THE UNIVERSITY *of* TENNESSEE
SYSTEM

BUDGET *Document*
EXECUTIVE SUMMARY

FISCAL YEAR 2006-2007

The University of Tennessee System

THE UNIVERSITY OF TENNESSEE

Knoxville
Space Institute
Health Science Center
Institute of Agriculture
Institute for Public Service
University Support Services

THE UNIVERSITY OF TENNESSEE AT CHATTANOOGA

THE UNIVERSITY OF TENNESSEE AT MARTIN

THE UNIVERSITY OF TENNESSEE SYSTEM ADMINISTRATION

The University of Tennessee System
FY 2006-07 PROPOSED OPERATING BUDGET
EXECUTIVE SUMMARY

BUDGET OVERVIEW

The FY 2007 proposed operating budget directs available resources to the university's six strategic goals: student access, student success, research enhancement, outreach, economic development, and globalization. In harmony with the 2005-2010 Master Plan for Tennessee higher education, these strategies reflect our commitment to serving the broader needs of the state. Furthermore, the proposed budget continues our emphasis on cultivating internal and external partnerships vital to the achievement of our goals.

The FY 2007 University of Tennessee System Proposed Budget totals $1.493 billion: $1.077 billion in unrestricted operating funds and $416 million in restricted funds. The Proposed Budget represents a 4.9 percent increase over the FY 2006 Probable Budget. The increase in unrestricted operating funds of 5.3 percent is attributed to the growth in State Appropriations and increases in Tuition and Fees.

Summary revenue and expenditure budget data for each operating unit is provided on pages 15 through 18. The FY 2007 Budget Document provides greater detail, including comparative revenues and expenditures data. Also included in the budget document is detailed information on athletic expenditures, auxiliary expenditures, housing expenditures for senior-level administrators, and recommended student fee schedules.

REVENUE HIGHLIGHTS

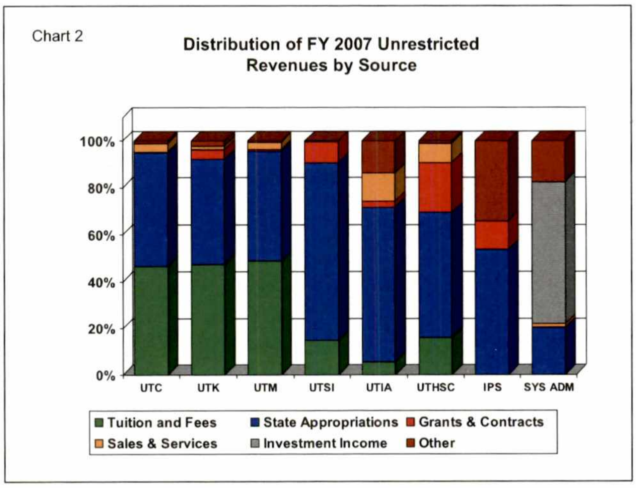
REVENUES*	FY 2006	FY 2007	CHANGE	
Tuition & Fees	$ 292.7	$ 308.7	$ 16.0	5.5%
State Appropriations	439.7	461.1	21.3	4.9%
Other Revenues	154.2	160.2	6.0	3.9%
Sub-Total E&G	**$ 886.6**	**$ 929.9**	**$ 43.3**	**4.9%**
Auxiliaries	136.2	146.9	10.7	7.8%
Total Revenues	$ 1,022.8	$ 1,076.8	$ 54.0	5.3%

* Revenues are rounded to millions and may not add due to rounding

The FY 2007 Proposed Budget includes unrestricted revenues totaling $1.077 billion, an increase of $54.0 million over the FY 2006 Probable Budget and $86.8 million more than FY 2005 Actual. State appropriations continue as the largest single source of unrestricted E&G funding, accounting for 49.6 percent of total revenues as shown in Chart 1:

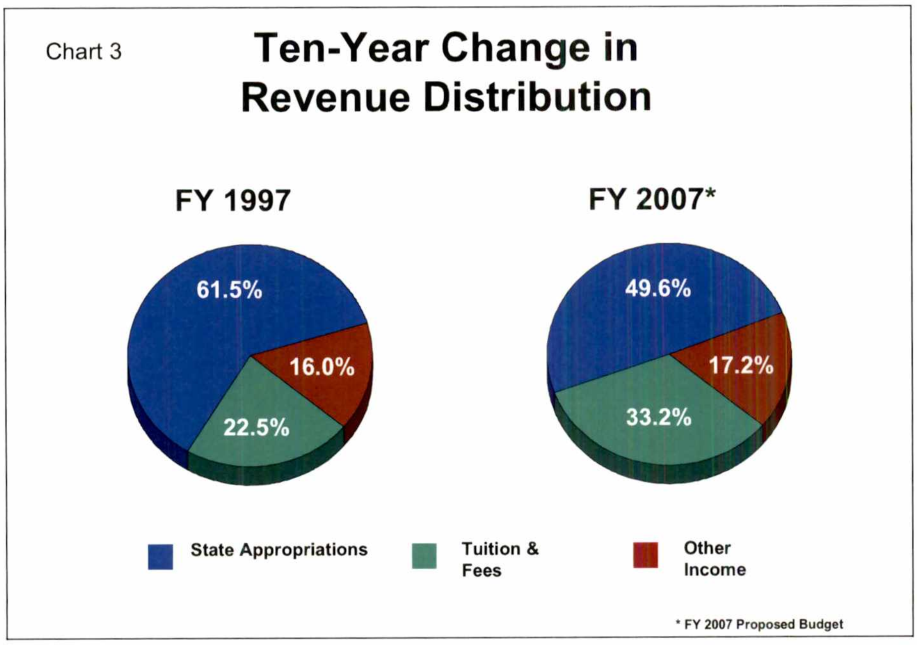
Chart 1: PERCENT DISTRIBUTION OF FY 2007 UNRESTRICTED REVENUES BY SOURCE

SOURCE	UTC	UTK	UTM	UTSI	UTIA	UTHSC	IPS	SYS. ADM.	TOTAL
Tuition and Fees	46.7	47.5	48.9	14.8	5.7	16.1	-	-	33.2
State Appropriations	48.0	44.7	46.7	75.8	66.1	53.3	53.7	20.4	49.6
Grants & Contracts	0.5	4.2	0.7	9.3	2.4	21.2	12.1	-	7.6
Sales & Services	3.8	1.5	3.2	-	11.9	8.5	-	1.6	4.6
Investment Income	-	-	-	-	-	-	-	60.6	1.3
Other	1.0	2.1	0.5	0.1	13.9	0.9	34.2	17.4	3.7
Total Revenues	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0



The percent of state funding, however, continues to fall relative to other sources even with the $21.3 million increase in state operating funds appropriated for FY 2007. Growing enrollments and student fee increases, primarily at our Knoxville and Martin campuses, contribute to this trend. As shown in Charts 1 and 2, student fee revenues are now the primary revenue source for both the Knoxville and Martin campuses.

