

STATE OF TENNESSEE



The Budget

FISCAL YEAR 2015-2016



Bill Haslam, Governor



Bill Haslam,
Governor





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

State of Tennessee

For the Fiscal Year Beginning

July 1, 2014

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of Tennessee for the Annual Budget beginning July 1, 2014.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only.

TABLE OF CONTENTS

INTRODUCTION	xiii
BUDGET OVERVIEW	A-1
STATE REVENUES	A-57
FINANCIAL STATEMENTS	A-117
CAPITAL OUTLAY AND FACILITIES PROGRAM	A-131
PROGRAM STATEMENTS BY FUNCTIONAL AREA	B-1
GENERAL GOVERNMENT	B-9
EDUCATION	B-71
HEALTH AND SOCIAL SERVICES	B-127
LAW, SAFETY, AND CORRECTION	B-187
RESOURCES AND REGULATION	B-245
TRANSPORTATION, BUSINESS, AND ECONOMIC DEVELOPMENT	B-293
BUDGET PROCESS	B-321
GLOSSARY AND INDEX	B-333

Table of Contents

The Budget



(more detailed contents tables appear under each tab)

Introduction	xiii
Transmittal Letter, Governor Haslam to the General Assembly	xvii
Transmittal Letter, Commissioner of Finance and Administration to Governor Haslam	xix
Budget Highlights	xxi
The Budget Document: Introduction.....	xxix
Budget Overview	A-1
State Revenues.....	A-57
Financial Statements	A-117
Capital Outlay and Facilities Program.....	A-131
Program Statements by Functional Area.....	B-1
Tennessee State Government Organizational Chart.....	B-5
Recommended Budget for Fiscal Year 2015-2016.....	B-7
General Government	B-9
Introduction	B-13
Total Personnel and Funding	B-14
Recommended Budget for Fiscal Year 2015-2016 by Funding Source.....	B-15
Cost Increases for Fiscal Year 2015-2016.....	B-16
Program Statements	B-21
Legislature.....	B-21
Fiscal Review Committee.....	B-24
Secretary of State	B-25
Comptroller of the Treasury	B-30
Treasury Department.....	B-37
Claims and Compensation.....	B-40
Executive Department	B-42
Tennessee Human Rights Commission	B-43
Tennessee Regulatory Authority	B-44
Advisory Commission on Intergovernmental Relations	B-45
Department of Finance and Administration	B-46
Department of Human Resources.....	B-52
Department of General Services.....	B-54
Department of Veterans Affairs	B-59
Department of Revenue.....	B-60

Table of Contents



The Budget

Miscellaneous Appropriations.....	B-66
Emergency and Contingency Fund.....	B-67
State Building Commission.....	B-68
Priority Goals and Measures	B-69
Education	B-71
Introduction	B-75
Total Personnel and Funding	B-76
Recommended Budget for Fiscal Year 2015-2016 by Funding Source.....	B-77
Cost Increases (K-12 Education and Higher Education) for Fiscal Year 2015-2016	B-78
Program Statements	B-88
Department of Education (K-12).....	B-88
Higher Education	B-102
University of Tennessee	B-108
State University and Community College System.....	B-116
Priority Goals and Measures	B-126
Health and Social Services.....	B-127
Introduction	B-131
Total Personnel and Funding	B-132
Recommended Budget for Fiscal Year 2015-2016 by Funding Source.....	B-133
Cost Increases for Fiscal Year 2015-2016.....	B-134
Program Statements	B-141
Commission on Children and Youth	B-141
Commission on Aging and Disability.....	B-142
Health Services and Development Agency	B-143
Department of Finance and Administration, Bureau of TennCare	B-144
Department of Mental Health and Substance Abuse Services.....	B-147
Department of Health.....	B-152
Department of Intellectual and Developmental Disabilities	B-159
Department of Human Services.....	B-167
Department of Finance and Administration, Strategic Health-Care Programs	B-174
Department of Children’s Services	B-177
Priority Goals and Measures	B-183
Law, Safety, and Correction.....	B-187
Introduction	B-191
Total Personnel and Funding	B-192

Table of Contents

The Budget



Recommended Budget for Fiscal Year 2015-2016 by Funding Source.....	B-193
Cost Increases for Fiscal Year 2015-2016.....	B-194
Program Statements.....	B-200
Court System.....	B-200
Attorney General and Reporter.....	B-209
District Attorneys General Conference.....	B-211
District Public Defenders Conference.....	B-213
Office of the Post-Conviction Defender.....	B-215
Alcoholic Beverage Commission.....	B-216
Tennessee Rehabilitative Initiative in Correction (TRICOR).....	B-217
Board of Parole.....	B-218
Department of Correction.....	B-219
Military Department.....	B-233
Tennessee Bureau of Investigation.....	B-237
Department of Safety.....	B-238
Priority Goals and Measures.....	B-243
Resources and Regulation.....	B-245
Introduction.....	B-249
Total Personnel and Funding.....	B-250
Recommended Budget for Fiscal Year 2015-2016 by Funding Source.....	B-251
Cost Increases for Fiscal Year 2015-2016.....	B-252
Program Statements.....	B-256
Arts Commission.....	B-256
State Museum.....	B-257
Department of Environment and Conservation.....	B-258
Tennessee Wildlife Resources Agency.....	B-273
Department of Commerce and Insurance.....	B-276
Department of Financial Institutions.....	B-284
Department of Labor and Workforce Development.....	B-285
Priority Goals and Measures.....	B-291
Transportation, Business, and Economic Development.....	B-293
Introduction.....	B-297
Total Personnel and Funding.....	B-298
Recommended Budget for Fiscal Year 2015-2016 by Funding Source.....	B-299
Cost Increases for Fiscal Year 2015-2016.....	B-300
Program Statements.....	B-302

Table of Contents



The Budget

Tennessee Housing Development Agency	B-302
Department of Agriculture	B-303
Department of Tourist Development.....	B-308
Department of Economic and Community Development.....	B-310
Department of Transportation	B-316
Priority Goals and Measures.....	B-319
Budget Process	B-321
The Budget Process	B-325
Basis of Budgeting and Accounting.....	B-329
Glossary and Index	B-333
Glossary of Budget Terms	B-337
Index	B-343

Introduction



Introduction

Table of Contents



Transmittal Letter, Governor Haslam to the General Assembly	xvii
Transmittal Letter, Commissioner of Finance and Administration to Governor Haslam.....	xix
Budget Highlights.....	xxi
The Budget Document: Introduction	xxix



BILL HASLAM
GOVERNOR
STATE OF TENNESSEE

February 9, 2015

To the Members of the 109th General Assembly:

It is my honor to submit to you the 2016 Budget for the State of Tennessee.

This budget is based on a conservative revenue estimate that reflects a slowly growing economy. The projected revenue growth of 2.53 percent will allow for strategic investments to support education, higher education, economic development, and jobs. In order to remain in balance, this budget also reduces the base funding of state programs by an average of 3.55 percent.

In this budget, I am proposing to fully fund the funding formulas for both K-12 and higher education. This plus other cost increases detailed in this budget will go a long way in supporting our efforts to increase the number of Tennesseans that have either a college degree or a certificate. As a result, this effort will improve the opportunity for all individuals to have high quality jobs. For TennCare, I am recommending to fully fund the inflation and program growth of the program. With our efforts to control costs and find efficiencies, the rate of growth in our TennCare program continues to be less than most other state Medicaid programs.

For economic development, I am recommending capital investments to support the recruitment and expansion of industries in Tennessee. This will not only provide quality jobs themselves but will serve as a spur to attract other businesses and jobs to our great state.

To strengthen our financial position, this budget proposes an additional deposit to the revenue fluctuation reserve of \$36.5 million. As we witnessed in fiscal year 2014, the unpredictable nature of the franchise and excise tax demands that the state continue to grow this reserve as a safeguard for future budgets.

In summary, the budget is balanced, makes strategic investments in key programs and services, and builds the rainy day fund while maintaining our low debt ranking. It does so while continuing my commitment to remain a low tax state.

My staff and I look forward to working with the members of the General Assembly on this and other important issues of interest to you.

Sincerely,

A handwritten signature in blue ink that reads "Bill Haslam".

Bill Haslam

Governor of the State of Tennessee



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

LARRY B. MARTIN
COMMISSIONER

February 9, 2015

The Honorable Bill Haslam
State Capitol
Nashville, TN 37243

It is a pleasure to present to you the fiscal year 2016 Budget Document.

The weak growth in fiscal year 2014 franchise and excise taxes caused us to approach the development of the fiscal year 2016 recommendation cautiously.

For fiscal year 2016, the recommended budget is based on a growth rate of 2.53 percent in total taxes. The total budget is \$33.3 billion of which \$15.1 billion is state appropriations; \$12.8 billion is federal; and \$5.4 billion is from other departmental revenues, higher education tuition and fees, and bonds.

Additional funding is recommended to address program and inflationary growth in TennCare, the Basic Education Program formula for K-12 education, the outcome-based funding formula in higher education, and Correction.

The budget also provides salary funding for state employees, higher education employees, and teachers.

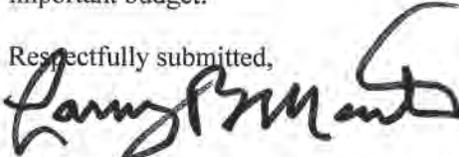
To remain in balance, reductions of over \$200 million are proposed and detailed in Volume 2 of this submission. Although challenging, the reductions were carefully selected to minimize the impact on important government programs and services. Because the growth of key programs and services continue to outpace the growth in state revenues, I fully expect that expenditure reductions will be necessary in future state budget proposals in order to remain in balance.

Under this budget, the rainy day fund, currently at \$491.5 million, will increase by \$36.5 million to \$528 million. With this additional deposit, I'm proud to report that the rainy day fund will have more than doubled during your first four years in office.

In summary, the recommended budget is balanced within available revenues. The investments proposed in education and higher education will support your long-term Drive-to-55 initiative to equip 55 percent of Tennesseans with either a college degree or a certificate by the year 2025. The budget also proposes to invest in our most important asset, our people.

The Budget staff and I stand ready to assist you in working with the General Assembly on this very important budget.

Respectfully submitted,


Larry B. Martin
Commissioner of Finance and Administration

Budget Highlights

Recommended Budget, Fiscal Year 2015-2016

The total recommended state budget for fiscal year 2015-2016 is \$33.3 billion, with \$15.1 billion from state appropriations, \$12.8 billion from federal funds, and \$5.4 billion from other departmental revenues, higher education student tuition and fees, and bonds for capital projects and facilities revolving fund capital outlay. This is an increase of \$349.7 million in total funding and \$267.2 million in state funding from the revised 2014-2015 spending estimates.

Mid-year review of state tax collections and advice from economists and the State Funding Board suggest that current-year estimates of taxes collected by the Department of Revenue should remain unchanged. In the general fund for fiscal year 2014-2015, the revenue estimate decreased by \$3.8 million from the originally budgeted estimate in order to reconcile with legislation that passed in 2014. The revised current-year growth rate in the general fund is 3.88 percent compared with the actual 2013-2014 Department of Revenue collections. For 2015-2016, before inter-fund reallocations, general fund taxes are expected to grow by \$303.2 million above the revised current-year estimate. This is a 3 percent general fund growth rate above the revised current-year estimate. Revenue growth rates are within the range of revenue growth recommended by the State Funding Board.

The revised revenue estimates for the current year and estimates for next year are based on a slow economic recovery through fiscal year 2015-2016 and beyond.

Plan for Balancing

Supplemental appropriations in the current fiscal year total \$20.3 million, \$15 million of which is in the Department of Economic and Community Development for infrastructure and job training assistance. Other programs requiring supplemental appropriations include: the Risk Management Fund (\$3.2 million), various programs in higher education (\$839,200), the State Board of Education's K-12 Academic Standards Review Process (\$420,400), and other smaller items totaling \$850,000.

In fiscal year 2015-2016, the budget is balanced, with recurring revenues fully supporting recurring appropriations. This is accomplished by additional budget reductions in fiscal year 2015-2016. Base budgets in general fund programs throughout state government have been reduced by \$148.2 million and certain programs have been decreased by \$52.5 million for a net recurring base reduction of \$200.7 million in the general fund. The average general fund recurring reduction is 2.7 percent. (The reductions are detailed in **Volume 2: Base Reductions**.)

A total of 559 positions will be abolished as a result of reductions implemented in this request. At this time, approximately 58 of these positions are vacant. Those employees impacted by the position reductions will be eligible for a severance package consisting of a base payment of \$3,200 and college tuition assistance for two years to be capped at the average of the highest

Budget Highlights

four-year public Tennessee college undergraduate level. More than two-thirds of the position reductions are from two departments, Correction (305) and Children's Services (131), and result from those departments changing how caseloads are managed.

Federal and State Mandates

State expenditures in the TennCare program are matched according to a rate set by the federal government known as the Federal Medical Assistance Percentage (FMAP). The federal government determines this rate for all states based on changes in per-capita income. For fiscal year 2015-2016, federal participation in health care programs is decreasing from 65.065% to 65.035%. This means an increase of \$2.2 million in state funding to TennCare and \$38,400 to the Department of Children's Services for foster care and adoption assistance to maintain the existing level of service in those programs.

A total of \$7.2 million in state funding is required to pay salary increases mandated by state law for certain job classifications within state government. These jobs and the state dollars necessary to fund the required increases include: state judges (\$646,000), the Attorney General (\$3,900), assistant district attorneys and criminal investigators (\$1.2 million), assistant public defenders and criminal investigators (\$627,400), assistant post-conviction defenders (\$32,400), trooper step increases (\$855,200) and border-state survey (\$1.8 million), and wildlife officer step increases (\$424,200) and survey (\$974,300).

Presidential primaries will be held in February 2016, and the state is required to reimburse counties for that expense. This requirement is funded with \$5 million non-recurring.

State statutes mandate that teachers at the state-run schools must be compensated based on their training and experience. To fund this state mandate, \$37,900 is provided to the Department of Children's Services for the Youth Development Centers and \$102,100 to the Department of Education's Special Schools.

K-12 Education

For K-12 education, the cost to maintain full funding of the Basic Education Program (BEP) formula, which provides an equitable state share of K-12 public education funding to local education agencies (LEAs), is \$43.8 million. An appropriation of \$97.6 million is recommended for salary increases for teachers and other positions funded through the BEP formula, effective July 1, 2015. The amount of the salary increases will depend on each LEA's salary schedule and structure. Recurring funding of \$6 million is requested for teacher salary equity adjustments. In total, state funding for the operations of local school systems will increase by \$147.4 million.

A total appropriation of \$9.3 million is requested to measure the academic progress of K-12 students. This appropriation consists of \$8.5 million to fund improvements and increased costs in the state's comprehensive assessment program, \$65,000 for a position to aid the academic

Budget Highlights

standards review process, and \$750,000 for support and maintenance of the P20 system that measures and reports student progress.

The creation and administration of a fund to provide professional liability coverage for public school and student teachers is funded with an appropriation of \$5 million. Various educational grant programs are funded with a total appropriation of \$10.2 million. These programs include: Save The Children (\$1 million non-recurring), public television stations (\$2.8 million recurring), the Governor's Schools (\$1.9 million recurring), family resource centers (\$3.1 million recurring), Boys and Girls Clubs (\$125,000 non-recurring), and Alvin C. York High School (\$1.3 million recurring).

Higher Education

Increased operational costs in the University of Tennessee and Board of Regents systems are funded with a total general fund recommendation of \$57 million. Of that amount, \$25.7 million recurring is requested to reflect greater institutional productivity, such as increases in student progression, degree production, research and service, efficiency metrics, and other outcome measures related to institutional mission. An appropriation of \$19.5 million is recommended for a pool of funding for the enhancement of compensation for higher education employees. Operating cost increases for non-formula units of higher education are funded with a state appropriation of \$6.1 million. Six months of a 3.5% increase in group health insurance premiums effective January 1, 2016, is provided for with \$4.1 million. To encourage retirement savings, \$1.6 million in non-recurring funds is provided to match employee contributions.

Recurring funding of \$10 million is recommended for need-based financial aid to serve eligible students through the Tennessee Student Assistance Awards (TSAA) program. This program provides grants to financially needy undergraduate students who are residents of Tennessee and who are attending in-state institutions.

Initiatives for community colleges and adult students are funded with a total recommendation of \$8.1 million. This amount includes: \$2.5 million to encourage adult learners with some college experience, but no degree, to attain a post-secondary credential; \$3.1 million for community college programs such as Achieving the Dream, Seamless Alignment and Integrated Learning Support (SAILS), and the Tennessee Promise Bridge; \$1 million in competitive funding to encourage higher education institutions to develop successful programs for veterans; and \$1.5 million for Reconnect for Community Colleges, a one-time scholarships to incentivize adults to return to school to complete their degrees.

In the Tennessee Student Assistance Corporation (TSAC), \$550,000 is recommended to offset lost revenue from the Federal Family Education Loan Program that is ending December 31, 2016. A total of \$776,300 funds additional positions for the Labor Education Alignment program (\$96,300), database management for lottery and state scholarship payments (\$600,000), and the Tennessee Promise program (\$80,000).

Budget Highlights

The fifth and final year of an effort to expand the University of Memphis to the campus of what was formerly Lambuth University is funded with a recommendation of \$1 million. A joint effort between the University of Tennessee Health Science Center and St. Jude's Hospital to recruit pediatric physician scientists is funded with \$3 million non-recurring. This is the third year of what is expected to be a five year commitment to this recruiting effort.

Health and Social Services

An additional \$62.8 million in recurring state funding is recommended for the TennCare program to off-set increased costs due to upward market pressures on prices for generics and specialty drugs as well as an increase in pharmacy utilization. A recommended increase in the Health Maintenance Organization (HMO) tax will require an appropriation of \$9.4 million, but will increase state funding by \$26.8 million, for a total general fund gain of \$17.4 million. To fund various cost increases requested by the departments of Children's Services and Intellectual and Developmental Disabilities, appropriations of \$1.3 million and \$7 million are recommended, respectively. Public Chapter 926 of 2014, a law regarding the use of TennCare funds for inmates, is funded with \$1.2 million recurring. These general fund appropriations, including the federal match rate change described under the **Federal and State Mandates** heading, total to \$83.7 million and are matched with \$149.4 million in federal funds and \$97.5 million in other revenues for a total of \$330.6 million in new funding for the state's TennCare program.

The Department of Health will enhance testing done on newborns by requiring additional tests for cystic fibrosis and severe combined immunodeficiency. The additional tests will be funded with \$3.7 million in additional fees. New legislation requiring training to ensure a standard in death investigations and accurate reporting is funded with \$527,800. Three new health related boards positions needed to process and audit continuing educational material, update health practitioner profile information, and assist with document imaging are funded with \$171,600 in dedicated state fees. Various grant programs are funded with non-recurring appropriations, including: the Healthy Start (\$1.5 million) and Child Health and Development (CHAD) (\$450,000) home visitation programs; sickle cell research by the Sickle Cell Foundation of Tennessee (\$75,000) and the Methodist Healthcare Foundation (\$50,000); and epilepsy programs (\$103,100).

In the Department of Mental Health and Substance Abuse Services, the Lifeline Peer Program, a two year-old pilot initiative that helps people locate support and recovery services and establishes programs in communities lacking them, is funded on a recurring basis with an appropriation of \$525,000.

In the Department of Intellectual and Developmental Disabilities (DIDD), an enrollment increase of a 100 people is funded with a recurring appropriation of \$6.2 million budgeted in TennCare. An exit plan from the Clover Bottom Developmental Center lawsuit is funded with an appropriation of \$674,500, also budgeted in TennCare. Certain assistive technology and therapy services not eligible for a federal match are funded with a recommended appropriation of \$1.5 million in DIDD.

Budget Highlights

In the Department of Children's Services, recurring appropriations of \$2.8 million related to the Brian A. Settlement Agreement are recommended. Thirty additional security staff needed to improve the staff-to-youth ratio at youth development centers are funded with \$1.4 million. To provide private residential services to students previously served at a state youth development center, \$1.9 million is recommended.

Safe Communities

An appropriation of \$11.1 million in the Department of Correction is recommended to house 2,500 inmates at the Trousdale County Correctional Facility under a new prison service agreement with Trousdale County. This cost increase is offset with existing funds in State Prosecutions, a program that pays local jails for housing state inmates. When the new Trousdale County facility comes on-line, some inmates currently housed in local jails will be transferred to the new facility.

To lower the turnover and vacancy rates of Department of Correction uniformed security staff, an assignment salary differential of 5 percent is recommended for the appropriate staff and funded with \$6.6 million. Cost increases in contracts with non-state service providers are funded with \$2.2 million. These contract increases include Hardeman County – Whiteville (\$785,000), South Central Correctional Center (\$619,000), and the Hardeman County Incarceration Agreement (\$763,800). Funding of \$1.4 million is recommended to double-bunk 96 beds at the Riverbend Maximum Security Institution. Legislation for enhanced sentencing for criminal activity related to synthetic controlled substances is funded with \$1 million. A system-wide lock replacement schedule is funded with a \$650,000 recurring appropriation. The Amachi Initiative, a mentoring program for the children of inmates, is funded with a non-recurring appropriation of \$250,000.

A Federal Communications Commission (FCC) requirement to operate all radios on a 6.25 KHz digital bandwidth is funded with a non-recurring appropriation of \$8.5 million in the Department of Correction and a \$1.2 million recurring appropriation in the Department of Safety.

Non-recurring funding of \$240,000 is recommended for facility upgrades including the firing range, simulation programs, furniture replacement, and other items at the Tennessee Law Enforcement Academy.

Business Development

An appropriation of \$50 million is recommended for the Jobs4TN program in the Department of Economic and Community Development to continue the state's investment in creating new opportunities for Tennessee's workforce and to support the growth and retention of the state's traditional jobs base. This non-recurring appropriation is necessary for the recruitment of new businesses, support of workforce training, marketing, and education. A non-recurring grant of \$12 million is recommended as part of a business development project. Launch Tennessee, a

Budget Highlights

program that promotes innovation and entrepreneurship through support of research and development activities, is funded with \$2.8 million. An appropriation of \$1.5 million is recommended for educational services as part of the International Trade Program.

The third year of a tourism marketing task force in the Department of Tourism is funded with \$7 million, of which \$4 million is non-recurring. Additional contract security for two newly-constructed and two renovated welcome centers is funded with \$250,000.

In the Department of Commerce and Insurance, \$122,900 is recommended to fund Administration legislation providing an insurance examiner to assist in licensing and regulating captive insurance companies.

Natural Resources

A non-recurring appropriation of \$1 million is recommended for furniture in the state parks managed by the Department of Environment and Conservation. A recurring appropriation of \$635,000 is recommended for major maintenance projects in the West Tennessee River Basin. Administration legislation pertaining to the Underground Storage Tank program is funded with \$125,000 recurring.

In the Department of Agriculture, three new positions and \$183,400 are recommended for the newly-constructed Metrology Laboratory. This laboratory is responsible for statewide weights and measures and the increased staffing level will meet United States Department of Commerce recommendations.

State Employee Workforce Development

An appropriation of \$47.7 million is recommended to enhance state employee compensation with salary range adjustments and salary increases based on performance ratings. Six months of a projected January 1, 2016, 3.5 percent group health insurance premium increase is funded with \$4.7 million. Retiree health insurance for state employees and teachers will require an additional \$820,000 to fund a Medicare supplement. A risk management premium increase is funded with \$1 million and an additional \$3.2 million non-recurring is recommended to increase the risk management reserve.

Non-recurring funds of \$2.5 million are provided to continue the state match on employee 401(k) plans. For state employees losing their jobs as a result of position reductions included in the recommended budget, severance packages consisting of a base payment of \$3,200 and college tuition assistance for two years (to be capped at the average of the highest four-year public Tennessee college undergraduate level) are funded with a non-recurring appropriation of \$2.6 million.

Information Technology

The Department of Health requests \$7.4 million non-recurring and 24 temporary positions for the Electronic Public Health Information (EPI) System. This new system will track and manage core public health services such as immunizations, primary care patient encounters, client visits, and Women, Infants, and Children (WIC) program clients. The EPI System will also include electronic medical record functionality, something not found in the antiquated Patient Tracking Billing Management Information System (PTBMIS) currently used by the department. The electronic records platform at the core of EPI will serve as a base for future electronic record projects in the state.

The replacement of the Tennessee Offender Management Information System (TOMIS) in the Department of Correction is funded with \$15.4 million non-recurring. The current TOMIS system was implemented in 1992 and is nearing the end of its useful life.

To reimburse Emergency Communication Districts for costs associated with the new Next Generation 911 (NG911) system, an appropriation of \$26.3 million from dedicated fees is recommended. The new NG911 system will enhance inter-operability and increase the ease of communication between the state's 100 emergency communication districts and allow for the immediate transfer of 911 calls, maps, photos, caller information, and other data. The dedicated fees that support the system are collected from landline and mobile telephone subscribers.

A proposed rate increase to fund costs associated with Edison, the state's enterprise resource planning software, is funded with an appropriation of \$1.7 million. The additional costs are due to operational growth (\$1.5 million), the expansion of electronic forms and workflow automation (\$127,100), and heightened security (\$61,000).

Capital Outlay

Capital outlay in fiscal year 2015-2016 totals \$566.2 million, including \$54.8 million in non-recurring current funds and \$73.8 million from federal and other sources. A bond authorization of \$437.6 million is also requested. An appropriation of \$33.5 million is recommended for statewide capital maintenance, including \$14.5 million for general government, \$12.9 million for the Board of Regents, and \$6.1 million for the University of Tennessee. Sentencing Act funds are the source of \$11.5 million for capital maintenance in the Department of Correction.

Included in the requested bond authorization is an economic development grant in the amount of \$165.8 million for the continued development of the Volkswagen plant in Hamilton County.

The Facilities Revolving Fund (FRF) capital budget provides an additional \$55.7 million for projects and maintenance of state office buildings and similar facilities maintained through agency rent payments.

Revenue Fluctuation Reserve

The revenue fluctuation reserve allows services to be maintained when revenue growth is slower than estimated in the budget, mainly during economic downturns. The revenue fluctuation reserve was \$456 million on June 30, 2014 and is estimated to be \$491.5 million on June 30, 2015. A recommended deposit to the fund of \$36.5 million in fiscal year 2015-2016 will have the total revenue fluctuation reserve at \$528 million on June 30, 2016.

TennCare Reserve

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The unobligated reserve, as of June 30, 2014, is \$306.9 million. No closing transfers are expected in the current year, so the balance is projected to be \$306.9 million on June 30, 2015. The balance is expected to be the same on June 30, 2016.

Conclusion

The budget document includes narrative program statements for each of the line-item programs for which funds are recommended. In addition, detailed statements explain the recommended cost increases. **Volume 2: Base Budget Reductions**, describes the reductions in recurring funding by program.

The Budget Document

Introduction

Tennessee Code Annotated, Section 9-4-5106, requires that the financial plan of Tennessee's state government be presented in three parts:

1. Financial Policy – The state's financial policy, contrasting the relationships between expenditures and revenues from all sources that are estimated for the ensuing fiscal year, with the corresponding figures for the latest completed fiscal year and the fiscal year in progress; and a budget summary;

2. Detailed Budget Estimates – Estimates of expenditures and revenues, including all funding sources; program statements; statement of the state's bonded indebtedness, detailing redemption requirements until retirement, the net and gross debt of the state, and condition of the sinking fund; and

3. Appropriations Bill and Other Budget Bills – The General Appropriations Bill, through which the General Assembly gives legal sanction to the financial plan it adopts. Upon passage, this bill appropriates by agency and funds the expenditures for the ensuing fiscal year. The revenues by which these expenditures are financed also are detailed in this bill. In addition, other bills required to give legal sanction to the financial plan must be filed.

Parts one and two are included in the Budget Document. The format of the Budget Document is reviewed annually for clarity and content. Part three, the Appropriations Bill and other budget legislation, such as the Bond Authorization Bill, are separate documents.

The "Introduction" section of the Budget Document begins with transmittal letters from

the Governor to the General Assembly and from the Commissioner of Finance and Administration to the Governor. These letters and the following budget highlights summarize the policy and financial recommendations included in the document.

The next section of the Budget Document, entitled "Budget Overview," is a brief summary of the total budget.

This overview is a series of charts and schedules that summarize the Budget. The total state budget and the general fund budget are represented by pie charts that detail each major tax and each functional area for the recommended budget. Tennessee's current tax structure has the majority of its tax revenue coming from the sales tax, the largest portion of which funds K-12 education.

The overview schedules clarify and detail the expenditures, revenue sources, and personnel requirements of state government.

The Budget Document has several total budget schedules comparing programs by funding source and showing how those funds are derived.

Also included are tables that list, by department, the cost increases proposed for the next fiscal year. A separate table lists, by department, proposed base budget reductions, indicating the percentage of reduction compared with general fund state appropriations and with so-called discretionary appropriations. The discretionary appropriations exclude appropriations from all dedicated taxes and fees, federal aid, and other departmental revenue; and general fund appropriations for the K-12 Basic Education Program (BEP), pre-kindergarten, constitutionally and statutorily required salaries of judges, 31 district attorneys general, 31 public defenders, and certain programs affecting indigent or low-income persons.

The Budget Document

There are two charts that provide the total fund balance available, indicating the appropriation requirements and the general fund and education fund revenues and reserves available to meet that need: "General Fund and Education Fund, Comparison of Appropriation Requirements and State Revenues" for the current year, and next (or recommended budget) year. The two charts show how the budget is balanced against general fund and education fund tax revenues for the two fiscal years. Because of its dedicated funding sources, the Department of Transportation's appropriation requirements and revenue sources are stated on a separate chart.

All agencies and departments are included in the summary comparison schedules by program and funding source.

Other schedules provide detail on the supplemental appropriations required to maintain programs in the current fiscal year, the Constitutional spending limitation requirement, a summary of personnel and funding for all state agencies and higher education institutions, and Tennessee characteristics, which include demographic and other information on the state.

Charts in the overview summarize base budget reductions and base budget adjustments (increases). The charts reflect changes from the current-year work program recurring state appropriations.

The overview also includes charts summarizing the lottery for education revenue estimates, program requirements funded from the lottery revenue, and lottery reserve fund balances.

The section entitled "State Tax Revenues" presents state tax revenue estimates for the ensuing fiscal year, compared with actual collections for the previous year and the revised estimate for the current year. This section explains the various sources of revenue, by collecting agency, and the statutory apportionment among the various funds: the general fund,

education fund, highway fund, sinking (or debt service) fund, and cities and counties fund.

Included in the "Financial Statements" section are the comparative balance sheets for the general fund, education fund, and highway fund.

This section is followed by the expenditures and requirements of the debt service fund for the previous, current, and subsequent fiscal years. A debt service fund comparative balance sheet also is included.

The status of the various authorized and unissued bonds is given in a schedule of bonds and appropriations made for capital purposes in lieu of bond issuance. The statement of bonded indebtedness presents the retirement schedule for the state's bonded debt. The cost of outstanding bonds is reflected as principal and interest.

The proposed capital outlay for the ensuing fiscal year is included within the "Capital Outlay and Facilities Program" section. Specific projects are shown for each department impacted, along with capital maintenance. Whether from current funds of the general fund, the sale of general obligation bonds, or from other sources, the proposed funding for each project is indicated.

All of the summary charts and program statements in this Budget Document include appropriations from all state sources, both general taxes and dedicated taxes and fees.

The major portion of the Budget Document is "Program Statements by Functional Area." For presentation in the Budget Document, departments and agencies with related missions, programs, goals, and objectives are grouped, resulting in six functional areas. This enables legislators, policy-makers, and citizens to have a better concept of the magnitude and costs of services provided through the various functional areas of state government.

At the beginning of each functional presentation is an introduction to the

The Budget Document

associated agencies, followed by a list of the cost increases that are recommended for that area of state government. The cost increase list is followed by tables that show the total expenditures, funding sources, and personnel of each functional area.

The activities and responsibilities of the departments and agencies are explained through narrative descriptions of each program.

Following this narrative, fiscal and personnel data are provided for the last completed year, the current year, and the next year.

The next-year estimates include the level of funding and number of positions for the recommended base budget, program cost increases, and the total recommended.

Base budget reductions necessary to balance general fund appropriations are included in the recommended base budget of this document by program. The specific base reductions by program are itemized in a separate Volume 2, Base Budget Reductions.

Following the “Program Statements by Functional Area,” the next-to-last section of the Budget Document is “Budget Process.” This section includes explanatory sections entitled “The Budget Process,” and “Basis of Budgeting and Accounting.”

The final section is the “Glossary and Index.”

Budget Overview



Budget Overview

Summary Statements and Charts



Table of Contents

Total State Budget (Pie Charts).....	A-6
General Fund Budget (Pie Charts).....	A-7
Total State Budget, Comparison of Programs and Revenue Sources	A-8
Total State Budget, Comparison of Programs by Revenue Sources	A-9
General Fund and Education Fund, Comparison of Appropriation Requirements and State Revenues, Fiscal Year 2014-2015.....	A-10
General Fund and Education Fund, Comparison of Appropriation Requirements and State Revenues, Fiscal Year 2015-2016.....	A-11
Department of Transportation, Comparison of Appropriations and Funding Requirements	A-12
Department of Transportation, Comparison of Appropriations by Funding Sources	A-13
Department of Transportation, Actual Expenditures by Program and Funding Source, Fiscal Year 2013-2014	A-14
Department of Transportation, Enacted Budget by Program and Funding Source, Fiscal Year 2014-2015	A-15
Department of Transportation, Recommended Budget by Program and Funding Source, Fiscal Year 2015-2016	A-16
Comparison of Programs (by Department).....	A-17
Funding Summary, All Programs	A-23
Departmental Comparison of Recurring Appropriations from State Revenues, 2014-2015 and Base Budget 2015-2016	A-24
Departmental Comparison of Appropriations from State Revenues, Recurring and Non-Recurring, For Fiscal Years 2014-2015 and 2015-2016	A-26
Available Funds, Fiscal Year 2014-2015	A-28

Budget Overview

Table of Contents

Supplemental Appropriations, General and Education Funds, Fiscal Year 2014-2015	A-29
Combining Statement of Preliminary Base Budget Adjustments and Base Budget Reductions, General Fund State Appropriations, Fiscal Year 2015-2016	A-30
Preliminary Base Budget Adjustments, Fiscal Year 2015-2016.....	A-31
Departmental Comparison of 2014-2015 Recurring Appropriations, 2015-2016 Discretionary Base, and 2015-2016 Base Budget Reductions	A-32
Overappropriation Summary, 2014-2015 and 2015-2016	A-34
Rainy Day Fund and Unobligated TennCare Reserve, Fiscal Years 2012-2013 Through 2015-2016	A-35
Departmental Summary of Cost Increases, Fiscal Year 2015-2016.....	A-36
Salary Policy Recommendation Fiscal Year 2015-2016	A-37
Base Appropriations Preserved by Proposed Legislation, Nursing Home Assessment Fee, Fiscal Year 2015-2016	A-38
Base Appropriations Preserved by Proposed Legislation, Hospital Coverage Assessment, Fiscal Year 2015-2016	A-39
2015 Administration Legislation with Fiscal Impact, General Fund and Education Fund, Fiscal Year 2015-2016	A-40
Tennessee Promise Last Dollar Scholarship, Multi-Year Projection, Fiscal Years 2013-2014 Through 2016-2017	A-41
Lottery for Education Account, Summary of Appropriation Requirements, Revenues, and Reserves, Fiscal Years 2013-2014 Through 2018-2019	A-42
Lottery-Funded Education Programs, Comparison of Appropriation Requirements and State Revenues, Fiscal Years 2013-2014 Through 2018-2019	A-43
Summary Comparison of Tennessee Personal Income and Appropriations from State Tax Revenues.....	A-44

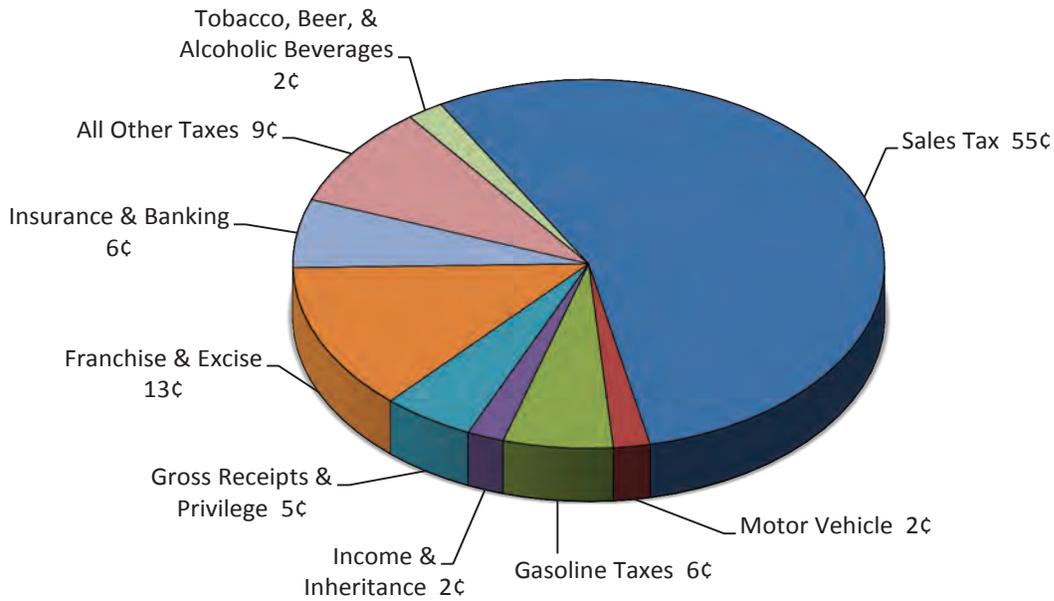
Budget Overview

Table of Contents

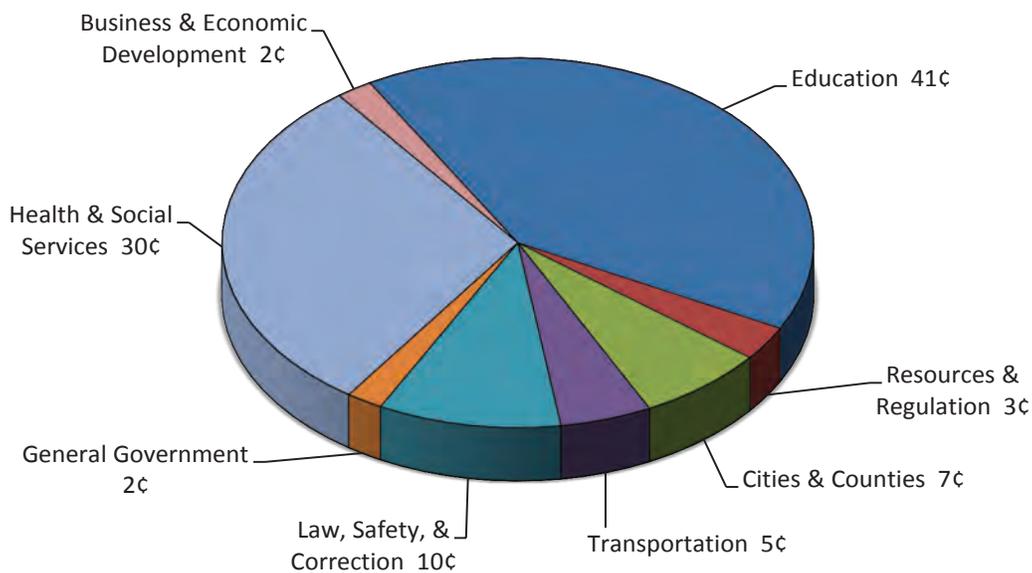
Constitutional Spending Limit Summary	A-45
Comparison of Authorized Positions, State Agencies and Higher Education	A-46
Authorized Positions Change, Recommended 2015-2016 Change from Estimated 2014-2015	A-47
Federal Funding and Aid Trends	A-48
Tennessee Economic Overview	A-50
Tennessee Characteristics	A-52
Full-Time Employees Overlapped Over 90 Days	A-56

Total State Budget

Where Your State Tax Dollar Comes From



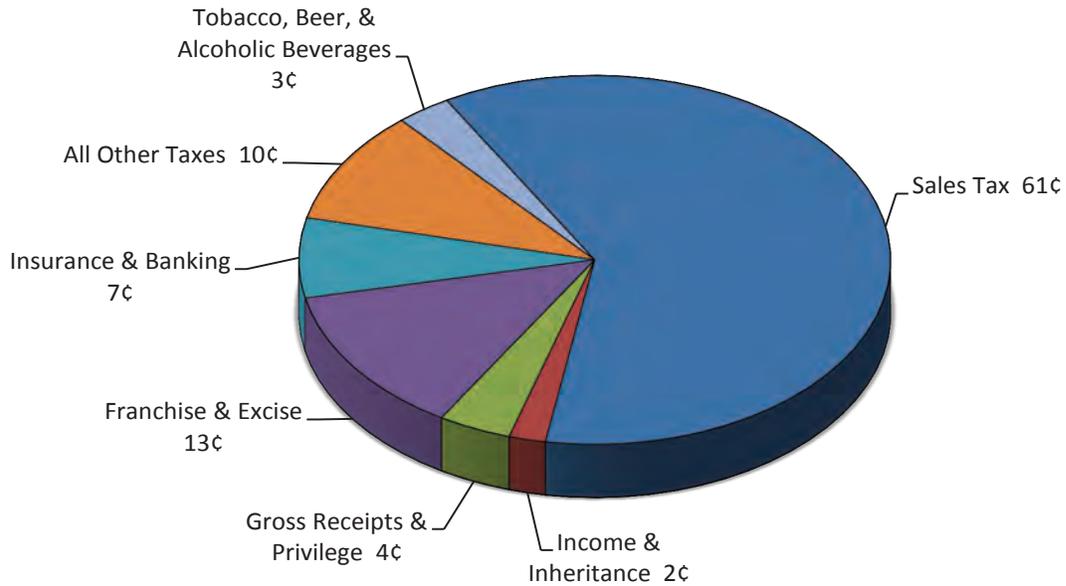
Where Your State Tax Dollar Goes



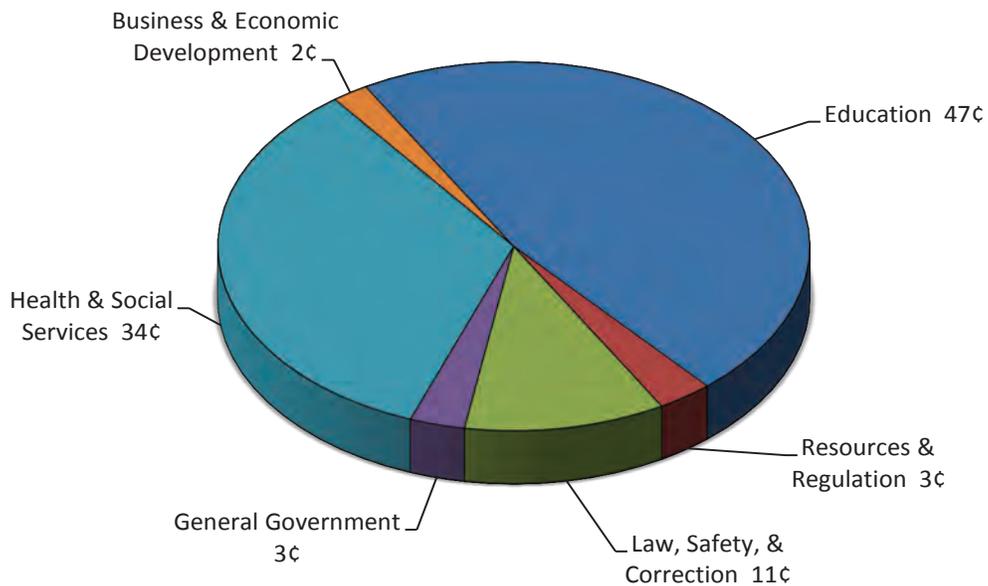
Fiscal Year 2015 - 2016

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2015 - 2016

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2013-2014, 2014-2015, and 2015-2016**

	Actual 2013-2014	Estimated 2014-2015	Recommended 2015-2016	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. PROGRAMS					
ALL PROGRAMS	\$ 31,653,899,800	\$ 32,990,128,800	\$ 33,339,801,400	\$ 1,336,229,000	\$ 349,672,600
General Fund ¹	27,861,838,500	29,425,592,400	29,378,890,800	1,563,753,900	(46,701,600)
Department of Transportation	1,753,581,000	1,839,885,800	1,816,308,500	86,304,800	(23,577,300)
Debt Service Requirements	436,733,200	377,714,000	429,855,000	(59,019,200)	52,141,000
Capital Outlay Program	491,077,000	237,590,000	566,170,500	(253,487,000)	328,580,500
Facilities Revolving Fund	200,590,400	165,546,600	179,576,600	(35,043,800)	14,030,000
Cities & Counties - State Shared Taxes	910,079,700	943,800,000	969,000,000	33,720,300	25,200,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 14,587,591,500	\$ 14,881,104,800	\$ 15,148,341,400	\$ 293,513,300	\$ 267,236,600
General Fund ¹	12,135,852,000	12,684,540,000	12,947,330,600	548,688,000	262,790,600
Department of Transportation	683,800,400 ²	738,676,000	732,676,000	54,875,600	(6,000,000)
Debt Service Requirements	436,733,200	377,714,000	429,855,000	(59,019,200)	52,141,000
Capital Outlay Program	321,338,000 ²	123,310,000	54,805,000	(198,028,000)	(68,505,000)
Facilities Revolving Fund	99,788,200	13,064,800	14,674,800	(86,723,400)	1,610,000
Cities & Counties - State Shared Taxes	910,079,700	943,800,000	969,000,000	33,720,300	25,200,000
BONDS	\$ 0	\$ 167,600,000	\$ 521,410,000	\$ 167,600,000	\$ 353,810,000
Department of Transportation	0	83,500,000	83,800,000	83,500,000	300,000
Capital Outlay Program	0	84,100,000	437,610,000	84,100,000	353,510,000
FEDERAL	\$ 12,202,777,200	\$ 13,156,472,800	\$ 12,782,917,100	\$ 953,695,600	\$ (373,555,700)
General Fund	11,173,558,000	12,178,341,000	11,812,905,600	1,004,783,000	(365,435,400)
Department of Transportation	1,022,817,200	975,721,800	960,036,500	(47,095,400)	(15,685,300)
Capital Outlay Program	6,402,000	2,410,000	9,975,000	(3,992,000)	7,565,000
CURRENT SERVICES & OTHER	\$ 4,863,531,100	\$ 4,784,951,200	\$ 4,887,132,900	\$ (78,579,900)	\$ 102,181,700
General Fund ³	4,552,428,500	4,562,711,400	4,618,654,600	10,282,900	55,943,200
Department of Transportation	46,963,400	41,988,000	39,796,000	(4,975,400)	(2,192,000)
Capital Outlay Program	163,337,000	27,770,000	63,780,500	(135,567,000)	36,010,500
Facilities Revolving Fund	100,802,200 ⁴	152,481,800	164,901,800	51,679,600	12,420,000
TOTAL STATE BUDGET	\$ 31,653,899,800	\$ 32,990,128,800	\$ 33,339,801,400	\$ 1,336,229,000	\$ 349,672,600

¹ General Fund includes Education Lottery-funded programs.

² Includes tax revenues and bonds.

³ Includes Higher Education tuition and student fees.

⁴ Includes departmental operating revenues and bonds.

**Total State Budget
Comparison of Programs by Revenue Sources
Fiscal Years 2013-2014, 2014-2015, and 2015-2016**

	Actual 2013-2014	Estimated 2014-2015	Recommended 2015-2016	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND ¹	\$ 27,861,838,500	\$ 29,425,592,400	\$ 29,378,890,800	\$ 1,563,753,900	\$ (46,701,600)
Appropriation	12,135,852,000	12,684,540,000	12,947,330,600	548,688,000	262,790,600
Federal	11,173,558,000	12,178,341,000	11,812,905,600	1,004,783,000	(365,435,400)
Current Services & Other Revenue ²	4,552,428,500	4,562,711,400	4,618,654,600	10,282,900	55,943,200
II. DEPARTMENT OF TRANSPORTATION	\$ 1,753,581,000	\$ 1,839,885,800	\$ 1,816,308,500	\$ 86,304,800	\$ (23,577,300)
Appropriation	683,800,400 ³	738,676,000	732,676,000	54,875,600	(6,000,000)
Federal	1,022,817,200	975,721,800	960,036,500	(47,095,400)	(15,685,300)
Current Services & Other Revenue	46,963,400	41,988,000	39,796,000	(4,975,400)	(2,192,000)
Bonds	0	83,500,000	83,800,000	83,500,000	300,000
III. DEBT SERVICE REQUIREMENTS	\$ 436,733,200	\$ 377,714,000	\$ 429,855,000	\$ (59,019,200)	\$ 52,141,000
Appropriation	436,733,200	377,714,000	429,855,000	(59,019,200)	52,141,000
IV. CAPITAL OUTLAY PROGRAM	\$ 491,077,000	\$ 237,590,000	\$ 566,170,500	\$ (253,487,000)	\$ 328,580,500
Appropriation	321,338,000 ³	123,310,000	54,805,000	(198,028,000)	(68,505,000)
Federal	6,402,000	2,410,000	9,975,000	(3,992,000)	7,565,000
Current Services & Other Revenue	163,337,000	27,770,000	63,780,500	(135,567,000)	36,010,500
Bonds	0	84,100,000	437,610,000	84,100,000	353,510,000
V. FACILITIES REVOLVING FUND	\$ 200,590,400	\$ 165,546,600	\$ 179,576,600	\$ (35,043,800)	\$ 14,030,000
Appropriations	99,788,200	13,064,800	14,674,800	(86,723,400)	1,610,000
Current Services & Other Revenue ⁴	100,802,200	152,481,800	164,901,800	51,679,600	12,420,000
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 910,079,700	\$ 943,800,000	\$ 969,000,000	\$ 33,720,300	\$ 25,200,000
Appropriation	910,079,700	943,800,000	969,000,000	33,720,300	25,200,000
VII. TOTAL STATE BUDGET	\$ 31,653,899,800	\$ 32,990,128,800	\$ 33,339,801,400	\$ 1,336,229,000	\$ 349,672,600
Appropriation	14,587,591,500	14,881,104,800	15,148,341,400	293,513,300	267,236,600
Federal	12,202,777,200	13,156,472,800	12,782,917,100	953,695,600	(373,555,700)
Current Services & Other Revenue ²	4,863,531,100	4,784,951,200	4,887,132,900	(78,579,900)	102,181,700
Bonds	0	167,600,000	521,410,000	167,600,000	353,810,000

¹ General Fund includes Education Lottery-funded programs.

² Includes Higher Education tuition and student fees.

³ Includes tax revenues and bonds.

⁴ Includes departmental operating revenues and bonds.

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2014-2015**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
2014 Appropriation Act - Work Program	\$ 12,678,703,200	\$ 11,982,415,500	\$ 696,287,700
2014 Appropriation Act - Dedicated Funds	(14,472,800)	(14,472,800)	0
2015 Supplemental Appropriations	20,309,600	0	20,309,600
Total General Fund Requirements	\$ 12,684,540,000	\$ 11,967,942,700	\$ 716,597,300
Less: Overappropriation	(85,000,000)	(85,000,000)	0
Less: Overappropriation - TennCare/DHS Eligibility Savings	(2,714,900)	0	(2,714,900)
Net General Fund Requirements	\$ 12,596,825,100	\$ 11,882,942,700	\$ 713,882,400
Other Programs:			
Capital Outlay Program	\$ 123,310,000	\$ 0	\$ 123,310,000
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,839,400	\$ 3,839,400	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 4,839,400	\$ 4,839,400	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 13,064,800	\$ 13,064,800	\$ 0
Sub-Total Facilities Revolving Fund	\$ 13,064,800	\$ 13,064,800	\$ 0
Total Other Programs	\$ 141,214,200	\$ 17,904,200	\$ 123,310,000
Total Appropriation Requirements	\$ 12,738,039,300	\$ 11,900,846,900	\$ 837,192,400
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 10,122,400,000	\$ 10,102,000,000	\$ 20,400,000
Franchise & Excise Taxes - Taxpayer Refund Settlement	(16,000,000)	0	(16,000,000)
State Tax Revenue - Other State Revenue	1,841,400,000	1,276,800,000	564,600,000
Miscellaneous Revenue	48,244,600	50,646,900	(2,402,300)
Tobacco MSA Revenue	134,600,000	134,600,000	0
Lottery for Education Account	335,700,000	335,700,000	0
Transfers, Reserves, and Other Available Funds:			
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Reserve for 2014-2015 Appropriations	272,500,000	0	272,500,000
Transfer to Rainy Day Fund	(35,500,000)	0	(35,500,000)
Transfer from TennCare Reserve	297,300	0	297,300
Debt Service Fund Transfer at June 30, 2015	72,000,000	0	72,000,000
Unappropriated Budget Surplus at June 20, 2014	111,268,300	0	111,268,300
Sub-Total Transfers, Reserves, and Other Available Funds	\$ 421,665,600	\$ 1,100,000	\$ 420,565,600
Total General Fund Revenues and Reserves	\$ 12,888,010,200	\$ 11,900,846,900	\$ 987,163,300
III. AVAILABLE FUNDS AT JUNE 30, 2015			
Available Funds	\$ 149,970,900	\$ 0	\$ 149,970,900
Total Available Funds	\$ 149,970,900	\$ 0	\$ 149,970,900
Revenue Fluctuation Reserve at June 30, 2014	\$ 456,000,000		
Revenue Fluctuation Reserve at June 30, 2015	\$ 491,500,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2015-2016**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 11,982,415,500	\$ 11,982,415,500	\$ 0
Preliminary Base Budget Adjustments - General Fund	504,446,300	(52,453,700)	556,900,000
Base Budget Reduction Plans - General Fund	(146,428,400)	(146,428,400)	0
Sum Sufficient Appropriations - Dedicated Funds	(4,044,200)	(4,044,200)	0
Preliminary Base Budget Adjustments - Dedicated Funds	(1,508,000)	(1,508,000)	0
Base Budget Reduction Plans - Dedicated Funds	1,566,100	1,566,100	0
Base Budget Recommended	\$ 12,336,447,300	\$ 11,779,547,300	\$ 556,900,000
Cost Increases - Budget Recommendations			
All Programs - General Fund	\$ 569,310,100	\$ 476,023,200	\$ 93,286,900
Reserve for Administration Amendment	12,000,000	7,000,000	5,000,000
All Programs - Dedicated Funds	29,573,200	28,073,200	1,500,000
Total Cost Increases Recommended	\$ 610,883,300	\$ 511,096,400	\$ 99,786,900
Total General Fund Requirements	\$ 12,947,330,600	\$ 12,290,643,700	\$ 656,686,900
Less: Overappropriation	(85,000,000)	(85,000,000)	0
Less: Overappropriation - Constitutional Offices	(1,807,800)	(1,807,800)	0
Net General Fund Requirements	\$ 12,860,522,800	\$ 12,203,835,900	\$ 656,686,900
Other Programs:			
Capital Outlay Program	\$ 54,805,000	\$ 0	\$ 54,805,000
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,835,300	\$ 3,835,300	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 4,835,300	\$ 4,835,300	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 13,064,800	\$ 13,064,800	\$ 0
Facilities Revolving Fund - Capital Outlay	1,610,000	0	1,610,000
Sub-Total Facilities Revolving Fund	\$ 14,674,800	\$ 13,064,800	\$ 1,610,000
Total Other Programs	\$ 74,315,100	\$ 17,900,100	\$ 56,415,000
Total Appropriation Requirements	\$ 12,934,837,900	\$ 12,221,736,000	\$ 713,101,900
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 10,370,400,000	\$ 10,329,100,000	\$ 41,300,000
State Tax Revenue - Department of Revenue - 2015 Legislation	20,200,000	20,200,000	0
State Tax Revenue - Other State Revenue	1,867,400,000	1,310,500,000	556,900,000
State Tax Revenue - Other State Revenue - 2015 Legislation	33,542,100	33,542,100	0
Miscellaneous Revenue	50,202,700	50,202,700	0
Tobacco MSA Revenue	132,100,000	132,100,000	0
Lottery for Education Account	346,600,000	345,100,000	1,500,000
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Available Funds at June 30, 2015	149,970,900	0	149,970,900
Transfer to Rainy Day Fund	(36,500,000)	0	(36,500,000)
Total General Fund Revenues and Reserves	\$ 12,935,015,700	\$ 12,221,844,800	\$ 713,170,900
III. AVAILABLE FUNDS AT JUNE 30, 2015			
Undesignated Fund Balance	\$ 177,800	\$ 108,800	\$ 69,000
Total Available Funds	\$ 177,800	\$ 108,800	\$ 69,000
Revenue Fluctuation Reserve at June 30, 2015	\$ 491,500,000		
Revenue Fluctuation Reserve at June 30, 2016	\$ 528,000,000		

**Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2014-2015 and 2015-2016**

	<u>2014-2015</u>	<u>2015-2016</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION	\$ 77,963,500	\$ 79,774,800	\$ 1,811,300
HEADQUARTERS OPERATIONS	\$ 29,463,000	\$ 25,795,500	\$ (3,667,500)
FIELD OPERATIONS	\$ 65,178,400	68,862,400	\$ 3,684,000
GARAGE AND FLEET OPERATIONS	\$ 24,430,600	\$ 25,579,200	\$ 1,148,600
CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ -
HIGHWAY SYSTEM MAINTENANCE	\$ 302,259,000	\$ 302,859,000	\$ 600,000
STATE-FUNDED PROGRAMS			
Betterments	\$ 800,000	\$ 800,000	\$ -
State Aid	30,622,000	30,622,000	-
State Industrial Access	30,000,000	30,000,000	-
Local Interstate Connectors	2,000,000	2,000,000	-
Sub-Total State-Funded Programs	\$ 63,422,000	\$ 63,422,000	\$ -
FEDERALLY FUNDED PROGRAMS			
Planning and Research	\$ 6,071,000	\$ 6,071,000	\$ -
Interstate System	14,800,000	14,800,000	-
Forest Highways	200,000	200,000	-
Highway Infrastructure	140,221,100	127,644,700	(12,576,400)
Bridge Replacement	-	-	-
Transit	47,667,400	47,667,400	-
Air, Water, and Rail	50,500,000	53,800,000	3,300,000
Sub-Total Federally Funded Programs	\$ 259,459,500	\$ 250,183,100	\$ (9,276,400)
TOTAL APPROPRIATION REQUIREMENTS	\$ 822,176,000	\$ 816,476,000	\$ (5,700,000)
II. STATE FUNDING SOURCES			
Highway User Taxes	\$ 658,100,000	\$ 660,800,000	\$ 2,700,000
Sales Tax - Transportation Equity Fund	50,500,000	53,800,000	3,300,000
Miscellaneous Revenue	18,076,000	18,076,000	-
Bond Authorization	83,500,000	83,800,000	300,000
Highway Fund Balance / Reserves	12,000,000	-	(12,000,000)
TOTAL STATE FUNDING SOURCES	\$ 822,176,000	\$ 816,476,000	\$ (5,700,000)

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2014-2015 and 2015-2016

	<u>2014-2015</u>	<u>2015-2016</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 77,963,500	\$ 79,774,800	\$ 1,811,300
Headquarters Operations	29,463,000	25,795,500	(3,667,500)
Field Operations	65,178,400	68,862,400	3,684,000
Garage and Fleet Operations	24,430,600	25,579,200	1,148,600
Capital Improvements	-	-	-
Highway System Maintenance	302,259,000	302,859,000	600,000
State-Funded Programs	39,743,000	44,419,300	4,676,300
Federally Funded Programs	199,638,500	185,385,800	(14,252,700)
Total State Funds	<u>\$ 738,676,000</u>	<u>\$ 732,676,000</u>	<u>\$ (6,000,000)</u>
II. BOND AUTHORIZATIONS			
Capital Improvements	\$ -	\$ -	\$ -
State-Funded Programs	23,679,000	19,002,700	(4,676,300)
Federally Funded Programs	59,821,000	64,797,300	4,976,300
Total Bond Authorizations	<u>\$ 83,500,000</u>	<u>\$ 83,800,000</u>	<u>\$ 300,000</u>
III. FEDERAL AID			
Federally Funded Programs	\$ 975,721,800	\$ 960,036,500	\$ (15,685,300)
Total Federal Aid	<u>\$ 975,721,800</u>	<u>\$ 960,036,500</u>	<u>\$ (15,685,300)</u>
IV. LOCAL GOVERNMENTS			
Highway System Maintenance	\$ -	\$ -	\$ -
State-Funded Programs	11,714,000	9,522,000	(2,192,000)
Federally Funded Programs	25,850,000	25,850,000	-
Total Local Governments	<u>\$ 37,564,000</u>	<u>\$ 35,372,000</u>	<u>\$ (2,192,000)</u>
V. OTHER STATE AGENCIES			
Garage and Fleet Services	\$ 4,424,000	\$ 4,424,000	\$ -
Total Other State Agencies	<u>\$ 4,424,000</u>	<u>\$ 4,424,000</u>	<u>\$ -</u>
VI. GRAND TOTAL			
Administration	\$ 77,963,500	\$ 79,774,800	\$ 1,811,300
Headquarters Operations	29,463,000	25,795,500	(3,667,500)
Field Operations	65,178,400	68,862,400	3,684,000
Garage and Fleet Operations	28,854,600	30,003,200	1,148,600
Capital Improvements	-	-	-
Highway System Maintenance	302,259,000	302,859,000	600,000
State-Funded Programs	75,136,000	72,944,000	(2,192,000)
Federally Funded Programs	1,261,031,300	1,236,069,600	(24,961,700)
Grand Total	<u>\$ 1,839,885,800</u>	<u>\$ 1,816,308,500</u>	<u>\$ (23,577,300)</u>

Department of Transportation
Actual Expenditures by Program and Funding Source
Fiscal Year 2013-2014

	Federal 2009					
	State	Regular Program	U.S. Economic Recovery Act	Total	Other	Total
Administration	\$ 58,440,400	\$ -	\$ -	\$ -	\$ -	\$ 58,440,400
Headquarters Operations	\$ 17,822,700	\$ -	\$ -	\$ -	\$ -	\$ 17,822,700
Field Operations	\$ 57,263,400	\$ -	\$ -	\$ -	\$ -	\$ 57,263,400
Flight Services	\$ 2,301,900	\$ -	\$ -	\$ -	\$ -	\$ 2,301,900
Garage and Fleet Operations	\$ 21,352,300	\$ -	\$ -	\$ -	\$ 4,930,000	\$ 26,282,300
Capital Improvements	\$ 598,200	\$ -	\$ -	\$ -	\$ -	\$ 598,200
Highway System Maintenance	\$ 310,137,200	\$ -	\$ -	\$ -	\$ 140,000	\$ 310,277,200
STATE-FUNDED PROGRAMS						
Betterments	\$ 8,865,200	\$ -	\$ -	\$ -	\$ 89,700	\$ 8,954,900
State Aid	31,260,800	-	-	-	-	31,260,800
State Industrial Access	20,236,400	-	-	-	375,000	20,611,400
Local Interstate Connectors	1,686,500	-	-	-	2,523,100	4,209,600
Sub-Total State-Funded Programs	\$ 62,048,900	\$ -	\$ -	\$ -	\$ 2,987,800	\$ 65,036,700
FEDERALLY FUNDED PROGRAMS						
Planning and Research	\$ 3,691,900	\$ 15,650,100	\$ -	\$ 15,650,100	\$ 165,400	\$ 19,507,400
Interstate System	5,793,800	79,502,400	-	79,502,400	5,912,900	91,209,100
Forest Highways	(14,000)	1,066,000	-	1,066,000	-	1,052,000
Highway Infrastructure	68,464,400	774,547,600	(630,000)	773,917,600	24,659,000	867,041,000
Bridge Replacement	(9,954,300)	104,928,600	-	104,928,600	5,304,600	100,278,900
Transit	43,442,400	28,885,100	2,007,200	30,892,300	368,400	74,703,100
Air, Water, and Rail	42,411,200	16,860,200	-	16,860,200	2,495,300	61,766,700
Sub-Total Federally Funded Programs	\$ 153,835,400	\$ 1,021,440,000	\$ 1,377,200	\$ 1,022,817,200	\$ 38,905,600	\$ 1,215,558,200
TOTAL APPROPRIATIONS	\$ 683,800,400	\$ 1,021,440,000	\$ 1,377,200	\$ 1,022,817,200	\$ 46,963,400	\$ 1,753,581,000
STATE FUNDING SOURCES:						
Highway User Taxes	\$ 624,224,100					
Sales Tax - Transportation Equity Fund	53,797,600					
Miscellaneous Revenue	20,652,700					
Highway Fund Balance / Reserves	(14,874,000)					
TOTAL STATE FUNDING SOURCES	\$ 683,800,400					

**Department of Transportation
Enacted Budget by Program and Funding Source
Fiscal Year 2014-2015**

	State	Federal 2009		Total	Other	Total
		Regular Program	U.S. Economic Recovery Act			
Administration	\$ 77,963,500	\$ -	\$ -	\$ -	\$ -	\$ 77,963,500
Headquarters Operations	\$ 29,463,000	\$ -	\$ -	\$ -	\$ -	\$ 29,463,000
Field Operations	\$ 65,178,400	\$ -	\$ -	\$ -	\$ -	\$ 65,178,400
Garage and Fleet Operations	\$ 24,430,600	\$ -	\$ -	\$ -	\$ 4,424,000	\$ 28,854,600
Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highway System Maintenance	\$ 302,259,000	\$ -	\$ -	\$ -	\$ -	\$ 302,259,000
STATE-FUNDED PROGRAMS						
Betterments	\$ 800,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 900,000
State Aid	30,622,000	-	-	-	9,414,000	40,036,000
State Industrial Access	30,000,000	-	-	-	200,000	30,200,000
Local Interstate Connectors	2,000,000	-	-	-	2,000,000	4,000,000
Sub-Total State-Funded Programs	\$ 63,422,000	\$ -	\$ -	\$ -	\$ 11,714,000	\$ 75,136,000
FEDERALLY FUNDED PROGRAMS						
Planning and Research	\$ 6,071,000	\$ 16,100,000	\$ -	\$ 16,100,000	\$ -	\$ 22,171,000
Interstate System	14,800,000	159,300,000	-	159,300,000	-	174,100,000
Forest Highways	200,000	700,000	-	700,000	-	900,000
Highway Infrastructure	140,221,100	676,593,000	-	676,593,000	23,350,000	840,164,100
Bridge Replacement	-	-	-	-	-	-
Transit	47,667,400	109,528,800	-	109,528,800	-	157,196,200
Air, Water, and Rail	50,500,000	13,500,000	-	13,500,000	2,500,000	66,500,000
Sub-Total Federally Funded Programs	\$ 259,459,500	\$ 975,721,800	\$ -	\$ 975,721,800	\$ 25,850,000	\$ 1,261,031,300
TOTAL APPROPRIATIONS	\$ 822,176,000	\$ 975,721,800	\$ -	\$ 975,721,800	\$ 41,988,000	\$ 1,839,885,800
STATE FUNDING SOURCES:						
Highway User Taxes	\$ 658,100,000					
Sales Tax - Transportation Equity Fund	50,500,000					
Miscellaneous Revenue	18,076,000					
Bond Authorization	83,500,000					
Highway Fund Balance / Reserves	12,000,000					
TOTAL STATE FUNDING SOURCES	\$ 822,176,000					

**Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2015-2016**

	State	Federal 2009		Total	Other	Total
		Regular Program	U.S. Economic Recovery Act			
Administration	\$ 79,774,800	\$ -	\$ -	\$ -	\$ -	\$ 79,774,800
Headquarters Operations	\$ 25,795,500	\$ -	\$ -	\$ -	\$ -	\$ 25,795,500
Field Operations	\$ 68,862,400	\$ -	\$ -	\$ -	\$ -	\$ 68,862,400
Garage and Fleet Operations	\$ 25,579,200	\$ -	\$ -	\$ -	\$ 4,424,000	\$ 30,003,200
Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highway System Maintenance	\$ 302,859,000	\$ -	\$ -	\$ -	\$ -	\$ 302,859,000
STATE-FUNDED PROGRAMS						
Betterments	\$ 800,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 900,000
State Aid	30,622,000	-	-	-	7,222,000	37,844,000
State Industrial Access	30,000,000	-	-	-	200,000	30,200,000
Local Interstate Connectors	2,000,000	-	-	-	2,000,000	4,000,000
Sub-Total State-Funded Programs	\$ 63,422,000	\$ -	\$ -	\$ -	\$ 9,522,000	\$ 72,944,000
FEDERALLY FUNDED PROGRAMS						
Planning and Research	\$ 6,071,000	\$ 16,100,000	\$ -	\$ 16,100,000	\$ -	\$ 22,171,000
Interstate System	14,800,000	159,300,000	-	159,300,000	-	174,100,000
Forest Highways	200,000	700,000	-	700,000	-	900,000
Highway Infrastructure	127,644,700	681,274,000	-	681,274,000	23,350,000	832,268,700
Bridge Replacement	-	-	-	-	-	-
Transit	47,667,400	89,162,500	-	89,162,500	-	136,829,900
Air, Water, and Rail	53,800,000	13,500,000	-	13,500,000	2,500,000	69,800,000
Sub-Total Federally Funded Programs	\$ 250,183,100	\$ 960,036,500	\$ -	\$ 960,036,500	\$ 25,850,000	\$ 1,236,069,600
TOTAL APPROPRIATIONS	\$ 816,476,000	\$ 960,036,500	\$ -	\$ 960,036,500	\$ 39,796,000	\$ 1,816,308,500
STATE FUNDING SOURCES:						
Highway User Taxes	\$ 660,800,000					
Sales Tax - Transportation Equity Fund	53,800,000					
Miscellaneous Revenue	18,076,000					
Bond Authorization	83,800,000					
TOTAL STATE FUNDING SOURCES	\$ 816,476,000					

Comparison of Programs

Fiscal Years 2013-2014, 2014-2015, and 2015-2016

Allot. Code	Department	Actual 2013-2014	Estimated 2014-2015	Recommended 2015-2016	Act. vs. Est. Difference	Est. vs. Rec. Difference
301	Legislature	\$ 37,015,800	\$ 41,945,400	\$ 41,698,100	\$ 4,929,600	\$ (247,300)
	Appropriation	36,277,300	41,807,900	41,560,600	5,530,600	(247,300)
	Current Services and Other Revenue	738,500	137,500	137,500	(601,000)	0
301.50	Fiscal Review Committee	\$ 1,146,800	\$ 1,478,800	\$ 1,478,800	\$ 332,000	\$ 0
	Appropriation	1,146,400	1,478,800	1,478,800	332,400	0
	Current Services and Other Revenue	400	0	0	(400)	0
302	Court System	\$ 130,121,200	\$ 134,845,200	\$ 134,664,600	\$ 4,724,000	\$ (180,600)
	Appropriation	121,579,400	127,798,300	127,825,100	6,218,900	26,800
	Federal	1,042,300	980,000	980,000	(62,300)	0
	Current Services and Other Revenue	7,499,500	6,066,900	5,859,500	(1,432,600)	(207,400)
303	Attorney General and Reporter	\$ 33,452,500	\$ 38,065,200	\$ 38,057,800	\$ 4,612,700	\$ (7,400)
	Appropriation	23,529,700	25,738,900	25,735,400	2,209,200	(3,500)
	Current Services and Other Revenue	9,922,800	12,326,300	12,322,400	2,403,500	(3,900)
304	District Attorneys General	\$ 103,886,500	\$ 110,354,100	\$ 110,417,200	\$ 6,467,600	\$ 63,100
	Appropriation	74,212,900	78,252,200	79,338,600	4,039,300	1,086,400
	Federal	48,800	0	0	(48,800)	0
	Current Services and Other Revenue	29,624,800	32,101,900	31,078,600	2,477,100	(1,023,300)
305	Secretary of State	\$ 45,634,600	\$ 70,193,000	\$ 70,830,000	\$ 24,558,400	\$ 637,000
	Appropriation	24,107,700	27,921,300	28,558,300	3,813,600	637,000
	Federal	9,103,300	30,216,800	30,216,800	21,113,500	0
	Current Services and Other Revenue	12,423,600	12,054,900	12,054,900	(368,700)	0
306	District Public Defenders	\$ 45,558,700	\$ 49,697,300	\$ 50,406,800	\$ 4,138,600	\$ 709,500
	Appropriation	43,509,200	49,081,300	49,830,800	5,572,100	749,500
	Current Services and Other Revenue	2,049,500	616,000	576,000	(1,433,500)	(40,000)
307	Comptroller of the Treasury	\$ 97,657,400	\$ 98,902,200	\$ 94,498,900	\$ 1,244,800	\$ (4,403,300)
	Appropriation	80,764,000	89,688,100	85,284,800	8,924,100	(4,403,300)
	Current Services and Other Revenue	16,893,400	9,214,100	9,214,100	(7,679,300)	0
308	Post-Conviction Defender	\$ 1,912,500	\$ 2,288,400	\$ 2,320,800	\$ 375,900	\$ 32,400
	Appropriation	1,912,100	2,288,400	2,320,800	376,300	32,400
	Current Services and Other Revenue	400	0	0	(400)	0
309	Treasury Department	\$ 32,728,100	\$ 37,218,400	\$ 35,890,200	\$ 4,490,300	\$ (1,328,200)
	Appropriation	2,111,000	2,807,300	2,818,800	696,300	11,500
	Current Services and Other Revenue	30,617,100	34,411,100	33,071,400	3,794,000	(1,339,700)
313	Claims and Compensation	\$ 122,778,900	\$ 109,562,400	\$ 110,717,400	\$ (13,216,500)	\$ 1,155,000
	Appropriation	10,678,300	11,850,000	12,576,000	1,171,700	726,000
	Federal	4,937,000	4,500,000	3,774,000	(437,000)	(726,000)
	Current Services and Other Revenue	107,163,600	93,212,400	94,367,400	(13,951,200)	1,155,000

Comparison of Programs

Fiscal Years 2013-2014, 2014-2015, and 2015-2016

Allot. Code	Department	Actual 2013-2014	Estimated 2014-2015	Recommended 2015-2016	Act. vs. Est. Difference	Est. vs. Rec. Difference
315	Executive Department	\$ 4,703,900	\$ 5,185,000	\$ 5,169,700	\$ 481,100	\$ (15,300)
	Appropriation	4,683,700	5,185,000	5,169,700	501,300	(15,300)
	Current Services and Other Revenue	20,200	0	0	(20,200)	0
316	Commissions	\$ 382,321,300	\$ 457,670,000	\$ 424,026,000	\$ 75,348,700	\$ (33,644,000)
	Appropriation	33,687,800	35,762,100	35,743,700	2,074,300	(18,400)
	Federal	242,077,500	307,515,700	308,663,600	65,438,200	1,147,900
	Current Services and Other Revenue	106,556,000	114,392,200	79,618,700	7,836,200	(34,773,500)
317	Finance and Administration (F&A)	\$ 242,812,300	\$ 263,242,200	\$ 253,780,200	\$ 20,429,900	\$ (9,462,000)
	Appropriation	20,127,100	21,254,500	20,334,900	1,127,400	(919,600)
	Federal	21,811,300	25,233,100	25,214,500	3,421,800	(18,600)
	Current Services and Other Revenue	200,873,900	216,754,600	208,230,800	15,880,700	(8,523,800)
	Criminal Justice Programs¹	\$ 22,214,200	\$ 25,562,400	\$ 25,593,100	\$ 3,348,200	\$ 30,700
	Appropriation	4,234,200	4,538,100	4,584,500	303,900	46,400
	Federal	17,835,100	20,918,500	20,902,900	3,083,400	(15,600)
	Current Services and Other Revenue	144,900	105,800	105,700	(39,100)	(100)
	Other F&A Programs¹	\$ 220,598,100	\$ 237,679,800	\$ 228,187,100	\$ 17,081,700	\$ (9,492,700)
	Appropriation	15,892,900	16,716,400	15,750,400	823,500	(966,000)
	Federal	3,976,200	4,314,600	4,311,600	338,400	(3,000)
	Current Services and Other Revenue	200,729,000	216,648,800	208,125,100	15,919,800	(8,523,700)
318	F&A, TennCare	\$ 9,392,460,800	\$ 10,359,008,600	\$ 10,279,075,200	\$ 966,547,800	\$ (79,933,400)
	Appropriation	3,071,222,300	3,315,694,900	3,334,243,900	244,472,600	18,549,000
	Federal	5,869,611,000	6,673,042,400	6,417,781,500	803,431,400	(255,260,900)
	Current Services and Other Revenue	451,627,500	370,271,300	527,049,800	(81,356,200)	156,778,500
319	Human Resources	\$ 9,945,400	\$ 12,388,300	\$ 11,882,300	\$ 2,442,900	\$ (506,000)
	Appropriation	0	0	0	0	0
	Current Services and Other Revenue	9,945,400	12,388,300	11,882,300	2,442,900	(506,000)
321	General Services	\$ 109,903,200	\$ 130,347,000	\$ 128,249,500	\$ 20,443,800	\$ (2,097,500)
	Appropriation	11,272,100	11,751,400	9,812,100	479,300	(1,939,300)
	Current Services and Other Revenue	98,631,100	118,595,600	118,437,400	19,964,500	(158,200)
323	Veterans Affairs	\$ 7,520,900	\$ 6,517,800	\$ 6,415,100	\$ (1,003,100)	\$ (102,700)
	Appropriation	4,634,900	5,485,100	5,393,300	850,200	(91,800)
	Federal	1,171,200	772,700	766,800	(398,500)	(5,900)
	Current Services and Other Revenue	1,714,800	260,000	255,000	(1,454,800)	(5,000)
324	Board of Parole	\$ 7,102,000	\$ 7,424,800	\$ 7,374,500	\$ 322,800	\$ (50,300)
	Appropriation	7,100,600	7,424,800	7,373,500	324,200	(51,300)
	Current Services and Other Revenue	1,400	0	1,000	(1,400)	1,000

Comparison of Programs Fiscal Years 2013-2014, 2014-2015, and 2015-2016

Allot. Code	Department	Actual 2013-2014	Estimated 2014-2015	Recommended 2015-2016	Act. vs. Est. Difference	Est. vs. Rec. Difference
325	Agriculture	\$ 84,984,200	\$ 90,351,900	\$ 89,169,900	\$ 5,367,700	\$ (1,182,000)
	Appropriation	63,164,100	68,808,200	67,701,800	5,644,100	(1,106,400)
	Federal	10,488,800	12,426,000	12,328,600	1,937,200	(97,400)
	Current Services and Other Revenue	11,331,300	9,117,700	9,139,500	(2,213,600)	21,800
326	Tourist Development	\$ 24,258,600	\$ 24,094,700	\$ 27,219,300	\$ (163,900)	\$ 3,124,600
	Appropriation	16,981,100	14,894,300	18,124,300	(2,086,800)	3,230,000
	Current Services and Other Revenue	7,277,500	9,200,400	9,095,000	1,922,900	(105,400)
327	Environment and Conservation	\$ 298,883,200	\$ 359,271,800	\$ 344,678,500	\$ 60,388,600	\$ (14,593,300)
	Appropriation	165,186,200	182,220,300	178,810,100	17,034,100	(3,410,200)
	Federal	43,304,800	64,073,100	54,084,400	20,768,300	(9,988,700)
	Current Services and Other Revenue	90,392,200	112,978,400	111,784,000	22,586,200	(1,194,400)
328	Wildlife Resources Agency	\$ 84,397,900	\$ 115,076,900	\$ 88,816,900	\$ 30,679,000	\$ (26,260,000)
	Appropriation	51,456,600	63,163,200	59,266,600	11,706,600	(3,896,600)
	Federal	26,129,600	32,560,600	22,528,200	6,431,000	(10,032,400)
	Current Services and Other Revenue	6,811,700	19,353,100	7,022,100	12,541,400	(12,331,000)
329	Correction	\$ 878,597,900	\$ 933,036,300	\$ 921,056,200	\$ 54,438,400	\$ (11,980,100)
	Appropriation	861,268,200	911,897,900	904,053,300	50,629,700	(7,844,600)
	Federal	240,700	353,300	350,100	112,600	(3,200)
	Current Services and Other Revenue	17,089,000	20,785,100	16,652,800	3,696,100	(4,132,300)
330	Economic and Community Development	\$ 232,270,200	\$ 177,740,300	\$ 148,238,800	\$ (54,529,900)	\$ (29,501,500)
	Appropriation	143,576,100	125,806,200	114,805,600	(17,769,900)	(11,000,600)
	Federal	78,292,400	27,145,300	26,647,900	(51,147,100)	(497,400)
	Current Services and Other Revenue	10,401,700	24,788,800	6,785,300	14,387,100	(18,003,500)
331	Education (K-12)	\$ 5,603,804,900	\$ 5,552,539,700	\$ 5,608,726,000	\$ (51,265,200)	\$ 56,186,300
	Appropriation	4,327,266,700	4,353,886,500	4,480,859,700	26,619,800	126,973,200
	Federal	1,207,130,800	1,093,532,900	1,014,040,800	(113,597,900)	(79,492,100)
	Current Services and Other Revenue	69,407,400	105,120,300	113,825,500	35,712,900	8,705,200
	Lottery-Funded Programs¹	\$ 13,004,500	\$ 14,675,000	\$ 13,500,000	\$ 1,670,500	\$ (1,175,000)
	Appropriation	13,004,500	13,500,000	13,500,000	495,500	0
	Current Services and Other Revenue	0	1,175,000	0	1,175,000	(1,175,000)
	Other Education (K-12) Programs¹	\$ 5,590,800,400	\$ 5,537,864,700	\$ 5,595,226,000	\$ (52,935,700)	\$ 57,361,300
	Appropriation	4,314,262,200	4,340,386,500	4,467,359,700	26,124,300	126,973,200
	Federal	1,207,130,800	1,093,532,900	1,014,040,800	(113,597,900)	(79,492,100)
	Current Services and Other Revenue	69,407,400	103,945,300	113,825,500	34,537,900	9,880,200

Comparison of Programs

Fiscal Years 2013-2014, 2014-2015, and 2015-2016

Allot. Code	Department	Actual 2013-2014	Estimated 2014-2015	Recommended 2015-2016	Act. vs. Est. Difference	Est. vs. Rec. Difference
332	Higher Education	\$ 4,060,205,400	\$ 4,114,875,300	\$ 4,175,286,200	\$ 54,669,900	\$ 60,410,900
	Appropriation	1,548,654,100	1,560,097,700	1,621,496,100	11,443,600	61,398,400
	Federal	214,639,500	219,289,200	219,097,900	4,649,700	(191,300)
	Current Services and Other Revenue	667,837,800	645,705,500	644,909,300	(22,132,300)	(796,200)
	Tuition and Student Fees	1,629,074,000	1,689,782,900	1,689,782,900	60,708,900	0
	Lottery for Education Account¹	\$ 313,442,400	\$ 322,200,000	\$ 333,100,000	\$ 8,757,600	\$ 10,900,000
	Appropriation	313,442,400	322,200,000	333,100,000	8,757,600	10,900,000
	Other Higher Education Programs¹	\$ 3,746,763,000	\$ 3,792,675,300	\$ 3,842,186,200	\$ 45,912,300	\$ 49,510,900
	Appropriation	1,235,211,700	1,237,897,700	1,288,396,100	2,686,000	50,498,400
	Federal	214,639,500	219,289,200	219,097,900	4,649,700	(191,300)
	Current Services and Other Revenue	667,837,800	645,705,500	644,909,300	(22,132,300)	(796,200)
	Tuition and Student Fees	1,629,074,000	1,689,782,900	1,689,782,900	60,708,900	0
335	Commerce and Insurance	\$ 149,855,700	\$ 198,698,500	\$ 212,628,200	\$ 48,842,800	\$ 13,929,700
	Appropriation	97,978,200	129,044,900	155,452,600	31,066,700	26,407,700
	Federal	423,600	457,900	293,000	34,300	(164,900)
	Current Services and Other Revenue	51,453,900	69,195,700	56,882,600	17,741,800	(12,313,100)
336	Financial Institutions	\$ 15,491,300	\$ 21,385,400	\$ 19,826,000	\$ 5,894,100	\$ (1,559,400)
	Appropriation	15,345,000	19,933,000	19,823,600	4,588,000	(109,400)
	Current Services and Other Revenue	146,300	1,452,400	2,400	1,306,100	(1,450,000)
337	Labor and Workforce Development	\$ 167,876,400	\$ 225,064,200	\$ 210,081,000	\$ 57,187,800	\$ (14,983,200)
	Appropriation	35,296,800	45,420,100	44,893,000	10,123,300	(527,100)
	Federal	130,842,100	167,354,100	161,927,800	36,512,000	(5,426,300)
	Current Services and Other Revenue	1,737,500	12,290,000	3,260,200	10,552,500	(9,029,800)
339	Mental Health and Substance Abuse	\$ 303,267,600	\$ 317,329,600	\$ 311,305,100	\$ 14,062,000	\$ (6,024,500)
	Appropriation	201,082,700	204,399,100	202,088,900	3,316,400	(2,310,200)
	Federal	57,570,800	66,516,000	62,543,200	8,945,200	(3,972,800)
	Current Services and Other Revenue	44,614,100	46,414,500	46,673,000	1,800,400	258,500
341	Military	\$ 94,676,900	\$ 69,990,000	\$ 69,151,100	\$ (24,686,900)	\$ (838,900)
	Appropriation	12,462,800	15,707,600	14,810,700	3,244,800	(896,900)
	Federal	80,053,800	51,484,800	51,535,600	(28,569,000)	50,800
	Current Services and Other Revenue	2,160,300	2,797,600	2,804,800	637,300	7,200
343	Health	\$ 563,710,600	\$ 580,289,300	\$ 583,998,000	\$ 16,578,700	\$ 3,708,700
	Appropriation	188,741,300	190,333,000	184,812,900	1,591,700	(5,520,100)
	Federal	234,574,400	237,531,400	238,424,800	2,957,000	893,400
	Current Services and Other Revenue	140,394,900	152,424,900	160,760,300	12,030,000	8,335,400
344	Intellectual and Developmental Disabilities	\$ 199,811,700	\$ 199,247,800	\$ 183,163,800	\$ (563,900)	\$ (16,084,000)
	Appropriation	28,264,000	26,185,500	23,960,700	(2,078,500)	(2,224,800)
	Federal	1,025,700	1,651,400	1,645,100	625,700	(6,300)
	Current Services and Other Revenue	170,522,000	171,410,900	157,558,000	888,900	(13,852,900)

Comparison of Programs Fiscal Years 2013-2014, 2014-2015, and 2015-2016

Allot. Code	Department	Actual 2013-2014	Estimated 2014-2015	Recommended 2015-2016	Act. vs. Est. Difference	Est. vs. Rec. Difference
345	Human Services	\$ 2,912,821,000	\$ 3,068,380,500	\$ 3,047,805,500	\$ 155,559,500	\$ (20,575,000)
	Appropriation	153,526,500	192,632,000	181,799,300	39,105,500	(10,832,700)
	Federal	2,639,508,800	2,803,150,000	2,793,844,600	163,641,200	(9,305,400)
	Current Services and Other Revenue	119,785,700	72,598,500	72,161,600	(47,187,200)	(436,900)
	Temporary Cash Assistance¹	\$ 101,632,600	\$ 114,293,200	\$ 114,293,200	\$ 12,660,600	\$ 0
	Appropriation	19,968,300	13,968,900	13,968,900	(5,999,400)	0
	Federal	81,664,300	100,224,300	100,224,300	18,560,000	0
	Current Services and Other Revenue	0	100,000	100,000	100,000	0
	Supplemental Nutrition Assistance¹	\$ 2,012,001,300	\$ 2,113,156,300	\$ 2,113,156,300	\$ 101,155,000	\$ 0
	Federal	2,012,001,300	2,113,156,300	2,113,156,300	101,155,000	0
	Other Human Services Programs¹	\$ 799,187,100	\$ 840,931,000	\$ 820,356,000	\$ 41,743,900	\$ (20,575,000)
	Appropriation	133,558,200	178,663,100	167,830,400	45,104,900	(10,832,700)
	Federal	545,843,200	589,769,400	580,464,000	43,926,200	(9,305,400)
	Current Services and Other Revenue	119,785,700	72,498,500	72,061,600	(47,287,200)	(436,900)
347	Revenue	\$ 103,025,100	\$ 111,581,700	\$ 109,592,200	\$ 8,556,600	\$ (1,989,500)
	Appropriation	69,325,500	84,163,000	79,635,100	14,837,500	(4,527,900)
	Federal	14,300	20,900	20,700	6,600	(200)
	Current Services and Other Revenue	33,685,300	27,397,800	29,936,400	(6,287,500)	2,538,600
348	Tennessee Bureau of Investigation	\$ 77,681,500	\$ 73,289,100	\$ 70,560,500	\$ (4,392,400)	\$ (2,728,600)
	Appropriation	44,000,200	42,428,700	40,270,100	(1,571,500)	(2,158,600)
	Federal	11,002,700	14,990,200	14,905,400	3,987,500	(84,800)
	Current Services and Other Revenue	22,678,600	15,870,200	15,385,000	(6,808,400)	(485,200)
349	Safety	\$ 181,450,300	\$ 195,887,100	\$ 194,960,700	\$ 14,436,800	\$ (926,400)
	Appropriation	123,678,800	133,667,900	133,791,000	9,989,100	123,100
	Federal	6,070,200	9,514,200	9,715,300	3,444,000	201,100
	Current Services and Other Revenue	51,701,300	52,705,000	51,454,400	1,003,700	(1,250,600)
350	F&A, Strategic Health-Care Programs	\$ 246,786,700	\$ 257,526,000	\$ 265,824,200	\$ 10,739,300	\$ 8,298,200
	Appropriation	83,386,300	68,064,000	73,715,600	(15,322,300)	5,651,600
	Federal	144,656,500	184,428,000	189,526,400	39,771,500	5,098,400
	Current Services and Other Revenue	18,743,900	5,034,000	2,582,200	(13,709,900)	(2,451,800)
351	Miscellaneous Appropriations	\$ 37,311,200	\$ 75,982,100	\$ 161,311,800	\$ 38,670,900	\$ 85,329,700
	Appropriation	35,252,100	75,019,700	161,311,800	39,767,600	86,292,100
	Federal	2,500	0	0	(2,500)	0
	Current Services and Other Revenue	2,056,600	962,400	0	(1,094,200)	(962,400)
353	Emergency and Contingency Fund	\$ 0	\$ 819,300	\$ 819,300	\$ 819,300	\$ 0
	Appropriation	0	819,300	819,300	819,300	0
355	State Building Commission	\$ 15,900	\$ 400,000	\$ 400,000	\$ 384,100	\$ 0
	Appropriation	15,900	250,000	250,000	234,100	0
	Current Services and Other Revenue	0	150,000	150,000	150,000	0

Comparison of Programs Fiscal Years 2013-2014, 2014-2015, and 2015-2016

Allot. Code	Department	Actual 2013-2014	Estimated 2014-2015	Recommended 2015-2016	Act. vs. Est. Difference	Est. vs. Rec. Difference
359	Children's Services	\$ 731,991,500	\$ 726,400,800	\$ 727,318,500	\$ (5,590,700)	\$ 917,700
	Appropriation	297,386,300	314,427,600	309,379,400	17,041,300	(5,048,200)
	Federal	137,783,600	149,601,000	152,048,600	11,817,400	2,447,600
	Current Services and Other Revenue	296,821,600	262,372,200	265,890,500	(34,449,400)	3,518,300
	Grand Total - General Fund	\$ 27,861,838,500	\$ 29,425,592,400	\$ 29,378,890,800	\$ 1,563,753,900	\$ (46,701,600)
	Appropriation	12,135,852,000	12,684,540,000	12,947,330,600	548,688,000	262,790,600
	Federal	11,173,558,000	12,178,341,000	11,812,905,600	1,004,783,000	(365,435,400)
	Current Services and Other Revenue	2,923,354,500	2,872,928,500	2,928,871,700	(50,426,000)	55,943,200
	Tuition and Student Fees	1,629,074,000	1,689,782,900	1,689,782,900	60,708,900	0
400	Transportation	\$ 1,753,581,000	\$ 1,839,885,800	\$ 1,816,308,500	\$ 86,304,800	\$ (23,577,300)
	Appropriation	683,800,400 ²	738,676,000	732,676,000	54,875,600	(6,000,000)
	Federal	1,022,817,200	975,721,800	960,036,500	(47,095,400)	(15,685,300)
	Current Services and Other Revenue	46,963,400	41,988,000	39,796,000	(4,975,400)	(2,192,000)
	Bonds	0	83,500,000	83,800,000	83,500,000	300,000
	Debt Service Requirements	\$ 436,733,200	\$ 377,714,000	\$ 429,855,000	\$ (59,019,200)	\$ 52,141,000
	Appropriation	436,733,200	377,714,000	429,855,000	(59,019,200)	52,141,000
	Capital Outlay Program	\$ 491,077,000	\$ 237,590,000	\$ 566,170,500	\$ (253,487,000)	\$ 328,580,500
	Appropriation	321,338,000 ²	123,310,000	54,805,000	(198,028,000)	(68,505,000)
	Federal	6,402,000	2,410,000	9,975,000	(3,992,000)	7,565,000
	Current Services and Other Revenue	163,337,000	27,770,000	63,780,500	(135,567,000)	36,010,500
	Bonds	0	84,100,000	437,610,000	84,100,000	353,510,000
	Facilities Revolving Fund	\$ 200,590,400	\$ 165,546,600	\$ 179,576,600	\$ (35,043,800)	\$ 14,030,000
	Appropriation	99,788,200	13,064,800	14,674,800	(86,723,400)	1,610,000
	Current Services and Other Revenue	100,802,200 ³	152,481,800	164,901,800	51,679,600	12,420,000
	Cities & Counties - State Shared Taxes	\$ 910,079,700	\$ 943,800,000	\$ 969,000,000	\$ 33,720,300	\$ 25,200,000
	Appropriation	910,079,700	943,800,000	969,000,000	33,720,300	25,200,000
	Total State Budget - All Programs	\$ 31,653,899,800	\$ 32,990,128,800	\$ 33,339,801,400	\$ 1,336,229,000	\$ 349,672,600
	Appropriation	14,587,591,500	14,881,104,800	15,148,341,400	293,513,300	267,236,600
	Federal	12,202,777,200	13,156,472,800	12,782,917,100	953,695,600	(373,555,700)
	Current Services and Other Revenue	3,234,457,100	3,095,168,300	3,197,350,000	(139,288,800)	102,181,700
	Tuition and Student Fees	1,629,074,000	1,689,782,900	1,689,782,900	60,708,900	0
	Bonds	0	167,600,000	521,410,000	167,600,000	353,810,000

¹ Included in departmental total.

² Transportation and Capital Outlay Program - Actual 2013-2014 includes tax revenue and bonds.

³ Facilities Revolving Fund - Actual 2013-2014 includes departmental revenue and bonds.

Funding Summary All Programs

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Recommended 2015-2016</u>
GENERAL FUND AND EDUCATION FUND			
Expenditures			
Payroll	\$ 2,509,502,400	\$ 2,772,361,300	\$ 2,711,548,500
Operational	25,352,336,100	26,653,231,100	26,667,342,300
TOTAL	\$ 27,861,838,500	\$ 29,425,592,400	\$ 29,378,890,800
Funding			
State *	\$ 12,135,852,000	\$ 12,684,540,000	\$ 12,947,330,600
Federal	11,173,558,000	12,178,341,000	11,812,905,600
Other	2,923,354,500	2,872,928,500	2,928,871,700
Tuition and Fees	1,629,074,000	1,689,782,900	1,689,782,900
DEPARTMENT OF TRANSPORTATION			
Expenditures			
Payroll	\$ 215,553,600	\$ 289,212,600	\$ 294,833,200
Operational	1,538,027,400	1,550,673,200	1,521,475,300
TOTAL	\$ 1,753,581,000	\$ 1,839,885,800	\$ 1,816,308,500
Funding			
State	\$ 683,800,400	\$ 822,176,000	\$ 816,476,000
Federal	1,022,817,200	975,721,800	960,036,500
Other	46,963,400	41,988,000	39,796,000
GRAND TOTAL - ALL PROGRAMS			
Expenditures			
Payroll	\$ 2,725,056,000	\$ 3,061,573,900	\$ 3,006,381,700
Operational	26,890,363,500	28,203,904,300	28,188,817,600
TOTAL	\$ 29,615,419,500	\$ 31,265,478,200	\$ 31,195,199,300
Funding			
State *	\$ 12,819,652,400	\$ 13,506,716,000	\$ 13,763,806,600
Federal	12,196,375,200	13,154,062,800	12,772,942,100
Other	2,970,317,900	2,914,916,500	2,968,667,700
Tuition and Fees	1,629,074,000	1,689,782,900	1,689,782,900

* State appropriation includes the following from Lottery for Education sources:

\$ 326,446,900	\$ 335,700,000	\$ 346,600,000
----------------	----------------	----------------

**Departmental Comparison of Recurring Appropriations from State Revenues,
2014-2015 and Base Budget 2015-2016**

Program	2014-2015	Base Budget 2015-2016	Increase/ (Decrease)	Pct. Chg.
301.00 Legislature	\$ 41,560,600	\$ 41,560,600	\$ -	0.0%
301.50 Fiscal Review Committee	1,478,800	1,478,800	-	0.0%
302.00 Court System	127,798,300	127,179,100	(619,200)	(0.5%)
303.00 Attorney General and Reporter	25,731,500	25,731,500	-	0.0%
304.00 District Attorneys General	78,202,200	78,202,200	-	0.0%
305.00 Secretary of State	27,903,700	28,558,300	654,600	2.4%
306.00 District Public Defenders	49,081,300	49,081,300	-	0.0%
307.00 Comptroller of the Treasury	84,113,100	85,234,800	1,121,700	1.3%
308.00 Post-Conviction Defender	2,288,400	2,288,400	-	0.0%
309.00 Treasury Department	2,287,300	2,318,800	31,500	1.4%
313.00 Claims and Compensation	11,850,000	12,576,000	726,000	6.1%
315.00 Executive Department	5,185,000	5,166,100	(18,900)	(0.4%)
316.00 Commissions	35,726,000	35,572,200	(153,800)	(0.4%)
317.00 Finance and Administration (F&A)	<u>\$ 20,904,500</u>	<u>\$ 20,284,900</u>	<u>\$ (619,600)</u>	<u>(3.0%)</u>
Criminal Justice Programs	4,538,100	4,534,500	(3,600)	(0.1%)
Other F&A Programs	16,366,400	15,750,400	(616,000)	(3.8%)
318.00 F&A - TennCare	2,738,563,200	2,693,630,800	(44,932,400)	(1.6%)
319.00 Human Resources	-	-	-	0.0%
321.00 General Services	11,751,400	9,562,100	(2,189,300)	(18.6%)
323.00 Veterans Affairs	5,435,100	5,393,300	(41,800)	(0.8%)
324.00 Board of Parole	7,424,800	7,279,500	(145,300)	(2.0%)
325.00 Agriculture	68,808,200	67,518,400	(1,289,800)	(1.9%)
326.00 Tourist Development	10,894,300	10,874,300	(20,000)	(0.2%)
327.00 Environment and Conservation	180,571,200	177,050,100	(3,521,100)	(2.0%)
328.00 Wildlife Resources Agency	58,324,300	57,868,100	(456,200)	(0.8%)
329.00 Correction	911,233,800	857,036,000	(54,197,800)	(6.0%)
330.00 Economic and Community Development	54,133,100	48,475,600	(5,657,500)	(10.5%)
331.00 Education (K-12)	<u>\$ 4,338,057,000</u>	<u>\$ 4,313,411,400</u>	<u>\$ (24,645,600)</u>	<u>(0.6%)</u>
Lottery-Funded Programs	13,500,000	13,500,000	-	0.0%
Other K-12 Education Programs	4,324,557,000	4,299,911,400	(24,645,600)	(0.6%)
332.00 Higher Education	<u>\$ 1,532,687,500</u>	<u>\$ 1,541,179,400</u>	<u>\$ 8,491,900</u>	<u>0.6%</u>
Lottery-Funded Programs	322,200,000	331,600,000	9,400,000	2.9%
Other Higher Education Programs	1,210,487,500	1,209,579,400	(908,100)	(0.1%)

**Departmental Comparison of Recurring Appropriations from State Revenues,
2014-2015 and Base Budget 2015-2016**

Program	2014-2015	Base Budget 2015-2016	Increase/ (Decrease)	Pct. Chg.
335.00 Commerce and Insurance	129,042,400	128,747,100	(295,300)	(0.2%)
336.00 Financial Institutions	19,933,000	19,823,600	(109,400)	(0.6%)
337.00 Labor and Workforce Development	45,403,100	44,867,000	(536,100)	(1.2%)
339.00 Mental Health	203,874,100	201,563,900	(2,310,200)	(1.1%)
341.00 Military	15,707,600	14,810,700	(896,900)	(5.7%)
343.00 Health	181,633,400	174,504,100	(7,129,300)	(3.9%)
344.00 Intellectual and Developmental Disabilities	25,943,100	22,416,700	(3,526,400)	(13.6%)
345.00 Human Services	<u>\$ 191,216,400</u>	<u>\$ 180,344,500</u>	<u>\$ (10,871,900)</u>	<u>(5.7%)</u>
Temporary Cash Assistance	13,968,900	13,968,900	-	0.0%
Other Human Services Programs	177,247,500	166,375,600	(10,871,900)	(6.1%)
347.00 Revenue	83,989,400	79,278,100	(4,711,300)	(5.6%)
348.00 Tennessee Bureau of Investigation	42,324,100	39,959,200	(2,364,900)	(5.6%)
349.00 Safety	132,567,900	129,963,500	(2,604,400)	(2.0%)
350.00 F&A - Strategic Health-Care Programs	85,320,300	72,061,100	(13,259,200)	(15.5%)
351.00 Miscellaneous Appropriations	63,635,500	62,488,900	(1,146,600)	(1.8%)
353.00 Emergency and Contingency Fund	819,300	819,300	-	0.0%
355.00 State Building Commission	250,000	250,000	-	0.0%
359.00 Children's Services	314,288,500	303,137,600	(11,150,900)	(3.6%)
Total General Fund	<u><u>\$ 11,967,942,700</u></u>	<u><u>\$ 11,779,547,300</u></u>	<u><u>\$ (188,395,400)</u></u>	<u><u>(1.6%)</u></u>

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2014-2015 and 2015-2016**

Program	2014-2015 Appropriation		2015-2016 Base Recommended			2015-2016 Cost Increases		2015-2016 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 41,560,600	\$ 247,300	\$ 41,560,600	0.0%	\$ -	\$ -	\$ -	\$ 41,560,600	0.0%	\$ -	\$ 41,560,600	(0.6%)
Fiscal Review Committee	1,478,800	-	1,478,800	0.0%	-	-	-	1,478,800	0.0%	-	1,478,800	0.0%
Court System	127,798,300	-	127,179,100	(0.5%)	-	646,000	-	127,825,100	0.0%	-	127,825,100	0.0%
Attorney General and Reporter	25,731,500	7,400	25,731,500	0.0%	-	3,900	-	25,735,400	0.0%	-	25,735,400	(0.0%)
District Attorneys General	78,202,200	50,000	78,202,200	0.0%	-	1,136,400	-	79,338,600	1.5%	-	79,338,600	1.4%
Secretary of State	27,903,700	17,600	28,558,300	2.4%	-	-	-	28,558,300	2.4%	-	28,558,300	2.3%
District Public Defenders	49,081,300	-	49,081,300	0.0%	-	749,500	-	49,830,800	1.5%	-	49,830,800	1.5%
Comptroller of the Treasury	84,113,100	5,575,000	85,234,800	1.3%	-	-	50,000	85,234,800	1.3%	50,000	85,284,800	(4.9%)
Post-Conviction Defender	2,288,400	-	2,288,400	0.0%	-	32,400	-	2,320,800	1.4%	-	2,320,800	1.4%
Treasury Department	2,287,300	520,000	2,318,800	1.4%	-	-	500,000	2,318,800	1.4%	500,000	2,818,800	0.4%
Claims and Compensation	11,850,000	-	12,576,000	6.1%	-	-	-	12,576,000	6.1%	-	12,576,000	6.1%
Executive Department	5,185,000	-	5,166,100	(0.4%)	-	3,600	-	5,169,700	(0.3%)	-	5,169,700	(0.3%)
Commissions	35,726,000	36,100	35,572,200	(0.4%)	-	100,000	71,500	35,672,200	(0.2%)	71,500	35,743,700	(0.1%)
Finance and Administration (F&A)	\$ 20,904,500	\$ 350,000	\$ 20,284,900	(3.0%)	\$ -	\$ 50,000	\$ -	\$ 20,334,900	(2.7%)	\$ -	\$ 20,334,900	(4.3%)
Criminal Justice Programs	4,538,100	-	4,534,500	(0.1%)	-	50,000	-	4,584,500	1.0%	-	4,584,500	1.0%
Other F&A Programs	16,366,400	350,000	15,750,400	(3.8%)	-	-	-	15,750,400	(3.8%)	-	15,750,400	(5.8%)
F&A - TennCare	2,738,563,200	577,131,700	2,693,630,800	(1.6%)	556,900,000	82,761,600	951,500	2,776,392,400	1.4%	557,851,500	3,334,243,900	0.6%
Human Resources	-	-	-	0.0%	-	-	-	-	0.0%	-	-	0.0%
General Services	11,751,400	-	9,562,100	(18.6%)	-	250,000	-	9,812,100	(16.5%)	-	9,812,100	(16.5%)
Veterans Affairs	5,435,100	50,000	5,393,300	(0.8%)	-	-	-	5,393,300	(0.8%)	-	5,393,300	(1.7%)
Board of Parole	7,424,800	-	7,279,500	(2.0%)	-	94,000	-	7,373,500	(0.7%)	-	7,373,500	(0.7%)
Agriculture	68,808,200	-	67,518,400	(1.9%)	-	366,800	(183,400)	67,885,200	(1.3%)	(183,400)	67,701,800	(1.6%)
Tourist Development	10,894,300	4,000,000	10,874,300	(0.2%)	-	3,250,000	4,000,000	14,124,300	29.7%	4,000,000	18,124,300	21.7%
Environment and Conservation	180,571,200	1,649,100	177,050,100	(2.0%)	-	760,000	1,000,000	177,810,100	(1.5%)	1,000,000	178,810,100	(1.9%)
Wildlife Resources Agency	58,324,300	4,838,900	57,868,100	(0.8%)	-	1,398,500	-	59,266,600	1.6%	-	59,266,600	(6.2%)
Correction	911,233,800	664,100	857,036,000	(6.0%)	-	68,740,000	(21,722,700)	925,776,000	1.6%	(21,722,700)	904,053,300	(0.9%)
Economic and Community Development	54,133,100	71,673,100	48,475,600	(10.5%)	-	4,330,000	62,000,000	52,805,600	(2.5%)	62,000,000	114,805,600	(8.7%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2014-2015 and 2015-2016**

Program	2014-2015 Appropriation		2015-2016 Base Recommended			2015-2016 Cost Increases		2015-2016 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 4,338,057,000	\$ 15,829,500	\$ 4,313,411,400	(0.6%)	\$ -	\$ 165,673,300	\$ 1,775,000	\$ 4,479,084,700	3.3%	\$ 1,775,000	\$ 4,480,859,700	2.9%
Lottery-Funded Programs	13,500,000	-	13,500,000	0.0%	-	-	-	13,500,000	0.0%	-	13,500,000	0.0%
Other K-12 Education Programs	4,324,557,000	15,829,500	4,299,911,400	(0.6%)	-	165,673,300	1,775,000	4,465,584,700	3.3%	1,775,000	4,467,359,700	2.9%
Higher Education	\$ 1,532,687,500	\$ 27,410,200	\$ 1,541,179,400	0.6%	\$ -	\$ 69,507,400	\$ 10,809,300	\$ 1,610,686,800	5.1%	\$ 10,809,300	\$ 1,621,496,100	3.9%
Lottery-Funded Programs	322,200,000	-	331,600,000	2.9%	-	-	1,500,000	331,600,000	2.9%	1,500,000	333,100,000	3.4%
Other Higher Education Programs	1,210,487,500	27,410,200	1,209,579,400	(0.1%)	-	69,507,400	9,309,300	1,279,086,800	5.7%	9,309,300	1,288,396,100	4.1%
Commerce and Insurance	129,042,400	2,500	128,747,100	(0.2%)	-	26,463,300	242,200	155,210,400	20.3%	242,200	155,452,600	20.5%
Financial Institutions	19,933,000	-	19,823,600	(0.6%)	-	-	-	19,823,600	(0.6%)	-	19,823,600	(0.6%)
Labor and Workforce Development	45,403,100	17,000	44,867,000	(1.2%)	-	26,000	-	44,893,000	(1.1%)	-	44,893,000	(1.2%)
Mental Health	203,874,100	525,000	201,563,900	(1.1%)	-	525,000	-	202,088,900	(0.9%)	-	202,088,900	(1.1%)
Military	15,707,600	-	14,810,700	(5.7%)	-	-	-	14,810,700	(5.7%)	-	14,810,700	(5.7%)
Health	181,633,400	8,699,600	174,504,100	(3.9%)	-	699,400	9,609,400	175,203,500	(3.5%)	9,609,400	184,812,900	(2.9%)
Intellectual and Developmental Disabilities	25,943,100	242,400	22,416,700	(13.6%)	-	1,544,000	-	23,960,700	(7.6%)	-	23,960,700	(8.5%)
Human Services	\$ 191,216,400	\$ 1,415,600	\$ 180,344,500	(5.7%)	\$ -	\$ 1,454,800	\$ -	\$ 181,799,300	(4.9%)	\$ -	\$ 181,799,300	(5.6%)
Temporary Cash Assistance	13,968,900	-	13,968,900	0.0%	-	-	-	13,968,900	0.0%	-	13,968,900	0.0%
Other Human Services Programs	177,247,500	1,415,600	166,375,600	(6.1%)	-	1,454,800	-	167,830,400	(5.3%)	-	167,830,400	(6.1%)
Revenue	83,989,400	173,600	79,278,100	(5.6%)	-	300,000	57,000	79,578,100	(5.3%)	57,000	79,635,100	(5.4%)
Tennessee Bureau of Investigation	42,324,100	104,600	39,959,200	(5.6%)	-	283,800	27,100	40,243,000	(4.9%)	27,100	40,270,100	(5.1%)
Safety	132,567,900	1,100,000	129,963,500	(2.0%)	-	3,827,500	-	133,791,000	0.9%	-	133,791,000	0.1%
F&A - Strategic Health-Care Programs	85,320,300	(17,256,300)	72,061,100	(15.5%)	-	1,654,500	-	73,715,600	(13.6%)	-	73,715,600	8.3%
Miscellaneous Appropriations	63,635,500	11,384,200	62,488,900	(1.8%)	-	68,222,900	30,600,000	130,711,800	105.4%	30,600,000	161,311,800	115.0%
Emergency and Contingency Fund	819,300	-	819,300	0.0%	-	-	-	819,300	0.0%	-	819,300	0.0%
State Building Commission	250,000	-	250,000	0.0%	-	-	-	250,000	0.0%	-	250,000	0.0%
Children's Services	314,288,500	139,100	303,137,600	(3.6%)	-	6,241,800	-	309,379,400	(1.6%)	-	309,379,400	(1.6%)
Total General Fund	\$ 11,967,942,700	\$ 716,597,300	\$ 11,779,547,300	(1.6%)	\$ 556,900,000	\$ 511,096,400	\$ 99,786,900	\$ 12,290,643,700	2.7%	\$ 656,686,900	\$ 12,947,330,600	2.1%

**Available Funds
Fiscal Year 2014-2015**

I. Unappropriated Budget Surplus / (Deficit) @ 6-30-14	\$ 111,268,300
II. Revenue Adjustments and Other Available Funds:	
1. Debt Service Fund Transfer @ 6-30-15	\$ 72,000,000
2. Less: Franchise and Excise Taxes - Taxpayer Refund Settlement	<u>(16,000,000)</u>
Sub-Total Revenue Adjustments and Other Available Funds	<u>\$ 56,000,000</u>
III. Total Budget Surplus and Adjustments (I +II)	<u>\$ 167,268,300</u>
IV. Overappropriation Adjustment - Department of Human Services / TennCare Eligibility Savings	<u>2,714,900</u>
V. Total Revenue, Reserves, and Adjustments	<u>\$ 169,983,200</u>
VI. Appropriation and Transfer Requirements:	
1. Less: 2014-2015 Supplemental Appropriations	\$ (20,309,600)
2. Plus: Transfer from TennCare Reserve	297,300
Sub-Total Appropriation and Transfer Requirements	<u>\$ (20,012,300)</u>
VII. Total Available Funds at June 30, 2015 (V +VI)	<u>\$ 149,970,900</u>

**Supplemental Appropriations
General and Education Funds
Fiscal Year 2014-2015**

		<u>2014-2015</u>	<u>Recurring 2015-2016</u>
Legislature			
301.07	House of Representatives - 2015 Extraordinary Session	\$ 165,000	\$ -
301.08	State Senate - 2015 Extraordinary Session	85,000	-
Sub-Total Legislature		<u>\$ 250,000</u>	<u>\$ -</u>
Finance and Administration			
317.02	Tax Analysis Study	350,000	-
Veterans Affairs			
323.00	Reappropriation of unspent grant funds	50,000	-
Correction			
329.00	Risk Management Premium Adjustment	200,000	-
Economic and Community Development			
330.06	Fast Track Infrastructure and Job Training Assistance	15,000,000	-
Education			
331.07	State Board of Education - K-12 Academic Standards Review Process	420,400	65,000
Higher Education			
332.00	Ready to Reconnect Program - Community College Grants	\$ 250,000	\$ -
332.01	Tennessee Higher Education Commission - On-Line Innovation	240,000	-
332.01	Tennessee Higher Education Commission - Learning and Education Alignment Program	49,200	96,300
332.05	Tennessee Student Assistance Corp. - Scholarship Database and Payment System	300,000	600,000
Sub-Total Higher Education		<u>\$ 839,200</u>	<u>\$ 696,300</u>
351.00	Miscellaneous Appropriations		
	Risk Management Fund - Deficit Recovery	3,200,000	3,200,000
Total General Fund		<u>\$ 20,309,600</u>	<u>\$ 3,961,300</u>

**Combining Statement of Recurring Preliminary Base Budget Adjustments
and Recurring Base Budget Reductions
General Fund State Appropriations
Fiscal Year 2015-2016
Increase / (Decrease)**

Program	Preliminary Base Adjustments	Base Budget Reductions	Total
301.00	Legislature	\$ -	\$ -
301.50	Fiscal Review Committee	-	-
302.00	Court System	-	-
303.00	Attorney General and Reporter	-	-
304.00	District Attorneys General	-	-
305.00	Secretary of State	654,600	654,600
306.00	District Public Defenders	-	-
307.00	Comptroller of the Treasury	1,121,700	1,121,700
308.00	Post-Conviction Defender	-	-
309.00	Treasury Department	31,500	31,500
Sub-Total Non-Executive			
		\$ 1,807,800	\$ (619,200)
			\$ 1,188,600
315.00	Executive Department	\$ (18,900)	\$ (18,900)
316.01	Children and Youth Commission	(15,800)	(15,800)
316.02	Aging and Disability Commission	(8,300)	(8,300)
316.03	Alcoholic Beverage Commission	-	-
316.04	Human Rights Commission	(15,500)	(15,500)
316.07	Health Services and Development Agency	(10,600)	(10,600)
316.11	Tennessee Regulatory Authority	-	-
316.12	TACIR	-	-
316.25	Arts Commission	(10,400)	(10,400)
316.27	State Museum	(38,200)	(38,200)
317.00	Finance and Administration	(72,900)	(619,600)
318.00	a. TennCare Programs	\$ (339,600)	\$ (42,900,900)
	b. TennCare Waiver Payments	-	-
	c. TennCare for Children's Services	(505,500)	(48,200)
	d. TennCare for Intellectual Disabilities	(697,500)	(239,000)
	e. TennCare for Human Services	(176,200)	-
	f. TennCare for Commerce and Insurance	(9,400)	-
	g. TennCare for F&A Inspector General	(16,100)	-
	Sub-Total TennCare Programs	\$ (1,744,300)	\$ (43,188,100)
			\$ (44,932,400)
319.00	Human Resources	-	-
321.00	General Services	(9,600)	(2,179,700)
323.00	Veterans Affairs	(41,800)	-
324.00	Board of Parole	(84,600)	(60,700)
325.00	Agriculture	(430,200)	(939,600)
326.00	Tourist Development	(20,000)	-
327.00	Environment and Conservation	(833,700)	(2,000,000)
328.00	Tennessee Wildlife Resources Agency	-	-
329.00	Correction	(21,227,500)	(32,970,300)
330.00	Economic and Community Development	(4,388,400)	(1,269,100)
331.00	Education (K-12)	(17,145,600)	(7,500,000)
332.00	Higher Education State-Administered Programs	\$ (17,300)	\$ (890,800)
332.10	University of Tennessee System	-	-
332.60	State University and Community College System	-	-
	Sub-Total Higher Education	\$ (17,300)	\$ (890,800)
			\$ (908,100)
335.00	Commerce and Insurance	(65,200)	(463,700)
336.00	Financial Institutions	-	-
337.00	Labor and Workforce Development	(229,300)	(984,900)
339.00	Mental Health	(1,158,900)	(1,151,300)
341.00	Military	(77,200)	(819,700)
343.00	Health	(955,100)	(6,880,100)
344.00	Intellectual and Developmental Disabilities	(70,900)	(3,455,500)
345.00	Human Services	(1,234,200)	(9,637,700)
347.00	Revenue	(711,100)	(3,976,000)
348.00	Tennessee Bureau of Investigation	(239,800)	(2,125,100)
349.00	Safety	(969,600)	(1,630,100)
350.00	Strategic Health-Care Programs	(2,000)	(13,257,200)
351.00	Miscellaneous Appropriations	(1,146,600)	-
359.00	Children's Services	(1,268,000)	(9,882,900)
	Sub-Total Executive	\$ (54,261,500)	\$ (145,809,200)
			\$ (200,070,700)
Total - Budget File			
		\$ (52,453,700)	\$ (146,428,400)
			\$ (198,882,100)
Overappropriation:			
305.00	Secretary of State	\$ -	\$ (654,600)
307.00	Comptroller of the Treasury	-	(1,121,700)
309.00	State Treasurer	-	(31,500)
	Sub-Total Overappropriation	\$ -	\$ (1,807,800)
			\$ (1,807,800)
Grand Total			
		\$ (52,453,700)	\$ (148,236,200)
			\$ (200,689,900)

**Preliminary Base Budget Adjustments
Fiscal Year 2015-2016
(Savings) / Cost**

	General Fund		Dedicated Funds	Total
	Recurring	Non-Recurring		
Secretary of State				
305.00 Secretary of State - Restore Base Reduction	\$ 654,600	\$ -	\$ -	\$ 654,600
Comptroller				
307.00 Comptroller - Restore Base Reduction	1,121,700	-	-	1,121,700
Treasury				
309.00 Treasury - Restore Base Reduction	31,500	-	-	31,500
TennCare				
318.00 Hospital Coverage Assessment	\$ -	\$ 449,800,000	\$ -	\$ 449,800,000
318.66 Nursing Home Bed Assessment	-	107,100,000	-	107,100,000
Sub-Total TennCare	\$ -	\$ 556,900,000	\$ -	\$ 556,900,000
Correction				
329.04 State Prosecutions - Recognize Program Savings	\$ (22,000,000)	\$ -	\$ -	\$ (22,000,000)
329.17 Charles B. Bass Correctional Complex - Continue Centralized Services	4,947,800	-	-	4,947,800
Sub-Total Correction	\$ (17,052,200)	\$ -	\$ -	\$ (17,052,200)
Economic and Community Development				
330.20 Headquarters Relocation Assistance Adjustment	(4,330,000)	-	-	(4,330,000)
Education				
331.25 BEP - Aggregate Annual Insurance Premium Reduction	(16,669,000)	-	-	(16,669,000)
Miscellaneous Appropriations				
351.00 Retired Teachers Health Insurance Adjustment	(800,000)	-	-	(800,000)
Executive Branch Agencies				
300.00 Elimination of Employee Longevity	(15,410,300)	-	(1,508,000)	(16,918,300)
Total - Budget File	\$ (52,453,700)	\$ 556,900,000	\$ (1,508,000)	\$ 502,938,300

**Departmental Comparison of 2014-2015 Recurring Appropriations, 2015-2016 Discretionary Base,
and 2015-2016 Base Budget Reductions (State Appropriation)**

Program	2014-2015 Recurring Appropriation	2015-2016										
		General Fund						Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2014-15	Pct. Of 2015-16
		Discretionary Base	Recurring Reduction	Pct. Of 2014-15	Pct. Of 2015-16							
301.00 Legislature	\$ 41,560,600	\$ 32,493,700	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%		
301.50 Fiscal Review Committee	1,478,800	1,478,800	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
302.00 Court System	127,798,300	32,264,600	(619,200)	(0.5%)	(1.9%)	-	-	(619,200)	(0.5%)	(1.9%)		
303.00 Attorney General and Reporter	25,731,500	22,474,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
304.00 District Attorneys General	78,202,200	71,922,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
305.00 Secretary of State	27,903,700	28,558,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
306.00 District Public Defenders	49,081,300	42,094,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
307.00 Comptroller of the Treasury	84,113,100	48,723,800	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
308.00 Post-Conviction Defender	2,288,400	-	-	0.0%	-	-	-	-	0.0%	-		
309.00 Treasury Department	2,287,300	1,855,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
313.00 Claims and Compensation	11,850,000	-	-	0.0%	-	-	-	-	0.0%	-		
Sub-Total Non-Executive	\$ 452,295,200	\$ 281,865,600	\$ (619,200)	(0.1%)	(0.2%)	\$ -	\$ -	\$ (619,200)	(0.1%)	(0.2%)		
315.00 Executive Department	\$ 5,185,000	\$ 5,166,100	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%		
316.01 Children and Youth	2,419,000	2,403,200	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
316.02 Aging and Disability	13,723,600	13,715,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
316.03 Alcoholic Beverage Commission	-	-	-	-	-	-	-	-	-	-		
316.04 Human Rights Commission	1,711,600	1,696,100	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
316.07 Health Services and Development Agency	1,101,200	1,090,600	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
316.11 Tennessee Regulatory Authority	6,286,600	-	-	0.0%	-	-	-	-	0.0%	-		
316.12 TACIR	201,700	201,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
316.25 Arts Commission	6,476,800	1,779,200	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
316.27 State Museum	3,805,500	3,767,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
317.00 Finance and Administration	20,904,500	14,109,400	(546,700)	(2.6%)	(3.9%)	-	-	(546,700)	(2.6%)	(3.9%)		
318.00 TennCare Programs	\$ 2,356,994,800	\$ 2,356,655,200	\$ (42,900,900)	(1.8%)	(1.8%)	\$ -	\$ -	\$ (42,900,900)	(1.8%)	(1.8%)		
TennCare Waiver Payments	231,741,500	231,741,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
TennCare for Children's Services	77,605,800	77,100,300	(48,200)	(0.1%)	(0.1%)	-	-	(48,200)	(0.1%)	(0.1%)		
TennCare for Intellectual Disabilities	57,590,900	56,893,400	(239,000)	(0.4%)	(0.4%)	-	-	(239,000)	(0.4%)	(0.4%)		
TennCare for Human Services	11,087,900	10,911,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
TennCare for Commerce and Insurance	1,238,600	1,229,200	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
TennCare for Office of Inspector General	2,303,700	2,287,600	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
Sub-total TennCare Programs	\$ 2,738,563,200	\$ 2,736,818,900	\$ (43,188,100)	(1.6%)	(1.6%)	\$ -	\$ -	\$ (43,188,100)	(1.6%)	(1.6%)		
319.00 Human Resources	-	-	-	-	-	-	-	-	-	-		
321.00 General Services	11,751,400	9,245,600	(2,179,700)	(18.5%)	(23.6%)	-	-	(2,179,700)	(18.5%)	(23.6%)		
323.00 Veterans Affairs	5,435,100	5,393,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
324.00 Board of Parole	7,424,800	7,340,200	(60,700)	(0.8%)	(0.8%)	-	-	(60,700)	(0.8%)	(0.8%)		
325.00 Agriculture	68,808,200	34,262,800	(939,600)	(1.4%)	(2.7%)	-	80,000	(859,600)	(1.2%)	(2.5%)		
326.00 Tourist Development	10,894,300	10,874,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%		
327.00 Environment and Conservation	180,571,200	82,662,000	(2,000,000)	(1.1%)	(2.4%)	-	-	(2,000,000)	(1.1%)	(2.4%)		
328.00 Wildlife Resources Agency	58,324,300	-	-	0.0%	-	-	-	-	0.0%	-		
329.00 Correction	911,233,800	319,566,600	(32,970,300)	(3.6%)	(10.3%)	-	-	(32,970,300)	(3.6%)	(10.3%)		

**Departmental Comparison of 2014-2015 Recurring Appropriations, 2015-2016 Discretionary Base,
and 2015-2016 Base Budget Reductions (State Appropriation)**

Program	2014-2015 Recurring Appropriation	2015-2016								
		General Fund				Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2014-15	Pct. Of 2015-16
		Discretionary Base	Recurring Reduction	Pct. Of 2014-15	Pct. Of 2015-16					
330.00 Economic and Community Development	54,133,100	13,744,700	(1,269,100)	(2.3%)	(9.2%)	-	-	(1,269,100)	(2.3%)	(9.2%)
331.00 Education (K-12)	4,338,057,000	114,341,100	(7,500,000)	(0.2%)	(6.6%)	-	-	(7,500,000)	(0.2%)	(6.6%)
332.00 Higher Education State-Admin. Programs	\$ 409,367,800	\$ 27,755,400	\$ (890,800)	(0.2%)	(3.2%)	\$ -	\$ -	\$ (890,800)	(0.2%)	(3.2%)
332.10 University of Tennessee System	479,221,000	479,221,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%
332.60 State Univ. and Comm. College System	644,098,700	644,098,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%
Sub-Total Higher Education	\$ 1,532,687,500	\$ 1,151,075,100	\$ (890,800)	(0.1%)	(0.1%)	\$ -	\$ -	\$ (890,800)	(0.1%)	(0.1%)
335.00 Commerce and Insurance	129,042,400	7,840,600	(463,700)	(0.4%)	(5.9%)	-	-	(463,700)	(0.4%)	(5.9%)
336.00 Financial Institutions	19,933,000	-	-	0.0%	-	-	-	-	0.0%	-
337.00 Labor and Workforce Development	45,403,100	23,549,500	(984,900)	(2.2%)	(4.2%)	-	678,100	(306,800)	(0.7%)	(1.3%)
339.00 Mental Health and Substance Abuse Svcs.	203,874,100	195,581,900	(1,151,300)	(0.6%)	(0.6%)	-	-	(1,151,300)	(0.6%)	(0.6%)
341.00 Military	15,707,600	11,630,400	(819,700)	(5.2%)	(7.0%)	-	-	(819,700)	(5.2%)	(7.0%)
343.00 Health	181,633,400	139,906,900	(6,880,100)	(3.8%)	(4.9%)	-	808,000	(6,072,100)	(3.3%)	(4.3%)
344.00 Intellectual and Developmental Disabilities	25,943,100	25,872,200	(3,455,500)	(13.3%)	(13.4%)	-	-	(3,455,500)	(13.3%)	(13.4%)
345.00 Human Services	191,216,400	98,788,200	(9,637,700)	(5.0%)	(9.8%)	-	-	(9,637,700)	(5.0%)	(9.8%)
347.00 Revenue	83,989,400	70,013,400	(3,976,000)	(4.7%)	(5.7%)	-	-	(3,976,000)	(4.7%)	(5.7%)
348.00 Tennessee Bureau of Investigation	42,324,100	30,118,700	(2,125,100)	(5.0%)	(7.1%)	-	-	(2,125,100)	(5.0%)	(7.1%)
349.00 Safety	132,567,900	130,807,700	(1,630,100)	(1.2%)	(1.2%)	-	-	(1,630,100)	(1.2%)	(1.2%)
350.00 Strategic Health-Care Programs	85,320,300	18,106,100	(13,257,200)	(15.5%)	(73.2%)	-	-	(13,257,200)	(15.5%)	(73.2%)
351.00 Miscellaneous Appropriations	63,635,500	13,853,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%
353.00 Emergency and Contingency	819,300	-	-	0.0%	-	-	-	-	0.0%	-
355.00 State Building Commission	250,000	-	-	0.0%	-	-	-	-	0.0%	-
359.00 Children's Services	314,288,500	17,222,900	(9,882,900)	(3.1%)	(57.4%)	-	-	(9,882,900)	(3.1%)	(57.4%)
Sub-Total Executive	\$ 11,515,647,500	\$ 5,312,545,400	\$ (145,809,200)	(1.3%)	(2.7%)	\$ -	\$ 1,566,100	\$ (144,243,100)	(1.3%)	(2.7%)
Total	\$ 11,967,942,700	\$ 5,594,411,000	\$ (146,428,400)	(1.2%)	(2.6%)	\$ -	\$ 1,566,100	\$ (144,862,300)	(1.2%)	(2.6%)
Overappropriation :										
305.00 Secretary of State			(654,600)					(654,600)		
307.00 Comptroller of the Treasury			(1,121,700)					(1,121,700)		
309.00 State Treasurer			(31,500)					(31,500)		
Sub-Total Overappropriation			\$ (1,807,800)					\$ (1,807,800)		
Total Reductions	\$ 11,967,942,700	\$ 5,594,411,000	\$ (148,236,200)	(1.2%)	(2.7%)	\$ -	\$ 1,566,100	\$ (146,670,100)	(1.2%)	(2.6%)

**Overappropriation Summary
2014-2015 and 2015-2016**

Increase / (Decrease)

	2014-2015	2015-2016		
		Total	Recurring	Non-Recurring
Budgeted Overappropriation:	\$ 85,000,000	\$ 85,000,000	\$ 85,000,000	\$ -
Plus / (Less): Adjustments				
TennCare / Human Services Eligibility Savings	\$ 2,714,900	\$ -	\$ -	\$ -
Other Agencies	-	-	-	-
Sub-Total Adjustments	\$ 2,714,900	\$ -	\$ -	\$ -
Plus / (Less): Base Reduction Plans				
Secretary of State	\$ -	\$ 654,600	\$ 654,600	\$ -
Comptroller of the Treasury	-	1,121,700	1,121,700	-
Treasurer	-	31,500	31,500	-
Other Agencies	-	-	-	-
Sub-Total Base Reduction Plans	\$ -	\$ 1,807,800	\$ 1,807,800	\$ -
Total Revised Overappropriation	\$ 87,714,900	\$ 86,807,800	\$ 86,807,800	\$ -

Overappropriation is the estimated reversion to the general fund resulting from under-expenditure of state appropriations and over-collection of departmental revenue.

