THE UNIVERSITY of TENNESSEE SYSTEM

BUDGET Document

EXECUTIVE SUMMARY

FISCAL YEAR 2006-2007

REVISED

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 REVISED OPERATING BUDGET
EXECUTIVE SUMMARY

BUDGET OVERVIEW

The FY 2007 University of Tennessee System Revised Budget totals $1.515 billion: $1.090 billion in unrestricted operating funds and $425.1 million in restricted funds. The Revised Budget represents a 1.5 percent increase over the FY 2007 Original (Proposed) Budget.

The revised budget information presented in the following pages reflects revisions made through October 31, 2006 by each campus and institute to the original budget. The budget document also provides comparative actual revenues and expenditures for unrestricted and restricted funds.

Unrestricted educational and general (E&G) operating funds increased 1.4 percent, which largely reflects updated state appropriations allocations based on information received from the Department of Finance and Administration after the budget was approved by the Board of Trustees in June 2006. These adjustments are expected given the timing differences between the budget approval in June and the reconciliation of the appropriations bill, which occurs later in the year.

A detailed analysis of State Appropriations by campus and institute is provided in *Section Two*. Supporting budget schedules for the University of Tennessee System, the University of Tennessee, the University of Tennessee at Chattanooga, the University of Tennessee at Martin, and the System Administration are found in *Sections Three through Seven*.

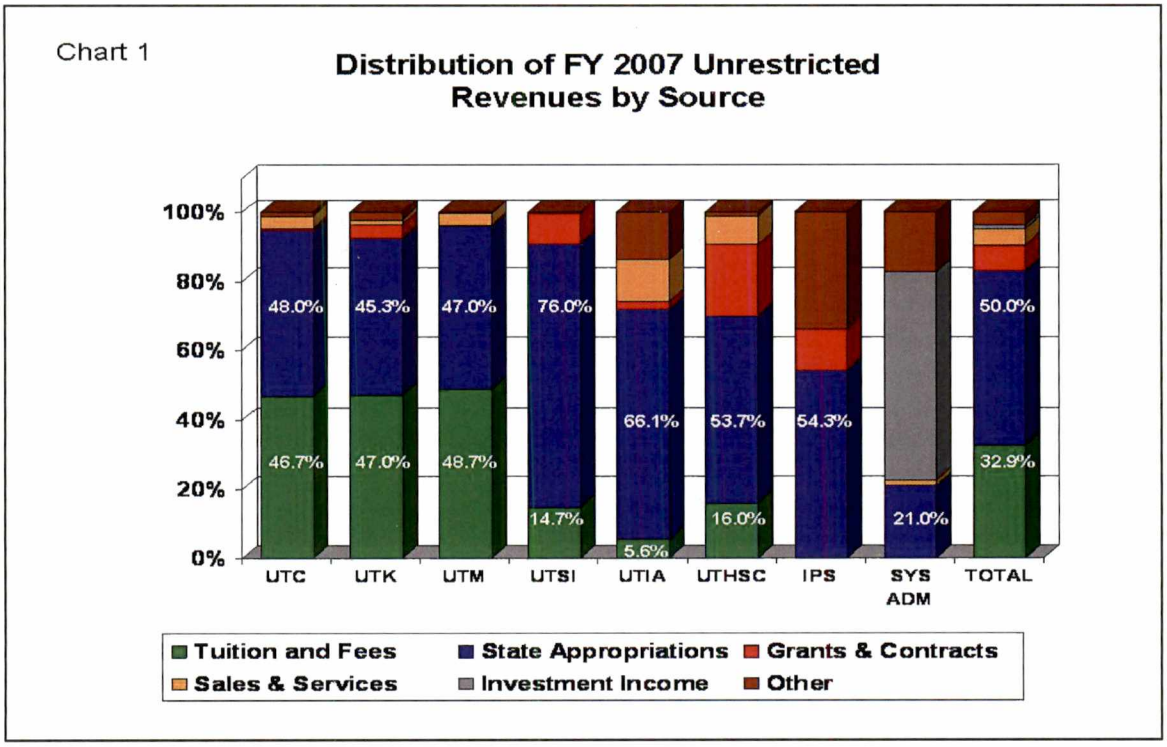
Section Eight, Student Fees, contains approved student fees and a detailed financial analysis of the technology and facilities fees. Provided in *Section Nine* for reference is the FY 2006-07 Proposed Budget Document Executive Summary.

REVENUE HIGHLIGHTS

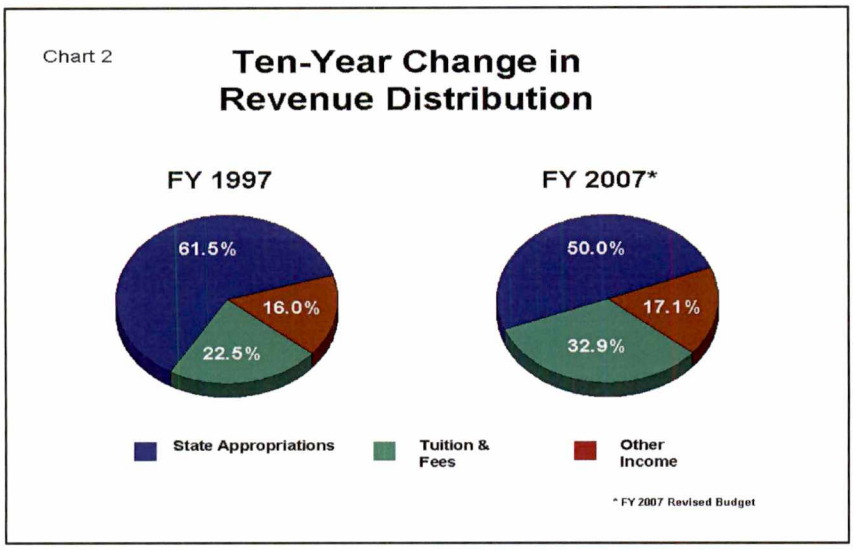
REVENUES*	Original	Revised	CHANGE	
Tuition & Fees	$ 308.7	$ 310.5	$ 1.8	0.6%
State Appropriations	461.1	471.3	10.2	2.2%
Other Revenues	160.2	161.2	1.0	3.9%
Sub-Total E&G	**$ 929.9**	**$ 943.0**	**$ 13.0**	**1.4%**
Auxiliaries	146.9	147.0	0.1	0.1%
Total Revenues	$ 1,076.8	$ 1,090.0	$ 13.1	1.2%

