

*STATE OF TENNESSEE*



# The Budget

*FISCAL YEAR 2007-2008*



**Phil Bredesen, Governor**





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Phil Bredesen,  
Governor







GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**State of Tennessee**

For the Fiscal Year Beginning

**July 1, 2006**

A handwritten signature in cursive script, likely belonging to the President of the GFOA.

President

A handwritten signature in cursive script, likely belonging to the Executive Director of the GFOA.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of Tennessee for the Annual Budget beginning July 1, 2006.

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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February 20, 2007

To the Members of the 105th General Assembly:

I am pleased to recommend to you the 2007-2008 Budget for the State of Tennessee.

The budget projects moderate growth in state revenues next year. This, along with surplus funds carried forward from last year, is adequate to fund a balanced plan for next year, in which recurring program requirements are funded by recurring revenue growth and one-time needs are addressed by the surplus funds.

But I recommend that we go further, that we take the next step in education. We need to raise our commitment to education and our expectations. I recommend that we raise additional revenues from a 40-cent increase in the cigarette tax and invest 90 percent of the increase in K-12 and higher education. The balance is for public health and farm programs. This will allow us to fully fund two components at issue in the Basic Education Program (BEP) funding formula. Funds are provided for the state share of the cost of all at-risk students and for all growth in student population on a current-year census basis. In higher education, I recommend an operational increase which will allow the universities and colleges to limit tuition increases to 5 to 6 percent next year. In addition, about 10 percent more college students will receive need-based scholarships.

From existing revenue sources, I also recommend that we further expand the voluntary pre-kindergarten program, fully fund growth in the K-12 BEP formula, benchmark test every 8<sup>th</sup> and 10<sup>th</sup> grader in order to develop individual learning plans and increase graduation rates, and that we transfer from the unobligated lottery reserves an amount sufficient to guarantee a K-12 school construction bond pool, which will enhance access to capital at the lowest possible cost.

In higher education, from existing revenue sources, I recommend that we use recurring lottery revenues to increase the HOPE scholarships by about 5 percent and that we provide fee- and tuition-free scholarships at community colleges to all students who score 19 on the ACT composite and math and reading components and enter college immediately after high school graduation.

From existing revenue sources, the budget includes other improvements in land conservation, public health, child welfare, and in salaries of state and higher education employees and K-12 teachers. An additional deposit will maintain the rainy day fund at 5 percent of general fund revenues.

The state and local tax burden in Tennessee is among the lowest in the nation, and our educational attainment also is among the lowest. With the proposed tax increase, we will remain at the bottom tier in tax burden. For our children and the economic future of our state, I recommend that we take this next step in education – that we raise our commitment, raise our expectations, and help our children achieve things we have yet to imagine.

I look forward to working with the members of the General Assembly on this budget, on related legislation, and other matters 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

February 20, 2007

The Honorable Phil Bredesen  
State Capitol  
Nashville, Tennessee 37243

Dear Governor Bredesen:

I am pleased to present to you the fiscal year 2007-2008 Budget Document.

The budget was developed under your guidelines to maintain balance between recurring revenues and recurring appropriation requirements, to invest in education to the maximum extent possible; to invest in economic development, public health, safe communities, and environmental quality; and to maintain and supplement the record-high rainy day fund. Mid-year review of state revenue collections results in my recommending little change in the current-year revenue estimates and moderate growth in 2007-2008. This follows advice of economists and the State Funding Board.

To take the next step in your goals for education, the budget includes \$219.6 million in new funds from a cigarette tax increase of 40 cents per pack, with 90 percent of the increase invested in your K-12 and higher education priorities. Additional amounts from the new funds are invested in a tobacco-use prevention initiative and in the farm program.

The total state budget for 2007-2008 is \$27.5 billion, with \$13.3 billion from state appropriations, \$9.5 billion from federal funds, and \$4.7 billion from other departmental revenues, higher education student tuition and fees, and highway and capital outlay bonds.

I recommend that you advise the General Assembly to remain conservative in estimating revenues and to retain the recommended increase for the revenue fluctuation reserve.

A detailed description of budget highlights follows. Staff and I will be pleased to assist you in working with the General Assembly on this budget.

Respectfully Submitted,

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





State of Tennessee

# Budget Highlights

## Recommended Budget, Fiscal Year 2007-2008

The total state budget for 2007-2008 is \$27.5 billion, with \$13.3 billion from state appropriations, \$9.5 billion from federal funds, and \$4.7 billion from other departmental revenues, higher education student tuition and fees, and bonds for highway projects and capital outlay.

Mid-year review of state tax collections and advice from economists and the State Funding Board suggest that current-year estimates of taxes collected by the Department of Revenue should be adjusted only slightly. In the general fund for 2006-2007, the revenue estimate is increased by \$2.5 million above the originally budgeted estimate, reflecting an increase in TVA in-lieu-of-tax payments and a decrease of \$8 million in the sales tax, resulting from a greater estimated loss on the two sales tax holidays. The revised current-year growth rate in the general fund is 3.31 percent above the actual 2005-2006 Department of Revenue collections. For 2007-2008, from the existing tax base, general fund taxes are expected to grow by \$401 million above the original current-year estimate, or \$398.5 million above the revised current-year estimate. This is a 4.47 percent general fund growth rate above the revised current-year estimate, but some of that growth is apportioned to the debt service fund to support capital outlay bonds, to other state revenues to support an appropriation increase for the four land acquisition and soil conservation funds, and to the highway fund because of the lower cost of license plate issuance in the new year. Revenue growth rates are within the range of revenue growth recommended by the State Funding Board. We expect that the economy will continue moderate growth, which will support the projected growth rates from taxes.

### Existing Program Balance and New Investments

The existing tax base will support the recurring balance of the proposed budget for the operation of state programs, including improvement requirements for full funding of the Basic Education Program (BEP) formula, for expansion of the pre-kindergarten program from the general fund, for the TennCare and Cover Tennessee health-care programs, for salary improvements, and for other needs.

However, to make targeted investments in K-12 education, higher education, health, and agriculture, the budget recommends \$219.6 million in new general fund revenue from a proposed cigarette tax increase of 40 cents per pack, with 90 percent of the funds, or \$198.6 million, improving K-12 and higher education. K-12 education will receive \$146.5 million, including \$119.3 million to raise funding in the BEP formula to 100 percent of at-risk students from the current 38.5 percent and \$27.2 million to fund the state BEP share of student census growth on a

current-year basis for all school systems, which now receive census-growth funds on a current-year basis only if the growth is 2 percent or more.

Higher education will receive \$52.1 million, including \$48.3 million for operational support of the universities, colleges, technology centers, and other programs. Of this, \$37 million is for academic formula units and \$11.3 million is for non-formula units, such as the agricultural research and extension and public service programs. This operating improvement should limit tuition increases to the range of 5 to 6 percent in 2007-2008. From the \$52.1 million, the amount of \$3.8 million is for the need-based student financial aid program of the Tennessee Student Assistance Corporation. This should enable an additional 1,850 students to receive grants, which is an increase in the number served of about 10 percent.

The remaining \$21 million will be used for health and agriculture programs, including \$15 million for a tobacco-use prevention program intended to discourage youth from using tobacco and assist adults in quitting use and \$6 million to expand the farm program from the recurring \$5 million level to \$11 million. This is the third year of the farm initiative, which supports diversification of the farm economy.

From the existing tax base, the budget includes a net general fund state appropriation reduction of \$43.5 million, including dedicated funds, and resulting mainly from continued moderation of growth in the Temporary Assistance to Needy Families program, the conclusion of the Geier higher education desegregation case, an adjustment to the 1985 Sentencing Act appropriation that reflects additional operating costs of the expanded Brushy Mountain prison complex, adjustments in TennCare and mental retardation services programs, growth in available departmental revenue for some programs, and scheduled program adjustments reflected in agency budget requests. These recurring reductions result in the funds being available for investment in priorities.

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 of \$330 million from 2005-2006 is available to help fund recommended supplemental appropriations and revenue adjustments in 2006-2007 and non-recurring appropriation requirements in 2007-2008.

Also from the existing revenue base, the recommended budget fulfills the commitment to restore the real estate transfer tax to the four land acquisition and soil conservation funds. The budget proposes to take the fourth and final step to fully restore, on a recurring basis, the real estate transfer tax to its intended land acquisition and agricultural conservation purposes. Along with the recurring funds in the base budget, an improvement of \$12 million recurring funds makes a total of \$30 million available to those funds in 2007-2008. The highway fund will have a full allotment of state revenues in 2007-2008. Although a transfer from the highway fund still is necessary, the recurring transfer of \$32.8 million to the general fund is offset by a \$32.8 million transfer to the highway fund from non-recurring general fund availability.

## **K-12 Education**

For K-12 education, the improvement from the general fund is \$351.4 million, including \$146.5 million from new tobacco tax revenues for the Basic Education Program (BEP) improvements for at-risk students and current-year student census growth, discussed above, and, from the existing tax base, \$204.9 million, including \$83 million for full funding of the BEP formula growth; \$25 million for an additional 200 pre-kindergarten classrooms; \$1.2 million for benchmark ACT testing of 8<sup>th</sup> and 10<sup>th</sup> graders in order help develop individual education plans and increase graduation rates; \$1.3 million for the first-year operating costs of the residential science and math high school in Knoxville, which will include 24 high-achieving students from across the state; \$22.3 million for the state share of a 1 percent salary increase for BEP teachers and \$44.6 million for a one-time bonus for teachers and other licensed personnel in local school districts; \$18.5 million for the state BEP share of group health insurance premium increases; \$3.2 million for testing materials, assessment, and reporting, resulting from student enrollment growth, an additional English language learner assessment required by federal rules, and required modifications in special education testing; \$2 million for a non-recurring grant to Save the Children for literacy programs, focused on grades 1 to 3 in under-served schools; \$1.3 million for growth in the population served by early intervention services, who are children with disabilities from birth to age 3; an additional \$750,000 for the Governor's Books from Birth Foundation, which is a state-and-local partnership providing a book each month from birth to age 5, at no cost to the family; \$250,000 to increase to \$1 million the grant to the Science Alliance Museums, which provide educational experiences to school children from all 95 counties; \$1 million for grants of \$500,000 each to Future Farmers of America and the 4-H Foundation; \$333,900 for state special schools; and \$190,900 for teacher training and experience salary costs at the special schools.

In the capital outlay budget, the Governor recommends establishment of an approximately \$1.1 billion K-12 school construction bond pool. The budget includes \$100 million to be transferred from the Lottery for Education reserves, including the amount in the lottery local government account and an amount from the unobligated balance of the lottery fund, to serve as a guarantee for debt service, which will be paid by school districts. The statewide bond pool will give individual school districts enhanced access to capital at the best possible bond rating, which will result in the lowest possible transaction and interest costs. This particularly will help small rural districts, though other districts or pools may participate, so long as they meet the basic requirements of long-term, competitively bid, fixed-rate debt. By the end of the current year, the unobligated balance of the Lottery for Education reserve is expected to be about \$300 million, excluding the amount recommended to K-12 construction.

After the set-aside of \$100 million from the lottery reserves for K-12 construction and the use of recurring lottery revenues for higher education scholarship improvements recommended below, the Governor recommends that further action not be taken on use of the unobligated lottery reserves during the current session of the General Assembly. He suggests that a study of the entire lottery scholarship program be undertaken this year and that the state use this opportunity to explore opportunities for opening the doors to college wider in Tennessee.

## Higher Education

For higher education, the operational budget improvement is \$97 million, including \$52.1 million from new tobacco tax revenues for the \$48.3 million operational formula increase and \$3.8 million for the need-based student financial aid, discussed above; \$10 million from recurring lottery revenues for a proposed community college tuition-free scholarship program for students who score 19 or better on the ACT composite and math and reading components and enter college immediately after high school graduation; \$9.3 million from recurring lottery revenues to increase the base HOPE lottery scholarship from \$3,800 to \$4,000 for qualified university students and from \$1,900 to \$2,000 for qualified community college students, which should approximately offset the anticipated increase in tuition and fees in 2007-2008; \$8.25 million in non-recurring funds for start-up of a proposed biofuels program at the University of Tennessee, for which capital outlay funds are discussed further below; \$7 million in non-recurring state funds for equipment replacement at the technology centers; a recurring appropriation of \$2 million for Tennessee State University (TSU) agricultural research and extension programs, which will match federal 1890 land grant college funds and will enable TSU to hire additional research and extension staff and enhance the current specialized programs at the TSU nursery crop research station at McMinnville and other sites.

The operating improvement for higher education includes \$8.3 million to continue access and diversity initiatives at a level of \$10 million, including \$1.7 million in the base budget, after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. This \$10 million, along with \$1.3 million provided to the debt service fund for capital outlay at TSU, continues the level of support to these programs at the former level. Following consideration by the Higher Education Commission and university systems staffs, the Administration recommends that these funds be used to continue scholarship programs, graduate fellowships, faculty recruitment and retention, student recruitment and readiness programs, a doctoral scholars program through the Southern Regional Education Board, support of the TSU Avon Williams downtown campus, and oversight of the program in the Board of Regents system. The improvement of \$8.3 million is funded by an offsetting base reduction of the Geier desegregation settlement appropriation, as it is no longer necessary.

The capital outlay budget for higher education provides a total of \$190.2 million, including \$136.9 million for capital projects and \$53.3 million for capital maintenance of the campuses. Funding is \$169.4 million from bonds, including \$162.4 million on which the state provides debt service and \$7 million on which the university provides debt service from its revenues, and \$20.8 million from current funds. Recommended projects include the first four on the THEC-recommended list, including Nashville State Community College additions and renovations, Middle Tennessee State University learning resources center, Walters State Community College student services additions and renovations, and UT Knoxville Cherokee campus infrastructure improvements

The capital budget also includes \$40.7 million for a UT Biofuels Center, which will be a research facility that will put the state in the vanguard of biomass refinery and alternative fuels research, will produce approximately 5 million gallons of ethanol fuel per year, and will assist the farm economy of the state. In addition, the capital budget includes \$3 million for start-up equipment for the UT-Oak Ridge National Lab Joint Institute on Biological Sciences; funds for initial planning of a University of Memphis nursing and audiology building; and a \$7 million bond authorization for a University of Memphis land bank, on which the university will pay debt service and which will assist in protection of the master plan for the campus.

## **Jobs, Economic Development, and Agriculture**

For economic and community development, the budget includes \$46.6 million to support jobs initiatives and community development. From this amount, \$42.1 million, including \$40 million from non-recurring funds, is for the next steps in the jobs package, including non-recurring appropriations of \$36 million for the FastTrack infrastructure development and job training program and \$4 million for business recruitment and retention activities outside the FastTrack funding criteria. Recurring funds of \$1.5 million will support the Tennessee Leadership Center, which provides training to rural community leaders, and the Three-Star community preparedness and Main Street programs. An amount of \$630,000 will improve foreign marketing efforts. The \$46.6 million improvement also includes \$3 million from non-recurring funds to extend the Oak Ridge National Lab-TVA high-speed research network into Shelby County; \$1,250,000 for the Rural Opportunity Fund, a public-private partnership that will create a \$10 million small-business revolving loan program targeted to small, minority, and women-owned rural businesses that are unable to gain access to traditional capital; \$100,000 to develop a next-steps infrastructure needs inventory in order to guide future infrastructure-investment priorities; and \$154,500 for the state cost of additional staff for the local planning assistance program, which is funded jointly by state and local governments.

In addition, the budget includes \$4,750,000 from non-recurring funds to continue the tourist development advertising and marketing program at the current level. The tourist development budget also includes an improvement of \$1.5 million from the general fund for additional security at the 13 welcome centers on the interstate highways.

The agriculture budget improvement is \$12.8 million, including the recurring \$6 million from the tobacco tax increase for the farm program initiatives, discussed above; \$500,000 non-recurring to promote organic farming and crop marketing; \$2,250,000 for soil conservation from the full recurring restoration of the department's share of the real estate transfer tax to the agricultural resources conservation fund; and \$4.1 million, including \$3.8 million non-recurring for fire-fighter communications in the forestry program.

## **Child Welfare and Juvenile Justice**

For child welfare and juvenile justice programs, the budget includes an improvement of \$24.6 million, including \$13.2 million from state appropriations to the Department of Children's Services and the remainder from federal and TennCare funds. From state funds \$4.6 million is for juvenile justice, including 106 positions to improve security at the youth development centers and to improve program oversight. In child welfare services, funds are recommended to adjust foster care and adoption assistance rates by 8.4 percent, for adoption assistance caseload growth, for social worker training, and for community resource assessments. The child-welfare recommendations are multi-year commitments toward resolution of the Brian A lawsuit issues. In addition, \$250,000 is recommended for the foster-care mentoring program, which pairs adults with early teenagers in foster care. The funds will be used for background checks, instructional literature, and other program costs.

## **Public Health**

The Department of Health budget includes improvements of \$29.8 million from general fund state appropriations, including \$15 million from the tobacco tax increase for the tobacco-use prevention initiative, discussed above; and \$14.8 million from the existing revenue base. The latter includes \$8.2 million of non-recurring funds for pandemic influenza preparedness. This will enable the state to have the full allotment of vaccine available to the state under the federal stockpile program. The budget also includes improvements of \$4.3 million, including \$3 million non-recurring for HIV / AIDS programs; \$2 million non-recurring for the Meharry wellness program, which promotes physical fitness at historically black colleges and universities and surrounding communities in Tennessee; and \$275,000 for a grant to the Vanderbilt poison control center, which has lost federal funds and is the only poison control center in the state. From dedicated funds, \$1 million from the health access incentive fund is recommended to improve health access in underserved areas.

In the Cover Tennessee health care program, an additional \$56.8 million is recommended for the Cover Kids program, including \$14.2 million from state funds and \$42.6 million from federal funds available in the State Children's Health Insurance Program (S-CHIP). This is the second-year adjustment for this new program, which is available to uninsured children through age 18, with a household income below 250 percent of the poverty level. Maternity coverage also is available for pregnant women. Other new Cover Tennessee programs are funded within the base budget, as are continuing health-care safety net programs in the Department of Health and the Department of Mental Health and Developmental Disabilities.

For the TennCare program, which is the state's Medicaid waiver program, an improvement of \$152.6 million is recommended, including \$56.3 million from state appropriations. From the state appropriations, an amount of \$32.3 million is for recurring costs in the basic TennCare program, including program utilization growth projections, the cost of Medicare cost-sharing, the cost of the federal match rate decline, and funds for a Weight Watchers program expansion from

the obese to the overweight category. Other TennCare improvements are to fund the TennCare share of recommended improvements in the departments of Children's Services and Human Services and the Division of Mental Retardation Services.

For mental retardation (MR) services, the TennCare budget improvement includes \$20.4 million from state funds, of which \$11.6 million is recurring and \$8.8 million is non-recurring. In the Mental Retardation Services Division, the total improvement is \$61.5 million, including \$5.4 million from state funds directly in the MR division's budget. These funds are for home and community-base waiver services, a waiting list reduction of 600 new enrollees in the statewide waiver, medical services to the Arlington waiver services recipients, and operational costs and drug costs at the state's four developmental centers. Additional funds are available to the MR division in the base budget, as a result of the reduction of staffing at Arlington Developmental Center, the conversion of additional clients from state-funded services to the federal waiver, and the transfer of the state appropriation savings from the MR budget to TennCare, in order to maximize federal revenue available for MR services.

In the mental health program, an improvement of \$2.1 million from state appropriations is recommended, including \$1.3 million for the lease cost associated with debt service on the new Memphis Mental Health Institute (MHI), which will open in 2007-2008; and funds for furniture replacement at Lakeshore MHI, equipment replacement lease at Middle Tennessee MHI, and 14 positions, funded from base budget reductions, at Middle Tennessee and Western MHIs.

## **Social Services**

The budget includes improvements of \$14.7 million from state appropriations for programs of the Department of Human Services. This includes \$3.6 million to increase the standard of need in the Families First (Temporary Assistance to Needy Families) program by 3.1 percent, which will allow 1,068 families to remain in or qualify for the program. Also in the Families First program, \$4.4 million non-recurring is recommended to increase the wage disregard from \$150 to \$250 for a family of three, which will allow 1,284 families to remain qualified for the program. Also included is \$4.2 million for the Child Support program, because of the federal disallowance of the use of federal incentive funds as state match under the 2005 federal deficit reduction law. A non-recurring appropriation of \$2.4 million will continue the family assistance center in Memphis for another year, which will help the state in the transition from the expiring Families First waiver to the regular TANF program. In addition, \$100,000 non-recurring is recommended for the individual development account program of the Upper Cumberland Resources Agency. This program assists individuals with minimal assets in a first-home purchase, education and job training, and small business-capitalization. This grant will match federal and donated funds.

## **Conservation**

The conservation budget, as discussed above, includes full restoration of recurring appropriations from the real estate transfer tax to the four land acquisition and soil conservation funds. The recurring improvement to these funds is \$12 million, bringing their total to \$30 million, the highest ever for these programs. This will benefit the Local Parks, State Lands, and Wetlands acquisition funds, as well as the Agricultural Resources Conservation Fund.

In the capital outlay budget, the Governor recommends a bond issue of \$82 million, to be used in conjunction with other funds, including private contributions, for the purchase of additional land, which should be preserved on the northern Cumberland Plateau. Some of the funds will be used for acquisition of timber rights on land that the state owns in the area. In addition, in the operating budget, the Governor recommends a third \$10 million non-recurring appropriation from the general fund to the Heritage Conservation Trust Fund for protection or acquisition of land of critical scenic or ecological importance.

The capital outlay budget also includes an additional \$7.4 million for State Parks and historic sites, including initial planning funds for a new rustic lodge in the Ocoee-Hiwassee area of East Tennessee, for new cabins at Pickwick Landing in West Tennessee, for infrastructure improvements at Cedar Forest and Henry Horton in Middle Tennessee, for statewide capital maintenance, and for exhibit upgrades at Chester Inn and Tipton Haynes historic sites in East Tennessee.

Additional operational funds are recommended for the State Parks budget, including inflationary fuel costs and the second and final step of the housing policy reform for park rangers. For clean water improvements and compliance with federal standards, the budget includes additional storm-water system enforcement staff, along with appropriations from the general fund and the environmental protection fund. In addition, additional staff is recommended for the oil and gas regulatory program, with funding from the two sources. In the West Tennessee River Basin Authority, a position, equipment replacement, and maintenance funds are needed for maintenance of flood-control dams.

In the State Museum budget, three positions are recommended to establish a development program which will leverage financial support from non-state sources.

## **Safe Communities**

The Governor has included funds in the budget for the estimated incarceration costs of four crime bills that he recommends to the General Assembly, with a total cost of \$8.4 million. Jessica's Law would create a minimum sentence of 25 years for the first offense of child rape; other bills would make elder abuse a Class E felony, increase the penalty for sexual misconduct of prisoners, and increase the penalty for inmate possession of a cell phone.



Also in the prison budget, \$9.8 million from state funds is added for the staffing and initial operating costs of the expanded Brushy Mountain prison in Morgan County; \$6.9 million for an increase in state felons housed in local jails, which is non-recurring because of the expected temporary relief from the opening of the approximately 900 additional beds at Brushy Mountain prison during the next two fiscal years; and \$3.9 million for operational increases of the prison service agreements and for health and mental health services.

The Corrections Institute budget includes a significant improvement of 5 positions for jail inspection and training. The additional staffing is necessary in order to provide improved and timely inspection of local jails and better training of jail personnel. This will help the local jails comply with state and federal standards in the supervision of inmates.

The Governor recommends an improvement of \$3.9 million from the general fund for the criminal injuries compensation fund, including a \$1.9 million non-recurring amount to restore the fund balance to an adequate level and \$2 million recurring. This proposal is accompanied by recommended legislation which will reallocate \$2 million of existing litigation taxes from the general fund to the criminal injuries fund on a recurring basis. The District Attorneys General budget includes an improvement of \$950,800 to retain 26 victim-witness coordinator positions that previously were funded by federal grants.

In the Safety Department, a non-recurring \$26.5 million appropriation is recommended for a so-called REAL-ID Act reserve, which will set aside funds in the general fund for development and related costs of revising the state drivers licenses to comply with the new federal law. The states are awaiting federal standards to be developed under the law that Congress has enacted. In the Military Department budget, an improvement of \$1 million is recommended, including funds for earthquake preparedness, armories utilities, and an additional \$100,000 for the National Guard tuition assistance program, which has helped with recruiting and retention of these valued public servants.

## **General Government**

In other areas of state government, the budget of the Department of Finance and Administration includes \$17.4 million from state funds, including \$16.4 million non-recurring, for health information systems, including e-health infrastructure and a health planning decision support system. Funds also are recommended for a State Planning Office, which will provide research and policy-development assistance to the Governor and the Commissioner of Finance and Administration.

In other departments, the budget also includes improvement funds to establish an open-records ombudsman position, for an independent review of the state veterans nursing homes, for systems development in the Comptroller's and Treasurer's offices, for additional staffing and electronic filing in the new Ethics Commission, for operational costs of the Economic Council on Women, for improved services and equipment replacement in the Department of General Services, and

for Personnel Department services in the areas of training, equal employment opportunities, and disabilities law.

The presidential preference primaries require a non-recurring appropriation of \$4 million to reimburse counties for conducting the primaries.

## **Salary Policy and Benefits**

The salary policy recommendation has two parts: a pay raise and a salary bonus. The budget includes funds for a recurring 1 percent salary increase on July 1, 2007, for state and higher education employees and K-12 teachers and staff funded through the BEP formula. In addition, the budget includes non-recurring funds equivalent to a 2 percent one-time salary bonus for state and higher education employees and K-12 teachers and other licensed personnel. 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.

The total cost of the salary policy is \$152.6 million. The recurring 1 percent raise costs \$47.4 million, including \$14.1 million for state employees; \$11 million for higher education employees, through the funding formula; and \$22.3 million for K-12 teachers and staff, funded through the BEP formula. The one-time bonus equivalent to 2 percent of salaries costs \$105.2 million, including \$29.2 million for state employees, \$31.4 million for higher education employees, and \$44.6 million for teachers and licensed personnel in the school districts.

Also funded are the statutory step raises for assistant district attorneys, assistant public defenders, assistant post-conviction defenders, investigators, and troopers, as well as the statutory salary adjustments for judges.

Funds also are recommended for the state share of group health insurance premium increases for employees. For state and higher education employees, \$13.4 million is added to annualize the cost of the January 1, 2007, premium increase and \$18.6 million for the six-month cost of a 9 percent premium increase on January 1, 2008. An additional \$18.5 million state-share cost of these group insurance adjustments for local school districts is included in the K-12 education budget. In addition, funds are recommended for the state agency costs of adjustments to the mileage, lodging, and meal reimbursement rates for state employees in travel status.

## **Capital Outlay**

The capital outlay budget totals \$505 million, including \$59.3 million from non-recurring state current funds, \$100 million from unobligated Lottery for Education reserves, \$317 million from bonds, and \$28.7 million from other sources. This includes the \$190.2 million for higher education; \$100 million to establish a K-12 school construction bond pool; and \$89.4 million for land conservation, State Parks, and historic sites, all discussed above. Other capital projects include \$35 million additional funding for the prison expansion in Bledsoe County, \$32 million

for prison maintenance, a \$3 million grant for the planetarium at the Adventure Science Museum in Nashville, a \$3 million grant for an assisted-living facility in Knox County, \$2.5 million for state office building security improvements in Nashville, \$1.5 million to continue planning of a new State Museum in Nashville, and a total of \$450,000 for grants to four African-American museums.

The facilities revolving fund capital budget provides an additional \$70.5 million for projects and maintenance of state office buildings and similar facilities maintained through agency rent payments.

## **Revenue Fluctuation Reserve**

The revenue fluctuation reserve was at \$324.7 million at June 30, 2006, and is budgeted to be at \$496.9 million at June 30, 2007. To maintain this rainy day fund at 5 percent of general fund and education revenues, the 2007-2008 budget proposes that this reserve be raised by \$36.6 million to \$533.5 million at June 30, 2008. The proposed deposit satisfies the statutory requirement for the reserve, which currently is at its highest level ever. The revenue fluctuation reserve allows services to be maintained when revenue growth is slower than estimated in the budget, mainly during economic downturns. The Governor recommends that the General Assembly continue making deposits to this reserve. With a sound economy and spending under control, the state should continue this opportunity to continue building this rainy day fund.

## **Conclusion**

The overappropriation – or the amount by which general fund agencies must underspend – is set at \$76.6 million in both the current year and the 2007-2008 recommended budget.

The Governor and the Commissioner of Finance and Administration recommend that the General Assembly remain conservative in estimating state revenues and retain the recommended increase for the rainy day fund.

The budget document has been re-formatted to include narrative program statements for each of the line-item programs for which funds are recommended. This should make the document more informative and useful in the deliberations on the budget. In addition, as in the past, detailed statements explain the recommended program improvements.



# 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 and the following budget highlights summarize the policy and financial recommendations included in the document.

Following the transmittal letters and budget highlights is a statement of the Administration's priorities. Following this introduction to the Budget Document are explanatory sections entitled "The Budget Process," "Performance-Based Budget," and "Basis of Budgeting and Accounting." These are followed by a section entitled "Tennessee Program History," which provides historical information on major programs.

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

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

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

The Budget Document has several total budget schedules comparing programs by

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## The Budget Document

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, a summary of personnel and funding for all state agencies and higher education institutions, and Tennessee characteristics, which includes demographic and other information on the state.

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

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## The Budget Document

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. Program performance measures also are provided for most executive branch programs. Budgets of agencies which are operating officially under the performance-based budget law are so designated with a sub-heading following the department name.

# The Budget Process

Preparation of the Governor’s annual budget for the State of Tennessee is the responsibility of the Commissioner of Finance and Administration, who is the State Budget Director.

Within the Department of Finance and Administration, the Division of Budget is responsible for budget development. Preparation, deliberation, and execution of the budget is a continual process throughout the year. This process regularly involves the legislative and executive branches, with occasional counsel from the judicial branch. The following table indicates the participants in the budgetary process and an approximate time schedule.

<b>Function</b>	<b>Participants</b>	<b>Schedule</b>
Planning and Estimation	Budget Division Departments and Agencies	July August September
Preparation of the Budget	Budget Division	October November December * January
Legislative Deliberation	General Assembly	* February-May
Budget Execution	Budget Division Legislative Committees Departments and Agencies	July-June

\*Note: The law requires the Governor to submit the Budget to the General Assembly prior to February 1, except at the beginning of a gubernatorial term, when the deadline is prior to March 1; unless, in either case, the General Assembly by joint resolution authorizes a later date.

## Planning and Estimation

Immediately after a new fiscal year begins each July, the staff of the Division of Budget begins making plans for the budget that will be considered by the General Assembly for the subsequent fiscal year. These plans include designing and updating the forms and instructions used by departments and agencies in presenting their budget requests to the Division of Budget.

These electronic forms and instructions are distributed to the agencies in August. The deadline for completion and transmission of the budget requests is the first of October. During this preparation period, the staff of the Division of Budget meets as needed with agencies’ fiscal and program personnel to answer questions and provide assistance in developing their budget requests.

In addition to projecting expenditure levels, estimates of the major revenue sources, such as the sales, franchise, excise and gasoline taxes, are prepared for both the current and next fiscal years. The revenue estimates are prepared by the Commissioner of Finance and Administration after receiving advice from the State Funding Board, as required by TCA section 9-4-5202. All revenue estimates, including estimates for licenses and fees, are part of the budget review by the Commissioner of Finance and Administration, the Governor, and their staffs.

## Preparation of the Budget

Chapter 33 of the Public Acts of 1937 granted the Governor the authority and duty to develop and submit to the General Assembly a recommended budget. The law directs the Commissioner of Finance and Administration to prepare the budget in accordance with the Governor’s directives.

After the receipt of agency budget requests, analysts with the Division of Budget begin the process of balancing expenditures against estimated revenues. Within this constraint, funds must be provided for Administration initiatives of high priority, activities mandated by state or federal statute, and the day-to-day operation of state government.

Instructions for the agency budget requests include the submission of two levels of requests: (a) a base request, which accommodates the continuation of current services, and (b) an improvement request,



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## The Budget Process

which includes funds to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level due to increased costs of providing current services.

Following analysis of the requests by the Division of Budget, detailed recommendations are made to the Commissioner of Finance and Administration. Meetings are convened with commissioners and directors of the departments and agencies by the Commissioner of Finance and Administration. A consensus is sought with the agencies as to the appropriate funding level for the upcoming year.

After these meetings are completed, the Budget Division staff makes any revisions that have been agreed upon and presents the estimates to the Commissioner of Finance and Administration for his and the Governor's consideration. The Governor and the commissioner review the recommendations resulting from these hearings and consider necessary alterations to fit within the scope of the Administration's initiatives and estimated revenues. The Governor may choose to conduct meetings or budget hearings with agency heads and may direct them to submit plans for further adjustments to their budgets.

After gubernatorial decisions have been finalized, the staff of the Division of Budget prepares the Budget Document for printing. Meanwhile, work begins on the Governor's Budget Message. The Budget must be presented to the General Assembly prior to February 1, or prior to March 1 when a newly elected Governor takes office, unless the General Assembly by joint resolution allows submission on a later date.

At the time the Budget Document and Budget Message are presented, the appropriation process is initiated. The Appropriations Bill, prepared by the Department of Finance and Administration, is introduced and referred to the Finance, Ways, and Means committees of both houses of the Legislature. The various standing committees of the houses may review those parts of the Appropriations

Bill that fall within their purviews. The departments often are invited to testify before these committees on issues relating to their budgets.

After these committees report their reviews, the Finance, Ways and Means committees begin hearings on the budget in its entirety. Again, the departments may testify, and the Commissioner of Finance and Administration is invited to discuss the budget recommendations. Considerations made by the committees include the fiscal impacts caused by other legislation introduced by the members of both houses, recommendations of other legislative committees, and Appropriations Bill amendments filed by members of the Legislature. The Finance, Ways and Means committees of each house report out the Appropriations Bill with any amendments they recommend.

The Appropriations Bill then is sent to Calendar committees of each house to be scheduled for floor action. The Senate and House of Representatives must pass the same Appropriations Bill in the same form for it to be enacted into law. Approval of the General Appropriations Bill usually occurs during the last week of the legislative session.

In signing the bill into law, the Governor may line-item veto or reduce specific appropriations. Or, he could veto the entire bill; but this rarely would be done. Any veto may be over-ridden by a majority of the elected members, each house acting separately.

Tennessee has a tradition of enacting a single General Appropriations Act each year.

### **Budget Execution**

When passage of the Appropriations Bill is complete and is signed or enacted into law, the execution of the act begins. Two important concepts are involved: preparation of work programs and development of allotment controls.

Invariably, there are changes to the Budget Document presented by the Governor to the General Assembly. These

changes are made by amending the Appropriations Act during the adoption process. Analysts of the Division of Budget and fiscal personnel in the departments and agencies have the responsibility of reconciling the approved Appropriations Act with the Budget Document. This may involve increases or decreases to the agency allotments. The Division of Budget establishes an annual allotment for each agency and division using the reconciled Appropriations Act. This annual allotment, called the official work program, is provided to the Division of Accounts as a means of spending control. The agencies and divisions spend against these allotments during the fiscal year.

Budget execution is a process that continues throughout the fiscal year. In addition to the daily review of numerous operational and personnel transaction requests, the budget analysts must ensure that the legislative intent of the Appropriations Act is being followed by the various departments and agencies.

Further legislative review and control is maintained through the Fiscal Review Committee, other oversight committees, and the Finance, Ways and Means committees.

In addition to the review of agency activities by these bodies, the Finance, Ways and Means committees must be informed of any new or expanded programs resulting from unanticipated departmental revenues. These revenues usually are new federal grants, but also may be other departmental revenues. When notice of unexpected revenue is received by an agency, the Commissioner of Finance and Administration, if he wants to approve the program expansion, may submit an expansion report to the chairmen of the finance committees for acknowledgement. Upon the chairmen's acknowledgement of the expansion report, the Commissioner of Finance and Administration may allot the additional departmental revenue to implement the proposed or expanded program.

Agencies may not expand programs or implement new programs on their own

authority. This expansion procedure is not used to increase allotments funded from state tax revenue sources. No appropriations from state tax sources may be increased except pursuant to appropriations made by law.

A transfer of appropriations between allotments for purposes other than those for which they were appropriated may not occur without the approval of the Commissioner of Finance and Administration and a committee comprised of the Speakers of the House and the Senate and the Comptroller of the Treasury.

Throughout the fiscal year, the Budget Division staff reviews the status of the various allotments and advises the Commissioner of Finance and Administration of any problems. At the end of the fiscal year, the Division of Budget has the responsibility of executing revisions to the annual allotments as a function of the accounts closing process.

### **Audit and Review**

Post-audit and review also are functions that continue throughout the fiscal year. Post-audit is a responsibility of the Comptroller of the Treasury, an official elected by the General Assembly. The Division of State Audit, within the Comptroller's Office, has the duty of conducting, supervising, and monitoring the audits of all state departments and agencies. Intermediate care facilities receiving Medicaid funds also are within the purview of this division, and state grants to other entities also are subject to audit. In addition, program audits are performed to determine whether agencies are functioning efficiently.

The General Assembly also participates in a continuing review throughout the fiscal year. The Fiscal Review Committee, a bipartisan committee comprised of members from both houses, meets regularly when the General Assembly is not in session. Following a set agenda, members of this committee review audit reports and departmental personnel respond to inquiries about activities and programs under the

department's jurisdiction. In addition, legislative oversight committees conduct extensive review in areas of special interest, such as correctional issues and children's services. Joint legislative committees and subcommittees occasionally are appointed for in-depth study of specific areas.

### **Governmental Accountability: Performance-Based Budgeting and Strategic Planning**

Chapter 875 of the Public Acts of 2002 enacted the Governmental Accountability Act. This law altered the budget law to require strategic planning and to begin the phase-in of performance-based budgeting in fiscal year 2004-2005. Although executive branch departments and some smaller agencies have developed strategic plans for years, all agencies now will be required by law to do so, beginning a year before being phased in to performance-based budgeting.

By July 1 each year, executive branch agencies, including higher education, will submit strategic plans to the Commissioner of Finance and Administration, who may require modifications. He must consolidate approved plans and submit them to the Governor and General Assembly by September 1 each year, beginning in 2003 for the performance-based agencies. The judicial branch, Comptroller of the Treasury, State Treasurer, Secretary of State, Attorney General and Reporter, and legislative branch are not subject to strategic plan review by the Commissioner of Finance and Administration. They must submit plans separately to the General Assembly and Governor by September 1. The General Assembly retains final approval authority for agency strategic plan and performance measures through the general appropriations act.

In addition to setting forth program objectives, strategic plans must include performance measures and standards for each program, partly defined as a budgetary unit. Under this law, instructions for development of strategic plans and performance measures will be issued to executive branch agencies by the

Commissioner of Finance and Administration, who under other law also issues budget instructions to all agencies.

In 2002, at the direction of the Commissioner of Finance and Administration, a strategic planning function, previously free-standing in the department, was transferred into the Division of Budget. In these ways -- by definition of programs as budgetary units, by common authority to issue planning and budget instructions, and by inclusion of the strategic planning unit in the central executive Budget Office -- planning and budgeting in the executive branch now are closely linked.

The agencies currently designated by the Commissioner of Finance and Administration to submit performance-based budget requests are the departments of Revenue, Safety, Environment and Conservation, Human Services, Agriculture, Correction, Economic and Community Development, Finance and Administration, and Transportation. The following departments are scheduled to submit performance-based budgets in 2008-2009: Education, General Services, Military, Financial Institutions, Labor and Workforce Development, and Commerce and Insurance. All other executive branch agencies must be phased in to performance-based budgeting by fiscal year 2011-2012, on a schedule to be determined by the Commissioner of Finance and Administration.

The recommended Budget Document must include a program statement and performance measures. The Governmental Accountability Act requires the Commissioner of Finance and Administration to report annually, for agencies subject to performance-based budgeting, on compliance with strategic plans and performance measures. The report must be made to the Governor and the Senate and House Finance, Ways and Means committees. The Governmental Accountability Commission -- comprised of the Comptroller of the Treasury, Executive Director of the Fiscal Review Committee,

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## The Budget Process

and the Director of the Office of Legislative Budget Analysis -- must comment in writing to the Senate and House Finance committees on the commissioner's performance report. The Accountability Commission also may make recommendations to the Finance committees on the strategic plan and actual performance of agencies subject to performance-based budgeting, on the reasonableness of recommended performance measures and standards, and on any other matter regarding strategic planning and program performance.

The performance report and commission comments must be made at a time to allow consideration of the reports while the Appropriations Bill is being considered by the Finance committees.

Also under the Governmental Accountability Act, as well as under other law, each state agency is subject to

performance review by the Comptroller of the Treasury.

As enacted in 2002, the Governmental Accountability Act continues the Tennessee tradition of strong executive management of the line agencies, begun with the Governmental Reorganization Act of 1923, and strong executive budget development and budget execution responsibility, begun with the budget law of 1937. At the same time, the 2002 Act continues the prerogative of the General Assembly to alter agency plans and executive recommendations through the Appropriations Act and to alter policy and exert oversight through the legislative and performance review processes.

For further discussion of strategic planning and performance based budgeting, see the following "Performance-Based Budget" section.

# Performance-Based Budget

The Governmental Accountability Act was enacted by Chapter 875 of the Public Acts of 2002 (codified at Tennessee Code Annotated, Title 9, Chapter 4, Part 56, and in some sections of budget law at Part 51).

The Accountability Act requires the phase-in of strategic planning and performance-based budgeting by 2011-2012. The following departments are operating under the mandates of the Accountability Act: the departments of Revenue, Safety, Environment and Conservation, Human Services, Agriculture, Finance and Administration, Correction, Economic and Community Development, and Transportation. The following additional agencies are scheduled to submit performance-based budgets in 2008-2009: Education, General Services, Military, Labor and Workforce Development, and Commerce and Insurance. Following is the annual timetable for planning and budgeting.

Function	Participants	Schedule
Preparation of Strategic Plans	Departments and Agencies Budget Division	April May June
Planning and Estimation	Budget Division Departments and Agencies	July August September
Preparation of the Budget	Budget Division	October November December January
Legislative Deliberation	General Assembly	February-May
Budget Execution	Budget Division Legislative Committees Departments and Agencies	July-June
Legislative Review	Departments and Agencies Commissioner of F&A Governmental Accountability Commission Finance Committees	Following Year January-May
Performance Review	Comptroller of the Treasury	Following Year July-June

## Preparation of Strategic Plans

Each agency submitting a performance-based budget has also submitted a strategic plan. Each spring, the staff of the Division of Budget issues guidelines to state agencies regarding the strategic planning process. The guidelines are based on the requirements of the Governmental Accountability Act and provide direction as to the content and format of the strategic plans. After the plans are submitted to the Commissioner of Finance and Administration, the commissioner is authorized to review, revise, and approve strategic plans and program performance standards and measures. The Commissioner of Finance and Administration has the responsibility to evaluate the validity, reliability, and appropriateness of each performance measure and standard and how the strategic plan and the performance measures are used in management decision-making and other agency processes.

The Commissioner of Finance and Administration must submit the Agency Strategic Plans document to the Governor and the General Assembly by September 1.

## Planning and Estimation

Immediately after a new fiscal year begins each July, the staff of the Division of Budget begins making plans for the budget that will be considered by the General Assembly for the subsequent fiscal year. These plans include designing and updating the forms and instructions used by departments and agencies in presenting their budget requests to the Division of Budget.

Budget law, as amended by the 2002 Governmental Accountability Act, directs that, in addition to performance measures and standards, certain other performance-based budget information be included in agency budget requests. This includes identification of program clients, the purpose of each program or client benefits, program costs and funding sources, fee collections and the adequacy of fees to

support the program, assessment of whether each program is conducive to performance-based budgeting, and assessment of the time needed to develop meaningful performance measures.

### **Preparation of the Budget**

The Governmental Accountability Act amended budget law to require that performance-based budgeting agencies include in budget requests the program performance standards and measures, as reviewed and revised by the Commissioner of Finance and Administration. These standards and measures are the ones included in the Agency Strategic Plans document. After budget requests are submitted, the program performance measures, along with other strategic plan and budget request information, will assist staff of the Budget Division in analyzing agency budget requests.

In reviewing budget requests and transmitting the budget document to the General Assembly, the Governor, with assistance of the Commissioner of Finance and Administration, may revise, add, or delete performance measures and standards as the Governor deems necessary.

### **Legislative Deliberation**

The General Assembly retains authority for final approval of performance standards and measures through the general appropriations act.

### **Performance-Based Budget Execution**

When passage of the appropriations bill is complete and it is signed or enacted into law, the execution of agency performance-based budgets begins.

Annually, at the time the enacted budget (called the “work program” in budget law) is established, agencies may request adjustments to the performance measures and standards, based on changes in the program appropriations during the enactment of the general appropriations act. These adjustments require the approval of the Commissioner of Finance and

Administration, who must maintain the official record of adjustments and must report adjustments to the chairmen of the Senate and House Finance, Ways and Means committees. The law provides that agencies themselves may not change the performance measures.

During the fiscal year, modifications to program performance standards and measures are allowed if an agency is required to modify its operations because of (a) court action resulting in a restraining order, injunction, consent decree, or final judgement; (b) law or executive order; and (c) additional federal or other funding.

All adjustments to performance standards and measures during the year also are subject to approval of the Commissioner of Finance and Administration, who must report the changes to the chairmen of the Senate and House Finance, Ways and Means committees.

As enacted in 2002, the Governmental Accountability Act continues the Tennessee tradition of strong executive management of the line agencies, begun with the Governmental Reorganization Act of 1923, and strong executive budget development and budget management responsibility, begun with the budget law of 1937. At the same time, the 2002 act continues the prerogative of the General Assembly to alter agency plans and executive recommendations through the Appropriations Act and to alter policy and exert oversight through the legislative and performance review processes.

### **Legislative Review**

The General Assembly has final approval of all strategic plans, performance measures, and standards through the General Appropriations Act.

Beginning in fiscal year 2005-2006, the Commissioner of Finance and Administration must evaluate annually each performance-based agency’s compliance with its strategic plan and performance measures and report to the Finance, Ways and Means committees of the Senate and House of Representatives on this subject.

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## Performance-Based Budget

The report is to be made at a time that will allow the finance committees to consider the performance report while they are considering the General Appropriations Bill.

To further assist the General Assembly in review of agency performance, the 2002 public act created the Governmental Accountability Commission. It is comprised of officials who hold office by legislative appointment. They are the Comptroller of the Treasury, who serves as chairman; the Executive Director of the Fiscal Review Committee, who serves as vice chairman; and the Director of the Office of Legislative Budget Analysis, who serves as secretary of the commission.

Following the performance report by the Commissioner of Finance and Administration, the Governmental Accountability Commission is to review the commissioner's report and submit to the finance committees its written comments on the commissioner's report. The Accountability Commission also may make recommendations to the finance committees

on the performance of agencies; the reasonableness of performance standards and measures recommended in the budget document for the performance-based agencies; and on other strategic plan and program performance matters.

### **Comptroller's Performance Review**

Aside from executive and legislative review of agency strategic plans and program performance, the 2002 public act provides that each state agency is subject to performance review of its activities by the Comptroller of the Treasury. This provision grants discretion to the Comptroller to determine the matters to be reviewed related to the manner in which the state agency is delivering services and achieving objectives.

This performance review, according to the law, will at least include consideration of the efficient use of state and federal funds, additional non-state revenue or cost savings that could be achieved, and the extent to which strategic plan objectives are achieved.

# Basis of Budgeting and Accounting

## Budgeting Basis

The annual budget of the State of Tennessee is prepared on the modified accrual basis of accounting with several exceptions, principally the effect of encumbrance and highway construction contractual obligations. Unencumbered appropriations lapse at the end of each fiscal year, with the encumbered appropriations being carried forward to the next year. Most revenue collection estimates are presented on a modified accrual basis, consistent with the basis of accounting explained below.

The law requires the Governor to present his proposed budget to the General Assembly annually. The General Assembly enacts the budget through passage of a general appropriations act. This act appropriates funds at the program level. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to legislative override. Once passed and signed, the budget, in the form of the Appropriations Act, becomes the state's financial plan for the coming year.

Budgetary control is maintained at the program level by the individual departments and agencies, acting in conjunction with the Department of Finance and Administration. The latter has a Division of Budget and a Division of Accounts to execute budgetary controls. The Budget Document details the separation between payroll and operational funds by program. Any movement of funds between the payroll and operational funds requires approval and a revision to the budget by the Budget Division on behalf of the Commissioner of Finance and Administration and the Governor. Other budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, require certain executive and legislative branch approval, pursuant to law. This is discussed in detail in the "Budget Process" subsection. With proper legal authority, the Division of Budget, acting on behalf of the Governor and Commissioner of Finance and

Administration, may execute allotment (or budget) revisions. The line agencies may not make these revisions themselves. In Tennessee, as in other states, appropriation of funds is a legislative power, not an executive power. No expenditures may be made, and no allotments increased, except pursuant to appropriations made by law.

For Budget Document purposes, all funds are classified as **General Fund** except for the Department of Transportation (Transportation, or Highway, Fund), Capital Outlay (Capital Projects Fund), Facilities Revolving Fund, Debt Service (or Sinking) Fund, and Cities and Counties – State-Shared Taxes (Local Government Fund). The Education Trust Fund, including the Lottery for Education Account, for which state tax revenues are estimated separately, is included in the General Fund in the presentation of the Budget Overview, although a separate fund balance statement for this fund is included in the "Financial Statements" section of the Budget Document.

The presentation of all the operating budgets within the **General Fund** in the Budget Document, except for Transportation, is done for ease of budget presentation and understanding. In the Budget, revenue estimates for Special Revenue, Internal Service, and Enterprise Fund programs, funded by dedicated revenues, are included in the state tax revenue and departmental revenue estimates in the General Fund, as are those programs' expenditures.

**Special Revenue Fund** programs reflected in the General Fund in the Budget Document are:

- Wildlife Resources Agency
- Boating Safety
- Wetlands Acquisition Fund
- Wetlands Compensation Fund
- Tennessee Regulatory Authority
- Criminal Injuries Compensation
- Agricultural Resources Conservation Fund
- Grain Indemnity Fund



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## Basis of Budgeting and Accounting

Certified Cotton Growers' Organization Fund  
Agricultural Regulatory Fund  
Local Parks Acquisition Fund  
State Lands Acquisition Fund  
State Lands Acquisition Compensation Fund  
Used Oil Collection Program  
Tennessee Dry Cleaners Environmental Response Fund  
Abandoned Lands  
Hazardous Waste Remedial Action Fund  
Underground Storage Tank  
Solid Waste Assistance  
Environmental Protection Fund  
Sex Offender Treatment Program  
Small and Minority-owned Business Assistance Program  
Job Skills Fund  
911 Emergency Communications Fund  
Real Estate Education and Recovery Fund  
Auctioneer Education and Recovery Fund  
Motorcycle Rider Education  
Driver Education  
C.I.D. Anti-Theft Unit  
Board of Professional Responsibility  
Tennessee Lawyers Assistance Program  
Continuing Legal Education  
Help America Vote Act.

**Internal Service Fund** programs reflected in the General Fund in the Budget Document are:

Capitol Print Shop  
Risk Management Fund  
TRICOR  
Office of Information Resources  
Division of Accounts  
Postal Services  
Motor Vehicle Management  
Printing  
Purchasing  
Records Management  
Central Stores  
Food Services Program.

**Enterprise Fund** programs reflected in the General Fund in the Budget Document are:

Tennessee Housing Development Agency

Property Utilization  
Child Care Facilities Fund  
Client Protection Fund.

In the "Budget Overview," **Education Trust Fund** programs are presented in the General Fund, although the tax apportionments for the Education Fund are separately estimated. This, again, is done for ease of presentation and understanding of the budget. It also is done because the taxes earmarked and apportioned to the Education Fund are less than the Education appropriations, requiring General Fund tax support for Education programs.

The programs in the Education Trust Fund are: (1) Department of Education (K-12), including general-source programs and the dedicated-source After-School Programs Special Account, funded by 100% of unclaimed lottery prizes; (2) Higher Education, including state appropriations for the University of Tennessee, the State University and Community College System (Board of Regents), and the Foreign Language Institute; and the dedicated-source appropriation in the Lottery for Education Account; and (3) all funding sources for programs of the Higher Education Commission and the Student Assistance Corporation.

In the Budget Document, certain institutional revenues for the two university systems are estimated. These include unrestricted educational and general revenues (E&G), and auxiliary enterprise funds. Examples of unrestricted E&G funds are student tuition and fees; unrestricted state, federal, local, and private gifts, grants, and contracts; local appropriations; and sales and services related to academic programs. Restricted funds are not reflected in the Budget Document.

Although presenting the operating budgets in this consolidated fashion makes the budget easier to understand, the Comprehensive Annual Financial Report (CAFR) does deal with all of the Special Revenue and other funds as separate from the General Fund. The Division of Accounts provides that document to the General Assembly and the public.

## Accounting Basis

*(From Division of Accounts, Comprehensive Annual Financial Report)*

The financial statements of the State of Tennessee are prepared in conformity with generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board (GASB). These principles require that the financial statements present the primary government and its component units, or the entities for which the government is considered to be financially accountable. Component units are discretely presented in a separate column in the government-wide financial statements to emphasize legal separation from the primary government.

In the government-wide financial statements, the financial activities of the state are reported as governmental or business-type activities. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

In the fund financial statements, the state's major **governmental funds** include:

**General Fund** – used to account for all financial transactions not required to be accounted for in other funds;

**Education Fund** – used to account for revenues and expenditures associated with programs involving the Department of Education and Higher Education. Funding is provided primarily from the dedicated sales and services taxes and federal monies received from the U.S. Department of Education. Net education lottery proceeds and 100% of unclaimed lottery prizes fund higher education scholarships and K-12 education pre-school, early childhood education, and after-school programs.

The state's non-major **governmental funds**, reported in a single column, include:

**Highway Fund** – used to account for revenues and expenditures associated with the Department of Transportation. Funding is provided from dedicated highway user taxes and funds received from the various federal transportation agencies.

**Special Revenue Fund** – used to account for specific revenues earmarked to finance particular or restricted programs and activities;

**Debt Service Fund** – used to account for the payment of principal and interest on general long-term debt;

**Capital Projects Fund** – used to account for the acquisition or construction of all major governmental capital facilities; and,

**Permanent Funds** – used to account for legally restricted funds where only earnings, not principal, can be spent.

All of the governmental funds are accounted for on the modified accrual basis of accounting. Under this basis, revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are typically recorded only when payment is due.

Sales taxes, petroleum and vehicular related taxes and fees, and gross receipt taxes are considered to be available if received in the first 60 days of the new fiscal year. Federal grants, departmental services, and interest associated with the current fiscal period are all considered to be available if received in 12 months. All other revenue items are considered to be measurable and available only when cash is received by the state.

Encumbrances for supplies, equipment, and construction are reported in the year the order is placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes. Encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent year expenditure.

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## Basis of Budgeting and Accounting

The state's **proprietary fund** financial statements include:

**Enterprise Funds** – used to account for the operations of self-sustaining state agencies providing goods or services to the general public on a user-charge basis. Two of these funds are considered major funds – Sewer Treatment Loan Fund and Employment Security Fund. Non-major funds are reported in a single column.

**Internal Service Funds** – used to account for services provided to other departments or agencies of the state or other governments, on a cost reimbursement basis. These funds are reported in a single column.

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The state's **fiduciary funds** financial statements include:

**Pension Trust Fund** – used to account for the activities of the state-administered retirement system;

**Employee Benefit Trust Fund** – used to account for the funds contributed by employees under the IRC Section 125 cafeteria plan;

**Investment Trust Fund** – used to account for the activities of the state-sponsored external investment pool;

**Private-Purpose Trust Funds** – used to report trust arrangements under which the principal and income benefit individuals, private organizations, or other governments; and,

**Agency Funds** – used to account for amounts held in custody of others.

Fiduciary fund types are used to account for resources legally held in trust. The fiduciary funds are accounted for on the accrual basis of accounting, except for agency funds, which do not recognize revenues and expenditures and do not present the results of operations.

**Discretely presented component units** include:

Tennessee Student Assistance Corporation  
(TSAC)

Community Services Agencies

Tennessee Certified Cotton Growers'  
Organization

Tennessee Housing Development Agency

Tennessee Local Development Authority

Tennessee State Veterans' Homes Board

Child Care Facilities Corporation

Tennessee State School Bond Authority

Tennessee Board of Regents

University of Tennessee Board of Trustees

Tennessee Education Lottery Corporation.

# Tennessee Program History



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## Education

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### *K-12 Education*

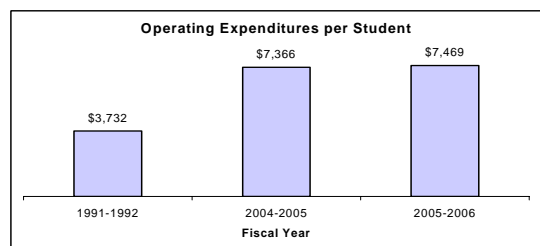
In 1992, the state made a significant commitment to improve K-12 public education. The funding formula established by the 1992 Education Improvement Act is called the Basic Education Program (BEP). Educational components are divided into three categories: instructional, classroom, and non-classroom. The instructional category includes items such as teachers' salaries and related benefits. The classroom category includes items such as instructional equipment, supplies, materials, and textbooks. The non-classroom category includes such items as transportation, superintendents' salary, construction, maintenance, and operations. On average, the state funds 65 percent of the instructional category, 75 percent of the classroom category, and 50 percent of the non-classroom category.

Since 1991-1992, over \$2.15 billion in new recurring funds will have been invested in the BEP as of 2007-2008.

During the 2004-2005 fiscal year, a fundamental change to the BEP formula was made to address funding for instructional positions. These funds (\$35 million) addressed the State Constitutional issue of teacher salary equalization pursuant to the Tennessee Supreme Court's decision in "Tennessee Small School System, et al v. Ned Ray McWherter, et al" ("Small Schools III"). The BEP instructional salary

component was originally set at \$34,000, up from the 136-system starting average of \$28,908, and has since been increased to \$36,515. The Commissioner of Education prepared a revised state minimum salary schedule (BEP Salary Schedule) to complement the distribution of these additional instructional salary funds. The process includes an annual review to provide an early warning of salary disparity among school districts and to review the cost-driven salary component. The plan directed funds to the lowest-paying systems. An estimated 122 systems with 48,600 teachers received new instructional salary dollars through the BEP funding formula. A hold-harmless provision insured that no system received less BEP instructional salary funding than received during the 2003-2004 fiscal year. After implementation, Tennessee's average instructional salary increased above the Southeast average.

According to the Department of Education's 21st Century Schools Report Card, between 1991-1992 and 2005-2006, average expenditures per student grew from \$3,732 to \$7,469, an increase of 100.13%. Student enrollment in Tennessee's schools has grown by 12.83% in the same time period.



## ***Higher Education***

Tennessee higher education is a vast and diverse enterprise comprised of 22 two- and four-year institutions enrolling over 200,000 students and 27 technology centers that serve approximately 17,500 students. Offering degree options ranging from technical certificates to PhDs, the system is focused on serving the educational and workforce needs of the State of Tennessee. As the State of Tennessee transitions into the new economy of the 21<sup>st</sup> century, its institutions of post-secondary higher education are faced with a variety of challenges. The state anticipates significant demand for enrollment growth over the next few years, both in terms of traditional and non-traditional students. Furthermore, many of the new jobs being developed in Tennessee will require a college degree or training for expanding technologies.

In order to remain competitive in the new economy, Tennessee must encourage more people to earn a post-secondary degree. Only 19.6% of Tennesseans over the age of 25 have a college degree, compared with the national average of 24.4% and the southern average of 22.4%. Baccalaureate degree attainment varies widely by county, from a high of 44.4% in Williamson County to a low of 5.4% in Lake County. A college education is important to the individual, as well as society, because of the difference in income realized through education and the benefits accrued to society from a better-educated populace. According to 2000 census data, a person with a bachelor's degree has an average annual income of \$51,644, compared with \$27,975 for a person with a high school diploma. The difference in income will result in financial benefits to society through increased spending in the economy and through increased revenues to the state. In addition, a better educated workforce will help in recruiting industry, as companies require

highly skilled workers who can be used in today's high-tech economy.

Spending on higher education can be viewed as an investment with solid returns to the individual, the business community, and the state. While the state has remained diligent in its support for higher education, this support has been tempered by an uncertain funding environment.

During 2006, the Tennessee Higher Education Commission completed its strategic planning process for 2005-2010. Through a focus on collaboration and partnerships, the *2005-10 Master Plan for Tennessee Higher Education* creates a broad-based public agenda that balances state and campus priorities and expands the role of higher education in improving the quality of life for all citizens.

The underlying policy intent of the higher education master plan is to develop:

- Partnerships for access that focus on the human capital aspects of increasing educational attainment levels. If the state is to move forward in the Knowledge Economy, it must make greater strides to ensure that more Tennesseans participate in higher education.
- Partnerships for student preparation that create an invigorated system from primary education through the attainment of a college degree. These partnerships work to ensure that all students are prepared for post-secondary education and eventual entry into the workforce.
- Partnerships for affordability through the construction of funding and finance policy that ensures that all students are able to participate in higher education. Given the tacit funding shift from state

support to student fees, the Plan places greater attention/emphasis on the promotion and expansion of need-based financial aid programs. Furthermore, it encourages system level affordability through the broad utilization of community colleges and technology centers as enhanced access options for Tennesseans, especially for non-traditional students, while concurrently working to strengthen and promote student transfer and articulation.

- Partnerships for affordability through the partnerships for educational excellence that enable the state to become more competitive in the national market for sponsored research dollars. Through the creation of targeted funding to enhance mission specific research initiatives, the Plan encourages institutions to attract world-renowned faculty, encourage economic and community development, and enhance teaching and research activities.

The broad areas of focus articulated in the 2005-2010 master plan provide a vision for Tennessee higher education that enhances and expands the role of our colleges and universities in economic and community development, knowledge creation, job growth, and public health.

In 2004-2005, lottery-funded scholarships became a resource for Tennessee students seeking higher education. The Tennessee lottery began operations on January 20, 2004. Lottery proceeds fund scholarships for Tennessee students attending public or private colleges or universities across the state. Graduating high-school seniors must have a 3.0 grade point average or score a 21 on the ACT in order to receive up to \$3,800 in scholarship funds per academic year. The Budget proposes to raise the award to \$4,000 in 2007-2008. Additional support is available for high-school students with outstanding academic credentials and those from low-income families. Once in college, students must have a 2.75 GPA after the first 24 credit hours and maintain a 3.0 cumulative GPA after each 24-hour benchmark. In addition to scholarships, lottery-funded grants are available to students attending technical schools.

Through implementation of these and other associated policy initiatives, higher education is poised to meet the educational and workforce needs of Tennessee.

Through strategic redirection of students and resources, higher education will continue to develop one of the state's most under-utilized resources, the inherent human capital potential of its citizenry.

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## ***Economic Opportunity***

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### ***Economic and Community Development***

Leading companies from around the world are discovering the advantages of doing business in Tennessee. With our prime geographic location, skilled workforce, outstanding transportation network, and pro-business environment, Tennessee has earned a solid reputation as a premier business location. From the automotive industry to

technology development, to printing and publishing, to warehousing and distribution, our diverse business base speaks volumes as to the wealth of economic and lifestyle advantages and opportunities that, quite simply, help companies build better products more efficiently in Tennessee.

Tennessee's bright business climate, along with quality of life and cultural diversity, offers companies more options than ever.

Tennessee remains committed to enhancing community quality of life and increasing family income by creating better-paying, higher-skilled job opportunities with a future. The state engages in the following activities to accomplish these goals:

***On the FastTrack*** — Tennessee's FastTrack initiative guarantees a complete response to business inquiries regarding job growth within three days. Each agency in the Governor's Jobs Cabinet, in addition to the Department of Revenue, has a designated FastTrack representative. The representative works closely with the Department of Economic and Community Development (ECD) to help respond to businesses seeking information on possible building sites and locations, job training programs, infrastructure development, and other needs. ECD is further committed to tailoring job training programs for businesses within five business days after receiving details from a business on its training needs and commitment to invest in new jobs.

***Business Development*** — Business Development provides the assistance communities and employers need to attract, retain, and increase jobs in Tennessee. New and existing businesses of all sizes and types are engaged with a one-on-one, customer service methodology. Emphasis is placed on handling business inquiries at the speed of business, not bureaucracy. Recruiting and retention efforts have been re-tooled to increase response and success. The department works with a network of organizations statewide to help assure the success of new and existing business and to encourage their expansion. The approach to business development has been refocused to enhance job development activities on the regional level by networking community-based resources. Business and industry recruitment and retention occurs both domestically and internationally. Business

Development activities include:

- Providing prospects with a general or prospect-specific packet with information on taxes, transportation systems, labor statistics, and environmental regulations and incentives.
- Initiating a strategic, research-based approach to identifying and recruiting new job creation prospects. Research will be used to identify high growth industry targets for generating prospect leads.
- Coordinating community efforts to develop a more regionally based approach to job development and economic growth.
- Tracking and recommending available facilities or industrial sites to prospects.
- Expanding international recruitment. Foreign investment plays a vital role in the creation of jobs for Tennesseans. Japan is Tennessee's largest foreign investor. There are also a large number of Canadian and European companies located in Tennessee. ECD maintains offices in Tokyo, Toronto, and Duesseldorf and in the Republic of China in 2007.
- Working with communities and regions to provide industrial infrastructure and financial support on issues like water, sewer, and rail sidings, the FastTrack Infrastructure Development Program (FIDP), formerly Tennessee Industrial Infrastructure Program (TIIP), serves as an incentive in the process of encouraging private sector firms to locate or expand their financial investments in Tennessee.

- Establishing a Creative Services section, which provides in-house creative services for the marketing programs of ECD and other state agencies. Expenses have been reduced, as well as the turn-around time associated with the development of marketing information.

***Business Services*** — Business Services assists in the establishment and growth of small, rural, minority- and women-owned businesses through the provision of technical assistance, consultation, and educational programs. It also administers financial resources to support training needs of industry and other business either locating in Tennessee or expanding or needing to retrain in order to retain employees. Business Services activities include:

- The Business Enterprise Resource Office (BERO) facilitates the resources needed in assisting small, rural, minority- and women-owned businesses in growth and business development.
- BERO produces a small business information guide; facilitates business to business matching through advocating for and connecting small manufacturers with larger companies and government agencies; creates a manufacturers' resource directory that includes grants and financial information; and coordinates with federal and local government agencies, trade associations and community organizations to assist small business.
- BERO has formed partnerships with the new Governor's Office of Diversity Business Enterprise to help small, minority- and women-owned businesses compete for public and private sector contracts on goods and services.
- BERO coordinates with the Tennessee Small Business Development Center

network, which provides entrepreneurs and small business owners with easily accessible counselors in 14 center locations statewide to assist them in starting and growing their small businesses.

- The FastTrack Job Training Assistance Program is the primary source of financial support for new, expanding, or retooling business and industry training needs. With the state's network of educational facilities serving as prime delivery agents, blended with the company's staff and other vendors, FastTrack works directly with the company to develop and implement the necessary skills and knowledge training programs.
- The Tennessee Job Skills Program provides training grants to eligible businesses. This program is required to primarily serve existing businesses wanting to expand or needing to retrain workers to retain their workforce.

***Community Development*** – Community Development works with Tennessee communities to prepare and compete for economic development and to improve community quality of life.

- The Three-Star Program encourages and recognizes communities for their community development efforts. In the face of increased competition for new job growth and job retention challenges, new Three-Star criteria and performance measures have been established to encourage communities to work even harder at local development and planning. A primary requirement is for each community to develop an asset-based strategic plan. Communities achieving levels of success in the program are eligible for Three-Star grants, earn additional points for community development and FastTrack



grant applications to ECD, and receive lower match requirements on these grants.

- The Tennessee Main Street Program provides assistance to communities revitalizing their downtown and central business districts, both of which are vital components of economic development and job growth. To qualify as a Main Street Community, cities must meet specific performance standards, including public and private financial support for the revitalization process and agreeing to historical preservation.
- The Energy Division promotes economic growth by helping businesses and government organizations improve energy efficiency through education, special projects, and low-interest loans. "Clean Cities" is a new initiative to promote and support the use of alternative fuels. Local Planning Assistance provides comprehensive planning and community development services through contracts with over 200 cities and counties across the state. Planning services include: preparation of zoning ordinances; development of subdivision and mobile park regulations; and advising localities on the enforcement of local, state, and federal regulations.

### ***Tourist Development***

The travel and tourism industry is an important factor in Tennessee's economy. Based on a 2005 study by the Research

Department of the Travel Industry Association of America, domestic and international travelers to Tennessee annually spend more than \$12.4 billion. As a result of spending by travelers, tourism provides jobs for over 178,000 Tennesseans, and tax revenues for state and local governments totaling over \$977.7 million. Approximately 48.9 million people visited Tennessee in 2005, making Tennessee one of the nation's most popular destinations.

Because of the jobs and tax revenues produced by tourism, national and regional competition for tourism continues to be high. In order to increase its share of tourist dollars, Tennessee must aggressively market and promote the state's tourism assets. Some of the Department of Tourist Development's marketing services include national broadcast and print advertising campaigns and direct sales programs targeted at group tour companies, travel agents, and the international travel market. In addition, the department makes co-op advertising opportunities available to the tourism industry, provides public relations and marketing assistance through our three regional offices, promotes Tennessee to the media and national travel press, provides a News Bureau service to promote and place stories about Tennessee in both the print and broadcast media, develops and maintains a Tennessee travel website that promotes Tennessee as a travel destination, and develops Tennessee vacation and travel publications that are distributed to customers. The department also operates the state's 13 welcome centers, which provide literature, information and reservations to the millions of travelers who visit Tennessee.

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## ***Children***

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It is the responsibility of the Department of Children's Services (DCS) to provide services to children either in the custody of

the state, or at risk of entering custody, as well as their families. These services include protection from abuse and neglect,

care for children who cannot remain in their own home, stabilization and preservation of families, and the rehabilitation of delinquent youth through residential or community-based treatment. In instances where children cannot stay in or return to their homes, the department strives to provide a nurturing environment through permanent placement with relatives or through adoption.

The department is comprised of three major sections, Protection and Prevention, Juvenile Justice, and Administration and Training.

### ***Protection and Prevention***

The department's primary responsibility is always to protect children from abuse and neglect. In order to uphold this responsibility, DCS investigates reports of abuse and neglect, working with families to resolve issues that may threaten the safety or well-being of children. DCS also works to maintain children in their own homes whenever safe and appropriate.

The department is also responsible for providing care for children who cannot remain in their own homes. This includes temporary out-of-home care for children whose safety is in jeopardy in their own homes. The department works with families and other involved parties to achieve permanency and stability in the child's living situation. When it has been determined that a child cannot safely return home, the department strives to provide a nurturing permanent home through placement with relatives, friends, or adoption.

**Office of Child Safety** — The Office of Child Safety is responsible for the protection of children from abuse and neglect. This office investigates reports of abuse and neglect, identifies risk factors and works with families to resolve issues that

may threaten the safety or well-being of children. The following are programs housed in the Office of Child Safety:

**Child Abuse Prevention Grants** - Child Abuse Prevention (CAP) grants awarded to outside agencies provide funding to programs that offer prevention services through education, counseling, and parenting skills training to high-risk populations as well as to the community as a whole. These programs include early prevention services to first-time parents, teen parents, disabled parents, parents of disabled children, and parents who were abused as children.

**Family Functional Assessment** - Children and their families are assessed around issues such as safety, well-being, permanency and resource availability. After this assessment and initial investigation, the child and family are then referred to the appropriate services. This assessment is intended to be ongoing and shall include all children in the family in order to best identify that family's strengths and needs.

**Intake and Investigations** - The Intake and Investigations division strives to protect children whose lives or health are jeopardized because of abusive acts or negligence. Investigations are completed by the Child Protective Services unit (CPS); whereas, the state's Centralized Intake Unit receives and screens reports of abuse and neglect.

