Major Construction Projects

Projects being planned, programmed, under design or construction – Fall 2016

- UT and Gifts, $709.2M, 71%
- State, $288.8M, 29%

Total: $998M
Institutional Zone

Campus Master Plan Update Approved

Legend:
- Campus Parcels
- Cherokee Farm
- Publicly Owned Parcels
- City Owned - Tyson Park
- 2011 Institutional Zone
- 2016 Institutional Zone
Campus Master Plan
Facilities Services Complex
Student Union – Phase II
2018 Completion
Student Union – Phase II
Strong Hall
2017 Completion
Strong Hall
Mossman
2018 Completion
Mossman
Housing - Stokely Family Residence Hall
Volunteer Garage

Real-time occupancy data
West Campus Existing Site
West Campus – Orange & White Halls
Lake Avenue Garage
Estimated completion Jan. 2018
Volunteer Boulevard Makeover

- Existing vault to receive brick & pre-cast treatments
- Bio-swale
- Existing tree, typ.
- Proposed new tree, typ.

- New pedestrian connection
- 15’ wide uniform median
- Pedestrian light poles with integrated wifi, typ.

- New signalization with traffic arms
- Pedestrian refuge
- New accent crosswalks, typ.
- 11’ wide shared vehicle / bike lane
Volunteer Boulevard Makeover
Volunteer Boulevard Makeover
Wayfinding/Signage
## Capital Priorities

<table>
<thead>
<tr>
<th>Priority</th>
<th>Project</th>
<th>Projected Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Engineering Services Facility</td>
<td>129,000,000</td>
</tr>
<tr>
<td>2</td>
<td>Melrose Hall</td>
<td>97,500,000</td>
</tr>
<tr>
<td>3</td>
<td>Nursing renovation/addition</td>
<td>55,000,000</td>
</tr>
<tr>
<td>4</td>
<td>Buehler / Austin Peay renovations</td>
<td>55,000,000</td>
</tr>
<tr>
<td>5</td>
<td>Hoskins Library renovation</td>
<td>60,000,000</td>
</tr>
<tr>
<td>6</td>
<td>Jessie Harris renovation</td>
<td>49,000,000</td>
</tr>
<tr>
<td>7</td>
<td>Class Lab Building (panhellenic site)</td>
<td>123,000,000</td>
</tr>
</tbody>
</table>
Financial Update

August 2016

THE UNIVERSITY OF TENNESSEE
KNOXVILLE
State of Tennessee

TOTAL BUDGET

$34.8 billion

$13.2b federal funds
$5.2b other departments
$16.4b state appropriations
($13.7 in general funds)
Where the State Dollar Comes From (general funds) – FY17

$13.7 Billion

Sales Tax, 0.60
Tobacco, Beer, & Alcoholic Beverages, 0.03
All Other Taxes, 0.10
Insurance & Banking, 0.07
Franchise & Excise, 0.14
Gross Receipts & Privilege, 0.04
Income & Inheritance, 0.02
Where State Tax Dollars Go (general funds) – FY17

- Health & Social Services: 32%
- Education: 48%
- General Government: 3%
- Law, Safety & Correction: 11%
- Resources & Regulation: 4%
- Business & Economic Development: 2%

$13.7 Billion
# Higher Education

$1.7$ billion

<table>
<thead>
<tr>
<th>Higher Education</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Regents</td>
<td>747M</td>
</tr>
<tr>
<td>UT System*</td>
<td>532M</td>
</tr>
<tr>
<td>Lottery/loans/THEC/Ctrs</td>
<td>464M</td>
</tr>
</tbody>
</table>

* UT Knoxville appropriations = $203M
How we obtain our **Appropriations**?

University of Tennessee Knoxville

**Formula Outcomes**

- Retention
- # of degrees awarded
- Research and Service
- Degrees per 100 FTE
- Six-year Graduation Rate

Base budget

+/- formula adjustments

+/- governor’s budget changes

= new base budget

**Incremental Budgeting**
<table>
<thead>
<tr>
<th>Higher Education</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational &amp; General (E&amp;G)</td>
<td>$650M</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>$220M</td>
</tr>
<tr>
<td>Restricted (grants/contracts)</td>
<td>$243M</td>
</tr>
<tr>
<td>Capital (construction)</td>
<td>$203M</td>
</tr>
</tbody>
</table>

FY 2016-17
## UT Knoxville

### $1.3$ billion

<table>
<thead>
<tr>
<th>Higher Education</th>
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<tr>
<td>Educational &amp; General (E&amp;G)</td>
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<tr>
<td>Auxiliaries</td>
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<tr>
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<td>$243M</td>
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<tr>
<td>Capital (construction)</td>
<td>$203M</td>
</tr>
</tbody>
</table>