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

The FY 2007 Revised Budget includes unrestricted revenues totaling $1.090 billion, an increase of $13.1 million over the FY 2007 Original Budget and $45.1 million more than FY 2006 Actual. State appropriations continue as the largest single source of unrestricted E&G funding, accounting for 50.0 percent of total unrestricted revenues. As shown in Chart 1, the percent of state appropriations supporting UT operations varies from 21% to 76% for the various entities. Student fee revenues continue to be the primary revenue source for both the Knoxville and Martin campuses.



A ten-year comparison illustrates, as shown in Chart 2, the significant change between state appropriations and student fees as a funding source.



State Appropriations

State appropriations total $471.3 million, an overall increase of $10.2 million over the Original Budget's estimated revenues. The changes are as follows:

- $2.4 million increase to fund the first six months of the employee group insurance 7.0 percent rate increase effective January 1, 2007.

- $6.4 million increase to fund the Tennessee Consolidated Retirement System (TCRS) rate increase effective July 1, 2006.

- $3.0 million increase in non-recurring funds for the one-time employee salary bonus awarded on October 1, 2006. The flat-rate bonus of $350 was paid to longevity eligible, regular, faculty and staff with three or more years of creditable state service.

- $122,200 overall increase to reflect adjustments to estimated state appropriations included in the Original Budget: $126,900 increase to July 1, 2006 salary increase funding; $200 increase to Longevity Adjustment funding; $29,900 decrease to 401(k) Match increase funding; and a $25,000 increase to Estimated Fee Waivers.

- $1.6 million decrease in non-recurring funds for premium rate adjustments.

- $192,600 decrease in recurring funds for premium rate adjustments.

Tuition and Fees

Tuition and fees revenues total $310.5 million, a $1.8 million increase over the FY 2007 Original Budget of $308.7 million. Estimated Tuition and Fee revenues are refined in the Revised Budget based on Fall 2006 enrollments and Actual FY 2005-06 data. Specific adjustments include:

- $106,227 increase at UT Knoxville to reflect adjustments based on the actual previous year data to estimated fee revenue from various student fees.

- $253,618 million increase in Health Science Center fees to reflect changes in the anticipated mix of in-state and out-of-state students and adjustments to estimated fee revenue based on actual previous year data.

- $83,181 decrease at the College of Veterinary Medicine to reflect a change in the anticipated mix of in-state and out-of-state students.

- $946,149 increase at UT Chattanooga. $500,000 of the increase reflects an enrollment increase of 246 full-time equivalent (FTE) students, including a 302 FTE increase in first-time freshmen. Athletics and technology fee revenue increased $444,797 due to enrollment increases and adjustments based on actual previous year data. Other minor adjustments to reflect current estimates total $1,352.

- $538,591 increase at UT Martin to reflect a total enrollment increase of 135 FTE and other adjustments made based on actual previous year data. Total undergraduate FTE increased 145 FTE, including a 27 FTE decrease in first-time freshmen. Graduate students decreased 10 FTE.

Other Revenues
The $1,003,595 increase in other revenue sources reflects adjustments based on current estimates as follows:

- $861,164 in **Sales and Services**, primarily due to the anticipated $805,375 increase in the College of Veterinary Medicine's clinic and referral income
- $44,706 in **Grants and Contracts** for facilities and administrative cost recovery
- $97,725 in **Other Sources,** which includes miscellaneous income, conference income, and rents

EXPENDITURE HIGHLIGHTS

The revised FY 2007 unrestricted expenditures and transfers total $1.103 billion, a $24.5 million, or 2.3%, increase over the FY 2007 Original Budget:

- E&G expenditures and transfers total $956.4 million, a $24.4 million, or 2.6%, increase over the FY 2007 Original Budget.
- Auxiliary expenditures total $146.9 million, an increase of $122,093 or 0.1%.

EXPENDITURES	Original	Revised	CHANGE	
Instruction	$ 423.5	$ 428.3	$ 4.8	1.1%
Research	56.1	66.5	10.4	18.6%
Public Service	63.1	64.9	1.7	2.7%
Academic Support	99.0	104.3	5.3	5.3%
Student Services	61.0	62.5	1.5	2.5%
Institutional Support	95.4	100.7	5.3	5.5%
Operation & Maint. of Plant	89.9	90.0	0.0	0.0%
Scholarships & Fellowships	51.4	52.5	1.0	2.0%
Sub-Total E&G	$ 939.5	$ 969.6	$ 30.1	2.3%
Mandatory Transfers	6.3	6.3	(0.1)	-1.5%
Non-Mandatory Transfers	(13.8)	(19.4)	(5.6)	40.7%
Total E&G	**$ 932.0**	**$ 956.4**	**$ 24.4**	**2.6%**
Auxiliaries	$ 146.8	$ 146.9	$ 0.1	0.1%
Total Expenditures	$ 1,078.8	$ 1,103.3	$ 24.5	2.3%

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

In general, the $24.4 million increase in E&G expenditures and transfers includes the distribution of carryover funds from the previous fiscal year and the following significant changes:

- $10.4 million in adjustments for the additional salary, benefits, and operating costs funded from state appropriations

- $1.8 million distribution of additional student fee revenue includes the following allocations:
  - UT Knoxville - $106,227 is allocated to academic support services.
  - Health Science Center - $253,618 is allocated to the colleges with increased student fee revenue.
  - UT Chattanooga - $946,149 total increase
    - $501,352 is allocated to support the faculty and staff pay plan, student access initiatives, academic programs, and operating costs.
    - $300,000 additional Athletic fee revenue is allocated to support athletic programs.
    - $144,797 additional Technology Fee revenue is allocated to support student labs, help desk, media resources, network services, and other student technology related services.
  - UT Martin - $538,591 is allocated primarily to fund increased instructional costs for off-campus sites.
- $8.1 million distribution of research funds at UT Knoxville and the Health Science Center, including $5.1 for faculty startup at UT Knoxville
- $2.0 million increase in Institutional Support funds at the Health Science Center reflects the establishment of the Health Science Center Strategic Investment Fund with the additional operating funds from the state and reallocated funds. The investment fund supports new initiatives that are aligned with the Health Science Center's strategic plan.
- $300,000 for a new UT Extension meeting facility, the Eastern Region Conference Center

The distribution of expenditures by major commitment item shows the expenditures primarily support faculty and staff salaries and related benefit cost, representing 73.4% of the university's total unrestricted expenditures.