Child Protective Services includes the following: investigating referrals of child abuse and neglect, identifying the risk factors that contributed to the abuse or neglect, linking families to appropriate resources to reduce risks, evaluating the success of the intervention, and either continuing services or closing the case, as is appropriate for the child and family.

In the 2002-2003 fiscal year, the department began the implementation of the central intake system for receiving and screening referrals of abuse and neglect. Statewide implementation was completed in fiscal year 2004-2005.

**Family Preservation** – The Family Preservation program provides in-home services in order to preserve or reunify families in cases where a child has been in custody or is at-risk of coming into custody.

**Office of Child Permanency** — It is the responsibility of the Office of Child Permanency to ensure the provision of adoption, foster care, and permanency planning services to children and families throughout Tennessee so that every child in state custody returns to his or her own family or becomes a member of a new family as quickly as possible. The following are programs housed in the Office of Child Permanency:

**Child Placement and Private Providers** - The mission of the Child Placement and Private Provider division is to forge an open, honest and collegial partnership between private provider agencies, field staff, and other relevant DCS divisions that are critical for the effective and efficient delivery of services to children. This division is a conduit through which residential services are coordinated and supported in a manner that maximizes the benefits to children.

**Foster Care and Adoption** - The Foster Care and Adoption division develops policy and oversees services aimed at providing training and ongoing support for resource parents (relatives or non-relatives) and custodial caregivers to assist them in meeting the unique needs of children and youth in state custody. This division assures that DCS uses a model of resource parenting consistent with the DCS Practice Model. This model encourages resource parents to

support birth families and encourage reunification, provide a nurturing and stable placement for children in state custody, and offer or assist in finding a permanent family relationship for children who are not able to return to their own parents. They also oversee the development of effective and child-focused placement practices and perform centralized operations that are necessary to support and maintain resource homes for children. This division strives to support the efforts of resource families caring for children in the state's custody while working to achieve permanency for each child in care.

**Adoption Services** offers child-focused services based on the philosophy that every child has the right to a loving, nurturing family as well as a safe environment. Some of the children served have significant physical, emotional or educational challenges. Most range from early school-age to teenage years. Some have one or more siblings.

**Permanency Planning and Clinical Practice** - The mission of the Permanency Planning and Clinical Practice division is to model, coach and employ clinical decision making in all aspects of child welfare practice. This division has the primary responsibility for supporting the implementation of the Child and Family Team Meeting (CFTM) process. The CFTM is the primary tool for making all placement decisions for and with children and ensuring timely permanency for children. This division is also responsible for supporting timely permanence for children in the custody of the state and those at risk of state custody.

**Resource Family Recruitment Division** - The mission of the Resource Family Recruitment division is to ensure all children in state custody have the option to be placed in family-like settings and develop statewide pools of resource parents who reflect the type of children in care

through engaging diverse communities in a respectful partnership, and the communities from which these children come.

This division is also responsible for providing support, information, guidance, training, coordination and oversight of residential services to ensure an adequate supply of residential resources are delivered expeditiously and efficiently.

**Office of Child Well-Being** — It is the responsibility of the Office of Child Well-Being to oversee various ancillary services for children in DCS custody as well as those at-risk of coming into, or returning to, custody. This office also provides children with appropriate services to meet their educational, physical and mental health needs. The following are programs housed in the Office of Child Well-Being:

**Educational Services** - The Educational Services division of the department oversees education services for students in state custody who reside in youth development centers (YDCs) or DCS group homes. It is recognized by the Tennessee Department of Education as a Local Education Agency (LEA) for the schools in these facilities. In addition, Educational Services, primarily through its regional Education Specialists, provides technical assistance to contract facilities with on-site schools. Staff working in this division also advocate for students in state custody who attend public school.

**Family Crisis Intervention Program** - Through the Family Crisis Intervention Program (FCIP) youth who are at risk as a result of a status offense (e.g., running away from home, truancy from school, acting beyond the control of their parents) have an opportunity to work with their families to resolve problems while they remain at home. If children and families are unable to resolve their issues after FCIP services, their case is referred to court for further intervention.

**Independent/Transitional Living Program** - The purpose of the Independent/Transitional Living Program is to build a network of relevant supports and services for participating youth. This network is designed in such a way that these youth will have ongoing connections with a caring adult, be productive individuals within their community, obtain and maintain employment, as well as obtain educational goals. Under this program, participating youth may receive financial assistance and skills training, as well as other resources to facilitate their transition to adulthood.

**Kinship Support Network** - The Kinship Support Network was developed to address the need for supportive services to caregivers of related children outside the formal system. The primary purpose of the program is to provide relative caregivers and the children in their care support in order to prevent the children from entering state custody. This program also supports children and families after children exit to custody of relatives in order to prevent re-entry into the formal child welfare system.

**Medical and Behavioral Health** - The Medical and Behavioral Health Services division is responsible for reviewing and overseeing the implementation of policies, procedures and practices related to the medical and behavioral health care of children in the care and custody of the DCS. This division oversees practice and policy change concerning protection from harm issues, which include the use of psychotropic medication, as well as the use of seclusion and restraint methods for children in care.

This division also functions as the health advocacy area of the department and promotes improved access to medical and behavioral services for children in state custody or at risk of coming into state custody. This division serves as a liaison for other state agencies and TennCare

managed care organizations (MCOs) as well as behavioral health organizations (BHOs). It also aids in departmental implementation of compliance with TennCare issues and assists in developing policies and procedures related to health services for children in custody. Support and technical assistance to the regional health advocacy units is also accomplished through this division. Additionally, the division provides oversight of health services and technical assistance for the departmental residential treatment facilities and group homes as well as the YDCs.

### *Juvenile Justice*

The Office of Juvenile Justice is responsible for programs providing services to youth adjudicated delinquent in a juvenile court proceeding. Programs include probation and aftercare, the operation of five youth development centers (YDCs) for those who have committed serious offenses, and the operation of group homes that serve youth that have committed less serious offenses. This office is also responsible for the operation of an Observation and Assessment Center. The Office of Juvenile Justice, including staff in all 12 DCS regions and its residential facilities, serves approximately 9,000 youth annually in its probation, aftercare, and custodial programs. The following programs and services are housed in the Office of Juvenile Justice:

**Community Intervention Services** - The Community Intervention Services (CIS) program provides community-based intervention, treatment, and intensive probation services for delinquent youth and their families. The department contracts with service providers across the state to provide intensive probation services in the majority of Tennessee's 95 counties. CIS programs serve youth who would otherwise enter state custody due to delinquency or who have been released from custody.

**Community Residential Programs** - Through the Office of Juvenile Justice, DCS operates several community residential programs strategically located throughout the state. Community residential programs are minimum secure facilities designed for youth who have been evaluated and determined appropriate for community placement. The primary focus is to provide a structured program, which includes academics, community involvement and an individual program plan for eight youth. All youth are afforded the opportunity to re-integrate into their home community through the provision of counseling services, education, community services and actual work experience. A typical staffing pattern consists of a director, two case managers, seven DCS officers, and a food steward. Programs with an in-house education component are assigned a full-time teacher position.

**Intensive Aftercare Program** - The department contracts with two private agencies to provide intensive aftercare supervision in Knox and Madison Counties. The Exit Program is located in Knoxville and is administered by the Helen Ross McNabb Center. The Reunion Program is located in Jackson and is administered by Quinco Mental Health Center. These agencies make contact with youth while they are in state custody and support these youth as they return home. Intensive supervision is also provided upon their return home. Staff from these agencies serve as liaisons with educational programs and facilitate the delivery of mental health services. Both programs have helped to decrease the number of youth who return to the department's custody.

**Juvenile Court Grants** - There are three types of juvenile court grant programs: custody prevention, truancy prevention as well as child and family intervention. The 23 juvenile court-based grant programs target youth at risk of entering state custody

for delinquency as well as truancy or other status offenses. Each program strives to reduce the number of children committed to state custody, reduce the number of children with court charges or petitions filed against them and improve parent/family involvement.

Probation and Aftercare Services - Probation and Aftercare Services provide case management and supervision to youth who have been adjudicated delinquent and are living at home. These services include regular contact with the youth, their families, their schools and other involved agencies. Staff members help youth change behaviors and re-channel their energies into developmentally appropriate, legal activities.

Special Populations - The Special Populations Unit monitors placements at the First Hospital Corporation (FHC) in Chattanooga and Peabody Residential Treatment Center (PRTC). They also monitor placement at Taft Youth Development Center and emergency and standard mental health referrals to regional mental health institutes. The Special Populations Unit also deals with a specific segment of the Juvenile Justice population and primarily works with the mentally ill, mild mentally retarded juvenile justice population.

Youth Development Centers (YDC) - DCS operates five YDCs. Each is a hardware-secure, residential facility that provides

treatment for delinquent youth ages 13 through 18. Each student receives a comprehensive assessment upon admission and receives an individualized program plan to meet his/her needs. Each YDC provides a full program of education, pre-vocational training, medical services, recreational programs, self-help and independent living skills. Specialty services include therapy for a broad range of needs, alcohol and drug treatment programs, speech therapy, dental care and behavior management.

### ***Administration and Training***

The University Consortium - On October 1, 2004, DCS entered into a contractual arrangement with a 13-member university consortium. This group, the Tennessee Social Work Education Consortium (TSWEC), selected Middle Tennessee State University (MTSU) as the lead university and primary contractor for the consortium. MTSU established the Tennessee Center for Child Welfare as the home for the consortium and the site from which to launch their initiatives through the development, delivery and evaluation of professional development courses for DCS.

The TSWEC assists DCS with its mission of implementing family-focused, culturally responsive child welfare practice with children and families. The consortium is now responsible for training of the New Case Manager Certification Program to both new and current staff.

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## ***Public Health***

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### ***TennCare***

TennCare is the state's health insurance program for Medicaid-eligible and Medicaid-waiver-eligible citizens.

**1994** – The State of Tennessee submits a federal “demonstration waiver” to launch an innovative health care plan known as TennCare. The initiative is designed to expand Tennessee's Medicaid program by using managed care principles to deliver

health care to a larger number of people for the same amount of money. At the time of its launch in January 1994, TennCare had 12 managed care organizations (MCOs) and more than 800,000 enrollees who are eligible for Medicaid. Within the first 12 months, the program enrolls an additional 400,000 uninsured and uninsurable residents. By the end of the year, however, TennCare is struggling to manage financial commitments, enrollee volume, and information systems. Enrollment to the uninsured closes in December.

**1998** – TennCare is mired in legal difficulties. A series of “consent decrees,” or legal agreements entered into by the state beginning in the mid-1990s, make it increasingly difficult to control costs within the program. The most burdensome agreement, the Grier Consent Decree, places limits governing the denial of TennCare services to enrollees. A second agreement, the Rosen Agreed Order, affects the State’s ability to verify eligibility and later is used to force the reinstatement of thousands of Tennesseans who had been removed from the rolls. A third agreement, the John B. Consent Decree, requires the state to meet goals beyond federal law governing child health treatment and screening.

**1999** – TennCare is seriously ill – financially, legally, and administratively. An actuarial study reveals the program is underfunded by as much as \$290 million. Separately, revisions to the Grier Consent Decree effectively prevent the state from placing reasonable limits on the use of prescription drugs. At the same time, the managed care component of TennCare is collapsing. The total number of MCOs has fallen to nine. One organization, Xantus Healthplan, goes into court-ordered receivership and TennCare later terminates its contract.

**2002** – The state, in an effort to control rising costs, submits a new federal

demonstration waiver that relieves managed-care organizations of risk and establishes new eligibility criteria resulting in the removal of approximately 200,000 enrollees from the program. The new waiver comes amid continued deterioration of TennCare’s managed care network. Following the high-profile failures of Xantus Healthplan and another MCO, Access MedPlus, a third plan, Universal Care, is placed under administrative supervision and TennCare later terminates its contract as well. In November 2002 Phil Bredesen – a former Nashville mayor and former healthcare executive – is elected governor in part based on a promise to control costs in TennCare.

**2003** – Governor Bredesen is inaugurated in January and spends the first five months of his Administration working to resolve a budget crisis. In an effort to control skyrocketing drug costs, the state negotiates changes in the consent decrees that allow the state to implement a preferred drug list. Governor Bredesen is clear that if changes are not sufficient to bring TennCare into balance, he will seek further modification of the decrees. That summer, Governor Bredesen asks TennCare stakeholders – including BlueCross BlueShield of Tennessee and Health Corporation of America (HCA) – to fund an independent study to determine whether TennCare can be viable moving forward. McKinsey & Co., a global management-consulting firm, is hired to perform the assessment.

**2004** – In February, Governor Bredesen announces a sweeping series of TennCare reforms — including controls on pharmacy spending, cost-sharing with enrollees, and benefit limits — in a “last chance” effort to salvage the program. He warns substantive reform cannot be achieved unless the state gains relief from legal consent decrees and lawsuits by enrollee advocates. The strategy, designed to preserve full enrollment by reducing benefits for the

expansion population rather than cutting people from the program, is endorsed by stakeholders including TennCare enrollees, the Tennessee Medical Association, the Tennessee Hospital Association, the Tennessee Pharmacists Association, and the Children's Hospital Alliance of Tennessee. The reform package passes the General Assembly in May with overwhelming bipartisan support. Less than two weeks following passage of the legislation, enrollee advocates go to court in an effort to block the reform strategy. The state proceeds with its plan, submitting a new demonstration waiver to the federal government in September. In a final effort to gain relief from consent decrees, Governor Bredesen and former Governor Ned McWherter meet with the attorney for enrollees to ask for his cooperation. He declines, citing an unbridgeable philosophical difference. As a result, Governor Bredesen in November announces the state will reduce TennCare enrollment in a return to traditional Medicaid, but notes the decision can be reversed if the attorneys stand down from legal challenges. They agree to temporarily suspend portions of the consent decrees, but insist that most provisions remain in force and even threaten to bring new lawsuits challenging reform. Governor Bredesen says the threat of ongoing litigation makes reductions unavoidable.

**2005** – In January, the Governor announces the state is moving forward with TennCare changes under a plan that stops short of returning to Medicaid by preserving full coverage for children, and limiting benefits and reducing enrollment for adults. Despite the continued opposition of advocates, the state pursues the ability to manage the program by seeking legal relief from consent decrees. The state receives legal relief from the U.S. Sixth Circuit Court of Appeals in the Rosen case. The state also receives partial relief from the district court in the Grier case. This needed legal relief

allows the Governor to preserve coverage for 97,000 of the most vulnerable and needy TennCare enrollees. The Legislature appropriates the needed funds to continue coverage for the medically needy population at the Governor's request. The preservation of coverage for the medically needy is currently pending approval of the U.S. Centers for Medicare and Medicaid Services.

In addition to legal victories, TennCare implements many pharmacy reforms and returns the managed care companies to risk arrangements in 2005. For the first time in recent memory, TennCare's financial situation is stable and improving. With TennCare growth under control, the state will be able to make needed improvements in other important areas of government as well as healthcare infrastructure.

**2006** – TennCare awarded contracts to two new Managed Care Organizations in middle Tennessee, Amerigroup Corporation and United Health Plan of River Valley. Both MCOs accepted full risk contracts and will provide integrated mental and physical health services to a total of 170,000 enrollees. The full risk managed care model will allow greater emphasis on case management and disease prevention. The new MCOs will begin accepting enrollees April 1, 2007. TennCare consolidated all home and community based programs for seniors into the statewide program managed by the Commission on Aging and Disability. TennCare doubled the number of services available to participants enrolled in the Home and Community Based Services (HCBS) waiver program. The number of slots available in the statewide HCBS program was expanded to 3,700 representing the largest increase in the history of the HCBS program.

TennCare reform continued during 2006, resulting in unprecedented budget stability in the program. TennCare closed fiscal year



2005-2006 under budget that represented a significant savings from pre-reform estimates. Aggressive pharmacy utilization controls, expanding drug purchasing power, enrollment reductions and disease management programs helped to constrain budget growth. TennCare ended 2006 with 1,195,000 enrollees.

### ***Health-Care Safety Net***

The Health-Care Safety Net was established in 2005 to ease the transition of those persons losing TennCare coverage due to reform efforts and to assist those in need of medical care who were uninsured or who lacked financial resources to secure medical care. The state's ambitious TennCare program, an expansion waiver Medicaid program launched in 1994, had become financially unsustainable. TennCare changes preserved full coverage for children, pregnant women, and the medically needy, but resulted in approximately 177,000 adults losing coverage.

Legislation was passed in the General Assembly in June 2005 that appropriated \$105.8 million for the Health-Care Safety Net. These funds were augmented with an additional \$35.4 million contingency appropriation. No other state has appropriated resources of this magnitude to ease the transition of disenrollees from an expansion program of this type.

With the exception of expanding access to primary care, most programs put in place in calendar year 2005 were designed specifically for the disenrolled population. Going forward, it is anticipated that most safety net programs will phase out as new programs are initiated for the broader, uninsured population.

Moving quickly to implement the recommendations of the Health-Care Safety

Net task force and requirements of the safety net legislation, an inter-departmental team from the departments of Health, Mental Health and Developmental Disabilities, Commerce and Insurance, and Finance and Administration developed and implemented the safety net programs. Referral access hotlines, mail order and retail pharmacy assistance programs, and mental health services were in place by the end of July 2005. Within a few months, the pharmacy program had been expanded to include additional pharmaceutical assistance for insulin-dependent diabetics and those with severe and persistent mental illness (SPMI).

Additionally, grants had been disbursed to federally qualified health centers (FQHCs) and faith-based clinics to augment primary care resources for the uninsured.

As funds became available, the Health-Care Safety Net established programs for special needs populations among the disenrolled. In December 2005, the Governor announced that due to strong fiscal management, funds were available to allow the safety net to extend transitional assistance for disenrollees into calendar year 2006. Pharmacy assistance for disenrollees dually eligible for Medicaid and Medicare were extended to allow ample time to enroll in the new implementation of Medicare Part D, scheduled to begin January 1, 2006. All other disenrollees were extended assistance through fiscal year 2006-2007.

In fiscal years 2005-2006 and 2006-2007, there were four key components to the assistance offered by the safety net:

- Mental Health Safety Net
- Access to Primary Care
- Special Population Assistance
- Pharmacy Assistance.

***Mental Health Safety Net*** — Community Mental Health Agencies provide services for the SPMI, such as:

- Assessment, evaluation, diagnostic, and therapeutic activities
- Case management
- Psychiatric medication management
- Labs related to medication management
- Pharmacy assistance and coordination.

***Access to Primary Care*** — Access to primary care was expanded through:

- FQHC — Recurring grants were made to FQHC and FQHC “look-alikes” to expand access to primary care for all uninsured Tennesseans.
- Community health centers and faith-based clinics — Grants were made to community- and faith-based clinics to expand access to primary care for all uninsured Tennesseans.
- Essential Access Payments — Payments were set aside for hospitals to treat the uninsured.
- Physician Incentives — Through Safety Net funding, TennCare increased practitioner funding and increased the reimbursement level for evaluation and management codes for TennCare physicians.

***Special Population Assistance*** — The following special populations were provided assistance:

- Chemotherapy - Disenrollees who had been prescribed or were in the midst of a course of chemotherapy for cancer at the point of disenrollment.
- Transplants - Pharmaceutical assistance, doctor’s visits, and hospital stays for

disenrollees who received a solid organ transplant while on TennCare.

- Dialysis - Pharmaceutical assistance for dialysis patients through a grant to the National Kidney Foundation.
- Hemophilia - Assistance connecting disenrollees with hemophilia to specialty insurance coverage through a grant to the National Hemophilia and Bleeding Disorders Foundation.

***Pharmacy Assistance*** — A pharmacy assistance program was developed to help TennCare disenrollees as they transitioned off the program. This included:

- A formulary designed on a chronic disease model to provide more than 55 generic drugs available to disenrollees for free, through either mail order or retail pharmacy.
- An Express Access Drug Discount Card to provide all disenrollees with a discount of up to 10% off brand name drugs and 50% off generic drugs.
- Supplemental assistance for individuals with SPMI.
- Transition to the Medicare Drug Discount Card program for disenrollees who were eligible for Medicare were automatically enrolled into a Medicare-approved drug discount card plan, called Pharmacy Care Alliance (PCA).
- Assistance to disenrollees to apply for free or deeply discounted drug programs.
- A call center was established to answer disenrollee questions specifically related to programs for disenrollees or the broader uninsured population.

## ***Cover Tennessee Health Care***

Cover Tennessee, enacted in 2006, was developed to create health insurance options that are affordable and portable for the uninsured through four programs. CoverTN, AccessTN, and CoverKids provide health insurance to adults and children who are uninsured or uninsurable. CoverRx is a pharmacy assistance program for low-income adults without pharmacy coverage. In fiscal year 2006-2007, \$91.5 million was budgeted for Cover Tennessee, including \$22 million in federal funds. As these four programs are implemented in early 2007, the need for Health-Care Safety Net services is expected to decline as individuals take advantage of these four new programs.

***CoverTN*** — CoverTN creates a partnership between the state, small employers, and individuals to offer affordable, portable, basic health benefits for working Tennesseans who are uninsured.

***AccessTN*** — AccessTN provides a health insurance option for seriously ill adults who can afford health coverage, but have previously been turned down by insurance companies as uninsurable.

***CoverKids*** — Cover Kids creates a partnership between the state and federal government to offer health insurance to uninsured children in Tennessee.

***CoverRx*** — CoverRx expands the state's successful safety net program for affordable medication to other low-income Tennesseans.

***Looking Forward to Fiscal Year 2007-2008*** — The implementation of the Cover Tennessee programs in early 2007 will have a profound impact on the lives of those Tennesseans who were disenrolled from TennCare or simply have not had access to health insurance. The remaining

components of the safety net are funded with \$52.1 million in recurring funds to continue to build the health-care infrastructure that is needed throughout the state.

As some safety net programs are phased out, the funding for their operation has been shifted to the Cover Tennessee Programs. These new programs are designed to operate within budgetary limitations, serving only as many people as the budget can support.

The Governor's vision for Cover Tennessee includes three guiding principles:

- **Accessibility** – To make health coverage costs affordable options for children, the working poor, and the chronically ill.
- **Effectiveness** – To pay for basic care first, including preventive care, primary care, and generic drugs, and to pay for what works, including best practices and disease management.
- **Personal Responsibility** – Everyone should pay something, and individuals should be responsible for their health-care decisions.

## ***Mental Health***

The Tennessee Department of Mental Health and Developmental Disabilities (MHDD) focuses its efforts on resiliency for all and recovery for persons with mental illness. The department strives to promote mental health as well as ensure that persons with mental illnesses and developmental disability can live a meaningful life in the community and achieve his or her full potential.

MHDD is committed to ensuring safe, affordable, culturally appropriate, and scientifically sound, quality services in the least restrictive settings for Tennesseans diagnosed with mental illness or serious

emotional disturbances and to erase the stigma associated with these illnesses. The department seeks to assure its management is efficient, collaborative, and accountable.

The department operates five regional mental health institutes across the state, all of which are accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and the federal Centers for Medicare and Medicaid Services (CMS). MHDD has also established collaborative relationships with a variety of health and mental health service providers, recognized community leaders, consumers, family members, local social service, faith-based, non-profit, and governmental agencies.

Specifically, the department is concentrating its resources on:

- Assuring a sustainable system of public mental health providers statewide for those who need mental health services along a continuum from prevention to rehabilitation;
- Developing a statewide anti-stigma campaign to promote the principles of mental health promotion and early recognition, treatment, and recovery;
- Bringing science to service by promoting evidence-based practices and best practices (including early intervention and co-occurring disorders treatment) to prevent, reduce, or eliminate significant impairments and disorders while evaluating all programs to determine their effectiveness;
- Providing policy, planning, and oversight of TennCare behavioral health services and performance monitoring of two behavioral health carve out contracts in east and west grand divisions of the state. In the Middle Tennessee region, MHDD works in partnership with the TennCare Bureau to implement and monitor the physical and behavioral health integrated health plans.
- Expanding recovery opportunities across the state by creating employment initiatives and expanding housing services/options for persons with mental illness/co-occurring disorders;
- Focusing upon child and adolescent interventions as early recognition ensures that problems are identified in their beginning stage to reduce or eliminate their impact;
- Decreasing admissions and re-hospitalizations of consumers through increased community-based, clinical, and rehabilitation services;
- Increasing diversion/treatment options for persons diagnosed with mental illnesses who also are in contact with the criminal justice system;
- Promoting integration between mental health and physical health services to decrease disparities of access and service utilization, enabling persons with developmental disabilities to access needed services that foster independence and community tenure.

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## ***Natural Resources***

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### ***The Environment***

Tennessee is a leader regarding environmental and natural resource

protection. The Tennessee Department of Environment and Conservation (TDEC) oversees the following programs designed to safeguard human health and the

environment by protecting and improving the quality of our land, air, and water for present and future generations.

**Water Quality** – The Division of Water Pollution Control (WPC) continues to implement a watershed management approach that focuses our planning and regulatory programs in a way that makes sense to the public, the regulated community and partner agencies.

During fiscal year 2005-2006, 3,425 water quality samples were collected at 850 locations across Tennessee. These data are analyzed and interpreted in order to indicate the quality of the state's waters and inform our citizens of the progress being made to improve Tennessee's water resources. Through these efforts, the public gains a better understanding of how activities in individual watersheds affect the quality of water in adjoining watersheds. Wise land management and control of discharges will keep Tennessee's water safe and clean.

The division has developed and the U.S. Environmental Protection Agency (EPA) has approved over 640 Total Maximum Daily Load assessments to help control pollutants in Tennessee streams and reservoirs. Implementation of these planning documents is accomplished through a combination of activities supported by local watershed organizations, state and federal agencies, and permit oversight by WPC.

During fiscal year 2005-2006, the division issued 316 individual wastewater permits, 3,413 general permits, and 1,672 Aquatic Resource Alteration Permits. This permitting activity protects the waters of the state while supporting industrial, municipal, commercial and development activities in Tennessee.

The division responded to 1,788 complaints and issued 1,223 notices of violation that resulted in 30 commissioner's orders during

fiscal year 2005-2006. For the reporting period, 84.6% of major municipal and 98.4% of major industrial dischargers were in compliance with their established permit requirements.

Siltation remains the largest cause of water quality impairment in Tennessee streams. TDEC has partnered with three municipalities and the University of Tennessee to develop a training program for erosion prevention and sediment control. Through fiscal year 2005-2006, developers, contractors, road builders and others involved in land disturbance activities have taken 5,539 level 1 or 936 level 2 "Sediment and Erosion" courses. A handbook on the best management practices for preventing erosion and water pollution has been produced and is available on TDEC's Web site.

TDEC continues to help communities across the state improve their wastewater treatment services. Tennessee awarded more than \$74.5 million to local governments from the Clean Water State Revolving Fund in 2006.

During fiscal year 2005-2006, the State of Tennessee Oil and Gas Board issued 439 oil and gas well permits. TDEC performed 847 site inspections; issued 9 citations with penalties totaling \$108,500; and plugged 128 wells.

**Water Supply** – TDEC continues to implement the Inter-Basin Water Transfer Act of 2000. This law addresses increasing demands for water and protects supply for downstream users. In fiscal year 2005-2006, TDEC acted on applications and received annual reports from utilities whose water transfers required actual permit decisions from the department. Considering the average flows in Tennessee's water bodies, current inter-basin transfers are redistributing an insignificant amount of water within the state.

**Drinking Water** – Because the technology needed to assure safe drinking water is becoming more complex, the competency level of plant operators must also increase. In fiscal year 2005-2006, the Division of Water Supply placed additional emphasis on its oversight of the operation and maintenance of public water systems by carefully and consistently monitoring records for individual treatment processes used to produce drinking water. The sanitary survey manual used to evaluate public water systems was revised to make clear that in addition to producing water safe to drink, public water systems must document that all treatment processes are functioning properly.

The division acquired interim primacy for the new cryptosporidium and disinfection by-product stage 2 rules and began providing individualized assistance to water treatment plant managers and operators to ensure that water systems could comply with the new requirements.

The division also is working to implement new EPA policy regarding how public water systems that purchase and resell water are defined for the purpose of applying provisions of the Safe Drinking Water Act.

Information on water withdrawals is being collected and tracked in accordance with the requirements of the Water Resources Information Act.

The state assisted public water systems with a review and update of their source water assessment and susceptibility analysis under the Federal Safe Drinking Water Act.

Tennessee awarded more than \$25.5 million in funds from the drinking water state revolving fund to improve local drinking water treatment facilities in 2006.

Special assistance continues to be available to water suppliers to ensure the safety of

water treatment facilities and their infrastructure following the terrorist attacks of September 11, 2001.

**Groundwater Protection** – Tennessee's varied topography requires effective programs to protect both its surface and subsurface water flows. The Division of Groundwater Protection (GWP) regulates the on site disposal of domestic wastewater in Tennessee through site evaluation, plans review, construction and repair permit issuance, inspection and complaint resolution for subsurface sewage disposal (SSD) systems. Current program staffing provides a local presence in 86 of Tennessee's 95 counties. GWP issued more than 18,000 new SSD system construction permits and more than 4,000 repair permits in fiscal year 2005-2006. There were 18,585 construction inspections made, and nearly 3,000 complaint investigations were performed. GWP approved 1,840 subdivisions, which totaled 12,681 lots.

Additionally, 2,284 inspections were made of existing SSD systems. GWP staff conducted more than 90,000 site visits across the state to administer its onsite wastewater disposal program in fiscal year 2005-2006.

**Air Quality** – Tennessee continues working toward attaining new, more stringent federal air quality standards. Recent data for fine particulate matter in the state indicates increased fine particulate concentrations. This is likely due to weather patterns conducive to the formation or transport of fine particulates. Most recent data for ground-level ozone (O<sub>3</sub>) shows that ozone levels slightly increased in Davidson, Hamilton, Sullivan, and Sumner counties, as well as Crittenden County, Arkansas – a neighboring county in the Shelby County Metropolitan Statistical Area. Again, this was likely due to weather conducive to the formation or transport of ozone. Improvements in ozone levels were

observed in the greater Knoxville area and were likely due to the significant reductions of ozone forming pollutants at the neighboring TVA coal fired power plants in Anderson and Roane Counties. The remainder of the ozone monitoring sites measured improvement in air quality or remained the same. This is particularly noteworthy considering summer weather patterns for 2006 were very conducive to the formation of ground level ozone.

The U.S. Environmental Protection Agency (EPA) originally designated all or part of 18 counties in the state as non-attainment areas for the new federal ozone standard on April 15, 2004. Since that time, Montgomery County has been redesignated to attainment. It appears the Knoxville region may be eligible for a federal redesignation to attainment. The Shelby County, Tennessee and Crittenden County, Arkansas area will need considerable attention in order to attain the federal ozone standard.

In anticipation of the federal 2004 designations, local elected officials of several Tennessee counties developed voluntary Early Action Compacts (EACs) with the state and EPA to attain the new federal ozone standard on an accelerated schedule by 2007. The EAC program rewards communities for achieving the new ozone standards more quickly by deferring the burdensome requirements that come with a non-attainment designation. EPA approved three EACs to proceed: the Nashville area, the Tri-Cities area, and the Chattanooga area. Each of these three areas has identified new control measures to achieve reductions of ozone forming emissions necessary to meet the ozone standard. The program continues to be successful with all EAC areas currently measuring attainment of the ground level ozone standard. In recognition of these favorable air quality measurements, EPA extended the deferral of the effective date of nonattainment to April 15, 2008.

While fine particulate matter (PM<sub>2.5</sub>) pollution levels were formerly a statewide problem, the only area in violation of the new, stricter federal PM<sub>2.5</sub> standard is the East Tennessee River Valley. Data from the state's PM<sub>2.5</sub> monitoring network shows only two counties – Knox and Hamilton – actually measuring in excess of the new PM<sub>2.5</sub> standard. TDEC has taken extraordinary steps to keep local elected officials informed concerning this matter and has coordinated a comprehensive effort to provide EPA with information and documentation that supports local officials and minimizes the number of counties designated non-attainment. EPA finalized its PM<sub>2.5</sub> non-attainment designations on April 5, 2005. Knox and Hamilton were designated for measuring non-attainment of the PM<sub>2.5</sub> standard. Loudon, Blount, Anderson and a small portion of Roane County were designated as contributing to the non-attainment of other counties. TDEC is working with the Tennessee Valley Authority (TVA) to switch to lower sulfur coals and install flue gas desulfurization equipment on critical power plants. TDEC also is working to ensure that the fuels used for vehicles meet the new lower sulfur content standards. These two programs should reduce the formation of fine particulate.

As Tennessee endeavors to meet the new, more restrictive federal air quality standards, it is worth noting that a new, even more stringent daily (24-hour) fine particulate standard has been issued by EPA, and formal discussions are underway to make the ozone standard even more stringent. Federal designations will be made on future air quality measurements, but using current air quality measurements, Shelby County may not meet the new, even more restrictive daily fine particulate standard.

The Division of Air Pollution Control is working with nine other southeastern states to prepare a federally mandated plan to

improve and protect visibility in special areas of the state such as the Great Smoky Mountains National Park.

The Division of Air Pollution Control also increased its regular workload by conducting inspections at every major source, all conditional major sources and 210 minor sources in 2006, resulting in completion of 860 site inspections.

***Radiological Health*** – The Division of Radiological Health (DRH) conducts a comprehensive radiological health program to protect public health and the environment from the potentially harmful effects of ionizing radiation from all sources. DRH registers and inspects users of x-ray equipment and also licenses and inspects users of radioactive materials.

Improvements to DRH's integrated, real-time information management system have allowed the division to increase the efficiency of these activities.

Since the terrorist attacks of September 11, 2001, DRH has continued to work closely with its federal partner, the Nuclear Regulatory Commission, to implement security improvements at licensed facilities using radioactive materials. This helps protect citizens from the threat of radiological or nuclear terrorism. DRH has amended 80 radioactive material licenses that authorize significant quantities of radioactive materials to require the implementation of Increased Controls for Security. Inspections to verify compliance with these requirements are underway, helping to protect citizens from the threat of radiological or nuclear terrorism.

DRH also works with the Tennessee Emergency Management Agency, the U.S. Department of Energy, and TVA in emergency response preparedness. The division also participates in training activities and exercises with those agencies

designed to improve the state's response to potential radiation incidents. DRH continues to coordinate with and provide resources to the EPA in order to upgrade and expand the program for monitoring ambient levels of radiation in the environment.

***Solid and Hazardous Waste*** – In 2006, TDEC conducted nearly 400 inspections of permitted hazardous waste treatment, storage and disposal facilities, and hazardous waste generators. Staff reviewed approximately 3,500 annual reports from hazardous waste facilities to ensure proper management of hazardous waste.

TDEC provided a range of solid waste assistance to counties, companies, and municipalities through development district grants, waste tire grants, used oil grants, waste reduction grants plus recycling grants, and rebates. Since 2003, more than \$30.6 million has been distributed to counties through a variety of solid waste assistance – grants and rebates – in order to help local governments plan and execute comprehensive programs for solid waste management.

TDEC directed investigations and cleanup activities at 269 brown fields, contaminated drycleaners, and inactive hazardous substance sites. Responsible parties reported spending \$22.2 million to treat and dispose of 6.2 million kilograms of hazardous waste and/or hazardous substances and 5.4 billion gallons of water or ground water. TDEC also worked with 64 other contaminated sites reported during the year.

***Petroleum Underground Storage Tanks*** – Through fiscal year 2005-2006, TDEC was able to close 45% of the active underground storage tank remediation cases, representing 383 case closures. The number of active cases was reduced from 1,142 in fiscal year 2004-2005 to 854 in fiscal year 2005-2006.



TDEC inspected 32% of the open facilities in the state in fiscal year 2005-2006, representing 1,897 inspections of 5,950 open facilities.

New rules have been promulgated, including emergency rules that limit liability to the Tennessee Petroleum Underground Storage Tank Fund. These include: 1) evaluating the risk to human health, safety, and the environment earlier in the assessment of petroleum contamination to facilitate the use of reimbursement fund dollars at those petroleum sites where the need is greatest and minimize the use of fund dollars for cleanup at sites not posing any risk to human health, safety or the environment; and 2) higher standards for nonmetallic piping to prevent future petroleum releases.

**Geology** - In 2006, TDEC investigated 35 geologic hazards and conducted 20 site reviews for potential geologic hazards. Staff responded to 550 geologic information requests, entered information on 437 oil and gas well drilling permits and completed three geologic maps. Maps and publications sales generated revenue of more than \$42,000. Division personnel gave 69 lectures and led seven field trips, involving more than 2,200 individuals. Federal funding from three cooperative agreements dealing with coal research, geochemical sampling and geologic mapping totaled more than \$60,000.

**Strong Enforcement for Polluters** – TDEC continues to move swiftly against those who break environmental laws. TDEC has issued 1,016 enforcement orders and assessed more than \$7.8 million in penalties for fiscal year 2005-2006.

**Homeland Security** – TDEC is coordinating internally and with other state, local, and federal agencies to ensure Tennesseans are protected from any threats to air, land, and water from terrorism.

The department participated with other state agencies and the Office of Homeland

Security in compiling vulnerability assessments of critical state infrastructure, especially those related to water supply, chemical manufacturing, and fixed nuclear facilities. TDEC also continued a series of homeland security awareness training programs for the regional field office personnel.

### ***Parks and Conservation***

**State Parks** – State parks are managed by two assistant commissioners reporting directly to the commissioner. This streamlined management structure, comprised of career professionals, demonstrates the department's commitment to providing the best possible leadership and oversight for the natural, cultural and historic resources entrusted to us.

Operational management plans for individual state parks were updated in fiscal year 2005-2006. Thirty-four state parks also are moving forward with All Taxa Biological Inventory (ATBI) activities, in which staff and volunteers collect and catalog information on all plants and animals residing at that park location. Tennessee State Parks is the only state park system in the country conducting this type of research project and has received national recognition for this effort. ATBI has been responsible for significant findings at a number of state parks plus the documenting of rare or endangered plants and trees within our state parks.

State Parks continues to support the growth and development of friends groups: tax-exempt, non-profit organizations with a purpose of assisting state parks in their mission to preserve, protect and promote Tennessee's natural, cultural and historic treasures. Since 2003, eight new friends groups have been formed. There are now a total of 28 friends groups supporting specific parks through volunteer and financial assistance.

State Parks' hospitality services continue responding to increased demand for inn rooms, cabins, campgrounds and dining. In fiscal year 2005-2006, lodging, restaurant, and marina operations realized increased activity volumes, and today these facilities perform at 98% self-sufficiency. The Tennessee Golf Trail now offers a state parks golf experience with eight traditional and four courses designed by Jack Nicklaus. State Parks' hospitality group remains on track to reach its goal of self-sufficiency status by fiscal year 2007-2008.

The Tennessee State Parks access fee was eliminated at the close of fiscal year 2005-2006 with total collections for \$944,000 for the fiscal year. During its time in operation, the access fee program generated \$4.67 million. Governor Bredesen and the Legislature allocated funding in the fiscal year 2006-2007 budget to replace the revenue previously generated by the access fee program.

Proceeds from the sale of State Parks license plates support the Iris Fund program; 112 individual Iris Fund projects were approved in fiscal year 2005-2006 for a total of \$339,000. Iris Fund activities include planting and maintaining native trees, flowers, and shrubs in state parks, plus addressing the Hemlock woolly adelgid infestation that threatens native Hemlocks in East Tennessee.

In 2006, Tennessee State Parks experienced more than 27 million visits. Parks staff presented 16,000 interpretive programs to 603,000 participants, an 18 percent increase over the previous year.

***Natural Areas and Scenic Rivers*** – Natural areas provide opportunities for outdoor recreation such as nature photography, study, and hiking. Tennessee has 75 legislatively designated state natural areas covering approximately 108,000 acres of ecologically significant lands throughout the

state. There were six new state natural areas added to the system in 2006.

The scenic rivers program preserves valuable selected rivers, or sections thereof, in their free flowing natural or scenic conditions and protects their water quality and adjacent lands. There are 13 legislatively designated state scenic rivers in Tennessee covering approximately 390 river miles.

***Heritage Conservation Trust Fund*** – In the 2006 legislative session, Governor Bredesen proposed and the General Assembly agreed to add \$10 million in funding for the Tennessee Heritage Conservation Trust Fund, originally established in 2005 with a \$10 million initial financial stake. The 11-member Heritage Conservation Trust Fund Board recently announced that eight major conservation projects across the state were approved for funding. This first round of grants will leverage approximately \$10,350,000 in trust fund grants toward the protection of more than 15,000 acres valued at \$21 million. Twenty million in bonds were authorized in 2006-2007 for the purchase of 12,500 acres of Bowater paper company property, including pocket wilderness areas and ecologically significant lands near existing public lands and recreation areas. The trust fund will continue to support and promote land conservation across Tennessee through acquisition, donation, and easement activities by leveraging the state's seed investments through effective public-private partnerships.

***Recreation Education Services*** – The Recreation and Planning Resources section maintains three regional offices serving the state's grand divisions. This section provides planning, grant, and technical assistance to recreation professionals across the state and coordinates the state's greenways and trails program through the Commissioner's Greenways and Trails

Advisory Council. This section also monitors the implementation of the 2003-2008 State Recreation Plan in cooperation with the Tennessee Recreation Advisory Committee.

The Land Management and Funding Resource section provides oversight and record management of department-owned lands. It also provides monitoring of financial compliance for all acquisitions made through the State Land Acquisition Fund program. Incorporated in the oversight responsibilities for this section is the monitoring and resolution of conversions and change of use requests associated with projects funded through grant programs administered by Recreation Education Services.

This section also coordinates and monitors grants administered by the department for the acquisition and development of recreation facilities and trails. The department made \$11.3 million available for 87 successful Local Park and Recreation Fund and Recreation Trail Program

applicants in August 2006. There was a tremendous response from applicants for each type of grant, and now a host of Tennessee communities stand ready to enhance their recreation assets from this largest-ever distribution.

**Archaeology** - The Division of Archaeology added 650 new sites to the total statewide database of 23,000 known archaeological sites in 2005. The division also issued 24 permits for archaeological investigations on state lands while reviewing and commenting on 1,000 federal projects that could have involved archaeological sites. The division followed up on more than 8,000 requests for archaeological information. The division negotiated a successful relocation for the Division of Forestry away from Pinson Mounds State Archaeological Park and continued providing assistance for the new Morgan County regional prison that will replace Brushy Mountain prison. The division also prepared several professional journal articles and sponsored current archaeological research and statewide meetings on current topics of interest.

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## **Homeland Security**

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The Office of Homeland Security and the Homeland Security Council began operating in the fall of 2001 following the September 11, 2001, terrorist attack on America. The Office of Homeland Security is located within the Department of Safety. The 23-member Homeland Security Council is comprised of 17 state officials and six local government representatives.

The office has primary responsibility and authority for directing homeland security activities, including but not limited to planning, coordinating, and implementing all homeland security prevention, protection, and response operations. This responsibility includes developing and implementing a comprehensive, coordinated

strategy to secure the state from terrorist threats and attacks. The office serves as liaison with related agencies of the federal government, agencies of local government, agencies of other states, and related private sector agencies on matters of homeland security.

Federal homeland security funds have been provided to state and local agencies to enhance capabilities to prevent, protect, and respond to terrorism. Funds have been provided for enhanced information sharing; chemical, biological, radiological, nuclear, and explosive response equipment; communications equipment; planning; training exercises; and citizen outreach programs. At the local jurisdiction level,

homeland security funds have been allocated to law enforcement, fire, emergency management, emergency medical, public utilities, and emergency communications agencies to enhance regional capabilities.

At the state level, funds have been allocated to the Office of Homeland Security, other Department of Safety programs, Department of Agriculture, Department of Environment and Conservation, Department of General Services, Department of Military (TEMA), Department of Commerce and Insurance, Department of Education, Department of Transportation, Department of Health, Department of Finance and Administration, Department of Correction, Tennessee

Bureau of Investigation, and Tennessee Wildlife Resources Agency. Funding has helped to establish three regional homeland security offices to assist local leaders with the homeland security mission; enhance state building security; improve public safety communications; provide essential monitoring, detection, and laboratory equipment; and provide terrorism prevention capabilities.

The Office of Homeland Security and the agencies of the Governor's Homeland Security Council continue to assess critical infrastructure throughout the state to determine and develop plans to reduce vulnerabilities. The office works closely with key federal agencies in Tennessee.

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## ***Families First***

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Families First is Tennessee's Temporary Assistance to Needy Families (TANF) program. The program emphasizes personal responsibility, work requirements, and time limits on assistance.

***Personal Responsibility*** — The foundation of Families First is personal responsibility. All participants must:

- Cooperate with child support enforcement in identifying the father(s) of dependent children, establishing paternity; and securing court orders for support (unless good cause is established);
- Ensure that all eligible children attend school; and
- Ensure that children are immunized and their health checks are current.

Failure to comply with these program requirements results in the reduction or termination of Families First benefits.

***Work Requirements*** — Families First participants who do not meet exemption criteria are required to participate in work or training activities totaling 40 hours per week.

Failure to comply with this program requirement results in the termination of Families First benefits.

Participants facing barriers on their path toward self-sufficiency may receive assistance through the Family Services Counseling program (FSC). FSC counselors provide assessment, counseling, and referral services for clients with mental health issues, drug and alcohol problems, learning disabilities, domestic violence issues, and problems stemming from a child's health and/or behavior.

***Time Limited Benefits*** — Families First is a time-limited program. Benefits for non-exempt participants are limited to 18 months at any one time and to five years over the course of a lifetime.

***Transitional Benefits*** — In order for families to sustain self-sufficiency, some benefits are extended beyond the end of cash assistance, including child care, Medicaid, and Food Stamps.

***Child Care*** — The Department of Human Services' initiatives in child care have focused on three central issues: quality, affordability, and availability.

- The “Star-Quality” system includes the annual mandatory report card and voluntary rated licensing programs for licensed child care agencies. Centers, group, and family childcare homes are evaluated on a number of quality measures and may receive one-star, two-star, or three-star ratings indicating higher levels of quality achieved.
- The Child Care Resource and Referral (CCR&R) agencies provide technical assistance, training, and community support to child care providers statewide. CCR&R agencies also provide referrals for child care services to families on a local level.
- The Tennessee Child Care Provider Training (TN-CCPT) program uses licensing fees in part to provide free training for providers in areas of Administration, Child Development, Early Childhood Education, Health and Safety, and Developmentally Appropriate Behavior Management. This training is offered through the local Child Care Resource and Referral system in 11 locations throughout the state.
- The Tennessee Early Childhood Training Alliance (TECTA) is a statewide education and training service offered throughout Tennessee Board of Regents institutions. No- or low-cost training is available to child care providers to assist them in meeting

licensing standards and further enhancing their professional development. Additionally, TECTA serves as the state's early childhood education articulation system.

- The Birth to Three Collaborative is an initiative bringing together the Infant/Toddler (I/T) staff from the Departments of Education and Health, as well as the I/T staff from TECTA, TN-CCPT, the CCR&R Network, and professional child care organizations to develop an integrated system of technical assistance and training needed to raise the health, safety, and early learning levels in Infant/Toddler settings and to make this higher quality care more accessible.
- As of October 2006, the department supports just over 44,500 child enrollments monthly for low-income families through its Child Care Certificate (Subsidy) Program.

Tennessee's Families First TANF waiver will expire July 1, 2007, and return to the regular program.



# Budget Overview

## Summary Statements and Charts

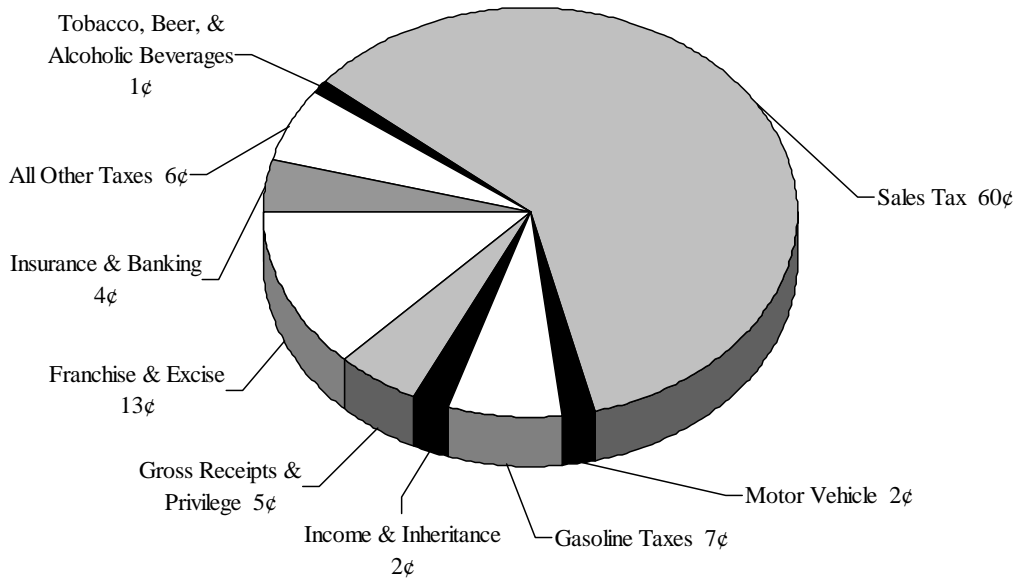
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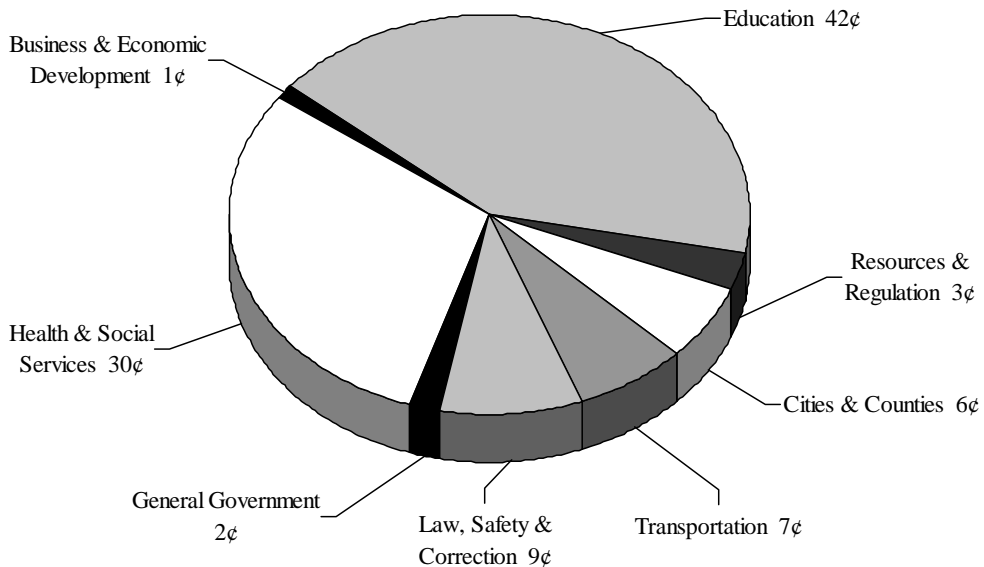
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# Total State Budget

## Where Your State Tax Dollar Comes From



## Where Your State Tax Dollar Goes

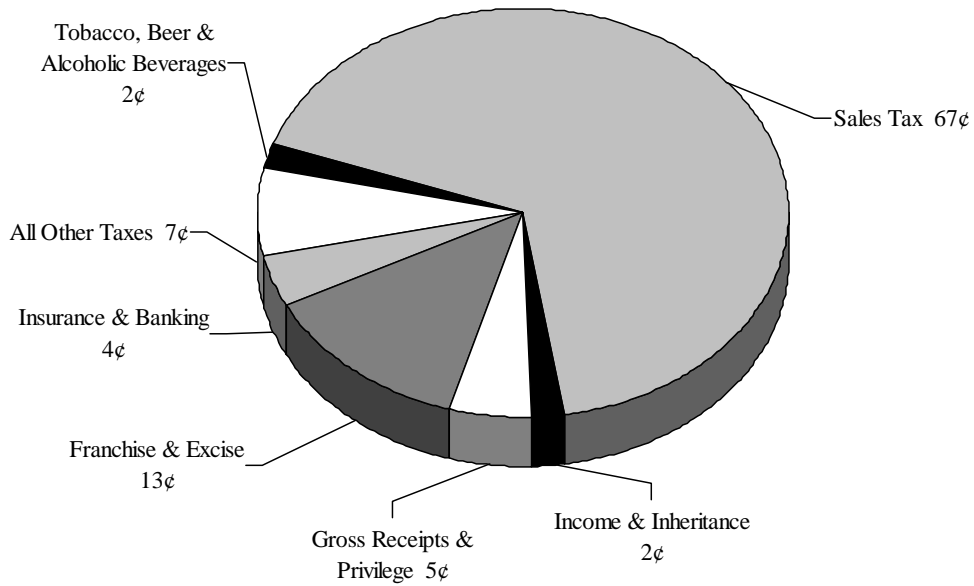


Fiscal Year 2007 - 2008

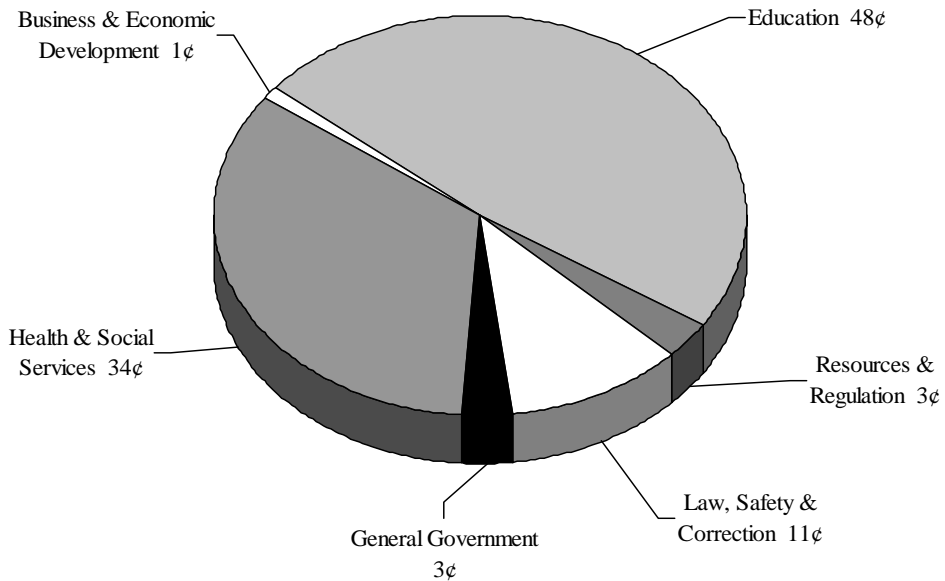


# General Fund Budget

## Where Your State Tax Dollar Comes From



## Where Your State Tax Dollar Goes



Fiscal Year 2007 - 2008

**Total State Budget**  
**Comparison of Programs and Revenue Sources**  
**Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Recommended 2007-2008</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
<b>I. PROGRAMS</b>					
<b>ALL PROGRAMS</b>	<b>\$ 23,788,986,200</b>	<b>\$ 26,536,046,461</b>	<b>\$ 27,476,690,500</b>	<b>\$ 2,747,060,261</b>	<b>\$ 940,644,039</b>
General Fund <sup>1</sup>	20,921,866,700	22,996,766,961	23,804,032,700	2,074,900,261	807,265,739
Department of Transportation	1,444,198,500	1,745,830,000	1,816,545,000	301,631,500	70,715,000
Debt Service Requirements	286,754,700	318,125,500	344,281,000	31,370,800	26,155,500
Capital Outlay Program	257,129,000	496,525,000	505,000,000	239,396,000	8,475,000
Facilities Revolving Fund	140,688,900	192,099,000	191,831,800	51,410,100	(267,200)
Cities & Counties - State Shared Taxes	738,348,400	786,700,000	815,000,000	48,351,600	28,300,000
<b>II. REVENUE SOURCES</b>					
<b>APPROPRIATION</b>	<b>\$ 11,068,135,400</b>	<b>\$ 12,459,483,761</b>	<b>\$ 13,310,710,500</b>	<b>\$ 1,391,348,361</b>	<b>\$ 851,226,739</b>
General Fund <sup>1</sup>	9,064,121,100	10,576,152,861	11,242,262,300	1,512,031,761	666,109,439
Department of Transportation	787,609,500 <sup>2</sup>	694,900,000	741,600,000	(92,709,500)	46,700,000
Debt Service Requirements	286,754,700	318,125,500	344,281,000	31,370,800	26,155,500
Capital Outlay Program	190,635,000 <sup>2</sup>	74,325,000	159,300,000	(116,310,000)	84,975,000
Facilities Revolving Fund	666,700	9,280,400	8,267,200	8,613,700	(1,013,200)
Cities & Counties - State Shared Taxes	738,348,400	786,700,000	815,000,000	48,351,600	28,300,000
<b>BONDS</b>	<b>\$ 0</b>	<b>\$ 505,600,000</b>	<b>\$ 461,300,000</b>	<b>\$ 505,600,000</b>	<b>\$ (44,300,000)</b>
Department of Transportation	0	83,500,000	83,800,000	83,500,000	300,000
Capital Outlay Program	0	378,300,000	317,000,000	378,300,000	(61,300,000)
Facilities Revolving Fund	0	43,800,000	60,500,000	43,800,000	16,700,000
<b>FEDERAL</b>	<b>\$ 8,732,759,600</b>	<b>\$ 9,387,328,300</b>	<b>\$ 9,482,987,200</b>	<b>\$ 654,568,700</b>	<b>\$ 95,658,900</b>
General Fund	8,108,199,800	8,439,099,300	8,541,641,200	330,899,500	102,541,900
Department of Transportation	615,828,800	914,029,000	941,346,000	298,200,200	27,317,000
Capital Outlay Program	8,731,000	19,900,000	0	11,169,000	(19,900,000)
Facilities Revolving Fund	0	14,300,000	0	14,300,000	(14,300,000)
<b>CURRENT SERVICES &amp; OTHER</b>	<b>\$ 3,988,091,200</b>	<b>\$ 4,183,634,400</b>	<b>\$ 4,221,692,800</b>	<b>\$ 195,543,200</b>	<b>\$ 38,058,400</b>
General Fund <sup>3</sup>	3,749,545,800	3,981,514,800	4,020,129,200	231,969,000	38,614,400
Department of Transportation	40,760,200	53,401,000	49,799,000	12,640,800	(3,602,000)
Capital Outlay Program	57,763,000	24,000,000	28,700,000	(33,763,000)	4,700,000
Facilities Revolving Fund	140,022,200 <sup>4</sup>	124,718,600	123,064,600	(15,303,600)	(1,654,000)
<b>TOTAL STATE BUDGET</b>	<b>\$ 23,788,986,200</b>	<b>\$ 26,536,046,461</b>	<b>\$ 27,476,690,500</b>	<b>\$ 2,747,060,261</b>	<b>\$ 940,644,039</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 2005-2006, 2006-2007, and 2007-2008**

	Actual 2005-2006	Estimated 2006-2007	Recommended 2007-2008	Act. vs. Est. Difference	Est. vs. Rec. Difference
<b>I. GENERAL FUND <sup>1</sup></b>	<b>\$ 20,921,866,700</b>	<b>\$ 22,996,766,961</b>	<b>\$ 23,804,032,700</b>	<b>\$ 2,074,900,261</b>	<b>\$ 807,265,739</b>
Appropriation	9,064,121,100	10,576,152,861	11,242,262,300	1,512,031,761	666,109,439
Federal	8,108,199,800	8,439,099,300	8,541,641,200	330,899,500	102,541,900
Current Services & Other Revenue <sup>2</sup>	3,749,545,800	3,981,514,800	4,020,129,200	231,969,000	38,614,400
<b>II. DEPARTMENT OF TRANSPORTATION</b>	<b>\$ 1,444,198,500</b>	<b>\$ 1,745,830,000</b>	<b>\$ 1,816,545,000</b>	<b>\$ 301,631,500</b>	<b>\$ 70,715,000</b>
Appropriation	787,609,500 <sup>3</sup>	694,900,000	741,600,000	(92,709,500)	46,700,000
Federal	615,828,800	914,029,000	941,346,000	298,200,200	27,317,000
Current Services & Other Revenue	40,760,200	53,401,000	49,799,000	12,640,800	(3,602,000)
Bonds	0	83,500,000	83,800,000	83,500,000	300,000
<b>III. DEBT SERVICE REQUIREMENTS</b>	<b>\$ 286,754,700</b>	<b>\$ 318,125,500</b>	<b>\$ 344,281,000</b>	<b>\$ 31,370,800</b>	<b>\$ 26,155,500</b>
Appropriation	286,754,700	318,125,500	344,281,000	31,370,800	26,155,500
<b>IV. CAPITAL OUTLAY PROGRAM</b>	<b>\$ 257,129,000</b>	<b>\$ 496,525,000</b>	<b>\$ 505,000,000</b>	<b>\$ 239,396,000</b>	<b>\$ 8,475,000</b>
Appropriation	190,635,000 <sup>3</sup>	74,325,000	159,300,000	(116,310,000)	84,975,000
Federal	8,731,000	19,900,000	0	11,169,000	(19,900,000)
Current Services & Other Revenue	57,763,000	24,000,000	28,700,000	(33,763,000)	4,700,000
Bonds	0	378,300,000	317,000,000	378,300,000	(61,300,000)
<b>V. FACILITIES REVOLVING FUND</b>	<b>\$ 140,688,900</b>	<b>\$ 192,099,000</b>	<b>\$ 191,831,800</b>	<b>\$ 51,410,100</b>	<b>\$ (267,200)</b>
Appropriations	666,700	9,280,400	8,267,200	8,613,700	(1,013,200)
Federal	0	14,300,000	0	14,300,000	(14,300,000)
Current Services & Other Revenue	140,022,200 <sup>4</sup>	124,718,600	123,064,600	(15,303,600)	(1,654,000)
Bonds	0	43,800,000	60,500,000	43,800,000	16,700,000
<b>VI. CITIES &amp; COUNTIES - STATE SHARED TAXES</b>	<b>\$ 738,348,400</b>	<b>\$ 786,700,000</b>	<b>\$ 815,000,000</b>	<b>\$ 48,351,600</b>	<b>\$ 28,300,000</b>
Appropriation	738,348,400	786,700,000	815,000,000	48,351,600	28,300,000
<b>VII. TOTAL STATE BUDGET</b>	<b>\$ 23,788,986,200</b>	<b>\$ 26,536,046,461</b>	<b>\$ 27,476,690,500</b>	<b>\$ 2,747,060,261</b>	<b>\$ 940,644,039</b>
Appropriation	11,068,135,400	12,459,483,761	13,310,710,500	1,391,348,361	851,226,739
Federal	8,732,759,600	9,387,328,300	9,482,987,200	654,568,700	95,658,900
Current Services & Other Revenue <sup>2</sup>	3,988,091,200	4,183,634,400	4,221,692,800	195,543,200	38,058,400
Bonds	0	505,600,000	461,300,000	505,600,000	(44,300,000)

<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 2007-2008

Department	2006-2007 Appropriations *		2007-2008 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Legislature	\$37,151,000	\$91,500	\$37,151,000	0.00%	\$0	\$37,151,000	-0.25%
Fiscal Review Committee	1,124,100	1,100	1,124,200	0.01%	0	1,124,200	-0.09%
Court System	101,252,400	4,094,900	101,499,800	0.24%	3,652,800	105,152,600	-0.18%
Attorney General and Reporter	22,235,200	139,000	22,235,200	0.00%	2,546,000	24,781,200	10.76%
District Attorneys General	60,601,800	304,400	60,977,900	0.62%	1,852,800	62,830,700	3.16%
Secretary of State	27,996,800	1,280,200	27,996,800	0.00%	300,000	28,296,800	-3.35%
District Public Defenders	35,196,900	(9,600)	35,364,000	0.47%	514,700	35,878,700	1.96%
Comptroller of the Treasury	80,495,000	195,000	80,495,000	0.00%	2,555,000	83,050,000	2.92%
Post-Conviction Defender	1,350,200	69,900	1,443,300	6.90%	331,500	1,774,800	24.98%
Treasury Department	628,000	300	628,000	0.00%	0	628,000	-0.05%
Claims and Compensation	9,909,900	0	8,770,000	-11.50%	3,900,000	12,670,000	27.85%
Executive Department	4,552,900	5,500	4,552,900	0.00%	0	4,552,900	-0.12%
Commissions	32,605,600	754,000	32,605,600	0.00%	578,300	33,183,900	-0.53%
<b>Finance and Administration (F&amp;A)</b>	<b>32,625,200</b>	<b>17,671,400</b>	<b>32,906,700</b>	<b>0.86%</b>	<b>20,671,500</b>	<b>53,578,200</b>	<b>6.52%</b>
State Health Planning **	519,300	500	519,300	0.00%	17,351,100	17,870,400	3,337.94%
Criminal Justice Programs **	7,002,300	2,294,200	7,002,300	0.00%	-	7,002,300	-24.68%
Other F&A Programs **	25,103,600	15,376,700	25,385,100	1.12%	3,320,400	28,705,500	-29.09%
F&A - TennCare	2,627,545,700	22,777,200	2,632,059,000	0.17%	56,273,400	2,688,332,400	1.43%
Personnel	5,381,200	16,200	5,381,200	0.00%	82,100	5,463,300	1.22%
General Services	2,281,600	(30,900)	2,281,600	0.00%	1,032,200	3,313,800	47.23%
Veterans Affairs	3,696,400	(18,100)	3,696,400	0.00%	214,300	3,910,700	6.32%
Board of Probation and Parole	72,045,000	940,300	72,045,000	0.00%	25,100	72,070,100	-1.25%
Agriculture	64,127,100	1,961,500	64,127,100	0.00%	12,842,100	76,969,200	16.46%
Tourist Development	7,329,700	4,743,000	7,329,700	0.00%	6,250,000	13,579,700	12.48%
Environment and Conservation	169,485,800	15,811,900	169,421,000	-0.04%	19,963,300	189,384,300	2.21%
Wildlife Resources Agency	47,838,600	2,585,100	46,186,100	-3.45%	4,875,600	51,061,700	1.27%
Correction	615,370,900	1,015,400	604,298,900	-1.80%	29,014,500	633,313,400	2.75%
Economic and Community Development	31,818,500	46,319,300	31,818,500	0.00%	46,634,500	78,453,000	0.40%
<b>Education (K-12)</b>	<b>3,389,735,700</b>	<b>23,795,100</b>	<b>3,385,482,300</b>	<b>-0.13%</b>	<b>351,445,100</b>	<b>3,736,927,400</b>	<b>9.47%</b>
Lottery-Funded Programs **	12,499,500	500	12,300,000	-1.60%	0	12,300,000	-1.60%
Other K-12 Education Programs **	3,377,236,200	23,794,600	3,373,182,300	-0.12%	351,445,100	3,724,627,400	9.51%
<b>Higher Education</b>	<b>1,492,476,500</b>	<b>6,397,200</b>	<b>1,485,411,500</b>	<b>-0.47%</b>	<b>96,950,000</b>	<b>1,582,361,500</b>	<b>5.57%</b>
Lottery for Education Account **	237,800,000	0	240,300,000	1.05%	19,300,000	259,600,000	9.17%
Other Higher Education Programs **	1,254,676,500	6,397,200	1,245,111,500	-0.76%	77,650,000	1,322,761,500	4.89%
Commerce and Insurance	79,122,700	3,221,600	79,147,700	0.03%	830,600	79,978,300	-2.87%
Financial Institutions	8,272,300	(1,900)	7,797,300	-5.74%	0	7,797,300	-5.72%
Labor and Workforce Development	40,029,700	257,000	40,029,700	0.00%	1,651,600	41,681,300	3.46%
Mental Health and Developmental Disabilities	154,355,300	2,846,800	153,847,300	-0.33%	2,093,200	155,940,500	-0.80%
Military	12,004,700	(249,400)	12,004,700	0.00%	1,002,900	13,007,600	10.65%
Health	182,443,100	15,788,400	170,943,100	-6.30%	29,824,200	200,767,300	1.28%
F&A - Division of Mental Retardation	83,043,000	(131,800)	69,603,100	-16.18%	5,372,900	74,976,000	-9.57%
<b>Human Services</b>	<b>173,544,900</b>	<b>2,483,400</b>	<b>167,724,300</b>	<b>-3.35%</b>	<b>14,684,300</b>	<b>182,408,600</b>	<b>3.62%</b>
Temporary Cash Assistance **	33,044,900	0	25,310,800	-23.40%	7,965,000	33,275,800	0.70%
Other Human Services Programs **	140,500,000	2,483,400	142,413,500	1.36%	6,719,300	149,132,800	4.30%
Revenue	87,278,400	379,400	84,571,400	-3.10%	96,100	84,667,500	-3.41%
Tennessee Bureau of Investigation	35,737,400	460,000	35,737,400	0.00%	0	35,737,400	-1.27%
Safety	103,285,700	925,261	103,220,900	-0.06%	29,659,900	132,880,800	27.51%
F&A - Cover Tennessee Health Care Programs	69,508,600	-	81,008,600	16.54%	14,200,000	95,208,600	36.97%

## Departmental Summary of Continuation and Improvement Recommendations from State Tax Revenue for Fiscal Year 2007-2008

Department	2006-2007 Appropriations *		2007-2008 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Miscellaneous Appropriations	47,149,300	28,310,400	46,244,800	-1.92%	139,028,500	185,273,300	145.53%
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	317,829,300	(578,500)	317,829,300	0.00%	13,245,700	331,075,000	4.36%
<b>Total General Fund</b>	<b>\$10,371,531,400</b>	<b>204,621,461</b>	<b>\$10,328,067,600</b>	<b>-0.42%</b>	<b>\$914,194,700</b>	<b>\$11,242,262,300</b>	<b>6.30%</b>

\* Includes recommended supplemental appropriations in the amount of \$16,958,000. For a list of supplemental appropriations, see page A-21.

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

**Departmental Summary of Improvements  
Fiscal Year 2007-2008**

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	3,754,000	3,652,800	0	101,200
303	Attorney General and Reporter	2,546,000	2,546,000	0	0
304	District Attorneys General	1,964,600	1,852,800	0	111,800
305	Secretary of State	300,000	300,000	0	0
306	District Public Defenders	514,700	514,700	0	0
307	Comptroller of the Treasury	2,555,000	2,555,000	0	0
308	Post-Conviction Defender	331,500	331,500	0	0
309	Treasury Department	2,303,300	0	0	2,303,300
313	Claims and Compensation	3,900,000	3,900,000	0	0
315	Executive Department	0	0	0	0
316	Commissions	717,100	578,300	0	138,800
317	Finance and Administration (F&A)	37,431,200	20,671,500	0	16,759,700
317.15	State Health Planning *	34,110,800	17,351,100	0	16,759,700
317.06	Criminal Justice Programs *	0	0	0	0
	Other F&A Programs *	3,320,400	3,320,400	0	0
318	F&A - TennCare	152,631,600	56,273,400	92,143,600	4,214,600
319	Personnel	216,400	82,100	0	134,300
321	General Services	1,517,900	1,032,200	0	485,700
323	Veterans Affairs	214,300	214,300	0	0
324	Board of Probation and Parole	113,300	25,100	0	88,200
325	Agriculture	12,842,100	12,842,100	0	0
326	Tourist Development	6,250,000	6,250,000	0	0
327	Environment and Conservation	21,825,500	19,963,300	0	1,862,200
328	Wildlife Resources Agency	4,875,600	4,875,600	0	0
329	Correction	29,273,000	29,014,500	0	258,500
330	Economic and Community Development	46,789,000	46,634,500	0	154,500
331	Education (K-12)	351,445,100	351,445,100	0	0
	Lottery-Funded Programs *	0	0	0	-
	Other K-12 Education Programs *	351,445,100	351,445,100	0	0
332	Higher Education	139,950,000	96,950,000	0	43,000,000
	Lottery for Education Account *	19,300,000	19,300,000	0	0
	Other Higher Education Programs *	120,650,000	77,650,000	0	43,000,000
335	Commerce and Insurance	1,764,000	830,600	0	933,400
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	1,651,600	1,651,600	0	0
339	Mental Health and Developmental Disabilities	2,093,200	2,093,200	0	0
341	Military	1,002,900	1,002,900	0	0
343	Health	30,824,200	29,824,200	0	1,000,000
344	F&A - Division of Mental Retardation	61,546,200	5,372,900	0	56,173,300
345	Human Services	25,900,100	14,684,300	9,189,700	2,026,100
345.23	Temporary Cash Assistance *	7,965,000	7,965,000	0	0
	Other Human Services Programs *	17,935,100	6,719,300	9,189,700	2,026,100
347	Revenue	96,100	96,100	0	0
348	Tennessee Bureau of Investigation	0	0	0	0
349	Safety	29,659,900	29,659,900	0	0
350	F&A - Cover Tennessee Health Care Programs	56,800,000	14,200,000	42,600,000	0

**Departmental Summary of Improvements  
Fiscal Year 2007-2008**

<u>Code</u>	<u>Department</u>	<u>Total</u>	<u>Funding</u>		
			<u>Appropriation</u>	<u>Federal</u>	<u>Other</u>
351	Miscellaneous Appropriations	139,028,500	139,028,500	0	0
359	Children's Services	24,632,200	13,245,700	4,808,800	6,577,700
	<b>Sub-total General Fund</b>	<b>\$1,199,260,100</b>	<b>\$914,194,700</b>	<b>\$148,742,100</b>	<b>\$136,323,300</b>
400	Transportation	0	0	0	0
	<b>Total All Funds</b>	<b>\$1,199,260,100</b>	<b>\$914,194,700</b>	<b>\$148,742,100</b>	<b>\$136,323,300</b>

\* These items are included in the departmental totals.

