

STATE OF TENNESSEE



The Budget

FISCAL YEAR 2014-2015



Bill Haslam, Governor



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Bill Haslam,
Governor





GOVERNMENT FINANCE OFFICERS ASSOCIATION

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July 1, 2013

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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, 2013.

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. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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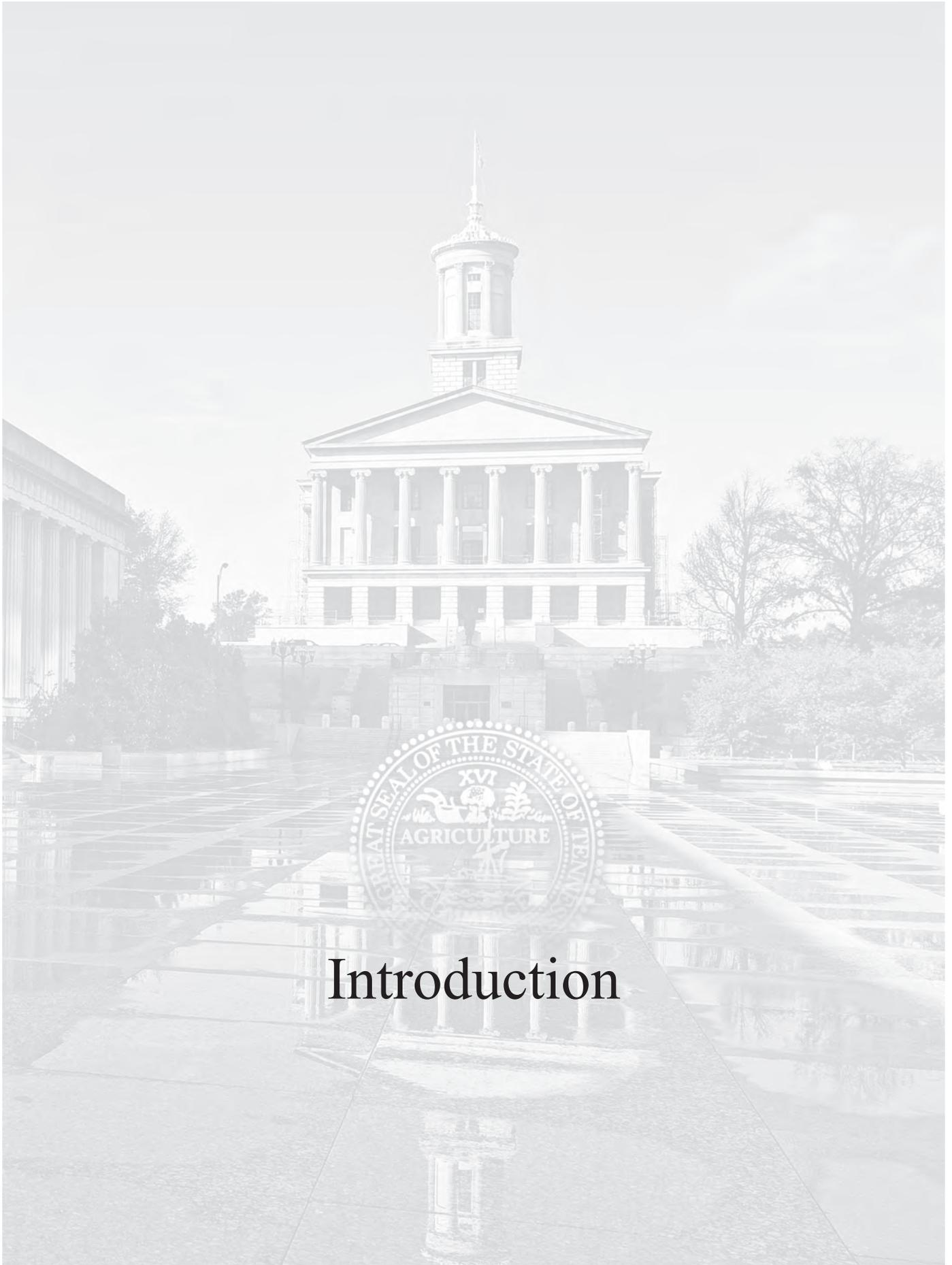
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Introduction

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BILL HASLAM
GOVERNOR
STATE OF TENNESSEE

February 3, 2014

To the members of the 108th General Assembly:

I am pleased submit to you the fiscal year 2015 Budget for the State of Tennessee.

This budget was developed in a national economy that continues to struggle. As a result, it was necessary to recommend adjustments to the current fiscal year 2014 budget to reflect a lowered revenue estimate.

The fiscal year 2015 budget assumes nominal revenue growth.

For funding increases, I am recommending funding increases for program and inflationary growth in TennCare as well as the K-12 Basic Education Program funding formula. I am also recommending strategic investments in education, economic development and capital outlay; all of which are detailed in this document.

To remain balanced, the budget reduces recurring funding for state programs by 2.4 percent. Although difficult, reductions were carefully determined to minimize the impact on important government programs and services.

Lastly, I am recommending the rainy day fund reserve be increased by almost 9 percent to \$496.3 million.

This budget reflects the many challenges and opportunities we are all facing. My staff and I look forward to working with you on this and other important issues in the upcoming legislative session.

Sincerely,

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

Bill Haslam



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

LARRY B. MARTIN
COMMISSIONER

February 3, 2014

The Honorable Bill Haslam
State Capitol
Nashville, TN 37243

It is a pleasure to present to you the fiscal year 2015 Budget Document.

The development of the budget presented special challenges this year as the economy continues to recover very slowly. As a result, general fund revenue collections are now anticipated to be below the estimated funding level for the current fiscal year by \$126 million. To remain in balance, adjustments are necessary and are detailed in this budget.

For fiscal year 2015, the recommended budget is based on a growth rate of 2.90 percent growth in total taxes. The total budget is \$32.6 billion of which \$14.96 billion is state appropriations; \$12.9 billion is federal; and \$4.74 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, and the state's cost of employee retirement and health insurance.

This budget also recommends an increase in salary funding for state employees, teachers, and higher education.

Funding reductions totaling \$132.9M were necessary to fund new initiatives and to remain in balance. The details of all proposed reductions are listed in Volume 2 of this submission.

This budget also recommends raising the Rainy Day Fund by \$40.3 million to \$496.3 million. This recommendation exceeds the minimum deposit requirement by law.

In summary, this budget is balanced within available revenues. It does so while continuing to make strategic investments in valuable statewide programs and providing for a salary increase for state employees. The Budget staff and I stand ready to assist you in working with the General Assembly on this very important budget.

Respectfully submitted,

A handwritten signature in black ink that reads "Larry B. Martin".

Larry B. Martin
Commissioner of Finance and Administration

Budget Highlights

Recommended Budget, Fiscal Year 2014-2015

The total recommended state budget for 2014-2015 is \$32.6 billion, with \$15 billion from state appropriations, \$12.9 billion from federal funds, and \$4.7 billion from other departmental revenues, higher education student tuition and fees, and bonds for capital projects and facilities revolving fund capital outlay. This is a decrease of \$642.1 million in total funding and \$131.3 million in state funding from the revised 2013-2014 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 be adjusted down. In the general fund for fiscal year 2013-2014, the revenue estimate decreased by \$126.1 million from the originally budgeted estimate. The revised current-year growth rate in the general fund is 2.3 percent compared with the actual 2012-2013 Department of Revenue collections. For 2014-2015, before inter-fund reallocations, general fund taxes are expected to grow by \$323 million above the revised current-year estimate. This is a 3.25 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 2014-2015 and beyond.

Plan for Balancing

Supplemental appropriations in 2013-2014 total \$23.2 million, \$15.3 million of which is in the Department of Economic and Community Development and \$3 million for property tax relief.

In fiscal year 2014-2015, the budget is balanced, with recurring revenues fully supporting recurring appropriations. This is accomplished by additional budget reductions in fiscal year 2014-2015. Base budgets in general fund programs throughout state government have been reduced by \$132.9 million and certain programs have been decreased by \$18.8 million for a net recurring base reduction of \$151.7 million in the general fund. The average general fund recurring reduction is 2.4 percent. Reductions in programs supporting public safety are minimal or non-existent. (The reductions are detailed in **Volume 2: Base Reductions**.)

Reductions in the TennCare program are \$80.2 million, or 60 percent of the recurring, general fund, base budget reductions recommended. TennCare services and programs to be reduced, eliminated, or reformed include: reducing rates paid to medical service providers by 1 percent (\$18.5 million); eliminating the standard spend down Medicaid category, a reduction made possible by the Federally Facilitated Marketplace (FFM) (\$11.1 million); implementing private sector best practices for routine laboratory tests (\$7.2 million); implementing maximum allowable co-pays (\$6.7 million); transitioning Cover Tennessee enrollees to the FFM (\$6.7 million); reducing the amount the program pays for brand name drugs from 13 percent of average

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wholesale price (AWP) to 15 percent of AWP (\$5.4 million); instituting an element of provider risk for dental contracts (\$2.8 million); eliminating direct grants to certain provider hospitals (\$2.7 million); and multiple other changes detailed in **Volume 2: Base Reductions** that save smaller dollar amounts totaling to \$19.1 million. Other large reductions in state programs and services include: reducing the allocation of the Basic Education Program (BEP) growth fund by \$7.5 million; reducing the amount paid to local jails for housing state felons by increasing capacity in state institutions for a savings of \$2.3 million; and closing the New Visions Youth Development Center operated by the Department of Children's Services for a savings of \$2.1 million.

A total of 620 positions will be abolished as a result of reductions implemented in this request. At this time, approximately 520 of these positions are vacant. More than one-half of the position reductions are from two departments: Labor and Workforce Development (173) and Human Services (154).

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 2014-2015, federal participation in health care programs is decreasing from 65.500% to 65.065%. This means an increase of \$32.9 million in state funding to TennCare and \$469,300 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 \$4 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: assistant district attorneys and criminal investigators (\$1.1 million), assistant public defenders and criminal investigators (\$637,500), assistant post-conviction defenders (\$31,800), trooper step increases (\$828,600) and border-state survey (\$607,700), and wildlife officer step increases (\$424,200) and survey (\$319,600).

State law requires annual payments of \$600 to local police officers after they complete at least 40 hours of in-service training and an increase in the number of officers eligible for the payments under this state mandate is funded with \$338,400.

State statutes mandate that teachers at the state-run schools must be compensated based on their training and experience. To fund this state mandate, \$48,800 is provided to the Department of Children's Services for the Youth Development Centers and \$99,300 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 \$46.8 million. The state share of a 2 percent salary increase effective July 1, 2014, for teachers and other positions funded through the BEP formula is funded with \$48.6 million. Six months of appropriation for a 5 percent group health insurance adjustment effective January 1, 2015 is provided for with \$8 million. Salary equity adjustments are funded with \$14.5 million. In total, the state funding for the operations of local school systems will increase by \$117.9 million after salary and insurance adjustments. An educator evaluation system that helps provide training, certification, and coaching resources for districts and schools is funded with \$1.3 million.

A total appropriation of \$10.4 million is provided to fund various grant programs such as: public television stations (\$2.8 million non-recurring), the Governor's Schools (\$1.9 million non-recurring), family resource centers (\$3.1 million non-recurring), Alvin C. York High School (\$1.3 million non-recurring), the Arts Academy (\$200,000), Boys and Girls Clubs (\$125,000 non-recurring), and the Save The Children Literacy Grant (\$1 million).

Drive to 55

Drive to 55 is a new initiative to increase the number of Tennesseans with college degrees or certifications to 55% (from the current rate of 32%) by the year 2025. Strategies to be employed by Drive to 55 include better preparing of students to reduce the need for remedial courses, increasing dual enrollment and dual credit, improving mentoring, reducing the financial barriers to education, and enhancing programs to increase graduation rates.

Total funding of \$12.4 million is provided for the first full year of the Drive to 55 initiative. This amount includes: \$7.5 million in lottery scholarships, \$2.6 million for an expansion of the Seamless Alignment and Integrated Learning Support (SAILS) program for student remediation, \$1.8 million non-recurring to expand on-line curriculum, content, and course offerings, \$300,000 non-recurring for a data system to identify potential adult students, and \$250,000 non-recurring for the Degree Compass system that provides course guidance to students. These amounts recognize savings generated by changing the lottery scholarship amounts from \$4,000 annually to \$3,000 annually for the first two years of college and \$5,000 annually for the last two years. This change in the amounts awarded will reduce the number of students who attempt to complete a four-year program before they are ready and that savings is estimated to be \$1.8 million annually.

Higher Education

For higher education, \$9.3 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. Operating cost increases for non-formula units of higher education are funded with a state appropriation of \$3.6 million. A 5.5% increase in group health insurance premiums is provided for with \$12.4 million. To encourage retirement savings, \$1.6 million in non-recurring funds is provided to match employee contributions.

The fourth year of what is anticipated to be a five-year project to expand the University of Memphis to the campus of what was formerly Lambuth University is funded with a recommendation of \$2 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 second year of what is expected to be a five-year commitment to this recruiting effort.

Health and Social Services

With the implementation of the federal Patient Protection and Affordable Care Act (PPACA), it is expected that people currently Eligible But Not Enrolled (EBNE) in the TennCare program will apply to be enrolled. An appropriation of \$76.9 million is made to cover the costs of these new program recipients. A new call center mandated by PPACA is funded with \$1.3 million. An additional \$62.7 million in recurring state funding is recommended for the TennCare program to off-set a 3.2% medical inflation and utilization increase in managed care organization expenditures. To fund various cost increases requested by the departments of Children's Services and Intellectual and Developmental Disabilities, appropriations of \$1.4 million and \$2.1 million are recommended, respectively. These general fund appropriations, including the federal match rate change described under the **Federal and State Mandates** heading, total to \$177.3 million and are matched with \$269.8 million in federal funds for a total of \$447.1 million in new funding for the state's healthcare program.

Various programs are funded from non-recurring grants in the Department of Health's budget, 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, \$1.7 million in recurring appropriation is provided to establish a statewide recovery drug court. The second year of the Lifeline program, which helps individuals in recovery locate support services and establishes such services in communities lacking them, is funded with \$525,000 non-recurring.

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In the Department of Intellectual and Developmental Disabilities, growth in enrollment and associated costs in the Home and Community-Based Services waiver program for people with intellectual disabilities are funded with \$2.5 million. Waiver increases for specific low-margin services, such as personal assistance with daily living, are funded with an appropriation of \$2.2 million and funding for a 10% rate increase paid for residential homes is provided for with \$351,200. Non-recurring state funding of \$1.7 million is recommended for staffing and transition of services and individuals from Clover Bottom Developmental Center to Middle Tennessee Community Homes. These state funds totaling \$6.8 million are found in the budget for the Bureau of TennCare and are matched with \$12.6 million in federal dollars for a total of \$19.4 million. Utility expenses at the Middle Tennessee Regional Office on the Clover Bottom Campus are funded with \$104,200. Two positions that will begin planning future programs for people with developmental disabilities are funded with \$183,900.

To provide recurring funds for expenditures related to the Brian A. Settlement Agreement, \$5 million in recurring appropriation is recommended. These state dollars combined with \$3.4 million in federal revenue and \$3.2 million from the TennCare Bureau total to \$11.6 million and will be used to upgrade Child Protective Services (CPS) case manager positions, provide for foster care rate increases, and fund the growth in the caseload of adoption assistance. New positions will be added to: CPS investigations and assessments (45), family social worker case managers (40), and the Child Death Unit (4).

A new Child Protective Services Investigator Academy is funded with a \$364,600 appropriation that will be matched by \$175,100 federal and \$310,300 from TennCare for a total of \$850,000. This academy is a partnership with the Tennessee Bureau of Investigation that will provide three weeks of coursework and training for investigators from across the state.

Safe Communities

Department of Correction contracts with non-state service providers are funded with \$2.1 million. These contract increases include Hardeman County – Whiteville (\$761,500), South Central Correctional Center (\$857,000), and the Hardeman County agreement (\$484,400). The expansion of prison facilities at the Wayne County Annex of Turney Center is funded with \$1.8 million generated from recurring reductions of other operating expenditures in the department. This expansion will be staffed with existing positions. The Big Brothers Big Sisters program, part of the Amachi Initiative, is funded with a non-recurring appropriation of \$250,000.

Business Development

An appropriation of \$46 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. Efforts to recruit new

Budget Highlights

projects and develop Tennessee's film and television industries are funded with \$4 million non-recurring. The second year of a tourism marketing task force in the Department of Tourism is funded with \$6 million non-recurring.

Natural Resources

An additional appropriation of \$2.5 million is recommended for the state parks managed by Environment and Conservation, along with \$150,000 and two positions for the Cumberland Trail, \$200,000 and two positions for Rocky Fork State Park, and \$175,000 and two positions for Seven Islands State Birding Park. Grants to the Stax Museum (\$100,000) and the Alex Haley House (\$50,000) are also funded through Environment and Conservation. The new metrology laboratory in the Department of Agriculture that researches weights and measures will receive three new positions and \$183,400.

State Employee Workforce Development

The equivalent of a 1 percent salary increase for state employees is recommended and funded with a \$15.6 million appropriation. Non-recurring funds of \$2.5 million are provided to continue the state match on employee 401(k) plans. A current year group health insurance increase is annualized with \$7.1 million and six months of a projected January 1, 2015, 5.5 percent group health insurance premium increase is funded with \$7.5 million. Retiree health insurance will require an additional \$1.3 million and retired teachers insurance will require \$2.7 million. An appropriation of \$6 million is recommended for the Tennessee Consolidated Retirement System (TCRS). A risk management premium increase is funded with \$1 million.

Legislation will be introduced that makes changes to the statutory salaries of the judicial branch. This legislation is funded with \$1.4 million, which includes: \$1.1 million for judges in the Court System, \$3,900 for the Attorney General, \$168,900 for the district attorneys general, \$161,200 for the public defenders, \$5,000 for the post-conviction defender, and \$3,700 for the governor's salary, which is statutorily tied to judicial salaries.

Non-recurring funds of \$3.2 million are recommended for severance packages for state employees 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.

Information Technology

The Department of Health requests \$5.7 million non-recurring and 22 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

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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 first year of a multi-phase replacement of the Tennessee Offender Management Information System (TOMIS) in the Department of Correction is funded with \$2.2 million non-recurring. Phase one will consist of requirement identification and documentation and the development of a project management plan. The current TOMIS system was implemented in 1992 and is nearing the end of its useful life.

New mobile technology capabilities for the Department of Children's Services are funded with a total of \$1.1 million, of which \$556,500 is state appropriation. This new technology will allow case management staff in the field portable access to key state applications, such as the Tennessee Family and Child Tracking System (TFACTS), Outlook, and the state's enterprise resource planning application, Edison.

An upgrade of the state's E-911 system is recommended with an appropriation of \$2.5 million from dedicated fees and \$12.5 million from the E-911 reserve for total funds of \$15 million. The proposed new Next Generation 911 (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.

Maintenance and security upgrades needed for a statewide radio network developed and managed by the Department of Safety are funded with \$3 million.

Capital Outlay

Capital outlay in fiscal year 2014-2015 totals \$248.7 million, including \$122.8 million in non-recurring current funds and \$41.8 million from federal and other sources. A bond authorization of \$84.1 million is also requested. An appropriation of \$44.2 million is recommended for statewide capital maintenance, including \$8.8 million for general government, \$13.5 million for the Board of Regents, \$21.9 million for the University of Tennessee, and \$24.2 million for the Department of Correction from Sentencing Act funds.

The facilities revolving fund (FRF) capital budget provides an additional \$23.8 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 \$356 million on June 30, 2013. The 2013 appropriations act set the reserve at \$456

Budget Highlights

million. A recommended deposit to the fund of \$40.3 million in fiscal year 2014-2015 will have the total revenue fluctuation reserve at \$496.3 million on June 30, 2015.

TennCare Reserve

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The unobligated reserve, as of June 30, 2013, is estimated at \$306.9 million. A closing transfer of \$25 million is expected on June 30, 2014, so the balance is projected to be \$281.9 million on June 30, 2014. The balance is expected to be the same on June 30, 2015.

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 percent 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.

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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.

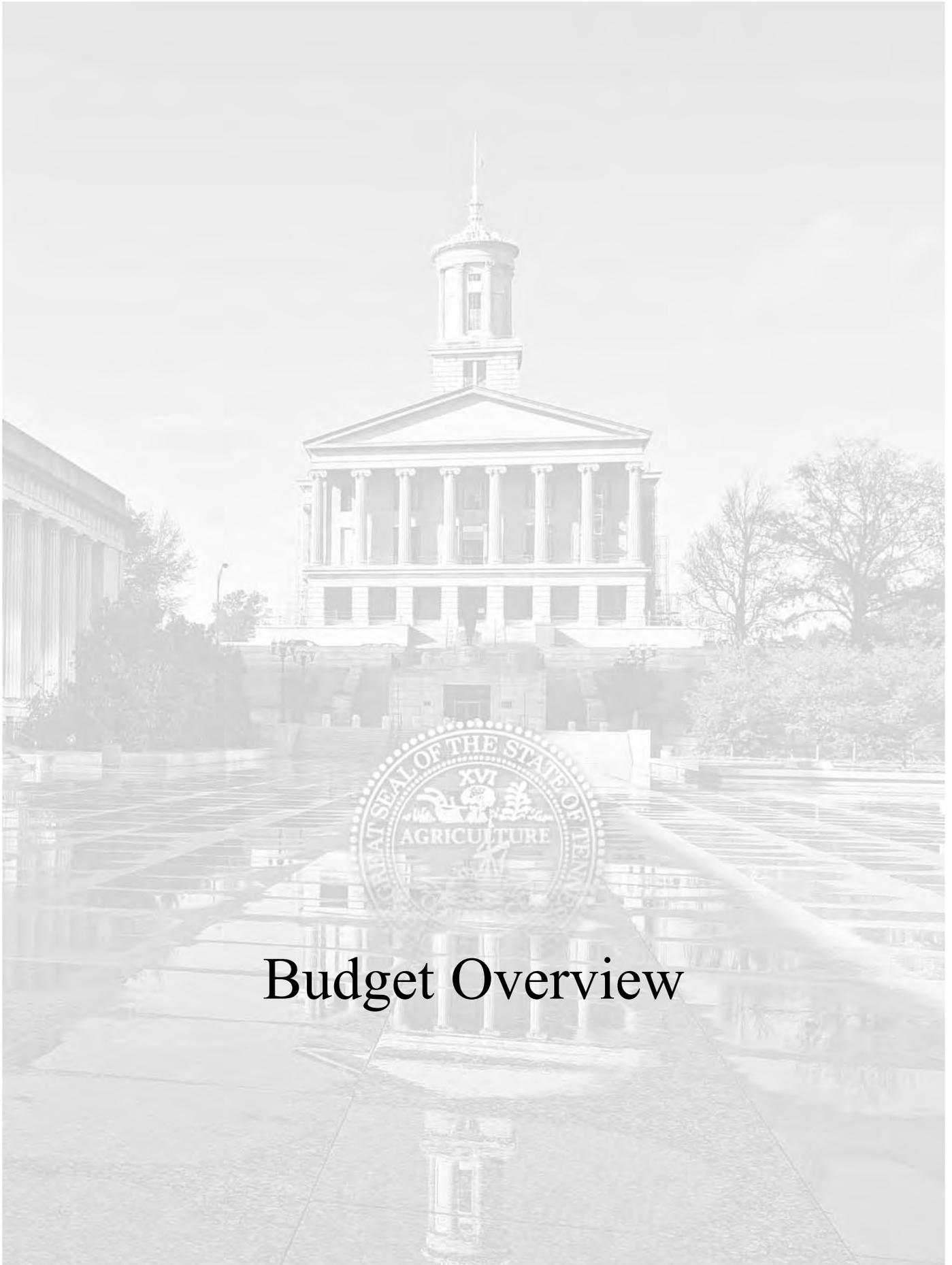
Following this narrative, fiscal and personnel data are provided for the last completed year, the current year, and the next year.

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



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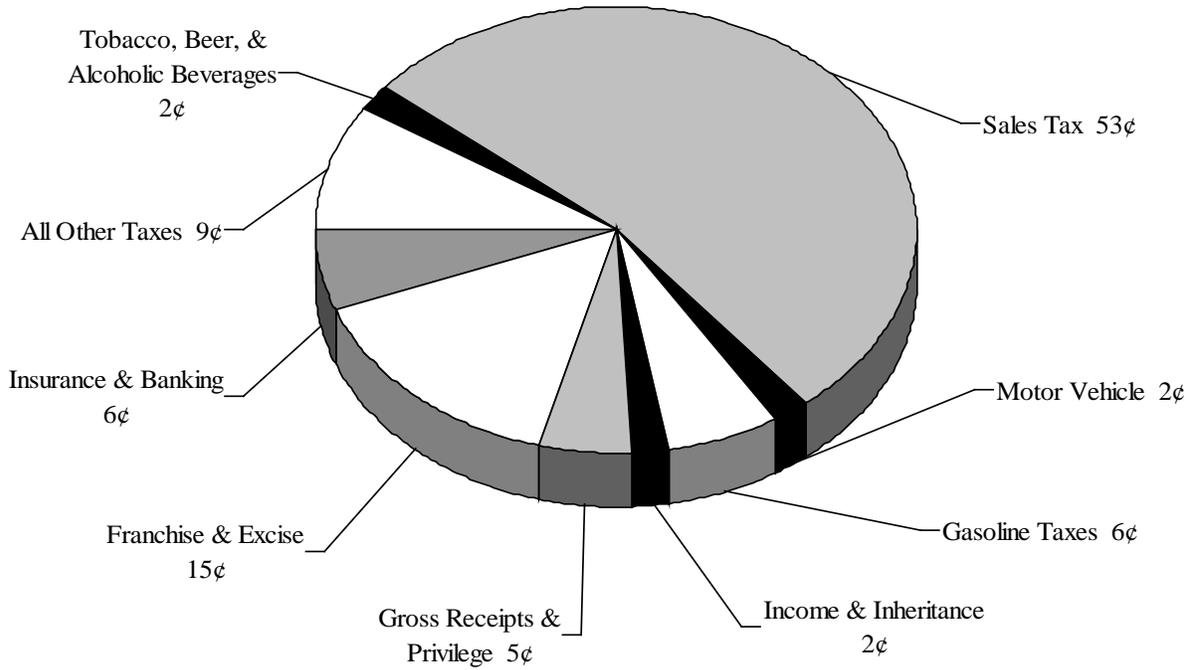
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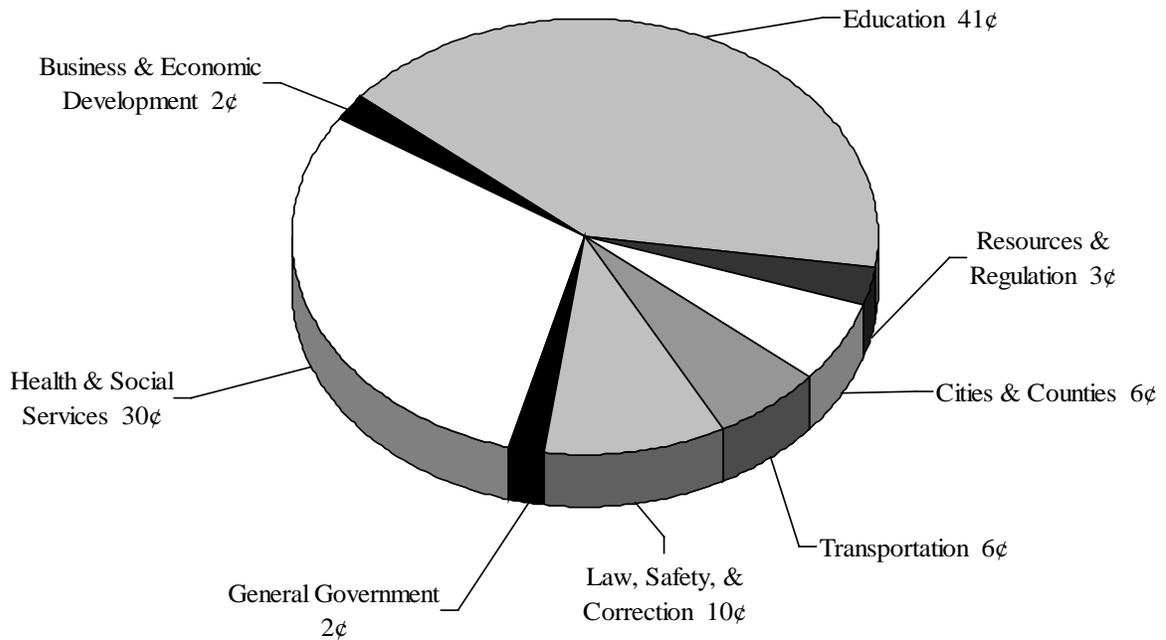
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Total State Budget

Where Your State Tax Dollar Comes From



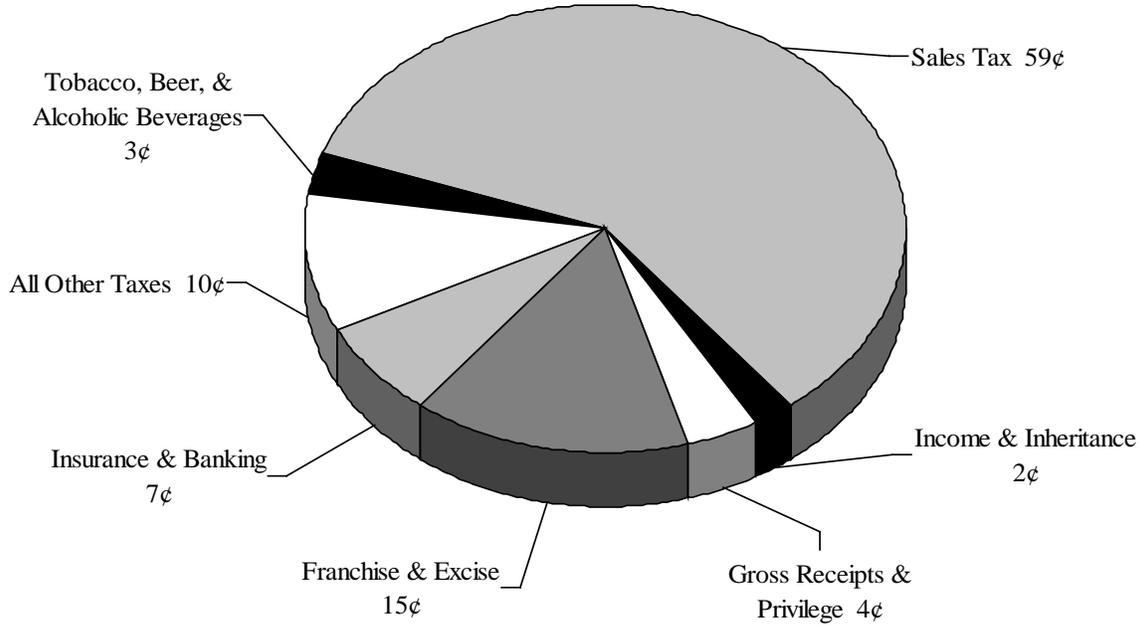
Where Your State Tax Dollar Goes



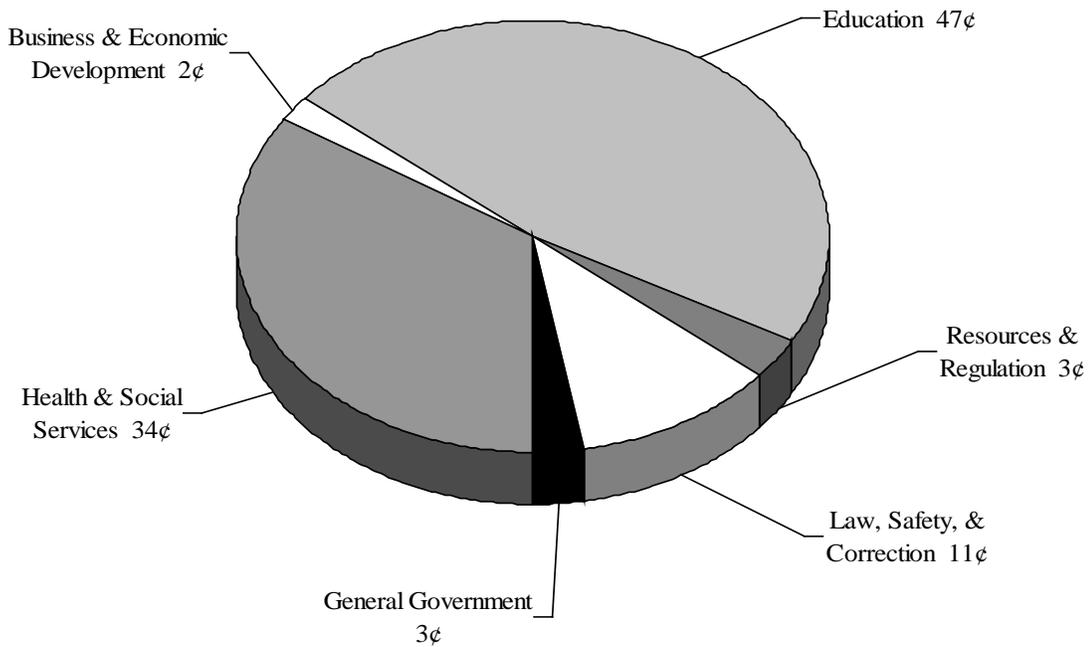
Fiscal Year 2014 - 2015

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2014 - 2015

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2012-2013, 2013-2014, and 2014-2015**

	Actual 2012-2013	Estimated 2013-2014	Recommended 2014-2015	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. PROGRAMS					
ALL PROGRAMS	\$ 31,284,337,400	\$ 33,223,588,620	\$ 32,581,495,700	\$ 1,939,251,220	\$ (642,092,920)
General Fund ¹	27,430,872,200	29,320,806,920	29,033,673,900	1,889,934,720	(287,133,020)
Department of Transportation	1,864,946,700	1,817,891,200	1,839,885,800	(47,055,500)	21,994,600
Debt Service Requirements	410,867,600	436,112,500	400,664,000	25,244,900	(35,448,500)
Capital Outlay Program	515,999,000	449,255,000	248,745,200	(66,744,000)	(200,509,800)
Facilities Revolving Fund	204,138,700	304,623,000	147,926,800	100,484,300	(156,696,200)
Cities & Counties - State Shared Taxes	857,513,200	894,900,000	910,600,000	37,386,800	15,700,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 13,982,960,700	\$ 15,093,891,420	\$ 14,962,553,000	\$ 1,110,930,720	\$ (131,338,420)
General Fund ¹	11,458,126,200	12,693,419,120	12,772,324,200	1,235,292,920	78,905,080
Department of Transportation	823,104,600 ²	733,800,000	743,100,000	(89,304,600)	9,300,000
Debt Service Requirements	410,867,600	436,112,500	400,664,000	25,244,900	(35,448,500)
Capital Outlay Program	359,748,000 ²	164,895,000	122,800,000	(194,853,000)	(42,095,000)
Facilities Revolving Fund	73,601,100	170,764,800	13,064,800	97,163,700	(157,700,000)
Cities & Counties - State Shared Taxes	857,513,200	894,900,000	910,600,000	37,386,800	15,700,000
BONDS	\$ 0	\$ 266,000,000	\$ 167,600,000	\$ 266,000,000	\$ (98,400,000)
Department of Transportation	0	81,000,000	83,500,000	81,000,000	2,500,000
Capital Outlay Program	0	185,000,000	84,100,000	185,000,000	(100,900,000)
FEDERAL	\$ 12,515,208,100	\$ 13,231,160,800	\$ 12,911,660,000	\$ 715,952,700	\$ (319,500,800)
General Fund	11,527,595,200	12,262,533,600	11,921,773,000	734,938,400	(340,760,600)
Department of Transportation	984,199,900	965,327,200	975,721,800	(18,872,700)	10,394,600
Capital Outlay Program	3,413,000	3,300,000	14,165,200	(113,000)	10,865,200
CURRENT SERVICES & OTHER	\$ 4,786,168,600	\$ 4,632,536,400	\$ 4,539,682,700	\$ (153,632,200)	\$ (92,853,700)
General Fund ³	4,445,150,800	4,364,854,200	4,339,576,700	(80,296,600)	(25,277,500)
Department of Transportation	57,642,200	37,764,000	37,564,000	(19,878,200)	(200,000)
Capital Outlay Program	152,838,000	96,060,000	27,680,000	(56,778,000)	(68,380,000)
Facilities Revolving Fund	130,537,600 ⁴	133,858,200	134,862,000	3,320,600	1,003,800
TOTAL STATE BUDGET	\$ 31,284,337,400	\$ 33,223,588,620	\$ 32,581,495,700	\$ 1,939,251,220	\$ (642,092,920)

¹ General Fund includes Education Lottery-funded programs.

² Includes tax revenues and bonds.

³ Includes Lottery-funded early childhood education program and Higher Education tuition and student fees.

⁴ Includes departmental operating revenues and bonds.

**Total State Budget
Comparison of Programs by Revenue Sources
Fiscal Years 2012-2013, 2013-2014, and 2014-2015**

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Recommended 2014-2015</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
I. GENERAL FUND ¹	\$ 27,430,872,200	\$ 29,320,806,920	\$ 29,033,673,900	\$ 1,889,934,720	\$ (287,133,020)
Appropriation	11,458,126,200	12,693,419,120	12,772,324,200	1,235,292,920	78,905,080
Federal	11,527,595,200	12,262,533,600	11,921,773,000	734,938,400	(340,760,600)
Current Services & Other Revenue ²	4,445,150,800	4,364,854,200	4,339,576,700	(80,296,600)	(25,277,500)
II. DEPARTMENT OF TRANSPORTATION	\$ 1,864,946,700	\$ 1,817,891,200	\$ 1,839,885,800	\$ (47,055,500)	\$ 21,994,600
Appropriation	823,104,600 ³	733,800,000	743,100,000	(89,304,600)	9,300,000
Federal	984,199,900	965,327,200	975,721,800	(18,872,700)	10,394,600
Current Services & Other Revenue	57,642,200	37,764,000	37,564,000	(19,878,200)	(200,000)
Bonds	0	81,000,000	83,500,000	81,000,000	2,500,000
III. DEBT SERVICE REQUIREMENTS	\$ 410,867,600	\$ 436,112,500	\$ 400,664,000	\$ 25,244,900	\$ (35,448,500)
Appropriation	410,867,600	436,112,500	400,664,000	25,244,900	(35,448,500)
IV. CAPITAL OUTLAY PROGRAM	\$ 515,999,000	\$ 449,255,000	\$ 248,745,200	\$ (66,744,000)	\$ (200,509,800)
Appropriation	359,748,000 ³	164,895,000	122,800,000	(194,853,000)	(42,095,000)
Federal	3,413,000	3,300,000	14,165,200	(113,000)	10,865,200
Current Services & Other Revenue	152,838,000	96,060,000	27,680,000	(56,778,000)	(68,380,000)
Bonds	0	185,000,000	84,100,000	185,000,000	(100,900,000)
V. FACILITIES REVOLVING FUND	\$ 204,138,700	\$ 304,623,000	\$ 147,926,800	\$ 100,484,300	\$ (156,696,200)
Appropriations	73,601,100	170,764,800	13,064,800	97,163,700	(157,700,000)
Current Services & Other Revenue ⁴	130,537,600	133,858,200	134,862,000	3,320,600	1,003,800
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 857,513,200	\$ 894,900,000	\$ 910,600,000	\$ 37,386,800	\$ 15,700,000
Appropriation	857,513,200	894,900,000	910,600,000	37,386,800	15,700,000
VII. TOTAL STATE BUDGET	\$ 31,284,337,400	\$ 33,223,588,620	\$ 32,581,495,700	\$ 1,939,251,220	\$ (642,092,920)
Appropriation	13,982,960,700	15,093,891,420	14,962,553,000	1,110,930,720	(131,338,420)
Federal	12,515,208,100	13,231,160,800	12,911,660,000	715,952,700	(319,500,800)
Current Services & Other Revenue ²	4,786,168,600	4,632,536,400	4,539,682,700	(153,632,200)	(92,853,700)
Bonds	0	266,000,000	167,600,000	266,000,000	(98,400,000)

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 2013-2014**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
2013 Appropriations Act - Work Program	\$ 12,678,527,020	\$ 11,940,143,000	\$ 738,384,020
2013 Appropriations Act - Dedicated Funds	(8,301,700)	(8,301,700)	0
2014 Supplemental Appropriations	23,193,800	0	23,193,800
Nursing Home Bed Tax Adjustment	0	(82,300,000)	82,300,000
Total General Fund Requirements	\$ 12,693,419,120	\$ 11,849,541,300	\$ 843,877,820
Less: Overappropriation	(93,000,000)	(68,000,000)	(25,000,000)
Net General Fund Requirements	\$ 12,600,419,120	\$ 11,781,541,300	\$ 818,877,820
Other Programs:			
Capital Outlay Program	\$ 164,895,000	\$ 0	\$ 164,895,000
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,837,500	\$ 3,837,500	\$ 0
Highway Fund Transfer - Freight Study	875,000	0	875,000
Personal License Plates Fund Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 5,712,500	\$ 4,837,500	\$ 875,000
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 22,664,800	\$ 13,064,800	\$ 9,600,000
Facilities Revolving Fund - Capital Outlay	135,100,000	0	135,100,000
Facilities Revolving Fund - Disposal of 6 Buildings	13,000,000	0	13,000,000
Sub-Total Facilities Revolving Fund	\$ 170,764,800	\$ 13,064,800	\$ 157,700,000
Total Other Programs	\$ 341,372,300	\$ 17,902,300	\$ 323,470,000
Total Appropriation Requirements	\$ 12,941,791,420	\$ 11,799,443,600	\$ 1,142,347,820
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 9,939,700,000	\$ 10,055,900,000	\$ (116,200,000)
State Tax Revenue - Other State Revenue	1,814,100,000	1,220,373,000	593,727,000
Miscellaneous Revenue	49,000,000	49,000,000	0
Tobacco MSA Revenue	138,600,000	138,600,000	0
Lottery for Education Account	334,500,000	334,500,000	0
Transfers, Reserves, and Other Available Funds:			
Highway Fund Transfer - Gas Inspection Act	\$ 1,100,000	\$ 1,100,000	\$ 0
Transfer from Systems Development Fund	600,000	0	600,000
Transfer from TennCare Maintenance of Trust Fund	5,000,000	0	5,000,000
Reserve for 2013-2014 Appropriations	672,700,000	0	672,700,000
Transfer to Rainy Day Fund	(100,000,000)	0	(100,000,000)
Plan for Closing - Other Available Funds:			
Debt Service Fund Transfer at June 30, 2014	\$ 82,000,000	\$ 0	\$ 82,000,000
Strategic Health-Care Programs Reserves - Transfer to General Fund	41,700,000	0	41,700,000
Tobacco MSA Settlement Reserve - Transfer to General Fund	12,000,000	0	12,000,000
Other Agency Reserves - Reversion	86,723,700	0	86,723,700
Other Available Funds:			
Unappropriated Budget Surplus at June 30, 2013	\$ 119,764,300	\$ 0	\$ 119,764,300
Undesignated Fund Balance at June 30, 2013	495,620	0	495,620
Sub-Total Transfers, Reserves, and Other Available Funds	\$ 922,083,620	\$ 1,100,000	\$ 920,983,620
Total General Fund Revenues and Reserves	\$ 13,197,983,620	\$ 11,799,473,000	\$ 1,398,510,620
III. AVAILABLE FUNDS AT JUNE 30, 2014			
Available Funds	\$ 256,192,200	\$ 29,400	\$ 256,162,800
Total Available Funds	\$ 256,192,200	\$ 29,400	\$ 256,162,800
Revenue Fluctuation Reserve at June 30, 2013	\$ 356,000,000		
Revenue Fluctuation Reserve at June 30, 2014	\$ 456,000,000		

**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:			
Base Budget Requirements	\$ 11,940,143,000	\$ 11,940,143,000	\$ 0
Nursing Home Bed Tax Adjustment	0	(82,300,000)	82,300,000
Preliminary Base Budget Adjustments - General Fund	441,596,200	(18,848,300)	460,444,500
Base Budget Reduction Plans - General Fund	(150,125,100)	(132,868,800)	(17,256,300)
Sum Sufficient Appropriations - Dedicated Funds	351,300	351,300	0
Preliminary Base Budget Adjustments - Dedicated Funds	2,063,700	2,063,700	0
Base Budget Reduction Plans - Dedicated Funds	1,925,400	1,925,400	0
Base Budget Recommended	\$ 12,235,954,500	\$ 11,710,466,300	\$ 525,488,200
Cost Increases - Budget Recommendations			
All Programs - General Fund	\$ 517,579,500	\$ 400,053,500	\$ 117,526,000
Reserve for Administration Amendment	7,000,000	3,000,000	4,000,000
All Programs - Dedicated Funds	11,790,200	11,041,000	749,200
Total Cost Increases Recommended	\$ 536,369,700	\$ 414,094,500	\$ 122,275,200
Total General Fund Requirements	\$ 12,772,324,200	\$ 12,124,560,800	\$ 647,763,400
Less: Overappropriation	(86,807,800)	(85,000,000)	(1,807,800)
Net General Fund Requirements	\$ 12,685,516,400	\$ 12,039,560,800	\$ 645,955,600
Other Programs:			
Capital Outlay Program	\$ 122,800,000	\$ 0	\$ 122,800,000
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
Total Other Programs	\$ 140,704,200	\$ 17,904,200	\$ 122,800,000
Total Appropriation Requirements	\$ 12,826,220,600	\$ 12,057,465,000	\$ 768,755,600
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 10,278,400,000	\$ 10,258,000,000	\$ 20,400,000
State Tax Revenue - Other State Revenue	1,790,400,000	1,257,550,800	532,849,200
Miscellaneous Revenue	50,100,000	50,100,000	0
Tobacco MSA Revenue	138,600,000	138,600,000	0
Lottery for Education Account	352,200,000	352,200,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Available Funds at June 30, 2014	256,192,200	0	256,192,200
Transfer to Rainy Day Fund	(40,300,000)	0	(40,300,000)
Total General Fund Revenues and Reserves	\$ 12,826,692,200	\$ 12,057,550,800	\$ 769,141,400
III. AVAILABLE FUNDS AT JUNE 30, 2015			
Undesignated Fund Balance	\$ 471,600	\$ 85,800	\$ 385,800
Total Available Funds	\$ 471,600	\$ 85,800	\$ 385,800
Revenue Fluctuation Reserve at June 30, 2014	\$ 456,000,000		
Revenue Fluctuation Reserve at June 30, 2015	\$ 496,300,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2013-2014 and 2014-2015

	<u>2013-2014</u>	<u>2014-2015</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION	\$ 69,134,100	\$ 77,963,500	\$ 8,829,400
HEADQUARTERS OPERATIONS	26,842,700	29,463,000	2,620,300
FIELD OPERATIONS	55,825,500	65,178,400	9,352,900
GARAGE AND FLEET OPERATIONS	32,042,800	28,854,600	(3,188,200)
CAPITAL IMPROVEMENTS	11,165,000	-	(11,165,000)
HIGHWAY SYSTEM MAINTENANCE	302,259,000	302,259,000	-
STATE-FUNDED PROGRAMS			
Betterments	\$ 800,000	\$ 800,000	\$ -
State Aid	30,622,000	30,622,000	-
State Industrial Access	18,180,000	30,000,000	11,820,000
Local Interstate Connectors	500,000	2,000,000	1,500,000
Sub-Total State Funded Programs	<u>\$ 50,102,000</u>	<u>\$ 63,422,000</u>	<u>\$ 13,320,000</u>
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	132,885,900	140,221,100	7,335,200
Bridge Replacement	-	-	-
Transit	48,472,000	47,667,400	(804,600)
Air, Water, and Rail	65,000,000	50,500,000	(14,500,000)
Sub-Total Federally Funded Programs	<u>\$ 267,428,900</u>	<u>\$ 259,459,500</u>	<u>\$ (7,969,400)</u>
TOTAL APPROPRIATION REQUIREMENTS	<u>\$ 814,800,000</u>	<u>\$ 826,600,000</u>	<u>\$ 11,800,000</u>
II. STATE FUNDING SOURCES			
Highway User Taxes	\$ 626,300,000	\$ 658,100,000	\$ 31,800,000
Sales Tax - Transportation Equity Fund	65,000,000	50,500,000	(14,500,000)
Miscellaneous Revenue	22,500,000	22,500,000	-
Bond Authorization	76,000,000	83,500,000	7,500,000
Bond Authorization - Region 2 Complex	5,000,000	-	(5,000,000)
Highway Fund Balance / Reserves	20,000,000	12,000,000	(8,000,000)
TOTAL STATE FUNDING SOURCES	<u>\$ 814,800,000</u>	<u>\$ 826,600,000</u>	<u>\$ 11,800,000</u>

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2013-2014 and 2014-2015

	<u>2013-2014</u>	<u>2014-2015</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 69,134,100	\$ 77,963,500	\$ 8,829,400
Headquarters Operations	26,842,700	29,463,000	2,620,300
Field Operations	55,825,500	65,178,400	9,352,900
Garage and Fleet Operations	32,042,800	28,854,600	(3,188,200)
Capital Improvements	6,165,000	-	(6,165,000)
Highway System Maintenance	302,259,000	302,259,000	-
State-Funded Programs	19,188,100	39,743,000	20,554,900
Federally Funded Programs	222,342,800	199,638,500	(22,704,300)
Total State Funds	<u>\$ 733,800,000</u>	<u>\$ 743,100,000</u>	<u>\$ 9,300,000</u>
II. BOND AUTHORIZATIONS			
Capital Improvements	\$ 5,000,000	-	\$ (5,000,000)
State-Funded Programs	30,913,900	23,679,000	(7,234,900)
Federally Funded Programs	45,086,100	59,821,000	14,734,900
Total Bond Authorizations	<u>\$ 81,000,000</u>	<u>\$ 83,500,000</u>	<u>\$ 2,500,000</u>
III. FEDERAL AID			
Federally Funded Programs	\$ 965,327,200	\$ 975,721,800	\$ 10,394,600
Total Federal Aid	<u>\$ 965,327,200</u>	<u>\$ 975,721,800</u>	<u>\$ 10,394,600</u>
IV. LOCAL GOVERNMENTS			
Highway System Maintenance	\$ 1,100,000	\$ -	\$ (1,100,000)
State-Funded Programs	10,214,000	11,714,000	1,500,000
Federally Funded Programs	26,450,000	25,850,000	(600,000)
Total Local Governments	<u>\$ 37,764,000</u>	<u>\$ 37,564,000</u>	<u>\$ (200,000)</u>
V. GRAND TOTAL			
Administration	\$ 69,134,100	\$ 77,963,500	\$ 8,829,400
Headquarters Operations	26,842,700	29,463,000	2,620,300
Field Operations	55,825,500	65,178,400	9,352,900
Garage and Fleet Operations	32,042,800	28,854,600	(3,188,200)
Capital Improvements	11,165,000	-	(11,165,000)
Highway System Maintenance	303,359,000	302,259,000	(1,100,000)
State-Funded Programs	60,316,000	75,136,000	14,820,000
Federally Funded Programs	1,259,206,100	1,261,031,300	1,825,200
Grand Total	<u>\$ 1,817,891,200</u>	<u>\$ 1,839,885,800</u>	<u>\$ 21,994,600</u>

**Department of Transportation
Actual Expenditures by Program and Funding Source
Fiscal Year 2012-2013**

	Federal					
	State	Regular Program	2009 U.S. Economic Recovery Act	Total	Other	Total
Administration	\$ 57,376,600	\$ -	\$ -	\$ -	\$ -	\$ 57,376,600
Headquarters Operations	16,670,200	-	-	-	-	16,670,200
Field Operations	50,779,900	-	-	-	-	50,779,900
Garage and Fleet Operations	28,177,300	-	-	-	-	28,177,300
Capital Improvements	1,612,500	-	-	-	-	1,612,500
Highway System Maintenance	271,676,600	-	-	-	75,600	271,752,200
STATE-FUNDED PROGRAMS						
Betterments	\$ 8,584,200	\$ -	\$ -	\$ -	\$ 124,700	\$ 8,708,900
State Aid	26,973,800	-	-	-	-	26,973,800
State Industrial Access	19,478,700	-	-	-	825,100	20,303,800
Local Interstate Connectors	4,941,400	-	-	-	2,536,400	7,477,800
Sub-Total State-Funded Programs	\$ 59,978,100	\$ -	\$ -	\$ -	\$ 3,561,800	\$ 63,464,300
FEDERALLY FUNDED PROGRAMS						
Planning and Research	\$ 6,793,900	\$ 12,568,300	\$ -	\$ 12,568,300	\$ 98,400	\$ 19,460,600
Interstate System	10,590,800	132,526,400	-	132,526,400	9,507,500	152,624,700
Forest Highways	46,800	401,000	-	401,000	-	447,800
Highway Infrastructure	152,674,500	733,861,600	19,072,400	752,934,000	34,728,500	940,337,000
Bridge Replacement	75,215,400	51,168,200	-	51,168,200	5,415,900	131,799,500
Transit	39,240,500	20,176,000	1,888,400	22,064,400	211,000	61,515,900
Air, Water, and Rail	52,271,500	12,537,600	-	12,537,600	4,119,100	68,928,200
Sub-Total Federally Funded Programs	\$ 336,833,400	\$ 963,239,100	\$ 20,960,800	\$ 984,199,900	\$ 54,080,400	\$ 1,375,113,700
TOTAL APPROPRIATIONS	\$ 823,104,600	\$ 963,239,100	\$ 20,960,800	\$ 984,199,900	\$ 57,642,200	\$ 1,864,946,700
STATE FUNDING SOURCES:						
Highway User Taxes	\$ 624,303,800					
Sales Tax - Transportation Equity Fund	60,902,800					
Miscellaneous Revenue	19,592,300					
Highway Fund Balance / Reserves	118,305,700					
TOTAL STATE FUNDING SOURCES	\$ 823,104,600					

**Department of Transportation
Enacted Budget by Program and Funding Source
Fiscal Year 2013-2014**

	State	Federal 2009		Total	Other	Total
		Regular Program	U.S. Economic Recovery Act			
Administration	\$ 69,134,100	\$ -	\$ -	\$ -	\$ -	\$ 69,134,100
Headquarters Operations	26,842,800	-	-	-	-	26,842,800
Field Operations	55,825,400	-	-	-	-	55,825,400
Garage and Fleet Operations	32,042,800	-	-	-	-	32,042,800
Capital Improvements	11,165,000	-	-	-	-	11,165,000
Highway System Maintenance	302,259,000	-	-	-	1,100,000	303,359,000
STATE-FUNDED PROGRAMS						
Betterments	\$ 800,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 900,000
State Aid	30,622,000	-	-	-	9,414,000	40,036,000
State Industrial Access	18,180,000	-	-	-	200,000	18,380,000
Local Interstate Connectors	500,000	-	-	-	500,000	1,000,000
Sub-Total State-Funded Programs	\$ 50,102,000	\$ -	\$ -	\$ -	\$ 10,214,000	\$ 60,316,000
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	132,885,900	674,268,300	-	674,268,300	23,950,000	831,104,200
Bridge Replacement	-	-	-	-	-	-
Transit	48,472,000	101,458,900	-	101,458,900	-	149,930,900
Air, Water, and Rail	65,000,000	13,500,000	-	13,500,000	2,500,000	81,000,000
Sub-Total Federally Funded Programs	\$ 267,428,900	\$ 965,327,200	\$ -	\$ 965,327,200	\$ 26,450,000	\$ 1,259,206,100
TOTAL APPROPRIATIONS	\$ 814,800,000	\$ 965,327,200	\$ -	\$ 965,327,200	\$ 37,764,000	\$ 1,817,891,200
STATE FUNDING SOURCES:						
Highway User Taxes	\$ 626,300,000					
Sales Tax - Transportation Equity Fund	65,000,000					
Miscellaneous Revenue	22,500,000					
Bond Authorization	76,000,000					
Bond Authorization - Region 2 Complex	5,000,000					
Highway Fund Balance / Reserves	20,000,000					
TOTAL STATE FUNDING SOURCES	\$ 814,800,000					

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

	State	Federal		Total	Other	Total
		Regular Program	2009 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	28,854,600	-	-	-	-	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	\$ 826,600,000	\$ 975,721,800	\$ -	\$ 975,721,800	\$ 37,564,000	\$ 1,839,885,800
STATE FUNDING SOURCES:						
Highway User Taxes	\$ 658,100,000					
Sales Tax - Transportation Equity Fund	50,500,000					
Miscellaneous Revenue	22,500,000					
Bond Authorization	83,500,000					
Bond Authorization - Region 2 Complex	-					
Highway Fund Balance / Reserves	12,000,000					
TOTAL STATE FUNDING SOURCES	\$ 826,600,000					

Comparison of Programs

Fiscal Years 2012-2013, 2013-2014, and 2014-2015

Allot. Code	Department	Actual 2012-2013	Estimated 2013-2014	Recommended 2014-2015	Act. vs. Est. Difference	Est. vs. Rec. Difference
301	Legislature	\$ 38,072,300	\$ 41,560,900	\$ 41,560,900	\$ 3,488,600	\$ 0
	Appropriation	36,934,700	41,423,400	41,423,400	4,488,700	0
	Current Services and Other Revenue	1,137,600	137,500	137,500	(1,000,100)	0
301.50	Fiscal Review Committee	\$ 1,161,300	\$ 1,475,000	\$ 1,475,000	\$ 313,700	\$ 0
	Appropriation	1,161,300	1,475,000	1,475,000	313,700	0
302	Court System	\$ 130,250,600	\$ 133,310,100	\$ 134,383,000	\$ 3,059,500	\$ 1,072,900
	Appropriation	122,220,600	126,159,100	127,352,000	3,938,500	1,192,900
	Federal	1,100,200	980,000	980,000	(120,200)	0
	Current Services and Other Revenue	6,929,800	6,171,000	6,051,000	(758,800)	(120,000)
303	Attorney General and Reporter	\$ 33,297,700	\$ 37,627,400	\$ 37,600,100	\$ 4,329,700	\$ (27,300)
	Appropriation	22,462,000	25,425,000	25,408,400	2,963,000	(16,600)
	Current Services and Other Revenue	10,835,700	12,202,400	12,191,700	1,366,700	(10,700)
304	District Attorneys General	\$ 98,610,500	\$ 107,192,000	\$ 109,888,400	\$ 8,581,500	\$ 2,696,400
	Appropriation	70,602,800	76,008,200	78,043,000	5,405,400	2,034,800
	Federal	133,500	0	0	(133,500)	0
	Current Services and Other Revenue	27,874,200	31,183,800	31,845,400	3,309,600	661,600
305	Secretary of State	\$ 39,013,700	\$ 70,732,500	\$ 70,732,500	\$ 31,718,800	\$ 0
	Appropriation	22,605,200	28,463,000	28,463,000	5,857,800	0
	Federal	4,211,100	30,216,800	30,216,800	26,005,700	0
	Current Services and Other Revenue	12,197,400	12,052,700	12,052,700	(144,700)	0
306	District Public Defenders	\$ 42,435,700	\$ 48,797,400	\$ 50,102,400	\$ 6,361,700	\$ 1,305,000
	Appropriation	40,524,300	46,964,800	48,269,800	6,440,500	1,305,000
	Current Services and Other Revenue	1,911,400	1,832,600	1,832,600	(78,800)	0
307	Comptroller of the Treasury	\$ 86,294,000	\$ 103,515,100	\$ 94,325,300	\$ 17,221,100	\$ (9,189,800)
	Appropriation	75,660,400	88,302,700	85,112,900	12,642,300	(3,189,800)
	Current Services and Other Revenue	10,633,600	15,212,400	9,212,400	4,578,800	(6,000,000)
308	Post-Conviction Defender	\$ 1,893,000	\$ 2,252,700	\$ 2,289,500	\$ 359,700	\$ 36,800
	Appropriation	1,838,500	2,252,700	2,289,500	414,200	36,800
	Federal	51,100	0	0	(51,100)	0
	Current Services and Other Revenue	3,400	0	0	(3,400)	0
309	Treasury Department	\$ 28,381,900	\$ 34,688,500	\$ 35,075,500	\$ 6,306,600	\$ 387,000
	Appropriation	2,524,800	2,832,900	2,837,300	308,100	4,400
	Current Services and Other Revenue	25,857,100	31,855,600	32,238,200	5,998,500	382,600
313	Claims and Compensation	\$ 90,431,000	\$ 110,780,100	\$ 109,562,400	\$ 20,349,100	\$ (1,217,700)
	Appropriation	9,016,400	16,420,000	11,850,000	7,403,600	(4,570,000)
	Federal	5,650,000	4,930,000	4,500,000	(720,000)	(430,000)
	Current Services and Other Revenue	75,764,600	89,430,100	93,212,400	13,665,500	3,782,300

Comparison of Programs

Fiscal Years 2012-2013, 2013-2014, and 2014-2015

Allot. Code	Department	Actual 2012-2013	Estimated 2013-2014	Recommended 2014-2015	Act. vs. Est. Difference	Est. vs. Rec. Difference
315	Executive Department	\$ 5,082,300	\$ 4,965,700	\$ 4,969,400	\$ (116,600)	\$ 3,700
	Appropriation	4,925,200	4,965,700	4,969,400	40,500	3,700
	Current Services and Other Revenue	157,100	0	0	(157,100)	0
316	Commissions	\$ 338,153,200	\$ 441,628,500	\$ 422,430,200	\$ 103,475,300	\$ (19,198,300)
	Appropriation	34,332,300	35,921,300	35,710,700	1,589,000	(210,600)
	Federal	242,242,000	305,153,900	301,006,500	62,911,900	(4,147,400)
	Current Services and Other Revenue	61,578,900	100,553,300	85,713,000	38,974,400	(14,840,300)
317	Finance and Administration (F&A)	\$ 242,788,300	\$ 269,353,500	\$ 260,521,600	\$ 26,565,200	\$ (8,831,900)
	Appropriation	15,687,000	30,635,900	20,851,800	14,948,900	(9,784,100)
	Federal	22,992,100	24,992,100	25,227,100	2,000,000	235,000
	Current Services and Other Revenue	204,109,200	213,725,500	214,442,700	9,616,300	717,200
	Criminal Justice Programs¹	\$ 23,586,100	\$ 25,254,200	\$ 25,556,800	\$ 1,668,100	\$ 302,600
	Appropriation	4,506,600	4,234,200	4,536,800	(272,400)	302,600
	Federal	18,914,300	20,914,200	20,914,200	1,999,900	0
	Current Services and Other Revenue	165,200	105,800	105,800	(59,400)	0
	Other F&A Programs¹	\$ 219,202,200	\$ 244,099,300	\$ 234,964,800	\$ 24,897,100	\$ (9,134,500)
	Appropriation	11,180,400	26,401,700	16,315,000	15,221,300	(10,086,700)
	Federal	4,077,800	4,077,900	4,312,900	100	235,000
	Current Services and Other Revenue	203,944,000	213,619,700	214,336,900	9,675,700	717,200
318	F&A, TennCare	\$ 9,399,357,700	\$ 10,061,253,300	\$ 10,249,301,700	\$ 661,895,600	\$ 188,048,400
	Appropriation	2,787,175,200	3,213,525,200	3,318,909,500	426,350,000	105,384,300
	Federal	6,121,001,200	6,548,154,400	6,592,536,200	427,153,200	44,381,800
	Current Services and Other Revenue	491,181,300	299,573,700	337,856,000	(191,607,600)	38,282,300
319	Human Resources	\$ 9,745,600	\$ 11,730,400	\$ 12,359,800	\$ 1,984,800	\$ 629,400
	Appropriation	0	0	0	0	0
	Current Services and Other Revenue	9,745,600	11,730,400	12,359,800	1,984,800	629,400
321	General Services	\$ 109,153,900	\$ 118,586,800	\$ 116,581,100	\$ 9,432,900	\$ (2,005,700)
	Appropriation	16,426,100	12,071,100	11,749,100	(4,355,000)	(322,000)
	Current Services and Other Revenue	92,727,800	106,515,700	104,832,000	13,787,900	(1,683,700)
323	Veterans Affairs	\$ 5,392,100	\$ 6,745,400	\$ 6,411,400	\$ 1,353,300	\$ (334,000)
	Appropriation	3,459,800	5,725,700	5,391,700	2,265,900	(334,000)
	Federal	1,546,500	772,700	772,700	(773,800)	0
	Current Services and Other Revenue	385,800	247,000	247,000	(138,800)	0
324	Board of Parole	\$ 6,771,800	\$ 7,586,900	\$ 7,416,400	\$ 815,100	\$ (170,500)
	Appropriation	6,749,500	7,526,900	7,416,400	777,400	(110,500)
	Current Services and Other Revenue	22,300	60,000	0	37,700	(60,000)

Comparison of Programs

Fiscal Years 2012-2013, 2013-2014, and 2014-2015

Allot. Code	Department	Actual 2012-2013	Estimated 2013-2014	Recommended 2014-2015	Act. vs. Est. Difference	Est. vs. Rec. Difference
325	Agriculture	\$ 80,163,900	\$ 91,329,400	\$ 90,085,600	\$ 11,165,500	\$ (1,243,800)
	Appropriation	60,466,900	68,808,500	67,387,500	8,341,600	(1,421,000)
	Federal	9,946,500	11,947,700	11,697,200	2,001,200	(250,500)
	Current Services and Other Revenue	9,750,500	10,573,200	11,000,900	822,700	427,700
326	Tourist Development	\$ 18,452,000	\$ 28,685,000	\$ 26,014,000	\$ 10,233,000	\$ (2,671,000)
	Appropriation	11,713,000	19,518,200	16,847,200	7,805,200	(2,671,000)
	Current Services and Other Revenue	6,739,000	9,166,800	9,166,800	2,427,800	0
327	Environment and Conservation	\$ 295,337,600	\$ 386,925,300	\$ 362,488,500	\$ 91,587,700	\$ (24,436,800)
	Appropriation	162,396,400	188,208,400	185,791,900	25,812,000	(2,416,500)
	Federal	39,087,500	77,624,400	63,792,900	38,536,900	(13,831,500)
	Current Services and Other Revenue	93,853,700	121,092,500	112,903,700	27,238,800	(8,188,800)
328	Wildlife Resources Agency	\$ 82,251,300	\$ 108,369,800	\$ 93,331,200	\$ 26,118,500	\$ (15,038,600)
	Appropriation	47,739,800	64,848,300	57,507,700	17,108,500	(7,340,600)
	Federal	26,157,200	26,901,200	25,976,200	744,000	(925,000)
	Current Services and Other Revenue	8,354,300	16,620,300	9,847,300	8,266,000	(6,773,000)
329	Correction	\$ 835,339,000	\$ 948,549,100	\$ 929,796,300	\$ 113,210,100	\$ (18,752,800)
	Appropriation	819,278,700	928,958,300	909,978,300	109,679,600	(18,980,000)
	Federal	505,000	460,300	353,300	(44,700)	(107,000)
	Current Services and Other Revenue	15,555,300	19,130,500	19,464,700	3,575,200	334,200
330	Economic and Community Development	\$ 182,868,800	\$ 302,532,700	\$ 148,217,700	\$ 119,663,900	\$ (154,315,000)
	Appropriation	99,823,700	171,183,700	114,733,600	71,360,000	(56,450,100)
	Federal	50,836,400	111,667,800	26,695,300	60,831,400	(84,972,500)
	Current Services and Other Revenue	32,208,700	19,681,200	6,788,800	(12,527,500)	(12,892,400)
331	Education (K-12)	\$ 5,413,951,900	\$ 5,701,466,900	\$ 5,560,661,000	\$ 287,515,000	\$ (140,805,900)
	Appropriation	4,160,048,600	4,359,040,100	4,415,521,100	198,991,500	56,481,000
	Federal	1,165,116,700	1,257,777,500	1,065,843,700	92,660,800	(191,933,800)
	Current Services and Other Revenue	88,786,600	84,649,300	79,296,200	(4,137,300)	(5,353,100)
	Lottery-Funded Programs¹	\$ 11,769,500	\$ 13,500,000	\$ 13,500,000	\$ 1,730,500	\$ 0
	Appropriation	11,769,500	13,100,000	13,100,000	1,330,500	0
	Current Services and Other Revenue	0	400,000	400,000	400,000	0
	Other Education (K-12) Programs¹	\$ 5,402,182,400	\$ 5,687,966,900	\$ 5,547,161,000	\$ 285,784,500	\$ (140,805,900)
	Appropriation	4,148,279,100	4,345,940,100	4,402,421,100	197,661,000	56,481,000
	Federal	1,165,116,700	1,257,777,500	1,065,843,700	92,660,800	(191,933,800)
	Current Services and Other Revenue	88,786,600	84,249,300	78,896,200	(4,537,300)	(5,353,100)

Comparison of Programs

Fiscal Years 2012-2013, 2013-2014, and 2014-2015

Allot. Code	Department	Actual 2012-2013	Estimated 2013-2014	Recommended 2014-2015	Act. vs. Est. Difference	Est. vs. Rec. Difference
332	Higher Education	\$ 3,903,868,700	\$ 4,064,898,800	\$ 3,918,279,000	\$ 161,030,100	\$ (146,619,800)
	Appropriation	1,466,464,900	1,570,609,500	1,581,668,600	104,144,600	11,059,100
	Federal	209,082,700	256,038,100	112,654,400	46,955,400	(143,383,700)
	Current Services and Other Revenue	661,690,500	617,669,500	603,374,300	(44,021,000)	(14,295,200)
	Tuition and Student Fees	1,566,630,600	1,620,581,700	1,620,581,700	53,951,100	0
	Lottery for Education Account¹	\$ 325,197,700	\$ 321,400,000	\$ 339,100,000	\$ (3,797,700)	\$ 17,700,000
	Appropriation	325,197,700	321,400,000	339,100,000	(3,797,700)	17,700,000
	Other Higher Education Programs¹	\$ 3,578,671,000	\$ 3,743,498,800	\$ 3,579,179,000	\$ 164,827,800	\$ (164,319,800)
	Appropriation	1,141,267,200	1,249,209,500	1,242,568,600	107,942,300	(6,640,900)
	Federal	209,082,700	256,038,100	112,654,400	46,955,400	(143,383,700)
	Current Services and Other Revenue	661,690,500	617,669,500	603,374,300	(44,021,000)	(14,295,200)
	Tuition and Student Fees	1,566,630,600	1,620,581,700	1,620,581,700	53,951,100	0
335	Commerce and Insurance	\$ 150,469,800	\$ 163,644,400	\$ 177,746,800	\$ 13,174,600	\$ 14,102,400
	Appropriation	96,463,400	106,222,500	108,891,000	9,759,100	2,668,500
	Federal	2,153,400	1,606,900	295,300	(546,500)	(1,311,600)
	Current Services and Other Revenue	51,853,000	55,815,000	68,560,500	3,962,000	12,745,500
336	Financial Institutions	\$ 14,168,700	\$ 19,096,900	\$ 19,009,200	\$ 4,928,200	\$ (87,700)
	Appropriation	14,016,100	19,094,500	19,006,800	5,078,400	(87,700)
	Current Services and Other Revenue	152,600	2,400	2,400	(150,200)	0
337	Labor and Workforce Development	\$ 188,987,200	\$ 231,205,700	\$ 219,241,900	\$ 42,218,500	\$ (11,963,800)
	Appropriation	36,258,400	50,058,000	45,571,300	13,799,600	(4,486,700)
	Federal	150,833,600	173,177,000	169,114,700	22,343,400	(4,062,300)
	Current Services and Other Revenue	1,895,200	7,970,700	4,555,900	6,075,500	(3,414,800)
339	Mental Health and Substance Abuse	\$ 295,213,300	\$ 315,649,700	\$ 314,328,800	\$ 20,436,400	\$ (1,320,900)
	Appropriation	189,605,100	205,992,300	205,042,800	16,387,200	(949,500)
	Federal	64,173,800	62,495,100	62,869,400	(1,678,700)	374,300
	Current Services and Other Revenue	41,434,400	47,162,300	46,416,600	5,727,900	(745,700)
341	Military	\$ 101,957,400	\$ 96,580,100	\$ 95,470,800	\$ (5,377,300)	\$ (1,109,300)
	Appropriation	14,995,500	16,680,100	15,682,800	1,684,600	(997,300)
	Federal	86,123,800	77,472,400	77,472,400	(8,651,400)	0
	Current Services and Other Revenue	838,100	2,427,600	2,315,600	1,589,500	(112,000)
343	Health	\$ 527,227,800	\$ 595,027,500	\$ 577,419,900	\$ 67,799,700	\$ (17,607,600)
	Appropriation	167,583,000	209,469,800	189,418,200	41,886,800	(20,051,600)
	Federal	228,444,100	244,954,800	235,635,400	16,510,700	(9,319,400)
	Current Services and Other Revenue	131,200,700	140,602,900	152,366,300	9,402,200	11,763,400
344	Intellectual and Developmental Disabilities	\$ 203,591,800	\$ 209,510,800	\$ 197,309,600	\$ 5,919,000	\$ (12,201,200)
	Appropriation	26,295,500	29,373,600	25,651,100	3,078,100	(3,722,500)
	Federal	1,402,800	1,691,700	1,642,700	288,900	(49,000)
	Current Services and Other Revenue	175,893,500	178,445,500	170,015,800	2,552,000	(8,429,700)

Comparison of Programs

Fiscal Years 2012-2013, 2013-2014, and 2014-2015

Allot. Code	Department	Actual 2012-2013	Estimated 2013-2014	Recommended 2014-2015	Act. vs. Est. Difference	Est. vs. Rec. Difference
345	Human Services	\$ 3,085,917,400	\$ 3,031,970,200	\$ 3,051,964,500	\$ (53,947,200)	\$ 19,994,300
	Appropriation	172,596,700	178,219,000	173,526,700	5,622,300	(4,692,300)
	Federal	2,783,887,400	2,717,094,100	2,767,821,800	(66,793,300)	50,727,700
	Current Services and Other Revenue	129,433,300	136,657,100	110,616,000	7,223,800	(26,041,100)
	Temporary Cash Assistance¹	\$ 109,944,300	\$ 120,810,400	\$ 114,293,200	\$ 10,866,100	\$ (6,517,200)
	Appropriation	12,875,000	19,968,900	13,968,900	7,093,900	(6,000,000)
	Federal	97,069,300	97,224,300	100,224,300	155,000	3,000,000
	Current Services and Other Revenue	0	3,617,200	100,000	3,617,200	(3,517,200)
	Supplemental Nutrition Assistance¹	\$ 2,112,832,500	\$ 2,043,156,300	\$ 2,113,156,300	\$ (69,676,200)	\$ 70,000,000
	Federal	2,112,832,500	2,043,156,300	2,113,156,300	(69,676,200)	70,000,000
	Other Human Services Programs¹	\$ 863,140,600	\$ 868,003,500	\$ 824,515,000	\$ 4,862,900	\$ (43,488,500)
	Appropriation	159,721,700	158,250,100	159,557,800	(1,471,600)	1,307,700
	Federal	573,985,600	576,713,500	554,441,200	2,727,900	(22,272,300)
	Current Services and Other Revenue	129,433,300	133,039,900	110,516,000	3,606,600	(22,523,900)
347	Revenue	\$ 100,410,900	\$ 113,494,000	\$ 111,157,700	\$ 13,083,100	\$ (2,336,300)
	Appropriation	70,901,700	85,073,500	82,723,200	14,171,800	(2,350,300)
	Federal	2,500	20,900	20,900	18,400	0
	Current Services and Other Revenue	29,506,700	28,399,600	28,413,600	(1,107,100)	14,000
348	Tennessee Bureau of Investigation	\$ 72,081,100	\$ 74,424,320	\$ 72,070,400	\$ 2,343,220	\$ (2,353,920)
	Appropriation	37,185,100	44,000,220	42,296,300	6,815,120	(1,703,920)
	Federal	13,390,600	15,040,500	15,040,500	1,649,900	0
	Current Services and Other Revenue	21,505,400	15,383,600	14,733,600	(6,121,800)	(650,000)
349	Safety	\$ 174,057,100	\$ 192,317,600	\$ 192,088,600	\$ 18,260,500	\$ (229,000)
	Appropriation	111,750,000	133,089,700	133,219,800	21,339,700	130,100
	Federal	9,541,400	8,847,300	8,711,900	(694,100)	(135,400)
	Current Services and Other Revenue	52,765,700	50,380,600	50,156,900	(2,385,100)	(223,700)
350	F&A, Strategic Health-Care Programs	\$ 284,946,300	\$ 300,131,000	\$ 272,324,200	\$ 15,184,700	\$ (27,806,800)
	Appropriation	94,438,800	96,151,900	68,061,400	1,713,100	(28,090,500)
	Federal	161,630,700	186,795,900	184,424,800	25,165,200	(2,371,100)
	Current Services and Other Revenue	28,876,800	17,183,200	19,838,000	(11,693,600)	2,654,800
351	Miscellaneous Appropriations	\$ 35,412,400	\$ 69,622,400	\$ 141,465,100	\$ 34,210,000	\$ 71,842,700
	Appropriation	34,570,100	69,622,400	141,465,100	35,052,300	71,842,700
	Federal	7,900	0	0	(7,900)	0
	Current Services and Other Revenue	834,400	0	0	(834,400)	0
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	\$ 276,700	\$ 400,000	\$ 400,000	\$ 123,300	\$ 0
	Appropriation	204,200	250,000	250,000	45,800	0
	Current Services and Other Revenue	72,500	150,000	150,000	77,500	0

Comparison of Programs Fiscal Years 2012-2013, 2013-2014, and 2014-2015

Allot. Code	Department	Actual 2012-2013	Estimated 2013-2014	Recommended 2014-2015	Act. vs. Est. Difference	Est. vs. Rec. Difference
359	Children's Services	\$ 677,634,500	\$ 660,373,800	\$ 694,997,200	\$ (17,260,700)	\$ 34,623,400
	Appropriation	289,024,500	312,028,700	313,739,600	23,004,200	1,710,900
	Federal	126,343,500	115,720,100	136,470,900	(10,623,400)	20,750,800
	Current Services and Other Revenue	262,266,500	232,625,000	244,786,700	(29,641,500)	12,161,700
	Grand Total - General Fund	\$ 27,430,872,200	\$ 29,320,806,920	\$ 29,033,673,900	\$ 1,889,934,720	\$ (287,133,020)
	Appropriation	11,458,126,200	12,693,419,120	12,772,324,200	1,235,292,920	78,905,080
	Federal	11,527,595,200	12,262,533,600	11,921,773,000	734,938,400	(340,760,600)
	Current Services and Other Revenue	2,878,520,200	2,744,272,500	2,718,995,000	(134,247,700)	(25,277,500)
	Tuition and Student Fees	1,566,630,600	1,620,581,700	1,620,581,700	53,951,100	0
400	Transportation	\$ 1,864,946,700	\$ 1,817,891,200	\$ 1,839,885,800	\$ (47,055,500)	\$ 21,994,600
	Appropriation	823,104,600 ²	733,800,000	743,100,000	(89,304,600)	9,300,000
	Federal	984,199,900	965,327,200	975,721,800	(18,872,700)	10,394,600
	Current Services and Other Revenue	57,642,200	37,764,000	37,564,000	(19,878,200)	(200,000)
	Bonds	0	81,000,000	83,500,000	81,000,000	2,500,000
	Debt Service Requirements	\$ 410,867,600	\$ 436,112,500	\$ 400,664,000	\$ 25,244,900	\$ (35,448,500)
	Appropriation	410,867,600	436,112,500	400,664,000	25,244,900	(35,448,500)
	Capital Outlay Program	\$ 515,999,000	\$ 449,255,000	\$ 248,745,200	\$ (66,744,000)	\$ (200,509,800)
	Appropriation	359,748,000 ²	164,895,000	122,800,000	(194,853,000)	(42,095,000)
	Federal	3,413,000	3,300,000	14,165,200	(113,000)	10,865,200
	Current Services and Other Revenue	152,838,000	96,060,000	27,680,000	(56,778,000)	(68,380,000)
	Bonds	0	185,000,000	84,100,000	185,000,000	(100,900,000)
	Facilities Revolving Fund	\$ 204,138,700	\$ 304,623,000	\$ 147,926,800	\$ 100,484,300	\$ (156,696,200)
	Appropriation	73,601,100	170,764,800 ³	13,064,800	97,163,700	(157,700,000)
	Current Services and Other Revenue	130,537,600	133,858,200	134,862,000	3,320,600	1,003,800
	Cities & Counties - State Shared Taxes	\$ 857,513,200	\$ 894,900,000	\$ 910,600,000	\$ 37,386,800	\$ 15,700,000
	Appropriation	857,513,200	894,900,000	910,600,000	37,386,800	15,700,000
	Total State Budget - All Programs	\$ 31,284,337,400	\$ 33,223,588,620	\$ 32,581,495,700	\$ 1,939,251,220	\$ (642,092,920)
	Appropriation	13,982,960,700	15,093,891,420	14,962,553,000	1,110,930,720	(131,338,420)
	Federal	12,515,208,100	13,231,160,800	12,911,660,000	715,952,700	(319,500,800)
	Current Services and Other Revenue	3,219,538,000	3,011,954,700	2,919,101,000	(207,583,300)	(92,853,700)
	Tuition and Student Fees	1,566,630,600	1,620,581,700	1,620,581,700	53,951,100	0
	Bonds	0	266,000,000	167,600,000	266,000,000	(98,400,000)

¹ Included in departmental total.