Chart 3: PERCENT DISTRIBUTION OF FY 2007 UNRESTRICTED EXPENDITURES BY COMMITMENT ITEM

SOURCE	UTC	UTK	UTM	UTSI	UTIA	UTHSC	IPS	SYS. ADM.	TOTAL
Salaries									
Faculty	30.2	30.5	27.9	29.9	26.0	38.6	3.4	0.7	28.8
Staff	22.7	19.3	21.7	27.0	32.1	23.3	44.3	70.4	26.3
Students	0.8	0.8	1.7	0.2	0.2	0.2	0.5	1.4	0.7
Total Salaries	53.7	50.6	51.3	57.2	58.2	62.1	48.2	72.4	55.9
Benefits	19.2	15.8	18.4	13.8	19.2	17.3	13.7	22.2	17.5
Total Salaries/ Benefits	**72.9**	**66.3**	**69.7**	**71.0**	**77.4**	**79.4**	**61.9**	**94.6**	**73.4**
Operating	25.3	30.6	28.6	26.7	18.1	19.5	37.8	-0.9	24.1
Equipment & Capital Outlay	1.8	3.1	1.7	2.3	4.5	1.1	0.3	6.3	2.5
TOTAL EXPENDITURES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The distribution by function in Chart 4 shows the majority of expenditures support academic functions.

Chart 4: PERCENT DISTRIBUTION OF FY 2007 UNRESTRICTED EXPENDITURES BY FUNCTION

SOURCE	UTC	UTK	UTM	UTSI	UTIA	UTHSC	IPS	SYS. ADM.	TOTAL
Instruction	45.9	48.5	46.1	33.4	22.6	61.8	-	-	44.2
Research	2.1	5.5	1.3	33.1	31.9	2.4	-	-	6.9
Public Service	2.4	2.0	0.8	0.1	35.9	0.4	94.9	1.0	6.7
Academic Support	8.7	11.8	13.1	4.4	5.8	14.3	1.5	4.1	10.8
Student Services	13.5	9.6	11.4	2.2	-	1.7	-	1.1	6.4
Institutional Support	7.5	3.1	6.2	9.8	1.3	6.4	3.6	93.8	10.3
Operation & Maintenance	12.1	11.3	12.7	16.0	2.5	9.7	-	-	9.3
Scholarships/Fellowships	7.8	8.2	8.4	1.0	-	3.3	-	-	5.4
TOTAL EXPENDITURES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Programmatic Allocations Update

The university's strategic goals govern the allocation of university resources. The Proposed Budget highlighted specific areas of emphasis. Provided below is a status report on those strategic initiatives.

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. **STATUS:** *The Doctoral Program is in full swing. This funding replaced the seed funds allocated from the UC Foundation in the prior year to provide recurring funding support for this program. The funds aided in hiring new faculty at the beginning of the fiscal year.*

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. **STATUS:** *New faculty were hired (instructor positions) to teach general education courses.*

UT Knoxville: nine new faculty positions added to teach additional classes at the junior and senior levels resulting from increased enrollments requires $702,000. **STATUS:** *New faculty positions were authorized in Psychology, History, Advertising, Ecology & Evolutionary Biology, Information Sciences, Africana Studies, Geography and Political Science.*

UT Martin: funding seven additional faculty positions at a cost of $400,000 to support increased enrollments. **STATUS:** *All positions were filled for Fall 2006, two with tenure-track hires, and five with one-year, non-tenure track appointments. Searches are underway at this time for four of those positions, and they should be filled with tenure track appointments by Fall 2007.*

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. **STATUS:** *The search continues for two research faculty to be added to the Engineering Management program. The Engineering Management program's fall enrollment increased by 30 students.*

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. **STATUS:** *To date, the College of Pharmacy has hired eight new faculty members in Knoxville; however, students will not matriculate in Knoxville until Fall 2007. This does not include the fourth year students on rotations in the Knoxville area. The expected class size did increase by 75 students for Fall 2006.*

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. **STATUS:** *The College of Nursing Bachelor of Science program enrolled 105 students in Fall 2006. No additional faculty members have been recruited because Nursing has been able to cover the classes with the existing faculty.*

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. **STATUS:** *The College of Dentistry is in the process of recruiting faculty.*

UT Veterinary Medicine: the Application Based Learning Experience (ABLE) program will be enhanced by bringing in outside facilitators. **STATUS:** *Two outside ABLE facilitators have been brought in to date and one to two more are planned for next spring.*

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. **STATUS:** *This continues the campus commitment to recruit highly qualified Tennessee students.*

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. **STATUS:** *The second year of the awards to provide full scholarships to the state's neediest students is underway.*

UT Knoxville: increases in graduate student salaries and the graduate student health insurance cost require $300,000. **STATUS:** *$200,000 of this was awarded to academic departments to increase graduate stipends for or to add new graduate assistantship positions. $100,000 was added to cover the 15 percent increase in the cost of the student health insurance.*

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. **STATUS:** *These funds are committed effective January 1 to the purpose for which they were awarded.*

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. **STATUS:** *The projected inflationary cost for library materials was $629,000 and the campus allocated $500,000 towards the shortfall.*

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. **STATUS:** *Funding was allocated for these cost adjustments.*

