

*STATE OF TENNESSEE*

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# The Budget

*FISCAL YEAR 2005-2006*



**Volume 1**

**Phil Bredesen, Governor**





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Phil Bredesen,  
Governor









GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**July 1, 2004**

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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 its annual budget for the fiscal year beginning July 1, 2004.

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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# Introduction

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January 31, 2005

To the Members of the 104th General Assembly:

I am pleased to recommend to you the 2005-2006 Budget for the State of Tennessee.

Based on solid footing established over the past two years, this budget is balanced fiscally and in program priorities. Budget discipline is maintained: program priorities are weighed against each other and balanced against moderate growth in existing state revenue sources. Continued fiscal discipline allows us to take the Next Steps to invest in four fundamental priorities for the people of Tennessee – Education, Public Safety, Jobs and the Economy, and Government Efficiency.

With advice of the State Funding Board and economists, the Administration expects that revenues collections in the current year will meet the budgeted estimates and that revenue growth in fiscal year 2005-2006 will be moderate. This revenue growth, combined with fiscal restraint and a revenue surplus carried forward from 2003-2004, will allow us to address on-going needs in education, economic development, the attack on methamphetamine abuse and other public safety and health issues, social services, and natural resources.

In addition, I recommend that we take the first of two steps in restoring the reduced state-shared taxes to cities and counties, returning a recurring \$20 million, or one-half of the previous reduction; the second step in restoring the real estate transfer tax to the four state and local land acquisition and soil conservation funds, at the full, combined \$18 million level, but one-third from non-recurring revenues; and the last step in restoring local non-contract jail payments to the 2002-2003 level of \$35 per inmate day for housing state felons. In addition, although transfer of the \$65.8 million from the highway fund to the general fund still is necessary, I recommend a \$10 million non-recurring transfer back to the highway fund in 2005-2006. This will allow the Department of Transportation to invest in additional state highway construction, local interstate connectors, state industrial access, and highway resurfacing and betterments.

None of this would be possible without facing the necessity to restrain the TennCare program growth. I have accepted that necessity. It gives me no pleasure – and only the satisfaction that I have explored all paths and that the proposed reforms will preserve health insurance for our most vulnerable and innocent citizens, our children. Whether eligible for Medicaid or not, all 612,000 children in the TennCare program will continue to be covered.

The reality of TennCare is this: unreformed, the projected \$647 million growth in state funds required in 2005-2006 would consume all of the estimated \$325 million growth in general fund state taxes collected by the Department of Revenue and another \$322 million that we would not have.

The TennCare reforms stop short of a return to basic Medicaid. Over the next year, we will disenroll about 323,000 adults and place benefit limits on prescriptions and some other services. But TennCare will remain a generous and comprehensive health insurance plan. Today, we are first in the nation in the percent of population covered by the program. After reform, we expect to be seventh.

Reform of TennCare allows me to recommend to you investment in the following additional areas, with no new taxes and no statewide budget reductions:

**K-12 Basic Education Program** – The Basic Education Program (BEP) is fully funded for the ninth straight year in 2005-2006.

**At-Risk Students** – An additional \$11 million BEP appropriation and a formula change will allow state funding of approximately 20 percent of K-12 at-risk students for grades K-12 as a classroom component. These are students who require enhanced and costly educational support because of economic circumstance, neglect, disability, or academic or family problems.

**Pre-Kindergarten** – I recommend the first step to expand the voluntary pre-kindergarten program in 2005-2006 from \$25 million in recurring excess Lottery for Education proceeds. Along with the budget, I am proposing legislation that will modify the current grant law, making the expanded part of the program a partnership with local education agencies. The excess from the lottery is available on a recurring basis, when considering the amount required to fully fund scholarships for all four college classes the year-after-next. When sufficient general funds are available over a period of years, I want to recommend making voluntary pre-K a component of the BEP formula, universally available.

**After-School Programs** – From the state's 50 percent share of Lottery for Education unclaimed prizes, I recommend \$4 million to expand the after-school program. This program provides for comprehensive education, health, and social services needs of children enrolled in school, including enhanced services in reading, math, science, and computer literacy; tutoring; and sports and leisure opportunities. These services are directed mainly at students at risk of academic failure for the reasons stated above.

**Education Leadership and Training Institute** – Design of a model year-round leadership and training institute will improve professional development of classroom teachers and school administrators. This will support their desire to improve teaching and learning in our public schools.

**TeachTennessee** – The next step to implement *TeachTennessee* will begin in the fall. This initiative challenges highly-motivated, mid-career professionals to answer the call to teach in the

hardest-to-staff schools and in high-need subject areas. This will help address the teacher shortage in under-staffed areas and will streamline the application process to match candidates with participating school districts. In this budget, I recommend a recurring \$500,000 to continue the program beyond the design phase that is funded in the current year. This is an experimental project that will be expanded in future budgets, if successful.

**Higher Education – Science and Engineering Distinguished Scholars** – From recurring funds, I recommend the first step of a plan to attract national academy-level faculty to the University of Tennessee (UT). State funds will be matched by Oak Ridge National Laboratory (ORNL) funds, creating a pool of recurring funds to recruit distinguished scholars in the fields of science and engineering, who will be jointly appointed at UT and ORNL. Appointments will be targeted in the neutron, biological, computational, and materials sciences. The National Academy of Sciences includes 1,800 members and the National Academy of Engineering, 1,900, elected by peers in recognition of distinguished achievement in those fields.

State funding for construction of a research facility for the UT-ORNL Joint Institute on Neutron Sciences at Oak Ridge is the third of three steps the state has taken to support the joint research effort associated with the federally-funded Spallation Neutron Source Center. Also at UT, the budget provides capital outlay funds for a new electrical and computer engineering research facility on the Knoxville campus. This project will be funded two-thirds from state funds and one-third from gift funds.

In addition, I recommend for higher education the continuation of the non-recurring operating budget support for another year. Capital outlay for higher education reaches the first six projects recommended by the Higher Education Commission and also provides for capital maintenance. The higher education capital outlay budget totals \$114 million, funded from current funds and bonds.

**Jobs and the Economy** – From non-recurring funds, I recommend two steps that will create jobs and economic opportunity, with the goal of modernizing the tool kit that we use to attract and sustain business and industry in Tennessee. One step is focused on job training and re-training and on expansion of infrastructure that will foster competitiveness for industry across the state. In this jobs package, the Department of Economic and Community Development will broaden the infrastructure program through innovative regional partnerships and through support of technology development applications and will support high-skill, high-wage jobs at the state's public research institutions. The department also will use these funds to support existing manufacturing companies by training the workforce in advanced technologies. Through the jobs package, the state also will support the creation of an ongoing institute on economic and community development, which will help community leaders learn and execute new strategies for rural economic sustainability.

The second part of the jobs and economy initiative will provide additional non-recurring funds to advertise and promote the state in the markets having the highest potential for increasing Tennessee tourism.

**Public Safety – Attack on Methamphetamine Abuse** – Over the past year, we have studied the clear and present danger of methamphetamine abuse and in the 2004 legislative session took a step against this plague by enacting criminal penalties. In this budget, we take the next step. I recommend recurring funds for costs of enhanced penalties, including closure of the personal-use loophole in criminal law; for grants to 10 Child Advocacy Centers in meth-plagued areas; and for the safe and drug-free schools program. Non-recurring funds will provide a drug court pilot project, a public service campaign, legal training for law enforcement officers and prosecutors, and lab response training for law enforcement officers and firefighters.

In addition, in the District Attorneys General budget, I recommend funds for continuation of 14 positions, training, and case management systems support, for which federal funding will expire. I recommend continuation of the Board of Probation and Parole’s sex-offender tracking program through the global positioning system pilot project, begun in the current fiscal year.

Under the Department of Correction budget, as mentioned above, local jail payments to non-contract counties housing state prisoners will be raised from \$32 per inmate per day to \$35, restoring the budget reduction made in 2003-2004. I also recommend funds for increased state prison operating costs, including the inflators in the three prison service agreements and the health and mental health services contracts. In addition, increased utility prices require additional operating support for the state’s prisons.

Modernization of the Tennessee Emergency Management Agency operations centers in Nashville, Jackson, and Smyrna is necessary in order to respond to natural disasters and provide essential services during emergencies. This budget provides mostly non-recurring funds for this upgrade.

**Child Welfare** – I recommend 56 additional Child Protective Services positions, in the Department of Children’s Services, for investigation of abuse and neglect. In addition, the budget includes funds for the second step of the three-year plan to bring Children’s Services case manager salaries in line with the Southeast average; to address pay disparity of Community Service Agency case managers, compared with the departmental positions; to provide an average 2 percent rate increase for residential service providers; to provide a 2 percent increase in adoption assistance reimbursement rates, resolving the inequity in comparison with foster care rates; for adoption assistance caseload growth; for bringing the TN Kids information system into compliance with federal standards; and to maintain custody services despite the loss of some federal funds.

**Mental Retardation** – With the resolution of the moratoria on community services, I recommend funds for continued implementation of the new self-determination waiver, serving 900 additional clients, and the home and community-based waiver, serving 200 additional clients.

**Public Health** – For the reformed TennCare program, I recommend \$74.6 million in recurring state funds and a total of \$207.9 million, including federal funds. For TennCare program growth, this includes \$57.3 million from state funds and a total of \$160.1 million, including federal

funds, to continue essential-access hospital payments at the level provided in the current year from non-recurring funds, to provide for increased costs of the Medicare program, a 3 percent utilization increase in the dental program, a 5 percent utilization increase in private mental retardation facilities, and a 3 percent increase for long-term care alternatives. The other funds required in TennCare are for 22 additional staff in the Department of Human Services to review appeals and for the TennCare share of improvements in the Department of Children's Services and the Division of Mental Retardation Services.

Using non-recurring funds, I recommend an appropriation to encourage development of health-information technology initiatives and to provide the state match to a federal award of funds.

In the Department of Health, the budget improves reimbursement to counties for autopsies in cases of sudden, unexplained child death. This incentive is intended to ensure that an autopsy is performed in each such case.

**Environmental Quality** – In addition to restoration of the real estate transfer tax to the land acquisition and soil conservation funds at the \$18 million level, discussed above, I recommend a non-recurring \$10 million appropriation for a new initiative, the Tennessee Land Conservation Project, which will provide funding related to land purchases for conservation and protection. The budget also includes funds in the Water Pollution Control program for additional positions necessary to identify, monitor, and develop clean-up plans for impaired rivers, streams, and lakes.

**Salaries and Benefits** – The salary policy recommendation for employees again has three parts: a pay raise, a salary bonus, and classification-compensation adjustments in state job classes. The combination of a recurring pay raise and a one-time bonus equals 2 percent in 2005-2006.

The budget includes funds for a recurring 1 percent salary increase on July 1, 2005, for state and higher education employees and K-12 teachers and staff. In addition, the budget includes non-recurring funds equivalent to a 1 percent one-time salary bonus for state and higher education employees and K-12 teachers. For higher education, the recurring raise is funded through the higher education funding formula, and the bonus cost is fully funded by the state appropriation.

I also recommend a recurring \$6 million appropriation to address classification-compensation salary adjustment issues for state employees.

The statutory pay raises for judges and the Attorney General and the statutory step raises for assistant district attorneys, assistant public defenders, assistant post-conviction defenders, investigators, and Troopers are funded. In addition, the salary survey raises for Troopers and wildlife officers are funded at one-half the survey results.

Recurring funds also are provided for the state share of the group health insurance premium increases and for increases in state employee travel reimbursement rates.

**Capital Outlay** – Aside from the \$114 million provided for higher education capital outlay projects and maintenance and the UT-Oak Ridge Joint Institute for Neutron Sciences, all discussed above, the capital outlay budget includes funds for an interpretive center at the historic Alex Haley Home and Museum in Henning; for the new Armed Forces headquarters at the Houston Barracks complex in Nashville; for replacement of the Montgomery Bell cabins and other State Parks projects; and for maintenance of state facilities.

The Budget Document describes all the recommended improvements in detail and presents the budget recommendations program-by-program. A second volume provides supplementary program information.

This budget is built from reasonable revenue estimates, based upon Funding Board advice, and based on careful program analysis and restraint. Given the past two years of budget reductions and the necessity of all programs to deliver statutorily required services, I recommend the lowering of the state agency general fund reversion requirement by \$25 million; this would lower the so-called overappropriation – or the amount by which general fund programs must underspend – from \$104.6 million to \$79.6 million in 2005-2006. Achieving the revised overappropriation level still will require careful management by state agencies and budget staff.

I again am pleased to recommend an increase in the revenue fluctuation reserve (or rainy-day fund) that exceeds the minimum legal requirement (10 percent of revenue growth). We were able to avoid any drawdown of this reserve at the close of the past two fiscal years. The rainy day fund stood at \$217 million at June 20, 2004, and is budgeted to grow to \$275.4 million at June 30, 2005. The \$39.3 million deposit to the fund in 2005-2006 will raise this reserve to \$314.7 million at June 30, 2006. Expanding this fund is an important priority in maintaining our fiscal credibility. The revenue fluctuation reserve allows services to be maintained when revenue growth is slower than estimated in the budget, mainly during economic downturns. We should maintain the fund for that economic circumstance and use the opportunity we now have to build the reserve during a recovering economy.

My staff and I look forward to working with the members of the General Assembly on this budget, the Appropriations Bill, related legislation, and other issues of interest to you.

Sincerely,

Phil Bredesen  
Governor of the State of Tennessee



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

DAVE GOETZ  
COMMISSIONER

January 31, 2005

The Honorable Phil Bredesen  
State Capitol  
Nashville, Tennessee 37243

Dear Governor Bredesen:

I am pleased to submit to you the fiscal year 2005-2006 Budget Document.

Moderate revenue growth, reforms that will restrain the growth of the TennCare program, and restraint in other programs allow us to propose a budget that provides targeted investment in initiatives, without the widespread base-budget reductions of the last two years.

The total state budget for 2005-2006 is \$25.1 billion, with \$11.2 billion from state appropriations, \$9.6 billion from federal funds, and \$4.3 billion from other departmental revenues, higher education student tuition and fees, and bonds for highway projects and capital outlay.

Our mid-year review of state tax collections and advice from economists and the State Funding Board lead us to expect that we will collect the budgeted estimates for taxes collected by the Department of Revenue in the current year. Therefore, we have not adjusted the overall revenue estimates for this year, though estimates of specific taxes are revised. Given the good collections in 2003-2004, we expect growth rates of 3.07 percent in Department of Revenue taxes and 2.92 percent in the general fund for the current year. For 2005-2006, we expect Department of Revenue taxes to grow by \$355.8 million over the current-year estimate and general fund taxes to grow by \$325.0 million. This reflects growth rates of 3.80 percent in the total and 4.16 percent in the general fund, though some of the growth will be apportioned to the debt service fund to support capital outlay bonds. Both of the growth rates are within the range of revenue growth recommended by the State Funding Board.

The budget recommendation includes a general fund base state appropriation reduction of \$15.9 million, resulting mainly from projected moderation of the Temporary Assistance to Needy Families case growth, but also from growth in available departmental revenue and scheduled program adjustments reflected in agency budget requests. These recurring reductions result in the funds being available for targeted investment in priorities. In addition, the TennCare base appropriation is reduced by \$49.8 million because of the necessity to balance appropriations against available revenues supporting the appropriation. The base reduction in TennCare reflects

no gain in funds available to fund other programs. We also have reduced the Lottery for Education Account appropriation to reflect the second-year estimate of the education-lottery scholarship requirement for higher education students.

In addition to the recurring state revenue growth and the funds available from base adjustments, other state revenues are expected to grow in the current and next years, and a revenue surplus from 2003-2004 is available to help fund appropriation requirements in 2005-2006.

Balanced against the available revenues, the 2005-2006 budget reflects your desire to restore funds to local governments and to the land acquisition and agricultural conservation funds. The 2005-2006 budget restores \$20 million to cities and counties, which is one-half of the previous reduction, with the intent to restore the remainder in the following budget. In addition, non-contract counties housing state felons in local jails will have state payments restored to \$35 per inmate per day from the current \$32, at a cost of \$2.5 million. The budget proposes to take a second step in restoring the real estate transfer tax to its intended land acquisition and agricultural conservation purposes. Along with the recurring \$6 million in the base budget, this makes a total of \$18 million available to those funds in 2005-2006, of which \$12 million is recurring and \$6 million non-recurring. Although the \$65.8 million recurring transfer from the highway fund to the general fund is necessary in 2005-2006, the budget includes a transfer back to the highway fund of \$10 million from non-recurring general fund availability.

For K-12 education, the improvement from the general fund is \$169.2 million, including \$86.8 million to fully fund the Basic Education Program formula for the ninth straight year and \$11 million to fund additional at-risk student programs through the formula.

In addition, from education lottery funds, \$25 million is provided to expand the pre-kindergarten program, in funding partnership with local education agencies, from estimated recurring excess lottery proceeds appropriated to the Lottery for Education Account. The recurring excess is reasonable to assume after consideration of higher education's projection of the full-funding requirement of all four college classes the year-after-next, under the current lottery-funded scholarship program. From the state's 50 percent share of unclaimed education lottery prizes, the budget also includes a \$4 million appropriation to expand the after-school program, which provides education, health, and social services to school children, primarily those at risk of academic failure.

Also for K-12 education program improvements, the budget includes \$5 million from non-recurring funds for the leadership and training initiative, which will support the desire of teachers and school leaders to improve teaching and learning in Tennessee public schools; and \$500,000 recurring to implement TeachTennessee, being planned in the current year, to call upon highly-motivated, mid-career professionals to teach in the hardest-to-staff schools in high-need subjects.

For higher education, the budget includes a recurring \$2.5 million appropriation to the University of Tennessee (UT) for a research initiative, in 1:1 funding partnership with the Oak Ridge National Laboratory (ORNL), that will attract distinguished scholars in the sciences and engineering. The joint UT-ORNL appointments to these positions will be focused on neutron,



biological, computational, and materials sciences. This is a multi-year initiative to upgrade the research strength of UT so that the 1,800 members of the National Academy of Science and the 1,900-member National Academy of Engineering will recognize distinguished achievement among UT faculty.

Other funding is included in the capital outlay budget for UT's research initiative. Construction of a facility for the UT-ORNL Joint Institute on Neutron Sciences is the third facility funded by the state in the joint research effort associated with the Spallation Neutron Source project at Oak Ridge. At the Knoxville campus, the budget includes funds for a new electrical and computer engineering research facility, funded two-thirds by the state and one-third by gifts.

Aside from research, the operating budget includes non-recurring funds of \$6.4 million to continue operating budget support of both university systems at the current level and \$367,200 recurring to reimburse higher education institutions for costs of paying the professional privilege tax on behalf of employees. The total capital outlay budget for higher education provides \$114.2 million from current funds and bonds to fund the first six projects recommended by the Higher Education Commission and to fund maintenance of existing facilities. Capital projects are funded at \$70 million from bonds and state current funds, and campus maintenance at \$44.2 million.

For economic development, the budget includes \$20 million from non-recurring funds to support the Administration's redesigned jobs initiative. From this amount, \$12 million is for the FastTrack infrastructure development program, \$7 million for the FastTrack jobs training program, and \$1 million for community development. These funds will broaden the application of infrastructure through regional partnerships; help with technology development applications; support industry-specific research for high-skill, high-wage jobs at the state's public research institutions; focus on advanced technology training for the workforce at existing manufacturing companies; and support creation of an on-going institute on economic and community development, which will assist community leaders in developing strategies for rural economic sustainability.

In addition, the budget provides \$4.5 million from non-recurring funds for the next stage in advertising and promoting Tennessee as a tourist destination.

In public safety, the budget includes \$6,940,000 for the Administration's multi-agency initiative to attack methamphetamine abuse, with \$2,950,000 from recurring state appropriations, \$1,740,000 from non-recurring state appropriations, and \$2,250,000 non-recurring from the Safe Neighborhoods Act reserve. The funds will provide for the recurring incarceration cost of crime legislation that the Administration is proposing, grants to 10 Child Advocacy Centers, and additional funds for the Safe and Drug-Free Schools program. Non-recurring funds are provided for a drug court pilot project, a public service campaign, legal training for law enforcement officers and prosecutors, and lab response training for law enforcement officers and firefighters.

In the District Attorneys General budget, \$1.6 million is recommended to continue 14 positions involved in prosecution of child abuse, juvenile, drug, and domestic and family violence cases

and in training and to maintain the criminal histories computer system, despite the loss of federal funds; and to continue computer replacement. The Board of Probation and Parole budget includes \$1.2 million to continue the pilot project on sex offender tracking through a global positioning system.

The Correction Department budget requires additional funding of \$13.9 million, including the \$2.5 million for restoring the local jails payment cap in non-contract counties, as mentioned above; for prison service, medical, and mental health contract inflators; and for utilities. In the Military Department, an improvement of \$1.4 million is recommended, including \$1.1 million for improvement of Tennessee Emergency Management operations centers at Nashville, Jackson, and Smyrna. The Department of Safety budget includes \$1.4 million for the operating cost of Highway Patrol vehicles that were replaced because of high mileage.

The TennCare budget includes an improvement from state funds of \$74.6 million and a total of \$207.9 million, including federal funds. As reformed, TennCare program growth and continuation of essential-access hospital payments will require a recurring \$57.3 million from state appropriations and a total of \$160.1 million, including federal funds. The program-growth funds provide for utilization increases of 3 percent in the dental program and 5 percent in private mental retardation facilities and for a 3 percent increase for long-term care alternatives. The TennCare budget also includes funds for 22 additional positions in the Department of Human Services for administrative review of appeals and for the TennCare share of improvements recommended in the Department of Children's Services and the Division of Mental Retardation.

The Children's Services Department budget includes an improvement of \$14.5 million from state appropriations and a total of \$20.3 million, including federal and TennCare funds. This will provide funds for 56 additional Child Protective Services positions; a case manager salary increase of 6 percent, in addition to other salary policy, in order to fund the second of a three-year plan to raise their salaries to the Southeast average; a salary increase for Community Service Agency case managers, to address the disparity with the departmental positions; residential service provider rate increases averaging 2 percent; an adoption assistance rate increase of 2 percent; adoption assistance caseload growth of 10.5 percent in the past year; and further development of the TN Kids computer system in accordance with federal standards. Funds also are recommended to maintain services despite the loss of federal and TennCare revenues for some custody services.

In the Mental Retardation Services Division of the Department of Finance and Administration, the budget includes an improvement recommendation of \$45.1 million, including \$4.1 million from state appropriations and \$40.9 million from TennCare funds. This will provide for services to 900 additional clients in the new self-determination waiver and 200 more clients in the home and community-based waiver and for development of an integrated information system.

Additional funds of \$161,800 are recommended in the Health Department to raise rates at which counties are reimbursed, to a maximum of \$1,250, for the cost of autopsies in cases of sudden, unexplained child death.

A Tennessee Land Conservation Project is funded at \$10 million from non-recurring funds added to the budget of the Department of Environment and Conservation. This general fund initiative is in addition to the \$18 million provided to the four land acquisition and agricultural conservation funds, as described above. In addition, the budget includes \$1.6 million from the general fund for additional staff in the Water Pollution Control program. This is necessary in order to assess, monitor, and develop clean-up plans for Tennessee waters.

From non-recurring funds, the budget includes appropriations for two special information systems projects: \$10 million to encourage the development of health-information technology initiatives and provide matching funds for a \$5 million federal award from the U.S. Agency for Healthcare Research and Quality; and \$1.5 million for the geographic information system, which will fund completion of digitized mapping.

Salary improvement for employees again is recommended in three parts: a recurring raise, a one-time salary bonus, and classification-compensation adjustments in state job classes. The combination of the recurring raise and the one-time bonus equals 2 percent in fiscal year 2005-2006. The recurring 1 percent salary increase costs \$43.2 million from state appropriations, including \$22.5 million for state and higher education employees and \$20.7 million for teachers and other school staff funded through the BEP formula. The bonus equivalent to 1 percent of salaries costs \$47.1 million, including \$26.4 million for state and higher education employees and \$20.7 million for teachers. In higher education, the recurring raise is funded through the higher education funding formula, and the one-time bonus is fully-funded by the state appropriation.

The budget also funds the statutory salary increases for the judges, the Attorney General and Reporter, assistant district attorneys general and criminal investigators, assistant public defenders, and assistant post-conviction defenders, as well as the Troopers' salary step plan. The salary survey raises for the Troopers and wildlife officers are recommended and funded at one-half of the survey results.

In addition, the budget includes \$6 million for classification-compensation salary adjustments for job classes. Funds also are recommended for travel reimbursement rate increases for state employees and for the state share of group health insurance rate increases.

The capital outlay budget totals \$301.3 million, including \$51.9 million from non-recurring state current funds, \$185.8 million from bonds, \$32.9 million from federal funds, and \$30.7 million from other sources. This includes the higher education capital outlay discussed above. Other capital projects recommended include \$72.4 million in bonds for the prison project in Bledsoe County; \$4.6 million from bonds and current funds for State Parks projects and an interpretive center at the historic Alex Haley Home and Museum; and \$35.6 million, with \$32.1 million from federal funds, for Military Department projects, including a new Armed Forces headquarters at the Houston Barracks in Nashville. Capital maintenance for state facilities requires \$34.8 million, excluding higher education maintenance cited above.

The facilities revolving fund capital budget provides an additional \$25.1 million for projects and maintenance of state office buildings and similar facilities maintained through agency rent payments.

Recommended program improvements and capital outlay projects are explained in detail in the Budget Document. In addition, volume 2 of the budget, presents the performance-based budget of nine agencies and supplementary information about the budget and about many programs.

The current-year budget has the overappropriation – or the amount by which general fund agencies must underspend – set at \$104.6 million. I recommend, and the Budget Document reflects, lowering the overappropriation by \$25 million in 2005-2006. Budget reductions and the necessity to provide statutory services make the current level very difficult to achieve. I believe that the recommended \$79.6 million general fund reversion level will be much more realistic.

The revenue fluctuation reserve currently is at \$217 million and is budgeted to increase to \$275.4 million at June 30, 2005. The 2005-2006 Budget proposes that this reserve be raised by \$39.3 million to \$314.7 million at June 30, 2006. This increase is slightly more than the statutory requirement that we recommend placing at least 10 percent of state revenue growth into this reserve. The revenue fluctuation reserve allows services to be maintained when revenue growth is slower than estimated in the budget, mainly during economic downturns. With a recovering economy and spending under control, we should use this opportunity to continue building this rainy day fund.

I recommend that you advise the General Assembly to remain conservative in estimating revenues, to retain the recommended increase for the rainy day fund, and to recognize the realistic overappropriation level, as legislative work on the budget proceeds.

Respectfully Submitted,

M. D. Goetz, Jr.  
Commissioner of Finance and Administration

# *Administration Priorities*



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In the last two years, Governor Bredesen has established the state's fiscal footing through budget discipline and tighter management of our state's resources. For the third year in a row, we are submitting a balanced, sensible and well-rounded budget with no new taxes to the General Assembly.

The Governor's priorities again focus on making education our state's fundamental priority and taking the next steps in job creation and economic development, public safety, and making our state government focused and more responsive to its citizens.

A fiscally balanced budget is important, but so is a budget that balances all of the state's priorities for the benefit of all Tennesseans. This budget does that. This has involved tough choices and difficult decisions, including substantially changing TennCare to avoid bankrupting the state. While the Governor's final proposal was not the one he initially wanted, he was left no choice and he took the most responsible path given the legal and economic circumstances facing the state. Even after tough cuts are made to TennCare, Tennessee will still have the 7<sup>th</sup> most comprehensive Medicaid program in the country and a common sense budget that moves our state forward on the right path to an even greater future.

Governor Bredesen will continue to make state government more efficient and responsive by keeping focused on the fundamentals, including children's issues, education, economic opportunity, the environment, health care, and safe and healthy communities. He believes strongly that state government cannot do everything and that we need to continue to develop partnerships across our communities with local governments, businesses, civic groups, religious groups and individuals to better serve our citizens.

- **NEXT STEPS – Education**

The Governor will take the next steps in strengthening our state's education system by launching a Voluntary Pre-K program for every 4-year-old in Tennessee. He will substantially expand our state's pilot project with the goal of eventually integrating this program into the state's education funding formula, the Basic Education Program (or BEP).

K-12 education is an investment in Tennessee’s future. Governor Bredesen will continue to fully fund the Basic Education Program and increase BEP funding for at-risk students across the state. To build on the teacher salary improvements of the last year, he will launch the Governor’s “Institute for Leadership and Training” to provide year-round professional development for teachers, administrators and school leaders.

- **NEXT STEPS – Jobs and the Economy**

Governor Bredesen believes creating more and better job opportunities is a key to improving life in Tennessee. He will continue to focus on job creation with a goal of “modernizing the tool kit we use to sustain and build new industry in Tennessee.” That includes investments in Tennesseans through training and re-training workers for the jobs of tomorrow, along with an expansion of our infrastructure to foster competitiveness for new industry statewide.

Tennessee must diversify in order to compete in a rapidly changing economy. Governor Bredesen created a Jobs Cabinet to coordinate efforts at the highest levels of state government to create better-paying, higher-skilled jobs for working Tennesseans and created an Office of Diversity Business Enterprise to serve as a point of service and information clearinghouse for small businesses, including minority- and women-owned businesses. Governor Bredesen will continue to put a laser-like focus on the development of all Tennessee communities.

- **NEXT STEPS – Public Safety**

Methamphetamine abuse is a clear and present danger to the future of our state and we must move quickly to defeat this plague. Governor Bredesen will introduce comprehensive legislation to broaden the state’s attack on methamphetamine abuse. Developed based on recommendations provided by a Governor-appointed task force on meth, the bill will include new limits on the sale of cold and sinus products containing pseudoephedrine, a vital ingredient in the meth-making process. It also will propose further enhancements of criminal penalties relating to meth use, particularly the “personal use” loophole that allows for lighter penalties in cases in which meth cooks claim they are manufacturing only for personal use.

- **NEXT STEPS – Government Efficiency**

The Bredesen Administration has substantially trimmed inefficient and unnecessary parts of state government through departmental budget cuts. We will build on this foundation with initiatives designed to increase the efficiency of state government, making it more responsive, more flexible and more user-friendly to its customers, the taxpayers of Tennessee. That includes a streamlining of the driver’s licensing process to decrease delays and an in-depth evaluation of state government to weed out unnecessary bureaucracy. We will work hard to make sure our citizens are treated as customers, the same way they would be in the private sector.

# The Budget Document

## Introduction

Tennessee Code Annotated, Section 9-4-5106, requires that the financial plan of Tennessee's state government be presented in four 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. State Appropriations and Taxes, Excluding Dedicated Funds** – Appropriations and tax estimates from general state tax sources, excluding appropriations from dedicated tax sources; this is the so-called "State Taxpayers Budget";

**3. Detailed Budget Estimates** – Estimates of expenditures and revenues, including all funding sources; program statements and performance measures; 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

**4. 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 fund 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, two, and three are included in the Budget Document. The format of the Budget Document is reviewed annually for clarity and content. Part four, 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 summarize the policy and financial recommendations included in the document.

Following the transmittal letters is a statement of the Administration's priorities.

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 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 improvements proposed for the next fiscal year.

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, and a summary of personnel and funding for all state agencies and higher education institutions.

The Budget Document also includes an historical analysis of the effect on the state budget of federal aid trends and federally mandated costs.

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 as of June 30 for the two prior years. This schedule 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 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.

The "State Taxpayers Budget" section is included to distinguish between state appropriations from general state taxes and appropriations from dedicated taxes and fees, which are narrowly levied and earmarked for specific purposes. The "State Taxpayers Budget" excludes the dedicated funds, federal revenues, and other departmental revenues; it reports only appropriations from general state tax sources, along with estimates of the general taxes.

Except for the "State Taxpayers Budget," all of the other summary charts and program statements in this Budget Document that deal with appropriations 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 associated agencies, followed by a list of the improvement items that are recommended for



that area of state government. The improvement 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 improvements, and the total recommended.

Volume 2 of the Budget Document, "Performance-Based Budget for Selected Agencies and Supplementary Information," includes a budget process explanation; a basis of budgeting and accounting explanation; a Tennessee characteristics chart; and a Tennessee program history, focused on children, education, economic opportunity, public health, homeland security, and natural resources; the performance-based budget for agencies officially phased into performance-based budgeting; program performance measures for most agencies not officially phased into performance-based budgeting; and other program information for most agencies.



# Budget Overview

## Summary Statements and Charts

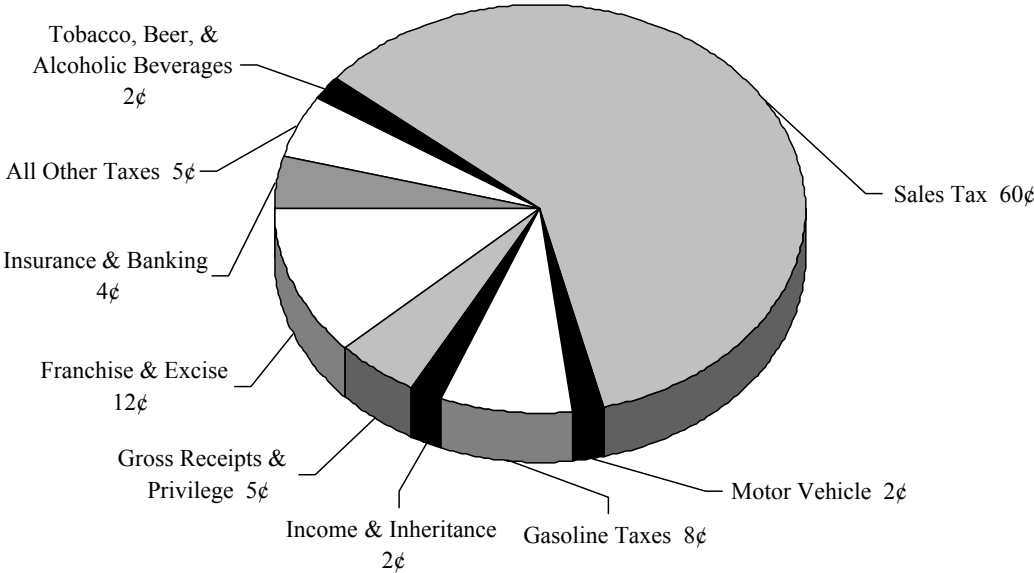
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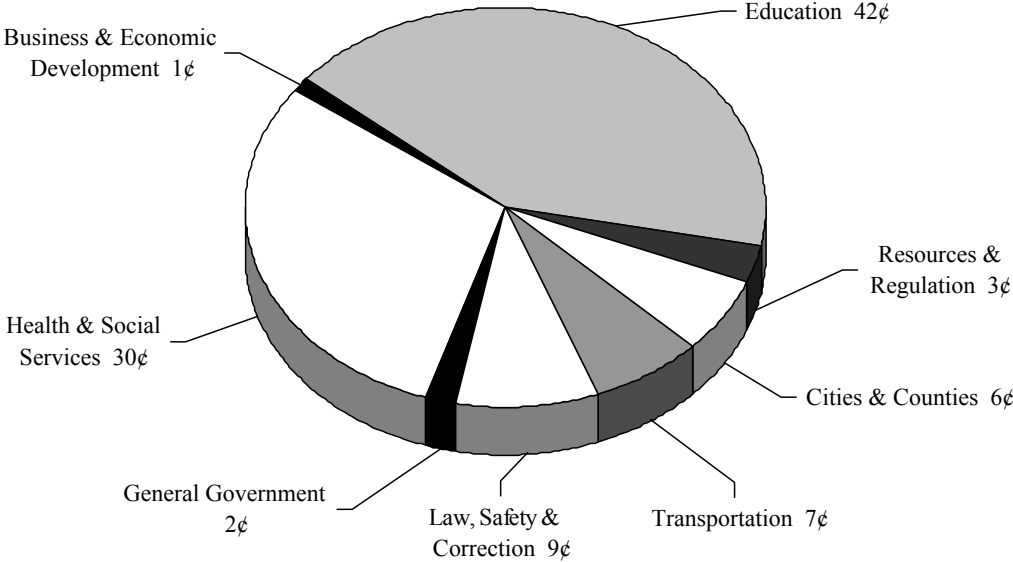
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# Total State Budget

## Where Your State Tax Dollar Comes From



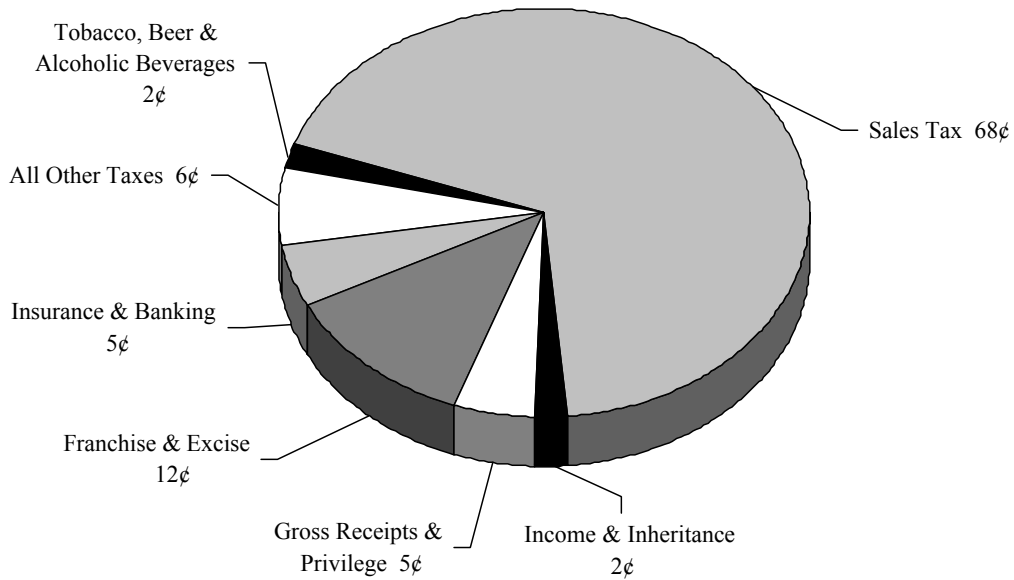
## Where Your State Tax Dollar Goes



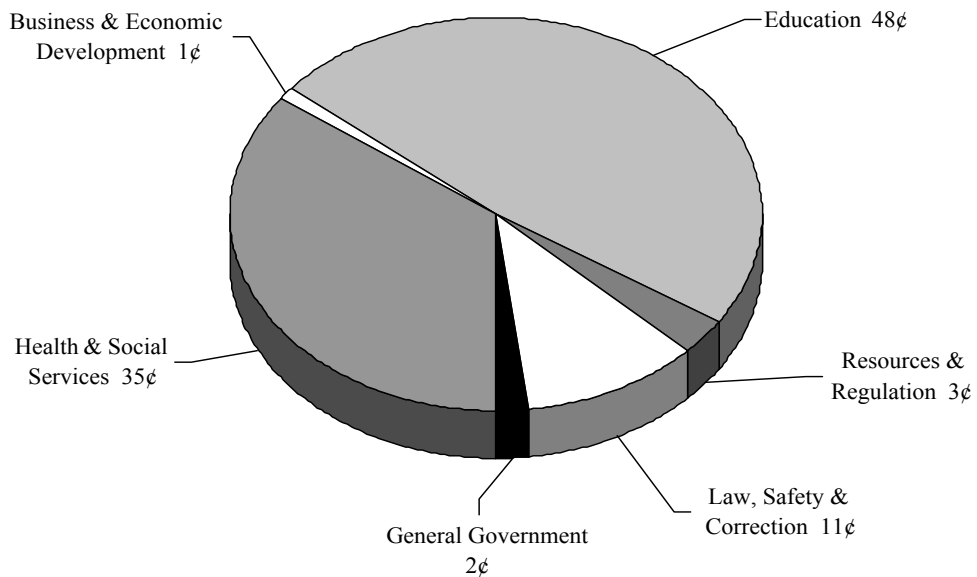
Fiscal Year 2005 - 2006

# General Fund Budget

## Where Your State Tax Dollar Comes From



## Where Your State Tax Dollar Goes



Fiscal Year 2005 - 2006

**Total State Budget  
Comparison of Programs and Revenue Sources  
Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Recommended 2005-2006</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
<b>I. PROGRAMS</b>					
<b>ALL PROGRAMS</b>	<b>22,133,995,500</b>	<b>25,381,496,400</b>	<b>25,076,819,700</b>	<b>\$3,247,500,900</b>	<b>(\$304,676,700)</b>
General Fund <sup>1</sup>	19,713,143,900	22,303,664,900	21,826,401,100	2,590,521,000	(477,263,800)
Department of Transportation	1,310,083,600	1,619,845,000	1,858,614,000	309,761,400	238,769,000
Debt Service Requirements	228,163,000	250,682,000	273,816,000	22,519,000	23,134,000
Capital Outlay Program	132,067,000	398,540,000	301,300,000	266,473,000	(97,240,000)
Facilities Revolving Fund	102,884,300	137,564,500	128,388,600	34,680,200	(9,175,900)
Cities & Counties - State Shared Taxes	647,653,700	671,200,000	688,300,000	23,546,300	17,100,000
<b>II. REVENUE SOURCES</b>					
<b>APPROPRIATION</b>	<b>\$9,889,354,400</b>	<b>\$11,076,150,200</b>	<b>\$11,224,168,900</b>	<b>\$1,186,795,800</b>	<b>\$148,018,700</b>
General Fund <sup>1</sup>	8,175,104,900	9,447,944,900	9,544,669,600	1,272,840,000	96,724,700
Department of Transportation	737,828,200 <sup>2</sup>	646,800,000	664,900,000	(91,028,200)	18,100,000
Debt Service Requirements	228,163,000	250,682,000	273,816,000	22,519,000	23,134,000
Capital Outlay Program	100,283,000 <sup>2</sup>	58,940,000	51,900,000	(41,343,000)	(7,040,000)
Facilities Revolving Fund	321,600	583,300	583,300	261,700	0
Cities & Counties - State Shared Taxes	647,653,700	671,200,000	688,300,000	23,546,300	17,100,000
<b>BONDS</b>	<b>\$0</b>	<b>\$493,880,000</b>	<b>\$358,300,000</b>	<b>\$493,880,000</b>	<b>(\$135,580,000)</b>
Department of Transportation	0	159,000,000	156,000,000	159,000,000	(3,000,000)
Capital Outlay Program	0	309,580,000	185,800,000	309,580,000	(123,780,000)
Facilities Revolving Fund	0	25,300,000	16,500,000	25,300,000	(8,800,000)
<b>FEDERAL</b>	<b>\$8,606,888,700</b>	<b>\$9,684,947,300</b>	<b>\$9,569,071,100</b>	<b>\$1,078,058,600</b>	<b>(\$115,876,200)</b>
General Fund	8,067,627,700	8,897,992,300	8,539,839,100	830,364,600	(358,153,200)
Department of Transportation	535,146,000	777,173,000	996,332,000	242,027,000	219,159,000
Capital Outlay Program	4,115,000	9,782,000	32,900,000	5,667,000	23,118,000
<b>CURRENT SERVICES &amp; OTHER</b>	<b>\$3,637,752,400</b>	<b>4,126,518,900</b>	<b>\$3,925,279,700</b>	<b>\$488,766,500</b>	<b>(\$201,239,200)</b>
General Fund <sup>3</sup>	3,470,411,300	3,957,727,700	3,741,892,400	487,316,400	(215,835,300)
Department of Transportation	37,109,400	36,872,000	41,382,000	(237,400)	4,510,000
Capital Outlay Program	27,669,000	20,238,000	30,700,000	(7,431,000)	10,462,000
Facilities Revolving Fund <sup>4</sup>	102,562,700	111,681,200	111,305,300	9,118,500	(375,900)
<b>TOTAL STATE BUDGET</b>	<b><u>\$22,133,995,500</u></b>	<b><u>25,381,496,400</u></b>	<b><u>\$25,076,819,700</u></b>	<b><u>\$3,247,500,900</u></b>	<b><u>(\$304,676,700)</u></b>

<sup>1</sup> General Fund includes Education Lottery-funded programs.

<sup>2</sup> Includes tax revenues and bonds.

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

<sup>4</sup> Includes departmental operating revenues and bonds.

**Total State Budget  
Comparison of Programs by Revenue Sources  
Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

	Actual 2003-2004	Estimated 2004-2005	Recommended 2005-2006	Act. vs. Est. Difference	Est. vs. Rec. Difference
<b>I. GENERAL FUND <sup>1</sup></b>	<b>\$19,713,143,900</b>	<b>\$22,303,664,900</b>	<b>\$21,826,401,100</b>	<b>\$2,590,521,000</b>	<b>(\$477,263,800)</b>
Appropriation	8,175,104,900	9,447,944,900	9,544,669,600	1,272,840,000	96,724,700
Federal	8,067,627,700	8,897,992,300	8,539,839,100	830,364,600	(358,153,200)
Current Services & Other Revenue <sup>2</sup>	3,470,411,300	3,957,727,700	3,741,892,400	487,316,400	(215,835,300)
<b>II. DEPARTMENT OF TRANSPORTATION</b>	<b>\$1,310,083,600</b>	<b>\$1,619,845,000</b>	<b>\$1,858,614,000</b>	<b>\$309,761,400</b>	<b>\$238,769,000</b>
Appropriation	737,828,200 <sup>3</sup>	646,800,000	664,900,000	(91,028,200)	18,100,000
Federal	535,146,000	777,173,000	996,332,000	242,027,000	219,159,000
Current Services & Other Revenue	37,109,400	36,872,000	41,382,000	(237,400)	4,510,000
Bonds	0	159,000,000	156,000,000	159,000,000	(3,000,000)
<b>III. DEBT SERVICE REQUIREMENTS</b>	<b>\$228,163,000</b>	<b>\$250,682,000</b>	<b>\$273,816,000</b>	<b>\$22,519,000</b>	<b>\$23,134,000</b>
Appropriation	228,163,000	250,682,000	273,816,000	22,519,000	23,134,000
<b>IV. CAPITAL OUTLAY PROGRAM</b>	<b>\$132,067,000</b>	<b>\$398,540,000</b>	<b>\$301,300,000</b>	<b>\$266,473,000</b>	<b>(\$97,240,000)</b>
Appropriation	100,283,000 <sup>3</sup>	58,940,000	51,900,000	(41,343,000)	(7,040,000)
Federal	4,115,000	9,782,000	32,900,000	5,667,000	23,118,000
Current Services & Other Revenue	27,669,000	20,238,000	30,700,000	(7,431,000)	10,462,000
Bonds	0	309,580,000	185,800,000	309,580,000	(123,780,000)
<b>V. FACILITIES REVOLVING FUND</b>	<b>\$102,884,300</b>	<b>\$137,564,500</b>	<b>\$128,388,600</b>	<b>\$34,680,200</b>	<b>(\$9,175,900)</b>
Appropriations	321,600	583,300	583,300	261,700	0
Current Services & Other Revenue	102,562,700 <sup>4</sup>	111,681,200	111,305,300	9,118,500	(375,900)
Bonds	0	25,300,000	16,500,000	25,300,000	(8,800,000)
<b>VI. CITIES &amp; COUNTIES - STATE SHARED TAXES</b>	<b>\$647,653,700</b>	<b>\$671,200,000</b>	<b>\$688,300,000</b>	<b>\$23,546,300</b>	<b>\$17,100,000</b>
Appropriation	647,653,700	671,200,000	688,300,000	23,546,300	17,100,000
<b>VII. TOTAL STATE BUDGET</b>	<b>\$22,133,995,500</b>	<b>\$25,381,496,400</b>	<b>\$25,076,819,700</b>	<b>\$3,247,500,900</b>	<b>(\$304,676,700)</b>
Appropriation	9,889,354,400	11,076,150,200	11,224,168,900	1,186,795,800	148,018,700
Federal	8,606,888,700	9,684,947,300	9,569,071,100	1,078,058,600	(115,876,200)
Current Services & Other Revenue <sup>2</sup>	3,637,752,400	4,126,518,900	3,925,279,700	488,766,500	(201,239,200)
Bonds	0	493,880,000	358,300,000	493,880,000	(135,580,000)

<sup>1</sup> General Fund includes Education Lottery-funded programs.

<sup>2</sup> Includes Higher Education tuition and student fees.

<sup>3</sup> Includes tax revenues and bonds.

<sup>4</sup> Includes departmental operating revenues and bonds.

## Departmental Summary of Continuation and Improvement Recommendations from State Tax Revenue for Fiscal Year 2005-2006

Department	2004-2005 Appropriations *		2005-2006 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Legislature	\$31,342,500	\$750,300	\$31,694,900	1.12%	\$0	\$31,694,900	-1.24%
Fiscal Review Committee	950,300	10,600	965,900	1.64%	0	965,900	0.52%
Court System	90,535,800	439,000	90,535,800	0.00%	834,700	91,370,500	0.43%
Attorney General and Reporter	18,305,200	139,500	18,305,200	0.00%	3,900	18,309,100	-0.74%
District Attorneys General	51,095,100	917,500	51,095,100	0.00%	2,208,000	53,303,100	2.48%
Secretary of State	24,069,700	425,000	24,069,700	0.00%	250,000	24,319,700	-0.71%
District Public Defenders	30,001,400	326,000	30,001,400	0.00%	379,400	30,380,800	0.18%
Comptroller of the Treasury	65,990,700	508,900	65,987,900	0.00%	316,100	66,304,000	-0.29%
Post-Conviction Defender	1,163,100	6,400	1,174,800	1.01%	11,600	1,186,400	1.45%
Treasury Department	149,700	1,800	149,700	0.00%	0	149,700	-1.19%
Claims and Compensation	9,474,100	0	10,076,100	6.35%	0	10,076,100	6.35%
Executive Department	3,499,900	14,200	3,499,900	0.00%	0	3,499,900	-0.40%
Executive Dept. - Office of Homeland Security	867,400	2,700	867,400	0.00%	0	867,400	-0.31%
Commissions	28,365,300	636,600	28,265,300	-0.35%	182,700	28,448,000	-1.91%
Finance and Administration (F&A)	13,937,600	5,592,600	13,937,600	0.00%	1,500,000	15,437,600	-20.96%
F&A - TennCare	2,502,266,000	38,041,100	2,453,370,300	-1.95%	74,600,000	2,527,970,300	-0.49%
Personnel	4,591,300	81,800	4,591,300	0.00%	0	4,591,300	-1.75%
General Services	2,156,700	16,700	2,156,700	0.00%	0	2,156,700	-0.77%
Veterans Affairs	2,949,800	153,500	2,949,800	0.00%	418,300	3,368,100	8.53%
Board of Probation & Parole	59,710,700	3,936,800	59,710,700	0.00%	1,245,000	60,955,700	-4.23%
Agriculture	49,405,400	2,590,100	49,405,400	0.00%	3,015,000	52,420,400	0.82%
Tourist Development	7,145,700	23,500	7,145,700	0.00%	4,500,000	11,645,700	62.44%
Environment and Conservation	145,786,500	27,000,100	144,951,800	-0.57%	16,430,200	161,382,000	-6.60%
Wildlife Resources Agency	41,293,100	5,023,200	38,698,000	-6.28%	5,778,800	44,476,800	-3.97%
Correction	535,288,500	4,283,900	535,288,500	0.00%	13,926,700	549,215,200	1.79%
Economic & Community Development	30,045,600	19,473,500	30,045,600	0.00%	20,000,000	50,045,600	1.06%
Education (K-12)	<u>2,976,025,700</u>	<u>39,824,400</u>	<u>2,976,025,700</u>	0.00%	<u>169,176,700</u>	<u>3,145,202,400</u>	4.29%
Lottery-Funded Programs **	0	0	0		4,000,000	4,000,000	
Other K-12 Education Programs **	2,976,025,700	39,824,400	2,976,025,700	0.00%	165,176,700	3,141,202,400	4.16%
Higher Education	<u>1,301,578,400</u>	<u>27,296,200</u>	<u>1,290,358,000</u>	-0.86%	<u>8,900,000</u>	<u>1,299,258,000</u>	-2.23%
Lottery for Education Account **	178,600,000	0	167,400,000	-6.27%	0	167,400,000	-6.27%
Other Higher Education Programs **	1,122,978,400	27,296,200	1,122,958,000	0.00%	8,900,000	1,131,858,000	-1.60%
Commerce and Insurance	52,564,900	289,000	52,087,600	-0.91%	300,600	52,388,200	-0.88%
Financial Institutions	7,149,100	58,700	7,239,100	1.26%	0	7,239,100	0.43%
Labor and Workforce Development	29,122,200	1,846,100	29,122,200	0.00%	2,486,500	31,608,700	2.07%
Mental Health & Developmental Disabilities	115,064,400	3,046,400	115,064,400	0.00%	0	115,064,400	-2.58%
Military	9,387,400	86,300	9,387,400	0.00%	1,357,200	10,744,600	13.42%
Health	111,171,000	2,541,300	111,171,000	0.00%	541,600	111,712,600	-1.76%
F&A - Division of Mental Retardation	100,526,000	19,608,900	100,526,000	0.00%	4,124,100	104,650,100	-12.89%
Human Services	<u>199,741,700</u>	<u>3,848,800</u>	<u>185,005,200</u>	-7.38%	<u>17,500</u>	<u>185,022,700</u>	-9.12%
Temporary Cash Assistance **	43,882,700	0	37,253,900	-15.11%	0	37,253,900	-15.11%
Other Human Services Programs **	155,859,000	3,848,800	147,751,300	-5.20%	17,500	147,768,800	-7.48%
Revenue	47,322,400	1,390,100	45,984,400	-2.83%	0	45,984,400	-5.60%
Tennessee Bureau of Investigation	27,851,900	558,100	27,851,900	0.00%	0	27,851,900	-1.96%
Safety	125,520,500	3,488,300	125,325,700	-0.16%	3,544,900	128,870,600	-0.11%
Miscellaneous Appropriations	40,864,000	57,995,700	40,364,000	-1.22%	105,461,800	145,825,800	47.51%
Emergency and Contingency Fund	819,300	0	819,300	0.00%	0	819,300	0.00%
State Building Commission	250,000	0	250,000	0.00%	0	250,000	0.00%
Children's Services	273,109,000	7,216,300	273,109,000	0.00%	14,526,900	287,635,900	2.61%
<b>Total General Fund</b>	<b><u>\$9,168,455,000</u></b>	<b><u>\$279,489,900</u></b>	<b><u>\$9,088,631,400</u></b>	<b>-0.87%</b>	<b><u>\$456,038,200</u></b>	<b><u>\$9,544,669,600</u></b>	<b>1.02%</b>

\* Includes recommended supplemental appropriations in the amount of \$17,739,800. For a detailed listing of supplementals, please see the table on page A-17.

\*\* These items are included in the departmental totals.



**Departmental Summary of Improvements  
Fiscal Year 2005-2006**

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	834,700	834,700	0	0
303	Attorney General and Reporter	3,900	3,900	0	0
304	District Attorneys General	2,272,600	2,208,000	0	64,600
305	Secretary of State	250,000	250,000	0	0
306	District Public Defenders	379,400	379,400	0	0
307	Comptroller of the Treasury	316,100	316,100	0	0
308	Post-Conviction Defender	11,600	11,600	0	0
309	Treasury Department	1,705,800	0	0	1,705,800
315	Executive Department	0	0	0	0
315.05	Executive Department - Office of Homeland Security	0	0	0	0
316	Commissions	930,600	182,700	309,300	438,600
317	Finance and Administration (F&A)	1,500,000	1,500,000	0	0
318	F&A - TennCare	207,876,200	74,600,000	133,276,200	0
319	Personnel	572,500	0	0	572,500
321	General Services	0	0	0	0
323	Veterans Affairs	418,300	418,300	0	0
324	Board of Probation and Parole	1,795,000	1,245,000	0	550,000
325	Agriculture	3,015,000	3,015,000	0	0
326	Tourist Development	4,500,000	4,500,000	0	0
327	Environment and Conservation	16,430,200	16,430,200	0	0
328	Wildlife Resources Agency	5,778,800	5,778,800	0	0
329	Correction	13,926,700	13,926,700	0	0
330	Economic & Community Development	20,000,000	20,000,000	0	0
331	Education (K-12)	194,176,700	169,176,700	0	25,000,000
	Lottery-Funded Programs *	29,000,000	4,000,000	0	25,000,000
	Other K-12 Education Programs *	165,176,700	165,176,700	0	0
332	Higher Education	8,900,000	8,900,000	0	0
	Lottery for Education Account *	0	0	0	0
	Other Higher Education Programs *	8,900,000	8,900,000	0	0
335	Commerce and Insurance	1,722,000	300,600	0	1,421,400
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	2,486,500	2,486,500	0	0
339	Mental Health & Developmental Disabilities	514,400	0	514,400	0
341	Military	1,357,200	1,357,200	0	0
343	Health	590,700	541,600	0	49,100
344	F&A - Division of Mental Retardation	45,064,100	4,124,100	0	40,940,000
345	Human Services	1,251,600	17,500	34,100	1,200,000
345.23	Temporary Cash Assistance *	0	0	0	0
	Other Human Services Programs *	1,251,600	17,500	34,100	1,200,000
347	Revenue	0	0	0	0
348	Tennessee Bureau of Investigation	0	0	0	0
349	Safety	3,544,900	3,544,900	0	0
351	Miscellaneous Appropriations	107,711,800	105,461,800	0	2,250,000
359	Children's Services	20,334,600	14,526,900	2,913,300	2,894,400
	<b>Sub-total General Fund</b>	<b>\$670,171,900</b>	<b>\$456,038,200</b>	<b>\$137,047,300</b>	<b>\$77,086,400</b>
400	Transportation	0	0	0	0
	<b>Total All Funds</b>	<b>\$670,171,900</b>	<b>\$456,038,200</b>	<b>\$137,047,300</b>	<b>\$77,086,400</b>

\* These items are included in the Departmental Totals.

**General Fund and Education Fund  
Comparison of Appropriation Requirements and State Revenues  
Fiscal Year 2004-2005**

**I. APPROPRIATION REQUIREMENTS**

General Fund Programs:	
2004 Appropriations Act	\$ 9,430,205,100
2005 Supplemental Appropriations	<u>17,739,800</u>
<b>Total General Fund Requirements</b>	<b>\$ 9,447,944,900</b>
Less: Overappropriation	<u>(104,600,000)</u>
<b>Net General Fund Requirements</b>	<b>\$ 9,343,344,900</b>
Transportation Equity Fund	21,600,000
Capital Outlay Program	58,940,000
Metro Sports Authority Debt Service	3,981,000
Personal License Plates Reserves	2,400,000
Facilities Revolving Fund	<u>583,300</u>
<b>Total Other Requirements</b>	<b>\$ 87,504,300</b>
<b>Total Appropriation Requirements</b>	<b>\$ 9,430,849,200</b>

**II. GENERAL FUND REVENUES AND RESERVES**

State Tax Revenue - Department of Revenue - Revised	\$ 7,805,000,000
State Tax Revenue - Other State Revenue - Revised	786,600,000
Miscellaneous Revenue - Revised	82,500,000
Tobacco Funds	155,500,000
Lottery for Education Account	178,600,000
IGT Revenue	49,800,000
Highway Fund Transfer - Gas Inspection Act	1,100,000
Reserve for Appropriations 2004-2005	244,765,100
Reserve for Contingency Appropriations 2004-2005	17,355,000
Debt Service Fund Transfer at June 30, 2005	42,700,000
Realty Transfer Tax - Transfer to General Fund	1,500,000
Highway Fund - Transfer to General Fund	65,800,000
Federal Essential Services Reserve at June 30, 2004	104,303,900
Revenue Fluctuation Reserve at June 30, 2004	217,000,000
Reserve for Future Requirements at June 30, 2004	178,600,000
Undesignated Fund Balance at June 30, 2004	<u>203,000</u>
<b>Total General Fund Revenues and Reserves</b>	<b>\$ 9,931,327,000</b>

**III. AVAILABLE FUNDS AT JUNE 30, 2005**

Revenue Fluctuation Reserve	\$ 275,400,000
Reserve for Appropriations 2005-2006	224,600,000
Undesignated Fund Balance	<u>477,800</u>
<b>Total Available Funds</b>	<b>\$ 500,477,800</b>

**General Fund and Education Fund  
Comparison of Appropriation Requirements and State Revenues  
Fiscal Year 2005-2006**

**I. APPROPRIATION REQUIREMENTS**

General Fund Programs:	
<b>Base Budget Requirements</b>	<b>\$ 9,167,811,100</b>
Base Budget Reductions	<u>(79,179,700)</u>
<b>Base Budget Recommended</b>	<b>\$ 9,088,631,400</b>

Improvement Budget Recommendations:	
K-12 BEP:	
BEP Formula	86,800,000
At-Risk Students	11,000,000
Teachers' Salary Increase and Bonus	41,400,000
Group Health Insurance	20,200,000
Other Programs	9,776,700
TennCare	74,600,000
Employees' Salary Increases and Bonus	48,900,000
Employees' Group Health Insurance	29,400,000
Other Improvements	<u>133,961,500</u>
<b>Total Improvements</b>	<b>\$ 456,038,200</b>

**Total General Fund Requirements** **\$ 9,544,669,600**

Less: Overappropriation (79,600,000)

**Net General Fund Requirements** **\$ 9,465,069,600**

Other Programs:	
Transportation Equity Fund	23,500,000
Capital Outlay Program	51,900,000
Metro Sports Authority Debt Service	4,000,000
Personal License Plates Fund Reserves	2,400,000
Facilities Revolving Fund	583,300
State Shared Taxes - Restore - Recurring	20,000,000
Highway Fund - Restore - Non-Recurring	<u>10,000,000</u>

**Total Other Requirements** **\$ 112,383,300**

**Total Appropriation Requirements** **\$ 9,577,452,900**

**II. GENERAL FUND REVENUES AND RESERVES**

State Tax Revenue - Department of Revenue	\$ 8,115,500,000
State Tax Revenue - Other State Revenue	799,800,000
Miscellaneous Revenue	85,300,000
Tobacco Funds	153,000,000
Lottery for Education	171,400,000
Highway Fund Transfer - Gas Inspection Act	1,100,000
Reserve for Appropriations 2005-2006	224,600,000
Highway Fund - Transfer to General Fund	65,800,000
Revenue Fluctuation Reserve at June 30, 2005	275,400,000
Undesignated Fund Balance at June 30, 2005	<u>477,800</u>

**Total General Fund Revenues and Reserves** **\$ 9,892,377,800**

**III. AVAILABLE FUNDS AT JUNE 30, 2006**

Revenue Fluctuation Reserve	\$ 314,700,000
Undesignated Fund Balance	<u>224,900</u>

**Total Available Funds** **\$ 314,924,900**

**Department of Transportation**  
**Comparison of Appropriations and Funding Requirements**  
**Fiscal Years 2004-2005 and 2005-2006**

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Difference</u>
<b>I. APPROPRIATION REQUIREMENTS</b>			
<b>ADMINISTRATION:</b>			
D.O.T. Headquarters	\$14,271,000	\$14,448,000	\$177,000
Bureau of Engineering	25,900,000	18,146,000	(7,754,000)
Bureau of Administration	32,840,000	34,509,000	1,669,000
Bureau of Environment and Planning	7,174,000	6,621,000	(553,000)
Field Engineering	26,630,000	37,262,000	10,632,000
Insurance Premiums	10,282,000	11,000,000	718,000
<b>Total</b>	<b>\$117,097,000</b>	<b>\$121,986,000</b>	<b>\$4,889,000</b>
<b>EQUIPMENT PURCHASES &amp; OPERATIONS:</b>	<b>\$21,431,000</b>	<b>\$21,020,000</b>	<b>(\$411,000)</b>
<b>HIGHWAY MAINTENANCE:</b>	<b>\$253,428,000</b>	<b>\$237,428,000</b>	<b>(\$16,000,000)</b>
<b>STATE CONSTRUCTION:</b>			
Highway Betterments	\$5,700,000	\$6,300,000	\$600,000
State Aid	28,922,000	28,922,000	0
State Industrial Access	10,815,000	11,415,000	600,000
Local Interstate Connectors	1,475,000	2,075,000	600,000
Capital Improvements	10,055,000	7,100,000	(2,955,000)
<b>Total</b>	<b>\$56,967,000</b>	<b>\$55,812,000</b>	<b>(\$1,155,000)</b>
<b>FEDERAL CONSTRUCTION:</b>			
Mass Transit	\$38,546,000	\$42,596,000	\$4,050,000
Planning & Research	5,100,000	5,900,000	800,000
Interstate Construction	14,825,000	18,200,000	3,375,000
Forest Highways	200,000	200,000	0
State Highway Construction	267,821,000	277,558,000	9,737,000
Bridge Replacement	5,000,000	13,000,000	8,000,000
Air, Water, and Rail	25,385,000	27,200,000	1,815,000
<b>Total</b>	<b>\$356,877,000</b>	<b>\$384,654,000</b>	<b>\$27,777,000</b>
<b>TOTAL APPROPRIATION REQUIREMENTS</b>	<b>\$805,800,000</b>	<b>\$820,900,000</b>	<b>\$15,100,000</b>
<b>II. FUNDING REQUIREMENTS:</b>			
Highway User Taxes	\$650,400,000	\$655,600,000	\$5,200,000
Miscellaneous Revenue	28,600,000	29,600,000	1,000,000
Bonds	159,000,000	156,000,000	(3,000,000)
Highway Fund Balance/Reserves	12,000,000	12,000,000	0
Transportation Equity Fund	21,600,000	23,500,000	1,900,000
<b>Sub-Total</b>	<b>\$871,600,000</b>	<b>\$876,700,000</b>	<b>\$5,100,000</b>
Transfer to General Fund	(65,800,000)	(65,800,000)	0
Transfer from General Fund	0	10,000,000	10,000,000
<b>Sub-Total</b>	<b>(65,800,000)</b>	<b>(55,800,000)</b>	<b>10,000,000</b>
<b>TOTAL FUNDING REQUIREMENTS</b>	<b>\$805,800,000</b>	<b>\$820,900,000</b>	<b>\$15,100,000</b>

**Department of Transportation**  
**Comparison of Appropriations by Funding Sources**  
**Fiscal Years 2004-2005 and 2005-2006**

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Difference</u>
<b>I. STATE FUNDS:</b>			
Administration	\$117,097,000	\$121,986,000	\$4,889,000
Equipment Purchases	21,431,000	21,020,000	(411,000)
Highway Maintenance	253,428,000	237,428,000	(16,000,000)
State Construction	56,967,000	55,812,000	(1,155,000)
Federal Aid Construction	197,877,000	228,654,000	30,777,000
<b>Total</b>	<b>\$646,800,000</b>	<b>\$664,900,000</b>	<b>\$18,100,000</b>
<b>II. BOND AUTHORIZATIONS:</b>			
State Construction	\$0	\$0	\$0
Federal Aid Construction	159,000,000	156,000,000	(3,000,000)
<b>Total</b>	<b>\$159,000,000</b>	<b>\$156,000,000</b>	<b>(3,000,000)</b>
<b>III. FEDERAL AID:</b>			
Federal Aid Construction	<b>\$777,173,000</b>	<b>\$996,332,000</b>	<b>\$219,159,000</b>
<b>IV. LOCAL GOVERNMENTS:</b>			
Highway Maintenance	\$1,100,000	\$1,100,000	\$0
State Construction	10,534,000	11,134,000	600,000
Federal Aid Construction	25,238,000	29,148,000	3,910,000
<b>Total</b>	<b>\$36,872,000</b>	<b>\$41,382,000</b>	<b>\$4,510,000</b>
<b>V. GRAND TOTAL:</b>			
Administration	\$117,097,000	\$121,986,000	\$4,889,000
Equipment Purchases	21,431,000	21,020,000	(411,000)
Highway Maintenance	254,528,000	238,528,000	(16,000,000)
State Construction	67,501,000	66,946,000	(555,000)
Federal Aid Construction	1,159,288,000	1,410,134,000	250,846,000
<b>Total</b>	<b>\$1,619,845,000</b>	<b>\$1,858,614,000</b>	<b>\$238,769,000</b>

# Comparison of Programs

## Fiscal Years 2003-2004, 2004-2005, and 2005-2006

Allot. Code	Department	Actual 2003-2004	Estimated 2004-2005	Recommended 2005-2006	Act. vs Est. Difference	Est. vs Rec. Difference
<b>301</b>	<b>Legislature</b>	<b>\$26,619,900</b>	<b>\$32,230,300</b>	<b>\$31,832,400</b>	<b>\$5,610,400</b>	<b>(\$397,900)</b>
	Appropriation	26,083,100	32,092,800	31,694,900	6,009,700	(397,900)
	Current Services and Other Revenue	536,800	137,500	137,500	(399,300)	0
<b>301.50</b>	<b>Fiscal Review Committee</b>	<b>\$885,500</b>	<b>\$960,900</b>	<b>\$965,900</b>	<b>\$75,400</b>	<b>\$5,000</b>
	Appropriation	752,100	960,900	965,900	208,800	5,000
	Current Services and Other Revenue	133,400	0	0	(133,400)	0
<b>302</b>	<b>Court System</b>	<b>\$88,533,300</b>	<b>\$94,961,000</b>	<b>\$95,124,200</b>	<b>\$6,427,700</b>	<b>\$163,200</b>
	Appropriation	84,666,900	90,974,800	91,370,500	6,307,900	395,700
	Federal	325,400	200,000	200,000	(125,400)	0
	Current Services and Other Revenue	3,541,000	3,786,200	3,553,700	245,200	(232,500)
<b>303</b>	<b>Attorney General and Reporter</b>	<b>\$24,145,100</b>	<b>\$29,240,400</b>	<b>\$29,326,400</b>	<b>\$5,095,300</b>	<b>\$86,000</b>
	Appropriation	16,268,900	18,444,700	18,309,100	2,175,800	(135,600)
	Current Services and Other Revenue	7,876,200	10,795,700	11,017,300	2,919,500	221,600
<b>304</b>	<b>District Attorneys General</b>	<b>\$60,572,600</b>	<b>\$70,519,500</b>	<b>\$70,838,100</b>	<b>\$9,946,900</b>	<b>\$318,600</b>
	Appropriation	44,243,900	52,012,600	53,303,100	7,768,700	1,290,500
	Current Services and Other Revenue	16,328,700	18,506,900	17,535,000	2,178,200	(971,900)
<b>305</b>	<b>Secretary of State</b>	<b>\$32,889,400</b>	<b>\$39,777,200</b>	<b>\$39,368,700</b>	<b>\$6,887,800</b>	<b>(\$408,500)</b>
	Appropriation	19,542,900	24,494,700	24,319,700	4,951,800	(175,000)
	Federal	3,876,200	5,846,700	5,846,700	1,970,500	0
	Current Services and Other Revenue	9,470,300	9,435,800	9,202,300	(34,500)	(233,500)
<b>306</b>	<b>District Public Defenders</b>	<b>\$27,240,400</b>	<b>\$32,006,600</b>	<b>\$31,877,500</b>	<b>\$4,766,200</b>	<b>(\$129,100)</b>
	Appropriation	25,991,500	30,327,400	30,380,800	4,335,900	53,400
	Current Services and Other Revenue	1,248,900	1,679,200	1,496,700	430,300	(182,500)
<b>307</b>	<b>Comptroller of the Treasury</b>	<b>\$68,229,700</b>	<b>\$76,901,000</b>	<b>\$76,660,900</b>	<b>\$8,671,300</b>	<b>(\$240,100)</b>
	Appropriation	59,071,700	66,499,600	66,304,000	7,427,900	(195,600)
	Current Services and Other Revenue	9,158,000	10,401,400	10,356,900	1,243,400	(44,500)
<b>308</b>	<b>Post-Conviction Defender</b>	<b>\$1,074,100</b>	<b>\$1,169,500</b>	<b>\$1,186,400</b>	<b>\$95,400</b>	<b>\$16,900</b>
	Appropriation	1,074,100	1,169,500	1,186,400	95,400	16,900
<b>309</b>	<b>Treasury Department</b>	<b>\$14,964,600</b>	<b>\$19,027,900</b>	<b>\$19,560,500</b>	<b>\$4,063,300</b>	<b>\$532,600</b>
	Appropriation	141,100	151,500	149,700	10,400	(1,800)
	Current Services and Other Revenue	14,823,500	18,876,400	19,410,800	4,052,900	534,400
<b>313</b>	<b>Claims and Compensation</b>	<b>\$85,346,800</b>	<b>\$81,109,800</b>	<b>\$87,137,700</b>	<b>(\$4,237,000)</b>	<b>\$6,027,900</b>
	Appropriation	7,572,600	9,474,100	10,076,100	1,901,500	602,000
	Federal	4,971,000	3,168,000	3,200,400	(1,803,000)	32,400
	Current Services and Other Revenue	72,803,200	68,467,700	73,861,200	(4,335,500)	5,393,500
<b>315</b>	<b>Executive Department</b>	<b>\$3,143,300</b>	<b>\$3,514,100</b>	<b>\$3,499,900</b>	<b>\$370,800</b>	<b>(\$14,200)</b>
	Appropriation	3,110,600	3,514,100	3,499,900	403,500	(14,200)
	Current Services and Other Revenue	32,700	0	0	(32,700)	0
<b>315.05</b>	<b>Executive Department - Office of Homeland Security</b>	<b>\$1,635,900</b>	<b>\$4,880,300</b>	<b>\$4,871,300</b>	<b>\$3,244,400</b>	<b>(\$9,000)</b>
	Appropriation	685,400	870,100	867,400	184,700	(2,700)
	Current Services and Other Revenue	950,500	4,010,200	4,003,900	3,059,700	(6,300)

# Comparison of Programs

## Fiscal Years 2003-2004, 2004-2005, and 2005-2006

Allot. Code	Department	Actual 2003-2004	Estimated 2004-2005	Recommended 2005-2006	Act. vs Est. Difference	Est. vs Rec. Difference
<b>316</b>	<b>Commissions</b>	<b>\$250,159,500</b>	<b>\$375,328,400</b>	<b>\$370,757,900</b>	<b>\$125,168,900</b>	<b>(\$4,570,500)</b>
	Appropriation	29,133,900	29,001,900	28,448,000	(132,000)	(553,900)
	Federal	184,493,700	287,917,800	284,579,200	103,424,100	(3,338,600)
	Current Services and Other Revenue	36,531,900	58,408,700	57,730,700	21,876,800	(678,000)
<b>317</b>	<b>Finance and Administration (F&amp;A)</b>	<b>\$200,348,700</b>	<b>\$225,407,800</b>	<b>\$214,544,700</b>	<b>\$25,059,100</b>	<b>(\$10,863,100)</b>
	Appropriation	8,569,300	19,530,200	15,437,600	10,960,900	(4,092,600)
	Federal	25,941,400	32,498,800	32,476,400	6,557,400	(22,400)
	Current Services and Other Revenue	165,838,000	173,378,800	166,630,700	7,540,800	(6,748,100)
<b>318</b>	<b>F&amp;A - TennCare</b>	<b>\$7,631,267,100</b>	<b>\$8,689,996,700</b>	<b>\$8,007,722,700</b>	<b>\$1,058,729,600</b>	<b>(\$682,274,000)</b>
	Appropriation	2,107,761,800	2,540,307,100	2,527,970,300	432,545,300	(12,336,800)
	Federal	4,857,137,900	5,297,175,200	4,909,985,400	440,037,300	(387,189,800)
	Current Services and Other Revenue	666,367,400	852,514,400	569,767,000	186,147,000	(282,747,400)
<b>319</b>	<b>Personnel</b>	<b>\$7,486,000</b>	<b>\$9,332,400</b>	<b>\$9,785,500</b>	<b>\$1,846,400</b>	<b>\$453,100</b>
	Appropriation	3,413,900	4,673,100	4,591,300	1,259,200	(81,800)
	Current Services and Other Revenue	4,072,100	4,659,300	5,194,200	587,200	534,900
<b>321</b>	<b>General Services</b>	<b>\$83,670,600</b>	<b>\$98,501,500</b>	<b>\$96,435,600</b>	<b>\$14,830,900</b>	<b>(\$2,065,900)</b>
	Appropriation	6,675,800	2,173,400	2,156,700	(4,502,400)	(16,700)
	Current Services and Other Revenue	76,994,800	96,328,100	94,278,900	19,333,300	(2,049,200)
<b>323</b>	<b>Veterans Affairs</b>	<b>\$3,055,100</b>	<b>\$3,546,000</b>	<b>\$3,810,800</b>	<b>\$490,900</b>	<b>\$264,800</b>
	Appropriation	2,548,600	3,103,300	3,368,100	554,700	264,800
	Federal	389,700	360,000	360,000	(29,700)	0
	Current Services and Other Revenue	116,800	82,700	82,700	(34,100)	0
<b>324</b>	<b>Board of Probation and Parole</b>	<b>\$54,965,700</b>	<b>\$64,067,500</b>	<b>\$61,810,700</b>	<b>\$9,101,800</b>	<b>(\$2,256,800)</b>
	Appropriation	54,760,900	63,647,500	60,955,700	8,886,600	(2,691,800)
	Current Services and Other Revenue	204,800	420,000	855,000	215,200	435,000
<b>325</b>	<b>Agriculture</b>	<b>\$70,799,600</b>	<b>\$72,290,000</b>	<b>\$71,503,200</b>	<b>\$1,490,400</b>	<b>(\$786,800)</b>
	Appropriation	48,516,400	51,995,500	52,420,400	3,479,100	424,900
	Federal	14,395,700	10,893,600	10,574,400	(3,502,100)	(319,200)
	Current Services and Other Revenue	7,887,500	9,400,900	8,508,400	1,513,400	(892,500)
<b>326</b>	<b>Tourist Development</b>	<b>\$11,876,200</b>	<b>\$14,130,500</b>	<b>\$18,503,900</b>	<b>\$2,254,300</b>	<b>\$4,373,400</b>
	Appropriation	7,369,500	7,169,200	11,645,700	(200,300)	4,476,500
	Current Services and Other Revenue	4,506,700	6,961,300	6,858,200	2,454,600	(103,100)
<b>327</b>	<b>Environment and Conservation</b>	<b>\$269,406,200</b>	<b>\$335,592,000</b>	<b>\$323,859,600</b>	<b>\$66,185,800</b>	<b>(\$11,732,400)</b>
	Appropriation	126,943,000	172,786,600	161,382,000	45,843,600	(11,404,600)
	Federal	61,080,000	75,483,300	75,589,100	14,403,300	105,800
	Current Services and Other Revenue	81,383,200	87,322,100	86,888,500	5,938,900	(433,600)
<b>328</b>	<b>Wildlife Resources Agency</b>	<b>\$66,342,800</b>	<b>\$75,236,700</b>	<b>\$66,601,100</b>	<b>\$8,893,900</b>	<b>(\$8,635,600)</b>
	Appropriation	36,956,000	46,316,300	44,476,800	9,360,300	(1,839,500)
	Federal	16,450,800	20,790,200	16,283,400	4,339,400	(4,506,800)
	Current Services and Other Revenue	12,936,000	8,130,200	5,840,900	(4,805,800)	(2,289,300)
<b>329</b>	<b>Correction</b>	<b>\$497,570,900</b>	<b>\$570,777,200</b>	<b>\$580,153,100</b>	<b>\$73,206,300</b>	<b>\$9,375,900</b>
	Appropriation	478,771,700	539,572,400	549,215,200	60,800,700	9,642,800
	Federal	3,548,900	15,784,700	15,541,800	12,235,800	(242,900)
	Current Services and Other Revenue	15,250,300	15,420,100	15,396,100	169,800	(24,000)

# Comparison of Programs

## Fiscal Years 2003-2004, 2004-2005, and 2005-2006

Allot. Code	Department	Actual 2003-2004	Estimated 2004-2005	Recommended 2005-2006	Act. vs Est. Difference	Est. vs Rec. Difference
<b>330</b>	<b>Economic and Community Development</b>	<b>\$70,255,400</b>	<b>\$96,405,700</b>	<b>\$96,406,400</b>	<b>\$26,150,300</b>	<b>\$700</b>
	Appropriation	29,609,400	49,519,100	50,045,600	19,909,700	526,500
	Federal	33,942,800	35,075,600	34,612,100	1,132,800	(463,500)
	Current Services and Other Revenue	6,703,200	11,811,000	11,748,700	5,107,800	(62,300)
<b>331</b>	<b>Education (K-12)</b>	<b>\$3,531,911,000</b>	<b>\$3,893,146,300</b>	<b>\$4,041,289,700</b>	<b>\$361,235,300</b>	<b>\$148,143,400</b>
	Appropriation	2,798,991,500	3,015,850,100	3,145,202,400	216,858,600	129,352,300
	Federal	722,139,500	855,710,200	853,101,200	133,570,700	(2,609,000)
	Current Services and Other Revenue	10,780,000	21,586,000	42,986,100	10,806,000	21,400,100
	<b>Lottery-Funded Programs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,000,000</b>	<b>\$0</b>	<b>\$29,000,000</b>
	Appropriation	0	0	4,000,000	0	4,000,000
	Current Services and Other Revenue	0	0	25,000,000	0	25,000,000
	<b>Other Education (K-12) Programs</b>	<b>\$3,531,911,000</b>	<b>\$3,893,146,300</b>	<b>\$4,012,289,700</b>	<b>\$361,235,300</b>	<b>\$119,143,400</b>
	Appropriation	2,798,991,500	3,015,850,100	3,141,202,400	216,858,600	125,352,300
	Federal	722,139,500	855,710,200	853,101,200	133,570,700	(2,609,000)
	Current Services and Other Revenue	10,780,000	21,586,000	17,986,100	10,806,000	(3,599,900)
<b>332</b>	<b>Higher Education</b>	<b>\$2,390,769,000</b>	<b>\$2,714,714,900</b>	<b>\$2,685,080,600</b>	<b>\$323,945,900</b>	<b>(\$29,634,300)</b>
	Appropriation	1,087,180,400	1,328,874,600	1,299,258,000	241,694,200	(29,616,600)
	Federal	142,670,300	169,024,900	168,991,900	26,354,600	(33,000)
	Current Services and Other Revenue	410,395,600	415,137,200	415,152,500	4,741,600	15,300
	Tuition and Student Fees	750,522,700	801,678,200	801,678,200	51,155,500	0
	<b>Lottery for Education Account</b>	<b>\$1,135,900</b>	<b>\$178,600,000</b>	<b>\$167,400,000</b>	<b>\$177,464,100</b>	<b>(\$11,200,000)</b>
	Appropriation	1,135,900	178,600,000	167,400,000	177,464,100	(11,200,000)
	<b>Other Higher Education Programs</b>	<b>\$2,389,633,100</b>	<b>\$2,536,114,900</b>	<b>\$2,517,680,600</b>	<b>\$146,481,800</b>	<b>(\$18,434,300)</b>
	Appropriation	1,086,044,500	1,150,274,600	1,131,858,000	64,230,100	(18,416,600)
	Federal	142,670,300	169,024,900	168,991,900	26,354,600	(33,000)
	Current Services and Other Revenue	410,395,600	415,137,200	415,152,500	4,741,600	15,300
	Tuition and Student Fees	750,522,700	801,678,200	801,678,200	51,155,500	0
<b>335</b>	<b>Commerce and Insurance</b>	<b>\$79,549,900</b>	<b>\$87,245,500</b>	<b>\$86,915,400</b>	<b>\$7,695,600</b>	<b>(\$330,100)</b>
	Appropriation	49,831,100	52,853,900	52,388,200	3,022,800	(465,700)
	Federal	327,200	1,072,300	235,000	745,100	(837,300)
	Current Services and Other Revenue	29,391,600	33,319,300	34,292,200	3,927,700	972,900
<b>336</b>	<b>Financial Institutions</b>	<b>\$9,033,400</b>	<b>\$12,855,300</b>	<b>\$12,796,000</b>	<b>\$3,821,900</b>	<b>(\$59,300)</b>
	Appropriation	4,403,400	7,207,800	7,239,100	2,804,400	31,300
	Current Services and Other Revenue	4,630,000	5,647,500	5,556,900	1,017,500	(90,600)
<b>337</b>	<b>Labor and Workforce Development</b>	<b>\$179,555,400</b>	<b>\$207,929,100</b>	<b>\$206,037,800</b>	<b>\$28,373,700</b>	<b>(\$1,891,300)</b>
	Appropriation	25,358,400	30,968,300	31,608,700	5,609,900	640,400
	Federal	141,713,200	150,786,200	150,305,100	9,073,000	(481,100)
	Current Services and Other Revenue	12,483,800	26,174,600	24,124,000	13,690,800	(2,050,600)
<b>339</b>	<b>Mental Health and Developmental Disabilities</b>	<b>\$217,400,800</b>	<b>\$229,470,600</b>	<b>\$226,490,100</b>	<b>\$12,069,800</b>	<b>(\$2,980,500)</b>
	Appropriation	105,380,700	118,110,800	115,064,400	12,730,100	(3,046,400)
	Federal	22,166,500	20,074,500	20,404,900	(2,092,000)	330,400
	Current Services and Other Revenue	89,853,600	91,285,300	91,020,800	1,431,700	(264,500)



# Comparison of Programs

## Fiscal Years 2003-2004, 2004-2005, and 2005-2006

Allot. Code	Department	Actual 2003-2004	Estimated 2004-2005	Recommended 2005-2006	Act. vs Est. Difference	Est. vs Rec. Difference
<b>341</b>	<b>Military</b>	<b>\$97,179,700</b>	<b>\$123,425,500</b>	<b>\$111,184,000</b>	<b>\$26,245,800</b>	<b>(\$12,241,500)</b>
	Appropriation	14,621,200	9,473,700	10,744,600	(5,147,500)	1,270,900
	Federal	80,424,200	112,032,900	98,065,400	31,608,700	(13,967,500)
	Current Services and Other Revenue	2,134,300	1,918,900	2,374,000	(215,400)	455,100
<b>343</b>	<b>Health</b>	<b>\$435,691,400</b>	<b>\$495,976,700</b>	<b>\$493,054,500</b>	<b>\$60,285,300</b>	<b>(\$2,922,200)</b>
	Appropriation	92,665,900	113,712,300	111,712,600	21,046,400	(1,999,700)
	Federal	238,384,600	264,874,000	264,249,700	26,489,400	(624,300)
	Current Services and Other Revenue	104,640,900	117,390,400	117,092,200	12,749,500	(298,200)
<b>344</b>	<b>F&amp;A - Mental Retardation Services</b>	<b>\$610,045,700</b>	<b>\$694,511,200</b>	<b>\$724,833,200</b>	<b>\$84,465,500</b>	<b>\$30,322,000</b>
	Appropriation	116,127,500	120,134,900	104,650,100	4,007,400	(15,484,800)
	Federal	1,784,900	2,447,100	2,586,100	662,200	139,000
	Current Services and Other Revenue	492,133,300	571,929,200	617,597,000	79,795,900	45,667,800
<b>345</b>	<b>Human Services</b>	<b>\$1,688,127,500</b>	<b>\$1,758,107,400</b>	<b>\$1,799,693,600</b>	<b>\$69,979,900</b>	<b>\$41,586,200</b>
	Appropriation	167,812,000	203,590,500	185,022,700	35,778,500	(18,567,800)
	Federal	1,404,858,300	1,423,981,100	1,477,014,000	19,122,800	53,032,900
	Current Services and Other Revenue	115,457,200	130,535,800	137,656,900	15,078,600	7,121,100
	<b>Temporary Cash Assistance</b>	<b>\$149,951,800</b>	<b>\$161,179,100</b>	<b>\$154,550,300</b>	<b>\$11,227,300</b>	<b>(\$6,628,800)</b>
	Appropriation	24,999,500	43,882,700	37,253,900	18,883,200	(6,628,800)
	Federal	118,876,800	113,916,200	113,916,200	(4,960,600)	0
	Current Services and Other Revenue	6,075,500	3,380,200	3,380,200	(2,695,300)	0
	<b>Food Stamp Benefits</b>	<b>\$796,414,100</b>	<b>\$800,000,000</b>	<b>\$862,000,000</b>	<b>\$3,585,900</b>	<b>\$62,000,000</b>
	Federal	796,414,100	800,000,000	862,000,000	3,585,900	62,000,000
	<b>Other Human Services Programs</b>	<b>\$741,761,600</b>	<b>\$796,928,300</b>	<b>\$783,143,300</b>	<b>\$55,166,700</b>	<b>(\$13,785,000)</b>
	Appropriation	142,812,500	159,707,800	147,768,800	16,895,300	(11,939,000)
	Federal	489,567,400	510,064,900	501,097,800	20,497,500	(8,967,100)
	Current Services and Other Revenue	109,381,700	127,155,600	134,276,700	17,773,900	7,121,100
<b>347</b>	<b>Revenue</b>	<b>\$58,183,200</b>	<b>\$67,665,100</b>	<b>\$66,785,200</b>	<b>\$9,481,900</b>	<b>(\$879,900)</b>
	Appropriation	39,042,400	48,712,500	45,984,400	9,670,100	(2,728,100)
	Federal	900	22,000	22,000	21,100	0
	Current Services and Other Revenue	19,139,900	18,930,600	20,778,800	(209,300)	1,848,200
<b>348</b>	<b>Tennessee Bureau of Investigation</b>	<b>\$43,297,100</b>	<b>\$50,227,400</b>	<b>\$47,880,700</b>	<b>\$6,930,300</b>	<b>(\$2,346,700)</b>
	Appropriation	25,962,000	28,410,000	27,851,900	2,448,000	(558,100)
	Federal	6,598,600	7,832,800	7,806,100	1,234,200	(26,700)
	Current Services and Other Revenue	10,736,500	13,984,600	12,222,700	3,248,100	(1,761,900)
<b>349</b>	<b>Safety</b>	<b>\$144,620,100</b>	<b>\$178,747,800</b>	<b>\$174,726,400</b>	<b>\$34,127,700</b>	<b>(\$4,021,400)</b>
	Appropriation	103,594,100	129,008,800	128,870,600	25,414,700	(138,200)
	Federal	4,477,000	7,753,500	7,437,000	3,276,500	(316,500)
	Current Services and Other Revenue	36,549,000	41,985,500	38,418,800	5,436,500	(3,566,700)
<b>351</b>	<b>Miscellaneous Appropriations</b>	<b>\$30,907,500</b>	<b>\$98,859,700</b>	<b>\$148,075,800</b>	<b>\$67,952,200</b>	<b>\$49,216,100</b>
	Appropriation	30,907,200	98,859,700	145,825,800	67,952,500	46,966,100
	Current Services and Other Revenue	300	0	2,250,000	(300)	2,250,000
<b>353</b>	<b>Emergency and Contingency Fund</b>	<b>\$0</b>	<b>\$819,300</b>	<b>\$819,300</b>	<b>\$819,300</b>	<b>\$0</b>
	Appropriation	0	819,300	819,300	819,300	0

# Comparison of Programs

## Fiscal Years 2003-2004, 2004-2005, and 2005-2006

Allot. Code	Department	Actual 2003-2004	Estimated 2004-2005	Recommended 2005-2006	Act. vs Est. Difference	Est. vs Rec. Difference
<b>355</b>	<b>State Building Commission</b>	<b>\$401,900</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>(\$151,900)</b>	<b>\$0</b>
	Appropriation	229,500	250,000	250,000	20,500	0
	Current Services and Other Revenue	172,400	0	0	(172,400)	0
<b>359</b>	<b>Children's Services</b>	<b>\$543,985,900</b>	<b>\$572,802,200</b>	<b>\$586,343,700</b>	<b>\$28,816,300</b>	<b>\$13,541,500</b>
	Appropriation	282,762,600	280,325,300	287,635,900	(2,437,300)	7,310,600
	Federal	95,529,000	97,186,900	100,371,800	1,657,900	3,184,900
	Current Services and Other Revenue	165,694,300	195,290,000	198,336,000	29,595,700	3,046,000
	<b>Grand Total - General Fund</b>	<b>\$19,713,143,900</b>	<b>\$22,303,664,900</b>	<b>\$21,826,401,100</b>	<b>\$2,590,521,000</b>	<b>(\$477,263,800)</b>
	Appropriation	8,175,104,900	9,447,944,900	9,544,669,600	1,272,840,000	96,724,700
	Federal	8,067,627,700	8,897,992,300	8,539,839,100	830,364,600	(358,153,200)
	Current Services and Other Revenue	2,719,888,600	3,156,049,500	2,940,214,200	436,160,900	(215,835,300)
	Tuition and Student Fees	750,522,700	801,678,200	801,678,200	51,155,500	0
<b>400</b>	<b>Transportation</b>	<b>\$1,310,083,600</b>	<b>\$1,619,845,000</b>	<b>\$1,858,614,000</b>	<b>\$309,761,400</b>	<b>\$238,769,000</b>
	Appropriation	737,828,200 <sup>2</sup>	646,800,000	664,900,000	(91,028,200)	18,100,000
	Federal	535,146,000	777,173,000	996,332,000	242,027,000	219,159,000
	Current Services and Other Revenue	37,109,400	36,872,000	41,382,000	(237,400)	4,510,000
	Bonds	0	159,000,000	156,000,000	159,000,000	(3,000,000)
	<b>Debt Service Requirements</b>	<b>\$228,163,000</b>	<b>\$250,682,000</b>	<b>\$273,816,000</b>	<b>\$22,519,000</b>	<b>\$23,134,000</b>
	Appropriation	228,163,000	250,682,000	273,816,000	22,519,000	23,134,000
	<b>Capital Outlay Program</b>	<b>\$132,067,000</b>	<b>\$398,540,000</b>	<b>\$301,300,000</b>	<b>\$266,473,000</b>	<b>(\$97,240,000)</b>
	Appropriation	100,283,000 <sup>2</sup>	58,940,000	51,900,000	(41,343,000)	(7,040,000)
	Federal	4,115,000	9,782,000	32,900,000	5,667,000	23,118,000
	Current Services and Other Revenue	27,669,000	20,238,000	30,700,000	(7,431,000)	10,462,000
	Bonds	0	309,580,000	185,800,000	309,580,000	(123,780,000)
	<b>Facilities Revolving Fund</b>	<b>\$102,884,300</b>	<b>\$137,564,500</b>	<b>\$128,388,600</b>	<b>\$34,680,200</b>	<b>(\$9,175,900)</b>
	Appropriation	321,600	583,300	583,300	261,700	0
	Current Services and Other Revenue	102,562,700 <sup>3</sup>	111,681,200	111,305,300	9,118,500	(375,900)
	Bonds	0	25,300,000	16,500,000	25,300,000	(8,800,000)
	<b>Cities &amp; Counties - State Shared Taxes</b>	<b>\$647,653,700</b>	<b>\$671,200,000</b>	<b>\$688,300,000</b>	<b>\$23,546,300</b>	<b>\$17,100,000</b>
	Appropriation	647,653,700	671,200,000	688,300,000	23,546,300	17,100,000
	<b>Total State Budget - All Programs</b>	<b>\$22,133,995,500</b>	<b>\$25,381,496,400</b>	<b>\$25,076,819,700</b>	<b>\$3,247,500,900</b>	<b>(\$304,676,700)</b>
	Appropriation	\$9,889,354,400	\$11,076,150,200	\$11,224,168,900	\$1,186,795,800	\$148,018,700
	Federal	8,606,888,700	9,684,947,300	9,569,071,100	1,078,058,600	(115,876,200)
	Current Services and Other Revenue	2,887,229,700	3,324,840,700	3,123,601,500	437,611,000	(201,239,200)
	Tuition and Student Fees	750,522,700	801,678,200	801,678,200	51,155,500	0
	Bonds	0	493,880,000	358,300,000	493,880,000	(135,580,000)

<sup>1</sup> Included in departmental total.

<sup>2</sup> Includes tax revenues and bonds in Actual 2003-2004.

<sup>3</sup> Includes departmental revenues and bonds in Actual 2003-2004.

**General Fund and Education Fund  
Supplemental Appropriations  
Fiscal Year 2004-2005**

	<b>2004-2005</b>
<b>Department of Finance and Administration, Bureau of TennCare</b>	
TennCare Administration - Human Services Non-Appeal Review Staff	\$ 300,000
<b>Department of Environment and Conservation</b>	
Groundwater Protection	600,000 *
<b>Department of Labor and Workforce Development</b>	
Workers' Compensation	1,100,000
<b>Department of Finance and Administration, Division of Mental Retardation Services</b>	
Community MR Services	7,800,000 *
<b>Department of Safety</b>	
Motor Vehicle Operations	1,400,000
<b>Miscellaneous Appropriations</b>	
Travel Reimbursement Rate - Mileage	\$ 600,000
Travel Reimbursement Rate - Lodging and Per Diem	570,000
Higher Education - Professional Privilege Tax Payments	367,200
<b>Sub-Total Miscellaneous Appropriations</b>	<b>\$ 1,537,200</b>
<b>Department of Children's Services</b>	
Custody Services - Revenue Adjustment - Ages 18-21	\$ 2,740,000
Custody Services - Mental Retardation Clients over Age 18	2,262,600 *
<b>Sub-Total Children's Services</b>	<b>\$ 5,002,600</b>
<b>Total Supplemental Appropriations</b>	<b>\$ 17,739,800</b>

\* One-time cost in 2004-2005. For other items, 2005-2006 costs are addressed as recommended improvements.

