. The total new funding would be \$1M per year through year five when it would be capped at \$5M per year. The total Governor's Chair funding would then be \$10,852,900 per year. This request is only for Year One and does not guarantee any future year's funding.

ATTACHMENT IV

2017-18 State Appropriations Distribution With a 2.0% Reduction

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
	Breakdown of 2017-18 Changes							
Academic Formula Units	2016-17 Appropriation ¹	2017-18 Formula Calculation	Outcomes Formula Adjustments	2.0% Reduction to Higher Education	2017-18 Change	2017-18 Recommendation	Percent Change	Percent Funded
TBR Universities								
Austin Peay	\$40,378,500	\$63,626,500	\$545,900	(\$935,800)	(\$389,900)	\$39,988,600	-1.0%	62.8%
East Tennessee ²	55,012,800	85,772,800	156,000	(1,261,500)	(1,105,500)	53,907,300	-2.0%	62.8%
Middle Tennessee	90,753,200	138,131,800	(1,907,300)	(2,031,600)	(3,938,900)	86,814,300	-4.3%	62.8%
Tennessee State	33,717,900	51,923,500	(320,900)	(763,700)	(1,084,600)	32,633,300	-3.2%	62.8%
Tennessee Tech	42,671,100	66,008,700	(214,500)	(970,800)	(1,185,300)	41,485,800	-2.8%	62.8%
University of Memphis	102,440,600	158,122,400	(736,800)	(2,325,600)	(3,062,400)	99,378,200	-3.0%	62.8%
Subtotal	\$364,974,100	\$563,585,700	(\$2,477,600)	(\$8,289,000)	(\$10,766,600)	\$354,207,500	-2.9%	62.8%
Community Colleges³								
Chattanooga	\$29,315,200	\$44,487,900	(\$700,700)	(\$654,300)	(\$1,355,000)	\$27,960,200	-4.6%	62.8%
Cleveland	9,751,700	15,738,100	371,000	(231,500)	139,500	9,891,200	1.4%	62.8%
Columbia	13,970,500	21,580,700	(89,900)	(317,400)	(407,300)	13,563,200	-2.9%	62.8%
Dyersburg	8,622,500	13,325,500	(51,600)	(196,000)	(247,600)	8,374,900	-2.9%	62.8%
Jackson	12,395,800	19,330,000	37,200	(284,300)	(247,100)	12,148,700	-2.0%	62.8%
Motlow	11,739,900	18,942,900	444,100	(278,600)	165,500	11,905,400	1.4%	62.8%
Nashville	17,756,500	28,887,800	824,000	(424,900)	399,100	18,155,600	2.2%	62.8%
Northeast	16,059,900	25,733,000	491,500	(378,500)	113,000	16,172,900	0.7%	62.8%
Pellissippi	27,349,000	43,553,900	664,700	(640,600)	24,100	27,373,100	0.1%	62.8%
Roane	19,093,300	30,132,000	287,500	(443,200)	(155,700)	18,937,600	-0.8%	62.8%
Southwest	26,115,800	38,854,400	(1,124,800)	(571,200)	(1,696,000)	24,419,800	-6.5%	62.8%
Volunteer	18,698,700	29,615,300	349,800	(435,600)	(85,800)	18,612,900	-0.5%	62.8%
Walters	21,912,500	33,660,400	(262,200)	(495,100)	(757,300)	21,155,200	-3.5%	62.8%
Community College Subtotal	\$232,781,300	\$363,841,900	\$1,240,600	(\$5,351,200)	(\$4,110,600)	\$228,670,700	-1.8%	62.8%
UT Universities								
UT Chattanooga	\$45,835,300	\$72,351,100	\$700,700	(\$1,064,100)	(\$363,400)	\$45,471,900	-0.8%	62.8%
UT Knoxville ²	196,911,900	305,713,700	(277,800)	(4,496,300)	(4,774,100)	192,137,800	-2.4%	62.8%
UT Martin ²	29,472,900	45,443,900	(243,500)	(668,400)	(911,900)	28,561,000	-3.1%	62.8%
Subtotal	\$272,220,100	\$423,508,700	\$179,400	(\$6,228,800)	(\$6,049,400)	\$266,170,700	-2.2%	62.8%
Total Colleges and Universities	\$869,975,500	\$1,350,936,300	(\$1,057,600)	(\$19,869,000)	(\$20,926,600)	\$849,048,900	-2.4%	62.8%
TN Colleges of Applied Technology	\$60,790,600	\$96,157,400	\$1,057,600	(\$1,414,200)	(\$356,600)	\$60,434,000	-0.6%	62.8%
Total Academic Formula Units	\$930,766,100	\$1,447,093,700	\$0	(\$21,283,200)	(\$21,283,200)	\$909,482,900	-2.3%	62.8%