A ten-year comparison illustrates, as shown in Chart 3, the significant change between state appropriations and student fees as a funding source. This is the first time state revenues are less than 50 percent of our unrestricted revenues.



State appropriations total $461.1 million, an increase of $21.3 million over the current year's projected revenues as shown on page 18. The increase includes the following adjustments:

- $4.9 million for employee salary increases. Effective July 1, staff members with satisfactory performance receive an increase of 2.0 percent or $600, whichever is greater. The 2.0 percent salary increase funding for faculty is in two parts: a 1.0 percent across-the-board increase and a 1.0 percent equity/merit pool, which will be distributed primarily based on performance. Salary increases for the three campuses are funded from a combination of student fees and state appropriations made for the purpose of defraying operating cost. The state provided full funding for the other units.

- $13.5 million to assist in funding inflationary increases for all operating units including $1,375,000 for the family medicine unit.

- $2.5 million to fund adjustments in three employee benefit programs: 401(k) match increase from $30 to $40 per month, increase in the maximum years recognized for longevity payments from 25 to 30 years, and to fund fully the employee group insurance 3.0 percent increase effective January 1, 2006.

- $200,000 non-recurring funds to Agricultural Experiment Station to support the Ames Plantation operation.

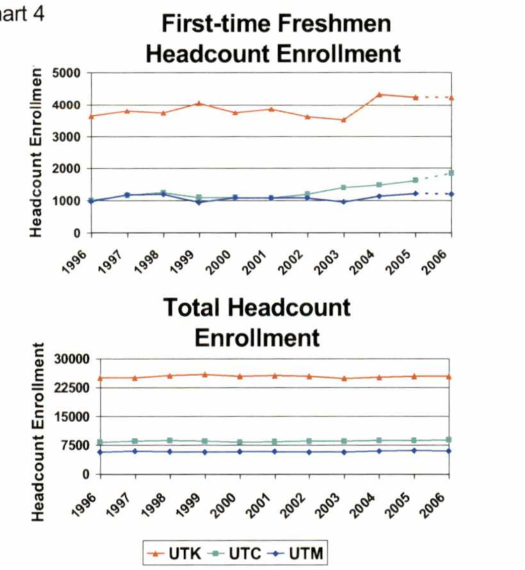
- $200,000 to UT Martin for the development of a center in Parsons.

In addition to the growth in unrestricted state appropriations, UT also received $4.0 million in restricted state appropriations, to be matched dollar for dollar by Oak Ridge National Laboratory (ORNL), for the recruitment of distinguished faculty and their support teams in the targeted areas of neutron science, biological sciences, computational sciences, and materials sciences. Coupled with the $2.5 million appropriated in FY 2006, UT now has $6.5 million in recurring appropriations that when matched by ORNL provides $13 million in recurring research funding.

Tuition and Fees revenues total $308.7 million, a $16.0 million increase over the FY 2006 estimated revenue of $292.7 million. The $16.0 million total increase includes $11.1 million from recommended student fee increases. Other adjustments to Tuition and Fee revenues include:

- $1.9 million due to projected enrollment increases. UT Martin expects a $393,000 increase associated with an additional 100 FTE students. The Health Science Center's planned enrollment increases in the Pharmacy and Nursing programs, an additional 75 students in each program, generate

Chart 4



$1.5 million in additional student fee revenue. UT Knoxville, UT Chattanooga and the UT Space Institute are projecting flat enrollments for budgetary purposes. Chart 4 shows UT's sustained enrollment growth since the inception of the lottery in Fall 2003.

- $0.2 million increase in out-of-state fee revenue, which reflects the College of Veterinary Medicine's plan to provide eight students from St. Kitts and St. Georges with one year of clinical experience.

- $2.0 million increase in Programs and Services fees. UT Knoxville's $120 per year increase in the Program and Services fees provides $2.9 million in additional revenue; $0.9 million is debt service for capital projects and $2.0 million is budgeted as operating funds. The new operating funds provide staff and operating support for Student Counseling services and in the first year provide reserve for use in years three and four.

- $0.8 million increase in other student fees. This increase is primarily due to the $700,000 in additional revenues generated by the rate increases for the UT Knoxville College of Business Administration's Executive Education programs.

An increase in the Knoxville campus federal Facilities and Administrative rate from 45% to 46% accounts for half of the $1.5 million increase in **Grants and Contracts** revenue with the remainder coming from increased grant and contract activity.

The $1.8 million increase in **Sales and Services** is primarily due to the $1.6 million increase for the Health Science Center. The College of Medicine's new OB/GYN Clinic is expected to generate $400,000 in new revenue, concerted efforts to increase patient care at the Family Practice Clinics generate $384,202 in new revenue, the newly renovated Jackson Family Practice Clinic anticipates an additional $186,681, the new faculty providers at the St. Francis location are expected to bring in an additional $550,817, and the Memorial Research Center Genetics Lab expects a $178,905 increase in revenues.

Increases in interest rates result in a growth in **Investment Income** of $1.0 million over the FY 2006 Probable budget, an increase of 9.1%.

Other Sources revenues are primarily conference revenues but also include miscellaneous rentals and sales, gifts from private organizations or individuals, licensing, and affinity card income. The $1.7 million, or 5.4 percent, increase in Other Sources revenues includes $1.6 million in UT Knoxville conference income, $0.5 million in the Institute for Public Service Local Appropriations from rate increases and restored FY 2005 funds, and $330,000 in the University-wide Administration's endowment income. Offsetting these increases are reductions in affinity card income at UT Knoxville, UT Chattanooga, and UT Martin totaling $1.1 million. The reduction in these funds reflects the planned phase out of the Trustees Scholarships Program.

EXPENDITURE HIGHLIGHTS

The distribution of expenditures by major commitment item shows the majority of expenditures continue to support faculty and staff salaries and related benefit cost, representing 74.6% of the university total unrestricted expenditures. The university's success is contingent upon our ability to attract and retain quality faculty and staff and our strategic plan includes initiatives designed to strengthen our compensation and working environment. Inflationary increases in utilities, library acquisitions, and contractual services continue to strain our budgets. Given these rising costs, we are particularly mindful of future funding requirements as we begin to see new facilities come on line. While we anticipate some savings from more efficient buildings, there will be added costs.

Chart 5: PERCENT DISTRIBUTION OF FY 2007 UNRESTRICTED EXPENDITURES BY COMMITMENT ITEM

SOURCE	UTC	UTK	UTM	UTSI	UTIA	UTHSC	IPS	SYS. ADM.	TOTAL
Salaries									
Faculty	32.1	31.2	28.4	29.9	27.1	39.4	3.3	0.7	29.6
Staff	22.5	19.6	22.7	26.2	32.8	23.5	44.1	71.3	26.7
Students	0.8	0.8	1.7	0.2	0.2	0.2	0.1	1.4	0.7
Total Salaries	55.4	51.6	52.8	56.3	60.1	63.1	47.5	73.4	57.0
Benefits	19.2	16.3	18.7	14.1	19.1	17.1	14.1	20.9	17.6
Total Salaries/ Benefits	74.7	67.9	71.5	70.4	79.2	80.2	61.6	94.3	74.6
Operating	23.5	29.1	27.1	27.2	18.7	19.0	38.2	-0.8	23.1
Equipment & Capital Outlay	1.9	3.0	1.4	2.4	2.1	0.8	0.2	6.5	2.3
TOTAL EXPENDITURES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Expenditures are rounded to millions and may not add due to rounding

The proposed FY 2007 unrestricted E&G expenditures and transfers total $932.0 million, a $37.6 million, or 4.2 percent, increase over the FY 2006 Probable Budget. Auxiliary expenditures total $146.9 million, an increase of 7.8%.

