



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

2021 ANNUAL MEETING OF THE BOARD OF TRUSTEES	
June 25, 2021	Refectory, Mooney Building, UTHSC
1:30 pm – 3:00 pm (CDT)	Memphis, Tennessee

AGENDA (Afternoon Session)

- I. Call to Order and Roll Call
- II. Requests to Address the Board *[if any, not heard in a Committee]*
- III. [Revisions to University Bylaws](#) – Action/Roll Call Vote Tab 1
- IV. Finance & Administration Committee Report
 - A. [FY 2021-22 Operating Budget \(including Salary Plan, Student Tuition and Fees, and Room and Board Rates\)](#) – Action/Roll-Call Vote Tab 2.1
 - B. Capital Projects – Action/Roll Call Vote..... Tab 2.2
 - 1. [Capital Outlay Funding Requests, FY 2022-23 through FY 2026-27](#) Tab 2.2.1
 - 2. [Capital Maintenance Funding Requests, FY 2022-23 through FY 2026-27](#) Tab 2.2.2
 - 3. [Revenue/Institutionally-Funded Capital Projects, FY 2022-23](#) Tab 2.2.3
- V. [Proposed Master Affiliation Agreement between the University and Methodist Healthcare - Memphis Hospitals](#) – Action Tab 3
- VI. [Recommendations regarding the Chancellor Search \(UTHSC\)](#) – Action Tab 4
- VII. [Revisions to UHS Charter and Bylaws](#) – Action Tab 5
- VIII. [Annual Presidential Performance Review](#) – Action Tab 6
- IX. [University of Tennessee Strategic Plan](#) – Discussion Tab 7

Note concerning items VIII. E and F: The Bylaws of the Board provide that any item unanimously approved by a committee that is meeting in conjunction with a meeting of the Board will be placed on the consent agenda of the Board meeting. Therefore, any item that is not unanimously approved in committee will be moved to the regular agenda of the Board. Further, any Trustee may request that an item on the consent agenda of the Board be moved to the regular agenda even if unanimously approved in committee.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

- X. Consent Agenda – Action Tab 8
 - A. [Minutes of Prior Meetings](#) Tab 8.1
 - B. [Statement of Commitment - Graduate Medical Education Program \(2021-2026\)](#) Tab 8.2
 - C. [Resolution Appointing a Managerial Group for U.S. Government Contracts](#)..... Tab 8.3
 - D. [Approval of Board Meeting Dates \(2021-2022\)](#) Tab 8.4
 - E. [Items from the Education, Research, and Service Committee](#)..... Tab 8.5
 - 1. Grant of Tenure upon Initial Appointment
 - 2. Grant of Tenure upon Early Consideration
 - 3. Institutional Mission Profiles
 - 4. Faculty Handbook Revisions, UTC
 - 5. Honorary Degree Recommendation, UTK
 - 6. New Academic Units
 - 7. Academic Program Modifications
 - 8. New Academic Programs
 - 9. Diploma Guidelines
 - 10. Authorization for Conferral of Degrees, 2021-22 Academic Year
 - F. [Items from the Finance and Administration Committee](#) Tab 8.6
 - 1. UT Martin Master Plan Amendment
 - 2. Ratification of Quasi-Endowments Created during FY 2020-21
 - 3. Procedures Governing Compensation Increases during FY 2021-22
 - 4. Highland Rim AgResearch and Education Center Transfer to City of Springfield (UTIA)
 - 5. Milan AgResearch and Education Center Greenway Easement (UTIA)
 - 6. UT Research Foundation/UT Research Park Lease Amendment
 - 7. UT Research Foundation/UT Research Park Master Plan Update
 - 8. Sale of Gift Property Below Appraised Value (UTSA)
 - 9. FY 2021-2022 President Emeritus Agreement with Joseph E. Johnson

- XI. Other Business
[Note: Under the Bylaws of the Board, items not appearing on the agenda may be considered only upon an affirmative vote representing a majority of the total voting membership of the Board. Other business necessary to come before the Board at this meeting should be brought to the Chair's attention before the meeting.]

- XII. Closing Remarks

- XIII. Adjournment



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Proposed Revisions to Bylaws**

Type: Action

Presenter: Cynthia C. Moore, Secretary and Special Counsel

Background Information

Martin Methodist College (MMC) has an intercollegiate athletics program and is a member of the National Association of Intercollegiate Athletics (NAIA). Subject to the approval of the proposed acquisition of MMC, the University of Tennessee Southern (UT Southern) will continue to have an intercollegiate athletics program and is anticipated to remain a member of the NAIA. Revisions to Section 1.4 and 1.4(a) of the Bylaws are necessary to reflect the addition of the new intercollegiate athletics program and its affiliation.

Effective April 7, 2021, Tennessee Code Annotated §49-7-154, which sets forth certain requirements associated with the selection and appointment of chief executive officers of public institutions of higher education, was amended. Under the statute, chief executive officers include the president of the UT system and the chancellors of a UT campus. Revisions to Section 6.5(b) of the Bylaws are necessary to conform to the requirements of the statute. These changes include, among other things, that the Board shall establish the search process, timeline and statement of qualifications prior to initiating a search to fill a chief executive officer position. Under the statute, a search committee may select up to three (3) candidates to be recommended.

Board Action

The Chair will ask a member of the Board to make a motion to approve the following Resolution.

Resolved: The Board of Trustees hereby adopts the proposed amendment to the Bylaws of the Board as presented at the meeting, which shall be attached to this Resolution after adoption.

PROPOSED REVISIONS

**BYLAWS
 OF
 THE UNIVERSITY OF TENNESSEE
 BOARD OF TRUSTEES**

**ARTICLE I
 Powers and Responsibilities of the Board**

Section 1.4 Specific Delegation of Direct Responsibility for Intercollegiate Athletics Programs. The Board delegates direct responsibility for administration and control of the intercollegiate athletics programs to the Chancellor of each campus with an intercollegiate athletics program. The Board shall exercise oversight and monitoring of the intercollegiate athletics programs, including proposed actions reasonably anticipated to have a long-term impact on the operations, reputation, and standing of the intercollegiate athletics programs or the University. Through the President, the Board shall hold the Chancellors accountable for the appropriate execution of their responsibility for administration and control of those programs. The Chancellors ~~of the Chattanooga, Knoxville, and Martin campuses~~ shall keep the President informed of all matters necessary for the exercise of this oversight responsibility. From time to time, the Board may adopt a policy detailing its oversight and monitoring role and specific responsibilities of the Chancellors and the athletics departments.

Section 1.4(a) Athletics Advisory Boards. Each Chancellor for a campus with an intercollegiate athletics program may appoint an Athletics Advisory Board to advise the Chancellor on administration of the program. The composition of an Athletics Advisory Board may include students, faculty, administrators, alumni, and donors but shall comply in all respects with the requirements of applicable rules of the National Collegiate Athletics Association (NCAA-), the National Association of Intercollegiate Athletics (NAIA), or other similar associations, as may be applicable.



ARTICLE VI Officers of the University – Appointment and Removal

Section 6.5(b) Process for Appointment of Chancellors. When the President deems it appropriate to proceed to fill a vacancy in the office of Chancellor by an external search, the President shall recommend to the Board a process and timeline for the search and a statement of qualifications for the position. The President may present his or her recommendations concerning the presidential search process to the Board at either a regular meeting or a special meeting called for that purpose, and in accordance with Tennessee Code Annotated § 49-7-154(c)(2), the meeting shall be open to the public and subject to the requirements of the Tennessee Open Meetings Act. The President, in consultation with the Chair of the Board, shall appoint a search committee to advise and assist the President during the search process. ~~The provisions of Tennessee Code Annotated § 49-7-154(a) and (b) shall govern the confidentiality of records or information relating to or arising out of the search process for a Chancellor. Accordingly, if the search committee finds that certain candidates merit selection as finalists, the committee shall submit to the President an unranked list of no less than three (3) finalists. The search committee may select up to three (3) candidates to be recommended to the President and the Board of Trustees.~~ In the exercise of his or her independent judgment, the President may recommend one or more of the finalists candidate(s) to the Board of Trustees or may decide that the search process should continue. The provisions of Tennessee Code Annotated § 49-7-154 et seq. shall govern the confidentiality of records or information relating to or arising out of the search process for a Chancellor.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **FY 2021-22 Operating Budget (including Student Tuition and Fees and Room and Board Rates)**

Type: Action

Presenter: David L. Miller, Senior Vice President and Chief Financial Officer

University administration has developed the following proposed operating budget and student tuition and fees in accordance with the Bylaws and policies of the Board of Trustees. The proposed Unrestricted Educational and General (E&G) Operating Budget is in the amount of \$1,657,748,627, an increase of 6.5% from the current fiscal year, and the proposed Unrestricted Auxiliary Operating Budget is in the amount of \$266,044,551, an increase of 26.8% from FY 2020-21.

Unit	Unrestricted E&G	Unrestricted Auxiliary		Restricted	Total
Chattanooga	\$ 196,667,813	\$ 21,635,234		\$ 65,771,013	\$ 284,074,060
Knoxville	811,479,020	226,136,458		310,498,914	1,348,114,392
Martin	106,053,135	10,375,196		45,955,709	162,384,040
Health Science Center	304,884,532	4,333,663		311,990,634	621,208,829
Institute of Agriculture	162,756,082			48,289,453	211,045,535
Institute for Public Service	28,342,435			5,931,012	34,273,447
Southern	18,224,663	3,564,000		6,966,262	28,754,925
System Administration	29,340,947			1,850,000	31,190,947
Total	\$ 1,657,748,627	\$ 266,044,551		\$ 797,252,997	\$ 2,721,046,175

The materials following this memorandum include: (1) The formal Resolution of approval; and (2) the FY 2021-22 Proposed Budget Document.

The Proposed Budget Document includes narrative overviews and detailed schedules of all items subject to Board approval: the FY 2021-22 operating budget and 2021-22 student tuition and fees. The document also includes as an information item details on all other changes to student fees authorized by University administration that do not require Board approval. The Senior Vice President and Chief Financial Officer and the President support the proposed FY 2021-22 Operating Budget and Student Tuition and Fees and recommend them for approval.



The University of Tennessee
Board of Trustees

Resolution 00_-2021¹
FY 2021-22 Operating Budget

WHEREAS, by state law, the Board of Trustees must approve an annual operating budget for the University; and

WHEREAS, state law further requires the Board of Trustees to approve student tuition and fees; and

WHEREAS, the FY 2021-22 Budgets for Education and General (E&G) and Auxiliary Enterprises are balanced, and within available resources and comply with all applicable policies and guidelines;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The FY 2021-22 Operating Budget is approved with the understanding that if the General Assembly or the Department of Finance and Administration further alters the FY 2021-22 appropriations, or if changes in estimated resources require, the budget shall be modified accordingly so expenditures will not exceed available resources.
2. The FY 2021-22 student tuition and fee schedules, course-related fees, and other dedicated student fees presented in the FY 2021-22 operating budget are approved.
3. The FY 2021-22 salary plan is approved
4. Any remaining Unrestricted Current Fund balances may be considered as a reserve for contingencies to be used for the following purposes, provided that all such changes shall be reported in a Revised Budget presented to the Board for approval:
 - 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;
 - d. Improving physical facilities for academic and research departments as opportunities arise;
 - e. Mandated cost increases; and
 - f. State impoundment of funds or appropriations rescission during the budget year.

Adopted by the Board of Trustees, the 25th day of June, 2021.

¹ Number will be inserted after adoption.

**Proposed
Budget
Document
FY 2021-22**



THE UNIVERSITY OF
TENNESSEE

THE UNIVERSITY *of* TENNESSEE

Chattanooga

Knoxville
Space Institute

Martin

Health Science Center

Institute of Agriculture
AgResearch
Extension
College of Veterinary Medicine

Institute for Public Service
Institute for Public Service
Municipal Technical Advisory Service
County Technical Assistance Service
Tennessee Language Center

System Administration

The University of Tennessee

FY 2021-22 Proposed Budget Document

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Message from the Chief Financial Officer

The proposed operating budget for FY 2021-22 is historic. During the next year, UT will:

- Welcome the first new campus to join the UT system in half a century;
- Add 32 new extension agents to support Tennessee's most underserved counties;
- Provide the largest percent-increase salary plan since 1994;
- See its largest ever state funding increase; and
- Resume full campus operations after more than a year of remarkable challenges, achievements, and adopting new methods of operating, teaching, and learning.

UT Southern will become Tennessee's first and only public university in south central Tennessee. The transition and new state support allow UT Southern to reduce tuition and fees by over 60%, significantly expanding educational opportunity for students in southern Tennessee. As a small residential campus in the heart of a rural community, UT Southern will offer a unique value proposition to prospective students.

The state is providing \$2.2 million to add 32 extension agents to Tennessee's most distressed rural counties. UT Extension has a proven track record of success of supporting farmers, agribusiness, youth development, community economic development, and family health and welfare in every county of Tennessee. The potential impact of expanding these capabilities where they are most needed is exciting.

None of this is possible without the time, talent, and commitment of UT's faculty and staff. FY 2020-21 was the first time that employees received no general salary increase in over five years. Fortunately, the state was able to provide partial funding for a recurring 4% salary pool in 2021-22 and a 1% pool for non-recurring employee payments in June of this year.

In spite of the financial and operational disruptions caused by the pandemic, the university will begin FY 2021-22 in sound financial condition. Reduced operating expenses, stable state funding, federal assistance, better than expected enrollments, and sufficient financial reserves allowed UT to weather the storm of 2020 better than most universities.

Resuming full operations does not mean resuming "normal" operations. We have learned how to be united and connected while being socially-distanced. The technology that enabled us to collaborate during a pandemic has the potential to connect the people, programs, and assets of UT's statewide system in ways few imagined just a year ago. UT has never been better positioned to realize its full potential for collective impact.

We also learned the limitations of a virtually-connected, socially-distanced university. The personal development experienced over four years of college cannot happen in an exclusively online environment. The same can be said about research and service. We now understand the importance of place and personal engagement better than ever.

Revenue and expenditure data for each operating unit are provided in this budget document. Also included are detailed schedules on proposed tuition and fees for 2021-22.

Respectfully,

David L. Miller

David L. Miller
Senior Vice President & Chief Financial Officer

University of Tennessee FY 2021-22 Proposed Budget

Overview

Current fund revenues for the University of Tennessee (UT) Fiscal Year (FY) 2021-22 proposed operating budget are \$2.7 billion. This includes \$1.9 billion in unrestricted educational and general (E&G) and auxiliary enterprise revenues and \$797 million of revenues from restricted funds. This represents a 6.8% increase from the FY 2020-21 probable budget.

Operating Revenues by Fund Group

Fund Group	FY 2020-21	FY 2021-22	\$-change	%
Unrestricted E&G	\$ 1,556,115,028	\$ 1,657,748,627	\$101,633,599	6.5%
Unrestricted Auxiliaries	207,059,532	266,044,551	58,985,019	28.5%
Subtotal: Unrestricted	\$ 1,763,174,560	\$ 1,923,793,178	\$160,618,618	9.1%
Restricted Funds	784,939,073	797,252,997	12,313,924	1.6%
Total Operating Revenues	\$ 2,548,113,634	\$ 2,721,046,175	\$172,932,541	6.8%

Unrestricted E&G funds support the core operations of the university. They are funded primarily through tuition and student fees, state appropriations, and other sources including grants and contracts, federal and local appropriations, sales and services, and investment income.

Auxiliaries are self-supporting enterprises that provide services to students, faculty, and staff such as housing, bookstores, food services, and UT Knoxville (UTK) athletics. They complement the core operations of each campus and are vital components of student life and campus culture.

Restricted funds include primarily grants, contracts, gifts and endowments. These are the major revenue sources for research, scholarships, and fellowships.

FY 2021-22 Operating Revenues by Major Unit

Campus/Institute	Unrestricted E&G	Unrestricted Auxiliaries	Restricted Funds	Total Revenues
Knoxville	\$ 811,479,020	\$ 226,136,458	\$ 310,498,914	\$1,348,114,392
Health Science Center	304,884,532	4,333,663	311,990,634	621,208,829
Chattanooga	196,667,813	21,635,234	65,771,013	284,074,060
Agriculture	162,756,082		48,289,453	211,045,535
Martin	106,053,135	10,375,196	45,955,709	162,384,040
Public Service	28,342,435		5,931,012	34,273,447
Southern	18,224,663	3,564,000	6,966,262	28,754,925
System Administration	29,340,947		1,850,000	31,190,947
Total Revenues	\$1,657,748,627	\$ 266,044,551	\$ 797,252,997	\$2,721,046,175

University of Tennessee FY 2021-22 Proposed Budget

Overview – (continued)

Change in Total Operating Revenues by Major Unit

Campus/Institute	FY 2020-21	FY 2021-22	\$-change	%
Knoxville	\$1,250,505,321	\$1,348,114,392	\$ 97,609,071	7.8%
Health Science Center	603,947,248	621,208,829	17,261,581	2.9%
Chattanooga	269,867,264	284,074,060	14,206,796	5.3%
Agriculture	204,212,464	211,045,535	6,833,071	3.3%
Martin	155,002,846	162,384,040	7,381,194	4.8%
Public Service	32,309,844	34,273,447	1,963,603	6.1%
System Administration	32,268,647	31,190,947	(1,077,700)	-3.3%
Subtotal	\$2,548,113,633	\$2,692,291,250	\$144,177,616	5.7%
UT Southern		28,754,925	28,754,925	
Total Revenues	\$2,548,113,633	\$2,721,046,175	\$172,932,541	6.8%

Total revenues for existing UT units are budgeted to increase by \$144 million or 5.7%. The changes range from a 3.3% drop for System Administration to a high of 7.8% for Knoxville. The addition of UT Southern pushes the total FY22 revenue increase up to \$173 million or 6.8%.

Unrestricted Educational and General (E&G) Revenues

Revenue budgets for core E&G operations are 6.5% higher than FY 2020-21. The overall funding growth for existing units is 5.4%. The Institute for Public Service and Chattanooga expect growth to exceed 7%. Growth at all but one of the other units ranges from 3.0% to 5.7%. Continuing declines in interest earnings will contribute to a 3.5% reduction for System Administration.

Change in Unrestricted E&G Revenues by Major Unit

Campus/Institute	FY 2020-21	FY 2021-22	\$-change	%
Knoxville	\$ 767,749,390	\$ 811,479,020	\$ 43,729,630	5.7%
Health Science Center	289,087,533	304,884,532	15,796,999	5.5%
Chattanooga	183,594,811	196,667,813	13,073,002	7.1%
Agriculture	155,946,458	162,756,082	6,809,624	4.4%
Martin	102,939,357	106,053,135	3,113,778	3.0%
Public Service	26,378,832	28,342,435	1,963,603	7.4%
System Administration	30,418,647	29,340,947	(1,077,700)	-3.5%
Subtotal	\$ 1,556,115,028	\$ 1,639,523,964	\$ 83,408,936	5.4%
UT Southern		18,224,663	18,224,663	
Total E&G Revenues	\$ 1,556,115,028	\$ 1,657,748,627	\$101,633,599	6.5%

University of Tennessee FY 2021-22 Proposed Budget

Unrestricted Educational and General (E&G) Revenues – (continued)

Unrestricted E&G Revenues by Source

Campus/Institute	FY 2020-21	FY 2021-22	\$-change	%
Tuition & Fees	\$ 758,444,337	\$ 792,803,227	\$ 34,358,890	4.5%
State Appropriations	631,093,152	678,219,552	47,126,400	7.5%
Other Revenues	166,577,539	168,501,185	1,923,646	1.2%
Total E&G Revenues	\$ 1,556,115,028	\$ 1,639,523,964	\$ 83,408,936	5.4%

Figures do not include UT Southern.

Each of the three primary revenue sources for core operations are expected to grow next year. Tuition and fee revenue will be supported by an improved outlook for enrollments and modest tuition increases at two campuses. The increase in state funding is unprecedented. Revenues from income-generating units will improve as the pandemic subsides. (The 1.2% increase in Other Revenues reflects a cautious outlook; actual revenue growth from these sources is likely to outperform budget.) A more detailed discussion of each category follows.

Unrestricted Educational and General (E&G) Revenues – Tuition and Fees

Tuition and Fee Revenues

Fee Type	FY 2020-21	FY 2021-22	\$-change	%
Maintenance Fees	\$ 532,935,945	\$ 551,789,525	\$18,853,580	3.5%
Out-of-State Tuition	87,206,218	86,846,982	(359,236)	-0.4%
Programs & Services Fees	77,633,129	79,488,821	1,855,692	2.4%
Other Student Fees	54,552,454	69,484,343	14,931,889	27.4%
Non-Credit Programs	6,116,591	5,193,556	(923,035)	-15.1%
Total Fee Revenues	\$ 758,444,337	\$ 792,803,227	\$34,358,890	4.5%

Figures do not include UT Southern.

Tuition and fee revenues are expected to grow due to modest tuition and fee increases at UT Chattanooga and UT Martin and enrollment growth in undergraduate, graduate, and professional programs. Most of the 27% increase in Other Student Fee revenue is due to the resumption of some fees that were not assessed during the pandemic (e.g., UTC's online access fee) and strong growth in professional program revenues. A detailed analysis of proposed changes in tuition and fee levels can be found in Section C beginning on page C-1.

University of Tennessee FY 2021-22 Proposed Budget

Unrestricted Educational and General (E&G) Revenues – State Appropriations

FY 2021-22 will be a record setting year when it comes to state funding for the University of Tennessee. The UT portion of the state’s FY22 operating budget includes the largest ever:

- Year-over-year increase (\$56 million);
- Unrestricted funding for core operations (\$684 million); and
- Total amount appropriated to UT (\$701 million).

Below is a summary of the components of UT’s FY22 operating appropriations.

State Appropriations

	Recurring	Non-Recurring	Total
Changes for FY22:			
Salary Pool	26,722,800		26,722,800
Funding Formula	10,444,800		10,444,800
Health Insurance Premium Increase	3,447,500		3,447,500
UT Southern	5,230,000	1,000,000	6,230,000
Health Science Center	5,169,200		5,169,200
Extension Agents	2,190,000		2,190,000
College of Veterinary Medicine	311,900		311,900
Law Enforcement Innovation Center		500,000	500,000
Mandated Discounts & Waivers		860,800	860,800
Total Changes	\$ 53,516,200	\$ 2,360,800	\$ 55,877,000
FY 2020-21 Base	630,232,352		630,232,352
FY22 Unrestricted Appropriations	\$ 682,088,752	\$ 2,360,800	\$ 684,449,552
Restricted Appropriations*	16,582,877		16,582,877
Total FY22 Appropriations	\$ 698,671,629	\$ 2,360,800	\$ 701,032,429

*Restricted appropriations include funding for UT-ORNL Governor’s Chairs, Centers of Excellence, and the HSC Mouse Genome Project.

The state will provide \$26.7 million to partially fund a 4% salary pool. This will be combined with other funding sources to adjust faculty and staff salaries to reflect current salary market conditions and recognize employee performance. An overview of the FY 2021-22 salary plan can be found on page A-12 of this document.

UT’s three “formula units” – Chattanooga, Knoxville, and Martin – will receive additional funding of \$10.4 million related to performance as measured by the THEC outcomes-based funding formula. Most of this will be used for the unfunded portion of formula unit salary pools.

University of Tennessee FY 2021-22 Proposed Budget

State Appropriations – (continued)

UT appropriations include new funding for UT Southern: \$5.1 million in base funding, \$130,000 for employee salary adjustments, and \$1 million non-recurring to fund transition costs. More information on UT Southern can be found beginning on page A-13.

The Health Science Center and College of Veterinary Medicine will receive additional funding for recurring operations (\$5.2 million and \$311,900 respectively). This is a welcome development, although the funding is far short of the total amount needed for long term financial stability of UT's specialized units, which receive no formula funding. UT will continue to work with THEC, the administration, and the General Assembly to advocate for a funding mechanism to support ongoing operations for all specialized units (Health Science Center, Institute of Agriculture, Institute for Public Service, Space Institute, and System Administration).

The Law Enforcement Innovation Center (LEIC) of UT's Institute for Public Service will receive one-time funds of \$500,000 to develop and deliver the DARRT Initiative (Distressed, At-Risk, and Rural County Training). Courses will be delivered to law enforcement agencies in several of Tennessee's underserved counties, including 15 "distressed" counties and 29 "at-risk" counties. The funding reflects the recognition of LEIC's excellence in providing high-quality, impactful training to Tennessee law enforcement, as well as UT's capacity to improve the welfare of Tennessee communities through programs that extend well beyond the classroom.

The state will provide \$3.4 million to fully offset the employer costs of scheduled premium increases to state managed health insurance programs. We estimate that the state will provide \$860,800 to partially offset revenue losses resulting from state-mandated tuition discounts and waivers. (The unfunded portion of these state mandates will approach \$9 million next year.)

In addition to appropriations for current operations, the FY22 state budget includes appropriations for capital expenditures and for other state agencies that will directly support UT programs:

- \$59.9 million for the UTK Nursing Building, HSC Nash build-out, and UT's full capital maintenance request.
- \$8 million non-recurring for the Oak Ridge Institute (ORI).
- \$4 million recurring to support graduate medical education (GME) in Tennessee; and
- \$1 million non-recurring to support a scholarship fund for minority students enrolled in engineering programs at public Tennessee universities.

University of Tennessee FY 2021-22 Proposed Budget

Unrestricted Educational and General (E&G) Revenues – Other Sources

Unrestricted E&G revenues from other sources are expected to rise by 1.2%. This reflects an improved environment for income generating units that experienced significant revenue declines during the pandemic. Revenues generated by the veterinary teaching hospital and related clinics are budgeted to increase by more than \$1.5 million.

Other Unrestricted E&G Revenues

Source	FY 2020-21	FY 2021-22	\$-change	%
Grants & Contracts	\$ 47,222,042	\$ 47,251,909	\$ 29,867	0.1%
Sales & Services	60,452,634	62,315,632	1,862,998	3.1%
Miscellaneous	58,902,863	58,933,644	30,781	0.1%
Total	\$ 166,577,539	\$ 168,501,185	\$ 1,923,646	1.2%

Figures do not include UT Southern.

Grant and contract revenues are the portion of payments from grant and contract sponsors allocated to cover general facilities and administration costs the UT incurs to support grant and contract programs. In other words, it is funding provided to offset the overhead costs of UT's grant and contract activities, which are a major component of UT's research enterprise.

Sales and services revenues include sales from operations that generally provide services to the public (this does not include auxiliary enterprises, which typically provide services to faculty, staff, and students). Examples include medical clinics, 4-H camps, theaters, child development centers, training programs, sales of agricultural products, and sports camps.

Miscellaneous revenues include revenue sources such as interest earnings, conference revenues, federal appropriations provided to AgResearch and Extension (Smith-Lever, Hatch), local government support for the Institute for Public Service, UT's share of the fees received by UT-Battelle, Inc. for management of the Oak Ridge National Laboratory (ORNL), trademark licensing revenues, and unrestricted gifts and endowment earnings (these are a very small portion of UT's gift and endowment revenues, which are typically restricted to specific uses.)

University of Tennessee FY 2021-22 Proposed Budget

Unrestricted E&G Expenses

The FY22 budget for unrestricted E&G expenses is \$1.65 billion. Over half is allocated to instruction, research, and public service; 28% is allocated to academic support, student services, scholarships, and fellowships; and 21% is directed to institutional support and operation and maintenance of grounds, facilities, and mechanical systems.

2021-22 Unrestricted E&G Expenses (in \$ millions)

\$-millions	UTK	HCS	UTC	UTIA	UTM	IPS	UTS	UTSA	Total	
Instruction	\$289	\$143	\$ 86	\$ 43	\$ 46		\$ 4		\$ 612	37%
Research	84	9	5	44					145	9%
Public Service	6	1	3	56	1	\$ 4			91	6%
Acad. Support	92	59	20	9	11		1		192	12%
Student Services	59	7	29		14		4		113	7%
Institut. Support	64	34	14	3	8	1	3	\$56	183	11%
Oper/Maintenance	88	35	20	4	12		1	1	160	10%
Scholarships	112	7	19		12		2		152	9%
TOTAL	\$794	\$294	\$196	\$159	\$104	\$25	\$15	\$57	\$1,645	
	48%	18%	12%	10%	6%	2%	1%	3%		

Budgeted expenses for FY21 are \$27.2 million higher than those for FY22. This is due to the fact that the FY21 figures include \$125 million of non-recurring spending authorizations allocated through the mid-year revised budget process. In order to provide a meaningful analysis of proposed changes, the following information is limited to budget allocations for recurring expenditures.

Change in Recurring Unrestricted E&G Expenses by Major Unit

Campus/Institute	FY 2020-21	FY 2021-22	\$-change	%
Knoxville	\$ 749,903,520	\$ 793,751,095	\$ 43,847,575	5.8%
Health Science Center	281,525,619	296,772,632	15,247,013	5.4%
Chattanooga	181,931,989	194,225,136	12,293,150	6.8%
Agriculture	151,493,950	158,711,853	7,217,903	4.8%
Martin	101,003,553	104,105,219	3,101,666	3.1%
Public Service	24,153,731	24,801,688	647,957	2.7%
System Administration	56,705,036	58,000,976	1,295,940	2.3%
Subtotal	\$ 1,546,717,395	\$ 1,630,368,599	\$ 83,651,204	5.4%
UT Southern		14,966,284	14,966,284	
Recurring E&G Expenses	\$ 1,546,717,395	\$ 1,645,334,883	\$ 98,617,488	6.4%

University of Tennessee FY 2021-22 Proposed Budget

Unrestricted E&G Expenses – (continued)

Recurring expense budgets will increase 6.4% from \$1.55 to \$1.63 billion. UT Southern accounts for \$15 million of this increase. Recurring expenses for existing units will increase 5.4%. This ranges from a low of 2.3% for System Administration to increases of 6.8% at Chattanooga and the Health Science Center. Several factors contribute to the increase:

- Spending for many operating items such as travel, conferences, contractual services, and special events was much lower than usual during FY21 due to the pandemic. Spending on these items will return to normal levels next year.
- There were no general salary increases in FY21, while the FY22 budget includes a 4% salary pool.
- Tennessee Extension will add 32 agents in distressed rural counties.
- The Law Enforcement Innovation Center will develop and deliver a new training program for Tennessee’s rural law enforcement agencies.
- Expenses for health insurance premiums will increase \$3.4 million.
- Institutional funds of \$4.5 million will be added for student financial aid.
- Improvements to academic programs, student services, and academic support (many of which were deferred during the pandemic).
- Fixed cost increases including campus infrastructure and contract escalations.

Recurring Changes by Function and Classification

By Functional Area	FY 2020-21	FY 2021-22	\$-change	%
Instruction	\$ 565,755,546	\$ 607,062,583	\$ 41,307,037	7.3%
Research	132,422,929	141,594,715	9,171,786	6.9%
Public Service	85,176,343	89,267,133	4,090,790	4.8%
Academic Support	179,919,233	190,967,824	11,048,591	6.1%
Student Services	106,199,091	109,134,561	2,935,470	2.8%
Institutional Support	174,420,901	181,706,370	7,285,469	4.2%
Operation & Maintenance	157,929,479	161,209,526	3,208,047	2.1%
Scholarships & Fellowships	144,893,873	149,425,887	4,532,014	3.1%
Recurring E&G Expenses	\$ 1,546,717,395	\$ 1,630,368,299	\$ 83,651,204	5.4%
By Expense Type				
Salaries & Benefits	\$ 1,051,478,102	\$ 1,093,060,564	\$ 41,582,462	4.0%
Operations	350,345,720	387,881,848	37,536,428	10.7%
Scholarships & Fellowships	144,893,873	149,425,887	4,532,014	3.1%
Recurring E&G Expenses	\$ 1,546,717,395	\$ 1,630,368,299	\$ 83,651,204	5.4%

Figures do not include UT Southern.

University of Tennessee FY 2021-22 Proposed Budget

Auxiliary Enterprises

Auxiliaries are self-supporting enterprises which furnish services to students, faculty, and staff such as housing, bookstores, food services, and UTK athletics. (The athletic programs at Chattanooga, Martin, and UT Southern are included in unrestricted E&G funds.) Most are funded through fee models such as housing rentals, dining plan prices, parking permits, and sales of books and supplies. UTK athletics has a variety of funding sources including ticket sales and television revenues. These revenue streams fund staff salaries and benefits, general operating, and utilities, as well as transfers to other fund groups to cover capital and debt service expenditures required for construction, maintenance, and replacement of facilities and capital equipment.

UT Southern (UTS) FY22 auxiliary revenues include federal COVID relief funding to offset lost revenue from FY21 room and board fees (\$495,000) and bookstore revenues (\$83,000). Revenues generated by FY22 auxiliary operations are expected to be \$2,986,000. UTS assesses a combined room and board fee, which is projected to generate \$3,326,000 during FY22. The amount shown as food services revenues above (\$961,400) matches food service expense and transfer budgets.

2021-22 Auxiliary Revenues

\$-thousands	UTK	UTC	UTM	UTS	HSC	Total
Housing	\$54,394	\$16,219	\$8,283	\$ 2,365		\$81,261
Bookstores	20,780	500	640	238	1,500	23,658
Parking	10,290	3,373	616		1,402	15,681
Food Services	9,460	1,191	410	961		12,022
Other	2,695	352	426		1,432	4,905
Subtotal	\$97,619	\$21,635	\$10,375	\$ 3,564	\$4,334	\$137,527
UTK Athletics	128,517					128,517
Total	\$226,136	\$21,635	\$10,375	\$ 3,564	\$4,334	\$266,044

Auxiliary revenues experienced dramatic declines over the past year due to the pandemic. FY22 revenues are projected to be significantly higher (26.8%) as campuses return to normal operations. Revenues for traditional auxiliaries are projected to grow 13.8%, while UTK athletics expects revenues to grow by nearly 44%.

University of Tennessee FY 2021-22 Proposed Budget

Auxiliary Enterprises – (continued)

FY21 revenue losses in housing were cushioned by federal COVID relief funds; otherwise the projected increase for FY22 housing revenues would be higher than 10.1%. This factor also contributes to the relatively small revenue increases budgeted for Chattanooga and Martin.

The large increase for the Health Science Center is for bookstore sales of equipment and supplies, which can be relatively expensive for students in medical school and advanced health profession programs.

Change in Auxiliary Enterprise Revenues

Campus/Institute	FY 2020-21	FY 2021-22	\$-change	%
Knoxville	\$ 174,444,872	\$ 226,136,458	\$ 51,691,586	29.6%
Chattanooga	19,724,937	21,635,234	1,910,297	9.7%
Martin	9,968,296	10,375,196	406,900	4.1%
Health Science Center	2,921,427	4,333,663	1,412,236	48.3%
Subtotal	\$ 1,546,717,395	\$ 1,630,368,599	\$ 83,651,204	5.4%
Housing	\$71,678,612	\$78,895,858	\$ 7,217,246	10.1%
Bookstores	20,039,346	23,420,352	3,381,006	16.9%
Parking	13,705,896	15,680,722	1,974,826	14.4%
Food Services	10,758,530	12,413,870	1,655,340	15.4%
Other	1,557,749	3,552,749	1,995,000	128%
Subtotal	\$ 117,740,133	\$ 133,963,551	\$ 16,223,418	13.8%
UTK Athletics	89,319,399	128,517,000	39,197,601	43.9%
Total	\$207,059,532	\$262,480,551	\$55,421,019	26.8%

Figures do not include UT Southern.

University of Tennessee FY 2021-22 Proposed Budget

Restricted Funds

Many of the budget tables and schedules in this document include information on restricted fund budgets. This information is not part of the proposed Board resolution. It is presented for information purposes to provide a complete picture of funds available for current operations in 2021-22.

Restricted funds must be used for purposes established by an external party and in accordance with the contractual terms and conditions negotiated with the sponsor of each grant and contract and the administrative provisions set by donors for each gift fund and endowment. They are the largest revenue sources for research and financial aid and play an important role in funding the university's public service initiatives.

Externally funded projects in research, public service, and instruction are vital components of the university's core mission. Funding from the federal government, State of Tennessee, gifts, and endowments provide scholarships and fellowships that significantly improve student access and affordability.

Restricted Revenues by Major Unit

Campus/Institute	FY 2020-21	FY 2021-22	\$-change	%
Knoxville	\$ 308,311,059	\$ 310,498,914	\$ 2,187,855	0.7%
Health Science Center	311,938,288	311,990,634	52,346	-
Chattanooga	66,547,516	65,771,013	(776,503)	-1.2%
Agriculture	48,266,006	48,289,453	23,447	-
Martin	42,095,192	45,955,709	3,860,517	9.2%
Public Service	5,931,012	5,931,012	-	-
System Administration	1,850,000	1,850,000	-	-
Subtotal	\$ 784,939,073	\$ 790,286,735	\$ 5,347,662	0.7%
UT Southern		6,966,262	6,966,262	
Total Restricted Revenues	\$ 784,939,073	\$ 797,252,997	\$ 12,313,924	1.6%

University of Tennessee FY 2021-22 Proposed Budget

Restricted Funds – (continued)

Restricted fund expenditures for instruction and student aid are expected to be less than 2020-21 due to the unusually large federal COVID relief grants received during FY21. Some federal relief funds will carry forward to be used during FY22, but the amounts will be less than that spent during FY21.

Restricted Revenues and Expenses

Sources & Uses	FY 2020-21	FY 2021-22	\$-change	%
Grants & Contracts	\$ 689,331,807	\$ 694,338,873	\$ 5,007,066	0.7%
Gifts & Endowments	79,080,930	79,103,985	23,055	-
Other Sources	16,526,336	16,843,877	317,541	2.0%
Restricted Revenues	\$ 784,939,073	\$ 790,286,735	\$ 5,347,662	0.7%
Instruction	\$ 236,555,589	\$ 224,223,797	\$(12,331,792)	-5.2%
Research	190,150,361	196,768,855	6,618,494	3.5%
Scholarships & Fellowships	228,839,998	225,616,292	(3,223,706)	-1.4%
Public Service	68,705,705	70,505,825	1,800,120	2.6%
Academic Support	45,584,254	52,997,845	7,413,591	16.3%
Other Expenses	15,103,166	20,174,121	5,070,955	33.6%
Restricted Expenses	\$ 784,939,073	\$ 790,286,735	\$ 5,347,662	0.7%

Figures do not include UT Southern.

University of Tennessee FY 2021-22 Proposed Budget

2021-22 Salary Plan

The proposed salary plan for 2021-22 will be the largest ever distributed by the university and the largest as a percentage of total salaries since 1994. Campuses and institutes will develop 4% salary pools to adjust faculty and staff salaries to reflect current salary market conditions and recognize employee performance. State appropriations of \$130,000 are being provided to fund a 2% salary pool for UT Southern employees. The total costs of these adjustments for all UT campuses and institutes are estimated at roughly \$46 million. State salary pool funding is sufficient to cover 58% of the projected costs.

Salary Plan Funding Sources	\$-amount
State salary pool (includes UT Southern)	\$ 26,852,800
State formula funding (UTC, UTK, UTM)	9,600,000
Grants, contracts, gifts, and endowments	6,300,000
Auxiliary fees	3,200,000
Tuition & fees	420,000
TOTAL	\$ 46,372,800

The state salary plan also includes \$6,648,400 for a 2% salary pool retroactive to January 1, 2021 (the equivalent of 1% pool). These are non-recurring appropriations that will be added to UT's FY21 appropriations. Current regular UT employees who were permanently employed by UT on January 1 will receive one-time payments of 1% of annual salaries and wages during June 2021. The full costs are expected to be roughly \$11 million, which is \$4.3 million above what the state is funding. There is no time to adjust tuition and fee levels or funding allocations so late in a fiscal year, so much of this gap will be funded by reserves.

University of Tennessee FY 2021-22 Proposed Budget

UT Southern

Perhaps the most important component of the FY 2021-22 budget proposal is the addition of a new campus to the UT system. The following section provides a closer look at the UT Southern proposed operating budget for 2021-22.

Fiscal Year 2021-22 will be the inaugural year of the first new public university in Tennessee for over half a century. The most compelling aspect of Martin Methodist's transition to becoming UT Southern will be a dramatic reduction in tuition and fees. The addition of state funding will enable UT Southern to charge 61% less than it does as Martin Methodist College. Full-time undergraduate students are currently assessed \$26,000 for tuition and mandatory fees; this will drop to \$10,200 in 2021-22. The value proposition for current students will be significantly improved and the educational opportunities for prospective students in southern Tennessee will be greatly expanded.

The State of Tennessee FY 2021-22 budget includes appropriations of \$6.23 million for UT Southern. This includes base funding of \$5.1 million, \$130,000 for a faculty and staff salary pool, and \$1 million of non-recurring transition funds. UT Southern will receive \$5.23 million in recurring funds (plus any state-funded salary pools and employee benefits adjustments) for the next four years. After that point, future appropriations to UT Southern will depend on its performance as measured by the THEC outcomes-based funding formula.

Allocation of FY 2021-22 State Appropriations

	Recurring	Non-Recurring	Total
Reduce net cost of attendance	\$ 2,690,834		\$ 2,690,834
Enhance programs & services	839,202	500,000	1,339,202
Subtotal: direct benefits to students	\$ 3,530,036	\$ 500,000	\$ 4,030,036
Expand employee benefits	888,473		888,473
Faculty & staff salary adjustments	130,000		130,000
Subtotal: direct benefits to employees	\$ 1,018,473		\$ 1,018,473
Loss of Church & Turner Center funding	681,491		681,491
Marketing, branding, recruitment		250,000	250,000
Future plant fund expenditures		250,000	250,000
TOTAL	\$ 5,230,000	\$ 1,000,000	\$ 6,230,000

University of Tennessee FY 2021-22 Proposed Budget

UT Southern – (continued)

Bringing UT Southern into the UT system will add \$28.8 million of operating revenues to UT's FY 2021-22 operating budget. This is significantly higher than what is expected over the next few years due to \$7.6 million of non-recurring appropriations, gifts, grants, and sales intended to assist with the transition and offset the continuing fiscal impact of the pandemic. Recurring revenues include \$17 million from unrestricted E&G and auxiliary operations and \$4.2 million of restricted state and federal funding for student financial aid.

UT Southern FY 2021-22 Operating Revenues, Expenses, and Transfers

Revenues, Expenses, and Transfers	Unrestricted E&G	Unrestricted Auxiliaries	Restricted Funds	Total Revenues
Tuition & Fees	\$ 7,406,115			\$ 7,406,115
State Appropriations	6,230,000			6,230,000
Grants & Contracts	522,000		\$ 6,916,262	7,438,262
Sales & Services	579,000			579,000
Other E&G Revenues	3,487,548		50,000	3,537,548
Auxiliaries		\$ 3,564,000		3,564,000
Total Revenues	\$ 18,224,663	\$ 3,564,000	\$ 6,966,262	\$ 28,754,925
Instruction	\$ 4,060,765		\$ 506,889	\$ 4,567,654
Public Service	177,386			177,386
Academic Support	975,092			975,092
Student Services	4,003,469			4,003,469
Institutional Support	2,840,094		888,940	3,729,034
Operation/Maintenance	791,957			791,957
Grants & Scholarships	2,117,521		5,570,433	7,687,954
Auxiliaries		1,905,525		1,905,525
Total Expenses	\$ 14,966,284	\$ 1,905,525	\$ 6,966,262	\$ 23,838,071
Mandatory Transfers		391,444		391,444
Other Transfers	(223,600)	573,600		350,000
Exp. & Transfers	\$ 14,742,684	\$ 2,870,569	\$ 6,966,262	\$ 24,579,515
Change in Net Assets	\$ 3,481,979	\$ 693,431	-	\$ 4,175,410
Balances – 7/1/21	500,000	200,000	-	700,000
Balances – 6/30/22	\$ 3,981,979	\$ 893,431	-	\$ 4,875,410

University of Tennessee FY 2021-22 Proposed Budget

UT Southern – (continued)

Recurring funds for FY 2021-22 operations are expected to fall short of expense by approximately \$625,000. Several non-recurring funding sources will offset this shortfall as well as provide reserves to invest in marketing, recruitment, academic programs, and student services. Carry overs will enable UT Southern to continue to fully fund recurring operations as enrollments grow in future years.

Comparison of Operating Revenues, Expenses, and Transfers

	Martin Methodist FY 2020-21	UT Southern FY 2021-22	Difference
Recurring Revenues, Expenses, and Transfers			
Tuition & Fees	\$ 17,320,028	\$ 7,406,115	\$ (9,913,913)
State Appropriations	-	5,230,000	5,230,000
Church Support & Turner Center	681,491	-	(681,491)
Endowment Distributions	556,057	556,057	-
Other E&G Revenues	834,000	810,491	(23,509)
Auxiliaries	2,844,100	2,986,000	141,900
Total Revenues	\$ 22,235,676	\$ 16,988,663	\$ (5,247,013)
Salaries & Benefits	\$ 8,284,325	\$ 9,502,473	\$ 1,218,148
Operations	5,040,059	5,251,815	211,756
Scholarships & Fellowships	9,340,600	2,117,521	(7,223,079)
Total Expenses	\$ 22,664,984	\$ 16,871,809	\$ (5,793,175)
Transfers for Debt Service	372,447	391,444	18,957
Additions to Plant Funds	150,000	500,000	350,000
Releases from Other Funds	(596,384)	(150,000)	446,384
Total Expenses & Transfers	\$ 22,591,047	\$ 17,613,253	\$ (4,977,794)
Net from Recurring Operations	\$ (355,371)	\$ (624,590)	\$ (269,219)
Non-Recurring Transition Funding			
Private Gifts		\$ 2,200,000	\$ 2,200,000
Federal COVID Relief		1,100,000	1,100,000
State Appropriations		1,000,000	1,000,000
Sale of FCC License		500,000	500,000
Total Transition Funding		\$ 4,800,000	\$ 4,800,000
Net with Non-Recurring Funds	\$ (355,371)	\$ 4,175,410	\$ 4,530,781

University of Tennessee FY 2021-22 Proposed Budget

Unrestricted Net Assets

The university maintains sufficient levels of unrestricted net assets to comply with state regulations on working capital, properly account for revolving funds, and meet contractual obligations and operational plans for the next year. The revised budget results in fund balances of \$133.5 million as of June 30, including \$114.6 million for E&G operations and \$19.0 million for auxiliaries.

Unrestricted Current Fund Net Assets Budgeted for June 30, 2022

Fund Balances	E&G	Auxiliary	Total
Working Capital	\$ 20,768,535	\$ 8,174,068	\$ 28,942,603
Revolving Funds	17,769,887	1,714,725	19,484,612
Encumbrances	3,153,752		3,143,754
Reappropriations	12,279,034		12,279,034
Unallocated Reserve*	62,172,780	9,325,361	71,616,570
Total	\$ 116,143,990	\$ 19,332,585	\$ 135,476,573
<i>*Unallocated Reserve as a % of Total Expenses & Transfers</i>	3.76%	3.51%	3.73%

Unallocated Reserves are contingency funds used to respond to fluctuations in revenues and expenditures. The unallocated reserve for E&G operations is limited to 2% to 5% of total expenditures and transfers; the auxiliary target range is 3% to 5% of expenditures and transfers.

Working capital provides sufficient liquidity to fund accounts receivable, inventories, and petty cash. These are required by state regulations and are considered non-expendable during the fiscal year.

Encumbrances are carried over for commitments for purchases of goods and services that were not received before the close of the fiscal year. They are fully expended during the fiscal year.

Revolving funds include fund balances tied to revenue-generating units (e.g., service centers, motor pools, conference centers, medical clinics) and university wide cost-distribution models (e.g., unemployment compensation, workers compensation liabilities, claims liabilities, etc.).

Reappropriations are funds carried forward for specific programs and initiatives. The most common example is a project that was planned for the previous fiscal year but delayed until the next fiscal year. Most reappropriations are fully expended during the current year.

FY 2021-22 Proposed Budget Document

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University of Tennessee System
FY 2021-22 Proposed Budget Summary by Unit
Unrestricted Current Funds, Revenues, Expenditures, and Transfers

	Total System	Chattanooga	Knoxville	Martin	UT Southern	Health Science Center	Institute of Agriculture	Institute for Public Service	System Administration
EDUCATIONAL AND GENERAL									
Revenues									
Tuition & Fees	\$ 800,209,342	\$ 125,750,596	\$ 500,284,565	\$ 64,106,542	\$ 7,406,115	\$ 90,015,347	\$ 12,646,177		
State Appropriations	684,449,552	64,752,805	277,700,858	37,357,097	6,230,000	177,535,124	99,474,464	\$ 15,009,887	\$ 6,389,317
Grants & Contracts	47,773,909	1,049,400	23,910,000	241,400	522,000	16,966,260	4,089,470	995,379	
Sales & Service	62,894,632	4,845,512	5,167,587	3,577,096	579,000	19,293,881	29,431,556		
Other Sources	62,421,192	269,500	4,416,010	771,000	3,487,548	1,073,920	17,114,415	12,337,169	22,951,630
Total Revenues	\$ 1,657,748,627	\$ 196,667,813	\$ 811,479,020	\$ 106,053,135	\$ 18,224,663	\$ 304,884,532	\$ 162,756,082	\$ 28,342,435	\$ 29,340,947
Expenditures and Transfers									
Instruction	\$ 611,698,468	\$ 86,230,518	\$ 289,215,183	\$ 45,709,231	\$ 4,060,765	\$ 143,059,679	\$ 43,423,092		
Research	141,778,905	5,467,779	83,991,685	87,751		8,521,904	43,709,786		
Public Service	90,538,269	2,794,952	5,942,016	838,425	177,386	595,576	56,066,399	\$ 24,123,515	
Academic Support	192,306,850	19,730,004	91,955,129	10,947,253	975,092	59,054,218	9,387,136	258,018	
Student Services	113,318,030	28,786,456	59,357,799	14,086,977	4,003,469	7,083,329			
Institutional Support	182,982,364	14,168,637	64,177,607	8,016,217	2,840,094	33,950,544	2,758,134	920,155	\$ 56,150,976
Op/Maint Physical Plant	159,870,122	19,514,732	88,086,489	12,231,959	791,957	34,807,472	3,837,513		600,000
Scholarships & Fellowships	152,346,074	19,046,386	111,564,887	12,332,906	2,117,521	7,160,831	123,543		
Subtotal Expenditures	\$ 1,644,839,082	\$ 195,739,464	\$ 794,290,795	\$ 104,250,719	\$ 14,966,284	\$ 294,233,553	\$ 159,305,603	\$ 25,301,688	\$ 56,750,976
Mandatory Transfers	11,171,450	4,663,880	310,624	547,667		5,519,279			130,000
Non Mandatory Transfers	(1,285,920)	(3,735,531)	16,877,601	1,254,749	2,076,400	5,181,700	2,946,600	3,026,013	(28,913,452)
Total Expenditures & Transfers	\$ 1,654,724,612	\$ 196,667,813	\$ 811,479,020	\$ 106,053,135	\$ 17,042,684	\$ 304,934,532	\$ 162,252,203	\$ 28,327,701	\$ 27,967,524
Fund Balance Addition/(Reduction)	\$ 3,024,015				\$ 1,181,979	\$ (50,000)	\$ 503,879	\$ 14,734	\$ 1,373,423
AUXILIARIES									
Revenues	\$ 266,044,551	\$ 21,635,234	\$ 226,136,458	\$ 10,375,196	\$ 3,564,000	\$ 4,333,663			
Expenditures and Transfers	0								
Expenditures	\$ 214,971,033	\$ 14,918,496	\$ 186,961,739	\$ 7,020,175	\$ 1,905,525	\$ 4,165,098			
Mandatory Transfers	40,098,980	5,753,253	31,801,939	1,983,779	391,444	168,565			
Non-Mandatory Transfers	10,806,107	963,485	7,372,780	1,371,242	1,148,600	(50,000)			
Total Expenditures & Transfers	\$ 265,876,120	\$ 21,635,234	\$ 226,136,458	\$ 10,375,196	\$ 3,445,569	\$ 4,283,663			
Fund Balance Addition/(Reduction)	\$ 168,431				\$ 118,431	\$ 50,000			
TOTALS									
Revenues	\$ 1,923,793,178	\$ 218,303,047	\$ 1,037,615,478	\$ 116,428,331	\$ 21,788,663	\$ 309,218,195	\$ 162,756,082	\$ 28,342,435	\$ 29,340,947
Expenditures and Transfers	\$ 1,859,810,115	\$ 210,657,960	\$ 981,252,534	\$ 111,270,894	\$ 16,871,809	\$ 298,398,651	\$ 159,305,603	\$ 25,301,688	\$ 56,750,976
Expenditures	51,270,430	10,417,133	32,112,563	2,531,446	391,444	5,687,844			130,000
Mandatory Transfers	9,520,187	(2,772,046)	24,250,381	2,625,991	3,225,000	5,131,700	2,946,600	3,026,013	(28,913,452)
Non-Mandatory Transfers									
Total Expenditures & Transfers	\$ 1,920,600,732	\$ 218,303,047	\$ 1,037,615,478	\$ 116,428,331	\$ 20,488,253	\$ 309,218,195	\$ 162,252,203	\$ 28,327,701	\$ 27,967,524
Fund Balance Addition/(Reduction)	\$ 3,192,446				\$ 1,300,410		\$ 503,879	\$ 14,734	\$ 1,373,423

Knoxville includes UT Knoxville and UT Space Institute.

University of Tennessee System
FY 2021-22 Proposed Budget Summary by Unit
Unrestricted and Restricted Current Funds, Revenues, Expenditures, and Transfers

	Total System	Chattanooga	Knoxville	Martin	UT Southern	Health Science Center	Institute of Agriculture	Institute for Public Service	System Administration
EDUCATIONAL AND GENERAL									
Revenues									
Tuition & Fees	\$ 800,209,342	\$ 125,750,596	\$ 500,284,565	\$ 64,106,542	\$ 7,406,115	\$ 90,015,347	\$ 12,646,177		
State Appropriations	701,032,429	65,574,025	289,463,590	37,672,806	6,230,000	180,675,758	100,017,046	\$ 15,009,887	\$ 6,389,317
Grants & Contracts	749,029,044	52,390,880	286,802,690	41,413,400	7,438,262	305,466,260	48,048,491	6,219,061	1,250,000
Sales & Service	62,894,632	4,845,512	5,167,587	3,577,096	579,000	19,293,881	29,431,556		
Other Sources	141,576,177	13,877,813	39,999,502	5,239,000	3,537,548	21,423,920	20,902,265	13,044,499	23,551,630
Total Revenues	\$ 2,454,741,624	\$ 262,438,826	\$ 1,121,717,934	\$ 152,008,844	\$ 25,190,925	\$ 616,875,166	\$ 211,045,535	\$ 34,273,447	\$ 31,190,947
Expenditures and Transfers									
Instruction	\$ 836,429,154	\$ 89,516,200	\$ 324,162,755	\$ 47,819,157	\$ 4,567,654	\$ 326,059,679	\$ 44,292,977	\$ 2,732	\$ 8,000
Research	338,529,760	9,507,999	192,570,466	232,751		68,000,538	67,536,006		682,000
Public Service	161,044,094	4,442,635	26,942,016	2,486,925	177,386	18,095,576	78,270,122	30,029,434	600,000
Academic Support	245,304,695	21,686,431	100,469,246	11,347,253	975,092	101,054,218	9,507,403	265,052	
Student Services	116,483,364	30,364,141	60,358,448	14,661,977	4,003,469	7,095,329			
Institutional Support	200,194,191	17,133,677	64,277,607	18,998,717	3,729,034	34,950,544	3,504,992	928,644	56,670,976
Op/Maint Physical Plant	160,296,022	19,514,732	88,486,889	12,234,459	791,957	34,807,472	3,860,513		600,000
Scholarships & Fellowships	383,550,799	69,344,662	247,262,282	42,425,189	7,687,954	16,160,831	623,043	6,838	40,000
Subtotal Expenditures	\$ 2,441,832,079	\$ 261,510,477	\$ 1,104,529,709	\$ 150,206,428	\$ 21,932,546	\$ 606,224,187	\$ 207,595,056	\$ 31,232,700	\$ 58,600,976
Mandatory Transfers	11,171,450	4,663,880	310,624	547,667		5,519,279			130,000
Non Mandatory Transfers	(1,285,920)	(3,735,531)	16,877,601	1,254,749	2,076,400	5,181,700	2,946,600	3,026,013	(28,913,452)
Total Expenditures & Transfers	\$ 2,451,717,609	\$ 262,438,826	\$ 1,121,717,934	\$ 152,008,844	\$ 24,008,946	\$ 616,925,166	\$ 210,541,656	\$ 34,258,713	\$ 29,817,524
Fund Balance Addition/(Reduction)	\$ 3,024,015				\$ 1,181,979	\$ (50,000)	\$ 503,879	\$ 14,734	\$ 1,373,423
AUXILIARIES									
Revenues	\$ 266,304,551	\$ 21,635,234	\$ 226,396,458	\$ 10,375,196	\$ 3,564,000	\$ 4,333,663			
Expenditures and Transfers	0								
Expenditures	\$ 215,231,033	\$ 14,918,496	\$ 187,221,739	\$ 7,020,175	\$ 1,905,525	\$ 4,165,098			
Mandatory Transfers	40,098,980	5,753,253	31,801,939	1,983,779	391,444	168,565			
Non-Mandatory Transfers	10,806,107	963,485	7,372,780	1,371,242	1,148,600	(50,000)			
Total Expenditures & Transfers	\$ 266,136,120	\$ 21,635,234	\$ 226,396,458	\$ 10,375,196	\$ 3,445,569	\$ 4,283,663			
Fund Balance Addition/(Reduction)	\$ 168,431				\$ 118,431	\$ 50,000			
TOTALS									
Revenues	\$ 2,721,046,175	\$ 284,074,060	\$ 1,348,114,392	\$ 162,384,040	\$ 28,754,925	\$ 621,208,829	\$ 211,045,535	\$ 34,273,447	\$ 31,190,947
Expenditures and Transfers	0								
Expenditures	\$ 2,657,063,112	\$ 276,428,973	\$ 1,291,751,448	\$ 157,226,603	\$ 23,838,071	\$ 610,389,285	\$ 207,595,056	\$ 31,232,700	\$ 58,600,976
Mandatory Transfers	51,270,430	10,417,133	32,112,563	2,531,446	391,444	5,687,844			130,000
Non-Mandatory Transfers	9,520,187	(2,772,046)	24,250,381	2,625,991	3,225,000	5,131,700	2,946,600	3,026,013	(28,913,452)
Total Expenditures & Transfers	\$ 2,717,853,729	\$ 284,074,060	\$ 1,348,114,392	\$ 162,384,040	\$ 27,454,515	\$ 621,208,829	\$ 210,541,656	\$ 34,258,713	\$ 29,817,524
Fund Balance Addition/(Reduction)	\$ 3,192,446				\$ 1,300,410		\$ 503,879	\$ 14,734	\$ 1,373,423

Knoxville includes UT Knoxville and UT Space Institute.