**General Fund and Education Fund  
Comparison of Appropriation Requirements and State Revenues  
Fiscal Year 2006-2007**

**I. APPROPRIATION REQUIREMENTS**

General Fund Programs:

<b>2006 Appropriations Act - Work Program</b>	<b>\$ 10,530,123,500</b>
Contingency Appropriations	10,000,000
Reduction and Transfer	(3,527,100)
Sum Sufficientes - Dedicated Revenue	22,598,500
<b>2007 Supplemental Appropriations</b>	<u>16,958,000</u>

**Total General Fund Requirements** **\$ 10,576,152,900**

Less: Overappropriation	(76,600,000)
Less: Coordinated School Health Program	(7,000,000)
Less: Cover Tennessee Program	(5,000,000)
Less: TennCare - Medically Needy	<u>(39,000,000)</u>

**Net General Fund Requirements** **\$ 10,448,552,900**

Other Programs:

Transportation Equity Fund	\$ 47,000,000
Transportation Mass Transit	1,000,000
Transportation - Bio-Fuels	1,500,000
Capital Outlay Program	74,325,000
Metro Sports Authority Debt Service	3,716,000
Personal License Plates Fund Reserves	1,300,000
Facilities Revolving Fund	9,280,400
Revenue Fluctuation Reserve - Increase	<u>172,200,000</u>

**Total Other Requirements** **\$ 310,321,400**

**Total Appropriation Requirements** **\$ 10,758,874,300**

**II. GENERAL FUND REVENUES AND RESERVES**

State Tax Revenue - Department of Revenue	\$ 8,907,500,000
State Tax Revenue - Other State Revenue	883,600,000
Miscellaneous Revenue	105,400,000
Tobacco Funds	135,600,000
Lottery for Education Account	250,300,000
Highway Fund Transfer - Gas Inspection Act	1,100,000
Reserve for Appropriations 2006-2007	314,139,200
TennCare Reserve Transfer at June 30, 2006	100,000,000
Debt Service Fund Transfer at June 30, 2007	100,000,000
Highway Fund - Transfer to General Fund	32,800,000
Reserve for Future Requirements at June 30, 2006	330,000,000
Undesignated Fund Balance at June 30, 2006	<u>156,000</u>

**Total General Fund Revenues and Reserves** **\$ 11,160,595,200**

**III. AVAILABLE FUNDS AT JUNE 30, 2007**

Reserve for Future Requirements	\$ 401,400,000
Undesignated Fund Balance	<u>320,900</u>

**Total Available Funds** **\$ 401,720,900**

Revenue Fluctuation Reserve at June 30, 2006	\$ 324,700,000
Revenue Fluctuation Reserve at June 30, 2007	\$ 496,900,000



**General Fund and Education Fund  
Comparison of Appropriation Requirements and State Revenues  
Fiscal Year 2007-2008**

**I. APPROPRIATION REQUIREMENTS**

General Fund Programs:

<b>Base Budget Requirements</b>	<b>\$ 10,371,531,400</b>
Reductions and Adjustments	(43,463,800)
<b>Base Budget Recommended</b>	<b>\$ 10,328,067,600</b>

Improvement Budget Recommendations:

K-12 BEP:

BEP Formula	\$ 83,000,000
At-Risk Students	119,300,000
Census Growth - Current Year Basis	27,200,000
Teachers' Salary Increase and Bonus	66,900,000
Group Health Insurance	18,500,000
Pre-K Program - State Revenue	25,000,000
K-12 - Other Programs	11,545,100
Higher Education - State Revenue	77,650,000
Higher Education - Lottery Revenue	19,300,000
TennCare	56,273,400
Other Health and Social Services	79,520,300
Employees' Salary Increase and Bonus	85,700,000
Employees' Group Health Insurance	32,000,000
Other Improvements	212,305,900
<b>Total Improvements</b>	<b>\$ 914,194,700</b>

**Total General Fund Requirements** **\$ 11,242,262,300**

Less: Overappropriation (76,600,000)

Less: OIR Rate Reduction (800,000)

**Net General Fund Requirements** **\$ 11,164,862,300**

Other Programs:

Transportation Equity Fund	\$ 47,000,000
Capital Outlay Program	59,300,000
K-12 School Construction Reserve	100,000,000
Metro Sports Authority Debt Service	3,716,000
Personal License Plates Fund Reserves	1,000,000
Facilities Revolving Fund	8,267,200
Highway Fund - Restore - Non-Recurring	32,800,000
Revenue Fluctuation Reserve - Increase	36,600,000

**Total Other Requirements** **\$ 288,683,200**

**Total Appropriation Requirements** **\$ 11,453,545,500**

**II. GENERAL FUND REVENUES AND RESERVES**

State Tax Revenue - Department of Revenue	\$ 9,270,300,000
State Tax Revenue - Other State Revenue	913,800,000
Miscellaneous Revenue	101,100,000
Tobacco Funds	141,800,000
Lottery for Education Account	271,900,000
Lottery Reserve - K-12 School Construction	100,000,000
Highway Fund Transfer - Gas Inspection Act	1,100,000
Reserve for Appropriations 2007-2008	401,400,000
Highway Fund - Transfer to General Fund	32,800,000
Undesignated Fund Balance at June 30, 2007	320,900

**Sub-Total** **\$ 11,234,520,900**

Additional Revenue Required 219,600,000

**Total General Fund Revenues and Reserves** **\$ 11,454,120,900**

**III. AVAILABLE FUNDS AT JUNE 30, 2008**

**Undesignated Fund Balance** **\$ 575,400**

**Total Available Funds** **\$ 575,400**

Revenue Fluctuation Reserve at June 30, 2007 \$ 496,900,000

Revenue Fluctuation Reserve at June 30, 2008 \$ 533,500,000

**Department of Transportation**  
**Comparison of Appropriations and Funding Requirements**  
**Fiscal Years 2006-2007 and 2007-2008**

	<u>2006-2007</u>	<u>2007-2008</u>	<u>Difference</u>
<b>I. APPROPRIATION REQUIREMENTS</b>			
<b>ADMINISTRATION</b>			
D.O.T. Headquarters	\$ 15,493,000	\$ 15,854,000	\$ 361,000
Bureau of Engineering	20,122,000	22,018,000	1,896,000
Bureau of Administration	35,345,000	41,316,000	5,971,000
Bureau of Environment and Planning	8,126,000	10,278,000	2,152,000
Field Engineering	40,721,000	45,956,000	5,235,000
Insurance Premiums	11,000,000	10,000,000	(1,000,000)
<b>Sub-Total Administration</b>	<b>\$ 130,807,000</b>	<b>\$ 145,422,000</b>	<b>\$ 14,615,000</b>
<b>EQUIPMENT PURCHASES &amp; OPERATIONS</b>	<b>\$ 26,020,000</b>	<b>\$ 29,177,000</b>	<b>\$ 3,157,000</b>
<b>HIGHWAY MAINTENANCE</b>	<b>\$ 252,624,000</b>	<b>\$ 276,859,000</b>	<b>\$ 24,235,000</b>
<b>STATE CONSTRUCTION</b>			
Highway Betterments	\$ 5,700,000	\$ 9,700,000	\$ 4,000,000
State Aid	30,622,000	30,622,000	0
State Industrial Access	18,865,000	24,000,000	5,135,000
Local Interstate Connectors	8,225,000	4,000,000	(4,225,000)
Capital Improvements	7,015,000	5,193,000	(1,822,000)
<b>Sub-Total State Construction</b>	<b>\$ 70,427,000</b>	<b>\$ 73,515,000</b>	<b>\$ 3,088,000</b>
<b>FEDERAL CONSTRUCTION</b>			
Mass Transit	\$ 35,239,000	\$ 37,044,000	\$ 1,805,000
Planning & Research	5,100,000	5,200,000	100,000
Interstate Construction	16,000,000	17,200,000	1,200,000
Forest Highways	200,000	200,000	0
State Highway Construction	199,483,000	188,583,000	(10,900,000)
Bridge Replacement	6,700,000	5,200,000	(1,500,000)
Air, Water, and Rail	35,800,000	47,000,000	11,200,000
<b>Sub-Total Federal Construction</b>	<b>\$ 298,522,000</b>	<b>\$ 300,427,000</b>	<b>\$ 1,905,000</b>
<b>TOTAL APPROPRIATION REQUIREMENTS</b>	<b>\$ 778,400,000</b>	<b>\$ 825,400,000</b>	<b>\$ 47,000,000</b>
<b>II. FUNDING REQUIREMENTS</b>			
Highway User Taxes	\$ 661,900,000	\$ 662,800,000	\$ 900,000
Miscellaneous Revenue	19,300,000	19,800,000	500,000
Bonds	83,500,000	83,800,000	300,000
Highway Fund Balance/Reserves	12,000,000	12,000,000	0
Transportation Equity Fund	32,000,000	47,000,000	15,000,000
<b>Sub-Total Revenues and Reserves</b>	<b>\$ 808,700,000</b>	<b>\$ 825,400,000</b>	<b>\$ 16,700,000</b>
Transfer to General Fund	\$ (32,800,000)	\$ (32,800,000)	\$ 0
Transfer from General Fund	0	32,800,000	32,800,000
Transfer from General Fund - Mass Transit	1,000,000	0	(1,000,000)
Transfer from General Fund - Biofuels Project	1,500,000	0	(1,500,000)
<b>Sub-Total Transfers</b>	<b>\$ (30,300,000)</b>	<b>\$ 0</b>	<b>\$ 30,300,000</b>
<b>TOTAL FUNDING REQUIREMENTS</b>	<b>\$ 778,400,000</b>	<b>\$ 825,400,000</b>	<b>\$ 47,000,000</b>

**Department of Transportation**  
**Comparison of Appropriations by Funding Sources**  
**Fiscal Years 2006-2007 and 2007-2008**

	<u>2006-2007</u>	<u>2007-2008</u>	<u>Difference</u>
<b>I. STATE FUNDS</b>			
Administration	\$ 130,807,000	\$ 145,422,000	\$ 14,615,000
Equipment Purchases	26,020,000	29,177,000	3,157,000
Highway Maintenance	252,624,000	276,859,000	24,235,000
State Construction	70,427,000	73,515,000	3,088,000
Federal Aid Construction	215,022,000	216,627,000	1,605,000
<b>Total State Funds</b>	<b>\$ 694,900,000</b>	<b>\$ 741,600,000</b>	<b>\$ 46,700,000</b>
<b>II. BOND AUTHORIZATIONS</b>			
State Construction	\$ 0	\$ 0	\$ 0
Federal Aid Construction	83,500,000	83,800,000	300,000
<b>Total Bond Authorizations</b>	<b>\$ 83,500,000</b>	<b>\$ 83,800,000</b>	<b>\$ 300,000</b>
<b>III. FEDERAL AID</b>			
Federal Aid Construction	<b>\$ 914,029,000</b>	<b>\$ 941,346,000</b>	<b>\$ 27,317,000</b>
<b>IV. LOCAL GOVERNMENTS</b>			
Highway Maintenance	\$ 1,100,000	\$ 1,100,000	\$ 0
State Construction	17,756,000	13,714,000	(4,042,000)
Federal Aid Construction	34,545,000	34,985,000	440,000
<b>Total Local Governments</b>	<b>\$ 53,401,000</b>	<b>\$ 49,799,000</b>	<b>\$ (3,602,000)</b>
<b>V. GRAND TOTAL</b>			
Administration	\$ 130,807,000	\$ 145,422,000	\$ 14,615,000
Equipment Purchases	26,020,000	29,177,000	3,157,000
Highway Maintenance	253,724,000	277,959,000	24,235,000
State Construction	88,183,000	87,229,000	(954,000)
Federal Aid Construction	1,247,096,000	1,276,758,000	29,662,000
<b>Grand Total</b>	<b>\$ 1,745,830,000</b>	<b>\$ 1,816,545,000</b>	<b>\$ 70,715,000</b>

# Comparison of Programs

## Fiscal Years 2005-2006, 2006-2007, and 2007-2008

Allot. Code	Department	Actual 2005-2006	Estimated 2006-2007	Recommended 2007-2008	Act. vs Est. Difference	Est. vs Rec. Difference
<b>301</b>	<b>Legislature</b>	<b>\$ 33,195,000</b>	<b>\$ 37,380,000</b>	<b>\$ 37,288,500</b>	<b>\$ 4,185,000</b>	<b>\$ (91,500)</b>
	Appropriation	33,086,800	37,242,500	37,151,000	4,155,700	(91,500)
	Current Services and Other Revenue	108,200	137,500	137,500	29,300	0
<b>301.50</b>	<b>Fiscal Review Committee</b>	<b>\$ 927,300</b>	<b>\$ 1,125,200</b>	<b>\$ 1,124,200</b>	<b>\$ 197,900</b>	<b>\$ (1,000)</b>
	Appropriation	927,300	1,125,200	1,124,200	197,900	(1,000)
<b>302</b>	<b>Court System</b>	<b>\$ 96,435,700</b>	<b>\$ 110,079,800</b>	<b>\$ 109,453,900</b>	<b>\$ 13,644,100</b>	<b>\$ (625,900)</b>
	Appropriation	91,062,200	105,347,300	105,152,600	14,285,100	(194,700)
	Federal	179,500	200,000	200,000	20,500	0
	Current Services and Other Revenue	5,194,000	4,532,500	4,101,300	(661,500)	(431,200)
<b>303</b>	<b>Attorney General and Reporter</b>	<b>\$ 26,169,200</b>	<b>\$ 34,750,200</b>	<b>\$ 37,145,600</b>	<b>\$ 8,581,000</b>	<b>\$ 2,395,400</b>
	Appropriation	18,070,800	22,374,200	24,781,200	4,303,400	2,407,000
	Current Services and Other Revenue	8,098,400	12,376,000	12,364,400	4,277,600	(11,600)
<b>304</b>	<b>District Attorneys General</b>	<b>\$ 73,057,500</b>	<b>\$ 82,486,300</b>	<b>\$ 82,880,700</b>	<b>\$ 9,428,800</b>	<b>\$ 394,400</b>
	Appropriation	53,025,400	60,906,200	62,830,700	7,880,800	1,924,500
	Current Services and Other Revenue	20,032,100	21,580,100	20,050,000	1,548,000	(1,530,100)
<b>305</b>	<b>Secretary of State</b>	<b>\$ 47,544,700</b>	<b>\$ 63,532,900</b>	<b>\$ 62,552,700</b>	<b>\$ 15,988,200</b>	<b>\$ (980,200)</b>
	Appropriation	20,930,800	29,277,000	28,296,800	8,346,200	(980,200)
	Federal	12,751,500	23,806,700	23,806,700	11,055,200	0
	Current Services and Other Revenue	13,862,400	10,449,200	10,449,200	(3,413,200)	0
<b>306</b>	<b>District Public Defenders</b>	<b>\$ 31,972,700</b>	<b>\$ 36,475,300</b>	<b>\$ 37,098,900</b>	<b>\$ 4,502,600</b>	<b>\$ 623,600</b>
	Appropriation	30,155,300	35,187,300	35,878,700	5,032,000	691,400
	Current Services and Other Revenue	1,817,400	1,288,000	1,220,200	(529,400)	(67,800)
<b>307</b>	<b>Comptroller of the Treasury</b>	<b>\$ 72,726,600</b>	<b>\$ 91,429,200</b>	<b>\$ 93,548,100</b>	<b>\$ 18,702,600</b>	<b>\$ 2,118,900</b>
	Appropriation	62,441,900	80,690,000	83,050,000	18,248,100	2,360,000
	Current Services and Other Revenue	10,284,700	10,739,200	10,498,100	454,500	(241,100)
<b>308</b>	<b>Post-Conviction Defender</b>	<b>\$ 1,234,100</b>	<b>\$ 1,420,100</b>	<b>\$ 1,774,800</b>	<b>\$ 186,000</b>	<b>\$ 354,700</b>
	Appropriation	1,234,100	1,420,100	1,774,800	186,000	354,700
<b>309</b>	<b>Treasury Department</b>	<b>\$ 16,525,600</b>	<b>\$ 24,890,900</b>	<b>\$ 23,310,800</b>	<b>\$ 8,365,300</b>	<b>\$ (1,580,100)</b>
	Appropriation	51,800	628,300	628,000	576,500	(300)
	Current Services and Other Revenue	16,473,800	24,262,600	22,682,800	7,788,800	(1,579,800)
<b>313</b>	<b>Claims and Compensation</b>	<b>\$ 65,652,400</b>	<b>\$ 88,611,100</b>	<b>\$ 98,558,200</b>	<b>\$ 22,958,700</b>	<b>\$ 9,947,100</b>
	Appropriation	7,920,000	9,909,900	12,670,000	1,989,900	2,760,100
	Federal	3,177,000	3,415,100	5,055,000	238,100	1,639,900
	Current Services and Other Revenue	54,555,400	75,286,100	80,833,200	20,730,700	5,547,100
<b>315</b>	<b>Executive Department</b>	<b>\$ 3,266,700</b>	<b>\$ 4,578,400</b>	<b>\$ 4,552,900</b>	<b>\$ 1,311,700</b>	<b>\$ (25,500)</b>
	Appropriation	3,246,700	4,558,400	4,552,900	1,311,700	(5,500)
	Current Services and Other Revenue	20,000	20,000	0	0	(20,000)

# Comparison of Programs

## Fiscal Years 2005-2006, 2006-2007, and 2007-2008

Allot. Code	Department	Actual 2005-2006	Estimated 2006-2007	Recommended 2007-2008	Act. vs Est. Difference	Est. vs Rec. Difference
<b>316</b>	<b>Commissions</b>	<b>\$ 283,356,200</b>	<b>\$ 378,306,200</b>	<b>\$ 376,519,400</b>	<b>\$ 94,950,000</b>	<b>\$ (1,786,800)</b>
	Appropriation	29,415,200	33,359,600	33,183,900	3,944,400	(175,700)
	Federal	203,115,900	282,058,900	280,517,100	78,943,000	(1,541,800)
	Current Services and Other Revenue	50,825,100	62,887,700	62,818,400	12,062,600	(69,300)
<b>317</b>	<b>Finance and Administration (F&amp;A)</b>	<b>\$ 245,662,100</b>	<b>\$ 299,009,900</b>	<b>\$ 306,896,300</b>	<b>\$ 53,347,800</b>	<b>\$ 7,886,400</b>
	Appropriation	14,319,700	50,296,600	53,578,200	35,976,900	3,281,600
	Federal	25,200,700	31,570,200	31,700,600	6,369,500	130,400
	Current Services and Other Revenue	206,141,700	217,143,100	221,617,500	11,001,400	4,474,400
	<b>State Health Planning</b>	<sup>1</sup> <b>\$ 2,265,600</b>	<b>\$ 519,800</b>	<b>\$ 34,630,100</b>	<b>\$ (1,745,800)</b>	<b>\$ 34,110,300</b>
	Appropriation	1,636,900	519,800	17,870,400	(1,117,100)	17,350,600
	Federal	628,700	0	0	(628,700)	0
	Current Services and Other Revenue	0	0	16,759,700	0	16,759,700
	<b>Criminal Justice Programs</b>	<sup>1</sup> <b>\$ 26,543,800</b>	<b>\$ 36,749,100</b>	<b>\$ 34,581,100</b>	<b>\$ 10,205,300</b>	<b>\$ (2,168,000)</b>
	Appropriation	5,066,300	9,296,500	7,002,300	4,230,200	(2,294,200)
	Federal	21,268,800	27,425,800	27,572,000	6,157,000	146,200
	Current Services and Other Revenue	208,700	26,800	6,800	(181,900)	(20,000)
	<b>Hurricane Relief</b>	<sup>1</sup> <b>\$ 29,903,600</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (29,903,600)</b>	<b>\$ 0</b>
	Current Services and Other Revenue	29,903,600	0	0	(29,903,600)	0
	<b>Other F&amp;A Programs</b>	<sup>1</sup> <b>\$ 186,949,100</b>	<b>\$ 261,741,000</b>	<b>\$ 237,685,100</b>	<b>\$ 74,791,900</b>	<b>\$ (24,055,900)</b>
	Appropriation	7,616,500	40,480,300	28,705,500	32,863,800	(11,774,800)
	Federal	3,303,200	4,144,400	4,128,600	841,200	(15,800)
	Current Services and Other Revenue	176,029,400	217,116,300	204,851,000	41,086,900	(12,265,300)
<b>318</b>	<b>F&amp;A - TennCare</b>	<b>\$ 6,915,838,000</b>	<b>\$ 7,475,181,300</b>	<b>\$ 7,582,642,600</b>	<b>\$ 559,343,300</b>	<b>\$ 107,461,300</b>
	Appropriation	2,058,120,300	2,650,322,900	2,688,332,400	592,202,600	38,009,500
	Federal	4,457,929,700	4,523,513,200	4,588,750,400	65,583,500	65,237,200
	Current Services and Other Revenue	399,788,000	301,345,200	305,559,800	(98,442,800)	4,214,600
<b>319</b>	<b>Personnel</b>	<b>\$ 9,040,800</b>	<b>\$ 11,102,400</b>	<b>\$ 11,094,200</b>	<b>\$ 2,061,600</b>	<b>\$ (8,200)</b>
	Appropriation	3,875,900	5,397,400	5,463,300	1,521,500	65,900
	Current Services and Other Revenue	5,164,900	5,705,000	5,630,900	540,100	(74,100)
<b>321</b>	<b>General Services</b>	<b>\$ 96,161,900</b>	<b>\$ 101,113,800</b>	<b>\$ 99,463,300</b>	<b>\$ 4,951,900</b>	<b>\$ (1,650,500)</b>
	Appropriation	2,118,500	2,250,700	3,313,800	132,200	1,063,100
	Current Services and Other Revenue	94,043,400	98,863,100	96,149,500	4,819,700	(2,713,600)
<b>323</b>	<b>Veterans Affairs</b>	<b>\$ 3,684,700</b>	<b>\$ 4,291,600</b>	<b>\$ 4,381,000</b>	<b>\$ 606,900</b>	<b>\$ 89,400</b>
	Appropriation	3,159,100	3,678,300	3,910,700	519,200	232,400
	Federal	391,500	360,000	360,000	(31,500)	0
	Current Services and Other Revenue	134,100	253,300	110,300	119,200	(143,000)

# Comparison of Programs

## Fiscal Years 2005-2006, 2006-2007, and 2007-2008

Allot. Code	Department	Actual 2005-2006	Estimated 2006-2007	Recommended 2007-2008	Act. vs Est. Difference	Est. vs Rec. Difference
<b>324</b>	<b>Board of Probation and Parole</b>	<b>\$ 63,847,700</b>	<b>\$ 73,790,300</b>	<b>\$ 72,959,300</b>	<b>\$ 9,942,600</b>	<b>\$ (831,000)</b>
	Appropriation	63,148,100	72,985,300	72,070,100	9,837,200	(915,200)
	Current Services and Other Revenue	699,600	805,000	889,200	105,400	84,200
<b>325</b>	<b>Agriculture</b>	<b>\$ 80,610,000</b>	<b>\$ 88,688,800</b>	<b>\$ 96,644,900</b>	<b>\$ 8,078,800</b>	<b>\$ 7,956,100</b>
	Appropriation	50,289,400	66,088,600	76,969,200	15,799,200	10,880,600
	Federal	18,659,900	11,313,500	11,069,200	(7,346,400)	(244,300)
	Current Services and Other Revenue	11,660,700	11,286,700	8,606,500	(374,000)	(2,680,200)
<b>326</b>	<b>Tourist Development</b>	<b>\$ 16,198,800</b>	<b>\$ 18,219,600</b>	<b>\$ 19,732,300</b>	<b>\$ 2,020,800</b>	<b>\$ 1,512,700</b>
	Appropriation	11,190,600	12,072,700	13,579,700	882,100	1,507,000
	Current Services and Other Revenue	5,008,200	6,146,900	6,152,600	1,138,700	5,700
<b>327</b>	<b>Environment and Conservation</b>	<b>\$ 299,921,700</b>	<b>\$ 355,846,600</b>	<b>\$ 360,021,300</b>	<b>\$ 55,924,900</b>	<b>\$ 4,174,700</b>
	Appropriation	143,093,000	185,297,700	189,384,300	42,204,700	4,086,600
	Federal	67,753,800	71,977,500	72,011,900	4,223,700	34,400
	Current Services and Other Revenue	89,074,900	98,571,400	98,625,100	9,496,500	53,700
<b>328</b>	<b>Wildlife Resources Agency</b>	<b>\$ 71,403,500</b>	<b>\$ 86,940,400</b>	<b>\$ 81,338,300</b>	<b>\$ 15,536,900</b>	<b>\$ (5,602,100)</b>
	Appropriation	41,055,700	50,423,700	51,061,700	9,368,000	638,000
	Federal	21,762,100	21,322,300	19,086,300	(439,800)	(2,236,000)
	Current Services and Other Revenue	8,585,700	15,194,400	11,190,300	6,608,700	(4,004,100)
<b>329</b>	<b>Correction</b>	<b>\$ 558,433,900</b>	<b>\$ 648,053,000</b>	<b>\$ 664,732,800</b>	<b>\$ 89,619,100</b>	<b>\$ 16,679,800</b>
	Appropriation	541,329,500	616,386,300	633,313,400	75,056,800	16,927,100
	Federal	638,000	15,874,200	15,777,100	15,236,200	(97,100)
	Current Services and Other Revenue	16,466,400	15,792,500	15,642,300	(673,900)	(150,200)
<b>330</b>	<b>Economic and Community Development</b>	<b>\$ 85,260,300</b>	<b>\$ 124,747,700</b>	<b>\$ 122,827,200</b>	<b>\$ 39,487,400</b>	<b>\$ (1,920,500)</b>
	Appropriation	42,106,200	78,137,800	78,453,000	36,031,600	315,200
	Federal	34,544,400	33,206,700	30,834,900	(1,337,700)	(2,371,800)
	Current Services and Other Revenue	8,609,700	13,403,200	13,539,300	4,793,500	136,100
<b>331</b>	<b>Education (K-12)</b>	<b>\$ 4,006,928,000</b>	<b>\$ 4,341,991,200</b>	<b>\$ 4,649,635,400</b>	<b>\$ 335,063,200</b>	<b>\$ 307,644,200</b>
	Appropriation	3,135,840,500	3,413,530,800	3,736,927,400	277,690,300	323,396,600
	Federal	833,873,900	872,675,700	868,226,400	38,801,800	(4,449,300)
	Current Services and Other Revenue	37,213,600	55,784,700	44,481,600	18,571,100	(11,303,100)
	<b>Lottery-Funded Programs</b>	<b><sup>1</sup> \$ 28,774,200</b>	<b>\$ 37,500,000</b>	<b>\$ 37,300,000</b>	<b>\$ 8,725,800</b>	<b>\$ (200,000)</b>
	Appropriation	4,083,600	12,500,000	12,300,000	8,416,400	(200,000)
	Current Services and Other Revenue	24,690,600	25,000,000	25,000,000	309,400	0
	<b>Other Education (K-12) Programs</b>	<b><sup>1</sup> \$ 3,978,153,800</b>	<b>\$ 4,304,491,200</b>	<b>\$ 4,612,335,400</b>	<b>\$ 326,337,400</b>	<b>\$ 307,844,200</b>
	Appropriation	3,131,756,900	3,401,030,800	3,724,627,400	269,273,900	323,596,600
	Federal	833,873,900	872,675,700	868,226,400	38,801,800	(4,449,300)
	Current Services and Other Revenue	12,523,000	30,784,700	19,481,600	18,261,700	(11,303,100)

# Comparison of Programs

## Fiscal Years 2005-2006, 2006-2007, and 2007-2008

Allot. Code	Department	Actual 2005-2006	Estimated 2006-2007	Recommended 2007-2008	Act. vs Est. Difference	Est. vs Rec. Difference
<b>332</b>	<b>Higher Education</b>	<b>\$ 2,876,382,200</b>	<b>\$ 3,121,161,100</b>	<b>\$ 3,242,382,000</b>	<b>\$ 244,778,900</b>	<b>\$ 121,220,900</b>
	Appropriation	1,332,493,400	1,498,873,700	1,582,361,500	166,380,300	83,487,800
	Federal	184,937,500	205,977,500	205,973,200	21,040,000	(4,300)
	Current Services and Other Revenue	466,708,800	482,810,100	477,547,500	16,101,300	(5,262,600)
	Tuition and Student Fees	892,242,500	933,499,800	976,499,800	41,257,300	43,000,000
	<b>Lottery for Education Account</b>	<sup>1</sup> <b>\$ 164,479,200</b>	<b>\$ 237,800,000</b>	<b>\$ 259,600,000</b>	<b>\$ 73,320,800</b>	<b>\$ 21,800,000</b>
	Appropriation	164,479,200	237,800,000	259,600,000	73,320,800	21,800,000
	<b>Other Higher Education Programs</b>	<sup>1</sup> <b>\$ 2,711,903,000</b>	<b>\$ 2,883,361,100</b>	<b>\$ 2,982,782,000</b>	<b>\$ 171,458,100</b>	<b>\$ 99,420,900</b>
	Appropriation	1,168,014,200	1,261,073,700	1,322,761,500	93,059,500	61,687,800
	Federal	184,937,500	205,977,500	205,973,200	21,040,000	(4,300)
	Current Services and Other Revenue	466,708,800	482,810,100	477,547,500	16,101,300	(5,262,600)
	Tuition and Student Fees	892,242,500	933,499,800	976,499,800	41,257,300	43,000,000
<b>335</b>	<b>Commerce and Insurance</b>	<b>\$ 90,628,400</b>	<b>\$ 128,207,300</b>	<b>\$ 126,152,700</b>	<b>\$ 37,578,900</b>	<b>\$ (2,054,600)</b>
	Appropriation	52,464,600	82,344,300	79,978,300	29,879,700	(2,366,000)
	Federal	985,800	931,900	258,700	(53,900)	(673,200)
	Current Services and Other Revenue	37,178,000	44,931,100	45,915,700	7,753,100	984,600
<b>336</b>	<b>Financial Institutions</b>	<b>\$ 11,932,000</b>	<b>\$ 15,770,900</b>	<b>\$ 15,514,400</b>	<b>\$ 3,838,900</b>	<b>\$ (256,500)</b>
	Appropriation	3,390,900	8,270,400	7,797,300	4,879,500	(473,100)
	Current Services and Other Revenue	8,541,100	7,500,500	7,717,100	(1,040,600)	216,600
<b>337</b>	<b>Labor and Workforce Development</b>	<b>\$ 183,638,500</b>	<b>\$ 224,227,100</b>	<b>\$ 225,373,900</b>	<b>\$ 40,588,600</b>	<b>\$ 1,146,800</b>
	Appropriation	32,093,600	40,286,700	41,681,300	8,193,100	1,394,600
	Federal	135,452,600	159,180,100	154,088,500	23,727,500	(5,091,600)
	Current Services and Other Revenue	16,092,300	24,760,300	29,604,100	8,668,000	4,843,800
<b>339</b>	<b>Mental Health and Developmental Disabilities</b>	<b>\$ 250,653,400</b>	<b>\$ 269,611,400</b>	<b>\$ 268,348,500</b>	<b>\$ 18,958,000</b>	<b>\$ (1,262,900)</b>
	Appropriation	136,202,100	157,202,100	155,940,500	21,000,000	(1,261,600)
	Federal	20,688,000	21,597,100	21,525,400	909,100	(71,700)
	Current Services and Other Revenue	93,763,300	90,812,200	90,882,600	(2,951,100)	70,400
<b>341</b>	<b>Military</b>	<b>\$ 137,436,200</b>	<b>\$ 105,095,500</b>	<b>\$ 106,276,100</b>	<b>\$ (32,340,700)</b>	<b>\$ 1,180,600</b>
	Appropriation	13,062,400	11,755,300	13,007,600	(1,307,100)	1,252,300
	Federal	119,523,100	90,933,900	91,172,300	(28,589,200)	238,400
	Current Services and Other Revenue	4,850,700	2,406,300	2,096,200	(2,444,400)	(310,100)
	<b>Hurricane Relief</b>	<sup>1</sup> <b>\$ 34,387,800</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (34,387,800)</b>	<b>\$ 0</b>
	Appropriation	409,000	0	0	(409,000)	0
	Federal	31,664,400	0	0	(31,664,400)	0
	Current Services and Other Revenue	2,314,400	0	0	(2,314,400)	0
	<b>Other Military Programs</b>	<sup>1</sup> <b>\$ 103,048,400</b>	<b>\$ 105,095,500</b>	<b>\$ 106,276,100</b>	<b>\$ 2,047,100</b>	<b>\$ 1,180,600</b>
	Appropriation	12,653,400	11,755,300	13,007,600	(898,100)	1,252,300
	Federal	87,858,700	90,933,900	91,172,300	3,075,200	238,400
	Current Services and Other Revenue	2,536,300	2,406,300	2,096,200	(130,000)	(310,100)

# Comparison of Programs

## Fiscal Years 2005-2006, 2006-2007, and 2007-2008

Allot. Code	Department	Actual 2005-2006	Estimated 2006-2007	Recommended 2007-2008	Act. vs Est. Difference	Est. vs Rec. Difference
<b>343</b>	<b>Health</b>	<b>\$ 538,731,500</b>	<b>\$ 596,917,700</b>	<b>\$ 600,692,100</b>	<b>\$ 58,186,200</b>	<b>\$ 3,774,400</b>
	Appropriation	173,004,700	198,231,500	200,767,300	25,226,800	2,535,800
	Federal	256,137,300	278,193,400	277,581,700	22,056,100	(611,700)
	Current Services and Other Revenue	109,589,500	120,492,800	122,343,100	10,903,300	1,850,300
<b>344</b>	<b>F&amp;A - Mental Retardation Services</b>	<b>\$ 776,278,000</b>	<b>\$ 841,704,900</b>	<b>\$ 848,394,800</b>	<b>\$ 65,426,900</b>	<b>\$ 6,689,900</b>
	Appropriation	178,170,300	82,911,200	74,976,000	(95,259,100)	(7,935,200)
	Federal	1,892,700	2,625,900	2,150,300	733,200	(475,600)
	Current Services and Other Revenue	596,215,000	756,167,800	771,268,500	159,952,800	15,100,700
<b>345</b>	<b>Human Services</b>	<b>\$ 1,929,102,100</b>	<b>\$ 1,959,049,300</b>	<b>\$ 1,967,148,700</b>	<b>\$ 29,947,200</b>	<b>\$ 8,099,400</b>
	Appropriation	187,785,300	176,028,300	182,408,600	(11,757,000)	6,380,300
	Federal	1,583,045,500	1,638,843,100	1,644,820,000	55,797,600	5,976,900
	Current Services and Other Revenue	158,271,300	144,177,900	139,920,100	(14,093,400)	(4,257,800)
	<b>Temporary Cash Assistance</b>	<sup>1</sup> <b>\$ 147,632,300</b>	<b>\$ 150,341,300</b>	<b>\$ 143,312,500</b>	<b>\$ 2,709,000</b>	<b>\$ (7,028,800)</b>
	Appropriation	37,253,900	33,044,900	33,275,800	(4,209,000)	230,900
	Federal	106,998,200	113,916,200	106,419,300	6,918,000	(7,496,900)
	Current Services and Other Revenue	3,380,200	3,380,200	3,617,400	0	237,200
	<b>Food Stamp Benefits</b>	<sup>1</sup> <b>\$ 973,153,600</b>	<b>\$ 999,600,000</b>	<b>\$ 1,009,125,000</b>	<b>\$ 26,446,400</b>	<b>\$ 9,525,000</b>
	Federal	973,153,600	999,600,000	1,009,125,000	26,446,400	9,525,000
	<b>Other Human Services Programs</b>	<sup>1</sup> <b>\$ 808,316,200</b>	<b>\$ 809,108,000</b>	<b>\$ 814,711,200</b>	<b>\$ 791,800</b>	<b>\$ 5,603,200</b>
	Appropriation	150,531,400	142,983,400	149,132,800	(7,548,000)	6,149,400
	Federal	502,893,700	525,326,900	529,275,700	22,433,200	3,948,800
	Current Services and Other Revenue	154,891,100	140,797,700	136,302,700	(14,093,400)	(4,495,000)
<b>347</b>	<b>Revenue</b>	<b>\$ 98,475,400</b>	<b>\$ 113,856,600</b>	<b>\$ 108,094,400</b>	<b>\$ 15,381,200</b>	<b>\$ (5,762,200)</b>
	Appropriation	71,861,000	87,657,800	84,667,500	15,796,800	(2,990,300)
	Federal	0	22,000	22,000	22,000	0
	Current Services and Other Revenue	26,614,400	26,176,800	23,404,900	(437,600)	(2,771,900)
<b>348</b>	<b>Tennessee Bureau of Investigation</b>	<b>\$ 57,216,600</b>	<b>\$ 60,502,100</b>	<b>\$ 57,473,600</b>	<b>\$ 3,285,500</b>	<b>\$ (3,028,500)</b>
	Appropriation	31,811,100	36,197,400	35,737,400	4,386,300	(460,000)
	Federal	9,138,300	10,233,700	9,660,700	1,095,400	(573,000)
	Current Services and Other Revenue	16,267,200	14,071,000	12,075,500	(2,196,200)	(1,995,500)
<b>349</b>	<b>Safety</b>	<b>\$ 133,069,800</b>	<b>\$ 158,756,361</b>	<b>\$ 183,759,100</b>	<b>\$ 25,686,561</b>	<b>\$ 25,002,739</b>
	Appropriation	85,525,600	104,210,961	132,880,800	18,685,361	28,669,839
	Federal	4,821,100	7,706,300	7,733,800	2,885,200	27,500
	Current Services and Other Revenue	42,723,100	46,839,100	43,144,500	4,116,000	(3,694,600)
<b>350</b>	<b>Cover Tennessee Health Care Programs</b>	<b>\$ 0</b>	<b>\$ 91,508,600</b>	<b>\$ 159,808,600</b>	<b>\$ 91,508,600</b>	<b>\$ 68,300,000</b>
	Appropriation	0	69,508,600	95,208,600	69,508,600	25,700,000
	Federal	0	22,000,000	64,600,000	22,000,000	42,600,000
<b>351</b>	<b>Miscellaneous Appropriations</b>	<b>\$ 32,086,300</b>	<b>\$ 75,459,700</b>	<b>\$ 185,273,300</b>	<b>\$ 43,373,400</b>	<b>\$ 109,813,600</b>
	Appropriation	32,086,300	75,459,700	185,273,300	43,373,400	109,813,600
<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 2005-2006, 2006-2007, and 2007-2008

Allot. Code	Department	Actual 2005-2006	Estimated 2006-2007	Recommended 2007-2008	Act. vs Est. Difference	Est. vs Rec. Difference
<b>355</b>	<b>State Building Commission</b>	<b>\$ 197,600</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 202,400</b>	<b>\$ 0</b>
	Appropriation	197,600	250,000	250,000	52,400	0
	Current Services and Other Revenue	0	150,000	150,000	150,000	0
<b>359</b>	<b>Children's Services</b>	<b>\$ 600,983,600</b>	<b>\$ 649,676,900</b>	<b>\$ 669,943,600</b>	<b>\$ 48,693,300</b>	<b>\$ 20,266,700</b>
	Appropriation	272,757,400	317,250,800	331,075,000	44,493,400	13,824,200
	Federal	111,600,000	109,560,400	114,659,000	(2,039,600)	5,098,600
	Current Services and Other Revenue	216,626,200	222,865,700	224,209,600	6,239,500	1,343,900
	<b>Grand Total - General Fund</b>	<b>\$ 20,921,866,700</b>	<b>\$ 22,996,766,961</b>	<b>\$ 23,804,032,700</b>	<b>\$ 2,074,900,261</b>	<b>\$ 807,265,739</b>
	Appropriation	9,064,121,100	10,576,152,861	11,242,262,300	1,512,031,761	666,109,439
	Federal	8,108,199,800	8,439,099,300	8,541,641,200	330,899,500	102,541,900
	Current Services and Other Revenue	2,857,303,300	3,048,015,000	3,043,629,400	190,711,700	(4,385,600)
	Tuition and Student Fees	892,242,500	933,499,800	976,499,800	41,257,300	43,000,000
<b>400</b>	<b>Transportation</b>	<b>\$ 1,444,198,500</b>	<b>\$ 1,745,830,000</b>	<b>\$ 1,816,545,000</b>	<b>\$ 301,631,500</b>	<b>\$ 70,715,000</b>
	Appropriation	787,609,500 <sup>2</sup>	694,900,000	741,600,000	(92,709,500)	46,700,000
	Federal	615,828,800	914,029,000	941,346,000	298,200,200	27,317,000
	Current Services and Other Revenue	40,760,200	53,401,000	49,799,000	12,640,800	(3,602,000)
	Bonds	0	83,500,000	83,800,000	83,500,000	300,000
	<b>Debt Service Requirements</b>	<b>\$ 286,754,700</b>	<b>\$ 318,125,500</b>	<b>\$ 344,281,000</b>	<b>\$ 31,370,800</b>	<b>\$ 26,155,500</b>
	Appropriation	286,754,700	318,125,500	344,281,000	31,370,800	26,155,500
	<b>Capital Outlay Program</b>	<b>\$ 257,129,000</b>	<b>\$ 496,525,000</b>	<b>\$ 505,000,000</b>	<b>\$ 239,396,000</b>	<b>\$ 8,475,000</b>
	Appropriation	190,635,000 <sup>2</sup>	74,325,000	159,300,000	(116,310,000)	84,975,000
	Federal	8,731,000	19,900,000	0	11,169,000	(19,900,000)
	Current Services and Other Revenue	57,763,000	24,000,000	28,700,000	(33,763,000)	4,700,000
	Bonds	0	378,300,000	317,000,000	378,300,000	(61,300,000)
	<b>Facilities Revolving Fund</b>	<b>\$ 140,688,900</b>	<b>\$ 192,099,000</b>	<b>\$ 191,831,800</b>	<b>\$ 51,410,100</b>	<b>\$ (267,200)</b>
	Appropriation	666,700	9,280,400	8,267,200	8,613,700	(1,013,200)
	Federal	0	14,300,000	0	14,300,000	(14,300,000)
	Current Services and Other Revenue	140,022,200 <sup>3</sup>	124,718,600	123,064,600	(15,303,600)	(1,654,000)
	Bonds	0	43,800,000	60,500,000	43,800,000	16,700,000
	<b>Cities &amp; Counties - State Shared Taxes</b>	<b>\$ 738,348,400</b>	<b>\$ 786,700,000</b>	<b>\$ 815,000,000</b>	<b>\$ 48,351,600</b>	<b>\$ 28,300,000</b>
	Appropriation	738,348,400	786,700,000	815,000,000	48,351,600	28,300,000
	<b>Total State Budget - All Programs</b>	<b>\$ 23,788,986,200</b>	<b>\$ 26,536,046,461</b>	<b>\$ 27,476,690,500</b>	<b>\$ 2,747,060,261</b>	<b>\$ 940,644,039</b>
	Appropriation	11,068,135,400	12,459,483,761	13,310,710,500	1,391,348,361	851,226,739
	Federal	8,732,759,600	9,387,328,300	9,482,987,200	654,568,700	95,658,900
	Current Services and Other Revenue	3,095,848,700	3,250,134,600	3,245,193,000	154,285,900	(4,941,600)
	Tuition and Student Fees	892,242,500	933,499,800	976,499,800	41,257,300	43,000,000
	Bonds	0	505,600,000	461,300,000	505,600,000	(44,300,000)

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

<sup>2</sup> Includes tax revenues and bonds in Actual 2005-2006.

<sup>3</sup> Includes departmental revenues and bonds in Actual 2005-2006.

**Summary Comparison of Tennessee Personal Income  
and Appropriations from State Tax Revenues  
Fiscal Years 1977-1978, 2006-2007, and 2007-2008**

**TABLE 1**

**Tennessee Personal Income  
Calendar Years 1977, 2006, and 2007  
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income</u>	<u>Percentage Growth</u>
1977	\$ 26,795	-
2006	195,656	6.01
2007	206,335	5.46

**TABLE 2**

**Appropriations from State Tax Revenues  
Fiscal Years 1977-78, 2006-2007, and 2007-2008  
(Dollars in Millions)**

<u>Year</u>	<u>Appropriations</u>	<u>Percentage Growth</u>
1977-1978	\$ 1,747.3	-
2006-2007	11,423.5	3.53
2007-2008	12,080.1	5.75

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.

**General Fund and Education Fund  
Supplemental Appropriations  
Fiscal Year 2006-2007**

	<u>2006-2007</u>
<b>Court System</b>	
Guardian ad Litem	\$ 1,000,000
Indigent Defendants Counsel	3,000,000
<b>Sub-Total Court System</b>	<b><u>\$ 4,000,000</u></b>
<b>Post-Conviction Defender</b>	
Personnel and Operational Adjustments	76,000
<b>Department of Finance and Administration</b>	
State Planning Office	250,000
<b>Department of Correction</b>	
Brushy Mountain Prison Expansion - Radio System	2,492,000
<b>Department of Economic and Community Development</b>	
FastTrack Program - Current Obligations	8,000,000
<b>Department of Labor and Workforce Development</b>	
New Building - Telephone System	240,000
<b>Miscellaneous Appropriations</b>	
Retired Teachers Insurance	\$ 100,000
Postal Rate Increase May 2007	200,000
State Employees - Mileage Rate Increase - From 42¢ to 46¢ on 1-1-07	850,000
State Employees - Meal and Lodging Rate Increase on 1-1-07	750,000
<b>Sub-Total Miscellaneous Appropriations</b>	<b><u>\$ 1,900,000</u></b>
<b>Total Supplemental Appropriations</b>	<b><u><u>\$ 16,958,000</u></u></b>

## Cigarette Tax Allocation of 40¢ Per Pack Increase Fiscal Year 2007-2008

	Recurring	% of Total
<b>Revenue Estimate:</b>		
40¢ Cigarette Tax Increase	\$ 211,900,000	
Sales Tax Revenue Growth	7,700,000 *	
<b>Total New Revenue</b>	<b>\$ 219,600,000</b>	
 <b>Use of New General Fund Revenue:</b>		
<b>Department of Education (K-12)</b>		
Basic Education Program - At-Risk Students @ 100% (Now 38.5%)	\$ 119,300,000	
Basic Education Program - Student Census Growth on Current-Year Basis	27,200,000	
<b>Sub-Total Education</b>	<b>\$ 146,500,000</b>	<b>66.7%</b>
 <b>Higher Education</b>		
Operating Increase @ 5 - 6% Tuition Increase	\$ 48,300,000	
Financial Aid - TSAA Need-Based Grants **	3,800,000	
<b>Sub-Total Higher Education</b>	<b>\$ 52,100,000</b>	<b>23.7%</b>
 <b>Total K-12 and Higher Education</b>	 <b>\$ 198,600,000</b>	 <b>90.4%</b>
 <b>Health - Tobacco Use Prevention</b>	 15,000,000	 6.8%
<b>Agriculture - Farm Program</b>	6,000,000	2.8%
 <b>Grand Total Appropriation</b>	 <b>\$ 219,600,000</b>	 <b>100.0%</b>

\* Total Sales Tax growth is \$8 million, including a \$300,000 allocation to Local Government Fund.

\*\* Tennessee Student Assistance Awards.

# Programs Funded by 40-cent Cigarette Tax Increase Fiscal Year 2007-2008

## K-12 Education

### BEP At-Risk Students

To fully fund the Basic Education Program component 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. This will increase funding of at-risk children in all grades from 38.5 percent to 100 percent.

\$ 119,300,000

### BEP Student Enrollment - Current-year Census Basis

To provide additional Basic Education Program funding for student enrollment in the funding formula on a current-year student census basis. Previously, funding was provided on a current-year census basis only for local education agencies that experienced extraordinary growth in enrollment from the previous year.

27,200,000

### Sub-Total K-12 Education

\$ 146,500,000

## Higher Education

### Operational Support

To provide additional operating funds for higher education with the intent of maintaining the current percent of formula funding and of limiting tuition increases to a range of 5 to 6 percent. In the higher education budget, the state-funded improvement is a total of \$48.3 million, including \$37 million to academic formula units and \$11.3 million to the specialized units.

\$ 48,300,000

### Need-based Student Financial Aid

To provide funds for expansion of the Tennessee Student Assistance Awards (TSAA) program to additional students. The TSAA program provides grants to financially needy undergraduate students who are residents of Tennessee. This appropriation will allow the program to offer awards to an additional 1,850 students. There are currently approximately 19,000 TSAA recipients.

3,800,000

### Sub-Total Higher Education

\$ 52,100,000

### Total K-12 and Higher Education

\$ 198,600,000

## Health - Tobacco-Use Prevention

To provide funds for a comprehensive tobacco-use prevention and cessation initiative. Tobacco causes significant damage to health, increases the overall cost of the health-care system, and is a leading preventable cause of death. This program will focus on preventing youth from starting tobacco use and assist smokers to quit smoking.

15,000,000

## Agriculture - Farm Program

To provide funds to increase the recurring appropriation for the Farm Program from \$5 million to \$11 million. The \$6 million increase will provide programs to improve cattle breeding, cattle-handling facilities, and hay storage facilities (through producer incentive grants); encourage diversification of crops; promote Tennessee products; assist with development of a viticulture association of wineries and grape producers; and support farmers markets and other agribusiness initiatives.

6,000,000

## Grand Total

\$ 219,600,000

# Personnel and Funding Summary All Programs

	Actual 2005-2006	Estimated 2006-2007	Recommended 2007-2008
<b>STATE AGENCIES - GENERAL FUND *</b>			
Full-time Personnel	45,795	45,866	46,182
Part-time	2,136	2,224	2,224
Seasonal	590	677	677
<b>TOTAL</b>	<b>48,521</b>	<b>48,767</b>	<b>49,083</b>
Expenditures			
Payroll	\$ 2,145,333,000	\$ 2,530,060,100	\$ 2,536,507,200
Operational	15,871,377,300	17,308,045,761	17,987,843,500
<b>TOTAL</b>	<b>\$ 18,016,710,300</b>	<b>\$ 19,838,105,861</b>	<b>\$ 20,524,350,700</b>
Funding			
State	\$ 7,727,544,100	\$ 9,064,779,161	\$ 9,647,600,800
Federal	7,923,262,300	8,233,121,800	8,335,668,000
Other	2,365,903,900	2,540,204,900	2,541,081,900
<b>HIGHER EDUCATION **</b>			
Full-time Equivalent Personnel:			
Administrative	1,409	1,419	1,419
Professional	4,609	4,821	4,821
Faculty	8,744	8,981	8,981
Clerical and Support	8,568	8,683	8,683
Part-time	2	2	2
<b>TOTAL</b>	<b>23,332</b>	<b>23,906</b>	<b>23,906</b>
Funding			
State	\$ 1,168,014,200	\$ 1,261,073,700	\$ 1,322,761,500
Federal	184,937,500	205,977,500	205,973,200
Other	466,708,800	482,810,100	477,547,500
Tuition/Fees	892,242,500	933,499,800	976,499,800
<b>TOTAL</b>	<b>\$ 2,711,903,000</b>	<b>\$ 2,883,361,100</b>	<b>\$ 2,982,782,000</b>
<b>EDUCATION LOTTERY-FUNDED PROGRAMS</b>			
Funding			
State	\$ 168,562,800	\$ 250,300,000	\$ 271,900,000
Other	24,690,600	25,000,000	25,000,000
<b>TOTAL</b>	<b>\$ 193,253,400</b>	<b>\$ 275,300,000</b>	<b>\$ 296,900,000</b>
<b>GRAND TOTAL - GENERAL FUND</b>			
Full-time Personnel ***	69,125	69,770	70,086
Part-time	2,138	2,226	2,226
Seasonal	590	677	677
<b>TOTAL</b>	<b>71,853</b>	<b>72,673</b>	<b>72,989</b>
Expenditures			
Payroll	\$ 2,145,333,000	\$ 2,530,060,100	\$ 2,536,507,200
Operational	15,871,377,300	17,308,045,761	17,987,843,500
Higher Education	2,711,903,000	2,883,361,100	2,982,782,000
Lottery-Funded Programs	193,253,400	275,300,000	296,900,000
<b>TOTAL</b>	<b>\$ 20,921,866,700</b>	<b>\$ 22,996,766,961</b>	<b>\$ 23,804,032,700</b>

\* State Agencies, excluding Tennessee Higher Education Commission (THEC), Tennessee Student Assistance Corporation (TSAC), and Foreign Language Institute.

\*\* Higher Education, excluding Education Lottery-funded programs.

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

## Personnel and Funding Summary All Programs

	Actual 2005-2006	Estimated 2006-2007	Recommended 2007-2008
Funding			
State	\$ 9,064,121,100	\$ 10,576,152,861	\$ 11,242,262,300
Federal	8,108,199,800	8,439,099,300	8,541,641,200
Other *	3,749,545,800	3,981,514,800	4,020,129,200
<b>DEPARTMENT OF TRANSPORTATION</b>			
Full-time Personnel	4,944	4,944	4,978
Part-time	0	0	0
Seasonal	0	0	0
<b>TOTAL</b>	<b>4,944</b>	<b>4,944</b>	<b>4,978</b>
Expenditures			
Payroll	\$ 204,060,400	\$ 226,267,200	\$ 255,672,800
Operational	1,240,138,100	1,519,562,800	1,560,872,200
<b>TOTAL</b>	<b>\$ 1,444,198,500</b>	<b>\$ 1,745,830,000</b>	<b>\$ 1,816,545,000</b>
Funding			
State	\$ 787,609,500	\$ 778,400,000	\$ 825,400,000
Federal	615,828,800	914,029,000	941,346,000
Other	40,760,200	53,401,000	49,799,000
<b>GRAND TOTAL - ALL PROGRAMS</b>			
Full-time Personnel **	74,069	74,714	75,064
Part-time	2,138	2,226	2,226
Seasonal	590	677	677
<b>TOTAL</b>	<b>76,797</b>	<b>77,617</b>	<b>77,967</b>
Expenditures			
Payroll	\$ 2,349,393,400	\$ 2,756,327,300	\$ 2,792,180,000
Operational	17,111,515,400	18,827,608,561	19,548,715,700
Higher Education	2,711,903,000	2,883,361,100	2,982,782,000
Lottery-Funded Programs	193,253,400	275,300,000	296,900,000
<b>TOTAL</b>	<b>\$ 22,366,065,200</b>	<b>\$ 24,742,596,961</b>	<b>\$ 25,620,577,700</b>
Funding			
State	\$ 9,851,730,600	\$ 11,354,552,861	\$ 12,067,662,300
Federal	8,724,028,600	9,353,128,300	9,482,987,200
Other *	3,790,306,000	4,034,915,800	4,069,928,200

\* Other funding includes Higher Education tuition and fees.

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

**Comparison of Authorized Positions  
State Agencies and Higher Education  
Fiscal Years 2006-2007 and 2007-2008**

	<u>2006-2007</u>	<u>2007-2008</u>	<u>Difference</u>
<b>I. STATE AGENCIES *</b>			
<b>General Fund</b>	<b>48,767</b>	<b>49,083</b>	<b>316</b>
Full-time	45,866	46,182	316
Part-time	2,224	2,224	0
Seasonal	677	677	0
<b>Department of Transportation</b>	<b>4,944</b>	<b>4,978</b>	<b>34</b>
Full-time	4,944	4,978	34
Part-time	0	0	0
Seasonal	0	0	0
<b>Total State Agencies</b>	<b>53,711</b>	<b>54,061</b>	<b>350</b>
Full-time	50,810	51,160	350
Part-time	2,224	2,224	0
Seasonal	677	677	0
<b>II. HIGHER EDUCATION</b>			
<b>Total Positions</b>	<b>23,906</b>	<b>23,906</b>	<b>0</b>
Full-time Equivalent:			
Administrative	1,419	1,419	0
Professional	4,821	4,821	0
Faculty	8,981	8,981	0
Clerical and Support	8,683	8,683	0
Part-time	2	2	0
<b>III. STATE AGENCIES &amp; HIGHER EDUCATION</b>			
<b>Total Positions</b>	<b>77,617</b>	<b>77,967</b>	<b>350</b>
Full-time **	74,714	75,064	350
Part-time	2,226	2,226	0
Seasonal	677	677	0

\* State Agencies, excluding Tennessee Higher Education Commission (THEC), Tennessee Student Assistance Corporation (TSAC), and Foreign Language Institute.

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



## Employees Overlapped Over 90 Days

	<u>Number</u>
301.00 Legislature	13
302.00 Court System	19
304.00 District Attorneys General Conference	16
305.00 Secretary of State	5
306.00 District Public Defenders Conference	1
307.00 Comptroller of the Treasury	3
316.00 Commissions	10
317.00 Finance and Administration	13
318.00 TennCare	20
321.00 General Services	4
324.00 Board of Probation and Parole	5
325.00 Agriculture	6
326.00 Tourist Development	1
327.00 Environment and Conservation	32
328.00 Tennessee Wildlife Resources Agency	4
329.00 Correction	53
331.00 Education	12
335.00 Commerce and Insurance	1
337.00 Labor and Workforce Development	20
339.00 Mental Health and Developmental Disabilities	19
341.00 Military	2
343.00 Health	14
344.00 Mental Retardation Services Division	62
345.00 Human Services	121
347.00 Revenue	1
348.00 Tennessee Bureau of Investigation	4
349.00 Safety	22
359.00 Children's Services	101
400.00 Transportation	8
<b>Total</b>	<b>592</b>

# Tennessee Economic Overview

Recommended Budget, Fiscal Year 2007 - 2008

*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."*

Economic performance at the national and state levels helps shape the fiscal fortunes of state and local governments in Tennessee. To place the proposed budget in context, the following discussion provides a brief overview of current economic conditions and the economic outlook for the state and nation. For more information on the economic outlook, please see *An Annual Report to the Governor of the State of Tennessee*.

**Recent Economic Conditions** - The state and national economies continue to show healthy growth in jobs, income and output. Weighing down on the economy have been rising interest rates and high energy prices. Beginning in June of 2004, the Federal Reserve raised the federal funds rate seventeen consecutive times, pushing the rate to 5.25 percent on June 29<sup>th</sup> of last year. The goal was to rein in inflation while at the same time avoiding an economic downturn. The residential housing market has sagged in part due to rising mortgage rates. But construction activity has been buoyed by strength in commercial, industrial and public sector building. Gasoline prices began their ascent in early 2002, culminating with prices at the pump in excess of \$3.00 in Tennessee in September of 2005. Gasoline prices, along with other energy prices, have moderated some since then, particularly recently in the face of a mild winter heating season. Higher energy prices have eaten into the disposable income of consumers and have hurt overall economic growth.

Economic growth for the national economy slowed some over the course of the year. Inflation-adjusted gross domestic product was up only 2.4 percent in the fourth quarter of 2006, trailing the annual rate of 3.3 percent for the year. Nonetheless, the nation's unemployment rate moved down as 2006 unfolded and 167,000 new jobs were created in January. Non-farm job growth advanced 1.4 percent for the year as a whole. Tennessee saw non-farm jobs expand at a slightly slower 1.3 percent pace in 2006. Job growth in the service sectors continues to be strong in Tennessee, while the manufacturing sector continues to shed jobs. Tennessee personal income was up 6.0 percent in 2006, an improvement from 5.6 percent growth in the previous year.

**Short-term Economic Outlook** - The national and state economies are expected to slow some in 2007, though the chances of an economic downturn appear remote at this time. Consumer spending is expected to be a drag on economic activity due to high energy prices and the weak housing market. Business investment and a strong export market will help support economic expansion in the quarters ahead. The nation should see job growth of nearly 1.0 percent for the year while inflation-adjusted gross domestic product is expected to see a 2.3 percent gain. The Federal Reserve's concerns over inflation suggest rate cuts in 2007 are unlikely unless substantial weakening of the economy materializes.

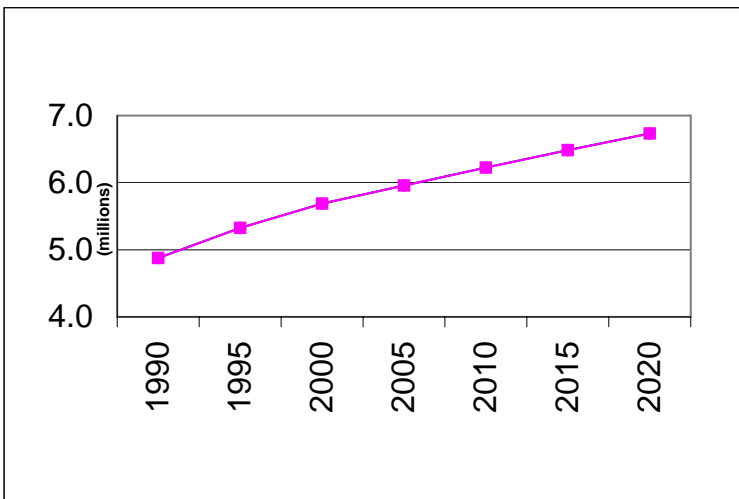
Tennessee will experience only a modest slowdown in economic activity for the year. Nominal personal income is projected to grow by 5.5 percent in 2007 versus about 5.1 percent for the U.S. On a fiscal year basis, expect personal income to increase 5.4 percent in 2006-07 and 5.6 percent in 2007-08. Tennessee should see non-farm jobs advance by 1.2 percent in the current year. Jobs in both durable goods and nondurable goods manufacturing will contract in 2007 while the various service sectors enjoy job growth.

# Tennessee Characteristics

## Demographic Characteristics<sup>1</sup>

	<u>1990</u>	<u>2000</u>	<u>2005</u>
Total Population (April 1, April 1, July 1)	4,877,203	5,689,283	5,962,959
Percent of Population by Age Group			
Under Age 5	7.0%	6.6%	6.5%
Age 5 to 17	18.1%	18.0%	16.8%
Age 18 to 24	10.9%	9.6%	9.7%
Age 25 to 64	51.4%	53.4%	54.4%
Age 65 and Older	12.6%	12.4%	12.6%
Percent of Population by Race			
White	83.0%	80.2%	80.6%
Black or African American	16.0%	16.4%	16.8%
American Indian and Alaska Native	0.2%	0.3%	0.3%
Asian and Pacific Islander	0.6%	1.0%	1.3%
Other	0.2%	2.1%	1.0%
Hispanic Population (Percent of Total Population)	0.7%	2.2%	3.0%
Place of Birth of Tennessee Residents			
Born in Tennessee	69.2%	64.7%	62.6%
Born in Another State	29.1%	31.9%	33.0%
Born Outside the United States	0.5%	0.6%	0.6%
Born in a Foreign County	1.2%	2.8%	3.8%
Naturalized Citizen	0.5%	0.9%	1.2%
Not a Citizen	0.7%	1.9%	2.6%

## Tennessee Population 1990 to 2020<sup>2</sup>



<u>Year</u>	<u>Population</u>
1990	4,877,203
1995	5,326,936
2000	5,689,283
2005	5,962,959
2010	6,225,051
2015	6,484,281
2020	6,733,120

## Education Characteristics

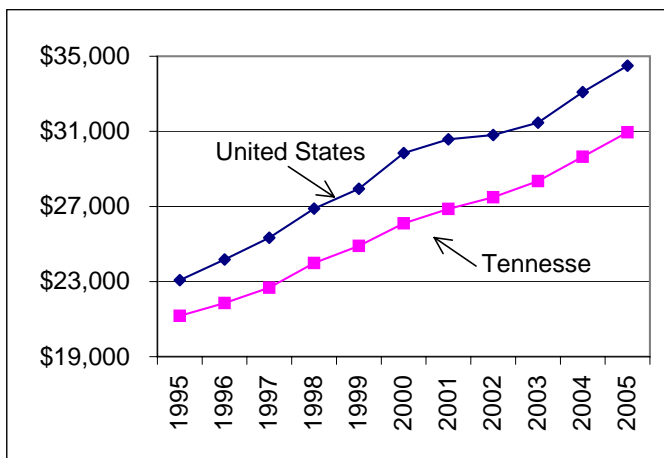
	1999-2000	2002-2003	2004-2005
<b>Public School Enrollment and Expenditures<sup>3</sup></b>			
Total Number of Public Schools	1,611	1,659	1,693
Total K-12 Public School Average Daily Attendance (ADA)	842,733	849,354	867,134
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 5,643,667	\$ 6,387,036
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 6,645	\$ 7,366

	1990	2000	2005
<b>Educational Attainment<sup>4</sup></b>			
Less than 9th grade	16.0%	9.6%	7.1%
9th to 12th grade, no diploma	17.0%	14.5%	11.8%
High school graduate (includes equivalency)	30.0%	31.6%	34.5%
Some college, no degree	16.9%	20.0%	19.3%
Associate degree	4.2%	4.7%	5.6%
Bachelor's degree	10.5%	12.8%	14.1%
Graduate or professional degree	5.4%	6.8%	7.6%
Percent high school graduate or higher			
United States	75.2%	80.4%	84.2%
Tennessee	67.1%	75.9%	81.2%
Percent bachelor's degree or higher			
United States	20.3%	24.4%	27.2%
Tennessee	15.9%	19.6%	21.7%

## Income and Poverty<sup>5</sup>

	2000	2002	2005
Tennessee's Per Capita Income as a Percent of the U. S.	87.4%	89.2%	89.7%
Tennessee's Rank in U. S. by Per Capita Income	34	35	36

## Tennessee and United States Per Capita Income<sup>5</sup>



Year	United States	Tennessee
1995	\$ 23,076	\$ 21,174
1996	24,175	21,854
1997	25,334	22,676
1998	26,883	23,989
1999	27,939	24,898
2000	29,845	26,097
2001	30,574	26,870
2002	30,810	27,490
2003	31,463	28,352
2004	33,090	29,648
2005	34,495	30,952

Percent Change		
1995-2005	49.5%	46.2%

	<u>1989</u>	<u>1999</u>	<u>2005</u>
Percent of Population Below Poverty <sup>6</sup>			
United States	13.1%	12.4%	13.3%
Tennessee	15.7%	13.5%	15.5%

### Employment<sup>7</sup>

	<u>2000</u>	<u>2002</u>	<u>2005</u>
<b>Civilian Labor Force</b>	2,864,000	2,883,400	2,909,500
Employment	2,749,700	2,733,700	2,747,600
Unemployment	114,300	149,700	161,900
Unemployment Rate	4.0%	5.2%	5.6%

### Non-Farm Employment - Percent by Industry

Goods Producing	22.7%	20.6%	19.4%
Natural Resources & Mining	0.2%	0.2%	0.1%
Construction	4.6%	4.3%	4.4%
Manufacturing	17.9%	16.1%	14.9%
Durable Goods	11.0%	9.7%	9.3%
Non-Durable Goods	6.9%	6.4%	5.6%
Service Providing	77.3%	79.4%	80.6%
Trade, Transportation, & Utilities	21.5%	21.6%	21.8%
Wholesale Trade	4.8%	4.7%	4.8%
Retail Trade	11.6%	11.7%	11.8%
Transportation, Warehousing, & Utilities	5.1%	5.2%	5.2%
Information	2.0%	2.0%	1.8%
Financial Activities	5.1%	5.2%	5.2%
Professional & Business Services	11.0%	11.1%	11.3%
Educational & Health Services	10.2%	11.3%	12.1%
Leisure & Hospitality	8.6%	9.0%	9.6%
Other Services	4.3%	3.8%	3.7%
Government	14.6%	15.4%	15.1%
Federal	2.0%	1.9%	1.8%
State & Local	12.6%	13.5%	13.3%

### Physical Characteristics<sup>8</sup>

Land Area	41,217 Square Miles
Highest Elevation (Clingmans Dome)	6,643 Feet

<sup>1</sup> Source: U. S. Bureau of the Census.

<sup>2</sup> Source: U. S. Bureau of the Census for 1990, 1995, 2000 and 2005; Tennessee Department of Health for 2010 through 2020.

<sup>3</sup> Source: Tennessee Department of Education.

<sup>4</sup> Source: U. S. Bureau of the Census, American Community Survey.

<sup>5</sup> Source: U. S. Bureau of Economic Analysis.

<sup>6</sup> Source: U. S. Bureau of the Census, American Community Survey.

<sup>7</sup> Source: Tennessee Department of Labor and Work Force Development.

<sup>8</sup> Source: Tennessee Statistical Abstract.

# Federal Aid Trends and Federal Mandate Costs

Recommended Budget, Fiscal Year 2007 - 2008

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 21 cents in 2007-2008. If the state were still receiving 27 cents of every budgeted dollar as federal aid, an additional \$1.1 billion would be available in federal funds.

In constant (2007-2008) dollars, federal aid has increased by 92.3 percent, or \$1.8 billion, from 1979-80 to 2007-2008 for state programs other than Food Stamps, Medicaid, and TANF/AFDC grants.

Figure 1 and Table 1 show the constant (2007-2008) dollar trend in federal aid in the state budget since 1979-80 for all programs, including transportation. Amounts for fiscal

years 1979-80 through 2005-2006 are based on actual federal aid collections; amounts for 2006-2007 and 2007-2008 are based on estimates included in the recommended state budget.

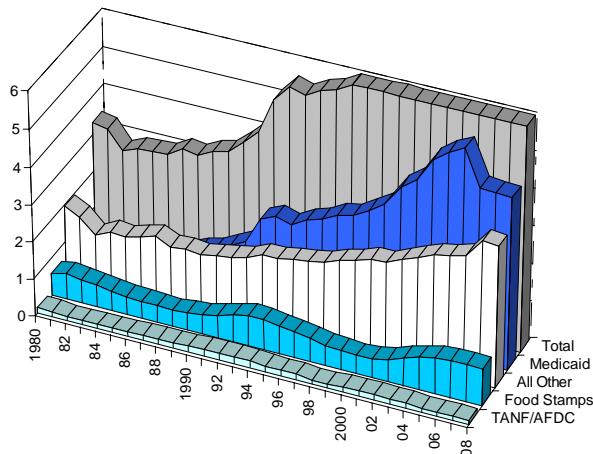
Current dollars have been converted to real (constant) dollars using the gross domestic product implicit price deflator, as reported by the University of Tennessee, Center for Business and Economic Research.

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 2007-2008, 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 had steadily increased through 2006-2007, in spite of federal budget-balancing efforts. In 2007-2008, "all other" federal aid, excluding Food Stamps, Medicaid, and TANF/AFDC, shows a 1 percent constant-dollar

Figure 1  
**Federal Aid Trend in State Programs**  
FY 1980 through FY 2008  
in Billions of Constant (2007-2008) Dollars



decrease compared with 2006-2007. This is mainly because of a decrease in federal capital outlay funds for Military and Labor

had a constant dollar decrease of 25.8 percent.