² Transportation and Capital Outlay Program - Actual 2012-2013 includes tax revenue and bonds.

³ Facilities Revolving Fund - Actual 2012-2013 includes departmental revenue and bonds.

Funding Summary All Programs

	Actual 2012-2013	Estimated 2013-2014	Recommended 2014-2015
GENERAL FUND AND EDUCATION FUND			
Expenditures			
Payroll	\$ 2,397,715,200	\$ 2,793,321,000	\$ 2,755,347,500
Operational	25,033,157,000	26,527,485,920	26,278,326,400
TOTAL	\$ 27,430,872,200	\$ 29,320,806,920	\$ 29,033,673,900
Funding			
State *	\$ 11,458,126,200	\$ 12,693,419,120	\$ 12,772,324,200
Federal	11,527,595,200	12,262,533,600	11,921,773,000
Other	2,878,520,200	2,744,272,500	2,718,995,000
Tuition and Fees	1,566,630,600	1,620,581,700	1,620,581,700
DEPARTMENT OF TRANSPORTATION			
Expenditures			
Payroll	\$ 212,142,000	\$ 269,138,500	\$ 279,733,000
Operational	1,652,804,700	1,548,752,700	1,560,152,800
TOTAL	\$ 1,864,946,700	\$ 1,817,891,200	\$ 1,839,885,800
Funding			
State	\$ 823,104,600	\$ 814,800,000	\$ 826,600,000
Federal	984,199,900	965,327,200	975,721,800
Other	57,642,200	37,764,000	37,564,000
GRAND TOTAL - ALL PROGRAMS			
Expenditures			
Payroll	\$ 2,609,857,200	\$ 3,062,459,500	\$ 3,035,080,500
Operational	26,685,961,700	28,076,238,620	27,838,479,200
TOTAL	\$ 29,295,818,900	\$ 31,138,698,120	\$ 30,873,559,700
Funding			
State *	\$ 12,281,230,800	\$ 13,508,219,120	\$ 13,598,924,200
Federal	12,511,795,100	13,227,860,800	12,897,494,800
Other	2,936,162,400	2,782,036,500	2,756,559,000
Tuition and Fees	1,566,630,600	1,620,581,700	1,620,581,700

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

\$ 336,967,200	\$ 334,500,000	\$ 352,200,000
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Departmental Comparison of Recurring Appropriations from State Revenues, 2013-2014 and Base Budget 2014-2015

Program	2013-2014	Base Budget 2014-2015	Increase/ (Decrease)	% Chg
301.00 Legislature	\$ 41,423,400	\$ 41,423,400	\$ -	0.0%
301.50 Fiscal Review Committee	1,475,000	1,475,000	-	0.0%
302.00 Court System	126,069,100	126,288,700	219,600	0.2%
303.00 Attorney General and Reporter	25,404,500	25,404,500	-	0.0%
304.00 District Attorneys General	75,958,200	75,958,200	-	0.0%
305.00 Secretary of State	28,463,000	28,463,000	-	0.0%
306.00 District Public Defenders	46,964,800	46,964,800	-	0.0%
307.00 Comptroller of the Treasury	85,037,900	85,037,900	-	0.0%
308.00 Post-Conviction Defender	2,252,700	2,252,700	-	0.0%
309.00 Treasury Department	1,832,900	1,832,900	-	0.0%
313.00 Claims and Compensation	11,170,000	11,850,000	680,000	6.1%
315.00 Executive Department	4,965,700	4,965,700	-	0.0%
316.00 Commissions	35,805,000	35,610,700	(194,300)	(0.5%)
317.00 Finance and Administration (F&A)	<u>\$ 19,143,500</u>	<u>\$ 20,416,800</u>	<u>\$ 1,273,300</u>	<u>6.7%</u>
Criminal Justice Programs	4,151,800	4,536,800	385,000	9.3%
Other F&A Programs	14,991,700	15,880,000	888,300	5.9%
318.00 F&A - TennCare	2,674,724,200	2,604,495,200	(70,229,000)	(2.6%)
319.00 Human Resources	-	-	-	0.0%
321.00 General Services	12,072,900	11,749,100	(323,800)	(2.7%)
323.00 Veterans Affairs	5,675,700	5,391,700	(284,000)	(5.0%)
324.00 Board of Parole	7,506,900	7,416,400	(90,500)	(1.2%)
325.00 Agriculture	68,816,800	67,204,100	(1,612,700)	(2.3%)
326.00 Tourist Development	11,418,200	10,847,200	(571,000)	(5.0%)
327.00 Environment and Conservation	185,144,500	182,616,900	(2,527,600)	(1.4%)
328.00 Wildlife Resources Agency	56,774,100	56,763,900	(10,200)	(0.0%)
329.00 Correction	921,312,900	903,623,500	(17,689,400)	(1.9%)
330.00 Economic and Community Development	66,246,100	54,089,100	(12,157,000)	(18.4%)
331.00 Education (K-12)	<u>\$ 4,295,980,600</u>	<u>\$ 4,285,634,600</u>	<u>\$ (10,346,000)</u>	<u>(0.2%)</u>
Lottery-Funded Programs	13,100,000	13,100,000	-	0.0%
Other K-12 Education Programs	4,282,880,600	4,272,534,600	(10,346,000)	(0.2%)
332.00 Higher Education	<u>\$ 1,527,786,500</u>	<u>\$ 1,537,333,400</u>	<u>\$ 9,546,900</u>	<u>0.6%</u>
Lottery-Funded Programs	321,400,000	331,600,000	10,200,000	3.2%
Other Higher Education Programs	1,206,386,500	1,205,733,400	(653,100)	(0.1%)

**Departmental Comparison of Recurring Appropriations from State Revenues,
2013-2014 and Base Budget 2014-2015**

Program	2013-2014	Base Budget 2014-2015	Increase/ (Decrease)	% Chg
335.00 Commerce and Insurance	106,216,900	105,877,300	(339,600)	(0.3%)
336.00 Financial Institutions	19,006,800	19,006,800	-	0.0%
337.00 Labor and Workforce Development	46,803,100	45,474,300	(1,328,800)	(2.8%)
339.00 Mental Health	202,973,300	202,817,800	(155,500)	(0.1%)
341.00 Military	16,431,600	15,682,800	(748,800)	(4.6%)
343.00 Health	184,024,000	180,748,600	(3,275,400)	(1.8%)
344.00 Intellectual and Developmental Disabilities	29,146,300	25,119,300	(4,027,000)	(13.8%)
345.00 Human Services	<u>\$ 176,167,100</u>	<u>\$ 171,918,600</u>	<u>\$ (4,248,500)</u>	<u>(2.4%)</u>
Temporary Cash Assistance	19,968,900	13,968,900	(6,000,000)	(30.1%)
Other Human Services Programs	156,198,200	157,949,700	1,751,500	1.1%
347.00 Revenue	84,376,400	82,634,200	(1,742,200)	(2.1%)
348.00 Tennessee Bureau of Investigation	42,296,300	42,296,300	-	0.0%
349.00 Safety	132,205,500	128,805,500	(3,400,000)	(2.6%)
350.00 F&A - Strategic Health-Care Programs	96,151,900	85,317,700	(10,834,200)	(11.3%)
351.00 Miscellaneous Appropriations	62,141,300	61,293,300	(848,000)	(1.4%)
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	311,106,400	307,295,100	(3,811,300)	(1.2%)
Total General Fund	<u><u>\$ 11,849,541,300</u></u>	<u><u>\$ 11,710,466,300</u></u>	<u><u>\$ (139,075,000)</u></u>	<u><u>(1.2%)</u></u>

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2013-2014 and 2014-2015**

Program	2013-2014 Appropriation		2014-2015 Base Recommended			2014-2015 Cost Increases		2014-2015 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 41,423,400	\$ -	\$ 41,423,400	0.0%	\$ -	\$ -	\$ -	\$ 41,423,400	0.0%	\$ -	\$ 41,423,400	0.0%
Fiscal Review Committee	1,475,000	-	1,475,000	0.0%	-	-	-	1,475,000	0.0%	-	1,475,000	0.0%
Court System	126,069,100	90,000	126,288,700	0.2%	-	1,063,300	-	127,352,000	1.0%	-	127,352,000	1.0%
Attorney General and Reporter	25,404,500	20,500	25,404,500	0.0%	-	3,900	-	25,408,400	0.0%	-	25,408,400	(0.1%)
District Attorneys General	75,958,200	50,000	75,958,200	0.0%	-	2,084,800	-	78,043,000	2.7%	-	78,043,000	2.7%
Secretary of State	28,463,000	-	28,463,000	0.0%	-	-	-	28,463,000	0.0%	-	28,463,000	0.0%
District Public Defenders	46,964,800	-	46,964,800	0.0%	-	1,305,000	-	48,269,800	2.8%	-	48,269,800	2.8%
Comptroller of the Treasury	85,037,900	3,264,800	85,037,900	0.0%	-	-	75,000	85,037,900	0.0%	75,000	85,112,900	(3.6%)
Post-Conviction Defender	2,252,700	-	2,252,700	0.0%	-	36,800	-	2,289,500	1.6%	-	2,289,500	1.6%
Treasury Department	1,832,900	1,000,000	1,832,900	0.0%	-	504,400	500,000	2,337,300	27.5%	500,000	2,837,300	0.2%
Claims and Compensation	11,170,000	5,250,000	11,850,000	6.1%	-	-	-	11,850,000	6.1%	-	11,850,000	(27.8%)
Executive Department	4,965,700	-	4,965,700	0.0%	-	3,700	-	4,969,400	0.1%	-	4,969,400	0.1%
Commissions	35,805,000	116,300	35,610,700	(0.5%)	-	73,500	26,500	35,684,200	(0.3%)	26,500	35,710,700	(0.6%)
Finance and Administration (F&A)	\$ 19,143,500	\$ 11,492,400	\$ 20,416,800	6.7%	\$ 435,000	\$ -	\$ -	\$ 20,416,800	6.7%	\$ 435,000	\$ 20,851,800	(31.9%)
Criminal Justice Programs	4,151,800	82,400	4,536,800	9.3%	-	-	-	4,536,800	9.3%	-	4,536,800	7.2%
Other F&A Programs	14,991,700	11,410,000	15,880,000	5.9%	435,000	-	-	15,880,000	5.9%	435,000	16,315,000	(38.2%)
F&A - TennCare	2,674,724,200	538,801,000	2,604,495,200	(2.6%)	532,100,000	180,685,900	1,628,400	2,785,181,100	4.1%	533,728,400	3,318,909,500	3.3%
Human Resources	-	-	-	0.0%	-	-	-	-	0.0%	-	-	0.0%
General Services	12,072,900	(1,800)	11,749,100	(2.7%)	-	-	-	11,749,100	(2.7%)	-	11,749,100	(2.7%)
Veterans Affairs	5,675,700	50,000	5,391,700	(5.0%)	-	-	-	5,391,700	(5.0%)	-	5,391,700	(5.8%)
Board of Parole	7,506,900	20,000	7,416,400	(1.2%)	-	-	-	7,416,400	(1.2%)	-	7,416,400	(1.5%)
Agriculture	68,816,800	(8,300)	67,204,100	(2.3%)	-	366,800	(183,400)	67,570,900	(1.8%)	(183,400)	67,387,500	(2.1%)
Tourist Development	11,418,200	8,100,000	10,847,200	(5.0%)	-	-	6,000,000	10,847,200	(5.0%)	6,000,000	16,847,200	(13.7%)
Environment and Conservation	185,144,500	3,063,900	182,616,900	(1.4%)	-	3,025,000	150,000	185,641,900	0.3%	150,000	185,791,900	(1.3%)
Wildlife Resources Agency	56,774,100	8,074,200	56,763,900	(0.0%)	-	743,800	-	57,507,700	1.3%	-	57,507,700	(11.3%)
Correction	921,312,900	7,645,400	903,623,500	(1.9%)	-	3,929,200	2,425,600	907,552,700	(1.5%)	2,425,600	909,978,300	(2.0%)
Economic and Community Development	66,246,100	104,937,600	54,089,100	(18.4%)	10,644,500	-	50,000,000	54,089,100	(18.4%)	60,644,500	114,733,600	(33.0%)

Departmental Comparison of Appropriations from State Revenues, Recurring and Non-Recurring, for Fiscal Years 2013-2014 and 2014-2015

Program	2013-2014 Appropriation		2014-2015 Base Recommended			2014-2015 Cost Increases		2014-2015 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 4,295,980,600	\$ 63,059,500	\$ 4,285,634,600	(0.2%)	\$ -	\$ 119,480,300	\$ 10,406,200	\$ 4,405,114,900	2.5%	\$ 10,406,200	\$ 4,415,521,100	1.3%
Lottery-Funded Programs	13,100,000	-	13,100,000	0.0%	-	-	-	13,100,000	0.0%	-	13,100,000	0.0%
Other K-12 Education Programs	4,282,880,600	63,059,500	4,272,534,600	(0.2%)	-	119,480,300	10,406,200	4,392,014,900	2.6%	10,406,200	4,402,421,100	1.3%
Higher Education	\$ 1,527,786,500	\$ 42,823,000	\$ 1,537,333,400	0.6%	\$ -	\$ 32,804,200	\$ 11,531,000	\$ 1,570,137,600	2.8%	\$ 11,531,000	\$ 1,581,668,600	0.7%
Lottery-Funded Programs	321,400,000	-	331,600,000	3.2%	-	7,500,000	-	339,100,000	5.5%	-	339,100,000	5.5%
Other Higher Education Programs	1,206,386,500	42,823,000	1,205,733,400	(0.1%)	-	25,304,200	11,531,000	1,231,037,600	2.0%	11,531,000	1,242,568,600	(0.5%)
Commerce and Insurance	106,216,900	5,600	105,877,300	(0.3%)	-	3,009,500	4,200	108,886,800	2.5%	4,200	108,891,000	2.5%
Financial Institutions	19,006,800	87,700	19,006,800	0.0%	-	-	-	19,006,800	0.0%	-	19,006,800	(0.5%)
Labor and Workforce Development	46,803,100	3,254,900	45,474,300	(2.8%)	-	97,000	-	45,571,300	(2.6%)	-	45,571,300	(9.0%)
Mental Health	202,973,300	3,019,000	202,817,800	(0.1%)	-	1,700,000	525,000	204,517,800	0.8%	525,000	205,042,800	(0.5%)
Military	16,431,600	248,500	15,682,800	(4.6%)	-	-	-	15,682,800	(4.6%)	-	15,682,800	(6.0%)
Health	184,024,000	25,445,800	180,748,600	(1.8%)	-	50,000	8,619,600	180,798,600	(1.8%)	8,619,600	189,418,200	(9.6%)
Intellectual and Developmental Disabilities	29,146,300	227,300	25,119,300	(13.8%)	-	288,100	243,700	25,407,400	(12.8%)	243,700	25,651,100	(12.7%)
Human Services	\$ 176,167,100	\$ 2,051,900	\$ 171,918,600	(2.4%)	\$ -	\$ 1,608,100	\$ -	\$ 173,526,700	(1.5%)	\$ -	\$ 173,526,700	(2.6%)
Temporary Cash Assistance	19,968,900	-	13,968,900	(30.1%)	-	-	-	13,968,900	(30.1%)	-	13,968,900	(30.1%)
Other Human Services Programs	156,198,200	2,051,900	157,949,700	1.1%	-	1,608,100	-	159,557,800	2.2%	-	159,557,800	0.8%
Revenue	84,376,400	697,100	82,634,200	(2.1%)	-	71,000	18,000	82,705,200	(2.0%)	18,000	82,723,200	(2.8%)
Tennessee Bureau of Investigation	42,296,300	1,703,920	42,296,300	0.0%	-	-	-	42,296,300	0.0%	-	42,296,300	(3.9%)
Safety	132,205,500	884,200	128,805,500	(2.6%)	-	4,414,300	-	133,219,800	0.8%	-	133,219,800	0.1%
F&A - Strategic Health-Care Programs	96,151,900	-	85,317,700	(11.3%)	(17,256,300)	-	-	85,317,700	(11.3%)	(17,256,300)	68,061,400	(29.2%)
Miscellaneous Appropriations	62,141,300	7,481,100	61,293,300	(1.4%)	(435,000)	50,440,500	30,166,300	111,733,800	79.8%	29,731,300	141,465,100	103.2%
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	311,106,400	922,300	307,295,100	(1.2%)	-	6,305,400	139,100	313,600,500	0.8%	139,100	313,739,600	0.6%
Total General Fund	\$ 11,849,541,300	\$ 843,877,820	\$11,710,466,300	(1.2%)	\$ 525,488,200	\$ 414,094,500	\$ 122,275,200	\$12,124,560,800	2.3%	\$ 647,763,400	\$ 12,772,324,200	0.6%

Available Funds Fiscal Year 2013-2014

I. Unappropriated Budget Surplus @ 6-30-13	\$ 119,764,300
II. Revenue Adjustments and Other Available Funds:	
a. Debt Service Fund Transfer @ 6-30-14	\$ 82,000,000
b. Other State Revenue	36,200,000
c. Other Available Funds - 2013-2014 Work Program	2,098,000
Sub-Total Revenue Adjustments and Other Available Funds	\$ 120,298,000
III. Total Budget Surplus and Adjustments	\$ 240,062,300
IV. Reserve Adjustments for Closing:	
a. Cover Rx	\$ 10,700,000
b. Cover TN	16,000,000
c. CoverKids	15,000,000
d. Tobacco Master Settlement Agreement - Reserve for Revenue Estimate	5,300,000
e. Tobacco Master Settlement Agreement - Reserve for Future Appropriations	6,700,000
f. Strategic Health-Care Programs - eHealth Information Technology	3,275,000
g. Health - Access Incentive Fund *	6,000,000
h. Human Services - Vocational Rehabilitation Operating Reserve	9,838,200
i. Human Services - TCSES and ACCENT Systems Projects	27,722,000
j. Miscellaneous - 2009 Voluntary Buyout - Tuition Costs	238,500
k. TennCare Reserve (Unobligated)	25,000,000
l. TACIR - Operational Reserve *	3,400,000
m. TBI - Handgun Permit Fee Reserve *	4,500,000
n. Safety - Handgun Permit Fee Reserve *	6,750,000
Total Reserve Adjustments for Closing	\$ 140,423,700
V. Overappropriation Adjustment	\$ 25,000,000
VI. Total Revenue, Reserves, and Adjustments	\$ 405,486,000
VII. Appropriation and Transfer Requirements:	
a. Less: 2013-2014 Supplemental Appropriations	\$ (23,193,800)
b. Less: 2013-2014 Closing Requirement	(126,100,000)
Sub-Total Appropriation and Transfer Requirements	\$ (149,293,800)
VIII. Total Available Funds at June 30, 2014 (VI +VII)	\$ 256,192,200

* Requires legislation.

**Supplemental Appropriations
General and Education Funds
Fiscal Year 2013-2014**

		<u>2013-2014</u>	<u>Recurring 2014-2015</u>
	Comptroller of the Treasury		
307.10	Tax Relief - Property Tax Relief	\$ 3,000,000	\$ -
	State Museum		
316.27	Museum Planning Study - Museum Foundation Reimbursement	50,000	-
	Environment and Conservation		
327.12	State Parks - Operating Costs and Revenue Undercollection	2,500,000	2,500,000
	Economic and Community Development		
330.06	Fast Track Infrastructure and Job Training Assistance	\$ 15,000,000	\$ -
330.20	Headquarters Relocation Assistance - Restore Carryforward	348,000	-
	Sub-Total Economic and Community Development	<u>\$ 15,348,000</u>	<u>\$ -</u>
351.00	Miscellaneous Appropriations:		
	Retirees Health Insurance (Medicare Supplement)	\$ 800,000	\$ 1,300,000
	Retired Teachers Health Insurance	600,000	2,700,000
	Sub-Total Miscellaneous Appropriations	<u>\$ 1,400,000</u>	<u>\$ 4,000,000</u>
	Children's Services		
	Internet Protocol Telephony - Telephone Rewiring:		
359.60	John S. Wilder Youth Development Center	\$ 325,600	\$ -
359.62	Woodland Hills Youth Development Center	353,200	-
359.63	Mountain View Youth Development Center	217,000	-
	Sub-Total Children's Services	<u>\$ 895,800</u>	<u>\$ -</u>
	Total General Fund	<u>\$ 23,193,800</u>	<u>\$ 6,500,000</u>

**Combining Statement of Preliminary Base Budget Adjustments
and Base Budget Reductions
General Fund State Appropriations
Fiscal Year 2014-2015
Increase / (Decrease)**

Program	Preliminary Base Adjustments Recurring	Base Reduction		Total	
		Recurring	Non-Recurring	Reduction	Recurring
301.00	Legislature	\$ -	\$ -	\$ -	\$ -
301.50	Fiscal Review Committee	-	-	-	-
302.00	Court System	-	(133,400)	(133,400)	(133,400)
303.00	Attorney General and Reporter	-	-	-	-
304.00	District Attorneys General	-	-	-	-
305.00	Secretary of State	-	-	-	-
306.00	District Public Defenders	-	-	-	-
307.00	Comptroller of the Treasury	-	-	-	-
308.00	Post-Conviction Defender	-	-	-	-
309.00	Treasury Department	-	-	-	-
Sub-Total Non-Executive		\$ -	\$ (133,400)	\$ (133,400)	\$ (133,400)
315.00	Executive Department	\$ -	\$ -	\$ -	\$ -
316.01	Children and Youth Commission	1,500	-	1,500	1,500
316.02	Aging and Disability Commission	-	-	-	-
316.03	Alcoholic Beverage Commission	-	(83,800)	(83,800)	(83,800)
316.04	Human Rights Commission	-	(30,000)	(30,000)	(30,000)
316.07	Health Services and Development Agency	-	(26,900)	(26,900)	(26,900)
316.11	Tennessee Regulatory Authority	-	-	-	-
316.12	TACIR	-	(10,500)	(10,500)	(10,500)
316.25	Arts Commission	-	(89,100)	(89,100)	(89,100)
316.27	State Museum	-	(44,600)	(44,600)	(44,600)
317.00	Finance and Administration	418,300	(245,000)	173,300	173,300
318.00	a. TennCare Programs	\$ -	\$ (66,893,200)	\$ (66,893,200)	\$ (66,893,200)
	b. TennCare Waiver Payments	-	-	-	-
	c. TennCare for Children's Services	-	(148,600)	(148,600)	(148,600)
	d. TennCare for Intellectual Disabilities	376,400	(3,417,100)	(3,040,700)	(3,040,700)
	e. TennCare for Human Services	-	(146,500)	(146,500)	(146,500)
	f. TennCare for Commerce and Insurance	-	-	-	-
	g. TennCare for F&A Inspector General	-	-	-	-
Sub-total TennCare Programs		\$ 376,400	\$ (70,605,400)	\$ (70,229,000)	\$ (70,229,000)
319.00	Human Resources	-	-	-	-
321.00	General Services	-	(323,800)	(323,800)	(323,800)
323.00	Veterans Affairs	-	(284,000)	(284,000)	(284,000)
324.00	Board of Parole	-	(133,500)	(133,500)	(133,500)
325.00	Agriculture	-	(1,845,500)	(1,845,500)	(1,845,500)
326.00	Tourist Development	-	(571,000)	(571,000)	(571,000)
327.00	Environment and Conservation	-	(1,711,700)	(1,711,700)	(1,711,700)
328.00	Tennessee Wildlife Resources Agency	-	-	-	-
329.00	Correction	(1,826,300)	(15,820,100)	(17,646,400)	(17,646,400)
330.00	Economic and Community Development	(10,644,500)	(1,512,500)	(12,157,000)	(12,157,000)
331.00	Education (K-12)	(2,846,000)	(7,500,000)	(10,346,000)	(10,346,000)
332.00	Higher Ed. State-Administered Programs	\$ -	\$ (653,100)	\$ (653,100)	\$ (653,100)
332.10	University of Tennessee System	-	-	-	-
332.60	State Univ. and Comm. College System	-	-	-	-
Sub-Total Higher Education		\$ -	\$ (653,100)	\$ (653,100)	\$ (653,100)
335.00	Commerce and Insurance	(400)	(256,000)	(256,400)	(256,400)
336.00	Financial Institutions	-	-	-	-
337.00	Labor and Workforce Development	-	(1,328,800)	(1,328,800)	(1,328,800)
339.00	Mental Health	-	(155,500)	(155,500)	(155,500)
341.00	Military	-	(748,800)	(748,800)	(748,800)
343.00	Health	-	(3,275,400)	(3,275,400)	(3,275,400)
344.00	Intellectual and Developmental Disabilities	(3,077,300)	(949,700)	(4,027,000)	(4,027,000)
345.00	Human Services	-	(4,248,500)	(4,248,500)	(4,248,500)
347.00	Revenue	-	(1,742,200)	(1,742,200)	(1,742,200)
348.00	Tennessee Bureau of Investigation	-	(1,596,500)	(1,596,500)	(1,596,500)
349.00	Safety	-	(3,400,000)	(3,400,000)	(3,400,000)
350.00	Strategic Health-Care Programs	(1,250,000)	(9,584,200)	(10,834,200)	(10,834,200)
351.00	Miscellaneous Appropriations	-	(148,000)	(148,000)	(148,000)
359.00	Children's Services	-	(3,811,300)	(3,811,300)	(3,811,300)
Sub-Total Executive		\$ (18,848,300)	\$ (132,735,400)	\$ (151,583,700)	\$ (151,583,700)
Total - Budget File		\$ (18,848,300)	\$ (132,868,800)	\$ (151,717,100)	\$ (151,717,100)
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)	\$ -
Grand Total		\$ (18,848,300)	\$ (132,868,800)	\$ (151,717,100)	\$ (151,717,100)

**Preliminary Base Budget Adjustments
Fiscal Year 2014-2015
(Savings) / Cost**

	General Fund		Dedicated Funds	Total
	Recurring	Non-Recurring		
Commission on Children and Youth				
316.01 Commission on Children and Youth - Recognize Omitted Amendment	\$ 1,500	\$ -	\$ -	\$ 1,500
Claims and Compensation				
313.00 Recognize Federal Revenue Decrease - Agency Request	-	-	680,000	680,000
Finance and Administration				
317.00 Victim Notification System - 2012 Fee Adjustment	\$ -	\$ -	\$ 400,000	\$ 400,000
317.01 Governor's Management Fellowship (5 FT)	418,300	-	-	418,300
Sub-Total Finance and Administration	\$ 418,300	\$ -	\$ 400,000	\$ 818,300
TennCare				
318.00 Hospital Coverage Assessment	\$ -	\$ 449,800,000	\$ -	\$ 449,800,000
318.66 Nursing Home Bed Tax	-	82,300,000	-	82,300,000
318.71 Intellectual and Developmental Disabilities - West TN Regional Office	(13,600)	-	-	(13,600)
318.71 Intellectual and Developmental Disabilities - Assistive Technology Clinic	390,000	-	-	390,000
Sub-Total TennCare	\$ 376,400	\$ 532,100,000	\$ -	\$ 532,476,400
Environment and Conservation				
327.43 Environmental Protection Fund - Revenue Decrease	-	-	(815,900)	(815,900)
Correction				
329.17 Charles Bass Correctional Complex - Reduction Offsetting Cost Increase	(1,826,300)	-	-	(1,826,300)
Economic and Community Development				
330.06 Fast Track Infrastructure and Job Training Assistance	(10,644,500)	10,644,500	-	-
Education				
331.25 BEP - Annualize 1-1-14 Group Health Insurance Rate	(2,846,000)	-	-	(2,846,000)
Higher Education				
332.19 Lottery for Education Account - Recognize Increase in Lottery Scholarships	-	-	1,900,000	1,900,000
Commerce and Insurance				
335.00 Lock Box Services - Reduction Offsetting Cost Increase	(400)	-	(100,400)	(100,800)
Intellectual and Developmental Disabilities				
Reductions Offsetting Cost Increases:				
344.02 Community Intellectual Disabilities Services - State Funded Services	\$ (1,957,700)	\$ -	\$ -	\$ (1,957,700)
344.20 West Tennessee Regional Office (-1 FT)	(3,100)	-	-	(3,100)
344.30 West TN Resource Center - Assistive Tech. Clinic, See also TennCare	(666,500)	-	-	(666,500)
344.31 Middle TN Resource Center - Assistive Tech. Clinic, See also TennCare	(450,000)	-	-	(450,000)
Sub-Total Intellectual and Developmental Disabilities	\$ (3,077,300)	\$ -	\$ -	\$ (3,077,300)
Strategic Health-Care Programs				
350.30 Eligibility Call Center - Reduction Offsetting Cost Increase	(1,250,000)	-	-	(1,250,000)
Total - Budget File	\$ (18,848,300)	\$ 542,744,500	\$ 2,063,700	\$ 525,959,900

**Departmental Comparison of 2013-2014 Recurring Appropriations, 2014-2015 Discretionary Base,
and 2014-2015 Base Budget Reductions (State Appropriation)**

Program	2013-2014 Recurring Appropriation	2014-2015								
		General Fund				Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2013-14	Pct. Of 2014-15
		Discretionary Base	Recurring Reduction	Pct. Of 2013-14	Pct. Of 2014-15					
301.00 Legislature	\$ 41,423,400	\$ 32,356,500	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
301.50 Fiscal Review Committee	1,475,000	1,475,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%
302.00 Court System	126,069,100	31,048,600	(133,400)	(0.1%)	(0.4%)	-	-	(133,400)	(0.1%)	(0.4%)
303.00 Attorney General and Reporter	25,404,500	22,149,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%
304.00 District Attorneys General	75,958,200	69,678,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%
305.00 Secretary of State	28,463,000	28,463,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%
306.00 District Public Defenders	46,964,800	41,234,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%
307.00 Comptroller of the Treasury	85,037,900	48,767,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%
308.00 Post-Conviction Defender	2,252,700	-	-	0.0%	-	-	-	-	0.0%	-
309.00 Treasury Department	1,832,900	1,369,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%
313.00 Claims and Compensation	11,170,000	-	-	0.0%	-	-	-	-	0.0%	-
Sub-Total Non-Executive	\$ 446,051,500	\$ 276,542,400	\$ (133,400)	(0.0%)	(0.0%)	\$ -	\$ -	\$ (133,400)	(0.0%)	(0.0%)
315.00 Executive Department	\$ 4,965,700	\$ 4,965,700	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
316.01 Children and Youth	2,418,600	2,420,100	-	0.0%	0.0%	-	-	-	0.0%	0.0%
316.02 Aging and Disability	13,714,600	13,714,600	-	0.0%	0.0%	-	-	-	0.0%	0.0%
316.03 Alcoholic Beverage Commission	83,800	83,800	(83,800)	(100.0%)	(100.0%)	-	-	(83,800)	(100.0%)	(100.0%)
316.04 Human Rights Commission	1,737,400	1,737,400	(30,000)	(1.7%)	(1.7%)	-	-	(30,000)	(1.7%)	(1.7%)
316.07 Health Services and Development Agency	1,130,100	1,130,100	(26,900)	(2.4%)	(2.4%)	-	-	(26,900)	(2.4%)	(2.4%)
316.11 Tennessee Regulatory Authority	6,271,900	-	-	0.0%	-	-	-	-	0.0%	-
316.12 TACIR	212,200	212,200	(10,500)	(4.9%)	(4.9%)	-	-	(10,500)	(4.9%)	(4.9%)
316.25 Arts Commission	6,468,700	1,781,500	(89,100)	(1.4%)	(5.0%)	-	89,100	-	0.0%	0.0%
316.27 State Museum	3,767,700	3,767,700	(44,600)	(1.2%)	(1.2%)	-	-	(44,600)	(1.2%)	(1.2%)
317.00 Finance and Administration	19,143,500	18,194,000	(245,000)	(1.3%)	(1.3%)	-	-	(245,000)	(1.3%)	(1.3%)
318.00 TennCare Programs	\$ 2,273,653,800	\$ 2,273,653,800	\$ (66,893,200)	(2.9%)	(2.9%)	\$ -	\$ -	\$ (66,893,200)	(2.9%)	(2.9%)
TennCare Waiver Payments	227,392,700	227,392,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%
TennCare for Children's Services	75,377,900	75,377,900	(148,600)	(0.2%)	(0.2%)	-	-	(148,600)	(0.2%)	(0.2%)
TennCare for Intellectual Disabilities	54,691,900	55,068,300	(3,417,100)	(6.2%)	(6.2%)	-	-	(3,417,100)	(6.2%)	(6.2%)
TennCare for Human Services	40,133,700	40,133,700	(146,500)	(0.4%)	(0.4%)	-	-	(146,500)	(0.4%)	(0.4%)
TennCare for Commerce and Insurance	1,236,500	1,236,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%
TennCare for Office of Inspector General	2,237,700	2,237,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%
Sub-total TennCare Programs	\$ 2,674,724,200	\$ 2,675,100,600	\$ (70,605,400)	(2.6%)	(2.6%)	\$ -	\$ -	\$ (70,605,400)	(2.6%)	(2.6%)
319.00 Human Resources	-	-	-	-	-	-	-	-	-	-
321.00 General Services	12,072,900	9,580,300	(323,800)	(2.7%)	(3.4%)	-	-	(323,800)	(2.7%)	(3.4%)
323.00 Veterans Affairs	5,675,700	5,675,700	(284,000)	(5.0%)	(5.0%)	-	-	(284,000)	(5.0%)	(5.0%)
324.00 Board of Parole	7,506,900	7,549,900	(133,500)	(1.8%)	(1.8%)	-	-	(133,500)	(1.8%)	(1.8%)
325.00 Agriculture	68,816,800	36,913,300	(1,845,500)	(2.7%)	(5.0%)	-	232,800	(1,612,700)	(2.3%)	(4.4%)
326.00 Tourist Development	11,418,200	11,418,200	(571,000)	(5.0%)	(5.0%)	-	-	(571,000)	(5.0%)	(5.0%)

**Departmental Comparison of 2013-2014 Recurring Appropriations, 2014-2015 Discretionary Base,
and 2014-2015 Base Budget Reductions (State Appropriation)**

Program	2013-2014 Recurring Appropriation	2014-2015								
		General Fund				Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2013-14	Pct. Of 2014-15
		Discretionary Base	Recurring Reduction	Pct. Of 2013-14	Pct. Of 2014-15					
327.00 Environment and Conservation	185,144,500	84,720,700	(1,711,700)	(0.9%)	(2.0%)	-	-	(1,711,700)	(0.9%)	(2.0%)
328.00 Wildlife Resources Agency	56,774,100	-	-	0.0%	-	-	(10,200)	(10,200)	(0.0%)	-
329.00 Correction	921,312,900	342,426,200	(15,820,100)	(1.7%)	(4.6%)	-	-	(15,820,100)	(1.7%)	(4.6%)
330.00 Economic and Community Development	66,246,100	19,601,600	(1,512,500)	(2.3%)	(7.7%)	-	-	(1,512,500)	(2.3%)	(7.7%)
331.00 Education (K-12)	4,295,980,600	131,995,700	(7,500,000)	(0.2%)	(5.7%)	-	-	(7,500,000)	(0.2%)	(5.7%)
332.00 Higher Education State-Admin. Programs	\$ 410,431,300	\$ 28,386,200	\$ (653,100)	(0.2%)	(2.3%)	\$ -	\$ -	\$ (653,100)	(0.2%)	(2.3%)
332.10 University of Tennessee System	471,103,800	476,794,800	-	0.0%	0.0%	-	-	-	0.0%	0.0%
332.60 State Univ. and Comm. College System	646,251,400	640,560,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%
Sub-Total Higher Education	<u>\$ 1,527,786,500</u>	<u>\$ 1,145,741,400</u>	<u>\$ (653,100)</u>	<u>(0.0%)</u>	<u>(0.1%)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (653,100)</u>	<u>(0.0%)</u>	<u>(0.1%)</u>
335.00 Commerce and Insurance	106,216,900	7,962,300	(256,000)	(0.2%)	(3.2%)	-	17,200	(238,800)	(0.2%)	(3.0%)
336.00 Financial Institutions	19,006,800	-	-	0.0%	-	-	-	-	0.0%	-
337.00 Labor and Workforce Development	46,803,100	25,081,800	(1,328,800)	(2.8%)	(5.3%)	-	-	(1,328,800)	(2.8%)	(5.3%)
339.00 Mental Health and Substance Abuse Svcs.	202,973,300	195,922,800	(155,500)	(0.1%)	(0.1%)	-	-	(155,500)	(0.1%)	(0.1%)
341.00 Military	16,431,600	12,431,600	(748,800)	(4.6%)	(6.0%)	-	-	(748,800)	(4.6%)	(6.0%)
343.00 Health	184,024,000	143,368,800	(3,275,400)	(1.8%)	(2.3%)	-	-	(3,275,400)	(1.8%)	(2.3%)
344.00 Intellectual and Developmental Disabilities	29,146,300	26,069,000	(949,700)	(3.3%)	(3.6%)	-	-	(949,700)	(3.3%)	(3.6%)
345.00 Human Services	176,167,100	84,973,100	(4,248,500)	(2.4%)	(5.0%)	-	-	(4,248,500)	(2.4%)	(5.0%)
347.00 Revenue	84,376,400	70,902,300	(1,742,200)	(2.1%)	(2.5%)	-	-	(1,742,200)	(2.1%)	(2.5%)
348.00 Tennessee Bureau of Investigation	42,296,300	31,927,200	(1,596,500)	(3.8%)	(5.0%)	-	1,596,500	-	0.0%	0.0%
349.00 Safety	132,205,500	131,405,400	(3,400,000)	(2.6%)	(2.6%)	-	-	(3,400,000)	(2.6%)	(2.6%)
350.00 Strategic Health-Care Programs	96,151,900	26,638,400	(9,584,200)	(10.0%)	(36.0%)	(17,256,300)	-	(26,840,500)	(27.9%)	(100.8%)
351.00 Miscellaneous Appropriations	62,141,300	-	(148,000)	(0.2%)	-	-	-	(148,000)	(0.2%)	-
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	311,106,400	28,090,000	(3,811,300)	(1.2%)	(13.6%)	-	-	(3,811,300)	(1.2%)	(13.6%)
Sub-Total Executive	<u>\$ 11,403,489,800</u>	<u>\$ 5,303,503,400</u>	<u>\$ (132,735,400)</u>	<u>(1.2%)</u>	<u>(2.5%)</u>	<u>\$ (17,256,300)</u>	<u>\$ 1,925,400</u>	<u>\$ (148,066,300)</u>	<u>(1.3%)</u>	<u>(2.8%)</u>
Total	<u>\$ 11,849,541,300</u>	<u>\$ 5,580,045,800</u>	<u>\$ (132,868,800)</u>	<u>(1.1%)</u>	<u>(2.4%)</u>	<u>\$ (17,256,300)</u>	<u>\$ 1,925,400</u>	<u>\$ (148,199,700)</u>	<u>(1.3%)</u>	<u>(2.7%)</u>
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						<u>\$ (1,807,800)</u>		<u>\$ (1,807,800)</u>		
Total Reductions	<u>\$ 11,849,541,300</u>	<u>\$ 5,580,045,800</u>	<u>\$ (132,868,800)</u>	<u>(1.1%)</u>	<u>(2.4%)</u>	<u>\$ (19,064,100)</u>	<u>\$ 1,925,400</u>	<u>\$ (150,007,500)</u>	<u>(1.3%)</u>	<u>(2.7%)</u>

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**Overappropriation Summary
2013-2014 and 2014-2015**

Increase / (Decrease)

	2013-2014	2014-2015		
		Total	Recurring	Non-Recurring
Budgeted Overappropriation:	\$ 68,000,000	\$ 68,000,000	\$ 68,000,000	\$ -
Plus / (Less): Adjustments				
Secretary of State	\$ -	\$ -	\$ -	\$ -
Comptroller of the Treasury	-	-	-	-
Other Agencies	25,000,000	17,000,000	17,000,000	-
Sub-Total Adjustments	\$ 25,000,000	\$ 17,000,000	\$ 17,000,000	\$ -
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	\$ 93,000,000	\$ 86,807,800	\$ 85,000,000	\$ 1,807,800

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
2012-2013, 2013-2014, and 2014-2015**

	<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
Less: Closing Transfer to General Fund @ June 30, 2014	-	(25,000,000)	(25,000,000)
Total Reserve at June 30, 2014	\$ 456,000,000	\$ 281,877,300	\$ 737,877,300
3. 2014-2015:			
Plus: Deposit @ June 30, 2015	40,300,000	-	40,300,000
Total Reserve at June 30, 2015	\$ 496,300,000	\$ 281,877,300	\$ 778,177,300

**Departmental Summary of Cost Increases
Fiscal Year 2014-2015**

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	1,063,300	1,063,300	0	0
303	Attorney General and Reporter	3,900	3,900	0	0
304	District Attorneys General Conference	2,801,100	2,084,800	0	716,300
305	Secretary of State	0	0	0	0
306	District Public Defenders Conference	1,305,000	1,305,000	0	0
307	Comptroller of the Treasury	75,000	75,000	0	0
308	Office of the Post-Conviction Defender	36,800	36,800	0	0
309	Treasury Department	3,011,700	1,004,400	0	2,007,300
313	Claims and Compensation	0	0	0	0
315	Executive Department	3,700	3,700	0	0
316	Commissions	16,318,300	100,000	0	16,218,300
317	Finance and Administration (F&A)	0	0	0	0
317.06	Criminal Justice Programs *	0	0	0	0
	Other F&A Programs *	0	0	0	0
318	F&A, TennCare	429,037,200	182,314,300	246,614,800	108,100
319	Human Resources	734,800	0	0	734,800
321	General Services	0	0	0	0
323	Veterans Affairs	0	0	0	0
324	Board of Parole	0	0	0	0
325	Agriculture	183,400	183,400	0	0
326	Tourist Development	6,000,000	6,000,000	0	0
327	Environment and Conservation	3,175,000	3,175,000	0	0
328	Wildlife Resources Agency	743,800	743,800	0	0
329	Correction	6,354,800	6,354,800	0	0
330	Economic and Community Development	51,132,200	50,000,000	1,132,200	0
331	Education (K-12)	130,941,400	129,886,500	60,000	994,900
	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	130,941,400	129,886,500	60,000	994,900
332	Higher Education	44,335,200	44,335,200	0	0
	Lottery for Education Account *	7,500,000	7,500,000	0	0
	Other Higher Education Programs *	36,835,200	36,835,200	0	0
335	Commerce and Insurance	15,513,700	3,013,700	0	12,500,000
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	97,000	97,000	0	0
339	Mental Health and Substance Abuse Services	2,225,000	2,225,000	0	0
341	Military	0	0	0	0
343	Health	8,669,600	8,669,600	0	0
344	Intellectual and Developmental Disabilities	6,130,800	531,800	0	5,599,000
345	Human Services	1,981,800	1,608,100	373,700	0
345.23	Temporary Cash Assistance *	0	0	0	0
	Other Human Services Programs *	1,981,800	1,608,100	373,700	0
347	Revenue	89,000	89,000	0	0
348	Tennessee Bureau of Investigation	0	0	0	0
349	Safety	4,414,300	4,414,300	0	0
350	F&A, Strategic Health-Care Programs	0	0	0	0
351	Miscellaneous Appropriations	80,606,800	80,606,800	0	0
359	Children's Services	13,646,800	6,444,500	3,256,200	3,946,100
	Sub-total General Fund	\$ 830,631,400	\$ 536,369,700	\$ 251,436,900	\$ 42,824,800
400	Transportation	0	0	0	0
	Total All Funds	\$ 830,631,400	\$ 536,369,700	\$ 251,436,900	\$ 42,824,800

* These items are included in the departmental totals.

**2014-2015
Salary Policy Recommendation**

	<u>General Fund</u>	<u>Dedicated</u>
I. Discretionary Raises:		
1. State Employees @ 1.0%	\$ 15,600,000	\$ -
2. Higher Education - Funding Formula @ 1.0%	12,900,000	-
3. K-12 Basic Education Program (BEP) - Teachers and Other Certified Staff @ 2.0%	48,600,000	-
4. K-12 Basic Education Program (BEP) - Salary Equity	14,500,000	-
5. Safety - Commissioned Officers (Troopers) - Salary Survey Raise @ 1.0%	597,400	1,100
6. Commerce and Insurance - TLETA Commissioned Officers - Salary Survey Raise @ 1.0%	9,200	-
7. TWRA - Wildlife Officers - Salary Survey Raise @ 1.0%	-	319,600
Sub-Total Discretionary Raises	\$ 92,206,600	\$ 320,700
II. Mandated Salary Increases:		
A. Statutory Step Raises:		
1. District Attorneys General - Assistant District Attorneys and Criminal Investigators (Human Services: \$42,500 State)	\$ 1,108,400	\$ -
2. District Public Defenders - Assistant Public Defenders and Investigators	637,500	-
3. Post-Conviction Defender - Assistant Post-Conviction Defenders	31,800	-
4. Commerce and Insurance - TLETA Commissioned Officers	12,800	-
5. Safety - Commissioned Officers (Troopers)	815,800	-
6. TWRA - Wildlife Officers, Biologists, and Unique Positions	-	424,200
Sub-Total Statutory Step Raises	\$ 2,606,300	\$ 424,200
B. Salary Rebasing @ 3.0%:		
1. Court System	\$ 1,063,300	\$ -
2. Attorney General and Reporter	3,900	-
3. District Attorneys General and Executive Director	168,900	-
4. District Public Defenders	161,200	-
5. Post-Conviction Defender	5,000	-
6. Governor	3,700	-
Sub-Total Salary Rebasing	\$ 1,406,000	\$ -
III. Other Salary Increases:		
1. Education - Teacher Training and Experience	\$ 99,300	\$ -
2. Children's Services - Teacher Training and Experience	48,800	-
3. Commerce and Insurance - Police Pay Supplement	338,400	-
Sub-Total Other Salary Increases	\$ 486,500	\$ -
Sub-Total Mandated and Other Salary Increases	\$ 4,498,800	\$ 424,200
Total Recommended Salary Policy	\$ 96,705,400	\$ 744,900

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2012-2013, 2013-2014, and 2014-2015**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2012, 2013, and 2014
(Dollars in Millions)**

Year	Personal Income ¹	Percentage Growth
1977	\$ 26,805.0	-
2012	250,189.1	-
2013	256,813.6	2.65
2014	267,594.7	4.20

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2012-2013, 2013-2014, and 2014-2015
(Dollars in Millions)**

Year	Appropriations	Percentage Growth
1977-1978	\$ 1,747.3	-
2012-2013	13,247.9	-
2013-2014	13,649.8	3.03
2014-2015	13,981.0	2.43

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 2014-2015**

	Estimated 2013-2014	Estimated 2014-2015
I. Appropriated State Revenues	\$13,755,100,000	\$14,063,200,000
Less: Non-Tax Revenue	(105,300,000)	(82,200,000)
Total Appropriated from State Tax Revenues	\$13,649,800,000	\$13,981,000,000
II. FY 2013-2014 Established Limit	\$13,859,800,000	\$13,859,800,000
Adjustment to Established Limit *		(164,000,000)
Subtotal: 2013-2014 Budgeted Appropriations		\$13,695,800,000
Personal Income Growth Adjustment (\$13,695,800,000 x 4.20%)		575,200,000
Recommended Adjustment to Established Limit (No Adjustment Required)		-
FY 2014-2015 Appropriations Limit		\$14,271,000,000
% Increase Over the Prior Year Limit		2.97%
III. Availability Under the Established Limit	\$210,000,000	\$290,000,000

* On December 17, 2013, the State Funding Board adopted revised revenue ranges for 2013-2014 that are lower than the budgeted estimate. As a result, an adjustment was made to the basis used to determine the fiscal year 2014-2015 appropriation limit.

**Base Appropriations Preserved
by Proposed Legislation
Hospital Coverage Assessment
Fiscal Year 2014-2015**

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	\$ 34,935,000	\$ 65,065,000	\$ 100,000,000
Graduate Medical Education	17,467,500	32,532,500	50,000,000
Critical Access Hospital Payments	3,493,500	6,506,500	10,000,000
Medicare Part A Reimbursement	12,419,500	23,130,900	35,550,400
Provider Reimbursement	56,872,100	105,922,000	162,794,100
Sub-Total	<u>\$ 125,187,600</u>	<u>\$ 233,156,900</u>	<u>\$ 358,344,500</u>
FY 2010-2011 Base Reductions Restored:			
Hospital Reimbursement Ceiling	\$ 25,596,700	\$ 47,672,800	\$ 73,269,500
In-Patient Services	39,597,200	73,748,100	113,345,300
Lab and X-Ray Procedures	21,782,500	40,568,900	62,351,400
Therapies	4,634,900	8,632,400	13,267,300
Out-Patient Services	20,494,700	38,170,500	58,665,200
Office Visits	19,246,800	35,846,500	55,093,300
Sub-Total	<u>\$ 131,352,800</u>	<u>\$ 244,639,200</u>	<u>\$ 375,992,000</u>
Other Appropriations:			
Disproportionate Share Hospital Payments	\$ 28,305,400	\$ 52,717,600	\$ 81,023,000
Additional Cost-Based Reimbursement for Critical Access	6,000,000	-	6,000,000
Hospital Payments - Unreimbursed Costs	158,954,200	296,045,800	455,000,000
Sub-Total	<u>\$ 193,259,600</u>	<u>\$ 348,763,400</u>	<u>\$ 542,023,000</u>
Grand Total	<u>\$ 449,800,000</u>	<u>\$ 826,559,500</u>	<u>\$ 1,276,359,500</u>

**Base Appropriations Preserved
by Proposed Legislation
Nursing Home Assessment Fee
Fiscal Year 2014-2015**

Legislation is proposed to continue the nursing home assessment fee for one year. An estimated \$82.3 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 - 22%	\$ 82,300,000	\$ 153,280,500	\$ 235,580,500
Total	\$ 82,300,000	\$ 153,280,500	\$ 235,580,500

Lottery for Education Account
Summary of Appropriation Requirements, Revenues, and Reserves
Fiscal Years 2012-2013 Through 2017-2018
(Millions)

	Actual 2012-2013	Estimated 2013-2014	Recommended 2014-2015	Projected		
				2015-2016	2016-2017	2017-2018
1. Appropriation Requirements:						
Higher Education Scholarships Base	\$ 314.7	\$ 310.8	\$ 321.0	\$ 330.4	\$ 339.5	\$ 343.5
Tennessee Higher Education Commission	1.4	1.4	1.4	1.4	1.4	1.4
Tennessee Student Assistance Corporation	2.3	2.4	2.4	2.4	2.4	2.4
Adjustments due to changing qualifications to "3k5k"	-	-	(1.8)	(1.8)	(1.8)	(1.8)
Last Terminating Event of 8 Semesters/120 Hours	-	-	2.8	2.8	2.8	2.8
Prior Hope Recipients can receive Wilder-Naifeh scholarship	-	-	2.2	2.2	2.2	2.2
Last Dollar for Wilder-Naifeh	-	-	1.5	1.5	1.5	1.5
Last Dollar for Dual Enrollment	-	-	2.8	2.8	2.8	2.8
Transfer to Tennessee Student Assistance Awards	6.8	6.8	6.8	6.8	6.8	6.8
Total Appropriation Requirements	\$ 325.2	\$ 321.4	\$ 339.1	\$ 348.5	\$ 357.6	\$ 361.6
2. Current Revenue:						
Net Education Lottery Proceeds	\$ 321.6	\$ 336.0	\$ 345.0	\$ 351.9	\$ 358.9	\$ 366.1
Lottery for Education Account - Interest	15.4	12.4	1.2	1.2	1.2	1.2
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	273.2	285.0	10.0	10.0	10.0	10.0
Total Current Revenue	\$ 710.2	\$ 733.4	\$ 456.2	\$ 463.1	\$ 470.1	\$ 477.3
3. Net Available Current Revenue	\$ 385.0	\$ 412.0	\$ 117.1	\$ 114.6	\$ 112.5	\$ 115.7
4. Transfer of Funds to Tennessee Promise Scholarship	\$ -	\$ 302.0	\$ 7.1	\$ 4.6	\$ 2.5	\$ 5.7
5. 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	285.0	10.0	10.0	10.0	10.0	10.0
Total Reserve at June 30	\$ 385.0	\$ 110.0	\$ 110.0	\$ 110.0	\$ 110.0	\$ 110.0
	(Dollars)					
6. Scholarship Award Levels:						
HOPE 4-Year Colleges: \$3,000 first two years	\$ 4,000	\$ 4,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
HOPE 4-Year Colleges: \$5,000 second two years	4,000	4,000	5,000	5,000	5,000	5,000
HOPE 2-Year Colleges	2,000	2,000	3,000	3,000	3,000	3,000
Wilder/Naifeh Technical Skills Grants	2,000	2,000	Last Dollar	Last Dollar	Last Dollar	Last Dollar

Number of Scholarship Award Recipients - 2012-2013 actual - 102,600; 2013-2014 estimate - 102,000; and 2014-2015 recommended estimate - 105,500.

**Lottery-Funded Education Programs
Comparison of Appropriation Requirements and State Revenues
Fiscal Years 2012-2013 Through 2017-2018**

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Recommended 2014-2015</u>	<u>Projected 2015-2016</u>	<u>Projected 2016-2017</u>	<u>Projected 2017-2018</u>
1. Appropriation Requirements						
Higher Education Scholarships Base	\$ 314,696,400	\$ 310,800,000	\$ 321,000,000	\$ 330,400,000	\$ 339,500,000	\$ 343,500,000
Tennessee Higher Education Commission	1,448,300	1,352,400	1,352,400	1,352,400	1,352,400	1,352,400
Tennessee Student Assistance Corporation	2,253,000	2,437,400	2,437,400	2,437,400	2,437,400	2,437,400
Adjustments due to changing qualifications to "3k5k"	-	-	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)
Last Terminating Event of 8 Semesters/120 Hours	-	-	2,800,000	2,800,000	2,800,000	2,800,000
Prior Hope recipients can receive Wilder-Naifeh scholarship	-	-	2,200,000	2,200,000	2,200,000	2,200,000
Last Dollar for Wilder-Naifeh	-	-	1,500,000	1,500,000	1,500,000	1,500,000
Last Dollar for Dual Enrollment	-	-	2,800,000	2,800,000	2,800,000	2,800,000
Transfer to 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.	\$ 325,197,700	\$ 321,400,000	\$ 339,100,000	\$ 348,500,000	\$ 357,600,000	\$ 361,600,000
After-School Programs	11,769,500	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Total Appropriation Requirements	\$ 336,967,200	\$ 334,900,000	\$ 352,600,000	\$ 362,000,000	\$ 371,100,000	\$ 375,100,000
2. Available Revenues and Reserves						
Net Education Lottery Proceeds	\$ 321,543,000	\$ 336,000,000	\$ 345,000,000	\$ 351,900,000	\$ 358,900,000	\$ 366,100,000
Lottery for Education Account - Interest	15,265,300	12,400,000	1,210,000	1,210,000	1,210,000	1,210,000
Local Government 1% Reserve - Interest	-	-	-	-	-	-
Unclaimed Prizes (After-School Programs)	18,192,200	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
After-School Programs - Interest Earnings	-	100,000	100,000	100,000	100,000	100,000
Interaccount Transfer	170,000	-	-	-	-	-
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	273,218,900	284,999,500	10,000,000	10,000,000	10,000,000	10,000,000
Unclaimed Prizes @ prior June 30	19,882,100	26,304,800	26,404,800	26,504,800	26,604,800	26,704,800
Total Available Revenues and Reserves	\$ 748,271,500	\$ 773,304,300	\$ 496,214,800	\$ 503,214,800	\$ 510,314,800	\$ 517,614,800
3. Transfer of Funds to Tennessee Promise Scholarships	\$ -	\$ 301,999,500	\$ 7,110,000	\$ 4,610,000	\$ 2,510,000	\$ 5,710,000
4. 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	284,999,500	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Local Government 1% Reserve	-	-	-	-	-	-
After-School Programs Reserve	26,304,800	26,404,800	26,504,800	26,604,800	26,704,800	26,804,800
Total Available Funds @ June 30	\$ 411,304,300	\$ 136,404,800	\$ 136,504,800	\$ 136,604,800	\$ 136,704,800	\$ 136,804,800

2014 Administration Legislation with Fiscal Impact
General Fund and Education Fund
Fiscal Year 2014-2015

Revenue Source	General Fund		Dedicated Funds	
	Recurring	Non-Recurring	Recurring	Non-Recurring
1. Higher Education - Drive to 55 - Lottery Scholarships	\$ -	\$ -	\$ 7,500,000	\$ -
2. Judicial Salary Rebasing				
a. Court System	\$ 1,063,300	\$ -	\$ -	\$ -
b. Attorney General and Reporter	3,900	-	-	-
c. District Attorneys General Conference	168,900	-	-	-
d. District Public Defenders Conference	161,200	-	-	-
e. Office of the Post-Conviction Defender	5,000	-	-	-
f. Executive Department	3,700	-	-	-
Sub-Total Judicial Salary Rebasing	\$ 1,406,000	\$ -	\$ -	\$ -
3. Commerce & Insurance - Real Estate Appraisers Fingerprinting Initiative (1 FT)	\$ -	\$ -	\$ 46,300	\$ 4,200
4. Labor and Workforce Development - Workers' Compensation	-	-	97,000	-
5. Health Related Boards - Customer Focused Government Improvements	-	-	50,000	745,000
6. Miscellaneous Appropriation - Background Checks	900	9,000	-	-
Total Administration Legislation - (Cost)	\$ (1,406,900)	\$ (9,000)	\$ (7,693,300)	\$ (749,200)

Full-Time Employees Overlapped Over 90 Days

Agency	Number
301.00 Legislature	41
302.00 Court System	9
304.00 District Attorneys General Conference	3
305.00 Secretary of State	3
307.00 Comptroller of the Treasury	1
309.00 Treasury Department	6
315.00 Executive Department	3
316.08 Tennessee Rehabilitative Initiative in Correction (TRICOR)	2
316.12 Advisory Commission on Intergovernmental Relations	1
316.27 State Museum	1
317.00 Finance and Administration	3
318.00 TennCare	4
319.00 Human Resources	1
321.00 General Services	6
323.00 Veterans Affairs	1
325.00 Agriculture	6
327.00 Environment and Conservation	18
328.00 Tennessee Wildlife Resources Agency	2
329.00 Correction	59
330.00 Economic and Community Development	3
331.00 Education (K-12)	20
332.00 Higher Education - State Administered Programs	1
335.00 Commerce and Insurance	1
337.00 Labor and Workforce Development	5
339.00 Mental Health and Substance Abuse Services	21
341.00 Military	1
343.00 Health	5
344.00 Intellectual and Developmental Disabilities	50
345.00 Human Services	17
347.00 Revenue	1
348.00 Tennessee Bureau of Investigation	8
349.00 Safety	20
359.00 Children's Services	77
400.00 Transportation	2
Total	402

Based on Edison extract of full-time employees overlapped greater than 90 days as of 1/13/2014.

Comparison of Authorized Positions State Agencies and Higher Education

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>Change From Current Year</u>
I. STATE AGENCIES *				
General Fund	44,177	43,871	43,227	(644)
Full-time	42,113	41,884	41,275	(609)
Part-time	1,530	1,478	1,443	(35)
Seasonal	534	509	509	0
Department of Transportation	4,663	4,663	4,663	0
Full-time	4,658	4,658	4,658	0
Part-time	5	5	5	0
Seasonal	0	0	0	0
Total State Agencies	48,840	48,534	47,890	(644)
Full-time	46,771	46,542	45,933	(609)
Part-time	1,535	1,483	1,448	(35)
Seasonal	534	509	509	0
II. HIGHER EDUCATION				
Total Positions	24,337	24,816	24,816	0
Full-time Equivalent (UT and TBR)				
Administrative	1,218	1,268	1,268	0
Professional	5,436	5,635	5,635	0
Faculty	9,305	9,485	9,485	0
Clerical and Support	8,364	8,414	8,414	0
Foreign Language Institute (FT)	14	14	14	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	73,177	73,350	72,706	(644)
Full-time **	71,108	71,358	70,749	(609)
Part-time	1,535	1,483	1,448	(35)
Seasonal	534	509	509	0

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

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

**Fiscal Year 2014-2015
Authorized Positions Change
Recommended 2014-2015 Change from Estimated 2013-2014
Increase / (Decrease)**

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Seasonal</u>	<u>Total</u>
I. 2014-2015 Total Recommended	<u>(609)</u>	<u>(35)</u>	<u>-</u>	<u>(644)</u>
II. 2014-2015 Base Budget	<u>(789)</u>	<u>(35)</u>	<u>-</u>	<u>(824)</u>
a. Base Reduction Plans	<u>(601)</u>	<u>(19)</u>	<u>-</u>	<u>(620)</u>
Labor and Workforce Development	(173)	-	-	(173)
Human Services	(154)	-	-	(154)
Children's Services	(74)	-	-	(74)
Intellectual and Developmental Disabilities	(62)	-	-	(62)
Safety	(36)	-	-	(36)
Correction	(25)	-	-	(25)
Revenue	(15)	(7)	-	(22)
Education (K-12)	(3)	(11)	-	(14)
Financial Institutions	(13)	-	-	(13)
Court System	(10)	-	-	(10)
Health	(9)	-	-	(9)
Mental Health and Substance Abuse Services	(5)	-	-	(5)
Military	(4)	-	-	(4)
Tennessee Housing Development Agency	(4)	-	-	(4)
TennCare	(4)	-	-	(4)
Environment and Conservation	(3)	-	-	(3)
Agriculture	(1)	(1)	-	(2)
Board of Parole	(2)	-	-	(2)
State Museum	(1)	-	-	(1)
Tennessee Wildlife Resources Agency	(1)	-	-	(1)
Commission on Children and Youth	(1)	-	-	(1)
Higher Education	(1)	-	-	(1)
b. Intellectual and Developmental Disabilities - Middle TN Homes	(37)	-	-	(37)
c. Environment and Conservation - Water Resources	(36)	-	-	(36)
d. Human Services - Unestablished Positions	(41)	-	-	(41)
e. Various Agencies - Miscellaneous Adjustments	(42)	(15)	-	(57)
f. 2013-2014 Non-Recurring Appropriations Not Continued	<u>(32)</u>	<u>(1)</u>	<u>-</u>	<u>(33)</u>
Education (K-12) - Early Childhood Advisory Council	(2)	-	-	(2)
Education (K-12) - Race to the Top	(6)	(1)	-	(7)
Education (K-12) - Investing in Innovation Grant	(1)	-	-	(1)
Education (K-12) - Alvin C. York (11 Added Back In Cost Increases)	(16)	-	-	(16)
Higher Education - Race to the Top	(5)	-	-	(5)
District Attorneys General Conference - Criminal Justice Grant	(2)	-	-	(2)
III. 2014-2015 Agency Cost Increases	<u>180</u>	<u>-</u>	<u>-</u>	<u>180</u>
Children's Services	89	-	-	89
Health	22	-	-	22
Intellectual and Developmental Disabilities	18	-	-	18
Education (K-12)	13	-	-	13
Human Resources	9	-	-	9
Miscellaneous Appropriations	8	-	-	8
Environment and Conservation	6	-	-	6
TennCare	5	-	-	5
Agriculture	3	-	-	3
Commerce and Insurance	3	-	-	3
Treasury Department	3	-	-	3
Economic and Community Development	1	-	-	1

Federal Funding and Aid Trends

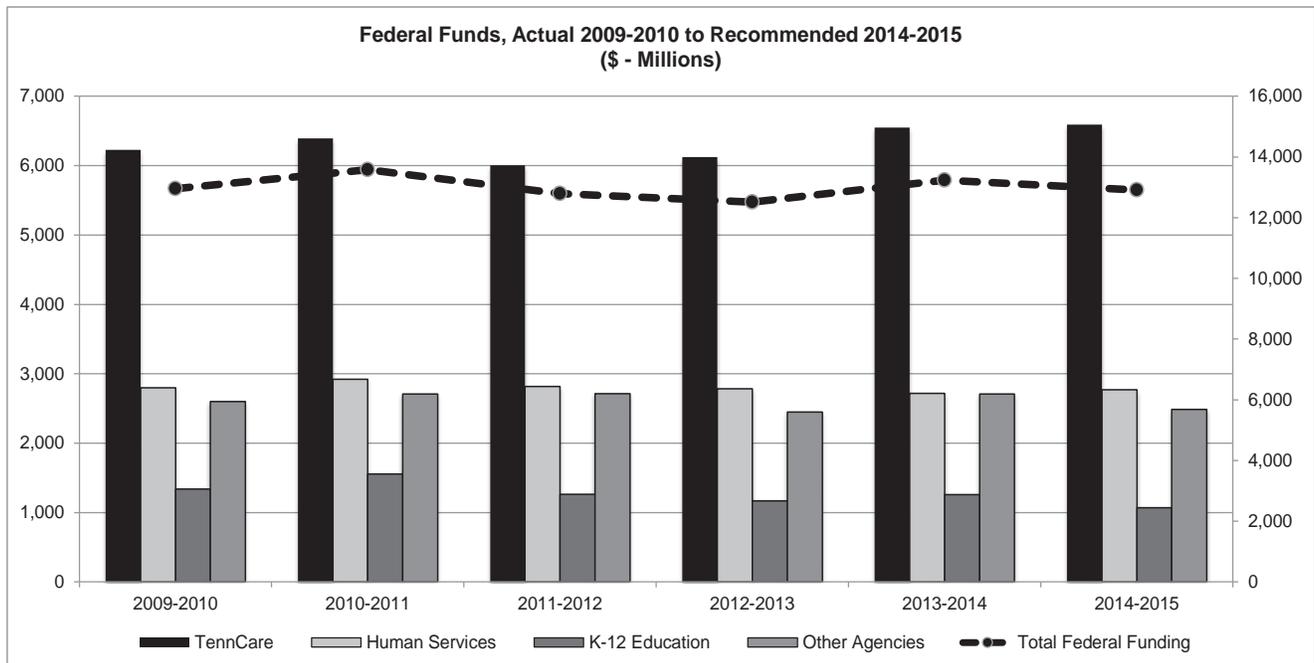
Recommended Budget, Fiscal Year 2014-2015

The total recommended budget for the fiscal year is \$32,581,495,700 with 40% from federal sources. The \$12,911,660,000 of federal funding is a decrease of 2.4% from the 2013-2014 estimate. Of the total federal funding, \$6,592,536,200 (51%) is recommended for TennCare expenditures, \$2,767,821,800 (22%) for the Department of Human Services, \$1,065,843,700 (8%) for the Department of Education, and \$2,485,458,300 (19%) 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

	Actual 2009-2010	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Estimated 2013-2014	Recommended 2014-2015
Total Federal Funding	\$ 12,959,195,800	\$ 13,578,227,900	\$ 12,795,749,400	\$ 12,515,208,100	\$ 13,231,160,800	\$ 12,911,660,000
TennCare	6,227,031,600	6,391,054,400	6,006,634,400	6,121,001,200	6,548,154,400	6,592,536,200
Human Services	2,796,528,900	2,921,821,300	2,816,629,800	2,783,887,400	2,717,094,100	2,767,821,800
K-12 Education	1,337,269,300	1,556,578,000	1,260,533,200	1,165,116,700	1,257,777,500	1,065,843,700
Other Agencies	2,598,366,000	2,708,774,200	2,711,952,000	2,445,202,800	2,708,134,800	2,485,458,300

	Percentage Change 2014 to 2015	Average Annual Percentage Change 2010 to 2015
Total Federal Funding	-2.41%	-0.07%
TennCare	0.68%	1.15%
Human Services	1.87%	-0.21%
K-12 Education	-15.26%	-4.44%
Other Agencies	-8.22%	-0.88%



Since fiscal year 2009-2010, 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. TennCare federal funding has grown with rising medical inflation and utilization and implementation of new federal laws.

Significant Federal Funding Program Actions - 2009 to 2014

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 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 will be fully programmed 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.

Fiscal year 2013-2014 also contains increased federal funding to TennCare for implementing certain provisions of the federal Patient Protection and Affordable Care Act (ACA). The impacts to the TennCare budget are displayed elsewhere in this volume.

Fiscal 2015 Outlook

For fiscal year 2014-2015, increased aid from the federal government is recommended largely in the TennCare program. Of the total cost increase from federal sources of \$251,436,900, the share directed to the TennCare program is \$246,614,800.

Implementing provisions of the federal ACA will result in an additional \$143.2 million federal funds to the program. These funds are the federal share of costs for the Eligible But Not Enrolled (EBNE) population. Medical inflation and utilization cost increases will require an additional \$116.8 million federal funds.

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 formula measures a state's personal income relative to the nation. The revised FMAP reduced FY15 federal funding by \$33.4 million in TennCare and the Department of Children's Services. An increase in state appropriation is recommended to offset this loss of federal funds.

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2014 – 2015

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."

Calendar year 2013 was characterized by a number of fiscal shocks tied to the federal government that dampened economic growth. Despite these shocks and other downward pressure points, the economy performed reasonably well for the year. The economy's resilience is testimony to the new-found strength that finally has been established in the aftermath of the Great Recession. Had these same events transpired in 2010, 2011 or 2012, the economy may have slipped back into recession. Expectations for 2014 and 2015 are generally positive and most measures of economic activity including income and output growth are expected to show improvement. 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

Economic growth in 2013 was respectable in light of all of the downward pressures that the economy confronted. The year began with elimination of the two-percentage point payroll tax holiday and was followed by the sequestration of federal government spending that began in March. In the late summer, financial markets overreacted to the possibility of the Federal Reserve winding down its aggressive stimulus program. And throughout the year there was a rancorous debate over the federal budget that culminated with a short-lived federal government shutdown in October. As all of this transpired, the global economy was suffering from a slowdown that dampened U.S. exports. The

national economy nonetheless saw inflation-adjusted gross domestic product rise by 1.9 percent and nonfarm employment grow 1.6 percent for the year. The national unemployment rate in the fourth quarter of 2013 was 7.3 percent, well below the level that prevailed a year prior.