EXPENDITURES	FY 2006	FY 2007	CHANGE	
Instruction	$ 403.1	$ 423.5	$ 20.4	5.1%
Research	68.5	56.1	(12.5)	-18.2%
Public Service	57.4	63.1	5.8	10.0%
Academic Support	99.4	99.0	(0.4)	-0.4%
Student Services	58.8	61.0	2.2	3.8%
Institutional Support	94.0	95.4	1.3	1.4%
Operation & Maint. of Plant	86.6	89.9	3.3	3.8%
Scholarships & Fellowships	50.4	51.4	1.1	2.1%
Sub-Total E&G	$ 918.3	$ 939.5	$ 21.2	2.3%
Mandatory Transfers	6.6	6.3	(0.2)	-3.4%
Non-Mandatory Transfers	(30.4)	(13.8)	16.7	-54.7%
Total E&G	**$ 894.4**	**$ 932.0**	**$ 37.6**	**4.2%**
Auxiliaries	$ 136.2	$ 146.8	$ 10.6	7.8%
Total Expenditures	$ 1,030.6	$ 1,078.8	$ 48.2	4.7%

* Expenditures are rounded to millions and may not add due to rounding

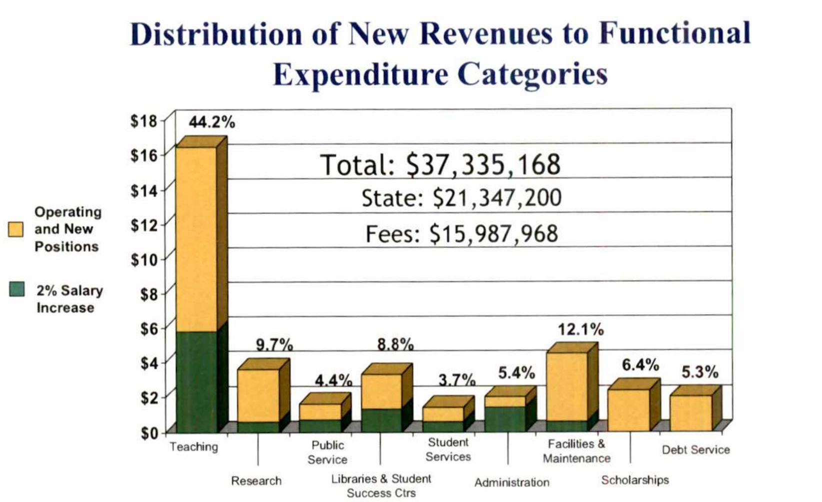
Our expenditures reflect the university's commitment to teaching, research, and outreach activities with 57.8% of our expenditures in these core activities as shown in Chart 6. Academic support services including libraries account for 10.5% of expenditures, and student services and scholarship/fellowships support use 12.0% of available revenues.

Chart 6: PERCENT DISTRIBUTION OF FY 2007 UNRESTRICTED EXPENDITURES BY FUNCTION

SOURCE	UTC	UTK	UTM	UTSI	UTIA	UTHSC	IPS	SYS. ADM.	TOTAL
Instruction	47.3	49.2	46.3	22.7	32.9	63.9	-	-	45.1
Research	1.7	3.9	1.3	31.9	34.2	1.5	-	-	6.0
Public Service	2.4	2.1	0.8	36.4	-	0.4	94.9	1.0	6.7
Academic Support	6.9	11.9	13.6	5.5	4.4	13.7	1.4	4.2	10.5
Student Services	13.2	9.9	11.1	-	1.9	1.6	-	1.1	6.5
Institutional Support	7.0	3.0	5.8	1.2	9.2	5.8	3.7	93.7	10.1
Operation & Maintenance	13.3	11.7	12.6	2.3	16.4	10.0	-	-	9.6
Scholarships/Fellowships	8.2	8.3	8.5	-	1.0	3.1	-	-	5.5
TOTAL EXPENDITURES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The FY 2007 Proposed Budget directs available revenues toward the university's six strategic initiatives. Of the $37.3 million in new revenues available for distribution, $11.1 million, or 29.8%, fund the state's mandated 2% salary increase. The remaining dollars are directed to fixed costs and the university's six strategic initiatives as follows:

Chart 7



Student Success and Student Access

Classroom Instruction

UT Chattanooga: $200,000 supporting the establishment of an Educational Doctorate in Leadership and Learning (Ed.D.) provides access to advanced professional development for education leaders, who in turn, as graduates of the program, work to improve education at all levels across our region.

UT Chattanooga: increasing General Education course offerings at a recurring cost of $150,000 enhances the freshman experience while preserving reasonable class sizes to promote student success.

UT Knoxville: nine new faculty positions added to teach additional classes at the junior and senior levels resulting from increased enrollments requires $702,000.

UT Martin: funding seven additional faculty positions at a cost of $400,000 to support increased enrollments.

UT Space Institute: two tenure track faculty added to the Engineering Management program at a cost of $200,000 provides opportunities for more students to participate in graduate programs. A strong recruiting program is in place for the Engineering Management program with an enrollment increase of 40 to 60 students projected for fall 2006.

UT Health Science Center: sixteen new faculty at a projected cost of $1.6 million are needed in the College of Pharmacy to serve 75 additional students resulting from the expansion of its program to Knoxville, Tri-Cities (Kingsport), and Nashville.
UT Health Science Center: FY 2007 is the second year for the College of Nursing Bachelor of Science program in partnership with Methodist University Hospital System. An additional 75 students is expected bringing the total enrollment for the program up to 150. A 3.9 FTE increase in faculty is planned to serve increased enrollments at a cost of $515,000.

UT Health Science Center: the College of Dentistry is continuing to enhance its faculty student ratio by hiring three new faculty this year to improve the quality of hands-on training of dental students at an estimated cost of $432,959.

UT Veterinary Medicine: the Application Based Learning Experience (ABLE) program will be enhanced by bringing in outside facilitators.

Student Aid
UT Knoxville: funding the third year of a four-year commitment of merit-based scholarships for students with a 26-29 ACT requires $610,000.

UT Knoxville: the Tennessee Pledge Scholarship provides full scholarships for students with a family adjusted gross income of up to 150% of the poverty level and requires $680,500 for the second year of a four-year funding commitment.

UT Knoxville: increases in graduate student salaries and the graduate student health insurance cost require $300,000.