## Personnel and Funding Summary All Programs

	Actual 2003-2004	Estimated 2004-2005	Recommended 2005-2006
<b>GENERAL FUND</b>			
Personnel			
Full-time	42,477	43,848	43,822
Part-time	2,058	2,036	2,028
Seasonal	843	722	722
<b>TOTAL</b>	<b>45,378</b>	<b>46,606</b>	<b>46,572</b>
Expenditures			
Payroll	\$1,792,959,700	\$2,160,381,200	\$2,138,553,400
Operational	15,669,039,400	17,603,681,000	17,148,809,600
<b>TOTAL</b>	<b>\$17,461,999,100</b>	<b>\$19,764,062,200</b>	<b>\$19,287,363,000</b>
Funding			
State	\$7,136,785,800	\$8,170,092,700	\$8,292,382,000
Federal	7,999,180,600	8,833,244,300	8,475,091,100
Other	2,326,032,700	2,760,725,200	2,519,889,900
<b>HIGHER EDUCATION</b>			
Full-time Personnel			
Administrative	5,515	5,641	5,641
Faculty	8,503	8,596	8,596
Clerical and Support	8,609	8,583	8,583
<b>TOTAL</b>	<b>22,627</b>	<b>22,820</b>	<b>22,820</b>
Funding			
State	\$1,037,183,200	\$1,099,252,200	\$1,080,887,600
Federal	68,447,100	64,748,000	64,748,000
Tuition/Fees	750,522,700	801,678,200	801,678,200
Other	393,855,900	395,324,300	395,324,300
<b>TOTAL</b>	<b>\$2,250,008,900</b>	<b>\$2,361,002,700</b>	<b>\$2,342,638,100</b>
<b>EDUCATION LOTTERY-FUNDED PROGRAMS</b>			
Funding			
State	\$1,135,900	\$178,600,000	\$171,400,000
Other	0	0	25,000,000
<b>TOTAL</b>	<b>1,135,900</b>	<b>178,600,000</b>	<b>196,400,000</b>
<b>GRAND TOTAL - GENERAL FUND</b>			
Personnel			
Full-time *	65,104	66,668	66,642
Part-time	2,058	2,036	2,028
Seasonal	843	722	722
<b>TOTAL</b>	<b>68,005</b>	<b>69,426</b>	<b>69,392</b>
Expenditures			
Payroll	\$1,792,959,700	\$2,160,381,200	\$2,138,553,400
Operational	15,669,039,400	17,603,681,000	17,148,809,600
Higher Education	2,250,008,900	2,361,002,700	2,342,638,100
Lottery-Funded Programs	1,135,900	178,600,000	196,400,000
<b>TOTAL</b>	<b>\$19,713,143,900</b>	<b>\$22,303,664,900</b>	<b>\$21,826,401,100</b>

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

## Personnel and Funding Summary All Programs

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Recommended 2005-2006</u>
Funding			
State	\$8,175,104,900	\$9,447,944,900	\$9,544,669,600
Federal	8,067,627,700	8,897,992,300	8,539,839,100
Other	3,470,411,300	3,957,727,700	3,741,892,400

### DEPARTMENT OF TRANSPORTATION

Personnel			
Full-time	4,920	4,920	4,944
Part-time	0	0	0
Seasonal	0	0	0
<b>TOTAL</b>	<b><u>4,920</u></b>	<b><u>4,920</u></b>	<b><u>4,944</u></b>
Expenditures			
Payroll	\$184,786,500	\$207,017,400	\$220,626,500
Operational	1,125,297,100	1,412,827,600	1,637,987,500
<b>TOTAL</b>	<b><u>\$1,310,083,600</u></b>	<b><u>\$1,619,845,000</u></b>	<b><u>\$1,858,614,000</u></b>
Funding			
State	\$737,828,200	\$805,800,000	\$820,900,000
Federal	535,146,000	777,173,000	996,332,000
Other	37,109,400	36,872,000	41,382,000

### GRAND TOTAL - ALL PROGRAMS

Personnel			
Full-time *	70,024	71,588	71,586
Part-time	2,058	2,036	2,028
Seasonal	843	722	722
<b>TOTAL</b>	<b><u>72,925</u></b>	<b><u>74,346</u></b>	<b><u>74,336</u></b>
Expenditures			
Payroll	\$1,977,746,200	\$2,367,398,600	\$2,359,179,900
Operational	16,794,336,500	19,016,508,600	18,786,797,100
Higher Education	2,250,008,900	2,361,002,700	2,342,638,100
Lottery-Funded Programs	1,135,900	178,600,000	196,400,000
<b>TOTAL</b>	<b><u>\$21,023,227,500</u></b>	<b><u>\$23,923,509,900</u></b>	<b><u>\$23,685,015,100</u></b>
Funding			
State	\$8,912,933,100	\$10,253,744,900	\$10,365,569,600
Federal	8,602,773,700	9,675,165,300	9,536,171,100
Other	3,507,520,700	3,994,599,700	3,783,274,400

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

**Comparison of Authorized Positions  
State Agencies and Higher Education  
Fiscal Years 2004-2005 and 2005-2006**

	<u>2004-2005</u>	<u>2005-2006</u>	<u>Difference</u>
<b>I. STATE AGENCIES</b>			
<b>General Fund</b>	<b>46,606</b>	<b>46,572</b>	<b>(34)</b>
Full-time	43,848	43,822	(26)
Part-time	2,036	2,028	(8)
Seasonal	722	722	0
<b>Department of Transportation</b>	<b>4,920</b>	<b>4,944</b>	<b>24</b>
Full-time	4,920	4,944	24
Part-time	0	0	0
Seasonal	0	0	0
<b>Total State Agencies</b>	<b>51,526</b>	<b>51,516</b>	<b>(10)</b>
Full-time	48,768	48,766	(2)
Part-time	2,036	2,028	(8)
Seasonal	722	722	0
<b>II. HIGHER EDUCATION</b>			
<b>Full-time Positions</b>	<b>22,820</b>	<b>22,820</b>	<b>0</b>
Administrative	5,641	5,641	0
Faculty	8,596	8,596	0
Clerical and Support	8,583	8,583	0
<b>III. STATE AGENCIES &amp; HIGHER EDUCATION</b>			
<b>Total Positions</b>	<b>74,346</b>	<b>74,336</b>	<b>(10)</b>
Full-time *	71,588	71,586	(2)
Part-time	2,036	2,028	(8)
Seasonal	722	722	0

\* Includes Higher Education's full-time personnel.

## Employees Overlapped Over 90 Days

	<u>Number</u>
301.00 Legislature	9
302.00 Court System	11
304.00 District Attorneys General Conference	8
305.00 Secretary of State	2
307.00 Comptroller of the Treasury	2
309.00 Treasury Department	1
315.00 Executive Department	1
316.00 Commissions	4
317.00 Finance and Administration	4
318.00 TennCare	9
319.00 Personnel	2
324.00 Board of Probation and Parole	3
325.00 Agriculture	5
326.00 Tourist Development	2
327.00 Environment and Conservation	28
328.00 Tennessee Wildlife Resources Agency	3
329.00 Correction	70
330.00 Economic and Community Development	2
331.00 Education	9
332.00 Higher Education - State Administered Programs	2
335.00 Commerce and Insurance	3
337.00 Labor and Workforce Development	9
339.00 Mental Health and Developmental Disabilities	31
341.00 Military	6
343.00 Health	22
344.00 Finance and Administration - Mental Retardation	55
345.00 Human Services	53
347.00 Revenue	1
349.00 Safety	31
359.00 Children's Services	42
400.00 Transportation	4
<b>Total</b>	<b>434</b>

**Summary Comparison of Tennessee Personal Income  
and Appropriations from State Tax Revenues  
Fiscal Years 1977-1978, 2004-2005, and 2005-2006**

**TABLE 1**

**Tennessee Personal Income  
Calendar Years 1977, 2004, and 2005  
(Dollars in Millions)**

Year	Personal Income	Percentage Growth
1977	\$ 26,795	-
2004	175,551	5.20
2005	185,175	5.48

**TABLE 2**

**Appropriations from State Tax Revenues  
Fiscal Years 1977-78, 2004-2005, and 2005-2006  
(Dollars in Millions)**

Year	Appropriations	Percentage Growth
1977-1978	\$ 1,747.3	-
2004-2005	10,100.2	3.38
2005-2006	10,468.9	3.65

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.



# Tennessee Economic Overview

Recommended Budget, Fiscal Year 2005 - 2006

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

The state's ability to fund services is heavily influenced by the economic environment. A reminder is the recent recession of 2001 when state revenues across the country collapsed. Economic conditions have improved markedly since then and most states have enjoyed much stronger growth in tax collections. This brief section is intended to place the budget outlook in the broader context of state and national economic conditions. For greater detail on the state and national economic outlook, see the most recent issue of *An Annual Report to the Governor of the State of Tennessee*.

**Recent Economic Conditions** - While it's no longer a so-called "jobless recovery," the current economic expansion remains characterized by weak growth in jobs. There has been improvement in the labor market situation with further improvement on the horizon. After shedding jobs at a 0.3 percent pace in 2003, the US economy saw jobs grow by 1.0 percent in 2004. The nation's manufacturing sector continues to struggle, but things have improved. On the heels of a 4.8 percent setback in 2003, the nation's rate of job decay in manufacturing abated to 1.0 percent in 2004. Most other barometers of economic activity have performed reasonably well. Gross domestic product and personal income continue to grow at healthy rates, and the unemployment rate for 2004 was down one-half of

a percentage point from the previous year.

The employment situation in Tennessee improved as well in 2004 with overall job growth of 0.9 percent, well ahead of the 0.1 percent rate of growth of the previous year. Like the nation, the manufacturing sector has been a drag on overall economic activity and job growth in the state. But also like the nation, there has been significant improvement. In 2003, manufacturing jobs were down 3.4 percent, but the loss in 2004 was trimmed to 0.1 percent. The service sector has been the key source of job creation for the state economy going back to the recession. Unemployment rates are falling, and the average for 2004 was almost a percentage point below the average in 2003. The state unemployment rate continues to rest below its national counterpart.

**Short-term Economic Outlook** - The national economy is projected to see slightly lower rates of growth in gross domestic product in 2005 and 2006, while personal income growth is expected to improve slightly. Labor markets will show some renewed strength. The national unemployment rate is forecast at 5.3 percent for 2005 and 2006, down from prevailing rates. Nonfarm job growth will also improve and register 1.8 percent and 1.5 percent growth in 2005 and 2006. Manufacturing job growth will move back into the black, buoyed in part by a falling dollar in international currency markets. The prime interest rate will rise to 6.0 percent in 2005 and 6.6 percent in the following year. Inflation should remain in check and fall below 2.0 percent.

Tennessee is also expected to see an improvement in its labor market. Nonagricultural jobs are projected to grow 1.5 and 1.8 percent in 2005 and 2006. And manufacturing should register positive growth for the first time since 1998. Nominal personal income will be up 5.5 percent in 2005 and 5.4 percent in 2006. On a fiscal year basis, expect income growth of 5.1 percent in 2004-05 and 5.6 percent in 2005-06.

# Federal Aid Trends and Federal Mandate Costs

Recommended Budget, Fiscal Year 2005 - 2006

Since fiscal year 1979-80, federal aid to Tennessee excluding Food Stamps, Medicaid, and Temporary Assistance to Needy Families (TANF) grants, formerly Aid to Families with Dependent Children (AFDC), has declined from 27 cents of every dollar in the state budget to 23 cents in 2005-2006. If the state were still receiving 27 cents of every budgeted dollar as federal aid, an additional \$584.6 million would be available in federal funds.

In constant (2005-2006) dollars, federal aid has increased by 100.8 percent, or \$1.7 billion, from 1979-80 to 2005-2006 for state programs other than Food Stamps, Medicaid, and TANF/AFDC grants.

Figure 1 and Table 1 show the constant (2005-2006) dollar trend in federal aid in the state budget since 1979-80 for all programs,

including transportation. Amounts for fiscal years 1979-80 through 2003-2004 are based on actual federal aid collections; amounts for 2004-2005 and 2005-2006 are based on estimates included in the recommended state budget.

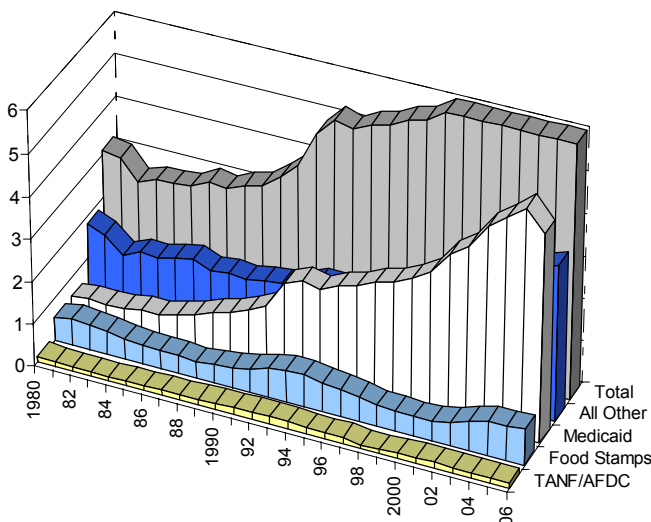
Current dollars have been converted to real (constant) dollars using the gross domestic product implicit price deflator, as reported by the University of Tennessee, Center for Business and Economic Research.

The decline in federal aid in the early 1980s (Figure 1) reflects the elimination of federal revenue sharing for states, new federal restrictions on eligibility for the TANF/AFDC program, and the consolidation of several federal grant programs into block grants at reduced levels.

From 1988-89 to 2005-2006, all the programs other than TANF/AFDC have had real growth. This reflects congressional decisions in the late 1980s to relax the earlier federal deficit-control statutes, which had restrained the growth of domestic discretionary programs during the 1980s.

As shown in Figure 1, not until 1992-93 does "all other" federal aid, excluding Medicaid, TANF/AFDC grants, and Food Stamps, return to the real-dollar level available to the state in 1979-80. Reflecting recent domestic initiatives, the growth rate for this federal aid category has begun to increase, in spite of federal budget-balancing efforts. In 2005-2006, "all

Figure 1  
**Federal Aid Trend in State Programs**  
FY 1980 through FY 2006  
in Billions of Constant (2005-2006) Dollars



other” federal aid, excluding Food Stamps, Medicaid, and TANF/AFDC, shows a constant dollar increase compared with the year before. This is because of an increase in federal highway funding and military capital outlay. Other federal aid programs generally are not growing.

programs has averaged 4.4 percent per year. This growth above the rate of inflation has been led by the 8.7 percent annual-average real growth in the Medicaid program. TANF/AFDC decreased by 0.6 percent, while Food Stamps increased by 1.6 percent and all other federal aid increased by 2.7 percent on an annual-average basis.

Over the last 17 years of the period, from 1988-89 through 2005-2006, real growth in total federal aid has increased above the longer-term growth rates. Total federal aid to state programs has grown at a 17-year annual-average rate of 6.6 percent. Real

growth in this period has averaged 8.7 percent per year for Medicaid and 4.0 percent per year in Food Stamps, while TANF/AFDC decreased by 0.7%. All other federal aid has grown at a real-dollar rate of 5.6 percent per year.

The 2005-2006 decline in the Medicaid match rate will result in increased state costs for federal mandates (Figure 2). Medicaid accounts for 81 percent of the \$379.8 million state mandate cost in the 2005-2006

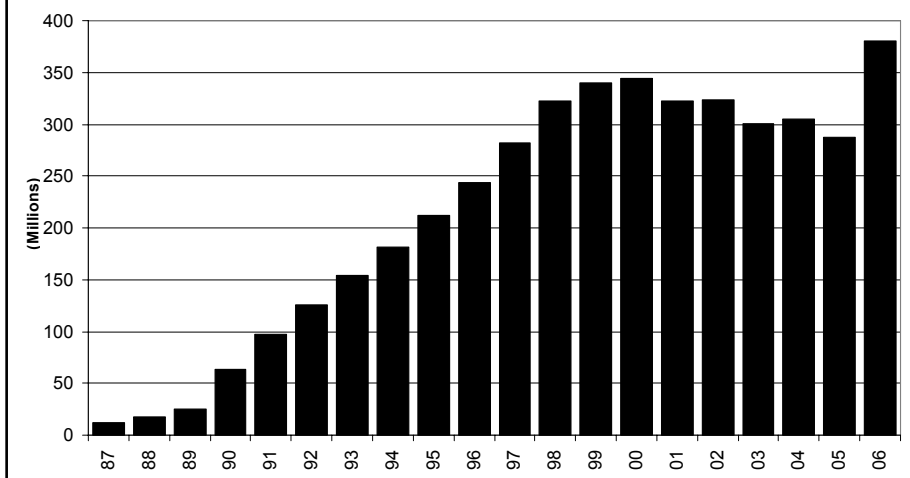
Over the 26-year period, Medicaid, the major federal entitlement program in the state budget, has had real growth well above the rate of inflation. Although total federal aid has increased in constant dollars by 208.8 percent from 1979-80 to 2005-2006, the 768.4 percent real growth in the Medicaid program is accompanied by real growth of only 100.8 percent in federal aid for all other state programs, excluding Food Stamps and TANF/AFDC. A constant dollar increase of 52.5 percent in federal aid for the Food Stamps program since 1979-80 is related to Tennessee’s recent increased caseload. The TANF/AFDC grants had a constant dollar decrease of 14.9 percent.

Over the 26-year period, as shown in Table 1, real growth for all federal aid to state

**Table 1**  
**Comparison of Federal Aid in State Budget,**  
**Actual 1979-80 through Estimated 2005-2006**  
**In Millions of Constant (2005-2006) Dollars**

	1979-80	1988-89	2005-2006	% Increase		
				1980-2006	Annual Average	
					1980-2006	1989-2006
<b>Total Aid</b>	<b>\$ 3,098.8</b>	<b>\$ 3,219.8</b>	<b>\$ 9,569.1</b>	<b>208.8%</b>	<b>4.4%</b>	<b>6.6%</b>
Medicaid	565.4	1,181.5	4,910.0	768.4%	8.7%	8.7%
Food Stamp Coupons	565.1	440.8	862.0	52.5%	1.6%	4.0%
TANF/AFDC	133.9	128.9	113.9	-14.9%	-0.6%	-0.7%
All Other	1,834.4	1,468.5	3,683.2	100.8%	2.7%	5.6%

**Figure 2**  
**Existing Federal Mandates**  
**State Cost Since FY 1987**



fiscal year. The longer-term federal funding for mandated Medicaid expansions is accompanied by significant state costs, which are identified in detail below.

While federal aid as a percentage of discretionary program funding has declined in the state budget since 1979-80, federal legislation in the late 1980s, early 1990s, and early 2000s has imposed increasingly costly mandates on state government.

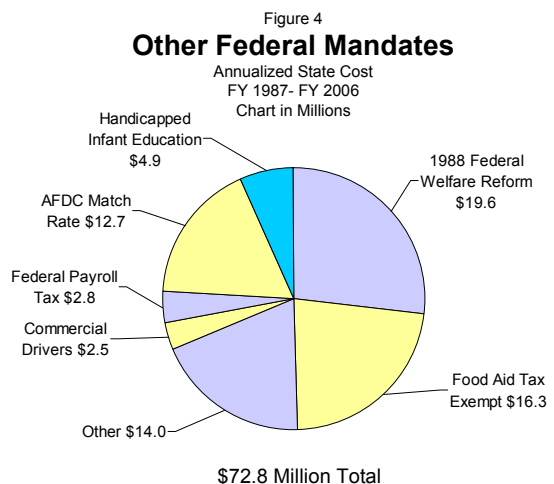
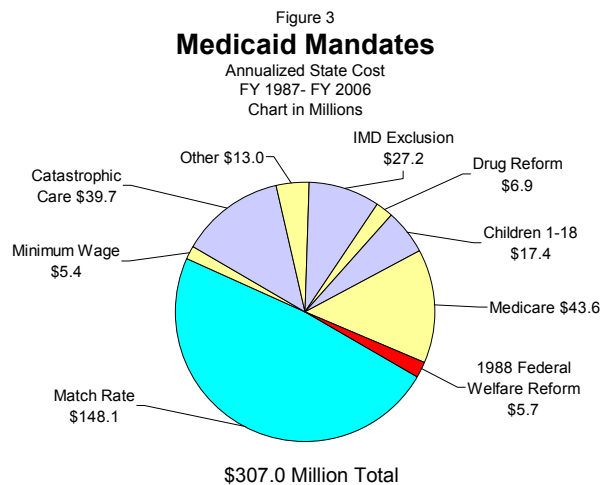
By fiscal year 2005-2006, provisions imposed since 1986-87 will cost \$379.8 million per year in recurring state appropriations from General Fund tax sources. The cumulative state cost in 2003-2004 was \$305.4 million and in 2004-2005 is \$287.6 million. Figure 2 illustrates the annual recurring state cost, from General Fund tax sources, of new federal mandates beginning in fiscal year 1986-87.

Costly major Medicaid mandates imposed since 1986-87 (Figure 3) are expanded services under the 1988 catastrophic health care law; coverage of children aged one through 18 under 1989 and 1990 laws; payment of premiums and deductibles for poor Medicare clients under a 1990 law; Medicare premium increases beginning in 2002-2003; Medicare cost sharing affecting the state in 2005-2006; increase in the minimum wage for the nursing home program under a 1989 law; increases in the state Medicaid match rate as personal income increases; expansion of Medicaid eligibility under the 1988 federal welfare reform law; drug purchasing reform under a 1990 law; and the loss of federal funds matching institute for the mentally diseased (IMD) expenditures for acute inpatient stays for persons aged 21 to 64. Other Medicaid mandates include the 1988 nursing home reform initiative and the expansion of the child disability standard under the 1990 "Zebley" court ruling on supplemental security income regulations.

Major federal mandates imposed in other programs since fiscal year 1986-87 (Figure 4) include expansion of AFDC eligibility and support services under the 1988 federal welfare reform law; exemption from the sales tax of food stamps and

supplemental foods for women, infants, and children; increases in the state match rate for the former AFDC program; intervention services for handicapped infants and toddlers in the K-12 education system; extensions of federal social security and Medicare payroll taxes under the 1990 federal budget act; national standards under the commercial drivers license law; and other items of lesser fiscal impact affecting several state agencies.

For purposes of this analysis, the term "federal mandates" is limited to provisions of federal law or regulation which require state government implementation, without option to the state. This includes mandatory new programs, changes in existing federal programs, and increases in state financial participation in jointly funded federal programs resulting from decreases in federal match rates.



# State Revenues

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# State Tax Revenues

## Introduction

Recommended Budget, Fiscal Year 2005-2006

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)

taxes 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 comprised 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 Tax Revenues" section in a 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 immediately follow this introduction in a chart 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, three charts are included to show the collections distributed by fund. 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). The distribution of taxes among the funds on these charts is as provided by current law. (For information about the inclusion of certain Special Revenue Fund taxes and fees in the General Fund estimates, see in Volume 2 of the Budget Document, in the "Supplementary Information" section, an article entitled "Basis of Budgeting and Accounting.")

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.

Following the tax estimate charts is a subsection detailing so-called tax expenditures, which reports on major tax exemptions provided by law.

After the tax expenditures charts, a 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**

**Actual and Estimated  
July 1, 2003 – June 30, 2006**

**Comparison Statement of State Revenues**  
**Actual and Estimated July 1, 2003 - June 30, 2006**

**SOURCE OF REVENUE**

Department of Revenue	Actual 2003-2004	Estimated 2004-2005	Estimated 2005-2006	Percent Required
Sales and Use Tax	\$5,810,784,300	\$6,031,600,000	\$6,303,000,000	4.50%
Gasoline Tax	599,326,500	610,000,000	616,100,000	1.00%
Motor Fuel Tax	167,731,000	171,600,000	176,700,000	2.97%
Gasoline Inspection Tax	62,377,500	63,700,000	65,000,000	2.04%
Motor Vehicle Registration Tax	238,486,700	245,100,000	252,000,000	2.82%
Income Tax	139,991,600	145,600,000	152,900,000	5.01%
Privilege Tax	246,086,300	250,700,000	263,200,000	4.99%
Gross Receipts Tax - TVA	202,743,400	216,200,000	219,600,000	1.57%
Gross Receipts Tax - Other	16,385,100	17,300,000	18,200,000	5.20%
Beer Tax	17,391,200	17,500,000	17,900,000	2.29%
Alcoholic Beverage Tax	35,705,200	36,900,000	37,600,000	1.90%
Franchise Tax	510,650,300	533,700,000	546,100,000	2.32%
Excise Tax	687,153,300	672,800,000	688,500,000	2.33%
Inheritance and Estate Tax	90,718,400	85,000,000	89,300,000	5.06%
Tobacco Tax	119,689,000	120,900,000	122,100,000	0.99%
Motor Vehicle Title Fees	11,284,000	11,300,000	11,500,000	1.77%
Mixed Drink Tax	40,769,200	42,400,000	44,500,000	4.95%
Business Tax	94,924,600	98,700,000	102,600,000	3.95%
Severance Tax	998,200	1,000,000	1,000,000	0.00%
Coin-operated Amusement Tax	784,700	800,000	800,000	0.00%
<b>Total Department of Revenue</b>	<b>\$9,093,980,500</b>	<b>\$9,372,800,000</b>	<b>\$9,728,600,000</b>	<b>3.80%</b>
<b>Other State Revenue</b>				
Department of Commerce and Insurance	\$384,250,500	\$392,800,000	\$412,800,000	5.09%
Department of Financial Institutions	5,657,600	7,200,000	7,200,000	0.00%
Wildlife Resources Agency	31,302,100	44,900,000	43,000,000	-4.23%
Department of Agriculture	16,343,000	11,100,000	11,500,000	3.60%
Regulatory Board Fees	28,639,800	31,700,000	31,900,000	0.63%
Tennessee Regulatory Authority	6,741,400	7,900,000	7,400,000	-6.33%
Secretary of State	18,973,700	19,000,000	20,500,000	7.89%
Department of Safety	39,757,400	39,700,000	43,200,000	8.82%
State Treasurer	9,895,800	20,000,000	20,000,000	0.00%
Department of Education	1,588,500	1,700,000	1,700,000	0.00%
Department of Health	8,142,100	11,200,000	11,400,000	1.79%
Dept. of Environment and Conservation	48,091,100	74,200,000	63,600,000	-14.29%
Miscellaneous Revenue	34,631,500	25,000,000	25,400,000	1.60%
Nursing Home Tax	100,229,500	100,200,000	100,200,000	0.00%
<b>Total Other State Revenue</b>	<b>\$734,244,000</b>	<b>\$786,600,000</b>	<b>\$799,800,000</b>	<b>1.68%</b>
<b>Total State Revenue</b>	<b>\$9,828,224,500</b>	<b>\$10,159,400,000</b>	<b>\$10,528,400,000</b>	<b>3.63%</b>

**Distribution of Actual Revenue by Fund  
Fiscal Year 2003-2004**

**SOURCE OF REVENUE**

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$5,810,784,300	\$2,212,518,400	\$3,348,886,400	\$0	\$41,403,400	\$207,976,100
Gasoline Tax	599,326,500	11,052,000	0	285,516,500	74,000,000	228,758,000
Motor Fuel Tax	167,731,000	3,180,000	0	120,566,800	0	43,984,200
Gasoline Inspection Tax	62,377,500	18,126,900	0	32,233,600	0	12,017,000
Motor Vehicle Registration Tax	238,486,700	41,149,000	205,400	197,132,300	0	0
Income Tax	139,991,600	108,969,400	0	0	0	31,022,200
Privilege Tax	246,086,300	245,976,500	109,800	0	0	0
Gross Receipts Tax - TVA	202,743,400	122,760,200	0	0	0	79,983,200
Gross Receipts Tax - Other	16,385,100	13,935,700	0	2,449,400	0	0
Beer Tax	17,391,200	11,953,700	0	2,184,900	0	3,252,600
Alcoholic Beverage Tax	35,705,200	30,077,900	0	0	0	5,627,300
Franchise Tax	510,650,300	492,650,300	0	0	18,000,000	0
Excise Tax	687,153,300	584,108,700	0	0	86,600,000	16,444,600
Inheritance and Estate Tax	90,718,400	90,718,400	0	0	0	0
Tobacco Tax	119,689,000	644,400	119,044,600	0	0	0
Motor Vehicle Title Fees	11,284,000	8,616,300	0	0	2,667,700	0
Mixed Drink Tax	40,769,200	3,042,900	19,752,000	0	0	17,974,300
Business Tax	94,924,600	94,924,600	0	0	0	0
Severance Tax	998,200	384,000	0	0	0	614,200
Coin-operated Amusement Tax	784,700	784,700	0	0	0	0
<b>Total Department of Revenue</b>	<b>\$9,093,980,500</b>	<b>\$4,095,574,000</b>	<b>\$3,487,998,200</b>	<b>\$640,083,500</b>	<b>\$222,671,100</b>	<b>\$647,653,700</b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$384,250,500	\$384,250,500	\$0	\$0	\$0	\$0
Department of Financial Institutions	5,657,600	5,657,600	0	0	0	0
Wildlife Resources Agency	31,302,100	31,302,100	0	0	0	0
Department of Agriculture	16,343,000	16,343,000	0	0	0	0
Regulatory Board Fees	28,639,800	28,639,800	0	0	0	0
Tennessee Regulatory Authority	6,741,400	6,741,400	0	0	0	0
Secretary of State	18,973,700	18,973,700	0	0	0	0
Department of Safety	39,757,400	39,757,400	0	0	0	0
State Treasurer	9,895,800	9,895,800	0	0	0	0
Department of Education	1,588,500	0	1,588,500	0	0	0
Department of Health	8,142,100	8,142,100	0	0	0	0
Dept. of Environment and Conservation	48,091,100	48,091,100	0	0	0	0
Miscellaneous Revenue	34,631,500	34,631,500	0	0	0	0
Nursing Home Tax	100,229,500	100,229,500	0	0	0	0
<b>Total Other State Revenue</b>	<b>\$734,244,000</b>	<b>\$732,655,500</b>	<b>\$1,588,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total State Revenue</b>	<b>\$9,828,224,500</b>	<b>\$4,828,229,500</b>	<b>\$3,489,586,700</b>	<b>\$640,083,500</b>	<b>\$222,671,100</b>	<b>\$647,653,700</b>

**Distribution of Revised Estimated Revenue by Fund  
Fiscal Year 2004-2005**

**SOURCE OF REVENUE**

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$6,031,600,000	\$2,295,300,000	\$3,476,100,000	\$0	\$43,800,000	\$216,400,000
Gasoline Tax	610,000,000	11,300,000	0	292,100,000	74,000,000	232,600,000
Motor Fuel Tax	171,600,000	3,200,000	0	123,300,000	0	45,100,000
Gasoline Inspection Tax	63,700,000	18,700,000	0	33,000,000	0	12,000,000
Motor Vehicle Registration Tax	245,100,000	47,700,000	200,000	197,200,000	0	0
Income Tax	145,600,000	113,300,000	0	0	0	32,300,000
Privilege Tax	250,700,000	250,700,000	0	0	0	0
Gross Receipts Tax - TVA	216,200,000	129,100,000	0	0	0	87,100,000
Gross Receipts Tax - Other	17,300,000	14,700,000	0	2,600,000	0	0
Beer Tax	17,500,000	12,000,000	0	2,200,000	0	3,300,000
Alcoholic Beverage Tax	36,900,000	31,100,000	0	0	0	5,800,000
Franchise Tax	533,700,000	515,700,000	0	0	18,000,000	0
Excise Tax	672,800,000	547,800,000	0	0	107,700,000	17,300,000
Inheritance and Estate Tax	85,000,000	85,000,000	0	0	0	0
Tobacco Tax	120,900,000	700,000	120,200,000	0	0	0
Motor Vehicle Title Fees	11,300,000	8,600,000	0	0	2,700,000	0
Mixed Drink Tax	42,400,000	3,200,000	20,500,000	0	0	18,700,000
Business Tax	98,700,000	98,700,000	0	0	0	0
Severance Tax	1,000,000	400,000	0	0	0	600,000
Coin-operated Amusement Tax	800,000	800,000	0	0	0	0
<b>Total Department of Revenue</b>	<b>\$9,372,800,000</b>	<b>\$4,188,000,000</b>	<b>\$3,617,000,000</b>	<b>\$650,400,000</b>	<b>\$246,200,000</b>	<b>\$671,200,000</b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$392,800,000	\$392,800,000	\$0	\$0	\$0	\$0
Department of Financial Institutions	7,200,000	7,200,000	0	0	0	0
Wildlife Resources Agency	44,900,000	44,900,000	0	0	0	0
Department of Agriculture	11,100,000	11,100,000	0	0	0	0
Regulatory Board Fees	31,700,000	31,700,000	0	0	0	0
Tennessee Regulatory Authority	7,900,000	7,900,000	0	0	0	0
Secretary of State	19,000,000	19,000,000	0	0	0	0
Department of Safety	39,700,000	39,700,000	0	0	0	0
State Treasurer	20,000,000	20,000,000	0	0	0	0
Department of Education	1,700,000	0	1,700,000	0	0	0
Department of Health	11,200,000	11,200,000	0	0	0	0
Dept. of Environment and Conservation	74,200,000	74,200,000	0	0	0	0
Miscellaneous Revenue	25,000,000	25,000,000	0	0	0	0
Nursing Home Tax	100,200,000	100,200,000	0	0	0	0
<b>Total Other State Revenue</b>	<b>\$786,600,000</b>	<b>\$784,900,000</b>	<b>\$1,700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total State Revenue</b>	<b>\$10,159,400,000</b>	<b>\$4,972,900,000</b>	<b>\$3,618,700,000</b>	<b>\$650,400,000</b>	<b>\$246,200,000</b>	<b>\$671,200,000</b>

**Distribution of Estimated Revenue by Fund  
Fiscal Year 2005-2006**

**SOURCE OF REVENUE**

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$6,303,000,000	\$2,400,200,000	\$3,632,600,000	\$0	\$45,000,000	\$225,200,000
Gasoline Tax	616,100,000	11,300,000	0	287,100,000	82,500,000	235,200,000
Motor Fuel Tax	176,700,000	3,300,000	0	127,000,000	0	46,400,000
Gasoline Inspection Tax	65,000,000	19,100,000	0	33,900,000	0	12,000,000
Motor Vehicle Registration Tax	252,000,000	49,000,000	300,000	202,700,000	0	0
Income Tax	152,900,000	119,000,000	0	0	0	33,900,000
Privilege Tax	263,200,000	263,200,000	0	0	0	0
Gross Receipts Tax - TVA	219,600,000	130,700,000	0	0	0	88,900,000
Gross Receipts Tax - Other	18,200,000	15,500,000	0	2,700,000	0	0
Beer Tax	17,900,000	12,400,000	0	2,200,000	0	3,300,000
Alcoholic Beverage Tax	37,600,000	31,700,000	0	0	0	5,900,000
Franchise Tax	546,100,000	528,100,000	0	0	18,000,000	0
Excise Tax	688,500,000	550,200,000	0	0	121,000,000	17,300,000
Inheritance and Estate Tax	89,300,000	89,300,000	0	0	0	0
Tobacco Tax	122,100,000	700,000	121,400,000	0	0	0
Motor Vehicle Title Fees	11,500,000	8,800,000	0	0	2,700,000	0
Mixed Drink Tax	44,500,000	3,400,000	21,500,000	0	0	19,600,000
Business Tax	102,600,000	102,600,000	0	0	0	0
Severance Tax	1,000,000	400,000	0	0	0	600,000
Coin-operated Amusement Tax	800,000	800,000	0	0	0	0
<b>Total Department of Revenue</b>	<b>\$9,728,600,000</b>	<b>\$4,339,700,000</b>	<b>\$3,775,800,000</b>	<b>\$655,600,000</b>	<b>\$269,200,000</b>	<b>\$688,300,000</b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$412,800,000	\$412,800,000	\$0	\$0	\$0	\$0
Department of Financial Institutions	7,200,000	7,200,000	0	0	0	0
Wildlife Resources Agency	43,000,000	43,000,000	0	0	0	0
Department of Agriculture	11,500,000	11,500,000	0	0	0	0
Regulatory Board Fees	31,900,000	31,900,000	0	0	0	0
Tennessee Regulatory Authority	7,400,000	7,400,000	0	0	0	0
Secretary of State	20,500,000	20,500,000	0	0	0	0
Department of Safety	43,200,000	43,200,000	0	0	0	0
State Treasurer	20,000,000	20,000,000	0	0	0	0
Department of Education	1,700,000	0	1,700,000	0	0	0
Department of Health	11,400,000	11,400,000	0	0	0	0
Dept. of Environment and Conservation	63,600,000	63,600,000	0	0	0	0
Miscellaneous Revenue	25,400,000	25,400,000	0	0	0	0
Nursing Home Tax	100,200,000	100,200,000	0	0	0	0
<b>Total Other State Revenue</b>	<b>\$799,800,000</b>	<b>\$798,100,000</b>	<b>\$1,700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total State Revenue</b>	<b><u>\$10,528,400,000</u></b>	<b><u>\$5,137,800,000</u></b>	<b><u>\$3,777,500,000</u></b>	<b><u>\$655,600,000</u></b>	<b><u>\$269,200,000</u></b>	<b><u>\$688,300,000</u></b>

**Comparative Statement of Revenues of Regulatory Boards**  
**Actual and Estimated July 1, 2003 - June 30, 2006**  
**To Support Statement of State Revenues**

SOURCE OF REVENUE	Actual 2003-2004	Estimated 2004-2005	Estimated 2005-2006
State Board of Accountancy	\$801,600	\$809,900	\$809,900
State Board of Examiners for Architects & Engineers	1,233,500	1,311,500	1,311,500
Advisory Board on Professional Boxing and Racing	6,000	4,800	6,300
Athletic Commission	21,700	15,000	15,000
Tennessee Auctioneer Commission	264,800	267,800	267,800
Board of Barber Examiners	275,400	308,500	308,500
Tennessee Collection Service Board	247,600	242,000	242,000
Licensing Contractors, Home Improvement & Interior Designers	2,339,900	3,927,600	3,927,600
State Board of Cosmetology	1,081,600	1,443,400	1,443,400
Board of Funeral Directors and Embalmers	1,013,700	337,500	424,300
Board of Examiners for Land Surveyors	362,100	177,600	177,600
Board of Alarm Contractors	302,300	111,000	111,000
Private Investigators Licensing and Regulation	245,000	331,300	331,300
Private Protective Services Licensing & Regulation	952,800	84,800	84,800
Board of Polygraph Examiners	7,300	976,800	976,800
Real Estate Appraiser Commission	637,800	365,700	365,700
Registration of Geologists	81,700	227,700	227,700
Tennessee Real Estate Commission	911,100	2,176,100	2,176,100
Board of Pharmacy	1,308,000	1,319,500	1,344,500
Tennessee Motor Vehicle Commission	1,319,400	1,594,500	1,594,500
Employee Leasing	83,100	0	0
<b>Sub-Total: Commerce and Insurance</b>	<b>\$13,496,400</b>	<b>\$16,033,000</b>	<b>\$16,146,300</b>
Board of Chiropractic Examiners	\$162,700	\$187,500	\$187,500
Board of Dentistry	927,500	1,338,500	1,338,500
Board of Dietitian / Nutritionist Examiners	57,600	59,700	59,700
Board of Dispensing Opticians	96,300	100,900	100,900
State Board of Electrolysis Examiners	11,500	19,700	19,700
Council for Licensing Hearing Instrument Specialists	35,200	30,200	30,200
Board of Social Worker Certification and Licensure	210,400	172,800	202,800
Board of Medical Examiners	2,440,300	2,355,800	2,355,800
Tennessee Medical Laboratory Board	661,700	704,100	704,100
Board of Nursing	3,866,700	4,454,400	4,454,400
Board of Examiners for Nursing Home Administrators	83,300	88,000	88,000
Board of Occupational and Physical Therapy Examiners	426,700	415,900	435,900
State Board of Athletic Trainers	36,600	27,900	27,900
Board of Respiratory Care	154,800	164,000	164,000
State Board of Optometry	127,300	137,200	137,200
Board of Osteopathic Examination	108,200	98,600	108,600
Board of Registration for Podiatry	48,700	49,900	49,900
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	145,000	151,300	151,300
Board of Examiners in Psychology	301,200	317,400	317,400
Board for Communication Disorders and Sciences	91,800	93,600	93,600
Committee on Physician Assistants	110,400	113,000	113,000
Massage Licensure Board	202,400	295,600	295,600
Board of Veterinary Medical Examiners	349,500	405,900	405,900
Alcohol and Drug Abuse Counselors	71,500	66,200	72,200
Board of Midwifery	1,500	4,700	4,700
Board of Acupuncture	24,800	5,400	5,400
Board of Clinical Perfusionists	21,500	14,400	14,400
Reflexologist License	3,300	4,200	4,200
<b>Sub-Total: Health</b>	<b>\$10,778,400</b>	<b>\$11,876,800</b>	<b>\$11,942,800</b>
State Regulatory Fee	\$2,195,000	\$2,141,300	\$2,130,600
State Board of Law Examiners	737,300	668,700	666,000
Health Services Development Agency	1,432,700	980,200	1,014,300
<b>Total Regulatory Boards</b>	<b>\$28,639,800</b>	<b>\$31,700,000</b>	<b>\$31,900,000</b>

# Tax Expenditures

Recommended Budget, Fiscal Year 2005-2006

Tennessee Code Annotated 9-4-5115 requires the Department of Finance and Administration to report annually to the Finance, Ways and Means Committees of the House and the Senate on two areas of government finance: 1) tax exemptions; and 2) vendor compensation for the collection of the sales tax. This section of the Budget Document is intended to fulfill that statutory obligation.

Under the law, the tax expenditure report is required to "...identify all exemptions, to the extent that it is practical, and estimate the amount of revenue which would have been collected by the state in the fiscal year commencing on July 1 next succeeding such report had each exemption not existed." The report on vendor compensation is required to show the amount paid to vendors for the collection of the sales tax. No format or reporting period is specified. Both reports are to be made no later than February 1 of each year.

Vendors compensation for collection of the sales tax was repealed, effective July 1, 2000, by Public Acts of 2000, chapter 983. Thus, no report is made on vendors compensation.

## 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 2005-2006. 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 which impacts other taxes (the estimates do not reflect secondary or feedback effects).

**Major Tax Exemptions from the Sales and Use Tax**  
**Currently Untaxed Services: Table 1-A**

<u>Service/Product Area Exempted</u>	<u>FY2005-2006 Estimated Loss</u>	
	<u>State</u>	<u>Local*</u>
<b>Administrative &amp; Support Services</b>	<b>\$269,200,000</b>	<b>\$92,200,000</b>
Collection Agencies & Credit Bureaus	21,600,000	7,400,000
Employment Services	149,700,000	51,300,000
Investigation & Security Services	29,800,000	10,200,000
Mail, Document Reproduction, & Call Centers	15,900,000	5,400,000
Services to Buildings & Dwellings	52,200,000	17,900,000
<b>Construction Services</b>	<b>\$657,400,000</b>	<b>\$225,400,000</b>
Building, Developing, & General Contracting	228,400,000	78,300,000
Heavy Construction	57,500,000	19,700,000
Special Trade Contractors	371,500,000	127,400,000
<b>Educational Services</b>	<b>\$15,700,000</b>	<b>\$5,400,000</b>
Educational Services (for-profit)	13,700,000	4,700,000
Educational Services (non-profit)	2,000,000	700,000
<b>Finance, Insurance, &amp; Real Estate</b>	<b>\$209,900,000</b>	<b>\$72,000,000</b>
Investment Banking, Securities Brokerage, & Related Services	74,000,000	25,400,000
Insurance Agents & Related Services	54,900,000	18,800,000
Real Estate Agents & Brokers	81,000,000	27,800,000
<b>Health Care &amp; Social Services (For-profit)</b>	<b>\$649,700,000</b>	<b>\$222,700,000</b>
Physicians & Dentists	340,900,000	116,900,000
Other Health Practitioners	41,900,000	14,400,000
Hospitals	90,400,000	31,000,000
Nursing & Residential Care Facilities	102,800,000	35,200,000
Outpatient Care Centers	26,600,000	9,100,000
Medical and Diagnostic Laboratories	19,100,000	6,500,000
Other Selected Health Services	8,400,000	2,900,000
Social & Community Services	19,600,000	6,700,000
<b>Health Care &amp; Social Services (Non-profit)</b>	<b>\$389,400,000</b>	<b>\$133,600,000</b>
Hospitals	324,800,000	111,400,000
Nursing & Residential Care Facilities	20,400,000	7,000,000
Outpatient Care Centers	22,300,000	7,600,000
Other Selected Health Services	4,300,000	1,500,000
Social & Community Services	17,600,000	6,100,000
<b>Information Services</b>	<b>\$55,100,000</b>	<b>\$18,900,000</b>
Data Processing Services	13,400,000	4,600,000
Movie Production & Sound Recording Studios	8,900,000	3,100,000
Cable T.V. Subscriptions (exempt amt.)	18,200,000	6,200,000
Newspaper Subscriptions & Sales	14,600,000	5,000,000
<b>Media Advertising Sales</b>	<b>\$144,100,000</b>	<b>\$49,400,000</b>
Newspaper Advertising	42,500,000	14,600,000
Radio Advertising	22,200,000	7,600,000
Television Advertising (Broadcast & Cable)	79,400,000	27,200,000
<b>Personal Services</b>	<b>\$74,300,000</b>	<b>\$25,600,000</b>
Coin-operated Laundry	2,800,000	1,000,000
Death Care Services	15,600,000	5,300,000
Diet & Weight Loss	2,200,000	800,000
Hair, Nail, & Skin Care Services	30,800,000	10,600,000
Non-Profit Amusement & Membership Organizations	22,900,000	7,900,000
<b>Professional &amp; Technical Services</b>	<b>\$528,900,000</b>	<b>\$181,400,000</b>
Accounting, Tax Return Prep., & Payroll	68,400,000	23,500,000
Advertising & Public Relations	33,000,000	11,300,000
Architectural Services	21,600,000	7,400,000
Engineering Services	88,600,000	30,400,000
All Other Architectural, Engineering, & Related Services	11,400,000	3,900,000
Specialized Design Services	15,600,000	5,300,000
Computer Systems Design & Related Services	48,700,000	16,700,000
Legal Services (profit & non-profit)	125,400,000	43,000,000
Management, Scientific, & Technical Consulting	94,200,000	32,300,000
Scientific Research & Development (profit & non-profit)	22,000,000	7,600,000
<b>Transportation Services</b>	<b>\$161,300,000</b>	<b>\$55,300,000</b>
Couriers & Messengers	80,800,000	27,700,000
Truck Transportation (Local)	60,500,000	20,700,000
Other Transportation	20,000,000	6,900,000
<b>Total Revenue Loss</b>	<b>\$3,155,000,000</b>	<b>\$1,081,900,000</b>

\*Local revenue loss calculated based on an average local sales tax rate of 2.40%.

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 2005-2006 Estimated Loss	
		State	Local
	<b>Sales and Use Tax</b>	<b>\$2,044,517,000</b>	<b>\$627,827,000</b>
67-6-329(a)(1)	Gasoline	373,943,000	128,209,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	131,211,000	44,987,000
67-6-329(a)(1-2)	Gasoline/diesel fuel for agriculture	7,164,000	2,456,000
67-6-334	Energy fuels sold for residential use	231,637,000	79,418,000
67-6-206(b)(1-2); [206(b)(1-2), 67-4-2303(a-b)]*	Energy and water sales to manufacturers (reduced rate/privilege tax*)	154,800,000	63,327,000
67-6-206(b)(2-7); [206(b)(1-2), 67-4-2303(b-g)]*	Energy and water sales to manuf. for direct processing (exempt privilege tax*)	56,000,000	719,000
67-6-217; [67-4-2701]*	Aviation fuel (reduced rate/privilege tax*)	15,098,000	14,494,000
67-6-312, 320; [67-6-320]*	Prescription drugs, insulin, and syringes	311,587,000	106,830,000
67-6-319	Prescription drug samples	24,730,000	8,479,000
67-6-206(a)	Industrial machinery and equipment	162,146,000	20,102,000
67-6-207	Farm machinery and equipment	15,774,000	1,782,000
67-6-102(25)(E)(ii); [67-6-329(a)(15)]*	Packaging sold for resale or use	97,001,000	33,258,000
67-6-228(a)(1); [67-6-228(a-b)]*	Food sales (reduced rate)	73,982,000	0
67-6-103(f), 226; [67-4-2401(b)]*	Cable television (exempt portion/privilege tax*)	18,185,000	11,431,000
67-6-329(a)(12); [67-6-329(a)(3)]*	School books and lunches	17,138,000	5,876,000
67-6-329(a)(21); [67-6-329(a)(10)]*	Newspaper (periodical) sales	14,614,000	5,011,000
67-6-316	Prescription eyewear and optical goods	15,390,000	5,277,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	10,339,000	0
67-6-336	Used factory-manufactured structures	2,791,000	100,000
67-6-330(a)(4-5); [67-6-330(a)(3-4)]*	Membership dues of civic organizations & business assoc.	10,457,000	3,585,000
67-6-530	Motion picture production refund	8,925,000	3,060,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	8,359,000	1,858,000
67-6-219; [67-4-2305]*	Sales To Common Carriers (reduced rate/privilege tax*)	6,823,000	1,889,000
67-6-329(a)(3-10), (17); [67-6-207(a)(10-17)]*	Fertilizers, pesticides, seeds, and related items to nurseries	3,164,000	1,085,000
67-6-303	Motor vehicles sold to non-resident military personnel	4,878,000	359,000
67-6-309(a)	Film and transcription rentals	5,105,000	1,750,000
67-6-329(a)(16); [67-6-329(a)(6)]*	Magazines and books--printers' nexus	3,110,000	1,066,000
67-6-330(a)(17); [67-6-330(a)(16)]*	Physical fitness facility fees	2,982,000	1,022,000
67-6-102(a)(16)(H)(i); [67-6-102(27)(H)(i)]*	Certain warehouse equipment	2,184,000	397,000
	All other remaining exemptions	255,000,000	80,000,000
	<b>Corporate Franchise and Excise Tax</b>	<b>\$109,300,000</b>	<b>\$0</b>
67-4-2109	Jobs credit (Franchise & Excise.)	30,600,000	NA
56-4-217, 67-4-2009, 2109	Insurance comps. phaseout less premium credit (Franchise & Excise)	16,700,000	NA
67-4-2009	Industrial machinery credit (Excise)	17,000,000	NA
67-4-2009, 2112	Hospital company tax credit (Franchise & Excise)	9,000,000	NA
67-4-2108	Cap on value of inventories (Franchise)	18,600,000	NA
67-4-2012, 2111	Double-weighted sales factor (Franchise & Excise)	17,400,000	NA
	<b>Motor Vehicle Registration Fees</b>	<b>\$4,695,000</b>	<b>\$0</b>
55-4-223	Government vehicles	1,107,000	NA
55-4-228(c)(1)	Enlisted members of the Tennessee National Guard	166,000	NA
55-4-235, 236, 237	Former POWS, medal of honor recipients, and disabled veterans	238,000	NA
55-4-113(7)	Special Zone Tags - Class 1	928,000	NA
55-4-113(7), 124	Special Zone Tags - Class 2	2,117,000	NA
55-21-103(a)(l)	Handicapped person fee	55,000	NA
55-21-103(b)(2)(a)(c)	Handicapped person placards	84,000	NA
	<b>Gross Receipts Taxes</b>	<b>\$278,200,000</b>	<b>\$0</b>
67-4-405(b)	Gas, Water, and Electric Companies - Gov't operations exempt	272,900,000	NA
67-4-405(d)	Gas, Water, and Electric Companies -Franchise and excise tax credit	3,700,000	NA
67-4-405(f)	Gas, Water, and Electric Companies - \$5,000 exemption	100,000	NA
67-4-402	Bottlers - Franchise and excise tax credit	1,500,000	NA
	<b>Miscellaneous Taxes</b>	<b>\$156,100,000</b>	<b>\$0</b>
67-8-315(a)(6)	Standard Deduction on the inheritance and gift tax	86,500,000	NA
67-8-316(a)	Marital Deduction on the inheritance and gift tax	51,300,000	NA
67-2-104(a)	Standard Exemption on the income tax	18,000,000	NA
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	300,000	NA
	<b>Total Revenue Loss</b>	<b>\$2,592,812,000</b>	<b>\$627,827,000</b>

\* Represents tax and T.C.A. changes effective July 1, 2005 as of the 2004 Session of the General Assembly.

Source: Tennessee Departments of Revenue and Safety



# **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). Also, rates varying from 1% to 8.25% apply to other items and services including the following: 6% for the retail sale of food and food ingredients for human consumption (TCA 67-6-228); 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 cable and wireless television 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. 29.3709% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less amounts paid to premier resorts (TCA 67-6-103). Also, amounts from cable and wireless television 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, plus 9% from cities and counties (TCA 67-6-

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**Rate and Source**

**Basis of Apportionment**

221(b)). In addition, amounts from the tax on 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.....	4.2462% 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

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population, less 9% to the general fund (TCA 67-6-221 (b)).

Counties.....A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties and distributed based on population, less 9% to the general fund (TCA 67-6-221(b)).

**GASOLINE TAX**.....\$.20 on each gallon of gasoline sold, stored, or distributed in the state (TCA 67-3-201 and 60-4-102).

General Fund.....Approximately 1.8% (TCA 67-3-901).

Highway Fund.....Approximately 60.0%, 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 25.5% based  $\frac{1}{4}$  on population,  $\frac{1}{4}$  on area, and  $\frac{1}{2}$  divided equally (TCA 54-4-103 and 67-3-901).

**MOTOR FUEL TAX** ....\$.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); \$.13 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-3-1113); \$.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 1.9% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).

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Highway Fund.....	Approximately 71.9%, less an amount to the Debt Service Fund and less 2% to the General Fund (TCA 67-3-905, 67-3-908, and 67-3-901 (k)).
Debt Service Fund.....	Amount required from Highway Fund apportionment (TCA 9-9-105, 9-9-106, 67-3-905, and 67-3-908).
Cities .....	Approximately 8.7% based on population (TCA 54-4-203, 67-3-905, and 67-3-908).
Counties.....	Approximately 17.5% based $\frac{1}{4}$ on population, $\frac{1}{4}$ on area, and $\frac{1}{2}$ divided equally (TCA 54-4-103, 67-3-905, and 67-3-908).

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

\$.01 for each gallon of gasoline and most other volatile fuels sold, used, or stored (TCA 67-3-203); an additional \$.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 \$.01 per gallon tax and the export fee (TCA 67-3-906). 100% of 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 \$.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.....	A local government fund of \$12,017,000, of which 38.1% is for

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and Classification**

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county roads and the remainder for city roads (less a \$120,000 grant 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); 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 Safety for funding the acquisition, updating, and operation of a computerized titling and registration system; this fee is effective from July 1, 1999 until June 30, 2008 (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



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annual appropriations bill (TCA 55-6-107(a)).

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 (55-4-215) and 20% of the revenue from cultural plates (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, plus 1/3 of the amount allocated to cities and counties, 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 1/3 to the General Fund, and 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 per tire sold), occupational tax (\$400 on

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certain occupations), \$15 marriage license fee, plus a \$60.00 state share of a \$62.50 marriage license fee for couples not completing a premarital preparation course, a packaged automotive oil fee (2 cents per quart), and a 3% surcharge tax on certain rental motor vehicles, \$12 per bail bond, and a maximum fine of \$200 for persons convicted of either assault, aggravated assault, or domestic assault. 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, 36-3-610, 36-6-413, 39-13-101, 39-13-102, 39-13-111, 39-13-709, 16-22-109, 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 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, and electronic fingerprint imaging systems for local law enforcement agencies. 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. Until June 30, 2007, the realty transfer tax designated for the 1986 Wetland Acquisition Fund, Local Parks Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation Fund is allocated to the General Fund unless allocated to the other funds in the annual appropriations act (TCA 16-15-5007, 36-3-616, 39-13-709, 40-24-
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**Basis of Apportionment**

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). The \$60 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 – 113).

**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, 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

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

year firearms dealer permit fee (TCA  
39-17-1316).

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 (TCA 67-9-101 through 67-9-103 and 67-4-402).
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 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).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**BEER EXCISE**

**TAX** ..... Registration 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, plus 9% of the amount allocated to cities and counties (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, less 9% to the General Fund, distributed to counties equally (TCA 57-5-205).

Municipalities ..... 10.05% of privilege tax collections, less 9% to the General Fund, 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, plus 9% of the amount allocated to counties (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% of proceeds of sale of vehicles, aircraft, and boats seized by local law enforcement officers (TCA 57-9-201); and 50% from other contraband goods

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

seized, less 15% retained for administration as departmental current services revenue by 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 is retained for administration as departmental revenue by the Department of General Services (TCA 57-9-115, 12-2-207 and 12-2-209).

Counties.....	\$0.04 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 9% to the General Fund and, 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).
<b>FRANCHISE TAX</b> .....	\$.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 67-4-2109).
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).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**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, plus 9% of the amount allocated to cities and counties (TCA 67-4-2017).

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, less a 9% distribution to the General Fund (TCA 67-4-2017).

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

Inheritance tax ranges from a rate of 5.5% on the value of net taxable estates of at least \$40,000 to a rate of \$30,200 plus 9.5% of the value in excess of \$440,000 for decedents dying after 1988. The exemption levels for beneficiaries are as follows: \$600,000 for decedents dying in 1990 through June 30, 1998, \$650,000 for those dying in 1999, \$675,000 for those dying in 2000 and 2001, and \$700,000 for those dying in 2002 and 2003. Gifts made after 1983 are taxed at rates ranging from 5.5% on gifts up to \$40,000 to 9.5% on the excess over \$440,000 for Class A beneficiaries and from 6.5% on gifts up to \$50,000 to 16% on the excess over \$200,000 for Class B beneficiaries. Gift tax exemptions of \$10,000 and \$5,000 are allowed for Class A and Class B donees, respectively (TCA 67-8-101 through 67-8-106, 67-8-204, 67-8-303, 67-8-314, and 67-8-316).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

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

**TOBACCO TAX**.....\$0.01 per cigarette or \$.20 per package of 20; \$.0005 per cigarette pack enforcement fee; 6.6% of wholesale price on other tobacco products; license fees of \$10 to \$20 per location for sellers, distributors, and handlers; proceeds of sale of confiscated goods; and penalties of \$100 to \$5,000 for violations of the Unfair Cigarette Sales Law (TCA 67-4-1002 through 67-4-1005, 67-4-1015, 67-4-1020, and 47-25-311).

General Fund..... Approximately 0.6% (includes 4% of taxes from tobacco other than cigarettes and of proceeds of sale of confiscated tobacco products and 100% of the \$.0005 per pack enforcement fee, all earmarked for administration) (TCA 67-4-1025).

Education Fund ..... Approximately 99.4% (includes 100% of cigarette taxes, earmarked for grades 1-12; 100% of license fees and penalties; and 96% of the 6% tax rate on other tobacco taxes and of proceeds of sale of confiscated tobacco products) (TCA 67-4-1025 and 49-3-357).

**MOTOR VEHICLE**

**TITLE FEES**.....\$5 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 76.5% (including 50 cents of the \$5 fee, earmarked for enforcement action against odometer fraud; and a portion of \$1.50 of the \$5 fee in excess of debt service requirements, earmarked for State Parks capital projects) (TCA 55-6-101 and 55-6-103).

Debt Service Fund..... Approximately 23.5% (including a portion of \$1.50 of the \$5 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).



**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**MIXED DRINK**

**TAX** ..... A 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).

General Fund ..... 100% of the privilege tax with the 2004 increase earmarked for the Alcoholic Beverage Commission, plus 9% of the gross receipts tax allocated to cities and counties (TCA 57-4-306).

Education Fund ..... 50% of the 15% gross receipts tax (TCA 57-4-306 and 49-3-357).

Cities and Counties ..... 50% of the 15% gross receipts tax, less 9% to the General Fund, 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 TAX** ..... Tax imposed principally by local units of government on certain businesses, vocations, and operations carried on within this state (TCA 67-4-701, 67-4-704, 67-4-705, 67-4-707 through 67-4-709, and 67-4-714 through 67-4-717). 15% of all taxes collected locally are remitted to the state by the collector of each county and incorporated municipality. In addition, all increased revenues directly attributable to the 2002 amendments to TCA 67-4-709(b) are remitted to the state (TCA 67-4-724).

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

**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).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**COAL**

**SEVERANCE TAX** .....\$ .20 per ton of severed coal in the state  
(TCA 67-7-103 and 67-7-104).

General Fund ..... 11.73% of \$.20 gross tax and all penalties and interest (collected as departmental current services revenue of the Department of Revenue) (TCA 67-7-110).

Counties ..... 88.27% of \$.20 gross tax distributed to county of severance, of which 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%.

**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 2% 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 1% on gross

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

premiums collected or contracted for on policies or contracts of insurance covering property or risks in this state. Companies writing workers' compensation insurance are taxed 4.0% on gross premiums collected for workers' compensation insurance, plus a surcharge of 0.4% on gross premiums. Other revenues collected include regulatory fees for Limited Capital Credit Reinsurers, renewal fees for Fraternal Benefit Societies, insurance agent fees, examination fees, certificates of qualifications, broker fees, certificates of authority fees, utilization review fees, and other miscellaneous fees (TCA 56-4-101, 56-4-106, 56-4-203, 56-4-205, 56-4-206, 56-4-208, 56-4-218, and other provisions of Title 56, Chapter 4, Part 2; Title 56, Chapter 6, Part 1; 56-13-128; 56-21-111; 56-24-104; 56-25-1603; 56-32-224, and 56-51-152).

General Fund ..... 100%.

**WORKERS'**

**COMPENSATION** ..... 4% on gross premiums collected plus a 0.4% surcharge on said premiums 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 every commercial mobile radio service (cellular phone) provider's customers. Collected funds are distributed to the State's emergency communications districts to support 911 service and 911 location technology deployment. Commercial mobile radio service

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

providers may retain 3% of the fees collected for administrative expenses (TCA 7-86-108 and 7-86-303).

General Fund.....100% (earmarked for the 911 Emergency Communications Fund) (TCA 7-86-108).

**Department of Financial Institutions**

**FINANCIAL**

**INSTITUTIONS**.....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)).

**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).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**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 through 43-1-703).

**FERTILIZER**

**INSPECTION** ..... Fee based on \$.20 per ton for all commercial fertilizer (TCA 43-11-106).

General Fund ..... 100%.

**FEED**

**INSPECTION** ..... Fee based on \$.10 per ton for all commercial feeds (TCA 44-6-109).

General Fund ..... 100% (earmarked for administrative expenses) (TCA 43-1-104).

**RETAIL FOOD  
STORE  
INSPECTION ACT**

**OF 1986** ..... Fee based on types of food sold and seating capacity (TCA 53-8-214).

General Fund ..... 100%.

**TENNESSEE  
STATE PUBLIC  
LIVESTOCK**

**MARKET BOARD** ..... Fee based on charter application (TCA 44-12-111).

General Fund ..... 100%.

**DOG AND CAT**

**BREEDERS** ..... Fee based on type of facility and volume of animal transactions (TCA 44-17-104(b)).

General Fund ..... 100%.

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**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, Titles 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. The amount of fee is based on gross receipts of each public utility in excess of \$5,000 annually as follows: \$3 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 \$2 per \$1,000. Minimum fee, \$100. A \$10 annual registration fee for each privately owned public pay phone is also collected (TCA 65-4-301 through 65-4-308).

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

**UNIVERSAL**

**SERVICE** .....Fees as required by TRA to ensure the availability of affordable residential basic, local exchange telephone service. Fees are required by TRA as are 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).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**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 (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 (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 (\$.65 down to \$.35 per meter). Minimum fee, \$100 (TCA 65-28-110(c)). Also, any person who violates state laws or regulations

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

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).

**MISCELLANEOUS**.....A \$25.00 fee per party for filing a petition with the TRA, 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, and miscellaneous (TCA 3-17-104, 47-25-517).

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

**Department of Safety**

**CLASSIFIED  
DRIVER**

**LICENSES**.....Fees received from 5-year drivers 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%.



**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**FINES AND**

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

General Fund.....100% (TCA 4-7-107).

**MOTOR**

**CARRIERS**.....Annual 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 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 Department of Safety) (TCA 55-4-113 and 65-15-116).

**LITIGATION**

**PRIVILEGE TAX**.....A portion of the privilege taxes on litigation, derived from a 25% share of 11.12% of the balance of litigation taxes which are not otherwise earmarked (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).

**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%.

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**Department of Education**

**LITIGATION**

**PRIVILEGE TAX**.....A portion of the privilege taxes on litigation, based on the first \$2 derived from criminal cases and from a 75% share of 11.12% of the balance of litigation taxes which are not otherwise earmarked (TCA 67-4-602 and 67-4-606).

Education Fund ..... 100% (earmarked for driver education in public schools) (TCA 67-4-602 and 67-4-606).

**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%.

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**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).

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).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**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 and driving under the influence. (TCA 68-55-301 through 68-55-304).

General Fund ..... 100% (earmarked for the Traumatic Brain Injury Fund) (TCA 68-55-301 through 68-55-304).

**Department of Environment and Conservation**

**TENNESSEE  
ENVIRONMENTAL  
PROTECTION**

**FUND** .....Fees from environmental permits, inspections, damages, and fines (TCA Title 68, Chapter 131, Part 4, Chapter 201, Part 1; Chapter 202, Parts 2 and 5; 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 \$.75 per ton through FY 2007-08. Also, the \$1 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).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**DRYCLEANER**

**ENVIRONMENTAL**

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

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

**OIL AND GAS**

**REGULATION**..... Application fees of \$150 for oil and gas well permits, \$25 for natural gas well price determinations, and \$10 for mineral test hole permits (TCA 60-1-103, 105, and 505).

General Fund..... 100% (earmarked for administrative expenses) (TCA 60-1-103, 105, and 505).

**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 and 1005).

**Nursing Home Tax**

**NURSING HOME**

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

General Fund..... 100%.

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

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

A six percent (6%) monthly gross receipts tax on revenue generated from ICF/MR certified beds (TCA 68-11-830(d)(2)(B)).

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

**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). DOT 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  
COMPTROLLER OF THE TREASURY

State Capitol  
Nashville, Tennessee 37243-0260  
(615) 741-2501

John G. Morgan  
Comptroller

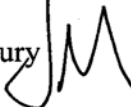
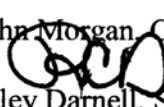


December 15, 2004

Memorandum

TO: The Honorable Phil Bredesen  
Governor

The Honorable Douglas Henry, Jr., Chairman  
Senate Finance, Ways, & Means Committee

The Honorable Craig Fitzhugh, Vice-Chairman  
House Finance, Ways, & Means Committee

FROM: John Morgan, Comptroller of the Treasury   
  
Riley Darnell, Secretary of State  
Dale Sims, State Treasurer   
M.D. Goetz, Jr., Commissioner   
Department of Finance & Administration

SUBJECT: Revenue Estimates for FY 2004-05 and FY 2005-06

The State Funding Board met on December 9 and 14, 2004 to hear presentations on, and to engage in discussions about, the State's near-term economic outlook for the fiscal years 2004-05 and 2005-06. During this meeting, the Board heard economic testimony from Dr. William Fox of The University of Tennessee, Dr. Albert DePrince of Middle Tennessee State University, Dr. Jeff Wallace and Dr. Richard Evans of the University of Memphis, Mr. Jim White of the Fiscal Review Committee, and Mr. Reid Linn of the State Department of Revenue. The state tax revenue estimates provided by each of the presenters are summarized in the two attachments to this memorandum.

The Board is charged with responsibility to develop consensus ranges 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. Since this is a revenue estimation process and **not** a budgeting process, the Board does not take into consideration the State's fiscal situation when developing its consensus ranges of revenue growth. Fiscal considerations properly belong with those who set the State's revenue estimates - 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 consensus is that the economy has grown, but problems remain. Consumer confidence is shaky, due in part to the continued war in Iraq. Car sales have slowed. Presenters pointed to the lack of car manufacturer incentives, the increase in interest rates, and the increase in the price of gas. Housing starts have declined. The demand for construction (materials and labor) needed in the wake of the recent hurricanes has driven up the cost throughout the southeast. Furthermore, many households are experiencing dissavings.

The presenters were uncertain as to the impact on the State's sales tax collections resulting from the federal tax law change allowing for deductibility of state sales tax on federal income tax returns. Additionally, it was noted that the State traditionally has experienced several years of strong revenue growth after a sales tax rate increase. However, the most recent sales tax rate increase produced only one year of strong growth. Reference was also made to the impact on sales tax revenues of "e-tailing" or "retail purchases via the Internet."

In terms of state revenue forecasts, all presenters believed the state would experience modest revenue growth during both fiscal years 2004-05 and 2005-06. For fiscal year 2004-05, estimates from four of the five presenters for total revenue growth range from 2.87% to 3.68%; the fifth estimate of 2.1% is not included due to certain assumptions embedded in the economic forecasting model that was used. For fiscal year 2005-06, the estimates for total revenue growth range from 3.21% to 3.99%.

Based on the testimony received and the Board discussions, the Board developed the following consensus estimates expressed in ranges of growth rates in State tax revenue collections. The following table summarizes these estimates:

	FY 2004-05		FY 2005-06	
	Low	High	Low	High
Total State Taxes	2.6%	3.1%	3.5%	4.0%
General Fund Only	2.7%	3.2%	3.65%	4.4%

The Board believes these consensus revenue growth ranges to be reasonable and appropriate for use in state budgeting. Although the ranges for fiscal year 2004-05 have

been lowered from those we presented in April 2004, we believe the budgeted numbers will be achieved due to the higher beginning base resulting from overcollection of revenues in the prior fiscal year. As in past years, the Board intends to revisit these estimates prior to the General Assembly's final budget deliberations. Each of you will be advised of any revisions made by the Board at that time.

Additionally, the State Funding Board received presentations regarding the Tennessee Education Lottery. The estimates provided by the presenters are summarized in an attachment to this memorandum. 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 succeeding fiscal year. Mr. White, Executive Director, and Mr. Robert Currey, Fiscal Analyst, with the Fiscal Review Committee (FRC) presented the Board the FRC's projections. Mr. Currey reviewed the history and past performance of the Tennessee Education Lottery. Ticket sales began in late January, 2004. The lottery started with four instant ticket games; currently there are about 40 instant ticket games and three on-line games [Cash 3, Powerball, and Lotto 5 (which started in September 2004)]. Mr. Currey reviewed the revenue generation history of the instant ticket games and each of the three on-line games. He noted the particular volatility of the Powerball revenue. He discussed other forecasting limitations, including the limited amount of actual Tennessee data, game dynamics, competition (from within and without the State), and the volatile maturation process of a lottery. In developing its estimates, the FRC excluded the data from the initial weeks after implementation of games for development of the fiscal year 2004-05 estimates. For fiscal year 2005-06, the FRC used fiscal year 2004-05 estimates as the base year, projected a 4% sales growth rate, a 1% population growth rate, and held expenses as a percent of revenue constant. The weighted average estimate of net lottery proceeds available for deposit into the Education Account for fiscal year 2004-05 is \$221,600,000 and for fiscal year 2005-06 is \$232,800,000. Both amounts are 31% of lottery proceeds. Mr. White cautioned that revenues that become available for pre-school and after-school programs should not be considered a recurring revenue source at a certain level and expenditures of these funds should be for non-recurring items.

The Board additionally heard from Ms. Rebecca Paul, the Chief Executive Officer and President, Mr. Steve Adams, the Chief Operating Officer, and Mr. Andy Davis, Chief Financial and Technology Officer of the TELC. The first deposit to the Education Account was made April 15, 2004 in the amount of \$63,774,000; additional quarterly payments were made July 15 of \$59,497,000 and on October 15 of \$51,314,000. As of October 31, 2004, an additional \$19,986,000 had accrued toward the January 15, 2005 payment. There are currently approximately 4,500 retailers, up from the initial 3,500. This number is expected to grow to about 6,000 by the seventh year of the lottery. The time period for presentation of winning tickets was amended by the legislature in 2004; the TELC is estimating that approximately 2% of prizes (excluding jackpot prizes) as the

estimated amount for unclaimed prizes; 50% of which is to be deposited into the “after school programs special account” at the end of each fiscal year, beginning with fiscal year 2004-05.

Actual ticket sale revenue through October 31, 2004 for fiscal year 2004-05 was \$251,335,000. The TELC also forecasts a 4% increase in sales. The TELC’s estimate of net lottery proceeds available for deposit into the Education Account for fiscal year 2004-05 is \$210,035,000 and for fiscal year 2005-06 is \$218,980,000. These amounts are 30.3% and 30.4% respectively of lottery proceeds.

The Board then heard from Dr. Rich Rhoda, Executive Director, and Mr. Erik Ness, Associate Director for Policy, Planning and Research, of the Tennessee Higher Education Commission, who presented an estimate of the total cost of lottery related student financial assistance for fiscal year 2005-06. Based on the actual fall 2004 lottery scholarship awards, they project an annual cost of approximately \$140,000,000. This amount is not anticipated to increase substantially until the fiscal year 2006-07, with an increase to \$180,000,000, reflecting an anticipated 3% growth in the number of incoming freshmen and a mature program (freshman through senior scholarship recipients).

During these discussions, the Board compared the various estimates provided and considered the offered explanations for the differences in estimates. For fiscal year 2004-05, the estimates of net lottery proceeds differ by less than 5% (\$11.5 million) due primarily to two factors. First, the estimates of Powerball gross ticket sales account for 75% of the ticket sale revenue estimate difference (\$16.5 million of the \$21.9 million dollar ticket sale revenue difference). The higher estimate provided by the FRC assumes an additional Powerball jackpot exceeding \$150 million will occur during the remainder of the fiscal year while the TELC estimate assumed no further jackpots of this size occurring. The existence of such a jackpot can act to substantially increase sales of Powerball tickets. Both estimators agreed that should an additional jackpot exceeding \$150 million occur, the higher FRC estimate would be met, but that if the higher jackpot did not materialize, then the FRC estimate would not be met. The Board also discussed the impact of “jackpot fatigue”, particularly as it relates to Powerball ticket sales. “Jackpot fatigue” refers to a phenomenon where players that were once eager to spend money on the lottery lose interest, partially due to boredom from jackpots that seem less impressive over time. For example, a payout of \$50 million, once considered substantial, may no longer be sufficient to generate excitement and increased sales. It is unknown what impact, if any, jackpot fatigue may have on ticket sales in Tennessee. Second, the estimates differ in the expense assumption assumed. This factor accounts for approximately \$5 million of the \$11.5 million difference in net lottery proceeds estimates for fiscal year 2004-05. The FRC estimate is based on the expense experience over the first 10 months of operations while the TELC estimate is based on expectations of prize payouts, game mixes, and other operating expenses during the forecast period. Applying the TELC expense ratio to the FRC lottery proceeds estimate results in an estimate of net

lottery proceeds that is within \$6.6 million of TELC's estimate, a difference of approximately 3%.

For fiscal year 2005-06, the difference in the estimates of net lottery proceeds is approximately 6% (\$13.7 million). The difference is largely explained by Powerball sales estimates built into the base estimates and the expense assumptions used. The FRC estimate assumes an increase in all ticket sales of 5% (4% sales growth and 1% population growth) applied against their fiscal year 2004-05 estimates. The TELC estimate assumes varying levels of growth dependent on the type of game, with an average growth rate of approximately 4%. The differences in the underlying fiscal year 2004-05 Powerball sales estimates are magnified in fiscal year 2005-06 and represent 2/3rds of the gross ticket sales difference between the estimates. Like the prior year, the fiscal year 2005-06 estimates differ in the expense assumption used, with the FRC using the actual ratio from the first 10 months of operation and the TELC using a more detailed forecast. Applying the TELC expense assumption to the FRC estimate results in estimates of net lottery proceeds for fiscal year 2005-06 that are within 4%, or \$9.3 million.

The Board concluded that the estimates of net lottery proceeds, after adjustment for the expense assumption, are extremely close for both years but for assumptions regarding the frequency of occurrence of Powerball jackpots exceeding \$150 million. Given the volatility of lottery sales contrasted with the recurring nature of scholarships, the Board consensus was that estimates should be conservative in nature until such time that more experience is gained in Tennessee.

Consensus was reached on the following estimates of the net proceeds of lottery revenues to be deposited in the Lottery for Education Account, to be used for the various statutory purposes:

	FY 2004-05	FY 2005-06
Net Lottery Proceeds	\$210,000,000	\$219,000,000

The estimates of the net lottery proceeds will be revisited at the time the State Funding Board considers revisions to the ranges of State revenue estimates prior to the adoption of the State's Appropriations Act. As indicated previously, each of you will be advised of any revisions made by the Board at that time.

Each of us stands ready to discuss this further at your convenience.

Attachments

cc. The Honorable John S. Wilder  
The Honorable Jimmy Naifeh

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR  
FISCAL YEAR 2004-2005**

Schedule 1

(Accrual - Basis Estimates)

2004-2005															
DEPARTMENT OF REVENUE	2003-2004			% CHANGE			% CHANGE			% CHANGE			% CHANGE		
	ACTUAL	BUDGETED	% CHANGE	DR. FOX	% CHANGE	FISCAL REVIEW	% CHANGE	DR. DePRINCE	% CHANGE	DR. EVANS	% CHANGE	REVENUE DEPT.	% CHANGE		
SOURCE OF REVENUE	ACCRUAL	ESTIMATE	OVER 03-04	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL		
Sales and use Tax	\$ 5,810,784,300	\$6,096,600,000	4.92%	\$6,031,600,000	3.80%	\$6,049,026,000	4.10%	\$6,011,900,000	3.46%	\$5,998,160,000	3.22%	\$5,985,100,000	3.00%		
Gasoline Tax	599,326,500	617,600,000	3.05%	593,500,000	-0.97%	608,929,000	1.60%	615,200,000	2.65%	600,982,000	0.28%	613,100,000	2.30%		
Motor Fuel Tax	167,731,000	171,600,000	2.31%	172,800,000	3.02%	168,491,000	0.45%	173,500,000	3.44%	176,862,000	5.44%	171,600,000	2.31%		
Gasoline Inspection Tax	62,377,500	63,700,000 *	2.12%	63,500,000	1.80%	63,420,000	1.67%	65,900,000 *	5.65%	63,642,000	2.03%	63,600,000	1.96%		
Motor Vehicle Registration Tax	238,486,700	244,100,000	2.35%	243,700,000	2.19%	244,449,000	2.50%	248,000,000	3.99%	251,097,000	5.29%	249,200,000	4.49%		
Income Tax	139,991,600	141,800,000	1.29%	145,600,000	4.01%	142,791,000	2.00%	147,100,000	5.08%	146,004,000	4.29%	145,300,000	3.79%		
Privilege Tax - Less Earmarked Portion	246,086,300	255,000,000	3.62%	246,100,000	0.01%	253,469,000	3.00%	250,700,000 (1)	1.87%	250,700,000 (1)	1.87%	252,500,000	2.61%		
Gross Receipts Tax - TVA	202,743,400	204,400,000	0.82%	215,300,000	6.19%	213,649,000	5.38%	204,400,000 **	0.82%	214,932,000	6.01%	208,400,000	2.79%		
Gross Receipts Tax - Other	16,385,100	23,000,000	40.37%	17,200,000	4.97%	18,400,000	12.30%	23,600,000	44.03%	17,184,000	4.88%	17,900,000	9.25%		
Beer Tax	17,391,200	18,100,000 *	4.08%	17,500,000	0.63%	17,704,000	1.80%	18,700,000 *	7.53%	18,708,000	7.57%	18,000,000	3.50%		
Alcoholic Beverage Tax	35,705,200	36,900,000 *	3.35%	36,200,000	1.39%	37,133,000	4.00%	38,200,000 *	6.99%	37,020,000	3.68%	37,500,000	5.03%		
Franchise & Excise Taxes	1,197,803,600	1,146,100,000	-4.32%	1,240,900,000	3.60%	1,176,804,000	-1.75%	1,205,700,000	0.66%	1,276,640,000	6.58%	1,166,700,000	-2.60%		
Inheritance and Estate Tax	90,718,400	85,000,000 *	-6.30%	75,800,000	-16.44%	85,000,000	-6.30%	88,000,000 *	-3.00%	104,276,000	14.94%	80,000,000	-11.82%		
Tobacco Tax	119,689,000	116,000,000 *	-3.08%	119,700,000	0.01%	121,484,000	1.50%	120,000,000 *	0.26%	121,454,000	1.47%	122,200,000	2.10%		
Motor Vehicle Title Fees	11,284,000	11,300,000 *	0.14%	11,300,000	0.14%	11,510,000	2.00%	11,700,000 *	3.69%	11,665,000	3.38%	11,700,000	3.69%		
Mixed Drink Tax	40,769,200	42,000,000 *	3.02%	42,400,000	4.00%	42,400,000	4.00%	43,400,000 *	6.45%	42,783,000	4.94%	42,800,000	4.98%		
Business Tax	94,924,600	97,000,000 *	2.19%	98,700,000	3.98%	98,722,000	4.00%	100,300,000 *	5.66%	95,525,000	0.63%	97,800,000	3.03%		
Severance Tax	998,200	1,100,000 *	10.20%	1,000,000	0.18%	1,200,000	20.22%	1,100,000 *	10.20%	1,090,000	9.20%	1,100,000	10.20%		
Coin Operated Amusement Tax	784,700	1,500,000 *	91.16%	800,000	1.95%	500,000	-36.28%	1,600,000 *	103.90%	317,000	-59.60%	800,000	1.95%		
<b>TOTAL DEPARTMENT OF REVENUE</b>	<b>\$ 9,093,980,500</b>	<b>\$9,372,800,000</b>	<b>3.07%</b>	<b>\$9,373,600,000</b>	<b>3.07%</b>	<b>\$9,355,081,000</b>	<b>2.87%</b>	<b>\$9,369,000,000</b>	<b>3.02%</b>	<b>\$9,429,041,000</b>	<b>3.68%</b>	<b>\$9,285,300,000</b>	<b>2.10%</b>		
<b>GENERAL FUND ONLY (2)</b>	<b>\$ 7,583,572,200</b>	<b>\$7,805,000,000</b>	<b>2.92%</b>	<b>\$7,825,300,000</b>	<b>3.19%</b>	<b>\$7,795,681,000</b>	<b>2.80%</b>	<b>\$7,798,100,000</b>	<b>2.83%</b>	<b>\$7,864,141,000</b>	<b>3.70%</b>	<b>\$7,719,100,000</b>	<b>1.79%</b>		
<b>Budgeted Est. Compared to New Est. - Total</b>				\$800,000		-\$17,719,000		-\$3,800,000		\$56,241,000		-\$87,500,000			
<b>Budgeted Est. Compared to New Est. - Gen. Fund</b>				\$20,300,000		-\$9,319,000		-\$6,900,000		\$59,141,000		-\$85,900,000			
<b>SELECTED TAXES</b>	<b>ACTUAL</b>	<b>BUDGETED</b>	<b>%</b>	<b>DR. FOX</b>	<b>%</b>	<b>FISCAL REVIEW</b>	<b>%</b>	<b>DR. DePRINCE</b>	<b>%</b>	<b>DR. EVANS</b>	<b>%</b>	<b>REVENUE DEPT.</b>	<b>%</b>		
SALES AND USE TAX	\$ 5,810,784,300	\$6,096,600,000	4.92%	\$6,031,600,000	3.80%	\$6,049,026,000	4.10%	\$6,011,900,000	3.46%	\$5,998,160,000	3.22%	\$5,985,100,000	3.00%		
FRANCHISE AND EXCISE TAXES	1,197,803,600	1,146,100,000	-4.32%	1,240,900,000	3.60%	1,176,804,000	-1.75%	1,205,700,000	0.66%	1,276,640,000	6.58%	1,166,700,000	-2.60%		
INCOME TAX	139,991,600	141,800,000	1.29%	145,600,000	4.01%	142,791,000	2.00%	147,100,000	5.08%	146,004,000	4.29%	145,300,000	3.79%		
ALL OTHER TAXES	1,945,401,000	1,988,300,000	2.21%	1,955,500,000	0.52%	1,986,460,000	2.11%	2,151,400,000	10.59%	2,154,241,000	10.74%	1,988,200,000	2.20%		

(1) Privilege Tax estimates are reduced to the average of the other three estimates.

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

\* F&A distributed taxes for Dr. DePrince based on ratios for budgeted collections for 2004-2005.

\*\* F&A distributed the Gross Receipts Taxes for Dr. DePrince based on anticipated TVA collections in 2004-2005.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR  
FISCAL YEAR 2005-2006**

(Accrual - Basis Estimates)

DEPARTMENT OF REVENUE	% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE	
SOURCE OF REVENUE	DR. FOX ESTIMATE	OVER 04-05 ESTIMATE	FISCAL REVIEW ESTIMATE	OVER 04-05 ESTIMATE	DR. DePRINCE ESTIMATE	OVER 04-05 ESTIMATE	DR. EVANS ESTIMATE	OVER 04-05 ESTIMATE	REVENUE DEPT. ESTIMATE	OVER 04-05 ESTIMATE
Sales and use Tax	\$ 6,303,000,000	4.50%	\$ 6,309,134,000	4.30%	\$ 6,241,700,000	3.82%	\$ 6,152,412,000	2.57%	\$ 6,218,500,000	3.90%
Gasoline Tax	599,400,000	0.99%	618,063,000	1.50%	618,000,000	0.46%	614,515,000	2.25%	616,800,000	0.60%
Motor Fuel Tax	177,900,000	2.95%	174,388,000	3.50%	180,000,000	3.75%	179,524,000	1.51%	174,700,000	1.81%
Gasoline Inspection Tax	64,800,000	2.05%	64,168,000	1.18%	67,600,000 *	2.58%	64,729,000	1.71%	64,500,000	1.42%
Motor Vehicle Registration Tax	248,600,000	2.01%	254,227,000	4.00%	259,000,000	4.44%	262,160,000	4.41%	257,400,000	3.29%
Income Tax	154,300,000	5.98%	145,647,000	2.00%	155,300,000	5.57%	154,705,000	5.96%	148,700,000	2.34%
Privilege Tax - Less Earmarked Portion	258,400,000	5.00%	261,073,000	3.00%	259,500,000 (1)	3.51%	259,500,000 (1)	3.51%	259,000,000	2.57%
Gross Receipts Tax - TVA	220,500,000	2.42%	215,785,000	1.00%	204,400,000 **	0.00%	220,950,000	2.80%	211,800,000	1.63%
Gross Receipts Tax - Other	18,100,000	5.23%	18,952,000	3.00%	34,500,000	46.19%	17,665,000	2.80%	23,400,000	30.73%
Beer Tax	17,700,000	1.14%	18,058,000	2.00%	19,200,000 *	2.67%	19,300,000	3.16%	18,400,000	2.22%
Alcoholic Beverage Tax	36,600,000	1.10%	38,061,000	2.50%	39,100,000 *	2.36%	37,613,000	1.60%	38,400,000	2.40%
Franchise & Excise Taxes	1,290,600,000	4.01%	1,206,224,000	2.50%	1,242,600,000	3.06%	1,362,688,000	6.74%	1,191,200,000	2.10%
Inheritance and Estate Tax	75,800,000	0.00%	90,000,000	5.88%	90,200,000 *	2.50%	108,528,000	4.08%	85,300,000	6.62%
Tobacco Tax	120,900,000	1.00%	122,699,000	1.00%	123,000,000 *	2.50%	123,032,000	1.30%	120,600,000	-1.31%
Motor Vehicle Title Fees	11,600,000	2.65%	11,717,000	1.80%	12,000,000 *	2.56%	12,059,000	3.38%	12,100,000	3.42%
Mixed Drink Tax	44,900,000	5.90%	43,672,000	3.00%	44,500,000 *	2.53%	44,725,000	4.54%	45,200,000	5.61%
Business Tax	102,700,000	4.05%	101,684,000	3.00%	102,800,000 *	2.49%	96,175,000	0.68%	101,200,000	3.48%
Severance Tax	1,000,000	0.00%	1,200,000	0.00%	1,200,000 *	9.09%	1,080,000	-0.92%	1,100,000	0.00%
Coin Operated Amusement Tax	800,000	0.00%	500,000	0.00%	1,600,000 *	0.00%	222,000	-29.97%	800,000	0.00%
<b>TOTAL DEPARTMENT OF REVENUE</b>	<b>\$ 9,747,600,000</b>	<b>3.99%</b>	<b>\$ 9,695,252,000</b>	<b>3.64%</b>	<b>\$ 9,696,200,000</b>	<b>3.49%</b>	<b>\$ 9,731,582,000</b>	<b>3.21%</b>	<b>\$ 9,589,100,000</b>	<b>3.27%</b>
<b>GENERAL FUND ONLY (2)</b>	<b>\$ 8,168,100,000</b>	<b>4.38%</b>	<b>\$ 8,100,852,000</b>	<b>3.91%</b>	<b>\$ 8,093,300,000</b>	<b>3.79%</b>	<b>\$ 8,129,182,000</b>	<b>3.37%</b>	<b>\$ 7,996,200,000</b>	<b>3.59%</b>
<b>Growth over FY 04 Budgeted Est. - Total</b>	\$374,800,000		\$322,452,000		\$323,400,000		\$358,782,000		\$216,300,000	
<b>Growth over FY 04 Budgeted Est. - Gen. Fund</b>	\$363,100,000		\$295,852,000		\$288,300,000		\$324,182,000		\$191,200,000	
<b>SELECTED TAXES</b>	<b>DR. FOX</b>	<b>%</b>	<b>FISCAL REVIEW</b>	<b>%</b>	<b>DR. DePRINCE</b>	<b>%</b>	<b>DR. EVANS</b>	<b>%</b>	<b>REVENUE DEPT.</b>	<b>%</b>
<b>SALES AND USE TAX</b>	<b>\$ 6,303,000,000</b>	<b>4.50%</b>	<b>\$ 6,309,134,000</b>	<b>4.30%</b>	<b>\$ 6,241,700,000</b>	<b>3.82%</b>	<b>\$ 6,152,412,000</b>	<b>2.57%</b>	<b>\$ 6,218,500,000</b>	<b>3.90%</b>
<b>FRANCHISE AND EXCISE TAXES</b>	<b>1,290,600,000</b>	<b>4.01%</b>	<b>1,206,224,000</b>	<b>2.50%</b>	<b>1,242,600,000</b>	<b>3.06%</b>	<b>1,362,688,000</b>	<b>6.74%</b>	<b>1,191,200,000</b>	<b>2.10%</b>
<b>INCOME TAX</b>	<b>154,300,000</b>	<b>5.98%</b>	<b>145,647,000</b>	<b>2.00%</b>	<b>155,300,000</b>	<b>5.57%</b>	<b>154,705,000</b>	<b>5.96%</b>	<b>148,700,000</b>	<b>2.34%</b>
<b>ALL OTHER TAXES</b>	<b>1,999,700,000</b>	<b>2.26%</b>	<b>2,034,247,000</b>	<b>2.41%</b>	<b>2,211,900,000</b>	<b>2.81%</b>	<b>2,216,482,000</b>	<b>2.89%</b>	<b>2,030,700,000</b>	<b>2.14%</b>

(1) Privilege Tax estimates are reduced to the average of the other three estimates.

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

\* F&A distributed taxes for Dr. DePrince based on ratios for budgeted collections for 2004-2005.

\*\* F&A distributed the Gross Receipts Taxes for Dr. DePrince based on anticipated TVA collections in 2004-2005.

**Comparison of Net Lottery Proceeds Estimates  
Provided to State Funding Board on  
December 14, 2004**

	FY 2004-05			FY 2005-06			Year over Year Growth	
	TELC	FRC	TELC Over (Under) FRC	TELC	FRC	TELC Over (Under) FRC	TELC	FRC
Instant Ticket Sales	\$ 505,356,776			\$ 520,000,000			2.9%	
Less: Instant Ticket Prizes	\$ (51,546,391)			\$ (52,000,000)			0.9%	
Net Instant Ticket Sales	\$ 453,810,385	\$ 454,800,000	\$ (989,615)	\$ 468,000,000	\$ 477,540,000	\$ (9,540,000)	3.1%	5.0%
Cash 3	\$ 65,816,538	\$ 66,800,000	\$ (983,462)	\$ 70,000,000	\$ 70,140,000	\$ (140,000)	6.4%	5.0%
Powerball	\$ 148,337,395	\$ 164,900,000	\$ (16,562,605)	\$ 153,000,000	\$ 173,145,000	\$ (20,145,000)	3.1%	5.0%
Lotto 5	\$ 20,965,551	\$ 24,400,000	\$ (3,434,449)	\$ 25,000,000	\$ 25,620,000	\$ (620,000)	19.2%	5.0%
Ticket Sale Revenue	\$ 688,929,869	\$ 710,900,000	\$ (21,970,131)	\$ 716,000,000	\$ 746,445,000	\$ (30,445,000)	3.9%	5.0%
Other Revenues	\$ 4,100,000	\$ 4,000,000	\$ 100,000	\$ 4,100,000	\$ 4,200,000	\$ (100,000)	0.0%	5.0%
Lottery Proceeds	<u>\$ 693,029,869</u>	<u>\$ 714,900,000</u>	<u>\$ (21,870,131)</u>	<u>\$ 720,100,000</u>	<u>\$ 750,645,000</u>	<u>\$ (30,545,000)</u>	3.9%	5.0%
Expense Assumption %	69.7%	69.0%	0.7%	69.6%	69.0%	0.6%		
Net Proceeds	<u>\$ 210,035,200</u>	<u>\$ 221,619,000</u>	<u>\$ (11,583,800)</u>	<u>\$ 218,983,000</u>	<u>\$ 232,700,000</u>	<u>\$ (13,717,000)</u>	4.3%	5.0%
Net Proceeds using TELC Expense Assumption %	<u>\$ 210,035,200</u>	<u>\$ 216,663,400</u>	<u>\$ (6,628,200)</u>	<u>\$ 218,983,000</u>	<u>\$ 228,271,800</u>	<u>\$ (9,288,800)</u>		

TELC: Tennessee Education Lottery Corporation  
FRC: Fiscal Review Committee





# Financial Statements

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**General Fund  
Comparative Balance Sheet  
June 30, 2003, and June 30, 2004**

	<b>June 30, 2003</b>	<b>June 30, 2004</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 228,554,000	\$ 853,208,000
Receivables	1,453,654,000	1,581,670,000
Due from Other Funds	246,981,000	188,562,000
Due from Component Units	2,412,000	2,881,000
Loans Receivable	200,000	140,000
Leases Receivable	0	9,222,000
Deferred Charges	0	3,443,000
Inventories	15,376,000	12,874,000
Prepayments	8,000	15,000
<b>Total Assets</b>	<b>\$ 1,947,185,000</b>	<b>\$ 2,652,015,000</b>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts Payable and Accruals	\$ 881,823,000	\$ 933,914,000
Due to Other Funds	13,157,000	13,576,000
Due to Component Units	9,380,000	9,540,000
Unearned Revenue	353,610,000	343,336,000
Other	293,000	223,000
<b>Total Liabilities</b>	<b>\$ 1,258,263,000</b>	<b>\$ 1,300,589,000</b>
Fund Balance:		
Reserved for Related Assets	\$ 18,891,000	\$ 16,079,000
Reserved for Encumbrances and Contracts	7,274,000	7,197,000
Reserved for Continuing Appropriations	297,425,000	427,937,000
Reserved for Federal Essential Services Revenue	42,900,000	104,304,000
Reserved for Other Specific Purposes	119,829,000	137,854,000
Unreserved:		
Designated for Revenue Fluctuations	178,000,000	217,000,000
Designated for Future Requirements	0	178,600,000
Designated for Future Appropriations	21,000,000	244,765,000
Designated for Contingent Appropriations	0	17,355,000
Designated for Other Specific Purposes	3,403,000	132,000
Undesignated	200,000	203,000
<b>Total Fund Balance</b>	<b>\$ 688,922,000</b>	<b>\$ 1,351,426,000</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,947,185,000</b>	<b>\$ 2,652,015,000</b>

**Education Fund  
Comparative Balance Sheet  
June 30, 2003, and June 30, 2004**

	<u>June 30, 2003</u>	<u>June 30, 2004</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 9,000	\$ 9,000
Receivables	452,422,000	472,069,000
Due from Other Funds	2,926,000	3,000
Due from Component Units	<u>963,000</u>	<u>62,163,000</u>
<b>Total Assets</b>	<b><u>\$ 456,320,000</u></b>	<b><u>\$ 534,244,000</u></b>
 <b>Liabilities and Fund Balance</b> 		
Liabilities:		
Accounts Payable and Accruals	\$ 105,769,000	\$ 126,549,000
Due to Other Funds	232,483,000	180,231,000
Due to Component Units	65,000	721,000
Unearned Revenue	<u>74,024,000</u>	<u>58,247,000</u>
<b>Total Liabilities</b>	<b><u>\$ 412,341,000</u></b>	<b><u>\$ 365,748,000</u></b>
Fund Balance:		
Reserved for Encumbrances and Contracts	\$ 0	\$ 687,000
Reserved for Continuing Appropriations	43,444,000	43,079,000
Reserved for Lottery Scholarships	0	122,282,000
Reserved for Other Specific Purposes	<u>535,000</u>	<u>2,448,000</u>
<b>Total Fund Balance</b>	<b><u>\$ 43,979,000</u></b>	<b><u>\$ 168,496,000</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 456,320,000</u></b>	<b><u>\$ 534,244,000</u></b>

**Highway Fund  
Comparative Balance Sheet  
June 30, 2003, and June 30, 2004**

	<b>June 30, 2003</b>	<b>June 30, 2004</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 142,706,000	\$ 150,905,000
Receivables	150,564,000	165,584,000
Due from Other Funds	8,000	14,000
Deferred Charges	5,688,000	5,435,000
Inventories, at Cost	6,523,000	5,663,000
<b>Total Assets</b>	<b>\$ 305,489,000</b>	<b>\$ 327,601,000</b>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts Payable and Accruals	\$ 81,542,000	\$ 60,584,000
Due to Other Funds	1,234,000	1,222,000
Unearned Revenue	8,966,000	9,743,000
Other	7,246,000	7,179,000
<b>Total Liabilities</b>	<b>\$ 98,988,000</b>	<b>\$ 78,728,000</b>
Fund Balances:		
Reserved for Related Assets	\$ 6,523,000	\$ 5,663,000
Reserved for Encumbrances and Contracts	14,946,000	58,313,000
Reserved for Other Specific Purposes	184,982,000	184,847,000
Unreserved: Designated for Highway Construction	50,000	50,000
<b>Total Fund Balance</b>	<b>\$ 206,501,000</b>	<b>\$ 248,873,000</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 305,489,000</b>	<b>\$ 327,601,000</b>



# Debt Management

Recommended Budget, Fiscal Year 2005-2006

The State Funding Board is empowered as the sole governing body over the issuance of general obligation debt for Tennessee. It was created by the 45th General Assembly through passage of Public Chapter 126, Public Acts of 1887, codified as Title 9, Chapter 9, Section 101 of the Tennessee Code. By statute, the state's full faith and credit, as well as specific tax revenues are pledged for the payment of principal and interest on state bonds. Additionally, the law covenants that such pledged revenues shall not be less than 150 percent of the amount necessary to service the state's outstanding debt and any debt proposed to be issued. Adequate safeguards are therefore embodied in law against the issuance of excessive debt, and the state's current and future debt service requirements are well below the established legal limits.