**Rainy Day Fund and Unobligated TennCare Reserve
Fiscal Years 2012-2013 Through 2015-2016**

	<u>Rainy Day Fund</u>	<u>TennCare Reserve</u>	<u>Total</u>
1. 2012-2013:			
Total Reserve at June 30, 2013	\$ 356,000,000	\$ 306,877,300	\$ 662,877,300
2. 2013-2014:			
Plus: Deposit @ June 30, 2014	100,000,000	-	100,000,000
Plus: Program Savings	-	116,108,300	116,108,300
Sub-Total Reserve at June 30, 2014	\$ 456,000,000	\$ 422,985,600	\$ 878,985,600
Less: Closing Transfer to General Fund @ June 30, 2014	-	(25,000,000)	(25,000,000)
Less: Additional Transfer to General Fund @ June 30, 2014	-	(91,108,300)	(91,108,300)
Total Reserve at June 30, 2014	\$ 456,000,000	\$ 306,877,300	\$ 762,877,300
3. 2014-2015:			
Plus: Deposit @ June 30, 2015	35,500,000	-	35,500,000
Total Reserve at June 30, 2015	\$ 491,500,000	\$ 306,877,300	\$ 798,377,300
4. 2015-2016:			
Plus: Deposit @ June 30, 2016	36,500,000	-	36,500,000
Total Reserve at June 30, 2016	\$ 528,000,000	\$ 306,877,300	\$ 834,877,300

**Departmental Summary of Cost Increases
Fiscal Year 2015-2016**

Code	Department	Total	Funding		
			Appropriation	Federal	Other
301	Legislature	\$ 0	\$ 0	\$ 0	\$ 0
301.50	Fiscal Review Committee	0	0	0	0
302	Court System	646,000	646,000	0	0
303	Attorney General and Reporter	3,900	3,900	0	0
304	District Attorneys General Conference	1,406,900	1,136,400	0	270,500
305	Secretary of State	0	0	0	0
306	District Public Defenders Conference	749,500	749,500	0	0
307	Comptroller of the Treasury	50,000	50,000	0	0
308	Office of the Post-Conviction Defender	32,400	32,400	0	0
309	Treasury Department	650,000	500,000	0	150,000
313	Claims and Compensation	0	0	0	0
315	Executive Department	3,600	3,600	0	0
316	Commissions	1,619,600	171,500	323,000	1,125,100
317	Finance and Administration (F&A)	50,000	50,000	0	0
317.06	Criminal Justice Programs *	50,000	50,000	0	0
	Other F&A Programs *	0	0	0	0
318	F&A, TennCare	330,653,800	83,713,100	149,436,300	97,504,400
319	Human Resources	0	0	0	0
321	General Services	250,000	250,000	0	0
323	Veterans Affairs	0	0	0	0
324	Board of Parole	94,000	94,000	0	0
325	Agriculture	183,400	183,400	0	0
326	Tourist Development	7,250,000	7,250,000	0	0
327	Environment and Conservation	1,961,400	1,760,000	143,300	58,100
328	Wildlife Resources Agency	1,398,500	1,398,500	0	0
329	Correction	47,030,500	47,017,300	0	13,200
330	Economic and Community Development	66,330,000	66,330,000	0	0
331	Education (K-12)	168,503,200	167,448,300	60,000	994,900
	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	168,503,200	167,448,300	60,000	994,900
332	Higher Education	79,766,700	80,316,700	0	(550,000)
	Lottery for Education Account *	1,500,000	1,500,000	0	0
	Other Higher Education Programs *	78,266,700	78,816,700	0	(550,000)
335	Commerce and Insurance	26,705,500	26,705,500	0	0
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	26,000	26,000	0	0
339	Mental Health and Substance Abuse Services	525,000	525,000	0	0
341	Military	0	0	0	0
343	Health	14,644,400	10,308,800	616,000	3,719,600
344	Intellectual and Developmental Disabilities	1,871,500	1,544,000	0	327,500
345	Human Services	1,530,900	1,454,800	76,100	0
345.23	Temporary Cash Assistance *	0	0	0	0
	Other Human Services Programs *	1,530,900	1,454,800	76,100	0
347	Revenue	357,000	357,000	0	0
348	Tennessee Bureau of Investigation	310,900	310,900	0	0
349	Safety	4,427,500	3,827,500	0	600,000
350	F&A, Strategic Health-Care Programs	6,765,000	1,654,500	5,110,500	0
351	Miscellaneous Appropriations	98,822,900	98,822,900	0	0
359	Children's Services	12,741,200	6,241,800	2,897,500	3,601,900
	Sub-total General Fund	\$ 877,361,200	\$ 610,883,300	\$ 158,662,700	\$ 107,815,200
400	Transportation	0	0	0	0
	Total All Funds	\$ 877,361,200	\$ 610,883,300	\$ 158,662,700	\$ 107,815,200

* These items are included in the departmental totals.

**Salary Policy Recommendation
Fiscal Year 2015-2016**

	<u>General Fund</u>	<u>Dedicated</u>
I. Discretionary Raises:		
1. State Employees Salary Pool @ 3.0%	\$ 47,700,000	\$ -
2. Higher Education - Funding Formula @ 1.5%	19,519,400	-
3. K-12 Basic Education Program (BEP) - Teachers and Other Certified Staff @ 4.0%	97,600,000	-
4. K-12 Basic Education Program (BEP) - Salary Equity	6,000,000	-
5. Safety - Commissioned Officers (Troopers) - Salary Survey Raise @ 3.0%	1,789,800	-
6. Commerce and Insurance - TLETA Commissioned Officers - Salary Survey Raise @ 3.0%	24,600	-
7. TWRA - Wildlife Officers - Salary Survey Raise @ 3.0%	-	974,300
Sub-Total Discretionary Raises	\$ 172,633,800	\$ 974,300
II. Mandated Salary Increases:		
A. Statutory Step Raises:		
1. District Attorneys General - Assistant District Attorneys and Criminal Investigators (Includes Human Services: \$39,200 State)	\$ 1,175,600	\$ -
2. District Public Defenders - Assistant Public Defenders and Investigators	627,400	-
3. Post-Conviction Defender - Assistant Post-Conviction Defenders	32,400	-
4. Commerce and Insurance - TLETA Commissioned Officers	15,900	-
5. Safety - Commissioned Officers (Troopers)	839,300	-
6. TWRA - Wildlife Officers, Biologists, and Unique Positions	-	424,200
Sub-Total Statutory Step Raises	\$ 2,690,600	\$ 424,200
B. Cost of Living Adjustments:		
1. Court System - Judges salary increase @ 1.7%	\$ 646,000	\$ -
2. Attorney General and Reporter statutory salary increase @ 1.7%	3,900	-
3. Governor's statutory salary increase @ 1.7%	3,600	-
Sub-Total Cost of Living Adjustments	\$ 653,500	\$ -
III. Other Salary Increases:		
1. Education - Teacher Training and Experience	\$ 102,100	\$ -
2. Children's Services - Teacher Training and Experience	37,900	-
Sub-Total Other Salary Increases	\$ 140,000	\$ -
Sub-Total Mandated and Other Salary Increases	\$ 3,484,100	\$ 424,200
Total Recommended Salary Policy	\$ 176,117,900	\$ 1,398,500

**Base Appropriations Preserved
by Proposed Legislation
Nursing Home Assessment Fee
Fiscal Year 2015-2016**

Legislation is proposed to continue the nursing home assessment fee for one year. An estimated \$107.1 million is raised by this legislation. The following base appropriation is preserved by this revenue proposal. Failure to enact this legislation will result in the following base budget reduction.

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Nursing Home Reimbursement - 31.5%	\$ 107,100,000	\$ 199,206,000	\$ 306,306,000
Total	<u>\$ 107,100,000</u>	<u>\$ 199,206,000</u>	<u>\$ 306,306,000</u>

**Base Appropriations Preserved
by Proposed Legislation
Hospital Coverage Assessment
Fiscal Year 2015-2016**

Legislation is proposed to continue the hospital coverage assessment for one year. An estimated \$449.8 million is raised by this legislation. The following base appropriations are preserved by this revenue proposal. Failure to enact this legislation will result in the following base budget reductions.

	<u>State</u>	<u>Federal</u>	<u>Total</u>
FY 2009-2010 Base Reductions Restored:			
Essential Access Hospital Payments	\$ 34,965,000	\$ 65,035,000	\$ 100,000,000
Graduate Medical Education	17,482,500	32,517,500	50,000,000
Critical Access Hospital Payments	3,496,500	6,503,500	10,000,000
Medicare Part A Reimbursement	12,430,200	23,120,200	35,550,400
Provider Reimbursement	62,741,400	116,699,200	179,440,600
Sub-Total	<u>\$ 131,115,600</u>	<u>\$ 243,875,400</u>	<u>\$ 374,991,000</u>
FY 2010-2011 Base Reductions Restored:			
Hospital Reimbursement Ceiling	\$ 15,243,400	\$ 28,352,800	\$ 43,596,200
In-Patient Services	43,329,000	80,592,100	123,921,100
Lab and X-Ray Procedures	18,123,900	33,710,600	51,834,500
Therapies	4,851,300	9,023,300	13,874,600
Out-Patient Services	24,182,900	44,980,200	69,163,100
Office Visits	19,009,900	35,358,500	54,368,400
Sub-Total	<u>\$ 124,740,400</u>	<u>\$ 232,017,500</u>	<u>\$ 356,757,900</u>
Other Appropriations:			
Expanded Essential Access Hospital Payments	\$ 28,329,700	\$ 52,693,300	\$ 81,023,000
Additional Cost-Based Reimbursement for Critical Access	6,000,000	-	6,000,000
Hospital Payments - Unreimbursed Costs	159,614,300	296,883,100	456,497,400
Sub-Total	<u>\$ 193,944,000</u>	<u>\$ 349,576,400</u>	<u>\$ 543,520,400</u>
Grand Total	<u>\$ 449,800,000</u>	<u>\$ 825,469,300</u>	<u>\$ 1,275,269,300</u>

**2015 Administration Legislation with Fiscal Impact
General Fund and Education Fund
Fiscal Year 2015-2016**

Revenue Source	General Fund		Dedicated Funds	
	Recurring	Non-Recurring	Recurring	Non-Recurring
I. Tax Adjustments - (Decrease) / Increase:				
1. Sales and Use Tax - Click-Thru Nexus	\$ 4,100,000	\$ -	\$ -	\$ -
2. Sales and Use Tax - Software as a Service (SaaS) and Video Games	10,200,000	-	-	-
3. Sales and Use Tax - Retail Accountability Program	4,300,000	-	-	-
4. Sales and Use Tax - Research and Development Expenditures - Tax Exemption	(3,600,000)	-	-	-
5. Title and Registration - Increased Lien Fees	6,100,000	-	-	-
6. Franchise and Excise Taxes - Job Tax Credits Amendments	(1,000,000)	-	-	-
7. Insurance Premium Tax - Captive Insurance Companies	100,000	-	-	-
8. HMO Premium Tax - 0.5% Rate Increase to 6.0%	33,542,100	-	-	-
Total Tax Adjustments - (Decrease) / Increase	\$ 53,742,100	\$ -	\$ -	\$ -
II. Cost Increase - (Cost) / Savings:				
1. Environment and Conservation - Underground Storage Tanks Program	\$ -	\$ -	\$ (125,000)	\$ -
2. Environment and Conservation - Capital Outlay - State Lands Acquisition Fund	-	-	-	(450,000)
3. Correction - Synthetic Controlled Substances - Incarceration Costs	(1,043,500)	-	-	-
4. Higher Education - Reconnect for Community Colleges (Lottery)	-	-	-	(1,500,000)
5. Commerce & Insurance - Captive Insurance Companies (1FT)	(120,700)	(2,200)	-	-
6. Health - Medical Examiner Training (1FT)	(527,800)	-	-	-
7. Revenue - Retail Accountability Program	-	(57,000)	-	-
8. Miscellaneous Appropriations - Educators Liability Trust Fund	-	(5,000,000)	-	-
Total Cost Increase - (Cost) / Savings	\$ (1,692,000)	\$ (5,059,200)	\$ (125,000)	\$ (1,950,000)
III. Base Reduction - (Cost) / Savings:				
1. Labor and Workforce Development - Second Injury Fund	\$ 678,100	\$ -	\$ (678,100)	\$ -
2. Strategic Health-Care Programs - AccessTN	13,257,200	-	-	-
Total Base Reductions - (Cost) / Savings	\$ 13,935,300	\$ -	\$ (678,100)	\$ -
IV. Other Legislation - (Cost) / Savings:				
1. Eliminate State Employee Longevity	\$ 15,410,300	\$ -	\$ 1,508,000	\$ -
Total Other Legislation - (Cost) / Savings	\$ 15,410,300	\$ -	\$ 1,508,000	\$ -

Tennessee Promise Last Dollar Scholarship Multi-Year Projection Fiscal Years 2013-2014 Through 2016-2017

The Tennessee Promise Last Dollar Scholarship program was created by PC 900 of the Public Acts of 2014. Tennessee Promise is both a scholarship and mentoring program. The scholarship will provide funding to cover tuition and fees not covered by the Pell Grant, the Hope Scholarship, or TSAA funds. Students may use the scholarship at any of the 13 community colleges, 27 colleges of applied technology, or other eligible institutions offering an associate's degree. Promise will also provide individual guidance to each participant. Each participant will receive assistance from a mentor who will assist the student as he or she navigates the college admissions process. In addition, Tennessee Promise participants must complete eight hours of community service per term enrolled, as well as maintain satisfactory academic progress (2.0 GPA) at their institution. The first class will enroll Fall, 2015.

	Actual 2013-2014	Estimated 2014-2015	Base*** 2015-2016	Projected**** 2016-2017
I. Endowments				
Original Endowment*	\$ -	\$ 48,839,300.00	\$ 48,839,300.00	\$ 48,839,300.00
New Endowment	\$ -	\$ 312,542,000.00	\$ 312,542,000.00	\$ 312,542,000.00
Total Endowments	\$ -	\$ 361,381,300.00	\$ 361,381,300.00	\$ 361,381,300.00
II. Revenues				
Net Lottery proceeds transfer	\$ -	\$ -	\$ 10,575,000.00	\$ 5,375,000.00
Endowment interest**	\$ -	\$ 16,262,200.00	\$ 16,262,200.00	\$ 16,262,200.00
Special Reserve interest**	\$ -	\$ -	\$ 731,800	\$ 1,553,200.00
Total Available Revenue	\$ -	\$ 16,262,200.00	\$ 27,569,000.00	\$ 23,190,400.00
III. Expenditures				
Tennessee Promise Cost	\$ -	\$ -	\$ 9,314,900.00	\$ 17,215,200.00
IV. Surplus/Deficit	\$ -	\$ 16,262,200.00	\$ 18,254,100.00	\$ 5,975,200.00
V. Balance Forward/Special Reserve	\$ -	\$ 16,262,200.00	\$ 34,516,300.00	\$ 40,491,500.00

*Transfer amount includes interest of \$1,839,300.

**Assumes interest rate of 4.5%.

***Represents first year Promise Students.

****Represents first and second year Promise Students.

Lottery for Education Account
Summary of Appropriation Requirements, Revenues, and Reserves
Fiscal Years 2013-2014 Through 2018-2019
(Millions)

	Actual 2013-2014	Estimated 2014-2015	Recommended 2015-2016	Projected		
				2016-2017	2017-2018	2018-2019
1. Appropriation Requirements:						
Higher Education Scholarships Base	\$ 302.6	\$ 311.6	\$ 321.0	\$ 330.4	\$ 339.5	\$ 343.5
Reconnect for Community Colleges	-	-	1.5	-	-	-
Tennessee Student Assistance Corporation	2.4	2.4	2.4	2.4	2.4	2.4
Tennessee Higher Education Commission	1.6	1.4	1.4	1.4	1.4	1.4
Transfer to Tennessee Student Assistance Awards	6.8	6.8	6.8	6.8	6.8	6.8
Total Appropriation Requirements	\$ 313.4	\$ 322.2	\$ 333.1	\$ 341.0	\$ 350.1	\$ 354.1
2. Current Revenue:						
Net Education Lottery Proceeds	\$ 323.0	\$ 332.7	\$ 338.4	\$ 344.2	\$ 350.1	\$ 356.1
Lottery for Education Account - Interest	13.4	0.1	0.1	0.1	0.1	0.1
Unrealized Net Gain/Loss	15.4	-	-	-	-	-
General Shortfall Reserve @ prior June 30	100.0	100.0	100.0	100.0	100.0	100.0
Lottery for Education Account @ prior June 30	284.2	10.00	10.0	10.0	10.0	10.0
Total Current Revenue	\$ 736.0	\$ 442.8	\$ 448.5	\$ 454.3	\$ 460.2	\$ 466.2
3. Lottery for Education Reserve at June 30:						
General Shortfall Reserve	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0
Lottery for Education Account Reserve	10.0	10.0	10.0	10.0	10.0	10.0
Available to Transfer to Tennessee Promise Scholarships	312.5	10.6	5.4	3.3	0.1	2.1
Total Reserve at June 30	\$ 422.5	\$ 120.6	\$ 115.4	\$ 113.3	\$ 110.1	\$ 112.1
(Dollars)						
4. Scholarship Award Levels:						
HOPE 4-Year Colleges: \$3,500 Freshmen/Sophmores	\$ 4,000	\$ 4,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
HOPE 4-Year Colleges: \$4,500 Juniors/Seniors	4,000	4,000	4,500	4,500	4,500	4,500
HOPE 2-Year Colleges	2,000	2,000	3,000	3,000	3,000	3,000

Number of Scholarship Award Recipients: 2013-2014 actual - 103,300; 2014-2015 estimate - 107,200; and 2015-2016 recommended estimate - 110,400.

**Lottery-Funded Education Programs
Comparison of Appropriation Requirements and State Revenues
Fiscal Years 2013-2014 Through 2018-2019**

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Recommended 2015-2016</u>	<u>Projected 2016-2017</u>	<u>Projected 2017-2018</u>	<u>Projected 2018-2019</u>
I. Appropriation Requirements						
Higher Education Scholarships Base	\$ 302,730,300	\$ 311,600,000	\$ 321,000,000	\$ 330,400,000	\$ 339,500,000	\$ 343,500,000
Reconnect for Community Colleges	-	-	1,500,000	-	-	-
Tennessee Higher Education Commission	1,558,900	1,352,400	1,352,400	1,352,400	1,352,400	1,352,400
Tennessee Student Assistance Corporation	2,353,200	2,437,400	2,437,400	2,437,400	2,437,400	2,437,400
Transfer Tennessee Student Assistance Awards	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000
Education - Lottery Scholarship Day	-	23,000	23,000	23,000	23,000	23,000
Rounding / Reconciling	-	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)
Sub-Total Lottery for Education Acct.	\$ 313,442,400	\$ 322,200,000	\$ 333,100,000	\$ 341,000,000	\$ 350,100,000	\$ 354,100,000
After-School Programs	13,004,500	14,675,000	13,500,000	13,500,000	13,500,000	13,500,000
Total Appropriation Requirements	\$ 326,446,900	\$ 336,875,000	\$ 346,600,000	\$ 354,500,000	\$ 363,600,000	\$ 367,600,000
II. Available Revenues and Reserves						
Net Education Lottery Proceeds	\$ 322,981,000	\$ 332,700,000	\$ 338,400,000	\$ 344,200,000	\$ 350,100,000	\$ 356,100,000
Lottery for Education Account - Interest	13,353,800	75,000	75,000	75,000	75,000	75,000
Unrealized Net/Gain Loss	15,425,000	-	-	-	-	-
Unclaimed Prizes (After-School Programs)	14,291,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
After-School Programs - Interest Earnings	20,400	100,000	100,000	100,000	100,000	100,000
Interaccount Transfer	-	-	-	-	-	-
General Shortfall Reserve @ prior June 30	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Lottery for Education Account @ prior June 30	284,224,600	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Unclaimed Prizes @ prior June 30	26,134,900	27,441,800	26,366,800	26,466,800	26,566,800	26,666,800
Total Available Revenues and Reserves	\$ 776,430,700	\$ 483,816,800	\$ 488,441,800	\$ 494,341,800	\$ 500,341,800	\$ 506,441,800
III. Available Funds at June 30						
General Shortfall Reserve	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000
Lottery for Education Account Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
After-School Programs Reserve	27,441,800	26,366,800	26,466,800	26,566,800	26,666,800	26,766,800
Available to Transfer to Tennessee Promise Scholarships	312,542,000	10,575,000	5,375,000	3,275,000	75,000	2,075,000
Total Available Funds @ June 30	\$ 449,983,800	\$ 146,941,800	\$ 141,841,800	\$ 139,841,800	\$ 136,741,800	\$ 138,841,800

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2013-2014, 2014-2015, and 2015-2016**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2013, 2014, and 2015
(Dollars in Millions)**

Year	Personal Income ¹	Percent Growth
1977	\$ 26,805.0	-
2013	256,968.7	-
2014	267,308.6	4.02
2015	278,864.8	4.32

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2013-2014, 2014-2015, and 2015-2016
(Dollars in Millions)**

Year	Appropriations	Percent Growth
1977-1978	\$ 1,747.3	-
2013-2014	13,432.8	-
2014-2015	13,912.1	3.57
2015-2016	14,299.9	2.79

¹ Source: U.T. Center for Business and Economic Research.

Note: This statement is presented in compliance with Tennessee Code Annotated, Title 9, Chapter 4, Part 52, relating to the calculation of estimated rate of growth of the state's economy, and the appropriation of state revenue as required by the Tennessee Constitution, Article II, Section 24, the constitutional spending limitation.

**Constitutional Spending Limit Summary
Appropriations from Existing State Tax Revenues
Fiscal Year 2015-2016**

	Estimated 2014-2015	Estimated 2015-2016
I. Appropriated State Revenues	\$13,996,300,000	\$14,330,400,000
Less: Non-Tax Revenue	(84,200,000)	(84,200,000)
Total Appropriated from State Tax Revenues	\$13,912,100,000	\$14,246,200,000
Add: Additional State Tax Revenue - Legislation	-	53,700,000
Total State Tax Revenue	\$13,912,100,000	\$14,299,900,000
Percent Increase Over the Prior Year		2.79%
 II. FY 2014-2015 Established Limit	 \$14,271,000,000	
Adjustment to Established Limit*	(204,200,000)	
FY 2014-2015 Revised Appropriations Limit	\$14,066,800,000	\$14,066,800,000
Adjustment to Established Limit**		(154,700,000)
FY 2015-2016 Base Appropriations Limit		\$13,912,100,000
Personal Income Growth Adjustment (\$13,912,100,000 x 4.32%)		601,000,000
FY 2015-2016 Appropriations Limit		\$14,513,100,000
 III. Availability Under the Established Limit	 \$154,700,000	 \$213,200,000

* Reduction reflects a downward revision in state tax revenue in FY 2014-2015.

** Cap reset to the FY 2014-2015 appropriated state tax revenue.

Comparison of Authorized Positions State Agencies and Higher Education

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>Change From Current Year</u>
I. STATE AGENCIES *				
General Fund	43,765	43,132	42,472	(660)
Full-time	41,774	41,186	40,530	(656)
Part-time	1,482	1,440	1,436	(4)
Seasonal	509	506	506	0
Department of Transportation	4,663	4,662	4,662	0
Full-time	4,658	4,657	4,657	0
Part-time	5	5	5	0
Seasonal	0	0	0	0
Total State Agencies	48,428	47,794	47,134	(660)
Full-time	46,432	45,843	45,187	(656)
Part-time	1,487	1,445	1,441	(4)
Seasonal	509	506	506	0
II. HIGHER EDUCATION				
Total Positions	24,816	24,945	24,945	0
Full-time Equivalent (UT and TBR)				
Administrative	1,268	1,265	1,265	0
Professional	5,635	5,912	5,912	0
Faculty	9,485	9,485	9,485	0
Clerical and Support	8,414	8,269	8,269	0
Foreign Language Institute (FT)	14	14	14	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	73,244	72,739	72,079	(660)
Full-time **	71,248	70,788	70,132	(656)
Part-time	1,487	1,445	1,441	(4)
Seasonal	509	506	506	0

* Includes Tennessee Higher Education Commission (THEC) and Tennessee Student Assistance Corporation (TSAC).

** Full-time includes Higher Education's full-time personnel.

**Fiscal Year 2015-2016
Authorized Positions Change
Recommended 2015-2016 Change from Estimated 2014-2015
Increase / (Decrease)**

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Seasonal</u>	<u>Total</u>
I. 2015-2016 Total Recommended	<u>(656)</u>	<u>(4)</u>	<u>-</u>	<u>(660)</u>
II. 2015-2016 Base Budget	<u>(785)</u>	<u>(4)</u>	<u>-</u>	<u>(789)</u>
a. Base Reduction Plans	<u>(556)</u>	<u>(3)</u>	<u>-</u>	<u>(559)</u>
Correction	(305)	-	-	(305)
Children's Services	(131)	-	-	(131)
Intellectual and Developmental Disabilities	(69)	-	-	(69)
Labor and Workforce Development	(14)	(3)	-	(17)
Revenue	(17)	-	-	(17)
Mental Health and Substance Abuse Services	(7)	-	-	(7)
Finance and Administration	(6)	-	-	(6)
Safety	(6)	-	-	(6)
Commerce and Insurance	(1)	-	-	(1)
b. Miscellaneous Adjustments	<u>(150)</u>	<u>-</u>	<u>-</u>	<u>(150)</u>
Human Services - Eligibility Determination	(219)	-	-	(219)
Intellectual and Developmental Disabilities - Budget Reallocations	(21)	-	-	(21)
Intellectual and Developmental Disabilities - Clover Bottom Transition	3	-	-	3
Tennessee Wildlife Resources Agency - Abolishment for Operational Savings	(1)	-	-	(1)
Office of the Post-Conviction Defender - HR/Fiscal/Admin	1	-	-	1
Education (K-12) - Achievement School District	4	-	-	4
Mental Health and Substance Abuse Services - Federal Grants	4	-	-	4
Health - Federal Grants	6	-	-	6
Correction - Continuation of Operations at Charles B. Bass	73	-	-	73
c. 2014-2015 Non-recurring Appropriations Not Continued in 2015-2016 Base	<u>(79)</u>	<u>(1)</u>	<u>-</u>	<u>(80)</u>
Health - Electronic Public Health Information System	(22)	-	-	(22)
District Attorneys General Conference - Criminal Justice Grants	(17)	(1)	-	(18)
Intellectual and Developmental Disabilities - Middle Homes Transition	(16)	-	-	(16)
Education (K-12) - Alvin C. York	(11)	-	-	(11)
Miscellaneous Appropriations - Gubernatorial Transition	(8)	-	-	(8)
Education (K-12) - Race to the Top	(4)	-	-	(4)
Tennessee Higher Education Commission - Foundation Grant	(1)	-	-	(1)
III. 2015-2016 Agency Cost Increase Requests	<u>129</u>	<u>-</u>	<u>-</u>	<u>129</u>
Children's Services	41	-	-	41
Health	33	-	-	33
Education (K-12)	13	-	-	13
Alcoholic Beverage Commission	10	-	-	10
Tennessee Higher Education Commission	10	-	-	10
Labor and Workforce Development	4	-	-	4
Agriculture	3	-	-	3
Environment and Conservation	3	-	-	3
Tennessee Bureau of Investigation	3	-	-	3
Miscellaneous Appropriations	3	-	-	3
Correction	2	-	-	2
Safety	2	-	-	2
Board of Parole	1	-	-	1
Commerce and Insurance	1	-	-	1

Federal Funding and Aid Trends

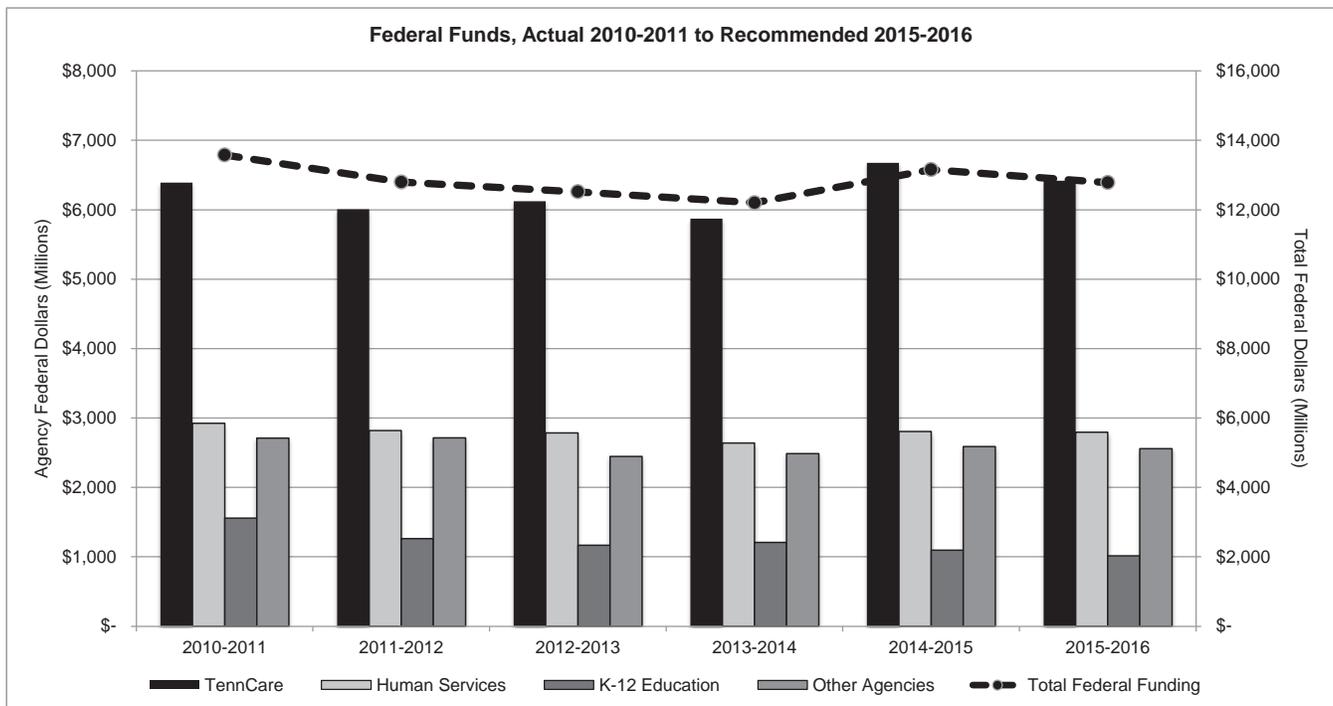
Recommended Budget, Fiscal Year 2015-2016

The total recommended budget for the fiscal year is \$33,339,801,400 with 38% from federal sources. The \$12,782,917,100 of federal funding is a decrease of 2.84% from the 2014-2015 estimate. Of the total federal funding, \$6,417,781,500 (50%) is recommended for TennCare expenditures, \$2,793,844,600 (22%) for the Department of Human Services, \$1,014,040,800 (8%) for the Department of Education, and \$2,557,250,200 (20%) for all other state programs.

The Bureau of TennCare receives funds from the federal Department of Health and Human Services to administer the state's Medicaid waiver program. The Tennessee Department of Human Services administers multiple federal programs, with the Supplemental Nutritional Assistance Program (formerly known as Food Stamps) being largest. The Tennessee Department of Education also administers multiple large federal programs, receiving funds from the federal Department of Education, for such programs as grants to Local Education Agencies, Special Education, and School Nutrition programs.

	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Actual 2013-2014	Estimated 2014-2015	Recommended 2015-2016
Total Federal Funding	\$ 13,578,227,900	\$ 12,795,749,400	\$ 12,515,208,100	\$ 12,202,777,200	\$ 13,156,472,800	\$ 12,782,917,100
TennCare	6,391,054,400	6,006,634,400	6,121,001,200	5,869,611,000	6,673,042,400	6,417,781,500
Human Services	2,921,821,300	2,816,629,800	2,783,887,400	2,639,508,800	2,803,150,000	2,793,844,600
K-12 Education	1,556,578,000	1,260,533,200	1,165,116,700	1,207,130,800	1,093,532,900	1,014,040,800
Other Agencies	2,708,774,200	2,711,952,000	2,445,202,800	2,486,526,600	2,586,747,500	2,557,250,200

	Percent Change FY 2015 to 2016	Average Annual Percent Change FY 2011 to 2016
Total Federal Funding	-2.84%	-1.20%
TennCare	-3.83%	0.08%
Human Services	-0.33%	-0.89%
K-12 Education	-7.27%	-8.21%
Other Agencies	-1.14%	-1.14%



Since fiscal year 2010-2011, non-TennCare federal funding has remained flat or lessened from the expiration of non-recurring sources, including American Recovery and Reinvestment Act and Race to the Top funds. In the TennCare program, a slight downward trend in federal funding from fiscal years 2010-2011 to 2013-2014 is offset by increased federal funding in fiscal years 2014-2015 and 2015-2016. The increases in 2014-2015 and 2015-2016 are largely due to medical inflation and utilization in the program and implementing certain provisions of the federal Patient Protection and Affordable Care Act (PPACA). The impacts to the TennCare budget are displayed elsewhere in this Budget.

Significant Federal Funding Program Actions - 2009 to 2015

In February 2009, Congress passed the American Recovery and Reinvestment Act (ARRA). From state fiscal year 2008-2009 to 2013-2014, the act awarded over \$6 billion to the State of Tennessee. The funds awarded included enhanced Medicaid matching funds, grants to Local Education Agencies, increased Supplemental Nutrition Assistance Program (Food Stamp) benefits, special education grants, and infrastructure grants for highways and bridges.

Also, the State of Tennessee applied for and won a \$500 million multi-year grant in 2010 to improve educational outcomes as part of the Race to the Top program outlined in ARRA. This funding was fully obligated by June 30, 2014.

Another federal aid development is the passage of the Budget Control Act of 2011, a law designed to provide for an increase in the federal debt limit while reducing long-term budget deficits. Most significantly for the states, the act established spending caps on discretionary spending programs through federal fiscal year 2021 and included automatic procedures to reduce spending over a 10-year period by over \$1.2 trillion. The automatic spending cuts, known as sequestration, were triggered on January 2, 2013, and effective March 1, 2013. As a result, 242 state-administered federal programs in Tennessee were reduced \$71.8 million for fiscal year 2013-2014. The Bipartisan Budget Act of 2013 (BBA) raised the sequestration spending caps in federal fiscal years 2014 and 2015 while also extending the imposition of sequestration spending caps beyond 2021 to federal fiscal year 2023. As a result, there are no additional sequestration reductions of federally funded programs in state fiscal years 2014-2015 or 2015-2016.

Fiscal 2016 Outlook

For fiscal year 2015-2016, increased aid from the federal government is recommended largely in the TennCare program. Of the total cost increase from federal sources of \$158,662,700, the share directed to the TennCare program is \$149,436,300. A factor reducing the federal aid estimate in both the TennCare and Department of Children's Services budgets is the loss of federal funds due to a decrease in the Federal Medical Assistance Percentage (FMAP). The FMAP is the rate at which the federal government matches state appropriation expenditures in the programs. The FMAP formula measures a state's personal income relative to the nation. The revised FMAP reduced fiscal year 2015-2016 federal funding by \$2.2 million in TennCare and the Department of Children's Services. An increase in state appropriations is recommended to offset this loss of federal funds.

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2015 – 2016

Tennessee's fiscal environment depends on economic conditions that influence both the expenditure and revenue sides of the state budget. The Center for Business and Economic Research at the University of Tennessee prepared this summary of current economic conditions and expectations for short-term economic growth in Tennessee and the nation. For additional information, see the most recent edition of "An Economic Report to the Governor of the State of Tennessee."

The state economy has now seen over five years of sustained economic growth following the end of the Great Recession. Last year started off on a rocky path with the national economy contracting in the first quarter of 2014. Since that time, the state and national economies have seen sustained growth in most measures of economic activity. Notably, both the state and nation have now seen a full restoration of employment levels to pre-recession peaks. The outlook for 2015 and 2016 is largely positive. Low gasoline prices will provide an impetus for stronger growth while the slowdown in global economic activity will put downward pressure on growth. On net, 2015 should be a year of healthy growth for both the U.S. and Tennessee. The discussion that follows provides additional background on current economic conditions and the economic outlook for the state and nation to help frame the state's fiscal outlook for the upcoming fiscal year. For more information on the economic outlook for the U.S and Tennessee, see "*An Annual Report to the Governor of the State of Tennessee.*"

Recent Economic Conditions

U.S. economic growth contracted sharply in the first quarter of 2014 largely as a result of one-time events, including a weather related slowdown in both construction and retail sales. The economy rebounded well as the

year progressed producing annualized growth in inflation-adjusted gross domestic product (GDP) of 2.4 percent. This growth took place despite a pervasive slowdown in growth across the global economy. The housing market was a major disappointment in 2014. Expectations called for a strong recovery last year, but a surprisingly large reduction in the rate of household formation slowed the housing sector. The Federal Reserve wound down its final bond buying program, referred to as quantitative easing, signaling increased confidence in the direction of the domestic economy. The nation's labor market showed marked improvement over the year. The November employment report was especially encouraging with 321,000 jobs being created for the month. For the year as a whole, the national economy created almost three million jobs. Nonfarm employment for the year is projected to be 1.8 percent, slightly better than the growth registered in 2013. The unemployment rate edged down over the year and stood at 5.6 percent in December.

The nation's growth created a good environment for economic growth in Tennessee in 2014. Nominal personal income grew 3.7 percent for the year, reflecting significant improvement over the 2.1 percent rate of growth in 2013. (Income growth in 2013 was depressed because of the elimination of the federal payroll tax holiday which meant an increase in Social Security contributions to pre-tax holiday levels.) Nonfarm employment was up 1.9 percent, slightly better than the nation's rate of job creation. Manufacturing saw additional job gains, but the pace of growth is slowing. The only broad-based weakness in the economy last year was the jump in the unemployment rate in the third quarter from 6.4 percent to 7.3 percent. Fortunately the unemployment rate has retreated since then.

Short-Term Economic Outlook

The economic outlook for 2015 calls for a continuation of economic growth roughly on par with growth from 2014. Anticipated improvements in the housing market will help offset downward pressures from the global economy. Low gasoline prices will help free up consumer purchasing power that is likely to be plowed back into the economy. However, a downside of lower gasoline prices is reduced drilling and extraction activity which will translate into the loss of a significant number of jobs. On balance, lower gasoline prices will be a boost to growth. Prices are expected to remain low for the next several years.

U.S. inflation-adjusted gross domestic product will see growth of 3.1 percent this year, with growth cooling off to 2.7 percent in 2016. The nation's housing sector should see healthy growth, with housing starts growing almost 16 percent for the year and the value of residential investment climbing 11.1 percent. Imports are expected to see strong gains reflecting the dollar's appreciation in international currency markets. Consumption spending and business fixed investment will help drive the economy, while federal government spending will be a drag on growth

(contracting 0.3 percent for the year). Nonfarm employment will be up 2.0 percent and further reductions in the unemployment rate are expected. The Federal Reserve is expected to begin raising interest rates in the summer. Inflation will remain benign and below the Fed's 2.0 percent target range.

Tennessee is expected to see nonfarm employment grow at a 1.7 percent pace for the year. This slightly slower pace of economy-wide employment growth largely reflects an anticipated slowdown in job creation in manufacturing. The state's manufacturing sector has seen good job gains dating back to 2011. These gains will not be sufficient to make up for the losses that occurred over the course of the recession. Moreover, by 2018, manufacturing sector jobs in the state will revert to long-term trend and contract. Professional and business services and leisure and hospitality services will enjoy especially strong job growth in 2015. The unemployment rate will drift down over the year yielding an annual average of 6.5 percent. Nominal personal income will advance 4.2 percent in 2015. On a fiscal year basis, personal income should be up 4.4 percent in fiscal year 2015-2016.

Article provided by the Center for Business and Economic Research, University of Tennessee at Knoxville.

Tennessee Characteristics

Population

	2000	2005	2010	2013
Total Population (April 1, July 1, April 1, July 1) ¹	5,689,427	5,991,057	6,346,105	6,495,978

Population by Grand Division ¹

East Tennessee	2,108,321	2,210,700	2,327,544	2,365,480
Middle Tennessee	2,081,255	2,250,472	2,455,911	2,557,909
West Tennessee	1,499,851	1,529,885	1,562,650	1,572,589

Metropolitan Statistical Area Population ^{1, 2}

Chattanooga, TN-GA	476,611	499,564	528,143	541,744
Tennessee Portion	347,142	358,471	378,812	391,728
Georgia Portion	129,469	141,093	149,331	150,016
Clarksville, TN-KY	219,727	237,633	260,625	272,579
Tennessee Portion	134,725	151,122	172,331	184,119
Kentucky Portion	85,002	86,511	88,294	88,460
Cleveland, TN	104,012	109,410	115,788	118,538
Jackson, TN	121,969	126,192	130,011	130,645
Johnson City, TN	181,585	189,182	198,716	200,966
Kingsport-Bristol, TN - Bristol, VA	298,564	302,519	309,544	308,283
Tennessee Portion	206,671	209,002	213,656	213,395
Virginia Portion	91,893	93,517	95,888	94,888
Knoxville, TN	748,231	790,669	837,571	852,715
Memphis, TN-MS-AR	1,213,285	1,271,965	1,324,829	1,341,746
Tennessee Portion	977,574	1,003,054	1,027,138	1,039,741
Arkansas Portion	50,855	50,244	50,902	49,746
Mississippi Portion	184,856	218,667	246,789	252,259
Morristown, TN	102,444	107,703	113,951	115,197
Nashville-Davidson - Murfreesboro - Franklin, TN	1,381,412	1,511,310	1,670,890	1,757,912
Total Tennessee Metropolitan Statistical Area Population	4,305,765	4,556,115	4,858,864	5,004,956
Total Tennessee Non-Metropolitan Population	1,383,662	1,434,942	1,487,241	1,491,022

Demographic Characteristics ¹

Percent of Population by Age Group:

Under Age 5	6.6%	6.7%	6.4%	6.1%
Age 5 to 17	18.0%	17.1%	17.1%	16.9%
Age 18 to 24	9.6%	9.0%	9.6%	9.8%
Age 25 to 64	53.4%	55.0%	53.4%	52.6%
Age 65 and Older	12.4%	12.2%	13.5%	14.6%

Percent of Population by Race:

White	80.2%	79.6%	77.5%	77.9%
Black or African American	16.4%	16.4%	16.7%	17.0%
American Indian and Alaska Native	0.3%	0.3%	0.3%	0.2%
Asian and Pacific Islander	1.0%	1.3%	1.5%	1.6%
Other	2.1%	2.4%	4.0%	3.3%

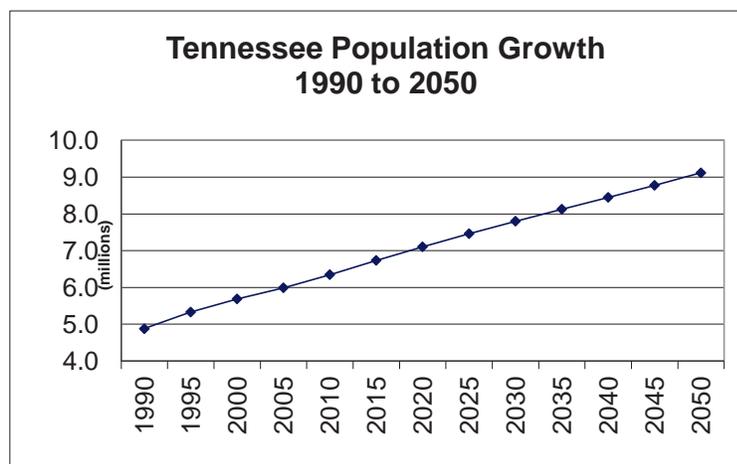
Hispanic Population (Percent of Total Population)

2.2%	3.0%	4.6%	4.8%
------	------	------	------

Place of Birth of Tennessee Residents:

Born in Tennessee	64.7%	62.5%	61.0%	61.1%
Born in Another State	31.9%	33.1%	33.7%	33.4%
Born Outside the United States	0.6%	0.6%	0.8%	0.8%
Born in a Foreign County	2.8%	3.8%	4.5%	4.7%
Naturalized Citizen	0.9%	1.2%	1.5%	1.8%
Not a Citizen	1.9%	2.6%	3.0%	2.9%

Tennessee Population 1990 to 2050 ³



Year	Population
1990	4,877,203
1995	5,326,936
2000	5,689,283
2005	5,991,057
2010	6,346,105
2015	6,735,022
2020	7,107,296
2025	7,460,624
2030	7,799,933
2035	8,127,930
2040	8,449,472
2045	8,775,821
2050	9,117,105

Education Characteristics

Public School Enrollment and Expenditures ⁴

	1999-2000	2004-2005	2009-2010	2012-2013
Total Number of Public Schools	1,611	1,693	1,746	1,763
Total K-12 Public School Average Daily Attendance (ADA)	842,733	867,134	894,764	909,032
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 6,387,036	\$ 7,849,989	\$ 8,447,759
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 7,366	\$ 8,773	\$ 9,307

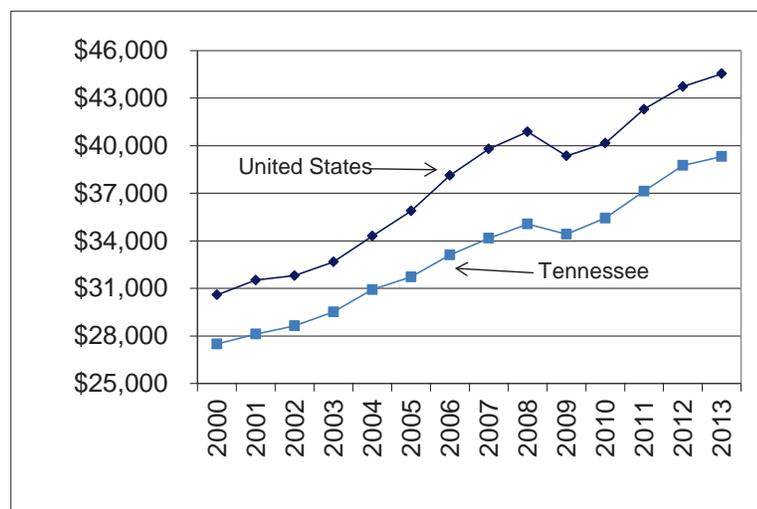
Educational Attainment ⁵

	2000	2005	2010	2013
Population 25 Years and Over				
Less Than 9th Grade	9.6%	7.0%	6.3%	5.6%
9th to 12th Grade, No Diploma	14.5%	11.8%	10.1%	8.8%
High School Graduate (includes equivalency)	31.6%	34.5%	33.5%	32.9%
Some College, No Degree	20.0%	19.3%	20.8%	21.2%
Associate Degree	4.7%	5.6%	6.2%	6.7%
Bachelor's Degree	12.8%	14.1%	14.6%	15.6%
Graduate or Professional Degree	6.8%	7.7%	8.5%	9.2%
Percent High School Graduate or Higher				
United States	80.4%	84.2%	85.6%	86.6%
Tennessee	75.9%	81.2%	83.6%	85.6%
Percent Bachelor's Degree or Higher				
United States	24.4%	27.2%	28.2%	29.6%
Tennessee	19.6%	21.8%	23.1%	24.8%

Income and Poverty

	2000	2005	2010	2013
Tennessee's Per Capita Income as a Percent of the U.S.	89.9%	88.4%	88.2%	88.3%
Tennessee's Rank in U.S. by Per Capita Income	34	36	36	34

Tennessee and United States Per Capita Income ⁶



Year	United States	Tennessee
2000	\$ 30,587	\$ 27,483
2001	31,524	28,118
2002	31,798	28,637
2003	32,676	29,513
2004	34,300	30,918
2005	35,888	31,718
2006	38,127	33,109
2007	39,804	34,164
2008	40,873	35,061
2009	39,357	34,412
2010	40,163	35,431
2011	42,298	37,129
2012	43,735	38,752
2013	44,543	39,324

% Change 2000-2013 45.6% 43.1%

Percentage of Population Below Poverty ⁷

	1999	2005	2010	2013
United States	12.4%	13.3%	15.3%	15.8%
Tennessee	13.5%	15.5%	17.7%	17.8%

Tennessee Gross Domestic Product ⁸

	2000	2005	2010	2013
Gross Domestic Product - Percentage by Industry				
Private industries	88.4%	87.7%	87.4%	88.3%
Agriculture, Forestry, Fishing, and Hunting	0.6%	0.6%	0.6%	0.9%
Mining	0.3%	0.4%	0.6%	0.6%
Utilities	0.6%	0.5%	0.7%	0.6%
Construction	4.6%	4.2%	3.5%	3.4%
Manufacturing	18.8%	18.0%	15.4%	15.9%
Durable Goods	10.7%	11.3%	7.9%	8.8%
Nondurable Goods	8.1%	6.7%	7.5%	7.1%
Wholesale Trade	6.9%	6.8%	6.7%	6.8%
Retail Trade	8.3%	8.1%	7.4%	7.1%
Transportation and Warehousing, Excluding Postal Service	5.0%	5.1%	4.7%	4.9%
Information	2.9%	3.3%	3.2%	3.0%
Finance and Insurance	5.5%	5.0%	5.1%	4.8%
Real Estate and Rental and Leasing	10.3%	9.8%	11.4%	11.5%
Professional, Scientific, and Technical Services	4.7%	5.0%	5.4%	5.4%
Management of Companies and Enterprises	0.9%	0.9%	1.3%	1.7%
Administrative and Waste Services	3.6%	4.1%	3.9%	4.2%
Educational Services	0.8%	1.0%	1.0%	1.0%
Health Care and Social Assistance	7.2%	7.9%	9.7%	9.9%
Arts, Entertainment, and Recreation	1.0%	1.0%	1.0%	1.0%
Accommodation and Food Services	3.3%	3.2%	3.1%	3.1%
Other Services, Except Government	3.1%	2.8%	2.7%	2.5%
Government	11.6%	12.3%	12.6%	11.7%
Gross Domestic Product (millions)				
United States	\$10,230,462	\$ 13,023,663	\$ 14,862,637	\$ 16,701,415
Tennessee	\$ 183,018	\$ 228,786	\$ 253,987	\$ 287,633
Tennessee as a Percent of U.S.	1.79%	1.76%	1.71%	1.72%
Tennessee's Rank in U.S.	20	18	19	19

Civilian Labor Force ⁹

	2000	2005	2010	2013
Civilian Labor Force	2,871,500	2,942,300	3,082,600	3,070,300
Employment	2,756,500	2,778,500	2,778,800	2,818,300
Unemployment	115,000	163,800	303,800	252,000
Unemployment Rate	4.0%	5.6%	9.9%	8.2%

Employment by Industry ⁹

	2000	2005	2010	2013
Non-Farm Employment - Percentage by Industry				
Goods Producing	22.7%	19.5%	15.4%	15.5%
Natural Resources, Mining, & Construction	4.8%	4.6%	4.0%	3.9%
Manufacturing	17.9%	14.9%	11.4%	11.6%
Durable Goods	11.0%	9.3%	6.7%	7.3%
Nondurable Goods	6.9%	5.6%	4.7%	4.3%
Service Providing	77.3%	80.5%	84.6%	84.5%
Trade, Transportation, & Utilities	21.5%	21.8%	21.2%	21.2%
Wholesale Trade	4.8%	4.8%	4.5%	4.5%
Retail Trade	11.6%	11.8%	11.7%	11.4%
Transportation, Warehousing, & Utilities	5.1%	5.2%	5.0%	5.3%
Information	2.0%	1.8%	1.7%	1.6%
Financial Activities	5.1%	5.2%	5.2%	5.0%
Professional & Business Services	11.0%	11.4%	11.6%	12.8%
Educational & Health Services	10.2%	12.0%	14.3%	14.4%
Leisure & Hospitality	8.6%	9.5%	10.0%	10.4%
Other Services	4.3%	3.7%	4.0%	3.8%
Government	14.6%	15.1%	16.6%	15.3%
Federal	2.0%	1.8%	2.0%	1.8%
State & Local	12.6%	13.3%	14.6%	13.5%

Physical Characteristics ¹⁰

Total Area	42,145 Square Miles
Land Area	41,235 Square Miles
Water Area	910 Square Miles
Highest Elevation (Clingmans Dome)	6,643 Feet

¹ Source: U.S. Bureau of the Census, April 1 data from the 2000 and 2010 Censuses. July 1 data from the 2005 and 2012 American Community Survey.

² Metropolitan Statistical Area population is based on the 2013 MSA definitions published by the US Office of Management and Budget in OMB Bulletin 13-01, February 28, 2013.

³ Source: U.S. Bureau of the Census for 1990, 1995, 2000, 2005 and 2010; University of Tennessee, Center for Business and Economic Research for 2015 through 2050.

⁴ Source: Tennessee Department of Education, *Annual Statistical Report*.

⁵ Source: U.S. Bureau of the Census, American Community Survey.

⁶ Source: U.S. Bureau of Economic Analysis.

⁷ Source: U.S. Bureau of the Census, 2000 Census, and 2005, 2010 and 2012 American Community Survey.

⁸ Source: U.S. Bureau of Economic Analysis.

⁹ Source: Tennessee Department of Labor and Workforce Development.

¹⁰ Source: U.S. Bureau of the Census, *Statistical Abstract of the United States*.

Full-Time Employees Overlapped Over 90 Days

Agency	Count
301.00 Legislature	31
302.00 Court System	15
304.00 District Attorneys General Conference	2
305.00 Secretary of State	1
307.00 Comptroller of the Treasury	1
309.00 Treasury Department	1
315.00 Executive Department	5
316.03 Alcoholic Beverage Commission	2
316.08 Tennessee Rehabilitative Initiative in Correction (TRICOR)	3
316.12 Advisory Commission on Intergovernmental Relations	3
316.27 State Museum	1
317.00 Finance and Administration	2
318.00 TennCare	14
319.00 Human Resources	1
321.00 General Services	4
325.00 Agriculture	11
327.00 Environment and Conservation	21
328.00 Tennessee Wildlife Resources Agency	1
329.00 Correction	105
331.00 Education (K-12)	15
332.00 Higher Education - State Administered Programs	1
335.00 Commerce and Insurance	2
337.00 Labor and Workforce Development	2
339.00 Mental Health and Substance Abuse Services	16
341.00 Military	3
343.00 Health	2
344.00 Intellectual and Developmental Disabilities	42
345.00 Human Services	16
347.00 Revenue	7
348.00 Tennessee Bureau of Investigation	4
349.00 Safety	31
359.00 Children's Services	21
400.00 Transportation	58
Total	444

Based on Edison extract of full-time employees overlapped greater than 90 days as of 1/20/2015.

State Revenues



State Revenues

Table of Contents



State Tax Revenues: Introduction.....	A-61
Comparison Statement of State Revenues	A-63
Comparison Statement of State Revenues, Actual and Estimated July 1, 2013 – June 30, 2016	A-64
Distribution of Actual Revenue by Fund, Fiscal Year 2013-2014	A-65
Distribution of Revised Estimated Revenue by Fund, Fiscal Year 2014-2015	A-66
Distribution of Estimated Revenue by Fund, Fiscal Year 2015-2016.....	A-67
Comparative Statement of Revenues of Regulatory Boards, Actual and Estimated July 1, 2013 - June 30, 2016, to Support Statement of State Revenues.....	A-68
Tax Expenditures	A-69
Items Not In Sales Tax Base, Currently Untaxed Services: Table 1-A.....	A-70
Major Tax Exemptions From Current Tax Base: Table 1-B.....	A-71
Revenue Sources and Basis of Apportionment.....	A-73
State Funding Board, Range of Tax Revenue Estimates	A-105
State Funding Board Letter	A-107
Tennessee Education Lottery Scholarship Program Projections Letter.....	A-115

State Tax Revenues

Introduction

Recommended Budget, Fiscal Year 2015-2016

The revenues necessary to finance state government are collected from a variety of sources. The primary source of funding for state expenditures is appropriation from general revenues. General revenues are proceeds from taxes, licenses, fees, fines, forfeitures, and other imposts laid specifically by law.

The revenue estimating process generally starts twelve months before a fiscal year begins. Revenue collections are tracked on a monthly basis, and this information, along with specific long-run forecasts of individual sectors of the economy, is used to form the basis for the next fiscal year's estimated revenue collections.

Preliminary estimates are supplied to the Department of Finance and Administration in mid-summer by the Department of Revenue and the University of Tennessee Center for Business and Economic Research. Tax estimates are recalculated in October and November and refined in December and January for inclusion in the Governor's Budget Document.

Sales tax estimates are based on estimated retail sales activity, which is provided by the Center for Business and Economic Research. Corporate excise tax estimates are made as late as possible in the year to take advantage of the latest available corporate profit forecasts for the nation and the October state tax returns filed with the Department of Revenue, which provide information useful in projecting quarterly estimated corporate tax payments through the next year.

Estimates for selective excise taxes are commonly based on long-run consumption trends for the selectively-taxed items: cigarettes, gasoline, beer, and alcoholic beverages. Long-run trend analysis is also used as a basis for projecting corporate excise and franchise tax collections and Tennessee Valley Authority in lieu of tax payments.

Motor vehicle fuel (primarily diesel fuel)

and motor vehicle registration fees are estimated conservatively, given their sensitivity to business cycles (especially the truck-related components of both taxes).

The revenue estimating process in Tennessee incorporates the "Good Practices in Revenue Estimating" endorsed by the National Association of State Budget Officers and the Federation of Tax Administrators. This requires using national and state economic forecasts, developing an official revenue estimate, monitoring and monthly reporting on revenue collections, and revising estimates when appropriate.

Tennessee Code Annotated (TCA) 9-4-5104, 5105, 5106, and 5202 specify the manner in which tax revenue estimates are prepared and transmitted to the General Assembly in the Budget Document.

The Commissioner of Finance and Administration prepares revenue estimates based on advice from economists, his own staff, the Department of Revenue, and the State Funding Board. The State Funding Board, which is composed of the Governor, the Commissioner of Finance and Administration, the Comptroller, the State Treasurer, and the Secretary of State, is assisted in preparing its range of revenue growth estimates by economists from the state's universities, the executive director of the Fiscal Review Committee, and staff of the Department of Finance and Administration, Department of Revenue, and the Treasurer's Office. The State Funding Board prepares and recommends a range of revenue growth estimates using the information provided by the economists, the executive director of the Fiscal Review Committee, and staff.

The State Funding Board's review and recommendations concern only the taxes collected by the Department of Revenue. The growth estimates provide a basis for the tax revenue estimates that are used in preparing the budget. However, recommendation of revenue estimates in the budget is the responsibility of the Governor

and Commissioner of Finance and Administration.

The State Funding Board's most recent letter notifying the Governor and the chairmen of the Senate and House Finance, Ways and Means committees of its revenue growth estimates is included at the end of the State Revenues section in subsection entitled "State Funding Board, Range of Tax Revenue Estimates." This letter states the economic assumptions affecting the State Funding Board's recommendations. A more detailed economic overview is presented in the "Budget Overview" section of the Budget Document.

The tax revenue estimates recommended in the Budget Document are shown in a following subsection entitled "Comparison Statement of State Revenues." These taxes include not only the taxes collected by the Department of Revenue (the major taxes), but also those collected and deposited to the General Fund by some other line agencies in conjunction with carrying out their programs. In the revenue estimate charts, the latter are shown by collecting agency and are subtotaled as Other State Revenue.

Following the chart comparing taxes for the three fiscal years are three charts included to show collections by fund. The distribution of taxes among the funds on these charts is as provided by law as it existed last year for 2013-2014, actual revenue and as it exists currently for 2014-2015, and 2015-2016 estimates. The funds on the distribution charts, for the Budget Document presentation, are General Fund, Education (Trust) Fund, Highway (Transportation) Fund, Debt Service Fund, and Cities and Counties (Local Government) Fund. (For information about the inclusion of certain Special Revenue Fund taxes and fees in the General Fund estimates, see the "Budget Process" section).

Following the four tax revenue estimate charts is a chart detailing the revenues of regulatory boards, with the collections and

estimates listed by board. This is a supporting schedule to the "Comparison Statement of State Revenues" charts, on which single lines for regulatory board fees appear.

In addition to the general revenues detailed in this section, other revenues are collected by departments, institutions, and agencies and are appropriated directly to them. These are called departmental revenues. In the Budget Document, these departmental revenues are estimated by program and are shown as federal revenue, other revenue (or, sometimes, current services and other revenue), and tuition and fees. The term "other revenue" includes interdepartmental revenue, current services revenue, non-governmental revenue, and revenue from cities and counties. These various departmental revenues consist of earnings and charges for goods and services; student tuition and fees in the higher education system; and donations, contributions, and grants-in-aid from the federal government, political subdivisions, foundations, corporations, and individuals. In a few cases, the other departmental revenues also include reserves from revolving funds or from the unencumbered balance and capital outlay (major maintenance) reserves, in instances in which specific legal authority to carry such funds forward exists. The departmental revenues are reflected in each department's budget as operating revenue.

The next subsection titled "Tax Expenditures" presents two tax exemption charts labeled "Items Not in Sales Tax Base" and "Major Tax Exemptions", as required by law.

Subsequently, information presented in the subsection entitled "Revenue Sources and Basis of Apportionment" outlines the general tax revenues by collecting agency, along with TCA citations on the rate and source of the revenue and the basis of apportionment among funds and agencies, based on current law.

Comparison Statement of State Revenues

Estimated
July 1, 2013 – June 30, 2016

Comparison Statement of State Revenues
Actual and Estimated July 1, 2013 - June 30, 2016

SOURCE OF REVENUE

Department of Revenue	Actual 2013-2014	Estimated 2014-2015	Estimated 2015-2016	Percent Required
Sales and Use Tax	\$ 7,286,164,500	\$ 7,612,100,000	\$ 7,878,200,000	3.50%
Gasoline Tax	617,136,500	626,400,000	626,400,000	0.00%
Motor Fuel Tax	162,783,800	168,500,000	168,500,000	0.00%
Gasoline Inspection Tax	63,244,000	65,400,000	65,400,000	0.00%
Motor Vehicle Registration Tax	250,177,600	255,200,000	255,200,000	0.00%
Income Tax	239,316,300	251,300,000	269,100,000	7.08%
Privilege Tax	262,072,500	283,500,000	295,600,000	4.27%
Gross Receipts Tax - TVA	331,882,800	347,100,000	354,000,000	1.99%
Gross Receipts Tax - Other	27,212,100	28,600,000	29,600,000	3.50%
Beer Tax	17,067,000	17,500,000	17,400,000	-0.57%
Alcoholic Beverage Tax	54,857,000	57,100,000	59,500,000	4.20%
Franchise Tax	660,721,100	650,500,000	668,200,000	2.72%
Excise Tax	1,197,917,200	1,208,100,000	1,241,000,000	2.72%
Inheritance and Estate Tax	107,701,400	90,000,000	41,300,000	-54.11%
Tobacco Tax	260,260,000	258,000,000	247,400,000	-4.11%
Motor Vehicle Title Fees	11,416,500	11,600,000	11,900,000	2.59%
Mixed Drink Tax	77,147,800	81,000,000	88,700,000	9.51%
Business Tax	114,808,200	140,000,000	142,700,000	1.93%
Severance Tax	2,479,600	2,700,000	2,600,000	-3.70%
Coin-operated Amusement Tax	324,200	300,000	300,000	0.00%
Unauthorized Substance Tax	21,000	0	0	NA
Sub-Total Department of Revenue	\$ 11,744,711,100	\$ 12,154,900,000	\$ 12,463,000,000	2.53%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 800,331,100	\$ 806,000,000	\$ 810,100,000	0.51%
E-911 Emergency Communications	65,152,200	85,600,000	111,900,000	30.72%
Dept. of Financial Institutions	17,578,000	19,900,000	19,800,000	-0.50%
Wildlife Resources Agency	49,667,300	61,200,000	57,300,000	-6.37%
Dept. of Agriculture	10,336,300	10,600,000	10,600,000	0.00%
Regulatory Board Fees	38,799,900	42,700,000	41,200,000	-3.51%
Tennessee Regulatory Authority	5,313,300	6,300,000	6,300,000	0.00%
Secretary of State	38,295,300	35,000,000	35,000,000	0.00%
Dept. of Safety	36,349,800	36,300,000	36,300,000	0.00%
Dept. of Revenue	5,271,200	6,000,000	6,000,000	0.00%
State Treasurer	3,345,800	3,700,000	3,700,000	0.00%
Dept. of Education	1,443,300	1,700,000	1,700,000	0.00%
Dept. of Health	11,871,000	14,200,000	14,700,000	3.52%
Dept. of Environment and Conservation	66,960,000	75,300,000	74,800,000	-0.66%
Miscellaneous Revenue	106,244,500	68,600,000	69,700,000	1.60%
Nursing Home Tax	95,423,300	118,500,000	118,500,000	0.00%
Hospital Coverage Assessment	449,136,900	449,800,000	449,800,000	0.00%
Sub-Total Other State Revenue	\$ 1,801,519,200	\$ 1,841,400,000	\$ 1,867,400,000	1.41%
Total State Revenue	\$ 13,546,230,300	\$ 13,996,300,000	\$ 14,330,400,000	2.39%

**Distribution of Actual Revenue by Fund
Fiscal Year 2013-2014**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 7,286,164,500	\$2,675,322,500	\$4,191,034,100	\$ 53,797,600	\$ 51,633,800	\$ 314,376,500
Gasoline Tax	617,136,500	9,535,300	0	262,019,300	110,000,000	235,581,900
Motor Fuel Tax	162,783,800	3,085,900	0	116,963,400	0	42,734,500
Gasoline Inspection Tax	63,244,000	18,394,000	0	32,833,000	0	12,017,000
Motor Vehicle Registration Tax	250,177,600	43,730,500	72,100	206,375,000	0	0
Income Tax	239,316,300	156,130,100	0	0	0	83,186,200
Privilege Tax	262,072,500	258,708,200	132,900	0	0	3,231,400
Gross Receipts Tax - TVA	331,882,800	184,810,800	0	0	0	147,072,000
Gross Receipts Tax - Other	27,212,100	23,329,800	0	3,882,300	0	0
Beer Tax	17,067,000	11,474,900	0	2,150,900	0	3,441,200
Alcoholic Beverage Tax	54,857,000	45,320,900	0	0	0	9,536,100
Franchise Tax	660,721,100	642,721,100	0	0	18,000,000	0
Excise Tax	1,197,917,200	949,158,400	0	0	229,866,200	18,892,600
Inheritance and Estate Tax	107,701,400	107,701,400	0	0	0	0
Tobacco Tax	260,260,000	29,682,700	230,577,300	0	0	0
Motor Vehicle Title Fees	11,416,500	8,716,500	0	0	2,700,000	0
Mixed Drink Tax	77,147,800	0	38,573,900	0	0	38,573,900
Business Tax	114,808,200	114,808,200	0	0	0	0
Severance Tax	2,479,600	1,043,200	0	0	0	1,436,400
Coin-operated Amusement Tax	324,200	324,200	0	0	0	0
Unauthorized Substance Tax	21,000	21,000	0	0	0	0
Sub-Total Department of Revenue	\$ 11,744,711,100	\$5,284,019,600	\$4,460,390,300	\$ 678,021,500	\$ 412,200,000	\$ 910,079,700
Other State Revenue						
Dept. of Commerce and Insurance	\$ 800,331,100	\$ 800,331,100	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	65,152,200	65,152,200	0	0	0	0
Dept. of Financial Institutions	17,578,000	17,578,000	0	0	0	0
Wildlife Resources Agency	49,667,300	49,667,300	0	0	0	0
Dept. of Agriculture	10,336,300	10,336,300	0	0	0	0
Regulatory Board Fees	38,799,900	38,799,900	0	0	0	0
Tennessee Regulatory Authority	5,313,300	5,313,300	0	0	0	0
Secretary of State	38,295,300	38,295,300	0	0	0	0
Dept. of Safety	36,349,800	36,349,800	0	0	0	0
Dept. of Revenue	5,271,200	5,271,200	0	0	0	0
State Treasurer	3,345,800	3,345,800	0	0	0	0
Dept. of Education	1,443,300	0	1,443,300	0	0	0
Dept. of Health	11,871,000	11,871,000	0	0	0	0
Dept. of Environment and Conservation	66,960,000	66,960,000	0	0	0	0
Miscellaneous Revenue	106,244,500	106,244,500	0	0	0	0
Nursing Home Tax	95,423,300	95,423,300	0	0	0	0
Hospital Coverage Assessment	449,136,900	449,136,900	0	0	0	0
Sub-Total Other State Revenue	\$ 1,801,519,200	\$1,800,075,900	\$ 1,443,300	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 13,546,230,300	\$7,084,095,500	\$4,461,833,600	\$ 678,021,500	\$ 412,200,000	\$ 910,079,700

* Sales and Use Tax - Amount apportioned above from general fund share into cities and counties state shared taxes:

County Revenue Partnership Fund	\$ 0	\$ (1,000,000)	\$ 1,000,000
---------------------------------	------	----------------	--------------

**Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2014-2015**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 7,612,100,000	\$2,797,200,000	\$4,378,500,000	\$ 53,800,000	\$ 54,000,000	\$ 328,600,000
Gasoline Tax	626,400,000	9,700,000	0	289,000,000	88,700,000	239,000,000
Motor Fuel Tax	168,500,000	3,200,000	0	121,100,000	0	44,200,000
Gasoline Inspection Tax	65,400,000	19,200,000	0	34,200,000	0	12,000,000
Motor Vehicle Registration Tax	255,200,000	44,900,000	100,000	210,200,000	0	0
Income Tax	251,300,000	163,900,000	0	0	0	87,400,000
Privilege Tax	283,500,000	281,300,000	200,000	0	0	2,000,000
Gross Receipts Tax - TVA	347,100,000	194,000,000	0	0	0	153,100,000
Gross Receipts Tax - Other	28,600,000	24,500,000	0	4,100,000	0	0
Beer Tax	17,500,000	11,800,000	0	2,200,000	0	3,500,000
Alcoholic Beverage Tax	57,100,000	47,200,000	0	0	0	9,900,000
Franchise Tax	650,500,000	632,500,000	0	0	18,000,000	0
Excise Tax	1,208,100,000	975,400,000	0	0	210,700,000	22,000,000
Inheritance and Estate Tax	90,000,000	90,000,000	0	0	0	0
Tobacco Tax	258,000,000	29,600,000	228,400,000	0	0	0
Motor Vehicle Title Fees	11,600,000	8,900,000	0	0	2,700,000	0
Mixed Drink Tax	81,000,000	0	40,500,000	0	0	40,500,000
Business Tax	140,000,000	140,000,000	0	0	0	0
Severance Tax	2,700,000	1,100,000	0	0	0	1,600,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 12,154,900,000	\$5,474,700,000	\$4,647,700,000	\$ 714,600,000	\$ 374,100,000	\$ 943,800,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 806,000,000	\$ 806,000,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	85,600,000	85,600,000	0	0	0	0
Dept. of Financial Institutions	19,900,000	19,900,000	0	0	0	0
Wildlife Resources Agency	61,200,000	61,200,000	0	0	0	0
Dept. of Agriculture	10,600,000	10,600,000	0	0	0	0
Regulatory Board Fees	42,700,000	42,700,000	0	0	0	0
Tennessee Regulatory Authority	6,300,000	6,300,000	0	0	0	0
Secretary of State	35,000,000	35,000,000	0	0	0	0
Dept. of Safety	36,300,000	36,300,000	0	0	0	0
Dept. of Revenue	6,000,000	6,000,000	0	0	0	0
State Treasurer	3,700,000	3,700,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	14,200,000	14,200,000	0	0	0	0
Dept. of Environment and Conservation	75,300,000	75,300,000	0	0	0	0
Miscellaneous Revenue	68,600,000	68,600,000	0	0	0	0
Nursing Home Tax	118,500,000	118,500,000	0	0	0	0
Hospital Coverage Assessment	449,800,000	449,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,841,400,000	\$1,839,700,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 13,996,300,000	\$7,314,400,000	\$4,649,400,000	\$ 714,600,000	\$ 374,100,000	\$ 943,800,000

* Sales and Use Tax - Amount apportioned above from general fund share into cities and counties state shared taxes:

County Revenue Partnership Fund	\$ 0	\$ (1,000,000)	\$ 1,000,000
---------------------------------	------	----------------	--------------

**Distribution of Estimated Revenue by Fund
Fiscal Year 2015-2016**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 7,878,200,000	\$2,897,000,000	\$4,531,500,000	\$ 53,800,000	\$ 55,900,000	\$ 340,000,000
Gasoline Tax	626,400,000	9,700,000	0	288,900,000	88,800,000	239,000,000
Motor Fuel Tax	168,500,000	3,200,000	0	121,100,000	0	44,200,000
Gasoline Inspection Tax	65,400,000	19,200,000	0	34,200,000	0	12,000,000
Motor Vehicle Registration Tax	255,200,000	44,900,000	100,000	210,200,000	0	0
Income Tax	269,100,000	175,600,000	0	0	0	93,500,000
Privilege Tax	295,600,000	293,400,000	200,000	0	0	2,000,000
Gross Receipts Tax - TVA	354,000,000	197,400,000	0	0	0	156,600,000
Gross Receipts Tax - Other	29,600,000	25,400,000	0	4,200,000	0	0
Beer Tax	17,400,000	11,700,000	0	2,200,000	0	3,500,000
Alcoholic Beverage Tax	59,500,000	49,200,000	0	0	0	10,300,000
Franchise Tax	668,200,000	650,200,000	0	0	18,000,000	0
Excise Tax	1,241,000,000	975,400,000	0	0	243,600,000	22,000,000
Inheritance and Estate Tax	41,300,000	41,300,000	0	0	0	0
Tobacco Tax	247,400,000	29,200,000	218,200,000	0	0	0
Motor Vehicle Title Fees	11,900,000	9,200,000	0	0	2,700,000	0
Mixed Drink Tax	88,700,000	(100,000)	44,400,000	0	0	44,400,000
Business Tax	142,700,000	142,700,000	0	0	0	0
Severance Tax	2,600,000	1,100,000	0	0	0	1,500,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 12,463,000,000	\$5,576,000,000	\$4,794,400,000	\$ 714,600,000	\$ 409,000,000	\$ 969,000,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 810,100,000	\$ 810,100,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	111,900,000	111,900,000	0	0	0	0
Dept. of Financial Institutions	19,800,000	19,800,000	0	0	0	0
Wildlife Resources Agency	57,300,000	57,300,000	0	0	0	0
Dept. of Agriculture	10,600,000	10,600,000	0	0	0	0
Regulatory Board Fees	41,200,000	41,200,000	0	0	0	0
Tennessee Regulatory Authority	6,300,000	6,300,000	0	0	0	0
Secretary of State	35,000,000	35,000,000	0	0	0	0
Dept. of Safety	36,300,000	36,300,000	0	0	0	0
Dept. of Revenue	6,000,000	6,000,000	0	0	0	0
State Treasurer	3,700,000	3,700,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	14,700,000	14,700,000	0	0	0	0
Dept. of Environment and Conservation	74,800,000	74,800,000	0	0	0	0
Miscellaneous Revenue	69,700,000	69,700,000	0	0	0	0
Nursing Home Tax	118,500,000	118,500,000	0	0	0	0
Hospital Coverage Assessment	449,800,000	449,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,867,400,000	\$1,865,700,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 14,330,400,000	\$7,441,700,000	\$4,796,100,000	\$ 714,600,000	\$ 409,000,000	\$ 969,000,000

* Sales and Use Tax - Amount apportioned from general fund share into cities and counties state shared taxes:

County Revenue Partnership Fund	\$ 0	\$ (1,000,000)	\$ 1,000,000
---------------------------------	------	----------------	--------------

Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2013 - June 30, 2016
To Support Statement of State Revenues

SOURCE OF REVENUE	Actual 2013-2014	Estimated 2014-2015	Estimated 2015-2016
State Board of Accountancy	\$ 1,047,200	\$ 1,394,700	\$ 1,375,000
State Board of Examiners for Architects and Engineers	1,353,400	1,655,000	1,656,000
Tennessee Auctioneer Commission	233,300	339,000	333,000
Board of Barber Examiners	368,400	469,000	451,000
Tennessee Collection Service Board	287,500	398,000	335,000
Licensing Contractors, Home Improvement and Interior Designers	2,274,100	3,163,300	2,929,800
State Board of Cosmetology	1,562,700	2,027,000	2,036,000
Board of Funeral Directors and Embalmers	889,500	502,000	958,000
Board of Examiners for Land Surveyors	340,000	39,000	358,000
Board of Alarm Contractors	752,200	773,200	766,000
Private Investigators Licensing and Regulation	182,500	207,300	205,000
Private Protective Services Licensing and Regulation	1,070,700	1,709,100	1,654,400
Board of Polygraph Examiners	3,700	0	4,800
Real Estate Appraiser Commission	781,000	815,000	945,000
Registration of Geologists	104,300	143,000	143,000
Tennessee Real Estate Commission	2,007,700	2,508,000	2,520,700
Tennessee Motor Vehicle Commission	1,560,500	2,672,000	2,075,000
Race Track Licensing	2,300	3,000	3,000
Locksmith Licensing Board	58,400	78,000	107,000
Private Probation Registration	127,000	169,000	166,000
Home Inspectors License	75,200	65,000	89,000
Scrap Metal Dealers Registration	75,300	163,000	110,000
Soil Scientist Licensing	3,500	26,000	9,000
Sub-Total: Commerce and Insurance	\$ 15,160,400	\$ 19,318,600	\$ 19,229,700
Board of Chiropractic Examiners	\$ 209,900	\$ 206,200	\$ 190,800
Board of Dentistry	1,166,000	1,008,500	947,800
Board of Dietitian / Nutritionist Examiners	83,900	62,100	56,800
Board of Dispensing Opticians	130,500	66,000	61,400
State Board of Electrolysis Examiners	16,700	10,800	10,000
Council for Licensing Hearing Instrument Specialists	85,800	37,000	34,200
Board of Social Worker Certification and Licensure	403,700	286,800	263,600
Board of Medical Examiners	3,074,700	4,211,500	3,906,400
Tennessee Medical Laboratory Board	677,000	659,300	604,600
Board of Nursing and Certified Medication Aide Licensure	6,631,100	6,385,000	5,854,100
Board of Examiners for Nursing Home Administrators	106,200	83,300	76,500
Board of Occupational and Physical Therapy Examiners	571,400	465,400	428,400
Massage Licensure Board	718,600	590,000	544,100
State Board of Athletic Trainers	83,800	82,900	76,200
Board of Respiratory Care	322,800	217,000	199,600
State Board of Optometry	211,800	128,900	118,900
Board of Osteopathic Examination	236,300	164,200	149,300
Board of Pharmacy	2,475,400	2,704,000	2,532,800
Board of Registration for Podiatry	101,200	93,800	87,500
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	252,100	169,200	156,500
Board of Examiners in Psychology	294,900	201,600	186,300
Board for Communication Disorders and Sciences	147,400	116,600	107,200
Committee on Physician Assistants	226,800	170,800	157,000
Board of Veterinary Medical Examiners	616,400	659,900	610,300
Alcohol and Drug Abuse Counselors	65,900	70,000	65,100
Board of Midwifery	24,100	9,200	8,600
Board of Acupuncture	35,200	12,900	12,000
Board of Clinical Perfusionists	26,800	10,000	9,200
Reflexologist License	17,100	8,900	8,200
Polysomnographic Professional Standards Board	20,600	38,700	36,200
Pain Management Clinic Certificate	104,500	67,200	132,500
Sub-Total: Health	\$ 19,138,600	\$ 18,997,700	\$ 17,632,100
State Regulatory Fee	\$ 2,788,900	\$ 2,500,000	\$ 2,500,000
State Board of Law Examiners	858,500	753,900	753,900
Health Services Development Agency	853,500	1,101,200	1,101,200
Adjustment	0	28,600	(16,900)
Total Regulatory Boards	\$ 38,799,900	\$ 42,700,000	\$ 41,200,000

Tax Expenditures

Recommended Budget, Fiscal Year 2015-2016

Tennessee Code Annotated 9-4-5106(a)(1)(B) requires the Budget Document to include a schedule of exemptions from state taxes. This section is intended to fulfill that statutory obligation.

Under the law, the budget document is required to identify all exemptions from state taxes, to the extent that it is practicable, and estimate the amount of revenue that would have been collected by the state in the ensuing fiscal year, if the exemptions were not to exist. No format or reporting period is specified.

Tax Exemptions

It is not possible to estimate the amount of revenue lost for each of the tax exemptions found in the Tennessee code. For example, since 1947, the list of non-profit institutions that are exempt from the sales tax has grown dramatically. Such institutions are allowed to buy tangible goods and certain services tax free. Retailers and sellers require proof of exemption and keep records of exempt sales; but tax returns filed with the Department of Revenue do not show detailed statistics on exempt sales by type of exempt entity. Such data is only available in the records of the thousands of individual retailers and vendors

who sell directly to the public. Therefore, the tax exemptions listed in the present report consist only of those that can be estimated with a reasonable degree of accuracy.

The fiscal impact of Tennessee's major tax exemptions is presented in tabular form in Tables 1-A and 1-B. Estimates of revenue loss are provided for FY 2015-2016. Table 1-A presents revenue foregone on services not currently taxed. These services represent activities that were not included in the original tax base. Table 1-B presents revenue foregone due to specific exemptions in the existing sales tax law. For each item in this table, the exemption is briefly described and the specific authorization of the Tennessee code is cited.

It is difficult to estimate the true cost of tax exemptions for two reasons. First, each exemption is considered separately, without regard to how it overlaps with other provisions of the tax code. Summing tax exemptions may result in double-counting in cases where exemptions overlap. Second, the estimates of revenue loss provided in the tables do not generally take into account the impact of a change in a particular tax provision on taxpayer behavior that impacts other taxes (the estimates do not reflect secondary or feedback effects).

Items Not in Sales Tax Base
Currently Untaxed Services: Table 1-A

Service/Product Area Exempted	FY 2015-2016 Estimated Loss	
	State	Local *
Administrative and Support Services	\$ 407,000,000	\$ 145,300,000
Collection Agencies and Credit Bureaus	36,700,000	13,100,000
Employment Services	211,700,000	75,600,000
Investigation and Security Services	62,400,000	22,300,000
Mail, Document Reproduction, and Call Centers	22,200,000	7,900,000
Services to Buildings and Dwellings	74,000,000	26,400,000
Construction Services	\$ 779,100,000	\$ 278,300,000
Construction of Buildings	249,100,000	89,000,000
Heavy and Civil Engineering Construction	69,600,000	24,900,000
Specialty Trade Contractors	460,400,000	164,400,000
Educational Services	\$ 34,500,000	\$ 12,300,000
Educational Services (for-profit)	30,000,000	10,700,000
Educational Services (nonprofit)	4,500,000	1,600,000
Finance, Insurance, and Real Estate	\$ 267,800,000	\$ 95,700,000
Investment Banking, Securities Brokerage, and Related	107,700,000	38,500,000
Insurance Agents and Related	11,500,000	4,100,000
Real Estate Agents and Brokers	148,600,000	53,100,000
Health Care and Social Services (For-profit)	\$ 930,800,000	\$ 332,500,000
Physicians and Dentists	506,300,000	180,800,000
Other Health Practitioners	62,300,000	22,300,000
Hospitals	123,200,000	44,000,000
Nursing and Residential Care Facilities	111,000,000	39,700,000
Outpatient Care Centers	38,500,000	13,700,000
Medical and Diagnostic Laboratories	35,300,000	12,600,000
Other Selected Health Services	17,900,000	6,400,000
Social and Community Services	36,300,000	13,000,000
Health Care and Social Services (Nonprofit)	\$ 534,400,000	\$ 190,800,000
Hospitals	443,300,000	158,300,000
Nursing and Residential Care Facilities	32,300,000	11,500,000
Outpatient Care Centers	23,200,000	8,300,000
Other Selected Health Services	7,600,000	2,700,000
Social and Community Services	28,000,000	10,000,000
Information Services	\$ 62,400,000	\$ 22,300,000
Data Processing Services	32,600,000	11,600,000
Movie Production and Sound Recording Studios	11,500,000	4,100,000
Cable TV Subscriptions (exempt amount)	11,300,000	4,100,000
Newspaper Subscriptions and Sales	7,000,000	2,500,000
Media Advertising Sales	\$ 121,500,000	\$ 43,400,000
Newspaper Advertising	28,300,000	10,100,000
Radio Advertising	30,500,000	10,900,000
Television Advertising (Broadcast and Cable)	62,700,000	22,400,000
Personal Services	\$ 113,500,000	\$ 40,500,000
Coin-operated Laundry	2,200,000	800,000
Death Care Services	15,500,000	5,500,000
Diet and Weight Loss	1,800,000	600,000
Hair, Nail, and Skin Care Services	46,200,000	16,500,000
Non-Profit Amusement and Membership Organizations	47,800,000	17,100,000
Professional and Technical Services	\$ 741,900,000	\$ 264,900,000
Accounting, Tax Return Preparation, and Payroll	104,700,000	37,400,000
Advertising and Public Relations	43,200,000	15,400,000
Architectural Services	31,200,000	11,100,000
Engineering Services	115,000,000	41,100,000
All other Architectural, Engineering, and Related	22,400,000	8,000,000
Specialized Design Services	17,200,000	6,100,000
Computer Systems Design and Related Services	58,900,000	21,000,000
Legal Services (for-profit and nonprofit)	183,700,000	65,600,000
Management, Scientific, and Technical Consulting	136,000,000	48,600,000
Scientific Research and Development (for-profit and nonprofit)	29,600,000	10,600,000
Transportation Services (Local Trucking only)	\$ 64,400,000	\$ 23,000,000
Truck Transportation (Local)	64,400,000	23,000,000
Total Revenue Loss	\$ 4,057,300,000	\$ 1,449,000,000

* Local revenue loss calculated based on an average local sales tax rate of 2.50%.

Source: Tennessee Department of Revenue

**Major Tax Exemptions
From Current Tax Base: Table 1-B**

Tennessee Code Annotated	Tax Source and Description of the Exemption	FY 2015-2016 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 3,105,800,000	\$ 978,400,000
67-6-329(a)(1)	Gasoline	705,200,000	241,800,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	240,900,000	82,600,000
67-6-217	Aviation fuel (reduced rate)	45,400,000	43,600,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	19,900,000	7,100,000
67-6-314, 320	Prescription drugs, insulin, and related	434,200,000	155,100,000
67-6-319	Prescription drug samples	26,800,000	9,600,000
67-6-334	Energy fuels sold for residential use	367,500,000	131,300,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	173,400,000	61,900,000
67-6-206(b)(2-8)	Energy and water sales to manufacturers for direct processing (exempt)	53,900,000	19,300,000
67-6-102(44), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	234,100,000	50,200,000
67-6-228(a)	Food sales (reduced rate)	223,500,000	5,100,000
67-6-329(a)(13)	Packaging sold for resale or use	121,200,000	41,500,000
67-6-329(a)(3), (18)	School books and lunches	12,700,000	4,500,000
67-6-330(a)(4-5)	Membership dues of civic organizations and business associations	15,900,000	5,700,000
67-6-316	Prescription eyewear and optical goods	17,900,000	6,400,000
67-6-103(f), 226, 714	Cable television (exempt portion)	11,300,000	4,100,000
67-6-329(a)(10)	Newspaper periodical sales	7,000,000	2,500,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	7,700,000	500,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	3,400,000	-
67-6-336	Used factory-manufactured structures	900,000	-
67-6-219, 702(e)	Sales to common carriers (reduced rate)	8,600,000	3,400,000
67-6-330(a)(16)	Physical fitness facility fees	13,300,000	4,800,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	5,700,000	1,300,000
67-6-309(a)	Film and transcription rentals	4,700,000	1,700,000
67-6-102(44)(H)(i)	Certain warehouse equipment	5,100,000	900,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	8,500,000	3,000,000
67-6-329(a)(6)	Magazines and books--printers' nexus	2,600,000	900,000
	All other remaining exemptions	334,500,000	89,600,000
	Corporate Franchise and Excise Tax	\$ 127,700,000	\$ -
67-4-2109	Jobs credit (Franchise and Excise)	48,000,000	NA
67-4-2108	Cap on value of inventories (Franchise)	24,100,000	NA
67-4-2009	Industrial machinery credit (Franchise and Excise)	55,600,000	NA
	Motor Vehicle Registration Fees	\$ 4,500,000	\$ -
55-4-223	Government vehicles	1,700,000	NA
55-4-228(d)(1)(a)	Enlisted members of the Tennessee National Guard	100,000	NA
55-4-235,236,237	Former POWS, Medal of Honor recipients, and disabled Veterans	600,000	NA
55-4-113(6)	Special zone tags - Class 1	400,000	NA
55-4-113(6), 124	Special zone tags - Class 2	1,500,000	NA
55-21-103(a)(1)	Disabled driver plate fee	100,000	NA
55-21-103(b)(2)	Disabled driver placard fees	100,000	NA
	Gross Receipts Taxes	\$ 272,400,000	\$ -
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	264,400,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and excise tax credit	4,400,000	NA
67-4-405(e)	Gas, Water, and Electric Companies - \$5,000 exemption	100,000	NA
67-4-402	Bottlers - Franchise and excise tax credit	3,500,000	NA
	Miscellaneous Taxes	\$ 323,400,000	\$ 9,400,000
67-8-316(b)	Standard Exemption on the inheritance tax	273,400,000	NA
67-8-315(a)(6)	Marital Deduction on the inheritance tax	34,000,000	NA
67-2-104(a)	Standard Exemption on the income tax	15,700,000	9,400,000
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	300,000	NA
	Total Revenue Loss	\$ 3,833,800,000	\$ 987,800,000

Source: Tennessee Department of Revenue

Revenue Sources and Basis of Apportionment

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Revenue

SALES AND

USE TAX.....7.0% is the general rate that applies to the gross proceeds derived from the retail sale or use of tangible personal property and specific services. A one-half of one percent portion of the gross tax is earmarked solely for the Education Fund and the remaining 6.5% portion is distributed to various funds (TCA 67-6-201 through 67-6-205, 67-6-212, 67-6-213, and 67-6-220). The sales tax rate for the retail sale of food and food ingredients for human consumption is 5.0% (TCA 67-6-228(a)). Also, rates varying from 1% to 8.25% apply to other items and services including the following: 1.5% for energy fuels used by manufacturers and nurserymen; and 1% for water used by manufacturers (TCA 67-6-206(b)(1) and 67-6-218); 3.5% for manufactured homes (TCA 67-6-216); 4.5% for aviation fuel (TCA 67-6-217); 3.75% for common carriers (TCA 67-6-219); 7.5% for interstate telecommunication services sold to businesses (TCA 67-6-221); 8.25% for video programming services (between \$15 and \$27.50) and satellite TV services (TCA 67-6-226 and 67-6-227). An additional tax of 2.75% is imposed on the amount for single article sales of personal property in excess of \$1,600, but less than or equal to \$3,200 (TCA 67-6-202(a)).

General Fund.....100% of the 1.0% increase in the general rate enacted in 2002 and 100% of the additional tax imposed on single article sales. 29.0141% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less amounts paid to premier resorts (TCA 67-6-103(b)) and less an amount allocated to the County Revenue Partnership Fund in the general appropriations act (TCA 67-6-103(k)). Also, amounts from video programming services in excess of \$15, but less than \$27.50 (TCA 67-6-103(f) and 67-6-226), and from interstate telecommunication services sold to businesses (TCA 67-6-221(b)). In addition, amounts from the tax on interstate telecommunication services sold to businesses are earmarked to the

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

		Telecommunication Ad Valorem Tax Reduction Fund (TCA 67-6-103(a) and 67-6-221(b)).
Administration.....	0.3674%	of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund (TCA 67-6-103).
Education Fund	65.0970%	of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, and 100% of one-half of one percent of the gross tax (TCA 67-6-103 and 49-3-357). Also, amounts from interstate telecommunication services sold to businesses (TCA 67-6-221(b)).
Highway Fund.....		An amount equivalent to tax collections from air and barge fuel sales is earmarked for the Transportation Equity Trust Fund (TCA 67-6-103(b)).
Debt Service Fund.....	0.9185%	of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, or whatever amount is necessary to meet debt service requirements (TCA 67-6-103 and 9-9-106, and Section 1 of the general appropriations bill).
Municipalities.....	4.6030%	of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less the Municipal Technical Advisory Service (MTAS) grant (0.95% of the amount from the preceding calculation during FY 1998-99 and 1.0% thereafter) to the University of Tennessee. Premier resorts receive a portion of the tax collected by dealers within their boundaries. The collective amount distributed to premier resorts is limited to the amount distributed in the 1999-2000 fiscal year (TCA 67-6-103). A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties, and distributed based on population (TCA 67-6-221 (b)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

<p>Counties.....</p>	<p>A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties, and distributed based on population (TCA 67-6-221(b)). In addition, a share of General Fund sales tax revenue is allocated in the general appropriations act to the County Revenue Partnership Fund. Revenues in the fund are distributed monthly based on population (TCA 67-6-103(k)).</p>
<p>GASOLINE TAX.....\$0.20 on each gallon of gasoline sold, stored, or distributed in the state (TCA 67-3-201 and 60-4-102).</p>	
<p>General Fund.....</p>	<p>Approximately 1.6% (TCA 67-3-901).</p>
<p>Highway Fund.....</p>	<p>Approximately 60.3%, less an amount to the Debt Service Fund (TCA 67-3-901).</p>
<p>Debt Service Fund</p>	<p>Amount required from Highway Fund apportionment (TCA 9-9-103 and 67-3-901).</p>
<p>Cities</p>	<p>Approximately 12.7% based on population (TCA 54-4-203 and 67-3-901).</p>
<p>Counties.....</p>	<p>Approximately 25.4% based $\frac{1}{4}$ on population, $\frac{1}{4}$ on area, and $\frac{1}{2}$ divided equally (TCA 54-4-103 and 67-3-901).</p>
<p>MOTOR FUEL TAX\$0.17 on each gallon of diesel fuel and all fuel other than gasoline, except dyed fuel under IRS rules for motor vehicles, trains, and aircraft (TCA 67-3-202 and 67-3-1404); a prepaid annual agricultural diesel tax ranging from \$56 to \$159, based on registered gross weight (TCA 67-3-1309); \$0.13 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-3-1113); \$0.14 on each gallon of liquefied gas used for motor vehicles on public highways (TCA 67-3-1102); and an annual vehicle tax on liquefied gas users ranging from \$70 to \$114, based on registered gross vehicle weight (TCA 67-3-1106).</p>	
<p>General Fund.....</p>	<p>Approximately 2.0% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).</p>

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway Fund.....	Approximately 71.8%, less an amount to the Debt Service Fund, and less 2% to the General Fund (TCA 67-3-905, 67-3-908, and 67-3-901 (k)).
Debt Service Fund.....	Amount required from Highway Fund apportionment (TCA 9-9-105, 9-9-106, 67-3-905, and 67-3-908).
Cities	Approximately 8.7% based on population (TCA 54-4-203, 67-3-905, and 67-3-908).
Counties.....	Approximately 17.5% based $\frac{1}{4}$ on population, $\frac{1}{4}$ on area, and $\frac{1}{2}$ divided equally (TCA 54-4-103, 67-3-905, and 67-3-908).

**GASOLINE
INSPECTION TAX
(SPECIAL
PETROLEUM
PRODUCTS AND
EXPORT TAX)**

.....\$0.01 for each gallon of gasoline and most other volatile fuels sold, used, or stored (TCA 67-3-203); an additional \$0.004 per gallon for the environmental assurance fee (TCA 67-3-204 and 68-215-110); and an export fee of 1/20 of one cent on fuels subject to the special petroleum products tax (TCA 67-3-205).

General Fund.....	2% of the balance remaining after the local government apportionment of the \$0.01 per gallon tax and the export fee (TCA 67-3-906). The environmental assurance fee is earmarked for the Petroleum Underground Storage Tank Fund (TCA 68-215-110).
Highway Fund	98% of the balance remaining after the local government apportionment of the \$0.01 per gallon tax and the export fee (TCA 67-3-906).
Debt Service Fund.....	Amount required from General Fund and Highway Fund apportionments (TCA 9-9-103).
Cities and Counties.....	\$12,017,000 allocated to a local government fund. From the fund, \$381,583 is distributed monthly to counties based on population earmarked for county roads; and \$619,833 is distributed monthly to cities based on population earmarked for city roads.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

From the city share, \$10,000 per month is allocated to the University of Tennessee Center for Government Training (TCA 67-3-906).

MOTOR VEHICLE

REGISTRATION.....Fees received from registration and licensing of motor vehicles. Rates are based on classification of vehicles (TCA 55-4-103 and 55-4-111 through 55-4-113, 55-4-115, 55-4-132, and Title 55, Chapter 4, Part 2).

General Fund.....100% of the revenues from the 2002 increase in commercial vehicle registration fees. 2% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate to the General Fund (TCA 55-4-103), of which \$1 from non-freight registration is earmarked for police pay supplement (TCA 55-4-111); and after an additional \$2 per motorcycle plate to the General Fund, earmarked for the motorcycle rider safety fund (TCA 55-51-104); except for special license plates, for which all revenue above the expense incurred in designing, manufacturing and marketing such plates is allocated in the following manner: personalized plates – 100% to the Arts Commission (TCA 55-4-214); personalized trailer plates – 100% to the Trailer License Plate Fund (TCA 55-4-214); specialty earmarked plates – 50% to the nonprofit organization, state agency or fund earmarked and 40% to the Arts Commission (55-4-215); cultural plates – 80% to the Arts Commission (55-4-216). A \$1 registration and renewal fee is earmarked to the Department of Revenue for funding the acquisition, updating, and operation of a computerized titling and registration system (TCA 55-4-132). All penalties and fines, except only 20% of overweight-truck fines, earmarked for administration (TCA 55-6-107); less an amount required for debt service (TCA 55-6-107 and 9-9-103). Also, an amount is allocated from the Highway Fund for motor vehicle registration plates in the annual appropriations bill (TCA 55-6-107(a)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway Fund.....	After allocation of 100% of the revenues from the 2002 commercial vehicle registration fee increase to the General Fund, 98% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate, an additional \$2 per motorcycle plate, and an amount sufficient to fund the cost of issuing motor vehicle registration plates to the General Fund; 10% of the revenue from specialty earmarked plates (TCA 55-4-215) and 20% of the revenue from cultural plates (TCA 55-4-216); and 80% of overweight-truck fines (TCA 55-6-107), and less an allocation to the General Fund for motor vehicle registration plates (TCA 55-6-107(a)).
Debt Service Fund	Amount required from General Fund and Highway Fund apportionment (TCA 55-6-107 and 9-9-103).
INCOME TAX	6% on incomes from dividends on stocks or interest on certain bonds (TCA 67-2-102).
General Fund.....	5/8 of revenue and an administrative expense of 10% of the first \$200,000 and 5% of the remainder of the tax (TCA 67-2-117 through 67-2-119).
Cities and Counties.....	3/8 of revenue to the local governments by situs, less the General Fund administrative apportionment (TCA 67-2-117 and 67-2-119).
PRIVILEGE TAX	Various taxes on litigation in the courts, domestic protection civil penalties (\$50), sex offender tax (maximum \$3,000), drug treatment offenders (\$75), realty transfer tax (37 cents per \$100 of consideration or property value), mortgage recordation tax (11.5 cents per \$100 of principal indebtedness), tire tax (\$1.35 per tire sold), occupational tax (\$400 on certain occupations), \$2,500 tax per player per regular season game in the state (\$7,500 per year cap on certain professional sports team players) on all National Basketball Association (NBA) players on a team roster for more than 15 days, \$15 marriage license fee (plus a \$62.50 marriage license fee for couples not completing a premarital preparation course), a

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

packaged automotive oil fee (\$0.02 per quart), a 3% surcharge tax on certain rental motor vehicles, a \$250 per conviction blood alcohol testing fee, a \$250 fee per conviction, or granting of pretrial diversion, for violation of any drug law, a \$40 ignition interlock fee upon conviction of driving under the influence of alcohol or drugs, a \$13.75 fee upon forfeiture of a cash bond or other surety entered as a result of a municipal traffic citation, a \$12 fee per bail bond, a maximum fine of \$200 for persons convicted of either assault, aggravated assault, or domestic assault, a maximum fine of \$5,000 for assault, \$15,000 for aggravated assault on a law enforcement officer or other first responder. The tire tax, automotive oil fee, and a portion of the litigation taxes are reported under the "Other State Revenue" section of the revenue statement (TCA 16-15-5007, 16-22-109, 36-3-610, 36-6-413, 38-6-103, 39-13-101, 39-13-102, 39-13-111, 39-13-709, 39-17-420, 16-22-109, 55-10-403, 55-10-419, 67-4-409, 67-4-411, 67-4-602, 40-24-107, 67-4-1603, 67-4-1701 through 67-4-1703, 67-4-1901, 68-211-1006, 67-4-803, and 67-4-804).

General Fund.....100% less certain litigation taxes earmarked for various retirement funds. Portions of litigation taxes are earmarked for the Corrections Institute, driver education and highway safety, criminal injuries compensation, victims of crime assistance, State Court Clerks Conference, General Sessions Judges Conference, staffing expenses of the state administrative director of the courts, indigent defense attorneys' compensation, civil legal representation of indigents, drug court treatment programs, electronic fingerprint imaging systems for local law enforcement agencies, and the Statewide Automated Victim Information and Notification System Fund. The state's 95% share of the sex offender tax is earmarked for treatment programs. Civil penalties from violation of domestic protection orders are earmarked for domestic violence community education. A portion of the realty transfer tax is

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

designated for the 1986 Wetland Acquisition Fund, Local Parks Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation Fund (TCA 16-15-5007, 36-3-610(b) and (c), 36-3-616, 39-13-709, 40-24-107, 67-4-409, 67-4-602, 67-4-606, 67-4-1701, and 67-4-1905). In addition, portions of the proceeds of the sale of various contraband items seized under alcoholic beverage laws are reported under the privilege tax and earmarked for criminal injuries compensation. These proceeds are explained below under the alcoholic beverage tax (TCA 40-24-107). From the automobile rental surcharge \$1.5 million is earmarked for the Department of Safety to train, equip, and pay members of the Tennessee highway patrol (TCA 67-4-1905). Of the bail bond tax, 96% is earmarked for the civil legal representation of low-income persons as determined by the Tennessee Supreme Court and 4% is earmarked for development costs and continuing education for bail bonding agents (TCA 67-4-806). Revenue from the assault fines is directed to fund family violence shelters and services (TCA 39-13-101, 39-13-102, and 39-13-111). \$60 of the \$62.50 marriage license fee is earmarked for various departments and organizations concerned with family and children's issues (TCA 36-6-413). Of the \$75 fee for violators of the 2003 Drug Court Treatment Act, \$5 is earmarked for the drug court treatment program resources fund, and \$70 is deposited into dedicated county funds for the creation and maintenance of drug court treatment programs (TCA 16-22-101 – 114). All of the \$250 blood alcohol testing fee is earmarked for the Tennessee Bureau of Investigation (TBI) Toxicology Unit Testing Fund (TCA 55-10-419) and all of the \$250 fee per conviction for violating drug laws is earmarked for the TBI drug chemistry unit, drug testing fund (TCA 39-17-420). Of the \$40 ignition interlock fee, \$30.50 is allocated to the interlock assistance fund; \$4.50 to the Tennessee Hospital Association; \$1.25 to the Department of Mental Health, alcohol and drug addiction treatment

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

fund; \$1.25 to the Department of Finance and Administration, Office of Criminal Justice Programs for funding grant awards to local law enforcement agencies; \$1.25 to the Department of Safety; and \$1.25 to the Department of Finance and Administration, Office of Criminal Justice Programs for funding grant awards to qualifying halfway houses who assist drug and alcohol offenders. Any surplus in the interlock assistance fund beginning fiscal year 2013-2014 will be allocated as follows: 60% to the Tennessee Hospital Association; 20% to the Department of Mental Health, alcohol and drug addiction treatment fund; and 20% to the Department of Finance and Administration, Office of Criminal Justice Programs (TCA 55-10-403). The \$13.75 cash bond forfeiture fee is allocated to the general fund (TCA 38-6-103(f)).