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. **STATUS:** *A full-time coordinator has been in place since July 1, and she is in the process of building a database to track the 600 plus pre-health science students. In addition to the database, new articulation agreements are in process, student retention is being studied and evaluated, and the interview process for acceptance into the various professional schools is being revised.*

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. **STATUS:** *These summer internships will be awarded later in the fiscal year.*

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. **STATUS:** *$50,000 is an incorrect figure. $3,000 was budgeted for unique travel opportunities; $2,000 for the Summer Leadership Institute; and $6,000 for federal career development opportunities. To date, funds have been provided for one student to attend the Veterinary Leadership Experience Program and one student to attend the Annual Conference of the American Association of Veterinary Laboratory Diagnosticians.*

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. **STATUS:** *The campus allocated the funds to the various units providing the necessary funding to cover these fixed inflationary operational costs.*

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. **STATUS:** *The University has hired its first Governor's Chair, an internationally-recognized biophysicist. Three additional offers have been extended and another search has begun.*

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. **STATUS:** *The Doctoral Program is in full swing. This funding was to replace the seed funds allocated from the UC Foundation. The funds were used to assist with faculty hires at the beginning of the new fiscal year.*

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. **STATUS:** *The majority of the funds were allocated to cover the cost of the final increase in research incentive funds returned to the departments to invest in new research initiatives. The final phase increases the research incentive funds from 35% to 40%.*

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. **STATUS:** *Funds were set aside to hire additional joint institute members for JICS and JIBS. Also, we set aside partial operating funds for JIBS which appointed a Director and began operations this year.*

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. **STATUS:** *Classroom space in the power generation facility has been utilized during the fall semester and will be used for engineering classes in Spring 2007. UTM is working with Caterpillar to set up a data acquisition and operations training session for the engineering faculty. Following this training, engineering students will be involved in projects in the facility.*

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. **STATUS:** *The search continues for two research faculty to be added to the Engineering Management program. The Engineering Management program fall enrollment increased by 30 students.*

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. **STATUS:** *One faculty position has been filled. A search is currently underway for the second.*

Agricultural Experiment Stations: startup funds in the amount of $400,000 are provided for the 5.4 FTE faculty searches planned this year. **STATUS:** *$415,500 in startup funding has been provided for 4.1 FTE new faculty positions.*

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. **STATUS:** *Research greenhouses have been constructed at three Research and Education Centers to support this initiative. Research has been initiated at all three locations.*

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. **STATUS:** *In January, search begins for a faculty member with expertise in contemporary population and production medicine. A faculty member is on board (50% FTE) with expertise in molecular biology. Veterinary Medicine is still negotiating with Dairy Science for partial FTE of a faculty member with experience in infectious disease research. Research equipment funds have been committed for a weighing balance, refrigerated centrifuge, clinical research lab equipment, intrasynovial infusion pump, intravenous infusion pump, and indirect blood pressure monitoring equipment.*

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. **STATUS:** *All vacant faculty lines in the Office of Laboratory Animal Care are filled.*

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. **STATUS:** *The opportunity hire, funded in FY 2006 with Geier funds, is now funded with E&G funds in Comparative Medicine. Veterinary Medicine is in the process of purchasing an Alliance HPLC, CoulArray HPLC Detector, Axiovert Inverted Microscope and should have most of this equipment by January 2007. There is also an anatomy lab equipment upgrade planned, which may be funded with student technology fee revenue. If so, this will free some of these funds to be applied to equipment for use in Pharmacology research.*

<u>Economic Development</u>

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. **STATUS:** *UT Extension has filled 15 county agent positions. This was accomplished by filling most positions at or above the starting salary. There are 18 vacant county positions remaining to be filled. The hiring process for these positions begins in early March 2007.*

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. **STATUS:** *The Economic Development Consultant began work November 13. With more than 25 years experience in the economic development arena, it is anticipated she will quickly get up to speed on our priorities. We are completing a faculty project on the impact of retirees moving into rural communities and we are beginning a new*

project on the impact of retirees moving into rural communities and we are beginning a new project related to the manufacturing sector of the economy and how we can help communities prepare for projected changes.

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. **STATUS:** *The Energy Consultant started to work July 1. In just a few short months he has already identified approximately $260,000 in annual energy cost savings for the Clay County Schools and has also worked with the Nashville Metro General Hospital to identify $275,000 in energy savings.*

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. **STATUS:** *The homeland security program has received an additional $1.0 million grant and the forensic program received a $2.4 million federal appropriation. The Project Safe Neighborhood program has hosted four gang summits and has four additional meetings scheduled in three states.*

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. **STATUS:** *The IPS strategic planning team concluded that growing grants and contracts is better accomplished by refocusing efforts of existing staff rather than adding additional staff. Therefore, the program administrator position will not be filled. We hired a new Leadership Program Administrator May 1. He is evaluating all the current programs to determine the need for new staffing. No recruitment is currently underway.*

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. **STATUS:** *The new Knoxville College of Medicine clinics are working to complete the logistical details of implementing the billing system and finalizing the application for the provider numbers of each clinic.*

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. **STATUS:** *As a result of the consolidation of resources in Preventive Medicine, a proposal to establish a School of Public Health is being development.*

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. **STATUS:** *At the end of October 2006, the revenue for all three of the family practices lags mainly due to the delayed receipt of TennCare funds for patient care. All operations are expected to earn the budgeted revenue by year-end. The family practice operation at Tipton has added two new doctors. As a result, the clinic has increased service from providing care to 19 patients per day to seeing 31 patients a day with an expected growth in additional patients. At present, there are some new patient care contracts under review. The additional staffing has allowed doctors to take advantage of outreach opportunities by participating in the Senior Citizen Commission on Aging located in Covington, where they conduct health screenings and health information lectures.*

Globalization

UT Knoxville: a second year funding for the SACS Quality Enhancement Program globalization initiative, called Ready for the World, is $200,000. **STATUS:** *Funds are allocated to faculty to aid in infusing international and intercultural aspects into the curriculum, bringing international speakers to campus, and holding international events.*

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. **STATUS:** *The assistant director has been hired.*

UT Veterinary Medicine: $50,000 will be provided to Research Administration to fund international travel with the objective of fostering a culture of discovery. **STATUS**: *We plan to send a group of faculty and students to Africa in the Spring of 2007 to study foreign animal diseases. These funds will also be used to provide research start-up funding, equipment funding and general research operating funds to support and advance the CVM research effort.*

FY 2007 AUXILIARY ENTERPRISES

The FY 2007 Revised Budget includes $147.0 million in unrestricted auxiliary enterprise operations, an increase of $122,093, or 0.1 percent, over the FY 2007 Proposed Budget. The increase in Auxiliary revenues, expenditures, and transfers reflects current estimates, which remain basically unchanged from the budget approved in June 2006.