Like the nation, economic growth in Tennessee slowed some in 2013, but most measures of economic activity continued to register gains. Nominal personal income was up 2.7 percent for the year compared to 5.3 percent growth in 2012. State gross domestic product outperformed the nation, benefitting from slower but still very strong growth in the manufacturing sector. Nonfarm employment was up 1.5 percent for the year, well below the 2.0 percent growth rate registered in 2012. The state's manufacturing sector continued to see strong job gains with employment advancing 2.2 percent and inflation-adjusted industrial output growing 3.6 percent. The unemployment rate has been a disappointment. After averaging 7.8 percent in the first quarter of 2013, the unemployment rate jumped to 8.3 percent in the final quarter of the year.

Short-Term Economic Outlook

The outlook for 2014 is relatively bright. The global economy should continue to improve, which will enhance the export position of the U.S. and Tennessee. The federal budget deal that was reached last year and the reduced likelihood of brinkmanship in the budget process will help instill consumer and investment confidence. Ongoing improvements in the housing sector will help buoy the economy as well.

U.S. inflation-adjusted gross domestic product will see growth of 2.7 percent this year, followed by 3.2 percent growth in 2015. Strong growth in consumer spending on durable goods, including light vehicles, will help drive stronger overall economic growth. Some of the best news will come from the nation's housing sector where the value of residential investment is expected to jump 14.6 percent in 2014 and 17.3 percent in 2015. U.S. exports will be up 4.6 percent this year compared to growth of only 2.5 percent in 2013. Federal government spending will be a drag on

growth with spending expected to fall 1.1 percent. Employment should see growth of 1.7 percent and the nation's unemployment rate should drift down to 6.2 percent by the fourth quarter of the year.

The state will see marginal improvement in many measures of economy activity in 2014, including gross domestic product, personal income and the unemployment rate. Inflation-adjusted gross domestic product should see growth of 2.8 percent

and nominal personal income will advance 4.2 percent. On a fiscal year basis, personal income should be up 3.3 percent in fiscal year 2014-2015.

The unemployment rate is projected to average 7.5 percent for the year, down from the 8.2 percent rate recorded in 2013. Nonfarm employment will up 1.5 percent, the same rate of growth that took place in 2013. Job growth in manufacturing will slow to 1.0 percent as output levels inch closer to pre-recession levels of production.

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

Tennessee Characteristics

Population

	2000	2005	2010	2012
Total Population (April 1, July 1, April 1, July 1) ¹	5,689,283	5,991,057	6,346,105	6,456,243

Population by Grand Division ¹

East Tennessee	2,108,135	2,210,700	2,327,544	2,355,941
Middle Tennessee	2,081,346	2,250,472	2,455,911	2,525,611
West Tennessee	1,499,802	1,529,885	1,562,650	1,574,691

Metropolitan Statistical Area Population ^{1, 2}

Chattanooga, TN-GA	476,611	499,564	528,143	537,889
Tennessee Portion	347,142	358,471	378,812	388,259
Georgia Portion	129,469	141,093	149,331	149,630
Clarksville, TN-KY	219,727	237,633	260,625	274,342
Tennessee Portion	134,725	151,122	172,331	184,468
Kentucky Portion	85,002	86,511	88,294	89,874
Cleveland, TN	104,012	109,410	115,788	117,820
Jackson, TN	121,969	126,192	130,011	130,450
Johnson City, TN	181,585	189,182	198,716	200,684
Kingsport-Bristol, TN - Bristol, VA	298,484	300,078	309,544	309,006
Tennessee Portion	206,671	209,002	213,656	213,373
Virginia Portion	91,893	93,517	95,888	95,633
Knoxville, TN	748,231	790,669	837,571	848,350
Memphis, TN-MS-AR	1,213,285	1,271,965	1,324,829	1,341,690
Tennessee Portion	977,574	1,003,054	1,027,138	1,041,128
Arkansas Portion	50,855	50,244	50,902	50,021
Mississippi Portion	184,856	218,667	246,789	250,541
Morristown, TN	102,444	107,703	113,951	114,937
Nashville-Davidson - Murfreesboro - Franklin, TN	1,381,412	1,511,310	1,670,890	1,726,693
Total Tennessee Metropolitan Statistical Area Population	4,305,765	4,556,115	4,858,864	4,966,162
Total Tennessee Non-Metropolitan Population	1,383,518	1,434,942	1,487,241	1,490,081

Demographic Characteristics ¹

Percent of Population by Age Group:

Under Age 5	6.6%	6.7%	6.4%	6.2%
Age 5 to 17	18.0%	17.1%	17.1%	16.9%
Age 18 to 24	9.6%	9.0%	9.6%	9.7%
Age 25 to 64	53.4%	55.0%	53.4%	52.9%
Age 65 and Older	12.4%	12.2%	13.5%	14.3%

Percent of Population by Race:

White	80.2%	79.6%	77.5%	78.0%
Black or African American	16.4%	16.4%	16.7%	16.9%
American Indian and Alaska Native	0.3%	0.3%	0.3%	0.3%
Asian and Pacific Islander	1.0%	1.3%	1.5%	1.5%
Other	2.1%	2.4%	4.0%	3.3%

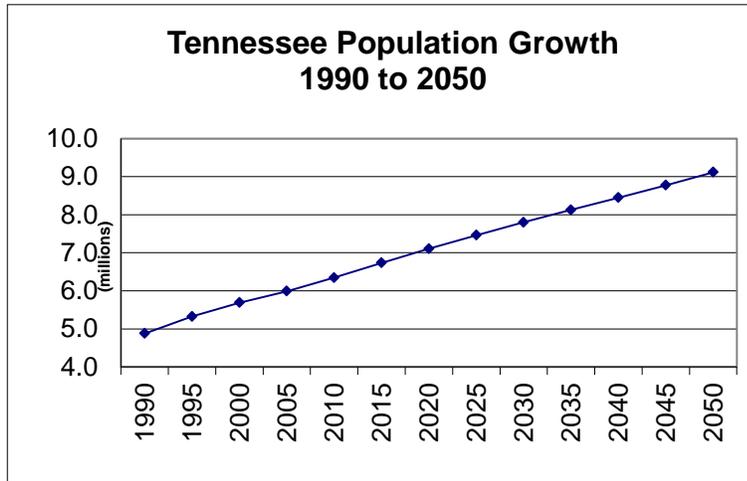
Hispanic Population (Percent of Total Population)

2.2%	3.0%	4.6%	4.8%
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Place of Birth of Tennessee Residents:

Born in Tennessee	64.7%	62.5%	61.0%	61.4%
Born in Another State	31.9%	33.1%	33.7%	33.3%
Born Outside the United States	0.6%	0.6%	0.8%	0.8%
Born in a Foreign County	2.8%	3.8%	4.5%	4.5%
Naturalized Citizen	0.9%	1.2%	1.5%	1.6%
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	2011-2012
Total Number of Public Schools	1,611	1,693	1,746	1,737
Total K-12 Public School Average Daily Attendance (ADA)	842,733	867,134	894,764	902,067
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 6,387,036	\$ 7,849,989	\$ 8,229,190
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 7,366	\$ 8,773	\$ 9,123

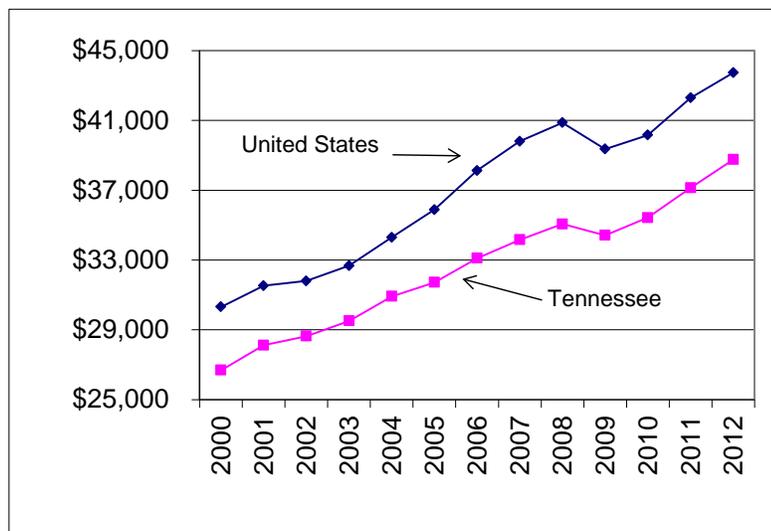
Educational Attainment ⁵

	2000	2005	2010	2012
Population 25 Years and Over				
Less Than 9th Grade	9.6%	7.0%	6.3%	5.7%
9th to 12th Grade, No Diploma	14.5%	11.8%	10.1%	9.1%
High School Graduate (includes equivalency)	31.6%	34.5%	33.5%	33.1%
Some College, No Degree	20.0%	19.3%	20.8%	21.3%
Associate Degree	4.7%	5.6%	6.2%	6.5%
Bachelor's Degree	12.8%	14.1%	14.6%	15.7%
Graduate or Professional Degree	6.8%	7.7%	8.5%	8.6%
Percent High School Graduate or Higher				
United States	80.4%	84.2%	85.6%	86.4%
Tennessee	75.9%	81.2%	83.6%	85.1%
Percent Bachelor's Degree or Higher				
United States	24.4%	27.2%	28.2%	29.1%
Tennessee	19.6%	21.8%	23.1%	24.3%

Income and Poverty

	2000	2005	2010	2012
Tennessee's Per Capita Income as a Percent of the U.S.	88.0%	88.4%	88.2%	88.6%
Tennessee's Rank in U.S. by Per Capita Income	35	36	36	34

Tennessee and United States Per Capita Income ⁶



Year	United States	Tennessee
2000	\$ 30,319	\$ 26,689
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

Percent Change	United States	Tennessee
2000-2012	44.2%	45.2%

Percent of Population Below Poverty ⁷

	1999	2005	2010	2012
United States	12.4%	13.3%	15.3%	15.9%
Tennessee	13.5%	15.5%	17.7%	17.9%

Tennessee Gross Domestic Product ⁸

	2000	2005	2010	2012
Gross Domestic Product - Percent by Industry				
Private industries	89.0%	88.5%	87.8%	88.4%
Agriculture, Forestry, Fishing, and Hunting	0.6%	0.6%	0.6%	0.6%
Mining	0.3%	0.2%	0.1%	0.1%
Utilities	0.6%	0.6%	0.7%	0.7%
Construction	4.8%	4.1%	3.4%	3.4%
Manufacturing	18.5%	17.5%	14.0%	15.0%
Durable Goods	10.6%	10.9%	7.1%	8.4%
Nondurable Goods	7.8%	6.6%	6.9%	6.5%
Wholesale Trade	7.1%	6.7%	6.2%	6.4%
Retail Trade	8.4%	8.1%	7.5%	7.4%
Transportation and Warehousing, Excluding Postal Service	5.1%	5.2%	5.0%	5.0%
Information	2.7%	3.2%	2.9%	2.9%
Finance and Insurance	6.0%	6.0%	6.7%	6.6%
Real Estate and Rental and Leasing	10.3%	9.5%	10.9%	10.1%
Professional and Technical Services	4.5%	5.3%	5.8%	5.9%
Management of Companies and Enterprises	0.9%	0.9%	1.2%	1.6%
Administrative and Waste Services	3.8%	4.2%	4.1%	4.3%
Educational Services	0.8%	1.0%	1.0%	1.0%
Health Care and Social Assistance	7.2%	8.0%	10.4%	10.3%
Arts, Entertainment, and Recreation	0.9%	1.0%	1.0%	1.1%
Accommodation and Food Services	3.3%	3.4%	3.3%	3.4%
Other Services, Except Government	3.2%	2.9%	3.0%	2.9%
Government	11.0%	11.5%	12.2%	11.6%
Gross Domestic Product (millions)				
United States	\$ 9,884,171	\$ 12,539,116	\$ 14,388,813	\$ 15,566,077
Tennessee	\$ 177,540	\$ 224,288	\$ 253,602	\$ 277,036
Tennessee as a Percent of U.S.	1.80%	1.79%	1.76%	1.78%
Tennessee's Rank in U.S.	20	18	19	18

Civilian Labor Force ⁹

	2000	2005	2010	2012
Civilian Labor Force	2,871,500	2,942,300	3,084,100	3,113,600
Employment	2,756,500	2,778,500	2,783,000	2,864,200
Unemployment	115,000	163,800	301,100	249,400
Unemployment Rate	4.0%	5.6%	9.8%	8.0%

Employment by Industry ⁹

	2000	2005	2010	2012
Non-Farm Employment - Percent by Industry				
Goods Producing	22.7%	19.5%	15.4%	15.6%
Natural Resources, Mining, & Construction	4.8%	4.6%	4.0%	4.0%
Manufacturing	17.9%	14.9%	11.4%	11.6%
Durable Goods	11.0%	9.3%	6.7%	7.2%
Non-Durable Goods	6.9%	5.6%	4.7%	4.4%
Service Providing	77.3%	80.5%	84.6%	84.4%
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%	11.5%
Transportation, Warehousing, & Utilities	5.1%	5.2%	5.0%	5.2%
Information	2.0%	1.8%	1.7%	1.6%
Financial Activities	5.1%	5.2%	5.2%	5.1%
Professional & Business Services	11.0%	11.4%	11.6%	12.4%
Educational & Health Services	10.2%	12.0%	14.3%	14.5%
Leisure & Hospitality	8.6%	9.5%	10.0%	10.2%
Other Services	4.3%	3.7%	4.0%	3.8%
Government	14.6%	15.1%	16.6%	15.6%
Federal	2.0%	1.8%	2.0%	1.8%
State & Local	12.6%	13.3%	14.6%	13.8%

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.

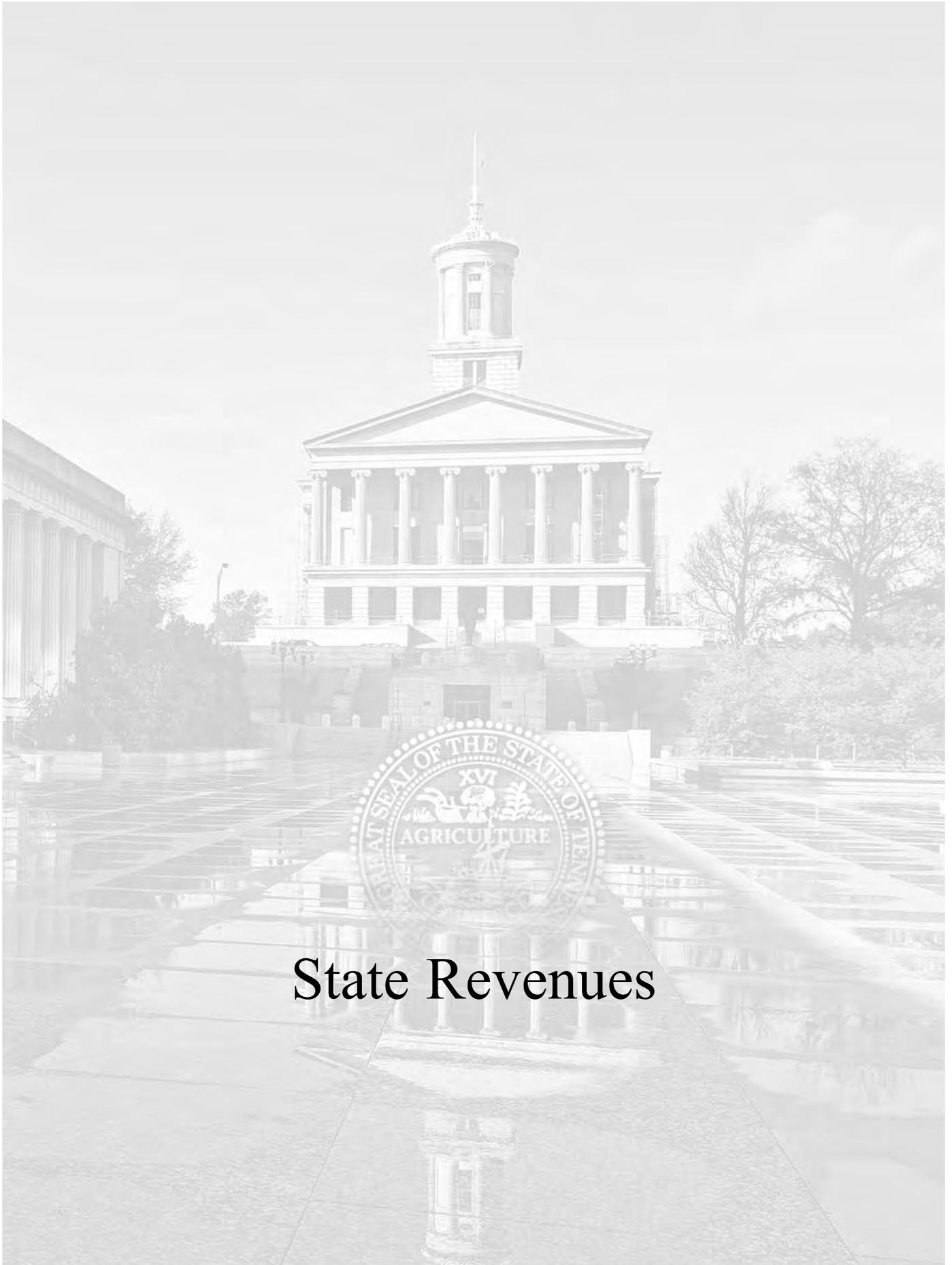
⁶ Source: U.S. Bureau of Economic Analysis.

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*.



State Revenues

State Revenues

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State Tax Revenues

Introduction

Recommended Budget, Fiscal Year 2014-2015

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 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 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 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 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 2012-2013, actual revenue and as it exists currently for 2013-2014, and 2014-2015 estimates. The funds on the distribution charts, for 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, 2012 – June 30, 2015

Comparison Statement of State Revenues
Actual and Estimated July 1, 2012 - June 30, 2015

SOURCE OF REVENUE

Department of Revenue	Actual 2012-2013	Estimated 2013-2014	Estimated 2014-2015	Percent Required
Sales and Use Tax	\$ 7,012,028,700	\$ 7,275,000,000	\$ 7,515,100,000	3.30%
Gasoline Tax	615,043,000	611,800,000	614,800,000	0.49%
Motor Fuel Tax	156,993,300	162,300,000	163,500,000	0.74%
Gasoline Inspection Tax	62,919,900	63,700,000	63,700,000	0.00%
Motor Vehicle Registration Tax	252,893,600	258,700,000	264,200,000	2.13%
Income Tax	233,418,800	260,300,000	264,100,000	1.46%
Privilege Tax	259,758,100	290,100,000	310,100,000	6.89%
Gross Receipts Tax - TVA	343,128,900	332,100,000	332,100,000	0.00%
Gross Receipts Tax - Other	25,117,000	29,000,000	30,500,000	5.17%
Beer Tax	17,224,300	18,000,000	18,500,000	2.78%
Alcoholic Beverage Tax	52,116,400	55,200,000	57,400,000	3.99%
Franchise Tax	702,339,700	700,000,000	720,700,000	2.96%
Excise Tax	1,318,165,000	1,300,100,000	1,338,500,000	2.95%
Inheritance and Estate Tax	110,627,500	85,000,000	70,000,000	-17.65%
Tobacco Tax	277,426,600	271,900,000	269,100,000	-1.03%
Motor Vehicle Title Fees	11,913,600	12,000,000	12,200,000	1.67%
Mixed Drink Tax	69,580,100	73,100,000	76,700,000	4.92%
Business Tax	137,708,200	139,900,000	148,900,000	6.43%
Severance Tax	2,374,200	2,500,000	2,700,000	8.00%
Coin-operated Amusement Tax	329,900	300,000	0	-100.00%
Unauthorized Substance Tax	4,600	0	0	NA
Sub-Total Department of Revenue	\$ 11,661,111,400	\$ 11,941,000,000	\$ 12,272,800,000	2.78%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 729,919,500	\$ 804,000,000	\$ 806,000,000	0.25%
E-911 Emergency Communications	61,471,900	63,200,000	65,700,000	3.96%
Dept. of Financial Institutions	7,987,700	19,100,000	19,000,000	-0.52%
Wildlife Resources Agency	46,209,200	62,900,000	55,600,000	-11.61%
Dept. of Agriculture	9,643,000	9,200,000	9,200,000	0.00%
Regulatory Board Fees	38,506,000	39,500,000	40,300,000	2.03%
Tennessee Regulatory Authority	6,822,700	6,300,000	6,300,000	0.00%
Secretary of State	35,744,900	35,000,000	35,000,000	0.00%
Dept. of Safety	36,012,200	35,200,000	35,900,000	1.99%
Dept. of Revenue	5,915,800	6,000,000	6,000,000	0.00%
State Treasurer	3,673,500	3,700,000	3,700,000	0.00%
Dept. of Education	1,483,000	1,700,000	1,700,000	0.00%
Dept. of Health	12,649,300	14,300,000	14,300,000	0.00%
Dept. of Environment and Conservation	77,970,300	79,800,000	79,800,000	0.00%
Miscellaneous Revenue	113,965,000	90,700,000	68,400,000	-24.59%
Nursing Home Tax	96,973,400	93,700,000	93,700,000	0.00%
Hospital Coverage Assessment	449,499,800	449,800,000	449,800,000	0.00%
Sub-Total Other State Revenue	\$ 1,734,447,200	\$ 1,814,100,000	\$ 1,790,400,000	-1.31%
Total State Revenue	\$ 13,395,558,600	\$ 13,755,100,000	\$ 14,063,200,000	2.24%

**Distribution of Actual Revenue by Fund
Fiscal Year 2012-2013**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 7,012,028,700	\$2,575,328,900	\$4,033,007,000	\$ 60,902,800	\$ 49,709,300	\$ 293,080,700
Gasoline Tax	615,043,000	9,630,300	0	264,317,900	107,000,000	234,094,800
Motor Fuel Tax	156,993,300	2,970,100	0	112,609,000	0	41,414,200
Gasoline Inspection Tax	62,919,900	18,303,200	0	32,599,700	0	12,017,000
Motor Vehicle Registration Tax	252,893,600	44,468,200	79,600	208,345,800	0	0
Income Tax	233,418,800	170,406,000	0	0	0	63,012,800
Privilege Tax	259,758,100	256,737,500	127,600	0	0	2,893,000
Gross Receipts Tax - TVA	343,128,900	192,158,900	0	0	0	150,970,000
Gross Receipts Tax - Other	25,117,000	20,842,400	0	4,274,600	0	0
Beer Tax	17,224,300	11,509,300	0	2,156,800	0	3,558,200
Alcoholic Beverage Tax	52,116,400	43,120,900	0	0	0	8,995,500
Franchise Tax	702,339,700	684,339,700	0	0	18,000,000	0
Excise Tax	1,318,165,000	1,081,865,800	0	0	224,790,700	11,508,500
Inheritance and Estate Tax	110,627,500	110,627,500	0	0	0	0
Tobacco Tax	277,426,600	31,249,700	246,176,900	0	0	0
Motor Vehicle Title Fees	11,913,600	9,213,600	0	0	2,700,000	0
Mixed Drink Tax	69,580,100	86,100	34,868,700	0	0	34,625,300
Business Tax	137,708,200	137,708,200	0	0	0	0
Severance Tax	2,374,200	1,031,000	0	0	0	1,343,200
Coin-operated Amusement Tax	329,900	329,900	0	0	0	0
Unauthorized Substance Tax	4,600	4,600	0	0	0	0
Sub-Total Department of Revenue	\$ 11,661,111,400	\$5,401,931,800	\$4,314,259,800	\$ 685,206,600	\$ 402,200,000	\$ 857,513,200
Other State Revenue						
Dept. of Commerce and Insurance	\$ 729,919,500	\$ 729,919,500	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	61,471,900	61,471,900	0	0	0	0
Dept. of Financial Institutions	7,987,700	7,987,700	0	0	0	0
Wildlife Resources Agency	46,209,200	46,209,200	0	0	0	0
Dept. of Agriculture	9,643,000	9,643,000	0	0	0	0
Regulatory Board Fees	38,506,000	38,506,000	0	0	0	0
Tennessee Regulatory Authority	6,822,700	6,822,700	0	0	0	0
Secretary of State	35,744,900	35,744,900	0	0	0	0
Dept. of Safety	36,012,200	36,012,200	0	0	0	0
Dept. of Revenue	5,915,800	5,915,800	0	0	0	0
State Treasurer	3,673,500	3,673,500	0	0	0	0
Dept. of Education	1,483,000	0	1,483,000	0	0	0
Dept. of Health	12,649,300	12,649,300	0	0	0	0
Dept. of Environment and Conservation	77,970,300	77,970,300	0	0	0	0
Miscellaneous Revenue	113,965,000	113,965,000	0	0	0	0
Nursing Home Tax	96,973,400	96,973,400	0	0	0	0
Hospital Coverage Assessment	449,499,800	449,499,800	0	0	0	0
Sub-Total Other State Revenue	\$ 1,734,447,200	\$1,732,964,200	\$ 1,483,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 13,395,558,600	\$7,134,896,000	\$4,315,742,800	\$ 685,206,600	\$ 402,200,000	\$ 857,513,200

* 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
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**Distribution of Revised Estimated 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 *	\$ 7,275,000,000	\$2,670,000,000	\$4,184,300,000	\$ 65,000,000	\$ 51,600,000	\$ 304,100,000
Gasoline Tax	611,800,000	9,600,000	0	259,300,000	110,000,000	232,900,000
Motor Fuel Tax	162,300,000	3,100,000	0	116,400,000	0	42,800,000
Gasoline Inspection Tax	63,700,000	18,600,000	0	33,100,000	0	12,000,000
Motor Vehicle Registration Tax	258,700,000	45,400,000	100,000	213,200,000	0	0
Income Tax	260,300,000	168,700,000	0	0	0	91,600,000
Privilege Tax	290,100,000	285,900,000	200,000	0	0	4,000,000
Gross Receipts Tax - TVA	332,100,000	186,700,000	0	0	0	145,400,000
Gross Receipts Tax - Other	29,000,000	24,100,000	0	4,900,000	0	0
Beer Tax	18,000,000	12,000,000	0	2,300,000	0	3,700,000
Alcoholic Beverage Tax	55,200,000	45,700,000	0	0	0	9,500,000
Franchise Tax	700,000,000	682,000,000	0	0	18,000,000	0
Excise Tax	1,300,100,000	1,059,100,000	0	0	229,900,000	11,100,000
Inheritance and Estate Tax	85,000,000	85,000,000	0	0	0	0
Tobacco Tax	271,900,000	30,000,000	241,900,000	0	0	0
Motor Vehicle Title Fees	12,000,000	9,300,000	0	0	2,700,000	0
Mixed Drink Tax	73,100,000	100,000	36,600,000	0	0	36,400,000
Business Tax	139,900,000	139,900,000	0	0	0	0
Severance Tax	2,500,000	1,100,000	0	0	0	1,400,000
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	\$ 11,941,000,000	\$5,476,600,000	\$4,463,100,000	\$ 694,200,000	\$ 412,200,000	\$ 894,900,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 804,000,000	\$ 804,000,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	63,200,000	63,200,000	0	0	0	0
Dept. of Financial Institutions	19,100,000	19,100,000	0	0	0	0
Wildlife Resources Agency	62,900,000	62,900,000	0	0	0	0
Dept. of Agriculture	9,200,000	9,200,000	0	0	0	0
Regulatory Board Fees	39,500,000	39,500,000	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	35,200,000	35,200,000	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	14,300,000	14,300,000	0	0	0	0
Dept. of Environment and Conservation	79,800,000	79,800,000	0	0	0	0
Miscellaneous Revenue	90,700,000	90,700,000	0	0	0	0
Nursing Home Tax	93,700,000	93,700,000	0	0	0	0
Hospital Coverage Assessment	449,800,000	449,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,814,100,000	\$1,812,400,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 13,755,100,000	\$7,289,000,000	\$4,464,800,000	\$ 694,200,000	\$ 412,200,000	\$ 894,900,000

* 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
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**Distribution of 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 *	\$ 7,515,100,000	\$2,765,800,000	\$4,330,700,000	\$ 50,500,000	\$ 53,400,000	\$ 314,700,000
Gasoline Tax	614,800,000	9,700,000	0	282,400,000	88,700,000	234,000,000
Motor Fuel Tax	163,500,000	3,100,000	0	117,300,000	0	43,100,000
Gasoline Inspection Tax	63,700,000	18,600,000	0	33,100,000	0	12,000,000
Motor Vehicle Registration Tax	264,200,000	46,300,000	100,000	217,800,000	0	0
Income Tax	264,100,000	171,200,000	0	0	0	92,900,000
Privilege Tax	310,100,000	305,900,000	200,000	0	0	4,000,000
Gross Receipts Tax - TVA	332,100,000	186,700,000	0	0	0	145,400,000
Gross Receipts Tax - Other	30,500,000	25,300,000	0	5,200,000	0	0
Beer Tax	18,500,000	12,400,000	0	2,300,000	0	3,800,000
Alcoholic Beverage Tax	57,400,000	47,500,000	0	0	0	9,900,000
Franchise Tax	720,700,000	702,700,000	0	0	18,000,000	0
Excise Tax	1,338,500,000	1,115,000,000	0	0	212,400,000	11,100,000
Inheritance and Estate Tax	70,000,000	70,000,000	0	0	0	0
Tobacco Tax	269,100,000	30,000,000	239,100,000	0	0	0
Motor Vehicle Title Fees	12,200,000	9,500,000	0	0	2,700,000	0
Mixed Drink Tax	76,700,000	100,000	38,400,000	0	0	38,200,000
Business Tax	148,900,000	148,900,000	0	0	0	0
Severance Tax	2,700,000	1,200,000	0	0	0	1,500,000
Coin-operated Amusement Tax	0	0	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 12,272,800,000	\$5,669,900,000	\$4,608,500,000	\$ 708,600,000	\$ 375,200,000	\$ 910,600,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 806,000,000	\$ 806,000,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	65,700,000	65,700,000	0	0	0	0
Dept. of Financial Institutions	19,000,000	19,000,000	0	0	0	0
Wildlife Resources Agency	55,600,000	55,600,000	0	0	0	0
Dept. of Agriculture	9,200,000	9,200,000	0	0	0	0
Regulatory Board Fees	40,300,000	40,300,000	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	35,900,000	35,900,000	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	14,300,000	14,300,000	0	0	0	0
Dept. of Environment and Conservation	79,800,000	79,800,000	0	0	0	0
Miscellaneous Revenue	68,400,000	68,400,000	0	0	0	0
Nursing Home Tax	93,700,000	93,700,000	0	0	0	0
Hospital Coverage Assessment	449,800,000	449,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,790,400,000	\$1,788,700,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 14,063,200,000	\$7,458,600,000	\$4,610,200,000	\$ 708,600,000	\$ 375,200,000	\$ 910,600,000

* 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
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Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2012 - June 30, 2015
To Support Statement of State Revenues

SOURCE OF REVENUE	Actual 2012-2013	Estimated 2013-2014	Estimated 2014-2015
State Board of Accountancy	\$ 1,031,600	\$ 1,453,900	\$ 1,453,900
State Board of Examiners for Architects and Engineers	1,458,800	1,928,500	1,929,400
Tennessee Auctioneer Commission	235,900	354,600	354,600
Board of Barber Examiners	380,400	564,400	564,400
Tennessee Collection Service Board	376,800	786,900	786,900
Licensing Contractors, Home Improvement and Interior Designers	2,475,900	2,327,000	2,327,000
State Board of Cosmetology	1,506,300	1,866,100	1,866,100
Board of Funeral Directors and Embalmers	398,100	909,400	909,400
Board of Examiners for Land Surveyors	29,800	383,100	383,100
Board of Alarm Contractors	646,700	1,150,700	1,150,700
Private Investigators Licensing and Regulation	198,600	462,800	462,800
Private Protective Services Licensing and Regulation	1,098,600	1,517,500	1,517,500
Board of Polygraph Examiners	200	0	0
Real Estate Appraiser Commission	2,039,000	3,256,600	3,307,100
Registration of Geologists	99,100	116,200	116,200
Tennessee Real Estate Commission	612,900	817,200	817,200
Tennessee Motor Vehicle Commission	1,929,800	1,164,200	1,164,200
Race Track Licensing	2,300	5,700	5,700
Locksmith Licensing Board	88,100	0	0
Private Probation Registration	130,500	70,400	70,400
Home Inspectors License	49,500	47,900	47,900
Scrap Metal Dealers Registration	148,200	66,600	66,600
Soil Scientist Licensing	23,000	11,600	11,600
Sub-Total: Commerce and Insurance	\$ 14,960,100	\$ 19,261,300	\$ 19,312,700
Board of Chiropractic Examiners	\$ 219,400	\$ 153,600	\$ 153,600
Board of Dentistry	1,617,700	1,209,600	1,209,600
Board of Dietitian / Nutritionist Examiners	80,300	46,300	46,300
Board of Dispensing Opticians	144,000	71,200	71,200
State Board of Electrolysis Examiners	16,700	10,400	10,400
Council for Licensing Hearing Instrument Specialists	75,100	33,700	33,700
Board of Social Worker Certification and Licensure	396,700	214,300	214,300
Board of Medical Examiners	3,084,100	2,497,300	2,497,300
Tennessee Medical Laboratory Board	667,000	670,200	670,200
Board of Nursing and Certified Medication Aide Licensure	6,507,000	5,166,800	5,166,800
Board of Examiners for Nursing Home Administrators	108,300	62,900	62,900
Board of Occupational and Physical Therapy Examiners	538,600	313,200	313,200
Massage Licensure Board	856,400	645,000	645,000
State Board of Athletic Trainers	77,700	34,300	34,300
Board of Respiratory Care	334,100	200,000	200,000
State Board of Optometry	195,400	169,800	169,800
Board of Osteopathic Examination	252,600	154,300	154,300
Board of Pharmacy	2,230,600	2,921,100	3,654,400
Board of Registration for Podiatry	94,600	71,600	71,600
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	242,200	117,500	117,500
Board of Examiners in Psychology	309,500	224,500	224,500
Board for Communication Disorders and Sciences	143,500	74,400	74,400
Committee on Physician Assistants	210,200	110,800	110,800
Board of Veterinary Medical Examiners	548,000	510,100	510,100
Alcohol and Drug Abuse Counselors	76,000	56,500	56,500
Board of Midwifery	23,600	10,000	10,000
Board of Acupuncture	39,200	23,500	23,500
Board of Clinical Perfusionists	20,800	15,300	15,300
Reflexologist License	15,300	7,200	7,200
Polysomnographic Professional Standards Board	22,800	34,700	34,700
Pain Management Clinic Certificate	36,600	0	0
Sub-Total: Health	\$ 19,184,000	\$ 15,830,100	\$ 16,563,400
State Regulatory Fee	\$ 2,746,500	\$ 2,500,000	\$ 2,500,000
State Board of Law Examiners	786,500	736,800	750,000
Health Services Development Agency	828,900	1,134,500	1,134,500
Adjustment	0	37,300	39,400
Total Regulatory Boards	\$ 38,506,000	\$ 39,500,000	\$ 40,300,000

Tax Expenditures

Recommended Budget, Fiscal Year 2014-2015

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 2014-2015. 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. Secondly, 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 2014-2015 Estimated Loss	
	State	Local *
Administrative and Support Services	\$ 391,800,000	\$ 139,900,000
Collection Agencies and Credit Bureaus	35,000,000	12,500,000
Employment Services	203,600,000	72,700,000
Investigation and Security Services	60,100,000	21,500,000
Mail, Document Reproduction, and Call Centers	21,400,000	7,600,000
Services to Buildings and Dwellings	71,700,000	25,600,000
Construction Services	\$ 746,600,000	\$ 266,600,000
Construction of Buildings	238,500,000	85,200,000
Heavy and Civil Engineering Construction	67,300,000	24,000,000
Specialty Trade Contractors	440,800,000	157,400,000
Educational Services	\$ 33,000,000	\$ 11,300,000
Educational Services (for-profit)	28,700,000	9,800,000
Educational Services (non-profit)	4,300,000	1,500,000
Finance, Insurance, and Real Estate	\$ 258,000,000	\$ 88,500,000
Investment Banking, Securities Brokerage, and Related	103,800,000	35,600,000
Insurance Agents and Related	11,100,000	3,800,000
Real Estate Agents and Brokers	143,100,000	49,100,000
Health Care and Social Services (For-profit)	\$ 898,800,000	\$ 308,400,000
Physicians and Dentists	489,900,000	168,000,000
Other Health Practitioners	60,300,000	20,700,000
Hospitals	118,600,000	40,700,000
Nursing and Residential Care Facilities	106,900,000	36,700,000
Outpatient Care Centers	37,000,000	12,700,000
Medical and Diagnostic Laboratories	34,000,000	11,700,000
Other Selected Health Services	17,200,000	5,900,000
Social and Community Services	34,900,000	12,000,000
Health Care and Social Services (Non-profit)	\$ 517,100,000	\$ 177,500,000
Hospitals	429,300,000	147,200,000
Nursing and Residential Care Facilities	31,100,000	10,700,000
Outpatient Care Centers	22,400,000	7,800,000
Other Selected Health Services	7,300,000	2,500,000
Social and Community Services	27,000,000	9,300,000
Information Services	\$ 69,100,000	\$ 23,800,000
Data Processing Services	31,500,000	10,800,000
Movie Production and Sound Recording Studios	11,100,000	3,800,000
Cable TV Subscriptions (exempt amount)	14,700,000	5,100,000
Newspaper Subscriptions and Sales	11,800,000	4,100,000
Media Advertising Sales	\$ 127,300,000	\$ 43,600,000
Newspaper Advertising	37,300,000	12,800,000
Radio Advertising	29,600,000	10,100,000
Television Advertising (Broadcast and Cable)	60,400,000	20,700,000
Personal Services	\$ 109,700,000	\$ 37,600,000
Coin-operated Laundry	2,100,000	700,000
Death Care Services	14,900,000	5,100,000
Diet and Weight Loss	1,700,000	600,000
Hair, Nail, and Skin Care Services	44,700,000	15,300,000
Non-Profit Amusement and Membership Organizations	46,300,000	15,900,000
Professional and Technical Services	\$ 714,600,000	\$ 244,900,000
Accounting, Tax Return Preparation, and Payroll	100,400,000	34,400,000
Advertising and Public Relations	41,600,000	14,300,000
Architectural Services	30,100,000	10,300,000
Engineering Services	111,100,000	38,100,000
All other Architectural, Engineering, and Related	21,700,000	7,400,000
Specialized Design Services	16,700,000	5,700,000
Computer Systems Design and Related Services	56,300,000	19,300,000
Legal Services (profit and non-profit)	177,900,000	61,000,000
Management, Scientific, and Technical Consulting	130,500,000	44,700,000
Scientific Research and Development (profit and non-profit)	28,300,000	9,700,000
Transportation Services (Local Trucking only)	\$ 62,300,000	\$ 21,400,000
Truck Transportation (Local)	62,300,000	21,400,000
Total Revenue Loss	\$ 3,928,300,000	\$ 1,363,500,000

* 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 2014-2015 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 3,355,700,000	\$ 1,099,600,000
67-6-329(a)(1)	Gasoline	746,800,000	266,700,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	282,700,000	101,000,000
67-6-217	Aviation fuel (reduced rate)	41,700,000	40,000,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	17,400,000	6,200,000
67-6-314, 320	Prescription drugs, insulin, and related	615,900,000	211,200,000
67-6-319	Prescription drug samples	23,300,000	8,300,000
67-6-334	Energy fuels sold for residential use	399,700,000	142,700,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	178,400,000	81,100,000
67-6-206(b)(2-8)	Energy and water sales to manuf. for direct processing (exempt)	51,400,000	22,400,000
67-6-102(44), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	225,600,000	48,300,000
67-6-228(a)	Food sales (reduced rate)	206,300,000	4,700,000
67-6-329(a)(13)	Packaging sold for resale or use	120,000,000	41,100,000
67-6-329(a)(3), (18)	School books and lunches	13,900,000	4,800,000
67-6-330(a)(4-5)	Membership dues of civic organizations and business assoc.	15,700,000	5,400,000
67-6-316	Prescription eyewear and optical goods	16,600,000	5,700,000
67-6-103(f), 226, 714	Cable television (exempt portion)	14,700,000	9,300,000
67-6-329(a)(10)	Newspaper periodical sales	10,900,000	3,900,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	6,900,000	500,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	3,100,000	-
67-6-336	Used factory-manufactured structures	800,000	-
67-6-219, 702(e)	Sales to common carriers (reduced rate)	8,100,000	3,200,000
67-6-330(a)(16)	Physical fitness facility fees	12,000,000	4,100,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	5,500,000	1,200,000
67-6-309(a)	Film and transcription rentals	4,700,000	1,600,000
67-6-102(44)(H)(i)	Certain warehouse equipment	4,800,000	800,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	8,200,000	2,800,000
67-6-329(a)(6)	Magazines and books--printers' nexus	2,600,000	900,000
	All other remaining exemptions	318,000,000	81,700,000
	Corporate Franchise and Excise Tax	\$ 121,800,000	\$ -
67-4-2109	Jobs credit (Franchise and Excise)	42,500,000	NA
67-4-2108	Cap on value of inventories (Franchise)	23,600,000	NA
67-4-2009	Industrial machinery credit (Franchise and Excise)	55,700,000	NA
	Motor Vehicle Registration Fees	\$ 4,600,000	\$ -
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	1,600,000	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	\$ 263,500,000	\$ -
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	255,500,000	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	\$ 264,000,000	\$ 9,000,000
67-8-316(b)	Standard Exemption on the inheritance tax	216,500,000	NA
67-8-315(a)(6)	Marital Deduction on the inheritance tax	32,000,000	NA
67-2-104(a)	Standard Exemption on the income tax	15,000,000	9,000,000
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	500,000	NA
	Total Revenue Loss	\$ 4,009,600,000	\$ 1,108,600,000

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: 7% for merchandise purchased from any vending machine (TCA 67-6-102(a)(28)(I)); 1.5% for energy fuels used by manufacturers and nurserymen, and 1% for water used by manufacturers (TCA 67-6-206(b) 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

		interstate telecommunication services sold to businesses are earmarked to the 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, rail, 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 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

Counties.....	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 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)).
GASOLINE TAX	\$0.20 on each gallon of gasoline sold, stored, or distributed in the state (TCA 67-3-201 and 60-4-102).
General Fund.....	Approximately 1.6% (TCA 67-3-901).
Highway Fund.....	Approximately 60.3%, less an amount to the Debt Service Fund (TCA 67-3-901).
Debt Service Fund	Amount required from Highway Fund apportionment (TCA 9-9-103 and 67-3-901).
Cities	Approximately 12.7% based on population (TCA 54-4-203 and 67-3-901).
Counties.....	Approximately 25.4% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103 and 67-3-901).
MOTOR FUEL TAX	\$0.17 on each gallon of diesel fuel and all fuel other than gasoline, except dyed fuel under IRS rules (TCA 67-3-202); 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).
General Fund.....	Approximately 2.0% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway Fund.....	Approximately 71.6%, 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 8.8% based on population (TCA 54-4-203, 67-3-905, and 67-3-908).
Counties.....	Approximately 17.6% 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. From the city share, \$10,000 per month

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 Dept. 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) and National Hockey League (NHL) players on a team roster for more than 10 days, \$15 marriage license fee, plus a \$62.50 marriage license fee for couples not completing

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

a premarital preparation course, a packaged automotive oil fee (2 cents per quart), and a 3% surcharge tax on certain rental motor vehicles, blood alcohol testing fee (\$250 per conviction), an additional \$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
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**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

portion of the realty transfer tax is 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 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,

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

alcohol and drug addiction treatment 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 and NHL players. 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 4 cents 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

		Services (TCA 57-9-115, 12-2-207 and 12-2-209).
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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Debt Service Fund Amount required from General Fund apportionment (TCA 9-9-103).

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 is \$2 million, and in 2015 \$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-

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

4-1002 through 67-4-1005, 67-4-1015,
67-4-1020, 47-25-308 and 47-25-309).

General Fund..... Approximately 11.1%. 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 88.9%. 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 77.9% (including 50 cents 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 22.1% (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 pay a tax rate of 2.5% on gross premiums paid by or for policyholders residing in this state or on property located in the state, except captive insurance companies, which are taxed at various rates on premiums collected and reinsurance assumed. The minimum aggregate tax 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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%.

**911 EMERGENCY
COMMUNICATIONS
FUND**

Monthly fee of \$1.00 charged to all users and subscribers of non-wireline service including but not limited to commercial mobile radio service (cellular phone) that is capable of connecting users to public safety answering points. Collected funds are used to support uniform statewide 911 service, to implement, operate, maintain, and enhance E-911 service

Collecting Agency and Classification

Rate and Source

Basis of Apportionment

through funding distributed to the State's emergency communications districts, and for deployment of 911 service for new communication technologies. Non-wireline service providers may retain up to 3% of the fees collected for administrative expenses (TCA 7-86-108, 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% (earmarked for the Department of Financial Institutions) (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).

General Fund.....100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Wildlife Resources Agency

WILDLIFE

RESOURCES Fees 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**

FUND Fees 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

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

General Fund..... 100%.

FEED

INSPECTION A \$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 excess of 500 tons (TCA 44-6-104 and 44-6-109).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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%.

Regulatory Board Fees

**REGULATORY
BOARDS**

Fees 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-

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

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.....Fees paid by telecommunication service providers with annual Tennessee intrastate gross receipts in excess of \$5,000,000. Fees assessed are not to exceed \$750,000 per year in total for the establishment of a fund for support of the telecommunications assistive device distribution program

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

(TDAP). The reserve fund for the program shall not exceed \$1 million. (65-21-115).

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

GAS SAFETY

INSPECTION.....Annual 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 SERVICES.....An 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).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

DOG AND CAT

DEALERS.....Licensing fee based on type of facility
and volume of animal transactions
(TCA 44-17-104(b)).

General Fund..... 100%.

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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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.....Two cents 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

NURSING HOME

TAXAnnual tax assessed at \$2,225 per
licensed nursing home bed excluding
those certified as ICF/MR beds (TCA
68-11-216(c)(1) through (12)).

General Fund.....100%.

**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)).

Annual Hospital Coverage Assessment

**ANNUAL
HOSPITAL
COVERAGE**

ASSESSMENTAnnual assessment, payable in
quarterly installments, equal to 4.52%
of a covered hospital's net patient

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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, 2014 (TCA 71-5-2703 and 71-5-2704).

General Fund.....100% (earmarked for the Maintenance of Coverage Trust Fund TCA 71-5-2705).

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: Tre Hargett, Secretary of State *Tre Hargett*
Justin P. Wilson, Comptroller of the Treasury *Justin P. Wilson*
David H. Lillard Jr., State Treasurer *David H. Lillard Jr.*
Larry B. Martin, Commissioner, Finance and Administration *Larry B. Martin*

Date: December 20, 2013

Subject: State Funding Board Growth Projections for FY 2013-14 and FY 2014-15

The State Funding Board met on December 10, 2013, to hear presentations on the State's economic outlook for the remainder of fiscal year 2013-14 and for fiscal year 2014-15. The Board reconvened on December 17, 2013 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 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 is moderate and will continue to be so into 2015. Inflation continues to remain stable, but could become more of a concern in future years. The presenters acknowledged that while the national and state economies continue to experience positive growth, the growth is far more modest than in prior expansionary periods. Sales tax growth and franchise and excise tax growth in Tennessee were pointed to as particular concerns.

Traditionally, Tennessee's economy tends to track the nation's economy. Presenters noted that there has been moderate growth in the national economy, as well as Tennessee's economy in recent months, highlighted by relatively strong growth in the automotive sector. The housing sector, while having rebounded from its bottom, continues to be below previous highs. The presenters expect some moderate growth in the housing market in 2014 and 2015, but not to pre-recession levels. Business investment, especially in equipment and software, is growing very slowly in this expansionary period. One presenter noted that normally in the third or fourth year of an economic expansion, there should be signs of vitality in the economy that simply are not present at this time. Forecasted continued weakness moving forward shows that the normal cyclical drivers of the economy are not increasing at a very rapid pace. Additionally, consumer confidence continues to be below that of past expansionary periods.

Employment growth nationally, and particularly in Tennessee, remains slow. One presenter noted that nearly all of the improvement seen in the unemployment rate to date has been due to a reduction in the labor force. The flow of newly unemployed persons has almost returned to pre-crisis levels, but the duration of unemployment is longer. One presenter noted that the number of unemployed includes in-migrants to the state. Tennessee, as he pointed out, has above average in-migration when compared to the nation, which is inconsistent with the notion that employment growth has been weak relative to the nation.

As of October, Tennessee’s unemployment rate of 8.4% remained higher than the national average. One presenter asserted that when viewing recent data regarding new and on-going claims for unemployment insurance, the data is consistent with the unemployment rate falling as the nation’s has. This presenter stated he was surprised to see a sudden shift in the unemployment relationship between Tennessee and the national average over the past year. Furthermore, he stated that some of the employment estimates for Tennessee, particularly in local government, are inconsistent with what we know is occurring. This presenter predicted that when the Bureau of Labor Statistics prepares their benchmark revisions in February 2014, the unemployment picture in Tennessee will appear better than portrayed for much of 2013.

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

	FY 2013-14		FY 2014-15	
	Low	High	Low	High
Total State Taxes	2.20%	2.40%	2.55%	2.90%
General Fund	2.10%	2.30%	2.85%	3.25%

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 2013 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 a matrix change to the Powerball game in January 2012 attributed to 29.6% growth in fiscal year 2012-13 revenues from fiscal year 2011-12. He expects that, due to the matrix change, higher jackpots have generated significant, sustainable, incremental revenue for future years. Mr. Currey also noted an October 2013 matrix change to Mega Millions that is

expected to positively impact revenue going forward. Year-to-date for fiscal year 2013-14, Mr. Currey noted a 21.2% growth in Powerball, Mega Millions, and Hot Lotto, as a result of the higher jackpots seen in Powerball and Mega Millions. Mr. Currey estimated that Net Lottery Proceeds available for deposit into the Lottery Education Account for fiscal years 2013-14 and 2014-15 will be 24.5% and 24.3% of total net revenue, respectively. Additionally, Mr. Currey estimated fiscal year 2013-14 growth in Net Lottery Proceeds ranging from 1.7% to 4.8%. Due to the high level of uncertainty, Mr. Currey projected the growth in total net revenues and Net Lottery Proceeds for fiscal years 2014-15 through 2016-17 to be 3.0% and 2.0% respectively.

Mr. Andy Davis, Chief Financial and Technology Officer of the TELC, highlighted fiscal year 2013-14 year-to-date information, including total tickets sales growth of 5.8%, as of November 30, 2013. 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 2013-14 ranging from 2.0% to 3.5%. TELC projected 2% growth in Net Lottery Proceeds for fiscal year 2014-15 through fiscal year 2017-18. Mr. Davis stated that these four 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 decreased projection for fiscal year 2013-14, which now estimates 102,000 awards, with a projected baseline cost of \$310.8 million. Mr. Phelps also presented award estimates for fiscal year 2014-15 of 105,500 with a projected baseline cost of \$321.0 million. Additionally, it is estimated that there will be 108,500 awards in fiscal year 2015-16, with a projected baseline cost of \$330.4 million, 111,500 awards in fiscal year 2016-17 with a projected baseline cost of \$339.5 million, and 112,800 awards in fiscal year 2017-18 with a projected baseline cost of \$343.5 million. These awards include all lottery-funded scholarship programs as authorized through the 2013 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	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18
Low	\$332,000,000	\$339,000,000	\$344,900,000	\$350,900,000	\$357,000,000
High	\$336,000,000	\$345,000,000	\$351,900,000	\$358,900,000	\$366,100,000

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.

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 2013-2014
(Accrual - Basis Estimates)

Schedule 1

A-112

DEPARTMENT OF REVENUE	2013-2014												
	2012-2013	% CHANGE			% CHANGE			% CHANGE			% CHANGE		
	ACTUAL	BUDGETED	OVER 12-13	DR. FOX	OVER 12-13	FISCAL REVIEW	OVER 12-13	REVENUE DEPT.	OVER 12-13	DR. DePRINCE	OVER 12-13		
SOURCE OF REVENUE	ACCRUAL	7-1-13	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL		
Sales and use Tax	\$ 7,012,028,700	\$ 7,288,400,000	3.94%	\$ 7,250,400,000	3.40%	\$ 7,275,000,000	3.75%	\$ 7,270,500,000	3.69%	\$ 7,233,300,000	3.16%		
Gasoline Tax	615,043,000	611,800,000	-0.53%	614,000,000	-0.17%	612,000,000	-0.49%	619,400,000	0.71%	610,000,000	-0.82%		
Motor Fuel Tax	156,993,300	162,300,000	3.38%	159,400,000	1.53%	161,700,000	3.00%	159,800,000	1.79%	166,000,000	5.74%		
Gasoline Inspection Tax	62,919,900	63,700,000	1.24%	62,600,000	-0.51%	62,500,000	-0.67%	63,300,000	0.60%		NA		
Motor Vehicle Registration Tax	252,893,600	256,500,000	1.43%	259,200,000	2.49%	262,000,000	3.60%	264,500,000	4.59%	260,600,000	3.05%		
Income Tax	233,418,800	201,800,000	-13.55%	261,400,000	11.99%	250,000,000	7.10%	278,800,000	19.44%	264,800,000	13.44%		
Privilege Tax - Less Earmarked Portion	259,758,100	298,200,000	14.80%	290,100,000	11.68%	293,000,000	12.80%	282,500,000	8.76%	300,100,000	15.53%		
Gross Receipts Tax - Total	368,245,900	374,200,000	1.62%	361,100,000	-1.94%	359,904,000	-2.27%	359,100,000	-2.48%	374,000,000	1.56%		
Gross Receipts Tax - TVA	343,128,900	342,700,000	-0.12%	332,100,000	-3.21%	332,104,000	-3.21%	332,100,000	-3.21%		NA		
Gross Receipts Tax - Other	25,117,000	31,500,000	25.41%	29,000,000	15.46%	27,800,000	10.68%	27,000,000	7.50%		NA		
Beer Tax	17,224,300	17,800,000	3.34%	18,000,000	4.50%	18,100,000	5.08%	17,100,000	-0.72%		NA		
Alcoholic Beverage Tax	52,116,400	55,100,000	5.72%	55,200,000	5.92%	55,500,000	6.49%	54,200,000	4.00%		NA		
Franchise & Excise Taxes	2,020,504,700	2,135,900,000	5.71%	2,000,300,000	-1.00%	1,995,000,000	-1.26%	1,961,900,000	-2.90%	2,088,800,000	3.38%		
Inheritance and Estate Tax	110,627,500	85,000,000	-23.17%	85,000,000	-23.17%	95,000,000	-14.13%	99,300,000	-10.24%		NA		
Tobacco Tax	277,426,600	272,700,000	-1.70%	271,900,000	-1.99%	271,000,000	-2.32%	277,100,000	-0.12%		NA		
Motor Vehicle Title Fees	11,913,600	13,100,000	9.96%	12,000,000	0.73%	12,400,000	4.08%	12,400,000	4.08%		NA		
Mixed Drink Tax	69,580,100	72,400,000	4.05%	73,100,000	5.06%	74,500,000	7.07%	73,100,000	5.06%		NA		
Business Tax	137,708,200	140,600,000	2.10%	143,200,000	3.99%	139,000,000	0.94%	142,600,000	3.55%		NA		
Severance Tax	2,374,200	2,400,000	1.09%	2,500,000	5.30%	2,600,000	9.51%	2,900,000	22.15%		NA		
Coin Operated Amusement Tax	329,900	300,000	-9.06%	300,000	-9.06%	350,000	6.09%	300,000	-9.06%		NA		
Unauthorized Substance Tax	4,600	-	NA	-	NA	-	NA	-	NA		NA		
All Other Taxes	-	-	NA	-	NA	-	NA	-	NA	722,600,000 *	NA		
TOTAL DEPARTMENT OF REVENUE	\$ 11,661,111,400	\$ 12,052,200,000	3.35%	\$ 11,919,700,000	2.22%	\$ 11,939,554,000	2.39%	\$ 11,938,800,000	2.38%	\$ 12,020,200,000	3.08%		
GENERAL FUND ONLY (2)	\$ 9,716,191,600	\$ 10,065,800,000	3.60%	\$ 9,920,100,000	2.10%	\$ 9,939,454,000	2.30%	\$ 9,922,100,000	2.12%	\$ 10,010,600,000	3.03%		
Budgeted Est. Compared to New Est. - Total				\$ (132,500,000)		\$ (112,646,000)		\$ (113,400,000)		\$ (32,000,000)			
Budgeted Est. Compared to New Est. - Gen. Fund				\$ (145,700,000)		\$ (126,346,000)		\$ (143,700,000)		\$ (55,200,000)			

SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%
SALES AND USE TAX	\$ 7,012,028,700	\$ 7,288,400,000	3.94%	\$ 7,250,400,000	3.40%	\$ 7,275,000,000	3.75%	\$ 7,270,500,000	3.69%	\$ 7,233,300,000	3.16%
FRANCHISE AND EXCISE TAXES	2,020,504,700	2,135,900,000	5.71%	2,000,300,000	-1.00%	1,995,000,000	-1.26%	1,961,900,000	-2.90%	2,088,800,000	3.38%
INCOME TAX	233,418,800	201,800,000	-13.55%	261,400,000	11.99%	250,000,000	7.10%	278,800,000	19.44%	264,800,000	13.44%
ROAD USER TAXES	1,087,849,800	1,094,300,000	0.59%	1,095,200,000	0.68%	1,098,200,000	0.95%	1,107,000,000	1.76%		NA
ALL OTHER TAXES	1,307,309,400	1,331,800,000	1.87%	1,312,400,000	0.39%	1,321,354,000	1.07%	1,320,600,000	1.02%		NA

(1) Privilege Tax estimates are reduced by \$43.0 million in FY 2012-2013 for the earmarked portion of the tax. The FY 2013-2014 Budgeted estimate is reduced by \$34.8 million. The FY 2013-2014 Revised Estimate is reduced by \$43.0 million.
(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 2013-2014 Budgeted Estimate.

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2014-2015

Schedule 2

(Accrual - Basis Estimates)

DEPARTMENT OF REVENUE	2014-2015							
	DR. FOX ESTIMATE	% CHANGE OVER 13-14 ESTIMATE	FISCAL REVIEW ESTIMATE	% CHANGE OVER 13-14 ESTIMATE	REVENUE DEPT. ESTIMATE	% CHANGE OVER 13-14 ESTIMATE	DR. DePRINCE ESTIMATE	% CHANGE OVER 13-14 ESTIMATE
Sales and use Tax	\$ 7,482,400,000	3.20%	\$ 7,515,000,000	3.30%	\$ 7,568,600,000	4.10%	\$ 7,488,700,000	3.53%
Gasoline Tax	614,000,000	0.00%	611,000,000	-0.16%	617,300,000	-0.34%	611,900,000	0.31%
Motor Fuel Tax	160,900,000	0.94%	162,000,000	0.19%	163,500,000	2.32%	167,600,000	0.96%
Gasoline Inspection Tax	63,200,000	0.96%	62,200,000	-0.48%	63,300,000	0.00%		NA
Motor Vehicle Registration Tax	264,400,000	2.01%	269,860,000	3.00%	275,100,000	4.01%	265,700,000	1.96%
Income Tax	271,900,000	4.02%	260,000,000	4.00%	259,800,000	-6.81%	275,100,000	3.89%
Privilege Tax - Less Earmarked Portion	310,100,000	6.89%	310,000,000	5.80%	292,400,000	3.50%	312,900,000	4.27%
Gross Receipts Tax - Total	362,600,000	0.42%	367,658,000	2.15%	362,800,000	1.03%	384,300,000	2.75%
Gross Receipts Tax - TVA	332,100,000	0.00%	338,746,000	2.00%	335,400,000	0.99%		NA
Gross Receipts Tax - Other	30,500,000	5.17%	28,912,000	4.00%	27,400,000	1.48%		NA
Beer Tax	18,500,000	2.78%	18,600,000	2.76%	17,000,000	-0.58%		NA
Alcoholic Beverage Tax	57,400,000	3.99%	57,300,000	3.24%	56,300,000	3.87%		NA
Franchise & Excise Taxes	2,040,300,000	2.00%	2,075,000,000	4.01%	2,079,600,000	6.00%	2,151,600,000	3.01%
Inheritance and Estate Tax	70,000,000	-17.65%	72,000,000	-24.21%	82,500,000	-16.92%		NA
Tobacco Tax	269,100,000	-1.03%	270,000,000	-0.37%	275,700,000	-0.51%		NA
Motor Vehicle Title Fees	12,200,000	1.67%	12,900,000	4.03%	13,000,000	4.84%		NA
Mixed Drink Tax	76,700,000	4.92%	78,500,000	5.37%	77,200,000	5.61%		NA
Business Tax	148,900,000	3.98%	142,475,000	2.50%	149,800,000	5.05%		NA
Severance Tax	2,700,000	8.00%	2,700,000	3.85%	3,100,000	6.90%		NA
Coin Operated Amusement Tax	-	-100.00%	370,000	5.71%	300,000	0.00%		NA
Unauthorized Substance Tax	-	NA	-	NA	-	NA		NA
All Other Taxes	-	NA	-	NA	-	NA	728,200,000 *	0.77%
TOTAL DEPARTMENT OF REVENUE	\$12,225,300,000	2.56%	\$12,287,583,000	2.91%	\$12,357,300,000	3.51%	\$12,386,000,000	3.04%
GENERAL FUND ONLY (2)	\$10,203,400,000	2.86%	\$10,262,363,000	3.25%	\$10,320,100,000	4.01%	\$10,348,900,000	3.38%
Growth over FY 14 Budgeted Est. - Total	\$ 173,100,000		\$ 235,363,000		\$ 305,100,000		\$ 333,800,000	
Growth over FY 14 Budgeted Est. - Gen. Fund	\$ 137,600,000		\$ 196,563,000		\$ 254,300,000		\$ 283,100,000	
Revised Est. Compared to New Est. - Total	\$ 305,600,000		\$ 348,009,000		\$ 418,500,000		\$ 365,800,000	
Revised Est. Compared to New Est. - Gen. Fund	\$ 283,300,000		\$ 322,909,000		\$ 398,000,000		\$ 338,300,000	
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%
SALES AND USE TAX	\$ 7,482,400,000	3.20%	\$ 7,515,000,000	3.30%	\$ 7,568,600,000	4.10%	\$ 7,488,700,000	3.53%
FRANCHISE AND EXCISE TAXES	2,040,300,000	2.00%	2,075,000,000	4.01%	2,079,600,000	6.00%	2,151,600,000	3.01%
INCOME TAX	271,900,000	4.02%	260,000,000	4.00%	259,800,000	-6.81%	275,100,000	3.89%
ROAD USER TAXES	1,102,500,000	0.67%	1,105,060,000	0.62%	1,119,200,000	1.10%		NA
ALL OTHER TAXES	1,328,200,000	1.20%	1,332,503,000	0.84%	1,330,100,000	0.72%		NA

(1) Privilege Tax estimates are reduced by \$43.0 million in FY 2014-2015 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 2013-2014 Budgeted Estimate.

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Net Lottery Proceeds Estimates
Actual 2012-2013 and Estimated 2013-2014 Through 2017-2018
December 17, 2013

	2012-2013	2013-2014		2014-2015		2015-2016		2016-2017		2017-2018	
	Actual	Revised	%	Estimated	%	Estimated	%	Estimated	%	Estimated	%
Lottery Corporation											
Low	321,542,300	327,848,000	1.96%	334,000,000	1.88%	341,000,000	2.10%	347,000,000	1.76%	354,000,000	2.02%
High	321,542,300	332,781,000	3.50%	339,000,000	1.87%	346,000,000	2.06%	353,000,000	2.02%	360,000,000	1.98%
Fiscal Review Staff											
Low	321,542,300	327,100,000	1.73%	332,700,000	1.71%						
Mean	321,542,300	332,000,000	3.25%	339,000,000	2.11%	345,780,000	2.00%	352,696,000	2.00%	359,750,000	2.00%
High	321,542,300	336,900,000	4.78%	345,400,000	2.52%						
Recommended Range											
Low	321,542,300	332,000,000	3.25%	339,000,000	2.11%	344,900,000	1.74%	350,900,000	1.74%	357,000,000	1.74%
High	321,542,300	336,000,000	4.50%	345,000,000	2.68%	351,900,000	2.00%	358,900,000	1.99%	366,100,000	2.01%



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 10, 2013

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 2018-19 academic year.

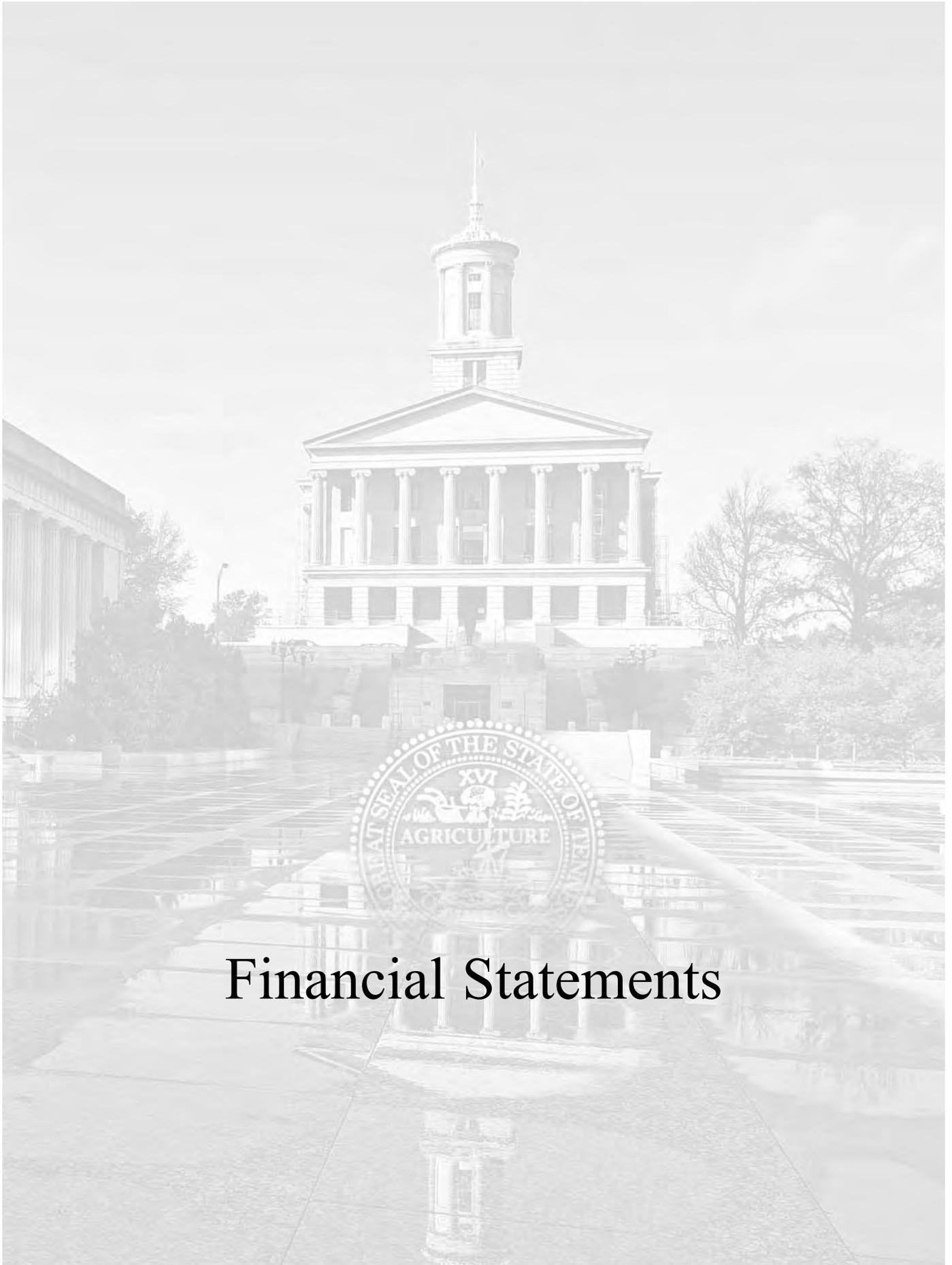
The figures below incorporate data for all lottery-funded programs, including the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Nontraditional Student Grant, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition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

Fiscal Year	TELS Expenditures Low	TELS Expenditures Baseline	TELS Expenditures High	Recipients
2012-13 actual	N/A	\$312.0M	N/A	102,600
2013-14 estimated	\$306.1M	\$310.8M	\$329.0M	102,000
2014-15 estimated	\$316.1M	\$321.0M	\$340.0M	105,500
2015-16 estimated	\$325.1M	\$330.4M	\$353.3M	108,500
2016-17 estimated	\$334.6M	\$339.5M	\$362.9M	111,500
2017-18 estimated	\$338.7M	\$343.5M	\$367.6M	112,800
2018-19 estimated	\$342.1M	\$347.6M	\$372.4M	113,900

**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. If further structural changes are made to the program, these projected expenditures may change.

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



Financial Statements

Financial Statements

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**General Fund
Comparative Balance Sheet
June 30, 2012, and June 30, 2013**

	<u>June 30, 2012</u>	<u>June 30, 2013</u>
Assets		
Cash and Cash Equivalents	\$ 1,853,240,000	\$ 2,153,867,000
Receivables, net	1,488,891,000	1,552,045,000
Due from Other Funds	257,325,000	338,469,000
Due from Component Units	402,000	303,000
Inventories, at Cost	13,729,000	13,088,000
Prepayments	237,000	174,000
Loans Receivable, net	3,217,000	2,956,000
Net Investment in Capital Leases	<u>776,000</u>	<u>516,000</u>
Total Assets	<u>\$ 3,617,817,000</u>	<u>\$ 4,061,418,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 993,348,000	\$ 1,204,780,000
Due to Other Funds	8,853,000	8,760,000
Due to Component Units	2,186,000	15,351,000
Unearned Revenue	<u>216,646,000</u>	<u>222,928,000</u>
Total Liabilities	<u>\$ 1,221,033,000</u>	<u>\$ 1,451,819,000</u>
Deferred Inflows of Resources	<u>\$ 78,725,000</u>	<u>\$ 97,130,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 13,729,000	\$ 13,088,000
Nonspendable - Accounts Receivable	4,880,000	8,261,000
Restricted	63,192,000	73,346,000
Committed	286,918,000	355,546,000
Assigned - Appropriations for 2012-2013	426,100,000	0
Assigned - Appropriations for 2013-2014	0	679,400,000
Assigned - Other Reserves	824,577,000	906,564,000
Unassigned - Revenue Fluctuation Reserve	306,000,000	356,000,000
Unassigned - Reserve for Future Requirements	392,300,000	119,764,000
Unassigned - Fund Balance	<u>363,000</u>	<u>500,000</u>
Total Fund Balance	<u>\$ 2,318,059,000</u>	<u>\$ 2,512,469,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 3,617,817,000</u>	<u>\$ 4,061,418,000</u>

**Education Fund
Comparative Balance Sheet
June 30, 2012, and June 30, 2013**

	June 30, 2012	June 30, 2013
Assets		
Cash and Cash Equivalents	\$ 12,000	\$ 12,000
Investments	330,607,000	316,046,000
Receivables, net	479,171,000	503,133,000
Due from Other Funds	99,000	0
Due from Component Units	89,438,000	102,668,000
Inventories	73,000	87,000
Prepayments	0	193,000
Total Assets	\$ 899,400,000	\$ 922,139,000
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 61,266,000	\$ 87,439,000
Due to Other Funds	257,545,000	297,944,000
Due to Component Units	0	4,833,000
Unearned Revenue	6,280,000	5,395,000
Total Liabilities	\$ 325,091,000	\$ 395,611,000
Deferred Inflows of Resources	\$ 60,116,000	\$ 63,132,000
Fund Balance:		
Nonspendable - Inventories	\$ 73,000	\$ 87,000
Restricted - Lottery Scholarships	406,872,000	399,650,000
Restricted - Energy Efficient Schools	19,410,000	9,170,000
Restricted - After School Program	19,882,000	26,135,000
Restricted - Other	426,000	522,000
Committed	7,760,000	7,440,000
Assigned	59,770,000	20,392,000
Total Fund Balance	\$ 514,193,000	\$ 463,396,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 899,400,000	\$ 922,139,000

**Highway Fund
Comparative Balance Sheet
June 30, 2012, and June 30, 2013**

	<u>June 30, 2012</u>	<u>June 30, 2013</u>
Assets		
Cash and Cash Equivalents	\$ 211,438,000	\$ 269,261,000
Receivables, net	440,775,000	321,897,000
Inventories, at Cost	9,369,000	9,805,000
Loans Receivable, net	<u>1,768,000</u>	<u>1,637,000</u>
Total Assets	<u>\$ 663,350,000</u>	<u>\$ 602,600,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 119,146,000	\$ 111,843,000
Due to Other Funds	878,000	858,000
Due to Component Units	0	54,000
Unearned Revenue	<u>2,833,000</u>	<u>3,184,000</u>
Total Liabilities	<u>\$ 122,857,000</u>	<u>\$ 115,939,000</u>
Deferred Inflows of Resources	<u>\$ 180,788,000</u>	<u>\$ 145,467,000</u>
Fund Balances:		
Nonspendable - Inventories	\$ 9,369,000	\$ 9,805,000
Restricted	18,984,000	21,530,000
Committed	244,580,000	268,619,000
Assigned	<u>86,772,000</u>	<u>41,240,000</u>
Total Fund Balance	<u>\$ 359,705,000</u>	<u>\$ 341,194,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 663,350,000</u>	<u>\$ 602,600,000</u>

Debt Management

Recommended Budget, Fiscal Year 2014-2015

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, 2013, the debt limit calculation produced a maximum annual debt service debt limit of \$648,933,400. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2014-2015 budget total \$316,164,000, 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 did not issue any additional general obligation debt in the first six months of this fiscal year. As of June 30, 2013, Tennessee's total general obligation bonded indebtedness was \$1,797,895,000, excluding the Facilities Revolving Fund. This debt was issued entirely for institutional and building construction.

In the spring of fiscal 2013, the first session of the 108th General Assembly approved new general obligation bond authorizations in the amount of \$266,000,000. Of this amount, institutional and building bonds accounted for \$185,000,000 and highway bonds \$81,000,000.

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 Funding Board cancelled \$104.6 million in highway bond authorizations, and \$13.1 million in building construction bonds and other authorizations.

The increase in bond authorization coupled with the Funding Board's action on bond cancellations increased the category of authorized but unissued bonds to \$1,848,505,300, which includes \$828.8 million in capital construction bonds, \$879.4 million in highway fund authorizations, \$98.4 million in FRF bonds, and \$41.9 million in data processing equipment and software bonds.