University of Tennessee System
FY2021-22 Proposed Budget
Five Year History
Current Funds Revenues, Expenditures and Transfers - Unrestricted

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Change	
	Actual	Actual	Actual	Probable	Proposed	FY 2017 to FY 2021	%
EDUCATIONAL AND GENERAL							
Revenues							
Tuition & Fees	\$ 710,190,418	\$ 746,610,856	\$ 764,506,490	\$ 758,444,337	\$ 800,209,342	\$ 90,018,924	12.7% %
State Appropriations	573,016,552	592,612,952	639,918,152	631,093,152	684,449,552	111,433,000	19.4% %
Grants & Contracts	51,045,254	53,857,681	53,256,325	47,222,042	47,773,909	(3,271,345)	-6.4% %
Sales & Service	69,851,826	67,576,317	56,898,631	60,452,634	62,894,632	(6,957,194)	-10.0% %
Other Sources	63,243,539	68,902,249	69,049,649	58,902,863	62,421,192	(822,347)	-1.3% %
Total Revenues	\$ 1,467,347,589	\$ 1,529,560,055	\$ 1,583,629,248	\$ 1,556,115,028	\$ 1,657,748,627	\$ 190,401,038	13.0% %
Expenditures and Transfers							
Instruction	\$ 498,578,427	\$ 510,622,839	\$ 517,826,331	\$ 595,897,179	\$ 611,698,468	\$ 113,120,041	22.7% %
Research	131,121,213	140,499,005	147,846,046	200,164,094	141,778,905	10,657,692	8.1% %
Public Service	79,639,156	81,353,080	77,459,911	89,230,711	90,538,269	10,899,113	13.7% %
Academic Support	171,075,686	175,049,100	177,371,195	188,993,830	192,306,850	21,231,164	12.4% %
Student Services	96,897,429	98,555,131	99,453,375	111,768,702	113,318,030	16,420,601	16.9% %
Institutional Support	164,355,023	168,589,108	175,763,031	184,510,025	182,982,364	18,627,341	11.3% %
Operation & Maintenance of Plant	150,918,426	150,151,547	158,633,657	160,530,766	159,870,122	8,951,696	5.9% %
Scholarships & Fellowships	115,038,571	124,958,755	129,968,045	140,905,453	152,346,074	37,307,503	32.4% %
Subtotal Expenditures	\$ 1,407,623,932	\$ 1,449,778,566	\$ 1,484,321,590	\$ 1,672,000,760	\$ 1,644,839,082	\$ 237,215,150	16.9% %
Mandatory Transfers	10,733,175	15,435,736	13,109,489	10,435,467	11,171,450	438,275	4.1% %
Non-Mandatory Transfers	35,756,137	68,521,859	79,126,450	(125,759,997)	(1,285,920)	(37,042,057)	-103.6% %
Total Expenditures & Transfers	\$ 1,454,113,244	\$ 1,533,736,161	\$ 1,576,557,529	\$ 1,556,676,230	\$ 1,654,724,612	\$ 200,611,368	13.8% %
Fund Balance Addition/(Reduction)	\$ 13,234,345	\$ (4,176,105)	\$ 7,071,719	\$ (561,202)	\$ 3,024,015		
AUXILIARIES							
Revenues	\$ 266,172,939	\$ 262,956,722	\$ 253,541,204	\$ 207,059,532	\$ 266,044,551	\$ (128,388)	0.0% %
Expenditures and Transfers							
Expenditures	\$ 206,098,534	\$ 201,428,896	\$ 200,623,961	\$ 198,257,720	\$ 214,971,033	\$ 8,872,499	4.3% %
Mandatory Transfers	46,326,750	45,401,257	54,855,089	46,965,336	40,098,980	(6,227,770)	-13.4% %
Non-Mandatory Transfers	9,507,965	20,601,174	3,543	(38,213,524)	10,806,107	1,298,142	13.7% %
Total Expenditures & Transfers	\$ 261,933,249	\$ 267,431,327	\$ 255,482,593	\$ 207,009,532	\$ 265,876,120	\$ 3,942,871	1.5% %
Fund Balance Addition/(Reduction)	\$ 4,239,690	\$ (4,474,606)	\$ (1,941,388)	\$ 50,000	\$ 168,431		
TOTALS							
Revenues	\$ 1,733,520,528	\$ 1,792,516,777	\$ 1,837,170,452	\$ 1,763,174,560	\$ 1,923,793,178	\$ 190,272,650	11.0% %
Expenditures and Transfers							
Expenditures	\$ 1,613,722,467	\$ 1,651,207,462	\$ 1,684,945,551	\$ 1,870,258,480	\$ 1,859,810,115	\$ 246,087,648	15.2% %
Mandatory Transfers	57,059,925	60,836,993	67,964,578	57,400,803	51,270,430	(5,789,495)	-10.1% %
Non-Mandatory Transfers	45,264,102	89,123,033	79,129,993	(163,973,521)	9,520,187	(35,743,915)	-79.0% %
Total Expenditures & Transfers	\$ 1,716,046,494	\$ 1,801,167,488	\$ 1,832,040,122	\$ 1,763,685,762	\$ 1,920,600,732	\$ 204,554,238	11.9% %
Fund Balance Addition/(Reduction)	\$ 17,474,035	\$ (8,650,711)	\$ 5,130,330	\$ (511,202)	\$ 3,192,446		

**University of Tennessee System
FY 2021-22 Proposed Budget Summary
Five Year History**

Current Funds Revenues, Expenditures and Transfers - Unrestricted and Restricted

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Probable	FY 2022 Proposed	Change FY 2018 TO FY 2022	
						Amount	%
EDUCATIONAL AND GENERAL							
Revenues							
Tuition & Fees	\$ 710,190,418	\$ 746,610,856	\$ 764,506,490	\$ 758,444,337	\$ 800,209,342	\$ 90,018,924	12.7%
State Appropriations	592,062,887	610,765,836	656,204,483	647,354,859	701,032,429	108,969,542	18.4%
Grants & Contracts	636,058,864	693,424,426	702,555,500	736,553,849	749,029,044	112,970,180	17.8%
Sales & Service	69,851,826	67,576,317	56,898,631	60,452,634	62,894,632	(6,957,194)	-10.0%
Other Sources	139,504,137	151,957,239	150,237,117	137,988,422	141,576,177	2,072,040	1.5%
Total Revenues	\$ 2,147,668,133	\$ 2,270,334,675	\$ 2,330,402,222	\$ 2,340,794,101	\$ 2,454,741,624	\$ 307,073,491	14.3%
Expenditures and Transfers							
Instruction	\$ 691,201,220	\$ 713,275,720	\$ 718,398,379	\$ 832,452,768	\$ 836,429,154	\$ 145,227,934	21.0%
Research	323,493,599	339,531,119	340,459,794	390,314,455	338,529,760	15,036,161	4.6%
Public Service	150,461,752	155,162,904	147,913,206	157,936,416	161,044,094	10,582,342	7.0%
Academic Support	218,247,500	225,257,207	229,901,710	234,578,084	245,304,695	27,057,195	12.4%
Student Services	100,380,026	101,857,372	102,352,867	114,618,199	116,483,364	16,103,338	16.0%
Institutional Support	166,685,771	170,448,648	182,412,654	196,019,849	200,194,191	33,508,420	20.1%
Operation & Maintenance of Plant	151,286,259	150,502,571	159,048,262	161,014,611	160,296,022	9,009,763	6.0%
Scholarships & Fellowships	295,164,163	306,406,301	331,245,119	369,745,451	383,550,799	88,386,636	29.9%
Subtotal Expenditures	\$ 2,096,920,290	\$ 2,162,441,842	\$ 2,211,731,991	\$ 2,456,679,833	\$ 2,441,832,079	\$ 344,911,789	16.4%
Mandatory Transfers	10,733,175	15,435,736	13,109,489	10,435,467	11,171,450	438,275	4.1%
Non-Mandatory Transfers	35,756,137	68,521,859	79,126,450	(125,759,997)	(1,285,920)	(37,042,057)	-103.6%
Total Expenditures & Transfers	\$ 2,143,409,602	\$ 2,246,399,437	\$ 2,303,967,930	\$ 2,341,355,303	\$ 2,451,717,609	\$ 308,308,007	14.4%
Fund Balance Addition/(Reduction)	\$ 4,258,531	\$ 23,935,238	\$ 26,434,292	\$ (561,202)	\$ 3,024,015		
AUXILIARIES							
Revenues	\$ 266,956,202	\$ 263,466,564	\$ 253,981,095	\$ 207,319,532	\$ 266,304,551	\$ (651,651)	-0.2%
Expenditures and Transfers							
Expenditures	\$ 207,035,549	\$ (202,169,439)	\$ (200,818,916)	\$ (198,517,720)	\$ 215,231,033	\$ 8,195,484	4.0%
Mandatory Transfers	46,326,750	(45,401,257)	(54,855,089)	(46,965,336)	40,098,980	(6,227,770)	-13.4%
Non-Mandatory Transfers	9,507,965	(20,601,174)	(3,543)	38,213,524	10,806,107	1,298,142	13.7%
Total Expenditures & Transfers	\$ 262,870,264	\$ (268,171,870)	\$ (255,677,548)	\$ (207,269,532)	\$ 266,136,120	\$ 3,265,856	1.2%
Fund Balance Addition/(Reduction)	\$ 4,085,938	\$ 4,705,306	\$ 1,696,453	\$ (50,000)	\$ 50,000		
TOTALS							
Revenues	\$ 2,414,624,335	\$ 2,533,801,239	\$ 2,584,383,317	\$ 2,548,113,633	\$ 2,721,046,175	\$ 306,421,840	12.7%
Expenditures and Transfers							
Expenditures	\$ 2,303,955,839	\$ 2,364,611,281	\$ 2,412,550,907	\$ 2,655,197,553	\$ 2,657,222,150	\$ 353,266,311	15.3%
Mandatory Transfers	57,059,925	60,836,993	67,964,578	57,400,803	51,270,430	(5,789,495)	-10.1%
Non-Mandatory Transfers	45,264,102	89,123,033	79,129,993	(163,973,521)	9,520,187	(35,743,915)	-79.0%
Total Expenditures & Transfers	\$ 2,406,279,866	\$ 2,514,571,307	\$ 2,559,645,478	\$ 2,548,624,835	\$ 2,718,012,767	\$ 311,732,901	13.0%
Fund Balance Addition/(Reduction)	\$ 8,344,469	\$ 19,229,932	\$ 24,737,839	\$ (511,202)	\$ 3,192,446		

University of Tennessee System

FY 2021-22 Proposed Budget Summary

Unrestricted and Restricted Current Funds Revenues, Expenditures and Transfers

	FY 2019-20			FY 2020-21			FY 2021-22			Change		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Probable to Proposed	Amount	%
EDUCATION AND GENERAL												
Revenues												
Tuition & Fees	\$ 764,506,490		\$ 764,506,490	\$ 758,444,337		\$ 758,444,337	\$ 800,209,342		\$ 800,209,342	\$ 41,765,005		5.5%
State Appropriations	639,918,152	\$ 16,286,331	656,204,483	631,093,152	\$ 16,261,707	647,354,859	684,449,552	\$ 16,582,877	701,032,429	53,677,570		8.3%
Grants & Contracts	53,256,325	649,299,175	702,555,500	47,222,042	689,331,807	736,553,849	47,773,909	701,255,135	749,029,044	12,475,195		1.7%
Sales & Service	56,898,631		56,898,631	60,452,634		60,452,634	62,894,632		62,894,632	2,441,998		4.0%
Other Sources	69,049,649	81,187,468	150,237,117	58,902,863	79,085,559	137,988,422	62,421,192	79,154,985	141,576,177	3,587,755		2.6%
Total Revenues	\$ 1,583,629,248	\$ 746,772,975	\$ 2,330,402,222	\$ 1,556,115,028	\$ 784,679,073	\$ 2,340,794,101	\$ 1,657,748,627	\$ 796,992,997	\$ 2,454,741,624	\$ 113,947,523		4.9%
Expenditures and Transfers												
Instruction	\$ 517,826,331	\$ 200,572,048	\$ 718,398,379	595,897,179	\$ 236,555,589	\$ 832,452,768	\$ 611,698,468	\$ 224,730,686	\$ 836,429,154	\$ 3,976,386		0.5%
Research	147,846,046	192,613,748	340,459,794	200,164,094	190,150,361	390,314,455	141,778,905	196,750,855	338,529,760	(51,784,695)		-13.3%
Public Service	77,459,911	70,453,295	147,913,206	89,230,711	68,705,705	157,936,416	90,538,269	70,505,825	161,044,094	3,107,678		2.0%
Academic Support	177,371,195	52,530,515	229,901,710	188,993,830	45,584,254	234,578,084	192,306,850	52,997,845	245,304,695	10,726,611		4.6%
Student Services	99,453,375	2,899,492	102,352,867	111,768,702	2,849,497	114,618,199	113,318,030	3,165,334	116,483,364	1,865,165		1.6%
Institutional Support	175,763,031	6,649,624	182,412,654	184,510,025	11,509,824	196,019,849	182,982,364	17,211,827	200,194,191	4,174,342		2.1%
Operations & Maintenance of Plant	158,633,657	414,606	159,048,262	160,530,766	483,845	161,014,611	159,870,122	425,900	160,296,022	(718,589)		-0.4%
Scholarships & Fellowships	129,968,045	201,277,074	331,245,119	140,905,453	228,839,998	369,745,451	152,346,074	231,204,725	383,550,799	13,805,348		3.7%
Subtotal Expenditures	\$ 1,484,321,590	\$ 727,410,402	\$ 2,211,731,991	\$ 1,672,000,760	\$ 784,679,073	\$ 2,456,679,833	\$ 1,644,839,082	\$ 796,992,997	\$ 2,441,832,079	\$ (14,847,754)		-0.6%
Mandatory Transfers	13,109,489		13,109,489	10,435,467		10,435,467	11,171,450		11,171,450	735,983		7.1%
Non-Mandatory Transfers	79,126,450		79,126,450	(125,759,997)		(125,759,997)	(1,285,920)		(1,285,920)	124,474,077		-99.0%
Total Expenditures & Transfers	\$ 1,576,557,529	\$ 727,410,402	\$ 2,303,967,930	\$ 1,556,676,230	\$ 784,679,073	\$ 2,341,355,303	\$ 1,654,724,612	\$ 796,992,997	\$ 2,451,717,609	\$ 110,362,306		4.7%
Fund Balance Addition / (Reduction)	\$ 7,071,719	\$ 19,362,573	\$ 26,434,292	\$ (561,202)	\$	\$ (561,202)	\$ 3,024,015	\$	\$ 3,024,015			
AUXILIARIES												
Revenues												
	\$ 253,541,204	\$ 439,890	\$ 253,981,095	\$ 207,059,532	\$ 260,000	\$ 207,319,532	\$ 266,044,551	\$ 260,000	\$ 266,304,551	\$ 58,985,019		28.5%
Expenditures and Transfers												
Expenditures	\$ 200,623,961	\$ 194,955	\$ 200,818,916	\$ 198,257,720	\$ 260,000	\$ 198,517,720	\$ 214,971,033	\$ 260,000	\$ 215,231,033	\$ 16,713,313		8.4%
Mandatory Transfers	54,855,089		54,855,089	46,965,336		46,965,336	40,098,980		40,098,980	(6,866,356)		-14.6%
Non-Mandatory Transfers	3,543		3,543	(38,213,524)		(38,213,524)	10,806,107		10,806,107	49,019,631		-128.3%
Total Expenditures & Transfers	\$ 255,482,593	\$ 194,955	\$ 255,677,548	\$ 207,009,532	\$ 260,000	\$ 207,269,532	\$ 265,876,120	\$ 260,000	\$ 266,136,120	\$ 58,866,588		28.4%
Fund Balance Addition / (Reduction)	\$ (1,941,388)	\$ 244,935	\$ (1,696,453)	\$ 50,000	\$	\$ 50,000	\$ 168,431	\$	\$ 50,000			
TOTALS												
Revenues												
	\$ 1,837,170,452	\$ 747,212,865	\$ 2,584,383,317	\$ 1,763,174,560	\$ 784,939,073	\$ 2,548,113,633	\$ 1,923,793,178	\$ 797,252,997	\$ 2,721,046,175	\$ 172,932,542		6.8%
Expenditures and Transfers												
Expenditures	\$ 1,684,945,551	\$ 727,605,357	\$ 2,412,550,907	\$ 1,870,258,480	\$ 784,939,073	\$ 2,655,197,553	\$ 1,859,810,115	\$ 797,252,997	\$ 2,657,222,150	\$ 2,024,597		0.1%
Mandatory Transfers	67,964,578		67,964,578	57,400,803		57,400,803	51,270,430		51,270,430	(6,130,373)		-10.7%
Non-Mandatory Transfers	79,129,993		79,129,993	(163,973,521)		(163,973,521)	9,520,187		9,520,187	173,493,708		-105.8%
Total Expenditures & Transfers	\$ 1,832,040,122	\$ 727,605,357	\$ 2,559,645,478	\$ 1,763,685,762	\$ 784,939,073	\$ 2,548,624,835	\$ 1,920,600,732	\$ 797,252,997	\$ 2,718,012,767	\$ 169,387,932		6.6%
Fund Balance Addition / (Reduction)	\$ 5,130,330	\$ 19,607,508	\$ 24,737,839	\$ (511,202)	\$	\$ (511,202)	\$ 3,192,446	\$	\$ 3,192,446			

University of Tennessee System
FY 2021-22 Proposed Budget
Natural Classifications by Unit
Unrestricted Current Funds Expenditures

	Total System	Chattanooga	Knoxville	Martin	UT Southern	Health Science Center	Institute of Agriculture	Institute for Public Service	System Administration
EDUCATIONAL AND GENERAL									
Salaries and Benefits									
Salaries									
Academic	\$ 401,684,088	\$ 51,795,031	\$ 196,582,249	\$ 25,782,837	\$ 2,900,311	\$ 89,230,549	\$ 34,870,750	\$ 426,825	\$ 95,536
Non-Academic	408,357,270	44,834,848	163,291,796	24,038,763	4,131,432	80,115,651	51,878,160	12,900,428	27,166,192
Students	8,177,824	900,933	4,665,922	1,270,187	82,700	691,947	366,542	12,480	187,113
Total Salaries	\$ 818,219,182	\$ 97,530,812	\$ 364,539,967	\$ 51,091,787	\$ 7,114,443	\$ 170,038,147	\$ 87,115,452	\$ 13,339,733	\$ 27,448,841
Staff Benefits	283,825,979	36,915,539	123,317,372	20,518,468	2,323,305	52,069,316	34,505,029	4,583,594	9,593,356
Total Salaries and Benefits	\$ 1,102,045,161	\$ 134,446,351	\$ 487,857,339	\$ 71,610,255	\$ 9,437,748	\$ 222,107,463	\$ 121,620,481	\$ 17,923,327	\$ 37,042,197
Operating	518,763,342	60,173,874	292,597,495	31,003,609	5,528,536	65,214,545	37,340,243	7,196,261	19,708,779
Equipment and Capital Outlay	24,030,579	1,119,239	13,835,961	1,636,855		6,911,545	344,879	182,100	
Total Expenditures	\$ 1,644,839,082	\$ 195,739,464	\$ 794,290,795	\$ 104,250,719	\$ 14,966,284	\$ 294,233,553	\$ 159,305,603	\$ 25,301,688	\$ 56,750,976
AUXILIARIES									
Salaries and Benefits									
Salaries									
Academic	\$ 721,325	\$ 36,000	\$ 685,325						
Non-Academic	64,649,829	3,461,623	58,086,438	1,491,185	48,850	1,561,733			
Students	5,185,565	253,085	4,426,420	506,060					
Total Salaries	\$ 70,556,719	\$ 3,750,708	\$ 63,198,183	\$ 1,997,245	\$ 48,850	\$ 1,561,733			
Staff Benefits	17,992,008	1,157,542	15,987,003	677,860	15,875	153,728			
Total Salaries and Benefits	\$ 88,548,727	\$ 4,908,250	\$ 79,185,186	\$ 2,675,105	\$ 64,725	\$ 1,715,461			
Operating	122,871,756	10,007,746	104,233,503	4,340,070	1,840,800	2,449,637			
Equipment and Capital Outlay	3,550,550	2,500	3,543,050	5,000					
Total Expenditures	\$ 214,971,033	\$ 14,918,496	\$ 186,961,739	\$ 7,020,175	\$ 1,905,525	\$ 4,165,098			
TOTALS									
Salaries and Benefits									
Salaries									
Academic	\$ 402,405,413	\$ 51,831,031	\$ 197,267,574	\$ 25,782,837	\$ 2,900,311	\$ 89,230,549	\$ 34,870,750	\$ 426,825	\$ 95,536
Non-Academic	473,007,099	48,296,471	221,378,234	25,529,948	4,180,282	81,677,384	51,878,160	12,900,428	27,166,192
Students	13,363,389	1,154,018	9,092,342	1,776,247	82,700	691,947	366,542	12,480	187,113
Total Salaries	\$ 888,775,901	\$ 101,281,520	\$ 427,738,150	\$ 53,089,032	\$ 7,163,293	\$ 171,599,880	\$ 87,115,452	\$ 13,339,733	\$ 27,448,841
Staff Benefits	301,817,987	38,073,081	139,304,375	21,196,328	2,339,180	52,223,044	34,505,029	4,583,594	9,593,356
Total Salaries and Benefits	\$ 1,190,593,888	\$ 139,354,601	\$ 567,042,525	\$ 74,285,360	\$ 9,502,473	\$ 223,822,924	\$ 121,620,481	\$ 17,923,327	\$ 37,042,197
Operating	641,635,098	70,181,620	396,830,998	35,343,679	7,369,336	67,664,182	37,340,243	7,196,261	19,708,779
Equipment and Capital Outlay	27,581,129	1,121,739	17,379,011	1,641,855		6,911,545	344,879	182,100	
Total Expenditures	\$ 1,859,810,115	\$ 210,657,960	\$ 981,252,534	\$ 111,270,894	\$ 16,871,809	\$ 298,398,651	\$ 159,305,603	\$ 25,301,688	\$ 56,750,976

Knoxville includes UTK Knoxville and UT Space Institute.

University of Tennessee System
FY 2021-22 Proposed Budget
Natural Classifications
Unrestricted Current Funds Expenditures

				Change	
	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Probable to Proposed	
				Amount	%
EDUCATIONAL AND GENERAL					
Salaries and Benefits					
Salaries					
Academic	\$ 382,742,089	\$ 378,808,019	\$ 401,684,088	\$ 22,876,069	6.0%
Non-Academic	381,286,002	387,321,894	408,357,270	21,035,376	5.4%
Students	10,199,147	8,492,649	8,177,824	(314,825)	-3.7%
Total Salaries	\$ 774,227,237	\$ 774,622,562	\$ 818,219,182	\$ 43,596,620	5.6%
Staff Benefits	268,283,433	273,736,840	283,825,979	10,089,139	3.7%
Total Salaries and Benefits	\$ 1,042,510,671	\$ 1,048,359,402	\$ 1,102,045,161	\$ 53,685,759	5.1%
Operating	406,709,009	598,105,156	518,763,342	(79,341,814)	-13.3%
Equipment and Capital Outlay	35,101,910	25,536,202	24,030,579	(1,505,623)	-5.9%
Total Expenditures	\$ 1,484,321,590	\$ 1,672,000,760	\$ 1,644,839,082	\$ (27,161,678)	-1.6%
AUXILIARIES					
Salaries and Benefits					
Salaries					
Academic	\$ 653,648	\$ 726,044	\$ 721,325	\$ (4,719)	-0.6%
Non-Academic	61,735,628	61,567,363	64,649,829	3,082,466	5.0%
Students	4,596,451	5,219,601	5,185,565	(34,036)	-0.7%
Total Salaries	\$ 66,985,726	\$ 67,513,008	\$ 70,556,719	\$ 3,043,711	4.5%
Staff Benefits	16,989,238	16,553,065	17,992,008	1,438,943	8.7%
Total Salaries and Benefits	\$ 83,974,964	\$ 84,066,073	\$ 88,548,727	\$ 4,482,654	5.3%
Operating	116,640,133	113,858,147	122,871,756	9,013,609	7.9%
Equipment and Capital Outlay	405,842	333,500	3,550,550	3,217,050	964.6%
Total Expenditures	\$ 201,020,939	\$ 198,257,720	\$ 214,971,033	\$ 16,713,313	8.4%
TOTALS					
Salaries and Benefits					
Salaries					
Academic	\$ 383,395,737	\$ 379,534,063	\$ 402,405,413	\$ 22,871,350	6.0%
Non-Academic	443,021,629	448,889,257	473,007,099	24,117,842	5.4%
Students	14,795,597	13,712,250	13,363,389	(348,861)	-2.5%
Total Salaries	\$ 841,212,964	\$ 842,135,570	\$ 888,775,901	\$ 46,640,331	5.5%
Staff Benefits	285,272,671	290,289,905	301,817,987	11,528,082	4.0%
Total Salaries and Benefits	\$ 1,126,485,635	\$ 1,132,425,475	\$ 1,190,593,888	\$ 58,168,413	5.1%
Operating	523,349,141	711,963,303	641,635,098	(70,328,205)	-9.9%
Equipment and Capital Outlay	35,507,752	25,869,702	27,581,129	1,711,427	6.6%
Total Expenditures	\$ 1,685,342,529	\$ 1,870,258,480	\$ 1,859,810,115	\$ (10,448,365)	-0.6%

University of Tennessee System
FY 2021-22 Proposed Budget
Net Assets by Unit
Unrestricted Current Funds, Revenues, Expenditures, and Transfers

	Total System	Chattanooga	Knoxville	Martin	UT Southern	Health Science Center	Institute of Agriculture	Institute for Public Service	System Administration
FY 2019-20 Actual									
Net Assets at Beginning of Year	\$ 126,965,002	\$ 13,811,862	\$ 58,329,021	\$ 6,654,235		\$ 12,148,949	\$ 9,149,837	\$ 1,775,777	\$ 25,095,322
Operating Funds									
Revenue	\$ 1,837,170,451	\$ 208,131,358	\$ 998,443,860	\$ 113,018,688		\$ 291,073,757	\$ 153,962,073	\$ 25,774,349	\$ 46,766,366
Less: Expenditures and Transfers	(1,832,040,123)	(206,422,889)	(1,001,507,125)	(110,288,807)		(291,424,868)	(153,440,843)	(25,812,887)	(43,142,704)
Carryover Funds To/(From) Net Assets	\$ 5,130,328	\$ 1,708,469	\$ (3,063,265)	\$ 2,729,881		\$ (351,111)	\$ 521,230	\$ (38,538)	\$ 3,623,662
Net Assets Detail:									
ALLOCATED									
Working Capital	\$ 29,782,200	\$ 6,345,330	\$ 9,229,849	\$ 1,108,791		\$ 6,949,001	\$ 1,995,119	\$ 39,594	\$ 4,114,516
Revolving Funds	18,929,223		4,019,443						14,909,780
Encumbrances	3,490,491		1,788,069	10,847		\$ 421,771	1,269,804		
Reserve for Reappropriations	11,779,034			3,000,000				\$ 700,000	8,079,034
Total Allocated Net Assets	\$ 63,980,948	\$ 6,345,330	\$ 15,037,361	\$ 4,119,638		\$ 7,370,772	\$ 3,264,923	\$ 739,594	\$ 27,103,330
UNALLOCATED	\$ 68,114,382	\$ 9,175,000	\$ 40,228,395	\$ 5,264,478		\$ 4,427,065	\$ 6,406,145	\$ 997,645	\$ 1,615,654
Total Net Assets - June 30, 2020	\$ 132,095,329	\$ 15,520,331	\$ 55,265,756	\$ 9,384,116		\$ 11,797,837	\$ 9,671,067	\$ 1,737,239	\$ 28,718,984
Percent Unallocated of Expend. & Transfers	3.72%	4.44%	4.02%	4.77%		1.52%	4.17%	3.86%	2.60%
FY 2020-21 Probable Budget									
Net Assets at Beginning of Year	\$ 132,095,329	\$ 15,520,331	\$ 55,265,756	\$ 9,384,116		\$ 11,797,837	\$ 9,671,067	\$ 1,737,239	\$ 28,718,984
Operating Funds									
Revenue	\$ 1,763,174,560	\$ 203,319,748	\$ 942,194,262	\$ 112,907,653		\$ 292,008,960	\$ 155,946,458	\$ 26,378,832	\$ 30,418,647
Less: Expenditures and Transfers	(1,763,685,762)	(203,319,748)	(942,194,262)	(112,907,653)		(292,008,960)	(156,023,945)	(26,299,676)	(30,931,518)
Carryover Funds To/(From) Net Assets	\$ (511,202)	\$ -	\$ -	\$ -		\$ -	\$ (77,487)	\$ 79,156	\$ (512,871)
Net Assets Detail:									
ALLOCATED									
Working Capital	\$ 28,242,604	\$ 6,345,330	\$ 9,229,849	\$ 1,108,791		\$ 5,449,000	\$ 1,995,118		\$ 4,114,516
Revolving Funds	18,929,223		4,019,443						14,909,780
Encumbrances	3,153,753		1,788,069	10,847		\$ 85,032	1,269,805		
Reserve for Reappropriations	11,779,034			3,000,000				\$ 700,000	8,079,034
Total Allocated Net Assets	\$ 62,104,614	\$ 6,345,330	\$ 15,037,361	\$ 4,119,638		\$ 5,534,032	\$ 3,264,923	\$ 700,000	\$ 27,103,330
UNALLOCATED	\$ 69,479,510	\$ 9,175,000	\$ 40,228,395	\$ 5,264,478		\$ 6,263,805	\$ 6,328,657	\$ 1,116,392	\$ 1,102,783
Estimated Total Net Assets - June 30, 2021	\$ 131,584,127	\$ 15,520,331	\$ 55,265,756	\$ 9,384,116		\$ 11,797,837	\$ 9,593,583	\$ 1,816,392	\$ 28,206,113
Percent Unallocated of Expend. & Transfers	3.94%	4.51%	4.27%	4.66%		2.15%	4.06%	4.24%	2.21%
FY 2021-22 Proposed Budget									
Net Assets at Beginning of Year	\$ 132,284,127	\$ 15,520,331	\$ 55,265,756	\$ 9,384,116	\$ 700,000	\$ 11,797,837	\$ 9,593,583	\$ 1,816,392	\$ 28,206,113
Operating Funds									
Revenue	\$ 1,923,793,178	\$ 218,303,047	\$ 1,037,615,478	\$ 116,428,331	21,788,663	\$ 309,218,195	\$ 162,756,082	\$ 28,342,435	\$ 29,340,947
Less: Expenditures and Transfers	(1,920,600,732)	(218,303,047)	(1,037,615,478)	(116,428,331)	(20,488,253)	(309,218,195)	(162,252,203)	(28,327,701)	(27,967,524)
Carryover Funds To/(From) Net Assets	\$ 3,192,446	\$ -	\$ -	\$ -	\$ 1,300,410	\$ -	\$ 503,879	\$ 14,734	\$ 1,373,423
Net Assets Detail:									
ALLOCATED									
Working Capital	\$ 28,942,603	\$ 6,345,331	\$ 9,229,849	\$ 1,108,791	\$ 700,000	\$ 5,449,000	\$ 1,995,118		\$ 4,114,514
Revolving Funds	19,484,612		4,019,443						15,465,169
Encumbrances	3,143,754		1,778,069	10,847		\$ 85,032	1,269,806		
Reserve for Reappropriations	12,279,034			3,000,000	500,000			\$ 700,000	8,079,034
Total Allocated Net Assets	\$ 63,850,003	\$ 6,345,331	\$ 15,027,361	\$ 4,119,638	1,200,000	\$ 5,534,032	\$ 3,264,924	\$ 700,000	\$ 27,658,717
UNALLOCATED	\$ 71,616,570	\$ 9,175,000	\$ 40,228,395	\$ 5,264,478	800,410	\$ 6,263,805	\$ 6,832,538	\$ 1,131,126	\$ 1,920,818
Estimated Total Net Assets - June 30, 2022	\$ 135,476,573	\$ 15,520,331	\$ 55,265,756	\$ 9,384,116	2,000,410	\$ 11,797,837	\$ 10,097,462	\$ 1,831,126	\$ 29,579,536
Percent Unallocated of Expend. & Transfers	3.73%	4.20%	3.88%	4.52%	3.91%	2.03%	4.21%	3.99%	3.98%

Recommended percent unallocated of expenditures and transfers is 2% to 5% is 2.5% for unrestricted E&G and 3% to 5% for auxiliaries. For System Administration, transfers-in for system charge is excluded from the calculation. Knoxville includes UT Knoxville and UT Space Institute.

University of Tennessee System
FY 2020-21 Revised Budget
Net Assets by Unit
Unrestricted Educational and General Current Funds

	Total System	Chattanooga	Knoxville	Martin	UT Southern	Health Science Center	Institute of Agriculture	Institute for Public Service	System Administration
FY 2019-20 Actual									
Net Assets at Beginning of Year	\$ 106,109,458	\$ 11,744,367	\$ 40,298,875	\$ 5,982,963		\$ 12,062,317	\$ 9,149,837	\$ 1,775,777	\$ 25,095,322
Operating Funds									
Revenue	\$ 1,583,629,248	\$ 188,427,260	\$ 774,466,033	\$ 104,719,233		\$ 289,513,934	\$ 153,962,073	\$ 25,774,349	\$ 46,766,366
Less: Expenditures and Transfers	\$ (1,576,557,529)	\$ (188,168,585)	\$ (774,121,444)	\$ (102,021,024)		\$ (289,850,042)	\$ (153,440,843)	\$ (25,812,887)	\$ (43,142,704)
Carryover Funds To/(From) Net Assets	\$ 7,071,719	\$ 258,675	\$ 344,589	\$ 2,698,209		\$ (336,108)	\$ 521,230	\$ (38,538)	\$ 3,623,662
Net Assets Detail:									
ALLOCATED									
Working Capital	\$ 31,808,129	\$ 3,753,043	\$ 4,209,389	\$ 762,854		\$ 16,933,618	\$ 1,995,117	\$ 39,594	\$ 4,114,514
Revolving Funds	17,214,498		2,304,718						14,909,780
Encumbrances	3,490,492		1,788,069	10,847		421,771	1,269,805		
Unexpended Gifts									
Reserve for Reappropriations	11,779,034			3,000,000				\$ 700,000	8,079,034
Total Allocated Net Assets	\$ 64,292,153	\$ 3,753,043	\$ 8,302,176	\$ 3,773,701		\$ 17,355,389	\$ 3,264,922	\$ 739,594	\$ 27,103,328
UNALLOCATED	\$ 58,889,023	\$ 8,250,000	\$ 32,341,288	\$ 4,907,471		\$ 4,370,820	\$ 6,406,145	\$ 997,645	\$ 1,615,654
Estimated Total Net Assets - June 30, 2020	\$ 113,181,177	\$ 12,003,043	\$ 40,643,463	\$ 8,681,171		\$ 11,726,210	\$ 9,671,068	\$ 1,737,238	\$ 28,718,984
Percent Unallocated of Expend. & Transfers	3.74%	4.38%	4.18%	4.81%		1.51%	4.17%	3.86%	2.60%
FY 2020-21 Probable Budget									
Net Assets at Beginning of Year	\$ 113,181,177	\$ 12,003,043	\$ 40,643,463	\$ 8,681,171		\$ 11,726,210	\$ 9,671,068	\$ 1,737,238	\$ 28,718,984
Operating Funds									
Revenue	\$ 1,556,115,028	\$ 183,594,811	\$ 767,749,390	\$ 102,939,357		\$ 289,087,533	\$ 155,946,458	\$ 26,378,832	\$ 30,418,647
Less: Expenditures and Transfers	\$ (1,556,676,230)	\$ (183,594,811)	\$ (767,749,390)	\$ (102,939,357)		\$ (289,137,533)	\$ (156,023,945)	\$ (26,299,676)	\$ (30,931,518)
Carryover Funds To/(From) Net Assets	\$ (561,202)	\$ -	\$ -	\$ -		\$ (50,000)	\$ (77,487)	\$ 79,156	\$ (512,871)
Net Assets Detail:									
ALLOCATED									
Working Capital	\$ 20,268,537	\$ 3,753,043	\$ 4,209,388	\$ 762,854		\$ 5,433,618	\$ 1,995,118		\$ 4,114,516
Revolving Funds	17,214,498		2,304,718						14,909,780
Encumbrances	3,153,754		1,788,069	10,846		85,032	1,269,807		
Reserve for Reappropriations	11,779,034			3,000,000				\$ 700,000	8,079,034
Total Allocated Net Assets	\$ 52,415,823	\$ 3,753,043	\$ 8,302,175	\$ 3,773,700		\$ 5,518,650	\$ 3,264,925	\$ 700,000	\$ 27,103,330
UNALLOCATED	\$ 60,204,152	\$ 8,250,000	\$ 32,341,288	\$ 4,907,471		\$ 6,157,560	\$ 6,328,658	\$ 1,116,392	\$ 1,102,783
Estimated Total Net Assets - June 30, 2021	\$ 112,619,975	\$ 12,003,043	\$ 40,643,463	\$ 8,681,171		\$ 11,676,210	\$ 9,593,583	\$ 1,816,392	\$ 28,206,113
Percent Unallocated of Expend. & Transfers	3.87%	4.49%	4.21%	4.77%		2.13%	4.06%	4.24%	2.21%
FY 2021-22 Proposed Budget									
Net Assets at Beginning of Year	\$ 113,119,975	\$ 12,003,043	\$ 40,643,463	\$ 8,681,171	\$ 500,000	\$ 11,676,210	\$ 9,593,583	\$ 1,816,392	\$ 28,206,113
Operating Funds									
Revenue	\$ 1,657,748,627	\$ 196,667,813	\$ 811,479,020	\$ 106,053,135	18,224,663	\$ 304,884,532	\$ 162,756,082	\$ 28,342,435	\$ 29,340,947
Less: Expenditures and Transfers	\$ (1,654,724,612)	\$ (196,667,813)	\$ (811,479,020)	\$ (106,053,135)	(17,042,684)	\$ (304,934,532)	\$ (162,252,203)	\$ (28,327,701)	\$ (27,967,524)
Carryover Funds To/(From) Net Assets	\$ 3,024,015	\$ -	\$ -	\$ -	\$ 1,181,979	\$ (50,000)	\$ 503,879	\$ 14,734	\$ 1,373,423
Net Assets Detail:									
ALLOCATED									
Working Capital	\$ 20,768,535	\$ 3,753,043	\$ 4,209,388	\$ 762,854	\$ 500,000	\$ 5,433,618	\$ 1,995,118		\$ 4,114,514
Revolving Funds	17,769,887		2,304,718						15,465,169
Encumbrances	3,153,752		1,788,069	10,847		85,032	1,269,804		
Reserve for Reappropriations	12,279,034			3,000,000	500,000			\$ 700,000	8,079,034
Total Allocated Net Assets	\$ 53,971,208	\$ 3,753,043	\$ 8,302,175	\$ 3,773,701	\$ 1,000,000	\$ 5,518,650	\$ 3,264,922	\$ 700,000	\$ 27,658,717
UNALLOCATED	\$ 62,172,780	\$ 8,250,000	\$ 32,341,288	\$ 4,907,471	\$ 681,979	\$ 6,107,560	\$ 6,832,538	\$ 1,131,126	\$ 1,920,818
Estimated Total Net Assets - June 30, 2022	\$ 116,143,990	\$ 12,003,043	\$ 40,643,463	\$ 8,681,171	\$ 1,681,979	\$ 11,626,210	\$ 10,097,462	\$ 1,831,126	\$ 29,579,536
Percent Unallocated of Expend. & Transfers	3.76%	4.19%	3.99%	4.63%	4.00%	2.00%	4.21%	3.99%	3.98%

Recommended percent unallocated of expenditures and transfers is 2% to 5%. For System Administration, transfers-in for system charge is excluded from the calculation. Knoxville includes UT Knoxville and UT Space Institute.

University of Tennessee System
FY 2021-22 Proposed Budget
Net Assets by Unit
Unrestricted Auxiliary Funds, Revenues, Expenditures, and Transfers

	Total System	Chattanooga	Knoxville	UT Southern	Martin	Health Science Center
FY 2019-20 Actual						
Net Assets at Beginning of Year	\$ 20,855,542	\$ 2,067,494	\$ 18,030,147		\$ 671,272	\$ 86,630
Operating Funds						
Revenue	\$ 253,541,205	\$ 19,704,098	\$ 223,977,828		\$ 8,299,456	\$ 1,559,823
Less: Expenditures and Transfers	\$ (255,482,593)	\$ (18,254,304)	\$ (227,385,680)		\$ (8,267,783)	\$ (1,574,826)
Carryover Funds To/(From) Net Assets	\$ (1,941,388)	\$ 1,449,794	\$ (3,407,852)		\$ 31,673	\$ (15,003)
Net Assets at End of Year	\$ 18,914,154	\$ 3,517,288	\$ 14,622,295		\$ 702,945	\$ 71,627
Net Assets Detail:						
ALLOCATED						
Working Capital	\$ 7,974,071	\$ 2,592,287	\$ 5,020,463		\$ 345,938	\$ 15,383
Revolving Funds	1,714,725		1,714,725			
Total Allocated Net Assets	\$ 9,688,796	\$ 2,592,287	\$ 6,735,188		\$ 345,938	\$ 15,383
UNALLOCATED						
Total Net Assets - June 30, 2020	\$ 18,914,154	\$ 3,517,287	\$ 14,622,295		\$ 702,945	\$ 71,627
<i>Percent Unallocated of Expend. & Transfers</i>	3.61%	5.07%	3.47%		4.32%	3.57%
FY 2020-21 Probable Budget						
Net Assets at Beginning of Year	\$ 18,914,154	\$ 3,517,287	\$ 14,622,295		\$ 702,945	\$ 71,627
Operating Funds						
Revenue	\$ 207,059,532	\$ 19,724,937	\$ 174,444,872		\$ 9,968,296	\$ 2,921,427
Less: Expenditures and Transfers	(207,009,532)	(19,724,937)	(174,444,872)		(9,968,296)	(2,871,427)
Carryover Funds To/(From) Net Assets	\$ 50,000	\$ -	\$ -		\$ -	\$ 50,000
Net Assets at End of Year	\$ 18,964,154	\$ 3,517,287	\$ 14,622,295		\$ 702,945	\$ 121,627
Net Assets Detail:						
ALLOCATED						
Working Capital	\$ 7,974,070	\$ 2,592,287	\$ 5,020,463		\$ 345,938	\$ 15,382
Revolving Funds	1,714,725		1,714,725			
Encumbrances						
Total Allocated Net Assets	\$ 9,688,795	\$ 2,592,287	\$ 6,735,188		\$ 345,938	\$ 15,382
UNALLOCATED						
Estimated Total Net Assets - June 30, 2022	\$ 18,964,154	\$ 3,517,287	\$ 14,622,295		\$ 702,945	\$ 121,627
<i>Percent Unallocated of Expend. & Transfers</i>	4.48%	4.69%	4.52%		3.58%	3.70%
FY 2021-22 Proposed Budget						
Net Assets at Beginning of Year	\$ 19,164,154	\$ 3,517,287	\$ 14,622,295	\$ 200,000	\$ 702,945	\$ 121,627
Operating Funds						
Revenue	\$ 266,044,551	\$ 21,635,234	\$ 226,136,458	\$ 3,564,000	\$ 10,375,196	\$ 4,333,663
Less: Expenditures and Transfers	(265,876,120)	(21,635,234)	(226,136,458)	(3,445,569)	(10,375,196)	(4,283,663)
Carryover Funds To/(From) Net Assets	\$ 168,431	\$ -	\$ -	\$ 118,431	\$ -	\$ 50,000
Net Assets at End of Year	\$ 19,332,585	\$ 3,517,287	\$ 14,622,295	\$ 318,431	\$ 702,945	\$ 171,627
Net Assets Detail:						
ALLOCATED						
Working Capital	\$ 8,174,068	\$ 2,592,287	\$ 5,020,461	\$ 200,000	\$ 345,938	\$ 15,382
Revolving Funds	1,714,725		1,714,725			
Encumbrances						
Total Allocated Net Assets	\$ 9,888,793	\$ 2,592,287	\$ 6,735,186	\$ 200,000	\$ 345,938	\$ 15,382
UNALLOCATED						
Estimated Total Net Assets - June 30, 2021	\$ 19,332,585	\$ 3,517,287	\$ 14,622,295	\$ 318,431	\$ 702,945	\$ 171,627
<i>Percent Unallocated of Expend. & Transfers</i>	3.51%	4.28%	3.49%	3.44%	3.44%	3.65%

Recommended percent unallocated of expenditures and transfers is 3% to 5%.
Knoxville includes UT Knoxville and UT Space Institute.

University of Tennessee System
FY 2021-22 Proposed Budget
State Appropriations Summary
Unrestricted Current Educational and General Funds

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
STATE APPROPRIATIONS					
Chattanooga	\$ 59,726,805	\$ 60,331,105	\$ 64,752,805	\$ 4,421,700	7.3%
Knoxville					
<i>Knoxville</i>	\$ 249,914,955	\$ 250,421,955	\$ 267,966,355	\$ 17,544,400	7.0%
<i>Space Institute</i>	9,380,503	9,390,903	9,734,503	343,600	3.7%
Subtotal Knoxville	\$ 259,295,458	\$ 259,812,858	\$ 277,700,858	\$ 17,888,000	6.9%
Martin	36,452,197	35,369,397	37,357,097	1,987,700	5.6%
UT Southern			6,230,000	6,230,000	100.0%
Health Science Center	162,456,024	163,202,524	177,535,124	14,332,600	8.8%
Institute of Agriculture					
<i>AgResearch</i>	\$ 31,206,388	\$ 31,274,288	\$ 32,558,188	\$ 1,283,900	4.1%
<i>Extension</i>	38,387,017	38,539,717	42,494,517	3,954,800	10.3%
<i>College of Veterinary Medicine</i>	22,518,259	22,605,759	24,421,759	1,816,000	8.0%
Subtotal Institute of Agriculture	\$ 92,111,664	\$ 92,419,764	\$ 99,474,464	\$ 7,054,700	7.6%
Institute for Public Service					
<i>Institute for Public Service</i>	\$ 6,124,885	\$ 6,131,385	\$ 6,842,185	\$ 710,800	11.6%
<i>Municipal Technical Advisory Service</i>	3,715,551	3,733,051	3,975,751	242,700	6.5%
<i>County Technical Assistance Service</i>	3,205,751	3,222,851	3,397,351	174,500	5.4%
<i>Tennessee Language Center</i>	719,900	728,200	794,600	66,400	9.1%
Subtotal Institute for Public Service	\$ 13,766,087	\$ 13,815,487	\$ 15,009,887	\$ 1,194,400	8.6%
System Administration	16,109,917	6,142,017	6,389,317	247,300	4.0%
Total State Appropriations	\$ 639,918,152	\$ 631,093,152	\$ 684,449,552	\$ 53,356,400	8.5%

University of Tennessee System
FY 2021-22 Proposed Budget
State Appropriations Five Year History
Unrestricted Current Educational and General Funds

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change		
						FY 2017-18 Amount	TO FY 2021-22 %	
STATE APPROPRIATIONS								
Chattanooga	\$ 51,840,105	\$ 55,430,905	\$ 59,726,805	\$ 60,331,105	\$ 64,752,805	\$ 12,912,700	24.9	%
Knoxville								
<i>Knoxville</i>	\$ 226,290,355	\$ 232,311,655	\$ 249,914,955	\$ 250,421,955	\$ 267,966,355	\$ 41,676,000	18.4	%
<i>Space Institute</i>	8,990,803	9,132,803	9,380,503	9,390,903	9,734,503	743,700	8.3	%
Subtotal Knoxville	\$ 235,281,158	\$ 241,444,458	\$ 259,295,458	\$ 259,812,858	\$ 277,700,858	\$ 42,419,700	26.7	%
Martin	\$ 33,208,097	\$ 34,410,197	\$ 36,452,197	\$ 35,369,397	\$ 37,357,097	\$ 4,149,000	12.5	%
UT Southern					6,230,000	6,230,000		
Health Science Center	149,955,324	154,589,424	162,456,024	163,202,524	177,535,124	27,579,800	18.4	%
Institute of Agriculture								
<i>AgResearch</i>	\$ 29,161,888	\$ 30,008,688	\$ 31,206,388	\$ 31,274,288	\$ 32,558,188	\$ 3,396,300	11.6	%
<i>Extension</i>	35,701,417	36,651,817	38,387,017	38,539,717	42,494,517	6,793,100	19.0	%
<i>College of Veterinary Medicine</i>	20,036,359	21,236,259	22,518,259	22,605,759	24,421,759	4,385,400	21.9	%
Subtotal Institute of Agriculture	\$ 84,899,664	\$ 87,896,764	\$ 92,111,664	\$ 92,419,764	\$ 99,474,464	\$ 14,574,800	17.2	%
Institute for Public Service								
<i>Institute for Public Service</i>	\$ 5,841,485	\$ 5,929,385	\$ 6,124,885	\$ 6,131,385	\$ 6,842,185	\$ 1,000,700	17.1	%
<i>Municipal Technical Advisory Service</i>	3,410,551	3,535,751	3,715,551	3,733,051	3,975,751	565,200	16.6	%
<i>County Technical Assistance Service</i>	2,964,551	3,056,451	3,205,751	3,222,851	3,397,351	432,800	14.6	%
<i>Tennessee Language Center</i>	-	665,600	719,900	728,200	794,600	794,600		
Subtotal Institute for Public Service	\$ 12,216,587	\$ 13,187,187	\$ 13,766,087	\$ 13,815,487	\$ 15,009,887	\$ 2,793,300	22.9	%
System Administration	5,615,617	5,654,017	16,109,917	6,142,017	6,389,317	773,700	13.8	%
Total State Appropriations	\$ 573,016,552	\$ 592,612,952	\$ 639,918,152	\$ 631,093,152	\$ 684,449,552	\$ 111,433,000	19.4	%

University of Tennessee System
FY 2021-22 Proposed Budget
Auxiliary Enterprises
Unrestricted Auxiliary Current Funds Revenues, Expenditures and Transfers

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Probable to Proposed	
				Amount	%
HOUSING					
Revenues	\$ 67,084,617	\$ 71,678,612	\$ 81,260,458	\$ 9,581,846	13.4% %
Expenditures and Transfers					
Expenditures	\$ 46,060,130	\$ 49,348,257	\$ 51,347,541	\$ 1,999,284	4.1% %
Mandatory Transfers	25,457,022	25,149,259	22,005,035	(3,144,224)	-12.5% %
Non-Mandatory Transfers	(5,293,263)	(2,818,904)	7,208,926	10,027,830	355.7% %
Total Expenditures and Transfers	\$ 66,223,889	\$ 71,678,612	80,561,502	\$ 8,882,890	12.4% %
Fund Balance Addition/(Reduction)	\$ 860,729		\$ 698,956		
FOOD SERVICE					
Revenues	\$ 9,195,184	\$ 10,758,530	\$ 13,375,270	\$ 1,655,340	15.4% %
Expenditures and Transfers					
Expenditures	\$ 3,867,937	\$ 4,435,258	\$ 6,196,111	\$ 886,853	20.0% %
Mandatory Transfers	4,520,884	6,871,493		(6,871,493)	-100.0% %
Non-Mandatory Transfers	789,461	(598,221)	7,129,159	7,639,980	-1277.1% %
Total Expenditures and Transfers	\$ 9,178,282	\$ 10,708,530	\$ 13,325,270	\$ 1,655,340	15.5% %
Fund Balance Addition/(Reduction)	\$ 16,902	\$ 50,000	\$ 50,000		
BOOKSTORES					
Revenues	\$ 24,539,961	\$ 20,039,346	\$ 23,658,352	\$ 3,381,006	16.9% %
Expenditures and Transfers					
Expenditures	\$ 23,516,485	\$ 21,253,635	\$ 22,269,221	\$ 795,861	3.7% %
Mandatory Transfers	-	109,418			
Non-Mandatory Transfers	926,167	(1,323,707)	1,285,238	2,585,145	-195.3% %
Total Expenditures and Transfers	\$ 24,442,652	\$ 20,039,346	\$ 23,663,877	\$ 3,381,006	16.9% %
Fund Balance Addition/(Reduction)	\$ 97,310		\$ (5,525)		
PARKING					
Revenues	\$ 13,393,795	\$ 13,705,896	\$ 15,680,722	\$ 1,974,826	14.4% %
Expenditures and Transfers					
Expenditures	\$ 7,681,650	\$ 7,116,826	\$ 8,730,530	\$ 1,613,704	22.7% %
Mandatory Transfers	6,343,922	6,181,628	6,312,992	131,364	2.1% %
Non-Mandatory Transfers	17,929	407,442	637,200	229,758	56.4% %
Total Expenditures and Transfers	\$ 14,043,501	\$ 13,705,896	\$ 15,680,722	\$ 1,974,826	14.4% %
Fund Balance Addition/(Reduction)	\$ (649,706)				
ATHLETICS					
Revenues	\$ 135,913,904	\$ 89,581,899	\$ 128,779,500	\$ 39,197,601	43.8% %
Expenditures and Transfers					
Expenditures	\$ 116,932,405	\$ 113,780,696	\$ 122,481,909	\$ 8,701,213	7.6% %
Mandatory Transfers	17,965,239	8,248,158	11,103,513	2,855,355	34.6% %
Non-Mandatory Transfers	1,300,142	(32,446,955)	(4,805,922)	27,641,033	-85.2% %
Total Expenditures and Transfers	\$ 136,197,786	\$ 89,581,899	\$ 128,779,500	\$ 39,197,601	43.8% %
Fund Balance Addition/(Reduction)	\$ (283,881)				
OTHER					
Revenues	\$ 3,413,742	\$ 1,295,249	\$ 3,290,249	\$ 1,995,000	154.0% %
Expenditures and Transfers					#DIV/0!
Expenditures	\$ 2,962,332	\$ 2,323,048	\$ 3,945,721	\$ 1,622,673	69.9% %
Mandatory Transfers	568,022	405,380	568,022	162,642	40.1% %
Non-Mandatory Transfers	1,866,129	(1,433,179)	(1,223,494)	209,685	-14.6% %
Total Expenditures and Transfers	\$ 5,396,483	\$ 1,295,249	\$ 3,290,249	\$ 1,995,000	154.0% %
Fund Balance Addition/(Reduction)	\$ (1,982,741)				
TOTAL					
Revenues	\$ 253,541,204	\$ 207,059,532	\$ 266,044,551	\$ 58,985,019	28.5% %
Expenditures and Transfers					
Expenditures	\$ 201,020,939	\$ 198,257,720	\$ 214,971,033	\$ 16,713,313	8.4% %
Mandatory Transfers	54,855,089	46,965,336	39,989,562	(6,975,774)	-14.9% %
Non-Mandatory Transfers	(393,435)	(38,213,524)	10,231,107	48,444,631	-126.8% %
Total Expenditures and Transfers	\$ 255,482,593	\$ 207,009,532	\$ 265,301,120	\$ 58,291,588	28.2% %
Fund Balance Addition/(Reduction)	\$ (1,941,388)	\$ 50,000	\$ 743,431		

Figures Include UT Southern

University of Tennessee System FY 2021-22 Proposed Budget Summary Athletics

Unrestricted and Restricted Current Funds for Men's and Women's Athletics

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
KNOXVILLE					
Revenues					
General Funds					
Student Fees for Athletics	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		
Ticket Sales	34,510,505	7,943,517	30,377,000	\$ 22,433,483	282.4%
Gifts	28,440,721	19,170,000	28,270,000	9,100,000	47.5%
Other	73,131,552	62,465,882	70,130,000	7,664,118	12.3%
Total Revenues	\$ 137,082,778	\$ 90,579,399	\$ 129,777,000	\$ 39,197,601	43.3%
Expenditures and Transfers					
Salaries and Benefits	\$ 51,701,359	\$ 50,530,827	\$ 54,027,276	\$ 3,496,449	6.9%
Travel	9,679,527	8,026,560	9,683,974	1,657,414	20.6%
Student Aid	14,626,990	18,730,977	17,261,183	(1,469,794)	-7.8%
Other Operating	40,846,541	36,489,832	41,506,976	5,017,144	13.7%
Subtotal Expenditures	\$ 116,854,417	\$ 113,778,196	\$ 122,479,409	\$ 8,701,213	7.6%
Debt Service Transfers	17,965,239	8,248,158	11,103,513	2,855,355	34.6%
Other Transfers	2,300,142	(31,446,955)	(3,805,922)	\$ 27,641,033	-87.9%
Total Expenditures and Transfers	\$ 137,119,798	\$ 90,579,399	\$ 129,777,000	\$ 39,197,601	43.3%
Fund Balance Addition / (Reduction)	\$ (37,020)				
CHATTANOOGA					
Revenues					
General Funds	\$ 8,136,011	\$ 8,598,163	\$ 8,821,173	\$ 223,010	2.6%
Student Fees for Athletics	5,581,229	5,334,663	5,334,663		
Ticket Sales	771,296	65,000	960,023	895,023	1377.0%
Gifts	1,581,533	1,427,118	2,000,000	572,882	40.1%
Other	2,025,201	1,150,023	1,855,000	704,977	61.3%
Total Revenues	\$ 18,095,270	\$ 16,574,967	\$ 18,970,859	\$ 2,395,892	14.5%
Expenditures and Transfers					
Salaries and Benefits	\$ 7,600,623	\$ 7,524,303	\$ 7,477,611	\$ (46,692)	-0.6%
Travel	1,088,463	679,053	1,369,082	690,029	
Student Aid	5,131,487	5,463,380	5,881,894	418,514	7.7%
Other Operating	4,112,818	2,738,231	3,150,557	412,326	15.1%
Subtotal Expenditures	\$ 17,933,391	\$ 16,404,967	\$ 17,879,144	\$ 1,474,177	9.0%
Debt Service Transfers	161,879	170,000	1,091,715	921,715	542.2%
Other Transfers				-	
Total Expenditures and Transfers	\$ 18,095,270	\$ 16,574,967	\$ 18,970,859	\$ 2,395,892	14.5%
Fund Balance Addition / (Reduction)					
MARTIN					
Revenues					
General Funds	\$ 6,620,151	\$ 6,338,479	\$ 6,965,776	\$ 627,297	9.9%
Student Fees for Athletics	2,215,905	2,212,000	2,212,000		0.0%
Ticket Sales	155,255	140,000	140,000		0.0%
Gifts	1,066,165	337,459	650,000	312,541	92.6%
Other	2,153,028	2,281,238	1,698,687	(582,551)	-25.5%
Total Revenues	\$ 12,210,503	\$ 11,309,176	\$ 11,666,463	\$ 357,287	3.2%
Expenditures and Transfers					
Salaries and Benefits	\$ 4,550,795	\$ 4,478,742	\$ 4,509,223	\$ 30,481	0.7%
Travel	879,614	561,660	474,238	(87,422)	-15.6%
Student Aid	4,527,700	4,628,580	4,898,459	269,879	5.8%
Other Operating	2,136,162	1,532,071	1,678,813	146,742	9.6%
Subtotal Expenditures	\$ 12,094,274	\$ 11,201,053	\$ 11,560,733	\$ 359,680	3.2%
Debt Service Transfers	116,230	108,123	105,730	(2,393)	-2.2%
Other Transfers					
Total Expenditures and Transfers	\$ 12,210,503	\$ 11,309,176	\$ 11,666,463	\$ 357,287	3.2%
Fund Balance Addition / (Reduction)					
TOTAL ATHLETICS					
Revenues					
General Funds	\$ 14,756,162	\$ 14,936,642	\$ 15,786,949	\$ 850,307	5.7%
Student Fees for Athletics	8,797,134	8,546,663	8,546,663		
Ticket Sales	35,437,056	8,148,517	31,477,023	23,328,506	286.3%
Gifts	31,088,419	20,934,577	30,920,000	9,985,423	47.7%
Other	77,309,781	65,897,143	73,683,687	7,786,544	11.8%
Total Revenues	\$ 167,388,551	\$ 118,463,542	\$ 160,414,322	\$ 41,950,780	35.4%
Expenditures and Transfers					
Salaries and Benefits	\$ 63,852,777	\$ 62,533,872	\$ 66,014,110	\$ 3,480,238	5.6%
Travel	11,647,604	9,267,273	11,527,294	2,260,021	24.4%
Student Aid	24,286,177	28,822,937	28,041,536	(781,401)	-2.7%
Other Operating	47,095,521	40,760,134	46,336,346	5,576,212	13.7%
Subtotal Expenditures	\$ 146,882,080	\$ 141,384,216	\$ 151,919,286	\$ 10,535,070	7.5%
Debt Service Transfers	18,243,348	8,526,281	12,300,958		
Other Transfers	2,300,142	(31,446,955)	(3,805,922)		
Total Expenditures and Transfers	\$ 167,425,570	\$ 118,463,542	\$ 160,414,322	\$ 10,535,070	8.9%
Fund Balance Addition / (Reduction)	\$ (37,019)				

Includes unrestricted and restricted funds. Other revenue sources include NCAA conference income, tournament income, program sales, concessions, parking, broadcasting, television, radio, internet, endowments, investments, royalties, advertisements, sponsorships, game guarantees, licensing fees, and sports camps.

University of Tennessee System
FY 2021-22 Proposed Budget
 Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 764,506,490	\$ 758,444,337	\$ 800,209,342	\$ 41,765,005	5.5%
State Appropriations	639,918,152	631,093,152	684,449,552	53,356,400	8.5%
Grants & Contracts	53,256,325	47,222,042	47,773,909	551,867	1.2%
Sales & Service	56,898,631	60,452,634	62,894,632	2,441,998	4.0%
Other Sources	69,049,649	58,902,863	62,421,192	3,518,329	6.0%
Total Revenues	\$ 1,583,629,248	\$ 1,556,115,028	\$ 1,657,748,627	\$ 101,633,599	6.5%
Expenditures and Transfers					
Instruction	\$ 517,826,331	\$ 595,897,179	\$ 611,698,468	\$ 15,801,289	2.7%
Research	147,846,046	200,164,094	141,778,905	(58,385,189)	-29.2%
Public Service	77,459,911	89,230,711	90,538,269	1,307,558	1.5%
Academic Support	177,371,195	188,993,830	192,306,850	3,313,020	1.8%
Student Services	99,453,375	111,768,702	113,318,030	1,549,328	1.4%
Institutional Support	175,763,031	184,510,025	182,982,364	(1,527,661)	-0.8%
Operation & Maintenance of Plant	158,633,657	160,530,766	159,870,122	(660,644)	-0.4%
Scholarships & Fellowships	129,968,045	140,905,453	152,346,074	11,440,621	8.1%
Subtotal Expenditures	\$ 1,484,321,590	\$ 1,672,000,760	\$ 1,644,839,082	\$ (27,161,678)	-1.6%
Mandatory Transfers	13,109,489	10,435,467	11,171,450	735,983	7.1%
Non-Mandatory Transfers	79,126,450	(125,759,997)	(1,285,920)	124,474,077	-99.0%
Total Expenditures & Transfers	\$ 1,576,557,529	\$ 1,556,676,230	\$ 1,654,724,612	\$ 98,048,382	6.3%
Fund Balance Addition/(Reduction)	\$ 7,071,719	\$ (561,202)	\$ 3,024,015		
AUXILIARIES					
Revenues	\$ 253,541,204	\$ 207,059,532	\$ 266,044,551	\$ 58,985,019	28.5%
Expenditures and Transfers					
Expenditures	201,020,939	198,257,720	214,971,033	16,713,313	8.4%
Mandatory Transfers	54,855,089	46,965,336	40,098,980	(6,866,356)	-14.6%
Non-Mandatory Transfers	(393,435)	(38,213,524)	10,806,107	49,019,631	-128.3%
Total Expenditures & Transfers	\$ 255,482,593	\$ 207,009,532	\$ 265,876,120	\$ 58,866,588	28.4%
Fund Balance Addition/(Reduction)	\$ (1,941,388)	\$ 50,000	\$ 168,431		
TOTALS					
Revenues	\$ 1,837,170,452	\$ 1,763,174,560	\$ 1,923,793,178	\$ 160,618,618	9.1%
Expenditures and Transfers					
Expenditures	\$ 1,685,342,529	\$ 1,870,258,480	\$ 1,859,810,115	\$ (10,448,365)	-0.6%
Mandatory Transfers	67,964,578	57,400,803	51,270,430	(6,130,373)	-10.7%
Non-Mandatory Transfers	78,733,015	(163,973,521)	9,520,187	173,493,708	-105.8%
Total Expenditures & Transfers	\$ 1,832,040,122	\$ 1,763,685,762	\$ 1,920,600,732	\$ 156,914,970	8.9%
Fund Balance Addition/(Reduction)	\$ 5,130,330	\$ (511,202)	\$ 3,192,446		

Chattanooga
FY 2021-22 Proposed Budget
 Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 123,270,045	\$ 118,970,887	\$ 125,750,596	\$ 6,779,709	5.7 %
State Appropriations	59,726,805	60,331,105	64,752,805	4,421,700	7.3 %
Grants & Contracts	982,743	1,049,400	1,049,400		
Sales & Service	4,261,016	2,973,919	4,845,512	1,871,593	62.9 %
Other Sources	186,651	269,500	269,500		
Total Revenues	<u>\$ 188,427,260</u>	<u>\$ 183,594,811</u>	<u>\$ 196,667,813</u>	<u>\$ 13,073,002</u>	<u>7.1 %</u>
Expenditures and Transfers					
Instruction	\$ 75,466,590	\$ 82,625,870	\$ 86,230,518	\$ 3,604,648	4.4 %
Research	4,893,521	5,201,724	5,467,779	266,055	5.1 %
Public Service	2,165,901	2,759,592	2,794,952	35,360	1.3 %
Academic Support	19,400,774	18,576,470	19,730,004	1,153,534	6.2 %
Student Services	27,264,201	27,619,937	28,786,456	1,166,519	4.2 %
Institutional Support	17,116,398	16,394,713	14,168,637	(2,226,076)	(13.6) %
Operation & Maintenance of Plant	19,457,009	19,304,504	19,514,732	210,228	1.1 %
Scholarships & Fellowships	15,950,255	17,577,617	19,046,386	1,468,769	8.4 %
Subtotal Expenditures	<u>\$ 181,714,648</u>	<u>\$ 190,060,427</u>	<u>\$ 195,739,464</u>	<u>\$ 5,679,037</u>	<u>3.0 %</u>
Mandatory Transfers	3,101,633	3,438,000	4,663,880	1,225,880	35.7 %
Non-Mandatory Transfers	3,352,304	(9,903,616)	(3,735,531)	6,168,085	62.3 %
Total Expenditures & Transfers	<u>\$ 188,168,585</u>	<u>\$ 183,594,811</u>	<u>\$ 196,667,813</u>	<u>\$ 13,073,002</u>	<u>7.1 %</u>
Fund Balance Addition/(Reduction)	\$ 258,675				
AUXILIARIES					
Revenues	\$ 19,704,098	\$ 19,724,937	\$ 21,635,234	\$ 1,910,297	9.70
Expenditures and Transfers					
Expenditures	13,987,372	13,331,406	14,918,496	1,587,090	11.9
Mandatory Transfers	5,631,418	5,753,253	5,753,253	-	-
Non-Mandatory Transfers	(1,364,486)	640,278	963,485	323,207	50.5
Total Expenditures & Transfers	<u>\$ 18,254,304</u>	<u>\$ 19,724,937</u>	<u>\$ 21,635,234</u>	<u>\$ 1,910,297</u>	<u>9.7</u>
Fund Balance Addition/(Reduction)	\$ 1,449,794	\$ -	\$ -		
TOTALS					
Revenues	\$ 208,131,358	\$ 203,319,748	\$ 218,303,047	\$ 14,983,299	7.4 %
Expenditures and Transfers					
Expenditures	\$ 195,702,020	\$ 203,391,833	\$ 210,657,960	\$ 7,266,127	3.6 %
Mandatory Transfers	8,733,051	9,191,253	10,417,133	1,225,880	13.3 %
Non-Mandatory Transfers	1,987,818	(9,263,338)	(2,772,046)	6,491,292	70.1 %
Total Expenditures & Transfers	<u>\$ 206,422,889</u>	<u>\$ 203,319,748</u>	<u>\$ 218,303,047</u>	<u>\$ 14,983,299</u>	<u>7.4 %</u>
Fund Balance Addition/(Reduction)	\$ 1,708,469				

Knoxville
FY 2021-22 Proposed Budget
 Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 475,332,006	\$ 474,809,700	\$ 500,284,565	\$ 25,474,865	5.4 %
State Appropriations	259,295,458	259,812,858	277,700,858	17,888,000	6.9 %
Grants & Contracts	27,688,023	23,910,000	23,910,000	-	-
Sales & Service	7,187,080	5,329,970	5,167,587	(162,383)	(3.0) %
Other Sources	4,963,466	3,886,862	4,416,010	529,148	13.6 %
Total Revenues	\$ 774,466,033	\$ 767,749,390	\$ 811,479,020	\$ 43,729,630	5.7 %
Expenditures and Transfers					
Instruction	\$ 240,682,866	\$ 286,757,687	\$ 289,215,183	\$ 2,457,496	0.9 %
Research	83,388,002	111,282,494	83,991,685	(27,290,809)	(24.5) %
Public Service	7,080,032	7,946,727	5,942,016	(2,004,711)	(25.2) %
Academic Support	80,940,227	87,236,187	91,955,129	4,718,942	5.4 %
Student Services	50,931,121	61,499,548	59,357,799	(2,141,749)	(3.5) %
Institutional Support	59,895,940	62,467,909	64,177,607	1,709,698	2.7 %
Operation & Maintenance of Plant	82,451,840	87,627,142	88,086,489	459,347	0.5 %
Scholarships & Fellowships	94,685,242	102,241,070	111,564,887	9,323,817	9.1 %
Subtotal Expenditures	\$ 700,055,270	\$ 807,058,764	\$ 794,290,795	\$ (12,767,969)	(1.6) %
Mandatory Transfers	4,644,782	742,769	310,624	(432,145)	(58.2) %
Non-Mandatory Transfers	69,421,392	(40,052,143)	16,877,601	56,929,744	142.1 %
Total Expenditures & Transfers	\$ 774,121,444	\$ 767,749,390	\$ 811,479,020	\$ 43,729,630	5.7 %
Fund Balance Addition/(Reduction)	\$ 344,589				
AUXILIARIES					
Revenues	\$ 223,977,828	\$ 174,444,872	\$ 226,136,458	\$ 51,691,586	29.60 %
Expenditures and Transfers					
Expenditures	181,227,600	175,762,112	186,961,739	11,199,627	6.4 %
Mandatory Transfers	45,951,028	38,752,322	31,801,939	(6,950,383)	(17.9) %
Non-Mandatory Transfers	207,052	(40,069,562)	7,372,780	47,442,342	118.4 %
Total Expenditures & Transfers	\$ 227,385,680	\$ 174,444,872	\$ 226,136,458	\$ 51,691,586	29.6 %
Fund Balance Addition/(Reduction)	\$ (3,407,852)				
TOTALS					
Revenues	\$ 998,443,860	\$ 942,194,262	\$ 1,037,615,478	\$ 95,421,216	10.1 %
Expenditures and Transfers					
Expenditures	\$ 881,282,870	\$ 982,820,876	\$ 981,252,534	\$ (1,568,342)	(0.2) %
Mandatory Transfers	50,595,810	39,495,091	32,112,563	(7,382,528)	(18.7) %
Non-Mandatory Transfers	69,628,444	(80,121,705)	24,250,381	104,372,086	130.3 %
Total Expenditures & Transfers	\$ 1,001,507,124	\$ 942,194,262	\$ 1,037,615,478	\$ 95,421,216	10.1 %
Fund Balance Addition/(Reduction)	\$ (3,063,263)				

Knoxville includes UT Knoxville and the UT Space Institute.