UT Veterinary Medicine: increasing the funding for the Comparative and Experimental Medicine program by $50,000 to support additional graduate student stipends and tuition and fees is planned.

Academic Support Services
UT Knoxville: library reference materials are critical to student's learning and campuses struggle to keep pace with rising costs. This year's recommended budget includes $500,000 for library serials acquisition. Increases in library acquisitions are also anticipated at the other campuses.

UT Martin: with the success of New College and Dual Credit courses in more than two dozen high school locations, UTM provides numerous library databases allowing students to access information from off-campus sites. Inflationary costs of approximately $60,000 for databases and increased maintenance cost to provide access to the technology are included in this budget request.

UT Martin: a full-time pre-professional health science coordinator is funded at a cost of approximately $65,000 to work with the increasing number of students and to assist them with achieving their goal of attending a professional health science program upon graduation.

UT Veterinary Medicine: three additional Public Health Internships costing $6,000 are funded to support students working outside of Knoxville at public health placement sites.

UT Veterinary Medicine: $50,000 is allocated to a student travel fund for unique travel opportunities, travel to the Summer Leadership Institute and travel for federal career development opportunities

Learning Environment

UT Knoxville: $2.0 million is required for increased fixed costs of operations including rising utility costs, janitorial and other contracted services inflationary increases, and normal operating costs associated with the acquisition of additional space. These increases are representative of the challenges facing all our campuses and institutes as we attempt to maintain the same level of service.

Research and Economic Development

Research

UT System: $4.0 million in new revenues, matched dollar for dollar by Oak Ridge National Laboratory (ORNL) is available to recruit distinguished faculty and their support teams in the targeted areas of neutron science, biological sciences, computational sciences, and materials sciences.

UT Chattanooga: providing $520,000 in permanent funding for teaching scholars at the UT SimCenter is another step in the phenomenal development of a truly transforming program for the Chattanooga campus. This significant step in research and doctoral education positions establishes UT Chattanooga as an important player in economic development through technology transfer, as well as providing access to a new academic discipline to the region.

UT Knoxville: $705,000 resulting from the increase in the campus' Facilities and Administrative rate provide research-generating units an additional 5 percent of this funding source to support new research endeavors including the promotion of graduate education and increased economic development activities.

UT Knoxville: two new research faculty positions at a cost of $768,000 and $250,000 in partial operating funds for the Joint Institute of Biological Sciences is funded.

UT Martin: the construction of a power generation facility has a dual purpose as an educational and research tool for use by engineering faculty and students as well as a vehicle for securing better electrical pricing. All mechanical and electrical system operation data is available for analysis by engineering students and faculty for research and instructional purposes. Debt service on the new facility is $390,000.

UT Space Institute: plans are underway to fill three currently vacant faculty positions and four pending vacancies resulting from retirements with qualified research faculty in the strategic areas of materials science and aerospace science.

Agricultural Experiment Stations: the Tennessee Biomass Initiative is a multi-disciplinary research endeavor focusing on 1) the isolation, separation and purification of individual compounds that may be used as building block molecules for fuels, value-added chemicals and renewable materials, and 2) economic policy analysis of biomass issues. Additional funds totaling $380,000 supporting two faculty positions and associated operating costs is proposed.

Agricultural Experiment Stations: startup funds in the amount of $400,000 are provided for the 5.4 FTE faculty searches planned this year.

Agricultural Experiment Stations: $129,600 to establish a program for intensive greenhouse and alternative cropping systems for small to medium sized farms seeking alternative high value crops traditionally dedicated to tobacco production is planned.

UT Veterinary Medicine: $160,000 is directed to Large Animal Clinical Sciences to hire new faculty with expertise in the areas of contemporary population and production medicine, molecular biology, and infectious disease research, and to expand a small portion of clinic space to research space.

UT Veterinary Medicine: $132,100 is allocated to fund increased support for the Lab Animal facility, the Office of Laboratory Animal Care, and the Institutional Animal Care and Use Committee.

UT Veterinary Medicine: the Department of Comparative Medicine will allocate $131,000 in research equipment funding and $128,000 to support an opportunity hire with expertise in cell and molecular biology.

Economic Development

UT Extension (UTIA): providing services in every county of the state, the university has an on-going demand for services provided by extension agents. The FY 2007 proposed budget provides $1.6 million to fill needed extension agent positions.

Institute for Public Service: funding of an Economic Development Consultant position and additional funding for faculty projects to implement new economic development initiatives of $130,000 is planned.

Institute for Public Service: adding one energy consultant to work with counties and industries at a cost of $95,000 including salaries, benefits, and operating expenses.

Institute for Public Service: funding for programs in Homeland Security, Forensics, and Law Enforcement will grow by nearly $2.5 million, funded substantially with grant, contract, and program income. IPS plans to build upon its internationally renowned National Forensics Academy using grant funding to venture into the related areas of missing and unidentified children, expand its existing technology program to create a Center for Cybercrime Investigation Training, and build on its Project Safe Neighborhoods program by adding anti-gang training programs.

IPS Economic Development: adding a new Program Administrator position and a new Training Consultant to attract additional grant revenues and to increase UT's visibility and value within state government costs $210,000.

Community Outreach and Globalization

Community Outreach

UT Health Science Center: a new Obstetrics/Gynecology Clinic and Internal Medicine Clinic have been added at the Knoxville College of Medicine. These clinics serve a large number of TennCare patients and a community outreach purpose while providing residents important clinical training.

UT Health Science Center: the Outreach Center (which includes telemedicine and health disparities initiatives) and the Center for Health Services Research (which includes Public Health Education) have been consolidated into the Department of Preventive Medicine. This important consolidation of activities with similar education, community outreach, and research goals is to achieve growth by maximizing resources.

UT Health Science Center: added laboratory service in the Knoxville Family Practice Clinic and the facility expansion in the Jackson clinic are providing additional estimated revenues of $387,681 to support service delivery needs. New faculty recruitments at St. Francis are expected to generate $550,817 in new revenue. $1,375,000 in additional state support is provided for the Tipton County facility.

Globalization

UT Knoxville: a second year funding for the SACS Quality Enhancement Program globalization initiative, called Ready for the World, is $200,000.

UT Martin: in support of UT Martin's commitment to provide students with the opportunity for international study, the addition of an assistant director of global studies is planned at a cost of $62,000.

UT Veterinary Medicine: $50,000 will be provided to Research Administration to fund international travel with the objective of fostering a culture of discovery.

FY 2007 AUXILIARY ENTERPRISES

The FY 2007 Proposed Budget includes $146.9 million in unrestricted auxiliary enterprise operations, an increase of $10.7 million, or 7.8%, over the FY 2006 Probable Budget. The increase in Auxiliary revenues and expenditures are reflective of planned housing and food services rate adjustments and from increases due to anticipated enrollment increases. The most significant increase, however, is an $8.5 million increase in the UT Knoxville Men's Athletics Program attributable to additional home games for football and basketball, a $2.0 million increase in gift funds from donations for the new east side club seats, and the elimination of some non-donor seating.

