



## FROM THE PRESIDENT

The promise of Tennessee's future and that of the University of Tennessee are inextricably linked. As we achieve greater success in delivering high-quality education to greater numbers of Tennesseans, the state of Tennessee will be poised for greater opportunity for generations to come.

### ON THE COVER

This medallion bearing the "University of Tennessee President's Seal" is worn by the UT System President for commencement ceremonies. It was originally designed by UT architect Malcolm Rice for the inauguration of Dr. Andy Holt in 1960. The three words in the center signify the qualities of a UT president — vision, character and energy. The silver overlay depicts a Gordian knot being cut by a sword, a leaping flame signifying the torch of knowledge and a quill representing the power of the written word.



Each year, student leaders from our campuses gather, and I relish the opportunity to hear about what's important to them, to answer their questions and to get their perspective on our University.

# defining the FUTURE

## THE SYSTEM STRATEGIC PLAN

Implementation of the UT System Strategic Plan is in its second year, and progress on each of the five goals is tracked using an online dashboard.

### THE FIVE STRATEGIC GOALS

- 1 Enhancing Education Excellence
- 2 Expanding Research Capacities
- 3 Fostering Outreach and Engagement
- 4 Ensuring Effectiveness and Efficiency
- 5 Advocating for the University of Tennessee System

"The UT System's delivery of education, discovery, outreach and public service contributes to the economic, social and environmental well-being of all Tennesseans."  
- University of Tennessee System Mission Statement

Gov. Haslam's Drive to 55 initiative gives us even greater incentive to increase our graduation and retention rates. UT's undergraduate campuses have the top four graduation rates among public universities in Tennessee.

PHOTO BY ADAM BRIMER

# EDUCATE

NEW BUILDINGS AND NEW WAYS TO  
TEACH STUDENTS ACROSS TENNESSEE



The University of Tennessee offers more than 40 online academic programs and 600 online courses. Professor Richard Griffin at UT Martin has been teaching online since 1998.

## ALTERNATIVE EDUCATION PLATFORMS



UT is evaluating new forms of teaching through contracts with Coursera and edX. Over 18 months, our faculty and students are testing these platforms to determine if they can be used to improve the educational experience and progression and graduation of our students.

## CONSTRUCTION ON CAMPUS



Construction continues on UT Chattanooga's new library that is set to open in the 2014-15 academic year. The current library holds 400,000 print books with about 5,000 new added each year. The new library will accommodate 30 years of growth to hold future acquisitions.

# DISCOVER

FACULTY AND STUDENT RESEARCH LEADS TO BETTER OUTCOMES AND LIFESTYLES

Was there water on Mars? Associate Professor Linda Kah at UT Knoxville is part of NASA's Mars Curiosity Rover team analyzing whether the planet once had flowing water. They believe it did, which means the planet may have had the potential to support life.