Martin
FY 2021-22 Proposed Budget
 Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 64,169,862	\$ 62,885,314	\$ 64,106,542	\$ 1,221,228	1.9 %
State Appropriations	36,452,197	35,369,397	37,357,097	1,987,700	5.6 %
Grants & Contracts	140,331	241,400	241,400		
Sales & Service	3,364,355	3,672,746	3,577,096	(95,650)	(2.6) %
Other Sources	592,488	770,500	771,000	500	0.1 %
Total Revenues	<u>\$ 104,719,232</u>	<u>\$ 102,939,357</u>	<u>\$ 106,053,135</u>	<u>\$ 3,113,778</u>	<u>3.0 %</u>
Expenditures and Transfers					
Instruction	\$ 42,500,003	\$ 45,516,765	\$ 45,709,231	\$ 192,466	0.4 %
Research	165,779	258,159	87,751	(170,408)	(66.0) %
Public Service	508,440	838,384	838,425	41	- %
Academic Support	9,320,666	11,116,507	10,947,253	(169,254)	(1.5) %
Student Services	14,280,320	15,107,661	14,086,977	(1,020,684)	(6.8) %
Institutional Support	6,909,730	8,470,242	8,016,217	(454,025)	(5.4) %
Operation & Maintenance of Plant	10,634,144	11,067,026	12,231,959	1,164,933	10.5 %
Scholarships & Fellowships	14,024,165	13,345,866	12,332,906	(1,012,960)	(7.6) %
Subtotal Expenditures	<u>\$ 98,343,249</u>	<u>\$ 105,720,610</u>	<u>\$ 104,250,719</u>	<u>\$ (1,469,891)</u>	<u>(1.4) %</u>
Mandatory Transfers	552,276	544,946	547,667	2,721	0.5 %
Non-Mandatory Transfers	3,125,498	(3,326,199)	1,254,749	4,580,948	137.7 %
Total Expenditures & Transfers	<u>\$ 102,021,023</u>	<u>\$ 102,939,357</u>	<u>\$ 106,053,135</u>	<u>\$ 3,113,778</u>	<u>3.0 %</u>
Fund Balance Addition/(Reduction)	\$ 2,698,209				
AUXILIARIES					
Revenues	\$ 8,299,456	\$ 9,968,296	\$ 10,375,196	406,900	4.10 %
Expenditures and Transfers					
Expenditures	\$ 4,222,230	\$ 6,613,275	\$ 7,020,175	406,900	6.2 %
Mandatory Transfers	2,659,769	2,089,261	1,983,779	(105,482)	(5.0) %
Non-Mandatory Transfers	1,385,784	1,265,760	1,371,242	105,482	8.3 %
Total Expenditures & Transfers	<u>\$ 8,267,783</u>	<u>\$ 9,968,296</u>	<u>\$ 10,375,196</u>	<u>406,900</u>	<u>4.1 %</u>
Fund Balance Addition/(Reduction)	\$ 31,672				
TOTALS					
Revenues	\$ 113,018,688	\$ 112,907,653	\$ 116,428,331	\$ 3,520,678	3.1 %
Expenditures and Transfers					
Expenditures	102,565,480	112,333,885	111,270,894	(1,062,991)	(0.9) %
Mandatory Transfers	3,212,045	2,634,207	2,531,446	(102,761)	(3.9) %
Non-Mandatory Transfers	4,511,282	(2,060,439)	2,625,991	4,686,430	227.4 %
Total Expenditures & Transfers	<u>\$ 110,288,807</u>	<u>\$ 112,907,653</u>	<u>\$ 116,428,331</u>	<u>\$ 3,520,678</u>	<u>3.1 %</u>
Fund Balance Addition/(Reduction)	\$ 2,729,881				

UT Southern
FY 2021-22 Proposed Budget
 Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees			\$ 7,406,115		
State Appropriations			6,230,000		
Grants & Contracts			522,000		
Sales & Service			579,000		
Other Sources			3,487,548		
Total Revenues			\$ 18,224,663		
Expenditures and Transfers					
Instruction			\$ 4,060,765		
Research					
Public Service			177,386		
Academic Support			975,092		
Student Services			4,003,469		
Institutional Support			2,840,094		
Operation & Maintenance of Plant			791,957		
Scholarships & Fellowships			2,117,521		
Subtotal Expenditures			\$ 14,966,284		
Mandatory Transfers					
Non-Mandatory Transfers			2,076,400		
Total Expenditures & Transfers			\$ 17,042,684		
Fund Balance Addition/(Reduction)			\$ 1,181,979		
AUXILIARIES					
Revenues					
			\$ 3,564,000		
Expenditures and Transfers					
Expenditures			1,905,525		
Mandatory Transfers			391,444		
Non-Mandatory Transfers			1,148,600		
Total Expenditures & Transfers			\$ 3,445,569		
Fund Balance Addition/(Reduction)			\$ 118,431		
TOTALS					
Revenues					
			\$ 21,788,663		
Expenditures and Transfers					
Expenditures			\$ 16,871,809		
Mandatory Transfers			391,444		
Non-Mandatory Transfers			3,225,000		
Total Expenditures & Transfers			\$ 20,488,253		
Fund Balance Addition/(Reduction)			\$ 1,300,410		

Health Science Center FY 2021-22 Proposed Budget

Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 89,167,128	\$ 88,859,464	\$ 90,015,347	\$ 1,155,883	1.3 %
State Appropriations	162,456,024	163,202,524	177,535,124	14,332,600	8.8 %
Grants & Contracts	19,070,639	16,718,395	16,966,260	247,865	1.5 %
Sales & Service	16,083,854	19,234,230	19,293,881	59,651	0.3 %
Other Sources	2,736,290	1,072,920	1,073,920	1,000	0.1 %
Total Revenues	<u>\$ 289,513,934</u>	<u>\$ 289,087,533</u>	<u>\$ 304,884,532</u>	<u>\$ 15,796,999</u>	<u>5.5 %</u>
Expenditures and Transfers					
Instruction	\$ 123,468,531	\$ 140,229,251	\$ 143,059,679	\$ 2,830,428	2.0 %
Research	18,145,488	38,003,110	8,521,904	(29,481,206)	(77.6) %
Public Service	211,138	888,270	595,576	(292,694)	(33.0) %
Academic Support	57,402,868	61,880,204	59,054,218	(2,825,986)	(4.6) %
Student Services	6,977,734	7,541,556	7,083,329	(458,227)	(6.1) %
Institutional Support	33,527,962	33,976,481	33,950,544	(25,937)	(0.1) %
Operation & Maintenance of Plant	42,443,125	36,601,541	34,807,472	(1,794,069)	(4.9) %
Scholarships & Fellowships	5,220,196	7,617,357	7,160,831	(456,526)	(6.0) %
Subtotal Expenditures	<u>\$ 287,397,041</u>	<u>\$ 326,737,770</u>	<u>\$ 294,233,553</u>	<u>\$ (32,504,217)</u>	<u>(9.9) %</u>
Mandatory Transfers	4,674,404	5,579,752	5,519,279	(60,473)	(1.1) %
Non-Mandatory Transfers	(2,221,403)	(43,179,989)	5,181,700	48,361,689	112.0 %
Total Expenditures & Transfers	<u>\$ 289,850,043</u>	<u>\$ 289,137,533</u>	<u>\$ 304,934,532</u>	<u>\$ 15,796,999</u>	<u>5.5 %</u>
Fund Balance Addition/(Reduction)	<u>\$ (336,109)</u>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>		
AUXILIARIES					
Revenues	\$ 1,559,823	\$ 2,921,427	\$ 4,333,663	\$ 1,412,236	48.3 %
Expenditures and Transfers					
Expenditures	1,583,737	2,550,927	4,165,098	1,614,171	63.3 %
Mandatory Transfers	215,896	370,500	168,565	(201,935)	(54.5) %
Non-Mandatory Transfers	(224,807)	(50,000)	(50,000)		
Total Expenditures & Transfers	<u>\$ 1,574,826</u>	<u>\$ 2,871,427</u>	<u>\$ 4,283,663</u>	<u>\$ 1,412,236</u>	<u>49.2 %</u>
Fund Balance Addition/(Reduction)	<u>\$ (15,002)</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>		
TOTALS					
Revenues	\$ 291,073,757	\$ 292,008,960	\$ 309,218,195	\$ 17,209,235	5.9 %
Expenditures and Transfers					
Expenditures	\$ 288,980,778	\$ 329,288,697	\$ 298,398,651	\$ (30,890,046)	(9.4) %
Mandatory Transfers	4,890,300	5,950,252	5,687,844	(262,408)	(4.4) %
Non-Mandatory Transfers	(2,446,210)	(43,229,989)	5,131,700	48,361,689	111.9 %
Total Expenditures & Transfers	<u>\$ 291,424,868</u>	<u>\$ 292,008,960</u>	<u>\$ 309,218,195</u>	<u>\$ 17,209,235</u>	<u>5.9 %</u>
Fund Balance Addition/(Reduction)	<u>\$ (351,111)</u>				

Institute of Agriculture FY 2021-22 Proposed Budget

Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 12,567,450	\$ 12,918,972	\$ 12,646,177	\$ (272,795)	(2.1) %
State Appropriations	92,111,664	92,419,764	99,474,464	7,054,700	7.6 %
Grants & Contracts	5,198,463	4,251,470	4,089,470	(162,000)	(3.8)
Sales & Service	26,002,327	29,241,769	29,431,556	189,787	0.6 %
Other Sources	18,082,169	17,114,483	17,114,415	(68)	- %
Total Revenues	\$ 153,962,074	\$ 155,946,458	\$ 162,756,082	\$ 6,809,624	4.4 %
Expenditures and Transfers					
Instruction	\$ 35,708,342	\$ 40,767,606	\$ 43,423,092	\$ 2,655,486	6.5 %
Research	41,253,256	45,418,607	43,709,786	(1,708,821)	(3.8) %
Public Service	45,721,372	53,652,572	56,066,399	2,413,827	4.5 %
Academic Support	10,049,635	9,928,062	9,387,136	(540,926)	(5.4) %
Student Services					
Institutional Support	2,834,153	2,748,645	2,758,134	9,489	0.3 %
Operation & Maintenance of Plant	3,647,538	3,930,553	3,837,513	(93,040)	(2.4) %
Scholarships & Fellowships	88,187	123,543	123,543		
Subtotal Expenditures	\$ 139,302,483	\$ 156,569,588	\$ 159,305,603	\$ 2,736,015	1.7 %
Mandatory Transfers					
Non-Mandatory Transfers	14,138,361	(545,643)	2,946,600	3,492,243	640.0 %
Total Expenditures & Transfers	\$ 153,440,844	\$ 156,023,945	\$ 162,252,203	\$ 6,228,258	4.0 %
Fund Balance Addition/(Reduction)	\$ 521,230	\$ (77,487)	\$ 503,879		

Institute for Public Service Total
FY 2021-22 Proposed Budget
 Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees					
State Appropriations	\$ 13,766,087	\$ 13,815,487	\$ 15,009,887	\$ 1,194,400	8.6 %
Grants & Contracts	176,126	1,051,377	995,379	(55,998)	(5.3) %
Sales & Service					
Other Sources	11,832,137	11,511,968	12,337,169	825,201	7.2 %
Total Revenues	<u>\$ 25,774,349</u>	<u>\$ 26,378,832</u>	<u>\$ 28,342,435</u>	<u>\$ 1,963,603</u>	<u>7.4 %</u>
Expenditures and Transfers					
Instruction					
Research					
Public Service	\$ 21,773,027	\$ 23,145,166	\$ 24,123,515	\$ 978,349	4.2 %
Academic Support	257,024	256,400	258,018	1,618	0.6 %
Student Services					
Institutional Support	721,177	752,165	920,155	167,990	22.3 %
Operation & Maintenance of Plant					
Scholarships & Fellowships					
Subtotal Expenditures	<u>\$ 22,751,228</u>	<u>\$ 24,153,731</u>	<u>\$ 25,301,688</u>	<u>\$ 1,147,957</u>	<u>4.8 %</u>
Mandatory Transfers					
Non-Mandatory Transfers	3,061,659	2,145,945	3,026,013	880,068	41.0 %
Total Expenditures & Transfers	<u>\$ 25,812,887</u>	<u>\$ 26,299,676</u>	<u>\$ 28,327,701</u>	<u>\$ 2,028,025</u>	<u>7.7 %</u>
Fund Balance Addition/(Reduction)	<u>\$ (38,538)</u>	<u>\$ 79,156</u>	<u>\$ 14,734</u>		

System Administration

FY 2021-22 Proposed Budget

Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2019-20 Actual	FY 2020-21 Probable	FY 2021-22 Proposed	Change Probable to Proposed	
				Amount	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees					
State Appropriations	\$ 16,109,917	\$ 6,142,017	\$ 6,389,317	\$ 247,300	4.0 %
Grants & Contracts					
Sales & Service					
Other Sources	30,656,449	24,276,630	22,951,630	(1,325,000)	(5.5) %
Total Revenues	<u>\$ 46,766,366</u>	<u>\$ 30,418,647</u>	<u>\$ 29,340,947</u>	<u>\$ (1,077,700)</u>	<u>(3.5) %</u>
Expenditures and Transfers					
Instruction					
Research					
Public Service					
Academic Support					
Student Services					
Institutional Support	\$ 54,757,671	\$ 59,699,870	\$ 56,150,976	\$ (3,548,894)	(5.9) %
Operation & Maintenance of Plant		2,000,000	600,000	(1,400,000)	(70.0) %
Scholarships & Fellowships					
Subtotal Expenditures	<u>\$ 54,757,671</u>	<u>\$ 61,699,870</u>	<u>\$ 56,750,976</u>	<u>\$ (4,948,894)</u>	<u>(8.0) %</u>
Mandatory Transfers	136,394	130,000	130,000		
Non-Mandatory Transfers	(11,751,361)	(30,898,352)	(28,913,452)	1,984,900	6.4 %
Total Expenditures & Transfers	<u>\$ 43,142,704</u>	<u>\$ 30,931,518</u>	<u>\$ 27,967,524</u>	<u>\$ (2,963,994)</u>	<u>(9.6) %</u>
Fund Balance Addition/(Reduction)	<u>\$ 3,623,662</u>	<u>\$ (512,871)</u>	<u>\$ 1,373,423</u>		

The University of Tennessee Proposed 2021-22 Tuition and Fees

The proposed budget includes revenues and expenses related to tuition and fee adjustments recommended by UT campuses for the 2021-22 academic year. These recommendations were developed in accordance with Tennessee Higher Education Commission (THEC) guidelines and the university's Policy on Approval of Student Fees (BT0016). They are an integral component of the 2021-22 proposed operating budget. Major recommendations include:

- Changes to in-state tuition and mandatory fees:
 - UT Southern: 61% reduction.
 - UT Knoxville: 0.2% reduction.
 - UT Martin: 1.7% increase.
 - Veterinary Medicine: 1.9% increase.
 - UT Chattanooga: 2.0% increase.

- UT Health Science Center: a program fee to fund implementation of a new Accelerated Pharmacy Pathway program.

The following includes revenue projections, information on how the additional revenues are planned to be used, and detailed schedules of tuition and fee levels proposed for each campus.

Summary of Net Revenue Changes and Allocations	Net Change*
Chattanooga	\$ 5,035,049
Knoxville	13,500
Martin	944,600
Health Science Center	908,988
Veterinary Medicine	186,477
Total Revenue Changes	\$ 7,088,614
Allocations	
Scholarships	\$ 2,515,882
Student services and academic support	2,149,079
Academic programs and instruction	1,074,417
Faculty and staff compensation	420,554
Equipment, facilities, infrastructure and debt service	928,682
Total Net Allocations	\$ 7,088,614

*Does not include revenue changes that may result from other factors, such as changes in enrollment.

UT Southern Proposed 2021-22 Tuition and Fees

Fiscal Year 2021-22 will be the inaugural year of the first new public university in Tennessee for over half a century. Perhaps the most compelling aspect of Martin Methodist's transition to becoming UT Southern will be a dramatic reduction in tuition and fees. The addition of state funding will enable UT Southern to charge 61% less than it does as Martin Methodist College. The value proposition for current students will be significantly improved and the educational opportunities for prospective students in southern Tennessee will be greatly expanded. Below is a description of these proposed changes. This is followed by a detailed schedule of all tuition and fees recommended for UT Southern for the 2021-22 academic year.

SUMMARY	Revenue Changes
Proposed for Approval by the Board of Trustees	\$ (2,690,834)
Offset by a Portion of New State Appropriations	2,690,834
TOTAL	No Net Change

Proposed Changes	In-State		Out-of-State		Revenue
Undergraduate Tuition	\$ (14,800)	-62%	\$ (14,800)	-62%	\$ (2,062,554)*
Mandatory Fees	(1,000)	-46%	(1,000)	-46%	(628,280)
TOTAL					\$ (2,690,834)

*Change in net tuition revenue.

Proposed for Approval by the Board of Trustees

- Maintenance Fee (Tuition) – Martin Methodist currently charges tuition of \$23,800 to all full-time undergraduate students. UT Southern proposes to reduce this to \$9,000 for the 2021-22 academic year. In-state and out-of-state students will pay the same amount during 2021-22 to avoid penalizing returning out-of-state students. This allows time to analyze future pricing strategies for out-of-state students. While this will reduce net tuition and fee revenue by \$2.7 million, the addition of recurring state appropriations will offset the rest of the revenue reduction.
- Mandatory Fees – The same funding offsets described above will enable UT Southern to reduce mandatory fees from \$2,200 to \$1,200. This will be among the lowest mandatory fee rates among Tennessee's public universities.

UT Chattanooga Proposed 2021-22 Tuition and Fees

UT Chattanooga is proposing changes to maintenance fees, some mandatory fees, and auxiliary enterprise fees. New state appropriations will be sufficient to fund a salary pool for most UTC employees (other than those funded by auxiliaries), but additional funds are required for fixed cost increases, program enhancements, student services, and to address a recurring deficit in scholarship funding. The tables below summarize the projected revenue changes expected to result from the tuition and fee changes proposed for 2021-22. They are followed by an explanation of each proposed change and detailed schedules of all tuition and fee levels proposed for 2021-22.

SUMMARY	New Revenue
Proposed for Approval by the Board of Trustees	\$ 4,910,357
Approved by the President	79,130
Approved by the Chancellor	45,562
TOTAL	\$ 5,035,049
Proposed Allocations	
Instruction and academic programs	\$ 874,440
Academic support, tutoring, advisement, career support	350,000
Scholarships, grants, and fee waivers	2,334,515
Residence hall, food service, and parking operations	446,576
Salary pool for auxiliary employees	125,000
Non-auxiliary student facing capital projects	374,920
Student counseling services	65,565
Academic equipment, supplies, instruction, and learning opportunities	191,679
Institutional support, information technology, and infrastructure	272,354
TOTAL	\$ 5,035,049

UT Chattanooga

Proposed 2021-22 Tuition and Fees

Proposed Changes	In-State		Out-of-State		Revenue
Undergraduate Tuition (New Students; Soar in Four)	\$ 156	2.0%	\$ 156	0.6%	\$4,009,423
Undergraduate Tuition (Returning Students)	140	2.0%	140	0.5%	
Graduate Tuition	168	2.0%	168	0.9%	
Differential Tuition (Nursing)	2	2.0%	2	2.0%	
Differential Tuition (Business, Engineering, PT, OT)	1	2.0%	1	2.0%	
Mandatory Fees	36	2.0%	36	2.0%	374,920
Housing (average percentage increase)	varies	3.0%	varies	3.0%	491,869
Food Services (average percentage increase)	varies	3.0%	varies	3.0%	34,145
Lab/Course Extension of Fees	varies	-	varies	-	79,130
Parking (average percentage increase)	varies	3.0%	varies	3.0%	45,562
					\$5,035,049

Proposed for Approval by the Board of Trustees

- Maintenance Fee (Tuition)** – UTC is proposing a 2.0% increase to maintenance fees paid by all undergraduate and graduate students. The increases are projected to increase revenue by \$1,809,423. The third of year implementation of the Soar in Four tuition model will increase revenue by \$2,200,000. The total revenue will be used for cost increases and program enhancements in academic programs, instruction, academic support, student services and to increase funding for institutionally funded financial aid and assistantships. Due to a successful implementation of the Soar in Four fee model, the university has greatly increased the student retention and progression rates. An implication of this success has resulted in increased costs to institutional scholarships; therefore, the largest allocation of the increase will be to scholarships for \$2,334,515. Additional investments of revenue will be \$350,000 of tutoring, advising, academic and career support. \$874,440 will be invested in additional faculty for program support. Differential fees are increased in scale automatically per previous approval by the Board of Trustees.

UT Chattanooga

Proposed 2021-22 Tuition and Fees

Proposed for Approval by the Board of Trustees (continued)

- Debt Service Fee – UTC proposes increasing this fee from \$300 to \$336 to provide \$374,920 for bonded debt associated with non-auxiliary student facing building projects. In an effort to financially plan for capital projects associated with these buildings, debt service funds provide for planned future capital projects in phases. The total cost of mandatory fees for a full-time student is \$1,820 annually and an increase of \$36 (2.0%) will allow for adequate planning. In some prior years, the university has foregone increasing these fees in conjunction with tuition increases; this has resulted over time in financial burdens for the corresponding fees due to changing costs with no revenue adjustments. Of this increase, the university will allocate the funds to the Debt Service Fee, which has the greatest immediate financial need in comparison to all other mandatory fees.

- Auxiliary Enterprises – There are a number of different prices for on-campus housing options, meal plans and parking decals. Lists of all prices are included in the detailed schedules at the end of this document.
 - Housing – The increase in rental rates is 3.0%. It will affect both north and south campus residence hall rates. The increase in housing rental rates is necessary to cover increased operating expenses such as utilities, repairs and general maintenance. It will also fund a salary pool for housing employees, which is not funded by state appropriations. Being able to charge a market competitive housing rate is extremely important to sustaining a successful auxiliary function.
 - Food Service – The University is contractually bound with Aramark to meal plan price increases on existing meal plans to offset operational increases. The increase is 3.0%. The estimated fiscal impact is difficult to determine; however, the university will see an estimated additional \$34,145 based on guaranteed commissions per the contract. Imbedded within these operational expenses are the rising costs for food and compensation adjustments for employees.

UT Chattanooga Proposed 2021-22 Tuition and Fees

Approved by the President

- Extend Existing Course/Lab Fees to Additional Courses – Each of the following programs has course/lab fees in place for those courses that require supplemental funding for program specific specialized instruction, field-based instruction and costs for any equipment or materials needed. UT Chattanooga proposes extending these fees to the following courses:
 - Biology (BIOL 3400, 5090) – fee \$25; revenue \$1,200.
 - Chemistry (CHEM 1050) – fee \$25; revenue \$750.
 - Communication (COMM 2330, 3420, 3600, 3620, 4400, 4420, 4600, 4820, 3010R, 3020R) – fee \$50; revenue \$20,000.
 - Education (EDUC 4445 STEM 1030, 4010, 4020r) – fee \$25; revenue \$4,000.
 - Management (MGT 5050, 5060, 5210 PMBA 5050, 5060, 5380) – fee \$50; revenue \$6,000.
 - HHP (NUTR 5250, 5350, 5360, 5370, 5390, 5460) – fee \$50; revenue \$12,000.
 - Interior Design (IARC 3500, 3510, 4500) – fee \$33; revenue \$11,880.
 - Environmental Science (ESC 5090,5400,5650,5070r) – fee \$25; revenue \$4,000
 - Engineering(ETME 1100, 2100, 2110, 3110, 3120, 3230, 4110, 4120, 4130, 4210, 4220) – fee \$25; revenue \$11,000

Approved by the Chancellor

- Parking Decals – UTC is increasing parking decal rates by an average of 3.0%. The increase will provide revenue growth of \$45,562, which is necessary to cover increased cost for lot maintenance and general operating needs. It will also generate reserves for long-term maintenance and a salary pool for parking employees, which is not funded by state appropriations.

UT Knoxville

Proposed 2021-22 Tuition and Fees

UT Knoxville recommends no change for tuition in 2021-22, eliminating one mandatory fee, and increasing the FUTURE program fee and some professional and executive program fees. The net gain in revenue is projected to be \$13,500. The tables below summarize the projected revenue changes expected to result from the tuition and fee changes proposed for 2021-22. They are followed by an explanation of each proposed change and detailed schedules of all tuition and fee levels proposed for 2021-22.

SUMMARY	New Revenue
Proposed for Approval by the Board of Trustees	\$ -6,500
Approved by the President	20,000
TOTAL	\$ 13,500
Proposed Allocations	
Professional/executive program cost increases and program enhancements	\$ 393,500
FUTURE Postsecondary Education Program	20,000
Undergraduate International Education Fee	-400,000
TOTAL	\$ 13,500

Proposed Changes	In-State		Out-of-State		Revenue
Mandatory Fees:					
Undergraduate International Education Fee	-20	-100%	-20	-100%	-400,000
Program Fees:					
Masters of Science in Social Work	300	66.7%	300	66.7%	132,200
Executive MBA – Strategic Leadership	5,000	7.0%	5,000	7.0%	115,000
Executive MBA – Global Supply Chain	5,000	5.9%	5,000	5.9%	95,000
Masters of Science in Supply Chain Online Program Fee	1,140	3.0%	1,140	3.0%	51,300
FUTURE Postsecondary Education Program	500	20.0%	500	20.0%	20,000
					\$13,500

UT Knoxville

Proposed 2021-22 Tuition and Fees

Proposed for Approval by the Board of Trustees

- Undergraduate International Education Fee – Knoxville proposes eliminating this \$20 mandatory fee that was originally introduced to provide support to students who study abroad in the form of scholarship funds. The university will continue to provide the same level of support for scholarships through other funding sources.
- Masters of Science in Social Work – The revenue from this increase (\$132,200) will be used to expand staffing for field placement development and add new technology and simulation training resources including equipment and live simulated patients. (3 semesters at \$250 a semester)
- Executive MBA – Strategic Leadership – The revenue from this increase (\$115,000) will be used to enhance student support and enrich the learning experience in this highly regarded Executive program. Investments will be made in our integrated curriculum, international residence and the student experience. The differentiating ‘leadership assessment and development’ component will also be improved in both revised assessments, diagnostics and coaching support, in order to improve our leading position in this area. A portion of the fee will be used to support expanded in-person time with students as we add additional focus areas to meet industry needs and expectations and to enhance recruiting activities to ensure a strong, diverse high quality student cohort.
- Executive MBA - Global Supply Chain – The revenue from this increase (\$95,000) will primarily be used to improve the student experience for this unique and globally-recognized program. The proposed fee increase will allow us to enhance our world-class integrated residence programs on campus and internationally. We will be able to utilize faculty in global residencies and employ cutting-edge learning technology and simulation in the program as well as deeply involve industry executives to deliver hands-on experiential learning. The proposed increase will also support expanded recruitment activities to attract high caliber professionals to the program.
- Masters of Science in Supply Chain Online Program Fee – The revenue from this increase (\$51,300) will primarily be used to provide more robust student services such as career management and opportunities for interaction between students at the program level. We also plan to use a portion of the fee to offer mentorship opportunities for current students and ways that program alumni can engage with these students. A portion of the fee increase will also help cover the increased initiatives in student recruiting necessary to maintain the high quality of incoming students.

UT Knoxville

Proposed 2021-22 Tuition and Fees

Approved by the President

- FUTURE Program Fee – The revenue from this fee increase (\$20,000) will support the FUTURE program. This is a comprehensive program that helps young adults with intellectual and developmental disabilities make a successful transition from high school to adult life. During the program, students are provided with specially designed FUTURE classes, the opportunity to audit undergraduate courses, and an internship on or off campus. Also available is career and clinical counseling to help develop academic, vocational, social, and decision-making skills. The FUTURE Program started in 2010 with a grant from the federal Department of Education as one of the first Transition and Secondary Program for Students with Intellectual Disabilities (TPSID). The grant period lasted for five years, with the stipulation that the Program become self-sustaining by the end of the grant. To accomplish that goal, the FUTURE Program began charging a Program Fee of \$2,500 per semester per student following the grant end in 2015.

UT Martin

Proposed 2021-22 Tuition and Fees

UT Martin is proposing changes to maintenance fees, some mandatory fees, and auxiliary enterprise fees. The table below summarizes the projected revenue changes expected to result from the proposed tuition and fee changes. It is followed by an explanation of each proposed change and detailed schedules of all tuition and fee levels proposed for 2021-22.

SUMMARY	New Revenue
Proposed for Approval by the Board of Trustees	\$941,600
Approved by the President	\$3,000
TOTAL	\$ 944,600
Proposed Allocations	
Faculty Promotions	95,554
Scholarships	181,367
Student Services and Instructional & Academic Support	127,050
Residence Hall and Food Service Operations	250,900
Unfunded portion of the FY22 salary pool	200,000
General Operations, Facilities, Equipment, and Debt Service	89,729
TOTAL	\$944,600

Proposed Changes	In-State		Out-of-State		Revenue
Undergraduate Tuition	\$ 164	2.0%	\$ 164	1.1%	\$1,016,400
Graduate Tuition	182	2.0%	182	1.2%	
International/OOS Tuition	-	-	(7,904)	(35)%	-328,700
Housing (average percentage increase)	varies	2.5%	varies	2.5%	232,000
Food Services (average percentage increase)	varies	3.5%	varies	3.5%	18,900
					\$941,600

UT Martin

Proposed 2021-22 Tuition and Fees

Proposed for Approval by the Board of Trustee

- Maintenance Fee and Out-of-State Tuition – Martin proposes increasing maintenance fees by \$164 for undergraduates and \$182 for graduate students. This is a 2.0% tuition increase for in-state students. It increases out-of-state tuition by 1.15% for undergraduates and 1.2% for graduate students. Martin is proposing to reduce International Tuition down to the Out of State rate. The decrease is \$7,904 per student per year and a 35% decrease. These changes are projected to provide \$687,700 for scholarships, student services, instructional support, faculty promotions, fixed cost increases, and a portion of the 4% salary pool which was not fully funded by state appropriations.
- Auxiliary Enterprises – There are a number of different prices for on-campus housing options and a variety of meal plans. Martin is proposing average increases of 2.5% for residence hall rentals and 3.5% for dining plans. The project revenue gains of \$250,900 will be used to cover increased costs in housing and food service operations and improve the diversity of food offerings. Detailed schedules of all proposed fees can be found in the schedules that follow this section.

Approved by the President

- NUTR 724, 754, 764, 734 and FSMG 714 fee – Martin currently assesses a \$50 course fee for NUTR 724, 754, 764, 734 and FSMG 714. The revenue generated by this Graduate level course fee is used to cover additional costs for the program. The proposed rate for 2021-22 is \$75 per credit hour. This would result in an additional \$3,000 to support the program.

Approved by the Chancellor

- Criminal Justice Proficiency Fee – Reduce the Proficiency Credit Fee to \$0 for the Criminal Justice Tennessee Highway Patrol program. The Chancellor of UT Martin has approved eliminating the Criminal Justice Proficiency Fee for the Tennessee Highway Patrol. Since there have not been students in the program in recent years there is no financial impact to the budget.

UT Health Science Center Proposed 2021-22 Tuition and Fees

Most Health Science Center tuition and fee levels for 2021-22 were approved by the Board on February 25, 2021. Additional changes are being proposed for fees related to costs that were not known at that time. The following includes projected revenue changes expected to result from these changes and detailed schedules of all tuition and fee levels proposed for 2021-22.

SUMMARY	New Revenue
Proposed for Approval by the Board of Trustees	\$ 50,000
Approved by the President	7,900
Approved by the Chancellor	354,083
Previously Approved	488,600
TOTAL	\$ 900,583
Proposed Allocations	
Changes in supply costs for nursing and pharmacy certificate fees	\$ 76,400
Dentistry lab equipment and supplies	622,400
Student health and malpractice insurance	354,083
Offset net cost of reduction of tuition for specific courses	(152,300)
TOTAL	\$ 900,583

Proposed Changes	In-State		Out-of-State		Revenue
Accelerated Pharmacy Pathway	\$ 2,500	NEW	\$ 2,500	NEW	\$ 50,000
Nursing Kits	\$ (3,212)	(19.2)%	39	12.5%	7,900
Student Health Insurance	302	8.8%	302	8.8%	362,400
Malpractice Insurance – Pharmacy Students	(5)	(25)%	(5)	(25)%	(3,630)
Malpractice Insurance – Nursing Students	(5)	(25)%	(5)	(25)%	(1,755)
Malpractice Insurance – Health Professions Students	(5)	(25)%	(5)	(25)%	(3,020)
Malpractice Insurance – Medical Students Years 1 & 2	8	57%	8	57%	2,800
Malpractice Insurance – Medical Students Years 3 & 4	(8)	(23)%	(8)	(23)%	(2,712)
					\$ 411,983

UT Health Science Center Proposed 2021-22 Tuition and Fees

Proposed for Approval by the Board of Trustees

- Accelerated Pharmacy Pathway Fee – A fee of \$2,500 will be charged to students entering the new Accelerated Pharmacy Pathway which allows students to complete their courses and graduate in 3 years instead of the traditional 4 years. This fee is designed to help with the costs of the shortened program. The amount of revenue that should be generated by this fee is around \$50,000.

Approved by the President

- Nursing Kit – The College of Nursing provides materials needed by returning BSN pre-licensure students to complete their course work. The nursing kits are being updated for next year and the cost has increased. The fee would increase from \$311 to \$350. The amount of revenue that will be generated to cover the increased costs of the kits will be \$7,900. Assessing it as a student fee enables students to use financial aid to cover this cost.

Approved by the Chancellor

- Student Health Insurance – The university provides a health insurance policy, which includes coverage for injury and sickness, including inpatient, outpatient, prescription, and wellness provisions. The plan also includes accidental death and dismemberment coverage. Health insurance is required for all students, but the student health insurance policy can be waived if the student has private health insurance. The fee increase is due to a rise in the premiums under a new contract. The fee will increase from \$3,432 to \$3,734, generating \$362,400 to cover the higher costs.
- Medicine Malpractice Insurance Years 1 & 2 – The University provides a malpractice insurance for Medical Students in their First and Second years of Medical School. The policy covers any Malpractice cases brought against the students during these years at UTHSC. The increase from \$14 to \$22 is due to an increase in the premiums under a new contract. The amount of revenues that will be generated to cover the increased costs will be \$2,800.
- Medicine Malpractice Insurance Year 3 & 4 – The University provides a malpractice insurance for Medical Students in their Third and Fourth years of Medical School. The policy covers any Malpractice cases brought against the students during these years at UTHSC. The decrease from \$43 to \$35 is due to a decrease in the premiums under a new contract. The amount of savings to the students will be \$2,712.

UT Health Science Center Proposed 2021-22 Tuition and Fees

- Pharmacy Malpractice Insurance – The University provides a malpractice insurance for pharmacy students covering any malpractice cases brought against the students during their years at UTHSC. The decrease from \$20 to \$15 is due to a decrease in the premiums under a new contract. The amount of savings to the students will be \$3,630.
- Nursing Malpractice Insurance – The University provides a malpractice insurance for nursing students covering any malpractice cases brought against the students during their years at UTHSC. The decrease from \$20 to \$15 is due to a decrease in the premiums under a new contract. The amount of savings to the students will be \$1,755.
- Health Professions Malpractice Insurance – The University provides a malpractice insurance for health professions students covering any malpractice cases brought against the students during their years at UTHSC. The decrease from \$20 to \$15 is due to a decrease in the premiums under a new contract. The amount of savings to the students will be \$3,020.

Changes Approved February 25, 2021

Previously Approved	In-State		Out-of-State		Revenue
Doctor of Medicine Tuition	-	-	\$ (8,639)	(14.3)%	\$ (172,780)
Masters in Forensic Dentistry	\$ (3,212)	(19.2)%	(6,640)	(26.4)%	(29,520)
Dentistry Clinic Utilization Fee	1,600	50%	1,600	50%	622,400
Nursing DNP Digital Materials Fee	115	288%	115	288%	23,000
Pharmacy Immunization Certificate Fee	150	100%	150	100%	23,625
Pharmacy Medication Therapy Management Certification Fee	25	25%	25	25%	21,875
					\$ 488,600

- Doctor of Medicine Tuition – Two years ago, the College of Medicine set a goal to bring out-of-state tuition for the College of Medicine down to the 150% of the in-state rate. It was reduced to 175% last year. Dropping it to \$51,850 will reach the goal of 150%. In the fall 2019, 6.5% of medical students were classified as out-of-state which grew modestly in the fall 2020. With continued growth over the next four years, the revenue will break even to the fall 2019 (FY 2020) level. The campus will manage the shortfall within the current budget over this period.

UT Health Science Center Proposed 2021-22 Tuition and Fees

- Master's in Forensic Dentistry Tuition – The College of Graduate Health Sciences proposes a special rate for the Master's in Forensic Dentistry run through the Graduate School of Medicine in Knoxville. The program is a specialized program (similar to the Master's in Pharmacology) with very limited enrollment – two in the fall 2020. In-state tuition will drop from \$16,712 to \$3,500 and out-of-state tuition will be reduced from \$25,140 to \$18,500.
- Dentistry Clinical Utilization Fee – A fee increase from \$3,200 to \$4,800 will be used to support operations of the Pre-Doctoral clinic, the largest clinic within the college. It provides a training ground for the students seeking the DDS degree.
- Nursing DNP Digital Materials Fee – The program is changing its clinical tracking software to a more robust system that will facilitate students' clinical education. The price of the new system (\$115) will be added to the existing \$40 Digital Materials Fee for a total of \$155 per year. Including the price in the fee allows students to use financial aid to cover the cost.
- Pharmacy Immunization Certificate Fee – A new fee of \$150 that will be charged to all first-year Doctor of Pharmacy students for their immunization certification through American Pharmacists Association. The fee will cover the cost of the certificate test and required materials. Assessing this to students as a fee allows them to use financial aid to pay for the test instead of paying out of pocket.
- Pharmacy Medication Therapy Certification Fee – This fee is currently charged to third-year Pharmacy students in order to take the test for Medication Therapy Management Certification. The cost of the test has increased, so the fee is being increased from \$100 to \$125. Assessing this cost to students as a fee allows them to use financial aid to pay for the test instead of paying out of pocket.

UT College of Veterinary Medicine Proposed 2021-22 Tuition and Fees

The UT College of Veterinary Medicine proposes a 2% increase in the maintenance fee (tuition) to partially offset revenue losses due to enrollment declines. The table below summarizes the projected revenue change. The increase will produce revenue growth that will partially offset the revenue impact of enrollment declines.

SUMMARY	New Revenue
Proposed for Approval by the Board of Trustees	\$ 186,477
Proposed Allocations	
Partially offset the projected revenue impact of enrollment declines	\$ 186,477

Proposed Changes	In-State		Out-of-State		Revenue
Maintenance Fee (Tuition)	\$550	2.0%	\$550	1.0%	\$ 186,477

Proposed for Approval by the President and Board of Trustees

- Maintenance Fee and Out-of-state Tuition – Veterinary Medicine is proposing a 2.0% increase to the Maintenance Fee resulting in a gain of \$186,477. The new revenue will be used to offset a tuition loss due to enrollment changes of -\$247,536.

Chattanooga
FY 2021-22 Annual Tuition and Fees
Fall and Spring Semesters
Summary

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
TOTAL TUITION AND MANDATORY FEES				
<u>Undergraduate Students</u>				
New Students (Soar in Four)				
In-State	\$ 9,656	\$ 9,848	\$ 192	2.0%
In-State: Online Learning and Distance	9,490	9,646	\$ 156	1.6%
Non-Residents: Online Learning and Distance	10,114	10,270	\$ 156	1.5%
Non-Residents: TN Bordering States	17,720	17,912	\$ 192	1.1%
Non-Residents: TN Bordering States (Regional Tuition Discount)	13,688	13,880	\$ 192	1.4%
Non-Residents: All Other States	25,774	25,966	\$ 192	0.7%
Students Admitted Prior to Fall 2019				
In-State	\$ 8,880	\$ 9,056	\$ 176	2.0%
In-State: Online Learning and Distance	8,714	8,854	\$ 140	1.6%
Non-Residents: Online Learning and Distance	9,338	9,478	\$ 140	1.5%
Non-Residents: TN Bordering States	16,944	17,120	\$ 176	1.0%
Non-Residents: TN Bordering States (Regional Tuition Discount)	12,912	13,088	\$ 176	1.4%
Non-Residents: All Other States	24,998	25,174	\$ 176	0.7%
<u>Graduate Students</u>				
In-State	\$ 10,270	\$ 10,474	\$ 204	2.0%
In-State: Online Learning and Distance	9,768	9,936	\$ 168	1.7%
Non-Residents: Online Learning and Distance	10,614	10,782	\$ 168	1.6%
Non-Residents: TN Bordering States	18,334	18,538	\$ 204	1.1%
Non-Residents: TN Bordering States (Regional Tuition Discount)	14,302	14,506	\$ 204	1.4%
Non-Residents: All Other States	18,334	18,538	\$ 204	1.1%
International Students	26,334	26,538	\$ 204	0.8%

The 'Soar in Four' rate is assessed to students admitted as of the Fall 2019 semester and any semester after. All students who were previously admitted during prior semesters will be assessed the 'Students Admitted Prior' rate. The 'Soar in Four' initiative is a new tuition model intended to encourage students to enroll in 15 or more credit hours per semester in order to graduate in four years. Although it encourages students to enroll for more hours each term, the 'Soar in Four' rate will be assessed to students registered for 12 or more credit hours in a term. By FY 2023-24, the 'Soar in Four' rate will be applicable to all students.

Out of state students from Catoosa, Dade, Fannin, Murray, Walker and Whitfield counties in North Georgia and Jackson county in Alabama may qualify to receive a Regional Tuition Discount to their "Non-Resident Tuition". Students receive a 50% discount credit of the "Non-Resident Tuition" to their account. The amounts above are shown net of this discount.

The 'TN Bordering State' rate is a newly approved 'Non-Resident Tuition' rate that began Fall 2020. All out-of-state students from a Tennessee bordering state (Alabama, Arkansas, Georgia, Kentucky, Mississippi, Missouri, North Carolina, South Carolina or Virginia) will be assessed a new 'Non-Resident Tuition' rate of \$8,064.

The Online Learning and Distance fee schedule will apply to students enrolled in a THEC approved online program or degree.

The schedule above does not include differential fees assessed at \$59 per credit hour for College of Business, College of Engineering and Computer Science, and Doctorate programs for Physical Therapy and Occupational Therapy courses; as well as, differential fees assessed at \$102 per credit hour for School of Nursing courses. The total amount paid depends on the number of credit hours taken.

The schedule above does not include online access fee assessed at \$56 per credit hour. All students enrolled in an on-campus program or a degree designated as on-campus and choose to register for an online course offering will be assessed from the regular fee schedule, in addition to being assessed the online support fee based on the appropriate per hour basis.

University Fees are set by the Board of Trustees and are subject to change at any regular or called meeting of the Board.

Chattanooga FY 2021-22 Annual Tuition and Fees Fall and Spring Semesters

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
IN-STATE				
<u>Undergraduate</u>				
New Students (Soar in Four)				
Maintenance Fee	\$ 7,836	\$ 7,992	\$ 156	2.0%
Mandatory Fees	1,820	1,856	36	2.0%
Total Tuition and Fees	\$ 9,656	\$ 9,848	\$ 192	2.0%
Students Admitted Prior to Fall 2019				
Maintenance Fee	\$ 7,060	\$ 7,200	\$ 140	2.0%
Mandatory Fees	1,820	1,856	36	2.0%
Total Tuition and Fees	\$ 8,880	\$ 9,056	\$ 176	2.0%
<u>Graduate</u>				
Maintenance Fee	\$ 8,450	\$ 8,618	\$ 168	2.0%
Mandatory Fees	1,820	1,856	36	2.0%
Total Tuition and Fees	\$ 10,270	\$ 10,474	\$ 204	2.0%
OUT-OF-STATE				
<u>Undergraduate</u>				
New Students (Soar in Four)				
Maintenance Fee	\$ 7,836	\$ 7,992	\$ 156	2.0%
Non-Resident Tuition	16,118	16,118		
Total Out-of-State Tuition	23,954	24,110	156	0.7%
Mandatory Fees	1,820	1,856	36	2.0%
Total Out-of-State Tuition and Fees	\$ 25,774	\$ 25,966	\$ 192	0.7%
Students Admitted Prior to Fall 2019				
Maintenance Fee	\$ 7,060	\$ 7,200	\$ 140	2.0%
Non-Resident Tuition	16,118	16,118		
Total Out-of-State Tuition	23,178	23,318	140	0.6%
Mandatory Fees	1,820	1,856	36	2.0%
Total Out-of-State Tuition and Fees	\$ 24,998	\$ 25,174	\$ 176	0.7%
<u>Graduate</u>				
Maintenance Fee	\$ 8,450	\$ 8,618	\$ 168	2.0%
Non-Resident Tuition	8,064	8,064		
Total Out-of-State Tuition	16,514	16,682	168	1.0%
Mandatory Fees	1,820	1,856	36	2.0%
Total Out-of-State Tuition and Fees	\$ 18,334	\$ 18,538	\$ 204	1.1%
<u>Graduate (International)</u>				
Maintenance Fee	\$ 8,450	\$ 8,618	\$ 168	2.0%
Non-Resident Tuition	16,064	16,064		
Total Out-of-State Tuition	24,514	24,682	168	0.7%
Mandatory Fees	1,820	1,856	36	2.0%
Total Out-of-State Tuition and Fees	\$ 26,334	\$ 26,538	\$ 204	0.8%

In-state students pay only for the maintenance fee, which is commonly referred to as 'in-state tuition'. Out-of-state students pay the maintenance fee plus non-resident tuition. The combined amount of these two fees is commonly referred to as 'out-of-state tuition'.

The 'Soar in Four' rate is assessed to students admitted as of the Fall 2019 semester and any semester after. All students who were previously admitted during prior semesters will be assessed the 'Students Admitted Prior' rate. The 'Soar in Four' initiative is a new tuition model intended to encourage students to enroll in 15 or more credit hours per semester in order to graduate in four years. Although it encourages students to enroll for more hours each term, the 'Soar in Four' rate will be assessed to students registered for 12 or more credit hours in a term. By FY 2023-24, the 'Soar in Four' rate will be applicable to all students.

The 'TN Bordering State' rate is a newly approved 'Non-Resident Tuition' rate that began Fall 2020. All out-of-state students from a Tennessee bordering state (Alabama, Arkansas, Georgia, Kentucky, Mississippi, Missouri, North Carolina, South Carolina or Virginia) will be assessed a new 'Non-Resident Tuition' rate of \$8,064.

Out of state students from Catoosa, Dade, Fannin, Murray, Walker and Whitfield counties in North Georgia and Jackson county in Alabama may qualify to receive a Regional Tuition Discount to their "Non-Resident Tuition". Students receive a 50% discount credit of the "Non-Resident Tuition" to their account.

The schedule above does not include differential fees assessed at \$59 per credit hour for College of Business, College of Engineering and Computer Science, and Doctorate programs for Physical Therapy and Occupational Therapy courses; as well as, differential fees assessed at \$102 per credit hour for School of Nursing courses. The total amount paid depends on the number of credit hours taken.

The schedule above does not include online access fee assessed at \$56 per credit hour. All students enrolled in an on-campus program or a degree designated as on-campus and choose to register for an online course offering will be assessed from the regular fee schedule, in addition to being assessed the online support fee based on the appropriate per hour basis.

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Chattanooga
FY 2021-22 Annual Tuition and Fees
Fall and Spring Semesters
Tennessee Bordering States and South Carolina

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
TN BORDERING STATE (Plus S.C.)				
Undergraduate				
New Students (Soar in Four)				
Maintenance Fee	\$ 7,836	\$ 7,992	\$ 156	2.0%
Non-Resident Tuition	8,064	8,064	-	0.0%
Total Out-of-State Tuition	15,900	16,056	156	1.0%
Mandatory Fees	1,820	1,856	36	2.0%
Total Out-of-State Tuition and Fees	\$ 17,720	\$ 17,912	\$ 192	1.1%
Students Admitted Prior to Fall 2019				
Maintenance Fee	\$ 7,060	\$ 7,200	\$ 140	2.0%
Non-Resident Tuition	8,064	8,064	-	0.0%
Total Out-of-State Tuition	15,124	15,264	140	0.9%
Mandatory Fees	1,820	1,856	36	2.0%
Total Out-of-State Tuition and Fees	\$ 16,944	\$ 17,120	\$ 176	1.0%
Graduate				
Maintenance Fee	\$ 8,450	\$ 8,618	\$ 168	2.0%
Non-Resident Tuition	8,064	8,064	-	0.0%
Total Out-of-State Tuition	16,514	16,682	168	1.0%
Mandatory Fees	1,820	1,856	36	2.0%
Total Out-of-State Tuition and Fees	\$ 18,334	\$ 18,538	\$ 204	1.1%
GEORGIA AND ALABAMA COUNTIES ELIGIBLE FOR REGIONAL TUITION DISCOUNT				
Undergraduate				
New Students (Soar in Four)				
Maintenance Fee	\$ 7,836	\$ 7,992	\$ 156	2.0%
Non-Resident Tuition	8,064	8,064	-	0.0%
Regional Tuition Discount	(4,032)	(4,032)	-	0.0%
Total Out-of-State Tuition	11,868	12,024	156	1.3%
Mandatory Fees	1,820	1,856	36	2.0%
Total Out-of-State Tuition and Fees	\$ 13,688	\$ 13,880	\$ 192	1.4%
Students Admitted Prior to Fall 2019				
Maintenance Fee	\$ 7,060	\$ 7,200	\$ 140	2.0%
Non-Resident Tuition	8,064	8,064	-	0.0%
Regional Tuition Discount	(4,032)	(4,032)	-	0.0%
Total Out-of-State Tuition	11,092	11,232	140	1.3%
Mandatory Fees	1,820	1,856	36	2.0%
Total Out-of-State Tuition and Fees	\$ 12,912	\$ 13,088	\$ 176	1.4%
Graduate				
Maintenance Fee	\$ 8,450	\$ 8,618	\$ 168	2.0%
Non-Resident Tuition	8,064	8,064	-	0.0%
Regional Tuition Discount	(4,032)	(4,032)	-	0.0%
Total Out-of-State Tuition	12,482	12,650	168	1.3%
Mandatory Fees	1,820	1,856	36	2.0%
Total Out-of-State Tuition and Fees	\$ 14,302	\$ 14,506	\$ 204	1.4%

In-state students pay only for the maintenance fee, which is commonly referred to as 'in-state tuition'. Out-of-state students pay the maintenance fee plus non-resident tuition. The combined amount of these two fees is commonly referred to as 'out-of-state tuition'.

The 'Soar in Four' rate is assessed to students admitted as of the Fall 2019 semester and any semester after. All students who were previously admitted during prior semesters will be assessed the 'Students Admitted Prior' rate. The 'Soar in Four' initiative is a new tuition model intended to encourage students to enroll in 15 or more credit hours per semester in order to graduate in four years. Although it encourages students to enroll for more hours each term, the 'Soar in Four' rate will be assessed to students registered for 12 or more credit hours in a term. By FY 2023-24, the 'Soar in Four' rate will be applicable to all students.

The 'TN Bordering State' rate is a new approved 'Non-Resident Tuition' rate beginning Fall 2020. All out-of-state students from a Tennessee bordering state (Alabama, Arkansas, Georgia, Kentucky, Mississippi, Missouri, North Carolina, South Carolina or Virginia) will be assessed a new 'Non-Resident Tuition' rate of \$8,064.

Out of state students from Catoosa, Dade, Fannin, Murray, Walker and Whitfield counties in North Georgia and Jackson county in Alabama may qualify to receive a Regional Tuition Discount to their "Non-Resident Tuition". Students receive a 50% discount credit to their account amounting to \$4,032 for full-time students.

The schedule above does not include differential fees assessed at \$59 per credit hour for College of Business, College of Engineering and Computer Science, and Doctorate programs for Physical Therapy and Occupational Therapy courses; as well as, differential fees assessed at \$102 per credit hour for School of Nursing courses. The total amount paid depends on the number of credit hours taken.

The schedule above does not include online access fee assessed at \$56 per credit hour. All students enrolled in an on-campus program or a degree designated as on-campus and choose to register for an online course offering will be assessed from the regular fee schedule, in addition to being assessed the online support fee based on the appropriate per hour basis.

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Chattanooga

FY 2021-22 Annual Tuition and Fees Online Learning and Distance Programs

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
ONLINE LEARNING AND DISTANCE PROGRAMS				
IN-STATE				
<u>Undergraduate</u>				
New Students (Soar in Four)				
Maintenance Fee	\$ 7,836	\$ 7,992	\$ 156	2.0%
Mandatory Fees	310	310		
Online Support Fee	1,344	1,344		
Total Tuition and Fees	<u>\$ 9,490</u>	<u>\$ 9,646</u>	<u>\$ 156</u>	<u>1.6%</u>
Students Admitted Prior to Fall 2019				
Maintenance Fee	\$ 7,060	\$ 7,200	\$ 140	2.0%
Mandatory Fees	310	310		
Online Support Fee	1,344	1,344		
Total Tuition and Fees	<u>\$ 8,714</u>	<u>\$ 8,854</u>	<u>\$ 140</u>	<u>1.6%</u>
<u>Graduate</u>				
Maintenance Fee	\$ 8,450	\$ 8,618	\$ 168	2.0%
Mandatory Fees	310	310		
Online Support Fee	1,008	1,008		
Total Tuition and Fees	<u>\$ 9,768</u>	<u>\$ 9,936</u>	<u>\$ 168</u>	<u>1.7%</u>
OUT-OF-STATE				
<u>Undergraduate</u>				
New Students (Soar in Four)				
Maintenance Fee	\$ 7,836	\$ 7,992	\$ 156	2.0%
Non-Resident Tuition	624	624		
Total Out-of-State Tuition	<u>8,460</u>	<u>8,616</u>	<u>156</u>	<u>1.8%</u>
Mandatory Fees	310	310		
Online Support Fee	1,344	1,344		
Total Out-of-State Tuition and Fees	<u>\$ 10,114</u>	<u>\$ 10,270</u>	<u>\$ 156</u>	<u>1.5%</u>
Students Admitted Prior to Fall 2019				
Maintenance Fee	\$ 7,060	\$ 7,200	\$ 140	2.0%
Non-Resident Tuition	624	624		
Total Out-of-State Tuition	<u>7,684</u>	<u>7,824</u>	<u>140</u>	<u>1.8%</u>
Mandatory Fees	310	310		
Online Support Fee	1,344	1,344		
Total Out-of-State Tuition and Fees	<u>\$ 9,338</u>	<u>\$ 9,478</u>	<u>\$ 140</u>	<u>1.5%</u>
<u>Graduate</u>				
Maintenance Fee	\$ 8,450	\$ 8,618	\$ 168	2.0%
Non-Resident Tuition	846	846		
Total Out-of-State Tuition	<u>9,296</u>	<u>9,464</u>	<u>168</u>	<u>1.8%</u>
Mandatory Fees	310	310		
Online Support Fee	1,008	1,008		
Total Out-of-State Tuition and Fees	<u>\$ 10,614</u>	<u>\$ 10,782</u>	<u>\$ 168</u>	<u>1.6%</u>

The Online Learning and Distance fee schedule will apply to students enrolled in a THEC approved online program or degree.

The Online Learning and Distance fee schedule mandatory fees consist of a reduced assessment of fees compared to on-campus programs. Mandatory fees for the Online Learning and Distance fee schedule include the Technology Fee and Library Fee.

The Online Support fee is assessed at \$56 per credit hour. The total amount assessed depends on the number of credit hours taken.

In-state students pay only for the maintenance fee, which is commonly referred to as 'in-state tuition'. Out-of-state students pay the maintenance fee plus non-resident tuition. The combined amount of these two fees is commonly referred to as 'out-of-state tuition'.

The 'Soar in Four' rate is assessed to students admitted as of the Fall 2019 semester and any semester after. All students who were previously admitted during prior semesters will be assessed the 'Students Admitted Prior' rate. The 'Soar in Four' initiative is a new tuition model intended to encourage students to enroll in 15 or more credit hours per semester in order to graduate in four years. Although it encourages students to enroll for more hours each term, the 'Soar in Four' rate will be assessed to students registered for 12 or more credit hours in a term. By FY 2023-24, the 'Soar in Four' rate will be applicable to all students.

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Chattanooga

FY 2021-22 Annual Tuition And Fees

Mandatory Fees, Differential Tuition and Program Fees

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
UNDERGRADUATE AND GRADUATE MANDATORY FEES				
Student Programs and Services Fee (SPSF)				
Student Activity	\$ 240	\$ 240		
Debt Service	300	336	\$ 36	12.0%
Health Services	120	120		
Total Student Programs and Services Fee	<u>\$ 660</u>	<u>\$ 696</u>	<u>\$ 36</u>	<u>5.5%</u>
Other Mandatory Fees				
Athletics	\$ 514	\$ 514		
Green	20	20		
Technology	260	260		
Library	50	50		
Transportation	96	96		
Facilities	200	200		
International Education	20	20		
Total Mandatory Fees	<u>\$ 1,820</u>	<u>\$ 1,856</u>	<u>\$ 36</u>	<u>2.0%</u>
DIFFERENTIAL TUITION				
College of Business	\$ 58	\$ 59	\$ 1	1.7%
College of Engineering and Computer Science	58	59	1	1.7%
Doctorate of Physical Therapy	58	59	1	1.7%
Doctorate of Occupational Therapy	58	59	1	1.7%
School of Nursing	100	102	2	2.0%
MASTER'S DEGREE PROGRAMS				
IN-STATE				
Executive MBA	\$ 44,000	\$ 44,000		
Online MBA Program	23,520	23,880	\$ 360	1.5%
Graduate College of Business Program Fee	900	900	-	0.0%
OUT-OF-STATE				
Executive MBA	\$ 49,000	\$ 49,000		
Online MBA Program	25,212	25,572	\$ 360	1.4%
Graduate College of Business Program Fee	900	900		

Mandatory fees are used to support programs, services, technology, and facilities that enhance student life and academic programs.

The purpose of the Student Programs and Services Fee (SPSF) is to advance the University's educational mission by funding non-instructional services, activities, programs, and facilities that promote student satisfaction and retention or promote the intellectual, physical, emotional, social, cultural, or leadership development of students. The Board of Trustees retains ultimate control of the SPSF and sets the amount of the SPSF at each campus annually upon the recommendation of the Board's Finance and Administration Committee.

Differential Tuition is a per-credit-hour fee assessed for a specific course or group of courses as dictated by increasing demand for educational excellence in specific areas.. The total amount paid depends on the number of courses taken.

University Fees are set by the Board of Trustees and are subject to change at any regular or called meeting of the Board.

Chattanooga

FY 2021-22 Annual Tuition and Fees Auxiliary Enterprises

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
HOUSING				
Guerry				
2 Bedroom 1 Bath (Private Room)	\$ 6,936	\$ 7,144	\$ 208	3.0%
2 Bedroom 1 Bath (Shared Room)	6,120	6,304	184	3.0%
3 Bedroom 2 Bath (Private Room)	7,344	7,564	220	3.0%
3 Bedroom 2 Bath (Shared Room)	6,528	6,724	196	3.0%
Decosimo				
1 Bedroom 1 Bath (Shared Room)	6,528	6,724	196	3.0%
1 Bedroom 1 Bath (Private Room)	8,772	9,035	263	3.0%
3 Bedroom 2 Bath (Shared)	7,344	7,564	220	3.0%
3 Bedroom 2 Bath (Private Room/bath)	8,160	8,405	245	3.0%
4 Bedroom 2 Bath (Private Room)	7,344	7,564	220	3.0%
Stophel				
2 Bedroom 1 Bath (Private Room)	8,160	8,405	245	3.0%
4 Bedroom 2 Bath (Private Room)	7,344	7,564	220	3.0%
Walker				
4 Bedroom 2 Bath (Private Room)	7,344	7,564	220	3.0%
UCF				
4 Bedroom 2 Bath (Private Room)	7,344	7,564	220	3.0%
2 Bedroom 2 Bath (Full Bed. Shared Room)	6,528	6,724	196	3.0%
West Campus				
1 bedroom 1 bath for 2 residents	8,000	8,240	240	3.0%
2 bedroom 2 bath for 4 residents	7,600	7,828	228	3.0%
2 bedroom 1 bath for 4 residents w/living area	7,600	7,828	228	3.0%
Boling				
4 Bedroom 1 Bath (Private Room)	6,120	6,304	184	3.0%
3 Bedroom 1 Bath (Private Room)	6,528	6,724	196	3.0%
Johnson Obear				
4 Bedroom 1 Bath (Private Room)	6,120	6,304	184	3.0%
3 Bedroom 1 Bath (Private Room)	6,528	6,724	196	3.0%
Lockmiller				
2 Bedroom 1 Bath (Private Room)	6,936	7,144	208	3.0%
2 Bedroom 1 Bath (Shared Room - Shared)	5,304	5,463	159	3.0%
Stagmaier				
1 Bedoom Suite Style Bath (Shared)	4,896	5,043	147	3.0%
1 bedroom Suite Style Bath (Private)	6,120	6,304	184	3.0%

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Chattanooga

FY 2021-22 Annual Tuition and Fees Auxiliary Enterprises

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
FOOD SERVICES				
Meal Plans				
130 meals plus \$750 Mocs Bucks	\$ 3,536	\$ 3,642	\$ 106	3.0%
160 meals plus \$550 Mocs Bucks	3,536	3,642	106	3.0%
5 day all access plus \$350 Mocs Bucks	3,782	3,894	112	3.0%
7 day all access plus \$150 Mocs Bucks	3,996	4,114	118	3.0%
Gold Mocs Bucks	1,588	1,634	46	3.0%
Blue Mocs Bucks	614	632	18	3.0%
50 plus \$50 Mocs Bucks	798	820	22	3.0%
75 plus \$300 Mocs Bucks	1,608	1,656	48	3.0%
100 plus \$400 Mocs Bucks	2,120	2,182	62	3.0%

University Fees are set by the Board of Trustees and are subject to change at any regular meeting of the Board.

Knoxville

FY 2021-22 Annual Tuition and Fees Fall and Spring Semesters

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
IN-STATE				
<u>Undergraduate</u>				
Maintenance Fee	\$ 11,332	\$ 11,332		
Mandatory Fees	1,932	1,912	\$ (20)	-1.0%
Total Tuition and Fees	<u>\$ 13,264</u>	<u>\$ 13,244</u>	<u>\$ (20)</u>	<u>-0.2%</u>
<u>Graduate</u>				
Maintenance Fee	\$ 11,468	\$ 11,468		
Mandatory Fees	1,912	1,912		
Total Tuition and Fees	<u>\$ 13,380</u>	<u>\$ 13,380</u>		
OUT-OF-STATE				
<u>Undergraduate</u>				
Maintenance Fee	\$ 11,332	\$ 11,332		
Non-Resident Tuition	18,190	18,190		
Total Out-of-State Tuition	\$ 29,522	\$ 29,522		
Mandatory Fees	2,162	2,142	\$ (20)	-0.9%
Total Out-of-State Tuition and Fees	<u>\$ 31,684</u>	<u>\$ 31,664</u>	<u>\$ (20)</u>	<u>-0.1%</u>
<u>Graduate</u>				
Maintenance Fee	\$ 11,468	\$ 11,468		
Non-Resident Tuition	18,188	18,188		
Total Out-of-State Tuition	\$ 29,656	\$ 29,656		
Mandatory Fees	2,142	2,142		
Total Out-of-State Tuition and Fees	<u>\$ 31,798</u>	<u>\$ 31,798</u>		

In-state students pay only for the maintenance fee, which is commonly referred to as 'in-state tuition'. Out-of-state students pay the maintenance fee plus non-resident tuition. The combined amount of these two fees is commonly referred to as 'out-of-state tuition'.

University Fees are set by the Board of Trustees and are subject to change at any regular or called meeting of the Board.

Knoxville
FY 2021-22 Annual Tuition and Fees
Mandatory Fees and Differential Tuition

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
UNDERGRADUATE AND GRADUATE MANDATORY FEES				
IN-STATE				
<u>Undergraduate</u>				
Student Programs and Services Fee (SPSF)				
Part A	\$ 836	\$ 836		
Part B	202	202		
Total Student Programs and Services Fee	<u>\$ 1,038</u>	<u>\$ 1,038</u>	<u>\$ -</u>	<u>0.0%</u>
Other Mandatory Fees				
Technology	240	240		
Facilities	404	404		
Transportation	150	150		
Library	80	80		
International Education	20	-	\$ (20)	-100.0%
Total Mandatory Fees	<u>\$ 1,932</u>	<u>\$ 1,912</u>	<u>\$ (20)</u>	<u>-1.0%</u>
<u>Graduate</u>				
Student Programs and Services Fee (SPSF)	\$ 1,038	\$ 1,038		
Other Mandatory Fees				
Technology	240	240		
Facilities	404	404		
Transportation	150	150		
Library	80	80		
Total Mandatory Fees	<u>\$ 1,912</u>	<u>\$ 1,912</u>		
OUT-OF STATE				
<u>Undergraduate</u>				
Student Programs and Services Fee (SPSF)	\$ 1,038	\$ 1,038		
Other Mandatory Fees				
Technology	\$ 240	\$ 240		
Facilities	634	634		
Transportation	150	150		
Library	80	80		
International Education	20	-	\$ (20)	-100.0%
Total Mandatory Fees	<u>\$ 2,162</u>	<u>\$ 2,142</u>	<u>\$ (20)</u>	<u>-0.9%</u>
<u>Graduate</u>				
Student Programs and Services Fee (SPSF)	\$ 1,038	\$ 1,038		
Other Mandatory Fees				
Technology	240	240		
Facilities	634	634		
Transportation	150	150		
Library	80	80		
Total Mandatory Fees	<u>\$ 2,142</u>	<u>\$ 2,142</u>		
UNDERGRADUATE DIFFERENTIAL TUITION				
Tickle College of Engineering	\$ 65	\$ 65		
College of Nursing (All undergraduate level courses)	135	135		
Haslam College of Business (All undergraduate courses except 100)	101	101		
College of Architecture	111	111		

Mandatory fees are used to support programs, services, technology, and facilities that enhance student life and academic programs.