Cities 100% of the privilege tax on NBA. Allocation is based on the location of where the games are played (TCA 67-4-1703).

GROSS RECEIPTS

TAX Taxes levied principally on the gross receipts of certain types of businesses operating in the state. The main sources are taxes on the following portions of gross receipts: 1.9% on soft-drink bottlers, 3% on gross receipts over \$5,000 of intrastate water and electric power distribution companies, 1.5% on manufactured or natural gas intrastate distributors, 15% on mixing bars and clubs, 5% of covered electric current sales of non-TVA entities (TCA 67-4-3101), and an in-lieu-of tax payment by the Tennessee Valley Authority (TVA) (TCA 67-4-402, 67-4-405, 67-4-406, 67-4-410, and 16 USC 831(l)); and a \$10 per year firearms dealer permit fee (TCA 39-17-1316).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund.....	79% of bottlers' gross receipts tax, plus 2% of gross highway litter amount from the Highway Fund, 100% of various other gross receipts taxes, and TVA in lieu of tax payments equal to FY 1977-78 payments and 48.5% of any TVA payments received by the state which exceed the amount paid in FY 1977-78, less approximately \$4.1 million distributed to local governments and 48.5% of non-TVA entities tax payments (TCA 67-9-101 through 67-9-103, and 67-4-402, and 67-4-3101).
Highway Fund.....	Approximately 21% of the bottlers' gross receipts tax is earmarked for litter control, less 2% to the general fund (TCA 67-4-402).
Cities and Counties.....	51.5% of the TVA in lieu of tax payments which exceed state receipts in FY 1977-78, of which approximately 65.9% is designated for counties based ½ on population and ½ on area, 28.3% for municipalities based on population, and 5.8% for impacted local areas affected by TVA construction, plus an amount equal to that received by local governments in FY 1977-78 (\$4.1 million). Portions of this share are earmarked for TACIR and under some circumstances, for the County Technical Assistance Service (CTAS) and additional funds for TACIR. With no local areas impacted by TVA construction, the 5.8% impact fund is allocated as follows: 30% to CTAS, 40% to TACIR, and 30% is returned to be included in the amount distributed to cities and counties. Any funds remaining after other allocations provided for in TCA 67-9-102 are allocated to any regional development authorities created by TCA 64-5-201 that have acquired a former nuclear site from TVA (TCA 67-9-101 through 67-9-103). Non-TVA entity tax proceeds are to be distributed in a like manner as TVA proceeds (TCA 67-4-3101).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

BEER EXCISE

TAXRegistration fees imposed on beer wholesalers (\$20) and manufacturers (\$40); a privilege tax of \$4.29 per 31-gallon barrel of beer manufactured or sold in the state (TCA 57-5-102 and 57-5-201).

General Fund.....67.1% of privilege tax collections (4% of total tax earmarked for administration and 0.41% for alcohol and drug treatment programs); 100% of registration fees (earmarked 50% for the Department of Revenue and 50% for Highway Patrol) (TCA 57-5-102, 57-5-202, and 57-5-205).

Highway Fund.....12.8% of privilege tax collections for litter control (TCA 57-5-201).

Counties.....10.05% of privilege tax collections distributed to counties equally (TCA 57-5-205).

Municipalities.....10.05% of privilege tax collections distributed to cities based on population (TCA 57-5-205).

**ALCOHOLIC
BEVERAGE**

TAX\$1.21 per gallon on wine and \$4.40 per gallon on spirits (TCA 57-3-302).

General Fund.....82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections, less \$0.04 per liter of spirit tax (TCA 57-3-306); and the following shares of proceeds from sales of seized items, all earmarked for criminal injuries compensation and reported under the privilege tax collections (TCA 40-24-107): 100% from liquor seized by state agents (TCA 57-9-115); 50% from vehicles, aircraft, and boats seized by local law enforcement officers (TCA 57-9-201); and 50% from other contraband goods seized, less 15% retained for administration as departmental current services revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209). In addition, 10% of proceeds of sale of liquor seized by local officers are retained for administration as departmental revenue by the Department of General Services (TCA 57-9-115, 12-2-207 and 12-2-209).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Counties.....	\$.04 per liter of spirit tax, earmarked for any county in which a distillery is located, plus 17.5% of the balance of spirit and wine gallonage taxes, less \$192,000 earmarked for CTAS. In counties of 250,000 or more population, 30% of their allocation is paid by the county to cities of 150,000 or more population (TCA 57-3-306). Also, 50% of the proceeds of sale of contraband goods, less 15% retained as departmental revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209).
Cities and Counties.....	90% of the proceeds of sale of liquor seized by local law enforcement officers, earmarked to city or county employing officer (TCA 57-9-115), and 50% of proceeds of sale of vehicles, aircraft, and boats seized by local officers, earmarked to city or county employing officer (TCA 57-9-201).
FRANCHISE TAX	\$.25 on each \$100 of stock surplus or undivided profits of entities for the privilege of doing business within the state. The tax applies to business entities that enjoy some form of limited liability protection. The minimum tax is \$100 (TCA 67-4-2105 through 67-4-2106).
General Fund.....	100% less an amount to the Debt Service Fund (TCA 67-4-2120).
Debt Service Fund	Amount required from General Fund apportionment (TCA 9-9-103).
EXCISE TAX	6.5% of net earnings of all business conducted for a profit in this state. The tax applies to business entities that enjoy some form of limited liability protection. Current year losses may be carried forward as many as 15 years in computing net earnings subject to tax (TCA 67-4-2006 and 67-4-2007).
General Fund.....	Remaining balance after cities, counties, and Debt Service Fund distribution (TCA 67-4-2017).
Debt Service Fund	Amount required from General Fund apportionment (TCA 9-9-103).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Cities and Counties.....An amount based on bank earnings is distributed based on situs in lieu of intangible personal property taxes on banks and banking associations (TCA 67-4-2017).

**INHERITANCE,
ESTATE, AND
GIFT TAX.....**

Inheritance and estate taxes are imposed on estates that exceed the maximum single exemption. The exemption varies depending on the year in which the decedent died. For decedents dying in years 2006 through 2012 the maximum single exemption was \$1 million, for 2013 the exemption was \$1.25 million, in 2014 the exemption was \$2 million, and in 2015 is \$5 million. For decedents dying in 2016 and thereafter, no tax is imposed. The inheritance tax applies to the net taxable estate, which is determined by subtracting the appropriate exemption from the total value of the estate. Tax rates range from 5.5% for net taxable estates with a value of at least \$40,000, to a rate of \$30,200 plus 9.5% of the net value in excess of \$440,000. The estate tax is based on the difference between the inheritance tax and the "state death tax credit" allowed on the federal estate tax return. The gift tax was repealed for any transfer by gift occurring on or after January 1, 2012. (TCA 67-8-101, 67-8-204, 67-8-303, 67-8-314, 67-8-316, and 67-8-318).

General Fund..... 100% (TCA 67-8-210 and 67-8-415).

TOBACCO TAX.....\$.031 per cigarette or \$.62 per package of 20; \$.0005 per cigarette pack enforcement fee; 6.6% of wholesale price on other tobacco products; license fees of \$100 to \$200 per location for manufacturing distributors, tobacco manufacturer's warehouses, wholesale dealers and jobbers and tobacco distributors; a \$25 fee for replacing a lost or destroyed license; proceeds from the sale of confiscated goods; and penalties of \$100 to \$5,000 for violations of the Unfair Cigarette Sales Law (TCA 67-4-1002 through 67-4-1005, 67-4-1015, 67-4-1020, 47-25-308 and 47-25-309).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund..... Approximately 11.7%. From the pre-2007 tax about, .06% of the \$.01 tax per cigarette (\$.20 per package of 20) (4% of taxes from tobacco other than cigarettes and proceeds from sale of confiscated tobacco products and 100% of the \$.0005 per pack enforcement fee, all earmarked for administration). From the 2007 cigarette tax increase of \$.021 per cigarette tax (\$.42 package of 20), \$.001 per cigarette (\$.02 per package) is earmarked for the Trauma System Fund and \$21 million annually is earmarked for the Department of Agriculture (except that in 2010-2011, \$11 million was earmarked for the Education Fund) (TCA 67-4-1025).

Education Fund Approximately 88.3%. From the pre-2007 tax, about 99.4% of the \$.01 tax per cigarette (\$.20 per package of 20) (includes 100% of cigarette taxes earmarked for grades 1-12). From the 2007 cigarette tax increase of \$.02 per cigarette (\$.40 per package of 20), 100% of the tax less \$21 million to the Department of Agriculture (except that in 2010-2011, \$11 million was earmarked for the Education Fund), 100% of license fees and penalties; and 96% of the 6% tax rate on other tobacco products and of proceeds from the sale of confiscated tobacco products (TCA 67-4-1025 and 49-3-357).

MOTOR VEHICLE

TITLE FEES.....\$5.50 certificate of title fee and other fees received for the issuance of motor vehicle titles and noting of liens (TCA 55-6-101).

General Fund..... Approximately 77.3% (including \$0.50 of the \$5.50 fee, earmarked for enforcement action against odometer fraud; and a portion of \$1.50 of the \$5.00 fee in excess of debt service requirements, earmarked for State Parks capital projects) (TCA 55-6-101 and 55-6-103).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Debt Service Fund.....Approximately 22.7% (including \$1.50 of the \$5.50 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

MIXED DRINK

TAXA license tax of \$150 to \$2,000 for the privilege of selling alcoholic beverages for consumption on premises plus a \$300 application fee and a 15% gross receipts tax on sales (TCA 57-4-301).

Education Fund50% of the 15% gross receipts tax (TCA 57-4-306 and 49-3-357).

Cities and Counties.....50% of the 15% gross receipts tax, of which one-half is earmarked for education and one-half is distributed to the city or county based on situs (TCA 57-4-306).

BUSINESS TAXTax administered by the Department of Revenue and imposed principally by local units of government on certain businesses, vocations, and operations carried on within the state. Cities and counties receive the following as local taxes: (a) \$7.00 per return to the city or county distributed, based on location of the business; (b) 5% of the remaining tax proceeds, distributed to the county clerk or city official, also based on location of the business; (c) 57% of the funds remaining after distribution of both the \$7.00 per return and 5% shares; (d) less 1.125% to the state for administration. The state retains the following: (a) 43% of revenue remaining after distribution to cities and counties; (b) 1.125% for administration; and (c) 100% of taxes, interest, and penalties assessed as a result of an audit. (TCA 67-4-701, 67-4-703 through 67-4-705, 67-4-707 through 67-4-710, and 67-4-714 through 67-4-724).

General Fund.....100% (TCA 67-4-724 and 67-4-725).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**CRUDE OIL AND
NATURAL GAS**

SEVERANCE TAX.....3% of the sales price of severed oil and natural gas in the state (TCA 60-1-301).

General Fund..... 2/3 of tax (TCA 60-1-301).

Counties..... 1/3 of tax distributed to county of severance (TCA 60-1-301).

COAL

SEVERANCE TAX.....\$0.75 per ton of severed coal in the state during FY 2012 and FY 2013, and \$1.00 per ton during FY 2014 and thereafter (TCA 67-7-103 and 67-7-104).

General Fund..... 1.125% of the tax (TCA 67-7-110).

Counties..... Approximately 98.875% of the tax distributed to county of severance, of which 50% is earmarked for the county educational system and 50% is earmarked for highway and stream cleaning (TCA 67-7-110).

**COIN-OPERATED
AMUSEMENT**

MACHINE TAX.....\$10 per bona fide coin-operated amusement machine offered for commercial use and play by the public. Also, an annual master license tax is levied on machine owners ranging from \$500 to \$2,000 depending on the number of machines owned and offered for use (TCA 67-4-2204 and 67-4-2205).

General Fund..... 100%.

UNAUTHORIZED

SUBSTANCE TAX.....Tax on merchants, peddlers, or privileges on various controlled substances or controlled substance analogues upon which the tax has not been paid as evidenced by a stamp available from the Tennessee Department of Revenue. Unauthorized substances include marijuana, cocaine, crack, methamphetamine, etc., as well as untaxed liquors and spirits and "low-value-street drugs." The tax rate varies by the type and quantity of unauthorized substance or controlled substance analogues (TCA 67-4-2803

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

and TCA 67-4-2805 through 67-4-2807).

General Fund.....	100% of voluntarily paid amounts. For all other proceeds, the Department of Revenue retains tax proceeds sufficient to cover the costs of storing and disposing of assets seized in payment and the costs due to implementation and enforcement of the tax. Of the remaining amount, 25% is allocated to the General Fund. The remaining 75% is allocated to the state or local law enforcement agencies conducting the investigation that led to a tax assessment (TCA 67-4-2809).
Cities and Counties.....	That portion of the 75% of tax proceeds returned to city and county law enforcement agencies conducting investigations leading to a tax assessment (TCA 67-4-2809).

Department of Commerce and Insurance

**INSURANCE
COMPANY**

PREMIUM TAX.....Life, accident, and health companies are taxed at a rate of 1.75% on gross premiums received; health maintenance organizations and prepaid limited health service organizations are taxed 5.5% of the gross amount of all dollars collected from an enrollee or on an enrollee's behalf. Companies writing fire insurance and lines of business having fire coverage as a part of the risk rate pay a 0.75% tax on that portion of the premium applicable to fire risk. All other companies, except captive insurance companies, workers' compensation insurance companies and surplus lines insurance companies, pay a tax rate of 2.5% on gross premiums paid by or for policyholders residing in state or on property located in state. Companies writing fire insurance or lines of business having fire coverage as a part of the risk rate pay an additional 0.75% tax on the premium applicable to fire risk. The minimum aggregate tax on insurance companies is \$150. Captive insurance companies are taxed at various rates on premiums collected and reinsurance assumed. The minimum aggregate tax

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

on captive insurance companies is \$5,000 and the maximum is \$100,000. The premiums charged for surplus lines insurance are subject to a gross premium tax of 5%. Companies writing workers' compensation insurance are taxed 4.0% on gross premiums collected for workers' compensation insurance, plus a surcharge of 0.4% on gross premiums. Other revenues collected include regulatory fees for Limited Capital Credit Reinsurers, renewal fees for Fraternal Benefit Societies, insurance agent fees, examination fees, certificates of qualifications, broker fees, certificates of authority fees, utilization review fees, and other miscellaneous fees (TCA 56-4-101, 56-4-106, 56-4-203, 56-4-205, 56-4-206, 56-4-208, 56-4-218, and other provisions of Title 56, Chapter 4, Part 2; Title 56, Chapter 6, Part 1; 56-13-114, 56-14-113; 56-21-111; 56-24-104; 56-25-1603; 56-32-224, and 56-51-152).

General Fund..... 100%. (Premium taxes paid by captive insurance companies under TCA 56-13-114 are held by the Department of Commerce and Insurance as expendable receipts for administering the captive insurance law.)

WORKERS'

COMPENSATION4% on gross premiums collected. Up to 50% of the gross premium tax is earmarked for the Second Injury Fund. In addition, a 0.4% surcharge on gross premiums is levied, which is earmarked for administration of the Tennessee Occupational Safety and Health Act (TCA 50-6-401 and 56-4-207).

General Fund..... 100% (TCA 8-22-118).

HEALTH CLUBS'

CERTIFICATES OF

REGISTRATION.....Fees for issuance of certificates of authority (TCA 47-18-302).

General Fund..... 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**911 EMERGENCY
COMMUNICATIONS**

FUNDA monthly surcharge of \$1.16 is charged to all users and subscribers for service capable of contacting a 911 network. Collected funds are used to support uniform statewide 911 service, to implement, operate, maintain, and enhance E-911 service through funding distributed to the State's emergency communications districts, and for deployment of 911 service for new communication technologies. Service providers or dealers may retain up to 3% of the fees collected for administrative expenses (TCA 7-86-128, 7-86-303, and 7-86-306).

General Fund.....100% (earmarked for the 911 Emergency Communications Fund) (TCA 7-86-303(d)).

Department of Financial Institutions

STATE-CHARTERED

BANKING.....Annual banking fee received from state-chartered banks on a pro rata basis based on assets, not to exceed the annualized fee that a state bank would pay if it were a national bank of equivalent asset size, except that banks are required to pay a minimum of \$5,000 (TCA 45-1-118).

General Fund.....100% (earmarked for the Department of Financial Institutions) (TCA 45-1-118 (d)(1)).

CREDIT UNION

SUPERVISION..... Annual supervision fee received from each state chartered credit union based on a graduated scale in proportion to its assets reported in its June 30 call report according to the schedule set out in (TCA 45-4-1002).

General Fund.....100% (TCA 45-4-1002).

NON-DEPOSITORY

LICENSING.....Fees received from the issuance of various non-depository industry profession licenses, examinations and other fees (TCA 45-1, 45-5, 45-7, 45-13, 45-8, 45-15, 45-17, 45-18, 47-30, 56-37-103).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund..... 100%.

Wildlife Resources Agency

WILDLIFE

RESOURCESFees received from the sale of hunting and fishing licenses, stamp tax on shells, permits, metallic cartridges, fines, private lake operations, and minnow dealers (TCA 70-2-201 through 70-2-222 and 70-3-101).

General Fund.....100% (earmarked exclusively for Wildlife Resources Agency) (TCA 70-1-401).

BOATING SAFETY.....Fees received for the registration of propelled vessels for a one-, two-, or three-year period; and a portion of the tax on marine fuel (TCA 69-9-207 and 67-3-901(g)).

General Fund.....100% (earmarked for administration of the Boating Safety program) (TCA 67-3-901(g), 69-9-207, and 69-9-208).

Department of Agriculture

**AGRICULTURAL
REGULATORY**

FUNDFees from plant and insect pest control industry license, registration, certification, and charter applications and from sample analyses, civil penalties, and damages (TCA 43-1-701, 703, and 704).

General Fund.....100% (earmarked for Regulatory Services programs) (TCA 43-1-701 and 43-1-703).

FERTILIZER

INSPECTIONFee based on \$0.20 per ton for all commercial fertilizer (TCA 43-11-106).

General Fund..... 100%.

FEED

INSPECTIONA \$50 license application fee for each commercial feed manufacturer, distributor, or guarantor. Also, fee based on \$0.10 per ton for all commercial feeds manufactured in

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

excess of 500 tons (TCA 44-6-104 and
44-6-109).

General Fund.....100% (earmarked for administrative
expenses) (TCA 43-1-109).

**RETAIL FOOD
STORE
INSPECTION ACT
OF 1986.....**

Fee based on types of food sold and
seating capacity (TCA 53-8-214).

General Fund.....100%.

**AGRICULTURE
INSPECTIONS,
LICENCES, FEES,
AND FINES**

Petroleum Quality Civil Inspection
fees fines, and/or penalties (TCA 47-
18-1307). Tobacco Civil Penalty fines
assessed based on the first, second,
third, fourth, or subsequent violation
(TCA 39-17-1509). Animal Health
Inspection fees from licenses,
inspections, permits, fines and/or
penalties related to animal health
oversight (TCA 44-2-102; 44-7-202;
44-11-104; 44-16-202). Weights and
Measures fees from licenses,
inspections, permits, fines, and/or
penalties related to weights and
measures standards (TCA 4-3-204; 47-
26-806, 807, 909, 1008, 110). Seed
Inspection fees from licenses,
inspections, permits, fines, and/or
penalties related to seed oversight
(TCA 43-10-119). Commodity/Grain
fees from licenses, and fees related to
commodity/grain standards (TCA 43-
32-105). Dairy fees from licenses,
inspections, permits, fines, and/or
penalties related to dairy oversight
(TCA 53-3-105, 106, 117). Food
Warehouse/Manufacturers Inspection
fees from licenses, inspections,
permits, fines, and/or penalties related
to food warehouse/manufacture
inspection oversight (TCA 4-3-204;
53-1-208; 53-2-109; 53-7-220).

General Fund.....100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Regulatory Board Fees

REGULATORY

BOARDSFees received from the issuance of licenses and permits to engage in certain professions, from licensing of health care facilities, and gross receipts taxes collected from professional boxing matches (TCA 4-3-1011, 4-3-1304, 4-29-121, 9-4-5117, Title 55, Chapter 17, Titles 46, 62, and 63, 68-11-216, 68-29-113, and other provisions of Title 68).

General Fund.....100%.

Tennessee Regulatory Authority

PUBLIC

UTILITIES.....Fees for applicable holders of certificates of public convenience and necessity. Annual fees for inspection, control, and supervision of utilities and their rates. For those telecommunications public utilities that have, as of July 1, 2009, over 1 million telephone access lines in the state and elect to operate under market regulation, the fee due shall be \$3.00 per \$1,000 for such gross receipts over \$5,000 up to \$1 million. The fee for gross receipts over \$1 million is \$2.73 per \$1,000. The minimum fee is \$100. For all other telecommunications public utilities, the fee due and payable on April 1, 2010, and each April 1 thereafter is based on the gross receipts of each public utility in excess of \$5,000 annually as follows: \$4.25 per \$1,000 for the first \$1 million or less of such gross receipts over \$5,000. The fee for gross receipts over \$1 million is \$3.25 per \$1,000, with a minimum fee of \$100. A \$10 annual registration fee for each privately-owned public pay phone is also collected (TCA 65-4-301 through 65-4-308).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

UNIVERSAL

SERVICE.....Fees as required by Tennessee Regulatory Authority to ensure the availability of affordable residential basic, local exchange telephone service. Fees are required by Tennessee Regulatory Authority as necessary to support universal service and fund administration of the mechanism (TCA 65-5-207).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307 and 64-4-120).

TELEMARKETING.....A fee of \$500 per year for access to a database of telephone numbers of residential subscribers who object to receiving telephone solicitations. The Authority may also impose a civil penalty up to a maximum of \$2,000 for each violation of state laws regulating telephone solicitation (TCA 65-4-405).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-405).

UNSOLICITED

FACSIMILES.....Civil penalties up to a maximum of \$2,000 for each violation of state laws regulating unsolicited facsimiles (TCA 65-4-504).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-504).

**TDAP
DISTRIBUTION**

PROGRAM.....Dealers collect a surcharge of \$1.16 from consumers on the retail sale of communications service or prepaid communications service. Such surcharge shall fully fund the mandatory disbursements to emergency communications districts, the operational expenses of the emergency communications board and the Tennessee Relay Services/Telecommunications Devices Access Program. Funding to the Tennessee Regulatory Authority for the Tennessee Relay Services /Telecommunications Devices Access Program shall not to exceed the total

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

cost of the TRS/TDAP program in 2012 and the reserve fund for such program shall not exceed \$1,000,000 (TCA 7-86-128, TCA 65-21-115).

General Fund.....100% (earmarked for TDAP program of Tennessee Regulatory Authority) (TCA 65-21-115).

GAS SAFETY

INSPECTIONAnnual fee for the inspection and supervision of safety standards to all gas distribution systems (not applicable to gas companies subject to TCA 65-4-301). Fees based on number of meters on a declining scale (\$0.65 down to \$0.35 per meter). Minimum fee, \$100 (TCA 65-28-110(c)). Also, any person who violates state laws or regulations issued by the Tennessee Regulatory Authority concerning gas safety inspections is subject to a civil penalty not to exceed \$10,000 for each violation for each day that such violation persists, up to a maximum civil penalty of \$500,000 (TCA 65-28-108).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307).

COMPETITIVE

CABLE AND

VIDEO SERVICESAn application fee for a state-issued certificate of franchise authority or to amend a previously issued certificate. The fees, which are based on the population of the proposed service area, range from \$500 to \$15,000. In addition, each holder of a state-issued certificate is required to pay an annual fee. The total of the annual fees collected from all certificate holders shall not exceed \$107,000 (TCA 7-59-305). Also, holders of state-issued certificates may be assessed a civil penalty for violating the provisions of the Competitive Cable and Video Services Act (TCA 7-59-312).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 7-59-Part 3) (Civil penalties are earmarked for the Broadband Deployment Fund) (TCA 7-59-312).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

MISCELLANEOUS.....A \$25.00 fee per party for filing a petition with the Tennessee Regulatory Authority and fees for copies of records (TCA 65-2-103 and 65-1-212). Penalties of \$50 for each day of any violation or failure by public utilities to comply with Tennessee Regulatory Authority orders, judgments, findings, rules, or requirements (TCA 65-4-120).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307).

Secretary of State

FEES AND TAXES.....All fees and taxes received from notary certifications, foreign characters, trademarks, construction service provider workers' compensation exemption registrations, and miscellaneous (TCA 3-17-104, 47-25-517, and 50-6-912).

General Fund.....100% (TCA 8-22-118). Construction service provider workers' compensation exemption registration fees are earmarked for the Employee Misclassification Education and Enforcement Fund administered by the Department of Labor and Workforce Development (TCA 50-6-913).

Department of Safety

**CLASSIFIED
DRIVER'S**

LICENSES.....Fees received from five-year driver's license: Class A (Commercial) - \$40; Classes B and C (Commercial) - \$35; Class D (Operator) - \$17.50; duplicate licenses - \$6 first duplication, \$10 for second and subsequent duplications during a regular renewal cycle (TCA 55-50-323).

General Fund.....100%.

**FINES AND
PENALTIES.....**

All fines, fees, and forfeitures received from motor vehicle violations (TCA 55-7-206, 55-9-603, 55-10-303, 55-12-129, and 55-50-604).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund.....100% (TCA 4-7-107, 55-7-206, and 55-9-603).

LITIGATION

PRIVILEGE TAX.....A 25% share of 4.4430% of the proceeds of litigation taxes allocated to driver education and highway safety promotion (TCA 67-4-602 and 67-4-606).

General Fund.....100% (earmarked for driver education in public schools and for highway safety promotion) (TCA 67-4-606).

Department of Revenue

MOTOR

CARRIERSAnnual fees for inspection, control, supervision, and safety of motor carriers. A fee of 2.5% of vehicle registration fees paid by motor vehicles (TCA 55-4-113(b) and 65-15-116); and an \$8 annual fee per vehicle also is paid under the federal single state registration plan. Motor carriers and contract haulers must pay a \$50 application fee (TCA 65-15-109).

General Fund.....100% (earmarked for motor vehicle safety enforcement) (TCA 55-4-113(b) and 65-15-116).

State Treasurer

INTEREST

EARNED.....Interest received on state funds deposited in commercial banks and credited on a daily basis (TCA 9-4-106).

General Fund.....100%.

Department of Education

LITIGATION

PRIVILEGE TAX.....A 75% share of 4.4430% of the proceeds of litigation taxes allocated for driver education and promotion of safe highways and an additional 2.7747% share of the litigation tax proceeds (TCA 67-4-606).

Education Fund100% (earmarked for driver education in public schools) (TCA 67-4-606).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Health

**HOTEL, B & B,
RESTAURANT,
SWIMMING
POOL, AND CAMP
INSPECTION**

Fees from annual permits. Rates for hotels and restaurants, based on maximum occupancy, are a maximum fee of \$650 for hotels and \$360 for food service establishments. Other fees include: \$100 for auxiliary food service operations; \$30 for temporary food service establishments; a maximum fee of \$80 for child care center food service establishments based on the number of seats; a flat fee of \$140 is assessed for each bed and breakfast establishment; \$340 for each public swimming pool; a flat fee of \$80 for day and primitive camps, a maximum fee of \$150 for resident camps based on the number of sleepers; a maximum fee of \$310 for travel camps based on the number of sites; and \$80 for school service establishments (TCA 68-14-312 through 68-14-316, 68-14-511, 68-14-512, and 68-110-103).

General Fund..... 100%.

**TATTOO
PARLORS AND
ARTISTS**

Fees received from the issuance of certificates to operate a tattoo studio and from the issuance of licenses to engage in the practice of tattooing (TCA 62-38-202, 204, and 205).

General Fund..... 100%.

CHILD SAFETY.....Fines up to \$50 imposed for violations of the Child Passenger Restraint Law for children under 4 years of age, or between 4 and 8 years of age, and measuring less than 5 feet in height; fines up to \$50 imposed for violation of mandatory use of a passenger restraint system for children between 9 and 12 years of age, or any child through 12 years of age measuring 5 feet or more in height, or any child 13 through 15 years of age (TCA 55-9-602 and 40-35-111).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund.....For violations involving children under 4 years of age or between 4 and 8 years of age and measuring less than 5 feet in height, 100% of the \$50 fine for any offense (earmarked to Child Safety Fund for formula distribution to those entities best suited for child passenger safety system distribution). For violations involving children between 9 and 15 years of age, \$10 of the \$50 fine for a first offense. The remaining \$40 is earmarked to the Child Safety Fund. For second and subsequent violations, 100% of the \$50 fine is earmarked to the Child Safety Fund. (TCA 55-9-602).

NURSING HOME

CIVIL PENALTIES.....Fees from civil penalties assessed on nursing homes, based upon the type of violation (TCA 68-11-811).

General Fund.....100% (earmarked for resident protection activities) (TCA 68-11-827).

**TRAUMATIC
BRAIN INJURY
FUND**

Fines and penalties levied for motor vehicle violations in addition to those fines and penalties levied in Title 55 Chapters 8, 10, and 50 for speeding, reckless driving, driving with an invalid license, driving under the influence, accidents involving death or personal injury, and drag racing. (TCA 68-55-301 through 68-55-306).

General Fund.....100% (earmarked for the Traumatic Brain Injury Fund) (TCA 68-55-301 through 68-55-306).

**COMMERCIAL
BREEDER**

LICENSING.....Licensing fee to engage in commercial breeding of cats and dogs, and civil penalties for Commercial Breeder Act violations (TCA 44-17-Part 7).

General Fund.....100% (earmarked for the Commercial Breeder Act enforcement and recovery account) (TCA 44-17-715).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Environment and Conservation

**TENNESSEE
ENVIRONMENTAL
PROTECTION**

FUND Fees from environmental permits, inspections, damages, and fines (TCA Title 60, Parts 1, 2, and 5; Title 68, Chapter 131, Part 4, Chapter 201, Part 1; Chapter 202, Parts 2 and 5; Chapter 203; Chapter 211, Part 1; Chapter 212, Part 1; and Chapter 221, Parts 4, 7, 9 and 10; and Title 69, Chapters 3 and 11).

General Fund..... 100% (earmarked for the programs generating the fees) (TCA 68-203-101 and citations above).

**SOLID WASTE
MANAGEMENT**

FUND Fees from a surcharge on each ton of municipal solid waste received at all Class 1 solid waste disposal facilities or incinerators of \$.90 per ton. Also, the \$1.35 pre-disposal fee collected from retailers by the Department of Revenue for each new tire sold in Tennessee (TCA 68-211-835 and 67-4-1603).

General Fund..... 100% (earmarked for the Solid Waste Assistance Program) (TCA 68-211-835).

**DRYCLEANER
ENVIRONMENTAL**

RESPONSE FUND..... Various fees from drycleaning facilities, including annual site registration fees of up to \$1,500, annual wholesale distributor registration fees of \$5,500 per in-state facility, and drycleaning solvent surcharges of \$10 per gallon of non-aqueous solvent and \$1 per gallon of light non-aqueous solvent purchased by a drycleaner (TCA 68-217-105 through 68-217-106).

General Fund..... 100% (earmarked for the Drycleaners Environmental Response Program) (TCA 68-217-103).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

OIL AND GAS

REGULATION.....All funds received as payment for penalties assessed by the Oil and Gas Board (TCA 60-1-404).

General Fund.....100% (earmarked for the Oil and Gas Reclamation Program) (TCA 60-1-404).

AUTOMOTIVE

OIL FEE.....\$0.02 per quart fee on the sale of packaged automotive oil, less a distributor handling deduction of 2%, up to \$50 per report. This fee is collected from the distributors by the Department of Revenue (TCA 68-211-1006 and 68-211-1010).

General Fund.....100% (earmarked for the Used Oil Collection Program) (TCA 68-211-1004 - 1006).

Nursing Home Tax

**ANNUAL
NURSING HOME**

ASSESSMENTAnnual assessment, payable in monthly installments, equal to 4.5% of a covered nursing facilities net patient service revenue as defined by TCA 71-5-1001. Also, a five percent (5.0%) penalty of the amount due if not paid on or before the due date. Authorization for the Annual Nursing Home Assessment expires on June 30, 2015 (TCA 71-5-1003 and 71-5-1006).

General Fund.....100% (earmarked for the Nursing Home Assessment Trust Fund 71-5-1002).

**INTERMEDIATE
CARE FACILITIES
FOR THE
MENTALLY
RETARDED
(ICF/MR) GROSS**

RECEIPTS TAX.....A five and one-half percent (5.5%) monthly gross receipts tax on revenue generated from ICF/MR certified beds (TCA 68-11-830(d)(2)).

General Fund.....100% (TCA 68-11-830(d)(5)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Annual Hospital Coverage Assessment

**ANNUAL
HOSPITAL
COVERAGE**

ASSESSMENTAnnual assessment, payable in quarterly installments, equal to 4.52% of a covered hospital's net patient revenue as shown in its 2008 Medicare Cost Report. Also, a \$500 per day penalty for failure to pay a quarterly installment. Authorization for the Annual Hospital Coverage Assessment expires on June 30, 2015 (TCA 71-5-803 and 71-5-804).

General Fund.....100% (earmarked for the Maintenance of Coverage Trust Fund TCA 71-5-805).

Department of Transportation

RAILROADS.....Annual fees for inspection, control, and supervision of the business, service, and safety of railroads. Fees figured at \$.04 per 1,000 ton miles. Minimum fee, \$100 (TCA 65-3-201). The department collects these fees as miscellaneous revenue.

Transportation Fund.....100% (earmarked for Department of Transportation) (TCA 65-3-202).

State Funding Board

Range of Tax Revenue Estimates



STATE OF TENNESSEE
SECRETARY OF STATE

STATE CAPITOL

NASHVILLE, TENNESSEE 37243-0264

PHONE (615) 741-2819

Memorandum

To: Honorable Bill Haslam, Governor

Honorable Randy McNally, Chairman
Senate Finance, Ways, & Means Committee

Honorable Charles Sargent, Chairman
House Finance, Ways, & Means Committee

From: Justin P. Wilson, Comptroller of the Treasury

Tre Hargett, Secretary of State

David H. Lillard Jr., State Treasurer

Larry B. Martin, Commissioner, Finance and Administration

Date: January 5, 2015

Subject: State Funding Board Growth Projections for FY 2014-15 and FY 2015-16

The State Funding Board met on December 11, 2014, to hear presentations on the State's economic outlook for the remainder of fiscal year 2014-15 and for fiscal year 2015-16. The Board reconvened on December 16, 2014, to discuss revenue growth projections and to arrive at consensus estimates.

Total State Taxes and General Fund Revenue Growth Estimates

The Board is charged, in Tennessee Code Annotated Section 9-4-5202(e), with the responsibility of developing consensus estimates of state revenue growth. In doing so, the Board evaluates and interprets economic data and revenue forecasts supplied by various economists as well as persons acquainted with the Tennessee revenue system. This is a revenue estimation process, not a budgeting process. The Board does not take into consideration the State's fiscal situation when developing its consensus ranges of revenue

growth; however, the Board does strive to have the highest degree of confidence in the State's ability to achieve such growth. Fiscal considerations properly belong with those who set the State's budget – the Administration that recommends appropriation levels based upon its assessment of revenue growth and the General Assembly that adopts a *de facto* revenue estimate through its final action on the appropriations bill.

The Board heard testimony regarding the economy from Mr. Lee Jones of the Federal Reserve Bank of Atlanta; Dr. Albert DePrince of Middle Tennessee State University; Dr. William Fox of The University of Tennessee; Commissioner Richard Roberts of the Tennessee Department of Revenue; and Mr. Robert Currey of the legislative Fiscal Review Committee. The state tax revenue growth estimates provided by each of the presenters are summarized in two attachments to this memorandum.

The consensus of the presenters is that economic growth continues to be moderate. Inflation is stable and not a concern for the near future. The presenters acknowledged that the national and state economies continue to experience positive growth. Real GDP growth, since the start of the recovery in the summer of 2009, has averaged about two percent annually, though future growth may be somewhat stronger. Volatility in franchise and excise taxes in Tennessee was pointed to as a particular concern.

Traditionally, Tennessee's economy tends to track the nation's economy. Presenters noted that there has been improved growth in the national economy, as well as Tennessee's economy in recent months, evidenced by relatively strong growth in sales tax collections. The housing sector, while having improved, continues to be below previous highs. The presenters expect moderate growth in the housing market in the near future, though not to pre-recession levels. One presenter noted Tennessee may see automobile sales start to grow more sluggishly, but housing starts could begin showing more vitality. Business investment remains slow, in terms of historical cycles, but is more robust compared with earlier years of this expansionary period. Additionally, studies indicate consumer sentiment is on the rise, as personal consumption is expected to increase in the coming quarters.

One presenter viewed a consequence of concluding the Federal Reserve's quantitative easing program has been the assumption that U.S. interest rates will begin rising next year, while rates in Europe will remain stable. As a result of this belief, the dollar has appreciated in value against the Euro and the fallout could ultimately produce a reduction in exports to Europe and an influx of imports from Europe, causing mitigating effects on any improvement in GDP.

Employment growth both nationally, and specifically in Tennessee, has been positive. Over the past year,

payroll employment recovered to pre-recessionary levels and initial claims for unemployment have returned to historical averages. Conversely, wage growth has been stagnant since 2009 at around 2% growth annually. As of October, Tennessee’s unemployment rate of 7.1% remained higher than the national average. One presenter asserted that, in a comparison of employment and unemployment data for twelve southeastern states, ten showed signs of very good employment growth mixed with a rising unemployment rate in the current year. He believes this points to an anomaly in the way the Bureau of Labor Statistics (BLS) measures this data for the southeastern states, making it inconsistent with the rest of the nation. He noted the BLS is changing their methodology in January, recognizing concerns regarding the inconsistencies.

The Board developed the following summarized consensus revenue estimates expressed in ranges of growth rates in State taxes.

	FY 2014-15		FY 2015-16	
	Low	High	Low	High
Total State Taxes	3.45%	3.80%	2.55%	2.95%
General Fund	3.85%	4.20%	2.60%	3.00%

While it is difficult to precisely predict revenue ranges, the Board believes that these ranges are reasonable for use in state budgeting. These ranges are based on statutory tax provisions enacted through the 2014 session of the General Assembly.

Net Lottery Proceeds Revenue Growth Estimates and Long-Term Funding Needs Estimates

The State Funding Board also received presentations regarding the Tennessee Education Lottery (TEL). Legislation in 2003 created the Tennessee Education Lottery Corporation (TELC) (Tennessee Code Annotated Sections 4-51-101 et seq.) Tennessee Code Annotated Section 4-51-111(c) requires the board to establish a projected revenue range for the “Net Lottery Proceeds” [defined in Section 4-51-102(14)] for the remainder of the current fiscal year and for the four (4) succeeding fiscal years.

Mr. Robert Currey, Chief Economist of the legislative Fiscal Review Committee (FRC) presented to the Board the FRC’s lottery projections. Mr. Currey observed that net lottery proceeds continue to grow. For fiscal year 2013-14, total net revenue grew at 3.37%, while net lottery proceeds grew at 0.45%. According to Mr. Currey, most of the growth is coming from instant game products, specifically the higher price point

tickets. Instant games represent roughly 80% of sales. Last year, instant game product sales grew 5.51%, while growth in the multijurisdictional games (jackpot games) was -3.84%. Powerball sales growth for fiscal year 2013-14 was -24.2%. Mr. Currey recognized several factors regarding this decline. First, the jackpot cycles were lower. Additionally, the introduction of "Hot Lotto" in late fiscal year 2012-13 shifted some sales to the new game that may have otherwise been attributed to Powerball. Mr. Currey also attributed some of the decline to jackpot fatigue. Sales decline for a fixed level jackpot over time. Likewise, jackpots have to be higher over time to maintain a fixed level of sales. Mr. Currey estimated that Net Lottery Proceeds available for deposit into the Lottery Education Account for fiscal years 2014-15 and 2015-16 will be 24.2% and 23.9% of total net revenue, respectively. Additionally, Mr. Currey estimated fiscal year 2014-15 growth in Net Lottery Proceeds ranging from 0.62% to 3.01%. Mr. Currey estimated fiscal year 2015-16 growth in Net Lottery Proceeds ranging from 1.29% to 2.92%. Due to the high level of uncertainty, Mr. Currey projected the growth in total net revenues and Net Lottery Proceeds for fiscal years 2016-17 through 2018-19 to be 2.5% and 1.8%, respectively.

Mr. Andy Davis, Chief Financial and Technology Officer of the Tennessee Education Lottery Corporation (TELC), highlighted fiscal year 2014-15 year-to-date information, including gross sales growth of 1.3%, as of October 31, 2014. Mr. Davis presented estimates of total and Net Lottery Proceeds for the current fiscal year and four succeeding fiscal years. Mr. Davis estimated positive growth in Net Lottery Proceeds for fiscal year 2014-15 ranging from 1.55% to 3.10%. Mr. Davis estimated positive growth in Net Lottery Proceeds for fiscal year 2015-16 ranging from 1.52% to 2.10%. TELC projected 2% growth in Net Lottery Proceeds for fiscal year 2016-17 through fiscal year 2018-19. Mr. Davis stated that these three year projections were reached making assumptions based on the industry average and TELC growth.

Tennessee Code Annotated Section 4-51-111(c)(2)(A)(ii) requires the Board with the assistance of the Tennessee Student Assistance Corporation (TSAC) to project long-term funding needs of the lottery scholarship and grant programs. These projections are necessary to determine if adjustments to lottery scholarship and grant programs are needed to prevent the funding for these programs from exceeding Net Lottery Proceeds. For this purpose, the Board heard testimony from Mr. Tim Phelps, Associate Executive Director for Grants and Scholarship Programs of Tennessee Student Assistance Corporation (TSAC).

Mr. Phelps presented a projection for fiscal year 2014-15, which estimates 107,200 awards, with a projected baseline cost of \$311.6 million. Mr. Phelps also presented award estimates for fiscal year 2015-16 of 110,400 with a projected baseline cost of \$321.0 million. Additionally, it is estimated that there will be 113,700 awards in fiscal year 2016-17, with a projected baseline cost of \$330.4 million, 116,800 awards

in fiscal year 2017-18 with a projected baseline cost of \$339.5 million, 118,200 awards in fiscal year 2018-19 with a projected baseline cost of \$343.5 million, and 119,600 awards in fiscal year 2019-20 with a projected baseline cost of \$347.6 million. These awards include all lottery-funded scholarship programs as authorized through the 2014 session of the General Assembly, including Hope Scholarship, General Assembly Merit Scholarship, ASPIRE Award, Hope Access Grant, Wilder-Naifeh Technical Skills Grant, Non-traditional Student Grant, Foster Child Tuition Grant, Dual Enrollment Grant, Math & Science Teacher Loan Forgiveness Program, Helping Heroes Grant, the Rural Health Loan Forgiveness Program and Tennessee Student Assistance Award.

The estimates provided by each of the presenters are summarized in an attachment to this memorandum. Consensus was reached on the following estimates of the range for Net Lottery Proceeds to be deposited in the Lottery for Education Account and used for the various statutory purposes.

Net Lottery Proceeds	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Low	\$324,600,000	\$326,200,000	\$328,600,000	\$331,100,000	\$333,600,000
High	\$332,700,000	\$338,400,000	\$344,200,000	\$350,100,000	\$356,100,000

The State Funding Board considered the joint projections for lottery scholarship and grant program funding needs provided by TSAC and accepted their recommended projections. These estimates and projections assume no new legislative changes regarding the TELC and its authority or the scholarship and grant programs.

Attached is a copy of the letter from the Department of Education requesting \$23,000 from Net Lottery Proceeds pursuant to Tennessee Code Annotated Section 4-51-11(c)(2)(B) which states:

Before December 15, 2003, and before December in each succeeding year, appropriate state agencies shall submit to the funding board and to the governor their recommendations for other educational programs and purposes consistent with article XI, Section 5 of the Tennessee Constitution based on the difference between the funding board's projections and recommendations for the lottery scholarship program based on the report submitted pursuant to subdivision (c)(2)(A). In no event shall such recommendations exceed the projections of the funding board for a specific fiscal year.

Please feel free to contact us if you have any questions.

Memorandum
January 5, 2015
Page 6 of 6

Attachments

Revenue Estimates (2)
Lottery Estimates
TSAC/THEC Report
Letter from Dept. of Education

cc. The Honorable Ron Ramsey
The Honorable Beth Harwell

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2014-2015**
(Accrual - Basis Estimates)

Schedule 1

2014-2015

DEPARTMENT OF REVENUE	2013-2014		JULY 1, 2014		% CHANGE		FISCAL REVIEW		% CHANGE		REVENUE DEPT.		% CHANGE		
	ACTUAL	ACCRUAL	BUDGETED	ESTIMATE	OVER 13-14	ACTUAL	DR. FOX	ESTIMATE	OVER 13-14	ACTUAL	REVENUE DEPT.	ESTIMATE	OVER 13-14	ACTUAL	
Sales and use Tax	\$ 7,286,164,500	\$ 7,515,100,000	\$ 7,515,100,000	\$ 7,515,100,000	3.14%	3.14%	\$ 7,685,000,000	\$ 7,685,000,000	5.47%	5.47%	\$ 7,662,900,000	\$ 7,662,900,000	5.17%	5.17%	
Gasoline Tax	617,136,400	614,800,000	614,800,000	614,800,000	-0.38%	-0.38%	626,400,000	628,000,000	1.50%	1.76%	631,800,000	610,500,000	2.38%	-1.08%	
Motor Fuel Tax	162,783,800	163,500,000	163,500,000	163,500,000	0.44%	0.44%	168,500,000	168,000,000	3.51%	3.20%	166,500,000	164,500,000	2.28%	1.05%	
Gasoline Inspection Tax	63,243,900	63,700,000	63,700,000	63,700,000	0.72%	0.72%	65,400,000	64,500,000	3.41%	1.99%	64,300,000		1.67%	NA	
Motor Vehicle Registration Tax	250,177,600	264,100,000	264,100,000	264,100,000	5.57%	5.57%	255,200,000	258,000,000	2.01%	3.13%	254,800,000	261,400,000	1.85%	4.49%	
Income Tax	239,316,300	264,100,000	264,100,000	264,100,000	10.36%	10.36%	251,300,000	260,000,000	5.01%	8.64%	255,300,000	258,900,000	6.68%	8.18%	
Privilege Tax - Less Earmarked Portion (1)	262,072,500	309,900,000	309,900,000	309,900,000	18.25%	18.25%	283,500,000	297,000,000	8.18%	13.33%	280,400,000	304,800,000	6.99%	16.30%	
Gross Receipts Tax - Total	359,094,800	362,600,000	362,600,000	362,600,000	0.98%	0.98%	375,700,000	375,754,000	4.62%	4.64%	375,400,000	361,400,000	4.54%	0.64%	
Gross Receipts Tax - TVA	331,882,700	332,100,000	332,100,000	332,100,000	0.07%	0.07%	347,100,000	347,054,000	4.59%	4.57%	346,800,000		4.49%	NA	
Gross Receipts Tax - Other	27,212,100	30,500,000	30,500,000	30,500,000	12.08%	12.08%	28,600,000	28,700,000	5.10%	5.47%	28,600,000		5.10%	NA	
Beer Tax	17,067,000	18,500,000	18,500,000	18,500,000	8.40%	8.40%	17,500,000	18,200,000	2.54%	6.64%	17,300,000		1.37%	NA	
Alcoholic Beverage Tax	54,857,700	57,400,000	57,400,000	57,400,000	4.64%	4.64%	57,100,000	57,800,000	4.09%	5.36%	57,200,000		4.27%	NA	
Franchise & Excise Taxes	1,858,638,300	1,904,300,000	1,904,300,000	1,904,300,000	2.46%	2.46%	1,912,500,000	1,950,000,000	2.90%	4.92%	1,914,500,000	1,920,300,000	3.01%	3.32%	
Inheritance and Estate Tax	107,701,400	70,000,000	70,000,000	70,000,000	-35.01%	-35.01%	90,000,000	85,000,000	-16.44%	-21.08%	80,900,000		-24.88%	NA	
Tobacco Tax	260,260,000	269,100,000	269,100,000	269,100,000	3.40%	3.40%	265,500,000	258,000,000	2.01%	-0.87%	252,900,000		-2.83%	NA	
Motor Vehicle Title Fees	11,416,500	12,200,000	12,200,000	12,200,000	6.86%	6.86%	11,600,000	11,800,000	1.61%	3.36%	11,700,000		2.48%	NA	
Mixed Drink Tax	77,147,800	76,700,000	76,700,000	76,700,000	-0.58%	-0.58%	81,000,000	85,000,000	4.99%	10.18%	83,100,000		7.72%	NA	
Business Tax	114,808,200	148,900,000	148,900,000	148,900,000	29.69%	29.69%	140,000,000	133,000,000	21.94%	15.85%	148,600,000		29.43%	NA	
Severance Tax	2,479,700	2,700,000	2,700,000	2,700,000	8.88%	8.88%	2,700,000	2,500,000	8.88%	0.82%	2,600,000		4.85%	NA	
Coin Operated Amusement Tax	324,200	-	-	-	NA	NA	0	300,000	-100.00%	-7.46%	300,000		-7.46%	NA	
Unauthorized Substance Tax	21,000	-	-	-	NA	NA	-	-	NA	NA	-		NA	NA	
All Other Taxes	-	-	-	-	NA	NA	-	-	NA	NA	-		NA	711,600,000 *	
TOTAL DEPARTMENT OF REVENUE	\$ 11,744,710,900	\$ 12,117,600,000	\$ 12,117,600,000	\$ 12,117,600,000	3.17%	3.17%	\$ 12,288,900,000	\$ 12,337,854,000	4.63%	5.05%	\$ 12,260,500,000	\$ 12,260,500,000	4.39%	\$ 12,123,700,000	3.23%
GENERAL FUND ONLY (2)	\$ 9,744,409,700	\$ 10,126,200,000	\$ 10,126,200,000	\$ 10,126,200,000	3.92%	3.92%	\$ 10,253,400,000	\$ 10,294,254,000	5.22%	5.64%	\$ 10,221,500,000	\$ 10,221,500,000	4.90%	\$ 10,118,900,000	3.84%
Budgeted Est. Compared to New Est. - Total							\$ 171,300,000				\$ 220,254,000			\$ 142,900,000	\$ 6,100,000
Budgeted Est. Compared to New Est. - Gen. Fund							\$ 127,200,000				\$ 168,054,000			\$ 95,300,000	\$ (7,300,000)

SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%
SALES AND USE TAX	\$ 7,286,164,500	\$ 7,515,100,000	3.14%	\$ 7,685,000,000	5.47%	\$ 7,685,000,000	5.47%	\$ 7,662,900,000	5.17%	\$ 7,530,300,000	3.35%
FRANCHISE AND EXCISE TAXES	1,858,638,300	1,904,300,000	2.46%	1,912,500,000	2.90%	1,950,000,000	4.92%	1,914,500,000	3.01%	1,920,300,000	3.32%
INCOME TAX	239,316,300	264,100,000	10.36%	251,300,000	5.01%	260,000,000	8.64%	255,300,000	6.68%	258,900,000	8.18%
ROAD USER TAXES	1,093,341,700	1,106,100,000	1.17%	1,115,500,000	2.03%	1,118,500,000	2.30%	1,117,400,000	2.20%		NA
ALL OTHER TAXES	1,267,250,100	1,328,000,000	4.79%	1,324,600,000	4.53%	1,324,354,000	4.51%	1,310,400,000	3.41%		NA

(1) Privilege Tax estimates are reduced by \$43.0 million for the earmarked portion of the tax.

(2) F&A calculated the General Fund distribution for all presenters.

* F&A distributed Dr. DePrince's estimate for All Other Taxes based on the General Fund ratio for these taxes in the 2014-2015 Budgeted Estimate.

A-113

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2015-2016**

(Accrual - Basis Estimates)

2015-2016

DEPARTMENT OF REVENUE	% CHANGE		% CHANGE		% CHANGE		% CHANGE	
SOURCE OF REVENUE	DR. FOX ESTIMATE	OVER 14-15 ESTIMATE	FISCAL REVIEW ESTIMATE	OVER 14-15 ESTIMATE	REVENUE DEPT. ESTIMATE	OVER 14-15 ESTIMATE	DR. DePRINCE ESTIMATE	OVER 14-15 ESTIMATE
Sales and use Tax	\$ 7,954,000,000	3.50%	\$ 8,015,000,000	4.29%	\$ 7,881,300,000	2.85%	\$ 7,797,700,000	3.55%
Gasoline Tax	626,400,000	0.00%	631,200,000	0.51%	639,600,000	1.23%	617,200,000	1.10%
Motor Fuel Tax	171,900,000	2.02%	170,000,000	1.19%	171,600,000	3.06%	167,600,000	1.88%
Gasoline Inspection Tax	66,100,000	1.07%	65,500,000	1.55%	65,300,000	1.56%		NA
Motor Vehicle Registration Tax	260,300,000	2.00%	262,000,000	1.55%	258,700,000	1.53%	264,600,000	1.22%
Income Tax	261,300,000	3.98%	270,000,000	3.85%	269,100,000	5.41%	268,200,000	3.59%
Privilege Tax - Less Earmarked Portion (1)	296,500,000	4.59%	309,000,000	4.04%	295,600,000	5.42%	314,300,000	3.12%
Gross Receipts Tax - Total	383,100,000	1.97%	382,900,000	1.90%	391,000,000	4.16%	367,600,000	1.72%
Gross Receipts Tax - TVA	354,000,000	1.99%	353,300,000	1.80%	361,400,000	4.21%		NA
Gross Receipts Tax - Other	29,100,000	1.75%	29,600,000	3.14%	29,600,000	3.50%		NA
Beer Tax	17,700,000	1.14%	18,600,000	2.20%	17,400,000	0.58%		NA
Alcoholic Beverage Tax	59,400,000	4.03%	59,000,000	2.08%	59,500,000	4.02%		NA
Franchise & Excise Taxes	1,981,300,000	3.60%	2,015,000,000	3.33%	1,983,100,000	3.58%	1,991,300,000	3.70%
Inheritance and Estate Tax	70,000,000	-22.22%	59,500,000	-30.00%	34,100,000	-57.85%		NA
Tobacco Tax	262,900,000	-0.98%	254,000,000	-1.55%	247,400,000	-2.17%		NA
Motor Vehicle Title Fees	11,900,000	2.59%	12,000,000	1.69%	11,900,000	1.71%		NA
Mixed Drink Tax	85,800,000	5.93%	89,300,000	5.06%	88,700,000	6.74%		NA
Business Tax	144,200,000	3.00%	137,000,000	3.01%	142,700,000	-3.97%		NA
Severance Tax	2,800,000	3.70%	2,600,000	4.00%	2,600,000	0.00%		NA
Coin Operated Amusement Tax	-	NA	300,000	0.00%	300,000	0.00%		NA
Unauthorized Substance Tax	-	NA	-	NA	-	NA		NA
All Other Taxes	-	NA	-	NA	-	NA	719,500,000 *	1.11%
TOTAL DEPARTMENT OF REVENUE	\$12,655,600,000	2.98%	\$12,752,900,000	3.36%	\$12,559,900,000	2.44%	\$12,508,000,000	3.17%
GENERAL FUND ONLY (2)	\$10,590,600,000	3.29%	\$10,676,800,000	3.72%	\$10,479,200,000	2.52%	\$10,472,000,000	3.49%
Growth over FY 14 Budgeted Est. - Total	\$ 538,000,000		\$ 635,300,000		\$ 442,300,000		\$ 390,400,000	
Growth over FY 14 Budgeted Est. - Gen. Fund	\$ 464,400,000		\$ 550,600,000		\$ 353,000,000		\$ 345,800,000	
Revised Est. Compared to New Est. - Total	\$ 366,700,000		\$ 415,046,000		\$ 299,400,000		\$ 384,300,000	
Revised Est. Compared to New Est. - Gen. Fund	\$ 337,200,000		\$ 382,546,000		\$ 257,700,000		\$ 353,100,000	
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%
SALES AND USE TAX	\$ 7,954,000,000	3.50%	\$ 8,015,000,000	4.29%	\$ 7,881,300,000	2.85%	\$ 7,797,700,000	3.55%
FRANCHISE AND EXCISE TAXES	1,981,300,000	3.60%	2,015,000,000	3.33%	1,983,100,000	3.58%	1,991,300,000	3.70%
INCOME TAX	261,300,000	3.98%	270,000,000	3.85%	269,100,000	5.41%	268,200,000	3.59%
ROAD USER TAXES	1,124,700,000	0.82%	1,128,700,000	0.91%	1,135,200,000	1.59%		NA
ALL OTHER TAXES	1,334,300,000	0.73%	1,324,200,000	-0.01%	1,291,200,000	-1.47%		NA

(1) Privilege Tax estimates are reduced by \$43.0 million for the earmarked portion of the tax.

(2) F&A calculated the General Fund distribution for all presenters.

* F&A distributed Dr. DePrince's estimate for All Other Taxes based on the General Fund ratio for these taxes in the 2014-2015 Budgeted Estimate.

A-114

Net Lottery Proceeds Estimates
Actual 2013-2014 and Estimated 2014-2015 Through 2018-2019
December 2014

	2013-2014	2014-2015		2015-2016		2016-2017		2017-2018		2018-2019	
	Actual	Revised	%	Estimated	%	Estimated	%	Estimated	%	Estimated	%
Lottery Corporation											
Low	322,981,500	328,000,000	1.55%	333,000,000	1.52%	340,000,000	2.10%	346,000,000	1.76%	353,000,000	2.02%
High	322,981,500	333,000,000	3.10%	340,000,000	2.10%	346,000,000	1.76%	353,000,000	2.02%	361,000,000	2.27%
Fiscal Review Staff											
Low	322,981,500	325,000,000	0.62%	329,200,000	1.29%						
Median	322,981,500	328,900,000	1.83%	335,800,000	2.10%	341,844,000	1.80%	347,997,000	1.80%	354,261,000	1.80%
High	322,981,500	332,700,000	3.01%	342,400,000	2.92%						
Recommended Range											
Low	322,981,500	324,600,000	0.50%	326,200,000	0.49%	328,600,000	0.74%	331,100,000	0.76%	333,600,000	0.76%
High	322,981,500	332,700,000	3.01%	338,400,000	1.71%	344,200,000	1.71%	350,100,000	1.71%	356,100,000	1.71%



STATE OF TENNESSEE
TENNESSEE STUDENT ASSISTANCE CORPORATION
SUITE 1510, PARKWAY TOWERS
404 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0820
(615)741-1346 • 1-800-342-1663 • FAX (615)741-6101
www.TN.gov/collegepays

December 11, 2014

MEMORANDUM

TO: State Funding Board

FROM: Tim Phelps, Tennessee Student Assistance Corporation

SUBJECT: Tennessee Education Lottery Scholarship Program Projections

Pursuant to T.C.A 4-51-111(c)(2)(A)(ii), the Tennessee Higher Education Commission (THEC) and Tennessee Student Assistance Corporation (TSAC) have collaborated with the University of Tennessee Center for Business and Economic Research (CBER) to project expenditures in lottery scholarship and grant programs through the 2019-20 academic year.

The figures below incorporate data for all lottery-funded programs, including the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Nontraditional Student Grant, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition Grant, STEP UP Scholarship, and the Math & Science Teacher Loan Forgiveness Program.

Fiscal Year	TELS Expenditures Low	TELS Expenditures Baseline	TELS Expenditures High	Recipients
2013-14 actual	N/A	\$304.0M	N/A	103,300
2014-15 estimated	\$306.1M	\$311.6M	\$317.0M	107,200
2015-16 estimated	\$316.1M	\$321.0M	\$340.0M	110,400
2016-17 estimated	\$325.1M	\$330.4M	\$353.3M	113,700
2017-18 estimated	\$334.6M	\$339.5M	\$362.9M	116,800
2018-19 estimated	\$338.7M	\$343.5M	\$367.6M	118,200
2019-20 estimated	\$342.1M	\$347.6M	\$372.4M	119,600

**Does not include supplemental funding of \$6.8M for TSAA and administrative costs of \$3.8M.*

These projections are based on the size of the annual high school graduating class, the scholarship take-up rate of eligible students, and the renewal rate of recipients.

Some structural changes to TELS programs will affect estimates moving forward. Beginning in the 2015-16 academic year, the HOPE Scholarship award amounts for entering freshmen will change and the Wilder-Naifeh Reconnect program will begin. TSAC and THEC will consider the award amount changes and the commencement of a new program in building our estimates for 2015-16 and beyond.

Please let us know if you have questions or need anything further.

Financial Statements



Financial Statements

Table of Contents



General Fund, Comparative Balance Sheet	A-120
Education Fund, Comparative Balance Sheet.....	A-121
Highway Fund, Comparative Balance Sheet.....	A-122
Debt Management.....	A-123
Debt Service Fund, Statement of Revenues, Expenditures, and Requirements.....	A-124
Debt Service Fund, Comparative Balance Sheet.....	A-125
Bond Fund, Statement of Bonds Authorized and Unissued	A-126
Bond Fund, Statement of Bonds Sold	A-127
Bond Fund, Statement of Appropriations in Lieu of Issuing Bonds.....	A-128
Bond Fund, Statement of Bonded Indebtedness, Principal and Interest on Bonded Debt	A-129

**General Fund
Comparative Balance Sheet
June 30, 2013, and June 30, 2014**

	June 30, 2013	June 30, 2014
Assets		
Cash and Cash Equivalents	\$ 2,153,867,000	\$ 1,904,079,000
Receivables, net	1,552,045,000	1,133,144,000
Due from Other Funds	338,469,000	300,396,000
Due from Component Units	303,000	349,000
Inventories, at Cost	13,088,000	12,514,000
Prepayments	174,000	1,806,000
Loans Receivable, net	2,956,000	30,000
Net Investment in Capital Leases	516,000	259,000
	\$ 4,061,418,000	\$ 3,352,577,000
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 1,204,780,000	\$ 953,303,000
Due to Other Funds	8,760,000	10,966,000
Due to Component Units	15,351,000	18,232,000
Unearned Revenue	222,928,000	245,407,000
	\$ 1,451,819,000	\$ 1,227,908,000
Deferred Inflows of Resources	\$ 97,130,000	\$ 47,512,000
Fund Balance:		
Nonspendable - Inventories	\$ 13,088,000	\$ 12,514,000
Nonspendable - Accounts Receivable	8,261,000	8,561,000
Restricted	73,346,000	68,331,000
Committed	355,546,000	281,969,000
Assigned - Appropriations for 2013-2014	679,400,000	0
Assigned - Appropriations for 2014-2015	0	272,500,000
Assigned - Other Reserves	906,564,000	865,996,000
Unassigned - Revenue Fluctuation Reserve	356,000,000	456,000,000
Unassigned - Reserve for Future Requirements	119,764,000	111,268,000
Unassigned - Fund Balance	500,000	18,000
	\$ 2,512,469,000	\$ 2,077,157,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 4,061,418,000	\$ 3,352,577,000

**Education Fund
Comparative Balance Sheet
June 30, 2013, and June 30, 2014**

Assets	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Cash and Cash Equivalents	\$ 12,000	\$ 1,348,000
Investments	316,046,000	373,254,000
Receivables, net	503,133,000	574,819,000
Due from Other Funds	0	258,000
Due from Component Units	102,668,000	94,670,000
Inventories	87,000	60,000
Prepayments	193,000	0
Total Assets	<u>\$ 922,139,000</u>	<u>\$ 1,044,409,000</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 87,439,000	\$ 133,393,000
Due to Other Funds	297,944,000	297,678,000
Due to Component Units	4,833,000	11,166,000
Unearned Revenue	5,395,000	2,229,000
Total Liabilities	<u>\$ 395,611,000</u>	<u>\$ 444,466,000</u>
Deferred Inflows of Resources	<u>\$ 63,132,000</u>	<u>\$ 55,658,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 87,000	\$ 60,000
Restricted - Lottery Scholarships	399,650,000	422,542,000
Restricted - Energy Efficient Schools	9,170,000	4,679,000
Restricted - After School Program	26,135,000	27,442,000
Restricted - State Endowment	0	48,970,000
Restricted - Other	522,000	990,000
Committed	7,440,000	9,411,000
Assigned	20,392,000	30,191,000
Total Fund Balance	<u>\$ 463,396,000</u>	<u>\$ 544,285,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 922,139,000</u>	<u>\$ 1,044,409,000</u>

**Highway Fund
Comparative Balance Sheet
June 30, 2013, and June 30, 2014**

	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Assets		
Cash and Cash Equivalents	\$ 269,261,000	\$ 450,379,000
Receivables, net	321,897,000	211,292,000
Inventories, at Cost	9,805,000	9,196,000
Loans Receivable, net	<u>1,637,000</u>	<u>1,509,000</u>
Total Assets	<u>\$ 602,600,000</u>	<u>\$ 672,376,000</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 111,843,000	\$ 163,036,000
Due to Other Funds	858,000	1,439,000
Due to Component Units	54,000	2,080,000
Unearned Revenue	<u>3,184,000</u>	<u>3,167,000</u>
Total Liabilities	<u>\$ 115,939,000</u>	<u>\$ 169,722,000</u>
Deferred Inflows of Resources	<u>\$ 145,467,000</u>	<u>\$ 22,277,000</u>
Fund Balances:		
Nonspendable - Inventories	\$ 9,805,000	\$ 9,196,000
Restricted	21,530,000	3,310,000
Committed	268,619,000	279,862,000
Assigned	<u>41,240,000</u>	<u>188,009,000</u>
Total Fund Balance	<u>\$ 341,194,000</u>	<u>\$ 480,377,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 602,600,000</u>	<u>\$ 672,376,000</u>

Debt Management

Recommended Budget, Fiscal Year 2015-2016

The State Funding Board is empowered as the sole governing body over the issuance of general obligation debt for Tennessee. The board was created by the 45th General Assembly with passage of Public Chapter 126, Public Acts of 1887, codified as Title 9, Chapter 9, and Section 101 of the Tennessee Code.

By statute, the state's full faith and credit, as well as ten percent of all state tax revenue collected by the Department of Revenue and allocated to the general fund, the debt service fund and the highway fund are pledged for the payment of principal and interest on all state bonds issued after July 2013.

For the fiscal year ending June 30, 2014, the debt limit calculation produced a maximum annual debt service debt limit of \$637,424,110. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2015-2016 budget total \$344,055,000, well below the maximum statutory debt limitation. The statutory debt limitation, therefore, provides for a substantial amount of additional debt capacity.

Over the years, Tennessee has consistently maintained a relatively low debt burden. This has been accomplished through the use of sound, prudent, and conservative debt management practices adopted by the executive and legislative branches of government, with concurrence of the State Funding Board. Such practices include funding a portion of the state's capital program with surplus cash, cancellation of bond authorizations in lieu of issuing debt, creating and maintaining a "Rainy Day Fund" to offset unanticipated revenue shortfalls, and the adoption of state statutes designed to control the issuance of excessive debt. The state continues to maintain a relative low debt burden, and access to the capital markets remains strong.

Tennessee's commitment to conservative and prudent debt management is widely

recognized by the nation's leading debt-rating agencies. Current ratings on the state's general obligation long-term debt are: Fitch AAA, Standard and Poor's AA+, and Moody's Investor Service Aaa.

Tennessee issued \$130 million in additional general obligation debt in the first six months of fiscal year 2014-2015. As of June 30, 2014, Tennessee's total general obligation bonded indebtedness was \$1,656,651,000, excluding the Facilities Revolving Fund (FRF). This debt was issued entirely for institutional and building construction.

In the spring of fiscal 2014, the second session of the 108th General Assembly approved new general obligation bond authorizations in the amount of \$167,600,000. Of this amount, institutional and building bonds accounted for \$31,700,000, economic and community development grants \$52,400,000, and highway bonds \$83,500,000.

The state's practice of using surplus cash to finance road projects in lieu of issuing debt has been one of the key factors in Tennessee's ability to secure and retain very high bond ratings. Consistent with this long-standing policy, the State Funding Board cancelled \$147,962,598 in regular general obligation bond authorizations, and \$104,600,000 in highway construction bonds.

The increase in bond authorization coupled with the Funding Board's action on bond cancellations reduced the category of authorized but unissued bonds to \$1,595,785,200, which includes \$699.7 million in capital construction bonds, \$820.2 million in highway fund authorizations, \$38.4 million in FRF bonds, and \$37.5 million in data processing equipment and software bonds.

The recommended 2015-2016 Capital Budget is funded from proposed bond authorizations in the amount of \$437,610,000, \$54,805,000 from surplus cash, and \$73,755,500 from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2013 - June 30, 2016

	Actual 2013-2014	Estimated 2014-2015	Estimated 2015-2016
Unreserved Fund Balance, July 1	\$ 25,179,623.34	\$ 5,784,000.00	\$ 6,668,000.00
Tax Revenues:			
Sales Tax	\$ 51,633,755.78	\$ 54,000,000.00	\$ 55,900,000.00
Gasoline Tax	110,000,000.00	88,700,000.00	88,800,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	229,866,244.22	210,700,000.00	243,600,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$ 412,200,000.00	\$ 374,100,000.00	\$ 409,000,000.00
Other Revenues:			
Sports Authority	\$ 3,837,452.06	\$ 3,839,000.00	\$ 3,835,000.00
Motlow State - Smyrna Center	116,531.90	112,000.00	108,000.00
University of Memphis - Land Bank	468,346.67	0.00	603,000.00
State Technology Centers	0.00	0.00	3,740,000.00
State Veterans' Homes - Refinancing	715,255.59	547,000.00	539,000.00
Federal Highway Bridge Funds (80% Match)	0.00	0.00	12,000,000.00
Total Other Revenues	\$ 5,137,586.22	\$ 4,498,000.00	\$ 20,825,000.00
Total Available Funds	\$ 442,517,209.56	\$ 384,382,000.00	\$ 436,493,000.00
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds @ July 1	\$ 216,169,470.38	\$ 204,664,000.00	\$ 195,133,000.00
Bond Sale - July 2014	0.00	2,650,000.00	7,900,000.00
Refunding Bonds - July 2014	0.00	(1,650,000.00)	(78,000.00)
Capital Outlay - Unissued Bonds (\$699,699,000)	0.00	0.00	77,000,000.00
Proposed Capital Outlay Bonds (\$437,600,000)	0.00	0.00	48,100,000.00
Highway Bridges - Unissued Bonds (\$175,200,000)	0.00	0.00	15,000,000.00
Short Term Interest	229,434.34	250,000.00	0.00
Debt Issuance Expense	1,451,743.50	2,700,000.00	1,000,000.00
Total Debt Service Appropriations	\$ 217,850,648.22	\$ 208,614,000.00	\$ 344,055,000.00
Transfers to Other Funds:			
Highway Fund - Bonds Cancelled	\$ 104,600,000.00	\$ 84,500,000.00	\$ 85,800,000.00
Highway Fund - Bridge Bonds - Debt Service	21,600,000.00	4,200,000.00	0.00
General Fund	83,500,000.00	72,000,000.00	0.00
Capital Projects Fund - Safety Communication System	7,000,000.00	7,000,000.00	0.00
Capital Projects - West TN Mega-site	1,400,000.00	1,400,000.00	0.00
Capital Projects Fund - University of Memphis	782,598.00	0.00	0.00
Total Transfers to Other Funds	\$ 218,882,598.00	\$ 169,100,000.00	\$ 85,800,000.00
Total Appropriations and Transfers	\$ 436,733,246.22	\$ 377,714,000.00	\$ 429,855,000.00
Unreserved Fund Balance, June 30			
Net Receivables	\$ 4,648,378.78	\$ 5,000,000.00	\$ 5,000,000.00
Cash and Cash Equivalents	1,135,584.56	1,668,000.00	1,638,000.00
Total Fund Balance, June 30	\$ 5,783,963.34	\$ 6,668,000.00	\$ 6,638,000.00

**Debt Service Fund
Comparative Balance Sheet
June 30, 2013, and June 30, 2014**

	June 30, 2013	June 30, 2014
Assets		
Cash and Cash Equivalents	\$ 20,803,000	\$ 1,135,000
Taxes Receivable	5,390,000	5,495,000
Loans Receivable	9,213,000	10,382,000
Total Assets	\$ 35,406,000	\$ 17,012,000
Liabilities and Fund Balance		
Liabilities:		
Payables and Accruals	\$ 252,000	\$ 170,000
Total Liabilities	\$ 252,000	\$ 170,000
Deferred Inflows of Resources	\$ 9,974,000	\$ 11,058,000
Fund Balance:		
Highway Bridge Bonds - Debt Service	\$ 16,200,000	\$ 0
Unreserved	8,980,000	5,784,000
Total Fund Balance	\$ 25,180,000	\$ 5,784,000
Total Liabilities and Fund Balance	\$ 35,406,000	\$ 17,012,000

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2013 - June 30, 2015

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015 *</u>
1996	Chapter 945	State Parks	\$ 77,365.99	\$ 77,365.99	\$ 77,365.99
1996	Chapter 952	Capital Outlay	512,587.21	512,587.21	300,000.00
1996	Chapter 952	Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
1997	Chapter 535	Capital Outlay	1,272,316.75	1,272,316.75	972,010.62
1998	Chapter 1103	Capital Outlay	500,813.64	500,813.64	375,666.27
1999	Chapter 401	Capital Outlay	758,214.73	758,214.73	758,214.73
2000	Chapter 984	Capital Outlay	1,839,676.39	1,839,676.39	1,501,312.91
2001	Chapter 462	Capital Outlay	633,774.34	633,774.34	633,774.34
2001	Chapter 462	Facilities Revolving Fund	25,122,794.85	25,122,794.85	6,313,403.69
2002	Chapter 852	Capital Outlay	642,388.93	247,922.43	175,592.10
2002	Chapter 852	Facilities Revolving Fund	2,421,701.98	2,421,701.98	2,421,701.98
2003	Chapter 296	Capital Outlay	296,877.22	296,877.22	296,877.22
2003	Chapter 338	Capital Outlay	3,000,000.00	3,000,000.00	234,877.00
2004	Chapter 958	Capital Outlay	9,384,535.43	5,282,180.30	4,891,214.27
2004	Chapter 958	Facilities Revolving Fund	475,346.63	475,346.63	435,220.68
2005	Chapter 501	Capital Outlay	2,708,038.71	963,379.32	963,379.32
2005	Chapter 501	Facilities Revolving Fund	3,122,451.44	3,122,451.44	3,109,307.01
2005	Chapter 501	Highway Construction	76,000,000.00	0.00	0.00
2005	Chapter 502	Higher Education	5,459,538.21	5,459,538.21	5,459,538.21
2006	Chapter 962	Capital Outlay	53,482,513.85	36,800,820.87	35,335,375.31
2006	Chapter 962	Facilities Revolving Fund	8,350,026.99	8,350,026.99	6,548,520.95
2006	Chapter 962	Enterprise Resource Planning Software	26,279,930.67	21,899,930.67	17,519,930.67
2006	Chapter 962	Highway Construction	83,500,000.00	83,500,000.00	0.00
2007	Chapter 591	Capital Outlay	27,924,686.81	21,231,062.93	19,244,236.46
2007	Chapter 591	Higher Education - Board of Regents	6,267,806.03	5,485,208.03	5,485,208.03
2007	Chapter 591	Facilities Revolving Fund	12,941,723.54	12,941,723.54	5,521,177.97
2007	Chapter 591	Highway Construction	83,800,000.00	83,800,000.00	83,800,000.00
2008	Chapter 1119	Higher Education	2,600,994.77	2,395,284.52	2,293,486.99
2008	Chapter 1193	Highway Construction - State Route 840	27,600,000.00	0.00	0.00
2008	Chapter 1202	Capital Outlay	17,700,000.00	8,918,063.50	8,918,063.50
2008	Chapter 1202	Facilities Revolving Fund	19,636,870.56	19,636,870.56	5,657,792.93
2008	Chapter 1202	Highway Construction	87,700,000.00	87,700,000.00	87,700,000.00
2009	Chapter 3 ES	Capital Outlay - E&CD Grants	4,829,318.02	0.00	0.00
2009	Chapter 552	Capital Outlay	98,132,966.33	39,994,290.71	33,806,686.00
2009	Chapter 552	Facilities Revolving Fund	1,064,599.26	1,064,599.26	822,377.81
2009	Chapter 552	Highway Construction	80,000,000.00	80,000,000.00	80,000,000.00
2009	Chapter 552	Highway Construction - Bridges	58,400,000.00	200,000.00	200,000.00
2010	Chapter 1109	Capital Outlay	8,680,000.00	6,793,031.40	1,683,084.85
2010	Chapter 1109	Facilities Revolving Fund	16,400,000.00	16,400,000.00	2,365,579.16
2010	Chapter 1109	Highway Construction	77,000,000.00	77,000,000.00	77,000,000.00
2010	Chapter 1109	Highway Construction - Bridges	87,500,000.00	87,500,000.00	87,500,000.00
2011	Chapter 277	Capital Outlay - E&CD Grants	16,927,942.68	0.00	0.00
2011	Chapter 470	Capital Outlay	56,080,000.00	40,667,349.55	35,204,232.17
2011	Chapter 470	Capital Outlay - Board of Regents	34,000,000.00	34,000,000.00	34,000,000.00
2011	Chapter 470	Capital Outlay - E&CD Grants	8,000,000.00	8,000,000.00	8,000,000.00
2011	Chapter 470	Facilities Revolving Fund	7,900,000.00	7,900,000.00	5,170,550.11
2011	Chapter 470	Highway Construction	74,000,000.00	74,000,000.00	74,000,000.00
2011	Chapter 470	Highway Construction - Bridges	87,500,000.00	87,500,000.00	87,500,000.00
2012	Chapter 1024	Capital Outlay	227,800,000.00	227,800,000.00	182,310,604.67
2012	Chapter 1024	Capital Outlay - Communication System	63,000,000.00	56,000,000.00	49,000,000.00
2012	Chapter 1024	Facilities Revolving Fund	1,000,000.00	1,000,000.00	0.00
2012	Chapter 1024	Highway Construction	80,000,000.00	79,000,000.00	78,000,000.00
2013	Chapter 452	Capital Outlay	185,000,000.00	185,000,000.00	183,678,840.02
2013	Chapter 452	Highway Construction	81,000,000.00	81,000,000.00	81,000,000.00
2014	Chapter 813	Capital Outlay	0.00	31,700,000.00	31,700,000.00
2014	Chapter 813	Capital Outlay - E&CD Grants	0.00	52,400,000.00	52,400,000.00
2014	Chapter 813	Highway Construction	0.00	83,500,000.00	83,500,000.00
Total Bonds Authorized and Unissued			\$ 1,966,227,801.96	\$ 1,823,065,203.96	\$ 1,595,785,203.96
Summary by Purpose:					
	Capital Outlay		\$ 837,512,356.04	\$ 778,029,758.04	\$ 699,699,641.00
	Facilities Revolving Fund		98,435,515.25	98,435,515.25	38,365,632.29
	Highway Construction		723,000,000.00	729,500,000.00	645,000,000.00
	Highway Construction - State Route 840		27,600,000.00	0.00	0.00
	Highway Construction - Bridges		233,400,000.00	175,200,000.00	175,200,000.00
	Data Processing Equipment		20,000,000.00	20,000,000.00	20,000,000.00
	Enterprise Resource Planning Software		26,279,930.67	21,899,930.67	17,519,930.67
Total Bonds Authorized and Unissued			\$ 1,966,227,801.96	\$ 1,823,065,203.96	\$ 1,595,785,203.96

* This column reflects bonds sold, cancelled, or to be cancelled in the current fiscal year.

Bond Fund
Statement of Bonds Sold
July 1, 2012 - June 30, 2015

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2012 - June 30, 2013</u>	<u>July 1, 2013 - June 30, 2014</u>	<u>July 1, 2014 - June 30, 2015</u>
1996	Chapter 952	Capital Outlay	\$ 0.00	\$ 0.00	\$ 212,587.21
1997	Chapter 535	Capital Outlay	0.00	0.00	300,306.13
1998	Chapter 1103	Capital Outlay	0.00	0.00	125,147.37
2000	Chapter 984	Capital Outlay	0.00	0.00	338,363.48
2001	Chapter 462	Facilities Revolving Fund	1,519,138.96	0.00	18,809,391.16
2002	Chapter 852	Capital Outlay	0.00	0.00	72,330.33
2003	Chapter 338	Capital Outlay	0.00	0.00	2,765,122.98
2004	Chapter 958	Capital Outlay	4,279,198.02	0.00	390,966.03
2004	Chapter 958	Facilities Revolving Fund	248,695.62	0.00	40,125.95
2005	Chapter 501	Capital Outlay	552,436.52	0.00	0.00
2005	Chapter 501	Facilities Revolving Fund	0.00	0.00	13,144.43
2005	Chapter 502	Higher Education	16,775,181.90	0.00	0.00
2006	Chapter 962	Capital Outlay	18,299,060.30	0.00	1,465,445.56
2006	Chapter 962	Facilities Revolving Fund	49,148.57	0.00	1,801,506.04
2007	Chapter 591	Capital Outlay	20,447,925.14	0.00	1,986,826.47
2007	Chapter 591	Facilities Revolving Fund	6,342,507.45	0.00	7,420,545.57
2008	Chapter 1119	Higher Education	0.00	0.00	101,797.53
2008	Chapter 1202	Capital Outlay	6,449,744.64	0.00	0.00
2008	Chapter 1202	Facilities Revolving Fund	173,324.78	0.00	13,979,077.63
2009	Chapter 3 ES	Capital Outlay - E&CD Grants	84,107.15	0.00	0.00
2009	Chapter 552	Capital Outlay	36,600,184.74	0.00	4,787,604.71
2009	Chapter 552	Capital Outlay - E&CD Grants	1,799,685.91	0.00	0.00
2009	Chapter 552	Facilities Revolving Fund	22,799.43	0.00	242,221.45
2010	Chapter 1109	Capital Outlay	4,164,692.25	0.00	5,109,946.55
2010	Chapter 1109	Facilities Revolving Fund	0.00	0.00	14,034,420.84
2011	Chapter 277	Capital Outlay - E&CD Grants	14,249,768.79	0.00	0.00
2011	Chapter 470	Capital Outlay	5,086,084.35	0.00	5,463,117.38
2011	Chapter 470	Facilities Revolving Fund	0.00	0.00	2,729,449.89
2012	Chapter 1024	Capital Outlay	2,856,315.48	0.00	45,489,395.33
2012	Chapter 1024	Facilities Revolving Fund	0.00	0.00	1,000,000.00
2013	Chapter 452	Capital Outlay	0.00	0.00	1,321,159.98
Total Bonds Sold			<u>\$ 140,000,000.00</u>	<u>\$ 0.00</u>	<u>\$ 130,000,000.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 131,644,385.19	\$ 0.00	\$ 69,930,117.04
		Facilities Revolving Fund	8,355,614.81	0.00	60,069,882.96
		Total Bonds Sold	<u>\$ 140,000,000.00</u>	<u>\$ 0.00</u>	<u>\$ 130,000,000.00</u>

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
Statement of Bonds Cancelled
July 1, 2012 - June 30, 2015

Year	Authority	Description	July 1, 2012 - June 30, 2013	July 1, 2013 - June 30, 2014	July 1, 2014 - June 30, 2015 *
2001	Chapter 462	Facilities Revolving Fund	\$ 129,604.25	\$ 0.00	\$ 0.00
2004	Chapter 958	Capital Outlay	365,076.72	0.00	0.00
2004	Chapter 958	Facilities Revolving Fund	21,217.29	0.00	0.00
2004	Chapter 958	Highway Construction	74,000,000.00	0.00	0.00
2005	Chapter 501	Capital Outlay	47,130.73	0.00	0.00
2005	Chapter 501	Highway Construction	0.00	76,000,000.00	0.00
2005	Chapter 502	Higher Education	1,431,162.67	0.00	0.00
2006	Chapter 962	Capital Outlay	1,561,171.26	0.00	0.00
2006	Chapter 962	Facilities Revolving Fund	4,193.08	0.00	0.00
2006	Chapter 962	Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00
2006	Chapter 962	Highway Construction	0.00	0.00	83,500,000.00
2007	Chapter 591	Capital Outlay	1,744,500.14	0.00	0.00
2007	Chapter 591	Higher Education - Board of Regents - Univ. of Memphis	254,420.97	782,598.00	0.00
2007	Chapter 591	Facilities Revolving Fund	541,106.49	0.00	0.00
2008	Chapter 1193	Highway Construction - State Route 840	27,600,000.00	27,600,000.00	0.00
2008	Chapter 1202	Capital Outlay	550,255.36	0.00	0.00
2008	Chapter 1202	Facilities Revolving Fund	14,787.08	0.00	0.00
2009	Chapter 3 ES	Capital Outlay - E&CD Grants	7,175.54	0.00	0.00
2009	Chapter 552	Capital Outlay	4,522,518.58	1,400,000.00	1,400,000.00
2009	Chapter 552	Capital Outlay - E&CD Grants	153,538.92	0.00	0.00
2009	Chapter 552	Facilities Revolving Fund	1,945.12	0.00	0.00
2010	Chapter 1109	Capital Outlay	355,307.75	0.00	0.00
2011	Chapter 277	Capital Outlay - E&CD Grants	1,215,708.85	0.00	0.00
2011	Chapter 470	Capital Outlay	433,915.65	0.00	0.00
2012	Chapter 1024	Capital Outlay	243,684.52	0.00	0.00
2012	Chapter 1024	Capital Outlay - Safety Communication System	7,000,000.00	7,000,000.00	7,000,000.00
2012	Chapter 1024	Highway Construction	0.00	1,000,000.00	1,000,000.00
Total Appropriations in Lieu of Issuing Bonds			\$ 126,578,420.97	\$ 118,162,598.00	\$ 97,280,000.00
2011	Chapter 472	Capital Outlay - Hemlock Bonds Cancelled	\$ 0.00	\$ 134,400,000.00	\$ 0.00
Summary by Purpose:					
		Capital Outlay	\$ 19,885,567.66	\$ 143,582,598.00	\$ 8,400,000.00
		Facilities Revolving Fund	712,853.31	0.00	0.00
		Highway Construction	74,000,000.00	77,000,000.00	84,500,000.00
		Highway Construction - State Route 840	27,600,000.00	27,600,000.00	0.00
		Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00
Total Appropriations in Lieu of Issuing Bonds			\$ 126,578,420.97	\$ 252,562,598.00	\$ 97,280,000.00

* This column reflects bonds cancelled and to be cancelled in the current fiscal year.

Note: Chapter 1029, Public Acts of 2012 (Section 6, Item 2(b)), cancelled the following bond authorization that was converted to federal financing:
2009 Chapter 552 Highway Construction - Bridges \$ 29,100,000.00

Chapter 453, Public Acts of 2013 (Section 6, Item 2(b)), cancelled the following bond authorization that was converted to federal financing:
2009 Chapter 552 Highway Construction - Bridges \$ 58,200,000.00

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2014

<u>Fiscal Year</u>	<u>Outstanding Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014 - 2015	136,068,000	68,596,000	204,664,000
2015 - 2016	132,429,000	62,704,000	195,133,000
2016 - 2017	127,436,000	56,964,000	184,400,000
2017 - 2018	118,951,000	50,999,000	169,950,000
2018 - 2019	110,970,000	45,957,000	156,927,000
2019 - 2020	108,442,000	41,247,000	149,689,000
2020 - 2021	102,519,000	36,639,000	139,158,000
2021 - 2022	102,654,000	32,092,000	134,746,000
2022 - 2023	95,706,000	27,715,000	123,421,000
2023 - 2024	95,476,000	23,829,000	119,305,000
2024 - 2025	87,224,000	20,379,000	107,603,000
2025 - 2026	87,459,000	17,052,000	104,511,000
2026 - 2027	81,135,000	13,726,000	94,861,000
2027 - 2028	77,589,000	10,723,000	88,312,000
2028 - 2029	71,849,000	7,416,000	79,265,000
2029 - 2030	47,513,000	4,402,000	51,915,000
2030 - 2031	37,251,000	2,361,000	39,612,000
2031 - 2032	29,398,000	824,000	30,222,000
2032 - 2033	6,582,000	99,000	6,681,000
Total	<u>\$ 1,656,651,000</u>	<u>\$ 523,724,000</u>	<u>\$ 2,180,375,000</u>

NOTE: This statement excludes bonds for the State Facilities Revolving Fund. Debt service for the bonds is appropriated to the Facilities Revolving Fund and is expended in the fund. At June 30, 2014, outstanding principal was \$161,298,000 and interest was \$47,308,000.

Capital Outlay and Facilities Program



Capital Outlay and Facilities Program

Table of Contents



Capital Budget.....	A-135
Additional Proposed Capital Appropriations from Bonds and Other Revenues, Fiscal Year 2014-2015	A-137
Proposed Capital Appropriations from Bonds, Current Funds, and Other Revenues, Fiscal Year 2015-2016	A-138
Proposed Capital Maintenance Appropriations from Bonds, Current Funds, and Other Revenues, Fiscal Year 2015-2016	A-140
Projects Funded from Dedicated Revenues.....	A-142
Proposed Capital Projects from School Bonds and Other Sources	A-143
Capital Outlay Project Descriptions, Fiscal Year 2015-2016	A-145
Capital Maintenance Project Descriptions, Fiscal Year 2015-2016.....	A-148
Projected First-Year Operating Costs for New Facilities, Recommended as Projects for Fiscal Year 2015-2016	A-152
Capital Budget Commonly Used Abbreviations	A-153
Facilities Revolving Fund.....	A-154
Facilities Revolving Fund (FRF), Proposed Capital Appropriations From Bonds, General Fund, and FRF Current Funds, Fiscal Year 2015-2016	A-156
Proposed Facilities Revolving Fund Project Descriptions Fiscal Year 2015-2016	A-157

Capital Budget

Recommended Budget, Fiscal Year 2015-2016

A Capital Project begins when an agency or department identifies a need that can be met through the Capital Budget Process. At a designated point in the year, agencies submit these project concepts to the Departments of General Services and Finance and Administration.

Upon receipt of the capital budget requests, a phased approach of review is undertaken by the Departments of General Services and Finance and Administration. The initial phase focuses on a needs assessment to establish priority and direction. During this phase, feasibility and/or market studies are performed to determine the viability of the project, project risks, and potential routes of implementation. The goal of the initial phase is to generate a recommendation regarding the disposition of the project. The next phase provides additional planning to develop better cost estimates. The end result of the above phased approach is the development and prioritization of a formal capital budget request. The various agencies and departments annually submit both their capital maintenance and capital improvement requests in priority order to the Department of Finance and Administration, Division of Budget.

All capital budget requests are further reviewed on both a technical and financial basis upon receipt by the Department of Finance and Administration. The projects are analyzed for funding requirements and consistency with program goals and are reviewed within projected availability of funds in the budget for the requested fiscal year. If funds are deemed to be insufficient, individual projects may be deferred to be included in future budgets or rejected.

The Administration intends for the needs of departmental programs to be the impetus for all capital outlay, support program, and service requirements. Funding of projects is analyzed on priority of fiscal support for individual existing and new programs to find the best mix of capital improvements and maintenance to sustain and implement programs.

The management of facilities should be flexible enough to adjust to changing programs

through renovation of existing assets. Attempts are made to minimize operational costs and future capital expenditures through better design and more flexible layouts, as has been done in the state's new prisons. When a capital project creates the need for additional operational funding, the operating costs are identified during the capital budget review and further reviewed in the development of the budget in the year when the new space is expected to be occupied.

Improvements to real property funded by public or private funds must be approved by the State Building Commission, comprised of seven ex-officio members: the Governor, the Secretary of State, the Comptroller of the Treasury, the Commissioner of Finance and Administration, the Treasurer, and the Speakers of the Senate and House of Representatives. The State Building Commission, in addition to supervising improvements to real property, oversees leases by state agencies and the demolition of structures located on state property.

The capital items presented in this document as recommendations to the General Assembly reflect projects meeting State Building Commission requirements and policy guidelines.

Capital maintenance projects are defined as major, non-routine repairs and replacements unrelated to new construction, and costing \$100,000 or more. Maintenance projects costing less than this amount are addressed within the departments' operational budget major maintenance programs. Capital maintenance projects include items that appreciably extend the life of the facility, such as alterations to rectify code deficiencies, modifications for health and safety issues, repairs to improve utility systems, repaving, roof repairs, exterior fencing and lighting, and repair projects that restore a facility to its former condition and do not result in changes in facility use. Funding for these projects is allocated to the individual state entities.

Capital improvement projects are defined as those providing new facilities or materially extending the useful life and improving or

changing the function of an existing facility. These projects include facility renovation, new construction, new utility or service systems, land with or without buildings, appurtenances, site improvements or permanent betterments, and initial equipment to furnish and operate a new or improved facility that requires the assistance of a design professional or costs \$100,000 or more.

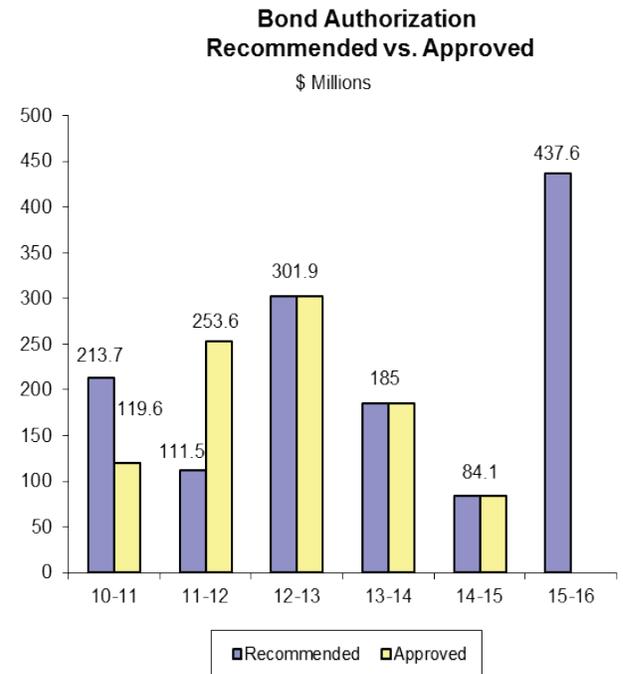
The 2015-2016 capital outlay budget recommends \$566,170,500 divided between capital improvement projects and capital maintenance requests. The recommendation includes \$165.8 million for infrastructure related to an expansion at the Volkswagen Plant, \$35.0 million for infrastructure related to an economic development project, \$264.4 million for higher education projects, \$15.9 million for state parks projects, \$32.5 million for the Empower TN project, and various upgrades to state facilities.

Capital Improvement Projects — Capital improvement projects recommended for fiscal year 2015-2016 total \$449,150,500, including \$21.3 million from state appropriation, and \$371.1 million from bonds. Other funding sources account for the remainder of the total amount. Projects from dedicated sources of revenue are also recommended for the Tennessee Wildlife Resources Agency totaling \$800,000.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$117,020,000. A state appropriation of \$33,490,000 is requested along with a \$66.5 million bond authorization. Other funding sources account for the remainder of the total amount. These projects focus on maintaining current facilities, primarily through repair and renovation of roofing, mechanical, and electrical systems. Funding is also included to bring state facilities in line with federal standards for asbestos and citizens with disabilities. The Tennessee Board of Regents and the University of Tennessee are also funded for modifications to assist in ADA compliance.

New Bond Authorizations — The capital budget includes a proposed bond authorization of \$437.6 million. This includes \$193.9 million for higher education projects, \$200.8 million for economic

development projects, and \$42.9 million to renovate and update facilities. The following chart compares the bond authorizations recommended with those approved by the General Assembly during the past several years.



Facilities Revolving Fund — Capital funding in the amount of \$55,680,000 is recommended for capital maintenance and capital improvement projects. The total recommended amount is funded with \$1,610,000 from state appropriation. Other funding sources account for the remainder of the total amount including departmental funds and other agency reserves. These projects are listed in the Facilities Revolving Fund section, which follows the Capital Budget section of this document.

Operating Costs — This section includes estimates of the first year operating costs resulting from proposed new construction. Differences can be the result of efficiencies from better designs and energy systems or program requirements. Renovation projects that do not have an impact on operating efficiencies are considered to be cost neutral. Only those projects that will have increased operating costs from the current budget are included in the schedule.

**Additional Proposed Capital Appropriations
from Bonds and Other Revenues
Fiscal Year 2014-2015**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
2014 Bond and Appropriations Acts		\$ 237,590,000	\$ 123,310,000	\$ 84,100,000	\$ 2,410,000	\$ 27,770,000
2015 Appropriations Act - Additional Projects						
West TN Veterans Cemetery Improvements ¹	Shelby	\$ 7,328,000	\$ 0	\$ 0	\$ 7,328,000	\$ 0
Sub-Total 2015 Legislation		\$ 7,328,000	\$ 0	\$ 0	\$ 7,328,000	\$ 0
Total 2014-2015 Capital Outlay		\$ 244,918,000	\$ 123,310,000	\$ 84,100,000	\$ 9,738,000	\$ 27,770,000
Sub-Total Higher Education		\$ 129,160,000	\$ 97,190,000	\$ 28,400,000	\$ 0	\$ 3,570,000
Sub-Total Other		\$ 115,758,000	\$ 26,120,000	\$ 55,700,000	\$ 9,738,000	\$ 24,200,000

¹ Federal funding is recognized for an already established project for the West Tennessee Veterans Cemetery. The state match requirement of \$880,000 was provided in Public Chapter 919 of 2014. Funds are provided for the construction and installation of additional crypts, columbarium niches, gravesite locator kiosks, and an irrigation system. Funds will also support the paving of cemetery roads.

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2015-2016**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Children's Services						
Maintenance	Statewide	\$ 6,710,000	\$ 6,710,000	\$ 0	\$ 0	\$ 0
Correction						
Maintenance	Statewide	\$ 11,500,000	\$ 0	\$ 0	\$ 0	\$ 11,500,000
Bledsoe Co. Correctional Cpx. 512 Bed Expansion	Bledsoe	5,000,000	0	0	0	5,000,000
DeBerry Special Needs Facility Dialysis Ctr.	Davidson	2,800,000	0	0	0	2,800,000
Sub-Total Correction		\$ 19,300,000	\$ 0	\$ 0	\$ 0	\$ 19,300,000
Economic & Community Development						
Volkswagen Plant Infrastructure	Hamilton	\$ 165,800,000	\$ 0	\$ 165,800,000	\$ 0	\$ 0
Economic Development Project Infrastructure		35,000,000	0	35,000,000	0	0
Sub-Total Economic & Community Development		\$ 200,800,000	\$ 0	\$ 200,800,000	\$ 0	\$ 0
Environment and Conservation						
Maintenance	Statewide	\$ 4,720,000	\$ 2,520,000	\$ 2,200,000	\$ 0	\$ 0
Chickasaw State Park Bridge Replacement	Chester	790,000	790,000	0	0	0
Bathroom Replacement	Various	5,100,000	900,000	4,200,000	0	0
Cedars of Lebanon SP Campground Renov.	Wilson	2,200,000	1,000,000	1,200,000	0	0
Chickasaw State Park Campground Impvts.	Chester	2,650,000	1,850,000	800,000	0	0
Cumberland Trail SP Bridge Construction	Various	450,000	0	0	0	450,000
Sub-Total Environment and Conservation		\$ 15,910,000	\$ 7,060,000	\$ 8,400,000	\$ 0	\$ 450,000
General Services						
Statewide Maintenance	Statewide	\$ 36,700,000	\$ 4,200,000	\$ 32,500,000	\$ 0	\$ 0
Emergency and Contingency	Statewide	5,000,000	5,000,000	0	0	0
Sub-Total General Services		\$ 41,700,000	\$ 9,200,000	\$ 32,500,000	\$ 0	\$ 0
Historical Commission						
Maintenance	Statewide	\$ 240,000	\$ 240,000	\$ 0	\$ 0	\$ 0
Intellectual & Developmental Disabilities						
Maintenance	Statewide	\$ 2,850,000	\$ 850,000	\$ 2,000,000	\$ 0	\$ 0
Clover Bottom Developmental Ctr. Essential Maint.	Davidson	2,700,000	2,700,000	0	0	0
Sub-Total Intellectual & Developmental Disabilities		\$ 5,550,000	\$ 3,550,000	\$ 2,000,000	\$ 0	\$ 0
Mental Health & Substance Abuse Services						
Western MHI Administration Building Relocation	Hardeman	\$ 850,000	\$ 850,000	\$ 0	\$ 0	\$ 0
Veterans Affairs						
Maintenance	Statewide	\$ 5,530,000	\$ 0	\$ 0	\$ 5,530,000	\$ 0
Middle TN Veterans Cemetery Improvements	Davidson	4,350,000	370,000	0	3,980,000	0
East TN Veterans Cemetery Irrigation & Paving	Knoxville	550,000	85,000	0	465,000	0
Sub-Total Veterans Affairs		\$ 10,430,000	\$ 455,000	\$ 0	\$ 9,975,000	\$ 0
Veterans Homes Board						
State Veterans Home Parking Expansion	Rutherford	\$ 270,000	\$ 0	\$ 0	\$ 0	\$ 270,000
Tennessee Board of Regents						
Maintenance	Statewide	\$ 24,980,000	\$ 12,880,000	\$ 12,100,000	\$ 0	\$ 0
TCAT Master Plan Improvements	Statewide	23,800,000	4,570,000	18,800,000	0	430,000
APSU Fine Arts Bldg. Expansion and Impvts.	Montgomery	20,300,500	0	15,000,000	0	5,300,500
JSCC New Health Science Facilities	Madison	17,000,000	3,200,000	13,000,000	0	800,000
ETSU Fine Arts Classroom Building	Washington	39,150,000	0	28,000,000	0	11,150,000
Sub-Total Tennessee Board of Regents		\$ 125,230,500	\$ 20,650,000	\$ 86,900,000	\$ 0	\$ 17,680,500

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2015-2016**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
University of Tennessee						
Maintenance	Statewide	\$ 23,790,000	\$ 6,090,000	\$ 17,700,000	\$ 0	\$ 0
UTIA West TN 4-H Center Land Acquisition	Hardeman	15,900,000	0	14,310,000	0	1,590,000
UTK Science Laboratory Facility	Knox	99,490,000	0	75,000,000	0	24,490,000
Sub-Total University of Tennessee		\$ 139,180,000	\$ 6,090,000	\$ 107,010,000	\$ 0	\$ 26,080,000
Grand Total						
		\$ 566,170,500	\$ 54,805,000	\$ 437,610,000	\$ 9,975,000	\$ 63,780,500
Sub-Total Capital Maintenance		117,020,000	33,490,000	66,500,000	5,530,000	11,500,000
Sub-Total Capital Improvements		449,150,500	21,315,000	371,110,000	4,445,000	52,280,500
Sub-Total Higher Education:						
		\$ 264,410,500	\$ 26,740,000	\$ 193,910,000	\$ 0	\$ 43,760,500
Capital Maintenance		48,770,000	18,970,000	29,800,000	0	0
Capital Improvements		215,640,500	7,770,000	164,110,000	0	43,760,500
Sub-Total Other Agencies:						
		\$ 301,760,000	\$ 28,065,000	\$ 243,700,000	\$ 9,975,000	\$ 20,020,000
Capital Maintenance		68,250,000	14,520,000	36,700,000	5,530,000	11,500,000
Capital Improvements		233,510,000	13,545,000	207,000,000	4,445,000	8,520,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2015-2016**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Children's Services						
Mountain View and Wilder YDCs PREA Compliance	Various	\$ 5,030,000	\$ 5,030,000	\$ 0	\$ 0	\$ 0
Woodland Hills YDC Security and PREA Upgrades	Davidson	930,000	930,000	0	0	0
Wilder YDC Energy Compliance/HVAC Upgrade	Fayette	750,000	750,000	0	0	0
Sub-Total Children's Services		\$ 6,710,000	\$ 6,710,000	\$ 0	\$ 0	\$ 0
Correction						
Morgan Co. Correctional Cpx. Switchgear Replacement	Morgan	\$ 1,200,000	\$ 0	\$ 0	\$ 0	\$ 1,200,000
DeBerry/TPW BAS and HVAC System Upgrades	Davidson	2,300,000	0	0	0	2,300,000
WTSP Domestic Water Line and Systems Upgrades	Lauderdale	1,100,000	0	0	0	1,100,000
Morgan Co. Correctional Cpx. Washer Replacements	Morgan	1,400,000	0	0	0	1,400,000
Security Electronics Updates	Statewide	5,500,000	0	0	0	5,500,000
Sub-Total Correction		\$ 11,500,000	\$ 0	\$ 0	\$ 0	\$ 11,500,000
Environment and Conservation						
Statewide Dam Repairs	Statewide	\$ 1,950,000	\$ 1,050,000	\$ 900,000	\$ 0	\$ 0
Fall Creek Falls SP Sewage Treatment Upgrade	Franklin	1,800,000	500,000	1,300,000	0	0
David Crockett State Park Campground Improvements	Lawrence	970,000	970,000	0	0	0
Sub-Total Environment and Conservation		\$ 4,720,000	\$ 2,520,000	\$ 2,200,000	\$ 0	\$ 0
General Services						
ADA Compliance	Statewide	\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
Management Support Services	Statewide	1,000,000	1,000,000	0	0	0
Environmental Consultants	Statewide	1,000,000	1,000,000	0	0	0
State Owned Buildings OSHA Compliance	Statewide	800,000	800,000	0	0	0
TPAC Annual Maintenance Grant	Davidson	300,000	300,000	0	0	0
National Civil Rights Museum Maintenance Grant	Shelby	300,000	300,000	0	0	0
Empower TN Implementation	Statewide	32,500,000	0	32,500,000	0	0
Sub-Total General Services		\$ 36,700,000	\$ 4,200,000	\$ 32,500,000	\$ 0	\$ 0
Historical Commission						
Rock Castle Historic Site Structural and Roof Repairs	Sumner	\$ 240,000	\$ 240,000	\$ 0	\$ 0	\$ 0
Intellectual & Developmental Disabilities						
Greene Valley Developmental Ctr. Essential Maint.	Greene	\$ 2,850,000	\$ 850,000	\$ 2,000,000	\$ 0	\$ 0
Veterans Affairs						
East TN Veterans Cemetery Essential Maintenance	Knox	\$ 2,940,000	\$ 0	\$ 0	\$ 2,940,000	\$ 0
Middle TN Veterans Cemetery Essential Maintenance	Davidson	2,590,000	0	0	2,590,000	0
Sub-Total Veterans Affairs		\$ 5,530,000	\$ 0	\$ 0	\$ 5,530,000	\$ 0
Tennessee Board of Regents						
ADA Compliance	Statewide	\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
Management Support Services	Statewide	1,000,000	1,000,000	0	0	0
TCAT Roof Replacements	Statewide	740,000	740,000	0	0	0
TCAT Building Systems Upgrades Phase I	Statewide	1,920,000	420,000	1,500,000	0	0
RSCC Oak Ridge Campus Roof Replacement	Anderson	380,000	380,000	0	0	0
TTU Roof Replacements Phase I	Putnam	2,040,000	340,000	1,700,000	0	0
STCC Roof Replacement & Envelope Repair	Shelby	770,000	770,000	0	0	0
University of Memphis Electric and Gas Utility Updates	Shelby	3,000,000	500,000	2,500,000	0	0
VSCC Lighting Updates	Sumner	180,000	180,000	0	0	0
ETSU Powerhouse Boiler Replacement	Washington	3,000,000	600,000	2,400,000	0	0
CLSCC Electrical Infrastructure Modernization	Bradley	410,000	410,000	0	0	0
COSCC Powerhouse System Repairs Phase I	Maury	400,000	400,000	0	0	0
ETSU Sprinkler System Updates	Washington	500,000	500,000	0	0	0
MTSU Central Plant Control Updates	Rutherford	2,650,000	650,000	2,000,000	0	0
APSU Music Mass Comm. HVAC Replacement Phase I	Montgomery	1,200,000	1,200,000	0	0	0
JSCC Elevator Modernization Phase I	Madison	370,000	370,000	0	0	0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2015-2016**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
WSCC Mechanical and Electrical Updates	Hamblen	\$ 750,000	\$ 750,000	\$ 0	\$ 0	\$ 0
PSCC Boiler and Chiller Updates	Knox	700,000	700,000	0	0	0
TSU Campus-Wide Elevators Replacement	Davidson	2,500,000	500,000	2,000,000	0	0
DSCC Building Mechanical System Modernization	Tipton	320,000	320,000	0	0	0
CHSCC Parking Lots Updates	Hamilton	850,000	850,000	0	0	0
NESCC Faculty Building Glass Replacement	Sullivan	220,000	220,000	0	0	0
MSCC Exterior Buildings Repairs Phase I	Moore	280,000	280,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 24,980,000	\$ 12,880,000	\$ 12,100,000	\$ 0	\$ 0
University of Tennessee						
ADA Compliance	Statewide	\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
UTK Fire Safety Upgrades Phase I	Knox	3,800,000	800,000	3,000,000	0	0
UTIA Ag. Research and Extension Roof Replacements	Statewide	2,000,000	300,000	1,700,000	0	0
UTM EPS Building Improvements Phase I	Weakley	4,290,000	790,000	3,500,000	0	0
UTHSC Security Upgrades Phase I	Shelby	8,000,000	2,000,000	6,000,000	0	0
UTC Guerry Center Improvements	Hamilton	4,900,000	1,400,000	3,500,000	0	0
Sub-Total University of Tennessee		\$ 23,790,000	\$ 6,090,000	\$ 17,700,000	\$ 0	\$ 0
Grand Total		\$ 117,020,000	\$ 33,490,000	\$ 66,500,000	\$ 5,530,000	\$ 11,500,000
Sub-Total Higher Education		\$ 48,770,000	\$ 18,970,000	\$ 29,800,000	\$ 0	\$ 0
Sub-Total Other		\$ 68,250,000	\$ 14,520,000	\$ 36,700,000	\$ 5,530,000	\$ 11,500,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2015-2016**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Wildlife Resources Agency						
Region 1 ADA Facility Compliance	Areawide	\$ 800,000	\$ 0	\$ 0	\$ 600,000	\$ 200,000
Total Tennessee Wildlife Resources Agency		<u>\$ 800,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 600,000</u>	<u>\$ 200,000</u>
Total Dedicated Funds		<u>\$ 800,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 600,000</u>	<u>\$ 200,000</u>

Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2015-2016

The capital projects listed in this section are presented for information purposes only. This is not a request for state tax funds. It is the intent of the listed institutions to initiate these projects within the next two years. All projects listed herein are subject to the approval of the State Building Commission and may have to obtain additional approval by the Tennessee State School Bond Authority (TSSBA) or the State Funding Board, dependent upon their funding source. All projects have previously been endorsed by their respective system governing board and the Tennessee Higher Education Commission.

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
State University and Community College System (Tennessee Board of Regents)				
Austin Peay State University				
* APSU Fine Arts Bldg. Expansion and Improvements	\$ 5,300,500	\$ 0	\$ 5,300,500	\$ 0
Total APSU	\$ 5,300,500	\$ 0	\$ 5,300,500	\$ 0
East Tennessee State University				
* ETSU Fine Arts Classroom Building	\$ 11,150,000	\$ 0	\$ 11,150,000	\$ 0
Total ETSU	\$ 11,150,000	\$ 0	\$ 11,150,000	\$ 0
Tennessee State University				
Hale Stadium Modernization	\$ 18,000,000	\$ 18,000,000	\$ 0	\$ 0
New Student Housing	37,600,000	37,600,000	0	0
Avon Williams Parking Facility	7,000,000	7,000,000	0	0
Incubation Center Replacement	6,000,000	6,000,000	0	0
Main Campus Parking Facility	7,000,000	7,000,000	0	0
Total TSU	\$ 75,600,000	\$ 75,600,000	\$ 0	\$ 0
University of Memphis				
Dining Services Improvements	\$ 1,970,000	\$ 0	\$ 0	\$ 1,970,000
Health and Sport Sciences Renovations	1,500,000	0	1,500,000	0
Nutritional Research Lab Renovations	1,750,000	0	1,750,000	0
Lambuth Student Service Upgrades	1,000,000	0	1,000,000	0
McWherter Library Learning Improvements	750,000	0	750,000	0
Recruitment Center Renovation	900,000	0	900,000	0
Student Housing Roof and Brick Repair	1,250,000	0	1,250,000	0
Wilder Tower Upper Floor Completion	250,000	0	250,000	0
Mynders Hall Renovation	4,600,000	4,600,000	0	0
Total UoM	\$ 13,970,000	\$ 4,600,000	\$ 7,400,000	\$ 1,970,000
Chattanooga State Community College				
CETAS Engineering Classrooms	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Hospitality Management Modifications	250,000	0	0	250,000
Institute of Materials Joining and Testing Expansion	650,000	0	0	650,000
The Peace Center Construction	3,800,000	0	0	3,800,000
Total CHSCC	\$ 4,950,000	\$ 0	\$ 250,000	\$ 4,700,000
Jackson State Community College				
* JSCC New Health Science Facilities	\$ 800,000	\$ 0	\$ 800,000	\$ 0
Total JSCC	\$ 800,000	\$ 0	\$ 800,000	\$ 0
Nashville State Community College				
Southeast Center Roof Replacement and Repairs	\$ 980,000	\$ 0	\$ 980,000	\$ 0
Total NASCC	\$ 980,000	\$ 0	\$ 980,000	\$ 0
Northeast State Community College				
Maintenance Building Exterior Improvements	\$ 220,000	\$ 0	\$ 220,000	\$ 0
Total NESCC	\$ 220,000	\$ 0	\$ 220,000	\$ 0
Pellissippi State Community College				
Drainage and Landscaping Repairs	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Strawberry Plains Roadway	320,000	0	320,000	0
Strawberry Plains Fitness Trail	490,000	0	490,000	0
Strawberry Plains Campus Build-Out	3,500,000	0	3,500,000	0
Solar Energy Panel Installation	120,000	0	120,000	0
Total PSCC	\$ 4,680,000	\$ 0	\$ 4,680,000	\$ 0

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2015-2016**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Tennessee College of Applied Technology				
* TCAT Master Plan Improvements	\$ 430,000	\$ 0	\$ 430,000	\$ 0
Total TCAT	\$ 430,000	\$ 0	\$ 430,000	\$ 0
Total Tennessee Board of Regents	\$ 118,080,500	\$ 80,200,000	\$ 31,210,500	\$ 6,670,000
University of Tennessee System				
University of Tennessee Knoxville				
Neyland Stadium Improvements	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 0
Campus Beautification Projects	2,000,000	0	2,000,000	0
Fire Safety Upgrades	3,000,000	0	3,000,000	0
Engineering Services Facility (Planning)	3,000,000	0	3,000,000	0
Campus Beautification Projects - Volunteer Blvd.	6,400,000	6,400,000	0	0
Agriculture Campus Parking Garage	34,000,000	32,000,000	2,000,000	0
* UTK Science Laboratory Facility	24,490,000	15,750,000	8,740,000	0
Total UT Knoxville	\$ 75,890,000	\$ 54,150,000	\$ 21,740,000	\$ 0
University of Tennessee Chattanooga				
Johnson Obear Apartment Utility Connections	\$ 800,000	\$ 0	\$ 800,000	\$ 0
Academic Classroom Building Renovation (Planning)	2,000,000	0	2,000,000	0
Campus Site Improvements	3,500,000	3,000,000	500,000	0
Engel Intramural Sports Complex	3,000,000	2,500,000	500,000	0
Total UT Chattanooga	\$ 9,300,000	\$ 5,500,000	\$ 3,800,000	\$ 0
UT Health Science Center				
Van Vleet Building Renovations	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Johnson Building Renovations	750,000	0	750,000	0
Hyman Building Renovations	750,000	0	750,000	0
Wittenborg Lab Renovations	1,000,000	0	1,000,000	0
Demo - Boling Center for Developmental Disabilities	2,250,000	0	2,250,000	0
Dentistry Faculty Practice/Research Building (Plan.)	2,000,000	0	0	2,000,000
Total UTHSC	\$ 7,750,000	\$ 0	\$ 5,750,000	\$ 2,000,000
UT Institute of Agriculture				
East TN Research & Education Ctr. - Restroom Facility	\$ 175,000	\$ 0	\$ 0	\$ 175,000
Ridley 4-H/Center for Profitable Agriculture	1,000,000	0	0	1,000,000
UT Gardens Discovery Center	1,000,000	0	0	1,000,000
* UTIA West TN 4-H Center Land Acquisition	1,590,000	0	1,590,000	0
Total UTIA	\$ 3,765,000	\$ 0	\$ 1,590,000	\$ 2,175,000
University of Tennessee Martin				
Ellington Hall Roof Replacement	\$ 550,000	\$ 0	\$ 550,000	\$ 0
Total UTM	\$ 550,000	\$ 0	\$ 550,000	\$ 0
UT System				
Cherokee Farm Parking Lot Development	\$ 375,000	\$ 0	\$ 375,000	\$ 0
Total UT System	\$ 375,000	\$ 0	\$ 375,000	\$ 0
Total University of Tennessee	\$ 97,630,000	\$ 59,650,000	\$ 33,805,000	\$ 4,175,000
Grand Total	\$ 215,710,500	\$ 139,850,000	\$ 65,015,500	\$ 10,845,000

* Funding reflects campus matching portion of higher education capital improvement projects funded in the FY 2014-2015 budget and proposed in the FY 2015-2016 budget pursuant to THEC capital outlay guidelines as described in 2014 PC 919, Section 2, Item 15 and the 2015 proposed appropriations bill.

