

Sum

THEC 2008-09 Reduction Scenario Draft Notes

- Reductions are proposed for all formula and non-formula units.
- Fee increases should not be used to totally offset the reductions.
- A one percent fee increase generates approximately \$8 million.
- The \$55.8 million reduction equals 4.1% of the total 2007-08 recurring appropriations.
- Variable reductions are recommended to protect the small base units.
- Administrative units: 4.1% reduction (\$552,000)
 - University of Tennessee administration
 - Tennessee Board of Regents administration
 - Tennessee Student Assistance Corporation administration
 - Tennessee Higher Education Commission administration
- Program Initiatives: 4.1% reduction (\$2,009,000)
 - Centers of Excellence and Emphasis
 - Ned McWherter Scholars Program
 - UT & TBR Access and Diversity Initiative
 - THEC Grants
 - UT Research Initiative
- All other non-formula units: 2% reduction (\$6,222,000) *College medicine UT
UT Ag. Research MTSU*
- Tennessee Technology Centers: 2% reduction (\$1,072,000) *more dep. on state app*
- Community College Sector: 2.5% reduction (\$5,758,000) *- more dep. on state app*
- University Sector: 5.8% reduction (\$40,187,000)
- Reduction distribution to individual community colleges and universities utilizes total revenue as a base.

THEC
2008-09 Reduction Scenario
DRAFT

Academic Formula Units	FY 2007-08	DRAFT SCENARIO		
	State Appropriations*	2008-09 Reduction	2008-09 Appropriation	Percent Change
TBR Universities				
Austin Peay	\$36,196,500	\$2,188,000	\$34,008,500	-6.0%
East Tennessee	63,070,900	3,672,000	59,398,900	-5.8%
Middle Tennessee	100,775,700	6,156,000	94,619,700	-6.1%
Tennessee State	42,553,700	3,037,000	39,516,700	-7.1%
Tennessee Tech	49,204,400	2,771,000	46,433,400	-5.6%
University of Memphis	123,224,900	6,710,000	116,514,900	-5.4%
Subtotal	\$415,026,100	\$24,534,000	\$390,492,100	-5.9%
Two-Year Colleges				
Chattanooga	\$24,993,200	\$633,000	\$24,360,200	-2.5%
Cleveland	10,830,700	249,000	10,581,700	-2.3%
Columbia	14,015,400	339,000	13,676,400	-2.4%
Dyersburg	7,581,500	184,000	7,397,500	-2.4%
Jackson	13,096,600	334,000	12,762,600	-2.6%
Motlow	10,910,000	280,000	10,630,000	-2.6%
Nashville	16,285,700	440,000	15,845,700	-2.7%
Northeast	13,156,400	342,000	12,814,400	-2.6%
Pellissippi	21,961,000	593,000	21,368,000	-2.7%
Roane	19,061,900	452,000	18,609,900	-2.4%
Southwest	40,042,000	971,000	39,071,000	-2.4%
Volunteer	19,159,800	483,000	18,676,800	-2.5%
Walters	19,355,100	458,000	18,897,100	-2.4%
Subtotal	\$230,449,300	\$5,758,000	\$224,691,300	-2.5%
UT Universities				
UT Chattanooga	\$46,033,200	\$2,617,000	\$43,416,200	-5.7%
UT Knoxville	195,397,500	11,110,000	184,287,500	-5.7%
UT Martin	33,231,400	1,926,000	31,305,400	-5.8%
Subtotal	\$274,662,100	\$15,653,000	\$259,009,100	-5.7%
Total Colleges and Universities	\$920,137,500	\$45,945,000	\$874,192,500	-5.0%
Technology Centers	\$53,607,000	\$1,072,000	\$52,535,000	-2.0%
Total Academic Formula Units	\$973,744,500	\$47,017,000	\$926,727,500	-4.8%