Over the 29-years, as shown in Table 1,

	1979-80	1988-89	2007-2008	% Increase		
				1980-2008	Annual Average	
					1980-2008	1989-2008
<b>Total Aid</b>	<b>\$ 3,318.7</b>	<b>\$ 3,448.2</b>	<b>\$ 9,483.0</b>	<b>185.7%</b>	<b>3.8%</b>	<b>5.5%</b>
Medicaid	605.5	1,265.3	4,588.8	657.8%	7.5%	7.0%
Food Stamp Coupons	605.2	472.1	1,009.1	66.7%	1.8%	4.1%
TANF/AFDC	143.4	138.1	106.4	-25.8%	-1.1%	-1.4%
All Other	1,964.6	1,572.7	3,778.7	92.3%	2.4%	4.7%

real growth for all federal aid to state programs has averaged 3.8 percent per year. This growth above the rate of inflation has been led by the 7.5 percent annual-average real growth in the Medicaid program. TANF/AFDC decreased by 1.1 percent, while Food Stamps

department projects, offset by federal funds available for the Cover Kids health-care program and growth in federal highway funds. Excluding these four areas, other federal aid programs generally are slightly declining.

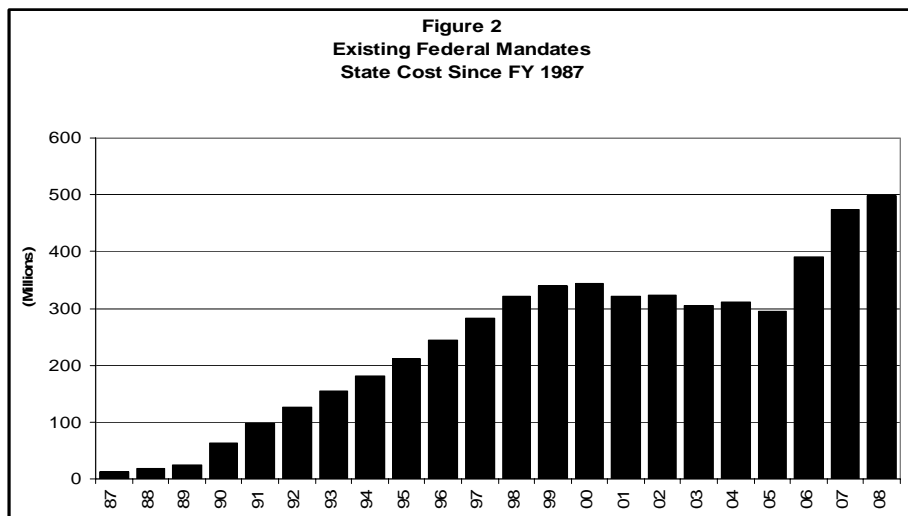
increased by 1.8 percent and all other federal aid increased by 2.4 percent on an annual-average basis.

Over the 28-year period, Medicaid, the major federal entitlement program in the state budget, has had real growth well above the rate of inflation. However, since 2004-2005 federal Medicaid funds have declined by about \$1 billion. This is because of state cost-containment reforms and federal actions on the Medicare drug program. Although total federal aid has increased in constant dollars by 185.7 percent from 1979-80 to 2007-2008, the 657.8 percent real growth in the Medicaid program is accompanied by real growth of only 92.3 percent in federal aid for all other state programs, excluding Food Stamps and TANF/AFDC.

Over the last 19 years of the period, from 1988-89 through 2007-2008, real growth in total federal aid has increased above the longer-term growth rates. Total federal aid to state programs has grown at an 19-year annual-average rate of 5.5 percent. Real growth in this period has averaged 7.0 percent per year for Medicaid and 4.1 percent per year in Food Stamps, while TANF/AFDC decreased by 1.4%. All other federal aid has grown at a real-dollar rate of 4.7 percent per year.

A constant dollar increase of 66.7 percent in federal aid for the Food Stamps program since 1979-80 is related to recent trends in caseload and inflation. TANF/AFDC

The 2007-2008 decline in the Medicaid match rate will result in increased state costs for federal mandates (Figure 2). Medicaid accounts for 81 percent of the \$501.1 million state mandate cost in the 2007-2008



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 mid-2000s has imposed increasingly costly mandates on state government.

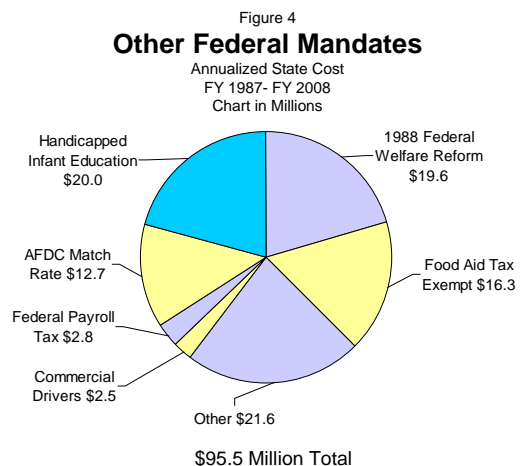
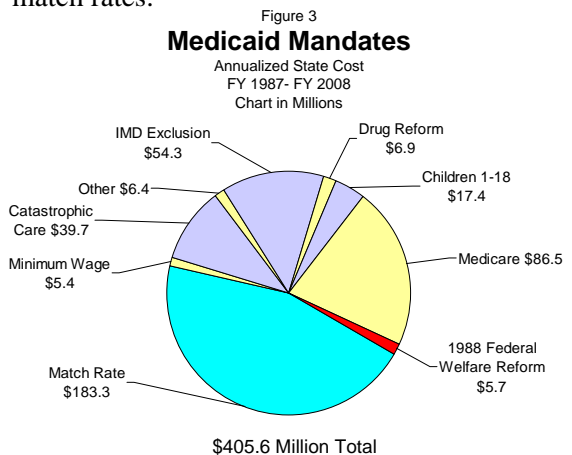
By fiscal year 2007-2008, provisions imposed since 1986-87 will cost \$501.1 million per year in recurring state appropriations from general fund tax sources. The cumulative state cost in 2006-2007 was \$476.8 million and in 2007-2008 is \$501.1 million. Figure 2 illustrates the annual recurring state 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 beginning in 2005-2006; Medicare drug formulary changes affecting state mental retardation facilities; 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 inpatients 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 Tax Revenues

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# State Tax Revenues

## Introduction

Recommended Budget, Fiscal Year 2007-2008

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

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

and Commissioner of Finance and Administration.

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

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

Following the chart comparing taxes for the three fiscal years, 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 fund, highway (transportation) fund, debt service fund, and cities and counties (local government) fund. (For information about the inclusion of certain special revenue fund taxes and fees in the general fund estimates, see the "Budget Overview" subsection 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.

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

The tax revenue estimates proposed in this Budget are provided in the following subsection entitled "Comparison Statement of State Revenues." The distribution of taxes among the funds on these charts is as provided by law as it existed last year for 2005-2006 actual revenue and as it exists currently for 2006-2007 and 2007-2008 estimates.

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

# **Comparison Statement of State Revenues**

**Actual and Estimated  
July 1, 2005 – June 30, 2008**

**Comparison Statement of State Revenues**  
**Actual and Estimated July 1, 2005 - June 30, 2008**

**SOURCE OF REVENUE**

Department of Revenue	Actual 2005-2006	Estimated 2006-2007	Estimated 2007-2008	Percent Required
Sales and Use Tax	\$ 6,515,643,000	\$ 6,797,000,000	\$ 7,145,000,000	5.12%
Gasoline Tax	605,598,900	597,000,000	602,000,000	0.84%
Motor Fuel Tax	180,653,200	184,300,000	189,000,000	2.55%
Gasoline Inspection Tax	64,519,700	65,500,000	65,500,000	0.00%
Motor Vehicle Registration Tax	249,541,000	255,000,000	260,000,000	1.96%
Income Tax	194,367,900	203,500,000	216,400,000	6.34%
Privilege Tax	304,889,400	307,900,000	330,100,000	7.21%
Gross Receipts Tax - TVA	220,325,400	250,200,000	261,100,000	4.36%
Gross Receipts Tax - Other	20,841,400	21,800,000	19,400,000	-11.01%
Beer Tax	17,797,300	17,900,000	18,300,000	2.23%
Alcoholic Beverage Tax	39,208,200	39,900,000	41,400,000	3.76%
Franchise Tax	575,202,700	676,400,000	678,700,000	0.34%
Excise Tax	916,413,300	854,600,000	857,600,000	0.35%
Inheritance and Estate Tax	76,287,700	71,000,000	73,000,000	2.82%
Tobacco Tax	124,872,300	125,000,000	126,100,000	0.88%
Motor Vehicle Title Fees	10,989,800	11,400,000	11,300,000	-0.88%
Mixed Drink Tax	49,054,900	51,500,000	55,200,000	7.18%
Business Tax	121,663,200	124,200,000	134,200,000	8.05%
Severance Tax	1,754,100	1,400,000	1,800,000	28.57%
Coin-operated Amusement Tax	304,400	300,000	300,000	0.00%
Unauthorized Substance Tax	830,200	400,000	800,000	100.00%
<b>Total Department of Revenue</b>	<b>\$ 10,290,758,000</b>	<b>\$ 10,656,200,000</b>	<b>\$ 11,087,200,000</b>	<b>4.04%</b>
<b>Other State Revenue</b>				
Department of Commerce and Insurance	\$ 414,698,300	\$ 418,800,000	\$ 432,000,000	3.15%
Department of Financial Institutions	6,219,500	8,300,000	7,800,000	-6.02%
Wildlife Resources Agency	43,799,300	48,900,000	49,500,000	1.23%
Department of Agriculture	14,091,300	15,100,000	16,300,000	7.95%
Regulatory Board Fees	31,877,100	34,100,000	34,500,000	1.17%
Tennessee Regulatory Authority	5,970,900	8,000,000	8,000,000	0.00%
Secretary of State	24,223,900	24,200,000	24,200,000	0.00%
Department of Safety	40,400,800	40,400,000	40,400,000	0.00%
Department of Revenue	1,538,600	1,100,000	1,100,000	0.00%
State Treasurer	67,008,000	76,000,000	75,000,000	-1.32%
Department of Education	1,447,200	1,700,000	1,700,000	0.00%
Department of Health	11,378,100	10,600,000	10,600,000	0.00%
Dept. of Environment and Conservation	62,832,700	71,700,000	76,000,000	6.00%
Miscellaneous Revenue	66,214,200	24,300,000	36,300,000	49.38%
Nursing Home Tax	100,393,500	100,400,000	100,400,000	0.00%
<b>Total Other State Revenue</b>	<b>\$ 892,093,400</b>	<b>\$ 883,600,000</b>	<b>\$ 913,800,000</b>	<b>3.42%</b>
<b>Total State Revenue</b>	<b>\$ 11,182,851,400</b>	<b>\$ 11,539,800,000</b>	<b>\$ 12,001,000,000</b>	<b>4.00%</b>

**Distribution of Actual 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	\$ 6,515,643,000	\$ 2,466,557,300	\$ 3,758,209,100	\$ 0	\$ 46,439,300	\$ 244,437,300
Gasoline Tax	605,598,900	9,859,300	0	282,109,000	82,500,000	231,130,600
Motor Fuel Tax	180,653,200	3,425,200	0	129,866,900	0	47,361,100
Gasoline Inspection Tax	64,519,700	18,749,600	0	33,753,100	0	12,017,000
Motor Vehicle Registration Tax	249,541,000	47,480,400	146,000	201,914,600	0	0
Income Tax	194,367,900	139,741,200	0	0	0	54,626,700
Privilege Tax	304,889,400	304,754,400	135,000	0	0	0
Gross Receipts Tax - TVA	220,325,400	130,938,000	0	0	0	89,387,400
Gross Receipts Tax - Other	20,841,400	18,593,400	0	2,248,000	0	0
Beer Tax	17,797,300	12,084,300	0	2,231,200	0	3,481,800
Alcoholic Beverage Tax	39,208,200	32,712,700	0	0	0	6,495,500
Franchise Tax	575,202,700	557,202,700	0	0	18,000,000	0
Excise Tax	916,413,300	763,531,400	0	0	128,500,000	24,381,900
Inheritance and Estate Tax	76,287,700	76,287,700	0	0	0	0
Tobacco Tax	124,872,300	658,200	124,214,100	0	0	0
Motor Vehicle Title Fees	10,989,800	8,364,400	0	0	2,625,400	0
Mixed Drink Tax	49,054,900	1,098,600	24,527,400	0	0	23,428,900
Business Tax	121,663,200	121,663,200	0	0	0	0
Severance Tax	1,754,100	750,000	0	0	0	1,004,100
Coin-operated Amusement Tax	304,400	304,400	0	0	0	0
Unauthorized Substance Tax	830,200	234,100	0	0	0	596,100
<b>Total Department of Revenue</b>	<b><u>\$ 10,290,758,000</u></b>	<b><u>\$ 4,714,990,500</u></b>	<b><u>\$ 3,907,231,600</u></b>	<b><u>\$ 652,122,800</u></b>	<b><u>\$ 278,064,700</u></b>	<b><u>\$ 738,348,400</u></b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$ 414,698,300	\$ 414,698,300	\$ 0	\$ 0	\$ 0	\$ 0
Department of Financial Institutions	6,219,500	6,219,500	0	0	0	0
Wildlife Resources Agency	43,799,300	43,799,300	0	0	0	0
Department of Agriculture	14,091,300	14,091,300	0	0	0	0
Regulatory Board Fees	31,877,100	31,877,100	0	0	0	0
Tennessee Regulatory Authority	5,970,900	5,970,900	0	0	0	0
Secretary of State	24,223,900	24,223,900	0	0	0	0
Department of Safety	40,400,800	40,400,800	0	0	0	0
Department of Revenue	1,538,600	1,538,600	0	0	0	0
State Treasurer	67,008,000	67,008,000	0	0	0	0
Department of Education	1,447,200	0	1,447,200	0	0	0
Department of Health	11,378,100	11,378,100	0	0	0	0
Dept. of Environment and Conservation	62,832,700	62,832,700	0	0	0	0
Miscellaneous Revenue	66,214,200	66,214,200	0	0	0	0
Nursing Home Tax	100,393,500	100,393,500	0	0	0	0
<b>Total Other State Revenue</b>	<b><u>\$ 892,093,400</u></b>	<b><u>\$ 890,646,200</u></b>	<b><u>\$ 1,447,200</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>
<b>Total State Revenue</b>	<b><u>\$ 11,182,851,400</u></b>	<b><u>\$ 5,605,636,700</u></b>	<b><u>\$ 3,908,678,800</u></b>	<b><u>\$ 652,122,800</u></b>	<b><u>\$ 278,064,700</u></b>	<b><u>\$ 738,348,400</u></b>

**Distribution of Revised Estimated Revenue by Fund  
Fiscal Year 2006-2007**

**SOURCE OF REVENUE**

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$ 6,797,000,000	\$ 2,499,900,000	\$ 3,984,500,000	\$ 0	\$ 48,600,000	\$ 264,000,000
Gasoline Tax	597,000,000	11,000,000	0	273,700,000	84,500,000	227,800,000
Motor Fuel Tax	184,300,000	3,500,000	0	132,400,000	0	48,400,000
Gasoline Inspection Tax	65,500,000	19,300,000	0	34,200,000	0	12,000,000
Motor Vehicle Registration Tax	255,000,000	49,100,000	300,000	205,600,000	0	0
Income Tax	203,500,000	135,100,000	0	0	0	68,400,000
Privilege Tax	307,900,000	307,900,000	0	0	0	0
Gross Receipts Tax - TVA	250,200,000	145,600,000	0	0	0	104,600,000
Gross Receipts Tax - Other	21,800,000	18,500,000	0	3,300,000	0	0
Beer Tax	17,900,000	12,000,000	0	2,200,000	0	3,700,000
Alcoholic Beverage Tax	39,900,000	33,000,000	0	0	0	6,900,000
Franchise Tax	676,400,000	658,400,000	0	0	18,000,000	0
Excise Tax	854,600,000	673,100,000	0	0	156,800,000	24,700,000
Inheritance and Estate Tax	71,000,000	71,000,000	0	0	0	0
Tobacco Tax	125,000,000	700,000	124,300,000	0	0	0
Motor Vehicle Title Fees	11,400,000	8,700,000	0	0	2,700,000	0
Mixed Drink Tax	51,500,000	1,700,000	24,900,000	0	0	24,900,000
Business Tax	124,200,000	124,200,000	0	0	0	0
Severance Tax	1,400,000	400,000	0	0	0	1,000,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	400,000	100,000	0	0	0	300,000
<b>Total Department of Revenue</b>	<b><u>\$ 10,656,200,000</u></b>	<b><u>\$ 4,773,500,000</u></b>	<b><u>\$ 4,134,000,000</u></b>	<b><u>\$ 651,400,000</u></b>	<b><u>\$ 310,600,000</u></b>	<b><u>\$ 786,700,000</u></b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$ 418,800,000	\$ 418,800,000	\$ 0	\$ 0	\$ 0	\$ 0
Department of Financial Institutions	8,300,000	8,300,000	0	0	0	0
Wildlife Resources Agency	48,900,000	48,900,000	0	0	0	0
Department of Agriculture	15,100,000	15,100,000	0	0	0	0
Regulatory Board Fees	34,100,000	34,100,000	0	0	0	0
Tennessee Regulatory Authority	8,000,000	8,000,000	0	0	0	0
Secretary of State	24,200,000	24,200,000	0	0	0	0
Department of Safety	40,400,000	40,400,000	0	0	0	0
Department of Revenue	1,100,000	1,100,000	0	0	0	0
State Treasurer	76,000,000	76,000,000	0	0	0	0
Department of Education	1,700,000	0	1,700,000	0	0	0
Department of Health	10,600,000	10,600,000	0	0	0	0
Dept. of Environment and Conservation	71,700,000	71,700,000	0	0	0	0
Miscellaneous Revenue	24,300,000	24,300,000	0	0	0	0
Nursing Home Tax	100,400,000	100,400,000	0	0	0	0
<b>Total Other State Revenue</b>	<b><u>\$ 883,600,000</u></b>	<b><u>\$ 881,900,000</u></b>	<b><u>\$ 1,700,000</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>
<b>Total State Revenue</b>	<b><u>\$ 11,539,800,000</u></b>	<b><u>\$ 5,655,400,000</u></b>	<b><u>\$ 4,135,700,000</u></b>	<b><u>\$ 651,400,000</u></b>	<b><u>\$ 310,600,000</u></b>	<b><u>\$ 786,700,000</u></b>



**Distribution of Estimated Revenue by Fund  
Fiscal Year 2007-2008**

**SOURCE OF REVENUE**

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$ 7,145,000,000	\$ 2,628,900,000	\$ 4,188,500,000	\$ 0	\$ 51,100,000	\$ 276,500,000
Gasoline Tax	602,000,000	11,100,000	0	276,400,000	84,800,000	229,700,000
Motor Fuel Tax	189,000,000	3,600,000	0	135,800,000	0	49,600,000
Gasoline Inspection Tax	65,500,000	19,300,000	0	34,200,000	0	12,000,000
Motor Vehicle Registration Tax	260,000,000	48,500,000	300,000	211,200,000	0	0
Income Tax	216,400,000	143,700,000	0	0	0	72,700,000
Privilege Tax	330,100,000	330,100,000	0	0	0	0
Gross Receipts Tax - TVA	261,100,000	150,900,000	0	0	0	110,200,000
Gross Receipts Tax - Other	19,400,000	16,500,000	0	2,900,000	0	0
Beer Tax	18,300,000	12,200,000	0	2,300,000	0	3,800,000
Alcoholic Beverage Tax	41,400,000	34,200,000	0	0	0	7,200,000
Franchise Tax	678,700,000	660,700,000	0	0	18,000,000	0
Excise Tax	857,600,000	650,400,000	0	0	182,500,000	24,700,000
Inheritance and Estate Tax	73,000,000	73,000,000	0	0	0	0
Tobacco Tax	126,100,000	800,000	125,300,000	0	0	0
Motor Vehicle Title Fees	11,300,000	8,600,000	0	0	2,700,000	0
Mixed Drink Tax	55,200,000	1,800,000	26,700,000	0	0	26,700,000
Business Tax	134,200,000	134,200,000	0	0	0	0
Severance Tax	1,800,000	500,000	0	0	0	1,300,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	800,000	200,000	0	0	0	600,000
<b>Total Department of Revenue</b>	<b><u>\$ 11,087,200,000</u></b>	<b><u>\$ 4,929,500,000</u></b>	<b><u>\$ 4,340,800,000</u></b>	<b><u>\$ 662,800,000</u></b>	<b><u>\$ 339,100,000</u></b>	<b><u>\$ 815,000,000</u></b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$ 432,000,000	\$ 432,000,000	\$ 0	\$ 0	\$ 0	\$ 0
Department of Financial Institutions	7,800,000	7,800,000	0	0	0	0
Wildlife Resources Agency	49,500,000	49,500,000	0	0	0	0
Department of Agriculture	16,300,000	16,300,000	0	0	0	0
Regulatory Board Fees	34,500,000	34,500,000	0	0	0	0
Tennessee Regulatory Authority	8,000,000	8,000,000	0	0	0	0
Secretary of State	24,200,000	24,200,000	0	0	0	0
Department of Safety	40,400,000	40,400,000	0	0	0	0
Department of Revenue	1,100,000	1,100,000	0	0	0	0
State Treasurer	75,000,000	75,000,000	0	0	0	0
Department of Education	1,700,000	0	1,700,000	0	0	0
Department of Health	10,600,000	10,600,000	0	0	0	0
Dept. of Environment and Conservation	76,000,000	76,000,000	0	0	0	0
Miscellaneous Revenue	36,300,000	36,300,000	0	0	0	0
Nursing Home Tax	100,400,000	100,400,000	0	0	0	0
<b>Total Other State Revenue</b>	<b><u>\$ 913,800,000</u></b>	<b><u>\$ 912,100,000</u></b>	<b><u>\$ 1,700,000</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>
<b>Total State Revenue</b>	<b><u>\$ 12,001,000,000</u></b>	<b><u>\$ 5,841,600,000</u></b>	<b><u>\$ 4,342,500,000</u></b>	<b><u>\$ 662,800,000</u></b>	<b><u>\$ 339,100,000</u></b>	<b><u>\$ 815,000,000</u></b>

**Comparative Statement of Revenues of Regulatory Boards  
Actual and Estimated July 1, 2005 - June 30, 2008  
To Support Statement of State Revenues**

<b>SOURCE OF REVENUE</b>	<b>Actual 2005-2006</b>	<b>Estimated 2006-2007</b>	<b>Estimated 2007-2008</b>
State Board of Accountancy	\$ 722,300	\$ 848,000	\$ 865,000
State Board of Examiners for Architects & Engineers	1,292,200	1,450,300	1,492,300
Advisory Board on Professional Boxing and Racing	5,300	7,000	7,000
Athletic Commission	19,800	16,000	16,000
Tennessee Auctioneer Commission	235,900	286,000	329,100
Board of Barber Examiners	362,000	364,000	364,000
Tennessee Collection Service Board	285,200	277,000	277,000
Licensing Contractors, Home Improvement & Interior Designers	2,826,100	4,157,100	4,204,100
State Board of Cosmetology	1,336,700	1,523,000	1,523,000
Board of Funeral Directors and Embalmers	999,800	453,000	453,000
Board of Examiners for Land Surveyors	363,200	190,000	190,000
Board of Alarm Contractors	535,800	171,000	171,000
Private Investigators Licensing and Regulation	233,900	354,000	354,000
Private Protective Services Licensing & Regulation	1,108,800	700,000	700,000
Board of Polygraph Examiners	4,900	1,043,000	1,043,000
Real Estate Appraiser Commission	657,700	396,000	396,000
Registration of Geologists	78,000	243,000	243,000
Tennessee Real Estate Commission	1,163,500	2,429,000	2,493,800
Board of Pharmacy	1,501,000	1,435,000	1,435,000
Tennessee Motor Vehicle Commission	1,552,900	1,702,000	1,766,800
Employee Leasing	90,400	0	0
Locksmith Licensing Board	0	34,000	98,200
Private Probation Registration	59,700	25,000	25,000
Home Inspectors License	55,900	25,000	25,000
<b>Sub-Total: Commerce and Insurance</b>	<b>\$ 15,491,000</b>	<b>\$ 18,128,400</b>	<b>\$ 18,471,300</b>
Board of Chiropractic Examiners	\$ 179,200	\$ 201,000	\$ 201,000
Board of Dentistry	1,307,000	1,262,800	1,262,800
Board of Dietitian / Nutritionist Examiners	61,500	64,000	64,000
Board of Dispensing Opticians	96,500	108,000	108,000
State Board of Electrolysis Examiners	15,500	21,000	21,000
Council for Licensing Hearing Instrument Specialists	47,100	32,000	32,000
Board of Social Worker Certification and Licensure	249,600	218,000	218,000
Board of Medical Examiners	2,584,500	2,254,000	2,254,000
Tennessee Medical Laboratory Board	673,700	739,000	739,000
Board of Nursing	4,230,700	4,258,400	4,293,000
Board of Examiners for Nursing Home Administrators	94,300	94,000	94,000
Board of Occupational and Physical Therapy Examiners	448,400	468,000	468,000
State Board of Athletic Trainers	50,200	30,000	30,000
Board of Respiratory Care	154,100	176,000	176,000
State Board of Optometry	188,100	147,000	147,000
Board of Osteopathic Examination	161,700	117,000	117,000
Board of Registration for Podiatry	54,900	54,000	54,000
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	158,000	162,000	162,000
Board of Examiners in Psychology	304,100	341,000	341,000
Board for Communication Disorders and Sciences	95,300	100,000	100,000
Committee on Physician Assistants	132,700	121,000	121,000
Massage Licensure Board	337,800	317,000	317,000
Board of Veterinary Medical Examiners	467,900	436,000	436,000
Alcohol and Drug Abuse Counselors	88,700	77,000	77,000
Board of Midwifery	6,100	5,000	5,000
Board of Acupuncture	27,200	6,000	6,000
Board of Clinical Perfusionists	11,900	15,000	15,000
Reflexologist License	6,100	5,000	5,000
<b>Sub-Total: Health</b>	<b>\$ 12,232,800</b>	<b>\$ 11,829,200</b>	<b>\$ 11,863,800</b>
State Regulatory Fee	\$ 2,275,200	\$ 2,307,400	\$ 2,307,400
State Board of Law Examiners	649,100	693,000	692,400
Health Services Development Agency	1,229,000	1,142,000	1,140,900
Adjustment	0	0	24,200
<b>Total Regulatory Boards</b>	<b>\$ 31,877,100</b>	<b>\$ 34,100,000</b>	<b>\$ 34,500,000</b>

# Tax Expenditures

Recommended Budget, Fiscal Year 2007-2008

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 2007-2008. 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>FY2007-2008 Estimated Loss</u>	
	<u>State</u>	<u>Local*</u>
<b>Administrative &amp; Support Services</b>	<b>\$347,500,000</b>	<b>\$119,100,000</b>
Collection Agencies & Credit Bureaus	21,800,000	7,500,000
Employment Services	195,400,000	67,000,000
Investigation & Security Services	42,400,000	14,500,000
Mail, Document Reproduction, & Call Centers	15,500,000	5,300,000
Services to Buildings & Dwellings	72,400,000	24,800,000
<b>Construction Services</b>	<b>\$704,900,000</b>	<b>\$241,700,000</b>
Building, Developing, & General Contracting	232,500,000	79,700,000
Heavy Construction	99,000,000	34,000,000
Special Trade Contractors	373,400,000	128,000,000
<b>Educational Services</b>	<b>\$42,600,000</b>	<b>\$14,600,000</b>
Educational Services (for-profit)	38,300,000	13,100,000
Educational Services (non-profit)	4,300,000	1,500,000
<b>Finance, Insurance, &amp; Real Estate</b>	<b>\$260,900,000</b>	<b>\$89,400,000</b>
Investment Banking, Securities Brokerage, & Related Services	86,600,000	29,700,000
Insurance Agents & Related Services	67,200,000	23,000,000
Real Estate Agents & Brokers	107,100,000	36,700,000
<b>Health Care &amp; Social Services (For-profit)</b>	<b>\$733,400,000</b>	<b>\$251,400,000</b>
Physicians & Dentists	425,300,000	145,800,000
Other Health Practitioners	50,400,000	17,300,000
Hospitals	84,100,000	28,800,000
Nursing & Residential Care Facilities	80,200,000	27,500,000
Outpatient Care Centers	30,600,000	10,500,000
Medical and Diagnostic Laboratories	24,000,000	8,200,000
Other Selected Health Services	10,200,000	3,500,000
Social & Community Services	28,600,000	9,800,000
<b>Health Care &amp; Social Services (Non-profit)</b>	<b>\$455,900,000</b>	<b>\$156,300,000</b>
Hospitals	378,800,000	129,900,000
Nursing & Residential Care Facilities	26,100,000	8,900,000
Outpatient Care Centers	25,300,000	8,700,000
Other Selected Health Services	6,400,000	2,200,000
Social & Community Services	19,300,000	6,600,000
<b>Information Services</b>	<b>\$63,000,000</b>	<b>\$21,600,000</b>
Data Processing Services	23,100,000	7,900,000
Movie Production & Sound Recording Studios	6,500,000	2,200,000
Cable T.V. Subscriptions (exempt amt.)	19,000,000	6,500,000
Newspaper Subscriptions & Sales	14,400,000	5,000,000
<b>Media Advertising Sales</b>	<b>\$128,600,000</b>	<b>\$44,100,000</b>
Newspaper Advertising	38,300,000	13,100,000
Radio Advertising	19,700,000	6,800,000
Television Advertising (Broadcast & Cable)	70,600,000	24,200,000
<b>Personal Services</b>	<b>\$83,300,000</b>	<b>\$28,600,000</b>
Coin-operated Laundry	2,700,000	900,000
Death Care Services	15,000,000	5,200,000
Diet & Weight Loss	1,700,000	600,000
Hair, Nail, & Skin Care Services	37,300,000	12,800,000
Non-Profit Amusement & Membership Organizations	26,600,000	9,100,000
<b>Professional &amp; Technical Services</b>	<b>\$683,200,000</b>	<b>\$234,300,000</b>
Accounting, Tax Return Prep., & Payroll	88,700,000	30,400,000
Advertising & Public Relations	30,800,000	10,600,000
Architectural Services	23,800,000	8,200,000
Engineering Services	144,400,000	49,500,000
All Other Architectural, Engineering, & Related Services	13,800,000	4,700,000
Specialized Design Services	16,500,000	5,700,000
Computer Systems Design & Related Services	44,300,000	15,200,000
Legal Services (profit & non-profit)	158,400,000	54,300,000
Management, Scientific, & Technical Consulting	143,100,000	49,000,000
Scientific Research & Development (profit & non-profit)	19,400,000	6,700,000
<b>Transportation Services (Local Trucking only)</b>	<b>\$57,500,000</b>	<b>\$19,700,000</b>
Truck Transportation (Local)	57,500,000	19,700,000
<b>Total Revenue Loss</b>	<b>\$3,560,800,000</b>	<b>\$1,220,800,000</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 2007-2008 Estimated Loss	
		State	Local
	<b>Sales and Use Tax</b>	<b>\$2,336,229,000</b>	<b>\$778,979,000</b>
67-6-329(a)(1)	Gasoline	474,529,000	162,696,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	167,193,000	57,323,000
67-6-329(a)(1-2)	Gasoline/diesel fuel for agriculture	9,795,000	3,358,000
67-6-334	Energy fuels sold for residential use	280,284,000	96,098,000
67-6-206(b)(1-2)	Energy and water sales to manufacturers (reduced rate)	187,332,000	81,745,000
67-6-206(b)(2-8)	Energy and water sales to manuf. for direct processing (exempt)	67,697,000	870,000
67-6-217	Aviation fuel (reduced rate)	19,656,000	18,870,000
67-6-312, 320	Prescription drugs, insulin, and syringes	309,867,000	106,240,000
67-6-319	Prescription drug samples	30,983,000	10,623,000
67-6-102(20), 206(a)	Industrial machinery and equipment	177,428,000	60,832,000
67-6-102(16), 207	Farm machinery and equipment	18,597,000	6,376,000
67-6-102(34)(E)(ii)	Packaging sold for resale or use	98,867,000	33,897,000
67-6-228(a)(1)	Food sales (reduced rate)	82,258,000	0
67-6-103(f), 226	Cable television (exempt portion)	18,993,000	11,938,000
67-6-329(a)(12)	School books and lunches	17,521,000	6,007,000
67-6-316	Prescription eyewear and optical goods	15,944,000	5,467,000
67-6-329(a)(21)	Newspaper periodical sales	14,439,000	4,950,000
67-6-330(a)(4-5)	Membership dues of civic organizations & business assoc.	11,892,000	4,077,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	8,378,000	0
67-6-336	Used factory-manufactured structures	2,262,000	49,000
67-6-219, 67-6-702(e)	Sales to common carriers (reduced rate)	7,666,000	2,123,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	6,603,000	1,467,000
67-6-309(a)	Film and transcription rentals	5,044,000	1,729,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	4,829,000	365,000
67-6-330(a)(17)	Physical fitness facility fees	4,292,000	1,472,000
67-6-329(a)(16)	Magazines and books--printers' nexus	3,306,000	1,134,000
67-6-329(a)(3-10), (17)	Fertilizers, pesticides, seeds, and related items to nurseries	3,390,000	1,162,000
67-6-102(20)(H)(i)	Certain warehouse equipment	2,184,000	397,000
	All other remaining exemptions	285,000,000	97,714,000
	<b>Corporate Franchise and Excise Tax</b>	<b>\$96,500,000</b>	<b>\$0</b>
67-4-2109	Jobs credit (Franchise & Excise)	29,700,000	NA
67-4-2108	Cap on value of inventories (Franchise)	21,400,000	NA
67-4-2009	Industrial machinery credit (Excise)	23,000,000	NA
67-4-2012, 2111	Double-weighted sales factor (Franchise & Excise)	13,400,000	NA
67-4-2009, 2112	Hospital company tax credit (Franchise & Excise)	9,000,000	NA
	<b>Motor Vehicle Registration Fees</b>	<b>\$5,010,000</b>	<b>\$0</b>
55-4-223	Government vehicles	1,253,000	NA
55-4-228(d)(1)(a)	Enlisted members of the Tennessee National Guard	96,000	NA
55-4-235, 236, 237	Former POWs, medal of honor recipients, and disabled veterans	304,000	NA
55-4-113(6)	Special Zone Tags - Class 1	874,000	NA
55-4-113(6), 124	Special Zone Tags - Class 2	2,322,000	NA
55-21-103(a)(l)	Handicapped person fee	63,000	NA
55-21-103(b)(2)	Handicapped person placards	98,000	NA
	<b>Gross Receipts Taxes</b>	<b>\$218,100,000</b>	<b>\$0</b>
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	211,100,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and excise tax credit	3,800,000	NA
67-4-405(e)	Gas, Water, and Electric Companies - \$5,000 exemption	100,000	NA
67-4-402	Bottlers - Franchise and excise tax credit	3,100,000	NA
	<b>Miscellaneous Taxes</b>	<b>\$221,500,000</b>	<b>\$0</b>
67-8-316(b)	Standard Exemption on the inheritance and gift tax	153,800,000	NA
67-8-315(a)(6)	Marital Deduction on the inheritance and gift tax	51,400,000	NA
67-2-104(a)	Standard Exemption on the income tax	15,900,000	NA
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	400,000	NA
	<b>Total Revenue Loss</b>	<b>\$2,877,339,000</b>	<b>\$778,979,000</b>



# **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. 29.0246% 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 (TCA 67-



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**Basis of Apportionment**

6-221(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.....	4.5925% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less the MTAS grant (0.95% of the amount from the preceding calculation during FY 1998-99 and 1.0% thereafter) to the University of Tennessee. Premier resorts receive a portion of the tax collected by dealers within their boundaries. The collective amount distributed to premier resorts is limited to the amount distributed in the 1999-2000 fiscal year (TCA 67-6-103). A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties and distributed based on population (TCA 67-6-221 (b)).

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

**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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**Rate and Source**

**Basis of Apportionment**

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).

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**Rate and Source**

**Basis of Apportionment**

Cities and Counties.....A local government fund of \$12,017,000, of which 38.1% is for 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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**Rate and Source**

**Basis of Apportionment**

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 and an administrative expense of 10% of the first \$200,000 and 5% of the remainder of the tax (TCA 67-2-117 through 67-2-119).

Cities and Counties.....3/8 of revenue to the local governments by situs, less the General Fund administrative apportionment (TCA 67-2-117 and 67-2-119).

**PRIVILEGE TAX**.....Various taxes on litigation in the courts, domestic protection civil penalties (\$50), sex offender tax (maximum \$3,000), drug treatment offenders (\$75), realty transfer tax (37 cents per \$100 of consideration or property value), mortgage recordation tax (11.5 cents per \$100 of principal indebtedness), tire tax (\$1 per tire sold), occupational tax (\$400 on certain occupations), \$15 marriage license fee, plus a \$60.00 state share of a \$62.50 marriage license fee for

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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, blood alcohol testing fee (\$100 per conviction), \$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, 55-10-419, 67-4-409, 67-4-411, 67-4-602, 40-24-107, 67-4-1603, 67-4-1701 through 67-4-1703, 67-4-1901, 68-211-1006, 67-4-803, and 67-4-804).

General Fund .....	100% less certain litigation taxes earmarked for various retirement funds. Portions of litigation taxes are earmarked for 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, 40-24-107, 67-4-409, 67-4-602, 67-4-606, 67-4-1701, and 67-4-1905). In
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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). All of the \$100 blood alcohol testing fee is earmarked for the Tennessee Bureau of Investigation Toxicology Unit Testing Fund (TCA 55-10-419).

**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-

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402, 67-4-405, 67-4-406, 67-4-410,  
and 16 USC 831(l)); and a \$10 per  
year firearms dealer permit fee (TCA  
39-17-1316).

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).



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

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

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

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

**ALCOHOLIC  
BEVERAGE**

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

General Fund.....82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections less 4 cents per liter of spirit tax (TCA 57-3-306); and the following shares of proceeds from sales of seized items, all earmarked for criminal injuries compensation and reported under the privilege tax collections (TCA 40-24-107): 100% from liquor seized by state agents (TCA 57-9-115); 50% from vehicles, aircraft, and boats seized by local law enforcement officers (TCA 57-9-201); and 50% from other contraband goods seized, less 15% retained for administration as departmental current services revenue by Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209). In addition,

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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.....\$.04 per liter of spirit tax, earmarked for any county in which a distillery is located, plus 17.5% of the balance of spirit and wine gallonage taxes, less \$192,000 earmarked for CTAS. In counties of 250,000 or more population, 30% of their allocation is paid by the county to cities of 150,000 or more population (TCA 57-3-306). Also, 50% of the proceeds of sale of contraband goods, less 15% retained as departmental revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209).

Cities and Counties.....90% of the proceeds of sale of liquor seized by local law enforcement officers, earmarked to city or county employing officer (TCA 57-9-115), and 50% of proceeds of sale of vehicles, aircraft, and boats seized by local officers, earmarked to city or county employing officer (TCA 57-9-201).

**FRANCHISE TAX**.....\$.25 on each \$100 of stock surplus or undivided profits of entities for the privilege of doing business within the state. The tax applies to business entities that enjoy some form of limited liability protection. The minimum tax is \$100 (TCA 67-4-2105 through 67-4-2109).

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).

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**EXCISE TAX**.....6.5% of net earnings of all business conducted for a profit in this state. The tax applies to business entities that enjoy some form of limited liability protection. Current year losses may be carried forward as many as 15 years in computing net earnings subject to tax (TCA 67-4-2006 and 67-4-2007).

General Fund.....Remaining balance after cities, counties, and Debt Service Fund distribution (TCA 67-4-2017).

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

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

**INHERITANCE,  
ESTATE, AND**

**GIFT TAX**.....The 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 \$850,000 for decedents dying in 2004. The exemption levels for beneficiaries increases to \$950,000 for those dying in 2005 and \$1,000,000 for those dying in 2006 and thereafter. 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 for 1986 through 2001, \$11,000 for 2002 through 2005, and \$12,000 for 2006 are allowed for Class A donees. However, the Class A standard exemption allowable for gifts will increase each year by the same amount as the increase in the annual exclusion for the federal gift tax. Class B donees are allowed \$3,000 per donee. (TCA 67-8-101 through 67-8-106, 67-8-204, 67-8-303, 67-8-314, and 67-8-316).

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

**TOBACCO TAX**.....\$.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 76.1% (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 23.9% (including a portion of \$1.50 of the \$5 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

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**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 (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, 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.....3.0% 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.....97.0% of \$.20 gross tax distributed to  
county of severance, of which 50% is  
earmarked for the county educational  
system and 50% is earmarked for  
highway and stream cleaning (TCA  
67-7-110).

**COIN-OPERATED**

**AMUSEMENT**

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

General Fund.....100%.

**UNAUTHORIZED**

**SUBSTANCE TAX**.....Tax imposed on various substances of  
any dealer who possesses unauthorized  
substances upon which the tax has not  
been paid as evidenced by a stamp  
available from the Tennessee  
Department of Revenue.  
Unauthorized substances include  
marijuana, cocaine, crack,  
methamphetamine, etc. as well as  
untaxed liquors and spirits and “low-  
value-street drugs.” The tax rate  
varies by the type and quantity of  
unauthorized substance (TCA 67-4-  
2803 and TCA 67-4-2805 through 67-  
4-2807).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

General Fund .....	100% of voluntarily paid amounts. For all other proceeds, 25% of the unencumbered tax proceeds. The remaining 75% is allocated to the state or local law enforcement agencies conducting the investigation that led to a tax assessment (TCA 67-4-2809).
Cities and Counties.....	That portion of the 75% of tax proceeds returned to city and county law enforcement agencies conducting investigations leading to a tax assessment (TCA 67-4-2809).

**Department of Commerce and Insurance**

**INSURANCE**

**COMPANY**

**PREMIUM TAX.....**Life, accident, and health companies are taxed at a rate of 1.75% on gross premiums received; health maintenance organizations and prepaid limited health service organizations are taxed 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 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

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

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 all users and subscribers of non-wireless services or commercial mobile radio services (cellular phone) that are capable of connecting users to public safety answering points. Collected funds are used to support uniform statewide 911 service, to implement, and operate E-911 service through funding distributed to the State's emergency communications districts, and for deployment of 911 service for new communication technologies. Commercial mobile radio service providers may retain 3% of the fees collected for administrative expenses (TCA 7-86-108, 7-86-303, and 7-86-306).

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



**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

**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).

**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).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

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

**FERTILIZER**

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

General Fund ..... 100%.

**FEED**

**INSPECTION** ..... A \$50 license application fee for each commercial feed manufacturer, distributor, or guarantor. Also, fee based on \$.10 per ton for all commercial feeds manufactured in excess of 500 tons (TCA 44-6-104 and 44-6-109).

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

**RETAIL FOOD**

**STORE**

**INSPECTION ACT**

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

General Fund ..... 100%.

**TENNESSEE**

**STATE PUBLIC**

**LIVESTOCK**

**MARKET BOARD** ..... Flat fee of \$250 for each charter application (TCA 44-12-108).

General Fund ..... 100% (earmarked for administrative expenses) (TCA 44-12-111).

**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, Title 55, Chapter 17, Titles 46, 62, and 63, 68-11-216, 68-29-113, and other provisions of Title 68).

General Fund ..... 100%.

**Tennessee Regulatory Authority**

**PUBLIC**

**UTILITIES**.....Fees for applicable holders of certificates of public convenience and necessity. Annual fees for inspection, control, and supervision of utilities and their rates. 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).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

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

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

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

(\$.65 down to \$.35 per meter). Minimum fee, \$100 (TCA 65-28-110(c)). Also, any person who violates state laws or regulations issued by the Tennessee Regulatory Authority concerning gas safety inspections is subject to a civil penalty not to exceed \$10,000 for each violation for each day that such violation persists, up to a maximum civil penalty of \$500,000 (TCA 65-28-108).

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

**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).

**Collecting Agency  
and Classification**

**Rate and Source**

**Basis of Apportionment**

General Fund ..... 100%.

**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).

**LITIGATION**

**PRIVILEGE TAX** ..... A portion of the privilege taxes on litigation, derived from a 25% share of 4.4430% of the proceeds 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).

**Department of Revenue**

**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 motor vehicle safety enforcement) (TCA 55-4-113 and 65-15-116).

**State Treasurer**

**INTEREST**

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

General Fund ..... 100%.

**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 4.4430% of the proceeds 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 2003-04. 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 19, 2006

Memorandum

TO: Governor Phil Bredesen  
  
Chairman Douglas Henry, Jr.  
Senate Finance, Ways, & Means Committee  
  
Chairman Craig Fitzhugh  
House Finance, Ways, & Means Committee

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

SUBJECT: Revenue Estimates for FY 2006-07 and FY 2007-08

The State Funding Board met on December 15 and December 19, 2006 to hear presentations on, and to engage in discussions about, the State's near-term economic outlook for the fiscal years 2006-07 and 2007-08. 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 and Mr. Robert Currey 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 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 growth in the economy has slowed. Although the presenters anticipate a moderate pickup in the economy in calendar year 2007, in response to anticipated adjustment to the fed funds rate, a consensus was not reached as to the timing of the growth. Tennessee's growth in non-agricultural employment has slowed and has dropped below the national average; there has been negative growth in both durable and non-durable goods sectors. (It was noted that supply chain technology has disrupted the historical inventory correction pattern.) The unemployment rate is down, but those who are unemployed remain unemployed for longer periods of time (especially those without post secondary education).

Tennessee's tax system continues to depend upon healthy growth in sales tax collections. Such growth is in turn dependent on growth in per capita income resulting in increased discretionary income. Tennessee is experiencing a slow down in big ticket sales (such as for automobiles), negatively impacting sales tax collections.

Presenters acknowledged the negative impact from the price of gas and heating oil (particularly on corporate profits) and the weakness in housing starts. The demand for construction (materials and labor) needed for hurricane reconstruction has driven up construction costs. The State has benefited from increased tax collections due to the growth in this sector during the past few years; however, the State cannot count on such continued incremental growth over the short-term.

Presenters acknowledged the unpredictability of the franchise and excise taxes (not unique to Tennessee). Volatility in these taxes have not been linked to any economic indicators. Reference was made to the taxes' life cycle: state tax law changes are made to improve the base; corporate taxpayers create new ways to avoid the taxes; and the legislature becomes faced again with the need to make changes to close loopholes.

The presenters cautioned that historically, inverted yield curves preceded recessions; however, the current inverted yield curve may not be an absolute indicator. Both franchise and excise taxes collections and the international trade imbalance between exports and imports caused the presenters some uneasiness with respect to their forecasts.

In terms of state revenue forecasts, all presenters believed the state would meet budget estimates (or only slightly undercollect) in fiscal year 2006-07. Note, estimates



from four of the five presenters for total revenue growth range in fiscal year 2006-07 from 3.37% to 4.31% and in fiscal year 2007-08, from 3.20% to 4.37%; the fifth presenter's estimate of 6.38% and 5.66% respectively is not included.

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

	FY 2006-07		FY 2007-08	
	Low	High	Low	High
Total State Taxes	3.20%	3.70%	3.80%	4.30%
General Fund Only	2.95%	3.45%	4.05%	4.55%

The Board believes these consensus revenue growth ranges to be reasonable and appropriate for use in state budgeting. Note, the ranges for fiscal year 2006-07 are to be applied to a higher beginning base (than anticipated in May 2006) 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 (TEL). Legislation in 2003 created the Tennessee Education Lottery Corporation (TELC) (Tennessee Code Annotated Sections 4-51-101 et seq.). Tennessee Code Annotated Section 4-51-111(c) requires the Board to establish a projected revenue range for the "Net Lottery Proceeds" [defined in Section 4-51-102(14)] for the remainder of the current fiscal year and for the succeeding fiscal year. Mr. Robert Currey, Chief Economist, with the Fiscal Review Committee (FRC) presented the Board the FRC's projections. Mr. Currey reviewed the fiscal year 2005-06 performance of the TEL and reported \$269,863,000 in Net Lottery Proceeds. In looking at fiscal year 2006-07, Mr. Currey noted more moderate growth for the instant games and that growth experienced has been due to greater payouts. Lotto 5 actually experienced negative growth (-5.3%). He additionally forecasted negative growth for Powerball due to last year's significant jackpot growth. Mr. Currey referenced the "sweet spot" or the optimum prize expense point after which subsequent increases to the prize payout ratio will have no or negative effect (the incremental revenue is less than the incremental increase in expenses) (law of diminishing returns). His assumptions include two new games (Hot Trax and a raffle-type game) and expenses at 73% rather than 72% as used in May 2006.

For fiscal year 2007-08, the FRC projected a 2.5% overall net sales growth. The Net Lottery Proceeds available for deposit into the Education Account for fiscal years 2006-07 and 2007-08 are anticipated to be 27% of Net Revenue.

The Board additionally heard from Ms. Rebecca Paul Hargrove, the Chief Executive Officer and Mr. Andy Davis, Chief Financial and Technology Officer of the TELC. The TELC is continuing to estimate approximately 2% of prizes (excluding jackpot prizes) to be the amount for unclaimed prizes; 100% of which is to be deposited into the "after school programs special account" at the end of each fiscal year. Note, this amount was changed by legislation the last session.

Ms. Hargrove stated that TELC agreed with FRC's assumptions used in estimating lottery revenues and confirmed that net lottery proceeds are estimated to be 27% of net revenues for both fiscal years.

The Board then heard from Mr. David Wright, Assistant Director for Policy Planning and Research, of the Tennessee Higher Education Commission, and from Mr. Tim Phelps, Associate Executive Director for Grants and Scholarship Programs, of the Tennessee Student Assistance Corporation. In fiscal year 2005-06, there were 56,058 awards in the TEL Scholarship program, with an actual cost of \$136,844,971. Mr. Phelps lowered the fiscal year 2006-07 projections to 59,750 awards, with a projected cost of \$172,000,000. Mr. Wright presented estimates for fiscal year 2007-08 (representing a fully mature program with no growth in first time freshmen) of 68,300 awards, with a projected cost of \$211,200,000. These awards include all lottery-funded scholarship programs.

The estimates provided by each of the presenters are summarized in an attachment to this memorandum. Consensus was reached on the following estimates of the range for net proceeds of lottery revenues to be deposited in the Lottery for Education Account, to be used for the various statutory purposes:

	FY 2006-07		FY 2007-08	
	Low	High	Low	High
Net Lottery Proceeds	\$268,600,000	\$275,400,000	\$274,000,000	\$282,300,000

Although the volatility of lottery sales contrasts with the recurring nature of scholarships, the Board noted that estimates of net lottery proceeds for both fiscal years exceed the current estimate of a fully mature scholarship program. Unclaimed prize money (up to \$18 million) is available for afterschool programs; excess net lottery proceeds (available after funding scholarship requirements and reserves) are available for pre-K programs.

Tennessee Code Annotated Section 4-51-111(c)(2)(B) states:

Before December 15, 2003, and before December 15 in each succeeding year, appropriate state agencies shall submit to the funding board and to the governor their recommendations for other educational programs and purposes consistent with article XI, § 5 of the Tennessee Constitution based on the difference between

the funding board's projections and recommendations for the lottery scholarship program based on the report submitted pursuant to subdivision (c)(2)(A). In no event shall such recommendations exceed the projections of the funding board for a specific fiscal year.

Attached is a copy of the letter received pursuant to this statutory section.

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

Revenue Estimates (2)  
Lottery Estimates  
TSAC Report  
Funding Request Letters (1)

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

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR FISCAL YEAR 2006-2007**

Schedule 1

(Accrual - Basis Estimates)

2006-2007

DEPARTMENT OF REVENUE	2005-2006			% CHANGE		DR. FOX		% CHANGE		FISCAL REVIEW		% CHANGE		DR. DePRINCE		% CHANGE		DR. EVANS		% CHANGE		REVENUE DEPT.		% CHANGE	
	ACTUAL	BUDGETED	OVER 05-06	DR. FOX	OVER 05-06	FISCAL REVIEW	OVER 05-06	DR. DePRINCE	OVER 05-06	DR. EVANS	OVER 05-06	REVENUE DEPT.	OVER 05-06	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	OVER 05-06	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	OVER 05-06
SOURCE OF REVENUE	ACCRUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	OVER 05-06	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	OVER 05-06
Sales and use Tax	\$ 6,515,643,000	\$ 6,805,300,000	4.45%	\$ 6,795,800,000	4.30%	\$ 6,829,156,000	4.81%	\$ 6,801,200,000	4.38%	\$ 6,928,000,000	6.33%	\$ 6,810,000,000	4.52%												
Gasoline Tax	605,598,900	597,000,000	-1.42%	596,500,000	-1.50%	608,640,000	0.50%	599,000,000	-1.09%	611,000,000	0.89%	606,100,000	0.08%												
Motor Fuel Tax	180,653,200	184,300,000	2.02%	187,000,000	3.51%	187,104,000	3.57%	186,500,000	3.24%	194,000,000	7.39%	185,200,000	2.52%												
Gasoline Inspection Tax	64,519,700	65,500,000 *	1.52%	65,100,000	0.90%	64,938,000	0.65%	66,800,000 *	3.53%	66,000,000	2.29%	65,600,000	1.67%												
Motor Vehicle Registration Tax	249,541,000	255,000,000	2.19%	258,200,000	3.47%	258,275,000	3.50%	256,300,000	2.71%	257,000,000	2.99%	255,500,000	2.39%												
Income Tax	194,367,900	203,500,000	4.70%	206,100,000	6.04%	207,974,000	7.00%	219,400,000	12.88%	219,000,000	12.67%	204,300,000	5.11%												
Privilege Tax - Less Earmarked Portion	304,889,400	307,900,000	0.99%	317,100,000	4.00%	307,900,000	0.99%	309,800,000 (1)	1.61%	337,000,000 (1)	10.53%	313,900,000	2.96%												
Gross Receipts Tax - TVA	220,325,400	228,000,000	3.48%	247,500,000	12.33%	247,482,000	12.33%	228,000,000 **	3.48%	247,000,000	12.11%	247,500,000	12.33%												
Gross Receipts Tax - Other	20,841,400	21,800,000	4.60%	19,000,000	-8.84%	23,000,000	10.36%	17,900,000	-14.11%	23,000,000	10.36%	21,800,000	4.60%												
Beer Tax	17,797,300	17,900,000 *	0.58%	18,000,000	1.14%	18,153,000	2.00%	18,200,000 *	2.26%	19,000,000	6.76%	17,900,000	0.58%												
Alcoholic Beverage Tax	39,208,200	39,900,000 *	1.76%	39,800,000	1.51%	39,992,000	2.00%	40,700,000 *	3.80%	42,000,000	7.12%	40,200,000	2.53%												
Franchise & Excise Taxes	1,491,616,000	1,531,000,000	2.64%	1,491,600,000	0.00%	1,542,947,000	3.44%	1,567,500,000	5.09%	1,611,000,000	8.00%	1,515,500,000	1.60%												
Inheritance and Estate Tax	76,287,700	71,000,000 *	-6.93%	77,000,000	0.93%	81,628,000	7.00%	72,400,000 *	-5.10%	83,000,000	8.80%	76,900,000	0.80%												
Tobacco Tax	124,872,300	125,000,000 *	0.10%	124,900,000	0.02%	125,497,000	0.50%	127,400,000 *	2.02%	127,000,000	1.70%	125,800,000	0.74%												
Motor Vehicle Title Fees	10,989,800	11,400,000 *	3.73%	11,200,000	1.91%	11,300,000	2.82%	11,600,000 *	5.55%	11,000,000	0.09%	11,400,000	3.73%												
Mixed Drink Tax	49,054,900	51,500,000 *	4.98%	52,000,000	6.00%	52,489,000	7.00%	52,500,000 *	7.02%	51,000,000	3.97%	51,500,000	4.98%												
Business Tax	121,663,200	124,200,000 *	2.09%	127,800,000	5.04%	124,705,000	2.50%	126,600,000 *	4.06%	118,000,000	-3.01%	124,200,000	2.09%												
Severance Tax	1,754,100	1,400,000 *	-20.19%	1,800,000	2.62%	1,500,000	-14.49%	1,400,000 *	-20.19%	2,000,000	14.02%	1,400,000	-20.19%												
Coin Operated Amusement Tax	304,400	300,000 *	-1.45%	300,000	-1.45%	300,000	-1.45%	300,000 *	-1.45%	0	NA	300,000	-1.45%												
Unauthorized Substance Tax	830,200	400,000 *	-51.82%	800,000	-3.64%	1,000,000	20.45%	400,000 *	-51.82%	1,000,000	20.45%	400,000	-51.82%												
<b>TOTAL DEPARTMENT OF REVENUE</b>	<b>\$ 10,290,758,000</b>	<b>\$ 10,642,300,000</b>	<b>3.42%</b>	<b>\$ 10,637,500,000</b>	<b>3.37%</b>	<b>\$ 10,733,980,000</b>	<b>4.31%</b>	<b>\$ 10,703,900,000</b>	<b>4.01%</b>	<b>\$ 10,947,000,000</b>	<b>6.38%</b>	<b>\$ 10,675,400,000</b>	<b>3.74%</b>												
<b>GENERAL FUND ONLY (2)</b>	<b>\$ 8,622,222,100</b>	<b>\$ 8,905,000,000</b>	<b>3.28%</b>	<b>\$ 8,884,300,000</b>	<b>3.04%</b>	<b>\$ 8,966,280,000</b>	<b>3.99%</b>	<b>\$ 8,954,900,000</b>	<b>3.86%</b>	<b>\$ 9,162,900,000</b>	<b>6.27%</b>	<b>\$ 8,916,800,000</b>	<b>3.42%</b>												
<b>Budgeted Est. Compared to New Est. - Total</b>																									
<b>Budgeted Est. Compared to New Est. - Gen. Fund</b>																									
<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	\$ 6,515,643,000	\$ 6,805,300,000	4.45%	\$ 6,795,800,000	4.30%	\$ 6,829,156,000	4.81%	\$ 6,801,200,000	4.38%	\$ 6,928,000,000	6.33%	\$ 6,810,000,000	4.52%												
FRANCHISE AND EXCISE TAXES	1,491,616,000	1,531,000,000	2.64%	1,491,600,000	0.00%	1,542,947,000	3.44%	1,567,500,000	5.09%	1,611,000,000	8.00%	1,515,500,000	1.60%												
INCOME TAX	194,367,900	203,500,000	4.70%	206,100,000	6.04%	207,974,000	7.00%	219,400,000	12.88%	219,000,000	12.67%	204,300,000	5.11%												
ROAD USER TAXES	1,100,312,800	1,101,800,000	0.14%	1,106,800,000	0.59%	1,118,957,000	1.69%	1,108,600,000	0.75%	1,128,000,000	2.52%	1,112,400,000	1.10%												
ALL OTHER TAXES	988,818,300	1,000,700,000	1.20%	1,037,200,000	4.89%	1,034,946,000	4.66%	1,007,200,000	1.86%	1,061,000,000	7.30%	1,033,200,000	4.49%												

(1) Privilege Tax estimates are reduced by \$32 million for the earmarked portion of the tax.

(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 2006-2007.

\*\* F&A distributed the Gross Receipts Taxes for Dr. DePrince based on anticipated TVA collections in 2006-2007.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR FISCAL YEAR 2007-2008**

(Accrual - Basis Estimates)

**2007-2008**

DEPARTMENT OF REVENUE	% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE	
	DR. FOX ESTIMATE	OVER 06-07 ESTIMATE	FISCAL REVIEW ESTIMATE	OVER 06-07 ESTIMATE	DR. DePRINCE ESTIMATE	OVER 06-07 ESTIMATE	DR. EVANS ESTIMATE	OVER 06-07 ESTIMATE	REVENUE DEPT. ESTIMATE	OVER 06-07 ESTIMATE
Sales and use Tax	\$ 7,149,200,000	5.20%	\$ 7,119,395,000	4.25%	\$ 7,020,300,000	3.22%	\$ 7,345,000,000	6.02%	\$ 7,116,800,000	4.51%
Gasoline Tax	596,500,000	0.00%	611,683,000	0.50%	605,300,000	1.05%	617,000,000	0.98%	612,000,000	0.97%
Motor Fuel Tax	193,600,000	3.53%	191,782,000	2.50%	192,900,000	3.43%	208,000,000	7.22%	189,200,000	2.16%
Gasoline Inspection Tax	65,500,000	0.61%	66,237,000	2.00%	68,300,000 *	2.25%	67,000,000	1.52%	66,700,000	1.68%
Motor Vehicle Registration Tax	266,000,000	3.02%	264,732,000	2.50%	259,800,000	1.37%	262,000,000	1.95%	260,100,000	1.80%
Income Tax	216,400,000	5.00%	210,054,000	1.00%	241,300,000	9.98%	234,000,000	6.85%	213,000,000	4.26%
Privilege Tax - Less Earmarked Portion	336,100,000	5.99%	314,058,000	2.00%	328,800,000 (1)	6.13%	374,000,000 (1)	10.98%	322,700,000	2.80%
Gross Receipts Tax - TVA	260,500,000	5.25%	253,669,000	2.50%	228,000,000 **	0.00%	253,000,000	2.43%	251,600,000	1.66%
Gross Receipts Tax - Other	19,400,000	2.11%	23,920,000	4.00%	21,900,000	22.35%	25,000,000	8.70%	22,400,000	2.75%
Beer Tax	18,300,000	1.67%	18,516,000	2.00%	18,700,000 *	2.75%	19,000,000	0.00%	18,000,000	0.56%
Alcoholic Beverage Tax	41,400,000	4.02%	40,992,000	2.50%	41,600,000 *	2.21%	45,000,000	7.14%	41,400,000	2.99%
Franchise & Excise Taxes	1,536,300,000	3.00%	1,573,806,000	2.00%	1,617,900,000	3.22%	1,716,000,000	6.52%	1,526,900,000	0.75%
Inheritance and Estate Tax	73,000,000	-5.19%	82,444,000	1.00%	74,100,000 *	2.35%	85,000,000	2.41%	78,700,000	2.34%
Tobacco Tax	126,100,000	0.96%	125,497,000	0.00%	130,400,000 *	2.35%	129,000,000	1.57%	127,700,000	1.51%
Motor Vehicle Title Fees	11,300,000	0.89%	11,583,000	2.50%	11,900,000 *	2.59%	12,000,000	9.09%	12,000,000	5.26%
Mixed Drink Tax	55,200,000	6.15%	55,113,000	5.00%	53,700,000 *	2.29%	54,000,000	5.88%	54,500,000	5.83%
Business Tax	134,200,000	5.01%	128,446,000	3.00%	129,500,000 *	2.29%	119,000,000	0.85%	126,800,000	2.09%
Severance Tax	1,800,000	0.00%	1,500,000	0.00%	1,500,000 *	7.14%	2,000,000	0.00%	1,400,000	0.00%
Coin Operated Amusement Tax	300,000	0.00%	300,000	0.00%	300,000 *	0.00%	0	NA	300,000	0.00%
Unauthorized Substance Tax	800,000	0.00%	1,200,000	20.00%	400,000 *	0.00%	1,000,000	0.00%	400,000	0.00%
<b>TOTAL DEPARTMENT OF REVENUE</b>	<b>\$11,101,900,000</b>	<b>4.37%</b>	<b>\$11,094,927,000</b>	<b>3.36%</b>	<b>\$11,046,600,000</b>	<b>3.20%</b>	<b>\$11,567,000,000</b>	<b>5.66%</b>	<b>\$11,042,600,000</b>	<b>3.44%</b>
<b>GENERAL FUND ONLY (2)</b>	<b>\$ 9,309,700,000</b>	<b>4.79%</b>	<b>\$ 9,296,327,000</b>	<b>3.68%</b>	<b>\$ 9,263,900,000</b>	<b>3.45%</b>	<b>\$ 9,732,000,000</b>	<b>6.21%</b>	<b>\$ 9,251,200,000</b>	<b>3.75%</b>
<b>Growth over FY 07 Budgeted Est. - Total</b>	\$459,600,000		\$452,627,000		\$404,300,000		\$924,700,000		\$400,300,000	
<b>Growth over FY 07 Budgeted Est. - Gen. Fund</b>	\$404,700,000		\$391,327,000		\$358,900,000		\$827,000,000		\$346,200,000	
<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>
SALES AND USE TAX	\$ 7,149,200,000	5.20%	\$ 7,119,395,000	4.25%	\$ 7,020,300,000	3.22%	\$ 7,345,000,000	6.02%	\$ 7,116,800,000	4.51%
FRANCHISE AND EXCISE TAXES	1,536,300,000	3.00%	1,573,806,000	2.00%	1,617,900,000	3.22%	1,716,000,000	6.52%	1,526,900,000	0.75%
INCOME TAX	216,400,000	5.00%	210,054,000	1.00%	241,300,000	9.98%	234,000,000	6.85%	213,000,000	4.26%
ROAD USER TAXES	1,121,600,000	1.34%	1,134,434,000	1.38%	1,126,300,000	1.60%	1,154,000,000	2.30%	1,128,000,000	1.40%
ALL OTHER TAXES	1,078,400,000	3.97%	1,057,238,000	2.15%	1,040,800,000	3.34%	1,118,000,000	5.37%	1,057,900,000	2.39%

(1) Privilege Tax estimates are reduced by \$32 million for the earmarked portion of the tax.  
 (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 2006-2007.  
 \*\* F&A distributed the Gross Receipts Taxes for Dr. DePrince based on anticipated TVA collections in 2006-2007.

**State Funding Board**  
**Net Lottery Proceeds Estimates**  
**Actual 2005-2006 and Estimated 2006-2007 and 2007-2008**  
**December 19, 2006**

	<b>2005-2006</b>	<b>2006-2007</b>		<b>2007-2008</b>	
	<b>Actual</b>	<b>Revised</b>	<b>%</b>		<b>%</b>
<b>Lottery Corporation</b>					
Low	269,863,000	268,600,000	-0.47%	274,000,000	2.01%
High	269,863,000	272,900,000	1.13%	278,400,000	2.02%
Mid-Range Estimate	269,863,000	270,750,000	0.33%	276,200,000	2.01%
<b>Fiscal Review Staff</b>					
Low	269,863,000	263,540,000	-2.34%	270,220,000	2.53%
Median	269,863,000	270,046,000	0.07%	276,877,000	2.53%
High	269,863,000	275,416,000	2.06%	282,366,000	2.52%
<b>Recommended Range</b>					
Low	<b>269,863,000</b>	<b>268,600,000</b>	<b>-0.47%</b>	<b>274,000,000</b>	<b>2.01%</b>
High	<b>269,863,000</b>	<b>275,400,000</b>	<b>2.05%</b>	<b>282,300,000</b>	<b>2.51%</b>

# Financial Statements

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**General Fund  
Comparative Balance Sheet  
June 30, 2005, and June 30, 2006**

	<u>June 30, 2005</u>	<u>June 30, 2006</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 927,727,000	\$ 1,784,360,000
Receivables	1,607,092,000	1,469,899,000
Due from Other Funds	75,374,000	8,169,000
Due from Component Units	3,510,000	5,391,000
Inventories	12,201,000	14,427,000
Prepayments	19,000	9,000
Deferred Charges	2,759,000	2,488,000
Loans Receivable	130,000	120,000
Leases Receivable	10,759,000	2,577,000
	<hr/>	<hr/>
<b>Total Assets</b>	<b><u>\$ 2,639,571,000</u></b>	<b><u>\$ 3,287,440,000</u></b>
 <b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts Payable and Accruals	\$ 953,392,000	\$ 919,813,000
Due to Other Funds	17,540,000	18,398,000
Due to Component Units	8,128,000	4,230,000
Unearned Revenue	327,931,000	314,328,000
Other	396,000	318,000
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b><u>\$ 1,307,387,000</u></b>	<b><u>\$ 1,257,087,000</u></b>
 <b>Fund Balance:</b>		
Reserved for Related Assets	\$ 18,770,000	\$ 19,290,000
Reserved for Encumbrances and Contracts	8,243,000	8,642,000
Reserved for Continuing Appropriations	410,548,000	751,887,000
Reserved for Other Specific Purposes	156,844,000	180,410,000
Unreserved:		
Designated for Revenue Fluctuations	275,400,000	324,700,000
Designated for Future Requirements	115,400,000	330,000,000
Designated for Future Appropriations	346,723,000	315,268,000
Designated for Revenue Fluctuation Reserve	-	100,000,000
Undesignated	256,000	156,000
	<hr/>	<hr/>
<b>Total Fund Balance</b>	<b><u>\$ 1,332,184,000</u></b>	<b><u>\$ 2,030,353,000</u></b>
	<hr/>	<hr/>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 2,639,571,000</u></b>	<b><u>\$ 3,287,440,000</u></b>

**Education Fund  
Comparative Balance Sheet  
June 30, 2005, and June 30, 2006**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 9,000	\$ 56,057,000
Receivables	495,139,000	535,725,000
Due from Other Funds	6,000	121,000
Due from Component Units	67,588,000	72,316,000
	<b>\$ 562,742,000</b>	<b>\$ 664,219,000</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts Payable and Accruals	\$ 128,992,000	\$ 156,899,000
Due to Other Funds	67,263,000	820,000
Due to Component Units	367,000	-
Unearned Revenue	62,091,000	77,268,000
	<b>\$ 258,713,000</b>	<b>\$ 234,987,000</b>
<b>Fund Balance:</b>		
Reserved for Encumbrances and Contracts	\$ 667,000	\$ 796,000
Reserved for Continuing Appropriations	38,801,000	43,951,000
Reserved for Lottery Scholarships	255,111,000	365,042,000
Reserved for Other Specific Purposes	9,450,000	19,202,000
Unreserved Special Revenue Funds	-	241,000
	<b>\$ 304,029,000</b>	<b>\$ 429,232,000</b>
<b>Total Fund Balance</b>	<b>\$ 304,029,000</b>	<b>\$ 429,232,000</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 562,742,000</b>	<b>\$ 664,219,000</b>

**Highway Fund  
Comparative Balance Sheet  
June 30, 2005, and June 30, 2006**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 195,149,000	\$ 243,887,000
Receivables	198,799,000	248,882,000
Due from Other Funds	2,183,000	1,741,000
Inventories, at Cost	6,294,000	7,040,000
Deferred Charges and Other	4,016,000	3,442,000
Loans Receivable	1,494,000	759,000
<b>Total Assets</b>	<b>\$ 407,935,000</b>	<b>\$ 505,751,000</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts Payable and Accruals	\$ 82,271,000	\$ 93,259,000
Due to Other Funds	1,470,000	1,495,000
Unearned Revenue	9,895,000	10,881,000
Deposits Payable	1,586,000	1,877,000
Other	4,016,000	20,014,000
<b>Total Liabilities</b>	<b>\$ 99,238,000</b>	<b>\$ 127,526,000</b>
<b>Fund Balances:</b>		
Reserved for Related Assets	\$ 6,295,000	\$ 7,040,000
Reserved for Encumbrances and Contracts	69,615,000	244,124,000
Reserved for Other Specific Purposes	3,508,000	3,051,000
Designated for Highway Construction	229,279,000	124,010,000
<b>Total Fund Balance</b>	<b>\$ 308,697,000</b>	<b>\$ 378,225,000</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 407,935,000</b>	<b>\$ 505,751,000</b>



# Debt Management

Recommended Budget, Fiscal Year 2007-2008

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.

For the fiscal year ending June 30, 2006, the debt limit calculation produced a maximum annual debt service debt limit of \$546,389,835. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2007-2008 budget total \$259,481,000, well below the maximum legal limit. The statutory debt limitation, therefore, provides for a substantial amount of additional debt capacity.

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

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

recognized by the nation's leading debt-rating agencies. Current ratings on the state's general obligation long-term debt are: Fitch AA+, Standard and Poor's AA+, and Moody's Investor Service Aa2.