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), 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

2017-18 State Appropriations Distribution With a 2.0% Reduction

	A	B	C = B - A	D = C / A
Specialized Units	2016-17 Appropriation ¹	2017-18 Recommendation ¹	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$31,268,700	\$30,874,000	(\$394,700)	-1.3%
ETSU Family Practice	6,687,600	6,622,300	(65,300)	-1.0%
UT College of Vet Medicine	18,124,700	17,826,700	(298,000)	-1.6%
UT Health Science Center	140,534,000	138,391,500	(2,142,500)	-1.5%
UT College of Medicine	50,646,244	49,874,121	(772,123)	-1.5%
UT Family Practice	11,379,226	11,205,745	(173,481)	-1.5%
UT Memphis Other Specialized Units	78,508,529	77,311,634	(1,196,896)	-1.5%
Subtotal	\$196,615,000	\$193,714,500	(\$2,900,500)	-1.5%
Research and Public Service				
UT Agricultural Experiment Station	\$27,625,600	\$27,355,800	(\$269,800)	-1.0%
UT Agricultural Extension Service	33,831,200	33,500,700	(330,500)	-1.0%
TSU McMinnville Center	594,500	588,700	(5,800)	-1.0%
TSU Institute of Ag. and Environmental Research	3,456,300	3,422,500	(33,800)	-1.0%
TSU Cooperative Extension	3,318,500	3,286,100	(32,400)	-1.0%
TSU McIntire-Stennis Forestry Research	189,400	187,500	(1,900)	-1.0%
UT Space Institute	8,490,500	8,397,500	(93,000)	-1.1%
UT Institute for Public Service	5,628,900	5,573,900	(55,000)	-1.0%
UT County Technical Assistance Service	2,236,600	2,214,800	(21,800)	-1.0%
UT Municipal Technical Advisory Service	3,157,300	3,126,500	(30,800)	-1.0%
Subtotal	\$88,528,800	\$87,654,000	(\$874,800)	-1.0%
Other Specialized Units				
UT University-Wide Administration	\$5,202,100	\$5,151,300	(\$50,800)	-1.0%
TN Board of Regents Administration	5,720,200	5,664,300	(55,900)	-1.0%
TN Student Assistance Corporation	83,568,600	83,552,700	(15,900)	0.0%
Tennessee Student Assistance Awards	80,962,500	80,962,500	-	0.0%
Tennessee Students Assistance Corporation	1,627,900	1,612,000	(15,900)	-1.0%
Loan/Scholarships Program	978,200	978,200	-	0.0%
TN Foreign Language Institute	516,700	511,700	(5,000)	-1.0%
Contract Education	2,176,000	2,154,700	(21,300)	-1.0%
TN Higher Education Commission	3,619,300	3,583,900	(35,400)	-1.0%
Subtotal	\$100,802,900	\$100,618,600	(\$184,300)	-0.2%
Program Initiatives				
Campus Centers of Excellence	\$17,133,600	\$16,966,200	(\$167,400)	-1.0%
Campus Centers of Emphasis	1,236,600	1,224,500	(12,100)	-1.0%
Academic Scholars Program	711,800	711,800	-	0.0%
UT Access and Diversity Initiative	5,806,700	5,750,000	(56,700)	-1.0%
TBR Access and Diversity Initiative	10,256,900	10,156,700	(100,200)	-1.0%
THEC Grants	5,778,400	5,722,000	(56,400)	-1.0%
Research Initiatives - UT	5,852,900	5,795,700	(57,200)	-1.0%
ETSU Gray Fossil Site ²	350,000	350,000	-	0.0%
UT Knoxville College of Engineering ²	3,000,000	3,000,000	-	0.0%
UT Martin Parsons Center ²	450,000	450,000	-	0.0%
Subtotal	\$50,576,900	\$50,126,900	(\$450,000)	-0.9%
Total	\$1,367,289,700	\$1,341,596,900	(\$25,692,800)	-1.9%

1 - Recurring funds unless otherwise footnoted.