*Recurring

THEC
2008-09 Reduction Scenario
DRAFT

Specialized Units	FY 2007-08	DRAFT SCENARIO		
	State Appropriations*	2008-09 Reduction	2008-09 Appropriation	Percent Change
Medical Education				
ETSU College of Medicine	\$29,028,900	\$581,000	\$28,447,900	-2.0%
ETSU Family Practice	5,677,800	114,000	5,563,800	-2.0%
UT College of Medicine	49,340,900	987,000	48,353,900	-2.0%
UT Family Practice	10,161,400	203,000	9,958,400	-2.0%
UT Memphis	71,168,300	1,424,000	69,744,300	-2.0%
UT College of Vet Medicine	16,631,600	333,000	16,298,600	-2.0%
Subtotal	\$182,008,900	\$3,642,000	\$178,366,900	-2.0%
Research and Public Service				
UT Ag. Experiment Station	\$25,094,000	\$502,000	\$24,592,000	-2.0%
UT Ag. Extension Service	30,095,000	602,000	29,493,000	-2.0%
TSU McMinnville Center	531,200	10,500	520,700	-2.0%
TSU Institute of Agr and Environmental Research	2,173,000	44,000	2,129,000	-2.0%
TSU Cooperative Education	1,927,000	39,000	1,888,000	-2.0%
UT Space Institute	8,282,000	166,000	8,116,000	-2.0%
UT Institute for Public Service	4,980,000	100,000	4,880,000	-2.0%
UT County Tech Asst. Service	1,605,300	32,000	1,573,300	-2.0%
UT Municipal Tech Adv. Service	2,743,100	55,000	2,688,100	-2.0%
Subtotal	\$77,430,600	\$1,550,500	\$75,880,100	-2.0%
Other Specialized Units				
UT University-Wide Admn.	\$4,564,500	\$189,000	\$4,375,500	-4.1%
TN Board of Regents Admn.	4,871,700	202,000	4,669,700	-4.1%
TN Student Assistance Corp.	49,836,900		48,803,900	-2.0%
Tennessee Student Assist. Awards	47,108,500	946,000	46,162,500	-2.0%
Tenn. Students Assist. Corporation	1,537,400	63,000	1,474,400	-4.1%
Loan/Scholarships Program	1,191,000	24,000	1,167,000	-2.0%
TN Higher Education Comm.	2,381,500	98,000	2,283,500	-4.1%
TN Foreign Language Institute	372,200	7,500	364,700	-2.0%
Contract Education	2,542,700	52,000	2,490,700	-2.0%
Subtotal	\$64,569,500	\$1,581,500	\$62,988,000	-2.4%
Total Specialized Units	\$324,009,000	\$6,774,000	\$317,235,000	-2.1%
Total Formula and Specialized Units	\$1,297,753,500	\$53,791,000	\$1,243,962,500	-4.1%
Program Initiatives				
Campus Centers of Excellence	\$19,635,500	\$814,000	\$18,821,500	-4.1%
Campus Centers of Emphasis	1,429,600	59,000	1,370,600	-4.1%
Ned McWherter Scholars Program	401,800	16,000	385,800	-4.1%
UT Access and Diversity Initiative	6,448,900	267,000	6,181,900	-4.1%
TBR Access and Diversity Initiative	11,391,100	472,000	10,919,100	-4.1%
THEC Grants	2,715,900	112,000	2,603,900	-4.1%
Research Initiatives - UT	6,500,000	269,000	6,231,000	-4.1%
Subtotal	\$48,522,800	\$2,009,000	\$46,513,800	-4.1%
Total Operating	\$1,346,276,300	\$55,800,000	\$1,290,476,300	-4.1%

*Recurring

Total Operating	\$1,346,276,300
Lottery for Education Account	\$252,400,000
GRAND TOTAL	\$1,598,676,300