The purpose of the Student Programs and Services Fee (SPSF) is to advance the University's educational mission by funding non-instructional services, activities, programs, and facilities that promote student satisfaction and retention or promote the intellectual, physical, emotional, social, cultural, or leadership development of students. The Board of Trustees retains ultimate control of the SPSF and sets the amount of the SPSF at each campus annually upon the recommendation of the Board's Finance and Administration Committee.

The Student Programs and Services Fee (SPSF) is paid in two parts, Part A and Part B. Part A is paid by all full-time and part-time students at an hourly rate up to a maximum. Part B is paid by all students taking 9 or more hours at a flat rate of \$101. Students, who have paid any portion of the fee, have access to the Student Counseling Center, the Student Health Center, TRECS, and discounted Clarence Brown Theatre and UT Opera tickets. Students who wish the opportunity to obtain student tickets to football and basketball games are required to pay the full fee. If a student is taking 6, 7, or 8 hours, they may elect to pay the full SPSF Fee to become eligible to obtain tickets. Differential Tuition is a per-credit-hour fee assessed for a specific course or group of courses as dictated by increasing demand for educational excellence in specific areas. Once approved, future percentage increases in Maintenance Fees automatically apply to the Differential Tuition for these specific courses. Increases to Differential Tuition exceeding the percentage increases proposed for Maintenance Fees must be approved by the Board of Trustees. The total amount paid depends on the number of courses taken.

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Knoxville
FY 2021-22 Annual Tuition and Fees
Specialized Programs

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
SPECIALIZED PROGRAMS				
MBA Programs				
Full-Time MBA	\$ 16,000	\$ 16,000		
Senior Executive MBA	71,000	76,000	\$ 5,000	7.0%
Aerospace Executive MBA	72,500	72,500		
Professional Executive MBA	49,500	49,500		
Physician Executive MBA	76,000	76,000		
Global Supply Chain Executive MBA	85,000	90,000	5,000	5.9%
Health Care Leadership MBA	65,000	65,000		
Specialty Master's Degree Programs				
Masters of Science in Industrial & Systems Engineering	\$ 18,000	\$ 18,000		
Masters of Human Resource Management	4,500	4,500		
Masters of Business Analytics Program in Statistics, Operations, and Management Science	6,000	6,000		
Masters of Accountancy in Accounting and Information Management	6,000	6,000		
Masters of Science in Supply Chain Management	2,000	2,000		
Doctor of Social Work	600	600		
Masters of Science in Social Work	450	750	300	66.7%
Masters of Science in Supply Chain Management (Online)	38,250	39,390	1,140	3.0%
Masters of Science in Industrial & Systems Engineering Health Systems	20,000	20,000		
Masters of Science in Industrial & Systems Engineering (Online Cohort)	18,000	18,000		
Specialty Degree Programs				
Accelerated Bachelor of Science in Nursing Program Fee	1,000	1,000		

University Fees are set by the Board of Trustees and are subject to change at any regular or called meeting of the Board.

Knoxville

FY 2021-22 Annual Tuition and Fees Online Programs

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
IN-STATE				
<u>Undergraduate</u>				
Maintenance Fee	\$ 378	\$ 378		
Library	5	5		
Online Support	56	56		
Total	<u>\$ 439</u>	<u>\$ 439</u>		
<u>Graduate</u>				
Maintenance Fee	\$ 639	\$ 639		
Library	5	5		
Online Support	56	56		
Total	<u>\$ 700</u>	<u>\$ 700</u>		
OUT-OF-STATE				
<u>Undergraduate</u>				
Maintenance Fee	\$ 453	\$ 453		
Library	5	5		
Online Support	56	56		
Total	<u>\$ 514</u>	<u>\$ 514</u>		
<u>Graduate</u>				
Maintenance Fee	\$ 714	\$ 714		
Library	5	5		
Online Support	56	56		
Total	<u>\$ 775</u>	<u>\$ 775</u>		

Fees are charged per credit hour and apply only to courses that are included in the online program.

Graduate maintenance fees apply to both UTK and UTSI. Library and online support fees do not apply to UTSI.

Differential, program, and material course fees for various academic programs are in addition to the fees shown above.

University Fees are set by the Board of Trustees and are subject to change at any regular or called meeting of the Board.

Knoxville
FY 2021-22 Annual Tuition and Fees
Auxiliary Enterprises

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
HOUSING				
COMMUNITY & POD RATES				
Geier				
Double Shared	\$ 7,210	\$ 7,210		
Single	9,890	9,890		
Buyout	14,420	14,420		
Hess				
Double Shared	6,440	6,440		
Single	8,350	8,350		
Buyout	8,350	8,350		
Magnolia				
Double Shared	7,210	7,210		
Buyout	14,420	14,420		
Massey				
Double Shared	6,050	6,050		
Buyout	7,910	7,910		
Robinson				
Double Shared	7,210	7,210		
Single	9,890	9,890		
Buyout	14,420	14,420		
SUITES				
Brown				
Quad Shared	7,730	7,730		
Quad Buyout	15,460	15,460		
Double Shared	8,140	8,140		
Double Buyout	16,280	16,280		
Clement				
Double Shared	6,900	6,900		
Buyout	8,950	8,950		
Dogwood				
Double Shared	7,730	7,730		
Buyout	15,460	15,460		
Magnolia				
Double Shared	7,730	7,730		
Buyout	15,460	15,460		
North Carrick				
Double Shared	6,800	6,800		
Buyout	8,820	8,820		
Reese				
Double Shared	6,800	6,800		
Buyout	8,820	8,820		
South Carrick				
Double Shared	6,800	6,800		
Buyout	8,820	8,820		
Stokely				
Triple Private	9,790	9,790		
Quad Shared	9,170	9,170		
Quad Private	9,580	9,580		
Buyout	18,340	18,340		

Massey and Vol Condos were used for isolation spaces in FY2020-21. Vol Condos will be used for isolation space in FY 2021-22.

University Fees are set by the Board of Trustees and are subject to change at any regular or called meeting of the Board.

Knoxville
FY 2020-21 Annual Tuition and Fees
Auxiliary Enterprises

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
HOUSING (CONTINUED)				
APARTMENTS				
Dogwood - Quad Private	8,600	8,600		
Geier - Quad Private	8,600	8,600		
Laurel				
Double Private	9,090	9,090		
Double Shared	7,050	7,050		
Buyout	14,100	14,100		
Vol Condo				
Quad Private	8,240	8,240		
Triple Private	8,750	8,750		
Volunteer				
Quad Private	8,700	8,700		
Triple Private/Private Bath	10,350	10,350		
Triple Private/Shared Bath	9,120	9,120		
Double Private	10,350	10,350		
FOOD SERVICES				
Meal Plans				
7-Day Access Unlimited meals + \$300 Dining Dollars	\$ 4,348	\$ 4,348		
5-Day Access Unlimited meals + \$400 Dining Dollars	-	4,348	\$ 4,348	100.0%
Any 10 meals/week + \$300 Dining Dollars	4,070	-	(4,070)	-100.0%
Any 8 meals/week + \$450 Dining Dollars	4,070	-	(4,070)	-100.0%
Any 7 meals/week + \$500 Dining Dollars	2,950	3,150	200	6.8%
Dining Dollar Plus \$1,000 Dining Dollars	2,000	2,000		
Dining Dollar \$565 Dining Dollars	1,130	1,130		
Flex Plan \$300 Dining Dollars	600	600		
Block Plans				
Vol Block - 165 meals + \$500 Dining Dollars	\$ 4,450	\$ -	\$ (4,450)	-100.0%
Block 100 - 100 meals + \$150 Dining Dollars	2,120	2,120		
Block 75 - 75 meals + \$150 Dining Dollars	1,690	1,690		
Block 50 - 50 meals + \$300 Dining Dollars	1,690	1,690		

All undergraduates taking 6 credit hours or more are required to purchase a flex or meal plan.

All first-year undergraduate students living on campus are required to purchase the 7-Day Access Meal Plan or 5-Day Access Meal Plan.

The Any 5 meals/week plan was changed to a Any 7 meals/week plan with the pricing difference reflective of the additional meals.

The Any 10 meals/week, the Any 8 meals/week, and the Vol Block 165 plans will no longer be offered.

All plans except for the Flex Plan include 5 free guest meals per semester.

Dining Dollars can be used like cash at all campus dining locations.

Massey and Vol Condos were used for isolation spaces in FY2020-21. Vol Condos will be used for isolation space in FY 2021-22.

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Knoxville

FY 2021-22 Annual Tuition and Fees College of Law Fall and Spring Semesters

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
IN-STATE				
Maintenance Fee	\$ 16,696	\$ 16,696		
Mandatory Fees	3,472	3,472		
Total Tuition and Fees	<u>\$ 20,168</u>	<u>\$ 20,168</u>		
OUT-OF-STATE				
Maintenance Fee	\$ 16,696	\$ 16,696		
Non-Resident Tuition	18,444	18,444		
Total Out-of-State Tuition	<u>35,140</u>	<u>35,140</u>		
Mandatory Fees	3,702	3,702		
Total Out-of-State Tuition and Fees	<u>\$ 38,842</u>	<u>\$ 38,842</u>		
MANDATORY FEES				
IN-STATE				
Student Programs and Services Fee	\$ 1,038	\$ 1,038		
Other Mandatory Fees				
Technology	240	240		
Facilities	150	150		
Transportation	404	404		
Law Library Fee	250	250		
Law Enhancement Fee	1,390	1,390		
Total Mandatory Fees	<u>\$ 3,472</u>	<u>\$ 3,472</u>		
OUT-OF-STATE				
Student Programs and Services Fee	\$ 1,038	\$ 1,038		
Other Mandatory Fees				
Technology	240	240		
Facilities	150	150		
Transportation	634	634		
Law Library Fee	250	250		
Law Enhancement Fee	1,390	1,390		
Total Mandatory Fees	<u>\$ 3,702</u>	<u>\$ 3,702</u>		

Mandatory fees are used to support programs, services, technology, and facilities that enhance student life and academic programs.

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Knoxville

FY 2021-22 Annual Tuition and Fees Space Institute Fall and Spring Semesters

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
IN-STATE				
Graduate				
Maintenance Fee	\$ 11,468	\$ 11,468		
Student Activity Fee	180	180		
Total Tuition and Fees	<u>\$ 11,648</u>	<u>\$ 11,648</u>		
OUT-OF-STATE				
Graduate				
Maintenance Fee	\$ 11,468	\$ 11,468		
Non-Resident Tuition	18,188	18,188		
Total Out-of-State Tuition	<u>\$ 29,656</u>	<u>\$ 29,656</u>		
Student Activity Fee	180	180		
Total Out-of-State Tuition and Fees	<u>\$ 29,836</u>	<u>\$ 29,836</u>		
DIFFERENTIAL TUITION				
Tickle College of Engineering	\$ 65	\$ 65		

In-state students pay only for the maintenance fee, which is commonly referred to as 'in-state tuition'. Out-of-state students pay the maintenance fee plus non-resident tuition. The combined amount of these two fees is commonly referred to as 'out-of-state tuition'.

Differential Tuition is a per-credit-hour fee assessed for a specific course or group of courses as dictated by increasing demand for educational excellence in specific areas. Once approved, future percentage increases in Maintenance Fees automatically apply to the Differential Tuition for these specific courses. Increases to Differential Tuition exceeding the percentage increases proposed for Maintenance Fees must be approved by the Board of Trustees. The total amount paid depends on the number of courses taken.

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Martin

FY 2021-22 Annual Tuition and Fees Fall and Spring Semesters

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
IN-STATE				
<u>Undergraduate</u>				
Maintenance Fee	\$ 8,214	\$ 8,378	\$ 164	2.0%
Mandatory Fees	1,534	1,534		
Total Tuition and Fees	<u>\$ 9,748</u>	<u>\$ 9,912</u>	<u>\$ 164</u>	<u>1.7%</u>
<u>Graduate</u>				
Maintenance Fee	\$ 9,096	\$ 9,278	\$ 182	2.0%
Mandatory Fees	1,520	1,520		
Total Tuition and Fees	<u>\$ 10,616</u>	<u>\$ 10,798</u>	<u>\$ 182</u>	<u>1.7%</u>
OUT-OF-STATE DOMESTIC				
<u>Undergraduate</u>				
Maintenance Fee	\$ 8,214	\$ 8,378	\$ 164	2.0%
Non-Resident Tuition	6,040	6,040		
Total Out-of-State Tuition	<u>\$ 14,254</u>	<u>\$ 14,418</u>	<u>\$ 164</u>	<u>1.2%</u>
Mandatory Fees	1,534	1,534		
Total Out-of-State Tuition and Fees	<u>\$ 15,788</u>	<u>\$ 15,952</u>	<u>\$ 164</u>	<u>1.0%</u>
<u>Graduate</u>				
Maintenance Fee	\$ 9,096	\$ 9,278	\$ 182	2.0%
Non-Resident Tuition	6,040	6,040		
Total Out-of-State Tuition	<u>\$ 15,136</u>	<u>\$ 15,318</u>	<u>\$ 182</u>	<u>1.2%</u>
Mandatory Fees	1,520	1,520		
Total Out-of-State Tuition and Fees	<u>\$ 16,656</u>	<u>\$ 16,838</u>	<u>\$ 182</u>	<u>1.1%</u>
OUT-OF-STATE INTERNATIONAL				
<u>Undergraduate</u>				
Maintenance Fee	\$ 8,214	\$ 8,378	\$ 164	2.0%
Non-Resident Tuition	13,944	6,040	(7,904)	-56.7%
Total Out-of-State Tuition	<u>\$ 22,158</u>	<u>\$ 14,418</u>	<u>\$ (7,740)</u>	<u>-34.9%</u>
Mandatory Fees	1,534	1,534		
Total Out-of-State Tuition and Fees	<u>\$ 23,692</u>	<u>\$ 15,952</u>	<u>\$ (7,740)</u>	<u>-32.7%</u>
<u>Graduate</u>				
Maintenance Fee	\$ 9,096	\$ 9,278	\$ 182	2.0%
Non-Resident Tuition	13,944	6,040	(7,904)	-56.7%
Total Out-of-State Tuition	<u>\$ 23,040</u>	<u>\$ 15,318</u>	<u>\$ (7,722)</u>	<u>-33.5%</u>
Mandatory Fees	1,520	1,520		
Total Out-of-State Tuition and Fees	<u>\$ 24,560</u>	<u>\$ 16,838</u>	<u>\$ (7,722)</u>	<u>-31.4%</u>

In-state students pay only for the maintenance fee, which is commonly referred to as 'in-state tuition'. Out-of-state students pay the maintenance fee plus non-resident tuition. The combined amount of these two fees is commonly referred to as 'out-of-state tuition'.

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Martin

FY 2021-22 Annual Tuition and Fees Mandatory Fees

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
UNDERGRADUATE				
Student Programs and Services Fee (SPSF)				
Student Activity - Non Athletic	\$ 262	\$ 262		
Student Activity - Athletic	408	408		
Student Health & Counseling	60	60		
Green	10	10		
Debt Service	380	380		
Total Student Programs and Services Fee	<u>\$ 1,120</u>	<u>\$ 1,120</u>		
Other Mandatory Fees				
Technology	250	250		
Publications	14	14		
Facilities	150	150		
Total Mandatory Fees	<u>\$ 1,534</u>	<u>\$ 1,534</u>		
GRADUATE				
Student Programs and Services Fee (SPSF)				
Student Activity - Non Athletic	\$ 262	\$ 262		
Student Activity - Athletic	408	408		
Student Health & Counseling	60	60		
Green	10	10		
Debt Service	380	380		
Total Student Programs and Services Fee	<u>\$ 1,120</u>	<u>\$ 1,120</u>		
Other Mandatory Fees				
Technology	250	250		
Facilities	150	150		
Total Mandatory Fees	<u>\$ 1,520</u>	<u>\$ 1,520</u>		

Mandatory fees are used to support programs, services, technology, and facilities that enhance student life and academic programs.

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Martin
FY 2021-22 Annual Tuition and Fees
Online Fees

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
IN-STATE				
<u>Undergraduate</u>				
Course Fee	\$ 363	\$ 370	\$ 7	2.0%
Online Support	56	56		
Total	<u>\$ 419</u>	<u>\$ 426</u>	<u>\$ 7</u>	<u>1.7%</u>
<u>Graduate</u>				
Course Fee	\$ 564	\$ 575	\$ 11	2.0%
Online Support	56	56		
Total	<u>\$ 620</u>	<u>\$ 631</u>	<u>\$ 11</u>	<u>1.8%</u>
OUT-OF-STATE DOMESTIC				
<u>Undergraduate</u>				
Course Fee	\$ 399	\$ 407	\$ 8	2.0%
Online Support	56	56		
Total	<u>\$ 455</u>	<u>\$ 463</u>	<u>\$ 8</u>	<u>1.8%</u>
<u>Graduate</u>				
Course Fee	\$ 620	\$ 632	\$ 12	1.9%
Online Support	56	56		
Total	<u>\$ 676</u>	<u>\$ 688</u>	<u>\$ 12</u>	<u>1.8%</u>
OUT-OF-STATE INTERNATIONAL				
<u>Undergraduate</u>				
Course Fee	\$ 439	\$ 407	\$ (32)	-7.3%
Online Support	56	56		
Total	<u>\$ 495</u>	<u>\$ 463</u>	<u>\$ (32)</u>	<u>-6.5%</u>
<u>Graduate</u>				
Course Fee	\$ 677	\$ 632	\$ (45)	-6.6%
Online Support	56	56		
Total	<u>\$ 733</u>	<u>\$ 688</u>	<u>\$ (45)</u>	<u>-6.1%</u>

UT online course fees are charged per credit hour. The total amount depends on the number of credits taken. This applies to all students, including on-campus students.

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Martin

FY 2021-22 Annual Tuition and Fees Auxiliary Enterprises

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
FOOD SERVICES				
Meal Plans				
Carte Blanche Meal Plan with \$100 declining balance	\$ 3,478	\$ 3,600	\$ 122	3.5%
15 Meal Plan per week with \$80 declining balance	3,324	3,440	116	3.5%
10 Meal Plan per week with \$200 declining balance	3,364	3,482	118	3.5%
5 Meal Plan per week with \$475 declining balance	2,910	3,012	102	3.5%
Block Plans				
100 Meals with \$130 declining balance	1,888	1,954	\$ 66	3.5%
75 Meals with \$100 declining balance	1,496	1,548	52	3.5%
70 Meals with \$600 declining balance	3,086	3,194	108	3.5%
50 Meals with \$60 declining balance	1,002	1,036	34	3.4%
25 Meals with \$50 declining balance	646	668	22	3.4%
Captain's Cash Meal Plans				
\$500 declining balance	1,000	1,000		
\$250 declining balance	500	500		
Door Prices (Per Day)				
Breakfast	8.40	8.69	\$ 0.29	3.5%
Lunch	9.40	9.73	0.33	3.5%
Dinner	10.51	10.88	0.37	3.5%
Saturday Brunch	9.40	9.73	0.33	3.5%
Sunday Brunch: Adult	12.52	12.96	0.44	3.5%
Sunday Brunch: Child under 10	5.92	6.13	0.21	3.5%

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Martin

FY 2021-22 Annual Tuition and Fees Auxiliary Enterprises

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
HOUSING				
COMMUNITY & POD RATES				
Ellington Hall				
Double Shared	\$ 2,920	\$ 3,150		
Single	4,490	4,850		
Browning Hall				
Double Shared	2,920	3,150		
Single	4,490	4,850		
Cooper Hall				
Double Shared	3,500	3,780		
Single	4,990	5,390		
University Village II				
Double Shared	6,420	6,520		
Single	7,640	7,760		
University Village I				
Single	6,750	6,850		
Summer Lease	2,800	2,800		
APARTMENTS				
University Courts				
1 Bedroom	4,270	4,270		
2 Bedroom	4,580	4,580		
3 Bedroom	5,400	5,400		

University Fees are set by the Board of Trustees and are subject to change at any regular meeting of the Board.

UT Southern
FY 2021-22 Annual Tuition and Fees
Fall and Spring Semesters

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
IN-STATE				
<u>Undergraduate</u>				
Maintenance Fee	\$ 23,800	\$ 9,000	\$ (14,800)	-62.2%
Mandatory Fees	2,200	1,200	(1,000)	-45.5%
Total Tuition and Fees	<u>\$ 26,000</u>	<u>\$ 10,200</u>	<u>\$ (15,800)</u>	<u>-60.8%</u>
<u>Graduate</u>				
Maintenance Fee	\$ 14,850	\$ 14,850		
Mandatory Fees				
Total Tuition and Fees	<u>\$ 14,850</u>	<u>\$ 14,850</u>		
OUT-OF-STATE				
<u>Undergraduate</u>				
Maintenance Fee	\$ 23,800	\$ 9,000	\$ (14,800)	-62.2%
Non-Resident Tuition				
Total Out-of-State Tuition	<u>\$ 23,800</u>	<u>\$ 9,000</u>	<u>\$ (14,800)</u>	<u>-62.2%</u>
Mandatory Fees	2,200	1,200	(1,000)	-45.5%
Total Out-of-State Tuition and Fees	<u>\$ 26,000</u>	<u>\$ 10,200</u>	<u>\$ (15,800)</u>	<u>-60.8%</u>
<u>Graduate</u>				
Maintenance Fee	\$ 14,850	\$ 14,850		
Non-Resident Tuition				
Total Out-of-State Tuition	<u>\$ 14,850</u>	<u>\$ 14,850</u>		
Mandatory Fees				
Total Out-of-State Tuition and Fees	<u>\$ 14,850</u>	<u>\$ 14,850</u>		
AUXILIARY ENTERPRISES				
Room & Board - Criswell/Upperman - Double	\$ 8,600	\$ 8,600		
Room & Board-Apartments/Oakwood/Dorm - Single	\$ 10,000	\$ 10,000		
<i>Residential students pay a single flat rate for housing and dining services.</i>				

In-state students pay only for the maintenance fee, which is commonly referred to as 'in-state tuition'. Out-of-state students pay the maintenance fee plus non-resident tuition. The combined amount of these two fees is commonly referred to as 'out-of-state tuition'.

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Health Science Center

FY 2021-22 Annual Tuition and Fees

Tuition

	FY 2020-21	FY 2021-22	Change	
			Amount	Percent
IN-STATE				
Graduate Health Sciences	\$ 10,894	\$ 10,894		
MS Pharmacology & Forensic Dentistry	16,712	16,712		
MS Forensic Dentistry	16,712	13,500	(3,212)	-19.2%
Medicine				
Doctor of Medicine	34,566	34,566		
Physician Assistant	22,924	22,924		
Dentistry				
General DDS	30,388	30,388		
Transitional DDS	73,028	73,028		
Dental Hygiene Bachelor of Science	9,988	9,988		
Pharmacy	22,370	22,370		
Nursing				
Bachelors	12,705	12,705		
Graduate	18,698	18,698		
Health Professions				
Medical Technology	7,990	7,990		
Audiology & Speech Pathology ****	11,110	11,110		
Entry Level Advanced Degrees *	13,814	13,814		
Masters of Cytopathology Practice	9,900	9,900		
Entry Lev Adv Degrees Audiology/Speech Path**	18,820	18,820		
Post-Professional Degrees ***	10,068	10,068		
Masters of Clinical Lab Science	10,068	10,068		
OUT-OF-STATE				
Graduate Health Sciences	\$ 16,542	\$ 16,542		
MS Pharmacology & Forensic Dentistry	25,140	25,140		
MS Forensic Dentistry	25,140	18,500	\$ (6,640)	-26.4%
Medicine				
Doctor of Medicine	60,489	51,850	(8,639)	-14.3%
Physician Assistant	38,962	38,962		
Dentistry				
General DDS	69,148	69,148		
Transitional DDS	73,028	73,028		
Dental Hygiene Bachelor of Science	19,976	19,976		
Pharmacy	27,374	27,374		
Nursing				
Bachelors	36,930	36,930		
Graduate	43,538	43,538		
Health Professions				
Entry Level Bachelor of Science				
Medical Technology	12,000	12,000		
Audiology & Speech Pathology ****	29,300	29,300		
Entry Level Advanced Degrees *	31,796	31,796		
Masters of Cytopathology Practice	14,400	14,400		
Entry Lev Adv Degrees Audiology/Speech Path**	43,396	43,396		
Post-Professional Degrees ***	28,008	28,008		
Masters of Clinical Lab Science	14,400	14,400		

*** Entry Level Advanced Degrees**

Doctor of Physical Therapy
Master of Occupational Therapy

**** Entry Level Advanced Degrees Audiology/Speech Path**

Doctor of Audiology
Master of Science in Speech-Language Pathology
Transitional Doctor of Audiology

***** Post-Professional Degrees**

Doctor of Science in Physical Therapy
Master of Science in Physical Therapy
Transitional Doctor of Physical Therapy

****** Bachelor of Audiology & Speech Pathology**

This is a joint degree with UTK where UTHSC will teach the 4th year of the Bachelor's program but charge the UTK tuition rate.

These Fees were presented at the February 25, 2021 Board Meeting

Health Science Center

FY 2020-21 Annual Tuition and Fees

Other Fees

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
OTHER FEES				
Health Insurance *	\$ 3,432	\$ 3,734	\$ 302	8.8%
Disability Insurance	44	44		
<u>Malpractice Insurance</u>				
Medicine				
Class of 2021 and 2022	14	22	8	57.1%
Class of 2019 and 2020	43	35	(8)	-18.6%
Pharmacy	20	15	(5)	-25.0%
Nursing	20	15	(5)	-25.0%
Health Professions	20	15	(5)	-25.0%
Dentistry	17	17		
Course Proficiency Exam Fee	200	200		
<u>Other Fees - Health Professions</u>				
CHP OT Board Review Fee	150	150		
CHP OT Media Fee	150	150		
<u>Other Fees - Nursing</u>				
CON Pre-Licensure Digital Course Materials Fee-1st Term	617	617		
CON Pre-Licensure Digital Course Materials Fee-2nd Term	617	617		
CON Pre-Licensure Digital Course Materials Fee-3rd Term	617	617		
CON DNP Digital Course Materials Fee	40	155	115	287.5%
CON Nursing Kit	311	350	39	12.5%
CON Digital Equipment Fee	420	420		
CON Board Review Fee	315	315		
<u>Other Fees - Medicine</u>				
COM Step 1 Exam Prep Fee	120	120		
COM PA Digital Course Materials Fee	48	48		
COM PA Medical Equipment Fee	476	476		
COM PA Board Review Fee	268	268		
<u>Other Fees - Pharmacy</u>				
COP Pre-Naplex Exam Fee-4th Year all in Fall Semester	80	80		
COP MTM Certificate Fee-3rd Year all in Fall Semester	100	125	25	25.0%
COP Point of Care Testing Certificate Fee	140	140		
COP Board Review Fee	175	175		
COP Accelerated Pharmacy Pathway Fee	-	2,500	2,500	NEW
COP Immunization Certificate Fee		150	150	NEW
<u>Other Fees - Dentistry</u>				
COD Dentistry Student Government	60	60		
COD Laboratory and Clinical Utilization Fee	3,200	4,800	1,600	50.0%
COD Graduate Endodontics Clinical Utilization Fee	12,750	12,750		
COD Graduate Orthodontics Clinical Utilization Fee	7,000	7,000		
Audiology Mandatory Fees (UTK Campus)	1,932	1,932		

* Health, Disability, and Malpractice insurance rates for FY 2021-22 will be known in April or May. The change will be addressed at the June, 2021 Board of Trustees Meeting

University Fees are set by the Board of Trustees and are subject to change at any regular or called meeting of the Board.

Health Science Center

FY 2021-22 Annual Tuition And Fees

Mandatory Fees

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
IN-STATE AND OUT-OF-STATE				
Student Programs and Services Fee (SPSF)				
Student Activity	\$ 26	\$ 26		
Campus Recreation	40	40		
Campus Improvement	50	50		
Simulation Center Equipment Fee	300	300		
Debt Service	54	54		
Computer Based Testing Fee	50	50		
Health Services	200	200		
Counseling	280	280		
Total Student Programs and Services Fee (SPSF)	<u>\$ 1,000</u>	<u>\$ 1,000</u>		
Other Mandatory Fees				
Technology	\$ 240	\$ 240		
Graduation/Yearbook	50	50		
Total Other Fees	<u>\$ 1,290</u>	<u>\$ 1,290</u>		

University Fees are set by the Board of Trustees and are subject to change at any regular or called meeting of the Board.

Health Science Center

FY 2021-22 Annual Tuition and Fees Online Fees

	FY 2020-21	FY 2021-22	Change	
			Amount	Percent
UNDERGRADUATE MEDICAL TECHNOLOGY				
IN-STATE				
Course Fee	\$ 350	\$ 350		
Online Support	46	46		
Total	<u>\$ 396</u>	<u>\$ 396</u>		
OUT-OF-STATE				
Course Fee	\$ 415	\$ 415		
Online Support	46	46		
Total	<u>\$ 461</u>	<u>\$ 461</u>		
Graduate				
IN-STATE				
Course Fee	\$ 640	\$ 640		
Online Support	46	46		
Total	<u>\$ 686</u>	<u>\$ 686</u>		
OUT-OF-STATE				
Course Fee	\$ 705	\$ 705		
Online Support	46	46		
Total	<u>\$ 751</u>	<u>\$ 751</u>		
HEALTH INFORMATICS AND INFORMATION MANAGEMENT				
IN-STATE				
Course Fee	\$ 500	\$ 500		
Online Support	50	50		
Total	<u>\$ 550</u>	<u>\$ 550</u>		
OUT-OF-STATE				
Course Fee	\$ 550	\$ 550		
Online Support	50	50		
Total	<u>\$ 600</u>	<u>\$ 600</u>		
NURSING DOCTORATE				
IN-STATE				
Course Fee	\$ 600	\$ 600		
Online Support	50	50		
Total	<u>\$ 650</u>	<u>\$ 650</u>		
OUT-OF-STATE				
Course Fee	\$ 650	\$ 650		
Online Support	50	50		
Total	<u>\$ 700</u>	<u>\$ 700</u>		

These Fees were approved at the February 25, 2021 Board Meeting

Veterinary Medicine

FY 2021-22 Annual Tuition and Fees Fall and Spring Semesters

	FY 2020-21	FY 2021-22	CHANGE	
			Amount	Percent
IN-STATE				
Maintenance Fee	\$ 27,504	\$ 28,054	\$ 550	2.0%
Mandatory Fees	1,832	1,832		
Total Tuition and Fees	<u>\$ 29,336</u>	<u>\$ 29,886</u>	<u>\$ 550</u>	<u>1.9%</u>
OUT-OF-STATE				
Maintenance Fee	\$ 27,504	\$ 28,054	\$ 550	2.0%
Non-Resident Tuition	27,036	27,036		
Total Out-of-State Tuition	<u>\$ 54,540</u>	<u>\$ 55,090</u>	<u>\$ 550</u>	<u>1.0%</u>
Mandatory Fees	2,062	2,062		
Total Out-of-State Tuition and Fees	<u>\$ 56,602</u>	<u>\$ 57,152</u>	<u>\$ 550</u>	<u>1.0%</u>

The purpose of the Student Programs and Services Fee (SPSF) is to advance the University's educational mission by funding non-instructional services, activities, programs, and facilities that promote student satisfaction and retention or promote the intellectual, physical, emotional, social, cultural, or leadership development of students. The Board of Trustees retains ultimate control of the SPSF and sets the amount of the SPSF at each campus annually upon the recommendation of the Board's Finance and Administration Committee.

University Fees are set by the Board of Trustees and are subject to change at any regular or called meeting of the Board.

University of Tennessee System
FY 2021-22 Annual Tuition and Fees
Fees for Disabled and Elderly Persons

	FY 2020-21	FY 2021-22	CHANGE Amount
Disabled/Elderly Persons			
COURSES FOR CREDIT			
Per Semester Hour	\$ 7	\$ 7	
Maximum Fee per Semester	70	70	
AUDIT COURSES			
	No Charge	No Charge	

Fee levels mandated by Tennessee Code Annotated 49-7-113.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Capital Outlay Funding Requests, FY 2022-23 through FY 2026-27**

Type: Action

Presenter(s): David L. Miller, Senior Vice President and Chief Financial Officer
Austin Oakes, Assistant Vice President, Capital Projects

Annually, in accordance with Tennessee Higher Education Commission and State Department of Finance and Administration guidelines, the administration develops a five-year schedule of capital outlay funding requests. The schedule for FY 2022-23 through FY 2026-27 follows this summary.

The five-year schedule reflects \$578,486,800 in requested state funding for capital outlay projects, which is net of the requisite institutional funding match for new construction and for major renovation.

Committee Action

The Committee Chair will call for a motion to recommend adoption of the following Resolution by the Board of Trustees.

Resolved:

The Board of Trustees:

- 1. Approves the schedule of Capital Outlay Funding Requests for FY 2022-23 through FY 2026-27 and authorizes the administration to submit the schedule to state government, a copy of which shall be attached to this Resolution after adoption;**
- 2. Authorizes the administration to enter into contracts for design and construction of capital outlay projects funded for FY 2022-23 within available funds; and**
- 3. Approves the granting of any easements, licenses, disposals of utilities, rights of entry, and rights of way necessary for any capital outlay projects funded for FY 2022-23.**
- 4. The proper officers of the University be and hereby are authorized to take any and all such actions as may be required or which they may deem necessary or appropriate in order to accomplish the foregoing.**
- 5. Authorizes the President to reprioritize the FY 2022-23 and FY 2023-24 project requests as a result of changes in direction from state leadership.**



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

Capital Outlay Funding Requests, FY 2022-23 through FY 2026-27

**THE UNIVERSITY OF TENNESSEE
CAPITAL OUTLAY PRIORITIES**

Priority	Projects	Total Project	Institutional Match	STATE FUNDING				
				FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
4	UTC - Health Sciences Building	\$ 60,800,000	\$ 4,864,000	\$ 55,936,000				
5	UTM - TEST Hub	19,160,000	1,156,000	18,004,000				
1	UTHSC - Nash Vivarium Basement Renovation	22,690,000	453,800	22,236,200				
2	UTC - 540 McCallie Renovation	40,000,000	1,600,000	38,400,000				
3	UTHSC - Cancer Research Bldg 4th Floor	19,370,000	387,400	18,982,600				
	TOTAL	\$ 162,020,000	\$ 8,461,200	\$ 153,558,800				
6	UTK - Chemistry Building	\$ 140,000,000	\$ 23,800,000		\$ 116,200,000			
7	UTIA - Garden Education & Discovery Center	23,000,000	920,000		22,080,000			
	TOTAL	\$ 163,000,000	\$ 24,720,000		\$ 138,280,000			
8	UTK - College of Business	\$ 100,000,000	\$ 17,000,000			\$ 83,000,000		
9	UTC - Maclellan Renovation	59,300,000	22,612,000			36,688,000		
	TOTAL	\$ 159,300,000	\$ 39,612,000			\$ 119,688,000		
10	UTHSC - Molecular Science Bldg Renovation	\$ 56,000,000	\$ 1,120,000				\$ 54,880,000	
11	UTIA - Ridley 4-H Center-STEM Education Bldg	6,000,000	240,000				5,760,000	
12	UTK - Dabney Hall Renovation	50,000,000	3,000,000				47,000,000	
	TOTAL	\$ 112,000,000	\$ 4,360,000				\$ 107,640,000	
13	UTM - Beef Cattle Teaching & Demonstration Fac	\$ 3,000,000	\$ 200,000					\$ 2,800,000
14	UTK - Jessie Harris Bldg. Renovation	54,000,000	3,240,000					50,760,000
15	UTIA - Clyde York 4-H Center-STEM Education Center	6,000,000	240,000					5,760,000
	TOTAL	\$ 63,000,000	\$ 3,680,000					\$ 59,320,000
	GRAND TOTAL	\$ 659,320,000	\$ 80,833,200					\$ 578,486,800

PRIORITIES

Capital Outlay

FY 2022-2023

UTC Health Sciences Building - \$60,800,000 Total Project

This project will construct a health sciences teaching facility and simulated lab space for the School of Nursing. There will be state-of-the art classrooms, student study spaces, and labs.

UTM TEST Hub - \$19,160,000 Total Project

This project will provide a new Tennessee Entrepreneurial Science and Technology Hub. This facility is a partnership with industry, TCAT, and UTM to create prototypes in a product realization process. The facility will provide machine tools, equipment, and work space to fabricate prototypes; laboratories to support manufacturing; and office space.

UTHSC Nash Vivarium Basement Renovation - \$22,690,000 Total Project

This project will provide consolidated vivarium research space for the Department of Physiology.

UTC 540 McCallie Renovation - \$40,000,000 Total Project

This project will renovate the interior and exterior of this 7-story + basement level building.

UTHSC Cancer Research Bldg. 4th Floor - \$19,370,000 Total Project

This project will build out the top floor (4th) of the Cancer Research Building into modern biomedical research laboratories. The main utilities are already in place from the major renovations of the buildings. The demolition of the Holiday Inn property is also included.

FY 2023-2024

UTK Chemistry Building - \$140,000,000 Total Project

This project will provide a new Chemistry building at the current location of the Panhellenic building to replace the aging Buehler Hall. The project includes demolition of the Panhellenic Building and Buehler Hall.

UTIA Garden Education & Discovery Center - \$23,000,000 Total Project

The project will include classrooms, training rooms, multi-purpose meeting rooms, exhibit gallery, work rooms, administrative offices, outdoor classrooms, public restrooms, plaza, rooftop terrace and support space.

FY 2024-2025

UTK College of Business - \$100,000,000 Total Project

This project will provide an additional College of Business facility to accommodate program growth.

UTC Maclellan Renovation - \$59,300,000 Total Project

The two-story natatorium / health services building extension will be demolished and a three-story office/classroom structure will be built within its footprint. Parts of the auxiliary gym will be demolished

and replaced with a structure that will support the new 3rd level. ADA upgrades will be made to public restrooms, locker rooms, building circulation, and building access. Electrical system, HVAC system, and the domestic water heating system will be replaced. Building finishes, furnishings, signage, windows, and exterior doors will be replaced. Building sidewalks will be replaced. Bleachers, seating, and built-in equipment in the gym area will be replaced. The gym area will be converted into a multi-purpose space for classroom / meeting functions as well as for various sporting events.

FY 2025-2026

UTHSC Molecular Science Bldg. Renovation - \$56,000,000 *Total Project*

This project will provide clinics, treatment/research labs, classrooms, faculty offices, administrative offices and support spaces for the college and its four departments: Occupational Therapy, Physical Therapy, Audiology and Speech Pathology and Diagnostic and Health Services.

UTIA Ridley 4-H Center-STEM Education Bldg. - \$6,000,000 *Total Project*

This project will provide new STEM instructional space including labs, training/workroom, storage, restrooms, and support space.

UTK Dabney Hall Renovation - \$50,000,000 *Total Project*

This project will provide needed upgrades to the Dabney section of Dabney/Buehler, providing needed upgrades to classrooms, labs, faculty and student spaces, MEP and life safety systems. Building envelope repair and abatement are also included.

FY 2026-2027

UTM Beef Cattle Teaching & Demonstration Fac - \$3,000,000 *Total Project*

This project will develop a beef cattle teaching and demonstration area that will include classroom, laboratory, handling facilities, beef barn, equipment and fencing.

UTK Jessie Harris Bldg. Renovation - \$54,000,000 *Total Project*

This project will renovate the Jessie Harris Building. Upgrades will include laboratories and teaching facilities, corridors, restrooms, HVAC, flooring, finishes, elevators, and MEP systems.

UTIA Clyde York 4-H Center-STEM Education Center - \$6,000,000 *Total Project*

This project will provide a new STEM instructional space including labs, training/workroom, storage, restrooms, and support space.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Capital Maintenance Funding Requests, FY 2022-23 through FY 2026-27**

Type: Action

Presenter(s): David L. Miller, Senior Vice President and Chief Financial Officer and Austin Oakes, Assistant Vice President, Capital Projects

Annually, in accordance with Tennessee Higher Education Commission and State Department of Finance and Administration guidelines, the administration develops a five-year schedule of capital maintenance funding requests. The schedule for FY 2022-23 through FY 2026-27 follows this memorandum and reflects \$277,860,000 in requested state funding for capital maintenance projects.

Committee Action

The Committee Chair will call for a motion to recommend adoption of the following Resolution by the Board of Trustees.

Resolved:

The Board of Trustees:

1. Approves the schedule of Capital Maintenance Funding Requests for FY 2022-23 through FY 2026-27 and authorizes the administration to submit the schedule to state government, a copy of which shall be attached to this Resolution after adoption;
2. Authorizes the administration to enter into contracts for design and construction of capital maintenance projects funded for FY 2022-23 within available funds; and
3. Approves the granting of any easements, licenses, disposals of utilities, rights of entry, and rights of way necessary for any capital maintenance projects funded for FY 2022-23.
4. The proper officers of the University be and hereby are authorized to take any and all such actions as may be required or which they may deem necessary or appropriate in order to accomplish the foregoing.

PRIORITIES

Capital Maintenance FY 2022-2023

UTK Steam Plant Boiler Replacement - \$3,000,000

This project will replace Boiler No. 1 and associated systems.

UTIA West TN-REC Building Envelope Repairs - \$3,630,000

This project will replace all exterior doors and windows and provide repairs to the building envelope. This work will also include the clerestory flashing and roof repairs.

UTHSC Emergency Generator Replacements - \$2,500,000

This project will replace the emergency generators and update electrical services in association with the generators for the 930 Madison Building, Coleman Building, Johnson Building, and Van Vleet Building.

UTM Clement Bldg Systems Upgrade - \$4,160,000

This project will address 3rd the 4th floor building systems (HVAC, electrical, plumbing, and fire protection), replace windows, finishes, and correct drainage issues. Code deficiencies will also be addressed and hazardous material will be abated as necessary.

UTS Life Safety Upgrades - \$1,000,000

This project will provide upgrades for life safety to multiple buildings across campus. Upgrades include alarms, fire panels, and miscellaneous code related life safety upgrades.

UTK Steam Distribution Upgrades - \$3,000,000

This project will replace and upgrade steam and condensate service across various locations from the middle to the east side of the main campus and on the Institute of Agriculture campus.

UTHSC General Education Bldg (GEB) HVAC Improvements - \$1,750,000

This project will replace the HVAC equipment and associated systems.

UTM South Plant Chiller Replacement - \$1,760,000

This project will replace an existing chiller along with associated pumps, cooling tower, and cooling tower enclosure.

UTIA Lone Oaks 4-H Center Improvements - \$3,000,000

This project will provide building envelope repairs, HVAC upgrades, electrical, fire safety, and plumbing improvements. Site improvements include excavation of sediment in lakes and drain field improvements.

UTK Steam Distribution Upgrades - Southeast Campus - \$3,000,000

This project will upgrade steam and condensate service across various locations in the southeast area of the main campus.

UTHSC Roof Replacements - \$2,640,000

This project will replace roofs, and repair parapets and flashing for the Van Vleet Building, Physical Plant Building, Physical Plant Shop, Molecular Science Building, 910 Madison Building, and 920 Madison Building.

UTC Brock Hall Upgrades - \$10,820,000

This project will replace outdated building systems including HVAC, lighting, and ceilings in conjunction with the work. Upgrades to include building finishes, doors, hardware, restrooms, ADA and life safety code needs. Building envelope repairs including masonry, window replacements, doors, and roof replacement. Minor wall reconfigurations may be required for building systems and code updates. Asbestos abatement will also be required.

UTM University Center Sewer Line Replacement - \$890,000

This project will replace and repair sewer lines that serve the University Center.

UTIA Clyde Austin 4-H Cntr Sewer Improvements - \$1,260,000

This project will replace the existing septic system with a new sewer, connecting the 4-H Center to the Greeneville Water Commission wastewater treatment plant.

UTM ADA Campus Upgrades - \$2,510,000

This project will provide ADA upgrades for restrooms, building entrances, accessible egress doors, signage, and door hardware.

UTIA CVM-Building Envelope Repairs - \$2,260,000

This project will replace exterior windows, doors, skylights, expansion joints, and repair brick and flashing.

UTHSC Window & Masonry Repairs - \$2,760,000

This project will provide window and masonry repairs for the Hyman Building, Coleman Building, General Education Building, Johnson Building, Link Building, and Wittenborg Building.

UTK Steam Plant Improvements - \$3,000,000

This project will provide upgrades to electrical systems, piping and pumping, other building components, safety and security improvements, and reestablish the rail spur.

UTHSC Campus Sidewalk Repairs - \$3,000,000

This project will repair sidewalks to meet ADA requirements.

UTIA REC-Blount Livestock Housing Upgrades - \$5,000,000

This project will repair and renovate livestock feed storage, handling and processing systems, refurbish site drainage and utilities, and upgrade rinsate handling.

UTC Building Envelope Repairs - \$3,330,000

This project will provide masonry repair, windows, exterior doors, exterior store front systems, and roof system replacements for Race Hall, Hooper Hall, Hooper/Patten Connector, and Danforth Chapel.

UTK Second Creek Repair & Storm Sewer Replacement - \$2,400,000

This project will repair the Second Creek streambank. The storm sewers along Melrose Avenue and Lower Drive will be replaced.

UTS Building Envelope Repair - \$2,000,000

This project will provide masonry repair, windows, exterior doors, and roof system replacements.

Capital Maintenance FY 2023-2024UTM Roof Replacements - \$3,880,000

This project will replace roofs on the Holt Humanities Building, McCombs Center, and South Chiller Plant.

UTC Building Envelope Repairs - \$2,880,000

This project will provide masonry repairs, window, door, and roof replacements for Patten Chapel, Hunter Colonnade, Pfeiffer Hall, Patten House, Patten Caretaker House, and Patten Carriage House.

UTIA CVM-Cherokee Bldg A Upgrades - \$3,000,000

This project will replace all building systems, equipment, windows, doors, roof, and finishes. It will also repair exterior walls, floor drainage, and remedy site drainage.

UTHSC Dunn Building HVAC Improvements - \$4,120,000

This project will provide mechanical and plumbing system upgrades to comply with current medical facility standards.

UTK Utility Upgrades - \$2,540,000

This project will replace domestic water service and other related utilities on the Knoxville and Ag campuses.

UTHSC Van Vleet HVAC Improvements - \$4,020,000

This project will provide building system upgrades to aging mechanical and plumbing mechanisms.

UTK Building Envelope & Site Repair - \$2,300,000

This project will repair building envelope issues and site water drainage in the Communications and Student Services Building as well as the Health, Physical Education, and Recreation (HPER) Building.

UTIA CVM-Cherokee Bldgs B&C Upgrades - \$3,000,000

This project will replace and repair various components of the property including building systems, gate and stall systems; structural elements, and site drainage.

UTK Window Replacement & Masonry Repair - \$4,260,000

This project will replace and repair windows, masonry, building envelope inconsistencies, as well as provide structural remediation and abatement in the Art & Architecture Building and Blount Hall.

UTIA Morgan Hall HVAC Improvements - \$5,500,000

This project will replace the existing mechanical and lighting systems while improving code related deficiencies.

UTK UTSI Building & Infrastructure Upgrades - \$2,500,000

This project will provide upgrades, replacement, or removal of building system, asbestos abatement, windows, and roof. It will also provide general site cleanup, clearing, and retaining wall repair around campus. Affected buildings include Frank G. Clement Main Academic Building, Dewey M. Vincent Physical Plant Building, Acoustic Lab Building, Vacuum Chamber Building, Advanced Technology Laboratory, and Propulsion Lab.

UTS Electrical Systems Upgrade - \$2,000,000

This project will provide electrical system upgrades focusing on distribution and lighting for Colonial Hall, DW Johnston Center and Warren Library, and Martin Hall and Theater.

UTC Cadek Hall Upgrades - \$7,840,000

This project will upgrade, repair, or replace building systems, restrooms, finishes, building envelope, windows, and roof, including asbestos abatement, ADA and related code corrections. Minor wall reconfigurations may be required for building systems and code updates.

UTK Building Envelope & System Upgrades - \$2,500,000

This project will upgrade building systems and repair building envelope including masonry, windows, and door replacement for the Ceramics Annex and Facilities Services Complex.

UTM Clement Systems Upgrade – South Wing - \$11,800,000

This project will address the south and southwest wing building systems (HVAC, electrical, plumbing, and fire protection), replace windows, finishes, and code deficiencies. Hazardous material will be abated as necessary.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Revenue/Institutionally-Funded Capital Projects, FY 2022-23**

Type: Action

Presenter(s): David L. Miller, Senior Vice President and Chief Financial Officer
Austin Oakes, Assistant Vice President, Capital Projects

The administration has developed the revenue/institutionally funded projects listed on the following schedule for inclusion in the FY 2022-23 State of Tennessee Budget Document. A brief narrative description of the projects, which totals \$115,290,000 follows the schedule. Although, no state funds are requested for these projects, legislative approval is required.

Committee Action

The Committee Chair will call for a motion to recommend adoption of the following Resolution by the Board of Trustees.

Resolved:

The Board of Trustees:

1. Approves the schedule of FY 2022-23 Revenue/Institutionally-Funded Capital Projects and authorizes the administration to submit the schedule to state government, a copy of which shall be attached to this Resolution after adoption;
2. Authorizes the administration to enter into contracts for design and construction of the FY 2022-23 projects within available funds;
3. Authorizes the administration to enter into contracts for design and construction associated with revenue/institutionally-funded projects subsequently identified before or during FY 2022-23, subject to the President's approval and subject to any subsequently identified projects being reported to the Board of Trustees at its next regularly scheduled meeting; and
4. Approves the granting of any easements, licenses, disposals of utilities, rights of entry, and rights of way necessary for FY 2022-23 revenue/institutionally-funded capital projects.
5. The proper officers of the University be and hereby are authorized to make any and all such actions as may be required or which they may deem necessary or appropriate in order to accomplish the foregoing.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

THE UNIVERSITY OF TENNESSEE
PROPOSED REVENUE/INSTITUTIONALLY FUNDED PROJECTS
FY 2022-2023

Projects	FY 22-23
UTHSC	
1 Classroom Upgrades	\$ 2,010,000
2 Parking Improvements	\$ 930,000
	<u>\$ 2,940,000</u>
UTIA	
1 Lone Oaks 4-H Center STEM Bldg	\$ 6,000,000
2 Lone Oaks 4-H Center Bridges	\$ 850,000
	<u>\$ 6,850,000</u>
UTK	
1 Athletic Facilities Upgrades	\$ 5,000,000
2 Classroom Upgrades	\$ 5,000,000
3 Lab Renovations	\$ 5,000,000
4 Melrose Hall	\$ 60,000,000
5 Parking Lot Repairs & Paving Improvements	\$ 500,000
6 Presidential Court Bldg Renovation	\$ 30,000,000
	<u>\$ 105,500,000</u>
TOTAL	
	<u><u>\$ 115,290,000</u></u>

Revenue/Institutionally Funded Projects

UTHSC Classroom Upgrades - \$2,010,000

This project will upgrade multiple classrooms in multiple buildings including new technology and finishes.

UTHSC Parking Improvements - \$930,000

This project will provide a new parking lot with approximately 240 spaces located near the Dunn Dental Building.

UTIA Lone Oaks 4-H Center STEM Bldg. - \$6,000,000

This project will provide an addition to the STEM building along with gardens and site infrastructure.

UTIA Lone Oaks 4-H Center Bridges - \$850,000

This project will construct two new bridges that will cross restored stream corridors.

UTK Athletic Facilities Upgrades - \$5,000,000

This project will provide maintenance and upgrades of multiple athletic facilities including technology, finishes, furnishings, building systems, code related items, structural needs, and improvements to spaces as needed.

UTK Classroom Upgrades - \$5,000,000

This project will provide upgrades for classroom technology, finishes, furnishings, building systems, and safety improvements.

UTK Lab Renovations - \$5,000,000

This project will upgrade multiple lab spaces in multiple buildings including upgrades to lab services and stations, technology, finishes, furnishings, building systems, and code improvements.

UTK Melrose Hall - \$60,000,000

This project will replace the existing Melrose Hall with new classrooms and administrative offices.

UTK Parking Lot Repairs & Paving Improvements - \$500,000

This project will repair campus roadways and parking lots and the associated utility modifications.

UTK Presidential Court Bldg. Renovation - \$30,000,000

This project will renovate and abate the building to meet updated programmatic functions.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date:	June 25, 2021
Item:	<u>Master Affiliation Agreement between The University of Tennessee and Methodist Healthcare – Memphis Hospitals</u>
Type:	Action
Presenter:	Steve Schwab, UTHSC Chancellor

The University, on behalf of its Health Science Center in Memphis (UT), and Methodist Healthcare – Memphis Hospitals (Methodist) have agreed in principle on terms for a new Master Affiliation Agreement (Affiliation Agreement), a copy of which is attached. The new Affiliation Agreement is subject to approval by the Board.

UT and Methodist have maintained a long-standing relationship, whereby they have developed and supported medical education, research, and patient care pursuant to a prior affiliation agreement, which had been revised and amended numerous times. The prior arrangement was terminated effective at midnight on June 22, 2021, and the parties desire to restate and make certain amendments to their prior relationship in a new agreement. Accordingly, the parties have agreed upon the new Affiliation Agreement regarding their relationship at the Methodist facilities known as Methodist University Hospital (MUH) and Le Bonheur Children’s Hospital (Le Bonheur) on a going forward basis.

The proposed Affiliation Agreement includes the following key components:

- Affiliated Adult Physician Faculty Practice Plan: UT and Methodist will establish a newly structured academic adult physician practice within the Methodist organization, referred to as the APD, which shall initially consist of physicians currently employed by UT Methodist Physicians (UTMP), the previously existing UT-Methodist physician practice plan. The parties will jointly recruit faculty to be in the APD. All APD physicians shall maintain a full-time faculty appointment with UT, and all APD physicians will be concurrently employed by UT and Methodist.
- Academic Appointments: UT will review all academic credentials and make appropriate faculty appointment, promotion, and tenure decisions, and all faculty

will be governed by their UTHSC faculty appointment and offer letters and the UTHSC faculty handbook.

- Joint Affiliation Council (JAC): The parties will establish an affiliation oversight committee comprised of an equal number of voting representatives from each party. The JAC will make certain operational decisions, and will make recommendations to the parties regarding ways to improve the parties' affiliation.
- Graduate Medical Education (GME): MUH will serve as a teaching site for certain of UT's GME programs and Le Bonheur will serve as the primary teaching site for UT's pediatric GME programs. This is a nonexclusive arrangement between the parties for adult medicine, but exclusive for pediatrics.
- Undergraduate Medical Education: MUH will serve as a teaching site for UT College of Medicine (UTCOM) medical students, along with other Methodist facilities used as approved by Methodist, and Le Bonheur will serve as the primary pediatric teaching site for UTCOM medical students in the Shelby County area. The new affiliation also provides for a to be mutually defined number of medical students from Meharry Medical College to complete clinical rotations at Le Bonheur under the supervision of UT faculty.
- Research: The parties will work together to increase and develop UT clinical research programs for adult patients at Methodist and the UT Institutional Review Board will have joint oversight of research conducted by UT and Methodist.
- Financial Affairs: Methodist will be responsible for the billing and collections generated by the APD physicians and supporting the clinical compensation of the APD physicians. UT shall pay for or provide all resident salaries and benefits. Methodist will compensate UT on a monthly basis for 1/12 of the agreed annual residency-related expenses (the GME Payment) in accordance with an agreed-upon GME Payment methodology. Through the JAC, Methodist and UT will make a joint recommendation about when academic mission support payments from Methodist to UT are warranted in support of the parties' joint clinical programs and/or initiatives, with Methodist having authority to make the final decision.
- Term: The initial term of the Affiliation Agreement (with regard to all components except for Le Bonheur, as explained below) will begin on the effective date and end on June 30, 2024. After expiration of the first twelve (12) months of the Affiliation Agreement, either party may terminate the agreement without cause by providing at least twelve (12) months' prior written notice. In addition, either party may terminate the Affiliation Agreement for cause in accordance with the applicable provisions of the Affiliation Agreement. In the event of termination of the Affiliation Agreement, there is an 18-month wind down provision, allowing then-existing resident and student rotations to be completed.

- Le Bonheur: UT and Methodist will continue to jointly govern and provide financial support to UT Le Bonheur Pediatric Specialists, Inc. (ULPS), a non-profit faculty group practice comprised of pediatric physicians holding hospital privileges at Le Bonheur who are employed as UTHSC faculty members. UT and Methodist appoint an equal number of directors to the board of ULPS, who jointly govern and manage ULPS. The ULPS affiliation between UT and Methodist was approved by the UT Trustees in 2010, and essentially has remained unchanged since that time. The new Affiliation Agreement makes certain updates and amendments to the existing ULPS affiliation. A brief summary of the ULPS affiliation set forth in the new Affiliation Agreement is summarized below.
 - With input from the UTHSC Chancellor, the Methodist President and CEO shall appoint the Pediatrician-in-Chief and the Pediatric Surgeon-in-Chief of Le Bonheur. Methodist shall continue to make an annual payment of five million dollars (\$5,000,000) to UT (Base Mission Support) to foster the long-term growth and development of the academic enterprise associated with pediatrics and related programs.
 - In contrast to the provisions of the Affiliation Agreement relating to adult medicine, the article relating to Le Bonheur and ULPS may be terminated as the result of any of the following events: (1) termination of the corporate existence of ULPS; (2) termination by either party upon at least eighteen (18) months' written notice; or (3) automatic termination of the Le Bonheur relationship after expiration forty-eight (48) months of the effective date of the Affiliation Agreement. Beginning on the day following the expiration of twenty-four (24) months after the effective date, the parties agree to enter into a negotiation period of up to six (6) months focused on reaching an agreement on an extension of the Le Bonheur/ULPS relationship. If the parties are unable to enter into a mutually-agreeable amendment to extend the Le Bonheur/ULPS relationship during that negotiation period, then the Le Bonheur/ULPS relationship shall terminate after the expiration of forty-eight (48) months, which includes an eighteen (18) month wind-down period.

Board Action

The following resolution has been prepared for the Board's consideration.

Resolved:

The Board of Trustees hereby approves the proposed Master Affiliation Agreement between UT and Methodist Healthcare - Memphis Hospitals. The Board hereby authorizes the University's officers to take all necessary actions to effectuate the intent of this Resolution and the Affiliation Agreement.

ATTACHMENT A

MASTER AFFILIATION AGREEMENT

MASTER AFFILIATION AGREEMENT
between
The University of Tennessee
and
Methodist Healthcare – Memphis Hospitals

MASTER AFFILIATION AGREEMENT

This MASTER AFFILIATION AGREEMENT (this “Agreement”) is made and entered into to be effective as of June 23, 2021 (the “Effective Date”), by and between the University of Tennessee (“UT”), on behalf of the UT Health Science Center in Memphis (“UTHSC”), and Methodist Healthcare – Memphis Hospitals (“Methodist”). Each of UT and Methodist may be referred to herein as a “Party” and collectively referred to as the “Parties.”

RECITALS

- A. Whereas, the Parties have maintained a long-standing relationship, whereby they have developed and supported medical education, research and patient care in the community pursuant to that certain Amended and Restated Master Affiliation Agreement effective July 1, 2003 (the “MAA”), that certain Addendum A to the MAA effective July 1, 2009 (the “2009 Addendum A”), that certain First Amendment to the 2009 Addendum A to the MAA initially effective on December 28, 2010 and amended effective on August 30, 2013 (the “First Amendment”), that certain Second Amendment to the 2009 Addendum A to the MAA effective July 1, 2012, effective August 30, 2013 (the “Second Amendment”), and that certain Fourth Amendment to the 2009 Addendum A to the MAA effective September 1, 2013 (the “Fourth Amendment”) (the MAA, the 2009 Addendum A, the Second Amendment and the Fourth Amendment are collectively referred to herein as the “Prior Arrangement”);
- B. Whereas, the Prior Arrangement has been terminated to be effective at midnight on June 22, 2021, and the Parties desire to restate, and make certain amendments to, the First Amendment, which is incorporated, in its amended form, in its entirety as Article XVI set forth herein;
- C. Whereas, the Parties mutually desire to memorialize their respective rights and obligations regarding their relationship at the Methodist facilities known as Methodist University Hospital (“MUH”) and Le Bonheur Children’s Hospital (“Le Bonheur”), on a go-forward basis in this Agreement;
- D. Whereas, Methodist desires to support the continuous development and improvement of the medical education, research and public service programs of UT offered at MUH and Le Bonheur and to support UT by providing appropriate facilities and resources at MUH and Le Bonheur to the faculty, students, and residents/fellows of UT;
- E. Whereas, UT, through the UTHSC, desires to support the continuous development and improvement of the patient care and community service programs offered at MUH and Le Bonheur of Methodist;
- F. Whereas, UTHSC and Methodist jointly desire to further develop the clinical education, clinical research and patient care programs of both Parties in a financially sound manner that will foster a highly supportive environment to the faculty and staff, and will maintain and improve the quality of clinical services and programs to the benefit of the community;

- G. Whereas, the Parties seek, pursuant to this Agreement, to establish structures, arrangements, and commitments that will facilitate the alignment of their respective clinical, teaching, and research missions, and will provide for coordinated growth and investment in all areas;
- H. Whereas, the Parties previously have determined that their respective institutions and the community at large would be better served through the establishment of a pediatric faculty practice entity known as UT Le Bonheur Pediatric Specialists, Inc. (“ULPS”), under the joint governance, management and support of UT, through UTHSC, and Methodist.
- I. Whereas, the Parties desire to memorialize their agreement that Methodist shall have responsibility and authority for all clinical aspects of this Agreement and UT shall have responsibility and authority for all academic aspects of any UT-sponsored academic programs; and
- J. Whereas, each Party considers it to be in its best interest and in furtherance of its statutory and corporate purposes, and of the shared objectives above, to enter into this Agreement.

Now, therefore, in consideration of the premises and the commitments of the Parties, both respectively and together, as described in this Agreement, including all text preceding and following this paragraph, the Parties agree to the terms below.

TERMS AND CONDITIONS

I. Definitions

For the purposes of this Agreement, the terms below shall be defined as follows:

- A. **ACGME** shall mean Accreditation Council for Graduate Medical Education.
- B. **APD** shall mean Affiliated Academic Adult Practice Division within the MPE, the name of which shall be determined at a future date.
- C. **Academic Programs** shall mean UME, GME, and health professional programs, collectively.
- D. **Academic Year or AY** shall mean the time period that begins on July 1 and ends on June 30. For purposes of this Agreement, an AY is referenced by the year in which the AY begins and ends. For example, AY 2023-24 means the AY that begins on July 1, 2023 and ends on June 30, 2024.
- E. **Agreement** shall mean this Master Affiliation Agreement.
- F. **Effective Date** shall mean the date indicated in the first paragraph of this Agreement.
- G. **Faculty** shall mean those persons with faculty appointments to UT.
- H. **GME** shall mean graduate medical education programs.

- I. **Graduate Medical Education Committee (GMEC)** shall mean the committee, by that name, established for oversight of UT's GME programs and required by Section III of the Accreditation Council for Graduate Medical Education (ACGME) Institutional Requirements.
- J. **Joint Affiliation Council or JAC** shall mean the affiliation oversight committee composed of an equal number of representatives from both Parties which will facilitate strategic planning and coordinated efforts of this Agreement as more fully described herein.
- K. **Le Bonheur** shall mean the Methodist facility known as Le Bonheur Children's Hospital.
- L. **LCME** shall mean the Liaison Committee on Medical Education.
- M. **Medical Education** shall mean the educational activities that serve to develop or increase the knowledge, skills, and professional performance and relationships that a physician or health professional uses to provide professional medical services. It may pertain to undergraduate medical education (UME), graduate medical education (GME), or continuing medical education (CME).
- N. **MPE** shall mean Methodist Physician Enterprise, which is a broader division of Methodist that comprises all Methodist-employed physicians.
- O. **MUH** shall mean the Methodist facility known as Methodist University Hospital.
- P. **Party** and **Parties** mean, individually or collectively as the context requires, UT and Methodist.
- Q. **Policies** shall mean the Parties' respective governing documents, personnel handbooks, employee manuals, rules and regulations, and policies and/or procedures, all of which shall be consistent with applicable law.
- R. **Research** shall mean the systematic investigation, including development, testing, and evaluation, designed to develop or contribute to generalizable knowledge as defined by 45 CFR § 46.102(l), as amended from time to time.
- S. **Resident** shall mean a physician (resident or fellow) enrolled in or approved for rotation with a UT GME program.
- T. **Specialties** shall mean with respect to pediatrics, the medical specialties listed on **EXHIBIT A**, and with respect to the APD, the medical specialties of bariatric surgery, bone marrow transplant, cardiology, general surgery, hospitalist, surgery – oncologic, otolaryngology, cardiology – electrophysiology and interventional, and transplant, including hepatology, nephrology and surgery, which may be amended by the Joint Advisory Committee each subsequent AY following AY2023-24.
- U. **ULPS** shall mean UT Le Bonheur Pediatric Specialists, Inc.
- V. **UTMP** shall mean UT Methodist Physicians, LLC.
- W. **UME** shall mean undergraduate medical education programs.

- X. **UTC** shall mean the University of Tennessee UT College of Medicine at the Memphis campus.

II. Affiliation Rights, Obligations and Oversight

A. Effect on Existing Agreements

The Prior Arrangement has been terminated to be effective at midnight on June 22, 2021, and the First Amendment is being amended and restated in its entirety herein as Article XVI. On the Effective Date hereof, the Prior Arrangement is no longer of any force or effect, except for any terms and conditions that by their express language survive termination of the Prior Arrangement. As of the Effective Date, neither Party shall have any obligation to make any payments to the other with respect to the Prior Arrangement.

