



Budget Council

Fiscal Year 2027 Planning

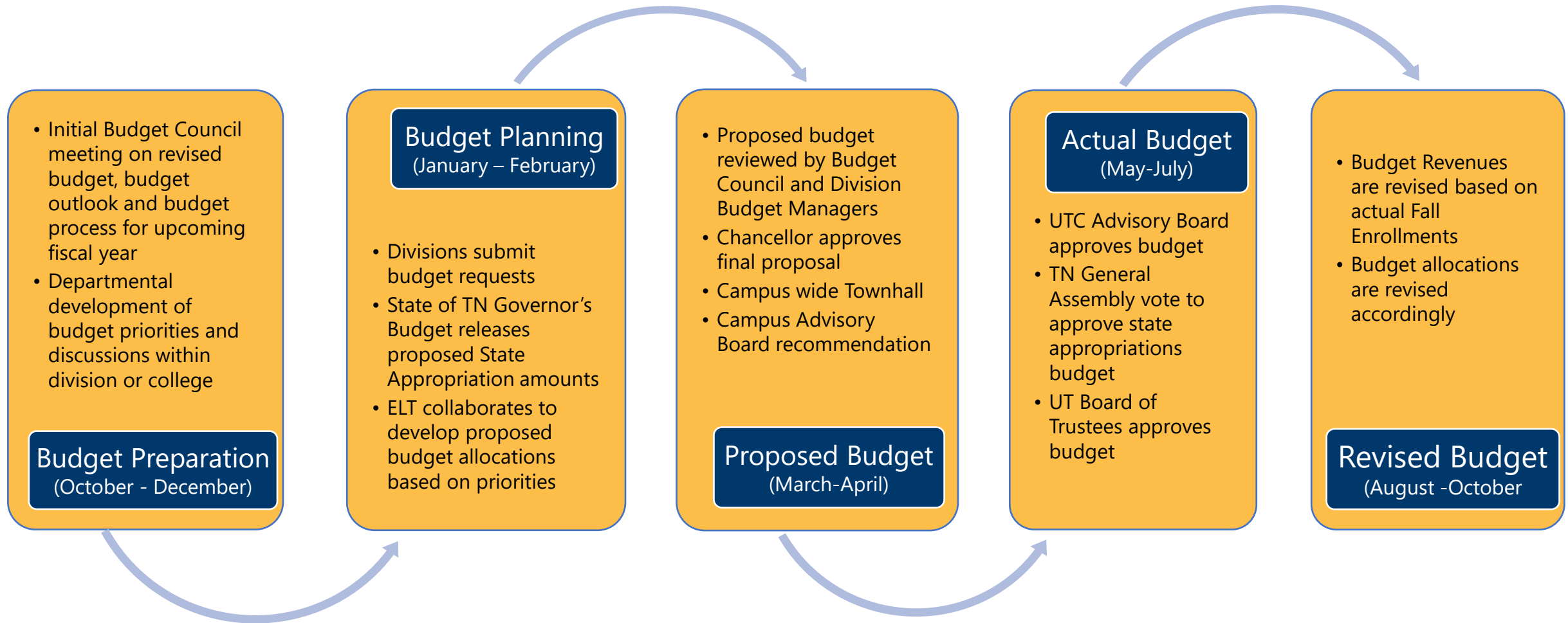
Finance & Administration

December 9, 2025

Agenda

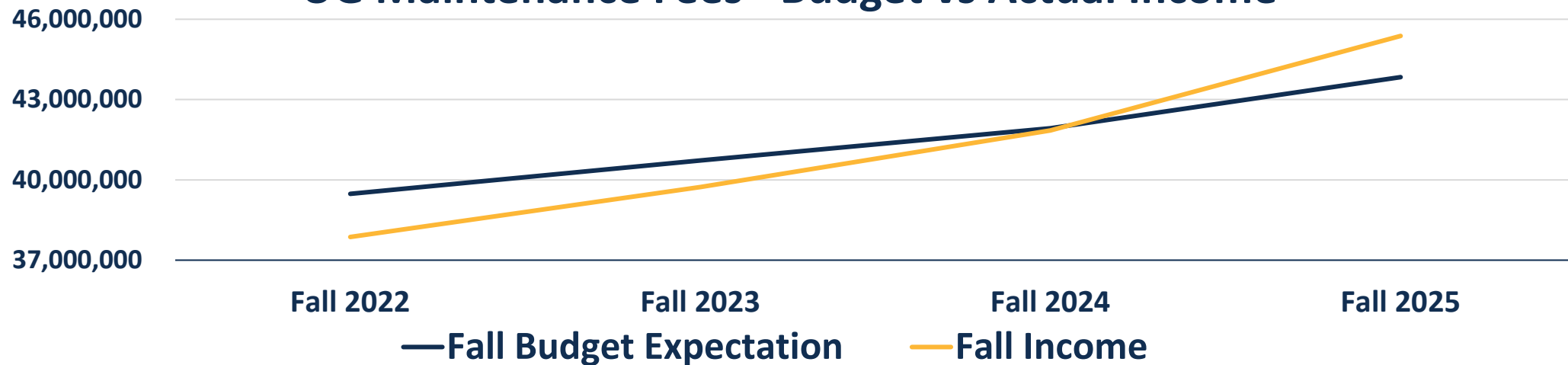
- Budget Process for FY 2027
- Current Revised Budget
 - Enrollment
 - Allocations
 - Revenue & Expenses
- Operating Environment and Budget Outlook
 - Estimated State Appropriation, Tuition and Fees
 - Investment Focus