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

NOTE: TSAA Awards, Loan/Scholarship Program, Academic Scholars Program and Endowment Scholarships are exempt from 2017-18 reductions per F&A budget instructions.

ATTACHMENT V

2017-18 State Appropriations Funding Scenarios

	A	B	C	D		E
				Alternative Funding Scenarios		
	Outcomes Formula Calculation	Share of Total Formula Calculation	\$48,000,000 THEC Recommendation	0.0% Flat Funding Scenario	2.0% Reduction Scenario	
Academic Formula Units						
TBR Universities						
Austin Peay	\$63,626,500	4.71%	\$43,034,900	\$40,924,400	\$39,988,600	
East Tennessee	85,772,800	6.35%	58,013,900	55,168,800	53,907,300	
Middle Tennessee	138,131,800	10.22%	93,427,800	88,845,900	86,814,300	
Tennessee State	51,923,500	3.84%	35,119,400	33,397,000	32,633,300	
Tennessee Tech	66,008,700	4.89%	44,646,100	42,456,600	41,485,800	
University of Memphis	158,122,400	11.70%	106,948,700	101,703,800	99,378,200	
Subtotal	\$563,585,700	41.72%	\$381,190,800	\$362,496,500	\$354,207,500	
Community Colleges						
Chattanooga	\$44,487,900	3.29%	\$30,090,100	\$28,614,500	\$27,960,200	
Cleveland	15,738,100	1.16%	10,644,700	10,122,700	9,891,200	
Columbia	21,580,700	1.60%	14,596,500	13,880,600	13,563,200	
Dyersburg	13,325,500	0.99%	9,012,900	8,570,900	8,374,900	
Jackson	19,330,000	1.43%	13,074,100	12,433,000	12,148,700	
Motlow	18,942,900	1.40%	12,812,300	12,184,000	11,905,400	
Nashville	28,887,800	2.14%	19,538,800	18,580,500	18,155,600	
Northeast	25,733,000	1.90%	17,404,900	16,551,400	16,172,900	
Pellissippi	43,553,900	3.22%	29,458,400	28,013,700	27,373,100	
Roane	30,132,000	2.23%	20,380,300	19,380,800	18,937,600	
Southwest	38,854,400	2.88%	26,279,800	24,991,000	24,419,800	
Volunteer	29,615,300	2.19%	20,030,800	19,048,500	18,612,900	
Walters	33,660,400	2.49%	22,766,800	21,650,300	21,155,200	
Community College Subtotal	\$363,841,900	26.93%	\$246,090,400	\$234,021,900	\$228,670,700	
UT Universities						
UT Chattanooga	\$72,351,100	5.36%	\$48,935,900	\$46,536,000	\$45,471,900	
UT Knoxville	305,713,700	22.63%	206,774,600	196,634,100	192,137,800	
UT Martin	45,443,900	3.36%	30,736,700	29,229,400	28,561,000	
Subtotal	\$423,508,700	31.35%	\$286,447,200	\$272,399,500	\$266,170,700	
Total Colleges and Universities	\$1,350,936,300	100.00%	\$913,728,400	\$868,917,900	\$849,048,900	
TN Colleges of Applied Technology	\$96,157,400	NA	\$65,037,700	\$61,848,200	\$60,434,000	
Total Academic Formula Units	\$1,447,093,700	100.00%	\$978,766,100	\$930,766,100	\$909,482,900	