## RESEARCH PARTNERSHIPS

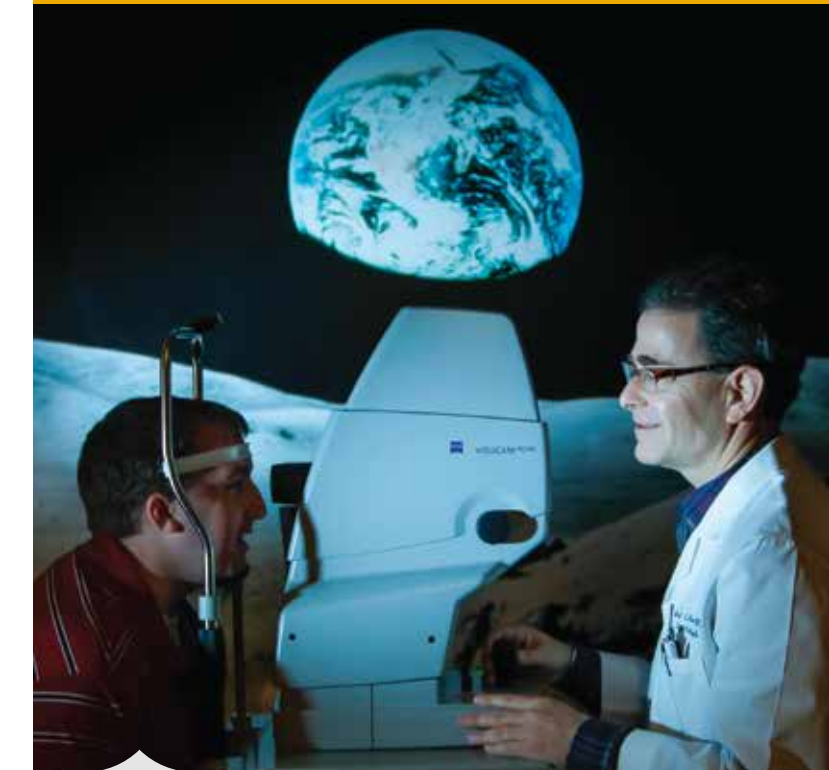
# Breaking the **Mold**

The University of Tennessee, Battelle  
and the  
Resurgence of Oak Ridge National Laboratory



The history of the important partnership between UT and Oak Ridge National Laboratory, including how UT rejuvenated the lab from possible closure to becoming the lead DOE research facility, is chronicled in the book "Breaking the Mold," published this year.

## HELPFUL INNOVATIONS



Dr. Edward Chaum at UT Health Science Center has come up with a way to help diabetics save their sight. Using a telemedical network connected to a library of retinal images managed by Chaum, primary-care physicians can diagnose eye disease.

# CONNECT

HUNDREDS OF TENNESSEANS BENEFIT FROM UT PROGRAMS EVERY DAY

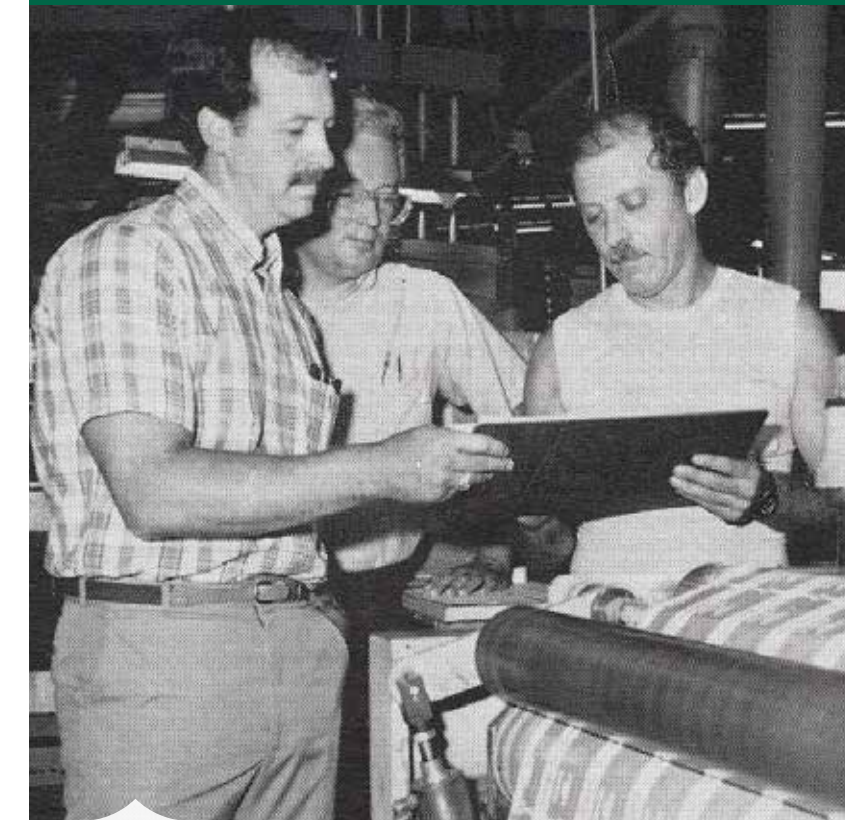
More than 100,000 people each year visit the UT Gardens, which earned designation as the state's botanical gardens in April 2013. The UT Gardens include facilities in Jackson, Crossville and Knoxville.

## TOP FACILITY WITH TOP FACULTY



Le Bonheur Children's Hospital in Memphis has been a top facility nationally for three years in a row. UT faculty practice and teach in most of the specialties in the U.S. News ranking.

## HALF CENTURY OF ECONOMIC IMPACT



The UT Center for Industrial Services celebrates its 50th year in 2013. CIS provides assistance to more than 400 manufacturers, such as suggesting ways to streamline operations, and averages \$600 million in economic impact a year.