Annual Budget Planning Cycle

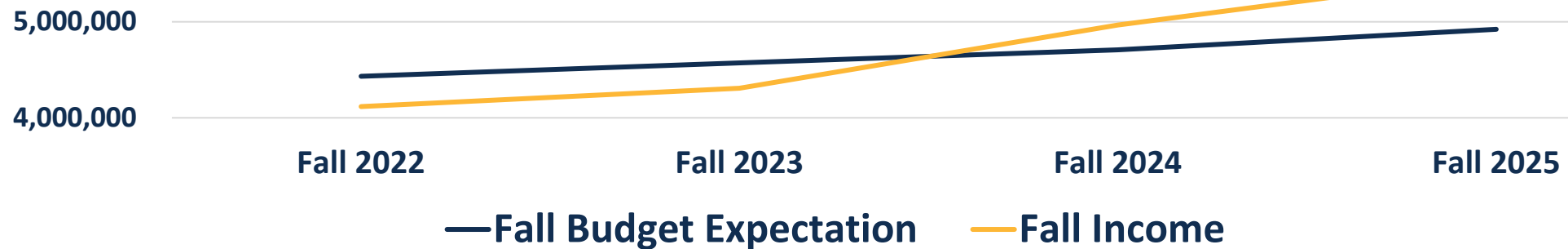


Fall Enrollment Impacts on Budgets and Revenues

UG Maintenance Fees - Budget vs Actual Income



GR Maintenance Fees - Budget vs Actual Income

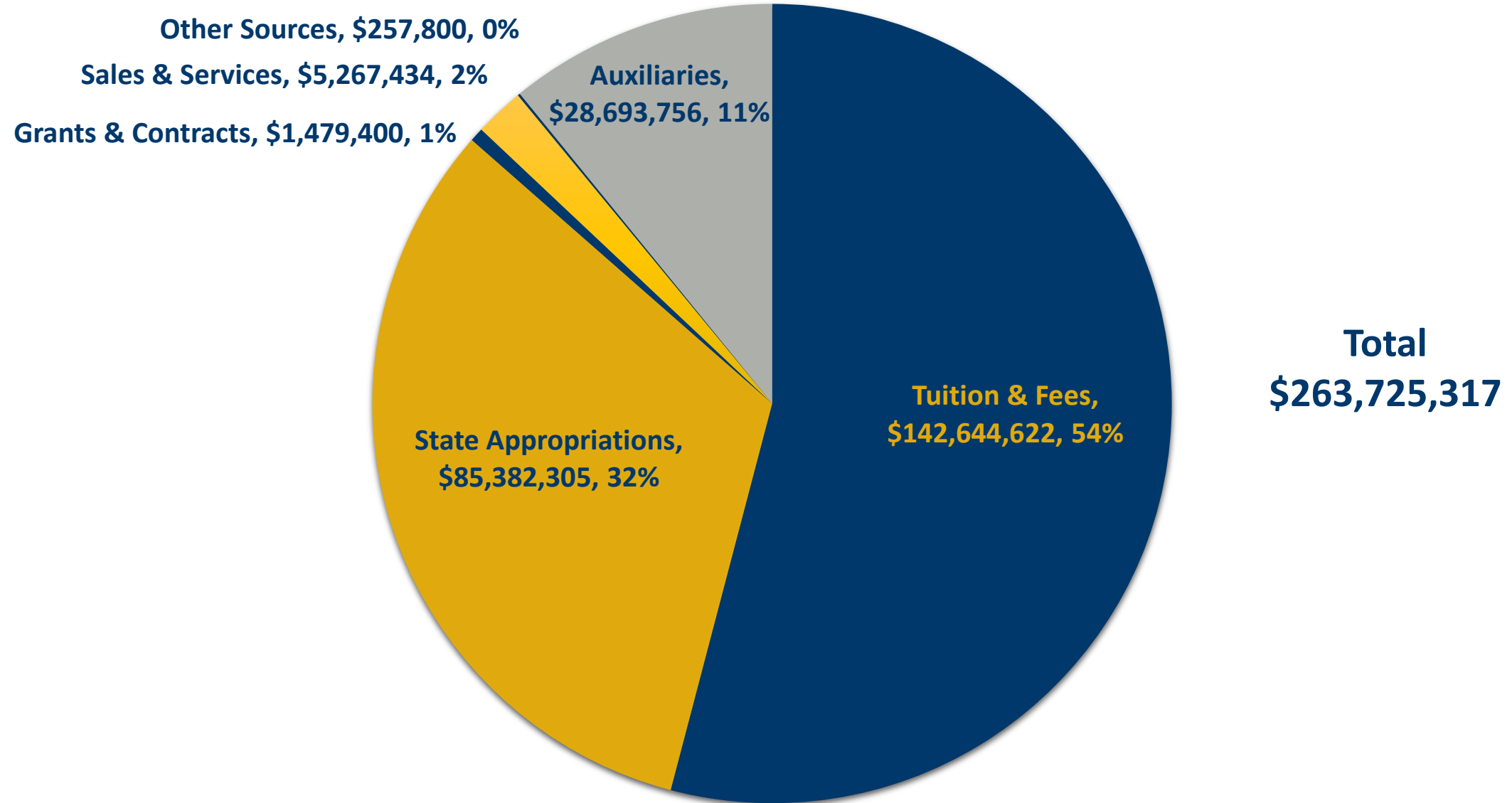