FY 2007 COMPENSATION PLAN

The revised budget includes funding for both the state authorized general salary increase previously approved by the Board of Trustees in June 2006 and a university supplemental plan approved by the Board of Trustees in November 2006. The approved FY 2007 compensation plan includes:

- a 2% general salary increase effective June 26, 2006 for bi-weekly paid employees; July 1, 2006 for monthly paid employees; and August 1, 2006 for nine-month employees. The faculty increase was a 1% across-the-board adjustment and a 1% merit pool allocation. The staff increase was a 2% across-the-board adjustment or $600, whichever is greater.

- a university-funded supplemental salary adjustment plan that recognizes meritorious performance and addresses equity issues. The distribution of funds varies by campus and institute based on the availability of financial resources to fund the additional cost.

- a 401(k) match increase from $30 a month to $40 a month.

- an increase in the maximum number of years eligible for longevity payments from 25 to 30 years. The $100 per year factor remains unchanged.

- a non-recurring, flat-rate bonus of $350 payable on October 4, 2006 for longevity-eligible faculty and staff with three or more years of creditable state service.

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 Revised 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. Changes made between the Proposed and Revised Budget are as follows:

Chattanooga

Roof replacement – this project, previously approved by the Board for $175,900, is ninety-five percent complete. Change orders have now taken the total project costs to $228,569. The additional $52,669 required to address unforeseen maintenance items can be funded from state appropriated capital maintenance funds; however, the expenditure requires Board approval.

Another planned expenditure for FY 2007 was central air conditioning. Approved by the Board at $25,000, this project was completed at a cost of $24,104.09. Gift funds were used to fund this cost.

Health Science Center
The revised FY 2007 budget for the Health Science Center residence is unchanged from the proposed budget.

The Goodwyn property was held for a portion of the year prior to the sale; the FY 2007 budget continues to reflect estimated utilities and lawn care necessary to keep the house operational prior to the sale.

A final schedule is included for the FY 2006 actual 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 revised budget remains the same as proposed, with the exception of an error correction for the driveway widening project. Previously this project was included under both maintenance and capital projects. The service path and access improvements project approved for $42,500 has been removed from the budget.

Martin
While the proposed FY 2007 budget included a modest increase in utilities, supplies, and housekeeping for the Martin house budget, the revised budget projects a slight decrease in supplies and utilities. No additional funding for projects or improvements is being requested.

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. This 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 October 31, 2006 is $32.8 million, or 3.43% of projected expenditures which is in an acceptable range. The FY 2007 Revised Budget projects a total year-end unallocated balance of $35.7 million, which is 3.24% of estimated expenditures.

The projected unrestricted auxiliary enterprises unallocated balance is $3.0 million or 2.0% of expenditures, which is lower than the desired range of 3-5%. 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 until an analysis of the facility is completed, which will provide recommendations to resolve the problem.