ATTACHMENT VI

Three-Year Average Changes in Formula Outcomes

Community Colleges

Total Outcomes	2016-17 Formula	2017-18 Formula	Change	
Students Accumulating 12 hrs	23,485	23,775	291	1.2%
Students Accumulating 24 hrs	17,907	18,052	146	0.8%
Students Accumulating 36 hrs	14,907	14,522	(385)	-2.6%
Dual Enrollment	15,635	17,134	1,499	9.6%
Associates ¹	9,306	9,659	353	3.8%
Certificates 1-2 Year	781	753	(29)	-3.7%
Certificates <1 Year	2,583	2,604	21	0.8%
Job Placements	3,564	3,726	162	4.5%
Student Transfers	6,120	6,088	(32)	-0.5%
Workforce Training (Contact Hours)	704,207	620,374	(83,833)	-11.9%
Awards per 100 FTE	19.17	20.08	0.90	4.7%
Adult Focus Population				
Students Accumulating 12 hrs	5,213	4,453	(760)	-14.6%
Students Accumulating 24 hrs	5,296	4,570	(725)	-13.7%
Students Accumulating 36 hrs	5,209	4,507	(701)	-13.5%
Associates ¹	5,044	4,884	(160)	-3.2%
Certificates 1-2 Year	512	468	(44)	-8.7%
Certificates <1 Year	1,595	1,509	(85)	-5.4%
Low-Income Focus Population				
Students Accumulating 12 hrs	13,583	14,348	764	5.6%
Students Accumulating 24 hrs	11,384	11,534	151	1.3%
Students Accumulating 36 hrs	9,812	9,599	(213)	-2.2%
Associates ¹	6,316	6,635	319	5.1%
Certificates 1-2 Year	484	486	2	0.3%
Certificates <1 Year	1,490	1,543	53	3.6%
Academically Underprepared Focus Population				
Students Accumulating 12 hrs	14,591	14,529	(62)	-0.4%
Students Accumulating 24 hrs	11,850	11,647	(204)	-1.7%
Students Accumulating 36 hrs	9,871	9,306	(564)	-5.7%
Associates ¹	5,933	6,013	80	1.3%
Certificates 1-2 Year	458	433	(25)	-5.4%
Certificates <1 Year	1,376	1,398	22	1.6%
One Focus Population Only				
Students Accumulating 12 hrs	7,558	8,087	529	7.0%
Students Accumulating 24 hrs	5,523	5,894	371	6.7%
Students Accumulating 36 hrs	4,391	4,465	74	1.7%
Associates ¹	2,496	2,683	187	7.5%
Certificates 1-2 Year	230	219	(11)	-4.8%
Certificates <1 Year	881	879	(2)	-0.2%
Two Focus Populations Only				
Students Accumulating 12 hrs	8,410	8,877	467	5.6%
Students Accumulating 24 hrs	6,657	6,824	167	2.5%
Students Accumulating 36 hrs	5,412	5,356	(55)	-1.0%
Associates ¹	3,196	3,356	160	5.0%
Certificates 1-2 Year	292	283	(10)	-3.3%
Certificates <1 Year	925	927	2	0.2%
All Three Focus Populations				
Students Accumulating 12 hrs	3,003	2,496	(507)	-16.9%
Students Accumulating 24 hrs	3,231	2,736	(494)	-15.3%
Students Accumulating 36 hrs	3,226	2,745	(481)	-14.9%
Associates ¹	2,802	2,713	(89)	-3.2%
Certificates 1-2 Year	213	201	(12)	-5.8%
Certificates <1 Year	577	573	(4)	-0.7%

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

ATTACHMENT VI

Three-Year Average Changes in Formula Outcomes

Universities

Total Outcomes	2016-17	2017-18	Change	
Students Accumulating 30 hrs	17,727	17,806	79	0.4%
Students Accumulating 60 hrs	18,211	18,426	215	1.2%
Students Accumulating 90 hrs	20,008	20,249	241	1.2%
Bachelors and Associates ¹	21,244	21,744	501	2.4%
Masters / Ed Specialists	5,767	5,598	(169)	-2.9%
Doctoral / Law Degree	1,107	1,129	22	2.0%
Research, Service and Sponsored Programs	\$268,261,906	\$259,053,113	(\$9,208,793)	-3.4%
Degrees per 100 FTE	20.99	21.58	0.59	2.8%
Six-Year Graduation Rate	54.6%	54.6%	0.00	0.0%
Adult Focus Population				
Students Accumulating 30 hrs	967	890	(77)	-8.0%
Students Accumulating 60 hrs	1,846	1,707	(139)	-7.5%
Students Accumulating 90 hrs	3,692	3,526	(167)	-4.5%
Bachelors and Associates ¹	7,343	7,288	(55)	-0.7%
Low-Income Focus Population				
Students Accumulating 30 hrs	7,987	8,175	188	2.4%
Students Accumulating 60 hrs	8,859	9,116	257	2.9%
Students Accumulating 90 hrs	10,461	10,832	371	3.5%
Bachelors and Associates ¹	11,113	11,589	475	4.3%
One Focus Population Only				
Students Accumulating 30 hrs	7,670	7,887	217	2.8%
Students Accumulating 60 hrs	7,942	8,282	340	4.3%
Students Accumulating 90 hrs	8,458	8,855	396	4.7%
Bachelors and Associates ¹	8,203	8,536	333	4.1%
Two Focus Populations Only				
Students Accumulating 30 hrs	642	589	(53)	-8.2%
Students Accumulating 60 hrs	1,382	1,270	(111)	-8.1%
Students Accumulating 90 hrs	2,848	2,752	(96)	-3.4%
Bachelors and Associates ¹	5,127	5,170	44	0.9%

¹ - Includes raw counts for reverse transfer associate degrees. In the funding formula, these degrees count as 0.5 each for the community college and the university.