The recommended 2014-2015 Capital Budget is funded from proposed bond authorizations in the amount of \$84.1 million, \$122.8 million from surplus cash, and \$41.8 million from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2012 - June 30, 2015

	Actual 2012-2013	Estimated 2013-2014	Estimated 2014-2015
Unreserved Fund Balance, July 1	\$ 16,345,143.90	\$ 25,180,000.00	\$ 5,781,000.00
Tax Revenues:			
Sales Tax	\$ 49,709,306.45	\$ 51,600,000.00	\$ 53,400,000.00
Gasoline Tax	107,000,000.00	110,000,000.00	88,700,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	224,790,693.55	229,900,000.00	212,400,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$ 402,200,000.00	\$ 412,200,000.00	\$ 375,200,000.00
Other Revenues:			
Sports Authority	\$ 4,121,803.56	\$ 3,837,000.00	\$ 3,839,000.00
Motlow State - Smyrna Center	120,664.87	117,000.00	112,000.00
University of Memphis - Land Bank	679,188.17	0.00	652,000.00
State Technology Centers	0.00	0.00	3,740,000.00
State Veterans' Homes - Refinancing	568,035.65	560,000.00	547,000.00
Shelby County Forensic Facility	97,372.07	0.00	0.00
Other Revenue	3,184.28	0.00	0.00
Premium on Bond Sales	11,672,526.69	0.00	0.00
Net Refunding Bond Premium	239,352.49	0.00	0.00
Federal Highway Bridge Funds (80% Match)	0.00	0.00	16,800,000.00
Total Other Revenues	\$ 17,502,127.78	\$ 4,514,000.00	\$ 25,690,000.00
Total Available Funds	\$ 436,047,271.68	\$ 441,894,000.00	\$ 406,671,000.00
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds @ July 1	\$ 214,655,000.00	\$ 216,170,000.00	\$ 204,664,000.00
Bond Sale - November 2012	1,246,427.44	0.00	0.00
Capital Outlay - Unissued Bonds (828,770,000)	0.00	0.00	91,200,000.00
Repeal Hemlock Bonds (\$100,000,000)	0.00	0.00	(11,000,000.00)
Proposed Capital Outlay Bonds (\$84,100,000)	0.00	0.00	9,300,000.00
Highway Bridges - Unissued Bonds (\$204,300,000)	0.00	0.00	21,000,000.00
Short Term Interest	322,315.85	500,000.00	0.00
Debt Issuance Expense	2,658,337.39	2,500,000.00	1,000,000.00
Total Debt Service Appropriations	\$ 218,882,080.68	\$ 219,170,000.00	\$ 316,164,000.00
Transfers to Other Funds:			
Highway Fund - Bonds Cancelled	\$ 101,600,000.00	\$ 104,600,000.00	\$ 84,500,000.00
Highway Fund - Bridge Bonds - Debt Service	0.00	21,600,000.00	0.00
General Fund	70,500,000.00	82,000,000.00	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	254,420.97	342,534.00	0.00
Capital Projects Fund - Premium on Bond Sales	11,231,146.69	0.00	0.00
Total Transfers to Other Funds	\$ 191,985,567.66	\$ 216,942,534.00	\$ 84,500,000.00
Total Appropriations and Transfers	\$ 410,867,648.34	\$ 436,112,534.00	\$ 400,664,000.00
Unreserved Fund Balance, June 30			
Net Receivables	\$ 4,400,000.00	\$ 4,800,000.00	\$ 5,000,000.00
Highway Bridge Bonds - Debt Service	16,200,000.00	0.00	0.00
Cash and Cash Equivalents	4,579,623.34	981,466.00	1,007,000.00
Total Fund Balance, June 30	\$ 25,179,623.34	\$ 5,781,466.00	\$ 6,007,000.00

**Debt Service Fund
Comparative Balance Sheet
June 30, 2012, and June 30, 2013**

	June 30, 2012	June 30, 2013
Assets		
Cash and Cash Equivalents	\$ 12,099,000	\$ 20,803,000
Taxes Receivable	5,183,000	5,390,000
Loans Receivable	10,083,000	9,213,000
Total Assets	\$ 27,365,000	\$ 35,406,000
 Liabilities and Fund Balance		
Liabilities:		
Payables and Accruals	\$ 214,000	\$ 252,000
Deferred Revenue	10,806,000	9,974,000
Total Liabilities	\$ 11,020,000	\$ 10,226,000
 Fund Balance:		
Highway Bridge Bonds - Debt Service	\$ 10,800,000	\$ 16,200,000
Unreserved	5,545,000	8,980,000
Total Fund Balance	\$ 16,345,000	\$ 25,180,000
 Total Liabilities and Fund Balance	 \$ 27,365,000	 \$ 35,406,000

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2012 - June 30, 2014

Year	Authority	Description	June 30, 2012	June 30, 2013	June 30, 2014 *
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	512,587.21
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	1,272,316.75
1998	Chapter 1103	Capital Outlay	500,813.64	500,813.64	500,813.64
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	1,839,676.39
2001	Chapter 462	Capital Outlay	633,774.34	633,774.34	633,774.34
2001	Chapter 462	Facilities Revolving Fund	26,771,538.06	25,122,794.85	25,122,794.85
2002	Chapter 852	Capital Outlay	642,388.93	642,388.93	642,388.93
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	3,000,000.00
2004	Chapter 958	Capital Outlay	14,028,810.17	9,384,535.43	9,384,535.43
2004	Chapter 958	Facilities Revolving Fund	745,259.54	475,346.63	475,346.63
2004	Chapter 958	Highway Construction	74,000,000.00	0.00	0.00
2005	Chapter 501	Capital Outlay	3,307,605.96	2,708,038.71	2,708,038.71
2005	Chapter 501	Facilities Revolving Fund	3,122,451.44	3,122,451.44	3,122,451.44
2005	Chapter 501	Highway Construction	76,000,000.00	76,000,000.00	0.00
2005	Chapter 502	Higher Education	23,665,882.78	5,459,538.21	5,459,538.21
2006	Chapter 962	Capital Outlay	73,342,745.41	53,482,513.85	53,482,513.85
2006	Chapter 962	Facilities Revolving Fund	8,403,368.64	8,350,026.99	8,350,026.99
2006	Chapter 962	ERP Software	30,659,930.67	26,279,930.67	21,899,930.67
2006	Chapter 962	Highway Construction	83,500,000.00	83,500,000.00	83,500,000.00
2007	Chapter 591	Capital Outlay	50,117,112.09	27,924,686.81	27,924,686.81
2007	Chapter 591	Higher Education - Board of Regents	6,522,227.00	6,267,806.03	5,925,272.03
2007	Chapter 591	Facilities Revolving Fund	19,825,337.48	12,941,723.54	12,941,723.54
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	2,600,994.77	2,600,994.77
2008	Chapter 1193	Highway Construction - State Route 840	55,200,000.00	27,600,000.00	0.00
2008	Chapter 1202	Capital Outlay	24,700,000.00	17,700,000.00	17,700,000.00
2008	Chapter 1202	Facilities Revolving Fund	19,824,982.42	19,636,870.56	19,636,870.56
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	4,920,600.71	4,829,318.02	4,829,318.02
2009	Chapter 552	Capital Outlay	139,255,669.65	98,132,966.33	96,732,966.33
2009	Chapter 552	Capital Outlay - E&CD Grants	1,953,224.83	0.00	0.00
2009	Chapter 552	Facilities Revolving Fund	1,089,343.81	1,064,599.26	1,064,599.26
2009	Chapter 552	Highway Construction	80,000,000.00	80,000,000.00	80,000,000.00
2009	Chapter 552	Highway Construction - Bridges	87,500,000.00	58,400,000.00	58,400,000.00
2010	Chapter 1109	Capital Outlay	13,200,000.00	8,680,000.00	8,680,000.00
2010	Chapter 1109	Facilities Revolving Fund	16,400,000.00	16,400,000.00	16,400,000.00
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	32,393,420.32	16,927,942.68	16,927,942.68
2011	Chapter 470	Capital Outlay	61,600,000.00	56,080,000.00	56,080,000.00
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	7,900,000.00
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	230,900,000.00	227,800,000.00	227,800,000.00
2012	Chapter 1024	Capital Outlay - Safety Communication System	70,000,000.00	63,000,000.00	56,000,000.00
2012	Chapter 1024	Facilities Revolving Fund	1,000,000.00	1,000,000.00	1,000,000.00
2012	Chapter 1024	Highway Construction	80,000,000.00	80,000,000.00	79,000,000.00
2013	Chapter 452	Capital Outlay	0.00	185,000,000.00	185,000,000.00
2013	Chapter 452	Highway Construction	0.00	81,000,000.00	81,000,000.00
Total Bonds Authorized and Unissued			\$ 1,995,906,222.93	\$ 1,966,227,801.96	\$ 1,848,505,267.96
Summary by Purpose:					
		Capital Outlay	\$ 804,042,308.89	\$ 837,512,356.04	\$ 828,769,822.04
		Facilities Revolving Fund	107,503,983.37	98,435,515.25	98,435,515.25
		Highway Construction	716,000,000.00	723,000,000.00	646,000,000.00
		Highway Construction - State Route 840	55,200,000.00	27,600,000.00	0.00
		Highway Construction - Bridges	262,500,000.00	233,400,000.00	233,400,000.00
		Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
		ERP Software	30,659,930.67	26,279,930.67	21,899,930.67
Total Bonds Authorized and Unissued			\$ 1,995,906,222.93	\$ 1,966,227,801.96	\$ 1,848,505,267.96

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

Bond Fund
Statement of Bonds Sold
July 1, 2011 - June 30, 2014

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2011 - June 30, 2012</u>	<u>July 1, 2012 - June 30, 2013</u>	<u>July 1, 2013 - June 30, 2014</u>
1996	Chapter 952	Capital Outlay	\$ 96,335.15	\$ 0.00	\$ 0.00
1997	Chapter 535	Capital Outlay	16,771.95	0.00	0.00
1998	Chapter 1103	Facilities Revolving Fund	74,840.70	0.00	0.00
1999	Chapter 401	Facilities Revolving Fund	740,085.41	0.00	0.00
2000	Chapter 984	Capital Outlay	24,558.39	0.00	0.00
2000	Chapter 984	Facilities Revolving Fund	35,440.03	0.00	0.00
2001	Chapter 462	Capital Outlay	645,816.74	0.00	0.00
2001	Chapter 462	Facilities Revolving Fund	1,401,256.79	1,519,138.96	0.00
2002	Chapter 852	Capital Outlay	658,720.37	0.00	0.00
2003	Chapter 296	Capital Outlay	413,012.94	0.00	0.00
2003	Chapter 313	State Veterans' Homes - Refinancing	180,302.03	0.00	0.00
2003	Chapter 338	Facilities Revolving Fund	600,000.00	0.00	0.00
2004	Chapter 958	Capital Outlay	1,698,938.38	4,279,198.02	0.00
2004	Chapter 958	Facilities Revolving Fund	0.00	248,695.62	0.00
2005	Chapter 501	Capital Outlay	2,851,947.73	552,436.52	0.00
2005	Chapter 501	Facilities Revolving Fund	118,000.00	0.00	0.00
2005	Chapter 502	Higher Education	6,257,662.23	16,775,181.90	0.00
2006	Chapter 962	Capital Outlay	64,007,785.33	18,299,060.30	0.00
2006	Chapter 962	Facilities Revolving Fund	1,380,674.82	49,148.57	0.00
2007	Chapter 591	Capital Outlay	23,035,533.79	20,447,925.14	0.00
2007	Chapter 591	Facilities Revolving Fund	1,731,777.32	6,342,507.45	0.00
2008	Chapter 1119	Higher Education	2,706,513.01	0.00	0.00
2008	Chapter 1202	Capital Outlay	5,000,000.00	6,449,744.64	0.00
2008	Chapter 1202	Facilities Revolving Fund	699,295.07	173,324.78	0.00
2009	Chapter 3 ES	Capital Outlay - E&CD Grants	53,817,393.97	84,107.15	0.00
2009	Chapter 552	Capital Outlay	47,197,006.49	36,600,184.74	0.00
2009	Chapter 552	Capital Outlay - E&CD Grants	46,946,775.17	1,799,685.91	0.00
2009	Chapter 552	Facilities Revolving Fund	1,210,656.19	22,799.43	0.00
2010	Chapter 1109	Capital Outlay	0.00	4,164,692.25	0.00
2011	Chapter 277	Capital Outlay - E&CD Grants	50,252,900.00	14,249,768.79	0.00
2011	Chapter 470	Capital Outlay	0.00	5,086,084.35	0.00
2011	Chapter 472	Capital Outlay - E&CD Grants	150,000,000.00	0.00	0.00
2012	Chapter 1024	Capital Outlay	0.00	2,856,315.48	0.00
Total Bonds Sold			\$ 463,800,000.00	\$ 140,000,000.00	\$ 0.00
Summary by Purpose:					
		Capital Outlay	\$ 455,807,973.67	\$ 131,644,385.19	\$ 0.00
		Facilities Revolving Fund	7,992,026.33	8,355,614.81	0.00
		Total Bonds Sold	\$ 463,800,000.00	\$ 140,000,000.00	\$ 0.00

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
July 1, 2011 - June 30, 2014

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2011 - June 30, 2012</u>	<u>July 1, 2012 - June 30, 2013</u>	<u>July 1, 2013 - June 30, 2014 *</u>
2001	Chapter 462	Facilities Revolving Fund	\$ 0.00	\$ 129,604.25	\$ 0.00
2003	Chapter 296	Highway Construction	74,000,000.00	0.00	0.00
2004	Chapter 958	Capital Outlay	0.00	365,076.72	0.00
2004	Chapter 958	Facilities Revolving Fund	0.00	21,217.29	0.00
2004	Chapter 958	Highway Construction	0.00	74,000,000.00	0.00
2005	Chapter 501	Capital Outlay	0.00	47,130.73	0.00
2005	Chapter 501	Highway Construction	0.00	0.00	76,000,000.00
2005	Chapter 502	Higher Education	0.00	1,431,162.67	0.00
2006	Chapter 962	Capital Outlay	0.00	1,561,171.26	0.00
2006	Chapter 962	Facilities Revolving Fund	0.00	4,193.08	0.00
2006	Chapter 962	Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00
2007	Chapter 591	Capital Outlay	0.00	1,744,500.14	0.00
2007	Chapter 591	Higher Education - Board of Regents - Univ. of Memphis	0.00	254,420.97	342,534.00
2007	Chapter 591	Facilities Revolving Fund	0.00	541,106.49	0.00
2008	Chapter 1193	Highway Construction - State Route 840	27,600,000.00	27,600,000.00	27,600,000.00
2008	Chapter 1202	Capital Outlay	0.00	550,255.36	0.00
2008	Chapter 1202	Facilities Revolving Fund	0.00	14,787.08	0.00
2009	Chapter 3 ES	Capital Outlay - E&CD Grants	4,693,790.95	7,175.54	0.00
2009	Chapter 552	Capital Outlay	1,400,000.00	4,522,518.58	1,400,000.00
2009	Chapter 552	Capital Outlay - E&CD Grants	8,000,000.00	153,538.92	0.00
2009	Chapter 552	Facilities Revolving Fund	0.00	1,945.12	0.00
2010	Chapter 1109	Capital Outlay	0.00	355,307.75	0.00
2011	Chapter 277	Capital Outlay - E&CD Grants	23,753,679.68	1,215,708.85	0.00
2011	Chapter 470	Capital Outlay	0.00	433,915.65	0.00
2012	Chapter 1024	Capital Outlay	0.00	243,684.52	0.00
2012	Chapter 1024	Capital Outlay - Safety Communication System	0.00	7,000,000.00	7,000,000.00
2012	Chapter 1024	Highway Construction	0.00	0.00	1,000,000.00
Total Appropriations in Lieu of Issuing Bonds			\$ 143,827,470.63	\$ 126,578,420.97	\$ 117,722,534.00
Summary by Purpose:					
		Capital Outlay	\$ 37,847,470.63	\$ 19,885,567.66	\$ 8,742,534.00
		Facilities Revolving Fund	0.00	712,853.31	0.00
		Highway Construction	74,000,000.00	74,000,000.00	77,000,000.00
		Highway Construction - State Route 840	27,600,000.00	27,600,000.00	27,600,000.00
		Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00
Total Appropriations in Lieu of Issuing Bonds			\$ 143,827,470.63	\$ 126,578,420.97	\$ 117,722,534.00

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

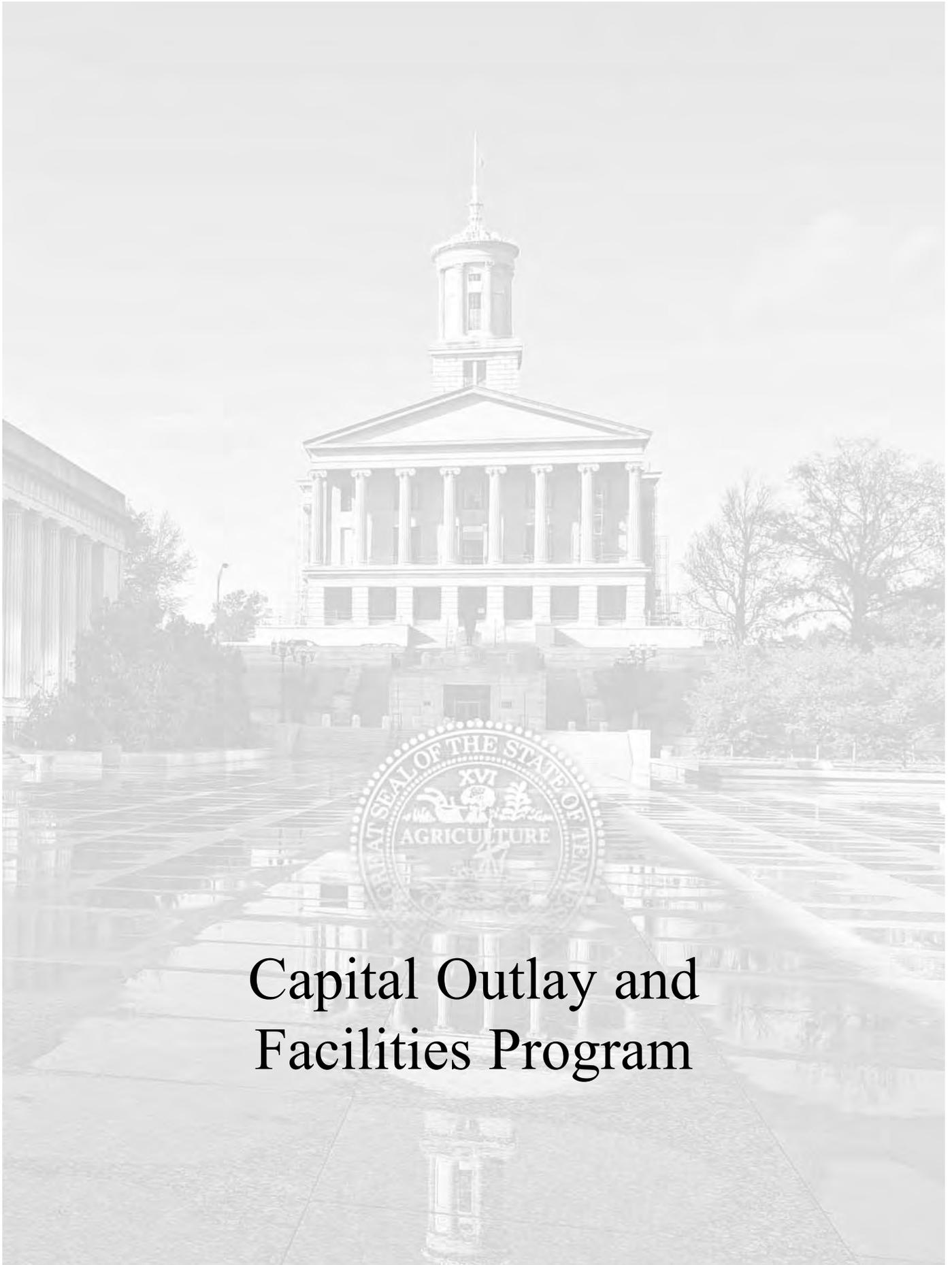
Note: Chapter 1029, Public Acts of 2012 (Section 6, Item 2(b)), cancelled the following bond authorization that was converted to federal financing:
2009 Chapter 552 Highway Construction - Bridges

\$ 29,100,000.00

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2013

<u>Fiscal Year</u>	<u>Outstanding Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013 - 2014	\$ 141,243,000	\$ 74,927,000	\$ 216,170,000
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	45,956,000	156,926,000
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	37,252,000	2,361,000	39,613,000
2031 - 2032	29,398,000	824,000	30,222,000
2032 - 2033	6,582,000	99,000	6,681,000
Total	\$ 1,797,895,000	\$ 598,650,000	\$ 2,396,545,000

NOTE: The 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, 2013, outstanding principal was \$180,516,000 and interest was \$55,020,000.



Capital Outlay and Facilities Program

Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2014-2015

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 and departments 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.

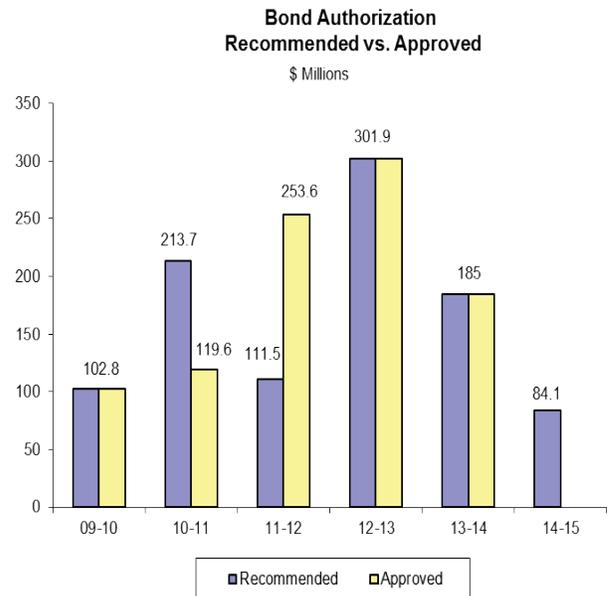
The 2014-2015 capital outlay budget recommends \$248,745,200 divided between capital improvement projects and capital maintenance requests. The recommendation includes \$52.4 million for infrastructure related to the new Hankook Tire Plant, \$129.16 million for higher education projects, \$4 million to construct a new veterans home, and various upgrades to state facilities.

Capital Improvement Projects — Capital improvement projects recommended for fiscal year 2014-2015 total \$141,961,100, including \$78.62 million from state appropriation and \$53.1 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 \$2,570,000.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$106,784,100. A state appropriation of \$44,180,000 is requested along with a \$31 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 \$84.1 million. This includes \$28.4 million for higher

education projects, \$52.4 million for the new Hankook Tire Plant, and \$3.3 million to renovate and update facilities. Total capital maintenance, capital improvements, and Facilities Revolving Fund requests will require bond authorizations totaling \$84.1 million. 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 \$23,820,000 is recommended for capital maintenance and capital improvement projects. The total recommended amount is funded with departmental funds. 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.

**Proposed Capital Appropriations
from Bonds, Current Funds, 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>
Correction						
Maintenance	Statewide	\$ 24,200,000	\$ 0	\$ 0	\$ 0	\$ 24,200,000
South Central Domestic Piping Replacement	Wayne	4,950,000	4,950,000	0	0	0
Sub-Total Correction		\$ 29,150,000	\$ 4,950,000	\$ 0	\$ 0	\$ 24,200,000
Children's Services						
Maintenance	Statewide	\$ 2,290,000	\$ 1,490,000	\$ 800,000	\$ 0	\$ 0
Economic and Community Development						
Hankook Tire Plant Infrastructure	Montgomery	\$ 52,400,000	\$ 0	\$ 52,400,000	\$ 0	\$ 0
Education						
School for Blind Building 1-A Fire Suppression	Davidson	\$ 1,040,000	\$ 340,000	\$ 700,000	\$ 0	\$ 0
Environment and Conservation						
Maintenance	Statewide	\$ 530,000	\$ 530,000	\$ 0	\$ 0	\$ 0
General Services						
Statewide Maintenance	Statewide	\$ 4,200,000	\$ 4,200,000	\$ 0	\$ 0	\$ 0
Emergency and Contingency Funds	Statewide	6,000,000	6,000,000	0	0	0
Sub-Total General Services		\$ 10,200,000	\$ 10,200,000	\$ 0	\$ 0	\$ 0
Mental Health & Substance Abuse Services						
Moccasin Bend MHI Unit 6 Dayroom Addition	Hamilton	\$ 300,000	\$ 300,000	\$ 0	\$ 0	\$ 0
Military						
Maintenance	Statewide	\$ 4,110,000	\$ 1,700,000	\$ 0	\$ 2,410,000	\$ 0
TRICOR						
Maintenance	Statewide	\$ 2,330,000	\$ 530,000	\$ 1,800,000	\$ 0	\$ 0
Veterans Affairs						
Maintenance	Statewide	\$ 5,364,100	\$ 370,000	\$ 0	\$ 4,994,100	\$ 0
New West TN Veterans Cemetery Development	Henderson	600,000	600,000	0	0	0
East TN Veterans Cemetery Paving and Irrigation	Knox	518,600	35,000	0	483,600	0
West TN Veterans Cemetery Upgrades	Shelby	3,088,700	215,000	0	2,873,700	0
Middle TN Veterans Cemetery Upgrades	Davidson	3,392,700	240,000	0	3,152,700	0
Veterans Cemetery Kiosk Locators	Statewide	271,100	20,000	0	251,100	0
Sub-Total Veterans Affairs		\$ 13,235,200	\$ 1,480,000	\$ 0	\$ 11,755,200	\$ 0
Veterans Homes Board						
New TN Veterans Home - Cleveland	Bradley	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 0	\$ 0
Tennessee Board of Regents						
Maintenance	Statewide	\$ 24,360,000	\$ 13,460,000	\$ 10,900,000	\$ 0	\$ 0
Volunteer State CC Humanities Building	Sumner	28,700,000	27,270,000	0	0	1,430,000
Columbia State CC Williamson Co. Relocation	Williamson	36,700,000	34,650,000	0	0	2,050,000
Sub-Total Tennessee Board of Regents		\$ 89,760,000	\$ 75,380,000	\$ 10,900,000	\$ 0	\$ 3,480,000
University of Tennessee						
Maintenance	Statewide	\$ 39,400,000	\$ 21,900,000	\$ 17,500,000	\$ 0	\$ 0

**Proposed Capital Appropriations
from Bonds, Current Funds, 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>
Grand Total	\$ 248,745,200	\$ 122,800,000	\$ 84,100,000	\$ 14,165,200	\$ 27,680,000
Sub-Total Capital Maintenance	106,784,100	44,180,000	31,000,000	7,404,100	24,200,000
Sub-Total Capital Improvements	141,961,100	78,620,000	53,100,000	6,761,100	3,480,000
Sub-Total Higher Education:	\$ 129,160,000	\$ 97,280,000	\$ 28,400,000	\$ 0	\$ 3,480,000
Capital Maintenance	63,760,000	35,360,000	28,400,000	0	0
Capital Improvements	65,400,000	61,920,000	0	0	3,480,000
Sub-Total Other Agencies:	\$ 119,585,200	\$ 25,520,000	\$ 55,700,000	\$ 14,165,200	\$ 24,200,000
Capital Maintenance	43,024,100	8,820,000	2,600,000	7,404,100	24,200,000
Capital Improvements	76,561,100	16,700,000	53,100,000	6,761,100	0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2014-2015**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Correction						
Morgan County Complex Sewer System Repair	Morgan	\$ 2,800,000	\$ 0	\$ 0	\$ 0	\$ 2,800,000
Various Facilities Upgrade Sally Ports Phase 3	Statewide	5,050,000	0	0	0	5,050,000
Replace Emergency Power Backup Systems Phase 2	Statewide	8,200,000	0	0	0	8,200,000
High Mast Lighting Systems Upgrade Phase 2	Statewide	1,400,000	0	0	0	1,400,000
Northwest Correctional Cpx. Kitchen/Vocational Repairs	Lake	100,000	0	0	0	100,000
Various Facilities Steam System Replacements	Statewide	4,400,000	0	0	0	4,400,000
Charles Bass Correctional Cpx. Fire Loop Replacement	Davidson	450,000	0	0	0	450,000
HVAC Equipment Replacement Phase 1	Statewide	1,300,000	0	0	0	1,300,000
Building Automation Systems Replacement	Statewide	250,000	0	0	0	250,000
Building Systems Compliance Study	Statewide	250,000	0	0	0	250,000
Sub-Total Correction		\$ 24,200,000	\$ 0	\$ 0	\$ 0	\$ 24,200,000
Children's Services						
Wilder YDC Sprinkler System Upgrade	Fayette	\$ 480,000	\$ 480,000	\$ 0	\$ 0	\$ 0
Woodland Hills YDC Security Upgrades	Davidson	1,810,000	1,010,000	800,000	0	0
Sub-Total Children's Services		\$ 2,290,000	\$ 1,490,000	\$ 800,000	\$ 0	\$ 0
Environment and Conservation						
Natchez Trace SP Inn Roof Replacement	Henderson	\$ 530,000	\$ 530,000	\$ 0	\$ 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
Sub-Total General Services		\$ 4,200,000	\$ 4,200,000	\$ 0	\$ 0	\$ 0
Military Department						
Rockwood RC Drainage Improvements	Roane	\$ 140,000	\$ 70,000	\$ 0	\$ 70,000	\$ 0
Oneida RC Reroof and Facility Updates	Scott	950,000	475,000	0	475,000	0
Selmer RC HVAC and Energy Updates	McNairy	780,000	390,000	0	390,000	0
Smyrna Kyle Grubb RC Reroof and Facility Upgrade	Rutherford	820,000	410,000	0	410,000	0
Smyrna Medical RC Reroof and Facility Upgrade	Rutherford	1,420,000	355,000	0	1,065,000	0
Sub-Total Military Department		\$ 4,110,000	\$ 1,700,000	\$ 0	\$ 2,410,000	\$ 0
TRICOR						
Cook Chill Chiller and Hot Water Tank Replacement	Davidson	\$ 2,330,000	\$ 530,000	\$ 1,800,000	\$ 0	\$ 0
Veterans Affairs						
East TN Veterans Cemetery Essential Maintenance	Knox	\$ 2,850,500	\$ 200,000	\$ 0	\$ 2,650,500	\$ 0
Middle TN Veterans Cemetery Essential Maintenance	Davidson	2,513,600	170,000	0	2,343,600	0
Sub-Total Veterans Affairs		\$ 5,364,100	\$ 370,000	\$ 0	\$ 4,994,100	\$ 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 Repair and Replacements	Statewide	1,700,000	200,000	1,500,000	0	0
UoM Building Code and Safety Updates	Shelby	3,000,000	1,000,000	2,000,000	0	0
NeSCC Student Svc. Bldg. Roof/Envelope Repairs	Sullivan	270,000	270,000	0	0	0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2014-2015**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
JSCC McWherter Roof and Envelope Repairs	Madison	720,000	720,000	0	0	0
MTSU Chiller and Tower Replacement	Rutherford	1,320,000	220,000	1,100,000	0	0
ETSU Elevator Updates	Washington	1,500,000	300,000	1,200,000	0	0
CHSCC Cooling Tower Replacement	Hamilton	550,000	550,000	0	0	0
VSCC Mattox Building HVAC Updates Phase 3	Sumner	400,000	400,000	0	0	0
TSU Campus Elevators Replacements	Davidson	2,250,000	450,000	1,800,000	0	0
Cleveland State CC Elevator Modernization	Bradley	600,000	600,000	0	0	0
APSU Claxton Building HVAC Corrections	Montgomery	1,630,000	230,000	1,400,000	0	0
Roane State CC Several Buildings HVAC Updates	Roane	610,000	610,000	0	0	0
STCC Union Campus Mechanical Systems Updates	Shelby	1,100,000	100,000	1,000,000	0	0
TCAT Chiller Replacements	Statewide	900,000	0	900,000	0	0
Motlow SCC Replace Central Power Plant Chiller	Moore	920,000	920,000	0	0	0
DSCC Glover & Eller Bldgs. Mechanical Updates	Dyer	660,000	660,000	0	0	0
Columbia SCC Warf Building HVAC Updates	Maury	1,480,000	1,480,000	0	0	0
Walters SCC Site Corrections	Hamblen	740,000	740,000	0	0	0
TTU Several Buildings Upgrades	Putnam	1,710,000	1,710,000	0	0	0
PSCC Division Street Campus Codes and Repairs	Knox	500,000	500,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 24,360,000	\$ 13,460,000	\$ 10,900,000	\$ 0	\$ 0
University of Tennessee						
ADA Compliance	Statewide	\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
UTM Steam Lines Upgrade	Weakley	4,100,000	500,000	3,600,000	0	0
UTC Utility Distribution System Expansion	Hamilton	5,300,000	500,000	4,800,000	0	0
UTK Chiller System Improvements	Knox	5,000,000	600,000	4,400,000	0	0
UTIA Little River Research Station Sewer Upgrade	Blount	1,400,000	1,400,000	0	0	0
UTHSC Link Building HVAC Upgrades	Shelby	3,000,000	500,000	2,500,000	0	0
UTC Building Exterior Repairs	Hamilton	2,500,000	300,000	2,200,000	0	0
UTIA Greenhouse Updates	Greene	1,300,000	1,300,000	0	0	0
UTK Science Engineering Infrastructure Update	Knox	9,000,000	9,000,000	0	0	0
UTM Clement Building System Improvements	Weakley	7,000,000	7,000,000	0	0	0
Sub-Total University of Tennessee		\$ 39,400,000	\$ 21,900,000	\$ 17,500,000	\$ 0	\$ 0
Grand Total		\$ 106,784,100	\$ 44,180,000	\$ 31,000,000	\$ 7,404,100	\$ 24,200,000
Sub-Total Higher Education		\$ 63,760,000	\$ 35,360,000	\$ 28,400,000	\$ 0	\$ 0
Sub-Total Other		\$ 43,024,100	\$ 8,820,000	\$ 2,600,000	\$ 7,404,100	\$ 24,200,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2014-2015**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Wildlife Resources Agency						
Region 2 Facilities ADA Compliance	Areawide	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 1,000,000
White Oak WMA Office Workbase Facility	Hardin	400,000	0	0	0	400,000
Normandy Fish Hatchery Improvements	Bedford	1,050,000	0	0	0	1,050,000
Wolf River Area Boating Access	Shelby	120,000	0	0	0	120,000
Total Tennessee Wildlife Resources Agency		\$ 2,570,000	\$ 0	\$ 0	\$ 0	\$ 2,570,000
Total Dedicated Funds		\$ 2,570,000	\$ 0	\$ 0	\$ 0	\$ 2,570,000

Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2014-2015

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.

	TOTAL	TSSBA	INSTITUTIONAL/ AUXILIARY	OTHER
State University and Community College System (Tennessee Board of Regents)				
Austin Peay State University				
Foy Center Expansion	\$ 8,700,000	\$ 0	\$ 8,700,000	\$ 0
Total APSU	\$ 8,700,000	\$ 0	\$ 8,700,000	\$ 0
East Tennessee State University				
Athletic Weight Room Renovations	\$ 300,000	\$ 0	\$ 0	\$ 300,000
Outdoor Track and Field Facility	4,200,000	0	15,000	4,185,000
Total ETSU	\$ 4,500,000	\$ 0	\$ 15,000	\$ 4,485,000
Tennessee State University				
Hale Stadium Upgrades	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Incubation Center Construction	2,500,000	0	2,000,000	500,000
McMinnville Nursery Crop Research Station Expansion	5,500,000	0	0	5,500,000
Total TSU	\$ 8,500,000	\$ 0	\$ 2,500,000	\$ 6,000,000
University of Memphis				
Public Health Upgrades	\$ 1,350,000	\$ 0	\$ 1,350,000	\$ 0
Total UoM	\$ 1,350,000	\$ 0	\$ 1,350,000	\$ 0
Cleveland State Community College				
Field Lighting Updates	\$ 350,000	\$ 0	\$ 350,000	\$ 0
Total CSCC	\$ 350,000	\$ 0	\$ 350,000	\$ 0
Columbia State Community College				
* Columbia State CC Williamson Co. Relocation	\$ 2,050,000	\$ 0	\$ 2,050,000	\$ 0
Total COSCC	\$ 2,050,000	\$ 0	\$ 2,050,000	\$ 0
Northeast State Community College				
Campus Security Enhancements	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Total NESCC	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Pellissippi State Community College				
Student Recreation Center Upgrades	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Magnolia Courtyard Improvements	250,000	0	250,000	0
Magnolia Print Shop Relocation	150,000	0	150,000	0
Hardin Valley Courtyard Improvements	1,950,000	0	1,950,000	0
Total PSCC	\$ 2,650,000	\$ 0	\$ 2,650,000	\$ 0
Volunteer State Community College				
Paving Repairs and Front Entrance Upgrades	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 0
Duffer Plaza Site Improvements	700,000	0	700,000	0
* Volunteer State CC Humanities Building	1,430,000	0	1,430,000	0
Total VSCC	\$ 5,130,000	\$ 0	\$ 5,130,000	\$ 0
Walters State Community College				
Maples Marshall Improvements	\$ 420,000	\$ 0	\$ 0	\$ 420,000
Public Safety Center Corrections	270,000	0	270,000	0
Total WSCC	\$ 690,000	\$ 0	\$ 270,000	\$ 420,000
Total Tennessee Board of Regents	\$ 34,170,000	\$ 0	\$ 23,265,000	\$ 10,905,000

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2014-2015**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
University of Tennessee System				
University of Tennessee Knoxville				
Arena Renovations and Repairs	\$ 15,000,000	\$ 13,000,000	\$ 2,000,000	\$ 0
Replacement Residence Hall	127,000,000	120,000,000	7,000,000	0
New Student Housing	65,400,000	58,400,000	7,000,000	0
Parking Garage and Parking Lot Repairs	1,000,000	0	1,000,000	0
Dining Services Improvements	750,000	0	750,000	0
Environmental Initiatives	1,500,000	0	1,500,000	0
Campus Beautification Projects	4,000,000	0	4,000,000	0
Classroom Upgrades	5,000,000	0	5,000,000	0
University Avenue Buildings Improvements	2,100,000	0	2,100,000	0
Total UT Knoxville	\$ 221,750,000	\$ 191,400,000	\$ 30,350,000	\$ 0
University of Tennessee Chattanooga				
Lighting Upgrades	\$ 2,700,000	\$ 2,700,000	\$ 0	\$ 0
Retrofit State Buildings	4,000,000	2,350,000	1,650,000	0
Disability Resource Center	800,000	0	800,000	0
Football Training Facility Phase 2 Planning	1,000,000	0	1,000,000	0
Total UT Chattanooga	\$ 8,500,000	\$ 5,050,000	\$ 3,450,000	\$ 0
UT Health Science Center				
Pharmacy Building Basement Completion	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 0
Total UTHSC	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 0
UT Institute of Agriculture				
Bio-Systems Engineering Learning and Innovation Hub	\$ 350,000	\$ 0	\$ 350,000	\$ 0
Total UTIA	\$ 350,000	\$ 0	\$ 350,000	\$ 0
Total University of Tennessee	\$ 233,600,000	\$ 196,450,000	\$ 37,150,000	\$ 0
Grand Total	\$ 267,770,000	\$ 196,450,000	\$ 60,415,000	\$ 10,905,000

* Funding reflects campus matching portion of higher education capital improvement projects funded in FY 2013-2014 budget and proposed in the FY 2014-2015 budget pursuant to THEC capital outlay guidelines as described in 2013 PC 453, Section 2, Item 14 and the 2014 proposed appropriations bill.

**Capital Outlay Project Descriptions
Fiscal Year 2014-2015**

	Total Project Cost
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance	\$ 24,200,000
Funds to repair, maintain, and update facilities.	
South Central Domestic Piping Replacement	4,950,000
Funds are provided for the replacement of all domestic water lines and ceilings, water heaters, heat exchangers, and plumbing fixtures due to microbiologically induced corrosion.	
Sub-Total Correction	\$ 29,150,000
Children's Services	
Objective: Provide safe and secure surroundings for youth development residents.	
Maintenance	\$ 2,290,000
Funds to repair, maintain, and update facilities.	
Economic and Community Development	
Objective: Provide for infrastructure and training assistance.	
Hankook Tire Plant Infrastructure	\$ 52,400,000
Funds are provided for the implementation of infrastructure for the new Hankook Tire Plant in Montgomery County.	
Education	
Objective: Provide a safe and secure environment for learning.	
TN School for the Blind Building 1-A Fire Suppression	\$ 1,040,000
Funds are provided for the installation of a fire protection system and all related work.	
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Maintenance	\$ 530,000
Funds to repair, maintain, and update facilities.	
General Services	
Objective: Maintain, repair, and update general government facilities.	
Maintenance	\$ 4,200,000
Funds to maintain, repair, and update general government facilities.	
Emergency and Contingency Funds	6,000,000
Funds to handle unforeseen and emergency situations that arise during the fiscal year.	
Sub-Total General Services	\$ 10,200,000

**Capital Outlay Project Descriptions
Fiscal Year 2014-2015**

	Total Project Cost
Mental Health & Substance Abuse Services	
Objective: Provide facilities to support comprehensive rehabilitation services in a positive and productive learning environment to people with disabilities.	
Moccasin Bend MHI Unit 6 Dayroom Addition	\$ 300,000
Funds are provided for the expansion of an existing dayroom for patient use in accordance with guidelines for hospitals and medical facilities.	
Military	
Objective: Expand and renovate military facilities.	
Maintenance	\$ 4,110,000
Funds to repair, maintain, and update facilities.	
TRICOR	
Objective: Provide facilities to support the training of Tennessee inmates for successful integration into society.	
Maintenance	\$ 2,330,000
Funds to repair, maintain, and update facilities.	
Veterans Affairs	
Objective: Expand and renovate state veteran cemetery facilities.	
Maintenance	\$ 5,364,100
Funds to repair, maintain, and update facilities.	
New West TN Veterans Cemetery Development	\$ 600,000
Funds are provided for architectural and engineering costs associated with the development of a new veterans cemetery in West Tennessee. These funds assist the Department of Veterans Affairs in qualifying for federal cemetery construction grants. All architectural and engineering costs will be federally reimbursed once the federal cemetery construction grant is awarded.	
East TN Veterans Cemetery Paving and Irrigation	\$ 518,600
Funds are provided for paving of cemetery roads and the installation of an irrigation system to assist in meeting federal standards.	
West TN Veterans Cemetery Upgrades	\$ 3,088,700
Funds are provided for paving of cemetery roads, the installation of a columbarium, and the installation of an irrigation system to assist in meeting federal standards.	
Middle TN Veterans Cemetery Upgrades	\$ 3,392,700
Funds are provided for paving of cemetery roads, the installation of a columbarium, and the installation of an irrigation system to assist in meeting federal standards.	
Veterans Cemetery Kiosk Locators	\$ 271,100
Funds are provided for the installation of kiosk locators at the three state veterans cemeteries to meet federal standards.	
Sub-Total Veterans Affairs	\$ 13,235,200

**Capital Outlay Project Descriptions
Fiscal Year 2014-2015**

	Total Project Cost
Veterans Homes Board	
Objective: Expand and renovate state veteran long-term care facilities.	
New TN Veterans Home - Cleveland	\$ 4,000,000
Funds are provided to assist in meeting federal construction grant match requirements for the construction of a new 108 bed veterans home in Cleveland.	
Tennessee Board of Regents	
Objective: Expand and enhance facilities for student and faculty needs.	
Maintenance	\$ 24,360,000
Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	
Volunteer State CC Humanities Building	28,700,000
Funds are provided for the construction of a new humanities building and the expansion of maintenance and information technology facilities.	
Columbia State CC Williamson County Relocation	36,700,000
Funds are provided to acquire land and construct a facility to provide sufficient space to meet demand for educational programs due to increased enrollment.	
Sub-Total Tennessee Board of Regents	<u>\$ 89,760,000</u>
University of Tennessee	
Objective: Expand and enhance facilities to students and faculty needs.	
Maintenance	\$ 39,400,000
Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	
Grand Total	<u>\$ 248,745,200</u>

**Capital Maintenance Project Descriptions
Fiscal Year 2014-2015**

	<u>Total Project Cost</u>
Correction	
Morgan County Correctional Complex Sewer System Repair	\$ 2,800,000
Funds will provide for repairs to the sanitary system holding tank and on-site sanitary systems. Project will also replace existing force main system and ancillary equipment.	
Various Facilities Upgrade Sally Ports Phase 3	5,050,000
Funding for phase 3 of statewide sally ports upgrade project is provided to continue upgrades of vehicle sally ports and pedestrian gates/traps statewide.	
Replace Emergency Power Backup Systems Phase 2	8,200,000
Funding for phase 2 of statewide emergency power backup systems is provided to continue to replace backup power systems and equipment for facilities statewide.	
High Mast Lighting Systems Upgrade Phase 2	1,400,000
Funds will provide for upgrades to high mast lighting systems in accordance with needs assessment provided by phase 1 of this project.	
Northwest Correctional Complex Kitchen and Vocational Repairs	100,000
Funds will provide for project preplanning to assess existing conditions and proposed relocation of kitchen space. Project will also assess the need for the creation of supporting operational and vocational spaces.	
Various Facilities Steam System Replacements	4,400,000
Funding is provided for the conversion of steam systems at the Turney Center Industrial Complex and the Morgan County Correctional Complex. Project will also include the replacement of all necessary equipment and related work.	
Charles Bass Correctional Complex Fire Loop Replacement	450,000
Funds are provided to replace and extend the fire loop infrastructure.	
HVAC Equipment Replacement Phase 1	1,300,000
Funding is provided for the first phase of a multi-year roof-top HVAC equipment replacement project. Project will assess design and construction requirements for replacement of existing units. Project will also replace equipment at four medium security housing units, two high security housing units, and two medical/support buildings.	
Building Automation Systems Replacement	250,000
Funds are provided to identify, assess, and establish requirements for building automation systems statewide.	
Building Systems Compliance Study	250,000
Funds are provided for the evaluation of code compliance, deficiencies, and potential systems failures at institutions statewide.	
Sub-Total Correction	<u>\$ 24,200,000</u>
Children's Services	
Wilder YDC Sprinkler System Upgrade	\$ 480,000
Funds will address code and compliance issues with the campus fire sprinkler system and replace mixing valves associated with shower facilities.	
Woodland Hills YDC Security Upgrades	1,810,000
Funds are provided for upgrades to security systems including upgrades to the security doors control system, additional security cameras, and the replacement of security doors.	
Sub-Total Children's Services	<u>\$ 2,290,000</u>

**Capital Maintenance Project Descriptions
Fiscal Year 2014-2015**

	<u>Total Project Cost</u>
Environment and Conservation	
Natchez Trace State Park Inn Roof Replacement	\$ 530,000
Funds are provided for the replacement of flat and shingled roof sections at the Natchez Trace Inn.	
General Services	
ADA Compliance	\$ 800,000
Capital maintenance activities associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	
Management Support Services	1,000,000
This project provides funding for consultant services regarding support for state construction-related activities.	
Environmental Consultants	1,000,000
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 General Services.	
State Owned Buildings OSHA Compliance	800,000
Provide inspection and training services to building employees to insure compliance with OSHA directives.	
TPAC Annual Maintenance Grant	300,000
Grant to provide state maintenance assistance for the Tennessee Performing Arts Center.	
National Civil Rights Museum Maintenance - Grant	300,000
Grant to provide maintenance support to the National Civil Rights Museum in Memphis.	
Sub-Total General Services	<u>\$ 4,200,000</u>
Military	
Rockwood RC Drainage Improvements	\$ 140,000
Funds are provided for the repair of drain lines and structures, replacement of a sump pump, and related site drainage work.	
Oneida RC Re-Roof and Facility Updates	950,000
Funds are provided for a facility re-roof, exterior envelope repairs, mold mitigation, interior repairs, and site drainage work.	
Selmer RC HVAC and Energy Updates	780,000
Funds are provided for the replacement of the facility HVAC system, related equipment, and the addition of an energy management system and controls.	
Smyrna Kyle Grubb RC Re-Roof and Facility Upgrade	820,000
Funds are provided for a facility re-roof, foundation and exterior envelope repairs, mold mitigation, interior repairs, and related work.	
Smyrna Medical RC Re-Roof and Facility Upgrade	1,420,000
Funds are provided for a facility re-roof, foundation and exterior envelope repairs, mold mitigation, interior repairs, and related work.	
Sub-Total Military	<u>\$ 4,110,000</u>

**Capital Maintenance Project Descriptions
Fiscal Year 2014-2015**

	Total Project Cost
TRICOR	
<p>Cook Chill Chiller and Hot Water Tank Replacement Funds are provided for the replacement of the fourth chiller system and a hot water tank at the Cook Chill facility.</p>	\$ 2,330,000
Veterans Affairs	
<p>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.</p>	\$ 2,850,500
<p>Middle Tennessee Veterans Cemetery Essential Maintenance Funds are provided to clean, raise, and realign headstones to meet federal standards.</p>	2,513,600
<p>Sub-Total Veterans Affairs</p>	\$ 5,364,100
Tennessee Board of Regents	
<p>ADA Compliance Capital maintenance activities associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.</p>	\$ 800,000
<p>Management Support Services This project provides funding for consultant services regarding support for state construction-related activities.</p>	1,000,000
<p>Tennessee Colleges of Applied Technology Roof Repair and Replacements Funds are provided to repair or replace roofs at various TCAT facilities statewide.</p>	1,700,000
<p>University of Memphis Building Code and Safety Updates Funds are provided to address building code and safety items including generators, electrical systems, elevators, and fire alarms.</p>	3,000,000
<p>Northeast State CC Student Services Building Roof and Envelope Repairs Funds are provided for facility re-roof and exterior envelope repairs.</p>	270,000
<p>Jackson State CC McWherter Roof and Envelope Repairs Funds are provided for facility re-roof and exterior envelope repairs.</p>	720,000
<p>MTSU Chiller and Tower Replacement Funds are provided for the replacement of existing chiller and chiller tower.</p>	1,320,000
<p>ETSU Elevator Updates Funds are provided to address elevator updates for high traffic campus elevator systems to meet 2010 code requirements and ADA compliance; and provide safety upgrades, and reliability improvements.</p>	1,500,000
<p>Chattanooga State CC Cooling Tower Replacement Funds are provided for the replacement of two cooling towers at the Central Energy/Chiller Plant.</p>	550,000
<p>Volunteer State CC Mattox Building HVAC Updates Phase 3 Additional funding is provided to replace all mechanical systems and associated infrastructure in the Mattox Building.</p>	400,000

**Capital Maintenance Project Descriptions
Fiscal Year 2014-2015**

	<u>Total Project Cost</u>
TSU Campus Elevator Replacements Funds are provided for the replacement of elevator controls systems and the replacement or renovation of elevator cabs throughout campus. Project will also include all related work for updates to lobby/entry areas, fire and security systems, telecommunications systems, and ADA requirements.	2,250,000
Cleveland State CC Elevator Modernization Funds are provided for the modernization of campus elevators to meet building code requirements.	600,000
APSU Claxton Building HVAC Corrections Funds are provided for the replacement of mechanical piping and air handling systems.	1,630,000
Roane State CC Various Building HVAC Updates Funding is provided for the replacement of HVAC systems and controls in the Dunbar Administration, Dunbar Classroom, and O'Brien buildings.	610,000
Southwest Tennessee CC Union Campus Mechanical Systems Updates Funds are provided for the repair or replacement of mechanical units and control systems in various buildings on the Union Campus.	1,100,000
Tennessee Colleges of Applied Technology Chiller Replacements Funds are provided to replace chillers at various TCAT facilities statewide.	900,000
Motlow State CC Replace Central Power Plan Chiller Funds are provided to replace a chiller, chill water loop pump, condensing pump, cooling tower, and system controls.	920,000
Dyersburg State CC Glover and Eller Buildings Mechanical Updates Funds are provided for the replacement of fan coil units and related energy management controls in the Glover and Eller buildings.	660,000
Columbia State CC Warf Building HVAC Updates Funds are provided for updates to the Warf Building HVAC system.	1,480,000
Walters State CC Site Corrections Funds are provided for site preparation, demolition, grading, paving, drainage, lighting, and revised accessible walkways and sidewalks.	740,000
TTU Several Buildings Upgrades Funds are provided for updates to systems and spaces in accordance with the Master Plan completed in March 2010. Project will also include all necessary abatement of asbestos materials.	1,710,000
Pellissippi CC Division Street Campus Codes and Repairs Funds are provided for restroom alterations, removal of deteriorating ramps, repairs to exterior concrete, repairs to the building envelope, paving repairs, and floor replacement. Project will also include the addition of an entrance vestibule for energy conservation.	500,000
Sub-Total Tennessee Board of Regents	<u>\$ 24,360,000</u>

**Capital Maintenance Project Descriptions
Fiscal Year 2014-2015**

	<u>Total Project Cost</u>
University of Tennessee	
ADA Compliance Capital maintenance activities associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	\$ 800,000
UTM Steam Lines Upgrade Funds are provided to replace steam and condensate piping. Project will also include the replacement or modification of manhole covers as necessary.	4,100,000
UTC Distribution System Expansion Funds are provided for the expansion and enhancement of the hot and chilled water distribution and electrical systems to the northeast quadrant of campus.	5,300,000
UTK Chiller System Improvements Funds are provided for the replacement of chillers in the Alumni Memorial Building and Science Engineering Plant. Project will include the connection of Ferris Hall to the chiller system in the Science Engineering Plant.	5,000,000
UTIA Little River Research Station Sewer Upgrade Funds are provided for the expansion of the waste handling system including the addition of a manure stoppage pit and associated piping and pumps.	1,400,000
UTHSC Link Building HVAC Upgrades Funds are provided for upgrades to air handlers and the air distribution system. Project will also include upgrades to lighting and ceilings as necessary.	3,000,000
UTC Building Exterior Repairs Funds are provided for masonry repairs to the Davenport and Fine Arts Buildings and retaining walls throughout campus. Project will also include exterior repairs and re-roofing of structures along Oak Street.	2,500,000
UTIA Greenhouse Updates Funds are provided for the glazing of windows and the replacement of structural components and various systems at a greenhouse in Greeneville.	1,300,000
UTK Science Engineering Infrastructure Update Funds are provided for upgrades to hood exhaust systems, pumping systems, and related equipment.	9,000,000
UTM Clement Building System Improvements Funds are provided for the replacement of the HVAC and electrical systems. Project will also include upgrades to the plumbing system and the addition of an elevator to remedy accessibility and code deficiencies. Hazardous material will be abated as necessary.	7,000,000
Sub-Total University of Tennessee	<u>\$ 39,400,000</u>
Grand Total Capital Maintenance	<u>\$ 106,784,100</u>

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2014-2015**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM*</u>	<u>ADDITIONAL PERSONNEL</u>
Tennessee Board of Regents						
Volunteer State CC Humanities Building	Sumner	\$ 561,600	\$ 161,000	\$ 400,600	\$ 0	0
Columbia State CC Williamson Co. Relocation	Williamson	584,800	190,500	394,300	0	0
Grand Total		<u>\$ 1,146,400</u>	<u>\$ 351,500</u>	<u>\$ 794,900</u>	<u>\$ 0</u>	<u>0</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	RHO	Regional Health Office
ADA	Americans with Disabilities Act	RNOV	Renovation
Add.	Additional	RSCC	Roane State Community College
AFRC	Armed Forces Reserve Center	SP	State Park
APSU	Austin Peay State University	SRCF	Southeast Regional Correctional Facility
Bldgs.	Buildings	STCC	Southwest Tennessee Community College
CC	Community College	STREAM	State of TN Real Estate Asset Management
CCC	Civilian Conservation Corps	Sys.	System
CHSCC	Chattanooga State Community College	TN	Tennessee
CLSCC	Cleveland State Community College	TBR	Tennessee Board of Regents
COSCC	Columbia State Community College	TDOT	Tennessee Department of Transportation
CoM	College of Medicine	TEMA	Tennessee Emergency Management Agency
Cpx.	Complex	THEC	Tennessee Higher Education Commission
Ctr.	Center	THP	Tennessee Highway Patrol
DCS	Department of Children's Services	TLETA	Tennessee Law Enforcement Training Academy
Demo	Demolition	TPAC	Tennessee Performing Arts Center
DOC	Department of Correction	TPS	Tennessee Preparatory School
DSCC	Dyersburg State Community College	TPW	Tennessee Prison for Women
EMS	Energy Management System	TRC	Tennessee Rehabilitation Center
ETSU	East Tennessee State University	TRICOR	Tennessee Rehabilitative Initiative in Correction
HVAC	Heating, Ventilation, & Air Conditioning	TSU	Tennessee State University
HQ	Headquarters	TTCs	Tennessee Technology Centers
Impvts.	Improvements	TTU	Tennessee Technological University
Info.	Information	TWRA	Tennessee Wildlife Resources Agency
IT	Information Technology	T3	Transforming Tennessee for Tomorrow
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	WSCC	Walters State Community College
PSCC	Pellissippi State Community College	WTSP	West Tennessee State Penitentiary
RC	Readiness Center	YDC	Youth Development Center
Re-Roof	Replace Roof		

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2014-2015

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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>
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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	60,817,400	59,022,300	51,342,700
Total	\$60,817,400	\$59,022,300	\$51,342,700
State	7,517,200	8,517,200	7,517,200
Federal	0	0	0
Other	53,300,200	50,505,100	43,825,500

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	1,390,100	3,845,100	3,845,100
Total	\$1,390,100	\$3,845,100	\$3,845,100
State	1,100,000	0	0
Federal	0	0	0
Other	290,100	3,845,100	3,845,100

	<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>
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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	49,190,500	56,275,600	45,019,000
Total	\$49,190,500	\$56,275,600	\$45,019,000
State	0	14,147,600	5,547,600
Federal	0	0	0
Other	49,190,500	42,128,000	39,471,400

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	64,983,900	148,580,000	23,820,000
Total	\$64,983,900	\$148,580,000	\$23,820,000
State	64,983,900	135,100,000	0
Federal	0	0	0
Other	0	13,480,000	23,820,000

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	27,756,800	36,900,000	23,900,000
Total	\$27,756,800	\$36,900,000	\$23,900,000
State	0	13,000,000	0
Federal	0	0	0
Other	27,756,800	23,900,000	23,900,000

501.00 Total Facilities Revolving Fund

Payroll	0	0	0
Operational	204,138,700	304,623,000	147,926,800
Total	\$204,138,700	\$304,623,000	\$147,926,800
State	73,601,100	170,764,800	13,064,800
Federal	0	0	0
Other	130,537,600	133,858,200	134,862,000

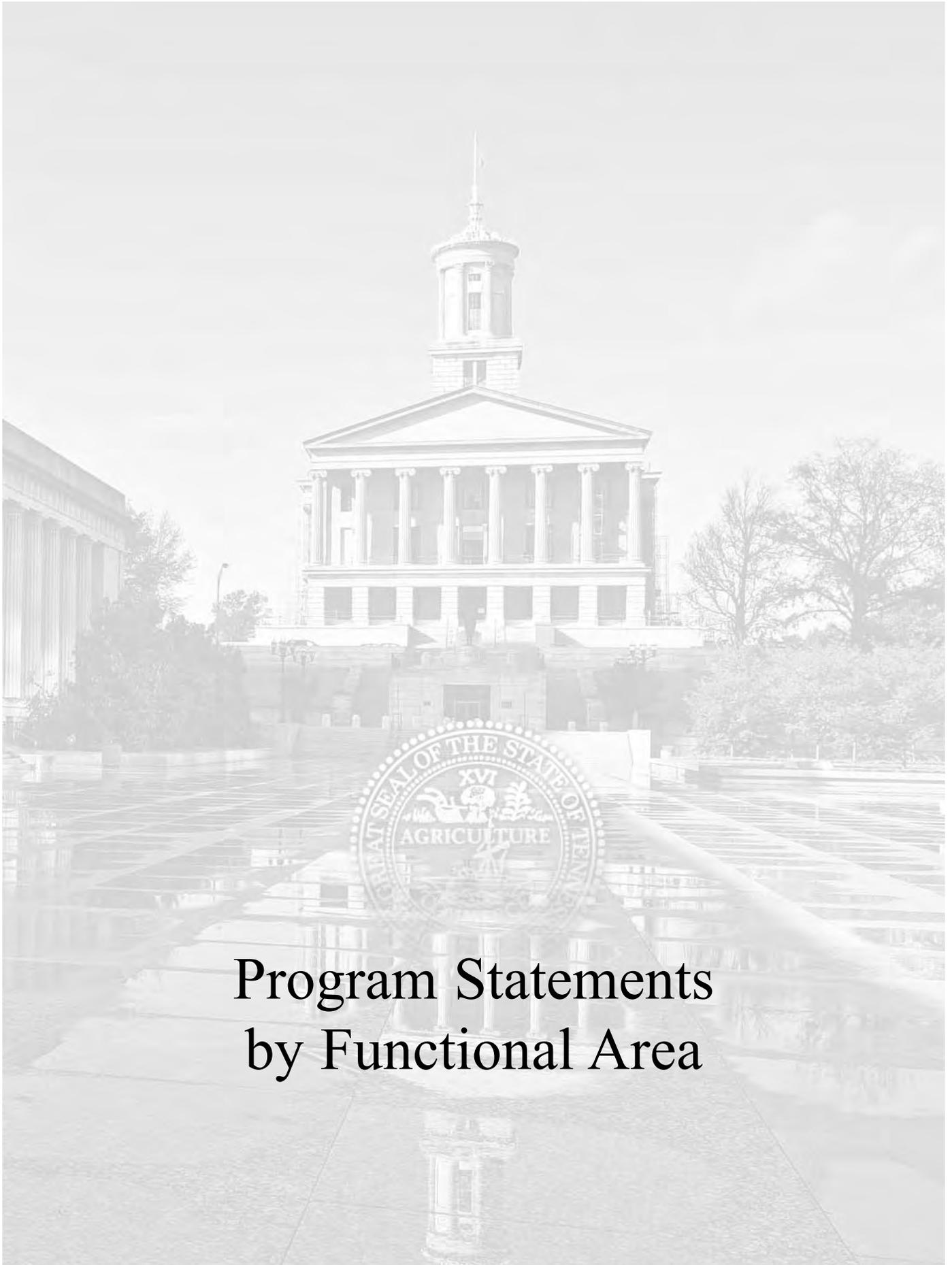
**Facilities Revolving Fund (FRF)
Proposed Capital Appropriations
From Bonds, General Fund, and FRF Current Funds
Fiscal Year 2014-2015**

	COUNTY	TOTAL	GENERAL FUND	FRF		
			CURRENT	CURRENT	BONDS	OTHER
Capital Improvements:						
RS Gass Campus New Data Center	Davidson	\$ 3,000,000	\$ 0	\$ 0	\$ 0	\$ 3,000,000
Capital Maintenance:						
State Capitol Motlow Tunnel Repairs	Davidson	\$ 6,990,000	\$ 0	\$ 0	\$ 0	\$ 6,990,000
State Capitol Cupola Restoration Additional Funds	Davidson	350,000	0	0	0	350,000
Nashville Supreme Court Building Exterior Repairs	Statewide	3,040,000	0	0	0	3,040,000
TBI Nashville HQ HVAC Upgrades	Davidson	220,000	0	0	0	220,000
James K. Polk Window Repairs	Davidson	750,000	0	0	0	750,000
Mid-Cumberland RHO Roof Replacement	Statewide	230,000	0	0	0	230,000
Middlebrook State Office Building Paving & Site Repairs	Davidson	2,940,000	0	0	0	2,940,000
RS Gass Lab Paving and Site Repairs	Davidson	690,000	0	0	0	690,000
Rachel Jackson Building Exterior Maintenance	Davidson	1,610,000	0	0	0	1,610,000
Data Center North Maintenance	Davidson	4,000,000	0	0	0	4,000,000
Sub-Total Capital Maintenance		\$ 20,820,000	\$ 0	\$ 0	\$ 0	\$ 20,820,000
Grand Total		\$ 23,820,000	\$ 0	\$ 0	\$ 0	\$ 23,820,000

**Proposed Facilities Revolving Fund Project Descriptions
Fiscal Year 2014-2015**

Objective: Provide efficient management of state facilities.

Capital Improvements:	<u>Total Project Cost</u>
<p>RS Gass Campus New Data Center Funds are provided to plan the construction of a new data center in the R.S. Gass Campus.</p>	\$ 3,000,000
Total Capital Improvements	\$ 3,000,000
Capital Maintenance:	
<p>State Capitol Motlow Tunnel Repairs Funds are provided for repairs to the Motlow Tunnel due to water infiltration issues.</p>	\$ 6,990,000
<p>State Capitol Cupola Restoration Additional Funds Additional funds are provided to renovate, repair, and restore the ornamental iron cupola on the State Capitol Building.</p>	350,000
<p>Nashville Supreme Court Building Exterior Repairs Funds are provided for window replacement and gutter drain repairs on the Supreme Court Building.</p>	3,040,000
<p>TBI Nashville Headquarters HVAC Upgrades Funds are provided for upgrades to the HVAC system and related equipment at the TBI Headquarters.</p>	220,000
<p>James K. Polk Window Repairs Funds are provided for the repair of roof sections and base portions of the building that support window frames associated with the State Museum and the Tennessee Performance Arts Center.</p>	750,000
<p>Mid-Cumberland Regional Health Office Roof Replacement Funds are provided to replace insulation, roofing, copings, and flashings at the Mid-Cumberland Regional Health Office.</p>	230,000
<p>Middlebrook State Office Building Paving and Site Repairs Funds are provided for exterior building repairs, landscaping, parking lot repairs, and all related work.</p>	2,940,000
<p>RS Gass Lab Paving and Site Repairs Funds are provided for the repair, maintenance, seal coat, and pavement markings at the RS Gass Lab Facility.</p>	690,000
<p>Rachel Jackson Building Exterior Maintenance Funds are provided for the cleaning and repair of the exterior façade of the Rachel Jackson Building.</p>	1,610,000
<p>Data Center North Maintenance Funds are provided for the replacement of a generator, panel board, power distribution units, and all related equipment. Project will also include upgrades to uninterruptible power supply equipment.</p>	4,000,000
Total Capital Maintenance	\$ 20,820,000
Grand Total FRF Capital Outlay	\$ 23,820,000



Program Statements by Functional Area

Program Statements by Functional Area

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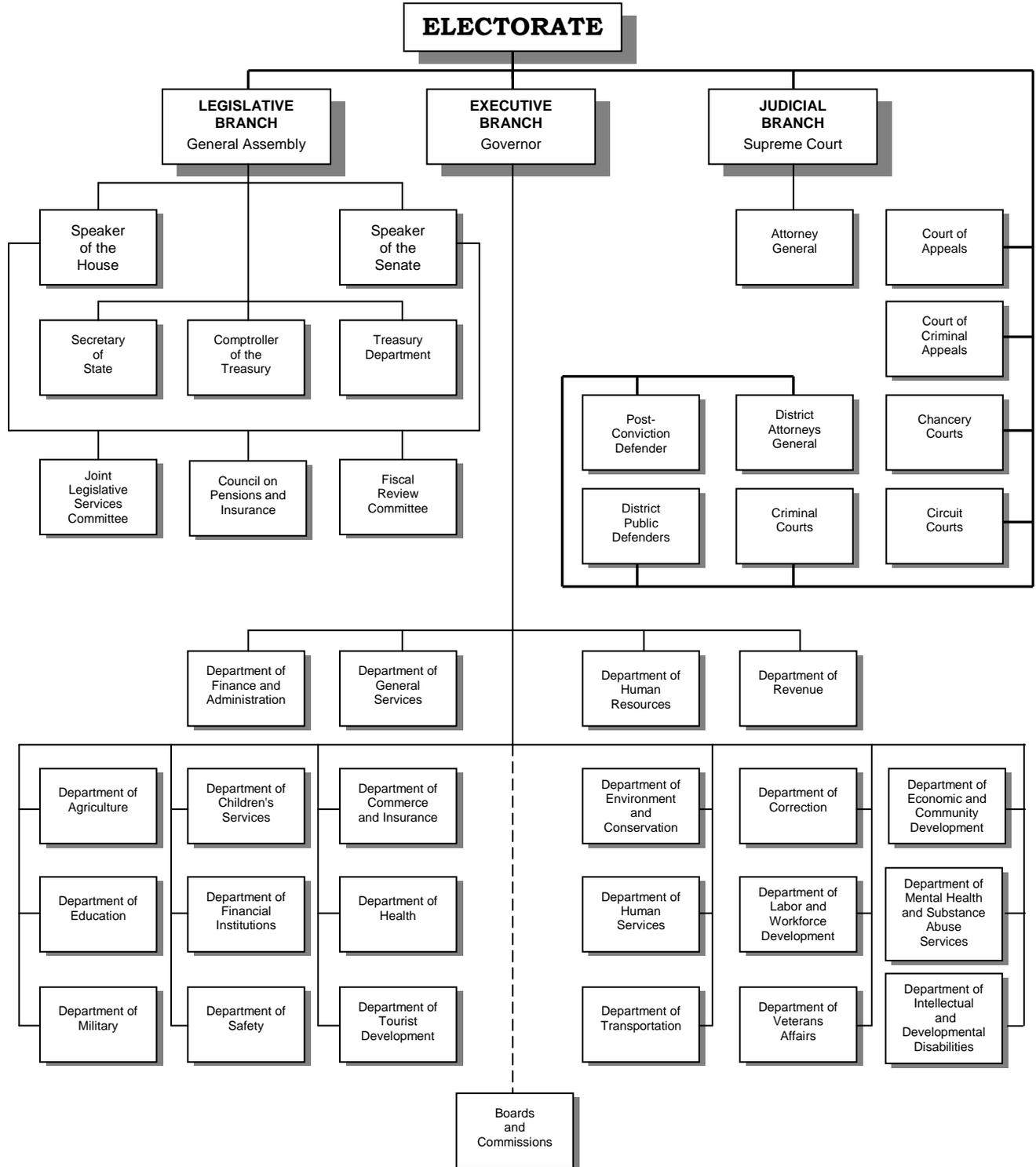


Tennessee State Government Organizational Chart.....B-5

Recommended Budget for Fiscal Year 2014-2015 by Functional AreaB-7

TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

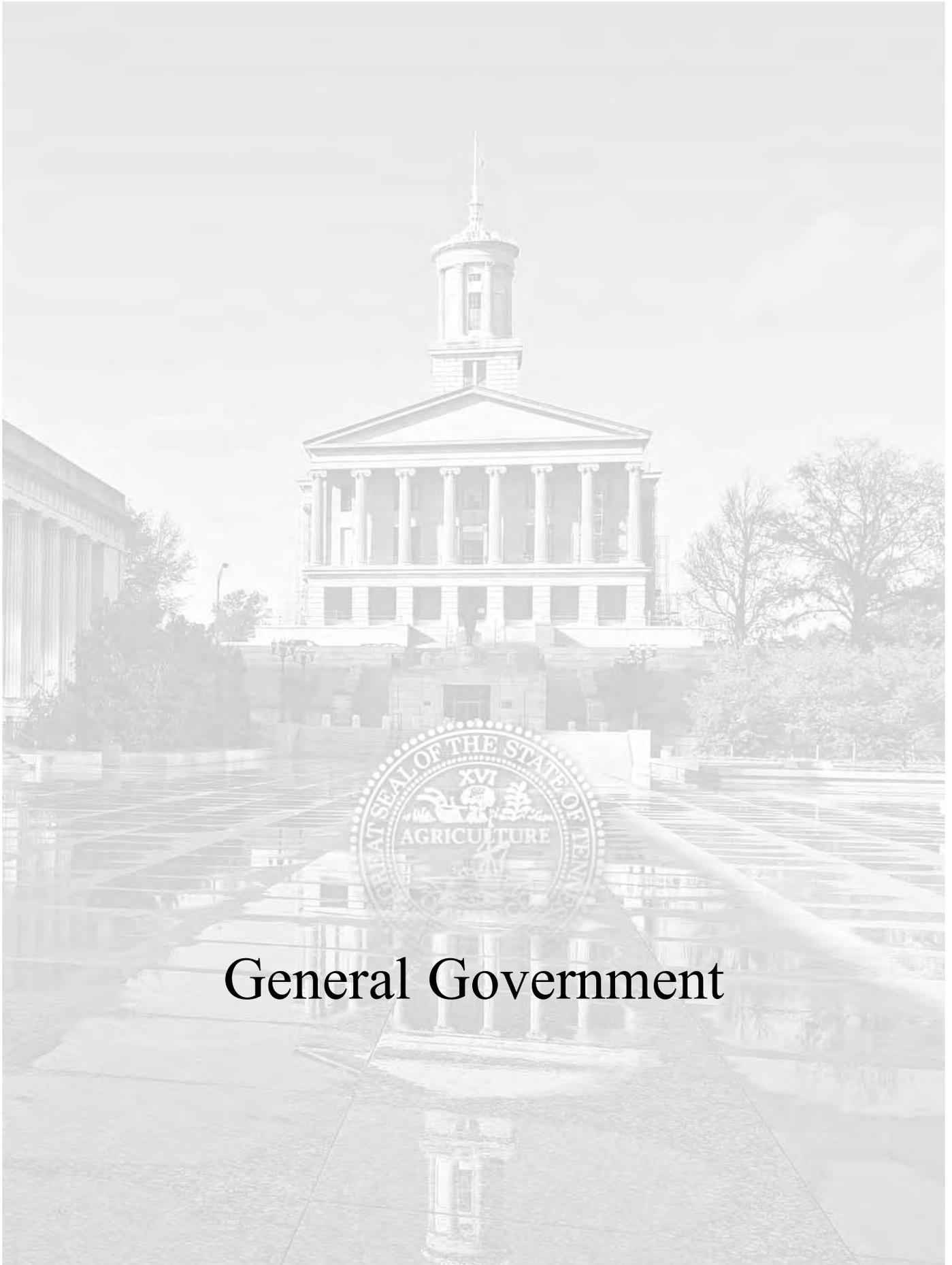
FISCAL YEAR 2014 - 2015



**Recommended Budget for Fiscal Year 2014-2015
By Functional Area**

Functional Area	State	Federal	Other	Total
General Government	447,562,200	62,099,200	510,139,100	1,019,800,500
Education	5,997,189,700	1,178,498,100	2,303,252,200 *	9,478,940,000
Health and Social Services	4,311,587,200	10,009,704,100	1,082,805,400	15,404,096,700
Law, Safety and Correction	1,389,956,300	102,558,100	199,981,900	1,692,496,300
Resources and Regulation	427,060,500	260,169,000	196,412,600	883,642,100
Transportation, Business and Economic Development	1,025,568,300	1,284,466,300	84,549,500	2,394,584,100
Total	\$13,598,924,200	\$12,897,494,800	\$4,377,140,700	\$30,873,559,700

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



General Government

General Government

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General Government

Recommended Budget, Fiscal Year 2014 – 2015

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 a 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 the state office building and support the Facilities Revolving Fund (FRF), which provides funding for a self-perpetuating maintenance and renovation program 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 function within the Department of General Services is responsible for capital improvement and maintenance projects, and addressing the need for energy management in state-owned facilities. It is also responsible for effectively managing, operating, and maintaining state office buildings. This department 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Recommended 2014-2015</u>
Personnel			
Full Time	4,478	4,351	4,346
Part Time	178	169	162
Seasonal	28	28	28
TOTAL	4,684	4,548	4,536
Expenditures			
Payroll	\$ 295,227,200	\$ 351,432,700	\$ 349,398,600
Operational	507,523,700	619,495,100	670,401,900
TOTAL	\$ 802,750,900	\$ 970,927,800	\$ 1,019,800,500
Funding			
State	\$ 301,406,100	\$ 396,361,600	\$ 447,562,200
Federal	35,562,400	62,306,000	62,099,200
Other	465,782,400	512,260,200	510,139,100

General Government
Recommended Budget for Fiscal Year 2014-2015
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	41,423,400	0	137,500	41,560,900
301.50 Fiscal Review Committee	1,475,000	0	0	1,475,000
305.00 Secretary of State	28,463,000	30,216,800	12,052,700	70,732,500
307.00 Comptroller of the Treasury	85,112,900	0	9,212,400	94,325,300
309.00 Treasury Department	2,837,300	0	32,238,200	35,075,500
313.00 Claims and Compensation	11,850,000	4,500,000	93,212,400	109,562,400
315.00 Executive Department	4,969,400	0	0	4,969,400
316.04 Human Rights Commission	1,707,400	779,500	0	2,486,900
316.11 Tennessee Regulatory Authority	6,271,900	582,200	1,000	6,855,100
316.12 Advisory Commission on Intergovernmental Relations	201,700	0	2,839,800	3,041,500
317.00 Finance and Administration	20,851,800	25,227,100	214,442,700	260,521,600
319.00 Human Resources	0	0	12,359,800	12,359,800
321.00 General Services	11,749,100	0	104,832,000	116,581,100
323.00 Veterans Affairs	5,391,700	772,700	247,000	6,411,400
347.00 Revenue	82,723,200	20,900	28,413,600	111,157,700
351.00 Miscellaneous Appropriations	141,465,100	0	0	141,465,100
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	\$447,562,200	\$62,099,200	\$510,139,100	\$1,019,800,500

General Government
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Comptroller of the Treasury					
• Association of Governmental Accountants National Professional Development Conference					
To provide funds for The Association of Governmental Accountants National Professional Development Conference.					
307.01 Division of Administration	\$75,000	\$0	\$0	\$75,000	0
Sub-total	\$75,000	\$0	\$0	\$75,000	0
Total Comptroller of the Treasury	\$75,000	\$0	\$0	\$75,000	0

Treasury Department

• **Deferred Compensation Contracts**

To provide funds to promote the state's 401(k) and 457 deferred compensation plans. These funds will support administration and consulting services associated with these plans.