Auxiliary expenditures increase $4.6 million primarily due to the $3.3 million increase in UT Knoxville Athletics associated with adjustments to coaches and staff salaries, higher travel costs due to increased fuel costs, and increases in grants-in-aid. The $0.8 million increase in Housing expenses includes a $1.0 million increase at UT Knoxville as part of their 10-year renovation plan. UT Martin's Housing expenses include a $350,465 reduction due to the planned demolishment this summer of McCord Hall.

Non-Mandatory transfers increased $5.1 million primarily due to the $5.5 million increase in UT Knoxville's Men's Athletics transfers. The $5.5 million increase includes $1.7 million to support the Women's Athletics programs, $3.0 million to specific capital projects for which these funds have been earmarked, and $0.5 million to reserve funds.

FY 2007 COMPENSATION PLAN

The General Assembly approved a 2 percent general salary increase for higher education employees. The approval includes the ability to allocate a portion of the faculty increase to merit/equity adjustments. The university, for the second year in a row, is recommending a distribution model that includes a merit component for faculty and an across-the-board increase for staff. Specifically, the faculty increase is 1 percent across-the-board and a 1 percent merit pool. Academic administrators at the Dean level or below are included in the faculty merit distribution pool. For staff, the increase is a 2 percent across-the-board adjustment or $600, whichever is greater. The increases are effective June 26, 2006 for bi-weekly paid employees, July 1, 2006 for monthly paid employees, and August 1, 2006 for nine-month faculty. Employees with unsatisfactory performance are not eligible for increases.

The proposed compensation plan continues our efforts to raise salaries of our lower paid employees, with this year's effort concentrating on employees making $30,000 or less. Our previous initiatives were focused on employees making $25,000 and less. Having made significant progress over the pass five years reducing the percent of employees in this group from 26% to 8% of the workforce, has provided us the opportunity to expand our efforts. The proposed distribution also provides opportunities to recognize the performance of our high-performing faculty, which we believe is critical to our retention and recruitment efforts. We are most appreciative of the General Assembly's support in both of these initiatives of great importance to us.

In accordance with provisions in the appropriations bill, prior to distribution of these funds, the university shall file with the Speaker of the Senate, the Speaker of the House of Representatives, the Chairs of the Finance, Ways, and Means Committees of the Senate and House of Representatives and the Office of Legislative Budge Analysis a plan for eligibility and distribution of these funds.

In addition to the general salary increase, the General Assembly:

- Increased the 401(k) match from $30 a month to $40 a month.
- Increased the maximum number of years eligible for longevity payments from 25 to 30 years. The $100 per year factor remains unchanged.
- Approved a non-recurring, flat-rate bonus of $350 payable on or around October 1, for faculty and staff with three or more years of creditable state service.

The appropriations bill also allows additional general salary increases beyond that provided above to occur upon approval by the Board of Trustees with approved plans then filed with the Commissioner of Finance and Administration and the Office of Legislative Budget Analysis. We plan to present these plans, if any, at the next Board of Trustees meeting for your consideration.

SENIOR-LEVEL ADMINISTRATIVE HOUSING BUDGETS

University policy FI 630, Housing for Senior-Level Administrators, requires the Board of Trustees approval before any renovation, major maintenance, or grounds project for university-owned or leased housing begins and before any furnishings or fixtures are purchased for the public areas.

The FY 2007 Proposed Budget recommends on-going operations and maintenance funds for the residences owned by the university (Knoxville, Martin, and Memphis), the leased residence in Chattanooga, and the Goodwyn property in Memphis that is currently for sale. In addition to normal operating costs, the following projects are included for the Board's consideration:

Chattanooga
Roof replacement – this project, previously approved by the Board in the revised 2006 budget at an estimated cost of $130,000, has not been started. Plans were to have it completed during FY 2006. The bids received in May show a cost of $175,900; the unexpended capital maintenance appropriations of $130,000 previously approved can be carried forward. The additional $45,900 required can be funded from state appropriated capital maintenance funds; however, the expenditure requires Board approval. Another planned expenditure for FY 2007 is $25,000 for central air conditioning. Currently cooled with window units, air quality and humidity are of a concern. Gift funds are available to fund this cost.

Health Science Center
Two separate properties, Morningside and Goodwyn, are presented in the attached schedules. Unexpended gift funds, previously approved, of $37,791 are available to be carried forward for capital costs in the public areas.

The Goodwyn property is currently for sale and the proposed FY 2007 budget reflects estimated utilities and lawn care necessary to keep the house operational for a partial year prior to the sale.

Included in the probable FY 2006 budget are expenditures associated with the Harbortown apartment, the residence leased as temporary housing for the Chancellor prior to occupancy of the Morningside house. No additional expenditures related to this temporary residence are expected for FY 2007.

Knoxville
The FY 2007 budget includes funds for a service coordinator, a position that will be responsible for management and event planning at the house. Also included are increases for utilities and miscellaneous projects expected to be completed during the year, including the completion of window repairs to the main house and other

items that may become necessary during the year. Funds of $42,500 for a service path and access improvements and $14,600 for widening the front driveway, projects previously approved by the Board, but not started in FY 2006, are carried forward to FY 2007.

Martin

Modest increases in utilities, supplies, and housekeeping, are included for the Martin house budget, otherwise, it remains unchanged and contains no funding for projects or improvements.

FY 2007 UNRESTRICTED NET ASSETS

The University of Tennessee's practice is to maintain 2-5% of unrestricted Educational and General (E&G) expenditures and 3-5% of unrestricted auxiliary enterprise funds in its Unallocated Fund Balance to function as a "rainy day" fund. The fund is needed in case of a downturn in enrollment, a sharp decline in state appropriations, or other situations that cause expenditures to exceed available revenues. The rainy day fund provides short-term funding support while necessary expenditure adjustments are made to bring the budget back into balance.

The projected unrestricted E&G unallocated fund balance at June 30, 2006 is $27.5 million, or 3.1% of projected expenditures which is in an acceptable range. The FY 2007 Proposed Budget projects a year-end balance of $27.5 million, which is 3.0% of estimated expenditures.

The FY 2006 projected unrestricted auxiliaries enterprises balance is $148,200, or 0.1% of expenditures, millions short of the desired range. The FY 2007 Proposed Budget projects a balance of $233,500 or 0.2% of expenditures. The housing operation at the Health Science Center is operating in a negative cash flow position but E&G funds are being used to provide additional support.

FY 2007 BUDGET RECOMMENDATION

The FY 2007 Educational and General (E&G) proposed budgets are balanced and within available resources as are the budgets for Auxiliary Enterprises. The Proposed Budget complies with all applicable policies and guidelines. The following action by the Board of Trustees is recommended:

1. The FY 2007 Proposed Budget be approved with the understanding that should the General Assembly or the Department of Finance and Administration alter the FY 2007 appropriations or should changes in estimated resources require, the budgets shall be modified accordingly so expenditures will not exceed available resources.