FY2026 Adopted vs Revised – Revenue Budgets

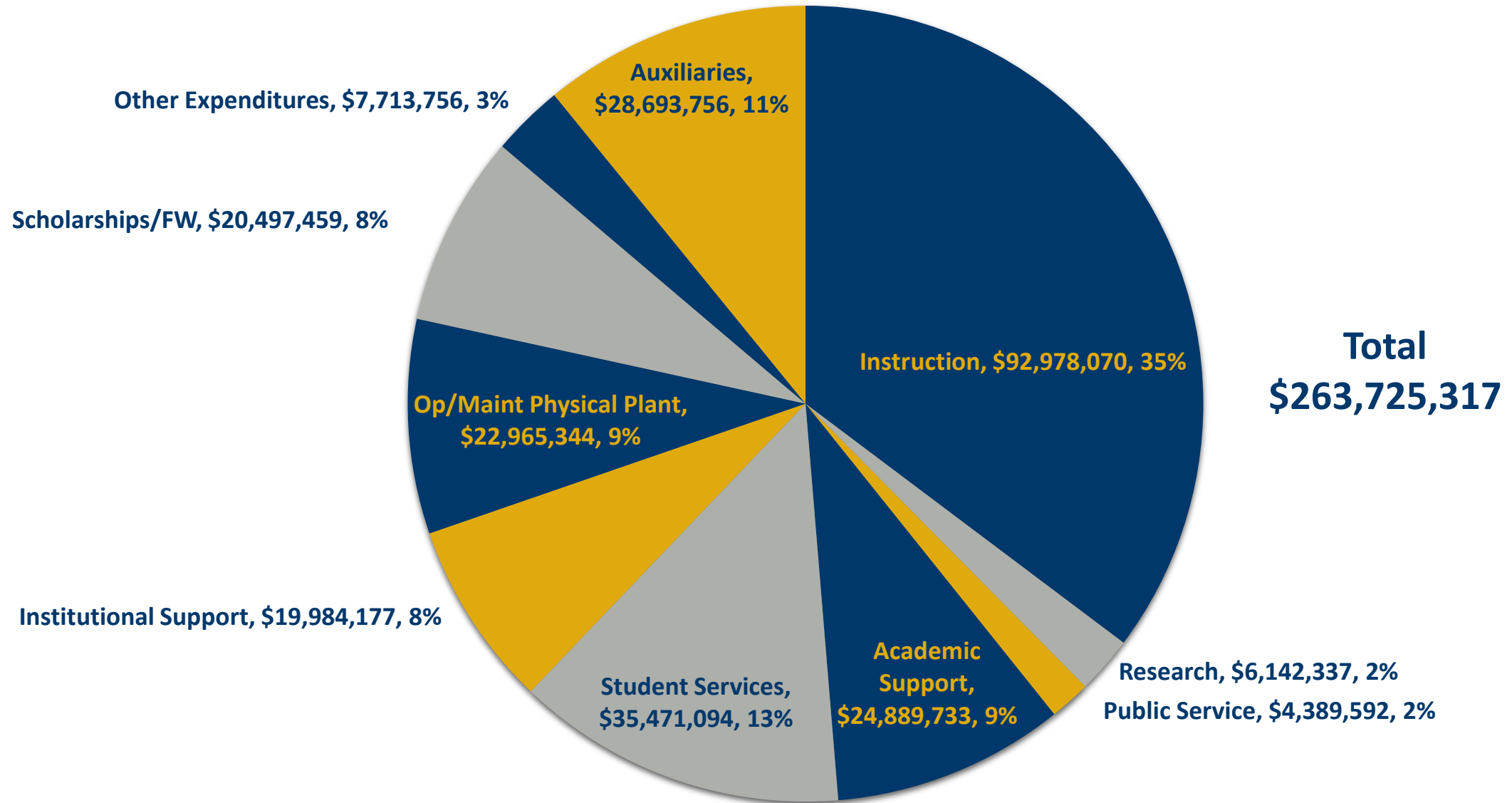
UNRESTRICTED FUNDS	FY26	FY26	Change	
Recurring	Adopted	Revised	Amount	%
EDUCATIONAL AND GENERAL				
Revenues				
Tuition and Fees	\$ 141,364,622	\$ 142,644,622	\$ 1,280,000	0.9%
State Appropriations	85,736,505	85,382,305	(354,200)	(0.4)%
Sales & Services	5,347,434	5,267,434	(80,000)	(1.5)%
Grants & Contracts	\$ 1,479,400	\$ 1,479,400		
Other Sources	\$ 257,800	\$ 257,800		
Revenues	\$ 234,185,761	\$ 235,031,561	\$ 845,800	0.4%