The state sold \$110 million in general obligation bonds in the second quarter of this fiscal year. No additional general obligation bond sales are anticipated prior to the close of this fiscal period. As of June 30, 2006, Tennessee's total general obligation bonded indebtedness was \$929,601,000 excluding the facilities revolving fund. This debt was issued entirely for institutional and building construction.

The second session of the 104th General Assembly approved new G.O. authorizations in the amount of \$461,800,000. Of this amount, institutional and building bonds accounted for \$378,300,000, and highway bonds, \$83,500,000.

The state's practice of using 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 \$84.5 million in highway bond authorizations and \$3.3 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 \$2,057,780,000, which includes \$999,500,000 in capital construction bonds, and \$799,000,000 in highway fund authorizations.

Recommended in the 2007-2008 budget is the authorization of an additional \$317 million in institutional and building bonds, \$83.8 million in highway construction bonds, and \$59.3 million in surplus cash to help fund the proposed capital program.

**Debt Service Fund**  
**Statement of Revenues, Expenditures, and Requirements**  
**July 1, 2005 - June 30, 2008**

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Estimated 2007-2008</u>
<b>Unreserved Fund Balance, July 1</b>	<b>\$ 6,369,933.18</b>	<b>\$ 5,377,001.62</b>	<b>\$ 5,069,000.00</b>
<b>Tax Revenues:</b>			
Sales Tax	\$ 46,439,287.86	\$ 48,700,000.00	\$ 51,100,000.00
Gasoline Tax	82,500,000.00	84,500,000.00	84,800,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	128,500,000.00	156,700,000.00	182,500,000.00
Motor Vehicle Title Fees	2,625,393.00	2,700,000.00	2,700,000.00
<b>Total Tax Revenues</b>	<b>\$278,064,680.86</b>	<b>\$310,600,000.00</b>	<b>\$339,100,000.00</b>
<b>Other Revenues:</b>			
Sports Authority	\$ 3,861,926.00	\$ 3,716,000.00	\$ 3,946,000.00
Motlow State - Smyrna Center	0.00	135,000.00	191,000.00
University of Memphis - Land Bank	0.00	0.00	770,000.00
Mental Retardation - Group Homes	0.00	0.00	330,000.00
State Veterans' Homes - Refinancing	391,852.18	339,000.00	337,000.00
State Veterans' Homes - General Fund Transfer	250,000.00	0.00	0.00
Community Provider Pooled Loans	708,540.13	0.00	0.00
Community Provider Pooled Loans - General Fund Transfer	0.00	878,000.00	0.00
Premium on Bond Sales	2,484,804.00	2,150,000.00	0.00
<b>Total Other Revenues</b>	<b>\$ 7,697,122.31</b>	<b>\$ 7,218,000.00</b>	<b>\$ 5,574,000.00</b>
<b>Total Available Funds</b>	<b>\$292,131,736.35</b>	<b>\$323,195,001.62</b>	<b>\$349,743,000.00</b>
<b>Appropriations, Transfers, and Fund Balance</b>			
<b>Debt Service Appropriations for:</b>			
Outstanding Bonds @ 6/30/2006	\$ 128,026,907.55	\$ 124,078,000.00	\$ 115,149,000.00
Bond Sale - November 2006	0.00	1,190,000.00	10,152,000.00
Community Provider Pooled Loans - Repaid	600,000.00	0.00	0.00
Capital Outlay Projects - Unissued Bonds (\$893,723,000)	0.00	0.00	98,310,000.00
Capital Outlay Projects - Proposed Bonds (\$317,000,000)	0.00	0.00	34,870,000.00
Short Term Interest	3,323,559.37	4,000,000.00	0.00
Debt Issuance Expense	1,081,905.21	1,000,000.00	1,000,000.00
<b>Total Debt Service Appropriations</b>	<b>\$133,032,372.13</b>	<b>\$130,268,000.00</b>	<b>\$259,481,000.00</b>
<b>Transfers to Other Funds:</b>			
Highway Fund	\$ 82,500,000.00	\$ 84,500,000.00	\$ 84,800,000.00
General Fund	65,000,000.00	100,000,000.00	0.00
Capital Projects Fund - Technology Centers	3,900,000.00	1,478,015.32	0.00
Capital Projects Fund - Other	2,322,363.60	1,879,434.84	0.00
<b>Total Transfers to Other Funds</b>	<b>\$153,722,363.60</b>	<b>\$187,857,450.16</b>	<b>\$ 84,800,000.00</b>
<b>Total Appropriations and Transfers</b>	<b>\$286,754,735.73</b>	<b>\$318,125,450.16</b>	<b>\$344,281,000.00</b>
<b>Unreserved Fund Balance, June 30</b>			
Taxes Receivable	\$ 3,923,475.76	\$ 4,000,000.00	\$ 4,100,000.00
Cash	1,453,525.86	1,069,546.44	1,362,000.00
<b>Total Unreserved Fund Balance, June 30</b>	<b>\$ 5,377,001.62</b>	<b>\$ 5,069,546.44</b>	<b>\$ 5,462,000.00</b>

**Debt Service Fund**  
**Comparative Balance Sheet**  
**June 30, 2005, and June 30, 2006**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,950,000	\$ 1,454,000
Taxes Receivable	4,708,000	5,170,000
Prepayments	4,000	5,000
Loans Receivable	6,920,000	8,165,000
	<b>\$ 14,582,000</b>	<b>\$ 14,794,000</b>
 <b>Liabilities and Fund Balance</b>  		
<b>Liabilities:</b>		
Payables and Accruals	\$ 577,000	\$ 204,000
Unearned Revenue	7,635,000	9,072,000
Other	-	141,000
	<b>\$ 8,212,000</b>	<b>\$ 9,417,000</b>
 <b>Fund Balance:</b>		
Unreserved	\$ 6,370,000	\$ 5,377,000
	<b>\$ 6,370,000</b>	<b>\$ 5,377,000</b>
 <b>Total Liabilities and Fund Balance</b>	<b>\$ 14,582,000</b>	<b>\$ 14,794,000</b>

**Bond Fund**  
**Statement of Bonds Authorized and Unissued**  
**June 30, 2005 - June 30, 2007**

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007*</u>
1993	Chapter 533	Capital Outlay	\$ 335,209.87	\$ 172,307.89	\$ 0.00
1994	Chapter 850	Data Processing Equipment	13,800,000.00	13,800,000.00	13,800,000.00
1994	Chapter 1010	Capital Outlay	1.00	0.00	0.00
1994	Chapter 1010	Facilities Revolving Fund	590,763.97	516,085.86	516,085.86
1995	Chapter 457	Higher Education - Technology Centers	526,625.00	0.00	0.00
1995	Chapter 461	Capital Outlay	905,518.04	669,996.93	459,327.18
1996	Chapter 908	Higher Education - Technology Centers	4,851,390.32	1,478,015.32	0.00
1996	Chapter 945	State Parks	77,365.99	77,365.99	77,365.99
1996	Chapter 952	Capital Outlay	5,928,647.73	3,339,194.00	1,506,625.28
1996	Chapter 952	Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
1996	Chapter 990	Ross Creek Landing State Park	10,935,000.00	10,935,000.00	10,935,000.00
1997	Chapter 535	Capital Outlay	7,439,886.14	3,611,351.42	1,696,791.87
1997	Chapter 535	Highway Construction	75,000,000.00	0.00	0.00
1998	Chapter 831	Refund TLDA Community Provider Pooled Loans	14,000,000.00	13,400,000.00	12,522,000.00
1998	Chapter 1103	Capital Outlay	23,676,604.70	3,313,160.17	740,987.42
1998	Chapter 1103	Facilities Revolving Fund	730,370.56	179,961.80	132,591.16
1998	Chapter 1103	Highway Construction	90,000,000.00	83,500,000.00	0.00
1999	Chapter 401	Capital Outlay	5,024,159.27	2,561,811.10	1,883,788.05
1999	Chapter 401	Facilities Revolving Fund	10,233,492.21	3,980,501.13	3,371,711.56
1999	Chapter 401	Highway Construction	83,800,000.00	83,800,000.00	83,800,000.00
2000	Chapter 984	Capital Outlay	18,210,785.80	4,627,900.91	3,948,935.94
2000	Chapter 984	Facilities Revolving Fund	13,515,158.80	1,281,871.55	1,159,061.95
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	0.00	0.00
2001	Chapter 462	Capital Outlay	14,296,140.56	7,862,566.76	5,563,533.16
2001	Chapter 462	Facilities Revolving Fund	58,760,962.48	42,057,815.27	41,650,000.00
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	32,697,498.31	10,051,695.70	4,478,211.96
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	10,983,645.72	6,901,556.44
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	584,832.13	0.00
2003	Chapter 313	State Veterans' Homes - Refinancing	13,930,000.00	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	40,180,000.00	30,154,706.60	19,238,968.03
2004	Chapter 958	Capital Outlay	269,400,000.00	257,334,371.58	217,276,826.84
2004	Chapter 958	Facilities Revolving Fund	25,300,000.00	23,800,000.00	12,689,412.66
2004	Chapter 958	Equipment Revolving Fund	20,000,000.00	13,680,000.00	10,568,015.32
2004	Chapter 958	Highway Construction	79,000,000.00	78,000,000.00	77,000,000.00
2004	Chapter 958	Highway Construction - Pre-financing	80,000,000.00	80,000,000.00	80,000,000.00
2005	Chapter 501	Capital Outlay	185,800,000.00	180,744,422.92	173,291,329.37
2005	Chapter 501	Facilities Revolving Fund	16,500,000.00	16,500,000.00	14,683,938.47
2005	Chapter 501	Highway Construction	76,000,000.00	76,000,000.00	76,000,000.00
2005	Chapter 501	Highway Construction - Pre-financing	80,000,000.00	80,000,000.00	80,000,000.00
2005	Chapter 502	Capital Outlay	1,600,000.00	1,600,000.00	1,600,000.00
2005	Chapter 502	Higher Education	69,990,000.00	65,070,000.00	63,374,901.24
2006	Chapter 962	Capital Outlay	0.00	378,300,000.00	360,983,615.00
2006	Chapter 962	Facilities Revolving Fund	0.00	43,800,000.00	43,800,000.00
2006	Chapter 962	ERP Software	0.00	81,300,000.00	81,300,000.00
2006	Chapter 962	Highway Construction	0.00	83,500,000.00	83,500,000.00
<b>Total Bonds Authorized and Unissued</b>			<b>\$ 1,916,938,580.75</b>	<b>\$ 2,259,898,580.75</b>	<b>\$ 2,057,780,580.75</b>
<b>Summary by Purpose:</b>					
	Capital Outlay	\$837,907,832.73	\$1,099,002,345.14	\$999,487,763.77	
	Facilities Revolving Fund	128,730,748.02	135,216,235.61	121,102,801.66	
	Highway Construction	722,500,000.00	723,500,000.00	639,000,000.00	
	Highway Construction - Pre-financing	160,000,000.00	160,000,000.00	160,000,000.00	
	Data Processing Equipment	33,800,000.00	33,800,000.00	33,800,000.00	
	ERP Software	0.00	81,300,000.00	81,300,000.00	
	Equipment Revolving Fund	20,000,000.00	13,680,000.00	10,568,015.32	
	Refund TLDA Loans	14,000,000.00	13,400,000.00	12,522,000.00	
<b>Total Bonds Authorized and Unissued</b>			<b>\$ 1,916,938,580.75</b>	<b>\$ 2,259,898,580.75</b>	<b>\$ 2,057,780,580.75</b>

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



**Bond Fund**  
**Statement of Bonds Sold**  
**July 1, 2004 - June 30, 2007**

Year	Authority	Description	July 1, 2005 - June 30, 2006	July 1, 2006 - June 30, 2007 *
1993	Chapter 533	Capital Outlay	\$ 162,901.98	\$ 172,307.89
1994	Chapter 1010	Capital Outlay	1.00	0.00
1994	Chapter 1010	Facilities Revolving Fund	74,678.11	0.00
1995	Chapter 461	Capital Outlay	235,521.11	210,669.75
1996	Chapter 952	Capital Outlay	2,589,453.73	1,452,568.72
1997	Chapter 535	Capital Outlay	3,828,534.72	1,914,559.55
1998	Chapter 1103	Capital Outlay	20,363,444.53	2,572,172.75
1998	Chapter 1103	Facilities Revolving Fund	550,408.76	47,370.64
1999	Chapter 401	Capital Outlay	2,462,348.17	678,023.05
1999	Chapter 401	Facilities Revolving Fund	6,252,991.08	608,789.57
2000	Chapter 984	Capital Outlay	13,582,884.89	678,964.97
2000	Chapter 984	Facilities Revolving Fund	11,425,649.85	122,809.60
2001	Chapter 462	Capital Outlay	4,111,211.20	1,481,042.32
2001	Chapter 462	Facilities Revolving Fund	16,703,147.21	407,815.27
2002	Chapter 852	Capital Outlay	22,645,802.61	5,573,483.74
2003	Chapter 296	Capital Outlay	5,519,354.28	3,400,645.72
2003	Chapter 313	Motlow State - Smyrna Facility	1,415,167.87	584,832.13
2004	Chapter 941	Higher Education	10,025,293.40	10,915,738.57
2004	Chapter 958	Capital Outlay	12,065,628.42	40,057,544.74
2004	Chapter 958	Facilities Revolving Fund	1,500,000.00	10,840,022.18
2005	Chapter 501	Capital Outlay	5,055,577.08	7,453,093.55
2005	Chapter 501	Facilities Revolving Fund	0.00	1,816,061.53
2005	Chapter 502	Higher Education	4,430,000.00	1,695,098.76
2006	Chapter 962	Capital Outlay	0.00	17,316,385.00
<b>Total Bonds Sold</b>			<b><u>\$ 145,000,000.00</u></b>	<b><u>\$ 110,000,000.00</u></b>
<b>Summary by Purpose:</b>				
		Capital Outlay	\$ 108,493,124.99	\$ 96,157,131.21
		Facilities Revolving Fund	36,506,875.01	13,842,868.79
		<b>Total Bonds Sold</b>	<b><u>\$ 145,000,000.00</u></b>	<b><u>\$ 110,000,000.00</u></b>

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

Note: No bonds sold in fiscal year 2004-2005.

**Bond Fund**  
**Statement of Appropriations in Lieu of Issuing Bonds**  
**July 1, 2004 - June 30, 2007**

<b>Year</b>	<b>Authority</b>	<b>Description</b>	<b>July 1, 2004 - June 30, 2005</b>	<b>July 1, 2005 - June 30, 2006</b>	<b>July 1, 2006 - June 30, 2007 *</b>
1994	Chapter 1009	Higher Education-Technology Centers	\$ 1,660,426.00	\$ 0.00	\$ 0.00
1995	Chapter 457	Higher Education-Technology Centers	526,625.00	526,625.00	0.00
1996	Chapter 908	Higher Education-Technology Centers	1,712,949.00	3,373,375.00	1,478,015.32
1996	Chapter 952	Capital Outlay	0.00	0.00	380,000.00
1996	Chapter 952	Highway Construction	74,000,000.00	0.00	0.00
1997	Chapter 535	Highway Construction	0.00	75,000,000.00	0.00
1998	Chapter 831	Community Provider Pooled Loans	2,800,000.00	600,000.00	878,000.00
1998	Chapter 1103	Highway Construction	0.00	6,500,000.00	83,500,000.00
2000	Chapter 984	Prison Construction	3,205,318.00	0.00	0.00
2000	Chapter 984	Facilities Revolving Fund	0.00	807,637.40	0.00
2001	Chapter 462	Capital Outlay	0.00	2,322,362.60	817,991.28
2003	Chapter 296	Capital Outlay	0.00	0.00	681,443.56
2004	Chapter 958	Facilities Revolving Fund	0.00	0.00	270,565.16
2004	Chapter 958	Equipment Revolving Fund	0.00	6,320,000.00	3,111,984.68
2004	Chapter 958	Highway Construction	0.00	1,000,000.00	1,000,000.00
<b>Total Appropriations in Lieu of Issuing Bonds</b>			<b>\$ 83,905,318.00</b>	<b>\$ 96,450,000.00</b>	<b>\$ 92,118,000.00</b>
<b>Summary by Purpose:</b>					
		Capital Outlay	\$ 7,105,318.00	\$ 6,222,362.60	\$ 3,357,450.16
		Facilities Revolving Fund	0.00	807,637.40	270,565.16
		Highway Construction	74,000,000.00	82,500,000.00	84,500,000.00
		Equipment Revolving Fund	0.00	6,320,000.00	3,111,984.68
		Refund TLDA Loans	2,800,000.00	600,000.00	878,000.00
<b>Total Appropriations in Lieu of Issuing Bonds</b>			<b>\$ 83,905,318.00</b>	<b>\$ 96,450,000.00</b>	<b>\$ 92,118,000.00</b>

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

Note: Chapter 962, Public Acts of 2006, cancelled the following unissued bond authorizations:

2001 Chapter 460 State Parks	\$ 2,000,000
2005 Chapter 502 Higher Education	\$ 490,000

**Bond Fund**  
**Statement of Bonded Indebtedness**  
**Principal and Interest on Bonded Debt**  
**June 30, 2006**

<b>Fiscal Year</b>	<b>Outstanding Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2006 - 2007	\$ 78,712,000	\$ 45,366,000	\$ 124,078,000
2007 - 2008	73,649,000	41,500,000	115,149,000
2008 - 2009	72,776,000	38,057,000	110,833,000
2009 - 2010	70,219,000	34,490,000	104,709,000
2010 - 2011	70,480,000	30,589,000	101,069,000
2011 - 2012	66,716,000	27,152,000	93,868,000
2012 - 2013	66,532,000	23,666,000	90,198,000
2013 - 2014	60,802,000	20,465,000	81,267,000
2014 - 2015	56,376,000	17,323,000	73,699,000
2015 - 2016	52,310,000	14,528,000	66,838,000
2016 - 2017	48,111,000	12,161,000	60,272,000
2017 - 2018	41,138,000	9,750,000	50,888,000
2018 - 2019	33,455,000	7,957,000	41,412,000
2019 - 2020	30,113,000	6,318,000	36,431,000
2020 - 2021	23,722,000	4,852,000	28,574,000
2021 - 2022	23,853,000	3,698,000	27,551,000
2022 - 2023	16,563,000	2,537,000	19,100,000
2023 - 2024	16,589,000	1,752,000	18,341,000
2024 - 2025	8,560,000	1,163,000	9,723,000
2025 - 2026	8,715,000	768,000	9,483,000
2026 - 2027	3,245,000	492,000	3,737,000
2027 - 2028	3,400,000	336,000	3,736,000
2028 - 2029	3,565,000	172,000	3,737,000
<b>Total</b>	<b><u>\$ 929,601,000</u></b>	<b><u>\$ 345,092,000</u></b>	<b><u>\$ 1,274,693,000</u></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, 2006 outstanding principal was \$149,759,000 and interest was \$49,845,000.



# Capital Outlay and Facilities Program

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# Capital Budget

Recommended Budget, Fiscal Year 2007 - 2008

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 2007-2008, the capital outlay budget recommends a total of \$505,000,000, divided between capital outlay projects and capital maintenance requests.

**Capital Maintenance** — Capital maintenance projects are recommended at a level of \$121,460,000. A State bond authorization of \$64,600,000 and state appropriations of \$28,160,000 are requested. 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.

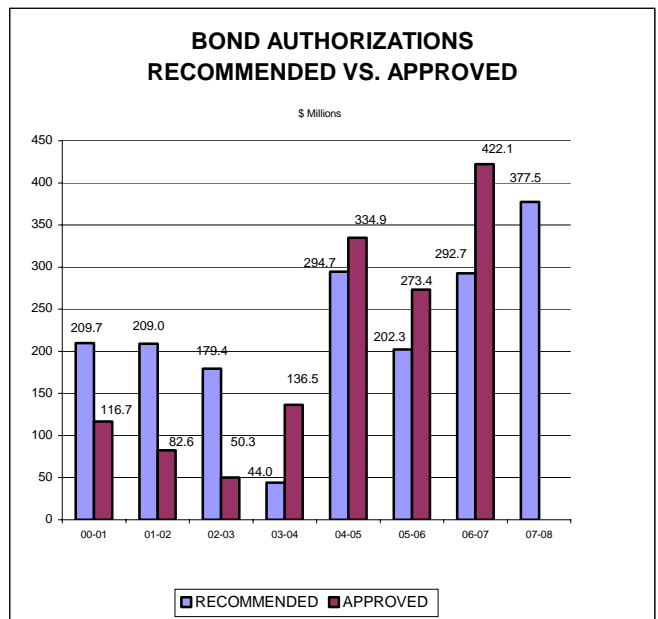
**Capital Outlay Projects** — Capital outlay projects recommended for this fiscal year total \$383,540,000. Of this total, \$252,400,000 in bonds and \$131,140,000 in state appropriations are requested. Federal and other sources equal the remainder of the total amount.

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 are recommended at a funding level of \$70,500,000. 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 \$377,500,000. 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 2007 - 2008

CAPITAL OUTLAYS	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
<b>Children's Services</b>						
Taft YDC - New Dormitory / Food Service Bldg.	Bledsoe	4,200,000	600,000	3,600,000	0	0
<b>Total Children's Services</b>		<b>\$4,200,000</b>	<b>\$600,000</b>	<b>\$3,600,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Correction</b>						
Maintenance	Statewide	32,000,000	3,300,000	0	0	28,700,000
SETN Regional Correction Facility Expansion	Bledsoe	35,000,000	0	35,000,000	0	0
<b>Total Correction</b>		<b>\$67,000,000</b>	<b>\$3,300,000</b>	<b>\$35,000,000</b>	<b>\$0</b>	<b>\$28,700,000</b>
<b>Education</b>						
K-12 School Construction - Lottery Reserves	Statewide	100,000,000	100,000,000 *	0	0	0
WTN School for the Deaf - Land Acquisition	Madison	400,000	50,000	350,000	0	0
TN School for the Deaf - New School Planning	Knox	200,000	200,000	0	0	0
TN School for the Deaf - Maint. Access Road	Knox	2,250,000	50,000	2,200,000	0	0
<b>Total Education</b>		<b>\$102,850,000</b>	<b>\$100,300,000</b>	<b>\$2,550,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Environment and Conservation</b>						
Ocoee Rustic Lodge Initial Planning	Areawide	175,000	175,000	0	0	0
Pickwick Landing - Raze Old Inn / Add Cabins	Hardin	4,520,000	970,000	3,550,000	0	0
Henry Horton Campground - Bathhouses Upgrade	Marshall	600,000	100,000	500,000	0	0
Cedars of Lebanon - Sewer Plant Replacement	Wilson	880,000	30,000	850,000	0	0
Statewide State Parks Small Projects	Statewide	500,000	500,000	0	0	0
Chester Inn Historic Site - Exhibit Upgrade	Washington	339,000	339,000	0	0	0
Tipton Haynes Historic Site - Exhibit Upgrade	Washington	408,000	408,000	0	0	0
North Cumberland Plateau Land Acquisition	Areawide	82,000,000	0	82,000,000	0	0
<b>Total Environment and Conservation</b>		<b>\$89,422,000</b>	<b>\$2,522,000</b>	<b>\$86,900,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Finance and Administration</b>						
Middle TN Veterans Cemetery - Storage Shed	Davidson	210,000	210,000	0	0	0
State Museum Planning	Davidson	1,500,000	1,500,000	0	0	0
State Office Buildings - Security Equipment	Davidson	2,500,000	2,500,000	0	0	0
Bicentennial Mall Development	Davidson	2,000,000	2,000,000	0	0	0
Assisted Living Facility - Grant	Knox	3,000,000	3,000,000	0	0	0
Adventure Science Museum Planetarium - Grant	Davidson	3,000,000	3,000,000	0	0	0
National Civil Rights Museum - Grant	Shelby	200,000	200,000	0	0	0
Chattanooga African-American Museum - Grant	Hamilton	100,000	100,000	0	0	0
Beck Cultural Exchange Center - Grant	Knox	100,000	100,000	0	0	0
Bradley Academy Museum - Grant	Rutherford	50,000	50,000	0	0	0
<b>Total Finance and Administration</b>		<b>\$12,660,000</b>	<b>\$12,660,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Mental Retardation Services</b>						
Greene Valley Dev. Center Master Plan	Greene	200,000	200,000	0	0	0
<b>Total Mental Retardation Services</b>		<b>\$200,000</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Military</b>						
Houston Barracks Building 102 Renovation	Davidson	1,178,000	28,000	1,150,000	0	0
TEMA Knoxville Building 310 Renovation	Knox	550,000	50,000	500,000	0	0
Statewide Indoor Firing Ranges Remediation	Statewide	600,000	600,000	0	0	0
<b>Total Military</b>		<b>\$2,328,000</b>	<b>\$678,000</b>	<b>\$1,650,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Tennessee Board of Regents</b>						
Maintenance	Statewide	31,650,000	5,555,000	26,095,000	0	0
Nashville STCC - Additions and Renovations	Davidson	13,430,000	730,000	12,700,000	0	0
MTSU Learning Resource Center Addition	Rutherford	31,700,000	7,700,000	24,000,000	0	0
Walters SCC Student Svc. Addition / Renovation	Hamblen	8,200,000	700,000	7,500,000	0	0
UOM Nursing and Audiology Building - Planning	Shelby	850,000	850,000	0	0	0
UOM Land Bank	Shelby	7,000,000	0	7,000,000 **	0	0
<b>Total Tennessee Board of Regents</b>		<b>\$92,830,000</b>	<b>\$15,535,000</b>	<b>\$77,295,000</b>	<b>\$0</b>	<b>\$0</b>
<b>University of Tennessee</b>						
Maintenance	Statewide	21,700,000	1,115,000	20,585,000	0	0
UTK Cherokee Campus Infrastructure	Knox	32,000,000	500,000	31,500,000	0	0
UT Biofuels Center	Knox	40,700,000	700,000	40,000,000	0	0
UT-ORNL Biological Sciences Inst. Equipment	Anderson	3,000,000	3,000,000	0	0	0
<b>Total University of Tennessee</b>		<b>\$97,400,000</b>	<b>\$5,315,000</b>	<b>\$92,085,000</b>	<b>\$0</b>	<b>\$0</b>



# Proposed Capital Appropriations from Bonds, Current Funds, and Other Revenues Fiscal Year 2007 - 2008

CAPITAL OUTLAYS	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
<b>Statewide Capital Maintenance</b>						
Maintenance	Statewide	36,110,000	18,190,000	17,920,000	0	0
<b>Total Statewide Capital Maintenance</b>		<b>\$36,110,000</b>	<b>\$18,190,000</b>	<b>\$17,920,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>		<b>\$505,000,000</b>	<b>\$159,300,000 *</b>	<b>\$317,000,000 **</b>	<b>\$0</b>	<b>\$28,700,000</b>
<b>Sub-Total Higher Education</b>		<b>\$190,230,000</b>	<b>\$20,850,000</b>	<b>\$169,380,000</b>	<b>\$0</b>	<b>\$0</b>
Sub-Total Higher Education Projects		136,880,000	14,180,000	122,700,000 **	0	0
Sub-Total Higher Education Capital Maintenance		53,350,000	6,670,000	46,680,000	0	0
<b>Sub-Total K-12 School Construction</b>		<b>100,000,000</b>	<b>100,000,000 *</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub-Total Other</b>		<b>214,770,000</b>	<b>38,450,000</b>	<b>147,620,000</b>	<b>0</b>	<b>28,700,000</b>

\* Includes \$100 million from lottery reserves for K-12 school construction.

\*\* Debt Service to be provided by University of Memphis on \$7 million bonds for University of Memphis Land Bank.

# Capital Outlay Project Descriptions

## Fiscal Year 2007 - 2008

	<u>Total Project Cost</u>
<b>Children's Services</b>	
<b>Objective: Provide safe and secure surroundings for youth development center residents.</b>	
<b>Taft Youth Development Center New Dormitory / Food Services Building</b>	<u>\$4,200,000</u>
This project will replace buildings A, B, E, and R with a new building containing dormitory rooms, food services operations, and a clinic.	
<b>Correction</b>	
<b>Objective: Provide safe and secure facilities to house inmates.</b>	
<b>Maintenance</b>	\$32,000,000
Funds to repair, maintain, and update facilities.	
<b>Southeast Tennessee Regional Correction Facility Expansion</b>	35,000,000
This project will provide supplemental funding for prison expansion.	
<b>Total Correction</b>	<u>\$67,000,000</u>
<b>Education</b>	
<b>Objective: Provide a safe and secure environment for learning.</b>	
<b>K-12 School Construction - From Lottery Reserves</b>	\$100,000,000
An approximate \$1.1 billion K-12 school construction bond pool will be established, using \$100 million, to be transferred from the Lottery of Education Account unobligated fund balance to a K-12 school construction fund, to serve as a guarantee for debt service, which will be paid by school districts. The statewide bond pool will give individual school districts enhanced access to capital at the best possible bond rating, which will result in the lowest possible transaction and interest costs. This particularly will help small rural school districts, though other districts or pools may participate, so long as they meet the basic requirements of long-term, competitively bid, fixed-rate debt.	
<b>West Tennessee School For The Deaf - Land Acquisition and Security</b>	400,000
Adjacent property will be acquired to provide a new entrance, drive, and security check point with fencing to secure the campus.	
<b>Tennessee School for the Deaf - New High School Planning</b>	200,000
This project will determine the programmatic and infrastructure needs for a comprehensive high school facility.	
<b>Tennessee School for the Deaf - New Maintenance Access Road</b>	2,250,000
This project will provide a new access road for commercial traffic. This will divert service traffic away from the area where students walk and reside.	
<b>Total Education</b>	<u>\$102,850,000</u>
<b>Environment and Conservation</b>	
<b>Objective: Increase visitation to the state's parks and historic areas.</b>	
<b>Ocoee Rustic Lodge Initial Planning</b>	\$175,000
Begin the initial planning for a new rustic lodge near the Hiwassee Scenic River and the Ocoee River State Park. The lodge will fit in with the rustic and natural features of the surrounding park area.	

# Capital Outlay Project Descriptions

## Fiscal Year 2007 - 2008

	<u>Total Project Cost</u>
<p><b>Pickwick Landing State Park - Raze Old Inn and Add New Cabins</b>            This project will provide for razing of the existing Inn that was vacated several years ago and construct new cabins and a recreation hall.</p>	4,520,000
<p><b>Henry Horton State Park - Campground Bathhouses Upgrade</b>            Replace two men's and women's bathhouses, add parking, and provide for minor upgrades associated with the project.</p>	600,000
<p><b>Cedars of Lebanon State Park - Sewer Plant Replacement</b>            Replace the existing sewer plant that serves the park. The current plant is 35 years old and no longer meets the established permit limits.</p>	880,000
<p><b>Statewide State Parks Small Projects</b>            This project will provide funding for new playgrounds at parks across the state.</p>	500,000
<p><b>Chester Inn State Historic Site - Exhibit Upgrade</b>            This project will provide for upgrades for interpretive exhibit panels, museum display cases, and multi-media exhibits to explain the history of the site, located in Jonesborough.</p>	339,000
<p><b>Tipton Haynes State Historic Site - Exhibit Upgrade</b>            This project will provide for new artifact exhibit cases, displays, and informational interpretive panels.</p>	408,000
<p><b>North Cumberland Plateau Land Acquisition</b>            Continuation of the state's on-going effort to preserve wilderness acreage for future generations of Tennesseans.</p>	82,000,000
<b>Total Environment and Conservation</b>	<u>\$89,422,000</u>
<b>Finance and Administration</b>	
<b>Objective: Preserve and enhance public facilities.</b>	
<p><b>Middle Tennessee Veterans Cemetery - New Storage Shed</b>            Construction of a new concrete storage shed containing three bins for the storage of topsoil, gravel, and other materials.</p>	\$210,000
<p><b>State Museum Planning</b>            Continuation of the planning and design effort associated with the development of a new state museum.</p>	1,500,000
<p><b>State Office Buildings - Security Equipment</b>            This is a continuation of an on-going security project for state-controlled buildings in downtown Nashville. An assessment of security needs has taken place and a master plan has been developed. This phase will implement the recommendations of the plan.</p>	2,500,000
<p><b>Bicentennial Mall Development</b>            This project will continue the purchase of land parcels identified within the Bicentennial Mall master plan. This cash appropriation is for relocation and demolition costs associated with the land transactions.</p>	2,000,000
<p><b>Assisted Living Facility - Grant</b>            These funds will contribute to the effort to construct an affordable assisted living facility for middle-income seniors in East Tennessee. This is a public-private partnership in which the City of Knoxville and private citizens also will contribute toward the construction of this facility.</p>	3,000,000

# Capital Outlay Project Descriptions

## Fiscal Year 2007 - 2008

	<u>Total Project Cost</u>
<p><b>Adventure Science Museum Planetarium - Grant</b> Capital grant for the planetarium at the Adventure Science Museum in Nashville.</p>	3,000,000
<p><b>National Civil Rights - Museum Grant</b> Capital grant for the National Civil Rights Museum in Memphis.</p>	200,000
<p><b>Chattanooga African-American Museum - Grant</b> Capital grant for the African-American Museum in Chattanooga.</p>	100,000
<p><b>Beck Cultural Exchange Center - Grant</b> Capital grant for the Beck Cultural Exchange Center in Knoxville.</p>	100,000
<p><b>Bradley Academy Museum - Grant</b> Capital grant for the Bradley Academy Museum in Murfreesboro.</p>	50,000
<b>Total Finance and Administration</b>	<u>\$12,660,000</u>
<b>Mental Retardation</b>	
<b>Objective: Provide alternative residential settings for clients and plan for the future.</b>	
<p><b>Greene Valley Developmental Center - Master Plan</b> Funding for the development of a facilities master plan to identify requirements that need to be addressed to insure continued operation within applicable codes and accreditation standards.</p>	<u>\$200,000</u>
<b>Military</b>	
<b>Objective: Expand and renovate military facilities.</b>	
<p><b>Houston Barracks Building No. 102 Renovation</b> Renovate the facilities management office. This area is the last component of the headquarters complex to be renovated.</p>	\$1,178,000
<p><b>TEMA Knoxville Building No. 310 Renovation</b> Renovate the TEMA building, which was built in 1976, to meet all current code requirements, safety standards, and accessibility requirements.</p>	550,000
<p><b>Statewide Indoor Firing Ranges - Remediation</b> The Military Department has approximately 36 indoor firing ranges that have been used by military and law enforcement personnel for training. This project will include remediation of lead contamination to meet OSHA standards.</p>	600,000
<b>Total Military</b>	<u>\$2,328,000</u>
<b>Tennessee Board of Regents</b>	
<b>Objective: Expand and enhance facilities to students and faculty needs.</b>	
<p><b>Maintenance</b> Funds to repair, maintain, and update facilities.</p>	\$31,650,000

# Capital Outlay Project Descriptions

## Fiscal Year 2007 - 2008

	Total Project Cost
<p><b>Nashville State Technical Community College - Additions and Renovations</b>            This project will renovate the existing academic building and student services building for educational and general public use. This renovation phase is part of a three-phase project to convert the campus from a technical institute configuration into a community college.</p>	13,430,000
<p><b>MTSU Learning Resources Center - Addition</b>            Construct an addition and partially renovate the existing building for the College of Education. The scope of work will be primarily new classrooms, labs, and offices. The non-functional space on the south side will be demolished.</p>	31,700,000
<p><b>Walters State Community College - Student Services Addition / Renovation</b>            Construction of a new administration building, an addition to the College Center for a bookstore, and renovation of College Center space for physical education.</p>	8,200,000
<p><b>University of Memphis Nursing and Audiology Building - Planning</b>            This project will initiate the planning and design effort required for the construction of a new building to house the nursing and audiology programs.</p>	850,000
<p><b>University of Memphis - Land Bank</b>            This project will create a funding pool to be used to acquire land parcels that are identified within the university's master plan. Debt Service on the bonds used will be paid from university funds.</p>	7,000,000
<b>Total Tennessee Board of Regents</b>	\$92,830,000
<b>University of Tennessee</b>	
<b>Objective: Expand and enhance facilities to students and faculty needs.</b>	
<p><b>Maintenance</b>            Funds to repair, maintain, and update facilities.</p>	\$21,700,000
<p><b>UT Knoxville Cherokee Campus - Infrastructure Improvements</b>            This project will provide for initial site improvements for the new research campus. Work will include site grading and preparation, installation of a water distribution system, sanitary and storm sewer system, a natural gas distribution system, a primary electrical distribution system, site lighting, data and telecommunication distribution, signage, and landscaping.</p>	\$32,000,000
<p><b>New Biofuels Center</b>            This project will provide a research-focused cellulose bio-refinery that will produce approximately five million gallons of ethanol fuel per year. The facility will focus on the research necessary to develop "proof of concept" and demonstrate the economics of using local farm and forest resources to produce ethanol fuel.</p>	40,700,000
<p><b>UT-ORNL Biological Sciences Institute Equipment</b>            Grant for the purchase of capital equipment associated with the new Biological Sciences Institute building at the Oak Ridge National Laboratory.</p>	\$3,000,000
<b>Total University of Tennessee System</b>	\$97,400,000

**Capital Outlay Project Descriptions**  
**Fiscal Year 2007 - 2008**

**Statewide Capital Maintenance**

**Maintenance**

Funds to repair, maintain, and update general government facilities.

Total  
Project Cost

\$36,110,000

**GRAND TOTAL**

\$505,000,000

## Projects Funded from Dedicated Revenues Fiscal Year 2007 - 2008

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
<b>Tennessee Wildlife Resources Agency</b>						
Tellico Hatchery Buildings Roof Replacements	Monroe	49,000	0	0	36,750	12,250
Flintville Hatchery Buildings Roof Replacements	Lincoln	51,000	0	0	38,250	12,750
Joachim Bible Refuge Lick Creek Water Control Structures	Greene	545,000	0	0	0	545,000
Humboldt Hatchery Pond and Water Reservoir Expansion	Gibson	135,000	0	0	101,250	33,750
Clinch River - Second Baptist Church Land Improvements	Anderson	148,000	0	0	111,000	37,000
Royal Blue WMA New Office	Campbell	185,000	0	0	0	185,000
Dandridge Bridge Boat Ramp Expansion	Jefferson	29,000	0	0	21,750	7,250
<b>Total</b>		<b>\$1,142,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$309,000</b>	<b>\$833,000</b>
<b>Transportation</b>						
Region 1 New Hamblen County Tire Storage Shed	Hamblen	50,000	0	0	0	50,000
Region 1 Knoxville New Pre-Engineered Equipment Shed	Knox	288,000	0	0	0	288,000
Region 1 New High Pressure Truck Wash Building	Knox	150,000	0	0	0	150,000
Region 1 Replace Claiborne County Truck Wash Shelter	Claiborne	50,000	0	0	0	50,000
Region 1 New Roane County Tire Storage Shed	Roane	50,000	0	0	0	50,000
Region 2 New Highway Marking Building	Hamilton	500,000	0	0	0	500,000
Region 2 New Survey Office Building	Hamilton	500,000	0	0	0	500,000
Region 2 New Floating Maintenance Building	Hamilton	500,000	0	0	0	500,000
Region 3 Replace 4 County Maintenance Buildings	Areawide	1,200,000	0	0	0	1,200,000
Region 4 4 Pre-Engineered Equipment Sheds	Areawide	120,000	0	0	0	120,000
Region 4 Renovate 3 Field Construction Offices	Areawide	300,000	0	0	0	300,000
<b>Total</b>		<b>\$3,708,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,708,000</b>
<b>Grand Total</b>		<b>\$4,850,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$309,000</b>	<b>\$4,541,000</b>

**Projected First Year Operating Costs for New Facilities  
Recommended as Projects for Fiscal Year 2007 - 2008**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM</u>	<u>ADDITIONAL PERSONNEL</u>
<b>Environment and Conservation</b>						
Pickwick Landing Raze Old Inn / Add New Cabins	Hardin	153,500	57,000	20,000	76,500	3
		<b>\$153,500</b>	<b>\$57,000</b>	<b>\$20,000</b>	<b>\$76,500</b>	<b>3</b>
<b>Tennessee Board of Regents</b>						
MTSU Learning Resources Addition	Rutherford	561,934	196,388	365,546	0	0
WSCC Student Services Addition / Renovation	Hamblen	188,957	66,038	122,919	0	0
		<b>\$750,891</b>	<b>\$262,426</b>	<b>\$488,465</b>	<b>\$0</b>	<b>0</b>
<b>University of Tennessee System</b>						
UT Biofuels Center	Knox	525,000	400,000	125,000	0	0
		<b>\$525,000</b>	<b>\$400,000</b>	<b>\$125,000</b>	<b>\$0</b>	<b>0</b>
<b>Grand Total</b>		<b><u>\$1,429,391</u></b>	<b><u>\$719,426</u></b>	<b><u>\$633,465</u></b>	<b><u>\$76,500</u></b>	<b><u>3</u></b>



## Capital Projects from School Bonds and Other Sources Fiscal Year 2007 - 2008

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

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
<b>Statewide</b>				
Student Housing Fire Safety Upgrades	11,000,000	11,000,000	0	0
<b>Total Statewide</b>	<b>\$11,000,000</b>	<b>\$11,000,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Austin Peay State University</b>				
Archwood Exterior Renovations	450,000	0	450,000	0
Astronomy Observatory	500,000	0	0	500,000
Athletic Facilities Improvements	400,000	0	0	400,000
Athletic Field House Construction	4,000,000	0	0	4,000,000
Baseball Stadium Upgrades	300,000	0	0	300,000
Browning Building Elevator Installation	230,000	0	230,000	0
Campus-wide Paving	1,200,000	0	1,200,000	0
Emerald Hills Roof Replacements	900,000	0	900,000	0
Meacham Apartments HVAC Replacement	200,000	0	200,000	0
Morgan University Center Renovations	680,000	0	680,000	0
Undergraduate Housing Construction	21,000,000	0	21,000,000	0
<b>Total APSU</b>	<b>\$29,860,000</b>	<b>\$0</b>	<b>\$24,660,000</b>	<b>\$5,200,000</b>
<b>East Tennessee State University</b>				
Downtown Clinic	1,750,000	0	0	1,750,000
Housing Renovations	5,000,000	5,000,000	0	0
New Family Student Housing	17,220,000	17,220,000	0	0
Outdoor Track and Field Facility Construction	4,000,000	4,000,000	0	0
Parking Garage Construction	15,000,000	15,000,000	0	0
Tennis Complex Construction	3,800,000	3,800,000	0	0
University Innovation Park Infrastructure	3,000,000	0	0	3,000,000
WETS-FM Expansion	280,000	0	0	280,000
WETS-FM Transmitter Plant Replacement	380,000	0	0	380,000
CoM Johnson City Family Medicine Facility	5,630,000	0	5,630,000	0
<b>Total ETSU</b>	<b>\$56,060,000</b>	<b>\$45,020,000</b>	<b>\$5,630,000</b>	<b>\$5,410,000</b>
<b>Middle Tennessee State University</b>				
Middle Tennessee Building Conference Center	500,000	0	500,000	0
<b>Total MTSU</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$0</b>
<b>Tennessee State University</b>				
Apartment Housing Phase 3	17,900,000	17,900,000	0	0
Elliott Hall Historic Preservation Phase 2	1,000,000	0	0	1,000,000
Hankal Hall Renovations	750,000	0	750,000	0
HBCU Conference Facility	10,000,000	0	0	10,000,000
Performing Arts Facility Music Studio	3,200,000	0	0	3,200,000
Poultry Plant Relocation	5,650,000	0	0	5,650,000
Research Facility Laboratory and Administration Areas	1,840,000	0	0	1,840,000
Residence Center Ventilation Upgrades	2,400,000	2,400,000	0	0
<b>Total TSU</b>	<b>\$42,740,000</b>	<b>\$20,300,000</b>	<b>\$750,000</b>	<b>\$21,690,000</b>
<b>Tennessee Technological University</b>				
Intramural Sports Scorekeeper Structures	140,000	0	140,000	0
<b>Total TTU</b>	<b>\$140,000</b>	<b>\$0</b>	<b>\$140,000</b>	<b>\$0</b>

**Capital Projects from School Bonds and Other Sources  
Fiscal Year 2007 - 2008**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
<b>University of Memphis</b>				
Annex Facility Completion	540,000	0	540,000	0
Athletic Facilities improvements	600,000	0	0	600,000
Chucalissa Improvements	360,000	0	0	360,000
Electrical Generation Project	9,440,000	9,440,000	0	0
Jones Hall Cafeteria HVAC Upgrade	510,000	0	510,000	0
Jones Hall Cafeteria Window Replacement	190,000	0	190,000	0
Millington Facility Tower Upgrades	7,350,000	7,350,000	0	0
Mynder Hall Façade Restoration / Roof Replacement	1,950,000	0	1,950,000	0
Richardson Towers Entrance Modifications	400,000	0	400,000	0
Robison Hall Renovations	3,000,000	0	3,000,000	0
Smith Dormitory Elevator Replacement	130,000	0	130,000	0
Traffic and Circulation Improvements	3,000,000	0	0	3,000,000
<b>Total UOM</b>	<b>\$27,470,000</b>	<b>\$16,790,000</b>	<b>\$6,720,000</b>	<b>\$3,960,000</b>
<b>Chattanooga State Technical Community College</b>				
Master Plan Development	180,000	0	180,000	0
<b>Total CSTCC</b>	<b>\$180,000</b>	<b>\$0</b>	<b>\$180,000</b>	<b>\$0</b>
<b>Nashville State Technical Community College</b>				
Clement Building Generator	100,000	0	100,000	0
Data Center Halon System Replacement	200,000	0	200,000	0
Southeast Center Second Floor Renovation	350,000	0	350,000	0
<b>Total NSTCC</b>	<b>\$650,000</b>	<b>\$0</b>	<b>\$650,000</b>	<b>\$0</b>
<b>Northeast State Technical Community College</b>				
North Parking Lot Construction	260,000	0	260,000	0
<b>Total NESTCC</b>	<b>\$260,000</b>	<b>\$0</b>	<b>\$260,000</b>	<b>\$0</b>
<b>Southwest Tennessee Community College</b>				
F Building Renovations	180,000	0	180,000	0
Nursing and Biotechnology Facility	2,430,000	0	0	2,430,000
Verties Sails Weight Room Addition	400,000	0	400,000	0
Warehouse Renovation	1,100,000	0	1,100,000	0
<b>Total SWTCC</b>	<b>\$4,110,000</b>	<b>\$0</b>	<b>\$1,680,000</b>	<b>\$2,430,000</b>
<b>Volunteer State Community College</b>				
Softball Field Press Box	420,000	0	420,000	0
<b>Total VSCC</b>	<b>\$420,000</b>	<b>\$0</b>	<b>\$420,000</b>	<b>\$0</b>
<b>Walters State Community College</b>				
Ball Field Bleachers and Facilities Upgrades	250,000	0	250,000	0
Greeneville-Greene County Center Safety Corrections	1,000,000	0	0	1,000,000
<b>Total WSCC</b>	<b>\$1,250,000</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$1,000,000</b>
<b>Total Tennessee Board of Regents</b>	<b>\$174,640,000</b>	<b>\$93,110,000</b>	<b>\$41,840,000</b>	<b>\$39,690,000</b>

**Capital Projects from School Bonds and Other Sources  
Fiscal Year 2007 - 2008**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
<b>University of Tennessee at Knoxville</b>				
East TN Ag. Research Facilities Improvements	500,000	0	500,000	0
West TN Ag. Research Facilities Improvements	500,000	0	500,000	0
Middle TN Ag. Research Facilities Improvements	500,000	0	500,000	0
Greeneville Ag. 4-H Center Improvements	2,100,000	2,100,000	0	0
Eastern Ag. District Office Improvements	300,000	0	300,000	0
Residence Hall	41,500,000	40,500,000	1,000,000	0
Classroom Upgrades	1,300,000	0	1,300,000	0
Student Health Clinic Phase 1	12,000,000	10,000,000	2,000,000	0
Library Commons Renovation Phase 1	1,000,000	0	1,000,000	0
Dining Services Improvements	2,500,000	0	0	2,500,000
Volunteer Blvd / Summitt Drive Parking Garage	18,000,000	17,000,000	1,000,000	0
Cherokee Campus Parking Garage	7,500,000	7,000,000	500,000	0
Sororities	45,165,500	40,649,000	4,516,500	0
Forensic Academy	12,500,000	12,500,000	0	0
Laurel Apartments Parking Garage Improvements	3,000,000	3,000,000	0	0
Andy Holt Tower Improvements	400,000	0	400,000	0
Neyland Stadium Painting	2,000,000	0	2,000,000	0
McKenzie / Lawson Athletic Center Improvements	3,000,000	3,000,000	0	0
Neyland Stadium Improvements Phase 3	45,000,000	30,000,000	15,000,000	0
Tennis Stadium Improvements	3,000,000	0	0	3,000,000
<b>Total UTK</b>	<b>\$201,765,500</b>	<b>\$165,749,000</b>	<b>\$30,516,500</b>	<b>\$5,500,000</b>
<b>University of Tennessee at Chattanooga</b>				
Wellness Center Pool	7,300,000	7,300,000	0	0
Lockmiller Apartments Upgrade	3,500,000	3,500,000	0	0
Campus Entrances	250,000	0	0	250,000
<b>Total UTC</b>	<b>\$11,050,000</b>	<b>\$10,800,000</b>	<b>\$0</b>	<b>\$250,000</b>
<b>University of Tennessee at Martin</b>				
Business Administration Building Addition	1,500,000	0	0	1,500,000
Beef Barn Teaching Facility Expansion	340,000	0	340,000	0
Dining Services Improvements	275,000	0	0	275,000
<b>Total UT Martin</b>	<b>\$2,115,000</b>	<b>\$0</b>	<b>\$340,000</b>	<b>\$1,775,000</b>
<b>University of TN at Memphis Health Science Center</b>				
Parking Lot Improvements	1,000,000	1,000,000	0	0
Five Buildings Elevator and Fire Alarm Upgrades	400,000	0	400,000	0
<b>Total UT Memphis HSC</b>	<b>\$1,400,000</b>	<b>\$1,000,000</b>	<b>\$400,000</b>	<b>\$0</b>
<b>University of Tennessee Space Institute</b>				
Airport Facilities Replacement	40,000	0	40,000	0
<b>Total UTSI</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$40,000</b>	<b>\$0</b>
<b>Total University of Tennessee</b>	<b>\$216,370,500</b>	<b>\$177,549,000</b>	<b>\$31,296,500</b>	<b>\$7,525,000</b>
<b>Grand Total</b>	<b>\$391,010,500</b>	<b>\$270,659,000</b>	<b>\$73,136,500</b>	<b>\$47,215,000</b>

# 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	STCC	State Technical Community College
CLSCC	Cleveland State Community College	SWTCC	Southwest Tennessee Community College
CO	County	SYS	System
COMM	Communication	TBR	Tennessee Board of Regents
CONST	Construction	TDOT	Tennessee Department of Transportation
COSCC	Columbia State Community College	THEC	Tennessee Higher Education Commission
CSCC	Chattanooga State Community College	THP	Tennessee Highway Patrol
DCS	Department of Children's Services	TNARNG	Tennessee Army National Guard
DEMO	Demolition	TSU	Tennessee State University
DEV	Development	TTCs	Tennessee Technology Centers
DOC	Department of Correction	TTU	Tennessee Technological University
DSCC	Dyersburg State Community College	TWRA	Tennessee Wildlife Resources Agency
EMS	Energy Management System	UNIV	University
ETSU	East Tennessee State University	UOM	University of Memphis
HQS	Headquarters	UT HSC	University of Tennessee Health Sciences Center
HVAC	Heating, Ventilation & Air Conditioning	UTC	University of Tennessee Chattanooga
INFO	Information	UTK	University of Tennessee Knoxville
LRC	Learning Resource Center	UTM	University of Tennessee Martin
LWFD	Labor and Work Force Development	UTS	University of Tennessee System
MHI	Mental Health Institute	UTSI	University of Tennessee Space Institute
MSCC	Motlow State Community College	VSCC	Volunteer State Community College
MTSU	Middle Tennessee State University	WSCC	Walters State Community College
NESTCC	Northeast State Technical Community College	YDC	Youth Development Center
NGB	National Guard Bureau		
NSTCC	Nashville State Technical Community College		

# Facilities Revolving Fund

Recommended Budget, Fiscal Year 2007 - 2008

The State Buildings and Support Facilities Revolving Fund (FRF) was established in 1988 to provide efficient management of the state office and warehousing facilities. State agencies are charged a 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. The Department of Finance and Administration constructs and renovates facilities through its Division of Real Property Administration, 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.

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>
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## 501.01 Operational Maintenance

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.

Payroll	0	0	0
Operational	48,031,300	46,810,000	<b>46,796,800</b>
<b>Total</b>	<b>\$48,031,300</b>	<b>\$46,810,000</b>	<b>\$46,796,800</b>
State	666,700	380,400	<b>367,200</b>
Federal	0	0	<b>0</b>
Other	47,364,600	46,429,600	<b>46,429,600</b>

## 501.02 General Services Project Maintenance

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.

Payroll	0	0	0
Operational	1,611,400	1,700,000	<b>1,700,000</b>
<b>Total</b>	<b>\$1,611,400</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>
State	0	0	<b>0</b>
Federal	0	0	<b>0</b>
Other	1,611,400	1,700,000	<b>1,700,000</b>

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>
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### 501.03 Facilities Management

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.

Payroll	0	0	0
Operational	47,081,500	49,389,000	50,835,000
<b>Total</b>	<b>\$47,081,500</b>	<b>\$49,389,000</b>	<b>\$50,835,000</b>
State	0	8,900,000	7,900,000
Federal	0	0	0
Other	47,081,500	40,489,000	42,935,000

### 501.04 Capital Projects

The Department of Finance and Administration's Real Property Administration 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.

Payroll	0	0	0
Operational	23,332,800	28,400,000	10,000,000
<b>Total</b>	<b>\$23,332,800</b>	<b>\$28,400,000</b>	<b>\$10,000,000</b>
State	0	0	0
Federal	0	14,300,000	0
Other	23,332,800	14,100,000	10,000,000

### 501.05 Debt Service

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

Payroll	0	0	0
Operational	20,631,900	22,000,000	22,000,000
<b>Total</b>	<b>\$20,631,900</b>	<b>\$22,000,000</b>	<b>\$22,000,000</b>
State	0	0	0
Federal	0	0	0
Other	20,631,900	22,000,000	22,000,000

### 501.00 Total Facilities Revolving Fund

Payroll	0	0	0
Operational	140,688,900	148,299,000	131,331,800
<b>Total</b>	<b>\$140,688,900</b>	<b>\$148,299,000</b>	<b>\$131,331,800</b>
State	666,700	9,280,400	8,267,200
Federal	0	14,300,000	0
Other	140,022,200	124,718,600	123,064,600

## Proposed Facilities Revolving Fund Capital Appropriations Fiscal Year 2007 - 2008

	<u>COUNTY</u>	<u>TOTAL</u>	<u>FRF CURRENT</u>	<u>BONDS</u>	<u>FEDERAL</u>
Capital Maintenance	Statewide	6,577,000	4,077,000	2,500,000	0
Whitehaven Drivers License Station Additional Funding	Shelby	3,223,000	223,000	3,000,000	0
New State Data Center and Back-up Facility	Davidson	44,000,000	5,000,000	39,000,000	0
Andrew Johnson Building Interior Renovation Planning	Davidson	350,000	350,000	0	0
Davy Crockett Building Interior Renovation Planning	Davidson	350,000	350,000	0	0
WRS Tennessee Tower Exterior Renovation / Addition Funds	Davidson	7,000,000	0	7,000,000	0
LWFD Metro Center Building Additional Funding	Davidson	1,000,000	0	1,000,000	0
New Shelby County Forensic Facility Additional Funding	Shelby	8,000,000	0	8,000,000	0
<b>Grand Total</b>		<b><u><u>\$70,500,000</u></u></b>	<b><u><u>\$10,000,000</u></u></b>	<b><u><u>\$60,500,000</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 2005-2006, 2006-2007, and 2007-2008**

		Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
<b>General Fund and Education Fund</b>				
301	Legislature	\$ 33,086,800	\$ 37,242,500	\$ 37,151,000
301.50	Fiscal Review Committee	927,300	1,125,200	1,124,200
302	Court System	83,890,200	97,257,000	97,068,500
303	Attorney General and Reporter	16,351,900	20,177,700	22,584,700
304	District Attorneys General Conference	53,025,400	60,906,200	62,830,700
305	Secretary of State	20,930,800	29,277,000	28,296,800
306	District Public Defenders Conference	30,155,300	35,187,300	35,878,700
307	Comptroller of the Treasury	45,698,500	62,880,000	65,240,000
308	Office of the Post-Conviction Defender	1,234,100	1,420,100	1,774,800
309	Treasury Department	51,800	628,300	628,000
315	Executive Department	3,246,700	4,558,400	4,552,900
316	Commissions	17,557,100	20,716,200	20,539,300
317	Finance and Administration (F&A)	12,381,100	48,140,800	51,422,400
318	F&A - Bureau of TennCare	2,058,120,300	2,650,322,900	2,688,332,400
319	Personnel	3,875,900	5,397,400	5,463,300
321	General Services	2,118,500	2,250,700	3,313,800
323	Veterans Affairs	3,159,100	3,678,300	3,910,700
324	Board of Probation and Parole	59,187,800	68,201,800	67,307,800
325	Agriculture	38,470,300	49,242,700	58,993,800
326	Tourist Development	11,190,600	12,072,700	13,579,700
327	Environment and Conservation	72,380,100	95,624,800	95,419,100
329	Correction	541,281,400	616,308,000	633,235,100
330	Economic and Community Development	42,106,200	78,137,800	78,453,000
331	Education	3,130,094,600	3,399,102,000	3,722,698,600
332	Higher Education	1,168,014,200	1,261,073,700	1,322,761,500
335	Commerce and Insurance	14,770,900	17,935,600	17,972,800
337	Labor and Workforce Development	18,713,900	21,197,300	22,297,600
339	Mental Health and Developmental Disabilities	136,202,100	157,202,100	155,940,500
341	Military	13,062,400	11,755,300	13,007,600
343	Health	144,383,900	165,459,800	167,757,500
344	F&A - Division of Mental Retardation Services	178,170,300	82,911,200	74,976,000
345	Human Services	187,785,300	176,028,300	182,408,600
347	Revenue	61,705,200	73,612,200	72,113,300
348	Tennessee Bureau of Investigation	31,510,100	35,497,400	35,037,400
349	Safety	85,166,100	103,750,361	132,417,800
350	Cover Tennessee Health Care Programs	-	69,508,600	95,208,600
351	Miscellaneous Appropriations	21,874,100	75,459,700	185,273,300
353	Emergency and Contingency Fund	-	819,300	819,300
355	State Building Commission	197,600	250,000	250,000
359	Children's Services	271,811,100	315,651,100	329,475,300
<b>Subtotal General Fund and Education Fund</b>		<b>\$ 8,613,889,000</b>	<b>\$ 9,967,967,761</b>	<b>\$ 10,607,516,400</b>
	Transportation	\$ 787,609,500 **	\$ 694,900,000	\$ 741,600,000
	Debt Service Requirements	286,754,700	318,125,500	344,281,000
	Capital Outlay Program	190,635,000 **	74,325,000	159,300,000
	Facilities Revolving Fund	666,700	9,280,400	8,267,200
	Cities and Counties - State Shared Taxes	738,348,400	786,700,000	815,000,000
<b>Grand Total State Taxpayers Budget</b>		<b>\$ 10,617,903,300</b>	<b>\$ 11,851,298,661</b>	<b>\$ 12,675,964,600</b>
	Dedicated Tax Sources - Appropriation	\$ 450,232,100	\$ 608,185,100	\$ 634,745,900
<b>Grand Total State Appropriation - Budget Document</b>		<b>\$ 11,068,135,400</b>	<b>\$ 12,459,483,761</b>	<b>\$ 13,310,710,500</b>

\* FY 2005-2006 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 2005-2006 - 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 2005-2006, 2006-2007, and 2007-2008**

	<u>Actual 2005-2006 *</u>	<u>Estimated 2006-2007</u>	<u>Recommended 2007-2008</u>
302.00 Court System	\$ 7,172,000	\$ 8,090,300	\$ 8,084,100
303.00 Attorney General and Reporter	1,718,900	2,196,500	2,196,500
307.00 Comptroller of the Treasury	16,743,400	17,810,000	17,810,000
313.00 Claims and Compensation	7,920,000	9,909,900	12,670,000
316.07 Health Services and Development Agency	1,030,800	1,142,000	1,140,900
316.11 Tennessee Regulatory Authority	7,327,300	8,001,400	8,003,700
316.25 Arts Commission	3,500,000	3,500,000	3,500,000
317.00 Finance and Administration	1,938,600	2,155,800	2,155,800
324.00 Board of Probation and Parole	3,960,300	4,783,500	4,762,300
325.00 Agriculture	11,819,100	16,845,900	17,975,400
327.00 Environment and Conservation	70,712,900	89,672,900	93,965,200
328.00 Tennessee Wildlife Resources Agency	41,055,700	50,423,700	51,061,700
329.00 Correction	48,100	78,300	78,300
331.00 Education (K-12)	5,745,900	14,428,800	14,228,800
332.00 Higher Education	164,479,200	237,800,000	259,600,000
335.00 Commerce and Insurance	37,693,700	64,408,700	62,005,500
336.00 Financial Institutions	3,390,900	8,270,400	7,797,300
337.00 Labor and Workforce Development	13,379,700	19,089,400	19,383,700
343.00 Health	28,620,800	32,771,700	33,009,800
347.00 Revenue	10,155,800	14,045,600	12,554,200
348.00 Tennessee Bureau of Investigation	301,000	700,000	700,000
349.00 Safety	359,500	460,600	463,000
351.00 Miscellaneous Appropriations	10,212,200	-	-
359.00 Children's Services	946,300	1,599,700	1,599,700
<b>Total Appropriations from Dedicated Tax Sources</b>	<b>\$ 450,232,100</b>	<b>\$ 608,185,100</b>	<b>\$ 634,745,900</b>

\* FY 2005-2006 is actual expenditures from appropriations.