**Capital Outlay Project Descriptions
Fiscal Year 2015-2016**

	Total Project Cost
Children's Services	
Objective: Provide safe and secure surroundings for youth development residents.	
Maintenance	\$ 6,710,000
Funds to repair, maintain, and update facilities.	
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance	\$ 11,500,000
Funds to repair, maintain, and update facilities.	
Bledsoe County Correctional Complex 512 Bed Expansion	5,000,000
Funds are provided to complete a previously approved expansion project at the Bledsoe County Correctional Complex. These funds support all necessary infrastructure alterations and renovations to construct and complete a classification and intake facility.	
DeBerry Special Needs Facility Dialysis Center	2,800,000
Funds are provided for the construction of a fourteen station satellite dialysis center within the secure perimeter of the facility.	
Sub-Total Correction	\$ 19,300,000
Economic and Community Development	
Objective: Provide for infrastructure and training assistance.	
Volkswagen Plant Infrastructure	\$ 165,800,000
Funds are provided for costs associated with site development, infrastructure, equipment, and facility construction for the Volkswagen Plant in Hamilton County.	
Economic Development Project Infrastructure	35,000,000
Funds are provided for infrastructure for a planned economic development project.	
Sub-Total Economic and Community Development	\$ 200,800,000
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Maintenance	\$ 4,720,000
Funds to repair, maintain, and update facilities.	
Chickasaw State Park Bridge Replacement	790,000
Funds are provided for the demolition and replacement of a pedestrian bridge.	
Bathhouse Replacement	5,100,000
Funds are provided for the replacement of bathhouses at Crockett, Tims Ford, Warriors Path, Pickwick, and Harrison Bay State Parks. These funds support all related installation and demolition work.	
Cedars of Lebanon State Park Campground Renovation	2,200,000
Funds are provided for enhancements to campgrounds including: paving, internet connectivity, electrical and sewer system upgrades, and recreational vehicle site extensions. These funds also support the replacement of bathhouses and all related work.	
Chickasaw State Park Campground Improvements	2,650,000
Funds are provided for upgrades to electrical, water, and sewer systems at campgrounds. Funds also support the replacement of bathhouses and all related work.	

**Capital Outlay Project Descriptions
Fiscal Year 2015-2016**

	Total Project Cost
Cumberland Trail State Park Bridge Construction	\$ 450,000
Funds are provided for the construction of five bridges along the Cumberland Trail.	
Sub-Total Environment and Conservation	\$ 15,910,000
General Services	
Objective: Maintain, repair, and update general government facilities.	
Maintenance	\$ 36,700,000
Funds to maintain, repair, and update general government facilities.	
Emergency and Contingency Funds	5,000,000
Funds to handle unforeseen and emergency situations that arise during the fiscal year.	
Sub-Total General Services	\$ 41,700,000
Historical Commission	
Objective: Protect, preserve, interpret, operate, maintain, and administer state historic sites.	
Maintenance	\$ 240,000
Funds to maintain, repair, and update facilities.	
Intellectual and Developmental Disabilities	
Objective: Provide alternative residential settings for clients and plan for the future.	
Maintenance	\$ 2,850,000
Funds to maintain, repair, and update facilities.	
Clover Bottom Developmental Center Essential Maintenance	2,700,000
Funds are provided for the demolition of three buildings on the Clover Bottom Campus. These funds also support parking lot construction and paving repairs, the replacement of utility poles and transformers, plumbing repairs, and fire hydrant and water line replacements.	
Sub-Total Intellectual and Developmental Disabilities	\$ 5,550,000
Mental Health & Substance Abuse Services	
Objective: Provide facilities to support comprehensive rehabilitation services in a positive and productive learning environment to people with disabilities.	
Western Mental Health Institute Administration Building Relocation	\$ 850,000
Funds are provided for renovations and associated costs related to relocating administrative staff from the original Western Mental Health Institute building to a newer facility.	
Veterans Affairs	
Objective: Expand and renovate state veteran cemetery facilities.	
Maintenance	\$ 5,530,000
Funds to repair, maintain, and update facilities.	
Middle Tennessee Veterans Cemetery Improvements	4,350,000
Funds are provided for the construction and installation of additional crypts, columbarium niches, gravesite locator kiosks, and an irrigation system. Funds will also support the paving of cemetery roads.	

**Capital Outlay Project Descriptions
Fiscal Year 2015-2016**

	Total Project Cost
East Tennessee Veterans Cemetery Irrigation and Paving	\$ 550,000
Funds are provided for the installation of an irrigation system, paving repairs, and the paving of cemetery roads.	
Sub-Total Veterans Affairs	\$ 10,430,000
Veterans Homes Board	
Objective: Expand and renovate state veteran long-term care facilities.	
State Veterans Home Parking Expansion	\$ 270,000
Funds are provided for the expansion of parking areas at the Tennessee State Veterans Home. Funds also support all related site work, landscaping, and lighting improvements.	
Tennessee Board of Regents	
Objective: Expand and enhance facilities for student and faculty needs.	
Maintenance	\$ 24,980,000
Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	
TCAT Master Plan Improvements	23,800,000
Funds are provided for renovations, new construction, additions, and entrance enhancements for TCATs statewide. All work will be in accordance with the Statewide TCAT Master Plan.	
APSU Fine Arts Building Expansion and Improvements	20,300,500
Funds are provided for the expansion and renovation of the Trahern Fine Arts Building.	
Jackson State CC New Health Sciences Facilities	17,000,000
Funds are provided for the construction of new facilities and the renovation of vacated areas associated with the health sciences program.	
ETSU Fine Arts Classroom Building	39,150,000
Funds are provided for the construction of a new fine arts building.	
Sub-Total Tennessee Board of Regents	\$ 125,230,500
University of Tennessee	
Objective: Expand and enhance facilities to students and faculty needs.	
Maintenance	\$ 23,790,000
Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	
UTIA West Tennessee 4-H Center Land Acquisition	15,900,000
Funds are provided for the acquisition of land for the new West Tennessee 4-H Center.	
UT Knoxville Science Laboratory Facility	99,490,000
Funds are provided for the construction of a multidisciplinary science laboratory facility.	
Sub-Total University of Tennessee	\$ 139,180,000
Grand Total	\$ 566,170,500

**Capital Maintenance Project Descriptions
Fiscal Year 2015-2016**

	Total Project Cost
Children's Services	
<p>Mountain View and Wilder YDCs PREA Compliance Funds are provided to upgrade security electronic systems, surveillance camera systems, and physical barriers in common facilities to comply with federal and agency requirements.</p>	\$ 5,030,000
<p>Woodland Hills YDC Security and PREA Compliance Funds are provided to complete security and surveillance upgrades necessary to comply with federal and agency requirements. Funds also support infrastructure upgrades, the replacement of security doors, and upgrades to the main control room.</p>	930,000
<p>Wilder YDC Energy Compliance/HVAC Upgrades Funds are provided for the replacement of the main chiller and dormitory air conditioner units.</p>	750,000
Sub-Total Children's Services	\$ 6,710,000
Correction	
<p>Morgan County Correctional Complex Switchgear Replacement Funds are provided for the replacement of the main electrical switchgear and all related work.</p>	\$ 1,200,000
<p>DeBerry/TPW Building Automation System and HVAC System Upgrades Funds are provided for the replacement of HVAC and negative air systems, the installation of a building automation system, and all related work.</p>	2,300,000
<p>West Tennessee State Penitentiary Domestic Water Line and Systems Upgrades Funds are provided for the replacement of the existing domestic water supply system. The project will include the replacement of water distribution systems, booster pumps, piping, devices, and all related work.</p>	1,100,000
<p>Morgan Co. Correctional Complex Washer Replacements Funds are provided for the replacement of clothes washers and extractors in the laundry facility and all related work.</p>	1,400,000
<p>Security Electronics Upgrades Funds are provided for the replacement of surveillance, fire suppression, and back-up power supply systems at various institutions statewide.</p>	5,500,000
Sub-Total Correction	\$ 11,500,000
Environment and Conservation	
<p>Statewide Dam Repairs Funds are provided for corrective repairs to meet the requirements outlined by the Safe Dams Act at Dunbar, Radnor, Fall Creek Falls, and Reelfoot Lake Dams.</p>	\$ 1,950,000
<p>Fall Creek Falls State Park Sewage Treatment Upgrade Funds are provided for upgrades to the waste treatment system to address infiltration, leaks, and capacity issues. Funds will support necessary replacements and all related work.</p>	1,800,000
<p>David Crockett State Park Campground Improvements Funds are provided for upgrades to campground electrical systems, recreational vehicle sites, water systems, and fiber optic systems.</p>	970,000
Sub-Total Environment and Conservation	\$ 4,720,000

**Capital Maintenance Project Descriptions
Fiscal Year 2015-2016**

	Total Project Cost
General Services	
Americans with Disabilities Act Compliance Capital maintenance activities associated in compliance with the Americans with Disabilities Act and other disabilities-related issues.	\$ 800,000
Management Support Services This project provides funding for consultant services regarding support for state construction-related activities.	1,000,000
Environmental Consultants This project provides environmental services expertise in mold identification and removal, asbestos identification and abatement, and other assistance to the State of Tennessee Real Estate Asset Management division of the Department of General Services.	1,000,000
State Owned Buildings OSHA Compliance Provide inspection and training services to building employees to insure compliance with OSHA directives.	800,000
TPAC Annual Maintenance Grant Grant to provide state maintenance assistance for the Tennessee Performing Arts Center.	300,000
National Civil Rights Museum Maintenance - Grant Grant to provide maintenance support to the National Civil Rights Museum in Memphis.	300,000
Empower TN Implementation Funds are provided as a part of a statewide initiative to reduce building energy consumption. Projects supported by these funds include lighting retrofits, lighting controls, building envelope repairs, building automation systems, HVAC replacement, and other projects to optimize energy efficiency in buildings statewide.	32,500,000
Sub-Total General Services	\$ 36,700,000
Historical Commission	
Rock Castle Historic Site Structural and Roof Repairs Funds are provided for roof replacement and structural repairs at various buildings.	\$ 240,000
Intellectual and Developmental Disabilities	
Greene Valley Developmental Center Essential Maintenance Funds are provided for the replacement of the boiler system, several roofs, and coolers. Funds also support upgrades to the propane fuel system.	\$ 2,850,000
Veterans Affairs	
East Tennessee Veterans Cemetery Essential Maintenance Funds are provided to clean, raise, and realign headstones to meet federal standards. Project also includes the installation of a box beam system to minimize future movement of headstones.	\$ 2,940,000
Middle Tennessee Veterans Cemetery Essential Maintenance Funds are provided to clean, raise, and realign headstones to meet federal standards.	2,590,000
Sub-Total Veterans Affairs	\$ 5,530,000

**Capital Maintenance Project Descriptions
Fiscal Year 2015-2016**

	Total Project Cost
Tennessee Board of Regents	
Americans with Disabilities Act Compliance Capital maintenance activities associated in compliance with the Americans with Disabilities Act and other disabilities-related issues.	\$ 800,000
Management Support Services This project provides funding for consultant services regarding support for state construction-related activities.	1,000,000
Tennessee Colleges of Applied Technology Roof Repair and Replacements Funds are provided to repair or replace roofs at various TCAT facilities statewide.	740,000
TCAT Building Systems Upgrades Phase I Funds are provided for upgrades to mechanical, electrical, plumbing, and fire protection systems at various TCAT facilities statewide.	1,920,000
Roane State CC Oak Ridge Campus Roof Replacement Funds are provided for facility re-roof and all related work.	380,000
Tennessee Technological University Roof Replacements Phase I Funds are provided for the replacement of roofs at various buildings. Funds also support necessary roof repairs, masonry work, clock tower and cupola repairs, and all related work.	2,040,000
Southwest Tennessee CC Roof Replacement and Envelope Repairs Funds are provided for roof replacement and building envelope repairs at various buildings.	770,000
University of Memphis Electric and Gas Utility Updates Funds are provided for the replacement of underground gas lines and upgrades to the primary campus electrical feed and primary electrical loop.	3,000,000
Volunteer State CC Lighting Updates Funds are provided for the campus-wide replacement of pole and area lighting.	180,000
East Tennessee State University Powerhouse Boiler Replacement Funds are provided for the replacement of a coal fired boiler with a gas/oil package boiler and operating system.	3,000,000
Cleveland State CC Electrical Infrastructure Modernization Funds are provided for upgrades to the campus electrical system infrastructure and all related work.	410,000
Columbia State CC Powerhouse System Repairs Phase I Funds are provided for upgrades to core powerhouse systems including HVAC, plumbing, electrical, and control systems.	400,000
East Tennessee State University Sprinkler System Updates Funds are provided to address code issues with sprinkler systems including the replacement of valves and backflow preventer. Funds also support the correction of corrosion issues and all related repair work.	500,000
Middle Tennessee State University Central Plant Control Updates Funds are provided for the replacement of several energy control systems. Funds also support upgrades to building automation systems to enhance centralized control of building systems.	2,650,000
Austin Peay State University Music Mass Comm. HVAC Replacement Phase I Funds are provided for the first phase of HVAC system replacement.	1,200,000
Jackson State CC Elevator Modernization Phase I Funds are provided for the first phase of campus-wide elevator modernization.	370,000

**Capital Maintenance Project Descriptions
Fiscal Year 2015-2016**

	Total Project Cost
Walters State CC Mechanical and Electrical Updates	\$ 750,000
Funds are provided for building system control upgrades and mechanical system upgrades. Funds also support the replacement of hot water pumps, light fixtures, and all related work.	
Pellissippi State CC Boiler and Chiller Updates	700,000
Funds are provided for the replacement of hot and chilled water equipment, upgrades to chiller equipment, and the cleaning of ductwork.	
Tennessee State University Campus-Wide Elevator Replacement	2,500,000
Funds are provided for the replacement or renovation of elevator cabs and lobbies campus-wide. Funds also support the replacement of elevator conveyance, control systems, safety systems, utility systems, and all related work.	
Dyersburg State CC Building Mechanical System Modernization	320,000
Funds are provided for the replacement of all fan coil units and related energy management controls at various buildings.	
Chattanooga State CC Parking Lot Updates	850,000
Funds are provided for upgrades to campus parking lots including site work, drainage repairs, and paving of gravel lots.	
Northeast State CC Faculty Building Glass Replacement	220,000
Funds are provided for the replacement of exterior glass and all related work.	
Motlow State CC Exterior Building Repairs Phase I	280,000
Funds are provided for the replacement of roofs, doors, and windows at various buildings.	
Sub-Total Tennessee Board of Regents	\$ 24,980,000
University of Tennessee	
Americans with Disabilities Act Compliance	\$ 800,000
Capital maintenance activities associated in compliance with the Americans with Disabilities Act and other disabilities-related issues.	
UTK Fire Safety Upgrades Phase I	3,800,000
Funds are provided for fire safety upgrades to various buildings campus-wide.	
UTIA Agriculture Research and Extension Roof Replacements	2,000,000
Funds are provided for roof replacement at UTIA Research and Educational Centers statewide.	
UTM EPS Building Improvements Phase I	4,290,000
Funds are provided for the replacement of air-handling units, mechanical systems equipment, ceilings, lighting, and flooring. Funds also support the renovation of the existing penthouse.	
UTHSC Security Upgrades Phase I	8,000,000
Funds are provided to upgrade security surveillance systems and wireless keyless access systems campus-wide. Funds also support renovations necessary for the emergency operations center and all related work.	
UTC Guerry Center Improvements	4,900,000
Funds are provided for the replacement of the HVAC, building, and service electrical systems. Funds also support the replacement of building finishes, roofing system, and windows. The project includes upgrades to lighting and life safety systems, interior renovations, masonry repairs, drainage upgrades, and all related work.	
Sub-Total University of Tennessee	\$ 23,790,000
Grand Total Capital Maintenance	\$ 117,020,000

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2015-2016**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM*</u>	<u>ADDITIONAL PERSONNEL</u>
Correction						
DeBerry Special Needs Facility Dialysis Ctr.	Davidson	\$ 99,300	\$ 19,500	\$ 0	\$ 79,800	0
Tennessee Board of Regents						
APSU Fine Arts Bldg. Expansion and Impvts.	Montgomery	\$ 350,400	\$ 98,400	\$ 203,800	\$ 48,200	2
JSCC New Health Science Facilities	Madison	1,331,400	155,500	386,900	789,000	13
ETSU Fine Arts Classroom Building	Washington	967,000	231,400	575,900	159,700	6
Sub-Total Tennessee Board of Regents		<u>\$ 2,648,800</u>	<u>\$ 485,300</u>	<u>\$ 1,166,600</u>	<u>\$ 996,900</u>	<u>21</u>
University of Tennessee						
UTK Science Laboratory Facility	Knox	\$ 1,577,000	\$ 943,500	\$ 388,500	\$ 245,000	0
Grand Total		<u>\$ 4,325,100</u>	<u>\$ 1,448,300</u>	<u>\$ 1,555,100</u>	<u>\$ 1,321,700</u>	<u>21</u>

* Operating costs are defined as new or increased costs associated with the work tasks anticipated to be performed within the new facility. The salary costs of any new employees anticipated to be hired for the new facility are considered part of these costs.

Capital Budget

Commonly Used Abbreviations

AASF	Army Aviation Support Facility	Re-Roof	Replace Roof
ADA	Americans with Disabilities Act	RHO	Regional Health Office
Add.	Additional	Renov.	Renovation
AFRC	Armed Forces Reserve Center	RSCC	Roane State Community College
APSU	Austin Peay State University	SP	State Park
Bldgs.	Buildings	SRCF	Southeast Regional Correctional Facility
CC	Community College	STCC	Southwest Tennessee Community College
CCC	Civilian Conservation Corps	STREAM	State of TN Real Estate Asset Management
CHSCC	Chattanooga State Community College	Sys.	System
CLSCC	Cleveland State Community College	TN	Tennessee
COSCC	Columbia State Community College	TBR	Tennessee Board of Regents
Co.	County	TCAT	Tennessee College of Applied Technology
CoM	College of Medicine	TDOT	Tennessee Department of Transportation
Cpx.	Complex	TEMA	Tennessee Emergency Management Agency
Ctr.	Center	THEC	Tennessee Higher Education Commission
DCS	Department of Children's Services	THP	Tennessee Highway Patrol
Demo	Demolition	TLETA	Tennessee Law Enforcement Training Academy
DOC	Department of Correction	TPAC	Tennessee Performing Arts Center
DSCC	Dyersburg State Community College	TPS	Tennessee Preparatory School
EMS	Energy Management System	TPW	Tennessee Prison for Women
ETSU	East Tennessee State University	TRC	Tennessee Rehabilitation Center
HVAC	Heating, Ventilation, & Air Conditioning	TRICOR	Tennessee Rehabilitative Initiative in Correction
HQ	Headquarters	TSU	Tennessee State University
Impvts.	Improvements	TTCs	Tennessee Technology Centers
Info.	Information	TTU	Tennessee Technological University
IT	Information Technology	TWRA	Tennessee Wildlife Resources Agency
JSCC	Jackson State Community College	Univ.	University
Maint.	Maintenance	UoM	University of Memphis
Mech.	Mechanical	UTHSC	University of Tennessee Health Science Center
Mgmt.	Management	UTC	University of Tennessee Chattanooga
MHI	Mental Health Institute	UTIA	University of Tennessee Institute of Agriculture
MSCC	Motlow State Community College	UTK	University of Tennessee Knoxville
MTSU	Middle Tennessee State University	UTM	University of Tennessee Martin
NESCC	Northeast State Community College	UT	University of Tennessee
NGB	National Guard Bureau	VSCC	Volunteer State Community College
NASCC	Nashville State Community College	WMA	Wildlife Management Area
OSHA	Occupational Safety & Health Administration	WMB	War Memorial Building
PREA	Prison Rape Elimination Act	WSCC	Walters State Community College
PSCC	Pellissippi State Community College	WTSP	West Tennessee State Penitentiary
RC	Readiness Center	YDC	Youth Development Center

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2015-2016

The State Office Buildings and Support Facilities Revolving Fund (FRF) was established in 1988 to provide efficient management of the state office and warehousing facilities. State agencies are charged a rental rate based on usage, location, and market rate for the space they occupy. These revenues, along with any necessary current services revenue and reserve funds, constitute the operating funds for FRF.

The fund pays for facilities management costs of state-owned and leased office space, and warehouse space. These costs include debt service on buildings financed with bonds, routine and major maintenance, relocation expenses and furniture for state agencies, and payments for leased office

space not owned by the state but occupied by state agencies.

FRF is managed by the Department of General Services, with some management support from the Department of Finance and Administration. General Services operates, maintains, and manages FRF facilities, and constructs and renovates facilities through the State of Tennessee Real Estate Asset Management (STREAM) division, with approval of the State Building Commission. The division also provides capital projects pre-planning, lease transaction management, legal oversight, real estate management, space planning, space assignment, interior design, relocation services, and furniture to agencies.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------

501.01 Facilities Operations

The Department of General Services, STREAM division maintains the daily upkeep of FRF facilities through Facilities Operations. Items such as contracts for utilities, janitorial, security, and other on-going services are funded through this allotment.

Payroll	0	0	0
Operational	60,931,500	51,126,500	51,126,500
Total	\$60,931,500	\$51,126,500	\$51,126,500
State	8,517,200	7,517,200	7,517,200
Federal	0	0	0
Other	52,414,300	43,609,300	43,609,300

501.02 Facilities Maintenance

The Department of General Services, STREAM division makes standard repairs and handles regular maintenance of FRF facilities within Facilities Maintenance. Major unexpected equipment failures, as well as painting walls, repairing doors, and stopping leaks are paid from this allotment.

Payroll	0	0	0
Operational	2,317,600	3,845,100	3,845,100
Total	\$2,317,600	\$3,845,100	\$3,845,100
State	0	0	0
Federal	0	0	0
Other	2,317,600	3,845,100	3,845,100

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------

501.03 Leases and Space Planning

The Department of General Services, STREAM division allocates, assigns, and leases space to state agencies; negotiates and pays for leases in non-state owned buildings; and pays for moving and furniture expenses from the Leases and Space Planning allotment.

Payroll	0	0	0
Operational	46,706,100	45,025,000	45,025,000
Total	\$46,706,100	\$45,025,000	\$45,025,000
State	14,147,600	5,547,600	5,547,600
Federal	0	0	0
Other	32,558,500	39,477,400	39,477,400

501.04 FRF Capital Projects

The Department of General Services, STREAM division coordinates new construction and maintenance activities for the state-owned facilities managed by FRF. Included in the recommended FRF Capital Projects budget are funds for statewide capital outlay projects and capital maintenance projects.

Payroll	0	0	0
Operational	64,123,400	41,650,000	55,680,000
Total	\$64,123,400	\$41,650,000	\$55,680,000
State	64,123,400	0	1,610,000
Federal	0	0	0
Other	0	41,650,000	54,070,000

501.05 FRF Debt Service

The Department of Finance and Administration pays debt service on bonds that finance FRF capital outlay.

Payroll	0	0	0
Operational	26,511,800	23,900,000	23,900,000
Total	\$26,511,800	\$23,900,000	\$23,900,000
State	13,000,000	0	0
Federal	0	0	0
Other	13,511,800	23,900,000	23,900,000

501.00 Total Facilities Revolving Fund

Payroll	0	0	0
Operational	200,590,400	165,546,600	179,576,600
Total	\$200,590,400	\$165,546,600	\$179,576,600
State	99,788,200	13,064,800	14,674,800
Federal	0	0	0
Other	100,802,200	152,481,800	164,901,800

**Facilities Revolving Fund (FRF)
Proposed Capital Appropriations
From Bonds, General Fund, and FRF Current Funds
Fiscal Year 2015-2016**

	COUNTY	TOTAL	GENERAL FUND CURRENT	FRF	
				CURRENT	OTHER*
Capital Improvements:					
New State Museum Phase I	Davidson	\$ 1,610,000	\$ 1,610,000	\$ 0	\$ 0
Capital Maintenance:					
WMB/LP Mechanical and Electrical Upgrades	Davidson	\$ 8,050,000	\$ 0	\$ 0	\$ 8,050,000
Statewide Arc Flash Studies	Various	740,000	0	0	740,000
Cordell Hull Building Renovation Phase 1	Davidson	34,070,000	0	0	34,070,000
Empower TN Project Infrastructure	Statewide	4,140,000	0	0	4,140,000
Empower TN Project Implementation	Statewide	5,000,000	0	0	5,000,000
Empower TN Utility Data Collection and Software	Statewide	2,070,000	0	0	2,070,000
Sub-Total Capital Maintenance		\$ 54,070,000	\$ 0	\$ 0	\$ 54,070,000
Grand Total		\$ 55,680,000	\$ 1,610,000	\$ 0	\$ 54,070,000

*Other funding is a combination of FRF reserves, other agency reserves, and previously appropriated project funds.

Proposed Facilities Revolving Fund Project Descriptions Fiscal Year 2015-2016

Objective: Provide efficient management of state facilities.

Capital Improvements:

New State Museum Phase I

Funds are provided to plan the construction of a new State Museum.

Total
Project Cost

\$ 1,610,000

Total Capital Improvements

\$ 1,610,000

Capital Maintenance:

War Memorial Building/Legislative Plaza Mechanical and Electrical Upgrades

Funds are provided for planning and design to modernize building mechanical, HVAC, lighting, plumbing, and fire suppression systems. Funds also support planning and design work for building finishes. Funding for this project is comprised of \$4,025,000 in FRF reserves and \$4,025,000 in Legislature reserves.

\$ 8,050,000

Arc Flash Studies

Funds are provided for a study identifying FRF facilities creating arc flashes. Funds also support safety training for building management personnel.

740,000

Cordell Hull Building Renovation Phase I

Funds are provided for the first phase of the renovation of the Cordell Hull Building. This phase includes, but is not limited to, the demolition of the Central Services Building and renovations to the building interior, HVAC systems, mechanical and plumbing systems, and fire suppression systems. Funding is comprised of \$20,070,000 in FRF reserves and \$14,000,000 in Decommissioning Project funds.

34,070,000

Empower TN Infrastructure

Funds are provided for the modification of building energy systems to optimize facility energy performance. These modifications include system fault detection and real-time energy consumption analysis. Funds for this project are from Petroleum Violation Escrow reserves from the Department of Environment and Conservation, Office of Energy Programs.

4,140,000

Empower TN Implementation

Funds are provided as a part of a statewide initiative to reduce building energy consumption. Projects supported by these funds include lighting retrofits, lighting controls, building envelope repairs, building automation systems, HVAC replacement, and other projects to optimize energy efficiency in buildings statewide.

5,000,000

Empower TN Utility Data Collection and Software

Funds are provided for software to enable data collection, integration, and analysis of building energy consumption statewide. Funds for this project are from Petroleum Violation Escrow reserves from the Department of Environment and Conservation, Office of Energy Programs.

2,070,000

Total Capital Maintenance

\$ 54,070,000

Grand Total FRF Capital Outlay

\$ 55,680,000

Program Statements by Functional Area



Program Statements by Functional Area

Table of Contents

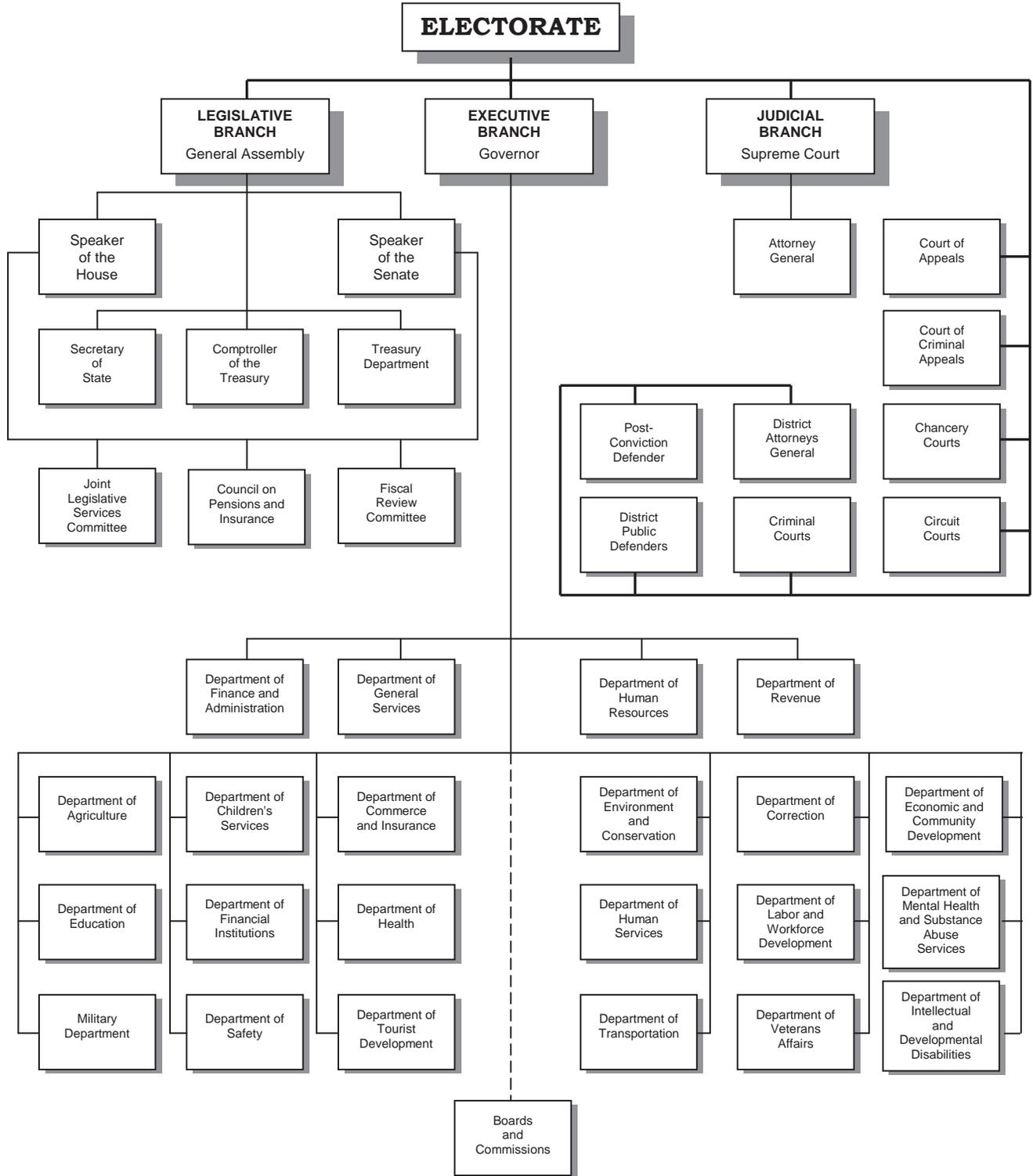


Tennessee State Government Organizational Chart.....B-5

Recommended Budget for Fiscal Year 2015-2016 by Functional AreaB-7

TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2015 - 2016



**Recommended Budget for Fiscal Year 2015-2016
By Functional Area**

Functional Area	State	Federal	Other	Total
General Government	463,132,900	61,594,500	520,567,700	1,045,295,100
Education	6,102,355,800	1,233,138,700	2,448,517,700 *	9,784,012,200
Health and Social Services	4,327,309,800	9,884,679,500	1,233,361,100	15,445,350,400
Law, Safety and Correction	1,385,349,300	77,513,000	198,591,700	1,661,454,000
Resources and Regulation	468,551,100	239,821,800	179,493,200	887,866,100
Transportation, Business and Economic Development	1,017,107,700	1,276,194,600	77,919,200	2,371,221,500
Total	\$13,763,806,600	\$12,772,942,100	\$4,658,450,600	\$31,195,199,300

* Includes Higher Education's tuition and fees and other revenue

General Government



General Government

Table of Contents



Introduction	B-13
Total Personnel and Funding.....	B-14
Recommended Budget for Fiscal Year 2015-2016 by Funding Source.....	B-15
Cost Increases for Fiscal Year 2015-2016.....	B-16
Program Statements.....	B-21
Legislature.....	B-21
Fiscal Review Committee	B-24
Secretary of State	B-25
Comptroller of the Treasury.....	B-30
Treasury Department.....	B-37
Claims and Compensation.....	B-40
Executive Department.....	B-42
Tennessee Human Rights Commission	B-43
Tennessee Regulatory Authority	B-44
Advisory Commission on Intergovernmental Relations	B-45
Department of Finance and Administration	B-46
Department of Human Resources.....	B-52
Department of General Services	B-54
Veterans Affairs	B-59
Department of Revenue.....	B-60
Miscellaneous Appropriations	B-66
Emergency and Contingency Fund.....	B-67
State Building Commission.....	B-68
Priority Goals and Measures.....	B-69

General Government

Recommended Budget, Fiscal Year 2015 – 2016

This functional area is comprised of those elements of state government that make and execute the laws and are responsible for the overall daily operation and coordination of the many activities of government.

This functional area represents a diverse group of departments and agencies. Included are the General Assembly and the three constitutional officers elected by that body:

- Secretary of State
- Comptroller of the Treasury
- State Treasurer.

The Executive Department, including the Governor's Office, oversees the daily operation of state government and is responsible for ensuring that state laws are enforced, taxes are collected, a budget is proposed, and public monies are spent wisely.

Also included in this functional group are the departments that assist the Governor in staff function:

- Finance and Administration
- Human Resources
- General Services
- Revenue.

These departments facilitate the successful operation of state government by providing support for all departments. In addition, the Department of General Services and the Department of Finance and Administration are responsible for overseeing and administering state office buildings and support the Facilities Revolving Fund (FRF). The Facilities Revolving Fund provides funding for self-perpetuating maintenance and renovation for state-owned buildings. Budget information concerning FRF can be found in the Capital Outlay and Facilities program section. Capital

improvements and major maintenance projects are supported by this fund, as well as repair, upgrade, relocation, leased space, warehouse space, and facility management plans.

The Real Estate Asset Management division within the Department of General Services is responsible for capital improvement, maintenance projects, and energy management in state-owned facilities. The division is also responsible for effectively managing, operating, and maintaining state office buildings. The Real Estate Asset Management division utilizes state employees and contracted services to effectively maintain these assets and deliver all appropriate services to the tenants.

This functional group also includes four agencies whose responsibilities affect many facets of government:

- Tennessee Regulatory Authority
- Human Rights Commission
- Advisory Commission on Intergovernmental Relations
- Veterans Affairs.

Cost Increases and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended cost increases for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year.

General Government Total Personnel and Funding

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Recommended 2015-2016</u>
Personnel			
Full Time	4,346	4,342	4,314
Part Time	169	175	175
Seasonal	28	28	28
TOTAL	4,543	4,545	4,517
Expenditures			
Payroll	\$ 304,321,300	\$ 350,853,900	\$ 344,416,600
Operational	559,040,600	627,582,500	700,878,500
TOTAL	\$ 863,361,900	\$ 978,436,400	\$ 1,045,295,100
Funding			
State	\$ 307,527,100	\$ 387,690,900	\$ 463,132,900
Federal	38,395,600	62,363,300	61,594,500
Other	517,439,200	528,382,200	520,567,700

General Government
Recommended Budget for Fiscal Year 2015-2016
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	41,560,600	0	137,500	41,698,100
301.50 Fiscal Review Committee	1,478,800	0	0	1,478,800
305.00 Secretary of State	28,558,300	30,216,800	12,054,900	70,830,000
307.00 Comptroller of the Treasury	85,284,800	0	9,214,100	94,498,900
309.00 Treasury Department	2,818,800	0	33,071,400	35,890,200
313.00 Claims and Compensation	12,576,000	3,774,000	94,367,400	110,717,400
315.00 Executive Department	5,169,700	0	0	5,169,700
316.04 Human Rights Commission	1,696,100	775,500	0	2,471,600
316.11 Tennessee Regulatory Authority	6,231,600	826,200	1,000	7,058,800
316.12 Advisory Commission on Intergovernmental Relations	201,700	0	2,829,500	3,031,200
317.00 Finance and Administration	20,334,900	25,214,500	208,230,800	253,780,200
319.00 Human Resources	0	0	11,882,300	11,882,300
321.00 General Services	9,812,100	0	118,437,400	128,249,500
323.00 Veterans Affairs	5,393,300	766,800	255,000	6,415,100
347.00 Revenue	79,635,100	20,700	29,936,400	109,592,200
351.00 Miscellaneous Appropriations	161,311,800	0	0	161,311,800
353.00 Emergency and Contingency Fund	819,300	0	0	819,300
355.00 State Building Commission	250,000	0	150,000	400,000
Total	\$463,132,900	\$61,594,500	\$520,567,700	\$1,045,295,100

General Government
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Comptroller of the Treasury					
• Local Government Audit Training					
To provide non-recurring funds to conduct regional training workshops for local government accounting staff.					
307.05 Division of Local Government Audit	\$50,000	\$0	\$0	\$50,000	0
Sub-total	\$50,000	\$0	\$0	\$50,000	0
Total Comptroller of the Treasury	\$50,000	\$0	\$0	\$50,000	0
Treasury Department					
• College Savings					
To provide non-recurring funds for incentives and the marketing of the College Savings Program.					
309.03 TN Stars College Savings 529 Program	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Client Relationship Management Software					
To provide funds for alternative asset portfolio management software. This software will assist in risk and return analysis and help ensure compliance with investment policies.					
309.01 Treasury Department	\$0	\$0	\$150,000	\$150,000	0
Sub-total	\$0	\$0	\$150,000	\$150,000	0
Total Treasury Department	\$500,000	\$0	\$150,000	\$650,000	0
Executive Department					
• Statutory Salary Increase					
To provide funding for the Governor's salary adjustment required by TCA 8-1-102. By law, the salary is linked to the salary of the chief justice of the Supreme Court.					
315.01 Governor's Office	\$3,600	\$0	\$0	\$3,600	0
Sub-total	\$3,600	\$0	\$0	\$3,600	0
Total Executive Department	\$3,600	\$0	\$0	\$3,600	0
Finance and Administration					
• Victim Notification System					
To recognize growth in dedicated revenue from a tax on the litigation of criminal cases resulting in conviction. The revenue is used to support the victim notification system managed by the Tennessee Sheriff's Association.					
317.06 Criminal Justice Programs	\$30,000	\$0	\$0	\$30,000	0
Sub-total	\$30,000	\$0	\$0	\$30,000	0

General Government
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Sexual Assault Program					
To recognize growth in the dedicated revenue that funds the advisory committee and sexual assault programs across Tennessee. Funding comes from a fine paid by individuals convicted of sexual assault.					
317.06 Criminal Justice Programs	\$20,000	\$0	\$0	\$20,000	0
Sub-total	\$20,000	\$0	\$0	\$20,000	0
Total Finance and	\$50,000	\$0	\$0	\$50,000	0
General Services					
• Books from Birth Foundation					
To provide recurring funds to cover growth in enrollment and inflationary costs. These funds allow the foundation to provide a hardcover, age-appropriate book each month to enrolled children, from birth to age five, at no cost to the family.					
321.21 Governor's Books from Birth Fund	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
Total General Services	\$250,000	\$0	\$0	\$250,000	0
Revenue					
• Legislation - Retail Accountability Program					
To provide non-recurring funds for system enhancements related to proposed legislation to modify the Retail Accountability Program.					
347.11 Information Technology Resources Division	\$57,000	\$0	\$0	\$57,000	0
Sub-total	\$57,000	\$0	\$0	\$57,000	0
• Internet Portal Fee					
To provide funds for the administrative cost of internet portal fees as a result of e-filing of tax payments. Funding will cover fees to a third party for the processing of documents and payments submitted electronically as required by Public Acts 2012, Public Chapter 657.					
347.11 Information Technology Resources Division	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
Total Revenue	\$357,000	\$0	\$0	\$357,000	0

General Government
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Miscellaneous Appropriations					
• Salary Increase - State Employees					
To provide a pool of funds for the enhancement of state employee compensation. This compensation package will include salary range adjustments and salary increases based on performance ratings.					
351.00 Miscellaneous Appropriations	\$47,700,000	\$0	\$0	\$47,700,000	0
Sub-total	\$47,700,000	\$0	\$0	\$47,700,000	0
• State Employees - 401(k) State Match					
To provide non-recurring funds to maintain the 401(k) state match at \$50, of which a \$10 match is non-recurring.					
351.00 Miscellaneous Appropriations	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0
• Group Health Insurance January 1, 2016 Rate Increase					
To provide funds for the state share of a 3.5 percent group health insurance premium increase. This is funded for six months in the recommended budget. Additional funding for eligible higher education employees is included in the departmental budget. The total increase to the general fund is \$8,842,100.					
351.00 Miscellaneous Appropriations	\$4,748,300	\$0	\$0	\$4,748,300	0
Sub-total	\$4,748,300	\$0	\$0	\$4,748,300	0
• Retiree Health Insurance					
To provide funding for the Medicare supplement. This cost is associated with providing a fixed contribution based on the retiree's length of service for participation in qualified Medicare supplement coverage. This benefit applies to retired state employees and teachers.					
351.00 Miscellaneous Appropriations	\$820,000	\$0	\$0	\$820,000	0
Sub-total	\$820,000	\$0	\$0	\$820,000	0
• Risk Management					
To provide funds for a risk management premium increase.					
351.00 Miscellaneous Appropriations	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0

General Government
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Risk Management - Actuarial Adjustment					
To provide non-recurring funds to increase reserve requirements (year two of three).					
351.00 Miscellaneous Appropriations	\$3,200,000	\$0	\$0	\$3,200,000	0
Sub-total	<u>\$3,200,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,200,000</u>	<u>0</u>
• Severance					
To provide non-recurring funds for a severance package. The package will consist of a base payment of \$3,200 and college tuition assistance for two years to be capped at the average of the highest four-year public Tennessee college undergraduate level.					
351.00 Miscellaneous Appropriations	\$2,600,000	\$0	\$0	\$2,600,000	0
Sub-total	<u>\$2,600,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,600,000</u>	<u>0</u>
• Presidential Primary					
To provide funding to conduct the presidential preference primaries in February 2016, pursuant to TCA 2-13-302. The state reimburses counties for expenses of holding these primaries, pursuant to TCA 2-12-109(d). This appropriation is non-recurring.					
351.00 Miscellaneous Appropriations	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>0</u>
• Administration Legislation					
To provide funds for the cost of legislation proposed by the Administration. From the appropriation, \$2,000,000 is recurring and \$3,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>0</u>
• Administration Amendment					
To provide funds for the cost of legislation amendments proposed by the Administration. From the appropriation \$7,000,000 is recurring and \$5,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$12,000,000	\$0	\$0	\$12,000,000	0
Sub-total	<u>\$12,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,000,000</u>	<u>0</u>
• Legislative Initiatives					
To provide funds for legislative initiatives. From the appropriation, \$2,000,000 is recurring and \$3,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>0</u>

General Government
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Edison Rate Increase					
To provide funding for two positions needed to support expansion of electronic forms and workflow automation (\$127,100), one security position to support efforts to mitigate threats and data breaches within the enterprise resource planning system and third party applicants (\$61,000), and a statewide rate increase to support operational growth of the Edison system and staff (\$1,516,500).					
351.00 Miscellaneous Appropriations	\$1,704,600	\$0	\$0	\$1,704,600	3
Sub-total	\$1,704,600	\$0	\$0	\$1,704,600	3
• Internal Service Fund Billings					
To provide funds for internal service fund billings for state agencies.					
351.00 Miscellaneous Appropriations	\$1,250,000	\$0	\$0	\$1,250,000	0
Sub-total	\$1,250,000	\$0	\$0	\$1,250,000	0
• Legislation - Educators Liability Trust Fund					
To provide funding for the creation and administration of a fund to provide professional liability coverage for public school teachers and student teachers.					
351.00 Miscellaneous Appropriations	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
• Watkins College of Art, Design & Film					
To provide funding for maintenance and repairs. Held in trust by the State of Tennessee, Watkins College periodically receives state funding through acts of the General Assembly. This appropriation is non-recurring.					
351.00 Miscellaneous Appropriations	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
• Settlement Payments					
To provide funds for settlement payments.					
351.00 Miscellaneous Appropriations	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
Total Miscellaneous Appropriations	\$98,822,900	\$0	\$0	\$98,822,900	3
Total General Government	\$100,033,500	\$0	\$150,000	\$100,183,500	3

Legislature

As the legislative branch of Tennessee State Government, the General Assembly consists of the Senate and the House of Representatives. The primary powers, vested in it by the Constitution of the state, include the enactment of laws for all citizens and the financing of state government operations by levying taxes and appropriating state revenues. The upper house of Tennessee's General Assembly is the Senate. The state is divided into 33 senatorial districts, each electing one senator. Senators are elected to serve four-year terms, with those from even-numbered districts elected in the same general election, and those representing odd-numbered districts elected two years later. The lower house of Tennessee's General Assembly is the House of Representatives. The state is divided into 99 House districts, each electing one representative. Representatives are elected to serve two-year terms, with all representatives standing for election at the same time.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administrative and Support Services

The various support offices of the Legislature are charged with the operational administration of the two houses. Their responsibilities include: printing and distributing bills and calendars during legislative sessions, conducting research on legislation, summarizing and dispersing information relating to legislation, assisting in formulation of legislation, providing summaries and abstracts of legislation to be considered, rendering legal opinions concerning legislation, and continually reviewing statutory law.

301.01 Legislative Administration Services

Legislative Administration Services provides administrative support to the General Assembly. The office's functions include administering the costs of the annual legislative sessions, preparing legislative budgets, purchasing supplies and equipment needed by the members, managing facilities, and coordinating the internship program.

Full-Time	22	22	22	0	22
Part-Time	3	3	3	0	3
Seasonal	28	28	28	0	28
Total	53	53	53	0	53
Payroll	1,623,400	1,987,600	1,987,600	0	1,987,600
Operational	3,602,700	2,591,300	2,594,000	0	2,594,000
Total	\$5,226,100	\$4,578,900	\$4,581,600	\$0	\$4,581,600
State	4,559,600	4,561,900	4,564,600	0	4,564,600
Federal	0	0	0	0	0
Other	666,500	17,000	17,000	0	17,000

301.16 General Assembly Support Services

General Assembly Support Services is responsible for the day-to-day support services. Support services provided for members include staffing of standing committees, legal services, legislative budget analysis, and legislative library services.

Full-Time	64	64	64	0	64
Part-Time	29	29	29	0	29
Seasonal	0	0	0	0	0
Total	93	93	93	0	93

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	5,694,900	7,014,800	7,014,800	0	7,014,800
Operational	1,282,500	1,530,000	1,530,000	0	1,530,000
Total	\$6,977,400	\$8,544,800	\$8,544,800	\$0	\$8,544,800
State	6,970,200	8,474,800	8,474,800	0	8,474,800
Federal	0	0	0	0	0
Other	7,200	70,000	70,000	0	70,000

301.17 Tennessee Code Commission

The Tennessee Code Commission directs the publication, sale, and distribution of an official compilation of the statutes, codes, and laws of the state. The commission is comprised of five members, including the Chief Justice, the Attorney General and Reporter, the director of legislative legal services, and two other members appointed by the Chief Justice.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	29,900	68,900	68,900	0	68,900
Total	\$29,900	\$68,900	\$68,900	\$0	\$68,900
State	29,900	68,900	68,900	0	68,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

Legislative Services

Legislative Services provides financial and administrative support for the General Assembly. Funds are disbursed for the payment of Senate and House members' expenses, for the operating costs of the two speakers' offices, and for expenses incurred by the standing committees of the two houses. Select committees are created to focus on special needs that the General Assembly feels merit closer study. Committees to study specific subjects may be created by the Senate, House, or joint resolutions.

301.07 House of Representatives

The House of Representatives funding provides for the payment of salaries and expenses of the House members, clerks, and officers, as well as for the operating costs incurred by the various standing House committees.

Full-Time	207	207	207	0	207
Part-Time	40	40	40	0	40
Seasonal	0	0	0	0	0
Total	247	247	247	0	247
Payroll	14,203,300	14,834,100	14,834,100	0	14,834,100
Operational	2,336,300	3,580,700	3,415,700	0	3,415,700
Total	\$16,539,600	\$18,414,800	\$18,249,800	\$0	\$18,249,800
State	16,506,500	18,386,300	18,221,300	0	18,221,300
Federal	0	0	0	0	0
Other	33,100	28,500	28,500	0	28,500

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

301.08 State Senate

The State Senate funding provides for the payment of salaries and expenses of the members of the Senate, clerks, and officers, as well as for the operating costs incurred by the various standing committees of the Senate.

Full-Time	101	101	101	0	101
Part-Time	54	54	54	0	54
Seasonal	0	0	0	0	0
Total	155	155	155	0	155
Payroll	7,152,700	8,529,200	8,529,200	0	8,529,200
Operational	1,090,100	1,808,800	1,723,800	0	1,723,800
Total	\$8,242,800	\$10,338,000	\$10,253,000	\$0	\$10,253,000
State	8,211,100	10,316,000	10,231,000	0	10,231,000
Federal	0	0	0	0	0
Other	31,700	22,000	22,000	0	22,000

301.00 Total Legislature

Full-Time	394	394	394	0	394
Part-Time	126	126	126	0	126
Seasonal	28	28	28	0	28
Total	548	548	548	0	548
Payroll	28,674,300	32,365,700	32,365,700	0	32,365,700
Operational	8,341,500	9,579,700	9,332,400	0	9,332,400
Total	\$37,015,800	\$41,945,400	\$41,698,100	\$0	\$41,698,100
State	36,277,300	41,807,900	41,560,600	0	41,560,600
Federal	0	0	0	0	0
Other	738,500	137,500	137,500	0	137,500

Fiscal Review Committee

Within the General Assembly, the Fiscal Review Committee is a special, continuing committee. It is comprised of the Speaker of the Senate, the Speaker of the House of Representatives, the chairs of the Senate and the House Finance, Ways and Means committees, and 15 other members of the General Assembly who are appointed from each house by its speaker.

The purpose of this committee is to become knowledgeable about the fiscal affairs of the state and to impart this knowledge to the members of the General Assembly. The committee conducts a continuing review of the finances of state government and of state agencies and programs. The committee also has the responsibility under law of preparing and distributing fiscal notes on all legislation. The committee has a staff and an executive director to assist with these functions.

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

301.50 Fiscal Review Committee

Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	1,118,900	1,445,400	1,445,400	0	1,445,400
Operational	27,900	33,400	33,400	0	33,400
Total	\$1,146,800	\$1,478,800	\$1,478,800	\$0	\$1,478,800
State	1,146,400	1,478,800	1,478,800	0	1,478,800
Federal	0	0	0	0	0
Other	400	0	0	0	0

Secretary of State

The Secretary of State is a constitutional officer elected by the General Assembly to record and maintain the official acts of the Governor. Specific duties of the Secretary of State include: recording the acts of the General Assembly, registering trademarks, receiving and recording corporate charter applications, administering the provisions of the Uniform Commercial Code, administering the provisions of the Uniform Administrative Procedures Act, managing the State Library and Archives and promoting library services in Tennessee, coordinating elections in Tennessee, implementing and administering the laws relative to charitable gaming and the solicitation of charitable contributions, and directing the disposition of records.

The functional areas that comprise the Secretary of State’s office are Administrative and Support Services, State Library Services, the State Election Commission, Bureau of Ethics and Campaign Finance, and the Economic Council on Women.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administrative and Support Services

Administrative and Support Services provide services essential to carrying out the responsibilities of the Secretary of State. This functional area consists of the Secretary of State, State Election Commission, Public Documents, Bureau of Ethics and Campaign Finance, Charitable Solicitations and Charitable Gaming, the Help America Vote Act, and Records Management.

305.01 Secretary of State

The Secretary of State is statutorily prescribed to process and handle record keeping for corporate filings, the Uniform Commercial Code, notaries public, and trademarks. In addition to these duties, the Secretary of State hears contested cases, and reviews administrative records for numerous state agencies and regulatory boards. This division of the Secretary of State also provides fiscal and managerial support to the entire department.

Full-Time	166	165	165	0	165
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	166	165	165	0	165
Payroll	11,418,100	13,664,500	13,664,500	0	13,664,500
Operational	4,202,400	3,331,500	3,613,900	0	3,613,900
Total	\$15,620,500	\$16,996,000	\$17,278,400	\$0	\$17,278,400
State	6,913,300	9,837,700	10,120,100	0	10,120,100
Federal	0	300,000	300,000	0	300,000
Other	8,707,200	6,858,300	6,858,300	0	6,858,300

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

305.02 State Election Commission

The State Election Commission, in conformity with Title II of Tennessee Code Annotated, ensures the uniformity of election laws. The commission is comprised of seven members; four from the political party holding a majority of seats in the General Assembly and three members from the minority party. Individuals are elected to serve four-year terms by the General Assembly. The commission works closely with the coordinator of elections toward the common goal of maintaining uniformity in elections, as well as preserving the purity of the ballot.

Full-Time	0	0	0	0	0
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	112,600	122,100	122,100	0	122,100
Operational	1,481,200	1,474,300	1,474,300	0	1,474,300
Total	\$1,593,800	\$1,596,400	\$1,596,400	\$0	\$1,596,400
State	1,593,800	1,596,400	1,596,400	0	1,596,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.03 Public Documents

The Division of Public Documents publishes Tennessee Public and Private Acts, the Tennessee Administrative Register, the Compilation of Tennessee Rules and Regulations, the Blue Book, and manuals regarding public elections and corporate filings.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	600	0	0	0	0
Operational	558,500	397,500	397,500	0	397,500
Total	\$559,100	\$397,500	\$397,500	\$0	\$397,500
State	397,500	397,500	397,500	0	397,500
Federal	0	0	0	0	0
Other	161,600	0	0	0	0

305.07 Bureau of Ethics and Campaign Finance

In the 2009 legislative session, the Bureau of Ethics and Campaign Finance was created by merging the Registry of Election Finance and the Ethics Commission, which remain in two distinct divisions. The Registry of Election Finance administers and enforces parts or all of the following provisions: the Campaign Financial Disclosure Act of 1980, the Registry of Election Finance Act, the Campaign Contributions Act of 1995, and the Gubernatorial Inauguration Financial Disclosure Act. The Ethics Commission administers and enforces parts or all of the the Campaign Financial Disclosure Act of 1980 and the Tennessee Ethics Commission Act of 2006. The commission also interprets and enforces the statutes governing lobbying, ethical conduct of the General Assembly and executive agencies, and conflict of interest disclosure.

Full-Time	13	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	13	0	13

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	878,700	1,013,900	1,013,900	0	1,013,900
Operational	196,100	157,900	157,900	0	157,900
Total	\$1,074,800	\$1,171,800	\$1,171,800	\$0	\$1,171,800
State	474,100	656,700	656,700	0	656,700
Federal	0	0	0	0	0
Other	600,700	515,100	515,100	0	515,100

305.09 Charitable Solicitations and Charitable Gaming

The Charitable Solicitations and Charitable Gaming division is responsible for the registration and regulation of charitable organizations. The division also registers and regulates professional solicitors, professional fundraising councils, vending machine operators, and charitable gaming events.

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	927,200	1,555,100	1,555,100	0	1,555,100
Operational	357,400	246,100	246,100	0	246,100
Total	\$1,284,600	\$1,801,200	\$1,801,200	\$0	\$1,801,200
State	0	120,700	120,700	0	120,700
Federal	0	0	0	0	0
Other	1,284,600	1,680,500	1,680,500	0	1,680,500

305.10 Help America Vote Act

Congress passed the Help America Vote Act of 2002 (HAVA), requiring changes and improvements in the electoral process. The Secretary of State is responsible for implementing and administering these mandatory changes. Improved changes include voting systems, provisional voting, and the establishment of a statewide voter registration database. Funds are provided to assist counties in purchasing voting equipment.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	6,319,200	27,500,000	27,500,000	0	27,500,000
Total	\$6,319,200	\$27,500,000	\$27,500,000	\$0	\$27,500,000
State	220,000	0	0	0	0
Federal	6,035,700	26,500,000	26,500,000	0	26,500,000
Other	63,500	1,000,000	1,000,000	0	1,000,000

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

305.13 Records Management

The Records Management Division is the primary records management agency for Tennessee state government. The Records Management Division directs the disposition of all records, including paper forms, electronic data, and microform records. The division also transfers historical records to the State Library and Archives and provides administrative support to the Public Records Commission.

Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	377,400	512,300	512,300	0	512,300
Operational	381,400	628,600	628,600	0	628,600
Total	\$758,800	\$1,140,900	\$1,140,900	\$0	\$1,140,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	758,800	1,140,900	1,140,900	0	1,140,900

State Library Services

State Library Services provides regional public library access to Tennesseans and manages the State Library and Archives. Responsibilities of State Library Services include: acquiring, restoring, and preserving historical material for public use; providing special library services to aged, isolated, economically and culturally disadvantaged, and disabled citizens, including the library for the blind and physically handicapped; providing access to collections for both government and public use; assisting local public libraries through the state regional library system; and administering federal funds provided for library construction and renovation.

305.04 State Library and Archives

The State Library and Archives collects and preserves books and records of historical, documentary, and reference value, while promoting library development throughout the state. The State Library and Archives administers the provisions of the federal Library Services and Technology Act and state law regarding the State Library and Archives and the regional library system.

Full-Time	89	90	90	0	90
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	92	93	93	0	93
Payroll	5,659,600	6,232,800	6,232,800	0	6,232,800
Operational	5,388,500	5,802,400	5,952,400	0	5,952,400
Total	\$11,048,100	\$12,035,200	\$12,185,200	\$0	\$12,185,200
State	7,908,600	8,549,400	8,699,400	0	8,699,400
Federal	2,438,600	2,820,700	2,820,700	0	2,820,700
Other	700,900	665,100	665,100	0	665,100

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

305.05 Regional Library System

The Regional Library System consists of nine multi-county library boards and four metropolitan library boards. This division provides public libraries with system support in areas such as construction, training, programming for special audiences, automation, and library development.

Full-Time	54	54	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	54	54	0	54
Payroll	3,348,700	3,769,200	3,769,200	0	3,769,200
Operational	3,778,300	3,554,900	3,759,500	0	3,759,500
Total	\$7,127,000	\$7,324,100	\$7,528,700	\$0	\$7,528,700
State	6,365,700	6,533,000	6,737,600	0	6,737,600
Federal	629,000	596,100	596,100	0	596,100
Other	132,300	195,000	195,000	0	195,000

Economic Council on Women

305.08 Economic Council on Women

The 21-member Economic Council on Women, administratively attached to the Department of State, was established to address the economic concerns and needs of women in Tennessee. The council conducts research, holds hearings, and develops policy recommendations relating to the effects of employment policies and practices, educational needs and opportunities, child care, property rights, health care, domestic relations, and federal and state laws pertaining to women.

Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	173,100	185,200	185,200	0	185,200
Operational	75,600	44,700	44,700	0	44,700
Total	\$248,700	\$229,900	\$229,900	\$0	\$229,900
State	234,700	229,900	229,900	0	229,900
Federal	0	0	0	0	0
Other	14,000	0	0	0	0

305.00 Total Secretary of State

Full-Time	353	353	353	0	353
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	363	363	363	0	363
Payroll	22,896,000	27,055,100	27,055,100	0	27,055,100
Operational	22,738,600	43,137,900	43,774,900	0	43,774,900
Total	\$45,634,600	\$70,193,000	\$70,830,000	\$0	\$70,830,000
State	24,107,700	27,921,300	28,558,300	0	28,558,300
Federal	9,103,300	30,216,800	30,216,800	0	30,216,800
Other	12,423,600	12,054,900	12,054,900	0	12,054,900

Secretary of State

Comptroller of the Treasury

The Comptroller of the Treasury is a constitutional officer elected by the General Assembly. Statutory duties of the Comptroller include: the audit of state and local governments, management of the state debt, support of the General Assembly and its committees, participation in the general financial and administrative management of state government, administration of property assessment for tax purposes, and support of local governments. The Comptroller administers the following functional areas: Administrative and Support Services, Offices of Research and Education Accountability, Audit Services, Services to Local Governments, and Property Assessment and Appraisal.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administrative and Support Services

Administrative and Support Services directs and coordinates administrative activities within the Comptroller's Office.

307.01 Division of Administration

The Division of Administration provides direction, coordination, and supervision to the various divisions within the Comptroller's Office.

Full-Time	19	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	10	10	0	10
Payroll	1,952,200	1,252,800	1,252,800	0	1,252,800
Operational	392,700	241,700	166,700	0	166,700
Total	\$2,344,900	\$1,494,500	\$1,419,500	\$0	\$1,419,500
State	2,191,400	1,385,100	1,310,100	0	1,310,100
Federal	0	0	0	0	0
Other	153,500	109,400	109,400	0	109,400

307.02 Office of Management Services

The Office of Management Services provides a centralized base of administrative and support services to the various divisions of the Comptroller's Office. This support includes coordination and supervision in the areas of accounting, budgeting, personnel, payroll, and information technology. The office also supports the Comptroller of the Treasury in the areas of policy and contracts.

Full-Time	53	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	53	53	0	53
Payroll	4,528,600	4,830,800	4,830,800	0	4,830,800
Operational	8,542,800	4,951,500	6,073,200	0	6,073,200
Total	\$13,071,400	\$9,782,300	\$10,904,000	\$0	\$10,904,000
State	10,619,300	9,509,800	10,631,500	0	10,631,500
Federal	0	0	0	0	0
Other	2,452,100	272,500	272,500	0	272,500

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Offices of Research and Education Accountability

The Office of Education Accountability was created by the Education Improvement Act of 1992. In 1994, the Comptroller placed the office with the Office of Research. Together, they form the Offices of Research and Education Accountability. They are charged with providing non-partisan, objective analysis of policy issues for the Comptroller of the Treasury, General Assembly, state agencies, and the public.

307.14 Offices of Research and Education Accountability

The Office of Education Accountability monitors the performance of Tennessee elementary and public school systems, and provides the General Assembly reports on a variety of education topics. The office assists the House and Senate Education committees, as requested, and provides the Legislature an independent means to evaluate the financial impact of state policy on the public education system. The Office of Research conducts research projects on state and local government issues at the request of the Comptroller and the General Assembly. The office assists the State Funding Board in analyzing the annual economic forecast prepared by the Center for Business and Economic Research. In addition, the Office of Research prepares fiscal note support forms for the Fiscal Review Committee, monitors legislation, and analyzes the budget.

Full-Time	13	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	12	12	0	12
Payroll	1,044,400	1,164,000	1,164,000	0	1,164,000
Operational	207,900	308,300	308,300	0	308,300
Total	\$1,252,300	\$1,472,300	\$1,472,300	\$0	\$1,472,300
State	1,252,300	1,372,300	1,372,300	0	1,372,300
Federal	0	0	0	0	0
Other	0	100,000	100,000	0	100,000

Audit Services

The Department of Audit is responsible for conducting post-audits of the state's Comprehensive Annual Financial Report and other entities and grantees as required by federal and state law, so as to be in compliance with government auditing standards. The department also audits all counties, or in lieu of a state audit, accepts an audit prepared by either a certified public accountant or a licensed public accountant. The department also audits all municipalities, schools, and utility districts in the state. The divisions set rates for nursing facilities that participate in the state TennCare program and conduct financial-related reviews of Managed Care Organizations (MCOs) and Behavioral Health Organizations (BHOs).

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

307.04 Division of State Audit

The Division of State Audit is responsible for providing independent financial and performance audits of agencies of state government, including colleges and universities. All audits are conducted in compliance with Government Auditing Standards. Significant financial and compliance audits include the Comprehensive Annual Financial Report and the Single Audit. Performance audits support the General Assembly’s government entity review process.

Full-Time	192	202	202	0	202
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	192	202	202	0	202
Payroll	14,265,400	16,518,500	16,518,500	0	16,518,500
Operational	1,326,400	1,606,900	1,606,900	0	1,606,900
Total	\$15,591,800	\$18,125,400	\$18,125,400	\$0	\$18,125,400
State	8,758,300	13,457,500	13,457,500	0	13,457,500
Federal	0	0	0	0	0
Other	6,833,500	4,667,900	4,667,900	0	4,667,900

307.05 Division of Local Government Audit

In accordance with state law, the Division of Local Government Audit prepares independent audits for all 95 counties of the state; reviews the contracted audits for all municipalities, utility districts, school activity funds, and non-profit agencies; establishes standards for audits of local governments and entities conducted by public accounting firms; and assists local governments with financial administration questions.

Full-Time	99	97	97	0	97
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	99	97	97	0	97
Payroll	8,736,300	8,929,800	8,929,800	0	8,929,800
Operational	612,100	995,100	995,100	50,000	1,045,100
Total	\$9,348,400	\$9,924,900	\$9,924,900	\$50,000	\$9,974,900
State	8,015,000	8,576,700	8,576,700	50,000	8,626,700
Federal	0	0	0	0	0
Other	1,333,400	1,348,200	1,348,200	0	1,348,200

307.06 Legal, Investigations, and Public Affairs

The Division of Investigations is responsible for investigating instances of fraud, waste, and abuse in publicly funded entities within the state, providing a basis, when applicable, for prosecutorial or administrative agencies to pursue criminal, civil, and/or administrative actions, and reporting results of investigations, including significant internal control and compliance deficiencies, to appropriate parties.

Full-Time	25	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	25	25	0	25

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	1,817,100	2,162,000	2,162,000	0	2,162,000
Operational	143,500	411,400	411,400	0	411,400
Total	\$1,960,600	\$2,573,400	\$2,573,400	\$0	\$2,573,400
State	1,842,700	2,510,900	2,510,900	0	2,510,900
Federal	0	0	0	0	0
Other	117,900	62,500	62,500	0	62,500

Services to Local Governments

Programs providing services to local governments work toward improving the operation of city and county governments by providing assistance and information that affects the state and local governments. In addition, these divisions are required to assist local governments with debt management and ensure that local governments adopt balanced budgets. The divisions also act as agents and liaisons between state, county, and city ad valorem tax assessment and collecting officials. These divisions also serve property assessors and tax-collecting officials through property reappraisal assistance; computerized tax billing; computer-assisted appraisal systems; maintenance of property ownership maps; and reimbursement to certain elderly, disabled, or disabled veteran homeowners for a portion of or for all property taxes paid.

307.08 Office of Local Government

The Office of Local Government is responsible for improving the operation of Tennessee's city and county governments by providing assistance and current information to the General Assembly, local governments, state agencies, and the public on issues that affect the state and local governments. Responsibilities include assisting local governments in redistricting, establishing precincts, and serving as a liaison to the Census Bureau's redistricting data program. In addition, the office maintains county precinct information and provides mapping services utilizing geographic information systems technology.

Full-Time	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	1,054,300	1,136,000	1,136,000	0	1,136,000
Operational	127,300	161,700	161,700	0	161,700
Total	\$1,181,600	\$1,297,700	\$1,297,700	\$0	\$1,297,700
State	1,077,600	1,197,700	1,197,700	0	1,197,700
Federal	0	0	0	0	0
Other	104,000	100,000	100,000	0	100,000

307.07 Office of State and Local Finance

The Office of State and Local Finance is the result of the merger of Bond Finance and Local Finance in 2010. This division provides services related to the issuance, management, compliance, arbitrage administration and maintenance of the state's general obligation debt, and services for the financial operation of local units of government. These services are fulfilled at the direction of the Comptroller of the Treasury, State Funding Board, the Tennessee Local Development Authority (TLDA), the Tennessee Housing Development Agency (THDA), and the Tennessee State School Bond Authority (TSSBA). Responsibilities also include approving the budgets and debt obligations of local government. This office also approves investment programs submitted by cities, counties, and utility districts; reports on plans by municipal electric systems to provide video cable and internet services; and assists local governments in

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
areas of municipal finance.					
Full-Time	15	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	16	16	0	16
Payroll	1,178,000	1,465,200	1,465,200	0	1,465,200
Operational	89,200	161,000	161,000	0	161,000
Total	\$1,267,200	\$1,626,200	\$1,626,200	\$0	\$1,626,200
State	579,000	1,054,600	1,054,600	0	1,054,600
Federal	0	0	0	0	0
Other	688,200	571,600	571,600	0	571,600

Property Assessment and Appraisal

The Comptroller of the Treasury is responsible for the administration and coordination of property tax assessments. Work is accomplished through the combined efforts of the Division of Property Assessments, the State Board of Equalization, the Office of State Assessed Properties, Tax Relief, and the Telecommunications Ad Valorem Tax Equity Payments.

307.09 Division of Property Assessments

The Division of Property Assessments is responsible for assisting local governments in assessment of property for tax purposes. Other duties include monitoring the statewide reassessment program, conducting the statewide biennial appraisal ratio studies, coordinating the State Computer-Assisted Appraisal System, drafting property ownership maps, and other miscellaneous tasks.

Full-Time	103	103	103	0	103
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	103	103	103	0	103
Payroll	6,426,000	7,168,900	7,168,900	0	7,168,900
Operational	1,479,900	2,000,900	2,000,900	0	2,000,900
Total	\$7,905,900	\$9,169,800	\$9,169,800	\$0	\$9,169,800
State	6,123,200	7,420,300	7,420,300	0	7,420,300
Federal	0	0	0	0	0
Other	1,782,700	1,749,500	1,749,500	0	1,749,500

307.11 State Board of Equalization

The State Board of Equalization is responsible for assuring constitutional and statutory compliance in assessments of property for ad valorem taxes. The board establishes policies and rules; publishes manuals governing local assessment practices and training for assessment officials; hears appeals from county boards of equalization regarding local assessments; provides direct review and hears appeals regarding central assessments of public utility companies; reviews applications for religious, charitable, and related property tax exemptions; reviews certified tax rate calculations from jurisdictions undergoing revaluation; and regulates property tax appeals agents and agent practices. The board consists of the Governor, Treasurer, Secretary of State, Comptroller of the Treasury, Commissioner of Revenue, one member named by the Governor at the city level, and one member named by the Governor at the county level.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	11	12	12	0	12
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	19	20	20	0	20
Payroll	831,700	979,000	979,000	0	979,000
Operational	292,000	320,700	320,700	0	320,700
Total	\$1,123,700	\$1,299,700	\$1,299,700	\$0	\$1,299,700
State	887,300	1,192,200	1,192,200	0	1,192,200
Federal	0	0	0	0	0
Other	236,400	107,500	107,500	0	107,500

307.15 Office of State Assessed Properties

The Office of State Assessed Properties is responsible for the annual appraisal and assessment of all public utility and transportation properties as prescribed in TCA 67-5-1301. Assessments are certified to counties and cities for the billing and collection of property taxes for these properties.

Full-Time	13	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	13	0	13
Payroll	1,058,100	1,078,800	1,078,800	0	1,078,800
Operational	129,900	155,100	155,100	0	155,100
Total	\$1,188,000	\$1,233,900	\$1,233,900	\$0	\$1,233,900
State	1,063,000	1,108,900	1,108,900	0	1,108,900
Federal	0	0	0	0	0
Other	125,000	125,000	125,000	0	125,000

307.10 Tax Relief

The Tax Relief program processes payments to reimburse homeowners who meet legal requirements for all or for part of property taxes paid. Eligible beneficiaries of the program include low-income elderly or disabled persons and certain disabled veterans or their surviving spouses. The Division of Property Assessments provides administration of the program.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	31,354,900	33,902,100	28,402,100	0	28,402,100
Total	\$31,354,900	\$33,902,100	\$28,402,100	\$0	\$28,402,100
State	31,354,900	33,902,100	28,402,100	0	28,402,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

307.50 Telecommunications Ad Valorem Tax Equity Payments

The Telecommunications Ad Valorem Tax Reduction was enacted by the Legislature for tax year 2002 as a special fund to make ad valorem tax equity payments to reimburse local exchange telephone companies whose assessment level exceeds that of local commercial and industrial property tax payers. All funding provided to the Comptroller of the Treasury is exclusively for administrative expenses incurred by the Comptroller for the required tax equity payments.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,066,700	7,000,000	7,000,000	0	7,000,000
Total	\$10,066,700	\$7,000,000	\$7,000,000	\$0	\$7,000,000
State	7,000,000	7,000,000	7,000,000	0	7,000,000
Federal	0	0	0	0	0
Other	3,066,700	0	0	0	0

307.00 Total Comptroller of the Treasury

Full-Time	559	559	559	0	559
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	567	567	567	0	567
Payroll	42,892,100	46,685,800	46,685,800	0	46,685,800
Operational	54,765,300	52,216,400	47,763,100	50,000	47,813,100
Total	\$97,657,400	\$98,902,200	\$94,448,900	\$50,000	\$94,498,900
State	80,764,000	89,688,100	85,234,800	50,000	85,284,800
Federal	0	0	0	0	0
Other	16,893,400	9,214,100	9,214,100	0	9,214,100

Treasury Department

The State Treasurer is a constitutional officer elected every two years by a joint session of both houses of the General Assembly. The State Treasurer is charged with various responsibilities and duties relating to the financial operations of state government. In addition to these duties, the State Treasurer administers and manages an educational incentive program for county public administrators and the Small and Minority-Owned Business Assistance Program.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

309.01 Treasury Department

The Treasury Department serves as a guardian for all state funds, fulfilling its constitutional duties through a variety of programs. The department manages and invests the state's cash balances, which help finance the various programs of state government. The department administers the Tennessee Consolidated Retirement System (TCRS), which provides retirement coverage to state employees, higher education employees, teachers, and employees of political subdivisions that have elected to participate in the plan. In addition, the department manages the state pooled investment fund, the local government investment pool, the state employees' deferred compensation program, the state employees' flexible benefits plan, and the Baccalaureate Education System Trust (BEST). BEST is a pre-paid college tuition savings plan. The department also assists the three-member Claims Commission and directs the staff of the Claims Administration and Risk Management divisions.

Full-Time	262	266	266	0	266
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	262	266	266	0	266
Payroll	21,607,600	23,545,900	23,570,900	0	23,570,900
Operational	8,012,400	10,602,500	9,502,600	150,000	9,652,600
Total	\$29,620,000	\$34,148,400	\$33,073,500	\$150,000	\$33,223,500
State	0	515,700	527,200	0	527,200
Federal	0	0	0	0	0
Other	29,620,000	33,632,700	32,546,300	150,000	32,696,300

309.02 Certified Public Administrators

The State Treasurer administers an annual educational incentive payment program for certain county officials, who complete a certificate training program. This program is offered by the University of Tennessee Institute for Public Service's Center for Government Training. Certified public administrators must maintain continuing education in order to qualify for these annual educational incentive payments.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	407,300	407,300	407,300	0	407,300
Total	\$407,300	\$407,300	\$407,300	\$0	\$407,300

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	407,300	407,300	407,300	0	407,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

309.03 TN Stars College Savings 529 Program

The Baccalaureate Education System Trust (BEST) is a Section 529 qualified tuition program. Its marquee program is known as the Tennessee Stars College Savings 529 Plan. This plan allows anyone to pay for higher education costs in advance on behalf of a beneficiary. It offers age-based options and a range of self-selected investment products.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,022,100	1,949,200	1,045,900	500,000	1,545,900
Total	\$2,022,100	\$1,949,200	\$1,045,900	\$500,000	\$1,545,900
State	1,416,400	1,420,800	920,800	500,000	1,420,800
Federal	0	0	0	0	0
Other	605,700	528,400	125,100	0	125,100

309.05 Small and Minority-Owned Business Assistance Program

The Small and Minority-Owned Business Assistance Program provides loan guarantees, education, training, consulting, and technical assistance to help small, minority, and women-owned businesses grow in Tennessee.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	391,400	250,000	250,000	0	250,000
Total	\$391,400	\$250,000	\$250,000	\$0	\$250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	391,400	250,000	250,000	0	250,000

309.10 Interlock Assistance Fund

The Interlock Assistance Fund pays for the costs associated with the lease, purchase, installation, removal, and maintenance of an ignition interlock device or with any other cost or fee associated with such a device for persons deemed by the court to be indigent.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	287,300	463,500	463,500	0	463,500
Total	\$287,300	\$463,500	\$463,500	\$0	\$463,500

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	287,300	463,500	463,500	0	463,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
309.00 Total Treasury Department					
Full-Time	262	266	266	0	266
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	262	266	266	0	266
Payroll	21,607,600	23,545,900	23,570,900	0	23,570,900
Operational	11,120,500	13,672,500	11,669,300	650,000	12,319,300
Total	\$32,728,100	\$37,218,400	\$35,240,200	\$650,000	\$35,890,200
State	2,111,000	2,807,300	2,318,800	500,000	2,818,800
Federal	0	0	0	0	0
Other	30,617,100	34,411,100	32,921,400	150,000	33,071,400

Claims and Compensation

The Claims and Compensation program, administered by the State Treasurer, is responsible for processing all claims filed against the State of Tennessee, including unclaimed property rights, workers' compensation claims, claims against the state for negligent acts, claims made by innocent victims of crimes, and maintaining adequate insurance against damage or loss for all state-owned property. This division oversees the Criminal Injuries Compensation Fund, Risk Management Fund, and the Unclaimed Property Division.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

313.03 Criminal Injuries Compensation

The Criminal Injuries Compensation Program assists persons who are innocent victims of crime. Payments from the fund defray the costs of medical services, loss of earnings, burial costs, and other pecuniary losses either to the victim of a crime or to the dependents of a deceased victim. This program is funded through privilege taxes assessed in courts against criminal defendants and other offenders. Upon conviction, fees are levied against parolees and probationers, the proceeds of bond forfeitures in felony cases, and a federal grant. Jurors may also elect to donate their jury service reimbursement to the fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	15,406,700	16,350,000	16,350,000	0	16,350,000
Total	\$15,406,700	\$16,350,000	\$16,350,000	\$0	\$16,350,000
State	10,460,700	11,850,000	12,576,000	0	12,576,000
Federal	4,937,000	4,500,000	3,774,000	0	3,774,000
Other	9,000	0	0	0	0

313.10 Risk Management Fund

Effective July 1, 2003, the Risk Management Fund was consolidated from the financial operations of the claims award fund and the state's property and casualty insurance program. The Risk Management Fund is liable for all claims filed against the state for workers' compensation by state employees, employee property damage, tort liability, and property insurance for all state-owned buildings and contents. This is achieved through a combination of a self-insurance policy and a variety of other insurance policies.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	79,387,700	59,462,400	60,617,400	0	60,617,400
Total	\$79,387,700	\$59,462,400	\$60,617,400	\$0	\$60,617,400

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	79,387,700	59,462,400	60,617,400	0	60,617,400

313.20 Unclaimed Property

The Unclaimed Property division administers the state's Uniform Disposition of Unclaimed Property Act. Under this act, the state provides a centralized location for the owners or their heirs, who are searching for abandoned property. The types of property covered by this act are primarily cash property, such as bank accounts, insurance policies, and utility deposits.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	27,984,500	33,750,000	33,750,000	0	33,750,000
Total	\$27,984,500	\$33,750,000	\$33,750,000	\$0	\$33,750,000
State	217,600	0	0	0	0
Federal	0	0	0	0	0
Other	27,766,900	33,750,000	33,750,000	0	33,750,000

313.00 Total Claims and Compensation

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	122,778,900	109,562,400	110,717,400	0	110,717,400
Total	\$122,778,900	\$109,562,400	\$110,717,400	\$0	\$110,717,400
State	10,678,300	11,850,000	12,576,000	0	12,576,000
Federal	4,937,000	4,500,000	3,774,000	0	3,774,000
Other	107,163,600	93,212,400	94,367,400	0	94,367,400

Executive Department

The Executive Department is responsible for the overall operation of state government. In addition, the department ensures that state laws are enforced, taxes are collected, and public funds are spent wisely and for the general well-being of the state and its citizens. The Governor appoints commissioners and directors of executive branch agencies. The Governor is assisted in the administration of the executive branch by a cabinet comprised of the commissioners of the administrative departments of state government. The cabinet serves as an advisory staff to the Governor on all state matters and assists the Governor in accomplishing the goals of the administration. The Governor's staff works with state agencies and the Legislature to design and implement specific program priorities, and provides policy research and recommendations for the effective operation of government. The Governor's staff also processes written and phone correspondence with Tennessee citizens. The allotment below is for staffing and operational expenses of the Governor's Office.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
315.01 Governor's Office					
Full-Time	39	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	39	39	39	0	39
Payroll	3,781,500	4,169,000	4,150,100	3,600	4,153,700
Operational	922,400	1,016,000	1,016,000	0	1,016,000
Total	\$4,703,900	\$5,185,000	\$5,166,100	\$3,600	\$5,169,700
State	4,683,700	5,185,000	5,166,100	3,600	5,169,700
Federal	0	0	0	0	0
Other	20,200	0	0	0	0

Tennessee Human Rights Commission

The Tennessee Human Rights Commission (THRC) is charged with the responsibility of ensuring fair and equal treatment for all Tennesseans in employment, housing, and public accommodations without regard to race, color, religion, sex, age, handicap, or national origin. The THRC also monitors other state agencies' compliance with civil rights laws in the expenditure of federal funds and supports the efforts of the Title VI Compliance Commission.

The Tennessee Human Rights Commission cooperates with local government and civic and religious groups in disseminating information, promoting activities, and providing leadership to increase public awareness of civil rights and equal opportunity.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
316.04 Human Rights Commission					
Full-Time	29	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	29	29	0	29
Payroll	1,820,500	1,982,400	1,959,900	0	1,959,900
Operational	538,600	525,200	511,700	0	511,700
Total	\$2,359,100	\$2,507,600	\$2,471,600	\$0	\$2,471,600
State	1,743,800	1,721,200	1,696,100	0	1,696,100
Federal	553,500	786,400	775,500	0	775,500
Other	61,800	0	0	0	0

Tennessee Regulatory Authority

The Tennessee Regulatory Authority (TRA) is a quasi-judicial body. Leadership for the agency is comprised of five directors, three of whom are appointed to six-year terms by the Governor, House Speaker, and Senate Speaker acting separately. Two directors are appointed by the Governor, House Speaker, and Senate Speaker collectively. TRA’s mission is to promote the public interest by balancing the interests of utility consumers and providers, while facilitating the transition to a more competitive environment. TRA’s functions include regulating the quality of service provided and compliance with regulations by public utilities such as gas, electric, water, and telephone; granting of operating authority to public utilities and adjudicating conflicts and controversies arising from utility operations; protecting the public from the accidental release of natural gas by monitoring compliance of distribution systems with minimum federal and state safety standards; administering the state’s “Do Not Call” and “Do Not Fax” programs, which give the residents of Tennessee the option not to receive solicitation calls or faxes from telemarketers; administering the Telecommunications Device Access Program, which provides telecommunications equipment to the state’s deaf, blind, and hearing impaired population; and pursuant to the Competitive Cable and Video Services Act of 2008, serving as the administrative center for statewide cable franchise agreements.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

316.11 Tennessee Regulatory Authority

Full-Time	61	61	61	0	61
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	66	66	66	0	66
Payroll	4,546,600	5,673,900	5,611,700	0	5,611,700
Operational	1,668,100	1,447,100	1,447,100	0	1,447,100
Total	\$6,214,700	\$7,121,000	\$7,058,800	\$0	\$7,058,800
State	5,387,300	6,286,600	6,231,600	0	6,231,600
Federal	802,500	833,400	826,200	0	826,200
Other	24,900	1,000	1,000	0	1,000

Advisory Commission on Intergovernmental Relations

In 1978, the General Assembly created the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) to monitor the operation of federal, state, and local government relations and to make recommendations for improvement to the General Assembly. The commission is comprised of 25 members representing the executive branch, legislative branch, county and municipal governments, and the public. TACIR is a permanent, non-partisan forum for the discussion of intergovernmental issues and may initiate studies in accordance with legislative proposals and constitutional amendments. The commission also responds to requests for technical assistance from the General Assembly, state agencies, and local governments.

Current studies and activities directed by the General Assembly for TACIR include: the property assessment system in Tennessee; Tennessee's growth policy, annexation, and incorporation law; an ongoing inventory of public infrastructure needs; and a utility district study.

Major ongoing areas of TACIR studies and activities include: fiscal capacity measures for the Basic Education Program (BEP), education finance, issues related to the Tennessee tax structure, government modernization, and intergovernmental issues.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

316.12 Advisory Commission on Intergovernmental Relations

Full-Time	18	18	18	0	18
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	1,695,000	2,098,500	2,085,500	0	2,085,500
Operational	893,600	945,700	945,700	0	945,700
Total	\$2,588,600	\$3,044,200	\$3,031,200	\$0	\$3,031,200
State	0	201,700	201,700	0	201,700
Federal	0	0	0	0	0
Other	2,588,600	2,842,500	2,829,500	0	2,829,500

Department of Finance and Administration

The Department of Finance and Administration assists the Governor in developing and implementing the administration's fiscal and managerial policies. The Commissioner of Finance and Administration serves as the Governor's chief cabinet officer and directs the department. The department's responsibilities involve the coordination of a number of state government activities that are provided through administrative services, fiscal and management services, and TennCare Fraud and Abuse Prevention.

The Bureau of TennCare, Cover Tennessee Health Care Programs, and Health-Care Planning and Innovation are divisions of this department. These programs are separately presented in the Health and Social Services section of the Budget.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administrative Services

Administrative Services include the management of the state's information system needs, the contracting of professional services, insurance benefits management, program evaluation, and intra-departmental support.

317.01 Division of Administration

The Division of Administration provides administrative support services for the department, including the commissioner's office. Legal, fiscal, human resources, internal information systems, and billing services are managed by the division. In addition, this division carries out internal review, audits, and investigations to prevent fraud, abuse, and waste. Additional services provided include assisting state agencies in solving management and operations problems by conducting operational process re-engineering studies, cost-benefit studies, and financial analysis.

Full-Time	92	95	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	95	95	0	95
Payroll	6,772,900	8,258,900	8,180,000	0	8,180,000
Operational	1,471,600	2,453,100	1,863,100	0	1,863,100
Total	\$8,244,500	\$10,712,000	\$10,043,100	\$0	\$10,043,100
State	2,020,200	2,601,600	3,092,200	0	3,092,200
Federal	0	0	0	0	0
Other	6,224,300	8,110,400	6,950,900	0	6,950,900

317.03 Office for Information Resources

The Office for Information Resources (OIR) facilitates the use of information systems and provides technical direction and assistance to agencies, as charged by the Commissioner of Finance and Administration and the Information Systems Council. OIR provides for statewide data, voice, and video operations; information systems planning; information technology training; and security policy, direction, and protection. OIR also provides solutions development and support; manages the state's website; and operates two data centers that house mainframes, distributed computers, and data storage.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	360	346	346	0	346
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	360	346	346	0	346
Payroll	29,887,500	34,781,800	34,527,400	0	34,527,400
Operational	117,017,100	118,516,700	113,098,600	0	113,098,600
Total	\$146,904,600	\$153,298,500	\$147,626,000	\$0	\$147,626,000
State	6,482,700	2,450,000	2,250,000	0	2,250,000
Federal	41,200	0	0	0	0
Other	140,380,700	150,848,500	145,376,000	0	145,376,000

317.04 Benefits Administration

Benefits Administration administers the state-sponsored insurance benefits program directed by the State, Local Education, and Local Government Insurance committees. All health-care plans are self-insured, Preferred Provider Organizations (PPO).

Full-Time	100	100	100	0	100
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	100	100	100	0	100
Payroll	5,734,200	7,215,400	7,164,900	0	7,164,900
Operational	1,809,300	4,024,000	3,220,400	0	3,220,400
Total	\$7,543,500	\$11,239,400	\$10,385,300	\$0	\$10,385,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	7,543,500	11,239,400	10,385,300	0	10,385,300

317.06 Criminal Justice Programs

The Office of Criminal Justice Programs secures, distributes, manages, and evaluates federal and state grant funds for criminal justice programs, such as Stop Violence Against Women, Family Violence Act, Victims of Crimes Act, and Rural Domestic Violence. The office monitors the grantees to ensure that criminal justice funds are spent in accordance with federal and state guidelines.

Full-Time	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	1,379,100	1,541,500	1,525,800	0	1,525,800
Operational	20,835,100	24,020,900	24,017,300	50,000	24,067,300
Total	\$22,214,200	\$25,562,400	\$25,543,100	\$50,000	\$25,593,100
State	4,234,200	4,538,100	4,534,500	50,000	4,584,500
Federal	17,835,100	20,918,500	20,902,900	0	20,902,900
Other	144,900	105,800	105,700	0	105,700

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

317.10 State Architect's Office

The State Architect's Office (OSA) serves as the operating manager of the State Building Commission (SBC). This office is responsible for supervising projects; implementing existing rules; and proposing new rules, policies, procedures, and technical standards for the SBC.

Full-Time	6	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	6	6	0	6
Payroll	483,700	718,300	715,400	0	715,400
Operational	547,900	654,000	113,700	0	113,700
Total	\$1,031,600	\$1,372,300	\$829,100	\$0	\$829,100
State	1,031,600	1,372,300	829,100	0	829,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

317.11 Volunteer Tennessee

Volunteer Tennessee, formerly the Commission on National and Community Service, manages AmeriCorps subgrants, training, and disability outreach, funded through federal formula grants from the Corporation for National and Community Service, to meet needs in education, environment, low-income housing, child-abuse prevention, and health. The commission also provides training and support services to increase service-learning and civic engagement, especially for at-risk youth. In addition, the commission administers national competitive AmeriCorps grants and the Governor's Volunteer Star Awards.

Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	366,600	501,700	499,000	0	499,000
Operational	3,860,700	4,075,200	4,057,100	0	4,057,100
Total	\$4,227,300	\$4,576,900	\$4,556,100	\$0	\$4,556,100
State	248,500	250,500	232,700	0	232,700
Federal	3,935,000	4,314,600	4,311,600	0	4,311,600
Other	43,800	11,800	11,800	0	11,800

317.17 Enterprise Resource Planning

The Enterprise Resource Planning division delivers an integrated enterprise software solution for addressing the state's administrative functions, such as human resources, payroll, personnel, financial management, and procurement.

Full-Time	101	101	101	0	101
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	101	101	101	0	101
Payroll	9,023,800	9,590,200	9,536,200	0	9,536,200
Operational	20,232,500	16,122,400	16,118,900	0	16,118,900
Total	\$29,256,300	\$25,712,600	\$25,655,100	\$0	\$25,655,100

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	29,256,300	25,712,600	25,655,100	0	25,655,100

317.20 Business Solutions Delivery

Business Solutions Delivery (BSD) provides project management resources to help successfully implement large, complex agency information technology projects. BSD develops standard methodologies, tools, and measurements to help agencies achieve desired project outcomes.

Full-Time	23	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	21	21	0	21
Payroll	3,064,800	3,032,600	3,013,800	0	3,013,800
Operational	406,200	1,396,000	1,288,300	0	1,288,300
Total	\$3,471,000	\$4,428,600	\$4,302,100	\$0	\$4,302,100
State	2,750,900	3,843,400	3,758,800	0	3,758,800
Federal	0	0	0	0	0
Other	720,100	585,200	543,300	0	543,300

Fiscal and Management Services

This functional area develops and implements policies pertaining to the fiscal and managerial aspects of state government, including budgeting and accounting.

317.02 Division of Budget

In accordance with budget recommendations of the Governor and the Commissioner of Finance and Administration, the Division of Budget prepares the annual Budget Document and general appropriations bill for transmittal to the General Assembly. The division also is responsible for preparing the annual Work Program (enacted budget allotments) by adjusting the proposed budget to reflect final legislative action on the appropriations act and bond authorization act. The Budget includes both operational allotments and the capital outlay program. Throughout the year, the Division of Budget monitors spending by and state revenue collections of all state agencies.

Full-Time	30	30	30	0	30
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	32	32	32	0	32
Payroll	2,898,300	3,445,300	3,323,000	0	3,323,000
Operational	361,100	948,900	597,800	0	597,800
Total	\$3,259,400	\$4,394,200	\$3,920,800	\$0	\$3,920,800
State	3,258,500	4,394,200	3,920,800	0	3,920,800
Federal	0	0	0	0	0
Other	900	0	0	0	0

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

317.05 Division of Accounts

The Division of Accounts maintains the centralized general ledger used to record all state government accounting events. The division operates a centralized payment distribution process for state payments and state payroll and is also responsible for the associated centralized Internal Revenue Service reporting. Accounting policy is developed by the division and is used to enable consistent accounting treatment across state government. The division is also responsible for reporting the state's compliance with the federal Cash Management Improvement Act and the federal Single Audit Act. The division also prepares the state's Comprehensive Annual Financial Report (CAFR).

Full-Time	169	169	163	0	163
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	169	169	163	0	163
Payroll	9,613,200	13,490,400	13,097,800	0	13,097,800
Operational	2,510,200	3,372,600	2,721,700	0	2,721,700
Total	\$12,123,400	\$16,863,000	\$15,819,500	\$0	\$15,819,500
State	100,300	1,804,400	1,666,800	0	1,666,800
Federal	0	0	0	0	0
Other	12,023,100	15,058,600	14,152,700	0	14,152,700

TennCare Fraud and Abuse Prevention

317.12 Office of Inspector General

The Office of Inspector General (OIG) helps prevent, identify, investigate, and prosecute individuals who commit or attempt to commit fraud or abuse in the TennCare program, which is the state's Medicaid waiver health-care program.

Full-Time	49	49	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	49	49	0	49
Payroll	3,612,200	3,864,200	3,833,800	0	3,833,800
Operational	924,300	1,218,100	1,216,200	0	1,216,200
Total	\$4,536,500	\$5,082,300	\$5,050,000	\$0	\$5,050,000
State	200	0	0	0	0
Federal	0	0	0	0	0
Other	4,536,300	5,082,300	5,050,000	0	5,050,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
317.00 Total Finance and Administration					
Full-Time	956	943	937	0	937
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	958	945	939	0	939
Payroll	72,836,300	86,440,300	85,417,100	0	85,417,100
Operational	169,976,000	176,801,900	168,313,100	50,000	168,363,100
Total	\$242,812,300	\$263,242,200	\$253,730,200	\$50,000	\$253,780,200
State	20,127,100	21,254,500	20,284,900	50,000	20,334,900
Federal	21,811,300	25,233,100	25,214,500	0	25,214,500
Other	200,873,900	216,754,600	208,230,800	0	208,230,800

Department of Human Resources

The Department of Human Resources (DOHR) designs and implements policies and practices to effectively manage the human resource needs of state government. The department advises the Governor on human resource issues and administers the provisions of the Tennessee Excellence, Accountability and Management (TEAM) Act of 2012. The Department of Human Resources maintains all state employee records, as well as all records pertaining to applicants for state employment. It also approves, coordinates, and conducts training and career development courses for all state departments and agencies. The four major program areas of the Department of Human Resources are executive administration, human resource development, technical services bureau, and office of the general counsel.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

319.01 Executive Administration

In addition to providing general administrative support services for the Department of Human Resources, Executive Administration coordinates the services provided by the department to all agencies of state government.

Full-Time	15	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	16	16	0	16
Payroll	1,236,600	1,433,600	1,417,200	0	1,417,200
Operational	1,003,700	1,013,800	987,500	0	987,500
Total	\$2,240,300	\$2,447,400	\$2,404,700	\$0	\$2,404,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,240,300	2,447,400	2,404,700	0	2,404,700

319.02 Human Resource Development

Human Resource Development approves, coordinates, and conducts training and career development courses for all state departments and agencies. The Strategic Learning Solutions (SLS) office conducts comprehensive needs assessments, identifies learning and development opportunities for all state agencies, and customizes training and development programs to maximize employee potential and achieve strategic business goals and objectives.

Full-Time	11	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	17	17	0	17
Payroll	984,700	1,357,200	1,349,100	0	1,349,100
Operational	1,205,500	1,326,600	1,165,400	0	1,165,400
Total	\$2,190,200	\$2,683,800	\$2,514,500	\$0	\$2,514,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,190,200	2,683,800	2,514,500	0	2,514,500

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

319.03 Technical Services Bureau

Technical Services Bureau administers state employee compensation and position classifications, recommends policy, oversees all human resources transactions involving employees in the Executive Branch and actively manages the recruitment of qualified applicants.

Full-Time	76	75	75	0	75
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	76	75	75	0	75
Payroll	4,360,400	5,203,800	4,978,300	0	4,978,300
Operational	236,500	180,200	137,900	0	137,900
Total	\$4,596,900	\$5,384,000	\$5,116,200	\$0	\$5,116,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,596,900	5,384,000	5,116,200	0	5,116,200

319.05 Office of the General Counsel

The Office of the General Counsel's responsibilities include advising state employees, supervisors, managers, human resource officers and state executives regarding state laws, rules, policies and practices. This includes providing information on human resource functions, as well as reviewing certain employee transactions related to separations, appeals and court orders. In addition, the division administers the state's performance management program, the State Employee Sick Leave Bank and the Employee Service Award Program.

Full-Time	13	18	18	0	18
Part-Time	9	18	18	0	18
Seasonal	0	0	0	0	0
Total	22	36	36	0	36
Payroll	761,600	1,496,600	1,481,000	0	1,481,000
Operational	156,400	376,500	365,900	0	365,900
Total	\$918,000	\$1,873,100	\$1,846,900	\$0	\$1,846,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	918,000	1,873,100	1,846,900	0	1,846,900

319.00 Total Human Resources

Full-Time	115	126	126	0	126
Part-Time	9	18	18	0	18
Seasonal	0	0	0	0	0
Total	124	144	144	0	144
Payroll	7,343,300	9,491,200	9,225,600	0	9,225,600
Operational	2,602,100	2,897,100	2,656,700	0	2,656,700
Total	\$9,945,400	\$12,388,300	\$11,882,300	\$0	\$11,882,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	9,945,400	12,388,300	11,882,300	0	11,882,300

Department of General Services

The Department of General Services acts as a support organization for other state departments and agencies. The department provides support through administrative services, property management services, and interdepartmental support services.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administrative Services

Administrative Services includes a variety of internal support services. Among these services are fiscal analysis and processing, legal services, auditing, and human resource management. The group also establishes and directs the official policies of the department.

321.01 Administration

Administration provides assistance to all programs in General Services, establishes and directs the official policies related to departmental agency services, and provides fiscal, personnel, and legal services to the department.

Full-Time	47	47	46	0	46
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	47	47	46	0	46
Payroll	3,270,000	3,947,300	4,073,900	0	4,073,900
Operational	1,986,600	1,971,400	2,204,300	0	2,204,300
Total	\$5,256,600	\$5,918,700	\$6,278,200	\$0	\$6,278,200
State	352,200	124,200	122,100	0	122,100
Federal	0	0	0	0	0
Other	4,904,400	5,794,500	6,156,100	0	6,156,100

321.15 Office of Information Technology Services (OITS)

The Office of Information Technology Services provides a timely response to all customer technology needs within the Department of General Services. OITS consults with divisions as technology needs arise and provides a solution for them. The division also ensures all computer servers run efficiently and that all critical services are provided.

Full-Time	17	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	17	17	0	17
Payroll	1,272,300	1,627,800	1,605,500	0	1,605,500
Operational	302,600	617,200	617,200	0	617,200
Total	\$1,574,900	\$2,245,000	\$2,222,700	\$0	\$2,222,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,574,900	2,245,000	2,222,700	0	2,222,700

Property Management Services

Property Management Services manages and maintains the state's motor vehicles and state-owned facilities and grounds, and supervises all capital outlay projects.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

321.06 Motor Vehicle Management

Motor Vehicle Management (MVM) purchases, maintains, and salvages vehicles and motorized equipment as requested by state agencies. MVM also finances large motorized equipment purchases on behalf of state agencies that cannot independently purchase equipment in large volumes.

Full-Time	25	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	25	25	0	25
Payroll	1,511,200	1,574,200	1,536,400	0	1,536,400
Operational	44,191,000	44,513,100	44,513,100	0	44,513,100
Total	\$45,702,200	\$46,087,300	\$46,049,500	\$0	\$46,049,500
State	2,695,000	0	0	0	0
Federal	0	0	0	0	0
Other	43,007,200	46,087,300	46,049,500	0	46,049,500

321.07 Real Estate Asset Management

Real Estate Asset Management operates, manages, and maintains all Facilities Revolving Fund (FRF) office and warehouse space in both state-owned and privately leased buildings. This division also supervises and preplans all capital outlay projects involving any improvement or demolition of real property in which the state has an interest. The program must enforce the provisions of the Tennessee Public Buildings Accessibility Act, as well as the Tennessee Energy Conservation Code. The program also makes space assignments, prepares long-range housing plans, manages leases, analyzes space needs, designs interior floor plans for agencies, and coordinates agency moves.

Full-Time	111	111	112	0	112
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	111	111	112	0	112
Payroll	7,785,800	12,323,800	9,686,600	0	9,686,600
Operational	7,210,100	8,289,800	8,049,800	0	8,049,800
Total	\$14,995,900	\$20,613,600	\$17,736,400	\$0	\$17,736,400
State	4,192,300	4,601,900	4,596,500	0	4,596,500
Federal	0	0	0	0	0
Other	10,803,600	16,011,700	13,139,900	0	13,139,900

321.20 State Facilities Pre-Planning

State Facilities Pre-Planning program provides for preliminary design work on capital projects.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	928,500	9,425,000	9,425,000	0	9,425,000
Total	\$928,500	\$9,425,000	\$9,425,000	\$0	\$9,425,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	928,500	1,425,000	1,425,000	0	1,425,000
Federal	0	0	0	0	0
Other	0	8,000,000	8,000,000	0	8,000,000

Interdepartmental Support Services

Interdepartmental Support Services provide services to state departments and agencies. These services include postal services, printing, the procurement of goods and services, the disposal and distribution of surplus state and federal property, and the storage and distribution of supplies.

321.02 Postal Services

Postal Services provides centralized mail services for state government agencies in Davidson County, including interagency messenger service and delivery, pickup, and processing of U.S. mail for state agencies. The division operates a U.S. Post Office (USPS) branch in a Nashville state office building.

Full-Time	42	42	42	0	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	42	42	0	42
Payroll	1,560,600	1,825,400	1,786,100	0	1,786,100
Operational	18,770,600	19,195,200	19,195,200	0	19,195,200
Total	\$20,331,200	\$21,020,600	\$20,981,300	\$0	\$20,981,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	20,331,200	21,020,600	20,981,300	0	20,981,300

321.09 Printing and Media Services

Printing and Media Services produces a full range of centralized graphic design, photography, printing, copying, and binding services for state and local governments. Other services include design of files for the web, layout consultation, and development of document specifications.

Full-Time	66	66	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	66	66	66	0	66
Payroll	2,788,700	3,608,300	3,557,600	0	3,557,600
Operational	3,597,100	4,211,200	4,211,200	0	4,211,200
Total	\$6,385,800	\$7,819,500	\$7,768,800	\$0	\$7,768,800
State	0	316,500	314,400	0	314,400
Federal	0	0	0	0	0
Other	6,385,800	7,503,000	7,454,400	0	7,454,400

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

321.10 Procurement Office

The Procurement Office is the centralized procurement office for goods and services to state government. The office is responsible for the competitive bidding and administration of statewide and agency term contracts, processing agency one-time purchase orders exceeding \$5,000, and training state personnel in purchasing procedures. This office also operates the Governor's Office of Diversity Business Enterprise, which assists minority-owned, women-owned, small, and service disabled veteran-owned businesses participating in state contracting and procurement activities.

Full-Time	80	82	82	0	82
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	80	82	82	0	82
Payroll	5,194,000	6,533,200	6,486,200	0	6,486,200
Operational	2,843,600	2,456,700	2,857,500	0	2,857,500
Total	\$8,037,600	\$8,989,900	\$9,343,700	\$0	\$9,343,700
State	0	2,179,700	0	0	0
Federal	0	0	0	0	0
Other	8,037,600	6,810,200	9,343,700	0	9,343,700

321.18 Warehousing and Distribution

Warehousing and Distribution is responsible for central warehousing of state supplies. The division manages a centralized supply distribution operation.

Full-Time	33	33	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	33	33	33	0	33
Payroll	1,373,300	1,756,800	1,723,300	0	1,723,300
Operational	2,213,100	3,366,500	3,366,500	0	3,366,500
Total	\$3,586,400	\$5,123,300	\$5,089,800	\$0	\$5,089,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,586,400	5,123,300	5,089,800	0	5,089,800

Governor's Books from Birth Fund

321.21 Governor's Books from Birth Fund

The Governor's Books from Birth Fund is the primary funding source for the Governor's Books from Birth Foundation. The foundation is a non-profit entity in partnership with the Dollywood Foundation to implement the Imagination Library across Tennessee and is administratively attached to the department. The goal of the Governor's Books from Birth Foundation is to ensure that Tennessee children are reading at grade level by the end of the third grade. The foundation funds 50 percent of each participating county's cost of providing one age-appropriate book each month to children from birth to age five at no cost to the family.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,104,100	3,104,100	3,104,100	250,000	3,354,100
Total	\$3,104,100	\$3,104,100	\$3,104,100	\$250,000	\$3,354,100
State	3,104,100	3,104,100	3,104,100	250,000	3,354,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
321.00 Total General Services					
Full-Time	421	423	423	0	423
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	421	423	423	0	423
Payroll	24,755,900	33,196,800	30,455,600	0	30,455,600
Operational	85,147,300	97,150,200	97,543,900	250,000	97,793,900
Total	\$109,903,200	\$130,347,000	\$127,999,500	\$250,000	\$128,249,500
State	11,272,100	11,751,400	9,562,100	250,000	9,812,100
Federal	0	0	0	0	0
Other	98,631,100	118,595,600	118,437,400	0	118,437,400

Veterans Affairs

The Department of Veterans Affairs serves Tennessee's more than one-half million veterans, dependents, and survivors. Through a statewide power of attorney system, the department serves as an advocate, ensuring that veterans of the state receive quality care, support, and maximum earned entitlements. The department also operates and maintains the state's three veterans cemeteries, located within each grand division. The interment workloads at these cemeteries are among the highest in the nation. In addition to these duties, the department participates in programs that increase public awareness of the services and sacrifices made by veterans.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
323.00 Veterans Affairs					
Full-Time	97	98	98	0	98
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	97	98	98	0	98
Payroll	4,602,500	5,173,200	5,123,400	0	5,123,400
Operational	2,918,400	1,344,600	1,291,700	0	1,291,700
Total	\$7,520,900	\$6,517,800	\$6,415,100	\$0	\$6,415,100
State	4,634,900	5,485,100	5,393,300	0	5,393,300
Federal	1,171,200	772,700	766,800	0	766,800
Other	1,714,800	260,000	255,000	0	255,000

Department of Revenue

The Department of Revenue collects and administers Tennessee's taxes and fees, ensures compliance by taxpayers, and apportions tax revenues to the appropriate state or local funds. These responsibilities are accomplished by the department's Administrative Services, Support Services, Revenue Collection Services, and Disaster Relief functions.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administrative Services

The departmental Administrative Services programs include: legal and research services, human resources management, internal auditing, fiscal analysis and processing, apportioning revenues to the appropriate state or local fund, information systems management, and special investigations.

347.01 Administration Division

The Administration Division provides overall policy management, support services, taxpayer hearings, and investigation of criminal acts for the department. Administrative functions are provided through the Commissioner's Office, Internal Audit and Consulting, Legal Services, Research, Fiscal Services, Human Resources, Special Investigations, and the Administrative Hearing Office.

Full-Time	97	94	87	0	87
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	97	94	87	0	87
Payroll	7,383,100	7,931,200	7,456,000	0	7,456,000
Operational	2,113,000	1,613,600	1,818,300	0	1,818,300
Total	\$9,496,100	\$9,544,800	\$9,274,300	\$0	\$9,274,300
State	5,967,000	6,789,600	6,298,800	0	6,298,800
Federal	5,700	0	0	0	0
Other	3,523,400	2,755,200	2,975,500	0	2,975,500

347.11 Information Technology Resources Division

The Information Technology Resources Division is responsible for planning, coordinating, and managing the information technology needs of the department, which includes defining and providing information technology solutions for business needs. The division facilitates all phases of information systems projects, including software development and purchases, installations, implementation, and hardware configuration.

Full-Time	92	79	76	0	76
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	79	76	0	76
Payroll	6,868,500	7,245,200	6,768,000	0	6,768,000
Operational	10,986,300	10,438,200	9,920,400	357,000	10,277,400
Total	\$17,854,800	\$17,683,400	\$16,688,400	\$357,000	\$17,045,400

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	10,456,000	11,341,400	9,276,800	357,000	9,633,800
Federal	1,300	0	0	0	0
Other	7,397,500	6,342,000	7,411,600	0	7,411,600

347.22 Computerized Title and Registration System

The Computerized Title and Registration System division's primary mission is to improve the processing of titling and registration transactions from customer contact through point-of-sale, inventory, financial reporting, and balancing with the Department of Revenue and the State of Tennessee county clerks.

Full-Time	0	12	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	12	15	0	15
Payroll	0	1,109,800	1,117,700	0	1,117,700
Operational	0	3,672,600	3,650,200	0	3,650,200
Total	\$0	\$4,782,400	\$4,767,900	\$0	\$4,767,900
State	0	4,782,400	4,767,900	0	4,767,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

Support Services

Support Services programs provide assistance to the operations of revenue collection services.

347.13 Taxpayer Services Division

The Taxpayer Services Division is responsible for taxpayer registration, taxpayer education, taxpayer assistance, and correction of posting errors. The program has employees in various locations across the state.

Full-Time	109	108	108	0	108
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	109	108	108	0	108
Payroll	5,685,300	6,222,100	6,099,900	0	6,099,900
Operational	2,671,300	2,924,600	2,128,800	0	2,128,800
Total	\$8,356,600	\$9,146,700	\$8,228,700	\$0	\$8,228,700
State	6,504,800	7,687,100	6,648,400	0	6,648,400
Federal	0	0	0	0	0
Other	1,851,800	1,459,600	1,580,300	0	1,580,300

347.16 Processing Division

The Processing Division ensures that funds due to the State of Tennessee are timely and accurately deposited, and that taxpayer records are accurately updated. This program provides a means of collecting and processing more than 92 percent of state collections and accounting for those funds used to finance and operate most state programs. In addition, the program provides lockbox services to a variety of other state agencies, and collects and deposits funds on their behalf.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	124	119	113	0	113
Part-Time	7	4	4	0	4
Seasonal	0	0	0	0	0
Total	131	123	117	0	117
Payroll	6,052,700	6,395,100	6,083,800	0	6,083,800
Operational	1,188,500	1,226,400	1,225,500	0	1,225,500
Total	\$7,241,200	\$7,621,500	\$7,309,300	\$0	\$7,309,300
State	4,010,800	4,665,500	4,188,700	0	4,188,700
Federal	0	0	0	0	0
Other	3,230,400	2,956,000	3,120,600	0	3,120,600

347.17 Vehicle Services Division

The Vehicle Services Division is responsible for issuing, recording, and enforcing ownership titles; regulating the sale and distribution of vehicle license plates; and regulating these activities through 95 county clerks. The program is centrally located in the Nashville area.

Full-Time	109	97	93	0	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	109	97	93	0	93
Payroll	5,373,600	5,674,800	5,282,600	0	5,282,600
Operational	13,983,300	12,021,100	13,048,100	0	13,048,100
Total	\$19,356,900	\$17,695,900	\$18,330,700	\$0	\$18,330,700
State	16,599,500	16,270,500	16,795,100	0	16,795,100
Federal	0	0	0	0	0
Other	2,757,400	1,425,400	1,535,600	0	1,535,600

Revenue Collection Services

Revenue Collection Services programs collect taxes and fees and ensure proper compliance by taxpayers. The responsibilities associated with these services include: administering all state taxes for corporations doing business in Tennessee; enforcing laws and regulations regarding the inspection and taxation of petroleum products; administering the provisions of specific laws regarding the taxation of tobacco products, gifts, inheritances, estates, firearms, gross receipts, liquor by the drink, beer, and other taxes; administering the Hall income tax on stocks and bonds; administering the provisions of the Tennessee sales and use tax laws; and collecting delinquent taxes owed to the State of Tennessee.

347.02 Tax Enforcement Division

The Tax Enforcement Division enforces the collection of delinquent tax liability that results when taxpayers fail to remit their taxes on a timely basis or are considered to have under-reported tax liabilities in relation to state tax statutes. The program's ultimate goal is voluntary compliance with regard to the tax collection process. Work assignments of a delinquent nature are generated through the Revenue Integrated Tax System. Tasks include in-state and out-of-state collections, investigating and recommending offers to compromise tax liabilities, recording and releasing tax liens, negotiating payment agreements, and filing of legal claims. The division has a central office in Nashville and various locations throughout the state.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	127	127	127	0	127
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	127	127	127	0	127
Payroll	7,058,300	7,721,000	7,613,000	0	7,613,000
Operational	1,145,400	1,131,700	1,137,400	0	1,137,400
Total	\$8,203,700	\$8,852,700	\$8,750,400	\$0	\$8,750,400
State	4,818,300	5,875,900	5,569,300	0	5,569,300
Federal	0	0	0	0	0
Other	3,385,400	2,976,800	3,181,100	0	3,181,100

347.14 Audit Division

The Audit Division provides tax audit services including: audit examination, refund processing, penalty waiver processing, and taxpayer discovery. The division conducts tax audits of taxpayers subject to Tennessee tax law, encourages voluntary compliance with state tax laws, and assists in educating taxpayers regarding tax laws and filing requirements. This is accomplished through centralized management of audit resources, providing fair and objective audit selection, and by conducting tax audits that achieve target coverage levels. The Audit Division maintains in-state offices throughout the state, six out-of-state offices, and several out-of-state post-of-duty stations.

Full-Time	352	356	356	0	356
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	352	356	356	0	356
Payroll	26,162,300	27,888,700	27,515,300	0	27,515,300
Operational	3,991,800	3,982,400	4,011,200	0	4,011,200
Total	\$30,154,100	\$31,871,100	\$31,526,500	\$0	\$31,526,500
State	18,611,600	22,367,400	21,374,100	0	21,374,100
Federal	7,300	20,900	20,700	0	20,700
Other	11,535,200	9,482,800	10,131,700	0	10,131,700

Anti-Theft Unit

347.18 Anti-Theft Unit

The Anti-Theft Unit's primary responsibility is to inspect all specially constructed and reconstructed vehicles, and is funded by an inspection fee that re-builders and individuals pay to have their titles converted. In addition, this unit is responsible for investigating any potential fraud associated with the titling and registration of vehicles. This program is regulatory in nature and was established for the purpose of combating theft.

Full-Time	18	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	19	19	0	19
Payroll	1,167,000	1,342,800	1,324,900	0	1,324,900
Operational	376,500	290,400	284,100	0	284,100
Total	\$1,543,500	\$1,633,200	\$1,609,000	\$0	\$1,609,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	1,539,300	1,633,200	1,609,000	0	1,609,000
Federal	0	0	0	0	0
Other	4,200	0	0	0	0

Disaster Relief

The Disaster Relief section provides tax refunds for qualified purchases related to natural disasters.