This Agreement is amending and restating the First Amendment. To the extent that the amendment and restatement of the First Amendment set forth in Article XVI conflicts with or is inconsistent with the ULPS Charter, the ULPS Bylaws, the Affiliation Agreement between Methodist and ULPS, the Affiliation Agreement between UT and ULPS, the management services agreement(s) between Methodist and ULPS, or the lease agreement(s) between UT and ULPS (hereafter collectively referred to as the "ULPS Documents"), the Parties hereby agree to cause their respective authorized representatives and ULPS to amend, within ninety (90) calendar days after the Effective Date of this Agreement, such ULPS Documents as is necessary to cause such ULPS Documents to be consistent with Article XVI. Neither Party, nor ULPS, will be deemed to be in breach of any of the ULPS Documents as a result of the Parties' amendment or restatement of the First Amendment as Article XVI of this Agreement.

Further, the Parties acknowledge and agree that certain Affiliation Agreement effective July 28, 2019 by and between UT and Memphis Pathology Group, P.C. has not been terminated and continues to remain in full force and effect.

B. Independent and Separate Entities With Separate Responsibilities; No Sharing of Debts or Liabilities

- The Parties expressly acknowledge and agree that the relationships between them under this Agreement are only those of independent contractors. Nothing in this Agreement is intended to create, nor shall be construed as creating, any partnership, joint venture, agency relationship or other kind of legal entity or relationship. Each Party is to remain a separate legal entity, retaining ultimate control over its own management, assets, employees, finances, operations, and

affairs, including but not limited to, the administration of personnel policies, procedures, and standards of performance.

2. Neither Party will be liable, nor be held out by the other Party as being liable, for the other Party's contracts, torts, or other acts or omissions, or those of the other Party's trustees, directors, officers, members, staff, employees, agents, or contractors. Nothing in this Agreement is intended, nor will be construed, to impose any such obligation or liability upon the other Party.
3. Nothing in this Agreement will be construed to give any Party any right, power or authority to enter into any agreement, or act as an agent or representative of, or otherwise bind the other Party.
4. Each Party shall be solely responsible for all of its own debts and other financial liabilities resulting from that Party's contracts, business operations, and other financial obligations. Debts, liabilities, and other obligations of either Party shall not constitute debts, liabilities or obligations of the other Party or the State of Tennessee or the University. Neither the State of Tennessee nor the University shall have any legal or other obligation to finance the deficits of Methodist or its APD.
5. The Parties further acknowledge that Methodist shall have sole responsibility and authority for all clinical aspects of this Agreement as required pursuant to 42 C.F.R. Part 482 and UT shall have sole responsibility and authority for all academic aspects of this Agreement. To ensure Methodist is compliant with the requirements under 42 C.F.R. Part 482, this provision shall govern and supersede any conflicting provision of this or any other Agreement between the parties.

C. Cooperation Regarding Separate Policies

Except as specifically provided in this Agreement, each Party reserves the right to ensure that its personnel, facilities, and programs comply with its own Policies. The Parties shall cooperate to avoid creating inconsistent obligations for persons performing functions for both Parties. The Parties also shall cooperate in providing access and in good faith attempt to manage or resolve any such Policies or inconsistent obligations that might arise with respect to a legal or accreditation request after providing appropriate notice to the other Party.

D. Methodist Rights and Obligations

In addition to Methodist's other rights and obligations under this Agreement, Methodist shall have the following specific rights and obligations:

1. Methodist has its own medical staff bylaws and other relevant policies and procedures, including but not limited to, requirements regarding its credentialing process, and any Faculty seeking appointment at a Methodist facility shall be required to abide by such medical staff bylaws, policies and procedures.
2. Methodist shall consult with UT but maintain the exclusive right to:
 - i. Develop recruitment plans related to recruitment of Methodist-employed physicians for clinical services, provided that physicians who are to become Faculty in the APD will be jointly recruited by Methodist and UT, with UTHSC faculty appointments determined by UT in accordance with Section II.E below;
 - ii. Establish physician compensation plans for compensation related to clinical services within the structure of the Methodist physician compensation philosophy; and
 - iii. Establish the clinical operating budget for the APD.
3. No provision of this Agreement shall impact the ability of current or future Faculty or other UT physicians from holding similar dual roles at Methodist facilities, including Le Bonheur, provided, however that such physicians holding dual roles may not hold another position at UT that has administrative or decision-making oversight or responsibility of a program that is competitive to Methodist where the UT Faculty physician would have access to competitive information for more than one clinical affiliate. If a Faculty holding a role at Methodist facilities assumes a role at UT, UT shall provide notice to Methodist of such role, and Methodist shall have the right to appoint a different physician to the role or responsibility at Methodist if Methodist determines in its sole discretion that the Faculty's UT role is in conflict.

E. UT Rights and Obligations

In addition to UT's other rights and obligations under this Agreement, UT shall have the following specific rights and obligations:

1. UT shall review academic credentials and make appropriate Faculty appointments, promotion, and tenure decisions. All Faculty will be governed by their UTHSC faculty appointment and offer letters and guidelines outlined in the UTHSC faculty handbook. Notwithstanding the foregoing, UT shall not have any authority related to medical staff credentialing decisions at Methodist facilities.

F. Joint Affiliation Council (JAC)

1. Membership

The JAC will be comprised of an equal number of voting representatives from each Party, as follows: (a) the UTHSC Chancellor (or their designee) and two (2) additional UT representatives designated by the UTHSC Chancellor in writing, and (b) the Methodist President and CEO (or their designee) and two (2) additional Methodist representatives designated by Methodist in writing. The UTHSC Chancellor and the Methodist President and CEO shall serve as Co-Chairs of the JAC. The Parties may agree to enter into an appropriate amendment to this Agreement in accordance with Section XV.D at any time to change the size or composition of the JAC, so long as each Party maintains an equal number of voting representatives at all times.

2. Material Changes

The Parties recognize that material changes undertaken in each of the teaching, research, and patient care missions and activities by either Party, can affect the other Party. Through the JAC, the Parties agree to collaborate with each other regarding changes in programs, operations, and/or facilities controlled by them that may reasonably be expected to result in operational or financial effects material to the other Party. "Materiality" for purposes of this section shall be defined as changes that reasonably may be expected to have a substantial impact on either Party's programs, operations, and/or facilities related to the Specialties or the Residents identified in this Agreement. Notwithstanding the foregoing, nothing within this Agreement shall limit UT's exclusive authority over all academic aspects of UT-sponsored academic programs, nor Methodist's exclusive authority related to clinical operations of its programs, operations, and/or facilities to ensure compliance with 42 C.F.R. Part 482.

3. Duties

The JAC shall act in an advisory capacity to the Parties, except as otherwise specifically provided herein. Consistent with applicable laws and the Parties' respective Policies, the JAC shall:

- i. Integrate planning efforts and monitor performance under this Agreement.
- ii. Make recommendations related to annual processes whereby the Parties agree to the number of learners by college, program, and training year that are assigned to Methodist facilities.
- iii. By August of each year, meet to agree upon the number of UTCOM Residents and Faculty members within APD for each Academic Year to commence the following July 1, and establish a budget for the total amount for such year.
- iv. Establish and oversee annual processes whereby the Parties review and reconcile payments for clinical research studies conducted at Methodist where UT is the funds manager.

- v. Make recommendations about academic mission support payments from Methodist to UT in support of the Parties' joint clinical programs, provided, however, that Methodist shall have the ultimate decision on whether or not to accept such recommendations.
- vi. Recognizing the relationship with MUH and Le Bonheur, make recommendations about additional Methodist sites that may be utilized.
- vii. Make recommended changes to this Agreement, related agreements, and attendant financial matters.
- viii. Make recommendations for the Parties' cobranding policies and procedures pursuant to Article X of this Agreement.
- ix. Identify opportunities for joint pursuit of philanthropic, advocacy, and/or government relations objectives.
- x. Resolution of informal disagreements between the Parties regarding processes, procedures, and operations necessary to carry out the terms and conditions of this Agreement, which are not otherwise addressed by this Agreement, and which do not constitute an allegation of a breach or default of this Agreement.

4. Meetings

The JAC will meet at least quarterly following the Effective Date, on a date and at a time agreed upon by the Parties. Special meetings may be called at the request of either the UTHSC Chancellor or the Methodist President and CEO upon no less than two (2) business days' advance written notice to the other Party. An agenda for these meetings will be circulated to all JAC members at least two (2) business days prior to such meetings in a format based upon the form attached as **EXHIBIT B**. The JAC will prepare and maintain minutes of all meetings, which shall be approved by the affirmative vote of all JAC members attending such meeting, with copies distributed to all JAC members.

5. Quorum

At any meeting of the JAC, whether a regular quarterly meeting or a special meeting, a majority of the representatives of each Party present shall constitute a quorum.

6. Voting Requirements

If a quorum is present at any meeting of the JAC, the majority vote of the representatives constituting a quorum shall be an act of the JAC.

7. JAC Committees and Subcommittees

The JAC may establish committees or subcommittees, standing or ad hoc, to assist the JAC in carrying out its duties under this Agreement. In all cases, the specific membership and charge of such committees and subcommittees shall be subject to the approval of the JAC, with equal representation from each Party. Any committee or work group dedicated to any activity within the scope of this Agreement must be formally convened and charged by the JAC in writing.

8. Good Faith Effort

In fulfilling the functions and purposes of the JAC, the Parties shall cooperate in good faith to balance the goals of (1) carrying out the advisory functions and purposes of the JAC in an effective manner and (2) protecting confidential, proprietary, or sensitive information of the Parties. The Parties shall cooperate in good faith to agree to a set of written policies and procedures for the JAC, which shall take into account the goals set forth in the previous sentence, and which are consistent the terms and conditions of this Agreement, and consistent with both Methodist's Policies and UT Policies.

9. Grievances and Disputes

The Parties shall in good faith attempt to resolve informally any grievances, disputes, conflicts, or other issues that arise out of duties specifically delegated to the JAC or that may arise between the Parties in connection with the operation of programs governed by this Agreement (each a "JAC Matter"), other than any allegations of breach or default, by first submitting them to the JAC. Either the Methodist President and CEO or the UTHSC Chancellor may refer a JAC Matter to the JAC, except for those disputes that are subject to Article XIII, below. In the event that the JAC cannot resolve a JAC Matter within thirty (30) calendar days after a good faith attempt, such JAC Matter shall be resolved in accordance with the following process:

- i. Within thirty (30) calendar days after the JAC is unable to resolve a JAC Matter, either Party may request the Parties refer the JAC matter to an independent, non-binding mediation at a mutually agreeable date and location, the costs of which shall be borne equally by the Parties.
- ii. If either Party remains dissatisfied with the resolution of the JAC Matter following mediation, either Party shall have the right to terminate this Agreement without cause. Notwithstanding the foregoing, each Party reserves the right to bypass any alternative dispute resolution provisions provided for in this Agreement, and to pursue any and all remedies they may have under applicable law at any time when either Party determines in good faith that its rights may be adversely affected by any delay in seeking to enforce such rights. Moreover, nothing in this Section II.F.9 is intended to prohibit a Party

from exercising its right to terminate for cause in accordance with Section XII.B.

III. Graduate Medical Education

A. Training Sites and Locations

1. MUH will serve as a teaching site for certain of UT's adult GME programs as approved by Methodist.
2. Le Bonheur will serve as the primary teaching site for UT's pediatric GME programs.
3. Additional Methodist sites may be utilized based on review and agreement by Methodist.

B. GME Oversight for UT GME Training Programs at Methodist

1. UTCOM will serve as the ACGME-accredited sponsoring institution for UT GME training programs established by UTCOM at Methodist.
2. UTCOM will maintain the ultimate responsibility and authority for oversight of UT GME programs in accordance with the ACGME and other relevant accreditation bodies.
3. UTCOM will select and appoint program directors (PD) and other program leaders who meet the relevant accreditation requirements and UT's high standards. Such PDs shall be responsible for timely addressing within one calendar day Methodist's request to remove a resident if issues arise with such resident. Notwithstanding the foregoing, Methodist shall have the right to request the removal of any UTCOM appointed PD or other program leader primarily sited at a Methodist facility for a failure to meet Methodist medical staff bylaws, policies or procedures, as determined in Methodist's sole discretion.
4. Methodist will appoint one (1) voting and one (1) alternative representative to the UT GMEC, consistent with representation of other UT clinical affiliates on its GMEC.
5. All UTCOM Residents will be employees of UT for all purposes.
6. Any and all records, documentation, files, and other information generated, produced, or received by the Parties, which relate to the academic-related residency and fellowship services and operations described herein are the property of UT (the "Training Program Records"). Upon Methodist's written request, Methodist shall be provided with access to Training Program Records as necessary to comply with applicable law and the terms and conditions of this Agreement, provided that Methodist agrees to comply with the Family Educational

Rights and Privacy Act (20 U.S.C. § 1232g; 34 C.F.R. Part 99) (FERPA), and provided that such access is not prohibited by the Tennessee Patient Safety and Quality Improvement Act (Tenn. Code Ann. §§ 63-1-150, 68-11-272). Training Program Records will include, but not be limited to, the academic files for each Resident (current and former), which would include evaluations, awards, presentations, remediation actions, disciplinary actions, etc. In other words, they contain any and all materials that document the training for such Residents. All such Training Program Records will remain in the custody and control of UT's PDs and will be stored both with the PDs and UTHSC GME office.

7. Prior to placement of a Resident, UT shall provide Methodist with the name of such Resident and proposed placement. After placement, Methodist shall have the right to request removal of a Resident based upon conduct in violation of Methodist's standards of conduct and policy, and UT shall remove such Resident within the timeframe requested by Methodist.

C. Program Plan

1. The JAC will establish an annual process to review and agree upon the number and placement of UTCOM Residents at MUH and Le Bonheur for the subsequent academic year.
2. The Parties agree to maintain specific programs and a minimum number of UT Residents assigned to MUH for AY2021 – 22; AY 2022- 23; and AY 2023 -24 as listed in **EXHIBIT C-1** and a minimum number of UT Residents assigned to Le Bonheur for AY2021-22; AY 2022-23; and AY 2023-24 as listed in **EXHIBIT A** ("Designated Methodist GME Programs"). This list will be reviewed and updated prior to the start of each Academic Year by the JAC in accordance with its responsibilities.
3. For Academic Years subsequent to AY 2023-2024, designated representatives of UT and Methodist will meet each year, under the auspice of the JAC, by August to agree upon the number of UT Residents in the Designated Methodist GME Programs, and full-time UT Faculty in the APD, for each Academic Year to commence the following July 1. At a minimum, the representatives of each Party as delegated by the UTHSC Chancellor and the Methodist President and CEO will advance a recommendation to the JAC.
4. The Parties will work together on joint recruitment to ensure adequate Faculty to lead and supervise Residents based at Methodist facilities in the Specialties. UT will use its good faith efforts to recruit physicians to Methodist as needed according to priorities established by the JAC and give the Methodist APD the right of first refusal to hire a jointly recruited physician candidate in the Specialties before offering such candidate alternative employment arrangements. If Methodist does not respond within thirty (30) calendar days, UT may proceed to offer such

candidate alternative employment arrangements. All costs associated with joint recruitment efforts shall be shared equally between the Parties.

D. Nonexclusive Arrangement

The Parties acknowledge that Methodist's affiliation with UT for GME programs is nonexclusive. Nothing contained within this Agreement shall prohibit Methodist from establishing an academic affiliation for GME with an academic partner other than UT. Notwithstanding the foregoing, neither Methodist nor UT shall develop an academic affiliation program in the area of currently existing transplant medicine with another partner in Memphis, provided, however, that if UT no longer has a transplant fellowship, Methodist may establish an academic affiliation with another academic partner. During the Term of this Agreement, in the event that either Party intends to develop an academic program in an area of transplant medicine that does not currently exist between UT and Methodist, then such Party shall provide the other Party with a right of first offer to develop such program with the other Party, as is more fully described in subsection E below. UT and Methodist also shall not develop another academic affiliation program with another partner in the area of pediatrics in Memphis for the term of Article XVI of this Agreement. Notwithstanding the foregoing, the Parties agree that medical students from Meharry Medical College ("Meharry") shall be permitted to participate in clinical rotations; provided, however, if the numbers of medical students to be supervised by UT Faculty exceed the number of students set forth on the applicable Exhibit to this Agreement, Methodist shall consult with UT prior to such expansion to ensure ULPS physicians have capacity to provide the supervision for such students.

E. Right of First Offer Process

1. In the event that either Party intends to pursue development of a new academic transplant program in Memphis, such Party shall provide the other Party with written notice of such intent, which shall contain relevant terms, conditions, qualifications, and timelines for the proposed new academic transplant program.
2. For a period of thirty (30) calendar days after such notice is provided, the Parties will negotiate in good faith to reach a written agreement on all relevant terms, conditions, qualifications, and timelines for the development of such a new academic transplant program.
3. In the event that the Parties do not sign a written amendment or addendum to this Agreement during such thirty (30) calendar day negotiation period, which sets forth all relevant terms, conditions, qualifications, and timelines for the development of such a new academic transplant program, then the Parties will be free to develop such a new academic transplant program (with essentially the same terms and conditions as the Parties attempted to agree upon) with one or more third parties

without further consultation between the Parties to this Agreement. Nothing in this Agreement shall require either Party to disclose its business dealings or discussions with any third parties as to any such new academic transplant programs.

IV. Undergraduate Medical Education

A. Training Sites and Locations

1. MUH will serve as a teaching site for UTCOM medical students with other Methodist facilities used as approved by Methodist.
2. Le Bonheur will serve as the primary pediatric teaching site for UTCOM medical students in the Shelby County area.
3. Additional Methodist sites may be utilized based on review and approval by Methodist.

B. UME Oversight

1. Each clinical teaching service will be directed by a site director, who will be a Faculty member with an academic reporting relationship to the relevant UT Department Chair. Site directors will be recruited, selected, and appointed by UT with input from Methodist. Notwithstanding the foregoing, Methodist shall have the right to request the removal of any UTCOM site director for a failure to meet Methodist medical staff bylaws, policies or procedures, as determined in Methodist's sole discretion.
2. UT medical students will be supervised by full-time, part-time, adjunct and volunteer Faculty affiliated with Methodist while at Methodist facilities.
3. Prior to placement of a UT medical student, UT shall provide Methodist with the name of such student and proposed placement. After placement, Methodist shall have the right to request removal of a UT medical student based upon conduct in violation of Methodist's standards of conduct and policy, and UT shall remove such UT medical student within the timeframe requested by Methodist.

C. Program Plan

1. Unless otherwise agreed to and modified by the Parties in writing, the Parties agree to maintain the number of clinical training placements for UTCOM medical students as listed in **EXHIBIT D** ("Designated Methodist UME Programs").
2. Methodist may provide clinical training for medical students from medical schools other than UTCOM. However, clinical rotations for non-UTCOM medical students will take place in the context of separate, parallel teaching services, *i.e.*, not utilizing UT Faculty to supervise non-UT students on UT teaching services.

Notwithstanding the foregoing sentence, Meharry students shall be allowed to participate on UT clinical pediatric rotations; provided, however, if the numbers of medical students to be supervised by UT Faculty exceed the number of students set forth on the applicable Exhibit to this Agreement, Methodist shall consult with UT prior to such expansion to ensure UT Faculty have capacity to provide the supervision for such students.

3. Nothing contained within this Agreement shall prohibit Methodist from establishing or continuing a parallel medical student training program other than a pediatric program with a school of medicine other than UTCOM.
4. Nothing contained within this Agreement shall prohibit UT from establishing or continuing a medical school training program, other than a pediatric program, with a partner other than Methodist.

v. Research

The Parties agree to work together to increase and develop the clinical research programs at Methodist.

A. Adult Programs

1. The Parties agree to work together to increase and develop UT clinical Research programs for adult patients at Methodist and the UT Institutional Review Board will review and have joint oversight of Research conducted by UT and Methodist.
2. UT and Methodist acknowledge that:
 - i. Income generated by clinical Research trials, industry sponsored Research, investigator-initiated Research studies, governmental Research grants, and other Research activities conducted by UT at Methodist ("Research Activities") is a significant source of revenue for UTCOM's departments;
 - ii. The continuation of an individual's Faculty appointment is sometimes contingent upon the continuous receipt of income from various Research Activities in which the Faculty member is engaged; and
 - iii. Revenue from Research Activities may serve as the basis for a substantial portion of the academic payment UT is responsible for paying to Faculty and other UT employees who will be concurrently employed by the APD.
3. Therefore, UT and Methodist acknowledge and agree that:
 - i. UT shall be the funds manager and exclusive contractor for all Research Activities related to UT and conducted by Faculty employed

or contracted by the APD. Such funds shall be used to support the programs at Methodist.

- ii. The relationship between UT and Methodist for most Research is collaborative and Methodist is not a routine service provider for UT Research. Therefore, Methodist will be considered a “subrecipient” and not a “contractor” with respect to federal grant funding administered by UT, as those terms are defined and used in 2 CFR Part 200, absent exceptional circumstances in a specific Research project after discussion by UT and Methodist.
4. UT will share copies of payment rates for services that are described in the project budget and the Parties will agree to a process for regularly reviewing the payment terms and amounts. On an annual basis, the JAC will oversee a review and reconciliation of payments for Methodist services rendered under the terms of any open UT clinical studies.
 - i. In addition to the applicable Methodist policies and procedures for clinical Research at Methodist facilities, Methodist agrees that all Faculty are subject to UT policies and procedures applicable to the conduct of Research conducted on behalf of UT.
 5. UT will share copies of service agreements and study protocols upon Methodist’s request.
- B. Nonexclusivity of Research Conducted by Methodist
- Nothing contained in this Agreement shall prevent Methodist from conducting Research unilaterally or with entities other than UT and outside of this Agreement. Compensation related to any Research conducted by Methodist outside of this Agreement shall belong to Methodist.
- C. Research Activity Cost Methodology
1. UT agrees to reimburse Methodist for its costs associated with participation in UT Research Activities pursuant to the cost allocation methodology set forth in this section.
 2. When UT identifies Research Activities in which it anticipates obtaining services from Methodist, UT shall submit a proposal to Methodist containing a description and other information of the proposed Research Activities and the proposed services it anticipates obtaining from Methodist (“Research Activities Proposal”).
 2. Methodist shall review the Research Activities Proposal and provide UT with a quotation for the requested services to be provided by Methodist. Within thirty (30)

calendar days of receipt of the cost quotation, UT shall inform Methodist in writing of its decision related to such cost proposal. If accepted, UT shall remit payment to Methodist within thirty (30) calendar days after receipt of an invoice from Methodist.

3. Methodist shall not commence any work related to the Research Activities Proposal until it receives written confirmation from UT of its acceptance of the cost proposal.

VI. Affiliated Physician Practices

A. Affiliated Pediatric Practice

1. UT and Methodist will continue to jointly govern, manage, and provide financial support to ULPS, pursuant to the terms set forth in Article XVI of this Agreement.

B. Affiliated Adult Physician Practice

1. On February 7, 2012, Methodist formed UT Methodist Physicians, LLC (“UTMP”), a nonprofit limited liability company with Methodist as its sole member, which is governed by a Board of Directors, to which Methodist and UT each appoint an equal number of members.
2. The Parties hereby establish a newly structured affiliated adult physician practice, referred to as the APD, which shall initially consist of physicians employed by UTMP (“APD Physicians”). The APD more effectively corresponds with the shared goals of and the affiliated relationship of Parties as expressed in this Agreement. The APD is hereby recognized by UT as a fully affiliated UT faculty practice, but shall not constitute a “faculty practice plan” as defined under applicable state laws.
3. The initial name of the APD will be determined at a future date and shall require that Methodist shall consult with the UTHSC Chancellor, and any subsequent changes to the name will require consultation with the UTHSC Chancellor.
4. The “APD Physicians” shall be defined as those physicians providing clinical services at Methodist who also are UT Faculty and are specifically designated as APD Physicians by the Parties. APD Physicians shall not include any physician who holds a part-time, adjunct or volunteer faculty appointment at UTCOM.
5. The APD Physicians shall initially remain employed by “UTMP,” which shall constitute the APD. The officers and directors of UTMP shall be changed in conjunction with execution of this Agreement. Methodist shall have the right and obligation to modify the board and officers of UTMP as UT will no longer have governance rights or authorities over that entity.

6. At least one (1) member of the APD shall be a practicing physician and Faculty and will serve on the Physician Advisory Board of the MPE.
7. APD Physicians shall be employed by the entity designated by Methodist for employment of the APD Physicians as professional employees and be compensated for assigned clinical duties and/or defined administrative responsibilities related to clinical programs in accordance with Methodist policies.
8. All APD Physicians shall maintain a UT full-time Faculty appointment with at least a minimum clinical FTE (CFTE) of 0.60, unless otherwise agreed to by the Parties in writing on an individual basis, in specialties listed in **EXHIBIT E**. APD Physicians will have non-clinical duties including but not limited to clinical research, medical education and training (e.g., supervision of Residents and medical students), and administrative responsibilities attributed to UTHSC or UTCOM.
9. In conjunction with the annual review process to determine the agreed-upon number of Residents by program, the Parties will determine the corresponding number of APD Physicians needed to support the GME programs.
10. The APD Physicians will be concurrently employed by UT and Methodist, whereby UT will provide compensation through its standard payroll process and in accordance with its compensation policies in support of academic duties and Methodist will provide compensation through its standard payroll process and in accordance with its compensation philosophy in support of clinical and related clinical administrative duties. The base and incentive clinical compensation of any APD Physician will be determined by and be consistent with the Methodist physician compensation philosophy that applies to all Methodist -employed physicians. Methodist shall consult with UT prior to implementing material changes to its physician compensation philosophy.
11. Methodist agrees to abide by the compensation terms and term of the UTMP physician employment contracts in effect as of the Effective Date of this Agreement, provided such Faculty physicians meet their obligations under such contracts. Methodist intends to auto renew such physician employment contracts at the time of renewal upon the same compensation terms, subject to confirming the terms remain in compliance with applicable regulations. For the first twelve (12) months following the operationalization of the APD, the APD Physicians' clinical compensation terms shall be the same compensation terms as set forth in the APD Physicians' current physician employment agreements with UTMP ("PEA").
12. In the event an APD Physician fails to meet Methodist's clinical and quality expectations, including call coverage expectations, and Methodist elects to terminate employment of such APD Physician, after consultation with UT, UT may assume full employment of the APD Physician or elect to reassign the APD Physician to another UT-affiliated practice.

13. In the event an APD Physician does not meet the academic-related expectations of UT and UT elects to terminate employment of said full-time Faculty member, after consultation with Methodist, Methodist is required to concurrently terminate the APD Physician's employment with Methodist.
14. In the event UT elects to move one (1) APD Physician in a single specialty to a different UT faculty practice and such APD Physician requests the move in writing expressing a desire to terminate their employment agreement with APD, UT will provide six (6) months' advance written notice to Methodist to enable Methodist to make alternative arrangements for clinical services. In the event that UT elects to move more than one (1) APD Physician in a single specialty to a different UT faculty practice regardless of whether or not the APD Physician(s) has requested the move, UT will provide eighteen (18) months advance written notice to Methodist to enable Methodist to make alternative arrangements for clinical services. Upon Methodist's receipt of such a notice, Methodist will be responsible for effecting, and shall effect, a timely assignment of such APD Physician(s)' employment agreement(s) to UT or to a UT-designated faculty practice entity (as directed by UT), and Methodist will provide notice of such assignment to such APD Physician in accordance with such APD Physician's employment agreement with Methodist. In the event that Methodist plans for an APD Physician's employment with Methodist to terminate without cause, Methodist will provide six (6) months' advance written notice to UT instead of exercising notice of termination of Physician's APD employment agreement without cause, in which case, UT will accept assignment of the Physician's APD employment agreement in accordance with the "Assignment" provision contained in the Physician's APD employment agreement. No Faculty who has executed an employment agreement with the Methodist APD and whose Faculty appointment with UT has terminated voluntarily or involuntarily for any reason may be (nor may continue to be) employed or contracted by APD, Methodist, or a Methodist-affiliated entity without UT's advance written agreement signed by the UTHSC Chancellor after consultation with the duly-authorized UT official signing this Agreement, which shall not be unreasonably withheld beyond a period of eighteen (18) months after such Faculty member's termination from the APD. The Parties have agreed to the minimum threshold for each Specialty as of the Effective Date, which is attached hereto as **EXHIBIT E**.

VII. Financial Affairs and Funds Flow

A. Clinical

1. Methodist shall be responsible for the billing and collections generated by the APD Physicians and supporting the clinical compensation of the APD Physicians through the Methodist physician compensation philosophy, including compensation during a start-up/ramp-up period of a new recruit.

2. With the advance written approval of UT in accordance with the APD PEA, Methodist may elect to provide additional compensation for predefined Methodist-based administrative duties performed by an APD Physician.
3. Methodist is responsible for the clinical compensation of each APD Physician's salary, which shall be outlined in the employment agreement between each such APD Physician and Methodist. UT shall be responsible for the academic compensation of all APD Physicians' academic salaries, which shall be outlined in such APD Physician's UTHSC faculty appointment and offer letters.

B. GME

1. UT shall pay for or provide all Resident salaries, health benefits, workers' compensation benefits, applicable taxes and all other employment related benefits or expenses.
2. An exhibit will be prepared annually by May 15 of each year to be signed by the Parties, to list all expected residency-related payments for the upcoming Academic Year to start July 1. The cost of providing Residents and Faculty to administer the GME programs at all facilities of Methodist will be paid by UT. Methodist shall provide financial assistance and support to UT by paying UT such costs. The agreed-upon exhibits in effect as of the Effective Date of this Agreement is attached as **EXHIBITS A and C-2**.
3. Methodist agrees to compensate UT on a monthly basis, 1/12 of the agreed annual residency-related expenses in accordance with an agreed-upon GME payment methodology attached as an exhibit to this Agreement which will be updated on an annual basis and maintained by the Parties' representatives as designated by the UTHSC Chancellor and the Methodist President and CEO.
4. Funding for GME programs will be based on the size of the residency training program being operated by UT and the number of Residents assigned to a Methodist facility as agreed to by Methodist.
5. The payment methodology is intended to establish a funding amount that supports the direct Resident costs, minimum Faculty and administrative requirements, and non-personnel costs necessary to achieve and maintain accreditation and will be based on a mutually agreed-upon payment amount per Resident.
6. The GME payment to UT (the "GME Payment") will be calculated pursuant to the following components:
 - i. Actual Resident salaries and benefits. Trainee salaries and benefits – this payment is based on the average resident cost methodology used for all hospitals for AY 2021-2022. Subsequent years shall be approved by Methodist pursuant to Section VII.B.2 of this Agreement.

- ii. GME Program Support and Supervision for Methodist
- a) GME Program Direction: Funding for explicitly identified program direction and associate program direction based on ACGME program-specific guidelines (*where available*) to ensure appropriate funding for required leadership and administration of the various MUH-based training programs.
- The GME Payment is based upon a buildup of the number of Faculty FTEs required to maintain accreditation of UT's program at Methodist of a particular size based on specific program requirements promulgated by the ACGME and as agreed to by Methodist.
 - The GME Payment is intended to cover the cost of Faculty administrative and teaching time dedicated to the UT GME program at Methodist. Funded Faculty positions include the PD and associate PD. AAMC Associate Professor salaries at the median percentile are utilized for all Faculty calculations with faculty fringe benefits covered at actual rates.
 - The size of the UT GME program at Methodist is based on the total number of filled UT Resident positions in the UT GME program as documented by UT and agreed to by Methodist.
 - The proportion of UT GME Program Direction costs charged to Methodist is calculated based on the percentage of UT Residents that are assigned to Methodist facilities as agreed to by Methodist.
- b) GME Teaching and Supervision
- The GME Payment is based upon a buildup of the number of Faculty FTEs required to maintain UT's accreditation of a program of a particular size based on specific program requirements promulgated by ACGME for core faculty positions and as agreed to by Methodist.
 - The GME Payment is intended to cover the cost of Faculty teaching time and a clinical supervision supplement. Funded Faculty roles include full-time core faculty and supervising faculty assigned to Methodist.

- The size of the GME program is based on the total number of filled UT Resident positions in the GME program as documented by UT and agreed to by Methodist.
 - The proportion of GME Teaching and Supervision costs charged to Methodist is calculated based on the proportion of Residents that are assigned to Methodist facilities and as agreed to by Methodist.
- c) GME Program Coordination
- The GME Payment is based on a buildup of the number of administrative “coordinator” FTEs based upon actual costs of salary and benefits and as agreed to by Methodist and required to maintain accreditation of a program of a particular size based on specific program requirements promulgated by the ACGME and provide adequate administrative support based on usual and customary practices which could exceed ACGME requirements.
 - The proportion of GME Program Coordination costs based upon actual costs of salary and benefits charged to Methodist is calculated based on the proportion of UT Residents that are assigned to Methodist facilities and agreed to by Methodist.
- iii. Other Program Operations: Other program operations seek to provide funding for MUH’s share of mutually-agreed upon other administrative, central office, and trainee direct expenses associated with GME programs.
- a) The negotiated rate is based on the pro rata share of central GME office costs, personnel and non-personnel, and program-specific non-personnel costs attributable to the UT Residents assigned to Methodist as agreed to by Methodist.
 - b) Costs may include portions of the actual costs associated with designated institutional official compensation, administrative personnel compensation, and other non-personnel expenses that support the program as agreed to by Methodist.
 - c) The pro rata share is determined by dividing the number of UT Residents assigned to Methodist by the total number of Residents in the UT GME enterprise in Memphis.
 - d) The resulting percentage will be multiplied by a jointly agreed-upon annual per Resident cost.

- e) Resident counts will be based on filled positions as documented by UT and agreed to by Methodist.
7. UT agrees to provide such documentation as is reasonably required by Methodist to verify support of GME Residents and Faculty for Medicare cost reporting and other reasonable purposes. Any proposed increases in operating expenses shall be agreed to by Methodist.
- C. Mission Support – MUH and Adult Programs
- 1. Through the JAC, Methodist and UT will make a joint determination about when academic mission support payments are warranted in support of the Parties' joint adult clinical programs and/or initiatives. Any agreements reached by the Parties will be set forth in a written amendment to this Agreement (that includes the details set forth in subsection 2 below), and will be signed by the duly authorized representatives of the Parties.
 - 2. The JAC will:
 - i. Define the purpose of the academic mission support.
 - ii. Define the methodology, amount, and timing of any academic mission support payments.
 - iii. Prospectively articulate relevant performance targets/measures, where applicable to assess the impact of the academic mission support.
 - iv. Stipulate the frequency and type of reporting that is required to monitor use of the academic mission support and the resultant impact.

VIII. Access to Facilities

The Parties shall make their space, facilities, equipment, and infrastructure pursuant to the terms of this Agreement and other ancillary agreements and leases reasonably available. The use of resources by either Party shall be subject to all applicable laws, and the rules, regulations, and policies of each respective Party, which shall not conflict with this Agreement. Leases for facilities and equipment and equipment purchases to be used jointly by the Parties shall be negotiated and executed by duly authorized officials of the Parties using customary channels.

IX. Fundraising and Development

A. Joint Fundraising

The Parties seek to encourage and coordinate charitable giving through joint fundraising activities for any shared or joint programs as agreed to by the JAC (e.g., transplant medicine).

B. Individual Fundraising

Nothing in this Agreement or any other agreement, shall prohibit or limit individual fundraising efforts and initiatives by either Party that do not involve use of the other Party's name, or mention of a Party's affiliation with the other Party.

x. Co-Branding, Trademarks and Communications Related to Affiliation Agreement

A. General Guidelines

The Parties agree to cooperate in the use and maintenance of trademarks and logos and will adhere to their respective policies and guidelines with respect to any advertising, marketing, print, or online collateral developed with respect to the programs and services covered by the affiliation pursuant to this Agreement. The Parties will take all reasonable steps necessary to prevent the misuse of names and trademarks of the Parties to this Agreement and shall not otherwise use names or trademarks of the other Party without prior written consent of such other Party.

B. Cobranding Policy

Except for programs where a specific written co-branding agreement is in place (e.g., pediatrics, transplant) the Parties agree that they will co-brand only upon advance mutual written agreement and on a case-by-case basis. Upon any termination of this Agreement, any and all co-branding agreements or consents shall also terminate on the effective date of termination of this Agreement.

C. Except as required by law, neither Party may make statements or otherwise communicate with the media or any other third party related to this Agreement or the Parties' relationship without advance written permission from the other Party or through a joint statement.

xi. Term

A. Term.

This Agreement shall become effective on the Effective Date after execution of this Agreement by the duly-authorized representatives of both Parties. The initial term of this Agreement shall begin on the Effective Date and end on June 30, 2024. Notwithstanding the foregoing, Article XVI shall govern the term and the termination rights related to ULPS.

XII. Termination of Agreement

A. Termination Without Cause by Either Party

1. After expiration of the first twelve (12) months of the Agreement, either Party may terminate this Agreement without cause. Notwithstanding the foregoing, Article XVI shall govern termination rights related to ULPS.
2. The terminating Party must provide at least twelve (12) months' prior written notice to the other Party upon notice of termination without cause.
3. Wind Down. The final termination or expiration of this Agreement and all of the termination provisions set forth herein are subject to the wind down provisions set forth in Section XII.D below.
4. Specific program affiliations not initially addressed in this Agreement shall become effective on the date stated in the respective program affiliation addendum hereto.
5. In the event this Agreement expires or terminates, all addenda and any amendments thereto shall also terminate in accordance with the terms set forth herein unless the respective addendum or amendment expressly provides that it shall survive termination of this Agreement or unless agreed to by the Parties in writing that the respective addendum or amendment shall survive termination of this Agreement. The Parties acknowledge and agree that Article XVI contains its own termination provisions, and that Article XVI shall survive expiration or termination of other portions of this Agreement, unless and until Article XVI is terminated in accordance with Article XVI.

B. Termination for Cause

In the event either Party believes the other has materially breached its obligations as set forth in this Agreement, the non-breaching Party shall provide written notice of such alleged material breach to the other Party. The breaching Party shall have thirty (30) calendar days from the receipt of such notice to use reasonable means to cure the alleged material breach and notify the non-breaching Party that such cure has been effected, provided, however, that the breaching Party may extend such cure period by up to thirty (30) additional calendar days upon its written certification that (i) such material breach is not reasonably capable of being cured within the thirty (30) calendar day period and (ii) it has commenced and is diligently pursuing efforts to cure such material breach. If the material breach is not cured within the thirty (30) or sixty (60) calendar day period, as applicable, the non-breaching Party shall have the right to terminate this Agreement, provided that any termination of Article XVI shall be only as provided for in Article XVI. The final termination of this Agreement and all of the termination provisions set forth herein are subject to the wind down provisions set forth in Section XII.D below.

C. Termination for Failure to Resolve a JAC Matter

In the event that the Parties fail to resolve a JAC Matter in accordance with the dispute resolution process as set forth in Section II.F.9, either Party shall be permitted to terminate this Agreement without cause in accordance with the terms of this Agreement, provided that any termination of Article XVI shall be only as provided for in Article XVI. The final termination of this Agreement and all of the termination provisions set forth herein are subject to the wind down provisions set forth in Section XII.D below.

D. Wind Down Process

1. In the event of a termination of this Agreement for any reason, the Parties shall make reasonable and good faith efforts to develop and implement a mutually agreeable comprehensive plan to orderly wind down this Agreement in a manner minimally disruptive to both Parties, which plan shall include (i) disposition of any shared facilities and assets and wind down of existing operations; (ii) a process to unwind joint-branding of programs and disposal of all advertising, joint branding or promotional materials bearing the trademarks of each Party; and (iii) the wind down of the educational programs.
2. Notwithstanding the foregoing, the Parties agree that in the event of expiration or termination of this Agreement for any reason, all admitted and/or matriculated UT students and Residents shall have the opportunity to complete their course of study including clinical training at Methodist facilities, all with continued financial support from Methodist consistent with the agreed upon number and types of students and Residents assigned to Methodist immediately prior to the notice of termination, as subsequently may be modified to reflect the diminution in the need for support as the students and Residents graduate their respective training programs.
3. During the period of wind down of this Agreement, all relevant terms and provisions of this Agreement will continue to apply as necessary to govern the Parties' relationship.

XIII. Dispute Resolution

Any unresolved disputes, claims or causes of action arising from or relating to the enforcement, performance or interpretation of this Agreement that are non-JAC Matters ("Disputes") shall be resolved in accordance with this Article XIII. A Dispute shall first be reviewed by one (1) representative appointed by each Party who shall meet and confer in good faith within thirty (30) calendar days for the purpose of resolving such Dispute. If after such thirty (30) calendar day period, the Parties' appointed representatives do not reach an amicable resolution of the Dispute, the Parties may refer the Dispute to independent, non-binding mediation at a mutually agreeable date and location, the costs of which shall be borne equally by the Parties. If the Dispute is still

not resolved after at least one (1) full day of mediation, the Parties may then exercise any and all other rights they have under this Agreement and under applicable law.

xiv. Notice

All notices and other communications under this Agreement must be in writing and will be deemed to have been duly given when (A) delivered by hand (with written confirmation of receipt), (B) sent by facsimile or e-mail (with confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or (C) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and facsimile or e-mail set forth below (or to such other addresses and facsimile or e-mail as a Party may designate by notice to the other Party):

Methodist:

Attention: Chief Executive Officer
1211 Union Avenue, Suite 700
Memphis, Tennessee 38104

With copies to:

Attention: Chief Administrative Officer
Methodist Healthcare
1211 Union Avenue, Suite 700
Memphis, Tennessee 38104

Attention: Chief Legal Officer
Methodist Healthcare
1211 Union Avenue, Suite 700
Memphis, Tennessee 38104

UT:

The University of Tennessee Health Science Center
Attention: Chancellor
875 Monroe Avenue, Suite 300
Memphis, Tennessee 38163

With a copy to:

Attention: Office of General Counsel
719 Andy Holt Tower
Knoxville, Tennessee 37966-0170

xv. Additional Provisions

A. Confidentiality

Each Party will hold in confidence, and not use to the detriment of the other Party, and will cause its representatives to hold in confidence, and not use to the detriment of the other Party, any confidential or proprietary information it receives regarding the other Party. Each Party will exercise diligence in marking all confidential or proprietary information as

such. Failure to mark information as confidential or proprietary will not adversely affect its status as confidential or proprietary information; however, neither Party may be held liable for breach of this Agreement for any unmarked confidential or proprietary information. The obligations of the Parties hereunder will not apply to the extent that (i) any such information was already known to such Party or disclosed to such Party by a third-party not known to be bound by a duty of confidentiality or such information becomes publicly available through no fault of such Party, or (ii) the disclosure of such information is required by applicable law (e.g., subpoena, court order, the Tennessee Public Records Act). For purposes of this Agreement, "confidential or proprietary information" means any confidential or proprietary information of a Party including, but not limited to, the operations, methods of doing business, business plans, research and development, ideas, legal information, inventions, know-how, current and potential customers, business partners, strategic plans, methods, computer programs, code, data, algorithms, prices and costs, markets, finances, and other confidential and proprietary information.

B. Further Assurances

The Parties agree (1) to furnish upon request to each other such further information, (2) to execute and deliver to each other such other documents, and (3) to do such other acts and things as reasonably required for the purpose of carrying out the intent of this Agreement. Such further assurances shall include reasonably cooperating with, and providing support and a good faith effort to assist the other Party in obtaining any required regulatory or governmental approvals and in supporting transactions that may benefit the shared goals of the Parties.

C. Waiver

The rights and remedies of the Parties to this Agreement are cumulative and not alternative. Neither the failure of nor any delay by either Party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (1) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be waived or discharged unless such waiver or discharge is contained in a written amendment to this Agreement and signed by a duly-authorized representative of the Party waiving or discharging such claim or right, (2) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given, and (3) no notice to or demand on one Party will be deemed to be a waiver of any obligation of such Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

D. Entire Agreement and Modification

This Agreement constitutes a complete and exclusive statement of the terms of the Agreement between the Parties with respect to its subject matter after the Effective Date. This Agreement may not be amended, altered, or modified except by a written agreement to amend or modify this Agreement, executed by duly-authorized representatives of each Party. Following any recommendation of the JAC to both Parties that an amendment to this Agreement is necessary, the Parties will negotiate in good faith to reach a mutually-agreeable amendment and/or restatement of this Agreement in accordance with this provision.

E. Assignments, Successors, and Third-Party Rights

No Party may assign any of its rights or obligations under this Agreement without the prior written consent signed by a duly-authorized representative of the other Party, which consent may be withheld or conditioned at the consenting Party's sole discretion.

Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assignments of the Parties. Any assignment in violation of this Agreement shall be null and void. Nothing expressed or referred to in this Agreement will be construed to give any third party any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties and their successors and permitted assigns.

F. Severability

In the event that any legislative or regulatory change or judicial or regulatory determination, whether state or federal, would result in any provision of this Agreement violating any law or regulation or substantially altering any material obligation or duty under this Agreement, or in the event that performance by any Party of any term, covenant, condition, or provision of this Agreement would for any reason result in violation of any statute or regulation or otherwise be deemed illegal or jeopardize a Party's status as a tax-exempt organization under Sections 170(c)(1) or 501(c)(3) of the Code, the affected Party shall have the right to require that the other Party renegotiate the terms of this Agreement such that performance of this Agreement by all Parties complies with all applicable laws, regulations, and determinations, including maintaining the affected Party's Code Section 170(c)(1) or 501(c)(3) status. The Parties shall have the affirmative duty to negotiate in good faith replacement terms that shall comply with applicable laws, rules, and regulations and that reflect, to the maximum extent possible, the purpose and spirit of this Agreement. Such renegotiated terms shall become effective upon the Parties' entering into a written amendment to this Agreement, specifying the renegotiated terms and signed by duly-authorized representatives of both Parties. If the Parties fail to reach an agreement satisfactory to each of them within thirty (30) calendar days after the other Party's written notice request for renegotiation, either Party may immediately terminate this Agreement upon written notice to the other Party hereto.

G. Compliance and Cooperation

In the performance of their obligations under this Agreement, the Parties will comply with all applicable laws and regulations and will cooperate with each other to assess and assure such compliance. Without limiting the generality of the foregoing, the Parties will observe and comply with the federal anti-kickback statute and the federal prohibition against physician self-referrals. Notwithstanding anything to the contrary herein, all payments associated with this Agreement are intended to comply with the requirements of all applicable federal and state laws and the regulations promulgated thereunder. Each Party agrees reasonably to cooperate with the other Party related to inquiries by, or matters involving, governmental or accreditation bodies for matters covered by this Agreement. When deemed appropriate by both Parties, the Parties may enter into a mutually agreeable joint defense or common interest agreement signed by duly authorized representatives of the Parties to facilitate appropriate cooperation. To the extent such inquiries or matters may require specialized legal expertise, each Party agrees to using appropriate counsel with the requisite expertise and experience, as determined in such Party's sole discretion, to facilitate such Party's cooperation under this Agreement.

H. Article and Section Heading Construction

The headings of the articles and sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "article(s)" and "section(s)" refer to the corresponding article or section, respectively, of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

I. Governing Law

This Agreement shall be deemed to have been executed in the State of Tennessee and shall be governed by and construed in accordance with the laws of the State of Tennessee without giving effect to the principles of conflict of laws.

J. Jurisdiction and Venue

The Parties agree that any and all claims against Methodist arising under this Agreement shall be heard and determined exclusively either in the courts of the United States or in the courts of the State of Tennessee with exclusive jurisdiction and venue in Shelby County, Tennessee. Any and all claims against UT arising under this Agreement shall be exclusively within the jurisdiction of the Tennessee Claims Commission in accordance with Tenn. Code Ann. § 9-8-301 et seq. The Parties consent, for all purposes in connection with this Agreement, to such exclusive jurisdiction and venue.

K. Strict Compliance

No failure by any Party to insist upon the strict performance of any obligation under this Agreement will constitute a waiver of any breach thereof. No waiver of breach will affect

or alter this Agreement and every term of this Agreement will continue in full force and effect.

L. Authority

Each Party represents to the other that there is no limitation on its ability to enter into this Agreement and carry out their respective obligations. The Parties agree to hold the signatures of this Agreement in escrow to allow the Parties' respective governing boards to approve the Agreement, which is anticipated to occur no later than June 25, 2021.

M. Execution, Delivery and Counterparts

This Agreement and any amendments hereto may be executed and delivered by facsimile or other electronic transmission, in any number of counterparts, each of which will be deemed to be an original and all of which will constitute one agreement that is binding upon each of the Parties, notwithstanding that both Parties are not signatories to the same counterpart.

XVI. Amendment and Restatement of First Amendment Related to ULPS

- A. The Parties hereby amend and restate the First Amendment in its entirety into this Agreement for purposes of making this Agreement the single, operative Master Affiliation Agreement between the Parties. Upon the execution of this Agreement, this Article XVI shall govern the Parties' relationship with one another related to ULPS. To the extent that any other provision of this Agreement conflicts with or is inconsistent with this Article XVI, this Article XVI shall control.

1. Assignment And Joint Governance Of Pediatric Practice Plan

- a. UT and Methodist will jointly govern and provide financial support to ULPS, a non-profit faculty group practice comprised of pediatric physicians holding hospital privileges at Le Bonheur who are employed as UTHSC faculty members in a Coordinated Appointment or a Clinical Educator Appointment as those terms are defined in the UTHSC Faculty Handbook (hereafter, "ULPS Physicians"), with its principal office in Memphis, Tennessee.
- b. ULPS Physicians shall be employed by ULPS as professional employees and be compensated for assigned clinical duties and/or defined administrative responsibilities related to clinical programs in accordance with ULPS policies.
- c. ULPS and its Board of Directors shall have exclusive responsibility and control for all business and financial affairs associated with the clinical activity of ULPS Physicians as defined by the ULPS Physician's clinical FTE ("CFTE") which is set annually.

- d. All ULPS Physicians shall maintain a UTHSC faculty appointment at UTCOM with non-clinical duties including but not limited to clinical research, medical education and training (e.g., supervision of residents, fellows, and medical students), and administrative responsibilities attributed to UTHSC or UTCOM. Notwithstanding the foregoing sentence, Meharry students shall be allowed to participate on UT clinical pediatric rotations; provided, however, if the numbers of medical students to be supervised by UT Faculty exceed the number of students set forth on the applicable Exhibit to this Agreement, Methodist shall consult with UT prior to such expansion to ensure UT Faculty have capacity to provide the supervision for such students.
- e. In cooperation with UT's Treasurer, ULPS shall implement the "common paymaster" status as authorized by section 125 of the Internal Revenue Code. UT will:
 - i. act as the common paymaster and will report all social security wages and earnings on applicable employees' annual statement of earnings, Form W-2; and
 - ii. Issue a consolidated paycheck to ULPS Physicians in accordance with the affiliation agreement between UT and ULPS.
- f. On a monthly basis, ULPS will provide UT a monthly report and corresponding funds for clinical compensation to be paid to ULPS Physicians in accordance with the affiliation agreement between UT and ULPS.
- g. As specified in its Charter and Bylaws, the ULPS Board of Directors shall be comprised of representatives of UT as well as Methodist and be chaired by the UTHSC Chancellor and Methodist President and CEO or their respective designees on a rotating basis.
- h. The UTHSC Chancellor and Methodist President and CEO shall maintain specific authorities under the ULPS Charter and Bylaws to ensure the distribution of resources within ULPS is consistent with the missions of UT and Methodist.
- i. All governance, management and fiscal affairs of ULPS shall be defined in its Charter and Bylaws and related policies that may only be amended with approval by UTHSC Chancellor and Methodist President and CEO upon recommendation of the ULPS Executive Committee.

2. Appointment Of Pediatrician And Pediatric Surgeon-In-Chief

- a. With input from the UTHSC Chancellor, the Methodist President and CEO shall appoint the Pediatrician-in-Chief and the Pediatric Surgeon-in-Chief of Le Bonheur, both of whom shall be employed by ULPS and hold a faculty appointment at UTCOM.

- b. The Pediatrician-in-Chief at Le Bonheur and the Chair of the Department of Pediatrics at UTHSC, who shall be appointed by the UTHSC Chancellor with input from the Methodist President and CEO, may be the same individual.
- c. The Pediatrician-in-Chief, the Pediatric Surgeon-in-Chief, and the Chair of the Department of Pediatrics at UTHSC may not hold another position at UT that has administrative or decision-making oversight or responsibility of a program that is competitive to Methodist where such physician would have access to competitive information for more than one clinical affiliate.

3. **Base Mission Support**

- a. Through the joint governance structure of ULPS and other means in a non-clinical capacity, UT and Methodist will enhance coordination of resources to further grow and develop clinical, medical education and research programs in pediatrics.
- b. To foster long term growth and development of the academic enterprise associated with pediatrics and related programs, Methodist shall make an annual payment of five million dollars (\$5,000,000.00) ("Base Mission Support") to UT, which Base Mission Support is separate and distinct from other financial commitments reflected in or related to the Amended and Restated Master Affiliation Agreement (*e.g.*, the GME Payment).
- c. The Base Mission Support may increase or decrease from time to time upon the mutual recommendation of the UTHSC Chancellor and the Methodist President and CEO and approval by Methodist's Board of Directors pursuant to an amendment of this Article XVI of this Agreement between UT and Methodist, executed by the UTHSC Chancellor and UT Chief Financial Officer on behalf of UT and by the Methodist President and CEO on behalf of Methodist. The reason(s) for any such change may include, but shall not be limited to, ULPS's acquisition or addition of other pediatric practice groups and/or individual provider(s), or the divestiture of an any such practice group and/or individual provider(s). The provisions of this paragraph 3.c. shall not apply to the annual increase in Base Mission Support provided in paragraph 3.d.
- d. The yearly Base Mission Support amount of five million dollars (\$5,000,000) shall increase annually on July 1 by a percentage amount equal to the medical care index portion of the Consumer Price Index for All Urban Consumers issued by the Bureau of Labor Statistics of the U.S. Department of Labor for the prior year.
- e. The Base Mission Support payment shall be made in periodic installments throughout the year as mutually agreed by the Parties. Installments will be due on the first day of each agreed upon period.
- f. One hundred (100) percent of the Base Mission Support payment shall be credited to a specified UT Restricted Account ("ULPS Support Fund").

- g. UT must maintain a minimum fund balance of said ULPS Support Fund equal to thirty (30) days cash for ULPS (defined as an amount of funds that would cover thirty (30) days of operating expenses as set forth in the approved operating budget) (the "Minimum Fund Balance"). This requirement is specifically intended to ensure sufficient funds are available in the ULPS Support Fund for UT to meet its financial obligation in support of ULPS, most notably that described in paragraph 5.d. The requirement to maintain the Minimum Fund Balance shall in no way restrict UT's ability to meet its financial obligations described herein.
- h. Except as expressly provided herein, no funds can be expended from the ULPS Support Fund until the Minimum Fund Balance has been achieved as defined in paragraph 3.g. above unless agreed to by the ULPS Executive Committee.
- i. However, the requirement for the Minimum Fund Balance as defined in paragraph 3.g. and 5.d. is effective only after recurring Base Mission Support payments, less required support for UT's share of ULPS's Monthly Operating Losses (as defined below) and less the amount needed to repay to UT its share of "Start-Up Advances" (as defined below), accumulate in the ULPS Support Fund to equal the required Minimum Fund Balance. However, the payment for fifty (50) percent of the ULPS Monthly Operating Loss (as noted in paragraph 5.d) shall take priority over both the repayment of UT's share of Start-Up Advances or reestablishing the Minimum Fund Balance.
- j. At least fifty-one (51) percent of the annual Base Mission Support payment to UT in excess of what is required to fund UT's share of ULPS's Monthly Operating Losses, to reduce UT's share of Start-Up Advances, and to maintain the Minimum Fund Balance must be reinvested to support the medical education and research mission of children's health programs (referred to hereafter as "Pediatric Reinvestment Funds").
- k. The UTHSC Chancellor and the Methodist President and CEO, or their respective designees, jointly shall be responsible for the appropriate use of the Pediatric Reinvestment Funds.
- l. The remaining forty-nine (49) percent of the annual Base Mission Support payment and all funds held in the said ULPS Support Fund in excess of the Minimum Fund Balance may be transferred out of the ULPS Support Fund and distributed at the discretion of the UTHSC Chancellor or his or her designee in a manner that is consistent with the mission of UTHSC / UTCOM. The UTHSC Chancellor or his or her designee shall report to the Methodist President and CEO or his or her designee at least annually (but in any event upon the Methodist President and CEO's request) on the specific distributions of such funds.

4. Program Growth Supplement

- a. In addition to the annual Base Mission Support payment, Methodist may make an additional payment known as the Program Growth Supplement (“PGS”) directly to UT to support specific faculty or other program development initiatives.
- b. The ULPS Executive Committee shall develop the plan for use of the PGS.
- c. The payment of the PGS from Methodist to UT shall be subject to all policies and procedures of Methodist, such as, but not limited to, approval of the Methodist President and CEO and any other appropriate approvals within Methodist.

5. Joint Financial Support of ULPS

- a. For cash flow purposes, as completed by January 1, 2011, both UT and Methodist have each deposited sufficient funds not to exceed one million dollars (\$1,000,000), in the designated ULPS bank account established pursuant to the September 21, 2010 Organizational Consent adopted by the initial Board of Directors of ULPS in order to establish a starting cash balance for ULPS (“Start-Up Advances”).
- b. ULPS will calculate on a monthly basis an amount required to support its operating loss for the prior month, replenish ULPS reserves to a level directed by the ULPS Board of Directors, and meet additional cash requirements anticipated for the following month. This amount (“Monthly Operating Loss”) shall be reported to UT and Methodist as part of the standard financial reporting on or before the 20th day of each month
- c. In addition to the annual Base Mission Support payments and any PGS payments to UT, and in addition to Methodist’s share of Start-Up Advances, Methodist shall within ten (10) business days after Methodist’s receipt of the ULPS monthly financial report, make an additional payment to ULPS equal to fifty (50) percent of the ULPS Monthly Operating Loss. Under no circumstances will Methodist be obligated to make a payment for the ULPS Monthly Operating Loss in an amount greater than that of UT at any given time.
- d. In addition to UT’s share of Start-Up Advances, within ten (10) business days after UT’s receipt of the ULPS monthly financial report, UT shall make a payment to ULPS equal to the lesser of fifty (50) percent of the ULPS Monthly Operating Loss, or the balance in the UT ULPS Support Fund (described above) existing at the time such reimbursement from UT to ULPS is due. Under no circumstances will UT be obligated to make a payment for the ULPS Monthly Operating Loss in an amount greater than that of Methodist at any given time.
- e. In accordance with paragraph 1.f. above and subject to the following, UT will provide payroll services for ULPS physician compensation through its payroll system providing for a single paycheck mechanism for physicians employed by both UT and ULPS. No later than five (5) business days before the pay date, UT will provide ULPS with a

monthly invoice for salaries and benefits to be paid as clinical compensation to ULPS Physicians. Within five (5) business days of the pay date, ULPS shall reimburse UT for the salaries and benefits paid as clinical compensation to ULPS Physicians. In the event ULPS fails to reimburse UT within five (5) business days for the salaries and benefits paid as clinical compensation to ULPS Physicians, UT may in its sole discretion deduct and/or offset from the amount otherwise payable by UT to ULPS as UT's share of ULPS's Monthly Operating Loss. In no event shall UT have any independent obligation to fund ULPS physician salaries and benefits in the absence of timely remittance to UT by ULPS for all such amounts.

- f. Methodist will provide management services for certain administrative and clinical operations pursuant to a Management Agreement between ULPS and Methodist. Methodist will provide ULPS with a monthly invoice for such services. In the event ULPS fails to pay Methodist within five (5) business days of the due date for payment of such invoice, Methodist may in its sole discretion deduct and/or offset from the amount otherwise payable by Methodist to ULPS as Methodist's share of ULPS's Monthly Operating Loss. In no event shall Methodist have any independent obligation to fund management services to ULPS in the absence of timely remittance to Methodist by ULPS for all such invoices.
- g. Neither UT nor Methodist, shall vote in favor of, or otherwise agree to approve or adopt any ULPS budget, or to create any ULPS contractual commitment or ULPS financial obligation, which would (i) cause ULPS to incur financial obligations in any one fiscal year in an amount exceeding an amount equal to twice the then-existing annual Base Mission Support payment amount, as defined herein, or (ii) cause ULPS's cumulative Monthly Operating Losses at the end of any one fiscal year to remain unfunded.
- h. Except as is expressly stated herein, neither UT nor Methodist, shall be obligated to make (nor shall UT make without an appropriate written amendment to this Article XVI) to ULPS any contributions of cash, property or services, loans, or other monetary advances in order to fund the operations or liabilities of ULPS.
- i. Debts, liabilities, and other obligations of ULPS shall not constitute debts, liabilities or obligations of the State of Tennessee, UT nor Methodist. Neither the State of Tennessee, UT nor Methodist shall have any legal or other obligation to finance the deficits of ULPS except as expressly agreed to herein.

6. Term And Termination Of This Article

- a. This Article XVI shall commence as of the Effective Date and shall terminate with the effective date coinciding with the earliest date as a result of the following events: (i) termination of the corporate existence of ULPS; (ii) termination of this Article XVI by either Party to the other upon advance written notice of at least eighteen (18) months prior to the intended date of termination; or (iii) termination of this Article XVI after the

expiration of forty-eight (48) months after the Effective Date of this Article in accordance with the other terms and conditions of this Article XVI.

Beginning on the day following the expiration of twenty-four (24) months after the Effective Date of this Article XVI, the Parties agree to consult with one another in writing regarding any revisions either Party would like to propose to this Article XVI. Either Party wishing to propose revisions to this Article shall do so by providing written notice to the other Party detailing such proposed revisions prior to the expiration of twenty-five (25) months after the Effective Date of this Article XVI. Should either or both Parties receive such a notice from the other Party within such timeframe, the Parties agree to negotiate in good faith for a period not to exceed thirty (30) months after the Effective Date of this Article (the "Negotiation Period") in order to attempt to enter into a mutually-agreeable amendment to this Article XVI. If the Parties are unable to enter into a mutually-agreeable amendment to this Article XVI prior the expiration of the Negotiation Period to address either Party's proposed revisions to this Article, then this Article shall terminate after the expiration of forty-eight (48) months after the Effective Date of this Article XVI to allow for an eighteen (18)-month termination and wind-down period.

- b. Notwithstanding the foregoing, no notice of termination of this Article XVI for any reason, nor any notice of termination of Methodist's or UT's respective Affiliation Agreements with ULPS for any reason, shall be effective except as follows:
 - i. In the event that Methodist (1) breaches its obligations under this Article XVI and fails to cure the breach within sixty (60) days of notice by UT of the breach, (2) provides notice of termination of this Article XVI, (3) breaches its obligations under its Affiliation Agreement with ULPS and fails to cure the breach within sixty (60) days of notice by ULPS of the breach, or (4) provides notice of termination of its Affiliation Agreement with ULPS, then Methodist shall, at the written request of UT, immediately relinquish any and all of their governance, voting, and other rights and interests in ULPS to UT by signing or causing to be signed one or more documents (including but not limited to one or more written ULPS Resolutions, written amendments to the ULPS Charter, and/or a written amendments to the ULPS Bylaws) in a form reasonably acceptable to UT for the purpose of relinquishment of all such rights and interests; and
 - ii. In the event that UT (1) breaches its obligations under this Article XVI and fails to cure the breach within sixty (60) days of notice by Methodist of the breach, (2) provides notice of termination of this Article XVI, (3) breaches its obligations under its Affiliation Agreement with ULPS and fails to cure the breach within sixty (60) days of notice by ULPS of the breach, or (4) provides notice of termination of its Affiliation Agreement with ULPS, then UT shall, at the written request of Methodist, immediately relinquish any and all of its governance, voting, and other rights and interests in ULPS to Methodist by signing or causing to be signed one or more documents (including but not limited to one or more written ULPS Resolutions, written amendments to the ULPS Charter, and/or a written amendments to the

ULPS Bylaws) in a form reasonably acceptable to Methodist for the purpose of relinquishment of all such rights and interests; and

- c. No termination of this Article XVI, nor of UT's and/or Methodist's respective Affiliation Agreements with ULPS, nor any relinquishment of UT's or Methodist's respective governance, voting, or other rights and interests in ULPS, shall affect the respective financial obligations of either Methodist or UT under this Article XVI, or under their respective Affiliation Agreements with ULPS, to the extent that such financial obligations existed prior to the effective date of any such termination. For example, despite any termination of this Article XVI, once a ULPS budget has been duly approved and adopted by ULPS and/or once a contractual commitment or other financial liability of ULPS has been duly approved and created by ULPS, the then-existing respective financial obligations of UT and Methodist to one another and to ULPS shall continue, and shall survive any termination of this Article XVI, until such ULPS liability or financial commitment has been appropriately extinguished or satisfied.

- d. Methodist's obligation to make Base Mission Support payments to UT pursuant to Section 3 of this Article shall cease upon termination of this Article XVI.

[Remainder of this page intentionally blank. Signatures follow on next page.]

IN WITNESS WHEREOF, the Parties' duly authorized representatives set forth below have executed this Agreement as of the dates indicated below to be effective on the Effective Date.