Expenditure Allocations	Revised Allocations
State Appropriations - Property/Claims Premiums	\$ 59,700
State Appropriations - Health Premiums	10,500
State Appropriations - OPEB	(391,600)
State Appropriations - TCRS Adjustments	(32,800)
Communications & Marketing - Market Advertising	200,000
Enrollment Mgmt & Student Affairs - Admissions	179,261
Athletics - NCAA Revenue Share	300,000
Graduate School	20,739
Engineering & Computer Science	500,000
Expenditures	\$ 845,800

Fiscal Year 2026 Revised Budget - Revenues



Fiscal Year 2026 Revised Budget – Expenses



Campus Operating Environment

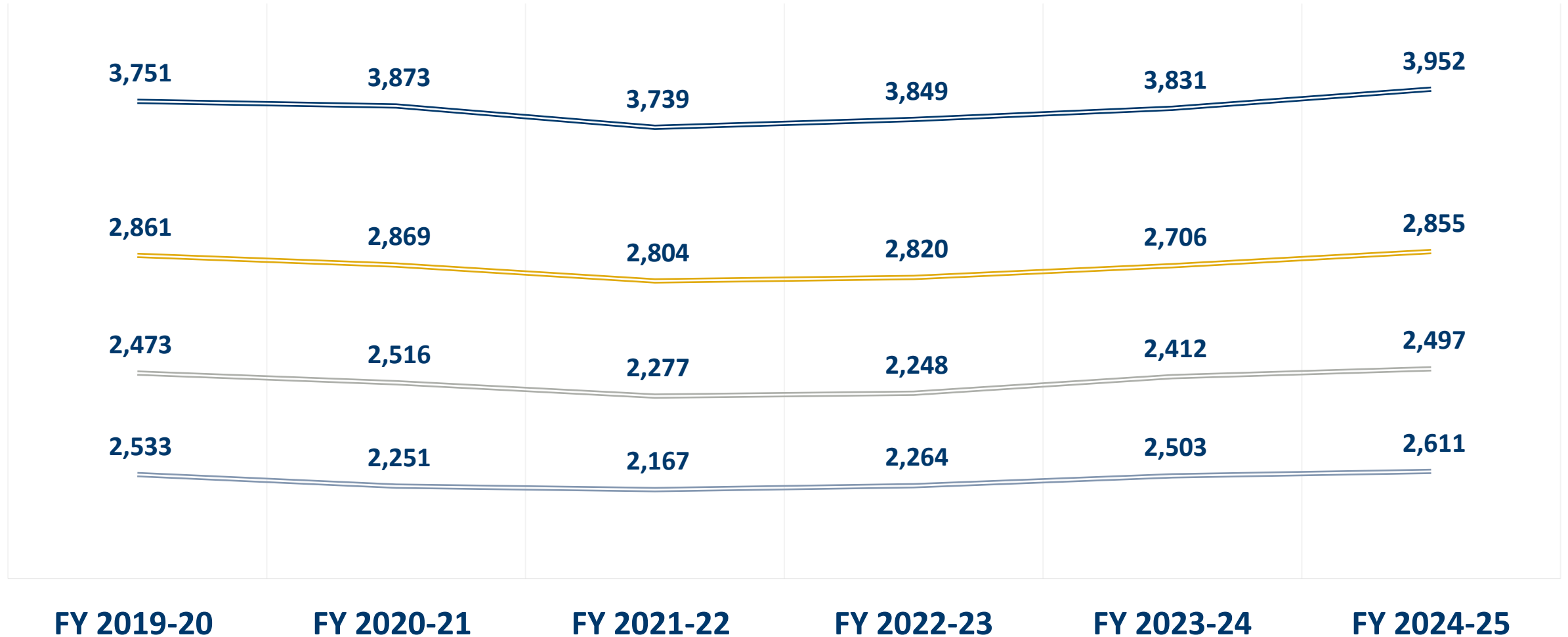
- Record enrollment in Fall 2025
- Enrollment goal for 2030 is aspirational and obtainable
- Invest in campus infrastructure, capacity and maintenance
- Maintain an affordable and reasonable tuition environment
- Record amount of capital projects and debt service impacts
- Opportunity to use funds strategically through process improvements (i.e. procurement methods, renegotiating contracts, position adjustments, funding and retention policies, etc.)

Tennessee Outcomes Based Funding Formula

- Using historical university data to derive a common set of mathematical scales and point calculations, outcomes are produced utilizing three-year averages of data and weighting data priorities.
- OBF Components:
 - (5%) Quality Assurance Funding - scores related to excellence in programmatic and student outcomes.
 - (15%) Fixed Costs - Key component to cover essential campus operations like maintenance, utilities, and equipment replacement, ensuring stable funding for infrastructure.
 - (80%) Outcomes Data - The common data shared by each university includes:
 - Students Accumulating 30 hours
 - Students Accumulating 60 hours
 - Students Accumulating 90 hours
 - Bachelor's Degrees
 - Master's Degrees
 - Doctoral Degrees
 - Research, Service, and Sponsored Programs
 - Degrees per 100 FTE
 - Six-Year Graduation Rate