ATTACHMENT VII

2017-18 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	\$43,034,900	\$62,370,600	\$4,236,300	\$109,641,800	\$117,683,900	(\$8,042,100)	93.2%
East Tennessee ³	58,013,900	98,821,500	19,526,900	176,362,300	168,287,200	8,075,100	104.8%
Middle Tennessee	93,427,800	150,930,200	21,792,100	266,150,100	256,391,500	9,758,600	103.8%
Tennessee State	35,119,400	55,853,400	27,043,800	118,016,600	105,609,400	12,407,200	111.7%
Tennessee Tech	44,646,100	76,481,100	15,330,400	136,457,600	125,035,400	11,422,200	109.1%
University of Memphis	106,948,700	154,690,200	8,407,200	270,046,100	302,432,000	(32,385,900)	89.3%
Subtotal	\$381,190,800	\$599,147,000	\$96,336,700	\$1,076,674,500	\$1,075,439,400	\$1,235,100	100.1%
Community Colleges							
Chattanooga	\$30,090,100	\$31,383,400	\$744,100	\$62,217,600	\$67,970,200	(\$5,752,600)	91.5%
Cleveland	10,644,700	10,450,100	260,600	21,355,400	23,684,100	(2,328,700)	90.2%
Columbia	14,596,500	16,041,400	295,300	30,933,200	32,531,200	(1,598,000)	95.1%
Dyersburg	9,012,900	8,296,300	70,300	17,379,500	20,060,700	(2,681,200)	86.6%
Jackson	13,074,100	14,939,200	117,000	28,130,300	29,086,700	(956,400)	96.7%
Motlow	12,812,300	17,316,100	406,800	30,535,200	28,564,300	1,970,900	106.9%
Nashville	19,538,800	28,389,700	867,600	48,796,100	43,702,000	5,094,100	111.7%
Northeast	17,404,900	21,281,700	69,000	38,755,600	38,612,500	143,100	100.4%
Pellissippi	29,458,400	32,166,800	2,179,400	63,804,600	65,878,900	(2,074,300)	96.9%
Roane	20,380,300	18,620,000	428,700	39,429,000	45,449,200	(6,020,200)	86.8%
Southwest	26,279,800	28,896,900	3,183,700	58,360,400	58,512,200	(151,800)	99.7%
Volunteer	20,030,800	30,221,200	717,400	50,969,400	44,799,000	6,170,400	113.8%
Walters	22,766,800	20,387,100	470,900	43,624,800	50,671,300	(7,046,500)	86.1%
Community College Subtotal	\$246,090,400	\$278,389,900	\$9,810,800	\$534,291,100	\$549,522,300	(\$15,231,200)	97.2%
UT Universities							
UT Chattanooga	\$48,935,900	\$77,761,100	\$6,829,100	\$133,526,100	\$135,071,600	(\$1,545,500)	98.9%
UT Knoxville ³	206,774,600	292,321,000	41,895,300	540,990,900	576,362,200	(35,371,300)	93.9%
UT Martin ³	30,736,700	50,529,200	5,327,600	86,593,500	84,977,000	1,616,500	101.9%
Subtotal	\$286,447,200	\$420,611,300	\$54,052,000	\$761,110,500	\$796,410,800	(\$35,300,300)	95.6%
TN Colleges of Applied Technology	\$65,037,700	\$34,634,500	\$0	\$99,672,200	\$119,880,000	(\$20,207,800)	83.1%
Total Academic Formula Units	\$978,766,100	\$1,332,782,700	\$160,199,500	\$2,471,748,300	\$2,541,252,500	(\$69,504,200)	97.3%

1 - Recurring; accounts for recommended \$48M in additional funding for formula units.

2 - Assumes 4% tuition increases, 0% enrollment increase at Universities, and 4% enrollment increases at Community Colleges and TN Colleges of Applied Technology in 2017-18.

3 - Does not include recurring funds appropriated to the ETSU Gray Fossil Site (\$350K), 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 historically have 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	\$ 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
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