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 to control the issuance of excessive debt.

This consistent and conservative approach to the management of our debt had previously earned the state AAA bond ratings from the nation's leading credit rating agencies. However, due to our inability to solve the structural deficit that exists in the state's tax system, and the continuing use of non-recurring funds to fund recurring expenses caused the rating agencies to downgrade the state's bond ratings in 2001 and issue the state a negative credit outlook.

Citing a "turnaround in the state's financial operations", the rating agencies revised their outlook from negative to stable in 2004. The

current ratings on the state's general obligation long-term debt are: Fitch AA, Standard and Poor's AA, and Moody's Investor Service Aa2.

The state continues to enjoy a low debt burden, and access to the capital markets remains strong. However, the end result of lower credit ratings will be higher interest rates and increased debt service expense as the state issues future debt in order to fund its capital needs.

During the 2003-2004 fiscal year, the state sold \$174 million in general obligation bonds. No general obligation bond sales are anticipated prior to the close of this fiscal period. As of June 30, 2004, Tennessee's total general obligation bonded indebtedness was \$1,000,151,000 excluding the Facilities Revolving Fund. This debt was issued entirely for institutional and building construction.

The second session of the 103rd General Assembly approved new authorizations in the amount of \$513,880,000. Of this amount, institutional and building bonds accounted for \$334,880,000, and highway bonds \$159,000,000.

The practice of using the state's cash flow 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 \$74.0 million in highway bond authorizations and \$3.2 million in institutional and building construction bonds in the first six months of this fiscal period.

The increase in bond authorization coupled with the Funding Board's action on bond cancellations reduced the category of authorized but unissued bonds to \$1,493,749,000, which includes \$726,500,000 in highway authorizations, \$584,418,000 in capital construction bonds, and \$112,231,000 in Facility Revolving Fund bonds.

The 2005-2006 proposed budget recommends the authorization of an additional \$156.0 million in highway construction bonds, \$185.8 million in institutional and building bonds, and \$16.5 million in Facility Revolving Fund Bonds.

**Debt Service Fund**  
**Statement of Revenues, Expenditures, and Requirements**  
**July 1, 2003 - June 30, 2006**

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Estimated 2005-2006</u>
<b>Unreserved Fund Balance, July 1</b>	<b>\$33,732,709.10</b>	<b>\$3,567,000.00</b>	<b>\$3,730,000.00</b>
Tax Revenues:			
Sales Tax	41,403,415.67	43,000,000.00	45,000,000.00
Gasoline Tax	74,000,000.00	74,000,000.00	82,500,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	86,600,000.00	108,500,000.00	121,000,000.00
Motor Vehicle Title Fees	2,667,678.00	2,700,000.00	2,700,000.00
<b>Total Tax Revenues</b>	<b>\$222,671,093.67</b>	<b>\$246,200,000.00</b>	<b>\$269,200,000.00</b>
Other Revenues:			
Sports Authority	\$3,985,673.36	\$3,981,000.00	\$3,981,000.00
Ross Creek Landing State Park	65,000.00	323,000.00	323,000.00
State Veterans' Homes - Refinancing	75,194.09	341,000.00	341,000.00
Community Provider Pooled Loans	2,500,000.00	0.00	0.00
Premium on Bond Sales	6,484,891.78	0.00	0.00
<b>Total Other Revenues</b>	<b>\$13,110,759.23</b>	<b>\$4,645,000.00</b>	<b>\$4,645,000.00</b>
<b>Total Available Funds</b>	<b>\$269,514,562.00</b>	<b>\$254,412,000.00</b>	<b>\$277,575,000.00</b>
<b>Appropriations, Transfers, and Fund Balance</b>			
Debt Service Appropriations for:			
Outstanding Bonds @ 6/30/2004	\$122,841,301.44	\$131,682,000.00	\$127,316,000.00
2004 Refunding Issue	0.00	(4,100,000.00)	0.00
Community Provider Pooled Loans - Repaid	2,500,000.00	0.00	0.00
Capital Outlay Projects - Unissued Bonds (\$443,875,000)	0.00	0.00	44,400,000.00
Capital Outlay Projects - Proposed Bonds (\$185,800,000)	0.00	0.00	18,600,000.00
Short Term Interest	956,926.33	1,500,000.00	0.00
Debt Issuance Expense	1,945,383.47	1,000,000.00	1,000,000.00
<b>Total Debt Service Appropriations</b>	<b>\$128,243,611.24</b>	<b>\$130,082,000.00</b>	<b>\$191,316,000.00</b>
Transfers to Other Funds:			
Highway Fund	\$74,000,000.00	\$74,000,000.00	\$82,500,000.00
General Fund	54,171,093.67	42,700,000.00	0.00
Capital Projects Fund - Technology Centers	6,801,628.19	3,900,000.00	0.00
Capital Projects Fund - Other	2,730,886.37	0.00	0.00
<b>Total Transfers to Other Funds</b>	<b>\$137,703,608.23</b>	<b>\$120,600,000.00</b>	<b>\$82,500,000.00</b>
<b>Total Appropriations and Transfers</b>	<b>\$265,947,219.47</b>	<b>\$250,682,000.00</b>	<b>\$273,816,000.00</b>
<b>Unreserved Fund Balance, June 30</b>	<b>\$3,567,342.53 *</b>	<b>\$3,730,000.00</b>	<b>\$3,759,000.00</b>

\* Note: Includes cash balance of \$270,371.84 and taxes receivable of \$3,296,970.69.



**Debt Service Fund  
Comparative Balance Sheet  
June 30, 2003, and June 30, 2004**

	<u>June 30, 2003</u>	<u>June 30, 2004</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 30,489,000	\$ 270,000
Taxes Receivable	4,259,000	4,338,000
Loans Receivable	8,300,000	9,870,000
	<hr/>	<hr/>
<b>Total Assets</b>	<b><u>\$ 43,048,000</u></b>	<b><u>\$ 14,478,000</u></b>
 <b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Payables and Accruals	\$ 316,000	\$ 391,000
Unearned Revenue	8,999,000	10,520,000
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b><u>\$ 9,315,000</u></b>	<b><u>\$ 10,911,000</u></b>
 <b>Fund Balance:</b>		
Designated for General Fund Transfer	\$ 28,000,000	\$ 0
Designated for Debt Service	5,733,000	3,567,000
	<hr/>	<hr/>
<b>Total Fund Balance</b>	<b><u>\$ 33,733,000</u></b>	<b><u>\$ 3,567,000</u></b>
	 <hr/>	 <hr/>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 43,048,000</u></b>	<b><u>\$ 14,478,000</u></b>

**Bond Fund**  
**Statement of Bonds Authorized and Unissued**  
**June 30, 2003 - June 30, 2005**

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005*</u>
1992	Chapter 930	Capital Outlay	\$ 40,886.37	\$ 0.00	\$ 0.00
1993	Chapter 533	Capital Outlay	335,209.87	335,209.87	335,209.87
1994	Chapter 850	Data Processing Equipment	13,800,000.00	13,800,000.00	13,800,000.00
1994	Chapter 1009	Higher Education - Technology Centers	3,320,855.00	1,660,426.00	1,660,426.00
1994	Chapter 1010	Capital Outlay	50,426.86	1.00	1.00
1994	Chapter 1010	Facilities Revolving Fund	632,340.15	590,763.97	590,763.97
1995	Chapter 457	Higher Education - Technology Centers	1,582,353.95	1,053,250.00	1,053,250.00
1995	Chapter 461	Capital Outlay	1,319,762.98	905,518.04	905,518.04
1995	Chapter 461	Higher Education - Technology Centers	36,535.66	0.00	0.00
1996	Chapter 908	Higher Education - Technology Centers	11,139,898.90	6,564,339.32	6,564,339.32
1996	Chapter 945	State Parks	77,365.99	77,365.99	77,365.99
1996	Chapter 952	Capital Outlay	19,874,236.36	5,928,647.73	5,928,647.73
1996	Chapter 952	State Parks	91,720.23	0.00	0.00
1996	Chapter 952	Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
1996	Chapter 952	Highway Construction	148,000,000.00	74,000,000.00	0.00
1996	Chapter 990	Ross Creek Landing State Park	16,000,000.00	10,935,000.00	10,935,000.00
1997	Chapter 535	Capital Outlay	13,081,469.82	7,439,886.14	7,439,886.14
1997	Chapter 535	Highway Construction	75,000,000.00	75,000,000.00	75,000,000.00
1998	Chapter 831	Refund TLDA Community Provider Pooled Loans	19,300,000.00	16,800,000.00	16,800,000.00
1998	Chapter 1103	Capital Outlay	97,997,719.53	23,676,604.70	23,676,604.70
1998	Chapter 1103	Facilities Revolving Fund	1,263,038.80	730,370.56	730,370.56
1998	Chapter 1103	Highway Construction	90,000,000.00	90,000,000.00	90,000,000.00
1999	Chapter 401	Capital Outlay	17,161,923.38	5,024,159.27	5,024,159.27
1999	Chapter 401	Facilities Revolving Fund	11,687,732.30	10,233,492.21	10,233,492.21
1999	Chapter 401	Highway Construction	83,800,000.00	83,800,000.00	83,800,000.00
2000	Chapter 984	Capital Outlay	64,994,488.16	18,210,785.80	18,210,785.80
2000	Chapter 984	Prison Construction	13,352,159.00	3,205,318.00	0.00
2000	Chapter 984	Facilities Revolving Fund	15,528,502.81	13,515,158.80	13,515,158.80
2000	Chapter 984	Highway Construction	87,700,000.00	87,700,000.00	87,700,000.00
2001	Chapter 460	State Parks	2,000,000.00	2,000,000.00	2,000,000.00
2001	Chapter 462	Capital Outlay	19,300,000.00	14,296,140.56	14,296,140.56
2001	Chapter 462	Facilities Revolving Fund	61,300,000.00	58,760,962.48	58,760,962.48
2001	Chapter 462	Highway Construction	80,000,000.00	80,000,000.00	80,000,000.00
2002	Chapter 852	Higher Education - Geier Settlement	11,600,000.00	11,600,000.00	11,600,000.00
2002	Chapter 852	Capital Outlay	35,565,000.00	32,697,498.31	32,697,498.31
2002	Chapter 852	Facilities Revolving Fund	3,100,000.00	3,100,000.00	3,100,000.00
2002	Chapter 852	Highway Construction	77,000,000.00	77,000,000.00	77,000,000.00
2003	Chapter 296	Capital Outlay	16,503,000.00	16,503,000.00	16,503,000.00
2003	Chapter 296	Highway Construction	74,000,000.00	74,000,000.00	74,000,000.00
2003	Chapter 313	Motlow State - Smyrna Facility	2,000,000.00	2,000,000.00	2,000,000.00
2003	Chapter 313	State Veterans' Homes - Refinancing	18,000,000.00	13,930,000.00	13,930,000.00
2003	Chapter 338	Capital Outlay - Leased Facilities	100,000,000.00	100,000,000.00	100,000,000.00
2004	Chapter 941	Higher Education	0.00	40,180,000.00	40,180,000.00
2004	Chapter 958	Capital Outlay	0.00	269,400,000.00	269,400,000.00
2004	Chapter 958	Facilities Revolving Fund	0.00	25,300,000.00	25,300,000.00
2004	Chapter 958	Equipment Revolving Fund	0.00	20,000,000.00	20,000,000.00
2004	Chapter 958	Highway Construction	0.00	79,000,000.00	79,000,000.00
2004	Chapter 958	Highway Construction - Pre-financing	0.00	80,000,000.00	80,000,000.00
<b>Total Bonds Authorized and Unissued</b>			<b>\$ 1,327,536,626.12</b>	<b>\$ 1,570,953,898.75</b>	<b>\$ 1,493,748,580.75</b>
<b>Summary by Purpose:</b>					
		Capital Outlay	\$ 465,425,012.06	\$ 587,623,150.73	\$ 584,417,832.73
		Facilities Revolving Fund	93,511,614.06	112,230,748.02	112,230,748.02
		Highway Construction	715,500,000.00	720,500,000.00	646,500,000.00
		Highway Construction - Pre-financing	0.00	80,000,000.00	80,000,000.00
		Data Processing Equipment	33,800,000.00	33,800,000.00	33,800,000.00
		Equipment Revolving Fund	0.00	20,000,000.00	20,000,000.00
		Refund TLDA Loans	19,300,000.00	16,800,000.00	16,800,000.00
<b>Total Bonds Authorized and Unissued</b>			<b>\$ 1,327,536,626.12</b>	<b>\$ 1,570,953,898.75</b>	<b>\$ 1,493,748,580.75</b>

\* This column reflects bonds sold and cancelled in the current fiscal year.

**Bond Fund**  
**Statement of Bonds Sold**  
**July 1, 2003 - June 30, 2004**

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2003 - June 30, 2004</u>
1992	Chapter 1028	State Parks	\$0.00
1993	Chapter 528	Golf Courses	0.00
1994	Chapter 1010	Capital Outlay Projects	50,425.86
1994	Chapter 1010	Facilities Revolving Fund	41,576.18
1995	Chapter 461	Capital Outlay Projects	414,244.94
1996	Chapter 945	State Parks	0.00
1996	Chapter 952	Capital Outlay Projects	13,640,588.63
1996	Chapter 952	State Parks	91,720.23
1996	Chapter 990	Ross Creek Landing State Park	5,065,000.00
1997	Chapter 535	Capital Outlay Projects	5,641,583.68
1998	Chapter 1103	Capital Outlay Projects	71,936,114.83
1998	Chapter 1103	Facilities Revolving Fund	532,668.24
1999	Chapter 401	Capital Outlay Projects	12,137,764.11
1999	Chapter 401	Facilities Revolving Fund	1,454,240.09
2000	Chapter 984	Capital Outlay Projects	46,783,702.36
2000	Chapter 984	Facilities Revolving Fund	1,764,972.20
2001	Chapter 462	Capital Outlay Projects	5,003,859.44
2001	Chapter 462	Facilities Revolving Fund	2,539,037.52
2002	Chapter 852	Capital Outlay Projects	2,867,501.69
2003	Chapter 313	State Veterans' Homes - Refinancing	<u>4,070,000.00</u>
<b>Total Bonds Sold</b>			<b><u><u>\$174,035,000.00</u></u></b>

Note: No bonds sold in fiscal year 2002-2003.

**Bond Fund**  
**Statement of Appropriations in Lieu of Issuing Bonds**  
**July 1, 2002 - June 30, 2005**

<b>Year</b>	<b>Authority</b>	<b>Description</b>	<b>July 1, 2002 - June 30, 2003</b>	<b>July 1, 2003 - June 30, 2004</b>	<b>July 1, 2004 - June 30, 2005*</b>
1990	Chapter 947	Capital Outlay	\$230,286.03	\$0.00	\$0.00
1992	Chapter 930	Capital Outlay	0.00	40,886.37	0.00
1994	Chapter 1009	Higher Education-Technology Centers	1,660,429.00	1,660,429.00	0.00
1995	Chapter 457	Higher Education-Technology Centers	526,625.00	529,103.95	0.00
1995	Chapter 461	Higher Education-Technology Centers	0.00	36,535.66	0.00
1995	Chapter 461	Highway Construction	77,000,000.00	0.00	0.00
1996	Chapter 908	Higher Education-Technology Centers	1,712,946.00	4,575,559.58	0.00
1996	Chapter 952	Capital Outlay	0.00	305,000.00	0.00
1996	Chapter 952	Highway Construction	0.00	74,000,000.00	74,000,000.00
1998	Chapter 831	Community Provider Pooled Loans	4,000,000.00	2,500,000.00	0.00
1998	Chapter 1103	Capital Outlay	0.00	2,385,000.00	0.00
2000	Chapter 984	Prison Construction	7,647,841.00	10,146,841.00	3,205,318.00
2000	Chapter 984	Facilities Revolving Fund	0.00	248,371.81	0.00
<b>Total Appropriations in Lieu of Issuing Bonds</b>			<b><u>\$92,778,127.03</u></b>	<b><u>\$96,427,727.37</u></b>	<b><u>\$77,205,318.00</u></b>

\*This column reflects bonds cancelled in the current fiscal year.

Note: Chapter 296, Public Acts of 2003, cancelled the following unissued bond authorizations:

1989	Chapter 525	Data Processing Equipment	\$6.00
1990	Chapter 947	Equipment Revolving Fund	\$41,001.05
1992	Chapter 930	Data Processing Equipment	\$8,742,400.00

**Bond Fund**  
**Statement of Bonded Indebtedness**  
**Principal and Interest on Bonded Debt**  
**June 30, 2004**

<b>Outstanding Bonds</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2004 - 2005	\$82,386,000	\$49,296,000	\$131,682,000
2005 - 2006	82,248,000	45,068,000	127,316,000
2006 - 2007	73,659,000	40,913,000	114,572,000
2007 - 2008	68,444,000	37,382,000	105,826,000
2008 - 2009	68,064,000	34,156,000	102,220,000
2009 - 2010	66,539,000	30,905,000	97,444,000
2010 - 2011	66,408,000	27,642,000	94,050,000
2011 - 2012	62,706,000	24,340,000	87,046,000
2012 - 2013	62,930,000	21,188,000	84,118,000
2013 - 2014	57,016,000	18,019,000	75,035,000
2014 - 2015	52,494,000	15,152,000	67,646,000
2015 - 2016	48,328,000	12,509,000	60,837,000
2016 - 2017	43,896,000	10,086,000	53,982,000
2017 - 2018	36,491,000	7,878,000	44,369,000
2018 - 2019	27,768,000	6,027,000	33,795,000
2019 - 2020	24,162,000	4,615,000	28,777,000
2020 - 2021	18,684,000	3,391,000	22,075,000
2021 - 2022	18,732,000	2,562,000	21,294,000
2022 - 2023	11,323,000	1,764,000	13,087,000
2023 - 2024	11,108,000	1,461,000	12,569,000
2024 - 2025	3,065,000	1,134,000	4,199,000
2025 - 2026	3,260,000	941,000	4,201,000
2026 - 2027	3,255,000	740,000	3,995,000
2027 - 2028	3,465,000	532,000	3,997,000
2028 - 2029	3,720,000	275,000	3,995,000
<b>Total</b>	<b>\$1,000,151,000</b>	<b>\$397,976,000</b>	<b>\$1,398,127,000</b>

NOTE: The statement excludes bonds for sewage treatment works, waterworks construction, and solid waste recovery facilities authorized prior to the enactment of Chapter 785, Public Acts of 1978, the Tennessee Local Development Authority Act. Debt service for these bonds is provided by local governments. The statement also 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, 2004 outstanding principal was \$143,181,000 and interest was \$46,228,000. This statement does not reflect the August 2004 refunding bond issue and the reduction in debt service requirements.



# Capital Outlay and Facilities Program

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# Capital Budget

Recommended Budget, Fiscal Year 2005 - 2006

The Capital Budget process begins with the receipt of departmental and agency capital maintenance and project requests. The various agencies and departments annually submit their capital requests in priority order to the Department of Finance and Administration, Division of Budget.

Upon receipt of the capital budget requests, three phases of review are undertaken by the Division of Capital Projects and Real Property Management and the Division of Budget. The initial phase allows for an understanding of the need by the Capital Projects and Real Property Management and Budget review teams. Phase two is built upon the technical requirements of the capital request, involving on-site visits by the review teams. The final phase involves financial review. 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 requirements. Facilities funded through the capital budget process should support program and service requirements. Therefore, funding of projects is analyzed on priority of fiscal support for individual existing and new programs. The goal is to find the best mix of new capital outlay and facility maintenance in order to sustain and implement programs and services.

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. In the event that a capital project creates the need for additional opera-

tional 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 consist of projects meeting the requirements and policy guidelines of the State Building Commission. The capital project recommendations are itemized by department.

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 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 included in the amount allocated to the Department of Finance and Administration, and projects are selected for completion according to the review process outlined above.

Capital outlay projects are defined as those providing new facilities or materially extending

## Capital Budget

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 which require the assistance of a design professional or cost \$100,000 or more.

For fiscal year 2005-2006, the capital outlay budget proposal recommends a total of \$301,300,000, divided between capital outlay projects and capital maintenance requests.

**Capital Maintenance** — Capital maintenance projects are recommended at a level of \$97,195,000. A State bond authorization of \$42,653,000 and state appropriations of \$35,492,000 are requested. Federal and other sources equal 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 underground storage tanks, asbestos, and citizens with disabilities. The Tennessee Board of Regents and the University of Tennessee are also funded for modifications to assist in compliance with the Americans with Disabilities Act.

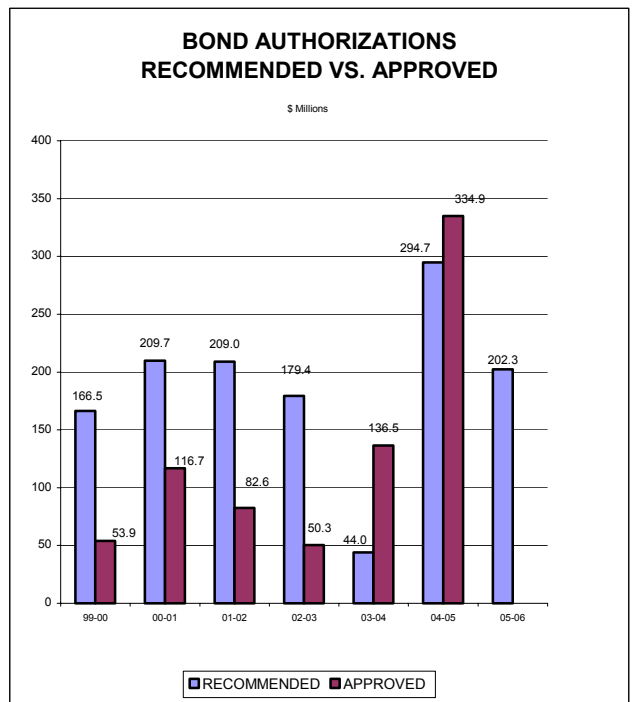
**Capital Outlay Projects** — Capital outlay projects recommended for this fiscal year total \$204,105,000. Of this total, \$143,147,000 in bonds and \$16,408,000 in state appropriations are requested. Federal and other sources equal the remainder of the total amount.

Projects from dedicated sources of revenue are also recommended for the Department of Transportation and the Tennessee Wildlife Resources Agency.

**Facilities Revolving Fund** — Capital projects and maintenance for the Facilities Revolving Fund is recommended at a funding level of \$25,155,000. Facilities Revolving Fund capital projects are listed in the Facilities Revolving Fund section, which follows the Capital Projects section of this document.

**Operating Costs** — Included within this section is an estimate of the first year operating costs resulting from proposed new construction. Differences in operating costs can be the result of efficiencies from better designs and energy systems or program requirements. Renovation projects, which do not have an impact on operating efficiencies, are considered to be cost neutral. Only those projects which will have increases or decreases in operating costs from the current budget are included in the schedule.

**New Bond Authorizations** — Capital maintenance, capital outlay, and Facilities Revolving Fund requests will require new bond authorizations totaling \$202,300,000. The chart below compares the bond authorizations recommended with those approved by the General Assembly during the past several years.



# Proposed Capital Appropriations from Bonds, Current Funds, and Other Revenues Fiscal Year 2005 - 2006

CAPITAL OUTLAYS	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
<b>Children's Services</b>						
Wilder YDC Indigent Youth Telephone System	Fayette	135,000	135,000	0	0	0
		<b>\$135,000</b>	<b>\$135,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Correction</b>						
Maintenance	Statewide	18,200,000	0	0	0	18,200,000
SETN Correction Complex Additional Funding	Bledsoe	72,400,000	0	72,400,000	0	0
		<b>\$90,600,000</b>	<b>\$0</b>	<b>\$72,400,000</b>	<b>\$0</b>	<b>\$18,200,000</b>
<b>Education</b>						
Alvin C. York Covered Walkway Installation	Fentress	315,000	15,000	300,000	0	0
		<b>\$315,000</b>	<b>\$15,000</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Environment and Conservation</b>						
Montgomery Bell State Park Replacement Cabins	Dickson	1,920,000	220,000	1,700,000	0	0
Warriors Path State Park Safety Crossing	Sullivan	285,000	285,000	0	0	0
Statewide Parks Small Projects	Statewide	400,000	400,000	0	0	0
Paris Landing Cart Storage and Course Restrooms	Henry	565,000	140,000	425,000	0	0
New Playgrounds and Equipment	Statewide	205,000	205,000	0	0	0
Alex Haley Boyhood Home Interpretive Center	Lauderdale	1,230,000	130,000	1,100,000	0	0
		<b>\$4,605,000</b>	<b>\$1,380,000</b>	<b>\$3,225,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Finance and Administration</b>						
Executive Residence Security Facility Planning	Davidson	50,000	50,000	0	0	0
ORNL Neutron Sciences Building	Anderson	8,000,000	500,000	7,500,000	0	0
		<b>\$8,050,000</b>	<b>\$550,000</b>	<b>\$7,500,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Mental Retardation</b>						
Residential Homes (25) Full Planning	Knox	520,000	520,000	0	0	0
		<b>\$520,000</b>	<b>\$520,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Military</b>						
Nashville Armed Forces Headquarters	Davidson	35,280,000	3,230,000	0	32,050,000	0
Jackson AASF Additional Funding	Madison	110,000	110,000	0	0	0
Chattanooga Center Drainage Improvements	Hamilton	200,000	200,000	0	0	0
		<b>\$35,590,000</b>	<b>\$3,540,000</b>	<b>\$0</b>	<b>\$32,050,000</b>	<b>\$0</b>
<b>Tennessee Board of Regents</b>						
Maintenance	Statewide	26,940,000	5,896,000	21,044,000	0	0
SWCC New Replacement Campus	Shelby	5,000,000	400,000	4,600,000	0	0
Dyersburg SCC Tipton County Addition	Tipton	5,040,000	500,000	4,540,000	0	0
Walters SCC Public Safety Center Development	Hamblen	5,220,000	500,000	4,720,000	0	0
SWCC New Academic & Library Buildings	Shelby	17,730,000	2,990,000	14,740,000	0	0
		<b>\$59,930,000</b>	<b>\$10,286,000</b>	<b>\$49,644,000</b>	<b>\$0</b>	<b>\$0</b>
<b>University of Tennessee</b>						
Maintenance	Statewide	17,300,000	4,991,000	12,309,000	0	0
UTK New Electrical & Computer Engineer Facility	Knox	37,500,000	2,500,000	22,500,000	0	12,500,000
UTK Steam Plant Environmental Improvements	Knox	12,000,000	3,378,000	8,622,000	0	0
		<b>\$66,800,000</b>	<b>\$10,869,000</b>	<b>\$43,431,000</b>	<b>\$0</b>	<b>\$12,500,000</b>
<b>Statewide Capital Maintenance</b>						
Maintenance	Statewide	34,755,000	24,605,000	9,300,000	850,000	0
		<b>\$34,755,000</b>	<b>\$24,605,000</b>	<b>\$9,300,000</b>	<b>\$850,000</b>	<b>\$0</b>
<b>Grand Total</b>		<b>\$301,300,000</b>	<b>\$51,900,000</b>	<b>\$185,800,000</b>	<b>\$32,900,000</b>	<b>\$30,700,000</b>

# Capital Outlay Project Descriptions

## Fiscal Year 2005 - 2006

	<u><b>Total Project Cost</b></u>
<b>Children's Services</b>	
<b>Wilder Youth Development Center Indigent Youth Telephone System</b>	\$135,000
Installation of infrastructure and new cabling associated with a new indigent youth telephone system, as required by the John L. lawsuit.	
<b>Correction</b>	
<b>Maintenance</b>	\$18,200,000
Funds to repair, maintain, and update facilities.	
 <b>Southeastern Regional Prison Additional Funding</b>	 72,400,000
Provide supplemental funding for prison expansion at Southeastern Tennessee State Regional Correctional Facility.	
<b>Total Correction</b>	<u>\$90,600,000</u>
<b>Education</b>	
<b>Alvin C. York Institute Covered Walkway Installation</b>	\$315,000
Covered walkways will be installed over the existing sidewalks that connect the main building to the science building and English building. This project will protect students walking between buildings in inclement weather. The covered walkway system will protect the sidewalk from freezing conditions.	
<b>Environment and Conservation</b>	
<b>Montgomery Bell State Park Replacement Cabins</b>	\$1,920,000
Provides for the replacement of 10 cabins. An earlier capital maintenance project determined that these cabins cannot cost-effectively be renovated.	
 <b>Warriors Path State Park Safety Crossing</b>	 285,000
Provides for the construction of a golf cart crossing. The golf course is divided by a county road, and golf carts must cross the highway in two places. One crossing is in a blind curve.	
 <b>Statewide Small Projects</b>	 400,000
Construction of new small facilities at various state parks.	
 <b>Paris Landing State Park Golf Cart Storage and Course Restrooms</b>	 565,000
Construction of a new cart storage building and two restrooms on the golf course. Restroom facilities located on the course are needed.	
 <b>New Playgrounds and Equipment</b>	 205,000
New playgrounds at various state parks.	
 <b>Alex Haley Boyhood Home Interpretive Center</b>	 1,230,000
Construction of an Interpretive Visitors' Center with exhibit, storage, education, administration, gift shop, restroom space, and an additional lighted parking area.	
<b>Total Environment and Conservation</b>	<u>\$4,605,000</u>

# Capital Outlay Project Descriptions

## Fiscal Year 2005 - 2006

	<b>Total Project Cost</b>
<b>Finance and Administration</b>	
<p><b>Executive Residence Security Facility Planning</b> Fully plan a new security facility for the Department of Safety security operations at the Executive Residence. This is part of the 2004 master plan.</p>	50,000
<p><b>ORNL Neutron Sciences Building</b> Construction of a new facility to house the UT-ORNL Joint Institute on Neutron Sciences at Oak Ridge National Laboratory. This is the third of three facilities funded by the state to support the joint research effort associated with the federally funded Spallation Neutron Source Center.</p>	8,000,000
<b>Total Finance and Administration</b>	<b>\$8,050,000</b>
 <b>Mental Retardation</b>	
<p><b>Residential Homes Full Planning</b> Fully plan construction of 25 residential four-bedroom homes. The homes will be ADA-compliant and have fire protection systems.</p>	\$520,000
 <b>Military</b>	
<p><b>Nashville Armed Forces Headquarters</b> This is the construction phase of the Armed Forces Center at the Houston Barracks complex. The project will be completed in three phases. Work will include: (a) addition of 127,872 square feet, (b) renovation of 81,955 square feet, (c) multi-story parking garage addition, (d) relocation of front gate, and (e) relocation of 49,771 square foot helicopter landing pad. This facility will be the Command and Control Center of the Tennessee Military Department. The project will be designed by Army National Guard facility engineers.</p>	\$35,280,000
<p><b>Jackson Army Aviation Support Facility Additional Funding</b> Additional funding is needed for the Jackson Army Aviation Support Facility (AASF) in order to construct a 1,300 square foot kitchen area, 1,500 square foot classroom, and a 300 square foot classroom-library combination, with alterations as needed to facilitate easy access from the existing facilities. The project will be designed by Army National Guard facility engineers.</p>	110,000
<p><b>Chattanooga Center Drainage Improvements</b> Construct drainage improvements to control water at the Chattanooga Readiness Center. Currently, this facility suffers flooding and structural damage as a result of inadequate drainage. The project will be designed by Army National Guard facility engineers.</p>	200,000
<b>Total Military</b>	<b>\$35,590,000</b>

# Capital Outlay Project Descriptions

## Fiscal Year 2005 - 2006

	<b>Total Project Cost</b>
<b>Tennessee Board of Regents</b>	
<b>Maintenance</b> Funds to repair, maintain, and update facilities.	\$26,940,000
<b>Southwest Tennessee Community College New Campus</b> Implement the recommendations of the master plan to replace the southeast campus and establish a central administration site and possibly classroom space.	5,000,000
<b>Dyersburg State Community College - Tipton County Center Addition</b> Construction of a 31,000 square foot addition to the Tipton County Center. The existing center was completed in 1997. The master plan, which identified the need for this addition, was approved in September 2000.	5,040,000
<b>Walters State Community College Public Safety Center Development</b> Convert the former prison-mall property into a public safety Center of Emphasis facility, renovating the existing building(s) for classrooms, class labs, and instructor office space. Tactical driving ranges and related facilities also will be built.	5,220,000
<b>Southwest Tennessee Community College New Library and Academic Buildings</b> Construct new library with reading and study rooms, stacks, open stacks, processing room, meeting rooms, office space, and storage. Plan, and construct in Phase 2, a new academic building with classrooms, labs, and faculty offices for business technology, general studies, and computer technology programs. Also construct a microcomputer center.	17,730,000
<b>Total Tennessee Board of Regents</b>	<b>\$59,930,000</b>
<b>University of Tennessee</b>	
<b>Maintenance</b> Funds to repair, maintain, and update facilities.	\$17,300,000
<b>UTK New Electrical and Computer Engineering Facility</b> This project will provide a new electrical and computer engineering facility. It will contain classrooms, research laboratories, faculty offices, and administrative offices and support spaces for teaching, research, and service activities.	37,500,000
<b>UTK Steam Plant Environmental Improvements</b> This University of Tennessee-Knoxville project will increase the efficiency of emissions collection equipment in the steam plant. Federal clean air regulations require emissions controls for mercury and chlorides by 2007, and proposed State regulations require emissions containment.	12,000,000
<b>Total University of Tennessee</b>	<b>\$66,800,000</b>
<b>Statewide Capital Maintenance</b>	
<b>Maintenance</b> Funds to repair, maintain, and update general government facilities.	<b>\$34,755,000</b>
<b>GRAND TOTAL</b>	<b>\$301,300,000</b>

## Projects Funded from Dedicated Revenues Fiscal Year 2005 - 2006

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
<b>Tennessee Wildlife Resources Agency</b>						
Region 4 Office Entrance Road Paving	Hamblen	19,000	0	0	0	19,000
Joachim Bible Waterfowl Refuge Water Impoundments	Greene	654,000	0	0	296,000	358,000
Normandy Hatchery Pond Improvements	Coffee	275,000	0	0	206,250	68,750
Humbolt Hatchery Entrance Paving	Gibson	19,100	0	0	11,300	7,800
Region 1 Lake Graham Firing Range Parking Lot Upgrade	Madison	15,000	0	0	0	15,000
Eagle Bend Hatchery Pond Liner Installation	Anderson	30,000	0	0	22,500	7,500
Ft. Loudon Lake Georges Creek Ramp Improvements	Loudon	25,000	0	0	0	25,000
Chickamauga Lake Garrison Boat Ramp Improvements	Rhea	75,000	0	0	0	75,000
Watauga River American Limestone Ramp Improvement	Carter	30,000	0	0	0	30,000
<b>Total</b>		<b>\$1,142,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$536,050</b>	<b>\$606,050</b>

Note 1 - The other funds are \$68,720 Ducks Unlimited donation and \$289,280 TWRA funds.

### Transportation

Region 3 Regional Complex Renovation Phase 2	Davidson	1,000,000	0	0	0	1,000,000
Region 4 Reroof/ Repair 5 County Maintenance Buildings	Areawide	85,000	0	0	0	85,000
Region 4 Upgrade Electrical Service at Regional Garage	Madison	75,000	0	0	0	75,000
Region 1 Renovate Old Concord Road Equipment Building	Knox	299,000	0	0	0	299,000
Region 1 New Project Managers Office Building	Knox	230,000	0	0	0	230,000
Region 1 New Storage Building and Shed	Knox	75,000	0	0	0	75,000
Region 1 Replace LaFollette and Harriman Storage Sheds	Areawide	140,000	0	0	0	140,000
Region 1 Regional Complex Engineering Office Renovation	Knox	100,000	0	0	0	100,000
Region 2 New Salt Bin	Fentress	120,000	0	0	0	120,000
Region 2 Replace County Maintenance Building	Polk	150,000	0	0	0	150,000
Region 2 Replace County Maintenance Building	Grundy	150,000	0	0	0	150,000
Region 3 Replace/ Repair 10 County Equipment Sheds	Areawide	600,000	0	0	0	600,000
Region 3 Replace/ Repair 10 County Equipment Sheds	Areawide	500,000	0	0	0	500,000
Region 4 Replace 4 County Maintenance Buildings	Areawide	540,000	0	0	0	540,000
Region 4 New Equipment Sheds in 4 Counties	Areawide	340,000	0	0	0	340,000
Region 4 Relocate County Maintenance Building and Shed	Henry	250,000	0	0	0	250,000
<b>Total</b>		<b>\$4,654,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,654,000</b>

<b>Grand Total</b>		<b>\$5,796,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$536,050</b>	<b>\$5,260,050</b>
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## Projected First Year Operating Costs for New Facilities Recommended as Projects for Fiscal Year 2005 - 2006

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM</u>	<u>ADDITIONAL PERSONNEL</u>
<b>Environment and Conservation</b>						
Paris Landing Cart Storage & New Restrooms	Henry	1,500	500	500	500	0
Alex Haley Boyhood Home Interpretive Center	Lauderdale	9,500	7,000	2,500	0	0
		<u>\$11,000</u>	<u>\$7,500</u>	<u>\$3,000</u>	<u>\$500</u>	<u>0</u>
<b>Military</b>						
Nashville Armed Forces Headquarters	Davidson	40,000	40,000	0	0	0
		<u>\$40,000</u>	<u>\$40,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>
<b>Tennessee Board of Regents</b>						
SWCC New Replacement Campus	Shelby	309,650	97,900	211,750	0	0
Dyersburg SCC New Tipton Co. Addition	Tipton	174,530	55,180	119,350	0	0
Walters SCC Public Safety Development	Hamblen	95,800	30,260	65,540	0	0
SWCC New Library and Academic Buildings	Shelby	1,041,550	329,300	712,250	0	0
		<u>\$1,621,530</u>	<u>\$512,640</u>	<u>\$1,108,890</u>	<u>\$0</u>	<u>0</u>
<b>University of Tennessee System</b>						
UTK Electrical & Computer Engineer Facility	Knox	1,215,000	525,000	690,000	0	0
		<u>\$1,215,000</u>	<u>\$525,000</u>	<u>\$690,000</u>	<u>\$0</u>	<u>0</u>
<b>Grand Total</b>		<u><u>\$2,887,530</u></u>	<u><u>\$1,085,140</u></u>	<u><u>\$1,801,890</u></u>	<u><u>\$500</u></u>	<u><u>0</u></u>



## Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2005 - 2006

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
<b>Austin Peay State University</b>				
Morgan University Center Renovations	500,000	0	500,000	0
Campus Infrastructure Improvements	200,000	0	200,000	0
Ellington Building Bathroom Renovations	190,000	0	190,000	0
Student Recreation Center - Outdoor Pool Addition	1,100,000	1,100,000	0	0
	<b><u>\$1,990,000</u></b>	<b><u>\$1,100,000</u></b>	<b><u>\$890,000</u></b>	<b><u>\$0</u></b>
<b>East Tennessee State University</b>				
Housing Roof Replacements	580,000	0	580,000	0
Old Student Center & College of Medicine Demolition	1,130,000	0	1,130,000	0
Yoakley Hall Renovation	500,000	0	500,000	0
Athletic Master Plan Implementation	6,500,000	0	0	6,500,000
WETS Radio Station Facility Expansion	260,000	0	0	260,000
Culp Center Renovation	19,040,000	0	0	19,040,000
Housing Master Plan Implementation	6,650,000	6,650,000	0	0
College of Medicine Transgenic Mouse Facility	4,010,000	0	300,000	3,710,000
College of Medicine Clinical Ed & Pediatrics Renovation	300,000	0	0	300,000
	<b><u>\$38,970,000</u></b>	<b><u>\$6,650,000</u></b>	<b><u>\$2,510,000</u></b>	<b><u>\$29,810,000</u></b>
<b>Middle Tennessee State University</b>				
Physical Plant Relocation Planning	150,000	0	150,000	0
Tennis Court Replacement	580,000	0	580,000	0
Academic Village New Construction	23,000,000	23,000,000	0	0
Greek Row Phase II	6,400,000	6,400,000	0	0
Student Union New Construction	45,000,000	45,000,000	0	0
	<b><u>\$75,130,000</u></b>	<b><u>\$74,400,000</u></b>	<b><u>\$730,000</u></b>	<b><u>\$0</u></b>
<b>Tennessee State University</b>				
Performing Arts Radio and Music Studio Outfitting	2,500,000	0	0	2,500,000
Poultry Research Relocation	3,500,000	0	0	3,500,000
Science Complex Renovations	10,000,000	0	0	10,000,000
	<b><u>\$16,000,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$16,000,000</u></b>
<b>Tennessee Technological University</b>				
Johnson Hall Auditorium Renovation	550,000	0	0	550,000
	<b><u>\$550,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$550,000</u></b>
<b>University of Memphis</b>				
Women's Softball Facility	1,300,000	0	0	1,300,000
Millington Facility Tower Upgrade	5,000,000	0	5,000,000	0
Central Student Computer Lab Relocation	1,000,000	0	1,000,000	0
Prescott Church Building Renovations	1,000,000	0	1,000,000	0
Clinical Sciences Complex	12,850,000	0	0	12,850,000
Business and Economics Placement Center	250,000	0	0	250,000
Computer Machine Room Expansion	1,500,000	0	0	1,500,000
Student Housing - 400 Bed Addition	14,000,000	14,000,000	0	0
University Center Replacement	19,300,000	19,300,000	0	0
	<b><u>\$56,200,000</u></b>	<b><u>\$33,300,000</u></b>	<b><u>\$7,000,000</u></b>	<b><u>\$15,900,000</u></b>
<b>Nashville State Technical Community College</b>				
Biotechnology Lab	760,000	0	660,000	100,000
	<b><u>\$760,000</u></b>	<b><u>\$0</u></b>	<b><u>\$660,000</u></b>	<b><u>\$100,000</u></b>
<b>Northeast State Technical Community College</b>				
Landscape Improvements	220,000	0	220,000	0
	<b><u>\$220,000</u></b>	<b><u>\$0</u></b>	<b><u>\$220,000</u></b>	<b><u>\$0</u></b>
<b>Pellissippi State Technical Community College</b>				
Parking Lot New Construction	170,000	0	170,000	0
	<b><u>\$170,000</u></b>	<b><u>\$0</u></b>	<b><u>\$170,000</u></b>	<b><u>\$0</u></b>

## Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2005 - 2006

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
<b>Southwest State Community College</b>				
Gill Gym Renovation	290,000	0	290,000	0
	<u>\$290,000</u>	<u>\$0</u>	<u>\$290,000</u>	<u>\$0</u>
<b>Volunteer State Community College</b>				
Annex Campus Storm Pond Renovation	110,000	0	110,000	0
Softball Field Press Box	100,000	0	100,000	0
	<u>\$210,000</u>	<u>\$0</u>	<u>\$210,000</u>	<u>\$0</u>
<b>Systemwide</b>				
Housing Fire Supression Upgrades	14,170,000	14,170,000	0	0
	<u>\$14,170,000</u>	<u>\$14,170,000</u>	<u>\$0</u>	<u>\$0</u>
<b>Total Tennessee Board of Regents</b>	<u><b>\$204,660,000</b></u>	<u><b>\$129,620,000</b></u>	<u><b>\$12,680,000</b></u>	<u><b>\$62,360,000</b></u>
<b>University of Tennessee at Knoxville</b>				
Riverbank Stabilization Project Phase II	500,000	0	500,000	0
Law School Improvements	200,000	0	0	200,000
Classroom Upgrades	1,150,000	0	300,000	850,000
Storage Facility	3,000,000	1,500,000	1,500,000	0
Humes Hall Renovation	5,800,000	4,850,000	950,000	0
Carrick Hall North & South Wings Renovation	3,700,000	3,700,000	0	0
Laurel Apartments Renovation	9,900,000	8,500,000	1,400,000	0
Haslam Field & Intramural Fields Artificial Turf	1,000,000	0	0	1,000,000
Athletic Fields Site Improvements	2,000,000	0	0	2,000,000
Neyland Stadium Improvements	16,000,000	16,000,000	0	0
Softball Stadium improvements	5,000,000	5,000,000	0	0
Basketball Practice Facilities	15,000,000	15,000,000	0	0
Thompson-Boling Arena Improvements	13,000,000	13,000,000	0	0
Soccer Stadium Improvements	5,400,000	5,400,000	0	0
Mall Services Relocation	600,000	0	600,000	0
	<u>\$82,250,000</u>	<u>\$72,950,000</u>	<u>\$5,250,000</u>	<u>\$4,050,000</u>
<b>University of Tennessee at Martin</b>				
Student Housing Phase II	17,000,000	17,000,000	0	0
	<u>\$17,000,000</u>	<u>\$17,000,000</u>	<u>\$0</u>	<u>\$0</u>
<b>University of TN at Memphis Health Sciences Center</b>				
Jackson Family Practice Sprinkler System Bracing	150,000	0	0	150,000
Professional Office Building	15,800,000	15,800,000	0	0
	<u>\$15,950,000</u>	<u>\$15,800,000</u>	<u>\$0</u>	<u>\$150,000</u>
<b>Total University of Tennessee</b>	<u><b>\$115,200,000</b></u>	<u><b>\$105,750,000</b></u>	<u><b>\$5,250,000</b></u>	<u><b>\$4,200,000</b></u>
<b>Grand Total</b>	<u><u><b>\$319,860,000</b></u></u>	<u><u><b>\$235,370,000</b></u></u>	<u><u><b>\$17,930,000</b></u></u>	<u><u><b>\$66,560,000</b></u></u>

# Capital Budget

## Commonly Used Abbreviations

AASF	Army Aviation Support Facility	OMS	Organizational Maintenance Shop
ADA	Americans with Disabilities Act	OSHA	Occupational Safety & Health Administration
ADD	Addition	PSTCC	Pellissippi State Technical Community College
AFRC	Armed Forces Reserve Center	REROOF	Replacement Roof
APSU	Austin Peay State University	RNOV	Renovation
ARNG	Army National Guard	RSCC	Roane State Community College
BLDG	Building	SAF	Department of Safety
CC	Community College	SCC	State Community College
CFCs	Chlorofluorocarbons	SSCC	Shelby State Community College
CLSCC	Cleveland State Community College	STCC	State Technical Community College
CO	County	SWTCC	Southwest Tennessee State Community College
COMM	Communication	SYS	System
CONST	Construction	TBR	Tennessee Board of Regents
COSCC	Columbia State Community College	TDOT	Tennessee Department of Transportation
CSCC	Chattanooga State Community College	THEC	Tennessee Higher Education Commission
DCS	Department of Children's Services	THP	Tennessee Highway Patrol
DEMO	Demolition	TNARNG	Tennessee Army National Guard
DEV	Development	TSU	Tennessee State University
DOC	Department of Correction	TTCs	Tennessee Technology Centers
DSCC	Dyersburg State Community College	TTU	Tennessee Technological University
EMS	Energy Management System	TWRA	Tennessee Wildlife Resources Agency
ETSU	East Tennessee State University	UNIV	University
HQS	Headquarters	UOM	University of Memphis
HVAC	Heating, Ventilation & Air Conditioning	UT CHS	University of Tennessee Center for Health Sciences
INFO	Information	UT MEMPHIS	University of Tennessee at Memphis
LRC	Learning Resource Center	UTC	University of Tennessee at Chattanooga
MHI	Mental Health Institute	UTK	University of Tennessee at Knoxville
MSCC	Motlow State Community College	UTM	University of Tennessee at Martin
MSTI	Memphis State Technical Institute	UTS	University of Tennessee System
MTSU	Middle Tennessee State University	UTSI	University of Tennessee Space Institute
NESTCC	Northeast State Technical Community College	VSCC	Volunteer State Community College
NGB	National Guard Bureau	WSCC	Walters State Community College
NSTCC	Nashville State Technical Community College	YDC	Youth Development Center

# Facilities Revolving Fund

Recommended Budget, Fiscal Year 2005 - 2006

The Facilities Revolving Fund (FRF) was established in 1988 to provide efficient management of the state office and warehousing facilities. State agencies are charged a fair 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 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.

While FRF is administered by the Commissioner of Finance and Administration, daily operations of the fund are jointly managed by the Department of General Services and the Department of Finance and Administration. General Services operates, maintains, and manages FRF facilities. Finance and Administration constructs and renovates facilities through its Division of Capital Projects and Real Property Management, with approval of the State Building Commission. The division also assigns space to agencies, handles lease acquisitions, and provides relocation services and furniture to agencies.

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The Department of General Services maintains the daily upkeep of FRF facilities through Operational Maintenance. Items such as contracts for janitorial and security services are funded through this allotment.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>
<b>501.01 Operational Maintenance</b>			
Payroll	0	0	0
Operational	43,700,200	43,324,500	44,268,600
<b>Total</b>	<b>\$43,700,200</b>	<b>\$43,324,500</b>	<b>\$44,268,600</b>
State	321,600	583,300	583,300
Federal	0	0	0
Other	43,378,600	42,741,200	43,685,300

The Department of General Services makes standard repairs and handles regular maintenance of FRF facilities within Project Maintenance. Items such as painting walls, repairing doors, and stopping leaks are paid from this allotment.

## 501.02 General Services Project Maintenance

Payroll	0	0	0
Operational	1,501,900	1,700,000	1,700,000
<b>Total</b>	<b>\$1,501,900</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>
State	0	0	0
Federal	0	0	0
Other	1,501,900	1,700,000	1,700,000

The Department of Finance and Administration 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 Facilities Management allotment.

	<u>Actual</u> <u>2003-2004</u>	<u>Estimated</u> <u>2004-2005</u>	<u>Base</u> <u>2005-2006</u>
<b>501.03 Facilities Management</b>			
Payroll	0	0	0
Operational	34,182,500	40,500,000	<b>36,265,000</b>
<b>Total</b>	<b>\$34,182,500</b>	<b>\$40,500,000</b>	<b>\$36,265,000</b>
State	0	0	0
Federal	0	0	0
Other	34,182,500	40,500,000	<b>36,265,000</b>

The Department of Finance and Administration's Capital Projects and Real Property Management Division coordinates maintenance and new construction activities for the state-owned buildings in FRF. Included in the recommended FRF Capital Projects budget are funds for statewide maintenance, as well as capital outlay projects.

**501.04 Capital Projects**

Payroll	0	0	0
Operational	2,852,800	6,240,000	<b>8,655,000</b>
<b>Total</b>	<b>\$2,852,800</b>	<b>\$6,240,000</b>	<b>\$8,655,000</b>
State	0	0	0
Federal	0	0	0
Other	2,852,800	6,240,000	<b>8,655,000</b>

**501.05 Debt Service**

Payroll	0	0	0
Operational	20,646,900	20,500,000	<b>21,000,000</b>
<b>Total</b>	<b>\$20,646,900</b>	<b>\$20,500,000</b>	<b>\$21,000,000</b>
State	0	0	0
Federal	0	0	0
Other	20,646,900	20,500,000	<b>21,000,000</b>

**501.00 Total Facilities Revolving Fund**

Payroll	0	0	0
Operational	102,884,300	112,264,500	<b>111,888,600</b>
<b>Total</b>	<b>\$102,884,300</b>	<b>\$112,264,500</b>	<b>\$111,888,600</b>
State	321,600	583,300	<b>583,300</b>
Federal	0	0	0
Other	102,562,700	111,681,200	<b>111,305,300</b>

## Proposed Facilities Revolving Fund Capital Appropriations Fiscal Year 2005 - 2006

	<u>COUNTY</u>	<u>TOTAL</u>	<u>FRF CURRENT</u>	<u>BONDS</u>	<u>OTHER</u>
Capital Maintenance	Statewide	6,355,000	5,055,000	1,300,000	0
Capitol Complex Interior Renovation Additional Funds	Davidson	500,000	0	500,000	0
JK Polk Building Renovation (TDOT Floors 9,11, & 12)	Davidson	3,700,000	700,000	3,000,000	0
Citizens Plaza Building Interior Renovation (2 floors)	Davidson	4,000,000	1,000,000	3,000,000	0
TBI New Knoxville Laboratory	Knox	10,300,000	1,600,000	8,700,000	0
Henley Street State Office Building Renovation Planning	Knox	100,000	100,000	0	0
WR Snodgrass Tennessee Tower Phase 3 Planning	Davidson	200,000	200,000	0	0
<b>Grand Total</b>		<b><u><u>\$25,155,000</u></u></b>	<b><u><u>\$8,655,000</u></u></b>	<b><u><u>\$16,500,000</u></u></b>	<b><u><u>\$0</u></u></b>

# State Taxpayers Budget

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# State Taxpayers Budget

The "State Taxpayers Budget" section is included to distinguish between state appropriations from general state taxes and appropriations from dedicated taxes and fees, which are narrowly levied and earmarked for specific purposes.

The "State Taxpayers Budget" excludes the dedicated funds; it reports only appropriations from general state tax sources, along with estimates of the general taxes. The "State Taxpayers Budget" excludes appropriations from dedicated tax and fee sources, all federal revenues, and all other departmental revenues.

This section begins with a departmental summary of state appropriations from general tax sources. The chart entitled "Tennessee Taxpayer Budget, Departmental Summary of State Appropriations," includes this departmental summary information and a grand total for the State Taxpayers Budget appropriations. The chart then shows a single line-item for appropriations from dedicated state tax sources and a grand total state appropriation for the Budget Document, which reconciles to the total state appropriations in the remainder of the Budget Document.

Following the departmental summary of state appropriations is a summary of appropriations from dedicated taxes and fees. This schedule summarizes the various departmental appropriations from dedicated state sources that are excluded from the State Taxpayers Budget. Examples of appropriations from dedicated state sources are the appropriations to the Tennessee Wildlife Resources Agency (TWRA) from hunting and fishing license fees and from real

estate transfer taxes supporting the Wetlands Acquisition Fund, administered by TWRA, and appropriations to regulatory agencies from fees imposed on health professions, other professions, banks, and environment-impacting industries.

The third schedule in this section is a more detailed breakdown of the state appropriations from general tax sources. "State Taxpayers Budget, State Appropriations by Program," itemizes these appropriations by program. As with the departmental summary, this schedule includes a single line item for appropriations from dedicated sources to balance to the total state appropriations elsewhere in the Budget Document.

The tax revenue estimates recommended in the State Taxpayers Budget follow the appropriations by program. The chart entitled "State Taxpayers Budget, Comparison Statement of State Revenues," includes taxes collected by the Department of Revenue (the major taxes) as well as those collected and deposited to the General Fund by other line agencies in conjunction with carrying out their programs. This chart excludes taxes and fees collected and deposited in the General Fund which are earmarked or dedicated for specific use. Distributions of taxes by fund for last year, the current year, and next year are on the following three charts.

Except for the "State Taxpayers Budget", all of the other summary charts and program statements in this Budget Document that deal with appropriations include appropriations from all state sources, both general taxes and dedicated taxes and fees.

**State Taxpayers Budget**  
**Departmental Summary of State Appropriations \***  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

		Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
<b>General Fund and Education Fund</b>				
301	Legislature	\$ 26,083,100	\$ 32,092,800	\$ 31,694,900
301.50	Fiscal Review Committee	752,100	960,900	965,900
302	Court System	77,626,900	82,976,500	83,398,300
303	Attorney General and Reporter	14,706,700	16,663,100	16,371,200
304	District Attorneys General Conference	44,243,900	52,012,600	53,303,100
305	Secretary of State	19,542,900	24,494,700	24,319,700
306	District Public Defenders Conference	25,991,500	30,327,400	30,380,800
307	Comptroller of the Treasury	41,351,600	48,689,600	48,494,000
308	Office of the Post-Conviction Defender	1,074,100	1,169,500	1,186,400
309	Treasury Department	141,100	151,500	149,700
315	Executive Department	3,110,600	3,514,100	3,499,900
315.05	Office of Homeland Security	685,400	870,100	867,400
316	Commissions	18,507,700	18,158,600	18,033,800
317	Finance and Administration (F&A)	7,064,600	17,153,400	13,060,800
318	F&A - Bureau of TennCare	2,107,761,800	2,540,307,100	2,527,970,300
319	Personnel	3,413,900	4,673,100	4,591,300
321	General Services	6,675,800	2,173,400	2,156,700
323	Veterans Affairs	2,548,600	3,103,300	3,368,100
324	Board of Probation and Parole	51,137,700	59,105,600	56,681,500
325	Agriculture	30,459,700	39,303,600	39,353,500
326	Tourist Development	7,369,500	7,169,200	11,645,700
327	Environment and Conservation	62,928,300	70,213,400	79,429,100
329	Correction	478,602,800	539,492,900	549,135,700
330	Economic and Community Development	29,609,400	49,519,100	50,045,600
331	Education	2,797,242,500	3,013,921,300	3,139,273,600
332	Higher Education	1,086,044,500	1,150,274,600	1,131,858,000
335	Commerce and Insurance	5,797,000	10,042,600	9,470,600
337	Labor and Workforce Development	13,256,000	19,186,400	19,163,700
339	Mental Health and Developmental Disabilities	105,380,700	118,110,800	115,064,400
341	Military	14,621,200	9,473,700	10,744,600
343	Health	71,706,700	84,527,900	82,264,600
344	F&A - Division of Mental Retardation Services	116,127,500	120,134,900	104,650,100
345	Human Services	167,812,000	203,590,500	185,022,700
347	Revenue	39,042,400	48,712,500	45,984,400
348	Tennessee Bureau of Investigation	25,962,000	28,410,000	27,851,900
349	Safety	94,747,600	114,289,300	114,493,400
351	Miscellaneous Appropriations	21,578,400	90,334,700	136,700,800
353	Emergency and Contingency Fund	-	819,300	819,300
355	State Building Commission	229,500	250,000	250,000
359	Children's Services	282,051,300	278,812,400	286,123,000
<b>Subtotal General Fund and Education Fund</b>		<b>\$ 7,902,989,000</b>	<b>\$ 8,935,186,400</b>	<b>\$ 9,059,838,500</b>
	Transportation	\$ 737,828,200 **	\$ 646,800,000	\$ 664,900,000
	Debt Service Requirements	228,163,000	250,682,000	273,816,000
	Capital Outlay Program	100,283,000 **	58,940,000	51,900,000
	Facilities Revolving Fund	321,600	583,300	583,300
	Cities and Counties - State Shared Taxes	647,653,700	671,200,000	688,300,000
<b>Grand Total State Taxpayers Budget</b>		<b>\$ 9,617,238,500</b>	<b>\$ 10,563,391,700</b>	<b>\$ 10,739,337,800</b>
	Dedicated Tax Sources - Appropriation	\$ 272,115,900	\$ 512,758,500	\$ 484,831,100
<b>Grand Total State Appropriation - Budget Document</b>		<b>\$ 9,889,354,400</b>	<b>\$ 11,076,150,200</b>	<b>\$ 11,224,168,900</b>

\* FY 2003-2004 is actual expenditures from appropriations, except as noted. State Taxpayers Budget excludes appropriations from dedicated tax sources, federal revenues, and all other departmental revenues.

\*\* FY 2003-2004 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

**Departmental Summary of Appropriations  
from Dedicated Taxes and Fees: \***  
**Amounts Excluded from State Taxpayers Budget**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

	<u>Actual 2003-2004 *</u>	<u>Estimated 2004-2005</u>	<u>Recommended 2005-2006</u>
302.00 Court System	\$ 7,040,000	\$ 7,998,300	\$ 7,972,200
303.00 Attorney General and Reporter	1,562,200	1,781,600	1,937,900
307.00 Comptroller of the Treasury	17,720,100	17,810,000	17,810,000
313.00 Claims and Compensation	7,572,600	9,474,100	10,076,100
316.07 Health Services and Development Agency	813,000	980,200	1,014,300
316.11 Tennessee Regulatory Authority	6,513,200	7,863,100	7,399,900
316.25 Arts Commission	3,300,000	2,000,000	2,000,000
317.00 Finance and Administration	1,504,700	2,376,800	2,376,800
324.00 Board of Probation and Parole	3,623,200	4,541,900	4,274,200
325.00 Agriculture	18,056,700	12,691,900	13,066,900
327.00 Environment and Conservation	64,014,700	102,573,200	81,952,900
328.00 Wildlife Resources Agency	36,956,000	46,316,300	44,476,800
329.00 Correction	168,900	79,500	79,500
330.00 Economic and Community Development	-	-	-
331.00 Education	1,749,000	1,928,800	5,928,800
332.00 Higher Education	1,135,900	178,600,000	167,400,000
335.00 Commerce and Insurance	44,034,100	42,811,300	42,917,600
336.00 Financial Institutions	4,403,400	7,207,800	7,239,100
337.00 Labor and Workforce Development	12,102,400	11,781,900	12,445,000
343.00 Health	20,959,200	29,184,400	29,448,000
349.00 Safety	8,846,500	14,719,500	14,377,200
351.00 Miscellaneous Appropriations	9,328,800	8,525,000	9,125,000
359.00 Children's Services	711,300	1,512,900	1,512,900
<b>Total Appropriations from Dedicated Tax Sources</b>	<b>\$ 272,115,900</b>	<b>\$ 512,758,500</b>	<b>\$ 484,831,100</b>

\* FY 2003-2004 is actual expenditures from appropriations.

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

Program	Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
<b>Legislature</b>			
301.01 Legislative Administration Services	3,956,700	4,591,200	4,487,700
301.07 House of Representatives	11,032,500	13,162,500	13,285,900
301.08 State Senate	6,003,700	6,977,000	6,978,400
301.13 General Assembly Committees	459,100	553,500	545,100
301.16 General Assembly Support Services	4,568,700	6,739,000	6,328,200
301.17 Tennessee Code Commission	62,400	69,600	69,600
<b>301.00 Subtotal Legislature</b>	<b>26,083,100</b>	<b>32,092,800</b>	<b>31,694,900</b>
<b>301.50 Fiscal Review Committee</b>	<b>752,100</b>	<b>960,900</b>	<b>965,900</b>
<b>Court System</b>			
302.01 Appellate and Trial Courts	43,605,300	45,624,800	46,115,400
302.05 Supreme Court Buildings	2,077,800	2,168,100	2,320,200
302.08 Child Support Referees	356,600	409,900	405,500
302.09 Guardian Ad Litem	1,947,100	1,947,500	1,947,500
302.10 Indigent Defendants' Counsel	17,879,800	17,441,800	17,441,800
302.11 Civil Legal Representation Fund	-	-	-
302.12 Verbatim Transcripts	3,494,500	3,823,200	3,763,500
302.15 Tennessee State Law Libraries	513,500	550,500	546,200
302.18 Judicial Conference	22,300	35,100	-
302.20 Judicial Programs and Commissions	237,400	504,500	466,100
302.22 State Court Clerks' Conference	-	-	-
302.27 Administrative Office of the Courts	7,273,500	10,000,800	9,947,400
302.30 Appellate Court Clerks	219,100	470,300	444,700
<b>302.00 Subtotal Court System</b>	<b>77,626,900</b>	<b>82,976,500</b>	<b>83,398,300</b>
<b>Attorney General and Reporter</b>			
303.01 Attorney General and Reporter	14,466,000	16,326,100	16,035,000
303.05 Publication of Tennessee Reports	133,500	148,400	147,600
303.08 Special Litigation	107,200	188,600	188,600
<b>303.00 Subtotal Attorney General and Reporter</b>	<b>14,706,700</b>	<b>16,663,100</b>	<b>16,371,200</b>
<b>District Attorneys General Conference</b>			
304.01 District Attorneys General	42,949,800	50,369,300	51,429,000
304.05 District Attorneys General Conference	88,400	229,900	421,200
304.10 Executive Director	1,205,700	1,413,400	1,452,900
<b>304.00 Subtotal District Attorneys General Conference</b>	<b>44,243,900</b>	<b>52,012,600</b>	<b>53,303,100</b>
<b>Secretary of State</b>			
305.01 Secretary of State	5,030,000	7,803,800	7,593,500
305.02 State Election Commission	1,595,200	1,681,400	1,681,400
305.03 Public Documents	387,600	387,600	637,600
305.04 State Library and Archives	5,627,000	6,676,300	6,574,400
305.05 Regional Library System	6,483,700	7,287,800	7,186,200
305.07 Registry of Election Finance	216,700	326,400	324,200
305.08 Economic Council on Women	87,800	131,400	130,900
305.09 Charitable Solicitations and Charitable Gaming	114,900	200,000	191,500
<b>305.00 Subtotal Secretary of State</b>	<b>19,542,900</b>	<b>24,494,700</b>	<b>24,319,700</b>

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

Program	Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
<b>District Public Defenders Conference</b>			
306.01 District Public Defenders	21,217,800	25,212,000	25,274,600
306.03 Executive Director	702,000	793,000	783,800
306.10 Shelby County Public Defender	2,728,500	2,840,400	2,840,400
306.12 Davidson County Public Defender	1,343,200	1,482,000	1,482,000
<b>306.00 Subtotal District Public Defenders Conference</b>	<b>25,991,500</b>	<b>30,327,400</b>	<b>30,380,800</b>
<b>Comptroller of the Treasury</b>			
307.01 Division of Administration	540,900	670,600	664,300
307.02 Office of Management Services	4,281,800	6,107,000	6,058,700
307.04 Division of State Audit	8,232,000	9,474,300	9,651,300
307.05 Division of County Audit	5,485,300	6,311,900	6,224,100
307.06 Division of Municipal Audit	1,148,500	1,403,100	1,383,000
307.07 Division of Bond Finance	193,700	351,000	345,100
307.08 Office of Local Government	254,700	330,300	328,800
307.09 Division of Property Assessments	7,102,000	8,614,900	8,450,000
307.10 Tax Relief	8,983,800	10,000,000	10,000,000
307.11 State Board of Equalization	2,917,400	2,829,900	2,821,700
307.12 Division of Local Finance	310,300	345,400	338,700
307.14 Offices of Research and Education Accountability	1,124,700	1,325,400	1,312,900
307.15 Office of State Assessed Properties	776,500	925,800	915,400
307.50 Telecommunications Ad Valorem Tax Equity Payments	-	-	-
<b>307.00 Subtotal Comptroller of the Treasury</b>	<b>41,351,600</b>	<b>48,689,600</b>	<b>48,494,000</b>
<b>308.00 Office of the Post-Conviction Defender</b>	<b>1,074,100</b>	<b>1,169,500</b>	<b>1,186,400</b>
<b>Treasury Department</b>			
309.01 Treasury Department	88,100	96,700	94,900
309.02 Certified Public Administrators	53,000	54,800	54,800
<b>309.00 Subtotal Treasury Department</b>	<b>141,100</b>	<b>151,500</b>	<b>149,700</b>
<b>Executive Department</b>			
315.01 Governor's Office	3,110,600	3,514,100	3,499,900
315.02 Intergovernmental Conferences	-	-	-
<b>315.00 Subtotal Executive Department</b>	<b>3,110,600</b>	<b>3,514,100</b>	<b>3,499,900</b>
<b>315.05 Executive Department - Office of Homeland Security</b>	<b>685,400</b>	<b>870,100</b>	<b>867,400</b>
<b>Commissions</b>			
316.01 Commission on Children and Youth	1,381,800	1,570,400	1,694,900
316.02 Commission on Aging and Disability	8,541,300	8,494,800	8,485,000
316.03 Alcoholic Beverage Commission	1,637,100	515,900	368,700
316.04 Human Rights Commission	1,304,900	1,514,500	1,489,100
316.09 Corrections Institute	606,300	686,200	679,300
316.10 Council of Juvenile and Family Court Judges	413,900	455,700	450,000

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

Program	Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
316.12 Advisory Commission on Intergovernmental Relations	18,400	266,000	266,000
316.25 Arts Commission	2,015,900	2,099,100	2,080,500
316.27 State Museum	2,338,000	2,556,000	2,520,300
316.31 Tax Structure Study Commission	250,100	-	-
<b>316.00 Subtotal Commissions</b>	<b>18,507,700</b>	<b>18,158,600</b>	<b>18,033,800</b>
<b>Finance and Administration</b>			
317.01 Division of Administration	781,600	1,321,400	1,309,700
317.02 Division of Budget	2,558,100	3,228,200	3,198,600
317.03 Office for Information Resources	-	7,775,000	3,775,000
317.06 Criminal Justice Programs	226,700	445,900	438,800
317.07 Resource Development and Support	972,700	1,542,100	1,531,200
317.10 Capital Projects and Real Property Management	2,368,300	2,615,900	2,583,400
317.11 National and Community Service	157,200	224,900	224,100
<b>317.00 Subtotal Finance and Administration</b>	<b>7,064,600</b>	<b>17,153,400</b>	<b>13,060,800</b>
<b>Finance and Administration, Bureau of TennCare</b>			
318.65 TennCare Administration	95,929,000	104,410,400	108,156,000
318.66 TennCare Services	1,421,708,200	1,728,498,000	1,732,365,800
318.67 Waiver and Crossover Services	205,802,300	256,921,300	288,508,600
318.68 Long Term Care Services	384,322,300	450,477,400	398,939,900
<b>318.00 Subtotal Finance and Administration, Bureau of TennCare</b>	<b>2,107,761,800</b>	<b>2,540,307,100</b>	<b>2,527,970,300</b>
<b>Personnel</b>			
319.01 Executive Administration	1,642,300	1,843,900	1,825,800
319.02 Human Resource Development	255,700	875,000	850,500
319.03 Technical Services	1,515,900	1,954,200	1,915,000
<b>319.00 Subtotal Personnel</b>	<b>3,413,900</b>	<b>4,673,100</b>	<b>4,591,300</b>
<b>General Services</b>			
321.01 Administration	458,300	466,100	461,400
321.04 Property Utilization	-	-	-
321.06 Motor Vehicle Management	4,557,600	-	-
321.07 Property Management	1,405,000	1,435,300	1,423,300
321.09 Printing	232,900	250,000	250,000
321.10 Purchasing	22,000	22,000	22,000
<b>321.00 Subtotal General Services</b>	<b>6,675,800</b>	<b>2,173,400</b>	<b>2,156,700</b>
<b>323.00 Veterans Affairs</b>	<b>2,548,600</b>	<b>3,103,300</b>	<b>3,368,100</b>
<b>Board of Probation and Parole</b>			
324.02 Probation and Parole Services	42,481,300	49,847,600	47,439,500
324.04 Community Correction	8,656,400	9,258,000	9,242,000
<b>324.00 Subtotal Board of Probation and Parole</b>	<b>51,137,700</b>	<b>59,105,600</b>	<b>56,681,500</b>

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

Program	Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
<b>Agriculture</b>			
325.01 Administration and Grants	8,913,700	9,045,300	8,937,500
325.05 Regulatory Services	5,595,300	7,462,500	7,259,100
325.06 Market Development	1,770,500	2,083,600	2,051,000
325.10 Forestry Operations	14,075,400	20,553,700	20,947,400
325.11 Forestry Maintenance	104,800	158,500	158,500
<b>325.00 Subtotal Agriculture</b>	<b>30,459,700</b>	<b>39,303,600</b>	<b>39,353,500</b>
<b>Tourist Development</b>			
326.01 Administration and Marketing	7,369,500	7,169,200	11,645,700
326.03 Welcome Centers	-	-	-
<b>326.00 Subtotal Tourist Development</b>	<b>7,369,500</b>	<b>7,169,200</b>	<b>11,645,700</b>
<b>Environment and Conservation</b>			
327.01 Administrative Services	4,988,000	5,456,600	5,351,600
327.03 Recreation Educational Services	655,400	685,200	670,400
327.04 Historical Commission	1,161,200	1,441,700	1,422,100
327.08 Archaeology	491,100	656,800	643,000
327.11 Geology	1,019,100	1,302,500	1,273,800
327.12 Tennessee State Parks	28,473,200	31,421,800	30,467,100
327.14 Natural Heritage	674,000	720,400	10,711,700
327.15 State Parks Maintenance	3,674,000	4,097,000	4,060,100
327.18 Maintenance of Historic Sites	185,000	185,000	185,000
327.24 West Tennessee River Basin Authority Maintenance	79,600	500,000	500,000
327.26 West Tennessee River Basin Authority	701,400	758,600	748,400
327.30 Environment Administration	1,525,700	1,083,500	1,043,800
327.31 Air Pollution Control	1,230,200	1,155,300	1,139,200
327.32 Radiological Health	-	642,800	586,500
327.33 Community Assistance	6,272,900	6,438,100	6,389,700
327.34 Water Pollution Control	4,516,000	5,603,400	6,982,500
327.35 Solid Waste Management	1,773,900	1,651,100	1,617,100
327.38 Hazardous Waste Remedial Action Fund	1,013,600	1,000,000	1,000,000
327.39 Water Supply	585,800	806,500	789,600
327.40 Groundwater Protection	3,908,200	4,607,100	3,847,500
327.41 Underground Storage Tanks	-	-	-
<b>327.00 Subtotal Environment and Conservation</b>	<b>62,928,300</b>	<b>70,213,400</b>	<b>79,429,100</b>
<b>Correction</b>			
329.01 Administration	12,607,200	12,765,200	21,084,100
329.04 State Prosecutions	105,865,500	116,602,600	119,102,600
329.06 Correction Academy	4,086,200	4,585,300	4,511,700
329.08 Wayne County Boot Camp	7,974,900	8,957,500	8,846,600
329.11 Brushy Mountain Correctional Complex	31,017,500	33,734,100	33,201,000
329.13 Tennessee Prison for Women	14,812,500	16,002,100	16,030,700
329.14 Turney Center Industrial Prison and Farm	19,360,000	21,818,900	21,583,000
329.16 Mark Luttrell Correctional Facility	10,478,600	11,626,100	11,460,300
329.17 Charles B. Bass Correctional Complex	21,146,300	23,502,100	23,163,400
329.18 Southeastern Tenn. State Regional Corr. Facility	17,351,000	19,021,800	18,710,300

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

Program	Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
329.21 Hardeman County Incarceration Agreement	31,447,300	32,015,900	32,585,300
329.22 Hardeman County Agreement - Whiteville	24,604,300	25,372,500	25,786,400
329.32 Major Maintenance	3,092,400	3,641,100	3,630,700
329.41 West Tennessee State Penitentiary	41,859,900	45,745,700	45,452,000
329.42 Riverbend Maximum Security Institution	17,780,800	20,034,400	19,792,100
329.43 Northeast Correctional Complex	29,431,000	31,531,200	31,429,800
329.44 South Central Correctional Center	23,025,800	23,933,400	24,963,900
329.45 Northwest Correctional Complex	36,339,200	40,354,000	39,887,700
329.46 Lois M. DeBerry Special Needs Facility	26,322,400	29,813,300	29,478,400
329.99 Sentencing Act of 1985	-	18,435,700	18,435,700
<b>329.00 Subtotal Correction</b>	<b>478,602,800</b>	<b>539,492,900</b>	<b>549,135,700</b>
<b>Economic and Community Development</b>			
330.01 Administrative Services	3,727,100	5,171,600	4,364,800
330.02 Business Development	2,728,800	3,561,300	3,588,000
330.04 Regional Grants Management	1,654,900	1,876,200	1,850,900
330.05 Business Services	1,392,000	1,019,300	1,008,200
330.06 FastTrack Infrastructure Development	6,327,800	21,600,000	25,600,000
330.07 Community Development	2,600,200	3,295,700	4,244,400
330.08 Energy Division	38,900	34,800	34,800
330.09 FastTrack Job Training Assistance Program	11,139,700	12,960,200	9,354,500
330.13 Tennessee Job Skills Program	-	-	-
<b>330.00 Subtotal Economic and Community Development</b>	<b>29,609,400</b>	<b>49,519,100</b>	<b>50,045,600</b>
<b>Education (K-12)</b>			
331.01 Administration	6,133,700	7,879,500	7,749,200
331.02 Grants-In-Aid	3,751,000	3,597,600	3,597,600
331.04 Technology, Infrastructure, and Support Systems	2,574,100	4,516,200	2,496,500
331.05 Training and Professional Development	8,190,400	7,037,700	12,023,200
331.06 Curriculum and Instruction	3,070,500	3,943,100	3,924,300
331.07 State Board of Education	567,900	749,200	743,500
331.09 Improving School Programs	12,458,700	15,702,000	15,692,100
331.10 Career Ladder	82,627,000	80,619,200	80,619,200
331.11 Accountability	15,278,100	13,875,600	13,837,900
331.19 After-School Programs Special Account	-	-	-
331.22 Governor's Books from Birth Foundation	-	2,001,400	2,000,000
331.25 BEP and Other LEA Support	2,615,460,200	2,820,053,200	2,942,853,200
331.35 School Nutrition Programs	4,805,500	4,805,600	4,805,600
331.36 Special Education Services	537,500	587,200	578,700
331.43 Driver Education	-	-	-
331.45 Vocational Education Programs	3,661,500	3,809,100	3,779,200
331.90 Alvin C. York Institute	3,991,500	4,340,200	4,333,100
331.91 Tennessee School for the Blind	8,274,600	9,139,800	9,031,100
331.92 Tennessee School for the Deaf	11,368,500	12,530,300	12,510,100
331.93 West Tennessee School for the Deaf	1,745,500	2,010,500	1,997,800
331.95 Tennessee Infant-Parent Services School	12,570,800	16,484,800	16,462,200
331.97 Major Maintenance	175,500	239,100	239,100
<b>331.00 Subtotal Education (K-12)</b>	<b>2,797,242,500</b>	<b>3,013,921,300</b>	<b>3,139,273,600</b>



**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

Program	Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
<b>Higher Education - State Administered Programs</b>			
332.01 Tennessee Higher Education Commission	1,752,900	2,024,900	2,012,000
332.02 Contract Education	2,312,500	2,330,100	2,330,100
332.03 Tennessee Student Assistance Awards	39,576,100	41,208,500	41,208,500
332.04 Federal Family Education Loan Program (FFELP)	-	-	-
332.05 Tennessee Student Assistance Corporation	1,267,400	1,356,500	1,317,400
332.06 Academic Scholars Program	251,800	401,800	401,800
332.07 Loan/Scholarship Programs	1,191,000	1,191,000	1,191,000
332.08 Centers of Excellence	17,112,500	17,795,700	17,598,800
332.09 THEC Grants	2,509,600	2,509,600	2,509,600
332.11 Campus Centers of Emphasis	1,229,000	1,293,500	1,280,900
332.13 Geier Desegregation Settlement	8,683,400	11,265,000	11,265,000
332.14 Foreign Language Institute	294,800	315,600	313,100
332.19 Lottery for Education Account	-	-	-
<b>332.00 Subtotal Higher Education - State Administered Programs</b>	<b>76,181,000</b>	<b>81,692,200</b>	<b>81,428,200</b>
<b>University of Tennessee System</b>			
332.10 UT University-Wide Administration	3,090,500	3,836,000	3,400,100
332.12 UT Research Initiatives	-	-	2,500,000
332.15 UT Institute for Public Service	4,633,900	4,842,600	4,800,300
332.16 UT Municipal Technical Advisory Service	1,494,400	1,668,800	1,629,100
332.17 UT County Technical Assistance Service	1,115,900	1,269,000	1,236,500
332.23 UT Space Institute	7,204,700	7,325,400	7,210,300
332.25 UT Agricultural Experiment Station	20,552,200	21,895,600	21,518,900
332.26 UT Agricultural Extension Service	24,370,900	26,206,100	25,679,400
332.28 UT Veterinary Medicine	13,319,700	14,053,700	13,813,800
332.30 UT Memphis	58,207,300	61,422,600	60,527,900
332.32 UT Family Medicine	6,383,200	7,082,100	6,971,500
332.34 UT College of Medicine	40,555,700	41,999,200	41,234,300
332.40 UT Chattanooga	38,353,100	40,478,400	39,686,300
332.42 UT Knoxville	158,732,000	168,484,700	165,163,100
332.44 UT Martin	27,185,300	28,751,100	28,158,400
<b>332.10 Subtotal University of Tennessee System</b>	<b>405,198,800</b>	<b>429,315,300</b>	<b>423,529,900</b>
<b>State University and Community College System</b>			
332.53 Southwest Tennessee Community College	34,340,600	36,354,600	35,610,900
332.54 Nashville State Technical Community College	12,906,700	13,660,000	13,413,100
332.55 Pellissippi State Technical Community College	17,981,600	18,928,400	18,560,600
332.56 Northeast State Technical Community College	10,407,900	10,973,900	10,790,000
332.60 Tennessee Board of Regents	3,775,400	3,910,900	3,824,400
332.62 TSU McMinnville Center	441,900	461,000	458,800
332.65 ETSU College of Medicine	23,661,200	24,057,500	23,734,500
332.67 ETSU Family Practice	4,208,000	4,631,600	4,564,200
332.70 Austin Peay State University	29,633,100	31,180,900	30,587,000
332.72 East Tennessee State University	51,684,600	54,795,900	53,640,600
332.74 University of Memphis	101,408,900	107,128,100	104,966,400
332.75 Middle Tennessee State University	81,331,200	85,824,700	84,315,300

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

Program	Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
332.77 Tennessee State University	36,721,600	39,256,100	38,321,700
332.78 Tennessee Technological University	40,863,200	43,426,400	42,485,400
332.80 Chattanooga State Technical Community	20,872,200	22,043,100	21,646,000
332.81 Cleveland State Community College	9,073,000	9,598,200	9,412,800
332.82 Columbia State Community College	11,235,200	12,150,800	11,930,500
332.84 Dyersburg State Community College	6,054,100	6,406,300	6,279,400
332.86 Jackson State Community College	10,651,300	11,324,000	11,098,400
332.88 Motlow State Community College	8,780,400	9,373,200	9,167,300
332.90 Roane State Community College	15,669,000	16,613,000	16,260,700
332.94 Volunteer State Community College	15,445,200	16,332,600	16,016,700
332.96 Walters State Community College	15,697,800	16,647,100	16,318,800
332.98 Tennessee Technology Centers	41,820,600	44,188,800	43,496,400
<b>332.60 Subtotal State University and Community College System</b>	<b>604,664,700</b>	<b>639,267,100</b>	<b>626,899,900</b>
<b>Total Higher Education</b>	<b>1,086,044,500</b>	<b>1,150,274,600</b>	<b>1,131,858,000</b>
<b>Commerce and Insurance</b>			
335.02 Insurance	-	3,122,500	3,086,900
335.03 Fire Prevention	-	97,700	72,700
335.06 Consumer Affairs	650,200	769,800	757,800
335.07 Fire and Codes Enforcement Academy	2,893,200	3,830,800	3,334,000
335.28 Fire Fighting Personnel Standards and	2,253,600	2,221,800	2,219,200
<b>335.00 Subtotal Commerce and Insurance</b>	<b>5,797,000</b>	<b>10,042,600</b>	<b>9,470,600</b>
<b>Labor and Workforce Development</b>			
337.01 Administration	2,760,600	2,688,500	2,856,300
337.02 Tenn. Occupational Safety & Health	-	965,100	645,000
337.03 Workers' Compensation	6,048,000	10,700,000	10,850,100
337.04 Mines	279,300	355,000	351,500
337.06 Labor Standards	956,800	1,087,700	1,073,300
337.08 Second Injury Fund	-	-	-
337.09 Adult Basic Education	3,211,300	3,390,100	3,387,500
337.10 Employment Security	-	-	-
337.14 Uninsured Employers Fund	-	-	-
<b>337.00 Subtotal Labor and Workforce Development</b>	<b>13,256,000</b>	<b>19,186,400</b>	<b>19,163,700</b>
<b>Mental Health and Developmental Disabilities</b>			
339.01 Administrative Services Division	8,096,300	11,175,600	10,510,600
339.05 Mental Health Services Administration	-	-	-
339.08 Community Mental Health Services	37,911,600	42,942,100	42,942,100
339.10 Lakeshore Mental Health Institute	12,978,800	13,576,100	13,130,700
339.11 Middle Tennessee Mental Health Institute	16,217,000	15,020,200	14,393,700
339.12 Western Mental Health Institute	7,880,100	13,662,500	12,993,800
339.16 Moccasin Bend Mental Health Institute	8,445,400	10,064,700	9,696,200
339.17 Memphis Mental Health Institute	13,041,300	10,919,600	10,647,300
339.40 Major Maintenance	810,200	750,000	750,000
<b>339.00 Subtotal Mental Health and Developmental Disabilities</b>	<b>105,380,700</b>	<b>118,110,800</b>	<b>115,064,400</b>

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

Program	Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
<b>Military</b>			
341.01 Administration	1,639,100	2,146,400	2,118,200
341.02 Army National Guard	1,061,500	826,200	1,089,900
341.03 Air National Guard	1,364,900	1,575,700	1,560,000
341.04 Tennessee Emergency Management Agency	2,295,900	2,424,000	3,475,100
341.07 Armories Maintenance	762,000	736,600	736,600
341.09 TEMA Disaster Relief Grants	5,596,700	-	-
341.10 Armories Utilities	1,901,100	1,764,800	1,764,800
<b>341.00 Subtotal Military</b>	<b>14,621,200</b>	<b>9,473,700</b>	<b>10,744,600</b>
<b>Health</b>			
343.01 Executive Administration	3,624,000	3,931,300	3,860,300
343.03 Administrative Services	2,070,600	2,678,500	2,563,000
343.04 Office of Information Technology	2,871,700	3,473,100	3,450,000
343.05 Bureau of Health Licensure and Regulation	2,713,700	2,475,800	2,724,500
343.07 Emergency Medical Services	476,600	582,800	568,200
343.08 Laboratory Services	8,596,100	7,891,200	7,800,500
343.20 Policy Planning and Assessment	3,624,900	4,516,800	4,377,400
343.39 General Environmental Health	4,985,500	3,763,300	3,804,400
343.44 Alcohol and Drug Abuse Services	7,972,300	8,135,700	8,107,700
343.45 Health Services Administration	3,479,200	4,127,100	4,032,600
343.47 Maternal and Child Health	2,925,300	3,059,500	3,120,100
343.49 Communicable and Environmental Disease	2,376,300	4,493,000	4,357,900
343.52 Community and Medical Services	5,448,400	6,381,600	6,323,200
343.60 Local Health Services	20,542,100	29,018,200	27,174,800
<b>343.00 Subtotal Health</b>	<b>71,706,700</b>	<b>84,527,900</b>	<b>82,264,600</b>
<b>Finance and Administration, Division of Mental Retardation Services</b>			
344.01 Mental Retardation Administration	876,000	4,469,700	9,114,700
344.02 Community Mental Retardation Services	104,702,400	96,349,700	76,155,200
344.10 Arlington Developmental Center	506,700	601,400	565,300
344.11 Clover Bottom Developmental Center	6,551,900	7,195,100	7,108,500
344.12 Greene Valley Developmental Center	389,000	648,800	600,500
344.20 West Tennessee Regional Office	1,327,900	4,924,600	4,400,300
344.21 Middle Tennessee Regional Office	657,500	2,758,500	2,982,000
344.22 East Tennessee Regional Office	1,040,400	3,016,300	3,554,200
344.81 Developmental Disabilities Council	75,700	170,800	169,400
<b>344.00 Subtotal Finance and Administration, Division of Mental Retardation Services</b>	<b>116,127,500</b>	<b>120,134,900</b>	<b>104,650,100</b>
<b>Human Services</b>			
345.01 Administration	15,138,000	19,474,800	17,135,300
345.13 Child Support	16,454,400	15,301,800	13,324,100
345.16 Field Operations	5,785,100	6,691,700	6,021,600
345.17 County Rentals	5,047,700	4,418,500	4,959,100
345.23 Temporary Cash Assistance	24,999,500	43,882,700	37,253,900
345.30 Family Assistance Services	57,661,200	58,929,000	60,281,700
345.31 Appeals and Hearings	737,600	744,300	744,300
345.49 Community Services	29,038,900	44,211,200	35,501,400

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

Program	Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
345.70 Vocational Rehabilitation	12,949,600	9,936,500	9,801,300
<b>345.00 Subtotal Human Services</b>	<b>167,812,000</b>	<b>203,590,500</b>	<b>185,022,700</b>
<b>Revenue</b>			
347.01 Administration Division	5,371,400	6,776,600	6,552,900
347.02 Tax Enforcement Division	3,798,800	5,483,600	4,958,600
347.11 Information Technology Resources Division	6,462,700	7,984,600	7,596,400
347.13 Taxpayer Services Division	5,107,300	5,651,800	5,350,600
347.14 Audit Division	14,110,200	17,335,600	16,368,500
347.16 Processing Division	4,192,000	5,480,300	5,157,400
<b>347.00 Subtotal Revenue</b>	<b>39,042,400</b>	<b>48,712,500</b>	<b>45,984,400</b>
<b>348.00 Tennessee Bureau of Investigation</b>	<b>25,962,000</b>	<b>28,410,000</b>	<b>27,851,900</b>
<b>Safety</b>			
349.01 Administration	5,801,900	5,900,600	5,806,900
349.02 Driver License Issuance	1,932,300	2,478,000	2,719,600
349.03 Highway Patrol	65,118,800	73,952,000	74,865,900
349.07 Motor Vehicle Operations	7,792,000	8,428,700	8,428,700
349.09 Tennessee Law Enforcement Training	2,135,300	2,607,900	2,597,400
349.10 P.O.S.T. Commission	6,525,300	6,359,700	6,355,900
349.11 Titling and Registration	4,467,400	11,501,900	11,314,800
349.12 Major Maintenance	157,300	200,000	200,000
349.13 Technical Services	817,300	2,860,500	2,204,200
<b>349.00 Subtotal Safety</b>	<b>94,747,600</b>	<b>114,289,300</b>	<b>114,493,400</b>
<b>351.00 Miscellaneous Appropriations</b>	<b>21,578,400</b>	<b>90,334,700</b>	<b>136,700,800</b>
<b>353.00 Emergency and Contingency Fund</b>	-	<b>819,300</b>	<b>819,300</b>
<b>355.02 Major Maintenance and Equipment</b>	<b>229,500</b>	<b>250,000</b>	<b>250,000</b>
<b>Children's Services</b>			
359.10 Administration	32,242,400	24,381,000	26,893,500
359.20 Family Support Services	20,386,200	25,768,500	24,472,300
359.30 Custody Services	106,199,200	86,783,100	90,252,900
359.40 Adoption Services	17,957,200	20,474,200	21,971,400
359.50 Child and Family Management	59,071,300	68,936,200	71,217,400
359.60 John S. Wilder Youth Development Center	8,288,700	9,648,600	9,344,900
359.61 Taft Youth Development Center	10,703,300	11,481,900	11,178,200
359.62 Woodland Hills Youth Development Center	9,230,400	10,143,200	9,834,200
359.63 Mountain View Youth Development Center	9,440,900	10,532,200	10,230,100
359.64 New Visions Youth Development Center	48,900	3,024,100	3,089,700
359.65 Community Treatment Facilities	7,134,800	7,219,300	7,218,300
359.70 Tennessee Preparatory School	1,225,300	-	-
359.80 Major Maintenance	122,700	420,100	420,100
<b>359.00 Subtotal Children's Services</b>	<b>282,051,300</b>	<b>278,812,400</b>	<b>286,123,000</b>

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2003-2004, 2004-2005, and 2005-2006**

Program	Actual Expenditures 2003-2004 *	Estimated 2004-2005	Recommended 2005-2006
<b>Subtotal General Fund and Education Fund</b>	<b>7,902,989,000</b>	<b>8,935,186,400</b>	<b>9,059,838,500</b>
Transportation	737,828,200	646,800,000	664,900,000
Debt Service Requirements	228,163,000	250,682,000	273,816,000
Capital Outlay Program	100,283,000	58,940,000	51,900,000
Facilities Revolving Fund	321,600	583,300	583,300
Cities and Counties - State Shared Taxes	647,653,700	671,200,000	688,300,000
<b>Grand Total State Taxpayers Budget</b>	<b>9,617,238,500</b>	<b>10,563,391,700</b>	<b>10,739,337,800</b>
Dedicated Tax Sources - Appropriation	272,115,900	512,758,500	484,831,100
<b>Grand Total State Appropriation - Budget Document</b>	<b>9,889,354,400</b>	<b>11,076,150,200</b>	<b>11,224,168,900</b>

\* FY 2003-2004 is actual expenditures from appropriations, except as noted.