**Methodist Healthcare –
Memphis Hospitals**

**The University of Tennessee on Behalf of its
Health Science Center**

By: DocuSigned by:
Michael Ugwuoke
7E7330B5C60A4C6...
Michael Ugwuoke

By: DocuSigned by:
David Miller
6BFFC85430B140D...
David L. Miller

Date: 6/22/2021 | 23:01:18 EDT

Date: 6/22/2021 | 20:01:24 PDT

Name: Michael Ugwuoke
Title: President / CEO

Name: David L. Miller
Title: Senior Vice President and
Chief Financial Officer

Acknowledged by:

DocuSigned by:
Steve Schwab
5A39BE3F0BB5413...
Steven J. Schwab, M.D.
Chancellor, UTHSC



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021
Item: Recommendations - Chancellor Search (UTHSC)
Type: Action
Presenter: Randy Boyd, President

Background Information

In accordance with Section 6.5(b) of the University's Bylaws, I have determined that is appropriate to proceed to fill the anticipated vacancy in the office of the Chancellor at UT Health Science Center by an external search.

Pursuant to Tennessee Code Annotated § 49-7-154 *et seq.*, prior to initiating a search to fill a chancellor position at a University campus, the Board shall establish the search process, a timeline, and a statement of qualifications for the position at a meeting that is open to the public.

Attached for the Board's consideration is a proposed outline of the search process, timeline, and statement of qualifications for the position.

Board Action

The Chair will call for a motion to recommend adoption of the following Resolution by the Board of Trustees.

Resolved: The Board of Trustees hereby approves the search process, timeline, and statement of qualifications for the Chancellor position at UT Health Science Center, in substantially the form presented in the meeting materials. In accordance with the Bylaws, the President, in consultation with the Chair of the Board, shall appoint a search committee to advise and assist the President during the search process. The Board hereby authorizes the President to adjust the timeline and the statement of qualifications as may be necessary in light of the advice and recommendations of the search committee, search firm, and other prevailing considerations that may be in the best interests of the University.



Chancellor, UT Health Science Center Search Process, Timeline and Statement of Qualifications

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Search Process:

The University will undertake a national recruitment effort in partnership with WittKieffer, a top global executive search firm with expertise in recruiting leaders in the fields of both higher education and healthcare. This recruiting effort will follow a standard process to ensure a broad, experienced, and diverse candidate pool and a successful outcome.

- The President will appoint a Search Committee consisting of key representatives of the University and UT Health Science Center (UTHSC) to include academic and administrative leaders, faculty, staff, key constituents, and a student representative. The Search Committee will represent the full scope of the educational, research, patient care and community engagement missions for UTHSC.
- WittKieffer (Search Firm) has been engaged to assist the Search Committee with the development of the position profile, advertisement, recruitment, and due diligence/background references of the candidates.
- The President will meet with the Search Committee to give instructions and a charge with regard to the type of candidates to be considered, consistent with the statement of qualifications.
- WittKieffer, along with members of the Search Committee, will gather input from key stakeholders through a series of scheduled listening sessions.
- A dedicated website for the search will be created. The website will include with the Search Committee membership list, position announcement, timeline, and other details of the process. The site will be updated with new information as the search progresses.
- The Search Committee Chair will meet with the Search Firm to mark the progress of the search.
- With assistance from the Search Firm, the Search Committee will review applicants' qualifications and select candidates for initial interviews. The Search Committee will interview identified candidates to further assess their qualifications. The Search Committee may advance up to three (3) candidates, unranked, for the President's and Board's consideration.
- The Search Committee will interview each chosen candidate(s) and further assess their qualifications. They will advance up to three (3) candidates for the President's consideration.
- No later than fifteen (15) calendar days before the final vote of the Board of Trustees to fill the position, records relating exclusively to the advancing candidate(s) shall be open for public inspection, except for a record otherwise confidential under state or federal law.
- No later than seven (7) calendar days before a meeting at which the Board will vote to fill the position, the Board will hold at least one (1) public forum with the finalist(s). Finalist(s) will also visit the UTHSC campus to meet with a variety of UT leaders, representatives, faculty, staff, students, other stakeholders, clinical and community partners.
- The Board will vote to fill the position in a meeting open to the public and subject to the requirements of Tennessee Code Annotated § 8-44-1 et seq.

Timeline:

The search will take place on the following estimated timeline:

- June: In a meeting that is open to the public, the University Board of Trustees will establish the search process, a timeline, and a statement of qualifications for the position. The Search Committee will be formed and appointed, along with the designated Search Committee Chair.
- July: The Search Firm, along with members of the Search Committee will visit Memphis and Knoxville to solicit input from key stakeholders.

- July/August: The position profile will be finalized, recruitment advertisements will be posted, and the Search Firm will actively solicit candidates for the position. The Search Firm will provide regular updates to the Search Committee Chair.
- September: The Search Committee will review applications, meet to identify the interview list, and conduct first round interviews with candidates.
- October: Finalist(s) will be advanced by the search committee. Finalist(s) will visit campuses for further interviews and public forum(s). Records of the final candidate(s) will be made publicly available.
- October/November: The finalist will be chosen, and the proposed terms of employment will be negotiated.
- TBD: The Board of Trustees will vote to approve the individual to fill the position.

Statement of Qualifications:

The successful candidate will possess significant senior leadership experience gained through roles such as a dean, associate dean, chief executive officer, associate vice chancellor, chancellor, or other substantive executive leadership role(s) in a major health science enterprise or institute that embraces clinical care, research, and health science education. The position requires demonstrated leadership and abilities in the administration of medical and/or health programs, with substantive experience, preferably in a large public and/or land grant institution within a multi-campus system. Along with outstanding health sciences credentials, the position requires a terminal degree, including MD, DNP, PhD, DDS, PharmD, or equivalent health professions degree and evidence of national and international recognition of scholarship, medical or health education, and clinical practice achievements sufficient to qualify for tenure as a full professor and garner credibility locally, nationally and with current and prospective colleagues within the UT Health Science Center and UT System.

The successful candidate will possess a demonstrated commitment to UTHSC's mission to improve the health and well-being of Tennesseans and the global community by fostering integrated, collaborative, and inclusive education, research, scientific discovery, clinical care, and public service. The candidate will have the experience and a clear vision to grow extramural federal, state, philanthropic and industry support for research and academic programs and will have experience working with clinical partners to build collaborative and high-quality clinical practice and training programs as well as the ability to advance interprofessional practice, educational, and research programs. The successful candidate will have skill and experience communicating successfully in a complex environment with various internal and external constituencies, and a demonstrated history of a commitment to inclusion, diversity and engagement.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

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AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Revisions to Charter and Bylaws, University Health System, Inc.**

Type: Action

Presenter: Ryan Stinnett, General Counsel

University Health System, Inc. (UHS) is a public benefit corporation that operates the University of Tennessee Medical Center, and UHS is a party to a Lease and Transfer Agreement and an Affiliation Agreement with UT. UHS currently has fifteen (15) directors on its board, six (6) of whom are “UT Board Members,” including the President of UT, the Chancellor of UTHSC, the Chancellor of UTK, and three (3) directors appointed by the UT President and approved by the UT Board.

UHS is proposing numerous amendments to its Charter and Bylaws, including changes that would consolidate prior charter amendments into a single document, update the limitation of personal liability of directors, revise the process for appointment of directors, create the position of emeritus director, and specify the composition of the UHS Nominating Committee. The proposed Amended and Restated Charter (**UHS Charter**) and the revised and restated Bylaws of UHS (**UHS Bylaws**) are provided as Attachment A and Attachment B, respectively.

The UHS Charter provides that certain provisions of the Charter (specifically Sections 9 (Board composition) and 12 (dissolution)), and the UHS Bylaws provides that certain provisions of the Bylaws (specifically Article IV, Section 2 (Number, Tenure And Qualification of Directors); Article XVI (Amendments To Charter Or Bylaws); and Article XVII (Dissolution)), may not be amended without the prior written approval of the University.

Among the currently proposed amendments to the **UHS Charter** are the following substantive changes that require approval by UT:

- **Section 9(A)(2)**
 - **Current:** One of the “UT Board Members” of UHS is “The Chancellor of The University of Tennessee, Memphis, or such Chancellor’s designee.”

- Proposed Amendment: This UHS Board member will be “The Chancellor of The University of Tennessee Health Science Center, or such other member of the President’s Staff of The University of Tennessee as may be designed by the President of The University of Tennessee.”

➤ **Section 9(A)(4)**

- Current: Three (3) UHS Directors (the “UT At-Large Directors”) are appointed by the UT President and approved by the UT Board of Trustees.
- Proposed Amendment: These three (3) UHS Directors will be nominated by the UHS Nominating Committee and appointed by the UT President. The UHS Nominating Committee will be comprised of seven (7) voting members, including the UT President, the UHS President and CEO, the Chair of the UHS Board, and four (4) UHS Board members selected by the Chair of the UHS Board.

➤ **Section 9(B)(2)**

- Current: The UHS President and CEO is automatically a UHS Director.
- Proposed Amendment: The UHS Board will have the option to elect the UHS President and CEO to the UHS Board, or it may appoint an additional community Director if the UHS President and CEO is not appointed.

➤ **Section 9(B)(5)**

- Current: Five (5) UHS Directors (the “Community Directors”) are elected by the Non-UT Board Members.
- Proposed Amendment: The Non-UT Board Members may elect five (5) Community Directors if the UHS Board also elects the UHS President and CEO to the UHS Board, or six (6) Community Directors if the UHS Board does not elect the UHS President and CEO to the UHS Board.

➤ **Section 9(B) [last unnumbered paragraph]**

- Current: UHS Directors have an initial three (3) year term and may be reappointed or reelected for three (3) additional three (3) year terms.
- Proposed Amendment: UHS Directors will have an initial three (3) year term and may be reappointed or reelected for only two (2) additional three (3) year terms. (However, a grandfathering provision will allow UHS Directors serving on the date of adoption of the Amended and Restated Charter to be reappointed or reelected for three (3) additional three (3) year terms **after his or her initial term**). Also, a new provision will allow UHS

Directors to specify a mandatory retirement age for the UT At-Large Directors and the Community Directors.

With regard to the **UHS Bylaws**, the following proposed amendment to Article XVII (“Dissolution”) requires UT approval:

- Current: Includes a cross-reference to the Charter provision governing dissolution of UHS.
- Proposed Amendment: Incorporates the full text from the Charter provision governing dissolution in the Bylaws. *Note*: there is no substantive change to the Charter or Bylaws governing dissolution of UHS.

Board Action

The following resolution has been prepared for the Board’s consideration.

Resolved:

The Board of Trustees hereby approves:

- (i) the Amended and Restated Charter of the University Health System, Inc. (UHS), and
- (ii) Article IV (Section 2) and Articles XVI and XVII of the revised and restated Bylaws of UHS

as presented in the meeting materials, which shall be attached to this resolution following adoption.

BAKER DONELSON DISCUSSION DRAFT
Friday, June 11, 2021

AMENDED AND RESTATED

CHARTER

OF

UNIVERSITY HEALTH SYSTEM, INC.

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Pursuant to the provisions of the Tennessee Nonprofit Corporation Act, the undersigned corporation (the “Corporation”) adopts the following Amended and Restated Charter:

1. The name of the Corporation is University Health System, Inc.
2. The Corporation is a public benefit corporation.

3. It is intended that the Corporation will qualify at all times as an organization exempt from federal income tax under Section 501(a) and 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provisions of any future United States Internal Revenue Law (referred to herein as the “Code”), that it will qualify at all times as an organization to which deductible contributions may be made pursuant to Sections 170, 642, 2055 and 2522 of the Code, and that it will qualify as other than a private foundation described in Section 509 of the Code. The Corporation is a public benefit corporation within the meaning of T.C.A. § 48-51-101, et seq. formed for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Code, including, but not limited to, operating the University of Tennessee ~~Memorial Research-Medical Center and Hospital~~ (the “Hospital”) in a manner which will fulfill the Hospital’s mission statement of dedication to its continuation as the premier center to offer medical care to the underserved population of the ~~thirteen (13)-~~twenty-one (21)-county area served by the Hospital ~~as~~, which includes the thirteen (13)-county area required by T.C.A. § 49-9-1301; providing health care services for the residents of the region and beyond, including specialized care that is customarily available at academic medical centers; supporting medical research and education; providing a patient base for training physicians, dentists, nurses and other health professionals; supporting clinical research and research training; contracting with, forming joint ventures and partnerships with, and owning interests in other for profit organizations which provide health care services within or as a part of integrated health care delivery systems; and any other activity which supports the delivery of health care services, but only to the extent and in such manner that such purposes constitute exclusively charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Code.

4. The street address of the ~~initial~~-registered office of the Corporation is ~~9000 Executive Park Drive C-200~~2121 Medical Center Way Suite 330, Knoxville, Knox County, Tennessee ~~37923~~37920-3282, and the ~~initial~~-registered agent for the Corporation at that office is ~~C.E.Bennett L. Bilbrey, III~~Cox.

5. The name and address of the incorporator is:

M. Kevin Outterson
1700 Nashville City Center
511 Union Street

4849-1622-0391v1

Nashville, Tennessee 37219

6. The street address of the principal office of the Corporation is ~~9000 Executive Park Drive C 2002121 Medical Center Way Suite 330~~, Knoxville, Knox County, Tennessee ~~3792337920-3282~~.

7. The Corporation is not for profit.

8. The Corporation ~~will~~does not have members. The Corporation shall have no capital stock.

9. The number of directors shall be fifteen (15), and the Board of Directors of the Corporation (the “Board of Directors”) shall be comprised of the following persons:

A. UT Board Members

1. The President of The University of Tennessee, or such President’s designee.

2. ~~The initial Board member for this position shall be Dr. Joseph E. Johnson, the President of The University of Tennessee.~~The Chancellor of The University of Tennessee, Health Science in Memphis, or such ~~Chancellor’s designee.~~ ~~The initial Board member for this position shall be William R. Rice, the Chancellor of the other member of the President’s Staff of The~~ University of Tennessee; Memphis as may be designated by the President of The University of Tennessee.

3. The Chancellor of The University of Tennessee, Knoxville, or such other member of the President’s Staff of ~~the~~ The University of Tennessee as may be designated by the President of The University of Tennessee.

4. Three (3) directors nominated by the Nominating Committee and appointed by the President of The University of Tennessee and ~~approved by the Board of Trustees of The University of Tennessee~~ who have experience in business, health care management, legal or financial affairs or other qualifications deemed important by the Board of Trustees.~~The initial Board members for these positions and the term of their initial appointments shall be: James A. Haslam, II (three year initial term); William B. Sansom (three year initial term); and Dr. Harold A. Black (two year initial term).~~

B. Non-UT Board Members

1. The President of University Physicians’ Association, Incorporated, or its successor.~~The initial Board member for this position shall be William D. Horton, M.D.~~

2. ~~The~~ If elected by a majority of Board Members, the President and Chief Executive Officer of the Corporation. ~~The initial Board member for this position shall be C.E. Bilbrey, III~~
3. One (1) director who is a physician member of University Physicians' Association, Incorporated and who is an active member of the Medical Staff of the Hospital elected by a majority of the Non-UT Board Members listed in subparagraph 9B. ~~The initial Board member for this position and the initial term of office shall be J. Russell Langdon, M.D. (one year initial term).~~
4. One (1) director who is a healthcare professional member of University Physicians' Association, Incorporated and who is an active member of the Medical Staff of the Hospital elected by a majority of the Non-UT Board Members listed in subparagraph 9B. ~~The initial Board member for this position and the initial term of office shall be Michael B. Freeman, M.D. (two year initial term).~~
5. ~~Five~~ Six (6) or, if the President and Chief Executive Officer of the Corporation is elected as a director, five (5) directors who are nominated by the Nominating Committee and elected by a majority of the Non-UT Board Members listed in subparagraph 9B and who are residents in the Hospital's service area (including all counties from which patients are admitted to the Hospital and all counties wherein the Corporation provides services) and who have experience in business, health care management, legal or financial affairs or other qualifications deemed important by the Non-UT Board Members. ~~The initial Board members for these positions and their initial terms of office shall be: H. W. Sherrod, Jr. (one year initial term); David Sharp (one year initial term); William S. Rukeyser (two year initial term); Renda J. Burkhart (three year initial term); and Bernard E. Bernstein (three year initial term).~~

Each individual described in A(1)-(3) and B(1)-(2) shall serve additional terms for so long as such individual holds the position or office designated in A(1)-(3) and B(1)-(2); provided, however, that each such individual shall serve only for so long as the individual holds such position, office or designation. Each individual described in B(3)-(4) shall be deemed to have resigned immediately upon ceasing to remain a member of University Physicians' Association, Incorporated or ceasing to remain an active member of the Medical Staff of the Hospital. Otherwise, each director described in A(4) and B(3)-(5) shall hold office for a three (3) year term or, if filling a vacancy, for the remainder of the three (3) year term of the vacated directorship, and may be reappointed or reelected for ~~three (3)~~ two (2) additional three (3) year terms. ~~The Incorporator has divided the initial~~ Notwithstanding the limitation on the number of terms in the immediately preceding sentence, each director described in A(4) and B(3)-(5) serving as of the date of the adoption of this Amended and Restated Charter may be reappointed or reelected for three (3) additional three (3) year terms after his or her initial term. The Board of Directors may specify a mandatory retirement age for the directors described in A(4) and B(3)-(5) ~~into groups~~

~~servicing initial terms of one, two or three years~~ in the Bylaws of the Corporation. The term of members of the Board of Directors shall begin upon appointment or election.

Each director shall hold office until such director's successor shall have been duly elected and qualified. This paragraph 9 of the Charter shall not be amended without the prior written consent of The University of Tennessee.

10. The Board of Directors shall have a Nominating Committee (the "Nominating Committee") consisting of seven (7) voting members: (A) the President of The University of Tennessee, (B) the President and Chief Executive Officer, (C) the Chair of the Board of Directors, and (D) four (4) Board Members selected by the Chair of the Board of Directors. The Nominating Committee shall nominate persons to serve as Board Members in the categories described in subparagraph 9A(4) of this Charter (the "A(4) Directors") and subparagraph 9B(5) of this Charter. Each nominee must receive the affirmative votes of a majority of the members of the Nominating Committee. Each nominee to serve as an A(4) Director must also receive the affirmative vote of the President of The University of Tennessee.

11. ~~10~~The Corporation shall be permitted to indemnify and hold harmless-, and to advance expenses to, the directors and officers of the Corporation to the fullest extent permitted by Tennessee law as specified in the Bylaws of the Corporation. ~~If the Tennessee Nonprofit Corporation Act is amended or other Tennessee law is enacted to permit further elimination or limitation of the~~ To the fullest extent that the laws of the State of Tennessee as they exist on the date hereof permit the limitation or elimination of the liability of directors, no director of the Corporation shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director. If the laws of the State of Tennessee are amended after approval of this Charter to authorize corporate action further eliminating or limiting personal liability of directors, then the liability of ~~directors a director~~ of the Corporation shall be eliminated or limited to the fullest extent permitted by the ~~Tennessee Nonprofit Corporation Act as so amended or by such other Tennessee law as so enacted~~ laws of the State of Tennessee, as amended, without the requirement for further amendment of this Charter.

12. ~~11~~To the extent required by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the "Code"): (~~i~~A) no part of the net earnings of the Corporation may inure to the benefit of any individual except as reasonable compensation for services actually rendered by such individual or as payments and distributions in furtherance of the purposes set forth herein; (~~ii~~B) no substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting, to influence legislation (except as permitted by Section 501(h) of the Code); and (~~iii~~C) the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Charter, the Corporation shall not carry on any endeavors or activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

13. ~~12~~In the event of permanent dissolution or liquidation, the Board of Directors shall cause the assets of this Corporation to be applied and distributed as follows: (i) all liabilities and obligations of the Corporation shall be paid, satisfied and discharged or adequate provisions shall

be made therefor; (ii) all assets held by the Corporation upon a condition which occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements; and (iii) all of the remaining assets of the Corporation shall be transferred or conveyed to The University of Tennessee or to the State of Tennessee. This paragraph ~~12~~-13 of the Charter shall not be amended without the prior written consent of The University of Tennessee.

14. The undersigned hereby certifies that this Amended and Restated Charter requires prior written consent of The University of Tennessee, which was obtained on _____, 2021.

15. This Amended and Restated Charter shall be effective upon the filing with the Secretary of State of the State of Tennessee.

DATED this ____ day of _____, ~~2021~~, ~~June, 1999~~.

~~M. Kevin Outterson, Incorporator~~

~~CONSENT TO AMENDMENT BY THE UNIVERSITY OF TENNESSEE~~

~~By: _____~~

~~Its: _____~~

UNIVERSITY HEALTH SYSTEM, INC.

~~C. E. Bilbrey, III~~
Joseph R. Landsman
President and Chief Executive Officer

BAKER DONELSON DRAFT
Friday, June 11, 2021

BYLAWS

OF

UNIVERSITY HEALTH SYSTEM, INC.
(Revised and Restated ~~July 25, 2012~~ June 11, 2021)

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ARTICLE I
PURPOSE

Section 1: PURPOSE. It is intended that University Health System, Inc. (the “Corporation”) will qualify at all times as an organization exempt from federal income tax under Section 501(a) and 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provisions of any future ~~United States Internal Revenue Law~~ Federal tax law (referred to herein as the “Code”), that it will qualify at all times as an organization to which deductible contributions may be made pursuant to Sections 170, 642, 2055 and 2522 of the Code, and that it will qualify as ~~other than a public charity pursuant to Section 509(a)(1) of the Code, and not as a private foundation described in Section 509 of under~~ the Code. The Corporation is a public benefit corporation within the meaning of T.C.A. § 48-51-101, et seq. ~~formed and shall be organized and operated exclusively~~ for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Code, including, but not limited to, (a) operating the University of Tennessee Memorial Research Medical Center and Hospital (the “Hospital”) in a manner which will fulfill the Hospital’s mission statement of dedication to its continuation as the premier center to offer medical care to the underserved population of the ~~thirteen (13)~~ twenty-one (21)-county area served by the Hospital ~~as, which includes the thirteen (13)-county area~~ required by T.C.A. § 49-9-1301; (b) providing health care services for the residents of the region and beyond in a manner that furthers the charitable purposes of the Corporation by promoting health for a broad cross section of the communities served, including specialized care that is customarily available at academic medical centers; (c) supporting medical research and education; (d) providing health care services in accordance with the “community benefit standards” as they apply to Section 501(c)(3) hospital organizations, including, without limitation, the (i) acceptance of Medicare and TennCare/Medicaid patients, (ii) acceptance of all emergency patients without regard to ability to pay, (iii) maintenance of an open medical staff except where a hospital approved exception has occurred, (iv) provision of public health programs of educational benefit to the community, and (v) general promotion of public health, wellness, and welfare to the community through the provision of health care at a reasonable cost; (e) operating the Hospital in accordance with the requirements of Section 501(r) of the Code, including, without limitation, adopting financial assistance, emergency medical care and billing and collection policies, conducting community health needs assessments and adopting implementation strategies for community health needs; (f) providing a patient base for training physicians, dentists, nurses and other health professionals; (g) supporting clinical research and research training; contracting with, forming joint ventures and partnerships with, and owning interests in other organizations which provide health care services within or as a part of integrated health care delivery systems; and (h) any other activity which supports the delivery of health care services, but only to the extent and in such manner that such purposes constitute exclusively charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Code.

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~~No~~ Section 2: NO PRIVATE INUREMENT. To the extent required by Section 501(c)(3) of the Code, no part of the net earnings or the property of this Corporation shall inure to the benefit of or be distributable to, its directors, officers or other private individuals or persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for goods and services rendered and to make payments and distributions in furtherance of the purposes set forth in the paragraph just above this Article I. The ~~No~~ substantial part of the activities of this Corporation shall not carry consist of carrying on propaganda or otherwise attempt attempting to influence legislation in any manner which is not permitted under (except as otherwise permitted by Section 501(h) of the Code), nor shall this Corporation participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

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ARTICLE II
OFFICES

The Corporation shall have and continuously maintain in the State of Tennessee a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the State of Tennessee as the Board of Directors may from time to time determine.

ARTICLE III
MEMBERS

The Corporation shall have no members.

ARTICLE IV
BOARD OF DIRECTORS

Section 1: GENERAL POWERS. All powers of the Corporation shall be vested in the Board of Directors. The affairs of the Corporation shall be managed by its Board of Directors. The directors may also be designated officers.

Section 2: NUMBER, TENURE AND QUALIFICATION. The number, tenure and qualification of directors shall be as set forth in ~~Section Paragraph~~ 9 of the Charter of this Corporation (the "Charter") ~~of this Corporation. Additionally, a~~ A person is ineligible to serve or to continue serving as a member of the Board of Directors if such person serves, directly or indirectly, in any managerial, supervisory or consulting capacity for, or as a member of the Board of Directors of, any healthcare organization, its subsidiary corporations, organizations or associations or its affiliates which are competitive with the Corporation or which are located in the State of Tennessee.

Section 3: REGULAR MEETINGS. The Board of Directors may provide by resolution the time and place, either within or without the State of Tennessee, for the holding of the annual and the regular meetings of the Board of Directors without other notice than such resolution. If

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such day be a legal holiday, the meeting shall be held at the same hour on the next succeeding business day. The Board of Directors may designate any place, either within or without the State of Tennessee, as the place of meeting for any annual meeting or for any special meeting of the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Corporation in the State of Tennessee. Directors shall attend the annual meeting and all regular meetings in person, unless the Chair of the Board of Directors shall approve conduct of the meeting through the use of, or participation by one or more directors in the meeting by, any means of communication by which all directors participating may simultaneously hear each other during the meeting, and a director participating in a meeting by this means with the approval of the Chair is deemed to be present in person at the meeting.

Section 4: SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or Directors constituting no less than fifteen percent (15%) of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Tennessee, as the place for holding any special meeting of the Board of Directors called by them. Directors shall attend special meetings in person, unless the Chair of the Board of Directors shall approve conduct of the meeting through the use of, or participation by one or more directors in the meeting by, any means of communication by which all directors participating may simultaneously hear each other during the meeting, and a director participating in a meeting by this means with the approval of the Chair is deemed to be present in person at the meeting.

Section 5: NOTICE. Notice of any special meeting of the Board of Directors shall be given in writing at least ten (10) days previously thereto. If mailed first class, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope ~~so~~ correctly addressed, with postage thereon prepaid. If notice be given by telecopier, email or other electronic transmission (which requires that the director has given his or her consent to receive notices electronically and has not revoked such consent), such notice shall be deemed to be delivered when the transmission is confirmed. Any director may waive notice of any meeting by filing a written, signed waiver, which shall be filed with the corporate records of the Corporation. ~~The~~ Notwithstanding the foregoing, the attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws. Notwithstanding the foregoing, any board action to remove a director or to approve any matter that would require approval by the members of the Corporation (if the Corporation had members), including but not limited to amendment of the Charter of the corporation, shall not be valid unless each director is given at least fifteen (15) days' written notice that the matter will be voted upon at a directors' meeting or unless notice is waived pursuant to T.C.A. § 48-58-204.

Section 6: QUORUM. Nine (9) directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors; provided, that if less than nine (9) directors are present at said meeting, a majority of the directors then present may adjourn the

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meeting from time to time without further notice; provided further that at least three (3) UT Board Members (as described in the Charter) must be present in order to constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 7: MANNER OF ACTING. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by the Charter or by these Bylaws. Notwithstanding the foregoing, during the term of the Lease and Transfer Agreement between the Corporation and The University of Tennessee, the vote of three-fourth of the directors present at a meeting at which a quorum is present shall be required in order for the Corporation to adopt a “Permitted Encumbrance” described in Section 1.52 (m) of said Lease and Transfer Agreement. Any other lien, encumbrance, mortgage, hypothecation, financing or loan (whether or not described as a “Permitted Encumbrance” under the Lease and Transfer Agreement) may be approved as otherwise permitted under these Bylaws.

Section 8: VACANCIES. Any vacancy occurring in the Board of Directors, or any directorship to be filled by reason of an increase in the number of directors, shall be filled by the Board of Directors as prescribed by the Corporation’s Charter. A director elected to fill a vacancy shall be elected for the unexpired term of such director’s predecessor in office and must satisfy the same category in Section 9 of the Corporation’s Charter as did the removed director, or, in the case of an increase in the number of directors, a director elected to fill a vacancy shall be elected for such ~~terms~~ term as determined by the Board of Directors or provided by the Charter.

Section 9: ~~INFORMAL~~ ACTION BY DIRECTORS WITHOUT A MEETING. Any action required to be taken at a meeting of the Board of Directors of the Corporation, or any other action which may be taken at a meeting of Board of Directors, may be taken without a meeting ~~if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof.~~ If all directors consent to taking such action without a meeting, the affirmative vote of the number of directors that would be necessary to authorize or take such action at a meeting is the act of the Board of Directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes filed with the corporate records reflecting the action taken.

Section 10: COMPENSATION. Directors shall not receive any compensation for their services as directors.

Section 11: REMOVAL. Any director described in Section 9A(4) or Section 9B(3)-(5) of the Charter may be removed by three-fourths (3/4) of the Board of Directors. The unexpired term of the removed director shall be filled by election and the new director must satisfy the same category in Section 9 of the Corporation’s Charter as did the removed director.

Section 12: EMERITUS DIRECTORS.

(a) The Board of Directors, on the joint recommendation of the Chair of the Board of Directors and the President and Chief Executive Officer, may designate retired or past members of the Board of Directors who have provided distinguished service to the Corporation over a

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sustained period of time as “Emeritus Directors,” to serve in an advisory capacity to the Board of Directors. Emeritus Directors shall be permitted but not required to attend and participate in meetings of the Board of Directors. Emeritus Directors shall not be voting members of the Board of Directors. The presence or absence of any Emeritus Director shall not affect the calculation of a quorum at any meeting of the Board of Directors. Designation as an Emeritus Director shall be for a term of one year and must be renewed annually by the Board of Directors on the joint recommendation of the Chair of the Board of Directors and the President and Chief Executive Officer. The Board of Directors shall determine the number of Emeritus Directors appropriate to furthering the mission of the Corporation.

(b) Responsibilities. The responsibilities of the Emeritus Directors shall be to:

(i) Serve as advocates for the Corporation and its mission;

(ii) Provide advice and technical expertise to the Board of Directors and staff;

(iii) Assist in identifying and fostering relationships with others whose interest and support are important and beneficial to the Corporation; and

(iv) Assist and advise the Board of Directors in fund-raising efforts as requested by the Board of Directors.

(c) Duties. Emeritus Directors shall have the same duty of loyalty to the Corporation, including the duty of confidentiality, as voting directors. The Conflict of Interest provisions set forth in Article X of these Bylaws shall apply to Emeritus Directors as if they were voting directors.

ARTICLE V
OFFICERS

Section 1: OFFICERS. The officers of the Corporation shall be a President, ~~who shall be the- and~~ Chief Executive Officer, who shall be the chief executive officer of the Corporation, one or more Vice-Presidents (including senior vice presidents, executive vice presidents or other classifications of vice presidents, the number and corporate rank thereof to be determined by the Board of Directors), a Treasurer or Chief Financial Officer and a Secretary, ~~each of whom~~. The President and Chief Executive Officer shall be elected by the Board of Directors. All other officers of the Corporation, and ~~such~~ assistant treasurers, assistant secretaries or other officers or agents ~~as~~ may be elected or appointed by the Board of Directors or the President and Chief Executive Officer. Any two (2) or more offices may be held by the same person, except the offices of President and Chief Executive Officer and Secretary.

Section 2: ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until such officer’s successor shall have been duly elected and shall have qualified.

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Section 3: REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by a majority of the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby. If an officer has been appointed by the President and Chief Executive Officer, but such removal the appointed officer may be removed by the President (or his or her successor) whenever in the his or her judgment the best interests of the Corporation would be served thereby. Removal of any officer shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4: VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors, or, if applicable, the President and Chief Executive Officer, for the unexpired portion of the term.

Section 5: OFFICERS OF THE BOARD. The officers of the Board of Directors shall be a Chair, a Vice-Chair and a Secretary/Treasurer. The Chair and Vice-Chair of the Board of Directors shall be ~~selected~~ elected from among the members of the Board of Directors. The Chair shall preside at all meetings of the Board of Directors. Unless serving as a member of a committee, the Chair of the Board shall be an ex-officio member of all committees of the corporation. The Chair of the Board shall also preside at all meetings of the Executive Committee and shall perform such other duties as may be assigned by the Board of Directors. The Chair and Vice-Chair of the Board shall serve a three (3) year term as determined by the Board of Directors and may be re-elected to serve additional terms in the discretion of Board of Directors. In the absence of the Chair, the Vice-Chair shall preside at meetings of the Board of Directors and/or Executive Committee and otherwise perform the duties of the Chair. In the absence of the Chair and the Vice-Chair, the senior member of the Board of Directors shall preside.

The Secretary/Treasurer of the Board shall be elected by the Board to serve ~~for a maximum of a three (3) years term or~~ during the pleasure of the Board, but not more than three (3) three-year terms. The Secretary/Treasurer need not be a member of the Board and may be the Secretary of the Corporation also.

The Board may elect an Assistant Secretary/Treasurer who need not be a member of the Board of Directors and who shall serve at the pleasure of the Board.

Section 6: PRESIDENT AND CHIEF EXECUTIVE OFFICER. The ~~President shall be the~~ chief executive officer of the Corporation shall be the President and Chief Executive Officer. Within the policies and objectives prescribed by the Board of Directors, the President and Chief Executive Officer shall establish operating procedures for, and administer and direct, all aspects of the Corporation's operating activities. The President and Chief Executive Officer shall have the power to execute, on behalf of the Corporation, bonds and mortgages and all other contracts and documents. In addition, the President and Chief Executive Officer shall have the power to execute documents ~~where by~~ whereby law the signature of the President is required. In general, the President and Chief Executive Officer shall have all powers and shall perform all duties usually vested in the office of the President and Chief Executive Officer of a corporation, subject to the right of the Board of Directors to delegate powers to other officers or committees of the Corporation, except those powers which may be exclusively conferred by law upon the office of the President.

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Section 7: VICE-PRESIDENTS. In the absence of the President and Chief Executive Officer or in the event of the President's ~~and Chief Executive Officer's~~ inability or refusal to act, the Vice-Presidents, in the order of their corporate rank as determined by the Board of Directors or, if no such determination has been made, by the Chair of the Board of Directors, shall perform the duties of the President and Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions of the President and Chief Executive Officer. The Vice-Presidents shall perform such other duties as from time to time may be assigned to them by the President or by the Board of Directors.

Section 8: TREASURER. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall: have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article XI of these Bylaws; and in general perform all the duties incident to the offices of the Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President and Chief Executive Officer or by the Board of Directors.

Section 9: SECRETARY. The Secretary of the Board of Directors shall keep minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records ~~and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws~~; keep a register of the post office address of each ~~member~~ director which shall be furnished to the Secretary by such ~~member~~ director; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President and Chief Executive Officer or by the Board of Directors.

Section 10: ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. If required by the Board of Directors, the assistant treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant treasurers and assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President and Chief Executive Officer or the Board of Directors. The General Counsel or his/her designee shall serve as the Assistant Secretary to the Board and any Board Committees for meetings held in executive session.

ARTICLE VI
COMMITTEES

Section 1: COMMITTEES OF DIRECTORS. The Board of Directors may, from time to time, establish such standing and special committees as it deems advisable and in the best interests of the Corporation, except that the Board of Directors shall have a Nominating Committee. All

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committee actions are advisory to the Board of Directors, unless otherwise provided in these Bylaws or unless the Board of Directors, through resolution, has delegated any authority to a committee it deems advisable; provided, however, that no committee may:

- (a) Adopt, amend, or repeal the Charter or the Bylaws;
- (b) Authorize distributions as specified in T.C.A. § 48-58-206;
- (c) Approve dissolution or merger, or the sale, pledge or transfer of all or substantially all of the Corporation's assets; or,
- (d) Elect, appoint, or remove directors or fill vacancies on the Board of Directors or on any of its committees.

Each standing committee and any committee created by the Board of Directors shall establish and maintain a charter describing its duties in detail, shall regularly review and propose revisions to its charter in light of industry best practices, and shall present such charter and any proposed revisions for review and approval by the Board of Directors.

Section 2: COMMITTEE MEMBERS.

(a) The Board of Directors shall determine the number and identity of committee members. Committees may include members who are not directors. Notwithstanding the two preceding sentences, the composition of the Executive Committee and the Nominating Committee, respectively, shall be as provided in Sections 3 and 4 below. Except as otherwise provided in these Bylaws, the Board of Directors may designate members of a committee as voting or non-voting ex-officio members. Except as otherwise provided below with respect to the membership of the Nominating Committee, the Chair of the Board and the President and Chief Executive Officer shall collaborate to recommend committee members and chairs for standing committees annually, and for special committees as they are created, for approval by the Board.

~~Section 1: COMMITTEES OF DIRECTORS. The activities of the Board of Directors shall be discharged through a series of working committees as set forth herein, to the extent the authority of the Board of Directors has been delegated to such committees by these Bylaws or appropriate resolutions duly adopted by the Board. Once authority has been duly delegated to a committee of the Board, the committee shall have the authority to take actions on those matters which have been delegated to it, either expressly or impliedly. It is the duty and responsibility of the (b) Committee chairs will be elected by the Board of Directors and need not be a director. The Board may replace the committee chair at any time. The chair of each committee ~~to shall~~ cause the committee to keep ~~detailed~~ minutes of the meetings of the committee and to report the actions of the committee to the Board of Directors.~~

(c) The Board of Directors may remove any committee member with or without cause. Vacancies on a committee, due to death, resignation, expiration of term, or removal shall be filled by the Board of Directors.

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Section ~~23~~: EXECUTIVE COMMITTEE. ~~There shall be~~ The Board of Directors may create an Executive Committee of the Board of Directors ~~selected by~~. If the Board of Directors elects to create an Executive Committee it shall be composed of seven (7) members selected by the Board of Directors, one (1) of whom shall be the Chair of the Board, one (1) of whom shall be the President and Chief Executive Officer as a voting member, and five (5) of whom shall be selected by the Board of Directors from among its members, provided that the Executive Committee shall be comprised of at least one (1) UT Board Member (as described in the Charter) but no more than two (2) UT Board Members. The Executive Committee shall be chaired by the Chair of the Board. The Executive Committee shall ~~(i) have the authority to act on behalf of the Board of Directors between its regularly scheduled meetings; (ii) oversee and implement the policy decisions of the Board of Directors; (iii) recommend to the Board of Directors the compensation for the President and Chief Executive Officer; (iv) oversee the financial affairs and financial performance of the Corporation; and (v) have such powers and authority as the Board of Directors of the Corporation may delegate to it.~~

~~The Executive Committee shall not have nor exercise the authority of the Board of Directors to:~~(a) ~~Adopt, amend, or repeal the Charter or the Bylaws;~~

~~(b) — Authorize distributions as specified in T.C.A. § 48-58-206;~~

~~(c) — Approve or recommend dissolution or merger, or the sale, pledge or transfer of all or substantially all of the Corporation's assets; or,~~

~~(d) — Elect, appoint, or remove directors or fill vacancies on the Board of Directors or on any of its committees.~~

~~Section 3: STANDING BOARD COMMITTEES:~~

~~(a) — The following committees shall be Standing Board Committees:~~

~~Finance and Regulatory Affairs~~

~~Graduate Medical Education Committee~~

~~Human Resources Committee~~

~~Nominating Committee~~

~~Performance Improvement~~

~~(b) — The chair of each Standing Board Committee shall generally be a director. Upon approval of the Board of Directors, pursuant to these Bylaws, a non-director may be appointed as chair of a Standing Board Committee. Standing Committee chairs will be recommended to the Board of Directors by the Chair of the Board and the President and Chief Executive Officer, and elected by the Board of Directors. Each chair of a Standing Board Committee shall serve for a three (3) year term. Each chair shall serve as chair only for so long as such chair is a director unless reappointed by the Board of Directors to serve as a non-director. There shall be no limit on the number of consecutive terms a Standing Board Committee chair may serve. Members shall serve~~

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~~on Standing Board Committees for terms of three (3) years. Initial terms shall be staggered to evenly distribute member turnover in each subsequent year. No member (exclusive of Committee chairs and ex-officio members) may serve more than two consecutive terms.~~

~~(c) — The areas of responsibilities and composition of each Standing Committee are as follows:~~

~~(i) — Finance and Regulatory Affairs. The Finance and Regulatory Affairs Committee has responsibility for interaction with the management of the Corporation with respect to financial management of the Corporation's assets, the annual audit of the Corporation and oversight of the regulatory compliance functions of the Corporation.~~

~~(ii) — Graduate Medical Education. The Graduate Medical Education Committee shall serve as the liaison between the Corporation and The University of Tennessee, Memphis Graduate School of Medicine (GSM) for the purpose of assuring that faculty, residents and students of the GSM have appropriate and reasonable support of and access to the resources and facilities of the Hospital necessary to sustain and advance the mission of the GSM. The committee shall be comprised of: (A) the President and Chief Executive Officer of the Corporation; (B) the Dean of the GSM; (C) three (3) persons nominated by the President and Chief Executive Officer of the Corporation and confirmed by the Board of Directors; and (D) three (3) persons nominated by the Dean of the GSM and confirmed by the Board of Directors. None of the persons described in subparagraphs (C) and (D) need be members of the Board of Directors. The committee shall meet at least annually with the chairs of the departments of the GSM to review issues deemed important to achieving the goals and objectives of the GSM and the corporation.~~

~~(iii) Human Resources. The Human Resources Committee is responsible for overseeing the management of all human resource-related activity of the Corporation. It will review employee benefits, the wage and salary system, and personnel policies, as well as other human resource issues delegated to it. The committee will meet at least annually. The Human Resources Committee shall be comprised of persons selected by the Board of Directors.~~

~~(iv) — Nominating Committee. The Nominating Committee shall nominate UHS Board Members; as set forth in the Charter of the Corporation. Additionally, the Nominating Committee may, as authorized by the Board, nominate persons for membership on Board committees. Any such nominees presented by the Committee shall be elected by the Board.~~

~~(v) — Performance Improvement. The Performance Improvement Committee has responsibility and authority to oversee the effectiveness of patient care services provided to patients by the Medical Staff, professional staff and support staff of the Corporation.~~

~~Section 4: OTHER COMMITTEES. Other committees not having and exercising the authority of the Board of Directors in the Corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee need not be directors of the corporation, but each such committee shall have at least one member who is a director of the corporation. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Corporation shall be served by~~

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~~such removal.~~

Section 4: NOMINATING COMMITTEE.

(a) The Nominating Committee shall have seven (7) members each of whom shall be a voting member: (i) the President of The University of Tennessee, (ii) the President and Chief Executive Officer, (iii) the Chair of the Board of Directors, and (iv) four (4) Board Members selected by the Chair of the Board of Directors.

(b) The Nominating Committee shall nominate persons to serve as Board Members in the categories described in subparagraph 9A(4) of the Charter (the “A(4) Directors”) and subparagraph 9B(5) of the Charter. Each nominee must receive the affirmative votes of a majority of the members of the Nominating Committee, which, in the case of a nominee to serve as an A(4) Director, must include the affirmative vote of the President of The University of Tennessee.

Section 5: TERM OF OFFICE. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors of the Corporation and until the committee member’s successor is appointed, unless (a) the Board of Directors shall have established a fixed term for such member, (b) the committee shall be sooner terminated, or unless (c) such member be removed from such committee, or unless (d) such member shall cease to qualify as a member thereof.

~~Section 6: VACANCIES. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.~~

~~Section 7~~Section 6: QUORUM; MANNER OF ACTING; NOTICE. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Notice of a committee meeting must be given in writing at least five (5) days prior to the meeting, unless notice of the meeting is waived in a written, signed notice (which waiver shall be filed with the records of the committee) or by the committee member by attendance at the meeting. Committee members shall attend meetings of the committee in person, unless the Chair of the committee shall approve conduct of the meeting through the use of, or participation by one or more committee members in the meeting by, any means of communication by which all committee members participating may simultaneously hear each other during the meeting, and a committee member participating in a meeting by this means with the approval of the Chair of the committee is deemed to be present in person at the meeting.

Section 8~~7~~: RULES. Each committee may adopt internal rules not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE VII
MEDICAL STAFF

The Medical Staff shall be established by and accountable to the Board of Directors and

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shall operate as a part of the Hospital. Only the Medical Staff Bylaws, rules, and regulations as are recommended by the Medical Staff and adopted and approved by the Board of Directors shall be effective.

Notwithstanding the foregoing, the Board of Directors retains the right to recommend amendments to the Medical Staff Bylaws as necessary for the operation of the Hospital and as necessary for compliance with applicable laws, the requirements of the Joint Commission ~~on Accreditation of Healthcare Organizations (JCAHO) and or~~ other accrediting bodies selected by the Corporation, and the requirements of the Corporation. Recommendations by the Board that have been submitted to the Medical Staff and have not been approved or disapproved after 60 days shall be deemed to be approved. Because the Board of Directors must retain ultimate responsibility for the Corporation, the Board of Directors ~~must retain~~ retains the right to amend any authority delegated to the Medical Staff by these Bylaws, the Medical Staff Bylaws or otherwise.

The Medical Staff Bylaws shall include a mechanism whereby the Medical Executive Committee makes recommendations to the Board of Directors regarding the following matters:

- (a) the structure of the Medical Staff,
- (b) the mechanism used to review credentials and to delineate individual Clinical Privileges,
- (c) individual Medical Staff appointment and Clinical Privileges,
- (d) the organization of the Medical Staff's quality assessment and improvement activities and the mechanism to conduct, evaluate, and revise such activities, and
- (e) the mechanism by which clinical privileges to the Medical Staff may be denied, modified, or terminated, including a fair hearing procedure.

ARTICLE VIII
STAFF APPOINTMENT AND PRIVILEGES

In order for any person to practice in the Hospital, such individual must first be appointed to the Medical Staff and be granted specific clinical privileges. Only those appointees to the Medical Staff who have been granted admitting privileges shall admit patients to the Hospital. If a patient is under the care of a practitioner with a limited license, the patient's general medical condition shall be the responsibility of a practitioner who is appropriately licensed. The Board of Directors shall appoint only those practitioners meeting the qualifications prescribed in the Medical Staff Bylaws and other written or unwritten Hospital standards. The Medical Staff Bylaws shall set forth (a) the procedures by which, and criteria pursuant to which, appointments are made and clinical privileges granted or denied; (b) the procedures by which, and criteria pursuant to which, appointments and clinical privileges may be modified or terminated; (c) the duties and responsibilities of appointees to the Medical Staff; and (d) the procedures and systems of governance of the Medical Staff.

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ARTICLE IX
CONFLICT OF INTEREST

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Section 1: PURPOSE. The purpose of this Article is to protect the Corporation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction (as defined in the Code). This policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest applicable to nonprofit corporations.

Section 2: DEFINITIONS.

~~(a) — "Interested Person" means, with respect to the Corporation, any director, principal officer or member of a committee with board delegated powers who has a direct or indirect Financial Interest, as defined below. If a person is an Interested Person with respect to any entity in the health care system of which the Corporation is a part, he or she is an Interested Person with respect to all entities in the health care system.~~

~~(b) — "Financial Interest" refers to a person who has, directly or indirectly, through business, investment or family —~~

~~(i) — an ownership or investment interest in, or a directorship or serves as an officer of, any entity with which the Corporation has a transaction or arrangement, or~~

~~(ii) — a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or~~

~~(iii) — a potential ownership or investment interest in, a directorship or officer of, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.~~

~~Compensation includes direct and indirect remuneration as well as gifts or favors that exceed \$100 for any one item or \$250 from any source during the previous twelve months. A Financial Interest is not necessarily a conflict of interest. Under Section 4, a person who has a Financial Interest may have a conflict of interest only if the Board of Directors, or its designated committee, to consider such matters decides that a conflict of interest exists.~~

~~Section 3: DUTY TO DISCLOSE. In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence of his or her Financial Interest and must be given the opportunity to disclose all material facts to the Board of Directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.~~

~~Section 4: DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS. The Board of Directors will determine the existence of a conflict of interest and may interview the Interested Person to make such determination. After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall leave the meeting of the Board of Directors while the determination of a conflict of interest is discussed~~

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~~and voted upon. The remaining members of the Board of Directors shall decide if a conflict of interest exists.~~

(a) "Conflicting Interest Transaction" means, with respect to a director or officer, a transaction effected or proposed to be effected by the Corporation (or by an entity Controlled by the Corporation):

(i) to which, at the Relevant Time, the director or officer is a party; or

(ii) respecting which, at the Relevant Time, the director or officer had knowledge and a Material Financial Interest known to the director or officer; or

(iii) respecting which, at the Relevant Time, the director or officer knew that a Related Person was a party or had a Material Financial Interest.

(b) "Control" means:

(i) having the power, directly or indirectly, to elect or remove a majority of the members of the Board of Directors or other governing body or any entity, whether through ownership of voting membership, voting rights or interests, by contract, or otherwise; or

(ii) being subject to a majority of the risk of loss from the entity's activities or entitled to receive a majority of the entity's residual returns.

(c) "Material Financial Interest" means a financial interest in a transaction that would reasonably be expected to impair the objectivity of the director's or officer's judgment when participating in action on the authorization of the transaction.

(d) "Material Relationship" means a familial, financial, professional, employment, or other relationship that would reasonably be expected to impair the objectivity of the director's judgment when participating in the action to be taken.

(e) "Qualified Director" means a director who, at the time action is to be taken under Section 4, is not a director:

(i) as to whom the transaction is a director's or officer's Conflicting Interest Transaction; or

(ii) who has a Material Relationship with another director as to whom the transaction is a director's or officer's Conflicting Interest Transaction.

The presence of one or more of the following circumstances shall not automatically prevent a director from being a Qualified Director:

(i) nomination or election of the director to the current Board of Directors by any director who is not a Qualified Director with respect to the transaction (or by any person who

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has a Material Relationship with that director), acting alone or participating with others; or

(ii) service as a director of another corporation of which a director who is not a Qualified Director with respect to the matter (or any individual who has a Material Relationship with that director), is or was also a director.

(f) “Relevant Time” means:

(i) the time at which directors’ action respecting the transaction is taken in compliance with Section 4; or

(ii) if the transaction is not brought before the Board of Directors of the Corporation (or a committee) for action under Section 4, at the time the Corporation (or by an entity Controlled by the Corporation) becomes legally obligated to consummate the transaction.

(g) “Related Person” means:

(i) the director’s or officer’s spouse; or

(ii) a child, stepchild, grandchild, parent, stepparent, grandparent, sibling, stepsibling, half-sibling, aunt, uncle, niece, or nephew (or spouse of any thereof) of the director or officer or the director’s or officer’s spouse; or

(iii) an individual living in the same home as the director or officer; or

(iv) an entity (other than the Corporation or by an entity controlled by the Corporation, as control is defined in T.C.A. § 48-58-701(1)) Controlled by the director or officer or any person specified in this Section 2(g)(i)-(iii); or

(v) a domestic or foreign:

(1) business or nonprofit corporation (other than the Corporation or an entity Controlled by the Corporation) of which the director or officer is a director but only with respect to a transaction or proposed transaction to which the Corporation and the other business or nonprofit corporation are parties or proposed parties and that is a transaction or proposed transaction that is or should be considered by the Board of Directors of the Corporation; or

(2) unincorporated entity of which the director or officer is a general partner or member of the governing body; or

(3) individual, trust, or estate for whom or of which the director or officer is a trustee, guardian, personal representative, or like fiduciary; or

(vi) a person that is or an entity that is Controlled by an employer of the director or officer.

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Section 3: DUTY TO DISCLOSE.

(a) In connection with any director's or officer's actual or possible Conflicting Interest Transaction, the director or officer must disclose to the Board of Directors (or members of committee with Board of Directors-delegated powers considering the proposed transaction or arrangement) the existence and nature of the director's or officer's conflicting interest and all facts known to the director or officers respecting the subject matter of the transaction that a director or officer, free of such conflicting interest, would reasonably believe to be material in decide whether to proceed with the transaction.

(b) Notwithstanding the foregoing Subsection (a), when a transaction is a Conflicting Interest Transaction with respect to a director or officer only because a Related Person described in Section 2(g)(v) or 2(g)(vi) is a party to or has a Material Financial Interest in the transaction, the conflicted director or officer is not obligated to make the required disclosure to the extent that the director or officer reasonably believes that doing so would violate a duty imposed under law, a legally enforceable obligation of confidentiality, or a professional ethics rule; provided, that the conflicted director or officer discloses to the Qualified Directors voting on the transaction:

(i) all information required to be disclosed that is not so violative; and

(ii) the existence and nature of the director's or officer's conflicting interest;

and

(iii) the nature of the conflicted director's or officer's duty not to disclose the confidential information.

~~Section 5: PROCEDURES FOR~~ Section 4: CONSIDERING AND ADDRESSING THE
A CONFLICT OF INTEREST.

~~(a) — An Interested Person may make a presentation at the Board of Directors meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.~~

(a) The Board of Directors may approve a director's or officer's actual or potential Conflicting Interest Transaction if, after the director or officer with the actual or potential Conflicting Interest Transaction makes the disclosure to the Board of Directors required in Section 3, a majority of the Qualified Directors on the Board of Directors (but no fewer than 2), without the participation of any other director, deliberate on the transaction and a majority of the Qualified Directors considering the transaction (but no fewer than 2) vote to enter into the Conflicting Interest Transaction on the basis that it is in the Corporation's best interest and fair and reasonable to the Corporation.

(b) A committee with Board-delegated authority may approve a director's or officer's actual or potential Conflicting Interest Transaction, provided that all members of the committee are Qualified Directors and either the committee is composed of all the Qualified Directors on the Board of Directors or the members of the committee were appointed by the affirmative vote of a

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majority of the Qualified Directors on the Board of Directors. If the committee considering the transaction meets the foregoing criteria, the committee may approve a director's or officer's actual or potential Conflicting Interest Transaction if, after the director or officer with the actual or potential Conflicting Interest Transaction makes the disclosure to the committee required in Section 3, a majority of the Qualified Directors on the committee (but no fewer than 2), without the participation of any other director, deliberate on the transaction and a majority of the Qualified Directors on the committee considering the transaction (but no fewer than 2) vote to enter into the Conflicting Interest Transaction on the basis that it is in the Corporation's best interest and fair and reasonable to the Corporation.

Section 5: OPTIONAL PROCEDURES TO ADDRESS A CONFLICT OF INTEREST.

(a) ~~(b)~~The Chair of the Board shallmay, if appropriate, appoint a disinterested person or committee to investigate alternatives to the ~~proposed transaction or arrangement~~Conflicting Interest Transaction.

(b) ~~(e)~~After exercising due diligence, the Board of Directors shall~~determine~~or committee considering the transaction may consider whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a ~~conflict of interest~~Conflicting Interest Transaction.

~~(d)If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.~~

Section 6: VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY.

(a) If any director, ~~officer,~~ or committee member has reasonable cause to believe that an Interested Person has a conflict of interest or has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person a transaction is a Conflicting Interest Transaction with respect to another director or officer who has failed to make the disclosure required in Section 3, the suspecting director, officer, or committee member shall confront such director or officer for whom he or she suspects the transaction constitutes a Conflicting Interest Transaction and give that director or officer an opportunity to explain the ~~alleged conflict or failure to disclose~~facts related to such transaction and why the transaction is not a Conflicting Interest Transaction with respect to the director or officer.

(b) ~~If, after hearing the response of such~~ director or officer, the suspecting director, officer, or committee member still believes that the transaction constitutes an undisclosed Conflicting Interest Transaction, the suspecting director, officer, or committee member shall notify the Board of Directors.

(c) ~~(b)If, after hearing the response of such Interested Person and making~~ Upon receipt of such notification, the Board of Directors shall make such further investigation as may be

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warranted in the circumstances, ~~_. If~~ the Board of Directors determines that the ~~Interested Person~~ director or officer has in fact failed to ~~disclose an actual or possible conflict of interest~~ make a disclosure required by Section 3 related to a Conflicting Interest Transaction, it shall take appropriate corrective action, which may include disciplinary action.

Section 7: RECORDS OF PROCEEDINGS. The minutes of the Board of Directors or committee with Board-delegated authority considering an actual or potential Conflicting Interest Transaction shall contain the following:;

(a) the names of the ~~persons~~ director or officer who disclosed or otherwise were found to have a ~~Financial-Conflicting Interest in connection with an actual or possible conflict of interest~~ Transaction, the nature of the ~~Financial-Interest~~ conflicting interest, any action taken to determine whether ~~a conflict of interest was present~~ the transaction was a Conflicting Interest Transaction with respect to the director or officer, and the Board of Directors' or committee's decision as to whether a ~~conflict of interest~~ Conflicting Interest Transaction in fact existed.

(b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Section 8: COMMITTEES WHOSE JURISDICTION INCLUDES COMPENSATION.

(a) A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(b) A physician who is a voting member of the Board of Directors and receives compensation, directly or indirectly, from the Corporation for services is precluded from discussing and voting on matters pertaining to that member's and other physicians' compensation. No physician or physician director, either individually or collectively, is prohibited from providing information to the Board of Directors regarding physician compensation.

(c) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(d) Physicians who receive compensation, directly or indirectly, from the Corporation, whether as employees or independent contractors, are precluded from voting on any matters addressing physician compensation or membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

Section 9: ANNUAL STATEMENTS. Each director, principal officer and member of a committee with board delegated powers shall annually sign a statement which affirms that such person:

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- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 10: PERIODIC REVIEWS. To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted at the direction of the Board of Directors at least annually. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits paid by the Corporation are reasonable, based upon competent survey information, and are the results of arm’s-length bargaining.
- (b) Whether acquisitions of physician practices and other provider services result in inurement, impermissible benefit or in an excess benefit transaction.
- (c) Whether partnership and joint venture arrangements and arrangements with management service organizations, managed care organizations and physician hospital organizations conform to written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Corporation’s charitable purposes and do not result in inurement, impermissible benefit or in an excess benefit transaction.
- (d) Whether agreements to provide health care and agreements with other health care providers, employees, and third-party payors further the Corporation’s charitable purposes and do not result in inurement, impermissible benefit or in an excess benefit transaction.

Section 11: USE OF OUTSIDE EXPERTS. In conducting the periodic reviews provided for in Section 10, the Corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

ARTICLE X
INDEMNIFICATION OF DIRECTORS AND OFFICERS

~~Section 1: INDEMNIFICATION. The Corporation shall indemnify each director and each officer who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, manager, governor or trustee of another corporation, partnership, joint venture,~~

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~~trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such director or officer in connection with such action, suit or proceeding if such director or officer acted in good faith and in a manner such director or officer reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the director or officer did not act in good faith and in a manner which such director or officer reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.~~

~~Section 2: INDEMNIFICATION IN ACTIONS BY THE CORPORATION. The Corporation shall indemnify each director and each officer who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, manager, governor or trustee of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such director or officer in connection with the defense or settlement of such action or suit if such director or officer acted in good faith and in a manner such director or officer reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such director or officer shall be adjudged to be liable to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite that adjudication of liability but in view of all the circumstances of the case, such director or officer is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.~~

~~Section 3: SUCCESS ON MERITS OR OTHERWISE. To the extent that a person who is or was a director, officer, manager, governor or trustee of the Corporation, or of any other corporation, partnership, joint venture, trust or other enterprise with which such person is or was serving in such capacity at the request of the Corporation, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.~~

~~Section 1: INDEMNIFICATION OF DIRECTORS. The Corporation shall indemnify each director who was, is, or was or is threatened to be made, a party in a proceeding by reason of the fact that such person is or was a director of the Corporation against liability incurred with respect to such proceeding to the fullest extent permitted under T.C.A. § 48-58-502.~~

~~Section 2: MANDATORY INDEMNIFICATION OF DIRECTORS. The Corporation shall indemnify a director to the extent the director was successful, on the merits or otherwise, or who is immune from suit under T.C.A. § 48-58-601, in the defense of any proceeding to which the director was a party because the director is or was a director of the Corporation, against reasonable~~

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Section 3: INDEMNIFICATION OF OFFICERS. The Corporation shall indemnify each officer of the Corporation who was, is, or was or is threatened to be made, a party in a proceeding by reason of the fact that such person is or was an officer of the Corporation or, while an officer of the Corporation, is or was serving at the Corporation's request as a director, member of a committee of the board, officer, partner, trustee, employee, or agent of another foreign or domestic for-profit or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, to the same extent as to a director pursuant to Sections 1 and 2 of this Article.

Section 4: ADVANCE OF EXPENSES. The Corporation may pay for or reimburse reasonable expenses incurred by a director or officer who is a party to a proceeding in advance of final disposition of the proceeding if (a) the director or officer furnishes to the Corporation a document of the director's or officer's good faith belief that the director or officer either (i) acted in a manner, if acting in the individual's official capacity with the Corporation, reasonably believed to be in, or, if not acting in the individual's official capacity with the Corporation, not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful or (ii) is immune from suit under T.C.A. § 48-58-601; (b) the director or officer furnishes the Corporation a document, executed personally or on such person's behalf, to repay the advance if it is ultimately determined that the director or officer is not entitled to indemnification (which document must be an unlimited general obligation of the director, committee member, or officer but need not be secured and may be accepted without reference to financial ability to make repayment); and (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under the law or these Bylaws. Determinations that the director or officer has satisfied the requirements for advance of expenses under this Section 4 and the reasonableness thereof shall be made in the manner specified in T.C.A. § 48-58-506(c).

~~Section 4~~Section 5: APPLICABLE STANDARD. Any indemnification under Sections 1 and 2 ~~Section 1~~ of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because such director or officer has met the applicable standard of conduct set forth in Sections 1 and 2 T.C.A. § 48-58-502. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable but a quorum of disinterested directors so directs, by independent legal counsel in a written opinion ~~as provided in T.C.A. § 48-58-506(b).~~

Section 56: NON-EXCLUSIVITY OF ARTICLE. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a director or officer seeking indemnification may be entitled under any statute, the Tennessee Nonprofit Corporation Act, any provision in the Corporation's Charter, or these Bylaws, any agreement, or a vote of members or disinterested directors as permitted by T.C.A. §48-58-509(a)(1), or otherwise, both as to action actions in such person's official capacity and as to action actions in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall

BAKER DONELSON DRAFTFriday, June 11, 2021

inure to the benefit of the ~~heirs, executors and administrators~~ estate or personal representative of such a person.

Section 67: INSURANCE. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, ~~officer~~, employee or agent of the Corporation, or ~~while a director, officer, employee, or agent of the Corporation~~, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, ~~employee benefit plan~~, or other enterprise against any liability asserted against such person ~~and or~~ incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article.

~~Section 7: DEFINITION. For purposes of this Article, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.~~

Section 8: DEFINITIONS. The terms used in this Article which are defined in T.C.A. §48-58-501 as in effect on the date of the adoption of these Bylaws shall have the meanings given them in T.C.A. §48-58-501.

Section 9: SUBSEQUENT AMENDMENT. No amendment, termination or repeal of this Article or of the relevant provisions of the Tennessee Nonprofit Corporation Act or any other applicable laws shall affect or diminish in any way the rights of any person to indemnification under the provisions of this Article with respect to any proceeding arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

~~Section 8~~Section 10: INTENT; SEVERABILITY. The intent of this Article ~~X~~ is to permit indemnification of and advancement of expenses to directors and officers of the Corporation to the fullest extent permitted by the Tennessee Nonprofit Corporation Act. If the Tennessee Nonprofit Corporation Act is amended or other Tennessee law is enacted to permit further ~~elimination or limitation of the personal liability of~~ indemnification of or advancement of expenses to directors and officers, then ~~the liability of directors and officers of the corporation shall be eliminated or limited~~ such indemnification and advancement shall be permitted to the fullest extent permitted by the Tennessee Nonprofit Corporation Act, as so amended, or by such other Tennessee law, as so enacted. The invalidity or unenforceability of any provision in this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

BAKER DONELSON DRAFT
Friday, June 11, 2021

ARTICLE XI
CONTRACTS, CHECKS, DEPOSITS & FUNDS

Section 1: CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2: CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner, as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an assistant treasurer and countersigned by the President or a vice-president of the Corporation.

Section 3: DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4: GIFTS. The Board of Directors or the President may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE XII
BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors.

ARTICLE XIII
FISCAL YEAR

The books of the Corporation shall be on a calendar year basis and shall begin on the 1st day of January and end on the 31st day of December of each year.

ARTICLE XIV
SEAL

The Corporation shall have no seal.

ARTICLE XV
WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of the Tennessee Nonprofit Corporation Act or under the provisions of the Charter or by the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice,

BAKER DONELSON DRAFT
Friday, June 11, 2021

whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVI
AMENDMENTS TO CHARTER OR BYLAWS

The Charter or these Bylaws may be altered, amended or repealed and a new charter or new bylaws may be adopted by two-thirds (2/3) of the directors, provided that at least fifteen (15) days' written notice is given of intention to alter, amend or repeal or to adopt a new charter or new bylaws at such meeting and providing a summary or copy of the amendment; provided, however, that Sections 9 and ~~12~~ 13 of the Charter and Article IV, Section 2; this Article XVI; and Article XVII of these Bylaws may not be amended without the prior written approval of The University of Tennessee.

ARTICLE XVII
DISSOLUTION

~~The dissolution of the Corporation shall be governed by Section 12 of the Charter of the Corporation.~~

In accordance with Section 13 of the Charter, in the event of permanent dissolution or liquidation of the Corporation, the Board of Directors shall cause the assets of this Corporation to be applied and distributed as follows: (i) all liabilities and obligations of the Corporation shall be paid, satisfied, and discharged or adequate provisions shall be made therefor; (ii) all assets held by the Corporation upon a condition which occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements; and (iii) all of the remaining assets of the Corporation shall be transferred or conveyed to The University of Tennessee or to the State of Tennessee. This provision shall not be amended without the prior written consent of The University of Tennessee.