347.20 Sales Tax Disaster Relief

Sales Tax Disaster Relief provides a sales and use tax refund for victims of flooding or other natural disaster events. Victims are entitled to refunds on major appliances, residential building supplies, and residential furniture. It also provides a sales and use tax refund for the purchase of building supplies for construction or improvement of storm and tornado shelters.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	250,000	250,000	0	250,000
Total	\$0	\$250,000	\$250,000	\$0	\$250,000
State	0	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

347.21 Tax Refund Interest Expense

The Tax Refund Interest Expense allotment code accounts for interest due to taxpayers on tax refunds.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	818,200	2,500,000	2,500,000	0	2,500,000
Total	\$818,200	\$2,500,000	\$2,500,000	\$0	\$2,500,000
State	818,200	2,500,000	2,500,000	0	2,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
347.00 Total Revenue					
Full-Time	1,028	1,011	994	0	994
Part-Time	7	4	4	0	4
Seasonal	0	0	0	0	0
Total	1,035	1,015	998	0	998
Payroll	65,750,800	71,530,700	69,261,200	0	69,261,200
Operational	37,274,300	40,051,000	39,974,000	357,000	40,331,000
Total	\$103,025,100	\$111,581,700	\$109,235,200	\$357,000	\$109,592,200
State	69,325,500	84,163,000	79,278,100	357,000	79,635,100
Federal	14,300	20,900	20,700	0	20,700
Other	33,685,300	27,397,800	29,936,400	0	29,936,400

Miscellaneous Appropriations

The Miscellaneous Appropriations allotment includes funding for personal services, benefits rate adjustments, operational rate adjustments affecting all state agencies, and other state obligations not addressed elsewhere in the budget. The Miscellaneous Appropriations are line-item appropriations in Section 1 of the general appropriations bill.

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
351.00 Miscellaneous Appropriations					
Full-Time	0	8	0	3	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	8	0	3	3
Payroll	0	0	0	0	0
Operational	37,311,200	75,982,100	62,488,900	98,822,900	161,311,800
Total	\$37,311,200	\$75,982,100	\$62,488,900	\$98,822,900	\$161,311,800
State	35,252,100	75,019,700	62,488,900	98,822,900	161,311,800
Federal	2,500	0	0	0	0
Other	2,056,600	962,400	0	0	0

Emergency and Contingency Fund

The Emergency and Contingency Fund is a special fund for any purpose, authorized or implied by law, for which no appropriation is made or for which insufficient appropriation is inadvertently made. This fund may not be used to fund any law requiring the expenditure of state funds unless an appropriation is made elsewhere in the general appropriations act for the estimated first-year cost. Expenditures from this fund are authorized only by executive order of the Governor.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
353.00 Emergency and Contingency Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	819,300	819,300	0	819,300
Total	\$0	\$819,300	\$819,300	\$0	\$819,300
State	0	819,300	819,300	0	819,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

State Building Commission

The State Building Commission's Major Maintenance and Equipment program is utilized for major, non-routine maintenance and equipment replacement for state-owned physical facilities. Projects are funded only by approval of the State Building Commission, which consists of the Governor, Commissioner of Finance and Administration, speakers of the Senate and House of Representatives, Secretary of State, Comptroller of the Treasury, and State Treasurer.

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
355.02 Major Maintenance and Equipment					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	15,900	400,000	400,000	0	400,000
Total	\$15,900	\$400,000	\$400,000	\$0	\$400,000
State	15,900	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	0	150,000	150,000	0	150,000

**General Government
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Finance and Administration					
Move forward with NextGen IT through a successful pilot at the Department of Transportation and the conversion of two other departments by 6/30/2015.					
	Number of agencies completing reorganization of IT departments based on consultant assessments.	Quarterly	0	Not Available	2
Implement year three of the centralized accounting plan.					
	Number of agencies with accounting centralized.	Quarterly	0	Not Available	4
Implement year one of the workstation consolidation plan.					
	Number of agencies migrated.	Quarterly	1	Not Available	9
Department of Human Resources					
By October 2015, implement a formal process for DOHR organizational performance reporting to provide data and analysis to agency leadership for informing decisions and influencing program design.					
	Training in Quarterly Target Reviews, Problem Solving and Breakthrough teams (December 2014).	Quarterly	Not Available	Not Available	Not Available
	Tennessee Center for Performance Excellence Level 3 Application (June 2015).	Annually	Not Applicable	Not Applicable	Not Applicable
By June 2015, offer the talent management model for workforce planning to a minimum of four additional appointing authorities and respective leadership teams.					
	Number of executive branch departments participating.	Quarterly	9	Not Available	13
By June 2015, create and implement four sequential learning certificate programs designed to continue the enhancement of management and leadership skills among state employees.					
	Number of supervisors completing the Level 1 Certificate for Fundamental Supervisor Skills.	Quarterly	0	Not Available	900
	Number of supervisors completing Level II Certificate for Advanced Management Skills.	Quarterly	0	Not Available	100
Department of General Services					
Provide improved facility management at lower costs.					
	Total spend of facilities management (excludes utilities).	Annually	\$31,949,300	Not Applicable	\$31,310,300
	Total spend of utilities.	Annually	\$17,748,900	Not Applicable	\$17,358,400
	Percent of customers satisfied.	Quarterly	83.0%	93.7%	85.0%

**General Government
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Provide improved procurement services at lower costs.	Total spend of select contracts.	Annually	\$500,000,000	Not Applicable	\$485,000,000
	Percent of customers satisfied.	Quarterly	84.00%	84.67%	85.00%

Department of Veterans Affairs

Increase efficiency in claims assistance by enabling County Service Officers to file electronic claims to decrease claims processing times by June, 2015.

Percent of County Service Offices filing electronic claims (YTD).	Monthly	48%	Not Available	90%
---	---------	-----	---------------	-----

Develop statewide veteran student information resource to help monitor increases/decreases in student veteran populations and graduation rates by June, 2015.

Percent of higher education institutions contacted (YTD).	Monthly	0%	Not Available	100%
---	---------	----	---------------	------

Increase the number of veterans connecting with available jobs at outreach/job fair events by June, 2015.

Number of attendees (YTD).	Monthly	730	Not Available	1,095
----------------------------	---------	-----	---------------	-------

Department of Revenue

Deposit all tax collections within 24 hours of receipt and post-tax documents within two business days of receipt.

Percent of collected funds deposited within 24 hours of receipt.	Monthly	99%	100%	100%
--	---------	-----	------	------

Education



Education

Table of Contents



Introduction	B-75
Total Personnel and Funding	B-76
Recommended Budget for Fiscal Year 2015-2016 by Funding Source	B-77
Cost Increases (K-12 Education and Higher Education) for Fiscal Year 2015-2016	B-78
Program Statements	B-88
Department of Education (K-12)	B-88
Statistical Data – State Special Schools	B-100
Race to the Top	B-101
Higher Education	B-102
University of Tennessee System	B-108
State University and Community College System	B-116
Priority Goals and Measures	B-126

Education

Recommended Budget, Fiscal Year 2015 – 2016

This functional area is responsible for the educational efforts of the state, from pre-school and K-12 through all levels of higher education.

The Department of Education coordinates the educational programs of the local public school systems that operate Tennessee's kindergarten, elementary, secondary, and vocational schools. The department also operates the four special schools: Tennessee School for the Blind, Tennessee School for the Deaf, West Tennessee School for the Deaf, and Alvin C. York Agricultural Institute.

With assistance from the Department of Education, the State Board of Education formulates the policies, standards, and guidelines governing K-12 public education. The department is responsible for implementing these policies, standards, and guidelines.

Higher education is governed by two independent systems: the University of Tennessee System and the State University and Community College System, more commonly known as the Tennessee Board of Regents System. The Tennessee Higher Education Commission is responsible for coordinating academic, fiscal, and policy issues between the two systems. The Tennessee Student Assistance Corporation (TSAC) is the state's designated agency to administer financial aid programs designed to help students obtain a post-secondary education at colleges, universities, and technical and career schools. Among the programs TSAC administers are the Education Lottery-funded scholarships, implemented in

the fall of 2004, and the Tennessee Student Assistance Awards (TSAA), the latter funded primarily from general tax revenues. TSAA grants provide non-repayable financial assistance to financially needy undergraduate students who are residents of Tennessee and are enrolled at a public or an eligible non-public post-secondary educational institution in Tennessee. TSAC also administers the Tennessee Promise Endowment Scholarship program.

The lottery scholarships are funded through the Lottery for Education Account. The majority of these funds are made available for post-secondary scholarships, which include the Tennessee HOPE Scholarship, the General Assembly Merit Scholarship, the Need-Based Supplemental Award, the Tennessee HOPE Access Grant, and the Wilder-Naifeh Technical Skills Grant.

Cost Increases and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended cost increases for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year program.

Education Total Personnel and Funding

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Recommended 2015-2016</u>
Personnel			
Full Time *	26,284	26,387	26,398
Part Time	82	70	70
Seasonal	0	0	0
TOTAL	26,366	26,457	26,468
Expenditures			
Payroll	\$ 96,863,200	\$ 118,089,100	\$ 116,897,300
Operational	9,567,147,100	9,549,325,900	9,667,114,900
TOTAL	\$ 9,664,010,300	\$ 9,667,415,000	\$ 9,784,012,200
Funding			
State **	\$ 5,875,920,800	\$ 5,913,984,200	\$ 6,102,355,800
Federal	1,421,770,300	1,312,822,100	1,233,138,700
Other	737,245,200	750,825,800	758,734,800
Tuition/Fees	1,629,074,000	1,689,782,900	1,689,782,900

* Includes Higher Education's unrestricted education and general personnel.

** State appropriation includes the following from Lottery for Education sources:

\$ 326,446,900	\$ 335,700,000	\$ 346,600,000
----------------	----------------	----------------

Education
Recommended Budget for Fiscal Year 2015-2016
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	4,480,859,700	1,014,040,800	113,825,500	5,608,726,000
332.00 Higher Education	1,621,496,100	219,097,900	2,334,692,200 *	4,175,286,200
Total	\$6,102,355,800	\$1,233,138,700	\$2,448,517,700	\$9,784,012,200

* Includes Higher Education's tuition and fees and other revenue

Education
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Education (K-12)					
• Basic Education Program					
To provide full funding of the Basic Education Program (BEP) formula, which provides an equitable state share of K-12 public education funding to Local Education Agencies (LEAs).					
331.25 Basic Education Program	\$43,822,000	\$0	\$0	\$43,822,000	0
Sub-total	\$43,822,000	\$0	\$0	\$43,822,000	0
• Teachers' Compensation Increase					
To provide funds for the enhancement of compensation for teachers and other positions through the Basic Education Program (BEP) formula to be distributed to each Local Education Agency and administered according to each LEA's salary schedule and structure.					
331.25 Basic Education Program	\$97,600,000	\$0	\$0	\$97,600,000	0
Sub-total	\$97,600,000	\$0	\$0	\$97,600,000	0
• Assessments					
To fund improvements and increased costs associated with the state's comprehensive assessment program in grades three through eight and high school.					
331.11 Accountability and Assessment	\$8,500,000	\$0	\$0	\$8,500,000	0
Sub-total	\$8,500,000	\$0	\$0	\$8,500,000	0
• K-12 Academic Standards Review Process					
To provide recurring funding for a position to aid the K-12 academic standards review process.					
331.07 State Board of Education	\$65,000	\$0	\$0	\$65,000	1
Sub-total	\$65,000	\$0	\$0	\$65,000	1
• Basic Education Program - Salary Equity					
To provide recurring funding to address salary equity adjustments.					
331.25 Basic Education Program	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0
• P20 System Sustainability					
To provide recurring funding for support and maintenance for the P20 System.					
331.01 Administration	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0

Education

Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Save the Children Literacy Grant					
To provide non-recurring funding for the tenth year of the Save the Children Literacy Grant to target literacy improvement, focusing on grades one through three in under-served schools (schools that serve low-income students). Save the Children will work in partnership with local schools and community-based organizations to provide a combination of in-school, after-school, and summer literacy programs to help children improve their reading skills.					
331.02 Grants-In-Aid	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Public Television Stations					
To provide recurring funding for public television stations.					
331.02 Grants-In-Aid	\$2,786,800	\$0	\$0	\$2,786,800	0
Sub-total	\$2,786,800	\$0	\$0	\$2,786,800	0
• Governor's Schools					
To provide recurring funding for Governor's Schools.					
331.06 Curriculum and Instruction	\$1,900,000	\$0	\$0	\$1,900,000	0
Sub-total	\$1,900,000	\$0	\$0	\$1,900,000	0
• Family Resource Centers					
To provide recurring funding for Family Resource Centers.					
331.32 Early Childhood Education	\$3,050,000	\$0	\$0	\$3,050,000	0
Sub-total	\$3,050,000	\$0	\$0	\$3,050,000	0
• Alliance of Boys and Girls Clubs					
To provide non-recurring funding for the Tennessee Alliance of Boys and Girls Clubs.					
331.45 Career and Technical Education Programs	\$125,000	\$0	\$0	\$125,000	0
Sub-total	\$125,000	\$0	\$0	\$125,000	0
• Alvin C. York High School					
To provide recurring funding for Alvin C. York High School.					
331.90 Alvin C. York Institute	\$1,294,400	\$60,000	\$994,900	\$2,349,300	11
Sub-total	\$1,294,400	\$60,000	\$994,900	\$2,349,300	11
• Advanced Placement					
To provide non-recurring funding for the Advanced Placement Exam and Industry Certification Pilot Program.					
331.45 Career and Technical Education Programs	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0

Education

Cost Increases for Fiscal Year 2015-2016

	State	Federal	Other	Total	Positions
• Career and Technical Education					
To provide recurring funding for one full-time position to assist with Career and Technical Education programs.					
331.45 Career and Technical Education Programs	\$53,000	\$0	\$0	\$53,000	1
Sub-total	\$53,000	\$0	\$0	\$53,000	1
• Teacher Training and Experience					
To provide recurring funds for growth in teacher training and experience at the state Special Schools.					
331.90 Alvin C. York Institute	\$21,000	\$0	\$0	\$21,000	0
331.91 Tennessee School for the Blind	\$31,800	\$0	\$0	\$31,800	0
331.92 Tennessee School for the Deaf	\$38,100	\$0	\$0	\$38,100	0
331.93 West Tennessee School for the Deaf	\$11,200	\$0	\$0	\$11,200	0
Sub-total	\$102,100	\$0	\$0	\$102,100	0
Total Education (K-12)	\$167,448,300	\$60,000	\$994,900	\$168,503,200	13

Higher Education - State Administered Programs

• Need-Based Student Financial Aid

To provide recurring funding for need-based financial aid to serve unfunded eligible students. The Tennessee Student Assistance Awards (TSAA) program provides grants to financially needy undergraduate students who are residents of Tennessee attending in-state institutions.

Approximately 120,000 eligible students applied for the TSAA for the 2014-2015 academic year, but were not awarded due to lack of funds. The Tennessee Student Assistance Corporation (TSAC) estimates that approximately 120,000 eligible students will again go unfunded in the 2015-2016 academic year. Historically, only two-thirds of awards are accepted; therefore, total funding needed to serve the unfunded students requires approximately \$147 million. This cost increase represents approximately seven percent of the total need and would serve approximately 5,400 students. Consistent with the Drive to 55 and the Complete College Tennessee Act, TSAC's goal is to support efforts to increase timely degree production among the neediest students who are progressing to degree completion.

332.03 Tennessee Student Assistance Awards	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
• TSAC Operations					
To provide recurring funding to offset revenue generated by the Federal Family Education Loan Program (FFELP), which is expected to end by December 31, 2016.					
332.05 Tennessee Student Assistance Corporation	\$550,000	\$0	(\$550,000)	\$0	0
Sub-total	\$550,000	\$0	(\$550,000)	\$0	0

Education

Cost Increases for Fiscal Year 2015-2016

	State	Federal	Other	Total	Positions
• Labor Education Alignment Program					
To provide funding for a position that will provide coordination, administrative/fiscal oversight, and leadership for the Labor Education Alignment Program.					
332.01 Tennessee Higher Education Commission	\$96,300	\$0	\$0	\$96,300	1
Sub-total	\$96,300	\$0	\$0	\$96,300	1
• Database Management					
To provide non-recurring funding for positions that will provide technical support as the state assumes responsibility for the database that operates lottery and state scholarship payments.					
332.05 Tennessee Student Assistance Corporation	\$600,000	\$0	\$0	\$600,000	6
Sub-total	\$600,000	\$0	\$0	\$600,000	6
• Tennessee Promise					
To provide recurring funding for a position to help administer the Tennessee Promise Scholarship Program.					
332.05 Tennessee Student Assistance Corporation	\$80,000	\$0	\$0	\$80,000	1
Sub-total	\$80,000	\$0	\$0	\$80,000	1
• Adult Learner					
To provide funding for initiatives to encourage adult learners with some college experience, but no degree, to attain a post-secondary credential. These initiatives include a statewide marketing campaign, a one-stop portal offering an array of student-centered capabilities, and technical assistance to local areas seeking to assist adult learners.					
332.01 Tennessee Higher Education Commission	\$2,450,000	\$0	\$0	\$2,450,000	2
Sub-total	\$2,450,000	\$0	\$0	\$2,450,000	2
• Community Colleges					
To provide funding for initiatives for community colleges including Achieving the Dream, Seamless Alignment and Integrated Learning Support (SAILS), and the Tennessee Promise Bridge Program.					
332.01 Tennessee Higher Education Commission	\$3,050,000	\$0	\$0	\$3,050,000	0
Sub-total	\$3,050,000	\$0	\$0	\$3,050,000	0
• Veteran Education					
To provide competitive funding opportunities for higher education institutions to develop focused initiatives to encourage the success of veterans in community colleges and universities.					
332.01 Tennessee Higher Education Commission	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0

Education
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Reconnect for Community Colleges					
To provide funds for a one-time scholarship program to incentivize adults to return to school to complete their degree.					
332.19 Lottery for Education Account	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
• Salary Increase					
To provide a pool of funding for the enhancement of compensation for higher education employees.					
332.08 Centers of Excellence	\$215,600	\$0	\$0	\$215,600	0
332.11 Campus Centers of Emphasis	\$15,500	\$0	\$0	\$15,500	0
Sub-total	\$231,100	\$0	\$0	\$231,100	0
Total Higher Education - State Administered Programs	\$19,557,400	\$0	(\$550,000)	\$19,007,400	10

University of Tennessee System

• University of Tennessee - Outcome Growth - Formula Units					
To provide recurring funding associated with greater institutional productivity, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units.					
332.40 UT Chattanooga	\$1,226,700	\$0	\$0	\$1,226,700	0
332.42 UT Knoxville	\$5,467,800	\$0	\$0	\$5,467,800	0
332.44 UT Martin	\$817,000	\$0	\$0	\$817,000	0
Sub-total	\$7,511,500	\$0	\$0	\$7,511,500	0

Education
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• University of Tennessee - Operating Increase - Non-formula					
To provide recurring funding to non-formula units to offset inflationary cost increases.					
332.10 UT University-Wide Administration	\$96,500	\$0	\$0	\$96,500	0
332.12 UT Research Initiatives	\$118,700	\$0	\$0	\$118,700	0
332.15 UT Institute for Public Service	\$108,700	\$0	\$0	\$108,700	0
332.16 UT Municipal Technical Advisory Service	\$60,000	\$0	\$0	\$60,000	0
332.17 UT County Technical Assistance Service	\$36,500	\$0	\$0	\$36,500	0
332.21 UT Access and Diversity Initiative	\$117,800	\$0	\$0	\$117,800	0
332.23 UT Space Institute	\$163,900	\$0	\$0	\$163,900	0
332.25 UT Agricultural Experiment Station	\$529,300	\$0	\$0	\$529,300	0
332.26 UT Agricultural Extension Service	\$643,000	\$0	\$0	\$643,000	0
332.28 UT Veterinary Medicine	\$342,300	\$0	\$0	\$342,300	0
332.30 UT Health Science Center	\$1,489,500	\$0	\$0	\$1,489,500	0
332.32 UT Family Medicine	\$217,600	\$0	\$0	\$217,600	0
332.34 UT College of Medicine	\$972,500	\$0	\$0	\$972,500	0
Sub-total	\$4,896,300	\$0	\$0	\$4,896,300	0

• Salary Increase

To provide a pool of funding for the enhancement of compensation for higher education employees.

332.10 UT University-Wide Administration	\$56,400	\$0	\$0	\$56,400	0
332.15 UT Institute for Public Service	\$53,000	\$0	\$0	\$53,000	0
332.16 UT Municipal Technical Advisory Service	\$67,800	\$0	\$0	\$67,800	0
332.17 UT County Technical Assistance Service	\$52,500	\$0	\$0	\$52,500	0
332.23 UT Space Institute	\$101,700	\$0	\$0	\$101,700	0
332.25 UT Agricultural Experiment Station	\$381,300	\$0	\$0	\$381,300	0
332.26 UT Agricultural Extension Service	\$451,300	\$0	\$0	\$451,300	0
332.28 UT Veterinary Medicine	\$449,100	\$0	\$0	\$449,100	0
332.30 UT Health Science Center	\$1,589,000	\$0	\$0	\$1,589,000	0
332.32 UT Family Medicine	\$195,200	\$0	\$0	\$195,200	0
332.34 UT College of Medicine	\$866,600	\$0	\$0	\$866,600	0
332.40 UT Chattanooga	\$739,600	\$0	\$0	\$739,600	0
332.42 UT Knoxville	\$2,799,100	\$0	\$0	\$2,799,100	0
332.44 UT Martin	\$467,500	\$0	\$0	\$467,500	0
Sub-total	\$8,270,100	\$0	\$0	\$8,270,100	0

Education
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Pediatric Physician Scientists Recruiting					
To provide non-recurring funding to the University of Tennessee Health Science Center for year three of five to match funds provided by St. Jude Children's Research Hospital. Funds will be utilized to recruit pediatric physician scientists.					
332.30 UT Health Science Center	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0
• 401(k) State Match					
To provide non-recurring funding for the 401(k) state match monthly portion for employees of the University of Tennessee system.					
332.10 UT University-Wide Administration	\$56,000	\$0	\$0	\$56,000	0
332.15 UT Institute for Public Service	\$3,600	\$0	\$0	\$3,600	0
332.16 UT Municipal Technical Advisory Service	\$4,000	\$0	\$0	\$4,000	0
332.17 UT County Technical Assistance Service	\$3,000	\$0	\$0	\$3,000	0
332.23 UT Space Institute	\$7,700	\$0	\$0	\$7,700	0
332.25 UT Agricultural Experiment Station	\$29,500	\$0	\$0	\$29,500	0
332.26 UT Agricultural Extension Service	\$42,200	\$0	\$0	\$42,200	0
332.28 UT Veterinary Medicine	\$24,400	\$0	\$0	\$24,400	0
332.30 UT Health Science Center	\$71,500	\$0	\$0	\$71,500	0
332.32 UT Family Medicine	\$12,000	\$0	\$0	\$12,000	0
332.34 UT College of Medicine	\$51,100	\$0	\$0	\$51,100	0
332.40 UT Chattanooga	\$84,500	\$0	\$0	\$84,500	0
332.42 UT Knoxville	\$291,400	\$0	\$0	\$291,400	0
332.44 UT Martin	\$64,100	\$0	\$0	\$64,100	0
Sub-total	\$745,000	\$0	\$0	\$745,000	0

Education

Cost Increases for Fiscal Year 2015-2016

	State	Federal	Other	Total	Positions
• Group Health Insurance - January 1, 2016					
To provide recurring funding for the state share of a 3.5% group health insurance premium increase for January 1, 2016. This is funded for six months in the recommended budget.					
332.10 UT University-Wide Administration	\$45,900	\$0	\$0	\$45,900	0
332.15 UT Institute for Public Service	\$10,900	\$0	\$0	\$10,900	0
332.16 UT Municipal Technical Advisory Service	\$7,900	\$0	\$0	\$7,900	0
332.17 UT County Technical Assistance Service	\$6,200	\$0	\$0	\$6,200	0
332.23 UT Space Institute	\$11,500	\$0	\$0	\$11,500	0
332.25 UT Agricultural Experiment Station	\$74,600	\$0	\$0	\$74,600	0
332.26 UT Agricultural Extension Service	\$116,800	\$0	\$0	\$116,800	0
332.28 UT Veterinary Medicine	\$58,100	\$0	\$0	\$58,100	0
332.30 UT Health Science Center	\$399,000	\$0	\$0	\$399,000	0
332.32 UT Family Medicine	\$25,200	\$0	\$0	\$25,200	0
332.40 UT Chattanooga	\$187,200	\$0	\$0	\$187,200	0
332.42 UT Knoxville	\$634,800	\$0	\$0	\$634,800	0
332.44 UT Martin	\$124,800	\$0	\$0	\$124,800	0
Sub-total	\$1,702,900	\$0	\$0	\$1,702,900	0
Total University of Tennessee System	\$26,125,800	\$0	\$0	\$26,125,800	0

State University and Community College System

• Tennessee Board of Regents - Outcome Growth - Formula Units

To provide recurring funding associated with greater institutional productivity, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units.

332.70 Austin Peay State University	\$1,092,700	\$0	\$0	\$1,092,700	0
332.72 East Tennessee State University	\$1,503,500	\$0	\$0	\$1,503,500	0
332.74 University of Memphis	\$2,803,500	\$0	\$0	\$2,803,500	0
332.75 Middle Tennessee State University	\$2,533,200	\$0	\$0	\$2,533,200	0
332.77 Tennessee State University	\$967,500	\$0	\$0	\$967,500	0
332.78 Tennessee Technological University	\$1,157,000	\$0	\$0	\$1,157,000	0
332.89 Tennessee Community Colleges	\$6,457,200	\$0	\$0	\$6,457,200	0
332.98 Tennessee Colleges of Applied Technology	\$1,673,900	\$0	\$0	\$1,673,900	0
Sub-total	\$18,188,500	\$0	\$0	\$18,188,500	0

Education
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Tennessee Board of Regents - Operating Increase - Non-formula					
To provide recurring funding to non-formula units to offset inflationary cost increases.					
332.59 Regents Access and Diversity Initiative	\$208,100	\$0	\$0	\$208,100	0
332.60 Tennessee Board of Regents	\$106,300	\$0	\$0	\$106,300	0
332.62 TSU McMinnville Center	\$11,600	\$0	\$0	\$11,600	0
332.63 TSU Institute of Agricultural and Environmental Research	\$47,200	\$0	\$0	\$47,200	0
332.64 TSU Cooperative Education	\$64,400	\$0	\$0	\$64,400	0
332.65 ETSU College of Medicine	\$599,600	\$0	\$0	\$599,600	0
332.67 ETSU Family Practice	\$127,000	\$0	\$0	\$127,000	0
332.68 TSU McIntire-Stennis Forestry Research	\$3,700	\$0	\$0	\$3,700	0
Sub-total	\$1,167,900	\$0	\$0	\$1,167,900	0
• Salary Increase					
To provide a pool of funding for the enhancement of compensation for higher education employees.					
332.60 Tennessee Board of Regents	\$203,900	\$0	\$0	\$203,900	0
332.62 TSU McMinnville Center	\$3,500	\$0	\$0	\$3,500	0
332.63 TSU Institute of Agricultural and Environmental Research	\$14,600	\$0	\$0	\$14,600	0
332.64 TSU Cooperative Education	\$32,700	\$0	\$0	\$32,700	0
332.65 ETSU College of Medicine	\$623,300	\$0	\$0	\$623,300	0
332.67 ETSU Family Practice	\$179,800	\$0	\$0	\$179,800	0
332.68 TSU McIntire-Stennis Forestry Research	\$300	\$0	\$0	\$300	0
332.70 Austin Peay State University	\$562,000	\$0	\$0	\$562,000	0
332.72 East Tennessee State University	\$921,800	\$0	\$0	\$921,800	0
332.74 University of Memphis	\$1,716,000	\$0	\$0	\$1,716,000	0
332.75 Middle Tennessee State University	\$1,430,700	\$0	\$0	\$1,430,700	0
332.77 Tennessee State University	\$613,100	\$0	\$0	\$613,100	0
332.78 Tennessee Technological University	\$724,600	\$0	\$0	\$724,600	0
332.89 Tennessee Community Colleges	\$3,315,400	\$0	\$0	\$3,315,400	0
332.98 Tennessee Colleges of Applied Technology	\$676,500	\$0	\$0	\$676,500	0
Sub-total	\$11,018,200	\$0	\$0	\$11,018,200	0
• University of Memphis - Lambuth Campus - Year 5 of 5					
To provide non-recurring funding to the University of Memphis for year five of five for the transition of the Lambuth campus.					
332.74 University of Memphis	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0

Education
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• 401(k) State Match					
To provide non-recurring funding for the 401(k) state match monthly portion for employees of the Tennessee Board of Regents System.					
332.60 Tennessee Board of Regents	\$8,100	\$0	\$0	\$8,100	0
332.62 TSU McMinnville Center	\$300	\$0	\$0	\$300	0
332.65 ETSU College of Medicine	\$22,600	\$0	\$0	\$22,600	0
332.67 ETSU Family Practice	\$5,900	\$0	\$0	\$5,900	0
332.70 Austin Peay State University	\$42,000	\$0	\$0	\$42,000	0
332.72 East Tennessee State University	\$91,400	\$0	\$0	\$91,400	0
332.74 University of Memphis	\$83,200	\$0	\$0	\$83,200	0
332.75 Middle Tennessee State University	\$125,600	\$0	\$0	\$125,600	0
332.77 Tennessee State University	\$45,400	\$0	\$0	\$45,400	0
332.78 Tennessee Technological University	\$70,300	\$0	\$0	\$70,300	0
332.89 Tennessee Community Colleges	\$312,200	\$0	\$0	\$312,200	0
332.98 Tennessee Colleges of Applied Technology	\$61,000	\$0	\$0	\$61,000	0
Sub-total	\$868,000	\$0	\$0	\$868,000	0
• Group Health Insurance - January 1, 2016					
To provide recurring funding for the state share of a 3.5% group health insurance premium increase for January 1, 2016. This is funded for six months in the recommended budget.					
332.60 Tennessee Board of Regents	\$21,500	\$0	\$0	\$21,500	0
332.65 ETSU College of Medicine	\$55,600	\$0	\$0	\$55,600	0
332.67 ETSU Family Practice	\$9,900	\$0	\$0	\$9,900	0
332.70 Austin Peay State University	\$136,900	\$0	\$0	\$136,900	0
332.72 East Tennessee State University	\$265,700	\$0	\$0	\$265,700	0
332.74 University of Memphis	\$351,200	\$0	\$0	\$351,200	0
332.75 Middle Tennessee State University	\$346,900	\$0	\$0	\$346,900	0
332.77 Tennessee State University	\$159,500	\$0	\$0	\$159,500	0
332.78 Tennessee Technological University	\$176,700	\$0	\$0	\$176,700	0
332.89 Tennessee Community Colleges	\$730,700	\$0	\$0	\$730,700	0
332.98 Tennessee Colleges of Applied Technology	\$136,300	\$0	\$0	\$136,300	0
Sub-total	\$2,390,900	\$0	\$0	\$2,390,900	0
Total State University and Community College System	\$34,633,500	\$0	\$0	\$34,633,500	0
Total Higher Education	\$80,316,700	\$0	(\$550,000)	\$79,766,700	10
Total Education	\$247,765,000	\$60,000	\$444,900	\$248,269,900	23

Department of Education (K-12)

The Department of Education is responsible for ensuring that the children of Tennessee have the opportunity for intellectual development commensurate with their abilities. The department coordinates and supervises the educational programs provided by the 141 local school districts, or local education agencies (LEAs). LEAs operate the state's kindergarten, elementary, secondary, and vocational schools.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administration

Administration is organized into two program areas: Administration and State Board of Education.

331.01 Administration

Administration functions include policy development, planning, maintenance of the Basic Education Program (BEP) funding formula model, financial management advisory services to LEAs, and collection of student membership data. Sections in Administration include: commissioner's office; internal audit; human resources, central accounts, and budget; local finance; core offices; and public information.

Full-Time	118	137	137	0	137
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	118	137	137	0	137
Payroll	7,844,600	13,211,500	13,092,700	0	13,092,700
Operational	2,416,600	3,021,100	3,021,100	750,000	3,771,100
Total	\$10,261,200	\$16,232,600	\$16,113,800	\$750,000	\$16,863,800
State	7,087,200	8,545,700	8,483,200	750,000	9,233,200
Federal	1,942,000	7,610,500	7,554,800	0	7,554,800
Other	1,232,000	76,400	75,800	0	75,800

331.07 State Board of Education

The State Board of Education is the regulatory and policy making body for the Tennessee system of public elementary and secondary education. The Board is administratively attached to the Department of Education, which implements laws, rules, regulations and policies established by the General Assembly and the Board. Pursuant to legislation adopted in 2014, the Board also serves as a charter school authorizer in limited circumstances.

Full-Time	6	8	8	1	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	8	8	1	9
Payroll	621,100	1,126,500	794,400	65,000	859,400
Operational	124,400	354,600	238,100	0	238,100
Total	\$745,500	\$1,481,100	\$1,032,500	\$65,000	\$1,097,500
State	741,700	1,481,100	1,032,500	65,000	1,097,500
Federal	0	0	0	0	0
Other	3,800	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

State Support of LEA Programs

The department provides support for a number of initiatives designed to address specific needs and special programs at the local level. Much of this support is provided directly to the local education agencies (LEAs). The programs are: Basic Education Program; Early Childhood Education; After-School Programs; Energy Efficient Schools Initiative; Career Ladder; Grants-In-Aid; Driver Education; Technology, Infrastructure, and Support Systems; Accountability and Assessment; Curriculum and Instruction; and Teachers and Leaders.

331.25 Basic Education Program

The Basic Education Program (BEP) formula determines the funding level each school system needs in order to provide a basic level of service for all students. This formula is based on student enrollment in the different grade levels and programs, as well as specific costs for materials, supplies, equipment, and other operating costs. A county's relative ability to pay for education is taken into consideration in determining each system's required local share of the education funds generated by the BEP formula.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,022,715,100	4,078,960,000	4,057,291,000	147,422,000	4,204,713,000
Total	\$4,022,715,100	\$4,078,960,000	\$4,057,291,000	\$147,422,000	\$4,204,713,000
State	4,022,715,100	4,078,960,000	4,057,291,000	147,422,000	4,204,713,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.32 Early Childhood Education

The Early Childhood Education initiative was established to promote successful pre-kindergarten programs and prepare children for academic success, with emphasis on children at risk of failure. The Office of Early Learning coordinates and supports this initiative, in addition to school-age child care, Family Resource Centers, and Head Start.

Full-Time	29	27	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	27	27	0	27
Payroll	1,583,100	2,172,700	2,139,700	0	2,139,700
Operational	90,247,300	89,404,500	86,354,500	3,050,000	89,404,500
Total	\$91,830,400	\$91,577,200	\$88,494,200	\$3,050,000	\$91,544,200
State	90,042,200	91,229,100	88,148,800	3,050,000	91,198,800
Federal	1,784,300	348,100	345,400	0	345,400
Other	3,900	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

331.19 After-School Programs Special Account

After-School program grants are offered at the local level and provide academic enrichment activities designed to help students meet state and local standards. Funding for these programs is generated from unclaimed education lottery prize money. These funds enhance existing and fund additional after-school programs. The education lottery that funds this program was begun in January 2004, and the lottery-funded after-school program began in 2005-2006.

Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	157,700	201,600	201,600	0	201,600
Operational	12,846,800	14,473,400	13,298,400	0	13,298,400
Total	\$13,004,500	\$14,675,000	\$13,500,000	\$0	\$13,500,000
State	13,004,500	13,500,000	13,500,000	0	13,500,000
Federal	0	0	0	0	0
Other	0	1,175,000	0	0	0

331.34 Energy Efficient Schools Initiative

The Energy Efficient Schools Initiative of 2008 and the corresponding council were created to award grants and loans to local school systems for capital outlay projects that meet established energy efficient design and technology guidelines for school facilities. The energy efficient schools council fund was established July 1, 2008, by a transfer of \$90 million from the Lottery for Education Account reserve and the Lottery for Education special reserve account for K-12 capital outlay. Recurring funding is from interest earnings of the energy efficient schools council fund for operational expenditures and an estimated amount from the fund that will be granted or loaned to the school systems. The Energy Efficient Schools Council has the authority to raise corporate and federal funding to support ongoing programs. The council is administratively attached to the Department of Education.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	167,900	187,000	185,800	0	185,800
Operational	5,309,800	5,662,400	4,215,700	0	4,215,700
Total	\$5,477,700	\$5,849,400	\$4,401,500	\$0	\$4,401,500
State	0	0	0	0	0
Federal	980,600	495,000	0	0	0
Other	4,497,100	5,354,400	4,401,500	0	4,401,500

331.10 Career Ladder

The Comprehensive Education Reform Act of 1984 established the Career Ladder program designed to promote staff development among teachers, principals, and supervisors, and to reward with substantial pay supplements those evaluated as outstanding and that accept additional responsibilities, as applicable.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	33,806,600	35,000,000	27,500,000	0	27,500,000
Total	\$33,806,600	\$35,000,000	\$27,500,000	\$0	\$27,500,000
State	33,806,600	35,000,000	27,500,000	0	27,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.02 Grants-In-Aid

Grants-In-Aid provides funding to enhance educational opportunities for students through recurring and non-recurring grants to educational/public television, the Tennessee Holocaust Commission, and the Science Alliance museums. Other grants, funded on a non-recurring basis, also are included in this allotment.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,059,300	5,000,600	1,213,800	3,786,800	5,000,600
Total	\$5,059,300	\$5,000,600	\$1,213,800	\$3,786,800	\$5,000,600
State	5,059,300	5,000,600	1,213,800	3,786,800	5,000,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.43 Driver Education

Driver Education utilizes earmarked funds from a portion of the privilege taxes on litigation to support a driver education program for the purpose of teaching highway safety and good driving skills to teenage drivers.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,222,400	1,700,000	1,700,000	0	1,700,000
Total	\$1,222,400	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,222,400	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

331.04 Technology, Infrastructure, and Support Systems

Technology, Infrastructure, and Support Systems provides information services, technology training, and technical support to the department and local school systems.

Full-Time	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	1,485,700	1,657,800	1,641,400	0	1,641,400
Operational	45,782,500	7,858,400	955,300	0	955,300
Total	\$47,268,200	\$9,516,200	\$2,596,700	\$0	\$2,596,700
State	46,794,700	2,413,100	2,397,900	0	2,397,900
Federal	95,900	200,000	198,800	0	198,800
Other	377,600	6,903,100	0	0	0

331.11 Accountability and Assessment

Accountability and Assessment includes the Division of Data and Research. The division is charged with assisting school systems in complying with the school approval process and implementing required accountability measures. Accountability and Assessment administers all assessments associated with the Tennessee Comprehensive Assessment Program. This office also provides technical assistance to schools and school systems in the analysis and interpretation of all student data, including assessment data.

Full-Time	20	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	19	19	0	19
Payroll	1,947,100	2,210,900	2,188,600	0	2,188,600
Operational	32,117,600	39,127,400	36,057,400	8,500,000	44,557,400
Total	\$34,064,700	\$41,338,300	\$38,246,000	\$8,500,000	\$46,746,000
State	27,164,800	29,634,700	29,617,400	8,500,000	38,117,400
Federal	6,721,400	8,533,600	8,528,600	0	8,528,600
Other	178,500	3,170,000	100,000	0	100,000

331.06 Curriculum and Instruction

In order to establish statewide standards as a foundation for teaching and learning, the Office of Curriculum and Instruction is charged with the responsibility of providing local school systems with leadership and technical assistance in the design and development of K-12 instructional programs. Programs include music, art, and programs for gifted students, such as the Governor's Schools. The Governor's Schools program provides funding for up to five weeks of summer programs for gifted and talented high school juniors and seniors. The 12 Governor's Schools are: arts, humanities, sciences, international studies, agricultural sciences, prospective teachers, information technology leadership, emerging technologies, scientific models and data analysis, computational physics, scientific exploration of Tennessee heritage, and engineering fundamentals. The department also provides workshops in technology training for teachers and administrators.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	17	15	15	0	15
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	27	25	25	0	25
Payroll	1,226,300	1,305,000	1,291,300	0	1,291,300
Operational	2,474,300	3,560,400	1,660,400	1,900,000	3,560,400
Total	\$3,700,600	\$4,865,400	\$2,951,700	\$1,900,000	\$4,851,700
State	2,525,400	3,735,900	1,825,400	1,900,000	3,725,400
Federal	0	0	0	0	0
Other	1,175,200	1,129,500	1,126,300	0	1,126,300

331.05 Teachers and Leaders

Through the work of the Teachers and Leaders division, the department works to ensure that there are effective teachers and leaders in classrooms and schools across the state. This includes training and professional development opportunities for instructional personnel, directors of schools, and board members. The Teachers and Leaders division also manages policy implementation and issuance of teacher and leader licensure, salary and differentiated pay plans, educator recognition, and educator evaluation and support for recruitment and selection of effective educators. The division also selects, trains, and supports Teach Tennessee fellows in the transition to teaching.

Full-Time	22	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	24	24	0	24
Payroll	1,735,500	2,081,000	2,058,900	0	2,058,900
Operational	835,000	2,794,600	2,544,600	0	2,544,600
Total	\$2,570,500	\$4,875,600	\$4,603,500	\$0	\$4,603,500
State	2,568,500	4,872,600	4,600,500	0	4,600,500
Federal	0	0	0	0	0
Other	2,000	3,000	3,000	0	3,000

Federally-Funded and Supported LEA Programs

Various federally-funded programs, including funding for the No Child Left Behind Act, are designed to enhance the learning environment of disadvantaged and disabled students. Other programs support teacher training in core academic subjects, as well as drug awareness and AIDS education. Titles I, II, III, and X of the Elementary and Secondary Education Act (ESEA) are entirely federally-funded and administered by the state. Child nutrition programs, services to students with disabilities, and career and technical education programs are federally- and state-funded.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

331.03 ESEA No Child Left Behind

The ESEA No Child Left Behind Act is primarily designed to target resources for school improvements and support initiatives to enhance the learning environment. This act contains four basic education reform principles: stronger accountability for results, increased flexibility and local control, expanded options for parents, and an emphasis on teaching methods that have been proven to work.

Full-Time	29	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	22	22	0	22
Payroll	3,150,400	1,966,200	1,952,700	0	1,952,700
Operational	384,428,100	340,461,900	327,928,300	0	327,928,300
Total	\$387,578,500	\$342,428,100	\$329,881,000	\$0	\$329,881,000
State	0	470,000	470,000	0	470,000
Federal	387,574,500	341,958,100	329,411,000	0	329,411,000
Other	4,000	0	0	0	0

331.50 Race to the Top

Race to the Top, a competitive grant available to states, is part of the American Recovery and Reinvestment Act of 2009, which was signed into law on February 17, 2009. Through Race to the Top, the U.S. Department of Education asked states to advance reforms around four specific areas: adopt standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy; build data systems that measure student growth and success, and inform teachers and principals about how to improve instruction; recruit, develop, reward, and retain effective teachers and principals, especially where they are needed most; and turn around lowest-achieving schools.

Tennessee was awarded \$500 million over four years to implement the innovative activities put forward in the grant application. Critical to Tennessee's success was the passage by the Tennessee General Assembly of First Extraordinary Session Public Chapter 2, the "First to the Top Act of 2010." This legislation significantly changed the requirements for teacher evaluations, allowed school systems to develop alternative salary schedules, and created the Achievement School District to allow state takeover of chronically failing schools in Tennessee. Fiscal year 2014-2015 will be the final year of Race to the Top funds.

Full-Time	14	4	0	0	0
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	4	0	0	0
Payroll	1,726,300	860,000	0	0	0
Operational	163,156,100	61,395,700	0	0	0
Total	\$164,882,400	\$62,255,700	\$0	\$0	\$0
State	0	0	0	0	0
Federal	164,852,300	62,255,700	0	0	0
Other	30,100	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

331.55 Achievement School District

The Achievement School District (ASD) was established to turnaround the bottom five percent of public schools. The ASD, as a local education agency, authorizes charter operators to run schools and directly manages schools. The ASD was created as part of the Race to the Top initiative.

Full-Time	223	222	226	0	226
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	223	222	226	0	226
Payroll	16,403,800	23,711,000	24,185,300	0	24,185,300
Operational	30,943,000	47,987,200	68,483,300	0	68,483,300
Total	\$47,346,800	\$71,698,200	\$92,668,600	\$0	\$92,668,600
State	0	3,800	3,800	0	3,800
Federal	300	0	0	0	0
Other	47,346,500	71,694,400	92,664,800	0	92,664,800

331.09 Improving Schools Program

The Improving Schools Program funds a variety of initiatives designed to provide support for local efforts. The Safe and Drug-Free Schools and Communities program provides financial and technical support to schools and communities to reduce adolescent drug use and violence. The Tobacco Prevention program addresses smoking among young children. The 21st Century Learning Centers administer grants to serve students who attend high-poverty, low-achieving schools. School Health programs provide technical and financial assistance in implementing and developing comprehensive school health programs in the local schools. Financial support is provided through a variety of grant programs, including formula grants to local education agencies, as well as discretionary grants to both school- and community-based programs. Other federally-funded programs in the Improving Schools Program include Learn and Serve grants and AIDS education.

Full-Time	11	11	11	0	11
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	981,100	1,852,100	1,844,900	0	1,844,900
Operational	45,115,800	50,941,400	46,841,400	0	46,841,400
Total	\$46,096,900	\$52,793,500	\$48,686,300	\$0	\$48,686,300
State	19,605,000	20,202,800	20,201,000	0	20,201,000
Federal	25,731,400	32,403,200	28,397,800	0	28,397,800
Other	760,500	187,500	87,500	0	87,500

331.36 Special Education Services

The Division of Special Education Services is responsible for initiating, improving, and expanding special education programs and services to children with disabilities, as mandated by state and federal law. The division serves children through two major efforts: providing technical assistance to school systems and agencies that provide special education programs; and ensuring that the rights of disabled children and their parents are protected by mediating disagreements between local school systems and parents regarding a child's educational program and providing due process hearings.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	38	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	38	31	31	0	31
Payroll	3,565,700	3,092,100	3,062,200	0	3,062,200
Operational	249,692,800	248,357,700	248,357,700	0	248,357,700
Total	\$253,258,500	\$251,449,800	\$251,419,900	\$0	\$251,419,900
State	765,600	711,300	711,200	0	711,200
Federal	252,492,900	250,738,500	250,708,700	0	250,708,700
Other	0	0	0	0	0

331.95 Tennessee Early Intervention Services

The Tennessee Early Intervention Services (TEIS) program provides home-based services to parents and other primary care providers and direct services to children with disabilities, from birth through the age of two.

Full-Time	200	200	200	0	200
Part-Time	14	14	14	0	14
Seasonal	0	0	0	0	0
Total	214	214	214	0	214
Payroll	9,558,800	14,508,100	14,392,800	0	14,392,800
Operational	19,350,200	20,519,300	20,509,100	0	20,509,100
Total	\$28,909,000	\$35,027,400	\$34,901,900	\$0	\$34,901,900
State	9,580,400	12,102,600	12,058,800	0	12,058,800
Federal	9,311,200	10,341,800	10,302,700	0	10,302,700
Other	10,017,400	12,583,000	12,540,400	0	12,540,400

331.35 School Nutrition Program

The School Nutrition Program provides nutrition education and nutritious meals during the school day. To ensure that all students have access to a nutritious meal, the division reimburses local education agencies for all eligible students participating in the School Lunch and School Breakfast programs. Student eligibility is based on federal income poverty guidelines.

Full-Time	23	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	23	23	0	23
Payroll	1,453,600	2,371,000	2,349,900	0	2,349,900
Operational	339,435,300	359,399,400	359,399,400	0	359,399,400
Total	\$340,888,900	\$361,770,400	\$361,749,300	\$0	\$361,749,300
State	4,774,800	4,809,200	4,809,200	0	4,809,200
Federal	336,114,100	356,956,200	356,935,100	0	356,935,100
Other	0	5,000	5,000	0	5,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

331.45 Career and Technical Education Programs

Career and Technical Education Programs is responsible for providing specialized vocational education services to the state's high school students that will prepare them for employment or post-secondary education. The program also provides direction to the local education agencies in establishing and maintaining programs in areas such as agriculture, family and consumer sciences, trade and industry, information technology, marketing, health science, and technology education.

Full-Time	41	41	41	1	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	41	41	41	1	42
Payroll	3,159,600	3,847,000	3,806,500	53,000	3,859,500
Operational	21,353,900	22,041,200	21,916,200	525,000	22,441,200
Total	\$24,513,500	\$25,888,200	\$25,722,700	\$578,000	\$26,300,700
State	4,829,500	4,181,000	4,049,500	578,000	4,627,500
Federal	19,469,400	21,632,200	21,598,300	0	21,598,300
Other	214,600	75,000	74,900	0	74,900

Special Schools

The department operates three schools across the state in order to provide academic, vocational, and special instruction in residential settings for legally blind, deaf, and multi-disabled children, ages preschool to 21. These schools are the Tennessee School for the Blind, the Tennessee School for the Deaf, and the West Tennessee School for the Deaf. The programs offered include academic instruction, self-care skills, counseling, pre-vocational training, child health and safety, independent living skills, consultation services to LEAs, and diagnosis and identification of learning problems.

The department also operates the Alvin C. York Institute in Jamestown.

331.91 Tennessee School for the Blind

The Tennessee School for the Blind (TSB), located in Nashville, provides residential and educational programs for students, grades pre-K through 12, with multiple disabilities (primarily visually impaired).

Full-Time	181	178	178	0	178
Part-Time	18	17	17	0	17
Seasonal	0	0	0	0	0
Total	199	195	195	0	195
Payroll	9,931,000	10,610,200	10,514,300	31,800	10,546,100
Operational	2,024,800	1,896,900	1,896,900	0	1,896,900
Total	\$11,955,800	\$12,507,100	\$12,411,200	\$31,800	\$12,443,000
State	11,216,000	11,594,100	11,505,200	31,800	11,537,000
Federal	0	0	0	0	0
Other	739,800	913,000	906,000	0	906,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

331.92 Tennessee School for the Deaf

The Tennessee School for the Deaf (TSD), located in Knoxville, provides residential and educational programs for students, grades pre-K through 12, with multiple disabilities (primarily hearing impaired).

Full-Time	241	238	238	0	238
Part-Time	21	11	11	0	11
Seasonal	0	0	0	0	0
Total	262	249	249	0	249
Payroll	12,457,600	13,027,700	12,916,800	38,100	12,954,900
Operational	4,604,500	3,484,400	3,484,400	0	3,484,400
Total	\$17,062,100	\$16,512,100	\$16,401,200	\$38,100	\$16,439,300
State	15,863,000	15,968,700	15,861,500	38,100	15,899,600
Federal	0	0	0	0	0
Other	1,199,100	543,400	539,700	0	539,700

331.93 West Tennessee School for the Deaf

The West Tennessee School for the Deaf (WTSD), located in Jackson, provides educational programs for students, ages two through 13, with multiple disabilities (primarily hearing impaired).

Full-Time	36	36	36	0	36
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	45	45	45	0	45
Payroll	2,172,400	2,430,700	2,410,300	11,200	2,421,500
Operational	440,300	407,200	407,200	0	407,200
Total	\$2,612,700	\$2,837,900	\$2,817,500	\$11,200	\$2,828,700
State	2,443,700	2,615,200	2,596,400	11,200	2,607,600
Federal	0	0	0	0	0
Other	169,000	222,700	221,100	0	221,100

331.90 Alvin C. York Institute

In 1926, Alvin C. York, a World War I hero, established a school to provide educational opportunities to the children of Fentress County. Today, the Alvin C. York Institute operates as a model rural high school that serves the entire state as a center for improving rural education. The York Institute has the unique distinction as the only state-operated and state-financed comprehensive secondary school in Tennessee. The campus is designated as a state natural area, consists of over 400 acres, and supports a working farm.

Full-Time	76	67	56	11	67
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	84	75	64	11	75
Payroll	5,526,400	5,214,400	3,589,400	1,367,400	4,956,800
Operational	1,396,900	756,400	0	1,002,900	1,002,900
Total	\$6,923,300	\$5,970,800	\$3,589,400	\$2,370,300	\$5,959,700

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	5,406,500	4,915,900	3,595,200	1,315,400	4,910,600
Federal	60,500	60,000	-400	60,000	59,600
Other	1,456,300	994,900	-5,400	994,900	989,500

331.97 Major Maintenance

The major maintenance program provides funds for major repairs that do not meet the criteria for capital maintenance at the department's special schools.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	49,800	329,100	329,100	0	329,100
Total	\$49,800	\$329,100	\$329,100	\$0	\$329,100
State	49,800	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	0	90,000	90,000	0	90,000

331.00 Total Education (K-12)

Full-Time	1,346	1,324	1,313	13	1,326
Part-Time	82	70	70	0	70
Seasonal	0	0	0	0	0
Total	1,428	1,394	1,383	13	1,396
Payroll	86,855,700	107,644,500	104,619,500	1,566,500	106,186,000
Operational	5,516,949,200	5,444,895,200	5,335,603,300	166,936,700	5,502,540,000
Total	\$5,603,804,900	\$5,552,539,700	\$5,440,222,800	\$168,503,200	\$5,608,726,000
State	4,327,266,700	4,353,886,500	4,313,411,400	167,448,300	4,480,859,700
Federal	1,207,130,800	1,093,532,900	1,013,980,800	60,000	1,014,040,800
Other	69,407,400	105,120,300	112,830,600	994,900	113,825,500

Statistical Data State Special Schools

	York Institute <u>331.90</u>	TN School for the Blind <u>331.91</u>	TN School for the Deaf <u>331.92</u>	West TN School for the Deaf <u>331.93</u>
Annual Admissions				
2008-2009	770	11	37	60
2009-2010	770	11	37	60
2010-2011	725	9	42	60
2011-2012	708	25	50	6
2012-2013	688	34	24	10
2013-2014	623	13	28	10
2014-2015	681	20	30	4
2015-2016	640	20	30	8
Annual Releases				
2008-2009	180	8	24	10
2009-2010	180	8	24	10
2010-2011	215	9	30	9
2011-2012	227	10	29	2
2012-2013	219	12	38	4
2013-2014	196	4	38	4
2014-2015	225	5	40	1
2015-2016	182	5	40	6
Average Daily Census				
2008-2009	689	206	163	49
2009-2010	689	208	165	44
2010-2011	644	158	218	49
2011-2012	650	150	203	50
2012-2013	635	143	188	52
2013-2014	600	125	178	52
2014-2015	650	126	180	50
2015-2016	617	130	180	50
Cost Per Occupancy Day				
2008-2009	\$53.05	\$317.04	\$526.52	\$316.43
2009-2010	\$52.04	\$302.36	\$505.65	\$300.40
2010-2011	\$59.21	\$412.91	\$389.29	\$262.20
2011-2012	\$56.28	\$432.47	\$434.52	\$258.84
2012-2013	\$56.33	\$456.27	\$487.57	\$250.71
2013-2014	\$64.40	\$531.37	\$532.52	\$279.13
2014-2015	\$51.03	\$551.46	\$509.63	\$315.32
2015-2016	\$53.64	\$531.75	\$507.39	\$314.30

**Department of Education
Multi-Year Program Improvement
U.S. Economic Recovery
Race to the Top**

Components	TOTAL	2010-2011 Expended	2011-2012 Expended	2012-2013 Expended	2013-2014 Expended	2014-2015** Estimated
	\$ 500,741,200	\$ 51,843,800	\$ 90,448,700	\$ 131,340,700	\$ 164,852,300	\$ 62,255,700
1. Implementation Costs	6,059,600	1,158,300	735,000	1,402,000	1,854,800	909,500
2. Standards and Assessments	44,063,800	55,600	950,400	7,003,800	29,933,700	6,120,300
3. Data Systems	21,116,200	68,500	4,093,200	5,678,600	7,020,600	4,255,300
4. Teachers and Leaders	73,060,500	9,266,100	10,772,200	17,658,500	22,446,300	12,917,400
5. School Turnaround	77,802,300	1,516,900	10,973,600	25,454,000	31,249,700	8,608,100
6. Competitive Priorities	20,942,200	151,800	2,750,800	6,294,000	6,642,100	5,103,500
7. Subgrants to LEAs*	257,696,600	39,626,600	60,173,500	67,849,800	65,705,100	24,341,600

* Subgrants to local education agencies (LEAs) will be distributed based on their relative shares of funding under Elementary and Secondary Education Act - Title I for fiscal year 2009. LEAs must spend these funds in accordance with Tennessee's Race to the Top plan and the scope of work described in the agreement between the state and the LEA. An additional \$8,000,000 in supplemental funding was awarded to LEAs that chose to participate based on the same formula.

** The U.S. Department of Education allowed states to request no-cost extensions for specific projects within their Race to the Top grants for FY 2014-2015. No funds are budgeted for FY 2015-2016.

Higher Education

The mission of the state-sponsored higher education program is to provide affordable, high-quality, post-secondary education to Tennesseans. Higher Education also provides services through research, medical, agricultural, and public service programs. Emphasis is placed on the coordination of higher education, student financial aid, and special programs designed to improve the overall quality of education. The University of Tennessee, the State University and Community College System, the Tennessee Higher Education Commission, and the Tennessee Student Assistance Corporation work together to accomplish these activities.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

State-Administered Programs

Tennessee Higher Education Commission

The Tennessee Higher Education Commission (THEC) was created in 1967 to coordinate and unify Tennessee's public higher education programs, including the University of Tennessee (UT) and the Tennessee Board of Regents (TBR) systems. The commission is comprised of nine lay members, with six-year terms, representing congressional districts of the state; the Comptroller of the Treasury, State Treasurer, and Secretary of State, each serving ex-officio; the executive director of the State Board of Education, serving ex-officio; and two public higher education students, one from both the UT and TBR systems. An executive director manages the agency.

The commission's primary responsibilities include developing and maintaining a master plan for public higher education; making budgetary recommendations to the Governor; developing policies and formulas for the equitable distribution of public funds among public higher education institutions; studying the need for programs and departments at institutions; reviewing proposals for new degree programs and academic departments; making determinations concerning the establishment of new institutions of higher learning; submitting a biennial report on the status of higher education; administering the contract education program through the Southern Regional Education Board; administering tuition waiver and discount programs; authorizing the operation of post-secondary educational institutions; and researching and analyzing the Education Lottery Scholarship program.

332.01 Tennessee Higher Education Commission

This allotment provides funds for the staffing and other operating costs of the Tennessee Higher Education Commission. This allotment also houses the majority of the Drive to 55 initiatives the state is undertaking.

Full-Time	69	65	64	3	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	69	65	64	3	67
Payroll	5,897,200	6,149,600	5,968,800	283,100	6,251,900
Operational	14,703,200	13,590,900	7,998,100	6,313,200	14,311,300
Total	\$20,600,400	\$19,740,500	\$13,966,900	\$6,596,300	\$20,563,200

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	0	7,896,000	2,345,100	6,596,300	8,941,400
Federal	5,371,600	5,832,100	5,822,300	0	5,822,300
Other	15,228,800	6,012,400	5,799,500	0	5,799,500

332.02 Contract Education

Contract Education is a program through which Tennessee residents are enrolled in Tennessee's private colleges and universities to address special educational needs in the state. Also included in this program is minority teacher education, which provides services through public institutions that expand the recruitment pool of African-Americans preparing to teach in grades K-12. The program also includes funds for the post-Geier desegregation settlement access and diversity initiative.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,227,700	2,180,800	2,110,800	0	2,110,800
Total	\$2,227,700	\$2,180,800	\$2,110,800	\$0	\$2,110,800
State	2,227,700	2,180,800	2,110,800	0	2,110,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.09 THEC Grants

The THEC Grants program provides funds for the tuition discount and fee waiver program, the Harold Love community service awards program, the federally-funded improving teacher quality grants, and a tuition freeze program for students who are in the military reserves or National Guard and are mobilized to active duty.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,336,800	14,210,800	4,135,300	0	4,135,300
Total	\$10,336,800	\$14,210,800	\$4,135,300	\$0	\$4,135,300
State	9,009,600	12,353,900	2,278,400	0	2,278,400
Federal	1,140,100	1,286,900	1,286,900	0	1,286,900
Other	187,100	570,000	570,000	0	570,000

332.08 Centers of Excellence

The Centers of Excellence program is administered by THEC and provides additional funding to Tennessee's public four-year universities to supplement specific disciplines that are deemed excellent or demonstrate the potential for excellence. There are 26 Centers of Excellence based on the following principles: expansion of research and economic development, attainment of regional and national recognition, enhancement of institutional strengths, and differentiation of missions among institutions.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	18,193,700	17,769,000	17,199,000	215,600	17,414,600
Total	\$18,193,700	\$17,769,000	\$17,199,000	\$215,600	\$17,414,600
State	18,193,700	17,769,000	17,199,000	215,600	17,414,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.11 Campus Centers of Emphasis

Like the Centers of Excellence assists four-year universities, the Campus Centers of Emphasis program provides supplemental funding to demonstrably excellent programs at each of the state's public two-year institutions. Administered by THEC, each center is designed to work closely with local business and industry to strengthen specified academic disciplines with positive impact on job placement.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,313,300	1,282,600	1,241,500	15,500	1,257,000
Total	\$1,313,300	\$1,282,600	\$1,241,500	\$15,500	\$1,257,000
State	1,313,300	1,282,600	1,241,500	15,500	1,257,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation (TSAC) is a non-profit agency that administers state and federal student financial assistance programs. The agency is governed by a 17-member board of directors, including the Governor, the State Treasurer, the Comptroller of the Treasury, the Commissioner of Finance and Administration, the Commissioner of Education, and representatives of higher education serving ex-officio. Other members, each appointed by the Governor, include a representative of a commercial lender, a student of a Tennessee institution of higher education, and three private citizens. The executive director of the Tennessee Higher Education Commission serves as the executive director of TSAC.

Currently, TSAC's duties include guaranteeing student loans; administering the Academic Scholars program and, for financially needy Tennesseans, the Tennessee Student Assistance Awards program; administering loan and scholarship programs encouraging students to enter the teaching, nursing, and medical professions; executing the federal program designed to prevent potential defaults on student loans; arranging for or serving as the lender of last resort; marketing and administering the Tennessee Education Lottery Scholarship program; and administering the Tennessee Promise Endowment Scholarship program.

Effective July 1, 2014, the U.S. Federal Budget for 2014-2015 includes a reduction of the

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

compensation guaranty agencies receive for rehabilitating loans from the Federal Family Education Loan Program. As a result, the program is expected to end by December 31, 2016.

332.03 Tennessee Student Assistance Awards

The Tennessee Student Assistance Awards program provides non-repayable education grants to financially needy undergraduate students who are residents of Tennessee and enrolled at a public or eligible private post-secondary educational institution in Tennessee.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	61,806,200	64,562,500	64,562,500	10,000,000	74,562,500
Total	\$61,806,200	\$64,562,500	\$64,562,500	\$10,000,000	\$74,562,500
State	55,006,200	57,762,500	57,762,500	10,000,000	67,762,500
Federal	0	0	0	0	0
Other	6,800,000	6,800,000	6,800,000	0	6,800,000

332.04 Federal Family Education Loan Program (FFELP)

The Federal Family Education Loan Program (FFELP) services low-interest loans for students and parents. Effective July 1, 2014, the U.S. Federal Budget for 2014-2015 includes a reduction of the compensation guaranty agencies receive for rehabilitating loans from the FFELP; therefore, this program is expected to end by December 31, 2016.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	148,382,500	158,900,000	158,900,000	0	158,900,000
Total	\$148,382,500	\$158,900,000	\$158,900,000	\$0	\$158,900,000
State	0	0	0	0	0
Federal	145,537,200	150,000,000	150,000,000	0	150,000,000
Other	2,845,300	8,900,000	8,900,000	0	8,900,000

332.05 Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation provides all administrative management and oversight for each of the corporation programs. This allotment provides funds for the staffing and other operating costs of administering the financial assistance programs.

Full-Time	53	53	53	7	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	53	53	7	60
Payroll	4,110,300	4,295,000	3,959,400	500,000	4,459,400
Operational	23,346,100	24,944,100	24,898,600	180,000	25,078,600
Total	\$27,456,400	\$29,239,100	\$28,858,000	\$680,000	\$29,538,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	1,328,200	1,633,500	1,289,000	1,230,000	2,519,000
Federal	1,178,900	2,505,200	2,501,900	0	2,501,900
Other	24,949,300	25,100,400	25,067,100	-550,000	24,517,100

332.06 Academic Scholars Program

The Academic Scholars Program provides funds for the Ned McWherter and Christa McAuliffe scholars programs. The Ned McWherter Scholars program is intended to encourage academically superior Tennessee high school graduates to attend college in Tennessee. The Christa McAuliffe Scholarship program is a merit-based grant awarded to Tennessee students committed to teaching.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	576,400	790,500	790,500	0	790,500
Total	\$576,400	\$790,500	\$790,500	\$0	\$790,500
State	373,500	411,800	411,800	0	411,800
Federal	0	0	0	0	0
Other	202,900	378,700	378,700	0	378,700

332.07 Loan/Scholarship Programs

Loan/Scholarship Programs encourages exemplary students who are Tennessee residents and U.S. citizens to enter the teaching, medical, and nursing education fields. Participants in the teaching and medical programs incur an obligation to work in an area of need in Tennessee for each year an award is received. Participants in the nursing education program agree to enter a faculty or administrative position at a college or university in Tennessee in a nursing education program and serve for four years.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,887,600	3,594,900	3,416,700	0	3,416,700
Total	\$1,887,600	\$3,594,900	\$3,416,700	\$0	\$3,416,700
State	921,000	1,220,800	1,220,800	0	1,220,800
Federal	57,300	178,200	0	0	0
Other	909,300	2,195,900	2,195,900	0	2,195,900

332.19 Lottery for Education Account

The Lottery for Education Account is an appropriation of the state's net education lottery proceeds. The majority of these funds are made available for post-secondary scholarships, which include the Tennessee HOPE Scholarship, the General Assembly Merit Scholarship, the Need-Based Supplemental Award, the Tennessee HOPE Access Grant, and the Wilder-Naifeh Technical Skills Grant. Funding for the pre-K and early childhood education programs is appropriated here and is reflected in the Department of Education budget, funded by interdepartmental (other) revenue from the Lottery for Education Account state appropriation. Administrative costs associated with the scholarship program within the Tennessee Higher

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Education Commission and Tennessee Student Assistance Corporation also are funded from the appropriation to the Lottery for Education Account.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	313,442,400	322,200,000	331,600,000	1,500,000	333,100,000
Total	\$313,442,400	\$322,200,000	\$331,600,000	\$1,500,000	\$333,100,000
State	313,442,400	322,200,000	331,600,000	1,500,000	333,100,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Tennessee Foreign Language Institute

332.14 Foreign Language Institute

The Tennessee Foreign Language Institute's mission is to encourage and facilitate the learning and teaching of foreign languages. The institute serves more than 4,000 persons annually through classes in more than 115 languages.

Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	0	0	0	0	0
Operational	2,031,900	1,905,000	1,891,700	0	1,891,700
Total	\$2,031,900	\$1,905,000	\$1,891,700	\$0	\$1,891,700
State	410,300	414,100	400,800	0	400,800
Federal	0	0	0	0	0
Other	1,621,600	1,490,900	1,490,900	0	1,490,900

332.00 Total Higher Education - State Administered Programs

Full-Time	136	132	131	10	141
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	136	132	131	10	141
Payroll	10,007,500	10,444,600	9,928,200	783,100	10,711,300
Operational	598,247,800	625,931,100	618,744,700	18,224,300	636,969,000
Total	\$608,255,300	\$636,375,700	\$628,672,900	\$19,007,400	\$647,680,300
State	402,225,900	425,125,000	417,859,700	19,557,400	437,417,100
Federal	153,285,100	159,802,400	159,611,100	0	159,611,100
Other	52,744,300	51,448,300	51,202,100	-550,000	50,652,100

University of Tennessee

The University of Tennessee (UT) is a statewide land grant institution governed by a Board of Trustees. The University of Tennessee offers academic programs in a large number of specialized areas at the bachelor's, master's, and doctoral levels. In addition to the traditional teaching mission, the UT system is engaged in a number of research and public service activities. The UT system has campuses in Knoxville, Chattanooga, Martin, and Memphis, where the medical units are located.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Headcount figures are for Fall 2013 and 2014. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources, and auxiliary enterprise sources.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

332.10 UT University-Wide Administration

UT University-Wide Administration provides administrative support and oversight for all of the University of Tennessee campuses and functions. Administrative services include the offices of the president, business and finance, general counsel, audit and consulting, governmental relations, athletic directors, and the board of trustees.

Full-Time					
Administrative	64	64	64	0	64
Professional	157	154	154	0	154
Faculty	1	1	1	0	1
Clerical/Support	75	75	75	0	75
Total	297	294	294	0	294
Headcount	0	0	0	0	0
State	4,645,300	4,717,800	4,661,800	254,800	4,916,600
Federal	0	0	0	0	0
Other	18,748,600	16,562,200	16,562,200	0	16,562,200
Tuition/Fees	0	0	0	0	0
Total	\$23,393,900	\$21,280,000	\$21,224,000	\$254,800	\$21,478,800

332.21 UT Access and Diversity Initiative

The UT Access and Diversity Initiative program provides financial support to the University of Tennessee for the continuance of higher education access and diversity initiatives after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The success of a five-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be the most effective in the settlement program. The initiative includes financial aid, graduate fellowships, and student and faculty recruitment and retention programs.

Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Headcount	0	0	0	0	0
State	5,688,900	5,688,900	5,688,900	117,800	5,806,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$5,688,900	\$5,688,900	\$5,688,900	\$117,800	\$5,806,700

Public Service

One of the missions of the University of Tennessee is to provide services to the public beyond traditional post-secondary and professional education and training by providing information and technical assistance to business, industry, and government; advising the counties, cities, and towns of Tennessee in law, public works, finance, accounting, and governmental affairs; providing technical services and technology-based training to local, regional, and national law enforcement agencies; and providing continuing education on and off campuses, with special emphasis on degree granting programs in non-traditional settings.

332.15 UT Institute for Public Service

This allotment provides funds for the staffing and operational costs of the UT Institute for Public Service. The institute provides research and technical assistance to state and local government and industry. The institute also provides on-site technical assistance and training, as well as regional training conferences. The institute maintains offices in Nashville, Chattanooga, Cookeville, Knoxville, Martin, Memphis, Johnson City, Columbia, Oak Ridge, and Jackson.

Full-Time Administrative	5	4	4	0	4
Professional	13	14	14	0	14
Faculty	0	0	0	0	0
Clerical/Support	9	11	11	0	11
Total	27	29	29	0	29
Headcount	0	0	0	0	0
State	5,236,000	5,251,400	5,247,800	176,200	5,424,000
Federal	185,600	201,000	201,000	0	201,000
Other	944,700	621,700	621,700	0	621,700
Tuition/Fees	0	0	0	0	0
Total	\$6,366,300	\$6,074,100	\$6,070,500	\$176,200	\$6,246,700

332.16 UT Municipal Technical Advisory Service

The UT Municipal Technical Advisory Service provides technical assistance to the incorporated cities of the state. Assistance is offered in the fields of finance and accounting, human resources, legal issues, and public safety.

Full-Time Administrative	2	2	2	0	2
Professional	33	35	35	0	35
Faculty	0	0	0	0	0
Clerical/Support	12	11	11	0	11
Total	47	48	48	0	48
Headcount	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	2,890,200	2,901,500	2,897,500	139,700	3,037,200
Federal	0	0	0	0	0
Other	3,287,700	3,229,500	3,229,500	0	3,229,500
Tuition/Fees	0	0	0	0	0
Total	\$6,177,900	\$6,131,000	\$6,127,000	\$139,700	\$6,266,700

332.17 UT County Technical Assistance Service

The UT County Technical Assistance Service provides the state's 95 county governments with technical assistance and information on most aspects of county government, including financial, environmental, and legislative.

Full-Time					
Administrative	1	1	1	0	1
Professional	28	28	28	0	28
Faculty	0	0	0	0	0
Clerical/Support	6	6	6	0	6
Total	35	35	35	0	35
Headcount	0	0	0	0	0
State	1,756,200	1,766,100	1,763,100	98,200	1,861,300
Federal	0	0	0	0	0
Other	3,004,600	3,080,000	3,080,000	0	3,080,000
Tuition/Fees	0	0	0	0	0
Total	\$4,760,800	\$4,846,100	\$4,843,100	\$98,200	\$4,941,300

Agricultural Units

Agricultural programs are an important focus of the University of Tennessee in its capacity as a land grant institution. The various units of the program promote and support agriculture through basic and applied research, assistance to community groups in all 95 counties, and veterinary training and research.

332.25 UT Agricultural Experiment Station

The UT Agricultural Experiment Station develops technology to enhance the efficiency of agricultural, forest, and ornamental industries; improve the quality of rural life; and conserve rural environmental resources including soil, water, air, and wildlife. Services are provided through campus-based programs and field laboratories.

Full-Time					
Administrative	18	18	18	0	18
Professional	84	84	84	0	84
Faculty	93	92	92	0	92
Clerical/Support	117	118	118	0	118
Total	312	312	312	0	312
Headcount	0	0	0	0	0
State	25,468,300	25,587,300	25,557,800	1,014,700	26,572,500
Federal	7,726,300	8,384,500	8,384,500	0	8,384,500
Other	5,574,300	4,421,800	4,421,800	0	4,421,800
Tuition/Fees	0	0	0	0	0
Total	\$38,768,900	\$38,393,600	\$38,364,100	\$1,014,700	\$39,378,800

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

332.26 UT Agricultural Extension Service

The UT Agricultural Extension Service is an off-campus unit of the UT Institute of Agriculture. The unit offers educational programs and research-based information about agriculture, community resource development, nutrition, health, lawn and garden, and youth development to local governments and the general public. The extension service operates an office in every county.

Full-Time					
Administrative	12	14	14	0	14
Professional	261	261	261	0	261
Faculty	53	52	52	0	52
Clerical/Support	148	147	147	0	147
Total	474	474	474	0	474
Headcount	0	0	0	0	0
State	30,879,100	31,086,600	31,044,400	1,253,300	32,297,700
Federal	8,527,400	9,166,400	9,166,400	0	9,166,400
Other	4,845,400	5,248,600	5,248,600	0	5,248,600
Tuition/Fees	0	0	0	0	0
Total	\$44,251,900	\$45,501,600	\$45,459,400	\$1,253,300	\$46,712,700

332.28 UT Veterinary Medicine

The UT College of Veterinary Medicine is located on the agricultural campus of the University of Tennessee in Knoxville. Departments include Comparative Medicine, Pathology, Large Animal Clinical Sciences, and Small Animal Clinical Sciences. The college offers a Doctor of Veterinary Medicine and a joint Doctor of Veterinary Medicine and Masters in Public Health.

Full-Time					
Administrative	8	8	8	0	8
Professional	34	39	39	0	39
Faculty	105	104	104	0	104
Clerical/Support	171	173	173	0	173
Total	318	324	324	0	324
Headcount	352	357	357	0	357
State	16,477,400	16,555,300	16,530,900	873,900	17,404,800
Federal	792,100	955,900	955,900	0	955,900
Other	13,005,200	13,289,500	13,289,500	0	13,289,500
Tuition/Fees	11,360,200	11,494,400	11,494,400	0	11,494,400
Total	\$41,634,900	\$42,295,100	\$42,270,700	\$873,900	\$43,144,600

Medical Education Units

The Medical Education Program of the University of Tennessee plays an important role in meeting the state's health care needs. With the goal of providing high-quality health care to all geographic regions of the state, the medical education program trains physicians and other health care professionals.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

332.30 UT Health Science Center

The UT Health Science Center (UTHSC) in Memphis focuses on meeting the state's health care needs. The campus is divided into eight colleges including Allied Health, Dentistry, Graduate Health Sciences, Health Science Engineering, Medicine, Nursing, Pharmacy, and Social Work.

Full-Time					
Administrative	72	84	84	0	84
Professional	234	241	241	0	241
Faculty	259	259	259	0	259
Clerical/Support	581	581	581	0	581
Total	1,146	1,165	1,165	0	1,165
Headcount	2,859	2,976	2,976	0	2,976
State	74,394,700	74,990,800	71,919,300	6,549,000	78,468,300
Federal	10,512,400	9,950,000	9,950,000	0	9,950,000
Other	14,620,600	13,747,500	13,747,500	0	13,747,500
Tuition/Fees	52,170,300	51,828,000	51,828,000	0	51,828,000
Total	\$151,698,000	\$150,516,300	\$147,444,800	\$6,549,000	\$153,993,800

332.32 UT Family Medicine

UT Family Medicine is an academic department in the College of Medicine of the UT Health Science Center in Memphis. The department's mission of improving health is accomplished through teaching, patient care, public service, and scholarly activities.

Full-Time					
Administrative	1	1	1	0	1
Professional	8	8	8	0	8
Faculty	31	29	29	0	29
Clerical/Support	106	111	111	0	111
Total	146	149	149	0	149
Headcount	0	0	0	0	0
State	10,470,800	10,518,000	10,506,000	450,000	10,956,000
Federal	0	0	0	0	0
Other	11,879,100	11,305,000	11,305,000	0	11,305,000
Tuition/Fees	0	0	0	0	0
Total	\$22,349,900	\$21,823,000	\$21,811,000	\$450,000	\$22,261,000

332.34 UT College of Medicine

The UT College of Medicine, a unit of the UT Health Science Center in Memphis, offers programs leading to the Doctor of Medicine (M.D.) degree, and the Doctor of Medicine (M.D.) and Doctor of Philosophy (Ph.D.) combined degree program.

Full-Time					
Administrative	21	21	21	0	21
Professional	49	61	61	0	61
Faculty	278	296	296	0	296
Clerical/Support	123	114	114	0	114
Total	471	492	492	0	492
Headcount	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	47,116,500	47,007,900	46,956,800	1,890,200	48,847,000
Federal	0	0	0	0	0
Other	2,681,700	5,403,700	5,403,700	0	5,403,700
Tuition/Fees	24,440,500	25,826,400	25,826,400	0	25,826,400
Total	\$74,238,700	\$78,238,000	\$78,186,900	\$1,890,200	\$80,077,100

University and Research Campuses

The University of Tennessee provides comprehensive undergraduate and graduate studies at each of its three major campuses at Knoxville, Chattanooga, and Martin. These campuses provide services to citizens in all areas of the state through education, research, and public service activities. Graduate studies in aerospace and related fields are provided at the UT Space Institute in Tullahoma.

332.12 UT Research Initiatives

All technical and research-related cost increases are reflected in this program. Funds are transferred to the appropriate institutional program.

Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
Headcount	0	0	0	0	0
State	5,734,200	10,734,200	5,734,200	118,700	5,852,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$5,734,200	\$10,734,200	\$5,734,200	\$118,700	\$5,852,900

332.23 UT Space Institute

The UT Space Institute, located in Tullahoma, provides graduate study and research in aerospace engineering and related fields, and hosts a center of excellence in laser applications. The institute also provides assistance to private companies involved in aerospace engineering.

Full-Time					
Administrative	9	8	8	0	8
Professional	8	12	12	0	12
Faculty	17	17	17	0	17
Clerical/Support	40	40	40	0	40
Total	74	77	77	0	77
Headcount	112	130	130	0	130
State	7,904,400	7,924,200	7,916,500	284,800	8,201,300
Federal	172,100	131,800	131,800	0	131,800
Other	323,300	258,600	258,600	0	258,600
Tuition/Fees	1,329,100	1,340,300	1,340,300	0	1,340,300
Total	\$9,728,900	\$9,654,900	\$9,647,200	\$284,800	\$9,932,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

332.40 UT Chattanooga

The University of Tennessee at Chattanooga is a comprehensive university offering degrees at the bachelor's, master's, and doctorate levels, as well as various certificate and pre-professional programs. The university's center of excellence is in computer applications.

Full-Time					
Administrative	111	115	115	0	115
Professional	186	206	206	0	206
Faculty	473	481	481	0	481
Clerical/Support	325	335	335	0	335
Total	1,095	1,137	1,137	0	1,137
Headcount	11,674	11,670	11,670	0	11,670
State	36,596,300	37,585,900	39,496,300	2,238,000	41,734,300
Federal	763,300	291,100	291,100	0	291,100
Other	18,829,600	15,031,700	15,031,700	0	15,031,700
Tuition/Fees	94,436,500	98,903,400	98,903,400	0	98,903,400
Total	\$150,625,700	\$151,812,100	\$153,722,500	\$2,238,000	\$155,960,500

332.42 UT Knoxville

The University of Tennessee at Knoxville is the state's oldest and largest public university. The university offers degrees at the undergraduate, graduate, and professional levels. Focus is also given to programs in health sciences, agriculture, public service, and space science through related research institutions. The university's centers of excellence are in science alliance, materials processing, and waste management.

Full-Time					
Administrative	275	279	279	0	279
Professional	651	700	700	0	700
Faculty	1,366	1,378	1,378	0	1,378
Clerical/Support	1,583	1,586	1,586	0	1,586
Total	3,875	3,943	3,943	0	3,943
Headcount	26,707	26,923	26,923	0	26,923
State	174,626,700	179,376,300	179,013,900	9,193,100	188,207,000
Federal	19,321,200	17,430,000	17,430,000	0	17,430,000
Other	206,693,300	199,551,000	199,551,000	0	199,551,000
Tuition/Fees	332,420,900	359,108,200	359,108,200	0	359,108,200
Total	\$733,062,100	\$755,465,500	\$755,103,100	\$9,193,100	\$764,296,200

332.44 UT Martin

The University of Tennessee at Martin is an undergraduate-focused institution offering degrees at the bachelor's and master's levels. Graduate programs include agricultural operations, family and consumer sciences, accountancy, and education. The university's center of excellence program is in science and math teaching.

Full-Time					
Administrative	55	55	55	0	55
Professional	115	120	120	0	120
Faculty	309	310	310	0	310
Clerical/Support	276	278	278	0	278
Total	755	763	763	0	763

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Headcount	7,423	7,042	7,042	0	7,042
State	25,637,100	26,313,800	26,499,600	1,473,400	27,973,000
Federal	43,600	90,400	90,400	0	90,400
Other	15,989,500	15,813,200	15,813,200	0	15,813,200
Tuition/Fees	57,162,100	60,775,900	60,775,900	0	60,775,900
Total	\$98,832,300	\$102,993,300	\$103,179,100	\$1,473,400	\$104,652,500

Total University of Tennessee System

Full-Time					
Administrative	654	674	674	0	674
Professional	1,861	1,963	1,963	0	1,963
Faculty	2,985	3,019	3,019	0	3,019
Clerical/Support	3,572	3,586	3,586	0	3,586
Total	9,072	9,242	9,242	0	9,242
Headcount	49,127	49,098	49,098	0	49,098
State	475,522,100	488,006,000	481,434,800	26,125,800	507,560,600
Federal	48,044,000	46,601,100	46,601,100	0	46,601,100
Other	320,427,600	307,564,000	307,564,000	0	307,564,000
Tuition/Fees	573,319,600	609,276,600	609,276,600	0	609,276,600
Total	\$1,417,313,300	\$1,451,447,700	\$1,444,876,500	\$26,125,800	\$1,471,002,300

State University and Community College System

The State University and Community College System consists of four-year universities, two-year community colleges, and colleges of applied technology, which serve the citizens of Tennessee through teaching, research, and public service. The system is governed by the Tennessee Board of Regents, which appoints a chancellor as administrative head of the system. The administrative staff, reporting to the chancellor, provides general administrative, planning, coordination, review, and oversight functions through the offices of the chancellor, business and finance, academic affairs, and general counsel.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Headcount figures are for fall 2013 and 2014. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and from auxiliary enterprise sources.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

332.60 Tennessee Board of Regents

This allotment provides funds for staffing and other operational costs of the Board of Regents and its system administrative staff, organized under the chancellor.

Full-Time					
Administrative	29	29	29	0	29
Professional	66	68	68	0	68
Faculty	0	0	0	0	0
Clerical/Support	35	37	37	0	37
Total	130	134	134	0	134
Headcount	0	0	0	0	0
State	5,112,300	5,141,200	5,133,100	339,800	5,472,900
Federal	0	0	0	0	0
Other	19,820,700	19,456,000	19,456,000	0	19,456,000
Tuition/Fees	0	0	0	0	0
Total	\$24,933,000	\$24,597,200	\$24,589,100	\$339,800	\$24,928,900

332.59 Regents Access and Diversity Initiative

The Regents Access and Diversity Initiative program provides financial support to the Tennessee Board of Regents for the continuance of higher education access and diversity initiatives after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The success of a five-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be the most effective in the settlement program. The initiative includes financial aid and stipends, student and faculty recruitment and retention programs, continuing support of the Tennessee State University (TSU) Avon Williams Campus in downtown Nashville, and statewide oversight.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
Headcount	0	0	0	0	0
State	10,048,800	10,048,800	10,048,800	208,100	10,256,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$10,048,800	\$10,048,800	\$10,048,800	\$208,100	\$10,256,900

332.95 Equipment for Community Colleges and Colleges of Applied Technology

Community Colleges and Colleges of Applied Technology must train students on the use of equipment and technologies used in industry. This allotment provides funds to upgrade or replace equipment used in programs such as service delivery, allied health, health informatics, and advanced manufacturing.

Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
Headcount	0	0	0	0	0
State	16,500,000	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$16,500,000	\$0	\$0	\$0	\$0

Agricultural Units

Agricultural units are an important part of Tennessee State University (TSU) in its capacity as a land grant institution. As a land grant institution, TSU receives federal funds from the U.S. Department of Agriculture (USDA) to help finance agricultural research and extension at the Institute of Agricultural and Environmental Research (IAgER) and the TSU Cooperative Extension program. The state appropriations match federal grant funds.

332.63 TSU Institute of Agricultural and Environmental Research

The TSU Institute of Agricultural and Environmental Research is the principal agricultural and environmental research division of TSU. The institute's multi-disciplinary research efforts are in the areas of animal and alternative livestock; economics and policy; nursery, medicinal, and alternative food crops; environmental protection and enhancement; and food safety, nutrition, and family well-being.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time					
Administrative	2	2	2	0	2
Professional	1	1	1	0	1
Faculty	1	1	1	0	1
Clerical/Support	1	1	1	0	1
Total	5	5	5	0	5
Headcount	0	0	0	0	0
State	2,280,500	2,278,500	2,278,500	61,800	2,340,300
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,280,500	\$2,278,500	\$2,278,500	\$61,800	\$2,340,300

332.62 TSU McMinnville Center

The Tennessee State University McMinnville Center, an Institute of Agricultural and Environmental Research (IAgER) facility, is a nursery crop research station and is the only such academic research station in the nation. The center provides leadership in strengthening and expanding the regional nursery industry through research in the areas of pathology, entomology, genetics, horticulture, and related sciences.

Full-Time					
Administrative	0	0	0	0	0
Professional	2	2	2	0	2
Faculty	1	1	1	0	1
Clerical/Support	2	2	2	0	2
Total	5	5	5	0	5
Headcount	0	0	0	0	0
State	560,700	560,700	560,400	15,400	575,800
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$560,700	\$560,700	\$560,400	\$15,400	\$575,800

332.64 TSU Cooperative Education

The TSU Cooperative Education program, through 14 county offices, offers educational programs and research-based information to local governments and the general public in the areas of agriculture and natural resources, community and rural development, 4-H and youth development, and family and consumer sciences.

Full-Time					
Administrative	0	0	0	0	0
Professional	12	50	50	0	50
Faculty	1	2	2	0	2
Clerical/Support	3	11	11	0	11
Total	16	63	63	0	63
Headcount	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	3,110,400	3,108,900	3,108,900	97,100	3,206,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$3,110,400	\$3,108,900	\$3,108,900	\$97,100	\$3,206,000

332.68 TSU McIntire-Stennis Forestry Research

The McIntire-Stennis Act of 1962 makes funding available to state programs at land grant institutions for forestry research. States must provide matching funds equal to or greater than the federal allocation. Eligible institutions are required to conduct research in areas such as reforestation and land management; watershed and rangeland management; management of forest lands for outdoor recreation; protection of forests and resources against fire, insects, and disease; utilization of wood and other forest-related products; and studies promoting the most effective use of forest resources.

Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
Headcount	0	0	0	0	0
State	179,400	179,400	179,400	4,000	183,400
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$179,400	\$179,400	\$179,400	\$4,000	\$183,400

Medical Education Units

To help meet the health needs of the citizens of eastern Tennessee, the East Tennessee State University (ETSU) Quillen College of Medicine provides medical study and training for students who wish to become physicians or other health-care professionals. Through family medicine residency programs, the college encourages its students to enter into family health practice in the rural communities of East Tennessee. The College of Pharmacy trains pharmacists for placement in community pharmacies and rural hospital settings.

332.65 ETSU College of Medicine

The ETSU Quillen College of Medicine provides medical study and training for students interested in primary care as physicians or health care professionals. The college's focus is on practice in under-served rural communities. The college also is committed to biomedical research and to improving health care in northeast Tennessee and the surrounding Appalachia region.

Full-Time					
Administrative	6	6	6	0	6
Professional	78	83	83	0	83
Faculty	152	152	152	0	152
Clerical/Support	109	110	110	0	110
Total	345	351	351	0	351

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Headcount	282	288	288	0	288
State	28,916,500	28,971,400	28,948,800	1,301,100	30,249,900
Federal	875,300	672,300	672,300	0	672,300
Other	13,772,900	14,274,100	14,274,100	0	14,274,100
Tuition/Fees	9,391,200	9,612,400	9,612,400	0	9,612,400
Total	\$52,955,900	\$53,530,200	\$53,507,600	\$1,301,100	\$54,808,700

332.66 ETSU College of Pharmacy

The College of Pharmacy at ETSU enrolls approximately 125 students per year. Its mission is to train pharmacists for placement in community pharmacies and rural hospital settings to aid in the more effective use of medication. The educational program includes a significant emphasis on pharmaceutical care to reduce the unnecessary use of medications. Much of the training is within interdisciplinary teams of medical, nursing, public health, and pharmacy students, who will be located within rural communities. This method of training prepares future pharmacists for improved consultation with physicians and prescribing nurses, resulting in the most efficient, effective, low-cost drug treatments for their mutual patients.

Full-Time					
Administrative	2	2	2	0	2
Professional	16	16	16	0	16
Faculty	33	34	34	0	34
Clerical/Support	15	15	15	0	15
Total	66	67	67	0	67
Headcount	330	324	324	0	324
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	55,700	35,000	35,000	0	35,000
Tuition/Fees	10,526,600	10,630,400	10,630,400	0	10,630,400
Total	\$10,582,300	\$10,665,400	\$10,665,400	\$0	\$10,665,400

332.67 ETSU Family Practice

The ETSU Family Practice program was established to train physicians that will practice comprehensive primary health care to families and communities primarily in the rural areas of East Tennessee and Southern Appalachia.

Full-Time					
Administrative	0	0	0	0	0
Professional	20	20	20	0	20
Faculty	30	31	31	0	31
Clerical/Support	54	56	56	0	56
Total	104	107	107	0	107
Headcount	0	0	0	0	0
State	6,123,700	6,136,700	6,130,800	322,600	6,453,400
Federal	0	0	0	0	0
Other	8,554,300	8,711,500	8,711,500	0	8,711,500
Tuition/Fees	0	0	0	0	0
Total	\$14,678,000	\$14,848,200	\$14,842,300	\$322,600	\$15,164,900

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Universities

The four-year universities of the State University and Community College System offer undergraduate and graduate study to the citizens of Tennessee. Located throughout the state, the universities offer comprehensive programs in subjects as diverse as occupational training, the arts and sciences, law, and health sciences.

332.70 Austin Peay State University

Austin Peay State University is a comprehensive liberal arts institution located in Clarksville. The university offers undergraduate and graduate degree programs in the liberal arts and sciences and complements classroom work with team teaching, cooperative learning, community services, international programs, and collaborative research between faculty and students. Two centers of excellence also are provided in field biology and creative arts.

Full-Time					
Administrative	32	33	33	0	33
Professional	202	208	208	0	208
Faculty	384	383	383	0	383
Clerical/Support	270	269	269	0	269
Total	888	893	893	0	893
Headcount	10,085	9,729	9,729	0	9,729
State	33,037,000	34,281,800	35,176,100	1,833,600	37,009,700
Federal	162,700	179,900	179,900	0	179,900
Other	16,621,000	15,517,500	15,517,500	0	15,517,500
Tuition/Fees	73,317,400	74,778,100	74,778,100	0	74,778,100
Total	\$123,138,100	\$124,757,300	\$125,651,600	\$1,833,600	\$127,485,200

332.72 East Tennessee State University

East Tennessee State University (ETSU), located in Johnson City, offers degree programs in arts and sciences, business and technology, education, medicine, nursing, public and allied health, and graduate studies. ETSU houses two centers of excellence in Appalachian studies and early childhood studies.

Full-Time					
Administrative	49	45	45	0	45
Professional	401	420	420	0	420
Faculty	663	653	653	0	653
Clerical/Support	515	487	487	0	487
Total	1,628	1,605	1,605	0	1,605
Headcount	14,168	13,823	13,823	0	13,823
State	48,776,400	48,140,300	48,398,000	2,782,400	51,180,400
Federal	2,038,300	2,000,000	2,000,000	0	2,000,000
Other	33,675,800	34,245,500	34,245,500	0	34,245,500
Tuition/Fees	116,874,800	121,007,600	121,007,600	0	121,007,600
Total	\$201,365,300	\$205,393,400	\$205,651,100	\$2,782,400	\$208,433,500

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

332.74 University of Memphis

The University of Memphis is a comprehensive metropolitan university offering degrees at the bachelor's, master's, professional, and doctoral levels. The university has five centers of excellence in applied psychology, communicative disorders, earthquake information, Egyptology, and education policy.

Full-Time					
Administrative	80	69	69	0	69
Professional	700	694	694	0	694
Faculty	1,001	993	993	0	993
Clerical/Support	816	738	738	0	738
Total	2,597	2,494	2,494	0	2,494
Headcount	21,487	21,059	21,059	0	21,059
State	94,166,200	91,415,100	90,247,600	5,953,900	96,201,500
Federal	4,543,600	4,410,400	4,410,400	0	4,410,400
Other	79,864,900	72,797,700	72,797,700	0	72,797,700
Tuition/Fees	183,306,300	184,043,800	184,043,800	0	184,043,800
Total	\$361,881,000	\$352,667,000	\$351,499,500	\$5,953,900	\$357,453,400

332.75 Middle Tennessee State University

Located in Murfreesboro, Middle Tennessee State University (MTSU) offers undergraduate, graduate, and doctoral programs in the arts and sciences. Programs are organized in eight university colleges, including basic and applied sciences, graduate studies, business, education and behavioral science, university honors, liberal arts, mass communication, and continuing education and distance learning. MTSU's two centers of excellence are popular music and historic preservation.

Full-Time					
Administrative	80	81	81	0	81
Professional	517	579	579	0	579
Faculty	1,015	999	999	0	999
Clerical/Support	516	504	504	0	504
Total	2,128	2,163	2,163	0	2,163
Headcount	23,854	22,731	22,731	0	22,731
State	81,150,200	82,955,900	81,544,400	4,436,400	85,980,800
Federal	885,000	950,000	950,000	0	950,000
Other	49,313,800	48,502,900	48,502,900	0	48,502,900
Tuition/Fees	181,187,400	181,246,700	181,246,700	0	181,246,700
Total	\$312,536,400	\$313,655,500	\$312,244,000	\$4,436,400	\$316,680,400

332.77 Tennessee State University

Tennessee State University (TSU) is a comprehensive, land-grant university located in Nashville. TSU offers numerous bachelor and master degrees and offers doctoral programs in biological sciences, psychology, public administration, physical therapy, computer information systems, educational administration and supervision, and curriculum and instruction. TSU's two centers of excellence are learning sciences and information systems.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time					
Administrative	59	60	60	0	60
Professional	298	283	283	0	283
Faculty	408	412	412	0	412
Clerical/Support	289	288	288	0	288
Total	1,054	1,043	1,043	0	1,043
Headcount	8,815	9,028	9,028	0	9,028
State	32,656,200	32,134,300	31,145,800	1,785,500	32,931,300
Federal	2,432,100	2,500,000	2,500,000	0	2,500,000
Other	23,019,100	24,879,500	24,879,500	0	24,879,500
Tuition/Fees	77,329,400	83,181,200	83,181,200	0	83,181,200
Total	\$135,436,800	\$142,695,000	\$141,706,500	\$1,785,500	\$143,492,000

332.78 Tennessee Technological University

Tennessee Technological University is a comprehensive university located in Cookeville. While the university's strength is in technology and engineering, other academic divisions include agriculture and human sciences, arts and sciences, business, education, interdisciplinary studies, and graduate studies. The university's three centers of excellence are energy systems research, manufacturing, and water resources.

Full-Time					
Administrative	32	34	34	0	34
Professional	290	331	331	0	331
Faculty	435	448	448	0	448
Clerical/Support	329	328	328	0	328
Total	1,086	1,141	1,141	0	1,141
Headcount	11,242	11,366	11,366	0	11,366
State	39,629,800	38,464,300	37,243,400	2,128,600	39,372,000
Federal	831,200	872,800	872,800	0	872,800
Other	27,372,200	26,679,500	26,679,500	0	26,679,500
Tuition/Fees	94,054,100	101,006,600	101,006,600	0	101,006,600
Total	\$161,887,300	\$167,023,200	\$165,802,300	\$2,128,600	\$167,930,900

Community Colleges

The state's community colleges provide two-year academic instruction in a wide variety of programs that prepare students for transfer to four-year institutions as well as for direct entry into the workforce. The community colleges combine both technical training and academic instruction on the same campus.

332.89 Tennessee Community Colleges

The Complete College Act of 2010 stated that, beginning in fiscal year 2012-2013, funding recommendations for community colleges be limited to only aggregate funding by the Tennessee Higher Education Commission. Funding levels for individual community colleges are determined by the Tennessee Board of Regents.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time					
Administrative	191	181	181	0	181
Professional	1,084	1,103	1,103	0	1,103
Faculty	1,855	1,839	1,839	0	1,839
Clerical/Support	1,672	1,639	1,639	0	1,639
Total	4,802	4,762	4,762	0	4,762
Headcount	89,946	86,193	86,193	0	86,193
State	211,196,500	207,741,800	207,857,500	10,815,500	218,673,000
Federal	1,430,900	1,229,400	1,229,400	0	1,229,400
Other	14,342,500	13,734,700	13,734,700	0	13,734,700
Tuition/Fees	281,184,400	284,393,400	284,393,400	0	284,393,400
Total	\$508,154,300	\$507,099,300	\$507,215,000	\$10,815,500	\$518,030,500

Tennessee Colleges of Applied Technology

The state's 27 colleges of applied technology provide occupational training tailored to the specific needs of businesses and industries in the geographic regions they serve. Each school is associated with a two-year institution, allowing students greater flexibility in their educational choices. Students earn certificates for completion of incremental specialties within an occupational job title and diplomas for completion of occupational programs.

332.98 Tennessee Colleges of Applied Technology

This allotment provides funds for the staffing and operational costs of the colleges, which provide post-secondary vocational education, as described above.

Full-Time					
Administrative	52	49	49	0	49
Professional	87	91	91	0	91
Faculty	521	518	518	0	518
Clerical/Support	216	198	198	0	198
Total	876	856	856	0	856
Headcount	27,392	27,536	27,536	0	27,536
State	57,461,500	55,407,600	53,883,400	2,547,700	56,431,100
Federal	111,300	70,900	70,900	0	70,900
Other	8,253,000	7,859,300	7,859,300	0	7,859,300
Tuition/Fees	28,582,800	30,606,100	30,606,100	0	30,606,100
Total	\$94,408,600	\$93,943,900	\$92,419,700	\$2,547,700	\$94,967,400

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Total State University and Community College System					
Full-Time					
Administrative	614	591	591	0	591
Professional	3,774	3,949	3,949	0	3,949
Faculty	6,500	6,466	6,466	0	6,466
Clerical/Support	4,842	4,683	4,683	0	4,683
Total	15,730	15,689	15,689	0	15,689
Headcount	207,601	202,077	202,077	0	202,077
State	670,906,100	646,966,700	641,884,900	34,633,500	676,518,400
Federal	13,310,400	12,885,700	12,885,700	0	12,885,700
Other	294,665,900	286,693,200	286,693,200	0	286,693,200
Tuition/Fees	1,055,754,400	1,080,506,300	1,080,506,300	0	1,080,506,300
Total	\$2,034,636,800	\$2,027,051,900	\$2,021,970,100	\$34,633,500	\$2,056,603,600

Grand Total Higher Education

Full-Time					
Administrative	1,404	1,397	1,396	10	1,406
Professional	5,635	5,912	5,912	0	5,912
Faculty	9,485	9,485	9,485	0	9,485
Clerical/Support	8,414	8,269	8,269	0	8,269
Part-Time	0	0	0	0	0
Total	24,938	25,063	25,062	10	25,072
Headcount	256,728	251,175	251,175	0	251,175
State	1,548,654,100	1,560,097,700	1,541,179,400	80,316,700	1,621,496,100
Federal	214,639,500	219,289,200	219,097,900	0	219,097,900
Other	667,837,800	645,705,500	645,459,300	-550,000	644,909,300
Tuition/Fees	1,629,074,000	1,689,782,900	1,689,782,900	0	1,689,782,900
Total	\$4,060,205,400	\$4,114,875,300	\$4,095,519,500	\$79,766,700	\$4,175,286,200

**Education
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Education (K-12)					
Ensure growth of 3-5 percentage points in each TN Comprehensive Assessment Program (TCAP) grade and subject level over last year's performance, and progress in closing achievement gaps along lines of race, income, language status, and special education status.					
	1) Ensure strong start to school year with focus on rigorous standards and strong instruction through CORE offices (Oct. 2014).	Annually	Not Applicable	Not Applicable	Not Applicable
	2) Early observation of level 1 teachers and level 1 schools (Nov. 2014).				
	3) Meet goals around school team training series, RTI2 and administrator evaluation described above (May 2014).				
Ensure new administrator evaluation system is being implemented with fidelity in districts.					
	Percent of districts entering administrator evaluation data at end of first semester.	Annually	0%	Not Applicable	90%
Ensure universal screener administration and early intervention in districts through Response to Instruction and Intervention (RTI2) framework.					
	To be determined.	Annually	To be determined	Not Applicable	To be determined
Provide high quality training to educators via school team training series.					
	Percent of schools that participated in summer training that are redelivering content to those schools.	Annually	0%	Not Applicable	75%

Health and Social Services



Health and Social Services

Table of Contents



Introduction	B-131
Total Personnel and Funding.....	B-132
Recommended Budget for Fiscal Year 2015-2016 by Funding Source.....	B-133
Cost Increases for Fiscal Year 2015-2016.....	B-134
Program Statements.....	B-141
Commission on Children and Youth.....	B-141
Commission on Aging and Disability	B-142
Health Services and Development Agency	B-143
Department of Finance and Administration, Bureau of TennCare.....	B-144
Department of Mental Health and Substance Abuse Services	B-147
Statistical Data – Mental Health Institutes.....	B-151
Department of Health.....	B-152
Department of Intellectual and Developmental Disabilities	B-159
Statistical Data – Intellectual Disabilities Developmental Centers.....	B-165
Statistical Data – Intellectual Disabilities Community Homes	B-166
Department of Human Services	B-167
Department of Finance and Administration, Strategic Health-Care Programs.....	B-174
Department of Children’s Services.....	B-177
Statistical Data – Youth Development Centers.....	B-182
Priority Goals and Measures.....	B-183

Health and Social Services

Recommended Budget, Fiscal Year 2015 – 2016

The agencies and departments of this functional group are concerned with the health and well-being of the citizens of Tennessee. The Health and Social Services functional area is comprised of the following commissions, departments, and agencies:

- Commission on Children and Youth
- Commission on Aging and Disability
- Health Services and Development Agency
- Department of Finance and Administration, Bureau of TennCare
- Department of Mental Health and Substance Abuse Services
- Department of Intellectual and Developmental Disabilities
- Department of Health
- Department of Human Services
- Department of Finance and Administration, Strategic Health-Care Programs
- Department of Children's Services.

A major responsibility of this functional group is the administration of programs for children who are placed in the state's custody. These programs range from the provision of a structured environment for troubled youth to a safe home setting for foster care children. Services for children in state care are based on professional assessments of each child and family.

This functional group also is charged with ensuring quality treatment and habilitation services for the mentally ill and intellectually disabled citizens of Tennessee. This includes institutional and community programs for the mentally ill and the intellectually disabled.

In addition to programs for special-needs citizens, general health-care services are provided through local and regional health-care facilities. These programs range from immunization of school children to ensuring quality care for the elderly.

Health-care programs for Medicaid-eligible and Medicaid waiver-eligible citizens also are the responsibility of this functional group. These services are provided by TennCare, a comprehensive health-care delivery system.

These agencies also are charged with helping disadvantaged Tennesseans achieve or maintain self-sufficiency. Other assistance programs include Supplemental Nutrition Assistance Program (SNAP) benefits to qualified applicants, protective services to abused and neglected children, and legal services to establish, enforce, and administer child support obligations for citizens.

Families First, a time-limited assistance program, emphasizes job skills development. Support services, such as child care and transportation, also are provided to Families First recipients. This is a temporary assistance program with lifetime eligibility limitations.

Cover Tennessee provides comprehensive health coverage to uninsured children and seriously ill adults who can afford health coverage but who have been turned down by insurance companies. Cover Tennessee also provides affordable medication to low-income citizens who are uninsured.

Cost Increases and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on the recommended budget for each agency by funding source; (3) a statement of recommended cost increases for the ensuing fiscal year; and (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year.

Health and Social Services Total Personnel and Funding

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Recommended 2015-2016</u>
Personnel			
Full Time	17,212	17,003	16,605
Part Time	217	217	217
Seasonal	0	0	0
TOTAL	17,429	17,220	16,822
Expenditures			
Payroll	\$ 965,497,700	\$ 1,051,509,000	\$ 1,011,980,400
Operational	13,429,200,600	14,503,149,200	14,433,370,000
TOTAL	\$ 14,394,698,300	\$ 15,554,658,200	\$ 15,445,350,400
Funding			
State	\$ 4,040,359,300	\$ 4,328,979,900	\$ 4,327,309,800
Federal	9,111,068,600	10,144,487,000	9,884,679,500
Other	1,243,270,400	1,081,191,300	1,233,361,100

Health and Social Services
Recommended Budget for Fiscal Year 2015-2016
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	2,403,200	1,220,100	685,700	4,309,000
316.02 Commission on Aging and Disability	13,715,300	27,645,200	0	41,360,500
316.07 Health Services and Development Agency	1,190,600	0	0	1,190,600
318.00 Finance and Administration, Bureau of TennCare	3,334,243,900	6,417,781,500	527,049,800	10,279,075,200
339.00 Mental Health and Substance Abuse Services	202,088,900	62,543,200	46,673,000	311,305,100
343.00 Health	184,812,900	238,424,800	160,760,300	583,998,000
344.00 Intellectual and Developmental Disabilities	23,960,700	1,645,100	157,558,000	183,163,800
345.00 Human Services	181,799,300	2,793,844,600	72,161,600	3,047,805,500
350.00 Strategic Health-Care Programs	73,715,600	189,526,400	2,582,200	265,824,200
359.00 Children's Services	309,379,400	152,048,600	265,890,500	727,318,500
Total	\$4,327,309,800	\$9,884,679,500	\$1,233,361,100	\$15,445,350,400

Health and Social Services
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commission on Aging and Disability					
• Veteran-Directed Home and Community Based Services Program					
To provide recurring funds to expand the federally funded Veteran-Directed Home and Community Based Services program from 12 to 30 veterans.					
316.02 Commission on Aging and Disability	\$0	\$323,000	\$0	\$323,000	0
Sub-total	\$0	\$323,000	\$0	\$323,000	0
Total Commission on Aging and Disability	\$0	\$323,000	\$0	\$323,000	0

Health Services and Development Agency

• Indirect Cost Recovery Charges					
To provide recurring funds for statewide indirect cost recovery charges.					
316.07 Health Services and Development Agency	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
Total Health Services and Development Agency	\$100,000	\$0	\$0	\$100,000	0

Finance and Administration, Bureau of TennCare

• Medical Inflation and Utilization					
To provide recurring funds for the pharmacy program and MCO program due to upward market pressures on prices for generics and specialty drugs as well as an increase in pharmacy utilization.					
318.66 TennCare Medical Services	\$62,774,900	\$116,761,600	\$97,504,400	\$277,040,900	0
Sub-total	\$62,774,900	\$116,761,600	\$97,504,400	\$277,040,900	0
• Federal Match Rate Change					
To provide recurring funds to replace a loss of federal funds due to a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 65.065% in fiscal year 2014-2015 to 65.035% in fiscal year 2015-2016. The FMAP rate is the rate at which the federal government matches state appropriation expenditures in the TennCare program.					
318.66 TennCare Medical Services	\$1,798,800	(\$1,798,800)	\$0	\$0	0
318.70 Supplemental Payments	\$16,500	(\$16,500)	\$0	\$0	0
318.71 Intellectual Disabilities Services	\$261,200	(\$261,200)	\$0	\$0	0
318.72 Medicare Services	\$118,900	(\$118,900)	\$0	\$0	0
Sub-total	\$2,195,400	(\$2,195,400)	\$0	\$0	0

Health and Social Services Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Health Maintenance Organization (HMO) Tax Adjustment					
Increase state general fund revenue by increasing the HMO tax from 5.5% to 6%. This change would increase the HMO premium tax revenue to the general fund by \$26,777,100 and will require an increase of state appropriation in the TennCare program of \$9,362,600. The net gain to the general fund will be \$17,414,500.					
318.66 TennCare Medical Services	\$9,362,600	\$17,414,500	\$0	\$26,777,100	0
Sub-total	\$9,362,600	\$17,414,500	\$0	\$26,777,100	0
• Intellectual and Developmental Disabilities (IDD) Waiver Cost Growth					
To provide recurring funds for an increase of 100 people and an increase in cost of services for enrollees in the waiver programs for persons with Intellectual and Developmental Disabilities (IDD).					
318.71 Intellectual Disabilities Services	\$6,160,400	\$11,458,500	\$0	\$17,618,900	0
Sub-total	\$6,160,400	\$11,458,500	\$0	\$17,618,900	0
• Intellectual and Developmental Disabilities (IDD) Waivers - Leap Year Costs					
To provide non-recurring funds for an additional day of services provided to the projected 7,993 people served in waiver programs for persons with Intellectual and Developmental Disabilities (IDD).					
318.71 Intellectual Disabilities Services	\$654,200	\$1,216,700	\$0	\$1,870,900	0
Sub-total	\$654,200	\$1,216,700	\$0	\$1,870,900	0
• Clover Bottom Lawsuit Settlement Exit Plan					
To provide funds for an exit plan for the Clover Bottom Developmental Center lawsuit. Of these funds \$817,600 is non-recurring, which is comprised of \$297,300 in state appropriation and \$520,300 in federal revenue.					
318.71 Intellectual Disabilities Services	\$674,500	\$1,197,000	\$0	\$1,871,500	0
Sub-total	\$674,500	\$1,197,000	\$0	\$1,871,500	0
• TennCare for Intellectual and Developmental Disabilities					
To eliminate revenue estimates for certain assistive technology and therapy services for which federal matching funds are not available.					
318.71 Intellectual Disabilities Services	(\$539,900)	(\$1,004,100)	\$0	(\$1,544,000)	0
Sub-total	(\$539,900)	(\$1,004,100)	\$0	(\$1,544,000)	0
• TennCare for Department of Children's Services					
To provide recurring funds for the TennCare share of cost increases recommended for the Department of Children's Services.					
318.66 TennCare Medical Services	\$1,279,700	\$2,322,200	\$0	\$3,601,900	0
Sub-total	\$1,279,700	\$2,322,200	\$0	\$3,601,900	0

Health and Social Services Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Inpatient Stays for Inmates					
To provide recurring funds to annualize funding for 2014 PC 926 regarding the use of TennCare funds for inpatient stays for inmates.					
318.65 TennCare Administration	\$108,400	\$325,400	\$0	\$433,800	0
318.66 TennCare Medical Services	\$1,042,900	\$1,939,900	\$0	\$2,982,800	0
Sub-total	<u>\$1,151,300</u>	<u>\$2,265,300</u>	<u>\$0</u>	<u>\$3,416,600</u>	<u>0</u>
Total Finance and Administration, Bureau of TennCare	\$83,713,100	\$149,436,300	\$97,504,400	\$330,653,800	0

Mental Health and Substance Abuse Services

• Lifeline Peer Program Continuation

To provide recurring funds to continue the Lifeline Peer Programs that began in fiscal year 2013-2014. The programs work with individuals in recovery to locate support and recovery services and establish programs in communities not currently served by 12-step programs and to provide education to civic and faith-based groups.

339.03 Community Substance Abuse Services	\$525,000	\$0	\$0	\$525,000	0
Sub-total	<u>\$525,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$525,000</u>	<u>0</u>
Total Mental Health and Substance Abuse Services	\$525,000	\$0	\$0	\$525,000	0

Health

• Electronic Public Health Information System (EPI)

To provide non-recurring funds for the Electronic Public Health Information System (EPI). The department maintains a legacy system, Patient Tracking Billing Management Information System (PTBMIS), for tracking and managing core public health services that is nearing the end of its serviceable life and must be replaced. This system is currently the primary tracker of immunizations, primary care patient encounters, client visits (local health department level), and Women, Infants, and Children (WIC) program clients. These funds will be used for the design, development, and implementation of the new EPI system, which provides a platform to create and maintain electronic medical records, increase functionality and efficiency of record utilization, claims processing, disease surveillance and management, and is compatible with federal and private partner provider systems.

343.01 Administration	\$1,334,700	\$0	\$0	\$1,334,700	14
343.60 Health Services	\$6,096,600	\$616,000	\$0	\$6,712,600	10
Sub-total	<u>\$7,431,300</u>	<u>\$616,000</u>	<u>\$0</u>	<u>\$8,047,300</u>	<u>24</u>

Health and Social Services

Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Additional Newborn Screening Tests					
To provide recurring funds for the analysis of two additional tests on the newborn screening testing panel. The two new tests are for Cystic Fibrosis and Severe Combined Immunodeficiency.					
343.08 Laboratory Services	\$0	\$0	\$2,894,600	\$2,894,600	3
343.47 Family Health and Wellness	\$0	\$0	\$825,000	\$825,000	2
Sub-total	\$0	\$0	\$3,719,600	\$3,719,600	5
• Sickle Cell Grants					
To provide non-recurring funds to continue certain sickle cell grants. Of these funds, \$75,000 is for the Sickle Cell Foundation of Tennessee and \$50,000 is for the Methodist Healthcare Foundation.					
343.52 Community and Medical Services	\$125,000	\$0	\$0	\$125,000	0
Sub-total	\$125,000	\$0	\$0	\$125,000	0
• Home Visiting Programs					
To provide non-recurring funds for the Healthy Start and Child Health and Development (CHAD) home visiting programs. Of these funds, \$1,500,000 is for Healthy Start and \$450,000 is for Child Health and Development.					
343.47 Family Health and Wellness	\$1,500,000	\$0	\$0	\$1,500,000	0
343.60 Health Services	\$450,000	\$0	\$0	\$450,000	0
Sub-total	\$1,950,000	\$0	\$0	\$1,950,000	0
• Epilepsy Program					
To provide non-recurring funds for the Epilepsy Program.					
343.52 Community and Medical Services	\$103,100	\$0	\$0	\$103,100	0
Sub-total	\$103,100	\$0	\$0	\$103,100	0
• Legislation - Medical Examiner Training					
To provide recurring funds for training to ensure a standard in death investigations and accurate reporting.					
343.01 Administration	\$527,800	\$0	\$0	\$527,800	1
Sub-total	\$527,800	\$0	\$0	\$527,800	1
• Health Related Boards Administration					
To provide recurring funds for three positions to process and audit continuing educational material for health related boards, work with health practitioner profile information, and assist with document imaging. The state appropriation is from dedicated funds.					
343.10 Health Related Boards	\$171,600	\$0	\$0	\$171,600	3
Sub-total	\$171,600	\$0	\$0	\$171,600	3
Total Health	\$10,308,800	\$616,000	\$3,719,600	\$14,644,400	33

Health and Social Services
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Intellectual and Developmental Disabilities					
• Clover Bottom Lawsuit Settlement Exit Plan					
To provide funds for an exit plan for the Clover Bottom Developmental Center lawsuit. Of these funds, \$817,600 is non-recurring. The other funding is from the TennCare Program and is comprised of \$674,500 state appropriation and \$1,197,000 in federal revenue.					
344.11 Clover Bottom Developmental Center	\$0	\$0	\$1,871,500	\$1,871,500	0
Sub-total	\$0	\$0	\$1,871,500	\$1,871,500	0
• Assistive Technology and Therapy Services Funding					
To provide recurring state appropriation in order to eliminate revenue estimates for certain assistive technology and therapy services for which federal matching funds are not available. The other revenue is from the TennCare program and is comprised of \$539,900 in state appropriation and \$1,004,100 in federal revenue.					
344.20 West Tennessee Regional Office	\$745,800	\$0	(\$745,800)	\$0	0
344.35 Assistive Technology Clinics	\$798,200	\$0	(\$798,200)	\$0	0
Sub-total	\$1,544,000	\$0	(\$1,544,000)	\$0	0
Total Intellectual and Developmental Disabilities	\$1,544,000	\$0	\$327,500	\$1,871,500	0
Human Services					
• Human Resource Agencies					
To provide recurring funds for grants to the Human Resource Agencies.					
345.49 Community Services	\$1,415,600	\$0	\$0	\$1,415,600	0
Sub-total	\$1,415,600	\$0	\$0	\$1,415,600	0
• Child Support Assistant District Attorneys Step Raises					
To provide recurring funds for the mandated salary increase required in TCA 8-7-201 for the assistant district attorneys in the IV-D Child Support Enforcement program.					
345.13 Child Support	\$39,200	\$76,100	\$0	\$115,300	0
Sub-total	\$39,200	\$76,100	\$0	\$115,300	0
Total Human Services	\$1,454,800	\$76,100	\$0	\$1,530,900	0

Health and Social Services

Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Strategic Health-Care Programs					
• CoverKids Plan Administration					
Increase state general fund revenue by transitioning CoverKids members to a plan administered by a TennCare MCO. This change would increase the HMO premium tax revenue to the general fund by \$6,765,000 and will require an increase of state appropriation in the CoverKids program of \$1,654,500. The net gain to the general fund will be \$5,110,500.					
350.50 CoverKids	\$1,654,500	\$5,110,500	\$0	\$6,765,000	0
Sub-total	\$1,654,500	\$5,110,500	\$0	\$6,765,000	0
Total Strategic Health-Care Programs	\$1,654,500	\$5,110,500	\$0	\$6,765,000	0

Children's Services

• Brian A. Settlement Agreement

To provide recurring funds for expenditures related to the Brian A. Settlement Agreement. This includes funds for position upgrades for Child Protective Services (CPS) assessment case managers at a cost of \$602,400, three additional positions for Quality Service Review at a cost of \$196,300, two additional training staff for a cost of \$127,100, two additional positions for regional attorneys at a cost of \$187,500, four additional positions for administrative procedures at a cost of \$289,200, Tennessee Family and Child Tracking System (TFACTS) software at a cost of \$375,000, litigation e-mail storage at a cost of \$865,000, Social Security Administration query system at a cost of \$257,000, residential and foster care rate increases at a cost of \$360,800, and funds for growth in the caseload of adoption assistance at a cost of \$2,493,500. The other funding, from the TennCare program, is comprised of \$382,500 in state appropriation and \$652,300 in federal revenue.