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

Program	Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
<b>Legislature</b>			
301.01 Legislative Administration Services	4,400,000	4,652,200	4,643,900
301.07 House of Representatives	13,307,400	15,932,400	15,892,500
301.08 State Senate	6,878,300	8,716,700	8,688,100
301.13 General Assembly Committees	459,400	616,900	615,200
301.16 General Assembly Support Services	8,021,300	7,254,700	7,241,700
301.17 Tennessee Code Commission	20,400	69,600	69,600
<b>301.00 Subtotal Legislature</b>	<b>33,086,800</b>	<b>37,242,500</b>	<b>37,151,000</b>
<b>301.50 Fiscal Review Committee</b>	<b>927,300</b>	<b>1,125,200</b>	<b>1,124,200</b>
<b>Court System</b>			
302.01 Appellate and Trial Courts	47,278,900	52,803,800	56,656,500
302.05 Supreme Court Buildings	2,385,700	2,365,500	2,364,900
302.08 Child Support Referees	420,200	442,400	440,900
302.09 Guardian ad Litem	2,347,500	3,047,500	2,047,500
302.10 Indigent Defendants' Counsel	18,320,200	21,344,300	18,344,300
302.12 Verbatim Transcripts	3,965,700	4,145,500	4,130,700
302.15 Tennessee State Law Libraries	623,000	567,300	566,000
302.16 Council of Juvenile and Family Court Judges	48,600	92,800	93,600
302.18 Judicial Conference	78,600	31,300	31,300
302.20 Judicial Programs and Commissions	238,600	482,400	482,400
302.27 Administrative Office of the Courts	7,697,200	11,336,100	11,320,700
302.30 Appellate Court Clerks	486,000	598,100	589,700
<b>302.00 Subtotal Court System</b>	<b>83,890,200</b>	<b>97,257,000</b>	<b>97,068,500</b>
<b>Attorney General and Reporter</b>			
303.01 Attorney General and Reporter	16,088,800	19,733,000	22,140,300
303.05 Publication of Tennessee Reports	136,900	155,800	155,500
303.08 Special Litigation	126,200	288,900	288,900
<b>303.00 Subtotal Attorney General and Reporter</b>	<b>16,351,900</b>	<b>20,177,700</b>	<b>22,584,700</b>
<b>District Attorneys General Conference</b>			
304.01 District Attorneys General	51,227,400	58,959,200	60,838,400
304.05 District Attorneys General Conference	243,500	444,300	438,000
304.10 Executive Director	1,554,500	1,502,700	1,554,300
<b>304.00 Subtotal District Attorneys General Conference</b>	<b>53,025,400</b>	<b>60,906,200</b>	<b>62,830,700</b>
<b>Secretary of State</b>			
305.01 Secretary of State	5,290,500	9,667,900	9,629,400
305.02 State Election Commission	1,644,200	1,689,500	1,689,500
305.03 Public Documents	393,300	396,000	396,000
305.04 State Library and Archives	6,638,800	7,428,000	7,403,000
305.05 Regional Library System	6,492,800	7,491,200	7,471,800
305.06 Library Construction	-	1,000,000	-
305.07 Registry of Election Finance	304,300	653,300	569,500
305.08 Economic Council on Women	161,300	145,400	170,100
305.09 Charitable Solicitations and Charitable Gaming	-	336,600	333,400

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

Program	Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
305.11 Ethics Commission	5,600	469,100	634,100
<b>305.00 Subtotal Secretary of State</b>	<b>20,930,800</b>	<b>29,277,000</b>	<b>28,296,800</b>
<b>District Public Defenders Conference</b>			
306.01 District Public Defenders	24,894,100	29,134,600	29,779,300
306.03 Executive Director	838,900	1,467,000	1,513,700
306.10 Shelby County Public Defender	2,906,100	3,034,100	3,034,100
306.12 Davidson County Public Defender	1,516,200	1,551,600	1,551,600
<b>306.00 Subtotal District Public Defenders Conference</b>	<b>30,155,300</b>	<b>35,187,300</b>	<b>35,878,700</b>
<b>Comptroller of the Treasury</b>			
307.01 Division of Administration	629,200	1,017,300	1,016,500
307.02 Office of Management Services	5,524,400	8,061,500	10,606,400
307.04 Division of State Audit	9,062,200	10,795,900	10,754,200
307.05 Division of County Audit	6,349,700	7,196,400	7,175,000
307.06 Division of Municipal Audit	1,349,100	1,678,700	1,658,100
307.07 Division of Bond Finance	273,300	409,400	408,800
307.08 Office of Local Government	167,300	331,900	331,600
307.09 Division of Property Assessments	7,784,800	9,604,700	9,564,400
307.10 Tax Relief	9,328,500	17,750,000	17,750,000
307.11 State Board of Equalization	2,774,600	2,910,600	2,908,300
307.12 Division of Local Finance	355,400	395,600	394,400
307.14 Offices of Research and Education Accountability	1,223,700	1,666,800	1,614,300
307.15 Office of State Assessed Properties	876,300	1,061,200	1,058,000
307.50 Telecommunications Ad Valorem Tax Equity Payments	-	-	-
<b>307.00 Subtotal Comptroller of the Treasury</b>	<b>45,698,500</b>	<b>62,880,000</b>	<b>65,240,000</b>
<b>308.00 Office of the Post-Conviction Defender</b>	<b>1,234,100</b>	<b>1,420,100</b>	<b>1,774,800</b>
<b>Treasury Department</b>			
309.01 Treasury Department	-	131,100	130,800
309.02 Certified Public Administrators	51,800	497,200	497,200
<b>309.00 Subtotal Treasury Department</b>	<b>51,800</b>	<b>628,300</b>	<b>628,000</b>
<b>Executive Department</b>			
315.01 Governor's Office	3,246,700	4,558,400	4,552,900
<b>315.00 Subtotal Executive Department</b>	<b>3,246,700</b>	<b>4,558,400</b>	<b>4,552,900</b>
<b>Commissions</b>			
316.01 Commission on Children and Youth	1,715,600	1,934,300	2,032,000
316.02 Commission on Aging and Disability	8,395,400	9,573,300	9,573,400
316.04 Human Rights Commission	1,461,300	1,621,500	1,620,500
316.09 Corrections Institute	642,200	731,900	1,042,000
316.12 Advisory Commission on Intergovernmental Relations	190,100	266,000	266,000
316.20 Tennessee Housing Development Agency	-	1,000,000	350,000
316.25 Arts Commission	2,129,000	2,304,500	2,204,700

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

Program	Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
316.27 State Museum	3,023,500	3,284,700	3,450,700
<b>316.00 Subtotal Commissions</b>	<b>17,557,100</b>	<b>20,716,200</b>	<b>20,539,300</b>
<b>Finance and Administration</b>			
317.01 Division of Administration	1,072,800	1,445,700	1,441,700
317.02 Division of Budget	2,893,100	3,564,500	3,436,600
317.03 Office for Information Resources	-	2,275,000	2,275,000
317.06 Criminal Justice Programs	3,127,700	7,140,700	4,846,500
317.07 Resource Development and Support	1,175,800	1,669,500	1,666,400
317.10 Real Property Administration	2,288,600	2,941,600	3,652,200
317.11 Volunteer Tennessee (National and Community Service)	186,200	234,000	233,600
317.15 State Health Planning Division	1,636,900	519,800	17,870,400
317.17 Enterprise Resource Planning	-	28,100,000	13,000,000
317.23 State Planning Office	-	250,000	3,000,000
<b>317.00 Subtotal Finance and Administration</b>	<b>12,381,100</b>	<b>48,140,800</b>	<b>51,422,400</b>
<b>Finance and Administration, Bureau of TennCare</b>			
318.65 TennCare Administration	125,147,900	118,802,100	116,658,000
318.66 TennCare Services	1,241,390,700	1,715,380,900	1,736,238,800
318.67 Waiver and Crossover Services	304,492,800	381,887,000	405,533,400
318.68 Long Term Care Services	385,512,000	426,408,400	424,058,400
318.80 Governor's Office of Children's Care Coordination	1,576,900	7,844,500	5,843,800
<b>318.00 Subtotal Finance and Administration, Bureau of TennCare</b>	<b>2,058,120,300</b>	<b>2,650,322,900</b>	<b>2,688,332,400</b>
<b>Personnel</b>			
319.01 Executive Administration	1,474,400	2,113,000	2,121,900
319.02 Human Resource Development	787,600	1,114,400	1,099,600
319.03 Technical Services	1,613,900	2,170,000	2,241,800
<b>319.00 Subtotal Personnel</b>	<b>3,875,900</b>	<b>5,397,400</b>	<b>5,463,300</b>
<b>General Services</b>			
321.01 Administration	417,800	506,500	511,800
321.07 Property Management	1,428,900	1,472,200	1,497,800
321.09 Printing	249,800	250,000	727,200
321.10 Purchasing	22,000	22,000	22,000
321.19 Food Services Program	-	-	555,000
<b>321.00 Subtotal General Services</b>	<b>2,118,500</b>	<b>2,250,700</b>	<b>3,313,800</b>
<b>323.00 Veterans Affairs</b>	<b>3,159,100</b>	<b>3,678,300</b>	<b>3,910,700</b>
<b>Board of Probation and Parole</b>			
324.02 Probation and Parole Services	48,726,800	56,799,200	55,905,200
324.04 Community Corrections	10,461,000	11,402,600	11,402,600
<b>324.00 Subtotal Board of Probation and Parole</b>	<b>59,187,800</b>	<b>68,201,800</b>	<b>67,307,800</b>



**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

Program	Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
<b>Agriculture</b>			
325.01 Administration and Grants	8,705,900	9,523,200	9,551,200
325.05 Regulatory Services	8,176,100	8,744,200	9,101,500
325.06 Market Development	3,269,000	7,881,900	13,061,600
325.10 Forestry Operations	18,179,300	22,934,900	27,121,000
325.11 Forestry Maintenance	140,000	158,500	158,500
<b>325.00 Subtotal Agriculture</b>	<b>38,470,300</b>	<b>49,242,700</b>	<b>58,993,800</b>
<b>Tourist Development</b>			
326.01 Administration and Marketing	11,190,600	12,072,700	12,079,700
326.03 Welcome Centers	-	-	1,500,000
<b>326.00 Subtotal Tourist Development</b>	<b>11,190,600</b>	<b>12,072,700</b>	<b>13,579,700</b>
<b>Environment and Conservation</b>			
327.01 Administrative Services	5,720,800	5,759,200	5,752,100
327.03 Recreation Educational Services	638,000	749,000	751,100
327.04 Historical Commission	1,034,300	1,805,200	1,789,200
327.08 Archaeology	589,300	730,400	733,400
327.11 Geology	1,074,600	1,131,700	1,138,100
327.12 Tennessee State Parks	34,180,100	37,602,100	39,387,200
327.14 Natural Areas	747,000	881,400	884,000
327.15 State Parks Maintenance	4,121,000	6,191,000	4,203,200
327.18 Maintenance of Historic Sites	185,000	285,000	285,000
327.24 West Tennessee River Basin Authority Maintenance	499,900	500,000	650,000
327.26 West Tennessee River Basin Authority	750,200	831,300	1,051,700
327.30 Environment Administration	1,320,800	1,837,200	1,577,100
327.31 Air Pollution Control	1,623,000	2,261,400	1,266,800
327.32 Radiological Health	278,700	727,000	729,300
327.33 Clean Water and Drinking Water State Revolving Fund	5,109,700	5,183,100	5,205,000
327.34 Water Pollution Control	7,347,500	8,947,600	10,190,400
327.35 Solid Waste Management	1,704,200	1,857,300	1,869,400
327.38 Hazardous Waste Remedial Action Fund	-	1,076,100	1,076,100
327.39 Water Supply	673,100	1,434,900	939,800
327.40 Groundwater Protection	3,952,000	4,407,200	4,423,700
327.44 Fleming Training Center	366,700	534,900	531,000
327.45 Office of Environmental Assistance	464,200	871,800	865,500
327.50 Tennessee Heritage Conservation Trust Fund	-	9,900,000	10,100,000
327.51 Conservation Compensation Fund	-	120,000	20,000
<b>327.00 Subtotal Environment and Conservation</b>	<b>72,380,100</b>	<b>95,624,800</b>	<b>95,419,100</b>
<b>Correction</b>			
329.01 Administration	13,787,400	15,243,400	14,995,200
329.04 State Prosecutions	119,030,200	134,263,000	141,154,900
329.06 Correction Academy	4,676,700	5,141,600	5,167,100
329.08 Wayne County Boot Camp	9,064,400	10,067,900	10,167,400
329.11 Brushy Mountain Correctional Complex	36,542,200	41,691,500	49,311,200
329.13 Tennessee Prison for Women	16,799,600	19,670,200	19,812,200
329.14 Turney Center Industrial Prison and Farm	21,900,100	25,137,900	25,280,100

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

Program	Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
329.16 Mark Luttrell Correctional Facility	11,646,900	12,794,000	12,896,600
329.17 Charles B. Bass Correctional Complex	25,124,900	26,775,100	26,948,000
329.18 Southeastern Tennessee State Regional Correctional Facility	19,878,700	20,722,900	20,893,800
329.21 Hardeman County Incarceration Agreement	32,838,800	33,474,900	34,493,100
329.22 Hardeman County Agreement - Whiteville	25,842,700	26,607,600	27,389,700
329.32 Major Maintenance	3,486,700	3,925,100	3,939,400
329.41 West Tennessee State Penitentiary	47,138,800	50,635,900	50,977,000
329.42 Riverbend Maximum Security Institution	20,820,600	23,206,800	23,360,100
329.43 Northeast Correctional Complex	34,346,100	35,491,800	35,832,600
329.44 South Central Correctional Center	24,968,400	26,086,700	26,932,100
329.45 Northwest Correctional Complex	42,127,100	44,190,900	44,660,300
329.46 Lois M. DeBerry Special Needs Facility	31,211,100	33,126,400	33,521,100
329.50 Sex Offender Treatment Program	50,000	50,000	50,000
329.99 Sentencing Act of 1985	-	28,004,400	25,453,200
<b>329.00 Subtotal Correction</b>	<b>541,281,400</b>	<b>616,308,000</b>	<b>633,235,100</b>
<b>Economic and Community Development</b>			
330.01 Administrative Services	5,080,800	5,403,500	5,498,800
330.02 Business Development	9,047,700	3,902,900	9,278,800
330.04 Regional Grants Management	800,500	956,100	952,900
330.05 Business Services	722,300	1,107,900	1,106,600
330.06 FastTrack Infrastructure Development	21,386,100	50,595,000	54,595,000
330.07 Community Development	3,649,600	4,651,000	5,590,700
330.08 Energy Division	22,000	124,800	34,800
330.09 FastTrack Job Training Assistance Program	317,200	316,600	315,400
330.15 Economic Development District Grants	1,080,000	1,080,000	1,080,000
330.17 Film and Television Incentive Fund	-	10,000,000	-
<b>330.00 Subtotal Economic and Community Development</b>	<b>42,106,200</b>	<b>78,137,800</b>	<b>78,453,000</b>
<b>Education (K-12)</b>			
331.01 Administration	6,167,000	8,735,700	8,668,800
331.02 Grants-in-Aid	3,715,100	6,138,800	7,415,100
331.04 Technology, Infrastructure, and Support Systems	3,113,600	2,704,500	2,704,000
331.05 Training and Professional Development	6,274,800	7,023,600	7,023,100
331.06 Curriculum and Instruction	2,264,500	4,343,600	4,300,000
331.07 State Board of Education	755,200	839,700	840,100
331.09 Improving Schools Program	1,266,400	16,208,700	16,260,200
331.10 Career Ladder	75,349,700	78,919,200	74,919,200
331.11 Accountability and Assessment	17,311,700	18,775,900	23,169,100
331.17 School-Based TennCare Services	42,600	-	-
331.19 After-School Programs Special Account	-	-	-
331.22 Governor's Books from Birth Fund	2,011,400	2,692,300	3,442,300
331.25 BEP and Other LEA Support	2,941,046,000	3,155,696,300	3,449,396,300
331.32 Early Childhood Education	14,073,100	34,547,700	59,540,200
331.35 School Nutrition Program	4,923,200	4,806,800	4,807,000
331.36 Special Education Services	618,900	666,300	662,400
331.45 Career and Technical Education Programs	3,342,300	3,985,200	3,979,900

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

Program	Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
331.90 Alvin C. York Institute	4,492,000	5,066,600	5,225,000
331.91 Tennessee School for the Blind	9,156,300	10,113,500	10,233,400
331.92 Tennessee School for the Deaf	12,337,900	13,934,300	13,968,300
331.93 West Tennessee School for the Deaf	2,068,900	2,312,400	2,463,100
331.95 Tennessee Early Intervention Services	19,580,800	20,351,800	21,672,000
331.96 Governor's Institute for Science and Math	-	1,000,000	1,770,000
331.97 Major Maintenance	183,200	239,100	239,100
<b>331.00 Subtotal Education (K-12)</b>	<b>3,130,094,600</b>	<b>3,399,102,000</b>	<b>3,722,698,600</b>
<b>Higher Education - State Administered Programs</b>			
332.01 Tennessee Higher Education Commission	1,800,500	2,229,200	2,313,200
332.02 Contract Education	2,315,500	2,375,100	2,591,500
332.03 Tennessee Student Assistance Awards	37,284,400	43,308,500	47,108,500
332.05 Tennessee Student Assistance Corporation	984,800	1,454,100	1,510,000
332.06 Academic Scholars Program	401,800	401,800	401,800
332.07 Loan/Scholarship Programs	1,140,400	1,191,000	1,191,000
332.08 Centers of Excellence	18,002,400	18,822,500	19,586,000
332.09 THEC Grants	2,523,300	2,572,000	2,752,300
332.11 Campus Centers of Emphasis	1,312,000	1,374,800	1,430,600
332.13 Geier Desegregation Settlement	9,904,000	9,394,100	-
332.14 Foreign Language Institute	328,300	348,700	360,700
<b>332.00 Subtotal Higher Education - State Administered Programs</b>	<b>75,997,400</b>	<b>83,471,800</b>	<b>79,245,600</b>
<b>University of Tennessee</b>			
332.10 UT University-Wide Administration	3,775,000	4,180,600	4,360,700
332.12 UT Research Initiatives	2,500,000	6,500,000	14,750,000
332.15 UT Institute for Public Service	4,505,000	4,734,600	4,923,900
332.16 UT Municipal Technical Advisory Service	1,749,000	1,925,100	1,990,800
332.17 UT County Technical Assistance Service	1,322,600	1,481,700	1,533,200
332.21 UT Access and Diversity Initiative	-	450,000	3,410,000
332.23 UT Space Institute	7,540,900	7,917,900	8,215,400
332.25 UT Agricultural Experiment Station	22,432,000	24,022,500	24,650,500
332.26 UT Agricultural Extension Service	26,819,100	28,413,100	29,476,000
332.28 UT Veterinary Medicine	14,523,900	15,695,300	16,264,500
332.30 UT Health Science Center	63,086,400	67,806,700	70,308,500
332.32 UT Family Medicine	7,660,700	9,459,100	9,824,600
332.34 UT College of Medicine	43,139,600	45,908,300	48,184,800
332.40 UT Chattanooga	41,183,000	43,638,900	44,753,600
332.42 UT Knoxville	171,971,300	183,810,300	190,275,900
332.44 UT Martin	29,435,700	31,460,700	32,347,400
<b>332.10 Subtotal University of Tennessee</b>	<b>441,644,200</b>	<b>477,404,800</b>	<b>505,269,800</b>
<b>State University and Community College System</b>			
332.53 Southwest Tennessee Community College	36,689,600	38,502,300	38,866,400
332.54 Nashville State Technical Community College	13,906,600	15,174,900	16,074,800
332.55 Pellissippi State Technical Community College	19,247,700	20,645,500	21,519,800
332.56 Northeast State Technical Community College	11,162,800	12,271,400	13,061,000
332.59 Regents Access and Diversity Initiative	-	1,420,900	6,470,000
332.60 Tennessee Board of Regents	4,077,200	4,523,700	4,680,100

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

Program	Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
332.62 TSU McMinnville Center	477,700	504,400	521,700
332.63 TSU Agricultural Research and Extension	-	-	2,000,000
332.65 ETSU College of Medicine	24,755,000	25,984,000	27,170,300
332.67 ETSU Family Practice	4,894,100	5,261,600	5,454,400
332.70 Austin Peay State University	31,658,200	34,082,100	35,476,100
332.72 East Tennessee State University	55,673,900	59,662,300	61,159,100
332.74 University of Memphis	109,169,400	116,751,400	120,548,200
332.75 Middle Tennessee State University	87,538,800	94,572,500	98,574,500
332.77 Tennessee State University	39,995,600	42,001,100	42,088,000
332.78 Tennessee Technological University	44,062,300	46,702,900	47,759,500
332.80 Chattanooga State Technical Community	22,405,900	23,764,400	24,295,400
332.81 Cleveland State Community College	9,704,400	10,340,700	10,595,400
332.82 Columbia State Community College	12,297,600	13,289,400	13,796,500
332.84 Dyersburg State Community College	6,509,500	7,137,900	7,498,500
332.86 Jackson State Community College	11,524,100	12,423,700	12,833,000
332.88 Motlow State Community College	9,469,200	10,324,700	10,777,400
332.90 Roane State Community College	16,805,300	18,038,500	18,704,200
332.94 Volunteer State Community College	16,581,200	18,020,700	18,850,100
332.96 Walters State Community College	16,868,000	18,250,400	19,033,800
332.98 Tennessee Technology Centers	44,898,500	50,545,700	60,437,900
<b>332.60 Subtotal State University and Community College System</b>	<b>650,372,600</b>	<b>700,197,100</b>	<b>738,246,100</b>
<b>Total Higher Education</b>	<b>1,168,014,200</b>	<b>1,261,073,700</b>	<b>1,322,761,500</b>
<b>Commerce and Insurance</b>			
335.01 Administration	-	3,600	3,600
335.03 Fire Prevention	-	91,000	68,500
335.06 Consumer Affairs	648,800	828,400	827,400
335.07 Fire Service and Codes Enforcement Academy	3,271,200	3,570,200	3,573,500
335.11 Tennessee Law Enforcement Training Academy	2,386,500	2,795,500	2,858,900
335.12 POST Commission	6,279,800	7,813,800	7,808,600
335.28 Fire Fighting Personnel Standards and Education	2,184,600	2,833,100	2,832,300
<b>335.00 Subtotal Commerce and Insurance</b>	<b>14,770,900</b>	<b>17,935,600</b>	<b>17,972,800</b>
<b>Labor and Workforce Development</b>			
337.01 Administration	2,932,300	3,321,400	3,165,000
337.03 Workers' Compensation	11,189,100	12,400,200	13,960,200
337.04 Mines	341,200	679,600	380,300
337.06 Labor Standards	1,091,700	1,176,900	1,173,300
337.09 Adult Basic Education	3,159,600	3,619,200	3,618,800
<b>337.00 Subtotal Labor and Workforce Development</b>	<b>18,713,900</b>	<b>21,197,300</b>	<b>22,297,600</b>
<b>Mental Health and Developmental Disabilities</b>			
339.01 Administrative Services Division	9,307,900	11,504,500	11,613,300
339.08 Community Mental Health Services	50,870,400	65,739,800	61,739,800
339.10 Lakeshore Mental Health Institute	15,342,500	15,657,500	16,049,600
339.11 Middle Tennessee Mental Health Institute	20,144,500	20,538,100	20,923,400

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

Program	Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
339.12 Western Mental Health Institute	13,479,800	17,508,000	17,719,600
339.16 Moccasin Bend Mental Health Institute	11,169,300	12,161,500	12,352,500
339.17 Memphis Mental Health Institute	15,792,400	13,642,700	15,092,300
339.40 Major Maintenance	95,300	450,000	450,000
<b>339.00 Subtotal Mental Health and Developmental Disabilities</b>	<b>136,202,100</b>	<b>157,202,100</b>	<b>155,940,500</b>
<b>Military</b>			
341.01 Administration	2,097,500	2,679,600	2,802,700
341.02 Army National Guard	1,193,500	1,132,300	1,197,000
341.03 Air National Guard	1,580,400	2,107,400	2,194,500
341.04 Tennessee Emergency Management Agency	3,599,500	2,983,200	3,660,600
341.07 Armories Maintenance	744,100	736,600	736,600
341.09 TEMA Disaster Relief Grants	2,100,400	-	-
341.10 Armories Utilities	1,747,000	2,116,200	2,416,200
<b>341.00 Subtotal Military</b>	<b>13,062,400</b>	<b>11,755,300</b>	<b>13,007,600</b>
<b>Health</b>			
343.01 Executive Administration	5,238,400	5,636,000	6,109,700
343.03 Administrative Services	2,472,900	2,890,700	2,857,800
343.04 Office of Information Technology	3,398,800	3,802,500	3,807,300
343.05 Bureau of Health Licensure and Regulation	3,663,600	4,303,700	4,111,200
343.07 Emergency Medical Services	727,400	666,300	667,800
343.08 Laboratory Services	8,011,900	8,574,400	8,590,100
343.20 Policy Planning and Assessment	3,804,000	5,202,000	5,200,800
343.39 General Environmental Health	3,519,100	4,117,000	4,127,700
343.44 Alcohol and Drug Abuse Services	7,137,100	8,575,500	8,425,900
343.45 Health Services Administration	51,545,400	36,599,400	14,804,500
343.47 Maternal and Child Health	2,301,900	2,513,000	2,515,300
343.49 Communicable and Environmental Disease	4,737,300	9,257,500	18,354,100
343.52 Community and Medical Services	5,482,000	9,886,100	24,617,000
343.51 Diabetes Prevention and Health Improvement	-	7,000,000	7,000,000
343.60 Local Health Services	42,344,100	56,435,700	56,568,300
<b>343.00 Subtotal Health</b>	<b>144,383,900</b>	<b>165,459,800</b>	<b>167,757,500</b>
<b>Finance and Administration, Division of Mental Retardation Services</b>			
344.01 Mental Retardation Administration	7,008,800	5,910,600	3,600,000
344.02 Community Mental Retardation Services	161,019,800	55,579,400	52,639,300
344.10 Arlington Developmental Center	1,054,600	565,600	1,772,100
344.11 Clover Bottom Developmental Center	7,787,400	7,582,900	8,664,800
344.12 Greene Valley Developmental Center	-	601,100	1,401,100
344.20 West Tennessee Regional Office	31,300	4,855,900	2,459,400
344.21 Middle Tennessee Regional Office	-	3,470,200	1,804,400
344.22 East Tennessee Regional Office	993,800	3,838,000	2,126,200
344.50 Major Maintenance	157,200	300,000	300,000
344.81 Developmental Disabilities Council	117,400	207,500	208,700
<b>344.00 Subtotal Finance and Administration, Division of Mental Retardation Services</b>	<b>178,170,300</b>	<b>82,911,200</b>	<b>74,976,000</b>

**State Taxpayers Budget**  
**State Appropriations by Program**  
**Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

Program	Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
<b>Human Services</b>			
345.01 Administration	17,283,700	19,872,800	19,671,400
345.13 Child Support	11,876,800	14,742,000	18,921,700
345.16 Field Operations	6,399,300	7,193,900	7,228,200
345.17 County Rentals	5,389,500	5,063,900	4,949,900
345.20 Child Care Benefits	11,779,000	11,639,800	11,493,500
345.23 Temporary Cash Assistance	37,253,900	33,044,900	33,275,800
345.30 Family Assistance Services	85,811,000	70,297,300	72,516,000
345.31 Appeals and Hearings	1,627,900	2,439,300	2,561,300
345.49 Community Services	1,140,500	1,154,200	1,225,000
345.70 Vocational Rehabilitation	9,223,700	10,580,200	10,565,800
<b>345.00 Subtotal Human Services</b>	<b>187,785,300</b>	<b>176,028,300</b>	<b>182,408,600</b>
<b>Revenue</b>			
347.01 Administration Division	7,615,800	8,298,100	7,198,000
347.02 Tax Enforcement Division	5,229,900	6,790,600	6,549,800
347.11 Information Technology Resources Division	12,579,800	10,405,100	11,611,300
347.13 Taxpayer and Vehicle Services Division	13,190,900	19,323,000	19,096,300
347.14 Audit Division	16,596,900	20,545,700	19,726,200
347.16 Processing Division	6,491,900	8,249,700	7,931,700
<b>347.00 Subtotal Revenue</b>	<b>61,705,200</b>	<b>73,612,200</b>	<b>72,113,300</b>
<b>348.00 Tennessee Bureau of Investigation</b>	<b>31,510,100</b>	<b>35,497,400</b>	<b>35,037,400</b>
<b>Safety</b>			
349.01 Administration	5,797,000	6,278,300	6,544,000
349.02 Driver License Issuance	2,948,900	8,411,561	34,950,300
349.03 Highway Patrol	64,907,400	74,960,200	76,881,000
349.07 Motor Vehicle Operations	9,532,700	9,252,000	9,529,500
349.12 Major Maintenance	198,100	199,600	199,600
349.13 Technical Services	922,600	2,648,300	2,596,600
349.15 Office of Homeland Security	859,400	2,000,400	1,716,800
<b>349.00 Subtotal Safety</b>	<b>85,166,100</b>	<b>103,750,361</b>	<b>132,417,800</b>
<b>Cover Tennessee Health Care Programs</b>			
350.30 CoverTN	-	34,000,000	34,000,000
350.40 AccessTN	-	16,849,200	23,049,200
350.50 CoverKids	-	7,000,000	21,200,000
350.60 CoverRx	-	11,659,400	16,959,400
<b>350.00 Subtotal Cover Tennessee Health Care Programs</b>	<b>-</b>	<b>69,508,600</b>	<b>95,208,600</b>
<b>351.00 Miscellaneous Appropriations</b>	<b>21,874,100</b>	<b>75,459,700</b>	<b>185,273,300</b>
<b>353.00 Emergency and Contingency Fund</b>	<b>-</b>	<b>819,300</b>	<b>819,300</b>
<b>355.02 Major Maintenance and Equipment</b>	<b>197,600</b>	<b>250,000</b>	<b>250,000</b>

**State Taxpayers Budget  
State Appropriations by Program  
Fiscal Years 2005-2006, 2006-2007, and 2007-2008**

Program	Actual Expenditures 2005-2006 *	Estimated 2006-2007	Recommended 2007-2008
<b>Children's Services</b>			
359.10 Administration	38,074,400	29,313,100	29,751,500
359.20 Family Support Services	29,895,300	24,606,600	24,531,600
359.30 Custody Services	67,849,200	83,397,600	88,424,300
359.35 Needs Assessment	4,281,900	8,000,000	8,000,000
359.40 Adoption Services	24,557,300	29,341,100	32,088,300
359.50 Child and Family Management	54,646,500	84,362,600	85,556,700
359.60 John S. Wilder Youth Development Center	9,452,600	10,572,000	11,536,500
359.61 Taft Youth Development Center	11,455,900	12,539,800	13,514,100
359.62 Woodland Hills Youth Development Center	9,883,600	10,854,500	12,141,100
359.63 Mountain View Youth Development Center	10,708,700	11,321,500	12,340,400
359.64 New Visions Youth Development Center	3,466,700	3,643,300	3,835,200
359.65 Community Treatment Facilities	7,117,300	7,278,900	7,335,500
359.80 Major Maintenance	421,700	420,100	420,100
<b>359.00 Subtotal Children's Services</b>	<b>271,811,100</b>	<b>315,651,100</b>	<b>329,475,300</b>
<b>Subtotal General Fund and Education Fund</b>	<b>8,613,889,000</b>	<b>9,967,967,761</b>	<b>10,607,516,400</b>
Transportation **	787,609,500	694,900,000	741,600,000
Debt Service Requirements	286,754,700	318,125,500	344,281,000
Capital Outlay Program **	190,635,000	74,325,000	159,300,000
Facilities Revolving Fund	666,700	9,280,400	8,267,200
Cities and Counties - State Shared Taxes	738,348,400	786,700,000	815,000,000
<b>Grand Total State Taxpayers Budget</b>	<b>10,617,903,300</b>	<b>11,851,298,661</b>	<b>12,675,964,600</b>
Dedicated Tax Sources - Appropriation	450,232,100	608,185,100	634,745,900
<b>Grand Total State Appropriation - Budget Document</b>	<b>11,068,135,400</b>	<b>12,459,483,761</b>	<b>13,310,710,500</b>

\* FY 2005-2006 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 2005-2006 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

**State Taxpayers Budget**  
**Comparison Statement of State Revenues**  
**Actual and Estimated July 1, 2005 - June 30, 2008**

**SOURCE OF REVENUE**

Department of Revenue	Actual 2005-2006	Estimated 2006-2007	Estimated 2007-2008	Percent Required
Sales and Use Tax	\$ 6,495,758,000	\$ 6,775,800,000	\$ 7,123,800,000	5.14%
Gasoline Tax	605,598,900	597,000,000	602,000,000	0.84%
Motor Fuel Tax	180,653,200	184,300,000	189,000,000	2.55%
Gasoline Inspection Tax	46,458,900	47,400,000	47,400,000	0.00%
Motor Vehicle Registration Tax	236,599,400	244,700,000	250,100,000	2.21%
Income Tax	194,367,900	203,500,000	216,400,000	6.34%
Privilege Tax	295,943,500	296,000,000	318,200,000	7.50%
Gross Receipts Tax - TVA	220,325,400	250,200,000	261,100,000	4.36%
Gross Receipts Tax - Other	20,841,400	21,800,000	19,400,000	-11.01%
Beer Tax	17,797,300	17,900,000	18,300,000	2.23%
Alcoholic Beverage Tax	39,208,200	39,900,000	41,400,000	3.76%
Franchise Tax	575,202,700	676,400,000	678,700,000	0.34%
Excise Tax	916,413,300	854,600,000	857,600,000	0.35%
Inheritance and Estate Tax	76,287,700	71,000,000	73,000,000	2.82%
Tobacco Tax	124,872,300	125,000,000	126,100,000	0.88%
Motor Vehicle Title Fees	10,989,800	11,400,000	11,300,000	-0.88%
Mixed Drink Tax	49,054,900	51,500,000	55,200,000	7.18%
Business Tax	121,663,200	124,200,000	134,200,000	8.05%
Severance Tax	1,754,100	1,400,000	1,800,000	28.57%
Coin-operated Amusement Tax	304,400	300,000	300,000	0.00%
Unauthorized Substance Tax	830,200	400,000	800,000	100.00%
<b>Total Department of Revenue</b>	<b>\$ 10,230,924,700</b>	<b>\$ 10,594,700,000</b>	<b>\$ 11,026,100,000</b>	<b>4.07%</b>
<b>Other State Revenue</b>				
Department of Commerce and Insurance	\$ 398,000,300	\$ 399,500,000	\$ 412,700,000	3.30%
Department of Agriculture	343,700	300,000	400,000	33.33%
Secretary of State	24,223,900	24,200,000	24,200,000	0.00%
Department of Safety	39,715,700	39,900,000	39,900,000	0.00%
State Treasurer	67,008,000	76,000,000	75,000,000	-1.32%
Miscellaneous Revenue	48,181,800	22,700,000	34,700,000	52.86%
Nursing Home Tax	100,393,500	100,400,000	100,400,000	0.00%
<b>Total Other State Revenue</b>	<b>\$ 677,866,900</b>	<b>\$ 663,000,000</b>	<b>\$ 687,300,000</b>	<b>3.67%</b>
<b>Total State Revenue</b>	<b>\$ 10,908,791,600</b>	<b>\$ 11,257,700,000</b>	<b>\$ 11,713,400,000</b>	<b>4.05%</b>



**State Taxpayers Budget**  
**Distribution of Actual 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	\$ 6,495,758,000	\$ 2,446,672,300	\$ 3,758,209,100	\$ 0	\$ 46,439,300	\$ 244,437,300
Gasoline Tax	605,598,900	9,859,300	0	282,109,000	82,500,000	231,130,600
Motor Fuel Tax	180,653,200	3,425,200	0	129,866,900	0	47,361,100
Gasoline Inspection Tax	46,458,900	688,800	0	33,753,100	0	12,017,000
Motor Vehicle Registration Tax	236,599,400	34,538,800	146,000	201,914,600	0	0
Income Tax	194,367,900	139,741,200	0	0	0	54,626,700
Privilege Tax	295,943,500	295,808,500	135,000	0	0	0
Gross Receipts Tax - TVA	220,325,400	130,938,000	0	0	0	89,387,400
Gross Receipts Tax - Other	20,841,400	18,593,400	0	2,248,000	0	0
Beer Tax	17,797,300	12,084,300	0	2,231,200	0	3,481,800
Alcoholic Beverage Tax	39,208,200	32,712,700	0	0	0	6,495,500
Franchise Tax	575,202,700	557,202,700	0	0	18,000,000	0
Excise Tax	916,413,300	763,531,400	0	0	128,500,000	24,381,900
Inheritance and Estate Tax	76,287,700	76,287,700	0	0	0	0
Tobacco Tax	124,872,300	658,200	124,214,100	0	0	0
Motor Vehicle Title Fees	10,989,800	8,364,400	0	0	2,625,400	0
Mixed Drink Tax	49,054,900	1,098,600	24,527,400	0	0	23,428,900
Business Tax	121,663,200	121,663,200	0	0	0	0
Severance Tax	1,754,100	750,000	0	0	0	1,004,100
Coin-operated Amusement Tax	304,400	304,400	0	0	0	0
Unauthorized Substance Tax	830,200	234,100	0	0	0	596,100
<b>Total Department of Revenue</b>	<b>\$ 10,230,924,700</b>	<b>\$ 4,655,157,200</b>	<b>\$ 3,907,231,600</b>	<b>\$ 652,122,800</b>	<b>\$ 278,064,700</b>	<b>\$ 738,348,400</b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$ 398,000,300	\$ 398,000,300	\$ 0	\$ 0	\$ 0	\$ 0
Department of Agriculture	343,700	343,700	0	0	0	0
Secretary of State	24,223,900	24,223,900	0	0	0	0
Department of Safety	39,715,700	39,715,700	0	0	0	0
State Treasurer	67,008,000	67,008,000	0	0	0	0
Miscellaneous Revenue	48,181,800	48,181,800	0	0	0	0
Nursing Home Tax	100,393,500	100,393,500	0	0	0	0
<b>Total Other State Revenue</b>	<b>\$ 677,866,900</b>	<b>\$ 677,866,900</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total State Revenue</b>	<b>\$ 10,908,791,600</b>	<b>\$ 5,333,024,100</b>	<b>\$ 3,907,231,600</b>	<b>\$ 652,122,800</b>	<b>\$ 278,064,700</b>	<b>\$ 738,348,400</b>

**State Taxpayers Budget**  
**Distribution of Revised Estimated Revenue by Fund**  
**Fiscal Year 2006-2007**

**SOURCE OF REVENUE**

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$ 6,775,800,000	\$ 2,478,700,000	\$ 3,984,500,000	\$ 0	\$ 48,600,000	\$ 264,000,000
Gasoline Tax	597,000,000	11,000,000	0	273,700,000	84,500,000	227,800,000
Motor Fuel Tax	184,300,000	3,500,000	0	132,400,000	0	48,400,000
Gasoline Inspection Tax	47,400,000	1,200,000	0	34,200,000	0	12,000,000
Motor Vehicle Registration Tax	244,700,000	38,800,000	300,000	205,600,000	0	0
Income Tax	203,500,000	135,100,000	0	0	0	68,400,000
Privilege Tax	296,000,000	296,000,000	0	0	0	0
Gross Receipts Tax - TVA	250,200,000	145,600,000	0	0	0	104,600,000
Gross Receipts Tax - Other	21,800,000	18,500,000	0	3,300,000	0	0
Beer Tax	17,900,000	12,000,000	0	2,200,000	0	3,700,000
Alcoholic Beverage Tax	39,900,000	33,000,000	0	0	0	6,900,000
Franchise Tax	676,400,000	658,400,000	0	0	18,000,000	0
Excise Tax	854,600,000	673,100,000	0	0	156,800,000	24,700,000
Inheritance and Estate Tax	71,000,000	71,000,000	0	0	0	0
Tobacco Tax	125,000,000	700,000	124,300,000	0	0	0
Motor Vehicle Title Fees	11,400,000	8,700,000	0	0	2,700,000	0
Mixed Drink Tax	51,500,000	1,700,000	24,900,000	0	0	24,900,000
Business Tax	124,200,000	124,200,000	0	0	0	0
Severance Tax	1,400,000	400,000	0	0	0	1,000,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	400,000	100,000	0	0	0	300,000
<b>Total Department of Revenue</b>	<b>\$ 10,594,700,000</b>	<b>\$ 4,712,000,000</b>	<b>\$ 4,134,000,000</b>	<b>\$ 651,400,000</b>	<b>\$ 310,600,000</b>	<b>\$ 786,700,000</b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$ 399,500,000	\$ 399,500,000	\$ 0	\$ 0	\$ 0	\$ 0
Department of Agriculture	300,000	300,000	0	0	0	0
Secretary of State	24,200,000	24,200,000	0	0	0	0
Department of Safety	39,900,000	39,900,000	0	0	0	0
State Treasurer	76,000,000	76,000,000	0	0	0	0
Miscellaneous Revenue	22,700,000	22,700,000	0	0	0	0
Nursing Home Tax	100,400,000	100,400,000	0	0	0	0
<b>Total Other State Revenue</b>	<b>\$ 663,000,000</b>	<b>\$ 663,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total State Revenue</b>	<b>\$ 11,257,700,000</b>	<b>\$ 5,375,000,000</b>	<b>\$ 4,134,000,000</b>	<b>\$ 651,400,000</b>	<b>\$ 310,600,000</b>	<b>\$ 786,700,000</b>

**State Taxpayers Budget**  
**Distribution of Estimated Revenue by Fund**  
**Fiscal Year 2007-2008**

**SOURCE OF REVENUE**

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$ 7,123,800,000	\$ 2,607,700,000	\$ 4,188,500,000	\$ 0	\$ 51,100,000	\$ 276,500,000
Gasoline Tax	602,000,000	11,100,000	0	276,400,000	84,800,000	229,700,000
Motor Fuel Tax	189,000,000	3,600,000	0	135,800,000	0	49,600,000
Gasoline Inspection Tax	47,400,000	1,200,000	0	34,200,000	0	12,000,000
Motor Vehicle Registration Tax	250,100,000	38,600,000	300,000	211,200,000	0	0
Income Tax	216,400,000	143,700,000	0	0	0	72,700,000
Privilege Tax	318,200,000	318,200,000	0	0	0	0
Gross Receipts Tax - TVA	261,100,000	150,900,000	0	0	0	110,200,000
Gross Receipts Tax - Other	19,400,000	16,500,000	0	2,900,000	0	0
Beer Tax	18,300,000	12,200,000	0	2,300,000	0	3,800,000
Alcoholic Beverage Tax	41,400,000	34,200,000	0	0	0	7,200,000
Franchise Tax	678,700,000	660,700,000	0	0	18,000,000	0
Excise Tax	857,600,000	650,400,000	0	0	182,500,000	24,700,000
Inheritance and Estate Tax	73,000,000	73,000,000	0	0	0	0
Tobacco Tax	126,100,000	800,000	125,300,000	0	0	0
Motor Vehicle Title Fees	11,300,000	8,600,000	0	0	2,700,000	0
Mixed Drink Tax	55,200,000	1,800,000	26,700,000	0	0	26,700,000
Business Tax	134,200,000	134,200,000	0	0	0	0
Severance Tax	1,800,000	500,000	0	0	0	1,300,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	800,000	200,000	0	0	0	600,000
<b>Total Department of Revenue</b>	<b>\$ 11,026,100,000</b>	<b>\$ 4,868,400,000</b>	<b>\$ 4,340,800,000</b>	<b>\$ 662,800,000</b>	<b>\$ 339,100,000</b>	<b>\$ 815,000,000</b>
<b>Other State Revenue</b>						
Department of Commerce and Insurance	\$ 412,700,000	\$ 412,700,000	\$ 0	\$ 0	\$ 0	\$ 0
Department of Agriculture	400,000	400,000	0	0	0	0
Secretary of State	24,200,000	24,200,000	0	0	0	0
Department of Safety	39,900,000	39,900,000	0	0	0	0
State Treasurer	75,000,000	75,000,000	0	0	0	0
Miscellaneous Revenue	34,700,000	34,700,000	0	0	0	0
Nursing Home Tax	100,400,000	100,400,000	0	0	0	0
<b>Total Other State Revenue</b>	<b>\$ 687,300,000</b>	<b>\$ 687,300,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total State Revenue</b>	<b>\$ 11,713,400,000</b>	<b>\$ 5,555,700,000</b>	<b>\$ 4,340,800,000</b>	<b>\$ 662,800,000</b>	<b>\$ 339,100,000</b>	<b>\$ 815,000,000</b>



# Program Statements by Functional Area

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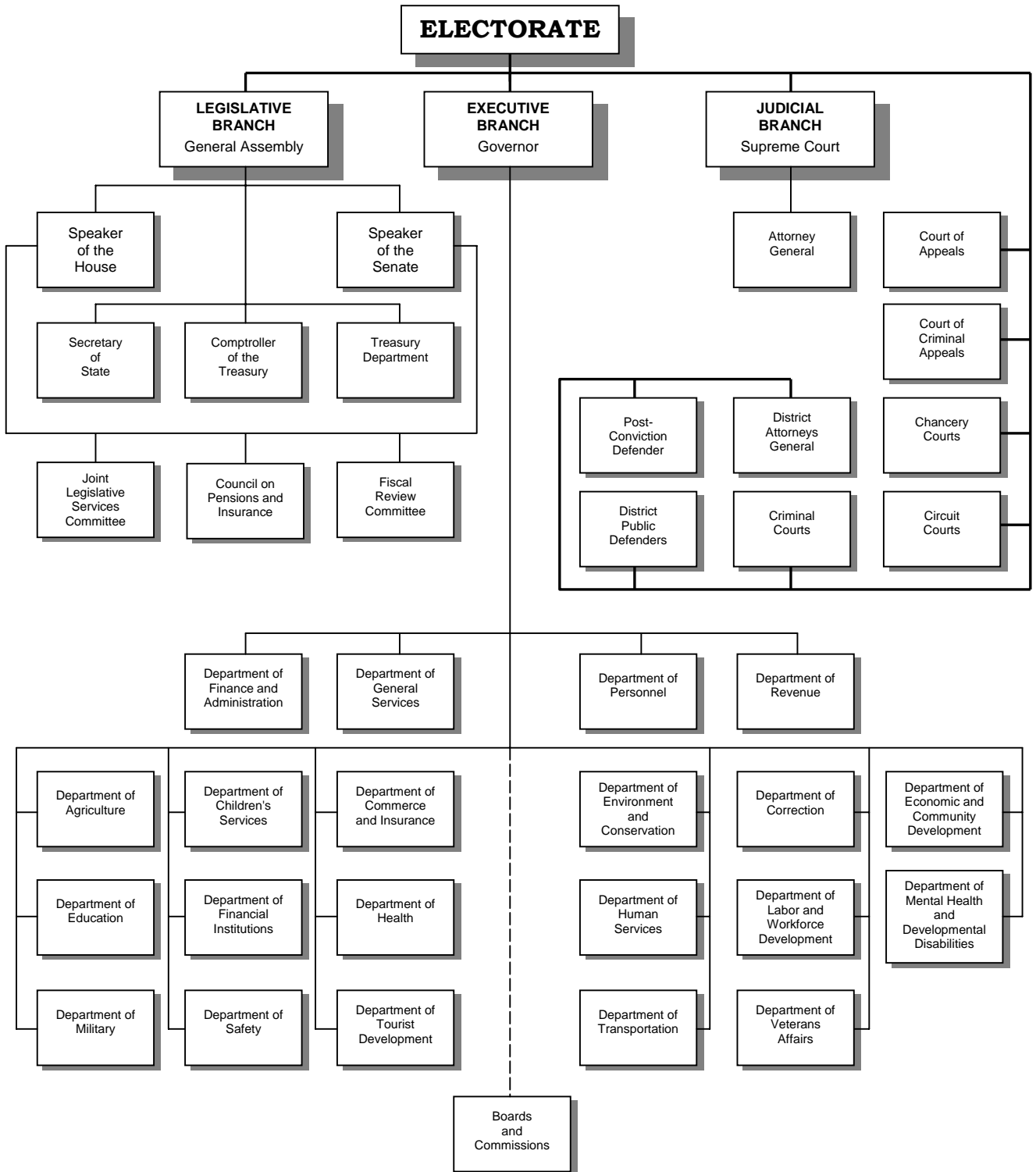
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# TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2007 - 2008

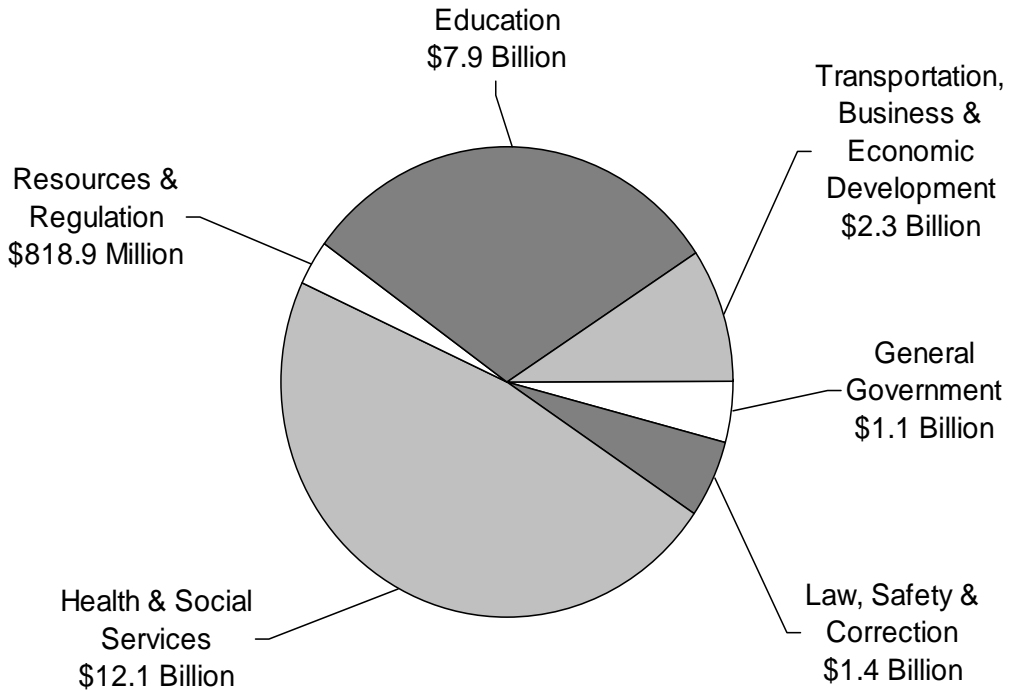






# Funds by Program Area

## FY 2007 - 2008 Recommended



**\$25,620,577,700 Total**

The departments and agencies of state government are grouped into six broad “functional areas.” This chart summarizes the FY 2007 - 2008 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 2007-2008**  
**By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
301.00 Legislature	37,151,000	0	137,500	37,288,500
301.50 Fiscal Review Committee	1,124,200	0	0	1,124,200
305.00 Secretary of State	28,296,800	23,806,700	10,449,200	62,552,700
307.00 Comptroller of the Treasury	83,050,000	0	10,498,100	93,548,100
309.00 Treasury Department	628,000	0	22,682,800	23,310,800
313.00 Claims and Compensation	12,670,000	5,055,000	80,833,200	98,558,200
315.00 Executive Department	4,552,900	0	0	4,552,900
316.04 Human Rights Commission	1,620,500	714,100	0	2,334,600
316.11 Tennessee Regulatory Authority	8,003,700	350,000	3,400	8,357,100
316.12 Advisory Commission on Intergovernmental Relations	266,000	0	2,151,500	2,417,500
317.00 Finance and Administration	53,578,200	31,700,600	221,617,500	306,896,300
319.00 Personnel	5,463,300	0	5,630,900	11,094,200
321.00 General Services	3,313,800	0	96,149,500	99,463,300
323.00 Veterans Affairs	3,910,700	360,000	110,300	4,381,000
347.00 Revenue	84,667,500	22,000	23,404,900	108,094,400
351.00 Miscellaneous Appropriations	185,273,300	0	0	185,273,300
353.00 Emergency and Contingency Fund	819,300	0	0	819,300
355.00 State Building Commission	250,000	0	150,000	400,000
<b>Total</b>	<b>\$514,639,200</b>	<b>\$62,008,400</b>	<b>\$473,818,800</b>	<b>\$1,050,466,400</b>

**Education**  
**Recommended Budget for Fiscal Year 2007-2008**  
**By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
331.00 Education (K-12)	3,736,927,400	868,226,400	44,481,600	4,649,635,400
332.00 Higher Education	1,582,361,500	205,973,200	1,454,047,300 *	3,242,382,000
<b>Total</b>	<b>\$5,319,288,900</b>	<b>\$1,074,199,600</b>	<b>\$1,498,528,900</b>	<b>\$7,892,017,400</b>

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

**Health and Social Services**  
**Recommended Budget for Fiscal Year 2007-2008**  
**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	2,032,000	4,296,500	2,714,200	9,042,700
316.02 Commission on Aging and Disability	9,573,400	25,142,500	2,133,900	36,849,800
316.07 Health Services and Development Agency	1,140,900	0	16,400	1,157,300
318.00 Finance and Administration, Bureau of TennCare	2,688,332,400	4,588,750,400	305,559,800	7,582,642,600
339.00 Mental Health and Developmental Disabilities	155,940,500	21,525,400	90,882,600	268,348,500
343.00 Health	200,767,300	277,581,700	122,343,100	600,692,100
344.00 Finance and Administration, Division of Mental Retardation Services	74,976,000	2,150,300	771,268,500	848,394,800
345.00 Human Services	182,408,600	1,644,820,000	139,920,100	1,967,148,700
350.00 Cover Tennessee Health Care Programs	95,208,600	64,600,000	0	159,808,600
359.00 Children's Services	331,075,000	114,659,000	224,209,600	669,943,600
<b>Total</b>	<b>\$3,741,454,700</b>	<b>\$6,743,525,800</b>	<b>\$1,659,048,200</b>	<b>\$12,144,028,700</b>

**Law, Safety and Correction**  
**Recommended Budget for Fiscal Year 2007-2008**  
**By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
302.00 Court System	105,152,600	200,000	4,101,300	109,453,900
303.00 Attorney General and Reporter	24,781,200	0	12,364,400	37,145,600
304.00 District Attorneys General Conference	62,830,700	0	20,050,000	82,880,700
306.00 District Public Defenders Conference	35,878,700	0	1,220,200	37,098,900
308.00 Office of the Post-Conviction Defender	1,774,800	0	0	1,774,800
316.03 Alcoholic Beverage Commission	0	0	5,242,500	5,242,500
316.08 TRICOR	0	0	33,506,200	33,506,200
316.09 Corrections Institute	1,042,000	0	15,000	1,057,000
324.00 Board of Probation and Parole	72,070,100	0	889,200	72,959,300
329.00 Correction	633,313,400	15,777,100	15,642,300	664,732,800
341.00 Military	13,007,600	91,172,300	2,096,200	106,276,100
348.00 Tennessee Bureau of Investigation	35,737,400	9,660,700	12,075,500	57,473,600
349.00 Safety	132,880,800	7,733,800	43,144,500	183,759,100
<b>Total</b>	<b>\$1,118,469,300</b>	<b>\$124,543,900</b>	<b>\$150,347,300</b>	<b>\$1,393,360,500</b>

**Resources and Regulation**  
**Recommended Budget for Fiscal Year 2007-2008**  
**By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
316.25 Arts Commission	5,704,700	854,000	514,900	7,073,600
316.27 State Museum	3,450,700	0	25,000	3,475,700
327.00 Environment and Conservation	189,384,300	72,011,900	98,625,100	360,021,300
328.00 Tennessee Wildlife Resources Agency	51,061,700	19,086,300	11,190,300	81,338,300
335.00 Commerce and Insurance	79,978,300	258,700	45,915,700	126,152,700
336.00 Financial Institutions	7,797,300	0	7,717,100	15,514,400
337.00 Labor and Workforce Development	41,681,300	154,088,500	29,604,100	225,373,900
<b>Total</b>	<b>\$379,058,300</b>	<b>\$246,299,400</b>	<b>\$193,592,200</b>	<b>\$818,949,900</b>

**Transportation, Business and Economic Development  
Recommended Budget for Fiscal Year 2007-2008  
By Funding Source**

<b>Department</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
316.20 Tennessee Housing Development Agency	350,000	249,160,000	16,495,400	266,005,400
325.00 Agriculture	76,969,200	11,069,200	8,606,500	96,644,900
326.00 Tourist Development	13,579,700	0	6,152,600	19,732,300
330.00 Economic and Community Development	78,453,000	30,834,900	13,539,300	122,827,200
400.00 Transportation	825,400,000	941,346,000	49,799,000	1,816,545,000
<b>Total</b>	<b>\$994,751,900</b>	<b>\$1,232,410,100</b>	<b>\$94,592,800</b>	<b>\$2,321,754,800</b>





# General Government

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# General Government

Recommended Budget, Fiscal Year 2007 – 2008

**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.

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 Real Property Administration 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.

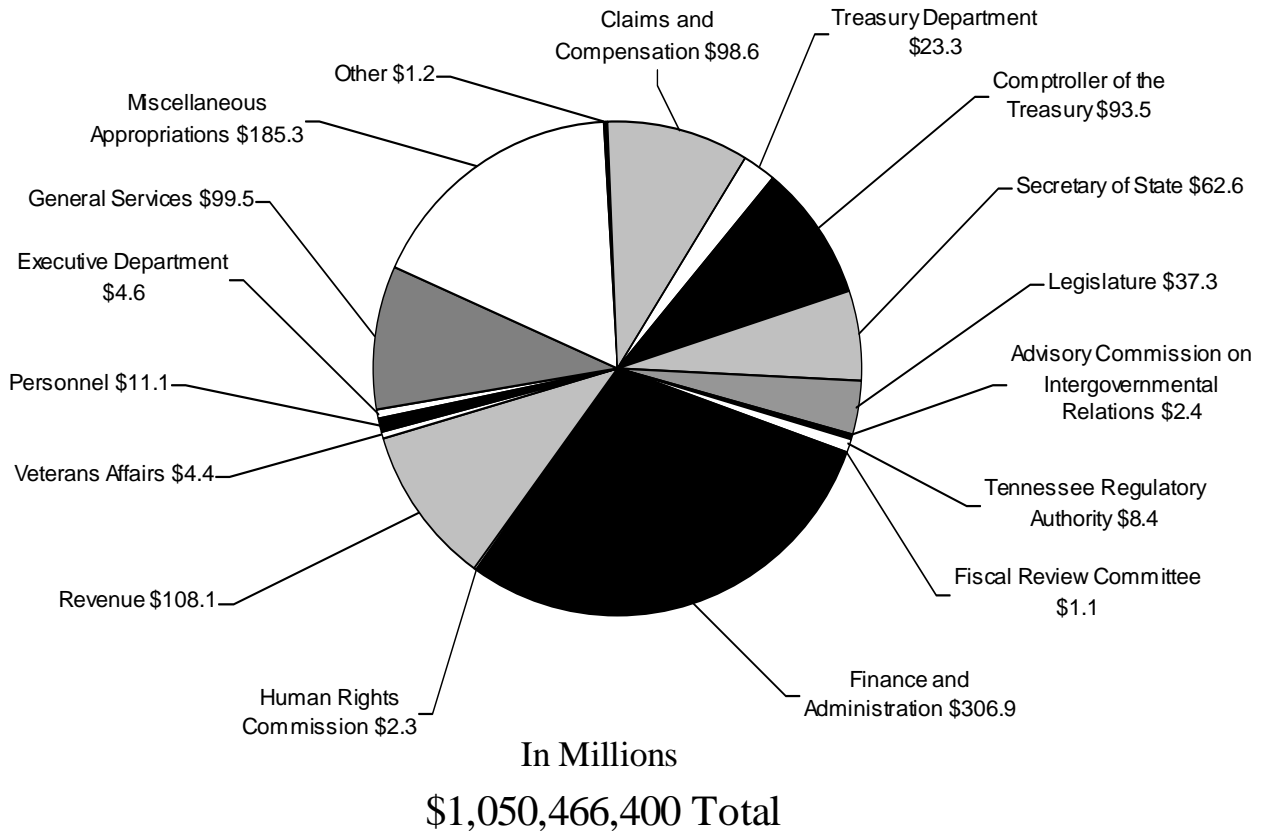
## Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a statement of recommended improvements for the ensuing fiscal year; (3) 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 (4) program performance measures.

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 FY 2007 - 2008 Recommended



## General Government Total Personnel and Funding

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Recommended 2007-2008</u>
<b>Personnel</b>			
Full Time	4,760	4,830	4,866
Part Time	189	173	173
Seasonal	21	21	21
<b>TOTAL</b>	<b>4,970</b>	<b>5,024</b>	<b>5,060</b>
<b>Expenditures</b>			
Payroll	\$250,840,400	\$305,918,100	\$307,348,400
Operational	486,426,100	624,959,000	743,118,000
<b>TOTAL</b>	<b>\$737,266,500</b>	<b>\$930,877,100</b>	<b>\$1,050,466,400</b>
<b>Funding</b>			
State	\$265,202,100	\$399,130,000	\$514,639,200
Federal	42,498,300	60,406,800	62,008,400
Other	429,566,100	471,340,300	473,818,800

**General Government  
Improvements for Fiscal Year 2007-2008**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Secretary of State</b>					
• <b>Ethics Commission</b>					
To provide funds for three positions, including an auditor, investigator, and administrative assistant, in the Ethics Commission. A non-recurring appropriation of \$100,000 is provided for a comprehensive electronic filing system.					
<b>305.11 Ethics Commission</b>	\$275,000	\$0	\$0	\$275,000	3
<b>Sub-total</b>	\$275,000	\$0	\$0	\$275,000	3
• <b>Economic Council on Women</b>					
To provide funds to fully fund payroll and operational expenses of the Economic Council on Women.					
<b>305.08 Economic Council on Women</b>	\$25,000	\$0	\$0	\$25,000	0
<b>Sub-total</b>	\$25,000	\$0	\$0	\$25,000	0
<b>Total Secretary of State</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300,000</b>	<b>3</b>
<b>Comptroller of the Treasury</b>					
• <b>Property Tax Appraisal and Assessment System</b>					
To provide funds for development and integration of statewide property assessment and appraisal information systems, which support state and local government functions. The system will provide a uniform means of maintaining property characteristics and valuation data, on-line access to information, and electronic submission of data.					
<b>307.02 Office of Management Services</b>	\$2,500,000	\$0	\$0	\$2,500,000	0
<b>Sub-total</b>	\$2,500,000	\$0	\$0	\$2,500,000	0
• <b>Personnel and Payroll</b>					
To provide funds for a personnel analyst position to assist with human resources and payroll functions of the department.					
<b>307.02 Office of Management Services</b>	\$55,000	\$0	\$0	\$55,000	1
<b>Sub-total</b>	\$55,000	\$0	\$0	\$55,000	1
<b>Total Comptroller of the Treasury</b>	<b>\$2,555,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,555,000</b>	<b>1</b>

## General Government Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Treasury Department</b>					
<b>• Systems Development</b>					
To provide funding for systems development projects. Included is \$838,300 (non-recurring) for replacement of the treasury earnings account management system that supports the local government investment pool and other accounts; \$120,000 to provide management of book-entry securities; \$300,000 (non-recurring) for the purchase of digital imaging equipment necessary for the department's document management functions; \$150,800 for the enhancement of information systems services to customers and of the security of Treasury Department information; \$103,300 (non-recurring) for equipment needed for the department's disaster recovery capabilities; and \$558,800 for six additional positions to improve continuity, security, and application support of department information systems. A total of \$1,241,600 is non-recurring.					
<b>309.01 Treasury Department</b>	\$0	\$0	\$2,071,200	\$2,071,200	6
<b>Sub-total</b>	\$0	\$0	\$2,071,200	\$2,071,200	6
<b>• Investments</b>					
To provide funds for a consultant position and an investment accounting position. The consultant will assist in the evaluation of investment products in the deferred compensation program. The investment accounting position is required because of growth in the Tennessee Consolidated Retirement System real-estate investment program.					
<b>309.01 Treasury Department</b>	\$0	\$0	\$132,100	\$132,100	2
<b>Sub-total</b>	\$0	\$0	\$132,100	\$132,100	2
<b>• Small, Minority, and Women-Owned Businesses</b>					
To provide funds to administer loans to small, minority, and women-owned businesses. The program provides loan guarantees, education, training, consulting, and technical assistance to these businesses.					
<b>309.05 Small and Minority-Owned Business Assistance Program</b>	\$0	\$0	\$100,000	\$100,000	0
<b>Sub-total</b>	\$0	\$0	\$100,000	\$100,000	0
<b>Total Treasury Department</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,303,300</b>	<b>\$2,303,300</b>	<b>8</b>
<b>Claims and Compensation</b>					
<b>• Administration Legislation - Criminal Injuries Compensation</b>					
To reallocate a recurring amount of \$2 million from the general fund to the criminal injuries compensation fund from existing litigation taxes. A non-recurring appropriation from the general fund of \$1.9 million will ensure that adequate funds are available in the fund balance.					
<b>313.03 Criminal Injuries Compensation</b>	\$3,900,000	\$0	\$0	\$3,900,000	0
<b>Sub-total</b>	\$3,900,000	\$0	\$0	\$3,900,000	0
<b>Total Claims and Compensation</b>	<b>\$3,900,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,900,000</b>	<b>0</b>

## General Government Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Finance and Administration</b>					
• <b>Health Information Systems</b>					
To provide funds for eHealth infrastructure (\$31,891,000, including a \$14,600,000 non-recurring state appropriation) and for a health planning decision support system (\$2,219,800, including a \$1,831,800 non-recurring state appropriation). Infrastructure for the eHealth initiative will provide broadband connectivity and computer technology to support electronic processing of transactions, clinical messaging, and other health initiatives to providers in medically underserved areas in rural Tennessee and providers serving low-income populations. Two positions are included to administer the program. The health planning decision support system will consist of a central database that will compile health data to assist state agencies in making informed choices about the best allocation of resources. The total non-recurring state appropriation is \$16,431,800.					
<b>317.15 State Health Planning Division</b>	\$17,351,100	\$0	\$16,759,700	\$34,110,800	2
<b>Sub-total</b>	\$17,351,100	\$0	\$16,759,700	\$34,110,800	2
• <b>Construction Management</b>					
To provide funds for construction management, including five positions (\$620,400) and construction management software (\$100,000).					
<b>317.10 Real Property Administration</b>	\$720,400	\$0	\$0	\$720,400	5
<b>Sub-total</b>	\$720,400	\$0	\$0	\$720,400	5
• <b>State Planning Office</b>					
To provide funds for a State Planning Office in order to provide research and policy-development assistance to the Governor and the Commissioner of Finance and Administration. A non-recurring amount of \$2 million is for procurement of specialized professional assistance on research.					
<b>317.23 State Planning Office</b>	\$2,600,000	\$0	\$0	\$2,600,000	6
<b>Sub-total</b>	\$2,600,000	\$0	\$0	\$2,600,000	6
<b>Total Finance and Administration</b>	<b>\$20,671,500</b>	<b>\$0</b>	<b>\$16,759,700</b>	<b>\$37,431,200</b>	<b>13</b>

## Personnel

### • Training and Development

To provide funds for two training officer positions in the employee development division. These positions are necessary to handle an increase in the number of training courses and to implement the second phase of the leadership development initiative.

<b>319.02 Human Resource Development</b>	\$0	\$0	\$134,300	\$134,300	2
<b>Sub-total</b>	\$0	\$0	\$134,300	\$134,300	2



## General Government Improvements for Fiscal Year 2007-2008

	State	Federal	Other	Total	Positions
<b>• Equal Employment Opportunities and Americans with Disabilities</b>					
To provide funds for a program director position to oversee state government compliance with the federal Equal Employment Opportunities Act and Americans with Disabilities Act.					
<b>319.02 Human Resource Development</b>	\$82,100	\$0	\$0	\$82,100	1
<b>Sub-total</b>	\$82,100	\$0	\$0	\$82,100	1
<b>Total Personnel</b>	<b>\$82,100</b>	<b>\$0</b>	<b>\$134,300</b>	<b>\$216,400</b>	<b>3</b>

### General Services

#### • Equipment Replacement

To provide non-recurring funds to replace food service equipment in the cook-chill program, which provides meals to prisons and other state residential institutions, and to replace and upgrade equipment in the state print shop.

<b>321.09 Printing</b>	\$420,000	\$0	\$0	\$420,000	0
<b>321.19 Food Services Program</b>	\$555,000	\$0	\$0	\$555,000	0
<b>Sub-total</b>	\$975,000	\$0	\$0	\$975,000	0

#### • Purchasing Oversight

To provide funds for four additional positions for the compliance and assurance team that ensures that vendors' products meet state specifications.

<b>321.10 Purchasing</b>	\$0	\$0	\$218,800	\$218,800	4
<b>Sub-total</b>	\$0	\$0	\$218,800	\$218,800	4

#### • Accounting Support

To provide funds for two additional accounting positions to support the Motor Vehicle Management and Property Services Management divisions.

<b>321.01 Administration</b>	\$0	\$0	\$96,000	\$96,000	2
<b>Sub-total</b>	\$0	\$0	\$96,000	\$96,000	2

#### • Surplus Property Distribution

To provide funds for a long-distance hauler position for hauling of fleet vehicles and equipment in the state and federal surplus property program.

<b>321.04 Property Utilization</b>	\$0	\$0	\$120,900	\$120,900	1
<b>Sub-total</b>	\$0	\$0	\$120,900	\$120,900	1

#### • Central Stores Warehouse

To provide funds for two positions in the Central Stores Division. A warehouse clerk position is necessary to fulfill orders as additional agencies utilize Central Stores for distribution. An additional driver is needed to handle an increase in shipping volume due to expansion of the delivery service to a 150-mile radius of Nashville.

<b>321.18 Central Stores</b>	\$0	\$0	\$50,000	\$50,000	2
<b>Sub-total</b>	\$0	\$0	\$50,000	\$50,000	2

## General Government Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Photographic Services</b>					
To provide funds for a photographer position because of workload and to assist with development and maintenance of a website allowing customers to select and order photographs online.					
<b>321.09 Printing</b>	\$57,200	\$0	\$0	\$57,200	1
<b>Sub-total</b>	\$57,200	\$0	\$0	\$57,200	1
<b>Total General Services</b>	<b>\$1,032,200</b>	<b>\$0</b>	<b>\$485,700</b>	<b>\$1,517,900</b>	<b>10</b>

### Veterans Affairs

<b>• Veterans Nursing Homes</b>					
To provide non-recurring funds for an independent review of state veterans nursing homes by an external accrediting agency.					
<b>323.00 Veterans Affairs</b>	\$200,000	\$0	\$0	\$200,000	0
<b>Sub-total</b>	\$200,000	\$0	\$0	\$200,000	0
<b>• Technology Enhancements</b>					
To provide funds for installation of digital subscriber lines (DSL) at the Memphis, Nashville, and Knoxville state veterans cemeteries in order to enhance services.					
<b>323.00 Veterans Affairs</b>	\$14,300	\$0	\$0	\$14,300	0
<b>Sub-total</b>	\$14,300	\$0	\$0	\$14,300	0
<b>Total Veterans Affairs</b>	<b>\$214,300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$214,300</b>	<b>0</b>

### Revenue

<b>• Tax Fraud Enforcement</b>					
To provide funding for an additional special agent position for tax fraud enforcement.					
<b>347.01 Administration Division</b>	\$96,100	\$0	\$0	\$96,100	1
<b>Sub-total</b>	\$96,100	\$0	\$0	\$96,100	1
<b>Total Revenue</b>	<b>\$96,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$96,100</b>	<b>1</b>

### Miscellaneous Appropriations

<b>• Salary Increase - State and Higher Education Employees - July, 1 2007</b>					
To fund a 1 percent salary increase for state and higher education employees effective July 1, 2007. Funds are recommended in the Department of Education budget for a 1 percent salary increase for teachers and other K-12 employees.					
<b>351.00 Miscellaneous Appropriations</b>	\$25,100,000	\$0	\$0	\$25,100,000	0
<b>Sub-total</b>	\$25,100,000	\$0	\$0	\$25,100,000	0

## General Government Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> <li> <b>Salary Bonus - State and Higher Education Employees</b>            To fund a one-time 2 percent salary bonus for state and higher education employees. Funds are recommended in the Department of Education budget for a 2 percent pool for a salary bonus for teachers and other licensed K-12 education employees.         </li> </ul>					
<b>351.00 Miscellaneous Appropriations</b>	\$60,600,000	\$0	\$0	\$60,600,000	0
<b>Sub-total</b>	\$60,600,000	\$0	\$0	\$60,600,000	0
<ul style="list-style-type: none"> <li> <b>Group Health Insurance - January 1, 2007</b>            To provide funds to annualize the state share of the January 1, 2007, 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 Department of Education budget.         </li> </ul>					
<b>351.00 Miscellaneous Appropriations</b>	\$13,400,000	\$0	\$0	\$13,400,000	0
<b>Sub-total</b>	\$13,400,000	\$0	\$0	\$13,400,000	0
<ul style="list-style-type: none"> <li> <b>Group Health Insurance - January 1, 2008</b>            To provide funding for the state share of the January 1, 2008, 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 Department of Education budget.         </li> </ul>					
<b>351.00 Miscellaneous Appropriations</b>	\$18,600,000	\$0	\$0	\$18,600,000	0
<b>Sub-total</b>	\$18,600,000	\$0	\$0	\$18,600,000	0
<ul style="list-style-type: none"> <li> <b>Retired Teachers Health Insurance</b>            To provide additional funding for retired teachers health insurance.         </li> </ul>					
<b>351.00 Miscellaneous Appropriations</b>	\$2,500,000	\$0	\$0	\$2,500,000	0
<b>Sub-total</b>	\$2,500,000	\$0	\$0	\$2,500,000	0
<ul style="list-style-type: none"> <li> <b>Presidential Preference Primaries</b>            To provide funding to conduct the presidential preference primaries in February 2008, pursuant to TCA 2-13-302. The state reimburses counties for expenses of holding these primaries, pursuant to TCA 2-12-109(d). This appropriation is non-recurring.         </li> </ul>					
<b>351.00 Miscellaneous Appropriations</b>	\$4,000,000	\$0	\$0	\$4,000,000	0
<b>Sub-total</b>	\$4,000,000	\$0	\$0	\$4,000,000	0

## General Government Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Stax Museum Grant</b>					
To provide funding for a non-recurring grant to the Stax Museum in Memphis.					
<b>351.00 Miscellaneous Appropriations</b>	\$123,000	\$0	\$0	\$123,000	0
<b>Sub-total</b>	\$123,000	\$0	\$0	\$123,000	0
<b>• American Battles Monument Commission Trust Fund</b>					
To provide a non-recurring grant to the American Battles Monument Commission Trust Fund for maintenance of the World War I monument in France.					
<b>351.00 Miscellaneous Appropriations</b>	\$5,500	\$0	\$0	\$5,500	0
<b>Sub-total</b>	\$5,500	\$0	\$0	\$5,500	0
<b>• Administration Legislation</b>					
To provide funds for the cost of Administration legislation.					
<b>351.00 Miscellaneous Appropriations</b>	\$250,000	\$0	\$0	\$250,000	0
<b>Sub-total</b>	\$250,000	\$0	\$0	\$250,000	0
<b>• Risk Management</b>					
To provide funds for Board of Claims and property insurance premium increases, effective July 1, 2007.					
<b>351.00 Miscellaneous Appropriations</b>	\$1,900,000	\$0	\$0	\$1,900,000	0
<b>Sub-total</b>	\$1,900,000	\$0	\$0	\$1,900,000	0
<b>• Mileage Rate Increase</b>					
To provide funds for a mileage rate increase from 42 cents to 46 cents, effective January 1, 2007.					
<b>351.00 Miscellaneous Appropriations</b>	\$1,700,000	\$0	\$0	\$1,700,000	0
<b>Sub-total</b>	\$1,700,000	\$0	\$0	\$1,700,000	0
<b>• Meal and Lodging Rates</b>					
To provide funds for a meal and lodging rate increase, effective January 1, 2007.					
<b>351.00 Miscellaneous Appropriations</b>	\$1,500,000	\$0	\$0	\$1,500,000	0
<b>Sub-total</b>	\$1,500,000	\$0	\$0	\$1,500,000	0

## General Government Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Postal Rate Increase</b>					
To provide funds for an increase in U.S. Postal Service rates from 39 cents to 42 cents, effective May 2007.					
<b>351.00 Miscellaneous Appropriations</b>	\$1,100,000	\$0	\$0	\$1,100,000	0
<b>Sub-total</b>	\$1,100,000	\$0	\$0	\$1,100,000	0
<b>• Facilities Revolving Fund</b>					
To provide funds for operational increases in the Facilities Revolving Fund. The appropriation includes \$4,300,000 for utility costs, \$1,250,000 for state office building security, \$1,200,000 for use of Nashville MTA bus services as an alternative to downtown parking by state employees, and \$1,500,000 for relocation and renovation expenses in the move of Knoxville state offices from Hensley Street to Middlebrook Pike. The amount of \$1,500,000 is non-recurring.					
<b>351.00 Miscellaneous Appropriations</b>	\$8,250,000	\$0	\$0	\$8,250,000	0
<b>Sub-total</b>	\$8,250,000	\$0	\$0	\$8,250,000	0
<b>Total Miscellaneous Appropriations</b>	<b>\$139,028,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$139,028,500</b>	<b>0</b>
<b>Total General Government</b>	<b>\$167,879,700</b>	<b>\$0</b>	<b>\$19,683,000</b>	<b>\$187,562,700</b>	<b>39</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. The upper house of Tennessee's General Assembly is the Senate. The state is divided into 33 senatorial districts, each electing one senator. Senators are elected to four-year terms, with those from even-numbered districts being elected in the same general election, and those representing odd-numbered districts being elected two years later. The lower house of the legislature is the House of Representatives. The state is divided into 99 House districts, each electing one representative. Representatives are elected to two-year terms, with all representatives standing for election at the same time.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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## Administrative and Support Services

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

### 301.01 Legislative Administration Services

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

Full-Time	20	18	18	0	<b>18</b>
Part-Time	3	3	3	0	<b>3</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>23</b>	<b>21</b>	<b>21</b>	<b>0</b>	<b>21</b>
Payroll	1,112,100	1,364,600	1,357,300	0	<b>1,357,300</b>
Operational	3,320,300	3,304,600	3,303,600	0	<b>3,303,600</b>
<b>Total</b>	<b>\$4,432,400</b>	<b>\$4,669,200</b>	<b>\$4,660,900</b>	<b>\$0</b>	<b>\$4,660,900</b>
State	4,400,000	4,652,200	4,643,900	0	<b>4,643,900</b>
Federal	0	0	0	0	<b>0</b>
Other	32,400	17,000	17,000	0	<b>17,000</b>

### 301.16 General Assembly Support Services

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

Full-Time	64	64	64	0	<b>64</b>
Part-Time	29	29	29	0	<b>29</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>0</b>	<b>93</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	5,156,600	6,179,800	6,158,200	0	<b>6,158,200</b>
Operational	2,872,800	1,144,900	1,153,500	0	<b>1,153,500</b>
<b>Total</b>	<b>\$8,029,400</b>	<b>\$7,324,700</b>	<b>\$7,311,700</b>	<b>\$0</b>	<b>\$7,311,700</b>
State	8,021,300	7,254,700	7,241,700	0	<b>7,241,700</b>
Federal	0	0	0	0	<b>0</b>
Other	8,100	70,000	70,000	0	<b>70,000</b>

### 301.17 Tennessee Code Commission

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

Full-Time	0	0	0	0	<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	20,400	69,600	69,600	0	<b>69,600</b>
<b>Total</b>	<b>\$20,400</b>	<b>\$69,600</b>	<b>\$69,600</b>	<b>\$0</b>	<b>\$69,600</b>
State	20,400	69,600	69,600	0	<b>69,600</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

## Legislative Services

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

### 301.07 House of Representatives

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

Full-Time	207	207	207	0	<b>207</b>
Part-Time	46	40	40	0	<b>40</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>253</b>	<b>247</b>	<b>247</b>	<b>0</b>	<b>247</b>
Payroll	10,517,600	12,282,900	12,246,400	0	<b>12,246,400</b>
Operational	2,830,700	3,678,000	3,674,600	0	<b>3,674,600</b>
<b>Total</b>	<b>\$13,348,300</b>	<b>\$15,960,900</b>	<b>\$15,921,000</b>	<b>\$0</b>	<b>\$15,921,000</b>
State	13,307,400	15,932,400	15,892,500	0	<b>15,892,500</b>
Federal	0	0	0	0	<b>0</b>
Other	40,900	28,500	28,500	0	<b>28,500</b>

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 301.08 State Senate

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

Full-Time	101	101	101	0	101
Part-Time	60	54	54	0	54
Seasonal	0	0	0	0	0
<b>Total</b>	<b>161</b>	<b>155</b>	<b>155</b>	<b>0</b>	<b>155</b>
Payroll	5,584,500	6,910,600	6,889,000	0	6,889,000
Operational	1,310,600	1,828,100	1,821,100	0	1,821,100
<b>Total</b>	<b>\$6,895,100</b>	<b>\$8,738,700</b>	<b>\$8,710,100</b>	<b>\$0</b>	<b>\$8,710,100</b>
State	6,878,300	8,716,700	8,688,100	0	8,688,100
Federal	0	0	0	0	0
Other	16,800	22,000	22,000	0	22,000

### 301.13 General Assembly Committees

This allotment provides funds for staffing several joint committees, including the Select Oversight Committee on Corrections, TennCare Oversight Committee, Select Committee on Children and Youth, Black Health Care Committee, and Joint Legislative Services Committee. Funding provides for the payroll and operational expenses of these committees.