2. The proposed fee and tuition schedules be adopted for FY 2006-2007.

3. The proposed budgets for the President's and Chancellors' residences be adopted as presented.

4. The Board of Trustees authorizes the administration to allocate salary increase funds in accordance with the FY 2007 Appropriations Act language. A copy of the plan filed with the appropriate legislative bodies shall be provided to the Executive and Compensation Committee and the Finance and Administration Committee. Furthermore, any additional general salary increases that exceed the July 2006 Salary Plan may only be granted upon approval by the Board of Trustees in accordance with language contained in the FY 2007 Appropriations Act.

5. Allow any remaining balance of Net Assets to be considered as a reserve for contingencies to be used for:

   a. Employing additional staff where enrollments and reorganization requirements warrant,

   b. Modifying departmental operating budgets where changing conditions during the year require funding adjustments,

   c. Funding to make salary adjustments for personnel as may be necessary during the year in keeping with state and university salary guidelines, and

   d. Improving physical facilities for academic and research departments as opportunities arise.

The University of Tennessee System

FY 2007 Proposed Budget Summary

Current Funds Revenues, Expenditures and Transfers - UNRESTRICTED AND RESTRICTED

	THE UNIVERSITY OF TENNESSEE SYSTEM	Knoxville	Space Institute	Health Science Center	University Support	Institute of Agriculture	Institute for Public Service	The University of Tennessee at Chattanooga	The University of Tennessee at Martin	System Administration
EDUCATIONAL AND GENERAL										
Revenues										
Tuition & Fees	$ 308,704,806	$ 191,063,098	$ 1,534,508	$ 36,382,275		$ 5,806,297		$ 41,666,088	$ 32,252,540	
State Appropriations	477,616,000	185,224,400	8,739,700	122,428,700		67,488,000	$ 7,942,800	43,668,400	31,124,400	$ 10,999,600
Grants & Contracts	397,892,039	152,450,000	3,051,200	155,478,618		30,464,400	11,369,270	25,821,605	12,756,946	6,500,000
Sales & Services	43,101,385	6,023,803		19,223,324	$ 319,647	12,037,477		3,381,869	2,115,265	
Investment Income	12,000,000									12,000,000
Other Sources	105,637,566	30,942,661	144,000	31,482,581		20,936,436	5,409,823	9,944,109	3,202,456	3,575,500
Total Revenues	$ 1,344,951,796	$ 565,703,962	$ 13,469,408	$ 364,995,498	$ 319,647	$ 136,732,610	$ 24,721,893	$ 124,482,071	$ 81,451,607	$ 33,075,100
Expenditures and Transfers										
Instruction	$ 496,827,941	$ 196,373,458	$ 3,161,566	$ 194,948,013		$ 23,165,187		$ 45,968,969	$ 33,210,748	
Research	222,852,969	80,053,503	6,235,037	63,530,537		50,620,543		8,416,429	996,920	$ 13,000,000
Public Service	138,984,081	38,371,928		13,023,526	$ 607,847	53,119,889	$ 24,381,044	6,806,346	2,673,501	
Academic Support	109,943,006	52,058,593	419,647	31,557,995	2,622,318	5,734,295	212,532	7,786,116	9,551,510	
Student Services	63,053,257	38,249,557	179,744	3,365,880	693,555			12,565,479	7,999,042	
Institutional Support	97,206,607	12,125,306	869,692	13,481,409	26,271,091	1,286,375	562,582	6,194,792	3,891,576	32,523,784
Operation & Maintenance of Plant	90,037,293	45,117,217	1,546,969	21,247,885		2,311,494		11,678,301	8,135,427	
Scholarships & Fellowships	133,825,639	88,231,120	106,694	8,127,421		171,500		23,399,597	13,789,307	
Sub-total Expenditures	$ 1,352,730,793	$ 550,580,682	$ 12,519,349	$ 349,282,666	$ 30,194,811	$ 136,409,283	$ 25,156,158	$ 122,816,029	$ 80,248,031	$ 45,523,784
Mandatory Transfers (In)/Out	6,344,131	1,979,945		3,273,302				630,007	460,877	
Non-Mandatory Transfers (In)/Out	(13,797,763)	13,143,335	950,279	10,289,580	(29,875,164)	1,477,758	630,417	1,292,017	742,699	(12,448,684)
Total Expenditures and Transfers	$ 1,345,277,161	$ 565,703,962	$ 13,469,628	$ 362,845,548	$ 319,647	$ 137,887,041	$ 25,786,575	$ 124,738,053	$ 81,451,607	$ 33,075,100
Fund Balance Addition/(Reduction)	$ (325,365)	$ -	$ (220)	$ 2,149,950	$ -	$ (1,154,431)	$ (1,064,682)	$ (255,982)	$ -	$ -
AUXILIARIES										
Revenues	$ 148,278,982	$ 126,862,390	$ 58,000	$ 5,959,250				$ 6,676,136	$ 8,723,206	
Expenditures and Transfers										
Expenditures	$ 111,526,260	$ 95,560,223	$ 46,000	$ 5,286,596				$ 3,648,557	$ 6,984,884	
Mandatory Transfers	16,204,727	11,640,797		672,654				2,479,105	1,412,171	
Non-Mandatory Transfers	20,462,701	19,635,364	12,000					489,186	326,151	
Total Expenditures and Transfers	$ 148,193,688	$ 126,836,384	$ 58,000	$ 5,959,250	$ -	$ -		$ 6,616,848	$ 8,723,206	$ -
Fund Balance Addition/(Reduction)	$ 85,294	$ 26,006	$ -	$ -	$ -	$ -		$ 59,288	$ -	$ -
TOTALS										
Revenues	$ 1,493,230,778	$ 692,566,352	$ 13,527,408	$ 370,954,748	$ 319,647	$ 136,732,610	$ 24,721,893	$ 131,158,207	$ 90,174,813	$ 33,075,100
Expenditures and Transfers										
Expenditures	$ 1,464,257,053	$ 646,140,905	$ 12,565,349	$ 354,569,262	$ 30,194,811	$ 136,409,283	$ 25,156,158	$ 126,464,586	$ 87,232,915	$ 45,523,784
Mandatory Transfers	22,548,858	13,620,742		3,945,956				3,109,112	1,873,048	
Non-Mandatory Transfers	6,664,938	32,778,699	962,279	10,289,580	(29,875,164)	1,477,758	630,417	1,781,203	1,068,850	(12,448,684)
Total Expenditures and Transfers	$ 1,493,470,849	$ 692,540,346	$ 13,527,628	$ 368,804,798	$ 319,647	$ 137,887,041	$ 25,786,575	$ 131,354,901	$ 90,174,813	$ 33,075,100
Fund Balance Addition/(Reduction)	$ (240,071)	$ 26,006	$ (220)	$ 2,149,950	$ -	$ (1,154,431)	$ (1,064,682)	$ (196,694)	$ -	$ -