309.01 Treasury Department	\$0	\$0	\$200,000	\$200,000	0
Sub-total	\$0	\$0	\$200,000	\$200,000	0

• **Legal**

To provide funds to establish one attorney position. This position will provide expertise in matters regarding non-securities compliance and related federal regulations.

309.01 Treasury Department	\$0	\$0	\$134,300	\$134,300	1
Sub-total	\$0	\$0	\$134,300	\$134,300	1

• **Outreach Initiative**

To provide funds to enhance outreach initiatives related to the state's defined benefit and defined contribution plans. These funds will provide educational services to more effectively and economically promote benefit plans to employers.

309.01 Treasury Department	\$0	\$0	\$173,000	\$173,000	2
Sub-total	\$0	\$0	\$173,000	\$173,000	2

• **Defined Benefit Call Center**

To provide funds to procure a contract for customer service call center services for all state, local, and higher education employees in need of assistance with their state retirement plan.

309.01 Treasury Department	\$0	\$0	\$1,500,000	\$1,500,000	0
Sub-total	\$0	\$0	\$1,500,000	\$1,500,000	0

General Government

Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• College Savings					
To provide funds to aid in the administration of the College Savings Plan 529 Plan. An amount of \$504,400 is provided to cover recurring annual operating costs. In addition, \$500,000 in non-recurring funds will provide general fund support for incentives and marketing of the program during the continued period of start-up and plan asset growth.					
309.03 TN Stars College Savings 529 Program	\$1,004,400	\$0	\$0	\$1,004,400	0
Sub-total	\$1,004,400	\$0	\$0	\$1,004,400	0
Total Treasury Department	\$1,004,400	\$0	\$2,007,300	\$3,011,700	3

Executive Department

• Judicial Rebasing

To provide funding for rebasing judicial salaries effective September 1, 2014. The Governor's salary is statutorily tied to judicial salaries, which according to the Constitution may only be established at the beginning of a new eight-year judicial term. Legislation will outline the proposed changes to statutory salaries.

315.01 Governor's Office	\$3,700	\$0	\$0	\$3,700	0
Sub-total	\$3,700	\$0	\$0	\$3,700	0
Total Executive Department	\$3,700	\$0	\$0	\$3,700	0

Advisory Commission on Intergovernmental Relations

• Public Infrastructure Inventory

To fund statutory increases based on population growth in the nine development districts for the annual inventory of public infrastructure needs. Funding is from TACIR's share of the Tennessee Valley Authority in-lieu-of-tax payments allocated to TACIR pursuant to TCA 67-9-102.

316.12 Advisory Commission on Intergovernmental Relations	\$0	\$0	\$37,100	\$37,100	0
Sub-total	\$0	\$0	\$37,100	\$37,100	0
Total Advisory Commission on Intergovernmental Relations	\$0	\$0	\$37,100	\$37,100	0

Human Resources

• Human Resource Program Specialists

To provide funds for two Human Resource Program Specialists for the Technical Services division. These positions will provide the necessary support to process transactions in the new retirement system being implemented by the Department of Treasury.

319.03 Technical Services	\$0	\$0	\$162,200	\$162,200	2
Sub-total	\$0	\$0	\$162,200	\$162,200	2

General Government

Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Organizational Performance Support					
To provide funds for one Administrative Services Assistant 4 position for the Executive Administration division. This position will provide administrative support and establish a formal process for organizational performance.					
319.01 Executive Administration	\$0	\$0	\$76,600	\$76,600	1
Sub-total	\$0	\$0	\$76,600	\$76,600	1
• Training					
To provide funds for six Training Officer 2 positions for the Strategic Learning Solutions (SLS) program. These positions will consult and collaborate with agency leaders to create specific subject matter resources to equip employees with competencies that promote maximum performance.					
319.02 Human Resource Development	\$0	\$0	\$496,000	\$496,000	6
Sub-total	\$0	\$0	\$496,000	\$496,000	6
Total Human Resources	\$0	\$0	\$734,800	\$734,800	9

Revenue

• License Plate - Air Medal Recipients					
To provide funds for the specialty license plate honoring Air Medal Recipients. From the appropriation, \$71,000 recurring and \$18,000 non-recurring.					
347.11 Information Technology Resources Division	\$18,000	\$0	\$0	\$18,000	0
347.17 Vehicle Services Division	\$71,000	\$0	\$0	\$71,000	0
Sub-total	\$89,000	\$0	\$0	\$89,000	0
Total Revenue	\$89,000	\$0	\$0	\$89,000	0

Miscellaneous Appropriations

• Salary Increase - State Employees					
To provide funds equal to a one percent salary increase for state employees, effective July 1, 2014. Additional funds are recommended in the Department of Education budget for teachers and other licensed K-12 education employees funded by the Basic Education Program (BEP) formula (\$48.6 million). The total general fund cost for state agencies and the K-12 BEP is \$64.8 million.					
351.00 Miscellaneous Appropriations	\$15,600,000	\$0	\$0	\$15,600,000	0
Sub-total	\$15,600,000	\$0	\$0	\$15,600,000	0
• State Employees - 401(k) State Match					
To provide non-recurring funds for the 401(k) state match monthly portion for state employees.					
351.00 Miscellaneous Appropriations	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0

General Government

Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance January 1, 2014 Rate Increase					
To provide funds to annualize the state share of the January 1, 2014, group health insurance premium increase for state agencies which was funded for six months in the current-year budget. Higher Education and K-12 education funding to annualize the premium increase is included in the departmental budgets. The total increase to the general fund is \$13,100,000.					
351.00 Miscellaneous Appropriations	\$7,100,000	\$0	\$0	\$7,100,000	0
Sub-total	\$7,100,000	\$0	\$0	\$7,100,000	0
• Group Health Insurance January 1, 2015 Rate Increase					
To provide funds for the state share of a 5.5 percent group health insurance premium increase. This is funded for six months in the recommended budget. Additional funding for eligible K-12 and higher education employees is included in the departmental budgets. The total increase to the general fund is \$21,907,700.					
351.00 Miscellaneous Appropriations	\$7,490,500	\$0	\$0	\$7,490,500	0
Sub-total	\$7,490,500	\$0	\$0	\$7,490,500	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	\$1,300,000	\$0	\$0	\$1,300,000	0
Sub-total	\$1,300,000	\$0	\$0	\$1,300,000	0
• Retired Teachers Insurance					
To provide additional funding for the retired teachers insurance plan. This is based upon the difference between the average number of retirees in each of the two plans as well as the increased claims costs associated with these retirees.					
351.00 Miscellaneous Appropriations	\$2,700,000	\$0	\$0	\$2,700,000	0
Sub-total	\$2,700,000	\$0	\$0	\$2,700,000	0
• TCRS - Retirement Contribution Rate Increase					
To provide additional funding for the Tennessee Consolidated Retirement System (TCRS). The cost associated with providing a fixed contribution based on the retiree's length of service. This benefit applies to state employees.					
351.00 Miscellaneous Appropriations	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0

General Government
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• 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	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>0</u>
• Transportation Services - Rate Increase					
To provide recurring funds for targeted increases in state employee transportation services rates.					
351.00 Miscellaneous Appropriations	\$250,000	\$0	\$0	\$250,000	0
Sub-total	<u>\$250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$250,000</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. The severance benefit plan will be utilized for approximately 100 filled positions.					
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>
• Gubernatorial Transition					
To provide non-recurring funds for the gubernatorial transition office for the next administration.					
351.00 Miscellaneous Appropriations	\$500,000	\$0	\$0	\$500,000	8
Sub-total	<u>\$500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$500,000</u>	<u>8</u>
• Administration Legislation					
To provide funds for the cost of legislation proposed by the Administration. From the appropriation, \$1,999,100 is recurring and \$2,407,300 is non-recurring.					
351.00 Miscellaneous Appropriations	\$4,406,400	\$0	\$0	\$4,406,400	0
Sub-total	<u>\$4,406,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,406,400</u>	<u>0</u>
• Administration Amendment					
To provide funds for the cost of legislation amendments proposed by the Administration. From the appropriation, \$3 million is recurring and \$4 million is non-recurring.					
351.00 Miscellaneous Appropriations	\$7,000,000	\$0	\$0	\$7,000,000	0
Sub-total	<u>\$7,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,000,000</u>	<u>0</u>

General Government
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Legislature's Initiative					
To provide funds for legislative initiatives. From the appropriation, \$2 million is recurring and \$3 million 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>
• Legislature - National Conference					
To provide non-recurring funds to host the Council of State Governments National Conference in 2014. This conference will provide attendees information on critical legislative issues and the impacts towards state government.					
351.00 Miscellaneous Appropriations	\$300,000	\$0	\$0	\$300,000	0
Sub-total	<u>\$300,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$300,000</u>	<u>0</u>
• Regional Forensics Lab - Knoxville					
To provide non-recurring funds to support the Knoxville Regional Forensics Lab. The lab serves 30 counties in the analysis of evidence.					
351.00 Miscellaneous Appropriations	\$4,250,000	\$0	\$0	\$4,250,000	0
Sub-total	<u>\$4,250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,250,000</u>	<u>0</u>
• Drive to 55 - Workforce Alignment					
To provide funding to replace and upgrade equipment to address regional training programs in high demand industries.					
351.00 Miscellaneous Appropriations	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	<u>\$10,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,000,000</u>	<u>0</u>
• Internal Service Fund Billings					
To provide funds for internal service fund billings for state agencies.					
351.00 Miscellaneous Appropriations	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>0</u>
• Legislation - Background Checks					
To provide funds for Tennessee Bureau of Investigation to conduct background checks for the Office of Information Resources, \$900 recurring and \$9,000 non-recurring.					
351.00 Miscellaneous Appropriations	\$9,900	\$0	\$0	\$9,900	0
Sub-total	<u>\$9,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,900</u>	<u>0</u>
Total Miscellaneous Appropriations	<u>\$80,606,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$80,606,800</u>	<u>8</u>

General Government
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Total General Government	\$81,778,900	\$0	\$2,779,200	\$84,558,100	20

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 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 the legislature is the House of Representatives. The state is divided into 99 House districts, each electing one representative. Representatives are elected to two-year terms, with all representatives standing for election at the same time.

<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	1,626,500	1,982,000	1,982,000	0	1,982,000
Operational	3,731,700	2,594,600	2,594,600	0	2,594,600
Total	\$5,358,200	\$4,576,600	\$4,576,600	\$0	\$4,576,600
State	4,480,100	4,559,600	4,559,600	0	4,559,600
Federal	0	0	0	0	0
Other	878,100	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 for the General Assembly. 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	5,979,200	6,998,300	6,998,300	0	6,998,300
Operational	1,708,200	1,526,700	1,526,700	0	1,526,700
Total	\$7,687,400	\$8,525,000	\$8,525,000	\$0	\$8,525,000
State	7,683,800	8,455,000	8,455,000	0	8,455,000
Federal	0	0	0	0	0
Other	3,600	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	36,900	68,900	68,900	0	68,900
Total	\$36,900	\$68,900	\$68,900	\$0	\$68,900
State	36,900	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

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 committees of the House.

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	13,873,400	14,424,400	14,774,400	0	14,774,400
Operational	2,846,000	3,749,200	3,399,200	0	3,399,200
Total	\$16,719,400	\$18,173,600	\$18,173,600	\$0	\$18,173,600
State	16,593,500	18,145,100	18,145,100	0	18,145,100
Federal	0	0	0	0	0
Other	125,900	28,500	28,500	0	28,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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301.08 State Senate

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	6,808,000	8,503,200	8,503,200	0	8,503,200
Operational	1,462,400	1,713,600	1,713,600	0	1,713,600
Total	\$8,270,400	\$10,216,800	\$10,216,800	\$0	\$10,216,800
State	8,140,400	10,194,800	10,194,800	0	10,194,800
Federal	0	0	0	0	0
Other	130,000	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	28,287,100	31,907,900	32,257,900	0	32,257,900
Operational	9,785,200	9,653,000	9,303,000	0	9,303,000
Total	\$38,072,300	\$41,560,900	\$41,560,900	\$0	\$41,560,900
State	36,934,700	41,423,400	41,423,400	0	41,423,400
Federal	0	0	0	0	0
Other	1,137,600	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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</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	1,130,300	1,452,200	1,452,200	0	1,452,200
Operational	31,000	22,800	22,800	0	22,800
Total	\$1,161,300	\$1,475,000	\$1,475,000	\$0	\$1,475,000
State	1,161,300	1,475,000	1,475,000	0	1,475,000
Federal	0	0	0	0	0
Other	0	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 and State Library Services. The State Election Commission, Bureau of Ethics and Campaign Finance, and the Economic Council on Women are administratively attached to the Tennessee Department of State.

<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	178	166	166	0	166
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	178	166	166	0	166
Payroll	11,103,300	13,713,600	13,713,600	0	13,713,600
Operational	4,682,400	3,594,400	3,594,400	0	3,594,400
Total	\$15,785,700	\$17,308,000	\$17,308,000	\$0	\$17,308,000
State	7,199,800	10,149,700	10,149,700	0	10,149,700
Federal	0	300,000	300,000	0	300,000
Other	8,585,900	6,858,300	6,858,300	0	6,858,300

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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305.02 State Election Commission

The State Election Commission, in conformity with Title 2 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 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	107,100	120,600	120,600	0	120,600
Operational	1,430,400	1,473,200	1,473,200	0	1,473,200
Total	\$1,537,500	\$1,593,800	\$1,593,800	\$0	\$1,593,800
State	1,537,500	1,593,800	1,593,800	0	1,593,800
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	0	0	0	0	0
Operational	190,700	397,500	397,500	0	397,500
Total	\$190,700	\$397,500	\$397,500	\$0	\$397,500
State	190,600	397,500	397,500	0	397,500
Federal	0	0	0	0	0
Other	100	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 following provisions: 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.

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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	847,000	1,010,600	1,010,600	0	1,010,600
Operational	203,700	157,200	157,200	0	157,200
Total	\$1,050,700	\$1,167,800	\$1,167,800	\$0	\$1,167,800
State	482,600	652,700	652,700	0	652,700
Federal	0	0	0	0	0
Other	568,100	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	819,100	1,551,100	1,551,100	0	1,551,100
Operational	441,200	245,500	245,500	0	245,500
Total	\$1,260,300	\$1,796,600	\$1,796,600	\$0	\$1,796,600
State	0	116,100	116,100	0	116,100
Federal	0	0	0	0	0
Other	1,260,300	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, requiring changes and improvements in the electoral process. The Secretary of State is responsible for implementing and administering these mandatory changes, including improved voting systems, provisional voting, and the establishment of a statewide voter registration database. Funds are provided from this allotment 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	1,385,100	27,500,000	27,500,000	0	27,500,000
Total	\$1,385,100	\$27,500,000	\$27,500,000	\$0	\$27,500,000
State	0	0	0	0	0
Federal	1,355,000	26,500,000	26,500,000	0	26,500,000
Other	30,100	1,000,000	1,000,000	0	1,000,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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305.13 Records Management

The Records Management Division is the primary records management agency for state government and 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	239,600	510,700	510,700	0	510,700
Operational	394,900	628,000	628,000	0	628,000
Total	\$634,500	\$1,138,700	\$1,138,700	\$0	\$1,138,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	634,500	1,138,700	1,138,700	0	1,138,700

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

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	89	89	0	89
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	92	92	92	0	92
Payroll	5,511,300	6,124,900	6,124,900	0	6,124,900
Operational	4,451,100	5,947,000	5,947,000	0	5,947,000
Total	\$9,962,400	\$12,071,900	\$12,071,900	\$0	\$12,071,900
State	7,098,100	8,586,100	8,586,100	0	8,586,100
Federal	2,192,600	2,820,700	2,820,700	0	2,820,700
Other	671,700	665,100	665,100	0	665,100

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	3,158,300	3,756,900	3,756,900	0	3,756,900
Operational	3,837,200	3,766,600	3,766,600	0	3,766,600
Total	\$6,995,500	\$7,523,500	\$7,523,500	\$0	\$7,523,500
State	5,889,300	6,732,400	6,732,400	0	6,732,400
Federal	663,500	596,100	596,100	0	596,100
Other	442,700	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 on 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	141,500	184,700	184,700	0	184,700
Operational	69,800	50,000	50,000	0	50,000
Total	\$211,300	\$234,700	\$234,700	\$0	\$234,700
State	207,300	234,700	234,700	0	234,700
Federal	0	0	0	0	0
Other	4,000	0	0	0	0

305.00 Total Secretary of State

Full-Time	365	353	353	0	353
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	375	363	363	0	363
Payroll	21,927,200	26,973,100	26,973,100	0	26,973,100
Operational	17,086,500	43,759,400	43,759,400	0	43,759,400
Total	\$39,013,700	\$70,732,500	\$70,732,500	\$0	\$70,732,500
State	22,605,200	28,463,000	28,463,000	0	28,463,000
Federal	4,211,100	30,216,800	30,216,800	0	30,216,800
Other	12,197,400	12,052,700	12,052,700	0	12,052,700

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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 and includes operational funds for the office of the Comptroller of the Treasury.

Full-Time	18	19	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	19	21	0	21
Payroll	1,821,500	2,051,000	2,232,800	0	2,232,800
Operational	269,300	275,100	350,200	75,000	425,200
Total	\$2,090,800	\$2,326,100	\$2,583,000	\$75,000	\$2,658,000
State	1,934,600	2,216,700	2,473,600	75,000	2,548,600
Federal	0	0	0	0	0
Other	156,200	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	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	53	52	0	52
Payroll	4,260,800	4,623,100	4,753,100	0	4,753,100
Operational	6,415,800	12,357,600	6,038,000	0	6,038,000
Total	\$10,676,600	\$16,980,700	\$10,791,100	\$0	\$10,791,100

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	10,140,300	10,708,200	10,518,600	0	10,518,600
Federal	0	0	0	0	0
Other	536,300	6,272,500	272,500	0	272,500

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 another newly created office, the Office of Research. Together, they form the Offices of Research and Education Accountability and 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	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	13	0	13
Payroll	1,015,800	1,197,000	1,197,000	0	1,197,000
Operational	133,800	497,200	307,500	0	307,500
Total	\$1,149,600	\$1,694,200	\$1,504,500	\$0	\$1,504,500
State	1,149,600	1,594,200	1,404,500	0	1,404,500
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 and in compliance with government auditing standards. The divisions also audit all counties, or in lieu of a state audit, accept an audit prepared by either a certified public accountant or a licensed public accountant. The audit divisions also provide for the audit of 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	190	192	192	0	192
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	190	192	192	0	192
Payroll	13,309,500	15,433,000	15,469,300	0	15,469,300
Operational	1,357,300	1,542,100	1,544,100	0	1,544,100
Total	\$14,666,800	\$16,975,100	\$17,013,400	\$0	\$17,013,400
State	8,927,600	12,364,700	12,403,000	0	12,403,000
Federal	0	0	0	0	0
Other	5,739,200	4,610,400	4,610,400	0	4,610,400

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	99	99	0	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	99	99	99	0	99
Payroll	8,449,500	9,161,900	9,161,900	0	9,161,900
Operational	627,400	1,033,000	1,003,000	0	1,003,000
Total	\$9,076,900	\$10,194,900	\$10,164,900	\$0	\$10,164,900
State	7,638,100	8,816,700	8,816,700	0	8,816,700
Federal	0	0	0	0	0
Other	1,438,800	1,378,200	1,348,200	0	1,348,200

307.06 Investigations

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	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	25	23	0	23

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	1,621,400	2,217,200	1,999,100	0	1,999,100
Operational	132,100	253,200	279,200	0	279,200
Total	\$1,753,500	\$2,470,400	\$2,278,300	\$0	\$2,278,300
State	1,726,900	2,380,400	2,158,300	0	2,158,300
Federal	0	0	0	0	0
Other	26,600	90,000	120,000	0	120,000

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	959,100	1,132,500	1,132,500	0	1,132,500
Operational	142,200	166,400	160,800	0	160,800
Total	\$1,101,300	\$1,298,900	\$1,293,300	\$0	\$1,293,300
State	993,400	1,198,900	1,193,300	0	1,193,300
Federal	0	0	0	0	0
Other	107,900	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
areas of municipal finance.					
Full-Time	13	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	15	15	0	15
Payroll	1,020,400	1,378,700	1,378,700	0	1,378,700
Operational	87,100	151,500	146,500	0	146,500
Total	\$1,107,500	\$1,530,200	\$1,525,200	\$0	\$1,525,200
State	522,300	960,300	955,300	0	955,300
Federal	0	0	0	0	0
Other	585,200	569,900	569,900	0	569,900

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	6,145,200	7,192,800	7,142,800	0	7,142,800
Operational	1,442,800	2,000,400	1,995,900	0	1,995,900
Total	\$7,588,000	\$9,193,200	\$9,138,700	\$0	\$9,138,700
State	5,821,000	7,443,700	7,389,200	0	7,389,200
Federal	0	0	0	0	0
Other	1,767,000	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time	8	11	12	0	12
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	16	19	20	0	20
Payroll	595,200	956,200	1,006,200	0	1,006,200
Operational	286,100	332,100	319,700	0	319,700
Total	\$881,300	\$1,288,300	\$1,325,900	\$0	\$1,325,900
State	735,700	1,180,800	1,218,400	0	1,218,400
Federal	0	0	0	0	0
Other	145,600	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 Tennessee Code Annotated § 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	975,300	1,075,500	1,075,500	0	1,075,500
Operational	118,700	85,500	154,400	0	154,400
Total	\$1,094,000	\$1,161,000	\$1,229,900	\$0	\$1,229,900
State	969,000	1,036,000	1,104,900	0	1,104,900
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	28,106,600	31,402,100	28,402,100	0	28,402,100
Total	\$28,106,600	\$31,402,100	\$28,402,100	\$0	\$28,402,100
State	28,106,600	31,402,100	28,402,100	0	28,402,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	7,001,100	7,000,000	7,000,000	0	7,000,000
Total	\$7,001,100	\$7,000,000	\$7,000,000	\$0	\$7,000,000
State	6,995,300	7,000,000	7,000,000	0	7,000,000
Federal	0	0	0	0	0
Other	5,800	0	0	0	0

307.00 Total Comptroller of the Treasury

Full-Time	551	559	559	0	559
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	559	567	567	0	567
Payroll	40,173,700	46,418,900	46,548,900	0	46,548,900
Operational	46,120,300	57,096,200	47,701,400	75,000	47,776,400
Total	\$86,294,000	\$103,515,100	\$94,250,300	\$75,000	\$94,325,300
State	75,660,400	88,302,700	85,037,900	75,000	85,112,900
Federal	0	0	0	0	0
Other	10,633,600	15,212,400	9,212,400	0	9,212,400

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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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, which 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	249	262	262	3	265
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	249	262	262	3	265
Payroll	18,511,700	22,957,200	22,957,200	251,300	23,208,500
Operational	7,013,600	9,096,600	7,444,300	1,756,000	9,200,300
Total	\$25,525,300	\$32,053,800	\$30,401,500	\$2,007,300	\$32,408,800
State	0	545,700	545,700	0	545,700
Federal	0	0	0	0	0
Other	25,525,300	31,508,100	29,855,800	2,007,300	31,863,100

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	407,400	407,300	407,300	0	407,300
Total	\$407,400	\$407,300	\$407,300	\$0	\$407,300

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	407,400	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 TN 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	2,098,900	1,513,900	541,500	1,004,400	1,545,900
Total	\$2,098,900	\$1,513,900	\$541,500	\$1,004,400	\$1,545,900
State	2,098,900	1,416,400	416,400	1,004,400	1,420,800
Federal	0	0	0	0	0
Other	0	97,500	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	331,800	250,000	250,000	0	250,000
Total	\$331,800	\$250,000	\$250,000	\$0	\$250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	331,800	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	18,500	463,500	463,500	0	463,500
Total	\$18,500	\$463,500	\$463,500	\$0	\$463,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	18,500	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	249	262	262	3	265
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	249	262	262	3	265
Payroll	18,511,700	22,957,200	22,957,200	251,300	23,208,500
Operational	9,870,200	11,731,300	9,106,600	2,760,400	11,867,000
Total	\$28,381,900	\$34,688,500	\$32,063,800	\$3,011,700	\$35,075,500
State	2,524,800	2,832,900	1,832,900	1,004,400	2,837,300
Federal	0	0	0	0	0
Other	25,857,100	31,855,600	30,230,900	2,007,300	32,238,200

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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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 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	14,680,800	16,100,000	16,350,000	0	16,350,000
Total	\$14,680,800	\$16,100,000	\$16,350,000	\$0	\$16,350,000
State	9,016,400	11,170,000	11,850,000	0	11,850,000
Federal	5,650,000	4,930,000	4,500,000	0	4,500,000
Other	14,400	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	44,628,700	57,680,100	59,462,400	0	59,462,400
Total	\$44,628,700	\$57,680,100	\$59,462,400	\$0	\$59,462,400

	<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	44,628,700	57,680,100	59,462,400	0	59,462,400

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	31,121,500	37,000,000	33,750,000	0	33,750,000
Total	\$31,121,500	\$37,000,000	\$33,750,000	\$0	\$33,750,000
State	0	5,250,000	0	0	0
Federal	0	0	0	0	0
Other	31,121,500	31,750,000	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	90,431,000	110,780,100	109,562,400	0	109,562,400
Total	\$90,431,000	\$110,780,100	\$109,562,400	\$0	\$109,562,400
State	9,016,400	16,420,000	11,850,000	0	11,850,000
Federal	5,650,000	4,930,000	4,500,000	0	4,500,000
Other	75,764,600	89,430,100	93,212,400	0	93,212,400

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
315.01 Governor's Office					
Full-Time	42	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	39	39	0	39
Payroll	4,093,100	4,117,300	4,117,300	3,700	4,121,000
Operational	989,200	848,400	848,400	0	848,400
Total	\$5,082,300	\$4,965,700	\$4,965,700	\$3,700	\$4,969,400
State	4,925,200	4,965,700	4,965,700	3,700	4,969,400
Federal	0	0	0	0	0
Other	157,100	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	1,759,600	1,981,400	1,981,400	0	1,981,400
Operational	565,800	553,400	505,500	0	505,500
Total	\$2,325,400	\$2,534,800	\$2,486,900	\$0	\$2,486,900
State	1,679,100	1,747,800	1,707,400	0	1,707,400
Federal	620,200	787,000	779,500	0	779,500
Other	26,100	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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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316.11 Tennessee Regulatory Authority

Full-Time	66	61	61	0	61
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	71	66	66	0	66
Payroll	4,883,400	5,658,700	5,658,700	0	5,658,700
Operational	1,299,200	1,249,800	1,196,400	0	1,196,400
Total	\$6,182,600	\$6,908,500	\$6,855,100	\$0	\$6,855,100
State	5,650,100	6,321,000	6,271,900	0	6,271,900
Federal	532,100	586,500	582,200	0	582,200
Other	400	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	1,690,400	2,105,300	2,094,800	0	2,094,800
Operational	936,100	909,600	909,600	37,100	946,700
Total	\$2,626,500	\$3,014,900	\$3,004,400	\$37,100	\$3,041,500
State	0	212,200	201,700	0	201,700
Federal	0	0	0	0	0
Other	2,626,500	2,802,700	2,802,700	37,100	2,839,800

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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	94	92	97	0	97
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	94	92	97	0	97
Payroll	6,782,600	7,908,700	8,085,700	0	8,085,700
Operational	2,166,200	2,646,300	2,597,600	0	2,597,600
Total	\$8,948,800	\$10,555,000	\$10,683,300	\$0	\$10,683,300
State	1,992,500	2,466,400	2,594,700	0	2,594,700
Federal	0	0	0	0	0
Other	6,956,300	8,088,600	8,088,600	0	8,088,600

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time	363	360	346	0	346
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	363	360	346	0	346
Payroll	29,565,400	35,319,100	34,363,100	0	34,363,100
Operational	119,738,100	124,004,200	115,994,600	0	115,994,600
Total	\$149,303,500	\$159,323,300	\$150,357,700	\$0	\$150,357,700
State	2,315,400	12,150,000	2,450,000	0	2,450,000
Federal	6,200	0	0	0	0
Other	146,981,900	147,173,300	147,907,700	0	147,907,700

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	96	100	100	0	100
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	96	100	100	0	100
Payroll	5,213,100	7,086,600	7,192,300	0	7,192,300
Operational	2,394,200	4,136,100	4,030,400	0	4,030,400
Total	\$7,607,300	\$11,222,700	\$11,222,700	\$0	\$11,222,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	7,607,300	11,222,700	11,222,700	0	11,222,700

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	21	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	19	19	0	19
Payroll	1,495,400	1,537,200	1,537,200	0	1,537,200
Operational	22,090,700	23,717,000	24,019,600	0	24,019,600
Total	\$23,586,100	\$25,254,200	\$25,556,800	\$0	\$25,556,800
State	4,506,600	4,234,200	4,536,800	0	4,536,800
Federal	18,914,300	20,914,200	20,914,200	0	20,914,200
Other	165,200	105,800	105,800	0	105,800

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	556,600	716,400	716,400	0	716,400
Operational	534,000	560,900	655,900	0	655,900
Total	\$1,090,600	\$1,277,300	\$1,372,300	\$0	\$1,372,300
State	1,090,600	1,277,300	1,372,300	0	1,372,300
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	366,100	500,300	500,300	0	500,300
Operational	4,006,500	3,838,300	4,073,300	0	4,073,300
Total	\$4,372,600	\$4,338,600	\$4,573,600	\$0	\$4,573,600
State	270,800	248,900	248,900	0	248,900
Federal	4,071,600	4,077,900	4,312,900	0	4,312,900
Other	30,200	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	8,222,100	9,566,100	9,566,100	0	9,566,100
Operational	18,000,400	16,142,900	16,142,900	0	16,142,900
Total	\$26,222,500	\$25,709,000	\$25,709,000	\$0	\$25,709,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	26,222,500	25,709,000	25,709,000	0	25,709,000

317.18 Shared Services Solutions

Shared Services Solutions provides transactional services to small agencies, boards, and commissions within the executive branch. Services include accounting, budgeting, human resources, payroll, and procurement.

Full-Time	10	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	5	5	0	5
Payroll	619,700	423,900	423,900	0	423,900
Operational	112,000	95,800	95,800	0	95,800
Total	\$731,700	\$519,700	\$519,700	\$0	\$519,700
State	109,300	0	0	0	0
Federal	0	0	0	0	0
Other	622,400	519,700	519,700	0	519,700

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	22	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	23	23	0	23
Payroll	2,488,000	3,377,900	3,307,900	0	3,307,900
Operational	171,800	293,800	1,428,800	0	1,428,800
Total	\$2,659,800	\$3,671,700	\$4,736,700	\$0	\$4,736,700
State	2,172,000	2,768,400	3,833,400	0	3,833,400
Federal	0	0	0	0	0
Other	487,800	903,300	903,300	0	903,300

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.

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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	2,764,900	3,518,900	3,438,900	0	3,438,900
Operational	464,900	2,171,800	576,800	0	576,800
Total	\$3,229,800	\$5,690,700	\$4,015,700	\$0	\$4,015,700
State	3,229,800	5,690,700	4,015,700	0	4,015,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	163	169	169	0	169
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	163	169	169	0	169
Payroll	8,595,900	13,454,700	13,454,700	0	13,454,700
Operational	2,277,100	3,369,100	3,369,100	0	3,369,100
Total	\$10,873,000	\$16,823,800	\$16,823,800	\$0	\$16,823,800
State	0	1,800,000	1,800,000	0	1,800,000
Federal	0	0	0	0	0
Other	10,873,000	15,023,800	15,023,800	0	15,023,800

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	50	49	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	50	49	49	0	49
Payroll	3,278,500	3,854,500	3,854,500	0	3,854,500
Operational	884,100	1,113,000	1,095,800	0	1,095,800
Total	\$4,162,600	\$4,967,500	\$4,950,300	\$0	\$4,950,300

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,162,600	4,967,500	4,950,300	0	4,950,300
317.00 Total Finance and Administration					
Full-Time	963	961	952	0	952
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	965	963	954	0	954
Payroll	69,948,300	87,264,300	86,441,000	0	86,441,000
Operational	172,840,000	182,089,200	174,080,600	0	174,080,600
Total	\$242,788,300	\$269,353,500	\$260,521,600	\$0	\$260,521,600
State	15,687,000	30,635,900	20,851,800	0	20,851,800
Federal	22,992,100	24,992,100	25,227,100	0	25,227,100
Other	204,109,200	213,725,500	214,442,700	0	214,442,700

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, and employee relations.

<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	17	15	15	1	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	15	15	1	16
Payroll	1,327,500	1,413,800	1,413,800	70,400	1,484,200
Operational	995,000	1,038,800	994,400	6,200	1,000,600
Total	\$2,322,500	\$2,452,600	\$2,408,200	\$76,600	\$2,484,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,322,500	2,452,600	2,408,200	76,600	2,484,800

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) division 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	10	11	11	6	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	11	11	6	17
Payroll	755,700	895,000	895,000	458,400	1,353,400
Operational	1,009,200	1,295,500	1,295,500	37,600	1,333,100
Total	\$1,764,900	\$2,190,500	\$2,190,500	\$496,000	\$2,686,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,764,900	2,190,500	2,190,500	496,000	2,686,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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319.03 Technical Services

Technical Services 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	76	76	2	78
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	76	76	76	2	78
Payroll	3,663,600	5,297,300	5,297,300	152,800	5,450,100
Operational	636,600	150,400	150,400	9,400	159,800
Total	\$4,300,200	\$5,447,700	\$5,447,700	\$162,200	\$5,609,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,300,200	5,447,700	5,447,700	162,200	5,609,900

319.05 Employee Relations

Employee Relations 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	12	13	13	0	13
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	21	22	22	0	22
Payroll	987,900	1,193,300	1,193,300	0	1,193,300
Operational	370,100	446,300	385,300	0	385,300
Total	\$1,358,000	\$1,639,600	\$1,578,600	\$0	\$1,578,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,358,000	1,639,600	1,578,600	0	1,578,600

319.00 Total Human Resources

Full-Time	115	115	115	9	124
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	124	124	124	9	133
Payroll	6,734,700	8,799,400	8,799,400	681,600	9,481,000
Operational	3,010,900	2,931,000	2,825,600	53,200	2,878,800
Total	\$9,745,600	\$11,730,400	\$11,625,000	\$734,800	\$12,359,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	9,745,600	11,730,400	11,625,000	734,800	12,359,800

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	44	47	47	0	47
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	47	47	0	47
Payroll	3,117,600	3,941,800	3,941,800	0	3,941,800
Operational	1,749,300	2,210,900	1,979,700	0	1,979,700
Total	\$4,866,900	\$6,152,700	\$5,921,500	\$0	\$5,921,500
State	285,300	354,800	125,500	0	125,500
Federal	0	0	0	0	0
Other	4,581,600	5,797,900	5,796,000	0	5,796,000

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	1,217,300	1,622,800	1,622,800	0	1,622,800
Operational	395,100	619,900	619,600	0	619,600
Total	\$1,612,400	\$2,242,700	\$2,242,400	\$0	\$2,242,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,612,400	2,242,700	2,242,400	0	2,242,400

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</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	26	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	25	25	0	25
Payroll	1,489,900	1,567,400	1,567,400	0	1,567,400
Operational	41,691,200	33,054,400	33,054,400	0	33,054,400
Total	\$43,181,100	\$34,621,800	\$34,621,800	\$0	\$34,621,800
State	4,168,400	0	0	0	0
Federal	0	0	0	0	0
Other	39,012,700	34,621,800	34,621,800	0	34,621,800

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	251	111	111	0	111
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	251	111	111	0	111
Payroll	13,239,500	14,112,100	12,488,400	0	12,488,400
Operational	7,113,100	8,162,400	8,142,600	0	8,142,600
Total	\$20,352,600	\$22,274,500	\$20,631,000	\$0	\$20,631,000
State	4,469,200	4,621,800	4,601,900	0	4,601,900
Federal	0	0	0	0	0
Other	15,883,400	17,652,700	16,029,100	0	16,029,100

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	1,812,200	9,500,000	9,425,000	0	9,425,000
Total	\$1,812,200	\$9,500,000	\$9,425,000	\$0	\$9,425,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	1,812,200	1,500,000	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	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	1,573,700	1,818,100	1,818,100	0	1,818,100
Operational	16,349,800	19,238,500	19,238,500	0	19,238,500
Total	\$17,923,500	\$21,056,600	\$21,056,600	\$0	\$21,056,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	17,923,500	21,056,600	21,056,600	0	21,056,600

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	54	66	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	66	66	0	66
Payroll	2,249,400	3,594,400	3,594,400	0	3,594,400
Operational	2,224,200	2,340,500	2,340,500	0	2,340,500
Total	\$4,473,600	\$5,934,900	\$5,934,900	\$0	\$5,934,900
State	253,200	315,000	315,000	0	315,000
Federal	0	0	0	0	0
Other	4,220,400	5,619,900	5,619,900	0	5,619,900

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	68	80	79	0	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	68	80	79	0	79
Payroll	4,358,700	6,075,100	5,983,500	0	5,983,500
Operational	3,893,100	2,501,000	2,536,900	0	2,536,900
Total	\$8,251,800	\$8,576,100	\$8,520,400	\$0	\$8,520,400
State	1,993,700	2,175,400	2,177,600	0	2,177,600
Federal	0	0	0	0	0
Other	6,258,100	6,400,700	6,342,800	0	6,342,800

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	30	33	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	33	33	0	33
Payroll	1,372,800	1,751,300	1,751,300	0	1,751,300
Operational	1,862,900	3,372,100	3,372,100	0	3,372,100
Total	\$3,235,700	\$5,123,400	\$5,123,400	\$0	\$5,123,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,235,700	5,123,400	5,123,400	0	5,123,400

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	3,444,100	3,104,100	3,104,100	0	3,104,100
Total	\$3,444,100	\$3,104,100	\$3,104,100	\$0	\$3,104,100
State	3,444,100	3,104,100	3,104,100	0	3,104,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
321.00 Total General Services					
Full-Time	533	421	420	0	420
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	533	421	420	0	420
Payroll	28,618,900	34,483,000	32,767,700	0	32,767,700
Operational	80,535,000	84,103,800	83,813,400	0	83,813,400
Total	\$109,153,900	\$118,586,800	\$116,581,100	\$0	\$116,581,100
State	16,426,100	12,071,100	11,749,100	0	11,749,100
Federal	0	0	0	0	0
Other	92,727,800	106,515,700	104,832,000	0	104,832,000

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
323.00 Veterans Affairs					
Full-Time	97	97	97	0	97
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	97	97	97	0	97
Payroll	4,120,800	5,059,700	5,119,000	0	5,119,000
Operational	1,271,300	1,685,700	1,292,400	0	1,292,400
Total	\$5,392,100	\$6,745,400	\$6,411,400	\$0	\$6,411,400
State	3,459,800	5,725,700	5,391,700	0	5,391,700
Federal	1,546,500	772,700	772,700	0	772,700
Other	385,800	247,000	247,000	0	247,000

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	99	97	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	99	97	95	0	95
Payroll	7,116,600	7,972,400	7,857,600	0	7,857,600
Operational	1,643,300	1,746,400	1,611,400	0	1,611,400
Total	\$8,759,900	\$9,718,800	\$9,469,000	\$0	\$9,469,000
State	5,785,700	6,785,400	6,720,200	0	6,720,200
Federal	0	0	0	0	0
Other	2,974,200	2,933,400	2,748,800	0	2,748,800

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, including 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	91	92	79	0	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	91	92	79	0	79
Payroll	6,609,900	8,321,900	7,223,600	0	7,223,600
Operational	11,253,300	14,271,700	10,434,200	18,000	10,452,200
Total	\$17,863,200	\$22,593,600	\$17,657,800	\$18,000	\$17,675,800

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	11,457,300	15,889,400	10,347,800	18,000	10,365,800
Federal	1,500	0	0	0	0
Other	6,404,400	6,704,200	7,310,000	0	7,310,000

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	0	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	15	0	15
Payroll	0	0	1,109,800	0	1,109,800
Operational	0	0	3,671,900	0	3,671,900
Total	\$0	\$0	\$4,781,700	\$0	\$4,781,700
State	0	0	4,781,700	0	4,781,700
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	119	109	108	0	108
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	119	109	108	0	108
Payroll	4,826,100	6,259,100	6,197,700	0	6,197,700
Operational	4,310,100	2,904,100	2,828,900	0	2,828,900
Total	\$9,136,200	\$9,163,200	\$9,026,600	\$0	\$9,026,600
State	6,857,700	7,649,400	7,512,800	0	7,512,800
Federal	0	0	0	0	0
Other	2,278,500	1,513,800	1,513,800	0	1,513,800

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time	142	124	123	0	123
Part-Time	16	7	0	0	0
Seasonal	0	0	0	0	0
Total	158	131	123	0	123
Payroll	6,206,100	6,471,200	6,505,400	0	6,505,400
Operational	1,475,400	1,572,800	1,190,500	0	1,190,500
Total	\$7,681,500	\$8,044,000	\$7,695,900	\$0	\$7,695,900
State	4,534,600	4,826,200	4,739,900	0	4,739,900
Federal	0	0	0	0	0
Other	3,146,900	3,217,800	2,956,000	0	2,956,000

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	110	109	96	0	96
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	110	109	96	0	96
Payroll	5,733,400	6,258,300	5,725,900	0	5,725,900
Operational	12,446,900	12,458,000	11,938,200	71,000	12,009,200
Total	\$18,180,300	\$18,716,300	\$17,664,100	\$71,000	\$17,735,100
State	16,609,500	17,145,500	16,238,700	71,000	16,309,700
Federal	0	0	0	0	0
Other	1,570,800	1,570,800	1,425,400	0	1,425,400

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 at various locations throughout the state.

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time	120	127	127	0	127
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	120	127	127	0	127
Payroll	6,796,300	7,977,100	7,691,100	0	7,691,100
Operational	989,400	1,087,800	1,120,100	0	1,120,100
Total	\$7,785,700	\$9,064,900	\$8,811,200	\$0	\$8,811,200
State	4,644,400	6,088,100	5,834,400	0	5,834,400
Federal	0	0	0	0	0
Other	3,141,300	2,976,800	2,976,800	0	2,976,800

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. The program accomplishes this by 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	343	352	352	0	352
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	343	352	352	0	352
Payroll	24,971,000	27,656,400	27,644,400	0	27,644,400
Operational	3,671,700	4,171,600	3,943,900	0	3,943,900
Total	\$28,642,700	\$31,828,000	\$31,588,300	\$0	\$31,588,300
State	18,651,100	22,324,300	22,084,600	0	22,084,600
Federal	1,000	20,900	20,900	0	20,900
Other	9,990,600	9,482,800	9,482,800	0	9,482,800

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	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	1,088,600	1,337,900	1,337,900	0	1,337,900
Operational	257,200	277,300	286,200	0	286,200
Total	\$1,345,800	\$1,615,200	\$1,624,100	\$0	\$1,624,100

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	1,345,800	1,615,200	1,624,100	0	1,624,100
Federal	0	0	0	0	0
Other	0	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	2,900	250,000	250,000	0	250,000
Total	\$2,900	\$250,000	\$250,000	\$0	\$250,000
State	2,900	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	1,012,700	2,500,000	2,500,000	0	2,500,000
Total	\$1,012,700	\$2,500,000	\$2,500,000	\$0	\$2,500,000
State	1,012,700	2,500,000	2,500,000	0	2,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
347.00 Total Revenue					
Full-Time	1,042	1,028	1,013	0	1,013
Part-Time	16	7	0	0	0
Seasonal	0	0	0	0	0
Total	1,058	1,035	1,013	0	1,013
Payroll	63,348,000	72,254,300	71,293,400	0	71,293,400
Operational	37,062,900	41,239,700	39,775,300	89,000	39,864,300
Total	\$100,410,900	\$113,494,000	\$111,068,700	\$89,000	\$111,157,700
State	70,901,700	85,073,500	82,634,200	89,000	82,723,200
Federal	2,500	20,900	20,900	0	20,900
Other	29,506,700	28,399,600	28,413,600	0	28,413,600

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
351.00 Miscellaneous Appropriations					
Full-Time	0	0	0	8	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	8	8
Payroll	0	0	0	0	0
Operational	35,412,400	69,622,400	60,858,300	80,606,800	141,465,100
Total	\$35,412,400	\$69,622,400	\$60,858,300	\$80,606,800	\$141,465,100
State	34,570,100	69,622,400	60,858,300	80,606,800	141,465,100
Federal	7,900	0	0	0	0
Other	834,400	0	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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.

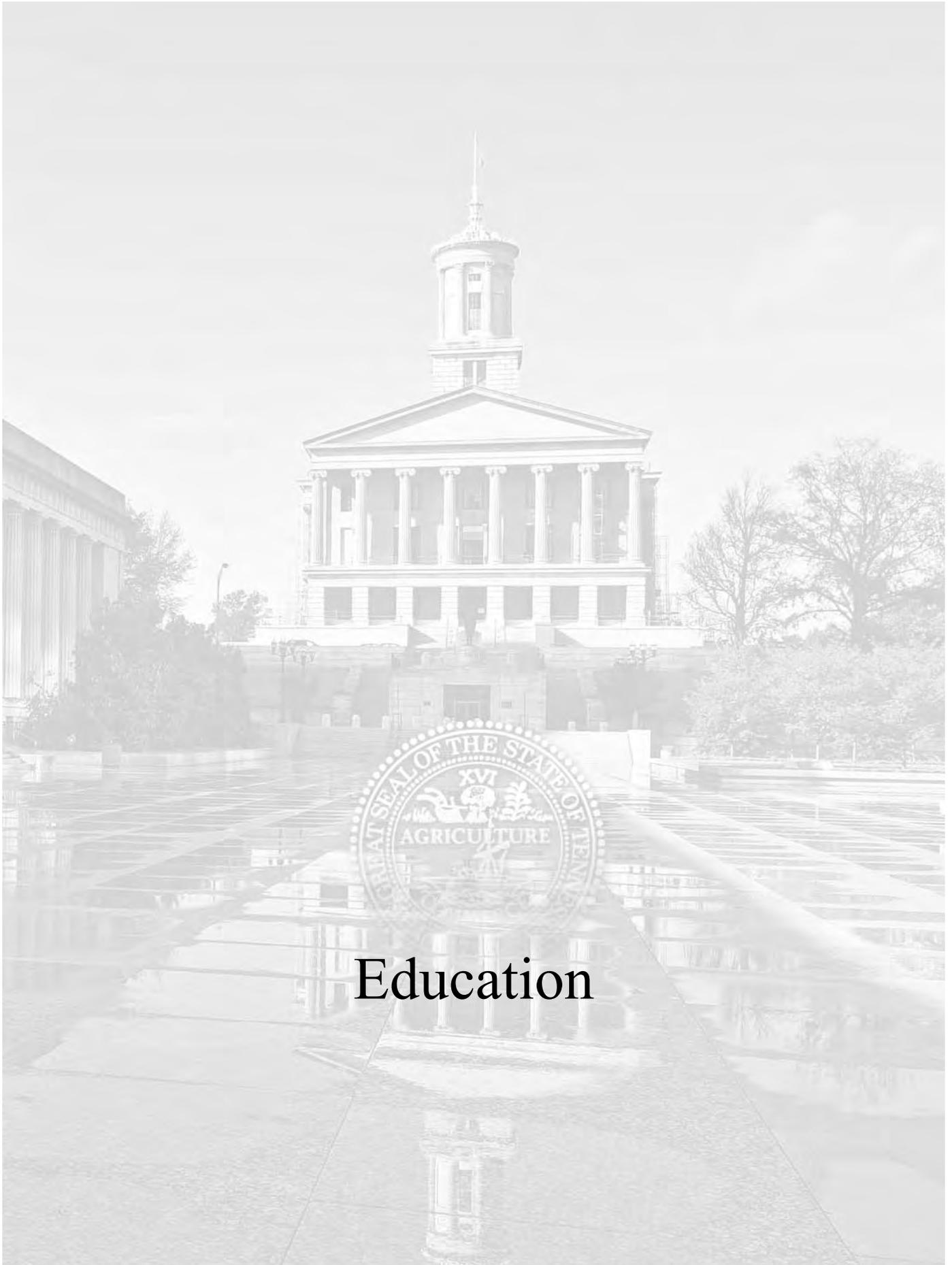
	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
355.02 Major Maintenance and Equipment					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	276,700	400,000	400,000	0	400,000
Total	\$276,700	\$400,000	\$400,000	\$0	\$400,000
State	204,200	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	72,500	150,000	150,000	0	150,000

**General Government
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Most Recent</u>	<u>Target</u>
Department of Finance and Administration				
Complete the Comprehensive Annual Financial Report (CAFR) for 6/30/2013 with an audit opinion data of 12/13/2013.				
	Complete by 12/13/2013.	Monthly	Not yet available	12/13/13
Promote effective use of the Edison system through training, outreach, and user support.				
	Percent of Edison transactions processed in less than three seconds.	Monthly	93.5%	90.0%
	Percent reduction in Help Desk tickets.	Monthly	9.92% reduction	5%
Department of Human Resources				
By June 30, 2014, establish a process for tracking customer issues and improving the delivery of services based on feedback received via mechanisms customized for each type of customer identified.				
	Annual customer service survey score (maximum is 4.0).	Fiscal Year	Not yet available	3.1
Department of General Services				
Provide improved facility maintenance service at lower costs.				
	Percent of operational savings compared to current spending.	Fiscal Year	Not yet available	7%
	Percent compliance (preventative maintenance—standard).	Monthly	100%	85%
	Percent compliance (preventative maintenance—critical).	Monthly	100%	98%
	Percent of customers “satisfied” or “highly satisfied”.	Fiscal Quarter	75%	85%
Engage in the strategic sourcing of specific categories of goods and services resulting in cost savings/avoidance.				
	Percent savings for Solicited Wave Three categories.	Fiscal Year	Not yet available	3%

**General Government
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Most Recent</u>	<u>Target</u>
Department of Veterans Affairs				
Reduce veteran unemployment by one percent through expansion of state partnerships by June 2014.				
	Veteran unemployment rate.	Fiscal Quarter	Not yet available	6.70%
By June 2014, reduce the average claims processing time by three days.				
	Average number of days to process claims.	Fiscal Quarter	Not yet available	3
Department of Revenue				
Deposit all tax collections within 24 hours of receipt and post-tax documents within two business days of receipt.				
	Percent of funds deposited within 24 hours.	Monthly	100.0%	97.5%
Provide quarterly tax workshops in each region of the state and field and adequately respond to 100 percent of taxpayer calls.				
	Call center abandonment rate.	Monthly	9.23%	5.00%



Education

Education

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Education

Recommended Budget, Fiscal Year 2014 – 2015

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.

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. In the event that net lottery proceeds exceed scholarship needs, excess lottery funds may be appropriated to pre-kindergarten and early childhood education programs.

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Recommended 2014-2015</u>
Personnel			
Full Time *	25,741	26,283	26,247
Part Time	88	82	70
Seasonal	0	0	0
TOTAL	25,829	26,365	26,317
Expenditures			
Payroll	\$ 86,264,400	\$ 114,503,400	\$ 109,477,900
Operational	9,231,556,200	9,651,862,300	9,369,462,100
TOTAL	\$ 9,317,820,600	\$ 9,766,365,700	\$ 9,478,940,000
Funding			
State **	\$ 5,626,513,500	\$ 5,929,649,600	\$ 5,997,189,700
Federal	1,374,199,400	1,513,815,600	1,178,498,100
Other	750,477,100	702,318,800	682,670,500
Tuition/Fees	1,566,630,600	1,620,581,700	1,620,581,700

* Includes Higher Education's unrestricted education and general personnel.

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

\$ 336,967,200	\$ 334,500,000	\$ 352,200,000
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Education
Recommended Budget for Fiscal Year 2014-2015
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	4,415,521,100	1,065,843,700	79,296,200	5,560,661,000
332.00 Higher Education	1,581,668,600	112,654,400	2,223,956,000 *	3,918,279,000
Total	\$5,997,189,700	\$1,178,498,100	\$2,303,252,200	\$9,478,940,000

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

Education
Cost Increases for Fiscal Year 2014-2015

	<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	\$46,758,000	\$0	\$0	\$46,758,000	0
Sub-total	\$46,758,000	\$0	\$0	\$46,758,000	0
• Teacher Training and Experience					
To fund growth in teacher training and experience at the state Special Schools.					
331.90 Alvin C. York Institute	\$20,200	\$0	\$0	\$20,200	0
331.91 Tennessee School for the Blind	\$31,300	\$0	\$0	\$31,300	0
331.92 Tennessee School for the Deaf	\$37,300	\$0	\$0	\$37,300	0
331.93 West Tennessee School for the Deaf	\$10,500	\$0	\$0	\$10,500	0
Sub-total	\$99,300	\$0	\$0	\$99,300	0
• School Leadership Training					
To provide non-recurring funding to partner with Vanderbilt University for school leadership training for principals.					
331.05 Teachers and Leaders	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
• Public Television Stations					
To provide non-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 non-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 non-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

Education
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Alvin C. York High School					
To provide non-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
• Teachers' Salary Increase					
To fund the state share of a 2 percent salary increase on July 1, 2014, for teachers and other positions funded through the BEP formula to be distributed to each LEA and administered according to each LEA's salary schedule.					
331.25 Basic Education Program	\$48,600,000	\$0	\$0	\$48,600,000	0
Sub-total	\$48,600,000	\$0	\$0	\$48,600,000	0
• Group Health Insurance - January 1, 2015					
To fund the state share of a 5.0% group health insurance increase for local education agencies for January 1, 2015. This is funded for six months in the recommended budget.					
331.25 Basic Education Program	\$8,013,000	\$0	\$0	\$8,013,000	0
Sub-total	\$8,013,000	\$0	\$0	\$8,013,000	0
• Arts Academy Grant					
To provide funding for teacher professional development.					
331.06 Curriculum and Instruction	\$200,000	\$0	\$0	\$200,000	0
Sub-total	\$200,000	\$0	\$0	\$200,000	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
• Save the Children Literacy Grant					
To provide funding for the ninth year of the Save the Children Literacy Grant to target literacy improvement, focused on grades one through three in under-served schools (schools which 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

Education

Cost Increases for Fiscal Year 2014-2015

	State	Federal	Other	Total	Positions
• Educator Evaluation System					
To provide funding to sustain Tennessee's statewide educator evaluation system. The cost increase will allow the state to continue to provide evaluator training and certification, as well as coaching resources for districts and schools.					
331.05 Teachers and Leaders	\$1,310,000	\$0	\$0	\$1,310,000	2
Sub-total	\$1,310,000	\$0	\$0	\$1,310,000	2
• Basic Education Program - Salary Equity					
To provide funding to address salary equity adjustments.					
331.25 Basic Education Program	\$14,500,000	\$0	\$0	\$14,500,000	0
Sub-total	\$14,500,000	\$0	\$0	\$14,500,000	0
Total Education (K-12)	\$129,886,500	\$60,000	\$994,900	\$130,941,400	13

Higher Education - State Administered Programs

• Operating Cost Increases - Non-Formula Units					
To provide funding for operating cost increases for non-formula units.					
332.08 Centers of Excellence	\$148,200	\$0	\$0	\$148,200	0
332.11 Campus Centers of Emphasis	\$11,200	\$0	\$0	\$11,200	0
Sub-total	\$159,400	\$0	\$0	\$159,400	0
• Drive to 55 - Seamless Alignment and Integrated Learning Support (SAILS) Expansion					
To provide non-recurring funding for programs to expand the Seamless Alignment and Integrated Learning Support (SAILS) program to additional community colleges. The SAILS program transforms student remediation by utilizing innovative instructional methods.					
332.01 Tennessee Higher Education Commission	\$2,568,000	\$0	\$0	\$2,568,000	0
Sub-total	\$2,568,000	\$0	\$0	\$2,568,000	0
• Drive to 55 - On-Line Innovation Initiatives					
To provide non-recurring funding to expand on-line curriculum, content, and course offerings.					
332.01 Tennessee Higher Education Commission	\$1,800,000	\$0	\$0	\$1,800,000	0
Sub-total	\$1,800,000	\$0	\$0	\$1,800,000	0

Education

Cost Increases for Fiscal Year 2014-2015

	State	Federal	Other	Total	Positions
• Drive to 55 - Degree Compass					
To provide non-recurring funding to leverage Degree Compass, a course recommendation system started at Austin Peay State University, statewide. The system uses data to identify the course requirements for majors, then recommends what classes a student should do well in, and compares the success of other students in those same classes.					
332.01 Tennessee Higher Education Commission	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
• Drive to 55 - Adult Student Prospects					
To provide non-recurring funding to develop a data system to identify potential adult students who lack credit hours toward a degree.					
332.01 Tennessee Higher Education Commission	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
• Drive to 55 - Lottery Scholarships					
To provide funding for former Hope Scholarship recipients to receive the Wilder-Naifeh scholarship, "last-dollar" funds for Wilder-Naifeh recipients and high-school students participating in dual-enrollment classes, and modifying the eligibility period for the Hope Scholarship (eight semester change). The cost increase recognizes savings of \$1,800,000 from awarding \$3,000 annually for the first two years of college and \$5,000 annually for the last two years.					
332.19 Lottery for Education Account	\$7,500,000	\$0	\$0	\$7,500,000	0
Sub-total	\$7,500,000	\$0	\$0	\$7,500,000	0
Total Higher Education - State Administered Programs	\$12,577,400	\$0	\$0	\$12,577,400	0

University of Tennessee System

• Outcome Growth - Formula Units					
To provide 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	\$420,700	\$0	\$0	\$420,700	0
332.42 UT Knoxville	\$1,977,700	\$0	\$0	\$1,977,700	0
332.44 UT Martin	\$292,100	\$0	\$0	\$292,100	0
Sub-total	\$2,690,500	\$0	\$0	\$2,690,500	0

Education

Cost Increases for Fiscal Year 2014-2015

	State	Federal	Other	Total	Positions
• Operating Cost Increases - Non-Formula Units					
To provide funding to non-formula units to offset inflationary cost increases.					
332.10 UT University-Wide Administration	\$28,600	\$0	\$0	\$28,600	0
332.15 UT Institute for Public Service	\$36,100	\$0	\$0	\$36,100	0
332.16 UT Municipal Technical Advisory Service	\$48,000	\$0	\$0	\$48,000	0
332.17 UT County Technical Assistance Service	\$34,800	\$0	\$0	\$34,800	0
332.23 UT Space Institute	\$64,100	\$0	\$0	\$64,100	0
332.25 UT Agricultural Experiment Station	\$256,500	\$0	\$0	\$256,500	0
332.26 UT Agricultural Extension Service	\$305,600	\$0	\$0	\$305,600	0
332.28 UT Veterinary Medicine	\$291,300	\$0	\$0	\$291,300	0
332.30 UT Health Science Center	\$1,004,000	\$0	\$0	\$1,004,000	0
332.32 UT Family Medicine	\$129,800	\$0	\$0	\$129,800	0
332.34 UT College of Medicine	\$547,600	\$0	\$0	\$547,600	0
Sub-total	\$2,746,400	\$0	\$0	\$2,746,400	0
• 401(k) State Match					
To provide non-recurring funding for the 401(k) state match monthly portion for employees in 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 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2014					
To provide funding to annualize the state share of a 5.5% group health insurance premium increase for January 1, 2014. This increase was funded for six months in the current-year budget.					
332.10 UT University-Wide Administration	\$72,700	\$0	\$0	\$72,700	0
332.15 UT Institute for Public Service	\$17,800	\$0	\$0	\$17,800	0
332.16 UT Municipal Technical Advisory Service	\$11,700	\$0	\$0	\$11,700	0
332.17 UT County Technical Assistance Service	\$10,100	\$0	\$0	\$10,100	0
332.23 UT Space Institute	\$15,700	\$0	\$0	\$15,700	0
332.25 UT Agricultural Experiment Station	\$112,600	\$0	\$0	\$112,600	0
332.26 UT Agricultural Extension Service	\$178,200	\$0	\$0	\$178,200	0
332.28 UT Veterinary Medicine	\$81,300	\$0	\$0	\$81,300	0
332.30 UT Health Science Center	\$566,600	\$0	\$0	\$566,600	0
332.32 UT Family Medicine	\$39,800	\$0	\$0	\$39,800	0
332.40 UT Chattanooga	\$259,300	\$0	\$0	\$259,300	0
332.42 UT Knoxville	\$916,900	\$0	\$0	\$916,900	0
332.44 UT Martin	\$190,300	\$0	\$0	\$190,300	0
Sub-total	\$2,473,000	\$0	\$0	\$2,473,000	0
• Pediatric Physician Scientists Recruiting					
To provide non-recurring funding to the University of Tennessee Health Science Center for year two of five to match funds provided by St. Jude's. 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

Education
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2015					
To provide funding for the state share of a 5.5% group health insurance premium increase for January 1, 2015. This is funded for six months in the recommended budget.					
332.10 UT University-Wide Administration	\$74,300	\$0	\$0	\$74,300	0
332.15 UT Institute for Public Service	\$15,900	\$0	\$0	\$15,900	0
332.16 UT Municipal Technical Advisory Service	\$13,200	\$0	\$0	\$13,200	0
332.17 UT County Technical Assistance Service	\$10,600	\$0	\$0	\$10,600	0
332.23 UT Space Institute	\$17,000	\$0	\$0	\$17,000	0
332.25 UT Agricultural Experiment Station	\$118,600	\$0	\$0	\$118,600	0
332.26 UT Agricultural Extension Service	\$188,900	\$0	\$0	\$188,900	0
332.28 UT Veterinary Medicine	\$88,000	\$0	\$0	\$88,000	0
332.30 UT Health Science Center	\$601,700	\$0	\$0	\$601,700	0
332.32 UT Family Medicine	\$40,700	\$0	\$0	\$40,700	0
332.40 UT Chattanooga	\$281,500	\$0	\$0	\$281,500	0
332.42 UT Knoxville	\$990,100	\$0	\$0	\$990,100	0
332.44 UT Martin	\$197,600	\$0	\$0	\$197,600	0
Sub-total	\$2,638,100	\$0	\$0	\$2,638,100	0
Total University of Tennessee System	\$14,293,000	\$0	\$0	\$14,293,000	0

State University and Community College System

• Outcome Growth - Formula Units

To provide 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	\$384,400	\$0	\$0	\$384,400	0
332.72 East Tennessee State University	\$538,000	\$0	\$0	\$538,000	0
332.74 University of Memphis	\$1,002,600	\$0	\$0	\$1,002,600	0
332.75 Middle Tennessee State University	\$929,300	\$0	\$0	\$929,300	0
332.77 Tennessee State University	\$360,000	\$0	\$0	\$360,000	0
332.78 Tennessee Technological University	\$430,800	\$0	\$0	\$430,800	0
332.89 Tennessee Community Colleges	\$2,331,800	\$0	\$0	\$2,331,800	0
332.98 Tennessee Colleges of Applied Technology	\$622,300	\$0	\$0	\$622,300	0
Sub-total	\$6,599,200	\$0	\$0	\$6,599,200	0

Education
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Operating Cost Increases - Non-Formula Units					
To provide funding to non-formula units to offset inflationary cost increases.					
332.60 Tennessee Board of Regents	\$135,400	\$0	\$0	\$135,400	0
332.62 TSU McMinnville Center	\$2,400	\$0	\$0	\$2,400	0
332.63 TSU Institute of Agricultural and Environmental Research	\$7,700	\$0	\$0	\$7,700	0
332.64 TSU Cooperative Education	\$18,400	\$0	\$0	\$18,400	0
332.65 ETSU College of Medicine	\$407,700	\$0	\$0	\$407,700	0
332.67 ETSU Family Practice	\$132,400	\$0	\$0	\$132,400	0
332.68 TSU McIntire-Stennis Forestry Research	\$500	\$0	\$0	\$500	0
Sub-total	\$704,500	\$0	\$0	\$704,500	0
• 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

Education
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2014					
To provide funding to annualize the state share of a 5.5% group health insurance premium increase for January 1, 2014. This increase was funded for six months in the current-year budget.					
332.60 Tennessee Board of Regents	\$29,400	\$0	\$0	\$29,400	0
332.65 ETSU College of Medicine	\$82,000	\$0	\$0	\$82,000	0
332.67 ETSU Family Practice	\$13,600	\$0	\$0	\$13,600	0
332.70 Austin Peay State University	\$193,400	\$0	\$0	\$193,400	0
332.72 East Tennessee State University	\$403,900	\$0	\$0	\$403,900	0
332.74 University of Memphis	\$551,600	\$0	\$0	\$551,600	0
332.75 Middle Tennessee State University	\$516,400	\$0	\$0	\$516,400	0
332.77 Tennessee State University	\$225,300	\$0	\$0	\$225,300	0
332.78 Tennessee Technological University	\$243,200	\$0	\$0	\$243,200	0
332.89 Tennessee Community Colleges	\$1,061,800	\$0	\$0	\$1,061,800	0
332.98 Tennessee Colleges of Applied Technology	\$206,400	\$0	\$0	\$206,400	0
Sub-total	\$3,527,000	\$0	\$0	\$3,527,000	0

• Group Health Insurance - January 1, 2015					
To provide funding for the state share of a 5.5% group health insurance premium increase for January 1, 2015. This is funded for six months in the recommended budget.					
332.60 Tennessee Board of Regents	\$32,900	\$0	\$0	\$32,900	0
332.65 ETSU College of Medicine	\$87,300	\$0	\$0	\$87,300	0
332.67 ETSU Family Practice	\$15,500	\$0	\$0	\$15,500	0
332.70 Austin Peay State University	\$212,600	\$0	\$0	\$212,600	0
332.72 East Tennessee State University	\$418,200	\$0	\$0	\$418,200	0
332.74 University of Memphis	\$585,400	\$0	\$0	\$585,400	0
332.75 Middle Tennessee State University	\$547,600	\$0	\$0	\$547,600	0
332.77 Tennessee State University	\$241,800	\$0	\$0	\$241,800	0
332.78 Tennessee Technological University	\$263,800	\$0	\$0	\$263,800	0
332.89 Tennessee Community Colleges	\$1,148,100	\$0	\$0	\$1,148,100	0
332.98 Tennessee Colleges of Applied Technology	\$212,900	\$0	\$0	\$212,900	0
Sub-total	\$3,766,100	\$0	\$0	\$3,766,100	0

• University of Memphis - Lambuth Campus - Year 4 of 5					
To provide non-recurring funding to the University of Memphis for year four of five for the transition of the Lambuth campus.					
332.74 University of Memphis	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0

Education
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Total State University and Community College System	\$17,464,800	\$0	\$0	\$17,464,800	0
Total Higher Education	\$44,335,200	\$0	\$0	\$44,335,200	0
Total Education	\$174,221,700	\$60,000	\$994,900	\$175,276,600	13

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 136 local school districts, or local education agencies (LEAs). LEAs operate the state's kindergarten, elementary, secondary, and vocational schools.

<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	88	118	118	0	118
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	88	118	118	0	118
Payroll	6,705,200	9,310,100	7,520,400	0	7,520,400
Operational	1,736,900	2,612,000	2,283,200	0	2,283,200
Total	\$8,442,100	\$11,922,100	\$9,803,600	\$0	\$9,803,600
State	6,594,100	7,881,400	8,247,200	0	8,247,200
Federal	871,500	1,480,000	1,480,000	0	1,480,000
Other	976,500	2,560,700	76,400	0	76,400

331.07 State Board of Education

The State Board of Education is the regulatory and policy-making body for K-12 public education, the state's special schools, and educational television. The board has two primary responsibilities: revising and updating the Master Plan for improving education in the state; and establishing policies, standards, and guidelines for public education in grades K-12. The board is administratively attached to the department.

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	570,700	672,100	672,100	0	672,100
Operational	111,500	216,500	176,500	0	176,500
Total	\$682,200	\$888,600	\$848,600	\$0	\$848,600
State	679,800	888,600	848,600	0	848,600
Federal	0	0	0	0	0
Other	2,400	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	3,900,730,200	4,030,319,100	4,019,973,100	117,871,000	4,137,844,100
Total	\$3,900,730,200	\$4,030,319,100	\$4,019,973,100	\$117,871,000	\$4,137,844,100
State	3,900,730,200	4,030,319,100	4,019,973,100	117,871,000	4,137,844,100
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	36	29	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	29	27	0	27
Payroll	1,942,200	2,569,000	2,165,800	0	2,165,800
Operational	86,003,200	90,313,700	86,366,000	3,050,000	89,416,000
Total	\$87,945,400	\$92,882,700	\$88,531,800	\$3,050,000	\$91,581,800
State	86,864,100	91,500,000	88,184,000	3,050,000	91,234,000
Federal	1,075,500	1,382,700	347,800	0	347,800
Other	5,800	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	101,700	201,400	201,400	0	201,400
Operational	11,667,800	13,298,600	13,298,600	0	13,298,600
Total	\$11,769,500	\$13,500,000	\$13,500,000	\$0	\$13,500,000
State	11,769,500	13,100,000	13,100,000	0	13,100,000
Federal	0	0	0	0	0
Other	0	400,000	400,000	0	400,000

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 which 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 which 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	193,000	226,500	226,500	0	226,500
Operational	10,890,900	11,338,500	8,837,600	0	8,837,600
Total	\$11,083,900	\$11,565,000	\$9,064,100	\$0	\$9,064,100
State	0	0	0	0	0
Federal	825,800	2,500,900	0	0	0
Other	10,258,100	9,064,100	9,064,100	0	9,064,100

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	40,137,300	39,000,000	39,000,000	0	39,000,000
Total	\$40,137,300	\$39,000,000	\$39,000,000	\$0	\$39,000,000
State	40,137,300	39,000,000	39,000,000	0	39,000,000
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	5,135,100	5,163,100	1,213,800	3,786,800	5,000,600
Total	\$5,135,100	\$5,163,100	\$1,213,800	\$3,786,800	\$5,000,600
State	5,135,100	5,163,100	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	1,330,000	1,700,000	1,700,000	0	1,700,000
Total	\$1,330,000	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,330,000	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	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	1,375,700	1,765,400	1,765,400	0	1,765,400
Operational	1,349,600	51,951,300	951,300	0	951,300
Total	\$2,725,300	\$53,716,700	\$2,716,700	\$0	\$2,716,700
State	2,485,400	53,405,400	2,405,400	0	2,405,400
Federal	239,900	311,300	311,300	0	311,300
Other	0	0	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	22	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	20	20	0	20
Payroll	1,822,300	2,205,000	2,205,000	0	2,205,000
Operational	70,243,900	36,047,600	36,047,600	0	36,047,600
Total	\$72,066,200	\$38,252,600	\$38,252,600	\$0	\$38,252,600
State	29,657,800	29,619,200	29,619,200	0	29,619,200
Federal	7,132,600	8,533,400	8,533,400	0	8,533,400
Other	35,275,800	100,000	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time	18	17	17	0	17
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	28	27	27	0	27
Payroll	1,039,400	1,493,600	1,493,600	0	1,493,600
Operational	4,364,100	4,056,800	1,463,600	2,100,000	3,563,600
Total	\$5,403,500	\$5,550,400	\$2,957,200	\$2,100,000	\$5,057,200
State	3,241,900	3,927,700	1,827,700	2,100,000	3,927,700
Federal	100	0	0	0	0
Other	2,161,500	1,622,700	1,129,500	0	1,129,500

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, director 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	23	22	22	2	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	22	22	2	24
Payroll	1,936,500	1,880,300	1,880,300	194,900	2,075,200
Operational	1,386,500	1,763,300	1,425,900	1,365,100	2,791,000
Total	\$3,323,000	\$3,643,600	\$3,306,200	\$1,560,000	\$4,866,200
State	2,561,800	3,303,200	3,303,200	1,560,000	4,863,200
Federal	0	0	0	0	0
Other	761,200	340,400	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	41	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	41	29	29	0	29
Payroll	3,188,100	3,522,400	4,681,100	0	4,681,100
Operational	377,882,200	382,876,700	340,831,200	0	340,831,200
Total	\$381,070,300	\$386,399,100	\$345,512,300	\$0	\$345,512,300
State	0	470,000	470,000	0	470,000
Federal	381,066,900	385,929,100	345,042,300	0	345,042,300
Other	3,400	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 has 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 they can 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, allows 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 2013-2014 will be the final year for the majority of Race to the Top funds; however, a no cost extension has been granted for some of the funds for Fiscal Year 2014-2015.