\*\* FY 2003-2004 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

**State Taxpayers Budget**  
**Comparison Statement of State Revenues**  
**Actual and Estimated July 1, 2003 - June 30, 2006**

**SOURCE OF REVENUE**

<b>Department of Revenue</b>	<b>Actual 2003-2004</b>	<b>Estimated 2004-2005</b>	<b>Estimated 2005-2006</b>	<b>Percent Required</b>
Sales and Use Tax	\$5,793,064,200	\$6,013,790,000	\$6,285,190,000	4.51%
Gasoline Tax	598,811,600	610,000,000	616,100,000	1.00%
Motor Fuel Tax	167,731,000	171,600,000	176,700,000	2.97%
Gasoline Inspection Tax	44,908,400	45,600,000	46,900,000	2.85%
Motor Vehicle Registration Tax	225,773,000	228,864,000	235,959,000	3.10%
Income Tax	139,991,600	145,600,000	152,900,000	5.01%
Privilege Tax	243,113,400	232,918,000	244,662,000	5.04%
Gross Receipts Tax - TVA	202,743,400	216,200,000	219,600,000	1.57%
Gross Receipts Tax - Other	16,385,100	17,300,000	18,200,000	5.20%
Beer Tax	17,391,200	17,500,000	17,900,000	2.29%
Alcoholic Beverage Tax	35,705,200	36,900,000	37,600,000	1.90%
Franchise Tax	510,650,300	533,700,000	546,100,000	2.32%
Excise Tax	687,153,300	672,800,000	688,500,000	2.33%
Inheritance and Estate Tax	90,718,400	85,000,000	89,300,000	5.06%
Tobacco Tax	119,689,000	120,900,000	122,100,000	0.99%
Motor Vehicle Title Fees	11,284,000	11,300,000	11,500,000	1.77%
Mixed Drink Tax	40,769,200	42,400,000	44,500,000	4.95%
Business Tax	94,924,600	98,700,000	102,600,000	3.95%
Severance Tax	998,200	1,000,000	1,000,000	0.00%
Coin-operated Amusement Tax	784,700	800,000	800,000	0.00%
<b>Total Department of Revenue</b>	<b>\$9,042,589,800</b>	<b>\$9,302,872,000</b>	<b>\$9,658,111,000</b>	<b>3.82%</b>
<b>Other State Revenue</b>				
Department of Commerce and Insurance	\$372,396,200	\$381,304,000	\$401,028,000	5.17%
Secretary of State	18,973,700	19,000,000	20,500,000	7.89%
Department of Safety	38,834,600	39,072,000	40,556,000	3.80%
State Treasurer	9,895,800	20,000,000	20,000,000	0.00%
Dept. of Environment and Conservation	41,700	26,000	47,000	80.77%
Miscellaneous Revenue	31,064,000	22,561,000	22,952,000	1.73%
Nursing Home Tax	100,229,500	100,200,000	100,200,000	0.00%
<b>Total Other State Revenue</b>	<b>\$571,435,500</b>	<b>\$582,163,000</b>	<b>\$605,283,000</b>	<b>3.97%</b>
<b>Total State Revenue</b>	<b>\$9,614,025,300</b>	<b>\$9,885,035,000</b>	<b>\$10,263,394,000</b>	<b>3.83%</b>

**State Taxpayers Budget**  
**Distribution of Actual Revenue by Fund**  
**Fiscal Year 2003-2004**

**SOURCE OF REVENUE**

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$5,793,064,200	\$2,194,798,300	\$3,348,886,400	\$0	\$41,403,400	\$207,976,100
Gasoline Tax	598,811,600	10,537,100	0	285,516,500	74,000,000	228,758,000
Motor Fuel Tax	167,731,000	3,180,000	0	120,566,800	0	43,984,200
Gasoline Inspection Tax	44,908,400	657,800	0	32,233,600	0	12,017,000
Motor Vehicle Registration Tax	225,773,000	28,640,700	0	197,132,300	0	0
Income Tax	139,991,600	108,969,400	0	0	0	31,022,200
Privilege Tax	243,113,400	243,113,400	0	0	0	0
Gross Receipts Tax - TVA	202,743,400	122,760,200	0	0	0	79,983,200
Gross Receipts Tax - Other	16,385,100	13,935,700	0	2,449,400	0	0
Beer Tax	17,391,200	11,953,700	0	2,184,900	0	3,252,600
Alcoholic Beverage Tax	35,705,200	30,077,900	0	0	0	5,627,300
Franchise Tax	510,650,300	492,650,300	0	0	18,000,000	0
Excise Tax	687,153,300	584,108,700	0	0	86,600,000	16,444,600
Inheritance and Estate Tax	90,718,400	90,718,400	0	0	0	0
Tobacco Tax	119,689,000	644,400	119,044,600	0	0	0
Motor Vehicle Title Fees	11,284,000	8,616,300	0	0	2,667,700	0
Mixed Drink Tax	40,769,200	3,042,900	19,752,000	0	0	17,974,300
Business Tax	94,924,600	94,924,600	0	0	0	0
Severance Tax	998,200	384,000	0	0	0	614,200
Coin-operated Amusement Tax	784,700	784,700	0	0	0	0
<b>Total Department of Revenue</b>	<b>\$9,042,589,800</b>	<b>\$4,044,498,500</b>	<b>\$3,487,683,000</b>	<b>\$640,083,500</b>	<b>\$222,671,100</b>	<b>\$647,653,700</b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$372,396,200	\$372,396,200	\$0	\$0	\$0	\$0
Secretary of State	18,973,700	18,973,700	0	0	0	0
Department of Safety	38,834,600	38,834,600	0	0	0	0
State Treasurer	9,895,800	9,895,800	0	0	0	0
Dept. of Environment and Conservation	41,700	41,700	0	0	0	0
Miscellaneous Revenue	31,064,000	31,064,000	0	0	0	0
Nursing Home Tax	100,229,500	100,229,500	0	0	0	0
<b>Total Other State Revenue</b>	<b>\$571,435,500</b>	<b>\$571,435,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total State Revenue</b>	<b>\$9,614,025,300</b>	<b>\$4,615,934,000</b>	<b>\$3,487,683,000</b>	<b>\$640,083,500</b>	<b>\$222,671,100</b>	<b>\$647,653,700</b>

**State Taxpayers Budget**  
**Distribution of Revised Estimated Revenue by Fund**  
**Fiscal Year 2004-2005**

**SOURCE OF REVENUE**

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$6,013,790,000	\$2,278,290,000	\$3,476,100,000	\$0	\$43,000,000	\$216,400,000
Gasoline Tax	610,000,000	11,300,000	0	292,100,000	74,000,000	232,600,000
Motor Fuel Tax	171,600,000	3,200,000	0	123,300,000	0	45,100,000
Gasoline Inspection Tax	45,600,000	600,000	0	33,000,000	0	12,000,000
Motor Vehicle Registration Tax	228,864,000	31,464,000	200,000	197,200,000	0	0
Income Tax	145,600,000	113,300,000	0	0	0	32,300,000
Privilege Tax	232,918,000	232,918,000	0	0	0	0
Gross Receipts Tax - TVA	216,200,000	129,100,000	0	0	0	87,100,000
Gross Receipts Tax - Other	17,300,000	14,700,000	0	2,600,000	0	0
Beer Tax	17,500,000	12,000,000	0	2,200,000	0	3,300,000
Alcoholic Beverage Tax	36,900,000	31,100,000	0	0	0	5,800,000
Franchise Tax	533,700,000	515,700,000	0	0	18,000,000	0
Excise Tax	672,800,000	547,000,000	0	0	108,500,000	17,300,000
Inheritance and Estate Tax	85,000,000	85,000,000	0	0	0	0
Tobacco Tax	120,900,000	700,000	120,200,000	0	0	0
Motor Vehicle Title Fees	11,300,000	8,600,000	0	0	2,700,000	0
Mixed Drink Tax	42,400,000	3,200,000	20,500,000	0	0	18,700,000
Business Tax	98,700,000	98,700,000	0	0	0	0
Severance Tax	1,000,000	400,000	0	0	0	600,000
Coin-operated Amusement Tax	800,000	800,000	0	0	0	0
<b>Total Department of Revenue</b>	<b>\$9,302,872,000</b>	<b>\$4,118,072,000</b>	<b>\$3,617,000,000</b>	<b>\$650,400,000</b>	<b>\$246,200,000</b>	<b>\$671,200,000</b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$381,304,000	\$381,304,000	\$0	\$0	\$0	\$0
Secretary of State	19,000,000	19,000,000	0	0	0	0
Department of Safety	39,072,000	39,072,000	0	0	0	0
State Treasurer	20,000,000	20,000,000	0	0	0	0
Dept. of Environment and Conservation	26,000	26,000	0	0	0	0
Miscellaneous Revenue	22,561,000	22,561,000	0	0	0	0
Nursing Home Tax	100,200,000	100,200,000	0	0	0	0
<b>Total Other State Revenue</b>	<b>\$582,163,000</b>	<b>\$582,163,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total State Revenue</b>	<b><u>\$9,885,035,000</u></b>	<b><u>\$4,700,235,000</u></b>	<b><u>\$3,617,000,000</u></b>	<b><u>\$650,400,000</u></b>	<b><u>\$246,200,000</u></b>	<b><u>\$671,200,000</u></b>



**State Taxpayers Budget  
Distribution of Estimated Revenue by Fund  
Fiscal Year 2005-2006**

**SOURCE OF REVENUE**

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$6,285,190,000	\$2,382,390,000	\$3,632,600,000	\$0	\$45,000,000	\$225,200,000
Gasoline Tax	616,100,000	11,300,000	0	287,100,000	82,500,000	235,200,000
Motor Fuel Tax	176,700,000	3,300,000	0	127,000,000	0	46,400,000
Gasoline Inspection Tax	46,900,000	1,000,000	0	33,900,000	0	12,000,000
Motor Vehicle Registration Tax	235,959,000	32,959,000	300,000	202,700,000	0	0
Income Tax	152,900,000	119,000,000	0	0	0	33,900,000
Privilege Tax	244,662,000	244,662,000	0	0	0	0
Gross Receipts Tax - TVA	219,600,000	130,700,000	0	0	0	88,900,000
Gross Receipts Tax - Other	18,200,000	15,500,000	0	2,700,000	0	0
Beer Tax	17,900,000	12,400,000	0	2,200,000	0	3,300,000
Alcoholic Beverage Tax	37,600,000	31,700,000	0	0	0	5,900,000
Franchise Tax	546,100,000	528,100,000	0	0	18,000,000	0
Excise Tax	688,500,000	550,200,000	0	0	121,000,000	17,300,000
Inheritance and Estate Tax	89,300,000	89,300,000	0	0	0	0
Tobacco Tax	122,100,000	700,000	121,400,000	0	0	0
Motor Vehicle Title Fees	11,500,000	8,800,000	0	0	2,700,000	0
Mixed Drink Tax	44,500,000	3,400,000	21,500,000	0	0	19,600,000
Business Tax	102,600,000	102,600,000	0	0	0	0
Severance Tax	1,000,000	400,000	0	0	0	600,000
Coin-operated Amusement Tax	800,000	800,000	0	0	0	0
<b>Total Department of Revenue</b>	<b>\$9,658,111,000</b>	<b>\$4,269,211,000</b>	<b>\$3,775,800,000</b>	<b>\$655,600,000</b>	<b>\$269,200,000</b>	<b>\$688,300,000</b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$401,028,000	\$401,028,000	\$0	\$0	\$0	\$0
Secretary of State	20,500,000	20,500,000	0	0	0	0
Department of Safety	40,556,000	40,556,000	0	0	0	0
State Treasurer	20,000,000	20,000,000	0	0	0	0
Dept. of Environment and Conservation	47,000	47,000	0	0	0	0
Miscellaneous Revenue	22,952,000	22,952,000	0	0	0	0
Nursing Home Tax	100,200,000	100,200,000	0	0	0	0
<b>Total Other State Revenue</b>	<b>\$605,283,000</b>	<b>\$605,283,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total State Revenue</b>	<b><u>\$10,263,394,000</u></b>	<b><u>\$4,874,494,000</u></b>	<b><u>\$3,775,800,000</u></b>	<b><u>\$655,600,000</u></b>	<b><u>\$269,200,000</u></b>	<b><u>\$688,300,000</u></b>



# Program Statements by Functional Area

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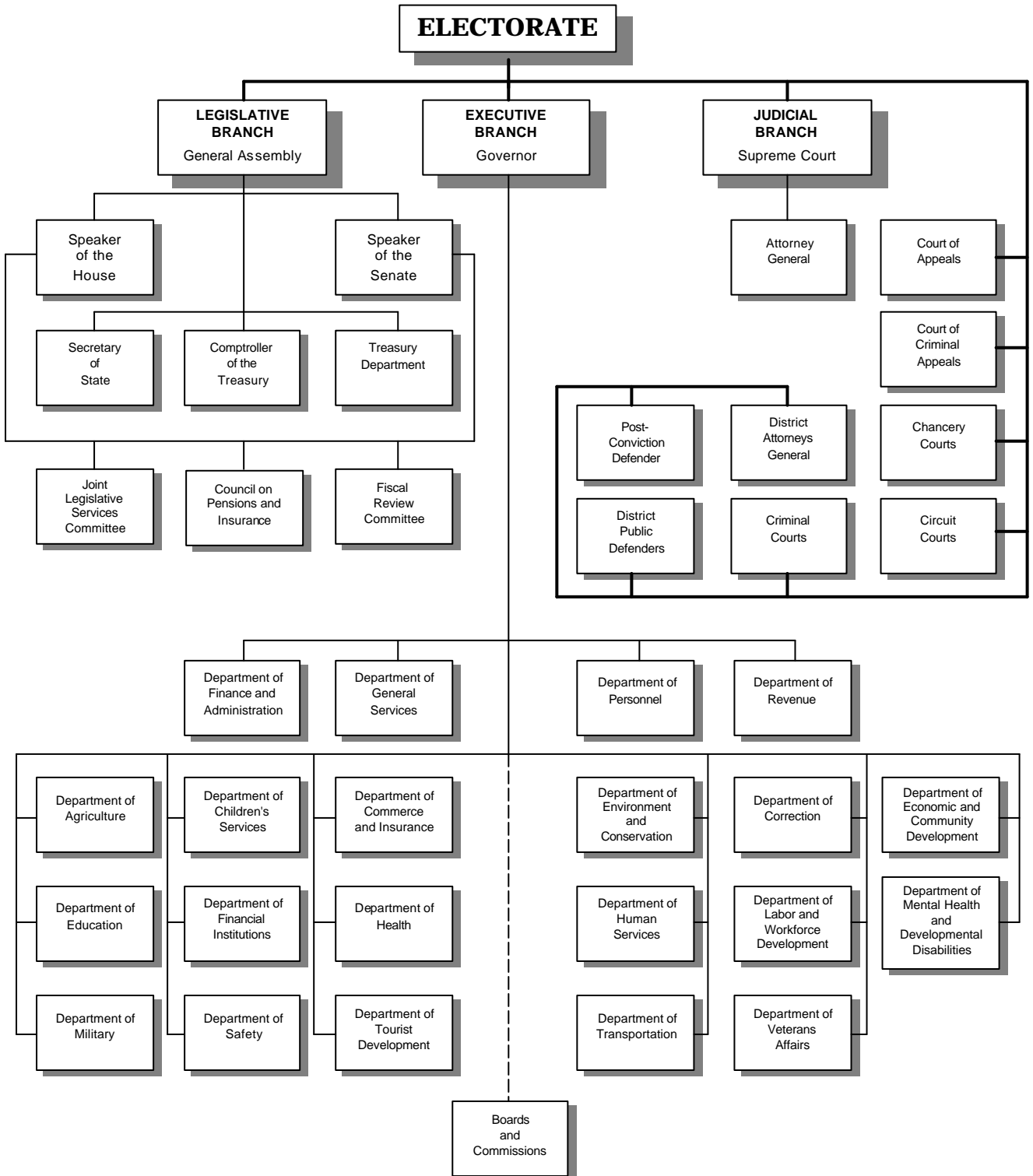
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# TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

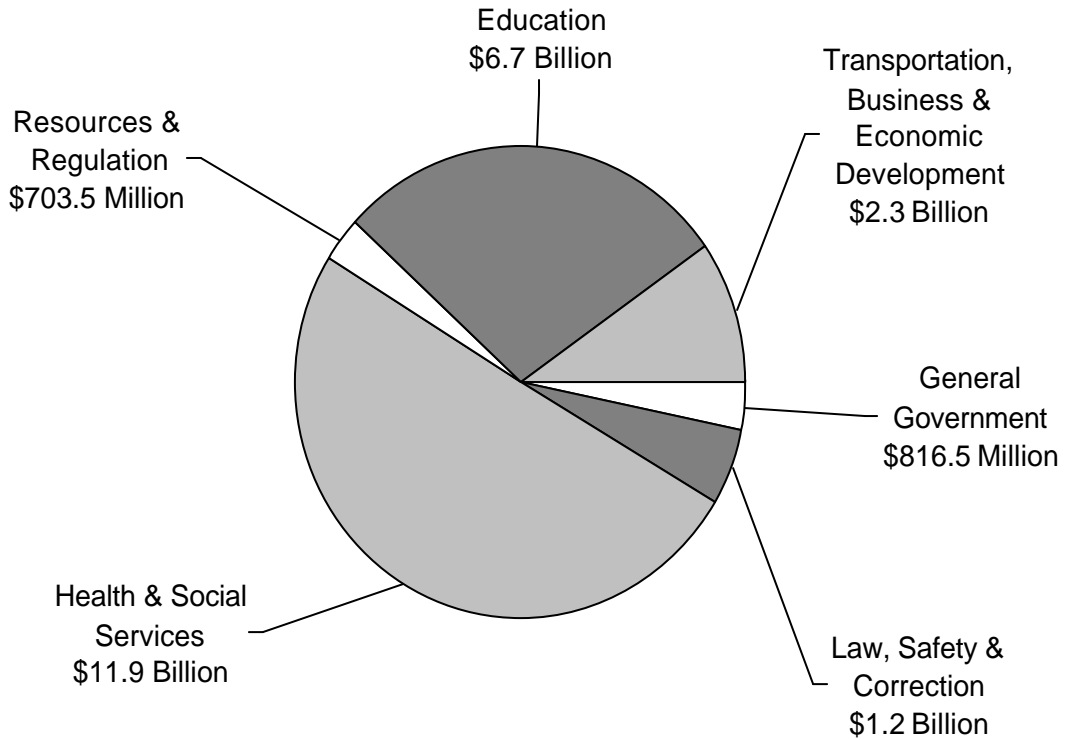
FISCAL YEAR 2005 - 2006





# Funds by Program Area

## FY 2005 - 2006 Recommended



**\$23,685,015,100 Total**

The departments and agencies of state government are grouped into six broad “functional areas.” This chart summarizes the FY 2005 - 2006 recommended funding allocated by area. The following sections of the budget document provide detailed information about the activities of each group.

**General Government**  
**Recommended Budget for Fiscal Year 2005-2006**  
**By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
301.00 Legislature	31,694,900	0	137,500	31,832,400
301.50 Fiscal Review Committee	965,900	0	0	965,900
305.00 Secretary of State	24,319,700	5,846,700	9,202,300	39,368,700
307.00 Comptroller of the Treasury	66,304,000	0	10,356,900	76,660,900
309.00 Treasury Department	149,700	0	19,410,800	19,560,500
313.00 Claims and Compensation	10,076,100	3,200,400	73,861,200	87,137,700
315.00 Executive Department	3,499,900	0	0	3,499,900
315.05 Executive Department - Office of Homeland Security	867,400	0	4,003,900	4,871,300
316.04 Tennessee Human Rights Commission	1,489,100	533,900	0	2,023,000
316.11 Tennessee Regulatory Authority	7,399,900	350,000	4,100	7,754,000
316.12 Advisory Commission on Intergovernmental Relations	266,000	0	2,027,200	2,293,200
316.31 Tax Structure Study Commission	0	0	0	0
317.00 Finance and Administration	15,437,600	32,476,400	166,630,700	214,544,700
319.00 Personnel	4,591,300	0	5,194,200	9,785,500
321.00 General Services	2,156,700	0	94,278,900	96,435,600
323.00 Veterans Affairs	3,368,100	360,000	82,700	3,810,800
347.00 Revenue	45,984,400	22,000	20,778,800	66,785,200
351.00 Miscellaneous Appropriations	145,825,800	0	2,250,000	148,075,800
353.00 Emergency and Contingency Fund	819,300	0	0	819,300
355.00 State Building Commission	250,000	0	0	250,000
<b>Total</b>	<b>\$365,465,800</b>	<b>\$42,789,400</b>	<b>\$408,219,200</b>	<b>\$816,474,400</b>



**Education**  
**Recommended Budget for Fiscal Year 2005-2006**  
**By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
331.00 Education (K-12)	3,145,202,400	853,101,200	42,986,100	4,041,289,700
332.00 Higher Education	1,299,258,000	168,991,900	1,216,830,700 *	2,685,080,600
<b>Total</b>	<b>\$4,444,460,400</b>	<b>\$1,022,093,100</b>	<b>\$1,259,816,800</b>	<b>\$6,726,370,300</b>

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

**Health and Social Services**  
**Recommended Budget for Fiscal Year 2005-2006**  
**By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
316.01 Commission on Children and Youth	1,694,900	6,815,000	2,364,800	10,874,700
316.02 Commission on Aging and Disability	8,485,000	24,466,800	2,105,000	35,056,800
316.07 Health Services and Development Agency	1,014,300	0	16,400	1,030,700
316.10 Council of Juvenile and Family Court Judges	450,000	0	35,000	485,000
318.00 Finance and Administration - TennCare Program	2,527,970,300	4,909,985,400	569,767,000	8,007,722,700
339.00 Mental Health and Developmental Disabilities	115,064,400	20,404,900	91,020,800	226,490,100
339.21 F&A - Mental Retardation Division	0	0	0	0
343.00 Health	111,712,600	264,249,700	117,092,200	493,054,500
344.00 Division of Mental Retardation Services	104,650,100	2,586,100	617,597,000	724,833,200
345.00 Human Services	185,022,700	1,477,014,000	137,656,900	1,799,693,600
359.00 Children's Services	287,635,900	100,371,800	198,336,000	586,343,700
<b>Total</b>	<b>\$3,343,700,200</b>	<b>\$6,805,893,700</b>	<b>\$1,735,991,100</b>	<b>\$11,885,585,000</b>

**Law, Safety and Correction**  
**Recommended Budget for Fiscal Year 2005-2006**  
**By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
302.00 Court System	91,370,500	200,000	3,553,700	95,124,200
303.00 Attorney General and Reporter	18,309,100	0	11,017,300	29,326,400
304.00 District Attorneys General Conference	53,303,100	0	17,535,000	70,838,100
306.00 District Public Defenders Conference	30,380,800	0	1,496,700	31,877,500
308.00 Office of the Post-Conviction Defender	1,186,400	0	0	1,186,400
316.03 Alcoholic Beverage Commission	368,700	0	4,215,400	4,584,100
316.08 TRICOR	0	0	32,343,900	32,343,900
316.09 Corrections Institute	679,300	0	15,000	694,300
324.00 Board of Probation and Parole	60,955,700	0	855,000	61,810,700
329.00 Correction	549,215,200	15,541,800	15,396,100	580,153,100
341.00 Military	10,744,600	98,065,400	2,374,000	111,184,000
348.00 Tennessee Bureau of Investigation	27,851,900	7,806,100	12,222,700	47,880,700
349.00 Safety	128,870,600	7,437,000	38,418,800	174,726,400
<b>Total</b>	<b>\$973,235,900</b>	<b>\$129,050,300</b>	<b>\$139,443,600</b>	<b>\$1,241,729,800</b>

**Resources and Regulation**  
**Recommended Budget for Fiscal Year 2005-2006**  
**By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
316.25 Arts Commission	4,080,500	613,500	14,900	4,708,900
316.27 State Museum	2,520,300	0	50,000	2,570,300
327.00 Environment and Conservation	161,382,000	75,589,100	86,888,500	323,859,600
328.00 Tennessee Wildlife Resources Agency	44,476,800	16,283,400	5,840,900	66,601,100
335.00 Commerce and Insurance	52,388,200	235,000	34,292,200	86,915,400
336.00 Financial Institutions	7,239,100	0	5,556,900	12,796,000
337.00 Labor and Workforce Development	31,608,700	150,305,100	24,124,000	206,037,800
<b>Total</b>	<b>\$303,695,600</b>	<b>\$243,026,100</b>	<b>\$156,767,400</b>	<b>\$703,489,100</b>

**Transportation, Business and Economic Development  
Recommended Budget for Fiscal Year 2005-2006  
By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
316.20 Tennessee Housing Development Agency	0	251,800,000	14,539,000	266,339,000
325.00 Agriculture	52,420,400	10,574,400	8,508,400	71,503,200
326.00 Tourist Development	11,645,700	0	6,858,200	18,503,900
330.00 Economic and Community Development	50,045,600	34,612,100	11,748,700	96,406,400
400.00 Transportation	820,900,000	996,332,000	41,382,000	1,858,614,000
<b>Total</b>	<b>\$935,011,700</b>	<b>\$1,293,318,500</b>	<b>\$83,036,300</b>	<b>\$2,311,366,500</b>



# General Government

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# General Government

Recommended Budget, Fiscal Year 2005 – 2006

**T**his 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.

The Office of Homeland Security, a staff division of the Executive Department, is responsible for developing and implementing a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks. The office interacts with the federal Department of Homeland Security and coordinates state homeland security actions through the Homeland Security Council, in order to assure a safe and healthy environment for all Tennesseans.

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

- Finance and Administration
- Personnel
- 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 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 Capital Projects and Real Property Management Division of the Department of Finance and Administration is responsible for capital improvements and maintenance projects and addressing the need for energy management in state-owned facilities. The Property Services Management Division of the Department of General Services is 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.

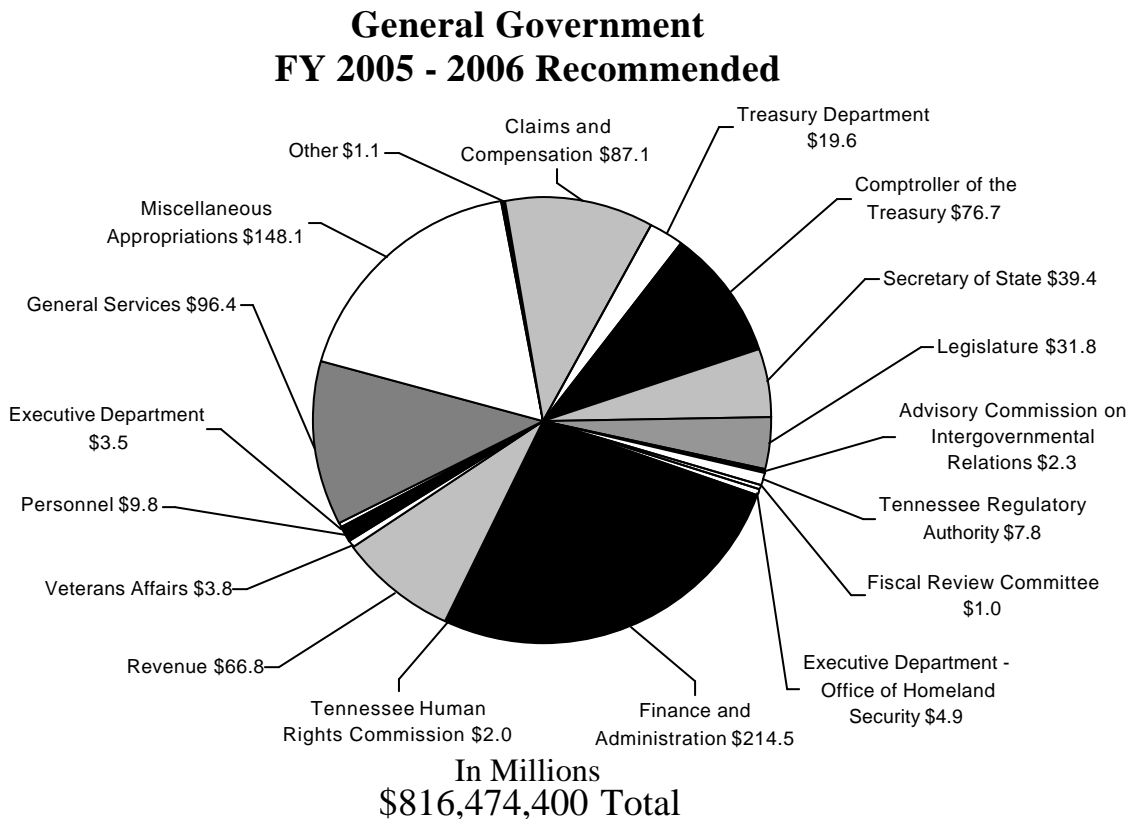
The Tax Structure Study Commission was created on July 4, 2002, by Acts of 2002, Public Chapter 856, and performed a study of the tax structure in Tennessee. The commission reported its findings in December of 2004 and terminated on December 31, 2004.

## Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared

with actual amounts for last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within the group. Funding mixes within each department vary, as some are exclusively state funded, while others represent state, federal, and other sources of funding.



## General Government Total Personnel and Funding

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Recommended 2005-2006</u>
<b>Personnel</b>			
Full Time	4,284	4,432	4,447
Part Time	171	173	171
Seasonal	21	21	21
<b>TOTAL</b>	<b>4,476</b>	<b>4,626</b>	<b>4,639</b>
<b>Expenditures</b>			
Payroll	\$205,804,900	\$252,469,500	\$250,179,200
Operational	422,762,400	523,163,500	566,295,200
<b>TOTAL</b>	<b>\$628,567,300</b>	<b>\$775,633,000</b>	<b>\$816,474,400</b>
<b>Funding</b>			
State	\$216,432,800	\$325,822,900	\$365,465,800
Federal	35,967,600	42,779,400	42,789,400
Other	376,166,900	407,030,700	408,219,200

## General Government Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Secretary of State</b>					
• <b>Blue Book</b>					
To provide funding for the 2005-2006 Tennessee Blue Book, the manual of information on Tennessee and its government. The funding is non-recurring.					
<b>305.03 Public Documents</b>	\$250,000	\$0	\$0	\$250,000	0
<b>Sub-total</b>	\$250,000	\$0	\$0	\$250,000	0
<b>Total Secretary of State</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>0</b>
<b>Comptroller of the Treasury</b>					
• <b>Performance Review</b>					
To provide funding for five audit positions to assist the Comptroller of the Treasury with his responsibilities under the Tennessee Governmental Accountability Act of 2002. For state agencies phased into performance-based budgeting, the Comptroller's responsibilities under the act include annual review of performance measures and related information and audit of actual performance to determine the extent to which state agencies are delivering services and achieving objectives reported in the performance-based budget.					
<b>307.04 Division of State Audit</b>	\$316,100	\$0	\$0	\$316,100	5
<b>Sub-total</b>	\$316,100	\$0	\$0	\$316,100	5
<b>Total Comptroller of the Treasury</b>	<b>\$316,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$316,100</b>	<b>5</b>
<b>Treasury Department</b>					
• <b>Retirement Systems Development</b>					
To provide funding for database conversion of the Consolidated Retirement Information System (CRIS). In addition, funding will be provided for system modification of the Treasury Retirement Installment Plan (TRIP), which allows members of the Tennessee Consolidated Retirement System to purchase prior service over time with an interest charge. The TRIP system tracks installment records by posting payments, calculating interest, generating files for monthly draws, and supplying related information.					
<b>309.01 Treasury Department</b>	\$0	\$0	\$1,405,800	\$1,405,800	0
<b>Sub-total</b>	\$0	\$0	\$1,405,800	\$1,405,800	0
• <b>Claims System Development</b>					
To provide funding for implementation of the Claims Commission case management system. This system will maintain a record of all Claims Commission actions; increase the efficiency of the claims commissioners; improve communication between the claims commissioners, plaintiffs, and attorneys; and report progress of cases.					
<b>309.01 Treasury Department</b>	\$0	\$0	\$300,000	\$300,000	0
<b>Sub-total</b>	\$0	\$0	\$300,000	\$300,000	0
<b>Total Treasury Department</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,705,800</b>	<b>\$1,705,800</b>	<b>0</b>

## General Government Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Finance and Administration</b>					
• <b>Geographic Information System</b>					
To provide non-recurring funds to complete digitized mapping of land parcels from aerial photography for the Geographic Information System. Without additional funding, completion of the system will be delayed, and data will become outdated more quickly, particularly in high-growth areas.					
<b>317.03 Office for Information Resources</b>	\$1,500,000	\$0	\$0	\$1,500,000	0
<b>Sub-total</b>	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,500,000</u>	<u>0</u>
<b>Total Finance and Administration</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>0</b>
<b>Personnel</b>					
• <b>Applicant Services</b>					
To provide funding for seven additional positions for the Applicant Services Division because of growth in the number of applicants requiring rating or testing. This will enhance the department's capacity to process state employment applications on a timely basis.					
<b>319.03 Technical Services</b>	\$0	\$0	\$367,900	\$367,900	7
<b>Sub-total</b>	<u>\$0</u>	<u>\$0</u>	<u>\$367,900</u>	<u>\$367,900</u>	<u>7</u>
• <b>Internet Testing</b>					
To provide funding to convert remote testing of state employment applicants to an Internet application. Converting the current remote testing system to an Internet testing system will improve the efficiency and effectiveness of the department's business processes; offer employment testing at a wider range of locations, such as high schools, colleges, and universities; improve response time; and reduce system errors. Internet-based testing also will improve security and will allow integration of future training and experience rating systems.					
<b>319.01 Executive Administration</b>	\$0	\$0	\$204,600	\$204,600	0
<b>Sub-total</b>	<u>\$0</u>	<u>\$0</u>	<u>\$204,600</u>	<u>\$204,600</u>	<u>0</u>
<b>Total Personnel</b>	<b>\$0</b>	<b>\$0</b>	<b>\$572,500</b>	<b>\$572,500</b>	<b>7</b>
<b>Veterans Affairs</b>					
• <b>Memphis Cemetery</b>					
To provide funding for the resetting and realignment of headstones at the Veterans Cemetery in Memphis. In addition, funds are recommended for four grounds workers and one secretarial position at the Memphis cemetery. Funding for the realignment of headstones (\$300,000) is non-recurring.					
<b>323.00 Veterans Affairs</b>	\$418,300	\$0	\$0	\$418,300	5
<b>Sub-total</b>	<u>\$418,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$418,300</u>	<u>5</u>
<b>Total Veterans Affairs</b>	<b>\$418,300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$418,300</b>	<b>5</b>

## General Government Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Miscellaneous Appropriations</b>					
• <b>Salary Increase - State and Higher Education Employees - July 1, 2005</b>					
To fund a 1% salary increase for state and higher education employees on July 1, 2005. In the higher education systems, this funds the state appropriation share through the higher education funding formula. Funds are recommended elsewhere, in the Education Department budget, for a 1% salary increase for teachers and other K-12 employees.					
<b>351.00 Miscellaneous Appropriations</b>	\$22,500,000	\$0	\$0	\$22,500,000	0
<b>Sub-total</b>	\$22,500,000	\$0	\$0	\$22,500,000	0
• <b>Salary Bonus - State and Higher Education Employees</b>					
To fund a one-time salary bonus for state and higher education employees. The recommended funds are equivalent to 1% of salaries. Funds are recommended elsewhere, in the Education Department budget, for a one-time salary bonus for teachers.					
<b>351.00 Miscellaneous Appropriations</b>	\$26,400,000	\$0	\$0	\$26,400,000	0
<b>Sub-total</b>	\$26,400,000	\$0	\$0	\$26,400,000	0
• <b>Classification-Compensation - State Employees</b>					
To provide funds for classification-compensation salary adjustments for state employees.					
<b>351.00 Miscellaneous Appropriations</b>	\$6,000,000	\$0	\$0	\$6,000,000	0
<b>Sub-total</b>	\$6,000,000	\$0	\$0	\$6,000,000	0
• <b>Group Health Insurance - January 1, 2005</b>					
To provide funding to annualize the state share of the January 1, 2005, group health insurance premium increase for state and higher education employees, which was funded for six months in the current-year budget. K-12 education funding to annualize the premium increase is included in the Education Department budget.					
<b>351.00 Miscellaneous Appropriations</b>	\$15,000,000	\$0	\$0	\$15,000,000	0
<b>Sub-total</b>	\$15,000,000	\$0	\$0	\$15,000,000	0
• <b>Group Health Insurance - January 1, 2006</b>					
To provide funding for the state share of the January 1, 2006, group health insurance premium increase for state and higher education employees. This is funded for six months in the recommended budget. K-12 education funding for this rate increase is included in the Education Department budget.					
<b>351.00 Miscellaneous Appropriations</b>	\$14,400,000	\$0	\$0	\$14,400,000	0
<b>Sub-total</b>	\$14,400,000	\$0	\$0	\$14,400,000	0

## General Government Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Retirees and Retired Teachers Health Insurance</b>					
To provide additional funding for health insurance of retired state employees (\$250,000) and retired teachers (\$900,000).					
<b>351.00 Miscellaneous Appropriations</b>	\$1,150,000	\$0	\$0	\$1,150,000	0
<b>Sub-total</b>	\$1,150,000	\$0	\$0	\$1,150,000	0
<b>• Health-Information Technology</b>					
To encourage the development of health-information technology initiatives and to provide state matching funds for a \$5 million award from the Agency for Healthcare Research and Quality, an agency of the U.S. Department of Health and Human Services. The funds are non-recurring.					
<b>351.00 Miscellaneous Appropriations</b>	\$10,000,000	\$0	\$0	\$10,000,000	0
<b>Sub-total</b>	\$10,000,000	\$0	\$0	\$10,000,000	0
<b>• Methamphetamine Initiative</b>					
To provide funds for the Governor's Methamphetamine Initiative. Recurring state appropriations of \$2,950,000 will provide \$2.4 million for incarceration costs related to enhanced penalties, including closure of the personal-use loophole in criminal law; \$500,000 for grants of \$50,000 to 10 Child Advocacy centers in meth-plagued judicial districts; and \$50,000 for the Safe and Drug-Free Schools program. Non-recurring funds of \$3,990,000, including \$1,740,000 from state appropriations and \$2,250,000 from the Safe Neighborhoods Act reserve, will provide \$1,740,000 for a drug court pilot project, \$1.5 million for a public service campaign; \$150,000 for legal training of law enforcement officers and prosecutors in use of new and existing statutes for meth arrests and prosecutions; and \$600,000 for lab response training of law enforcement officers and firefighters, utilizing the state Fire and Codes Enforcement Academy.					
<b>351.00 Miscellaneous Appropriations</b>	\$4,690,000	\$0	\$2,250,000	\$6,940,000	0
<b>Sub-total</b>	\$4,690,000	\$0	\$2,250,000	\$6,940,000	0
<b>• Risk Management Premiums</b>					
To provide \$1.2 million for a Board of Claims premium increase and \$1 million for a property insurance premium increase, both of which are effective July 1, 2005.					
<b>351.00 Miscellaneous Appropriations</b>	\$2,200,000	\$0	\$0	\$2,200,000	0
<b>Sub-total</b>	\$2,200,000	\$0	\$0	\$2,200,000	0
<b>• Travel Reimbursement Rates</b>					
To provide \$1.2 million for a mileage rate increase from 35 cents per mile to 38 cents, effective January 1, 2005, and \$850,000 for a lodging and per diem rate increase, effective November 1, 2004.					
<b>351.00 Miscellaneous Appropriations</b>	\$2,050,000	\$0	\$0	\$2,050,000	0
<b>Sub-total</b>	\$2,050,000	\$0	\$0	\$2,050,000	0

## General Government Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Higher Education - Professional Privilege Tax</b>					
To provide funds to the higher education systems for professional privilege tax payments on behalf of employees who are subject to the tax and use the professional license in higher education duties.					
<b>351.00 Miscellaneous Appropriations</b>	\$367,200	\$0	\$0	\$367,200	0
<b>Sub-total</b>	\$367,200	\$0	\$0	\$367,200	0
<b>• Y-CAP</b>					
To provide a grant to the YMCA Community Action Program (Y-CAP).					
<b>351.00 Miscellaneous Appropriations</b>	\$350,000	\$0	\$0	\$350,000	0
<b>Sub-total</b>	\$350,000	\$0	\$0	\$350,000	0
<b>• Intergovernmental Organization Dues</b>					
To provide funding for an increase in intergovernmental organization dues. These national associations support both Executive and Legislative branch work.					
<b>351.00 Miscellaneous Appropriations</b>	\$19,700	\$0	\$0	\$19,700	0
<b>Sub-total</b>	\$19,700	\$0	\$0	\$19,700	0
<b>• Rent Adjustments</b>					
To provide funding for rent increases for state agencies.					
<b>351.00 Miscellaneous Appropriations</b>	\$334,900	\$0	\$0	\$334,900	0
<b>Sub-total</b>	\$334,900	\$0	\$0	\$334,900	0
<b>Total Miscellaneous Appropriations</b>	<b>\$105,461,800</b>	<b>\$0</b>	<b>\$2,250,000</b>	<b>\$107,711,800</b>	<b>0</b>
<b>Total General Government</b>	<b>\$107,946,200</b>	<b>\$0</b>	<b>\$4,528,300</b>	<b>\$112,474,500</b>	<b>17</b>



# Legislature

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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.

## 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
- Continually reviewing Public Chapters.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>301.01 Legislative Administration Services</b>					
Full-Time	18	18	18	0	18
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>0</b>	<b>21</b>
Payroll	973,700	1,230,900	1,202,400	0	1,202,400
Operational	3,003,100	3,377,300	3,302,300	0	3,302,300
<b>Total</b>	<b>\$3,976,800</b>	<b>\$4,608,200</b>	<b>\$4,504,700</b>	<b>\$0</b>	<b>\$4,504,700</b>
State	3,956,700	4,591,200	4,487,700	0	4,487,700
Federal	0	0	0	0	0
Other	20,100	17,000	17,000	0	17,000
<b>301.16 General Assembly Support Services</b>					
Full-Time	62	62	62	0	62
Part-Time	29	29	29	0	29
Seasonal	0	0	0	0	0
<b>Total</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>0</b>	<b>91</b>
Payroll	4,027,600	5,377,500	5,316,700	0	5,316,700
Operational	1,003,100	1,431,500	1,081,500	0	1,081,500
<b>Total</b>	<b>\$5,030,700</b>	<b>\$6,809,000</b>	<b>\$6,398,200</b>	<b>\$0</b>	<b>\$6,398,200</b>
State	4,568,700	6,739,000	6,328,200	0	6,328,200
Federal	0	0	0	0	0
Other	462,000	70,000	70,000	0	70,000

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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### 301.17 Tennessee Code Commission

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	62,400	69,600	69,600	0	69,600
<b>Total</b>	<b>\$62,400</b>	<b>\$69,600</b>	<b>\$69,600</b>	<b>\$0</b>	<b>\$69,600</b>
State	62,400	69,600	69,600	0	69,600
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, 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.

### 301.07 House of Representatives

Full-Time	206	206	206	0	206
Part-Time	40	40	40	0	40
Seasonal	0	0	0	0	0
<b>Total</b>	<b>246</b>	<b>246</b>	<b>246</b>	<b>0</b>	<b>246</b>
Payroll	8,732,200	10,371,300	10,516,000	0	10,516,000
Operational	2,330,900	2,819,700	2,798,400	0	2,798,400
<b>Total</b>	<b>\$11,063,100</b>	<b>\$13,191,000</b>	<b>\$13,314,400</b>	<b>\$0</b>	<b>\$13,314,400</b>
State	11,032,500	13,162,500	13,285,900	0	13,285,900
Federal	0	0	0	0	0
Other	30,600	28,500	28,500	0	28,500

### 301.08 State Senate

Full-Time	100	100	100	0	100
Part-Time	54	54	54	0	54
Seasonal	0	0	0	0	0
<b>Total</b>	<b>154</b>	<b>154</b>	<b>154</b>	<b>0</b>	<b>154</b>
Payroll	4,738,200	5,998,900	6,021,600	0	6,021,600
Operational	1,289,600	1,000,100	978,800	0	978,800
<b>Total</b>	<b>\$6,027,800</b>	<b>\$6,999,000</b>	<b>\$7,000,400</b>	<b>\$0</b>	<b>\$7,000,400</b>
State	6,003,700	6,977,000	6,978,400	0	6,978,400
Federal	0	0	0	0	0
Other	24,100	22,000	22,000	0	22,000

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>301.13 General Assembly Committees</b>					
Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>
Payroll	394,500	463,300	454,900	0	454,900
Operational	64,600	90,200	90,200	0	90,200
<b>Total</b>	<b>\$459,100</b>	<b>\$553,500</b>	<b>\$545,100</b>	<b>\$0</b>	<b>\$545,100</b>
State	459,100	553,500	545,100	0	545,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>301.00 Department Total</b>					
Full-Time	393	393	393	0	393
Part-Time	126	126	126	0	126
Seasonal	0	0	0	0	0
<b>Total</b>	<b>519</b>	<b>519</b>	<b>519</b>	<b>0</b>	<b>519</b>
Payroll	18,866,200	23,441,900	23,511,600	0	23,511,600
Operational	7,753,700	8,788,400	8,320,800	0	8,320,800
<b>Total</b>	<b>\$26,619,900</b>	<b>\$32,230,300</b>	<b>\$31,832,400</b>	<b>\$0</b>	<b>\$31,832,400</b>
State	26,083,100	32,092,800	31,694,900	0	31,694,900
Federal	0	0	0	0	0
Other	536,800	137,500	137,500	0	137,500

# Fiscal Review Committee

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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 the respective 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 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>301.50 Fiscal Review Committee</b>					
Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>
Payroll	870,700	944,000	933,400	0	933,400
Operational	14,800	16,900	32,500	0	32,500
<b>Total</b>	<b>\$885,500</b>	<b>\$960,900</b>	<b>\$965,900</b>	<b>\$0</b>	<b>\$965,900</b>
State	752,100	960,900	965,900	0	965,900
Federal	0	0	0	0	0
Other	133,400	0	0	0	0

# Secretary of State

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The Secretary of State is a constitutional officer elected by the General Assembly to record and maintain the official acts of the Governor. The 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.

The State Election Commission, Registry of Election Finance, and the Economic Council on Women are administratively attached to the Secretary of State. The two program areas that comprise the Secretary of State's Office are Administrative and Support Services and State Library Services.

## Administrative and Support Services

Administrative and support services provide services essential to carrying out the responsibilities of the Secretary of State. These responsibilities and programs include:

- Processing and handling record keeping for corporate filings, the Uniform Commercial Code, notaries public, and trademarks
- Hearing contested cases and reviewing administrative records for numerous state agencies and regulatory boards
- Providing information on how donations to charitable organizations are utilized and reviewing these organizations and the for-profit organizations they employ
- Providing fiscal and managerial support to the department
- Providing operational support to the State Election Commission to ensure uniformity in the administration of election laws
- Maintaining public documents on elections and campaigns to be available to the public and media
- Publishing 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.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>305.01 Secretary of State</b>					
Full-Time	194	201	201	0	201
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>194</b>	<b>201</b>	<b>201</b>	<b>0</b>	<b>201</b>
Payroll	8,878,700	11,797,900	11,627,600	0	11,627,600
Operational	4,199,900	3,142,700	3,102,700	0	3,102,700
<b>Total</b>	<b>\$13,078,600</b>	<b>\$14,940,600</b>	<b>\$14,730,300</b>	<b>\$0</b>	<b>\$14,730,300</b>
State	5,030,000	7,803,800	7,593,500	0	7,593,500
Federal	306,600	300,000	300,000	0	300,000
Other	7,742,000	6,836,800	6,836,800	0	6,836,800

	<u>Actual</u> <u>2003-2004</u>	<u>Estimated</u> <u>2004-2005</u>	<u>Base</u> <u>2005-2006</u>	<u>Improvement</u> <u>2005-2006</u>	<u>Recommended</u> <u>2005-2006</u>
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### 305.02 State Election Commission

Full-Time	0	0	0	0	0
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
Payroll	79,500	96,600	96,600	0	96,600
Operational	1,515,700	1,584,800	1,584,800	0	1,584,800
<b>Total</b>	<b>\$1,595,200</b>	<b>\$1,681,400</b>	<b>\$1,681,400</b>	<b>\$0</b>	<b>\$1,681,400</b>
State	1,595,200	1,681,400	1,681,400	0	1,681,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 305.03 Public Documents

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	445,200	507,600	507,600	250,000	757,600
<b>Total</b>	<b>\$445,200</b>	<b>\$507,600</b>	<b>\$507,600</b>	<b>\$250,000</b>	<b>\$757,600</b>
State	387,600	387,600	387,600	250,000	637,600
Federal	0	0	0	0	0
Other	57,600	120,000	120,000	0	120,000

The Registry of Election Finance provides enforcement of the reporting requirements of the Campaign Financial Disclosure Law, Lobbyist Registration and Disclosure Law, and Conflict of Interest Disclosure Law. The registry also provides disclosure information to which the public is entitled by law.

### 305.07 Registry of Election Finance

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
Payroll	235,000	265,000	262,800	0	262,800
Operational	156,900	104,400	104,400	0	104,400
<b>Total</b>	<b>\$391,900</b>	<b>\$369,400</b>	<b>\$367,200</b>	<b>\$0</b>	<b>\$367,200</b>
State	216,700	326,400	324,200	0	324,200
Federal	0	0	0	0	0
Other	175,200	43,000	43,000	0	43,000

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 fund raising counsel, vending machine operators, and charitable gaming events.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>305.09 Charitable Solicitations and Charitable Gaming</b>					
Full-Time	10	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>19</b>
Payroll	570,900	1,224,600	1,214,600	0	1,214,600
Operational	101,300	562,500	562,500	0	562,500
<b>Total</b>	<b>\$672,200</b>	<b>\$1,787,100</b>	<b>\$1,777,100</b>	<b>\$0</b>	<b>\$1,777,100</b>
State	114,900	200,000	191,500	0	191,500
Federal	0	0	0	0	0
Other	557,300	1,587,100	1,585,600	0	1,585,600

Congress passed the Help America Vote Act of 2002 requiring mandatory changes and improvements in the electoral process. With the assistance of federal funds, 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.

### 305.10 Help America Vote Act

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	0	2,000,000	2,000,000	0	2,000,000
<b>Total</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$2,000,000</b>
State	0	0	0	0	0
Federal	0	2,000,000	2,000,000	0	2,000,000
Other	0	0	0	0	0

## State Library Services

Responsibilities of State Library Services include:

- Managing the State Library and Archives, including the Regional Library System
- 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
- Administering federal funds provided for library construction and renovation.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>305.04 State Library and Archives</b>					
Full-Time	102	102	102	0	102
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>0</b>	<b>102</b>
Payroll	4,545,500	5,221,700	5,119,800	0	5,119,800
Operational	4,979,800	4,709,700	4,477,700	0	4,477,700
<b>Total</b>	<b>\$9,525,300</b>	<b>\$9,931,400</b>	<b>\$9,597,500</b>	<b>\$0</b>	<b>\$9,597,500</b>
State	5,627,000	6,676,300	6,574,400	0	6,574,400
Federal	3,147,600	2,669,200	2,669,200	0	2,669,200
Other	750,700	585,900	353,900	0	353,900

### 305.05 Regional Library System

Full-Time	93	93	93	0	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>0</b>	<b>93</b>
Payroll	3,681,100	4,410,300	4,308,700	0	4,308,700
Operational	3,380,700	3,550,000	3,550,000	0	3,550,000
<b>Total</b>	<b>\$7,061,800</b>	<b>\$7,960,300</b>	<b>\$7,858,700</b>	<b>\$0</b>	<b>\$7,858,700</b>
State	6,483,700	7,287,800	7,186,200	0	7,186,200
Federal	419,500	477,500	477,500	0	477,500
Other	158,600	195,000	195,000	0	195,000

### 305.06 Library Construction

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	0	400,000	400,000	0	400,000
<b>Total</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$400,000</b>
State	0	0	0	0	0
Federal	0	400,000	400,000	0	400,000
Other	0	0	0	0	0

### Economic Council on Women

The 21 member Economic Council on Women 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.



	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>305.08 Economic Council on Women</b>					
Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
Payroll	79,800	165,000	164,500	0	164,500
Operational	39,400	34,400	34,400	0	34,400
<b>Total</b>	<b>\$119,200</b>	<b>\$199,400</b>	<b>\$198,900</b>	<b>\$0</b>	<b>\$198,900</b>
State	87,800	131,400	130,900	0	130,900
Federal	2,500	0	0	0	0
Other	28,900	68,000	68,000	0	68,000
<b>305.00 Department Total</b>					
Full-Time	407	423	423	0	423
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
<b>Total</b>	<b>412</b>	<b>428</b>	<b>428</b>	<b>0</b>	<b>428</b>
Payroll	18,070,500	23,181,100	22,794,600	0	22,794,600
Operational	14,818,900	16,596,100	16,324,100	250,000	16,574,100
<b>Total</b>	<b>\$32,889,400</b>	<b>\$39,777,200</b>	<b>\$39,118,700</b>	<b>\$250,000</b>	<b>\$39,368,700</b>
State	19,542,900	24,494,700	24,069,700	250,000	24,319,700
Federal	3,876,200	5,846,700	5,846,700	0	5,846,700
Other	9,470,300	9,435,800	9,202,300	0	9,202,300

# Comptroller of the Treasury

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The Comptroller of the Treasury is a constitutional officer elected by the General Assembly. Statutory duties 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
- Audit services
- Bond finance services
- Services to local governments
- Offices of Research and Education Accountability
- Office of State Assessed Properties.

## Administrative and Support Services

Administrative and Support Services directs and coordinates administrative activities within the Comptroller's office. They also provide printing, duplicating, and processing of out-going mail for the legislature and constitutional offices.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>307.01 Division of Administration</b>					
Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>
Payroll	546,800	652,900	643,800	0	<b>643,800</b>
Operational	92,200	119,600	122,400	0	<b>122,400</b>
<b>Total</b>	<b>\$639,000</b>	<b>\$772,500</b>	<b>\$766,200</b>	<b>\$0</b>	<b>\$766,200</b>
State	540,900	670,600	664,300	0	<b>664,300</b>
Federal	0	0	0	0	<b>0</b>
Other	98,100	101,900	101,900	0	<b>101,900</b>
<b>307.02 Office of Management Services</b>					
Full-Time	47	47	51	0	51
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>47</b>	<b>47</b>	<b>51</b>	<b>0</b>	<b>51</b>
Payroll	2,544,900	3,248,400	3,200,100	0	<b>3,200,100</b>
Operational	1,963,900	3,111,100	3,111,100	0	<b>3,111,100</b>
<b>Total</b>	<b>\$4,508,800</b>	<b>\$6,359,500</b>	<b>\$6,311,200</b>	<b>\$0</b>	<b>\$6,311,200</b>
State	4,281,800	6,107,000	6,058,700	0	<b>6,058,700</b>
Federal	0	0	0	0	<b>0</b>
Other	227,000	252,500	252,500	0	<b>252,500</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>307.03 Capitol Print Shop</b>					
Full-Time	17	17	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>17</b>	<b>13</b>	<b>0</b>	<b>13</b>
Payroll	511,900	747,200	727,600	0	727,600
Operational	445,000	740,400	740,400	0	740,400
<b>Total</b>	<b>\$956,900</b>	<b>\$1,487,600</b>	<b>\$1,468,000</b>	<b>\$0</b>	<b>\$1,468,000</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	956,900	1,487,600	1,468,000	0	1,468,000

### Audit Services

The divisions of Audit Services are 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. Likewise, they 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).

#### 307.04 Division of State Audit

Full-Time	200	203	203	5	208
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>200</b>	<b>203</b>	<b>203</b>	<b>5</b>	<b>208</b>
Payroll	10,817,700	12,401,500	12,262,400	283,600	12,546,000
Operational	1,337,600	1,499,200	1,499,200	32,500	1,531,700
<b>Total</b>	<b>\$12,155,300</b>	<b>\$13,900,700</b>	<b>\$13,761,600</b>	<b>\$316,100</b>	<b>\$14,077,700</b>
State	8,232,000	9,474,300	9,335,200	316,100	9,651,300
Federal	0	0	0	0	0
Other	3,923,300	4,426,400	4,426,400	0	4,426,400

#### 307.05 Division of County Audit

Full-Time	92	92	92	0	92
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>0</b>	<b>92</b>
Payroll	5,636,100	6,296,800	6,209,000	0	6,209,000
Operational	769,400	815,100	815,100	0	815,100
<b>Total</b>	<b>\$6,405,500</b>	<b>\$7,111,900</b>	<b>\$7,024,100</b>	<b>\$0</b>	<b>\$7,024,100</b>
State	5,485,300	6,311,900	6,224,100	0	6,224,100
Federal	0	0	0	0	0
Other	920,200	800,000	800,000	0	800,000

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>307.06 Division of Municipal Audit</b>					
Full-Time	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>19</b>
Payroll	1,248,500	1,384,200	1,364,100	0	1,364,100
Operational	160,300	233,900	233,900	0	233,900
<b>Total</b>	<b>\$1,408,800</b>	<b>\$1,618,100</b>	<b>\$1,598,000</b>	<b>\$0</b>	<b>\$1,598,000</b>
State	1,148,500	1,403,100	1,383,000	0	1,383,000
Federal	0	0	0	0	0
Other	260,300	215,000	215,000	0	215,000

### Bond Finance Services

Bond Finance Services is responsible for providing services related to the state's general obligation debt issued by the State Funding Board; the revenue debt for the Tennessee Local Development Authority (TLDA); the revenue debt by the Tennessee Housing Development Agency (THDA), and the Tennessee State School Bond Authority (TSSBA). The Division of Bond Finance is responsible for administering the financing programs of these issuers.

### 307.07 Division of Bond Finance

Full-Time	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>9</b>
Payroll	464,800	580,000	574,100	0	574,100
Operational	97,500	171,900	171,900	0	171,900
<b>Total</b>	<b>\$562,300</b>	<b>\$751,900</b>	<b>\$746,000</b>	<b>\$0</b>	<b>\$746,000</b>
State	193,700	351,000	345,100	0	345,100
Federal	0	0	0	0	0
Other	368,600	400,900	400,900	0	400,900

### Services to Local Governments

Services to local governments work toward improving the operation of the state's city and county governments by providing assistance and information that affects the state and local governments. In addition, they are required to assist local governments with debt management and ensure that local governments adopt balanced budgets. They also act as an agent and liaison between state, county, and city ad valorem tax assessments and collecting officials. They 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 part or all of property taxes paid.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>307.08 Office of Local Government</b>					
Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>
Payroll	214,400	268,700	267,200	0	267,200
Operational	44,200	61,600	61,600	0	61,600
<b>Total</b>	<b>\$258,600</b>	<b>\$330,300</b>	<b>\$328,800</b>	<b>\$0</b>	<b>\$328,800</b>
State	254,700	330,300	328,800	0	328,800
Federal	0	0	0	0	0
Other	3,900	0	0	0	0
<b>307.09 Division of Property Assessments</b>					
Full-Time	168	168	168	0	168
Part-Time	0	0	0	0	0
Seasonal	21	21	21	0	21
<b>Total</b>	<b>189</b>	<b>189</b>	<b>189</b>	<b>0</b>	<b>189</b>
Payroll	6,735,000	8,010,000	7,845,100	0	7,845,100
Operational	2,034,600	2,389,900	2,389,900	0	2,389,900
<b>Total</b>	<b>\$8,769,600</b>	<b>\$10,399,900</b>	<b>\$10,235,000</b>	<b>\$0</b>	<b>\$10,235,000</b>
State	7,102,000	8,614,900	8,450,000	0	8,450,000
Federal	0	0	0	0	0
Other	1,667,600	1,785,000	1,785,000	0	1,785,000
<b>307.10 Tax Relief</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	8,983,800	10,000,000	10,000,000	0	10,000,000
<b>Total</b>	<b>\$8,983,800</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$0</b>	<b>\$10,000,000</b>
State	8,983,800	10,000,000	10,000,000	0	10,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>307.11 State Board of Equalization</b>					
Full-Time	7	7	7	0	7
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>
Payroll	566,300	428,500	420,300	0	420,300
Operational	2,377,600	2,483,900	2,483,900	0	2,483,900
<b>Total</b>	<b>\$2,943,900</b>	<b>\$2,912,400</b>	<b>\$2,904,200</b>	<b>\$0</b>	<b>\$2,904,200</b>
State	2,917,400	2,829,900	2,821,700	0	2,821,700
Federal	0	0	0	0	0
Other	26,500	82,500	82,500	0	82,500

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>307.12 Division of Local Finance</b>					
Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
Payroll	271,700	299,900	293,200	0	293,200
Operational	38,600	45,500	45,500	0	45,500
<b>Total</b>	<b>\$310,300</b>	<b>\$345,400</b>	<b>\$338,700</b>	<b>\$0</b>	<b>\$338,700</b>
State	310,300	345,400	338,700	0	338,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

### Offices of Research and Education Accountability

The Offices of Research and Education Accountability provide research and staff support for the General Assembly and provide oversight for the state's K-12 education system in accordance with the Education Improvement Act.

#### 307.14 Offices of Research and Education Accountability

Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>
Payroll	976,000	1,111,100	1,098,600	0	1,098,600
Operational	640,700	766,900	766,900	0	766,900
<b>Total</b>	<b>\$1,616,700</b>	<b>\$1,878,000</b>	<b>\$1,865,500</b>	<b>\$0</b>	<b>\$1,865,500</b>
State	1,124,700	1,325,400	1,312,900	0	1,312,900
Federal	0	0	0	0	0
Other	492,000	552,600	552,600	0	552,600

### Office of State Assessed Properties

The Office of State Assessed Properties annually assesses all tangible and intangible properties for tax purposes at the state, county, and municipal levels. The division also assesses personal properties used and/or leased by the companies under its jurisdiction and conducts audits of public utility and transportation companies.

#### 307.15 Office of State Assessed Properties

Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>
Payroll	739,200	860,400	850,000	0	850,000
Operational	139,300	190,300	165,400	0	165,400
<b>Total</b>	<b>\$878,500</b>	<b>\$1,050,700</b>	<b>\$1,015,400</b>	<b>\$0</b>	<b>\$1,015,400</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
State	776,500	925,800	915,400	0	<b>915,400</b>
Federal	0	0	0	0	<b>0</b>
Other	102,000	124,900	100,000	0	<b>100,000</b>

### Telecommunications Ad Valorem Tax Equity Payments

The Telecommunications Ad Valorem Tax Equity fund was established to reimburse local telecommunications companies for property tax liabilities that exceed assessment levels applicable to average commercial and industrial taxpayers.

#### 307.50 Telecommunications Ad Valorem Tax Equity Payments

Full-Time	0	0	0	0	<b>0</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	<b>0</b>
Operational	17,831,700	17,982,100	17,982,100	0	<b>17,982,100</b>
<b>Total</b>	<b>\$17,831,700</b>	<b>\$17,982,100</b>	<b>\$17,982,100</b>	<b>\$0</b>	<b>\$17,982,100</b>
State	17,720,100	17,810,000	17,810,000	0	<b>17,810,000</b>
Federal	0	0	0	0	<b>0</b>
Other	111,600	172,100	172,100	0	<b>172,100</b>

#### 307.00 Department Total

Full-Time	609	612	612	5	<b>617</b>
Part-Time	8	8	8	0	<b>8</b>
Seasonal	21	21	21	0	<b>21</b>
<b>Total</b>	<b>638</b>	<b>641</b>	<b>641</b>	<b>5</b>	<b>646</b>
Payroll	31,273,300	36,289,600	35,755,500	283,600	<b>36,039,100</b>
Operational	36,956,400	40,611,400	40,589,300	32,500	<b>40,621,800</b>
<b>Total</b>	<b>\$68,229,700</b>	<b>\$76,901,000</b>	<b>\$76,344,800</b>	<b>\$316,100</b>	<b>\$76,660,900</b>
State	59,071,700	66,499,600	65,987,900	316,100	<b>66,304,000</b>
Federal	0	0	0	0	<b>0</b>
Other	9,158,000	10,401,400	10,356,900	0	<b>10,356,900</b>

# Treasury Department

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The State Treasurer is a constitutional officer elected by the General Assembly. The State Treasurer is charged with various responsibilities and duties relating to the financial operations of state government. The duties of the State Treasurer include:

- Administering the Tennessee Consolidated Retirement System which provides retirement coverage to state employees, higher education employees, teachers, and employees of political subdivisions that have elected to participate in the plan
- Managing the State Pooled Investment Fund which includes the state's cash, various reserves, trust funds of the state, and the Local Government Investment Pool
- Overseeing the State Employees' Deferred Compensation Program and the State Employees' Flexible Benefits Plan
- Directing the staff of the Claims Administration and Risk Management divisions
- Administering the Baccalaureate Education System Trust (BEST) to assist students or their families in financing a portion of the costs of attending colleges and universities
- Overseeing the three-member claims commission which is administratively attached to the Treasury. Payments are awarded from the Claims Award Fund administered by the State Treasurer in cases of employee negligence and for state employee workers' compensation claims, contract actions, and tax recovery.
- Administering the Small and Minority Business Assistance Program which provides capital assistance to small and minority owned businesses.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>309.01 Treasury Department</b>					
Full-Time	204	205	205	0	<b>205</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>204</b>	<b>205</b>	<b>205</b>	<b>0</b>	<b>205</b>
Payroll	10,349,400	12,188,800	12,011,900	89,300	<b>12,101,200</b>
Operational	4,541,300	6,704,200	5,707,900	1,616,500	<b>7,324,400</b>
<b>Total</b>	<b>\$14,890,700</b>	<b>\$18,893,000</b>	<b>\$17,719,800</b>	<b>\$1,705,800</b>	<b>\$19,425,600</b>
State	88,100	96,700	94,900	0	<b>94,900</b>
Federal	0	0	0	0	<b>0</b>
Other	14,802,600	18,796,300	17,624,900	1,705,800	<b>19,330,700</b>

The State Treasurer also administers an annual educational incentive payment program for certain county officials who complete the advanced level of a three-level 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.



	<u>Actual</u> <u>2003-2004</u>	<u>Estimated</u> <u>2004-2005</u>	<u>Base</u> <u>2005-2006</u>	<u>Improvement</u> <u>2005-2006</u>	<u>Recommended</u> <u>2005-2006</u>
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**309.02 Certified Public Administrators**

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	53,000	54,800	54,800	0	54,800
<b>Total</b>	<b>\$53,000</b>	<b>\$54,800</b>	<b>\$54,800</b>	<b>\$0</b>	<b>\$54,800</b>
State	53,000	54,800	54,800	0	54,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

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

**309.05 Small and Minority Owned Business Assistance Program**

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	20,900	80,100	80,100	0	80,100
<b>Total</b>	<b>\$20,900</b>	<b>\$80,100</b>	<b>\$80,100</b>	<b>\$0</b>	<b>\$80,100</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	20,900	80,100	80,100	0	80,100

**309.00 Department Total**

Full-Time	204	205	205	0	205
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>204</b>	<b>205</b>	<b>205</b>	<b>0</b>	<b>205</b>
Payroll	10,349,400	12,188,800	12,011,900	89,300	12,101,200
Operational	4,615,200	6,839,100	5,842,800	1,616,500	7,459,300
<b>Total</b>	<b>\$14,964,600</b>	<b>\$19,027,900</b>	<b>\$17,854,700</b>	<b>\$1,705,800</b>	<b>\$19,560,500</b>
State	141,100	151,500	149,700	0	149,700
Federal	0	0	0	0	0
Other	14,823,500	18,876,400	17,705,000	1,705,800	19,410,800

# Claims and Compensation

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Claims and Compensation handles all claims filed with the state. Claims administered include the Criminal Injuries Compensation Fund, Risk Management Fund, and Unclaimed Property. Their responsibilities include the following:

- Making payments to defray the costs of medical services, loss of earnings, burial costs, and other pecuniary losses to either the victim of a crime or to the dependents of deceased victims
- Maintaining adequate insurance against damage or loss for all state-owned property
- Servicing claims for risk of loss to which the state is exposed including general liability, automobile liability, professional malpractice, and worker's compensation
- Taking custody of abandoned property and attempting to locate the rightful owners or their heirs.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>313.03 Criminal Injuries Compensation</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	12,622,600	12,642,100	13,276,500	0	13,276,500
<b>Total</b>	<b>\$12,622,600</b>	<b>\$12,642,100</b>	<b>\$13,276,500</b>	<b>\$0</b>	<b>\$13,276,500</b>
State	7,572,600	9,474,100	10,076,100	0	10,076,100
Federal	4,971,000	3,168,000	3,200,400	0	3,200,400
Other	79,000	0	0	0	0
<b>313.10 Risk Management Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	58,980,500	51,167,700	54,461,200	0	54,461,200
<b>Total</b>	<b>\$58,980,500</b>	<b>\$51,167,700</b>	<b>\$54,461,200</b>	<b>\$0</b>	<b>\$54,461,200</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	58,980,500	51,167,700	54,461,200	0	54,461,200
<b>313.20 Unclaimed Property</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	13,743,700	17,300,000	19,400,000	0	19,400,000
<b>Total</b>	<b>\$13,743,700</b>	<b>\$17,300,000</b>	<b>\$19,400,000</b>	<b>\$0</b>	<b>\$19,400,000</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	13,743,700	17,300,000	19,400,000	0	19,400,000

**313.00 Department Total**

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	85,346,800	81,109,800	87,137,700	0	87,137,700
<b>Total</b>	<b>\$85,346,800</b>	<b>\$81,109,800</b>	<b>\$87,137,700</b>	<b>\$0</b>	<b>\$87,137,700</b>
State	7,572,600	9,474,100	10,076,100	0	10,076,100
Federal	4,971,000	3,168,000	3,200,400	0	3,200,400
Other	72,803,200	68,467,700	73,861,200	0	73,861,200

# Executive Department

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The Executive Department oversees the daily operation of state government and is responsible for ensuring that state laws are enforced, taxes are collected, and public funds are spent wisely. The department is comprised of the Governor's Office and the Office of Homeland Security. The Office of Homeland Security is reflected separately and directly follows the Executive Department in the Budget Document.

The Governor's Office has responsibility for the overall operation of state government. The Governor appoints commissioners and directors of executive branch agencies. His staff works with state agencies and the Legislature to design and implement specific program priorities. In addition, the staff provides policy research and recommendations for the effective operation of government. The Governor's staff also processes mail and phone correspondence with Tennessee citizens.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>315.01 Governor's Office</b>					
Full-Time	40	37	37	0	37
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>40</b>	<b>37</b>	<b>37</b>	<b>0</b>	<b>37</b>
Payroll	2,288,300	2,595,500	2,581,300	0	2,581,300
Operational	855,000	918,600	918,600	0	918,600
<b>Total</b>	<b>\$3,143,300</b>	<b>\$3,514,100</b>	<b>\$3,499,900</b>	<b>\$0</b>	<b>\$3,499,900</b>
State	3,110,600	3,514,100	3,499,900	0	3,499,900
Federal	0	0	0	0	0
Other	32,700	0	0	0	0

# Executive Department Office of Homeland Security

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The Office of Homeland Security, a staff division of the Executive Department, develops and coordinates implementation of a comprehensive strategy to secure the state of Tennessee from terrorist threats and attacks. The office interacts with the U.S. Department of Homeland Security and coordinates state homeland security actions through the state Homeland Security Council.

The Homeland Security Council was created by Executive Order after the September 11, 2001, terrorist attack on America. The council consists of the Director of the Office of Homeland Security, who is appointed by the Governor; the Deputy to the Governor; the Attorney General; the commissioners of the departments of Health, Safety, Transportation, Agriculture, Commerce and Insurance, Finance and Administration, General Services, Environment and Conservation, and Military; the directors of the Tennessee Emergency Management Agency and the Tennessee Bureau of Investigation; the state chief information systems officer; the colonel of the Tennessee Highway Patrol; the chief of law enforcement of the Tennessee Wildlife Resources Agency; and six representatives of local governments.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>315.05 Office of Homeland Security</b>					
Full-Time	19	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>19</b>	<b>21</b>	<b>21</b>	<b>0</b>	<b>21</b>
Payroll	856,900	1,534,700	1,527,100	0	1,527,100
Operational	779,000	3,345,600	3,344,200	0	3,344,200
<b>Total</b>	<b>\$1,635,900</b>	<b>\$4,880,300</b>	<b>\$4,871,300</b>	<b>\$0</b>	<b>\$4,871,300</b>
State	685,400	870,100	867,400	0	867,400
Federal	0	0	0	0	0
Other	950,500	4,010,200	4,003,900	0	4,003,900

# Human Rights Commission

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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. THRC is also charged with the responsibility to monitor other state agencies' compliance with the expenditure of federal funds in regards to civil rights.

THRC 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 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.04 Human Rights Commission</b>					
Full-Time	28	28	28	0	<b>28</b>
Part-Time	1	1	1	0	<b>1</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>0</b>	<b>29</b>
Payroll	1,259,400	1,556,200	1,532,900	0	<b>1,532,900</b>
Operational	482,300	492,200	490,100	0	<b>490,100</b>
<b>Total</b>	<b>\$1,741,700</b>	<b>\$2,048,400</b>	<b>\$2,023,000</b>	<b>\$0</b>	<b>\$2,023,000</b>
State	1,304,900	1,514,500	1,489,100	0	<b>1,489,100</b>
Federal	436,800	533,900	533,900	0	<b>533,900</b>
Other	0	0	0	0	<b>0</b>

# Tennessee Regulatory Authority

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The Tennessee Regulatory Authority (TRA) is a quasi-judicial body. Leadership for the agency is comprised of four directors, three of whom are appointed for six-year terms by the Governor, House Speaker, and Senate Speaker. The fourth director is 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.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.11 Tennessee Regulatory Authority</b>					
Full-Time	82	81	81	0	<b>81</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>82</b>	<b>81</b>	<b>81</b>	<b>0</b>	<b>81</b>
Payroll	4,905,200	5,667,300	5,604,100	0	<b>5,604,100</b>
Operational	1,961,600	2,549,900	2,149,900	0	<b>2,149,900</b>
<b>Total</b>	<b>\$6,866,800</b>	<b>\$8,217,200</b>	<b>\$7,754,000</b>	<b>\$0</b>	<b>\$7,754,000</b>
State	6,513,200	7,863,100	7,399,900	0	<b>7,399,900</b>
Federal	351,600	350,000	350,000	0	<b>350,000</b>
Other	2,000	4,100	4,100	0	<b>4,100</b>

# Advisory Commission on Intergovernmental Relations

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The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) was created to monitor federal, state, and local government relations and to make recommendations for improvement to the Legislature. The commission is comprised of representatives from the executive and legislative branches of state government, county and municipal governments, and the public. The commission serves as a bipartisan forum for the discussion of intergovernmental issues and may initiate studies resulting in legislative proposals and constitutional amendments. The commission 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:

- Property Assessment System in Tennessee
- Implementation of Tennessee Code Annotated 6-58-113 relative to Tennessee’s growth policy, annexation, and incorporation law
- Compilation and maintenance of an inventory of public infrastructure needs
- Analyze the boards of commissioners of utility districts.

Major on-going areas of TACIR studies and activities include:

- Fiscal capacity measures for the Basic Education Plan (BEP)
- Education finance
- Issues related to the Tennessee tax structure
- Other state, local, and federal fiscal issues
- Government modernization
- Intergovernmental issues.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.12 Advisory Commission on Intergovernmental Relations</b>					
Full-Time	16	16	16	0	16
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>18</b>
Payroll	953,100	1,290,500	1,286,900	0	1,286,900
Operational	987,500	1,015,500	1,006,300	0	1,006,300
<b>Total</b>	<b>\$1,940,600</b>	<b>\$2,306,000</b>	<b>\$2,293,200</b>	<b>\$0</b>	<b>\$2,293,200</b>
State	18,400	266,000	266,000	0	266,000
Federal	0	0	0	0	0
Other	1,922,200	2,040,000	2,027,200	0	2,027,200



# Tax Structure Study Commission

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The Tax Structure Study Commission, which expired December 31, 2004, was created on July 4, 2002, by Acts of 2002, Public Chapter 856. The commission reported its findings and recommendations in December 2004.

According to the law, the commission was to perform a comprehensive study of the tax structure in Tennessee. The study was to include state taxes, local taxes, special district taxes, and state-shared taxes. The commission was to consider the elasticity of the current tax structure, the effect of electronic-commerce upon the current tax structure, the method of allocation of state tax revenue, the effect of allocation of tax revenue based on situs of collection, current distribution formulas for tax revenue, special allocations of tax revenue based on population or tourism-related special treatment, and the deductibility of state and local taxes from federal taxes.

The commission also was to study issues pertaining to exportability and federal deductibility of Tennessee's state and local taxes. The commission was to evaluate the impact of various taxes upon the state's business climate and economic competitiveness. Issues involved in franchise, excise, and other business taxes also were to be considered.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.31 Tax Structure Study Commission</b>					
Full-Time	2	2	0	0	0
Part-Time	0	2	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	151,100	115,100	0	0	0
Operational	99,000	163,000	0	0	0
<b>Total</b>	<b>\$250,100</b>	<b>\$278,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
State	250,100	0	0	0	0
Federal	0	0	0	0	0
Other	0	278,100	0	0	0

# Department of Finance and Administration

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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's specific responsibilities. These responsibilities involve the coordination of a number of state government activities that are provided through administrative services, fiscal and management services, capital and facilities management services, and TennCare oversight.

## Administrative Services

The administrative services of this department include the management of the state's information system needs, the contracting of professional services, insurance benefits management, program evaluation, and intra-departmental support. Specific responsibilities include:

- Managing the centralized information system
- Planning, developing, and implementing new information systems
- Managing and supporting voice and data communications
- Providing agencies with technical assistance for their systems
- Providing staff support to the Information Systems Council
- Managing the insurance benefits available to state, local education, and local government employees
- Administering federal grants associated with illegal drug control, the Victims of Crime Assistance Program, the Family Violence Program, and the improvement of criminal justice information systems
- Administering the AmeriCorps and Learn & Serve grant programs
- Coordinating the department's strategic planning and performance based budgeting initiatives
- Supporting department programs by providing auditing, consulting, fiscal analysis and processing, legal services, human resources management, and information systems management
- Managing the state's contracting process
- Creating and maintaining a statewide health plan.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>317.01 Division of Administration</b>					
Full-Time	112	112	112	0	112
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>0</b>	<b>113</b>
Payroll	4,821,500	7,281,900	7,209,000	0	7,209,000
Operational	3,585,000	3,333,900	3,333,900	0	3,333,900
<b>Total</b>	<b>\$8,406,500</b>	<b>\$10,615,800</b>	<b>\$10,542,900</b>	<b>\$0</b>	<b>\$10,542,900</b>
State	781,600	1,321,400	1,309,700	0	1,309,700
Federal	0	0	0	0	0
Other	7,624,900	9,294,400	9,233,200	0	9,233,200

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>317.03 Office of Information Resources</b>					
Full-Time	482	484	484	0	484
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>482</b>	<b>484</b>	<b>484</b>	<b>0</b>	<b>484</b>
Payroll	27,566,100	34,015,200	33,630,200	0	33,630,200
Operational	111,287,800	113,140,300	101,529,700	1,500,000	103,029,700
<b>Total</b>	<b>\$138,853,900</b>	<b>\$147,155,500</b>	<b>\$135,159,900</b>	<b>\$1,500,000</b>	<b>\$136,659,900</b>
State	0	7,775,000	2,275,000	1,500,000	3,775,000
Federal	60,000	0	0	0	0
Other	138,793,900	139,380,500	132,884,900	0	132,884,900
<b>317.04 Insurance Administration</b>					
Full-Time	39	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>0</b>	<b>39</b>
Payroll	1,822,400	2,136,700	2,094,100	0	2,094,100
Operational	2,020,200	2,344,700	2,341,900	0	2,341,900
<b>Total</b>	<b>\$3,842,600</b>	<b>\$4,481,400</b>	<b>\$4,436,000</b>	<b>\$0</b>	<b>\$4,436,000</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,842,600	4,481,400	4,436,000	0	4,436,000
<b>317.06 Criminal Justice Programs</b>					
Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>
Payroll	862,500	1,185,100	1,160,000	0	1,160,000
Operational	24,235,000	28,740,200	28,738,800	0	28,738,800
<b>Total</b>	<b>\$25,097,500</b>	<b>\$29,925,300</b>	<b>\$29,898,800</b>	<b>\$0</b>	<b>\$29,898,800</b>
State	1,731,400	2,467,700	2,460,600	0	2,460,600
Federal	23,173,400	27,450,800	27,431,400	0	27,431,400
Other	192,700	6,800	6,800	0	6,800
<b>317.07 Resource Development and Support</b>					
Full-Time	15	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>21</b>	<b>21</b>	<b>0</b>	<b>21</b>
Payroll	2,199,800	1,404,100	1,392,600	0	1,392,600
Operational	709,300	311,400	309,900	0	309,900
<b>Total</b>	<b>\$2,909,100</b>	<b>\$1,715,500</b>	<b>\$1,702,500</b>	<b>\$0</b>	<b>\$1,702,500</b>
State	972,700	1,542,100	1,531,200	0	1,531,200
Federal	0	0	0	0	0
Other	1,936,400	173,400	171,300	0	171,300

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>317.11 National and Community Service</b>					
Full-Time	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>
Payroll	321,100	431,600	427,900	0	427,900
Operational	2,679,300	5,027,500	5,026,900	0	5,026,900
<b>Total</b>	<b>\$3,000,400</b>	<b>\$5,459,100</b>	<b>\$5,454,800</b>	<b>\$0</b>	<b>\$5,454,800</b>
State	157,200	224,900	224,100	0	224,100
Federal	2,673,900	5,048,000	5,045,000	0	5,045,000
Other	169,300	186,200	185,700	0	185,700

### 317.15 State Health Planning Division

Full-Time	0	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>
Payroll	0	242,600	242,600	0	242,600
Operational	0	112,400	112,400	0	112,400
<b>Total</b>	<b>\$0</b>	<b>\$355,000</b>	<b>\$355,000</b>	<b>\$0</b>	<b>\$355,000</b>
State	0	355,000	355,000	0	355,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

## Fiscal and Management Services

This functional area develops and implements policies pertaining to the fiscal and managerial aspects of state government. These responsibilities include:

- Preparing, implementing, and monitoring the state budget
- Evaluating the budgetary needs and requests of all state agencies
- Incorporating the budgetary priorities into the Governor's budget
- Tracking the budget through the legislative committee process
- Revising the budget to include legislative changes
- Implementing and monitoring each agency's finalized annual budget
- Monitoring the fiscal impact of state-related federal legislation
- Coordinating the state's strategic planning and performance based budgeting initiatives
- Conducting research for the commissioner
- Accounting for state revenues and expenditures
- Generating the state's payroll
- Providing financial management reports to departments
- Providing reports to departmental management on revenues and expenditures
- Analyzing the operations of various program areas
- Publishing the state's Consolidated Annual Financial Report
- Establishing the state's fiscal policies and procedures
- Analyzing the state's cash management process related to grant funds.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>317.02 Division of Budget</b>					
Full-Time	32	33	33	0	<b>33</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>32</b>	<b>33</b>	<b>33</b>	<b>0</b>	<b>33</b>
Payroll	2,096,600	2,527,300	2,510,900	0	<b>2,510,900</b>
Operational	461,500	700,900	687,700	0	<b>687,700</b>
<b>Total</b>	<b>\$2,558,100</b>	<b>\$3,228,200</b>	<b>\$3,198,600</b>	<b>\$0</b>	<b>\$3,198,600</b>
State	2,558,100	3,228,200	3,198,600	0	<b>3,198,600</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

### 317.05 Division of Accounts

Full-Time	81	81	81	0	<b>81</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>0</b>	<b>81</b>
Payroll	4,251,600	4,837,300	4,752,000	0	<b>4,752,000</b>
Operational	5,977,300	5,943,400	5,937,600	0	<b>5,937,600</b>
<b>Total</b>	<b>\$10,228,900</b>	<b>\$10,780,700</b>	<b>\$10,689,600</b>	<b>\$0</b>	<b>\$10,689,600</b>
State	0	0	0	0	<b>0</b>
Federal	34,100	0	0	0	<b>0</b>
Other	10,194,800	10,780,700	10,689,600	0	<b>10,689,600</b>

## Capital Projects and Facilities Management Services

The facilities management services coordinated by the Department of Finance and Administration include the planning, construction, and utilization of state-owned real property. Included among this property are facilities which are part of the Facilities Revolving Fund. Specific responsibilities include:

- Planning and reviewing the construction, acquisition, and alteration of state property
- Developing the state's long-range plan regarding real property needs
- Managing the acquisition, disposal, and utilization of state-owned real property
- Coordinating the design, construction, and redevelopment of state facilities
- Providing staff support to the State Building Commission
- Coordinating and budgeting the Facilities Revolving Fund
- Managing the energy management program for state facilities.

### 317.10 Capital Projects and Real Property Management

Full-Time	67	68	68	0	<b>68</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>67</b>	<b>68</b>	<b>68</b>	<b>0</b>	<b>68</b>
Payroll	3,462,000	4,044,700	3,984,000	0	<b>3,984,000</b>
Operational	1,989,700	2,489,300	2,484,500	0	<b>2,484,500</b>
<b>Total</b>	<b>\$5,451,700</b>	<b>\$6,534,000</b>	<b>\$6,468,500</b>	<b>\$0</b>	<b>\$6,468,500</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
State	2,368,300	2,615,900	2,583,400	0	<b>2,583,400</b>
Federal	0	0	0	0	<b>0</b>
Other	3,083,400	3,918,100	3,885,100	0	<b>3,885,100</b>

### TennCare Oversight and Investigation

The Office of TennCare Inspector General was created to help prevent, identify, investigate, and prosecute individuals who commit or attempt to commit fraud and/or abuse the TennCare Program.

#### 317.12 Office of TennCare Inspector General

Full-Time	0	71	71	0	<b>71</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>71</b>	<b>71</b>	<b>0</b>	<b>71</b>
Payroll	0	3,575,800	3,558,200	0	<b>3,558,200</b>
Operational	0	1,565,000	1,563,400	0	<b>1,563,400</b>
<b>Total</b>	<b>\$0</b>	<b>\$5,140,800</b>	<b>\$5,121,600</b>	<b>\$0</b>	<b>\$5,121,600</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	0	5,140,800	5,121,600	0	<b>5,121,600</b>

The TennCare Advisory Commission is appointed by the Governor to advise the Director of TennCare.

#### 317.13 TennCare Advisory Commission

Full-Time	0	0	0	0	<b>0</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	<b>0</b>
Operational	0	16,500	16,500	0	<b>16,500</b>
<b>Total</b>	<b>\$0</b>	<b>\$16,500</b>	<b>\$16,500</b>	<b>\$0</b>	<b>\$16,500</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	0	16,500	16,500	0	<b>16,500</b>

#### 317.00 Department Total

Full-Time	856	941	941	0	<b>941</b>
Part-Time	1	1	1	0	<b>1</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>857</b>	<b>942</b>	<b>942</b>	<b>0</b>	<b>942</b>
Payroll	47,403,600	61,682,300	60,961,500	0	<b>60,961,500</b>
Operational	152,945,100	163,725,500	152,083,200	1,500,000	<b>153,583,200</b>
<b>Total</b>	<b>\$200,348,700</b>	<b>\$225,407,800</b>	<b>\$213,044,700</b>	<b>\$1,500,000</b>	<b>\$214,544,700</b>
State	8,569,300	19,530,200	13,937,600	1,500,000	<b>15,437,600</b>
Federal	25,941,400	32,498,800	32,476,400	0	<b>32,476,400</b>
Other	165,838,000	173,378,800	166,630,700	0	<b>166,630,700</b>

# Department of Personnel

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The Department of Personnel designs and implements policies and practices to effectively manage the personnel needs of state government. The department advises the Governor on human resource issues, implements the Governor's Affirmative Action Plan, and administers the provisions of the Civil Service Act. The Department of Personnel 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 three major program areas of the Department of Personnel are:

- Administrative Services
- Human Resource Services
- Technical Services.

## Administrative Services

In addition to providing general administrative support services for the Department of Personnel, Administrative Services also coordinates services to all state departments and agencies.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>319.01 Executive Administration</b>					
Full-Time	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>16</b>
Payroll	906,000	1,097,600	1,079,500	0	1,079,500
Operational	1,352,000	1,506,900	1,506,900	204,600	1,711,500
<b>Total</b>	<b>\$2,258,000</b>	<b>\$2,604,500</b>	<b>\$2,586,400</b>	<b>\$204,600</b>	<b>\$2,791,000</b>
State	1,642,300	1,843,900	1,825,800	0	1,825,800
Federal	0	0	0	0	0
Other	615,700	760,600	760,600	204,600	965,200

## Human Resource Services

Human Resource Services manages many of the services provided to state employees. Specific responsibilities include:

- Approving, coordinating, and conducting training courses, workshops, and conferences for employees in every state agency
- Advising state employees about their benefits and rights of employment
- Maintaining compliance with state and federal Equal Employment Opportunity and Affirmative Action laws and prohibiting unlawful employee discrimination
- Monitoring and ensuring the state's compliance with the Americans with Disabilities Act (ADA) requirements
- Hearing civil service appeals through the Civil Service Commission and advising on civil service rules, policy, and law
- Reviewing and revising employee performance evaluation forms
- Coordinating the Performance Evaluation and Career Ladder programs
- Supporting the efforts of the Title VI Compliance Commission.

	<u>Actual</u> <u>2003-2004</u>	<u>Estimated</u> <u>2004-2005</u>	<u>Base</u> <u>2005-2006</u>	<u>Improvement</u> <u>2005-2006</u>	<u>Recommended</u> <u>2005-2006</u>
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### 319.02 Human Resource Development

Full-Time	20	20	20	0	20
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
<b>Total</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>0</b>	<b>29</b>
Payroll	938,900	1,218,800	1,194,300	0	1,194,300
Operational	780,800	1,429,000	1,429,000	0	1,429,000
<b>Total</b>	<b>\$1,719,700</b>	<b>\$2,647,800</b>	<b>\$2,623,300</b>	<b>\$0</b>	<b>\$2,623,300</b>
State	255,700	875,000	850,500	0	850,500
Federal	0	0	0	0	0
Other	1,464,000	1,772,800	1,772,800	0	1,772,800

### Technical Services

Technical Services reviews and administers state employee compensation and position classifications. Other responsibilities include:

- Revising and administering the civil service examination
- Monitoring the civil service appointment process
- Auditing the state payroll
- Providing information to applicants about employment and promotional opportunities
- Processing general employee transactions including appointments, transfers, promotions, separations, attendance, and leave adjustments
- Reviewing and maintaining data on employment, salaries, and benefits in private sector organizations and Southeastern state governments to assist in making recommendations on salary administration policy for the State of Tennessee.

### 319.03 Technical Services

Full-Time	73	72	72	7	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>73</b>	<b>72</b>	<b>72</b>	<b>7</b>	<b>79</b>
Payroll	3,267,700	3,768,900	3,692,100	322,400	4,014,500
Operational	240,600	311,200	311,200	45,500	356,700
<b>Total</b>	<b>\$3,508,300</b>	<b>\$4,080,100</b>	<b>\$4,003,300</b>	<b>\$367,900</b>	<b>\$4,371,200</b>
State	1,515,900	1,954,200	1,915,000	0	1,915,000
Federal	0	0	0	0	0
Other	1,992,400	2,125,900	2,088,300	367,900	2,456,200



	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>319.00 Department Total</b>					
Full-Time	109	108	108	7	115
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
<b>Total</b>	<b>118</b>	<b>117</b>	<b>117</b>	<b>7</b>	<b>124</b>
Payroll	5,112,600	6,085,300	5,965,900	322,400	6,288,300
Operational	2,373,400	3,247,100	3,247,100	250,100	3,497,200
<b>Total</b>	<b>\$7,486,000</b>	<b>\$9,332,400</b>	<b>\$9,213,000</b>	<b>\$572,500</b>	<b>\$9,785,500</b>
State	3,413,900	4,673,100	4,591,300	0	4,591,300
Federal	0	0	0	0	0
Other	4,072,100	4,659,300	4,621,700	572,500	5,194,200

# Department of General Services

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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 and utilization services, and interdepartmental support services.

## Administrative Services

Administrative services include a variety of internal support services. Among these services are fiscal analysis and processing, legal services, auditing, human resource management, and information systems management. The group also establishes and directs the official policies related to its other services.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>321.01 Administration</b>					
Full-Time	55	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>55</b>	<b>57</b>	<b>57</b>	<b>0</b>	<b>57</b>
Payroll	2,532,200	3,151,300	3,161,100	0	3,161,100
Operational	941,800	1,564,000	1,495,100	0	1,495,100
<b>Total</b>	<b>\$3,474,000</b>	<b>\$4,715,300</b>	<b>\$4,656,200</b>	<b>\$0</b>	<b>\$4,656,200</b>
State	458,300	466,100	461,400	0	461,400
Federal	0	0	0	0	0
Other	3,015,700	4,249,200	4,194,800	0	4,194,800
<b>321.15 Systems Management</b>					
Full-Time	31	30	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>31</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>30</b>
Payroll	1,506,600	1,655,600	1,622,400	0	1,622,400
Operational	451,900	771,500	773,000	0	773,000
<b>Total</b>	<b>\$1,958,500</b>	<b>\$2,427,100</b>	<b>\$2,395,400</b>	<b>\$0</b>	<b>\$2,395,400</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,958,500	2,427,100	2,395,400	0	2,395,400

## Property Management and Utilization Services

The department's property management and utilization services include the disposal of surplus state property, the distribution of surplus federal property, the management and maintenance of the state's motor vehicles, and the management and maintenance of state-owned facilities and grounds. These services include the following responsibilities:

- Selling surplus and confiscated property through public auctions, sealed bids, or distribution to eligible recipients
- Developing, implementing, and supervising a uniform program for the acquisition, operation, maintenance, and replacement of state vehicles and equipment

- Coordinating the Van Pool Program
- Administering the state's shuttle service
- Operating and maintaining state-owned buildings.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>321.04 Property Utilization</b>					
Full-Time	22	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>22</b>
Payroll	726,000	967,300	909,800	0	909,800
Operational	1,230,900	831,700	865,100	0	865,100
<b>Total</b>	<b>\$1,956,900</b>	<b>\$1,799,000</b>	<b>\$1,774,900</b>	<b>\$0</b>	<b>\$1,774,900</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,956,900	1,799,000	1,774,900	0	1,774,900

#### **321.06 Motor Vehicle Management**

Full-Time	39	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>0</b>	<b>39</b>
Payroll	1,287,200	1,580,500	1,536,100	0	1,536,100
Operational	26,794,600	32,369,700	32,419,700	0	32,419,700
<b>Total</b>	<b>\$28,081,800</b>	<b>\$33,950,200</b>	<b>\$33,955,800</b>	<b>\$0</b>	<b>\$33,955,800</b>
State	4,557,600	0	0	0	0
Federal	0	0	0	0	0
Other	23,524,200	33,950,200	33,955,800	0	33,955,800

#### **321.07 Property Management**

Full-Time	191	212	212	0	212
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>192</b>	<b>213</b>	<b>213</b>	<b>0</b>	<b>213</b>
Payroll	7,104,800	9,098,700	8,821,900	0	8,821,900
Operational	4,634,600	6,648,300	5,147,500	0	5,147,500
<b>Total</b>	<b>\$11,739,400</b>	<b>\$15,747,000</b>	<b>\$13,969,400</b>	<b>\$0</b>	<b>\$13,969,400</b>
State	1,405,000	1,435,300	1,423,300	0	1,423,300
Federal	0	0	0	0	0
Other	10,334,400	14,311,700	12,546,100	0	12,546,100

### **Interdepartmental Support Services**

A number of interdepartmental support services are provided to state departments and agencies. Among these are postal, printing, purchasing records management, storage and distribution of supplies, and food preparation. The following responsibilities are associated with these services:

- Processing and distributing messenger and U.S. mail for state agencies located in Nashville

- Operating a U.S. Post Office branch in one of Nashville’s state buildings
- Printing, duplicating, copying, typesetting, and binding services
- Photographic and graphic arts services
- Procuring supplies, equipment, and specialized services
- Establishing procurement specifications
- Administering the bid process
- Operating the centralized storage of pertinent records and files
- Implementing approval guidelines for state publications and forms
- Purchasing and distributing office and building maintenance supplies
- Managing the central preparation and distribution of food for select state agencies.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>321.02 Postal Services</b>					
Full-Time	65	65	65	0	65
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>0</b>	<b>65</b>
Payroll	1,930,500	2,218,500	2,111,900	0	2,111,900
Operational	13,627,600	14,811,800	14,858,600	0	14,858,600
<b>Total</b>	<b>\$15,558,100</b>	<b>\$17,030,300</b>	<b>\$16,970,500</b>	<b>\$0</b>	<b>\$16,970,500</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	15,558,100	17,030,300	16,970,500	0	16,970,500
<b>321.09 Printing</b>					
Full-Time	52	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>0</b>	<b>52</b>
Payroll	1,797,000	2,118,600	2,056,700	0	2,056,700
Operational	1,967,300	2,508,200	2,519,800	0	2,519,800
<b>Total</b>	<b>\$3,764,300</b>	<b>\$4,626,800</b>	<b>\$4,576,500</b>	<b>\$0</b>	<b>\$4,576,500</b>
State	232,900	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	3,531,400	4,376,800	4,326,500	0	4,326,500
<b>321.10 Purchasing</b>					
Full-Time	56	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>56</b>	<b>53</b>	<b>53</b>	<b>0</b>	<b>53</b>
Payroll	1,801,800	2,251,900	2,217,500	0	2,217,500
Operational	1,974,800	2,029,300	2,027,300	0	2,027,300
<b>Total</b>	<b>\$3,776,600</b>	<b>\$4,281,200</b>	<b>\$4,244,800</b>	<b>\$0</b>	<b>\$4,244,800</b>
State	22,000	22,000	22,000	0	22,000
Federal	0	0	0	0	0
Other	3,754,600	4,259,200	4,222,800	0	4,222,800

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>321.17 Records Management</b>					
Full-Time	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>19</b>
Payroll	719,800	805,000	787,100	0	787,100
Operational	500,400	532,900	534,400	0	534,400
<b>Total</b>	<b>\$1,220,200</b>	<b>\$1,337,900</b>	<b>\$1,321,500</b>	<b>\$0</b>	<b>\$1,321,500</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,220,200	1,337,900	1,321,500	0	1,321,500
<b>321.18 Central Stores</b>					
Full-Time	26	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>0</b>	<b>26</b>
Payroll	744,000	895,600	883,300	0	883,300
Operational	7,221,700	6,843,700	6,843,400	0	6,843,400
<b>Total</b>	<b>\$7,965,700</b>	<b>\$7,739,300</b>	<b>\$7,726,700</b>	<b>\$0</b>	<b>\$7,726,700</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	7,965,700	7,739,300	7,726,700	0	7,726,700
<b>321.19 Food Services Program</b>					
Full-Time	2	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
Payroll	177,800	189,700	192,100	0	192,100
Operational	3,997,300	4,657,700	4,651,800	0	4,651,800
<b>Total</b>	<b>\$4,175,100</b>	<b>\$4,847,400</b>	<b>\$4,843,900</b>	<b>\$0</b>	<b>\$4,843,900</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,175,100	4,847,400	4,843,900	0	4,843,900
<b>321.00 Department Total</b>					
Full-Time	558	578	578	0	578
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>559</b>	<b>579</b>	<b>579</b>	<b>0</b>	<b>579</b>
Payroll	20,327,700	24,932,700	24,299,900	0	24,299,900
Operational	63,342,900	73,568,800	72,135,700	0	72,135,700
<b>Total</b>	<b>\$83,670,600</b>	<b>\$98,501,500</b>	<b>\$96,435,600</b>	<b>\$0</b>	<b>\$96,435,600</b>
State	6,675,800	2,173,400	2,156,700	0	2,156,700
Federal	0	0	0	0	0
Other	76,994,800	96,328,100	94,278,900	0	94,278,900

# Department of Veterans Affairs

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The Department of Veterans Affairs serves the state's more than one-half million veterans, their survivors, and dependents through a statewide power of attorney-based claims processing system. The department's training and certification program for county service officers and department employees ensures that the veterans of the state receive maximum earned entitlements. The department operates a state veterans' cemetery in each grand division, with Tennessee having among the highest interment workloads in the nation.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>323.00 Veterans Affairs</b>					
Full-Time	64	64	64	5	<b>69</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>64</b>	<b>64</b>	<b>64</b>	<b>5</b>	<b>69</b>
Payroll	2,319,200	2,693,400	2,638,900	118,300	<b>2,757,200</b>
Operational	735,900	852,600	753,600	300,000	<b>1,053,600</b>
<b>Total</b>	<b>\$3,055,100</b>	<b>\$3,546,000</b>	<b>\$3,392,500</b>	<b>\$418,300</b>	<b>\$3,810,800</b>
State	2,548,600	3,103,300	2,949,800	418,300	<b>3,368,100</b>
Federal	389,700	360,000	360,000	0	<b>360,000</b>
Other	116,800	82,700	82,700	0	<b>82,700</b>

# Department of Revenue

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The Department of Revenue collects and administers Tennessee's fees and taxes, ensures compliance among all taxpayers, and apportions tax revenues to the appropriate state or local fund. These responsibilities are accomplished by the department's administrative services, support services, and revenue collection services.

## Administrative Services

The Administrative Services division performs a variety of activities. Among these are 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.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>347.01 Administration Division</b>					
Full-Time	100	109	109	0	109
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>100</b>	<b>109</b>	<b>109</b>	<b>0</b>	<b>109</b>
Payroll	5,185,000	6,403,200	6,474,100	0	6,474,100
Operational	2,348,100	2,533,400	2,463,000	0	2,463,000
<b>Total</b>	<b>\$7,533,100</b>	<b>\$8,936,600</b>	<b>\$8,937,100</b>	<b>\$0</b>	<b>\$8,937,100</b>
State	5,371,400	6,776,600	6,552,900	0	6,552,900
Federal	0	0	0	0	0
Other	2,161,700	2,160,000	2,384,200	0	2,384,200

## 347.11 Information Technology Resources Division

Full-Time	60	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>0</b>	<b>60</b>
Payroll	2,945,600	3,402,200	3,401,100	0	3,401,100
Operational	6,404,800	7,465,000	7,376,800	0	7,376,800
<b>Total</b>	<b>\$9,350,400</b>	<b>\$10,867,200</b>	<b>\$10,777,900</b>	<b>\$0</b>	<b>\$10,777,900</b>
State	6,462,700	7,984,600	7,596,400	0	7,596,400
Federal	0	0	0	0	0
Other	2,887,700	2,882,600	3,181,500	0	3,181,500

## Support Services

The Support Services division provides assistance to the operations of revenue collection services. These services include the following responsibilities:

- Preparing and distributing taxpayer forms, instructional materials, and publications
- Providing registration, file change, and basic tax account assistance to taxpayers
- Depositing tax payments to the State Treasury and updating taxpayer accounts.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>347.13 Taxpayer Services Division</b>					
Full-Time	117	119	119	0	119
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>117</b>	<b>119</b>	<b>119</b>	<b>0</b>	<b>119</b>
Payroll	4,097,800	4,994,500	4,954,300	0	4,954,300
Operational	3,196,700	2,851,500	2,814,700	0	2,814,700
<b>Total</b>	<b>\$7,294,500</b>	<b>\$7,846,000</b>	<b>\$7,769,000</b>	<b>\$0</b>	<b>\$7,769,000</b>
State	5,107,300	5,651,800	5,350,600	0	5,350,600
Federal	0	0	0	0	0
Other	2,187,200	2,194,200	2,418,400	0	2,418,400

### 347.16 Processing Division

Full-Time	134	139	139	0	139
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
<b>Total</b>	<b>152</b>	<b>157</b>	<b>157</b>	<b>0</b>	<b>157</b>
Payroll	4,577,500	5,539,800	5,493,000	0	5,493,000
Operational	1,605,900	1,942,700	1,833,500	0	1,833,500
<b>Total</b>	<b>\$6,183,400</b>	<b>\$7,482,500</b>	<b>\$7,326,500</b>	<b>\$0</b>	<b>\$7,326,500</b>
State	4,192,000	5,480,300	5,157,400	0	5,157,400
Federal	0	0	0	0	0
Other	1,991,400	2,002,200	2,169,100	0	2,169,100

## Revenue Collections

Revenue Collections Services are charged with collecting fees and taxes and ensuring proper compliance among all taxpayers. The responsibilities associated with these services include:

- Administering all state taxes for corporations doing business in Tennessee
- Administering the state's Hall Income Tax
- 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 provisions of the Tennessee sales and use tax laws
- Collecting delinquent taxes owed the state of Tennessee.