*If fee not higher
State app. cuts higher*

THEC 2008-09 Base Reduction - Total Revenue

Academic Formula Units	FY 2007-08 State Appropriations*	FY 2007-08 Fee Revenue**	FY 2007-08 Total Revenue	FY 2008-09 Reduction	Percent Change Total Revenue	FY 2008-09 Appropriation	Percent Change State Appropriations
TBR Universities							
Austin Peay	\$36,196,500	\$36,008,300	\$72,204,800	\$2,188,000	-3.0%	\$34,008,500	-6.0%
East Tennessee	63,070,900	58,112,000	121,182,900	3,672,000	-3.0%	59,398,900	-5.8%
Middle Tennessee	100,775,700	102,349,900	203,125,600	6,156,000	-3.0%	94,619,700	-6.1%
Tennessee State	42,553,700	57,661,900	100,215,600	3,037,000	-3.0%	39,516,700	-7.1%
Tennessee Tech	49,204,400	42,249,400	91,453,800	2,771,000	-3.0%	46,433,400	-5.6%
University of Memphis	123,224,900	98,209,000	221,433,900	6,710,000	-3.0%	116,514,900	-5.4%
Subtotal	\$415,026,100	\$394,590,500	\$809,616,600	\$24,534,000	-3.0%	\$390,492,100	-5.9%
Two-Year Colleges							
Chattanooga	\$24,993,200	\$17,000,000	\$41,993,200	\$633,000	-1.5%	\$24,360,200	-2.5%
Cleveland	10,830,700	5,685,800	16,516,500	249,000	-1.5%	10,581,700	-2.3%
Columbia	14,015,400	8,510,400	22,525,800	339,000	-1.5%	13,676,400	-2.4%
Dyersburg	7,581,500	4,625,600	12,207,100	184,000	-1.5%	7,397,500	-2.4%
Jackson	13,096,600	9,074,800	22,171,400	334,000	-1.5%	12,762,600	-2.6%
Motlow	10,910,000	7,667,500	18,577,500	280,000	-1.5%	10,630,000	-2.6%
Nashville	16,285,700	12,945,400	29,231,100	440,000	-1.5%	15,845,700	-2.7%
Northeast	13,156,400	9,566,500	22,722,900	342,000	-1.5%	12,814,400	-2.6%
Pellissippi	21,961,000	17,425,000	39,386,000	593,000	-1.5%	21,368,000	-2.7%
Roane	19,061,900	10,962,600	30,024,500	452,000	-1.5%	18,609,900	-2.4%
Southwest	40,042,000	24,395,800	64,437,800	971,000	-1.5%	39,071,000	-2.4%
Volunteer	19,159,800	12,911,400	32,071,200	483,000	-1.5%	18,676,800	-2.5%
Walters	19,355,100	11,035,500	30,390,600	458,000	-1.5%	18,897,100	-2.4%
Subtotal	\$230,449,300	\$151,806,300	\$382,255,600	\$5,758,000	-1.5%	\$224,691,300	-2.5%
UT Universities							
UT Chattanooga	\$46,033,200	\$40,306,500	\$86,339,700	\$2,617,000	-3.0%	\$43,416,200	-5.7%
UT Knoxville	195,397,500	171,206,500	366,604,000	11,110,000	-3.0%	184,287,500	-5.7%
UT Martin	33,231,400	30,337,000	63,568,400	1,926,000	-3.0%	31,305,400	-5.8%
Subtotal	\$274,662,100	\$241,850,000	\$516,512,100	\$15,653,000	-3.0%	\$259,009,100	-5.7%
Total Colleges and Universities	\$920,137,500	\$788,246,800	\$1,708,384,300	\$45,945,000	-2.7%	\$874,192,500	-5.0%
Technology Centers	\$53,607,000	\$15,913,100	\$69,520,100	\$1,072,000	-1.5%	\$52,535,000	-2.0%
Total Academic Formula Units	\$973,744,500	\$804,159,900	\$1,777,904,400	\$47,017,000	-2.6%	\$926,727,500	-4.8%