Full-Time	14	14	8	0	8
Part-Time	1	1	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	8	0	8
Payroll	1,158,000	1,996,700	858,100	0	858,100
Operational	129,987,600	184,361,000	40,087,300	0	40,087,300
Total	\$131,145,600	\$186,357,700	\$40,945,400	\$0	\$40,945,400
State	0	0	0	0	0
Federal	131,113,500	186,357,700	40,945,400	0	40,945,400
Other	32,100	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	151	223	222	0	222
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	151	223	222	0	222
Payroll	10,710,900	17,596,100	17,241,600	0	17,241,600
Operational	13,025,400	37,414,000	35,670,900	0	35,670,900
Total	\$23,736,300	\$55,010,100	\$52,912,500	\$0	\$52,912,500
State	0	3,800	3,800	0	3,800
Federal	0	2,097,600	0	0	0
Other	23,736,300	52,908,700	52,908,700	0	52,908,700

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	13	11	11	0	11
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	14	12	12	0	12
Payroll	1,030,200	1,740,800	1,782,000	0	1,782,000
Operational	46,879,500	45,823,400	45,244,000	0	45,244,000
Total	\$47,909,700	\$47,564,200	\$47,026,000	\$0	\$47,026,000
State	17,621,000	20,196,800	20,196,800	0	20,196,800
Federal	29,086,000	26,641,700	26,641,700	0	26,641,700
Other	1,202,700	725,700	187,500	0	187,500

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time	52	38	38	0	38
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	38	38	0	38
Payroll	3,644,500	4,440,900	5,519,300	0	5,519,300
Operational	244,320,300	249,785,000	248,706,600	0	248,706,600
Total	\$247,964,800	\$254,225,900	\$254,225,900	\$0	\$254,225,900
State	639,200	710,000	710,000	0	710,000
Federal	247,318,200	253,515,900	253,515,900	0	253,515,900
Other	7,400	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	20	14	14	0	14
Seasonal	0	0	0	0	0
Total	220	214	214	0	214
Payroll	8,976,100	16,314,500	14,464,700	0	14,464,700
Operational	20,202,000	20,011,200	20,509,200	0	20,509,200
Total	\$29,178,100	\$36,325,700	\$34,973,900	\$0	\$34,973,900
State	8,339,700	12,407,300	12,056,700	0	12,056,700
Federal	9,499,500	10,335,400	10,334,200	0	10,334,200
Other	11,338,900	13,583,000	12,583,000	0	12,583,000

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	20	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	23	23	0	23
Payroll	1,420,500	2,421,700	2,421,700	0	2,421,700
Operational	336,830,500	359,356,200	359,356,100	0	359,356,100
Total	\$338,251,000	\$361,777,900	\$361,777,800	\$0	\$361,777,800
State	4,747,400	4,807,500	4,807,500	0	4,807,500
Federal	333,503,600	356,965,400	356,965,300	0	356,965,300
Other	0	5,000	5,000	0	5,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	42	41	41	0	41
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	41	41	0	41
Payroll	2,955,600	3,916,800	3,916,800	0	3,916,800
Operational	23,757,500	22,574,700	21,949,700	125,000	22,074,700
Total	\$26,713,100	\$26,491,500	\$25,866,500	\$125,000	\$25,991,500
State	3,272,100	4,750,100	4,125,100	125,000	4,250,100
Federal	23,324,000	21,666,400	21,666,400	0	21,666,400
Other	117,000	75,000	75,000	0	75,000

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	181	178	0	178
Part-Time	18	18	17	0	17
Seasonal	0	0	0	0	0
Total	199	199	195	0	195
Payroll	9,918,300	10,483,100	10,546,100	31,300	10,577,400
Operational	1,826,200	1,926,200	1,913,200	0	1,913,200
Total	\$11,744,500	\$12,409,300	\$12,459,300	\$31,300	\$12,490,600
State	10,894,200	11,296,300	11,546,300	31,300	11,577,600
Federal	0	0	0	0	0
Other	850,300	1,113,000	913,000	0	913,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	241	238	0	238
Part-Time	21	21	11	0	11
Seasonal	0	0	0	0	0
Total	262	262	249	0	249
Payroll	11,753,700	12,943,800	12,943,800	37,300	12,981,100
Operational	4,745,700	3,772,100	3,472,100	0	3,472,100
Total	\$16,499,400	\$16,715,900	\$16,415,900	\$37,300	\$16,453,200
State	15,383,800	15,872,500	15,872,500	37,300	15,909,800
Federal	0	0	0	0	0
Other	1,115,600	843,400	543,400	0	543,400

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	39	36	36	0	36
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	48	45	45	0	45
Payroll	1,828,100	2,409,600	2,409,600	10,500	2,420,100
Operational	518,500	412,600	412,600	0	412,600
Total	\$2,346,600	\$2,822,200	\$2,822,200	\$10,500	\$2,832,700
State	2,184,200	2,599,500	2,599,500	10,500	2,610,000
Federal	0	0	0	0	0
Other	162,400	222,700	222,700	0	222,700

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	76	60	11	71
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	84	84	68	11	79
Payroll	5,391,900	5,847,800	3,585,100	1,607,600	5,192,700
Operational	1,047,000	1,086,600	0	761,900	761,900
Total	\$6,438,900	\$6,934,400	\$3,585,100	\$2,369,500	\$5,954,600

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	5,600,100	5,879,500	3,585,100	1,314,600	4,899,700
Federal	59,600	60,000	0	60,000	60,000
Other	779,200	994,900	0	994,900	994,900

331.97 Major Maintenance

The major maintenance program provides funds for major repairs which 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	179,900	329,100	329,100	0	329,100
Total	\$179,900	\$329,100	\$329,100	\$0	\$329,100
State	179,900	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	1,283	1,346	1,315	13	1,328
Part-Time	88	82	70	0	70
Seasonal	0	0	0	0	0
Total	1,371	1,428	1,385	13	1,398
Payroll	77,662,600	103,957,600	98,500,400	1,881,600	100,382,000
Operational	5,336,289,300	5,597,509,300	5,331,219,200	129,059,800	5,460,279,000
Total	\$5,413,951,900	\$5,701,466,900	\$5,429,719,600	\$130,941,400	\$5,560,661,000
State	4,160,048,600	4,359,040,100	4,285,634,600	129,886,500	4,415,521,100
Federal	1,165,116,700	1,257,777,500	1,065,783,700	60,000	1,065,843,700
Other	88,786,600	84,649,300	78,301,300	994,900	79,296,200

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				
2007-2008	765	22	27	61
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	681	12	50	8
2014-2015	649	20	50	8
Annual Releases				
2007-2008	175	23	34	13
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	225	4	29	6
2014-2015	205	5	29	6
Average Daily Census				
2007-2008	654	212	182	53
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	650	155	203	50
2014-2015	640	158	203	50
Cost Per Occupancy Day				
2007-2008	\$52.69	\$316.00	\$456.25	\$251.31
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	\$59.27	\$444.78	\$457.47	\$313.58
2014-2015	\$51.69	\$439.19	\$450.28	\$314.74

**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 Estimated	2014-2015** Estimated
	\$ 500,741,200	\$ 51,843,800	\$ 90,448,700	\$ 131,145,600	\$ 186,357,700	\$ 40,945,400
1. Implementation Costs	5,685,800	1,158,300	735,000	1,402,000	1,441,900	948,600
2. Standards and Assessments	40,678,500	55,600	950,300	7,003,800	28,332,500	4,336,300
3. Data Systems	20,363,100	68,500	4,093,200	5,678,600	9,930,500	592,300
4. Teachers and Leaders	74,495,400	9,266,100	10,772,100	17,658,500	29,756,400	7,042,300
5. School Turnaround	78,880,700	1,516,900	10,973,700	25,454,000	37,436,100	3,500,000
6. Competitive Priorities	22,267,200	151,800	2,750,900	6,294,000	11,870,500	1,200,000
7. Subgrants to LEAs*	258,370,500	39,626,600	60,173,500	67,654,700	67,589,800	23,325,900

* 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 has announced that it will allow states to request no-cost extensions for specific projects within their Race to the Top grants. Tennessee is in the process of submitting requests for no-cost extensions for some of its work. As a result, the 2014-2015 estimates are still subject to federal approval and could change as a result.

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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; researching and analyzing the Education Lottery Scholarship program; and administering the Tennessee Promise Endowment 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	68	68	62	0	62
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	68	68	62	0	62
Payroll	5,097,500	6,562,000	5,913,900	0	5,913,900
Operational	13,024,800	17,282,100	6,999,500	4,918,000	11,917,500
Total	\$18,122,300	\$23,844,100	\$12,913,400	\$4,918,000	\$17,831,400

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	824,100	6,229,200	2,421,300	4,918,000	7,339,300
Federal	5,001,300	7,222,700	4,495,500	0	4,495,500
Other	12,296,900	10,392,200	5,996,600	0	5,996,600

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	2,100,100	2,232,900	2,180,800	0	2,180,800
Total	\$2,100,100	\$2,232,900	\$2,180,800	\$0	\$2,180,800
State	2,100,100	2,232,900	2,180,800	0	2,180,800
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	3,676,500	9,260,200	4,204,100	0	4,204,100
Total	\$3,676,500	\$9,260,200	\$4,204,100	\$0	\$4,204,100
State	2,318,000	7,403,300	2,347,200	0	2,347,200
Federal	1,206,100	1,286,900	1,286,900	0	1,286,900
Other	152,400	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	17,538,300	18,193,700	17,769,000	148,200	17,917,200
Total	\$17,538,300	\$18,193,700	\$17,769,000	\$148,200	\$17,917,200
State	17,538,300	18,193,700	17,769,000	148,200	17,917,200
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	1,265,900	1,313,300	1,282,600	11,200	1,293,800
Total	\$1,265,900	\$1,313,300	\$1,282,600	\$11,200	\$1,293,800
State	1,265,900	1,313,300	1,282,600	11,200	1,293,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.45 Tennessee Promise Endowment

The Tennessee Promise Endowment last dollar scholarship program was established to remove the financial burden of tuition and fees at Tennessee's colleges of applied technology, community colleges, and some independent institutions for certificates and associates degrees. The scholarships are "last dollar," meaning they will cover tuition and fees remaining, if any, after other state and federal financial aid has been applied. There is universal acceptance of all Tennessee high school graduates, but they must meet residency requirements consistent with other lottery scholarships. Recipients will need to meet other requirements such as participating in certain mentoring programs and meeting certain timelines as specified by the Tennessee Student Assistance Corporation.

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	1,250,000	9,250,000	0	9,250,000
Total	\$0	\$1,250,000	\$9,250,000	\$0	\$9,250,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	0	1,250,000	9,250,000	0	9,250,000
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; and marketing and administering the Tennessee Education Lottery Scholarship program.

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 Federal Family Education Loan Program. As a result, TSAC duties will no longer include guaranteeing student loans, executing the federal program designed to prevent potential defaults on student loans, nor arranging for or serving as the lender of last resort.

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	61,288,800	64,562,500	56,562,500	0	56,562,500
Total	\$61,288,800	\$64,562,500	\$56,562,500	\$0	\$56,562,500
State	54,488,800	57,762,500	49,762,500	0	49,762,500
Federal	0	0	0	0	0
Other	6,800,000	6,800,000	6,800,000	0	6,800,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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 will end by September 30, 2014.

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	139,662,500	190,001,900	47,500,500	0	47,500,500
Total	\$139,662,500	\$190,001,900	\$47,500,500	\$0	\$47,500,500
State	0	0	0	0	0
Federal	135,703,700	181,101,900	45,275,500	0	45,275,500
Other	3,958,800	8,900,000	2,225,000	0	2,225,000

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	41	0	41
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	53	41	0	41
Payroll	3,504,300	3,983,800	3,182,000	0	3,182,000
Operational	24,955,200	21,724,600	14,640,100	0	14,640,100
Total	\$28,459,500	\$25,708,400	\$17,822,100	\$0	\$17,822,100
State	1,112,700	1,353,500	1,321,900	0	1,321,900
Federal	2,574,900	9,660,300	4,830,200	0	4,830,200
Other	24,771,900	14,694,600	11,670,000	0	11,670,000

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	565,100	790,500	790,500	0	790,500
Total	\$565,100	\$790,500	\$790,500	\$0	\$790,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	401,800	411,800	411,800	0	411,800
Federal	0	0	0	0	0
Other	163,300	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	2,533,900	3,794,900	3,594,900	0	3,594,900
Total	\$2,533,900	\$3,794,900	\$3,594,900	\$0	\$3,594,900
State	826,100	1,220,800	1,220,800	0	1,220,800
Federal	59,400	178,200	178,200	0	178,200
Other	1,648,400	2,395,900	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. In the event that education lottery proceeds available to the account exceed scholarship needs, excess proceeds may be appropriated for pre-kindergarten (pre-K) and early childhood education programs. 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 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	325,197,700	321,400,000	331,600,000	7,500,000	339,100,000
Total	\$325,197,700	\$321,400,000	\$331,600,000	\$7,500,000	\$339,100,000
State	325,197,700	321,400,000	331,600,000	7,500,000	339,100,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	2,183,100	1,901,200	1,901,200	0	1,901,200
Total	\$2,183,100	\$1,901,200	\$1,901,200	\$0	\$1,901,200
State	378,600	410,300	410,300	0	410,300
Federal	0	0	0	0	0
Other	1,804,500	1,490,900	1,490,900	0	1,490,900

332.00 Total Higher Education - State Administered Programs

Full-Time	135	135	117	0	117
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	135	135	117	0	117
Payroll	8,601,800	10,545,800	9,095,900	0	9,095,900
Operational	593,991,900	653,707,800	498,275,700	12,577,400	510,853,100
Total	\$602,593,700	\$664,253,600	\$507,371,600	\$12,577,400	\$519,949,000
State	406,452,100	419,181,300	419,978,200	12,577,400	432,555,600
Federal	144,545,400	199,450,000	56,066,300	0	56,066,300
Other	51,596,200	45,622,300	31,327,100	0	31,327,100

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 2012 and 2013. 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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	60	64	64	0	64
Professional	150	157	157	0	157
Faculty	1	1	1	0	1
Clerical/Support	76	75	75	0	75
Total	287	297	297	0	297
Headcount	0	0	0	0	0
State	4,496,900	4,645,300	4,589,300	231,600	4,820,900
Federal	0	0	0	0	0
Other	13,709,400	16,362,500	16,362,500	0	16,362,500
Tuition/Fees	0	0	0	0	0
Total	\$18,206,300	\$21,007,800	\$20,951,800	\$231,600	\$21,183,400

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Headcount	0	0	0	0	0
State	5,550,100	5,688,900	5,688,900	0	5,688,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$5,550,100	\$5,688,900	\$5,688,900	\$0	\$5,688,900

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	5	5	0	5
Professional	16	13	13	0	13
Faculty	0	0	0	0	0
Clerical/Support	12	9	9	0	9
Total	33	27	27	0	27
Headcount	0	0	0	0	0
State	5,044,900	5,236,000	5,232,400	73,400	5,305,800
Federal	176,900	231,000	231,000	0	231,000
Other	782,400	630,000	630,000	0	630,000
Tuition/Fees	0	0	0	0	0
Total	\$6,004,200	\$6,097,000	\$6,093,400	\$73,400	\$6,166,800

332.16 UT Municipal Technical Advisory Service

The 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	35	33	33	0	33
Faculty	0	0	0	0	0
Clerical/Support	12	12	12	0	12
Total	49	47	47	0	47
Headcount	0	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	2,736,200	2,890,200	2,886,200	76,900	2,963,100
Federal	0	0	0	0	0
Other	2,955,100	3,041,300	3,041,300	0	3,041,300
Tuition/Fees	0	0	0	0	0
Total	\$5,691,300	\$5,931,500	\$5,927,500	\$76,900	\$6,004,400

332.17 UT County Technical Assistance Service

The 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	31	28	28	0	28
Faculty	0	0	0	0	0
Clerical/Support	6	6	6	0	6
Total	38	35	35	0	35
Headcount	0	0	0	0	0
State	1,649,200	1,756,200	1,753,200	58,500	1,811,700
Federal	0	0	0	0	0
Other	3,088,500	3,089,100	3,089,100	0	3,089,100
Tuition/Fees	0	0	0	0	0
Total	\$4,737,700	\$4,845,300	\$4,842,300	\$58,500	\$4,900,800

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	17	18	18	0	18
Professional	82	84	84	0	84
Faculty	93	93	93	0	93
Clerical/Support	119	117	117	0	117
Total	311	312	312	0	312
Headcount	0	0	0	0	0
State	24,372,100	25,468,300	25,438,800	517,200	25,956,000
Federal	12,128,200	7,686,900	7,686,900	0	7,686,900
Other	5,750,700	4,443,600	4,443,600	0	4,443,600
Tuition/Fees	0	0	0	0	0
Total	\$42,251,000	\$37,598,800	\$37,569,300	\$517,200	\$38,086,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	13	12	12	0	12
Professional	255	261	261	0	261
Faculty	54	53	53	0	53
Clerical/Support	149	148	148	0	148
Total	471	474	474	0	474
Headcount	0	0	0	0	0
State	29,474,000	30,879,100	30,836,900	714,900	31,551,800
Federal	4,915,200	8,500,600	8,500,600	0	8,500,600
Other	4,706,800	5,084,600	5,084,600	0	5,084,600
Tuition/Fees	0	0	0	0	0
Total	\$39,096,000	\$44,464,300	\$44,422,100	\$714,900	\$45,137,000

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	7	8	8	0	8
Professional	35	34	34	0	34
Faculty	102	105	105	0	105
Clerical/Support	162	171	171	0	171
Total	306	318	318	0	318
Headcount	348	352	352	0	352
State	15,409,600	16,477,400	16,453,000	485,000	16,938,000
Federal	1,316,600	1,063,900	1,063,900	0	1,063,900
Other	12,014,600	12,208,500	12,208,500	0	12,208,500
Tuition/Fees	11,947,700	11,260,700	11,260,700	0	11,260,700
Total	\$40,688,500	\$41,010,500	\$40,986,100	\$485,000	\$41,471,100

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	69	72	72	0	72
Professional	213	234	234	0	234
Faculty	256	259	259	0	259
Clerical/Support	569	581	581	0	581
Total	1,107	1,146	1,146	0	1,146
Headcount	2,815	2,859	2,859	0	2,859
State	66,941,300	74,394,700	71,363,200	5,243,800	76,607,000
Federal	10,659,300	10,101,300	10,101,300	0	10,101,300
Other	26,428,400	14,018,500	14,018,500	0	14,018,500
Tuition/Fees	49,879,600	47,927,400	47,927,400	0	47,927,400
Total	\$153,908,600	\$146,441,900	\$143,410,400	\$5,243,800	\$148,654,200

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	11	8	8	0	8
Faculty	32	31	31	0	31
Clerical/Support	104	106	106	0	106
Total	148	146	146	0	146
Headcount	0	0	0	0	0
State	9,882,100	10,470,800	10,458,800	222,300	10,681,100
Federal	0	0	0	0	0
Other	10,952,800	10,225,100	10,225,100	0	10,225,100
Tuition/Fees	0	0	0	0	0
Total	\$20,834,900	\$20,695,900	\$20,683,900	\$222,300	\$20,906,200

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	47	49	49	0	49
Faculty	269	278	278	0	278
Clerical/Support	116	123	123	0	123
Total	453	471	471	0	471
Headcount	0	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	44,934,400	47,116,500	47,065,400	598,700	47,664,100
Federal	0	0	0	0	0
Other	7,774,000	4,254,200	4,254,200	0	4,254,200
Tuition/Fees	22,266,300	25,243,300	25,243,300	0	25,243,300
Total	\$74,974,700	\$76,614,000	\$76,562,900	\$598,700	\$77,161,600

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	5,594,300	10,734,200	5,734,200	0	5,734,200
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$5,594,300	\$10,734,200	\$5,734,200	\$0	\$5,734,200

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	7	9	9	0	9
Professional	9	8	8	0	8
Faculty	25	17	17	0	17
Clerical/Support	41	40	40	0	40
Total	82	74	74	0	74
Headcount	137	112	112	0	112
State	7,611,100	7,904,400	7,896,700	104,500	8,001,200
Federal	272,600	300,000	300,000	0	300,000
Other	630,100	475,000	475,000	0	475,000
Tuition/Fees	1,354,000	1,653,900	1,653,900	0	1,653,900
Total	\$9,867,800	\$10,333,300	\$10,325,600	\$104,500	\$10,430,100

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	105	111	111	0	111
Professional	178	186	186	0	186
Faculty	447	473	473	0	473
Clerical/Support	308	325	325	0	325
Total	1,038	1,095	1,095	0	1,095
Headcount	11,660	11,674	11,674	0	11,674
State	34,686,300	36,596,300	37,246,000	1,046,000	38,292,000
Federal	686,300	281,700	281,700	0	281,700
Other	17,696,200	13,364,100	13,364,100	0	13,364,100
Tuition/Fees	86,525,100	90,632,100	90,632,100	0	90,632,100
Total	\$139,593,900	\$140,874,200	\$141,523,900	\$1,046,000	\$142,569,900

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	249	275	275	0	275
Professional	656	651	651	0	651
Faculty	1,321	1,366	1,366	0	1,366
Clerical/Support	1,544	1,583	1,583	0	1,583
Total	3,770	3,875	3,875	0	3,875
Headcount	27,018	26,707	26,707	0	26,707
State	153,635,300	174,626,700	178,093,700	4,176,100	182,269,800
Federal	20,886,100	15,430,000	15,430,000	0	15,430,000
Other	204,114,100	190,838,500	190,838,500	0	190,838,500
Tuition/Fees	305,640,200	330,656,400	330,656,400	0	330,656,400
Total	\$684,275,700	\$711,551,600	\$715,018,600	\$4,176,100	\$719,194,700

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	56	55	55	0	55
Professional	108	115	115	0	115
Faculty	310	309	309	0	309
Clerical/Support	277	276	276	0	276
Total	751	755	755	0	755

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Headcount	7,751	7,423	7,423	0	7,423
State	25,498,900	25,637,100	26,058,100	744,100	26,802,200
Federal	28,700	68,000	68,000	0	68,000
Other	14,995,200	15,772,300	15,772,300	0	15,772,300
Tuition/Fees	56,196,500	58,535,000	58,535,000	0	58,535,000
Total	\$96,719,300	\$100,012,400	\$100,433,400	\$744,100	\$101,177,500

Total University of Tennessee System

Full-Time					
Administrative	613	654	654	0	654
Professional	1,826	1,861	1,861	0	1,861
Faculty	2,910	2,985	2,985	0	2,985
Clerical/Support	3,495	3,572	3,572	0	3,572
Total	8,844	9,072	9,072	0	9,072
Headcount	49,729	49,127	49,127	0	49,127
State	437,516,700	480,522,100	476,794,800	14,293,000	491,087,800
Federal	51,069,900	43,663,400	43,663,400	0	43,663,400
Other	325,598,300	293,807,300	293,807,300	0	293,807,300
Tuition/Fees	533,809,400	565,908,800	565,908,800	0	565,908,800
Total	\$1,347,994,300	\$1,383,901,600	\$1,380,174,300	\$14,293,000	\$1,394,467,300

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 2012 and 2013. 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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	28	29	29	0	29
Professional	63	66	66	0	66
Faculty	0	0	0	0	0
Clerical/Support	32	35	35	0	35
Total	123	130	130	0	130
Headcount	0	0	0	0	0
State	4,889,900	5,112,300	5,104,200	205,800	5,310,000
Federal	0	0	0	0	0
Other	16,447,000	19,843,300	19,843,300	0	19,843,300
Tuition/Fees	0	0	0	0	0
Total	\$21,336,900	\$24,955,600	\$24,947,500	\$205,800	\$25,153,300

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 TSU Avon Williams Campus in downtown Nashville, and statewide oversight.

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	9,803,700	10,048,800	10,048,800	0	10,048,800
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$9,803,700	\$10,048,800	\$10,048,800	\$0	\$10,048,800

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	0	16,500,000	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$0	\$16,500,000	\$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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	2,208,900	2,280,500	2,280,500	7,700	2,288,200
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,208,900	\$2,280,500	\$2,280,500	\$7,700	\$2,288,200

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	543,600	560,700	560,400	2,700	563,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$543,600	\$560,700	\$560,400	\$2,700	\$563,100

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	12	12	0	12
Faculty	1	1	1	0	1
Clerical/Support	3	3	3	0	3
Total	16	16	16	0	16
Headcount	0	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	3,010,500	3,110,400	3,110,400	18,400	3,128,800
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$3,010,500	\$3,110,400	\$3,110,400	\$18,400	\$3,128,800

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	174,100	179,400	179,400	500	179,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$174,100	\$179,400	\$179,400	\$500	\$179,900

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	7	6	6	0	6
Professional	75	78	78	0	78
Faculty	147	152	152	0	152
Clerical/Support	109	109	109	0	109
Total	338	345	345	0	345

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Headcount	281	282	282	0	282
State	27,343,600	28,916,500	28,893,900	599,600	29,493,500
Federal	1,118,500	1,061,000	1,061,000	0	1,061,000
Other	18,706,700	14,202,900	14,202,900	0	14,202,900
Tuition/Fees	9,391,200	9,288,600	9,288,600	0	9,288,600
Total	\$56,560,000	\$53,469,000	\$53,446,400	\$599,600	\$54,046,000

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	38	33	33	0	33
Clerical/Support	15	15	15	0	15
Total	71	66	66	0	66
Headcount	316	330	330	0	330
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	51,800	41,400	41,400	0	41,400
Tuition/Fees	9,674,500	10,656,000	10,656,000	0	10,656,000
Total	\$9,726,300	\$10,697,400	\$10,697,400	\$0	\$10,697,400

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	27	30	30	0	30
Clerical/Support	53	54	54	0	54
Total	100	104	104	0	104
Headcount	0	0	0	0	0
State	5,737,600	6,123,700	6,117,800	167,400	6,285,200
Federal	0	0	0	0	0
Other	7,862,900	9,812,000	9,812,000	0	9,812,000
Tuition/Fees	0	0	0	0	0
Total	\$13,600,500	\$15,935,700	\$15,929,800	\$167,400	\$16,097,200

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	31	32	32	0	32
Professional	199	202	202	0	202
Faculty	382	384	384	0	384
Clerical/Support	274	270	270	0	270
Total	886	888	888	0	888
Headcount	10,197	10,085	10,085	0	10,085
State	28,579,600	33,037,000	34,036,100	832,400	34,868,500
Federal	201,900	201,900	201,900	0	201,900
Other	14,511,000	17,115,800	17,115,800	0	17,115,800
Tuition/Fees	71,011,900	74,023,500	74,023,500	0	74,023,500
Total	\$114,304,400	\$124,378,200	\$125,377,300	\$832,400	\$126,209,700

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	49	49	0	49
Professional	376	401	401	0	401
Faculty	647	663	663	0	663
Clerical/Support	512	515	515	0	515
Total	1,584	1,628	1,628	0	1,628
Headcount	14,623	14,168	14,168	0	14,168
State	46,619,400	48,776,400	47,627,800	1,451,500	49,079,300
Federal	1,993,600	2,000,000	2,000,000	0	2,000,000
Other	32,041,400	33,235,300	33,235,300	0	33,235,300
Tuition/Fees	111,214,400	115,571,300	115,571,300	0	115,571,300
Total	\$191,868,800	\$199,583,000	\$198,434,400	\$1,451,500	\$199,885,900

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	79	80	80	0	80
Professional	679	700	700	0	700
Faculty	982	1,001	1,001	0	1,001
Clerical/Support	826	816	816	0	816
Total	2,566	2,597	2,597	0	2,597
Headcount	22,119	21,487	21,487	0	21,487
State	94,127,300	94,166,200	88,762,900	4,222,800	92,985,700
Federal	4,303,000	4,317,600	4,317,600	0	4,317,600
Other	78,606,900	69,258,000	69,258,000	0	69,258,000
Tuition/Fees	182,296,200	184,374,300	184,374,300	0	184,374,300
Total	\$359,333,400	\$352,116,100	\$346,712,800	\$4,222,800	\$350,935,600

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	78	80	80	0	80
Professional	500	517	517	0	517
Faculty	1,004	1,015	1,015	0	1,015
Clerical/Support	517	516	516	0	516
Total	2,099	2,128	2,128	0	2,128
Headcount	25,364	23,854	23,854	0	23,854
State	77,319,200	81,150,200	82,276,600	2,118,900	84,395,500
Federal	1,018,400	950,000	950,000	0	950,000
Other	46,798,600	46,666,300	46,666,300	0	46,666,300
Tuition/Fees	177,421,100	180,577,300	180,577,300	0	180,577,300
Total	\$302,557,300	\$309,343,800	\$310,470,200	\$2,118,900	\$312,589,100

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time					
Administrative	58	59	59	0	59
Professional	283	298	298	0	298
Faculty	404	408	408	0	408
Clerical/Support	288	289	289	0	289
Total	1,033	1,054	1,054	0	1,054
Headcount	8,881	8,815	8,815	0	8,815
State	30,856,300	32,656,200	31,869,400	872,500	32,741,900
Federal	2,486,400	2,200,000	2,200,000	0	2,200,000
Other	21,786,000	22,567,200	22,567,200	0	22,567,200
Tuition/Fees	72,901,400	75,315,300	75,315,300	0	75,315,300
Total	\$128,030,100	\$132,738,700	\$131,951,900	\$872,500	\$132,824,400

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	28	32	32	0	32
Professional	240	290	290	0	290
Faculty	422	435	435	0	435
Clerical/Support	322	329	329	0	329
Total	1,012	1,086	1,086	0	1,086
Headcount	11,490	11,242	11,242	0	11,242
State	37,358,900	39,629,800	38,140,100	1,008,100	39,148,200
Federal	926,500	878,300	878,300	0	878,300
Other	26,380,000	24,868,500	24,868,500	0	24,868,500
Tuition/Fees	82,910,800	89,501,400	89,501,400	0	89,501,400
Total	\$147,576,200	\$154,878,000	\$153,388,300	\$1,008,100	\$154,396,400

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time					
Administrative	194	191	191	0	191
Professional	1,053	1,084	1,084	0	1,084
Faculty	1,838	1,855	1,855	0	1,855
Clerical/Support	1,709	1,672	1,672	0	1,672
Total	4,794	4,802	4,802	0	4,802
Headcount	93,272	89,946	89,946	0	89,946
State	199,284,100	211,196,500	206,453,900	4,853,900	211,307,800
Federal	1,276,000	1,178,300	1,178,300	0	1,178,300
Other	12,737,100	13,143,700	13,143,700	0	13,143,700
Tuition/Fees	287,197,800	286,414,400	286,414,400	0	286,414,400
Total	\$500,495,000	\$511,932,900	\$507,190,300	\$4,853,900	\$512,044,200

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	49	52	52	0	52
Professional	91	87	87	0	87
Faculty	501	521	521	0	521
Clerical/Support	206	216	216	0	216
Total	847	876	876	0	876
Headcount	29,560	27,392	27,392	0	27,392
State	54,639,400	57,461,500	55,098,200	1,102,600	56,200,800
Federal	143,100	137,600	137,600	0	137,600
Other	8,566,600	7,485,500	7,485,500	0	7,485,500
Tuition/Fees	28,801,900	28,950,800	28,950,800	0	28,950,800
Total	\$92,151,000	\$94,035,400	\$91,672,100	\$1,102,600	\$92,774,700

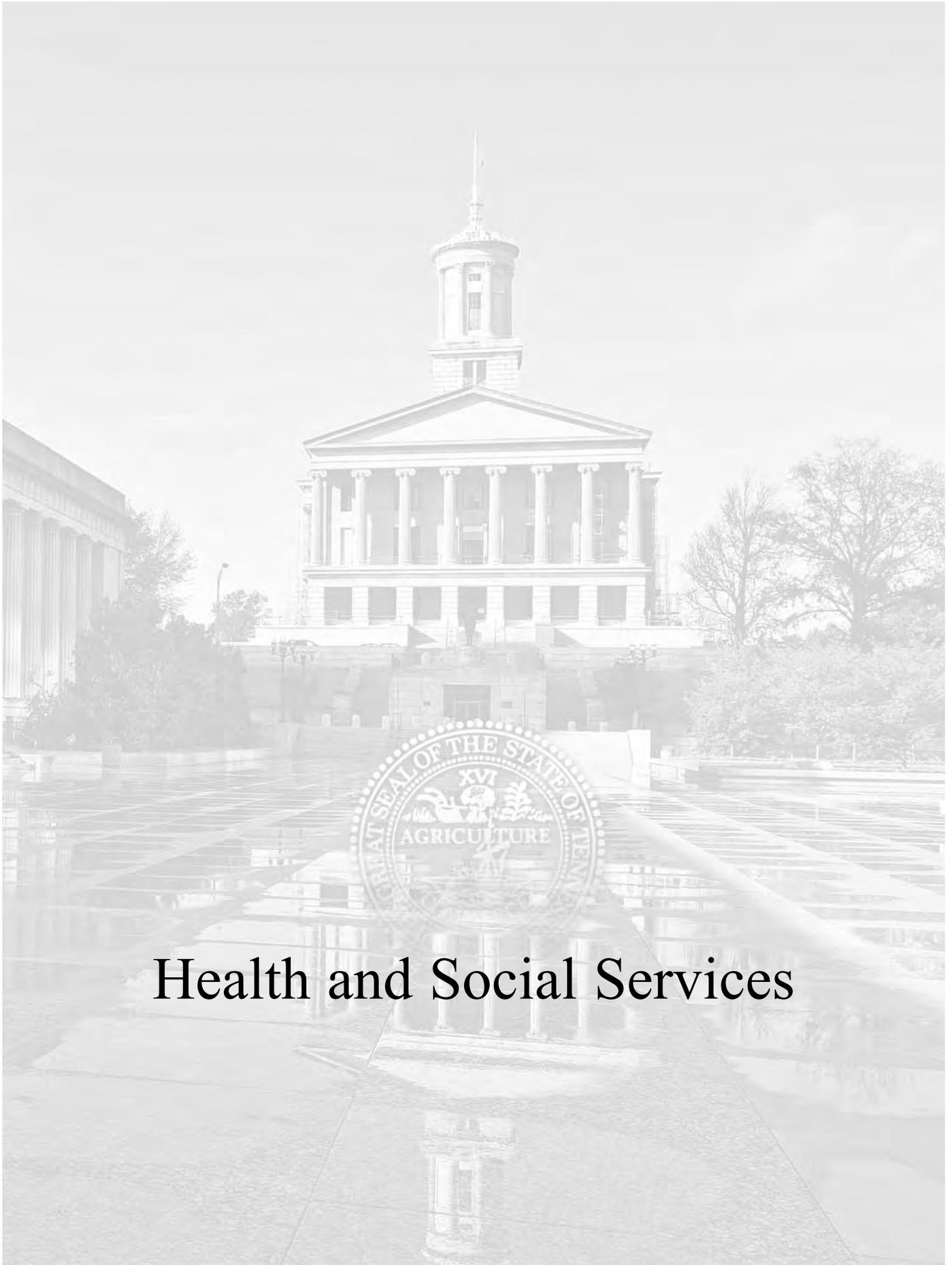
	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Total State University and Community College System					
Full-Time					
Administrative	605	614	614	0	614
Professional	3,610	3,774	3,774	0	3,774
Faculty	6,395	6,500	6,500	0	6,500
Clerical/Support	4,869	4,842	4,842	0	4,842
Total	15,479	15,730	15,730	0	15,730
Headcount	216,103	207,601	207,601	0	207,601
State	622,496,100	670,906,100	640,560,400	17,464,800	658,025,200
Federal	13,467,400	12,924,700	12,924,700	0	12,924,700
Other	284,496,000	278,239,900	278,239,900	0	278,239,900
Tuition/Fees	1,032,821,200	1,054,672,900	1,054,672,900	0	1,054,672,900
Total	\$1,953,280,700	\$2,016,743,600	\$1,986,397,900	\$17,464,800	\$2,003,862,700

Grand Total Higher Education

Full-Time					
Administrative	1,353	1,403	1,385	0	1,385
Professional	5,436	5,635	5,635	0	5,635
Faculty	9,305	9,485	9,485	0	9,485
Clerical/Support	8,364	8,414	8,414	0	8,414
Part-Time	0	0	0	0	0
Total	24,458	24,937	24,919	0	24,919
Headcount	265,832	256,728	256,728	0	256,728
State	1,466,464,900	1,570,609,500	1,537,333,400	44,335,200	1,581,668,600
Federal	209,082,700	256,038,100	112,654,400	0	112,654,400
Other	661,690,500	617,669,500	603,374,300	0	603,374,300
Tuition/Fees	1,566,630,600	1,620,581,700	1,620,581,700	0	1,620,581,700
Total	\$3,903,868,700	\$4,064,898,800	\$3,873,943,800	\$44,335,200	\$3,918,279,000

Education Priority Goals and Measures

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Most Recent</u>	<u>Target</u>
Department of Education				
By July 2014, ensure school leaders are better prepared to lead the implementation of Common Core State Standards, by having at least 2,500 principals, assistant principals, and supervisors participate in one of the Common Core Leadership Courses.				
	Number of Common Core Leadership course participants.	Fiscal Year	Not yet available	2,500
By July 2014, ensure teachers are better equipped to lead and support the academic growth of all students.				
	Number of teachers participating in Common Core summer training by August 2013.	Fiscal Year	Not yet available	28,000
	Number of teachers participating in reading intervention courses by May 2014.	Fiscal Year	Not yet available	7,500
By the 2014-15 school year, ensure 60 percent of school districts are ready for online assessment through the Partnership for Assessment of Readiness for College and Careers (PARCC).				
	Percent of districts ready for online assessment.	Fiscal Year	Not yet available	60%
By July 2014, ensure growth of three to five percentage points in each TCAP grade and subject level over last year's performance.				
	2013-2014 TCAP data.	Fiscal Year	Not yet available	To be determined
By July 2014, ensure progress in closing achievement gaps along lines of race, income, language status and special education status.				
	2013-2014 TCAP data.	Fiscal Year	Not yet available	To be determined



Health and Social Services

Health and Social Services

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Health and Social Services

Recommended Budget, Fiscal Year 2014 – 2015

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 food stamp 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, 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Recommended 2014-2015</u>
Personnel			
Full Time	17,431	17,324	17,061
Part Time	217	218	217
Seasonal	0	0	0
TOTAL	17,648	17,542	17,278
Expenditures			
Payroll	\$ 917,890,900	\$ 1,068,857,400	\$ 1,044,779,400
Operational	13,601,144,500	14,151,727,700	14,359,317,300
TOTAL	\$ 14,519,035,400	\$ 15,220,585,100	\$ 15,404,096,700
Funding			
State	\$ 3,742,959,200	\$ 4,262,030,700	\$ 4,311,587,200
Federal	9,515,109,300	9,905,419,700	10,009,704,100
Other	1,260,966,900	1,053,134,700	1,082,805,400

Health and Social Services
Recommended Budget for Fiscal Year 2014-2015
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	2,420,100	1,228,100	655,000	4,303,200
316.02 Commission on Aging and Disability	13,714,600	27,074,800	255,000	41,044,400
316.07 Health Services and Development Agency	1,103,200	0	0	1,103,200
318.00 Finance and Administration, Bureau of TennCare	3,318,909,500	6,592,536,200	337,856,000	10,249,301,700
339.00 Mental Health and Substance Abuse Services	205,042,800	62,869,400	46,416,600	314,328,800
343.00 Health	189,418,200	235,635,400	152,366,300	577,419,900
344.00 Intellectual and Developmental Disabilities	25,651,100	1,642,700	170,015,800	197,309,600
345.00 Human Services	173,526,700	2,767,821,800	110,616,000	3,051,964,500
350.00 Strategic Health-Care Programs	68,061,400	184,424,800	19,838,000	272,324,200
359.00 Children's Services	313,739,600	136,470,900	244,786,700	694,997,200
Total	\$4,311,587,200	\$10,009,704,100	\$1,082,805,400	\$15,404,096,700

Health and Social Services Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Finance and Administration, Bureau of TennCare					
• National Health Care Reform					
To provide recurring funds for the effects of the Affordable Care Act. This includes annualization of the Eligible But Not Enrolled population (EBNE).					
318.66 TennCare Medical Services	\$76,903,500	\$143,229,600	\$0	\$220,133,100	0
Sub-total	\$76,903,500	\$143,229,600	\$0	\$220,133,100	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 65.500% in fiscal year 2013-2014 to 65.065% in fiscal year 2014-2015. The FMAP rate is the rate at which the federal government matches state appropriation expenditures in the TennCare program.					
318.66 TennCare Medical Services	\$27,157,000	(\$27,157,000)	\$0	\$0	0
318.70 Supplemental Payments	\$239,200	(\$239,200)	\$0	\$0	0
318.71 Intellectual Disabilities Services	\$3,746,100	(\$3,746,100)	\$0	\$0	0
318.72 Medicare Services	\$1,724,500	(\$1,724,500)	\$0	\$0	0
Sub-total	\$32,866,800	(\$32,866,800)	\$0	\$0	0
• Medical Inflation and Utilization					
To provide recurring funds for a 3.2% medical inflation and utilization increase in Managed Care Organization (MCO) expenditures.					
318.66 TennCare Medical Services	\$62,725,000	\$116,822,700	\$0	\$179,547,700	0
Sub-total	\$62,725,000	\$116,822,700	\$0	\$179,547,700	0
• Eligibility Call Center					
To provide recurring funds to annualize funding for the new eligibility call center required by the Affordable Care Act.					
318.65 TennCare Administration	\$1,250,000	\$3,750,000	\$0	\$5,000,000	0
Sub-total	\$1,250,000	\$3,750,000	\$0	\$5,000,000	0
• Provider Integrity Positions					
To provide recurring funds for five positions needed to increase the number of fraud and abuse leads pursued and investigations completed.					
318.65 TennCare Administration	\$0	\$324,300	\$108,100	\$432,400	5
Sub-total	\$0	\$324,300	\$108,100	\$432,400	5
• Intellectual Disabilities Waiver Programs					
To provide recurring funds for growth in enrollment and costs in the Home and Community-Based Services (HCBS) Waiver programs for people with intellectual disabilities.					
318.71 Intellectual Disabilities Services	\$2,456,700	\$4,575,600	\$0	\$7,032,300	0
Sub-total	\$2,456,700	\$4,575,600	\$0	\$7,032,300	0

Health and Social Services Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Intellectual Disabilities Waiver Rate Increase - Large Homes					
To provide recurring funds for a 10% rate increase for residential homes with five or more people.					
318.71 Intellectual Disabilities Services	\$351,200	\$654,200	\$0	\$1,005,400	0
Sub-total	\$351,200	\$654,200	\$0	\$1,005,400	0
• Intellectual Disabilities Waiver Rate Increase - Targeted Services					
To provide recurring funds for waiver rate increases for specific low-margin services, such as personal assistance with activities of daily living.					
318.71 Intellectual Disabilities Services	\$2,215,300	\$4,125,900	\$0	\$6,341,200	0
Sub-total	\$2,215,300	\$4,125,900	\$0	\$6,341,200	0
• TennCare for 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	\$1,448,500	\$2,497,600	\$0	\$3,946,100	0
Sub-total	\$1,448,500	\$2,497,600	\$0	\$3,946,100	0
• TennCare for Intellectual and Developmental Disabilities					
To provide funds for the TennCare share of cost increases recommended for the Department of Intellectual and Developmental Disabilities. Of these funds, \$1,628,400 in state appropriation and \$3,032,700 in federal funds is non-recurring.					
318.71 Intellectual Disabilities Services	\$2,097,300	\$3,501,700	\$0	\$5,599,000	0
Sub-total	\$2,097,300	\$3,501,700	\$0	\$5,599,000	0
Total Finance and Administration, Bureau of TennCare	\$182,314,300	\$246,614,800	\$108,100	\$429,037,200	5

Mental Health and Substance Abuse Services

• Lifeline Peer Program Continuation

To provide non-recurring funds to continue the Lifeline 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	\$525,000	\$0	\$0	\$525,000	0

Health and Social Services

Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Statewide Recovery Drug Court					
To provide recurring funds to establish a statewide recovery drug court. The program will provide treatment to 150 individuals who would otherwise be incarcerated at the state's expense.					
339.03 Community Substance Abuse Services	\$1,700,000	\$0	\$0	\$1,700,000	0
Sub-total	<u>\$1,700,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,700,000</u>	<u>0</u>
Total Mental Health and Substance Abuse Services	\$2,225,000	\$0	\$0	\$2,225,000	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 will include electronic medical record functionality not available in the PTBMIS system.

343.01 Administration	\$1,546,600	\$0	\$0	\$1,546,600	14
343.60 Health Services	\$4,149,900	\$0	\$0	\$4,149,900	8
Sub-total	<u>\$5,696,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,696,500</u>	<u>22</u>

• 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	<u>\$125,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$125,000</u>	<u>0</u>

• 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 Maternal and Child Health	\$1,500,000	\$0	\$0	\$1,500,000	0
343.60 Health Services	\$450,000	\$0	\$0	\$450,000	0
Sub-total	<u>\$1,950,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,950,000</u>	<u>0</u>

• 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	<u>\$103,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$103,100</u>	<u>0</u>

Health and Social Services

Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Legislation - Customer Focused Government Improvements					
To provide funding for legislation related to Customer Focused Government improvements. Of these funds, \$50,000 is recurring and \$745,000 in non-recurring. The state appropriation is from dedicated funds.					
343.10 Health Related Boards	\$795,000	\$0	\$0	\$795,000	0
Sub-total	\$795,000	\$0	\$0	\$795,000	0
Total Health	\$8,669,600	\$0	\$0	\$8,669,600	22

Intellectual and Developmental Disabilities

• Middle Tennessee Community Homes Transition

To provide non-recurring funds and staffing for the transition of services and individuals from Clover Bottom Developmental Center to Middle Tennessee Community Homes. The other funding is from the TennCare program and is comprised of \$1,713,500 in state appropriation and \$3,191,300 in federal revenue.

344.11 Clover Bottom Developmental Center	\$0	\$0	\$3,435,700	\$3,435,700	0
344.41 Middle Tennessee Community Homes	\$0	\$0	\$1,469,100	\$1,469,100	16
Sub-total	\$0	\$0	\$4,904,800	\$4,904,800	16

• Community Homes Certification

To provide non-recurring funds for the first 30 days of operation of new community homes in Middle and East Tennessee. The Department of Intellectual and Developmental Disabilities cannot bill TennCare until each community homes is certified, which requires the home to be occupied for at least 30 days. The other funding, also non-recurring, is interdepartmental revenue from the TennCare program and is comprised of decreases of \$85,100 in state appropriation and \$158,600 in federal funds.

344.41 Middle Tennessee Community Homes	\$171,200	\$0	(\$171,200)	\$0	0
344.42 East Tennessee Community Homes	\$72,500	\$0	(\$72,500)	\$0	0
Sub-total	\$243,700	\$0	(\$243,700)	\$0	0

• Developmental Disabilities Planning

To provide recurring funds for two positions to assess the needs and to begin planning future programs for people with a developmental disability. Currently, the department has two programs, Family Support and the Personal Assistance Services and Support (PASS) Program grant, which provide support to individuals with developmental disabilities.

344.01 Intellectual Disabilities Services Administration	\$183,900	\$0	\$0	\$183,900	2
Sub-total	\$183,900	\$0	\$0	\$183,900	2

Health and Social Services

Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Utilities					
To provide recurring funds for utility expenses at the Middle Tennessee Regional Office located on the Clover Bottom Campus. The other funding is from the TennCare program and is comprised of \$468,900 in state appropriation and \$469,000 in federal revenue.					
344.21 Middle Tennessee Regional Office	\$104,200	\$0	\$937,900	\$1,042,100	0
Sub-total	\$104,200	\$0	\$937,900	\$1,042,100	0
Total Intellectual and Developmental Disabilities	\$531,800	\$0	\$5,599,000	\$6,130,800	18

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 by TCA 8-7-201 for the assistant district attorneys in the IV-D Child Support Enforcement program.					
345.13 Child Support	\$42,500	\$82,500	\$0	\$125,000	0
Sub-total	\$42,500	\$82,500	\$0	\$125,000	0
• Child Support - District Attorneys General Conference Office Restructuring					
To provide recurring funds for office restructuring in the IV-D Child Support Enforcement program in the District Attorneys General Conference.					
345.13 Child Support	\$150,000	\$291,200	\$0	\$441,200	0
Sub-total	\$150,000	\$291,200	\$0	\$441,200	0
Total Human Services	\$1,608,100	\$373,700	\$0	\$1,981,800	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) investigation case managers, 45 additional positions for CPS investigation and assessments, 40 additional family social worker case manager positions, four additional positions for the Child Death Unit, residential and foster care rate increases, and funds for growth in the caseload of adoption assistance.					
359.30 Custody Services	\$758,800	\$425,000	\$0	\$1,183,800	0
359.40 Adoption Services	\$1,433,600	\$1,422,100	\$0	\$2,855,700	0
359.50 Child and Family Management	\$2,812,900	\$1,569,600	\$3,239,100	\$7,621,600	89
Sub-total	\$5,005,300	\$3,416,700	\$3,239,100	\$11,661,100	89

Health and Social Services

Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Mobile Technology					
To provide funds for mobile technology that will allow case management staff portable access to key state applications, primarily the Tennessee Family and Child Tracking System (TFACTS), Outlook, and Edison. Of the \$556,500 in state appropriation, \$417,400 is recurring and \$139,100 is non-recurring. The other funding is interdepartmental revenue from the TennCare program and is comprised of \$146,300 in state appropriation and \$250,400 in federal revenue.					
359.10 Administration	\$556,500	\$133,700	\$396,700	\$1,086,900	0
Sub-total	\$556,500	\$133,700	\$396,700	\$1,086,900	0
• Child Protective Services Investigator Training Academy					
To provide recurring funds for a Child Protective Services (CPS) Investigator Training Academy. All CPS investigators will graduate from the three week academy. To ensure that the academy meets the needs of the investigators, the Tennessee Bureau of Investigation will spend time shadowing the Department of Children's Services investigators in both urban and rural regions across Tennessee. The other funding is interdepartmental revenue from the TennCare program and is comprised of \$107,100 in state appropriation and \$203,200 in federal revenue.					
359.50 Child and Family Management	\$364,600	\$175,100	\$310,300	\$850,000	0
Sub-total	\$364,600	\$175,100	\$310,300	\$850,000	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 65.500% in fiscal year 2013-2014 to 65.065% in fiscal year 2014-2015.					
359.30 Custody Services	\$124,300	(\$124,300)	\$0	\$0	0
359.40 Adoption Services	\$345,000	(\$345,000)	\$0	\$0	0
Sub-total	\$469,300	(\$469,300)	\$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 37-5-119 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	\$15,200	\$0	\$0	\$15,200	0
359.62 Woodland Hills Youth Development Center	\$17,100	\$0	\$0	\$17,100	0
359.63 Mountain View Youth Development Center	\$16,500	\$0	\$0	\$16,500	0
Sub-total	\$48,800	\$0	\$0	\$48,800	0
Total Children's Services	\$6,444,500	\$3,256,200	\$3,946,100	\$13,646,800	89
Total Health and Social Services	\$201,793,300	\$250,244,700	\$9,653,200	\$461,691,200	134

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. Five 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
316.01 Commission on Children and Youth					
Full-Time	27	27	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	27	26	0	26
Payroll	1,732,700	2,223,800	2,223,800	0	2,223,800
Operational	2,378,400	2,264,900	2,079,400	0	2,079,400
Total	\$4,111,100	\$4,488,700	\$4,303,200	\$0	\$4,303,200
State	2,139,800	2,420,800	2,420,100	0	2,420,100
Federal	1,291,700	1,437,900	1,228,100	0	1,228,100
Other	679,600	630,000	655,000	0	655,000

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
316.02 Commission on Aging and Disability					
Full-Time	33	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	33	31	31	0	31
Payroll	1,931,200	2,261,500	2,261,500	0	2,261,500
Operational	38,282,500	38,784,100	38,782,900	0	38,782,900
Total	\$40,213,700	\$41,045,600	\$41,044,400	\$0	\$41,044,400
State	13,279,500	13,714,900	13,714,600	0	13,714,600
Federal	26,934,100	27,075,700	27,074,800	0	27,074,800
Other	100	255,000	255,000	0	255,000

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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	704,000	877,300	877,300	0	877,300
Operational	117,800	257,200	225,900	0	225,900
Total	\$821,800	\$1,134,500	\$1,103,200	\$0	\$1,103,200
State	821,100	1,134,500	1,103,200	0	1,103,200
Federal	0	0	0	0	0
Other	700	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 and mental health services to people who meet program eligibility requirements.

<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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318.65 TennCare Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare program. TennCare Administration is divided into four areas: program administration, policy and planning, quality assurance, and long-term care. 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	491	491	743	5	748
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	491	491	743	5	748
Payroll	30,128,400	56,176,000	55,961,600	432,400	56,394,000
Operational	200,126,300	220,409,300	214,360,300	5,000,000	219,360,300
Total	\$230,254,700	\$276,585,300	\$270,321,900	\$5,432,400	\$275,754,300
State	95,910,000	121,634,100	114,505,400	1,250,000	115,755,400
Federal	133,320,900	153,507,400	154,372,700	4,074,300	158,447,000
Other	1,023,800	1,443,800	1,443,800	108,100	1,551,900

318.66 TennCare Medical Services

TennCare Medical Services provides funding for traditional basic health care, mental health services, and long-term care under the Medicaid waiver program. The program provides funding to managed care organizations that provide basic medical, mental health services, and long-term care, 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	6,737,029,200	7,305,806,800	7,107,325,400	403,626,900	7,510,952,300
Total	\$6,737,029,200	\$7,305,806,800	\$7,107,325,400	\$403,626,900	\$7,510,952,300

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	1,810,206,800	2,179,993,900	2,114,481,800	168,234,000	2,282,715,800
Federal	4,460,213,400	4,851,391,900	4,680,248,400	235,392,900	4,915,641,300
Other	466,609,000	274,421,000	312,595,200	0	312,595,200

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	882,065,500	932,323,000	923,123,000	0	923,123,000
Total	\$882,065,500	\$932,323,000	\$923,123,000	\$0	\$923,123,000
State	258,275,300	270,403,400	270,781,100	239,200	271,020,300
Federal	600,242,200	638,210,700	628,633,000	-239,200	628,393,800
Other	23,548,000	23,708,900	23,708,900	0	23,708,900

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	951,849,900	912,557,700	900,513,700	19,977,900	920,491,600
Total	\$951,849,900	\$912,557,700	\$900,513,700	\$19,977,900	\$920,491,600
State	327,537,900	322,219,700	317,398,200	10,866,600	328,264,800
Federal	624,311,500	590,338,000	583,115,500	9,111,300	592,226,800
Other	500	0	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.

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	598,158,400	633,980,500	618,980,500	0	618,980,500
Total	\$598,158,400	\$633,980,500	\$618,980,500	\$0	\$618,980,500
State	295,245,200	319,274,100	319,428,700	1,724,500	321,153,200
Federal	302,913,200	314,706,400	299,551,800	-1,724,500	297,827,300
Other	0	0	0	0	0
318.00 Total Finance and Administration, Bureau of TennCare					
Full-Time	491	491	743	5	748
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	491	491	743	5	748
Payroll	30,128,400	56,176,000	55,961,600	432,400	56,394,000
Operational	9,369,229,300	10,005,077,300	9,764,302,900	428,604,800	10,192,907,700
Total	\$9,399,357,700	\$10,061,253,300	\$9,820,264,500	\$429,037,200	\$10,249,301,700
State	2,787,175,200	3,213,525,200	3,136,595,200	182,314,300	3,318,909,500
Federal	6,121,001,200	6,548,154,400	6,345,921,400	246,614,800	6,592,536,200
Other	491,181,300	299,573,700	337,747,900	108,100	337,856,000

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	195	198	197	0	197
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	200	203	202	0	202
Payroll	13,896,100	16,116,600	16,111,700	0	16,111,700
Operational	3,535,400	3,760,000	3,582,300	0	3,582,300
Total	\$17,431,500	\$19,876,600	\$19,694,000	\$0	\$19,694,000
State	12,621,800	14,583,400	14,534,300	0	14,534,300
Federal	2,584,200	3,064,400	2,899,400	0	2,899,400
Other	2,225,500	2,228,800	2,260,300	0	2,260,300

Mental Health and Substance Abuse Services

The Mental Health and Substance Abuse Services division provides community services for individuals suffering mental illness or a substance-related disorder through a comprehensive network of service providers, including 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 institutes provide the following services: acute treatment services for adults who need

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	59,089,500	64,762,100	61,541,000	2,225,000	63,766,000
Total	\$59,089,500	\$64,762,100	\$61,541,000	\$2,225,000	\$63,766,000
State	19,458,100	26,256,700	23,286,800	2,225,000	25,511,800
Federal	35,815,800	33,097,600	33,229,100	0	33,229,100
Other	3,815,600	5,407,800	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	92,475,700	99,500,200	99,909,200	0	99,909,200
Total	\$92,475,700	\$99,500,200	\$99,909,200	\$0	\$99,909,200
State	71,107,900	77,544,800	78,000,500	0	78,000,500
Federal	18,523,800	18,083,600	17,867,900	0	17,867,900
Other	2,844,000	3,871,800	4,040,800	0	4,040,800

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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339.10 Lakeshore Mental Health Institute

Lakeshore Mental Health Institute was established in Knoxville in 1886 and was an accredited psychiatric hospital. The facility closed at the end of fiscal year 2011-2012.

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	2,964,700	0	0	0	0
Operational	1,245,400	0	0	0	0
Total	\$4,210,100	\$0	\$0	\$0	\$0
State	3,843,900	0	0	0	0
Federal	0	0	0	0	0
Other	366,200	0	0	0	0

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	595	595	592	0	592
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	596	596	593	0	593
Payroll	32,154,000	35,815,300	35,710,500	0	35,710,500
Operational	10,383,500	9,769,800	9,829,800	0	9,829,800
Total	\$42,537,500	\$45,585,100	\$45,540,300	\$0	\$45,540,300
State	30,585,000	30,750,100	30,645,300	0	30,645,300
Federal	1,106,300	1,863,000	1,863,000	0	1,863,000
Other	10,846,200	12,972,000	13,032,000	0	13,032,000

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	459	457	457	0	457
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	459	457	457	0	457
Payroll	25,759,700	28,861,600	28,861,600	0	28,861,600
Operational	5,989,000	6,538,600	6,538,600	0	6,538,600
Total	\$31,748,700	\$35,400,200	\$35,400,200	\$0	\$35,400,200
State	20,933,100	21,677,300	21,677,300	0	21,677,300
Federal	1,130,500	2,066,300	2,066,300	0	2,066,300
Other	9,685,100	11,656,600	11,656,600	0	11,656,600

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	412	438	437	0	437
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	412	438	437	0	437
Payroll	22,004,900	25,191,700	25,141,000	0	25,141,000
Operational	6,307,500	5,939,700	5,939,700	0	5,939,700
Total	\$28,312,400	\$31,131,400	\$31,080,700	\$0	\$31,080,700
State	15,499,500	19,738,600	19,687,900	0	19,687,900
Federal	4,208,000	3,242,200	3,865,700	0	3,865,700
Other	8,604,900	8,150,600	7,527,100	0	7,527,100

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	235	185	185	0	185
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	236	186	186	0	186
Payroll	14,328,300	13,494,300	13,038,600	0	13,038,600
Operational	4,694,300	5,449,800	5,449,800	0	5,449,800
Total	\$19,022,600	\$18,944,100	\$18,488,400	\$0	\$18,488,400
State	15,170,500	14,991,400	14,535,700	0	14,535,700
Federal	805,200	1,078,000	1,078,000	0	1,078,000
Other	3,046,900	2,874,700	2,874,700	0	2,874,700

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	385,300	450,000	450,000	0	450,000
Total	\$385,300	\$450,000	\$450,000	\$0	\$450,000
State	385,300	450,000	450,000	0	450,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
339.00 Total Mental Health and Substance Abuse Services					
Full-Time	1,896	1,873	1,868	0	1,868
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	1,903	1,880	1,875	0	1,875
Payroll	111,107,700	119,479,500	118,863,400	0	118,863,400
Operational	184,105,600	196,170,200	193,240,400	2,225,000	195,465,400
Total	\$295,213,300	\$315,649,700	\$312,103,800	\$2,225,000	\$314,328,800
State	189,605,100	205,992,300	202,817,800	2,225,000	205,042,800
Federal	64,173,800	62,495,100	62,869,400	0	62,869,400
Other	41,434,400	47,162,300	46,416,600	0	46,416,600

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						
2007-2008	2,404	3,256	1,761	2,389	1,912	11,722
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
Annual Releases						
2007-2008	2,386	3,264	1,778	2,374	1,904	11,706
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
Average Daily Census						
2007-2008	153	232	199	134	62	780
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	170	135	143	50	498
2014-2015	0	170	135	143	50	498
Cost Per Occupancy Day**						
2007-2008	\$556.80	\$615.42	\$567.57	\$571.30	\$1,082.83	\$621.26
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	\$734.65	\$718.42	\$596.44	\$1,038.03	\$721.03
2014-2015	\$0.00	\$733.93	\$718.42	\$595.47	\$1,013.06	\$717.99

* 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</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	231	225	224	14	238
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	231	225	224	14	238
Payroll	14,305,100	17,095,100	17,055,800	1,546,600	18,602,400
Operational	3,408,300	3,450,400	3,466,200	0	3,466,200
Total	\$17,713,400	\$20,545,500	\$20,522,000	\$1,546,600	\$22,068,600
State	16,561,000	16,615,400	16,591,900	1,546,600	18,138,500
Federal	989,900	3,530,500	3,530,500	0	3,530,500
Other	162,500	399,600	399,600	0	399,600

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	185	0	185
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	185	185	185	0	185

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	10,410,200	14,269,600	14,387,800	0	14,387,800
Operational	4,931,200	3,981,600	3,855,300	0	3,855,300
Total	\$15,341,400	\$18,251,200	\$18,243,100	\$0	\$18,243,100
State	8,671,700	8,822,200	8,581,000	0	8,581,000
Federal	5,683,000	8,366,400	8,503,600	0	8,503,600
Other	986,700	1,062,600	1,158,500	0	1,158,500

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	80,300	86,600	86,600	0	86,600
Operational	6,233,700	8,413,400	8,413,400	0	8,413,400
Total	\$6,314,000	\$8,500,000	\$8,500,000	\$0	\$8,500,000
State	6,314,000	8,500,000	8,500,000	0	8,500,000
Federal	0	0	0	0	0
Other	0	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	20	0	20
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	33	33	33	0	33
Payroll	1,073,500	1,350,700	1,350,700	0	1,350,700
Operational	414,000	560,700	548,500	0	548,500
Total	\$1,487,500	\$1,911,400	\$1,899,200	\$0	\$1,899,200
State	0	482,700	270,500	0	270,500
Federal	21,400	33,200	3,200	0	3,200
Other	1,466,100	1,395,500	1,625,500	0	1,625,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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343.09 Animal Welfare

Animal Welfare, comprised of the Commercial Breeder Licensure and Regulation program and the Dog and Cat Dealer Licensure and Regulation program, regulates commercial breeders and dealers of companion animals within Tennessee. The Commercial Breeder Licensure and Regulation program is funded through licensure fees, civil penalties, and sales taxes deposited in the Commercial Breeder Act Enforcement and Recovery Account. The Dog and Cat Dealer Licensure and Regulation program is funded through general fund state appropriations.

Full-Time	6	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	5	5	0	5
Payroll	320,100	430,700	431,100	0	431,100
Operational	45,300	287,500	292,900	0	292,900
Total	\$365,400	\$718,200	\$724,000	\$0	\$724,000
State	365,400	718,200	724,000	0	724,000
Federal	0	0	0	0	0
Other	0	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	135	139	139	0	139
Part-Time	185	185	185	0	185
Seasonal	0	0	0	0	0
Total	320	324	324	0	324
Payroll	7,352,400	9,540,600	9,700,600	0	9,700,600
Operational	4,933,700	6,418,500	6,196,800	795,000	6,991,800
Total	\$12,286,100	\$15,959,100	\$15,897,400	\$795,000	\$16,692,400
State	11,928,600	15,830,100	15,768,400	795,000	16,563,400
Federal	0	0	0	0	0
Other	357,500	129,000	129,000	0	129,000

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, Maternal and Child Health, 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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 test for disease outbreak investigation, sexually transmitted diseases, tuberculosis, HIV, mosquito-born 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	151	141	134	0	134
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	151	141	134	0	134
Payroll	8,774,900	9,616,900	9,279,300	0	9,279,300
Operational	9,792,300	8,375,300	8,186,300	0	8,186,300
Total	\$18,567,200	\$17,992,200	\$17,465,600	\$0	\$17,465,600
State	9,379,100	6,559,900	6,033,300	0	6,033,300
Federal	1,711,500	1,715,800	1,715,800	0	1,715,800
Other	7,476,600	9,716,500	9,716,500	0	9,716,500

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	127	123	123	0	123
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	127	123	123	0	123
Payroll	6,063,900	8,087,400	8,087,400	0	8,087,400
Operational	3,570,000	3,655,300	3,646,900	0	3,646,900
Total	\$9,633,900	\$11,742,700	\$11,734,300	\$0	\$11,734,300
State	2,332,800	4,714,100	4,705,700	0	4,705,700
Federal	3,716,200	3,216,600	3,116,600	0	3,116,600
Other	3,584,900	3,812,000	3,912,000	0	3,912,000

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	6,615,600	7,729,100	7,729,100	0	7,729,100
Operational	3,903,300	4,733,200	4,720,000	0	4,720,000
Total	\$10,518,900	\$12,462,300	\$12,449,100	\$0	\$12,449,100
State	10,280,400	12,288,700	12,275,500	0	12,275,500
Federal	167,000	95,000	85,000	0	85,000
Other	71,500	78,600	88,600	0	88,600

343.47 Maternal and Child Health

Maternal and Child Health 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 Maternal and Child Health.

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	2,525,800	3,448,800	3,466,400	0	3,466,400
Operational	21,869,300	27,477,400	25,037,200	1,500,000	26,537,200
Total	\$24,395,100	\$30,926,200	\$28,503,600	\$1,500,000	\$30,003,600
State	9,327,300	7,619,400	5,063,400	1,500,000	6,563,400
Federal	11,385,500	17,625,900	17,259,300	0	17,259,300
Other	3,682,300	5,680,900	6,180,900	0	6,180,900

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, and administration of immunizations against vaccine-preventable diseases, as well as 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	155	155	0	155
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	157	155	155	0	155
Payroll	9,185,800	11,989,000	11,989,000	0	11,989,000
Operational	51,631,700	50,073,000	49,994,500	0	49,994,500
Total	\$60,817,500	\$62,062,000	\$61,983,500	\$0	\$61,983,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	8,165,300	11,951,100	11,872,600	0	11,872,600
Federal	43,810,300	43,912,100	40,712,100	0	40,712,100
Other	8,841,900	6,198,800	9,398,800	0	9,398,800

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	66	73	73	0	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	66	73	73	0	73
Payroll	3,810,500	5,543,300	5,563,300	0	5,563,300
Operational	23,425,600	36,346,400	29,242,600	228,100	29,470,700
Total	\$27,236,100	\$41,889,700	\$34,805,900	\$228,100	\$35,034,000
State	19,389,500	31,431,200	22,469,900	228,100	22,698,000
Federal	6,713,800	9,059,500	8,309,500	0	8,309,500
Other	1,132,800	1,399,000	4,026,500	0	4,026,500

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	19	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	20	20	0	20
Payroll	1,123,200	1,352,000	1,352,000	0	1,352,000
Operational	124,671,100	131,962,600	131,962,600	0	131,962,600
Total	\$125,794,300	\$133,314,600	\$133,314,600	\$0	\$133,314,600
State	46,700	0	0	0	0
Federal	85,531,700	88,181,600	88,181,600	0	88,181,600
Other	40,215,900	45,133,000	45,133,000	0	45,133,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	1,619	1,615	1,614	8	1,622
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	1,621	1,617	1,616	8	1,624
Payroll	89,536,500	104,778,400	104,393,000	792,500	105,185,500
Operational	107,220,500	113,974,000	98,315,000	3,807,400	102,122,400
Total	\$196,757,000	\$218,752,400	\$202,708,000	\$4,599,900	\$207,307,900
State	64,821,200	83,936,800	67,892,400	4,599,900	72,492,300
Federal	68,713,800	69,218,200	64,218,200	0	64,218,200
Other	63,222,000	65,597,400	70,597,400	0	70,597,400

343.00 Total Health

Full-Time	2,867	2,855	2,846	22	2,868
Part-Time	200	200	200	0	200
Seasonal	0	0	0	0	0
Total	3,067	3,055	3,046	22	3,068
Payroll	161,177,800	195,318,200	194,872,100	2,339,100	197,211,200
Operational	366,050,000	399,709,300	373,878,200	6,330,500	380,208,700
Total	\$527,227,800	\$595,027,500	\$568,750,300	\$8,669,600	\$577,419,900
State	167,583,000	209,469,800	180,748,600	8,669,600	189,418,200
Federal	228,444,100	244,954,800	235,635,400	0	235,635,400
Other	131,200,700	140,602,900	152,366,300	0	152,366,300

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 Developmental Disabilities Council.

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	257	274	272	2	274
Part-Time	0	1	0	0	0
Seasonal	0	0	0	0	0
Total	257	275	272	2	274
Payroll	18,519,000	20,749,400	20,308,600	180,600	20,489,200
Operational	8,925,800	8,144,700	5,367,300	3,300	5,370,600
Total	\$27,444,800	\$28,894,100	\$25,675,900	\$183,900	\$25,859,800
State	1,467,900	2,267,700	2,156,400	183,900	2,340,300
Federal	100	0	0	0	0
Other	25,976,800	26,626,400	23,519,500	0	23,519,500

344.81 Developmental Disabilities Council

The Developmental Disabilities Council 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	626,400	846,000	846,000	0	846,000
Operational	864,200	1,150,400	1,077,300	0	1,077,300
Total	\$1,490,600	\$1,996,400	\$1,923,300	\$0	\$1,923,300
State	0	224,700	200,600	0	200,600
Federal	1,402,700	1,691,700	1,642,700	0	1,642,700
Other	87,900	80,000	80,000	0	80,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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Community Services

Three regional offices coordinate services for individuals in the community and for individuals transitioning from institutional settings to the community. Resource centers exist in the three Grand Divisions of the state to provide medical services that enable successful placement of individuals in 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	18,946,100	20,426,300	17,508,700	0	17,508,700
Total	\$18,946,100	\$20,426,300	\$17,508,700	\$0	\$17,508,700
State	12,004,500	15,088,600	13,069,600	0	13,069,600
Federal	0	0	0	0	0
Other	6,941,600	5,337,700	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	53	64	63	0	63
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	54	65	64	0	64
Payroll	3,195,900	4,756,300	4,686,800	0	4,686,800
Operational	258,400	425,000	425,400	0	425,400
Total	\$3,454,300	\$5,181,300	\$5,112,200	\$0	\$5,112,200
State	0	522,000	522,000	0	522,000
Federal	0	0	0	0	0
Other	3,454,300	4,659,300	4,590,200	0	4,590,200

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	161	140	129	0	129
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	161	140	129	0	129
Payroll	8,617,700	9,292,900	8,492,400	0	8,492,400
Operational	4,500,400	4,284,200	3,007,400	0	3,007,400
Total	\$13,118,100	\$13,577,100	\$11,499,800	\$0	\$11,499,800
State	4,063,900	1,348,300	1,212,900	0	1,212,900
Federal	0	0	0	0	0
Other	9,054,200	12,228,800	10,286,900	0	10,286,900

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	126	125	125	0	125
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	126	125	125	0	125
Payroll	7,410,000	8,783,900	8,627,400	0	8,627,400
Operational	2,076,300	1,523,200	1,625,100	1,042,100	2,667,200
Total	\$9,486,300	\$10,307,100	\$10,252,500	\$1,042,100	\$11,294,600
State	1,221,800	1,072,200	1,066,700	104,200	1,170,900
Federal	0	0	0	0	0
Other	8,264,500	9,234,900	9,185,800	937,900	10,123,700

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	136	113	104	0	104
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	136	113	104	0	104
Payroll	7,443,000	7,939,900	7,362,500	0	7,362,500
Operational	1,852,300	2,289,900	1,920,400	0	1,920,400
Total	\$9,295,300	\$10,229,800	\$9,282,900	\$0	\$9,282,900
State	282,500	953,800	797,300	0	797,300
Federal	0	0	0	0	0
Other	9,012,800	9,276,000	8,485,600	0	8,485,600

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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344.30 West Tennessee Resource Center

The resource center serving persons with intellectual disabilities in West Tennessee provides access to a variety of medical and health-related services that are difficult to obtain in the community due to the lack of available and willing providers. These services enable persons enrolled in the Medicaid waiver programs to successfully reside in community-based settings of their choice.

Full-Time	42	35	32	0	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	35	32	0	32
Payroll	3,004,300	3,046,000	3,051,200	0	3,051,200
Operational	968,100	991,500	743,500	0	743,500
Total	\$3,972,400	\$4,037,500	\$3,794,700	\$0	\$3,794,700
State	1,618,600	2,463,600	1,612,500	0	1,612,500
Federal	0	0	0	0	0
Other	2,353,800	1,573,900	2,182,200	0	2,182,200

344.31 Middle Tennessee Resource Center

The resource center serving persons with intellectual disabilities in Middle Tennessee provides access to a variety of medical and health-related services that are difficult to obtain in the community due to the lack of available and willing providers. These services enable persons enrolled in the Medicaid waiver programs to successfully reside in community-based settings of their choice.

Full-Time	41	15	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	41	15	13	0	13
Payroll	2,794,900	1,198,600	1,003,300	0	1,003,300
Operational	854,800	524,700	386,700	0	386,700
Total	\$3,649,700	\$1,723,300	\$1,390,000	\$0	\$1,390,000
State	924,900	1,192,600	490,000	0	490,000
Federal	0	0	0	0	0
Other	2,724,800	530,700	900,000	0	900,000

344.32 East Tennessee Resource Center

The resource center serving persons with intellectual disabilities in East Tennessee provides access to a variety of medical and health-related services that are difficult to obtain in the community due to the lack of available and willing providers. These services enable persons enrolled in the Medicaid waiver programs to successfully reside in community-based settings of their choice. This resource center also provides clinical services to residents remaining at Greene Valley Developmental Center.

Full-Time	45	10	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	45	10	11	0	11

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	2,233,300	707,700	771,300	0	771,300
Operational	548,700	349,000	351,100	0	351,100
Total	\$2,782,000	\$1,056,700	\$1,122,400	\$0	\$1,122,400
State	348,500	172,300	235,700	0	235,700
Federal	0	0	0	0	0
Other	2,433,500	884,400	886,700	0	886,700

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	211	209	0	209
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	211	211	209	0	209
Payroll	11,284,000	11,865,300	11,429,700	0	11,429,700
Operational	7,439,900	6,722,400	6,439,300	0	6,439,300
Total	\$18,723,900	\$18,587,700	\$17,869,000	\$0	\$17,869,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	18,723,900	18,587,700	17,869,000	0	17,869,000

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	0	76	140	16	156
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	76	140	16	156
Payroll	0	1,844,300	4,515,100	881,400	5,396,500
Operational	0	831,900	8,241,800	587,700	8,829,500
Total	\$0	\$2,676,200	\$12,756,900	\$1,469,100	\$14,226,000
State	0	241,200	95,900	171,200	267,100
Federal	0	0	0	0	0
Other	0	2,435,000	12,661,000	1,297,900	13,958,900

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	210	212	243	0	243
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	210	212	243	0	243

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	9,646,200	10,155,500	11,292,300	0	11,292,300
Operational	5,185,700	5,537,800	5,384,700	0	5,384,700
Total	\$14,831,900	\$15,693,300	\$16,677,000	\$0	\$16,677,000
State	0	56,000	56,000	72,500	128,500
Federal	0	0	0	0	0
Other	14,831,900	15,637,300	16,621,000	-72,500	16,548,500

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 44 beds.

Full-Time	170	101	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	170	101	0	0	0
Payroll	10,225,600	8,109,300	2,637,200	0	2,637,200
Operational	12,303,100	8,366,200	0	3,435,700	3,435,700
Total	\$22,528,700	\$16,475,500	\$2,637,200	\$3,435,700	\$6,072,900
State	712,100	95,900	0	0	0
Federal	0	0	0	0	0
Other	21,816,600	16,379,600	2,637,200	3,435,700	6,072,900

344.12 Greene Valley Developmental Center

Greene Valley Developmental Center was established in Greeneville in 1960 and is licensed for 150 beds. A facility group home provides transitional residential services for clients to prepare for a successful community placement.

Full-Time	700	693	619	0	619
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	700	693	619	0	619
Payroll	33,093,100	36,623,400	32,477,200	0	32,477,200
Operational	17,123,800	16,013,300	15,258,300	0	15,258,300
Total	\$50,216,900	\$52,636,700	\$47,735,500	\$0	\$47,735,500
State	0	648,900	648,900	0	648,900
Federal	0	0	0	0	0
Other	50,216,900	51,987,800	47,086,600	0	47,086,600

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	70	70	0	70
Payroll	2,122,200	3,637,700	3,637,700	0	3,637,700
Operational	1,516,700	2,244,100	2,173,100	0	2,173,100
Total	\$3,638,900	\$5,881,800	\$5,810,800	\$0	\$5,810,800
State	3,638,900	2,925,800	2,854,800	0	2,854,800
Federal	0	0	0	0	0
Other	0	2,956,000	2,956,000	0	2,956,000

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	11,900	130,000	130,000	0	130,000
Total	\$11,900	\$130,000	\$130,000	\$0	\$130,000
State	11,900	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	2,231	2,148	2,039	18	2,057
Part-Time	1	2	1	0	1
Seasonal	0	0	0	0	0
Total	2,232	2,150	2,040	18	2,058
Payroll	120,215,600	129,556,200	121,138,700	1,062,000	122,200,700
Operational	83,376,200	79,954,600	70,040,100	5,068,800	75,108,900
Total	\$203,591,800	\$209,510,800	\$191,178,800	\$6,130,800	\$197,309,600
State	26,295,500	29,373,600	25,119,300	531,800	25,651,100
Federal	1,402,800	1,691,700	1,642,700	0	1,642,700
Other	175,893,500	178,445,500	164,416,800	5,599,000	170,015,800

Statistical Data
Intellectual Disabilities Developmental Centers

	Arlington 344.10	Clover Bottom 344.11*	Greene Valley 344.12	Total
Annual Admissions				
2007-2008	0	0	9	9
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
Annual Releases				
2007-2008	24	0	27	51
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	8	0	8
2014-2015	0	28	12	40
Average Daily Census				
2007-2008	73	150	273	496
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	58	123	181
2014-2015	0	40	113	153
Cost Per Occupancy Day**				
2007-2008	\$1,014.23	\$1,116.09	\$808.43	\$931.76
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	\$1,056.08	\$1,172.44	\$1,135.15
2014-2015	\$0.00	\$813.95	\$1,157.36	\$1,067.58

* Clover Bottom data includes the Harold Jordan Center.