	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>347.02 Tax Enforcement Division</b>					
Full-Time	124	135	135	0	135
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>124</b>	<b>135</b>	<b>135</b>	<b>0</b>	<b>135</b>
Payroll	5,162,500	6,402,700	6,338,400	0	6,338,400
Operational	796,800	1,240,900	1,004,400	0	1,004,400
<b>Total</b>	<b>\$5,959,300</b>	<b>\$7,643,600</b>	<b>\$7,342,800</b>	<b>\$0</b>	<b>\$7,342,800</b>
State	3,798,800	5,483,600	4,958,600	0	4,958,600
Federal	0	0	0	0	0
Other	2,160,500	2,160,000	2,384,200	0	2,384,200
<b>347.14 Audit Division</b>					
Full-Time	350	349	349	0	349
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>350</b>	<b>349</b>	<b>349</b>	<b>0</b>	<b>349</b>
Payroll	18,829,300	21,528,700	21,299,200	0	21,299,200
Operational	3,033,200	3,360,500	3,332,700	0	3,332,700
<b>Total</b>	<b>\$21,862,500</b>	<b>\$24,889,200</b>	<b>\$24,631,900</b>	<b>\$0</b>	<b>\$24,631,900</b>
State	14,110,200	17,335,600	16,368,500	0	16,368,500
Federal	900	22,000	22,000	0	22,000
Other	7,751,400	7,531,600	8,241,400	0	8,241,400
<b>347.00 Department Total</b>					
Full-Time	885	911	911	0	911
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
<b>Total</b>	<b>903</b>	<b>929</b>	<b>929</b>	<b>0</b>	<b>929</b>
Payroll	40,797,700	48,271,100	47,960,100	0	47,960,100
Operational	17,385,500	19,394,000	18,825,100	0	18,825,100
<b>Total</b>	<b>\$58,183,200</b>	<b>\$67,665,100</b>	<b>\$66,785,200</b>	<b>\$0</b>	<b>\$66,785,200</b>
State	39,042,400	48,712,500	45,984,400	0	45,984,400
Federal	900	22,000	22,000	0	22,000
Other	19,139,900	18,930,600	20,778,800	0	20,778,800

# Miscellaneous Appropriations

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Miscellaneous Appropriations includes funding for retirement contributions for county officials, pensions of former governors and their widows, and other state obligations not addressed elsewhere.

	<u>Actual</u> <u>2003-2004</u>	<u>Estimated</u> <u>2004-2005</u>	<u>Base</u> <u>2005-2006</u>	<u>Improvement</u> <u>2005-2006</u>	<u>Recommended</u> <u>2005-2006</u>
<b>351.00 Miscellaneous Appropriations</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	30,907,500	98,859,700	40,364,000	107,711,800	<b>148,075,800</b>
<b>Total</b>	<b>\$30,907,500</b>	<b>\$98,859,700</b>	<b>\$40,364,000</b>	<b>\$107,711,800</b>	<b>\$148,075,800</b>
State	30,907,200	98,859,700	40,364,000	105,461,800	<b>145,825,800</b>
Federal	0	0	0	0	0
Other	300	0	0	2,250,000	<b>2,250,000</b>

# Emergency and Contingency Fund

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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 has inadvertently been made. Expenditures from this fund are authorized only by Executive Order of the Governor.

	<u>Actual</u> <u>2003-2004</u>	<u>Estimated</u> <u>2004-2005</u>	<u>Base</u> <u>2005-2006</u>	<u>Improvement</u> <u>2005-2006</u>	<u>Recommended</u> <u>2005-2006</u>
<b>353.00 Emergency and Contingency Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	0	819,300	819,300	0	819,300
<b>Total</b>	<b>\$0</b>	<b>\$819,300</b>	<b>\$819,300</b>	<b>\$0</b>	<b>\$819,300</b>
State	0	819,300	819,300	0	819,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

# State Building Commission

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This fund 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 House and Senate, Secretary of State, Comptroller of the Treasury, and State Treasurer.

	<u>Actual</u> <u>2003-2004</u>	<u>Estimated</u> <u>2004-2005</u>	<u>Base</u> <u>2005-2006</u>	<u>Improvement</u> <u>2005-2006</u>	<u>Recommended</u> <u>2005-2006</u>
<b>355.02 Major Maintenance and Equipment</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	401,900	250,000	250,000	0	250,000
<b>Total</b>	<b>\$401,900</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$250,000</b>
State	229,500	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	172,400	0	0	0	0

# Education

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# Education

Recommended Budget, Fiscal Year 2005 – 2006

**T**his 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. Beginning in fiscal year 2005-2006, additional funding for locally sponsored after-school programs will be available to the department from the state's 50% share of the unclaimed lottery prize money. These programs provide academic enrichment activities designed to help students meet state and local standards.

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 fall 2004, and the Tennessee Student Assistance Awards (TSAA), the latter funded 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.

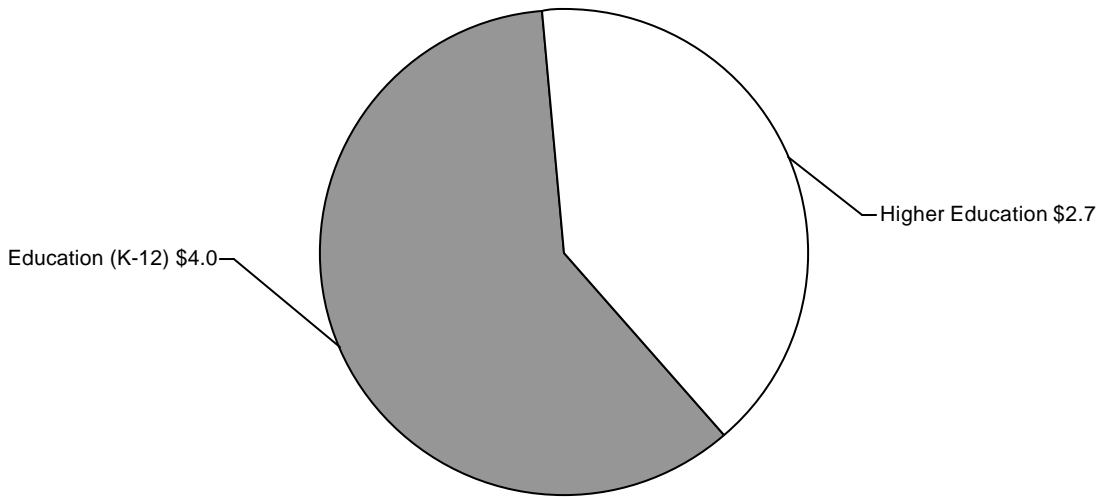
## **Improvements and Program Statements**

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within this group. Funding mixes

within each department vary. Figures represent state, federal, and other sources of funding, including tuition and fees.

### **Education FY 2005 - 2006 Recommended**



**In Billions  
\$6,726,370,300 Total**



## Education Total Personnel and Funding

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Recommended 2005-2006</u>
<b>Personnel *</b>			
Full Time	1,164	1,190	1,190
Part Time	676	677	677
Seasonal	0	0	0
<b>TOTAL</b>	<b>1,840</b>	<b>1,867</b>	<b>1,867</b>
<b>Expenditures</b>			
Payroll	\$54,720,300	\$68,292,000	\$67,861,000
Operational	5,867,959,700	6,539,569,200	6,658,509,300
<b>TOTAL</b>	<b>\$5,922,680,000</b>	<b>\$6,607,861,200</b>	<b>\$6,726,370,300</b>
<b>Funding**</b>			
State	\$3,886,171,900	\$4,344,724,700	\$4,444,460,400
Tuition/Fees	750,522,700	801,678,200	801,678,200
Federal	864,809,800	1,024,735,100	1,022,093,100
Other	421,175,600	436,723,200	458,138,600
* Does not include Higher Education's unrestricted education and general personnel.			
** Includes Lottery funded programs and Education funding.			
<b>Lottery-Funded Programs</b>			
State	\$1,135,900	\$178,600,000	\$171,400,000
Other	0	0	25,000,000
<b>SUBTOTAL</b>	<b>\$1,135,900</b>	<b>\$178,600,000</b>	<b>\$196,400,000</b>
<b>Education Fund</b>			
State	\$3,885,036,000	\$4,166,124,700	\$4,273,060,400
Tuition/Fees	750,522,700	801,678,200	801,678,200
Federal	864,809,800	1,024,735,100	1,022,093,100
Other	421,175,600	436,723,200	433,138,600
<b>SUBTOTAL</b>	<b>\$5,921,544,100</b>	<b>\$6,429,261,200</b>	<b>\$6,529,970,300</b>
<b>TOTAL EDUCATION</b>	<b>\$5,922,680,000</b>	<b>\$6,607,861,200</b>	<b>\$6,726,370,300</b>

## Education Improvements for Fiscal Year 2005-2006

	State	Federal	Other	Total	Positions
<b>Education (K-12)</b>					
<b>• Basic Education Program</b>					
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).					
<b>331.25 BEP and Other LEA Support</b>	\$86,800,000	\$0	\$0	\$86,800,000	0
<b>Sub-total</b>	\$86,800,000	\$0	\$0	\$86,800,000	0
<b>• At-Risk Students</b>					
To provide additional funding for at-risk student programs. At-risk students are determined by the local education agencies' percentage of participants qualifying, under U.S. Department of Agriculture guidelines, for free- and reduced-price meals. This appropriation provides LEAs with additional funding to establish or expand alternative methods of providing services to at-risk students.					
<b>331.25 BEP and Other LEA Support</b>	\$11,000,000	\$0	\$0	\$11,000,000	0
<b>Sub-total</b>	\$11,000,000	\$0	\$0	\$11,000,000	0
<b>• Pre-K and Early Childhood Education</b>					
To provide additional funding for pre-kindergarten and early childhood education programs. This appropriation is from estimated recurring excess net education lottery proceeds in the Lottery for Education Account, after consideration of projected fully-implemented higher education scholarships.					
<b>331.25 BEP and Other LEA Support</b>	\$0	\$0	\$25,000,000	\$25,000,000	0
<b>Sub-total</b>	\$0	\$0	\$25,000,000	\$25,000,000	0
<b>• After-School Programs</b>					
To fund after-school programs. This appropriation is from the state's 50% share of recurring unclaimed lottery prize money that is deposited in the After-School Programs Special Account.					
<b>331.19 After-School Programs Special Account</b>	\$4,000,000	\$0	\$0	\$4,000,000	0
<b>Sub-total</b>	\$4,000,000	\$0	\$0	\$4,000,000	0
<b>• Professional Development, Leadership, and Training Initiative</b>					
To provide non-recurring funds to offer school leaders and classroom teachers meaningful, practical, focused training and specific tools that can support their desire to ultimately improve teaching and learning in Tennessee's public schools. This funding will be used to design and plan for the implementation of a year-round institute program where teachers and school leaders can receive specific leadership training, content- and subject-specific guidance, help in making technology and data more user-friendly and effective in teaching strategies, in-depth interaction with expert faculty and facilitators, and follow up support services in the field. This funding will help develop a national model to improve the delivery of professional development, leadership, and training for school administrators and classroom teachers across the state.					
<b>331.05 Training and Professional Development</b>	\$5,000,000	\$0	\$0	\$5,000,000	0
<b>Sub-total</b>	\$5,000,000	\$0	\$0	\$5,000,000	0

## Education Improvements for Fiscal Year 2005-2006

	State	Federal	Other	Total	Positions
<b>• TeachTennessee</b>					
To provide recurring funds for the TeachTennessee program. This initiative challenges highly-motivated, mid-career professionals to answer the call to teach in the hardest-to-staff schools and in high-need subject areas. The program will help address the teacher shortage in under-staffed areas and will provide a streamlined application process to match candidates with participating school districts. All TeachTennessee applicants must be in the process of earning a Tennessee teaching license or initiate the process upon application to the program. This continues an initiative first funded with non-recurring funds in 2004-2005.					
<b>331.05 Training and Professional Development</b>	\$500,000	\$0	\$0	\$500,000	0
<b>Sub-total</b>	\$500,000	\$0	\$0	\$500,000	0
<b>• Teachers' Salary Increase</b>					
To fund the state share of a 1% salary increase on July 1, 2005, for teachers and other positions funded through the Basic Education Program formula.					
<b>331.25 BEP and Other LEA Support</b>	\$20,700,000	\$0	\$0	\$20,700,000	0
<b>Sub-total</b>	\$20,700,000	\$0	\$0	\$20,700,000	0
<b>• Salary Bonus</b>					
To fund the state share of a one-time salary bonus for teachers.					
<b>331.25 BEP and Other LEA Support</b>	\$20,700,000	\$0	\$0	\$20,700,000	0
<b>Sub-total</b>	\$20,700,000	\$0	\$0	\$20,700,000	0
<b>• Group Health Insurance - January 1, 2005</b>					
To provide funding to annualize the state share of the January 1, 2005, group health insurance increase for local education agencies, which was funded for six months in the current-year budget.					
<b>331.25 BEP and Other LEA Support</b>	\$10,400,000	\$0	\$0	\$10,400,000	0
<b>Sub-total</b>	\$10,400,000	\$0	\$0	\$10,400,000	0
<b>• Group Health Insurance - January 1, 2006</b>					
To fund the state share of a January 1, 2006, group health insurance increase for local education agencies. This is funded for six months in the recommended budget.					
<b>331.25 BEP and Other LEA Support</b>	\$9,800,000	\$0	\$0	\$9,800,000	0
<b>Sub-total</b>	\$9,800,000	\$0	\$0	\$9,800,000	0

## Education Improvements for Fiscal Year 2005-2006

	State	Federal	Other	Total	Positions
<b>• Teacher Training and Experience</b>					
To fund growth in teacher training and experience at the Special Schools.					
<b>331.90 Alvin C. York Institute</b>	\$37,200	\$0	\$0	\$37,200	0
<b>331.91 Tennessee School for the Blind</b>	\$31,600	\$0	\$0	\$31,600	0
<b>331.92 Tennessee School for the Deaf</b>	\$141,100	\$0	\$0	\$141,100	0
<b>331.93 West Tennessee School for the Deaf</b>	\$11,900	\$0	\$0	\$11,900	0
<b>331.95 Tennessee Infant-Parent Services School</b>	\$54,900	\$0	\$0	\$54,900	0
<b>Sub-total</b>	\$276,700	\$0	\$0	\$276,700	0
<b>Total Education (K-12)</b>	<b>\$169,176,700</b>	<b>\$0</b>	<b>\$25,000,000</b>	<b>\$194,176,700</b>	<b>0</b>

### University of Tennessee System

#### • Operational Support

To provide non-recurring funds for support of higher education institutions. The restoration of a proposed \$9.2 million higher education budget reduction in 2004-2005 included \$6.4 million from non-recurring funds for the two university systems. This improvement continues the University of Tennessee's share of that non-recurring appropriation an additional year.

<b>332.40 UT Chattanooga</b>	\$360,400	\$0	\$0	\$360,400	0
<b>332.42 UT Knoxville</b>	\$1,530,900	\$0	\$0	\$1,530,900	0
<b>332.44 UT Martin</b>	\$253,600	\$0	\$0	\$253,600	0
<b>Sub-total</b>	\$2,144,900	\$0	\$0	\$2,144,900	0

#### • National Academy-Level Faculty - Science and Engineering

Recommended state funds for the University of Tennessee (UT) will be matched by an annual allocation of Oak Ridge National Laboratory (ORNL) funds, creating a pool of funds to recruit eminent, highly research-active scholars and their support teams. These distinguished scholars will be jointly appointed at UT and ORNL. Appointments will be targeted in the areas of neutron science, biological sciences, computational sciences, and materials science, which are research areas upon which the UT-ORNL joint institutes are specifically focused. As regular faculty vacancies in relevant science and engineering departments occur, UT will redefine job descriptions as necessary and designate some of its new-hire slots to build increased research strength in areas that complement the programs of the National Academy of Sciences and National Academy of Engineering faculties. Given the typical performance of National Academy-level faculty, \$3 of new research funding will be returned for each \$1 in salary funds invested. The Sciences academy includes 1,800 members and the Engineering academy, 1,900 members, elected by peers in recognition of distinguished achievement in the fields of science and engineering.

<b>332.12 UT Research Initiatives</b>	\$2,500,000	\$0	\$0	\$2,500,000	0
<b>Sub-total</b>	\$2,500,000	\$0	\$0	\$2,500,000	0
<b>Total University of Tennessee System</b>	<b>\$4,644,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,644,900</b>	<b>0</b>

## Education Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>State University and Community College System</b>					
<b>• Operational Support</b>					
To provide non-recurring funds for support of higher education institutions. The restoration of a proposed \$9.2 million higher education budget reduction in 2004-2005 included \$6.4 million from non-recurring funds for the two university systems. This improvement continues the Board of Regents System's share of that non-recurring appropriation an additional year.					
<b>332.53 Southwest Tennessee Community College</b>	\$149,300	\$0	\$0	\$149,300	0
<b>332.54 Nashville State Technical Community College</b>	\$62,700	\$0	\$0	\$62,700	0
<b>332.55 Pellissippi State Technical Community College</b>	\$86,500	\$0	\$0	\$86,500	0
<b>332.56 Northeast State Technical Community College</b>	\$48,400	\$0	\$0	\$48,400	0
<b>332.70 Austin Peay State University</b>	\$278,700	\$0	\$0	\$278,700	0
<b>332.72 East Tennessee State University</b>	\$496,600	\$0	\$0	\$496,600	0
<b>332.74 University of Memphis</b>	\$957,500	\$0	\$0	\$957,500	0
<b>332.75 Middle Tennessee State University</b>	\$841,900	\$0	\$0	\$841,900	0
<b>332.77 Tennessee State University</b>	\$453,400	\$0	\$0	\$453,400	0
<b>332.78 Tennessee Technological University</b>	\$376,700	\$0	\$0	\$376,700	0
<b>332.80 Chattanooga State Technical Community College</b>	\$93,600	\$0	\$0	\$93,600	0
<b>332.81 Cleveland State Community College</b>	\$38,400	\$0	\$0	\$38,400	0
<b>332.82 Columbia State Community College</b>	\$50,000	\$0	\$0	\$50,000	0
<b>332.84 Dyersburg State Community College</b>	\$27,300	\$0	\$0	\$27,300	0
<b>332.86 Jackson State Community College</b>	\$47,200	\$0	\$0	\$47,200	0
<b>332.88 Motlow State Community College</b>	\$39,100	\$0	\$0	\$39,100	0
<b>332.90 Roane State Community College</b>	\$67,000	\$0	\$0	\$67,000	0
<b>332.94 Volunteer State Community College</b>	\$72,900	\$0	\$0	\$72,900	0
<b>332.96 Walters State Community College</b>	\$67,900	\$0	\$0	\$67,900	0
<b>Sub-total</b>	<b>\$4,255,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,255,100</b>	<b>0</b>
<b>Total State University and Community College System</b>	<b>\$4,255,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,255,100</b>	<b>0</b>
<b>Total Higher Education</b>	<b>\$8,900,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,900,000</b>	<b>0</b>
<b>Total Education</b>	<b>\$178,076,700</b>	<b>\$0</b>	<b>\$25,000,000</b>	<b>\$203,076,700</b>	<b>0</b>

# Department of Education

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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. The department carries out its education responsibilities through a multitude of program areas.

## Administration and the State Board of Education

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
- Personnel, central accounts, and budget
- Teacher licensing
- Local finance
- Public information
- Research and information services.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>331.01 Administration</b>					
Full-Time	108	109	109	0	109
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>108</b>	<b>109</b>	<b>109</b>	<b>0</b>	<b>109</b>
Payroll	5,930,000	6,950,000	6,852,000	0	6,852,000
Operational	1,645,500	2,019,000	1,973,600	0	1,973,600
<b>Total</b>	<b>\$7,575,500</b>	<b>\$8,969,000</b>	<b>\$8,825,600</b>	<b>\$0</b>	<b>\$8,825,600</b>
State	6,133,700	7,879,500	7,749,200	0	7,749,200
Federal	1,408,100	1,055,000	1,055,000	0	1,055,000
Other	33,700	34,500	21,400	0	21,400

The Governor's Books from Birth Foundation is a public-private 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 the 375,000 Tennessee children under age five are reading at grade level by the end of the third grade. Successful early childhood reading initiatives have a significant impact on a child's ability to learn. The Governor's foundation funds 50% of each participating county's cost of providing one hardcover, age-appropriate book each month to children from birth to age five at no cost to the family.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>331.22 Governor's Books from Birth Foundation</b>					
Full-Time	0	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
Payroll	0	328,800	338,000	0	338,000
Operational	0	1,672,600	1,662,000	0	1,662,000
<b>Total</b>	<b>\$0</b>	<b>\$2,001,400</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$2,000,000</b>
State	0	2,001,400	2,000,000	0	2,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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
- Establishing policies, standards, and guidelines for public education in grades K-12.

**331.07 State Board of Education**

Full-Time	6	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>
Payroll	407,900	550,700	574,900	0	574,900
Operational	160,000	198,500	168,600	0	168,600
<b>Total</b>	<b>\$567,900</b>	<b>\$749,200</b>	<b>\$743,500</b>	<b>\$0</b>	<b>\$743,500</b>
State	567,900	749,200	743,500	0	743,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

**State Support of LEA Programs**

The BEP is the formula that 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. This flow-through funding is provided in the BEP and Other LEA Support allotment code. 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.

**331.25 BEP and Other LEA Support**

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
Payroll	0	0	0	0	0
Operational	2,618,140,100	2,821,503,200	2,783,453,200	184,400,000	<b>2,967,853,200</b>
<b>Total</b>	<b>\$2,618,140,100</b>	<b>\$2,821,503,200</b>	<b>\$2,783,453,200</b>	<b>\$184,400,000</b>	<b>\$2,967,853,200</b>
State	2,615,460,200	2,820,053,200	2,783,453,200	159,400,000	<b>2,942,853,200</b>
Federal	0	0	0	0	0
Other	2,679,900	1,450,000	0	25,000,000	<b>25,000,000</b>

After-School programs are offered at the local level and provide academic enrichment activities designed to help students meet state and local standards. Beginning in fiscal year 2005-2006, additional funding for these programs is generated from the state's 50% share of unclaimed education lottery prize money. These funds will enhance existing and fund additional after-school programs. The education lottery that funds this program was begun in January 2004.

### 331.19 After-School Programs Special Account

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	0	0	0	4,000,000	<b>4,000,000</b>
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>
State	0	0	0	4,000,000	<b>4,000,000</b>
Federal	0	0	0	0	0
Other	0	0	0	0	0

The state also provides support for a number of initiatives designed to address specific needs and special programs, including:

- Career Ladder supplements
- Educational/public television
- Tennessee Holocaust Commission
- Accountability
- Tennessee Alliance for Boys and Girls Club
- Driver Education
- Technology

### 331.10 Career Ladder

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	82,627,000	80,619,200	80,619,200	0	<b>80,619,200</b>
<b>Total</b>	<b>\$82,627,000</b>	<b>\$80,619,200</b>	<b>\$80,619,200</b>	<b>\$0</b>	<b>\$80,619,200</b>
State	82,627,000	80,619,200	80,619,200	0	<b>80,619,200</b>
Federal	0	0	0	0	0
Other	0	0	0	0	0



	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>331.02 Grants-In-Aid</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	3,876,000	3,826,400	3,826,400	0	3,826,400
<b>Total</b>	<b>\$3,876,000</b>	<b>\$3,826,400</b>	<b>\$3,826,400</b>	<b>\$0</b>	<b>\$3,826,400</b>
State	3,876,000	3,826,400	3,826,400	0	3,826,400
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>331.43 Driver Education</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	1,624,000	1,700,000	1,700,000	0	1,700,000
<b>Total</b>	<b>\$1,624,000</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$0</b>	<b>\$1,700,000</b>
State	1,624,000	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>331.04 Technology, Infrastructure, and Support Systems</b>					
Full-Time	29	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>29</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>28</b>
Payroll	1,248,300	2,044,600	1,992,600	0	1,992,600
Operational	3,357,300	2,712,000	744,300	0	744,300
<b>Total</b>	<b>\$4,605,600</b>	<b>\$4,756,600</b>	<b>\$2,736,900</b>	<b>\$0</b>	<b>\$2,736,900</b>
State	2,574,100	4,516,200	2,496,500	0	2,496,500
Federal	0	0	0	0	0
Other	2,031,500	240,400	240,400	0	240,400
<b>331.11 Accountability</b>					
Full-Time	52	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>0</b>	<b>52</b>
Payroll	2,339,200	3,008,100	2,969,200	0	2,969,200
Operational	15,612,100	13,936,300	13,436,300	0	13,436,300
<b>Total</b>	<b>\$17,951,300</b>	<b>\$16,944,400</b>	<b>\$16,405,500</b>	<b>\$0</b>	<b>\$16,405,500</b>
State	15,278,100	13,875,600	13,837,900	0	13,837,900
Federal	87,100	105,800	104,600	0	104,600
Other	2,586,100	2,963,000	2,463,000	0	2,463,000

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, development, and technical assistance for K-12 instructional programs. Programs include the Governor's Study Partner Program, music, art, and programs for gifted students such as the Governor's Schools. The Governor's Schools program provides funding for six weeks of summer programs to gifted and talented high school juniors and seniors. The nine Governor's schools are:

- Science
- Arts
- Humanities
- International studies
- Agriculture
- Prospective Teachers
- Information Technology Leadership
- Scientific Exploration of Tennessee Heritage
- Manufacturing/Engineering fundamentals.

Through the Training and Professional Development program, the department provides training and professional development opportunities for instructional personnel, school system superintendents, and board members. The department also provides technology training for teachers and administrators by offering workshops, training sessions, and the annual Tennessee Education Technology Conference.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>331.06 Curriculum and Instruction</b>					
Full-Time	28	30	30	0	<b>30</b>
Part-Time	9	9	9	0	<b>9</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>37</b>	<b>39</b>	<b>39</b>	<b>0</b>	<b>39</b>
Payroll	1,347,200	1,812,000	1,950,600	0	<b>1,950,600</b>
Operational	14,356,800	56,039,400	32,075,100	0	<b>32,075,100</b>
<b>Total</b>	<b>\$15,704,000</b>	<b>\$57,851,400</b>	<b>\$34,025,700</b>	<b>\$0</b>	<b>\$34,025,700</b>
State	3,070,500	3,943,100	3,924,300	0	<b>3,924,300</b>
Federal	12,580,100	53,798,200	29,991,300	0	<b>29,991,300</b>
Other	53,400	110,100	110,100	0	<b>110,100</b>
<b>331.05 Training and Professional Development</b>					
Full-Time	18	17	17	0	<b>17</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>17</b>
Payroll	726,100	1,352,400	1,262,900	0	<b>1,262,900</b>
Operational	7,716,700	6,299,900	5,874,900	5,500,000	<b>11,374,900</b>
<b>Total</b>	<b>\$8,442,800</b>	<b>\$7,652,300</b>	<b>\$7,137,800</b>	<b>\$5,500,000</b>	<b>\$12,637,800</b>
State	8,190,400	7,037,700	6,523,200	5,500,000	<b>12,023,200</b>
Federal	0	0	0	0	<b>0</b>
Other	252,400	614,600	614,600	0	<b>614,600</b>

## 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. Title I, Title II, and Title V of the Elementary and Secondary Education Act (ESEA) are entirely federally-funded and administered by the state. Child nutrition programs, services to handicapped students, and vocational education programs are federally- and state-funded.

The No Child Left Behind Act is primarily designed to target resources for school improvements and support initiatives to enhance the learning environment. This act, which represents the President's education reform plan, 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.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>331.03 ESEA No Child Left Behind</b>					
Full-Time	52	58	58	0	<b>58</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>52</b>	<b>58</b>	<b>58</b>	<b>0</b>	<b>58</b>
Payroll	2,690,900	3,259,900	3,684,400	0	<b>3,684,400</b>
Operational	269,459,800	295,931,700	304,198,900	0	<b>304,198,900</b>
<b>Total</b>	<b>\$272,150,700</b>	<b>\$299,191,600</b>	<b>\$307,883,300</b>	<b>\$0</b>	<b>\$307,883,300</b>
State	0	0	0	0	<b>0</b>
Federal	272,121,600	299,191,600	307,883,300	0	<b>307,883,300</b>
Other	29,100	0	0	0	<b>0</b>

Improving School Programs fund a variety of initiatives designed to provide support for local efforts. The School-age Child Care Program was adopted by law in 1989 to encourage the development of before and after school child care programs. The department is responsible for annually inspecting each site for compliance with state child care standards. The Early Childhood Education Initiative was implemented in 1998 to improve the effectiveness of the Title I and locally-funded preschool programs in order to meet the goal of school readiness. The Safe and Drug-Free Schools and Communities Program provides financial and technical support to schools and communities in their efforts to reduce adolescent drug use and violence. Even Start grants fund a family literacy program to prepare preschool children for school and to assist parents in working with their children. Financial support is provided through a variety of grant programs, including formula grants to LEAs as well as discretionary grants to both school and community-based programs. Other federally-funded programs in the Improving School Programs allotment code include:

- Homeless grants
- Learn and Serve grants
- Byrd scholarships
- Troops to Teachers
- Head Start State Collaborative.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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### 331.09 Improving School Programs

Full-Time	43	38	38	0	38
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>44</b>	<b>39</b>	<b>39</b>	<b>0</b>	<b>39</b>
Payroll	1,640,600	2,603,500	2,453,900	0	2,453,900
Operational	35,330,900	49,279,200	43,435,700	0	43,435,700
<b>Total</b>	<b>\$36,971,500</b>	<b>\$51,882,700</b>	<b>\$45,889,600</b>	<b>\$0</b>	<b>\$45,889,600</b>
State	12,458,700	15,702,000	15,692,100	0	15,692,100
Federal	24,178,700	35,388,200	29,897,500	0	29,897,500
Other	334,100	792,500	300,000	0	300,000

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
- Ensuring that the rights of disabled children and their parents are protected by:
  - (a) Mediating, upon request, disagreements between local school systems and parents regarding a child's educational program
  - (b) Providing due process hearings.

### 331.36 Special Education Services

Full-Time	70	73	73	0	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>70</b>	<b>73</b>	<b>73</b>	<b>0</b>	<b>73</b>
Payroll	3,198,100	4,345,600	4,288,600	0	4,288,600
Operational	188,732,800	213,167,700	231,253,400	0	231,253,400
<b>Total</b>	<b>\$191,930,900</b>	<b>\$217,513,300</b>	<b>\$235,542,000</b>	<b>\$0</b>	<b>\$235,542,000</b>
State	537,500	587,200	578,700	0	578,700
Federal	191,387,900	216,926,100	234,963,300	0	234,963,300
Other	5,500	0	0	0	0

The Tennessee Infant Parent Services School program provides home-based services to parents and other primary care providers and direct services to children with disabilities.

### 331.95 Tennessee Infant-Parent Services School

Full-Time	35	45	45	0	45
Part-Time	600	600	600	0	600
Seasonal	0	0	0	0	0
<b>Total</b>	<b>635</b>	<b>645</b>	<b>645</b>	<b>0</b>	<b>645</b>
Payroll	5,459,900	6,767,700	6,748,700	54,900	6,803,600
Operational	19,869,000	23,902,000	23,842,000	0	23,842,000
<b>Total</b>	<b>\$25,328,900</b>	<b>\$30,669,700</b>	<b>\$30,590,700</b>	<b>\$54,900</b>	<b>\$30,645,600</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
State	12,570,800	16,484,800	16,407,300	54,900	<b>16,462,200</b>
Federal	12,757,000	14,184,900	14,183,400	0	<b>14,183,400</b>
Other	1,100	0	0	0	<b>0</b>

The School Nutrition programs provide nutrition education and nutritious meals during the school day. To ensure that all students have access to a nutritious meal, the division reimburses LEAs for all eligible students who participate in the School Lunch and School Breakfast programs.

### 331.35 School Nutrition Programs

Full-Time	24	24	24	0	<b>24</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>24</b>
Payroll	1,217,900	1,481,100	1,493,800	0	<b>1,493,800</b>
Operational	183,120,600	208,783,000	208,746,800	0	<b>208,746,800</b>
<b>Total</b>	<b>\$184,338,500</b>	<b>\$210,264,100</b>	<b>\$210,240,600</b>	<b>\$0</b>	<b>\$210,240,600</b>
State	4,805,500	4,805,600	4,805,600	0	<b>4,805,600</b>
Federal	179,528,100	205,458,500	205,435,000	0	<b>205,435,000</b>
Other	4,900	0	0	0	<b>0</b>

The Vocational Education program is responsible for providing specialized education services to the state's high school students that will prepare them for employment and/or post-secondary education. The Division of Vocational Education also provides direction to the LEAs in establishing and maintaining programs in areas such as:

- Agriculture
- Family and consumer services
- Trade and industry
- Information technology
- Marketing
- Health science
- Technology education.

### 331.45 Vocational Education Programs

Full-Time	51	51	51	0	<b>51</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>0</b>	<b>51</b>
Payroll	2,214,600	3,191,100	3,147,100	0	<b>3,147,100</b>
Operational	29,487,300	31,168,600	30,703,100	0	<b>30,703,100</b>
<b>Total</b>	<b>\$31,701,900</b>	<b>\$34,359,700</b>	<b>\$33,850,200</b>	<b>\$0</b>	<b>\$33,850,200</b>
State	3,661,500	3,809,100	3,779,200	0	<b>3,779,200</b>
Federal	28,040,400	29,487,100	29,473,000	0	<b>29,473,000</b>
Other	0	1,063,500	598,000	0	<b>598,000</b>

Local school districts are eligible for reimbursement for the cost of certain medical and behavioral services provided to Medicaid-eligible special education students. The services include physical and occupational therapy, speech and language pathology, behavioral health services, and specialized transportation. Claims are reviewed, analyzed, and sent to TennCare for

filing with the U.S. Center for Medicaid Services (CMS). The department then receives reimbursement from TennCare and distributes the funds to the appropriate school districts.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>331.17 School-Based TennCare Services</b>					
Full-Time	0	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>
Payroll	0	252,400	252,200	0	252,200
Operational	0	11,000,000	10,997,800	0	10,997,800
<b>Total</b>	<b>\$0</b>	<b>\$11,252,400</b>	<b>\$11,250,000</b>	<b>\$0</b>	<b>\$11,250,000</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	11,252,400	11,250,000	0	11,250,000

### Special Schools

The department operates three schools across the state in order to provide academic, vocational, and special instruction education opportunities in residential settings for legally blind, deaf, and/or 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
- Diagnosis and identification of learning problems.

Additionally, the department operates the Alvin C. York Institute in Jamestown, a model rural high school that serves as a center for improving rural education.

### 331.91 Tennessee School for the Blind

Full-Time	184	184	184	0	184
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
<b>Total</b>	<b>207</b>	<b>207</b>	<b>207</b>	<b>0</b>	<b>207</b>
Payroll	7,490,600	8,422,000	8,181,700	31,600	8,213,300
Operational	1,474,600	1,582,300	1,592,900	0	1,592,900
<b>Total</b>	<b>\$8,965,200</b>	<b>\$10,004,300</b>	<b>\$9,774,600</b>	<b>\$31,600</b>	<b>\$9,806,200</b>
State	8,274,600	9,139,800	8,999,500	31,600	9,031,100
Federal	0	0	0	0	0
Other	690,600	864,500	775,100	0	775,100

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>331.92 Tennessee School for the Deaf</b>					
Full-Time	245	244	244	0	244
Part-Time	21	21	21	0	21
Seasonal	0	0	0	0	0
<b>Total</b>	<b>266</b>	<b>265</b>	<b>265</b>	<b>0</b>	<b>265</b>
Payroll	9,163,500	10,345,000	9,983,700	141,100	10,124,800
Operational	3,055,600	3,072,900	2,872,900	0	2,872,900
<b>Total</b>	<b>\$12,219,100</b>	<b>\$13,417,900</b>	<b>\$12,856,600</b>	<b>\$141,100</b>	<b>\$12,997,700</b>
State	11,368,500	12,530,300	12,369,000	141,100	12,510,100
Federal	0	37,800	37,800	0	37,800
Other	850,600	849,800	449,800	0	449,800
<b>331.93 West Tennessee School for the Deaf</b>					
Full-Time	42	42	42	0	42
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
<b>Total</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>0</b>	<b>51</b>
Payroll	1,709,500	1,884,000	1,859,400	11,900	1,871,300
Operational	292,000	425,100	325,100	0	325,100
<b>Total</b>	<b>\$2,001,500</b>	<b>\$2,309,100</b>	<b>\$2,184,500</b>	<b>\$11,900</b>	<b>\$2,196,400</b>
State	1,745,500	2,010,500	1,985,900	11,900	1,997,800
Federal	0	39,500	39,500	0	39,500
Other	256,000	259,100	159,100	0	159,100
<b>331.90 Alvin C. York Institute</b>					
Full-Time	78	78	78	0	78
Part-Time	11	11	11	0	11
Seasonal	0	0	0	0	0
<b>Total</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>0</b>	<b>89</b>
Payroll	3,971,400	4,408,200	4,320,400	37,200	4,357,600
Operational	1,041,700	1,061,100	1,017,600	0	1,017,600
<b>Total</b>	<b>\$5,013,100</b>	<b>\$5,469,300</b>	<b>\$5,338,000</b>	<b>\$37,200</b>	<b>\$5,375,200</b>
State	3,991,500	4,340,200	4,295,900	37,200	4,333,100
Federal	50,500	37,500	37,500	0	37,500
Other	971,100	1,091,600	1,004,600	0	1,004,600
<b>331.97 Major Maintenance</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	175,500	239,100	239,100	0	239,100
<b>Total</b>	<b>\$175,500</b>	<b>\$239,100</b>	<b>\$239,100</b>	<b>\$0</b>	<b>\$239,100</b>
State	175,500	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>331.00 Department Total</b>					
Full-Time	1,065	1,089	1,089	0	<b>1,089</b>
Part-Time	674	674	674	0	<b>674</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,739</b>	<b>1,763</b>	<b>1,763</b>	<b>0</b>	<b>1,763</b>
Payroll	50,755,700	63,007,100	62,354,100	276,700	<b>62,630,800</b>
Operational	3,481,155,300	3,830,139,200	3,784,758,900	193,900,000	<b>3,978,658,900</b>
<b>Total</b>	<b>\$3,531,911,000</b>	<b>\$3,893,146,300</b>	<b>\$3,847,113,000</b>	<b>\$194,176,700</b>	<b>\$4,041,289,700</b>
State	2,798,991,500	3,015,850,100	2,976,025,700	169,176,700	<b>3,145,202,400</b>
Federal	722,139,500	855,710,200	853,101,200	0	<b>853,101,200</b>
Other	10,780,000	21,586,000	17,986,100	25,000,000	<b>42,986,100</b>



## Statistical Data State Special Schools

	<b>York Institute 331.90</b>	<b>TN School for the Blind 331.91</b>	<b>TN School for the Deaf 331.92</b>	<b>West TN School for the Deaf 331.93</b>
<b>Annual Admissions</b>				
1998-1999	718	13	28	59
1999-2000	800	16	29	57
2000-2001	723	12	32	51
2001-2002	750	12	24	51
2002-2003	750	10	32	63
2003-2004	750	12	30	61
2004-2005	760	13	30	60
2005-2006	770	14	30	60
<b>Annual Releases</b>				
1998-1999	250	8	30	9
1999-2000	250	8	27	6
2000-2001	210	4	30	5
2001-2002	175	4	38	8
2002-2003	175	8	14	7
2003-2004	150	3	33	9
2004-2005	160	4	20	5
2005-2006	170	4	20	6
<b>Average Daily Census</b>				
1998-1999	621	167	184	52
1999-2000	617	172	179	47
2000-2001	575	210	179	43
2001-2002	575	210	188	44
2002-2003	605	212	155	56
2003-2004	631	218	169	54
2004-2005	650	219	175	53
2005-2006	660	219	175	53
<b>Cost Per Occupancy Day</b>				
1998-1999	\$32.82	\$246.77	\$305.89	\$157.57
1999-2000	\$37.01	\$245.24	\$309.31	\$195.28
2000-2001	\$39.93	\$215.39	\$349.71	\$224.42
2001-2002	\$39.93	\$218.72	\$330.94	\$227.65
2002-2003	\$40.43	\$226.48	\$338.78	\$153.41
2003-2004	\$44.14	\$228.47	\$401.68	\$171.60
2004-2005	\$46.75	\$253.79	\$425.97	\$201.70
2005-2006	\$45.25	\$248.76	\$412.63	\$191.86

# Higher Education

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The mission of the state-sponsored higher education program is to provide affordable, high-quality, post-secondary education to Tennesseans. Higher Education also provides valuable services through its research, medical, agriculture, and public service programs. In addition, emphasis is placed on the coordination of higher education, student financial aid, and special programs designed to improve the overall quality of education in Tennessee. The University of Tennessee System, the State University and Community College System, the Tennessee Higher Education Commission, and the Tennessee Student Assistance Corporation work together to accomplish these activities.

## State-Administered Programs

### Tennessee Higher Education Commission

The Tennessee Higher Education Commission (THEC) was created to coordinate and unify Tennessee's program of public higher education. Its primary responsibilities include:

- Developing and maintaining a master plan for public higher education in Tennessee
- Developing policies and formulas for the fair and equitable distribution of public funds among Tennessee's public institutions of higher education
- Studying the need for programs, departments, and other educational activities at Tennessee's institutions of higher learning
- Reviewing all proposals for new degrees or degree programs and academic departments or divisions within the institutions
- Studying and making determinations concerning the establishment of new institutions of higher learning
- Submitting a biennial report to the Governor and Legislature on the status of higher education
- Administering the contract education program with in-state private institutions and with out-of-state institutions through the Southern Regional Education Board
- Coordinating desegregation planning in public institutions
- Administering the tuition waiver and discount programs
- Authorizing post-secondary educational institutions to operate in the state and reviewing programs to ensure they meet minimum standards set forth in the Post-secondary Education Authorization Act
- Researching, analyzing and evaluating the Tennessee Education Lottery Scholarship program to determine the programmatic impact and effectiveness in areas such as student success and scholarship retention.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.01 Tennessee Higher Education Commission</b>					
Full-Time	37	38	38	0	<b>38</b>
Part-Time	1	3	3	0	<b>3</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>38</b>	<b>41</b>	<b>41</b>	<b>0</b>	<b>41</b>
Payroll	2,308,000	2,900,200	2,879,400	0	<b>2,879,400</b>
Operational	702,600	902,000	887,000	0	<b>887,000</b>
<b>Total</b>	<b>\$3,010,600</b>	<b>\$3,802,200</b>	<b>\$3,766,400</b>	<b>\$0</b>	<b>\$3,766,400</b>
State	1,752,900	2,024,900	2,012,000	0	<b>2,012,000</b>
Federal	280,000	300,500	299,000	0	<b>299,000</b>
Other	977,700	1,476,800	1,455,400	0	<b>1,455,400</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.02 Contract Education</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	2,312,500	2,330,100	2,330,100	0	2,330,100
<b>Total</b>	<b>\$2,312,500</b>	<b>\$2,330,100</b>	<b>\$2,330,100</b>	<b>\$0</b>	<b>\$2,330,100</b>
State	2,312,500	2,330,100	2,330,100	0	2,330,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 332.09 THEC Grants

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	3,766,400	3,796,500	3,796,500	0	3,796,500
<b>Total</b>	<b>\$3,766,400</b>	<b>\$3,796,500</b>	<b>\$3,796,500</b>	<b>\$0</b>	<b>\$3,796,500</b>
State	2,509,600	2,509,600	2,509,600	0	2,509,600
Federal	1,256,800	1,286,900	1,286,900	0	1,286,900
Other	0	0	0	0	0

## Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation (TSAC) is a non-profit corporation that administers state and federal student financial assistance programs. 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/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 or serving as the lender of last resort
- Marketing and administering the Tennessee Education Lottery Scholarship program.

### 332.03 Tennessee Student Assistance Awards

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
Payroll	0	0	0	0	0
Operational	41,904,200	42,770,900	42,770,900	0	42,770,900
<b>Total</b>	<b>\$41,904,200</b>	<b>\$42,770,900</b>	<b>\$42,770,900</b>	<b>\$0</b>	<b>\$42,770,900</b>
State	39,576,100	41,208,500	41,208,500	0	41,208,500
Federal	2,328,100	1,562,400	1,562,400	0	1,562,400
Other	0	0	0	0	0

### 332.04 Federal Family Education Loan Program (FFELP)

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	68,299,000	100,000,000	100,000,000	0	100,000,000
<b>Total</b>	<b>\$68,299,000</b>	<b>\$100,000,000</b>	<b>\$100,000,000</b>	<b>\$0</b>	<b>\$100,000,000</b>
State	0	0	0	0	0
Federal	66,044,000	96,602,500	96,602,500	0	96,602,500
Other	2,255,000	3,397,500	3,397,500	0	3,397,500

### 332.05 Tennessee Student Assistance Corporation

Full-Time	48	49	49	0	49
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>0</b>	<b>49</b>
Payroll	1,656,600	2,384,700	2,350,800	0	2,350,800
Operational	16,096,800	17,142,800	17,142,800	0	17,142,800
<b>Total</b>	<b>\$17,753,400</b>	<b>\$19,527,500</b>	<b>\$19,493,600</b>	<b>\$0</b>	<b>\$19,493,600</b>
State	1,267,400	1,356,500	1,317,400	0	1,317,400
Federal	4,314,300	4,524,600	4,493,100	0	4,493,100
Other	12,171,700	13,646,400	13,683,100	0	13,683,100

### 332.07 Loan/Scholarship Programs

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	2,087,600	2,104,500	2,104,500	0	2,104,500
<b>Total</b>	<b>\$2,087,600</b>	<b>\$2,104,500</b>	<b>\$2,104,500</b>	<b>\$0</b>	<b>\$2,104,500</b>
State	1,191,000	1,191,000	1,191,000	0	1,191,000
Federal	0	0	0	0	0
Other	896,600	913,500	913,500	0	913,500

## Tennessee Foreign Language Institute

The Tennessee Foreign Language Institute's mission is to promote, encourage, enhance and facilitate the learning and teaching of foreign languages. The Institute serves more than 4,000 people per year through classes in more than 115 languages and self-study programs in another 26 languages.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.14 Tennessee Foreign Language Institute</b>					
Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>
Payroll	0	0	0	0	0
Operational	1,266,500	1,806,500	1,804,000	0	1,804,000
<b>Total</b>	<b>\$1,266,500</b>	<b>\$1,806,500</b>	<b>\$1,804,000</b>	<b>\$0</b>	<b>\$1,804,000</b>
State	294,800	315,600	313,100	0	313,100
Federal	0	0	0	0	0
Other	971,700	1,490,900	1,490,900	0	1,490,900

## Academic Scholars Program

The Academic Scholars Program provides scholarships to some of Tennessee's brightest graduating high school students to encourage them to attend Tennessee's higher education institutions. This program is administered by the Tennessee Student Assistance Corporation.

### 332.06 Academic Scholars Program

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	490,500	780,500	780,500	0	780,500
<b>Total</b>	<b>\$490,500</b>	<b>\$780,500</b>	<b>\$780,500</b>	<b>\$0</b>	<b>\$780,500</b>
State	251,800	401,800	401,800	0	401,800
Federal	0	0	0	0	0
Other	238,700	378,700	378,700	0	378,700

## Centers of Excellence

The Centers of Excellence Program provides additional funding to Tennessee's public four-year universities to supplement specific disciplines that are excellent or demonstrate the potential to become excellent. The state has established 26 Centers of Excellence based on the following principles: expansion of research and economic development activities, attainment of regional and national recognition, enhancement of existing institutional strengths, and differentiation of missions among institutions. This program is administered by the Tennessee Higher Education Commission.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.08 Centers of Excellence</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	17,112,500	17,795,700	17,598,800	0	17,598,800
<b>Total</b>	<b>\$17,112,500</b>	<b>\$17,795,700</b>	<b>\$17,598,800</b>	<b>\$0</b>	<b>\$17,598,800</b>
State	17,112,500	17,795,700	17,598,800	0	17,598,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

### Centers of Emphasis

The Campus Centers of Emphasis Program provides supplemental funding to demonstrably excellent programs at the state's public two-year institutions. The state has established 15 Campus Centers of Emphasis based on the same principles applying to the Centers of Excellence. This program is administered by the Tennessee Higher Education Commission.

### 332.11 Campus Centers of Emphasis

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	1,229,000	1,293,500	1,280,900	0	1,280,900
<b>Total</b>	<b>\$1,229,000</b>	<b>\$1,293,500</b>	<b>\$1,280,900</b>	<b>\$0</b>	<b>\$1,280,900</b>
State	1,229,000	1,293,500	1,280,900	0	1,280,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 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 to pre-kindergarten and early childhood education programs. Funding for the pre-K and early childhood education programs 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.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.19 Lottery for Education Account</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	1,135,900	178,600,000	167,400,000	0	<b>167,400,000</b>
<b>Total</b>	<b>\$1,135,900</b>	<b>\$178,600,000</b>	<b>\$167,400,000</b>	<b>\$0</b>	<b>\$167,400,000</b>
State	1,135,900	178,600,000	167,400,000	0	<b>167,400,000</b>
Federal	0	0	0	0	0
Other	0	0	0	0	0

### Geier Desegregation Agreement

In January 2001, a settlement agreement in the *Geier* higher education desegregation lawsuit was approved by the U.S. District Court in Nashville. Implementation of the agreement will result in final resolution of the lawsuit that was filed in 1968. The settlement agreement is designed to “create an educational system that enhances increased enrollment of African American students at the predominately white institutions and that likewise enhances the enrollment of white students at the state’s predominately black institution,” which is Tennessee State University (TSU) in Nashville. The agreement also is intended “to increase the presence of other-race faculty, staff, and administrators on the campuses of the state’s colleges and universities.”

Except for one 10-year funding commitment, the plan is to be implemented over five years from January 4, 2001. The agreement sets forth commitments for higher education in middle Tennessee, statewide issues in both university systems, and implementation.

Major ingredients of the plan require annual appropriations for a TSU Endowment for Educational Excellence over 10 years; capital improvements and revitalization of the TSU Avon Williams Downtown Campus; consideration of merger of the Nashville School of Law with TSU, which has been ruled out; creation of new, high-demand academic programs at TSU as an alternative to the law school merger; statewide recruitment and retention initiatives for African American students, faculty, and administrators, including scholarships, pre-doctoral fellowships, visiting professorships, pre-university summer programs, and minority financial aid; and recruitment of other-race and non-traditional students to TSU.

The first appropriation for the state’s commitment to this settlement agreement was made in the 2001 General Appropriations Act, and administrative initiatives began in the last half of fiscal year 2000-2001. Major program initiative spending began in fiscal year 2001-2002 and continues in the current year and next year.

### 332.13 Geier Desegregation Settlement

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
Payroll	0	0	0	0	0
Operational	8,683,400	11,265,000	11,265,000	0	11,265,000
<b>Total</b>	<b>\$8,683,400</b>	<b>\$11,265,000</b>	<b>\$11,265,000</b>	<b>\$0</b>	<b>\$11,265,000</b>
State	8,683,400	11,265,000	11,265,000	0	11,265,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Total State-Administered Programs**

Full-Time	99	101	101	0	101
Part-Time	2	3	3	0	3
Seasonal	0	0	0	0	0
<b>Total</b>	<b>101</b>	<b>104</b>	<b>104</b>	<b>0</b>	<b>104</b>
Payroll	3,964,600	5,284,900	5,230,200	0	5,230,200
Operational	165,086,900	380,588,000	369,161,000	0	369,161,000
<b>Total</b>	<b>\$169,051,500</b>	<b>\$385,872,900</b>	<b>\$374,391,200</b>	<b>\$0</b>	<b>\$374,391,200</b>
State	77,316,900	260,292,200	248,828,200	0	248,828,200
Federal	74,223,200	104,276,900	104,243,900	0	104,243,900
Other	17,511,400	21,303,800	21,319,100	0	21,319,100



## University of Tennessee System

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.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Full-time equivalent (FTE) enrollments are for Fall 2003 and 2004. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general, and auxiliary enterprise sources.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.10 UT University-Wide Administration</b>					
Full-Time					
Administrative	147	186	186	0	186
Faculty	0	0	0	0	0
Clerical/Support	164	224	224	0	224
<b>Total</b>	<b>311</b>	<b>410</b>	<b>410</b>	<b>0</b>	<b>410</b>
FTE Enrollment	0	0	0	0	0
State	3,090,500	3,836,000	3,400,100	0	3,400,100
Federal	0	0	0	0	0
Other	14,597,600	9,787,000	9,787,000	0	9,787,000
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$17,688,100</b>	<b>\$13,623,000</b>	<b>\$13,187,100</b>	<b>\$0</b>	<b>\$13,187,100</b>

### 332.12 Research Initiatives – UT System

Full-Time					
Administrative	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
FTE Enrollment	0	0	0	0	0
State	0	0	0	2,500,000	2,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>

### 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 such areas as law, public works, finance, accounting, and governmental affairs
- Providing continuing education on and off campuses, with special emphasis on degree-granting programs in non-traditional settings.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.15 UT Institute for Public Service</b>					
Full-Time					
Administrative	30	25	25	0	25
Faculty	0	0	0	0	0
Clerical/Support	22	22	22	0	22
<b>Total</b>	<b>52</b>	<b>47</b>	<b>47</b>	<b>0</b>	<b>47</b>
FTE Enrollment	0	0	0	0	0
State	4,633,900	4,842,600	4,800,300	0	4,800,300
Federal	512,500	400,000	400,000	0	400,000
Other	489,200	517,000	517,000	0	517,000
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$5,635,600</b>	<b>\$5,759,600</b>	<b>\$5,717,300</b>	<b>\$0</b>	<b>\$5,717,300</b>

### 332.16 UT Municipal Technical Advisory Service

Full-Time					
Administrative	30	32	32	0	32
Faculty	0	0	0	0	0
Clerical/Support	12	13	13	0	13
<b>Total</b>	<b>42</b>	<b>45</b>	<b>45</b>	<b>0</b>	<b>45</b>
FTE Enrollment	0	0	0	0	0
State	1,494,400	1,668,800	1,629,100	0	1,629,100
Federal	13,400	0	0	0	0
Other	2,189,300	2,373,600	2,373,600	0	2,373,600
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$3,697,100</b>	<b>\$4,042,400</b>	<b>\$4,002,700</b>	<b>\$0</b>	<b>\$4,002,700</b>

### 332.17 UT County Technical Assistance Service

Full-Time					
Administrative	24	25	25	0	25
Faculty	0	0	0	0	0
Clerical/Support	8	7	7	0	7
<b>Total</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>0</b>	<b>32</b>
FTE Enrollment	0	0	0	0	0
State	1,115,900	1,269,000	1,236,500	0	1,236,500
Federal	0	0	0	0	0
Other	1,855,000	1,943,300	1,943,300	0	1,943,300
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$2,970,900</b>	<b>\$3,212,300</b>	<b>\$3,179,800</b>	<b>\$0</b>	<b>\$3,179,800</b>

## 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, through assistance to community groups in all 95 counties, and through veterinary training and research.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.25 UT Agricultural Experiment Station</b>					
Full-Time					
Administrative	109	109	109	0	109
Faculty	88	87	87	0	87
Clerical/Support	184	183	183	0	183
<b>Total</b>	<b>381</b>	<b>379</b>	<b>379</b>	<b>0</b>	<b>379</b>
FTE Enrollment	0	0	0	0	0
State	20,552,200	21,895,600	21,518,900	0	21,518,900
Federal	6,526,600	5,472,900	5,472,900	0	5,472,900
Other	4,444,100	3,213,700	3,213,700	0	3,213,700
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$31,522,900</b>	<b>\$30,582,200</b>	<b>\$30,205,500</b>	<b>\$0</b>	<b>\$30,205,500</b>
<b>332.26 UT Agricultural Extension Service</b>					
Full-Time					
Administrative	295	283	283	0	283
Faculty	60	55	55	0	55
Clerical/Support	144	138	138	0	138
<b>Total</b>	<b>499</b>	<b>476</b>	<b>476</b>	<b>0</b>	<b>476</b>
FTE Enrollment	0	0	0	0	0
State	24,370,900	26,206,100	25,679,400	0	25,679,400
Federal	9,472,900	8,654,100	8,654,100	0	8,654,100
Other	798,600	789,300	789,300	0	789,300
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$34,642,400</b>	<b>\$35,649,500</b>	<b>\$35,122,800</b>	<b>\$0</b>	<b>\$35,122,800</b>
<b>332.28 UT Veterinary Medicine</b>					
Full-Time					
Administrative	52	58	58	0	58
Faculty	90	91	91	0	91
Clerical/Support	146	154	154	0	154
<b>Total</b>	<b>288</b>	<b>303</b>	<b>303</b>	<b>0</b>	<b>303</b>
FTE Enrollment	429	411	411	0	411
State	13,319,700	14,053,700	13,813,800	0	13,813,800
Federal	845,500	1,047,600	1,047,600	0	1,047,600
Other	7,094,000	7,569,400	7,569,400	0	7,569,400
Tuition/Fees	3,353,300	3,941,900	3,941,900	0	3,941,900
<b>Total</b>	<b>\$24,612,500</b>	<b>\$26,612,600</b>	<b>\$26,372,700</b>	<b>\$0</b>	<b>\$26,372,700</b>

## Medical Education Units

The Medical Education Program of the University of Tennessee plays an important role in helping to meet 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 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.30 UT Memphis</b>					
Full-Time					
Administrative	244	234	234	0	234
Faculty	170	182	182	0	182
Clerical/Support	532	492	492	0	492
<b>Total</b>	<b>946</b>	<b>908</b>	<b>908</b>	<b>0</b>	<b>908</b>
FTE Enrollment	2,008	2,062	2,062	0	2,062
State					
State	58,207,300	61,422,600	60,527,900	0	60,527,900
Federal	12,014,900	9,296,700	9,296,700	0	9,296,700
Other	15,889,400	14,698,500	14,698,500	0	14,698,500
Tuition/Fees	15,326,000	16,065,500	16,065,500	0	16,065,500
<b>Total</b>	<b>\$101,437,600</b>	<b>\$101,483,300</b>	<b>\$100,588,600</b>	<b>\$0</b>	<b>\$100,588,600</b>
<b>332.32 UT Family Medicine</b>					
Full-Time					
Administrative	26	28	28	0	28
Faculty	38	37	37	0	37
Clerical/Support	139	134	134	0	134
<b>Total</b>	<b>203</b>	<b>199</b>	<b>199</b>	<b>0</b>	<b>199</b>
FTE Enrollment	0	0	0	0	0
State					
State	6,383,200	7,082,100	6,971,500	0	6,971,500
Federal	2,362,400	2,161,700	2,161,700	0	2,161,700
Other	12,616,900	12,695,600	12,695,600	0	12,695,600
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$21,362,500</b>	<b>\$21,939,400</b>	<b>\$21,828,800</b>	<b>\$0</b>	<b>\$21,828,800</b>
<b>332.34 UT College of Medicine</b>					
Full-Time					
Administrative	144	138	138	0	138
Faculty	454	436	436	0	436
Clerical/Support	226	199	199	0	199
<b>Total</b>	<b>824</b>	<b>773</b>	<b>773</b>	<b>0</b>	<b>773</b>
FTE Enrollment	0	0	0	0	0
State					
State	40,555,700	41,999,200	41,234,300	0	41,234,300
Federal	15,559,800	16,500,000	16,500,000	0	16,500,000
Other	8,836,600	10,223,600	10,223,600	0	10,223,600
Tuition/Fees	12,661,100	13,193,700	13,193,700	0	13,193,700
<b>Total</b>	<b>\$77,613,200</b>	<b>\$81,916,500</b>	<b>\$81,151,600</b>	<b>\$0</b>	<b>\$81,151,600</b>

## University and Research Campuses

The University of Tennessee provides comprehensive undergraduate and graduate study at each of its three major campuses. These campuses provide services to citizens in all areas of the state through education, research, and public service activities.

The University of Tennessee Space Institute provides graduate study and research in aerospace engineering and related fields. The institute also provides assistance to private companies involved in aerospace engineering.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.23 UT Space Institute</b>					
Full-Time					
Administrative	30	29	29	0	29
Faculty	41	42	42	0	42
Clerical/Support	50	49	49	0	49
<b>Total</b>	<b>121</b>	<b>120</b>	<b>120</b>	<b>0</b>	<b>120</b>
FTE Enrollment	65	61	61	0	61
State	7,204,700	7,325,400	7,210,300	0	7,210,300
Federal	437,900	450,000	450,000	0	450,000
Other	239,900	417,000	417,000	0	417,000
Tuition/Fees	1,246,000	1,345,500	1,345,500	0	1,345,500
<b>Total</b>	<b>\$9,128,500</b>	<b>\$9,537,900</b>	<b>\$9,422,800</b>	<b>\$0</b>	<b>\$9,422,800</b>

### 332.40 UT Chattanooga

Full-Time					
Administrative	196	207	207	0	207
Faculty	322	319	319	0	319
Clerical/Support	312	318	318	0	318
<b>Total</b>	<b>830</b>	<b>844</b>	<b>844</b>	<b>0</b>	<b>844</b>
FTE Enrollment	7,138	7,326	7,326	0	7,326
State	38,353,100	40,478,400	39,325,900	360,400	39,686,300
Federal	503,900	231,700	231,700	0	231,700
Other	11,112,600	10,420,200	10,420,200	0	10,420,200
Tuition/Fees	34,939,500	36,695,000	36,695,000	0	36,695,000
<b>Total</b>	<b>\$84,909,100</b>	<b>\$87,825,300</b>	<b>\$86,672,800</b>	<b>\$360,400</b>	<b>\$87,033,200</b>

### 332.42 UT Knoxville

Full-Time					
Administrative	760	749	749	0	749
Faculty	1,303	1,324	1,324	0	1,324
Clerical/Support	1,533	1,488	1,488	0	1,488
<b>Total</b>	<b>3,596</b>	<b>3,561</b>	<b>3,561</b>	<b>0</b>	<b>3,561</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
FTE Enrollment	22,236	22,669	22,669	0	22,669
State	158,732,000	168,484,700	163,632,200	1,530,900	165,163,100
Federal	10,511,700	10,470,000	10,470,000	0	10,470,000
Other	136,201,800	135,687,300	135,687,300	0	135,687,300
Tuition/Fees	152,240,300	162,665,400	162,665,400	0	162,665,400
<b>Total</b>	<b>\$457,685,800</b>	<b>\$477,307,400</b>	<b>\$472,454,900</b>	<b>\$1,530,900</b>	<b>\$473,985,800</b>

### 332.44 UT Martin

Full-Time					
Administrative	117	115	115	0	115
Faculty	257	260	260	0	260
Clerical/Support	254	265	265	0	265
<b>Total</b>	<b>628</b>	<b>640</b>	<b>640</b>	<b>0</b>	<b>640</b>
FTE Enrollment	5,265	5,570	5,570	0	5,570
State	27,185,300	28,751,100	27,904,800	253,600	28,158,400
Federal	158,000	121,500	121,500	0	121,500
Other	9,621,600	9,704,000	9,704,000	0	9,704,000
Tuition/Fees	23,895,600	26,761,400	26,761,400	0	26,761,400
<b>Total</b>	<b>\$60,860,500</b>	<b>\$65,338,000</b>	<b>\$64,491,700</b>	<b>\$253,600</b>	<b>\$64,745,300</b>

### Total University of Tennessee System

Full-Time					
Administrative	2,204	2,218	2,218	0	2,218
Faculty	2,823	2,833	2,833	0	2,833
Clerical/Support	3,726	3,686	3,686	0	3,686
<b>Total</b>	<b>8,753</b>	<b>8,737</b>	<b>8,737</b>	<b>0</b>	<b>8,737</b>
FTE Enrollment	37,141	38,099	38,099	0	38,099
State	405,198,800	429,315,300	418,885,000	4,644,900	423,529,900
Federal	58,919,500	54,806,200	54,806,200	0	54,806,200
Other	225,986,600	220,039,500	220,039,500	0	220,039,500
Tuition/Fees	243,661,800	260,668,400	260,668,400	0	260,668,400
<b>Total</b>	<b>\$933,766,700</b>	<b>\$964,829,400</b>	<b>\$954,399,100</b>	<b>\$4,644,900</b>	<b>\$959,044,000</b>

## State University and Community College System

The State University and Community College System consists of four-year universities, two-year community colleges, technical institutes, and technology centers which serve the citizens of Tennessee through teaching, research, and public service. The system is governed by the Tennessee Board of Regents. Planning, coordination, and review functions are the responsibility of the administrative staff of the Board of Regents.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Full-time equivalent (FTE) enrollments are for Fall 2003 and 2004. 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 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.60 Tennessee Board of Regents</b>					
Full-Time					
Administrative	60	66	66	0	66
Faculty	0	0	0	0	0
Clerical/Support	18	20	20	0	20
<b>Total</b>	<b>78</b>	<b>86</b>	<b>86</b>	<b>0</b>	<b>86</b>
FTE Enrollment	0	0	0	0	0
State					
State	3,775,400	3,910,900	3,824,400	0	3,824,400
Federal	0	0	0	0	0
Other	3,991,800	7,389,600	7,389,600	0	7,389,600
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$7,767,200</b>	<b>\$11,300,500</b>	<b>\$11,214,000</b>	<b>\$0</b>	<b>\$11,214,000</b>

### Agricultural Unit

The TSU McMinnville Center is dedicated solely to nursery crop research and it is the only one of its kind in the nation. The center's mission is to provide leadership in strengthening and expanding the regional nursery industry through research in the areas of pathology, entomology, genetics, horticulture, and related sciences. The center is administered by Tennessee State University.

#### 332.62 TSU McMinnville Center

Full-Time					
Administrative	3	4	4	0	4
Faculty	1	1	1	0	1
Clerical/Support	1	3	3	0	3
<b>Total</b>	<b>5</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>
FTE Enrollment	0	0	0	0	0
State					
State	441,900	461,000	458,800	0	458,800
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$441,900</b>	<b>\$461,000</b>	<b>\$458,800</b>	<b>\$0</b>	<b>\$458,800</b>

## 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.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.65 ETSU College of Medicine</b>					
Full-Time					
Administrative	82	79	79	0	79
Faculty	170	167	167	0	167
Clerical/Support	117	123	123	0	123
<b>Total</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>0</b>	<b>369</b>
FTE Enrollment	228	234	234	0	234
State	23,661,200	24,057,500	23,734,500	0	23,734,500
Federal	779,700	600,000	600,000	0	600,000
Other	8,676,300	9,576,500	9,576,500	0	9,576,500
Tuition/Fees	4,054,000	4,378,200	4,378,200	0	4,378,200
<b>Total</b>	<b>\$37,171,200</b>	<b>\$38,612,200</b>	<b>\$38,289,200</b>	<b>\$0</b>	<b>\$38,289,200</b>

## 332.67 ETSU Family Practice

Full-Time					
Administrative	23	22	22	0	22
Faculty	23	23	23	0	23
Clerical/Support	69	70	70	0	70
<b>Total</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>0</b>	<b>115</b>
FTE Enrollment	0	0	0	0	0
State	4,208,000	4,631,600	4,564,200	0	4,564,200
Federal	0	0	0	0	0
Other	6,709,900	7,044,000	7,044,000	0	7,044,000
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$10,917,900</b>	<b>\$11,675,600</b>	<b>\$11,608,200</b>	<b>\$0</b>	<b>\$11,608,200</b>



## Universities

The 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.

	<u>Actual</u> <u>2003-2004</u>	<u>Estimated</u> <u>2004-2005</u>	<u>Base</u> <u>2005-2006</u>	<u>Improvement</u> <u>2005-2006</u>	<u>Recommended</u> <u>2005-2006</u>
<b>332.70 Austin Peay State University</b>					
Full-Time					
Administrative	150	154	154	0	154
Faculty	282	292	292	0	292
Clerical/Support	266	255	255	0	255
<b>Total</b>	<b>698</b>	<b>701</b>	<b>701</b>	<b>0</b>	<b>701</b>
FTE Enrollment	6,278	6,939	6,939	0	6,939
State	29,633,100	31,180,900	30,308,300	278,700	30,587,000
Federal	193,000	165,000	165,000	0	165,000
Other	6,408,500	7,149,400	7,149,400	0	7,149,400
Tuition/Fees	29,620,100	33,151,900	33,151,900	0	33,151,900
<b>Total</b>	<b>\$65,854,700</b>	<b>\$71,647,200</b>	<b>\$70,774,600</b>	<b>\$278,700</b>	<b>\$71,053,300</b>
<b>332.72 East Tennessee State University</b>					
Full-Time					
Administrative	328	323	323	0	323
Faculty	507	516	516	0	516
Clerical/Support	492	508	508	0	508
<b>Total</b>	<b>1,327</b>	<b>1,347</b>	<b>1,347</b>	<b>0</b>	<b>1,347</b>
FTE Enrollment	9,707	9,836	9,836	0	9,836
State	51,684,600	54,795,900	53,144,000	496,600	53,640,600
Federal	587,400	520,000	520,000	0	520,000
Other	16,009,300	16,954,100	16,954,100	0	16,954,100
Tuition/Fees	49,037,300	52,486,300	52,486,300	0	52,486,300
<b>Total</b>	<b>\$117,318,600</b>	<b>\$124,756,300</b>	<b>\$123,104,400</b>	<b>\$496,600</b>	<b>\$123,601,000</b>
<b>332.74 University of Memphis</b>					
Full-Time					
Administrative	617	646	646	0	646
Faculty	853	849	849	0	849
Clerical/Support	968	950	950	0	950
<b>Total</b>	<b>2,438</b>	<b>2,445</b>	<b>2,445</b>	<b>0</b>	<b>2,445</b>
FTE Enrollment	15,720	16,128	16,128	0	16,128
State	101,408,900	107,128,100	104,008,900	957,500	104,966,400
Federal	3,811,700	4,028,500	4,028,500	0	4,028,500
Other	41,327,900	41,804,700	41,804,700	0	41,804,700
Tuition/Fees	95,817,500	101,731,700	101,731,700	0	101,731,700
<b>Total</b>	<b>\$242,366,000</b>	<b>\$254,693,000</b>	<b>\$251,573,800</b>	<b>\$957,500</b>	<b>\$252,531,300</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.75 Middle Tennessee State University</b>					
Full-Time					
Administrative	426	454	454	0	454
Faculty	851	896	896	0	896
Clerical/Support	542	542	542	0	542
<b>Total</b>	<b>1,819</b>	<b>1,892</b>	<b>1,892</b>	<b>0</b>	<b>1,892</b>
FTE Enrollment	18,735	19,037	19,037	0	19,037
State	81,331,200	85,824,700	83,473,400	841,900	84,315,300
Federal	699,900	1,200,000	1,200,000	0	1,200,000
Other	35,589,800	35,719,700	35,719,700	0	35,719,700
Tuition/Fees	89,871,900	96,617,500	96,617,500	0	96,617,500
<b>Total</b>	<b>\$207,492,800</b>	<b>\$219,361,900</b>	<b>\$217,010,600</b>	<b>\$841,900</b>	<b>\$217,852,500</b>

### 332.77 Tennessee State University

Full-Time					
Administrative	300	314	314	0	314
Faculty	403	408	408	0	408
Clerical/Support	333	338	338	0	338
<b>Total</b>	<b>1,036</b>	<b>1,060</b>	<b>1,060</b>	<b>0</b>	<b>1,060</b>
FTE Enrollment	7,716	7,662	7,662	0	7,662
State	36,721,600	39,256,100	37,868,300	453,400	38,321,700
Federal	1,609,400	1,900,000	1,900,000	0	1,900,000
Other	17,641,600	17,991,700	17,991,700	0	17,991,700
Tuition/Fees	53,339,100	56,563,100	56,563,100	0	56,563,100
<b>Total</b>	<b>\$109,311,700</b>	<b>\$115,710,900</b>	<b>\$114,323,100</b>	<b>\$453,400</b>	<b>\$114,776,500</b>

### 332.78 Tennessee Technological University

Full-Time					
Administrative	210	222	222	0	222
Faculty	373	381	381	0	381
Clerical/Support	367	366	366	0	366
<b>Total</b>	<b>950</b>	<b>969</b>	<b>969</b>	<b>0</b>	<b>969</b>
FTE Enrollment	7,509	7,559	7,559	0	7,559
State	40,863,200	43,426,400	42,108,700	376,700	42,485,400
Federal	529,100	455,800	455,800	0	455,800
Other	12,117,100	12,879,000	12,879,000	0	12,879,000
Tuition/Fees	34,547,500	36,997,200	36,997,200	0	36,997,200
<b>Total</b>	<b>\$88,056,900</b>	<b>\$93,758,400</b>	<b>\$92,440,700</b>	<b>\$376,700</b>	<b>\$92,817,400</b>

## Community Colleges and Technical Institutes

The state's community colleges provide two-year academic instruction in a wide variety of programs that can be transferred to four-year institutions. The technical community colleges combine both technical training and academic instruction on the same campus. The system includes four technical community colleges and nine community colleges.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.53 Southwest Tennessee Community College</b>					
Full-Time					
Administrative	179	179	179	0	179
Faculty	278	277	277	0	277
Clerical/Support	260	261	261	0	261
<b>Total</b>	<b>717</b>	<b>717</b>	<b>717</b>	<b>0</b>	<b>717</b>
FTE Enrollment	7,361	7,561	7,561	0	7,561
State	34,340,600	36,354,600	35,461,600	149,300	35,610,900
Federal	0	0	0	0	0
Other	2,257,700	2,211,900	2,211,900	0	2,211,900
Tuition/Fees	23,573,900	24,841,000	24,841,000	0	24,841,000
<b>Total</b>	<b>\$60,172,200</b>	<b>\$63,407,500</b>	<b>\$62,514,500</b>	<b>\$149,300</b>	<b>\$62,663,800</b>

### 332.54 Nashville State Technical Community College

Full-Time					
Administrative	59	63	63	0	63
Faculty	140	142	142	0	142
Clerical/Support	114	110	110	0	110
<b>Total</b>	<b>313</b>	<b>315</b>	<b>315</b>	<b>0</b>	<b>315</b>
FTE Enrollment	3,769	3,334	3,334	0	3,334
State	12,906,700	13,660,000	13,350,400	62,700	13,413,100
Federal	185,900	169,100	169,100	0	169,100
Other	1,159,200	1,092,300	1,092,300	0	1,092,300
Tuition/Fees	11,179,300	12,008,800	12,008,800	0	12,008,800
<b>Total</b>	<b>\$25,431,100</b>	<b>\$26,930,200</b>	<b>\$26,620,600</b>	<b>\$62,700</b>	<b>\$26,683,300</b>

### 332.55 Mississippi State Technical Community College

Full-Time					
Administrative	95	101	101	0	101
Faculty	185	186	186	0	186
Clerical/Support	147	147	147	0	147
<b>Total</b>	<b>427</b>	<b>434</b>	<b>434</b>	<b>0</b>	<b>434</b>
FTE Enrollment	5,013	4,963	4,963	0	4,963
State	17,981,600	18,928,400	18,474,100	86,500	18,560,600
Federal	126,100	100,000	100,000	0	100,000
Other	1,423,500	949,000	949,000	0	949,000
Tuition/Fees	15,559,100	16,565,000	16,565,000	0	16,565,000
<b>Total</b>	<b>\$35,090,300</b>	<b>\$36,542,400</b>	<b>\$36,088,100</b>	<b>\$86,500</b>	<b>\$36,174,600</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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### 332.56 Northeast State Technical Community College

Full-Time					
Administrative	56	61	61	0	61
Faculty	99	104	104	0	104
Clerical/Support	100	108	108	0	108
<b>Total</b>	<b>255</b>	<b>273</b>	<b>273</b>	<b>0</b>	<b>273</b>
FTE Enrollment	3,112	3,889	3,889	0	3,889
State	10,407,900	10,973,900	10,741,600	48,400	10,790,000
Federal	55,700	53,300	53,300	0	53,300
Other	522,300	433,600	433,600	0	433,600
Tuition/Fees	8,332,100	8,729,400	8,729,400	0	8,729,400
<b>Total</b>	<b>\$19,318,000</b>	<b>\$20,190,200</b>	<b>\$19,957,900</b>	<b>\$48,400</b>	<b>\$20,006,300</b>

### 332.80 Chattanooga State Technical Community College

Full-Time					
Administrative	127	122	122	0	122
Faculty	180	178	178	0	178
Clerical/Support	147	147	147	0	147
<b>Total</b>	<b>454</b>	<b>447</b>	<b>447</b>	<b>0</b>	<b>447</b>
FTE Enrollment	5,186	5,124	5,124	0	5,124
State	20,872,200	22,043,100	21,552,400	93,600	21,646,000
Federal	43,600	1,000	1,000	0	1,000
Other	1,476,300	1,229,400	1,229,400	0	1,229,400
Tuition/Fees	15,777,600	16,268,900	16,268,900	0	16,268,900
<b>Total</b>	<b>\$38,169,700</b>	<b>\$39,542,400</b>	<b>\$39,051,700</b>	<b>\$93,600</b>	<b>\$39,145,300</b>

### 332.81 Cleveland State Community College

Full-Time					
Administrative	45	47	47	0	47
Faculty	70	72	72	0	72
Clerical/Support	72	77	77	0	77
<b>Total</b>	<b>187</b>	<b>196</b>	<b>196</b>	<b>0</b>	<b>196</b>
FTE Enrollment	2,224	2,088	2,088	0	2,088
State	9,073,000	9,598,200	9,374,400	38,400	9,412,800
Federal	11,200	11,000	11,000	0	11,000
Other	295,400	295,400	295,400	0	295,400
Tuition/Fees	5,425,300	5,624,800	5,624,800	0	5,624,800
<b>Total</b>	<b>\$14,804,900</b>	<b>\$15,529,400</b>	<b>\$15,305,600</b>	<b>\$38,400</b>	<b>\$15,344,000</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.82 Columbia State Community College</b>					
Full-Time					
Administrative	45	51	51	0	51
Faculty	104	104	104	0	104
Clerical/Support	94	90	90	0	90
<b>Total</b>	<b>243</b>	<b>245</b>	<b>245</b>	<b>0</b>	<b>245</b>
FTE Enrollment	3,082	3,145	3,145	0	3,145
State	11,235,200	12,150,800	11,880,500	50,000	11,930,500
Federal	11,000	10,000	10,000	0	10,000
Other	424,300	371,600	371,600	0	371,600
Tuition/Fees	8,183,300	8,663,300	8,663,300	0	8,663,300
<b>Total</b>	<b>\$19,853,800</b>	<b>\$21,195,700</b>	<b>\$20,925,400</b>	<b>\$50,000</b>	<b>\$20,975,400</b>

**332.84 Dyersburg State Community College**

Full-Time					
Administrative	37	37	37	0	37
Faculty	57	59	59	0	59
Clerical/Support	49	49	49	0	49
<b>Total</b>	<b>143</b>	<b>145</b>	<b>145</b>	<b>0</b>	<b>145</b>
FTE Enrollment	1,819	1,770	1,770	0	1,770
State	6,054,100	6,406,300	6,252,100	27,300	6,279,400
Federal	161,800	131,600	131,600	0	131,600
Other	276,200	263,700	263,700	0	263,700
Tuition/Fees	4,781,100	4,864,100	4,864,100	0	4,864,100
<b>Total</b>	<b>\$11,273,200</b>	<b>\$11,665,700</b>	<b>\$11,511,500</b>	<b>\$27,300</b>	<b>\$11,538,800</b>

**332.86 Jackson State Community College**

Full-Time					
Administrative	51	60	60	0	60
Faculty	113	120	120	0	120
Clerical/Support	96	96	96	0	96
<b>Total</b>	<b>260</b>	<b>276</b>	<b>276</b>	<b>0</b>	<b>276</b>
FTE Enrollment	2,743	2,702	2,702	0	2,702
State	10,651,300	11,324,000	11,051,200	47,200	11,098,400
Federal	133,900	104,200	104,200	0	104,200
Other	737,300	778,600	778,600	0	778,600
Tuition/Fees	7,418,500	7,921,400	7,921,400	0	7,921,400
<b>Total</b>	<b>\$18,941,000</b>	<b>\$20,128,200</b>	<b>\$19,855,400</b>	<b>\$47,200</b>	<b>\$19,902,600</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>332.88 Motlow State Community College</b>					
Full-Time					
Administrative	47	44	44	0	44
Faculty	85	85	85	0	85
Clerical/Support	74	74	74	0	74
<b>Total</b>	<b>206</b>	<b>203</b>	<b>203</b>	<b>0</b>	<b>203</b>
FTE Enrollment	2,436	2,465	2,465	0	2,465
State	8,780,400	9,373,200	9,128,200	39,100	9,167,300
Federal	13,800	14,000	14,000	0	14,000
Other	265,600	249,800	249,800	0	249,800
Tuition/Fees	6,089,800	6,460,800	6,460,800	0	6,460,800
<b>Total</b>	<b>\$15,149,600</b>	<b>\$16,097,800</b>	<b>\$15,852,800</b>	<b>\$39,100</b>	<b>\$15,891,900</b>

**332.90 Roane State Community College**

Full-Time					
Administrative	64	65	65	0	65
Faculty	140	139	139	0	139
Clerical/Support	138	141	141	0	141
<b>Total</b>	<b>342</b>	<b>345</b>	<b>345</b>	<b>0</b>	<b>345</b>
FTE Enrollment	3,775	3,850	3,850	0	3,850
State	15,669,000	16,613,000	16,193,700	67,000	16,260,700
Federal	132,800	74,400	74,400	0	74,400
Other	745,600	765,900	765,900	0	765,900
Tuition/Fees	10,085,200	10,805,200	10,805,200	0	10,805,200
<b>Total</b>	<b>\$26,632,600</b>	<b>\$28,258,500</b>	<b>\$27,839,200</b>	<b>\$67,000</b>	<b>\$27,906,200</b>

**332.94 Volunteer State Community College**

Full-Time					
Administrative	81	80	80	0	80
Faculty	149	148	148	0	148
Clerical/Support	122	124	124	0	124
<b>Total</b>	<b>352</b>	<b>352</b>	<b>352</b>	<b>0</b>	<b>352</b>
FTE Enrollment	4,426	4,483	4,483	0	4,483
State	15,445,200	16,332,600	15,943,800	72,900	16,016,700
Federal	25,900	26,000	26,000	0	26,000
Other	603,400	656,200	656,200	0	656,200
Tuition/Fees	12,247,500	13,104,600	13,104,600	0	13,104,600
<b>Total</b>	<b>\$28,322,000</b>	<b>\$30,119,400</b>	<b>\$29,730,600</b>	<b>\$72,900</b>	<b>\$29,803,500</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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### 332.96 Walters State Community College

Full-Time					
Administrative	71	72	72	0	72
Faculty	132	132	132	0	132
Clerical/Support	140	139	139	0	139
<b>Total</b>	<b>343</b>	<b>343</b>	<b>343</b>	<b>0</b>	<b>343</b>
FTE Enrollment	4,067	3,864	3,864	0	3,864
State	15,697,800	16,647,100	16,250,900	67,900	16,318,800
Federal	187,000	150,000	150,000	0	150,000
Other	3,325,500	3,295,200	3,295,200	0	3,295,200
Tuition/Fees	9,967,700	10,216,800	10,216,800	0	10,216,800
<b>Total</b>	<b>\$29,178,000</b>	<b>\$30,309,100</b>	<b>\$29,912,900</b>	<b>\$67,900</b>	<b>\$29,980,800</b>

### Tennessee Technology Centers

The state's technology centers 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 Technology Centers

Full-Time					
Administrative	141	143	143	0	143
Faculty	485	484	484	0	484
Clerical/Support	157	159	159	0	159
<b>Total</b>	<b>783</b>	<b>786</b>	<b>786</b>	<b>0</b>	<b>786</b>
FTE Enrollment	10,331	9,854	9,854	0	9,854
State	41,820,600	44,188,800	43,496,400	0	43,496,400
Federal	228,700	227,900	227,900	0	227,900
Other	4,913,100	4,692,600	4,692,600	0	4,692,600
Tuition/Fees	11,953,100	13,009,800	13,009,800	0	13,009,800
<b>Total</b>	<b>\$58,915,500</b>	<b>\$62,119,100</b>	<b>\$61,426,700</b>	<b>\$0</b>	<b>\$61,426,700</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>Total State University and Community College System</b>					
Full-Time					
Administrative	3,297	3,409	3,409	0	<b>3,409</b>
Faculty	5,680	5,763	5,763	0	<b>5,763</b>
Clerical/Support	4,883	4,897	4,897	0	<b>4,897</b>
<b>Total</b>	<b>13,860</b>	<b>14,069</b>	<b>14,069</b>	<b>0</b>	<b>14,069</b>
FTE Enrollment	125,237	126,487	126,487	0	<b>126,487</b>
State	604,664,700	639,267,100	622,644,800	4,255,100	<b>626,899,900</b>
Federal	9,527,600	9,941,800	9,941,800	0	<b>9,941,800</b>
Other	166,897,600	173,793,900	173,793,900	0	<b>173,793,900</b>
Tuition/Fees	506,860,900	541,009,800	541,009,800	0	<b>541,009,800</b>
<b>Total</b>	<b>\$1,287,950,800</b>	<b>\$1,364,012,600</b>	<b>\$1,347,390,300</b>	<b>\$4,255,100</b>	<b>\$1,351,645,400</b>

**Grand Total Higher Education**

Full-Time					
Administrative	5,600	5,728	5,728	0	<b>5,728</b>
Faculty	8,503	8,596	8,596	0	<b>8,596</b>
Clerical/Support	8,609	8,583	8,583	0	<b>8,583</b>
Part-Time	2	3	3	0	<b>3</b>
<b>Total</b>	<b>22,714</b>	<b>22,910</b>	<b>22,910</b>	<b>0</b>	<b>22,910</b>
FTE Enrollment	162,378	164,586	164,586	0	<b>164,586</b>
State	1,087,180,400	1,328,874,600	1,290,358,000	8,900,000	<b>1,299,258,000</b>
Federal	142,670,300	169,024,900	168,991,900	0	<b>168,991,900</b>
Other	410,395,600	415,137,200	415,152,500	0	<b>415,152,500</b>
Tuition/Fees	750,522,700	801,678,200	801,678,200	0	<b>801,678,200</b>
<b>Total</b>	<b>\$2,390,769,000</b>	<b>\$2,714,714,900</b>	<b>\$2,676,180,600</b>	<b>\$8,900,000</b>	<b>\$2,685,080,600</b>



# Health and Social Services

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# Health and Social Services

Recommended Budget, Fiscal Year 2005 – 2006

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
- Council of Juvenile and Family Court Judges
- Department of Finance and Administration, Bureau of TennCare
- Department of Mental Health and Developmental Disabilities
- Department of Finance and Administration, Division of Mental Retardation Services
- Department of Health
- Department of Human Services
- Department of Children's Services.

A major responsibility of this functional group is the administration of programs for children that have been 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.

This functional group is also charged with ensuring quality treatment and habilitation services for the mentally ill and mentally retarded citizens of Tennessee. This includes institutional and community programs for the mentally ill and the developmentally 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 are also the responsibility of this functional group. These services are provided by TennCare, a comprehensive health care delivery system. The TennCare Partners program provides mental health and substance abuse services for TennCare enrollees.

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. Families First operates under a unique waiver approved under the federal Temporary Assistance for Needy Families program.

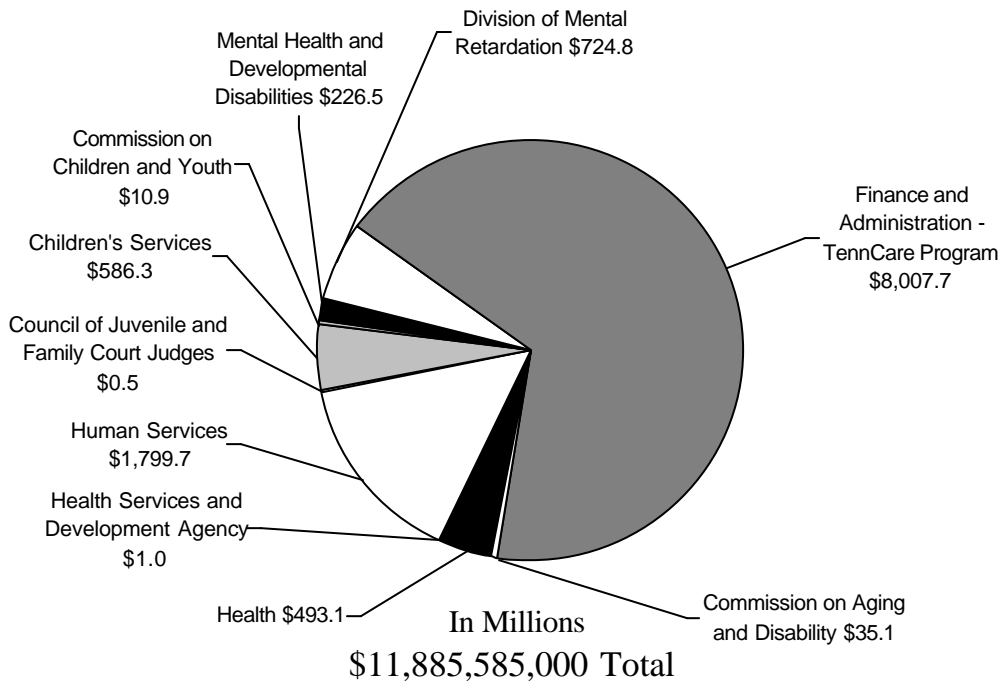
## Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) 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; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within this functional group. Funding mixes within each department may

vary. Some are exclusively state funded, while others represent state, federal, and other funding.