## FINANCIALS / SOURCES OF CURRENT FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

### FEDERAL AND LOCAL APPROPRIATIONS \$21,019,619.54

Appropriations received in support of the University's land-grant mission, used primarily by the Agricultural Experiment Station and Tennessee Extension.

### INDEPENDENT OPERATIONS \$75,450,787.11

Revenues collected from UT Medical Center in Knoxville and the UT Foundation for leased employees.

### OTHER \$117,622,056.38

Revenues generated from sources not included in other classifications, such as sales and services by University departments and investment income.

### AUXILIARY ENTERPRISES \$189,480,242.43

Revenues from operations of auxiliary activities such as housing, dining halls, bookstores, parking and UT Knoxville athletics.

### TUITION AND FEES \$364,214,433.24

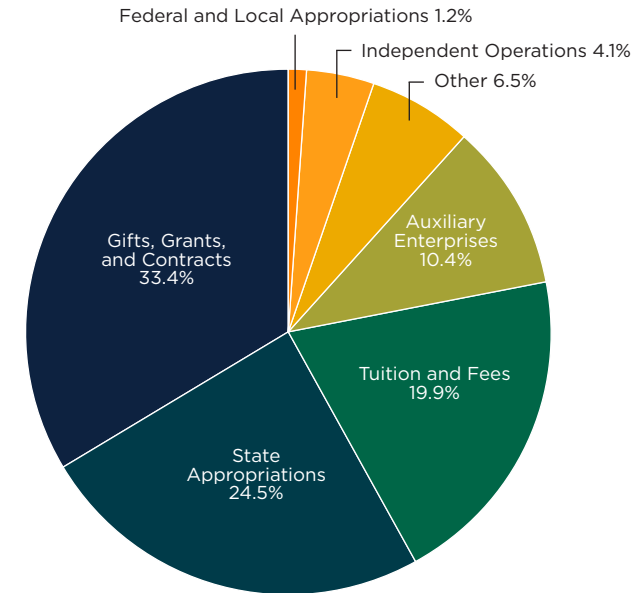
Revenues collected from students; includes resident enrollment fees, program and service fees, extension enrollment fees and other fees.

### STATE APPROPRIATIONS \$448,259,216.43

Legislative appropriations from the Tennessee General Assembly for current operations of the University.

### GIFTS, GRANTS, AND CONTRACTS \$610,654,412.28

Revenues from federal and non-federal granting entities and gifts restricted for specific purposes, primarily for sponsored research and training activities.



Total: \$1,826,700,767.41

## FINANCIALS / USES OF CURRENT FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

### LONG TERM DEBT & OTHER TRANSFERS \$19,008,676.84

Mandatory transfers for debt service and other transfers.

### INDEPENDENT OPERATIONS \$77,039,115.21

Expenditures for leased employees for UT Medical Center in Knoxville and the UT Foundation.

### STUDENT SERVICES \$79,301,260.77

Expenditures for student services including admissions, registrar, student activities, counseling, career guidance, student aid administration and health services.

### INSTITUTIONAL SUPPORT \$97,084,988.92

Expenditures for executive management, financial operations, personnel services, security, public relations, development activities and alumni relations.

### PHYSICAL PLANT \$109,791,672.29

Expenditures for the operation and maintenance of physical plant including utilities and service related to grounds and facilities.

### PUBLIC SERVICE \$122,668,764.48

Expenditures for non-instructional programs beneficial to individuals and groups external to the University.

### AUXILIARY ENTERPRISES \$137,737,751.27

Activities that furnish goods and services to students, faculty and staff. Includes mandatory transfers for debt service.

### ACADEMIC SUPPORT \$146,225,505.81

Expenditures for libraries, computing support and academic administration.