FY 2007 BUDGET RECOMMENDATION

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

1. The FY 2007 Revised 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. Allow any remaining balance of Current Funds 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 Revised 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	$ 310,466,210	$ 191,169,325	$ 1,534,508	$ 36,635,893		$ 5,723,116		$ 42,612,237	$ 32,791,131	
State Appropriations	487,936,000	189,899,000	8,807,200	124,754,400		68,677,200	$ 8,141,400	44,583,300	31,942,900	$ 11,130,600
Grants & Contracts	411,747,898	155,734,700	3,051,200	165,753,618		31,301,388	11,369,270	25,296,050	12,741,672	6,500,000
Sales & Services	43,962,549	6,023,803		19,223,324	$ 319,647	12,775,411		3,382,869	2,237,495	
Investment Income	12,000,000									12,000,000
Other Sources	100,547,634	31,557,661	144,000	28,558,571		20,801,619	5,409,823	7,309,162	3,191,298	3,575,500
Total Revenues	$ 1,366,660,291	$ 574,384,489	$ 13,536,908	$ 374,925,806	$ 319,647	$ 139,278,734	$ 24,920,493	$ 123,183,618	$ 82,904,496	$ 33,206,100
Expenditures and Transfers										
Instruction	$ 507,338,964	$ 199,009,838	$ 3,279,445	$ 199,688,371		$ 24,075,879		$ 46,643,459	$ 34,641,972	
Research	235,438,894	88,247,364	6,199,827	67,783,170		51,761,560		7,431,816	1,015,157	$ 13,000,000
Public Service	142,579,329	39,748,330	6,623	13,135,856	$ 648,348	55,163,053	$ 24,845,471	6,281,058	2,750,590	
Academic Support	115,559,081	52,308,256	427,970	34,351,654	2,621,268	6,296,220	228,232	9,683,766	9,641,715	
Student Services	64,578,866	38,058,345	215,047	3,676,412	693,510			13,345,567	8,589,985	
Institutional Support	102,567,199	12,504,451	950,524	15,401,742	27,440,307	1,297,931	571,854	6,884,732	4,310,203	33,205,455
Operation & Maintenance of Plant	90,102,397	44,810,154	1,535,934	21,313,488		2,636,362		11,181,156	8,625,303	
Scholarships & Fellowships	135,943,725	88,805,820	106,694	8,907,297		171,500		23,894,061	14,058,353	
Sub-total Expenditures	$ 1,394,108,455	$ 563,492,558	$ 12,722,064	$ 364,257,990	$ 31,403,433	$ 141,402,505	$ 25,645,557	$ 125,345,615	$ 83,633,278	$ 46,205,455
Mandatory Transfers (In)/Out	6,251,666	1,979,945		3,273,302				550,007	448,412	
Non-Mandatory Transfers (In)/Out	(19,418,564)	12,208,244	895,000	8,843,725	(31,041,269)	1,206,100	643,200	(454,044)	782,349	(12,501,869)
Total Expenditures and Transfers	$ 1,380,941,557	$ 577,680,747	$ 13,617,064	$ 376,375,017	$ 362,164	$ 142,608,605	$ 26,288,757	$ 125,441,578	$ 84,864,039	$ 33,703,586
Fund Balance Addition/(Reduction)	$ (14,281,266)	$ (3,296,258)	$ (80,156)	$ (1,449,211)	$ (42,517)	$ (3,329,871)	$ (1,368,264)	$ (2,257,960)	$ (1,959,543)	$ (497,486)
AUXILIARIES										
Revenues	$ 148,401,075	$ 126,862,390	$ 58,000	$ 5,906,519				$ 6,732,087	$ 8,842,079	
Expenditures and Transfers										
Expenditures	$ 111,583,758	$ 95,560,223	$ 46,000	$ 5,233,865				$ 3,639,913	$ 7,103,757	
Mandatory Transfers	16,204,727	11,640,797		672,654				2,479,105	1,412,171	
Non-Mandatory Transfers	20,527,296	19,635,364	12,000					553,781	326,151	
Total Expenditures and Transfers	$ 148,315,781	$ 126,836,384	$ 58,000	$ 5,906,519	$ -	$ -	$ -	$ 6,672,799	$ 8,842,079	$ -
Fund Balance Addition/(Reduction)	$ 85,294	$ 26,006	$ -	$ -	$ -	$ -	$ -	$ 59,288	$ -	$ -
TOTALS										
Revenues	$ 1,515,061,366	$ 701,246,879	$ 13,594,908	$ 380,832,325	$ 319,647	$ 139,278,734	$ 24,920,493	$ 129,915,705	$ 91,746,575	$ 33,206,100
Expenditures and Transfers										
Expenditures	$ 1,505,692,213	$ 659,052,781	$ 12,768,064	$ 369,491,855	$ 31,403,433	$ 141,402,505	$ 25,645,557	$ 128,985,528	$ 90,737,035	$ 46,205,455
Mandatory Transfers	22,456,393	13,620,742		3,945,956				3,029,112	1,860,583	
Non-Mandatory Transfers	1,108,732	31,843,608	907,000	8,843,725	(31,041,269)	1,206,100	643,200	99,737	1,108,500	(12,501,869)
Total Expenditures and Transfers	$ 1,529,257,338	$ 704,517,131	$ 13,675,064	$ 382,281,536	$ 362,164	$ 142,608,605	$ 26,288,757	$ 132,114,377	$ 93,706,118	$ 33,703,586
Fund Balance Addition/(Reduction)	$ (14,195,972)	$ (3,270,252)	$ (80,156)	$ (1,449,211)	$ (42,517)	$ (3,329,871)	$ (1,368,264)	$ (2,198,672)	$ (1,959,543)	$ (497,486)