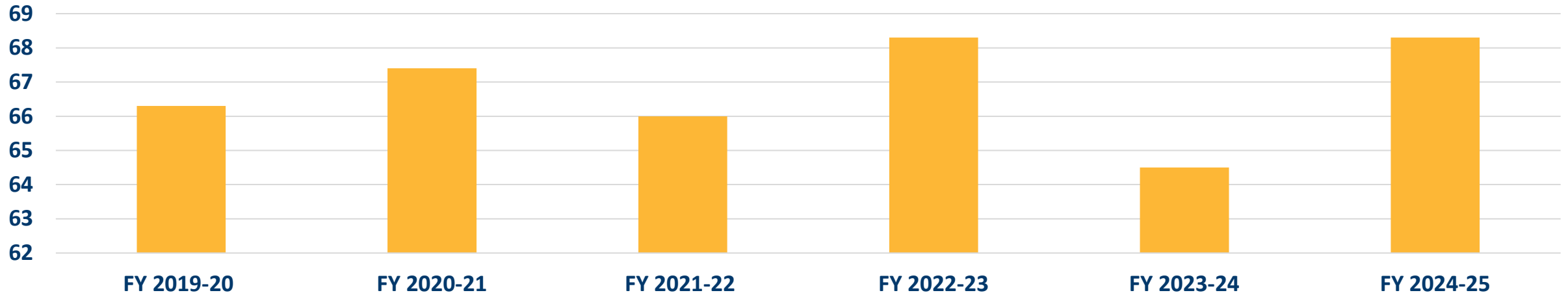
FY 26-27 Funding Formula Data

== 30 Credit Hrs == 60 Credit Hrs == 90 Credit Hrs == Degrees

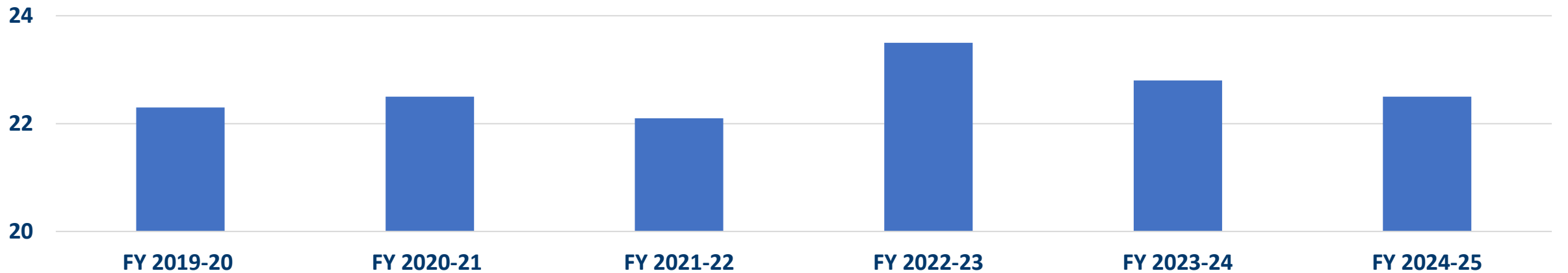


FY 26-27 Funding Formula Data

6Yr Graduation Rate



Degrees per 100 FTE



FY26-27 THEC Formula Funding Recommendation

UT Universities	Productivity Formula Adjustments	New Funding % Awarded
UT Chattanooga	(\$161,500)	5.38%
UT Knoxville	12,870,500	24.42%
UT Martin	(1,801,800)	2.99%
UT Southern	182,700	0.55%
LGI Universities	Productivity Formula Adjustments	New Funding % Awarded
Austin Peay	(\$3,466,900)	4.79%
East Tennessee	(3,115,800)	6.45%
Middle Tennessee State	(4,739,900)	9.31%
Tennessee State	(1,174,100)	3.42%
Tennessee Tech	(465,000)	5.13%
University of Memphis	(1,095,400)	11.74%

Estimated New Revenue Scenarios

State Higher Ed Funding	\$1M	\$10M	\$25M	\$50M	\$75M	\$100M
State Appropriations	\$(107,700)	\$376,500	\$1,183,500	\$2,528,500	\$3,873,500	\$5,218,500
Tuition Increase	0.0%	1.0%	1.5%	2.0%	2.5%	3.0%
Maintenance Fees	-	\$1,002,685	\$1,504,028	\$2,005,371	\$2,506,714	\$3,008,056

- State Appropriations – Uncertain of Estimated Funding Levels or Fully Funding Formula
- THEC Recommended Tuition Binding Range 0 – 2.5%; UT System will Dictate Our Campus Tuition

	FY 2024	FY 2025	FY 2026	FY 2027
THEC Recommendation	\$150M	\$19M	\$40M	\$73.8M
State Funded	\$46M	\$17.2M	\$17M	?

Estimated Recurring Expense Needs

Expense	Funding
Estimated 2.5% Compensation Pool	\$3,000,000
Nursing Operational Growth – Capital Plan Commitment	824,850
MS Management Faculty (New)	190,350
Campus Growth – Added Sq. Footage - Utilities	378,000
Campus Growth – Added Sq. Footage – Building Maintenance	125,000
Campus Growth – Added Sq. Footage – Facility Services	202,176
Contingency/NR items	750,000
UT System Charge	250,000
Totals	\$5,720,376