BY THE BOARD OF DIRECTORS ON ~~JULY 25, 2012~~ [REDACTED], 2021.

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THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: Chair’s Report on the President’s Annual Performance Review

Type: Action

Board policy delegates to the Chair responsibility to organize and conduct an annual review of the president’s performance, subject to the Board’s ultimate authority to approve or modify the Chair’s assessment.

The following report by the Chair includes his written assessment of President Boyd’s performance and outlines various performance goals for 2021. President Boyd’s self-assessment and other supporting materials are appended to the Chair’s report. The Chairs of the Audit and Compliance Committees and the Education, Research, and Service Committee have reviewed the Chair’s report and have indicated their concurrence with the report.

Because the Executive Committee is not meeting in conjunction with this meeting, and because of the importance of this item, the Chair has placed it on the agenda of the full Board meeting for presentation, discussion, and action.

Board Action

The Chair will call for a motion to recommend adoption of the following Resolution by the Board of Trustees.

Resolved: The Board of Trustees hereby (i) accepts the Chair’s assessment of President Boyd’s performance, and (ii) approves the performance goals established for 2021.



THE UNIVERSITY OF TENNESSEE SYSTEM BOARD OF TRUSTEES

6

M E M O R A N D U M

TO: Members of the Executive Committee of the Board of Trustees

FROM: John Compton, Chair of the Board

DATE: June 14, 2021

SUBJECT: Annual Performance Review of President Randy Boyd

In accordance with the Policy on Presidential Performance Reviews (BT0004), I have conducted an annual review of President Randy Boyd's performance. The purposes of the annual performance review are: (1) to enable the President to enhance his performance and leadership; (2) to promote good communications and strong working relationships between the President, the Board of Trustees (the "Board"), and University constituencies; (3) to enable the President and Board to set mutually agreeable goals; and (4) to inform Board decisions on compensation and other terms of employment for the President.

I. The Review Process

- A. As required by the Board Policy, President Boyd prepared a written self-assessment statement (See Attachment 1). The self-assessment includes copies of the following items:
- a year-end summary of performance results measured against the 2020 Objectives, which report was distributed to all members of the Board and presented by the President at the Executive Committee meeting held on January 22, 2021; and
 - the 2021 Objectives, which goals were presented to the Board at its Winter Meeting held on February 25, 2021.
- B. The views of University constituencies, Chancellors and other senior administrative staff, and Trustees were solicited through an electronic survey. A total of 95 individuals responded to the survey, representing an aggregate response rate of almost 80%. Approximately 95% of respondents rated President Boyd's performance as exceeding expectations (See Attachment 2).

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Of the categories measured, he received the highest ratings for providing visionary leadership, demonstrating integrity, providing leadership to ensure the University maintains highly effective relationships with the state legislature and state officials, and serving as an effective spokesperson for public higher education in Tennessee. Notably, the overall approval rating and highest performance categories are virtually identical to the results of the prior review period.

- C. The Annual Discretionary Expenditure Report, dated August 14, 2020, pertaining to certain discretionary accounts under the President’s control did not find any expenditures inconsistent with University policies.
- D. Chancellors and Senior administrative staff had an opportunity to request a personal interview, and I spoke with these individuals.
- E. As required under the Board Policy, I discussed President Boyd’s performance with Tennessee Speaker of the House of Representatives Cameron Sexton and Lieutenant Governor and Speaker of the Senate Randy McNally. The reviews of President Boyd’s performance were very positive. Among other things, appreciation was expressed for his leadership and focus on: (i) addressing the need to provide greater access to affordable public higher education in the State of Tennessee; and (ii) promoting the University’s service and outreach mission, especially the work performed by the UT Institute of Agriculture and the extension offices. President Boyd has been effective in his efforts to engage, listen, and communicate on a regular basis with members of the legislature.
- F. I met with President Boyd on June 11, 2021 to discuss his performance and goals and Trustee Amy Miles, Chair of the Audit and Compliance Committee, and Trustee Donnie Smith, Chair of the Education, Research, and Service Committee, participated as observers in the review process. Both Committee Chairs were provided a copy of this report and advised of the opportunity to submit a separate written assessment of the President’s performance.

II. *Review Period and Performance*

This performance review covers the period from January 1, 2020 through December 31, 2020. In addition to the constituent feedback noted above, President Boyd’s performance was measured against the goals identified in the Strategic Plan 2019-2025 (See <https://tennessee.edu/plan/>). The Strategic Plan sets forth the following five pillars:

- Enhancing Educational Excellence;
- Expanding Research Capacities;
- Fostering Outreach and Engagement;
- Ensuring Workforce and Administrative Excellence; and
- Advocating for UT.

Championing Diversity and Inclusive Excellence is a foundational component of each of the aforementioned areas.

President Boyd’s self-assessment identifies the 2020 Objectives by goal area and provides an in-depth assessment of results for each of these areas for the review period (See [Attachment 1](#)). By any measure, the achievements are impressive; however, they are even more remarkable when examined in the broader context of what was an unprecedented year.

In early January 2020, the World Health Organization (“WHO”) announced the discovery of a novel coronavirus responsible for an infectious respiratory disease (later named COVID-19). The disease spread quickly around the world, and, on March 11, 2020, COVID-19 was declared a pandemic by the WHO.

On the same day, President Boyd announced that the University would suspend in-person instruction until early April (following spring break for most of the campuses). On March 12, Governor Lee declared a state of emergency, and, on March 13, President Trump declared a national emergency. Soon thereafter, the University announced online classes would continue through the end of the Spring 2020 academic term and students were sent home. Among other abrupt impacts, widespread disruption in study abroad programs occurred due to rapidly deteriorating health conditions in various countries around the world and resulting restrictions on international travel. In addition, sporting and other events, including traditional commencement ceremonies, were cancelled.

Almost overnight, the day-to-day operations of the University’s had to be reimaged and restructured in order to ensure continuity of its educational, research and service mission, while protecting the health and safety of its students, faculty, staff and other members of its extended community. Within a matter of a few short weeks, the University went from having less than 60,000 online semester credit hours (SCH) to more than 567,000 online SCH. To ensure student success, the University loaned laptops and hotspots to students in need so they could finish coursework from home.

Over the summer months, multiple task forces were formed that worked diligently to develop new health and safety protocols and other plans necessary in order for UT students to safely return to the campuses for the Fall 2020 semester.

The University also had to quickly assess and manage the negative financial impacts of the pandemic, including the substantial loss of auxiliary revenues (e.g., housing, dining, parking, athletics and other events).

Throughout the pandemic, the critical work of the University continued. Under the leadership of President Boyd, the University demonstrated its resilience, revival and resurgence – students learned, research advanced, and outreach expanded.

III. *Evaluation of Overall Performance as Chief Executive Officer of the UT System*

Crisis Management. At an international, national and local level, leaders across all sectors were required to respond to both direct and indirect effects of the pandemic crisis in a constantly changing environment. At the onset, President Boyd charted a clear course based on the following four guiding principles: teamwork; communication; transparency; and decisive action.

The OneUT spirit was demonstrated by the cross-functional teams organized at the campus level and across the UT System. The University also demonstrated its commitment to pooling its unique resources and providing its expertise in support of the needs of local communities and the state, at large, in response to COVID-19.

President Boyd communicated proactively with the Board and members of the University community, sharing what was known and, even more importantly, unknown. From a transparency perspective, COVID-19 data was tracked and reported on daily basis. The University launched a system-wide COVID-19 website and dashboard. The dashboard received an A-rating from the *New York Times*. Based on the system-wide positivity rate for students of .22% for the Fall 2020 semester, UT students on campus were nine times safer than the general population of Tennesseans in the 17-25-year-old category, which had a 2.07% positivity rate. Across the system, no cases were traced back to classroom activity in the fall.

Throughout the crisis, President Boyd was calm, but decisive. His decisions were informed by the data, prevailing health guidance, collective input of the Chancellors and other members of the leadership team, and other relevant information available at the time. As conditions warranted, appropriate course corrections were made.

2020 Objectives. Beyond effectively navigating the immediate issues associated with the COVID-19 pandemic, the University made substantial progress in each of the areas designated within the Strategic Plan. As the results are outlined in detail in President Boyd's self-assessment, I have chosen not to address each of the goal areas in this memorandum. Instead, I will highlight certain key measures:

- Enrollment reached an all-time high of 52,559 students, representing a 1.9% increase;
- New first year students reached an all-time high of 8,844;
- The number of bachelor's degrees conferred reached an all-time high of 8,622;
- The number graduate and professional degrees conferred reached an all-time high of 3,655;
- Retention rates for New Full-Time, First-Time Freshman increased to 83.5%, up from 80.9% in Fall 2019;
- Six-year graduation rates increased to 62.9%, up from 61% in Fall 2019; and
- Four-year graduation rates were 47.2%, up from 46.6% in Fall 2019.

The growth in enrollment is especially significant given that it occurred when, overall, college enrollments declined 2.5% (Fall 2020 from Fall 2019), and, nationally, freshman enrollment was down an unprecedented 13.1%. In this regard, it is important to recognize one of the new tools that supported the University's enrollment and retention efforts – the UT Promise scholarship program. UT Promise launched in Fall 2020 with almost 1,200 eligible students and over 1,800 mentors.

From a research perspective, for Fiscal Year (FY) 2020, the University achieved an all-time high of system-wide research expenditures of approximately \$431.3 million (an increase of 1.3% over the prior year), representing a fourth consecutive year of increased research expenditures. The University and Battelle were successful in their efforts to receive a five-year contract extension from the U.S. Department of Energy (“DOE”) for the continued co-management of the Oak Ridge National Laboratory (“ORNL”). In June 2020, DOE announced a \$20 million award to develop the workforce in emerging energy fields that will further advance the work of the UT-Oak Ridge Innovation Institute, whose mission is to strategically align the expertise and infrastructure of the University and ORNL to usher in world-class interdisciplinary research and graduate education.

President Boyd is the first person to recognize these types of achievements as being the direct result of efforts of many individuals from across the UT System; however, he has been a driving and instrumental force in nurturing an environment of creative and strategic thinking that encourages others within the organization to think “big.”

Mental Health and Campus Safety. The 2019 performance audit by the Tennessee Comptroller's Office demonstrated certain weaknesses and included key recommendations regarding mental health services and student safety and security. President Boyd and the leadership team undertook immediate action to assess the findings and to take corrective action. As an initial step, a OneUT Mental Health Task Force was formed. It is anticipated that the ongoing work of the task force will provide a strong framework for building a more robust and supportive mental health culture across the UT System in support of the well-being of all UT students. With respect to safety and security, a system-level Clery Act compliance coordinator role was created to assist the UT campuses in their efforts to prepare accurate, consistent, and timely annual safety reports allowing for enhanced monitoring of the overall safety of the UT campuses.

Expanding Access to Public Higher Education. Lastly, President Boyd also identified a unique opportunity to expand access to affordable, public higher education for the residents of southern, middle Tennessee. Under his leadership, a substantial amount of due diligence and other activity was undertaken to (i) assess the needs of the local community, (ii) evaluate the potential advantages and disadvantages of pursuing a potential acquisition of certain assets of Martin Methodist College (“MMC”), and (iii) engage stakeholders around the value proposition of expanding the UT System to better serve the State of Tennessee.

Although this initiative remains subject to the Board’s consideration and approval, it is another example of President Boyd’s ability to consider other ways for the University to fulfill its mission, advance public higher education, and support the state in the *Drive to 55*.

IV. *Goals for 2021*

2021 Objectives. As previously noted, the 2021 Objectives were presented by President Boyd to the Board for review and discussion at the Winter Meeting held in February 2021 (See Attachment 1).

These goals include, among other things, (i) completing the MMC acquisition, along with developing a long-term acquisition strategy; (ii) expanding the UT Promise scholarship program in terms of applicants, retention and fundraising; (iii) strengthening the UT-Oak Ridge Innovation Institute; (iv) launching a number of new initiatives to foster outreach and engagement; (v) completing Phase 1 of the Enterprise Resource Planning system; (vi) increasing donor support and alumni engagement; and (vii) realizing 100% success in connection with all state funding requests (operating and capital).

Areas for Improvement. In connection with prior year’s annual performance review, the following areas of improvement for then Interim President Boyd were identified:

- *Shared Governance* - Continue to strengthen relationships with faculty and students. Pace decisions to solicit and address constituency feedback to foster even greater collaboration.
- *Strategic Plan* - Further development of appropriate benchmarks, key performance indicators and other metrics to measure outcomes.

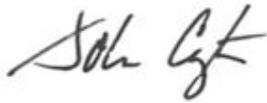
During 2020, a number of initiatives were undertaken to solicit constituency feedback (through electronic surveys and other alternative means of engagement); however, COVID-19 hampered the ability to fully engage with and strengthen relationships with faculty, staff, and students. Not surprisingly, the pandemic left many individuals feeling disconnected.

In 2020, an updated mission statement for the University was prepared, along with the *Be One UT* values. These items were foundational for re-examining the existing Strategic Plan for the UT System and determining what adjustments might be appropriate and for developing quantitative and qualitative metrics for each of the goal areas. Additional information on this work is scheduled to be presented to the Board at the upcoming Annual Meeting of the Board in June. As part of this review, the Board will have an opportunity to provide additional feedback on the Strategic Plan and whether further work remains to be done.

In conclusion, as the events of this past year demonstrate, President Boyd provides visionary leadership not only in good times, but when hope and optimism is most needed. His commitment to making this the greatest decade in the history of the University remains steadfast. Randy excels in his engagement efforts with governmental officials at the local, state, and federal level as demonstrated by the recent successes in obtaining both state and federal funding support. President Boyd continues to be a highly effective advocate for the University and for public, higher education in the State of Tennessee.

His dedicated and selfless service to our University is deeply appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Compton". The signature is written in a cursive, flowing style.

John Compton, Chair

Supporting Materials:

Attachment 1 – Self Assessment

Attachment 2 – Constituent Survey Results



THE UNIVERSITY OF TENNESSEE SYSTEM

OFFICE OF THE PRESIDENT

RANDY BOYD
President

6

TO: Chairman John Compton
FROM: Randy Boyd
DATE: March 9, 2021
RE: 2020 Performance Review

I know I have said ad nauseum, "2020 did not defeat us, it defined us." The Greatest Decade in the History of the University of Tennessee could not be a true statement if we did not face adversity and conquer it. We did, and we did. All credit goes to an amazing team, from students to faculty to staff to campus leadership and also, of course, to a very wise, supportive Board of Trustees.

As opposed to last year when I repeated the summary of the previous year's accomplishments and the current years objectives, I will simply refer you to the documents we recently published, which I am attaching again with this self-assessment. I am proud of our team for accomplishing everything we set out to achieve in the past year while defeating a pandemic and finding some serendipity in the opportunity to add a new campus to an underserved region. The 2021 objectives are no less ambitious! Following are a few additional notes for 2020 and 2021 that are more individual.

2020

- **I like to be frugal and save money and am happy to report I'm still a bargain!!** The expenditures from the President's accounts decreased by \$99,862 over FY19. The total included \$123,460 of expenditures contributed to a systemwide delegation to Israel. Expenditures other than the Israel delegation trip from the President's office actually decreased by \$223,142 (57.8%) over FY19. Expenditures from the President's accounts have decreased 75% from FY18 (\$661,653) to FY20 (\$163,097). I am thankful to be a position that I can honor our Volunteer spirit. My salary of \$10,000 (to cover my health insurance) is \$602,000 less than my predecessor, which is a direct savings to the University each year. It is my intent to continue to serve without pay. I do not charge the University for any of my expenses. The travel and personal expenses reimbursed the previous administration averaged \$10,000 annually, which is now a savings to the University.
- **I completed my goal of visiting all 95 Extension offices.** My job is to serve the University and everyone in it. The best way to know how to serve our team is to get to know them, and the best way to do that is to visit with them. I set out on a quest in 2019 to be the first President to visit all 95 Extension offices, and I'm happy to report that I made the last office, in Hardeman County, last July. I even got a "Lifetime Honorary Extension Agent" plaque. Finally, job security! I learned so much from the amazing men and women that serve our state, our University and their communities, and I look forward to delivering to them as many of their "wishes" as I can in the coming years.

- **Regrets.** One of the most significant setbacks for the year was losing all of the new funding for Extension agents, the Health Science Center, and the Oak Ridge Institute due the Governor’s revised COVID response budget in March. I also regret the loss of some much of the experiences for our students, with no graduation ceremonies, no large gatherings, and the sense of isolation that many experienced. For our staff, while they rose to the situation and found ways to accomplish great things remotely, for many it was also a stressful time. In this case, I don’t believe there was much any of us could have done to have resolved these challenges, but I would be remiss not to acknowledge the hardships so many endured.

2021

- **Now I need to visit all 10 AgResearch Centers.** Led by Vice Chancellor Hongwei Xin, we have ten AgResearch Centers doing critical work to support agricultural in our state. I’ve visited five so far with the goal of visiting the rest this year. Each one is unique, and I learn so much from each visit.
- **Personally assist in raising \$110 million.** Closing on one donation that will approach \$100 million will make this possible, and I am hopeful that it will happen early in the year. I’ve already helped UT Southern raise another \$1 million, so while it’s a lofty target, I believe it is achievable and I enjoy asking for UT because I believe in what we do.
- **Support the teams in accomplishing their goals.** As mentioned, I have attached our 2021 Objectives. While there are great leaders for each, I will be helping and supporting them to achieve these objectives. As always, we will have turnover in key positions, and I will be actively ensuring that we use each as an opportunity to maintain or raise our high standards.
- **Seeking Serendipity.** We always have to keep an eye out for new ideas and opportunities. I’m certain that we have not yet had the best idea for making this the Greatest Decade and so we will continue to be Bold and Impactful, Optimistic and Visionary, and Nimble and Innovative.

I am forever thankful for this opportunity to serve my alma mater and my state and intend to make the most of every moment I am privileged to have this position.

Thank you,



UNIVERSITY OF TENNESSEE

2020 OBJECTIVES



We began 2020 intending to begin the “best decade in the history of UT”. While 2020 didn’t go as planned, what doesn’t break us, makes us stronger. In a year that dealt us many challenges, I am proud of how the University of Tennessee pulled together for our students, faculty, and staff as well as our state. How we dealt with the challenges did not defeat us, it defined us!

We entered the year not knowing the challenges that COVID-19 would create, but together, we rose to the challenges, persevered, determined to keep what is most important first in every action and every decision: the health and safety of our students, faculty, and staff. We worked tirelessly to find new and innovative ways to continue our mission of educating, discovering, and serving our state. Among our many accomplishments:

- Launched a system-wide COVID-19 website and dashboard. The dashboard received an A-rating by the *New York Times*.
- Worked as OneUT to secure a single testing contract for all campuses.
- Campuses worked together to develop safety measures to ensure the health and wellbeing of their communities, and based on the system-wide positivity rate for students of .22% for the fall semester, students on our campuses were nine times safer than the general population of Tennesseans in the 17-25-year-old category, which had a 2.07% positivity rate. In fact, across the system, no cases were traced back to classroom activity in the fall.
- In addition, UT campuses and institute were on the front lines, providing much-needed services and expertise to the state and our communities:
 - UT Health Science Center (UTHSC), UT Knoxville, and ORNL used the Summit supercomputer to simulate, identify, and test effective therapeutics.
 - UTHSC partnered with industry on a platform that expresses a SARS-CoV-2 protein in an alternate virus that can be safely handled in standard research labs.
 - All campuses worked to meet the need of numerous local, regional, and state

requests for face shields, frames, masks, and accessories.

- Plough Center for Sterile Manufacturing at UTHSC produced hand sanitizer for distribution.
- UTHSC students staffed drive-thru testing facilities.
- UT Knoxville and UTHSC collaborated on DECON methods for current N95 products.

2020 also brought social justice issues to the forefront. Leaders from across the system came together, speaking out against racism that we simply cannot tolerate any longer. They are developing, strengthening, or building upon plans to better address diversity and inclusion to make a meaningful difference on their campus and in their community. We are committed to creating an environment that helps every member of our community feel valued, respected, and welcomed on our campuses. In helping to create this environment, our UT leadership teams are actively working on approaches that meet the needs of their communities. UT Knoxville is developing action plans for a campus where everyone is respected, valued, and included. At UT Chattanooga, unique events are being planned which are aimed at having critical conversations around equity and inclusion. The UT Health Science Center has created a Diversity Certificate Program to connect participants to the foundational concepts of diversity and inclusion.

Through it all, we were able to successfully launch many new initiatives and execute on significant initiatives launched in 2019. Following is a summary of some of the major objectives of the University of Tennessee System along with a “by-the-numbers” summary of our key metrics.

ENHANCING EDUCATIONAL EXCELLENCE

As a **land-grant university** (sharing that mission with all UT campuses) we must serve our state by providing the talent it needs to be successful. Governor Haslam identified the need for 55 percent of the population to have some post-secondary certificate or degree by the year 2025, known as the **Drive to 55**. UT has a critical and leading role in helping the state achieve this goal. Further, by the charge given by Abraham Lincoln when creating the land-grant universities, we must provide a ladder up for the working class and middle class to a better education that can lead to better jobs and a better life. **We must define ourselves not by who we exclude, but by who we include.**

OBJECTIVE: INCREASING ENROLLMENT, GRADUATION RATES, AND RETENTION

Our driving force is to improve the academic success of our students. In FY 20, our goal is to increase enrollment to 51,582 across the system and award 12,458 degrees. In addition, we are aiming to improve the six-year graduation rate for undergraduates to 65.2% and increase freshman fall-to-fall retention to 80.9%. We are working on several innovative programs and services to help us meet these goals.

Results:

- Saw significant increase in Fall 2020 system-wide enrollment - an all-time high of 52,559, exceeding our goal of 51,582.
- Conferred an all-time high of 8,622 bachelor's degrees; graduate and professional degrees awarded an all-time high of 3,655. Total degrees awarded 12,277.
- Achieved six-year graduation rates of 62.9% system-wide, up from 61% in Fall 2019; four-year rates were 47.2%, up from 46.6%.
- Saw the largest first-year class at UT with new first-year student enrollment of 8,844.



OBJECTIVE: EXECUTING ON THE UT PROMISE

The UT Promise will officially kick off in the fall of 2020. While we had a successful recruitment launch with over 4,000 high school applicants and over 1,000 applicants from students currently enrolled, there is much hard work remaining. We must recruit and train mentors, create an easy-to-use and meaningful service program that gives students opportunities to make an impact and get these students successfully enrolled. We must build on our current momentum by following up with an even more successful recruiting class in 2021.

Results:

- Recruited over 7,400 student applicants and 1,853 mentors; launched in Fall 2020 with 1,191 eligible students.
- Completion of more than 39,000 service hours in Fall 2020.
- Received more than 200 new student UT Promise applicants for Spring 2021. Received 8,178 UT Promise applicants for Fall 2021.



OBJECTIVE:
**ENDOWING THE
UT PROMISE**

We have raised \$24 million in the first few months since announcing the endowment. The objective for 2020 will be to increase the endowment to \$50 million, putting us halfway to our longer-term objective of a \$100 million endowment.

Results:

- Received more than \$30 million in commitments and/or donations from 968 donors for UT Promise system-wide.

OBJECTIVE:
UT ONLINE

We will develop UT Online, a joint venture between our campuses to improve student success and degree completion. Currently, online courses are not seamlessly shared across UT campuses; courses are not filled to capacity; scheduling bottlenecks cannot be easily mitigated by online offerings; students cannot easily access online offerings at other UT campuses; and transcription of grades, exchange of tuition dollars, and application of financial aid are not seamless. We will explore efforts to expand online offerings through a UT consortium model which could help to incentivize and grow online enrollment; provide greater flexibility in course scheduling; decrease time to degree; further enrich available course offerings in current degree programs; promote the creation of new joint UT degree programs; and provide greater flexibility for degree completion.

Results:

- Signed a five-year agreement with Regis University Higher Learning Partners to provide the Consortium platform.
- Appointed representatives from each campus to serve on a system-wide steering committee.
- Preparing for system-wide pilot to launch in Fall 2021.

OBJECTIVE:
**ONEUT FOR
STUDENT MENTAL
HEALTH &
WELLBEING**

Student mental health and wellbeing has emerged as one of the Nation's most critical concerns on college campuses, negatively affecting student success, progression toward degree, and degree completion. The University of Tennessee aspires to be a national leader in addressing this crisis. In 2020, UT will convene a system-wide working group, *OneUT for Student Mental Health & Wellbeing*, to develop a strategy for building a more robust and supportive mental health culture on each UT campus; identify national best practices; establish opportunities to strengthen student support; and develop system-wide benchmarks. This workgroup will recommend best practices for ensuring student mental health and wellness and will identify necessary steps toward becoming a national leader in supporting student wellbeing.

Results:

- Convened OneUT Mental Health Task Force to develop a strategy for building a more robust and supportive mental health culture across the System.
- Provided system-wide trainings.
- Identified key mental health metrics for tracking and reporting.

OBJECTIVE:
**NEW INNOVATIVE
 DEGREE
 PROGRAMS**

Campuses will explore expanding degree options and innovative opportunities for credentialing students, including, but not limited to, integrated undergraduate/graduate degrees; Bachelor of Applied Science degrees; accelerated undergraduate degrees; two-year credentials; “stackable” certificates; and/or micro-credentialing. This is consistent with supporting the state’s *Drive to 55* initiative, the goal to equip 55 percent of Tennesseans with a college degree or credential by the year 2025.

Results:

- Developed 24 new academic programs, which are in various stages across the System (including degree completion programs; STEM-related degrees; and degrees built around stackable credentials).

OBJECTIVE:
**ENHANCE
 CAMPUS SAFETY**

While this could go under several goals, student safety is an integral part of academic success. We will be creating a task force to identify ways to make UT campuses among the safest in the country.

Results:

- Established a system-level Clery Act compliance coordinator role to support all the campuses in their efforts in maintaining their programs and developing consistent and timely Annual Safety Reports to allow our constituents to make informed decisions regarding their safety and security. The system convenes monthly meetings to ensure proactive and effective communication regarding this topic. Additionally, the system Clery Act compliance coordinator will bring information to the Board of Trustees annually to ensure broad awareness across the governance spectrum.
- Created the OneUT Emergency Response Team that is comprised of all campuses emergency managers, campus police representatives, environmental health and safety, communications, facilities, and the office of information technology. This team will make quarterly audits of each campus and share best practices.
- Conducted two sessions with TEMA on each campus this semester to enhance our response capabilities to current challenges such as COVID-19 and social justice concerns. In addition, the UT system hosts two annual emergency management summits to discuss best practices and lessons learned.
- Facilitated daily emergency management meetings during the COVID-19 response. These transitioned to weekly in September and will continue until the pandemic is over.
- Created a UT Emergency Coordination Plan that will assist in response and recovery efforts during an emergency. The plan allows for resource sharing across campuses and utilizes subject matter experts to specific emergency situations.



In addition to the goals outlined in January, the University of Tennessee System embarked on two new opportunities to increase access to education across our state:



- Signed a nonbinding letter of intent with Martin Methodist College to expand educational opportunities for southern Middle Tennesseans. The university engaged the Huron Group to conduct due diligence. The report was presented to the UT Board of Trustees on December 9. The board gave its approval for UT System leaders to continue negotiations and seek necessary approvals. UT leadership will report back to the Board in January regarding specific student demographic information for southern middle Tennessee and the strategy for growing the campus; the academic disciplines where the campus can excel; the economic considerations associated with enrollment, retention, and academic success; and plans for engaging stakeholders, including faculty and staff, in ongoing discussions regarding the proposed acquisition. If the acquisition is approved, Martin Methodist would become the fourth undergraduate campus in the UT System and the first new campus since UT Chattanooga joined 50 years ago. It would be the only public four-year institution of higher education between Chattanooga and Memphis, serving a southern Middle Tennessee region of 13 counties near the Alabama border.
- Building on the success of its two cloud computing and Power BI skills programs offered earlier this year, Tennessee Digital Jobs Factory (TDJF) is currently supporting 163 students in an online learning community as they launch their training in Python programming, a skill that is highly sought after by employers. These budding Python programmers are mostly current UT undergraduate students, but also include UT graduate students, UT faculty and staff, UT alumni, local high school students, and employees of local companies. The TDJF team seeks to grow its offerings to match students' interests and employers' needs.

EXPANDING RESEARCH CAPABILITIES

OBJECTIVE: INCREASING RESEARCH EXPENDITURES

We have a goal of increasing research expenditures by 7% each year. For FY 20, our goal for research expenditures as reported to the National Science Foundation is \$477.4 million.

Results:

- Achieved an all-time high in FY20 with system-wide research expenditures seeing a 1.35% increase over the previous year. This is the fourth consecutive year of increased research expenditures. The official report will be made to the National Science Foundation in January as part of their Higher Education Research and Development (HERD) Survey. Due to the reunification of UT Knoxville and UT Institute of Agriculture (UTIA), those units will be reported together this year for the first time since 2010.



OBJECTIVE: OAK RIDGE INSTITUTE

Following the release of the Steering Committee Recommendations Report, ORI will immediately begin full reviews of existing Joint Programs and will develop streamlining and realignment strategies to improve efficiency and output. Our 2020 goal is to launch the first phase of new faculty recruitment (24 of 120 faculty/researchers); recruit approximately fifty new collaboratively-mentored graduate students for the fall of 2021, and explore the acquisition of a facility to house the Institute. Full implementation will require new state and federal funding; implementation pace and scope will depend on the level of funding committed.

Results:

- Responded to a Department of Energy Funding Opportunity Announcement to develop the workforce in emerging energy fields in April. On June 17, 2020, the US Secretary of Energy announced the \$20 million award to UT and ORNL. The five-year project has a total budget of \$36.8 million and will support 150 Ph.D. students, over 200 undergraduates for immersive summer experiences and will provide seed funding to establish collaborative programs for follow-on funding.
- Executed a memorandum of understanding that establishes guidelines for operation of ORI at UT. Dr. Stacey Patterson and Dr. Michelle Buchanan were appointed as co-Interim Directors of ORI at UT. The Institute also appointed interim education, operations, and strategic program directors.
- Initiated reviews of the four joint institutes, which are in their final phase. New procedures for Joint Faculty annual assessment and guidelines for mentoring students at ORNL have been established.
- Held an ideation retreat and released a call for proposals for the first round of seed grants. The program received an overwhelming response with thirty-eight proposals. Joint UT and ORNL reviews have been completed and award announcements will be made by the end of the calendar year, setting the tone for the types of research projects that will become ORI at UT's stock-in-trade.
- Began national searches for a permanent, full-time director, a communications director, and two student recruiters.

OBJECTIVE:
**UTIA-UT
 KNOXVILLE
 REUNIFICATION**

Following reunification, “early wins” and opportunities for additional collaborations were identified (reported in 2019). In 2020, UTIA-UT Knoxville working groups established by UT Knoxville Chancellor and UTIA Senior Vice Chancellor will complete their charges to recommend operational strategies for enhanced collaboration in five broad areas (Student Services; Research; Academic Affairs and Shared Governance; Communications and Marketing; and Finance and Administrative Processes). UTIA-UT Knoxville will move forward with plans to extend student services (including dining options) to the west side of campus; establish new collaborative degree programs; enhance research opportunities to move into the top 50 public research universities (HERD); streamline academic policies, procedures, and protocols; develop a comprehensive communication plan to fully integrate messaging of UTIA to reflect the collaborative efforts of UT Knoxville and UTIA, and streamline financial and administrative processes.

Results:

- Actively involving UTIA leadership in the UT Knoxville strategic visioning process.
- Announced a new OneHealth Initiative in February as a major new research, education, and outreach collaboration that includes faculty and scientists from UTIA and other campus units, along with scientists from Oak Ridge National Laboratory.
- Received reports from five re-unification working groups that outline recommendations for immediate and long-term actions to support re-unification and these recommendations are being prioritized and implemented. Consolidated reporting of research awards/expenditures, and philanthropic gifts are in place, and progress is underway for consolidated budget planning and reporting.
- Received a positive response from the National Science Foundation (NSF) to our request that UT Knoxville and UTIA research expenditures be reported as one. This will occur for the FY20 NSF HERD survey.
- Enhanced research development services for all UT Knoxville faculty to hone large (>\$3 million) research and education proposals.
- Grew support for UTIA research conflicts of interest and research misconduct compliance functions. Effective 2021 the two separate conflict of interest committees will merge into one.
- Formed a community of scholars in bioinformatics with the anticipation of adding three or four more communities of scholars across both campuses to define shared research infrastructure opportunities and needs.
- Co-invested in four to seven collaborative seed projects as part of the OneHealth Initiative to make UT more competitive for external funding. All projects include faculty from both Knoxville campuses. One project includes faculty from UT Chattanooga.
- Initiated an Express Bus to ease travel between the two parts of the campus. It runs every few minutes picking up students near Stokely and Ellington Plant Science Building. Planning is underway to consider improved routes and better signage and information about the routes.
- Leased a few hundred parking spots at University Commons to assist with UTIA parking issues and also helped Vet Med with special parking arrangements for their staff and students.

OBJECTIVE:
**CO-MANAGEMENT
 OF THE OAK
 RIDGE NATIONAL
 LABORATORY**

The UT-Battelle contract to manage the Oak Ridge National Laboratory (ORNL) on behalf of the US Department of Energy officially expires on April 30, 2020. UT and Battelle have co-managed ORNL since winning the contract in 2000. Maintaining our management position long-term and strengthening our partnership with ORNL is of the highest priority. UT and Battelle will work with the Department of Energy in 2020 to determine next steps with the ultimate goal of a contract extension.

Results:

- Received a five-year contract extension in March from the Department of Energy for the management of the Oak Ridge National Laboratory. Contract negotiations are now complete through March 31, 2025.

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OBJECTIVE:
**UT RESEARCH
 PARK AT
 CHEROKEE FARM**

In 2019, the University, through the UT Research Foundation and its subsidiary Cherokee Farm Development Corporation (CFDC), successfully recruited a team of seasoned economic development professionals to better position the UT Research Park at Cherokee Farm as an economic driver in East Tennessee. The Innovation North Building has now been fully leased, and one private-sector tenant (a startup led by a UT graduate) went through a successful merger and acquisition. In 2020, CFDC expects to deliver on co-location projects with global innovation partners, help accelerate technology startups, and break ground on an 81,000 square foot project that promises to help better align the clinical growth of UT Medical Center with research strengths and opportunities at UT Knoxville and the UT Health Sciences Center.

Results:

- Announced the establishment of Volkswagen's first North American Innovation Hub at the UT Research Park at Cherokee Farm in January. The establishment of this facility will bolster collaboration opportunities with faculty researchers and will provide unique graduate training opportunities.
- Received a certificate of need for UT Medical Center and University Orthopedic Surgeons project at the UT Research Park to establish an Orthopaedics Institute. The project has now been scoped at 88,000 square feet and includes some under-building parking. The third floor will be reserved for private sector tenants and research. The project officially broke ground in October.
- Established the Spark Innovation Center to offer wet-lab accelerator space and services to technology-based startups to help keep them in the region. The Spark Center is already at capacity serving six high-potential startup companies and won a Department of Energy EPIC prize (\$50,000) as one of the country's most innovative incubator spaces.
- Fully leased Innovation North project. The team is working on a new project called Innovation South that will be focused on UT Knoxville's growth areas in advanced materials.
- Actively working with the state's Economic and Community Development department on promising projects and Three Roots Capital just announced a successful EDA grant for \$665,000 to work with the UT Research Park to explore ways to take advantage of its Opportunity Zone designation.



OBJECTIVE:
**INTERNATIONAL
 POLICY AND
 COMPLIANCE**

UT will create an Office of International Policy and Compliance. This new office will be responsible for developing and implementing a strategic policy agenda that promotes productive relationships with foreign partners and collaborators. We will strive to become a national leader by establishing an effective framework to promote and foster international academic collaborations while ensuring compliance with university, state, and federal policy obligations.

Results:

- Established the Office of International Policy and Compliance. Currently, the office houses one part-time employee on loan from UT-Battelle. A committee of subject matter experts has been established and meets weekly to discuss issues and develop strategies to address UT's needs in this evolving area.
- Increased legal and policy compliance to protect UT intellectual property and other resources by developing a new and more comprehensive Outside Interest Disclosure form. UT employees are now required to disclose information about their relationships and contracts with, and payments received from, foreign governments and other foreign entities, and their travel to foreign countries. This will allow UT to more effectively monitor and mitigate the risks of improper foreign influence, conflicts of interest, and conflicts of commitment by its employees.
- Launched a policy for Visitors Engaged in Research this fall to enhance the vetting process for visitors with access to campus research facilities.

OBJECTIVE:
**IMPROVING
 INFORMATION
 SECURITY AND
 DATA PRIVACY**

The University recognizes the critical importance of protecting the personal data of students and employees, the research data generated by faculty and students, and other sensitive information maintained on University systems. We will invest to enhance information security and ensure data privacy at the System and at each campus and institute.

Results:

- Created a team including the office of General Counsel, UT System Chief Security Officer, and Chief Audit and Compliance Officer to develop ideas for potential improvements in these areas.
- Prepared a proposal with specific recommendations, including the appointment of a System Chief Privacy Officer and establishment of a related System Privacy Council. The proposal was presented to and supported by President Boyd, ELT, and the Chancellors. This proposal was also presented to the UT Board's Audit and Compliance Committee.
- Drafted a proposed job description for the Chief Privacy Officer.

In addition to the goals outlined in January, the UT System announced a strategic alliance between the Texas A&M University System (TAMUS) and the University of Tennessee System (UT) to join a team to compete for the management-and-operations contract of the Y-12 National Security Complex in Tennessee and the Pantex Plant in Texas. UT and TAMUS successfully joined a proposal team and participated in a proposal to provide workforce development initiatives to the two plants.

FOSTERING OUTREACH AND ENGAGEMENT

As the land-grant university (sharing that mission with all UT campuses), we have the responsibility to make a positive impact across our state, transferring and leveraging our intellectual, physical, and financial resources to improve the lives of our fellow Tennesseans.

OBJECTIVE:
LEADERSHIP IN PUBLIC POLICY AND TRAINING

UT has a unique opportunity to become the leader in policy development and thought leadership on key issues facing the state of Tennessee. Closer collaboration between the Baker Center, the Government Relations team, the Institute for Public Service (IPS), as well as the State Legislature and Administration will be developed to help inform specific areas of focus. Through these unmatched assets, UT will become first and foremost in the minds of policymakers when they seek thorough, thoughtful, non-partisan research and insights. Furthermore, UT has the ability to provide ongoing training for state, city, and county policymakers and administrators (much of this is already done through various IPS divisions). Through closer collaboration, these units can expand their offerings to provide additional depth and breadth of policy expertise and assistance.

Results:

- Utilized resources from the Baker Center, IPS, and across the UT Knoxville campus aid the state’s response to COVID-19. Great work has been done through CORE-19, a team of researchers in public health, economics, public policy, agriculture, and other disciplines that has provided timely and evidence-based information to legislators and the Administration regarding the global pandemic. The team worked with Governor Bill Lee’s Economic Recovery Group to conduct pulse surveys on Tennesseans’ attitudes and behaviors regarding the reopening of Tennessee’s economy.

OBJECTIVE:
SOAR 2.0

We will continue to build on the tremendous success of the first addiction and opioid summit hosted last August, entitled Summit for Opioid and Addiction Response (SOAR). Helping to eliminate this crisis is a “Grand Challenge” that the University of Tennessee has the expertise to address. A series of next steps are planned, from releasing an asset mapping tool to convening SOAR 2.0. There is much to do across the state to mitigate this crisis and UT will provide important leadership.

Results:

- Created a steering committee to put a strategy around 2.0. The steering committee has changed the name to the Substance Misuse and Addiction Resource for Tennessee (SMART) Policy Group. The group’s mission is to partner with communities to curate and disseminate a balanced perspective to inform sustainable, evidence-based policies to prevent substance misuse and advance effective treatment and recovery support services for Tennessee.



**SOAR 2.0
CONTINUED**

- Hired Jennifer Tourville, assistant professor of nursing at UT Knoxville, to serve as the Director of Substance Misuse and Abuse to oversee the group and coordinate activities across the state as a part-time piece of her role at UT. The SMART Policy Network will provide user-friendly and accessible data visualizations on substance misuse prevention, recovery, and treatment metrics for Tennessee communities, as well as other related indicators and resources. The group identified the areas of criminal justice reform and telehealth as the areas where we can have an impact and is working with a cross-section of experts from across the UT System and the state to develop position papers and assist with research in these key areas.
- Launched SMART in October. SMART is currently working with communications, government relations, and the Institute for Public Service to reach out to legislators and local elected officials.

6



In addition to the goals outlined in January, major progress was made on the Milan land transfer, benefitting the UT Institute of Agriculture. Language was included in the National Defense Authorization Act (NDAA) to authorize the transfer of roughly 900 acres currently leased by the UTIA AgResearch and Education Center at Milan. Securing the authorization was critical, as the Army is expected to surplus the property, and loss of the acreage would put the Center's future in jeopardy. Although the Administration vetoed the NDAA, the House and Senate voted to override President Trump's veto. The land transfer is now one step closer to reality, and our team will work with the Army on next steps.

ENSURING WORKFORCE AND ADMINISTRATIVE EXCELLENCE

6

To ensure the maximum resources are available for our student success, discovery, and engagement mission, we will continue to strive to be more effective and efficient in our administrative operations. The following are some key initiatives that will aid in these efforts:

OBJECTIVE: UT TOWER

The UT System, the UT Research Foundation, and the UT Foundation will move into the “UT Tower,” currently known as the TVA East Tower. We expect to make the move at the end of summer or early fall. Doing so will increase efficiency by having teams working closer together instead of being spread across different locations. There is a tremendous amount of work to do in designing the new space and making the move, but the long-term benefits will be great.

Results:

- Completed the lease (easement) between UT, Knox County, and TVA and received all approvals.
- Hired an architectural design firm, which is finalizing the interior design for the UT floors including System Administration, UTRF, and space for a UT-Battelle office.
- Construction is underway on the new east entrance and elevator that is necessary to access the building independently from the TVA’s west tower. Bid packages will go out early in the new year for floors 11 & 12 for which move-in is planned in mid-2021. UTFI has made a financial decision to defer moving into the 7th floor at this time. This will also save construction costs of building out the core and furnishings of the floor.



ENSURING WORKFORCE AND ADMINISTRATIVE EXCELLENCE

6

OBJECTIVE:
ERP IMPLEMENTATION

The University will select a new ERP system vendor by the end of 2020. The current ERP system, known as IRIS, is built on an SAP platform (that will no longer be supported after 2025). The SAP platform is an “on-premise” system that will be replaced by a modern “cloud” ERP system. System-wide planning will continue throughout 2020, resulting in a Request for Proposals in early fall and vendor selection by December. The project will provide support for financial and human resources operations.

Results:

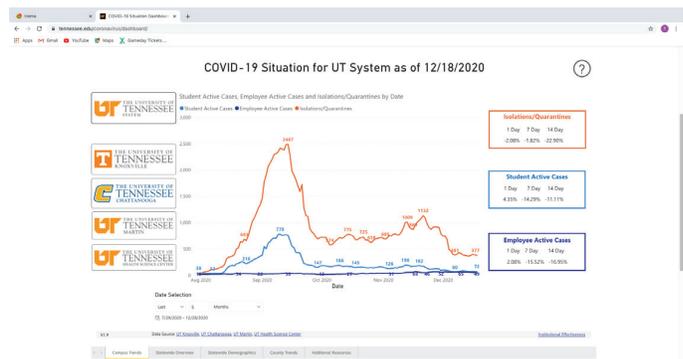
- Engaged Huron Consulting as a planning consultant to assist with development system requirements and the RFP. The Huron-led planning effort will conclude by the end of December.
- Achieved a long list of accomplishments. Huron and UT staff developed a considerable body of work that can be completed before selecting a vendor and start implementation. The staff-led effort will involve all institutions in resolving conflicts in current policies and practices which will reduce the implementation time and save significant consulting fees. This strategy does not delay the project timeline, but rather uses internal staff instead of additional consultants for internal planning.
- Selection of the vendor and consulting system integrator will be in the fall of 2021. Upon completing contract negotiations, the implementation would begin in January of 2022 with a go-live target of the beginning of the fiscal year on July 1, 2024. In early December, UTSA hosted four vendor demonstrations of capabilities in which 100 – 150 staff system-wide participated.

OBJECTIVE:
NEW OFFICE OF INSTITUTIONAL EFFECTIVENESS

The Offices of Institutional Research and Business Intelligence will join together to form a new Office of Institutional Effectiveness. This group will create a vision, identify opportunities and gaps, and develop an associated roadmap. We will conduct a national search for an Associate Vice President of Institutional Effectiveness in 2020.

Results:

- Formed the Institutional Effectiveness Team in January 2020 via the merger of business intelligence and institutional research.
- Began providing infographics to the UT Board of Trustees in February 2020; to date, four infographics have been provided to the Board.
- Developed and added a COVID-19 Dashboard on the Transparent UT website.
- Created a new website: <https://ie.tennessee.edu>



ENSURING WORKFORCE AND ADMINISTRATIVE EXCELLENCE

6

**OBJECTIVE:
FINANCIAL
DASHBOARDS**

We will create a financial performance dashboard that will provide greater insight into the University’s financial key performance indicators. The University provides an abundance of financial reports for THEC, the state, and the Board of Trustees, but these complex reports can obscure the bottom-line financial condition of the University as a whole.

Results:

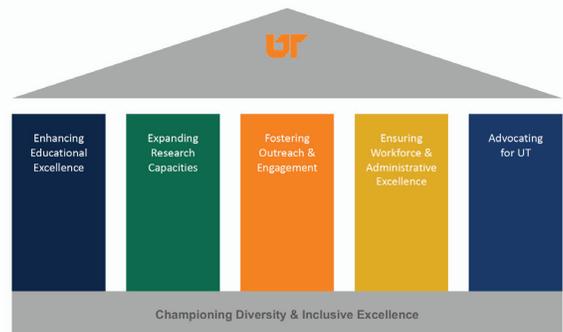
- Presented new financial Key Performance Indicators (KPIs) to the Board at both the fall and winter meetings. While these are providing more up-to-date financial information to the Board there is still ongoing work to simplify University and state financial models and present them in more commonly used business methods.
- Special reporting on the financial impact of COVID-19 presented new ways of measuring our financial health and challenges in developing comparative metrics. At the October Board meeting, our finance team presented the first quarter budget to actual revenue and expenses compared to the same time last year.

**OBJECTIVE:
STRATEGIC PLAN
METRICS**

We will complete the remaining key metrics and track and report progress on the Dashboard. Workgroups (Enhancing Educational Excellence; Expanding Research Capacities; Fostering Outreach & Engagement; Ensuring Workforce & Administrative Excellence; and Advocating for UT) will meet to review goals, document progress, and identify opportunities. Each workgroup will provide an annual update on progress and will identify associated “course corrections” if/when appropriate.

Results:

- Assessed current strategic goals and identified the need to re-imagine the strategic plan to incorporate our vision of the “best decade in the history of UT”.
- Reimagining of the UT Strategic Plan will begin in January 2021. The process will include broad participation from both internal and external stakeholders.



**OBJECTIVE:
ADMINISTRATIVE
ALIGNMENT**

We will increase standardization of common administrative operations at UT institutions to create greater proficiency, compliance, and productivity. The workflow designed around the new ERP system will be built on achieving standardization where possible and appropriate.

Results:

- Aligned processes for several operations to more standardized models. Due to response to the COVID-19, human resources operations have become more aligned.
- Moved public information requests to a central position in the UT System office.
- Began ERP planning process, assisted by Huron Consulting, to help prioritize the areas which will benefit most from greater standardization. The ERP project implementation will document three major outcomes: 1) the processes and workflow steps reduced or eliminated, 2) improve internal controls by identifying and mitigating operational risks, and 3) efficiently standardizing operational functions.

ADMINISTRATIVE ALIGNMENT CONTINUED

- Ongoing work is embedded in the ERP planning and streamlining effort described in the ERP section. In early 2021 teams from across the system will be standardizing administrative policies and practices to prepare for the implementation of the new ERP system. Planned improvements continue in Capital Projects (State Building Commission approvals), Human Resources (functionality in the Taleo recruitment tools), Procurement (greater use of the UT Marketplace, Travel (Concur fully implemented), and Information Technology (greater use of common contracts).

OBJECTIVE: PULSE SURVEYS

The University will improve employee engagement and satisfaction. We will begin ongoing measures of employee satisfaction and priorities through a series of surveys tailored to solicit maximum participation. These will include short “pulse” questions as well as a deeper survey.



Results:

- Subscribed to an annual membership with McLean & Co. to design, administer, interpret, and report findings, through an employee engagement program.
- Reacted to COVID-19 disruption by developing a COVID-19 Resource Center and materials to help manage the pandemic. In April, McLean released a Pandemic Engagement Pulse (PEP) survey to evaluate employee engagement and focus on COVID-19 timely issues. We collected data on core engagement drivers among a subset of UT System employees.
- Received employees’ feedback on the organization’s response to COVID and their feelings of being supported and heard. As a complement to the PEP Survey, we launched the Employee Experience Monitor (EXM) survey to gather quick, snapshot-style data on employees’ sentiment. UT System ran the first pilot of the survey in April, with a sample of 664 employees. We have completed the second round in November, introducing the survey to 6341 employees across other campuses.
- Achieved an aggregate Net Promoter Score (NPS) of 56 for the System Administration with 80.4% of respondents engaged. UT System worked with a McLean advisor to review the results, communicate the findings with the employees, supervisors, and leadership to develop and inform an action plan of response. The UT System is committed to the continuation of an employee engagement program inclusive of 1) the quick one question employee experience monitor (EXM), 2) short pulse surveys, and 3) full employee engagement surveys for UT employees throughout its campuses, institutes, and centers.
- Collaborated with campuses to develop and distribute a student pulse survey to all UT students. Approximately 7,500 students responded to report concerns and challenges during COVID and other ongoing issues in 2020. The survey’s findings will be presented at the February 2021 BOT meeting.

ENSURING WORKFORCE AND ADMINISTRATIVE EXCELLENCE

**OBJECTIVE:
UNIVERSITY
POLICIES**

We will improve the process for creating University policies, make existing policies more easily accessible to employees, and provide increased training opportunities to educate employees as to their obligations under those policies.

Results:

- Designated a lead attorney in the Office of General Counsel to manage policy development and review. The process of creating standard formats for policies is underway. The new process will systematically review all policies for streamlining, clarification, simplification, or elimination. The process for creating new policies is also being streamlined and will be reflected in a revised system Policy Governing Issuance of System-wide Administrative Policies, which will be completed soon.
- Developing a new policy webpage/resource page and a policy development working group has been formed. One focus of the policy redevelopment effort is to make policies easier to read with more visual tools and simplified presentation. The website will provide an all-inclusive location for information with various sources of University guidance and will include a frequently asked questions section to assist faculty and staff in finding answers relating to policies.

**OBJECTIVE:
UT PRESS-UT
KNOXVILLE
LIBRARY**

The UT Press plays a significant role in the intellectual life of the University of Tennessee System, the academic community, and in the state. University presses across the country have undergone transformations and have realigned as the role of presses in the academic community has changed; many university presses have joined with campus libraries to support the academic mission of the institution. Because a growing number of works are published in a digital format, libraries have been an important partner. In 2020, the UT Press and UT Knoxville Libraries will work together to identify ways to better capitalize on the long history of collaboration; benefit from existing synergies; and explore new and innovative initiatives.

Results:

- Transferred UT Press to the UT Knoxville library under the leadership of Dean Steve Smith. This arrangement is a best practice and should allow them to collaborate, gain synergies, and increase capabilities. The UT Press will still serve all UT campuses and faculty.



OBJECTIVE:
**ONEUT FOR
CAMPUS CHANGE**

Developing a OneUT Culture. We will continue to convene the OneUT Leadership Council and constantly look for ways to further increase collaboration, capture synergies, and increase impact by working together statewide as a team—as OneUT. Following are just a few of those initiatives:

We must make it easier for students to transfer from one UT campus to another. OneUT for Campus Change focuses on enterprise-level student success strategies to enhance access to education across the UT System and ensure the success of students transitioning between UT campuses (campus change students). Seamless transfer for students across the system will increase student success outcomes by removing barriers to degree completion, eliminating educational disparities, and allowing students more freedom to select the UT campus that best fits their needs without significant loss in credits toward a degree should a campus change be necessary.

Results:

- Implemented Campus Change Working Group, composed of representatives from the three UT undergraduate campuses. The group meets monthly. Participants include university registrars, transfer center directors or coordinators, admissions counselors, and other student support staff.
- Developed consistent language for transfer applications. These changes will allow campuses to identify and track campus change students.
- Created an electronic transcript exchange.
- Constituted shared access to Banner across all UT campuses to verify campus change student information.
- Finalizing immunization request form for campus change students by Spring 2021.
- Drafted UT campus change policy to address expectations and evaluation of credits for campus change students.

OBJECTIVE:
**ONEUT
COLLABORATION
AND INNOVATION
GRANTS**

In 2020, we will execute on the OneUT Collaboration and Innovation Grants announced at the end of 2019. To promote the University's tripartite mission to educate, discover, and connect, the University of Tennessee System announced the OneUT Collaboration and Innovation Grants in late 2019. The goal of this initiative is to support innovative ideas, create collaborative opportunities, and advance the University in three key areas—student success, research, and outreach and engagement. The System set aside \$1.5 million (\$500,000 for each of the three categories) in one-time grants for UT faculty and staff. Proposals must promote collaboration across units, campuses, or institutes as well as demonstrate long-term sustainability. In 2020, proposals will be reviewed, grants awarded, and progress monitored.

Results:

- Received an overwhelming response with 299 submitted proposals (67 Educate, 144 Discover, and 88 Connect) from every UT campus and institute. Review teams evaluated each proposal based on collaboration, innovation, impact, and alignment with the UT System-wide Strategic Plan. A total of twenty-five proposals were selected for award of just over \$1 million. Projects accounts have been established and work began on July 1, 2020.

ADVOCATING FOR UT

6

Our brand affects our rankings, reputation, funding, and recruitment. While we have made tremendous progress, we still have much work to do. We will continue key initiatives and will develop new ones to further strengthen the UT Brand. We have great stories to tell; we just need to be better at telling them.

OBJECTIVE:
**SYSTEM-WIDE
INTEGRATED
MARKETING
COMMUNICATIONS
PLAN**

We will develop an integrated communications and marketing plan that outlines System and campus/institute roles and goals with a series of objectives, strategies, and tactics to build the collective brand through a common voice and message. While each campus and institute has its own voice and strategic communications priorities, there is a unique opportunity to quantify and promote the System’s collective impact and unify the brand to raise awareness for all UT components.

Results:

- Completed the 2020 Integrated Marketing Communications (IMC) Plan in coordination with campus and institute communicators. The System Office of Communications and Marketing continues to monitor the plan to identify new opportunities for collaboration and amplification across the system. Communicators are now finalizing the 2021 IMC Plan.

OBJECTIVE:
**CONSISTENT
BRAND STRATEGY**

There is value in leveraging the collective—and doing so requires brand consistency. Ensuring a consistent visual brand identity is critical to increasing awareness of the University of Tennessee. We will work with our colleagues at all campuses/institutes to ensure “The University of Tennessee” wordmark is consistently used and prominently positioned in all primary logos (while allowing flexibility in other design aspects based on differences in icons, character count, word length, etc.). We will reconstitute and convene the system-wide Graphic Identity Guidelines Committee to ensure more effective collaboration. The Committee will review current processes—and recommend changes as needed—between campuses/institutes and the UT System Offices of Licensing and Capital Projects to ensure consistency and awareness regarding brand guidelines.

Results:

- Worked with each campus and institute to update and refresh marks and developed brand quick look books for each entity. The new marks were launched in the fall.

OBJECTIVE:
FUNDRAISING

The UT Foundation (UTFI) has experienced record-breaking numbers in recent years, thanks in large part to the generosity of alumni and friends. Over the past two years, there have been transformational gifts that have named colleges and programs across the system. For the 2020 year, the Foundation established a “stretch” goal of \$243 million in private support changes as needed—between campuses/institutes and the UT System Offices of Licensing and Capital Projects to ensure consistency and awareness regarding brand guidelines.

**FUNDRAISING
CONTINUED****Results:**

- Received \$196.4 million in total commitments, representing 81% of their stretch goal of \$243 million in FY 20. In addition, the foundation surpassed its goal of 66,375 donors, with 67,281 donors. This represents the highest total of donors in the university's history. UTFI counts donations on fiscal year ending June 30. For FY 21, UTFI has over \$133 million in-hand as of December 15. We will improve the process for creating University policies, make existing policies more easily accessible to employees, and provide increased training opportunities to educate employees as to their obligations under those policies.

**OBJECTIVE:
ENGAGEMENT**

Alumni engagement continues to be an important piece of the advancement program as graduates from UT campuses serve as ambassadors for the university, assist in recruiting students, serve as key advocates, and extend their private support. During the 2020 year, the goals are to expand the number of engaged alumni to 210,000 and to increase participation in the Advocacy Network to 6,650 members.

Results:

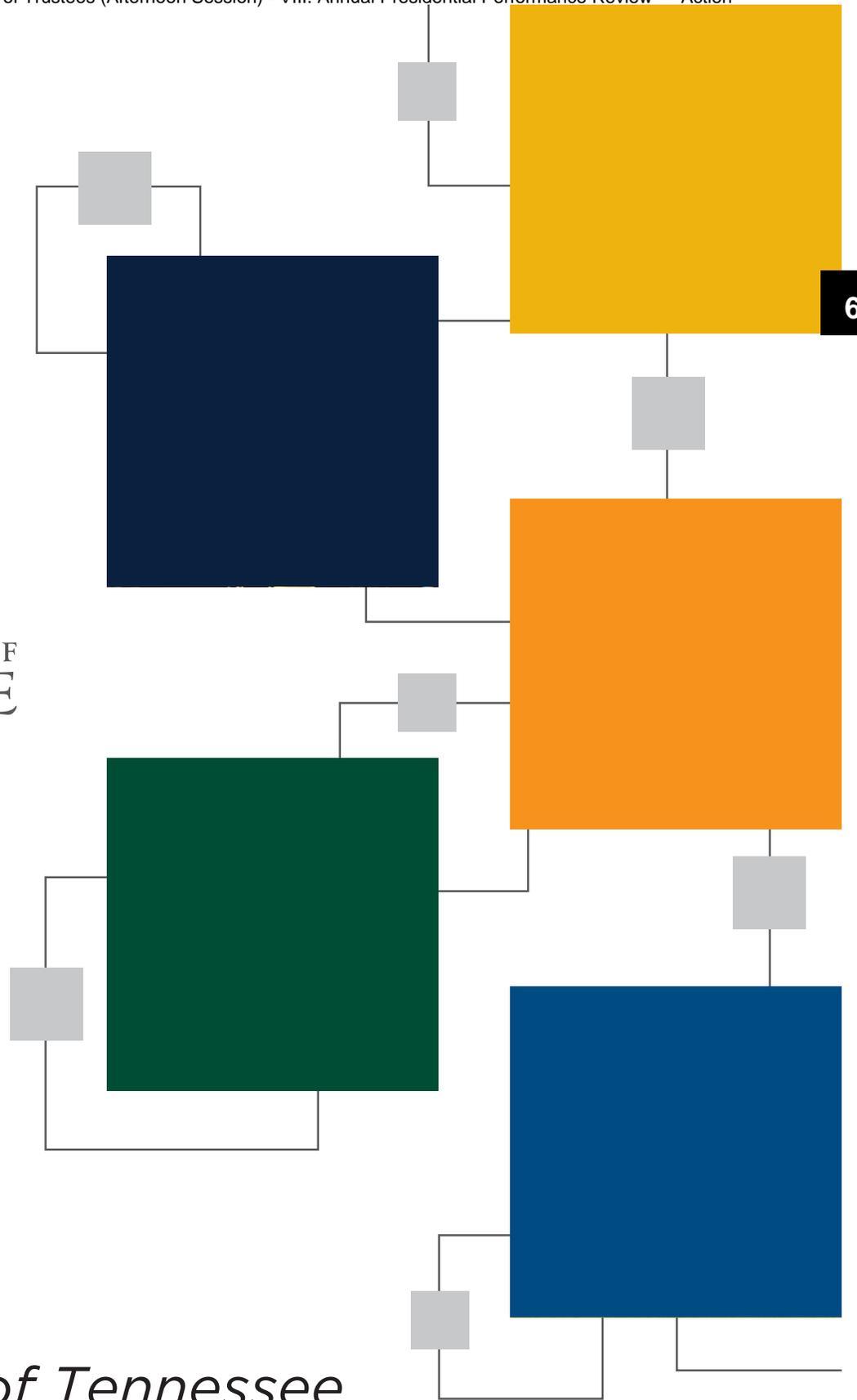
- Increased number of engaged alumni to more than 226,000 and membership in the Advocacy Network has grown to almost 7,600, exceeding these goals for the year.

**OBJECTIVE:
GOVERNMENT
RELATIONS**

The relationships enjoyed by the university with our state and federal governments are critical. The government remains our single largest funding source, and its approval is required on everything from parking rules to building projects. In 2020, we will continue to promote the positive perception of the University among our elected leaders and raise UT's visibility as a thought leader throughout both the state and federal governments. In addition, we will aggressively pursue funding for our top priorities – the Oak Ridge Institute, and agriculture salary improvements including support for 32 new extension positions for our distressed rural counties – and continue efforts to increase government funding of UT research initiatives that enhance UT's research capacity and leverage private-sector partnerships.

Results:

- Despite the state's budget crisis in response to the COVID-19 pandemic, the Administration and state legislature demonstrated strong support for UT by maintaining our state funding levels. We are grateful to have received no budget cuts and for this continued investment in public higher education and our students.
- Worked with lawmakers to secure a four-year sunset extension of the UT Board of Trustees, COVID-19 liability protections, and access to electronic meetings for our campus advisory boards.
- Ensured no punitive legislation was filed impacting the University of Tennessee and worked to amend or defeat measures with fiscal impact to the University. In sum, 100% of legislation causing a negative financial impact to UT was defeated or taken off notice.
- Achieved a return-on-investment of the government relations team of 53:1 for this year's session.
- Federal FY 21 appropriations resulted in record funding for UT projects, with \$65 million in new defense-related plus-ups secured.



University of Tennessee
2021 OBJECTIVES

ENHANCING EDUCATIONAL EXCELLENCE

OBJECTIVE:

CREATE ACQUISITION STRATEGY

As part of our mission to provide affordable and accessible access to higher education, the University of Tennessee System will identify geographic locations in need of access to public higher education or other gaps in our offerings. In 2021, we will develop a long-term acquisition strategy, along with cultivating a pipeline for opportunities in the future.

OBJECTIVE:

COMPLETE MARTIN METHODIST COLLEGE (MMC) ACQUISITION



The University of Tennessee System strives to provide affordable and accessible higher education to all Tennesseans. While we have addressed financial access with initiatives like the UT Promise, we must also address geographic access. Not everyone can travel to and/or afford to be a resident at our four campuses. Southern Middle Tennessee is a higher education desert and to better serve Tennesseans in that region, we will establish our first new campus in over 50 years. Our first step in expanding access is to achieve successful approval from the Tennessee General Assembly, as well as approvals from SACSCOC and UT Board of Trustees for MMC to officially join the UT System by July 1, 2021. Upon receiving approval for the acquisition, fully transform MMC into UT Southern (policies, onboarding, SACSCOC, enrollment growth strategies, student success improvement, training, professional development, etc.). In addition, we will develop a new brand identity for UT Southern to ensure consistency with the UT brand and establish a toolkit that will successfully implement the brand.



OBJECTIVE:

INCREASE ENROLLMENT SYSTEMWIDE BY 2%

Consistent with our goal to provide high-quality, public education to the residents of Tennessee, and in support of the *Drive to 55*, we aspire to increase total enrollment (graduate and undergraduate) by 2% systemwide.

ENHANCING EDUCATIONAL EXCELLENCE

OBJECTIVE:

DOUBLE UT PROMISE APPLICANTS AND PARTICIPANTS AND INCREASE RETENTION 10%

Increase the number of UT Promise applicants and participants by 100%. Increase retention of UT Promise from fall to spring semester by 10% systemwide for the 2021-22 academic year. In addition, we will add \$10 million to the UT Promise endowment.



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OBJECTIVE:

LAUNCH UT ONLINE

In order to enhance educational opportunities for students, we will prepare, pilot and implement the UT Online Consortium across the UT System. After piloting in Fall 2021, our goal is to offer 10 new courses through the consortium by year end and expand to 40 new courses offered on the online platform by the end of 2022.

OBJECTIVE:

INCREASE SYSTEMWIDE RETENTION AND GRADUATION RATES BY 1%

Convene a systemwide team to develop focused strategies around first-, second- and third-year retention rates, as well as four-year and six-year graduation rates. As a result, our goal is to increase retention and graduation rates systemwide by a minimum of 1% for academic year 2021-22. As retention and graduation rates continue to improve systemwide, incremental increases become increasingly more difficult to achieve. Future efforts to make improvements will require significant coordination and intentionality.

OBJECTIVE:

CREATE NEW OPPORTUNITIES FOR ADULT LEARNERS

Grow enrollment and better serve adult learners systemwide by expanding credentialing opportunities, partnering with industry and exploring cohort-based online degree offerings. Develop micro and/or stackable credentials to take advantage of areas of strength and available expertise. Our goal is to increase the percentage of adult learners systemwide by 10% during the upcoming academic year.