The University of Tennessee System

FY 2007 Revised 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	$ 310,466,210	$ 191,169,325	$ 1,534,508	$ 36,635,893		$ 5,723,116		$ 42,612,237	$ 32,791,131	
State Appropriations	471,324,500	184,381,000	7,917,900	123,177,400		68,130,900	$ 8,141,400	43,766,000	31,629,300	$ 4,180,600
Grants & Contracts	71,161,348	16,950,000	965,000	48,128,618		2,292,498	1,790,270	621,338	413,624	
Sales & Services	43,962,549	6,023,803		19,223,324	$ 319,647	12,775,411		3,382,869	2,237,495	
Investment Income	12,000,000									12,000,000
Other Sources	34,036,632	8,132,661	7,000	2,088,331		14,146,619	5,053,823	881,400	291,298	3,435,500
Total Revenues	$ 942,951,239	$ 406,656,789	$ 10,424,408	$ 229,253,566	$ 319,647	$ 103,068,544	$ 14,985,493	$ 91,263,844	$ 67,362,848	$ 19,616,100
Expenditures and Transfers										
Instruction	$ 428,332,407	$ 192,109,838	$ 3,210,445	$ 135,988,371		$ 23,820,179		$ 41,800,746	$ 31,402,828	
Research	66,496,776	21,712,664	3,181,627	5,283,170		33,545,570		1,921,616	852,129	
Public Service	64,878,976	7,948,330		880,856	$ 648,348	37,796,053	$ 14,839,471	2,189,760	569,535	
Academic Support	104,268,350	46,608,256	421,970	31,436,654	2,621,268	6,151,220	228,232	7,881,405	8,919,345	
Student Services	62,507,720	37,888,345	215,047	3,676,412	693,510			12,290,228	7,744,178	
Institutional Support	100,670,775	12,389,451	950,524	14,411,742	27,440,307	1,212,931	569,854	6,834,732	4,245,779	$ 32,615,455
Operation & Maintenance of Plant	89,967,810	44,802,154	1,535,934	21,313,488		2,636,362		11,056,156	8,623,716	
Scholarships & Fellowships	52,455,338	32,305,820	94,694	7,172,297		30,000		7,114,507	5,738,020	
Sub-total Expenditures	$ 969,578,152	$ 395,764,858	$ 9,616,864	$ 220,162,990	$ 31,403,433	$ 105,192,315	$ 15,637,557	$ 91,089,150	$ 68,095,530	$ 32,615,455
Mandatory Transfers (In)/Out	6,251,666	1,979,945		3,273,302				550,007	448,412	
Non-Mandatory Transfers (In)/Out	(19,418,564)	12,208,244	895,000	8,843,725	(31,041,269)	1,206,100	643,200	(454,044)	782,349	(12,501,869)
Total Expenditures and Transfers	$ 956,411,254	$ 409,953,047	$ 10,511,864	$ 232,280,017	$ 362,164	$ 106,398,415	$ 16,280,757	$ 91,185,113	$ 69,326,291	$ 20,113,586
Fund Balance Addition/(Reduction)	$ (13,460,015)	$ (3,296,258)	$ (87,456)	$ (3,026,451)	$ (42,517)	$ (3,329,871)	$ (1,295,264)	$ 78,731	$ (1,963,443)	$ (497,486)
AUXILIARIES										
Revenues	$ 147,001,075	$ 125,462,390	$ 58,000	$ 5,906,519				$ 6,732,087	$ 8,842,079	
Expenditures and Transfers										
Expenditures	$ 110,183,758	$ 94,160,223	$ 46,000	$ 5,233,865				$ 3,639,913	$ 7,103,757	
Mandatory Transfers	16,204,727	11,640,797		672,654				2,479,105	1,412,171	
Non-Mandatory Transfers	20,527,296	19,635,364	12,000					553,781	326,151	
Total Expenditures and Transfers	$ 146,915,781	$ 125,436,384	$ 58,000	$ 5,906,519	$ -	$ -	$ -	$ 6,672,799	$ 8,842,079	$ -
Fund Balance Addition/(Reduction)	$ 85,294	$ 26,006	$ -	$ -	$ -	$ -	$ -	$ 59,288	$ -	$ -
TOTALS										
Revenues	$ 1,089,952,314	$ 532,119,179	$ 10,482,408	$ 235,160,085	$ 319,647	$ 103,068,544	$ 14,985,493	$ 97,995,931	$ 76,204,927	$ 19,616,100
Expenditures and Transfers										
Expenditures	$ 1,079,761,910	$ 489,925,081	$ 9,662,864	$ 225,396,855	$ 31,403,433	$ 105,192,315	$ 15,637,557	$ 94,729,063	$ 75,199,287	$ 32,615,455
Mandatory Transfers	22,456,393	13,620,742		3,945,956				3,029,112	1,860,583	
Non-Mandatory Transfers	1,108,732	31,843,608	907,000	8,843,725	(31,041,269)	1,206,100	643,200	99,737	1,108,500	(12,501,869)
Total Expenditures and Transfers	$ 1,103,327,035	$ 535,389,431	$ 10,569,864	$ 238,186,536	$ 362,164	$ 106,398,415	$ 16,280,757	$ 97,857,912	$ 78,168,370	$ 20,113,586
Fund Balance Addition/(Reduction)	$ (13,374,721)	$ (3,270,252)	$ (87,456)	$ (3,026,451)	$ (42,517)	$ (3,329,871)	$ (1,295,264)	$ 138,019	$ (1,963,443)	$ (497,486)

The University of Tennessee System

FY 2007 Natural Classifications Summary

Unrestricted Current Funds Expenditures

	ACTUAL 2006	ORIGINAL 2007	REVISED 2007	CHANGE Original to Revised Amount	%
EDUCATIONAL AND GENERAL					
Salaries and Benefits					
Salaries					
Academic	$ 256,944,717	$ 277,770,639	$ 279,720,176	$ 1,949,537	0.7%
Non-Academic	238,417,025	250,848,752	255,323,479	4,474,727	1.8%
Students	7,111,729	6,794,127	6,996,126	201,999	3.0%
Total Salaries	$ 502,473,471	$ 535,413,518	$ 542,039,781	$ 6,626,263	1.2%
Benefits	155,006,954	165,433,667	169,422,263	3,988,596	2.4%
Total Salaries and Benefits	$ 657,480,425	$ 700,847,185	$ 711,462,044	$ 10,614,859	1.5%
Operating	206,297,043	216,966,084	233,718,283	16,752,199	7.7%
Equipment and Capital Outlay	26,290,076	21,661,556	24,397,825	2,736,269	12.6%
Total Expenditures	$ 890,067,544	$ 939,474,825	$ 969,578,152	$ 30,103,327	3.2%
AUXILIARIES					
Salaries and Benefits					
Salaries					
Academic	$ 716,898	$ 498,218	$ 498,218	$ -	-
Non-Academic	28,104,576	26,880,446	26,838,360	(42,086)	-0.2%
Students	3,042,692	3,322,300	3,322,300	-	-
Total Salaries	$ 31,864,165	$ 30,700,964	$ 30,658,878	$ (42,086)	-0.1%
Benefits	8,942,712	8,004,151	7,989,689	(14,462)	-0.2%
Total Salaries and Benefits	$ 40,806,878	$ 38,705,115	$ 38,648,567	$ (56,548)	-0.1%
Operating	65,969,766	70,586,545	70,715,891	129,346	0.2%
Equipment and Capital Outlay	246,835	834,600	819,300	(15,300)	-1.8%
Total Expenditures	$ 107,023,478	$ 110,126,260	$ 110,183,758	$ 57,498	0.1%
WILLIAM F. BOWLD HOSPITAL					
Salaries and Benefits					
Salaries					
Academic					
Non-Academic					
Students					
Total Salaries	$ -	$ -	$ -	$ -	-
Benefits	6,487				
Total Salaries and Benefits	$ 6,487	$ -	$ -	$ -	-
Operating	190,390				
Equipment and Capital Outlay					
Total Expenditures	$ 196,876	$ -	$ -	$ -	-
TOTALS					
Salaries and Benefits					
Salaries					
Academic	$ 257,661,615	$ 278,268,857	$ 280,218,394	$ 1,949,537	0.7%
Non-Academic	266,521,601	277,729,198	282,161,839	4,432,641	1.6%
Students	10,154,421	10,116,427	10,318,426	201,999	2.0%
Total Salaries	$ 534,337,636	$ 566,114,482	$ 572,698,659	$ 6,584,177	1.2%
Benefits	163,956,153	173,437,818	177,411,952	3,974,134	2.3%
Total Salaries and Benefits	$ 698,293,789	$ 739,552,300	$ 750,110,611	$ 10,558,311	1.4%
Operating	272,457,198	287,552,629	304,434,174	16,881,545	5.9%
Equipment and Capital Outlay	26,536,911	22,496,156	25,217,125	2,720,969	12.1%
Total Expenditures	$ 997,287,899	$ 1,049,601,085	$ 1,079,761,910	$ 30,160,825	2.9%