The University of Tennessee System

FY 2007 Proposed Budget Summary

Current Funds Revenues, Expenditures and Transfers - UNRESTRICTED

	THE UNIVERSITY OF TENNESSEE SYSTEM	Knoxville	Space Institute	Health Science Center	University Support	Institute of Agriculture	Institute for Public Service	The University of Tennessee at Chattanooga	The University of Tennessee at Martin	System Administration
EDUCATIONAL AND GENERAL										
Revenues										
Tuition & Fees	$ 308,704,806	$ 191,063,098	$ 1,534,508	$ 36,382,275		$ 5,806,297		$ 41,666,088	$ 32,252,540	
State Appropriations	461,079,700	179,741,100	7,857,700	120,866,500		66,946,100	$ 7,942,800	42,861,200	30,814,700	$ 4,049,600
Grants & Contracts	71,116,642	16,950,000	965,000	48,128,618		2,400,000	1,790,270	453,856	428,898	
Sales & Services	43,101,385	6,023,803		19,223,324	$ 319,647	12,037,477		3,381,869	2,115,265	
Investment Income	12,000,000									12,000,000
Other Sources	33,938,907	8,117,661	7,000	2,026,331		14,126,436	5,053,823	869,700	302,456	3,435,500
Total Revenues	$ 929,941,440	$ 401,895,662	$ 10,364,208	$ 226,627,048	$ 319,647	$ 101,316,310	$ 14,786,893	$ 89,232,713	$ 65,913,859	$ 19,485,100
Expenditures and Transfers										
Instruction	$ 423,521,384	$ 190,273,458	$ 3,092,566	$ 136,048,013		$ 22,909,487		$ 41,226,256	$ 29,971,604	
Research	56,052,241	15,053,503	3,216,837	3,218,337		32,223,443		1,506,229	833,892	
Public Service	63,149,154	7,971,928		873,526	$ 607,847	36,727,889	$ 14,375,044	2,100,474	492,446	
Academic Support	98,985,384	46,058,593	413,647	29,256,695	2,622,318	5,589,295	212,532	6,003,164	8,829,140	
Student Services	61,002,111	38,099,557	179,744	3,365,880	693,555			11,510,140	7,153,235	
Institutional Support	95,385,183	12,025,306	869,692	12,501,409	26,271,091	1,201,375	560,582	6,194,792	3,827,152	$ 31,933,784
Operation & Maintenance of Plant	89,941,252	45,109,217	1,546,969	21,247,885		2,311,494		11,591,847	8,133,840	
Scholarships & Fellowships	51,438,116	32,180,820	94,694	6,552,421		30,000		7,111,207	5,468,974	
Sub-total Expenditures	$ 939,474,825	$ 386,772,382	$ 9,414,149	$ 213,064,166	$ 30,194,811	$ 100,992,983	$ 15,148,158	$ 87,244,109	$ 64,710,283	$ 31,933,784
Mandatory Transfers (In)/Out	6,344,131	1,979,945		3,273,302				630,007	460,877	
Non-Mandatory Transfers (In)/Out	(13,797,763)	13,143,335	950,279	10,289,580	(29,875,164)	1,477,758	630,417	1,292,017	742,699	(12,448,684)
Total Expenditures and Transfers	$ 932,021,193	$ 401,895,662	$ 10,364,428	$ 226,627,048	$ 319,647	$ 102,470,741	$ 15,778,575	$ 89,166,133	$ 65,913,859	$ 19,485,100
Fund Balance Addition/(Reduction)	$ (2,079,753)	$ -	$ (220)	$ -	$ -	$ (1,154,431)	$ (991,682)	$ 66,580	$ -	$ -
AUXILIARIES										
Revenues	$ 146,878,982	$ 125,462,390	$ 58,000	$ 5,959,250				$ 6,676,136	$ 8,723,206	
Expenditures and Transfers										
Expenditures	$ 110,126,260	$ 94,160,223	$ 46,000	$ 5,286,596				$ 3,648,557	$ 6,984,884	
Mandatory Transfers	16,204,727	11,640,797		672,654				2,479,105	1,412,171	
Non-Mandatory Transfers	20,462,701	19,635,364	12,000					489,186	326,151	
Total Expenditures and Transfers	$ 146,793,688	$ 125,436,384	$ 58,000	$ 5,959,250	$ -	$ -		$ 6,616,848	$ 8,723,206	$ -
Fund Balance Addition/(Reduction)	$ 85,294	$ 26,006	$ -	$ -	$ -	$ -	$ -	$ 59,288	$ -	$ -
TOTALS										
Revenues	$ 1,076,820,422	$ 527,358,052	$ 10,422,208	$ 232,586,298	$ 319,647	$ 101,316,310	$ 14,786,893	$ 95,908,849	$ 74,637,065	$ 19,485,100
Expenditures and Transfers										
Expenditures	$ 1,049,601,085	$ 480,932,605	$ 9,460,149	$ 218,350,762	$ 30,194,811	$ 100,992,983	$ 15,148,158	$ 90,892,666	$ 71,695,167	$ 31,933,784
Mandatory Transfers	22,548,858	13,620,742		3,945,956				3,109,112	1,873,048	
Non-Mandatory Transfers	6,664,938	32,778,699	962,279	10,289,580	(29,875,164)	1,477,758	630,417	1,781,203	1,068,850	(12,448,684)
Total Expenditures and Transfers	$ 1,078,814,881	$ 527,332,046	$ 10,422,428	$ 232,586,298	$ 319,647	$ 102,470,741	$ 15,778,575	$ 95,782,981	$ 74,637,065	$ 19,485,100
Fund Balance Addition/(Reduction)	$ (1,994,459)	$ 26,006	$ (220)	$ -	$ -	$ (1,154,431)	$ (991,682)	$ 125,868	$ -	$ -