*Recurring

**Maintenance Fees and OS Tuition - October 2007-08 Budgets

**THEC Total Revenue Analysis
2008-09 Preliminary**

Academic Formula Units	FY 2007-08 Total Revenue	FY 2008-09 Reduction	FY 2008-09 State Appropriations	FY 2008-09 Fee Revenue	FY 2008-09 Total Revenue	Total Revenue % Change	Appropriations % Change	Fee Increase*	
								6.0%	6.0%
Academic Formula Units									
TBR Universities									
Austin Peay	\$72,204,800	\$2,188,000	\$34,008,500	\$38,169,000	\$72,177,500	0.0%	-6.0%		
East Tennessee	121,182,900	3,672,000	59,398,900	61,599,000	120,997,900	-0.2%	-5.8%		
Middle Tennessee	203,125,620	6,156,000	94,619,700	108,491,000	203,110,700	0.0%	-6.1%		
Tennessee State	100,215,600	3,037,000	39,516,700	61,122,000	100,638,700	0.4%	-7.1%		
Tennessee Tech	91,453,800	2,771,000	46,433,400	44,784,000	91,217,400	-0.3%	-5.6%		
University of Memphis	221,433,928	6,710,000	116,514,900	105,084,000	221,598,900	0.1%	-5.4%		
Subtotal	\$809,616,648	\$24,534,000	\$390,492,100	\$419,249,000	\$809,741,100	0.0%	-5.9%		
Two-Year Colleges									
Chattanooga	\$41,993,200	\$633,000	\$24,360,200	\$18,020,000	\$42,380,200	0.9%	-2.5%		
Cleveland	16,516,500	249,000	10,581,700	6,027,000	16,608,700	0.6%	-2.3%		
Columbia	22,525,800	339,000	13,676,400	9,021,000	22,697,400	0.8%	-2.4%		
Dyersburg	12,207,100	184,000	7,397,500	4,903,000	12,300,500	0.8%	-2.4%		
Jackson	22,171,400	334,000	12,762,600	9,619,000	22,381,600	0.9%	-2.6%		
Motlow	18,577,500	280,000	10,630,000	8,128,000	18,758,000	1.0%	-2.6%		
Nashville	29,231,100	440,000	15,845,700	13,722,000	29,567,700	1.2%	-2.7%		
Northeast	22,722,900	342,000	12,814,400	10,140,000	22,954,400	1.0%	-2.6%		
Pellissippi	39,386,000	593,000	21,368,000	18,471,000	39,839,000	1.2%	-2.7%		
Roane	30,024,522	452,000	18,609,900	11,620,000	30,229,900	0.7%	-2.4%		
Southwest	64,437,800	971,000	39,071,000	25,860,000	64,931,000	0.8%	-2.4%		
Volunteer	32,071,230	483,000	18,676,800	13,686,000	32,362,800	0.9%	-2.5%		
Walters	30,390,600	458,000	18,897,100	11,698,000	30,595,100	0.7%	-2.4%		
Subtotal	\$382,255,652	\$5,758,000	\$224,691,300	\$160,915,000	\$385,606,300	0.9%	-2.5%		
UT Universities									
UT Chattanooga	\$86,339,732	\$2,617,000	\$43,416,200	\$42,725,000	\$86,141,200	-0.2%	-5.7%		
UT Knoxville	366,604,000	11,111,000	184,287,500	181,479,000	365,766,500	-0.2%	-5.7%		
UT Martin	63,568,400	1,926,000	31,305,400	32,157,000	63,462,400	-0.2%	-5.8%		
Subtotal	\$516,512,132	\$15,654,000	\$259,009,100	\$256,361,000	\$515,370,100	-0.2%	-5.7%		
Total Colleges and Universities	\$1,708,384,432	\$45,946,000	\$874,192,500	\$836,525,000	\$1,710,717,500	0.1%	-5.0%		
Technology Centers									
* 7% at UOM	\$69,520,100	\$1,072,000	\$52,535,000	\$16,868,000	\$69,403,000	-0.2%	-2.0%		
Total Academic Formula Units	\$1,777,904,532	\$47,018,000	\$926,727,500	\$853,393,000	\$1,780,120,500	0.1%	-4.8%		