### Health and Social Services FY 2005 - 2006 Recommended



## Health and Social Services Total Personnel and Funding

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Recommended 2005-2006</u>
<b>Personnel</b>			
Full Time	19,207	20,045	19,968
Part Time	265	261	261
Seasonal	0	0	0
<b>TOTAL</b>	<b>19,472</b>	<b>20,306</b>	<b>20,229</b>
<b>Expenditures</b>			
Payroll	\$745,851,600	\$908,744,500	\$898,199,100
Operational	10,426,021,200	11,583,616,100	10,987,385,900
<b>TOTAL</b>	<b>\$11,171,872,800</b>	<b>\$12,492,360,600</b>	<b>\$11,885,585,000</b>
<b>Funding</b>			
State	\$2,883,660,500	\$3,387,682,000	\$3,343,700,200
Federal	6,650,468,500	7,141,182,500	6,805,893,700
Other	1,637,743,800	1,963,496,100	1,735,991,100

## Health and Social Services Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Commission on Children and Youth</b>					
• <b>Ombudsman Program</b>					
To continue ombudsman services for children in state custody and in relative placements despite the loss of federal grant funds. The Ombudsman program helps to resolve issues regarding child placements, unidentified resources, limited medical services, and excessive periods in custody. The program advocates for the best interests of the child and mediates between parents, guardians, and agencies.					
<b>316.01 Commission on Children and Youth</b>	\$142,000	\$0	\$0	\$142,000	2
<b>Sub-total</b>	<u>\$142,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$142,000</u>	<u>2</u>
<b>Total Commission on Children and Youth</b>	<b>\$142,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$142,000</b>	<b>2</b>

### Health Services and Development Agency

• <b>Statistical Analysis</b>					
To provide funding for a statistical analyst position for collection and analysis of medical equipment data. The funding is from dedicated fees from the certificate of need program.					
<b>316.07 Health Services and Development Agency</b>	\$40,700	\$0	\$0	\$40,700	1
<b>Sub-total</b>	<u>\$40,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$40,700</u>	<u>1</u>
<b>Total Health Services and Development Agency</b>	<b>\$40,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$40,700</b>	<b>1</b>

### Finance and Administration - TennCare Program

• <b>Program Growth and Essential Access Hospital Payments</b>					
To provide funding to continue essential access hospital payments, which were funded in the current year from non-recurring funds; and for increased costs related to the Medicare program, a 3% utilization increase in the dental program, a 5% utilization increase in private mental retardation facilities, and a 3% increase for long term care alternatives.					
<b>318.66 TennCare Services</b>	\$37,354,100	\$66,972,500	\$0	\$104,326,600	0
<b>318.67 Waiver and Crossover Services</b>	\$18,208,800	\$32,646,600	\$0	\$50,855,400	0
<b>318.68 Long Term Care Services</b>	\$1,761,500	\$3,158,300	\$0	\$4,919,800	0
<b>Sub-total</b>	<u>\$57,324,400</u>	<u>\$102,777,400</u>	<u>\$0</u>	<u>\$160,101,800</u>	<u>0</u>
• <b>Mental Retardation Services</b>					
To provide funding for the TennCare share of improvements recommended for the Division of Mental Retardation Services.					
<b>318.67 Waiver and Crossover Services</b>	\$14,658,500	\$26,281,500	\$0	\$40,940,000	0
<b>Sub-total</b>	<u>\$14,658,500</u>	<u>\$26,281,500</u>	<u>\$0</u>	<u>\$40,940,000</u>	<u>0</u>

## Health and Social Services Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Children's Services</b>					
To provide funding for the TennCare share of improvements recommended for the Department of Children's Services.					
<b>318.66 TennCare Services</b>	\$2,017,100	\$3,617,300	\$0	\$5,634,400	0
<b>Sub-total</b>	\$2,017,100	\$3,617,300	\$0	\$5,634,400	0
<b>• Human Services</b>					
To provide additional funding and positions in the Department of Human Services for administrative review of appeals. See the improvement recommendation in the Department of Human Services, listed as "TennCare - Non-Appeal Review Staff."					
<b>318.65 TennCare Administration</b>	\$600,000	\$600,000	\$0	\$1,200,000	0
<b>Sub-total</b>	\$600,000	\$600,000	\$0	\$1,200,000	0
<b>Total Finance and Administration - TennCare Program</b>	<b>\$74,600,000</b>	<b>\$133,276,200</b>	<b>\$0</b>	<b>\$207,876,200</b>	<b>0</b>

## Mental Health and Developmental Disabilities

<b>• Medicare Revenue and Staffing</b>					
To provide funding for staff necessary to increase the amount of Medicare co-insurance and deductible revenue collected by the regional mental health institutes (RMHIs). Also, staffing at Western Mental Health Institute will increase by one position, as an existing physician position is converted to two nurse practitioner positions. This change will increase medical coverage in a rural area.					
<b>339.10 Lakeshore Mental Health Institute</b>	\$0	\$100,600	\$0	\$100,600	2
<b>339.11 Middle Tennessee Mental Health Institute</b>	\$0	\$151,500	\$0	\$151,500	3
<b>339.12 Western Mental Health Institute</b>	\$0	\$100,600	\$0	\$100,600	3
<b>339.16 Moccasin Bend Mental Health Institute</b>	\$0	\$100,600	\$0	\$100,600	2
<b>339.17 Memphis Mental Health Institute</b>	\$0	\$61,100	\$0	\$61,100	1
<b>Sub-total</b>	\$0	\$514,400	\$0	\$514,400	11
<b>Total Mental Health and Developmental Disabilities</b>	<b>\$0</b>	<b>\$514,400</b>	<b>\$0</b>	<b>\$514,400</b>	<b>11</b>

## Health and Social Services Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Health</b>					
• <b>Child Autopsies</b>					
To provide funding to reimburse county governments, to a maximum of \$1,250, for the cost of sudden, unexplained child death autopsies. An estimated 50 child deaths per year currently are not autopsied. The reimbursement rate for autopsies for Sudden Infant Death Syndrome deaths (an estimated 70 per year) will be raised from \$500 to the maximum, and the reimbursement for other sudden, unexplained child deaths (an estimated 45 per year) will be raised from \$210 to the maximum.					
<b>343.47 Maternal and Child Health</b>	\$161,800	\$0	\$0	\$161,800	0
<b>Sub-total</b>	\$161,800	\$0	\$0	\$161,800	0
• <b>Outpatient Diagnostic Centers</b>					
To provide funds for licensure of outpatient diagnostic centers, as required by Acts of 2004, Public Chapter 917. The Board for Licensing Health Care Facilities will be required to license and conduct surveys and complaint investigations in this new facility category. An estimated minimum of 225 centers will be operational in Tennessee by fiscal year 2005-2006. The appropriation is from dedicated licensure fees.					
<b>343.05 Bureau of Health Licensure and Regulation</b>	\$95,400	\$0	\$0	\$95,400	2
<b>Sub-total</b>	\$95,400	\$0	\$0	\$95,400	2
• <b>Unlicensed Facilities</b>					
To provide funds to regulate homes for the aged, assisted-care living facilities, and alcohol and drug treatment facilities operating without a license. Acts of 2004, Public Chapter 846, gave the Board for Licensing Health Care Facilities the authority to enter an unlicensed facility and take action to require licensure or order a facility to cease and desist operation. About 30 cases of unlicensed facilities are investigated each year. The appropriation is from dedicated fees of the board.					
<b>343.05 Bureau of Health Licensure and Regulation</b>	\$102,200	\$0	\$0	\$102,200	1
<b>Sub-total</b>	\$102,200	\$0	\$0	\$102,200	1
• <b>Health Professional Investigations</b>					
To fund three additional full-time public health nurse consultants to investigate complaints against health professionals practicing in Tennessee, because of the workload increase. The appropriation is from dedicated licensure fees.					
<b>343.10 Health Related Boards</b>	\$182,200	\$0	\$0	\$182,200	3
<b>Sub-total</b>	\$182,200	\$0	\$0	\$182,200	3



## Health and Social Services Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Emergency Medical Services - Radio Communications</b>					
To fund one full-time radio systems analyst position to support the statewide system of Emergency Medical Services radio communications. This system is utilized by acute care hospitals, ambulance services, and community 911 dispatch centers. This system is vital to emergent patient care throughout the state.					
<b>343.07 Emergency Medical Services</b>	\$0	\$0	\$49,100	\$49,100	1
<b>Sub-total</b>	\$0	\$0	\$49,100	\$49,100	1
<b>Total Health</b>	<b>\$541,600</b>	<b>\$0</b>	<b>\$49,100</b>	<b>\$590,700</b>	<b>7</b>

### Division of Mental Retardation Services

<b>• Brown Lawsuit Settlement</b>					
To provide funding needed to comply with the Brown Lawsuit settlement. The settlement requires continued implementation of the new self-determination waiver, which would serve an additional 900 individuals, and an increase in the home and community services waiver by 200 people. Funding is from the TennCare program.					
<b>344.02 Community Mental Retardation Services</b>	\$0	\$0	\$39,160,000	\$39,160,000	0
<b>Sub-total</b>	\$0	\$0	\$39,160,000	\$39,160,000	0
<b>• Management Information System</b>					
To provide non-recurring funds for development of an integrated information system that will enhance client tracking, data analysis, report production, provider payment, and TennCare reimbursement functions. This system will integrate over 20 functions currently carried out through stand-alone obsolete technology and will satisfy federal compliance directives.					
<b>344.01 Mental Retardation Administration</b>	\$4,124,100	\$0	\$0	\$4,124,100	0
<b>Sub-total</b>	\$4,124,100	\$0	\$0	\$4,124,100	0
<b>• MR Clients from Children's Services</b>					
To provide additional funds for services to mentally retarded young adults who have aged out of the Department of Children's Services programs. Funding is from the TennCare program.					
<b>344.02 Community Mental Retardation Services</b>	\$0	\$0	\$1,780,000	\$1,780,000	0
<b>Sub-total</b>	\$0	\$0	\$1,780,000	\$1,780,000	0
<b>Total Division of Mental Retardation Services</b>	<b>\$4,124,100</b>	<b>\$0</b>	<b>\$40,940,000</b>	<b>\$45,064,100</b>	<b>0</b>

## Health and Social Services Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Human Services</b>					
• <b>TennCare - Non-Appeal Review Staff</b>					
To provide additional funds and positions for administrative review of appeals that previously have been determined to raise non-appealable issues. The administrative review staff affirms the administrative decision or overturns the decision, allowing the appeal to proceed. Funding is from the TennCare program.					
<b>345.31 Appeals and Hearings</b>	\$0	\$0	\$1,200,000	\$1,200,000	22
<b>Sub-total</b>	\$0	\$0	\$1,200,000	\$1,200,000	22
• <b>Child Support - Assistant DAs Step Raises</b>					
To provide funding for the mandated salary increase required by TCA 8-7-201 for the assistant district attorneys in the IV-D Child Support Enforcement program.					
<b>345.13 Child Support</b>	\$17,500	\$34,100	\$0	\$51,600	0
<b>Sub-total</b>	\$17,500	\$34,100	\$0	\$51,600	0
<b>Total Human Services</b>	<b>\$17,500</b>	<b>\$34,100</b>	<b>\$1,200,000</b>	<b>\$1,251,600</b>	<b>22</b>

## Children's Services

• <b>Case Manager Salaries</b>					
To provide funding for a 6% salary increase for Children's Services case managers. This is the second year of a three-year plan to bring case manager salaries in line with the average in the Southeast. The other funding is from the TennCare program.					
<b>359.50 Child and Family Management</b>	\$3,108,300	\$165,000	\$2,016,500	\$5,289,800	0
<b>359.60 John S. Wilder Youth Development Center</b>	\$62,700	\$0	\$0	\$62,700	0
<b>359.61 Taft Youth Development Center</b>	\$50,100	\$0	\$0	\$50,100	0
<b>359.62 Woodland Hills Youth Development Center</b>	\$39,600	\$0	\$0	\$39,600	0
<b>359.63 Mountain View Youth Development Center</b>	\$2,300	\$0	\$0	\$2,300	0
<b>359.64 New Visions Youth Development Center</b>	\$71,000	\$0	\$0	\$71,000	0
<b>359.65 Community Treatment Facilities</b>	\$121,000	\$0	\$0	\$121,000	0
<b>Sub-total</b>	\$3,455,000	\$165,000	\$2,016,500	\$5,636,500	0
• <b>Community Service Agencies - Case Manager Salaries</b>					
To provide funds to increase Community Service Agencies (CSA) case manager salaries, in order to address the disparity between CSA and Children's Services Department case managers' pay. The other funding is from the TennCare program.					
<b>359.50 Child and Family Management</b>	\$563,200	\$0	\$844,800	\$1,408,000	0
<b>Sub-total</b>	\$563,200	\$0	\$844,800	\$1,408,000	0

## Health and Social Services Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Child Protective Services</b>					
To provide funds for 52 Child Protective Services case managers and four support staff. These case manager positions will be distributed in the 12 service regions and will serve as abuse and neglect investigators and supervisors. The other funding is from the TennCare program.					
<b>359.50 Child and Family Management</b>	\$1,725,300	\$91,800	\$1,119,500	\$2,936,600	56
<b>Sub-total</b>	<u>\$1,725,300</u>	<u>\$91,800</u>	<u>\$1,119,500</u>	<u>\$2,936,600</u>	<u>56</u>
<b>• Residential Service Providers - Rate Increase</b>					
To provide funds for residential service provider rate increases averaging 2%, in order to retain current and develop new residential providers. This will help meet service needs, such as intensive treatment programs for the mentally ill, dual diagnosis, and sexual or violent offender youth. The other funding is from the TennCare program.					
<b>359.30 Custody Services</b>	\$1,598,400	\$192,900	\$1,653,600	\$3,444,900	0
<b>Sub-total</b>	<u>\$1,598,400</u>	<u>\$192,900</u>	<u>\$1,653,600</u>	<u>\$3,444,900</u>	<u>0</u>
<b>• Adoption Assistance - Rate Equity</b>					
To provide funds for a 2% increase in adoption assistance reimbursement rates. This will resolve the current inequity in adoption assistance reimbursement rates, compared with foster care rates.					
<b>359.40 Adoption Services</b>	\$228,700	\$205,900	\$0	\$434,600	0
<b>Sub-total</b>	<u>\$228,700</u>	<u>\$205,900</u>	<u>\$0</u>	<u>\$434,600</u>	<u>0</u>
<b>• Adoption Assistance - Caseload Growth</b>					
To provide increased funds for adoption assistance caseload growth. Last year, adoption-assistance cases increased by 10.5%.					
<b>359.40 Adoption Services</b>	\$1,268,500	\$1,141,700	\$0	\$2,410,200	0
<b>Sub-total</b>	<u>\$1,268,500</u>	<u>\$1,141,700</u>	<u>\$0</u>	<u>\$2,410,200</u>	<u>0</u>
<b>• Child Welfare System</b>					
To provide non-recurring funds for further development of the TN Kids information system in order to comply with federal Statewide Automated Child Welfare Information System (SACWIS) rules.					
<b>359.10 Administration</b>	\$2,000,000	\$2,000,000	\$0	\$4,000,000	0
<b>Sub-total</b>	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$4,000,000</u>	<u>0</u>
<b>• Ages 18-21 - Revenue Loss</b>					
To provide state funds to replace TennCare revenues for services to children between ages 18 and 21. Services to this age group are not eligible for federal medicaid reimbursement.					
<b>359.30 Custody Services</b>	\$2,740,000	\$0	(\$2,740,000)	\$0	0
<b>Sub-total</b>	<u>\$2,740,000</u>	<u>\$0</u>	<u>(\$2,740,000)</u>	<u>\$0</u>	<u>0</u>

**Health and Social Services  
Improvements for Fiscal Year 2005-2006**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Adoption Assistance - Revenue Loss</b>					
To provide state funds to replace the declining federal Adoption Assistance Incentive Grant.					
<b>359.30 Custody Services</b>	\$884,000	(\$884,000)	\$0	\$0	0
<b>Sub-total</b>	\$884,000	(\$884,000)	\$0	\$0	0
<b>• Teacher Training and Experience</b>					
To fund growth in teacher training and experience.					
<b>359.60 John S. Wilder Youth Development Center</b>	\$3,400	\$0	\$0	\$3,400	0
<b>359.61 Taft Youth Development Center</b>	\$6,600	\$0	\$0	\$6,600	0
<b>359.62 Woodland Hills Youth Development Center</b>	\$14,100	\$0	\$0	\$14,100	0
<b>359.63 Mountain View Youth Development Center</b>	\$16,200	\$0	\$0	\$16,200	0
<b>359.65 Community Treatment Facilities</b>	\$23,500	\$0	\$0	\$23,500	0
<b>Sub-total</b>	\$63,800	\$0	\$0	\$63,800	0
<b>Total Children's Services</b>	<b>\$14,526,900</b>	<b>\$2,913,300</b>	<b>\$2,894,400</b>	<b>\$20,334,600</b>	<b>56</b>
<b>Total Health and Social Services</b>	<b>\$93,992,800</b>	<b>\$136,738,000</b>	<b>\$45,083,500</b>	<b>\$275,814,300</b>	<b>99</b>

# Commission on Children and Youth

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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 Act, the Juvenile Accountability Block Grant, and other federal and state grant funds for juvenile justice programs. 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 of children’s issues
- Tracking legislation and making recommendations to the Governor and Legislature
- Evaluating the delivery of services to children in state custody and their families through the Children’s Program Outcome Review Team.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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### 316.01 Commission on Children and Youth

Full-Time	53	53	51	2	<b>53</b>
Part-Time	2	2	2	0	<b>2</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>55</b>	<b>55</b>	<b>53</b>	<b>2</b>	<b>55</b>
Payroll	2,331,000	2,716,200	2,564,700	101,400	<b>2,666,100</b>
Operational	7,362,700	8,210,000	8,168,000	40,600	<b>8,208,600</b>
<b>Total</b>	<b>\$9,693,700</b>	<b>\$10,926,200</b>	<b>\$10,732,700</b>	<b>\$142,000</b>	<b>\$10,874,700</b>
State	1,381,800	1,570,400	1,552,900	142,000	<b>1,694,900</b>
Federal	5,955,800	6,970,400	6,815,000	0	<b>6,815,000</b>
Other	2,356,100	2,385,400	2,364,800	0	<b>2,364,800</b>

# Commission on Aging and Disability

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The Commission on Aging and Disability is responsible for networking aging Tennesseans and adults with disabilities needing in-home services with state, federal, and local programs. The commission performs the following activities:

- Administers the Older Americans Act of Tennessee
- Administers a Long Term Care Services Plan for the elderly and disabled
- Collects facts and 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
- Assists in developing needed services.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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### 316.02 Commission on Aging and Disability

Full-Time	30	30	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>30</b>
Payroll	1,255,500	1,629,100	1,600,300	0	1,600,300
Operational	33,113,400	37,444,000	33,456,500	0	33,456,500
<b>Total</b>	<b>\$34,368,900</b>	<b>\$39,073,100</b>	<b>\$35,056,800</b>	<b>\$0</b>	<b>\$35,056,800</b>
State	8,541,300	8,494,800	8,485,000	0	8,485,000
Federal	24,651,500	28,473,300	24,466,800	0	24,466,800
Other	1,176,100	2,105,000	2,105,000	0	2,105,000

# Health Services and Development Agency

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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.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.07 Health Services and Development Agency</b>					
Full-Time	15	11	11	1	12
Part-Time	6	7	7	0	7
Seasonal	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>18</b>	<b>18</b>	<b>1</b>	<b>19</b>
Payroll	585,800	733,700	727,100	39,900	767,000
Operational	249,100	262,900	262,900	800	263,700
<b>Total</b>	<b>\$834,900</b>	<b>\$996,600</b>	<b>\$990,000</b>	<b>\$40,700</b>	<b>\$1,030,700</b>
State	813,000	980,200	973,600	40,700	1,014,300
Federal	0	0	0	0	0
Other	21,900	16,400	16,400	0	16,400

# Council of Juvenile and Family Court Judges

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The Council of Juvenile and Family Court Judges provides staff services to two statewide organizations: the Tennessee Council of Juvenile and Family Court Judges and the Tennessee Juvenile Court Services Association. The council's activities include:

- Representing the views of the state's juvenile courts
- Providing assistance to juvenile courts concerning the impact of state and federal laws, regulations, and policies affecting children and families
- Keeping judges and court staff informed of legal issues and services available to children and families
- Developing criteria and providing training for juvenile court judges and staff regarding all issues affecting the children and families who are brought before the courts.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.10 Council of Juvenile and Family Court Judges</b>					
Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
Payroll	289,800	363,300	357,600	0	357,600
Operational	167,100	136,600	127,400	0	127,400
<b>Total</b>	<b>\$456,900</b>	<b>\$499,900</b>	<b>\$485,000</b>	<b>\$0</b>	<b>\$485,000</b>
State	413,900	455,700	450,000	0	450,000
Federal	0	0	0	0	0
Other	43,000	44,200	35,000	0	35,000



# Department of Finance and Administration

## Bureau of TennCare

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TennCare is responsible for administering Tennessee's Medicaid waiver program. TennCare provides basic health care and mental health services to people who meet the program eligibility requirements.

### Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare Program and contracts with other agencies that provide administrative service components for the TennCare Program. Administration is divided into four areas:

- Program Administration
- Policy and Planning
- Quality Assurance
- Long Term Care.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>318.65 TennCare Administration</b>					
Full-Time	529	466	466	0	466
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>529</b>	<b>466</b>	<b>466</b>	<b>0</b>	<b>466</b>
Payroll	22,058,800	26,651,900	26,308,800	0	26,308,800
Operational	192,785,100	204,021,800	210,740,400	1,200,000	211,940,400
<b>Total</b>	<b>\$214,843,900</b>	<b>\$230,673,700</b>	<b>\$237,049,200</b>	<b>\$1,200,000</b>	<b>\$238,249,200</b>
State	95,929,000	104,410,400	107,556,000	600,000	108,156,000
Federal	118,436,200	126,129,300	129,359,200	600,000	129,959,200
Other	478,700	134,000	134,000	0	134,000

### TennCare Services

TennCare Services provides funding for traditional basic health care and mental health services that were previously paid for by Medicaid. The program provides funding to:

- Managed care organizations that provide basic medical services
- Behavioral health organizations that provide mental health services
- Agencies that provide medical care.

### 318.66 TennCare Services

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	5,625,407,200	6,465,421,700	5,719,187,600	109,961,000	5,829,148,600
<b>Total</b>	<b>\$5,625,407,200</b>	<b>\$6,465,421,700</b>	<b>\$5,719,187,600</b>	<b>\$109,961,000</b>	<b>\$5,829,148,600</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
State	1,421,708,200	1,728,498,000	1,692,994,600	39,371,200	<b>1,732,365,800</b>
Federal	3,537,810,300	3,884,543,300	3,456,560,000	70,589,800	<b>3,527,149,800</b>
Other	665,888,700	852,380,400	569,633,000	0	<b>569,633,000</b>

## Waiver and Crossover Services

Waiver and Crossover Services provides funding for Home and Community Based Services waivers, as well as co-payments and premiums for individuals eligible for TennCare and Medicare. The waivers serve the developmentally delayed population and people who require nursing services.

Funding for Medicare premiums and co-payments allows TennCare recipients, who are eligible for Medicare, the ability to receive medical services that would otherwise be unavailable to recipients due to financial constraints.

### 318.67 Waiver and Crossover Services

Full-Time	0	0	0	0	<b>0</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	<b>0</b>
Operational	613,350,100	719,592,700	716,116,200	91,795,400	<b>807,911,600</b>
<b>Total</b>	<b>\$613,350,100</b>	<b>\$719,592,700</b>	<b>\$716,116,200</b>	<b>\$91,795,400</b>	<b>\$807,911,600</b>
State	205,802,300	256,921,300	255,641,300	32,867,300	<b>288,508,600</b>
Federal	407,547,800	462,671,400	460,474,900	58,928,100	<b>519,403,000</b>
Other	0	0	0	0	<b>0</b>

## Long Term Care

Long Term Care provides funding for individuals that are in need of long term institutional care. This program provides funding for:

- General intermediate care facilities
- Skilled nursing facilities
- State mentally retarded intermediate care facilities
- Private mentally retarded intermediate care facilities.

### 318.68 Long Term Care Services

Full-Time	0	0	0	0	<b>0</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	<b>0</b>
Operational	1,177,665,900	1,274,308,600	1,127,493,500	4,919,800	<b>1,132,413,300</b>
<b>Total</b>	<b>\$1,177,665,900</b>	<b>\$1,274,308,600</b>	<b>\$1,127,493,500</b>	<b>\$4,919,800</b>	<b>\$1,132,413,300</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
State	384,322,300	450,477,400	397,178,400	1,761,500	<b>398,939,900</b>
Federal	793,343,600	823,831,200	730,315,100	3,158,300	<b>733,473,400</b>
Other	0	0	0	0	<b>0</b>

**318.00 Department Total**

Full-Time	529	466	466	0	<b>466</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>529</b>	<b>466</b>	<b>466</b>	<b>0</b>	<b>466</b>
Payroll	22,058,800	26,651,900	26,308,800	0	<b>26,308,800</b>
Operational	7,609,208,300	8,663,344,800	7,773,537,700	207,876,200	<b>7,981,413,900</b>
<b>Total</b>	<b>\$7,631,267,100</b>	<b>\$8,689,996,700</b>	<b>\$7,799,846,500</b>	<b>\$207,876,200</b>	<b>\$8,007,722,700</b>
State	2,107,761,800	2,540,307,100	2,453,370,300	74,600,000	<b>2,527,970,300</b>
Federal	4,857,137,900	5,297,175,200	4,776,709,200	133,276,200	<b>4,909,985,400</b>
Other	666,367,400	852,514,400	569,767,000	0	<b>569,767,000</b>

# Department of Mental Health and Developmental Disabilities

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The Department of Mental Health and Developmental Disabilities is responsible for ensuring the provision of services to adults with or at risk of serious and persistent mental illness and children and youth with serious emotional disturbance. This is accomplished through five state-operated inpatient facilities, policy and program guidance to the TennCare Partners Program, and a system of community service grants. The primary focus of the department is to provide a comprehensive system of care that:

- Includes adequate resources
- Safeguards the rights of consumers
- Promotes consumer integration into the community
- Matches services to the consumer and family members in the least restrictive setting.

The department is divided into two functional areas: Administrative Services and Mental Health Services.

## Administrative Services

The Administrative Services Division directs the regulatory and administrative responsibilities of the department. Administrative staff in the commissioner's office provide and coordinate legal and medical advice, public information and education, planning, auditing and licensing functions, support services in the recruitment and retention of the workforce, as well as develop and implement special programs and projects.

This division oversees purchasing and facility management operations, major maintenance and capital outlay projects; provides budgeting and accounting functions, claims payments, data processing and systems reporting; and develops and maintains automated systems applications for the central office and state-operated facilities.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>339.01 Administrative Services Division</b>					
Full-Time	207	185	185	0	185
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>207</b>	<b>185</b>	<b>185</b>	<b>0</b>	<b>185</b>
Payroll	9,632,900	11,749,000	11,559,500	0	11,559,500
Operational	2,473,400	3,836,000	3,332,000	0	3,332,000
<b>Total</b>	<b>\$12,106,300</b>	<b>\$15,585,000</b>	<b>\$14,891,500</b>	<b>\$0</b>	<b>\$14,891,500</b>
State	8,096,300	11,175,600	10,510,600	0	10,510,600
Federal	570,700	590,800	606,800	0	606,800
Other	3,439,300	3,818,600	3,774,100	0	3,774,100

## Mental Health Services

Mental Health Services is responsible for the administration of a variety of mental health services including the distribution and payment of mental health service funds for several federal grants, forensic services, and other community programs funded through state dollars. The division is also responsible for the operation of the state's five regional mental health institutes.

The regional mental health institutes provide inpatient services to increase the functionality, productivity, and quality of life for severely mentally ill adults and seriously emotionally disturbed children and adolescents. The Joint Commission on Accreditation of Hospitals accredits these institutes as psychiatric hospitals. The institutes typically provide the following services:

- Acute treatment services for admitting adults who need emergency and generally short-term inpatient care
- Rehabilitation services for chronically ill adults who typically require basic living, socialization, and vocational skills training
- Gero-Psychiatric, physical, and socialization services primarily to persons age 60 and older, many of whom need nursing care
- Children and youth services primarily for children and adolescents referred by mental health centers, juvenile courts, and the Department of Children's Services
- Forensics services for inpatient diagnostic evaluation and/or treatment to adults as designated by the courts
- Forensic evaluation and/or treatment in a secure setting at Middle Tennessee Mental Health Institute.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>339.08 Community Mental Health Services</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	49,209,300	54,628,400	54,208,400	0	54,208,400
<b>Total</b>	<b>\$49,209,300</b>	<b>\$54,628,400</b>	<b>\$54,208,400</b>	<b>\$0</b>	<b>\$54,208,400</b>
State	37,911,600	42,942,100	42,942,100	0	42,942,100
Federal	9,626,900	9,777,300	9,777,300	0	9,777,300
Other	1,670,800	1,909,000	1,489,000	0	1,489,000
<b>339.10 Lakeshore Mental Health Institute</b>					
Full-Time	530	503	503	2	505
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>530</b>	<b>503</b>	<b>503</b>	<b>2</b>	<b>505</b>
Payroll	20,444,500	22,939,000	22,493,600	72,300	22,565,900
Operational	9,217,400	7,183,300	7,183,300	28,300	7,211,600
<b>Total</b>	<b>\$29,661,900</b>	<b>\$30,122,300</b>	<b>\$29,676,900</b>	<b>\$100,600</b>	<b>\$29,777,500</b>
State	12,978,800	13,576,100	13,130,700	0	13,130,700
Federal	1,726,200	1,987,600	1,787,600	100,600	1,888,200
Other	14,956,900	14,558,600	14,758,600	0	14,758,600

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>339.11 Middle Tennessee Mental Health Institute</b>					
Full-Time	750	712	712	3	715
Part-Time	15	13	13	0	13
Seasonal	0	0	0	0	0
<b>Total</b>	<b>765</b>	<b>725</b>	<b>725</b>	<b>3</b>	<b>728</b>
Payroll	33,108,100	32,733,900	32,107,400	119,100	32,226,500
Operational	12,052,900	9,501,400	9,501,400	32,400	9,533,800
<b>Total</b>	<b>\$45,161,000</b>	<b>\$42,235,300</b>	<b>\$41,608,800</b>	<b>\$151,500</b>	<b>\$41,760,300</b>
State	16,217,000	15,020,200	14,393,700	0	14,393,700
Federal	3,822,000	2,301,400	2,301,400	151,500	2,452,900
Other	25,122,000	24,913,700	24,913,700	0	24,913,700
<b>339.12 Western Mental Health Institute</b>					
Full-Time	649	649	649	3	652
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>649</b>	<b>649</b>	<b>649</b>	<b>3</b>	<b>652</b>
Payroll	26,955,300	30,197,300	29,528,600	72,300	29,600,900
Operational	6,473,300	7,040,100	7,040,100	28,300	7,068,400
<b>Total</b>	<b>\$33,428,600</b>	<b>\$37,237,400</b>	<b>\$36,568,700</b>	<b>\$100,600</b>	<b>\$36,669,300</b>
State	7,880,100	13,662,500	12,993,800	0	12,993,800
Federal	2,027,900	1,209,100	1,209,100	100,600	1,309,700
Other	23,520,600	22,365,800	22,365,800	0	22,365,800
<b>339.16 Moccasin Bend Mental Health Institute</b>					
Full-Time	444	444	444	2	446
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>444</b>	<b>444</b>	<b>444</b>	<b>2</b>	<b>446</b>
Payroll	17,769,000	20,804,600	20,436,100	72,300	20,508,400
Operational	6,464,600	5,390,900	5,390,900	28,300	5,419,200
<b>Total</b>	<b>\$24,233,600</b>	<b>\$26,195,500</b>	<b>\$25,827,000</b>	<b>\$100,600</b>	<b>\$25,927,600</b>
State	8,445,400	10,064,700	9,696,200	0	9,696,200
Federal	2,786,000	2,113,400	2,113,400	100,600	2,214,000
Other	13,002,200	14,017,400	14,017,400	0	14,017,400
<b>339.17 Memphis Mental Health Institute</b>					
Full-Time	338	348	348	1	349
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>339</b>	<b>349</b>	<b>349</b>	<b>1</b>	<b>350</b>
Payroll	15,646,600	17,263,600	16,991,300	36,900	17,028,200
Operational	7,143,300	5,453,100	5,453,100	24,200	5,477,300
<b>Total</b>	<b>\$22,789,900</b>	<b>\$22,716,700</b>	<b>\$22,444,400</b>	<b>\$61,100</b>	<b>\$22,505,500</b>
State	13,041,300	10,919,600	10,647,300	0	10,647,300
Federal	1,606,800	2,094,900	2,094,900	61,100	2,156,000
Other	8,141,800	9,702,200	9,702,200	0	9,702,200

Department of Mental Health & Developmental Disabilities

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>339.40 Major Maintenance</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	810,200	750,000	750,000	0	750,000
<b>Total</b>	<b>\$810,200</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$0</b>	<b>\$750,000</b>
State	810,200	750,000	750,000	0	750,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>339.00 Department Total</b>					
Full-Time	2,918	2,841	2,841	11	2,852
Part-Time	16	14	14	0	14
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2,934</b>	<b>2,855</b>	<b>2,855</b>	<b>11</b>	<b>2,866</b>
Payroll	123,556,400	135,687,400	133,116,500	372,900	133,489,400
Operational	93,844,400	93,783,200	92,859,200	141,500	93,000,700
<b>Total</b>	<b>\$217,400,800</b>	<b>\$229,470,600</b>	<b>\$225,975,700</b>	<b>\$514,400</b>	<b>\$226,490,100</b>
State	105,380,700	118,110,800	115,064,400	0	115,064,400
Federal	22,166,500	20,074,500	19,890,500	514,400	20,404,900
Other	89,853,600	91,285,300	91,020,800	0	91,020,800

## Statistical Data Mental Health Institutes

	<b>Lakeshore</b> <b>339.10</b>	<b>Middle</b> <b>Tennessee</b> <b>339.11</b>	<b>Western</b> <b>339.12</b>	<b>Moccasin</b> <b>Bend</b> <b>339.16</b>	<b>Memphis</b> <b>339.17</b>	<b>Total</b>
<b>Annual Admissions</b>						
1998-1999	1,903	2,428	1,611	1,760	1,928	9,630
1999-2000	2,030	2,465	1,836	2,054	1,520	9,905
2000-2001	2,279	3,087	1,865	2,089	1,625	10,945
2001-2002	2,483	3,421	2,150	2,853	1,536	12,443
2002-2003	2,894	3,762	2,333	3,888	1,606	14,483
2003-2004	3,015	4,262	2,159	3,859	1,372	14,667
2004-2005	3,000	4,300	2,100	3,800	1,300	14,500
2005-2006	3,000	4,300	2,100	3,800	1,300	14,500
<b>Annual Releases</b>						
1998-1999	1,924	2,407	1,572	1,768	1,917	9,588
1999-2000	2,027	2,434	1,873	2,043	1,528	9,905
2000-2001	2,297	3,082	1,831	2,087	1,610	10,907
2001-2002	2,474	3,416	2,168	2,854	1,540	12,452
2002-2003	2,878	3,784	2,299	3,896	1,571	14,428
2003-2004	3,026	4,266	2,200	3,900	1,402	14,794
2004-2005	3,000	4,300	2,200	3,900	1,300	14,700
2005-2006	3,000	4,300	2,200	3,900	1,300	14,700
<b>Average Daily Census</b>						
1998-1999	201	256	228	147	103	935
1999-2000	188	274	234	155	77	928
2000-2001	180	289	254	179	83	985
2001-2002	167	285	259	151	79	941
2002-2003	175	277	257	152	97	958
2003-2004	176	276	258	157	93	960
2004-2005	175	275	257	155	90	952
2005-2006	175	275	257	155	90	952
<b>Cost Per Occupancy Day*</b>						
1998-1999	\$307.79	\$316.22	\$312.34	\$319.52	\$409.63	\$324.27
1999-2000	\$338.73	\$340.78	\$291.06	\$320.81	\$563.16	\$343.31
2000-2001	\$388.31	\$357.41	\$292.57	\$302.11	\$551.21	\$352.62
2001-2002	\$431.69	\$387.20	\$332.17	\$390.80	\$632.08	\$401.09
2002-2003	\$429.68	\$423.37	\$350.72	\$411.24	\$635.59	\$424.59
2003-2004	\$460.47	\$447.07	\$354.01	\$421.73	\$669.54	\$441.93
2004-2005	\$471.58	\$420.78	\$396.97	\$463.02	\$691.53	\$456.16
2005-2006	\$464.61	\$414.53	\$389.84	\$456.51	\$683.24	\$449.31

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



# Department of Health

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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 four functional areas which include:

- Administrative and Support Services
- Bureau of Health Licensure and Regulation
- Bureau of Health Services
- Bureau of Alcohol and Drug Abuse Services.

## Administrative and Support Services

Administrative and Support Services provides direction, coordination, review, and basic support services to the Department of Health. This functional area is divided into Executive Administration, the Bureau of Administrative Services, the Office of Information Technology, Laboratory Services, and the Office of Policy, Planning, and Assessment.

Executive Administration provides for the overall policy direction and management of the department, as well as human resources, legal, and minority health activities.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>343.01 Executive Administration</b>					
Full-Time	76	80	80	0	<b>80</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>76</b>	<b>80</b>	<b>80</b>	<b>0</b>	<b>80</b>
Payroll	3,996,600	4,734,000	4,663,000	0	<b>4,663,000</b>
Operational	1,432,600	1,327,500	1,327,500	0	<b>1,327,500</b>
<b>Total</b>	<b>\$5,429,200</b>	<b>\$6,061,500</b>	<b>\$5,990,500</b>	<b>\$0</b>	<b>\$5,990,500</b>
State	4,586,300	5,024,700	4,953,700	0	<b>4,953,700</b>
Federal	752,900	850,300	850,300	0	<b>850,300</b>
Other	90,000	186,500	186,500	0	<b>186,500</b>

The Bureau of Administrative Services provides administrative support to program areas of the department. This support includes accounting, budgeting, contracting, and facilities management, as well as procurement and payment activities.

## 343.03 Bureau of Administrative Services

Full-Time	65	59	59	0	<b>59</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>65</b>	<b>59</b>	<b>59</b>	<b>0</b>	<b>59</b>
Payroll	2,386,900	3,107,200	2,991,700	0	<b>2,991,700</b>
Operational	648,000	633,000	633,000	0	<b>633,000</b>
<b>Total</b>	<b>\$3,034,900</b>	<b>\$3,740,200</b>	<b>\$3,624,700</b>	<b>\$0</b>	<b>\$3,624,700</b>
State	2,070,600	2,678,500	2,563,000	0	<b>2,563,000</b>
Federal	964,200	1,061,700	1,061,700	0	<b>1,061,700</b>
Other	100	0	0	0	<b>0</b>

The Office of Information Technology provides hardware, software and information systems support to the various programs within the Department of Health. This support includes systems and personal computer security, project management, application development, web development and design, database administration and provides maintenance of all systems for the department. Technical services, computer operations services, hardware and software installations and client server administration are also provided.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>343.04 Office of Information Technology</b>					
Full-Time	47	48	48	0	48
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>47</b>	<b>48</b>	<b>48</b>	<b>0</b>	<b>48</b>
Payroll	2,245,200	2,705,800	2,682,700	0	2,682,700
Operational	703,900	767,300	767,300	0	767,300
<b>Total</b>	<b>\$2,949,100</b>	<b>\$3,473,100</b>	<b>\$3,450,000</b>	<b>\$0</b>	<b>\$3,450,000</b>
State	2,871,700	3,473,100	3,450,000	0	3,450,000
Federal	76,500	0	0	0	0
Other	900	0	0	0	0

Laboratory Services offers microbiological and environmental laboratory services for intra- and inter-departmental programs. 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.

**343.08 Laboratory Services**

Full-Time	187	182	182	0	182
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>187</b>	<b>182</b>	<b>182</b>	<b>0</b>	<b>182</b>
Payroll	6,793,400	9,496,100	9,362,700	0	9,362,700
Operational	8,013,800	7,801,100	7,801,100	0	7,801,100
<b>Total</b>	<b>\$14,807,200</b>	<b>\$17,297,200</b>	<b>\$17,163,800</b>	<b>\$0</b>	<b>\$17,163,800</b>
State	8,596,100	7,891,200	7,800,500	0	7,800,500
Federal	1,669,300	3,034,800	3,034,800	0	3,034,800
Other	4,541,800	6,371,200	6,328,500	0	6,328,500

Policy, Planning, and Assessment (PPA) administers all vital records, health statistics research, and the traumatic brain injury registry. Through the Office of Cancer Surveillance, PPA administers the cancer registry and the comprehensive cancer control plan. PPA also maintains the Health Information Tennessee (HIT) website. HIT is a website for health related data accessible to the general public, internal users, external researchers, community agencies, and other interested parties.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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### 343.20 Policy, Planning, and Assessment

Full-Time	141	143	143	0	143
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>141</b>	<b>143</b>	<b>143</b>	<b>0</b>	<b>143</b>
Payroll	5,171,200	6,790,500	6,651,100	0	6,651,100
Operational	2,997,900	2,591,200	2,591,200	0	2,591,200
<b>Total</b>	<b>\$8,169,100</b>	<b>\$9,381,700</b>	<b>\$9,242,300</b>	<b>\$0</b>	<b>\$9,242,300</b>
State	3,624,900	4,683,400	4,544,000	0	4,544,000
Federal	1,223,400	1,707,700	1,707,700	0	1,707,700
Other	3,320,800	2,990,600	2,990,600	0	2,990,600

### Bureau of Health Licensure and Regulation

The Bureau of Health Licensure and Regulation regulates the health care industry through the certification and licensure of health care facilities, emergency medical services, and the regulation of certain health care professionals.

Health Licensure and Regulation provides the overall policy, direction, and support for the Bureau of Health Licensure and Regulation and specifically monitors the quality of health care rendered to the citizens of Tennessee by regulating health care facilities. The following programs are administered by the bureau:

- Civil rights compliance
- Health care facility licensure
- Health Care Facility Federal Certification Program.

### 343.05 Health Licensure and Regulation

Full-Time	169	170	170	3	173
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>169</b>	<b>170</b>	<b>170</b>	<b>3</b>	<b>173</b>
Payroll	7,901,300	9,089,600	9,234,300	143,300	9,377,600
Operational	3,623,900	3,731,000	3,731,000	54,300	3,785,300
<b>Total</b>	<b>\$11,525,200</b>	<b>\$12,820,600</b>	<b>\$12,965,300</b>	<b>\$197,600</b>	<b>\$13,162,900</b>
State	4,468,400	4,455,800	4,704,500	197,600	4,902,100
Federal	5,768,400	6,771,600	6,667,600	0	6,667,600
Other	1,288,400	1,593,200	1,593,200	0	1,593,200

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. In addition, technical assistance and coordination is provided to local governments for the development of EMS communications systems.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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### 343.07 Emergency Medical Services

Full-Time	20	20	20	1	21
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
<b>Total</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>1</b>	<b>34</b>
Payroll	807,500	1,015,100	989,300	39,400	1,028,700
Operational	816,800	940,800	940,800	9,700	950,500
<b>Total</b>	<b>\$1,624,300</b>	<b>\$1,955,900</b>	<b>\$1,930,100</b>	<b>\$49,100</b>	<b>\$1,979,200</b>
State	476,600	582,800	568,200	0	568,200
Federal	373,900	672,500	672,500	0	672,500
Other	773,800	700,600	689,400	49,100	738,500

The Health Related Boards regulate certain health care professions through the following activities:

- Certification and licensure of health care professionals
- Enforcement of statutes and rules pertaining to standards of practice and professional conduct
- Assistance in administration, investigation, enforcement, and peer assistance.

### 343.10 Health Related Boards

Full-Time	111	116	116	3	119
Part-Time	163	163	163	0	163
Seasonal	0	0	0	0	0
<b>Total</b>	<b>274</b>	<b>279</b>	<b>279</b>	<b>3</b>	<b>282</b>
Payroll	4,518,300	5,463,800	5,347,600	129,000	5,476,600
Operational	3,878,100	5,313,000	5,313,000	53,200	5,366,200
<b>Total</b>	<b>\$8,396,400</b>	<b>\$10,776,800</b>	<b>\$10,660,600</b>	<b>\$182,200</b>	<b>\$10,842,800</b>
State	8,363,200	10,776,800	10,660,600	182,200	10,842,800
Federal	0	0	0	0	0
Other	33,200	0	0	0	0

### Bureau of Health Services

The Bureau of Health Services is responsible for the delivery of public health services to the citizens and visitors of Tennessee through a system of 13 regional health offices responsible for the oversight of services provided in 89 rural and six metropolitan county health departments. These services encompass both primary care and prevention services with an emphasis on health promotion, disease prevention, and health access activities. The programs offered by this bureau are in six functional areas:

- General Environmental Health
- Maternal and Child Health
- Communicable and Environmental Disease Services
- Community and Medical Services
- Women, Infants, and Children (WIC) supplemental foods
- Local Health Services.

Health Services Administration directs, supervises, plans, and coordinates health care service delivery in the state as well as providing administrative support to the various programs within the Bureau of Health Services.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>343.45 Health Services Administration</b>					
Full-Time	56	74	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>56</b>	<b>74</b>	<b>74</b>	<b>0</b>	<b>74</b>
Payroll	2,823,900	4,197,700	4,103,200	0	4,103,200
Operational	1,759,400	2,238,900	2,238,900	0	2,238,900
<b>Total</b>	<b>\$4,583,300</b>	<b>\$6,436,600</b>	<b>\$6,342,100</b>	<b>\$0</b>	<b>\$6,342,100</b>
State	3,479,200	4,127,100	4,032,600	0	4,032,600
Federal	1,102,800	1,247,300	1,247,300	0	1,247,300
Other	1,300	1,062,200	1,062,200	0	1,062,200

The General Environmental Health program 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, lead investigations, and environmental surveys that are conducted in schools, child care facilities, and state correctional institutions.

**343.39 General Environmental Health**

Full-Time	110	110	110	0	110
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>0</b>	<b>110</b>
Payroll	5,129,100	5,955,600	5,996,700	0	5,996,700
Operational	4,226,200	4,720,300	4,720,300	0	4,720,300
<b>Total</b>	<b>\$9,355,300</b>	<b>\$10,675,900</b>	<b>\$10,717,000</b>	<b>\$0</b>	<b>\$10,717,000</b>
State	9,307,500	10,647,300	10,688,400	0	10,688,400
Federal	0	0	0	0	0
Other	47,800	28,600	28,600	0	28,600

The Maternal and Child Health (MCH) program, including women's health and genetics, 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 for physically disabled children up to the age of 21. Programs administered by this division include:

- Abstinence education
- Child health care services
- Child fatality reviews
- Families First home visiting
- School health
- Adolescent pregnancy prevention
- Newborn genetic screening and hearing screening
- Services for pregnant women
- Family planning.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>343.47 Maternal and Child Health</b>					
Full-Time	44	45	45	0	45
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>44</b>	<b>45</b>	<b>45</b>	<b>0</b>	<b>45</b>
Payroll	1,513,100	2,602,500	2,501,300	0	2,501,300
Operational	12,056,700	13,419,500	13,419,500	161,800	13,581,300
<b>Total</b>	<b>\$13,569,800</b>	<b>\$16,022,000</b>	<b>\$15,920,800</b>	<b>\$161,800</b>	<b>\$16,082,600</b>
State	2,925,300	3,059,500	2,958,300	161,800	3,120,100
Federal	7,448,800	8,417,100	8,417,100	0	8,417,100
Other	3,195,700	4,545,400	4,545,400	0	4,545,400

The Communicable and Environmental Disease Services (CEDS) program conducts activities to protect the citizens of the state from infectious diseases. These activities include epidemiological investigations of acute communicable diseases, tuberculosis control services, administration of immunizations against vaccine-preventable diseases, as well as investigation, diagnosis, and treatment of persons with sexually transmitted diseases including HIV/AIDS. This division also provides skilled professional case management intervention, financial assistance, housing, medical and social services, and referrals across Tennessee for people with HIV, as well as their families and caregivers. Environmental epidemiology services are also provided in this section including education programs relative to chemical or physical pollution, disease cluster investigations, and toxicological at-risk assessment consultations with environmental regulatory programs within the Department of Environment and Conservation. CEDS also protects citizens of the state by working quickly to detect acts of bioterrorism by maintaining syndromic surveillance systems for early detection of outbreaks and providing emergency support to health departments and emergency responders.

#### **343.49 Communicable and Environmental Disease Services**

Full-Time	122	132	132	0	132
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>123</b>	<b>133</b>	<b>133</b>	<b>0</b>	<b>133</b>
Payroll	4,123,400	7,587,700	7,451,500	0	7,451,500
Operational	39,717,300	43,248,300	42,954,900	0	42,954,900
<b>Total</b>	<b>\$43,840,700</b>	<b>\$50,836,000</b>	<b>\$50,406,400</b>	<b>\$0</b>	<b>\$50,406,400</b>
State	2,376,300	4,493,000	4,357,900	0	4,357,900
Federal	41,396,900	46,049,600	46,048,500	0	46,048,500
Other	67,500	293,400	0	0	0

Community and Medical Services include health promotion activities that seek to reduce premature death and disability, and promote healthy lifestyle practices through a combination of preventive programs and wellness initiatives. The target population served is the indigent and medically underserved. The statewide Breast and Cervical Cancer Program provides breast and cervical screening to eligible women and diagnostic follow up tests for those with suspicious results. 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 programs include:

- Health access
- Rural health
- Rape prevention & education
- Chronic renal disease
- Hemophilia
- Community Prevention Initiative
- Diabetes prevention and control
- Heart disease and stroke prevention
- Traumatic brain injury
- Bioterrorism Preparedness for hospitals.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>343.52 Community and Medical Services</b>					
Full-Time	65	68	68	0	<b>68</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>65</b>	<b>68</b>	<b>68</b>	<b>0</b>	<b>68</b>
Payroll	2,478,200	3,533,800	3,475,400	0	<b>3,475,400</b>
Operational	12,314,700	13,470,800	12,970,800	0	<b>12,970,800</b>
<b>Total</b>	<b>\$14,792,900</b>	<b>\$17,004,600</b>	<b>\$16,446,200</b>	<b>\$0</b>	<b>\$16,446,200</b>
State	8,430,400	9,665,200	9,606,800	0	<b>9,606,800</b>
Federal	6,352,000	6,778,000	6,278,000	0	<b>6,278,000</b>
Other	10,500	561,400	561,400	0	<b>561,400</b>

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 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.

**343.53 Women, Infants, and Children (WIC)**

Full-Time	20	20	20	0	<b>20</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>
Payroll	784,900	1,058,400	1,039,200	0	<b>1,039,200</b>
Operational	109,740,700	114,872,500	114,872,500	0	<b>114,872,500</b>
<b>Total</b>	<b>\$110,525,600</b>	<b>\$115,930,900</b>	<b>\$115,911,700</b>	<b>\$0</b>	<b>\$115,911,700</b>
State	0	0	0	0	<b>0</b>
Federal	78,186,400	80,796,900	80,777,700	0	<b>80,777,700</b>
Other	32,339,200	35,134,000	35,134,000	0	<b>35,134,000</b>

Local Health Services offers health services to citizens of the state through a network of regional health offices, metropolitan area offices, and county health departments. Grant-in-aid is 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. The health services provided through this network include the following:

- Child health and development services
- Family planning services
- Community health clinics/primary care services
- TennCare dental services

- Women, Infants, and Children (WIC)
- Children’s special services
- Immunizations services
- Health promotion services
- Sexually transmitted diseases services
- Tuberculosis control services
- AIDS services
- Bioterrorism preparedness
- Community development
- Families First home visits
- Early Periodic Screening Diagnosis Treatment (EPSDT) outreach activities.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>343.60 Local Health Services</b>					
Full-Time	1,611	1,631	1,631	0	1,631
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1,614</b>	<b>1,634</b>	<b>1,634</b>	<b>0</b>	<b>1,634</b>
Payroll	62,809,700	77,729,700	75,981,300	0	75,981,300
Operational	76,954,500	80,174,300	80,079,300	0	80,079,300
<b>Total</b>	<b>\$139,764,200</b>	<b>\$157,904,000</b>	<b>\$156,060,600</b>	<b>\$0</b>	<b>\$156,060,600</b>
State	20,542,100	29,018,200	27,174,800	0	27,174,800
Federal	60,392,400	64,962,500	64,962,500	0	64,962,500
Other	58,829,700	63,923,300	63,923,300	0	63,923,300

### **Bureau of Alcohol and Drug Abuse Services**

Alcohol and Drug Abuse Services is responsible for developing 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 both mental health and alcohol and/or drug abuse diagnoses (dual diagnosis).

The majority of services developed through this program are funded through grants to non-profit or local government agencies. The activities of Alcohol and Drug Abuse Services include:

- Directing media campaigns to prevent or reduce substance abuse and addiction
- Coordinating, assisting, and developing alcohol and drug abuse prevention services and programs with local communities including, but not limited to, intensive focus, community prevention networks, and regional training
- Coordinating, assisting, and developing alcohol and drug abuse treatment services and programs with local communities including, but not limited to: detoxification, family intervention, residential rehabilitation, halfway houses, day treatment, and outpatient services
- Coordinating alcohol and drug policy and programming with regional and national networks
- Collaborating and coordinating with local governments, community groups, and other state agencies to target at-risk youth with prevention programs through the Community Prevention Initiative.



	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>343.44 Alcohol and Drug Abuse Services</b>					
Full-Time	34	42	42	0	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>34</b>	<b>42</b>	<b>42</b>	<b>0</b>	<b>42</b>
Payroll	1,485,400	2,182,500	2,154,500	0	2,154,500
Operational	41,838,800	53,477,200	53,477,200	0	53,477,200
<b>Total</b>	<b>\$43,324,200</b>	<b>\$55,659,700</b>	<b>\$55,631,700</b>	<b>\$0</b>	<b>\$55,631,700</b>
State	10,547,300	13,135,700	13,107,700	0	13,107,700
Federal	32,676,700	42,524,000	42,524,000	0	42,524,000
Other	100,200	0	0	0	0

**343.00 Department Total**

Full-Time	2,878	2,940	2,940	7	2,947
Part-Time	180	180	180	0	180
Seasonal	0	0	0	0	0
<b>Total</b>	<b>3,058</b>	<b>3,120</b>	<b>3,120</b>	<b>7</b>	<b>3,127</b>
Payroll	114,968,100	147,250,000	144,625,500	311,700	144,937,200
Operational	320,723,300	348,726,700	347,838,300	279,000	348,117,300
<b>Total</b>	<b>\$435,691,400</b>	<b>\$495,976,700</b>	<b>\$492,463,800</b>	<b>\$590,700</b>	<b>\$493,054,500</b>
State	92,665,900	113,712,300	111,171,000	541,600	111,712,600
Federal	238,384,600	264,874,000	264,249,700	0	264,249,700
Other	104,640,900	117,390,400	117,043,100	49,100	117,092,200

# Department of Finance and Administration

## Division of Mental Retardation Services

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The Department of Finance and Administration, Division of Mental Retardation Services, is responsible for providing services to Tennesseans with mental retardation and other developmental disabilities to meet their individual and family choices and needs for services and support. Services are provided in a variety of settings, ranging from individual-supported living in the community to institutional care, to ensure the most integrated environment to meet the needs of each person. This division also provides support to the Developmental Disabilities Council.

Mental Retardation Administration is responsible for the following:

- Coordination and support of three regional offices
- Administration of three developmental centers
- Administration of the home and community based waiver program for 4,500 individuals
- Development and implementation of policies
- Implementation of the settlement agreement community plan
- Approval of statewide programs and provider development
- Administration of the Family Support Program
- Coordination of budget and personnel functions
- Receipt and payment of TennCare provider reimbursement for the home and community based waiver
- Coordination of community and developmental center investigations
- Training, technical assistance, and consultation in various specialty areas.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>344.01 Mental Retardation Administration</b>					
Full-Time	134	182	197	0	197
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>134</b>	<b>182</b>	<b>197</b>	<b>0</b>	<b>197</b>
Payroll	6,437,200	10,577,500	12,012,400	0	12,012,400
Operational	4,180,600	3,542,500	3,974,800	4,124,100	8,098,900
<b>Total</b>	<b>\$10,617,800</b>	<b>\$14,120,000</b>	<b>\$15,987,200</b>	<b>\$4,124,100</b>	<b>\$20,111,300</b>
State	876,000	4,469,700	4,990,600	4,124,100	9,114,700
Federal	0	336,000	479,000	0	479,000
Other	9,741,800	9,314,300	10,517,600	0	10,517,600

### Developmental Disabilities Council

The Developmental Disabilities Council consists of members appointed by the Governor and represents a broad range of disabilities as well as the cultural and geographical diversity of the state. The council works for public policies and service systems that promote the inclusion of individuals with developmental disabilities in their communities. Council members are responsible for administering federal grant funds and implementing federal law. While the council is administratively tied to the Division of Mental Retardation Services, council employees operate separately from the Division of Mental Retardation Services staff and work at the direction of the council.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>344.81 Developmental Disabilities Council</b>					
Full-Time	8	8	8	0	<b>8</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>
Payroll	406,600	452,500	447,100	0	<b>447,100</b>
Operational	1,454,000	1,929,400	1,929,400	0	<b>1,929,400</b>
<b>Total</b>	<b>\$1,860,600</b>	<b>\$2,381,900</b>	<b>\$2,376,500</b>	<b>\$0</b>	<b>\$2,376,500</b>
State	75,700	170,800	169,400	0	<b>169,400</b>
Federal	1,784,900	2,111,100	2,107,100	0	<b>2,107,100</b>
Other	0	100,000	100,000	0	<b>100,000</b>

## Community Services

Community Mental Retardation Services provides community-based mental retardation services to persons with mental retardation and other developmental disabilities. The division contracts with community agencies across the state to provide the following comprehensive system of support services:

- Family-based residential services
- Group homes
- Family support
- Supported living
- Highly structured specialized living arrangements
- Adult day services
- Therapy services
- Early intervention services
- Respite
- Diagnostic and evaluation
- Recreation
- Supported employment
- Support coordination services.

## 344.02 Community Mental Retardation Services

Full-Time	0	0	0	0	<b>0</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	<b>0</b>
Operational	398,244,500	437,596,700	442,686,700	40,940,000	<b>483,626,700</b>
<b>Total</b>	<b>\$398,244,500</b>	<b>\$437,596,700</b>	<b>\$442,686,700</b>	<b>\$40,940,000</b>	<b>\$483,626,700</b>
State	104,702,400	96,349,700	76,155,200	0	<b>76,155,200</b>
Federal	0	0	0	0	<b>0</b>
Other	293,542,100	341,247,000	366,531,500	40,940,000	<b>407,471,500</b>

## Regional Offices

The regional offices coordinate services for individuals in the community and for individuals transitioning from institutional settings to the community. The division operates an office in each of the three regions of the state to help consumers and their families find the most appropriate, least restrictive placement.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>344.20 West Tennessee Region</b>					
Full-Time	104	135	151	0	151
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>104</b>	<b>135</b>	<b>151</b>	<b>0</b>	<b>151</b>
Payroll	4,751,300	8,069,700	8,654,400	0	8,654,400
Operational	4,376,500	8,346,500	6,014,500	0	6,014,500
<b>Total</b>	<b>\$9,127,800</b>	<b>\$16,416,200</b>	<b>\$14,668,900</b>	<b>\$0</b>	<b>\$14,668,900</b>
State	1,327,900	4,924,600	4,400,300	0	4,400,300
Federal	0	0	0	0	0
Other	7,799,900	11,491,600	10,268,600	0	10,268,600
<b>344.21 Middle Tennessee Region</b>					
Full-Time	119	149	163	0	163
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>119</b>	<b>149</b>	<b>163</b>	<b>0</b>	<b>163</b>
Payroll	5,111,700	7,694,400	8,178,900	0	8,178,900
Operational	1,021,500	1,210,000	1,470,500	0	1,470,500
<b>Total</b>	<b>\$6,133,200</b>	<b>\$8,904,400</b>	<b>\$9,649,400</b>	<b>\$0</b>	<b>\$9,649,400</b>
State	657,500	2,758,500	2,982,000	0	2,982,000
Federal	0	0	0	0	0
Other	5,475,700	6,145,900	6,667,400	0	6,667,400
<b>344.22 East Tennessee Region</b>					
Full-Time	118	156	185	0	185
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>118</b>	<b>156</b>	<b>185</b>	<b>0</b>	<b>185</b>
Payroll	5,305,400	7,855,700	8,596,000	0	8,596,000
Operational	1,904,600	1,797,000	2,849,400	0	2,849,400
<b>Total</b>	<b>\$7,210,000</b>	<b>\$9,652,700</b>	<b>\$11,445,400</b>	<b>\$0</b>	<b>\$11,445,400</b>
State	1,040,400	3,016,300	3,554,200	0	3,554,200
Federal	0	0	0	0	0
Other	6,169,600	6,636,400	7,891,200	0	7,891,200

### Developmental Centers

The Division of Mental Retardation Services also is responsible for the operation of the state's developmental centers, which provide 24-hour care to improve the physical, intellectual, social, and emotional capabilities of adults and children who are severely and profoundly retarded. The following programs are provided by the developmental centers:

- 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 retarded residents with severe and profound mental retardation
- Medical Treatment at Clover Bottom and Greene Valley Developmental Centers provide treatment to residents who require more than can be provided in the living unit, but do not require specialized medical services which can only be obtained through outside hospitalization
- The Facility Group Home at Greene Valley Developmental Center provides transitional residential services to clients before leaving the facility to prepare for a successful community placement
- Mentally Retarded Offender Care at Harold W. Jordan Habilitation Center, located at Clover Bottom Developmental Center, provides habilitative care and competency training in a secure institution for adolescent and adult offenders exhibiting challenging behaviors with mild to moderate retardation.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>344.10 Arlington Developmental Center</b>					
Full-Time	1,173	1,170	1,039	0	<b>1,039</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,173</b>	<b>1,170</b>	<b>1,039</b>	<b>0</b>	<b>1,039</b>
Payroll	40,531,200	47,388,100	42,382,000	0	<b>42,382,000</b>
Operational	19,964,000	28,521,500	17,202,300	0	<b>17,202,300</b>
<b>Total</b>	<b>\$60,495,200</b>	<b>\$75,909,600</b>	<b>\$59,584,300</b>	<b>\$0</b>	<b>\$59,584,300</b>
State	506,700	601,400	565,300	0	<b>565,300</b>
Federal	0	0	0	0	<b>0</b>
Other	59,988,500	75,308,200	59,019,000	0	<b>59,019,000</b>
<b>344.11 Clover Bottom Developmental Center</b>					
Full-Time	1,001	998	903	0	<b>903</b>
Part-Time	1	1	1	0	<b>1</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,002</b>	<b>999</b>	<b>904</b>	<b>0</b>	<b>904</b>
Payroll	33,103,200	39,733,700	35,636,900	0	<b>35,636,900</b>
Operational	19,324,200	18,342,500	17,694,200	0	<b>17,694,200</b>
<b>Total</b>	<b>\$52,427,400</b>	<b>\$58,076,200</b>	<b>\$53,331,100</b>	<b>\$0</b>	<b>\$53,331,100</b>
State	6,551,900	7,195,100	7,108,500	0	<b>7,108,500</b>
Federal	0	0	0	0	<b>0</b>
Other	45,875,500	50,881,100	46,222,600	0	<b>46,222,600</b>
<b>344.12 Greene Valley Developmental Center</b>					
Full-Time	1,381	1,384	1,384	0	<b>1,384</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,381</b>	<b>1,384</b>	<b>1,384</b>	<b>0</b>	<b>1,384</b>
Payroll	48,657,900	56,150,600	54,838,500	0	<b>54,838,500</b>
Operational	15,271,300	15,302,900	15,201,100	0	<b>15,201,100</b>
<b>Total</b>	<b>\$63,929,200</b>	<b>\$71,453,500</b>	<b>\$70,039,600</b>	<b>\$0</b>	<b>\$70,039,600</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
State	389,000	648,800	600,500	0	<b>600,500</b>
Federal	0	0	0	0	<b>0</b>
Other	63,540,200	70,804,700	69,439,100	0	<b>69,439,100</b>

#### **344.00 Department Total**

Full-Time	4,038	4,182	4,030	0	<b>4,030</b>
Part-Time	1	1	1	0	<b>1</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>4,039</b>	<b>4,183</b>	<b>4,031</b>	<b>0</b>	<b>4,031</b>
Payroll	144,304,500	177,922,200	170,746,200	0	<b>170,746,200</b>
Operational	465,741,200	516,589,000	509,022,900	45,064,100	<b>554,087,000</b>
<b>Total</b>	<b>\$610,045,700</b>	<b>\$694,511,200</b>	<b>\$679,769,100</b>	<b>\$45,064,100</b>	<b>\$724,833,200</b>
State	116,127,500	120,134,900	100,526,000	4,124,100	<b>104,650,100</b>
Federal	1,784,900	2,447,100	2,586,100	0	<b>2,586,100</b>
Other	492,133,300	571,929,200	576,657,000	40,940,000	<b>617,597,000</b>

## Statistical Data Mental Retardation Developmental Centers

	<u>Arlington</u> 344.10	<u>Clover Bottom</u> 344.11	<u>Greene Valley</u> 344.12	<u>Total</u>
<b>Annual Admissions</b>				
1998-1999	1	2	3	6
1999-2000	0	3	0	3
2000-2001	0	15	10	25
2001-2002	0	6	6	12
2002-2003	0	6	6	12
2003-2004	0	0	0	0
2004-2005	0	0	0	0
2005-2006	0	0	0	0
<b>Annual Releases</b>				
1998-1999	36	25	46	107
1999-2000	17	39	19	75
2000-2001	24	30	30	84
2001-2002	42	16	16	74
2002-2003	17	25	22	64
2003-2004	12	17	11	40
2004-2005	12	14	2	28
2005-2006	10	22	11	43
<b>Average Daily Census</b>				
1998-1999	300	311	406	1,017
1999-2000	285	289	374	948
2000-2001	261	264	353	878
2001-2002	249	239	343	831
2002-2003	223	216	319	758
2003-2004	211	199	308	718
2004-2005	199	185	306	690
2005-2006	189	163	295	647
<b>Cost Per Occupancy Day*</b>				
1998-1999	\$607.16	\$469.20	\$399.78	\$1,476.14
1999-2000	\$606.98	\$475.30	\$424.47	\$1,506.74
2000-2001	\$689.86	\$510.82	\$457.11	\$1,657.80
2001-2002	\$720.98	\$575.47	\$442.33	\$1,738.79
2002-2003	\$800.10	\$654.77	\$511.57	\$1,966.44
2003-2004	\$783.35	\$719.82	\$567.11	\$2,070.28
2004-2005	\$1,045.08	\$860.07	\$628.80	\$2,533.95
2005-2006	\$863.73	\$964.37	\$652.25	\$2,480.35

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

# Department of Human Services

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The mission of the Department of Human Services is to provide an effective system of services for disadvantaged, disabled, and vulnerable Tennesseans to improve their quality of life. The department is structured into four functional areas:

- Administration
- Adult and Family Services
- Child Support
- Rehabilitation Services.

## 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.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>345.01 Division of Administration</b>					
Full-Time	518	534	534	0	534
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>518</b>	<b>534</b>	<b>534</b>	<b>0</b>	<b>534</b>
Payroll	21,086,000	29,533,500	29,526,200	0	29,526,200
Operational	25,657,600	23,109,100	23,821,700	0	23,821,700
<b>Total</b>	<b>\$46,743,600</b>	<b>\$52,642,600</b>	<b>\$53,347,900</b>	<b>\$0</b>	<b>\$53,347,900</b>
State	15,138,000	19,474,800	17,135,300	0	17,135,300
Federal	19,734,500	22,880,500	21,957,200	0	21,957,200
Other	11,871,100	10,287,300	14,255,400	0	14,255,400
<b>345.16 Field Operations</b>					
Full-Time	506	506	506	0	506
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>506</b>	<b>506</b>	<b>506</b>	<b>0</b>	<b>506</b>
Payroll	17,755,500	20,370,200	19,051,700	0	19,051,700
Operational	1,347,500	1,158,900	1,465,300	0	1,465,300
<b>Total</b>	<b>\$19,103,000</b>	<b>\$21,529,100</b>	<b>\$20,517,000</b>	<b>\$0</b>	<b>\$20,517,000</b>
State	5,785,100	6,691,700	6,021,600	0	6,021,600
Federal	5,151,500	5,625,300	5,312,100	0	5,312,100
Other	8,166,400	9,212,100	9,183,300	0	9,183,300
<b>345.17 County Rentals</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
Payroll	0	0	0	0	0
Operational	16,959,000	16,168,300	16,206,500	0	16,206,500
<b>Total</b>	<b>\$16,959,000</b>	<b>\$16,168,300</b>	<b>\$16,206,500</b>	<b>\$0</b>	<b>\$16,206,500</b>
State	5,047,700	4,418,500	4,959,100	0	4,959,100
Federal	5,828,500	5,041,700	4,531,400	0	4,531,400
Other	6,082,800	6,708,100	6,716,000	0	6,716,000

### 345.31 Appeals and Hearings

Full-Time	46	215	193	22	215
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>46</b>	<b>215</b>	<b>193</b>	<b>22</b>	<b>215</b>
Payroll	2,106,200	8,740,400	8,294,700	894,000	9,188,700
Operational	179,200	4,336,600	3,083,800	306,000	3,389,800
<b>Total</b>	<b>\$2,285,400</b>	<b>\$13,077,000</b>	<b>\$11,378,500</b>	<b>\$1,200,000</b>	<b>\$12,578,500</b>
State	737,600	744,300	744,300	0	744,300
Federal	986,600	1,081,100	986,600	0	986,600
Other	561,200	11,251,600	9,647,600	1,200,000	10,847,600

### Adult and Family Services

The Family Assistance section provides temporary cash assistance and other services for 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, Food Stamp benefits, and Medicaid/TennCare eligibility.

Families First is the state TANF (Temporary Assistance to Needy Families) 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
- Encourage the formation and maintenance of two-parent families.

The Food Stamp 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 goal of the Medicaid/TennCare eligibility unit is to determine eligibility for the TennCare program. Clients are assisted through the department's county offices. Special accommodations are made for the elderly, disabled, those with limited English proficiency, or others who need assistance with the application process.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>345.23 Temporary Cash Assistance</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	149,951,800	161,179,100	154,550,300	0	154,550,300
<b>Total</b>	<b>\$149,951,800</b>	<b>\$161,179,100</b>	<b>\$154,550,300</b>	<b>\$0</b>	<b>\$154,550,300</b>
State	24,999,500	43,882,700	37,253,900	0	37,253,900
Federal	118,876,800	113,916,200	113,916,200	0	113,916,200
Other	6,075,500	3,380,200	3,380,200	0	3,380,200
<b>345.25 Food Stamp Benefits</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	796,414,100	800,000,000	862,000,000	0	862,000,000
<b>Total</b>	<b>\$796,414,100</b>	<b>\$800,000,000</b>	<b>\$862,000,000</b>	<b>\$0</b>	<b>\$862,000,000</b>
State	0	0	0	0	0
Federal	796,414,100	800,000,000	862,000,000	0	862,000,000
Other	0	0	0	0	0
<b>345.30 Family Assistance Services</b>					
Full-Time	1,863	2,323	2,323	0	2,323
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1,863</b>	<b>2,323</b>	<b>2,323</b>	<b>0</b>	<b>2,323</b>
Payroll	74,267,200	95,875,800	94,949,400	0	94,949,400
Operational	69,985,800	60,173,400	60,060,600	0	60,060,600
<b>Total</b>	<b>\$144,253,000</b>	<b>\$156,049,200</b>	<b>\$155,010,000</b>	<b>\$0</b>	<b>\$155,010,000</b>
State	57,661,200	58,929,000	60,281,700	0	60,281,700
Federal	50,549,400	51,303,400	50,696,700	0	50,696,700
Other	36,042,400	45,816,800	44,031,600	0	44,031,600

The Community Services section 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. Services provided directly include:

- Child care and adult day care licensing
- Protective services for abused and neglected elderly and disabled adults
- Child care assistance for low income, working families.

A variety of social services and economic assistance are provided to citizens through contracts with non-profit agencies across the state. These services include:

- Child and adult day care
- Child care resource and referral services
- Child and adult care and summer food programs
- Tennessee Child Care Facilities Loan Program
- Homemaker services
- Refugee services
- Low-income home energy assistance and weatherization assistance programs
- Emergency Shelter Grants program
- Emergency and support services to low-income, disabled, and elderly citizens.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>345.49 Community Services</b>					
Full-Time	335	407	407	0	407
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>335</b>	<b>407</b>	<b>407</b>	<b>0</b>	<b>407</b>
Payroll	13,676,000	18,571,000	18,161,400	0	18,161,400
Operational	314,302,800	319,104,500	310,121,000	0	310,121,000
<b>Total</b>	<b>\$327,978,800</b>	<b>\$337,675,500</b>	<b>\$328,282,400</b>	<b>\$0</b>	<b>\$328,282,400</b>
State	29,038,900	44,211,200	35,501,400	0	35,501,400
Federal	285,452,600	281,032,500	278,220,300	0	278,220,300
Other	13,487,300	12,431,800	14,560,700	0	14,560,700
<b>345.50 Child Care Facilities Loan Program</b>					
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	88,600	97,700	93,800	0	93,800
Operational	357,900	17,400	15,500	0	15,500
<b>Total</b>	<b>\$446,500</b>	<b>\$115,100</b>	<b>\$109,300</b>	<b>\$0</b>	<b>\$109,300</b>
State	0	0	0	0	0
Federal	341,300	0	0	0	0
Other	105,200	115,100	109,300	0	109,300

## Child Support

Tennessee's Child Support Program is administered by the Department of Human Services through contracts with district attorneys, private vendors, local governments and program staff. The Child Support Program, established in 1975 under Title IV-D of the Social Security Act, has implemented major changes as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Services provided include:

- Locating non-custodial parents
- Establishing paternity
- Establishing and enforcing financial and medical support orders
- Reviewing and adjusting support orders
- Collecting and distributing child support payments.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>345.13 Child Support</b>					
Full-Time	139	152	152	0	152
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>139</b>	<b>152</b>	<b>152</b>	<b>0</b>	<b>152</b>
Payroll	5,439,300	7,086,800	7,167,500	0	7,167,500
Operational	67,835,900	69,081,900	63,168,400	51,600	63,220,000
<b>Total</b>	<b>\$73,275,200</b>	<b>\$76,168,700</b>	<b>\$70,335,900</b>	<b>\$51,600</b>	<b>\$70,387,500</b>
State	16,454,400	15,301,800	13,306,600	17,500	13,324,100
Federal	33,724,500	38,695,100	32,405,000	34,100	32,439,100
Other	23,096,300	22,171,800	24,624,300	0	24,624,300

## Rehabilitation Services

Rehabilitation Services seeks to alleviate barriers to employment and provide quality services to improve the conditions of individuals with disabilities. The primary goal is to place individuals with disabilities into employment. The following services are provided:

- Vocational rehabilitation services including training, physical restoration, psychological services, counseling and guidance, job development, job placement, and follow-up
- Disability determination to ascertain whether an individual is qualified for disability insurance benefits or supplemental security income benefits from the Social Security Administration
- Rehabilitation for individuals with the disability of blindness including:
  - (a) Training to promote independent living and adjustment to blindness
  - (b) Managing the Tennessee Blind Business Enterprises program allowing individuals who are visually impaired an opportunity to have useful employment as vending stand operators
  - (c) Vocational rehabilitation services for the individuals who are blind or have severe visual impairments.

In addition to the services listed above, Vocational Rehabilitation serves individuals with severe disabilities by operating a network of facilities including the Tennessee Rehabilitation Center at Smyrna (a comprehensive residential rehabilitation facility) and 18 Community Tennessee Rehabilitation Centers located throughout the state.

	<u>Actual</u> <u>2003-2004</u>	<u>Estimated</u> <u>2004-2005</u>	<u>Base</u> <u>2005-2006</u>	<u>Improvement</u> <u>2005-2006</u>	<u>Recommended</u> <u>2005-2006</u>
<b>345.70 Vocational Rehabilitation</b>					
Full-Time	601	603	603	0	603
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>601</b>	<b>603</b>	<b>603</b>	<b>0</b>	<b>603</b>
Payroll	22,755,800	25,526,500	25,177,800	0	25,177,800
Operational	51,664,900	50,508,500	52,031,300	0	52,031,300
<b>Total</b>	<b>\$74,420,700</b>	<b>\$76,035,000</b>	<b>\$77,209,100</b>	<b>\$0</b>	<b>\$77,209,100</b>
State	12,949,600	9,936,500	9,801,300	0	9,801,300
Federal	53,020,700	58,437,500	59,459,300	0	59,459,300
Other	8,450,400	7,661,000	7,948,500	0	7,948,500
<b>345.71 Disability Determination</b>					
Full-Time	479	539	539	0	539
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>479</b>	<b>539</b>	<b>539</b>	<b>0</b>	<b>539</b>
Payroll	15,393,000	23,972,500	23,080,500	0	23,080,500
Operational	20,903,400	23,495,300	26,414,600	0	26,414,600
<b>Total</b>	<b>\$36,296,400</b>	<b>\$47,467,800</b>	<b>\$49,495,100</b>	<b>\$0</b>	<b>\$49,495,100</b>
State	0	0	0	0	0
Federal	34,777,800	45,967,800	47,495,100	0	47,495,100
Other	1,518,600	1,500,000	2,000,000	0	2,000,000
<b>345.00 Department Total</b>					
Full-Time	4,489	5,281	5,259	22	5,281
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>4,489</b>	<b>5,281</b>	<b>5,259</b>	<b>22</b>	<b>5,281</b>
Payroll	172,567,600	229,774,400	225,503,000	894,000	226,397,000
Operational	1,515,559,900	1,528,333,000	1,572,939,000	357,600	1,573,296,600
<b>Total</b>	<b>\$1,688,127,500</b>	<b>\$1,758,107,400</b>	<b>\$1,798,442,000</b>	<b>\$1,251,600</b>	<b>\$1,799,693,600</b>
State	167,812,000	203,590,500	185,005,200	17,500	185,022,700
Federal	1,404,858,300	1,423,981,100	1,476,979,900	34,100	1,477,014,000
Other	115,457,200	130,535,800	136,456,900	1,200,000	137,656,900

# Department of Children's Services

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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 to enable these children to reach their full potential as productive, competent, and healthy adults.

## Administration

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. In addition to providing the usual administrative functions, this program also assists in compliance with departmental policies, the Tennessee Code Annotated, and the American Correctional Association standards.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>359.10 Administration</b>					
Full-Time	506	503	503	0	<b>503</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>506</b>	<b>503</b>	<b>503</b>	<b>0</b>	<b>503</b>
Payroll	22,614,700	26,148,700	26,570,100	0	<b>26,570,100</b>
Operational	22,832,500	20,198,400	20,214,700	4,000,000	<b>24,214,700</b>
<b>Total</b>	<b>\$45,447,200</b>	<b>\$46,347,100</b>	<b>\$46,784,800</b>	<b>\$4,000,000</b>	<b>\$50,784,800</b>
State	32,242,400	24,381,000	24,893,500	2,000,000	<b>26,893,500</b>
Federal	6,628,300	7,320,500	7,304,600	2,000,000	<b>9,304,600</b>
Other	6,576,500	14,645,600	14,586,700	0	<b>14,586,700</b>

## Family Support Services

Family Support Services provides services to children who are at risk of coming into state custody. These services are provided to children and families in order for children to successfully remain in their homes. Community involvement is increased through community-based programming such as family preservation. The department also works with juvenile courts to divert youth from incarceration by providing a variety of community-based prevention and intervention services. Some of the services provided include:

- Family preservation services
- Family resource centers
- Child abuse prevention services
- Custody prevention grants to juvenile courts
- Intensive probation services
- Counseling and support
- Child abuse and neglect services
- Healthy Start services.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>359.20 Family Support Services</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	35,192,200	38,977,800	39,194,500	0	39,194,500
<b>Total</b>	<b>\$35,192,200</b>	<b>\$38,977,800</b>	<b>\$39,194,500</b>	<b>\$0</b>	<b>\$39,194,500</b>
State	20,992,600	27,094,900	25,798,700	0	25,798,700
Federal	13,922,000	11,619,000	13,131,900	0	13,131,900
Other	277,600	263,900	263,900	0	263,900

### Custody Services

Custody Services ensures children in state custody receive appropriate levels of treatment and care through services provided to children and their families. The goal of this program is to provide needed residential care to children in state custody within a reasonable distance from a child's home and return them home as soon as is appropriate. If a child does not have a home or family to which they can return, then permanent care is provided. The types of services provided include:

- Foster care homes
- Residential treatment programs
- Psychiatric hospital services
- Mental retardation developmental center services
- Counseling and support services.

### 359.30 Custody Services

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	215,566,100	213,000,100	208,912,400	3,444,900	212,357,300
<b>Total</b>	<b>\$215,566,100</b>	<b>\$213,000,100</b>	<b>\$208,912,400</b>	<b>\$3,444,900</b>	<b>\$212,357,300</b>
State	106,199,200	86,783,100	85,030,500	5,222,400	90,252,900
Federal	24,165,500	27,954,800	24,777,100	(691,100)	24,086,000
Other	85,201,400	98,262,200	99,104,800	(1,086,400)	98,018,400

### Adoption Services

Adoption Services provides assistance to adopted special needs children and their families. Monthly support payments are provided to assist families in adopting and caring for children with special needs. Treatment and support services are also made available as determined by the special needs of each adopted child.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>359.40 Adoption Services</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	32,690,500	40,354,500	40,426,800	2,844,800	43,271,600
<b>Total</b>	<b>\$32,690,500</b>	<b>\$40,354,500</b>	<b>\$40,426,800</b>	<b>\$2,844,800</b>	<b>\$43,271,600</b>
State	17,957,200	20,474,200	20,474,200	1,497,200	21,971,400
Federal	14,430,500	19,803,800	19,876,100	1,347,600	21,223,700
Other	302,800	76,500	76,500	0	76,500

### Child and Family Management

Child and Family Management provides case management services to children and their families in the most appropriate and timely manner to meet identified intervention, treatment, and placement needs. Case management services consist of assessment of needs, individual case planning and management, and evaluation services. Case management services are provided primarily through DCS staff and through contracts with community services agencies. Case management support is provided through the Regional Services Administration, child and family teams, resource management, and court liaisons. Services provided include:

- Residential case management
- Probation case management
- Child protective case management
- Adoption case management
- Crisis intervention services.

### 359.50 Child and Family Management

Full-Time	2,676	2,720	2,720	56	2,776
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2,676</b>	<b>2,720</b>	<b>2,720</b>	<b>56</b>	<b>2,776</b>
Payroll	102,730,500	115,764,900	114,014,200	7,396,400	121,410,600
Operational	61,908,800	61,550,100	61,456,500	2,238,000	63,694,500
<b>Total</b>	<b>\$164,639,300</b>	<b>\$177,315,000</b>	<b>\$175,470,700</b>	<b>\$9,634,400</b>	<b>\$185,105,100</b>
State	59,176,200	69,122,700	66,007,100	5,396,800	71,403,900
Federal	36,381,800	30,488,800	32,368,800	256,800	32,625,600
Other	69,081,300	77,703,500	77,094,800	3,980,800	81,075,600

### Youth Development Centers

Youth Development Centers provide individualized treatment programs and services to juvenile offenders contributing to their successful reintegration into society. The Wilder, Woodland Hills, and Mountain View facilities are the three regional youth development centers. The New Visions facility is for females from across the state. Juveniles who are convicted of adult crimes, serious delinquent offenses, or have demonstrated major behavior problems at other institutions are placed



at Taft Youth Development Center. These institutions assess and properly care for the needs of juveniles while offering counseling and educational services. Services provided include:

- Drug and alcohol abuse treatment
- Sex abuse/sex offender treatment
- 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
- Vocational training.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>359.60 John S. Wilder Youth Development Center</b>					
Full-Time	180	178	178	0	178
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
<b>Total</b>	<b>182</b>	<b>180</b>	<b>180</b>	<b>0</b>	<b>180</b>
Payroll	6,720,000	7,897,700	7,527,900	66,100	7,594,000
Operational	1,823,100	2,019,900	2,020,400	0	2,020,400
<b>Total</b>	<b>\$8,543,100</b>	<b>\$9,917,600</b>	<b>\$9,548,300</b>	<b>\$66,100</b>	<b>\$9,614,400</b>
State	8,288,700	9,648,600	9,278,800	66,100	9,344,900
Federal	0	0	0	0	0
Other	254,400	269,000	269,500	0	269,500
<b>359.61 Taft Youth Development Center</b>					
Full-Time	231	214	214	0	214
Part-Time	2	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>233</b>	<b>215</b>	<b>215</b>	<b>0</b>	<b>215</b>
Payroll	8,864,900	9,544,800	9,184,400	56,700	9,241,100
Operational	2,260,900	2,369,700	2,378,300	0	2,378,300
<b>Total</b>	<b>\$11,125,800</b>	<b>\$11,914,500</b>	<b>\$11,562,700</b>	<b>\$56,700</b>	<b>\$11,619,400</b>
State	10,703,300	11,481,900	11,121,500	56,700	11,178,200
Federal	0	0	0	0	0
Other	422,500	432,600	441,200	0	441,200
<b>359.62 Woodland Hills Youth Development Center</b>					
Full-Time	181	183	183	0	183
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
<b>Total</b>	<b>183</b>	<b>185</b>	<b>185</b>	<b>0</b>	<b>185</b>
Payroll	7,359,500	8,286,100	7,923,400	53,700	7,977,100
Operational	2,312,600	2,166,000	2,142,600	0	2,142,600
<b>Total</b>	<b>\$9,672,100</b>	<b>\$10,452,100</b>	<b>\$10,066,000</b>	<b>\$53,700</b>	<b>\$10,119,700</b>
State	9,230,400	10,143,200	9,780,500	53,700	9,834,200
Federal	0	0	0	0	0
Other	441,700	308,900	285,500	0	285,500

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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**359.63 Mountain View Youth Development Center**

Full-Time	193	188	188	0	<b>188</b>
Part-Time	2	1	1	0	<b>1</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>195</b>	<b>189</b>	<b>189</b>	<b>0</b>	<b>189</b>
Payroll	7,229,400	8,086,800	7,766,200	18,500	<b>7,784,700</b>
Operational	2,439,400	2,691,200	2,711,600	0	<b>2,711,600</b>
<b>Total</b>	<b>\$9,668,800</b>	<b>\$10,778,000</b>	<b>\$10,477,800</b>	<b>\$18,500</b>	<b>\$10,496,300</b>
State	9,440,900	10,532,200	10,211,600	18,500	<b>10,230,100</b>
Federal	0	0	0	0	<b>0</b>
Other	227,900	245,800	266,200	0	<b>266,200</b>

**359.64 New Visions Youth Development Center**

Full-Time	67	67	67	0	<b>67</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>0</b>	<b>67</b>
Payroll	3,800	2,353,200	2,347,800	71,000	<b>2,418,800</b>
Operational	45,100	729,300	710,900	0	<b>710,900</b>
<b>Total</b>	<b>\$48,900</b>	<b>\$3,082,500</b>	<b>\$3,058,700</b>	<b>\$71,000</b>	<b>\$3,129,700</b>
State	48,900	3,024,100	3,018,700	71,000	<b>3,089,700</b>
Federal	0	0	0	0	<b>0</b>
Other	0	58,400	40,000	0	<b>40,000</b>

**Community Treatment Facilities**

DCS operates 13 group home facilities located across the state which provide minimum security residential programs for youth who have been evaluated and determined appropriate for community placement. The primary focus is to reintegrate the youth into their home community by providing a structured program of academics, community involvement, counseling services, education, and often work experience. Two specialty programs are also provided by DCS. The Observation and Assessment Center in Johnson City provides area juvenile courts with detailed assessments prior to disposition. Lift Academy, a joint effort between DCS and the Carter and Johnson County School Systems, provides a day treatment/alternative school program to divert youth from state custody.

**359.65 Community Treatment Facilities**

Full-Time	197	183	183	0	<b>183</b>
Part-Time	52	51	51	0	<b>51</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>249</b>	<b>234</b>	<b>234</b>	<b>0</b>	<b>234</b>
Payroll	7,574,400	7,934,100	7,788,600	144,500	<b>7,933,100</b>
Operational	2,250,600	2,308,800	2,297,700	0	<b>2,297,700</b>
<b>Total</b>	<b>\$9,825,000</b>	<b>\$10,242,900</b>	<b>\$10,086,300</b>	<b>\$144,500</b>	<b>\$10,230,800</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
State	7,134,800	7,219,300	7,073,800	144,500	<b>7,218,300</b>
Federal	900	0	0	0	<b>0</b>
Other	2,689,300	3,023,600	3,012,500	0	<b>3,012,500</b>

### Tennessee Preparatory School

Tennessee Preparatory School (TPS) was a residential school that housed and educated children who were dependent, neglected, or in danger of becoming delinquent. Students were referred by Juvenile Court Judges in their home counties. TPS is now being utilized to house departmental staff from the DCS, from other state agencies, and from non-profit and local government entities. These staff are working to develop the campus as a source of support services for children and families. The upkeep and maintenance of the grounds and buildings on the property have been moved to the Facilities Revolving Fund in the 2004-2005 estimated year.

#### 359.70 Tennessee Preparatory School

Full-Time	21	0	0	0	<b>0</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	836,900	0	0	0	<b>0</b>
Operational	475,400	0	0	0	<b>0</b>
<b>Total</b>	<b>\$1,312,300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
State	1,225,300	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	87,000	0	0	0	<b>0</b>

#### 359.80 Major Maintenance

Full-Time	0	0	0	0	<b>0</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	<b>0</b>
Operational	254,600	420,100	420,100	0	<b>420,100</b>
<b>Total</b>	<b>\$254,600</b>	<b>\$420,100</b>	<b>\$420,100</b>	<b>\$0</b>	<b>\$420,100</b>
State	122,700	420,100	420,100	0	<b>420,100</b>
Federal	0	0	0	0	<b>0</b>
Other	131,900	0	0	0	<b>0</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>359.00 Department Total</b>					
Full-Time	4,252	4,236	4,236	56	<b>4,292</b>
Part-Time	60	57	57	0	<b>57</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>4,312</b>	<b>4,293</b>	<b>4,293</b>	<b>56</b>	<b>4,349</b>
Payroll	163,934,100	186,016,300	183,122,600	7,806,900	<b>190,929,500</b>
Operational	380,051,800	386,785,900	382,886,500	12,527,700	<b>395,414,200</b>
<b>Total</b>	<b>\$543,985,900</b>	<b>\$572,802,200</b>	<b>\$566,009,100</b>	<b>\$20,334,600</b>	<b>\$586,343,700</b>
State	282,762,600	280,325,300	273,109,000	14,526,900	<b>287,635,900</b>
Federal	95,529,000	97,186,900	97,458,500	2,913,300	<b>100,371,800</b>
Other	165,694,300	195,290,000	195,441,600	2,894,400	<b>198,336,000</b>

## Statistical Data Youth Development Centers

	<b>Wilder 359.60</b>	<b>Taft 359.61</b>	<b>Woodland Hills 359.62</b>	<b>Mountain View 359.63</b>	<b>New Visions 359.64</b>	<b>Total</b>
<b>Annual Admissions</b>						
1998-1999	257	230	227	257	0	971
1999-2000	254	225	215	309	0	1,003
2000-2001	237	267	210	288	0	1,002
2001-2002	203	196	191	252	0	842
2002-2003	246	150	184	222	0	802
2003-2004	252	161	145	218	0	776
2004-2005	230	200	150	290	0	870
2005-2006	230	200	150	290	100	970
<b>Annual Releases</b>						
1998-1999	259	250	207	337	0	1,053
1999-2000	267	224	194	299	0	984
2000-2001	231	233	162	278	0	904
2001-2002	201	234	122	279	0	836
2002-2003	258	151	186	291	0	886
2003-2004	248	134	99	196	0	677
2004-2005	242	200	100	290	0	832
2005-2006	242	200	100	290	70	902
<b>Average Daily Census</b>						
1998-1999	129	126	143	143	0	541
1999-2000	135	138	142	138	0	553
2000-2001	128	133	144	138	0	543
2001-2002	138	129	141	141	0	549
2002-2003	116	106	141	125	0	488
2003-2004	119	111	110	126	0	466
2004-2005	144	177	144	144	0	609
2005-2006	144	177	144	144	45	654
<b>Cost Per Occupancy Day *</b>						
1998-1999	\$148.84	\$191.65	\$142.48	\$136.08	\$0.00	\$153.76
1999-2000	\$145.78	\$186.34	\$148.93	\$148.44	\$0.00	\$157.38
2000-2001	\$155.57	\$211.75	\$162.54	\$162.57	\$0.00	\$172.96
2001-2002	\$153.46	\$224.36	\$172.97	\$167.55	\$0.00	\$178.75
2002-2003	\$194.02	\$286.71	\$180.31	\$201.56	\$0.00	\$212.13
2003-2004	\$196.15	\$273.86	\$240.24	\$209.66	\$0.00	\$229.01
2004-2005	\$188.69	\$184.42	\$198.86	\$205.06	\$0.00	\$207.59
2005-2006	\$181.66	\$178.98	\$191.51	\$199.35	\$186.22	\$187.31

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



# Law, Safety, and Correction

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# Law, Safety, and Correction

Recommended Budget, Fiscal Year 2005 – 2006

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)
- Tennessee Corrections Institute
- Board of Probation and 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.

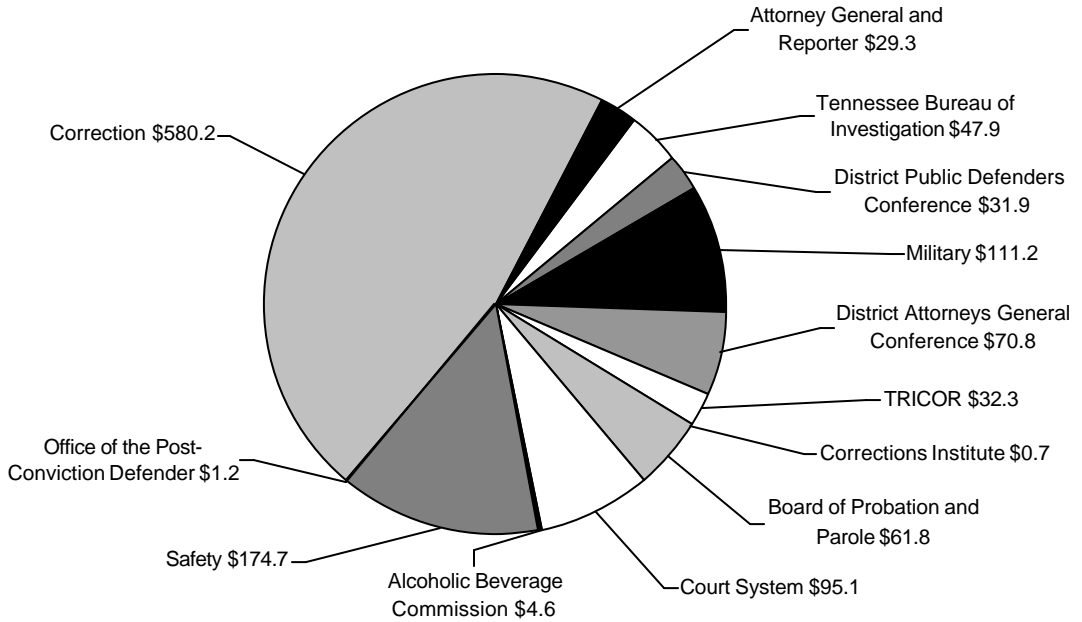
## Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among agencies within this functional group. Funding mixes

within each agencies may vary. Some are exclusively state funded, while others represent state, federal, and other funding.

### Law, Safety and Correction FY 2005 – 2006 Recommended



In Millions  
\$1,241,729,800 Total

## Law, Safety, and Correction Total Personnel and Funding

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Recommended 2005-2006</u>
<b>Personnel</b>			
Full Time	11,270	11,475	11,472
Part Time	42	42	42
Seasonal	12	12	12
<b>TOTAL</b>	<b>11,324</b>	<b>11,529</b>	<b>11,526</b>
<b>Expenditures</b>			
Payroll	\$506,839,000	\$585,178,300	\$579,366,200
Operational	560,862,100	667,635,600	662,363,600
<b>TOTAL</b>	<b>\$1,067,701,100</b>	<b>\$1,252,813,900</b>	<b>\$1,241,729,800</b>
<b>Funding</b>			
State	\$852,198,600	\$964,243,500	\$973,235,900
Federal	95,374,100	143,603,900	129,050,300
Other	120,128,400	144,966,500	139,443,600

## Law, Safety and Correction Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Court System</b>					
• <b>Mandated Salary Increase</b>					
To provide funding for the judges' salary increase required by TCA 8-23-103.					
<b>302.01 Appellate and Trial Courts</b>	\$674,700	\$0	\$0	\$674,700	0
<b>Sub-total</b>	\$674,700	\$0	\$0	\$674,700	0
• <b>Knoxville and Jackson Building Security</b>					
To provide funding for security at the Supreme Court buildings in Knoxville and Jackson.					
<b>302.05 Supreme Court Buildings</b>	\$160,000	\$0	\$0	\$160,000	0
<b>Sub-total</b>	\$160,000	\$0	\$0	\$160,000	0
<b>Total Court System</b>	<b>\$834,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$834,700</b>	<b>0</b>
<b>Attorney General and Reporter</b>					
• <b>Attorney General's Salary Increase</b>					
To provide funding for the Attorney General's salary increase required by TCA 8-6-104.					
<b>303.01 Attorney General and Reporter</b>	\$3,900	\$0	\$0	\$3,900	0
<b>Sub-total</b>	\$3,900	\$0	\$0	\$3,900	0
<b>Total Attorney General and Reporter</b>	<b>\$3,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,900</b>	<b>0</b>
<b>District Attorneys General Conference</b>					
• <b>Statutory Step Raises</b>					
To provide funding for the assistant district attorneys' and criminal investigators' salary increase required by TCA 8-7-2.					
<b>304.01 District Attorneys General</b>	\$578,300	\$0	\$13,000	\$591,300	0
<b>304.15 IV-D Child Support Enforcement</b>	\$0	\$0	\$51,600	\$51,600	0
<b>Sub-total</b>	\$578,300	\$0	\$64,600	\$642,900	0
• <b>Prosecutors - Federal Funds Loss</b>					
To provide funding of \$204,000 to retain three assistant district attorneys, formerly funded by federal grants, to prosecute child abuse, juvenile, and drug cases; and \$597,800 to retain 10 assistant district attorneys, formerly funded by federal grants, to prosecute domestic and family violence cases.					
<b>304.01 District Attorneys General</b>	\$801,800	\$0	\$0	\$801,800	13
<b>Sub-total</b>	\$801,800	\$0	\$0	\$801,800	13

## Law, Safety and Correction Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Case Management System - Federal Funds Loss</b>					
To provide funding for the operational costs of a case management system formerly funded by a federal grant.					
<b>304.01 District Attorneys General</b>	\$300,000	\$0	\$0	\$300,000	0
<b>Sub-total</b>	<u>\$300,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$300,000</u>	<u>0</u>
<b>• Training - Federal Funds Loss</b>					
To provide funding to continue a training coordinator and existing training programs formerly funded by federal grants.					
<b>304.05 District Attorneys General Conference</b>	\$199,500	\$0	\$0	\$199,500	0
<b>304.10 Executive Director</b>	\$78,400	\$0	\$0	\$78,400	1
<b>Sub-total</b>	<u>\$277,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$277,900</u>	<u>1</u>
<b>• Computer Replacement</b>					
To provide recurring funds for replacement of computer equipment on a four-year schedule.					
<b>304.01 District Attorneys General</b>	\$250,000	\$0	\$0	\$250,000	0
<b>Sub-total</b>	<u>\$250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$250,000</u>	<u>0</u>
<b>Total District Attorneys General Conference</b>	<u>\$2,208,000</u>	<u>\$0</u>	<u>\$64,600</u>	<u>\$2,272,600</u>	<u>14</u>
<b>District Public Defenders Conference</b>					
<b>• Statutory Step Raises</b>					
To provide funding for step raises for assistant public defenders and criminal investigators required by TCA 8-14-207.					
<b>306.01 District Public Defenders</b>	\$379,400	\$0	\$0	\$379,400	0
<b>Sub-total</b>	<u>\$379,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$379,400</u>	<u>0</u>
<b>Total District Public Defenders Conference</b>	<u>\$379,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$379,400</u>	<u>0</u>
<b>Office of the Post-Conviction Defender</b>					
<b>• Statutory Step Raises</b>					
To provide funding for step raises for assistant post-conviction defenders pursuant to TCA 40-30-209(b) and 8-14-207.					
<b>308.00 Office of the Post-Conviction Defender</b>	\$11,600	\$0	\$0	\$11,600	0
<b>Sub-total</b>	<u>\$11,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11,600</u>	<u>0</u>
<b>Total Office of the Post-Conviction Defender</b>	<u>\$11,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11,600</u>	<u>0</u>

## Law, Safety and Correction Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>TRICOR</b>					
<b>• Prison Industries</b>					
To provide funding for expanded operations at the West Tennessee State Penitentiary and the Northwest Correctional Complex. Additional funding is for three plant supervisors in the sports equipment plant, a two-person open-office landscaping installation crew, and a long-distance hauler.					
316.08 TRICOR	\$0	\$0	\$165,900	\$165,900	6
<b>Sub-total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$165,900</b>	<b>\$165,900</b>	<b>6</b>
<b>• Workforce Development</b>					
To provide funding and positions for the implementation of a new workforce development initiative, focusing on education and vocational training, counseling, life skills training, and assisting inmates re-integrating into society.					
316.08 TRICOR	\$0	\$0	\$64,600	\$64,600	2
<b>Sub-total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$64,600</b>	<b>\$64,600</b>	<b>2</b>
<b>Total TRICOR</b>	<b>\$0</b>	<b>\$0</b>	<b>\$230,500</b>	<b>\$230,500</b>	<b>8</b>

## Board of Probation and Parole

### • GPS Sex Offender Tracking

To provide funding for the continuation of global positioning system (GPS) sex offender tracking, established as a pilot project in Public Acts of 2004, Chapter 921 (Sexual Offender and Violent Sexual Offender Registration, Verification, and Tracking Act of 2004).

324.02 Probation and Parole Services	\$1,235,000	\$0	\$0	\$1,235,000	0
<b>Sub-total</b>	<b>\$1,235,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,235,000</b>	<b>0</b>

### • Sex Offender Registration

To provide funding for expansion of the sex offender registration program, funded by \$10,000 recurring supervision fees and \$50,000 non-recurring supervision fee reserves.

324.02 Probation and Parole Services	\$10,000	\$0	\$50,000	\$60,000	0
<b>Sub-total</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$60,000</b>	<b>0</b>

### • Electronic Monitoring

To provide funding to expand the use of electronic monitoring devices on selected high-risk offenders statewide, utilizing supervision fee reserves, to be supplanted by recurring supervision fees over a multi-year period.

324.02 Probation and Parole Services	\$0	\$0	\$200,000	\$200,000	0
<b>Sub-total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>0</b>

## Law, Safety and Correction Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Kiosk Reporting System</b>					
To provide funding for an automated reporting system for low-risk offenders on parole or probation, in order to enable officers to redistribute supervision time to higher-risk offenders. Supervision fee reserves will be used for start-up costs and supplanted by recurring supervision fees collected from kiosk-reporting offenders over a five year period.					
<b>324.02 Probation and Parole Services</b>	\$0	\$0	\$300,000	\$300,000	0
<b>Sub-total</b>	<u>\$0</u>	<u>\$0</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>0</u>
<b>Total Board of Probation and Parole</b>	<b>\$1,245,000</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$1,795,000</b>	<b>0</b>

### Correction

#### • Local Jails Payment Cap

To provide funds to increase the reimbursement rate cap from \$32 per inmate per day to \$35, for non-contract counties housing state prisoners. This restores the budget reduction made in fiscal year 2003-2004.

<b>329.04 State Prosecutions</b>	\$2,500,000	\$0	\$0	\$2,500,000	0
<b>Sub-total</b>	<u>\$2,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,500,000</u>	<u>0</u>

#### • Operational Increase

To provide funding for operational costs of prison service agreements and increased costs of health and mental health contract services.