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	430,400	526,600	524,100	0	524,100
Operational	39,000	90,300	91,100	0	91,100
<b>Total</b>	<b>\$469,400</b>	<b>\$616,900</b>	<b>\$615,200</b>	<b>\$0</b>	<b>\$615,200</b>
State	459,400	616,900	615,200	0	615,200
Federal	0	0	0	0	0
Other	10,000	0	0	0	0

### 301.00 Total Legislature

Full-Time	399	397	397	0	397
Part-Time	138	126	126	0	126
Seasonal	0	0	0	0	0
<b>Total</b>	<b>537</b>	<b>523</b>	<b>523</b>	<b>0</b>	<b>523</b>
Payroll	22,801,200	27,264,500	27,175,000	0	27,175,000
Operational	10,393,800	10,115,500	10,113,500	0	10,113,500
<b>Total</b>	<b>\$33,195,000</b>	<b>\$37,380,000</b>	<b>\$37,288,500</b>	<b>\$0</b>	<b>\$37,288,500</b>
State	33,086,800	37,242,500	37,151,000	0	37,151,000
Federal	0	0	0	0	0
Other	108,200	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 its speaker.

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

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</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	905,000	1,091,300	1,088,400	0	1,088,400
Operational	22,300	33,900	35,800	0	35,800
<b>Total</b>	<b>\$927,300</b>	<b>\$1,125,200</b>	<b>\$1,124,200</b>	<b>\$0</b>	<b>\$1,124,200</b>
State	927,300	1,125,200	1,124,200	0	1,124,200
Federal	0	0	0	0	0
Other	0	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. 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; and implementing and administering the laws relative to charitable gaming and the solicitation of charitable contributions.

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

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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## Administrative and Support Services

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

### 305.01 Secretary of State

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

Full-Time	201	201	201	0	201
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>0</b>	<b>201</b>
Payroll	11,356,400	13,339,600	13,280,700	0	13,280,700
Operational	2,955,300	3,124,800	3,145,200	0	3,145,200
<b>Total</b>	<b>\$14,311,700</b>	<b>\$16,464,400</b>	<b>\$16,425,900</b>	<b>\$0</b>	<b>\$16,425,900</b>
State	5,290,500	9,667,900	9,629,400	0	9,629,400
Federal	0	300,000	300,000	0	300,000
Other	9,021,200	6,496,500	6,496,500	0	6,496,500

### 305.02 State Election Commission

The State Election Commission, in conformity with Title 2 of the Tennessee Code Annotated, ensures the uniformity of election laws. The commission is comprised of five members, three from the political party holding a majority of seats in the General Assembly and two members from the minority party. Individuals are elected to four-year terms by the General Assembly. The commission works very closely with the coordinator of elections toward the common goal of maintaining uniformity in elections as well as preserving the purity of the ballot.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Full-Time	0	0	0	0	<b>0</b>
Part-Time	5	5	5	0	<b>5</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
Payroll	94,000	104,300	104,300	0	<b>104,300</b>
Operational	1,550,200	1,585,200	1,585,200	0	<b>1,585,200</b>
<b>Total</b>	<b>\$1,644,200</b>	<b>\$1,689,500</b>	<b>\$1,689,500</b>	<b>\$0</b>	<b>\$1,689,500</b>
State	1,644,200	1,689,500	1,689,500	0	<b>1,689,500</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

### 305.03 Public Documents

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

Full-Time	0	0	0	0	<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	394,000	396,000	396,000	0	<b>396,000</b>
<b>Total</b>	<b>\$394,000</b>	<b>\$396,000</b>	<b>\$396,000</b>	<b>\$0</b>	<b>\$396,000</b>
State	393,300	396,000	396,000	0	<b>396,000</b>
Federal	0	0	0	0	<b>0</b>
Other	700	0	0	0	<b>0</b>

### 305.07 Registry of Election Finance

The Registry of Election Finance was created by the General Assembly in 1989 as an independent entity of state government, administratively attached to the Department of State. The Registry is responsible for enforcement of the Campaign Financial Disclosure Act of 1980, the Campaign Contributions Limit Act of 1995, and campaign finance provisions of the Comprehensive Governmental Ethics Reform Act of 2006.

Full-Time	7	7	7	0	<b>7</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>
Payroll	276,900	469,500	468,300	0	<b>468,300</b>
Operational	161,500	210,800	128,200	0	<b>128,200</b>
<b>Total</b>	<b>\$438,400</b>	<b>\$680,300</b>	<b>\$596,500</b>	<b>\$0</b>	<b>\$596,500</b>
State	304,300	653,300	569,500	0	<b>569,500</b>
Federal	0	0	0	0	<b>0</b>
Other	134,100	27,000	27,000	0	<b>27,000</b>

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 305.09 Charitable Solicitations and Charitable Gaming

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

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>0</b>	<b>21</b>
Payroll	675,500	1,457,600	1,453,000	0	1,453,000
Operational	120,400	578,000	579,400	0	579,400
<b>Total</b>	<b>\$795,900</b>	<b>\$2,035,600</b>	<b>\$2,032,400</b>	<b>\$0</b>	<b>\$2,032,400</b>
State	0	336,600	333,400	0	333,400
Federal	0	0	0	0	0
Other	795,900	1,699,000	1,699,000	0	1,699,000

### 305.10 Help America Vote Act

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	12,216,000	20,500,000	20,500,000	0	20,500,000
<b>Total</b>	<b>\$12,216,000</b>	<b>\$20,500,000</b>	<b>\$20,500,000</b>	<b>\$0</b>	<b>\$20,500,000</b>
State	0	0	0	0	0
Federal	9,537,400	19,500,000	19,500,000	0	19,500,000
Other	2,678,600	1,000,000	1,000,000	0	1,000,000

### 305.11 Ethics Commission

The Tennessee Ethics Commission, administratively attached to the Department of State, was created by the Comprehensive Ethics Reform Act of 2006. The Ethics Commission was established to interpret and enforce the provisions of this act and is required to recommend guiding principles of ethical conduct for the General Assembly, the executive agencies, lobbyists, and employers of lobbyists. Responsibilities of the Ethics Commission include promulgating rules and regulations to implement the provisions of the act, conducting investigations in conjunction with the Tennessee Attorney General's Office, and conducting an annual ethics course for the Executive Branch, the General Assembly, lobbyists, and employers of lobbyists. The commission is comprised of six members: two appointed by the Governor, two by the Speaker of the House of Representatives, and two by the Speaker of the Senate. After initial staggered terms, members serve four-year terms and may serve two consecutive terms.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Full-Time	7	7	7	3	10
Part-Time	6	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>13</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>10</b>
Payroll	0	548,000	548,000	175,000	723,000
Operational	5,600	271,100	161,100	100,000	261,100
<b>Total</b>	<b>\$5,600</b>	<b>\$819,100</b>	<b>\$709,100</b>	<b>\$275,000</b>	<b>\$984,100</b>
State	5,600	469,100	359,100	275,000	634,100
Federal	0	0	0	0	0
Other	0	350,000	350,000	0	350,000

## State Library Services

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

### 305.04 State Library and Archives

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

Full-Time	106	103	103	0	103
Part-Time	0	3	3	0	3
Seasonal	0	0	0	0	0
<b>Total</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>0</b>	<b>106</b>
Payroll	5,321,800	5,914,000	5,878,300	0	5,878,300
Operational	5,183,200	5,106,900	5,117,600	0	5,117,600
<b>Total</b>	<b>\$10,505,000</b>	<b>\$11,020,900</b>	<b>\$10,995,900</b>	<b>\$0</b>	<b>\$10,995,900</b>
State	6,638,800	7,428,000	7,403,000	0	7,403,000
Federal	2,794,600	2,969,200	2,969,200	0	2,969,200
Other	1,071,600	623,700	623,700	0	623,700

### 305.05 Regional Library System

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

Full-Time	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>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	4,312,700	4,823,100	4,793,000	0	<b>4,793,000</b>
Operational	2,752,400	3,490,600	3,501,300	0	<b>3,501,300</b>
<b>Total</b>	<b>\$7,065,100</b>	<b>\$8,313,700</b>	<b>\$8,294,300</b>	<b>\$0</b>	<b>\$8,294,300</b>
State	6,492,800	7,491,200	7,471,800	0	<b>7,471,800</b>
Federal	419,500	627,500	627,500	0	<b>627,500</b>
Other	152,800	195,000	195,000	0	<b>195,000</b>

### 305.06 Library Construction

The Library Construction program provides grants to assist local public libraries with library construction projects.

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	1,400,000	400,000	0	<b>400,000</b>
<b>Total</b>	<b>\$0</b>	<b>\$1,400,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$400,000</b>
State	0	1,000,000	0	0	<b>0</b>
Federal	0	400,000	400,000	0	<b>400,000</b>
Other	0	0	0	0	<b>0</b>

## Economic Council on Women

### 305.08 Economic Council on Women

The 21-member Economic Council on Women, administratively attached to the Department of State, was established to address the economic concerns and needs of women in Tennessee.

The council conducts research, holds hearings, and develops policy recommendations relating to the effects of employment policies and practices, educational needs and opportunities, child care, property rights, health-care, domestic relations, and federal and state laws on women.

Full-Time	3	3	3	0	<b>3</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
Payroll	122,900	178,900	178,400	7,500	<b>185,900</b>
Operational	45,900	34,500	34,700	17,500	<b>52,200</b>
<b>Total</b>	<b>\$168,800</b>	<b>\$213,400</b>	<b>\$213,100</b>	<b>\$25,000</b>	<b>\$238,100</b>
State	161,300	145,400	145,100	25,000	<b>170,100</b>
Federal	0	10,000	10,000	0	<b>10,000</b>
Other	7,500	58,000	58,000	0	<b>58,000</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>305.00 Total Secretary of State</b>					
Full-Time	437	434	434	3	437
Part-Time	11	8	8	0	8
Seasonal	0	0	0	0	0
<b>Total</b>	<b>448</b>	<b>442</b>	<b>442</b>	<b>3</b>	<b>445</b>
Payroll	22,160,200	26,835,000	26,704,000	182,500	26,886,500
Operational	25,384,500	36,697,900	35,548,700	117,500	35,666,200
<b>Total</b>	<b>\$47,544,700</b>	<b>\$63,532,900</b>	<b>\$62,252,700</b>	<b>\$300,000</b>	<b>\$62,552,700</b>
State	20,930,800	29,277,000	27,996,800	300,000	28,296,800
Federal	12,751,500	23,806,700	23,806,700	0	23,806,700
Other	13,862,400	10,449,200	10,449,200	0	10,449,200

# Comptroller of the Treasury

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The Comptroller of the Treasury is a constitutional officer elected by the General Assembly. Statutory duties of the Comptroller include the audit of state and local governments, management of the state debt, support of the General Assembly and its committees, participation in the general financial and administrative management of state government, administration of property assessment for tax purposes, and support of local governments. The Comptroller administers the following functional areas: administrative and support services; bond finance services; offices of Research and Education Accountability; audit services; services to local governments; property assessment oversight; and appraisal of public utility and transportation properties.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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## 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.

### 307.01 Division of Administration

The Division of Administration provides direction, coordination, and supervision to the various divisions within the Comptroller's Office and includes operational funds for the office of the Comptroller of the Treasury.

Full-Time	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	620,700	817,500	815,300	0	815,300
Operational	119,000	301,700	303,100	0	303,100
<b>Total</b>	<b>\$739,700</b>	<b>\$1,119,200</b>	<b>\$1,118,400</b>	<b>\$0</b>	<b>\$1,118,400</b>
State	629,200	1,017,300	1,016,500	0	1,016,500
Federal	0	0	0	0	0
Other	110,500	101,900	101,900	0	101,900

### 307.02 Office of Management Services

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

Full-Time	52	52	52	1	53
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>1</b>	<b>53</b>
Payroll	3,202,100	3,536,800	3,522,000	43,400	3,565,400
Operational	2,584,400	4,777,200	4,781,900	2,511,600	7,293,500
<b>Total</b>	<b>\$5,786,500</b>	<b>\$8,314,000</b>	<b>\$8,303,900</b>	<b>\$2,555,000</b>	<b>\$10,858,900</b>



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	5,524,400	8,061,500	8,051,400	2,555,000	<b>10,606,400</b>
Federal	0	0	0	0	<b>0</b>
Other	262,100	252,500	252,500	0	<b>252,500</b>

### 307.03 Capitol Print Shop

The Capitol Print Shop, operated and administered by the Office of Management Services, is responsible for providing printing and duplicating services to the Legislature, constitutional offices, and other state agencies. Materials printed include budget and financial reports, memoranda, newsletters, legislative bills, public and private acts, House and Senate journals, and other miscellaneous materials. The print shop also provides collating, binding, folding, and stitching services.

Full-Time	12	12	12	0	<b>12</b>
Part-Time	0	0	0	0	<b>0</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	511,500	790,800	575,000	0	<b>575,000</b>
Operational	429,600	748,800	725,000	0	<b>725,000</b>
<b>Total</b>	<b>\$941,100</b>	<b>\$1,539,600</b>	<b>\$1,300,000</b>	<b>\$0</b>	<b>\$1,300,000</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	941,100	1,539,600	1,300,000	0	<b>1,300,000</b>

## Bond Finance Services

### 307.07 Division of Bond Finance

The Division of Bond Finance provides services related to the issuance, management, compliance, arbitrage administration, and maintenance of the state's general obligation debt. These services are fulfilled through the direction of the State Funding Board, the Tennessee Local Development Authority (TLDA), the Tennessee Housing Development Agency (THDA), and the Tennessee State School Bond Authority (TSSBA).

Full-Time	9	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>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>9</b>
Payroll	630,900	674,300	671,400	0	<b>671,400</b>
Operational	99,100	171,700	172,500	0	<b>172,500</b>
<b>Total</b>	<b>\$730,000</b>	<b>\$846,000</b>	<b>\$843,900</b>	<b>\$0</b>	<b>\$843,900</b>
State	273,300	409,400	408,800	0	<b>408,800</b>
Federal	0	0	0	0	<b>0</b>
Other	456,700	436,600	435,100	0	<b>435,100</b>

## Offices of Research and Education Accountability

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

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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of the Treasury, General Assembly, state agencies, and the public.

### 307.14 Offices of Research and Education Accountability

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

Full-Time	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	1,106,900	1,392,500	1,388,600	0	1,388,600
Operational	541,800	1,076,900	1,028,300	0	1,028,300
<b>Total</b>	<b>\$1,648,700</b>	<b>\$2,469,400</b>	<b>\$2,416,900</b>	<b>\$0</b>	<b>\$2,416,900</b>
State	1,223,700	1,666,800	1,614,300	0	1,614,300
Federal	0	0	0	0	0
Other	425,000	802,600	802,600	0	802,600

### 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. The audit divisions also provide for the audit of all municipalities, schools, and utility districts in the state. The divisions set rates for nursing facilities that participate in the state TennCare program and conduct financial related reviews of managed care organizations (MCOs) and behavioral health organizations (BHOs).

### 307.04 Division of State Audit

The Division of State Audit is responsible for providing an independent audit and evaluation of all departments, agencies, and units of state government. The division also conducts audits of entities that do not participate in the state centralized accounting system, such as colleges, universities, and community service agencies.

Full-Time	204	207	207	0	207
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>204</b>	<b>207</b>	<b>207</b>	<b>0</b>	<b>207</b>
Payroll	12,092,700	13,667,100	13,608,500	0	13,608,500
Operational	1,292,900	1,555,200	1,572,100	0	1,572,100
<b>Total</b>	<b>\$13,385,600</b>	<b>\$15,222,300</b>	<b>\$15,180,600</b>	<b>\$0</b>	<b>\$15,180,600</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	9,062,200	10,795,900	10,754,200	0	<b>10,754,200</b>
Federal	0	0	0	0	<b>0</b>
Other	4,323,400	4,426,400	4,426,400	0	<b>4,426,400</b>

### 307.05 Division of County Audit

In accordance with state law, the Division of County Audit prepares independent audits for all 95 counties of the state, establishes standards for county audits conducted by public accounting firms, and assists local governments with financial administration questions.

Full-Time	92	95	95	0	<b>95</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>92</b>	<b>95</b>	<b>95</b>	<b>0</b>	<b>95</b>
Payroll	6,376,300	7,083,600	7,053,500	0	<b>7,053,500</b>
Operational	845,100	912,800	921,500	0	<b>921,500</b>
<b>Total</b>	<b>\$7,221,400</b>	<b>\$7,996,400</b>	<b>\$7,975,000</b>	<b>\$0</b>	<b>\$7,975,000</b>
State	6,349,700	7,196,400	7,175,000	0	<b>7,175,000</b>
Federal	0	0	0	0	<b>0</b>
Other	871,700	800,000	800,000	0	<b>800,000</b>

### 307.06 Division of Municipal Audit

The Division of Municipal Audit is responsible for seeing that all municipalities, schools, utility districts, and certain not-for-profit organizations in Tennessee are audited as required by state law.

Full-Time	19	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>19</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>
Payroll	1,422,700	1,638,500	1,630,900	0	<b>1,630,900</b>
Operational	147,900	255,200	242,200	0	<b>242,200</b>
<b>Total</b>	<b>\$1,570,600</b>	<b>\$1,893,700</b>	<b>\$1,873,100</b>	<b>\$0</b>	<b>\$1,873,100</b>
State	1,349,100	1,678,700	1,658,100	0	<b>1,658,100</b>
Federal	0	0	0	0	<b>0</b>
Other	221,500	215,000	215,000	0	<b>215,000</b>

## Services to Local Governments

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

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 307.08 Office of Local Government

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

Full-Time	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	122,000	270,200	269,700	0	<b>269,700</b>
Operational	45,300	61,700	61,900	0	<b>61,900</b>
<b>Total</b>	<b>\$167,300</b>	<b>\$331,900</b>	<b>\$331,600</b>	<b>\$0</b>	<b>\$331,600</b>
State	167,300	331,900	331,600	0	<b>331,600</b>
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 307.12 Division of Local Finance

The Division of Local Finance implements laws relating to the financial operation of local units of government and other governmental entities. Division responsibilities include approving the budgets and debt obligations of local governments that have short-term debt outstanding at the end of the fiscal year; reviewing the statutory bonds for county officials and fiscal officers of school districts and emergency communication districts; approving investment programs submitted by cities, counties, and utility districts; reporting on plans by municipal electric systems to provide video cable and Internet services; and assisting local governments in areas of municipal 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	314,600	349,800	348,100	0	<b>348,100</b>
Operational	40,800	45,800	46,300	0	<b>46,300</b>
<b>Total</b>	<b>\$355,400</b>	<b>\$395,600</b>	<b>\$394,400</b>	<b>\$0</b>	<b>\$394,400</b>
State	355,400	395,600	394,400	0	<b>394,400</b>
Federal	0	0	0	0	0
Other	0	0	0	0	0

### Property Assessment and Appraisal

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

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 307.09 Division of Property Assessments

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

Full-Time	167	167	167	0	167
Part-Time	0	0	0	0	0
Seasonal	21	21	21	0	21
<b>Total</b>	<b>188</b>	<b>188</b>	<b>188</b>	<b>0</b>	<b>188</b>
Payroll	7,740,400	8,899,100	8,848,600	0	8,848,600
Operational	2,104,000	2,490,600	2,500,800	0	2,500,800
<b>Total</b>	<b>\$9,844,400</b>	<b>\$11,389,700</b>	<b>\$11,349,400</b>	<b>\$0</b>	<b>\$11,349,400</b>
State	7,784,800	9,604,700	9,564,400	0	9,564,400
Federal	0	0	0	0	0
Other	2,059,600	1,785,000	1,785,000	0	1,785,000

### 307.11 State Board of Equalization

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

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	455,800	504,100	501,200	0	501,200
Operational	2,419,600	2,489,000	2,489,600	0	2,489,600
<b>Total</b>	<b>\$2,875,400</b>	<b>\$2,993,100</b>	<b>\$2,990,800</b>	<b>\$0</b>	<b>\$2,990,800</b>
State	2,774,600	2,910,600	2,908,300	0	2,908,300
Federal	0	0	0	0	0
Other	100,800	82,500	82,500	0	82,500

### 307.15 Office of State Assessed Properties

The Office of State Assessed Properties annually assesses all public utility and transportation properties for tax purposes at the state, county, and municipal levels. These assessments are certified to local taxing jurisdictions for collection of property taxes. The division also assesses personal properties used or leased by public utility and transportation companies and conducts audits on these companies.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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	835,500	994,100	989,900	0	989,900
Operational	140,900	192,100	193,100	0	193,100
<b>Total</b>	<b>\$976,400</b>	<b>\$1,186,200</b>	<b>\$1,183,000</b>	<b>\$0</b>	<b>\$1,183,000</b>
State	876,300	1,061,200	1,058,000	0	1,058,000
Federal	0	0	0	0	0
Other	100,100	125,000	125,000	0	125,000

### 307.10 Tax Relief

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

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	9,328,500	17,750,000	17,750,000	0	17,750,000
<b>Total</b>	<b>\$9,328,500</b>	<b>\$17,750,000</b>	<b>\$17,750,000</b>	<b>\$0</b>	<b>\$17,750,000</b>
State	9,328,500	17,750,000	17,750,000	0	17,750,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 307.50 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. Payments to eligible telecommunications companies are formula-based as mandated by law. Funding provided to the Comptroller of the Treasury is exclusively for administrative expenses incurred by the Comptroller and for the required tax equity payments.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	17,155,600	17,982,100	17,982,100	0	17,982,100
<b>Total</b>	<b>\$17,155,600</b>	<b>\$17,982,100</b>	<b>\$17,982,100</b>	<b>\$0</b>	<b>\$17,982,100</b>
State	16,743,400	17,810,000	17,810,000	0	17,810,000
Federal	0	0	0	0	0
Other	412,200	172,100	172,100	0	172,100

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
<b>307.00 Total Comptroller of the Treasury</b>					
Full-Time	615	622	622	1	<b>623</b>
Part-Time	8	8	8	0	<b>8</b>
Seasonal	21	21	21	0	<b>21</b>
<b>Total</b>	<b>644</b>	<b>651</b>	<b>651</b>	<b>1</b>	<b>652</b>
Payroll	35,432,100	40,618,400	40,222,700	43,400	<b>40,266,100</b>
Operational	37,294,500	50,810,800	50,770,400	2,511,600	<b>53,282,000</b>
<b>Total</b>	<b>\$72,726,600</b>	<b>\$91,429,200</b>	<b>\$90,993,100</b>	<b>\$2,555,000</b>	<b>\$93,548,100</b>
State	62,441,900	80,690,000	80,495,000	2,555,000	<b>83,050,000</b>
Federal	0	0	0	0	<b>0</b>
Other	10,284,700	10,739,200	10,498,100	0	<b>10,498,100</b>

# Treasury Department

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

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 309.01 Treasury Department

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

Full-Time	205	213	213	8	221
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>205</b>	<b>213</b>	<b>213</b>	<b>8</b>	<b>221</b>
Payroll	11,869,500	14,202,700	14,139,900	616,200	14,756,100
Operational	4,604,300	8,050,900	6,220,700	1,587,100	7,807,800
<b>Total</b>	<b>\$16,473,800</b>	<b>\$22,253,600</b>	<b>\$20,360,600</b>	<b>\$2,203,300</b>	<b>\$22,563,900</b>
State	0	131,100	130,800	0	130,800
Federal	0	0	0	0	0
Other	16,473,800	22,122,500	20,229,800	2,203,300	22,433,100

### 309.02 Certified Public Administrators

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	51,800	497,200	497,200	0	497,200
<b>Total</b>	<b>\$51,800</b>	<b>\$497,200</b>	<b>\$497,200</b>	<b>\$0</b>	<b>\$497,200</b>



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	51,800	497,200	497,200	0	<b>497,200</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

### 309.05 Small and Minority-Owned Business Assistance Program

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

Full-Time	0	1	1	0	<b>1</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>1</b>	<b>1</b>	<b>0</b>	<b>1</b>
Payroll	0	60,000	69,600	0	<b>69,600</b>
Operational	0	2,080,100	80,100	100,000	<b>180,100</b>
<b>Total</b>	<b>\$0</b>	<b>\$2,140,100</b>	<b>\$149,700</b>	<b>\$100,000</b>	<b>\$249,700</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	0	2,140,100	149,700	100,000	<b>249,700</b>

### 309.00 Total Treasury Department

Full-Time	205	214	214	8	<b>222</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>205</b>	<b>214</b>	<b>214</b>	<b>8</b>	<b>222</b>
Payroll	11,869,500	14,262,700	14,209,500	616,200	<b>14,825,700</b>
Operational	4,656,100	10,628,200	6,798,000	1,687,100	<b>8,485,100</b>
<b>Total</b>	<b>\$16,525,600</b>	<b>\$24,890,900</b>	<b>\$21,007,500</b>	<b>\$2,303,300</b>	<b>\$23,310,800</b>
State	51,800	628,300	628,000	0	<b>628,000</b>
Federal	0	0	0	0	<b>0</b>
Other	16,473,800	24,262,600	20,379,500	2,303,300	<b>22,682,800</b>

# Claims and Compensation

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

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 313.03 Criminal Injuries Compensation

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	11,460,000	13,325,000	13,825,000	3,900,000	17,725,000
<b>Total</b>	<b>\$11,460,000</b>	<b>\$13,325,000</b>	<b>\$13,825,000</b>	<b>\$3,900,000</b>	<b>\$17,725,000</b>
State	7,920,000	9,909,900	8,770,000	3,900,000	12,670,000
Federal	3,177,000	3,415,100	5,055,000	0	5,055,000
Other	363,000	0	0	0	0

### 313.10 Risk Management Fund

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	31,075,500	51,886,100	54,433,200	0	54,433,200
<b>Total</b>	<b>\$31,075,500</b>	<b>\$51,886,100</b>	<b>\$54,433,200</b>	<b>\$0</b>	<b>\$54,433,200</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	31,075,500	51,886,100	54,433,200	0	54,433,200

### 313.20 Unclaimed Property

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	23,116,900	23,400,000	26,400,000	0	26,400,000
<b>Total</b>	<b>\$23,116,900</b>	<b>\$23,400,000</b>	<b>\$26,400,000</b>	<b>\$0</b>	<b>\$26,400,000</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	23,116,900	23,400,000	26,400,000	0	26,400,000

### 313.00 Total Claims and Compensation

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	65,652,400	88,611,100	94,658,200	3,900,000	98,558,200
<b>Total</b>	<b>\$65,652,400</b>	<b>\$88,611,100</b>	<b>\$94,658,200</b>	<b>\$3,900,000</b>	<b>\$98,558,200</b>
State	7,920,000	9,909,900	8,770,000	3,900,000	12,670,000
Federal	3,177,000	3,415,100	5,055,000	0	5,055,000
Other	54,555,400	75,286,100	80,833,200	0	80,833,200

# Executive Department

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

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>315.01 Governor's Office</b>					
Full-Time	37	41	41	0	41
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>37</b>	<b>41</b>	<b>41</b>	<b>0</b>	<b>41</b>
Payroll	2,478,600	3,608,200	3,598,000	0	<b>3,598,000</b>
Operational	788,100	970,200	954,900	0	<b>954,900</b>
<b>Total</b>	<b>\$3,266,700</b>	<b>\$4,578,400</b>	<b>\$4,552,900</b>	<b>\$0</b>	<b>\$4,552,900</b>
State	3,246,700	4,558,400	4,552,900	0	<b>4,552,900</b>
Federal	0	0	0	0	0
Other	20,000	20,000	0	0	0

# Tennessee 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. The THRC also monitors other state agencies' compliance with civil rights laws in the expenditure of federal funds.

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

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 316.04 Human Rights Commission

Full-Time	28	30	30	0	30
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>29</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>30</b>
Payroll	1,518,300	1,772,200	1,764,500	0	1,764,500
Operational	642,900	732,100	570,100	0	570,100
<b>Total</b>	<b>\$2,161,200</b>	<b>\$2,504,300</b>	<b>\$2,334,600</b>	<b>\$0</b>	<b>\$2,334,600</b>
State	1,461,300	1,621,500	1,620,500	0	1,620,500
Federal	668,800	882,800	714,100	0	714,100
Other	31,100	0	0	0	0

**Standard:** Maintain average case age for employment discrimination cases at 180 days.

**Measure:** Average case age for employment discrimination cases.

	160 days	150 days	150 days	0	150 days
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**Standard:** Maintain average case age for housing discrimination cases at 130 days.

**Measure:** Average case age for housing discrimination.

	128 days	125 days	125 days	0	125 days
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# Tennessee Regulatory Authority

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The Tennessee Regulatory Authority (TRA) is a quasi-judicial body which regulates certain utility companies. Leadership for the agency is comprised of four directors, three of whom are appointed to six-year terms by the Governor, House Speaker, and Senate Speaker, acting separately. The fourth director is appointed by the Governor, House Speaker, and Senate Speaker, acting 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; and administering the Telecommunications Device Access Program which provides telecommunications equipment to the state's deaf, blind, and hearing impaired population.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 316.11 Tennessee Regulatory Authority

Full-Time	81	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>0</b>	<b>81</b>
Payroll	5,322,400	6,198,500	6,172,200	0	6,172,200
Operational	2,313,700	2,156,300	2,184,900	0	2,184,900
<b>Total</b>	<b>\$7,636,100</b>	<b>\$8,354,800</b>	<b>\$8,357,100</b>	<b>\$0</b>	<b>\$8,357,100</b>
State	7,327,300	8,001,400	8,003,700	0	8,003,700
Federal	308,800	350,000	350,000	0	350,000
Other	0	3,400	3,400	0	3,400

**Standard:** Pursuant to statute, regulate the public utilities in Tennessee.

**Measure:** Percent of interconnection and resale agreements reviewed and deliberated within 90 days of filing.

100%	100%	100%	0	100%
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**Standard:** Pursuant to statute, administer Tennessee's gas pipeline safety program.

**Measure:** Number of natural gas incidents that occur each year that involve property damage and/or personal injury.

1	0	0	0	0
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**Standard:** Pursuant to statute, administer Tennessee's gas pipeline safety program.

**Measure:** Score on federal audit of the TRA's Gas Pipeline Safety Program.

95	98	96	0	96
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# Advisory Commission on Intergovernmental Relations

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

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

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

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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## 316.12 Advisory Commission on Intergovernmental Relations

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	1,230,500	1,407,800	1,401,900	0	1,401,900
Operational	1,091,600	1,009,200	1,015,600	0	1,015,600
<b>Total</b>	<b>\$2,322,100</b>	<b>\$2,417,000</b>	<b>\$2,417,500</b>	<b>\$0</b>	<b>\$2,417,500</b>
State	190,100	266,000	266,000	0	266,000
Federal	0	0	0	0	0
Other	2,132,000	2,151,000	2,151,500	0	2,151,500

# Department of Finance and Administration

## Performance-Based Budget

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

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

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 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.

#### 317.01 Division of Administration

The Division of Administration provides administrative support services for the department, including the commissioner's office. Legal, fiscal, human resources, internal information systems, and billing services are managed by the division.

Full-Time	137	137	137	0	137
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>138</b>	<b>138</b>	<b>138</b>	<b>0</b>	<b>138</b>
Payroll	6,986,000	9,224,600	9,188,500	0	9,188,500
Operational	3,564,100	3,822,600	3,833,700	0	3,833,700
<b>Total</b>	<b>\$10,550,100</b>	<b>\$13,047,200</b>	<b>\$13,022,200</b>	<b>\$0</b>	<b>\$13,022,200</b>
State	1,072,800	1,445,700	1,441,700	0	1,441,700
Federal	0	0	0	0	0
Other	9,477,300	11,601,500	11,580,500	0	11,580,500

**Standard:** Process 99% of all payrolls accurately.

**Measure:** Percent of payroll issued correctly.

99.9%	99.0%	99.0%	0	99.0%
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**Standard:** Achieve and retain post-audit status with the Division of Accounts.

**Measure:** Office of Business and Finance retain post-audit status.

Yes	Will apply	Will apply	0	Will apply
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 317.03 Office for Information Resources

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

Full-Time	479	444	444	0	<b>444</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>479</b>	<b>444</b>	<b>444</b>	<b>0</b>	<b>444</b>
Payroll	33,200,300	35,261,700	35,129,300	0	<b>35,129,300</b>
Operational	105,308,100	118,055,600	106,017,100	0	<b>106,017,100</b>
<b>Total</b>	<b>\$138,508,400</b>	<b>\$153,317,300</b>	<b>\$141,146,400</b>	<b>\$0</b>	<b>\$141,146,400</b>
State	0	2,275,000	2,275,000	0	<b>2,275,000</b>
Federal	0	0	0	0	<b>0</b>
Other	138,508,400	151,042,300	138,871,400	0	<b>138,871,400</b>

**Standard:** Planned budgets and schedules for infrastructure (data and voice networks) projects above \$500,000 do not exceed approved levels.

**Measure:** Percent of infrastructure projects meeting approved schedules and budgets.

60%	60%	65%	0	65%
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**Standard:** Availability of network and mainframe systems meets or exceeds industry standards on key infrastructure systems delivered.

**Measure:** State network availability as measured by the percent of end sites meeting the monthly availability target of 99%.

99.97%	99.00%	99.00%	0	99.00%
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**Standard:** Availability of network and mainframe systems meets or exceeds industry standards on key infrastructure systems delivered.

**Measure:** Mainframe system availability for key infrastructure systems (industry standard 98%).

99%	99%	99%	0	99%
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### 317.04 Insurance Administration

The Division of Insurance Administration administers the state-sponsored insurance benefits directed by the State, Local Education, and Local Government Insurance committees. All health-care plans are self-insured and include preferred provider organization (PPO), point of service (POS), and health maintenance organization (HMO) options.

Full-Time	40	64	64	0	<b>64</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>40</b>	<b>64</b>	<b>64</b>	<b>0</b>	<b>64</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	2,050,400	4,349,100	4,335,000	0	<b>4,335,000</b>
Operational	2,189,200	13,010,600	13,010,900	0	<b>13,010,900</b>
<b>Total</b>	<b>\$4,239,600</b>	<b>\$17,359,700</b>	<b>\$17,345,900</b>	<b>\$0</b>	<b>\$17,345,900</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	4,239,600	17,359,700	17,345,900	0	<b>17,345,900</b>

**Standard:** In order to minimize plan administrative cost, maintain Division of Insurance Administration spending at a level no greater than 0.5% of combined plan expenses.

**Measure:** On a calendar-year basis, limit division budget to no more than 0.5% of combined plan expenses.

.40% .45% .45% 0 .45%

**Standard:** Prepare and promote health benefits determinations and premium recommendations which result in annual financial results where expenses do not exceed revenue by more than 3% for more than two years in a row.

**Measure:** Compare combined expenses and income of each plan to determine level of accuracy - State Plan.

6.49% below revenue 3% above revenue 3% above revenue 0 3% above revenue

**Standard:** Prepare and promote health benefits determinations and premium recommendations which result in annual financial results where expenses do not exceed revenue by more than 3% for more than two years in a row.

**Measure:** Compare combined expenses and income of each plan to determine level of accuracy - Local Education Plan.

4.93% below revenue 3% above revenue 3% above revenue 0 3% above revenue

**Standard:** Prepare and promote health benefits determinations and premium recommendations which result in annual financial results where expenses do not exceed revenue by more than 3% for more than two years in a row.

**Measure:** Compare combined expenses and income of each plan to determine level of accuracy - Local Government Plan.

9.73% below revenue 3% above revenue 3% above revenue 0 3% above revenue

### 317.06 Criminal Justice Programs

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

Full-Time	21	21	21	0	<b>21</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>21</b>	<b>21</b>	<b>0</b>	<b>21</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	1,196,400	1,366,500	1,358,900	0	<b>1,358,900</b>
Operational	55,251,000	35,382,600	33,222,200	0	<b>33,222,200</b>
<b>Total</b>	<b>\$56,447,400</b>	<b>\$36,749,100</b>	<b>\$34,581,100</b>	<b>\$0</b>	<b>\$34,581,100</b>
State	5,066,300	9,296,500	7,002,300	0	<b>7,002,300</b>
Federal	21,268,800	27,425,800	27,572,000	0	<b>27,572,000</b>
Other	30,112,300	26,800	6,800	0	<b>6,800</b>

**Standard:** Provide services and reduce victimization for child victims of crime through child advocacy centers established across the state.

**Measure:** Number of child victims of crime who receive services to reduce child victimization through child advocacy centers across the state.

	12,202	12,000	12,500	0	12,500
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**Standard:** Train drug court managers in how to effectively initiate and implement drug courts across the state.

**Measure:** Number of drug court managers trained in how to initiate and manage drug courts across the state.

	130	65	150	0	150
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### 317.07 Resource Development and Support

The Resource Development and Support program is comprised of two core functions: contract review and approval and program operations audit and consulting. The division reviews and approves both service procurement processes and contracts; and carries out internal reviews, audits, and investigations to prevent fraud, abuse, and waste. Additional services provided include assisting state agencies in buying professional services and drafting professional contracts; providing an Internet-based service-provider registry designed to support competition; and helping state agencies solve management and operations problems by conducting operational process re-engineering studies, cost-benefit studies, and financial analysis.

Full-Time	21	21	21	0	<b>21</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>21</b>	<b>21</b>	<b>0</b>	<b>21</b>
Payroll	1,064,700	1,537,000	1,532,800	0	<b>1,532,800</b>
Operational	259,700	317,900	318,600	0	<b>318,600</b>
<b>Total</b>	<b>\$1,324,400</b>	<b>\$1,854,900</b>	<b>\$1,851,400</b>	<b>\$0</b>	<b>\$1,851,400</b>
State	1,175,800	1,669,500	1,666,400	0	<b>1,666,400</b>
Federal	0	0	0	0	<b>0</b>
Other	148,600	185,400	185,000	0	<b>185,000</b>

**Standard:** Average days to complete Office of Contracts Review (OCR) review of approved contracts.

**Measure:** Average number of days to complete OCR review of approved contracts.

	4	3	5	0	5
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<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Average days to complete OCR review of requests for proposals of approved contracts.

**Measure:** Average number of days to complete OCR review of requests for proposals of approved contracts.

5	5	6	0	6
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**Standard:** Percent of compliance with departmental annual internal audit plan.

**Measure:** Percent of compliance with departmental annual internal audit plan.

86%	80%	80%	0	80%
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**317.11 Volunteer Tennessee (National and Community Service)**

Volunteer Tennessee, formerly the Commission on National and Community Service, manages AmeriCorps subgrants, training, and disability outreach, funded through federal formula grants from the Corporation for National and Community Service, to meet needs in education, environment, low-income housing, child-abuse prevention, and health. The commission also provides training and evaluation services to the state Department of Education under a Learn and Serve America formula grant to increase academic learning and civic engagement, especially for at-risk youth. In addition, the commission administers national competitive AmeriCorps grants and Learn and Serve America community-based subgrants to after-school programs for methamphetamine abuse prevention.

Full-Time	8	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>9</b>
Payroll	394,700	520,800	519,100	0	519,100
Operational	3,357,700	4,034,500	4,034,800	0	4,034,800
<b>Total</b>	<b>\$3,752,400</b>	<b>\$4,555,300</b>	<b>\$4,553,900</b>	<b>\$0</b>	<b>\$4,553,900</b>
State	186,200	234,000	233,600	0	233,600
Federal	3,277,400	4,129,400	4,128,600	0	4,128,600
Other	288,800	191,900	191,700	0	191,700

**Standard:** Mobilize 350,000 volunteer hours to meet community needs in education, environment, public safety, human needs, and homeland security.

**Measure:** Number of volunteer hours mobilized to meet community needs in education, environment, public safety, human needs, and homeland security.

368,919	350,000	350,000	0	350,000
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**Standard:** Train 1,000 volunteer leaders and teachers in how to effectively mobilize volunteers through AmeriCorps and service learning.

**Measure:** Number of volunteer leaders and teachers trained in how to effectively mobilize volunteers through AmeriCorps and service learning.

1,082	1,000	1,000	0	1,000
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 317.15 State Health Planning Division

The State Health Planning division is charged with developing and maintaining a state health plan, which is intended to guide the improvement of health-care programs supported by state government. In addition, funding is provided for the e-health initiative, which is designed to help improve efficiencies in the electronic exchange of health-care data between governmental entities and various organizations in the health-care community.

Full-Time	5	5	5	2	7
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>2</b>	<b>7</b>
Payroll	168,900	405,900	405,400	349,900	755,300
Operational	2,096,700	113,900	113,900	33,760,900	33,874,800
<b>Total</b>	<b>\$2,265,600</b>	<b>\$519,800</b>	<b>\$519,300</b>	<b>\$34,110,800</b>	<b>\$34,630,100</b>
State	1,636,900	519,800	519,300	17,351,100	17,870,400
Federal	628,700	0	0	0	0
Other	0	0	0	16,759,700	16,759,700

**Standard:** Initiate and maintain state health plan.

**Measure:** Health plan is delivered by end of fiscal year.

	0%	100%	100%	0	100%
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### 317.17 Enterprise Resource Planning

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

Full-Time	84	112	112	0	112
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>84</b>	<b>112</b>	<b>112</b>	<b>0</b>	<b>112</b>
Payroll	2,218,600	8,393,700	8,380,100	0	8,380,100
Operational	1,438,400	33,564,300	18,463,600	0	18,463,600
<b>Total</b>	<b>\$3,657,000</b>	<b>\$41,958,000</b>	<b>\$26,843,700</b>	<b>\$0</b>	<b>\$26,843,700</b>
State	0	28,100,000	13,000,000	0	13,000,000
Federal	0	0	0	0	0
Other	3,657,000	13,858,000	13,843,700	0	13,843,700

**Standard:** Complete the system and user acceptance testing in support of the Edison implementation.

**Measure:** Complete successful user acceptance testing of Edison Human Resources / Payroll by November 1, 2007.

	Not Applicable	Not Applicable	100%	0	100%
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**Standard:** Develop and begin the implementation of training in support of the Edison Implementation.

**Measure:** Complete end user Human Resources / Payroll training for 90% of the user population by December 31, 2007.

	Not Applicable	Not Applicable	90%	0	90%
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<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Successfully implement the Human Resources / Payroll phase of Edison.

**Measure:** Implement the Human Resources / Payroll solution by December 31, 2007.

Not Applicable	50%	100%	0	100%
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### 317.18 Division of Shared Services

The Division of Shared Services provides transactional services to small agencies, boards, and commissions within the executive branch. Services include accounting, budgeting, human resources, payroll, and procurement. As the Enterprise Resource Planning system comes online, the division will provide transitional and long-term standardization and operational support to agencies utilizing this service.

Full-Time	0	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>
Payroll	0	682,000	682,000	0	682,000
Operational	0	180,000	180,000	0	180,000
<b>Total</b>	<b>\$0</b>	<b>\$862,000</b>	<b>\$862,000</b>	<b>\$0</b>	<b>\$862,000</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	862,000	862,000	0	862,000

### Fiscal and Management Services

This functional area develops and implements policies pertaining to the fiscal and managerial aspects of state government, including agency strategic planning, budgeting, accounting, and central state planning and policy development.

### 317.02 Division of Budget

In accordance with budget recommendations of the Governor and the Commissioner of Finance and Administration, the Division of Budget prepares the annual Budget Document and general appropriations bill for transmittal to the General Assembly. The division also is responsible for preparing the annual Work Program (enacted budget allotments) by adjusting the proposed budget to reflect final legislative action on the appropriations act and bond authorization act. The Budget includes both operational allotments and the capital outlay program. Throughout the year, the Division of Budget monitors spending by and state revenue collections of all state agencies. Under the 2002 Governmental Accountability Act, the Budget Staff assists the commissioner in overseeing the executive branch strategic planning process; program-performance monitoring and reporting; and preparing, based on state agency plans, an agency strategic plans document for transmittal to the General Assembly.

Full-Time	33	34	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>33</b>	<b>34</b>	<b>33</b>	<b>0</b>	<b>33</b>
Payroll	2,408,900	2,923,900	2,874,000	0	2,874,000
Operational	484,200	640,600	562,600	0	562,600
<b>Total</b>	<b>\$2,893,100</b>	<b>\$3,564,500</b>	<b>\$3,436,600</b>	<b>\$0</b>	<b>\$3,436,600</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	2,893,100	3,564,500	3,436,600	0	<b>3,436,600</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

**Standard:** Earn the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award as an indicator of Budget Document quality.

**Measure:** GFOA Distinguished Budget Presentation Award received or not.

Yes	Yes	Will Apply	0	Will apply
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**Standard:** In the fiscal year 2006-2007 Budget Document, achieve 50% as the portion of program performance measures that are outcome measures (among the official performance-based budget agencies).

**Measure:** Percent of program performance measures that are outcome measures (among the official performance-based budget agencies).

43%	50%	50%	0	50%
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### 317.05 Division of Accounts

The Division of Accounts maintains a system of general accounts. The division examines and approves all contracts and payrolls to ensure that funds are allotted and available for payment of obligations; audits and approves all payrolls and charges to the state to ensure appropriateness; makes monthly reports of receipts, expenditures, appropriations, allotments, encumbrances, and authorized payments; and reports any illegality or misappropriation of public properties to the Comptroller of the Treasury. The division also ensures state compliance with the Cash Management Improvement Act of 1990 and the federal Single Audit Act and plays an integral role in the development of the state's Comprehensive Annual Financial Report (CAFR).

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	4,383,900	5,314,200	5,287,500	0	<b>5,287,500</b>
Operational	6,495,500	7,013,000	7,012,000	0	<b>7,012,000</b>
<b>Total</b>	<b>\$10,879,400</b>	<b>\$12,327,200</b>	<b>\$12,299,500</b>	<b>\$0</b>	<b>\$12,299,500</b>
State	0	0	0	0	<b>0</b>
Federal	25,800	0	0	0	<b>0</b>
Other	10,853,600	12,327,200	12,299,500	0	<b>12,299,500</b>

**Standard:** Complete all tax filings by their deadlines.

**Measure:** Number of days after deadline when tax filings are made.

0	0	0	0	0
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**Standard:** The Comprehensive Annual Financial Report (CAFR) is completed and audited by December 31.

**Measure:** Number of days after December 31 that CAFR is prepared and audited.

0	0	0	0	0
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 317.23 State Planning Office

The State Planning Office provides research and policy-development assistance to the Governor and the Commissioner of Finance and Administration. Responsibilities include long-range planning, program development, policy research, and interagency planning coordination.

Full-Time	0	3	3	6	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>9</b>
Payroll	0	0	290,000	480,000	770,000
Operational	0	250,000	110,000	2,120,000	2,230,000
<b>Total</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$400,000</b>	<b>\$2,600,000</b>	<b>\$3,000,000</b>
State	0	250,000	400,000	2,600,000	3,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

### Capital Projects and Facilities Management Services

Facilities management services include the planning, construction, and utilization of state-owned real property. Included among this property are facilities which are part of the state office buildings and support facilities revolving fund.

### 317.10 Real Property Administration

The Real Property Administration program supervises all capital outlay projects involving any improvement or demolition of real property in which the state has an interest. The program must enforce the provisions of the Tennessee Public Buildings Accessibility Act, as well as the Tennessee Energy Conservation code. The program also makes space assignments, prepares long-range housing plans, manages leases, analyzes space needs and floor plans for departments, and coordinates their moves.

Full-Time	68	69	69	5	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>68</b>	<b>69</b>	<b>69</b>	<b>5</b>	<b>74</b>
Payroll	3,692,300	4,482,000	4,462,800	413,300	4,876,100
Operational	3,077,900	2,559,200	2,560,600	307,100	2,867,700
<b>Total</b>	<b>\$6,770,200</b>	<b>\$7,041,200</b>	<b>\$7,023,400</b>	<b>\$720,400</b>	<b>\$7,743,800</b>
State	2,288,600	2,941,600	2,931,800	720,400	3,652,200
Federal	0	0	0	0	0
Other	4,481,600	4,099,600	4,091,600	0	4,091,600

**Standard:** Design State Building Commission projects in a timely manner.

**Measure:** Percent of projects designed within 12 months of approval.

72%	75%	75%	0	75%
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**Standard:** Complete projects within original budgets approved by State Building Commission.

**Measure:** Percent of total annual projects completed within original approved budget.

87%	80%	80%	0	80%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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## TennCare Fraud and Abuse Prevention

### 317.12 Office of Inspector General

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

Full-Time	70	70	70	0	<b>70</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>0</b>	<b>70</b>
Payroll	3,407,600	4,105,900	4,091,500	0	<b>4,091,500</b>
Operational	966,900	1,497,800	1,488,200	0	<b>1,488,200</b>
<b>Total</b>	<b>\$4,374,500</b>	<b>\$5,603,700</b>	<b>\$5,579,700</b>	<b>\$0</b>	<b>\$5,579,700</b>
State	0	0	0	0	<b>0</b>
Federal	0	15,000	0	0	<b>0</b>
Other	4,374,500	5,588,700	5,579,700	0	<b>5,579,700</b>

**Standard:** The number of criminal arrests for TennCare fraud in a fiscal year by the OIG.

**Measure:** The number of criminal arrests for TennCare fraud in a fiscal year by the OIG.

	206	200	250	0	250
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### 317.00 Total Finance and Administration

Full-Time	1,047	1,080	1,079	13	<b>1,092</b>
Part-Time	1	1	1	0	<b>1</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,048</b>	<b>1,081</b>	<b>1,080</b>	<b>13</b>	<b>1,093</b>
Payroll	61,172,700	78,567,300	78,536,900	1,243,200	<b>79,780,100</b>
Operational	184,489,400	220,442,600	190,928,200	36,188,000	<b>227,116,200</b>
<b>Total</b>	<b>\$245,662,100</b>	<b>\$299,009,900</b>	<b>\$269,465,100</b>	<b>\$37,431,200</b>	<b>\$306,896,300</b>
State	14,319,700	50,296,600	32,906,700	20,671,500	<b>53,578,200</b>
Federal	25,200,700	31,570,200	31,700,600	0	<b>31,700,600</b>
Other	206,141,700	217,143,100	204,857,800	16,759,700	<b>221,617,500</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 development, and technical services.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 319.01 Executive Administration

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

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	1,001,600	1,244,200	1,250,700	0	1,250,700
Operational	1,447,200	1,919,000	1,921,400	0	1,921,400
<b>Total</b>	<b>\$2,448,800</b>	<b>\$3,163,200</b>	<b>\$3,172,100</b>	<b>\$0</b>	<b>\$3,172,100</b>
State	1,474,400	2,113,000	2,121,900	0	2,121,900
Federal	0	0	0	0	0
Other	974,400	1,050,200	1,050,200	0	1,050,200

**Standard:** Process personal services and delegated purchase authority contracts timely.

**Measure:** Process 95% of personal services and delegated purchase authority contracts within three days of being logged.

100%	95%	95%	0	95%
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### 319.02 Human Resource Development

Human Resource Development manages many of the services provided to state employees. Specific responsibilities include advising state employees about their benefits and rights of employment; maintaining compliance with state and federal equal employment opportunity and affirmative action laws, prohibiting unlawful employee discrimination; and monitoring and ensuring the state's compliance with the Americans with Disabilities Act requirements. The office also is responsible for hearing civil service appeals, conducting training courses for state employees, and supporting the efforts of the Title VI Compliance Commission.

Full-Time	20	20	20	3	23
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>3</b>	<b>32</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	1,118,400	1,470,400	1,370,900	197,200	<b>1,568,100</b>
Operational	1,346,500	1,435,500	1,438,100	19,200	<b>1,457,300</b>
<b>Total</b>	<b>\$2,464,900</b>	<b>\$2,905,900</b>	<b>\$2,809,000</b>	<b>\$216,400</b>	<b>\$3,025,400</b>
State	787,600	1,114,400	1,017,500	82,100	<b>1,099,600</b>
Federal	0	0	0	0	<b>0</b>
Other	1,677,300	1,791,500	1,791,500	134,300	<b>1,925,800</b>

**Standard:** Assist state agencies in carrying out special training projects.

**Measure:** Assist 70 agencies with special training projects annually.

70 70 70 10 80

**Standard:** Use participant evaluation of courses to determine the overall value of all programs to state employees with a target of 4.0 on a 5.0 scale.

**Measure:** Maintain 95% rate of all training courses evaluated at a minimum of 4.0 on a 5.0 scale.

97% 95% 95% 0 95%

**Standard:** Provide state agencies with group sessions focused on skill-based Equal Employment Opportunity (EEO) and Affirmative Action (AA) programs.

**Measure:** Provide state agencies with 21 group sessions focused on skill-based EEO and AA programs.

Not Applicable 18 21 9 30

### 319.03 Technical Services

Technical Services reviews and administers state employee compensation and position classifications. Other responsibilities include revising and administering civil service examinations, monitoring the civil service appointment process, auditing the state payroll, and reviewing and maintaining personnel data on private-sector organizations and southeastern state governments to assist in making recommendations on salary administration policy for the State of Tennessee.

Full-Time	79	79	79	0	<b>79</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>0</b>	<b>79</b>
Payroll	3,847,500	4,509,700	4,565,700	0	<b>4,565,700</b>
Operational	279,600	523,600	331,000	0	<b>331,000</b>
<b>Total</b>	<b>\$4,127,100</b>	<b>\$5,033,300</b>	<b>\$4,896,700</b>	<b>\$0</b>	<b>\$4,896,700</b>
State	1,613,900	2,170,000	2,241,800	0	<b>2,241,800</b>
Federal	0	0	0	0	<b>0</b>
Other	2,513,200	2,863,300	2,654,900	0	<b>2,654,900</b>

**Standard:** Develop, monitor, and revise career service job classifications according to legal guidelines and changing job requirements.

**Measure:** Complete 75% of assessments within 90 days (30 days prior to the statutory requirement) of new career service job classification establishment.

Not Applicable 65% 76% 0 76%

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**Standard:** Review and evaluate employment applications.

**Measure:** Review and evaluate 100% of requests for job titles requiring assessment of education and experience within 28 days of receipt.

60%	80%	100%	0	100%
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**319.00 Total Personnel**

Full-Time	115	115	115	3	<b>118</b>
Part-Time	9	9	9	0	<b>9</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>3</b>	<b>127</b>
Payroll	5,967,500	7,224,300	7,187,300	197,200	<b>7,384,500</b>
Operational	3,073,300	3,878,100	3,690,500	19,200	<b>3,709,700</b>
<b>Total</b>	<b>\$9,040,800</b>	<b>\$11,102,400</b>	<b>\$10,877,800</b>	<b>\$216,400</b>	<b>\$11,094,200</b>
State	3,875,900	5,397,400	5,381,200	82,100	<b>5,463,300</b>
Federal	0	0	0	0	<b>0</b>
Other	5,164,900	5,705,000	5,496,600	134,300	<b>5,630,900</b>

# 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.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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## Administrative Services

Administrative Services includes a variety of internal support services. Among these services are fiscal analysis and processing, legal services, auditing, and human resource management. The group also establishes and directs the official policies of the department.

### 321.01 Administration

The Administration Division provides assistance to all programs in General Services, establishes and directs the official policies related to departmental agency services, and provides fiscal, personnel, and legal services to the department. This division also operates the Governor's Office of Diversity Business Enterprise, which assists minority, women-owned, and small businesses participating in state contracting and procurement activities.

Full-Time	68	74	74	2	76
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>68</b>	<b>74</b>	<b>74</b>	<b>2</b>	<b>76</b>
Payroll	3,302,400	4,563,600	4,543,900	88,700	4,632,600
Operational	1,005,100	4,016,300	2,113,300	7,300	2,120,600
<b>Total</b>	<b>\$4,307,500</b>	<b>\$8,579,900</b>	<b>\$6,657,200</b>	<b>\$96,000</b>	<b>\$6,753,200</b>
State	417,800	506,500	511,800	0	511,800
Federal	0	0	0	0	0
Other	3,889,700	8,073,400	6,145,400	96,000	6,241,400

**Standard:** To refer minority, women-owned, and small businesses who are assessed not to be ready, willing, or able, to ECD for assistance in developing into viable businesses capable of competing successfully for the State's expenditures for goods and service.

**Measure:** Twenty-five percent of the businesses referred to ECD will complete the assistance program.

25%	25%	25%	0	25%
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**Standard:** To increase the registration of ready, willing, and able diversity businesses capable of providing goods and services procured by the State of Tennessee.

**Measure:** Achieve a 10% annual increase in the number of ready, willing, and able diversity businesses registered with the Governor's Office of Diversity Business Enterprise that can provide goods and services to the State of Tennessee.

10%	10%	10%	0	10%
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## Property Management and Utilization Services

The department's Property Management and Utilization Services functions 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-

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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owned facilities and grounds.

#### 321.04 Property Utilization

The Property Utilization program redistributes state and federal surplus property to state agencies, local governments, eligible non-profit organizations, and Small Business Administration participants. The program also administers a U.S. Department of Defense (DOD) program which redistributes excess DOD property to local law enforcement agencies for use in drug eradication and anti-terrorism activities.

Full-Time	22	23	23	1	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>1</b>	<b>24</b>
Payroll	847,700	1,008,400	987,900	33,900	1,021,800
Operational	1,633,800	859,700	858,100	87,000	945,100
<b>Total</b>	<b>\$2,481,500</b>	<b>\$1,868,100</b>	<b>\$1,846,000</b>	<b>\$120,900</b>	<b>\$1,966,900</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,481,500	1,868,100	1,846,000	120,900	1,966,900

**Standard:** Redistribute state property to political subdivisions of the state and other eligible organizations, or sell non-redistributed property to the general public.

**Measure:** Redistribute 100% of state property to political subdivisions, organizations, or sell to the general public within 90 days.

100%	100%	100%	0	100%
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**Standard:** Redistribute federal property to political subdivisions of the state or other eligible organizations.

**Measure:** Redistribute 85% of federal property to state political subdivisions or other eligible organizations.

65%	85%	85%	0	85%
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#### 321.06 Motor Vehicle Management

The Motor Vehicle Management Division (MVM) purchases, maintains, and salvages vehicles and motorized equipment as requested by state agencies. MVM also finances large motorized equipment purchases on behalf of state agencies that cannot independently purchase equipment in large volumes.

Full-Time	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	1,302,700	1,705,700	1,664,800	0	1,664,800
Operational	34,921,000	32,319,000	32,454,400	0	32,454,400
<b>Total</b>	<b>\$36,223,700</b>	<b>\$34,024,700</b>	<b>\$34,119,200</b>	<b>\$0</b>	<b>\$34,119,200</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	36,223,700	34,024,700	34,119,200	0	34,119,200

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Provide requested regular dispatch sedans to meet agency demands at an efficient cost.

**Measure:** Operate the regular dispatch sedan at a cost of \$0.21 per mile.

	\$0.21 per mile	\$0.21 per mile	\$0.21 per mile	0	\$0.21 per mile
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### 321.07 Property Management

The Property Management Services Division operates, manages, and maintains all facilities owned by the state office buildings and support facilities revolving fund (FRF) and coordinates state leases in private buildings. The division also supervises state employee parking lots.

Full-Time	211	210	208	0	<b>208</b>
Part-Time	1	1	1	0	<b>1</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>212</b>	<b>211</b>	<b>209</b>	<b>0</b>	<b>209</b>
Payroll	8,031,900	9,990,900	9,756,100	0	<b>9,756,100</b>
Operational	5,335,100	6,130,500	5,053,400	0	<b>5,053,400</b>
<b>Total</b>	<b>\$13,367,000</b>	<b>\$16,121,400</b>	<b>\$14,809,500</b>	<b>\$0</b>	<b>\$14,809,500</b>
State	1,428,900	1,472,200	1,497,800	0	<b>1,497,800</b>
Federal	0	0	0	0	<b>0</b>
Other	11,938,100	14,649,200	13,311,700	0	<b>13,311,700</b>

**Standard:** Perform preventive maintenance on or before scheduled maintenance dates.

**Measure:** Perform 95% of preventive maintenance on schedule.

	80%	95%	95%	0	95%
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**Standard:** Maintain all assigned property in a cost-effective manner.

**Measure:** Maintain property at a rate of no more than \$0.94/square foot (indirect).

	\$0.86	\$0.94	\$0.94	0	\$0.94
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## Interdepartmental Support Services

Interdepartmental Support Services functions are postal, printing, purchasing, records management, storage and distribution of supplies, and food preparation services to state departments and agencies.

### 321.02 Postal Services

The Postal Services Division provides centralized mail services for state government agencies in Davidson County, including interagency messenger service and delivery, pickup, and processing of U.S. mail for state agencies. The division operates a U.S. Post Office branch in a Nashville state office building.

Full-Time	64	62	62	0	<b>62</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>62</b>	<b>62</b>	<b>0</b>	<b>62</b>
Payroll	1,898,800	2,206,100	2,182,500	0	<b>2,182,500</b>
Operational	15,142,100	14,898,000	14,914,500	0	<b>14,914,500</b>
<b>Total</b>	<b>\$17,040,900</b>	<b>\$17,104,100</b>	<b>\$17,097,000</b>	<b>\$0</b>	<b>\$17,097,000</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	17,040,900	17,104,100	17,097,000	0	17,097,000

**Standard:** Maintain low cost per piece of mail.

**Measure:** Cost per piece to process 52,070,108 pieces of mail including all applicable postage, add-on fees, and administrative costs.

31.0 cents	33.0 cents	33.0 cents	-0.15 cents	31.5 cents cents
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**Standard:** Deliver U.S. mail received on the first dispatch within the same day.

**Measure:** Deliver 95% of U.S. mail received on first dispatch on the same day.

92%	95%	95%	0	95%
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**Standard:** Sort and deliver inter-office messenger mail within 24 hours of pick-up from sender.

**Measure:** Sort and deliver 100% of inter-office messenger mail within 24 hours of receipt.

100%	100%	100%	0	100%
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### 321.09 Printing

The Printing Division produces a full range of centralized graphic design, photography, printing, copying, and binding services for state and local governments. Other services include design of files for the Web, layout consultation, and development of document specifications.

Full-Time	52	52	52	1	53
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>1</b>	<b>53</b>
Payroll	1,756,100	2,309,900	2,298,700	46,100	2,344,800
Operational	2,110,300	2,504,500	2,522,100	431,100	2,953,200
<b>Total</b>	<b>\$3,866,400</b>	<b>\$4,814,400</b>	<b>\$4,820,800</b>	<b>\$477,200</b>	<b>\$5,298,000</b>
State	249,800	250,000	250,000	477,200	727,200
Federal	0	0	0	0	0
Other	3,616,600	4,564,400	4,570,800	0	4,570,800

**Standard:** Maintain high level of customer satisfaction.

**Measure:** Achieve a 95% "very satisfied" to "extremely satisfied" customer service rating.

95%	95%	95%	0	95%
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**Standard:** Deliver customer print requests on time.

**Measure:** Achieve a 95% on-time delivery rate.

92%	95%	95%	0	95%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 321.10 Purchasing

The Purchasing Division is the centralized procurement office for goods and services to state government. The division is responsible for the competitive bidding and administration of statewide and agency term contracts; processing agency one-time purchase orders exceeding \$5,000; and training state personnel in purchasing procedures through the Tennessee online purchasing system (TOPS).

Full-Time	52	52	52	4	56
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>4</b>	<b>56</b>
Payroll	1,746,400	2,378,300	2,360,800	156,800	2,517,600
Operational	2,409,300	2,021,800	2,037,300	62,000	2,099,300
<b>Total</b>	<b>\$4,155,700</b>	<b>\$4,400,100</b>	<b>\$4,398,100</b>	<b>\$218,800</b>	<b>\$4,616,900</b>
State	22,000	22,000	22,000	0	22,000
Federal	0	0	0	0	0
Other	4,133,700	4,378,100	4,376,100	218,800	4,594,900

**Standard:** Establish term contracts for state procurement needs.

**Measure:** Establish term contracts for 80% of state procurement needs.

78%	80%	80%	0	80%
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**Standard:** Process one-time procurement requisitions greater than \$5,000 in a timely manner.

**Measure:** Process one-time procurement requisitions greater than \$5,000 in less than 30 days.

30%	50%	60%	0	60%
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### 321.17 Records Management

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

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	719,100	891,600	894,100	0	894,100
Operational	501,800	542,900	548,800	0	548,800
<b>Total</b>	<b>\$1,220,900</b>	<b>\$1,434,500</b>	<b>\$1,442,900</b>	<b>\$0</b>	<b>\$1,442,900</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,220,900	1,434,500	1,442,900	0	1,442,900

**Standard:** Preserve documents through digital imaging, microfilm, and roll film.

**Measure:** Increase documents being preserved through digital imaging, microfilm, and roll film.

3,100,000	3,500,000	4,000,000	0	4,000,000
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 321.18 Central Stores

The Central Stores program is a central warehousing and distribution operation for state supplies, including office supplies, janitorial and maintenance supplies, and electronic communication supplies. Central Stores also stocks specialized forms, pamphlets, and envelopes for resale to state agencies.

Full-Time	26	23	23	2	<b>25</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>26</b>	<b>23</b>	<b>23</b>	<b>2</b>	<b>25</b>
Payroll	887,900	958,200	939,500	42,900	<b>982,400</b>
Operational	7,685,400	6,822,400	6,830,200	7,100	<b>6,837,300</b>
<b>Total</b>	<b>\$8,573,300</b>	<b>\$7,780,600</b>	<b>\$7,769,700</b>	<b>\$50,000</b>	<b>\$7,819,700</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	8,573,300	7,780,600	7,769,700	50,000	<b>7,819,700</b>

**Standard:** Fill orders received by Central Stores within an acceptable time frame.

**Measure:** Achieve an order fill rate of 86%.

86%	86%	86%	0	86%
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**Standard:** Turnover inventory at an acceptable rate allowing a reduction in costs associated with holding stagnant inventory.

**Measure:** Turnover inventory at least 6 times annually.

6 turns	6 turns	6 turns	0	6 turns
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### 321.19 Food Services Program

The Food Services Program (cook-chill) is responsible for the bidding, preparation, and supply of food to the departments of Correction, Children's Services, Education, Mental Health and Developmental Disabilities, and the Division of Mental Retardation Services. The program packages and distributes a variety of foodstuffs utilized by state agencies in feeding their populations.

Full-Time	4	4	4	0	<b>4</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>
Payroll	198,300	265,400	263,200	0	<b>263,200</b>
Operational	4,726,700	4,720,600	4,721,800	555,000	<b>5,276,800</b>
<b>Total</b>	<b>\$4,925,000</b>	<b>\$4,986,000</b>	<b>\$4,985,000</b>	<b>\$555,000</b>	<b>\$5,540,000</b>
State	0	0	0	555,000	<b>555,000</b>
Federal	0	0	0	0	<b>0</b>
Other	4,925,000	4,986,000	4,985,000	0	<b>4,985,000</b>

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**Standard:** Provide meals to certain populations of state wards across the state while maintaining the highest food quality and health standards.

**Measure:** Number of meals served.

	21,000,200	21,200,200	21,500,000	0	21,500,000
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**321.00 Total General Services**

Full-Time	557	558	556	10	<b>566</b>
Part-Time	1	1	1	0	<b>1</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>558</b>	<b>559</b>	<b>557</b>	<b>10</b>	<b>567</b>
Payroll	20,691,300	26,278,100	25,891,500	368,400	<b>26,259,900</b>
Operational	75,470,600	74,835,700	72,053,900	1,149,500	<b>73,203,400</b>
<b>Total</b>	<b>\$96,161,900</b>	<b>\$101,113,800</b>	<b>\$97,945,400</b>	<b>\$1,517,900</b>	<b>\$99,463,300</b>
State	2,118,500	2,250,700	2,281,600	1,032,200	<b>3,313,800</b>
Federal	0	0	0	0	<b>0</b>
Other	94,043,400	98,863,100	95,663,800	485,700	<b>96,149,500</b>

# Department of Veterans Affairs

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The Department of Veterans Affairs serves Tennessee's more than one-half million veterans, dependents, and survivors. Through a statewide power of attorney system, the department serves as an advocate, ensuring that veterans of the state receive quality care, support, and maximum earned entitlements. The department also operates and maintains the state's three veterans cemeteries, located within each grand division. The interment workloads at these cemeteries are among the highest in the nation. In addition to these duties, the department participates in programs that increase public awareness of the services and sacrifices made by veterans.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>323.00 Veterans Affairs</b>					
Full-Time	73	73	73	0	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>73</b>	<b>73</b>	<b>73</b>	<b>0</b>	<b>73</b>
Payroll	2,720,700	3,233,300	3,214,600	0	<b>3,214,600</b>
Operational	964,000	1,058,300	952,100	214,300	<b>1,166,400</b>
<b>Total</b>	<b>\$3,684,700</b>	<b>\$4,291,600</b>	<b>\$4,166,700</b>	<b>\$214,300</b>	<b>\$4,381,000</b>
State	3,159,100	3,678,300	3,696,400	214,300	<b>3,910,700</b>
Federal	391,500	360,000	360,000	0	<b>360,000</b>
Other	134,100	253,300	110,300	0	<b>110,300</b>

**Standard:** Maintain a 95% "satisfied" rating from the department's customers. Maintain and enhance a customer relations program to evaluate the quality of services provided.

**Measure:** Percent of satisfied customers.

100%	95%	95%	0	95%
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**Standard:** The department will increase the number of veterans contacted through field outreach services from 38 to 46.

**Measure:** Number of veterans contacted.

38	42	46	0	46
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# Department of Revenue

## Performance-Based Budget

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

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### Administrative Services

The departmental Administrative Services programs 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.

#### 347.01 Administration Division

The Administration Division provides overall policy management, support services, taxpayer hearings, and investigation of criminal acts for the department. Administrative functions are provided through the Commissioner's Office, Internal Audit and Consulting, Legal Services, Research, Fiscal Services, Human Resources, Special Investigations, and the Administrative Hearing Office.

Full-Time	128	126	126	1	127
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>128</b>	<b>126</b>	<b>126</b>	<b>1</b>	<b>127</b>
Payroll	7,173,700	8,310,000	8,340,600	53,900	8,394,500
Operational	2,878,100	2,936,400	1,681,100	42,200	1,723,300
<b>Total</b>	<b>\$10,051,800</b>	<b>\$11,246,400</b>	<b>\$10,021,700</b>	<b>\$96,100</b>	<b>\$10,117,800</b>
State	7,615,800	8,298,100	7,101,900	96,100	7,198,000
Federal	0	0	0	0	0
Other	2,436,000	2,948,300	2,919,800	0	2,919,800

**Standard:** Investigate and prosecute tax fraud timely.

**Measure:** Percent of tax cases assigned to Special Investigations closed within four months and cases older than four months closed as either fraud or prosecution.

97.87%	85.00%	90.00%	0	90.00%
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**Standard:** Minimize taxpayer conference decisions resulting in litigation.

**Measure:** Percent of taxpayer conference decisions not resulting in litigation.

88.9%	89.0%	85.0%	0	85.0%
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**Standard:** Issue taxpayer conference decisions in a timely manner.

**Measure:** Percent of taxpayer conference decisions issued within 90 days of the taxpayer conference.

78.5%	75.0%	77.0%	0	77.0%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 347.11 Information Technology Resources Division

The Information Technology Resources Division is responsible for planning, coordinating, and managing the information technology needs of the department, including defining and providing information technology solutions for business needs. The division facilitates all phases of information systems projects, including software development and purchases, installations, implementation, and hardware configuration.

Full-Time	80	93	93	0	<b>93</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>80</b>	<b>93</b>	<b>93</b>	<b>0</b>	<b>93</b>
Payroll	4,936,900	6,719,200	6,809,000	0	<b>6,809,000</b>
Operational	13,107,700	12,259,000	13,379,300	0	<b>13,379,300</b>
<b>Total</b>	<b>\$18,044,600</b>	<b>\$18,978,200</b>	<b>\$20,188,300</b>	<b>\$0</b>	<b>\$20,188,300</b>
State	13,987,100	15,405,100	16,611,300	0	<b>16,611,300</b>
Federal	0	0	0	0	<b>0</b>
Other	4,057,500	3,573,100	3,577,000	0	<b>3,577,000</b>

**Standard:** Revenue Integrated Tax System availability.

**Measure:** Revenue Integrated Tax System availability from 6:00 a.m. to 6:00 p.m., Monday through Friday.

99.35%	98.00%	98.00%	0	98.00%
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## Support Services

Support Services programs provide assistance to the operations of revenue collection services.