** Last column indicates average cost per day for all institutions.

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	598	596	610	0	610
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	598	596	610	0	610
Payroll	35,259,000	42,909,200	43,322,300	0	43,322,300
Operational	44,562,500	32,844,300	33,044,600	0	33,044,600
Total	\$79,821,500	\$75,753,500	\$76,366,900	\$0	\$76,366,900
State	31,107,300	24,314,900	26,006,800	0	26,006,800
Federal	31,218,600	31,362,800	34,270,000	0	34,270,000
Other	17,495,600	20,075,800	16,090,100	0	16,090,100

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	43	44	50	0	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	44	50	0	50
Payroll	2,234,500	2,898,200	3,535,700	0	3,535,700
Operational	467,900	322,000	347,000	0	347,000
Total	\$2,702,400	\$3,220,200	\$3,882,700	\$0	\$3,882,700
State	379,800	1,322,300	1,908,000	0	1,908,000
Federal	1,537,900	1,356,800	1,369,000	0	1,369,000
Other	784,700	541,100	605,700	0	605,700

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	393	393	393	0	393
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	393	393	393	0	393
Payroll	14,847,900	16,949,800	16,949,800	0	16,949,800
Operational	1,014,000	1,071,900	1,071,900	0	1,071,900
Total	\$15,861,900	\$18,021,700	\$18,021,700	\$0	\$18,021,700
State	5,018,800	5,848,900	5,848,900	0	5,848,900
Federal	5,231,800	5,489,200	5,489,200	0	5,489,200
Other	5,611,300	6,683,600	6,683,600	0	6,683,600

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	17,013,500	16,823,900	16,553,000	0	16,553,000
Total	\$17,013,500	\$16,823,900	\$16,553,000	\$0	\$16,553,000
State	6,285,600	6,081,900	5,945,600	0	5,945,600
Federal	5,423,200	5,544,900	5,457,700	0	5,457,700
Other	5,304,700	5,197,100	5,149,700	0	5,149,700

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	196	188	187	0	187
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	196	188	187	0	187
Payroll	10,723,000	11,960,600	12,313,200	0	12,313,200
Operational	1,265,700	1,046,500	1,046,500	0	1,046,500
Total	\$11,988,700	\$13,007,100	\$13,359,700	\$0	\$13,359,700
State	4,038,900	3,600,200	4,104,200	0	4,104,200
Federal	3,994,000	4,817,900	4,761,600	0	4,761,600
Other	3,955,800	4,589,000	4,493,900	0	4,493,900

<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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 TennCare, 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
Payroll	0	0	0	0	0
Operational	167,260,500	188,795,600	178,795,600	0	178,795,600
Total	\$167,260,500	\$188,795,600	\$178,795,600	\$0	\$178,795,600

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	23,206,000	10,667,600	19,307,200	0	19,307,200
Federal	136,974,500	171,728,000	153,088,400	0	153,088,400
Other	7,080,000	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	109,944,300	120,810,400	114,293,200	0	114,293,200
Total	\$109,944,300	\$120,810,400	\$114,293,200	\$0	\$114,293,200
State	12,875,000	19,968,900	13,968,900	0	13,968,900
Federal	97,069,300	97,224,300	100,224,300	0	100,224,300
Other	0	3,617,200	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	2,112,832,500	2,043,156,300	2,113,156,300	0	2,113,156,300
Total	\$2,112,832,500	\$2,043,156,300	\$2,113,156,300	\$0	\$2,113,156,300
State	0	0	0	0	0
Federal	2,112,832,500	2,043,156,300	2,113,156,300	0	2,113,156,300
Other	0	0	0	0	0

345.30 Family Assistance Services

The Family Assistance Services program provides eligibility determination for the Families First, Supplemental Nutrition Assistance Program (SNAP), and TennCare programs. In addition, SNAP recipients receive nutrition education and outreach services. Families First clients receive job training, employment career services, and counseling.

Full-Time	2,505	2,505	2,227	0	2,227
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,505	2,505	2,227	0	2,227

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	111,671,200	129,950,100	114,978,200	0	114,978,200
Operational	81,828,200	61,625,700	67,865,600	0	67,865,600
Total	\$193,499,400	\$191,575,800	\$182,843,800	\$0	\$182,843,800
State	54,556,500	76,200,100	68,012,400	0	68,012,400
Federal	80,837,300	63,548,600	81,468,100	0	81,468,100
Other	58,105,600	51,827,100	33,363,300	0	33,363,300

345.49 Community Services

The Community Services program provides a range of social services, including child care, child care provider licensing, adult protective services (APS), child and adult nutrition, summer food service, child care facilities loan fund, homemaker, refugee assistance, Low-Income Home Energy Assistance Program (LIHEAP), 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	408	406	395	0	395
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	408	406	395	0	395
Payroll	18,925,700	23,332,900	22,968,100	0	22,968,100
Operational	163,342,400	115,772,600	100,963,500	1,415,600	102,379,100
Total	\$182,268,100	\$139,105,500	\$123,931,600	\$1,415,600	\$125,347,200
State	1,600,400	3,679,900	1,776,300	1,415,600	3,191,900
Federal	175,798,300	129,507,200	116,229,600	0	116,229,600
Other	4,869,400	5,918,400	5,925,700	0	5,925,700

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	145	141	144	0	144
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	145	141	144	0	144
Payroll	7,030,900	8,165,900	9,022,300	0	9,022,300
Operational	62,416,600	64,764,900	63,441,000	566,200	64,007,200
Total	\$69,447,500	\$72,930,800	\$72,463,300	\$566,200	\$73,029,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	24,081,500	16,773,500	16,280,500	192,500	16,473,000
Federal	27,745,400	31,047,500	31,073,000	373,700	31,446,700
Other	17,620,600	25,109,800	25,109,800	0	25,109,800

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 Vocational Rehabilitation

The Vocational Rehabilitation (VR) 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. Vocational rehabilitation services include any services described in an individual plan for employment which 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	616	614	609	0	609
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	616	614	609	0	609
Payroll	26,336,200	33,209,400	33,031,400	0	33,031,400
Operational	39,872,200	44,554,200	39,575,800	0	39,575,800
Total	\$66,208,400	\$77,763,600	\$72,607,200	\$0	\$72,607,200
State	9,446,900	9,760,800	8,759,800	0	8,759,800
Federal	48,489,500	63,114,400	58,959,000	0	58,959,000
Other	8,272,000	4,888,400	4,888,400	0	4,888,400

345.71 Disability Determination

The Disability Determination program, in partnership with the U.S. Social Security Administration (SSA), 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	648	469	0	469
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	648	648	469	0	469
Payroll	23,555,600	33,716,200	26,418,100	0	26,418,100
Operational	33,513,100	37,289,600	37,289,600	0	37,289,600
Total	\$57,068,700	\$71,005,800	\$63,707,700	\$0	\$63,707,700
State	0	0	0	0	0
Federal	56,735,100	69,196,200	61,901,900	0	61,901,900
Other	333,600	1,809,600	1,805,800	0	1,805,800

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
345.00 Total Human Services					
Full-Time	5,552	5,535	5,084	0	5,084
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,552	5,535	5,084	0	5,084
Payroll	250,584,000	303,092,300	282,539,100	0	282,539,100
Operational	2,835,333,400	2,728,877,900	2,767,443,600	1,981,800	2,769,425,400
Total	\$3,085,917,400	\$3,031,970,200	\$3,049,982,700	\$1,981,800	\$3,051,964,500
State	172,596,700	178,219,000	171,918,600	1,608,100	173,526,700
Federal	2,783,887,400	2,717,094,100	2,767,448,100	373,700	2,767,821,800
Other	129,433,300	136,657,100	110,616,000	0	110,616,000

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</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	2,215,200	2,454,500	2,158,400	0	2,158,400
Operational	4,617,000	11,175,500	8,029,900	0	8,029,900
Total	\$6,832,200	\$13,630,000	\$10,188,300	\$0	\$10,188,300
State	487,800	849,900	849,900	0	849,900
Federal	5,070,500	10,841,700	8,018,600	0	8,018,600
Other	1,273,900	1,938,400	1,319,800	0	1,319,800

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 provide health insurance to adults and children who are uninsured or uninsurable. CoverRx is 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
Payroll	0	0	0	0	0
Operational	31,918,800	21,965,600	0	0	0
Total	\$31,918,800	\$21,965,600	\$0	\$0	\$0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	7,689,900	7,982,700	0	0	0
Federal	0	0	0	0	0
Other	24,228,900	13,982,900	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	23,074,400	19,055,800	17,256,300	0	17,256,300
Total	\$23,074,400	\$19,055,800	\$17,256,300	\$0	\$17,256,300
State	23,054,000	19,055,800	0	0	0
Federal	0	0	0	0	0
Other	20,400	0	17,256,300	0	17,256,300

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	209,791,500	234,390,000	234,390,000	0	234,390,000
Total	\$209,791,500	\$234,390,000	\$234,390,000	\$0	\$234,390,000
State	51,139,100	57,573,900	57,121,900	0	57,121,900
Federal	156,560,200	175,954,200	176,406,200	0	176,406,200
Other	2,092,200	861,900	861,900	0	861,900

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.

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	13,329,400	11,089,600	10,489,600	0	10,489,600
Total	\$13,329,400	\$11,089,600	\$10,489,600	\$0	\$10,489,600
State	12,068,000	10,689,600	10,089,600	0	10,089,600
Federal	0	0	0	0	0
Other	1,261,400	400,000	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	2,215,200	2,454,500	2,158,400	0	2,158,400
Operational	282,731,100	297,676,500	270,165,800	0	270,165,800
Total	\$284,946,300	\$300,131,000	\$272,324,200	\$0	\$272,324,200
State	94,438,800	96,151,900	68,061,400	0	68,061,400
Federal	161,630,700	186,795,900	184,424,800	0	184,424,800
Other	28,876,800	17,183,200	19,838,000	0	19,838,000

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	463	462	451	0	451
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	463	462	451	0	451
Payroll	32,360,600	34,796,500	34,908,700	0	34,908,700
Operational	18,650,100	14,824,100	14,614,700	1,086,900	15,701,600
Total	\$51,010,700	\$49,620,600	\$49,523,400	\$1,086,900	\$50,610,300
State	28,897,100	28,030,100	28,325,900	556,500	28,882,400
Federal	5,839,200	5,933,900	5,890,900	133,700	6,024,600
Other	16,274,400	15,656,600	15,306,600	396,700	15,703,300

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	0	0	0	0	0
Operational	36,487,400	33,674,600	33,674,600	0	33,674,600
Total	\$36,487,400	\$33,674,600	\$33,674,600	\$0	\$33,674,600
State	22,912,100	23,942,400	23,942,400	0	23,942,400
Federal	9,717,400	7,232,200	7,232,200	0	7,232,200
Other	3,857,900	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	249,931,200	221,961,200	248,204,000	1,183,800	249,387,800
Total	\$249,931,200	\$221,976,200	\$248,219,000	\$1,183,800	\$249,402,800
State	76,976,700	85,444,500	83,444,500	883,100	84,327,600
Federal	42,009,000	19,128,300	38,713,100	300,700	39,013,800
Other	130,945,500	117,403,400	126,061,400	0	126,061,400

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	6,316,700	4,120,500	4,120,500	0	4,120,500
Total	\$6,316,700	\$4,120,500	\$4,120,500	\$0	\$4,120,500
State	3,581,700	4,120,500	4,120,500	0	4,120,500
Federal	2,735,000	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	2,900	15,000	15,000	0	15,000
Operational	79,554,500	81,556,200	81,556,200	2,855,700	84,411,900
Total	\$79,557,400	\$81,571,200	\$81,571,200	\$2,855,700	\$84,426,900
State	38,522,800	41,922,200	41,922,200	1,778,600	43,700,800
Federal	41,034,600	39,572,500	39,572,500	1,077,100	40,649,600
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	3,177	3,209	3,202	89	3,291
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,177	3,209	3,202	89	3,291
Payroll	172,855,200	187,454,400	186,569,600	6,284,800	192,854,400
Operational	40,379,000	38,209,100	38,021,200	2,186,800	40,208,000
Total	\$213,234,200	\$225,663,500	\$224,590,800	\$8,471,600	\$233,062,400
State	80,027,800	86,013,500	87,192,600	3,177,500	90,370,100
Federal	25,008,300	43,853,200	41,806,000	1,744,700	43,550,700
Other	108,198,100	95,796,800	95,592,200	3,549,400	99,141,600

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	196	201	200	0	200
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	197	202	201	0	201
Payroll	10,491,100	10,749,600	10,717,700	15,200	10,732,900
Operational	2,303,000	2,615,700	2,345,200	0	2,345,200
Total	\$12,794,100	\$13,365,300	\$13,062,900	\$15,200	\$13,078,100
State	12,349,900	13,000,800	12,643,500	15,200	12,658,700
Federal	0	0	0	0	0
Other	444,200	364,500	419,400	0	419,400

359.61 Taft Youth Development Center

James M. Taft Youth Development Center was a hardware-secure detention center that provided treatment and educational programs for male juvenile offenders remanded to state custody. The facility was closed at the end of fiscal year 2011-2012.

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	1,172,000	0	0	0	0
Operational	390,700	0	0	0	0
Total	\$1,562,700	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,562,700	0	0	0	0

359.62 Woodland Hills Youth Development Center

Woodland Hills Youth Development Center, located in Nashville, 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	208	201	201	0	201
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	208	201	201	0	201
Payroll	9,126,100	10,586,800	10,511,800	17,100	10,528,900
Operational	2,368,700	2,793,200	2,481,200	0	2,481,200
Total	\$11,494,800	\$13,380,000	\$12,993,000	\$17,100	\$13,010,100
State	10,945,500	12,951,900	12,524,300	17,100	12,541,400
Federal	0	0	0	0	0
Other	549,300	428,100	468,700	0	468,700

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	204	205	205	0	205
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	204	205	205	0	205
Payroll	9,752,200	10,978,600	10,978,600	16,500	10,995,100
Operational	2,293,200	2,217,800	2,054,200	0	2,054,200
Total	\$12,045,400	\$13,196,400	\$13,032,800	\$16,500	\$13,049,300
State	11,727,300	12,849,000	12,632,000	16,500	12,648,500
Federal	0	0	0	0	0
Other	318,100	347,400	400,800	0	400,800

359.64 New Visions Youth Development Center

New Visions Youth Development Center, located in Nashville, is a 50-bed, hardware-secure, detention center dedicated to providing intensive treatment and educational programs for juvenile male offenders ages 13 to 18 remanded to state custody from across the state.

Full-Time	55	55	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	55	55	0	0	0
Payroll	2,334,200	2,822,200	0	0	0
Operational	380,500	598,200	177,100	0	177,100
Total	\$2,714,700	\$3,420,400	\$177,100	\$0	\$177,100
State	2,713,500	3,383,700	177,100	0	177,100
Federal	0	0	0	0	0
Other	1,200	36,700	0	0	0

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	485,200	385,100	385,100	0	385,100
Total	\$485,200	\$385,100	\$385,100	\$0	\$385,100
State	370,100	370,100	370,100	0	370,100
Federal	0	0	0	0	0
Other	115,100	15,000	15,000	0	15,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
359.00 Total Children's Services					
Full-Time	4,303	4,333	4,259	89	4,348
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	4,304	4,334	4,260	89	4,349
Payroll	238,094,300	257,418,100	253,716,400	6,333,600	260,050,000
Operational	439,540,200	402,955,700	427,634,000	7,313,200	434,947,200
Total	\$677,634,500	\$660,373,800	\$681,350,400	\$13,646,800	\$694,997,200
State	289,024,500	312,028,700	307,295,100	6,444,500	313,739,600
Federal	126,343,500	115,720,100	133,214,700	3,256,200	136,470,900
Other	262,266,500	232,625,000	240,840,600	3,946,100	244,786,700

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						
2007-2008	180	155	195	161	72	763
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	220	0	160	200	0	580
2014-2015	220	0	160	200	0	580
Annual Releases						
2007-2008	166	170	184	166	62	748
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	210	0	175	190	0	575
2014-2015	210	0	175	190	0	575
Average Daily Census						
2007-2008	93	128	122	125	34	502
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	130	0	130	120	0	380
2014-2015	130	0	130	120	0	380
Cost Per Occupancy Day *						
2007-2008	\$315.23	\$299.66	\$272.46	\$268.49	\$351.58	\$296.10
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	\$281.67	\$0.00	\$281.98	\$301.29	\$0.00	\$312.63
2014-2015	\$275.62	\$0.00	\$274.19	\$297.93	\$0.00	\$283.45

* 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>Most Recent</u>	<u>Target</u>
Division of Health Care Finance and Administration				
Ensure TennCare and Children's Health Insurance Program (CHIP) spending remains within budget limits.				
	Centers for Medicare and Medicaid Services (CMS) required reports will be submitted within 30 days of the quarter end.	Fiscal Quarter	Not yet available	30
	TennCare spending compared to what would have been spent without the Demonstration.	Fiscal Quarter	Not yet available	\$1,853,134,436
	CHIP spending compared to the CHIP allotment for Tennessee.	Fiscal Quarter	Not yet available	\$55,979,650
Ensure that TennCare members' medical services appeals receive a timely resolution in accordance with federal law and the Grier Consent Decree.				
	Percent of member medical appeals resolved by deadline.	Fiscal Quarter	Not yet available	98%
Department of Mental Health and Substance Abuse				
Manage Regional Mental Health Institutes (RMHIs) facilities effectively and efficiently.				
	Average state dollar cost per bed day in RMHI facilities.	Fiscal Quarter	\$519.35	To be determined
Strengthen and improve adult mental health and substance abuse services.				
	Number of supportive housing units.	Fiscal Quarter	1,053	750
Reduce the abuse of alcohol, prescription drugs, and other addictive substances.				
	Number of people in state-funded treatment slots.	Fiscal Quarter	1,765	3,000
Department of Health				
Protect the health of people in Tennessee by initiating at least one primary prevention project in each county and making all recommended routine vaccines available at rural health departments by June 2014.				
	Number of counties with Primary Prevention Initiative projects completed.	Monthly	61	95
	Number of rural county immunization service goals met.	Monthly	0	89

Health and Social Services Priority Goals and Measures

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Most Recent</u>	<u>Target</u>
Reduce the milligrams of morphine equivalents prescribed in Tennessee by improving the ease of use and capability of the Controlled Substances Database by March 31, 2014.	Milligrams of morphine equivalents prescribed in TN.	Monthly	3.36 billion	< 9.93 billion

Department of Intellectual and Developmental Disabilities

Operate the Home and Community-Based Medicaid Waiver programs to assure continued federal reimbursements and minimize state liabilities in order to maximize the number of persons receiving services.

Percent overall compliance with Centers for Medicare and Medicaid Assurance Measures.	Monthly	98%	86%
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Help integrate the population DIDD serves into the broader community by transitioning 100 percent of the people residing within Clover Bottom Developmental Center into Middle Tennessee Community Homes by December 31, 2014.

Percent of Community Homes completed.	Monthly	0%	100%
Percent of transitions from Clover Bottom to Middle TN Community Homes completed.	Monthly	0%	100%

Complete all sections of the Arlington Exit Plan by December 31, 2013.

Percent of Arlington Exit Plan completed.	Monthly	100%	100%
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Implement Project Titan Solution to resolve the Comptroller's audit finding concerning DIDD Information Systems and to allow for real-time reporting in the incident and investigations database by June 30, 2014.

Percent of Project Titan solution complete.	Monthly	47%	100%
Percent of deliverables met within contracted milestones of the project.	Monthly	0%	100%

Department of Human Services

By September 2014, improve customer service by decreasing the application processing time for services provided directly by TDHS by September 2014.

Percent of applications processed on time (Families First).	Monthly	93.07%	95.82%
Percent of applications processed on time (Supplemental and Nutritional Assistance).	Monthly	74.07%	77.92%
Percent of applications processed on time (Vocational Rehabilitation).	Monthly	80.80%	78.30%

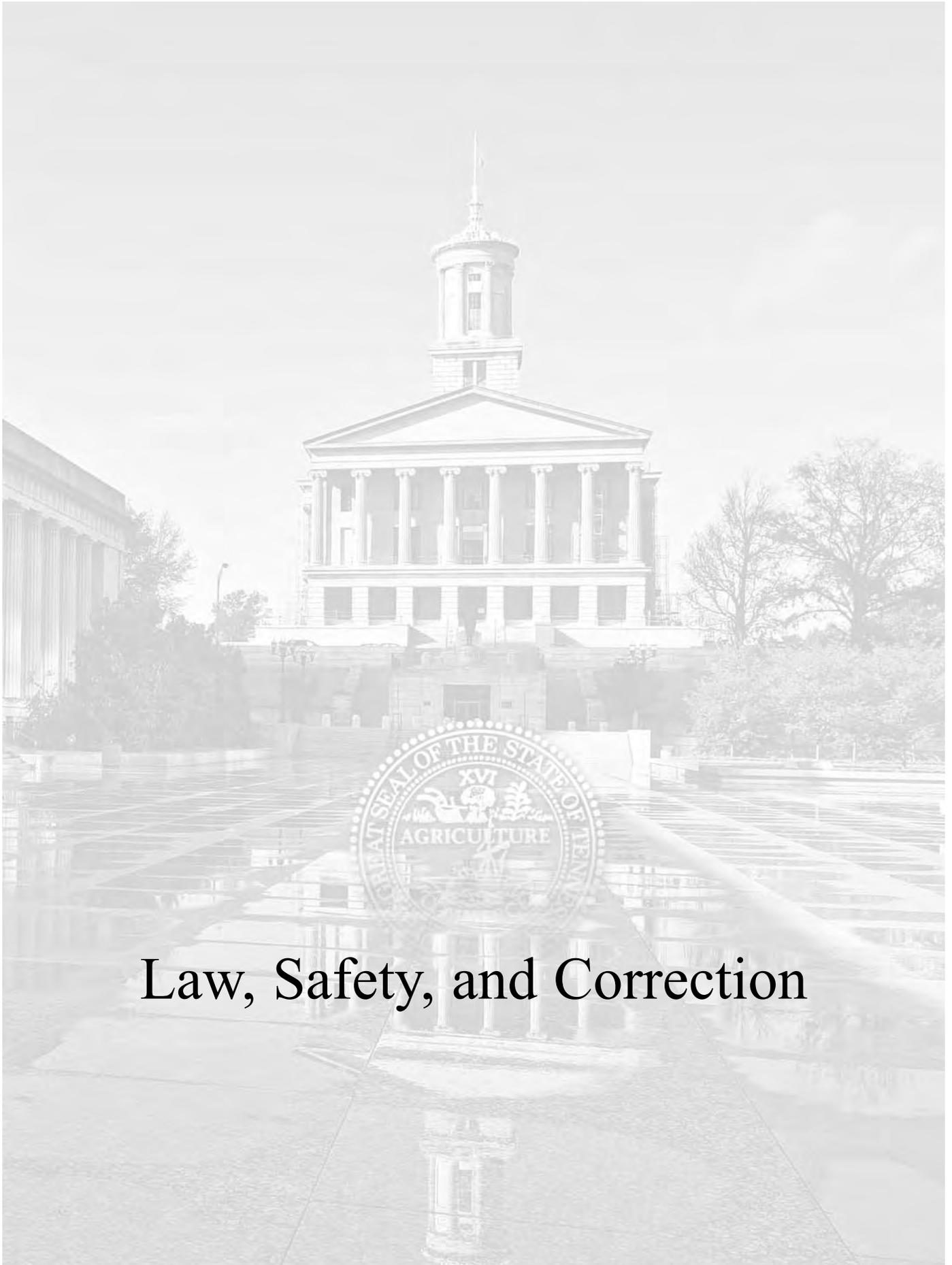
Health and Social Services Priority Goals and Measures

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Most Recent</u>	<u>Target</u>
Reduce and maintain Supplemental Nutrition Assistance Program (SNAP) active error rates to below the national average by September 2014.	Percent errors.	Calendar Quarter	1.25%	2.00%

Department of Children's Services

Improve the number of Child Protective Services (CPS) Special Investigations Unit (SIU) cases closed in 60 days to 80 percent.

Percent of CPS-SIU cases closed in 60 days.	Calendar Quarter	93.70%	80.00%
Improve priority response times for CPS-SIU investigations. Percent of Priority One (24 hours), Priority Two (48 hours), and Priority Three (Three business days) responses met.	Calendar Quarter	Not yet available	80%
Improve the efficiency of the Child Abuse Hotline. Percent of calls answered in 20 seconds or less.	Calendar Quarter	80%	80%
Percent of dropped hotline calls.	Calendar Quarter	20%	5%
Increase the overall percentage of child permanency. Percent of children reunified with families within 12 Months.	Calendar Quarter	67%	80%



Law, Safety, and Correction

Law, Safety, and Correction

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Law, Safety, and Correction

Recommended Budget, Fiscal Year 2014 – 2015

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Recommended 2014-2015</u>
Personnel			
Full Time	12,317	12,336	12,261
Part Time	66	65	65
Seasonal	4	4	4
TOTAL	12,387	12,405	12,330
Expenditures			
Payroll	\$ 724,589,600	\$ 821,408,300	\$ 822,004,200
Operational	814,961,400	872,541,720	870,492,100
TOTAL	\$ 1,539,551,000	\$ 1,693,950,020	\$ 1,692,496,300
Funding			
State	\$ 1,247,607,000	\$ 1,407,148,720	\$ 1,389,956,300
Federal	110,845,600	102,800,500	102,558,100
Other	181,098,400	184,000,800	199,981,900

Law, Safety and Correction
Recommended Budget for Fiscal Year 2014-2015
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	127,352,000	980,000	6,051,000	134,383,000
303.00 Attorney General and Reporter	25,408,400	0	12,191,700	37,600,100
304.00 District Attorneys General Conference	78,043,000	0	31,845,400	109,888,400
306.00 District Public Defenders Conference	48,269,800	0	1,832,600	50,102,400
308.00 Office of the Post-Conviction Defender	2,289,500	0	0	2,289,500
316.03 Alcoholic Beverage Commission	0	0	6,645,500	6,645,500
316.08 TRICOR	0	0	54,744,900	54,744,900
324.00 Board of Parole	7,416,400	0	0	7,416,400
329.00 Correction	909,978,300	353,300	19,464,700	929,796,300
341.00 Military	15,682,800	77,472,400	2,315,600	95,470,800
348.00 Tennessee Bureau of Investigation	42,296,300	15,040,500	14,733,600	72,070,400
349.00 Safety	133,219,800	8,711,900	50,156,900	192,088,600
Total	\$1,389,956,300	\$102,558,100	\$199,981,900	\$1,692,496,300

Law, Safety and Correction
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Court System					
• Judicial Salary Rebasing					
To provide funding for rebasing judicial salaries effective September 1, 2014. In accordance with the Tennessee Constitution, judges' salaries may only be established at the beginning of a new eight-year judicial term. Legislation will outline the proposed changes to statutory salaries.					
302.01 Appellate and Trial Courts	\$1,057,300	\$0	\$0	\$1,057,300	0
302.27 Administrative Office of the Courts	\$6,000	\$0	\$0	\$6,000	0
Sub-total	<u>\$1,063,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,063,300</u>	<u>0</u>
Total Court System	\$1,063,300	\$0	\$0	\$1,063,300	0

Attorney General and Reporter

• Judicial Salary Rebasing					
To provide funding for rebasing judicial salaries effective September 1, 2014. The Attorney General's salary is statutorily tied to judicial salaries, which according to the Constitution may only be established at the beginning of a new eight-year judicial term. Legislation will outline the proposed changes to statutory salaries.					
303.01 Attorney General and Reporter	\$3,900	\$0	\$0	\$3,900	0
Sub-total	<u>\$3,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,900</u>	<u>0</u>
Total Attorney General and Reporter	\$3,900	\$0	\$0	\$3,900	0

District Attorneys General Conference

• Judicial Salary Rebasing					
To provide funding for rebasing judicial salaries effective September 1, 2014. Legislation will outline the proposed changes to statutory salaries.					
304.01 District Attorneys General	\$163,600	\$0	\$0	\$163,600	0
304.10 Executive Director	\$5,300	\$0	\$0	\$5,300	0
Sub-total	<u>\$168,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$168,900</u>	<u>0</u>
• Statutory Salary Step Raise					
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 2013-2014 step raise (\$426,300 state appropriations and \$109,000 other funding), and funds the 2014-2015 step raise (\$639,600 state appropriations and \$166,100 other funding).					
304.01 District Attorneys General	\$1,065,900	\$0	\$150,100	\$1,216,000	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$125,000	\$125,000	0
Sub-total	<u>\$1,065,900</u>	<u>\$0</u>	<u>\$275,100</u>	<u>\$1,341,000</u>	<u>0</u>

Law, Safety and Correction
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Operational Funding					
To provide funds for increased costs of rent, utilities, and janitorial services in district offices, statewide.					
304.01 District Attorneys General	\$850,000	\$0	\$0	\$850,000	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$441,200	\$441,200	0
Sub-total	<u>\$850,000</u>	<u>\$0</u>	<u>\$441,200</u>	<u>\$1,291,200</u>	<u>0</u>
Total District Attorneys General Conference	\$2,084,800	\$0	\$716,300	\$2,801,100	0

District Public Defenders Conference

• Judicial Salary Rebasing					
To provide funding for rebasing judicial salaries effective September 1, 2014. Legislation will outline the proposed changes to statutory salaries.					
306.01 District Public Defenders	\$146,200	\$0	\$0	\$146,200	0
306.03 Executive Director	\$5,000	\$0	\$0	\$5,000	0
306.10 Shelby County Public Defender	\$5,000	\$0	\$0	\$5,000	0
306.12 Davidson County Public Defender	\$5,000	\$0	\$0	\$5,000	0
Sub-total	<u>\$161,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$161,200</u>	<u>0</u>

• Statutory Salary Step Raise					
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 2013-2014 step raise (\$271,000) and funds the fiscal year 2014-2015 step raise (\$366,500).					
306.01 District Public Defenders	\$637,500	\$0	\$0	\$637,500	0
Sub-total	<u>\$637,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$637,500</u>	<u>0</u>

• Operational Funding					
To provide funds for increased costs of rent, utilities, and janitorial services in district offices, statewide.					
306.01 District Public Defenders	\$381,900	\$0	\$0	\$381,900	0
306.03 Executive Director	\$18,100	\$0	\$0	\$18,100	0
Sub-total	<u>\$400,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$400,000</u>	<u>0</u>

Law, Safety and Correction
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Consumer Price Index Increase for Shelby County and Davidson 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	\$74,000	\$0	\$0	\$74,000	0
306.12 Davidson County Public Defender	\$32,300	\$0	\$0	\$32,300	0
Sub-total	\$106,300	\$0	\$0	\$106,300	0
Total District Public Defenders Conference	\$1,305,000	\$0	\$0	\$1,305,000	0

Office of the Post-Conviction Defender

• Judicial Salary Rebasing

To provide funding for rebasing judicial salaries effective September 1, 2014. Legislation will outline the proposed changes to statutory salaries.

308.00 Office of the Post-Conviction Defender	\$5,000	\$0	\$0	\$5,000	0
Sub-total	\$5,000	\$0	\$0	\$5,000	0

• Statutory Salary Step Raises

To provide funding for step raises for assistant post-conviction defenders pursuant to TCA 40-30-209(b) and 8-14-207.

308.00 Office of the Post-Conviction Defender	\$31,800	\$0	\$0	\$31,800	0
Sub-total	\$31,800	\$0	\$0	\$31,800	0

Total Office of the Post-Conviction Defender

	\$36,800	\$0	\$0	\$36,800	0
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TRICOR

• Cook Chill Program

To provide funding for the standardized menu and food service partnership with the Department of Correction through the preparation and delivery of 100% of the menu offerings at correctional institutions.

316.08 TRICOR	\$0	\$0	\$15,428,600	\$15,428,600	0
Sub-total	\$0	\$0	\$15,428,600	\$15,428,600	0

Law, Safety and Correction

Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Business Growth					
To provide funding for maintenance, utilities, and fuel for increased business activity associated with the addition of 140 offender slots at new and existing service industries in order to expand training and development for Tennessee's offender work force.					
316.08 TRICOR	\$0	\$0	\$240,600	\$240,600	0
Sub-total	\$0	\$0	\$240,600	\$240,600	0
• Prison Industry Enhancement Program					
To provide funding for the upkeep and expansion of the Prison Industry Enhancement (PIE) program, which establishes employment opportunities for inmates that approximate private-sector work opportunities.					
316.08 TRICOR	\$0	\$0	\$212,000	\$212,000	0
Sub-total	\$0	\$0	\$212,000	\$212,000	0
Total TRICOR	\$0	\$0	\$15,881,200	\$15,881,200	0
Correction					
• Operational Cost Increase					
To provide funding for the Hardeman County Agreement contract inflator (\$484,400), Hardeman County - Whiteville contract inflator (\$761,500), and the South Central Correctional Center contract inflator (\$857,000).					
329.21 Hardeman County Incarceration Agreement	\$484,400	\$0	\$0	\$484,400	0
329.22 Hardeman County Agreement - Whiteville	\$761,500	\$0	\$0	\$761,500	0
329.44 South Central Correctional Center	\$857,000	\$0	\$0	\$857,000	0
Sub-total	\$2,102,900	\$0	\$0	\$2,102,900	0
• Turney Center Industrial Complex Expansion					
To provide funding for the expanded prison facilities at the Wayne County Annex of Turney Center Industrial Complex, which will be staffed using existing, vacant positions. The state appropriation increase for the additional operational cost is offset by a recurring reduction of other operational expenditures throughout the department.					
329.14 Turney Center Industrial Complex	\$1,826,300	\$0	\$0	\$1,826,300	0
Sub-total	\$1,826,300	\$0	\$0	\$1,826,300	0
• Offender Management Information System Replacement					
To provide non-recurring funding for the first phase of a multi-phase replacement of the Tennessee Offender Management Information System (TOMIS). Phase One will consist of requirement identification and documentation, and development of a project management plan.					
329.01 Administration	\$2,175,600	\$0	\$0	\$2,175,600	0
Sub-total	\$2,175,600	\$0	\$0	\$2,175,600	0

Law, Safety and Correction
Cost Increases for Fiscal Year 2014-2015

	<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 children of prisoners.					
329.01 Administration	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
Total Correction	\$6,354,800	\$0	\$0	\$6,354,800	0
Safety					
• Statutory Salary Step Increase					
To provide funding for the mandated annual trooper salary step increase pursuant to TCA 4-7-206 effective July 1, 2014.					
349.03 Highway Patrol	\$815,800	\$0	\$0	\$815,800	0
Sub-total	\$815,800	\$0	\$0	\$815,800	0
• Statewide Communication System Maintenance					
To provide funding for maintenance and security upgrades for the statewide radio network.					
349.03 Highway Patrol	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0
• Salary Survey for Commissioned Officers					
To provide funding for a one percent salary increase for the annual border-states commissioned officer salary survey results, pursuant to TCA 4-7-201.					
349.03 Highway Patrol	\$597,400	\$0	\$0	\$597,400	0
349.08 Driver Education	\$1,100	\$0	\$0	\$1,100	0
Sub-total	\$598,500	\$0	\$0	\$598,500	0
Total Safety	\$4,414,300	\$0	\$0	\$4,414,300	0
Total Law, Safety and Correction	\$15,262,900	\$0	\$16,597,500	\$31,860,400	0

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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	55,979,700	57,817,700	57,817,700	1,057,300	58,875,000
Operational	2,277,200	2,235,300	2,235,300	0	2,235,300
Total	\$58,256,900	\$60,053,000	\$60,053,000	\$1,057,300	\$61,110,300
State	58,189,800	60,025,700	60,025,700	1,057,300	61,083,000
Federal	0	0	0	0	0
Other	67,100	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	2,199,100	2,241,900	2,241,900	0	2,241,900
Operational	162,600	253,700	253,700	0	253,700
Total	\$2,361,700	\$2,495,600	\$2,495,600	\$0	\$2,495,600
State	805,200	805,900	805,900	0	805,900
Federal	0	0	0	0	0
Other	1,556,500	1,689,700	1,689,700	0	1,689,700

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	7,047,300	6,047,500	6,047,500	0	6,047,500
Total	\$7,047,300	\$6,047,500	\$6,047,500	\$0	\$6,047,500
State	7,047,300	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	30,423,600	30,468,000	30,468,000	0	30,468,000
Total	\$30,423,600	\$30,468,000	\$30,468,000	\$0	\$30,468,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	30,233,000	30,463,000	30,463,000	0	30,463,000
Federal	0	0	0	0	0
Other	190,600	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	3,511,900	3,327,900	3,327,900	0	3,327,900
Total	\$3,511,900	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,511,900	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	44	41	0	41
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	44	41	0	41
Payroll	2,489,000	2,932,100	2,865,400	0	2,865,400
Operational	1,284,500	1,046,900	1,046,900	0	1,046,900
Total	\$3,773,500	\$3,979,000	\$3,912,300	\$0	\$3,912,300
State	3,773,500	3,979,000	3,912,300	0	3,912,300
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	0	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	1	1	0	1
Payroll	0	71,000	71,000	0	71,000
Operational	1,726,800	2,930,100	2,930,100	0	2,930,100
Total	\$1,726,800	\$3,001,100	\$3,001,100	\$0	\$3,001,100
State	1,726,800	3,001,100	3,001,100	0	3,001,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	137,100	127,500	127,500	0	127,500
Total	\$137,100	\$127,500	\$127,500	\$0	\$127,500
State	59,000	60,500	60,500	0	60,500
Federal	0	0	0	0	0
Other	78,100	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	73	0	73
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	74	74	74	0	74
Payroll	5,471,500	6,198,100	6,198,100	6,000	6,204,100
Operational	5,497,900	4,908,300	4,698,300	0	4,698,300
Total	\$10,969,400	\$11,106,400	\$10,896,400	\$6,000	\$10,902,400
State	8,183,500	8,522,700	8,432,700	6,000	8,438,700
Federal	1,100,200	980,000	980,000	0	980,000
Other	1,685,700	1,603,700	1,483,700	0	1,483,700

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	16	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	9	0	9

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	485,700	739,800	673,100	0	673,100
Operational	2,598,700	2,551,700	2,551,700	0	2,551,700
Total	\$3,084,400	\$3,291,500	\$3,224,800	\$0	\$3,224,800
State	2,355,300	2,678,500	2,611,800	0	2,611,800
Federal	0	0	0	0	0
Other	729,100	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	67,100	74,500	74,500	0	74,500
Total	\$67,100	\$74,500	\$74,500	\$0	\$74,500
State	67,100	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	196,700	263,200	263,200	0	263,200
Total	\$196,700	\$263,200	\$263,200	\$0	\$263,200
State	135,900	223,200	223,200	0	223,200
Federal	0	0	0	0	0
Other	60,800	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	736,100	928,300	928,300	0	928,300
Total	\$736,100	\$928,300	\$928,300	\$0	\$928,300

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	349,300	430,100	430,100	0	430,100
Federal	0	0	0	0	0
Other	386,800	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	212,700	260,000	260,000	0	260,000
Total	\$212,700	\$260,000	\$260,000	\$0	\$260,000
State	212,700	260,000	260,000	0	260,000
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	1,814,700	1,997,100	1,997,100	0	1,997,100
Operational	300,700	289,700	289,700	0	289,700
Total	\$2,115,400	\$2,286,800	\$2,286,800	\$0	\$2,286,800
State	403,600	659,700	659,700	0	659,700
Federal	0	0	0	0	0
Other	1,711,800	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	34,800	111,400	111,400	0	111,400
Operational	5,900	60,500	60,500	0	60,500
Total	\$40,700	\$171,900	\$171,900	\$0	\$171,900
State	14,100	171,900	171,900	0	171,900
Federal	0	0	0	0	0
Other	26,600	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	464,700	490,900	490,900	0	490,900
Operational	377,600	245,900	259,100	0	259,100
Total	\$842,300	\$736,800	\$750,000	\$0	\$750,000
State	786,400	736,800	750,000	0	750,000
Federal	0	0	0	0	0
Other	55,900	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	31	32	32	0	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	32	32	0	32
Payroll	2,271,000	2,430,500	2,430,500	0	2,430,500
Operational	888,400	764,100	1,042,400	0	1,042,400
Total	\$3,159,400	\$3,194,600	\$3,472,900	\$0	\$3,472,900
State	2,940,600	3,194,600	3,472,900	0	3,472,900
Federal	0	0	0	0	0
Other	218,800	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	324,100	352,700	352,700	0	352,700
Operational	212,200	116,800	116,800	0	116,800
Total	\$536,300	\$469,500	\$469,500	\$0	\$469,500
State	459,400	469,500	469,500	0	469,500
Federal	0	0	0	0	0
Other	76,900	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	422,900	479,300	479,300	0	479,300
Operational	465,500	339,200	400,700	0	400,700
Total	\$888,400	\$818,500	\$880,000	\$0	\$880,000
State	806,200	818,500	880,000	0	880,000
Federal	0	0	0	0	0
Other	82,200	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	162,900	208,500	208,500	0	208,500
Total	\$162,900	\$208,500	\$208,500	\$0	\$208,500
State	160,000	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	2,900	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
302.00 Total Court System					
Full-Time	672	674	664	0	664
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	680	682	672	0	672
Payroll	71,957,200	75,862,500	75,729,100	1,063,300	76,792,400
Operational	58,293,400	57,447,600	57,590,600	0	57,590,600
Total	\$130,250,600	\$133,310,100	\$133,319,700	\$1,063,300	\$134,383,000
State	122,220,600	126,159,100	126,288,700	1,063,300	127,352,000
Federal	1,100,200	980,000	980,000	0	980,000
Other	6,929,800	6,171,000	6,051,000	0	6,051,000

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</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	24,681,800	29,466,200	29,466,200	3,900	29,470,100
Operational	6,612,100	6,906,900	6,875,700	0	6,875,700
Total	\$31,293,900	\$36,373,100	\$36,341,900	\$3,900	\$36,345,800
State	22,249,100	24,959,500	24,939,000	3,900	24,942,900
Federal	0	0	0	0	0
Other	9,044,800	11,413,600	11,402,900	0	11,402,900

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	135,700	113,800	113,800	0	113,800
Operational	37,100	62,000	62,000	0	62,000
Total	\$172,800	\$175,800	\$175,800	\$0	\$175,800
State	172,800	175,800	175,800	0	175,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	1,831,000	1,078,500	1,078,500	0	1,078,500
Total	\$1,831,000	\$1,078,500	\$1,078,500	\$0	\$1,078,500
State	40,100	289,700	289,700	0	289,700
Federal	0	0	0	0	0
Other	1,790,900	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	24,817,500	29,580,000	29,580,000	3,900	29,583,900
Operational	8,480,200	8,047,400	8,016,200	0	8,016,200
Total	\$33,297,700	\$37,627,400	\$37,596,200	\$3,900	\$37,600,100
State	22,462,000	25,425,000	25,404,500	3,900	25,408,400
Federal	0	0	0	0	0
Other	10,835,700	12,202,400	12,191,700	0	12,191,700

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	748	748	752	0	752
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	753	753	757	0	757
Payroll	69,373,000	75,465,400	75,345,700	1,379,600	76,725,300
Operational	6,291,400	6,460,800	6,401,800	850,000	7,251,800
Total	\$75,664,400	\$81,926,200	\$81,747,500	\$2,229,600	\$83,977,100
State	68,651,600	73,737,600	73,613,600	2,079,500	75,693,100
Federal	133,500	0	0	0	0
Other	6,879,300	8,188,600	8,133,900	150,100	8,284,000

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	578,800	599,200	594,200	0	594,200
Total	\$578,800	\$599,200	\$594,200	\$0	\$594,200
State	375,800	438,200	433,200	0	433,200
Federal	0	0	0	0	0
Other	203,000	161,000	161,000	0	161,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	2,423,000	2,590,800	2,590,800	5,300	2,596,100
Operational	419,300	519,600	598,600	0	598,600
Total	\$2,842,300	\$3,110,400	\$3,189,400	\$5,300	\$3,194,700
State	1,575,400	1,832,400	1,911,400	5,300	1,916,700
Federal	0	0	0	0	0
Other	1,266,900	1,278,000	1,278,000	0	1,278,000

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	17,261,200	19,163,600	19,163,600	125,000	19,288,600
Operational	2,263,800	2,392,600	2,392,600	441,200	2,833,800
Total	\$19,525,000	\$21,556,200	\$21,556,200	\$566,200	\$22,122,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	19,525,000	21,556,200	21,556,200	566,200	22,122,400

304.00 Total District Attorneys General Conference

Full-Time	1,100	1,100	1,104	0	1,104
Part-Time	6	6	6	0	6
Seasonal	0	0	0	0	0
Total	1,106	1,106	1,110	0	1,110
Payroll	89,057,200	97,219,800	97,100,100	1,509,900	98,610,000
Operational	9,553,300	9,972,200	9,987,200	1,291,200	11,278,400
Total	\$98,610,500	\$107,192,000	\$107,087,300	\$2,801,100	\$109,888,400
State	70,602,800	76,008,200	75,958,200	2,084,800	78,043,000
Federal	133,500	0	0	0	0
Other	27,874,200	31,183,800	31,129,100	716,300	31,845,400

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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	22	24	24	0	24
Seasonal	0	0	0	0	0
Total	363	365	365	0	365
Payroll	33,097,000	36,401,300	36,401,300	783,700	37,185,000
Operational	3,248,900	3,658,600	3,658,600	381,900	4,040,500
Total	\$36,345,900	\$40,059,900	\$40,059,900	\$1,165,600	\$41,225,500
State	34,434,500	38,227,300	38,227,300	1,165,600	39,392,900
Federal	0	0	0	0	0
Other	1,911,400	1,832,600	1,832,600	0	1,832,600

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	1,180,900	1,408,900	1,408,900	5,000	1,413,900
Operational	200,500	248,500	248,500	18,100	266,600
Total	\$1,381,400	\$1,657,400	\$1,657,400	\$23,100	\$1,680,500
State	1,381,400	1,657,400	1,657,400	23,100	1,680,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	3,115,100	4,927,700	4,927,700	79,000	5,006,700
Total	\$3,115,100	\$4,927,700	\$4,927,700	\$79,000	\$5,006,700
State	3,115,100	4,927,700	4,927,700	79,000	5,006,700
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	1,593,300	2,152,400	2,152,400	37,300	2,189,700
Total	\$1,593,300	\$2,152,400	\$2,152,400	\$37,300	\$2,189,700
State	1,593,300	2,152,400	2,152,400	37,300	2,189,700
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	23	25	25	0	25
Seasonal	0	0	0	0	0
Total	379	381	381	0	381
Payroll	34,277,900	37,810,200	37,810,200	788,700	38,598,900
Operational	8,157,800	10,987,200	10,987,200	516,300	11,503,500
Total	\$42,435,700	\$48,797,400	\$48,797,400	\$1,305,000	\$50,102,400
State	40,524,300	46,964,800	46,964,800	1,305,000	48,269,800
Federal	0	0	0	0	0
Other	1,911,400	1,832,600	1,832,600	0	1,832,600

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
308.00 Office of the Post-Conviction Defender					
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	1,505,100	1,838,900	1,838,900	36,800	1,875,700
Operational	387,900	413,800	413,800	0	413,800
Total	\$1,893,000	\$2,252,700	\$2,252,700	\$36,800	\$2,289,500
State	1,838,500	2,252,700	2,252,700	36,800	2,289,500
Federal	51,100	0	0	0	0
Other	3,400	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</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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316.03 Alcoholic Beverage Commission

Full-Time	73	73	73	0	73
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	76	76	76	0	76
Payroll	3,207,000	4,856,900	4,856,900	0	4,856,900
Operational	2,038,500	1,591,800	1,788,600	0	1,788,600
Total	\$5,245,500	\$6,448,700	\$6,645,500	\$0	\$6,645,500
State	0	83,700	0	0	0
Federal	0	0	0	0	0
Other	5,245,500	6,365,000	6,645,500	0	6,645,500

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, not-for-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 are located at West Tennessee State Penitentiary, Tennessee Cook Chill in Nashville, and Southeastern Regional Correctional Facility and include field crops and dairy operations.

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	8,048,100	10,263,700	10,263,700	0	10,263,700
Operational	29,563,500	28,600,000	28,600,000	15,881,200	44,481,200
Total	\$37,611,600	\$38,863,700	\$38,863,700	\$15,881,200	\$54,744,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	37,611,600	38,863,700	38,863,700	15,881,200	54,744,900

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
324.02 Board of Parole					
Full-Time	83	83	82	0	82
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	83	83	82	0	82
Payroll	5,420,200	5,900,700	5,831,200	0	5,831,200
Operational	1,351,600	1,686,200	1,585,200	0	1,585,200
Total	\$6,771,800	\$7,586,900	\$7,416,400	\$0	\$7,416,400
State	6,749,500	7,526,900	7,416,400	0	7,416,400
Federal	0	0	0	0	0
Other	22,300	60,000	0	0	0

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 reduce re-offences.

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	213	247	248	0	248
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	214	247	248	0	248
Payroll	15,194,600	18,001,200	18,251,200	0	18,251,200
Operational	5,911,600	5,373,900	3,763,000	2,425,600	6,188,600
Total	\$21,106,200	\$23,375,100	\$22,014,200	\$2,425,600	\$24,439,800
State	17,300,800	19,655,000	18,707,400	2,425,600	21,133,000
Federal	505,000	460,300	353,300	0	353,300
Other	3,300,400	3,259,800	2,953,500	0	2,953,500

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	186,484,300	202,053,500	199,752,400	0	199,752,400
Total	\$186,484,300	\$202,053,500	\$199,752,400	\$0	\$199,752,400
State	185,499,200	201,253,500	198,952,400	0	198,952,400
Federal	0	0	0	0	0
Other	985,100	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 speciality 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	74	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	74	74	74	0	74
Payroll	3,409,300	3,802,500	3,802,500	0	3,802,500
Operational	1,688,200	1,622,100	1,612,000	0	1,612,000
Total	\$5,097,500	\$5,424,600	\$5,414,500	\$0	\$5,414,500
State	5,061,100	5,359,700	5,349,600	0	5,349,600
Federal	0	0	0	0	0
Other	36,400	64,900	64,900	0	64,900

329.28 Correction Release Centers

The Correction Release Centers consists of programs to assist offenders in transitioning back into society. The programs are transitional housing for qualifying offenders who have a parole grant, 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	667,200	1,918,800	1,918,800	0	1,918,800
Total	\$667,200	\$1,918,800	\$1,918,800	\$0	\$1,918,800
State	667,200	1,918,800	1,918,800	0	1,918,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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. Also, this program 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	52	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	57	57	0	57
Payroll	3,508,200	3,786,900	3,857,400	0	3,857,400
Operational	4,218,400	11,023,100	4,698,100	0	4,698,100
Total	\$7,726,600	\$14,810,000	\$8,555,500	\$0	\$8,555,500
State	7,726,600	14,810,000	8,555,500	0	8,555,500
Federal	0	0	0	0	0
Other	0	0	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	71	74	69	0	69
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	71	74	69	0	69
Payroll	4,037,700	3,885,800	4,015,400	0	4,015,400
Operational	638,200	603,300	603,300	0	603,300
Total	\$4,675,900	\$4,489,100	\$4,618,700	\$0	\$4,618,700
State	4,675,900	4,489,100	4,618,700	0	4,618,700
Federal	0	0	0	0	0
Other	0	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 sex offense. The program also provides funding for therapy required as 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	0	0	0	0	0
Operational	534,600	503,600	503,600	0	503,600
Total	\$534,600	\$503,600	\$503,600	\$0	\$503,600
State	443,600	443,600	443,600	0	443,600
Federal	0	0	0	0	0
Other	91,000	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	1,007	999	1,001	0	1,001
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,007	999	1,001	0	1,001
Payroll	48,052,500	53,076,500	53,185,800	0	53,185,800
Operational	15,295,800	15,480,500	15,998,200	0	15,998,200
Total	\$63,348,300	\$68,557,000	\$69,184,000	\$0	\$69,184,000
State	63,298,500	66,587,500	66,574,000	0	66,574,000
Federal	0	0	0	0	0
Other	49,800	1,969,500	2,610,000	0	2,610,000

329.52 Community Corrections

The Community Corrections program provides grants to locally-operated programs, which 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	13,545,700	14,145,500	14,145,500	0	14,145,500
Total	\$13,545,700	\$14,145,500	\$14,145,500	\$0	\$14,145,500
State	13,541,900	14,145,500	14,145,500	0	14,145,500
Federal	0	0	0	0	0
Other	3,800	0	0	0	0

	<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	17,940,200	17,940,200	0	17,940,200
Total	\$0	\$17,940,200	\$17,940,200	\$0	\$17,940,200
State	0	17,932,700	17,932,700	0	17,932,700
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 death-row and maximum-security to minimum-security and work-release. 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	246	245	247	0	247
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	246	245	247	0	247
Payroll	11,339,800	12,739,400	12,830,200	0	12,830,200
Operational	14,086,900	12,435,200	11,876,000	0	11,876,000
Total	\$25,426,700	\$25,174,600	\$24,706,200	\$0	\$24,706,200

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	24,732,400	24,331,500	23,863,100	0	23,863,100
Federal	0	0	0	0	0
Other	694,300	843,100	843,100	0	843,100

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 emphasis on prison industry. It has a security classification range from minimum to close. Inmates are assigned to industry, academic, farming, or vocational programs, as well as support services inside the main compound.

Full-Time	440	438	458	0	458
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	440	438	458	0	458
Payroll	19,735,500	22,354,100	23,219,500	0	23,219,500
Operational	17,999,900	16,976,200	15,661,900	1,826,300	17,488,200
Total	\$37,735,400	\$39,330,300	\$38,881,400	\$1,826,300	\$40,707,700
State	36,358,700	38,003,300	37,554,400	1,826,300	39,380,700
Federal	0	0	0	0	0
Other	1,376,700	1,327,000	1,327,000	0	1,327,000

329.16 Mark Luttrell Correctional Facility

Mark Luttrell Correctional Facility, 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 been converted to an all-female unit with a close security designation.

Full-Time	186	186	184	0	184
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	186	186	184	0	184
Payroll	8,596,100	9,580,000	9,497,900	0	9,497,900
Operational	6,626,400	6,382,300	6,265,900	0	6,265,900
Total	\$15,222,500	\$15,962,300	\$15,763,800	\$0	\$15,763,800
State	14,800,600	15,420,300	15,221,800	0	15,221,800
Federal	0	0	0	0	0
Other	421,900	542,000	542,000	0	542,000

329.17 Charles B. Bass Correctional Complex

Charles B. Bass Correctional Complex, in Davidson County, is a time-building facility for male felons with inmates in custody levels ranging from minimum-trustee to close security. The facility provides educational classes and a therapeutic community program. Inmates are assigned to community work crews or provide support services inside the prison.

Full-Time	340	324	288	0	288
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	340	324	288	0	288

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	13,908,700	16,311,300	14,846,000	0	14,846,000
Operational	8,906,600	14,597,200	13,542,700	0	13,542,700
Total	\$22,815,300	\$30,908,500	\$28,388,700	\$0	\$28,388,700
State	22,023,800	29,776,700	27,256,900	0	27,256,900
Federal	0	0	0	0	0
Other	791,500	1,131,800	1,131,800	0	1,131,800

329.18 Bledsoe County Correctional Complex

Bledsoe County Correctional Complex is 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	776	770	770	0	770
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	776	770	770	0	770
Payroll	27,514,600	38,701,500	38,701,500	0	38,701,500
Operational	17,622,000	39,311,200	38,070,400	0	38,070,400
Total	\$45,136,600	\$78,012,700	\$76,771,900	\$0	\$76,771,900
State	43,666,600	75,791,900	74,551,100	0	74,551,100
Federal	0	0	0	0	0
Other	1,470,000	2,220,800	2,220,800	0	2,220,800

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 house all custody levels and provides educational and vocational programs.

Full-Time	746	740	735	0	735
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	746	740	735	0	735
Payroll	32,236,100	37,167,500	36,849,900	0	36,849,900
Operational	24,397,000	25,258,800	23,252,900	0	23,252,900
Total	\$56,633,100	\$62,426,300	\$60,102,800	\$0	\$60,102,800
State	55,485,800	61,106,100	58,782,600	0	58,782,600
Federal	0	0	0	0	0
Other	1,147,300	1,320,200	1,320,200	0	1,320,200

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	317	316	325	0	325
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	317	316	325	0	325

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	15,583,400	17,013,800	17,369,800	0	17,369,800
Operational	10,648,800	10,804,300	10,327,400	0	10,327,400
Total	\$26,232,200	\$27,818,100	\$27,697,200	\$0	\$27,697,200
State	25,861,400	27,391,200	27,270,300	0	27,270,300
Federal	0	0	0	0	0
Other	370,800	426,900	426,900	0	426,900

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	522	522	522	0	522
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	522	522	522	0	522
Payroll	24,430,400	26,184,800	26,184,800	0	26,184,800
Operational	17,199,600	19,166,000	17,813,200	0	17,813,200
Total	\$41,630,000	\$45,350,800	\$43,998,000	\$0	\$43,998,000
State	40,002,200	44,034,300	42,681,500	0	42,681,500
Federal	0	0	0	0	0
Other	1,627,800	1,316,500	1,316,500	0	1,316,500

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	676	664	0	664
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	676	676	664	0	664
Payroll	30,830,300	34,696,500	34,096,000	0	34,096,000
Operational	22,550,100	21,781,000	20,512,400	0	20,512,400
Total	\$53,380,400	\$56,477,500	\$54,608,400	\$0	\$54,608,400
State	51,830,300	54,745,100	52,876,000	0	52,876,000
Federal	0	0	0	0	0
Other	1,550,100	1,732,400	1,732,400	0	1,732,400

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	749	738	733	0	733
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	749	738	733	0	733

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	34,740,100	38,177,800	37,060,300	0	37,060,300
Operational	27,290,300	32,023,900	29,275,200	0	29,275,200
Total	\$62,030,400	\$70,201,700	\$66,335,500	\$0	\$66,335,500
State	60,837,800	68,547,300	64,681,100	0	64,681,100
Federal	0	0	0	0	0
Other	1,192,600	1,654,400	1,654,400	0	1,654,400

Special Purpose Facilities

329.46 Lois M. DeBerry Special Needs Facility

The Lois M. DeBerry Special Needs Facility, in Davidson County, provides quality health care, intensive mental health care, and a geriatric unit. The facility has a maximum-security designation.

Full-Time	457	455	461	0	461
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	457	455	461	0	461
Payroll	26,237,400	27,473,100	27,724,000	0	27,724,000
Operational	23,372,600	15,492,800	14,854,800	0	14,854,800
Total	\$49,610,000	\$42,965,900	\$42,578,800	\$0	\$42,578,800
State	49,193,500	42,568,500	42,181,400	0	42,181,400
Federal	0	0	0	0	0
Other	416,500	397,400	397,400	0	397,400

Contract Management Facilities

The state prison system has three prisons operated under contracts: Hardeman County Correctional Facility, Hardeman County Correctional Facility – Whiteville, 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	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	108,900	144,300	162,000	0	162,000
Operational	38,461,500	39,717,800	39,270,200	484,400	39,754,600
Total	\$38,570,400	\$39,862,100	\$39,432,200	\$484,400	\$39,916,600
State	38,560,000	39,843,200	39,413,300	484,400	39,897,700
Federal	0	0	0	0	0
Other	10,400	18,900	18,900	0	18,900

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	142,600	149,400	149,800	0	149,800
Operational	30,339,400	31,997,800	31,657,000	761,500	32,418,500
Total	\$30,482,000	\$32,147,200	\$31,806,800	\$761,500	\$32,568,300
State	30,473,800	32,128,500	31,788,100	761,500	32,549,600
Federal	0	0	0	0	0
Other	8,200	18,700	18,700	0	18,700

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	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	146,000	158,700	159,200	0	159,200
Operational	27,101,700	28,535,000	28,163,200	857,000	29,020,200
Total	\$27,247,700	\$28,693,700	\$28,322,400	\$857,000	\$29,179,400
State	27,237,000	28,675,000	28,303,700	857,000	29,160,700
Federal	0	0	0	0	0
Other	10,700	18,700	18,700	0	18,700

329.00 Total Correction

Full-Time	6,878	6,867	6,842	0	6,842
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	6,879	6,867	6,842	0	6,842
Payroll	319,752,200	363,405,100	361,963,200	0	361,963,200
Operational	515,586,800	585,144,000	561,478,300	6,354,800	567,833,100
Total	\$835,339,000	\$948,549,100	\$923,441,500	\$6,354,800	\$929,796,300
State	819,278,700	928,958,300	903,623,500	6,354,800	909,978,300
Federal	505,000	460,300	353,300	0	353,300
Other	15,555,300	19,130,500	19,464,700	0	19,464,700

Statistical Data Correctional Institutions

	TPW 329.13	TCIC 329.14	MLCF 329.16	CBCC 329.17	BCCX 329.18
Annual Admissions					
2007-2008	668	1,046	242	2,079	394
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	608	1,100	150	3,300	2,987
2014-2015	608	1,100	150	3,300	3,202
Annual Releases					
2007-2008	458	1,046	204	2,463	399
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	454	1,075	125	3,300	1,656
2014-2015	454	1,075	125	3,300	3,101
Average Daily Census					
2007-2008	731	1,601	403	1,014	938
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	805	1,572	440	1,110	2,521
2014-2015	805	1,772	440	1,060	2,521
Cost Per Occupancy Day (Total Expenditures)*					
2007-2008	\$79.06	\$63.55	\$86.98	\$78.61	\$67.95
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	\$88.31	\$70.61	\$107.19	\$129.48	\$196.27
2013-2014	\$84.08	\$70.95	\$98.16	\$70.07	\$83.43
2104-2015	\$84.08	\$62.94	\$98.16	\$73.37	\$83.43

TPW: Tennessee Prison for Women
 TCIC: Turney Center Industrial Complex
 MLCF: Mark Luttrell Correctional Facility

CBCC: Charles B. Bass Correctional Complex
 BCCX: Bledsoe County Correctional Complex

*FY 2007-2008 to 2012-2013 are actual expenditures from all sources; 2013-14 to 2014-15 are estimates.

Statistical Data Correctional Institutions

	WTSP 329.41	RMSI 329.42	NECC 329.43	NWCC 329.45	MCCC 329.47
Annual Admissions					
2007-2008	3,307	363	679	1,059	1,200
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	2,600	310	925	1,105	3,000
2014-2015	2,600	310	925	1,105	3,000
Annual Releases					
2007-2008	3,361	356	439	1,067	1,200
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	2,600	310	925	1,105	3,000
2014-2015	2,600	310	925	1,105	3,000
Average Daily Census					
2007-2008	2,444	702	1,780	2,294	971
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	2,582	736	1,856	2,425	2,441
2014-2015	2,582	736	1,856	2,425	2,291
Cost Per Occupancy Day (Total Expenditures)*					
2007-2008	\$58.36	\$94.81	\$61.59	\$58.20	\$78.03
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	\$69.67	\$111.59	\$69.80	\$66.07	\$81.50
2013-2014	\$63.77	\$103.10	\$64.95	\$61.70	\$74.45
2014-2015	\$63.77	\$103.10	\$64.95	\$61.70	\$79.33

WTSP: West Tennessee State Penitentiary
RMSI: Riverbend Maximum Security Institution
NECC: Northeast Correctional Complex

NWCC: Northwest Correctional Complex
MCCC: Morgan County Correctional Complex

*FY 2007-2008 to 2012-2013 are actual expenditures from all sources; 2013-14 to 2014-15 are estimates.

Statistical Data Correctional Institutions

	DSNF <u>329.46</u>	HCCF <u>329.21</u>	HCCF-W <u>329.22</u>	SCCC <u>329.44</u>	Total**
Annual Admissions					
2007-2008	431	875	755	725	11,069
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	1,800	900	800	730	11,300
2014-2015	1,800	900	800	730	11,300
Annual Releases					
2007-2008	435	879	750	720	11,062
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	1,800	900	800	730	11,400
2014-2015	1,800	900	800	730	11,300
Average Daily Census					
2007-2008	711	1,962	1,485	1,626	19,191
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	800	2,016	1,536	1,676	22,516
2014-2015	800	2,016	1,536	1,676	22,516
Cost Per Occupancy Day (Total Expenditures)*					
2007-2008	\$151.62	\$48.20	\$49.80	\$41.29	\$65.30
2008-2009	\$151.15	\$49.52	\$51.16	\$42.26	\$66.18
2009-2010	\$163.78	\$50.86	\$52.34	\$43.05	\$64.81
2010-2011	\$179.06	\$51.92	\$53.21	\$43.74	\$66.20
2011-2012	\$185.45	\$52.91	\$54.28	\$43.36	\$68.45
2012-2013	\$165.10	\$55.44	\$58.72	\$48.11	\$81.98
2013-2014	\$145.82	\$54.25	\$58.09	\$47.70	\$70.98
2014-2015	\$145.82	\$54.25	\$58.09	\$47.70	\$70.98

DSNF: Lois DeBerry Special Needs Facility
HCCF-W: Hardeman Co. Correctional Facility - Whiteville

HCCF: Hardeman Co. Correctional Facility
SCCC: South Central Correctional Center

*FY 2007-2008 to 2012-2013 are actual expenditures from all sources; 2013-14 to 2014-15 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	42	42	0	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	42	42	0	42
Payroll	2,628,800	2,976,500	3,032,000	0	3,032,000
Operational	677,400	537,800	506,700	0	506,700
Total	\$3,306,200	\$3,514,300	\$3,538,700	\$0	\$3,538,700
State	3,143,300	2,626,500	2,650,900	0	2,650,900
Federal	0	884,800	884,800	0	884,800
Other	162,900	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	64	64	0	64
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	68	68	68	0	68
Payroll	3,744,000	5,547,500	5,492,000	0	5,492,000
Operational	2,313,600	1,345,400	1,345,400	0	1,345,400
Total	\$6,057,600	\$6,892,900	\$6,837,400	\$0	\$6,837,400

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	854,300	1,301,000	1,245,500	0	1,245,500
Federal	5,203,300	4,922,000	4,922,000	0	4,922,000
Other	0	669,900	669,900	0	669,900

341.03 Air National Guard

The Air National Guard operates three air bases located in Nashville, Knoxville, and Memphis, and one unit in Chattanooga. The mission is to provide 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 providing a safe and healthy work environment.

Full-Time	175	175	171	0	171
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	175	175	171	0	171
Payroll	7,232,500	9,009,000	8,881,700	0	8,881,700
Operational	6,182,600	4,622,700	4,157,200	0	4,157,200
Total	\$13,415,100	\$13,631,700	\$13,038,900	\$0	\$13,038,900
State	2,614,400	2,814,900	2,334,100	0	2,334,100
Federal	10,735,200	10,700,100	10,700,100	0	10,700,100
Other	65,500	116,700	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	4,872,300	7,244,400	7,115,500	0	7,115,500
Total	\$4,872,300	\$7,244,400	\$7,115,500	\$0	\$7,115,500
State	599,800	588,200	459,300	0	459,300
Federal	4,263,500	6,311,600	6,311,600	0	6,311,600
Other	9,000	344,600	344,600	0	344,600

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	0	0	0	0	0
Operational	4,963,300	6,222,100	5,896,600	0	5,896,600
Total	\$4,963,300	\$6,222,100	\$5,896,600	\$0	\$5,896,600
State	1,400,900	1,959,100	1,633,600	0	1,633,600
Federal	3,562,400	4,148,700	4,148,700	0	4,148,700
Other	0	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	250,000	250,000	0	250,000
Total	\$0	\$250,000	\$250,000	\$0	\$250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
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 planning and management of emergency operations of the state, and for training of and assistance to local governments during man-made or natural disasters.

Full-Time	107	107	107	0	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	107	107	107	0	107
Payroll	6,098,200	7,674,200	7,674,200	0	7,674,200
Operational	6,287,200	5,761,000	5,730,000	0	5,730,000
Total	\$12,385,400	\$13,435,200	\$13,404,200	\$0	\$13,404,200
State	2,382,800	3,390,400	3,359,400	0	3,359,400
Federal	9,879,500	9,115,700	9,115,700	0	9,115,700
Other	123,100	929,100	929,100	0	929,100

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	5	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	4	4	0	4
Payroll	252,000	269,100	285,800	0	285,800
Operational	22,820,100	31,120,400	31,103,700	0	31,103,700
Total	\$23,072,100	\$31,389,500	\$31,389,500	\$0	\$31,389,500
State	0	0	0	0	0
Federal	23,072,100	31,389,500	31,389,500	0	31,389,500
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	505,100	0	0	0	0
Operational	33,380,300	14,000,000	14,000,000	0	14,000,000
Total	\$33,885,400	\$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	29,407,800	10,000,000	10,000,000	0	10,000,000
Other	477,600	0	0	0	0

341.00 Total Military

Full-Time	393	392	388	0	388
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	397	396	392	0	392
Payroll	20,460,600	25,476,300	25,365,700	0	25,365,700
Operational	81,496,800	71,103,800	70,105,100	0	70,105,100
Total	\$101,957,400	\$96,580,100	\$95,470,800	\$0	\$95,470,800
State	14,995,500	16,680,100	15,682,800	0	15,682,800
Federal	86,123,800	77,472,400	77,472,400	0	77,472,400
Other	838,100	2,427,600	2,315,600	0	2,315,600

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 and Training. 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, on-line training, and internship programs.

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
348.00 Tennessee Bureau of Investigation					
Full-Time	511	517	517	0	517
Part-Time	2	0	0	0	0
Seasonal	0	0	0	0	0
Total	513	517	517	0	517
Payroll	38,027,500	42,103,500	42,103,500	0	42,103,500
Operational	34,053,600	32,320,820	29,966,900	0	29,966,900
Total	\$72,081,100	\$74,424,320	\$72,070,400	\$0	\$72,070,400
State	37,185,100	44,000,220	42,296,300	0	42,296,300
Federal	13,390,600	15,040,500	15,040,500	0	15,040,500
Other	21,505,400	15,383,600	14,733,600	0	14,733,600

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 also is 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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 and automobile anti-theft laws, and driver improvement hearings.

Full-Time	93	96	97	0	97
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	93	96	97	0	97
Payroll	6,037,700	6,818,200	6,867,400	0	6,867,400
Operational	2,955,300	2,684,200	2,684,200	0	2,684,200
Total	\$8,993,000	\$9,502,400	\$9,551,600	\$0	\$9,551,600
State	8,382,900	8,956,400	9,005,600	0	9,005,600
Federal	100	0	0	0	0
Other	610,000	546,000	546,000	0	546,000

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	10,818,700	11,568,100	11,568,100	0	11,568,100
Total	\$10,818,700	\$11,568,100	\$11,568,100	\$0	\$11,568,100

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	10,818,700	11,568,100	11,568,100	0	11,568,100
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	6,300	10,000	10,000	0	10,000
Total	\$6,300	\$10,000	\$10,000	\$0	\$10,000
State	6,300	10,000	10,000	0	10,000
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	86	85	88	0	88
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	86	85	88	0	88
Payroll	4,249,600	5,250,100	5,435,500	0	5,435,500
Operational	2,588,700	2,819,200	2,211,500	0	2,211,500
Total	\$6,838,300	\$8,069,300	\$7,647,000	\$0	\$7,647,000
State	717,200	1,165,100	885,800	0	885,800
Federal	139,400	165,000	165,000	0	165,000
Other	5,981,700	6,739,200	6,596,200	0	6,596,200

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time	462	482	447	0	447
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	485	505	470	0	470
Payroll	17,395,900	22,757,000	21,411,600	0	21,411,600
Operational	28,664,800	25,029,700	25,121,600	0	25,121,600
Total	\$46,060,700	\$47,786,700	\$46,533,200	\$0	\$46,533,200
State	6,600,200	13,180,600	11,542,500	0	11,542,500
Federal	2,074,100	2,246,400	2,111,000	0	2,111,000
Other	37,386,400	32,359,700	32,879,700	0	32,879,700

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	1,074	1,075	1,067	0	1,067
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,074	1,075	1,067	0	1,067
Payroll	78,256,300	90,006,300	89,140,800	1,413,200	90,554,000
Operational	18,452,200	18,709,600	16,928,000	3,000,000	19,928,000
Total	\$96,708,500	\$108,715,900	\$106,068,800	\$4,413,200	\$110,482,000
State	83,188,500	95,555,600	93,139,600	4,413,200	97,552,800
Federal	7,327,800	6,435,900	6,435,900	0	6,435,900
Other	6,192,200	6,724,400	6,493,300	0	6,493,300

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	0	0	0	0	0
Operational	18,500	350,000	350,000	0	350,000
Total	\$18,500	\$350,000	\$350,000	\$0	\$350,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	18,500	350,000	350,000	0	350,000

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	1,872,600	1,947,700	1,578,100	0	1,578,100
Operational	2,063,700	3,567,400	3,567,400	0	3,567,400
Total	\$3,936,300	\$5,515,100	\$5,145,500	\$0	\$5,145,500
State	1,359,400	1,853,800	1,853,800	0	1,853,800
Federal	0	0	0	0	0
Other	2,576,900	3,661,300	3,291,700	0	3,291,700

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	94,500	129,900	129,900	0	129,900
Operational	374,600	390,200	390,200	0	390,200
Total	\$469,100	\$520,100	\$520,100	\$0	\$520,100
State	469,100	520,100	520,100	0	520,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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.