- **$203m** - appropriations
- **$407m** - tuition/fees
- **$40m** - other

*FY 2016-17*
FY 2016 TOTAL REVENUE WITH CAPITAL
(shown in millions and percent of total)

Knoxville

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition &amp; Fees</td>
<td>$387</td>
<td>31%</td>
</tr>
<tr>
<td>Appropriations</td>
<td>$202</td>
<td>16%</td>
</tr>
<tr>
<td>Capital</td>
<td>$205</td>
<td>16%</td>
</tr>
<tr>
<td>Grants &amp; Contracts</td>
<td>$222</td>
<td>18%</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>$203</td>
<td>16%</td>
</tr>
<tr>
<td>Sales &amp; Services</td>
<td>$5</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>$43</td>
<td>3%</td>
</tr>
</tbody>
</table>

Total $1.3 billion
Total $203 million
FY 2016 TOTAL EXPENDITURES WITH CAPITAL
(shown in millions and percent of total)

Knoxville

- Total $1.3 billion

- Unrestricted E&G, $618, 49%
- Restricted, $241, 19%
- Auxiliaries, $203, 16%
- Capital, $205, 16%
- Residence Halls
- Athletics
- Parking
- Dining
- Vol Shop

Total $1.3 billion
FY 2016 Operating Budget – all funds
(shown in millions and percent of total)

Knoxville

Total $1.06 billion

- Instruction, $287.2, 27%
- Acad Support, $76.8, 7%
- Schol & Fellow, $164.3, 15%
- Research, $125.5, 12%
- Student Services, $43.4, 4%
- Public Service, $30.3, 3%
- Transfers, $12.7, 1%
- O&M, $71.5, 7%
- Inst. Support, $47.5, 5%
- Auxiliaries, $203.5, 19%

Acad Support:
(libraries, museums, development, academic administration, computing support.)

Student Services:
(student activities, admissions, student health, student aid administration, and intramural athletics.)

Research:
(executive management fiscal operations, Development, HR, computing, etc...)

O&M:
(security, utilities, custodial, maintenance, and grounds)
Base State Appropriations

Does not include centers of excellence, governor chairs, or access and diversity funding, or UTSI.
Total UTK State Appropriations

Appropriations with HEPI and CPI Adjustments

*Estimated appropriations and index projections*
## FY 2016-17 Appropriations

<table>
<thead>
<tr>
<th></th>
<th>Knoxville</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016 Appropriations</td>
<td>$ 187,435,600</td>
</tr>
<tr>
<td>Formula Outcomes</td>
<td>-454,700</td>
</tr>
<tr>
<td>Formula Improvements/Oper Incr</td>
<td>10,423,100</td>
</tr>
<tr>
<td>Group Health Insurance</td>
<td>1,513,600</td>
</tr>
<tr>
<td>401(k) Match (NR)</td>
<td>291,400</td>
</tr>
<tr>
<td>FY 2017 Changes</td>
<td>$ 11,773,400</td>
</tr>
<tr>
<td>Proposed FY17 Appropriations</td>
<td>$ 199,209,000</td>
</tr>
</tbody>
</table>

### Capital/maintenance

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Outlay</td>
<td>-</td>
</tr>
<tr>
<td>Maintenance</td>
<td>5,400,000</td>
</tr>
</tbody>
</table>
**Base allocation/reallocation**

Six percent of unrestricted base E&G expenditures – two year goal

---

**Goal:** $35.0M

**Top Priorities**

1. Compensation
2. Scholarships
3. Graduate fellowships
4. Admissions
5. Academic priorities
6. Faculty startup

---

**109% of goal achieved**

Millions

- 0
- 5
- 10
- 15
- 20
- 25
- 30
- 35
- 40
- 45

- 38.3
Deferred Maintenance

Two year plan to allocate resources to deferred maintenance

Goal: $15.75M

Priorities

1. Building envelope
2. Energy and efficiency
3. Building Systems

63% of goal achieved

Goal: $15.75M

Priorities

1. Building envelope
2. Energy and efficiency
3. Building Systems

63% of goal achieved
Funds Invested in Salaries

Salary funding over past six years (FY12-17)

Source of Investment

<table>
<thead>
<tr>
<th>Year</th>
<th>State</th>
<th>UTK</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5%</td>
<td>83.3</td>
</tr>
<tr>
<td>2013</td>
<td>5%</td>
<td>41</td>
</tr>
<tr>
<td>2014</td>
<td>5%</td>
<td>35</td>
</tr>
<tr>
<td>2015</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

Compensation Gap
Declined 51% in four years
Academic Leadership Retreat

Financial and Facilities Update
August 2016