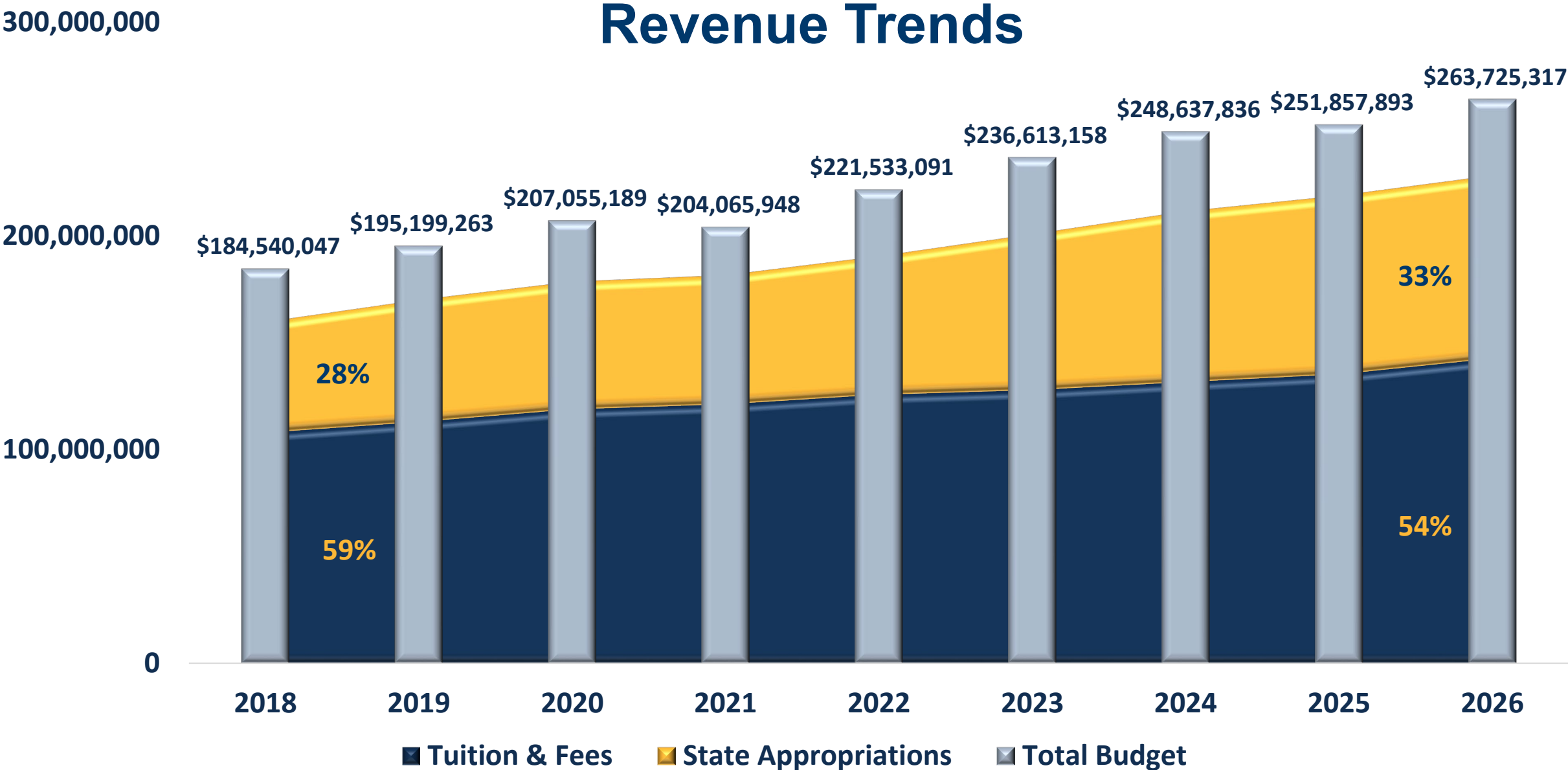
Continued Campus Initiatives

- Enrollment
 - Student Recruitment
 - Marketing & Branding
 - Enrollment Management Staffing
 - Scholarships, Fellowships, Assistantships, Dual Enrollment
 - Student Retention
 - Scholarships
 - Student Services
- Carnegie R2 Designation
 - New Academic Programs (Doctoral)
 - Professorships
- Employee Compensation
 - Performance-Based
 - Professorships
- Athletics
 - NCAA Revenue Share Costs
 - Women Sports Complex
- Campus Maintenance
 - Building Envelopes, Landscaping, Pedestrian Areas
- Current Capital Outlay Projects
 - Oak Street Residence Hall
 - Kennedy Health Sciences Building
 - Fletcher Addition
 - UC Renovation
 - 540 McCallie Renovation
 - New Dining Hall
 - New Parking Garage