The University of Tennessee System

FY 2007 Revised State Appropriations Detail

		RECURRING ADJUSTMENTS									NON-RECURRING ADJUSTMENTS					
	FY 2007 BASE APPROP.	GROUP INSURANCE INCREASES	2% JULY 1, 2006 SALARY INCREASE	LONGEVITY ADJUSTMENT 25 Yrs. to 30 Yrs. Maximum	401(k) MATCH INCREASE $30 to $40	OPERATING INCREASES	JULY 1, 2007 TCRS RATE ADJUSTMENT	PREMIUM RATE ADJUSTMENTS	OTHER	TOTAL RECURRING ADJUSTMENTS	LEGISLATIVE AMENDMENTS	PREMIUM RATE ADJUSTMENTS	$350 BONUS	ESTIMATED FEE WAIVERS	TOTAL NON-RECURRING ADJUSTMENTS	FY 2007 ESTIMATED APPROP.
STATE APPROPRIATIONS	*	**	(incl. Benefits)	(incl. Benefits)					***		****			*****		
University of Tennessee																
Knoxville	$ 171,928,300	$ 1,241,500	$ -	$ 267,000	$ 358,500	$ 6,256,500	$ 3,035,800	$ (197,700)		$ 10,959,600		$ (333,400)	$ 1,255,800	$ 570,700	$ 1,493,100	$ 184,381,000
Space Institute	7,540,300	25,400	143,600	12,900	11,200	145,600	78,600	(62,500)		354,800		(14,100)	36,900		22,800	7,917,900
Health Science Center																
Memphis Other Specialized Units	$ 63,052,100	$ 757,000	$ 1,386,000	$ 64,700	$ 82,500	$ 1,217,900	$ 1,041,600	$ (34,100)		$ 4,515,600		$ (122,600)	$ 361,600	$ 3,300	$ 242,300	$ 67,810,000
College of Medicine Units	43,006,200	-	1,494,100	45,200	64,900	830,700	375,700	489,500		3,300,100		(716,200)	318,200		(398,000)	45,908,300
Family Medicine Units	7,651,600	60,700	252,000	7,600	18,300	147,800	117,100	(186,500)	$ 1,375,000	1,790,000		(47,500)	65,000		17,500	9,459,100
Total Health Science Center	$ 113,709,900	$ 817,700	$ 3,132,100	$ 117,500	$ 163,700	$ 2,196,400	$ 1,534,400	$ 268,900	$ 1,375,000	$ 9,605,700	$ -	$ (886,300)	$ 744,800	$ 3,300	$ (138,200)	$ 123,177,400
Agricultural Experiment Station	22,429,800	157,600	459,300	30,900	37,600	433,200	190,000	(48,900)		1,259,700	289,200	(81,400)	125,200		333,000	24,022,500
Extension	26,818,500	257,200	538,700	49,200	46,200	518,000	189,000	(89,900)		1,508,400		(74,000)	160,200		86,200	28,413,100
Veterinary Medicine	14,516,000	109,400	425,800	15,000	27,300	280,400	254,100	2,400		1,114,400		(31,500)	96,400		64,900	15,695,300
Institute for Public Service	4,505,000	28,600	59,100	3,000	4,600	95,200	37,800	(1,300)		227,000		(13,800)	16,400		2,600	4,734,600
Municipal Technical Adv. Svc.	1,746,800	17,200	71,200	2,200	4,300	33,700	37,300	500		166,400		(4,200)	16,100		11,900	1,925,100
County Technical Assist. Svc.	1,320,700	11,400	51,700	3,300	2,900	25,500	57,500	400		152,700		(3,500)	11,800		8,300	1,481,700
Total University of Tennessee	$ 364,515,300	$ 2,666,000	$ 4,881,500	$ 501,000	$ 654,300	$ 9,984,500	$ 5,414,500	$ (126,100)	$ 1,375,000	$ 25,348,700	$ 289,200	$ (1,442,200)	$ 2,463,600	$ 574,000	$ 1,884,800	$ 391,748,600
University of Tenn. at Chattanooga	$ 41,176,300	$ 304,800	$ -	$ 67,700	$ 100,200	$ 1,299,700	$ 512,000	$ (41,900)		$ 2,242,500		$ (87,700)	$ 307,800	$ 127,100	$ 347,200	$ 43,766,000
University of Tennessee at Martin	29,431,300	238,000	-	54,300	75,600	825,200	476,300	(19,100)	$ 200,000	1,850,300		(56,200)	235,300	168,600	347,700	31,629,300
System Administration	3,764,900	148,800	116,800	7,600	45,100	72,700	38,300	(3,500)		425,800		(43,200)	33,100		(10,100)	4,180,600
Total State Appropriations	$ 438,887,800	$ 3,357,600	$ 4,998,300	$ 630,600	$ 875,200	$ 12,182,100	$ 6,441,100	$ (192,600)	$ 1,575,000	$ 29,867,300	$ 289,200	$ (1,629,300)	$ 3,039,800	$ 869,700	$ 2,569,400	$ 471,324,500

* The FY 2007 base budget reflects the FY 2006 base budget plus recurring adjustments and continues the non-recurring adjustments for the $2,144,900 operating funds for UT Knoxville, UT Chattanooga, and UT Martin. Also reflected in the base budget is the move of the WUOT Radio Station's $425,000 in state funding from the Institute for Public Service to UT Knoxville.

** Includes the annualized January 1, 2006 3% increase ($983,200) and the January 1, 2007 7% increase ($2,374,400).

*** Legislative amendments provide recurring funding for the Family Medicine's Tipton County 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 ($200,000) and the Black Fly Suppression Study ($89,200).

***** Estimated fee waivers reflect the previous year's actual funding.

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