OBJECTIVE:

LAUNCH TENNESSEE DIGITAL JOBS FACTORY

Develop a vision and strategy roadmap for workforce development needs and partnerships to enhance computational literacy and digital skills for UT students, alumni, faculty, and staff (e.g. re-skilling/up-skilling of existing workforce, follow-on certification and certificates, and credentialing for graduates).

EXPANDING RESEARCH CAPABILITIES

OBJECTIVE:

REACH AN ALL-TIME HIGH IN RESEARCH EXPENDITURES

Research expenditures as reported to the National Science Foundation Higher Education Research and Development (HERD) survey have hit all-time records in each of the previous four years. Working with each of the campus Vice Chancellors for Research, we will develop ways to continue to support faculty engaged in research and expand proposals submitted, diversify the funding agencies, and support seed investments to strengthen our research enterprise system-wide.

OBJECTIVE:

GROW OAK RIDGE INSTITUTE AT UT

Facilitate growth of research expenditures systemwide and develop top graduate talent by supporting the full launch of the Oak Ridge Institute at UT. In FY21, the goals of ORI at UT will be to:



- Recruit and hire a permanent, full-time executive director, two student recruiters, and complete the leadership team;
- Secure at least \$10M in additional funding from the state or other extramural sources;
- Recruit two senior level joint faculty hires in the area of data science to help lead and grow new joint programs;
- Recruit an exceptionally well qualified 2021 cohort of students for the three joint graduate programs;
- Seed and facilitate the submission of UT-ORNL teams to submit at least two center-type proposals (at least \$5M each) at UT campuses.

OBJECTIVE:

SECURE UT'S POSITION TO SUPPORT THE Y-12/PANTEX CONTRACT

Actively engage with Texas A&M University System to develop an effective workforce development plan for Y-12 and Pantex to support the M&O contracting team. The UT System will engage all UT campuses and at least two two-year community colleges in Tennessee in the effort.

OBJECTIVE:

RECRUIT 10 HIGH TECH COMPANIES TO THE REGION

Launch the regional TechStars Accelerator in partnership with ORNL and TVA resulting in the recruitment of at least ten new high potential companies to the region this year. Engage the full entrepreneurial support community to help close the gaps identified by the 2020 assessment and recruit 100+ mentors to support the companies and their founders. In addition, UTRF will help launch at least five additional startups focused on the commercialization of UT technologies and help support the more than 40 active UTRF technology-based startups in the state.

EXPANDING RESEARCH CAPABILITIES



6

OBJECTIVE:

LAND TWO NEW PROJECTS FOR UT RESEARCH PARK AT CHEROKEE FARM

Support regional economic development and partnerships by executing at least two new building projects that result in at least 50,000 square feet of new space and at least 200 new jobs at the UT Research Park at Cherokee Farm. Cherokee Farm Development Corporation will also seek extramural funding to help support and grow the Spark Innovation Center and develop a strategy to take advantage of and market the Opportunity Zone status of the park.

OBJECTIVE:

CREATE TWO NEW PARTNERSHIPS THROUGH UTRF

To serve the state’s widespread needs for research commercialization and entrepreneurship, the UT Research Foundation will explore partnership agreements with at least two other institutions in Tennessee to help support their technology transfer and commercialization needs.

FOSTERING OUTREACH AND ENGAGEMENT

OBJECTIVE:

ALIGN WORK OF THE SUBSTANCE MISUSE AND ADDICTION RESOURCE FOR TENNESSEE (SMART) POLICY NETWORK TO MEET STATE NEEDS

Unquestionably opioid addiction is one of the greatest threats facing our state today. In 2021, we will execute a strategy to increase awareness of SMART resources to every member of the state legislature and statewide local officials.



In addition, the group will develop four policy briefs in the areas of criminal justice reform and telehealth to align with the state’s goals.

OBJECTIVE:

PRODUCE \$250 MILLION ECONOMIC IMPACT FOR THE STATE IN MANUFACTURING

Through the Center for Industrial Service (CIS), UT will provide technical assistance and training to 200 manufacturers across Tennessee, producing \$250 million in economic impact, including increased sales, improved efficiency, capital investment, and new and retained jobs. In addition, CIS will provide counseling to 500 small businesses in government contracting, helping them secure \$1 billion in new contracts and increasing jobs.

OBJECTIVE:

TRAIN 400 POLICE AGENCIES IN CULTURAL COMPETENCY

The Law Enforcement Innovation Center (LEIC) will launch the Cultural Competency in Policing program with UT police departments this spring. Each University police officer within the system will receive the training this year. The program will also be offered to law enforcement officers throughout the state. Approximately 400 police agencies will be offered this training courtesy of the University of Tennessee.



OBJECTIVE:

GROW PARTICIPATION IN ELECTED OFFICIALS ACADEMY BY 15%

In 2021, the Municipal Technical Advisory Service will introduce and offer to municipally elected officials a revamped and improved Elected Officials Academy. This will be developed as an online and participatory educational session available to the over 2,000 municipally elected officials in the states’ 345 cities and towns. Given the online opportunity and recent elections, we will increase participation by 15 % than after the last major election cycle of 2018.

OBJECTIVE:

DEVELOP 5 NEW PARTNERSHIP OPPORTUNITIES FOR UT WITH STATE GOVERNMENT

Part of our mission is to serve the state. We will identify and pursue five new partnerships with state agencies in 2021 to align UT expertise with state interests and address grand challenges.

ENSURING WORKFORCE AND ADMINISTRATIVE EXCELLENCE

OBJECTIVE:

COMPLETE PHASE I OF ENTERPRISE RESOURCE PLANNING (ERP)

Phase I of implementing a new ERP system is aligning business processes, establishing data governance, and the change management plan to facilitate selection of the next ERP software in CY21. Streamline and standardize administrative processes to reduce the implementation time and cost of the ERP implementation. Additionally, serve as the statewide leader in ERP planning and implementation for higher education.

OBJECTIVE:

MEASURE PROGRESS IN DIVERSITY AND INCLUSION

Establish and annually monitor and report accountability measures for University of Tennessee inclusion, diversity and engagement (UTIDE) for faculty, staff and student under-represented groups (ex. recruitment, retention, and graduation rates as compared to the non-minority populations).

OBJECTIVE:

LEADERSHIP TRAINING

Create a UT Executive Leadership Certification Master Class plan by 2022 to develop higher education and private-sector leadership, practices, mentorship, and best in class strategies for success. This Master Class would provide participants with real-world business challenges and utilize current and past leaders' expertise to bridge the gap between theory and practice in addressing the challenges.

OBJECTIVE:

COMPLETE UTK, UTC AND UT SYSTEM STRATEGIC PLANS

Complete new strategic plans for the UT System, UT Chattanooga and UT Knoxville. All plans will be will be aligned and presented for approval at the June 2021 Board meetings.



OBJECTIVE:

LAUNCH UT POLICY CENTRAL

Improve and streamline the policymaking process, developing and launching a new policy-specific website, and offering new employee trainings on key policies. The goal is to roll out the new website and policy templates in the first quarter of 2021, with employee trainings to begin later in the year.

OBJECTIVE:

CREATE BOARD RESOURCE SITE

In collaboration with the Board Secretary, develop educational materials (written briefs and/or video modules) pertaining to federal and state laws applicable to higher education. Topics under consideration include Title IX/ Clery Act, First Amendment/free speech on campus, foreign influence/export control regulations, and new/revised legislation on emerging topics (e.g., name/image/likeness in intercollegiate athletics). The goal is to create materials for 3-4 important topics in 2021. The training materials will also be available on Transparent UT.

ADVOCATING FOR UT

OBJECTIVE:

INCREASE PRIVATE GIFTS AND EXPAND DONOR ENGAGEMENT

While the UT Foundation has experienced record-breaking numbers in recent years, the pandemic certainly had an impact on results in 2020. As the foundation prepared for 2021, the challenge has been to establish goals that are aggressive as well as realistic given the many factors at play. Based upon these parameters, UTFI has set a primary goal of raising \$176 million in private support, with a secondary, or “stretch” goal of \$208 million. In addition, the primary goal for donors is 60,540, with a stretch goal of 67,312.

OBJECTIVE:

ACHIEVE STATE FUNDING SUCCESS

Realize 100% success in all funding requests, including \$5.1 million in recurring funds for UTHSC, \$2.3 million for UTIA for Extension agents, \$10 million for ORI and \$5.1 million for the Martin Methodist College acquisition and path forward. Additionally, successfully achieve funding for ranked capital projects, such as the nursing renovation and addition at UT Knoxville, the Innovation and Product Realization Facility at UT Martin and the Nash Buildout at UTHSC.

OBJECTIVE:

DEVELOP 3 NEW POLICY INITIATIVES THAT ADDRESS GRAND CHALLENGES

From access to higher education, to workforce development, to mental health, to opioid abuse and beyond – develop opportunities for UT to lead in creating policy initiatives that tackle grand challenges facing our state and nation.



OBJECTIVE:

EXPAND AND ALIGN UT BRAND ACROSS THE STATE

In 2021, we will build on the work done in 2020 to create brand consistency and identify opportunities to further leverage the brand and amplify the stories of the collective impact of UT across the state.

- While each campus and institute has its own voice and strategic communications priorities, there is a unique opportunity to quantify and promote the System’s collective impact and unify the brand to raise awareness for all UT components. The team will create a plan for 2021 and work with campus and institute communicators to find additional opportunities to amplify messages that reinforce “Everywhere You Look, UT.” Add 12 additional murals in strategic locations across the state, with the ultimate goal of having a mural in all 95 counties by 2030.
- Expand *Our Tennessee* magazine (formerly Tennessee Alumnus) to four times a year to increase awareness of impact and connectivity across the UT System.

OBJECTIVE:

**INCREASED
FUNDRAISING**

Work to increase fundraising at campuses and institutes, particularly the UT Martin campus with cumulative giving reaching \$97 million.

OBJECTIVE:

**EXECUTE
AFFILIATION
AGREEMENTS
FOR UTHSC**

Successfully negotiate and finalize key affiliations with the University's medical education partners in Memphis and Knoxville. Goal is to finalize affiliation agreements by the end of the current fiscal year (June 30, 2021).

6



Attachment 2

6

President Boyd's overall performance during 2019-20 exceeded expectations:

#	Answer	%	Count
0	Not Able to Assess (N/A)	1.05%	1
1	Strongly Disagree (1)	1.05%	1
2	Disagree (2)	3.16%	3
3	Agree (3)	17.89%	17
4	Strongly Agree (4)	76.84%	73
	Total	100%	95



STRATEGIC PLAN UPDATE

Presented by President Boyd and Working Group Leads





VISION

Greatest Decade in the History of UT.

MISSION



Serving all Tennesseans and beyond through education, discovery and outreach that enables strong economic, social and environmental well-being.



planning our greatest decade

VALUES



- Bold and Impactful**
- Embrace Diversity**
- Optimistic and Visionary**
- Nimble and Innovative**
- Excel in All We Do**
- United and Connected**
- Transparent and Trusted**

Process Overview

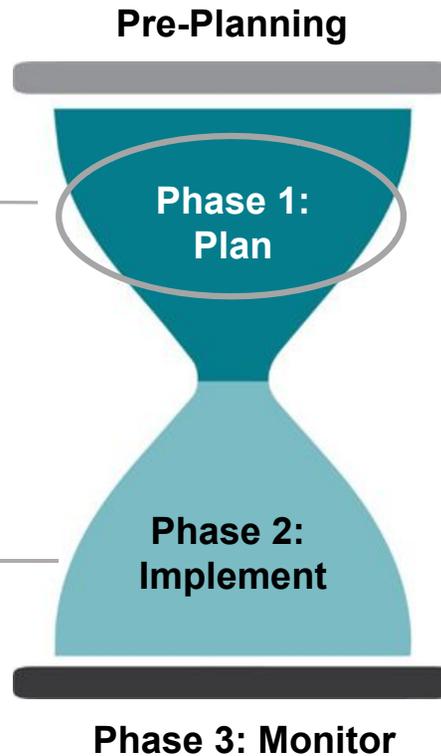
Strategic Plan, 2021-2025

Phase 1: Plan

- Internal and Environmental Scanning
- Strategic Issues
- Strategic Goals and Objectives
- Strategic Metrics

Phase 2: Implement

- Strategies and Tactics
- Tactical Metrics
- Unit Planning
- Resource and Alignment Assessments



Pre-Planning

- Review of Existing Plans
- Initial Stakeholder Feedback
- Onboarding of Planning Team
- Planning Process Design and Roadmap

Phase 3: Monitor

- Annual Review and Confirmation of Objectives
- Mid-year Status Report (Years 2-4)
- End of Plan Review (Year 5)

**Strategic
Goals &
Objectives**



Pillar 1

Enhancing Educational Excellence

Strategic Goals, 2021-2025

- ▲ Expand UT's Educational Footprint
- Enhance Student Success
- Elevate UT's Reputation for Educational Excellence and Academic Innovation

Strategic
Goals &
Objectives



Pillar 1

Enhancing Educational Excellence

Strategic Objectives, By 2025:

- ▲ Increase total enrollment to 61,500 students.
Baseline: 52,559 students (Fall 2020)
- Eliminate first-year retention gap between first-generation and non-first-generation students.
Baseline: Gap 8.4% (Fall 2019)
- Increase number of students awarded national fellowships by 10%.
Baseline: Available Fall 2021

**Strategic
Goals &
Objectives**



Pillar 2

Expanding Research Capabilities

Strategic Goals, 2021-2025

- ▲ Elevate UT's global reputation in discovery and innovation.
- Increase participation of demographically diverse faculty, staff, and students in research.
- Expand the impact of UT's research on the lives of Tennesseans and beyond.

**Strategic
Goals &
Objectives**



Pillar 2

Expanding Research Capabilities

Strategic Objectives, By 2025:

- ▲ Increase annual total research expenditures to \$600M.
Baseline: \$431M in annual total research expenditures (FY20)
- Increase participation of demographically diverse faculty, staff, and students in research by 25%.
Baseline: Estimated 7,000 faculty, staff, and students paid on 1020 account (FY20)
- Increase commercial licenses for UT technologies by 50%.
Baseline: 42 commercial licenses (FY20)

**Strategic
Goals &
Objectives**



Pillar 3

Fostering Outreach and Engagement

Strategic Goals, 2021-2025

- ▲ UT transforms grand challenges facing Tennessee communities and industries.
- Tennesseans seek UT first for help in solving issues facing their communities and industries.
- Tennesseans are connected members of the UT family (from early youth to senior years).

**Strategic
Goals &
Objectives**



Pillar 3

Fostering Outreach and Engagement

Strategic Objectives, By 2025:

- ▲ UT transforms four of our state's grand challenges into strengths and increases Tennessee's rank into the top half of US states.

Indicators of economic strength and the health and well-being of Tennesseans (Fall 2021)

Grand challenges identified from a state-wide need assessment (July 2022)



**Strategic
Goals &
Objectives**



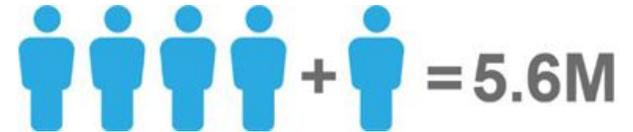
Pillar 3

Fostering Outreach and Engagement

Strategic Objectives, By 2025:

- The number of Tennesseans engaging with UT and seeking help has increased by 25%.

Baseline: ~4.5M contacts



- UT connects 60% of Tennesseans with life stage specific/age-appropriate engagement opportunities.

Baseline: ~25% of Tennesseans



**Strategic
Goals &
Objectives**



Pillar 4

Ensuring Workforce and Administrative Excellence

Strategic Goals, 2021-2025

- ▲ Our workforce reflects a diverse and engaged population representing the varied dimensions of diversity.
- Recognized as an “Employer of Choice”/ “Best Place to Work.”
- UT continuously and collaboratively improves the efficiency and effectiveness of its administrative processes.

**Strategic
Goals &
Objectives**



Pillar 4

Ensuring Workforce and Administrative Excellence

Strategic Objectives, By 2025:

- ▲ All members of the UT workforce feel equally welcome, supported, respected, and included.

Baseline: Survey to be conducted in September 2021

- All campuses and institutes are recognized as a preferred place to work.

Baseline: Three recognitions including existing employee engagement measures (2020)

- Streamline and standardize core administrative processes for employees to accomplish work more effectively.

Baseline: Available in 2021

**Strategic
Goals &
Objectives**



Pillar 5

Advocating for UT

Strategic Goals, 2021-2025

- ▲ Elevate public understanding of UT's value to the state, nation, and world.
- Increase engagement and participation of diverse advocates, donors, and alumni to advance the UT System.
- Increase state and federal support of UT as the state's higher education leader and solver of grand challenges.

Strategic
Goals &
Objectives



Pillar 5

Advocating for UT

Strategic Objectives, By 2025:

- ▲ 85% of Tennesseans can identify one or more system-wide impacts of UT in their life.

Baseline: 66% agreed that research, outreach and other programs conducted at UT make a difference in their life (2018)

- Expand the number of donors to 75,000 and increase total private support to \$1 billion.

Baseline: 67,281 donors and \$196M in commitments (FY20)

- Achieve 100% of our legislative agenda as the state's higher education leader and solver of grand challenges.

Baseline: 100% legislative agenda achieved and 46:1 ROI (2021)





THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Consent Agenda**

Type: Action

Presenter: John C. Compton, Chair of the Board

Background Information

Items on the Consent Agenda will not be presented or discussed in the Board meeting unless a Board member requests removal of an item from the Consent Agenda. In accordance with the Bylaws, before calling for a motion to approve the Consent Agenda, the Chair will ask if any member of the Committee requests that an item be removed from the Consent Agenda. The Bylaws provide that an item will not be removed from the Consent Agenda solely for the purpose of asking questions for clarification. Those questions should be presented to the President or the Secretary before the meeting.

Board Action

If there are no requests to remove items on the Consent Agenda, the Chair will call for a motion to omit the reading of the minutes of the prior meetings and to approve the items on the Consent Agenda.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Minutes of Prior Meetings**

Type: Action

8.1

The minutes for each of the following meetings are being presented for approval.

- [Special Meeting held on Wednesday, December 9, 2020;](#)
- [Winter Meeting held on Thursday, February 25, 2021;](#) and
- [Special Meeting held on Tuesday, April 20, 2021.](#)



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE SPECIAL MEETING

December 9, 2020
Knoxville, Tennessee

A Special Meeting of the University of Tennessee Board of Trustees was held at 3:30 p.m. (EST) on Wednesday, December 9, 2020. Following continuing guidance from the U.S. Centers for Disease Control and Prevention (CDC) regarding COVID-19 and in compliance with the Tennessee Pledge and other state and local guidelines, the meeting was held virtually with Committee members participating electronically or by telephone. The meeting was hosted from the University of Tennessee, Knoxville campus.

8.1

I. Call to Order and Roll Call

The Chair of the Board, John C. Compton, called the meeting to order. Board Secretary Cynthia Moore called the roll, and the following members of the Board were present: John C. Compton, Chair; Bradford D. Box; Leighton Chappell, Student Trustee; Charles Hatcher, Commissioner of the Tennessee Department of Agriculture; Decosta E. Jenkins; Kara Lawson; Amy E. Miles; William (Bill) C. Rhodes III; Donald J. Smith; Kim H. White; Alan D. Wilson; and Jamie R. Woodson.

Others present included: President Randy Boyd; Tiffany Carpenter, Vice President for Communications and Marketing; Linda Martin, Vice President for Academic Affairs and Student Success; David Miller, Senior Vice President and Chief Financial Officer; Stacey Patterson, Vice President for Research, Outreach and Economic Development; Ryan Stinnett, General Counsel; Chancellors Angle, Carver, Plowman and Schwab; Tim Cross, Senior Vice President/Senior Vice Chancellor for the University of Tennessee Institute of Agriculture; and other members of the UT senior leadership and administrative staff.

Ms. Moore addressed requirements for meetings conducted with members participating electronically and announced the presence of a quorum. The meeting was webcast for the convenience of the University community, the general public, and the media.

Chair Compton reviewed the items listed on the agenda. He reported that the Standing Rule to address the Board was extended to this specially-called meeting in order to provide an opportunity to hear from constituents on any of the specific topics contained on the agenda. Chair Compton recognized Shawn Spurgeon, Associate Professor in the Educational Psychology and Counseling Department, College of Education, Health and Human Sciences, UT Knoxville, who requested the opportunity to address the Board on the topic of the proposed acquisition of Martin Methodist College (MMC) in his capacity as President of the UT Knoxville Faculty Senate.



Professor Spurgeon introduced himself and indicated that he wished to convey some of the thoughts and concerns expressed by members of the faculty related to the expansion of the UT system through the possible acquisition of MMC. He stated that Dr. Louis Gross provided some thoughtful points for consideration in his address to the Board on October 23, 2020. Dr. Spurgeon stated that he would like the Board to consider the benefit of more analysis and discussion about this acquisition with University stakeholders, who may be affected by the acquisition. He requested that the Board consider establishing a process and timeline for a more detailed cost/benefit analysis of the proposed acquisition of MMC. He advocated for the establishment of a forum with stakeholders, namely faculty and staff who, at this point, have not been deeply or substantively engaged in the process. He closed his remarks by thanking the members of the Board for their service, time, and consideration of the request.

A copy of the prepared remarks of Dr. Spurgeon are filed with these minutes.

II. Appointment of Carey Whitworth as Vice President for Government Relations and Advocacy

President Boyd recommended the promotion and appointment of Carey Whitworth as Vice President for Government Relations and Advocacy. The Office of Government Relations and Advocacy acts as the chief liaison between the University and federal, state and local government offices and legislative bodies. The office develops partnerships, policy and provides support to policymakers by engaging University experts, capabilities and resources. President Boyd highlighted the qualifications and experience of Ms. Whitworth, including her strong relationships with lawmakers and stakeholders. He also noted that transitioning Ms. Whitworth into this role will ensure that there are no gaps or loss of momentum in this important area of focus. The trustees expressed their support of Ms. Whitworth to serve in this role.

Upon motion duly made and seconded, a roll call vote was taken, and the Board adopted **Resolution 073-2020**

III. UT Knoxville Spring 2021 Housing Rates

David Miller, Senior Vice President and Chief Financial Officer, stated that UT Knoxville proposes a 5% reduction to housing rates for the Spring 2021 term. The rates approved by the Board of Trustees on June 25, 2020 as part of the FY 2020-21 annual operating budget were based on a normal academic schedule for Spring 2021. UT Knoxville has adjusted plans in response to the ongoing pandemic, which will result in fewer days on campus and fewer days in residence halls.

The rates approved for Fall 2020 were set 10% lower than those for Fall 2019 for similar reasons. This adjustment combined with the proposed revision for Spring 2021 would set rates for the full academic year 7.5% lower than those assessed for the 2019-20 academic year.

Upon motion duly made and seconded, a roll call vote was taken, and the Board adopted **Resolution 074-2020**



IV. Revisions to Board Policies Governing Academic Freedom, Responsibility, and Tenure (BT0006)

Linda Martin, Vice President for Academic Affairs and Student Success, noted that in accordance with the resolution adopted by the Board on March 27, 2020, each campus Chancellor was granted broad authority to address needed changes to tenure-track faculty members' probationary periods in light of the coronavirus (COVID-19) pandemic.

It was recognized that certain tenure-track faculty members would continue to make adequate progress toward the grant of tenure, despite the disruptions caused by the coronavirus crisis, and may not wish to receive any extension of their probationary periods. However, other tenure-track faculty members may wish to receive an extension of their probationary periods due to the disruptions caused by the coronavirus crisis during 2020. Faculty members, who request such an extension by no later than December 31, 2020, are to be freely granted such an extension without the need to make an individualized showing of how the coronavirus crisis has impeded the faculty member's opportunity to conduct research or other required scholarly activity. For all such faculty members, the timely request for an extension of a probationary period shall be granted, but it lies within the Chancellor's discretion whether to extend the probationary period for one year or two years.

In implementing the Policy, certain issues were identified associated with: (1) reconciling the extension granted due to the coronavirus crisis with other unrelated extensions, and (2) addressing the timing of the enhanced review of tenure-track faculty members that is to occur approximately halfway through their probationary period. The proposed changes to the Board Policy are intended to clarify certain language and provide further flexibility.

Upon motion duly made and seconded, a roll call vote was taken, and the Board adopted *Resolution 075-2020*

V. Potential Acquisition of Martin Methodist College (MMC)

President Boyd began his remarks by indicating that there is an historic opportunity to bring another campus into the UT family for the first time in nearly 50 years. President Boyd highlighted how the proposed acquisition of MMC aligns with the University's mission of growing enrollment and increasing the number of college-going Tennesseans and the State's *Drive to 55* initiative of ensuring that 55% of all Tennesseans obtain post-secondary attainment—something beyond high school—by the year 2025. Since signing the non-binding letter of intent, the University has undertaken an intensive due diligence effort, with the assistance of Huron Consulting Group, to better assess the potential benefits and risks associated with an acquisition of the college. President Boyd shared with the Board some of the key findings.



- Education Landscape. Southern middle Tennessee has one of the lowest college-going rates and college attainment rates. MMC is the only four-year college in a 13-county area, and there are no four-year Tennessee public institutions in the nearly 300-mile distance from Chattanooga to Memphis along the southern border of Tennessee.
- Brain Drain. While the southern middle Tennessee region is a higher education desert, there are public Alabama universities within miles of the border that offer in-state tuition for Tennesseans residing within 50 miles of the Alabama border, and these universities are aggressively recruiting Tennessee students. Once in Alabama, many students never return, which impedes the region's economic development. An acquisition of MMC will provide additional opportunities for southern middle Tennessee families to have greater access to a UT undergraduate and graduate programs. By providing these increased opportunities, these students may stay in the area to begin their careers, start their own families, and contribute to the region's long-term economic success.
- Enrollment. Across the nation, enrollment in higher education institutions has dropped. MMC's enrollment has been negatively impacted by the COVID-19 pandemic. Long term, it will be necessary to increase the student enrollment in order for the campus to generate positive cash flow. Currently, thousands of Tennessee students go to school in neighboring Alabama. If the University can capture 10-15% of those, who are currently leaving Tennessee, the University would be able to meet its short-term enrollment target for the campus. With nominal growth (100-150 students), the campus is projected to breakeven. It is estimated that the University could double the size of the student body (to as many as 1,500 students) without the need to invest in additional buildings or infrastructure.
- Tuition Reduction. If funded on par with other state schools, it is anticipated that tuition could be reduced by approximately 60%, from \$25,000 to \$10,200, which will make a high-quality education more affordable.
- Acquisition Cost and Benefits. As proposed, substantially all of the assets of MMC would be transferred to the University, without charge. MMC has net assets of approximately \$26.1 million, including \$16.8 million in real property, that would be transferred to the University. From a financial perspective, the financial impact is small and will not materially change the financial position of the UT System.
- Opportunity. President Boyd noted that MMC has not achieved the same level of academic success as the other UT campuses; however, he is confident in the University's ability to not only improve retention and graduation rates, but to change the lives of thousands of young people and the future of southern middle Tennessee.



President Boyd shared a video of support from current students, local business and governmental leaders and others from the community.

Following the presentation, there was an extensive discussion by the members of the Board as to the possible advantages and disadvantages associated with pursuing the proposed acquisition. The trustees' inquiries and dialogue pertained to, among other things, the following areas:

- Projected enrollment figures and market demographics;
- Actions necessary to improve recruitment, retention, and graduation rates;
- Whether the acquisition would be the highest and best use of University resources, in terms of financial and human capital integrate the campus, as compared to other opportunities across the entire UT System;
- Ranking of legislative priorities for financial support;
- Opportunities to expand academic programs;
- How the acquisition aligns with the University's strategic priorities; and
- The University's mission and land grant status and its role in serving the needs of the state, especially with respect to more rural communities.

The Board members also inquired as to the projected timeline for seeking state funding.

Upon motion duly made and seconded, a roll call vote was taken, and the Board adopted **Resolution 076-2020**, authorizing the University leadership to: (i) seek legislative support and governmental approvals, and (ii) continue negotiations with representatives of the college. Such approval was conditioned upon the University leadership reporting back to the Board in January on the following four items:

- Student demographic information for southern middle Tennessee and the strategy for growing the campus;
- Academic disciplines where the campus can excel;
- A financial model for the strategy to address enrollment, retention and academic success; and
- Plans for engaging stakeholders, including faculty and staff, in ongoing discussions regarding the proposed acquisition.

The Board of Trustees also requested ongoing updates, with the final approval of the proposed acquisition to be considered at a future meeting.



VII. Adjournment

With no further business to come before the Board, the Chair adjourned the meeting.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Cynthia C. Moore".

Cynthia C. Moore
Secretary and Special Counsel

8.1



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE WINTER MEETING
February 25, 2021
Knoxville, Tennessee

The Winter Meeting of the University of Tennessee Board of Trustees was held at 3:30 p.m. (EST) on Thursday, February 25, 2021. Following continuing guidance from the U.S. Centers for Disease Control and Prevention (CDC) regarding COVID-19 and in compliance with the Tennessee Pledge and other state and local guidelines, the meeting was held virtually with Committee members participating electronically or by telephone. The meeting was hosted from the University of Tennessee, Knoxville campus.

8.1

I. Call to Order and Invocation

The Chair of the Board, John C. Compton, called the meeting to order and recognized Steve Moldrup, Co-Director at Collegiate Abbey, who gave the invocation.

II. Roll Call

Board Secretary Cynthia Moore called the roll, and the following members of the Board were present: John C. Compton, Chair; Bradford D. Box; Leighton Chappell, Student Trustee; Charles Hatcher, Commissioner of the Tennessee Department of Agriculture; Decosta E. Jenkins; Kara Lawson; Amy E. Miles; William (Bill) C. Rhodes III; Donald J. Smith; Alan D. Wilson; and Jamie R. Woodson.

Others present included: President Randy Boyd; Brian Daniels, Chief Audit and Compliance Officer; Linda Martin, Vice President for Academic Affairs and Student Success; David Miller, Senior Vice President and Chief Financial Officer; Stacey Patterson, Vice President for Research, Outreach and Economic Development; Chancellors Angle, Carver, Plowman and Schwab; Tim Cross, Senior Vice President/Senior Vice Chancellor for the University of Tennessee Institute of Agriculture; Herb Byrd, Vice President, Institute for Public Service; Brian Dickens, Chief Human Resources Officer; Christina Moradian, UT System Clery Compliance and Deputy Title IX Compliance Coordinator; and other members of the UT senior leadership and administrative staff.

Ms. Moore addressed requirements for meetings conducted with members participating electronically and announced the presence of a quorum. The meeting was webcast for the convenience of the University community, the general public, and the media.



III. Opening Remarks of the Chair

Chair Compton reflected on the fact that it was a year ago when the COVID-19 pandemic began. He highlighted a few of the effects on the University.

- Financial Costs. As discussed in the Finance and Administration Committee, the financial impact to the University has been estimated at approximately \$150 million. The University has largely been able to weather the storm. Chair Compton acknowledged the work of the prior trustees, senior leaders, chancellors, deans, and others for their prior fiscal responsibility. Additionally, he extended the Board's gratitude to the current leadership team for their efforts during the crisis.
- Human Impact. At the beginning of the Fall 2020 term there were more than 900 reported cases of COVID-19 across the UT campuses. The current number of active cases has fallen to 125. Chair Compton commended the students for being responsible and thanked the University's faculty, staff and campus workers for ensuring a safe campus environment. As reported in the Education, Research, and Service Committee, the recent student experience survey results indicate that online learning has been a different experience for students. Students have reported higher levels of stress and loneliness. He encouraged students to remain resilient for the rest of the semester and to take hope that there will be a more "normal" experience by summer or fall.
- Aspirational Outcomes. Chair Compton expressed his optimism that there will be much learned through this experience that will make the University even stronger. He anticipates that one of these lessons may be that certain expenses may no longer be necessary and that funds can be redeployed in support of the University's academic, research and outreach mission.

Chair Compton then recognized Trustee Alan Wilson for his service to the Board of Trustees, whose term will be ending. Chris Patterson, a UT Knoxville alumnus and an attorney with the law firm of Wiseman Bray in Memphis, has been recently appointed by the Governor to succeed Trustee Wilson.

Chair Compton expressed his appreciation to the leadership team on the quality of the meeting materials, noting that the changes have allowed for more dialogue and a more engaging experience. He stated that he was pleased to see the gains made by the University in terms of enrollment and retention, but noted that there is much work to be done to help the state. Chair Compton believes that the acquisition of Martin Methodist College (MMC) may be critical to helping the State of Tennessee achieve the *Drive to 55*. He closed his remarks by acknowledging the thoughtful remarks of Jennifer "Jae" Resendes, a lecturer at UT Knoxville, on the topic of lecturer pay. Chair Compton has asked that Chancellor Plowman report back the Board at a future meeting on the work that is being done by the campus to address this issue.



IV. Requests to Address the Board

None.

V. President's Address

President Boyd began his remarks by thanking the Board of Trustees for their guidance and advice during the pandemic. He remains steadfast that this will indeed be the "Greatest Decade in the History of UT." President Boyd also extended his gratitude to the campus leadership, faculty, staff, and students for their efforts in combatting COVID-19. He remarked that COVID-19 cases have dropped by 86% (as compared to the same time for the Fall 2020 semester). Based on reported cases, the rate of infection on the University's campuses has been seven times lower than the state rate for the student demographic. President Boyd reported that there was record student enrollment for the spring semester, which is remarkable given the pandemic.

President Boyd recognized Governor Lee and the current members of the legislature, along with others who came before them, for the fiscal stewardship of the State's resources. He advised that the State of Tennessee is anticipated to have a \$1 billion surplus, which is extraordinary compared to the financial condition of many other states across the country. This, of course, also puts the University and other institutions of higher education in the State of Tennessee in a much different position than other universities and colleges, which have seen their state appropriation funding reduced.

VI. Legislative Update

President Boyd introduced Carey Whitworth, Vice President for Government Relations and Advocacy, for the legislative update. Ms. Whitworth began her remarks by providing an update on leadership changes within the Tennessee General Assembly and in the Office of the Comptroller of the Treasury. She presented the key items set forth in the Governor's proposed budget, which includes: (i) \$8 million for the UT Oak Ridge Innovation Institute; (ii) \$5.1 million in recurring funding for UTHSC; (iii) \$5.1 million in recurring funding and \$1 million in non-recurring funding for the proposed new UT campus (MMC acquisition); and (iv) a recommended salary pool for state employees. Ms. Whitworth also reviewed the capital funding for new projects and maintenance. She advised that there were more than 1600 bills introduced and that the Office of Government Relations and Advocacy is tracking more than 450 of these bills as they may have implications for the University. She closed her remarks by highlighting state and federal legislative initiatives contemplated for 2021.

8.1



VII. Proposed Update of Mission Statements

President Boyd stated that is critical for mission statements to be impactful and meaningful. Additionally, it is important for mission statements to be short in order for them to be remembered. He discussed the engagement and process undertaken to revisit the existing mission statements for both the University (system-wide) and for the UT System Administration. President Boyd then presented the revised mission statements to the Board for its consideration.

Mission Statement for The University of Tennessee

Serving all Tennesseans and beyond through education, discovery and outreach that enables strong economic, social and environmental well-being.

Upon motion duly made and seconded, a roll call vote was taken, and the Board adopted **Resolution 004-2021**

Mission Statement for UT System Administration

To develop and advance the strategic vision and to support and serve the campuses and institutes through:

- *Advocacy*
- *Collaboration and Connectivity*
- *Efficiency and Effectiveness*
- *Stewardship and Oversight*

Upon motion duly made and seconded, a roll call vote was taken, and the Board adopted **Resolution 005-2021**

VIII. UT Values

Chair Compton indicated that having a statement of values is very important for any organization. He reminded the Board that this item was being presented for discussion only. President Boyd discussed the process that was used in developing the set of values or guiding principles. He explained that the values are meant to encompass both attributes and aspirations. Similar to the revised mission statements, the values needed to be easy to remember. President Boyd asked members of the senior leadership team to review the new values statement.

BE ONE UT

- | | | |
|-------------------------------|------------------------------------|------------------------------------|
| B - Bold and Impactful | O -Optimistic and Visionary | U - United and Connected |
| E - Embrace Diversity | N - Nimble and Innovative | T - Transparent and Trusted |
| | E -Excel in All We Do | |

The trustees expressed their support for the “BE ONE UT” values and the plan for integrating them into the University’s daily operations.



IX. Proposed 2021 Goals and Objectives

President Boyd discussed the 2021 goals and objectives under each of the five pillars of the strategic plan, with diversity and inclusion serving as a foundational element for each of the pillars. The Board members remarked on the ambitious goals set for 2020 and once again for the upcoming year. Chair Compton summarized the progress that has been made in establishing a vision (Greatest Decade), new mission statements, and measurable objectives. He looks forward to the development of a dashboard that will assist in tracking progress. (A copy of the 2021 Objectives and the presentation provided to the Board is attached to these minutes.)

X. Committee Reports

Audit and Compliance Committee. Committee Chair Amy Miles provided a report on the items that came before the committee earlier in the morning. She advised that the committee approved the following items: (i) Internal Audit Charter; (ii) Internal Audit Plan, and (iii) Institutional Compliance Workplan. The committee heard from Ramon Padilla, the UT Chief Information Officer, on information security. Judy Burns, Enterprise Risk Officer, discussed the Tennessee Financial Integrity Act report and presented the goals for 2021. Committee Chair Miles concluded her report by advising that the committee held a non-public, executive session.

Finance and Administration Committee. Committee Chair Bill Rhodes provided an overview of the items discussed at the committee meeting, which included the following topics:

- An address from Jennifer “Jae” Resendes on the issue of lecturer pay (UT Knoxville). The Board has asked Chancellor Plowman to report back on this item at a future meeting.
- The Annual Financial Statements (for fiscal year ended June 30, 2020).
- The Chief Financial Officer’s report, which addressed the ramifications of COVID-19 and the work that has been done to mitigate the adverse impacts. While enrollment has grown, the auxiliary operations, especially the athletics programs, have been significantly affected.
- The revised Operating Budget for fiscal year 2020-21. This year’s revised budget had more substantive adjustments due to the impacts of COVID-19.
- The Intercollegiate Athletics financial reports.

Committee Chair Rhodes reminded the Board that the academic calendar for UTHSC is different than the other campuses, which requires presentation and approval of FY 2021-22 Tuition and Fees at this meeting. He commended the work of Chancellor Schwab and his team, along with the Advisory Board, for bringing forward a schedule that includes no tuition increases for the upcoming year and for reductions in certain programs. He concluded the committee’s report by highlighting that the committee approved a paid parental leave policy, along with the update on the Enterprise Resource Planning (ERP) project and the recent strong performance of the University’s consolidated investment pool (endowment).



Chair Compton advised that there were two items on the agenda recommended by the committee that are required to be voted upon.

➤ *Revised FY 2020-21 Operating Budget*

Upon motion duly made and seconded, the Board approved the revised operating budget, as set forth in *Resolution 006-2021*, by unanimous roll call vote.

➤ *FY 2021-22 Tuition and Fees for UT Health Science Center*

Upon motion duly made and seconded, the Board approved the proposed tuition and fees schedule, as set forth in *Resolution 007-2021*, by unanimous roll call vote.

Education, Research, and Service Committee. Committee Chair Donnie Smith thanked Trustee Wilson for his dedicated service to the committee over the last several years. He provided an overview of the items that were approved by the committee and listed on the consent agenda for the Board's approval. Committee Chair Smith reported that (i) Dr. Linda Martin, Vice President for Academic Affairs and Student Success, provided an overview of the items that are anticipated to come before the committee in connection with the proposed acquisition of MMC; and (ii) Dr. Frank Cuevas, Vice Chancellor for Student Life, reviewed proposed changes to the Student Code of Conduct for the UT Knoxville campus. There will be a public rulemaking hearing on the proposed changes to the rule. Following the hearing, the Student Code of Conduct will be brought forward for the Board's consideration. Committee Chair Smith reflected on the report provided by Dr. Jorge Pérez, Associate Vice President for Institutional Effectiveness, regarding the student enrollment pipeline in the State of Tennessee and how these trends may impact higher education. He concluded the committee's report by sharing some of the findings from the student survey and noting that the graduate deans from across the system provided a presentation to the committee.

XI. Campus Safety (Clery Act Compliance Update)

Chair Compton reminded the trustees that one of the key findings of the Comptroller's performance audit report (Sunset Audit) was that the Board should exercise more oversight of student safety and campus security. This item was originally going to be presented to the Audit and Compliance Committee, but instead was placed on the agenda for the full Board. Chair Compton called on Brian Daniels, Chief Audit and Compliance Officer, for the report.

Mr. Daniels provided a brief overview of the work that has been undertaken following the Sunset Audit, and he introduced Christina Moradian, UT System Clery and Deputy Title IX Compliance Coordinator. Ms. Moradian provided an overview of the Jeanne Clery Disclosure of Campus Security and Campus Crime Statistics Act (Clery Act). Mr. Daniels explained that complying with the Clery regulations is only one aspect of the University's overall campus security and safety efforts.



Ms. Moradian expressed her gratitude to the chiefs of police, safety directors and Clery coordinators who have worked in a very collaborative fashion to improve the Clery reporting function. Ms. Moradian highlighted new initiatives to promote compliance with the Clery Act, including: (i) the creation of a Clery Audit Dashboard; (ii) the development of a campus security authority (CSA) training video; (iii) the preparation of a draft UT System Clery Policy; and (iv) the establishment of monthly UT system-wide Clery Coordinator meetings to provide compliance guidance, legal updates, shared resources, and best practices. From a system level perspective, she indicated that the first priority for Clery Compliance in 2020 was to support the accurate and timely publication of Annual Security Reports (ASRs) through the following actions:

- Reviewing the ASRs for completeness using the U.S. Department of Education's ASR checklist;
- Verifying that crime statistics in the ASRs agreed with campus safety and security web-based survey, and
- Achieving 100% timely publication and distribution of the ASRs across the UT System.

Additionally, in support of the University's initiatives around transparency, there is now centralized access to all of the ASRs on the Transparent UT website. Ms. Moradian concluded her remarks by sharing the 2021 goals for continuing to enhance the University's Clery Act compliance efforts.

Chair Compton congratulated Ms. Moradian on the accomplishments, especially in such a short period of time.

XII. Consent Agenda

The Chair outlined the items listed in the Consent Agenda and asked whether any trustee wanted to remove an item from the Consent Agenda for discussion. Hearing no requests, the Chair called for a motion to adopt the relevant Resolutions set forth in the materials. Upon motion duly made and seconded, a roll call vote was taken, and the Board approved the items set forth in the Consent Agenda. (A complete list of the approved items on the Consent Agenda appears at the end of these minutes.)

XIII. Other Business

None.

XIV. Closing Remarks

Chair Compton expressed the Board's gratitude to Governor Lee for his budget. He asked the trustees to continue to serve as advocates for the UT System in its efforts to seek support from the legislature.



XV. Adjournment

With no further business to come before the Board, the Chair adjourned the meeting.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Cynthia C. Moore".

Cynthia C. Moore
Secretary and Special Counsel

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Approved Consent Agenda Items

- Minutes of the Prior Meetings:
 - Special Meeting held on Tuesday, August 4, 2020
 - Fall Meeting held on Friday, October 23, 2020
 - Special Meeting held on Friday, November 20, 2021
- Delegation Authority for Rulemaking Hearings
- Items from the Education, Research, and Service Committee
 - New Academic Unit, Occupational Therapy, UTC
 - New Academic Unit, Physician Assistant Studies, UTHSC
 - New Academic Unit, Psychology, UTM
 - Academic Program Modification, Bachelor of Science degree in Communication, UTC
 - Grant of Tenure upon Initial Appointment, UTK
 - New Academic Program, Bachelor of Science degree in Geographic Information Science and Technology, UTK
- Items from the Finance and Administration Committee
 - Parental Leave Policy
 - Naming of JTV Center for Applied Business Analytics
 - Re-Naming of Orange Hall in honor of Rita Sanders Geier
 - Re-Naming of White Hall in honor of Theotis Robinson, Jr.
 - Long-term Ground Lease Amendment for a Private Commercial-Retail Development(UTHSC)
 - Transfer of Property at Research and Education Center - Blount Unit (UTIA)

Attachments. Copies of the following documents are filed with the official minutes of this meeting.

- 2021 Objectives
- Presentation Materials:
 - Legislative Update
 - President's Address
 - 2021 Objectives
 - Campus Safety (Clery Act Compliance Update)



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE SPECIAL MEETING

April 20, 2021
Knoxville, Tennessee

A Special Meeting of the University of Tennessee Board of Trustees was held at 3:00 p.m. (EDT) on Tuesday, April 20, 2021. Following continuing guidance from the U.S. Centers for Disease Control and Prevention (CDC) regarding COVID-19 and in compliance with the Tennessee Pledge and other state and local guidelines, the meeting was held virtually with Committee members participating electronically or by telephone. The meeting was hosted from the University of Tennessee, Knoxville campus.

8.1

I. Call to Order and Roll Call

The Chair of the Board, John C. Compton, called the meeting to order. Board Secretary Cynthia Moore called the roll, and the following members of the Board were present: John C. Compton, Chair; Bradford D. Box; Leighton Chappell, Student Trustee; Charles Hatcher, Commissioner of the Tennessee Department of Agriculture; Decosta E. Jenkins; Kara Lawson; Amy E. Miles; Chris Patterson; William (Bill) C. Rhodes III; Donald J. Smith; Kim H. White; and Jamie R. Woodson.

Others present included: President Randy Boyd; Linda Martin, Vice President for Academic Affairs and Student Success; David Miller, Senior Vice President and Chief Financial Officer; Ryan Stinnett, General Counsel; Chancellor Donde Plowman, UTK; Frank Cuevas, Vice Chancellor for Student Life, UTK; Chancellor Steve Schwab; and other members of the UT senior leadership and administrative staff.

Ms. Moore addressed requirements for meetings conducted with members participating electronically and announced the presence of a quorum. The meeting was webcast for the convenience of the University community, the general public, and the media.

II. Opening Remarks of the Chair

Chair Compton thanked everyone for attending the specially called meeting. He indicated that there were two administrative rules on the agenda to be considered by the Board of Trustees. Chair Compton asked Ryan Stinnett, General Counsel to provide an overview of each of the rules.

II. UTK Student Code of Conduct

Mr. Stinnett began his remarks by noting that at the meeting of the Education, Research, and Service Committee held on February 25, 2021, Frank Cuevas, Vice Chancellor for Student Life (UTK), provided an informational overview of proposed changes to the Student Code of Conduct, which is



a rule under the Tennessee Uniform Administrative Procedures Act ("Act"). The proposed changes to the rule incorporate UTK's Principles of Civility and Community, streamline the academic misconduct process, and address the educational and developmental process for students. The revisions also clarify certain terms as used in the rule to comply with Tennessee law and establish consistency with other student codes in the UT System.

Mr. Stinnett advised that the University held a public rulemaking hearing on March 8, 2021, following public notice in accordance with the Act. No comments were received at the hearing. However, one written comment was received during the public comment period pertaining to certain grading nomenclature. The rule has been revised to reflect this recommendation.

In closing, Mr. Stinnett reviewed the next steps in the process. Subject to approval by the Board, the rule will be sent to the State Attorney General's Office for legal review. If the Attorney General's Office approves the rule, the University will file the rule with the Tennessee Secretary of State. The rule will become effective 90 days after such filing. During that time, the University will present the revised rule to the Joint Government Operations Committee of the Tennessee General Assembly.

Upon motion duly made and seconded, a roll call vote was taken, and the Board approved **Resolution 021-2021**.

III. Student Immunization Rule

Mr. Stinnett indicated that a student immunization rule has been discussed at several prior meetings of the Board of Trustees. He provided a chronological history of the rule, noting that:

- Emergency Rule. On August 4, 2020, the Board adopted an emergency rule, which permitted the University to require students to have flu and COVID-19 immunizations, subject to certain exemptions.
- Permanent Rule. On November 20, 2020, in anticipation of the expiration of the emergency rule, the Board approved a permanent student immunization rule, which encompassed COVID-19, influenza, and a number of other diseases (e.g., measles, mumps, chicken pox, and meningitis). Such approval was conditioned upon the President seeking the Board's authorization prior to mandating: (i) any flu vaccination (beyond what was authorized previously under the emergency rule), and (ii) a COVID-19 vaccination.

Following the Board's approval, the University filed its proposed final student immunization rule with the Tennessee Secretary of State, and the University was scheduled to present the rule to the Joint Government Operations Committee in early 2021. In January 2021, President Boyd announced that the University would not require students to have the COVID-19 immunization. Instead, the University would strongly encourage students to receive the vaccine. Accordingly, the University subsequently withdrew its student immunization rule.



- Proposed Rule. A revised version of the student immunization rule is now being proposed for the Board's consideration. It is identical to the rule previously presented to the Board, except that it no longer includes COVID-19 or flu immunizations. The proposed rule encompasses: (i) measles, mumps and rubella (MMR); (ii) varicella (chicken pox); (iii) meningococcal disease; (iv) hepatitis B; and (v) certain other requirements pertaining primarily to academic programs in the health sciences.

Mr. Stinnett advised that the proposed rule is consistent with Tennessee's Department of Health requirements for K-12 schools and for college students. He explained that there was a relatively recent legislative change that requires the University to adopt its own rule in this regard.

The proposed rule continues to recognize several exemptions from the immunization requirements, including for students who:

- are enrolled exclusively online and not participating in experiential learning;
- have a medical contraindication;
- have a religious objection; or
- satisfy any other regulatory, statutory or legal exemption.

As a previous version of this rule was presented in a prior public rulemaking hearing, the University intends to promulgate the revised rule through the more expedited "proposed rule" process. Upon approval by the Board, this rule will be sent to the State Attorney General's Office for legal review. If the Attorney General's Office approves the rule, the University will file the rule with the Tennessee Secretary of State. Similar to the UTK Student Code of Conduct, it is anticipated that the University will present the revised rule to the Joint Government Operations Committee of the Tennessee General Assembly.

Mr. Stinnett highlighted that the goal is to have both rules in place prior to the start of the Fall 2021 academic semester.

Chair Compton called for a motion and second. Before the vote was taken, Trustee Woodson extended her appreciation to President Boyd for considering the advice of the Board members following the last discussion regarding the student immunization rule. She was pleased as to the thoughtful engagement surrounding this topic and believes that the current posture of encouraging the COVID-19 vaccine, as opposed to mandating it, is appropriate. President Boyd expressed his gratitude to the Board for its advice and counsel on this matter. Upon motion duly made and seconded, a roll call vote was taken, and the Board approved *Resolution 022-2021*.

Chair Compton encouraged all members of the University community to consider receiving the vaccine when available.

8.1



VII. Closing Remarks

In closing, Chair Compton advised that the plan is to hold the Annual Meeting in-person in June. The meeting will be held in Memphis and the UT Health Science Center. Trustee Rhodes recommended that the Board consider continuing to use virtual meetings, especially for specially called meetings of the Board as needed in between the regularly scheduled meetings.

Chair Compton expressed his gratitude to the Board members for participating in the meeting.

VIII. Adjournment

With no further business to come before the Board, the Chair adjourned the meeting.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Cynthia C. Moore".

Cynthia C. Moore
Secretary and Special Counsel

8.1



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: Statement of Commitment
Graduate Medical Education Program (July 1, 2021 – June 30, 2026)

Type: Action

8.2

Background Statement

The UTHSC College of Medicine (COM) sponsors residency programs accredited by the Accreditation Council for Graduate Medical Education (ACGME). As a “Sponsoring Institution,” UTHSC-COM must adhere to ACGME’s Institutional Requirements. Section I.A.7 (effective July 1, 2021) requires the following:

“A written statement, reviewed, dated, and signed at least once every five years by the DIO [Designated Institutional Official], a representative of the Sponsoring Institution’s senior administration, and a representative of the governing body, must document the Sponsoring Institution’s:

- a) GME mission; and*
- b) commitment to GME by ensuring the provision of the necessary administrative, educational, financial, human, and clinical resources.”*

Attached for the Board’s consideration is an updated Statement of Commitment for the Graduate Medical Education Program for the five-year period (2021-2026). If approved, the Statement of Commitment will supersede the Statement of Commitment previously adopted by the Board on March 23, 2018 for the five-year period (2017-2022).



**Office of
Graduate Medical Education**
College of Medicine
920 Madison Avenue, Suite 447
Memphis, TN 38163
t 901.448.5364
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**Memphis
Knoxville
Chattanooga
Nashville**

**University of Tennessee
Health Science Center
Graduate Medical Education (GME) Program
Statement of Commitment
July 1, 2021 – June 30, 2026**

8.2

The Board of Trustees of the University of Tennessee, The University of Tennessee College of Medicine (COM) and its participating teaching hospitals are fully committed to the GME mission of educating, quality health care professionals to support the physician workforce needs of the state of Tennessee. The COM will provide the educational environment and opportunities to meet the needs of all medical residents and facilitate their professional, ethical, and personal development. This is consistent with the College's mission to create "an environment that provides our students and trainees with the education and experiences that will make them skilled and compassionate physicians."

The Board of Trustees, The COM Administration, and GME community are committed to and responsible for promoting patient safety and resident well-being, and for providing a supportive educational environment. The leadership of the COM Graduate Medical Education Program supports safe and appropriate patient care through effective curricula, evaluation and resident supervision.

Educational Resources:

The COM currently sponsors 75 Memphis-based (includes Nashville and Jackson) ACGME accredited residency programs. For the academic year 2020, there are over 900 residents enrolled in these accredited programs.

The COM will provide the oversight necessary to foster graduate medical education programs in which physicians in training develop personal, clinical and professional competence under the guidance and supervision of the faculty and staff. The COM Graduate Medical Education Office is committed to providing a scholarly environment in which the resident is viewed as a student. The Graduate Medical Education Office will ensure the progression of responsibilities through demonstrated clinical experience, knowledge, and skills.

The COM will ensure that all residency programs define, in accordance with its Program Requirements, the specific knowledge, skills, attitudes, and educational experiences required in order for each resident to demonstrate:

- A. **Patient care** that is compassionate, appropriate, and effective for the treatment of health problems and the promotion of health.
- B. **Medical knowledge** of established and evolving biomedical, clinical, epidemiological and social-behavioral sciences and the application of this knowledge to patient care.
- C. **Practice-based learning and improvement**, enabling the resident to investigate and evaluate their care of patients, to appraise and assimilate scientific evidence, and to continuously improve patient care based on constant self-evaluation and life-long learning.

- D. **Interpersonal and communication skills** that result in effective information exchange and collaboration with patients, their families and other health professionals.
- E. **Professionalism**, as manifested through a commitment to carrying out professional responsibilities and an adherence to ethical principles.
- F. **Systems-based practice**, as manifested by actions that demonstrate an awareness of and responsiveness to the larger context and system for health care, as well as the ability to call effectively on other resources in the system to provide optimal health care.

Financial Resources:

All residents in ACGME accredited programs receive the same level of compensation for their appropriate level of training and are paid by the University of Tennessee. In addition, the College maintains a comprehensive health, dental, vision, life, and disability insurance programs for all residents. The GME Office provides educational support funds to programs. Residents have absolute immunity from malpractice claims for educational activities under the Tennessee Claims Commission Act of 1985. Supervisory funding for faculty activities is provided by our teaching hospitals and is allocated to faculty commensurate with their teaching efforts through the GME Office.

Human Resources:

All teaching faculty hold regular or clinical appointments in the College of Medicine. The COM and GME Office are responsible for the administrative support of the residency programs. The main GME Administrative Office has sixteen full-time employees, including two accreditation specialists, dedicated to institutional and program oversight. The Associate Dean/Designated Institutional Official for GME chairs the Graduate Medical Education Committee.

This Statement of Commitment is supported by the University of Tennessee Board of Trustees, the leadership of the COM, the Graduate Medical Education Committee, administration, and teaching faculty. The College of Medicine and participating teaching hospitals will provide the necessary educational, financial and human resources necessary to support all Graduate Medical Education training programs.

Natascha S. Thompson, M.D.
Designated Institutional Official
Associate Dean, GME
Chair, GMEC

Steve J. Schwab, M.D.
Chancellor, UTHSC

Scott Strome, MD
Executive Dean, College of Medicine

UT Board of Trustees

8.2



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Resolution Appointing a Managerial Group for U.S. Government Contracts**

Type: Action

8.3

Background Information

The Department of Energy, Department of Defense, and other federal agencies with which the University has contracts impacting national security require the Board to appoint a Managerial Group and delegate to that group responsibility for negotiation, execution, and administration of U.S. government contracts. Only members of the Managerial Group will receive security clearance to access classified information related to these contracts.

A new Resolution is required periodically to reflect changes in Trustees and University personnel, who are not included in the Managerial Group and do not have access to classified information related to government contracts.

[Resolution in Required Form Follows]



The University of Tennessee
Board of Trustees

Resolution ___ - 2021

Appointment of the Managerial Group for Contracts between
The University of Tennessee and the United States Government
Pursuant to the National Industrial Security Program Operating Manual

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF TENNESSEE THAT:

1. Those persons occupying the following positions at The University of Tennessee shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution, and administration of U.S. Government contracts as described in the National Industrial Security Program Operating Manual:

President
Chief Financial Officer
General Counsel
Chancellor, The University of Tennessee, Knoxville
Vice Chancellor for Research and Engagement, The University of Tennessee, Knoxville
Executive Director, The University of Tennessee Space Institute
Facility Security Officer

2. The Chief Executive and the members of the Managerial Group are cleared, or will be processed for clearance, to the level of The University of Tennessee's facility clearance. If uncleared, pending issuance of the requested access authorization, such individual shall be excluded from all access and shall not participate in any decision or other matter pertaining to the protection of classified information and/or special nuclear material.
3. The above-named Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information and/or special nuclear material released to The University of Tennessee.
4. In the future, when any individual is appointed to the Managerial Group as an additional member or replacement member, such individual shall immediately be processed for an access authorization at the same level as The University of Tennessee's facility clearance. Pending issuance of this requested access authorization, such individual shall be excluded from all access and shall not participate in any decision or other matter pertaining to the protection of classified information and/or special nuclear material.
5. The following named officers and members of the Board of Trustees of The University of Tennessee shall not require, shall not have, and can be effectively excluded from access to all classified information and/or special nuclear material released to The University of Tennessee and do not occupy positions that would enable them to affect adversely the policies or practices of The University of Tennessee's performance of classified contracts for the U.S. Government:

8.3



Officers

<u>Name</u>	<u>Title</u>
Steve R. Angle	Chancellor, The University of Tennessee at Chattanooga
William H. Byrd III	Vice President, Institute for Public Service
Keith S. Carver	Chancellor, The University of Tennessee at Martin
Tiffany Carpenter	Vice Chancellor for Communications and Marketing
Tim L. Cross	Senior Vice Chancellor and Senior Vice President for Agriculture
Brian J. Daniels	Chief Audit and Compliance Officer
Mark D. La Branche	Chancellor, The University of Tennessee Southern
Mark Paganelli	Treasurer
Linda C. Martin	Vice President for Academic Affairs and Student Success
Cynthia C. Moore	Secretary and Special Counsel to the Board of Trustees
Stacey S. Patterson	Vice President for Research, Outreach, and Economic Development
Steve J. Schwab	Chancellor, The University of Tennessee Health Science Center
Carey Whitworth	Vice President for Government Relations and Advocacy
Kerry W. Witcher	Vice President for Development and Alumni Affairs and Programs

8.3

Members of the Board of Trustees

<u>Name</u>	<u>Title</u>
Bradford D. Box	Trustee
John C. Compton	Trustee and Chair of the Board
Kara Lawson Barling	Trustee
Lane Gutridge	Student Trustee
Decosta E. Jenkins	Trustee
Amy E. Miles	Trustee
Chis Patterson	Trustee
William C. Rhodes III	Trustee
Donald J. Smith	Trustee
Kim H. White	Trustee
Jamie R. Woodson	Trustee
Commissioner of Agriculture	Ex Officio Trustee

Effective as of July 1, 2021.

Certificate

I certify that the above Resolution was adopted by the Board of Trustees of The University of Tennessee on June 25, 2021.

Cynthia C. Moore, Secretary and Special Counsel



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Approval of Board Meeting Dates (2022)**

Type: Action

8.4

Pursuant to Section 3.1 of the Bylaws, the Board of Trustees shall hold at least three (3) regular meetings annually on a day or days determined by the Board from year to year. The proposed meeting dates for the regular meetings of the board for calendar year 2022 is set forth below.

Resolved: The Board of Trustees hereby approves the following dates for the 2022 regular meetings of the Board.

2022

Winter Meeting	February 24-25, 2022
Annual Meeting	June 23-24, 2022
Fall Meeting	October 27-28, 2022



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Items from the Education, Research, and Service Committee**

Type: Action

8.5

Education, Research, and Service Committee agenda items approved in the Committee and coming forward to the full Board Consent Agenda are in the meeting book of the Committee and not repeated here.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: June 25, 2021

Item: **Items from the Finance and Administration Committee**

Type: Action

8.6

Finance and Administration Committee agenda items approved in the Committee and coming forward to the full Board Consent Agenda are in the meeting book of the Committee and not repeated here.

FY 2021-22 UNDERGRADUATE TUITION AND FEE PROPOSALS

PUBLIC COMMENTS

A. UNIVERSITY OF TENNESSEE AT CHATTANOOGA

Janet Jones	Tennessee Resident	Parent of a current student, University of Tennessee staff
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“I do not believe UT Chattanooga should increase tuition and other fees. If anything, students should get a refund for the past semester. My son is a student at UTC, and his sophomore year was very disappointing. The instructors were not helpful, and not very available for him. He felt he got little knowledge Spring semester, especially. One of his classes was actually just a video to watch that had been recorded over a year previous. And yet these instructors were getting paid and receiving credit for teaching. Some credit should be given for the lack of instruction that occurred in the last year. And that is comparing it to his twin sister at another college, not state supported, who had a much better semester in terms of instruction. Housing is too expensive as well, and not well maintained. We have not been impressed. The state could, and should, supply better support for state institutions.”

(Submitted: 6/1/21 14:40)

Lisa Cunningham	Tennessee Resident	Parent of a current student
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“The timing of this proposed increase is extremely upsetting to me. I am a single mother trying to pay for my daughter’s education without incurring student loan debt for her. I graduated from UTK without debt and I want to afford my daughter the same start in life. Last year was a terrible year for education. I paid all of the fees for a student who was only allowed to step into a classroom for 2 weeks in one class. The year before, half of her year was at home via online classes, and yet I still paid all of the fees associated with on-campus learning. This Summer, she will be taking a Chemistry class which will be online, with the lab in person, and yet again, I am paying a ridiculous amount of fees that are not even available to her. So where did the money that you collected from students who were not on campus go? I am firmly against this rate increase and do not believe it is ethical given the lack of a quality education experience over the last year.”

(Submitted: 6/1/21 16:45)

Brian O’Leary	Tennessee Resident	University of Tennessee faculty
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“This tuition increase is very reasonable given the growing demands placed on faculty caused by 24/7 student demands and increased emphasis on faculty research. It is critical that we expand the number of faculty to reduce student-faculty ratios that have burgeoned over the last decade resulting in a less personal academic experience that may impact retention and progression toward graduation. It will also enable us to provide a modest increase to the ridiculously low salaries paid to our Lecturers who are responsible for teaching a disproportionate amount of our general education curriculum.”

(Submitted: 6/1/21 18:49)

Dave Harshey	Tennessee Resident	Parent of a current student
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“I’m shocked and surprised by the fact UTC wants to raise tuition when the vast majority of classes last year were online. Surely the school saved hundreds of thousands of dollars in utilities, travel expenses, and food expenses as many students didn’t fully utilize their meal plan, not to mention other misc. expenses which were not incurred. In addition, the quality of education my son and others received was not up to par. My oldest son graduated this spring and his senior year was disappointing with respect to the classroom experience and my youngest son is an upcoming sophomore who also didn’t receive the in class training he needs. I find it absurd you would raise tuition at UTC while not doing so at the Knoxville campus (at least it’s what I’ve been told). The Board of Trustees needs to do the right thing and not raise tuition and in my opinion should do all it can to lower tuition if possible thanks!”

(Submitted: 6/1/21 20:20)

Paul Stumb	Tennessee Resident	Other – UT System Alumnus
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“I understand and fully support the proposed modest tuition and fee increase.”

(Submitted: 6/2/21 16:02)

Michelle Zellner	Tennessee Resident	Parent of a current student
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“Under ordinary circumstances I understand the need for tuition increases. However, the fees charged this past Fall, Spring and current Summer semesters have not been refunded despite the fact the students could not use the Transportation, Athletics, Facilities, Activities, Wellness or Library. (I have no idea what the International Fee of \$10 goes toward) There should be enough in that \$610 per semester to more than cover this “needed” increase for the 21-22 year.”

(Submitted: 6/4/21 20:27)

Nichole Minshall	Tennessee Resident	Current Student
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“I vote No. The cost of higher education is already astronomical. Students most often finish with insane amounts of debt. Students are forced to take repetitive classes that do not have anything to with their majors. College education could and should be streamlined and as a result, students could earn a degree in less time and end up with much less debt after completing. Skilled trades - Union workers receive free training and education and end up in positions earning more money than a college graduate. Students are forced to pay extra fees for taking classes online and then have to also pay for additional Web platforms. This is ridiculous! In addition, Most Professors force students to pay full price for E-books when it is much more economical to rent the text books!”

(Submitted: 6/10/21 17:35)

B. UNIVERSITY OF TENNESSEE AT MARTIN

Paul Stumb	Tennessee Resident	Other – UT System Alumnus
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“I understand the need and fully support the proposal to adopt a small increase to the tuition and fees for undergraduate students beginning in the FA’21 semester.”

(Submitted: 6/2/21 3:59 PM)