359.10 Administration	\$996,600	\$335,700	\$641,400	\$1,973,700	6
359.30 Custody Services	\$230,900	\$129,900	\$0	\$360,800	0
359.40 Adoption Services	\$1,251,700	\$1,241,800	\$0	\$2,493,500	0
359.50 Child and Family Management	\$341,800	\$190,600	\$393,400	\$925,800	5
Sub-total	\$2,821,000	\$1,898,000	\$1,034,800	\$5,753,800	11

• Security Staffing

To provide recurring funds for 30 additional security staff to improve the staff to youth ratio at the youth development centers.

359.60 John S. Wilder Youth Development Center	\$714,400	\$0	\$0	\$714,400	15
359.63 Mountain View Youth Development Center	\$714,400	\$0	\$0	\$714,400	15
Sub-total	\$1,428,800	\$0	\$0	\$1,428,800	30

Health and Social Services
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Residential Services					
To provide recurring funds for private residential services provided to students previously served at a youth development center. The other funding, from the TennCare program, is comprised of \$897,600 in state appropriation and \$1,669,500 in federal revenue.					
359.30 Custody Services	\$1,915,700	\$1,037,900	\$2,567,100	\$5,520,700	0
Sub-total	\$1,915,700	\$1,037,900	\$2,567,100	\$5,520,700	0
• Federal Match Rate Change					
To provide recurring funds to replace a loss of federal funds resulting from a decrease in the Federal Medical Assistance Percentage (FMAP) rate in the IV-E Adoption Assistance and Foster Care programs from 65.065% in fiscal year 2014-2015 to 65.035% in fiscal year 2015-2016.					
359.30 Custody Services	\$10,200	(\$10,200)	\$0	\$0	0
359.40 Adoption Services	\$28,200	(\$28,200)	\$0	\$0	0
Sub-total	\$38,400	(\$38,400)	\$0	\$0	0
• Teacher Training and Experience Compensation					
To provide recurring funds for salary increases to teachers at youth development center schools according to their level of training and experience as required by TCA 49-50-1003(d) and TCA 4-6-143(d). This increase will assure that salaries for teachers at the youth development centers are comparable to other public school teachers.					
359.60 John S. Wilder Youth Development Center	\$12,800	\$0	\$0	\$12,800	0
359.62 Woodland Hills Youth Development Center	\$7,700	\$0	\$0	\$7,700	0
359.63 Mountain View Youth Development Center	\$17,400	\$0	\$0	\$17,400	0
Sub-total	\$37,900	\$0	\$0	\$37,900	0
Total Children's Services	\$6,241,800	\$2,897,500	\$3,601,900	\$12,741,200	41
Total Health and Social Services	\$105,542,000	\$158,459,400	\$105,153,400	\$369,154,800	74

Commission on Children and Youth

The Commission on Children and Youth works with state agencies, juvenile courts, child advocacy groups, interested citizens, and other organizations to improve services to children. The commission also administers the federal Juvenile Justice and Delinquency Prevention Grant, the federal Juvenile Accountability Block Grant, and other federal and state grant funds for juvenile justice programs.

The commission is comprised of 21 members appointed by the Governor. Four members of the commission are youth advisory members and, as required by statute, at least one member is appointed from each of Tennessee's nine development districts. The Governor appoints an executive director to administer the agency.

The commission members, central office staff, and district coordinators are engaged in the following activities: improving the coordination of services for children, collecting and disseminating statistical and programmatic information, informing citizens and organizations on children's issues, tracking legislation and making recommendations to the Governor and Legislature, and evaluating selected state programs and services for children.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

316.01 Commission on Children and Youth

Full-Time	27	27	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	27	27	0	27
Payroll	1,627,600	2,328,500	2,300,400	0	2,300,400
Operational	2,049,800	1,983,600	2,008,600	0	2,008,600
Total	\$3,677,400	\$4,312,100	\$4,309,000	\$0	\$4,309,000
State	2,351,400	2,419,000	2,403,200	0	2,403,200
Federal	568,000	1,228,100	1,220,100	0	1,220,100
Other	758,000	665,000	685,700	0	685,700

Commission on Aging and Disability

The Commission on Aging and Disability is responsible for networking aging or disabled adults needing in-home services with state, federal, and local programs.

The commission is comprised of 22 members. The Governor appoints 19 members, including a member of his staff. The commissioners of Health, Mental Health and Substance Abuse Services, Intellectual and Developmental Disabilities, Human Services, and Veterans Affairs; and the director of TennCare and the executive director of the Council on Developmental Disabilities are ex-officio, voting members; and the speakers of the Senate and House of Representatives appoint one non-voting member each. The Governor appoints an executive director to administer the agency.

The commission performs the following activities: administers the Older Americans Act; administers a home and community based program for the elderly and disabled who are not eligible for Medicaid; collects statistics on the elderly, family caregivers, and adults with disabilities needing in-home services; publishes information on aging and adults with disabilities; makes recommendations on program improvements; and assists in developing needed services.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
316.02 Commission on Aging and Disability					
Full-Time	31	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	31	31	0	31
Payroll	2,008,900	2,266,900	2,242,100	0	2,242,100
Operational	37,084,900	38,795,400	38,795,400	323,000	39,118,400
Total	\$39,093,800	\$41,062,300	\$41,037,500	\$323,000	\$41,360,500
State	13,323,500	13,723,600	13,715,300	0	13,715,300
Federal	25,769,800	27,338,700	27,322,200	323,000	27,645,200
Other	500	0	0	0	0

Health Services and Development Agency

The Health Services and Development Agency is responsible for regulating the health-care industry through the certificate-of-need program. The agency requires certification of need for the establishment or modification of health-care facilities and the reporting of financial and statistical data from these facilities. The certificate-of-need program assures that health-care projects are accomplished in an orderly, economical manner, consistent with the development of an adequate and effective health-care system.

The agency is governed by an eleven-member board. The Governor appoints six members. The Comptroller of the Treasury, the Commissioner of Commerce and Insurance, and the Director of TennCare are ex-officio members; the speakers of the Senate and House of Representatives appoint one member each. The board acts as a regulatory body in the certificate-of-need process and appoints an executive director to administer the agency.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

316.07 Health Services and Development Agency

Full-Time	10	10	10	0	10
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	762,700	879,700	869,100	0	869,100
Operational	314,500	221,500	221,500	100,000	321,500
Total	\$1,077,200	\$1,101,200	\$1,090,600	\$100,000	\$1,190,600
State	1,075,000	1,101,200	1,090,600	100,000	1,190,600
Federal	0	0	0	0	0
Other	2,200	0	0	0	0

Department of Finance and Administration, Bureau of TennCare

In 2011, all health-care programs within the Department of Finance and Administration were consolidated under the Division of Health-Care Finance and Administration. The division consists of two parts, the Bureau of TennCare and Strategic Health-Care Programs.

TennCare is responsible for administering Tennessee's Medicaid waiver program. TennCare provides basic health care, behavioral health services, and long-term services and supports to people who meet program eligibility requirements.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

318.65 TennCare Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare program. This allotment provides funds for the staffing, contractual, and other operational costs necessary for administration of the program, and for determination of client eligibility for services.

Full-Time	644	766	766	0	766
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	644	766	766	0	766
Payroll	38,794,900	57,353,700	57,047,700	433,800	57,481,500
Operational	207,876,100	162,032,500	161,255,500	0	161,255,500
Total	\$246,671,000	\$219,386,200	\$218,303,200	\$433,800	\$218,737,000
State	92,797,400	87,218,800	86,708,900	108,400	86,817,300
Federal	153,139,900	130,615,500	130,044,600	325,400	130,370,000
Other	733,700	1,551,900	1,549,700	0	1,549,700

318.66 TennCare Medical Services

TennCare Medical Services provides funding for traditional basic health care, behavioral health services, and long-term services and support under the Medicaid waiver program. The program provides funding to managed care organizations that provide basic medical, behavioral health services, and long-term services and support, and to other state agencies that provide medical care. State agencies with programs funded from this allotment include the Department of Children's Services and the Department of Health.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	6,751,620,300	7,636,259,400	7,303,471,400	310,402,700	7,613,874,100
Total	\$6,751,620,300	\$7,636,259,400	\$7,303,471,400	\$310,402,700	\$7,613,874,100
State	2,074,561,800	2,308,129,000	2,245,296,200	76,258,900	2,321,555,100
Federal	4,260,288,300	4,997,086,200	4,664,391,400	136,639,400	4,801,030,800
Other	416,770,200	331,044,200	393,783,800	97,504,400	491,288,200

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

318.70 Supplemental Payments

Supplemental Payments includes funding for Essential Access Hospitals, Critical Access Hospitals, Federally Qualified Health Clinics (FQHC), Disproportionate Share Hospitals (DSH), as well as payments for Graduate Medical Education and Meharry Medical College. This program also houses the Health Information Technology incentive payments for qualified providers and hospitals.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	897,666,500	962,673,000	911,170,400	0	911,170,400
Total	\$897,666,500	\$962,673,000	\$911,170,400	\$0	\$911,170,400
State	279,068,400	271,020,300	271,752,700	16,500	271,769,200
Federal	584,476,100	654,440,800	605,205,800	-16,500	605,189,300
Other	34,122,000	37,211,900	34,211,900	0	34,211,900

318.71 Intellectual Disabilities Services

Intellectual Disabilities Services provides administrative oversight and funding for three home and community based services waivers for persons with intellectual disabilities. The Department of Intellectual and Developmental Disabilities is the administrative lead agency for these waiver programs. This program also provides funding for individuals who require long-term institutional care in intermediate care facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	906,326,200	921,709,500	911,495,900	19,817,300	931,313,200
Total	\$906,326,200	\$921,709,500	\$911,495,900	\$19,817,300	\$931,313,200
State	320,842,300	328,173,600	325,609,100	7,210,400	332,819,500
Federal	585,482,300	593,072,600	585,886,800	12,606,900	598,493,700
Other	1,600	463,300	0	0	0

318.72 Medicare Services

Medicare Services provides funding for Medicare premiums and co-payments for certain individuals who are dually eligible for Medicare and Medicaid, as well as low-income Medicare beneficiaries who are not eligible for TennCare. Funding for these premiums and co-payments allows the TennCare recipients the ability to receive medical services that would otherwise be unavailable due to financial constraints.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	0	0	0	0	0
Operational	590,176,800	618,980,500	603,980,500	0	603,980,500
Total	\$590,176,800	\$618,980,500	\$603,980,500	\$0	\$603,980,500
State	303,952,400	321,153,200	321,163,900	118,900	321,282,800
Federal	286,224,400	297,827,300	282,816,600	-118,900	282,697,700
Other	0	0	0	0	0
318.00 Total Finance and Administration, Bureau of TennCare					
Full-Time	644	766	766	0	766
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	644	766	766	0	766
Payroll	38,794,900	57,353,700	57,047,700	433,800	57,481,500
Operational	9,353,665,900	10,301,654,900	9,891,373,700	330,220,000	10,221,593,700
Total	\$9,392,460,800	\$10,359,008,600	\$9,948,421,400	\$330,653,800	\$10,279,075,200
State	3,071,222,300	3,315,694,900	3,250,530,800	83,713,100	3,334,243,900
Federal	5,869,611,000	6,673,042,400	6,268,345,200	149,436,300	6,417,781,500
Other	451,627,500	370,271,300	429,545,400	97,504,400	527,049,800

Department of Mental Health and Substance Abuse Services

The Department of Mental Health and Substance Abuse Services is responsible for ensuring the provision of services to children, youth, and adults with or at risk of serious and persistent mental illness, serious emotional disturbance, and substance-related disorders. This is accomplished through a system of community service providers, four state-operated regional mental health institutes (RMHI) and three contracted private inpatient facilities. The primary focus of the department is to provide a comprehensive system of care that includes adequate resources, safeguard the rights of consumers, match services to the consumer and family members in the least restrictive setting, promote consumer integration into the community, and educate the community regarding mental health and substance abuse disorders.

The department is divided into three functional areas: Administrative Services, Mental Health Services, and Substance Abuse Services.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

339.01 Administrative Services Division

Administrative Services directs the regulatory and administrative responsibilities of the department. Staff provide and coordinate legal, regulatory and medical advice, public information and education, planning, research, forensics and licensing functions, and support services in the recruitment and retention of the workforce, as well as develop and implement special programs and projects. Staff also oversee purchasing, facility management operations, and major maintenance and capital outlay projects; provides budgeting and accounting functions, services procurement and contract monitoring, claims payments, data processing, and systems reporting; and develops and maintains automated systems applications for the central office and state-operated facilities.

Full-Time	198	197	194	0	194
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	203	202	199	0	199
Payroll	14,192,200	16,533,600	15,915,600	0	15,915,600
Operational	3,524,300	3,574,100	3,321,300	0	3,321,300
Total	\$17,716,500	\$20,107,700	\$19,236,900	\$0	\$19,236,900
State	12,847,300	14,453,700	13,789,200	0	13,789,200
Federal	2,589,000	3,395,800	3,212,700	0	3,212,700
Other	2,280,200	2,258,200	2,235,000	0	2,235,000

Mental Health and Substance Abuse Services

The Mental Health and Substance Abuse Services division provides services for individuals suffering from mental illness or a substance-related disorder through a comprehensive network of community service providers, as well as through the state's four regional mental health institutes.

The state's four regional mental health institutes provide inpatient services to increase the functionality, productivity, and quality of life for severely mentally-ill adults. The regional mental health institutes are accredited by The Joint Commission as psychiatric hospitals. The

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

institutes provide the following services: acute treatment services for adults who need emergency and generally short-term inpatient care; rehabilitation services for chronically ill adults who typically require basic living, socialization, and vocational skills training; geropsychiatric services primarily to persons age 60 and older, many of whom need nursing care; and forensic services for inpatient evaluation and treatment to adults as designated by the courts.

339.03 Community Substance Abuse Services

Community Substance Abuse Services develops prevention and treatment services to decrease the incidence of alcohol and other drug abuse and dependence. There is particular emphasis on populations with special needs including children and youth, AIDS patients, minorities, women, intravenous drug abusers, the elderly, and persons with co-occurring disorders. The majority of services are provided through grants to non-profit, faith-based or local government agencies. Services include screening and assessment, detoxification, family intervention, residential rehabilitation, halfway houses, day treatment, and outpatient services.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	58,910,500	62,625,500	61,707,700	525,000	62,232,700
Total	\$58,910,500	\$62,625,500	\$61,707,700	\$525,000	\$62,232,700
State	23,058,400	23,810,700	23,276,400	525,000	23,801,400
Federal	31,193,400	33,789,700	33,406,200	0	33,406,200
Other	4,658,700	5,025,100	5,025,100	0	5,025,100

339.08 Community Mental Health Services

The Community Mental Health Services program provides crisis services, early intervention and support services, rehabilitation, recovery services, and criminal and juvenile court ordered evaluations. The program also offers basic mental health services to persons with serious mental illnesses through the behavioral health safety net program, which provides individuals with assessment, evaluation, diagnosis, case management, psychiatric medication management, and pharmacy assistance. These services are provided through a network of not-for-profit agencies.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	97,941,400	101,638,800	98,402,600	0	98,402,600
Total	\$97,941,400	\$101,638,800	\$98,402,600	\$0	\$98,402,600
State	75,832,000	78,000,500	77,365,100	0	77,365,100
Federal	16,254,000	19,597,500	16,859,300	0	16,859,300
Other	5,855,400	4,040,800	4,178,200	0	4,178,200

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

339.11 Middle Tennessee Mental Health Institute

Middle Tennessee Mental Health Institute was established in Nashville in 1853, is accredited as a psychiatric hospital, and operates 195 beds. In addition to its other inpatient services, the hospital also provides forensic evaluation and treatment services in a secure setting.

Full-Time	591	587	587	0	587
Part-Time	0	1	1	0	1
Seasonal	0	0	0	0	0
Total	591	588	588	0	588
Payroll	33,999,000	35,635,800	35,172,300	0	35,172,300
Operational	11,324,400	10,262,000	10,260,600	0	10,260,600
Total	\$45,323,400	\$45,897,800	\$45,432,900	\$0	\$45,432,900
State	31,606,100	32,079,100	31,753,700	0	31,753,700
Federal	1,650,700	1,863,000	1,844,200	0	1,844,200
Other	12,066,600	11,955,700	11,835,000	0	11,835,000

339.12 Western Mental Health Institute

Western Mental Health Institute was established in Bolivar in 1889, is accredited as a psychiatric hospital, and operates 150 beds.

Full-Time	457	452	452	0	452
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	457	452	452	0	452
Payroll	26,489,300	28,785,700	28,298,400	0	28,298,400
Operational	5,747,500	6,556,200	6,554,800	0	6,554,800
Total	\$32,236,800	\$35,341,900	\$34,853,200	\$0	\$34,853,200
State	23,178,800	20,542,700	20,258,100	0	20,258,100
Federal	738,800	2,066,300	2,037,800	0	2,037,800
Other	8,319,200	12,732,900	12,557,300	0	12,557,300

339.16 Moccasin Bend Mental Health Institute

Moccasin Bend Mental Health Institute was established in Chattanooga in 1961, is accredited as a psychiatric hospital, and operates 150 beds.

Full-Time	438	447	447	0	447
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	438	447	447	0	447
Payroll	24,413,400	25,569,900	25,205,000	0	25,205,000
Operational	8,142,300	7,126,800	7,125,400	0	7,125,400
Total	\$32,555,700	\$32,696,700	\$32,330,400	\$0	\$32,330,400
State	19,828,500	20,443,900	20,214,400	0	20,214,400
Federal	4,285,100	4,725,700	4,116,800	0	4,116,800
Other	8,442,100	7,527,100	7,999,200	0	7,999,200

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

339.17 Memphis Mental Health Institute

Memphis Mental Health Institute was established in Memphis in 1962, is accredited as a psychiatric hospital, and operates 55 beds.

Full-Time	185	185	185	0	185
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	186	186	186	0	186
Payroll	12,426,500	13,060,000	12,856,600	0	12,856,600
Operational	5,553,400	5,511,200	5,509,800	0	5,509,800
Total	\$17,979,900	\$18,571,200	\$18,366,400	\$0	\$18,366,400
State	14,281,600	14,618,500	14,457,000	0	14,457,000
Federal	859,800	1,078,000	1,066,200	0	1,066,200
Other	2,838,500	2,874,700	2,843,200	0	2,843,200

339.40 Major Maintenance

Major Maintenance provides maintenance funds for the state's mental health institutes in the event of an emergency, as well as assisting with facility maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	603,400	450,000	450,000	0	450,000
Total	\$603,400	\$450,000	\$450,000	\$0	\$450,000
State	450,000	450,000	450,000	0	450,000
Federal	0	0	0	0	0
Other	153,400	0	0	0	0

339.00 Total Mental Health and Substance Abuse Services

Full-Time	1,869	1,868	1,865	0	1,865
Part-Time	6	7	7	0	7
Seasonal	0	0	0	0	0
Total	1,875	1,875	1,872	0	1,872
Payroll	111,520,400	119,585,000	117,447,900	0	117,447,900
Operational	191,747,200	197,744,600	193,332,200	525,000	193,857,200
Total	\$303,267,600	\$317,329,600	\$310,780,100	\$525,000	\$311,305,100
State	201,082,700	204,399,100	201,563,900	525,000	202,088,900
Federal	57,570,800	66,516,000	62,543,200	0	62,543,200
Other	44,614,100	46,414,500	46,673,000	0	46,673,000

Statistical Data Mental Health Institutes

	<u>Lakeshore*</u> 339.10	<u>Middle Tennessee</u> 339.11	<u>Western</u> 339.12	<u>Moccasin Bend</u> 339.16	<u>Memphis</u> 339.17	<u>Total</u>
Annual Admissions						
2008-2009	2,539	3,275	1,232	1,964	1,983	10,993
2009-2010	2,217	3,102	1,341	1,866	1,901	10,427
2010-2011	2,400	3,150	1,350	1,875	1,901	10,676
2011-2012	2,400	2,881	1,211	2,340	1,440	10,272
2012-2013	0	3,157	975	2,763	1,184	8,079
2013-2014	0	3,150	1,000	3,150	1,200	8,500
2014-2015	0	3,150	1,000	3,150	1,200	8,500
2015-2016	0	3,150	1,000	3,150	1,200	8,500
Annual Releases						
2008-2009	2,586	3,338	1,300	1,990	1,993	11,207
2009-2010	2,239	3,110	1,353	1,885	1,903	10,490
2010-2011	2,400	3,150	1,350	1,898	1,903	10,701
2011-2012	2,400	2,854	1,202	2,305	1,433	10,194
2012-2013	0	3,139	971	2,752	1,186	8,048
2013-2014	0	3,150	1,000	3,200	1,200	8,550
2014-2015	0	3,150	1,000	3,200	1,200	8,550
2015-2016	0	3,150	1,000	3,200	1,200	8,550
Average Daily Census						
2008-2009	141	204	156	123	65	689
2009-2010	98	172	121	102	60	553
2010-2011	98	163	119	101	56	537
2011-2012	95	166	114	104	59	538
2012-2013	0	167	132	131	49	479
2013-2014	0	177	119	137	47	480
2014-2015	0	178	120	134	48	480
2015-2016	0	178	120	130	48	476
Cost Per Occupancy Day**						
2008-2009	\$646.26	\$681.19	\$741.50	\$649.81	\$1,120.73	\$723.46
2009-2010	\$727.09	\$688.93	\$728.93	\$636.77	\$937.47	\$721.44
2010-2011	\$692.13	\$724.79	\$719.33	\$640.10	\$911.63	\$721.18
2011-2012	\$684.65	\$696.83	\$746.89	\$647.54	\$896.88	\$717.70
2012-2013	\$0.00	\$697.85	\$658.96	\$592.12	\$1,063.61	\$719.71
2013-2014	\$0.00	\$701.55	\$742.18	\$651.05	\$1,048.09	\$731.14
2014-2015	\$0.00	\$706.45	\$806.89	\$668.51	\$1,060.00	\$756.32
2015-2016	\$0.00	\$697.38	\$793.56	\$679.50	\$1,045.45	\$751.84

* Lakeshore Mental Health Institute closed at the end of Fiscal Year 2011-2012.

** Last column indicates average cost per day for all institutions.

Department of Health

The Department of Health is responsible for protecting and improving the health of Tennessee's citizens and visitors. In order to carry out this responsibility, the department is organized into the following three areas: Administrative and Support Services, Health Licensure and Regulation, and Health Services.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administrative and Support Services

Administrative and Support Services provides direction, coordination, review, and basic support services to the Department of Health, including administrative services, audit, information technology, and general counsel.

343.01 Administration

Administration provides for the overall policy direction and management of the department as well as the human resources, legal, internal audit, accounting, budgeting, and information technology services.

Full-Time	229	249	260	15	275
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	229	249	260	15	275
Payroll	15,477,300	20,023,200	20,681,600	1,407,000	22,088,600
Operational	5,646,500	5,722,000	5,154,500	455,500	5,610,000
Total	\$21,123,800	\$25,745,200	\$25,836,100	\$1,862,500	\$27,698,600
State	16,381,800	21,442,100	20,041,600	1,862,500	21,904,100
Federal	4,551,200	3,903,500	5,398,200	0	5,398,200
Other	190,800	399,600	396,300	0	396,300

Health Licensure and Regulation

Health Licensure and Regulation regulates the health-care industry through the certification of health-care facilities, emergency medical services, and the regulation of certain health-care professionals. In addition, the division licenses the commercial breeding of companion animals and coordinates and administers the Trauma System Fund.

343.05 Health Licensure and Regulation

This program includes funds for staff that provide policy, direction, and support to Health Licensure and Regulation and monitors the quality of health care. Civil rights compliance, health-care facility licensure, and the health-care federal certification program are administered by the division. The division also certifies providers for the participation in federal Medicare and Medicaid programs. Health Licensure and Regulation monitors facility compliance with the state minimum standards, federal standards of care, and conditions of participation through facility surveys and incident investigations.

Full-Time	185	185	178	0	178
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	185	185	178	0	178

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	12,021,200	14,429,900	13,171,500	0	13,171,500
Operational	3,858,700	4,085,900	4,735,900	0	4,735,900
Total	\$15,879,900	\$18,515,800	\$17,907,400	\$0	\$17,907,400
State	9,795,500	8,853,700	8,742,100	0	8,742,100
Federal	4,866,000	8,503,600	7,964,900	0	7,964,900
Other	1,218,400	1,158,500	1,200,400	0	1,200,400

343.06 Trauma System Fund

The Trauma System Fund provides payments and grants to all levels of trauma centers and comprehensive regional pediatric centers based on the recommendations of the Tennessee Trauma Care Advisory Council. Payments and grants are made to trauma care centers for the cost of maintaining required standards for designation and uncompensated care cost associated with trauma care patients.

Full-Time	1	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	1	1	0	1
Payroll	82,200	86,600	87,400	0	87,400
Operational	10,067,700	8,413,400	8,412,400	0	8,412,400
Total	\$10,149,900	\$8,500,000	\$8,499,800	\$0	\$8,499,800
State	8,500,000	8,500,000	8,499,800	0	8,499,800
Federal	0	0	0	0	0
Other	1,649,900	0	0	0	0

343.07 Emergency Medical Services

Emergency Medical Services (EMS) provides quality assurance and oversight of pre-hospital emergency medical care and the medical transportation system in Tennessee. Activities include licensing public and private ambulance services, inspecting and issuing permits for ambulances, training and certifying personnel, and developing regulations. EMS provides technical assistance and coordination to local governments for developing EMS communications systems. EMS also is responsible for statewide, multi-agency emergency medical disaster planning, training, and operations, as identified in the Tennessee Emergency Management plan.

Full-Time	20	20	17	0	17
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	33	33	30	0	30
Payroll	1,095,100	1,355,000	1,119,400	0	1,119,400
Operational	559,500	547,900	547,900	0	547,900
Total	\$1,654,600	\$1,902,900	\$1,667,300	\$0	\$1,667,300
State	0	274,200	2,600	0	2,600
Federal	7,000	3,200	3,200	0	3,200
Other	1,647,600	1,625,500	1,661,500	0	1,661,500

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

343.09 Animal Welfare

Animal Welfare was comprised of the Commercial Breeder Licensure and Regulation and the Dog and Cat Dealer Licensure and Regulation programs. The Commercial Breeder Licensure and Regulation program ended June 30, 2014. The Dog and Cat Dealer Licensure and Regulation program was transferred to 343.39, General Environmental Health.

Full-Time	5	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	0	0	0	0
Payroll	324,400	0	0	0	0
Operational	119,800	0	0	0	0
Total	\$444,200	\$0	\$0	\$0	\$0
State	444,000	0	0	0	0
Federal	0	0	0	0	0
Other	200	0	0	0	0

343.10 Health Related Boards

Health Related Boards certify and license health-care professionals; enforce statutes and rules setting standards of practice and professional conduct; and assist in administration, investigation, enforcement, and peer assistance.

Full-Time	139	143	135	3	138
Part-Time	185	185	185	0	185
Seasonal	0	0	0	0	0
Total	324	328	320	3	323
Payroll	8,877,600	10,121,900	9,375,200	143,200	9,518,400
Operational	5,830,700	7,108,800	6,317,600	28,400	6,346,000
Total	\$14,708,300	\$17,230,700	\$15,692,800	\$171,600	\$15,864,400
State	14,333,100	16,688,200	15,151,000	171,600	15,322,600
Federal	0	413,500	413,500	0	413,500
Other	375,200	129,000	128,300	0	128,300

Health Services

Health Services delivers public health services through a system of 13 regional health offices responsible for the oversight of services provided in 89 rural county health departments, and six metropolitan health departments. These services encompass both primary care and preventative services, with an emphasis on health promotion, disease prevention, and health access. Services provided through the following programs: General Environmental Health, Family Health and Wellness, Communicable and Environmental Disease and Emergency Preparedness, Community and Medical Services, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and Health Services.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

343.08 Laboratory Services

Laboratory Services offer microbiological and environmental laboratory services for the Department of Health and other state agencies. These services include screening and confirmation tests for disease outbreak investigation, sexually transmitted diseases, tuberculosis, HIV, mosquito-borne viruses, animal rabies, biological and chemical contaminants, and suspect foods. Reference and limited microbiological support is provided to hospitals, private physicians, and private laboratories. The division also provides analytical support to the department's prevention and treatment programs and to environmental regulatory programs.

Full-Time	142	132	136	3	139
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	142	132	136	3	139
Payroll	8,641,000	9,202,600	9,114,400	189,600	9,304,000
Operational	9,610,900	8,179,700	8,179,700	2,705,000	10,884,700
Total	\$18,251,900	\$17,382,300	\$17,294,100	\$2,894,600	\$20,188,700
State	8,125,300	6,055,200	5,705,800	0	5,705,800
Federal	1,884,500	1,610,600	1,626,200	0	1,626,200
Other	8,242,100	9,716,500	9,962,100	2,894,600	12,856,700

343.20 Policy, Planning and Assessment

Policy, Planning and Assessment (PPA) administers all vital records (including births, deaths, marriages, and divorces), health statistics research, and the traumatic brain injury registry. Statistical health-related information gathered from these records and other databases are accessed to analyze issues that affect the health of Tennesseans. Through the Office of Cancer Surveillance, PPA administers the cancer registry and the comprehensive cancer control plan.

Full-Time	123	123	123	0	123
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	123	123	123	0	123
Payroll	6,401,100	8,108,200	7,695,300	0	7,695,300
Operational	3,064,200	3,616,400	3,916,400	0	3,916,400
Total	\$9,465,300	\$11,724,600	\$11,611,700	\$0	\$11,611,700
State	3,293,900	4,696,000	3,800,900	0	3,800,900
Federal	2,563,400	3,116,600	3,086,500	0	3,086,500
Other	3,608,000	3,912,000	4,724,300	0	4,724,300

343.39 General Environmental Health

General Environmental Health enforces sanitation and safety standards in hotels, food service establishments, bed and breakfast establishments, campgrounds, swimming pools, tattoo studios, and body piercing establishments through field inspections. In addition, the program is responsible for rabies control activities, administration of the Animal Friendly grant program, West Nile surveillance, and environmental surveys that are conducted in schools, child care facilities, and state correctional institutions.

Full-Time	108	108	108	0	108
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	108	108	108	0	108

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	7,071,600	7,771,000	7,452,100	0	7,452,100
Operational	4,931,600	4,697,900	4,897,900	0	4,897,900
Total	\$12,003,200	\$12,468,900	\$12,350,000	\$0	\$12,350,000
State	11,748,400	12,295,300	12,178,100	0	12,178,100
Federal	174,400	85,000	84,200	0	84,200
Other	80,400	88,600	87,700	0	87,700

343.47 Family Health and Wellness

Family Health and Wellness provides health services to women of child-bearing age and to children in low-income populations in an effort to reduce maternal and infant mortality and morbidity. This program also provides evaluation, diagnosis, education, counseling, comprehensive medical care, and case management services to physically disabled children up to age 21. Program services also include abstinence education, child health-care services, child fatality reviews, coordinated school health programs with the Department of Education, adolescent pregnancy prevention, newborn genetic and hearing screening, services for pregnant women, family planning, and home visits to clients. Additionally, funding for the Diabetes Prevention and Health Improvement program is budgeted in Family Health and Wellness.

Full-Time	93	96	95	2	97
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	93	96	95	2	97
Payroll	5,729,500	6,974,700	6,976,600	187,300	7,163,900
Operational	35,386,300	36,745,100	34,907,100	2,137,700	37,044,800
Total	\$41,115,800	\$43,719,800	\$41,883,700	\$2,325,000	\$44,208,700
State	13,686,200	8,596,100	6,794,700	1,500,000	8,294,700
Federal	23,513,400	28,242,800	28,118,800	0	28,118,800
Other	3,916,200	6,880,900	6,970,200	825,000	7,795,200

343.49 Communicable and Environmental Disease and Emergency Preparedness

The Communicable and Environmental Disease Services program works with staff in regional and local health departments to provide epidemiological services. These activities include epidemiological investigations of acute communicable diseases; tuberculosis control services; administration of immunizations against vaccine-preventable diseases; investigation, diagnosis, and treatment of persons with sexually transmitted diseases, including HIV/AIDS.

Environmental epidemiology services include educational services relative to chemical or physical pollution, disease cluster investigations, and toxicological at-risk assessment consultations with environmental regulatory programs in the Department of Environment and Conservation. Staff also maintains surveillance systems for early detection of bioterrorism and provides emergency support to local health departments and emergency responders.

Full-Time	157	168	165	0	165
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	157	168	165	0	165
Payroll	10,919,600	12,962,200	13,065,400	0	13,065,400
Operational	51,524,600	50,031,000	49,821,000	0	49,821,000
Total	\$62,444,200	\$62,993,200	\$62,886,400	\$0	\$62,886,400

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	4,933,200	11,896,100	11,879,300	0	11,879,300
Federal	46,082,200	41,698,300	41,621,700	0	41,621,700
Other	11,428,800	9,398,800	9,385,400	0	9,385,400

343.52 Community and Medical Services

Community and Medical Services includes health promotion activities that reduce premature death and disability. The program promotes healthy lifestyle practices through a combination of preventive programs and wellness initiatives. The target population is the indigent and medically underserved. The Breast and Cervical Cancer Program provides screening and diagnostic testing. The Health Access Incentive Program provides financial incentives to primary care providers to locate in an underserved area as well as other community initiatives. The Office of Rural Health provides statewide coordination of activities designed to improve the availability and accessibility of health-care services in rural areas. Specific services include health access, rural health, rape prevention and education, community prevention initiative, diabetes prevention and control, heart disease and stroke prevention, and traumatic brain injury treatment.

Full-Time	21	21	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	20	0	20
Payroll	1,281,600	1,281,000	1,256,500	0	1,256,500
Operational	21,892,000	17,519,100	17,100,000	228,100	17,328,100
Total	\$23,173,600	\$18,800,100	\$18,356,500	\$228,100	\$18,584,600
State	21,233,600	14,171,400	12,106,900	228,100	12,335,000
Federal	1,532,800	1,633,100	1,562,900	0	1,562,900
Other	407,200	2,995,600	4,686,700	0	4,686,700

343.53 Women, Infants, and Children (WIC)

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides screening, counseling, and supplemental foods to low-income pregnant and postpartum breastfeeding women and supplemental foods to infants and children at risk due to inadequate nutrition. Through promotion and modification of food practices, this program seeks to minimize the risk of complications to mothers and children, maximize normal development, and improve the health status of the targeted high-risk population.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	119,343,000	128,739,800	128,739,800	0	128,739,800
Total	\$119,343,000	\$128,739,800	\$128,739,800	\$0	\$128,739,800
State	0	0	0	0	0
Federal	78,489,400	83,606,800	83,606,800	0	83,606,800
Other	40,853,600	45,133,000	45,133,000	0	45,133,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

343.60 Health Services

Health Services is a network of regional health offices, metropolitan area offices, and county health departments. Grants-in-aid are provided to local health units to assure that every citizen in the state has access to health care and to assist county health departments in providing adequate staff. Services include child health and development assistance; family planning; community health clinics; primary care; TennCare dental services; children's special services; immunizations; health promotion; sexually transmitted disease assistance; tuberculosis control; AIDS assistance; bioterrorism preparedness; community development; Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) outreach; and supplemental foods, screening, and counseling through the Women, Infants, and Children (WIC) program, described above.

Full-Time	1,635	1,648	1,640	10	1,650
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	1,637	1,650	1,642	10	1,652
Payroll	97,450,600	107,842,200	105,905,400	1,002,600	106,908,000
Operational	116,502,300	104,723,800	100,722,600	6,160,000	106,882,600
Total	\$213,952,900	\$212,566,000	\$206,628,000	\$7,162,600	\$213,790,600
State	76,266,300	76,864,700	69,601,300	6,546,600	76,147,900
Federal	70,910,100	64,714,400	64,321,900	616,000	64,937,900
Other	66,776,500	70,986,900	72,704,800	0	72,704,800

343.00 Total Health

Full-Time	2,858	2,894	2,878	33	2,911
Part-Time	200	200	200	0	200
Seasonal	0	0	0	0	0
Total	3,058	3,094	3,078	33	3,111
Payroll	175,372,800	200,158,500	195,900,800	2,929,700	198,830,500
Operational	388,337,800	380,130,800	373,452,800	11,714,700	385,167,500
Total	\$563,710,600	\$580,289,300	\$569,353,600	\$14,644,400	\$583,998,000
State	188,741,300	190,333,000	174,504,100	10,308,800	184,812,900
Federal	234,574,400	237,531,400	237,808,800	616,000	238,424,800
Other	140,394,900	152,424,900	157,040,700	3,719,600	160,760,300

Department of Intellectual and Developmental Disabilities

The Department of Intellectual and Developmental Disabilities was established as a separate department of state government effective January 15, 2011, by Chapter 1100 of the Public Acts of 2010. The department was previously a division of the Department of Finance and Administration. The department provides services in a variety of settings, ranging from supported living in the community to institutional care, with an emphasis on providing services to individuals in home and community-based settings where possible. The department also provides administrative support to the Council on Developmental Disabilities.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administration and Policy

344.01 Intellectual Disabilities Services Administration

Intellectual Disabilities Services Administration is responsible for oversight of the two developmental centers and the state-operated community homes; administration of the home and community-based Medicaid waiver program; policy development and implementation; approval of statewide programs and provider development; budget and personnel functions; and training, technical assistance, and consultation in specialty areas.

Full-Time	274	273	270	0	270
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	275	273	270	0	270
Payroll	19,683,300	20,457,800	19,974,600	0	19,974,600
Operational	6,557,100	6,390,100	5,135,200	0	5,135,200
Total	\$26,240,400	\$26,847,900	\$25,109,800	\$0	\$25,109,800
State	1,319,200	2,958,600	1,777,300	0	1,777,300
Federal	0	0	0	0	0
Other	24,921,200	23,889,300	23,332,500	0	23,332,500

344.81 Council on Developmental Disabilities

The Council on Developmental Disabilities works for public policies and service systems that promote the inclusion of individuals with developmental disabilities in their communities. The council consists of 21 members appointed by the Governor and represents a broad range of disabilities, as well as the cultural and geographic diversity of the state. The council is administratively attached to the Department of Intellectual and Developmental Disabilities.

Full-Time	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	9	9	0	9
Payroll	707,400	848,000	840,600	0	840,600
Operational	769,300	1,086,800	1,086,800	0	1,086,800
Total	\$1,476,700	\$1,934,800	\$1,927,400	\$0	\$1,927,400
State	363,800	203,400	202,600	0	202,600
Federal	1,025,700	1,651,400	1,645,100	0	1,645,100
Other	87,200	80,000	79,700	0	79,700

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Community Services

Three regional offices coordinate services for individuals in the community and for individuals transitioning from institutional settings to the community. Additional alternatives to institutional residential settings are provided at state-operated intermediate care facilities for the intellectually disabled at community homes serving West, Middle, and East Tennessee.

344.02 Community Intellectual Disabilities Services

The Community Intellectual Disabilities Services division provides community-based intellectual disabilities services to persons with intellectual disabilities and other developmental disabilities. The division contracts with community agencies across the state to provide the following comprehensive system of support services: residential services, family support, adult day services, therapy services, nursing services, dental services, respite, diagnostic and evaluation, supported employment, and support coordination.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	18,858,500	17,542,600	17,542,600	0	17,542,600
Total	\$18,858,500	\$17,542,600	\$17,542,600	\$0	\$17,542,600
State	14,156,700	13,103,500	13,103,500	0	13,103,500
Federal	0	0	0	0	0
Other	4,701,800	4,439,100	4,439,100	0	4,439,100

344.04 Protection from Harm

The Protection from Harm division serves as a safeguard for the service recipient and focuses on investigation, complaint resolution, and incident management.

Full-Time	64	63	63	0	63
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	65	64	64	0	64
Payroll	4,664,800	4,703,900	4,649,400	0	4,649,400
Operational	525,600	296,900	296,900	0	296,900
Total	\$5,190,400	\$5,000,800	\$4,946,300	\$0	\$4,946,300
State	294,700	510,900	281,200	0	281,200
Federal	0	0	0	0	0
Other	4,895,700	4,489,900	4,665,100	0	4,665,100

344.20 West Tennessee Regional Office

This office coordinates services and support to individuals with intellectual disabilities living in the community in west Tennessee.

Full-Time	166	153	147	0	147
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	166	153	147	0	147

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	10,538,300	10,979,200	10,533,800	0	10,533,800
Operational	4,448,600	3,147,200	2,992,100	0	2,992,100
Total	\$14,986,900	\$14,126,400	\$13,525,900	\$0	\$13,525,900
State	1,915,700	2,407,200	1,636,400	745,800	2,382,200
Federal	0	0	0	0	0
Other	13,071,200	11,719,200	11,889,500	-745,800	11,143,700

344.21 Middle Tennessee Regional Office

This office coordinates services and support to individuals with intellectual disabilities living in the community in middle Tennessee.

Full-Time	125	125	119	0	119
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	125	125	119	0	119
Payroll	7,955,200	8,656,400	8,178,800	0	8,178,800
Operational	1,909,000	2,563,700	2,563,700	0	2,563,700
Total	\$9,864,200	\$11,220,100	\$10,742,500	\$0	\$10,742,500
State	0	1,163,200	518,900	0	518,900
Federal	0	0	0	0	0
Other	9,864,200	10,056,900	10,223,600	0	10,223,600

344.22 East Tennessee Regional Office

This office coordinates services and support to individuals with intellectual disabilities living in the community in east Tennessee.

Full-Time	113	104	102	0	102
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	113	104	102	0	102
Payroll	7,040,200	7,387,700	7,171,500	0	7,171,500
Operational	1,935,200	1,826,000	1,826,000	0	1,826,000
Total	\$8,975,400	\$9,213,700	\$8,997,500	\$0	\$8,997,500
State	330,000	790,200	445,900	0	445,900
Federal	0	0	0	0	0
Other	8,645,400	8,423,500	8,551,600	0	8,551,600

344.35 Assistive Technology Clinics

The three assistive technology clinics located in east, middle, and west Tennessee provide custom wheelchairs and positioning equipment to individuals with intellectual and developmental disabilities.

Full-Time	32	30	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	30	26	0	26
Payroll	1,954,400	2,263,900	1,859,200	0	1,859,200
Operational	943,300	858,600	1,152,700	0	1,152,700
Total	\$2,897,700	\$3,122,500	\$3,011,900	\$0	\$3,011,900

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	1,856,100	1,060,500	978,400	798,200	1,776,600
Federal	0	0	0	0	0
Other	1,041,600	2,062,000	2,033,500	-798,200	1,235,300

344.40 West Tennessee Community Homes

West Tennessee Community Homes are intermediate care facilities for individuals with severe to profound intellectual, physical, and medical challenges and who have spent more than one-half of their lives in large, institutional settings.

Full-Time	211	209	202	0	202
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	211	209	202	0	202
Payroll	11,343,400	11,476,700	10,645,600	0	10,645,600
Operational	7,331,600	6,346,300	6,042,300	0	6,042,300
Total	\$18,675,000	\$17,823,000	\$16,687,900	\$0	\$16,687,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	18,675,000	17,823,000	16,687,900	0	16,687,900

344.41 Middle Tennessee Community Homes

Middle Tennessee Community Homes are intermediate care facilities for individuals with severe to profound intellectual, physical, and medical challenges and who have spent more than one-half of their lives in large, institutional settings.

Full-Time	76	193	175	0	175
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	76	193	175	0	175
Payroll	536,300	6,992,900	8,029,200	0	8,029,200
Operational	270,500	7,032,600	6,267,300	0	6,267,300
Total	\$806,800	\$14,025,500	\$14,296,500	\$0	\$14,296,500
State	804,900	267,100	95,900	0	95,900
Federal	0	0	0	0	0
Other	1,900	13,758,400	14,200,600	0	14,200,600

344.42 East Tennessee Community Homes

East Tennessee Community Homes are intermediate care facilities for individuals with severe to profound intellectual, physical, and medical challenges and who have spent more than one-half of their lives in large, institutional settings.

Full-Time	212	243	243	0	243
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	212	243	243	0	243
Payroll	9,976,600	11,343,400	11,258,300	0	11,258,300
Operational	5,088,700	5,373,700	4,714,100	0	4,714,100
Total	\$15,065,300	\$16,717,100	\$15,972,400	\$0	\$15,972,400

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	0	128,500	56,000	0	56,000
Federal	0	0	0	0	0
Other	15,065,300	16,588,600	15,916,400	0	15,916,400

Developmental Centers

The Department of Intellectual and Developmental Disabilities currently operates two developmental centers, which provide residential support and services to adults and children who have intellectual disabilities and who require facility-based long-term care. The 24-hour care is to improve the physical, intellectual, social, and emotional capabilities of adults and children with severe intellectual disabilities. High personal care provides total care and training opportunities in self-help, ambulation, communication, and socialization skills. Intensive care provides individualized habilitation training in self-help, language development, and motor skills for residents with severe intellectual disabilities. Medical treatment also is provided.

344.11 Clover Bottom Developmental Center

Clover Bottom Developmental Center was established in Nashville in 1923 and is licensed for 20 beds. Clover Bottom Developmental Center is scheduled to close in late spring of 2015.

Full-Time	103	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	103	0	0	0	0
Payroll	10,064,700	2,675,100	0	0	0
Operational	12,043,200	4,374,900	0	1,871,500	1,871,500
Total	\$22,107,900	\$7,050,000	\$0	\$1,871,500	\$1,871,500
State	181,000	0	0	0	0
Federal	0	0	0	0	0
Other	21,926,900	7,050,000	0	1,871,500	1,871,500

344.12 Greene Valley Developmental Center

Greene Valley Developmental Center was established in Greeneville in 1960 and is licensed for 100 beds.

Full-Time	693	621	568	0	568
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	693	621	568	0	568
Payroll	34,942,300	32,758,800	29,211,600	0	29,211,600
Operational	15,488,200	15,946,500	13,946,300	0	13,946,300
Total	\$50,430,500	\$48,705,300	\$43,157,900	\$0	\$43,157,900
State	4,710,000	648,900	648,900	0	648,900
Federal	0	0	0	0	0
Other	45,720,500	48,056,400	42,509,000	0	42,509,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

344.15 Harold Jordan Center

The Harold Jordan Center provides three residential programs to individuals with intellectual disabilities: a forensic services program, a behavior stabilization program, and intermediate care facility services for people with a need for a high level of structure. The facility is licensed for 24 beds.

Full-Time	70	70	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	70	66	0	66
Payroll	2,265,500	3,653,100	3,140,500	0	3,140,500
Operational	1,950,600	2,135,000	2,103,200	0	2,103,200
Total	\$4,216,100	\$5,788,100	\$5,243,700	\$0	\$5,243,700
State	2,312,000	2,843,500	2,571,700	0	2,571,700
Federal	0	0	0	0	0
Other	1,904,100	2,944,600	2,672,000	0	2,672,000

344.50 Major Maintenance

Major Maintenance provides institutional maintenance funds to the state's developmental centers and state-owned community homes in the event of an emergency and provides funds for maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	19,900	130,000	130,000	0	130,000
Total	\$19,900	\$130,000	\$130,000	\$0	\$130,000
State	19,900	100,000	100,000	0	100,000
Federal	0	0	0	0	0
Other	0	30,000	30,000	0	30,000

344.00 Total Intellectual and Developmental Disabilities

Full-Time	2,148	2,093	1,990	0	1,990
Part-Time	2	1	1	0	1
Seasonal	0	0	0	0	0
Total	2,150	2,094	1,991	0	1,991
Payroll	121,672,400	124,196,900	115,493,100	0	115,493,100
Operational	78,139,300	75,050,900	65,799,200	1,871,500	67,670,700
Total	\$199,811,700	\$199,247,800	\$181,292,300	\$1,871,500	\$183,163,800
State	28,264,000	26,185,500	22,416,700	1,544,000	23,960,700
Federal	1,025,700	1,651,400	1,645,100	0	1,645,100
Other	170,522,000	171,410,900	157,230,500	327,500	157,558,000

Statistical Data
Intellectual Disabilities Developmental Centers

	<u>Arlington</u> 344.10	<u>Clover Bottom</u> 344.11*	<u>Greene Valley</u> 344.12	<u>Total</u>
Annual Admissions				
2008-2009	0	0	3	3
2009-2010	0	0	2	2
2010-2011	0	0	2	2
2011-2012	0	0	2	2
2012-2013	0	0	0	0
2013-2014	0	0	0	0
2014-2015	0	0	0	0
2015-2016	0	0	0	0
Annual Releases				
2008-2009	33	23	15	71
2009-2010	51	13	13	77
2010-2011	0	73	48	121
2011-2012	0	36	43	79
2012-2013	0	0	0	0
2013-2014	0	14	0	14
2014-2015	0	28	12	40
2015-2016	0	0	0	0
Average Daily Census				
2008-2009	39	141	258	438
2009-2010	51	114	249	414
2010-2011	6	72	224	302
2011-2012	0	51	140	191
2012-2013	0	47	135	182
2013-2014	0	43	120	163
2014-2015	0	37	103	140
2015-2016	0	24	96	120
Cost Per Occupancy Day**				
2008-2009	\$1,777.12	\$1,158.65	\$862.16	\$1,039.07
2009-2010	\$1,183.56	\$1,377.78	\$814.00	\$1,014.77
2010-2011	\$2,120.50	\$1,483.65	\$830.99	\$1,012.21
2011-2012	\$0.00	\$1,426.52	\$955.16	\$1,081.02
2012-2013	\$0.00	\$1,525.36	\$1,019.12	\$1,149.85
2013-2014	\$0.00	\$1,677.22	\$1,151.38	\$1,290.10
2014-2015	\$0.00	\$950.62	\$1,295.53	\$1,204.37
2015-2016	\$0.00	\$810.02	\$1,228.31	\$1,144.65

* Clover Bottom data includes the Harold Jordan Center.

** Last column indicates average cost per day for all institutions.

Statistical Data Intellectual Disabilities Community Homes

	West Tennessee <u>344.40</u>	Middle Tennessee <u>344.41</u>	East Tennessee <u>344.42</u>	<u>Total</u>
Annual Admissions				
2008-2009	12	0	0	12
2009-2010	11	0	0	11
2010-2011	25	0	19	44
2011-2012	3	0	35	38
2012-2013	4	0	4	8
2013-2014	8	11	0	19
2014-2015	0	28	12	40
2015-2016	0	0	0	0
Annual Releases				
2008-2009	0	0	0	0
2009-2010	0	0	0	0
2010-2011	2	0	2	4
2011-2012	2	0	0	2
2012-2013	5	0	4	9
2013-2014	4	0	0	4
2014-2015	0	0	0	0
2015-2016	0	0	0	0
Average Daily Census				
2008-2009	3	0	0	3
2009-2010	12	0	0	12
2010-2011	39	0	9	48
2011-2012	47	0	27	74
2012-2013	46	0	50	96
2013-2014	46	2	52	100
2014-2015	48	23	61	132
2015-2016	48	36	64	148
Cost Per Occupancy Day*				
2008-2009	\$16,645.30	\$0.00	\$0.00	\$16,645.30
2009-2010	\$2,814.09	\$0.00	\$0.00	\$2,844.47
2010-2011	\$1,110.45	\$0.00	\$843.84	\$1,060.46
2011-2012	\$1,089.54	\$0.00	\$866.73	\$1,008.24
2012-2013	\$1,115.18	\$0.00	\$812.71	\$957.64
2013-2014	\$1,112.27	\$1,105.21	\$793.75	\$946.50
2014-2015	\$1,017.29	\$1,670.70	\$750.82	\$1,008.00
2015-2016	\$949.90	\$1,085.04	\$681.88	\$866.87

* Last column indicates average cost per day for all community homes.

Department of Human Services

The mission of the Department of Human Services is to improve quality of life by providing an effective system of services for disadvantaged, disabled, and vulnerable Tennesseans. The departmental structure is: Administration, Adult and Family Services, Child Support, and Rehabilitation Services.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administration

Administration provides departmental support services, operates county field offices, supervises a quality control system, provides a mechanism for appeals and hearings, and conducts investigations for fraud and abuse.

345.01 Administration

Administration provides the basic infrastructure of administrative services to support the performance objectives of the departmental programs. Services include fiscal, audit, technology, and personnel.

Full-Time	588	576	576	0	576
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	588	576	576	0	576
Payroll	31,898,900	42,081,300	42,030,300	0	42,030,300
Operational	36,534,000	35,132,200	26,311,100	0	26,311,100
Total	\$68,432,900	\$77,213,500	\$68,341,400	\$0	\$68,341,400
State	23,330,600	30,366,100	28,281,000	0	28,281,000
Federal	33,483,300	39,152,300	32,419,600	0	32,419,600
Other	11,619,000	7,695,100	7,640,800	0	7,640,800

345.10 Quality Improvement and Strategic Solutions

Quality Improvement and Strategic Solutions provides staff development, program performance, and improved customer service. The division consists of performance management and research and planning units. The division tracks outcomes related to individual, divisional, and departmental performance, building a culture of accountability, performance, and transparency at all levels across the department.

Full-Time	44	97	97	0	97
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	97	97	0	97
Payroll	5,879,300	5,951,800	6,074,600	0	6,074,600
Operational	865,900	478,400	778,400	0	778,400
Total	\$6,745,200	\$6,430,200	\$6,853,000	\$0	\$6,853,000
State	2,106,400	3,257,100	3,718,100	0	3,718,100
Federal	3,731,900	2,911,000	2,876,000	0	2,876,000
Other	906,900	262,100	258,900	0	258,900

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

345.16 Field Operations

Field Operations provides supervision and administrative support to Department of Human Services offices in each of Tennessee's 95 counties.

Full-Time	377	357	338	0	338
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	377	357	338	0	338
Payroll	15,412,000	16,226,200	12,613,800	0	12,613,800
Operational	856,000	999,400	960,900	0	960,900
Total	\$16,268,000	\$17,225,600	\$13,574,700	\$0	\$13,574,700
State	5,767,900	8,434,500	6,402,100	0	6,402,100
Federal	7,120,300	7,890,300	6,391,200	0	6,391,200
Other	3,379,800	900,800	781,400	0	781,400

345.17 County Rentals

The County Rentals program provides funds for payment of certain operational costs in the department's field offices, including rent, telephone, janitorial services, maintenance, and network computer charges.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	15,840,000	16,553,900	16,553,900	0	16,553,900
Total	\$15,840,000	\$16,553,900	\$16,553,900	\$0	\$16,553,900
State	5,812,100	7,799,900	7,799,900	0	7,799,900
Federal	6,895,500	7,311,900	7,311,900	0	7,311,900
Other	3,132,400	1,442,100	1,442,100	0	1,442,100

345.31 Appeals and Hearings

Appeals and Hearings provides a mechanism for appeals and hearings requested by applicants for and recipients of financial benefits or services provided by the department, including appeals related to TennCare program eligibility and the Supplemental Nutrition Assistance Program (SNAP).

Full-Time	153	141	124	0	124
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	153	141	124	0	124
Payroll	10,218,400	10,396,400	10,069,400	0	10,069,400
Operational	919,300	1,052,400	1,400,000	0	1,400,000
Total	\$11,137,700	\$11,448,800	\$11,469,400	\$0	\$11,469,400
State	3,717,500	5,115,400	5,084,600	0	5,084,600
Federal	4,544,700	5,342,900	5,444,200	0	5,444,200
Other	2,875,500	990,500	940,600	0	940,600

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Adult and Family Services

Adult and Family Services include family assistance, Temporary Assistance to Needy Families (TANF), Child Care Benefits, Supplemental Nutrition Assistance Program (SNAP) Benefits, and Community Services.

The Family Assistance program provides temporary cash assistance, child care, and other services to low-income families to enable them to become self-sufficient. Clients are served in the department’s 95 county offices and through service centers strategically located throughout the state. The Family Assistance section consists of three programs: Families First, Supplemental Nutrition Assistance Program Benefits, and Eligibility Determination.

Families First is the state's TANF program that distributes cash grants and provides employment, training, education, and support services for families with financial need and dependent children deprived of parental support and/or care. The goals of the Families First program are to: provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and encourage the formation and maintenance of two-parent families.

The Supplemental Nutrition Assistance Program helps ensure that eligible low-income families and individuals are able to obtain a nutritious diet. The program is the cornerstone of the federal food assistance programs and provides crucial support to needy households and to those making the transition from welfare to work. The goal of the program is to eliminate hunger and reduce the incidence of food insecurity.

The Eligibility Determination unit determines eligibility for the Families First-TANF program, SNAP, and provides administrative support to TennCare for Medicaid eligibility determination, which is the state's Medicaid waiver medical assistance program. Clients are assisted through the department’s county offices. Special accommodations are made for the elderly, disabled, those with limited English proficiency, and others who need assistance with the application process.

The Community Services program provides regulatory and protective services, social services, and economic assistance in the areas of child and adult care, adult protective services, and community contract services.

345.20 Child Care Benefits

The Child Care Benefits program provides assistance for child care services to qualifying participants in programs such as Families First, foster care, child protective services, transitional Families First, and Department of Children's Services relative care.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	0	0	0	0	0
Operational	142,098,300	178,795,600	178,795,600	0	178,795,600
Total	\$142,098,300	\$178,795,600	\$178,795,600	\$0	\$178,795,600
State	12,025,500	19,307,200	19,307,200	0	19,307,200
Federal	123,453,300	153,088,400	153,088,400	0	153,088,400
Other	6,619,500	6,400,000	6,400,000	0	6,400,000

345.23 Temporary Cash Assistance

The Temporary Cash Assistance program provides cash payments to low-income families to enable them to become self-sufficient. Qualified applicants are issued a cash benefit based on household size and income. Benefits are distributed to individuals through the use of an Electronic Benefits Transfer (EBT) card.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	101,632,600	114,293,200	114,293,200	0	114,293,200
Total	\$101,632,600	\$114,293,200	\$114,293,200	\$0	\$114,293,200
State	19,968,300	13,968,900	13,968,900	0	13,968,900
Federal	81,664,300	100,224,300	100,224,300	0	100,224,300
Other	0	100,000	100,000	0	100,000

345.25 Supplemental Nutrition Assistance Program

The Supplemental Nutrition Assistance Program (SNAP) is the cornerstone of the federal food assistance programs and provides crucial support to needy households and to those making the transition from welfare to work. The amount of assistance to which any person, household, or family is entitled is determined by measuring the income and resources of such person, household, or family. Benefits are distributed to individuals through an Electronic Benefits Transfer (EBT) card.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,012,001,300	2,113,156,300	2,113,156,300	0	2,113,156,300
Total	\$2,012,001,300	\$2,113,156,300	\$2,113,156,300	\$0	\$2,113,156,300
State	0	0	0	0	0
Federal	2,012,001,300	2,113,156,300	2,113,156,300	0	2,113,156,300
Other	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

345.30 Family Assistance Services

The Family Assistance Services program provides eligibility determination for the Families First, Supplemental Nutrition Assistance Program (SNAP), and administrative support to TennCare for Medicaid eligibility determination. In addition, SNAP recipients receive nutrition education and outreach services. Families First clients receive job training, employment career services, and counseling.

Full-Time	2,300	2,121	1,938	0	1,938
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,300	2,121	1,938	0	1,938
Payroll	115,353,400	113,621,000	98,661,000	0	98,661,000
Operational	58,144,200	63,071,300	67,234,300	0	67,234,300
Total	\$173,497,600	\$176,692,300	\$165,895,300	\$0	\$165,895,300
State	69,842,500	74,276,700	67,270,500	0	67,270,500
Federal	68,543,300	92,145,300	88,451,800	0	88,451,800
Other	35,111,800	10,270,300	10,173,000	0	10,173,000

345.49 Community Services

The Community Services program provides a range of social services, including child care, child care provider licensing, adult protective services, child and adult nutrition, summer food service, child care facilities loan fund, homemaker, refugee assistance, and emergency and support services. Services are provided through a mix of state employees, quasi-governmental entities, and private entities. These services are funded by a combination of state appropriations, the federal Social Services and Community Services block grants, other federal programs, and other sources, including funding from the Department of Children's Services, the Department of Health, and the Bureau of TennCare.

Full-Time	406	433	433	0	433
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	406	433	433	0	433
Payroll	20,603,600	24,752,700	24,348,600	0	24,348,600
Operational	150,059,300	106,397,800	104,982,200	1,415,600	106,397,800
Total	\$170,662,900	\$131,150,500	\$129,330,800	\$1,415,600	\$130,746,400
State	2,927,800	4,946,400	3,515,600	1,415,600	4,931,200
Federal	163,338,900	120,275,300	119,904,700	0	119,904,700
Other	4,396,200	5,928,800	5,910,500	0	5,910,500

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Child Support

345.13 Child Support

The Child Support Enforcement program is a federal, state, and local partnership to collect and distribute child support. Program goals include ensuring children have the financial support of both parents, fostering responsible behavior towards children, and reducing welfare costs. Tennessee's Child Support Enforcement program is administered by the department through contracts with district attorneys general, private vendors, local governments, and program staff. Services include locating non-custodial parents, establishing paternity, establishing and enforcing financial and medical support orders, reviewing and adjusting support orders, and collecting and distributing child support payments. Enforcement staff is included in the District Attorneys General budget with funding from this allotment.

Full-Time	141	143	143	0	143
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	141	143	143	0	143
Payroll	7,665,100	8,987,800	8,669,100	0	8,669,100
Operational	64,303,800	79,919,500	82,924,900	115,300	83,040,200
Total	\$71,968,900	\$88,907,300	\$91,594,000	\$115,300	\$91,709,300
State	4,827,100	16,391,400	15,536,900	39,200	15,576,100
Federal	30,191,900	40,606,100	44,198,800	76,100	44,274,900
Other	36,949,900	31,909,800	31,858,300	0	31,858,300

Rehabilitation Services

The Rehabilitation Services section provides direct services to persons with disabilities and determines eligibility for federal Social Security disability income programs.

345.70 Rehabilitation Services

The Rehabilitation program seeks to alleviate barriers and provide quality services to improve the conditions of persons with disabilities. The program's primary goal is to place disabled individuals into employment. Rehabilitation services include any services described in an individual plan for employment that are necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining an employment outcome that is consistent with the strengths and abilities of the individual. The program includes the Tennessee Rehabilitation Center in Smyrna and other locations throughout the state.

Full-Time	614	608	608	0	608
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	614	608	608	0	608
Payroll	27,336,100	33,076,400	32,589,400	0	32,589,400
Operational	43,459,700	39,572,700	40,322,700	0	40,322,700
Total	\$70,795,800	\$72,649,100	\$72,912,100	\$0	\$72,912,100
State	3,200,800	8,768,400	9,459,700	0	9,459,700
Federal	53,057,500	58,992,300	58,596,800	0	58,596,800
Other	14,537,500	4,888,400	4,855,600	0	4,855,600

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

345.71 Disability Determination

The Disability Determination program, in partnership with the U.S. Social Security Administration, ascertains whether an individual is qualified for disability insurance benefits or Supplemental Security Income benefits from the U.S. Social Security Administration.

Full-Time	648	469	469	0	469
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	648	469	469	0	469
Payroll	23,107,500	26,510,000	26,150,700	0	26,150,700
Operational	28,632,300	37,354,200	37,354,200	0	37,354,200
Total	\$51,739,800	\$63,864,200	\$63,504,900	\$0	\$63,504,900
State	0	0	0	0	0
Federal	51,482,600	62,053,600	61,704,500	0	61,704,500
Other	257,200	1,810,600	1,800,400	0	1,800,400

345.00 Total Human Services

Full-Time	5,271	4,945	4,726	0	4,726
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,271	4,945	4,726	0	4,726
Payroll	257,474,300	281,603,600	261,206,900	0	261,206,900
Operational	2,655,346,700	2,786,776,900	2,785,067,700	1,530,900	2,786,598,600
Total	\$2,912,821,000	\$3,068,380,500	\$3,046,274,600	\$1,530,900	\$3,047,805,500
State	153,526,500	192,632,000	180,344,500	1,454,800	181,799,300
Federal	2,639,508,800	2,803,150,000	2,793,768,500	76,100	2,793,844,600
Other	119,785,700	72,598,500	72,161,600	0	72,161,600

Department of Finance and Administration, Strategic Health-Care Programs

In 2011, all health-care programs within the Department of Finance and Administration were consolidated under the Division of Health-Care Finance and Administration. The division consists of two parts, the Bureau of TennCare and Strategic Health-Care Programs.

Strategic Health-Care Programs includes Health-Care Planning and Innovation, and Cover Tennessee Health-Care Programs, which are CoverTN, AccessTN, Cover Kids, and CoverRx.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

350.10 Health-Care Planning and Innovation

Health-Care Planning and Innovation includes electronic health initiatives and the administrative staff of Cover Tennessee Health-Care Programs.

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	1,770,800	2,163,700	2,149,600	0	2,149,600
Operational	8,107,200	8,029,900	8,029,000	0	8,029,000
Total	\$9,878,000	\$10,193,600	\$10,178,600	\$0	\$10,178,600
State	595,000	851,600	849,400	0	849,400
Federal	8,273,800	8,019,900	8,008,900	0	8,008,900
Other	1,009,200	1,322,100	1,320,300	0	1,320,300

Cover Tennessee Health-Care Programs

Cover Tennessee, enacted in 2006, was developed to create health insurance options that are affordable and portable for the uninsured through four programs. CoverTN, AccessTN, and CoverKids were created to provide health insurance to adults and children who are uninsured or uninsurable. CoverRx was created as a pharmacy assistance program for low-income adults without pharmacy coverage.

350.30 CoverTN

The CoverTN program was created by law in 2006 to offer affordable, portable basic health care coverage to working Tennesseans that are uninsured. This program provided basic health coverage for a modest premium, weighted based on age, weight, and tobacco use. The premium costs were shared between the state, willing qualified employers, and the individual. CoverTN was a limited benefit plan, which did not meet the minimum coverage requirements of the federal Affordable Care Act. As a result, the CoverTN program ended on December 31, 2013.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	0	0	0	0	0
Operational	18,518,200	50,200	0	0	0
Total	\$18,518,200	\$50,200	\$0	\$0	\$0
State	7,973,200	200	0	0	0
Federal	0	0	0	0	0
Other	10,545,000	50,000	0	0	0

350.40 AccessTN

The AccessTN program was created by law in 2006 to make health care coverage available to uninsurable Tennesseans. This program operates as a high-risk pool for those who were denied insurance previously due to disqualifying medical conditions. Premiums for AccessTN coverage are from 150 to 200 percent of comparable commercial rates, and premium assistance funding may be available for those that qualify financially.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	19,055,800	0	3,999,800	0	3,999,800
Total	\$19,055,800	\$0	\$3,999,800	\$0	\$3,999,800
State	19,055,800	0	3,999,800	0	3,999,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

350.50 CoverKids

The CoverKids program was created by law in 2006 to provide health care coverage to Tennessee children whose family income is less than 250 percent of the federal poverty level. The program provides comprehensive health-care benefits, including dental care, that are comparable to those in the state health plans (state employee, local government, and local education agency plans).

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	184,645,200	234,392,400	234,391,100	6,765,000	241,156,100
Total	\$184,645,200	\$234,392,400	\$234,391,100	\$6,765,000	\$241,156,100
State	45,072,700	57,122,400	57,122,200	1,654,500	58,776,700
Federal	136,382,700	176,408,100	176,407,000	5,110,500	181,517,500
Other	3,189,800	861,900	861,900	0	861,900

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

350.60 CoverRX

CoverRx, created by law in 2006, is an expansion of the health care safety net pharmacy-assistance program, which began in 2005. CoverRx provides discounts for Tennesseans without pharmacy coverage that have a household income below 100 percent of the federal poverty level. This program is not insurance coverage, and no premiums are collected. Participants are provided access to more affordable prescriptions.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	14,689,500	12,889,800	10,489,700	0	10,489,700
Total	\$14,689,500	\$12,889,800	\$10,489,700	\$0	\$10,489,700
State	10,689,600	10,089,800	10,089,700	0	10,089,700
Federal	0	0	0	0	0
Other	3,999,900	2,800,000	400,000	0	400,000

350.00 Total Strategic Health-Care Programs

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	1,770,800	2,163,700	2,149,600	0	2,149,600
Operational	245,015,900	255,362,300	256,909,600	6,765,000	263,674,600
Total	\$246,786,700	\$257,526,000	\$259,059,200	\$6,765,000	\$265,824,200
State	83,386,300	68,064,000	72,061,100	1,654,500	73,715,600
Federal	144,656,500	184,428,000	184,415,900	5,110,500	189,526,400
Other	18,743,900	5,034,000	2,582,200	0	2,582,200

Department of Children's Services

In cooperation with juvenile courts, the Department of Children's Services (DCS) provides timely, appropriate, and cost-effective services for children in state custody or at risk of entering state custody in order to enable these children to reach their full potential as productive, competent, and healthy adults. The department is organized into three functional areas: Administration, Child Welfare, and Juvenile Justice.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

359.10 Administration

This allotment provides funds for staffing and other operating costs necessary for administration of the department. Administration provides internal support, leadership, and direction that leads to improved program performance and success in the ultimate goal of re-integration of children into the community. This program also assists in compliance with state law, departmental policies, and American Correctional Association standards.

Full-Time	462	451	451	6	457
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	462	451	451	6	457
Payroll	34,567,300	35,014,500	34,685,200	386,700	35,071,900
Operational	18,135,900	16,982,700	15,848,500	1,587,000	17,435,500
Total	\$52,703,200	\$51,997,200	\$50,533,700	\$1,973,700	\$52,507,400
State	29,023,000	29,130,000	28,813,300	996,600	29,809,900
Federal	6,663,600	6,048,000	6,006,000	335,700	6,341,700
Other	17,016,600	16,819,200	15,714,400	641,400	16,355,800

Child Welfare

Child Welfare provides a variety of services that support families with children that are at risk of coming into state custody, ensures that children who enter state custody are provided with appropriate treatment and care, assists with adoptions of special needs children, and manages cases of children and families in an appropriate and timely manner.

359.20 Family Support Services

The Family Support Services program provides services to children that are at risk of entering state custody. Crisis intervention services are provided both to parents with difficulty raising their children and to unruly children on a path to youth detention. The goal of these services is to assist children to successfully remain in their homes. If children cannot be raised by their parents, a relative caregiver program attempts to support placement of children in the homes of other family members.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	0	0	0	0	0
Operational	40,893,300	36,653,700	36,653,700	0	36,653,700
Total	\$40,893,300	\$36,653,700	\$36,653,700	\$0	\$36,653,700
State	25,405,500	23,921,500	23,921,500	0	23,921,500
Federal	11,322,400	10,232,200	10,232,200	0	10,232,200
Other	4,165,400	2,500,000	2,500,000	0	2,500,000

359.30 Custody Services

The Custody Services program purchases residential care in safe, state-monitored homes to ensure children in state custody receive treatment and housing until the state can make a permanent placement. Included services are mental, behavioral, and physical treatment services to prepare youth to live independently at adulthood. Youth in custody may volunteer for extended state custody after their 18th birthday to receive services designed to assist youth achieve successful independence after primary school.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	15,000	15,000	0	15,000
Operational	271,421,800	270,747,700	270,747,700	5,881,500	276,629,200
Total	\$271,421,800	\$270,762,700	\$270,762,700	\$5,881,500	\$276,644,200
State	73,790,300	84,187,500	82,187,500	2,156,800	84,344,300
Federal	49,686,000	49,013,800	49,013,800	1,157,600	50,171,400
Other	147,945,500	137,561,400	139,561,400	2,567,100	142,128,500

359.35 Needs Assessment

The Needs Assessment program provides funding to assist in determining the need for new or different placement and service resources and where those placements and services should be located.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,858,900	4,119,700	4,119,700	0	4,119,700
Total	\$5,858,900	\$4,119,700	\$4,119,700	\$0	\$4,119,700
State	3,520,600	4,119,700	4,119,700	0	4,119,700
Federal	963,700	0	0	0	0
Other	1,374,600	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

359.40 Adoption Services

The Adoption Services program provides financial support payments to adoptive parents and treatment and counseling services for families to meet the needs of adopted children. Post-adoption records services are provided to adults who were adopted as youth in Tennessee.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	600	15,000	15,000	0	15,000
Operational	87,402,300	84,358,700	84,358,700	2,493,500	86,852,200
Total	\$87,402,900	\$84,373,700	\$84,373,700	\$2,493,500	\$86,867,200
State	45,574,400	43,647,600	43,647,600	1,279,900	44,927,500
Federal	41,828,500	40,649,600	40,649,600	1,213,600	41,863,200
Other	0	76,500	76,500	0	76,500

359.50 Child and Family Management

The Child and Family Management program provides case management services to children and their families in order to meet identified intervention, treatment, and placement needs. Case managers make visits to a child's home, school, and service providers as well as work with local courts to assess the child's treatment and care needs while the child is in or has recently exited the custody of the state.

Full-Time	3,209	3,291	3,291	5	3,296
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,209	3,291	3,291	5	3,296
Payroll	188,268,900	193,565,000	191,695,700	859,900	192,555,600
Operational	45,927,800	45,064,500	44,764,500	65,900	44,830,400
Total	\$234,196,700	\$238,629,500	\$236,460,200	\$925,800	\$237,386,000
State	82,049,600	90,860,900	90,129,900	341,800	90,471,700
Federal	27,319,400	43,657,400	43,249,500	190,600	43,440,100
Other	124,827,700	104,111,200	103,080,800	393,400	103,474,200

Juvenile Justice

The Department of Children's Services operates three youth development centers that provide individualized treatment programs and services to juvenile offenders that contribute to their successful reintegration into society. These centers assess and properly care for the needs of juveniles while offering counseling and educational services.

A youth development center student either has needs that cannot be met in the community, is committed for a violent offense resulting in injury to another person, or has three or more felony offenses. Services provided to students at these centers include parental responsibility counseling, academic education, general educational development, work-study programs, special education, abuse victimization counseling, family counseling, medical care, remedial reading and math, adult basic education, and vocational training. Some specialized services provided include drug and alcohol abuse treatment, sex-abuse and sex offender treatment, violent offender treatment, gang activity awareness, speech therapy, dental care, and behavioral management.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

359.60 John S. Wilder Youth Development Center

John S. Wilder Youth Development Center, located in Somerville, is a regional hardware-secure residential treatment program for delinquent youth ages 13 to 18 who are committed by the courts to the department.

Full-Time	201	200	200	15	215
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	202	201	201	15	216
Payroll	10,525,700	10,771,100	10,571,600	577,200	11,148,800
Operational	2,517,700	2,375,000	2,414,100	150,000	2,564,100
Total	\$13,043,400	\$13,146,100	\$12,985,700	\$727,200	\$13,712,900
State	12,562,900	12,726,700	12,532,100	727,200	13,259,300
Federal	0	0	0	0	0
Other	480,500	419,400	453,600	0	453,600

359.62 Woodland Hills Youth Development Center

Woodland Hills Youth Development Center , located in Nashville, includes the Woodland Hills and New Vision Campuses, is a regional hardware-secure treatment program for delinquent youth ages 13 to 18 that are committed by the courts to the department.

Full-Time	256	201	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	256	201	70	0	70
Payroll	11,032,600	10,557,000	3,778,200	7,700	3,785,900
Operational	2,916,200	2,663,800	1,624,000	0	1,624,000
Total	\$13,948,800	\$13,220,800	\$5,402,200	\$7,700	\$5,409,900
State	13,344,600	12,752,100	4,950,300	7,700	4,958,000
Federal	0	0	0	0	0
Other	604,200	468,700	451,900	0	451,900

359.63 Mountain View Youth Development Center

Mountain View Youth Development Center, located in Dandridge, is a regional hardware-secure facility for male juvenile offenders ages 13 to 18 who have been committed by the courts to the department.

Full-Time	205	205	205	15	220
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	205	205	205	15	220
Payroll	10,097,800	11,034,900	10,785,300	581,800	11,367,100
Operational	2,098,400	2,077,400	2,115,300	150,000	2,265,300
Total	\$12,196,200	\$13,112,300	\$12,900,600	\$731,800	\$13,632,400
State	11,789,100	12,711,500	12,465,600	731,800	13,197,400
Federal	0	0	0	0	0
Other	407,100	400,800	435,000	0	435,000

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

359.80 Major Maintenance

The Major Maintenance program provides institutional maintenance funds for the state youth development centers in the event of an emergency, as well as assisting institutions with facility maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	326,300	385,100	385,100	0	385,100
Total	\$326,300	\$385,100	\$385,100	\$0	\$385,100
State	326,300	370,100	370,100	0	370,100
Federal	0	0	0	0	0
Other	0	15,000	15,000	0	15,000

359.00 Total Children's Services

Full-Time	4,333	4,348	4,217	41	4,258
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	4,334	4,349	4,218	41	4,259
Payroll	254,492,900	260,972,500	251,546,000	2,413,300	253,959,300
Operational	477,498,600	465,428,300	463,031,300	10,327,900	473,359,200
Total	\$731,991,500	\$726,400,800	\$714,577,300	\$12,741,200	\$727,318,500
State	297,386,300	314,427,600	303,137,600	6,241,800	309,379,400
Federal	137,783,600	149,601,000	149,151,100	2,897,500	152,048,600
Other	296,821,600	262,372,200	262,288,600	3,601,900	265,890,500

Statistical Data Youth Development Centers

	Wilder 359.60	Taft 359.61	Woodland Hills 359.62	Mountain View 359.63	New Visions 359.64	Total
Annual Admissions						
2008-2009	200	160	205	250	60	875
2009-2010	192	136	196	139	45	708
2010-2011	224	118	156	145	42	685
2011-2012	230	115	160	150	50	705
2012-2013	185	0	147	182	0	514
2013-2014	160	0	147	182	0	489
2014-2015	170	0	127	148	0	445
2015-2016	170	0	127	148	0	445
Annual Releases						
2008-2009	200	160	204	250	60	874
2009-2010	185	121	193	149	38	686
2010-2011	226	115	140	142	45	668
2011-2012	225	115	150	145	45	680
2012-2013	151	0	167	173	0	491
2013-2014	151	0	167	173	0	491
2014-2015	155	0	147	153	0	455
2015-2016	155	0	147	153	0	455
Average Daily Census						
2008-2009	87	108	119	121	25	460
2009-2010	104	88	103	102	21	418
2010-2011	105	90	114	102	19	430
2011-2012	107	80	114	101	20	422
2012-2013	133	0	118	112	0	363
2013-2014	135	0	118	112	0	365
2014-2015	136	0	107	103	0	346
2015-2016	136	0	107	103	0	346
Cost Per Occupancy Day *						
2008-2009	\$313.66	\$290.77	\$246.36	\$280.47	\$365.72	\$346.72
2009-2010	\$311.45	\$398.24	\$291.23	\$295.99	\$471.45	\$329.00
2010-2011	\$292.45	\$353.78	\$267.22	\$283.78	\$517.26	\$306.47
2011-2012	\$289.59	\$374.22	\$271.46	\$304.85	\$497.45	\$314.05
2012-2013	\$263.55	\$0.00	\$266.89	\$294.65	\$0.00	\$294.72
2013-2014	\$264.71	\$0.00	\$323.86	\$298.34	\$0.00	\$294.15
2014-2015	\$264.83	\$0.00	\$338.52	\$348.78	\$0.00	\$312.61
2015-2016	\$275.49	\$0.00	\$138.14	\$361.62	\$0.00	\$258.66

* Last column indicates average cost per day for all institutions.

**Health and Social Services
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Finance and Administration, Bureau of TennCare					
By the end of state fiscal year 2015, design of the next wave of a multi-payer approach to health care payment reform, including both an episode-based and a population-based component, will be complete, and TennCare Managed Care Organizations (MCOs) will be providing standardized, actionable reports to designated accountable providers.					
	1) Complete a second round State Innovation Model (SIM) design grant proposal (July 21, 2014).	Quarterly	Not Applicable	Completed	Not Applicable
	2) Complete the design of the next wave (three episodes) of episode-based payment reform (May 1, 2015).				
	3) Complete a procurement for consultant(s) to advise on a primary care transformation plan, including a plan for patient centered medical homes, health homes for people with severe and persistent mental illness, and informational supports to providers (March 1, 2015).				
By the first of May 2015, complete the process of implementing the contracts with the newly-procured MCOs and transitioning members to respective new MCOs.					
	1) Begin transition of members (except those requiring non-Long Term Services and Supports (LTSS)) in all regions to statewide MCO model (February 1, 2015).	Quarterly	Not Applicable	On Schedule	Not Applicable
	2) Begin transition of the transition of LTSS members in all regions to statewide MCO model (March 1, 2015).				
By the end of state fiscal year 2015, ensure that MCO contracts have been regularly monitored throughout the year and that all deliverables have been received, distributed to, and reviewed by the appropriate TennCare staff persons.					
	Percent of MCO deliverables that are delivered to business owners timely.	Quarterly	85%	100%	90%
During state fiscal year 2015, ensure compliance with all of the 72 Special Terms and Conditions (STCs) issued by Centers for Medicare and Medicaid Services (CMS) for the TennCare demonstration.					
	Quarterly count of percent of STCs for which TennCare has reported compliance.	Quarterly	100%	100%	100%
By the end of state fiscal year 2015, ensure that TennCare spending remains within budget neutrality limits for federal fiscal year 2014 and Children's Health Insurance Program (CHIP) spending remains within the CHIP allotment for federal fiscal year 2014.					
	Number of quarters in which TennCare spending remains within budget neutrality limits, as reported to the Centers for Medicare and Medicaid Services (CMS), and CHIP spending remains within the CHIP allotment for Tennessee.	Quarterly	4	4	4
	Number of quarterly CMS 64 and CMS 21 expenditure reports for Medicaid and CHIP submitted timely (within 30 days of the quarter-end, as required by CMS).	Quarterly	2	2	2

**Health and Social Services
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Mental Health and Substance Abuse Services					
Provide effective substance abuse prevention and treatment services.					
	Educational contacts - number of trainings.	Quarterly	1,098	Not Available	1,153
	Binge drinking rate for individuals between the ages of 14-17 years old.	Annually	19.1%	Not Applicable	16.0%
	Number of individuals receiving treatment for prescription opioid abuse.	Quarterly	6,085	Not Available	5,783
Strengthen and improve community mental health and substance abuse services.					
	Number of people served in the Behavioral Health Safety Net (YTD).	Quarterly	35,121	Not Available	35,221
	Number of individuals admitted to a Regional Mental Health Institute (YTD).	Quarterly	9,218	Not Available	9,118
	Number of individuals served in substance abuse treatment programs (YTD).	Quarterly	21,082	Not Available	21,282
	Number of individuals receiving treatment for meth as primary substance of choice (YTD).	Quarterly	777	Not Available	738
	Number of individuals served in public mental health and substance abuse system (YTD).	Annually	283,066	Not Applicable	297,219
Department of Health					
Accelerate Tennessee improvements over national average for adult tobacco use (smoking), adult physical inactivity, and adult obesity as identified by United Health Foundation's America's Health Rankings.					
	Percent change in smoking rate.	Annually	8.26%	Not Applicable	-6.92%
	Percent change in physical inactivity rate.	Annually	-18.52%	Not Applicable	-11.10%
	Percent change in obesity rate.	Annually	6.51%	Not Applicable	1.42%
Reduce prescription drug abuse in Tennessee by improving the ease of use and capabilities of the controlled substances database as a clinical tool.					
	Morphine equivalents prescribed in TN (milligrams, YTD).	Quarterly	9,800,000,000	2,426,304,300	9,310,000,000
Tobacco settlement funds are utilized by 95 county health councils to: reduce smoking during pregnancy, reduce child interaction with secondhand smoke, and reduce smoking initiation by Tennessee youth resulting in improved birth outcomes and lower costs, reduced childhood asthma cases, and reduced percentage of Tennesseans smoking.					
	Percent of female participants successfully completing nicotine abstinence programs (Baby and Me, CEASE, Smart Moms (MTSU), etc.).	Annually	0%	Not Applicable	33%

**Health and Social Services
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
	Average number of activities per county (those with funded projects).	Annually	0	Not Applicable	3
Protect, promote, and improve the health of people in Tennessee by increasing the number of TN Department of Health (TDH) staff and community partners participating in primary prevention initiatives that focus on healthy weight and nutrition, tobacco prevention, infant mortality, immunizations, substance abuse, and unintended pregnancy.					
	Percent of TDH staff participating in at least one primary prevention initiative project.	Quarterly	800	1,487	960
	Replications of successful/effective projects.	Quarterly	0	2	10

Department of Intellectual and Developmental Disabilities

Implement annual individual expense cap for people in the statewide waiver.

Fiscal year 2015 savings.	Annually	\$0	Not Applicable	\$79,100
---------------------------	----------	-----	----------------	----------

Continue to integrate the population Intellectual and Developmental Disabilities serves into the broader community by transitioning 100% of the people residing within Clover Bottom to Middle Tennessee homes.

People residing at Clover Bottom.	Quarterly	108	20	0
-----------------------------------	-----------	-----	----	---

Continue development and implementation of Project Titan, an integrated information management system.

1) Implement Phase 1a - Intake and Waiting List (May 2014).	Monthly	Not Applicable	Behind Schedule	Not Applicable
2) Implement Phase 1b - Service Planning (December 2014).				
3) Implement Phase 2 - Service Tracking and Billing (April 2015).				
4) Implement Phase 3 - Protection from Harm (June 2015).				

Operate the Home and Community Based Medicaid Waiver Programs to ensure continued federal reimbursements and minimize state liabilities in order to maximize the number of persons receiving services.

Overall compliance with CMS-approved performance measures.	Monthly	86%	96%	96%
--	---------	-----	-----	-----

Department of Human Services

Improve customer service by increasing application processing timeliness in Families First, Supplemental Nutrition Assistance Program (SNAP), Vocational Rehabilitation, and by maintaining the SNAP active error rates to below the national average.

Percent of applications processed timely for Families First.	Monthly	93.40%	93.89%	95.00%
Percent of applications processed timely for SNAP.	Monthly	78.10%	85.53%	80.00%
Percent of applications processed timely for Vocational Rehabilitation.	Monthly	84.20%	88.07%	86.00%
SNAP active error rate (%).	Monthly	1.07%	0.87%	2.00%

**Health and Social Services
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Children's Services					
Improve the efficiency of the Child Abuse Hotline.					
	Number of calls answered in 20 seconds or less.	Monthly	60%	78%	80%
	Percent of dropped hotline calls.	Monthly	10.00%	4.69%	5.00%
Improve the percentage of children with current Early Periodic Screening Diagnosis & Treatment (EPSD&T) exams.					
	Percent of children with EPSD&T exams performed annually.	Monthly	90.00%	95.39%	95.00%
Improve Priority 1 (24 hrs.) response times for Child Protective Services (CPS) cases.					
	Percent of CPS-Special Investigations Unit Priority 1 case responses made in 24 hours or less.	Monthly	70%	93%	80%

Law, Safety, and Correction



Law, Safety, and Correction

Table of Contents



Introduction	B-191
Total Personnel and Funding	B-192
Recommended Budget for Fiscal Year 2015-2016 by Funding Source	B-193
Cost Increases for Fiscal Year 2015-2016	B-194
Program Statements	B-200
Court System	B-200
Attorney General and Reporter	B-209
District Attorneys General Conference	B-211
District Public Defenders Conference	B-213
Office of the Post-Conviction Defender	B-215
Alcoholic Beverage Commission	B-216
Tennessee Rehabilitative Initiative in Correction (TRICOR)	B-217
Board of Parole	B-218
Department of Correction	B-219
Statistical Data – Correctional Institutions	B-230
Military Department	B-233
Tennessee Bureau of Investigation	B-237
Department of Safety	B-238
Priority Goals and Measures	B-243

Law, Safety, and Correction

Recommended Budget, Fiscal Year 2015 – 2016

The agencies and departments which comprise this functional group are responsible for the interpretation and enforcement of the state's laws.

The judicial branch of state government ensures the proper administration of justice within the state and consists of the following agencies:

- The Court System
- Attorney General and Reporter
- District Attorneys General Conference
- District Public Defenders Conference
- Office of the Post-Conviction Defender.

The public's welfare and safety are protected through confinement and control of the state's convicted adult criminal offenders. These activities are executed in the executive branch of government by the following agencies:

- Tennessee Rehabilitative Initiative in Correction (TRICOR)
- Board of Parole
- Department of Correction.

The state agencies responsible for regulation and enforcement of the law make up the remainder of the functional group. Law and order, public safety, and security are maintained through the efforts of the following agencies:

- Alcoholic Beverage Commission
- Military Department
- Tennessee Bureau of Investigation
- Department of Safety.

Cost Increases and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended cost increases for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year.

Law, Safety, and Correction Total Personnel and Funding

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Recommended 2015-2016</u>
Personnel			
Full Time	12,342	12,158	11,922
Part Time	70	100	99
Seasonal	4	4	4
TOTAL	12,416	12,262	12,025
Expenditures			
Payroll	\$ 767,034,500	\$ 817,322,300	\$ 808,039,300
Operational	840,403,100	859,857,800	853,414,700
TOTAL	\$ 1,607,437,600	\$ 1,677,180,100	\$ 1,661,454,000
Funding			
State	\$ 1,313,253,900	\$ 1,394,286,000	\$ 1,385,349,300
Federal	98,498,000	77,349,500	77,513,000
Other	195,685,700	205,544,600	198,591,700

Law, Safety and Correction
Recommended Budget for Fiscal Year 2015-2016
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	127,825,100	980,000	5,859,500	134,664,600
303.00 Attorney General and Reporter	25,735,400	0	12,322,400	38,057,800
304.00 District Attorneys General Conference	79,338,600	0	31,078,600	110,417,200
306.00 District Public Defenders Conference	49,830,800	0	576,000	50,406,800
308.00 Office of the Post-Conviction Defender	2,320,800	0	0	2,320,800
316.03 Alcoholic Beverage Commission	0	26,600	7,805,000	7,831,600
316.08 TRICOR	0	0	54,652,200	54,652,200
324.00 Board of Parole	7,373,500	0	1,000	7,374,500
329.00 Correction	904,053,300	350,100	16,652,800	921,056,200
341.00 Military	14,810,700	51,535,600	2,804,800	69,151,100
348.00 Tennessee Bureau of Investigation	40,270,100	14,905,400	15,385,000	70,560,500
349.00 Safety	133,791,000	9,715,300	51,454,400	194,960,700
Total	\$1,385,349,300	\$77,513,000	\$198,591,700	\$1,661,454,000

Law, Safety and Correction
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Court System					
• Mandated Salary Increase					
To provide funding for the judges' consumer price index (CPI) salary adjustment required by TCA 8-23-103, effective July 1, 2015.					
302.01 Appellate and Trial Courts	\$646,000	\$0	\$0	\$646,000	0
Sub-total	\$646,000	\$0	\$0	\$646,000	0
Total Court System	\$646,000	\$0	\$0	\$646,000	0
Attorney General and Reporter					
• Statutory Salary Raises					
To provide funding for the Attorney General's CPI salary adjustment required by TCA 8-6-104; by law, the salary is linked to the salary of an associate justice of the Supreme Court.					
303.01 Attorney General and Reporter	\$3,900	\$0	\$0	\$3,900	0
Sub-total	\$3,900	\$0	\$0	\$3,900	0
Total Attorney General and Reporter	\$3,900	\$0	\$0	\$3,900	0
District Attorneys General Conference					
• Statutory Salary Step Raises					
To provide funding for the assistant district attorneys' and criminal investigators' salary increase required by TCA 8-7-226 and 8-7-230. These step raises are based on employees' service anniversary dates. The recommended appropriation annualizes the fiscal year 2014-2015 step raise (\$441,900 state appropriations and \$104,300 other funding), and funds the 2015-2016 step raise (\$694,500 state appropriations and \$166,200 other funding).					
304.01 District Attorneys General	\$1,136,400	\$0	\$155,300	\$1,291,700	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$115,200	\$115,200	0
Sub-total	\$1,136,400	\$0	\$270,500	\$1,406,900	0
Total District Attorneys General Conference	\$1,136,400	\$0	\$270,500	\$1,406,900	0

Law, Safety and Correction
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
District Public Defenders Conference					
• Statutory Salary Step Raises					
To provide funding for the assistant district public defenders' and criminal investigators' salary increase required by TCA 8-14-207. These step raises are based on employees' service anniversary dates. The recommended appropriation annualizes the fiscal year 2014-2015 step raise (\$253,300) and funds the 2015-2016 step raise (\$374,100).					
306.01 District Public Defenders	\$627,400	\$0	\$0	\$627,400	0
Sub-total	\$627,400	\$0	\$0	\$627,400	0
• Statutory Increase for CPI - Davidson County and Shelby County					
To provide funding for increased state support of the county public defender offices in Davidson and Shelby counties as required by TCA 8-14-210.					
306.10 Shelby County Public Defender	\$85,000	\$0	\$0	\$85,000	0
306.12 Davidson County Public Defender	\$37,100	\$0	\$0	\$37,100	0
Sub-total	\$122,100	\$0	\$0	\$122,100	0
Total District Public Defenders Conference	\$749,500	\$0	\$0	\$749,500	0
Office of the Post-Conviction Defender					
• Statutory Salary Step Raises					
To provide funding for step raises for assistant post-conviction defenders required by TCA 40-30-209(b) and 8-14-207.					
308.00 Office of the Post-Conviction Defender	\$32,400	\$0	\$0	\$32,400	0
Sub-total	\$32,400	\$0	\$0	\$32,400	0
Total Office of the Post-Conviction Defender	\$32,400	\$0	\$0	\$32,400	0
Alcoholic Beverage Commission					
• Additional Staffing					
To provide funding for ten regulatory officers to help with increased licensing caseload. This increase is funded with revenue overcollections.					
316.03 Alcoholic Beverage Commission	\$0	\$0	\$825,100	\$825,100	10
Sub-total	\$0	\$0	\$825,100	\$825,100	10
Total Alcoholic Beverage Commission	\$0	\$0	\$825,100	\$825,100	10

Law, Safety and Correction
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Board of Parole					
• Legal Services					
To provide funding to reclassify a vacant position into a staff attorney position. The Board will use \$43,000 in existing funds to fully fund the new staff attorney position.					
324.02 Board of Parole	\$35,000	\$0	\$0	\$35,000	0
Sub-total	\$35,000	\$0	\$0	\$35,000	0
• Board Operations					
To provide funding for an administrative services assistant in the Board Operations division.					
324.02 Board of Parole	\$59,000	\$0	\$0	\$59,000	1
Sub-total	\$59,000	\$0	\$0	\$59,000	1
Total Board of Parole	\$94,000	\$0	\$0	\$94,000	1

Correction

• Capacity

To provide funding for operational expenses and two monitoring positions required for housing 2,552 inmates at the Trowsdale County Correctional Facility, under a prison service agreement with Trowsdale County. This cost increase is offset with existing funds in State Prosecutions. Other funding is from current services collections from medical co-pay, disciplinary board fines, and DNA testing.

329.23 Trowsdale County Correctional Facility	\$11,096,000	\$0	\$13,200	\$11,109,200	2
Sub-total	\$11,096,000	\$0	\$13,200	\$11,109,200	2

• Technology Upgrade

To provide non-recurring funding for the Correctional Offender Management Electronic Tracking (COMET) modernization initiative that will replace the current system that is over twenty years old.

329.01 Administration	\$15,374,200	\$0	\$0	\$15,374,200	0
Sub-total	\$15,374,200	\$0	\$0	\$15,374,200	0

• Radio System Upgrade

To provide non-recurring funding to upgrade radio equipment to be in compliance with the Federal Communications Commission (FCC) narrow banding requirement. By January 1, 2017, all Department of Correction radios must operate on a 6.25 KHz digital bandwidth. This is the last phase of a multi-phase transition.

329.32 Major Maintenance	\$8,453,300	\$0	\$0	\$8,453,300	0
Sub-total	\$8,453,300	\$0	\$0	\$8,453,300	0

Law, Safety and Correction
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Salary Differential for Correctional Staff					
To provide funding for a five percent assignment differential in six security classifications to lower turnover and vacancy rates among uniformed security staff.					
329.13 Tennessee Prison for Women	\$339,200	\$0	\$0	\$339,200	0
329.14 Turney Center Industrial Complex	\$582,100	\$0	\$0	\$582,100	0
329.16 Mark Luttrell Correctional Facility	\$229,900	\$0	\$0	\$229,900	0
329.17 Charles B. Bass Correctional Complex	\$131,600	\$0	\$0	\$131,600	0
329.18 Bledsoe County Correctional Complex	\$960,400	\$0	\$0	\$960,400	0
329.41 West Tennessee State Penitentiary	\$945,500	\$0	\$0	\$945,500	0
329.42 Riverbend Maximum Security Institution	\$496,900	\$0	\$0	\$496,900	0
329.43 Northeast Correctional Complex	\$658,200	\$0	\$0	\$658,200	0
329.45 Northwest Correctional Complex	\$821,300	\$0	\$0	\$821,300	0
329.46 Lois M. DeBerry Special Needs Facility	\$452,300	\$0	\$0	\$452,300	0
329.47 Morgan County Correctional Complex	\$943,700	\$0	\$0	\$943,700	0
Sub-total	<u>\$6,561,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,561,100</u>	<u>0</u>
• Lock Replacement					
To provide recurring funding for the implementation of a system-wide replacement schedule for locks.					
329.32 Major Maintenance	\$650,000	\$0	\$0	\$650,000	0
Sub-total	<u>\$650,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$650,000</u>	<u>0</u>
• Contract Inflatos					
To provide funding for the Hardeman County Agreement contract inflator (\$763,800), Hardeman County - Whiteville contract inflator (\$785,000), and the South Central Correctional Center contract inflator (\$619,000).					
329.21 Hardeman County Incarceration Agreement	\$763,800	\$0	\$0	\$763,800	0
329.22 Hardeman County Agreement - Whiteville	\$785,000	\$0	\$0	\$785,000	0
329.44 South Central Correctional Center	\$619,000	\$0	\$0	\$619,000	0
Sub-total	<u>\$2,167,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,167,800</u>	<u>0</u>

Law, Safety and Correction
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Amachi Mentoring Program					
To provide non-recurring funding to Big Brothers Big Sisters for the Amachi Initiative, a mentoring program for the children of inmates.					
329.01 Administration	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
• Legislation - Synthetic Controlled Substances					
To provide funding for increased incarceration costs of proposed legislation concerning enhanced sentencing for criminal activity related to synthetic controlled substances.					
329.99 Sentencing Act of 1985	\$1,043,500	\$0	\$0	\$1,043,500	0
Sub-total	\$1,043,500	\$0	\$0	\$1,043,500	0
• Double-bunk Beds at Riverbend Maximum Security Institution					
To provide funding to double-bunk 96 beds at Riverbend Maximum Security Institution due to the closing of the Charles B. Bass annex.					
329.42 Riverbend Maximum Security Institution	\$1,421,400	\$0	\$0	\$1,421,400	0
Sub-total	\$1,421,400	\$0	\$0	\$1,421,400	0
Total Correction	\$47,017,300	\$0	\$13,200	\$47,030,500	2

Tennessee Bureau of Investigation

• Lab Staffing					
To provide funding for three forensic scientists in the Bureau's laboratory.					
348.00 Tennessee Bureau of Investigation	\$310,900	\$0	\$0	\$310,900	3
Sub-total	\$310,900	\$0	\$0	\$310,900	3
Total Tennessee Bureau of Investigation	\$310,900	\$0	\$0	\$310,900	3

Safety

• Statutory Salary Step Raises					
To provide funding for the mandated annual trooper salary step increase required by TCA 4-7-206 effective July 1, 2015.					
349.03 Highway Patrol	\$839,300	\$0	\$0	\$839,300	0
Sub-total	\$839,300	\$0	\$0	\$839,300	0

Law, Safety and Correction
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Salary Survey for Commissioned Officers					
To provide funding for a salary increase for the annual commissioned officer salary survey results, pursuant to TCA 4-7-201. The survey averages the current compensation levels of commissioned officers in the eight adjacent states.					
349.03 Highway Patrol	\$1,789,800	\$0	\$0	\$1,789,800	0
Sub-total	\$1,789,800	\$0	\$0	\$1,789,800	0
• Statewide Communication System Maintenance					
To provide funding for maintenance and security upgrades for the new statewide radio network, required by Federal Communication Commission regulations. Two positions are required to assist with the accounting and contracts of adding government entities to the network. Other funding is from local governments wanting to use the system.					
349.03 Highway Patrol	\$1,198,400	\$0	\$600,000	\$1,798,400	2
Sub-total	\$1,198,400	\$0	\$600,000	\$1,798,400	2
Total Safety	\$3,827,500	\$0	\$600,000	\$4,427,500	2
Total Law, Safety and Correction	\$53,817,900	\$0	\$1,708,800	\$55,526,700	18

Court System

The judicial branch is one of three basic divisions of state government and serves as a check on the powers of the legislative and executive branches. Judicial power is vested in trial courts and two levels of appeals courts that comprise the state's court system.

The Supreme Court is comprised of five justices elected to eight-year terms. The workload of the court consists of cases appealed from lower courts. Supreme Court decisions act to resolve controversies arising out of Tennessee law and to establish guidelines for the lower courts to use in future decisions.

The intermediate appellate courts are the Court of Appeals and the Court of Criminal Appeals. The Court of Appeals hears appeals only in civil cases from the lower courts. The Court of Criminal Appeals has jurisdiction to hear most felony and misdemeanor appeals from general trial courts, as well as post-conviction petitions.

The state's trial courts include Chancery, Criminal, Circuit, and Probate courts. Chancery courts are the traditional equity courts used when common law or statutory law proves inadequate for cases. Circuit courts, which sometime overlap with the jurisdiction of Chancery courts, have jurisdiction to hear civil and criminal cases. Criminal courts have jurisdiction over criminal cases and hearing misdemeanor appeals from lower courts. Probate courts primarily have jurisdiction over probate of wills and administration of estates.

Courts of limited jurisdiction are funded locally and include general sessions, juvenile, and municipal courts. Jurisdiction of general sessions courts vary from county to county based on state laws and private acts; they hear civil, criminal, and juvenile cases, except in counties in which the Legislature has established separate juvenile courts. Municipal courts have jurisdiction in cases involving violations of city ordinances.

The court system is grouped into the following functions: Judicial Services, Support Services, and Professional Standards.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Judicial Services

The Judicial Services functional area includes Appellate and Trial Courts, Child Support Referees, the Guardian ad Litem program, the Indigent Defendants' Counsel program, the Civil Legal Representation Fund, Verbatim Transcripts, Court Interpreter Services, and the Council of Juvenile and Family Court Judges.

302.01 Appellate and Trial Courts

Salaries and benefits are provided for judges of the state trial and appellate courts and for their law clerks and other staff. This allotment also includes funds for judges' travel expenses, law books, and other operational expenses.

Full-Time	430	430	430	0	430
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	430	430	430	0	430

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	58,078,900	59,195,800	59,195,800	646,000	59,841,800
Operational	2,200,800	2,266,600	2,266,600	0	2,266,600
Total	\$60,279,700	\$61,462,400	\$61,462,400	\$646,000	\$62,108,400
State	60,217,900	61,435,100	61,435,100	646,000	62,081,100
Federal	0	0	0	0	0
Other	61,800	27,300	27,300	0	27,300

302.08 Child Support Referees

The Child Support Referees program provides personnel and operational funding to ensure the timely fulfillment of financial support by parents in child support cases.

Full-Time	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	24	0	24
Payroll	2,275,200	2,249,400	2,249,400	0	2,249,400
Operational	169,700	259,000	259,000	0	259,000
Total	\$2,444,900	\$2,508,400	\$2,508,400	\$0	\$2,508,400
State	832,400	810,200	810,200	0	810,200
Federal	0	0	0	0	0
Other	1,612,500	1,698,200	1,698,200	0	1,698,200

302.09 Guardian Ad Litem

The Guardian ad Litem program provides funding for advocates appointed by the court to represent the best interests of an indigent child or a person determined to be incompetent in cases involving dependency, neglect, abuse, or custodial disputes.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	6,371,000	6,047,500	6,047,500	0	6,047,500
Total	\$6,371,000	\$6,047,500	\$6,047,500	\$0	\$6,047,500
State	6,371,000	6,047,500	6,047,500	0	6,047,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.10 Indigent Defendants' Counsel

The Indigent Defendants' Counsel program provides funding for court-appointed counsel, experts, investigators, and other support services for indigents in criminal cases.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	28,191,100	30,468,000	30,468,000	0	30,468,000
Total	\$28,191,100	\$30,468,000	\$30,468,000	\$0	\$30,468,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	27,964,500	30,463,000	30,463,000	0	30,463,000
Federal	0	0	0	0	0
Other	226,600	5,000	5,000	0	5,000

302.11 Civil Legal Representation Fund

The Civil Legal Representation Fund provides funding for legal services for indigent clients in civil matters. A small portion of funds are used for continuing education of professional bail bond agents.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,371,300	3,327,900	3,327,900	0	3,327,900
Total	\$3,371,300	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,371,300	3,327,900	3,327,900	0	3,327,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.12 Verbatim Transcripts

The Verbatim Transcripts program provides funding for personnel and operational costs of court reporting and verbatim transcripts.

Full-Time	44	41	40	0	40
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	41	40	0	40
Payroll	2,374,500	2,876,900	2,876,900	0	2,876,900
Operational	1,266,100	1,050,200	1,050,200	0	1,050,200
Total	\$3,640,600	\$3,927,100	\$3,927,100	\$0	\$3,927,100
State	3,640,600	3,927,100	3,927,100	0	3,927,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.13 Court Interpreter Services

This program provides interpreter services, in accordance with the rules prescribed by the Supreme Court, to persons with limited English proficiency who have a matter before courts established by or pursuant to Tennessee law.

Full-Time	1	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	1	1	0	1
Payroll	54,700	71,200	71,200	0	71,200
Operational	1,695,900	2,930,700	2,370,700	0	2,370,700
Total	\$1,750,600	\$3,001,900	\$2,441,900	\$0	\$2,441,900
State	1,750,600	3,001,900	2,441,900	0	2,441,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

302.16 Council of Juvenile and Family Court Judges

The Council of Juvenile and Family Court Judges provides training and assistance to juvenile courts on state and federal laws, regulations, and policies affecting children and families, as well as keeping judges and court staff informed of services available to children and families. The council is comprised of 17 county-approved juvenile judges and general sessions judges who have juvenile court jurisdiction. Judges serve on the council for eight-year terms.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	101,700	127,300	127,300	0	127,300
Total	\$101,700	\$127,300	\$127,300	\$0	\$127,300
State	35,600	60,300	60,300	0	60,300
Federal	0	0	0	0	0
Other	66,100	67,000	67,000	0	67,000

Support Services

Support services consist of the Administrative Office of the Courts, Supreme Court Buildings, Tennessee State Law Libraries, Judicial Conference, Judicial Programs and Commissions, State Court Clerks' Conference, and Appellate Court Clerks.

302.27 Administrative Office of the Courts

The Administrative Office of the Courts provides services and support to the entire state court system. The office is responsible for preparation and oversight of the court system's budget, administration of the court automation fund and Tennessee court information system, and support services to the courts.

Full-Time	73	73	74	0	74
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	74	74	75	0	75
Payroll	5,762,500	6,225,000	6,225,000	0	6,225,000
Operational	6,225,400	4,726,800	4,519,400	0	4,519,400
Total	\$11,987,900	\$10,951,800	\$10,744,400	\$0	\$10,744,400
State	8,575,100	8,480,700	8,480,700	0	8,480,700
Federal	1,042,300	980,000	980,000	0	980,000
Other	2,370,500	1,491,100	1,283,700	0	1,283,700

302.05 Supreme Court Buildings

The Supreme Court Buildings allotment funds the operation, maintenance, and security of Supreme Court buildings in Nashville, Knoxville, and Jackson.

Full-Time	16	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	9	9	0	9

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	506,000	675,300	675,300	0	675,300
Operational	2,555,800	2,554,300	2,515,100	0	2,515,100
Total	\$3,061,800	\$3,229,600	\$3,190,400	\$0	\$3,190,400
State	2,294,300	2,616,600	2,577,400	0	2,577,400
Federal	0	0	0	0	0
Other	767,500	613,000	613,000	0	613,000

302.15 Tennessee State Law Libraries

The three state law libraries provide legal resources to the state judiciary. The libraries are located in Nashville, Knoxville, and Jackson.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	86,800	74,500	74,500	0	74,500
Total	\$86,800	\$74,500	\$74,500	\$0	\$74,500
State	86,800	74,500	74,500	0	74,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.18 Judicial Conference

The Judicial Conference provides continuing legal education and legal updates to judges.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	218,300	263,700	263,700	0	263,700
Total	\$218,300	\$263,700	\$263,700	\$0	\$263,700
State	150,500	223,700	223,700	0	223,700
Federal	0	0	0	0	0
Other	67,800	40,000	40,000	0	40,000

302.20 Judicial Programs and Commissions

The Judicial Programs and Commissions allotment provides operational funding for commissions appointed by the Supreme Court to study issues, monitor judicial programs, and make recommendations. Programs and commissions include the Court of the Judiciary, Victim Offender Reconciliation Program, Alternative Dispute Resolution, Judicial Nominating Commission, Judicial Evaluation Program, and foreign language interpreters.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	546,900	928,300	908,300	0	908,300
Total	\$546,900	\$928,300	\$908,300	\$0	\$908,300

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	237,700	430,100	410,100	0	410,100
Federal	0	0	0	0	0
Other	309,200	498,200	498,200	0	498,200

302.22 State Court Clerks' Conference

The State Court Clerks' Conference provides education and legal updates to the clerks, as required by law.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	218,500	260,100	260,100	0	260,100
Total	\$218,500	\$260,100	\$260,100	\$0	\$260,100
State	218,500	260,100	260,100	0	260,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.30 Appellate Court Clerks

The Appellate Court Clerks' offices are located at the Supreme Court buildings in Nashville, Knoxville, and Jackson, and are responsible for administrative matters of the Supreme Court, Court of Appeals, and Court of Criminal Appeals.

Full-Time	30	30	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	30	30	0	30
Payroll	1,904,200	2,003,900	2,003,900	0	2,003,900
Operational	302,300	297,000	297,000	0	297,000
Total	\$2,206,500	\$2,300,900	\$2,300,900	\$0	\$2,300,900
State	379,500	673,800	673,800	0	673,800
Federal	0	0	0	0	0
Other	1,827,000	1,627,100	1,627,100	0	1,627,100

Professional Standards

This functional area is responsible for maintaining professional standards of licensed court reporters and attorneys; it includes the Board of Court Reporting, Board of Law Examiners, Board of Professional Responsibility, Tennessee Lawyers Assistance Program, Continuing Legal Education, and Client Protection Fund.

302.34 Board of Court Reporting

The Board of Court Reporting is responsible for the licensing of court reporters working in the state. In addition, the board investigates complaints against licensees, establishes and maintains requirements for continuing education, and oversees ethical standards. The board is funded from a dedicated biennial licensure fee paid by court reporters.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	37,700	111,700	111,700	0	111,700
Operational	14,200	60,600	60,600	0	60,600
Total	\$51,900	\$172,300	\$172,300	\$0	\$172,300
State	51,900	172,300	172,300	0	172,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.35 Board of Law Examiners

The Board of Law Examiners governs the examination and admission of attorneys applying to practice law in Tennessee.

Full-Time	13	13	13	0	13
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	500,400	492,300	492,300	0	492,300
Operational	345,400	261,600	261,600	0	261,600
Total	\$845,800	\$753,900	\$753,900	\$0	\$753,900
State	844,600	753,900	753,900	0	753,900
Federal	0	0	0	0	0
Other	1,200	0	0	0	0

302.40 Board of Professional Responsibility

The Board of Professional Responsibility reviews and investigates allegations of attorney misconduct and imposes disciplinary action on those who violate professional standards. Also, the board publishes ethics opinions, conducts seminars, and operates an ethics hotline for attorneys. The board is funded from a dedicated annual registration fee set by Supreme Court Rule and paid by each attorney.

Full-Time	32	32	32	0	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	32	32	0	32
Payroll	2,374,900	2,437,200	2,437,200	0	2,437,200
Operational	932,300	1,043,300	1,043,300	0	1,043,300
Total	\$3,307,200	\$3,480,500	\$3,480,500	\$0	\$3,480,500
State	3,194,600	3,480,500	3,480,500	0	3,480,500
Federal	0	0	0	0	0
Other	112,600	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

302.50 Tennessee Lawyers Assistance Program

The Lawyers Assistance Program provides education and assistance to members of the bench and bar suffering from physical or mental disabilities that impair their ability to practice or to serve. The program is funded from a dedicated annual registration fee set by Supreme Court Rule and paid by each attorney.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	281,500	353,900	353,900	0	353,900
Operational	232,600	115,800	115,800	0	115,800
Total	\$514,100	\$469,700	\$469,700	\$0	\$469,700
State	469,500	469,700	469,700	0	469,700
Federal	0	0	0	0	0
Other	44,600	0	0	0	0

302.60 Continuing Legal Education

The Continuing Legal Education staff administers Supreme Court Rule 21, governing continuing legal education annual requirements. Supreme Court Rule 21 authorizes the collection of annual certification or recertification fees from each attorney for operation of the program.

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	460,600	481,500	481,500	0	481,500
Operational	387,900	399,400	399,400	0	399,400
Total	\$848,500	\$880,900	\$880,900	\$0	\$880,900
State	818,500	880,900	880,900	0	880,900
Federal	0	0	0	0	0
Other	30,000	0	0	0	0

302.65 Client Protection Fund

The Client Protection Fund reimburses claimants for losses caused by misconduct of attorneys licensed to practice in this state and is funded from the annual registration fee collected by the Board of Professional Responsibility.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	76,100	208,500	208,500	0	208,500
Total	\$76,100	\$208,500	\$208,500	\$0	\$208,500
State	74,000	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	2,100	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
302.00 Total Court System					
Full-Time	674	664	664	0	664
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	682	672	672	0	672
Payroll	74,611,100	77,174,100	77,174,100	646,000	77,820,100
Operational	55,510,100	57,671,100	56,844,500	0	56,844,500
Total	\$130,121,200	\$134,845,200	\$134,018,600	\$646,000	\$134,664,600
State	121,579,400	127,798,300	127,179,100	646,000	127,825,100
Federal	1,042,300	980,000	980,000	0	980,000
Other	7,499,500	6,066,900	5,859,500	0	5,859,500

Attorney General and Reporter

The Attorney General and Reporter is the state's chief legal officer and is appointed by the Tennessee Supreme Court for a term of eight years. The Attorney General has the following responsibilities: represents state officers and agencies in all litigation in state and federal courts; prosecutes criminal cases in the appellate courts; prosecutes securities and state contract fraud cases; represents the interests of Tennessee consumers; institutes proceedings relating to antitrust violations, consumer fraud, and environmental enforcement; provides departments, agencies, and the General Assembly with legal advice; approves all administrative regulations and leases as to form and legality; issues legal opinions to state officials; and reports opinions of the Tennessee Supreme Court, Court of Appeals, and Court of Criminal Appeals.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

303.01 Attorney General and Reporter

This allotment provides funds for the staffing and operational costs of the office of the Attorney General and Reporter.