<b>329.01 Administration</b>	\$8,531,200	\$0	\$0	\$8,531,200	0
<b>329.21 Hardeman County Incarceration Agreement</b>	\$576,100	\$0	\$0	\$576,100	0
<b>329.22 Hardeman County Agreement - Whiteville</b>	\$413,700	\$0	\$0	\$413,700	0
<b>329.44 South Central Correctional Center</b>	\$1,033,700	\$0	\$0	\$1,033,700	0
<b>Sub-total</b>	<u>\$10,554,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,554,700</u>	<u>0</u>

## Law, Safety and Correction Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Utilities</b>					
To provide funding for increased utility costs in state prisons.					
<b>329.06 Correction Academy</b>	\$11,600	\$0	\$0	\$11,600	0
<b>329.11 Brushy Mountain Correctional Complex</b>	\$103,700	\$0	\$0	\$103,700	0
<b>329.13 Tennessee Prison for Women</b>	\$200,000	\$0	\$0	\$200,000	0
<b>329.14 Turney Center Industrial Prison and Farm</b>	\$124,300	\$0	\$0	\$124,300	0
<b>329.16 Mark Luttrell Correctional Facility</b>	\$17,200	\$0	\$0	\$17,200	0
<b>329.18 Southeastern Tenn. State Regional Corr. Facility</b>	\$42,400	\$0	\$0	\$42,400	0
<b>329.41 West Tennessee State Penitentiary</b>	\$168,200	\$0	\$0	\$168,200	0
<b>329.43 Northeast Correctional Complex</b>	\$204,600	\$0	\$0	\$204,600	0
<b>Sub-total</b>	<u>\$872,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$872,000</u>	<u>0</u>
<b>Total Correction</b>	<b>\$13,926,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,926,700</b>	<b>0</b>
<b>Military</b>					
<b>• Emergency Operations Centers</b>					
To provide funding to modernize the current emergency operations center in Nashville and for alternate emergency operations centers in Jackson and Smyrna, in order to maintain the continuity of state government operations and delivery of essential services during emergencies. The recurring funding is \$63,500 and the non-recurring funding is \$1,021,000.					
<b>341.04 Tennessee Emergency Management Agency</b>	\$1,084,500	\$0	\$0	\$1,084,500	0
<b>Sub-total</b>	<u>\$1,084,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,084,500</u>	<u>0</u>
<b>• Disallowed Federal Funds</b>					
To provide state funds for overhead costs disallowed for federal reimbursement.					
<b>341.02 Army National Guard</b>	\$272,700	\$0	\$0	\$272,700	0
<b>Sub-total</b>	<u>\$272,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$272,700</u>	<u>0</u>
<b>Total Military</b>	<b>\$1,357,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,357,200</b>	<b>0</b>



## Law, Safety and Correction Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Safety</b>					
• <b>Statutory Salary Step Increase</b>					
To fund the mandated annual trooper salary step increase pursuant to TCA 4-7-2.					
349.01 Administration	\$6,700	\$0	\$0	\$6,700	0
349.02 Driver License Issuance	\$2,700	\$0	\$0	\$2,700	0
349.03 Highway Patrol	\$924,100	\$0	\$0	\$924,100	0
349.09 Tennessee Law Enforcement Training Academy	\$8,700	\$0	\$0	\$8,700	0
349.14 C.I.D. Anti-Theft Unit	\$14,900	\$0	\$0	\$14,900	0
<b>Sub-total</b>	<b>\$957,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$957,100</b>	<b>0</b>
• <b>Commissioned Officer Salary Survey Raises</b>					
To fund salary increases at one-half of the annual border-states commissioned officer salary survey results, pursuant to TCA 4-7-2.					
349.01 Administration	\$6,100	\$0	\$0	\$6,100	0
349.02 Driver License Issuance	\$1,000	\$0	\$0	\$1,000	0
349.03 Highway Patrol	\$1,164,300	\$0	\$0	\$1,164,300	0
349.08 Driver Education	\$2,300	\$0	\$0	\$2,300	0
349.09 Tennessee Law Enforcement Training Academy	\$9,500	\$0	\$0	\$9,500	0
349.13 Technical Services	\$3,300	\$0	\$0	\$3,300	0
349.14 C.I.D. Anti-Theft Unit	\$1,300	\$0	\$0	\$1,300	0
<b>Sub-total</b>	<b>\$1,187,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,187,800</b>	<b>0</b>
• <b>Motor Vehicle Operations</b>					
To fund the increased operating cost of motor vehicles used by the Highway Patrol.					
349.07 Motor Vehicle Operations	\$1,400,000	\$0	\$0	\$1,400,000	0
<b>Sub-total</b>	<b>\$1,400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,400,000</b>	<b>0</b>
<b>Total Safety</b>	<b>\$3,544,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,544,900</b>	<b>0</b>
<b>Total Law, Safety and Correction</b>	<b>\$23,511,400</b>	<b>\$0</b>	<b>\$845,100</b>	<b>\$24,356,500</b>	<b>22</b>

# Court System

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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 the various levels of courts that compose the state's court system. The court system can be grouped into the following functional areas:

- The Supreme Court
- Intermediate Appellate Courts
- Trial Courts
- Courts of limited jurisdiction
- Court services and support.

The Supreme Court is composed of five justices; each is elected to an eight-year term. The workload of the court consists of cases appealed from lower courts. Cases may be further appealed to the U.S. Supreme Court only on grounds of federal constitutionality. 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 composed of 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 and/or statutory law proves inadequate for cases. Circuit Courts, which sometime overlap with the 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 where the legislature has established separate Juvenile Courts. Municipal Courts have jurisdiction in cases involving violations of city ordinances.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>302.01 Appellate and Trial Courts</b>					
Full-Time	437	437	437	0	437
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>437</b>	<b>437</b>	<b>437</b>	<b>0</b>	<b>437</b>
Payroll	41,455,300	43,340,500	43,156,400	674,700	43,831,100
Operational	2,158,500	2,311,600	2,311,600	0	2,311,600
<b>Total</b>	<b>\$43,613,800</b>	<b>\$45,652,100</b>	<b>\$45,468,000</b>	<b>\$674,700</b>	<b>\$46,142,700</b>
State	43,605,300	45,624,800	45,440,700	674,700	46,115,400
Federal	0	0	0	0	0
Other	8,500	27,300	27,300	0	27,300

## Court Services and Support

The Administrative Office of the Courts, under leadership of its director, provides services and support to the entire state court system. It is responsible for preparation and oversight of the Court System's budget, administration of the Court Automation Fund and Tennessee Court Information System (TnCIS), and providing services and support to justices, judges, programs, and committees.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>302.27 Administrative Office of the Courts</b>					
Full-Time	76	77	77	0	77
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>76</b>	<b>77</b>	<b>77</b>	<b>0</b>	<b>77</b>
Payroll	3,983,700	4,579,300	4,525,900	0	4,525,900
Operational	4,238,600	6,371,900	6,368,200	0	6,368,200
<b>Total</b>	<b>\$8,222,300</b>	<b>\$10,951,200</b>	<b>\$10,894,100</b>	<b>\$0</b>	<b>\$10,894,100</b>
State	7,612,800	10,521,300	10,467,900	0	10,467,900
Federal	325,400	200,000	200,000	0	200,000
Other	284,100	229,900	226,200	0	226,200

Other programs in this functional area include:

- Operation of three Supreme Court buildings and law libraries across the state
- Child Support Referees who ensure the timely fulfillment of financial support by parents to their children
- The Guardian Ad Litem Program that provides legal representation for children involved in custodial disputes
- The Indigent Defendants' Counsel Fund and the Civil Legal Representation Fund that provide legal representation for those who cannot afford counsel
- Court reporting and verbatim transcripts
- Board of Law Examiners that determines the fitness of applicants for licensing to practice in Tennessee
- Board of Professional Responsibility that is responsible for reviewing and investigating allegations of attorney misconduct and for imposing disciplinary action
- Tennessee Lawyers Assistance Program that provides education to the bench and bar and provides assistance to members of the legal profession suffering from physical or mental disabilities that impair their ability to practice or serve
- Tennessee Commission on Continuing Legal Education and Specialization that has general supervisory authority over the administration of mandatory continuing legal education
- Tennessee Lawyers' Fund for Client Protection that reimburses claimants for losses caused by any misconduct by lawyers licensed to practice in Tennessee.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>302.05 Supreme Court Buildings</b>					
Full-Time	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>16</b>
Payroll	364,300	612,500	604,600	0	604,600
Operational	2,189,900	2,168,600	2,168,600	160,000	2,328,600
<b>Total</b>	<b>\$2,554,200</b>	<b>\$2,781,100</b>	<b>\$2,773,200</b>	<b>\$160,000</b>	<b>\$2,933,200</b>
State	2,077,800	2,168,100	2,160,200	160,000	2,320,200
Federal	0	0	0	0	0
Other	476,400	613,000	613,000	0	613,000
<b>302.08 Child Support Referees</b>					
Full-Time	18	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>18</b>
Payroll	927,100	1,101,900	1,088,900	0	1,088,900
Operational	108,500	143,200	143,200	0	143,200
<b>Total</b>	<b>\$1,035,600</b>	<b>\$1,245,100</b>	<b>\$1,232,100</b>	<b>\$0</b>	<b>\$1,232,100</b>
State	356,600	409,900	405,500	0	405,500
Federal	0	0	0	0	0
Other	679,000	835,200	826,600	0	826,600
<b>302.09 Guardian ad Litem</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	1,947,100	1,947,500	1,947,500	0	1,947,500
<b>Total</b>	<b>\$1,947,100</b>	<b>\$1,947,500</b>	<b>\$1,947,500</b>	<b>\$0</b>	<b>\$1,947,500</b>
State	1,947,100	1,947,500	1,947,500	0	1,947,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>302.10 Indigent Defendants' Counsel</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	17,896,600	17,446,800	17,446,800	0	17,446,800
<b>Total</b>	<b>\$17,896,600</b>	<b>\$17,446,800</b>	<b>\$17,446,800</b>	<b>\$0</b>	<b>\$17,446,800</b>
State	17,879,800	17,441,800	17,441,800	0	17,441,800
Federal	0	0	0	0	0
Other	16,800	5,000	5,000	0	5,000

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>302.11 Civil Legal Representation Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	3,432,000	3,327,900	3,327,900	0	3,327,900
<b>Total</b>	<b>\$3,432,000</b>	<b>\$3,327,900</b>	<b>\$3,327,900</b>	<b>\$0</b>	<b>\$3,327,900</b>
State	3,432,000	3,327,900	3,327,900	0	3,327,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>302.12 Verbatim Transcripts</b>					
Full-Time	58	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>58</b>	<b>57</b>	<b>57</b>	<b>0</b>	<b>57</b>
Payroll	2,653,300	2,703,200	2,643,500	0	2,643,500
Operational	841,200	1,120,000	1,120,000	0	1,120,000
<b>Total</b>	<b>\$3,494,500</b>	<b>\$3,823,200</b>	<b>\$3,763,500</b>	<b>\$0</b>	<b>\$3,763,500</b>
State	3,494,500	3,823,200	3,763,500	0	3,763,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>302.15 Tennessee State Law Libraries</b>					
Full-Time	4	4	4	0	4
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>6</b>
Payroll	164,600	268,300	239,000	0	239,000
Operational	352,900	292,200	317,200	0	317,200
<b>Total</b>	<b>\$517,500</b>	<b>\$560,500</b>	<b>\$556,200</b>	<b>\$0</b>	<b>\$556,200</b>
State	513,500	550,500	546,200	0	546,200
Federal	0	0	0	0	0
Other	4,000	10,000	10,000	0	10,000
<b>302.18 Judicial Conference</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	163,500	344,900	204,700	0	204,700
<b>Total</b>	<b>\$163,500</b>	<b>\$344,900</b>	<b>\$204,700</b>	<b>\$0</b>	<b>\$204,700</b>
State	22,300	35,100	0	0	0
Federal	0	0	0	0	0
Other	141,200	309,800	204,700	0	204,700

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>302.20 Judicial Programs and Commissions</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	476,900	734,600	581,100	0	581,100
<b>Total</b>	<b>\$476,900</b>	<b>\$734,600</b>	<b>\$581,100</b>	<b>\$0</b>	<b>\$581,100</b>
State	237,400	504,500	466,100	0	466,100
Federal	0	0	0	0	0
Other	239,500	230,100	115,000	0	115,000
<b>302.22 State Court Clerks' Conference</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	180,600	180,800	180,800	0	180,800
<b>Total</b>	<b>\$180,600</b>	<b>\$180,800</b>	<b>\$180,800</b>	<b>\$0</b>	<b>\$180,800</b>
State	180,300	180,800	180,800	0	180,800
Federal	0	0	0	0	0
Other	300	0	0	0	0
<b>302.30 Appellate Court Clerks</b>					
Full-Time	32	32	32	0	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>0</b>	<b>32</b>
Payroll	1,363,600	1,591,500	1,565,900	0	1,565,900
Operational	352,100	404,700	404,700	0	404,700
<b>Total</b>	<b>\$1,715,700</b>	<b>\$1,996,200</b>	<b>\$1,970,600</b>	<b>\$0</b>	<b>\$1,970,600</b>
State	219,100	470,300	444,700	0	444,700
Federal	0	0	0	0	0
Other	1,496,600	1,525,900	1,525,900	0	1,525,900
<b>302.35 Board of Law Examiners</b>					
Full-Time	13	13	13	0	13
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>
Payroll	286,300	339,800	337,100	0	337,100
Operational	334,100	328,900	328,900	0	328,900
<b>Total</b>	<b>\$620,400</b>	<b>\$668,700</b>	<b>\$666,000</b>	<b>\$0</b>	<b>\$666,000</b>
State	620,400	668,700	666,000	0	666,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>302.40 Board of Professional Responsibility</b>					
Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>
Payroll	1,377,400	1,555,700	1,535,900	0	1,535,900
Operational	507,600	635,300	635,300	0	635,300
<b>Total</b>	<b>\$1,885,000</b>	<b>\$2,191,000</b>	<b>\$2,171,200</b>	<b>\$0</b>	<b>\$2,171,200</b>
State	1,725,000	2,191,000	2,171,200	0	2,171,200
Federal	0	0	0	0	0
Other	160,000	0	0	0	0
<b>302.50 Tennessee Lawyers Assistance Program</b>					
Full-Time	2	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
Payroll	179,100	241,900	241,000	0	241,000
Operational	75,900	78,000	78,000	0	78,000
<b>Total</b>	<b>\$255,000</b>	<b>\$319,900</b>	<b>\$319,000</b>	<b>\$0</b>	<b>\$319,000</b>
State	252,800	319,900	319,000	0	319,000
Federal	0	0	0	0	0
Other	2,200	0	0	0	0
<b>302.60 Continuing Legal Education</b>					
Full-Time	4	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
Payroll	219,800	397,000	394,300	0	394,300
Operational	233,000	184,000	184,000	0	184,000
<b>Total</b>	<b>\$452,800</b>	<b>\$581,000</b>	<b>\$578,300</b>	<b>\$0</b>	<b>\$578,300</b>
State	439,500	581,000	578,300	0	578,300
Federal	0	0	0	0	0
Other	13,300	0	0	0	0
<b>302.65 Client Protection Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	69,800	208,500	208,500	0	208,500
<b>Total</b>	<b>\$69,800</b>	<b>\$208,500</b>	<b>\$208,500</b>	<b>\$0</b>	<b>\$208,500</b>
State	50,700	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	19,100	0	0	0	0

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>302.00 Department Total</b>					
Full-Time	680	682	682	0	<b>682</b>
Part-Time	9	9	9	0	<b>9</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>689</b>	<b>691</b>	<b>691</b>	<b>0</b>	<b>691</b>
Payroll	52,974,500	56,731,600	56,332,500	674,700	<b>57,007,200</b>
Operational	35,558,800	38,229,400	37,957,000	160,000	<b>38,117,000</b>
<b>Total</b>	<b>\$88,533,300</b>	<b>\$94,961,000</b>	<b>\$94,289,500</b>	<b>\$834,700</b>	<b>\$95,124,200</b>
State	84,666,900	90,974,800	90,535,800	834,700	<b>91,370,500</b>
Federal	325,400	200,000	200,000	0	<b>200,000</b>
Other	3,541,000	3,786,200	3,553,700	0	<b>3,553,700</b>



# Attorney General and Reporter

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The Attorney General and Reporter is the state's chief legal officer. The Attorney General is appointed by the Justices of the Tennessee Supreme Court for a term of eight years.

The Attorney General and his staff have the following responsibilities:

- Representing state officers and agencies in all litigation in state and federal courts
- Prosecuting criminal cases in the appellate courts
- Prosecuting in the areas of securities and state contract fraud
- Representing the interests of Tennessee consumers
- Instituting proceedings relating to antitrust violations, consumer fraud, and environmental enforcement
- Providing departments, agencies, and the General Assembly with legal advice
- Approving all administrative regulations and leases as to form and legality
- Issuing opinions on legal issues to state officials.

Functioning as the State Reporter, the Attorney General publishes the Attorney General opinions and reports the opinions of the Tennessee Supreme Court and Court of Appeals.

	<u>Actual</u> <u>2003-2004</u>	<u>Estimated</u> <u>2004-2005</u>	<u>Base</u> <u>2005-2006</u>	<u>Improvement</u> <u>2005-2006</u>	<u>Recommended</u> <u>2005-2006</u>
<b>303.01 Attorney General and Reporter</b>					
Full-Time	318	323	323	0	323
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>318</b>	<b>323</b>	<b>323</b>	<b>0</b>	<b>323</b>
Payroll	17,089,400	21,512,700	21,455,600	3,900	21,459,500
Operational	6,018,500	6,606,200	6,746,200	0	6,746,200
<b>Total</b>	<b>\$23,107,900</b>	<b>\$28,118,900</b>	<b>\$28,201,800</b>	<b>\$3,900</b>	<b>\$28,205,700</b>
State	16,028,200	18,107,700	17,969,000	3,900	17,972,900
Federal	0	0	0	0	0
Other	7,079,700	10,011,200	10,232,800	0	10,232,800
<b>303.05 Publication of Tennessee Reports</b>					
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	77,600	86,300	85,500	0	85,500
Operational	55,900	62,100	62,100	0	62,100
<b>Total</b>	<b>\$133,500</b>	<b>\$148,400</b>	<b>\$147,600</b>	<b>\$0</b>	<b>\$147,600</b>
State	133,500	148,400	147,600	0	147,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>303.08 Special Litigation</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	903,700	973,100	973,100	0	973,100
<b>Total</b>	<b>\$903,700</b>	<b>\$973,100</b>	<b>\$973,100</b>	<b>\$0</b>	<b>\$973,100</b>
State	107,200	188,600	188,600	0	188,600
Federal	0	0	0	0	0
Other	796,500	784,500	784,500	0	784,500
<b>303.00 Department Total</b>					
Full-Time	320	325	325	0	325
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>320</b>	<b>325</b>	<b>325</b>	<b>0</b>	<b>325</b>
Payroll	17,167,000	21,599,000	21,541,100	3,900	21,545,000
Operational	6,978,100	7,641,400	7,781,400	0	7,781,400
<b>Total</b>	<b>\$24,145,100</b>	<b>\$29,240,400</b>	<b>\$29,322,500</b>	<b>\$3,900</b>	<b>\$29,326,400</b>
State	16,268,900	18,444,700	18,305,200	3,900	18,309,100
Federal	0	0	0	0	0
Other	7,876,200	10,795,700	11,017,300	0	11,017,300

# District Attorneys General Conference

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District Attorneys General are elected for each of the state's 31 judicial districts and serve terms of eight years. They are the state's prosecutors for all violations of state criminal statutes. In addition, they 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 their assistants consult with and advise law enforcement agencies on cases or investigations within their district. In 19 judicial districts, the district attorney is contracted with the Department of Human Services to enforce court-ordered child support obligations through the IV-D Child Support Enforcement Program.

The executive director is elected by the District Attorneys General Conference every four years. The director is a member of the Judicial Council and the Law Enforcement Planning Commission. The duties of the director's staff are as follows:

- Act as liaison with other agencies, the Legislature, and Office of the Attorney General
- Coordinate multi-district prosecution
- Assist in prosecution efforts
- Provide continuing education for the conference
- Provide automation support to the conference
- Provide administrative, budgeting, accounting/fiscal, payroll, personnel, and property management functions for the conference
- Coordinate and manage grants received from the federal government and other state agencies.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>304.01 District Attorneys General</b>					
Full-Time	609	667	654	13	667
Part-Time	4	3	3	0	3
Seasonal	0	0	0	0	0
<b>Total</b>	<b>613</b>	<b>670</b>	<b>657</b>	<b>13</b>	<b>670</b>
Payroll	44,344,100	51,648,100	50,685,700	1,338,100	52,023,800
Operational	3,788,600	4,663,200	4,017,100	605,000	4,622,100
<b>Total</b>	<b>\$48,132,700</b>	<b>\$56,311,300</b>	<b>\$54,702,800</b>	<b>\$1,943,100</b>	<b>\$56,645,900</b>
State	42,949,800	50,369,300	49,498,900	1,930,100	51,429,000
Federal	0	0	0	0	0
Other	5,182,900	5,942,000	5,203,900	13,000	5,216,900
<b>304.05 District Attorneys General Conference</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	274,900	458,100	367,400	199,500	566,900
<b>Total</b>	<b>\$274,900</b>	<b>\$458,100</b>	<b>\$367,400</b>	<b>\$199,500</b>	<b>\$566,900</b>
State	88,400	229,900	221,700	199,500	421,200
Federal	0	0	0	0	0
Other	186,500	228,200	145,700	0	145,700

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>304.10 Executive Director</b>					
Full-Time	20	23	22	1	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>23</b>	<b>22</b>	<b>1</b>	<b>23</b>
Payroll	1,280,800	1,539,400	1,441,400	77,900	1,519,300
Operational	464,600	471,800	471,700	500	472,200
<b>Total</b>	<b>\$1,745,400</b>	<b>\$2,011,200</b>	<b>\$1,913,100</b>	<b>\$78,400</b>	<b>\$1,991,500</b>
State	1,205,700	1,413,400	1,374,500	78,400	1,452,900
Federal	0	0	0	0	0
Other	539,700	597,800	538,600	0	538,600
<b>304.15 IV-D Child Support Enforcement</b>					
Full-Time	218	218	218	0	218
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
<b>Total</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>0</b>	<b>220</b>
Payroll	8,641,800	9,577,200	9,423,000	51,600	9,474,600
Operational	1,777,800	2,161,700	2,159,200	0	2,159,200
<b>Total</b>	<b>\$10,419,600</b>	<b>\$11,738,900</b>	<b>\$11,582,200</b>	<b>\$51,600</b>	<b>\$11,633,800</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	10,419,600	11,738,900	11,582,200	51,600	11,633,800
<b>304.00 Department Total</b>					
Full-Time	847	908	894	14	908
Part-Time	6	5	5	0	5
Seasonal	0	0	0	0	0
<b>Total</b>	<b>853</b>	<b>913</b>	<b>899</b>	<b>14</b>	<b>913</b>
Payroll	54,266,700	62,764,700	61,550,100	1,467,600	63,017,700
Operational	6,305,900	7,754,800	7,015,400	805,000	7,820,400
<b>Total</b>	<b>\$60,572,600</b>	<b>\$70,519,500</b>	<b>\$68,565,500</b>	<b>\$2,272,600</b>	<b>\$70,838,100</b>
State	44,243,900	52,012,600	51,095,100	2,208,000	53,303,100
Federal	0	0	0	0	0
Other	16,328,700	18,506,900	17,470,400	64,600	17,535,000

# District Public Defenders Conference

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As required by the United States 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, public defenders may be appointed 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.

The executive director of the Public Defenders Conference serves as the central administrative support to the conference. The director provides training, personnel, payroll, and fiscal services, and acts as a liaison with other branches of state government. This office also coordinates multi-district cases and provides technical support for information systems, telecommunications, and legal research.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>306.01 District Public Defenders</b>					
Full-Time	279	312	310	0	310
Part-Time	10	11	11	0	11
Seasonal	0	0	0	0	0
<b>Total</b>	<b>289</b>	<b>323</b>	<b>321</b>	<b>0</b>	<b>321</b>
Payroll	19,295,100	23,358,200	23,015,800	379,400	23,395,200
Operational	2,976,000	3,343,600	3,186,700	0	3,186,700
<b>Total</b>	<b>\$22,271,100</b>	<b>\$26,701,800</b>	<b>\$26,202,500</b>	<b>\$379,400</b>	<b>\$26,581,900</b>
State	21,217,800	25,212,000	24,895,200	379,400	25,274,600
Federal	0	0	0	0	0
Other	1,053,300	1,489,800	1,307,300	0	1,307,300
<b>306.03 Executive Director of the Public Defenders Conference</b>					
Full-Time	11	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>11</b>
Payroll	682,900	751,000	741,800	0	741,800
Operational	214,700	231,400	231,400	0	231,400
<b>Total</b>	<b>\$897,600</b>	<b>\$982,400</b>	<b>\$973,200</b>	<b>\$0</b>	<b>\$973,200</b>
State	702,000	793,000	783,800	0	783,800
Federal	0	0	0	0	0
Other	195,600	189,400	189,400	0	189,400

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>306.10 Shelby County Public Defender</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	2,728,500	2,840,400	2,840,400	0	2,840,400
<b>Total</b>	<b>\$2,728,500</b>	<b>\$2,840,400</b>	<b>\$2,840,400</b>	<b>\$0</b>	<b>\$2,840,400</b>
State	2,728,500	2,840,400	2,840,400	0	2,840,400
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>306.12 Davidson County Public Defender</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	1,343,200	1,482,000	1,482,000	0	1,482,000
<b>Total</b>	<b>\$1,343,200</b>	<b>\$1,482,000</b>	<b>\$1,482,000</b>	<b>\$0</b>	<b>\$1,482,000</b>
State	1,343,200	1,482,000	1,482,000	0	1,482,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>306.00 Department Total</b>					
Full-Time	290	323	321	0	321
Part-Time	10	11	11	0	11
Seasonal	0	0	0	0	0
<b>Total</b>	<b>300</b>	<b>334</b>	<b>332</b>	<b>0</b>	<b>332</b>
Payroll	19,978,000	24,109,200	23,757,600	379,400	24,137,000
Operational	7,262,400	7,897,400	7,740,500	0	7,740,500
<b>Total</b>	<b>\$27,240,400</b>	<b>\$32,006,600</b>	<b>\$31,498,100</b>	<b>\$379,400</b>	<b>\$31,877,500</b>
State	25,991,500	30,327,400	30,001,400	379,400	30,380,800
Federal	0	0	0	0	0
Other	1,248,900	1,679,200	1,496,700	0	1,496,700

# Office of the Post-Conviction Defender

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The Office of the Post-Conviction Defender was created during the 1995 legislative session 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 recruiting qualified members of the private bar association who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission is a separate entity also created during the 1995 legislative session. The commission is responsible for appointment of the Post-Conviction Defender and oversight of the office. The commission is composed of the following members:

- Two members appointed by the Governor
- Two members appointed by the Lieutenant Governor
- Two members appointed by the Speaker of the House of Representatives
- Three members appointed by the Supreme Court of Tennessee.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>308.00 Office of the Post-Conviction Defender</b>					
Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>
Payroll	824,600	942,500	947,800	11,600	959,400
Operational	249,500	227,000	227,000	0	227,000
<b>Total</b>	<b>\$1,074,100</b>	<b>\$1,169,500</b>	<b>\$1,174,800</b>	<b>\$11,600</b>	<b>\$1,186,400</b>
State	1,074,100	1,169,500	1,174,800	11,600	1,186,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

# Alcoholic Beverage Commission

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The Alcoholic Beverage Commission (ABC) has the legal responsibility to regulate the liquor industry and enforce liquor laws and certain drug laws. It is the only regulatory/law enforcement agency in the state with a specific emphasis on enforcement of laws related to underage drinking.

ABC's regulatory functions include licensing and inspecting:

- Wineries and distilleries
- Liquor wholesalers and retailers
- Temporary liquor sales venues
- Establishments offering on-premise liquor consumption.

ABC is legally authorized to conduct felony investigations originating under its jurisdiction as well as enforcing laws pertaining to the illegal manufacture, transportation, and sale of alcoholic beverages and marijuana. Along with the Department of Safety and the Tennessee Bureau of Investigation, the commission participates in the Governor's Task Force on Marijuana Eradication.

ABC is legally authorized to issue server permits to employees of establishments offering on-premise liquor consumption and require 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 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.03 Alcoholic Beverage Commission</b>					
Full-Time	62	64	64	0	<b>64</b>
Part-Time	3	3	3	0	<b>3</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>65</b>	<b>67</b>	<b>67</b>	<b>0</b>	<b>67</b>
Payroll	2,564,500	3,512,700	3,465,500	0	<b>3,465,500</b>
Operational	1,130,200	1,198,600	1,118,600	0	<b>1,118,600</b>
<b>Total</b>	<b>\$3,694,700</b>	<b>\$4,711,300</b>	<b>\$4,584,100</b>	<b>\$0</b>	<b>\$4,584,100</b>
State	1,637,100	515,900	368,700	0	<b>368,700</b>
Federal	0	0	0	0	<b>0</b>
Other	2,057,600	4,195,400	4,215,400	0	<b>4,215,400</b>



# Tennessee Rehabilitative Initiative in Correction

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The Tennessee Rehabilitative Initiative in Correction (TRICOR) manages correctional industry, agriculture, and service operations for the purpose of employing and training inmates and providing quality products and services to the Department of Correction, other state agencies, local governments, and not-for-profit organizations.

TRICOR's industrial program is comprised of 26 operations located at ten different correctional facilities across the state. The products manufactured include:

- Office furniture
- Institutional furniture and bedding
- Uniforms and institutional clothing
- Custom wood and metal fabrication
- Textiles
- License plates
- Interior and exterior building signs
- Highway regulatory signs
- Highway marking paint
- Trash liners
- Open office landscaping
- Refurbished furniture.

The agricultural program consists of four farms located at West Tennessee State Penitentiary, Turney Center Industrial Prison and Farm, Southeastern Regional Correctional Facility, and Brushy Mountain Correctional Complex. Agricultural operations include:

- Field crops
- Beef cattle
- Milk production
- Egg production
- Pallet refurbishing
- Timber harvesting and production.

In addition to the manufacturing and agricultural programs, TRICOR offers services in data processing, printing, office relocation, and provides janitorial supplies.

In an effort to fulfill its mission as a rehabilitative department, TRICOR also administers a post-release placement program that provides job placement assistance to eligible inmates who have completed their sentences.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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### 316.08 Tennessee Rehabilitative Initiative in Correction

Full-Time	186	218	218	8	226
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>186</b>	<b>218</b>	<b>218</b>	<b>8</b>	<b>226</b>
Payroll	7,239,700	9,277,000	9,131,400	230,500	9,361,900
Operational	16,951,700	22,982,000	22,982,000	0	22,982,000
<b>Total</b>	<b>\$24,191,400</b>	<b>\$32,259,000</b>	<b>\$32,113,400</b>	<b>\$230,500</b>	<b>\$32,343,900</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	24,191,400	32,259,000	32,113,400	230,500	32,343,900

# Tennessee Corrections Institute

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The 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
- Stress management.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.09 Tennessee Corrections Institute</b>					
Full-Time	10	10	10	0	<b>10</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>
Payroll	446,800	520,100	513,200	0	<b>513,200</b>
Operational	169,200	181,100	181,100	0	<b>181,100</b>
<b>Total</b>	<b>\$616,000</b>	<b>\$701,200</b>	<b>\$694,300</b>	<b>\$0</b>	<b>\$694,300</b>
State	606,300	686,200	679,300	0	<b>679,300</b>
Federal	0	0	0	0	<b>0</b>
Other	9,700	15,000	15,000	0	<b>15,000</b>

# Board of Probation and Parole

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The Board of Probation and Parole contributes to public safety by managing the orderly release and supervision of adult felons, in such a manner as to promote lawful behavior and minimize risk to the general public. The board conducts parole hearings at state and local prisons and jails and makes recommendations to the Governor regarding executive clemency.

The board is responsible for the supervision of parolees and offenders placed on probation and on community corrections by the state criminal and circuit courts. Probation and Parole Field Services is responsible for the collection of supervision and criminal injuries fees and writing pre-sentence investigation reports for use by the court system, the Department of Correction, and the Board of Probation and Parole. The board also administers the Community Correction Grant Program, which diverts non-violent felony offenders from incarceration by placing them in locally operated grant programs with intensive supervision, community service work, and victim restitution.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>324.02 Probation and Parole Services</b>					
Full-Time	969	957	957	0	957
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>969</b>	<b>957</b>	<b>957</b>	<b>0</b>	<b>957</b>
Payroll	37,718,300	42,667,300	41,701,400	0	41,701,400
Operational	8,535,600	12,082,200	9,072,300	1,795,000	10,867,300
<b>Total</b>	<b>\$46,253,900</b>	<b>\$54,749,500</b>	<b>\$50,773,700</b>	<b>\$1,795,000</b>	<b>\$52,568,700</b>
State	46,104,500	54,389,500	50,468,700	1,245,000	51,713,700
Federal	0	0	0	0	0
Other	149,400	360,000	305,000	550,000	855,000
<b>324.04 Community Correction</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	8,711,800	9,318,000	9,242,000	0	9,242,000
<b>Total</b>	<b>\$8,711,800</b>	<b>\$9,318,000</b>	<b>\$9,242,000</b>	<b>\$0</b>	<b>\$9,242,000</b>
State	8,656,400	9,258,000	9,242,000	0	9,242,000
Federal	0	0	0	0	0
Other	55,400	60,000	0	0	0

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>324.00 Department Total</b>					
Full-Time	969	957	957	0	<b>957</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>969</b>	<b>957</b>	<b>957</b>	<b>0</b>	<b>957</b>
Payroll	37,718,300	42,667,300	41,701,400	0	<b>41,701,400</b>
Operational	17,247,400	21,400,200	18,314,300	1,795,000	<b>20,109,300</b>
<b>Total</b>	<b>\$54,965,700</b>	<b>\$64,067,500</b>	<b>\$60,015,700</b>	<b>\$1,795,000</b>	<b>\$61,810,700</b>
State	54,760,900	63,647,500	59,710,700	1,245,000	<b>60,955,700</b>
Federal	0	0	0	0	<b>0</b>
Other	204,800	420,000	305,000	550,000	<b>855,000</b>

# Department of Correction

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The Tennessee Department of Correction provides supervision of convicted felons during their period of confinement in the department's institutions. The department fulfills its obligations to the courts through the incarceration of inmates in a variety of secured institutional settings. All individuals are assigned to the department by the criminal courts of Tennessee and managed in accordance with Department of Correction policy and procedure.

The Department of Correction carries out its responsibilities through three major functional areas:

- Administrative Services
- Tennessee Correction Academy
- Institutional Operations.

## Administrative Services

The Administrative Services functional area includes Administration, State Prosecutions, Major Maintenance, the Sex Offender Treatment Program, Federal Construction Grants and the Sentencing Act of 1985. The department's central administrative office provides management oversight and support services related to all aspects of correctional management. Fiscal operations, contract management, personnel, information systems management, health and mental health services, food services, planning and research, and substance abuse treatment coordination are some of the areas supported by the central office.

State Prosecutions, administered through the central office, provides reimbursement to the county jails in Tennessee, which house convicted felons. In addition, this program provides payments to counties for other correctional expenditures, such as witness fees, criminal court costs and transportation, jury boarding, and medical costs for convicted felons. Funding for upkeep, maintenance, and electronic security of the state's 14 prison facilities and the Tennessee Correction Academy is located in Major Maintenance. The Tennessee Standardized Treatment Program for Sex Offenders Act of 1995 was passed to provide funding for evaluating, identifying, treating, tracking, and monitoring sex offenders. Federal Construction Grants is an account used by the department to draw down federal grants for construction projects. The Sentencing Act of 1985 was passed to provide funding for new legislation that increases periods of incarceration in correctional facilities.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>329.01 Administration</b>					
Full-Time	198	203	204	0	204
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>198</b>	<b>203</b>	<b>204</b>	<b>0</b>	<b>204</b>
Payroll	9,038,800	10,917,200	10,712,900	0	10,712,900
Operational	8,245,600	6,643,800	6,368,900	8,531,200	14,900,100
<b>Total</b>	<b>\$17,284,400</b>	<b>\$17,561,000</b>	<b>\$17,081,800</b>	<b>\$8,531,200</b>	<b>\$25,613,000</b>
State	12,607,200	12,765,200	12,552,900	8,531,200	21,084,100
Federal	725,400	474,700	231,800	0	231,800
Other	3,951,800	4,321,100	4,297,100	0	4,297,100

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>329.04 State Prosecutions</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	106,285,100	116,602,600	116,602,600	2,500,000	119,102,600
<b>Total</b>	<b>\$106,285,100</b>	<b>\$116,602,600</b>	<b>\$116,602,600</b>	<b>\$2,500,000</b>	<b>\$119,102,600</b>
State	105,865,500	116,602,600	116,602,600	2,500,000	119,102,600
Federal	0	0	0	0	0
Other	419,600	0	0	0	0
<b>329.32 Major Maintenance</b>					
Full-Time	22	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>22</b>
Payroll	1,144,300	1,187,100	1,176,700	0	1,176,700
Operational	1,948,100	2,454,000	2,454,000	0	2,454,000
<b>Total</b>	<b>\$3,092,400</b>	<b>\$3,641,100</b>	<b>\$3,630,700</b>	<b>\$0</b>	<b>\$3,630,700</b>
State	3,092,400	3,641,100	3,630,700	0	3,630,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>329.50 Sex Offender Treatment Program</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	199,900	75,000	75,000	0	75,000
<b>Total</b>	<b>\$199,900</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$75,000</b>
State	168,900	75,000	75,000	0	75,000
Federal	0	0	0	0	0
Other	31,000	0	0	0	0
<b>329.98 Federal Construction Grants</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	2,823,500	15,310,000	15,310,000	0	15,310,000
<b>Total</b>	<b>\$2,823,500</b>	<b>\$15,310,000</b>	<b>\$15,310,000</b>	<b>\$0</b>	<b>\$15,310,000</b>
State	0	0	0	0	0
Federal	2,823,500	15,310,000	15,310,000	0	15,310,000
Other	0	0	0	0	0

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>329.99 Sentencing Act of 1985</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	0	18,443,200	18,443,200	0	18,443,200
<b>Total</b>	<b>\$0</b>	<b>\$18,443,200</b>	<b>\$18,443,200</b>	<b>\$0</b>	<b>\$18,443,200</b>
State	0	18,435,700	18,435,700	0	18,435,700
Federal	0	0	0	0	0
Other	0	7,500	7,500	0	7,500

### Tennessee Correction Academy

The Tennessee Correction Academy, located in Tullahoma, provides training to all departmental employees, as well as employees of the Department of Children's Services, the Board of Probation and Parole, and other law enforcement agencies. While some of the department's employee training is provided in a regional setting, most training is conducted on-site at the academy. New correctional officers complete 120 hours of pre-service training prior to working in an institution, and other institutional employees must complete up to 80 hours of pre-service training before beginning their assigned jobs. Upon completion of one year of employment, security and other professional level institutional staff are required to complete 40 hours of in-service training each year. In addition, specialized training programs are conducted at the academy as necessary to enhance correctional services and professional staff development.

### 329.06 Tennessee Correction Academy

Full-Time	79	79	79	0	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>0</b>	<b>79</b>
Payroll	2,941,100	3,315,400	3,230,200	0	3,230,200
Operational	1,204,400	1,334,800	1,334,800	11,600	1,346,400
<b>Total</b>	<b>\$4,145,500</b>	<b>\$4,650,200</b>	<b>\$4,565,000</b>	<b>\$11,600</b>	<b>\$4,576,600</b>
State	4,086,200	4,585,300	4,500,100	11,600	4,511,700
Federal	0	0	0	0	0
Other	59,300	64,900	64,900	0	64,900

### Institutional Operations

The Institutional Operations functional area is responsible for managing the inmate population committed to the department for incarceration. This functional area consists of classification centers and time-building institutions, special-purpose facilities, and contract-management institutions.

Classification centers evaluate inmates entering the correctional system. During the classification process, each inmate completes various evaluations that provide information concerning the inmate's physical and mental health, work and training experience, educational background,

religious affiliation, and family background. Based on these evaluations, decisions are made concerning the most appropriate institutional placement or special program requirements of each inmate. The department's classification centers are located at the Brushy Mountain Correctional Complex, Tennessee Prison for Women, Charles B. Bass Correctional Complex, and West Tennessee State Penitentiary.

Time-building institutions, where inmates serve out their sentences, range in security levels from death row and maximum security to minimum security and work release. These institutions provide educational, counseling, and treatment programs.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>329.11 Brushy Mountain Correctional Complex</b>					
Full-Time	556	555	555	0	555
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>556</b>	<b>555</b>	<b>555</b>	<b>0</b>	<b>555</b>
Payroll	21,419,100	23,939,000	23,302,200	0	23,302,200
Operational	10,695,300	10,940,000	10,940,000	103,700	11,043,700
<b>Total</b>	<b>\$32,114,400</b>	<b>\$34,879,000</b>	<b>\$34,242,200</b>	<b>\$103,700</b>	<b>\$34,345,900</b>
State	31,017,500	33,734,100	33,097,300	103,700	33,201,000
Federal	0	0	0	0	0
Other	1,096,900	1,144,900	1,144,900	0	1,144,900
<b>329.13 Tennessee Prison for Women</b>					
Full-Time	249	251	251	0	251
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>249</b>	<b>251</b>	<b>251</b>	<b>0</b>	<b>251</b>
Payroll	8,922,100	9,883,100	9,711,700	0	9,711,700
Operational	6,756,700	6,959,600	6,959,600	200,000	7,159,600
<b>Total</b>	<b>\$15,678,800</b>	<b>\$16,842,700</b>	<b>\$16,671,300</b>	<b>\$200,000</b>	<b>\$16,871,300</b>
State	14,812,500	16,002,600	15,831,200	200,000	16,031,200
Federal	0	0	0	0	0
Other	866,300	840,100	840,100	0	840,100
<b>329.14 Turney Center Industrial Prison and Farm</b>					
Full-Time	327	328	328	0	328
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>327</b>	<b>328</b>	<b>328</b>	<b>0</b>	<b>328</b>
Payroll	11,762,900	13,636,400	13,276,200	0	13,276,200
Operational	8,528,400	9,167,000	9,167,000	124,300	9,291,300
<b>Total</b>	<b>\$20,291,300</b>	<b>\$22,803,400</b>	<b>\$22,443,200</b>	<b>\$124,300</b>	<b>\$22,567,500</b>
State	19,360,000	21,818,900	21,458,700	124,300	21,583,000
Federal	0	0	0	0	0
Other	931,300	984,500	984,500	0	984,500



	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>329.16 Mark Luttrell Correctional Facility</b>					
Full-Time	199	199	199	0	199
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>199</b>	<b>199</b>	<b>199</b>	<b>0</b>	<b>199</b>
Payroll	7,365,700	8,387,300	8,204,300	0	8,204,300
Operational	3,565,600	3,780,800	3,780,800	17,200	3,798,000
<b>Total</b>	<b>\$10,931,300</b>	<b>\$12,168,100</b>	<b>\$11,985,100</b>	<b>\$17,200</b>	<b>\$12,002,300</b>
State	10,478,600	11,626,100	11,443,100	17,200	11,460,300
Federal	0	0	0	0	0
Other	452,700	542,000	542,000	0	542,000
<b>329.17 Charles B. Bass Correctional Complex</b>					
Full-Time	391	391	390	0	390
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>391</b>	<b>391</b>	<b>390</b>	<b>0</b>	<b>390</b>
Payroll	13,811,300	15,962,500	15,623,800	0	15,623,800
Operational	8,301,600	8,675,400	8,675,400	0	8,675,400
<b>Total</b>	<b>\$22,112,900</b>	<b>\$24,637,900</b>	<b>\$24,299,200</b>	<b>\$0</b>	<b>\$24,299,200</b>
State	21,146,300	23,506,100	23,167,400	0	23,167,400
Federal	0	0	0	0	0
Other	966,600	1,131,800	1,131,800	0	1,131,800
<b>329.18 Southeastern Tennessee State Regional Correctional Facility</b>					
Full-Time	322	321	321	0	321
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>322</b>	<b>321</b>	<b>321</b>	<b>0</b>	<b>321</b>
Payroll	12,325,100	13,646,400	13,292,500	0	13,292,500
Operational	5,881,600	6,163,500	6,163,500	42,400	6,205,900
<b>Total</b>	<b>\$18,206,700</b>	<b>\$19,809,900</b>	<b>\$19,456,000</b>	<b>\$42,400</b>	<b>\$19,498,400</b>
State	17,351,000	19,021,800	18,667,900	42,400	18,710,300
Federal	0	0	0	0	0
Other	855,700	788,100	788,100	0	788,100
<b>329.41 West Tennessee State Penitentiary</b>					
Full-Time	709	713	713	0	713
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>709</b>	<b>713</b>	<b>713</b>	<b>0</b>	<b>713</b>
Payroll	24,899,800	28,213,500	27,751,600	0	27,751,600
Operational	18,379,800	18,852,400	18,852,400	168,200	19,020,600
<b>Total</b>	<b>\$43,279,600</b>	<b>\$47,065,900</b>	<b>\$46,604,000</b>	<b>\$168,200</b>	<b>\$46,772,200</b>
State	41,859,900	45,745,700	45,283,800	168,200	45,452,000
Federal	0	0	0	0	0
Other	1,419,700	1,320,200	1,320,200	0	1,320,200

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>329.42 Riverbend Maximum Security Institution</b>					
Full-Time	329	329	329	0	329
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>329</b>	<b>329</b>	<b>329</b>	<b>0</b>	<b>329</b>
Payroll	12,379,600	13,492,700	13,250,400	0	13,250,400
Operational	5,840,400	6,968,600	6,968,600	0	6,968,600
<b>Total</b>	<b>\$18,220,000</b>	<b>\$20,461,300</b>	<b>\$20,219,000</b>	<b>\$0</b>	<b>\$20,219,000</b>
State	17,780,800	20,034,400	19,792,100	0	19,792,100
Federal	0	0	0	0	0
Other	439,200	426,900	426,900	0	426,900
<b>329.43 Northeast Correctional Complex</b>					
Full-Time	503	500	500	0	500
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>503</b>	<b>500</b>	<b>500</b>	<b>0</b>	<b>500</b>
Payroll	16,975,200	18,655,900	18,349,900	0	18,349,900
Operational	13,788,300	14,191,800	14,191,800	204,600	14,396,400
<b>Total</b>	<b>\$30,763,500</b>	<b>\$32,847,700</b>	<b>\$32,541,700</b>	<b>\$204,600</b>	<b>\$32,746,300</b>
State	29,431,000	31,531,200	31,225,200	204,600	31,429,800
Federal	0	0	0	0	0
Other	1,332,500	1,316,500	1,316,500	0	1,316,500
<b>329.45 Northwest Correctional Complex</b>					
Full-Time	658	654	654	0	654
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>658</b>	<b>654</b>	<b>654</b>	<b>0</b>	<b>654</b>
Payroll	22,355,700	25,483,800	25,017,500	0	25,017,500
Operational	15,590,800	16,605,600	16,605,600	0	16,605,600
<b>Total</b>	<b>\$37,946,500</b>	<b>\$42,089,400</b>	<b>\$41,623,100</b>	<b>\$0</b>	<b>\$41,623,100</b>
State	36,339,200	40,354,000	39,887,700	0	39,887,700
Federal	0	0	0	0	0
Other	1,607,300	1,735,400	1,735,400	0	1,735,400

Wayne County Boot Camp and the Lois M. DeBerry Special Needs Facility are the department's two special-purpose facilities. These facilities provide inmates with alternative rehabilitation methods and programs for mental health services, medical services and sex offender treatment.

Wayne County Boot Camp is an alternative incarceration unit. Offenders convicted of specified felonies who are serving their first term of incarceration in a state or federal prison can participate in a 120 day program that is based on a strict, highly structured military style regimen designed to foster self-discipline and positive self-esteem. Offenders at the boot camp also participate in educational programming when they lack a high school diploma/GED, and perform community service work for state and local government agencies, as well as private, not-for-profit agencies in

the area. Other special-purpose programs at the boot camp include a geriatrics program and a program which is designed to provide intensive work and educational programming for offenders who have violated their probation or parole without committing a new felony offense.

The Lois M. DeBerry Special Needs Facility is the department's primary medical and mental health treatment facility. As needed, inmates are transferred to this facility for medical services and both emergent and programmed mental health treatment. In addition, this facility provides geriatrics and sex offender treatment programs.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>329.08 Wayne County Boot Camp</b>					
Full-Time	155	155	155	0	155
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>0</b>	<b>155</b>
Payroll	5,583,200	6,082,100	5,971,200	0	5,971,200
Operational	2,724,000	3,217,900	3,217,900	0	3,217,900
<b>Total</b>	<b>\$8,307,200</b>	<b>\$9,300,000</b>	<b>\$9,189,100</b>	<b>\$0</b>	<b>\$9,189,100</b>
State	7,974,900	8,957,500	8,846,600	0	8,846,600
Federal	0	0	0	0	0
Other	332,300	342,500	342,500	0	342,500

**329.46 Lois M. DeBerry Special Needs Facility**

Full-Time	458	483	483	0	483
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>458</b>	<b>483</b>	<b>483</b>	<b>0</b>	<b>483</b>
Payroll	17,702,800	21,516,000	21,181,100	0	21,181,100
Operational	9,059,100	8,694,700	8,694,700	0	8,694,700
<b>Total</b>	<b>\$26,761,900</b>	<b>\$30,210,700</b>	<b>\$29,875,800</b>	<b>\$0</b>	<b>\$29,875,800</b>
State	26,322,400	29,813,300	29,478,400	0	29,478,400
Federal	0	0	0	0	0
Other	439,500	397,400	397,400	0	397,400

The Institutional Operations functional area includes three contract-management facilities: Hardeman County Correctional Facility, Hardeman County Correctional Facility – Whiteville, and South Central Correctional Center. The Hardeman County Correctional Facility, owned by Hardeman County, and the Hardeman County Correctional Facility – Whiteville, a privately owned facility, have been contracted by the department to house and manage adult male felons. The South Central Correctional Center is a state-owned facility that utilizes a private contractor to manage the inmate population.

**329.21 Hardeman County Incarceration Agreement**

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
Payroll	107,700	128,100	121,400	0	121,400
Operational	31,353,600	31,906,700	31,906,700	576,100	32,482,800
<b>Total</b>	<b>\$31,461,300</b>	<b>\$32,034,800</b>	<b>\$32,028,100</b>	<b>\$576,100</b>	<b>\$32,604,200</b>
State	31,447,300	32,015,900	32,009,200	576,100	32,585,300
Federal	0	0	0	0	0
Other	14,000	18,900	18,900	0	18,900

#### 329.22 Hardeman County Agreement – Whiteville

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	109,000	101,300	101,500	0	101,500
Operational	24,510,600	25,289,900	25,289,900	413,700	25,703,600
<b>Total</b>	<b>\$24,619,600</b>	<b>\$25,391,200</b>	<b>\$25,391,400</b>	<b>\$413,700</b>	<b>\$25,805,100</b>
State	24,604,300	25,372,500	25,372,700	413,700	25,786,400
Federal	0	0	0	0	0
Other	15,300	18,700	18,700	0	18,700

#### 329.44 South Central Correctional Center

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	92,000	138,100	134,900	0	134,900
Operational	22,953,100	23,814,000	23,814,000	1,033,700	24,847,700
<b>Total</b>	<b>\$23,045,100</b>	<b>\$23,952,100</b>	<b>\$23,948,900</b>	<b>\$1,033,700</b>	<b>\$24,982,600</b>
State	23,025,800	23,933,400	23,930,200	1,033,700	24,963,900
Federal	0	0	0	0	0
Other	19,300	18,700	18,700	0	18,700

#### 329.00 Department Total

Full-Time	5,161	5,189	5,189	0	5,189
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>5,161</b>	<b>5,189</b>	<b>5,189</b>	<b>0</b>	<b>5,189</b>
Payroll	188,935,400	214,685,900	210,410,000	0	210,410,000
Operational	308,635,500	356,091,300	355,816,400	13,926,700	369,743,100
<b>Total</b>	<b>\$497,570,900</b>	<b>\$570,777,200</b>	<b>\$566,226,400</b>	<b>\$13,926,700</b>	<b>\$580,153,100</b>
State	478,771,700	539,572,400	535,288,500	13,926,700	549,215,200
Federal	3,548,900	15,784,700	15,541,800	0	15,541,800
Other	15,250,300	15,420,100	15,396,100	0	15,396,100

## Statistical Data Correctional Institutions

	<b>BMCC</b> <b>329.11</b>	<b>TPW</b> <b>329.13</b>	<b>TCIP</b> <b>329.14</b>	<b>MLCF</b> <b>329.16</b>	<b>CBCC</b> <b>329.17</b>
<b>Annual Admissions</b>					
1998-1999	1,917	328	524	1,220	2,601
1999-2000	1,915	547	481	414	2,586
2000-2001	1,048	455	521	212	3,613
2001-2002	1,915	522	477	213	3,477
2002-2003	1,908	583	527	175	2,288
2003-2004	1,908	575	515	204	3,534
2004-2005	1,900	550	550	220	3,000
2005-2006	1,900	550	550	220	3,000
<b>Annual Releases</b>					
1998-1999	1,912	257	523	1,729	2,109
1999-2000	1,907	123	480	203	2,557
2000-2001	525	261	523	197	3,756
2001-2002	1,907	384	471	169	3,771
2002-2003	1,911	342	538	130	2,725
2003-2004	1,911	550	519	210	2,394
2004-2005	1,900	550	550	200	3,000
2005-2006	1,900	550	550	200	3,000
<b>Average Daily Census</b>					
1998-1999	1,525	494	1,106	402	1,018
1999-2000	1,517	471	1,100	335	1,009
2000-2001	1,539	466	1,100	404	994
2001-2002	1,537	512	1,110	397	1,011
2002-2003	1,520	695	1,100	414	1,007
2003-2004	1,525	715	1,094	414	1,014
2004-2005	1,603	775	1,136	440	1,110
2005-2006	1,603	775	1,136	440	1,110
<b>Cost Per Occupancy Day (Total Expenditures)*</b>					
1998-1999	\$46.98	\$57.57	\$41.58	\$66.84	\$49.09
1999-2000	\$48.18	\$61.20	\$42.63	\$73.29	\$48.80
2000-2001	\$53.60	\$70.24	\$46.37	\$71.20	\$59.67
2001-2002	\$52.44	\$71.17	\$46.85	\$68.98	\$55.38
2002-2003	\$56.13	\$57.89	\$49.09	\$69.47	\$58.76
2003-2004	\$57.54	\$59.91	\$50.68	\$72.14	\$59.58
2004-2005	\$59.61	\$59.54	\$55.00	\$75.77	\$60.81
2005-2006	\$58.70	\$59.64	\$54.43	\$74.73	\$59.98

BMCC: Brushy Mountain Correctional Complex  
 TPW: Tennessee Prison for Women  
 TCIP: Turney Center Industrial Prison and Farm

MLCF: Mark Luttrell Correctional Facility  
 CBCC: Charles B. Bass Correctional Complex

\*FY 1998-99 to 2003-2004 are actual expenditures from all sources; 2004-05 to 2005-06 are estimates.

## Statistical Data Correctional Institutions

	<b>STRCF</b> <b>329.18</b>	<b>WTSP</b> <b>329.41</b>	<b>RMSI</b> <b>329.42</b>	<b>NECC</b> <b>329.43</b>	<b>NWCC</b> <b>329.45</b>
<b>Annual Admissions</b>					
1998-1999	314	2,096	300	750	830
1999-2000	376	2,112	300	741	935
2000-2001	353	2,587	418	741	1,090
2001-2002	362	2,234	360	621	1,007
2002-2003	389	3,024	365	657	1,276
2003-2004	437	2,970	322	750	1,077
2004-2005	450	2,600	300	750	1,077
2005-2006	450	2,600	300	750	1,077
<b>Annual Releases</b>					
1998-1999	322	565	300	750	867
1999-2000	376	1,866	300	750	970
2000-2001	376	2,416	381	750	914
2001-2002	357	2,289	365	582	962
2002-2003	298	3,068	371	657	1,254
2003-2004	415	2,943	313	750	1,050
2004-2005	450	2,443	300	750	1,050
2005-2006	450	2,442	300	750	1,050
<b>Average Daily Census</b>					
1998-1999	956	1,589	664	1,527	2,180
1999-2000	954	2,304	664	1,518	2,117
2000-2001	929	2,415	676	1,609	2,152
2001-2002	932	2,498	705	1,682	2,289
2002-2003	912	2,455	704	1,782	2,264
2003-2004	942	2,431	706	1,808	2,288
2004-2005	981	2,582	736	1,856	2,425
2005-2006	981	2,582	736	1,856	2,425
<b>Cost Per Occupancy Day (Total Expenditures)*</b>					
1998-1999	\$42.33	\$49.86	\$63.55	\$37.29	\$34.60
1999-2000	\$42.79	\$39.25	\$65.28	\$39.31	\$36.50
2000-2001	\$49.05	\$41.74	\$67.59	\$41.25	\$39.45
2001-2002	\$50.08	\$42.75	\$68.00	\$44.37	\$41.92
2002-2003	\$52.74	\$46.35	\$71.17	\$45.69	\$44.66
2003-2004	\$52.81	\$48.64	\$70.51	\$46.49	\$45.31
2004-2005	\$55.32	\$49.94	\$76.17	\$48.49	\$47.55
2005-2006	\$54.45	\$49.63	\$75.26	\$48.34	\$47.03

STRCF: Southeastern TN State Regional Corr. Facility  
 WTSP: West Tennessee State Penitentiary  
 RMSI: Riverbend Maximum Security Institution

NECC: Northeast Correctional Complex  
 NWCC: Northwest Correctional Complex

\*FY 1998-99 to 2003-2004 are actual expenditures from all sources; 2004-05 to 2005-06 are estimates.

## Statistical Data Correctional Institutions

	<b>WCBC</b> <b>329.08</b>	<b>DSNF</b> <b>329.46</b>	<b>HCCF</b> <b>329.21</b>	<b>HCCF-W</b> <b>329.22</b>	<b>SCCC</b> <b>329.44</b>	<b>Total*</b>
<b>Annual Admissions</b>						
1998-1999	656	376	2,496	N/A	1,468	8,021
1999-2000	536	420	943	N/A	656	8,484
2000-2001	576	420	867	N/A	624	8,808
2001-2002	473	388	824	N/A	759	8,882
2002-2003	599	383	873	1,756	788	8,758
2003-2004	578	388	873	750	788	9,518
2004-2005	1,020	400	800	750	750	9,942
2005-2006	1,020	400	800	750	750	10,202
<b>Annual Releases</b>						
1998-1999	466	349	2,001	N/A	1,456	4,275
1999-2000	336	413	963	N/A	680	4,711
2000-2001	570	372	800	N/A	600	5,145
2001-2002	346	354	675	N/A	657	4,675
2002-2003	351	360	799	257	713	5,003
2003-2004	416	395	799	700	713	5,680
2004-2005	600	400	800	750	750	5,300
2005-2006	600	400	800	750	750	5,373
<b>Average Daily Census</b>						
1998-1999	391	701	1,679	N/A	1,480	15,712
1999-2000	393	715	1,965	N/A	1,485	16,547
2000-2001	409	696	1,990	N/A	1,541	16,920
2001-2002	385	664	1,993	N/A	1,657	17,372
2002-2003	416	710	1,963	594	1,634	18,170
2003-2004	413	738	1,947	1,474	1,608	19,117
2004-2005	450	800	2,016	1,536	1,676	20,122
2005-2006	450	800	2,016	1,536	1,676	20,122
<b>Cost Per Occupancy Day (Total Expenditures)**</b>						
1998-1999	\$44.39	\$130.85	\$40.59	N/A	\$34.23	\$47.42
1999-2000	\$45.82	\$133.09	\$40.87	N/A	\$35.49	\$47.16
2000-2001	\$49.13	\$105.50	\$41.13	N/A	\$36.37	\$49.00
2001-2002	\$51.94	\$99.58	\$41.82	N/A	\$37.12	\$49.24
2002-2003	\$52.65	\$97.78	\$42.83	\$43.53	\$37.85	\$50.91
2003-2004	\$54.96	\$99.08	\$44.15	\$45.64	\$39.16	\$51.99
2004-2005	\$56.62	\$103.46	\$43.54	\$45.29	\$39.15	\$53.71
2005-2006	\$55.95	\$102.31	\$44.31	\$46.03	\$40.84	\$53.56

WCBC: Wayne County Boot Camp

DSNF: Lois DeBerry Special Needs Facility

HCCF-W: Hardeman Co. Correctional Facility - Whiteville

N/A = Indicates facilities were not in existence during the reporting period.

HCCF: Hardeman Co. Correctional Facility

SCCC: South Central Correctional Center

\*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.

\*\*FY 1998-99 to 2003-2004 are actual expenditures from all sources; 2004-05 to 2005-06 are estimates.

# Military Department

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The Military Department provides leadership, direction, and organization for the state's Army and Air National Guard and the Tennessee Emergency Management Agency. The department is organized into three functional areas:

- Administration
- National Guard
- Emergency Management.

## Administration

Administration performs all fiscal and administrative duties for the 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 Defense Force also operate within this division.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>341.01 Administration</b>					
Full-Time	35	34	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>35</b>	<b>34</b>	<b>34</b>	<b>0</b>	<b>34</b>
Payroll	1,747,100	1,916,100	1,876,400	0	1,876,400
Operational	405,700	821,100	821,100	0	821,100
<b>Total</b>	<b>\$2,152,800</b>	<b>\$2,737,200</b>	<b>\$2,697,500</b>	<b>\$0</b>	<b>\$2,697,500</b>
State	1,639,100	2,146,400	2,118,200	0	2,118,200
Federal	510,300	579,600	568,100	0	568,100
Other	3,400	11,200	11,200	0	11,200
<b>341.10 Armories Utilities</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	3,018,300	3,114,600	3,166,900	0	3,166,900
<b>Total</b>	<b>\$3,018,300</b>	<b>\$3,114,600</b>	<b>\$3,166,900</b>	<b>\$0</b>	<b>\$3,166,900</b>
State	1,901,100	1,764,800	1,764,800	0	1,764,800
Federal	1,053,700	1,249,700	1,295,900	0	1,295,900
Other	63,500	100,100	106,200	0	106,200

## 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 composed 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.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>341.02 Tennessee Army National Guard</b>					
Full-Time	85	84	84	0	84
Part-Time	0	0	0	0	0
Seasonal	12	12	12	0	12
<b>Total</b>	<b>97</b>	<b>96</b>	<b>96</b>	<b>0</b>	<b>96</b>
Payroll	3,725,700	5,209,800	5,134,400	0	5,134,400
Operational	1,871,700	3,224,600	2,706,500	272,700	2,979,200
<b>Total</b>	<b>\$5,597,400</b>	<b>\$8,434,400</b>	<b>\$7,840,900</b>	<b>\$272,700</b>	<b>\$8,113,600</b>
State	1,061,500	826,200	817,200	272,700	1,089,900
Federal	3,963,500	6,961,300	6,228,500	0	6,228,500
Other	572,400	646,900	795,200	0	795,200
<b>341.03 Tennessee Air National Guard</b>					
Full-Time	208	208	208	0	208
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>208</b>	<b>208</b>	<b>208</b>	<b>0</b>	<b>208</b>
Payroll	6,329,300	8,497,100	8,340,100	0	8,340,100
Operational	3,542,900	4,213,200	4,213,200	0	4,213,200
<b>Total</b>	<b>\$9,872,200</b>	<b>\$12,710,300</b>	<b>\$12,553,300</b>	<b>\$0</b>	<b>\$12,553,300</b>
State	1,364,900	1,575,700	1,560,000	0	1,560,000
Federal	8,498,600	11,129,900	10,988,600	0	10,988,600
Other	8,700	4,700	4,700	0	4,700
<b>341.07 Armories Maintenance</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	2,686,800	3,841,100	3,869,000	0	3,869,000
<b>Total</b>	<b>\$2,686,800</b>	<b>\$3,841,100</b>	<b>\$3,869,000</b>	<b>\$0</b>	<b>\$3,869,000</b>
State	762,000	736,600	736,600	0	736,600
Federal	1,413,900	2,852,700	2,604,800	0	2,604,800
Other	510,900	251,800	527,600	0	527,600

## Emergency Management

The Tennessee Emergency Management Agency (TEMA) is responsible for directing and assisting state and local governments in times of man-made or natural disasters. Its purpose is to warn of possible disasters and to protect the lives and property of Tennessee citizens and visitors should such an event occur.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>341.04 Tennessee Emergency Management Agency</b>					
Full-Time	98	101	101	0	101
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>98</b>	<b>101</b>	<b>101</b>	<b>0</b>	<b>101</b>
Payroll	4,380,000	5,308,300	5,222,600	0	5,222,600
Operational	6,907,500	5,707,300	5,707,300	1,084,500	6,791,800
<b>Total</b>	<b>\$11,287,500</b>	<b>\$11,015,600</b>	<b>\$10,929,900</b>	<b>\$1,084,500</b>	<b>\$12,014,400</b>
State	2,295,900	2,424,000	2,390,600	1,084,500	3,475,100
Federal	8,075,000	7,687,400	7,610,200	0	7,610,200
Other	916,600	904,200	929,100	0	929,100
<b>341.08 Homeland Security Grants</b>					
Full-Time	6	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>6</b>
Payroll	140,700	317,500	276,500	0	276,500
Operational	10,354,200	76,254,800	63,492,800	0	63,492,800
<b>Total</b>	<b>\$10,494,900</b>	<b>\$76,572,300</b>	<b>\$63,769,300</b>	<b>\$0</b>	<b>\$63,769,300</b>
State	0	0	0	0	0
Federal	10,436,100	76,572,300	63,769,300	0	63,769,300
Other	58,800	0	0	0	0
<b>341.09 TEMA Disaster Relief Grants</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	300	0	0	0	0
Operational	52,069,500	5,000,000	5,000,000	0	5,000,000
<b>Total</b>	<b>\$52,069,800</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$5,000,000</b>
State	5,596,700	0	0	0	0
Federal	46,473,100	5,000,000	5,000,000	0	5,000,000
Other	0	0	0	0	0
<b>341.00 Department Total</b>					
Full-Time	432	433	433	0	433
Part-Time	0	0	0	0	0
Seasonal	12	12	12	0	12
<b>Total</b>	<b>444</b>	<b>445</b>	<b>445</b>	<b>0</b>	<b>445</b>
Payroll	16,323,100	21,248,800	20,850,000	0	20,850,000
Operational	80,856,600	102,176,700	88,976,800	1,357,200	90,334,000
<b>Total</b>	<b>\$97,179,700</b>	<b>\$123,425,500</b>	<b>\$109,826,800</b>	<b>\$1,357,200</b>	<b>\$111,184,000</b>
State	14,621,200	9,473,700	9,387,400	1,357,200	10,744,600
Federal	80,424,200	112,032,900	98,065,400	0	98,065,400
Other	2,134,300	1,918,900	2,374,000	0	2,374,000

# Tennessee Bureau of Investigation

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The Tennessee Bureau of Investigation (TBI) is responsible for assisting the District Attorneys General and local law enforcement agencies in the investigation and prosecution of criminal offenses. The bureau's operations are organized into five divisions:

- Administrative Services
- Criminal Investigations
- Drug Investigations
- Forensic Services
- Information Systems.

The Administrative Services division provides overall direction and support for the bureau. This area performs legal, personnel, payroll, fiscal, and administrative support services for the agency.

The Criminal Investigation division was created to provide expertise in investigative support to district attorneys and state and local law enforcement agencies. The division serves as an independent investigative body for investigating public corruption and misconduct at all levels of government, as well as provider fraud and patient abuse within the TennCare system. Additionally, the division is responsible for gathering and disseminating intelligence on criminal activity, including terrorism, fugitives, and drug trafficking.

The Drug Investigations division has original jurisdiction to investigate violations of Tennessee's drug control laws. The division's special agents are each assigned to one of four regional investigative units. Each unit initiates and investigates their own cases, targeting upper- and mid-level drug violators and drug distribution organizations. In addition, the Drug Investigations division works with state and local government agencies, the U.S. Drug Enforcement Administration, and the Federal Bureau of Investigation to ensure that all agencies are mutually supportive.

Forensic Services provides forensic examinations for the law enforcement community and medical examiners statewide. These examinations are performed at laboratories located in Nashville, Knoxville, and Memphis. The main laboratory in Nashville specializes in DNA/serology, toxicology, latent fingerprint examination, firearms identification analysis, and microanalysis testing. Drug chemistry and blood alcohol analysis are performed at all TBI labs.

The Information Systems division provides support to investigative activities through records management, systems operations, fingerprint identification, and uniform crime reporting. The operation of these services is housed in the Tennessee Crime Information Center, along with various computer systems for criminal, investigative, and forensic information.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>348.00 Tennessee Bureau of Investigation</b>					
Full-Time	436	465	456	0	456
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>436</b>	<b>465</b>	<b>456</b>	<b>0</b>	<b>456</b>
Payroll	22,110,400	27,253,900	26,360,500	0	26,360,500
Operational	21,186,700	22,973,500	21,520,200	0	21,520,200
<b>Total</b>	<b>\$43,297,100</b>	<b>\$50,227,400</b>	<b>\$47,880,700</b>	<b>\$0</b>	<b>\$47,880,700</b>
State	25,962,000	28,410,000	27,851,900	0	27,851,900
Federal	6,598,600	7,832,800	7,806,100	0	7,806,100
Other	10,736,500	13,984,600	12,222,700	0	12,222,700

# Department of Safety

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The Department of Safety works to provide safe highways for Tennessee's citizens and visitors by strictly enforcing the laws governing the use of state and federal roads. The department also provides services to motorists including drivers license issuance, titling and registration, public safety education, and training assistance to local law enforcement officers. Responsibilities of the department focus on the following areas:

- Administrative and support services
- Driver license issuance
- Enforcement
- Education
- Titling and registration
- Technical services.

## Administrative and Support Services

The Administrative and Support Services area is responsible for the overall administration of the department and for providing basic support services for departmental operations. The legal section provides general legal counsel and administers asset forfeiture cases generated from the Drug Control Act. This area also provides fiscal, personnel, supply, and internal audit functions.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>349.01 Administration</b>					
Full-Time	91	90	90	0	90
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>91</b>	<b>90</b>	<b>90</b>	<b>0</b>	<b>90</b>
Payroll	4,372,900	4,677,600	4,571,100	12,800	4,583,900
Operational	1,898,100	1,719,000	1,719,000	0	1,719,000
<b>Total</b>	<b>\$6,271,000</b>	<b>\$6,396,600</b>	<b>\$6,290,100</b>	<b>\$12,800</b>	<b>\$6,302,900</b>
State	5,801,900	5,900,600	5,794,100	12,800	5,806,900
Federal	0	0	0	0	0
Other	469,100	496,000	496,000	0	496,000
<b>349.07 Motor Vehicle Operations</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	7,878,500	8,488,700	7,088,700	1,400,000	8,488,700
<b>Total</b>	<b>\$7,878,500</b>	<b>\$8,488,700</b>	<b>\$7,088,700</b>	<b>\$1,400,000</b>	<b>\$8,488,700</b>
State	7,792,000	8,428,700	7,028,700	1,400,000	8,428,700
Federal	0	0	0	0	0
Other	86,500	60,000	60,000	0	60,000

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>349.12 Major Maintenance</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	157,300	200,000	200,000	0	200,000
<b>Total</b>	<b>\$157,300</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>
State	157,300	200,000	200,000	0	200,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

### Driver License Issuance

Driver License Issuance has the responsibility of issuing drivers licenses to all persons who qualify under the Classified and Commercial Driver's License Act. The handgun permit program is also administered through this division.

### 349.02 Driver License Issuance

Full-Time	287	287	287	0	287
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
<b>Total</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>0</b>	<b>300</b>
Payroll	9,079,900	10,415,400	10,106,800	3,700	10,110,500
Operational	8,947,500	10,757,200	10,487,200	0	10,487,200
<b>Total</b>	<b>\$18,027,400</b>	<b>\$21,172,600</b>	<b>\$20,594,000</b>	<b>\$3,700</b>	<b>\$20,597,700</b>
State	1,932,300	2,478,000	2,715,900	3,700	2,719,600
Federal	75,600	1,592,600	1,276,100	0	1,276,100
Other	16,019,500	17,102,000	16,602,000	0	16,602,000

### Enforcement

The department's enforcement efforts focus on roadway safety, criminal investigation, and other safety-related functions.

The Tennessee Highway Patrol (THP) enforces all motor vehicle and driver license laws, investigates accidents, provides assistance to motorists, and assists other police organizations in unusual assignments. THP is also responsible for enforcing commercial vehicle laws regarding size, weight, and safety requirements for commercial motor vehicles. The Capitol Security division of THP is responsible for the security of the State Capitol, Legislative Plaza, War Memorial Building, and other state office buildings in Davidson County. The Executive Protection Detail of THP provides security for the First Family, Lieutenant Governor, Speaker of the House, and Attorney General.

The pupil transportation section is responsible for the inspection of all school buses and day care vans, and for the training of school bus drivers. THP also maintains radio contact between all

field officers and dispatch centers in the state, thereby providing emergency service to motorists and enabling officers to request support when needed.

The Criminal Investigations Division (C.I.D.) is charged with investigating, preventing, and prosecuting violations of Tennessee's auto theft laws, and provides investigative support on felony cases. This is accomplished through auto theft investigations, odometer fraud investigations, and the inspection of rebuilt motor vehicles. It also trains local law enforcement agencies in identifying and investigating such crimes.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>349.03 Highway Patrol</b>					
Full-Time	1,082	1,084	1,084	0	1,084
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1,082</b>	<b>1,084</b>	<b>1,084</b>	<b>0</b>	<b>1,084</b>
Payroll	58,332,700	67,178,100	66,007,600	2,088,400	68,096,000
Operational	14,389,500	20,663,400	17,109,100	0	17,109,100
<b>Total</b>	<b>\$72,722,200</b>	<b>\$87,841,500</b>	<b>\$83,116,700</b>	<b>\$2,088,400</b>	<b>\$85,205,100</b>
State	65,118,800	73,952,000	72,777,500	2,088,400	74,865,900
Federal	4,401,400	6,160,900	6,160,900	0	6,160,900
Other	3,202,000	7,728,600	4,178,300	0	4,178,300
<b>349.06 Auto Theft Investigations</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	52,100	350,100	350,100	0	350,100
<b>Total</b>	<b>\$52,100</b>	<b>\$350,100</b>	<b>\$350,100</b>	<b>\$0</b>	<b>\$350,100</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	52,100	350,100	350,100	0	350,100
<b>349.14 C.I.D. Anti-Theft Unit</b>					
Full-Time	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>
Payroll	606,400	774,100	762,200	16,200	778,400
Operational	36,400	62,300	62,300	0	62,300
<b>Total</b>	<b>\$642,800</b>	<b>\$836,400</b>	<b>\$824,500</b>	<b>\$16,200</b>	<b>\$840,700</b>
State	642,800	836,400	824,500	16,200	840,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

## Education

The Driver and Motorcycle Rider Education programs use the news media, pamphlets, films, videotapes, and other instructional materials to educate the motoring public regarding the safe operation of their vehicles.

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.

The Academy staffs the Tennessee Peace Officers Standards and Training (P.O.S.T.) Commission which is responsible for enforcing standards and training for all local police officers. This commission also administers the police officer salary supplement program to all eligible police officers.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>349.04 Motorcycle Rider Education</b>					
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	53,300	105,300	104,100	0	<b>104,100</b>
Operational	88,200	234,100	84,100	0	<b>84,100</b>
<b>Total</b>	<b>\$141,500</b>	<b>\$339,400</b>	<b>\$188,200</b>	<b>\$0</b>	<b>\$188,200</b>
State	141,500	339,400	188,200	0	<b>188,200</b>
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>349.08 Driver Education</b>					
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	113,100	147,700	144,800	2,300	<b>147,100</b>
Operational	25,400	101,200	101,200	0	<b>101,200</b>
<b>Total</b>	<b>\$138,500</b>	<b>\$248,900</b>	<b>\$246,000</b>	<b>\$2,300</b>	<b>\$248,300</b>
State	138,500	248,900	246,000	2,300	<b>248,300</b>
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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**349.09 Tennessee Law Enforcement Training Academy**

Full-Time	25	26	26	0	26
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>26</b>	<b>27</b>	<b>27</b>	<b>0</b>	<b>27</b>
Payroll	1,194,000	1,477,200	1,448,500	18,200	1,466,700
Operational	1,767,400	2,160,400	2,148,000	0	2,148,000
<b>Total</b>	<b>\$2,961,400</b>	<b>\$3,637,600</b>	<b>\$3,596,500</b>	<b>\$18,200</b>	<b>\$3,614,700</b>
State	2,135,300	2,607,900	2,579,200	18,200	2,597,400
Federal	0	0	0	0	0
Other	826,100	1,029,700	1,017,300	0	1,017,300

**349.10 P.O.S.T. Commission**

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	81,700	95,300	91,500	0	91,500
Operational	6,443,600	6,264,400	6,264,400	0	6,264,400
<b>Total</b>	<b>\$6,525,300</b>	<b>\$6,359,700</b>	<b>\$6,355,900</b>	<b>\$0</b>	<b>\$6,355,900</b>
State	6,525,300	6,359,700	6,355,900	0	6,355,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Titling and Registration**

Titling and Registration is responsible for issuing, recording, and enforcing ownership titles; regulating the sale and distribution of vehicle license plates; and regulating vehicle registration renewals through the county clerks. This division's responsibilities also include the requirement to register and enforce interstate motor carriers with respect to licensing, fuel taxes, and insurance filings.

**349.11 Titling and Registration**

Full-Time	194	216	216	0	216
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>194</b>	<b>216</b>	<b>216</b>	<b>0</b>	<b>216</b>
Payroll	6,374,400	8,176,600	7,997,200	0	7,997,200
Operational	13,512,600	24,200,100	23,993,600	0	23,993,600
<b>Total</b>	<b>\$19,887,000</b>	<b>\$32,376,700</b>	<b>\$31,990,800</b>	<b>\$0</b>	<b>\$31,990,800</b>
State	12,391,100	24,796,700	24,414,800	0	24,414,800
Federal	0	0	0	0	0
Other	7,495,900	7,580,000	7,576,000	0	7,576,000



## Technical Services

Technical Services is responsible for supporting the general record and data needs arising from legislative mandates, as well as the specific public safety need to protect the public from financially irresponsible and hazardous drivers. This division is divided into four service areas: financial responsibility, information systems, driver improvement, and crash analysis. Through the financial responsibility program, the driving privileges of drivers convicted of statutory offenses are revoked or suspended. Statutory offenses include failure to appear in court, failure to pay fines, and court costs after conviction. This division also certifies the financial responsibility of drivers convicted of certain offenses or involved in accidents.

Responsibilities of Information Systems include the installation and maintenance of computer hardware; design and development of new computer systems; management of departmental databases for driver license and title and registration transactions; and for researching, acquiring, and implementing new technologies.

Driver improvement evaluates the driving records of Tennessee drivers in order to identify high-risk drivers and to establish procedures for their rehabilitation. The crash analysis section processes traffic crash reports for THP and all other public agencies that investigate traffic crashes occurring in Tennessee.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>349.13 Technical Services</b>					
Full-Time	168	168	168	0	<b>168</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>0</b>	<b>168</b>
Payroll	6,081,600	6,818,300	6,658,700	3,300	<b>6,662,000</b>
Operational	3,133,500	3,681,300	3,681,300	0	<b>3,681,300</b>
<b>Total</b>	<b>\$9,215,100</b>	<b>\$10,499,600</b>	<b>\$10,340,000</b>	<b>\$3,300</b>	<b>\$10,343,300</b>
State	817,300	2,860,500	2,200,900	3,300	<b>2,204,200</b>
Federal	0	0	0	0	<b>0</b>
Other	8,397,800	7,639,100	8,139,100	0	<b>8,139,100</b>
<b>349.00 Department Total</b>					
Full-Time	1,863	1,887	1,887	0	<b>1,887</b>
Part-Time	14	14	14	0	<b>14</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,877</b>	<b>1,901</b>	<b>1,901</b>	<b>0</b>	<b>1,901</b>
Payroll	86,290,000	99,865,600	97,892,500	2,144,900	<b>100,037,400</b>
Operational	58,330,100	78,882,200	73,289,000	1,400,000	<b>74,689,000</b>
<b>Total</b>	<b>\$144,620,100</b>	<b>\$178,747,800</b>	<b>\$171,181,500</b>	<b>\$3,544,900</b>	<b>\$174,726,400</b>
State	103,594,100	129,008,800	125,325,700	3,544,900	<b>128,870,600</b>
Federal	4,477,000	7,753,500	7,437,000	0	<b>7,437,000</b>
Other	36,549,000	41,985,500	38,418,800	0	<b>38,418,800</b>



# Resources and Regulation

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# Resources and Regulation

Recommended Budget, Fiscal Year 2005 – 2006

**T**he 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.

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.

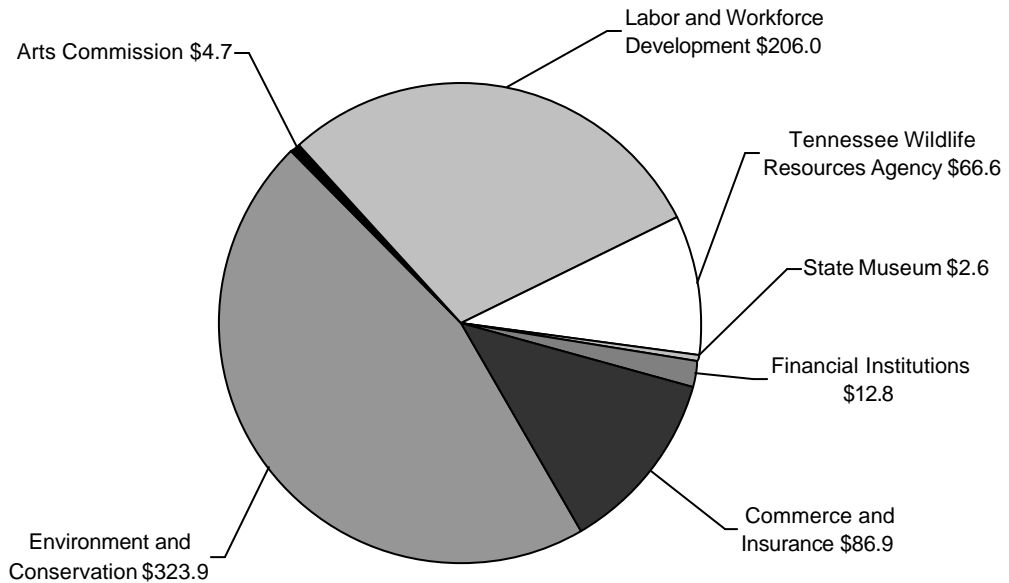
## Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within the functional group. Funding mixes within each department vary, as

some are exclusively state funded, while others represent state, federal, and other sources of funding.

### Resources and Regulation FY 2005 - 2006 Recommended



In Millions  
\$703,489,100 Total

## Resources and Regulation Total Personnel and Funding

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Recommended 2005-2006</u>
<b>Personnel</b>			
Full Time	5,377	5,527	5,556
Part Time	899	878	872
Seasonal	579	464	464
<b>TOTAL</b>	<b><u>6,855</u></b>	<b><u>6,869</u></b>	<b><u>6,892</u></b>
<b>Expenditures</b>			
Payroll	\$228,586,200	\$284,911,200	\$282,878,000
Operational	383,404,000	441,298,900	420,611,100
<b>TOTAL</b>	<b><u>\$611,990,200</u></b>	<b><u>\$726,210,100</u></b>	<b><u>\$703,489,100</u></b>
<b>Funding</b>			
State	\$251,145,800	\$316,788,000	\$303,695,600
Federal	219,999,700	248,763,500	243,026,100
Other	140,844,700	160,658,600	156,767,400

## Resources and Regulation Improvements for Fiscal Year 2005-2006

	State	Federal	Other	Total	Positions
<b>Environment and Conservation</b>					
• <b>Tennessee Land Conservation Project</b>					
To provide funding related to land purchases for conservation and protection.					
<b>327.14 Natural Heritage</b>	\$10,000,000	\$0	\$0	\$10,000,000	0
<b>Sub-total</b>	\$10,000,000	\$0	\$0	\$10,000,000	0
• <b>Land Acquisition Funds</b>					
To provide funds for state lands acquisition and local parks land acquisition. These appropriations are from an additional \$12 million allocation of the real estate transfer tax, and, along with the \$6 million base budget allocation, will provide a total allocation from the tax of \$18 million for the four land acquisition and soil conservation programs. The recommended improvement funds are half recurring and half non-recurring. Thus, total acquisition fund and soil conservation program funding from this tax in 2005-2006 is \$12 million recurring and \$6 million non-recurring. The improvement for each program is a pro-rata share of the 8 cents stated in law. The Local Parks Acquisition Fund receives a 1.75-cent share and the State Lands Acquisition Fund receives a 1.5-cent share of the 8 cents.					
<b>327.19 Local Parks Acquisition Fund</b>	\$2,624,400	\$0	\$0	\$2,624,400	0
<b>327.20 State Lands Acquisition Fund</b>	\$2,250,000	\$0	\$0	\$2,250,000	0
<b>Sub-total</b>	\$4,874,400	\$0	\$0	\$4,874,400	0
• <b>Water Pollution</b>					
To provide funding for 26 environmental and biologist positions in order to fulfill a requirement, under the federal Clean Water Act and court decree, to identify rivers, streams, and lakes that violate water-quality standards or are too polluted for designated uses; to develop total maximum daily load (TMDL) allocations for pollutants causing impairment of state waters; and to develop clean-up plans for those waters based on calculation of the load of pollutants that each body of water can experience and still be considered healthy or fit for its intended use. Failure of the state to fulfill these requirements would cede to the federal government the authority to solve the state's pollution problems.					
<b>327.34 Water Pollution Control</b>	\$1,555,800	\$0	\$0	\$1,555,800	26
<b>Sub-total</b>	\$1,555,800	\$0	\$0	\$1,555,800	26
<b>Total Environment and Conservation</b>	<b>\$16,430,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,430,200</b>	<b>26</b>



## Resources and Regulation Improvements for Fiscal Year 2005-2006

	State	Federal	Other	Total	Positions
<b>Tennessee Wildlife Resources Agency</b>					
<b>• Wetlands Acquisition</b>					
To provide funds for wetlands acquisition. This appropriation is from an additional \$12 million allocation of the real estate transfer tax, and, along with the \$6 million base budget allocation, will provide a total allocation from the tax of \$18 million for the four land acquisition and soil conservation programs. The recommended improvement funds are half recurring and half non-recurring. Thus, total acquisition fund and soil conservation program funding from this tax in 2005-2006 is \$12 million recurring and \$6 million non-recurring. The improvement for each program is a pro-rata share of the 8 cents stated in law. The Wetlands Acquisition Fund receives a 3.25-cent share of the 8 cents.					
<b>328.03 Wetlands Acquisition Fund</b>	\$4,875,600	\$0	\$0	\$4,875,600	0
<b>Sub-total</b>	\$4,875,600	\$0	\$0	\$4,875,600	0
<b>• Salary Increase</b>					
To provide funding for salary increases for the agency's officers, biologists, and other unique positions, as authorized by TCA 70-1-309. This appropriation will fund salary step increases and one-half of the annual border-state salary survey results.					
<b>328.01 Wildlife Resources Agency</b>	\$794,700	\$0	\$0	\$794,700	0
<b>328.02 Boating Safety</b>	\$108,500	\$0	\$0	\$108,500	0
<b>Sub-total</b>	\$903,200	\$0	\$0	\$903,200	0
<b>Total Tennessee Wildlife Resources Agency</b>	<b>\$5,778,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,778,800</b>	<b>0</b>

### Commerce and Insurance

#### • Electrical Inspection

To fully fund Acts of 2004, Public Chapter 884, to pay increased electrical inspection costs, funded from the increased permitting fees.

<b>335.03 Fire Prevention</b>	\$0	\$0	\$891,200	\$891,200	0
<b>Sub-total</b>	\$0	\$0	\$891,200	\$891,200	0

#### • Information Systems

To provide funds for three positions for operation of the Regulatory Boards information systems. This appropriation is from dedicated Regulatory Board fees.

<b>335.10 Regulatory Boards</b>	\$300,600	\$0	\$0	\$300,600	3
<b>Sub-total</b>	\$300,600	\$0	\$0	\$300,600	3

## Resources and Regulation Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Manufactured Housing and Codes Enforcement</b>					
To provide funds for equipment and seven positions to assist with the manufactured housing and the codes enforcement programs. Three manufactured-home inspectors will increase the number of homes inspected. Codes Enforcement will receive two fire safety specialists and two facilities construction specialist positions to handle increased workloads in their areas. The departmental revenue is from inspection fees.					
<b>335.03 Fire Prevention</b>	\$0	\$0	\$530,200	\$530,200	7
<b>Sub-total</b>	\$0	\$0	\$530,200	\$530,200	7
<b>Total Commerce and Insurance</b>	<b>\$300,600</b>	<b>\$0</b>	<b>\$1,421,400</b>	<b>\$1,722,000</b>	<b>10</b>
<b>Labor and Workforce Development</b>					
<b>• Workers' Compensation Reform</b>					
To annualize funding for the Workers' Compensation Reform Act of 2004, Public Chapter 962.					
<b>337.03 Workers' Compensation</b>	\$1,895,900	\$0	\$0	\$1,895,900	0
<b>Sub-total</b>	\$1,895,900	\$0	\$0	\$1,895,900	0
<b>• Uninsured Employers</b>					
To provide funds for eight positions to enhance enforcement of the workers' compensation law. Positions include four workers' compensation representatives, one attorney, an accounting technician, and two administrative support positions. This will reduce the backlog of cases and result in increased collections in the Uninsured Employers Fund, which will offset the cost of this dedicated-fee appropriation.					
<b>337.14 Uninsured Employers Fund</b>	\$390,600	\$0	\$0	\$390,600	8
<b>Sub-total</b>	\$390,600	\$0	\$0	\$390,600	8
<b>• Food Stamps</b>					
To provide funding for Food Stamp recipients' transportation costs related to job searches and attendance at education and training programs. These funds are required to match federal funds.					
<b>337.01 Administration</b>	\$200,000	\$0	\$0	\$200,000	0
<b>Sub-total</b>	\$200,000	\$0	\$0	\$200,000	0
<b>Total Labor and Workforce Development</b>	<b>\$2,486,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,486,500</b>	<b>8</b>
<b>Total Resources and Regulation</b>	<b>\$24,996,100</b>	<b>\$0</b>	<b>\$1,421,400</b>	<b>\$26,417,500</b>	<b>44</b>

# Tennessee Arts Commission

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The Tennessee Arts Commission promotes interest and participation in the performing, visual, and literary arts by providing financial support to artists, arts organizations, and arts supporters. This financial support includes:

- Supporting not-for-profit organizations and events through various grant programs
- Matching private contributions with federal funds to provide technical assistance and other services.

The commission increases public awareness of arts opportunities by producing newsletters and special publications. It also provides program and operational support to the Tennessee State Museum.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.25 Tennessee Arts Commission</b>					
Full-Time	18	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>18</b>
Payroll	863,400	978,500	977,300	0	977,300
Operational	4,881,900	3,767,000	3,731,600	0	3,731,600
<b>Total</b>	<b>\$5,745,300</b>	<b>\$4,745,500</b>	<b>\$4,708,900</b>	<b>\$0</b>	<b>\$4,708,900</b>
State	5,315,900	4,099,100	4,080,500	0	4,080,500
Federal	428,500	631,500	613,500	0	613,500
Other	900	14,900	14,900	0	14,900

# Tennessee State Museum

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The Tennessee State Museum collects, preserves, interprets, and exhibits artifacts that are significant to the natural and cultural history of Tennessee. The museum's primary duties include:

- Conserving, storing, and securing the museum's collections
- Sponsoring national and regional exhibits of significance
- Providing technical assistance in conserving and restoring artifacts for the development of new museums
- Providing Tennessee citizens with cultural enrichments, educational programs and services
- Maintaining administrative oversight of the National Civil Rights Museum.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.27 Tennessee State Museum</b>					
Full-Time	33	33	33	0	<b>33</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>0</b>	<b>33</b>
Payroll	1,420,500	1,593,000	1,557,300	0	<b>1,557,300</b>
Operational	936,700	1,013,000	1,013,000	0	<b>1,013,000</b>
<b>Total</b>	<b>\$2,357,200</b>	<b>\$2,606,000</b>	<b>\$2,570,300</b>	<b>\$0</b>	<b>\$2,570,300</b>
State	2,338,000	2,556,000	2,520,300	0	<b>2,520,300</b>
Federal	0	0	0	0	<b>0</b>
Other	19,200	50,000	50,000	0	<b>50,000</b>

# Department of Environment and Conservation

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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 operates under the following three bureaus:

- Administration
- Tennessee State Parks and Conservation Services
- Environment.

## Administration

Administration provides overall policy management and support services, including policy, fiscal services, human resources, information systems, internal audit, legal services, marketing development, and public information to all areas of the department.

Administration publishes the *Tennessee Conservationist* magazine to educate the public about the preservation, protection, and wise use of the state's natural and cultural resources.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.01 Administrative Services</b>					
Full-Time	207	211	211	0	211
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>207</b>	<b>211</b>	<b>211</b>	<b>0</b>	<b>211</b>
Payroll	8,619,100	11,540,800	11,370,200	0	11,370,200
Operational	3,097,000	1,980,400	2,914,000	0	2,914,000
<b>Total</b>	<b>\$11,716,100</b>	<b>\$13,521,200</b>	<b>\$14,284,200</b>	<b>\$0</b>	<b>\$14,284,200</b>
State	4,988,000	5,456,600	5,351,600	0	5,351,600
Federal	2,741,700	2,405,800	2,573,700	0	2,573,700
Other	3,986,400	5,658,800	6,358,900	0	6,358,900

## Tennessee State Parks and Conservation Services

Conservation Services works to identify and preserve significant historical sites, as well as Tennessee's rich diversity of natural resources.

Recreation Educational Services facilitates the development of local parks and recreation activities by providing technical, financial, and planning resources.

Administrative assistance to the Tennessee Historical Commission is also provided through the Bureau of Tennessee State Parks and Conservation Services.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.03 Recreation Educational Services</b>					
Full-Time	12	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	1	1	0	1
<b>Total</b>	<b>12</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>
Payroll	617,100	754,800	740,000	0	740,000
Operational	1,331,000	4,374,800	4,374,800	0	4,374,800
<b>Total</b>	<b>\$1,948,100</b>	<b>\$5,129,600</b>	<b>\$5,114,800</b>	<b>\$0</b>	<b>\$5,114,800</b>
State	655,400	685,200	670,400	0	670,400
Federal	1,014,000	4,342,400	4,342,400	0	4,342,400
Other	278,700	102,000	102,000	0	102,000
<b>327.04 Historical Commission</b>					
Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>
Payroll	652,100	739,500	719,900	0	719,900
Operational	1,373,800	1,332,300	1,332,300	0	1,332,300
<b>Total</b>	<b>\$2,025,900</b>	<b>\$2,071,800</b>	<b>\$2,052,200</b>	<b>\$0</b>	<b>\$2,052,200</b>
State	1,161,200	1,441,700	1,422,100	0	1,422,100
Federal	687,200	625,100	625,100	0	625,100
Other	177,500	5,000	5,000	0	5,000
<b>327.06 Land and Water Conservation Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	825,800	750,000	750,000	0	750,000
<b>Total</b>	<b>\$825,800</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$0</b>	<b>\$750,000</b>
State	0	0	0	0	0
Federal	825,800	750,000	750,000	0	750,000
Other	0	0	0	0	0
<b>327.18 Maintenance of Historic Sites</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	267,000	225,000	185,000	0	185,000
<b>Total</b>	<b>\$267,000</b>	<b>\$225,000</b>	<b>\$185,000</b>	<b>\$0</b>	<b>\$185,000</b>
State	185,000	185,000	185,000	0	185,000
Federal	0	0	0	0	0
Other	82,000	40,000	0	0	0

The Natural Heritage division identifies and protects the state's natural areas to promote the conservation of rare or endangered species of plants and animals.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.14 Natural Heritage</b>					
Full-Time	13	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	1	2	2	0	2
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>
Payroll	604,000	689,300	680,600	0	680,600
Operational	203,400	414,900	414,900	10,000,000	10,414,900
<b>Total</b>	<b>\$807,400</b>	<b>\$1,104,200</b>	<b>\$1,095,500</b>	<b>\$10,000,000</b>	<b>\$11,095,500</b>
State	674,000	720,400	711,700	10,000,000	10,711,700
Federal	0	261,300	261,300	0	261,300
Other	133,400	122,500	122,500	0	122,500

Tennessee State Parks preserve unique examples of natural, cultural and scenic areas and provide a variety of quality outdoor experiences for Tennessee's citizens and visitors.