### STUDENT AID \$231,355,444.08

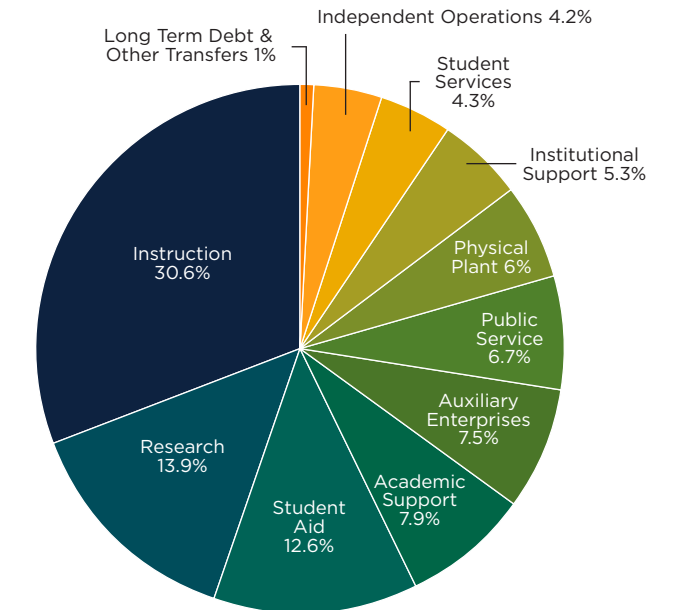
Scholarships and Fellowships awarded to students.

### RESEARCH \$255,954,699.86

Direct expenditures for sponsored research activities funded from federal, state, local and private sources.

### INSTRUCTION \$563,554,303.61

Includes all expenditures, including faculty and staff salaries incurred in connection with instruction programs for credit and non-credit courses.



Total: \$1,839,722,183.14

# FINANCIALS / INVESTMENTS BENEFITING THE UNIVERSITY

During the 2013 fiscal year, total funds invested for the benefit of UT grew to \$963 million from \$869 million. Solid investment performance by nearly every asset class in which the University invests helped produce the \$94 million increase. Credit-related investments as well as natural resource holdings were particularly strong. In contrast, high-grade bonds (traditional “safe-haven” investments) produced negative returns due to a significant rise in interest rates over the period.

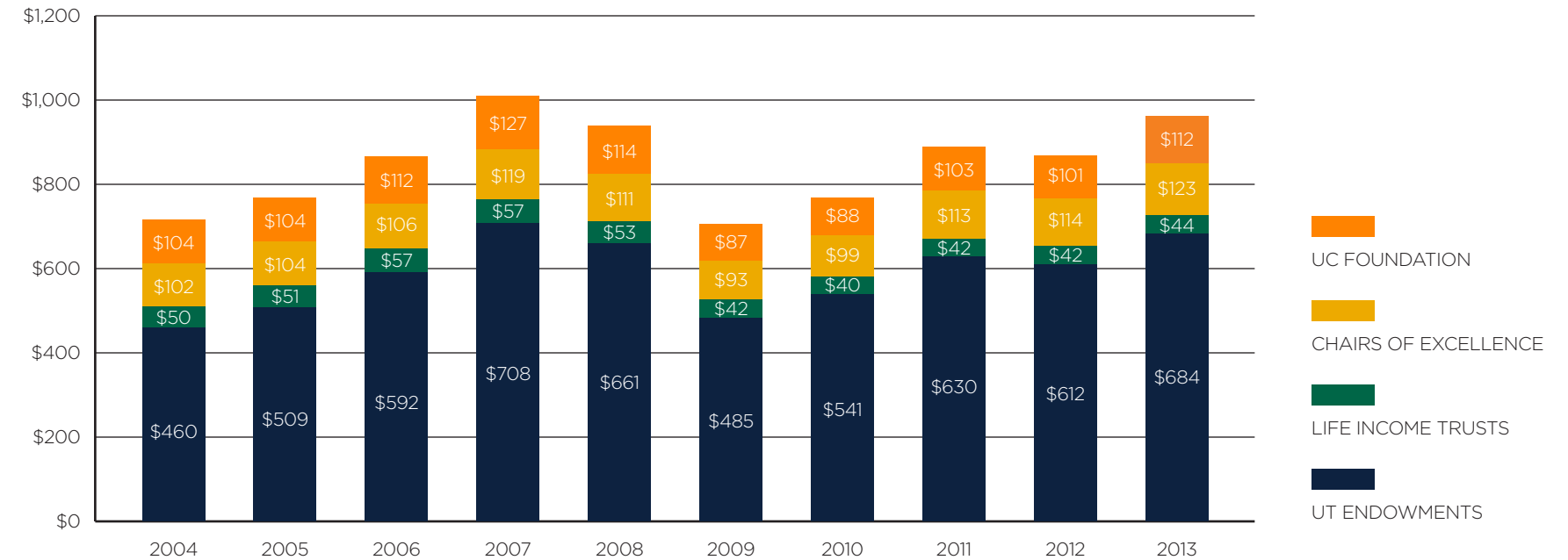
Historical funds available to the University of Tennessee at fiscal year-end are displayed in the accompanying chart. As of June 30, 2013, total Endowments were \$684 million; Chairs of Excellence, \$123 million; the University of Chattanooga Foundation, \$112 million; and Life Income Trusts were \$44 million.