Full-Time	318	318	318	0	318
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	318	318	318	0	318
Payroll	25,972,800	29,860,200	29,860,200	3,900	29,864,100
Operational	6,095,600	6,949,800	6,938,500	0	6,938,500
Total	\$32,068,400	\$36,810,000	\$36,798,700	\$3,900	\$36,802,600
State	23,062,300	25,272,500	25,265,100	3,900	25,269,000
Federal	0	0	0	0	0
Other	9,006,100	11,537,500	11,533,600	0	11,533,600

303.05 Publication of Tennessee Reports

Publication of Tennessee Reports provides funds for publication of opinions of the Tennessee Supreme Court, the Court of Appeals, and the Court of Criminal Appeals. The opinions of the Attorney General and Reporter are published on the Attorney General's web site.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	111,200	114,300	114,300	0	114,300
Operational	42,100	62,400	62,400	0	62,400
Total	\$153,300	\$176,700	\$176,700	\$0	\$176,700
State	153,300	176,700	176,700	0	176,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

303.08 Special Litigation

The Special Litigation program funds the use of private counsel for complex or special litigation cases requiring particular expertise. Hiring of private counsel requires approval of the Governor and the Attorney General.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,230,800	1,078,500	1,078,500	0	1,078,500
Total	\$1,230,800	\$1,078,500	\$1,078,500	\$0	\$1,078,500
State	314,100	289,700	289,700	0	289,700
Federal	0	0	0	0	0
Other	916,700	788,800	788,800	0	788,800

303.00 Total Attorney General and Reporter

Full-Time	320	320	320	0	320
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	320	320	320	0	320
Payroll	26,084,000	29,974,500	29,974,500	3,900	29,978,400
Operational	7,368,500	8,090,700	8,079,400	0	8,079,400
Total	\$33,452,500	\$38,065,200	\$38,053,900	\$3,900	\$38,057,800
State	23,529,700	25,738,900	25,731,500	3,900	25,735,400
Federal	0	0	0	0	0
Other	9,922,800	12,326,300	12,322,400	0	12,322,400

District Attorneys General Conference

District Attorneys General are elected for each of the state's 31 judicial districts and serve eight year terms. The elected officials are the state's prosecutors for all violations of state criminal statutes. In addition, the district attorneys prosecute all criminal cases in the federal courts that are removed from a state court and give opinions to county officials on criminal law relating to their office. Further, district attorneys and support staff consult with and advise law enforcement agencies on cases or investigations within their district. Some of the district attorneys enforce court-ordered child support obligations through an agreement with the Department of Human Services.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

304.01 District Attorneys General

The personnel and operational costs of the District Attorneys General, assistant district attorneys general, criminal investigators, and other support staff are funded in this program. The offices also provide an assistance program for victims and witnesses.

Full-Time	752	779	762	0	762
Part-Time	10	10	9	0	9
Seasonal	0	0	0	0	0
Total	762	789	771	0	771
Payroll	72,206,900	77,946,700	76,831,300	1,291,700	78,123,000
Operational	6,644,700	6,691,600	6,416,300	0	6,416,300
Total	\$78,851,600	\$84,638,300	\$83,247,600	\$1,291,700	\$84,539,300
State	72,242,000	75,881,700	75,784,800	1,136,400	76,921,200
Federal	48,800	0	0	0	0
Other	6,560,800	8,756,600	7,462,800	155,300	7,618,100

304.05 District Attorneys General Conference

The District Attorneys General Conference is comprised of all district attorneys. State law requires a conference to be held annually to consider matters related to members. A second conference is held annually to provide continuing legal education to the members.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	501,200	596,000	596,000	0	596,000
Total	\$501,200	\$596,000	\$596,000	\$0	\$596,000
State	298,700	435,000	435,000	0	435,000
Federal	0	0	0	0	0
Other	202,500	161,000	161,000	0	161,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

304.10 Executive Director

The executive director of the District Attorneys General Conference is elected every four years. The office of the executive director provides administrative support services to the 31 elected district attorneys. Duties include multi-district prosecution coordination; other prosecution assistance; provision of continuing education, budgeting, accounting, payroll, personnel, and property management services; management of federal grants; and liaison with state agencies and the General Assembly.

Full-Time	27	27	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	27	27	0	27
Payroll	2,571,800	2,607,200	2,654,100	0	2,654,100
Operational	600,400	608,000	608,000	0	608,000
Total	\$3,172,200	\$3,215,200	\$3,262,100	\$0	\$3,262,100
State	1,672,200	1,935,500	1,982,400	0	1,982,400
Federal	0	0	0	0	0
Other	1,500,000	1,279,700	1,279,700	0	1,279,700

304.15 IV-D Child Support Enforcement

Under contract with the Department of Human Services, some of the District Attorneys enforce child support collection orders under Title IV-D of the federal Social Security Act.

Full-Time	325	325	325	0	325
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	326	326	326	0	326
Payroll	18,948,200	19,444,300	19,444,300	115,200	19,559,500
Operational	2,413,300	2,460,300	2,460,300	0	2,460,300
Total	\$21,361,500	\$21,904,600	\$21,904,600	\$115,200	\$22,019,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	21,361,500	21,904,600	21,904,600	115,200	22,019,800

304.00 Total District Attorneys General Conference

Full-Time	1,104	1,131	1,114	0	1,114
Part-Time	11	11	10	0	10
Seasonal	0	0	0	0	0
Total	1,115	1,142	1,124	0	1,124
Payroll	93,726,900	99,998,200	98,929,700	1,406,900	100,336,600
Operational	10,159,600	10,355,900	10,080,600	0	10,080,600
Total	\$103,886,500	\$110,354,100	\$109,010,300	\$1,406,900	\$110,417,200
State	74,212,900	78,252,200	78,202,200	1,136,400	79,338,600
Federal	48,800	0	0	0	0
Other	29,624,800	32,101,900	30,808,100	270,500	31,078,600

District Public Defenders Conference

As required by the United States Constitution and the Tennessee Constitution, district public defenders and their staff provide legal representation at trial and through the state appellate process for indigent persons charged with the commission of a crime. In Tennessee, a statewide system of public defenders was created by the General Assembly in 1989. Public defenders are appointed as counsel for indigent persons in any criminal prosecution or juvenile delinquency proceeding involving the possible deprivation of liberty, or in any habeas corpus or other post-conviction proceeding. Twenty-nine judicial districts participate directly in the District Public Defenders Conference. The public defenders for Shelby and Davidson counties receive direct appropriations with no administrative support or control from the conference.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

306.01 District Public Defenders

This allotment provides funds for offices of 29 district public defenders, including funds for salaries and operational costs of their assistant defenders, investigators, and support staff.

Full-Time	341	341	341	0	341
Part-Time	24	24	24	0	24
Seasonal	0	0	0	0	0
Total	365	365	365	0	365
Payroll	34,139,400	36,708,200	36,690,100	627,400	37,317,500
Operational	3,026,500	4,139,800	4,099,800	0	4,099,800
Total	\$37,165,900	\$40,848,000	\$40,789,900	\$627,400	\$41,417,300
State	35,116,600	40,232,000	40,213,900	627,400	40,841,300
Federal	0	0	0	0	0
Other	2,049,300	616,000	576,000	0	576,000

306.03 Executive Director

The executive director of the Public Defenders Conference is elected by the District Public Defenders Conference and serves a four-year term. This office provides administrative support to the conference, such as training, fiscal services, coordination of multi-district cases, legal research, and information technology support.

Full-Time	15	15	15	0	15
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	1,293,600	1,413,400	1,413,400	0	1,413,400
Operational	200,000	249,500	267,600	0	267,600
Total	\$1,493,600	\$1,662,900	\$1,681,000	\$0	\$1,681,000
State	1,493,400	1,662,900	1,681,000	0	1,681,000
Federal	0	0	0	0	0
Other	200	0	0	0	0

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

306.10 Shelby County Public Defender

This program provides an appropriation to the Shelby County public defender's office.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,801,800	5,001,700	5,001,700	85,000	5,086,700
Total	\$4,801,800	\$5,001,700	\$5,001,700	\$85,000	\$5,086,700
State	4,801,800	5,001,700	5,001,700	85,000	5,086,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.12 Davidson County Public Defender

This program provides an appropriation to the Davidson County public defender's office.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,097,400	2,184,700	2,184,700	37,100	2,221,800
Total	\$2,097,400	\$2,184,700	\$2,184,700	\$37,100	\$2,221,800
State	2,097,400	2,184,700	2,184,700	37,100	2,221,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Total District Public Defenders Conference

Full-Time	356	356	356	0	356
Part-Time	25	25	25	0	25
Seasonal	0	0	0	0	0
Total	381	381	381	0	381
Payroll	35,433,000	38,121,600	38,103,500	627,400	38,730,900
Operational	10,125,700	11,575,700	11,553,800	122,100	11,675,900
Total	\$45,558,700	\$49,697,300	\$49,657,300	\$749,500	\$50,406,800
State	43,509,200	49,081,300	49,081,300	749,500	49,830,800
Federal	0	0	0	0	0
Other	2,049,500	616,000	576,000	0	576,000

Office of the Post-Conviction Defender

The Office of the Post-Conviction Defender was created in 1995 in order to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence. This office also provides continuing legal education and consulting services to attorneys representing indigents in capital cases and recruits qualified members of the private bar who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission appoints the Post-Conviction Defender Oversight Commission and has oversight of the office. The commission is comprised of nine members: three appointed by the Governor, three by the Speaker of the Senate, and three by the Speaker of the House of Representatives.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
308.00 Office of the Post-Conviction Defender					
Full-Time	19	19	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	20	0	20
Payroll	1,542,400	1,874,600	1,874,600	32,400	1,907,000
Operational	370,100	413,800	413,800	0	413,800
Total	\$1,912,500	\$2,288,400	\$2,288,400	\$32,400	\$2,320,800
State	1,912,100	2,288,400	2,288,400	32,400	2,320,800
Federal	0	0	0	0	0
Other	400	0	0	0	0

Alcoholic Beverage Commission

The Alcoholic Beverage Commission (ABC) regulates the liquor industry and enforces liquor laws and certain drug laws. The commission is governed by three members appointed by the Governor to terms concurrent with the Governor's term.

The ABC's regulatory functions include licensing and inspecting wineries and distilleries, liquor wholesalers and retailers, temporary liquor sales venues, and establishments offering on-premise liquor consumption.

ABC conducts felony investigations originating under its jurisdiction and enforces laws pertaining to the illegal manufacture, transportation, and sale of alcoholic beverages and marijuana. The commission participates in the Governor's Task Force on Marijuana Eradication and enforces laws against under-age drinking. ABC issues server permits to employees of establishments offering on-premise liquor consumption, and requires servers to complete alcohol awareness training certified by the commission. The server training program is designed to properly train employees to responsibly sell and serve alcoholic beverages.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

316.03 Alcoholic Beverage Commission

Full-Time	73	73	73	10	83
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	76	76	76	10	86
Payroll	3,982,600	5,021,000	4,915,700	443,800	5,359,500
Operational	1,458,500	2,497,200	2,090,800	381,300	2,472,100
Total	\$5,441,100	\$7,518,200	\$7,006,500	\$825,100	\$7,831,600
State	0	0	0	0	0
Federal	39,500	27,000	26,600	0	26,600
Other	5,401,600	7,491,200	6,979,900	825,100	7,805,000

Tennessee Rehabilitative Initiative in Correction

The Tennessee Rehabilitative Initiative in Correction (TRICOR) mission is to employ inmates in manufacturing, business, and agricultural jobs that integrate work opportunities with educational and vocational training and to develop good work habits and marketable skills to assist with a successful reintegration into society. TRICOR markets products and services to state agencies, local governments, non-profit organizations, and private partners.

TRICOR has a central headquarters with 23 operations at 14 correctional facilities and warehouse/distribution centers. Manufacturing and service operations include administrative support services; printing, data entry, and document imaging services; call center services; warehousing and fulfillment services; license plate manufacturing; apparel and textile manufacturing for uniforms and institutional clothing; floor manufacturing; industrial cleaning supply fulfillment; packaging services; and food manufacturing, storage, and distribution with respect to the Cook Chill program.

Agricultural operations, which include field crops and dairy operations, are located at West Tennessee State Penitentiary, Tennessee Cook Chill in Nashville, and Bledsoe County Correctional Complex.

To assist inmates with successful reintegration into society, TRICOR also administers a post-release placement program that provides job placement assistance to eligible inmates who have been released from Tennessee Department of Correction custody.

A nine-member Board of Directors oversees the agency, which is headed by an executive director. The board members are appointed by the Governor to four-year terms. The Commissioner of Correction serves as an ex-officio, non-voting member of the board.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
316.08 TRICOR					
Full-Time	167	167	167	0	167
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	167	167	167	0	167
Payroll	8,455,900	10,294,700	10,131,500	0	10,131,500
Operational	39,100,600	44,489,700	44,520,700	0	44,520,700
Total	\$47,556,500	\$54,784,400	\$54,652,200	\$0	\$54,652,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	47,556,500	54,784,400	54,652,200	0	54,652,200

Board of Parole

The Board of Parole protects public safety through the orderly release of incarcerated adult felons. The Board conducts parole hearings at state and local prisons and jails and makes recommendations to the Governor regarding executive clemency. The Board of Parole is comprised of seven full-time members appointed by the Governor. Members serve six-year terms and are eligible for reappointment.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
324.02 Board of Parole					
Full-Time	83	84	84	1	85
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	83	84	84	1	85
Payroll	5,739,100	5,963,700	5,879,100	88,300	5,967,400
Operational	1,362,900	1,461,100	1,401,400	5,700	1,407,100
Total	\$7,102,000	\$7,424,800	\$7,280,500	\$94,000	\$7,374,500
State	7,100,600	7,424,800	7,279,500	94,000	7,373,500
Federal	0	0	0	0	0
Other	1,400	0	1,000	0	1,000

Department of Correction

The Tennessee Department of Correction (TDOC) protects public safety through the incarceration of felons in a variety of secured institutional settings, supervision of probationers and parolees, and management of community corrections grant programs. In addition, the department provides felons with educational and vocational training, substance abuse treatment, and pre-release programs to prepare them for community re-entrance and to reduce re-offenses.

The Department of Correction carries out its responsibilities through four major functional areas: Administrative and Other Services, Institutional Operations, Special Purpose Facilities, and Contract Management Facilities.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administrative and Other Services

The Administrative and Other Services functional area includes Administration, State Prosecutions, Tennessee Correction Academy, Correction Release Centers, Major Maintenance, the Office of Investigations and Compliance, the Sex Offender Treatment Program, Probation and Parole Field Supervision, Community Corrections, and the Sentencing Act of 1985.

329.01 Administration

Administration provides department-wide support services, such as fiscal, personnel, policy, planning and research, and communications. Additional department-wide services include: the diagnostic unit, which assigns the most appropriate institution or special program requirements for each inmate; sentence management services, which provides sentence management information, computation of all felony sentences, and monitors and reports release dates; compliance, which ensures operational quality and accreditation by the American Correctional Association; and rehabilitative services, which provides educational, victim, and mental health services, as well as inmate jobs and alcohol and drug treatment.

Full-Time	247	269	269	0	269
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	247	269	269	0	269
Payroll	18,074,900	19,625,300	19,407,900	0	19,407,900
Operational	8,073,700	4,675,200	3,809,100	15,624,200	19,433,300
Total	\$26,148,600	\$24,300,500	\$23,217,000	\$15,624,200	\$38,841,200
State	22,823,000	20,689,300	19,955,700	15,624,200	35,579,900
Federal	240,700	353,300	350,100	0	350,100
Other	3,084,900	3,257,900	2,911,200	0	2,911,200

329.04 State Prosecutions

State Prosecutions reimburses counties for the expense of housing state felons in local jails and for other statutorily authorized felony expenses. The state is liable for county reimbursement when felons are sentenced to serve their time in the local jail, when counties contract with the state to house felons sentenced to the Department of Correction, and when counties house felons who have been sentenced to the Department of Correction and are awaiting transfer. Certain other expenses are paid from the allotment, including court costs associated with felony charges, inmate transportation costs, extradition costs, witness fees, jury boarding costs, and emergency medical expenses.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	171,124,300	199,256,500	174,856,500	0	174,856,500
Total	\$171,124,300	\$199,256,500	\$174,856,500	\$0	\$174,856,500
State	170,364,400	198,456,500	174,056,500	0	174,056,500
Federal	0	0	0	0	0
Other	759,900	800,000	800,000	0	800,000

329.06 Correction Academy

The Tennessee Correction Academy serves as the state's primary training and staff development center for the Department of Correction and a specialty training site for other law enforcement and selected emergency management-type agencies. Additionally, training is provided to the Department of Children's Services and Juvenile Justice entities. The academy provides pre-service, in-service, and specialized training schools or certification programs.

Full-Time	74	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	74	81	81	0	81
Payroll	3,778,800	4,193,200	4,123,100	0	4,123,100
Operational	1,827,100	1,657,600	1,657,600	0	1,657,600
Total	\$5,605,900	\$5,850,800	\$5,780,700	\$0	\$5,780,700
State	5,566,100	5,785,900	5,716,500	0	5,716,500
Federal	0	0	0	0	0
Other	39,800	64,900	64,200	0	64,200

329.28 Correction Release Centers

The Correction Release Centers offer programs to assist offenders in transitioning back into society. The programs consist of transitional housing for qualifying offenders who have been granted parole, diversion programs such as drug courts, and a residential program consisting of pre-release treatment and job training for TDOC offenders who have been recommended for parole and are within 60 days of release from prison.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,379,700	1,918,800	1,918,800	0	1,918,800
Total	\$1,379,700	\$1,918,800	\$1,918,800	\$0	\$1,918,800
State	1,379,700	1,918,800	1,918,800	0	1,918,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

329.32 Major Maintenance

The Major Maintenance program is responsible for maintenance of the state's prison facilities and the Tennessee Correction Academy whenever costs exceed routine daily maintenance requirements. The program also provides information systems services and technology; this includes repair and preventive maintenance of security electronic systems, including fence detection systems, locking-control panels, alarm panels, closed-circuit TV, paging and intercom systems, mobile mapping systems, and installation and maintenance of the department's computer systems.

Full-Time	57	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	57	57	0	57
Payroll	3,773,200	3,957,400	3,914,000	0	3,914,000
Operational	10,493,800	6,726,800	5,710,800	9,103,300	14,814,100
Total	\$14,267,000	\$10,684,200	\$9,624,800	\$9,103,300	\$18,728,100
State	14,267,000	9,668,200	9,624,800	9,103,300	18,728,100
Federal	0	0	0	0	0
Other	0	1,016,000	0	0	0

329.48 Office of Investigations and Compliance

The Office of Investigations and Compliance provides internal affairs, accreditation, internal audit, canine units, apprehension, and enforcement units to support the central office, institutions, Tennessee Correction Academy, and Probation and Parole Field Supervision.

Full-Time	74	70	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	74	70	70	0	70
Payroll	4,884,900	4,312,000	4,272,300	0	4,272,300
Operational	848,900	623,400	623,400	0	623,400
Total	\$5,733,800	\$4,935,400	\$4,895,700	\$0	\$4,895,700
State	5,723,100	4,935,400	4,895,700	0	4,895,700
Federal	0	0	0	0	0
Other	10,700	0	0	0	0

329.50 Sex Offender Treatment Program

The Sex Offender Treatment Program conducts pre-trial evaluations as ordered by the courts for indigent defendants accused of a sexual offense. The program also provides funding for therapy required by conditions of probation or parole for indigent offenders. The 13 member Sex Offender Treatment Board, comprised of representatives of the law enforcement, legal, and medical professions, oversees the program and develops standardized procedures for evaluation and treatment of sex offenders.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	0	0	0	0	0
Operational	760,400	503,600	503,600	0	503,600
Total	\$760,400	\$503,600	\$503,600	\$0	\$503,600
State	731,900	443,600	443,600	0	443,600
Federal	0	0	0	0	0
Other	28,500	60,000	60,000	0	60,000

329.51 Probation and Parole Field Supervision

This program supervises offenders placed on probation by the state criminal and circuit courts and parolees. Probation and parole officers also collect supervision and criminal injuries fees and write pre-sentence investigation reports for use by the Court System and Tennessee Department of Correction.

Full-Time	975	930	930	0	930
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	975	930	930	0	930
Payroll	48,401,600	49,346,300	48,658,300	0	48,658,300
Operational	17,718,400	16,237,600	14,577,500	0	14,577,500
Total	\$66,120,000	\$65,583,900	\$63,235,800	\$0	\$63,235,800
State	65,360,500	62,973,900	62,193,700	0	62,193,700
Federal	0	0	0	0	0
Other	759,500	2,610,000	1,042,100	0	1,042,100

329.52 Community Corrections

The Community Corrections program provides grants to locally-operated programs that provide alternatives to incarceration for non-violent felony offenders as adjudicated by state courts. Felons sentenced to Community Corrections programs are subject to non-custodial, intensive supervision, residential treatment, community service work, victim restitution, and supervision fees.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	13,447,100	14,145,500	14,145,500	0	14,145,500
Total	\$13,447,100	\$14,145,500	\$14,145,500	\$0	\$14,145,500
State	13,447,100	14,145,500	14,145,500	0	14,145,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

329.99 Sentencing Act of 1985

During the Special Session on Corrections in 1985, the General Assembly passed legislation that included the Sentencing Act of 1985. The law requires that, for any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state correctional facilities, there is to be appropriated from recurring revenues the estimated increased operating cost. The amount appropriated for operating costs, in current dollars, is based upon the highest cost of the next ten years, beginning with the year the additional sentence to be served impacts the correctional facilities population. Appropriations to the Sentencing Act of 1985 are used for capital outlay or for cancellation of construction bonds authorized but not yet sold.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	18,296,000	18,296,000	1,043,500	19,339,500
Total	\$0	\$18,296,000	\$18,296,000	\$1,043,500	\$19,339,500
State	0	18,288,500	18,288,500	1,043,500	19,332,000
Federal	0	0	0	0	0
Other	0	7,500	7,500	0	7,500

Institutional Operations

Institutional Operations manages the inmate population in state prisons, including diagnostic centers and time-building institutions.

Diagnostic centers evaluate inmates entering the correctional system, including physical and mental health, work and training experience, educational background, religious affiliation, and family background. Decisions are made about institutional placement or special program requirements. Diagnostic centers are located at the Tennessee Prison for Women, West Tennessee State Penitentiary, and Morgan County Correctional Complex.

Time-building prisons range in security levels from minimum-security and work-release to maximum-security and death-row. These institutions provide educational, counseling, and treatment programs.

329.13 Tennessee Prison for Women

The Tennessee Prison for Women (TPW) opened in Nashville in 1898 and relocated to its present site in 1966. The institution is a reception, diagnostic, and time-building prison which houses all levels of female inmates, from those under death sentence to those assigned to work-release. TPW also provides academic and vocational programs.

Full-Time	245	247	247	0	247
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	245	247	247	0	247
Payroll	11,542,200	12,832,900	12,491,700	339,200	12,830,900
Operational	13,311,400	11,916,300	11,916,300	0	11,916,300
Total	\$24,853,600	\$24,749,200	\$24,408,000	\$339,200	\$24,747,200

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	24,050,900	23,906,100	23,569,700	339,200	23,908,900
Federal	0	0	0	0	0
Other	802,700	843,100	838,300	0	838,300

329.14 Turney Center Industrial Complex

Turney Center Industrial Complex, with a main site in Hickman County and an annex in Wayne County, is a time-building institution with an emphasis on prison industry. It has a security classification range from minimum to close supervision. Inmates are assigned to industry, academic, farming, or vocational programs, as well as support services inside the main compound.

Full-Time	438	459	459	0	459
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	438	459	459	0	459
Payroll	20,896,600	23,245,600	22,781,900	582,100	23,364,000
Operational	19,278,100	17,756,600	17,756,600	0	17,756,600
Total	\$40,174,700	\$41,002,200	\$40,538,500	\$582,100	\$41,120,600
State	38,774,200	39,675,200	39,220,800	582,100	39,802,900
Federal	0	0	0	0	0
Other	1,400,500	1,327,000	1,317,700	0	1,317,700

329.16 Mark Luttrell Correctional Facility

Mark Luttrell Correctional Facility, located in Shelby County, is one of two main female facilities in the state prison system (a third female annex opened in 2013 at Bledsoe Correctional Complex). Opened in 1976 as a male reception center, the facility has since been converted to an all-female unit with a close security designation.

Full-Time	186	179	179	0	179
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	186	179	179	0	179
Payroll	8,996,200	9,390,100	9,139,200	229,900	9,369,100
Operational	6,666,700	6,284,200	6,284,200	0	6,284,200
Total	\$15,662,900	\$15,674,300	\$15,423,400	\$229,900	\$15,653,300
State	15,237,400	15,132,300	14,886,300	229,900	15,116,200
Federal	0	0	0	0	0
Other	425,500	542,000	537,100	0	537,100

329.17 Charles B. Bass Correctional Complex

Charles B. Bass Correctional Complex in Davidson County is a time-building facility with minimum to close security for male felons. The facility provides educational classes and a therapeutic community program. Inmates are assigned to community work crews or provide support services inside the prison. This facility is expected to cease housing inmates in fiscal year 2016, however the department will continue to operate centralized services currently housed at the facility.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	324	305	73	0	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	324	305	73	0	73
Payroll	14,002,300	15,624,400	3,883,900	131,600	4,015,500
Operational	10,595,000	13,677,700	1,008,700	0	1,008,700
Total	\$24,597,300	\$29,302,100	\$4,892,600	\$131,600	\$5,024,200
State	23,674,500	28,170,300	4,892,600	131,600	5,024,200
Federal	0	0	0	0	0
Other	922,800	1,131,800	0	0	0

329.18 Bledsoe County Correctional Complex

Bledsoe County Correctional Complex includes a male reception and diagnostic center, a time-building facility housing male inmates with a close security designation, and a 300 bed annex housing female inmates with a medium security designation. The facility has academic, substance abuse, and vocational programs.

Full-Time	770	727	727	0	727
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	770	727	727	0	727
Payroll	34,691,300	36,998,500	36,527,000	960,400	37,487,400
Operational	36,909,100	40,421,100	40,421,100	0	40,421,100
Total	\$71,600,400	\$77,419,600	\$76,948,100	\$960,400	\$77,908,500
State	69,340,500	75,198,800	74,738,500	960,400	75,698,900
Federal	0	0	0	0	0
Other	2,259,900	2,220,800	2,209,600	0	2,209,600

329.41 West Tennessee State Penitentiary

West Tennessee State Penitentiary (WTSP), located near Henning, is the largest state prison for male felons and is a time-building facility. WTSP houses all custody levels and provides educational and vocational programs.

Full-Time	746	727	727	0	727
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	746	727	727	0	727
Payroll	33,946,300	36,933,600	35,998,700	945,500	36,944,200
Operational	28,580,900	25,212,700	25,212,700	0	25,212,700
Total	\$62,527,200	\$62,146,300	\$61,211,400	\$945,500	\$62,156,900
State	61,341,800	60,826,100	59,900,500	945,500	60,846,000
Federal	0	0	0	0	0
Other	1,185,400	1,320,200	1,310,900	0	1,310,900

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

329.42 Riverbend Maximum Security Institution

Riverbend Maximum Security Institution (RMSI) in Nashville is a time-building maximum-security facility. Inmates not assigned to educational, vocational, or industry programs are required to work in support service roles throughout the facility. RMSI houses high-risk male felons, including those sentenced to death. This facility carries out all executions in the state.

Full-Time	316	324	324	0	324
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	316	324	324	0	324
Payroll	15,535,200	16,816,600	16,342,500	496,900	16,839,400
Operational	9,988,800	10,383,000	10,383,000	1,421,400	11,804,400
Total	\$25,524,000	\$27,199,600	\$26,725,500	\$1,918,300	\$28,643,800
State	25,194,100	26,772,700	26,301,400	1,918,300	28,219,700
Federal	0	0	0	0	0
Other	329,900	426,900	424,100	0	424,100

329.43 Northeast Correctional Complex

The Northeast Correctional Complex (NECX), with sites in Carter and Johnson counties, is a time-building prison with a close security designation. NECX houses male inmates and offers educational, mental health, and community service programs.

Full-Time	528	511	511	0	511
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	528	511	511	0	511
Payroll	25,160,300	25,594,200	25,178,200	658,200	25,836,400
Operational	19,735,100	19,191,700	19,191,700	0	19,191,700
Total	\$44,895,400	\$44,785,900	\$44,369,900	\$658,200	\$45,028,100
State	43,305,500	43,469,400	43,064,300	658,200	43,722,500
Federal	0	0	0	0	0
Other	1,589,900	1,316,500	1,305,600	0	1,305,600

329.45 Northwest Correctional Complex

Northwest Correctional Complex in Lake County houses male inmates with a custody level of minimum-trustee to close. The annex houses minimum restricted-custody inmates and juvenile offenders who have been adjudicated as adults. Inmates are assigned to educational or vocational programs or community service crews.

Full-Time	676	647	647	0	647
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	676	647	647	0	647
Payroll	31,250,000	33,816,100	33,038,900	821,300	33,860,200
Operational	25,361,000	21,817,100	21,817,100	0	21,817,100
Total	\$56,611,000	\$55,633,200	\$54,856,000	\$821,300	\$55,677,300
State	55,003,900	53,900,800	53,137,700	821,300	53,959,000
Federal	0	0	0	0	0
Other	1,607,100	1,732,400	1,718,300	0	1,718,300

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

329.47 Morgan County Correctional Complex

Morgan County Correctional Complex, located in Wartburg, houses inmates of all custody levels. The facility operates educational, vocational, and substance abuse programs and community service crews.

Full-Time	738	700	700	0	700
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	738	700	700	0	700
Payroll	34,585,400	35,167,200	34,498,700	943,700	35,442,400
Operational	28,455,800	30,094,500	30,094,500	0	30,094,500
Total	\$63,041,200	\$65,261,700	\$64,593,200	\$943,700	\$65,536,900
State	61,639,700	63,607,300	62,951,000	943,700	63,894,700
Federal	0	0	0	0	0
Other	1,401,500	1,654,400	1,642,200	0	1,642,200

Special Purpose Facilities

329.46 Lois M. DeBerry Special Needs Facility

The Lois M. DeBerry Special Needs Facility, located in Davidson County, provides quality health care, intensive mental health care, and geriatric services. The facility has a maximum-security designation.

Full-Time	467	460	460	0	460
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	467	460	460	0	460
Payroll	26,427,700	26,905,100	26,107,600	452,300	26,559,900
Operational	17,707,500	15,175,300	15,175,300	0	15,175,300
Total	\$44,135,200	\$42,080,400	\$41,282,900	\$452,300	\$41,735,200
State	43,697,200	41,683,000	40,888,400	452,300	41,340,700
Federal	0	0	0	0	0
Other	438,000	397,400	394,500	0	394,500

Contract Management Facilities

The state prison system has four prisons operated under contracts: Hardeman County Correctional Facility, Hardeman County Correctional Facility – Whiteville, Trousdale County Correctional Facility, and South Central Correctional Center.

329.21 Hardeman County Incarceration Agreement

The Hardeman County Correctional Facility is a time-building medium-security prison and offers educational, vocational, and mental health programs. The prison is owned by Hardeman County, which contracts with a private operator.

Full-Time	2	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	4	4	0	4

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	148,300	260,300	263,200	0	263,200
Operational	39,581,000	39,893,000	39,893,000	763,800	40,656,800
Total	\$39,729,300	\$40,153,300	\$40,156,200	\$763,800	\$40,920,000
State	39,716,600	40,134,400	40,137,300	763,800	40,901,100
Federal	0	0	0	0	0
Other	12,700	18,900	18,900	0	18,900

329.22 Hardeman County Agreement - Whiteville

The Hardeman County Correctional Facility at Whiteville is a time-building medium-security prison and offers educational, vocational, substance abuse, anger management, and family and pre-release counseling programs. The prison is privately owned and operated for the state's benefit under contract between the state and Hardeman County.

Full-Time	2	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	5	5	0	5
Payroll	125,800	290,600	286,300	0	286,300
Operational	31,574,800	32,527,400	32,527,400	785,000	33,312,400
Total	\$31,700,600	\$32,818,000	\$32,813,700	\$785,000	\$33,598,700
State	31,681,600	32,799,300	32,795,000	785,000	33,580,000
Federal	0	0	0	0	0
Other	19,000	18,700	18,700	0	18,700

329.23 Trousdale County Correctional Facility

The Trousdale County Correctional Facility is a 2,552 bed, time-building prison that is expected to be operational in mid-2016. The prison is owned by Trousdale County, which contracts with a private operator.

Full-Time	0	0	0	2	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	2	2
Payroll	0	0	0	110,600	110,600
Operational	0	0	0	10,998,600	10,998,600
Total	\$0	\$0	\$0	\$11,109,200	\$11,109,200
State	0	0	0	11,096,000	11,096,000
Federal	0	0	0	0	0
Other	0	0	0	13,200	13,200

329.44 South Central Correctional Center

The South Central Correctional Center is a time-building prison in Wayne County. The facility houses men of minimum, medium, and close custody levels and offers educational, vocational, mental health, and pre-release programs. The prison is state-owned but operated by a private contractor for the state's benefit.

Full-Time	2	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	3	3	0	3

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	139,700	198,800	195,400	0	195,400
Operational	28,818,600	29,136,500	29,136,500	619,000	29,755,500
Total	\$28,958,300	\$29,335,300	\$29,331,900	\$619,000	\$29,950,900
State	28,947,500	29,316,600	29,313,200	619,000	29,932,200
Federal	0	0	0	0	0
Other	10,800	18,700	18,700	0	18,700
329.00 Total Correction					
Full-Time	6,867	6,705	6,473	2	6,475
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6,867	6,705	6,473	2	6,475
Payroll	336,360,700	355,508,200	337,108,800	6,671,700	343,780,500
Operational	542,237,200	577,528,100	536,916,900	40,358,800	577,275,700
Total	\$878,597,900	\$933,036,300	\$874,025,700	\$47,030,500	\$921,056,200
State	861,268,200	911,897,900	857,036,000	47,017,300	904,053,300
Federal	240,700	353,300	350,100	0	350,100
Other	17,089,000	20,785,100	16,639,600	13,200	16,652,800

Statistical Data Correctional Institutions

	<u>TPW</u> 329.13	<u>TCIC</u> 329.14	<u>MLCF</u> 329.16	<u>CBCX</u> 329.17	<u>BCCX</u> 329.18
Annual Admissions					
2008-2009	700	746	240	2,400	400
2009-2010	664	1,073	230	1,650	475
2010-2011	548	735	230	1,422	493
2011-2012	539	956	135	3,024	478
2012-2013	576	1,075	140	2,588	1,665
2013-2014	576	1,065	160	3,151	1,665
2014-2015	608	1,150	170	3,000	2,987
2015-2016	608	1,200	170	*N/A	3,202
Annual Releases					
2008-2009	475	746	200	2,400	400
2009-2010	414	438	200	1,950	484
2010-2011	521	742	220	1,293	473
2011-2012	532	964	138	3,386	486
2012-2013	434	1,081	125	2,641	715
2013-2014	434	1,017	130	2,967	715
2014-2015	454	1,100	140	3,000	1,656
2015-2016	454	1,150	140	N/A	3,101
Average Daily Census					
2008-2009	736	1,536	403	1,025	929
2009-2010	752	1,515	413	964	917
2010-2011	761	1,550	417	944	913
2011-2012	785	1,537	414	774	932
2012-2013	781	1,526	408	654	1,089
2013-2014	778	1,561	401	659	2,187
2014-2015	805	1,772	440	1,060	2,521
2015-2016	805	1,772	440	N/A	2,521
Cost Per Occupancy Day (Total Expenditures)**					
2008-2009	\$81.27	\$64.67	\$89.84	\$78.00	\$66.97
2009-2010	\$81.27	\$61.99	\$89.50	\$80.21	\$64.30
2010-2011	\$82.69	\$61.90	\$92.22	\$78.79	\$67.59
2011-2012	\$84.94	\$65.17	\$96.63	\$89.60	\$70.43
2012-2013	\$89.20	\$67.75	\$102.22	\$95.58	\$113.56
2013-2014	\$87.52	\$70.51	\$107.01	\$102.26	\$89.70
2014-2015	\$84.23	\$63.39	\$97.60	\$75.74	\$84.14
2015-2016	\$83.99	\$63.40	\$97.20	N/A	\$84.44

TPW: Tennessee Prison for Women
 TCIC: Turney Center Industrial Complex
 MLCF: Mark Luttrell Correctional Facility

CBCX: Charles B. Bass Correctional Complex
 BCCX: Bledsoe County Correctional Complex

*The FY 2015-2016 Governor's Budget proposes the closure of CBCX.

**FY 2008-2009 to 2013-2014 are actual expenditures from all sources; 2014-15 to 2015-16 are estimates.

Statistical Data Correctional Institutions

	<u>WTSP</u> 329.41	<u>RMSI</u> 329.42	<u>NECC</u> 329.43	<u>NWCC</u> 329.45	<u>MCCC</u> 329.47
Annual Admissions					
2008-2009	2,600	390	690	1,059	1,800
2009-2010	3,435	390	846	1,122	1,800
2010-2011	3,729	390	758	1,061	2,600
2011-2012	3,490	406	985	1,215	3,000
2012-2013	2,502	308	910	1,105	3,000
2013-2014	675	308	416	1,054	529
2014-2015	1,000	310	600	1,054	1,000
2015-2016	1,000	310	600	1,054	1,000
Annual Releases					
2008-2009	2,600	380	450	1,067	1,800
2009-2010	3,434	380	596	1,079	2,400
2010-2011	3,702	386	764	1,038	600
2011-2012	3,498	406	962	1,230	2,935
2012-2013	2,514	375	900	1,134	2,950
2013-2014	554	327	577	998	694
2014-2015	1,000	301	600	998	1,000
2015-2016	1,000	301	600	998	1,000
Average Daily Census					
2008-2009	2,461	694	1,762	2,300	1,069
2009-2010	2,446	695	1,783	2,316	2,147
2010-2011	2,418	696	1,783	2,354	2,338
2011-2012	2,468	698	1,770	2,362	2,367
2012-2013	2,455	683	1,780	2,342	2,360
2013-2014	2,437	587	1,775	2,331	2,195
2014-2015	2,582	736	1,856	2,425	2,291
2015-2016	2,582	832	1,856	2,425	2,291
Cost Per Occupancy Day (Total Expenditures)**					
2008-2009	\$57.96	\$94.37	\$60.02	\$57.75	\$82.03
2009-2010	\$57.16	\$94.20	\$58.69	\$56.36	\$68.91
2010-2011	\$59.20	\$96.27	\$59.64	\$57.36	\$67.27
2011-2012	\$60.29	\$96.83	\$62.03	\$59.64	\$69.58
2012-2013	\$63.20	\$105.23	\$64.08	\$62.45	\$72.01
2013-2014	\$70.29	\$119.13	\$69.30	\$66.54	\$78.69
2014-2015	\$65.94	\$101.25	\$66.11	\$62.85	\$78.04
2015-2016	\$65.77	\$94.06	\$66.29	\$62.73	\$78.16

WTSP: West Tennessee State Penitentiary
RMSI: Riverbend Maximum Security Institution
NECC: Northeast Correctional Complex

NWCC: Northwest Correctional Complex
MCCC: Morgan County Correctional Complex

*Includes addition of 96 beds from the closure of CBCX.

**FY 2008-2009 to 2013-2014 are actual expenditures from all sources; 2014-15 to 2015-16 are estimates.

Statistical Data Correctional Institutions

	DSNF 329.46	HCCF 329.21	HCCF-W 329.22	SCCC 329.44	Total**
Annual Admissions					
2008-2009	400	900	800	730	11,087
2009-2010	389	827	699	663	10,939
2010-2011	1,713	840	752	670	11,262
2011-2012	2,018	1,063	1,471	1,235	11,761
2012-2013	2,070	1,058	1,450	1,230	13,200
2013-2014	324	1,058	1,450	1,230	12,100
2014-2015	200	900	800	730	12,000
2015-2016	200	900	800	730	12,000
Annual Releases					
2008-2009	400	900	800	730	11,130
2009-2010	433	880	745	710	11,168
2010-2011	1,740	842	749	684	10,437
2011-2012	2,015	1,089	1,521	1,257	11,110
2012-2013	2,081	1,083	1,501	1,220	11,400
2013-2014	312	1,083	1,501	1,220	12,100
2014-2015	200	900	800	730	12,000
2015-2016	200	900	800	730	12,000
Average Daily Census					
2008-2009	714	1,963	1,490	1,631	19,102
2009-2010	692	1,964	1,487	1,619	19,710
2010-2011	711	1,966	1,492	1,631	19,974
2011-2012	724	1,970	1,496	1,629	19,926
2012-2013	713	1,970	1,500	1,634	19,895
2013-2014	724	1,964	1,498	1,637	20,734
2014-2015	800	2,016	1,536	1,676	22,516
2015-2016	800	2,016	1,536	1,676	21,552
Cost Per Occupancy Day (Total Expenditures)*					
2008-2009	\$151.15	\$49.52	\$51.16	\$42.26	\$75.65
2009-2010	\$163.78	\$50.86	\$52.34	\$43.05	\$68.17
2010-2011	\$179.06	\$51.92	\$53.21	\$43.74	\$70.06
2011-2012	\$185.45	\$52.91	\$54.28	\$43.36	\$72.74
2012-2013	\$190.63	\$53.64	\$55.67	\$45.69	\$78.73
2013-2014	\$167.01	\$55.42	\$57.98	\$48.47	\$79.32
2014-2015	\$144.11	\$54.57	\$58.54	\$47.95	\$72.30
2015-2016	\$142.54	\$55.46	\$59.77	\$48.83	\$71.62

DSNF: Lois DeBerry Special Needs Facility
HCCF-W: Hardeman Co. Correctional Facility - Whiteville

HCCF: Hardeman Co. Correctional Facility
SCCC: South Central Correctional Center

*FY 2008-2009 to 2013-2014 are actual expenditures from all sources; 2014-15 to 2015-16 are estimates.

**Total admissions and releases are department-wide and will not equal the sum of the columns due to double counting caused by movement of inmates among the facilities.

Military Department

The Military Department provides leadership, direction, and organization for the state's Army and Air National Guard and the Tennessee Emergency Management Agency. The Adjutant General, a constitutional officer of the state appointed by the Governor, is responsible for the leadership and command of the Tennessee Army and Air National Guard, the Tennessee Emergency Management Agency, and the Bureau of War Records. The department is organized into three functional areas: Administration, National Guard, and Emergency Management.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administration

Administration performs all fiscal and administrative duties for the Military Department, maintains war records of all soldiers from Tennessee, and oversees the maintenance of Tennessee Army National Guard armories. The Office of the Adjutant General and the Tennessee State Guard are funded from this allotment.

341.01 Administration

Full-Time	42	45	45	0	45
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	45	45	0	45
Payroll	2,997,000	3,211,400	3,173,900	0	3,173,900
Operational	589,600	472,900	462,900	0	462,900
Total	\$3,586,600	\$3,684,300	\$3,636,800	\$0	\$3,636,800
State	2,487,500	2,796,500	2,758,100	0	2,758,100
Federal	1,097,100	884,800	875,700	0	875,700
Other	2,000	3,000	3,000	0	3,000

National Guard

The National Guard's primary objective is to be prepared as a first-line reserve for the active duty Army and Air Force. The National Guard is comprised of full-time and part-time personnel. At the request of the Governor, the National Guard can be called upon to assist in emergency situations such as riots, rescues, and disasters.

341.02 Army National Guard

The Army National Guard provides trained, skilled, and ready reserve defense in support of the state and nation and assists in recovery from any man-made or natural disasters and emergencies.

Full-Time	64	62	62	0	62
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	68	66	66	0	66
Payroll	3,924,000	5,399,400	5,344,900	0	5,344,900
Operational	2,033,200	1,351,100	1,051,100	0	1,051,100
Total	\$5,957,200	\$6,750,500	\$6,396,000	\$0	\$6,396,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	776,300	1,158,600	849,300	0	849,300
Federal	5,180,900	4,922,000	4,882,200	0	4,882,200
Other	0	669,900	664,500	0	664,500

341.03 Air National Guard

The Air National Guard operates three air bases located in Nashville, Knoxville, and Memphis, along with a unit in Chattanooga. The mission is to administer command and control of the Air National Guard forces and to provide direction for the implementation of administration, personnel, training, security, and fiscal policy while maintaining a safe and healthy work environment.

Full-Time	175	170	170	0	170
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	175	170	170	0	170
Payroll	7,554,200	8,842,900	8,730,000	0	8,730,000
Operational	6,414,400	4,374,000	3,742,300	0	3,742,300
Total	\$13,968,600	\$13,216,900	\$12,472,300	\$0	\$12,472,300
State	1,355,700	2,280,100	1,860,500	0	1,860,500
Federal	12,605,300	10,700,100	10,607,100	0	10,607,100
Other	7,600	236,700	4,700	0	4,700

341.07 Armories Maintenance

Armories Maintenance provides funding for the maintenance of armories, training sites, and aircraft maintenance facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,375,500	7,115,500	7,615,500	0	7,615,500
Total	\$5,375,500	\$7,115,500	\$7,615,500	\$0	\$7,615,500
State	100,900	209,300	209,300	0	209,300
Federal	4,678,800	6,311,600	6,561,600	0	6,561,600
Other	595,800	594,600	844,600	0	844,600

341.10 Armories Utilities

Armories Utilities provides funds for the cost of utilities at Army National Guard armories, training sites, and aircraft maintenance facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	0	0	0	0	0
Operational	5,147,000	5,896,600	5,796,600	0	5,796,600
Total	\$5,147,000	\$5,896,600	\$5,796,600	\$0	\$5,796,600
State	1,317,400	1,633,600	1,533,600	0	1,533,600
Federal	3,828,400	4,148,700	4,148,700	0	4,148,700
Other	1,200	114,300	114,300	0	114,300

341.11 Station Commanders Upkeep and Maintenance Fund

The Station Commander's Upkeep and Maintenance Fund (SCUMF) is fully utilized to repair, maintain, and provide viable upkeep for Military Department facilities. The SCUMF is supported by armory rental and service fees.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	750,000	750,000	0	750,000
Total	\$0	\$750,000	\$750,000	\$0	\$750,000
State	0	250,000	250,000	0	250,000
Federal	0	250,000	250,000	0	250,000
Other	0	250,000	250,000	0	250,000

Emergency Management

The Military Department provides emergency management services and administers federally funded homeland security grants.

341.04 Tennessee Emergency Management Agency

The Tennessee Emergency Management Agency (TEMA) is responsible for the planning and management of emergency operations of the state, and for the training of and assistance to local governments during man-made or natural disasters.

Full-Time	107	108	108	0	108
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	107	108	108	0	108
Payroll	6,665,300	7,770,800	7,660,300	0	7,660,300
Operational	6,118,800	5,727,300	5,717,300	0	5,717,300
Total	\$12,784,100	\$13,498,100	\$13,377,600	\$0	\$13,377,600
State	2,425,000	3,379,500	3,349,900	0	3,349,900
Federal	10,192,700	9,189,500	9,104,000	0	9,104,000
Other	166,400	929,100	923,700	0	923,700

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

341.08 Homeland Security Grants

The Homeland Security Grants program provides federal funds to state and local governments to enhance readiness against terrorism. Funds are available for planning, equipment, training exercises, and program oversight.

Full-Time	4	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	3	3	0	3
Payroll	227,300	212,600	240,800	0	240,800
Operational	6,911,200	4,865,500	4,865,500	0	4,865,500
Total	\$7,138,500	\$5,078,100	\$5,106,300	\$0	\$5,106,300
State	0	0	0	0	0
Federal	7,138,500	5,078,100	5,106,300	0	5,106,300
Other	0	0	0	0	0

341.09 TEMA Disaster Relief Grants

TEMA Disaster Relief Grants is responsible for administering federal and state grants to eligible applicants of presidentially-declared disasters. Funds are available for the repair and restoration of damaged bridges, buildings, and other public services and infrastructure.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	290,500	0	0	0	0
Operational	40,428,900	14,000,000	14,000,000	0	14,000,000
Total	\$40,719,400	\$14,000,000	\$14,000,000	\$0	\$14,000,000
State	4,000,000	4,000,000	4,000,000	0	4,000,000
Federal	35,332,100	10,000,000	10,000,000	0	10,000,000
Other	1,387,300	0	0	0	0

341.00 Total Military

Full-Time	392	388	388	0	388
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	396	392	392	0	392
Payroll	21,658,300	25,437,100	25,149,900	0	25,149,900
Operational	73,018,600	44,552,900	44,001,200	0	44,001,200
Total	\$94,676,900	\$69,990,000	\$69,151,100	\$0	\$69,151,100
State	12,462,800	15,707,600	14,810,700	0	14,810,700
Federal	80,053,800	51,484,800	51,535,600	0	51,535,600
Other	2,160,300	2,797,600	2,804,800	0	2,804,800

Tennessee Bureau of Investigation

The Tennessee Bureau of Investigation (TBI) is responsible for assisting the District Attorneys General and local law enforcement agencies in the investigation and prosecution of criminal offenses. The bureau's operations are organized into five divisions: Administrative Services, Criminal Investigations, Drug Investigations, Forensic Services, and Information Systems.

The Administrative Services Division provides overall direction and support for the bureau, including legal, personnel, payroll, and fiscal services for the agency. The Criminal Investigation Division gathers and disseminates intelligence on criminal activity, terrorism, fugitives, and drug trafficking. TBI also investigates corruption and misconduct at all levels of government, as well as provider fraud and patient abuse within the TennCare system. The Drug Investigations Division has original jurisdiction to investigate violations of Tennessee's drug control laws. Special agents are assigned to one of four regional investigative units, which initiate and investigate cases, targeting upper- and mid-level drug violators and drug distribution organizations. In addition, the division works cooperatively with state and local government agencies, the U.S. Drug Enforcement Administration, and the Federal Bureau of Investigation. The Forensic Services Division provides forensic examinations for the law enforcement community and medical examiners statewide. These examinations are performed at laboratories in Nashville, Knoxville, and Memphis. All three laboratories perform DNA and serology, drug chemistry, and toxicology, which includes blood alcohol analysis. The Memphis and Nashville laboratories perform firearms identification analysis. Additionally, the main laboratory in Nashville specializes in latent fingerprint examination and microanalysis testing. The Information Systems Division provides support to investigative activities through records management, systems operations, fingerprint identification, and uniform crime reporting. The Training Division provides training to all TBI employees, to many Tennessee law enforcement officers, to other Tennessee state agency employees, private citizens, and college students through classroom instruction, online training, and internship programs.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
348.00 Tennessee Bureau of Investigation					
Full-Time	517	517	517	3	520
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	517	517	517	3	520
Payroll	42,208,200	43,212,300	42,798,000	245,900	43,043,900
Operational	35,473,300	30,076,800	27,451,600	65,000	27,516,600
Total	\$77,681,500	\$73,289,100	\$70,249,600	\$310,900	\$70,560,500
State	44,000,200	42,428,700	39,959,200	310,900	40,270,100
Federal	11,002,700	14,990,200	14,905,400	0	14,905,400
Other	22,678,600	15,870,200	15,385,000	0	15,385,000

Department of Safety

The Tennessee Department of Safety (TDOS) works to provide safe highways for Tennessee's citizens and visitors by enforcing the laws governing the use of state and federal roads. Development and management of a comprehensive state homeland security strategy is also a function of the department. The department also provides services to motorists, including drivers license issuance, public safety education, and training assistance to local law enforcement officers. Responsibilities of the department focus on the following areas: Administrative and Support Services, Public Services, Investigation and Enforcement, and Education.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administrative and Support Services

Administrative and Support Services includes Administration, Motor Vehicle Operations, Major Maintenance, and Technical Services.

349.01 Administration

The Administration division provides support services for departmental operations, such as fiscal services, internal audit, human resources, supply, and legal services. Legal services administers asset forfeiture cases that arise out of the seizure of property pursuant to drug control, automobile anti-theft laws, and driver improvement hearings.

Full-Time	96	96	96	0	96
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	96	96	96	0	96
Payroll	6,738,600	6,799,100	6,700,500	0	6,700,500
Operational	3,061,200	2,775,300	2,750,300	0	2,750,300
Total	\$9,799,800	\$9,574,400	\$9,450,800	\$0	\$9,450,800
State	9,156,000	9,028,400	8,910,400	0	8,910,400
Federal	0	0	0	0	0
Other	643,800	546,000	540,400	0	540,400

349.07 Motor Vehicle Operations

Motor Vehicle Operations provides all commissioned officers with a vehicle to enforce traffic laws and investigate crashes on state roads. The program also provides pool vehicles for other departmental staff to carry out services, such as driver license training, Internal Audit personnel, repair of communication towers and radio repeater sites, Telecommunications personnel and Human Resources personnel.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	11,314,800	11,578,600	11,578,600	0	11,578,600
Total	\$11,314,800	\$11,578,600	\$11,578,600	\$0	\$11,578,600

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	11,314,800	11,578,600	11,578,600	0	11,578,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

349.12 Major Maintenance

Major Maintenance provides funds for maintenance of Department of Safety buildings and other facilities including radio towers, radio repeater sites, and roadside commercial motor vehicle scales.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	800	9,600	9,600	0	9,600
Total	\$800	\$9,600	\$9,600	\$0	\$9,600
State	800	9,600	9,600	0	9,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

349.13 Technical Services

The Technical Services division supports departmental information systems, maintains motor vehicle records, identifies frequent traffic violators for license revocation, and analyzes and processes traffic crashes administered by the Highway Patrol and local police agencies.

Full-Time	85	88	88	0	88
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	85	88	88	0	88
Payroll	4,892,800	5,456,300	5,395,700	0	5,395,700
Operational	2,242,500	2,190,000	2,185,000	0	2,185,000
Total	\$7,135,300	\$7,646,300	\$7,580,700	\$0	\$7,580,700
State	736,300	885,100	873,100	0	873,100
Federal	111,100	165,000	163,700	0	163,700
Other	6,287,900	6,596,200	6,543,900	0	6,543,900

Public Services

349.02 Driver License Issuance

Services provided by the Driver License Issuance division include testing and issuing driver licenses to qualifying motorists, school bus drivers, and commercial drivers; monitoring third party commercial driver license testers; administering graduated driver license provisions; issuing handgun carry permits; issuing photo identifications; collecting organ donor information; processing voter registration applications; and registering individuals for the selective service. This division also administers the Financial Responsibility Law, which involves canceling and restoring driving privileges.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	482	447	447	0	447
Part-Time	23	53	53	0	53
Seasonal	0	0	0	0	0
Total	505	500	500	0	500
Payroll	19,401,000	21,490,500	21,159,500	0	21,159,500
Operational	25,365,200	27,468,000	26,989,300	0	26,989,300
Total	\$44,766,200	\$48,958,500	\$48,148,800	\$0	\$48,148,800
State	8,290,700	12,967,800	12,401,400	0	12,401,400
Federal	1,061,600	2,111,000	2,096,800	0	2,096,800
Other	35,413,900	33,879,700	33,650,600	0	33,650,600

Investigation and Enforcement

The department's enforcement efforts focus on roadway safety, criminal investigation, and other safety-related functions through the Highway Patrol and Auto Theft Investigations division. In addition, the Office of Homeland Security develops and manages a comprehensive strategy to secure the state from terrorism threats.

349.03 Highway Patrol

The Tennessee Highway Patrol (THP) protects the motoring public through the enforcement of all traffic laws and federal and state commercial vehicle standards. THP's enforcement activities include patrolling the highways, issuing citations, investigating and reconstructing traffic crashes, performing searches and seizures, and inspecting and weighing commercial vehicles. Other activities include pupil transportation safety, security of state officials, drug-abuse resistance education, and assistance to educators in reducing gang and individual violence.

Full-Time	1,077	1,073	1,067	2	1,069
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,077	1,073	1,067	2	1,069
Payroll	84,011,300	89,101,400	87,895,600	2,799,500	90,695,100
Operational	20,752,000	22,434,900	19,667,900	1,628,000	21,295,900
Total	\$104,763,300	\$111,536,300	\$107,563,500	\$4,427,500	\$111,991,000
State	92,222,400	96,556,600	93,626,000	3,827,500	97,453,500
Federal	4,897,500	7,238,200	7,454,800	0	7,454,800
Other	7,643,400	7,741,500	6,482,700	600,000	7,082,700

349.06 Auto Theft Investigations

The Auto Theft Investigations division provides operational funding to support the work led by the Highway Patrol's automobile theft investigations unit. Seized and forfeited vehicles or parts may be sold by the department and the proceeds used to cover operational expenses of combating automobile theft.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	0	0	0	0	0
Operational	10,600	349,900	349,900	0	349,900
Total	\$10,600	\$349,900	\$349,900	\$0	\$349,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	10,600	349,900	349,900	0	349,900

349.15 Office of Homeland Security

The Office of Homeland Security develops, coordinates, and implements a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks, and coordinate the response to these events, if required. The office has three regional offices located in East, Middle, and West Tennessee to assist local officials with planning, training, and conducting exercises; effectively using federal grants; and improving communications. The state also has 11 homeland security districts that provide coordinated multi-county responses to chemical, biological, radiological, and nuclear threats. The office, in partnership with Tennessee Bureau of Investigation, operates the Tennessee Fusion Center, which enhances the state's ability to analyze terrorism information and improves information sharing among state, local, and federal agencies.

Full-Time	26	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	26	26	0	26
Payroll	1,986,900	1,582,800	1,575,300	0	1,575,300
Operational	1,133,000	3,860,100	3,506,100	0	3,506,100
Total	\$3,119,900	\$5,442,900	\$5,081,400	\$0	\$5,081,400
State	1,418,200	1,851,200	1,794,500	0	1,794,500
Federal	0	0	0	0	0
Other	1,701,700	3,591,700	3,286,900	0	3,286,900

Education

The education function includes the divisions of Motorcycle Rider Education and Driver Education.

349.04 Motorcycle Rider Education

The Motorcycle Rider Education program promotes safe motorcycling through training, certifying, and monitoring instructors who provide basic and experienced rider courses.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	98,300	130,100	127,900	0	127,900
Operational	280,000	380,800	365,800	0	365,800
Total	\$378,300	\$510,900	\$493,700	\$0	\$493,700
State	378,300	510,900	493,700	0	493,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

349.08 Driver Education

Driver Education promotes safety on the highways by developing, promoting, and coordinating programs that increase public awareness of safety on Tennessee highways. The program also regulates commercial driving schools.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	103,400	182,100	179,600	0	179,600
Operational	57,900	97,600	96,600	0	96,600
Total	\$161,300	\$279,700	\$276,200	\$0	\$276,200
State	161,300	279,700	276,200	0	276,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

349.00 Total Safety

Full-Time	1,770	1,734	1,728	2	1,730
Part-Time	23	53	53	0	53
Seasonal	0	0	0	0	0
Total	1,793	1,787	1,781	2	1,783
Payroll	117,232,300	124,742,300	123,034,100	2,799,500	125,833,600
Operational	64,218,000	71,144,800	67,499,100	1,628,000	69,127,100
Total	\$181,450,300	\$195,887,100	\$190,533,200	\$4,427,500	\$194,960,700
State	123,678,800	133,667,900	129,963,500	3,827,500	133,791,000
Federal	6,070,200	9,514,200	9,715,300	0	9,715,300
Other	51,701,300	52,705,000	50,854,400	600,000	51,454,400

**Law, Safety, and Correction
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Correction					
Provide comprehensive services to address barriers to offender success in the community.					
	Percent of offenders who are recipients of resources on the basis of assessment.	Quarterly	98%	Not Available	98%
	Number of offenders receiving programming in prisons.	Quarterly	6,950	Not Available	7,300
	Number of offenders receiving programming in the community.	Quarterly	513	Not Available	1,025
Improve strength within Correction's Security Operations by expanding training opportunities for Probation / Parole Officers, improving security communications / information sharing, and implementing a collaborative inmate classification system that supports efficient bed management.					
	Number of community supervision personnel completing training.	Quarterly	34	Not Available	95
	Percent of bed placement that match assessment.	Quarterly	99%	Not Available	99%
	By June 30, 2015, all 11 Correction facilities will be holding daily roll calls.	Quarterly	Not Applicable	Not Available	Not Applicable
Enhance supervision of offenders according to risk and needs in order to reduce significant incidents, repeat offenders, and threats to the community.					
	Number of escapes.	Monthly	0	0	0
	Number of offender returns.	Monthly	402	418	375
Military Department					
Improve energy efficiency and lower operating costs by pursuing available grants for clean energy and utility/emissions reduction funding programs by 2020.					
	1) Identify the Inefficient Energy Equipment in need of Replacement (December 2014). 2) Calculate Cost analysis, energy savings, emissions reduction, and payback period. 3) Submit a proposal for the Clean Tennessee Energy Grant Program (November 2014). 4) Execute replacement of Inefficient Energy Equipment once final approval is given for the projects (October 2016). 5) Identify the Inefficient Energy Equipment in need of Replacement for second grant submission to TDEC (December 2015). 6) Calculate Cost analysis, energy savings, emissions reduction and payback period (December 2015). 7) Submit a proposal for the Clean Tennessee Energy Grant Program (January 2015). 8) Execute replacement of Inefficient Energy Equipment once final approval is given for the projects (January 2017).	Annually	Not Applicable	On Schedule	Not Applicable

**Law, Safety, and Correction
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Sustain Emergency Management Operational Readiness to include redundant communications interoperability, making Tennessee a safer place to live, work, and play in support of overall public safety.	Review of Basic Emergency Operations Plan.	Annually	100%	Not Applicable	100%
	Percent of monthly communications checks completed.	Annually	99.9%	Not Applicable	99.9%

Department of Safety

Complete at least 75% of the action steps in the Governor's Public Safety Action Plan and successfully spearhead development of a new plan for the Governor's second term.

Number of reported major violent crimes.	Monthly	37,275	17,921	35,391	
Enhance customer service through an annual reduction of 10% in average wait times.					
Average wait time in driver services centers (minutes).	Monthly	27.75	23.91	24.98	
Through data-driven policing, enhance both interdiction of criminal activities and enforcement efforts designed to curb traffic fatalities.					
Number of fatalities (YTD).	Monthly	995	425	975	

Resources and Regulation



Resources and Regulation

Table of Contents



Introduction	B-249
Total Personnel and Funding	B-250
Recommended Budget for Fiscal Year 2015-2016 by Funding Source	B-251
Cost Increases for Fiscal Year 2015-2016	B-252
Program Statements	B-256
Arts Commission	B-256
State Museum	B-257
Department of Environment and Conservation	B-258
Tennessee Wildlife Resources Agency	B-273
Department of Commerce and Insurance	B-276
Department of Financial Institutions	B-284
Department of Labor and Workforce Development	B-285
Priority Goals and Measures	B-291

Resources and Regulation

Recommended Budget, Fiscal Year 2015 – 2016

The Resources and Regulation functional group includes eight agencies that promote and protect the state's natural, historical, and cultural resources and its consumers and workers.

Three departments promote consumer protection and safety in the work place:

- Department of Commerce and Insurance
- Department of Financial Institutions
- Department of Labor and Workforce Development.

These departments regulate and promote education in businesses and occupations to ensure professionalism and consumer safety; regulate insurance, commercial banking, and money-lending industries to ensure soundness and protect the interests of depositors and policy-holders; and regulate the work place to ensure worker health and safety, fair wages, and compensation for work-related injuries. In addition to these activities, the Department of Commerce and Insurance is responsible for law enforcement personnel training duties.

Three agencies promote and protect cultural and historical resources:

- Tennessee Arts Commission
- Tennessee State Museum
- Tennessee Historical Commission.

Together, these agencies promote interest, education, and participation in the arts through financial support to artists and supporters of the arts; protect and preserve artifacts that are significant to our natural and cultural history; and promote the preservation of and public

access to historical sites across the state through purchase and financial support.

The following two agencies promote and ensure the conservation of Tennessee's agricultural, environmental, and natural resources:

- Department of Environment and Conservation
- Tennessee Wildlife Resources Agency.

These agencies promote preservation of the state's environmental resources, protection from hazardous waste and radiation exposure, and reclamation of abandoned lands; promote recreation on public and private lands, including the state's geological, archaeological, and park resources; protect and conserve all species of wildlife native to the state; administer hunting and boating safety laws; enforce the litter control laws; stabilize river banks; and maintain drainage patterns to conserve agricultural land in West Tennessee.

Cost Increases and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended cost increases for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year.

Resources and Regulation Total Personnel and Funding

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Recommended 2015-2016</u>
Personnel			
Full Time	5,256	5,095	5,087
Part Time	940	874	871
Seasonal	297	296	296
TOTAL	6,493	6,265	6,254
Expenditures			
Payroll	\$ 304,241,000	\$ 357,536,300	\$ 354,468,800
Operational	423,388,400	573,802,100	533,397,300
TOTAL	\$ 727,629,400	\$ 931,338,400	\$ 887,866,100
Funding			
State	\$ 375,069,600	\$ 450,090,300	\$ 468,551,100
Federal	201,989,300	265,435,700	239,821,800
Other	150,570,500	215,812,400	179,493,200

Resources and Regulation
Recommended Budget for Fiscal Year 2015-2016
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	6,466,400	988,400	536,900	7,991,700
316.27 State Museum	3,838,800	0	5,000	3,843,800
327.00 Environment and Conservation	178,810,100	54,084,400	111,784,000	344,678,500
328.00 Tennessee Wildlife Resources Agency	59,266,600	22,528,200	7,022,100	88,816,900
335.00 Commerce and Insurance	155,452,600	293,000	56,882,600	212,628,200
336.00 Financial Institutions	19,823,600	0	2,400	19,826,000
337.00 Labor and Workforce Development	44,893,000	161,927,800	3,260,200	210,081,000
Total	\$468,551,100	\$239,821,800	\$179,493,200	\$887,866,100

Resources and Regulation
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Arts Commission					
• Arts Grants					
To provide non-recurring funding for arts education, community enrichment, and other arts grants and program activities. Grant programs are intended to promote interest and participation in the performing, visual, and literary arts by developing cultural resources across the state. Funding is from the Arts license plate reserve.					
316.25 Arts Commission	\$0	\$0	\$300,000	\$300,000	0
Sub-total	\$0	\$0	\$300,000	\$300,000	0
Total Arts Commission	\$0	\$0	\$300,000	\$300,000	0
State Museum					
• Sale Proceeds					
To appropriate non-recurring funding generated from the sale of a donated home of historical value.					
316.27 State Museum	\$71,500	\$0	\$0	\$71,500	0
Sub-total	\$71,500	\$0	\$0	\$71,500	0
Total State Museum	\$71,500	\$0	\$0	\$71,500	0
Environment and Conservation					
• State Parks - Furniture Replacement					
To provide non-recurring funding for replacement of furniture to be utilized in state parks.					
327.12 Tennessee State Parks	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• South Cumberland - Additional Position					
To provide funding for one position to help manage the Foster Falls Campground in Sequatchie County.					
327.12 Tennessee State Parks	\$0	\$0	\$58,100	\$58,100	1
Sub-total	\$0	\$0	\$58,100	\$58,100	1
• Office of Energy Programs - Additional Positions					
To provide funding for two additional positions to assist with the oversight of the revolving loan fund and technical assistance program. The revolving loan fund will provide capital for energy efficiency and clean energy projects in state buildings, and the technical assistance program will provide energy management training, data collection, and data analysis.					
327.52 Office of Energy Programs	\$0	\$143,300	\$0	\$143,300	2
Sub-total	\$0	\$143,300	\$0	\$143,300	2

Resources and Regulation

Cost Increases for Fiscal Year 2015-2016

	State	Federal	Other	Total	Positions
• West Tennessee River Basin Authority Maintenance - Core Services Restoration					
To provide recurring funding to the West Tennessee River Basin Authority for major maintenance activities.					
327.24 West Tennessee River Basin Authority Maintenance	\$635,000	\$0	\$0	\$635,000	0
Sub-total	\$635,000	\$0	\$0	\$635,000	0
• Administration Legislation - Underground Storage Tanks					
To provide recurring funding to the Underground Storage Tank Program to help accommodate an anticipated increase in clean-up cost.					
327.41 Underground Storage Tanks	\$125,000	\$0	\$0	\$125,000	0
Sub-total	\$125,000	\$0	\$0	\$125,000	0
Total Environment and Conservation	\$1,760,000	\$143,300	\$58,100	\$1,961,400	3

Tennessee Wildlife Resources Agency

• Statutory Salary Step Increase					
To provide funds for salary step increases for the agency's officers, biologists, and other unique positions, pursuant to TCA 70-1-309.					
328.01 Wildlife Resources Agency	\$366,300	\$0	\$0	\$366,300	0
328.02 Boating Safety	\$57,900	\$0	\$0	\$57,900	0
Sub-total	\$424,200	\$0	\$0	\$424,200	0
• Salary Survey					
To provide funding for salary increases associated with the annual salary study of bordering states. The survey includes agency officers, biologists, and other unique positions.					
328.01 Wildlife Resources Agency	\$857,400	\$0	\$0	\$857,400	0
328.02 Boating Safety	\$116,900	\$0	\$0	\$116,900	0
Sub-total	\$974,300	\$0	\$0	\$974,300	0
Total Tennessee Wildlife Resources Agency	\$1,398,500	\$0	\$0	\$1,398,500	0

Commerce and Insurance

• Statutory Salary Step Increase					
To fund the mandated annual trooper salary step increase, pursuant to TCA 4-7-206.					
335.11 Tennessee Law Enforcement Training Academy	\$15,900	\$0	\$0	\$15,900	0
Sub-total	\$15,900	\$0	\$0	\$15,900	0

Resources and Regulation

Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Salary Survey					
To provide funding for the salary increase for the annual commissioned officer salary survey results. The survey averages the current compensation levels of commissioned officers in the eight adjacent states.					
335.11 Tennessee Law Enforcement Training Academy	\$24,600	\$0	\$0	\$24,600	0
Sub-total	\$24,600	\$0	\$0	\$24,600	0
• Next Generation 911 Equipment					
To provide support to the 911 call centers and Emergency Communications Districts (ECDs). These funds will reimburse the ECDs for costs associated with purchasing Next Generation 911 and other equipment. These funds are dedicated fees collected from telephone subscribers. Effective January 1, 2015 this fee applies to both landline and mobile subscribers.					
335.08 911 Emergency Communications Fund	\$26,302,100	\$0	\$0	\$26,302,100	0
Sub-total	\$26,302,100	\$0	\$0	\$26,302,100	0
• TN Law Enforcement Training Academy - Facility Upgrades					
To provide non-recurring funding for facility upgrades including the firing range, simulation programs, furniture replacement, and other items.					
335.11 Tennessee Law Enforcement Training Academy	\$240,000	\$0	\$0	\$240,000	0
Sub-total	\$240,000	\$0	\$0	\$240,000	0
• Administration Legislation - Captive Insurance Companies					
To provide funding for an insurance examiner to assist the Captive Insurance Section in licensing and regulating captive insurance companies. Captive insurance companies provide risk-mitigation services for their parent companies.					
335.02 Insurance	\$122,900	\$0	\$0	\$122,900	1
Sub-total	\$122,900	\$0	\$0	\$122,900	1
Total Commerce and Insurance	\$26,705,500	\$0	\$0	\$26,705,500	1

Labor and Workforce Development

• Employee Misclassification Program

To provide recurring funding for program growth. The Employee Misclassification Program provides employers the ability to file exemptions from obtaining workers' compensation insurance for sole practitioners, officers of corporations, and members of limited liability corporations.

337.15 Workers' Compensation Employee Misclassification	\$26,000	\$0	\$0	\$26,000	0
Sub-total	\$26,000	\$0	\$0	\$26,000	0

Resources and Regulation
Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Tennessee Occupational Safety and Health (TOSHA) - Additional Positions					
To provide two additional TOSHA staffing positions. Funding will come from the existing program budget.					
337.02 Tennessee Occupational Safety and Health Administration (TOSHA)	\$0	\$0	\$0	\$0	2
Sub-total	\$0	\$0	\$0	\$0	2
• Adult Education - Additional Positions					
To provide two educational consultant positions. Funding will come from the existing program budget.					
337.09 Adult Basic Education	\$0	\$0	\$0	\$0	2
Sub-total	\$0	\$0	\$0	\$0	2
Total Labor and Workforce Development	\$26,000	\$0	\$0	\$26,000	4
Total Resources and Regulation	\$29,961,500	\$143,300	\$358,100	\$30,462,900	8

Arts Commission

The Tennessee Arts Commission promotes interest and participation in the performing, visual, musical, and literary arts by developing cultural resources across the state. The commission provides financial support to artists, arts organizations, and arts supporters through various grant programs; and by matching private contributions with federal funds to provide technical assistance and other services.

The commission and its professional staff provide opportunities in the arts for all Tennesseans, especially children. These opportunities include workshops, competitions, and student ticket subsidies for productions across the state. Newsletters and special publications are used to increase public awareness.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

316.25 Arts Commission

Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	1,387,200	1,530,800	1,517,900	0	1,517,900
Operational	5,984,900	6,473,800	6,173,800	300,000	6,473,800
Total	\$7,372,100	\$8,004,600	\$7,691,700	\$300,000	\$7,991,700
State	6,145,900	6,476,800	6,466,400	0	6,466,400
Federal	1,202,700	990,000	988,400	0	988,400
Other	23,500	537,800	236,900	300,000	536,900

State Museum

The Tennessee State Museum was created by public law in 1937 to bring together all the collections already owned or managed by the state. The State Museum's mandate is to "procure, preserve, exhibit and interpret objects which relate to the social, political, economic, and cultural history of Tennessee and Tennesseans, and to provide exhibitions and programs for the educational and cultural enrichment of the citizens of the state."

The State Museum, located in Nashville, collects, preserves, interprets, and exhibits artifacts that are significant to the natural and cultural history of the state. Through the acquisition, restoration, and stewardship of the collection, the museum's professional staff provides Tennesseans with numerous educational and cultural experiences. Many of the programs reach school-aged children across the state.

The museum secures and sponsors exhibits of distinction from renowned artists and collections to further enrich the citizens of the state. The museum provides technical assistance in conserving and restoring artifacts for historical sites and other museums and organizations in the state. The State Museum maintains administrative oversight of the National Civil Rights Museum in Memphis.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
316.27 State Museum					
Full-Time	43	42	42	0	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	42	42	0	42
Payroll	2,322,300	2,505,200	2,467,000	0	2,467,000
Operational	1,430,500	1,331,800	1,305,300	71,500	1,376,800
Total	\$3,752,800	\$3,837,000	\$3,772,300	\$71,500	\$3,843,800
State	3,660,900	3,832,000	3,767,300	71,500	3,838,800
Federal	86,500	0	0	0	0
Other	5,400	5,000	5,000	0	5,000

Department of Environment and Conservation

The Department of Environment and Conservation enhances the quality of life for all Tennesseans by protecting, preserving, and improving the quality of Tennessee’s air, land, and water; providing an understandable and responsive regulatory system; conserving and promoting Tennessee’s natural and cultural resources; and providing a variety of quality recreational experiences. The department has three functional areas: Administration, State Parks and Conservation Services, and Environment.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administration

327.01 Administrative Services

The Administrative Services division provides departmental management and support services including policy, planning, fiscal services, human resources, information systems, internal audit, legal services, external affairs, and public information. The program also publishes the Tennessee Conservationist magazine, which features articles and photography regarding the protection of the state’s natural and cultural resources.

Full-Time	216	218	218	0	218
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	216	218	218	0	218
Payroll	15,331,500	16,795,000	16,673,900	0	16,673,900
Operational	3,936,400	3,241,200	3,127,400	0	3,127,400
Total	\$19,267,900	\$20,036,200	\$19,801,300	\$0	\$19,801,300
State	7,282,500	6,877,200	6,813,000	0	6,813,000
Federal	2,840,900	2,680,200	2,656,000	0	2,656,000
Other	9,144,500	10,478,800	10,332,300	0	10,332,300

327.52 Office of Energy Programs

The Office of Energy Programs promotes efficient and economic use of energy by the public and private sectors. Through grants from the U.S. Department of Energy, the division renders technical and financial assistance to existing businesses, local governments, schools, and hospitals in order to reduce energy costs.

Full-Time	7	7	7	2	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	2	9
Payroll	656,000	863,200	848,500	122,500	971,000
Operational	1,785,800	3,473,300	5,774,200	20,800	5,795,000
Total	\$2,441,800	\$4,336,500	\$6,622,700	\$143,300	\$6,766,000
State	34,800	34,800	34,800	0	34,800
Federal	2,335,100	667,200	785,500	143,300	928,800
Other	71,900	3,634,500	5,802,400	0	5,802,400

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

327.53 Energy Loan Programs

The Energy Loan Programs are organized as revolving loan programs to assist for-profit businesses, non-profit organizations, private institutions of higher education, and units of local governments in becoming more energy efficient. Eligible and approved applicants can obtain a low-interest loan of up to \$500,000 and repay it over a period of up to seven years. Loans must be for energy efficiency projects or renewable energy measures on existing facilities that are at least one year old or on other energy saving processes and operations located in Tennessee.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	21,100	5,200,000	3,000,000	0	3,000,000
Total	\$21,100	\$5,200,000	\$3,000,000	\$0	\$3,000,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	21,100	5,200,000	3,000,000	0	3,000,000

Tennessee State Parks and Conservation Services

Tennessee State Parks and Conservation Services provides a variety of services that maintain state natural areas for preservation, historical significance, and outdoor enjoyment.

327.03 Recreation Educational Services

The Recreation Educational Services division assists public recreation providers and promotes recreation development through grants, technical assistance, and monitoring local and state planning efforts. The program houses the Parks and Recreation Technical Advisory Service to specifically assist county and municipal governments and other recreation providers.

Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	748,000	963,300	949,100	0	949,100
Operational	1,737,900	4,337,100	4,337,100	0	4,337,100
Total	\$2,485,900	\$5,300,400	\$5,286,200	\$0	\$5,286,200
State	723,400	824,600	822,400	0	822,400
Federal	1,370,400	2,291,300	2,285,200	0	2,285,200
Other	392,100	2,184,500	2,178,600	0	2,178,600

327.04 Historical Commission

The Tennessee Historical Commission administers state historic sites; places historical markers that denote important locations, persons, and events; assists in publication projects; and promotes preservation and interpretation of structures, buildings, sites, and battlefields. The commission implements the National Historic Preservation Act.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	936,900	993,200	974,800	0	974,800
Operational	1,796,700	2,019,300	1,869,300	0	1,869,300
Total	\$2,733,600	\$3,012,500	\$2,844,100	\$0	\$2,844,100
State	2,048,100	2,432,900	2,268,000	0	2,268,000
Federal	681,600	529,600	526,400	0	526,400
Other	3,900	50,000	49,700	0	49,700

327.06 Land and Water Conservation Fund

The Land and Water Conservation Fund provides grants to assist in preserving, developing, and assuring accessibility to outdoor recreation resources. This federal program provides grants for the acquisition and development of public outdoor recreation areas and facilities. The Recreation Educational Services Division administers these grants to local governments and agencies that provide recreational areas and parks.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	750,000	750,000	0	750,000
Total	\$0	\$750,000	\$750,000	\$0	\$750,000
State	0	0	0	0	0
Federal	0	750,000	750,000	0	750,000
Other	0	0	0	0	0

327.18 Maintenance of Historic Sites

The Maintenance of Historic Sites program ensures that state-owned historical sites are properly maintained according to historic preservation standards and for visitation by the public. Sites are maintained through contractual agreements between the Tennessee Historical Commission and non-profit organizations.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	134,800	315,000	315,000	0	315,000
Total	\$134,800	\$315,000	\$315,000	\$0	\$315,000
State	84,000	315,000	315,000	0	315,000
Federal	0	0	0	0	0
Other	50,800	0	0	0	0

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

327.08 Archaeology

The Archaeology program operates a statewide program of archaeological surveying, excavation, research, publication of findings, custodianship of artifacts, and educational programs. The program is a primary source of information and advice on archaeological matters for the public, professional archaeologists, museums, state agencies, law enforcement agencies, and the private development community. The state reviews all federal undertakings to determine their effect on archaeological sites.

Full-Time	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	10	0	10
Payroll	585,100	715,200	701,000	0	701,000
Operational	122,500	158,500	158,500	0	158,500
Total	\$707,600	\$873,700	\$859,500	\$0	\$859,500
State	651,700	813,200	800,000	0	800,000
Federal	0	0	0	0	0
Other	55,900	60,500	59,500	0	59,500

327.12 Tennessee State Parks

The Tennessee State Parks program protects, conserves, and manages natural, cultural, and historic resources in 54 state parks located throughout Tennessee. State parks provide opportunities for the public to enjoy outdoor recreation through a variety of activities in rustic, day-use, and resort parks. Rustic and day-use parks provide recreation through swimming, fishing, rafting, camping, and hiking. Resort parks provide inns, restaurants, golf courses, marinas, camping, and other recreational activities.

Full-Time	963	970	970	1	971
Part-Time	241	240	240	0	240
Seasonal	297	296	296	0	296
Total	1,501	1,506	1,506	1	1,507
Payroll	49,051,400	51,561,200	50,720,700	44,700	50,765,400
Operational	32,596,500	33,332,100	31,832,100	1,013,400	32,845,500
Total	\$81,647,900	\$84,893,300	\$82,552,800	\$1,058,100	\$83,610,900
State	45,242,500	47,965,200	45,990,300	1,000,000	46,990,300
Federal	156,600	1,000	1,000	0	1,000
Other	36,248,800	36,927,100	36,561,500	58,100	36,619,600

327.15 State Parks Maintenance

The State Parks Maintenance program provides funds for maintenance projects at state parks. These projects, because of cost or duration, do not meet the criteria for capital maintenance, for which funds are separately provided in the capital budget.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	0	0	0	0	0
Operational	2,244,300	2,693,700	2,314,100	0	2,314,100
Total	\$2,244,300	\$2,693,700	\$2,314,100	\$0	\$2,314,100
State	2,214,000	2,214,100	2,214,100	0	2,214,100
Federal	0	0	0	0	0
Other	30,300	479,600	100,000	0	100,000

327.14 Natural Areas

The Natural Areas program promotes the restoration and conservation of Tennessee's natural and biological diversity by cooperative management of land, scenic rivers, and by collecting and disseminating information on rare plants. Scenic rivers are designated and protected under the 1968 Scenic Rivers Act to protect rivers of exceptional scenic quality and to protect rare species of plants and animals. State natural areas are designated and protected under the 1971 Natural Areas Preservation Act to protect natural biological diversity, preserve areas of exceptional scenic and geological value, and protect habitats for rare plants and animals. The division also studies rare plants and maintains a state list of endangered, threatened, and special-concern plants. The department is the lead agency for listing and recovery of plants under the 1973 Federal Endangered Species Act. The division also regulates the export of ginseng.

Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	746,800	790,800	796,100	0	796,100
Operational	280,700	347,800	342,800	0	342,800
Total	\$1,027,500	\$1,138,600	\$1,138,900	\$0	\$1,138,900
State	828,800	960,100	950,400	0	950,400
Federal	156,400	120,000	118,800	0	118,800
Other	42,300	58,500	69,700	0	69,700

327.19 Local Parks Acquisition Fund

The Local Parks Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for grants to county and municipal governments for the purchase of land for parks, natural areas, greenways, and other recreational facilities. Funding for these grants comes from the real estate transfer tax. Local governments must match the grant on a one-to-one basis.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,085,900	3,718,700	3,718,700	0	3,718,700
Total	\$4,085,900	\$3,718,700	\$3,718,700	\$0	\$3,718,700
State	4,073,500	3,718,700	3,718,700	0	3,718,700
Federal	0	0	0	0	0
Other	12,400	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

327.20 State Lands Acquisition Fund

The State Lands Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for the acquisition of land for state parks, forests, natural areas, boundary areas along scenic rivers, and easement protection for these areas. Funding also supports trail construction at these sites and historic preservation of old theatres. Funding for these grants comes from the real estate transfer tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,068,800	3,087,500	3,087,500	0	3,087,500
Total	\$4,068,800	\$3,087,500	\$3,087,500	\$0	\$3,087,500
State	3,207,000	3,087,500	3,087,500	0	3,087,500
Federal	835,600	0	0	0	0
Other	26,200	0	0	0	0

327.22 State Lands Compensation Fund

The funds for this program come from the State Lands Acquisition Fund and are used to make in-lieu-of-tax payments to local governments, recognizing the loss of local property taxes resulting from the purchase of land by the state.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	104,100	125,000	125,000	0	125,000
Total	\$104,100	\$125,000	\$125,000	\$0	\$125,000
State	104,100	125,000	125,000	0	125,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

327.50 Tennessee Heritage Conservation Trust Fund

The Tennessee Heritage Conservation Trust Fund was established in 2005 to protect and conserve significant natural areas throughout Tennessee. Through strategic partnerships with landowners, government agencies, non-profit organizations, and private companies, the program provides funds for acquisition of property and easements that preserve and protect the state's physical, cultural, archaeological, historical, and environmental resources.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	1,000,000	1,000,000	0	1,000,000
Total	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	1,000,000	1,000,000	0	1,000,000

327.51 Conservation Compensation Fund

The Conservation Compensation Fund provides in-lieu-of-tax payments to local governments to offset the loss of local property taxes on land acquired by the state through the Heritage Conservation Trust Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	9,000	42,000	42,000	0	42,000
Total	\$9,000	\$42,000	\$42,000	\$0	\$42,000
State	8,500	42,000	42,000	0	42,000
Federal	0	0	0	0	0
Other	500	0	0	0	0

Environment

The environmental programs in the department are responsible for the preservation and enhancement of the state's environmental resources and for ensuring compliance with state and federal regulations.

327.30 Environment Administration

Environment Administration serves as the central organizational unit, providing policy direction and oversight for all environmental activities of the department.

Full-Time	59	59	59	0	59
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	59	59	0	59
Payroll	3,109,300	3,228,700	3,155,600	0	3,155,600
Operational	617,200	651,800	651,800	0	651,800
Total	\$3,726,500	\$3,880,500	\$3,807,400	\$0	\$3,807,400
State	464,200	544,200	533,900	0	533,900
Federal	4,100	0	0	0	0
Other	3,258,200	3,336,300	3,273,500	0	3,273,500

327.11 Geology

The Geology division maps and identifies mineral resources, geology, and geological hazards across the state. The division also serves as a clearinghouse for geological information. Study results are published and distributed in the form of maps and reports. The program maps mineral deposits including coal, oil, and gas and maintains production records for oil and gas wells. The program is a primary source of information, advice, and education about Tennessee's geology, mineral resources, geological hazards, and oil and gas activity for the public, schools, professional geologists, state and federal agencies, environmental regulators, and industries.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	530,800	581,000	569,800	0	569,800
Operational	141,500	130,700	130,700	0	130,700
Total	\$672,300	\$711,700	\$700,500	\$0	\$700,500
State	178,500	128,800	126,800	0	126,800
Federal	181,700	146,000	143,700	0	143,700
Other	312,100	436,900	430,000	0	430,000

327.23 Used Oil Collection Program

The Used Oil Collection Program promotes the proper disposal of used oil, and staff of the division of Solid Waste Management inspects used oil facilities. The program provides technical and financial assistance to local governments and private agencies that provide used oil collection centers. The program also provides general information to the public on proper disposal of oil, location of oil disposal facilities, and other information pertinent to the proper handling of oil.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	103,200	275,400	266,300	0	266,300
Operational	863,900	840,400	840,400	0	840,400
Total	\$967,100	\$1,115,800	\$1,106,700	\$0	\$1,106,700
State	959,900	1,114,800	1,105,700	0	1,105,700
Federal	0	0	0	0	0
Other	7,200	1,000	1,000	0	1,000

327.26 West Tennessee River Basin Authority

The West Tennessee River Basin Authority (WTRBA), administratively attached to the Department of Environment and Conservation and governed by a board of directors, works to preserve the natural flow and function of the Hatchie, Obion, and Forked Deer rivers. Services include environmentally sensitive stream maintenance in the river basins; maintenance of flood control sediment retention structures; collection of timber easements; and restoration, in a self-sustaining manner, of natural streams and floodplains.

Full-Time	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	965,400	993,600	1,022,300	0	1,022,300
Operational	410,800	408,500	368,500	0	368,500
Total	\$1,376,200	\$1,402,100	\$1,390,800	\$0	\$1,390,800
State	0	993,600	985,600	0	985,600
Federal	0	0	0	0	0
Other	1,376,200	408,500	405,200	0	405,200

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

327.24 West Tennessee River Basin Authority Maintenance

The West Tennessee River Basin Authority Maintenance program provides funds for maintenance projects for the West Tennessee River Basin Authority. These projects ensure the safe and efficient operation of flood control structures such as dams, sediment retention structures, and grade control structures.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,596,100	580,500	580,500	635,000	1,215,500
Total	\$1,596,100	\$580,500	\$580,500	\$635,000	\$1,215,500
State	1,215,500	580,500	580,500	635,000	1,215,500
Federal	0	0	0	0	0
Other	380,600	0	0	0	0

327.28 Tennessee Dry Cleaners Environmental Response Fund

The Tennessee Dry Cleaners Environmental Response Fund provides funds for the cost of oversight, investigation, and remediation of eligible properties contaminated with solvents from currently operating and former dry cleaning facilities. Dry cleaners are required to use practices that minimize the release of dry cleaning solvent.

Full-Time	4	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	3	3	0	3
Payroll	204,500	493,800	490,400	0	490,400
Operational	951,800	1,402,200	1,402,200	0	1,402,200
Total	\$1,156,300	\$1,896,000	\$1,892,600	\$0	\$1,892,600
State	1,155,000	1,896,000	1,892,600	0	1,892,600
Federal	0	0	0	0	0
Other	1,300	0	0	0	0

327.31 Air Pollution Control

The Air Pollution Control division regulates air contaminants that are emitted into the atmosphere. State, local, and federal agencies monitor air quality at several sites across the state to determine if public health and welfare are protected. Mobile sources of air pollution are subject to a vehicle emission testing program in areas of the state that need the most stringent degree of regulation to meet air quality standards. The state coordinates its air pollution control efforts with the four local government air pollution control programs in Shelby, Davidson, Hamilton, and Knox counties.

Full-Time	132	132	132	0	132
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	144	144	144	0	144

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	8,843,700	10,520,900	10,388,200	0	10,388,200
Operational	2,926,800	7,634,400	7,636,200	0	7,636,200
Total	\$11,770,500	\$18,155,300	\$18,024,400	\$0	\$18,024,400
State	1,119,600	1,139,800	1,131,700	0	1,131,700
Federal	1,172,500	1,177,500	1,168,900	0	1,168,900
Other	9,478,400	15,838,000	15,723,800	0	15,723,800

327.32 Radiological Health

The Radiological Health division regulates the use and possession of radioactive materials and radiation producing machines throughout the state. The program performs these functions through licensing and registration of x-ray equipment, inspecting registered facilities, and environmental monitoring of specific sites. The division also monitors the environment for radioactivity, particularly near nuclear reactors, and responds to accidents involving radioactive materials.

Full-Time	59	59	59	0	59
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	59	59	0	59
Payroll	4,024,300	4,522,300	4,465,100	0	4,465,100
Operational	1,368,300	1,531,400	1,723,400	0	1,723,400
Total	\$5,392,600	\$6,053,700	\$6,188,500	\$0	\$6,188,500
State	617,500	618,300	612,200	0	612,200
Federal	145,000	152,500	152,500	0	152,500
Other	4,630,100	5,282,900	5,423,800	0	5,423,800

327.33 Clean Water and Drinking Water State Revolving Fund

The Clean Water and Drinking Water State Revolving Fund provides funds to cities, counties, and utility districts for the creation and maintenance of wastewater and drinking water facilities. This division administers two low-interest revolving fund loan programs, the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund.

Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	1,009,000	1,650,900	1,633,000	0	1,633,000
Operational	22,328,000	38,107,400	26,107,400	0	26,107,400
Total	\$23,337,000	\$39,758,300	\$27,740,400	\$0	\$27,740,400
State	8,393,300	5,080,600	3,078,300	0	3,078,300
Federal	14,943,600	34,677,700	24,662,100	0	24,662,100
Other	100	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

327.34 Division of Water Resources

The Division of Water Resources is responsible for protecting the state's waters through a program of water quality planning, monitoring and assessment, and regulation. The division regulates stream channel modification, wetlands alteration, gravel dredging, and mine water discharge. This program develops groundwater and wellhead protection plans to ensure that Tennessee's public water supply complies with state and federal standards. The program also regulates most of the dams across the state and the drilling of public and private wells. The division regulates subsurface sewage disposal systems, grants construction permits, and inspects and approves underground septic systems for wastewater disposal areas that lack wastewater treatment plants. In addition, the division is responsible for inspecting septic tank maintenance and recommending alternative methods of wastewater disposal for areas unable to support conventional underground septic systems.

Full-Time	346	306	306	0	306
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	355	315	315	0	315
Payroll	22,450,000	23,544,200	23,084,500	0	23,084,500
Operational	9,377,000	8,225,900	8,233,600	0	8,233,600
Total	\$31,827,000	\$31,770,100	\$31,318,100	\$0	\$31,318,100
State	12,683,300	13,307,300	13,119,800	0	13,119,800
Federal	7,005,200	5,873,600	5,788,600	0	5,788,600
Other	12,138,500	12,589,200	12,409,700	0	12,409,700

327.35 Solid Waste Management

The Solid Waste Management division protects public health and the environment through the regulation, management, and remediation of solid and hazardous wastes. The division regulates and monitors both solid and hazardous wastes through landfill permits, used oil permits, hazardous waste permits, and lead-based paint abatement.

Full-Time	120	120	120	0	120
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	132	132	132	0	132
Payroll	8,058,100	9,547,500	9,414,100	0	9,414,100
Operational	2,544,800	3,857,300	3,854,800	0	3,854,800
Total	\$10,602,900	\$13,404,800	\$13,268,900	\$0	\$13,268,900
State	1,710,700	1,862,000	1,842,900	0	1,842,900
Federal	2,862,800	4,377,200	4,333,600	0	4,333,600
Other	6,029,400	7,165,600	7,092,400	0	7,092,400

327.36 DOE Oversight

The DOE Oversight program, by agreement with the U.S. Department of Energy (DOE), coordinates state government oversight of the federal government's environmental compliance, environmental restoration, waste management, health studies, and public awareness activities on the Energy Department's Oak Ridge reservation. The state, in cooperation with the U.S. Department of Energy, works to achieve clean air, water, and land in Tennessee, while sustaining economic growth.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	44	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	44	44	0	44
Payroll	3,118,900	3,640,400	3,592,100	0	3,592,100
Operational	892,000	2,667,200	2,667,200	0	2,667,200
Total	\$4,010,900	\$6,307,600	\$6,259,300	\$0	\$6,259,300
State	0	0	0	0	0
Federal	3,946,400	6,207,600	6,160,000	0	6,160,000
Other	64,500	100,000	99,300	0	99,300

327.37 Abandoned Lands

The Abandoned Lands program administers the Tennessee surface mining reclamation fund for reclamation and re-vegetation of land affected by surface mining. This program sponsors reclamation projects that remove safety hazards from abandoned mines and restore resources to make them available for economic development and recreational uses. The fund is comprised of fees and forfeited bonds from both active and inactive mining operations.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	73,800	500,000	500,000	0	500,000
Total	\$73,800	\$500,000	\$500,000	\$0	\$500,000
State	0	500,000	500,000	0	500,000
Federal	46,000	0	0	0	0
Other	27,800	0	0	0	0

327.38 Hazardous Waste Remedial Action Fund

The Hazardous Waste Remedial Action Fund supports activities to identify, investigate, and remedy properties contaminated by hazardous substances. Without this program, contaminated properties would remain abandoned and pose a threat to the health of Tennesseans and the environment. In addition to monetary support from the federal government, funds are derived from state appropriations and fees paid by generators and transporters of hazardous waste.

Full-Time	59	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	57	57	0	57
Payroll	3,947,700	4,687,600	4,620,600	0	4,620,600
Operational	2,710,500	4,833,900	4,825,900	0	4,825,900
Total	\$6,658,200	\$9,521,500	\$9,446,500	\$0	\$9,446,500
State	1,000,000	1,000,000	1,000,000	0	1,000,000
Federal	1,274,500	1,890,400	1,890,400	0	1,890,400
Other	4,383,700	6,631,100	6,556,100	0	6,556,100

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

327.41 Underground Storage Tanks

The Underground Storage Tanks program regulates the installation of underground petroleum storage tanks and performs mandatory inspections of these tanks. The division issues certificates, collects fees, reimburses allowable environmental investigation costs to eligible tank owners and operators, and manages the Tennessee petroleum underground storage tanks fund.

Full-Time	85	86	86	0	86
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	85	86	86	0	86
Payroll	5,547,100	6,152,800	6,075,300	0	6,075,300
Operational	18,426,500	19,218,500	19,220,700	125,000	19,345,700
Total	\$23,973,600	\$25,371,300	\$25,296,000	\$125,000	\$25,421,000
State	20,074,700	23,397,900	23,328,600	125,000	23,453,600
Federal	2,910,400	1,973,400	1,967,400	0	1,967,400
Other	988,500	0	0	0	0

327.42 Solid Waste Assistance

Solid Waste Assistance supports programs that promote planning, development, and maintenance by local governments of comprehensive, integrated solid waste management. The program encourages generators and handlers of solid waste to minimize solid waste incineration and disposal by methods such as source reduction, reuse, composting, and recycling.

Full-Time	18	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	1,221,100	1,440,800	1,422,300	0	1,422,300
Operational	8,726,500	9,853,300	9,853,300	0	9,853,300
Total	\$9,947,600	\$11,294,100	\$11,275,600	\$0	\$11,275,600
State	9,809,800	11,294,100	11,275,600	0	11,275,600
Federal	0	0	0	0	0
Other	137,800	0	0	0	0

327.43 Environmental Protection Fund

The Environmental Protection Fund (EPF) collects fees from environmental permits, inspections, and fines. Funds are dispersed from the EPF to other divisions of the department to reimburse expenses of permitting, monitoring, compliance investigating, enforcement, and administration. The divisions of Air Pollution Control, Radiological Health, Water Pollution Control, Ground Water Protection, Solid Waste Management, Administrative Services, and Environment Administration receive funding from the Environmental Protection Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	38,920,300	48,672,300	48,084,400	0	48,084,400
Total	\$38,920,300	\$48,672,300	\$48,084,400	\$0	\$48,084,400

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	38,895,200	48,672,300	48,084,400	0	48,084,400
Federal	0	0	0	0	0
Other	25,100	0	0	0	0

327.44 Fleming Training Center

The Fleming Training Center assists and trains operators in the water and wastewater industry. The center offers 14 types of certification for water and wastewater operators requiring that each certified operator possesses certain experience requirements and completes mandatory examinations. The center also provides opportunities for operators to complete the required number of continuing education hours every three years to maintain certification.

Full-Time	8	8	8	0	8
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	359,700	522,200	513,900	0	513,900
Operational	405,700	319,800	319,800	0	319,800
Total	\$765,400	\$842,000	\$833,700	\$0	\$833,700
State	35,700	0	0	0	0
Federal	183,800	221,600	219,400	0	219,400
Other	545,900	620,400	614,300	0	614,300

327.45 Office of Sustainable Practices

The Office of Sustainable Practices provides non-regulatory assistance to businesses, schools, government agencies, industries, organizations, and individuals. Program staff inform and advise these groups to minimize potentially adverse effects on the environment, encourage business compliance efforts, notify affected industries of regulatory requirements, publish information, provide training, conduct inspections, and promote outreach activities.

Full-Time	11	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	11	11	0	11
Payroll	870,600	1,026,000	1,004,900	0	1,004,900
Operational	258,100	485,100	540,100	0	540,100
Total	\$1,128,700	\$1,511,100	\$1,545,000	\$0	\$1,545,000
State	370,400	679,800	670,300	0	670,300
Federal	252,200	336,300	331,600	0	331,600
Other	506,100	495,000	543,100	0	543,100

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
327.00 Total Environment and Conservation					
Full-Time	2,229	2,196	2,196	3	2,199
Part-Time	278	277	277	0	277
Seasonal	297	296	296	0	296
Total	2,804	2,769	2,769	3	2,772
Payroll	132,419,100	145,510,000	143,382,500	167,200	143,549,700
Operational	166,464,100	213,761,800	199,334,600	1,794,200	201,128,800
Total	\$298,883,200	\$359,271,800	\$342,717,100	\$1,961,400	\$344,678,500
State	165,186,200	182,220,300	177,050,100	1,760,000	178,810,100
Federal	43,304,800	64,073,100	53,941,100	143,300	54,084,400
Other	90,392,200	112,978,400	111,725,900	58,100	111,784,000

Tennessee Wildlife Resources Agency

The Tennessee Wildlife Resources Agency (TWRA) is charged with preserving and managing all species of wildlife in Tennessee. The agency is governed by the Tennessee Wildlife Resources Commission. The commission establishes the agency's objectives; promulgates rules, regulations, and proclamations; approves the agency's budget; and hires the agency's executive director. TWRA generates revenue from a variety of sources including: hunting and fishing licenses and permits; boat registration fees; excise taxes on arms, ammunition, bows and arrows, and fishing equipment; and fines for violations of wildlife, hunting, and boating regulations.

Program responsibilities are divided between the central office and regional offices. Administrative and support services provided by the central office include coordinating the agency's comprehensive planning system; coordinating the geographic information system; administering federal aid programs; publishing Tennessee Wildlife magazine, hunting and fishing guides, and news releases; coordinating law enforcement activities and training; coordinating equipment crews and engineering activities. Activities include building and maintaining boat access areas, levees, and forestry logging roads on agency property and investigating, reporting, and testifying on environmental issues.

Regional office responsibilities include: sponsoring hunting and boating safety workshops and classes; providing technical assistance to farm pond and small lake owners; and developing, maintaining, and operating the wildlife management areas, state lakes, and fish hatcheries.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

328.01 Wildlife Resources Agency

The Wildlife Resources Agency manages the state's wildlife resources by enforcing hunting and fishing laws, protecting non-game and endangered species, developing wildlife management plans, issuing hunting and fishing licenses, acquiring and leasing lands for public hunting, managing game and fish habitats; providing hunter education programs, and publishing the Tennessee Wildlife magazine. This division is comprised of the following sections: Wildlife Management, Fish Management, Environmental Services, Law Enforcement, Engineering, Information and Education, and Administrative Services.

Full-Time	632	631	630	0	630
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	642	641	640	0	640
Payroll	42,638,800	45,819,000	45,262,100	1,223,700	46,485,800
Operational	26,232,000	40,904,600	24,277,100	0	24,277,100
Total	\$68,870,800	\$86,723,600	\$69,539,200	\$1,223,700	\$70,762,900
State	39,552,300	48,855,300	42,922,200	1,223,700	44,145,900
Federal	22,572,000	26,564,900	19,656,900	0	19,656,900
Other	6,746,500	11,303,400	6,960,100	0	6,960,100

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

328.02 Boating Safety

The Boating Safety program provides funds for enforcement of safe boating laws and the registration of watercraft utilizing the state's waterways. In addition to law enforcement measures, this program maintains boat access areas and provides public educational courses on the safe operation of boating equipment.

Full-Time	39	39	39	0	39
Part-Time	44	44	44	0	44
Seasonal	0	0	0	0	0
Total	83	83	83	0	83
Payroll	4,973,600	6,017,700	5,953,300	174,800	6,128,100
Operational	4,639,200	7,414,300	5,004,900	0	5,004,900
Total	\$9,612,800	\$13,432,000	\$10,958,200	\$174,800	\$11,133,000
State	6,174,600	7,401,600	8,057,900	174,800	8,232,700
Federal	3,407,600	5,995,700	2,871,300	0	2,871,300
Other	30,600	34,700	29,000	0	29,000

328.03 Wetlands Acquisition Fund

The Wetlands Acquisition Fund provides funds to purchase and maintain wetland properties throughout the state. The fund also supports the maintenance and protection of wetland properties through conservation projects including: surveying, vegetation control, building and maintaining levees, and the installation of water control structures. The appropriation is from the real estate transfer tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,539,000	14,521,300	6,521,000	0	6,521,000
Total	\$5,539,000	\$14,521,300	\$6,521,000	\$0	\$6,521,000
State	5,354,900	6,506,300	6,488,000	0	6,488,000
Federal	150,000	0	0	0	0
Other	34,100	8,015,000	33,000	0	33,000

328.04 Wetlands Compensation Fund

The Wetlands Compensation Fund provides in-lieu-of-tax payments to counties in order to offset the loss of local property tax on lands acquired by the state from the Wetlands Acquisition Fund. The appropriation is from the real estate transfer tax allocation to the Wetlands Acquisition Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	375,300	400,000	400,000	0	400,000
Total	\$375,300	\$400,000	\$400,000	\$0	\$400,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	374,800	400,000	400,000	0	400,000
Federal	0	0	0	0	0
Other	500	0	0	0	0
328.00 Total Tennessee Wildlife Resources Agency					
Full-Time	671	670	669	0	669
Part-Time	54	54	54	0	54
Seasonal	0	0	0	0	0
Total	725	724	723	0	723
Payroll	47,612,400	51,836,700	51,215,400	1,398,500	52,613,900
Operational	36,785,500	63,240,200	36,203,000	0	36,203,000
Total	\$84,397,900	\$115,076,900	\$87,418,400	\$1,398,500	\$88,816,900
State	51,456,600	63,163,200	57,868,100	1,398,500	59,266,600
Federal	26,129,600	32,560,600	22,528,200	0	22,528,200
Other	6,811,700	19,353,100	7,022,100	0	7,022,100

Department of Commerce and Insurance

The Department of Commerce and Insurance regulates numerous professions and industries conducting business within the state. The department provides this service through five functional areas including: Administration, Consumer Protection, 911 Wireless Communication, Fire Prevention, and Law Enforcement Training.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administration

The Administration division includes the Office of the Commissioner, Fiscal Services, Management Information Services, Personnel, Legal Services, and Audit Consulting and Oversight. This division supports the operations of each division within the department.

335.01 Administration

Full-Time	88	90	90	0	90
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	88	90	90	0	90
Payroll	5,713,900	6,942,700	6,878,200	0	6,878,200
Operational	1,636,100	1,637,600	1,637,600	0	1,637,600
Total	\$7,350,000	\$8,580,300	\$8,515,800	\$0	\$8,515,800
State	1,367,700	1,369,300	1,360,200	0	1,360,200
Federal	0	0	0	0	0
Other	5,982,300	7,211,000	7,155,600	0	7,155,600

Consumer Protection

The Department of Commerce and Insurance strives to ensure Tennesseans' safety in the marketplace and supports education and awareness programs. Services include regulating insurance companies and agents, approving individual and group self-insurance proposals, regulating the securities market, enforcing the Tennessee Consumer Protection Act, promoting fair consumer practices and consumer education, regulating health clubs, and granting payments to consumers who are awarded judgments against real estate and auctioneer licensees.

335.02 Insurance

The Insurance division protects policyholders, enrollees, and captive entities by regulating insurance industry policies, rates, conduct, agents, captives and cells, and by regulating health maintenance organizations, self-insured entities, and workers' compensation insurance. The division collects insurance premium taxes and fees.

Full-Time	110	109	109	1	110
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	115	114	114	1	115
Payroll	5,994,500	7,946,400	7,879,200	100,300	7,979,500
Operational	4,541,700	6,232,900	6,212,900	22,600	6,235,500
Total	\$10,536,200	\$14,179,300	\$14,092,100	\$122,900	\$14,215,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	0	116,300	116,300	122,900	239,200
Federal	195,500	0	0	0	0
Other	10,340,700	14,063,000	13,975,800	0	13,975,800

335.05 Securities

The Securities division ensures investor protection by promoting and maintaining the integrity of the securities markets in Tennessee. The division promotes investor protection and market efficiency by examining broker-dealer applications, financial reports, and complaints. The division collects fees from the securities industry.

Full-Time	22	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	22	22	0	22
Payroll	1,087,300	1,430,500	1,410,900	0	1,410,900
Operational	977,200	969,300	1,212,900	0	1,212,900
Total	\$2,064,500	\$2,399,800	\$2,623,800	\$0	\$2,623,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,064,500	2,399,800	2,623,800	0	2,623,800

335.06 Consumer Affairs

The Consumer Affairs division protects consumers and businesses through the receipt, investigation, and mediation of complaints; and assists with the prosecution of entities found in violation. The division promotes consumer education through public outreach activities and awareness.

Full-Time	15	14	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	14	13	0	13
Payroll	677,800	835,000	733,700	0	733,700
Operational	557,500	401,900	147,700	0	147,700
Total	\$1,235,300	\$1,236,900	\$881,400	\$0	\$881,400
State	1,215,300	1,154,900	881,400	0	881,400
Federal	0	0	0	0	0
Other	20,000	82,000	0	0	0

335.15 Real Estate Education and Recovery Fund

The Real Estate Education and Recovery Fund is available for paying court-awarded claims to consumers. Interest earned by the fund is used to further the education of real estate licensees and consumers.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,700	296,300	296,300	0	296,300
Total	\$5,700	\$296,300	\$296,300	\$0	\$296,300

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	0	296,300	296,300	0	296,300
Federal	0	0	0	0	0
Other	5,700	0	0	0	0

335.16 Auctioneer Education and Recovery Fund

Court-awarded claims against auctioneers are paid from the Auctioneer Education and Recovery Fund. Interest on the account provides educational opportunities for both licensees and the general public.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	54,500	81,700	81,700	0	81,700
Total	\$54,500	\$81,700	\$81,700	\$0	\$81,700
State	54,300	81,700	81,700	0	81,700
Federal	0	0	0	0	0
Other	200	0	0	0	0

335.19 Cemetery Consumer Protection Fund

The Cemetery Consumer Protection Fund was established in 2006 by the General Assembly to provide additional funding to the cemetery registration program within the Division of Regulatory Boards. Additionally, the commissioner is authorized to utilize this fund for costs associated with receivership actions against private cemeteries.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	188,100	361,200	361,200	0	361,200
Total	\$188,100	\$361,200	\$361,200	\$0	\$361,200
State	187,900	361,200	361,200	0	361,200
Federal	0	0	0	0	0
Other	200	0	0	0	0

335.20 Pre-Need Funeral Consumer Protection Fund

The Pre-Need Funeral Consumer Protection Fund was established in 2007 by the General Assembly to register pre-need funeral retailers and to provide consumer protection for any receivership action taken against a pre-need funeral seller.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	210,400	350,100	350,100	0	350,100
Total	\$210,400	\$350,100	\$350,100	\$0	\$350,100

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	210,400	350,100	350,100	0	350,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

335.04 TennCare Oversight

The TennCare Oversight division provides financial and systems oversight of the Managed Care Organizations (MCOs) participating in the TennCare program, which is the state's Medicaid-waiver health-care program. The division performs financial and compliance examinations of the MCOs that provide TennCare services. Oversight includes the review and analysis of contracts and various operational documents, financial statements, medical-loss ratios, and claims data.

Full-Time	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	1,226,500	1,734,200	1,717,800	0	1,717,800
Operational	516,800	695,400	740,600	0	740,600
Total	\$1,743,300	\$2,429,600	\$2,458,400	\$0	\$2,458,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,743,300	2,429,600	2,458,400	0	2,458,400

335.10 Regulatory Boards

Regulatory Boards ensures that consumers receiving services from any professional regulated by the division are treated fairly, competently, and honestly. The boards, commissions, and licensing programs oversee individuals and entities engaging in various trades and professions within the state. The division provides administrative support to the boards and assists with complaints, inspections, and disciplinary actions. The following professions and businesses are overseen by regulatory boards: cosmetologists; funeral directors and embalmers; land surveyors; engineers; auto racing; polygraph examiners and private investigators; real estate agents and brokers; accountants; alarm contractors; interior designers; barbers; general contractors; collection services; home inspectors; real estate appraisers; private protective services; automotive manufacturers, dealers, and salesmen; geologists; auctioneers; locksmiths; architects and landscape architects; scrap metal dealers; beauty pageants; health clubs; credit services; debt management; and employee leasing.

Full-Time	194	196	196	0	196
Part-Time	115	116	116	0	116
Seasonal	0	0	0	0	0
Total	309	312	312	0	312
Payroll	9,795,600	12,233,200	12,322,600	0	12,322,600
Operational	3,948,500	7,684,100	7,833,000	0	7,833,000
Total	\$13,744,100	\$19,917,300	\$20,155,600	\$0	\$20,155,600
State	12,733,000	19,318,600	19,229,700	0	19,229,700
Federal	0	0	0	0	0
Other	1,011,100	598,700	925,900	0	925,900

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

335.21 Tennessee Athletic Commission

The Tennessee Athletic Commission, created in 2008, licenses and regulates professional boxing and mixed martial arts participants and events in the state. Administratively attached to the Department of Commerce and Insurance, the commission is funded by dedicated licensing fees, gross receipts taxes, contest permits, and penalty fines. The commission's board is comprised of nine members appointed by the Governor, the Speaker of the Senate, and the Speaker of the House.

Full-Time	1	1	1	0	1
Part-Time	20	20	20	0	20
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	93,700	152,300	151,800	0	151,800
Operational	27,300	104,900	104,900	0	104,900
Total	\$121,000	\$257,200	\$256,700	\$0	\$256,700
State	121,000	257,200	256,700	0	256,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

335.22 Corrections Institute

Tennessee Corrections Institute (TCI) is responsible for educating local correctional staff and certifying local adult correctional facilities. TCI also establishes standards to inspect and certify local correctional facilities in such areas as physical environment, medical services, and inmate supervision. TCI provides training to local correctional personnel in the following areas: legal issues, report writing, suicide prevention, hostage survival, substance abuse, security measures, communications, and stress management. The TCI Board of Control also has the authority to grant pre-employment hiring waivers for correctional officers within local adult correctional facilities.

Full-Time	15	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	16	16	0	16
Payroll	959,700	1,035,500	1,058,500	0	1,058,500
Operational	292,800	514,600	764,600	0	764,600
Total	\$1,252,500	\$1,550,100	\$1,823,100	\$0	\$1,823,100
State	1,202,900	1,490,100	1,763,400	0	1,763,400
Federal	0	0	0	0	0
Other	49,600	60,000	59,700	0	59,700

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

911 Wireless Communications

335.08 911 Emergency Communications Fund

The 911 Emergency Communications Fund promotes uniform statewide enhanced 911 service through the activities of the Tennessee Emergency Communications Board. This enhanced service improves community safety by reducing response times in emergencies. The board also assists local Emergency Communications Districts in the areas of management, operations, and accountability. This program is funded through a dedicated service charge assessed on the users and subscribers of telecommunications service capable of connecting a caller to a 911 call center.

Full-Time	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	10	0	10
Payroll	882,100	897,600	890,000	0	890,000
Operational	71,810,900	103,011,800	90,504,700	26,302,100	116,806,800
Total	\$72,693,000	\$103,909,400	\$91,394,700	\$26,302,100	\$117,696,800
State	63,195,400	85,587,600	85,574,200	26,302,100	111,876,300
Federal	0	0	0	0	0
Other	9,497,600	18,321,800	5,820,500	0	5,820,500

Fire Prevention

The Department of Commerce and Insurance provides services to promote fire safety education and fire prevention. These efforts include inspecting institutional facilities and electrical installations; investigating arson; reviewing construction plans; maintaining the Tennessee Fire Incident Reporting System; registering electricians; administering fireworks and explosive user permits; training firefighters and other enforcement personnel; licensing and regulating sprinkler contractors, liquid petroleum gas distributors, and fire extinguisher dealers; establishing training and fire education standards; and regulating the mobile home industry.

335.03 Fire Prevention

The Fire Prevention division is committed to enhancing the quality of life for the citizens of Tennessee and protecting property through fire prevention, education, investigation, and enforcement. The division, also known as the state Fire Marshal's Office, performs electrical inspections, bomb and arson investigation, and building codes enforcement.

Full-Time	154	155	155	0	155
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	163	164	164	0	164
Payroll	8,753,000	9,310,500	9,174,300	0	9,174,300
Operational	9,904,900	12,381,900	12,362,400	0	12,362,400
Total	\$18,657,900	\$21,692,400	\$21,536,700	\$0	\$21,536,700
State	0	0	0	0	0
Federal	213,000	271,300	269,600	0	269,600
Other	18,444,900	21,421,100	21,267,100	0	21,267,100

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

335.07 Fire Service and Codes Enforcement Academy

The Fire Service and Codes Enforcement Academy's objective is to provide effective training to all volunteer and career fire fighters, fire and building code enforcement personnel, and other related service professionals. The academy develops and teaches current methods and practices in fire fighting, fire and building code enforcement, fire prevention, public safety, fire investigation, and related subjects. The academy's curriculum offers advanced training techniques in realistic fire simulations.