**327.12 Tennessee State Parks**

Full-Time	979	992	992	0	992
Part-Time	178	169	169	0	169
Seasonal	571	456	456	0	456
<b>Total</b>	<b>1,728</b>	<b>1,617</b>	<b>1,617</b>	<b>0</b>	<b>1,617</b>
Payroll	33,987,700	38,969,300	38,014,600	0	38,014,600
Operational	25,819,800	24,599,800	24,569,800	0	24,569,800
<b>Total</b>	<b>\$59,807,500</b>	<b>\$63,569,100</b>	<b>\$62,584,400</b>	<b>\$0</b>	<b>\$62,584,400</b>
State	28,806,600	31,721,800	30,767,100	0	30,767,100
Federal	26,900	0	0	0	0
Other	30,974,000	31,847,300	31,817,300	0	31,817,300

**327.15 Tennessee State Parks Maintenance**

Full-Time	30	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>30</b>	<b>29</b>	<b>29</b>	<b>0</b>	<b>29</b>
Payroll	1,358,700	1,511,600	1,474,700	0	1,474,700
Operational	2,394,100	4,465,000	4,435,000	0	4,435,000
<b>Total</b>	<b>\$3,752,800</b>	<b>\$5,976,600</b>	<b>\$5,909,700</b>	<b>\$0</b>	<b>\$5,909,700</b>
State	3,674,000	4,097,000	4,060,100	0	4,060,100
Federal	0	1,315,000	1,315,000	0	1,315,000
Other	78,800	564,600	534,600	0	534,600

The Elk River Resource Management division was established to administer programs of the former Tennessee Elk River Development Agency. These include the completion of Tennessee Valley Authority contractual obligations and agreements, disposition of real property, and distribution of funds to ten counties in the Elk River watershed.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.17 Elk River Resource Management</b>					
Full-Time	5	5	0	0	0
Part-Time	1	1	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	190,200	214,800	0	0	0
Operational	101,500	90,100	0	0	0
<b>Total</b>	<b>\$291,700</b>	<b>\$304,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	291,700	304,900	0	0	0

The Local Parks Acquisition Fund and the State Lands Acquisition Fund are used to purchase land for parks, natural areas, and state forests, and are used for trail development and other eligible projects. The State Lands Compensation Fund is used to reimburse local governments for lost property taxes resulting from the purchase of land by the state, rendering the land tax exempt.

#### **327.19 Local Parks Acquisition Fund**

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	5,417,900	3,500,000	1,312,500	2,624,400	3,936,900
<b>Total</b>	<b>\$5,417,900</b>	<b>\$3,500,000</b>	<b>\$1,312,500</b>	<b>\$2,624,400</b>	<b>\$3,936,900</b>
State	585,800	3,500,000	1,312,500	2,624,400	3,936,900
Federal	0	0	0	0	0
Other	4,832,100	0	0	0	0

#### **327.20 State Lands Acquisition Fund**

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	1,156,200	3,000,000	1,125,000	2,250,000	3,375,000
<b>Total</b>	<b>\$1,156,200</b>	<b>\$3,000,000</b>	<b>\$1,125,000</b>	<b>\$2,250,000</b>	<b>\$3,375,000</b>
State	420,500	3,000,000	1,125,000	2,250,000	3,375,000
Federal	656,000	0	0	0	0
Other	79,700	0	0	0	0



	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.22 State Lands Compensation Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	0	100,000	42,000	0	42,000
<b>Total</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$42,000</b>	<b>\$0</b>	<b>\$42,000</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	100,000	42,000	0	42,000

## 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. Environment Administration provides coordination of environmental activities in state policy development and technical assistance as well as management and support services for eight environmental assistance centers.

### 327.30 Environment Administration

Full-Time	77	74	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>77</b>	<b>74</b>	<b>74</b>	<b>0</b>	<b>74</b>
Payroll	3,086,700	3,387,600	3,300,100	0	3,300,100
Operational	922,200	1,008,400	997,600	0	997,600
<b>Total</b>	<b>\$4,008,900</b>	<b>\$4,396,000</b>	<b>\$4,297,700</b>	<b>\$0</b>	<b>\$4,297,700</b>
State	1,525,700	1,083,500	1,043,800	0	1,043,800
Federal	0	21,100	0	0	0
Other	2,483,200	3,291,400	3,253,900	0	3,253,900

Archaeology and Geology programs identify and preserve significant prehistoric and historic sites.

### 327.08 Archaeology

Full-Time	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	6	5	5	0	5
<b>Total</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>
Payroll	446,700	574,100	560,300	0	560,300
Operational	106,000	250,300	250,300	0	250,300
<b>Total</b>	<b>\$552,700</b>	<b>\$824,400</b>	<b>\$810,600</b>	<b>\$0</b>	<b>\$810,600</b>
State	491,100	656,800	643,000	0	643,000
Federal	0	0	0	0	0
Other	61,600	167,600	167,600	0	167,600

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.11 Geology</b>					
Full-Time	20	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>19</b>
Payroll	919,900	1,119,400	1,090,700	0	1,090,700
Operational	277,800	338,700	338,700	0	338,700
<b>Total</b>	<b>\$1,197,700</b>	<b>\$1,458,100</b>	<b>\$1,429,400</b>	<b>\$0</b>	<b>\$1,429,400</b>
State	1,019,100	1,302,500	1,273,800	0	1,273,800
Federal	64,500	81,100	81,100	0	81,100
Other	114,100	74,500	74,500	0	74,500

The Used Oil Collection Program promotes education and public awareness and provides financial assistance for used oil disposal.

**327.23 Used Oil Collection Program**

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>
Payroll	229,300	221,600	218,500	0	218,500
Operational	490,900	1,299,900	1,299,900	0	1,299,900
<b>Total</b>	<b>\$720,200</b>	<b>\$1,521,500</b>	<b>\$1,518,400</b>	<b>\$0</b>	<b>\$1,518,400</b>
State	662,300	1,287,500	1,284,400	0	1,284,400
Federal	0	0	0	0	0
Other	57,900	234,000	234,000	0	234,000

The West Tennessee River Basin Authority preserves the natural flow and function of the Hatchie, Obion, and Forked Deer river basins through environmentally sensitive stream maintenance and appropriate conservation practices in upland settings.

**327.26 West Tennessee River Basin Authority**

Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>
Payroll	630,600	742,300	727,900	0	727,900
Operational	367,400	329,200	329,200	0	329,200
<b>Total</b>	<b>\$998,000</b>	<b>\$1,071,500</b>	<b>\$1,057,100</b>	<b>\$0</b>	<b>\$1,057,100</b>
State	701,400	758,600	748,400	0	748,400
Federal	0	0	0	0	0
Other	296,600	312,900	308,700	0	308,700

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.24 West Tennessee River Basin Authority Maintenance</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	79,600	500,000	500,000	0	500,000
<b>Total</b>	<b>\$79,600</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$500,000</b>
State	79,600	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

The Tennessee Dry Cleaners Environmental Response Fund is used to:

- Reimburse dry cleaner owners or operators, property owners, and impacted third parties for the investigation and remediation of sites contaminated by dry cleaning solvents
- Provide oversight of use and disposal of dry cleaning solvents used in dry cleaning operations.

**327.28 Tennessee Dry Cleaners Environmental Response Fund**

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
Payroll	203,600	410,500	406,700	0	406,700
Operational	1,019,000	2,058,300	2,058,300	0	2,058,300
<b>Total</b>	<b>\$1,222,600</b>	<b>\$2,468,800</b>	<b>\$2,465,000</b>	<b>\$0</b>	<b>\$2,465,000</b>
State	1,140,900	2,468,800	2,465,000	0	2,465,000
Federal	26,600	0	0	0	0
Other	55,100	0	0	0	0

Air Pollution Control ensures compliance with applicable state and federal air standards. The Small Business Clean Air Assistance program assists small businesses in voluntarily complying with air pollution regulations.

**327.31 Air Pollution Control**

Full-Time	145	165	165	0	165
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
<b>Total</b>	<b>157</b>	<b>177</b>	<b>177</b>	<b>0</b>	<b>177</b>
Payroll	7,073,000	9,193,700	9,115,700	0	9,115,700
Operational	2,128,500	3,329,100	3,220,200	0	3,220,200
<b>Total</b>	<b>\$9,201,500</b>	<b>\$12,522,800</b>	<b>\$12,335,900</b>	<b>\$0</b>	<b>\$12,335,900</b>
State	1,230,200	1,155,300	1,139,200	0	1,139,200
Federal	1,325,800	1,523,800	1,523,800	0	1,523,800
Other	6,645,500	9,843,700	9,672,900	0	9,672,900

Radiological Health regulates the possession, use, transportation, and disposition of radiation-producing machines and radioactive materials.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.32 Radiological Health</b>					
Full-Time	67	67	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>0</b>	<b>67</b>
Payroll	3,060,700	3,632,200	3,575,900	0	3,575,900
Operational	1,068,500	1,559,700	1,559,700	0	1,559,700
<b>Total</b>	<b>\$4,129,200</b>	<b>\$5,191,900</b>	<b>\$5,135,600</b>	<b>\$0</b>	<b>\$5,135,600</b>
State	0	642,800	586,500	0	586,500
Federal	99,200	72,900	72,900	0	72,900
Other	4,030,000	4,476,200	4,476,200	0	4,476,200

Community Assistance provides environmental multi-media, financial, and technical assistance, which promote pollution prevention, re-use, and recycling. This division is also charged with the oversight of the following programs:

- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- Pollution Prevention
- Lead Hazard Awareness
- Wastewater Treatment Operators Certification Program.

**327.33 Community Assistance**

Full-Time	51	50	50	0	50
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
<b>Total</b>	<b>55</b>	<b>54</b>	<b>54</b>	<b>0</b>	<b>54</b>
Payroll	2,236,300	2,948,500	2,900,100	0	2,900,100
Operational	45,867,900	49,202,500	49,202,500	0	49,202,500
<b>Total</b>	<b>\$48,104,200</b>	<b>\$52,151,000</b>	<b>\$52,102,600</b>	<b>\$0</b>	<b>\$52,102,600</b>
State	6,272,900	6,438,100	6,389,700	0	6,389,700
Federal	41,293,900	44,958,000	44,958,000	0	44,958,000
Other	537,400	754,900	754,900	0	754,900

Water Pollution Control protects water quality by abating existing pollution, reclaiming polluted waters, and working to prevent future pollution.

**327.34 Water Pollution Control**

Full-Time	174	174	174	26	200
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
<b>Total</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>26</b>	<b>208</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
Payroll	8,419,400	9,900,100	9,905,600	1,328,700	<b>11,234,300</b>
Operational	5,041,700	5,702,700	5,520,500	227,100	<b>5,747,600</b>
<b>Total</b>	<b>\$13,461,100</b>	<b>\$15,602,800</b>	<b>\$15,426,100</b>	<b>\$1,555,800</b>	<b>\$16,981,900</b>
State	4,516,000	5,603,400	5,426,700	1,555,800	<b>6,982,500</b>
Federal	2,553,500	3,391,400	3,391,400	0	<b>3,391,400</b>
Other	6,391,600	6,608,000	6,608,000	0	<b>6,608,000</b>

Solid Waste Management assists in the identification, prevention, and correction of solid and hazardous waste problems by enforcement of the Solid Waste Disposal Act and the Hazardous Waste Management Act.

### 327.35 Solid Waste Management

Full-Time	137	138	138	0	<b>138</b>
Part-Time	8	8	8	0	<b>8</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>145</b>	<b>146</b>	<b>146</b>	<b>0</b>	<b>146</b>
Payroll	7,099,300	8,292,400	8,153,600	0	<b>8,153,600</b>
Operational	1,705,400	1,897,400	1,897,400	0	<b>1,897,400</b>
<b>Total</b>	<b>\$8,804,700</b>	<b>\$10,189,800</b>	<b>\$10,051,000</b>	<b>\$0</b>	<b>\$10,051,000</b>
State	1,773,900	1,651,100	1,617,100	0	<b>1,617,100</b>
Federal	2,178,800	2,864,500	2,864,500	0	<b>2,864,500</b>
Other	4,852,000	5,674,200	5,569,400	0	<b>5,569,400</b>

Department of Energy (DOE) Oversight ensures the environmental impacts associated with past and present activities of the DOE Oak Ridge Reservation are investigated and appropriately cleaned up.

### 327.36 DOE Oversight

Full-Time	53	53	53	0	<b>53</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>0</b>	<b>53</b>
Payroll	2,055,300	3,084,300	3,043,300	0	<b>3,043,300</b>
Operational	791,500	3,226,800	3,226,800	0	<b>3,226,800</b>
<b>Total</b>	<b>\$2,846,800</b>	<b>\$6,311,100</b>	<b>\$6,270,100</b>	<b>\$0</b>	<b>\$6,270,100</b>
State	0	0	0	0	<b>0</b>
Federal	2,771,500	6,311,100	6,270,100	0	<b>6,270,100</b>
Other	75,300	0	0	0	<b>0</b>

The Abandoned Lands program provides for the reclamation of coal mining sites for which bonds have been forfeited. In addition, the program inventories and reclaims land abandoned by phosphate, clay, dirt, sand, and gravel operations.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.37 Abandoned Lands</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	0	500,000	500,000	0	500,000
<b>Total</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$500,000</b>
State	0	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

The Hazardous Waste Remedial Action Fund supports activities for the identification, investigation, and remediation of inactive hazardous substance sites.

**327.38 Hazardous Waste Remedial Action Fund**

Full-Time	65	64	64	0	64
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>65</b>	<b>64</b>	<b>64</b>	<b>0</b>	<b>64</b>
Payroll	2,926,900	3,695,300	3,640,600	0	3,640,600
Operational	4,732,200	7,561,200	7,561,200	0	7,561,200
<b>Total</b>	<b>\$7,659,100</b>	<b>\$11,256,500</b>	<b>\$11,201,800</b>	<b>\$0</b>	<b>\$11,201,800</b>
State	1,013,600	1,000,000	1,000,000	0	1,000,000
Federal	1,530,600	2,007,100	2,007,100	0	2,007,100
Other	5,114,900	8,249,400	8,194,700	0	8,194,700

Water Supply ensures compliance with state and federal public drinking water supply standards.

**327.39 Water Supply**

Full-Time	79	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>79</b>	<b>81</b>	<b>81</b>	<b>0</b>	<b>81</b>
Payroll	3,780,200	4,506,800	4,425,800	0	4,425,800
Operational	1,219,300	1,896,900	1,896,900	0	1,896,900
<b>Total</b>	<b>\$4,999,500</b>	<b>\$6,403,700</b>	<b>\$6,322,700</b>	<b>\$0</b>	<b>\$6,322,700</b>
State	585,800	806,500	789,600	0	789,600
Federal	2,190,500	2,465,000	2,465,000	0	2,465,000
Other	2,223,200	3,132,200	3,068,100	0	3,068,100

Groundwater Protection protects, preserves, and improves the quality of Tennessee's groundwater by assuring the proper disposal of domestic wastewaters.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.40 Groundwater Protection</b>					
Full-Time	149	150	137	0	137
Part-Time	0	0	3	0	3
Seasonal	0	0	0	0	0
<b>Total</b>	<b>149</b>	<b>150</b>	<b>140</b>	<b>0</b>	<b>140</b>
Payroll	7,148,400	8,338,800	7,589,200	0	7,589,200
Operational	1,626,700	2,026,300	1,781,600	0	1,781,600
<b>Total</b>	<b>\$8,775,100</b>	<b>\$10,365,100</b>	<b>\$9,370,800</b>	<b>\$0</b>	<b>\$9,370,800</b>
State	3,908,200	4,607,100	3,847,500	0	3,847,500
Federal	0	0	0	0	0
Other	4,866,900	5,758,000	5,523,300	0	5,523,300

The Underground Storage Tank program regulates the installation, inspection, and possible leakage of underground storage tanks. In addition, the program issues certificates, collects fees, and reimburses allowable environmental investigation costs to eligible underground storage tank owners and operators.

**327.41 Underground Storage Tanks**

Full-Time	81	81	81	0	81
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
<b>Total</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>0</b>	<b>89</b>
Payroll	3,467,200	4,232,800	4,167,700	0	4,167,700
Operational	17,740,300	39,483,100	19,383,100	0	19,383,100
<b>Total</b>	<b>\$21,207,500</b>	<b>\$43,715,900</b>	<b>\$23,550,800</b>	<b>\$0</b>	<b>\$23,550,800</b>
State	19,873,900	41,628,200	21,463,100	0	21,463,100
Federal	1,093,500	2,087,700	2,087,700	0	2,087,700
Other	240,100	0	0	0	0

The Solid Waste Assistance Fund assists in the implementation of the Solid Waste Management Act of 1991, to help plan for future waste disposal needs. The division provides financial assistance and special statewide services to local governments to ensure their compliance with the law.

**327.42 Solid Waste Assistance Fund**

Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>
Payroll	774,600	1,065,400	1,044,800	0	1,044,800
Operational	10,611,800	8,249,100	8,249,100	0	8,249,100
<b>Total</b>	<b>\$11,386,400</b>	<b>\$9,314,500</b>	<b>\$9,293,900</b>	<b>\$0</b>	<b>\$9,293,900</b>
State	9,082,400	9,314,500	9,293,900	0	9,293,900
Federal	0	0	0	0	0
Other	2,304,000	0	0	0	0

The Environmental Protection Fund's purpose is to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>327.43 Environmental Protection Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	32,035,000	40,574,200	39,334,600	0	39,334,600
<b>Total</b>	<b>\$32,035,000</b>	<b>\$40,574,200</b>	<b>\$39,334,600</b>	<b>\$0</b>	<b>\$39,334,600</b>
State	31,915,500	40,574,200	39,334,600	0	39,334,600
Federal	0	0	0	0	0
Other	119,500	0	0	0	0
<b>327.00 Department Total</b>					
Full-Time	2,412	2,446	2,428	26	2,454
Part-Time	219	210	212	0	212
Seasonal	578	464	464	0	464
<b>Total</b>	<b>3,209</b>	<b>3,120</b>	<b>3,104</b>	<b>26</b>	<b>3,130</b>
Payroll	99,587,000	119,765,900	116,866,500	1,328,700	118,195,200
Operational	169,819,200	215,826,100	190,562,900	15,101,500	205,664,400
<b>Total</b>	<b>\$269,406,200</b>	<b>\$335,592,000</b>	<b>\$307,429,400</b>	<b>\$16,430,200</b>	<b>\$323,859,600</b>
State	126,943,000	172,786,600	144,951,800	16,430,200	161,382,000
Federal	61,080,000	75,483,300	75,589,100	0	75,589,100
Other	81,383,200	87,322,100	86,888,500	0	86,888,500



# Tennessee Wildlife Resources Agency

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The Tennessee Wildlife Resources Agency (TWRA) is charged with preserving and managing all species of wildlife in Tennessee. This agency is also responsible for administering hunting and boating safety laws and enforcing state litter control laws.

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
- Fines for violations of wildlife, hunting, and boating regulations.

Program responsibilities are divided between the central office and regional offices. Administrative and support services are provided by the central office and 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 hunting and boating education programs
- Administering license sales and boat registration
- Conducting wild life and fisheries research and coordinating wildlife, fisheries, non-game and endangered species management
- Coordinating law enforcement activities and training
- Coordinating equipment crews and engineering activities, building and maintaining boat access areas and levees, and building forestry logging roads on agency property
- Investigating, reporting, and testifying on environmental issues
- Identification and acquisition of wetlands properties.

Regional office responsibilities include:

- Law enforcement
- Non-game and endangered species management
- Information and news releases
- Sponsoring hunting and boating safety workshops and classes
- Providing technical assistance to farm pond and small lake owners
- Developing, maintaining, and operating the wildlife management areas, state lakes, and fish hatcheries
- Wildlife and fish data collection.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>328.01 Wildlife Resources Agency</b>					
Full-Time	600	604	605	0	<b>605</b>
Part-Time	18	17	17	0	<b>17</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>618</b>	<b>621</b>	<b>622</b>	<b>0</b>	<b>622</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
Payroll	27,917,500	31,483,400	30,780,200	794,700	<b>31,574,900</b>
Operational	21,046,200	27,013,600	19,361,500	0	<b>19,361,500</b>
<b>Total</b>	<b>\$48,963,700</b>	<b>\$58,497,000</b>	<b>\$50,141,700</b>	<b>\$794,700</b>	<b>\$50,936,400</b>
State	30,519,600	34,450,300	30,313,400	794,700	<b>31,108,100</b>
Federal	11,726,600	16,624,600	14,023,400	0	<b>14,023,400</b>
Other	6,717,500	7,422,100	5,804,900	0	<b>5,804,900</b>

### 328.02 Boating Safety

Full-Time	30	33	37	0	<b>37</b>
Part-Time	63	59	51	0	<b>51</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>93</b>	<b>92</b>	<b>88</b>	<b>0</b>	<b>88</b>
Payroll	3,143,300	3,946,800	4,090,000	108,500	<b>4,198,500</b>
Operational	4,407,600	6,292,900	4,148,100	0	<b>4,148,100</b>
<b>Total</b>	<b>\$7,550,900</b>	<b>\$10,239,700</b>	<b>\$8,238,100</b>	<b>\$108,500</b>	<b>\$8,346,600</b>
State	4,976,300	5,366,000	5,947,100	108,500	<b>6,055,600</b>
Federal	2,498,800	4,165,600	2,260,000	0	<b>2,260,000</b>
Other	75,800	708,100	31,000	0	<b>31,000</b>

### 328.03 Wetlands Acquisition Fund

Full-Time	0	0	0	0	<b>0</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	<b>0</b>
Operational	9,519,900	6,155,000	2,042,500	4,875,600	<b>6,918,100</b>
<b>Total</b>	<b>\$9,519,900</b>	<b>\$6,155,000</b>	<b>\$2,042,500</b>	<b>\$4,875,600</b>	<b>\$6,918,100</b>
State	1,152,900	6,155,000	2,037,500	4,875,600	<b>6,913,100</b>
Federal	2,225,400	0	0	0	<b>0</b>
Other	6,141,600	0	5,000	0	<b>5,000</b>

### 328.04 Wetlands Compensation Fund

Full-Time	0	0	0	0	<b>0</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	<b>0</b>
Operational	308,300	345,000	400,000	0	<b>400,000</b>
<b>Total</b>	<b>\$308,300</b>	<b>\$345,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$400,000</b>
State	307,200	345,000	400,000	0	<b>400,000</b>
Federal	0	0	0	0	<b>0</b>
Other	1,100	0	0	0	<b>0</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>328.00 Department Total</b>					
Full-Time	630	637	642	0	<b>642</b>
Part-Time	81	76	68	0	<b>68</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>711</b>	<b>713</b>	<b>710</b>	<b>0</b>	<b>710</b>
Payroll	31,060,800	35,430,200	34,870,200	903,200	<b>35,773,400</b>
Operational	35,282,000	39,806,500	25,952,100	4,875,600	<b>30,827,700</b>
<b>Total</b>	<b>\$66,342,800</b>	<b>\$75,236,700</b>	<b>\$60,822,300</b>	<b>\$5,778,800</b>	<b>\$66,601,100</b>
State	36,956,000	46,316,300	38,698,000	5,778,800	<b>44,476,800</b>
Federal	16,450,800	20,790,200	16,283,400	0	<b>16,283,400</b>
Other	12,936,000	8,130,200	5,840,900	0	<b>5,840,900</b>

# Department of Commerce and Insurance

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The Department of Commerce and Insurance serves as a regulatory agency in state government through four functional areas: administration, consumer protection, 911 wireless communications, and fire prevention.

## Administration

The Administration Division includes the office of the commissioner, fiscal services, management information services, personnel, legal services, and audit consulting and oversight.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>335.01 Administration</b>					
Full-Time	68	71	69	0	69
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>68</b>	<b>71</b>	<b>69</b>	<b>0</b>	<b>69</b>
Payroll	3,178,000	3,956,900	3,776,400	0	3,776,400
Operational	893,900	1,407,500	711,700	0	711,700
<b>Total</b>	<b>\$4,071,900</b>	<b>\$5,364,400</b>	<b>\$4,488,100</b>	<b>\$0</b>	<b>\$4,488,100</b>
State	0	0	0	0	0
Federal	0	837,300	0	0	0
Other	4,071,900	4,527,100	4,488,100	0	4,488,100

## Consumer Protection

The Department of Commerce and Insurance strives to ensure Tennesseans' safety in the marketplace and supports education and awareness programs. Services provided include:

- Regulating insurance companies and agents and approving individual and group self-insurance proposals
- Protecting Tennessee's investors by maintaining the integrity of the securities market
- Enforcing the Tennessee Consumer Protection Act, promoting fair consumer practices and consumer education, and regulating health clubs
- Granting payments to consumers who are awarded judgments against real estate and auctioneer licensees.

## 335.02 Insurance

Full-Time	128	139	139	0	139
Part-Time	0	0	0	0	0
Seasonal	1	0	0	0	0
<b>Total</b>	<b>129</b>	<b>139</b>	<b>139</b>	<b>0</b>	<b>139</b>
Payroll	5,434,500	7,346,500	7,459,700	0	7,459,700
Operational	2,733,800	3,776,400	3,787,100	0	3,787,100
<b>Total</b>	<b>\$8,168,300</b>	<b>\$11,122,900</b>	<b>\$11,246,800</b>	<b>\$0</b>	<b>\$11,246,800</b>
State	0	3,122,500	3,086,900	0	3,086,900
Federal	0	0	0	0	0
Other	8,168,300	8,000,400	8,159,900	0	8,159,900

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>335.05 Securities</b>					
Full-Time	23	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>24</b>
Payroll	923,500	1,192,600	1,205,600	0	1,205,600
Operational	437,700	620,400	627,900	0	627,900
<b>Total</b>	<b>\$1,361,200</b>	<b>\$1,813,000</b>	<b>\$1,833,500</b>	<b>\$0</b>	<b>\$1,833,500</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,361,200	1,813,000	1,833,500	0	1,833,500
<b>335.06 Consumer Affairs</b>					
Full-Time	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>
Payroll	426,800	507,600	496,100	0	496,100
Operational	224,600	283,400	282,900	0	282,900
<b>Total</b>	<b>\$651,400</b>	<b>\$791,000</b>	<b>\$779,000</b>	<b>\$0</b>	<b>\$779,000</b>
State	650,200	769,800	757,800	0	757,800
Federal	0	0	0	0	0
Other	1,200	21,200	21,200	0	21,200
<b>335.15 Real Estate Education and Recovery Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	236,400	279,800	279,800	0	279,800
<b>Total</b>	<b>\$236,400</b>	<b>\$279,800</b>	<b>\$279,800</b>	<b>\$0</b>	<b>\$279,800</b>
State	193,000	279,800	279,800	0	279,800
Federal	0	0	0	0	0
Other	43,400	0	0	0	0
<b>335.16 Auctioneer Education and Recovery Fund</b>					
Full-Time	1	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>
Payroll	36,900	41,000	39,800	0	39,800
Operational	44,200	38,500	38,500	0	38,500
<b>Total</b>	<b>\$81,100</b>	<b>\$79,500</b>	<b>\$78,300</b>	<b>\$0</b>	<b>\$78,300</b>
State	78,100	79,500	78,300	0	78,300
Federal	0	0	0	0	0
Other	3,000	0	0	0	0

The TennCare Oversight Division has the authority to promulgate new or additional rules and regulations and to perform the oversight, examination, and compliance monitoring functions regarding managed care organizations that provide TennCare services.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>335.04 TennCare Oversight</b>					
Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>0</b>	<b>21</b>
Payroll	1,079,800	1,710,100	1,668,700	0	1,668,700
Operational	530,600	1,105,800	1,132,900	0	1,132,900
<b>Total</b>	<b>\$1,610,400</b>	<b>\$2,815,900</b>	<b>\$2,801,600</b>	<b>\$0</b>	<b>\$2,801,600</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,610,400	2,815,900	2,801,600	0	2,801,600

The Division of Regulatory Boards provides licensing and regulation of professions and businesses in addition to administering disciplinary action. The following professions and businesses are overseen by the Division of Regulatory Boards:

- Cosmetologists
- Funeral directors and embalmers
- Land surveyors
- Engineers
- Boxing and auto racing
- Polygraph examiners
- Real estate agents and brokers
- Accountants
- Alarm contractors
- Interior designers
- Pharmacists and pharmacies
- Barbers
- Contractors
- Collection services
- Private investigators
- Burial services
- Home improvement
- Real estate appraisers
- Private protective services
- Automotive manufacturers, dealers, and salesmen
- Geologists
- Auctioneers
- Architects and landscape architects
- Employee leasing.

**335.10 Regulatory Boards**

Full-Time	191	196	196	3	199
Part-Time	122	122	122	0	122
Seasonal	0	0	0	0	0
<b>Total</b>	<b>313</b>	<b>318</b>	<b>318</b>	<b>3</b>	<b>321</b>
Payroll	7,371,500	8,761,600	8,586,900	218,200	8,805,100
Operational	5,683,200	7,758,800	7,740,400	82,400	7,822,800
<b>Total</b>	<b>\$13,054,700</b>	<b>\$16,520,400</b>	<b>\$16,327,300</b>	<b>\$300,600</b>	<b>\$16,627,900</b>
State	12,782,600	16,033,000	15,845,700	300,600	16,146,300
Federal	0	0	0	0	0
Other	272,100	487,400	481,600	0	481,600

## 911 Wireless Communications

The 911 Emergency Communications Fund promotes statewide wireless enhanced 911 service through the activities of the Emergency Communications Board. The board is empowered to:

- Provide advisory technical assistance to emergency communications districts
- Establish technical operating standards for emergency communications districts
- Review and revise wireless-enhanced 911 standards
- Review and approve reimbursements for expenditures related to implementation, operations, maintenance, or improvements to statewide wireless-enhanced 911 service.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>335.08 911 Emergency Communications Fund</b>					
Full-Time	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>9</b>
Payroll	367,600	604,100	600,100	0	<b>600,100</b>
Operational	31,211,100	25,814,900	25,813,100	0	<b>25,813,100</b>
<b>Total</b>	<b>\$31,578,700</b>	<b>\$26,419,000</b>	<b>\$26,413,200</b>	<b>\$0</b>	<b>\$26,413,200</b>
State	30,980,400	26,419,000	26,413,200	0	<b>26,413,200</b>
Federal	0	0	0	0	0
Other	598,300	0	0	0	0

## Fire Prevention

The Division of Fire Prevention 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
- Licensing and regulating sprinkler contractors, liquid petroleum gas distributors, and fire extinguisher dealers
- Regulating the mobile home industry.

### 335.03 Fire Prevention

Full-Time	143	146	146	7	153
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>143</b>	<b>146</b>	<b>146</b>	<b>7</b>	<b>153</b>
Payroll	5,476,500	6,451,000	6,343,800	343,800	<b>6,687,600</b>
Operational	7,473,800	8,100,800	7,620,000	1,077,600	<b>8,697,600</b>
<b>Total</b>	<b>\$12,950,300</b>	<b>\$14,551,800</b>	<b>\$13,963,800</b>	<b>\$1,421,400</b>	<b>\$15,385,200</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
State	0	97,700	72,700	0	<b>72,700</b>
Federal	271,100	210,000	210,000	0	<b>210,000</b>
Other	12,679,200	14,244,100	13,681,100	1,421,400	<b>15,102,500</b>

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 in the State of Tennessee. 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.

### **335.07 Fire and Codes Enforcement Academy**

Full-Time	36	36	36	0	<b>36</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>0</b>	<b>36</b>
Payroll	1,607,700	1,838,900	1,810,900	0	<b>1,810,900</b>
Operational	1,924,200	3,427,100	2,951,900	0	<b>2,951,900</b>
<b>Total</b>	<b>\$3,531,900</b>	<b>\$5,266,000</b>	<b>\$4,762,800</b>	<b>\$0</b>	<b>\$4,762,800</b>
State	2,893,200	3,830,800	3,334,000	0	<b>3,334,000</b>
Federal	56,100	25,000	25,000	0	<b>25,000</b>
Other	582,600	1,410,200	1,403,800	0	<b>1,403,800</b>

The Commission on Fire Fighting Personnel Standards and Education administers the salary supplement to eligible firefighters, sets criteria for performance standards, and trains firefighters.

### **335.28 Fire Fighting Personnel Standards and Education**

Full-Time	3	3	3	0	<b>3</b>
Part-Time	9	9	9	0	<b>9</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>
Payroll	119,300	138,500	135,900	0	<b>135,900</b>
Operational	2,134,300	2,083,300	2,083,300	0	<b>2,083,300</b>
<b>Total</b>	<b>\$2,253,600</b>	<b>\$2,221,800</b>	<b>\$2,219,200</b>	<b>\$0</b>	<b>\$2,219,200</b>
State	2,253,600	2,221,800	2,219,200	0	<b>2,219,200</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>



	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>335.00 Department Total</b>					
Full-Time	633	656	654	10	<b>664</b>
Part-Time	131	131	131	0	<b>131</b>
Seasonal	1	0	0	0	<b>0</b>
<b>Total</b>	<b>765</b>	<b>787</b>	<b>785</b>	<b>10</b>	<b>795</b>
Payroll	26,022,100	32,548,800	32,123,900	562,000	<b>32,685,900</b>
Operational	53,527,800	54,696,700	53,069,500	1,160,000	<b>54,229,500</b>
<b>Total</b>	<b>\$79,549,900</b>	<b>\$87,245,500</b>	<b>\$85,193,400</b>	<b>\$1,722,000</b>	<b>\$86,915,400</b>
State	49,831,100	52,853,900	52,087,600	300,600	<b>52,388,200</b>
Federal	327,200	1,072,300	235,000	0	<b>235,000</b>
Other	29,391,600	33,319,300	32,870,800	1,421,400	<b>34,292,200</b>

# Department of Financial Institutions

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The Department of Financial Institutions 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
- Money transmitters.

The mission of the Department of Financial Institutions is to provide for and encourage the development of depository financial institutions while restricting their activities to the extent necessary to safeguard the interests of depositors. In addition, the department seeks to ensure compliance by both depository and non-depository financial institutions with governing laws and regulations. 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 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>336.00 Financial Institutions</b>					
Full-Time	117	155	155	0	155
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>117</b>	<b>155</b>	<b>155</b>	<b>0</b>	<b>155</b>
Payroll	6,537,300	9,844,700	9,745,100	0	9,745,100
Operational	2,496,100	3,010,600	3,050,900	0	3,050,900
<b>Total</b>	<b>\$9,033,400</b>	<b>\$12,855,300</b>	<b>\$12,796,000</b>	<b>\$0</b>	<b>\$12,796,000</b>
State	4,403,400	7,207,800	7,239,100	0	7,239,100
Federal	0	0	0	0	0
Other	4,630,000	5,647,500	5,556,900	0	5,556,900

# Department of Labor and Workforce Development

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The Department of Labor and Workforce Development's vision includes protecting the rights of workers and assisting employers in maintaining those rights throughout Tennessee. The Department of Labor and Workforce Development has six functional areas:

- Administration
- Safety and Health
- Workers' Compensation
- Labor Standards
- Employment and Workforce Development
- Employment Security.

## Administration

These services include the overall administration of the department and its programs. Included in this area is the office of the commissioner, which is responsible for formulating policies, procedures, and long-range plans to carry out the mission of the department.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>337.01 Administration</b>					
Full-Time	108	108	108	0	108
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
<b>Total</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>0</b>	<b>113</b>
Payroll	5,101,300	6,431,400	6,327,200	0	6,327,200
Operational	3,475,800	3,395,700	2,295,700	200,000	2,495,700
<b>Total</b>	<b>\$8,577,100</b>	<b>\$9,827,100</b>	<b>\$8,622,900</b>	<b>\$200,000</b>	<b>\$8,822,900</b>
State	2,760,600	2,688,500	2,656,300	200,000	2,856,300
Federal	5,084,200	6,003,100	5,932,200	0	5,932,200
Other	732,300	1,135,500	34,400	0	34,400

## Safety and Health

This functional area administers and enforces safety and health programs in Tennessee workplaces. The divisions provide training and technical assistance to employers and employees by conducting compliance inspections and by providing consulting services to employers. Some responsibilities include:

- Ensuring the safety and health of Tennessee workers, administering training programs, and providing consultant services to employers
- Promoting effective safety and health management through the Voluntary Protection Program
- Promoting the safety and welfare of miners through training and licensing of mine operators
- Employing mine rescue workers
- Performing safety inspections of boilers and elevators across the state.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
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### 337.02 Tennessee Occupational Safety and Health Administration (TOSHA)

Full-Time	105	102	102	0	102
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
<b>Total</b>	<b>108</b>	<b>105</b>	<b>105</b>	<b>0</b>	<b>105</b>
Payroll	5,235,100	6,073,900	5,980,900	0	5,980,900
Operational	1,622,800	1,843,100	1,843,100	0	1,843,100
<b>Total</b>	<b>\$6,857,900</b>	<b>\$7,917,000</b>	<b>\$7,824,000</b>	<b>\$0</b>	<b>\$7,824,000</b>
State	3,182,600	4,065,100	4,021,400	0	4,021,400
Federal	3,636,900	3,817,300	3,768,000	0	3,768,000
Other	38,400	34,600	34,600	0	34,600

### 337.04 Mines

Full-Time	7	7	7	0	7
Part-Time	24	18	18	0	18
Seasonal	0	0	0	0	0
<b>Total</b>	<b>31</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>25</b>
Payroll	285,600	408,000	401,300	0	401,300
Operational	154,800	211,500	211,500	0	211,500
<b>Total</b>	<b>\$440,400</b>	<b>\$619,500</b>	<b>\$612,800</b>	<b>\$0</b>	<b>\$612,800</b>
State	279,300	355,000	351,500	0	351,500
Federal	102,600	147,400	145,400	0	145,400
Other	58,500	117,100	115,900	0	115,900

### 337.05 Boilers and Elevators

Full-Time	53	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>0</b>	<b>53</b>
Payroll	2,015,600	2,405,200	2,376,000	0	2,376,000
Operational	623,500	866,100	866,100	0	866,100
<b>Total</b>	<b>\$2,639,100</b>	<b>\$3,271,300</b>	<b>\$3,242,100</b>	<b>\$0</b>	<b>\$3,242,100</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,639,100	3,271,300	3,242,100	0	3,242,100

## Workers' Compensation

The division of Workers' Compensation administers the workers' compensation program in Tennessee, promotes the benefits and responsibilities of the Workers' Compensation Act, and makes available the services provided in the Act. To achieve these objectives, the division:

- Administers the 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 Tennessee 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
- Maintains a statistical and historical database for the workers' compensation program
- Provides administrative support for the Advisory Council on Workers' Compensation
- Provides assistance to the Tennessee Bureau of Investigation in the investigation of workers' compensation fraud and conducts public awareness programs on issues of fraud
- Collects and analyzes relevant statistical data and other information necessary to evaluate the workers' compensation system and to assess the impact of the reform acts of 1992 and 1996 on the system.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>337.03 Workers' Compensation</b>					
Full-Time	110	161	161	0	161
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>111</b>	<b>161</b>	<b>161</b>	<b>0</b>	<b>161</b>
Payroll	4,375,100	7,963,300	6,985,700	1,348,700	8,334,400
Operational	1,772,400	2,768,700	2,000,500	547,200	2,547,700
<b>Total</b>	<b>\$6,147,500</b>	<b>\$10,732,000</b>	<b>\$8,986,200</b>	<b>\$1,895,900</b>	<b>\$10,882,100</b>
State	6,048,000	10,700,000	8,954,200	1,895,900	10,850,100
Federal	0	0	0	0	0
Other	99,500	32,000	32,000	0	32,000

The Second Injury Fund provides funding for judgments against the State of Tennessee and for legal costs awarded by the state. The Second Injury Fund encourages employers to hire workers with prior injuries or disabilities.

### 337.08 Second Injury Fund

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	8,938,100	8,570,900	8,570,900	0	8,570,900
<b>Total</b>	<b>\$8,938,100</b>	<b>\$8,570,900</b>	<b>\$8,570,900</b>	<b>\$0</b>	<b>\$8,570,900</b>
State	8,671,700	8,395,900	8,395,900	0	8,395,900
Federal	0	0	0	0	0
Other	266,400	175,000	175,000	0	175,000

The Uninsured Employers Fund was established to help protect workers from employers who fail to comply with the coverage requirements of the state's workers' compensation insurance laws. This division has the authority to assess civil penalties to employers and provide injunctive relief to affected employees.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>337.14 Uninsured Employers Fund</b>					
Full-Time	5	5	5	8	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>13</b>
Payroll	228,500	269,100	265,200	281,600	546,800
Operational	24,000	16,900	16,900	109,000	125,900
<b>Total</b>	<b>\$252,500</b>	<b>\$286,000</b>	<b>\$282,100</b>	<b>\$390,600</b>	<b>\$672,700</b>
State	248,100	286,000	282,100	390,600	672,700
Federal	0	0	0	0	0
Other	4,400	0	0	0	0

## Labor Standards

This division is responsible for the enforcement of several labor laws throughout the state. Included in the jurisdiction of the division are:

- The Wage Regulation Act which protects wage earners from unfair practices
- The Child Labor Act which regulates the number of hours a school-aged child can work
- The Prevailing Wage Act which protects workers regarding pay on construction projects involving state funds
- Administration of statistical research programs regarding work-related injuries, illnesses, and fatalities
- Administration of the Employee Assistance Professional Program
- Labor standards customer service.

### 337.06 Labor Standards

Full-Time	23	23	23	0	23
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
<b>Total</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>28</b>
Payroll	891,100	999,400	982,600	0	982,600
Operational	245,100	279,500	279,500	0	279,500
<b>Total</b>	<b>\$1,136,200</b>	<b>\$1,278,900</b>	<b>\$1,262,100</b>	<b>\$0</b>	<b>\$1,262,100</b>
State	956,800	1,087,700	1,073,300	0	1,073,300
Federal	164,900	180,200	177,800	0	177,800
Other	14,500	11,000	11,000	0	11,000

## Employment and Workforce Development

This functional area administers the Workforce Investment Act, Tennessee Career Centers, Families First services, veterans services, and the Job Service programs. The Workforce Investment Act attempts to return many of the responsibilities formerly held by the federal government for workforce development to state and local authorities. The Tennessee Career Centers, in the process of being implemented across the state, can be used by employers seeking workers and anyone seeking job training, job placement, Families First services, unemployment insurance, and any other activity related to employment and training needs. The primary goal of this program is to be more responsive to the needs of geographical areas, labor markets, and individual industries. The Employment and Training Division is a key partner in working with other state agencies such as Economic and Community Development, Education, Human Services, and the Board of Regents, to implement the workforce development system in the state. The Adult Basic Education Division administers funds to assist the adult population in obtaining GED diplomas and education necessary to return to the workforce.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>337.07 Employment and Training</b>					
Full-Time	38	38	38	0	38
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>0</b>	<b>38</b>
Payroll	2,220,600	2,297,900	3,331,700	0	3,331,700
Operational	59,368,600	66,380,900	65,314,800	0	65,314,800
<b>Total</b>	<b>\$61,589,200</b>	<b>\$68,678,800</b>	<b>\$68,646,500</b>	<b>\$0</b>	<b>\$68,646,500</b>
State	0	0	0	0	0
Federal	61,254,700	68,600,800	68,568,500	0	68,568,500
Other	334,500	78,000	78,000	0	78,000
<b>337.09 Adult Basic Education</b>					
Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>
Payroll	566,900	779,700	766,800	0	766,800
Operational	19,804,200	19,829,900	19,829,900	0	19,829,900
<b>Total</b>	<b>\$20,371,100</b>	<b>\$20,609,600</b>	<b>\$20,596,700</b>	<b>\$0</b>	<b>\$20,596,700</b>
State	3,211,300	3,390,100	3,387,500	0	3,387,500
Federal	13,329,000	13,204,000	13,196,300	0	13,196,300
Other	3,830,800	4,015,500	4,012,900	0	4,012,900

## Employment Security

The Employment Security division administers the unemployment insurance program and provides job availability data to the general public. The division's primary programs are Unemployment Insurance, Job Service, and labor market information.

The Unemployment Insurance Program is administered in accordance with the provisions of the Tennessee Employment Security Act. This program determines eligibility and pays unemployment insurance benefits to workers who are unemployed, through no fault of their own, and collects appropriate premiums from liable employers.

The Job Service Program has administrative responsibility for providing a basic labor exchange system, job placement, and development services to special applicant groups such as:

- Veterans
- Families First recipients
- Job Training Partnership Act applicants
- Senior citizens
- Food stamp recipients
- Temporary Assistance for Needy Families recipients.

The Employment Security division collects, analyzes, and maintains data on the economic and demographic characteristics of the labor force in Tennessee. This labor market information assists in promoting better decisions by federal, state, and local government policy makers, employers, and individual citizens.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>337.10 Employment Security</b>					
Full-Time	1,073	1,073	1,073	0	1,073
Part-Time	430	430	430	0	430
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1,503</b>	<b>1,503</b>	<b>1,503</b>	<b>0</b>	<b>1,503</b>
Payroll	42,175,300	57,122,200	54,896,100	0	54,896,100
Operational	20,431,000	19,015,800	20,008,900	0	20,008,900
<b>Total</b>	<b>\$62,606,300</b>	<b>\$76,138,000</b>	<b>\$74,905,000</b>	<b>\$0</b>	<b>\$74,905,000</b>
State	0	0	0	0	0
Federal	58,140,900	58,833,400	58,516,900	0	58,516,900
Other	4,465,400	17,304,600	16,388,100	0	16,388,100
<b>337.00 Department Total</b>					
Full-Time	1,534	1,582	1,582	8	1,590
Part-Time	468	461	461	0	461
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2,002</b>	<b>2,043</b>	<b>2,043</b>	<b>8</b>	<b>2,051</b>
Payroll	63,095,100	84,750,100	82,313,500	1,630,300	83,943,800
Operational	116,460,300	123,179,000	121,237,800	856,200	122,094,000
<b>Total</b>	<b>\$179,555,400</b>	<b>\$207,929,100</b>	<b>\$203,551,300</b>	<b>\$2,486,500</b>	<b>\$206,037,800</b>
State	25,358,400	30,968,300	29,122,200	2,486,500	31,608,700
Federal	141,713,200	150,786,200	150,305,100	0	150,305,100
Other	12,483,800	26,174,600	24,124,000	0	24,124,000



# Transportation, Business, and Economic Development

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# Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2005 – 2006

**T**he 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.

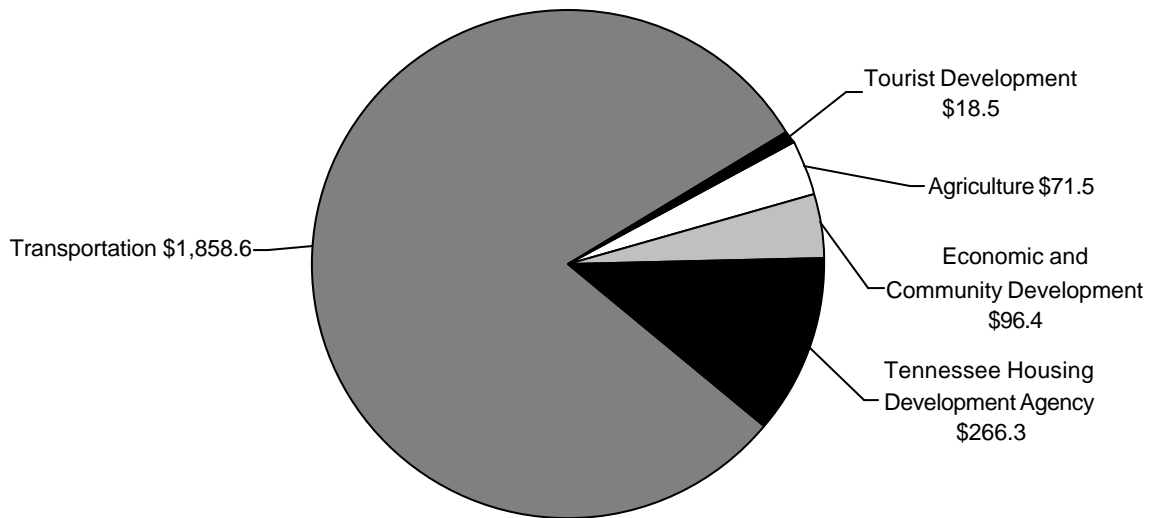
## Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within this functional group. Funding mixes within each department may

vary. Some are exclusively state funded, while others represent state, federal, and other funding.

### **Transportation, Business and Economic Development FY 2005 - 2006 Recommended**



In Millions

**\$2,311,366,500 Total**

## Transportation, Business, and Economic Development Total Personnel and Funding

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Recommended 2005-2006</u>
<b>Personnel</b>			
Full Time	6,109	6,113	6,147
Part Time	5	5	5
Seasonal	231	225	225
<b>TOTAL</b>	<b><u>6,345</u></b>	<b><u>6,343</u></b>	<b><u>6,377</u></b>
<b>Expenditures</b>			
Payroll	\$235,944,200	\$267,803,100	\$280,696,400
Operational	1,384,471,900	1,800,828,000	2,030,670,100
<b>TOTAL</b>	<b><u>\$1,620,416,100</u></b>	<b><u>\$2,068,631,100</u></b>	<b><u>\$2,311,366,500</u></b>
<b>Funding</b>			
State	\$823,323,500	\$914,483,800	\$935,011,700
Federal	736,154,000	1,074,100,900	1,293,318,500
Other	60,938,600	80,046,400	83,036,300

## Transportation, Business and Economic Development Improvements for Fiscal Year 2005-2006

	State	Federal	Other	Total	Positions
<b>Tennessee Housing Development Agency</b>					
<b>• Direct Servicing</b>					
To provide funds for two loan specialists and one administrative position to accommodate growth in the direct-servicing program that offers loans to low- and moderate-income homebuyers.					
<b>316.20 Tennessee Housing Development Agency</b>	\$0	\$0	\$155,600	\$155,600	3
<b>Sub-total</b>	\$0	\$0	\$155,600	\$155,600	3
<b>• Section 8 Housing</b>					
To provide funding for additional Section 8 contract administration and rental assistance staff to handle additional vouchers in the tenant-based program and additional properties in the project-based program.					
<b>316.20 Tennessee Housing Development Agency</b>	\$0	\$309,300	\$0	\$309,300	6
<b>Sub-total</b>	\$0	\$309,300	\$0	\$309,300	6
<b>• Tax-Credit Programs</b>					
To provide funding for a multi-family housing specialist to assist applicants to the low-income housing tax-credit program and the multi-family tax-exempt bond authority program.					
<b>316.20 Tennessee Housing Development Agency</b>	\$0	\$0	\$52,500	\$52,500	1
<b>Sub-total</b>	\$0	\$0	\$52,500	\$52,500	1
<b>Total Tennessee Housing Development Agency</b>	<b>\$0</b>	<b>\$309,300</b>	<b>\$208,100</b>	<b>\$517,400</b>	<b>10</b>

### Agriculture

#### • Forest Fire Suppression

To fund the replacement of 51 aging pumper units, half of the Forestry Division's existing units. Pumper units are crucial in suppressing wildfires where forests meet developed neighborhoods. The new units will help the Forestry Division protect lives and property.

<b>325.10 Forestry Operations</b>	\$765,000	\$0	\$0	\$765,000	0
<b>Sub-total</b>	\$765,000	\$0	\$0	\$765,000	0

## Transportation, Business and Economic Development Improvements for Fiscal Year 2005-2006

	State	Federal	Other	Total	Positions
<b>• Agricultural Conservation</b>					
To provide funds to the Agricultural Resources Conservation Fund for promotion and implementation of agricultural management practices which conserve and protect natural resources associated with agricultural production, including soil, water, air, plants, and animals. The highest priority of the fund is to abate and prevent nonpoint source water pollution that may be associated with agricultural production. This appropriation is from an additional \$12 million allocation of the real estate transfer tax, and, along with the \$6 million base budget allocation, will provide a total allocation from the tax of \$18 million for the four land acquisition and soil conservation programs. The recommended improvement funds are half recurring and half non-recurring. Thus, total acquisition fund and soil conservation program funding from this tax in 2005-2006 is \$12 million recurring and \$6 million non-recurring. The improvement for each program is a pro-rata share of the 8 cents stated in law. The Agricultural Resources Conservation Fund receives a 1.5-cent share of the 8 cents.					
<b>325.08 Agricultural Resources Conservation Fund</b>	\$2,250,000	\$0	\$0	\$2,250,000	0
<b>Sub-total</b>	\$2,250,000	\$0	\$0	\$2,250,000	0
<b>Total Agriculture</b>	<b>\$3,015,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,015,000</b>	<b>0</b>

### Tourist Development

#### • Advertising and Promotion

To provide non-recurring funds to launch Tennessee's new advertising campaign - "Tennessee, The Stage is Set for You!" - in the markets that have the highest potential for increasing tourist visits to the state.

<b>326.01 Administration and Marketing</b>	\$4,500,000	\$0	\$0	\$4,500,000	0
<b>Sub-total</b>	\$4,500,000	\$0	\$0	\$4,500,000	0
<b>Total Tourist Development</b>	<b>\$4,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,500,000</b>	<b>0</b>

## Transportation, Business and Economic Development Improvements for Fiscal Year 2005-2006

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Economic and Community Development</b>					
• <b>Jobs Package</b>					
To invest \$20 million in additional, non-recurring funds to create new opportunities for Tennessee's workforce in the new 21st century economy, while continuing to support the growth and retention of the state's base of traditional jobs. This would be accomplished by broadening the application of infrastructure for local communities through innovative regional development partnerships; by expanding infrastructure definitions to include support of technology development applications; and by supporting industry-specific research for high-skilled, high-wage jobs at Tennessee's public research institutions.					
To invest in Tennessee's workforce by focusing on raising the level of skills training for segments of the workforce who are struggling to meet the demands of advanced technology in existing manufacturing companies.					
To respond to the demands for more training and education precipitated by the annual Governor's Economic and Development Conference by supporting the creation of an ongoing institute on economic and community development that would provide community leadership with opportunities to learn and execute new strategies for rural economic sustainability and assist with helping their respective communities achieve the strategic requirements of the redesigned Three Star Program.					
<b>330.06 FastTrack Infrastructure Development Program</b>	\$12,000,000	\$0	\$0	\$12,000,000	0
<b>330.07 Community Development</b>	\$1,000,000	\$0	\$0	\$1,000,000	0
<b>330.09 FastTrack Job Training Assistance Program</b>	\$7,000,000	\$0	\$0	\$7,000,000	0
<b>Sub-total</b>	<u>\$20,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$20,000,000</u>	<u>0</u>
<b>Total Economic and Community Development</b>	<b>\$20,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000,000</b>	<b>0</b>
<b>Total Transportation, Business and Economic Development</b>	<u>\$27,515,000</u>	<u>\$309,300</u>	<u>\$208,100</u>	<u>\$28,032,400</u>	<u>10</u>



# Tennessee Housing Development Agency

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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 the HOME program, a federally funded grant program that assists local housing providers in implementing affordable housing plans.

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 that are active and knowledgeable in their respective industries.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>316.20 Tennessee Housing Development Agency</b>					
Full-Time	188	192	192	10	<b>202</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>188</b>	<b>192</b>	<b>192</b>	<b>10</b>	<b>202</b>
Payroll	8,757,500	9,889,400	9,751,100	498,400	<b>10,249,500</b>
Operational	148,643,800	256,070,500	256,070,500	19,000	<b>256,089,500</b>
<b>Total</b>	<b>\$157,401,300</b>	<b>\$265,959,900</b>	<b>\$265,821,600</b>	<b>\$517,400</b>	<b>\$266,339,000</b>
State	0	0	0	0	<b>0</b>
Federal	152,669,500	250,958,700	251,490,700	309,300	<b>251,800,000</b>
Other	4,731,800	15,001,200	14,330,900	208,100	<b>14,539,000</b>

# Department of Agriculture

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The Tennessee Department of Agriculture (TDA) was the very first state agency, established in 1854, to promote 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. TDA provides an array of valuable 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 our natural resources. The department's mission is performed within the following four major areas:

- Administration and Grants
- Market Development
- Regulatory Services
- Forestry.

## **Administration and Grants**

Administration and Grants coordinates various duties including policy and strategic planning, budgeting, personnel administration, legal, and information services. The division also 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. Overseeing the distribution of donated surplus USDA food is also an important function of this area. The department cooperates with the National Agricultural Statistics Service to collect, analyze, and publish reliable data for producers and decision makers in agriculture.

TDA administers programs to help reduce soil erosion on Tennessee farms and forestlands and to improve water quality. Through the Agricultural Resources Conservation Fund, cost-share grants are provided to farmers and other landowners who install best management practices to achieve these goals.

The Tennessee Grain Indemnity Fund protects grain producers against the financial failure of a commodity dealer or warehouseman. The program is funded from interest income and grain producers' self-imposed assessments.

Funds deposited in the Certified Cotton Growers Organizational Fund are used for the Boll Weevil Eradication Program. The purpose of this program is to destroy, suppress, and eradicate boll weevils.

Administration and Grants also provides staff support and data management services for the Tennessee Tobacco Farmers Certifying Board. The board is responsible for certifying tobacco farmers eligible to receive a share of the (Phase II) National Tobacco Growers Settlement Trust.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>325.01 Administration and Grants</b>					
Full-Time	81	80	80	0	80
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
<b>Total</b>	<b>82</b>	<b>81</b>	<b>81</b>	<b>0</b>	<b>81</b>
Payroll	4,144,200	4,600,600	4,501,000	0	4,501,000
Operational	9,689,400	9,236,000	9,118,000	0	9,118,000
<b>Total</b>	<b>\$13,833,600</b>	<b>\$13,836,600</b>	<b>\$13,619,000</b>	<b>\$0</b>	<b>\$13,619,000</b>
State	8,913,700	9,045,300	8,937,500	0	8,937,500
Federal	4,719,600	4,338,200	4,346,400	0	4,346,400
Other	200,300	453,100	335,100	0	335,100
<b>325.08 Agricultural Resources Conservation Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	385,800	3,000,000	1,125,000	2,250,000	3,375,000
<b>Total</b>	<b>\$385,800</b>	<b>\$3,000,000</b>	<b>\$1,125,000</b>	<b>\$2,250,000</b>	<b>\$3,375,000</b>
State	372,200	3,000,000	1,125,000	2,250,000	3,375,000
Federal	0	0	0	0	0
Other	13,600	0	0	0	0
<b>325.12 Tennessee Grain Indemnity Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	117,400	126,700	126,700	0	126,700
<b>Total</b>	<b>\$117,400</b>	<b>\$126,700</b>	<b>\$126,700</b>	<b>\$0</b>	<b>\$126,700</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	117,400	126,700	126,700	0	126,700
<b>325.14 Certified Cotton Growers' Organization Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	11,510,100	3,992,500	3,992,500	0	3,992,500
<b>Total</b>	<b>\$11,510,100</b>	<b>\$3,992,500</b>	<b>\$3,992,500</b>	<b>\$0</b>	<b>\$3,992,500</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
State	11,476,200	3,992,500	3,992,500	0	<b>3,992,500</b>
Federal	0	0	0	0	<b>0</b>
Other	33,900	0	0	0	<b>0</b>

## Market Development

The Market Development 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 wines, and other products. Market Development also encourages local non-profit agricultural fairs and livestock shows throughout the state by providing financial assistance.

### 325.06 Market Development

Full-Time	27	26	26	0	<b>26</b>
Part-Time	2	2	2	0	<b>2</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>29</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>28</b>
Payroll	1,213,000	1,385,300	1,362,700	0	<b>1,362,700</b>
Operational	1,275,400	1,495,900	1,410,800	0	<b>1,410,800</b>
<b>Total</b>	<b>\$2,488,400</b>	<b>\$2,881,200</b>	<b>\$2,773,500</b>	<b>\$0</b>	<b>\$2,773,500</b>
State	2,105,900	2,443,600	2,411,000	0	<b>2,411,000</b>
Federal	236,400	245,100	170,000	0	<b>170,000</b>
Other	146,100	192,500	192,500	0	<b>192,500</b>

## Regulatory Services

Regulatory Services is dedicated to the two main objectives of production quality and consumer protection. Responsibilities of the division encompass various activities such as sampling the quality of feeds, seeds, and fertilizers; protecting animal and plant health; registering pesticides; ensuring food safety; and inspecting processing establishments. A state of the art laboratory supports other regulatory efforts by providing quality analytical data.

### 325.05 Regulatory Services

Full-Time	216	215	215	0	<b>215</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	3	3	3	0	<b>3</b>
<b>Total</b>	<b>219</b>	<b>218</b>	<b>218</b>	<b>0</b>	<b>218</b>
Payroll	9,362,900	11,105,300	10,851,000	0	<b>10,851,000</b>
Operational	5,265,100	6,361,300	5,385,400	0	<b>5,385,400</b>
<b>Total</b>	<b>\$14,628,000</b>	<b>\$17,466,600</b>	<b>\$16,236,400</b>	<b>\$0</b>	<b>\$16,236,400</b>
State	8,915,400	10,447,500	10,244,100	0	<b>10,244,100</b>
Federal	1,058,100	1,587,700	1,058,000	0	<b>1,058,000</b>
Other	4,654,500	5,431,400	4,934,300	0	<b>4,934,300</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>325.16 Agricultural Regulatory Fund</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	2,594,700	2,474,400	2,474,400	0	2,474,400
<b>Total</b>	<b>\$2,594,700</b>	<b>\$2,474,400</b>	<b>\$2,474,400</b>	<b>\$0</b>	<b>\$2,474,400</b>
State	2,552,800	2,354,400	2,354,400	0	2,354,400
Federal	0	0	0	0	0
Other	41,900	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. Forestry's programs and services include fire suppression, water quality protection, insect and disease control, land owner assistance, tree improvement and seedling production, product utilization and promotion, urban forestry, and state forest management. The Forestry Maintenance division provides maintenance and support of forestry facilities and equipment.

### 325.10 Forestry

Full-Time	332	330	330	0	330
Part-Time	3	3	3	0	3
Seasonal	227	221	221	0	221
<b>Total</b>	<b>562</b>	<b>554</b>	<b>554</b>	<b>0</b>	<b>554</b>
Payroll	13,356,200	15,878,600	15,499,100	0	15,499,100
Operational	11,780,600	12,474,900	12,483,100	765,000	13,248,100
<b>Total</b>	<b>\$25,136,800</b>	<b>\$28,353,500</b>	<b>\$27,982,200</b>	<b>\$765,000</b>	<b>\$28,747,200</b>
State	14,075,400	20,553,700	20,182,400	765,000	20,947,400
Federal	8,381,600	4,722,600	5,000,000	0	5,000,000
Other	2,679,800	3,077,200	2,799,800	0	2,799,800

### 325.11 Forestry Maintenance

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	104,800	158,500	158,500	0	158,500
<b>Total</b>	<b>\$104,800</b>	<b>\$158,500</b>	<b>\$158,500</b>	<b>\$0</b>	<b>\$158,500</b>
State	104,800	158,500	158,500	0	158,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>325.00 Department Total</b>					
Full-Time	656	651	651	0	<b>651</b>
Part-Time	5	5	5	0	<b>5</b>
Seasonal	231	225	225	0	<b>225</b>
<b>Total</b>	<b>892</b>	<b>881</b>	<b>881</b>	<b>0</b>	<b>881</b>
Payroll	28,076,300	32,969,800	32,213,800	0	<b>32,213,800</b>
Operational	42,723,300	39,320,200	36,274,400	3,015,000	<b>39,289,400</b>
<b>Total</b>	<b>\$70,799,600</b>	<b>\$72,290,000</b>	<b>\$68,488,200</b>	<b>\$3,015,000</b>	<b>\$71,503,200</b>
State	48,516,400	51,995,500	49,405,400	3,015,000	<b>52,420,400</b>
Federal	14,395,700	10,893,600	10,574,400	0	<b>10,574,400</b>
Other	7,887,500	9,400,900	8,508,400	0	<b>8,508,400</b>

# Department of Tourist Development

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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, thus increasing the number of travelers and tourists coming to Tennessee. The department also helps in developing new tourism programs in smaller communities to positively impact local economic development. In addition, the department provides visitors to Tennessee's 13 welcome centers with a safe, positive impression of Tennessee. To achieve these and other program activities, the department is organized into two divisions: Administration and Marketing and Welcome Centers.

## Administration and Marketing

This division is responsible for the overall administration of the department including financial services, information system services, and support services. In addition, the management and implementation of the department's marketing programs and services are accomplished in this division. Some of the specific marketing programs 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
- Providing co-op advertising, marketing, and promotional opportunities to businesses in the travel industry.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>326.01 Administration and Marketing</b>					
Full-Time	22	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>22</b>
Payroll	1,296,500	1,454,500	1,431,000	0	1,431,000
Operational	6,076,200	7,724,700	7,724,700	4,500,000	12,224,700
<b>Total</b>	<b>\$7,372,700</b>	<b>\$9,179,200</b>	<b>\$9,155,700</b>	<b>\$4,500,000</b>	<b>\$13,655,700</b>
State	7,369,500	7,169,200	7,145,700	4,500,000	11,645,700
Federal	0	0	0	0	0
Other	3,200	2,010,000	2,010,000	0	2,010,000

## Welcome Centers

This division is responsible for the operation of the 13 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 reservations to the millions of visitors who stop at the centers each year.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>326.03 Welcome Centers</b>					
Full-Time	117	117	117	0	117
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>0</b>	<b>117</b>
Payroll	3,436,300	3,985,600	3,882,500	0	3,882,500
Operational	1,067,200	965,700	965,700	0	965,700
<b>Total</b>	<b>\$4,503,500</b>	<b>\$4,951,300</b>	<b>\$4,848,200</b>	<b>\$0</b>	<b>\$4,848,200</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,503,500	4,951,300	4,848,200	0	4,848,200
<b>326.00 Department Total</b>					
Full-Time	139	139	139	0	139
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>0</b>	<b>139</b>
Payroll	4,732,800	5,440,100	5,313,500	0	5,313,500
Operational	7,143,400	8,690,400	8,690,400	4,500,000	13,190,400
<b>Total</b>	<b>\$11,876,200</b>	<b>\$14,130,500</b>	<b>\$14,003,900</b>	<b>\$4,500,000</b>	<b>\$18,503,900</b>
State	7,369,500	7,169,200	7,145,700	4,500,000	11,645,700
Federal	0	0	0	0	0
Other	4,506,700	6,961,300	6,858,200	0	6,858,200



# Department of Economic and Community Development

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The Department of Economic and Community Development (ECD) encourages new job creation and better job opportunities throughout the state in an effort to improve the economic growth within the state. The philosophy of the Department of Economic and Community Development is to invest in Tennessee's greatest resources - the state's communities and people - through assistance in community-based infrastructure and training investments. ECD's top priorities are preparing local communities for economic development opportunities, training Tennessee's workers, recruiting new industries, and assisting existing firms.

The Department of Economic and Community Development has six functional areas:

- Administrative Services
- Business Development
- Business Services
- FastTrack Job Training Assistance Program and Job Skills
- Community Development
- Energy Division.

## Administrative Services

Administrative Services performs and coordinates research, advertising, communications, and various administrative services. The Industrial Research Section provides statistical data in support of other divisions and services to existing industries. Specific services include maintaining a database of manufacturing companies in the state, conducting prospect feasibility studies, and preparing business cost comparisons. The Advertising and Communications Office serves the public affairs needs of each division, coordinates the advertising needs and produces informational publications. The Tennessee Technology Development Corporation promotes in-state technology development and the recruitment of high technology industries.

The Tennessee Film, Entertainment and Music Commission is administratively attached to ECD. The commission attracts television, commercial, movie, and videotape projects to Tennessee and promotes the use of Tennessee locations and artists in those productions. Some activities include:

- Reading scripts and storyboards
- Acting as liaison with local communities
- Assisting with advance scouting and accommodations
- Matching scenes to Tennessee locations.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>330.01 Administrative Services</b>					
Full-Time	43	50	50	0	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>43</b>	<b>50</b>	<b>50</b>	<b>0</b>	<b>50</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
Payroll	2,211,400	2,976,400	2,938,200	0	<b>2,938,200</b>
Operational	1,788,800	2,473,100	1,723,100	0	<b>1,723,100</b>
<b>Total</b>	<b>\$4,000,200</b>	<b>\$5,449,500</b>	<b>\$4,661,300</b>	<b>\$0</b>	<b>\$4,661,300</b>
State	3,727,100	5,171,600	4,364,800	0	<b>4,364,800</b>
Federal	140,300	91,400	132,300	0	<b>132,300</b>
Other	132,800	186,500	164,200	0	<b>164,200</b>

## Business Development

Marketing services personnel, through the Business Development division, act as the state's sales force to recruit new industry from domestic and international markets. The Office of International Affairs, also within this division, serves to boost Tennessee's global business connections and elevate the state's image as a premier international business location and a source of quality products and services.

### 330.02 Business Development

Full-Time	23	32	32	0	<b>32</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>23</b>	<b>32</b>	<b>32</b>	<b>0</b>	<b>32</b>
Payroll	1,288,700	2,077,700	2,058,300	0	<b>2,058,300</b>
Operational	1,529,100	1,649,700	1,649,700	0	<b>1,649,700</b>
<b>Total</b>	<b>\$2,817,800</b>	<b>\$3,727,400</b>	<b>\$3,708,000</b>	<b>\$0</b>	<b>\$3,708,000</b>
State	2,728,800	3,561,300	3,588,000	0	<b>3,588,000</b>
Federal	0	46,100	0	0	<b>0</b>
Other	89,000	120,000	120,000	0	<b>120,000</b>

## Business Services

Business Services addresses the needs of existing businesses. Specific programs include:

- Existing Industry Services
- Office of Small Business Services
- Office of Minority Business Enterprise.

### 330.05 Business Services

Full-Time	16	9	9	0	<b>9</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>16</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>9</b>
Payroll	727,600	681,100	668,600	0	<b>668,600</b>
Operational	756,000	525,200	525,200	0	<b>525,200</b>
<b>Total</b>	<b>\$1,483,600</b>	<b>\$1,206,300</b>	<b>\$1,193,800</b>	<b>\$0</b>	<b>\$1,193,800</b>
State	1,392,000	1,019,300	1,008,200	0	<b>1,008,200</b>
Federal	0	0	0	0	<b>0</b>
Other	91,600	187,000	185,600	0	<b>185,600</b>

## FastTrack Job Training Assistance Program and Job Skills

The FastTrack Job Training Assistance Program provides customized training assistance to new and expanding business and industry in Tennessee. The training assistance is an incentive for these employers to locate or expand in Tennessee.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>330.09 FastTrack Job Training Assistance Program</b>					
Full-Time	7	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>6</b>
Payroll	297,600	320,900	315,200	0	315,200
Operational	10,843,000	12,639,300	2,039,300	7,000,000	9,039,300
<b>Total</b>	<b>\$11,140,600</b>	<b>\$12,960,200</b>	<b>\$2,354,500</b>	<b>\$7,000,000</b>	<b>\$9,354,500</b>
State	11,139,700	12,960,200	2,354,500	7,000,000	9,354,500
Federal	0	0	0	0	0
Other	900	0	0	0	0

The Tennessee Job Skills Program is a workforce development incentive program designed to enhance employment opportunities and to meet the needs of existing and new industries in Tennessee by providing training grants to eligible employers. Priority is given to employers who promote high-skill, high-wage jobs in advanced technology, emerging occupations, or skilled manufacturing.

### 330.13 Tennessee Job Skills Program

Full-Time	4	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
Payroll	160,500	295,200	291,000	0	291,000
Operational	1,351,900	9,207,400	9,207,400	0	9,207,400
<b>Total</b>	<b>\$1,512,400</b>	<b>\$9,502,600</b>	<b>\$9,498,400</b>	<b>\$0</b>	<b>\$9,498,400</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,512,400	9,502,600	9,498,400	0	9,498,400

## Community Development

Community Development Services works with communities to ensure they develop and maintain the leadership, organizations, and community facilities essential for economic growth. The FastTrack Infrastructure Development Program assists local communities with economic growth by providing grants for infrastructure improvements, industrial site preparation, and industrial training. Infrastructure improvements involve activities such as water, wastewater, and rail services. Industrial site preparation includes grading, leveling, and drainage projects. Other primary activities of Community Development Services include:

- Administering Community Development Block grants, Appalachian Regional Commission grants, and Delta Regional Authority grants
- Administering the Three-Star Community Economic Preparedness Program
- Providing local planning services to Tennessee cities and counties.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>330.04 Regional Grants Management</b>					
Full-Time	19	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>19</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>17</b>
Payroll	760,000	1,013,400	993,100	0	993,100
Operational	32,732,800	32,983,500	32,520,100	0	32,520,100
<b>Total</b>	<b>\$33,492,800</b>	<b>\$33,996,900</b>	<b>\$33,513,200</b>	<b>\$0</b>	<b>\$33,513,200</b>
State	1,654,900	1,876,200	1,850,900	0	1,850,900
Federal	31,803,500	32,050,700	31,592,300	0	31,592,300
Other	34,400	70,000	70,000	0	70,000

#### **330.06 FastTrack Infrastructure Development Program**

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	9,685,600	21,632,000	13,632,000	12,000,000	25,632,000
<b>Total</b>	<b>\$9,685,600</b>	<b>\$21,632,000</b>	<b>\$13,632,000</b>	<b>\$12,000,000</b>	<b>\$25,632,000</b>
State	6,327,800	21,600,000	13,600,000	12,000,000	25,600,000
Federal	0	0	0	0	0
Other	3,357,800	32,000	32,000	0	32,000

#### **330.07 Community Development**

Full-Time	79	80	80	0	80
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>79</b>	<b>80</b>	<b>80</b>	<b>0</b>	<b>80</b>
Payroll	3,374,800	4,242,700	4,167,300	0	4,167,300
Operational	862,500	962,300	969,700	1,000,000	1,969,700
<b>Total</b>	<b>\$4,237,300</b>	<b>\$5,205,000</b>	<b>\$5,137,000</b>	<b>\$1,000,000</b>	<b>\$6,137,000</b>
State	2,600,200	3,295,700	3,244,400	1,000,000	4,244,400
Federal	160,000	196,400	214,100	0	214,100
Other	1,477,100	1,712,900	1,678,500	0	1,678,500

## **Energy Division**

The Energy Division promotes efficient and economic use of energy by public and private sectors of the Tennessee economy. This division, through grants from the U. S. Department of Energy, renders technical and financial assistance to Tennessee's existing businesses, local governments, schools, and hospitals in order to reduce energy costs.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>330.08 Energy Division</b>					
Full-Time	15	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>
Payroll	770,500	879,000	861,400	0	861,400
Operational	1,114,600	1,846,800	1,846,800	0	1,846,800
<b>Total</b>	<b>\$1,885,100</b>	<b>\$2,725,800</b>	<b>\$2,708,200</b>	<b>\$0</b>	<b>\$2,708,200</b>
State	38,900	34,800	34,800	0	34,800
Federal	1,839,000	2,691,000	2,673,400	0	2,673,400
Other	7,200	0	0	0	0
<b>330.00 Department Total</b>					
Full-Time	206	211	211	0	211
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>206</b>	<b>211</b>	<b>211</b>	<b>0</b>	<b>211</b>
Payroll	9,591,100	12,486,400	12,293,100	0	12,293,100
Operational	60,664,300	83,919,300	64,113,300	20,000,000	84,113,300
<b>Total</b>	<b>\$70,255,400</b>	<b>\$96,405,700</b>	<b>\$76,406,400</b>	<b>\$20,000,000</b>	<b>\$96,406,400</b>
State	29,609,400	49,519,100	30,045,600	20,000,000	50,045,600
Federal	33,942,800	35,075,600	34,612,100	0	34,612,100
Other	6,703,200	11,811,000	11,748,700	0	11,748,700

# Department of Transportation

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The Department of Transportation plans, designs, constructs, and maintains the state's highway network. The department is also responsible for other modes of transportation such as aeronautics, public transit, railroads, and waterways. The Department of Transportation consists of four major program areas:

- Headquarters
- Bureau of Administration
- Bureau of Environment and Planning
- Bureau of Engineering.

## Headquarters

Transportation Headquarters consists of the commissioner's office, staff, and the Aeronautics Division. This office also provides support functions as well as necessary liaison activities with other branches of state government to ensure compliance with all legal and policy requirements.

The Division of Insurance Premiums provides funding for claims payment when litigation requires payment to third parties.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>401 Headquarters</b>					
Full-Time	108	109	112	0	112
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>108</b>	<b>109</b>	<b>112</b>	<b>0</b>	<b>112</b>
Payroll	5,150,100	5,467,500	6,262,200	0	6,262,200
Operational	5,971,300	8,478,700	8,074,400	0	8,074,400
Reallocated	83,900	324,800	111,400	0	111,400
<b>Total</b>	<b>\$11,205,300</b>	<b>\$14,271,000</b>	<b>\$14,448,000</b>	<b>\$0</b>	<b>\$14,448,000</b>
State	11,205,300	14,271,000	14,448,000	0	14,448,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>414 Insurance Premiums</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	11,670,100	10,282,000	11,000,000	0	11,000,000
Reallocated	0	0	0	0	0
<b>Total</b>	<b>\$11,670,100</b>	<b>\$10,282,000</b>	<b>\$11,000,000</b>	<b>\$0</b>	<b>\$11,000,000</b>
State	11,670,100	10,282,000	11,000,000	0	11,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

## Bureau of Administration

This bureau provides funding for the administrative activities of the department. Functions include Governor's Highway Safety Office, central services, finance, human resources, strategic planning, and information technology. These areas provide general management support to the department.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>402 Bureau of Administration</b>					
Full-Time	273	281	282	0	282
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>273</b>	<b>281</b>	<b>282</b>	<b>0</b>	<b>282</b>
Payroll	11,379,600	13,144,500	15,197,100	0	15,197,100
Operational	16,623,300	19,936,500	19,523,400	0	19,523,400
Reallocated	(226,500)	(241,000)	(211,500)	0	(211,500)
<b>Total</b>	<b>\$27,776,400</b>	<b>\$32,840,000</b>	<b>\$34,509,000</b>	<b>\$0</b>	<b>\$34,509,000</b>
State	27,776,400	32,840,000	34,509,000	0	34,509,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

## Bureau of Environment and Planning

This bureau provides funding for the planning and environmental activities of the department. Functions include environmental compliance, environmental planning and permitting, transportation planning, mapping and statistics, functional design, highway beautification, public transit, waterways, and rail and railroad safety. Such activities include:

- Conducting studies and surveys required by various federal agencies
- Providing for rail-highway crossing safety and railroad safety
- Providing funds for mass transit projects including rideshare programs
- Monitoring affected environments
- Eliminating junkyards and control of outdoor advertising and easements.

### 405 Bureau of Environment and Planning

Full-Time	267	266	291	0	291
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>267</b>	<b>266</b>	<b>291</b>	<b>0</b>	<b>291</b>
Payroll	11,150,600	13,595,400	15,535,900	0	15,535,900
Operational	531,900	1,322,200	1,114,700	0	1,114,700
Reallocated	(7,114,300)	(7,743,600)	(10,029,600)	0	(10,029,600)
<b>Total</b>	<b>\$4,568,200</b>	<b>\$7,174,000</b>	<b>\$6,621,000</b>	<b>\$0</b>	<b>\$6,621,000</b>
State	4,568,200	7,174,000	6,621,000	0	6,621,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>416 Mass Transit</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	42,993,100	56,343,100	87,976,000	0	87,976,000
Reallocated	0	13,900	0	0	0
<b>Total</b>	<b>\$42,993,100</b>	<b>\$56,357,000</b>	<b>\$87,976,000</b>	<b>\$0</b>	<b>\$87,976,000</b>
State	29,665,200	38,546,000	42,596,000	0	42,596,000
Federal	12,468,000	17,573,000	45,132,000	0	45,132,000
Other	859,900	238,000	248,000	0	248,000

#### **440 Planning and Research**

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	9,374,600	11,255,200	14,521,700	0	14,521,700
Reallocated	5,589,900	5,944,800	6,578,300	0	6,578,300
<b>Total</b>	<b>\$14,964,500</b>	<b>\$17,200,000</b>	<b>\$21,100,000</b>	<b>\$0</b>	<b>\$21,100,000</b>
State	2,992,900	5,100,000	5,900,000	0	5,900,000
Federal	11,971,600	12,100,000	15,200,000	0	15,200,000
Other	0	0	0	0	0

#### **494 Air, Water, and Rail Transportation**

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	29,871,500	44,947,000	47,234,500	0	47,234,500
Reallocated	140,600	38,000	165,500	0	165,500
<b>Total</b>	<b>\$30,012,100</b>	<b>\$44,985,000</b>	<b>\$47,400,000</b>	<b>\$0</b>	<b>\$47,400,000</b>
State	23,709,600	25,385,000	27,200,000	0	27,200,000
Federal	6,002,400	14,400,000	14,400,000	0	14,400,000
Other	300,100	5,200,000	5,800,000	0	5,800,000

### **Bureau of Engineering**

The Bureau of Engineering is responsible for coordinating the construction, maintenance, and inspection of highways, bridges, and navigational equipment. Such activities include:

- Constructing, resurfacing, restoring, and rehabilitating Tennessee's interstate system
- Conducting studies and surveys required by various federal agencies
- Constructing industrial highways, national forest roads, connector routes, bridges, water port facilities, and rail short-lines



- Constructing or replacing plant facilities for the Bureau of Engineering
- Providing engineering and administrative support to other state agencies' construction not involving roads in the state highway system
- Providing high-hazard and roadside obstacle warnings, and pavement marking
- Operating a fleet management program to replace and purchase new mobile equipment
- Conducting a congestion mitigation and air quality program in Tennessee's non-attainment areas
- Maintaining the state's existing motorized equipment
- Building and maintaining bicycle trails
- Collecting travel data
- Bridge design
- Using Intelligent Transportation System (ITS) technology to minimize traffic congestion in urban areas of Tennessee.

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>403 Bureau of Engineering</b>					
Full-Time	874	878	530	0	530
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>874</b>	<b>878</b>	<b>530</b>	<b>0</b>	<b>530</b>
Payroll	41,376,100	46,565,400	32,077,600	0	32,077,600
Operational	1,325,100	3,135,400	3,702,400	0	3,702,400
Reallocated	(23,545,400)	(23,800,800)	(17,634,000)	0	(17,634,000)
<b>Total</b>	<b>\$19,155,800</b>	<b>\$25,900,000</b>	<b>\$18,146,000</b>	<b>\$0</b>	<b>\$18,146,000</b>
State	19,155,800	25,900,000	18,146,000	0	18,146,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>412 Field Engineering</b>					
Full-Time	585	586	928	0	928
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>585</b>	<b>586</b>	<b>928</b>	<b>0</b>	<b>928</b>
Payroll	23,558,500	26,150,700	43,546,100	0	43,546,100
Operational	3,214,500	4,129,500	4,695,900	0	4,695,900
Reallocated	(1,171,900)	(3,650,200)	(10,980,000)	0	(10,980,000)
<b>Total</b>	<b>\$25,601,100</b>	<b>\$26,630,000</b>	<b>\$37,262,000</b>	<b>\$0</b>	<b>\$37,262,000</b>
State	25,601,100	26,630,000	37,262,000	0	37,262,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>418 Field Construction</b>					
Full-Time	960	952	952	0	952
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>960</b>	<b>952</b>	<b>952</b>	<b>0</b>	<b>952</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
Payroll	36,441,000	39,691,600	41,527,400	0	<b>41,527,400</b>
Operational	0	0	0	0	<b>0</b>
Reallocated	(36,441,000)	(39,691,600)	(41,527,400)	0	<b>(41,527,400)</b>
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

#### 419 Field Maintenance Operations

Full-Time	1,583	1,578	1,579	0	<b>1,579</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,583</b>	<b>1,578</b>	<b>1,579</b>	<b>0</b>	<b>1,579</b>
Payroll	46,982,700	52,822,300	56,436,000	0	<b>56,436,000</b>
Operational	60,800	0	0	0	<b>0</b>
Reallocated	(47,043,500)	(52,822,300)	(56,436,000)	0	<b>(56,436,000)</b>
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

#### 430 Equipment Purchases and Operations

Full-Time	270	270	270	0	<b>270</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>270</b>	<b>270</b>	<b>270</b>	<b>0</b>	<b>270</b>
Payroll	8,747,900	9,580,000	10,044,200	0	<b>10,044,200</b>
Operational	22,742,900	35,082,200	34,298,400	0	<b>34,298,400</b>
Reallocated	(22,983,300)	(23,231,200)	(23,322,600)	0	<b>(23,322,600)</b>
<b>Total</b>	<b>\$8,507,500</b>	<b>\$21,431,000</b>	<b>\$21,020,000</b>	<b>\$0</b>	<b>\$21,020,000</b>
State	8,507,500	21,431,000	21,020,000	0	<b>21,020,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

#### 451 Highway Maintenance

Full-Time	0	0	0	0	<b>0</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	<b>0</b>
Operational	183,712,700	177,941,700	155,447,600	0	<b>155,447,600</b>
Reallocated	71,510,300	76,586,300	83,080,400	0	<b>83,080,400</b>
<b>Total</b>	<b>\$255,223,000</b>	<b>\$254,528,000</b>	<b>\$238,528,000</b>	<b>\$0</b>	<b>\$238,528,000</b>
State	255,223,000	253,428,000	237,428,000	0	<b>237,428,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	1,100,000	1,100,000	0	<b>1,100,000</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>453 Highway Betterments</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	8,488,000	4,678,300	5,599,400	0	5,599,400
Reallocated	698,000	1,121,700	800,600	0	800,600
<b>Total</b>	<b>\$9,186,000</b>	<b>\$5,800,000</b>	<b>\$6,400,000</b>	<b>\$0</b>	<b>\$6,400,000</b>
State	9,186,000	5,700,000	6,300,000	0	6,300,000
Federal	0	0	0	0	0
Other	0	100,000	100,000	0	100,000
<b>455 State Aid</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	26,043,900	37,438,100	37,359,900	0	37,359,900
Reallocated	292,100	242,900	321,100	0	321,100
<b>Total</b>	<b>\$26,336,000</b>	<b>\$37,681,000</b>	<b>\$37,681,000</b>	<b>\$0</b>	<b>\$37,681,000</b>
State	19,225,300	28,922,000	28,922,000	0	28,922,000
Federal	0	0	0	0	0
Other	7,110,700	8,759,000	8,759,000	0	8,759,000
<b>470 State Industrial Access</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	7,501,700	10,212,300	10,105,100	0	10,105,100
Reallocated	1,314,400	802,700	1,509,900	0	1,509,900
<b>Total</b>	<b>\$8,816,100</b>	<b>\$11,015,000</b>	<b>\$11,615,000</b>	<b>\$0</b>	<b>\$11,615,000</b>
State	8,816,100	10,815,000	11,415,000	0	11,415,000
Federal	0	0	0	0	0
Other	0	200,000	200,000	0	200,000
<b>472 Interstate Construction</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
Payroll	0	0	0	0	0
Operational	138,453,000	145,802,400	178,022,200	0	178,022,200
Reallocated	4,757,700	4,222,600	5,377,800	0	5,377,800
<b>Total</b>	<b>\$143,210,700</b>	<b>\$150,025,000</b>	<b>\$183,400,000</b>	<b>\$0</b>	<b>\$183,400,000</b>
State	12,889,000	14,825,000	18,200,000	0	18,200,000
Federal	127,457,500	133,700,000	163,700,000	0	163,700,000
Other	2,864,200	1,500,000	1,500,000	0	1,500,000

#### 475 Forest Highways

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	194,900	825,200	610,700	0	610,700
Reallocated	261,000	74,800	289,300	0	289,300
<b>Total</b>	<b>\$455,900</b>	<b>\$900,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>\$900,000</b>
State	91,200	200,000	200,000	0	200,000
Federal	364,700	700,000	700,000	0	700,000
Other	0	0	0	0	0

#### 478 Local Interstate Connectors

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	2,912,200	2,607,000	3,949,200	0	3,949,200
Reallocated	175,600	343,000	200,800	0	200,800
<b>Total</b>	<b>\$3,087,800</b>	<b>\$2,950,000</b>	<b>\$4,150,000</b>	<b>\$0</b>	<b>\$4,150,000</b>
State	1,543,900	1,475,000	2,075,000	0	2,075,000
Federal	0	0	0	0	0
Other	1,543,900	1,475,000	2,075,000	0	2,075,000

#### 480 State Highway Construction

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	515,544,300	748,643,500	903,479,600	0	903,479,600
Reallocated	35,842,700	45,077,500	40,978,400	0	40,978,400
<b>Total</b>	<b>\$551,387,000</b>	<b>\$793,721,000</b>	<b>\$944,458,000</b>	<b>\$0</b>	<b>\$944,458,000</b>
State	248,124,200	267,821,000	277,558,000	0	277,558,000
Federal	286,721,200	511,700,000	650,500,000	0	650,500,000
Other	16,541,600	14,200,000	16,400,000	0	16,400,000

	<u>Actual 2003-2004</u>	<u>Estimated 2004-2005</u>	<u>Base 2005-2006</u>	<u>Improvement 2005-2006</u>	<u>Recommended 2005-2006</u>
<b>481 Capital Improvements</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	3,056,100	9,936,800	6,908,400	0	6,908,400
Reallocated	170,200	118,200	191,600	0	191,600
<b>Total</b>	<b>\$3,226,300</b>	<b>\$10,055,000</b>	<b>\$7,100,000</b>	<b>\$0</b>	<b>\$7,100,000</b>
State	3,226,300	10,055,000	7,100,000	0	7,100,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
<b>488 Bridge Replacement</b>					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	0	0	0	0	0
Operational	95,011,200	79,830,500	104,364,000	0	104,364,000
Reallocated	17,689,500	16,269,500	20,536,000	0	20,536,000
<b>Total</b>	<b>\$112,700,700</b>	<b>\$96,100,000</b>	<b>\$124,900,000</b>	<b>\$0</b>	<b>\$124,900,000</b>
State	14,651,100	5,000,000	13,000,000	0	13,000,000
Federal	90,160,600	87,000,000	106,700,000	0	106,700,000
Other	7,889,000	4,100,000	5,200,000	0	5,200,000
<b>400 Department Total</b>					
Full-Time	4,920	4,920	4,944	0	4,944
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>4,920</b>	<b>4,920</b>	<b>4,944</b>	<b>0</b>	<b>4,944</b>
Payroll	184,786,500	207,017,400	220,626,500	0	220,626,500
Operational	1,125,297,100	1,412,827,600	1,637,987,500	0	1,637,987,500
Reallocated	0	0	0	0	0
<b>Total</b>	<b>\$1,310,083,600</b>	<b>\$1,619,845,000</b>	<b>\$1,858,614,000</b>	<b>\$0</b>	<b>\$1,858,614,000</b>
State	737,828,200	805,800,000	820,900,000	0	820,900,000
Federal	535,146,000	777,173,000	996,332,000	0	996,332,000
Other	37,109,400	36,872,000	41,382,000	0	41,382,000



# 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

**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.

**BHO** - Behavioral Health Organizations are responsible for managing the behavioral and substance abuse services for the TennCare program.

**Brian A.** - A settlement agreement, signed in July 2001, which requires a four and one-half year 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.

## Glossary of Budget Terms

### 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 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).

**Capital Projects Fund** - The fund used to account for financial resources related to the acquisition, construction, or maintenance of major capital facilities.

**Clean Air and Water Acts** - Federal laws designed to restore and maintain the nation's air and water supply.

**ConnecTen** - A Department of Education initiative to provide Internet access to all public schools in Tennessee.

**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, inspection fees).

### D

**Debt Service** - Expenses for principal, interest, and discounts on bonds and other types of borrowed money.

**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.

### E

**Earmarked Revenue** - Funds that are legislatively limited in how they can be expended.

**eCMATS** - The Case Management Activity Tracking System is utilized by Labor and Workforce Development to track contacts between the agency and its customers.

**Econometric Model** - A quantitative forecasting method used to project revenues based on historical data and growth estimates for the economy.

**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 Department of Personnel 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.

**Environmental Protection Fund (EPF)** - A fund administered by the Department of Environment and Conservation whose purpose is to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

**eTOMIS** - A windows based version of TOMIS.

## Glossary of Budget Terms

### F

**Facilities Revolving Fund** - 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, replaces Aid to Families with Dependant Children (AFDC) and provides 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 insures bank deposits up to \$100,000.

**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 which 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.

**Full-time Equivalent (FTE) Enrollment** - A standard measure of student enrollment designed to equate part-time students to full-time students on the basis of total hours of course work for which they are registered.

**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

**Gateway Tests** - Tests for Algebra I, Biology, and English II required for high school graduation beginning in the 2001-2002 school year.

**Geier Desegregation Settlement** - In January 2001, a settlement agreement in the Geier higher education desegregation lawsuit was approved by the U.S. District Court in Nashville. Implementation of the agreement will result in the final resolution of the lawsuit that was filed in 1968.

**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.

**Guardian ad Litem** - Program in which attorneys are appointed as guardians for dependent, neglected and abused children.

### H

**Highway Fund** - The fund maintained by the Treasurer into which certain revenues collected by the state are deposited for appropriation by the General Assembly to the Department of Transportation. Revenues generated mostly from petroleum-related taxes comprise the Highway Fund.

## Glossary of Budget Terms

**HMO** - Health Maintenance Organizations arrange basic health services to enrollees based on a prepaid basis. The TennCare Oversight program in Commerce and Insurance reconciles claims submitted by HMOs.

**HUD** - The federal Housing and Urban Development Agency provides income eligible individuals with resources to assist with their housing needs.

### I

**IGT** - An intergovernmental transfer; specifically, revenue collected as state revenue from a city or county government.

**Improvements** - Increases in departmental budgets needed to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level.

**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

**LSTA** - The federal Library Services and Technology Act provides for the sharing of resources among libraries to promote equal delivery of library services to the public.

### M

**MCO** - Managed Care Organizations are responsible for managing the distribution of medical services for the TennCare program.

**Meth** or **Methamphetamine** - A powerfully addictive stimulant that affects the central nervous system. Illegal methamphetamine is manufactured using certain common household products and medicine. The final product typically is consumed and distributed in the form of white powder that can be ingested by snorting or smoking, or dissolved in water to be injected. Recidivism rates are high in meth cases; as many as 90% of meth addicts will return to the drug versus much lower rates for other substances. Potential effects of methamphetamine use include psychotic behavior and brain damage. Chronic use can lead to violent behavior, delusions and paranoia. Brain damage caused by prolonged methamphetamine abuse is similar to the effects of Alzheimer's disease, stroke, and epilepsy. (Governor's Task Force on Methamphetamine Abuse, Final Report, September 1, 2004.)

**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

**NAIC** - The National Association of Insurance Commissioners provides policy development and technical support to state insurance regulators.

**NCUA** - The National Credit Union Administration 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,

## Glossary of Budget Terms

to encourage them to attend college in Tennessee.

**Non-Recurring Funds** - Funds that are appropriated to be used for a one-time expense.

### O

**OBE** - The Office of Business Enterprise, within the Department of Economic and Community Development, provides assistance to disadvantaged businesses to foster equal competition among businesses.

**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.

**Overlaps** - Term used when an appointing authority places more than one incumbent in a single position in an overlap status. This is subject to budgetary limits as well as approval of the Commissioner of Personnel.

### P

**Performance-Based Budgeting** - Process to identify objectives, activities, and performance indicators for each budget unit. This process is being phased in, with all agencies included by FY 2012.

**Performance Measure** - A quantitative or qualitative tool that is used to gauge

progress toward attaining a program goal or objective.

**PLHSO** - Prepaid Limited Health Service Organizations arrange limited health care services, such as vision or dental services, for enrollees on a prepaid basis. The TennCare Oversight program in Commerce and Insurance reconciles claims submitted by Prepaid Limited Health Service Organizations.

**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).

**RDA** - The Records Disposition Authority is the primary record management agency for state government and directs the disposition of all records including electronic processed records and computer output microfilm records.

**Reappropriation** - The extension of the termination date for the availability of appropriated money.

**Reclassification** - A change in the duties and responsibilities of a state employee's job.

**Recommended Funds** - The funds proposed by the Governor for legislative approval, including the base budget and improvements.

**Recurring Funds** - Funds that are appropriated on an ongoing basis.

**Reserve Funds** - Funds held for future needs or a special purpose.

## Glossary of Budget Terms

**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 judgements 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 income.

**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.

**State Taxpayers Budget** - The section of the budget that includes only state appropriations and state revenues from general tax sources. The State Taxpayers Budget section excludes appropriations from dedicated taxes and fees which are narrowly levied and earmarked for specific purposes, federal revenues, and all other departmental revenues.

**Supervision Fees** - Fees collected from felons under the supervision of the Board of Probation and Parole, 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.

**Taxpayers Budget** - See **State Taxpayers Budget**.

**TCAP** - The Tennessee Comprehensive Assessment Program is used to assess academic progress of Tennessee students at specified points in their academic career.

**Three Star Program** – Comprehensive plan developed and administered by the Department of Economic and Community Development to assist local communities in their development efforts.

**TLDA** - The Tennessee Local Development Authority 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.

**TMDL** - The total maximum daily load is a calculation of the maximum amount of a pollutant that a body of water can receive while still meeting federal water quality standards.

## Glossary of Budget Terms

**TNKids** - Internet initiative to coordinate data from various state departments dealing with children and youth.

**TOMIS** - The Tennessee Online Management Information System is a Correction Department database of information on convicted felons.

**TOPS** - The Tennessee On-line Purchasing System is an automated purchasing system used by state departments.

**TPA** - Third Party Administrators contract with life and health insurance companies to collect premiums and adjust or settle claims relative to Tennessee resident's insurance coverage. The TennCare Oversight program in Commerce and Insurance reconciles claims submitted by Trading Partner Agreements.

**TRICOR** - The Tennessee Rehabilitative Initiative in Correction administers the prison industry and farm program.

**TRUST** - The Title and Registration User System of Tennessee automates title processing between county clerks, the general public, and the Department of Safety.

## U

**USDOE** - The U.S. Department of Energy is a federal agency charged with oversight of the distribution of funds for various energy-related initiatives.

## 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 2005 - 2006

Phil Bredesen, Governor

### Department of Finance and Administration

M. D. Goetz, Jr., Commissioner

Gerald Adams, Deputy Commissioner

### Division of Budget

Peter Abernathy

Bill Bradley

Charles Brown

George Brummett

Susan Burdette

John Carr

David Chaffin

Elaine Cosby

Mike Dedmon

Carolyn Everett

Kathy Gammill

Boyd Glover

Cindy Hicks

Konrad Holt

Mike Huffaker

Susan Irby

Lance Iverson

Jerry Lee

Tony Mathews

Carol Neiger

Rick Newton

Cathy Pierce

Alex Schuhmann

Winfield Shiers

Dean Tays

Greg Turner

Amy Watson

John Webb

Peter Westerholm

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