The majority of University endowments, \$672 million, is invested through the University’s Consolidated Investment Pool. This vehicle was established in 1954 to allow for diversification and efficient investment of all endowed assets, regardless of their size. The long-term goal of the pooled endowment investment program is to provide a sustainable level of support for the University programs, while preserving the real purchasing power of the endowments for the future in perpetuity.

Over the last 12 months, the pool generated a total return of 12.3% and +6.7% over the ten-year period. During the fiscal year, it distributed \$28 million, a modest increase from the \$26.4 million in the prior year. The distribution rate is calculated using a rolling calendar three-year average of the pool’s market value. This rolling average method helps smooth out market volatility and changes in expense ratios from year to year. The actual rate is equal to 4.5% of that three-year rolling average.

Finally, the Tennessee Chairs of Excellence distributed \$3.7 million, and the University of Chattanooga Foundation provided \$6.4 million for the fiscal 12 months. Both of these categories are managed outside the pool. The Chairs of Excellence are administered by the treasurer of the state of Tennessee for the benefit of all UT campuses. The University of Chattanooga Foundation, affiliated with the University of Tennessee, is managed by its foundation board and supports programs at UT Chattanooga only.

TOTAL FUNDS (1=\$1,000,000)



## FALL ENROLLMENT 2012 - 2013 (HEADCOUNT)

UT SYSTEM	2009	2010	2011	2012	2013	5-Year Change
<b>Undergraduate</b>	37,807	38,573	38,605	38,401	38,504	1.8%
<b>Graduate</b>	10,764	10,992	10,940	10,843	10,623	-1.3%
<b>Total</b>	48,571	49,565	49,545	49,244	49,127	1.1%

UT KNOXVILLE	2009	2010	2011	2012	2013	5-Year Change
<b>Undergraduate</b>	21,006	21,308	21,126	20,829	21,033	0.1%
<b>Graduate Academic</b>	5,313	5,395	5,399	5,407	5,349	0.7%
<b>Graduate Professional</b>	788	820	854	782	789	0.1%
<b>Total</b>	27,107	27,523	27,379	27,018	27,171	0.2%

UT CHATTANOOGA	2009	2010	2011	2012	2013	5-Year Change
<b>Undergraduate</b>	9,039	9,229	9,891	10,159	10,297	13.9%
<b>Graduate</b>	1,487	1,552	1,547	1,501	1,377	-7.4%
<b>Total</b>	10,526	10,781	11,438	11,660	11,674	10.9%

UT MARTIN	2009	2010	2011	2012	2013	5-Year Change
<b>Undergraduate</b>	7,586	7,947	7,500	7,326	7,025	-7.4%
<b>Graduate</b>	515	522	413	425	398	-22.7%
<b>Total</b>	8,101	8,469	7,913	7,751	7,423	-8.4%

UT HEALTH SCIENCE CENTER	2009	2010	2011	2012	2013	5-Year Change
<b>Undergraduate</b>	176	89	88	87	149	-15.3%
<b>Graduate Academic</b>	996	1,062	1,115	1,111	1,067	7.1%
<b>Graduate Professional</b>	1,665	1,641	1,612	1,617	1,643	-1.3%
<b>Total</b>	2,837	2,792	2,815	2,815	2,859	0.8%

- Includes non-degree seeking and dual enrollment (high school) students
- Excludes students enrolled in audited classes and co-op courses
- UTK includes Space Institute and Veterinary Medicine students
- UTHSC excludes Residents in Health Sciences
- Grad-Professional = Medicine: MD, Dentistry: DDS, Pharmacy: PHARMD, Law: JD, and Vet Med: DVM





THE UNIVERSITY *of* TENNESSEE  
KNOXVILLE, CHATTANOOGA, MARTIN, TULLAHOMA, MEMPHIS

THE UNIVERSITY OF TENNESSEE IS AN EEO/AA/TITLE VI/TITLE IX/SECTION 504/ADA/ADEA INSTITUTION