The University of Tennessee System

FY 2007 Natural Classifications Summary

Unrestricted Current Funds Expenditures

	ACTUAL 2005	PROBABLE 2006	PROPOSED 2007	CHANGE Probable to Proposed Amount	%
EDUCATIONAL AND GENERAL					
Salaries and Benefits					
Salaries					
Academic	$ 250,099,185	$ 260,678,497	$ 277,770,639	$ 17,092,142	6.6%
Non-Academic	230,418,845	240,835,510	250,848,752	10,013,242	4.2%
Students	7,124,150	6,758,483	6,794,127	35,644	0.5%
Total Salaries	$ 487,642,180	$ 508,272,490	$ 535,413,518	$ 27,141,028	5.3%
Benefits	149,111,618	159,251,984	165,433,667	6,181,683	3.9%
Total Salaries and Benefits	$ 636,753,798	$ 667,524,474	$ 700,847,185	$ 33,322,711	5.0%
Operating	188,956,640	226,137,568	216,966,084	(9,171,484)	-4.1%
Equipment and Capital Outlay	26,458,930	24,602,949	21,661,556	(2,941,393)	-12.0%
Total Expenditures	$ 852,169,368	$ 918,264,991	$ 939,474,825	$ 21,209,834	2.3%
AUXILIARIES					
Salaries and Benefits					
Salaries					
Academic	$ 806,078	$ 543,614	$ 498,218	$ (45,396)	-8.4%
Non-Academic	27,842,103	26,040,106	26,880,446	840,340	3.2%
Students	3,085,923	3,302,230	3,322,300	20,070	0.6%
Total Salaries	$ 31,734,103	$ 29,885,950	$ 30,700,964	$ 815,014	2.7%
Benefits	8,711,939	7,398,806	8,004,151	605,345	8.2%
Total Salaries and Benefits	$ 40,446,042	$ 37,284,756	$ 38,705,115	$ 1,420,359	3.8%
Operating	68,417,324	67,674,801	70,586,545	2,911,744	4.3%
Equipment and Capital Outlay	447,795	600,100	834,600	234,500	39.1%
Total Expenditures	$ 109,311,160	$ 105,559,657	$ 110,126,260	$ 4,566,603	4.3%
WILLIAM F. BOWLD HOSPITAL					
Salaries and Benefits					
Salaries					
Academic					
Non-Academic					
Students					
Total Salaries	$ -	$ -	$ -	$ -	
Benefits	25				
Total Salaries and Benefits	$ 25	$ -	$ -	$ -	
Operating	1,346,675				
Equipment and Capital Outlay	(37,500)				
Total Expenditures	$ 1,309,200	$ -	$ -	$ -	
TOTALS					
Salaries and Benefits					
Salaries					
Academic	$ 250,905,262	$ 261,222,111	$ 278,268,857	$ 17,046,746	6.5%
Non-Academic	258,260,948	266,875,616	277,729,198	10,853,582	4.1%
Students	10,210,073	10,060,713	10,116,427	55,714	0.6%
Total Salaries	$ 519,376,283	$ 538,158,440	$ 566,114,482	$ 27,956,042	5.2%
Benefits	157,823,582	166,650,790	173,437,818	6,787,028	4.1%
Total Salaries and Benefits	$ 677,199,865	$ 704,809,230	$ 739,552,300	$ 34,743,070	4.9%
Operating	258,720,638	293,812,369	287,552,629	(6,259,740)	-2.1%
Equipment and Capital Outlay	26,869,225	25,203,049	22,496,156	(2,706,893)	-10.7%
Total Expenditures	$ 962,789,728	$ 1,023,824,648	$ 1,049,601,085	$ 25,776,437	2.5%

The University of Tennessee System

FY 2007 Proposed State Appropriations Detail

				RECURRING ADJUSTMENTS							NON-RECURRING ADJUSTMENTS		
STATE APPROPRIATIONS	FY 2006 PROBABLE APPROP.	ADJUSTMENTS	FY 2007 BASE APPROP. *	ANNUALIZED JAN. 1, 2006 GROUP INS. INCREASE	2% JULY 1, 2006 SALARY INCREASE (Incl. Benefits)	LONGEVITY ADJUSTMENT 25 Yrs. to 30 Yrs. Maximum (Incl. Benefits)	401(k) MATCH INCREASE $30 to $40	OPERATING INCREASES	OTHER **	TOTAL RECURRING ADJUSTMENTS	LEGISLATIVE AMENDMENT	ESTIMATED FEE WAIVERS	FY 2007 ESTIMATED APPROP.
University of Tennessee													
Knoxville	$ 172,061,300	$ (133,000)	$ 171,928,300	$ 365,600		$ 266,900	$ 368,700	$ 6,256,500		$ 7,257,700		$ 555,100	$ 179,741,100
Space Institute	7,540,300		7,540,300	7,400	$ 139,900	12,900	11,600	145,600		317,400			7,857,700
Health Science Center													
Memphis Other Specialized Units	$ 63,060,000	$ (7,900)	$ 63,052,100	$ 220,000	$ 1,350,800	$ 64,700	$ 85,300	$ 1,217,900		$ 2,938,700		$ 7,900	$ 65,998,700
College of Medicine Units	43,006,300	(100)	43,006,200		1,456,100	45,200	67,100	830,700		2,399,100			45,405,300
Family Medicine Units	7,651,600		7,651,600	17,900	245,700	7,600	16,900	147,800	$ 1,375,000	1,810,900			9,462,500
Total Health Science Center	$ 113,717,900	$ (8,000)	$ 113,709,900	$ 237,900	$ 3,052,600	$ 117,500	$ 169,300	$ 2,196,400	$ 1,375,000	$ 7,148,700	$ -	$ 7,900	$ 120,866,500
Agricultural Experiment Station	22,429,800		22,429,800	45,900	447,700	30,900	38,900	433,200		996,600	200,000		23,626,400
Extension	26,818,500		26,818,500	74,800	525,100	49,200	47,800	518,000		1,214,900			28,033,400
Veterinary Medicine	14,516,000		14,516,000	31,700	415,000	15,000	28,200	280,400		770,300			15,286,300
Institute for Public Service	4,930,000	(425,000)	4,505,000	9,400	57,500	3,000	4,800	95,200		169,900			4,674,900
Municipal Technical Adv. Svc.	1,746,800		1,746,800	5,100	69,500	2,200	4,400	33,700		114,900			1,861,700
County Technical Assist. Svc.	1,320,700		1,320,700	3,300	50,400	3,300	3,000	25,500		85,500			1,406,200
Total University of Tennessee	$ 365,081,300	$ (566,000)	$ 364,515,300	$ 781,100	$ 4,757,700	$ 500,900	$ 676,700	$ 9,984,500	$ 1,375,000	$ 18,075,900	$ 200,000	$ 563,000	$ 383,354,200
University of Tenn. at Chattanooga	$ 41,300,500	$ (124,200)	$ 41,176,300	$ 90,100		$ 67,700	$ 103,600	$ 1,299,700		$ 1,561,100		$ 123,800	$ 42,861,200
University of Tennessee at Martin	29,589,800	(158,500)	29,431,300	67,900		54,200	78,200	825,200	$ 200,000	1,225,500		157,900	30,814,700
System Administration	3,764,900		3,764,900	44,100	$ 113,700	7,600	46,600	72,700		284,700			4,049,600
Total State Appropriations	$ 439,736,500	$ (848,700)	$ 438,887,800	$ 983,200	$ 4,871,400	$ 630,400	$ 905,100	$ 12,182,100	$ 1,575,000	$ 21,147,200	$ 200,000	$ 844,700	$ 461,079,700

* The base budget now includes the $2,144,900 operating funds for UT Knoxville, UT Chattanooga, and UT Martin as recurring funds instead of non-recurring funds. Adjustments include: (1) the move of the WUOT Radio Station's $425,000 in state funding from the Institute for Public Service to UT Knoxville; and (2) reductions for FY 2006 non-recurring funds: $844,700 for fee waivers and $4,000 one-time funding for the Elevator Banks Bill.

** Legislative amendments provide recurring funding for the Family Medicine's Tipton Station location ($1,375,000) and the Parsons Center at UT Martin ($200,000).

*** Legislative amendment provides one-time support for the Agricultural Experiment Station's Ames Plantation.