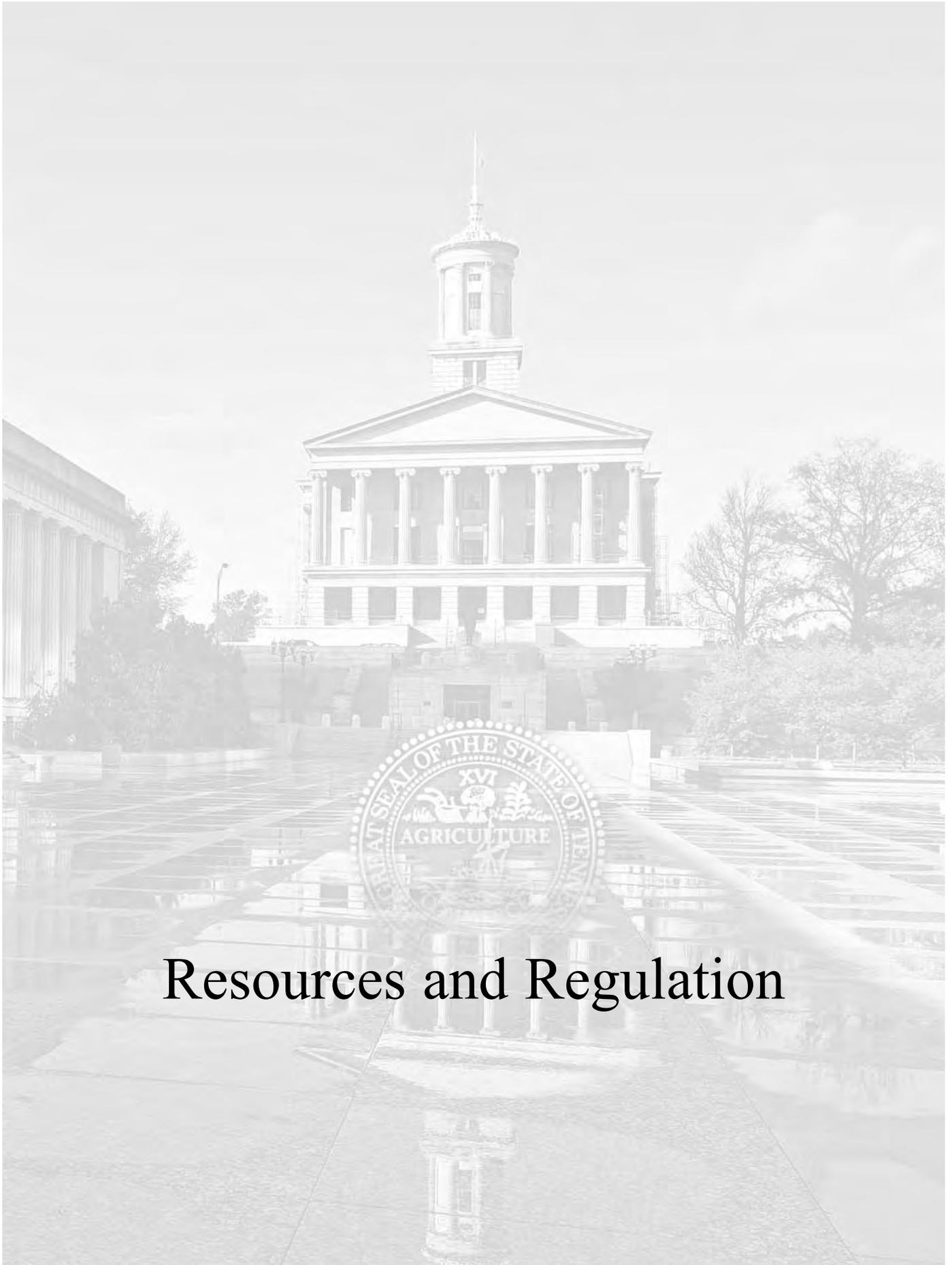
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	152,500	181,500	181,500	1,100	182,600
Operational	55,200	98,500	98,500	0	98,500
Total	\$207,700	\$280,000	\$280,000	\$1,100	\$281,100
State	207,700	280,000	280,000	1,100	281,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

349.00 Total Safety

Full-Time	1,745	1,768	1,729	0	1,729
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	1,768	1,791	1,752	0	1,752
Payroll	108,059,100	127,090,700	124,744,800	1,414,300	126,159,100
Operational	65,998,000	65,226,900	62,929,500	3,000,000	65,929,500
Total	\$174,057,100	\$192,317,600	\$187,674,300	\$4,414,300	\$192,088,600
State	111,750,000	133,089,700	128,805,500	4,414,300	133,219,800
Federal	9,541,400	8,847,300	8,711,900	0	8,711,900
Other	52,765,700	50,380,600	50,156,900	0	50,156,900

**Law, Safety, and Correction
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Most Recent</u>	<u>Target</u>
Department of Correction				
By June 30, 2014, reduce significant incidents, repeat offenders, and threats to the community by five percent.				
	Number of probation/parole violator returns each month.	Monthly	413	447
	Number of offender escapes.	Monthly	0	0
By June 30, 2014, improve and increase offender programming by five percent to enhance offender success after prison.				
	Number of qualified offenders receiving programming each month.	Monthly	7,282	7,149
Military Department				
Support the Public Safety Action Plan by ensuring Emergency Management Operational Readiness levels.				
	Percent of Basic Emergency Operations Plans updated annually.	Fiscal Year	Not yet available	100%
	Percent of personnel trained to maintain readiness.	Fiscal Year	Not yet available	100%
Maintain 99.9 percent interoperability with all 95 counties as related to emergency notifications and alerts.				
	Percent of counties interoperable.	Monthly	90.00%	99.90%
Department of Safety				
Reduce the traffic fatality rate to less than the national average by December 2017.				
	Number of traffic fatalities.	Monthly	903	785
Decrease the average wait time in Driver Services Centers to no more than 30 minutes by December 2013, and no more than 24 minutes by June 2016.				
	Average wait time (minutes; YTD).	Monthly	33.82	30



Resources and Regulation



Resources and Regulation

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Resources and Regulation

Recommended Budget, Fiscal Year 2014 – 2015

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Recommended 2014-2015</u>
Personnel			
Full Time	5,329	5,256	5,030
Part Time	977	940	926
Seasonal	297	297	297
TOTAL	6,603	6,493	6,253
Expenditures			
Payroll	\$ 304,214,400	\$ 360,240,300	\$ 352,996,600
Operational	439,280,900	560,917,900	530,645,500
TOTAL	\$ 743,495,300	\$ 921,158,200	\$ 883,642,100
Funding			
State	\$ 367,636,800	\$ 438,718,100	\$ 427,060,500
Federal	219,368,800	280,396,400	260,169,000
Other	156,489,700	202,043,700	196,412,600

Resources and Regulation
Recommended Budget for Fiscal Year 2014-2015
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	6,468,700	989,900	537,800	7,996,400
316.27 State Museum	3,823,100	0	5,000	3,828,100
327.00 Environment and Conservation	185,791,900	63,792,900	112,903,700	362,488,500
328.00 Tennessee Wildlife Resources Agency	57,507,700	25,976,200	9,847,300	93,331,200
335.00 Commerce and Insurance	108,891,000	295,300	68,560,500	177,746,800
336.00 Financial Institutions	19,006,800	0	2,400	19,009,200
337.00 Labor and Workforce Development	45,571,300	169,114,700	4,555,900	219,241,900
Total	\$427,060,500	\$260,169,000	\$196,412,600	\$883,642,100

Resources and Regulation
Cost Increases for Fiscal Year 2014-2015

	<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					
• Collections Software Upgrade and Program Operations					
To provide funding for the upgrade and maintenance of the collection's software program and support outreach efforts and programs that provide educational and cultural enrichment to the citizens of the state.					
316.27 State Museum	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
Total State Museum	\$100,000	\$0	\$0	\$100,000	0
Environment and Conservation					
• Additional funding for State Parks					
To provide funding to offset increased operational costs across the system.					
327.12 Tennessee State Parks	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0
• Cumberland Trail - Additional Positions					
To provide funding for two positions to help manage the continuing growth of visitation to the Cumberland Trail. Visitations have increased from approximately 15,000 in Fiscal Year 2011 to more than 150,000 in Fiscal Year 2013.					
327.12 Tennessee State Parks	\$150,000	\$0	\$0	\$150,000	2
Sub-total	\$150,000	\$0	\$0	\$150,000	2
• Rocky Fork State Park - Start-up Funding					
To provide funding for start-up staff and equipment for Rocky Fork State Park.					
327.12 Tennessee State Parks	\$200,000	\$0	\$0	\$200,000	2
Sub-total	\$200,000	\$0	\$0	\$200,000	2

**Resources and Regulation
Cost Increases for Fiscal Year 2014-2015**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Seven Islands State Birding Park - Start-up Funding					
To provide funding for start-up staff and equipment for Seven Islands State Birding Park.					
327.12 Tennessee State Parks	\$175,000	\$0	\$0	\$175,000	2
Sub-total	\$175,000	\$0	\$0	\$175,000	2
• Stax Museum					
To provide funding for the Stax Museum.					
327.04 Historical Commission	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
• Alex Haley House					
To provide funding for the Alex Haley House.					
327.04 Historical Commission	\$50,000	\$0	\$0	\$50,000	0
Sub-total	\$50,000	\$0	\$0	\$50,000	0
Total Environment and Conservation	\$3,175,000	\$0	\$0	\$3,175,000	6

Tennessee Wildlife Resources Agency

• Salary Survey					
To provide funding for a salary increase for the annual salary survey for the agency's officers, biologists, and other unique positions.					
328.01 Wildlife Resources Agency	\$279,600	\$0	\$0	\$279,600	0
328.02 Boating Safety	\$40,000	\$0	\$0	\$40,000	0
Sub-total	\$319,600	\$0	\$0	\$319,600	0
• Statutory Step Raises					
To provide funds for salary step increases for the agency's officers, biologists, and other unique positions, as authorized by TCA 70-1-309.					
328.01 Wildlife Resources Agency	\$371,200	\$0	\$0	\$371,200	0
328.02 Boating Safety	\$53,000	\$0	\$0	\$53,000	0
Sub-total	\$424,200	\$0	\$0	\$424,200	0
Total Tennessee Wildlife Resources Agency	\$743,800	\$0	\$0	\$743,800	0

Resources and Regulation
Cost Increases for Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commerce and Insurance					
• Next Generation 911 System					
To continue the state's investment in the modernization of Tennessee's E-911 system. Funds will be used to upgrade the state's E-911 system infrastructure from analog to digital to take advantage of widespread improvements in telecommunications technology. The Next Generation 911 (NG911) system will enhance inter-operability and increase the ease of communication between the state's 100 emergency communication districts, allowing immediate transfer of 911 calls, maps, photos, caller information, and other data. Funding is from dedicated fees, with \$12,500,000 non-recurring from the E-911 reserve.					
335.08 911 Emergency Communications Fund	\$2,500,000	\$0	\$12,500,000	\$15,000,000	0
Sub-total	<u>\$2,500,000</u>	<u>\$0</u>	<u>\$12,500,000</u>	<u>\$15,000,000</u>	<u>0</u>
• Regulatory Board Payment Processing Staff					
To provide funding for two additional administrative positions. The positions will handle mail and process payments for the Regulatory Boards. This dedicated appropriation increase is offset by a recurring base reduction.					
335.10 Regulatory Boards	\$102,800	\$0	\$0	\$102,800	2
Sub-total	<u>\$102,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$102,800</u>	<u>2</u>
• 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	\$12,800	\$0	\$0	\$12,800	0
Sub-total	<u>\$12,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,800</u>	<u>0</u>
• Salary Survey					
To provide funding for the salary increase for the annual border-states commissioned officer salary survey results.					
335.11 Tennessee Law Enforcement Training Academy	\$9,200	\$0	\$0	\$9,200	0
Sub-total	<u>\$9,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,200</u>	<u>0</u>
• Police Pay Supplements					
To provide funding for police pay supplement programs [TCA 38-8-111(a)]. Local police officers are eligible for the annual \$600 pay supplement upon successful completion of at least 40 hours of in-service training.					
335.12 POST Commission	\$338,400	\$0	\$0	\$338,400	0
Sub-total	<u>\$338,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$338,400</u>	<u>0</u>

**Resources and Regulation
Cost Increases for Fiscal Year 2014-2015**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Administration Legislation - Real Estate Appraisers Fingerprinting Initiative					
To provide funds to the Real Estate Appraisers Commission within Regulatory Boards to collect fingerprints from all real estate appraiser applicants.					
335.10 Regulatory Boards	\$50,500	\$0	\$0	\$50,500	1
Sub-total	\$50,500	\$0	\$0	\$50,500	1
Total Commerce and Insurance	\$3,013,700	\$0	\$12,500,000	\$15,513,700	3
Labor and Workforce Development					
• Workers' Compensation					
Administration legislation to provide workers' compensation for employees working for employers without insurance.					
337.03 Workers' Compensation	\$97,000	\$0	\$0	\$97,000	0
Sub-total	\$97,000	\$0	\$0	\$97,000	0
Total Labor and Workforce Development	\$97,000	\$0	\$0	\$97,000	0
Total Resources and Regulation	\$7,129,500	\$0	\$12,800,000	\$19,929,500	9

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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	1,239,700	1,525,600	1,525,600	0	1,525,600
Operational	7,181,100	6,470,800	6,170,800	300,000	6,470,800
Total	\$8,420,800	\$7,996,400	\$7,696,400	\$300,000	\$7,996,400
State	7,098,100	6,468,700	6,468,700	0	6,468,700
Federal	1,007,200	989,900	989,900	0	989,900
Other	315,500	537,800	237,800	300,000	537,800

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
316.27 State Museum					
Full-Time	43	43	42	0	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	43	42	0	42
Payroll	2,297,800	2,471,600	2,472,000	0	2,472,000
Operational	1,562,100	1,448,100	1,256,100	100,000	1,356,100
Total	\$3,859,900	\$3,919,700	\$3,728,100	\$100,000	\$3,828,100
State	3,664,600	3,817,700	3,723,100	100,000	3,823,100
Federal	129,900	97,000	0	0	0
Other	65,400	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	211	216	219	0	219
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	211	216	219	0	219
Payroll	14,464,700	16,283,700	16,445,800	0	16,445,800
Operational	3,572,700	3,248,200	3,220,100	0	3,220,100
Total	\$18,037,400	\$19,531,900	\$19,665,900	\$0	\$19,665,900
State	6,149,900	6,876,200	6,861,400	0	6,861,400
Federal	2,908,300	2,680,200	2,680,200	0	2,680,200
Other	8,979,200	9,975,500	10,124,300	0	10,124,300

327.52 Office of Energy Programs

The Energy Division 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	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	582,900	865,400	865,400	0	865,400
Operational	4,038,600	5,957,300	3,253,900	0	3,253,900
Total	\$4,621,500	\$6,822,700	\$4,119,300	\$0	\$4,119,300
State	1,272,800	34,800	34,800	0	34,800
Federal	3,348,700	3,133,200	450,000	0	450,000
Other	0	3,654,700	3,634,500	0	3,634,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	0	5,200,000	5,200,000	0	5,200,000
Total	\$0	\$5,200,000	\$5,200,000	\$0	\$5,200,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	5,200,000	5,200,000	0	5,200,000

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	752,500	959,900	959,900	0	959,900
Operational	1,784,600	4,341,200	4,339,500	0	4,339,500
Total	\$2,537,100	\$5,301,100	\$5,299,400	\$0	\$5,299,400
State	631,800	825,300	823,600	0	823,600
Federal	1,642,900	2,291,300	2,291,300	0	2,291,300
Other	262,400	2,184,500	2,184,500	0	2,184,500

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	906,500	990,000	990,000	0	990,000
Operational	2,475,700	2,510,300	1,860,300	150,000	2,010,300
Total	\$3,382,200	\$3,500,300	\$2,850,300	\$150,000	\$3,000,300
State	2,180,300	2,920,700	2,270,700	150,000	2,420,700
Federal	1,198,300	529,600	529,600	0	529,600
Other	3,600	50,000	50,000	0	50,000

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	348,500	315,000	315,000	0	315,000
Total	\$348,500	\$315,000	\$315,000	\$0	\$315,000
State	285,000	315,000	315,000	0	315,000
Federal	0	0	0	0	0
Other	63,500	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	627,600	712,700	712,700	0	712,700
Operational	130,700	158,000	158,000	0	158,000
Total	\$758,300	\$870,700	\$870,700	\$0	\$870,700
State	678,200	810,200	810,200	0	810,200
Federal	0	0	0	0	0
Other	80,100	60,500	60,500	0	60,500

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	976	975	975	6	981
Part-Time	241	241	241	0	241
Seasonal	297	297	297	0	297
Total	1,514	1,513	1,513	6	1,519
Payroll	47,587,800	51,789,900	51,789,900	347,200	52,137,100
Operational	32,042,500	32,864,400	30,359,000	2,677,800	33,036,800
Total	\$79,630,300	\$84,654,300	\$82,148,900	\$3,025,000	\$85,173,900
State	42,577,700	47,572,700	45,067,300	3,025,000	48,092,300
Federal	241,200	121,000	121,000	0	121,000
Other	36,811,400	36,960,600	36,960,600	0	36,960,600

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	0	0	0	0	0
Operational	2,112,200	2,693,700	2,693,700	0	2,693,700
Total	\$2,112,200	\$2,693,700	\$2,693,700	\$0	\$2,693,700
State	2,051,900	2,214,100	2,214,100	0	2,214,100
Federal	0	0	0	0	0
Other	60,300	479,600	479,600	0	479,600

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	2,361,900	3,718,700	3,718,700	0	3,718,700
Total	\$2,361,900	\$3,718,700	\$3,718,700	\$0	\$3,718,700
State	2,347,100	3,718,700	3,718,700	0	3,718,700
Federal	0	0	0	0	0
Other	14,800	0	0	0	0

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	3,944,500	3,087,500	3,087,500	0	3,087,500
Total	\$3,944,500	\$3,087,500	\$3,087,500	\$0	\$3,087,500
State	2,378,300	3,087,500	3,087,500	0	3,087,500
Federal	1,538,400	0	0	0	0
Other	27,800	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	101,700	125,000	125,000	0	125,000
Total	\$101,700	\$125,000	\$125,000	\$0	\$125,000
State	101,700	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
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	8,300	42,000	42,000	0	42,000
Federal	0	0	0	0	0
Other	700	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	60	59	58	0	58
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	59	58	0	58
Payroll	3,130,200	3,076,200	3,042,700	0	3,042,700
Operational	609,800	640,600	646,700	0	646,700
Total	\$3,740,000	\$3,716,800	\$3,689,400	\$0	\$3,689,400
State	539,900	464,300	454,800	0	454,800
Federal	7,800	0	0	0	0
Other	3,192,300	3,252,500	3,234,600	0	3,234,600

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.

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	502,400	579,600	579,600	0	579,600
Operational	240,400	142,100	134,900	0	134,900
Total	\$742,800	\$721,700	\$714,500	\$0	\$714,500
State	287,800	133,400	131,600	0	131,600
Federal	140,500	172,800	146,000	0	146,000
Other	314,500	415,500	436,900	0	436,900

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.

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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	84,900	274,700	274,700	0	274,700
Operational	515,700	839,900	839,700	0	839,700
Total	\$600,600	\$1,114,600	\$1,114,400	\$0	\$1,114,400
State	598,300	1,113,600	1,113,400	0	1,113,400
Federal	0	0	0	0	0
Other	2,300	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	911,300	988,400	988,400	0	988,400
Operational	448,800	405,800	405,800	0	405,800
Total	\$1,360,100	\$1,394,200	\$1,394,200	\$0	\$1,394,200
State	1,019,000	987,900	987,900	0	987,900
Federal	0	0	0	0	0
Other	341,100	406,300	406,300	0	406,300

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	2,520,300	1,768,100	580,500	0	580,500
Total	\$2,520,300	\$1,768,100	\$580,500	\$0	\$580,500
State	1,152,800	1,215,500	580,500	0	580,500
Federal	0	0	0	0	0
Other	1,367,500	552,600	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	4	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	3	0	3
Payroll	226,600	493,300	493,300	0	493,300
Operational	727,500	1,404,000	1,401,500	0	1,401,500
Total	\$954,100	\$1,897,300	\$1,894,800	\$0	\$1,894,800
State	893,500	1,897,300	1,894,800	0	1,894,800
Federal	0	0	0	0	0
Other	60,600	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
Payroll	8,460,500	10,365,400	10,365,400	0	10,365,400
Operational	3,556,500	7,766,200	7,756,800	0	7,756,800
Total	\$12,017,000	\$18,131,600	\$18,122,200	\$0	\$18,122,200
State	614,600	1,137,400	1,136,500	0	1,136,500
Federal	1,444,800	1,177,500	1,177,500	0	1,177,500
Other	9,957,600	15,816,700	15,808,200	0	15,808,200

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

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	3,845,000	4,508,200	4,508,200	0	4,508,200
Operational	2,360,900	1,536,600	1,523,000	0	1,523,000
Total	\$6,205,900	\$6,044,800	\$6,031,200	\$0	\$6,031,200
State	192,200	617,500	616,300	0	616,300
Federal	109,700	152,500	152,500	0	152,500
Other	5,904,000	5,274,800	5,262,400	0	5,262,400

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	1,024,400	1,646,400	1,646,400	0	1,646,400
Operational	14,708,900	50,888,900	38,112,600	0	38,112,600
Total	\$15,733,300	\$52,535,300	\$39,759,000	\$0	\$39,759,000
State	7,063,800	6,782,200	5,081,300	0	5,081,300
Federal	8,669,500	45,753,100	34,677,700	0	34,677,700
Other	0	0	0	0	0

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	348	346	307	0	307
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	357	355	316	0	316
Payroll	22,722,200	26,820,900	23,925,300	0	23,925,300
Operational	11,875,100	8,632,800	8,222,000	0	8,222,000
Total	\$34,597,300	\$35,453,700	\$32,147,300	\$0	\$32,147,300
State	14,603,700	13,435,100	13,328,400	0	13,328,400
Federal	6,802,300	5,697,300	5,873,600	0	5,873,600
Other	13,191,300	16,321,300	12,945,300	0	12,945,300

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	8,015,500	9,521,400	9,521,400	0	9,521,400
Operational	2,819,200	3,934,100	3,924,400	0	3,924,400
Total	\$10,834,700	\$13,455,500	\$13,445,800	\$0	\$13,445,800
State	1,161,300	1,873,600	1,871,300	0	1,871,300
Federal	2,128,500	4,377,200	4,377,200	0	4,377,200
Other	7,544,900	7,204,700	7,197,300	0	7,197,300

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.

Full-Time	44	44	42	0	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	44	42	0	42
Payroll	3,032,200	3,460,300	3,378,300	0	3,378,300
Operational	1,005,800	2,906,300	2,906,300	0	2,906,300
Total	\$4,038,000	\$6,366,600	\$6,284,600	\$0	\$6,284,600
State	0	0	0	0	0
Federal	4,003,600	6,266,600	6,184,600	0	6,184,600
Other	34,400	100,000	100,000	0	100,000

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

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	0	0	0	0	0
Operational	32,000	500,000	500,000	0	500,000
Total	\$32,000	\$500,000	\$500,000	\$0	\$500,000
State	28,500	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	3,500	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	59	59	0	59
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	59	59	0	59
Payroll	3,686,400	4,673,200	4,673,200	0	4,673,200
Operational	3,178,600	7,090,800	4,826,800	0	4,826,800
Total	\$6,865,000	\$11,764,000	\$9,500,000	\$0	\$9,500,000
State	1,000,000	1,000,000	1,000,000	0	1,000,000
Federal	1,753,200	1,890,400	1,890,400	0	1,890,400
Other	4,111,800	8,873,600	6,609,600	0	6,609,600

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	84	85	85	0	85
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	84	85	85	0	85
Payroll	5,340,400	6,006,300	6,006,300	0	6,006,300
Operational	19,787,000	19,348,200	19,346,800	0	19,346,800
Total	\$25,127,400	\$25,354,500	\$25,353,100	\$0	\$25,353,100
State	22,006,100	23,381,100	23,379,700	0	23,379,700
Federal	2,704,500	1,973,400	1,973,400	0	1,973,400
Other	416,800	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	1,221,200	1,435,800	1,435,800	0	1,435,800
Operational	7,225,200	9,854,300	9,852,700	0	9,852,700
Total	\$8,446,400	\$11,290,100	\$11,288,500	\$0	\$11,288,500
State	8,329,500	11,290,100	11,288,500	0	11,288,500
Federal	0	0	0	0	0
Other	116,900	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	41,664,600	55,256,200	53,200,200	0	53,200,200
Total	\$41,664,600	\$55,256,200	\$53,200,200	\$0	\$53,200,200
State	41,636,000	53,156,200	53,200,200	0	53,200,200
Federal	0	0	0	0	0
Other	28,600	2,100,000	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

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	341,600	520,700	520,700	0	520,700
Operational	493,300	414,000	414,000	0	414,000
Total	\$834,900	\$934,700	\$934,700	\$0	\$934,700
State	52,100	0	0	0	0
Federal	263,900	221,600	221,600	0	221,600
Other	518,900	713,100	713,100	0	713,100

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	14	11	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	11	12	0	12
Payroll	996,800	1,025,400	1,025,400	0	1,025,400
Operational	181,800	587,300	447,300	0	447,300
Total	\$1,178,600	\$1,612,700	\$1,472,700	\$0	\$1,472,700
State	554,300	681,000	681,400	0	681,400
Federal	181,400	436,700	296,300	0	296,300
Other	442,900	495,000	495,000	0	495,000

327.00 Total Environment and Conservation

Full-Time	2,230	2,229	2,190	6	2,196
Part-Time	278	278	278	0	278
Seasonal	297	297	297	0	297
Total	2,805	2,804	2,765	6	2,771
Payroll	128,463,600	146,997,800	144,148,800	347,200	144,496,000
Operational	166,874,000	239,927,500	215,164,700	2,827,800	217,992,500
Total	\$295,337,600	\$386,925,300	\$359,313,500	\$3,175,000	\$362,488,500
State	162,396,400	188,208,400	182,616,900	3,175,000	185,791,900
Federal	39,087,500	77,624,400	63,792,900	0	63,792,900
Other	93,853,700	121,092,500	112,903,700	0	112,903,700

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, including 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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	629	632	631	0	631
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	639	642	641	0	641
Payroll	40,593,400	44,502,600	44,391,400	650,800	45,042,200
Operational	25,153,600	38,587,800	30,124,100	0	30,124,100
Total	\$65,747,000	\$83,090,400	\$74,515,500	\$650,800	\$75,166,300
State	35,706,600	47,480,700	42,710,500	650,800	43,361,300
Federal	21,969,100	22,932,400	22,007,400	0	22,007,400
Other	8,071,300	12,677,300	9,797,600	0	9,797,600

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	35	39	39	0	39
Part-Time	45	44	44	0	44
Seasonal	0	0	0	0	0
Total	80	83	83	0	83
Payroll	4,567,800	5,835,700	5,835,700	93,000	5,928,700
Operational	5,709,300	9,022,400	5,314,900	0	5,314,900
Total	\$10,277,100	\$14,858,100	\$11,150,600	\$93,000	\$11,243,600
State	5,920,500	10,461,300	7,147,100	93,000	7,240,100
Federal	4,113,100	3,968,800	3,968,800	0	3,968,800
Other	243,500	428,000	34,700	0	34,700

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	5,854,600	10,021,300	6,521,300	0	6,521,300
Total	\$5,854,600	\$10,021,300	\$6,521,300	\$0	\$6,521,300
State	5,740,800	6,506,300	6,506,300	0	6,506,300
Federal	75,000	0	0	0	0
Other	38,800	3,515,000	15,000	0	15,000

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	372,600	400,000	400,000	0	400,000
Total	\$372,600	\$400,000	\$400,000	\$0	\$400,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	371,900	400,000	400,000	0	400,000
Federal	0	0	0	0	0
Other	700	0	0	0	0
328.00 Total Tennessee Wildlife Resources Agency					
Full-Time	664	671	670	0	670
Part-Time	55	54	54	0	54
Seasonal	0	0	0	0	0
Total	719	725	724	0	724
Payroll	45,161,200	50,338,300	50,227,100	743,800	50,970,900
Operational	37,090,100	58,031,500	42,360,300	0	42,360,300
Total	\$82,251,300	\$108,369,800	\$92,587,400	\$743,800	\$93,331,200
State	47,739,800	64,848,300	56,763,900	743,800	57,507,700
Federal	26,157,200	26,901,200	25,976,200	0	25,976,200
Other	8,354,300	16,620,300	9,847,300	0	9,847,300

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: administration, consumer protection, 911 wireless communication, fire prevention and law enforcement training.

<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	87	88	90	0	90
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	87	88	90	0	90
Payroll	5,497,300	6,809,900	6,924,500	0	6,924,500
Operational	1,481,900	1,112,800	1,119,800	0	1,119,800
Total	\$6,979,200	\$7,922,700	\$8,044,300	\$0	\$8,044,300
State	1,303,900	1,367,700	1,367,700	0	1,367,700
Federal	0	0	0	0	0
Other	5,675,300	6,555,000	6,676,600	0	6,676,600

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 and 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	118	110	110	0	110
Part-Time	0	5	5	0	5
Seasonal	0	0	0	0	0
Total	118	115	115	0	115
Payroll	6,032,000	7,923,000	7,923,000	0	7,923,000
Operational	4,863,900	7,498,900	6,224,700	0	6,224,700
Total	\$10,895,900	\$15,421,900	\$14,147,700	\$0	\$14,147,700

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	0	119,500	116,300	0	116,300
Federal	917,000	1,311,600	0	0	0
Other	9,978,900	13,990,800	14,031,400	0	14,031,400

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	858,400	1,429,200	1,429,200	0	1,429,200
Operational	846,600	952,500	965,000	0	965,000
Total	\$1,705,000	\$2,381,700	\$2,394,200	\$0	\$2,394,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,705,000	2,381,700	2,394,200	0	2,394,200

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	15	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	14	0	14
Payroll	771,200	928,500	832,100	0	832,100
Operational	738,400	462,700	401,100	0	401,100
Total	\$1,509,600	\$1,391,200	\$1,233,200	\$0	\$1,233,200
State	1,201,700	1,309,200	1,151,200	0	1,151,200
Federal	0	0	0	0	0
Other	307,900	82,000	82,000	0	82,000

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	36,800	293,300	293,300	0	293,300
Total	\$36,800	\$293,300	\$293,300	\$0	\$293,300

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	0	293,300	293,300	0	293,300
Federal	0	0	0	0	0
Other	36,800	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	49,900	81,700	81,700	0	81,700
Total	\$49,900	\$81,700	\$81,700	\$0	\$81,700
State	49,600	81,700	81,700	0	81,700
Federal	0	0	0	0	0
Other	300	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	130,400	363,000	363,000	0	363,000
Total	\$130,400	\$363,000	\$363,000	\$0	\$363,000
State	130,100	363,000	363,000	0	363,000
Federal	0	0	0	0	0
Other	300	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	156,200	100,100	100,100	0	100,100
Total	\$156,200	\$100,100	\$100,100	\$0	\$100,100

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	100,100	100,100	100,100	0	100,100
Federal	0	0	0	0	0
Other	56,100	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	1,149,100	1,731,000	1,731,000	0	1,731,000
Operational	487,300	690,100	694,800	0	694,800
Total	\$1,636,400	\$2,421,100	\$2,425,800	\$0	\$2,425,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,636,400	2,421,100	2,425,800	0	2,425,800

335.10 Regulatory Boards

Regulatory boards ensure 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; and employee leasing.

Full-Time	195	194	194	3	197
Part-Time	115	115	115	0	115
Seasonal	0	0	0	0	0
Total	310	309	309	3	312
Payroll	9,136,000	12,109,200	12,109,200	131,700	12,240,900
Operational	4,120,300	7,750,800	7,648,900	21,600	7,670,500
Total	\$13,256,300	\$19,860,000	\$19,758,100	\$153,300	\$19,911,400
State	12,447,500	19,261,300	19,159,400	153,300	19,312,700
Federal	0	0	0	0	0
Other	808,800	598,700	598,700	0	598,700

	<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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	94,400	151,900	151,900	0	151,900
Operational	38,100	102,800	103,000	0	103,000
Total	\$132,500	\$254,700	\$254,900	\$0	\$254,900
State	132,500	254,700	254,900	0	254,900
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	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	697,200	940,300	973,200	0	973,200
Operational	310,700	575,500	572,000	0	572,000
Total	\$1,007,900	\$1,515,800	\$1,545,200	\$0	\$1,545,200
State	930,500	1,455,800	1,485,200	0	1,485,200
Federal	0	0	0	0	0
Other	77,400	60,000	60,000	0	60,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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 non-wireline 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	764,500	895,400	895,400	0	895,400
Operational	75,392,400	68,110,500	68,126,600	15,000,000	83,126,600
Total	\$76,156,900	\$69,005,900	\$69,022,000	\$15,000,000	\$84,022,000
State	63,140,100	63,195,400	63,211,500	2,500,000	65,711,500
Federal	457,800	0	0	0	0
Other	12,559,000	5,810,500	5,810,500	12,500,000	18,310,500

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	154	154	0	154
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	163	163	163	0	163
Payroll	8,187,000	9,275,300	9,275,300	0	9,275,300
Operational	9,336,700	12,338,400	12,371,500	0	12,371,500
Total	\$17,523,700	\$21,613,700	\$21,646,800	\$0	\$21,646,800
State	0	0	0	0	0
Federal	739,300	271,300	271,300	0	271,300
Other	16,784,400	21,342,400	21,375,500	0	21,375,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	23	24	24	0	24
Part-Time	92	91	91	0	91
Seasonal	0	0	0	0	0
Total	115	115	115	0	115
Payroll	1,768,000	2,082,000	2,049,100	0	2,049,100
Operational	1,615,600	1,938,800	1,941,100	0	1,941,100
Total	\$3,383,600	\$4,020,800	\$3,990,200	\$0	\$3,990,200
State	2,339,400	2,849,200	2,785,600	0	2,785,600
Federal	39,300	24,000	24,000	0	24,000
Other	1,004,900	1,147,600	1,180,600	0	1,180,600

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	6,200	0	0	0	0
Operational	3,628,600	4,109,100	4,109,100	0	4,109,100
Total	\$3,634,800	\$4,109,100	\$4,109,100	\$0	\$4,109,100
State	3,634,800	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time	23	23	22	0	22
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	24	24	23	0	23
Payroll	1,510,900	1,684,300	1,610,900	22,000	1,632,900
Operational	2,057,700	2,160,400	2,163,100	0	2,163,100
Total	\$3,568,600	\$3,844,700	\$3,774,000	\$22,000	\$3,796,000
State	2,350,800	2,462,800	2,392,100	22,000	2,414,100
Federal	0	0	0	0	0
Other	1,217,800	1,381,900	1,381,900	0	1,381,900

335.12 POST Commission

The Law Enforcement Training Academy staffs the Tennessee Peace Officers Standards (POST) and Training 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	299,600	311,500	316,700	0	316,700
Operational	8,406,500	8,731,500	8,732,800	338,400	9,071,200
Total	\$8,706,100	\$9,043,000	\$9,049,500	\$338,400	\$9,387,900
State	8,702,400	8,999,700	9,006,200	338,400	9,344,600
Federal	0	0	0	0	0
Other	3,700	43,300	43,300	0	43,300

335.00 Total Commerce and Insurance

Full-Time	684	677	677	3	680
Part-Time	237	241	241	0	241
Seasonal	0	0	0	0	0
Total	921	918	918	3	921
Payroll	36,771,800	46,271,500	46,221,500	153,700	46,375,200
Operational	113,698,000	117,372,900	116,011,600	15,360,000	131,371,600
Total	\$150,469,800	\$163,644,400	\$162,233,100	\$15,513,700	\$177,746,800
State	96,463,400	106,222,500	105,877,300	3,013,700	108,891,000
Federal	2,153,400	1,606,900	295,300	0	295,300
Other	51,853,000	55,815,000	56,060,500	12,500,000	68,560,500

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
336.00 Financial Institutions					
Full-Time	161	170	157	0	157
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	161	170	157	0	157
Payroll	11,537,100	15,117,800	15,117,800	0	15,117,800
Operational	2,631,600	3,979,100	3,891,400	0	3,891,400
Total	\$14,168,700	\$19,096,900	\$19,009,200	\$0	\$19,009,200
State	14,016,100	19,094,500	19,006,800	0	19,006,800
Federal	0	0	0	0	0
Other	152,600	2,400	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	75	154	143	0	143
Part-Time	2	4	4	0	4
Seasonal	0	0	0	0	0
Total	77	158	147	0	147
Payroll	6,033,200	11,781,400	11,908,100	0	11,908,100
Operational	4,662,800	5,029,900	16,386,700	0	16,386,700
Total	\$10,696,000	\$16,811,300	\$28,294,800	\$0	\$28,294,800
State	4,204,300	3,588,200	3,804,100	0	3,804,100
Federal	6,441,500	13,189,100	24,456,700	0	24,456,700
Other	50,200	34,000	34,000	0	34,000

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	0	93
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	96	96	96	0	96
Payroll	6,248,900	7,780,700	7,780,700	0	7,780,700
Operational	1,523,600	1,801,700	1,802,600	0	1,802,600
Total	\$7,772,500	\$9,582,400	\$9,583,300	\$0	\$9,583,300
State	3,461,500	5,219,000	5,219,500	0	5,219,500
Federal	4,281,100	4,328,800	4,329,200	0	4,329,200
Other	29,900	34,600	34,600	0	34,600

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	5	0	5
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	24	24	23	0	23
Payroll	316,500	406,200	406,200	0	406,200
Operational	151,800	175,300	155,900	0	155,900
Total	\$468,300	\$581,500	\$562,100	\$0	\$562,100
State	368,400	387,400	368,000	0	368,000
Federal	46,500	123,000	123,000	0	123,000
Other	53,400	71,100	71,100	0	71,100

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	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	60	60	0	60
Payroll	3,169,100	4,064,200	4,064,200	0	4,064,200
Operational	750,400	1,070,000	1,083,400	0	1,083,400
Total	\$3,919,500	\$5,134,200	\$5,147,600	\$0	\$5,147,600
State	3,818,600	5,069,400	5,082,700	0	5,082,700
Federal	0	0	0	0	0
Other	100,900	64,800	64,900	0	64,900

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 which require 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	164	159	149	0	149
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	164	159	149	0	149

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	9,855,600	10,130,000	10,069,800	0	10,069,800
Operational	2,344,300	4,567,200	4,523,300	97,000	4,620,300
Total	\$12,199,900	\$14,697,200	\$14,593,100	\$97,000	\$14,690,100
State	11,957,600	14,513,300	14,409,200	97,000	14,506,200
Federal	0	0	0	0	0
Other	242,300	183,900	183,900	0	183,900

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	5	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	11	11	0	11
Payroll	286,300	668,900	668,900	0	668,900
Operational	53,600	65,300	38,700	0	38,700
Total	\$339,900	\$734,200	\$707,600	\$0	\$707,600
State	330,400	734,200	707,600	0	707,600
Federal	0	0	0	0	0
Other	9,500	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	6,030,800	10,147,400	10,147,400	0	10,147,400
Total	\$6,030,800	\$10,147,400	\$10,147,400	\$0	\$10,147,400
State	5,794,100	9,872,400	9,872,400	0	9,872,400
Federal	0	0	0	0	0
Other	236,700	275,000	275,000	0	275,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	23	19	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	19	18	0	18
Payroll	1,003,100	1,015,800	1,015,800	0	1,015,800
Operational	257,400	223,600	228,900	0	228,900
Total	\$1,260,500	\$1,239,400	\$1,244,700	\$0	\$1,244,700
State	1,118,500	1,239,300	1,244,300	0	1,244,300
Federal	141,400	100	400	0	400
Other	600	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	28	22	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	22	21	0	21
Payroll	2,215,500	3,354,100	3,303,400	0	3,303,400
Operational	54,271,400	67,037,500	62,639,100	0	62,639,100
Total	\$56,486,900	\$70,391,600	\$65,942,500	\$0	\$65,942,500
State	50,600	0	0	0	0
Federal	56,244,500	70,211,900	65,864,500	0	65,864,500
Other	191,800	179,700	78,000	0	78,000

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	1,036,500	1,015,100	1,015,100	0	1,015,100
Operational	13,464,800	14,929,500	14,935,700	0	14,935,700
Total	\$14,501,300	\$15,944,600	\$15,950,800	\$0	\$15,950,800
State	2,287,800	4,765,100	4,766,500	0	4,766,500
Federal	12,213,500	11,179,500	11,184,300	0	11,184,300
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, food stamp 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	1,061	366	217	0	217
Part-Time	384	125	125	0	125
Seasonal	0	0	0	0	0
Total	1,445	491	342	0	342
Payroll	48,578,500	22,742,100	17,847,700	0	17,847,700
Operational	26,733,100	14,532,300	11,434,300	0	11,434,300
Total	\$75,311,600	\$37,274,400	\$29,282,000	\$0	\$29,282,000
State	2,866,600	0	0	0	0
Federal	71,465,100	37,171,000	29,178,600	0	29,178,600
Other	979,900	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	0	544	536	0	536
Part-Time	0	217	203	0	203
Seasonal	0	0	0	0	0
Total	0	761	739	0	739

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	0	34,559,200	33,959,200	0	33,959,200
Operational	0	14,108,300	3,729,800	0	3,729,800
Total	\$0	\$48,667,500	\$37,689,000	\$0	\$37,689,000
State	0	4,669,700	0	0	0
Federal	0	36,973,600	33,978,000	0	33,978,000
Other	0	7,024,200	3,711,000	0	3,711,000
337.00 Total Labor and Workforce Development					
Full-Time	1,527	1,446	1,265	0	1,265
Part-Time	407	367	353	0	353
Seasonal	0	0	0	0	0
Total	1,934	1,813	1,618	0	1,618
Payroll	78,743,200	97,517,700	92,039,100	0	92,039,100
Operational	110,244,000	133,688,000	127,105,800	97,000	127,202,800
Total	\$188,987,200	\$231,205,700	\$219,144,900	\$97,000	\$219,241,900
State	36,258,400	50,058,000	45,474,300	97,000	45,571,300
Federal	150,833,600	173,177,000	169,114,700	0	169,114,700
Other	1,895,200	7,970,700	4,555,900	0	4,555,900

**Resources and Regulation
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Most Recent</u>	<u>Target</u>
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Department of Environment and Conservation

Review and make a final action on 95 percent of complete permit applications within the applicable regulatory time period by July 2014.

Percent of complete permit applications processed within applicable regulatory time periods.	Fiscal Quarter	95.90%	95.00%
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By July 2014, complete 100% of all inspections committed to (per regulatory grants or as required by rule or policy).

Percent of inspections completed as committed to per regulatory grants or as required by rule or policy.	Fiscal Quarter	99.50%	100%
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Department of Commerce and Insurance

Distribute and install fire alarms to reduce potential fire deaths.

Number of fire alarms installed per week.	Fiscal Quarter	Not yet	250
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Establish Tennessee as a leading captive domicile, promoting investment and job creation, by increasing the number of captive companies domiciled in the state by 75 percent (to reach a total of 35) by June 30, 2014.

Number of captive companies licensed in Tennessee.	Fiscal Quarter	20	35
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Department of Financial Institutions

Examine all state-chartered banks as required by TCA 45-2-1602 during Fiscal Year 2014 independently or jointly with the FDIC or the Federal Reserve.

Turnaround time on examinations.	Fiscal Quarter	Not yet available	70
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Examine all state-chartered credit unions as required by TCA 45-4-1002 during Fiscal Year 2014 independently or jointly with the National Credit Union Association.

Turnaround time on examinations.	Fiscal Quarter	Not yet available	To be determined
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**Resources and Regulation
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Most Recent</u>	<u>Target</u>
In accordance with the Risk-Focused Exam Program, examine 100% of all high-risk non-depository financial institutions regulated by the Compliance Division, excluding those in the mortgage and finance company business, which will be added in 2014, at least once every 12 months.				
	Turnaround time on mortgage examinations.	Fiscal Quarter	Not yet available	To be determined
	Number of high-risk companies on risk-focused watch list.	Fiscal Year	Not yet available	To be determined

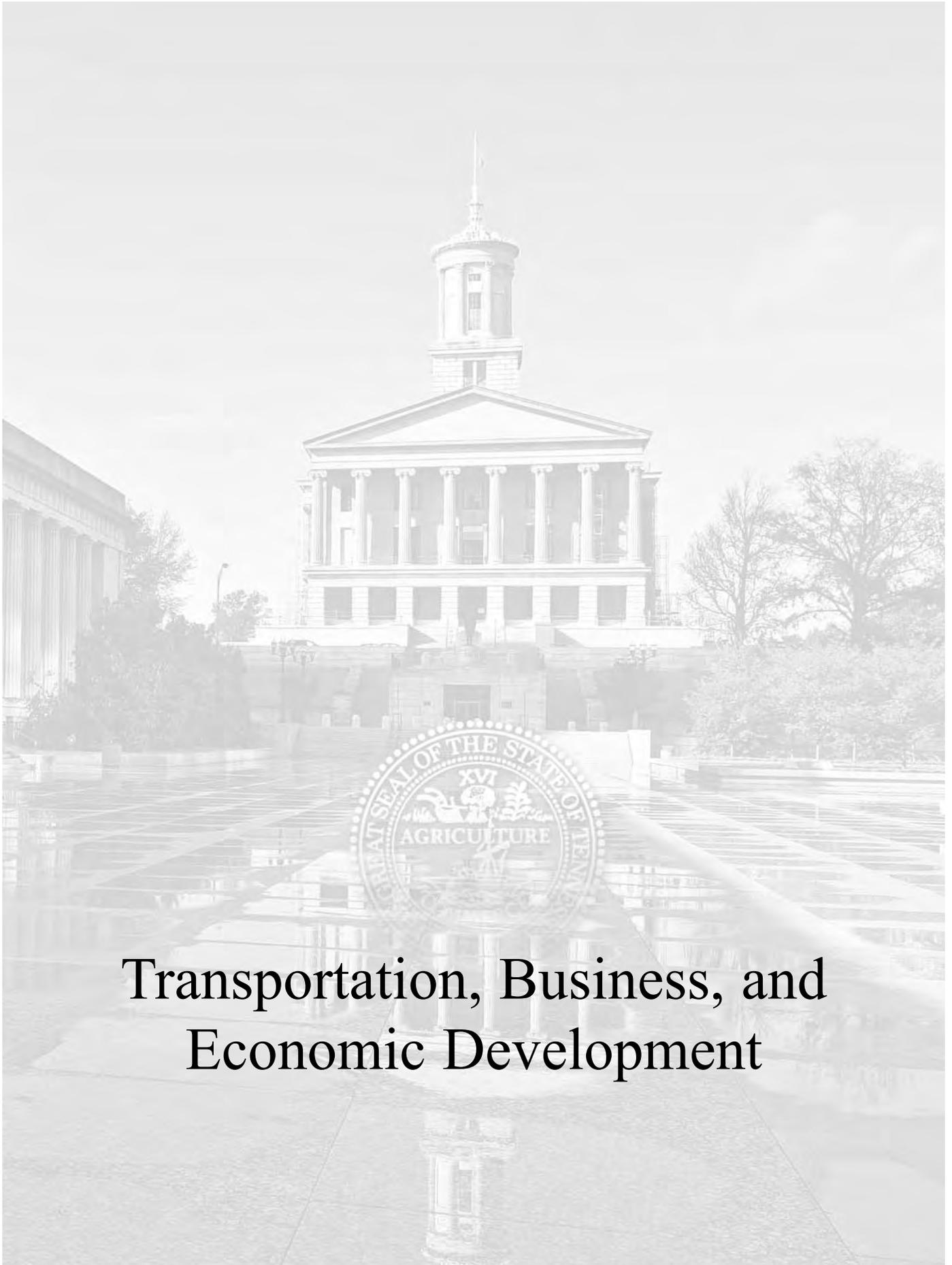
Department of Labor and Workforce Development

Workforce Services – Assist 45,000 job seekers per quarter to enter employment.

Number of individuals who have entered employment per quarter.	Fiscal Quarter	Not yet available	50,000
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Adult Education – Increase the number of high school equivalency diplomas issued in 2014 by 20 percent over program year 2013.

Number of program diplomas issued in program year.	Fiscal Quarter	Not yet available	10,954
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Transportation, Business, and Economic Development



Transportation, Business, and Economic Development



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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2014 – 2015

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Recommended 2014-2015</u>
Personnel			
Full Time	5,812	5,808	5,804
Part Time	9	9	8
Seasonal	205	180	180
TOTAL	6,026	5,997	5,992
Expenditures			
Payroll	\$ 281,670,700	\$ 346,017,400	\$ 356,423,800
Operational	2,091,495,000	2,219,693,900	2,038,160,300
TOTAL	\$ 2,373,165,700	\$ 2,565,711,300	\$ 2,394,584,100
Funding			
State	\$ 995,108,200	\$ 1,074,310,400	\$ 1,025,568,300
Federal	1,256,709,600	1,363,122,600	1,284,466,300
Other	121,347,900	128,278,300	84,549,500

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2014-2015
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	270,352,000	20,029,000	290,381,000
325.00 Agriculture	67,387,500	11,697,200	11,000,900	90,085,600
326.00 Tourist Development	16,847,200	0	9,166,800	26,014,000
330.00 Economic and Community Development	114,733,600	26,695,300	6,788,800	148,217,700
400.00 Transportation	826,600,000	975,721,800	37,564,000	1,839,885,800
Total	\$1,025,568,300	\$1,284,466,300	\$84,549,500	\$2,394,584,100

Transportation, Business and Economic Development Cost Increases for Fiscal Year 2014-2015

	<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 recommendation 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					
• Marketing Task Force					
To provide non-recurring funding for a Tourism Marketing Task Force.					
326.01 Administration and Marketing	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0
Total Tourist Development	\$6,000,000	\$0	\$0	\$6,000,000	0
Economic and Community Development					
• Jobs4TN					
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	\$46,000,000	\$0	\$0	\$46,000,000	0
Sub-total	\$46,000,000	\$0	\$0	\$46,000,000	0
• Film and Television Incentive Program					
To provide non-recurring funding for the Tennessee Film and Television Incentive Fund in order to provide incentive grants for the production of films and television shows in Tennessee.					
330.17 Film and Television Incentive Fund	\$4,000,000	\$0	\$0	\$4,000,000	0
Sub-total	\$4,000,000	\$0	\$0	\$4,000,000	0
• Community Development Block Grant Program					
To recognize an increased award in the Community Development Block Grant program. Funding will provide one additional position to assist with the increased volume in the program.					
330.04 Policy and Federal Programs	\$0	\$1,132,200	\$0	\$1,132,200	1
Sub-total	\$0	\$1,132,200	\$0	\$1,132,200	1

**Transportation, Business and Economic Development
Cost Increases for Fiscal Year 2014-2015**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Total Economic and Community Development	\$50,000,000	\$1,132,200	\$0	\$51,132,200	1
Total Transportation, Business and Economic Development	\$56,183,400	\$1,132,200	\$0	\$57,315,600	4

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 which 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
316.20 Tennessee Housing Development Agency					
Full-Time	242	242	238	0	238
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	242	242	238	0	238
Payroll	15,861,500	18,094,700	17,829,300	0	17,829,300
Operational	210,872,800	307,178,300	272,551,700	0	272,551,700
Total	\$226,734,300	\$325,273,000	\$290,381,000	\$0	\$290,381,000
State	0	0	0	0	0
Federal	211,726,800	274,179,900	270,352,000	0	270,352,000
Other	15,007,500	51,093,100	20,029,000	0	20,029,000

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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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Administration and Grants

The Administration and Grants program 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 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	69	66	69	0	69
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	69	66	69	0	69
Payroll	5,034,800	5,181,000	5,338,500	0	5,338,500
Operational	5,365,600	6,047,800	6,213,400	0	6,213,400
Total	\$10,400,400	\$11,228,800	\$11,551,900	\$0	\$11,551,900
State	5,049,400	5,765,300	6,088,400	0	6,088,400
Federal	5,124,100	5,213,800	5,213,800	0	5,213,800
Other	226,900	249,700	249,700	0	249,700

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	2,634,400	3,187,500	3,187,500	0	3,187,500
Total	\$2,634,400	\$3,187,500	\$3,187,500	\$0	\$3,187,500
State	2,633,300	3,187,500	3,187,500	0	3,187,500
Federal	0	0	0	0	0
Other	1,100	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 earnings 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	120,100	126,700	126,700	0	126,700
Total	\$120,100	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	120,100	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	113,900	607,500	607,500	0	607,500
Total	\$113,900	\$607,500	\$607,500	\$0	\$607,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	113,100	607,500	607,500	0	607,500
Federal	0	0	0	0	0
Other	800	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	33	32	29	0	29
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	34	33	30	0	30
Payroll	1,969,700	2,192,600	2,035,100	0	2,035,100
Operational	17,464,100	19,031,400	18,865,800	0	18,865,800
Total	\$19,433,800	\$21,224,000	\$20,900,900	\$0	\$20,900,900
State	18,699,500	20,479,400	20,156,300	0	20,156,300
Federal	595,500	668,000	668,000	0	668,000
Other	138,800	76,600	76,600	0	76,600

325.17 Beef Promotion Board

The Beef Promotion Board supports in-state research, education and promotion of beef. The program collects a 50-cent assessment on each head of cattle sold in Tennessee. The board consists of representatives from the Tennessee Livestock Market Association, Tennessee Cattlemen's Association, Tennessee Farm Bureau Federation, Tennessee Dairy Association, and Tennessee Beef Cattle Improvement 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	0	380,000	380,000	0	380,000
Total	\$0	\$380,000	\$380,000	\$0	\$380,000
State	0	380,000	380,000	0	380,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	212	208	205	3	208
Part-Time	1	2	2	0	2
Seasonal	3	3	3	0	3
Total	216	213	210	3	213
Payroll	12,582,700	13,640,300	13,421,100	68,400	13,489,500
Operational	6,250,100	6,679,400	6,648,100	115,000	6,763,100
Total	\$18,832,800	\$20,319,700	\$20,069,200	\$183,400	\$20,252,600
State	12,025,500	12,557,000	12,129,300	183,400	12,312,700
Federal	1,241,800	1,998,600	1,748,100	0	1,748,100
Other	5,565,500	5,764,100	6,191,800	0	6,191,800

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	3,127,300	3,158,500	3,158,500	0	3,158,500
Total	\$3,127,300	\$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	88,800	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.

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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325.10 Forestry Operations

Forestry Operations provides numerous land management and protection services to Tennessee's forests. These 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	317	311	310	0	310
Part-Time	2	1	0	0	0
Seasonal	202	177	177	0	177
Total	521	489	487	0	487
Payroll	16,949,900	18,460,900	18,445,900	0	18,445,900
Operational	8,414,300	12,478,600	11,316,900	0	11,316,900
Total	\$25,364,200	\$30,939,500	\$29,762,800	\$0	\$29,762,800
State	18,770,600	22,636,100	21,459,400	0	21,459,400
Federal	2,985,100	4,067,300	4,067,300	0	4,067,300
Other	3,608,500	4,236,100	4,236,100	0	4,236,100

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	137,000	157,200	157,200	0	157,200
Total	\$137,000	\$157,200	\$157,200	\$0	\$157,200
State	137,000	157,200	157,200	0	157,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

325.00 Total Agriculture

Full-Time	631	617	613	3	616
Part-Time	4	4	3	0	3
Seasonal	205	180	180	0	180
Total	840	801	796	3	799
Payroll	36,537,100	39,474,800	39,240,600	68,400	39,309,000
Operational	43,626,800	51,854,600	50,661,600	115,000	50,776,600
Total	\$80,163,900	\$91,329,400	\$89,902,200	\$183,400	\$90,085,600
State	60,466,900	68,808,500	67,204,100	183,400	67,387,500
Federal	9,946,500	11,947,700	11,697,200	0	11,697,200
Other	9,750,500	10,573,200	11,000,900	0	11,000,900

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, positive impression of Tennessee. The department is organized into two divisions: Administration and Marketing and Welcome Centers.

<u>Actual</u> <u>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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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 also is responsible for the overall administration of the department, including financial, information system, and support services.

Full-Time	28	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	29	29	0	29
Payroll	2,214,800	2,395,300	2,395,300	0	2,395,300
Operational	8,473,600	16,805,100	8,134,100	6,000,000	14,134,100
Total	\$10,688,400	\$19,200,400	\$10,529,400	\$6,000,000	\$16,529,400
State	10,394,500	18,153,200	9,482,200	6,000,000	15,482,200
Federal	0	0	0	0	0
Other	293,900	1,047,200	1,047,200	0	1,047,200

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 15 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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Full-Time	142	152	152	0	152
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	142	152	152	0	152
Payroll	5,090,500	6,494,700	6,494,700	0	6,494,700
Operational	2,673,100	2,989,900	2,989,900	0	2,989,900
Total	\$7,763,600	\$9,484,600	\$9,484,600	\$0	\$9,484,600
State	1,318,500	1,365,000	1,365,000	0	1,365,000
Federal	0	0	0	0	0
Other	6,445,100	8,119,600	8,119,600	0	8,119,600
326.00 Total Tourist Development					
Full-Time	170	181	181	0	181
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	170	181	181	0	181
Payroll	7,305,300	8,890,000	8,890,000	0	8,890,000
Operational	11,146,700	19,795,000	11,124,000	6,000,000	17,124,000
Total	\$18,452,000	\$28,685,000	\$20,014,000	\$6,000,000	\$26,014,000
State	11,713,000	19,518,200	10,847,200	6,000,000	16,847,200
Federal	0	0	0	0	0
Other	6,739,000	9,166,800	9,166,800	0	9,166,800

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	45	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	45	44	44	0	44
Payroll	4,145,900	4,405,100	4,303,500	0	4,303,500
Operational	1,897,100	1,949,000	1,999,000	0	1,999,000
Total	\$6,043,000	\$6,354,100	\$6,302,500	\$0	\$6,302,500
State	5,325,200	5,551,700	5,450,100	0	5,450,100
Federal	282,200	253,200	253,200	0	253,200
Other	435,600	549,200	599,200	0	599,200

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	52	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	53	53	0	53
Payroll	4,644,500	4,944,600	5,067,300	0	5,067,300
Operational	29,576,300	25,235,500	1,838,900	0	1,838,900
Total	\$34,220,800	\$30,180,100	\$6,906,200	\$0	\$6,906,200
State	6,423,300	16,412,700	6,500,800	0	6,500,800
Federal	556,400	419,600	0	0	0
Other	27,241,100	13,347,800	405,400	0	405,400

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	48,657,500	90,097,900	10,985,400	46,000,000	56,985,400
Total	\$48,657,500	\$90,097,900	\$10,985,400	\$46,000,000	\$56,985,400
State	48,288,800	89,757,400	10,644,900	46,000,000	56,644,900
Federal	0	0	0	0	0
Other	368,700	340,500	340,500	0	340,500

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	666,800	5,285,200	5,285,200	0	5,285,200
Total	\$666,800	\$5,285,200	\$5,285,200	\$0	\$5,285,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	666,800	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	7,880,000	6,348,000	6,000,000	0	6,000,000
Total	\$7,880,000	\$6,348,000	\$6,000,000	\$0	\$6,000,000
State	5,652,000	6,348,000	6,000,000	0	6,000,000
Federal	0	0	0	0	0
Other	2,228,000	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	0	0	0	0	0
Operational	675,500	13,448,600	2,048,600	4,000,000	6,048,600
Total	\$675,500	\$13,448,600	\$2,048,600	\$4,000,000	\$6,048,600
State	0	13,400,000	2,000,000	4,000,000	6,000,000
Federal	0	0	0	0	0
Other	675,500	48,600	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	11,142,500	10,546,400	362,700	0	362,700
Total	\$11,142,500	\$10,546,400	\$362,700	\$0	\$362,700
State	203,000	332,900	237,700	0	237,700
Federal	10,939,400	10,213,500	125,000	0	125,000
Other	100	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	30,369,600	30,000,000	30,000,000	0	30,000,000
Total	\$30,369,600	\$30,000,000	\$30,000,000	\$0	\$30,000,000
State	30,369,600	30,000,000	30,000,000	0	30,000,000
Federal	0	0	0	0	0
Other	0	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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
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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	7	7	1	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	1	8
Payroll	485,100	513,000	513,000	243,100	756,100
Operational	39,009,100	100,611,800	24,974,700	889,100	25,863,800
Total	\$39,494,200	\$101,124,800	\$25,487,700	\$1,132,200	\$26,619,900
State	355,800	478,100	478,100	0	478,100
Federal	38,939,300	100,578,800	24,941,700	1,132,200	26,073,900
Other	199,100	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	7	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	6	6	0	6
Payroll	549,300	556,700	535,600	0	535,600
Operational	1,276,500	6,610,800	1,641,500	0	1,641,500
Total	\$1,825,800	\$7,167,500	\$2,177,100	\$0	\$2,177,100
State	1,312,900	6,922,800	1,891,900	0	1,891,900
Federal	119,100	202,700	243,200	0	243,200
Other	393,800	42,000	42,000	0	42,000

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 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</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	1,893,100	1,980,100	1,530,100	0	1,530,100
Total	\$1,893,100	\$1,980,100	\$1,530,100	\$0	\$1,530,100
State	1,893,100	1,980,100	1,530,100	0	1,530,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
330.00 Total Economic and Community Development					
Full-Time	111	110	110	1	111
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	111	110	110	1	111
Payroll	9,824,800	10,419,400	10,419,400	243,100	10,662,500
Operational	173,044,000	292,113,300	86,666,100	50,889,100	137,555,200
Total	\$182,868,800	\$302,532,700	\$97,085,500	\$51,132,200	\$148,217,700
State	99,823,700	171,183,700	64,733,600	50,000,000	114,733,600
Federal	50,836,400	111,667,800	25,563,100	1,132,200	26,695,300
Other	32,208,700	19,681,200	6,788,800	0	6,788,800

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>2012-2013</u>	<u>Estimated</u> <u>2013-2014</u>	<u>Base</u> <u>2014-2015</u>	<u>Cost Increase</u> <u>2014-2015</u>	<u>Recommended</u> <u>2014-2015</u>
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401.00 Headquarters

The Headquarters allotment code consists of divisions that report directly to the commissioner. Headquarters' functions include community relations, constituent services, civil rights, legal, internal audit, and payment of risk management fund premiums for property and liability insurance. Headquarters' services 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	141	141	137	0	137
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	146	146	142	0	142
Payroll	9,239,300	10,994,600	11,268,500	0	11,268,500
Operational	78,643,900	157,764,300	83,666,200	0	83,666,200
Reallocated	0	0	0	0	0
Total	\$87,883,200	\$168,758,900	\$94,934,700	\$0	\$94,934,700
State	67,284,900	99,966,700	76,867,900	0	76,867,900
Federal	16,271,100	66,225,200	15,502,000	0	15,502,000
Other	4,327,200	2,567,000	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, human resources, and information technology services also are provided by this bureau.

Full-Time	267	267	266	0	266
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	267	267	266	0	266
Payroll	13,760,400	17,499,000	18,744,100	0	18,744,100
Operational	43,451,800	47,835,000	56,391,300	0	56,391,300
Reallocated	0	0	0	0	0
Total	\$57,212,200	\$65,334,000	\$75,135,400	\$0	\$75,135,400

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
State	50,606,400	49,899,000	59,663,000	0	59,663,000
Federal	5,169,400	14,933,900	14,982,500	0	14,982,500
Other	1,436,400	501,100	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	487	487	546	0	546
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	487	487	546	0	546
Payroll	29,827,800	41,194,500	42,039,400	0	42,039,400
Operational	224,603,000	138,309,000	135,739,700	0	135,739,700
Reallocated	0	0	0	0	0
Total	\$254,430,800	\$179,503,500	\$177,779,100	\$0	\$177,779,100
State	60,549,500	78,479,800	75,208,600	0	75,208,600
Federal	175,862,100	97,380,200	97,666,100	0	97,666,100
Other	18,019,200	3,643,500	4,904,400	0	4,904,400

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	3,484	3,484	3,484	0	3,484
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,484	3,484	3,484	0	3,484

	<u>Actual 2012-2013</u>	<u>Estimated 2013-2014</u>	<u>Base 2014-2015</u>	<u>Cost Increase 2014-2015</u>	<u>Recommended 2014-2015</u>
Payroll	143,198,100	179,477,400	191,189,700	0	191,189,700
Operational	1,171,701,700	1,068,131,900	1,076,499,600	0	1,076,499,600
Reallocated	0	0	0	0	0
Total	\$1,314,899,800	\$1,247,609,300	\$1,267,689,300	\$0	\$1,267,689,300
State	561,303,900	519,343,500	538,923,200	0	538,923,200
Federal	722,782,900	698,039,400	699,948,000	0	699,948,000
Other	30,813,000	30,226,400	28,818,100	0	28,818,100

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	279	225	0	225
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	279	279	225	0	225
Payroll	16,116,400	19,973,000	16,491,300	0	16,491,300
Operational	134,404,300	136,712,500	207,856,000	0	207,856,000
Reallocated	0	0	0	0	0
Total	\$150,520,700	\$156,685,500	\$224,347,300	\$0	\$224,347,300
State	83,359,900	67,111,000	75,937,300	0	75,937,300
Federal	64,114,400	88,748,500	147,623,200	0	147,623,200
Other	3,046,400	826,000	786,800	0	786,800

400.00 Total Transportation

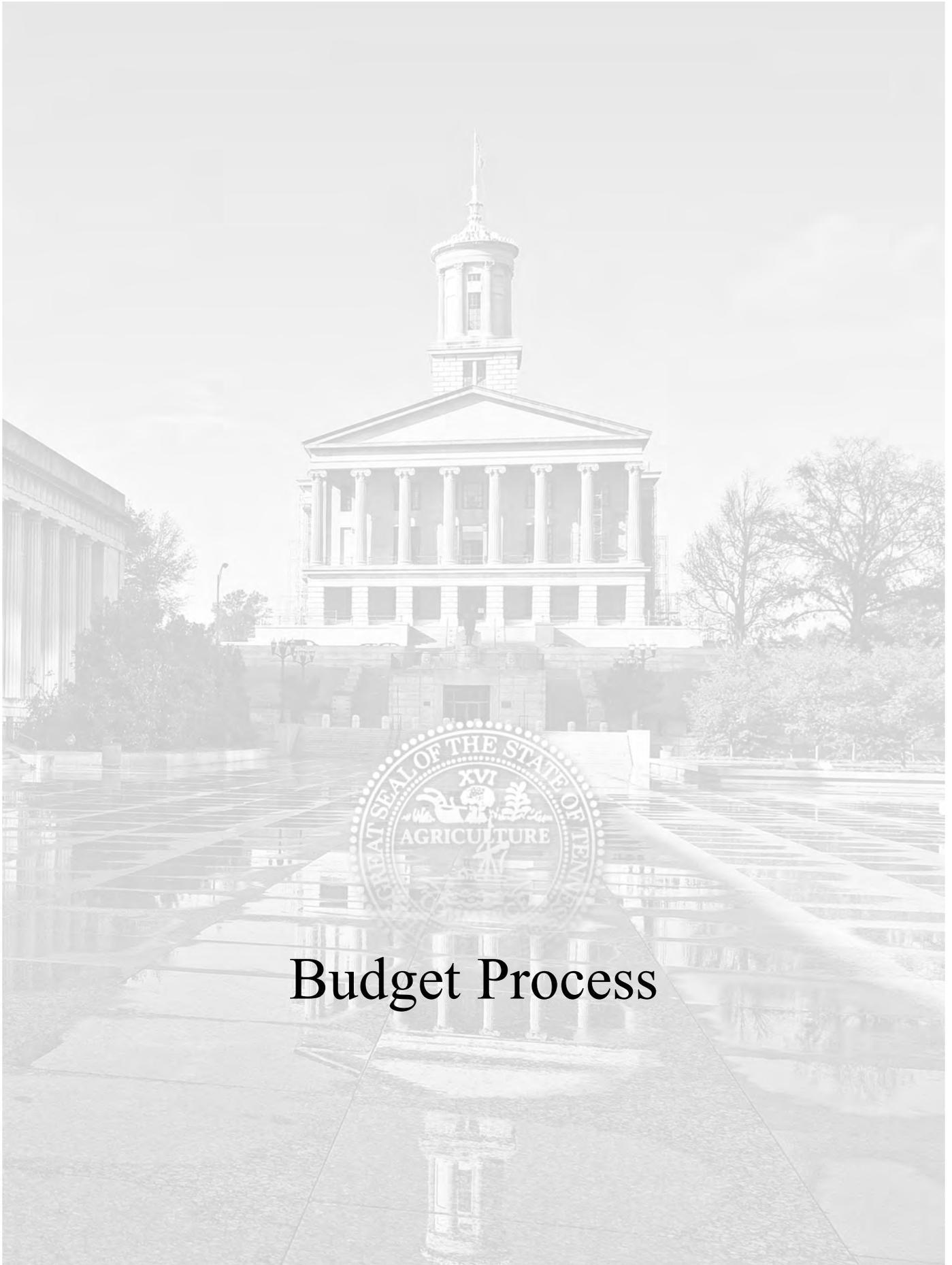
Full-Time	4,658	4,658	4,658	0	4,658
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	4,663	4,663	4,663	0	4,663
Payroll	212,142,000	269,138,500	279,733,000	0	279,733,000
Operational	1,652,804,700	1,548,752,700	1,560,152,800	0	1,560,152,800
Reallocated	0	0	0	0	0
Total	\$1,864,946,700	\$1,817,891,200	\$1,839,885,800	\$0	\$1,839,885,800
State	823,104,600	814,800,000	826,600,000	0	826,600,000
Federal	984,199,900	965,327,200	975,721,800	0	975,721,800
Other	57,642,200	37,764,000	37,564,000	0	37,564,000

Business, Transportation, and Economic Development Priority Goals and Measures

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Most Recent</u>	<u>Target</u>
Department of Agriculture				
Ensure public health and safety through fair and effective regulation of food and petroleum quality.				
	Regulatory compliance rates – retail food store inspections.	Fiscal Quarter	99.00%	98.00%
	Regulatory compliance rates – motor fuels inspections.	Fiscal Quarter	96.80%	96.00%
Provide resources to increase economic activity in farmers markets and horticultural sectors.				
	Fill position and implement a plan by the second quarter of fiscal year 2014.	Fiscal Quarter	Not yet available	Second quarter of fiscal year 2014
Department of Tourist Development				
Utilize advertising to increase the consumer intent to travel to Tennessee, increasing the number of visits to the department's travel website and calls to our call center.				
	Number of public relations impressions.	Fiscal Quarter	112,075,389	263,000,000
	Number of advertising impressions.	Fiscal Quarter	305,782,098	70,350,000
	Number of intent to travel indicators.	Fiscal Quarter	3,601,193	7,250,000
Increase the number of visitors and travel-generated revenues to local communities and the state.				
	Statewide travel-generated revenue.	Calendar Year	Not yet available	\$16,580,000,000
Department of Economic and Community Development				
By December 31, 2013, ensure that those companies which received assistance from ECD during the past year have committed to create more than 22,000 new jobs.				
	Number of new jobs committed.	Monthly	22,946	22,000
Increase the number of certified Select Tennessee sites for the fiscal year to 20 by June 30, 2014.				
	Number of certified Select Tennessee sites.	Monthly	16	20
Ensure that for the fiscal year 65 counties submit Three Star activity plans to ECD by June 30, 2014.				
	Number of counties submitting Three Star activity plans.	Monthly	0	65
Increase the number of Tennessee-based businesses that have received assistance from a TNTrade international office during the past fiscal year to 80 by June 30, 2014.				
	Number of TN companies receiving assistance from TNTrade International offices.	Monthly	64	80

**Business, Transportation, and Economic Development
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Most Recent</u>	<u>Target</u>
Department of Transportation				
Maintain the state transportation system to protect the long-term investment in our infrastructure assets.				
	Percent of bridge deck area on all bridges maintained by TDOT that is not structurally deficient.	Fiscal Quarter	96%	95%
	Percent of interstate mileage with an International Roughness Index (IRI) pavement rating of good or very good.	Calendar Year	93%	93%
Operate and manage Tennessee's transportation system to provide a high level of safety and service for our customers and workers.				
	Number of motor vehicle crashes in Tennessee work zones.	Calendar Quarter	2,592	< 2,851
Implement improvements and initiatives that will increase safety for travelers and workers on Tennessee's transportation network.				
	Number of traffic fatalities.	Monthly	903	< 1,014



Budget Process



Budget Process

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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 2013, 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
Beef Promotion Board.

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
Human Resources Employee Development.

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;

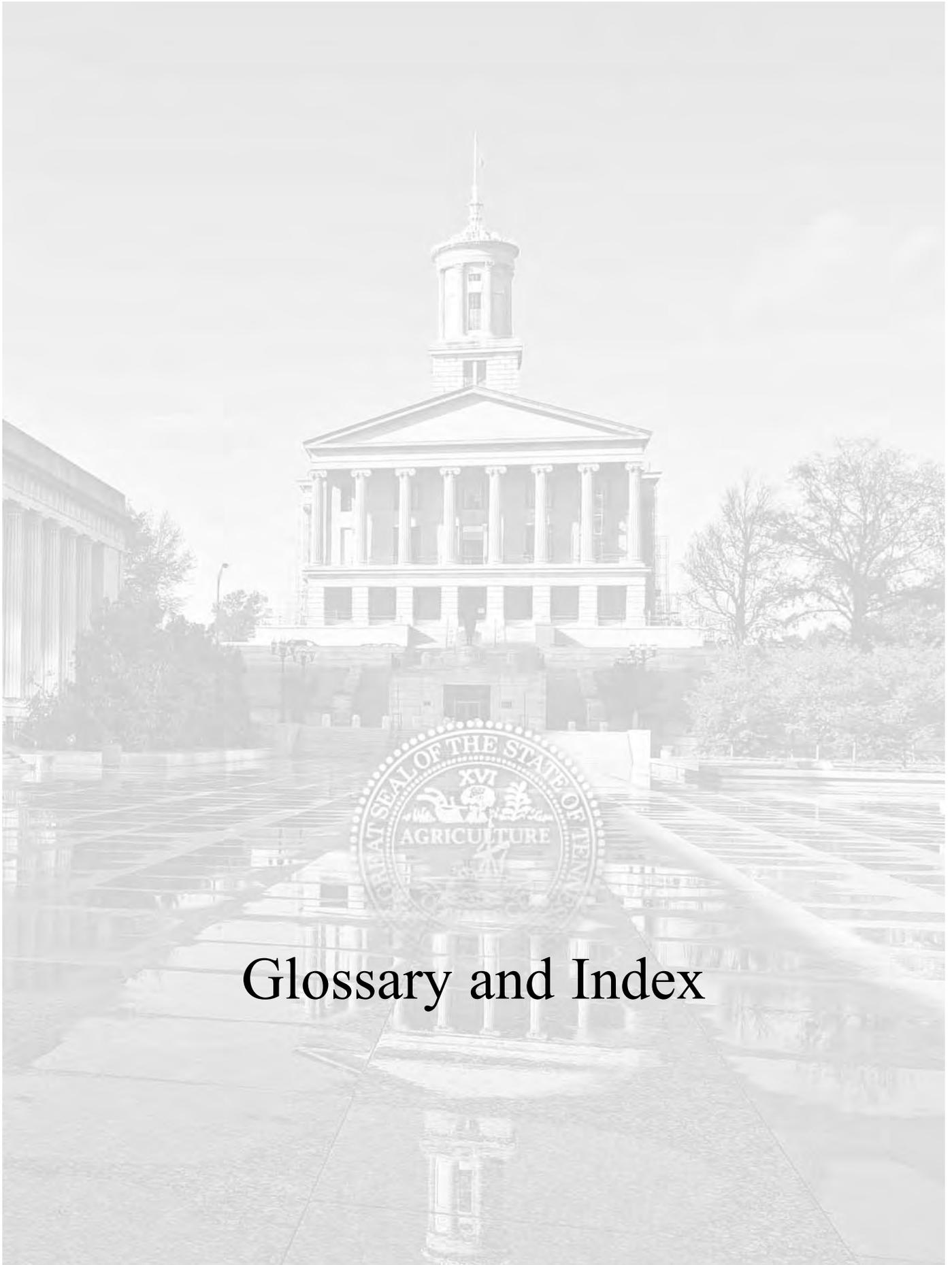
Private-Purpose Trust Funds – used to report trust arrangements under which the principal and income benefit individuals, private organizations, or other governments; and,

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

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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

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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 - Consumer Price Index – For purposes of the judges' salary adjustment, state law requires use of the CPI. 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

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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.

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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 - That money which 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.

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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.

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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.

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State of Tennessee

The Budget

Fiscal Year 2014-2015

Bill Haslam, Governor

Department of Finance and Administration

Larry Martin, Commissioner
Mike Morrow, Deputy Commissioner

Division of Budget

David Thurman, Director

Adeniyi Bakare	Brian Jefferies
Todd Baker	John Kerr
Zach Barnett	Jerry Lee
Charles Brown	Matthew McElroy
Susan Burdette	Amy Miller
David Chaffin	Rick Newton
Veronica Coleman	Kathy Pate
Carol Cooper	Abby Requierme
Mike Dedmon	Paul Robertson
Boyd Glover	Alex Schuhmann
Amie Guthormsen	Angela Scott
Jason Hartman	Dean Tays
Mike Huffaker	Greg Turner
Susan Irby	John Webb

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