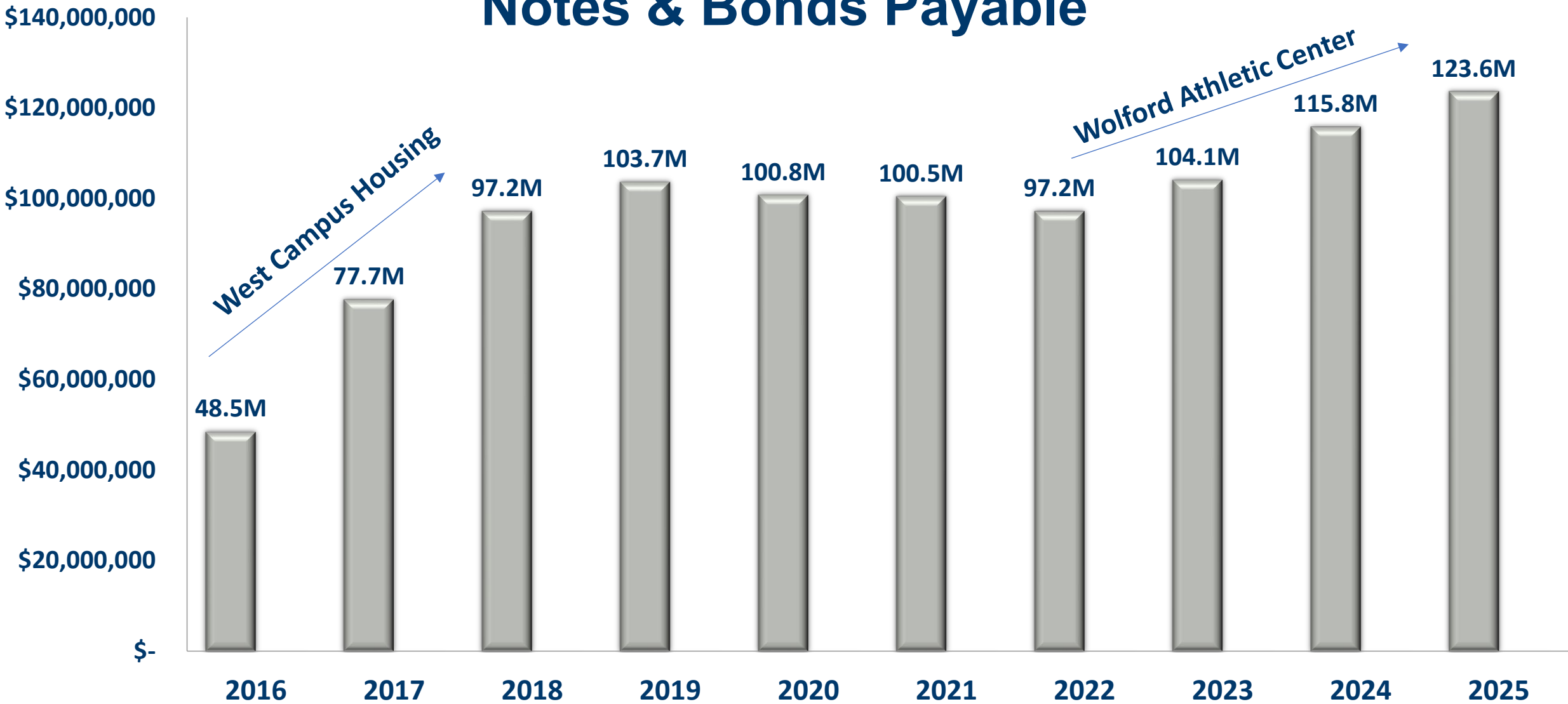
Year to Year Budget Highlights

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Total Budget	\$204,065,948	\$221,533,091	\$236,613,158	\$248,637,836	\$251,857,893	\$263,725,317
Tuition Increase	0%	2.0%	0%	3.0%	3.0%	3.0%
State Appropriations – Funding Formula	\$183,800	\$1,470,100	\$4,631,900	\$1,953,400	\$1,447,200	\$(246,700)
State Appropriations – Salary	-	\$2,550,000	\$2,674,700	\$3,523,500	\$2,219,800	\$1,819,900
Compensation Plan	Faculty Promotions	2.75% \$11 Min Wage Staff Equity Faculty Promotions	3.0% \$13 Min Wage Staff Equity Faculty Promotions	4.0% \$15 Min Wage Compression Faculty Promotions	3.0% Faculty Promotions	2.5% Staff Market Faculty Market Fac Promotions
Compensation Plan Cost	\$250,000	\$3,583,720	\$3,696,910	\$4,981,424	\$3,534,425	\$5,757,572

Revenue Trends



Notes & Bonds Payable



Expected to add an additional \$123M of bonded debt over the next couple of years for the UC Renovation and Oak Street Housing.

Thank you!

Questions?