Tennessee Board of Regents

**CALCULATION OF STATE SUBSIDY PER STUDENT
2008-09**

Institution	2008-09 Estimated State Appropriation*	2007-08 FTE Enrollment	2007-08 Per Student Subsidy	2008-09 Per Student Subsidy	Percent Change
Austin Peay	\$ 34,908,100	7,139	\$ 4,963	\$ 4,890	-1.5%
East Tennessee	60,091,900	10,770	6,111	5,580	-8.7%
Middle Tennessee	95,238,200	19,525	5,211	4,878	-6.4%
Tennessee State	40,724,100	7,465	6,031	5,455	-9.6%
Tennessee Tech	50,449,300	8,312	6,714	6,070	-9.6%
University of Memphis	119,742,900	15,747	7,929	7,604	-4.1%
Chattanooga	24,479,700	5,044	4,938	4,854	-1.7%
Cleveland	10,697,800	2,022	5,352	5,290	-1.2%
Columbia	13,802,700	3,003	4,755	4,596	-3.3%
Dyersburg	7,517,200	1,668	4,527	4,506	-0.5%
Jackson	12,893,800	2,953	4,713	4,366	-7.4%
Motlow	10,752,500	2,739	4,286	3,926	-8.4%
Nashville	15,986,700	4,063	3,998	3,935	-1.6%
Northeast	12,934,200	3,387	3,908	3,819	-2.3%
Pellissippi	21,483,000	5,446	4,254	3,945	-7.3%
Roane	18,743,300	3,764	5,101	4,980	-2.4%
Southwest	39,317,800	6,794	5,497	5,787	5.3%
Volunteer	18,832,400	4,427	4,109	4,254	3.5%
Walters	19,039,300	3,884	4,995	4,902	-1.9%
UT Chattanooga	44,360,000	8,168	6,194	5,431	-12.3%
UT Knoxville	190,477,900	24,160	8,551	7,884	-7.8%
UT Martin	31,792,400	6,108	5,628	5,205	-7.5%
ETSU College of Medicine	28,447,900	239	117,996	119,029	0.9%
UT College of Medicine	63,011,400 **	605	108,046	104,151	-3.6%
UT Memphis	56,705,600	2,977	19,220	19,048	-0.9%
UT College of Vet Medicine	16,858,100	408	40,362	41,319	2.4%
UT Space Institute	9,022,800	105	101,293	85,931	-15.2%
Technology Centers	52,542,800	11,335	4,891	4,635	-5.2%

Average Four-Year Subsidy	\$	6,218
Average Two-Year Subsidy	\$	4,604
Average Specialized Subsidy	\$	40,158

*Included in the State Appropriation amounts are funds for Centers of Excellence, Centers of Emphasis, and each institution's estimated allocation of the appropriation for the fee waiver and discount programs.

**Includes \$14,657,500 which is appropriated to UT Memphis but allocable to College of Medicine activities.

System-Wide Budget Reductions Under Consideration

Personnel Budget Considerations

- Freeze and/or eliminate approximately 160 positions
- Reduce overtime, compensatory, and extra service pay
- Reduce part-time, adjunct, and temporary salary budgets
- Consider outsourcing certain services - *custodial*
- Consider a voluntary employee buy-out plan - *Monaghan*

Post-retirement -

4 day week

Security

Operating, Travel, and Equipment Considerations

- Reduce departmental budgets across the board
- Reduce professional development travel
- Reduce planned equipment purchases and replacements
- Reduce marketing/advertising costs
- Reduce heating/cooling of buildings
- Reduce library acquisitions and subscriptions
- Delay technology/network upgrades
- Reduce public service and community support activities
- Reduce general fund support for athletic programs
- Consider rate increases for facility usage and/or rental

Academic Program Considerations

- Continue review and/or elimination of low-producing academic programs
- Reduce matching funds for Centers of Excellence
- Reduce campus support for faculty research
- Increase class size requirements
- Delay and/or close low-producing off-campus sites