Full-Time	24	25	25	0	25
Part-Time	91	90	90	0	90
Seasonal	0	0	0	0	0
Total	115	115	115	0	115
Payroll	1,857,800	2,052,500	2,011,500	0	2,011,500
Operational	1,878,100	2,112,100	1,822,200	0	1,822,200
Total	\$3,735,900	\$4,164,600	\$3,833,700	\$0	\$3,833,700
State	2,628,200	2,794,500	2,631,100	0	2,631,100
Federal	15,100	186,600	23,400	0	23,400
Other	1,092,600	1,183,500	1,179,200	0	1,179,200

335.28 Fire Fighting Personnel Standards and Education

The Fire Fighting Personnel Standards and Education Commission promotes and sustains a superior level of fire fighting standards, training, and education, and provides the citizens of Tennessee with highly trained fire and emergency service professionals. The commission administers the salary supplement to eligible firefighters who complete required training annually and sets the criteria for performance standards and training.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,624,600	4,109,100	4,109,100	0	4,109,100
Total	\$3,624,600	\$4,109,100	\$4,109,100	\$0	\$4,109,100
State	3,624,600	4,109,100	4,109,100	0	4,109,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Law Enforcement Training

335.11 Tennessee Law Enforcement Training Academy

The Tennessee Law Enforcement Training Academy provides training for all state and local enforcement recruits, excluding those in the four major metropolitan areas. Specialized training for graduated officers is offered in all areas of law enforcement, including topics such as criminal investigations, drug trafficking, traffic control, officer management training, survival techniques, gang enforcement, domestic violence, school violence management, and school officer training.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	23	22	22	0	22
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	24	23	23	0	23
Payroll	1,629,900	1,628,500	1,604,800	40,500	1,645,300
Operational	2,027,200	2,165,900	2,165,900	240,000	2,405,900
Total	\$3,657,100	\$3,794,400	\$3,770,700	\$280,500	\$4,051,200
State	2,459,900	2,412,500	2,397,400	280,500	2,677,900
Federal	0	0	0	0	0
Other	1,197,200	1,381,900	1,373,300	0	1,373,300

335.12 POST Commission

The Law Enforcement Training Academy staffs the Tennessee Peace Officers Standards and Training (POST) Commission, which is responsible for enforcing standards and training for all local police officers. This commission also administers the salary supplement to police officers who complete required training annually.

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	309,600	317,700	310,500	0	310,500
Operational	8,672,000	9,071,100	9,071,100	0	9,071,100
Total	\$8,981,600	\$9,388,800	\$9,381,600	\$0	\$9,381,600
State	8,977,600	9,345,500	9,338,300	0	9,338,300
Federal	0	0	0	0	0
Other	4,000	43,300	43,300	0	43,300

335.00 Total Commerce and Insurance

Full-Time	677	681	680	1	681
Part-Time	241	241	241	0	241
Seasonal	0	0	0	0	0
Total	918	922	921	1	922
Payroll	38,981,400	46,516,600	46,143,800	140,800	46,284,600
Operational	110,874,300	152,181,900	139,778,900	26,564,700	166,343,600
Total	\$149,855,700	\$198,698,500	\$185,922,700	\$26,705,500	\$212,628,200
State	97,978,200	129,044,900	128,747,100	26,705,500	155,452,600
Federal	423,600	457,900	293,000	0	293,000
Other	51,453,900	69,195,700	56,882,600	0	56,882,600

Department of Financial Institutions

The Tennessee Department of Financial Institutions (TDFI) provides the citizens of Tennessee a supervised and sound system of state-chartered and licensed financial institutions. These include commercial banks; trust companies; savings institutions; credit unions; industrial loan and thrift companies; business and industrial development corporations; deferred presentment and check cashing companies; mortgage lenders, brokers, servicers, and originators; insurance premium finance companies; and money transmitters.

The primary statutory mission of the Department of Financial Institutions is to provide the people of Tennessee with a safe and sound system of banks and other institutions by ensuring safety, soundness, and compliance with governing law, while giving institutions the opportunity to contribute to the economic progress of Tennessee and the nation. None of the department's operating expenditures are funded with general state tax dollars. Revenue is derived solely from supervision, examination, and license fees assessed to those financial institutions regulated by the department.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
336.00 Financial Institutions					
Full-Time	170	163	163	0	163
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	170	163	163	0	163
Payroll	12,415,000	15,758,300	15,648,900	0	15,648,900
Operational	3,076,300	5,627,100	4,177,100	0	4,177,100
Total	\$15,491,300	\$21,385,400	\$19,826,000	\$0	\$19,826,000
State	15,345,000	19,933,000	19,823,600	0	19,823,600
Federal	0	0	0	0	0
Other	146,300	1,452,400	2,400	0	2,400

Department of Labor and Workforce Development

The Department of Labor and Workforce Development protects the rights of workers and assists employers in maintaining those rights throughout Tennessee. The department has six functional areas: Administration, Safety and Health, Workers' Compensation, Labor Standards, Employment and Workforce Development, and Employment Security.

<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Administration

337.01 Administration

The Administration division provides the overall administration to the department and its programs. The commissioner's office formulates policies, procedures, and long-range plans to carry out the mission of the department. The division also provides support services to the department, such as fiscal, personnel, and information technology services.

Full-Time	154	137	124	0	124
Part-Time	4	4	1	0	1
Seasonal	0	0	0	0	0
Total	158	141	125	0	125
Payroll	9,856,900	11,610,200	10,732,300	0	10,732,300
Operational	9,721,700	14,893,400	7,783,400	0	7,783,400
Total	\$19,578,600	\$26,503,600	\$18,515,700	\$0	\$18,515,700
State	6,374,900	2,985,700	2,748,600	0	2,748,600
Federal	13,133,700	21,750,200	14,007,300	0	14,007,300
Other	70,000	1,767,700	1,759,800	0	1,759,800

Safety and Health

337.02 Tennessee Occupational Safety and Health Administration (TOSHA)

TOSHA ensures the safety and health of Tennessee workers, administers training programs, provides consultant services to employers, and promotes effective safety and health management through the voluntary protection program.

Full-Time	93	93	93	2	95
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	96	96	96	2	98
Payroll	6,395,100	7,804,000	7,730,400	169,400	7,899,800
Operational	1,465,300	1,873,300	1,888,400	-169,400	1,719,000
Total	\$7,860,400	\$9,677,300	\$9,618,800	\$0	\$9,618,800
State	3,647,100	5,270,300	5,241,100	0	5,241,100
Federal	4,177,600	4,372,400	4,343,100	0	4,343,100
Other	35,700	34,600	34,600	0	34,600

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

337.04 Mines

The Mines division promotes the safety and welfare of miners through training and licensing of mine operators and employing mine rescue workers.

Full-Time	6	6	7	0	7
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	24	24	25	0	25
Payroll	300,500	407,900	402,600	0	402,600
Operational	142,200	121,600	121,600	0	121,600
Total	\$442,700	\$529,500	\$524,200	\$0	\$524,200
State	268,100	334,900	331,500	0	331,500
Federal	122,200	123,500	122,300	0	122,300
Other	52,400	71,100	70,400	0	70,400

337.05 Boilers and Elevators

The Boilers and Elevators division performs safety inspections of boilers, elevators, and amusement device operators across the state.

Full-Time	60	62	62	0	62
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	62	62	0	62
Payroll	3,391,000	4,204,200	4,164,200	0	4,164,200
Operational	671,000	956,400	956,400	0	956,400
Total	\$4,062,000	\$5,160,600	\$5,120,600	\$0	\$5,120,600
State	3,974,100	5,095,300	5,056,100	0	5,056,100
Federal	0	0	0	0	0
Other	87,900	65,300	64,500	0	64,500

Workers' Compensation

337.03 Workers' Compensation

The Workers' Compensation division administers the workers' compensation benefit review program, which determines compensation eligibility and provides mediation services in disputed claims; administers the drug free workplace program, which discourages drug use and abuse in the workplace; approves proposed settlements in disputed claims when the parties have reached agreement on all disputed issues; administers programs for medical case management and utilization review of claims requiring medical services; administers the Second Injury Fund; administers safety programs established by the workers' compensation law; maintains the official record for workers' compensation coverage and claims; informs workers of their rights under the law; and ensures benefits paid to injured employees are within statutory requirements.

Full-Time	159	149	149	0	149
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	159	149	149	0	149

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	9,828,100	11,554,000	11,440,800	0	11,440,800
Operational	2,038,300	3,114,000	3,088,700	0	3,088,700
Total	\$11,866,400	\$14,668,000	\$14,529,500	\$0	\$14,529,500
State	11,399,500	14,484,100	14,347,100	0	14,347,100
Federal	0	0	0	0	0
Other	466,900	183,900	182,400	0	182,400

337.15 Workers' Compensation Employee Misclassification

Public Acts of 2010, Chapter 1149 created the Workers' Compensation Employee Misclassification Education and Enforcement Fund (WCEMEEF). It authorizes a procedure for sole proprietors, partners in limited (or limited liability) partnerships, officers of corporations, and members of limited liability companies engaged in the construction industry to file for an exemption from obtaining workers' compensation insurance to cover themselves.

Full-Time	11	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	11	11	0	11
Payroll	298,800	671,600	666,200	0	666,200
Operational	693,800	39,200	39,200	26,000	65,200
Total	\$992,600	\$710,800	\$705,400	\$26,000	\$731,400
State	734,200	710,800	705,400	26,000	731,400
Federal	0	0	0	0	0
Other	258,400	0	0	0	0

337.08 Second Injury Fund

The Second Injury Fund appropriation provides funding to pay the disability claims of previously injured employees that suffer additional injury on the job, resulting in permanent and total disability. In addition, the fund also encourages employers to hire workers with disabilities. Funding is provided from the workers' compensation premium tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,376,200	10,147,400	10,147,400	0	10,147,400
Total	\$5,376,200	\$10,147,400	\$10,147,400	\$0	\$10,147,400
State	5,138,100	9,872,400	9,872,400	0	9,872,400
Federal	0	0	0	0	0
Other	238,100	275,000	275,000	0	275,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Labor Standards

337.06 Labor Standards

The Labor Standards division enforces labor laws, protecting wage earners from unfair practices through the Wage Regulation Act, protecting children through the Child Labor Act, and protecting state-funded construction work through the Prevailing Wage Act. This program also conducts statistical research on work-related injuries, illnesses, and fatalities. The program also provides an employee assistance professional program that assists employees with personal concerns that might hinder job performance.

Full-Time	19	19	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	17	0	17
Payroll	766,600	1,017,400	918,600	0	918,600
Operational	166,900	229,700	229,700	0	229,700
Total	\$933,500	\$1,247,100	\$1,148,300	\$0	\$1,148,300
State	933,500	1,246,700	1,147,900	0	1,147,900
Federal	0	400	400	0	400
Other	0	0	0	0	0

Employment and Workforce Development

337.07 Workforce Development

The Workforce Development division administers the Workforce Investment Act (WIA), Tennessee career centers, Families First welfare-to-work services, veterans' services, and job service programs. WIA creates a seamless system that addresses employer needs for skilled workers, while assisting job seekers needing training. The Tennessee career centers are used by employers seeking workers and anyone seeking job training, job placement, Families First welfare-to-work services, unemployment insurance, and other employment and training services. The senior community service employment program serves persons with low incomes who are 55 years or older and have poor employment prospects.

Full-Time	22	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	22	22	0	22
Payroll	1,799,500	3,308,600	3,275,500	0	3,275,500
Operational	50,160,300	62,654,600	62,654,600	0	62,654,600
Total	\$51,959,800	\$65,963,200	\$65,930,100	\$0	\$65,930,100
State	0	0	0	0	0
Federal	51,959,800	65,885,200	65,852,100	0	65,852,100
Other	0	78,000	78,000	0	78,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

337.09 Adult Basic Education

The Adult Basic Education program provides adult education and literacy services to assist adults in learning skills necessary for employment and self-sufficiency and in the completion of a secondary school education.

Full-Time	12	12	12	2	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	2	14
Payroll	966,200	1,018,300	1,006,500	167,400	1,173,900
Operational	11,782,200	14,915,900	14,915,900	-167,400	14,748,500
Total	\$12,748,400	\$15,934,200	\$15,922,400	\$0	\$15,922,400
State	2,316,400	4,740,200	4,737,200	0	4,737,200
Federal	10,432,000	11,194,000	11,185,200	0	11,185,200
Other	0	0	0	0	0

Employment Security

337.10 Job Services

The Job Services division provides job availability data to the general public. The division's primary programs are job service and labor market information. The job services program has administrative responsibility for providing a basic labor exchange system, job placement, and development services to special applicant groups, such as veterans, Job Training Partnership Act applicants, senior citizens, Supplemental Nutrition Assistance Program recipients, and Temporary Assistance for Needy Families (Families First) recipients. The Employment Security Division also collects, analyzes, and maintains data on the economic and demographic characteristics of the labor force in Tennessee.

Full-Time	366	314	314	0	314
Part-Time	125	125	125	0	125
Seasonal	0	0	0	0	0
Total	491	439	439	0	439
Payroll	12,780,700	20,889,500	20,659,500	0	20,659,500
Operational	9,717,100	17,936,100	11,875,800	0	11,875,800
Total	\$22,497,800	\$38,825,600	\$32,535,300	\$0	\$32,535,300
State	0	140,000	140,000	0	140,000
Federal	22,085,200	32,582,200	32,291,900	0	32,291,900
Other	412,600	6,103,400	103,400	0	103,400

337.20 Unemployment Insurance

The Unemployment Insurance Division determines eligibility and pays unemployment insurance benefits to workers who are unemployed through no fault of their own, and collects appropriate premiums from liable workers.

Full-Time	544	498	498	0	498
Part-Time	217	152	152	0	152
Seasonal	0	0	0	0	0
Total	761	650	650	0	650

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	22,720,200	31,393,000	31,053,400	0	31,053,400
Operational	6,837,800	4,303,900	4,303,900	0	4,303,900
Total	\$29,558,000	\$35,696,900	\$35,357,300	\$0	\$35,357,300
State	510,900	539,700	539,700	0	539,700
Federal	28,931,600	31,446,200	34,125,500	0	34,125,500
Other	115,500	3,711,000	692,100	0	692,100
337.00 Total Labor and Workforce Development					
Full-Time	1,446	1,323	1,309	4	1,313
Part-Time	367	302	299	0	299
Seasonal	0	0	0	0	0
Total	1,813	1,625	1,608	4	1,612
Payroll	69,103,600	93,878,700	92,050,000	336,800	92,386,800
Operational	98,772,800	131,185,500	118,005,000	-310,800	117,694,200
Total	\$167,876,400	\$225,064,200	\$210,055,000	\$26,000	\$210,081,000
State	35,296,800	45,420,100	44,867,000	26,000	44,893,000
Federal	130,842,100	167,354,100	161,927,800	0	161,927,800
Other	1,737,500	12,290,000	3,260,200	0	3,260,200

**Resources and Regulation
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Environment and Conservation					
Demonstrate water quality improvement for one or more parameters in 300 miles of Tennessee impaired and threatened waters annually.					
	Number of stream miles demonstrating water quality for one or more parameters.	Annually	286.4	Not Applicable	300.0
Implement a business approach to park system administration and operation that increases revenues across the system and within hospitality operations as well as reduces labor costs.					
	Percent change in YTD park system revenue generated compared to YTD performance of prior year.	Quarterly	2.5%	3.7%	3.9%
Provide effective and efficient permitting and inspection services.					
	Percent of final actions made on complete Bureau of Environment (BOE) permit applications within the applicable regulatory time period.	Quarterly	98.7%	98.2%	100.0%
	Percent of inspections completed across BOE, as committed to per regulatory grants or as required by rule or policy.	Quarterly	110.2%	115.8%	100.0%
Department of Commerce and Insurance					
Reduce potential loss of life and property due to fire in Tennessee.					
	Number of smoke alarms provided and distributed each week in high-risk residential areas.	Monthly	250	339	300
	Number of confirmed occupants that escape structure fires as a result of smoke alarms distributed.	Quarterly	53	53	63
	Percent of fire departments reporting fire incidents.	Quarterly	85%	81%	90%
Increase the number of captive insurance companies domiciled in Tennessee.					
	Number of captive insurance companies authorized in Tennessee.	Monthly	35	Not Available	60
	Number of captive insurance cell companies authorized.	Monthly	74	Not Available	125
	Number of risk-bearing entities regulated through the captive section.	Monthly	109	Not Available	185

**Resources and Regulation
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Financial Institutions					
One hundred percent (100%) of all high-risk non-depository financial institutions regulated by the Compliance division will be examined at least once each fiscal year in accordance with the Risk-Focused Exam Program. Those companies that present the least amount of risk will have their exam frequency extended beyond twelve months.					
	Average turnaround time on mortgage exams (days).	Annually	10	4.4	7
	Percent of non-deposit companies in the high-risk category.	Annually	10%	Not Applicable	10%
Examine all state-chartered banks and credit unions as required by TCA 45-2-1602 and 45-4-1002 during fiscal year 2015 independently or jointly with the Federal Deposit Insurance Corporation, Federal Reserve or the National Credit Union Administration.					
	Average turnaround time on bank exams (days).	Quarterly	56	32	55
	Average turnaround time on credit union exams (days).	Quarterly	42	45	30
Department of Labor and Workforce Development					
Increase the number of high school equivalency diplomas issued in 2014 by 15% over program year 2013.					
	Number of diplomas issued per quarter.	Quarterly	1,984	1,223	2,282
Increase job placement.					
	Entered employment rates of participants served.	Quarterly	55%	58%	60%
Increase customer service by reducing unemployment insurance claims pending decisions over 21 days.					
	Number of pending decisions.	Monthly	12,000	34	1,800

Transportation, Business, and Economic Development



Transportation, Business, and Economic Development



Table of Contents

Introduction	B-297
Total Personnel and Funding.....	B-298
Recommended Budget for Fiscal Year 2015-2016 by Funding Source.....	B-299
Cost Increases for Fiscal Year 2015-2016.....	B-300
Program Statements.....	B-302
Tennessee Housing Development Agency	B-302
Department of Agriculture	B-303
Department of Tourist Development.....	B-308
Department of Economic and Community Development.....	B-310
Department of Transportation.....	B-316
Priority Goals and Measures.....	B-319

Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2015 – 2016

The Transportation, Business, and Economic Development functional group is a diverse collection of agencies responsible for the development of economic activity in Tennessee. This group consists of the following agencies and departments:

- Tennessee Housing Development Agency
- Department of Agriculture
- Department of Tourist Development
- Department of Economic and Community Development
- Department of Transportation.

The common goal among these agencies is the development and promotion of economic activity and improvement of the livelihood of all Tennesseans. This is accomplished through various programs and activities, including creating an environment conducive to the operation of business and industry and the construction and maintenance of sound public infrastructure.

In addition to the above general activities,

this functional group also concentrates on promotion of job growth through development of industrial infrastructure and job training investments, regulation and maintenance of the state agricultural and forest industries, and marketing of the state as a vacation destination.

The Housing Development Agency helps low- and moderate-income Tennesseans secure affordable housing.

Cost Increases and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended cost increases for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year.

Transportation, Business, and Economic Development Total Personnel and Funding

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Recommended 2015-2016</u>
Personnel			
Full Time	5,808	5,803	5,806
Part Time	9	9	9
Seasonal	180	178	178
TOTAL	5,997	5,990	5,993
Expenditures			
Payroll	\$ 287,098,300	\$ 366,263,300	\$ 370,579,300
Operational	2,071,183,700	2,090,186,800	2,000,642,200
TOTAL	\$ 2,358,282,000	\$ 2,456,450,100	\$ 2,371,221,500
Funding			
State	\$ 907,521,700	\$ 1,031,684,700	\$ 1,017,107,700
Federal	1,324,653,400	1,291,605,200	1,276,194,600
Other	126,106,900	133,160,200	77,919,200

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2015-2016
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	277,181,600	13,103,400	290,285,000
325.00 Agriculture	67,701,800	12,328,600	9,139,500	89,169,900
326.00 Tourist Development	18,124,300	0	9,095,000	27,219,300
330.00 Economic and Community Development	114,805,600	26,647,900	6,785,300	148,238,800
400.00 Transportation	816,476,000	960,036,500	39,796,000	1,816,308,500
Total	\$1,017,107,700	\$1,276,194,600	\$77,919,200	\$2,371,221,500

Transportation, Business and Economic Development Cost Increases for Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Agriculture					
• Metrology Laboratory Staffing					
To provide funding for three additional metrology positions to be housed at the new laboratory. This laboratory is responsible for statewide weights and measures, and additional staff will meet the recommendations of United States Department of Commerce.					
325.05 Consumer and Industry Services	\$183,400	\$0	\$0	\$183,400	3
Sub-total	\$183,400	\$0	\$0	\$183,400	3
Total Agriculture	\$183,400	\$0	\$0	\$183,400	3
Tourist Development					
• Administration and Marketing					
To provide funding for the Tourism Marketing Task Force. A portion (\$4,000,000) of this appropriation is non-recurring.					
326.01 Administration and Marketing	\$7,000,000	\$0	\$0	\$7,000,000	0
Sub-total	\$7,000,000	\$0	\$0	\$7,000,000	0
• Welcome Centers Operations					
To provide funding for additional contract security for two newly constructed and two renovated welcome centers, which are scheduled to be open and operational before July 2015.					
326.03 Welcome Centers	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
Total Tourist Development	\$7,250,000	\$0	\$0	\$7,250,000	0
Economic and Community Development					
• Jobs4TN - FastTrack Job Development					
To continue the state's investment in creating new opportunities for Tennessee's workforce and to support the growth and retention of the state's base of traditional jobs. The non-recurring appropriation is necessary for the recruitment of new businesses, including support of workforce training, marketing, and education initiatives.					
330.06 FastTrack Infrastructure and Job Training Assistance	\$50,000,000	\$0	\$0	\$50,000,000	0
Sub-total	\$50,000,000	\$0	\$0	\$50,000,000	0
• FastTrack Training					
To provide a non-recurring training grant as part of a business development project.					
330.06 FastTrack Infrastructure and Job Training Assistance	\$12,000,000	\$0	\$0	\$12,000,000	0
Sub-total	\$12,000,000	\$0	\$0	\$12,000,000	0

**Transportation, Business and Economic Development
Cost Increases for Fiscal Year 2015-2016**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Launch Tennessee					
To promote innovation and entrepreneurship through the distribution of grants aimed at increasing new businesses from research and development activities throughout the state.					
330.02 Business Development	\$2,800,000	\$0	\$0	\$2,800,000	0
Sub-total	\$2,800,000	\$0	\$0	\$2,800,000	0
• International Trade Program					
To provide funding for educational services related to the International Trade Program in order to grow Tennessee's export potential. These appropriations will aid in funding the TN Trade Academy, which offers services that range from research analysis to location distribution partners.					
330.02 Business Development	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
• Economic Development District Grants					
To maintain funding and support of the nine development districts pursuant to TCA 13-14-111. A funding formula is used to determine each district grant award based on a per capita assessment.					
330.15 Economic Development District Grants	\$30,000	\$0	\$0	\$30,000	0
Sub-total	\$30,000	\$0	\$0	\$30,000	0
Total Economic and Community Development	\$66,330,000	\$0	\$0	\$66,330,000	0
Total Transportation, Business and Economic Development	\$73,763,400	\$0	\$0	\$73,763,400	3

Tennessee Housing Development Agency

The Tennessee Housing Development Agency (THDA) provides opportunities for decent, affordable housing to low- and moderate-income Tennesseans. THDA was created in response to a need for housing initiatives in rural areas, but it also performs activities in the major urban centers. The agency is authorized to sell tax-exempt revenue notes and bonds to provide funds for making below-market interest rate mortgage loans. Through the U.S. Department of Housing and Urban Development's Section 8 program, THDA provides rental subsidies to assist renters in need and administers project-based contracts. THDA also administers two federally funded grant programs, the HOME program and the Neighborhood Stabilization program. The HOME program assists local housing providers in implementing affordable housing plans. The Neighborhood Stabilization program provides grants to non-profit organizations and local governments that buy foreclosed homes, rehabilitate, and rent or resell the homes to low- to middle-income families in order to help stabilize the housing market. The agency received proceeds from the National Mortgage Settlement fund that are being utilized to support activities aimed to prevent foreclosures.

More recently, THDA has assumed administration of two federal programs from the Department of Human Services. The Weatherization Assistance Program (WAP) enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. The Low Income Home Energy Assistance Program (LIHEAP) helps keep families safe and healthy through initiatives that assist families with energy costs.

Activities of THDA include the rehabilitation and construction of rental and homeowner housing. The low income housing tax credit program, administered by THDA, supports acquisition, rehabilitation, and new construction of rental units for low-income tenants. THDA has a governing board composed of state officials and gubernatorial and legislative appointees who are active and knowledgeable in their respective industries.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
316.20 Tennessee Housing Development Agency					
Full-Time	242	238	238	0	238
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	242	238	238	0	238
Payroll	16,485,400	18,022,500	17,856,600	0	17,856,600
Operational	246,702,600	306,354,900	272,428,400	0	272,428,400
Total	\$263,188,000	\$324,377,400	\$290,285,000	\$0	\$290,285,000
State	0	0	0	0	0
Federal	213,055,000	276,312,100	277,181,600	0	277,181,600
Other	50,133,000	48,065,300	13,103,400	0	13,103,400

Department of Agriculture

The Department of Agriculture was established in 1854 with the original purpose of promoting agriculture through fairs and livestock expositions. This tradition continues today as the department helps expand markets for farm and forest products through promotions and industry development activities. The department provides an array of consumer services from food safety and product quality assurance to pesticide regulation and environmental monitoring. Forestry services include landowner assistance, wildfire suppression, and state forest management. Water quality programs encourage and promote wise stewardship of natural resources. The department's mission is performed within the following four major areas: Administration and Grants, Market Development, Consumer and Industry Services, and Forestry.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administration and Grants

The Administration and Grants area coordinates various duties including policy and strategic planning, budgeting, personnel administration, legal, and information services.

Through cooperation with the National Agricultural Statistics Service this division collects, analyzes, and publishes reliable data for producers and decision makers in agriculture. In addition, the staff monitors grant-based programs in the areas of soil conservation and water quality, pesticide pollution and abatement, commodity distribution assistance to eligible recipients, forestry incentives, and volunteer fire department assistance. The division also administers several programs to help reduce soil erosion on Tennessee farms and forestlands and to improve water quality.

325.01 Administration and Grants

The Administration and Grants program includes the commissioner's office, budget office, legal services, personnel office, public affairs, legislative liaison, agricultural crime services, agricultural museum, and agricultural statistics services. This program carries out the Nonpoint Clean Water Act services delegated through the Environmental Protection Agency (EPA). This program also coordinates the distribution of commodities under the guidance of various federal laws.

Full-Time	66	69	69	0	69
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	66	69	69	0	69
Payroll	5,074,000	5,354,500	5,272,100	0	5,272,100
Operational	5,082,600	6,866,900	6,866,900	0	6,866,900
Total	\$10,156,600	\$12,221,400	\$12,139,000	\$0	\$12,139,000
State	5,167,900	6,096,700	6,008,300	0	6,008,300
Federal	4,751,900	5,875,000	5,837,800	0	5,837,800
Other	236,800	249,700	292,900	0	292,900

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

325.08 Agricultural Resources Conservation Fund

The Agricultural Resources Conservation Fund provides grants to landowners, producers, and managers for the installation of best management practices aimed at solving water quality problems associated with agricultural operations. Funds also support a variety of educational programs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,178,300	3,187,500	3,187,500	0	3,187,500
Total	\$3,178,300	\$3,187,500	\$3,187,500	\$0	\$3,187,500
State	3,176,300	3,187,500	3,187,500	0	3,187,500
Federal	0	0	0	0	0
Other	2,000	0	0	0	0

325.12 Grain Indemnity Fund

Monies from the Grain Indemnity Fund are used to protect commodity producers in the event of the financial failure of a commodity dealer or warehouseman and to compensate producers for losses occasioned by the failure of a commodity dealer or warehouseman. Per-bushel assessment fees on grain producers cover the cost of the program. When the fund balance exceeds \$3 million, producer assessments are suspended, as provided by law. Revenues in the program are interest earning on the fund balance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	158,200	126,700	126,700	0	126,700
Total	\$158,200	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	158,200	126,700	126,700	0	126,700

325.14 Certified Cotton Growers' Organization Fund

Monies from the Certified Cotton Grower's Organization Fund are used for boll weevil eradication. Funds are granted to the Tennessee Boll Weevil Eradication Foundation, which oversees the program. The appropriation to this program is from an assessment that cotton growers levy upon themselves.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	114,800	500,000	500,000	0	500,000
Total	\$114,800	\$500,000	\$500,000	\$0	\$500,000

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	114,100	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	700	0	0	0	0

Market Development

325.06 Market Development

The Market Development division works to maximize economic opportunities for Tennessee agriculture through innovative marketing programs and promotional services. The division works to develop domestic and foreign markets for Tennessee agricultural and forest products and to attract agriculture and forest industry to the state. Marketing efforts promote a variety of products including horticultural material, livestock, fruits and vegetables, value-added products, aquaculture, Tennessee grapes, and other products. Grants promote market development initiatives and non-profit agricultural fairs and livestock shows throughout the state. The Tennessee Agricultural Enhancement Program assists producers in maximizing farm profits, adapting to changing market situations, improving operational safety, increasing farm efficiency, and making a positive economic impact in their communities.

Full-Time	32	29	29	0	29
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	33	30	30	0	30
Payroll	2,115,200	2,063,600	2,036,600	0	2,036,600
Operational	19,763,300	18,927,900	18,577,900	0	18,577,900
Total	\$21,878,500	\$20,991,500	\$20,614,500	\$0	\$20,614,500
State	20,449,400	20,179,300	19,803,400	0	19,803,400
Federal	505,600	735,600	734,600	0	734,600
Other	923,500	76,600	76,500	0	76,500

Consumer and Industry Services

The Consumer and Industry Services division is dedicated to the two main objectives of agricultural production quality and consumer protection. Responsibilities of the division include sampling the quality of feeds, seeds, and fertilizers; protecting animal and plant health; registering pesticides; ensuring food safety; and inspecting processing establishments. A laboratory supports regulatory efforts.

325.05 Consumer and Industry Services

Consumer and Industry Services monitors agricultural raw materials, products, and services to assure quality, consumer protection, public safety, a fair market place, and a safe and wholesome food supply. Statutes direct responsibility for the registration, licensing, sampling, inspection of items pertaining to human and animal health safety, consumer protection, truth in labeling, and free movement of plants and animals.

Full-Time	208	208	208	3	211
Part-Time	2	2	2	0	2
Seasonal	3	3	3	0	3
Total	213	213	213	3	216

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	12,916,800	13,473,100	13,176,300	68,400	13,244,700
Operational	6,451,400	6,659,700	6,659,700	115,000	6,774,700
Total	\$19,368,200	\$20,132,800	\$19,836,000	\$183,400	\$20,019,400
State	11,803,800	14,076,100	13,773,900	183,400	13,957,300
Federal	1,777,700	1,748,100	1,731,000	0	1,731,000
Other	5,786,700	4,308,600	4,331,100	0	4,331,100

325.16 Agricultural Regulatory Fund

The Agricultural Regulatory Fund provides funding to the divisions of Administration and Grants and Consumer and Industry Services to help defray the costs of administering regulatory programs. The funds are used for permitting, monitoring, investigating, enforcing, and administering such areas as pesticide product registration, pesticide dealer licenses and fees, plant certification fees, plant and soil testing fees, and pathology. Licensing and product registrations and civil penalties are deposited into the fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,470,800	3,158,500	3,158,500	0	3,158,500
Total	\$3,470,800	\$3,158,500	\$3,158,500	\$0	\$3,158,500
State	3,038,500	3,038,500	3,038,500	0	3,038,500
Federal	0	0	0	0	0
Other	432,300	120,000	120,000	0	120,000

Forestry

The Forestry division provides operational support and maintenance to Tennessee's abundant public and private forest resources.

325.10 Forestry Operations

Forestry Operations provides numerous land management and protection services to Tennessee's forests. These services include fire suppression, water quality protection, insect and disease control, landowner assistance, tree improvement, seedling production, product utilization and promotion, urban forestry, and state forest management.

Full-Time	311	311	311	0	311
Part-Time	1	1	1	0	1
Seasonal	177	175	175	0	175
Total	489	487	487	0	487
Payroll	17,122,400	18,530,400	17,921,200	0	17,921,200
Operational	9,361,000	11,345,900	11,345,900	0	11,345,900
Total	\$26,483,400	\$29,876,300	\$29,267,100	\$0	\$29,267,100
State	19,256,900	21,572,900	21,049,600	0	21,049,600
Federal	3,453,600	4,067,300	4,025,200	0	4,025,200
Other	3,772,900	4,236,100	4,192,300	0	4,192,300

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

325.11 Forestry Maintenance

The Forestry Maintenance program provides funds for maintenance of the division of Forestry facilities and communications equipment.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	175,400	157,200	157,200	0	157,200
Total	\$175,400	\$157,200	\$157,200	\$0	\$157,200
State	157,200	157,200	157,200	0	157,200
Federal	0	0	0	0	0
Other	18,200	0	0	0	0

325.00 Total Agriculture

Full-Time	617	617	617	3	620
Part-Time	4	4	4	0	4
Seasonal	180	178	178	0	178
Total	801	799	799	3	802
Payroll	37,228,400	39,421,600	38,406,200	68,400	38,474,600
Operational	47,755,800	50,930,300	50,580,300	115,000	50,695,300
Total	\$84,984,200	\$90,351,900	\$88,986,500	\$183,400	\$89,169,900
State	63,164,100	68,808,200	67,518,400	183,400	67,701,800
Federal	10,488,800	12,426,000	12,328,600	0	12,328,600
Other	11,331,300	9,117,700	9,139,500	0	9,139,500

Department of Tourist Development

The Department of Tourist Development is responsible for planning and implementing marketing and service programs that increase the economic impact of tourism. These programs are designed to enhance Tennessee's image as a primary tourist destination in order to increase the number of travelers and tourists coming to Tennessee. The department assists smaller communities in developing new tourism programs to positively impact local economic development. In addition, the department provides visitors to Tennessee's welcome centers with a safe and positive impression of Tennessee. The department is organized into two divisions: Administration and Marketing, and Welcome Centers.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

326.01 Administration and Marketing

The Administration and Marketing Division is responsible for planning, managing, and implementing marketing programs that increase the economic impact of tourism on the state's economy. The marketing activities are designed to enhance Tennessee's image as a primary tourist destination. These activities include creating, producing, and placing broadcast and print media campaigns; developing direct sales programs that target group tour companies, travel agents, and international tour operators; promoting Tennessee to the media and national travel press by writing and distributing camera-ready travel articles and sponsoring travel writer press trips to Tennessee locations; developing promotional brochures and travel literature for distribution to customers; collecting travel data and developing marketing research information; developing rural and heritage tourism promotional opportunities by directly working with local communities; and providing cooperative advertising, marketing, and promotional opportunities to businesses in the travel industry. This division is also responsible for the overall administration of the department including financial, information system, and support services.

Full-Time	29	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	28	28	0	28
Payroll	2,299,200	2,403,300	2,381,700	0	2,381,700
Operational	13,865,600	12,173,200	8,173,200	7,000,000	15,173,200
Total	\$16,164,800	\$14,576,500	\$10,554,900	\$7,000,000	\$17,554,900
State	15,669,200	13,529,300	9,509,300	7,000,000	16,509,300
Federal	0	0	0	0	0
Other	495,600	1,047,200	1,045,600	0	1,045,600

326.03 Welcome Centers

The Tennessee Welcome Centers encourage visitors traveling to and through Tennessee to spend more time in the state and to visit more Tennessee tourism destinations. This division is responsible for the operation of the 16 welcome centers located on Tennessee's interstate highways. These centers are the initial contact point for many travelers entering Tennessee. The staff at the welcome centers provide free travel information, brochures, literature, and reservation services to the millions of visitors that stop at the centers each year.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	152	152	152	0	152
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	152	152	152	0	152
Payroll	5,317,300	6,525,000	6,421,200	0	6,421,200
Operational	2,776,500	2,993,200	2,993,200	250,000	3,243,200
Total	\$8,093,800	\$9,518,200	\$9,414,400	\$250,000	\$9,664,400
State	1,311,900	1,365,000	1,365,000	250,000	1,615,000
Federal	0	0	0	0	0
Other	6,781,900	8,153,200	8,049,400	0	8,049,400
326.00 Total Tourist Development					
Full-Time	181	180	180	0	180
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	181	180	180	0	180
Payroll	7,616,500	8,928,300	8,802,900	0	8,802,900
Operational	16,642,100	15,166,400	11,166,400	7,250,000	18,416,400
Total	\$24,258,600	\$24,094,700	\$19,969,300	\$7,250,000	\$27,219,300
State	16,981,100	14,894,300	10,874,300	7,250,000	18,124,300
Federal	0	0	0	0	0
Other	7,277,500	9,200,400	9,095,000	0	9,095,000

Department of Economic and Community Development

The Department of Economic and Community Development (ECD) is the arm of state government concerned with aiding existing businesses in their efforts to expand and create jobs, promoting the location and expansion of new business and industry in Tennessee, assisting communities in being prepared for economic development opportunities, managing state and federal programs that provide development resources, and forming strategic partnerships inside and outside state government with the ultimate end of making Tennessee the number one location in the southeast for high quality jobs. The department's programs are presented in four groupings: Administrative Services, Business Development and Services, Innovation and Entrepreneurism, and Community Development.

The department's headquarters are located in Nashville with nine regional jobs base camps across the state and foreign office representatives in China, Canada, Japan, Mexico, and the United Kingdom maintaining and providing ECD's presence, assistance, and programs in Tennessee and internationally.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administrative Services

330.01 Administrative Services

Administrative Services provides administrative and support services to the department and is responsible for the daily operations and procedures of the department. Activities include: internal policy, legal, communications (including public information), graphic and media services, research, human resources, information technology, internal audit and consulting, fiscal services, and budgeting. Administrative Services is subdivided into eleven sections: commissioner's office, budget and fiscal, human resources, legal, internal audit and consulting, contracting, contract monitoring, information technology, research and special projects, communications and marketing, and strategy, which includes functions of the Business Enterprise Resource Office (BERO).

Full-Time	44	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	44	44	0	44
Payroll	4,081,000	4,307,200	4,278,500	0	4,278,500
Operational	1,907,200	2,030,500	2,028,000	0	2,028,000
Total	\$5,988,200	\$6,337,700	\$6,306,500	\$0	\$6,306,500
State	4,277,500	5,485,300	5,457,900	0	5,457,900
Federal	586,100	253,200	252,100	0	252,100
Other	1,124,600	599,200	596,500	0	596,500

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

Business Development and Services

330.02 Business Development

Business Development has the responsibility to attract and recruit new investments and create new jobs for Tennessee. Business Development's recruitment responsibilities require the staff to be in contact with clients statewide, nationwide, and internationally. This also includes close contact with regional industrial development agencies, regulatory boards, utility districts, professional associations, local officials, and local chambers of commerce. Business Development is subdivided into five areas representing the following: project management; regional business development and services; administrative functions of the FastTrack Infrastructure Development and Jobs Training Assistance Programs, and the Tennessee Jobs Skills Program; international trade; and the Tennessee Film, Entertainment, and Music Commission, an organization tasked with promoting economic development by attracting entertainment industry business to Tennessee.

Full-Time	53	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	53	53	0	53
Payroll	5,074,000	5,076,000	5,049,300	0	5,049,300
Operational	15,059,700	13,960,100	1,811,700	4,300,000	6,111,700
Total	\$20,133,700	\$19,036,100	\$6,861,000	\$4,300,000	\$11,161,000
State	13,223,500	13,630,700	6,456,300	4,300,000	10,756,300
Federal	443,200	0	0	0	0
Other	6,467,000	5,405,400	404,700	0	404,700

330.06 FastTrack Infrastructure and Job Training Assistance

The FastTrack Infrastructure Development and Job Training Assistance program provides infrastructure, training and economic development grants to local governments and businesses for job creation. FastTrack Infrastructure Development grants assist communities with economic growth by providing grants for infrastructure improvements and industrial site preparation. FastTrack training grants are provided when there is a commitment by an eligible business for the creation of private sector jobs. FastTrack economic development grants were recently established by the General Assembly to support other economic development activities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	76,456,000	64,865,200	340,500	62,000,000	62,340,500
Total	\$76,456,000	\$64,865,200	\$340,500	\$62,000,000	\$62,340,500
State	76,225,300	64,524,700	0	62,000,000	62,000,000
Federal	0	0	0	0	0
Other	230,700	340,500	340,500	0	340,500

	<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

330.13 Tennessee Job Skills Program

The Tennessee Job Skills program is a workforce development incentive grant program designed to assist existing employers in elevating the skills of their employees, enhancing employment opportunities, and meeting the needs of existing and new industries through the provision of training grants to eligible employers. Priority is given to the creation and retention of jobs and employers in industries that promote high-skill, high-wage jobs. Industries of particular focus include technology, emerging occupations, and skilled manufacturing jobs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,673,600	5,285,200	5,285,200	0	5,285,200
Total	\$1,673,600	\$5,285,200	\$5,285,200	\$0	\$5,285,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,673,600	5,285,200	5,285,200	0	5,285,200

330.20 Headquarters Relocation Assistance

The Headquarters Relocation Assistance program assists companies to locate their regional, national, or international headquarters in Tennessee. The program will reimburse relocation expenses to qualified headquarters facilities. A qualified headquarters facility is one in which the company has made a minimum \$10,000,000 capital investment and created at least 100 headquarters staff jobs paying 150 percent of the average occupational wage in Tennessee for the year in which the job was created.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	6,000,000	400,900	0	400,900
Total	\$0	\$6,000,000	\$400,900	\$0	\$400,900
State	0	6,000,000	400,900	0	400,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

330.17 Film and Television Incentive Fund

The Film and Television Incentive Fund, established by a 2006 law, provides incentive grants to encourage the production of films, movies, and television shows in Tennessee. To be eligible, such productions must meet criteria established by the Tennessee Film, Entertainment and Music Commission.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	0	0	0	0	0
Operational	10,717,400	15,048,600	2,048,600	0	2,048,600
Total	\$10,717,400	\$15,048,600	\$2,048,600	\$0	\$2,048,600
State	10,700,400	2,000,000	2,000,000	0	2,000,000
Federal	0	0	0	0	0
Other	17,000	13,048,600	48,600	0	48,600

Innovation and Entrepreneurism

330.05 Innovation Programs

Innovation Programs is tasked with raising the state's profile in innovation-based economic development by focusing on innovation, commercialization, investment, technology, and entrepreneurship. Innovation is the process that translates knowledge into economic growth and social well-being through a consideration of scientific, technological, organizational, financial, and commercial activities. Innovation programs are carried out through partnerships with other organizations.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,526,700	362,700	362,700	0	362,700
Total	\$2,526,700	\$362,700	\$362,700	\$0	\$362,700
State	236,700	237,700	237,700	0	237,700
Federal	2,270,800	125,000	125,000	0	125,000
Other	19,200	0	0	0	0

330.22 TNInvestco Tax Credits

The TNInvestco program was authorized by TCA 4-28-101 to increase the flow of capital to innovative new companies headquartered in Tennessee and in the early stages of development.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	30,244,500	30,000,000	30,000,000	0	30,000,000
Total	\$30,244,500	\$30,000,000	\$30,000,000	\$0	\$30,000,000
State	30,000,000	30,000,000	30,000,000	0	30,000,000
Federal	0	0	0	0	0
Other	244,500	0	0	0	0

Community Development

The Community Development area works with communities to ensure they develop and maintain the leadership, organizations, and community facilities essential for economic growth. Community Development also administers federal Community Development Block grants, Appalachian Regional Commission grants; and Delta Regional Authority grants and

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
--	-----------------------------	--------------------------------	---------------------------	------------------------------------	----------------------------------

administers the Main Street, Select Tennessee, Tennessee Downtowns, Retire Tennessee, and Three-Star community preparedness programs.

330.04 Policy and Federal Programs

The Policy and Federal Programs division manages and executes the department’s federal programs. The division provides professional project administration and technical assistance to all communities in the state. Included in this division’s purview are the following federal programs: the Community Development Block Grant (CDBG), the Appalachian Regional Commission, and the Delta Regional Authority.

Full-Time	7	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	8	8	0	8
Payroll	489,100	757,700	752,400	0	752,400
Operational	75,006,200	26,341,200	25,891,200	0	25,891,200
Total	\$75,495,300	\$27,098,900	\$26,643,600	\$0	\$26,643,600
State	652,100	507,100	507,000	0	507,000
Federal	74,842,000	26,523,900	26,068,700	0	26,068,700
Other	1,200	67,900	67,900	0	67,900

330.07 Community and Rural Development

The Community and Rural Development division is responsible for providing advice and technical assistance on community development, economic development, and other services to local governments, chambers of commerce and other agencies, groups, and individuals. Included within the division are the Main Street Program, the Tennessee Downtowns program, the Retire Tennessee Program and the Select Tennessee Program.

Full-Time	6	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	6	6	0	6
Payroll	570,300	537,400	531,800	0	531,800
Operational	6,399,000	1,638,400	1,597,900	0	1,597,900
Total	\$6,969,300	\$2,175,800	\$2,129,700	\$0	\$2,129,700
State	6,232,600	1,890,600	1,885,700	0	1,885,700
Federal	150,300	243,200	202,100	0	202,100
Other	586,400	42,000	41,900	0	41,900

330.15 Economic Development District Grants

The Development District Act of 1965 established nine development districts in order to provide the most effective and efficient means for cities and counties to conduct regional planning and economic development. The districts prepare and maintain long-range plans and policies for regional development, including transportation, water and wastewater infrastructure, water and air quality, solid waste management, and open space and recreation planning. This allotment provides funding for state grants to the development districts. Local government contributions are required to receive funding.

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,065,500	1,530,100	1,530,100	30,000	1,560,100
Total	\$2,065,500	\$1,530,100	\$1,530,100	\$30,000	\$1,560,100
State	2,028,000	1,530,100	1,530,100	30,000	1,560,100
Federal	0	0	0	0	0
Other	37,500	0	0	0	0

330.00 Total Economic and Community Development

Full-Time	110	111	111	0	111
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	110	111	111	0	111
Payroll	10,214,400	10,678,300	10,612,000	0	10,612,000
Operational	222,055,800	167,062,000	71,296,800	66,330,000	137,626,800
Total	\$232,270,200	\$177,740,300	\$81,908,800	\$66,330,000	\$148,238,800
State	143,576,100	125,806,200	48,475,600	66,330,000	114,805,600
Federal	78,292,400	27,145,300	26,647,900	0	26,647,900
Other	10,401,700	24,788,800	6,785,300	0	6,785,300

Department of Transportation

The Department of Transportation (TDOT) plans, designs, constructs, and maintains the state's highway network. The department also is responsible for other modes of transportation, such as aeronautics, public transit, railroads, and waterways. The Department of Transportation consists of five allotment codes: Headquarters, Bureau of Administration, Bureau of Environment and Planning, Bureau of Engineering, and Bureau of Operations.

<u>Actual</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Base</u> <u>2015-2016</u>	<u>Cost Increase</u> <u>2015-2016</u>	<u>Recommended</u> <u>2015-2016</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

401.00 Headquarters

The Headquarters allotment code consists of divisions that report directly to the commissioner. Headquarters' functions include community relations, constituent services, legal, internal audit, and payment of risk management fund premiums for property and liability insurance. Headquarters' functions also include the licensing of Tennessee's public-use airports, monitoring of compliance with federal grant assurances, and providing flight services for state government. Sales tax collected on aviation fuel, as part of the Transportation Equity Fund, is used for construction and capital improvements of airports.

Full-Time	143	116	116	0	116
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	148	121	121	0	121
Payroll	9,308,600	9,842,700	10,120,800	0	10,120,800
Operational	74,343,500	83,691,800	88,332,300	0	88,332,300
Reallocated	0	0	0	0	0
Total	\$83,652,100	\$93,534,500	\$98,453,100	\$0	\$98,453,100
State	61,819,200	75,467,700	80,373,700	0	80,373,700
Federal	19,200,400	15,502,000	15,514,600	0	15,514,600
Other	2,632,500	2,564,800	2,564,800	0	2,564,800

402.00 Bureau of Administration

The Bureau of Administration supports the operations of the department. Bureau services include management of highway safety grants; administration of overweight and oversized vehicle permits; reproduction of technical drawings, specifications, forms, contracts, and official documents; purchase of alternative fuel vehicles; management of radio licenses; and coordination of radio frequencies for government agencies. Finance, strategic planning, civil rights, human resources, and information technology services also are provided by this bureau.

Full-Time	267	273	309	0	309
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	267	273	309	0	309
Payroll	13,572,500	24,085,300	25,709,600	0	25,709,600
Operational	50,066,000	51,536,100	51,333,300	0	51,333,300
Reallocated	0	0	0	0	0
Total	\$63,638,500	\$75,621,400	\$77,042,900	\$0	\$77,042,900

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
State	40,169,300	60,149,000	61,472,700	0	61,472,700
Federal	22,652,500	14,982,500	15,080,300	0	15,080,300
Other	816,700	489,900	489,900	0	489,900

403.00 Bureau of Engineering

The Bureau of Engineering provides the programming and scheduling of transportation pre-construction activities. Responsibilities include development of construction standards, administration of highway and bridge maintenance programs, and maintenance of materials standards. Improvement of state highways, not classified as construction or reconstruction projects, are administered under the Highway Betterments program. Connector routes to the interstate system are funded with a 50 percent state match through the Local Interstate Connector program. The bureau also administers the Capital Improvements program, providing funding for the construction or replacement of Department of Transportation facilities. Other services provided by the bureau include administration of roadway and bridge design, right-of-way acquisition, highway incident management, and intelligent transportation systems.

Full-Time	488	525	429	0	429
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	488	525	429	0	429
Payroll	31,063,700	41,403,600	37,254,500	0	37,254,500
Operational	211,404,200	137,289,700	136,196,200	0	136,196,200
Reallocated	0	0	0	0	0
Total	\$242,467,900	\$178,693,300	\$173,450,700	\$0	\$173,450,700
State	50,734,800	76,122,800	70,317,400	0	70,317,400
Federal	174,193,100	97,666,100	98,241,900	0	98,241,900
Other	17,540,000	4,904,400	4,891,400	0	4,891,400

404.00 Bureau of Operations

The Bureau of Operations consists of four different functions which include Field Engineering, Field Construction, Field Maintenance, and Garage and Fleet Operations. Field Engineering services include preliminary engineering, roadway and bridge design, traffic engineering, utility relocations, right-of-way acquisitions, construction, materials testing, and maintenance on the statewide highway system. Field Construction performs a variety of project work, including civil engineering, geological surveying, planning, and constructing highways and bridges. Other services include congestion mitigations, hazard elimination, highway safety, emergency relief, and air quality improvements. Field Maintenance Operations provide routine maintenance of state and interstate highways and bridges. Other responsibilities include highway incident management, highway beautification, and environmental compliance. Garage and Fleet Operations acquires, maintains, and repairs the department's mobile equipment, including its vehicle fleet. This division is also responsible for the acquisition of consumable inventory items and fixed assets, as well as the maintenance and repair of equipment.

Full-Time	3,481	3,518	3,575	0	3,575
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,481	3,518	3,575	0	3,575

	<u>Actual 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>	<u>Cost Increase 2015-2016</u>	<u>Recommended 2015-2016</u>
Payroll	144,953,800	195,839,700	204,105,100	0	204,105,100
Operational	1,065,723,200	1,071,849,600	1,059,768,900	0	1,059,768,900
Reallocated	0	0	0	0	0
Total	\$1,210,677,000	\$1,267,689,300	\$1,263,874,000	\$0	\$1,263,874,000
State	458,086,500	534,499,200	529,017,500	0	529,017,500
Federal	728,704,300	699,948,000	703,791,400	0	703,791,400
Other	23,886,200	33,242,100	31,065,100	0	31,065,100

405.00 Bureau of Environment and Planning

The Bureau of Environment and Planning provides transportation and traffic planning, monitors environmental impacts of transportation projects, and distributes mass transit grants. Sales tax collected on commercial water vessels and rail fuel, as part of the Transportation Equity Fund, is used for construction and capital improvements of water port facilities and shortline rail systems. In addition, this division ensures the safety of the state's waterways and railways through routine inspections. The bureau also controls outdoor advertising and easements.

Full-Time	279	225	228	0	228
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	279	225	228	0	228
Payroll	16,655,000	18,041,300	17,643,200	0	17,643,200
Operational	136,490,500	206,306,000	185,844,600	0	185,844,600
Reallocated	0	0	0	0	0
Total	\$153,145,500	\$224,347,300	\$203,487,800	\$0	\$203,487,800
State	72,990,600	75,937,300	75,294,700	0	75,294,700
Federal	78,066,900	147,623,200	127,408,300	0	127,408,300
Other	2,088,000	786,800	784,800	0	784,800

400.00 Total Transportation

Full-Time	4,658	4,657	4,657	0	4,657
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	4,663	4,662	4,662	0	4,662
Payroll	215,553,600	289,212,600	294,833,200	0	294,833,200
Operational	1,538,027,400	1,550,673,200	1,521,475,300	0	1,521,475,300
Reallocated	0	0	0	0	0
Total	\$1,753,581,000	\$1,839,885,800	\$1,816,308,500	\$0	\$1,816,308,500
State	683,800,400	822,176,000	816,476,000	0	816,476,000
Federal	1,022,817,200	975,721,800	960,036,500	0	960,036,500
Other	46,963,400	41,988,000	39,796,000	0	39,796,000

**Transportation, Business, and Economic Development
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Agriculture					
Increase the number of burn permits issued annually in order to reduce the number of wildfires caused by escaped debris fires.					
	Number of permits issued.	Quarterly	400,000	0	410,000
Create jobs and increase economic activity in rural areas by expanding the agricultural and forestry industry.					
	New investment dollars by private industry sources.	Quarterly	\$60,000,000	\$14,300,000	\$70,000,000
Maintain or improve public health and welfare in the areas of food safety and petroleum quality through education and fair/effective regulation.					
	Number of motor fuel workshops offered.	Annually	0	Not Applicable	3
	Number of retail food workshops offered.	Annually	0	Not Applicable	3
	Number of industry professionals attending retail and motor fuel workshops.	Annually	0	Not Applicable	275
Department of Tourist Development					
Improve customer service to travelers who visit the welcome centers.					
	Cumulative average rating score on completed customer service comment cards (5.0 scale).	Monthly	4.6	4.9	4.8
Utilize public relations strategies to increase consumer intent to travel to Tennessee.					
	Public relations impressions.	Quarterly	1,386,537,585	Not Available	1,483,595,000
Increase travel-generated revenues to local communities and the state.					
	Economic impact.	Annually	\$16,714,600,000	Not Applicable	\$17,360,000,000
	Sales tax collections.	Annually	\$1,236,000,000	Not Applicable	\$1,289,000,000
	Person stays.	Annually	\$96,400,000	Not Applicable	\$101,200,000
Department of Economic and Community Development					
Ensure that companies seeking a greenfield site in Tennessee have a deep pool of potential sites that have been certified by a leading third party site selection firm.					
	Number of Select Tennessee sites certified.	Annually	26	Not Applicable	36

**Transportation, Business, and Economic Development
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Provide small and medium-sized Tennessee businesses with the knowledge required to begin exporting to new international markets.					
	Number of Tennessee-based businesses that have received assistance from a TNTrade international office.	Annually	0	Not Applicable	100
Make Tennessee the number one location in the Southeast to launch and grow a company.					
	Number of Tennessee high-growth companies accelerated.	Annually	0	Not Applicable	150
Department of Transportation					
Expand mobility choices to maximize access.					
	Annual percent change in total statewide transit passenger trips.	Annually	1.3%	3.1%	2.0%
	Miles of state routes that accommodate bicycles and pedestrians by having a paved shoulder at least four feet wide or a designated bike lane.	Annually	4,534	4,591	4,639
Operate and manage Tennessee's transportation system to provide a high level of safety and service to customers and workers.					
	Percent of highway lane blockage incidents in urban HELP service areas cleared within 90 minutes.	Quarterly	94%	93%	94%
	Number of traffic fatalities (calendar YTD).	Monthly	995	880	975
	Number of motor vehicle crashes in work zones.	Quarterly	3,064	2,587	3,110
Maintain the state transportation system to protect the long-term investment in infrastructure assets.					
	Percent of bridge deck area on all bridges maintained by TDOT that is not structurally deficient.	Quarterly	96%	96%	96%
	Percent of interstate mileage with an International Roughness Index (IRI) pavement rating of good or very good.	Annually	93%	93%	93%
Deliver transportation projects on schedule and within budget.					
	Percent of construction projects completed by original contract completion date.	Quarterly	73%	68%	75%
	Average percent difference in final project construction cost versus the contract award amount.	Quarterly	11%	1%	10%

Budget Process



Budget Process

Table of Contents



The Budget Process	B-325
Basis of Budgeting and Accounting	B-329

The Budget Process

Preparation of the Governor’s annual budget for the State of Tennessee is the responsibility of the Commissioner of Finance and Administration, who is the State Budget Director.

Within the Department of Finance and Administration, the Division of Budget is responsible for budget development. Preparation, deliberation, and execution of the budget is a continual process throughout the year. This process regularly involves the legislative and executive branches, with occasional counsel from the judicial branch. The following table indicates the participants in the budgetary process and an approximate time schedule.

Function	Participants	Schedule
Preparation of Strategic Plans	Departments and Agencies	June July August
Executive Review of Strategic Plans	Governor Commissioner of F&A	August
Planning and Estimation	Budget Division Departments and Agencies	July August September
Preparation of the Operational and Capital Budgets	Budget Division	October November December * January
Legislative Deliberation	General Assembly	* February -May
Budget Execution	Budget Division Legislative Committees Departments and Agencies	July-June
Legislative Review of Strategic Plans	Departments and Agencies Finance Committees	Following Year January-May
Comptroller’s Performance Review	Comptroller of the Treasury	Following Year July-June

*Note: The law requires the Governor to submit the Budget to the General Assembly prior to February 1, except at the beginning of a gubernatorial term, when the deadline is prior

to March 1; unless, in either case, the General Assembly by joint resolution authorizes a later date.

Planning and Estimation

Immediately after a new fiscal year begins each July, the staff of the Division of Budget begins making plans for the budget that will be considered by the General Assembly for the subsequent fiscal year. These plans include designing and updating the forms and instructions used by departments and agencies in presenting their operational and capital budget requests to the Division of Budget.

These electronic forms and instructions are distributed to the agencies in August. The deadline for completion and transmission of the budget requests is the first of October. During this preparation period, the staff of the Division of Budget meets as needed with agencies’ fiscal, capital, and program personnel to answer questions and provide assistance in developing their budget requests.

In addition to projecting expenditure levels, estimates of the major revenue sources, such as the sales, franchise, excise, and gasoline taxes, are prepared for both the current and next fiscal years. The revenue estimates are prepared by the Commissioner of Finance and Administration after receiving advice from the State Funding Board, as required by TCA section 9-4-5202. All revenue estimates, including estimates for licenses and fees, are part of the budget review by the Commissioner of Finance and Administration, the Governor, and their staffs.

Preparation of the Budget

Chapter 33 of the Public Acts of 1937 granted the Governor the authority and duty to develop and submit to the General Assembly a recommended budget. The law directs the Commissioner of Finance and Administration to prepare the budget in accordance with the Governor’s directives.

The Budget Process

After the receipt of agency operational and capital budget requests, analysts with the Division of Budget begin the process of balancing expenditures against estimated revenues. Within this constraint, funds must be provided for Administration initiatives of high priority, activities mandated by state or federal statute, and the day-to-day operation of state government.

Instructions for the agency operational budget requests include the submission of two levels of requests: (a) a base request, which accommodates the continuation of current services, and (b) a cost increase request, which includes funds to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level due to increased costs of providing current services.

Capital budget requests are submitted to the Division of Budget along with agency operating budget requests, where they are reviewed in conjunction with the Real Estate Asset Management office. Based on these reviews and available funding, recommendations are made to the Commissioner of Finance and Administration and the Governor for consideration in the Budget.

Following analysis of the requests by the Division of Budget, detailed recommendations are made to the Commissioner of Finance and Administration. Meetings are convened with commissioners and directors of the departments and agencies by the Commissioner of Finance and Administration. A consensus is sought with the agencies as to the appropriate funding level for the upcoming year.

After these meetings are completed, the Budget Division staff makes any revisions that have been agreed upon and presents the estimates to the Commissioner of Finance and Administration for his and the Governor's consideration. The Governor and the commissioner review the recommendations resulting from these hearings and consider necessary alterations to fit within the scope of the Administration's initiatives and estimated revenues. The Governor may choose to conduct meetings or budget hearings with

agency heads and may direct them to submit plans for further adjustments to their budgets.

After gubernatorial decisions have been finalized, the staff of the Division of Budget prepares the Budget Document for printing. Meanwhile, work begins on the Governor's Budget Message. The Budget must be presented to the General Assembly prior to February 1, or prior to March 1 when a newly elected Governor takes office, unless the General Assembly by joint resolution allows submission on a later date.

At the time the Budget Document and Budget Message are presented, the appropriation process is initiated. The Appropriations Bill, prepared by the Department of Finance and Administration, is introduced and referred to the Finance, Ways and Means committees of both houses of the Legislature. The various standing committees of the houses may review those parts of the Appropriations Bill that fall within their purviews. The departments often are invited to testify before these committees on issues relating to their budgets.

After these committees report their reviews, the Finance, Ways and Means committees begin hearings on the budget in its entirety. Again, the departments may testify, and the Commissioner of Finance and Administration is invited to discuss the budget recommendations. Considerations made by the committees include the fiscal impacts caused by other legislation introduced by the members of both houses, recommendations of other legislative committees, and Appropriations Bill amendments filed by members of the Legislature. The Finance, Ways and Means committees of each house report out the Appropriations Bill with any amendments they recommend.

The Appropriations Bill then is sent to Calendar committees of each house to be scheduled for floor action. The Senate and House of Representatives must pass the same Appropriations Bill in the same form for it to be enacted into law. Approval of the General Appropriations Bill usually

occurs during the last week of the legislative session. In signing the bill into law, the Governor may line-item veto or reduce specific appropriations. Or, he could veto the entire bill; but this rarely would be done. Any veto may be over-ridden by a majority of the elected members, each house acting separately.

Tennessee has a tradition of enacting a single General Appropriations Act each year.

Budget Execution

When passage of the Appropriations Bill is complete and is signed or enacted into law, the execution of the act begins. Two important concepts are involved: preparation of work programs, and development of allotment controls.

Invariably, there are changes to the Budget Document presented by the Governor to the General Assembly. These changes are made by amending the Appropriations Act during the adoption process. Analysts of the Division of Budget and fiscal personnel in the departments and agencies have the responsibility of reconciling the approved Appropriations Act with the Budget Document. This may involve increases or decreases to the agency allotments. The Division of Budget establishes an annual allotment for each agency and division using the reconciled Appropriations Act. This annual allotment, called the official work program, is provided to the Division of Accounts as a means of spending control. The agencies and divisions spend against these allotments during the fiscal year.

Budget execution is a process that continues throughout the fiscal year. In addition to the daily review of numerous operational and personnel transaction requests, the budget analysts must ensure that the legislative intent of the Appropriations Act is being followed by the various departments and agencies.

Further legislative review and control is maintained through the Fiscal Review Committee and the Finance, Ways and Means committees.

In addition to the review of agency activities by these bodies, the Finance, Ways and Means committees must be informed of any new or expanded programs resulting from unanticipated departmental revenues. These revenues usually are new federal grants, but also may be other departmental revenues. When notice of unexpected revenue is received by an agency, the Commissioner of Finance and Administration, if he wants to approve the program expansion, may submit an expansion report to the chairmen of the finance committees for acknowledgement. Upon the chairmen's acknowledgement of the expansion report, the Commissioner of Finance and Administration may allot the additional departmental revenue to implement the proposed or expanded program.

Agencies may not expand programs or implement new programs on their own authority. This expansion procedure is not used to increase allotments funded from state tax revenue sources. No appropriations from state tax sources may be increased except pursuant to appropriations made by law.

A transfer of appropriations between allotments for purposes other than those for which they were appropriated may not occur without the approval of the Commissioner of Finance and Administration and a committee comprised of the Speakers of the House and the Senate, and the Comptroller of the Treasury.

Throughout the fiscal year, the Budget Division staff reviews the status of the various allotments and advises the Commissioner of Finance and Administration of any problems. At the end of the fiscal year, the Division of Budget has the responsibility of executing revisions to the annual allotments as a function of the accounts closing process.

Audit and Review

Post-audit and review also are functions that continue throughout the fiscal year. Post-audit is a responsibility of the Comptroller of the Treasury, an official

elected by the General Assembly. The Division of State Audit, within the Comptroller's Office, has the duty of conducting, supervising, and monitoring the audits of all state departments and agencies. Intermediate care facilities receiving Medicaid funds also are within the purview of this division, and state grants to other entities also are subject to audit. In addition, program audits are performed to determine whether agencies are functioning efficiently.

The General Assembly also participates in a continuing review throughout the fiscal year. The Fiscal Review Committee, a bipartisan committee comprised of members from both houses, meets regularly when the General Assembly is not in session. Following a set agenda, members of this committee review audit reports and departmental personnel respond to inquiries about activities and programs under the department's jurisdiction.

Governmental Accountability: Strategic Planning and Performance Measures

The Governmental Accountability Act of 2013 amended the Governmental Accountability Act of 2002, which required strategic planning, performance-based budgeting, and performance audits, to require strategic planning, performance measures, and performance audits.

By August 15 each year, executive branch agencies submit strategic plans to the Commissioner of Finance and Administration who may require modifications. The commissioner must consolidate approved plans and submit them to the Governor and General Assembly by September 30 each year. For 2014, the Commissioner of Finance and Administration, as allowed by law, exempted the Higher Education Commission and non-cabinet agencies from

submitting plans to Finance and Administration, but encouraged the commission and non-cabinet agencies to continue the planning process. The judicial branch, Comptroller of the Treasury, State Treasurer, Secretary of State, Attorney General and Reporter, and legislative branch are not subject to strategic plan review by the Commissioner of Finance and Administration. They must submit plans separately to the General Assembly and Governor by September 30.

Under the Accountability Act, instructions for developing strategic plans and performance measures are issued to executive branch agencies by the Commissioner of Finance and Administration, who under other law, also issues budget instructions to all agencies. The strategic plans must include performance measures and standards, which must be included in the recommended Budget Document. The Governmental Accountability Act requires the Commissioner of Finance and Administration to annually evaluate strategic plans and performance measures.

Also under the Governmental Accountability Act, as well as under other law, each state agency is subject to performance review by the Comptroller of the Treasury.

The Governmental Accountability Acts of 2013 and 2002 continue the Tennessee tradition of strong executive management of the line agencies, begun with the Governmental Reorganization Act of 1923, and strong executive budget development and budget execution responsibility, begun with the budget law of 1937. The General Assembly has the prerogative to alter executive recommendations through the Appropriations Act and to alter policy and exert oversight through the legislative and performance review processes.

Basis of Budgeting and Accounting

Budgeting Basis

The annual budget of the State of Tennessee is prepared on the modified accrual basis of accounting – the method under which revenues are recognized when they become available and measurable, and expenditures are recognized when the liability is incurred. Most appropriations generally lapse at the end of each fiscal year. Appropriations for contractual obligations in the Highway Fund do not lapse at year end, but are carried forward for subsequent year expenditures. In addition, it is the state’s budgetary practice to appropriate matching dollars for jointly funded projects in the year of federal apportionment. Most revenue collection estimates are presented on a modified accrual basis, consistent with the basis of accounting explained below.

The law requires the Governor to present his proposed budget to the General Assembly annually. The General Assembly enacts the budget through passage of a general appropriations act. This act appropriates funds at the program level. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to legislative override. Once passed and signed, the budget, in the form of the Appropriations Act, becomes the state’s financial plan for the coming year.

Budgetary control is maintained at the program level by the individual departments and agencies, acting in conjunction with the Department of Finance and Administration. The latter has a Division of Budget and a Division of Accounts to execute budgetary controls. The Budget Document details the separation between payroll and operational funds by program. Any movement of funds between the payroll and operational funds requires approval and a revision to the budget by the Division of Budget on behalf of the Commissioner of Finance and Administration and the Governor. Other budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, require certain executive and legislative branch approval, pursuant to law. This is

discussed in detail in the “Budget Process” subsection. With proper legal authority, the Division of Budget, acting on behalf of the Governor and Commissioner of Finance and Administration, may execute allotment (or budget) revisions. The line agencies may not make these revisions themselves. In Tennessee, as in other states, appropriation of funds is a legislative power, not an executive power. No expenditures may be made, and no allotments increased, except pursuant to appropriations made by law.

For Budget Document purposes, all funds are classified as **General Fund** except for the Department of Transportation (Transportation, or Highway Fund), Capital Outlay (Capital Projects Fund), Facilities Revolving Fund, Debt Service (or Sinking) Fund, and Cities and Counties – State-Shared Taxes (Local Government Fund). The Education Trust Fund, including the Lottery for Education Account, for which state tax revenues are estimated separately, is included in the General Fund in the presentation of the Budget Overview, although a separate fund balance statement for this fund is included in the “Financial Statements” section of the Budget Document.

The presentation of all the operating budgets within the **General Fund** in the Budget Document, except for Transportation, is done for ease of budget presentation and understanding. In the Budget, revenue estimates for Special Revenue, Internal Service, and Enterprise Fund programs, funded by dedicated revenues, are included in the state tax revenue and departmental revenue estimates in the General Fund, as are those programs’ expenditures.

Special Revenue Fund programs reflected in the General Fund in the Budget Document are:

- Wildlife Resources Agency
- Boating Safety
- Wetlands Acquisition Fund
- Wetlands Compensation Fund
- Tennessee Regulatory Authority
- Education Fund

Basis of Budgeting and Accounting

Agricultural Resources Conservation Fund
Certified Cotton Growers' Organization Fund
Agricultural Regulatory Fund
Local Parks Acquisition Fund
State Lands Acquisition Fund
State Lands Acquisition Compensation Fund
Used Oil Collection Program
Tennessee Dry Cleaners Environmental
Response Fund
Abandoned Lands
Hazardous Waste Remedial Action Fund
Underground Storage Tanks
Solid Waste Assistance
Environmental Protection Fund
Criminal Injuries Compensation
911 Emergency Communications Fund
Motorcycle Rider Education
Driver Education
Anti-Theft Unit
Board of Professional Responsibility
Tennessee Lawyers Assistance Program
Continuing Legal Education
Help America Vote Act.

Internal Service Fund programs reflected in the General Fund in the Budget Document are:

Records Management
Risk Management Fund
TRICOR
Office of Information Resources
Division of Accounts
Enterprise Resource Planning
Postal Services
Motor Vehicle Management
Printing and Media Services
Procurement Office
Warehousing and Distribution
Human Resources Executive Administration
Human Resources Development
Human Resources Technical Services Bureau
Human Resources Office of General Counsel.

Enterprise Fund programs reflected in the General Fund in the Budget Document are:

Tennessee Housing Development Agency
Grain Indemnity Fund
Client Protection Fund.

In the "Budget Overview," **Education Trust Fund** programs are presented in the General Fund, although the tax apportionments for the Education Fund are separately estimated. This, again, is done for ease of presentation and understanding of the budget. It also is done because the taxes earmarked and apportioned to the Education Fund are less than the Education appropriations, requiring General Fund tax support for Education programs.

The programs in the Education Trust Fund are: (1) Department of Education (K-12), including general-source programs and the dedicated-source After-School Programs Special Account, funded by 100% of unclaimed lottery prizes; (2) Higher Education, including state appropriations for the University of Tennessee, the State University and Community College System (Board of Regents), the Foreign Language Institute, and the dedicated-source appropriation in the Lottery for Education Account; and (3) all funding sources for programs of the Higher Education Commission and the Student Assistance Corporation.

In the Budget Document, certain institutional revenues for the two university systems are estimated. These include unrestricted educational and general revenues (E&G), and auxiliary enterprise funds. Examples of unrestricted E&G funds are student tuition and fees; unrestricted state, federal, local, and private gifts, grants, and contracts; local appropriations; and sales and services related to academic programs. Restricted funds are not reflected in the Budget Document.

Although presenting the operating budgets in this consolidated fashion makes the budget easier to understand, the Comprehensive Annual Financial Report (CAFR) does present the Special Revenue and other funds separately from the General Fund. The Division of Accounts provides that document to the General Assembly and the public.

Accounting Basis

(From Division of Accounts, Comprehensive Annual Financial Report)

The financial statements of the State of Tennessee are prepared in conformity with generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board (GASB). These principles require that the financial statements present the primary government and its component units, or the entities for which the government is considered to be financially accountable. Component units are discretely presented in a separate column in the government-wide financial statements to emphasize legal separation from the primary government.

In the government-wide financial statements, the financial activities of the state are reported as governmental or business-type activities. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

In the fund financial statements, the state's major **governmental funds** include:

General Fund – used to account for all financial transactions not required to be accounted for in other funds;

Education Fund – used to account for revenues and expenditures associated with programs involving the Departments of Education and Higher Education. Funding is provided primarily from the dedicated sales and services taxes and federal monies received from the U.S. Department of Education. Net education lottery proceeds and 100% of unclaimed lottery prizes fund higher education scholarships and after-school programs;

Highway Fund – used to account for revenues and expenditures associated with the Department of Transportation. Funding is provided from dedicated highway user taxes and funds received from the various federal transportation agencies; and,

Capital Projects Fund – used to account for the acquisition or construction of all major governmental capital facilities.

The state's non-major **governmental funds**, reported in a single column, include:

Special Revenue Fund – used to account for specific revenues earmarked to finance particular or restricted programs and activities;

Debt Service Fund – used to account for the payment of principal and interest on general long-term debt; and,

Permanent Funds – used to account for legally restricted funds where only earnings, not principal, can be spent.

All of the governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis, revenues are recognized when they become measurable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are typically recorded only when payment is due.

Principal revenue sources considered susceptible to accrual include taxes, federal funds, local funds and investment income. Taxes and similarly measurable fees and fines, are generally considered to be available if collected within 60 days after fiscal year-end. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met, and the amount is received during the current period or within six months after fiscal year-end. The state uses this same six month availability period for most other measurable revenues. However, tobacco and similar litigation settlement proceeds are generally considered available if collection is expected within 12 months after fiscal year-end. Licenses, permits, and other similar miscellaneous revenue items are considered measurable and available only when cash is received by the state.

Basis of Budgeting and Accounting

The state's **proprietary fund** financial statements include:

Enterprise Funds – used to account for the operations of self-sustaining state agencies providing goods or services to the general public on a user-charge basis. Two of these funds are considered major funds – Sewer Treatment Loan Fund and Employment Security Fund. Non-major funds are reported in a single column; and,

Internal Service Funds – used to account for goods or services provided to other departments or agencies of the state or other governments, on a cost reimbursement basis. These funds are reported in a single column.

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The state's **fiduciary funds** financial statements include:

Pension Trust Fund – used to account for the activities of the state-administered retirement system;

Employee Benefit Trust Fund – used to account for the funds contributed by employees under the IRC Section 125 cafeteria plan;

Investment Trust Fund – used to account for the activities of the state-sponsored external investment pool;

Private-Purpose Trust Funds – used to report trust arrangements under which the principal and income benefit individuals, private organizations, or other governments; and,

Agency Funds – used to account for amounts held in custody of others.

Fiduciary fund types are used to account for resources held in a trustee or agency capacity for others and cannot be used to support the government's own programs. The fiduciary funds are accounted for on the accrual basis of accounting, except for agency funds, which do not recognize revenues and expenditures and do not present the results of operations.

Discretely presented component units include:

Federal Family Education Loan Program
Tennessee Student Assistance Corporation
(TSAC)
Community Services Agency
Tennessee Certified Cotton Growers'
Organization
Tennessee Housing Development Agency
Tennessee Local Development Authority
Tennessee State Veterans' Homes Board
Tennessee State School Bond Authority
Tennessee Board of Regents
University of Tennessee Board of Trustees
Tennessee Education Lottery Corporation
Access Tennessee.

Glossary and Index



Glossary and Index

Table of Contents



Glossary of Budget Terms	B-337
Index	B-343

Glossary of Budget Terms

A

Accrual Basis of Accounting - Records revenues in the period in which they are earned and become measurable; expenses are recorded in the period incurred, if measurable.

Agency - Any department, commission, board, authority, government-owned corporation, or other independent governmental entity.

Allotment - Funds established for agency expenditure, in accordance with the appropriations made by the General Assembly.

Allotment Code - The five-digit number used to designate a program or programs for budgeting and accounting purposes.

Appropriation - The amount authorized by the General Assembly to be allocated from a fund to an allotment code. Also, in the context of funding type, the general state revenue allocated to an allotment code by the General Assembly.

Appropriations Bill - Annual legislation authorizing the allocation and expenditure of funds for a two-year period: the year of bill passage and the subsequent year. The bill also sets policies, assigns certain responsibilities, and at times, specifies legislative intent on certain issues.

Authorized Positions - The maximum number of positions an agency may establish at any given time; authorized positions must receive legislative approval by legislation,

by expansion, or by inclusion in the Governor's recommended budget document.

B

Balanced Budget - A budget in which the expenditures incurred during a given period are matched by revenues.

Base Budget - The estimated expenditures and associated revenues or appropriation necessary to maintain the current level of service or activity.

BEP - The Basic Education Program is the formula that determines the funding level each school system needs in order to provide a basic level of service for all students.

Brian A. - A settlement agreement, signed in July 2001, which requires reform of child welfare services provided by the Department of Children's Services.

Budget Request - The annual spending and revenue plan submitted by each agency for review by the Department of Finance and Administration, the State Comptroller, and the Fiscal Review Committee.

C

Capital Budget - The portion of the budget devoted to proposed additions or maintenance to capital assets and the means of financing those additions.

Capital Maintenance - Major non-routine repairs and replacements unrelated to new

Glossary of Budget Terms

construction. Improvements of this type have a cost of \$100,000 or more.

Capital Outlay - Expenditures which result in the acquisition of or addition to major fixed assets (e.g., land, buildings, and equipment related to construction).

Clean Water Acts - Federal laws designed to restore and maintain the nation's air and water supply.

Component Unit - Entities for which the state is considered financially accountable.

Cost Increases - Increases in departmental budgets needed to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level.

CPI - The Consumer Price Index is required by state law for judges' salary adjustments. A year-to-year comparison of the average CPI (For All Urban Consumers: All Items) is used to index the statutory adjustment.

Current Services Revenue - Program funds generated by a specific activity to support that activity. This includes fees and assessments, gifts, and interest from reserves or endowments (e.g., licenses, permit and certificate fees, and inspection fees).

D

Debt Rating - A measure of a governmental entity's ability to pay debt on bonds, etc.

Debt Service Fund - Funds used to retire bonds in an orderly process over the bonds' life. Each year, the state sets aside a sum of money equal to a certain percentage of the total bond issue.

DNA - Deoxyribonucleic acid is a nucleic acid that is the molecular basis of heredity.

E

Earmarked Funds - Funds that are legislatively limited in how they can be expended.

Education Trust Fund - The fund into which all revenues earmarked and allocated exclusively for educational purposes are deposited.

EEO - Equal Employment Opportunity is a series of policies and procedures enacted by the Department of Human Resources to comply with federal laws governing fair employment practices as provided in the Equal Employment Opportunity Act.

EMS - Emergency medical services provide pre-hospital emergency medical care and medical transportation systems, primarily ambulatory services.

Encumbrance - Commitments related to unexecuted contracts for goods and services issued by the Central Procurement Office, Department of General Services.

Environmental Protection Fund (EPF) - A fund, administered by the Department of Environment and Conservation, to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

F

Facilities Revolving Fund (FRF) - A self-perpetuating fund for the maintenance and renovation of state-owned buildings and the leasing of office space.

Families First - This program, administered by the Department of Human Services, replaced Aid to Families with Dependent Children (AFDC) and provides

Glossary of Budget Terms

time-limited cash grants, education, job training, child care, employment assistance, and transitional benefits to poor or low-income Tennesseans in order to reduce or eliminate welfare dependency.

FDIC - The Federal Deposit Insurance Corporation, which insures bank deposits up to \$250,000.

Federal Funds - Funds received from federal government agencies for the support of programs at state and local levels. Federal funds are received by way of block grants, entitlement programs, and specific grants.

Federal Mandates - A provision of federal law or regulation that requires state government implementation. This includes the creation of new programs, changes in existing programs, and increases in state financial participation in jointly funded federal programs.

Fiscal Year - A 12-month accounting period; in Tennessee, July 1 through June 30.

FRF Capital Projects Fund - The fund used to account for financial resources related to the acquisition, construction, or maintenance of major capital facilities.

FRF Debt Service - Expenses for principal, interest, and discounts on bonds and other types of borrowed money.

Fund - A repository of money set aside for a specific purpose.

Fund Balance - Excess of the assets of a fund over its liabilities and reserves.

G

Geier Desegregation Settlement - A settlement agreement implemented in January 2001 to end the Geier higher education lawsuit, originally filed in 1968. The agreement resulted in dismissal of the lawsuit in September 2006. The agreement was intended to create a system of public higher education that preserves and enhances access and opportunities at Tennessee's public colleges and universities.

General Fund - The fund maintained by the Treasurer into which revenues collected by the state, other than highway taxes, are deposited for appropriation by the General Assembly to support the operation of state agencies.

Geographic Information System (GIS) - A computer-based system for managing spatial data and mapping applications. Spatial data includes roads, elevation data, streams and lakes, imagery, and parcel boundaries.

Governmental Accountability Act - Law enacted in 2002 and amended in 2013 that requires strategic planning, performance measures, and performance audits.

H

Highway Fund - The fund maintained by the Treasurer into which certain revenues collected by the state are deposited for appropriation by the General Assembly to the Department of Transportation. Revenues generated mostly from petroleum-related taxes comprise the Highway Fund.

Glossary of Budget Terms

I

Interdepartmental Revenue - Revenue received by one entity of state government from another entity of state government. These funds are received as reimbursement of shared costs, as a grant, or as some other inter-agency agreement.

L

LEA - Local education agencies, which are defined as any county, city, or special school district, unified school district, school district of any metropolitan form of government, or any other school system established by law.

Liability - An obligation that legally binds the state to settle a debt.

M

MCO - Managed Care Organizations, which are responsible for managing the distribution of medical services for the TennCare program.

Modified Accrual Basis of Accounting - Recognizes revenues in the period in which they become available and measurable; revenues are considered available when they will be collected, either during the current period or soon enough after the end of the period to pay current year liabilities.

N

NCUA - The National Credit Union Administration, which charters and supervises federal credit unions and insures

Tennessee's state-chartered credit union deposits up to \$100,000.

Ned McWherter Scholars Program - In-state scholarships offered to academically outstanding Tennessee high school students, to encourage them to attend college in Tennessee.

Non-Recurring Funds - Funds that are appropriated to be used for a one-time expense.

O

Operating Budget - Money that is necessary to maintain a program, excluding the cost of capital construction.

Other Revenue - A collection of funding sources, excluding state appropriations and federal funds. These funding sources are generally from local governments, current services, and interdepartmental activities.

Overappropriation - The anticipated savings resulting from position vacancies and other unexpended funds.

Overlapped - Term used when an appointing authority places more than one incumbent into a single position. This is subject to budgetary limits as well as approval of the Commissioner of Human Resources.

P

Performance Measure - A quantitative or qualitative indicator that is used to assess performance.

Performance Standard - A desired level of performance of a program, measured by outcome or output.

Glossary of Budget Terms

Pre-Need Funeral Contracts - Contracts entered into with funeral establishments for services required at a later date.

Program - Any of the major activities of an agency expressed as a primary function.

R

Rainy Day Fund - A fund established to ensure stability in the event of an extended economic downturn (also referred to as the Revenue Fluctuation Reserve Fund).

Reclassification - A change in the duties and responsibilities of a state employee's job.

Recommended Funding - The funds proposed by the Governor for legislative approval, including the base budget and cost increases.

Recurring Funds - Funds that are appropriated on an ongoing basis.

Reserve Funds - Funds held for future needs or a special purpose.

Reversion - The return of the unused portion of an appropriation to the fund from which the appropriation was made.

Revolving Fund - A fund provided to carry out a cycle of operations. The amounts expended from a fund of this type are restored by earnings from operations or by transfer from other funds. Thus, the fund is always intact in the form of cash, receivables, inventory, or other assets.

S

Second Injury Fund - A fund providing money for judgments against the State of Tennessee and for legal costs awarded by the state in order to encourage employers to hire workers with prior injuries or disabilities.

Section 8 - A federally funded rental subsidy program offered through the Tennessee Housing Development Agency for individuals and families with very low incomes.

Sinking Fund - See **Debt Service Fund**.

Special Schools - Schools operated by the state Department of Education to provide educational opportunities in residential settings for legally blind, deaf, and multi-disabled children ages preschool to 21, and to provide a model rural high school.

Supervision Fees - Fees collected from felons under the supervision of the Department of Correction, used to defray the costs of supervision and rehabilitation.

Supplemental Appropriation - Additional appropriations to the original allotment authorized by the General Assembly after the beginning of the fiscal year.

T

TANF - Temporary Assistance for Needy Families is a federal program administered by the Department of Human Services and provides cash grants for families with financial need and dependent children deprived of support or care.

Glossary of Budget Terms

TCAP - The Tennessee Comprehensive Assessment Program, which is used to assess academic progress of Tennessee students at specified points in their academic career.

Tennessee Valley Authority - A federal power-producing and economic development program.

TLDA - The Tennessee Local Development Authority, which is given the responsibility of issuing bonds and notes to provide funds to local governments and certain other entities for projects related to economic development and specific environmental and public health concerns.

Tobacco Master Settlement Agreement (Tobacco MSA) - A settlement agreement, signed by attorneys general representing 46 states in November 1998, with the major cigarette companies to settle all lawsuits seeking to recover the Medicaid costs of treating smokers. The agreement imposes restrictions on advertising, marketing, and promotion and requires the manufacturers to make annual payments to states through 2025.

W

West Tennessee River Basin Authority - Preserves the natural flow and function of the Hatchie, Obion, and Forked Deer river basins.

Workers' Compensation Reform Act - Legislation that revised the state workers' compensation program.

Index

A

Abandoned Lands	B-269
Academic Scholars Program	B-106
AccessTN	B-175
Accountability and Assessment (Education)	B-92
Accounts, Division of (Finance and Administration).....	B-50
Achievement School District	B-95
Additional Proposed Capital Appropriations from Bonds and Other Revenues, Fiscal Year 2014-2015	A-137
Administration:	
Children's Services	B-177
Commerce and Insurance	B-276
Comptroller of the Treasury, Division of	B-30
Correction	B-219
Education	B-88
Finance and Administration	B-46
General Services	B-54
Health	B-152
Human Services	B-167
Intellectual Disabilities Services	B-159
Labor and Workforce Development	B-285
Legislation with Fiscal Impact	A-40
Military	B-233
Revenue	B-60
Safety	B-238
TennCare.....	B-144
Transportation, Bureau of	B-316
<i>see also</i> Administrative Services	
Administration and Grants (Agriculture)	B-303
Administration and Marketing (Tourist Development).....	B-308
Administrative Office of the Courts	B-203
Administrative Services:	
Economic and Community Development	B-310
Environment and Conservation	B-258
Legislature	B-21
Mental Health	B-147
Adoption Services	B-179
Adult Basic Education	B-289
Advisory Commission on Intergovernmental Relations.....	B-45
After-School Programs Special Account	B-90
Aging and Disability, Commission on	B-142
Agricultural Regulatory Fund	B-306
Agricultural Resources Conservation Fund	B-303
Agriculture, Department of	B-303
Air National Guard	B-234
Air Pollution Control	B-266
Alcoholic Beverage Commission	B-216
Alvin C. York Institute	B-98
Animal Welfare, Division of	B-154
Anti-Theft Unit	B-63
Appeals and Hearings	B-168
Appellate and Trial Courts	B-200
Appellate Court Clerks	B-205

Archaeology	B-261
Armories:	
Maintenance	B-234
Utilities	B-234
Army National Guard	B-233
Arts Commission, Tennessee	B-256
Assistive Technology Clinics	B-161
Attorney General and Reporter	B-209
Auctioneer Education and Recovery Fund	B-278
Audit:	
Division (Revenue)	B-63
Division of Local Government Audit	B-32
Division of State (Comptroller)	B-32
Austin Peay State University	B-121
Authorized Positions:	
Change, Recommended Fiscal Year 2015-2016 Change from Estimated Fiscal Year 2014-2015	A-47
Comparison of	A-46
Auto Theft Investigations	B-240
Available Funds Fiscal Year 2014-2015	A-28

B

Balance Sheet:	
Debt Service Fund	A-124
Education Fund	A-121
General Fund (Comparative)	A-120
Highway Fund	A-122
Base Appropriations Preserved by Proposed Legislation:	
Hospital Coverage Assessment.....	A-39
Nursing Home Assessment Fee	A-38
Base Budget:	
Adjustments, Preliminary	A-31
Departmental Comparison	A-24
Basic Education Program	B-89
Basis of Budgeting and Accounting	B-329
Benefits Administration	B-47
Bledsoe County Correctional Complex	B-225
Board of:	
Court Reporting	B-205
Education, State	B-88
Equalization, State	B-34
Law Examiners	B-206
Parole	B-218
Professional Responsibility (Court System).....	B-206
Regents, Tennessee	B-116
Boards:	
Health Related	B-154
Regulatory	B-279
Boating Safety (Tennessee Wildlife Resources Agency).....	B-274
Boilers and Elevators	B-286
Bond Fund:	

Index

Statement of Appropriations in Lieu of	
Issuing Bonds.....	A-128
Statement of Authorized and Unissued	A-126
Statement of Bonded Indebtedness	A-129
Statement of Bonds Sold	A-127
Books from Birth Fund (Governor's)	B-57
Budget:	
Division of (Finance and Administration)....	B-49
General Fund (Pie Chart)	A-7
Process	B-325
Overview	A-3
Overview, Preliminary Base Budget	
Adjustments	A-31
Total State (Pie Chart)	A-6
Bureau of:	
Administration (Transportation)	B-316
Engineering (Transportation)	B-317
Environment and Planning	
(Transportation)	B-318
Ethics and Campaign Finance	B-26
Operations (Transportation)	B-317
TennCare (Department of Finance and	
Administration)	B-144
Business Development	B-311
Business Solutions Delivery	B-49

C

Campus Centers of Emphasis	B-104
Capital Appropriations From Bonds, Current	
Funds, and Other Revenues (Proposed)	A-138
Capital Budget (Introduction)	A-135
Commonly Used Abbreviations	A-153
Capital Maintenance:	
Appropriations from Bonds, Current	
Funds, and Other Revenues	
(Proposed)	A-140
Project Descriptions	A-148
Capital Outlay and Facilities Program	A-133
Capital Outlay Project Descriptions	A-145
Capital Projects:	
Facilities Revolving Fund	A-155
From School Bonds and Other Sources,	
(Proposed)	A-143
Funded from Dedicated Revenues	A-142
Career and Technical Education Programs	B-97
Career Ladder	B-90
Cemetery Consumer Protection Fund	B-278
Centers of Excellence	B-103
Certified Cotton Growers' Organization Fund....	B-304
Certified Public Administrators	B-37
Charitable Solicitations and Charitable Gaming ...	B-27
Charles B. Bass Correctional Complex	B-224
Child:	
and Family Management	B-179
Care Benefits	B-169
Support (Human Services)	B-172
Support Enforcement, IV-D (District	
Attorneys General Conference)	B-212
Support Referees (Court System)	B-201

Children and Youth, Commission on	B-141
Children's Services, Department of	B-177
Civil Legal Representation Fund	B-202
Claims and Compensation	B-40
Clean Water and Drinking Water:	
State Revolving Fund	B-267
Client Protection Fund	B-207
Clover Bottom Developmental Center	B-163
Commerce and Insurance, Department of	B-276
Commission on Aging and Disability	B-142
Commission on Children and Youth	B-141
Communicable and Environmental Disease and	
Emergency Preparedness	B-156
Community:	
Corrections	B-222
Intellectual Disabilities Services	B-160
Mental Health Services	B-148
Services (Human Services)	B-171
Substance Abuse Services	B-148
Community and Medical Services	B-157
Community and Rural Development	B-314
Comparative Balance Sheet	
<i>see</i> Balance Sheet	
Comparative Statement of Revenues	
of Regulatory Boards	A-68
Comparison of:	
Appropriation Requirements and State	
Revenues, General Fund and Education	
Fund:	
2014-2015.....	A-10
2015-2016.....	A-11
Appropriations and Funding Requirements,	
Department of Transportation	A-12
Appropriations by Funding Sources,	
Department of Transportation	A-13
Authorized Positions	A-46
Personal Income and Appropriation	
(Summary)	A-44
Programs:	
and Revenue Sources	A-8
by Department	A-17
by Revenue Sources	A-9
Comparison Statement of State Revenues	A-64
Comptroller of the Treasury	B-30
Computerized Title and Registration System	B-61
Conservation Compensation Fund.....	B-264
Constitutional Spending Limit Summary	A-45
Consumer and Industry Services (Agriculture) ..	B-305
Consumer Affairs	B-277
Continuing Legal Education	B-207
Contract Education (Higher Education)	B-103
Correction Academy	B-220
Correction, Department of	B-219
Correction Release Centers	B-220
Corrections Institute, Tennessee	B-280
Correctional Institutions Statistical Data	B-230
Cost Increases (by functional area):	
Education:	
K-12 Education	B-78
Higher Education	
State-Administered Programs	B-80
State University and Community	

Index

College System	B-85
University of Tennessee System	B-82
General Government	B-16
Health and Social Services	B-134
Law, Safety, and Correction	B-194
Resources and Regulation	B-252
Transportation, Business, and Economic Development	B-300
Cost Increases, Departmental Summary of	A-36
Council of Juvenile and Family Court Judges	B-203
County Rentals (Human Services)	B-168
Court Interpreter Services	B-202
Court System	B-200
CoverKids	B-175
CoverRx	B-176
CoverTN	B-174
Criminal:	
Injuries Compensation	B-40
Justice Programs	B-47
Curriculum and Instruction (Education)	B-92
Custody Services	B-178

D

Davidson County Public Defender	B-214
DeBerry, Lois M., Special Needs Facility	B-227
Debt Management	A-123
Debt Service Fund	
Comparative Balance Sheet	A-125
Statement of Revenues, Expenditures, and Requirements.....	A-124
Departmental Comparison of:	
Appropriations from State Revenues, Recurring and Non-Recurring	A-26
Recurring Appropriations, Discretionary Base, and Base Budget Reductions	A-32
Recurring Appropriations from State Revenues	A-24
Departmental Summary of Cost Increases	A-36
Developmental Disabilities, Council on	B-159
Disability Determination	B-173
Distribution of:	
Actual Revenue by Fund, 2013-2014	A-65
Estimated Revenue by Fund, 2014-2015	A-67
Revised Estimated Revenue by Fund, 2014-2015	A-66
District Attorneys General Conference	B-211
District Public Defenders Conference	B-213
DOE Oversight (Environment and Conservation)	B-268
Driver Education:	
Department of Education	B-91
Department of Safety	B-242
Driver License Issuance	B-239
Dry Cleaners Environmental Response Fund, Tennessee	B-266

E

Early Childhood Education	B-89
Early Intervention Services, Tennessee	B-96
East Tennessee Community Homes	B-162
East Tennessee Regional Office (Intellectual and Developmental Disabilities)	B-161
East Tennessee State University (ETSU)	B-121
College of Medicine	B-119
College of Pharmacy	B-120
Family Practice	B-120
Economic:	
Council on Women	B-29
Overview, Tennessee	A-50
Economic and Community Development, Department of	B-310
Economic Development District Grants	B-314
Education (K-12), Department of	B-88
Education Functional Area	B-75
Cost Increases:	
K-12 Education	B-78
Higher Education, State-Administered Programs	B-80
State University and Community College System	B-85
University of Tennessee System	B-82
Introduction	B-75
Multi-Year Program: Race to the Top	B-101
Priority Goals and Measures	B-126
Recommended Budget	B-77
Total Personnel and Funding	B-76
Education Fund:	
Comparative Balance Sheet	A-121
Emergency and Contingency Fund	B-67
Emergency Medical Services	B-153
Employees, Full-Time, Overlapped Over 90 Days	A-56
Energy Efficient Schools Initiative	B-90
Energy Loan Programs	B-259
Enterprise Resource Planning	B-48
Environment Administration	B-264
Environment and Conservation, Department of	B-258
Environmental Protection Fund	B-270
Equipment for Community Colleges and Colleges of Applied Technology	B-117
ESEA No Child Left Behind	B-94
Executive:	
Administration (Human Resources)	B-52
Department	B-42
Director:	
District Attorneys General Conference	B-212
District Public Defenders Conference	B-213

F

Facilities:	
Maintenance	A-154
Operations	A-154

Index

Revolving Fund (FRF)	A-154
Proposed Capital Appropriations	A-156
Proposed Capital Appropriations (with descriptions)	A-157
Family Assistance Services	B-171
Family Health and Wellness	B-156
Family Support Services	B-177
FastTrack Infrastructure and Job Training Assistance	B-311
Federal Family Education Loan Program (FFELP)	B-105
Federal Funding and Aid Trends	A-48
Field Operations (Human Services)	B-168
Film and Television Incentive Fund	B-312
Finance and Administration, Department of	B-46
Finance and Administration, Strategic Health-Care Programs	B-174
Finance and Administration, TennCare, Bureau of	B-144
Financial Institutions, Department of	B-284
Financial Statements	A-119
Fire Fighting Personnel Standards and Education	B-282
Fire Prevention	B-281
Fire Service and Codes Enforcement Academy	B-282
Fiscal Review Committee	B-24
Fleming Training Center	B-271
Foreign Language Institute, Tennessee	B-107
Forestry Operations (Agriculture)	B-306
Maintenance	B-307
FRF Capital Projects:	
Facilities Revolving Fund	A-155
Proposed Capital Appropriations	A-156
Proposed Capital Appropriations (with descriptions)	A-157
FRF Debt Service (Facilities Revolving Fund)	A-155
Funding Summary, All Programs	A-23
Full-Time Employees Overlapped Over 90 Days	A-56

G

General Assembly Support Services	B-21
General Environmental Health	B-155
General Fund:	
Administration Legislation with Fiscal Impact	A-44
Base Budget, Combining Statement of Preliminary Base Budget Adjustments and Reductions	A-30
Budget Pie Chart	A-7
Comparative Balance Sheet	A-120
Comparison of Appropriation Requirements and State Revenues	
2014-2015	A-10
2015-2016	A-11
Supplemental Appropriations, General and Education Funds	A-29

General Government Functional Area	B-11
Cost Increases	B-16
Introduction	B-13
Priority Goals and Measures	B-69
Recommended Budget	B-15
Total Personnel and Funding	B-14
General Services, Department of	B-54
Geology	B-264
Governor's:	
Books from Birth Fund	B-57
Office	B-42
Grain Indemnity Fund	B-304
Grants-In-Aid (Education)	B-91
Greene Valley Developmental Center	B-163
Guardian ad Litem	B-201

H

Hardeman County Agreement - Whiteville	B-228
Hardeman County Incarceration Agreement	B-227
Harold Jordan Center	B-164
Hazardous Waste Remedial Action Fund	B-269
Headquarters (Transportation)	B-316
Headquarters Relocation Assistance	B-312
Health:	
Department of	B-152
Licensure and Regulation	B-152
Related Boards	B-154
Services and Development Agency	B-143
Health and Social Services Functional Area	B-129
Cost Increases	B-134
Introduction	B-131
Priority Goals and Measures	B-183
Recommended Budget	B-133
Total Personnel and Funding	B-132
Health-Care Planning and Innovation	B-174
Health Services	B-143
Help America Vote Act	B-27
Heritage Conservation Trust Fund, Tennessee	B-263
Higher Education	B-102
State-Administered Programs	B-102
Highway:	
Fund, Comparative Balance Sheet	A-122
Patrol	B-240
Historic Sites, Maintenance of	B-260
Historical Commission	B-259
Homeland Security Grants	B-236
Homeland Security, Office of	B-241
House of Representatives	B-22
Housing Development Agency, Tennessee	B-302
Human Resource Development	B-52
Human Resources, Department of	B-52
Human Rights Commission, Tennessee	B-43
Human Services, Department of	B-167

Index

I

Improving Schools Program	B-95
Indigent Defendants' Counsel	B-201
Information Resources, Office for (Finance and Administration)	B-46
Information Technology Resources Division (Revenue)	B-60
Information Technology Services, Office of (General Services)	B-54
Innovation Programs	B-313
Inspector General, Office of	B-50
Insurance (Commerce and Insurance)	B-276
Intellectual and Developmental Disabilities, Department of	B-159
Intellectual Disabilities:	
Community Homes (Statistical Data)	B-166
Developmental Centers (Statistical Data)	B-165
Services (TennCare)	B-145
Services Administration	B-159
Interlock Assistance Fund	B-38
Items Not in Sales Tax Base	A-70
IV-D Child Support Enforcement (District Attorneys General Conference)	B-212

J

Job Services (Labor and Workforce Development)	B-289
John S. Wilder Youth Development Center	B-180
Judicial:	
Conference	B-204
Programs and Commissions	B-204

L

Labor:	
and Workforce Development, Department of	B-285
Standards	B-288
Laboratory Services (Health)	B-155
Land and Water Conservation Fund	B-260
Law Enforcement Training Academy, Tennessee	B-282
Law, Safety, and Correction Functional Area	B-189
Cost Increases	B-194
Introduction	B-191
Priority Goals and Measures	B-243
Recommended Budget	B-193
Total Personnel and Funding	B-192
Leases and Space Planning (Facilities Revolving Fund)	A-155
Legal, Investigations, and Public Affairs	B-32
Legislative Administration Services	B-21
Legislature	B-21
Licensure and Regulation (Health)	B-152
Library and Archives, State	B-28

Library System, Regional	B-29
Loan/Scholarship Programs	B-106
Local:	
Government Audit	B-32
Government, Office of	B-33
Parks Acquisition Fund	B-262
Lois M. DeBerry Special Needs Facility	B-227
Lottery for Education Account	B-106
Summary of Appropriation Requirements, Revenues, and Reserves	A-42
Lottery-Funded Education Programs, Comparison of Appropriation Requirements and State Revenues	A-43
Lottery Proceeds Estimates, Net (State Funding Board)	A-115
Lottery Scholarship Projections Letter, Tennessee	A-116

M

Maintenance:	
Armories (Military)	B-234
Forestry (Agriculture)	B-307
of Historic Sites	B-260
Tennessee State Parks	B-261
West Tennessee River Basin Authority	B-266
Major Maintenance:	
and Equipment (State Building Commission)	B-68
Children's Services	B-181
Correction	B-221
Education (K-12)	B-99
Intellectual and Developmental Disabilities	B-164
Mental Health	B-150
Safety	B-239
Major Tax Exemptions from Current Tax Base	A-71
Management Services, Office of (Comptroller)	B-30
Mark Luttrell Correctional Facility	B-224
Market Development (Agriculture)	B-305
Medical Services, TennCare	B-144
Medicare Services	B-145
Memphis:	
Mental Health Institute	B-150
University of	B-122
Mental Health:	
and Substance Abuse Services, Department of	B-147
Institutes (Statistical Data)	B-151
Middle Tennessee:	
Community Homes	B-162
Mental Health Institute	B-149
Regional Office (Intellectual and Developmental Disabilities)	B-161
State University	B-122
Military Department	B-233
Mines	B-286
Miscellaneous Appropriations	B-66
Moccasin Bend Mental Health Institute	B-149

Index

Morgan County Correctional Complex B-227
Motor Vehicle Management (General Services)... B-55
Motor Vehicle Operations (Safety) B-238
Motorcycle Rider Education B-241
Mountain View Youth Development Center B-180
Museum, Tennessee State B-257

N

Natural Areas B-262
Needs Assessment (Children's Services) B-178
Net Lottery Proceeds Estimates (State
Funding Board) A-115
911 Emergency Communications Fund B-281
No Child Left Behind (ESEA) B-94
Northeast Correctional Complex B-226
Northwest Correctional Complex B-226

O

Office:

for Information Resources (Finance and
Administration) B-46
of Energy Programs B-258
of the General Counsel (Human
Resources)..... B-53
of Homeland Security B-241
of Information Technology Services
(General Services) B-54
of Inspector General B-50
of Investigations and Compliance B-221
of Local Government B-33
of Management Services (Comptroller) B-30
of State and Local Finance B-33
of State Assessed Properties B-35
of Sustainable Practices B-271
of the Post-Conviction Defender B-215
Offices of Research and Education
Accountability (Comptroller) B-31
Organizational Chart, Tennessee State
Government B-5
Overappropriation Summary, 2014-15 and
2015-16 A-34
Overlapped, Employees Over 90 Days A-45

P

Parks, Tennessee State B-261
Parole, Board of B-218
Personal Income and Appropriations Summary,
Comparison of A-44
Personnel and Funding (by Functional Area)
see Total Personnel and Funding
Policy and Federal Programs B-314
Policy, Planning, and Assessment (Health) B-155
Positions, Comparison of Authorized A-46

POST Commission B-283
Post-Conviction Defender, Office of the B-218
Postal Services (General Services) B-56
Preliminary Base Budget Adjustments A-31
Pre-Need Funeral Consumer Protection Fund B-278
Printing and Media Services B-56
Probation and Parole Field Supervision..... B-222
Processing Division (Revenue) B-61
Procurement Office B-57
Program Statements by Functional Area B-3
Programs
see Comparison of Programs
Projected First Year Operating Costs for New
Facilities A-152
Projects Funded from Dedicated Revenues A-142
Property Assessments, Division of B-34
Protection from Harm B-160
Public:
Defenders Conference, District B-213
Executive Director B-213
Documents (Secretary of State) B-26
Publication of Tennessee Reports (Attorney
General and Reporter) B-209

Q

Quality Improvement and Strategic Solutions ... B-167

R

Race to the Top B-94
Radiological Health B-267
Rainy Day Fund and Unobligated TennCare
Reserve A-35
Range of Tax Revenue Estimates, State
Funding Board A-105
Real Estate Asset Management B-55
Real Estate Education and Recovery Fund B-277
Recommended Budget for Fiscal Year 2015-2016:
by Functional Area B-7
by Funding Source:
Education B-75
General Government B-13
Health and Social Services B-131
Law, Safety, and Correction B-191
Resources and Regulation B-249
Transportation, Business, and
Economic Development B-297
Records Management B-28
Recreation Educational Services B-259
Regents Access and Diversity Initiative B-116
Regional Library System B-29
Regulatory Boards B-279
Comparative Statement of Revenues A-68
Rehabilitation Services..... B-172
Representatives, House of B-22
Research and Education Accountability,
Offices of (Comptroller) B-31

Index

Research Initiatives – UT System	B-113
Resources and Regulation Functional Area	B-247
Cost Increases	B-252
Introduction	B-249
Priority Goals and Measures	B-291
Recommended Budget	B-251
Total Personnel and Funding	B-250
Revenue:	
Department of	B-60
Distribution of Actual, by Fund	
2013-2014	A-65
Distribution of Estimated, by Fund	
2015-2016	A-67
Distribution of Revised Estimated, by	
Fund 2014-2015	A-66
Sources and Basis of Apportionment	A-73
Revenues:	
Comparative Statement, Regulatory	
Boards	A-68
Comparison Statement of State	A-64
Risk Management Fund	B-40
Riverbend Maximum Security Institution	B-226

S

Safety, Department of	B-238
Salary Policy Recommendation, 2015-2016	A-37
Sales Tax Disaster Relief	B-64
School Nutrition Program	B-96
Second Injury Fund	B-287
Secretary of State	B-25
Securities (Commerce and Insurance)	B-277
Senate, State	B-23
Sentencing Act of 1985	B-223
Sex Offender Treatment Program	B-221
Shelby County Public Defender	B-214
Small and Minority-Owned Business	
Assistance Program	B-38
Solid Waste:	
Assistance	B-270
Management	B-268
South Central Correctional Center	B-228
Special	
Education Services	B-95
Litigation	B-210
State	
Architect's Office	B-48
Assessed Properties, Office of	B-35
Audit, Division of	B-32
Board of Education	B-88
Board of Equalization	B-34
Building Commission	B-68
Court Clerks' Conference	B-205
Election Commission	B-26
Facilities Pre-Planning	B-55
Funding Board	A-105
Comparison of Estimated State Tax	
Revenue, FY 2014-2015	A-113
Comparison of Estimated State Tax	
Revenue, FY 2015-2016	A-114

Letter	A-107
Net Lottery Proceeds Estimates	A-115
Range of Tax Revenue Estimates	A-105
Lands Acquisition Fund	B-263
Lands Compensation Fund	B-263
Library and Archives	B-28
Museum, Tennessee	B-257
Parks Maintenance	B-261
Prosecutions	B-219
Revenues	A-59
Comparison Statement of	A-64
Secretary of	B-25
Senate	B-23
Special Schools (Statistical Data)	B-100
University and Community College	
System	B-116
State-Administered Programs	B-102
Station Commander's Upkeep and	
Maintenance Fund	B-235
Statistical Data:	
Correctional Institutions	B-230
Intellectual Disabilities Community	
Homes.....	B-166
Intellectual Disabilities Developmental	
Centers.....	B-165
Mental Health Institutes	B-151
State Special Schools	B-100
Youth Development Centers	B-182
Strategic Health-Care Programs, Finance	
and Administration	B-174
Supplemental Appropriations,	
General and Education Funds	A-29
Supplemental Nutrition Assistance Program	B-170
Supplemental Payments (TennCare)	B-145
Supreme Court Buildings	B-203

T

Tax:	
Enforcement Division (Revenue)	B-62
Exemptions, Major From Current Tax	
Base	A-71
Expenditures	A-69
Refund Interest Expense	B-64
Relief (Comptroller)	B-35
Revenues, State (Introduction)	A-61
Distribution of Actual Revenue by Fund,	
Fiscal Year 2013-2014	A-65
Distribution of Estimated Revenue by Fund,	
Fiscal Year 2015-2016	A-67
Distribution of Revised Estimated Revenue by	
Fund, Fiscal Year 2014-2015	A-66
Taxpayer Services Division (Revenue)	B-61
Teachers and Leaders (Education).....	B-93
Technical Services (Safety)	B-239
Technical Services Bureau (Human Resources) ..	B-53
Technology, Infrastructure, and Support	
Systems	B-92
Telecommunications Ad Valorem Tax Equity	
Payments	B-36

Index

TEMA Disaster Relief Grants	B-236	McMinnville Center	B-118
Temporary Cash Assistance	B-170	Student Assistance Awards	B-105
TennCare:		Student Assistance Corporation	B-105
Administration	B-144	Technological University	B-123
Finance and Administration,		Wildlife Resources Agency	B-273
Department of	B-144	THEC Grants	B-103
Medical Services	B-144	TNInvesco Tax Credits	B-313
Office of Inspector General	B-50	TN Colleges of Applied Technology.....	B-124
Oversight (Commerce and Insurance)	B-279	TN Stars College Savings 529 Program	
Reserve, Rainy Day Fund and		(Treasury)	B-38
Unobligated.....	A-35	Total Personnel and Funding (by functional	
Tennessee:		area):	
Advisory Commission on		Education	B-76
Intergovernmental Relations	B-45	General Government	B-14
Air National Guard	B-234	Health and Social Services	B-132
Army National Guard	B-233	Law, Safety, and Correction	B-192
Arts Commission	B-256	Resources and Regulation	B-250
Athletic Commission	B-280	Transportation, Business, and	
Board of Regents	B-116	Economic Development.....	B-298
Bureau of Investigation	B-237	Total State Budget:	
Characteristics	A-52	Comparison of Programs	
Code Commission	B-22	and Revenue Sources	A-8
Community Colleges	B-123	by Revenue Sources	A-9
Correction Academy	B-220	Pie Chart	A-6
Corrections Institute	B-280	Tourist Development, Department of	B-308
Dry Cleaners Environmental Response		Transportation, Department of	B-316
Fund	B-266	Actual Expenditures by Program and	
Early Intervention Services	B-96	Funding Source 2013-2014	A-14
Economic Overview	A-50	Comparison of Appropriation	
Emergency Management Agency	B-235	and Funding Requirements	A-12
Energy Loan Programs	B-259	by Funding Sources	A-13
Foreign Language Institute	B-107	Enacted Budget by Program and Funding	
Heritage Conservation Trust Fund	B-263	Source 2014-2015	A-15
Higher Education Commission	B-102	Recommended Budget by Program and	
Human Rights Commission	B-43	Funding Source 2015-2016	A-16
Housing Development Agency	B-302	Transportation, Business, and Economic	
Job Skills Program	B-312	Development Functional Area	B-295
Law Enforcement Training Academy	B-282	Cost Increases	B-300
Lawyers Assistance Program	B-207	Introduction	B-297
Lottery Scholarship Projections Letter	A-115	Priority Goals and Measures	B-319
Occupational Safety and Health		Recommended Budget	B-299
Administration (TOSHA)	B-285	Total Personnel and Funding	B-298
Prison for Women	B-223	Trauma System Fund	B-153
Promise Last Dollar Scholarship Multi-		Treasury Department	B-37
Year Projection	A-41	Treasury, Comptroller of the.....	B-30
Regulatory Authority	B-44	TRICOR (Tennessee Rehabilitative	
Rehabilitative Initiative in Correction		Initiative in Correction)	B-217
(TRICOR).....	B-217	Trousdale County Correctional Facility	B-228
School for the Blind	B-97	Turney Center Industrial Complex	B-224
School for the Deaf	B-98		
State:			
Government Organizational Chart	B-5		
Law Libraries	B-204		
Museum	B-257		
Parks	B-261		
Maintenance	B-261		
University (TSU)	B-122		
Agricultural and Environmental			
Research.....	B-117		
Cooperative Education	B-118		
McIntire-Stennis Forestry			
Research.....	B-119		

U

Unclaimed Property	B-41
Underground Storage Tanks	B-270
Unemployment Insurance.....	B-289
University of Memphis	B-122
University of Tennessee System	B-108
Access and Diversity Initiative	B-108
Agricultural Experiment Station	B-110
Agricultural Extension Service	B-111

Index

Chattanooga	B-114
College of Medicine	B-112
County Technical Assistance Service	B-110
Family Medicine	B-112
Health Science Center	B-112
Institute for Public Service	B-109
Knoxville	B-114
Martin	B-114
Municipal Technical Advisory Service	B-109
Research Initiatives	B-113
Space Institute	B-113
University-Wide Administration	B-108
Veterinary Medicine	B-111
Used Oil Collection Program	B-265

Note: Bolded text indicates a department, agency, or commission.

V

Vehicle Services Division	B-62
Verbatim Transcripts	B-202
Veterans Affairs, Department of	B-59
Volunteer Tennessee	B-48

W

Warehousing and Distribution	B-57
Water Resources:	
Division of (Environment and Conservation).....	B-268
Welcome Centers	B-308
West Tennessee:	
Community Homes	B-162
Regional Office (Intellectual and Developmental Disabilities)	B-160
River Basin Authority	B-265
Maintenance	B-266
School for the Deaf	B-98
State Penitentiary	B-225
Western Mental Health Institute	B-149
Wetlands:	
Acquisition Fund	B-274
Compensation Fund	B-274
Wilder Youth Development Center	B-180
Wildlife Resources Agency, Tennessee	B-273
Women, Infants, and Children (WIC)	B-157
Woodland Hills Youth Development Center	B-180
Workers' Compensation	B-286
Workers' Compensation Employee Misclassification Education and Enforcement Fund	B-287
Workforce Development	B-288

Y

Youth Development Centers (Statistical Data) ...	B-182
--	-------

State of Tennessee

The Budget

Fiscal Year 2015-2016

Bill Haslam, Governor

Department of Finance and Administration

Larry Martin, Commissioner
Mike Morrow, Deputy Commissioner

Division of Budget

David Thurman, Director
Mike Dedmon, Assistant Director

Gerald Adams	Brian Jefferies
Katie Anderson	John Kerr
Adeniyi Bakare	Jerry Lee
Zach Barnett	Matthew McElroy
Charles Brown	Amanda Newell
Susan Burdette	Rick Newton
David Chaffin	Kathy Pate
Samantha Chandler	Alex Schuhmann
Veronica Coleman	Angela Scott
Abby Comm	Dean Tays
Alexandra Gaughan	Greg Turner
Boyd Glover	Lindsey Vawter
Amie Guthormsen	John Webb
Susan Irby	Samantha Wilson

The Budget Office director thanks the above Budget Staff for their extraordinary devotion to public service and gratefully acknowledges the effort and cooperation of the agencies of Tennessee State Government, especially the agency budget and fiscal staffs, for their contributions in the preparation of this Budget Document.

Additionally, the Budget Office thanks the General Services Printing and Media Services Division under the direction of Tammy Golden, for many years of excellent Budget Document publication and customer service.

Authorization No. 317114, 550 copies



Recycled Paper