### 347.13 Taxpayer and Vehicle Services Division

The Taxpayer and Vehicle Services Division is responsible for taxpayer registration, taxpayer education, taxpayer assistance, and correction of posting errors. The program also is responsible for issuing, recording, and enforcing ownership titles; regulating the sale and distribution of vehicle license plates; and regulating these activities through the 95 county clerks. The program has employees in Nashville, Johnson City, Knoxville, Chattanooga, Jackson, and Memphis.

Full-Time	250	250	250	0	<b>250</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>0</b>	<b>250</b>
Payroll	9,116,700	11,035,000	11,063,600	0	<b>11,063,600</b>
Operational	18,890,800	22,716,000	17,336,100	0	<b>17,336,100</b>
<b>Total</b>	<b>\$28,007,500</b>	<b>\$33,751,000</b>	<b>\$28,399,700</b>	<b>\$0</b>	<b>\$28,399,700</b>
State	21,290,900	27,323,000	25,596,300	0	<b>25,596,300</b>
Federal	0	0	0	0	<b>0</b>
Other	6,716,600	6,428,000	2,803,400	0	<b>2,803,400</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Timely complete new monthly applications for tax registration, including applicable licenses and bonds.

**Measure:** Percent of new registration applications completed within 15 work days.

	96.95%	97.00%	97.00%	0	97.00%
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**Standard:** Reduce new balance cases through the predictive dialer.

**Measure:** Percent of new balance cases cleared by the predictive dialer each month.

	47.82%	75.00%	75.00%	0	75.00%
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### 347.16 Processing Division

The Processing Division ensures that funds due to the state of Tennessee are timely and accurately deposited and that taxpayer records are accurately updated. This program provides a means of collecting and processing more than 92 percent of state collections and accounting for those funds used to finance and operate most state programs. In addition, the program provides lockbox services to a variety of other state agencies, and collects and deposits funds on their behalf.

Full-Time	175	175	175	0	175
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
<b>Total</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>0</b>	<b>193</b>
Payroll	6,452,500	7,984,300	7,812,000	0	7,812,000
Operational	2,452,900	2,599,800	2,600,300	0	2,600,300
<b>Total</b>	<b>\$8,905,400</b>	<b>\$10,584,100</b>	<b>\$10,412,300</b>	<b>\$0</b>	<b>\$10,412,300</b>
State	6,491,900	8,249,700	7,931,700	0	7,931,700
Federal	0	0	0	0	0
Other	2,413,500	2,334,400	2,480,600	0	2,480,600

**Standard:** Timely deposit all state funds collected.

**Measure:** Percent of all state funds deposited within 24 hours of receipt.

	98.76%	98.50%	99.00%	0	99.00%
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**Standard:** Timely post tax documents.

**Measure:** Number of days to post 95% of tax documents.

	4.03 days	5.50 days	4.75 days	0	4.75 days
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**Standard:** Deposit checks accurately.

**Measure:** Percent of accuracy for all checks put on deposit.

	99.99%	99.50%	99.75%	0	99.75%
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### Revenue Collection Services

Revenue Collection Services programs collect taxes and fees and ensure proper compliance by taxpayers. The responsibilities associated with these services include administering all state taxes for corporations doing business in Tennessee; enforcing laws and regulations regarding the inspection and taxation of petroleum products; administering the provisions of specific laws

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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regarding the taxation of tobacco products, gifts, inheritances, estates, firearms, gross receipts, liquor by the drink, beer, and other taxes; administering the Hall income tax on stocks and bonds; administering the provisions of the Tennessee sales and use tax laws; and collecting delinquent taxes owed to the state of Tennessee.

### 347.02 Tax Enforcement Division

The Tax Enforcement Division enforces the collection of delinquent tax liability that results when taxpayers fail to remit their taxes on a timely basis or are considered to have under-reported tax liabilities in relation to state tax statutes. The program's ultimate goal is voluntary compliance with regard to the tax collection process. Work assignments of a delinquent nature are generated through the Revenue Integrated Tax System. Tasks include in-state and out-of-state collections, investigating and recommending offers to compromise tax liabilities, recording and releasing tax liens, negotiating payment agreements, and filing of legal claims. The division has a central office in Nashville and nine regional offices throughout the state.

Full-Time	136	141	141	0	141
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>136</b>	<b>141</b>	<b>141</b>	<b>0</b>	<b>141</b>
Payroll	6,514,700	7,699,500	7,700,000	0	7,700,000
Operational	1,135,300	1,539,500	1,473,600	0	1,473,600
<b>Total</b>	<b>\$7,650,000</b>	<b>\$9,239,000</b>	<b>\$9,173,600</b>	<b>\$0</b>	<b>\$9,173,600</b>
State	5,229,900	6,790,600	6,549,800	0	6,549,800
Federal	0	0	0	0	0
Other	2,420,100	2,448,400	2,623,800	0	2,623,800

**Standard:** Collect delinquent taxes due.

**Measure:** Percent of delinquent taxes collected.

17.94%	17.50%	18.00%	0	18.00%
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**Standard:** Collect or resolve case inventory.

**Measure:** Percent of case inventory over 90 days old should be no greater than 10%.

7.82%	10.00%	10.00%	0	10.00%
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### 347.14 Audit Division

The Audit Division provides tax audit services, including audit examination, refund processing, penalty waiver processing, and taxpayer discovery. The division conducts tax audits of taxpayers subject to Tennessee tax law, encourages voluntary compliance with state tax laws, and assists in educating taxpayers regarding tax laws and filing requirements. The program accomplishes this by centralized management of audit resources, providing fair and objective audit selection, and by conducting tax audits that achieve target coverage levels. The Audit Division maintains nine in-state offices, five out-of-state offices, and several out-of-state post-of-duty stations.

Full-Time	359	362	362	0	362
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>359</b>	<b>362</b>	<b>362</b>	<b>0</b>	<b>362</b>



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	21,755,100	24,950,900	24,897,200	0	<b>24,897,200</b>
Operational	3,412,500	4,061,400	3,851,300	0	<b>3,851,300</b>
<b>Total</b>	<b>\$25,167,600</b>	<b>\$29,012,300</b>	<b>\$28,748,500</b>	<b>\$0</b>	<b>\$28,748,500</b>
State	16,596,900	20,545,700	19,726,200	0	<b>19,726,200</b>
Federal	0	22,000	22,000	0	<b>22,000</b>
Other	8,570,700	8,444,600	9,000,300	0	<b>9,000,300</b>

**Standard:** Audit taxpayers subject to Tennessee tax law.

**Measure:** Percent of taxpayer population audited.

3.66%	2.78%	2.70%	0	2.70%
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**Standard:** Process claims for refund timely.

**Measure:** Percent of claims for refund processed within 45 days.

92.9%	94.0%	92.0%	0	92.0%
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## Regulatory Services

The Criminal Investigations Division Anti-Theft Unit inspects all specially constructed and reconstructed vehicles to limit violations of Tennessee's automobile theft laws and provides investigative support in felony cases.

### 347.18 CID Anti-Theft Unit

The Criminal Investigations Division (CID) Anti-Theft Unit's primary responsibility is to inspect all specially constructed and reconstructed vehicles and is funded by an inspection fee that re-builders and individuals pay to have their titles converted. This program is regulatory in nature and was established for the purpose of combating theft.

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	619,100	857,600	854,700	0	<b>854,700</b>
Operational	29,400	188,000	199,500	0	<b>199,500</b>
<b>Total</b>	<b>\$648,500</b>	<b>\$1,045,600</b>	<b>\$1,054,200</b>	<b>\$0</b>	<b>\$1,054,200</b>
State	648,500	1,045,600	1,054,200	0	<b>1,054,200</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

**Standard:** Inspect salvage/rebuilt vehicles within 30 days of receiving request for inspection.

**Measure:** Percent of salvage/rebuilt vehicles inspected within 30 days.

91.0%	80.0%	80.0%	0	80.0%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>347.00 Total Revenue</b>					
Full-Time	1,138	1,157	1,157	1	1,158
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1,156</b>	<b>1,175</b>	<b>1,175</b>	<b>1</b>	<b>1,176</b>
Payroll	56,568,700	67,556,500	67,477,100	53,900	67,531,000
Operational	41,906,700	46,300,100	40,521,200	42,200	40,563,400
<b>Total</b>	<b>\$98,475,400</b>	<b>\$113,856,600</b>	<b>\$107,998,300</b>	<b>\$96,100</b>	<b>\$108,094,400</b>
State	71,861,000	87,657,800	84,571,400	96,100	84,667,500
Federal	0	22,000	22,000	0	22,000
Other	26,614,400	26,176,800	23,404,900	0	23,404,900

# Miscellaneous Appropriations

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The Miscellaneous Appropriations allotment includes funding for personal-services and benefits rate adjustments and operational rate adjustments affecting all state agencies and other state obligations not addressed elsewhere in the budget. The Miscellaneous Appropriations are line-item appropriations in Section 1 of the general appropriations bill.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</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	1,700	0	0	0	0
Operational	32,084,600	75,459,700	46,244,800	139,028,500	<b>185,273,300</b>
<b>Total</b>	<b>\$32,086,300</b>	<b>\$75,459,700</b>	<b>\$46,244,800</b>	<b>\$139,028,500</b>	<b>\$185,273,300</b>
State	32,086,300	75,459,700	46,244,800	139,028,500	<b>185,273,300</b>
Federal	0	0	0	0	0
Other	0	0	0	0	0

# 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 is inadvertently made. This fund may not be used to fund any law requiring the expenditure of state funds unless an appropriation is made elsewhere in the general appropriations act for the estimated first-year cost. Expenditures from this fund are authorized only by Executive Order of the Governor.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>353.00 Emergency and Contingency Fund</b>					
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	819,300	819,300	0	<b>819,300</b>
<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	<b>819,300</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

# State Building Commission

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The State Building Commission's Major Maintenance and Equipment program is utilized for major, non-routine maintenance and equipment replacement for state-owned physical facilities. Projects are funded only by approval of the State Building Commission, which consists of the Governor, Commissioner of Finance and Administration, speakers of the Senate and House of Representatives, Secretary of State, Comptroller of the Treasury, and State Treasurer.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>355.02 Major Maintenance and Equipment</b>					
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	197,600	400,000	400,000	0	<b>400,000</b>
<b>Total</b>	<b>\$197,600</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$400,000</b>
State	197,600	250,000	250,000	0	<b>250,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	150,000	150,000	0	<b>150,000</b>



# Education

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# Education

## Recommended Budget, Fiscal Year 2007 – 2008

**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.

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.

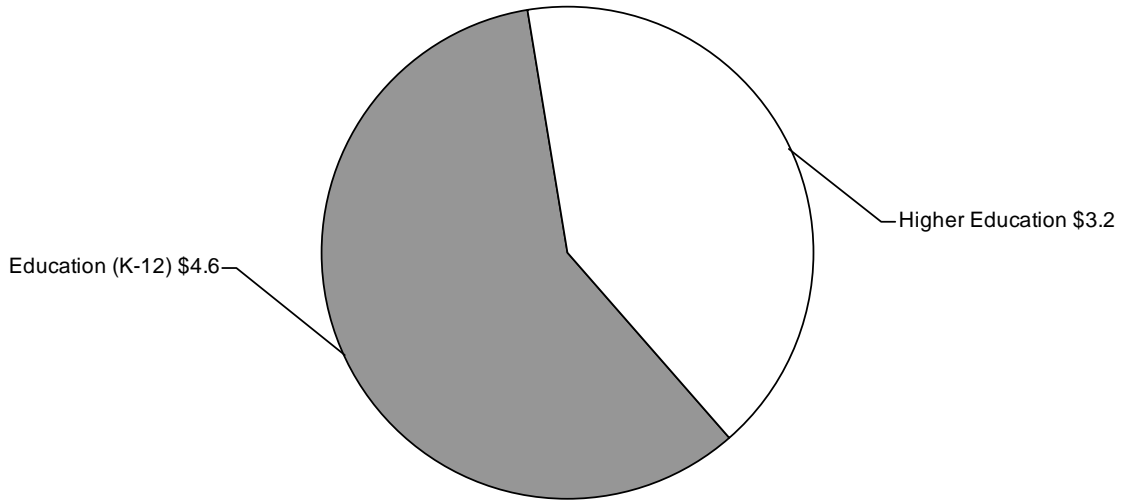
### **Improvements and Program Statements**

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government, (2) a statement of recommended improvements for the ensuing fiscal year; (3) 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 (4) program performance measures.

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 2007 - 2008 Recommended



In Billions

\$7,892,017,400 Total

## Education Total Personnel and Funding

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Recommended 2007-2008</u>
<b>Personnel</b>			
Full Time *	24,421	25,000	25,008
Part Time	676	677	677
Seasonal	0	0	0
<b>TOTAL</b>	<b><u>25,097</u></b>	<b><u>25,677</u></b>	<b><u>25,685</u></b>
<b>Expenditures</b>			
Payroll	\$64,822,800	\$78,935,500	\$79,166,900
Operational	6,818,487,400	7,384,216,800	7,812,850,500
<b>TOTAL</b>	<b><u>\$6,883,310,200</u></b>	<b><u>\$7,463,152,300</u></b>	<b><u>\$7,892,017,400</u></b>
<b>Funding **</b>			
State	\$4,468,333,900	\$4,912,404,500	\$5,319,288,900
Federal	1,018,811,400	1,078,653,200	1,074,199,600
Other	503,922,400	538,594,800	522,029,100
Tuition/Fees	892,242,500	933,499,800	976,499,800
* Includes Higher Education's unrestricted education and general personnel.			
** Includes Lottery funded programs and Education funding			
<b>Lottery-Funded Programs</b>			
State	\$168,562,800	\$250,300,000	\$271,900,000
Other	24,690,600	25,000,000	25,000,000
<b>SUBTOTAL</b>	<b><u>\$193,253,400</u></b>	<b><u>\$275,300,000</u></b>	<b><u>\$296,900,000</u></b>
<b>Education Fund</b>			
State	\$4,299,771,100	\$4,662,104,500	\$5,047,388,900
Federal	1,018,811,400	1,078,653,200	1,074,199,600
Other	479,231,800	513,594,800	497,029,100
Tuition/Fees	892,242,500	933,499,800	976,499,800
<b>SUBTOTAL</b>	<b><u>\$6,690,056,800</u></b>	<b><u>\$7,187,852,300</u></b>	<b><u>\$7,595,117,400</u></b>
<b>TOTAL EDUCATION</b>	<b><u><u>\$6,883,310,200</u></u></b>	<b><u><u>\$7,463,152,300</u></u></b>	<b><u><u>\$7,892,017,400</u></u></b>

## Education Improvements for Fiscal Year 2007-2008

	State	Federal	Other	Total	Positions
<b>Education (K-12)</b>					
• <b>Basic Education Program (BEP)</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>	\$83,000,000	\$0	\$0	\$83,000,000	0
<b>Sub-total</b>	\$83,000,000	\$0	\$0	\$83,000,000	0
• <b>BEP At-Risk Students</b>					
To fully fund the BEP component 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. This will increase funding of at-risk children in all grades from 38.5 percent to 100 percent. This item is funded from the proposed 40-cent increase in the cigarette tax.					
<b>331.25 BEP and Other LEA Support</b>	\$119,300,000	\$0	\$0	\$119,300,000	0
<b>Sub-total</b>	\$119,300,000	\$0	\$0	\$119,300,000	0
• <b>BEP Student Enrollment - Current Census Basis</b>					
To provide additional BEP funding for student enrollment in the funding formula on a current-year student census basis. Previously, funding was provided on a current-year census basis only for local education agencies that experienced extraordinary growth in enrollment from the previous year. This item is funded from the proposed 40-cent increase in the cigarette tax.					
<b>331.25 BEP and Other LEA Support</b>	\$27,200,000	\$0	\$0	\$27,200,000	0
<b>Sub-total</b>	\$27,200,000	\$0	\$0	\$27,200,000	0
• <b>Pre-K Program</b>					
To provide additional funding from the general fund for pre-kindergarten and early childhood education programs. These funds will expand the program by an additional 200 pre-kindergarten classrooms targeted to at-risk children and cover the inflationary costs of the existing classrooms. A program consultant position and three program evaluator positions will provide on-site evaluation and assistance for the additional classrooms.					
<b>331.32 Early Childhood Education</b>	\$25,000,000	\$0	\$0	\$25,000,000	4
<b>Sub-total</b>	\$25,000,000	\$0	\$0	\$25,000,000	4
• <b>Administration Legislation - Benchmark Testing</b>					
To provide funding to administer benchmark testing for every 8th and 10th grader in Tennessee. The tests results from 8th graders will be used to identify gaps in knowledge and to design individual learning plans to bring students up to speed within two years. The tests administered in the 10th grade will determine the effectiveness of the individual learning plans. This testing program will be part of an effort to increase the graduation rate.					
<b>331.11 Accountability and Assessment</b>	\$1,200,000	\$0	\$0	\$1,200,000	0
<b>Sub-total</b>	\$1,200,000	\$0	\$0	\$1,200,000	0

## Education Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Administration Legislation - Threats of Violence</b>					
To provide funds for training, data collection, and monitoring associated with school safety initiatives, including the expansion of zero-tolerance policy to encompass bomb threats.					
<b>331.09 Improving Schools Program</b>	\$50,000	\$0	\$0	\$50,000	0
<b>Sub-total</b>	\$50,000	\$0	\$0	\$50,000	0
<b>• Governor's Institute for Science and Math</b>					
To provide funding for the first year of operation of a residential science and math high school. The school will open in August 2007 and will be located at the Tennessee School for the Deaf campus in Knoxville. The first class of students will be limited to 24 enrollees. Oversight and staffing of the school will be provided by the University of Tennessee at Knoxville.					
<b>331.96 Governor's Institute for Science and Math</b>	\$1,270,000	\$0	\$0	\$1,270,000	0
<b>Sub-total</b>	\$1,270,000	\$0	\$0	\$1,270,000	0
<b>• Teachers' Salary Increase</b>					
To fund the state share of a 1 percent salary increase on July 1, 2007, for teachers and other positions funded through the Basic Education Program formula.					
<b>331.25 BEP and Other LEA Support</b>	\$22,300,000	\$0	\$0	\$22,300,000	0
<b>Sub-total</b>	\$22,300,000	\$0	\$0	\$22,300,000	0
<b>• Salary Bonus</b>					
To fund the state share of a one-time salary bonus for all licensed personnel in local education agencies. The appropriation is equal to the cost of a 2 percent statewide salary increase, but will be distributed in equal dollar amounts to each recipient.					
<b>331.25 BEP and Other LEA Support</b>	\$44,600,000	\$0	\$0	\$44,600,000	0
<b>Sub-total</b>	\$44,600,000	\$0	\$0	\$44,600,000	0
<b>• Group Health Insurance - January 1, 2007</b>					
To provide funding to annualize the state share of the January 1, 2007, 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>	\$7,200,000	\$0	\$0	\$7,200,000	0
<b>Sub-total</b>	\$7,200,000	\$0	\$0	\$7,200,000	0
<b>• Group Health Insurance - January 1, 2008</b>					
To fund the state share of a January 1, 2008, 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>	\$11,300,000	\$0	\$0	\$11,300,000	0
<b>Sub-total</b>	\$11,300,000	\$0	\$0	\$11,300,000	0

## Education Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Testing</b>					
To provide recurring funds for test materials, processing, assessment, and reporting, as required by the federal Individuals with Disabilities Education Act (IDEA) and No Child Left Behind Act (NCLB). An amount of \$434,000 will support greater than anticipated student population increases. An appropriation of \$750,800 will allow for the addition of a comprehensive English Language Learner assessment that will be used to measure the progress of students classified as English Language Learners. Another \$2,010,500 will provide test materials for a modified assessment test of special education students who have persistent academic disabilities.					
<b>331.11 Accountability and Assessment</b>	\$3,195,300	\$0	\$0	\$3,195,300	0
<b>Sub-total</b>	\$3,195,300	\$0	\$0	\$3,195,300	0
<b>• Tennessee Early Intervention Services</b>					
To provide funds for an increased number of children served by Tennessee Early Intervention Services and for inflationary costs. The program provides home-based services to parents and other primary-care providers and direct services to children with disabilities, from birth to age three.					
<b>331.95 Tennessee Early Intervention Services</b>	\$1,305,000	\$0	\$0	\$1,305,000	0
<b>Sub-total</b>	\$1,305,000	\$0	\$0	\$1,305,000	0
<b>• Governor's Books from Birth Foundation</b>					
To fully fund the state match for counties participating in the Governor's Books from Birth program and for inflationary costs. These funds will allow the foundation to provide a hardcover, age-appropriate book each month to enrolled children, from birth to age five, at no cost to the family.					
<b>331.22 Governor's Books from Birth Fund</b>	\$750,000	\$0	\$0	\$750,000	0
<b>Sub-total</b>	\$750,000	\$0	\$0	\$750,000	0
<b>• Science Alliance Museums</b>					
To provide funds for increased program and operating expenses at the Tennessee Science Alliance museums. These museums provide educational experiences that complement classroom work to over 320,000 students in all 95 counties annually. Museums include the Hands-On Regional Museum in Johnson City, the East Tennessee Discovery Center in Knoxville, the Creative Discovery Museum in Chattanooga, the Adventure Science Center in Nashville, and the Pink Palace Family of Museums in Memphis. This item increases the recurring grant from \$750,000 to \$1 million.					
<b>331.02 Grants-in-Aid</b>	\$250,000	\$0	\$0	\$250,000	0
<b>Sub-total</b>	\$250,000	\$0	\$0	\$250,000	0
<b>• FFA and 4-H Foundation</b>					
To provide non-recurring grants of \$500,000 each to Future Farmers of America (FFA) and the 4-H Foundation.					
<b>331.02 Grants-in-Aid</b>	\$1,000,000	\$0	\$0	\$1,000,000	0
<b>Sub-total</b>	\$1,000,000	\$0	\$0	\$1,000,000	0

## Education Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Literacy</b>					
To provide a non-recurring grant to Save the Children to target literacy improvement, focused on grades 1-3 in under-served schools. Save the Children will work in partnership with local schools and community-based organizations to provide a combination of in-school, after-school, and summer literacy programming to help children improve their reading skills.					
<b>331.02 Grants-in-Aid</b>	\$2,000,000	\$0	\$0	\$2,000,000	0
<b>Sub-total</b>	\$2,000,000	\$0	\$0	\$2,000,000	0
<b>• Teacher Training and Experience</b>					
To fund growth in teacher training and experience at the state Special Schools.					
<b>331.90 Alvin C. York Institute</b>	\$58,500	\$0	\$0	\$58,500	0
<b>331.91 Tennessee School for the Blind</b>	\$49,900	\$0	\$0	\$49,900	0
<b>331.92 Tennessee School for the Deaf</b>	\$49,300	\$0	\$0	\$49,300	0
<b>331.93 West Tennessee School for the Deaf</b>	\$12,300	\$0	\$0	\$12,300	0
<b>331.95 Tennessee Early Intervention Services</b>	\$20,900	\$0	\$0	\$20,900	0
<b>Sub-total</b>	\$190,900	\$0	\$0	\$190,900	0
<b>• School for the Blind - Outreach Program</b>					
To provide funds for an additional teaching position for the Tennessee School for the Blind outreach program. The program provides local education agencies and their visually-challenged students with consultation, student assessment, and evaluation services. The program caseload has tripled in the past five years.					
<b>331.91 Tennessee School for the Blind</b>	\$85,500	\$0	\$0	\$85,500	1
<b>Sub-total</b>	\$85,500	\$0	\$0	\$85,500	1
<b>• West Tennessee School for the Deaf</b>					
To provide funds for staffing needs at the West Tennessee School for the Deaf, including a teacher position and an educational assistant position to lower the student-to-teacher ratio, which is necessary for students with multiple handicaps; a custodian for a new campus facility; and a procurement officer to solve workload and separation of duties issues.					
<b>331.93 West Tennessee School for the Deaf</b>	\$143,400	\$0	\$0	\$143,400	4
<b>Sub-total</b>	\$143,400	\$0	\$0	\$143,400	4
<b>• York Institute Operating Costs</b>					
To fund operating costs at Alvin C. York Institute. An amount of \$50,000 will provide adequate funding to implement a four-year computer replacement cycle and \$55,000 will provide for increased utility costs.					
<b>331.90 Alvin C. York Institute</b>	\$105,000	\$0	\$0	\$105,000	0
<b>Sub-total</b>	\$105,000	\$0	\$0	\$105,000	0

## Education Improvements for Fiscal Year 2007-2008

	State	Federal	Other	Total	Positions
<b>Total Education (K-12)</b>	\$351,445,100	\$0	\$0	\$351,445,100	9

### Higher Education - State Administered Programs

- **Community College Tuition Waiver**

To fund a community college tuition waiver program from recurring lottery for education revenues. The appropriation will provide 100 percent of public community college tuition and fees to Tennessee high school graduates who score a 19 on the ACT composite, the ACT reading component, and the ACT math component and enter college immediately after high school. The program, which will provide motivation to high school students, is part of an effort to increase high school and college graduation rates.

<b>332.19 Lottery for Education Account</b>	\$10,000,000	\$0	\$0	\$10,000,000	0
<b>Sub-total</b>	\$10,000,000	\$0	\$0	\$10,000,000	0

- **Lottery HOPE Scholars**

To provide funding from recurring lottery for education revenues for an increase in the base HOPE Scholars award levels. The amounts will increase from \$3,800 to \$4,000 at the four-year schools and from \$1,900 to \$2,000 at the two-year schools. Other awards, which are based on the HOPE award levels, will increase accordingly.

<b>332.19 Lottery for Education Account</b>	\$9,300,000	\$0	\$0	\$9,300,000	0
<b>Sub-total</b>	\$9,300,000	\$0	\$0	\$9,300,000	0

- **Access and Diversity Initiative**

To continue higher education access and diversity initiatives at a level of \$10 million, including \$1.7 million in the base budget and \$8.3 million in program improvements, after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The \$10 million appropriation continuation includes allotments to the Higher Education Commission (Contract Education), the University of Tennessee, and the State Board of Regents system. The success of a 5-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be most effective in the settlement program. The Contract Education improvement of \$120,000 will provide increased funding for participation in the Southern Regional Education Board's doctoral scholars program. The program's goal is to increase the number of minority students who earn doctoral degrees and to create additional opportunities for minority graduate students to become tenured faculty members at colleges and universities.

<b>332.02 Contract Education</b>	\$120,000	\$0	\$0	\$120,000	0
<b>Sub-total</b>	\$120,000	\$0	\$0	\$120,000	0



## Education Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Operational Support</b>					
To provide additional operating funds for higher education with the intent of maintaining the current percent of formula funding and of limiting tuition increases to a range of 5 to 6 percent. In the higher education budget, the state-funded improvement is a total of \$48.3 million, including \$37 million to academic formula units and \$11.3 million to the specialized units. This item is funded from the proposed 40-cent increase in the cigarette tax.					
<b>332.01 Tennessee Higher Education Commission</b>	\$90,200	\$0	\$0	\$90,200	0
<b>332.02 Contract Education</b>	\$96,400	\$0	\$0	\$96,400	0
<b>332.05 Tennessee Student Assistance Corporation</b>	\$58,900	\$0	\$0	\$58,900	0
<b>332.08 Centers of Excellence</b>	\$763,500	\$0	\$0	\$763,500	0
<b>332.09 THEC Grants</b>	\$180,300	\$0	\$0	\$180,300	0
<b>332.11 Campus Centers of Emphasis</b>	\$55,800	\$0	\$0	\$55,800	0
<b>332.14 Foreign Language Institute</b>	\$14,100	\$0	\$0	\$14,100	0
<b>Sub-total</b>	\$1,259,200	\$0	\$0	\$1,259,200	0
<b>• Need-based Student Financial Aid</b>					
To provide funds for expansion of the Tennessee Student Assistance Awards (TSAA) program to additional students. The TSAA program provides grants to financially needy undergraduate students who are residents of Tennessee. This appropriation will allow the program to offer awards to an additional 1,850 students. There are currently approximately 19,000 TSAA recipients. This item is funded from the proposed 40-cent increase in the cigarette tax.					
<b>332.03 Tennessee Student Assistance Awards</b>	\$3,800,000	\$0	\$0	\$3,800,000	0
<b>Sub-total</b>	\$3,800,000	\$0	\$0	\$3,800,000	0
<b>Total Higher Education - State Administered Programs</b>	<b>\$24,479,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,479,200</b>	<b>0</b>

## Education Improvements for Fiscal Year 2007-2008

	State	Federal	Other	Total	Positions
<b>University of Tennessee</b>					
<b>• Operational Support</b>					
To provide additional operating funds for higher education with the intent of maintaining the current percent of formula funding and of limiting tuition increases to a range of 5 to 6 percent. In the higher education budget, the state-funded improvement is a total of \$48.3 million, including \$37 million to academic formula units and \$11.3 million to the specialized units. This item is funded from the proposed 40-cent increase in the cigarette tax.					
<b>332.10 UT University-Wide Administration</b>	\$170,000	\$0	\$0	\$170,000	0
<b>332.15 UT Institute for Public Service</b>	\$191,900	\$0	\$0	\$191,900	0
<b>332.16 UT Municipal Technical Advisory Service</b>	\$77,600	\$0	\$0	\$77,600	0
<b>332.17 UT County Technical Assistance Service</b>	\$59,800	\$0	\$0	\$59,800	0
<b>332.23 UT Space Institute</b>	\$320,300	\$0	\$0	\$320,300	0
<b>332.25 UT Agricultural Experiment Station</b>	\$961,000	\$0	\$0	\$961,000	0
<b>332.26 UT Agricultural Extension Service</b>	\$1,149,100	\$0	\$0	\$1,149,100	0
<b>332.28 UT Veterinary Medicine</b>	\$634,100	\$0	\$0	\$634,100	0
<b>332.30 UT Health Science Center</b>	\$2,740,800	\$0	\$0	\$2,740,800	0
<b>332.32 UT Family Medicine</b>	\$383,000	\$0	\$0	\$383,000	0
<b>332.34 UT College of Medicine</b>	\$1,878,500	\$0	\$0	\$1,878,500	0
<b>332.40 UT Chattanooga</b>	\$1,334,800	\$0	\$2,084,500	\$3,419,300	0
<b>332.42 UT Knoxville</b>	\$7,388,000	\$0	\$9,197,600	\$16,585,600	0
<b>332.44 UT Martin</b>	\$1,065,800	\$0	\$1,618,900	\$2,684,700	0
<b>Sub-total</b>	\$18,354,700	\$0	\$12,901,000	\$31,255,700	0
<b>• UT Biofuels Center</b>					
To provide non-recurring funds for start-up costs of a biofuels facility capable of producing five million gallons of biomass-based ethanol per year. Biomass fuel is produced from woody materials, including corn stalk and switchgrass, and is more economical than corn-based ethanol. This facility will be part of an initiative that will help establish a new industry sector across the state that creates jobs, generates increased state and local tax revenues, and provides farmers with a new production crop. This facility is part of a comprehensive plan for Tennessee's alternative fuel strategy, which includes research funding to increase switchgrass production, achieve efficiencies in cellulosic ethanol production, and to find other non-biomass alternative fuel sources. In addition, agricultural incentives will help Tennessee farmers tap into the new farm-based fuels market and produce switchgrass in the quantities required to supply the pilot ethanol facility. A capital budget improvement for land acquisition, construction, and equipment is presented in the Capital Budget section of this document. The facility will be self-supporting from production revenues after five years of operation.					
<b>332.12 UT Research Initiatives</b>	\$8,250,000	\$0	\$0	\$8,250,000	0
<b>Sub-total</b>	\$8,250,000	\$0	\$0	\$8,250,000	0

## Education Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Access and Diversity Initiative</b>					
To continue higher education access and diversity initiatives at a level of \$10 million, including \$1.7 million in the base budget and \$8.3 million in program improvements, after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The \$10 million appropriation continuation includes allotments to the Higher Education Commission (Contract Education), the University of Tennessee, and the State Board of Regents system. The success of a 5-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be most effective in the settlement program. An appropriation of approximately \$1,500,000 will fund scholarships for high school students graduating from areas of the state that have been underrepresented at University of Tennessee institutions. An amount of \$800,000 will provide graduate fellowships and professional program scholarships. Another \$399,400 will provide seed money for departments for faculty recruitment and retention.					
<b>332.21 UT Access and Diversity Initiative</b>	\$2,699,400	\$0	\$0	\$2,699,400	0
<b>Sub-total</b>	\$2,699,400	\$0	\$0	\$2,699,400	0
<b>Total University of Tennessee</b>	<b>\$29,304,100</b>	<b>\$0</b>	<b>\$12,901,000</b>	<b>\$42,205,100</b>	<b>0</b>

## Education Improvements for Fiscal Year 2007-2008

	<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 additional operating funds for higher education with the intent of maintaining the current percent of formula funding and of limiting tuition increases to a range of 5 to 6 percent. In the higher education budget, the state-funded improvement is a total of \$48.3 million, including \$37 million to academic formula units and \$11.3 million to the specialized units. This item is funded from the proposed 40-cent increase in the cigarette tax.						
<b>332.53</b>	<b>Southwest Tennessee Community College</b>	\$591,500	\$0	\$1,362,800	\$1,954,300	0
<b>332.54</b>	<b>Nashville State Technical Community College</b>	\$983,700	\$0	\$711,600	\$1,695,300	0
<b>332.55</b>	<b>Pellissippi State Technical Community College</b>	\$1,020,500	\$0	\$924,300	\$1,944,800	0
<b>332.56</b>	<b>Northeast State Technical Community College</b>	\$868,000	\$0	\$509,200	\$1,377,200	0
<b>332.60</b>	<b>Tennessee Board of Regents</b>	\$182,500	\$0	\$0	\$182,500	0
<b>332.62</b>	<b>TSU McMinnville Center</b>	\$20,300	\$0	\$0	\$20,300	0
<b>332.65</b>	<b>ETSU College of Medicine</b>	\$1,059,200	\$0	\$0	\$1,059,200	0
<b>332.67</b>	<b>ETSU Family Practice</b>	\$212,700	\$0	\$0	\$212,700	0
<b>332.70</b>	<b>Austin Peay State University</b>	\$1,643,700	\$0	\$1,891,600	\$3,535,300	0
<b>332.72</b>	<b>East Tennessee State University</b>	\$1,922,800	\$0	\$3,009,900	\$4,932,700	0
<b>332.74</b>	<b>University of Memphis</b>	\$4,734,000	\$0	\$5,380,800	\$10,114,800	0
<b>332.75</b>	<b>Middle Tennessee State University</b>	\$4,719,700	\$0	\$5,543,200	\$10,262,900	0
<b>332.77</b>	<b>Tennessee State University</b>	\$617,600	\$0	\$3,114,700	\$3,732,300	0
<b>332.78</b>	<b>Tennessee Technological University</b>	\$1,342,300	\$0	\$2,168,200	\$3,510,500	0
<b>332.80</b>	<b>Chattanooga State Technical Community College</b>	\$695,700	\$0	\$879,700	\$1,575,400	0
<b>332.81</b>	<b>Cleveland State Community College</b>	\$309,500	\$0	\$316,400	\$625,900	0
<b>332.82</b>	<b>Columbia State Community College</b>	\$587,900	\$0	\$454,500	\$1,042,400	0
<b>332.84</b>	<b>Dyersburg State Community College</b>	\$409,700	\$0	\$257,000	\$666,700	0
<b>332.86</b>	<b>Jackson State Community College</b>	\$498,000	\$0	\$465,500	\$963,500	0
<b>332.88</b>	<b>Motlow State Community College</b>	\$525,800	\$0	\$378,500	\$904,300	0
<b>332.90</b>	<b>Roane State Community College</b>	\$784,300	\$0	\$586,000	\$1,370,300	0
<b>332.94</b>	<b>Volunteer State Community College</b>	\$948,000	\$0	\$736,000	\$1,684,000	0
<b>332.96</b>	<b>Walters State Community College</b>	\$893,300	\$0	\$576,700	\$1,470,000	0
<b>332.98</b>	<b>Tennessee Technology Centers</b>	\$3,115,400	\$0	\$832,400	\$3,947,800	0
<b>Sub-total</b>		\$28,686,100	\$0	\$30,099,000	\$58,785,100	0

## Education Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Land Grant Match - Tennessee State University</b>					
To provide funds to match federal 1890 land grant college appropriations. The land grant program of the U. S. Department of Agriculture helps finance agricultural research and extension at the TSU Institute of Agricultural and Environmental Research and the TSU Cooperative Extension Program. This appropriation will allow TSU to enhance its research and extension capacities.					
<b>332.63 TSU Agricultural Research and Extension</b>	\$2,000,000	\$0	\$0	\$2,000,000	0
<b>Sub-total</b>	\$2,000,000	\$0	\$0	\$2,000,000	0
<b>• Access and Diversity Initiative</b>					
To continue higher education access and diversity initiatives at a level of \$10 million, including \$1.7 million in the base budget and \$8.3 million in program improvements, after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The \$10 million appropriation continuation includes allotments to the Higher Education Commission (Contract Education), the University of Tennessee, and the State Board of Regents system. The success of a 5-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be most effective in the settlement program. An appropriation of approximately \$3,420,600 will fund financial assistance programs. An amount of \$1,000,000 will fund targeted student recruitment and readiness programs. Another \$400,000 will fund campus-based faculty recruitment and retention initiatives. Tennessee State University's downtown Avon Williams Campus administrative operations will be supported by an appropriation of \$360,000. An amount of \$300,000 will continue Board of Regents staffing to oversee access and diversity initiatives in the Regents system.					
<b>332.59 Regents Access and Diversity Initiative</b>	\$5,480,600	\$0	\$0	\$5,480,600	0
<b>Sub-total</b>	\$5,480,600	\$0	\$0	\$5,480,600	0
<b>• Equipment Replacement - Technology Centers</b>					
To provide non-recurring funds for the replacement of training equipment at the 27 Technology Centers across the state. This is the first year in a three-year replacement plan.					
<b>332.98 Tennessee Technology Centers</b>	\$7,000,000	\$0	\$0	\$7,000,000	0
<b>Sub-total</b>	\$7,000,000	\$0	\$0	\$7,000,000	0
<b>Total State University and Community College System</b>	<b>\$43,166,700</b>	<b>\$0</b>	<b>\$30,099,000</b>	<b>\$73,265,700</b>	<b>0</b>
<b>Total Higher Education</b>	<b>\$96,950,000</b>	<b>\$0</b>	<b>\$43,000,000</b>	<b>\$139,950,000</b>	<b>0</b>
<b>Total Education</b>	<b>\$448,395,100</b>	<b>\$0</b>	<b>\$43,000,000</b>	<b>\$491,395,100</b>	<b>9</b>

# Department of Education (K-12)

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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.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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## Administration and the State Board of Education

Administration and the State Board of Education is organized into three program areas: Administration, Governor's Books from Birth Fund, and State Board of Education.

### 331.01 Administration

Administration functions include policy development, planning, maintenance of the Basic Education Program (BEP) funding formula model, financial management advisory services to LEAs, and collection of student membership data. Sections in Administration include: commissioner's office; internal audit; personnel, central accounts, and budget; teacher licensing; local finance; public information; and research and information services.

Full-Time	117	119	118	0	118
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>117</b>	<b>119</b>	<b>118</b>	<b>0</b>	<b>118</b>
Payroll	6,441,800	7,832,700	7,733,600	0	7,733,600
Operational	1,930,400	2,440,500	2,509,600	0	2,509,600
<b>Total</b>	<b>\$8,372,200</b>	<b>\$10,273,200</b>	<b>\$10,243,200</b>	<b>\$0</b>	<b>\$10,243,200</b>
State	6,167,000	8,735,700	8,668,800	0	8,668,800
Federal	2,131,100	1,516,100	1,498,000	0	1,498,000
Other	74,100	21,400	76,400	0	76,400

**Standard:** Reduce transaction time for teacher licenses.

**Measure:** Teacher license transaction time in weeks.

5	2	2	0	2
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### 331.22 Governor's Books from Birth Fund

The Governor's Books from Birth Fund is the primary funding source for the Governor's Books from Birth Foundation. The foundation is a non-profit entity in partnership with the Dollywood Foundation to implement the Imagination Library across Tennessee and is administratively attached to the department. The goal of the Governor's Books from Birth Foundation is to ensure that Tennessee children are reading at grade level by the end of the third grade. The foundation funds 50 percent of each participating county's cost of providing one hardcover, age-appropriate book each month to children from birth to age five at no cost to the family.

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 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	3,322,400	2,692,300	2,692,300	750,000	3,442,300
<b>Total</b>	<b>\$3,322,400</b>	<b>\$2,692,300</b>	<b>\$2,692,300</b>	<b>\$750,000</b>	<b>\$3,442,300</b>
State	2,011,400	2,692,300	2,692,300	750,000	3,442,300
Federal	0	0	0	0	0
Other	1,311,000	0	0	0	0

**Standard:** Have an Imagination Library in all 95 counties in Tennessee.

**Measure:** Number of counties enrolled in Imagination Library.

95	95	95	0	95
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**Standard:** Enroll eligible children in the Imagination Library.

**Measure:** Percent of eligible children enrolled.

34%	54%	76%	0	76%
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### 331.07 State Board of Education

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

Full-Time	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	579,900	629,500	627,300	0	627,300
Operational	175,300	210,200	212,800	0	212,800
<b>Total</b>	<b>\$755,200</b>	<b>\$839,700</b>	<b>\$840,100</b>	<b>\$0</b>	<b>\$840,100</b>
State	755,200	839,700	840,100	0	840,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Develop and distribute the Master Plan for Tennessee schools.

**Measure:** Publication and distribution of Master Plan for Tennessee schools.

Yes	Yes	Will submit by Nov. 1	0	Will submit by Nov. 1
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**Standard:** Develop and submit the Basic Education Program Review Committee Report.

**Measure:** Submission of the Basic Education Program Review Committee Report.

Yes	Yes	Will submit by Nov. 1	0	Will submit by Nov. 1
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### State Support of LEA Programs

The department provides support for a number of initiatives designed to address specific needs and special programs at the local level. Much of this support is provided directly to the local education agencies (LEAs). The programs are: BEP and Other LEA Support; K-12 School

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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Construction; Early Childhood Education; After-School Programs; Career Ladder; Grants-In-Aid; Driver Education; Technology, Infrastructure, and Support Systems; Accountability and Assessment; Curriculum and Instruction; and Training and Professional Development.

### 331.25 BEP and Other LEA Support

The Basic Education Program (BEP) formula determines the funding level each school system needs in order to provide a basic level of service for all students. This formula is based on student enrollment in the different grade levels and programs, as well as specific costs for materials, supplies, equipment, and other operating costs. A county's relative ability to pay for education is taken into consideration in determining each system's required local share of the education funds generated by the BEP formula.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	2,941,172,400	3,155,816,300	3,134,496,300	314,900,000	3,449,396,300
<b>Total</b>	<b>\$2,941,172,400</b>	<b>\$3,155,816,300</b>	<b>\$3,134,496,300</b>	<b>\$314,900,000</b>	<b>\$3,449,396,300</b>
State	2,941,046,000	3,155,696,300	3,134,496,300	314,900,000	3,449,396,300
Federal	0	0	0	0	0
Other	126,400	120,000	0	0	0

**Standard:** Ensure small class sizes for the best possible learning environment.

**Measure:** Number of the 136 local education agencies with 100% compliance on class size requirements.

136	136	136	0	136
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**Standard:** Increase student graduation rate.

**Measure:** Percent of students graduating from high school (as defined by No Child Left Behind).

77.9%	90.0%	79.8%	0	79.8%
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### 331.32 Early Childhood Education

The Early Childhood Education initiative was established to promote successful pre-kindergarten programs and prepare children for academic success, with emphasis on children at risk of failure. The Office of Early Learning coordinates and supports this initiative, in addition to school-age child care, Family Resource Centers, Even Start, and Head Start. The funding for this program may include an amount not to exceed \$25 million, when excess lottery proceeds are available, after meeting higher education lottery scholarship requirements. The lottery funds are reflected here as other departmental revenue.

Full-Time	31	31	31	4	35
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>4</b>	<b>35</b>
Payroll	1,529,300	2,021,000	2,011,700	226,700	2,238,400
Operational	40,661,900	60,987,900	60,354,300	24,773,300	85,127,600
<b>Total</b>	<b>\$42,191,200</b>	<b>\$63,008,900</b>	<b>\$62,366,000</b>	<b>\$25,000,000</b>	<b>\$87,366,000</b>



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	14,073,100	34,547,700	34,540,200	25,000,000	<b>59,540,200</b>
Federal	3,427,500	3,461,200	2,825,800	0	<b>2,825,800</b>
Other	24,690,600	25,000,000	25,000,000	0	<b>25,000,000</b>

**Standard:** Increase the number of at-risk students who participate in quality pre-kindergarten.

**Measure:** The number of at-risk students who participate in quality pre-kindergarten.

	9,072	9,000	9,000	3,000	12,000
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**Standard:** Track the TCAP scores of the participants in the pre-kindergarten program and demonstrate a statistically significant difference between students who participate in the program versus peers who are at-risk due to low socio-economic status.

**Measure:** Track the Reading TCAP scores of pre-K participants and demonstrate a statistical difference between those who participated and those who did not.

	.28	Maintain .2 or above	Maintain .2 or above	0	Maintain .2 or above
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### 331.19 After-School Programs Special Account

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

Full-Time	1	3	3	0	<b>3</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
Payroll	60,700	170,100	169,600	0	<b>169,600</b>
Operational	4,022,900	12,329,900	12,130,400	0	<b>12,130,400</b>
<b>Total</b>	<b>\$4,083,600</b>	<b>\$12,500,000</b>	<b>\$12,300,000</b>	<b>\$0</b>	<b>\$12,300,000</b>
State	4,083,600	12,500,000	12,300,000	0	<b>12,300,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

**Standard:** Provide after-school programs for primarily at-risk students to enhance academic achievement.

**Measure:** Number of students served with Lottery for Education After-School Programs funding.

	10,500	2,500	11,000	0	11,000
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**Standard:** Increase the availability of after-school services for at-risk students.

**Measure:** Percent of students served who meet identified at-risk criteria.

	81%	54%	65%	0	65%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 331.10 Career Ladder

The Comprehensive Education Reform Act of 1984 established the Career Ladder program designed to promote staff development among teachers, principals, and supervisors, and to reward with substantial pay supplements those evaluated as outstanding and who accept additional responsibilities as applicable.

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	75,349,700	78,919,200	74,919,200	0	74,919,200
<b>Total</b>	<b>\$75,349,700</b>	<b>\$78,919,200</b>	<b>\$74,919,200</b>	<b>\$0</b>	<b>\$74,919,200</b>
State	75,349,700	78,919,200	74,919,200	0	74,919,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** All Career Ladder educators will receive their supplements as prescribed by law.

**Measure:** Percent of eligible Career Ladder educators receiving supplements.

100%	100%	100%	0	100%
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### 331.02 Grants-in-Aid

Grants-In-Aid provides funding to enhance educational opportunities for students through grants to educational/public television, the Tennessee Holocaust Commission, the Science Alliance museums, and the Tennessee Alliance of Boys and Girls Clubs. Other grants, funded on a non-recurring basis, also are included in this allotment. (No performance standard is provided because this program funds grants to various organizations.)

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	3,885,100	6,367,600	4,393,900	3,250,000	7,643,900
<b>Total</b>	<b>\$3,885,100</b>	<b>\$6,367,600</b>	<b>\$4,393,900</b>	<b>\$3,250,000</b>	<b>\$7,643,900</b>
State	3,885,100	6,367,600	4,393,900	3,250,000	7,643,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 331.43 Driver Education

Driver Education utilizes earmarked funds from a portion of the privilege taxes on litigation to support a driver education program for the purpose of teaching highway safety and good driving skills to teenage drivers.

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

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	1,492,300	1,700,000	1,700,000	0	1,700,000
<b>Total</b>	<b>\$1,492,300</b>	<b>\$1,700,000</b>	<b>\$1,700,000</b>	<b>\$0</b>	<b>\$1,700,000</b>
State	1,492,300	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Provide local education agencies with supplemental funding for driver education programs based on the number of students served each semester (fall and spring).

**Measure:** Number of students served in driver education programs.

	26,087	26,000	26,000	0	26,000
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### 331.04 Technology, Infrastructure, and Support Systems

Technology, Infrastructure, and Support Systems provides information services, technology training, and technical support to the department and local school systems.

Full-Time	28	28	28	0	28
Part-Time	0	0	0	0	0
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	1,869,200	2,202,400	2,194,800	0	2,194,800
Operational	3,887,300	2,713,600	2,090,700	0	2,090,700
<b>Total</b>	<b>\$5,756,500</b>	<b>\$4,916,000</b>	<b>\$4,285,500</b>	<b>\$0</b>	<b>\$4,285,500</b>
State	3,113,600	2,704,500	2,704,000	0	2,704,000
Federal	0	200,000	200,000	0	200,000
Other	2,642,900	2,011,500	1,381,500	0	1,381,500

**Standard:** Local education agencies will provide student and staff data within 10 days of due date for each of the 20-day reporting periods, as well as the year-end report, with 95% accuracy.

**Measure:** Accuracy percent with which timely local education agency reports are submitted.

	90%	95%	95%	0	95%
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### 331.11 Accountability and Assessment

Accountability and Assessment collects data on student performance for each school and school system. The program uses the data to assist local educators in understanding the use of student performance data for school improvement. The data is used in the following activities: school accreditation, No Child Left Behind Act accountability, school and school system report cards, exemplary educators program, non-public and home school evaluation, applied technology, school improvement planning, and compliance and performance monitoring.

Full-Time	48	48	48	0	48
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>48</b>	<b>48</b>	<b>48</b>	<b>0</b>	<b>48</b>
Payroll	2,247,500	3,124,500	3,112,100	0	3,112,100
Operational	19,062,600	28,568,400	29,088,300	4,395,300	33,483,600
<b>Total</b>	<b>\$21,310,100</b>	<b>\$31,692,900</b>	<b>\$32,200,400</b>	<b>\$4,395,300</b>	<b>\$36,595,700</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	17,311,700	18,775,900	18,773,800	4,395,300	<b>23,169,100</b>
Federal	93,900	1,843,300	1,842,900	0	<b>1,842,900</b>
Other	3,904,500	11,073,700	11,583,700	0	<b>11,583,700</b>

**Standard:** Increase the number of high priority schools placed in good standing as a result of improving student achievement.

**Measure:** Percent of previous year's high priority schools that met or exceeded all federal standards.

68.5%	75.0%	75.0%	0	75%
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### 331.06 Curriculum and Instruction

In order to establish statewide standards as a foundation for teaching and learning, the Office of Curriculum and Instruction is charged with the responsibility of providing local school systems with leadership and technical assistance in the design and development of K-12 instructional programs. Programs include 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 for 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, and manufacturing and engineering fundamentals.

Full-Time	30	30	30	0	<b>30</b>
Part-Time	9	10	10	0	<b>10</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>39</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>40</b>
Payroll	1,782,200	2,219,100	2,212,300	0	<b>2,212,300</b>
Operational	30,797,500	32,288,700	32,251,200	0	<b>32,251,200</b>
<b>Total</b>	<b>\$32,579,700</b>	<b>\$34,507,800</b>	<b>\$34,463,500</b>	<b>\$0</b>	<b>\$34,463,500</b>
State	2,264,500	4,343,600	4,300,000	0	<b>4,300,000</b>
Federal	30,250,200	30,031,100	30,030,400	0	<b>30,030,400</b>
Other	65,000	133,100	133,100	0	<b>133,100</b>

**Standard:** Maintain yearly progress (in grade levels) in reading as demonstrated by Tennessee Comprehensive Assessment Program (TCAP) scores.

**Measure:** Percent of students below grade level in reading.

12%	9%	9%	0	9%
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### 331.05 Training and Professional Development

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 workshops in technology training for teachers and administrators.

Full-Time	17	15	15	0	<b>15</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>17</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>
Payroll	671,000	1,143,800	1,139,900	0	<b>1,139,900</b>
Operational	5,784,200	6,244,300	6,108,000	0	<b>6,108,000</b>
<b>Total</b>	<b>\$6,455,200</b>	<b>\$7,388,100</b>	<b>\$7,247,900</b>	<b>\$0</b>	<b>\$7,247,900</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	6,274,800	7,023,600	7,023,100	0	<b>7,023,100</b>
Federal	0	0	0	0	<b>0</b>
Other	180,400	364,500	224,800	0	<b>224,800</b>

**Standard:** Provide training opportunities to assist school administrators as they comply with the training requirements established by TCA 49-5-5703.

**Measure:** Percent of mandated, non-exempt administrators completing cycle-end training requirements.

92%	92%	92%	0	92%
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**Standard:** Provide training opportunities to assist local school board members as they comply with the training requirements established in TCA 49-2-202(a)(5).

**Measure:** Percent of non-exempt local school board members satisfying training requirements.

95%	99%	99%	0	99%
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**Standard:** Provide training opportunities for local directors of schools and state special schools in concert with State Board of Education policy.

**Measure:** Percent of directors of schools and state special schools participating in training as established by State Board policy.

94%	95%	95%	0	95%
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## Federally-Funded and Supported LEA Programs

Various federally-funded programs, including funding for the No Child Left Behind Act, are designed to enhance the learning environment of disadvantaged and disabled students. Other programs support teacher training in core academic subjects, as well as drug awareness and AIDS education. Titles I, II, and 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.

### 331.03 ESEA No Child Left Behind

The ESEA No Child Left Behind Act is primarily designed to target resources for school improvements and support initiatives to enhance the learning environment. This act, which is 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.

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	2,927,000	4,134,500	4,120,900	0	<b>4,120,900</b>
Operational	284,066,300	304,216,600	304,230,500	0	<b>304,230,500</b>
<b>Total</b>	<b>\$286,993,300</b>	<b>\$308,351,100</b>	<b>\$308,351,400</b>	<b>\$0</b>	<b>\$308,351,400</b>
State	0	0	0	0	<b>0</b>
Federal	286,986,000	308,351,100	308,351,400	0	<b>308,351,400</b>
Other	7,300	0	0	0	<b>0</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** All elementary and middle school students in the public schools will attain proficiency level in reading / language arts.

**Measure:** Percent of elementary and middle school students at or above the proficient level in reading / language arts.

91%	83%	84%	0	84%
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**Standard:** All high school students in public schools will attain proficiency level in reading / language arts.

**Measure:** Percent of high school students at or above the proficient level in reading / language arts.

93%	90%	90%	0	90%
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**Standard:** All elementary and middle school students in public schools will attain proficiency level in mathematics.

**Measure:** Percent of elementary and middle school students at or above the proficient level in mathematics.

88%	79%	80%	0	80%
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**Standard:** All high school students in public schools will attain proficiency level in mathematics.

**Measure:** Percent of high school students at or above the proficient level in mathematics.

83%	75%	75%	0	75%
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### 331.09 Improving Schools Program

The Improving Schools Program funds a variety of initiatives designed to provide support for local efforts. The Safe and Drug-Free Schools and Communities program provides financial and technical support to schools and communities to reduce adolescent drug use and violence. The Tobacco Prevention program addresses smoking among young children. The 21st Century Learning Centers administer grants to serve students that attend high-poverty, low-achieving schools. School Health programs provide technical and financial assistance in implementing and developing comprehensive school health programs in the local schools. One-room Drop-in Schools serve at-risk adults and children in the public housing communities where they live. Financial support is provided through a variety of grant programs, including formula grants to local education agencies, as well as discretionary grants to both school- and community-based programs. Other federally-funded programs in the Improving Schools Program include: Learn and Serve grants, Byrd scholarships, Troops to Teachers, AIDS education, and drop-out prevention.

Full-Time	19	22	22	0	<b>22</b>
Part-Time	1	1	1	0	<b>1</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>20</b>	<b>23</b>	<b>23</b>	<b>0</b>	<b>23</b>
Payroll	800,900	1,931,300	1,927,400	0	<b>1,927,400</b>
Operational	37,811,900	54,513,000	43,613,600	50,000	<b>43,663,600</b>
<b>Total</b>	<b>\$38,612,800</b>	<b>\$56,444,300</b>	<b>\$45,541,000</b>	<b>\$50,000</b>	<b>\$45,591,000</b>
State	1,266,400	16,208,700	16,210,200	50,000	<b>16,260,200</b>
Federal	37,008,500	26,613,900	26,615,200	0	<b>26,615,200</b>
Other	337,900	13,621,700	2,715,600	0	<b>2,715,600</b>

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Reduce the number of schools scoring at 75% or above on the unsafe school choice criteria.

**Measure:** The number of schools scoring above 75% on the unsafe school choice criteria.

1	7	6	0	6
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**Standard:** Reduce the number of students disciplined for illicit drug violations.

**Measure:** The number of students disciplined for illicit drug violations.

2,607	2,400	2,300	0	2,300
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### 331.36 Special Education Services

The Division of Special Education Services is responsible for initiating, improving, and expanding special education programs and services to children with disabilities, as mandated by state and federal law. The division serves children through two major efforts: providing technical assistance to school systems and agencies that provide special education programs and ensuring that the rights of disabled children and their parents are protected by mediating disagreements between local school systems and parents regarding a child's educational program and providing due process hearings.

Full-Time	73	73	73	0	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>73</b>	<b>73</b>	<b>73</b>	<b>0</b>	<b>73</b>
Payroll	4,128,400	4,871,700	4,845,800	0	4,845,800
Operational	214,567,400	231,320,000	231,294,600	0	231,294,600
<b>Total</b>	<b>\$218,695,800</b>	<b>\$236,191,700</b>	<b>\$236,140,400</b>	<b>\$0</b>	<b>\$236,140,400</b>
State	618,900	666,300	662,400	0	662,400
Federal	218,038,600	235,483,400	235,478,000	0	235,478,000
Other	38,300	42,000	0	0	0

**Standard:** Increase the percentage of special education children with disabilities testing at the proficient level in reading / language arts in grades three through eight as described in the No Child Left Behind (NCLB) accountability workbook.

**Measure:** Percent of special education students scoring at or above proficient in reading / language arts.

69%	85.0%	65.2%	0	65.2%
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**Standard:** Increase the percentage of special education children with disabilities testing at the proficient level in mathematics in grades three through eight as described in the NCLB accountability workbook.

**Measure:** Percent of special education students scoring at or above proficient in mathematics.

55%	80.0%	77.2%	0	77.2%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 331.95 Tennessee Early Intervention Services

The Tennessee Early Intervention Services program provides home-based services to parents and other primary-care providers and direct services to children with disabilities, from birth through the age of two.

Full-Time	45	45	45	0	45
Part-Time	600	600	600	0	600
Seasonal	0	0	0	0	0
<b>Total</b>	<b>645</b>	<b>645</b>	<b>645</b>	<b>0</b>	<b>645</b>
Payroll	7,594,300	7,752,100	7,739,700	20,900	7,760,600
Operational	20,302,800	26,978,900	23,169,100	1,305,000	24,474,100
<b>Total</b>	<b>\$27,897,100</b>	<b>\$34,731,000</b>	<b>\$30,908,800</b>	<b>\$1,325,900</b>	<b>\$32,234,700</b>
State	19,580,800	20,351,800	20,346,100	1,325,900	21,672,000
Federal	8,209,600	14,271,200	10,479,700	0	10,479,700
Other	106,700	108,000	83,000	0	83,000

**Standard:** Maintain a central point of entry for identification, eligibility determination, and service coordination for infants and toddlers with disabilities in Tennessee.

**Measure:** Number of referrals processed in prior year for children referred to the Tennessee Early Intervention Services (TEIS) point of entry for evaluation and eligibility determination.

	8,656	10,125	10,125	0	10,125
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**Standard:** Provide services coordination and services for eligible children.

**Measure:** Number of eligible children receiving service coordination and/or services from TEIS.

	7,653	5,374	7,200	0	7,200
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**Standard:** Make appropriate early intervention services in accordance with the Individuals with Disabilities Education Act, including parent training and special instruction, available to all families with children under three years of age with disabilities.

**Measure:** Number of children with disabilities under three years of age who receive early intervention services, including home- and community-based services through the Tennessee Infant Parent Services School (TIPSS).

	3,786	4,343	4,343	0	4,343
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### 331.35 School Nutrition Program

The School Nutrition Program provides nutrition education and nutritious meals during the school day. To ensure that all students have access to a nutritious meal, the division reimburses local education agencies for all eligible students who participate in the School Lunch and School Breakfast programs. Student eligibility is based on federal income poverty guidelines.

Full-Time	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>24</b>
Payroll	1,485,200	1,817,400	1,810,100	0	1,810,100
Operational	217,057,300	218,164,300	218,170,300	0	218,170,300
<b>Total</b>	<b>\$218,542,500</b>	<b>\$219,981,700</b>	<b>\$219,980,400</b>	<b>\$0</b>	<b>\$219,980,400</b>



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	4,923,200	4,806,800	4,807,000	0	<b>4,807,000</b>
Federal	213,615,600	215,169,900	215,168,400	0	<b>215,168,400</b>
Other	3,700	5,000	5,000	0	<b>5,000</b>

**Standard:** Schools visited and monitored will successfully meet national nutritional standards.

**Measure:** Percent of schools meeting national nutritional standards.

100%	95%	100%	0	100%
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### 331.45 Career and Technical Education Programs

Career and Technical Education Programs is responsible for providing specialized vocational education services to the state's high school students that will prepare them for employment or post-secondary education. The program also provides direction to the local education agencies in establishing and maintaining programs in areas such as agriculture, family and consumer sciences, trade and industry, information technology, marketing, health science, and technology education.

Full-Time	52	52	52	0	<b>52</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>52</b>	<b>52</b>	<b>0</b>	<b>52</b>
Payroll	2,919,000	3,553,600	3,538,300	0	<b>3,538,300</b>
Operational	35,442,500	36,767,700	36,779,800	0	<b>36,779,800</b>
<b>Total</b>	<b>\$38,361,500</b>	<b>\$40,321,300</b>	<b>\$40,318,100</b>	<b>\$0</b>	<b>\$40,318,100</b>
State	3,342,300	3,985,200	3,979,900	0	<b>3,979,900</b>
Federal	34,060,300	35,688,100	35,690,200	0	<b>35,690,200</b>
Other	958,900	648,000	648,000	0	<b>648,000</b>

**Standard:** Meet or exceed baseline levels of performance on the core indicators required by the U.S. Carl D. Perkins Vocational and Technical Education Act of 1998.

**Measure:** Percent of Academic Attainment of 12th grade career and technical concentrators graduating from high school.

87.42%	85.76%	86.21%	0	86.21%
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**Standard:** Meet or exceed baseline levels of performance on the core indicators required by The Carl D. Perkins Vocational and Technical Education Act of 1998.

**Measure:** Percent of 12th grade career and technical concentrators meeting industry validated skill standards.

96.63%	95.86%	96.77%	0	96.77%
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**Standard:** Meet or exceed baseline levels of performance on the core indicators required by The Carl D. Perkins Vocational and Technical Education Act of 1998.

**Measure:** Percent of graduates placed in post-secondary education or advanced training.

91.56%	89.89%	90.00%	0	90.00%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 331.17 School-Based TennCare Services

School-Based TennCare Services provided local school districts with reimbursement for the cost of certain medical and behavioral services provided to Medicaid-eligible special education students. The program was phased out in fiscal year 2005-2006 because of federal Centers for Medicare and Medicaid Services disallowances and other legal issues. Managed care organizations are responsible for patient care.

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	305,200	0	0	0	0
<b>Total</b>	<b>\$305,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
State	42,600	0	0	0	0
Federal	0	0	0	0	0
Other	262,600	0	0	0	0

**Standard:** Provide reimbursement for Medicaid-eligible expenses to all local education agencies (LEAs).

**Measure:** Number of LEAs reimbursed for school-based health services.

	42	0	0	0	0
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### 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 multi-disabled children, ages preschool to 21. These schools are the Tennessee School for the Blind, the Tennessee School for the Deaf, and the West Tennessee School for the Deaf. The programs offered include academic instruction, self-care skills, counseling, pre-vocational training, child health and safety, independent living skills, consultation services to LEAs, and diagnosis and identification of learning problems.

The department also operates the Alvin C. York Institute in Jamestown and the planned Governor's Institute for Science and Math.

### 331.91 Tennessee School for the Blind

The Tennessee School for the Blind, located in Nashville, provides residential and educational programs for students with multiple disabilities (primarily visually impaired).

Full-Time	184	184	184	1	185
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>1</b>	<b>208</b>
Payroll	8,222,900	9,258,100	9,202,500	127,300	9,329,800
Operational	1,731,000	1,724,100	1,764,200	8,100	1,772,300
<b>Total</b>	<b>\$9,953,900</b>	<b>\$10,982,200</b>	<b>\$10,966,700</b>	<b>\$135,400</b>	<b>\$11,102,100</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	9,156,300	10,113,500	10,098,000	135,400	<b>10,233,400</b>
Federal	0	0	0	0	<b>0</b>
Other	797,600	868,700	868,700	0	<b>868,700</b>

**Standard:** Increase the percentage of Tennessee School for the Blind (TSB) elementary and middle school students scoring at or above the 50th percentile on the math subtest of the Stanford Achievement Test, Braille or Large Print Edition.

**Measure:** Percent of TSB elementary and middle school students scoring at or above the 50th percentile on the math subtest of the Stanford Achievement Test, Braille or Large Print Edition.

13%	23%	23%	0	23%
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**Standard:** Increase the percentage of TSB elementary and middle school students scoring at or above the 50th percentile on the reading subtest of the Stanford Achievement Test, Braille or Large Print Edition.

**Measure:** Percent of TSB elementary and middle school students scoring at or above the 50th percentile on the reading subtest of the Stanford Achievement Test, Braille or Large Print Edition.

40%	47%	48%	0	48%
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**Standard:** Increase the percentage of TSB graduating seniors in the Modified Academic Program passing the Gateway test and receiving a high school diploma.

**Measure:** Percent of TSB graduating seniors in the Modified Academic Program passing the Gateway test and receiving a high school diploma.

100%	92%	95%	0	95%
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**Standard:** Increase the percentage of TSB graduating seniors from the Life Skills or Pre-Vocational Programs successfully completing their Individualized Educational Plan and receiving a diploma of specialized education.

**Measure:** Percent of TSB graduating seniors from the Life Skills or Pre-Vocational Programs successfully completing their Individualized Educational Plan and receiving a diploma of specialized education.

100%	100%	100%	0	100%
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### 331.92 Tennessee School for the Deaf

The Tennessee School for the Deaf, located in Knoxville, provides residential and educational programs for students with multiple disabilities (primarily hearing impaired).

Full-Time	244	244	244	0	<b>244</b>
Part-Time	21	21	21	0	<b>21</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>0</b>	<b>265</b>
Payroll	9,754,900	11,417,500	11,351,800	49,300	<b>11,401,100</b>
Operational	3,083,300	3,060,200	3,110,600	0	<b>3,110,600</b>
<b>Total</b>	<b>\$12,838,200</b>	<b>\$14,477,700</b>	<b>\$14,462,400</b>	<b>\$49,300</b>	<b>\$14,511,700</b>
State	12,337,900	13,934,300	13,919,000	49,300	<b>13,968,300</b>
Federal	0	0	0	0	<b>0</b>
Other	500,300	543,400	543,400	0	<b>543,400</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase the percentage of students scoring at or above the national average on the Stanford Achievement Test, Hearing Impaired Version.

**Measure:** Percent of Tennessee School for the Deaf (TSD) students scoring at or above the national average.

	42%	43%	45%	0	45%
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**Standard:** Increase the percentage of graduates earning a regular high school diploma.

**Measure:** Percent of TSD graduates earning a regular high school diploma.

	41%	47%	47%	0	47%
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### 331.93 West Tennessee School for the Deaf

The West Tennessee School for the Deaf, located in Jackson, provides residential and educational programs for students with multiple disabilities (primarily hearing impaired).

Full-Time	42	42	42	4	<b>46</b>
Part-Time	9	9	9	0	<b>9</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>4</b>	<b>55</b>
Payroll	1,974,300	2,150,100	2,136,000	155,300	<b>2,291,300</b>
Operational	312,000	385,000	394,100	400	<b>394,500</b>
<b>Total</b>	<b>\$2,286,300</b>	<b>\$2,535,100</b>	<b>\$2,530,100</b>	<b>\$155,700</b>	<b>\$2,685,800</b>
State	2,068,900	2,312,400	2,307,400	155,700	<b>2,463,100</b>
Federal	0	0	0	0	<b>0</b>
Other	217,400	222,700	222,700	0	<b>222,700</b>

**Standard:** Increase the percentage of West Tennessee School for the Deaf (WTSD) students scoring at or above the national average on the Stanford Achievement Test, Hearing Impaired Version.

**Measure:** Percent of WTSD students scoring at or above the national average.

	60%	66%	66%	0	66%
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### 331.90 Alvin C. York Institute

In 1926, Alvin C. York, a World War I hero, established a school to provide educational opportunities to the children of Fentress County. Today, the Alvin C. York Institute operates as a model rural high school that serves the entire state as a center for improving rural education. The York Institute has the unique distinction of being the only state-operated and state-financed comprehensive secondary school in Tennessee. The campus, designated as a state natural area, consists of over 400 acres and supports a working farm.

Full-Time	78	78	78	0	<b>78</b>
Part-Time	11	11	11	0	<b>11</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>0</b>	<b>89</b>
Payroll	4,508,300	5,095,200	5,069,300	58,500	<b>5,127,800</b>
Operational	1,021,000	1,018,800	1,034,300	105,000	<b>1,139,300</b>
<b>Total</b>	<b>\$5,529,300</b>	<b>\$6,114,000</b>	<b>\$6,103,600</b>	<b>\$163,500</b>	<b>\$6,267,100</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	4,492,000	5,066,600	5,061,500	163,500	<b>5,225,000</b>
Federal	52,600	46,400	46,400	0	<b>46,400</b>
Other	984,700	1,001,000	995,700	0	<b>995,700</b>

**Standard:** Increase the percentage of students scoring proficient or above on the state administered Gateway examinations.

**Measure:** Percent of students with a proficient score or above on the Gateway mathematics examination.

87.9%	92.0%	91.3%	0	91.3%
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**Standard:** Increase the percentage of students scoring proficient or above on the state administered Gateway examinations.

**Measure:** Percent of students with a proficient score or above on the Gateway science examination.

98.24%	99.00%	98.70%	0	98.70%
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**Standard:** Increase the percentage of students scoring proficient or above on the state administered Gateway examinations.

**Measure:** Percent of students scoring proficient or above on the Gateway language arts examination.

98.15%	92.00%	98.60%	0	98.60%
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### 331.96 Governor's Institute for Science and Math

In August 2007, the department will open the Governor's Institute for Science and Math, a residential high school for top high school math and science upper-class students, numbering 24 to 100, from across the state. The first class will be limited to 24 students. The school will be located at the Tennessee School for the Deaf campus in Knoxville, and the University of Tennessee will provide staff and oversight. (No performance standards are provided because the school is under development.)

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	1,000,000	500,000	1,270,000	<b>1,770,000</b>
<b>Total</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$500,000</b>	<b>\$1,270,000</b>	<b>\$1,770,000</b>
State	0	1,000,000	500,000	1,270,000	<b>1,770,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

### 331.97 Major Maintenance

The major maintenance program provides funds for major repairs which do not meet the criteria for capital maintenance at the department's special schools, except the planned math and science high school.

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>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	186,500	239,100	239,100	0	239,100
<b>Total</b>	<b>\$186,500</b>	<b>\$239,100</b>	<b>\$239,100</b>	<b>\$0</b>	<b>\$239,100</b>
State	183,200	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	3,300	0	0	0	0

**Standard:** Utilize allocated funds on planned, regularly scheduled maintenance projects.

**Measure:** Percent of allocated funds expended for maintenance projects.

46%	70%	70%	0	70%
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**331.00 Total Education (K-12)**

Full-Time	1,091	1,096	1,095	9	1,104
Part-Time	674	675	675	0	675
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1,765</b>	<b>1,771</b>	<b>1,770</b>	<b>9</b>	<b>1,779</b>
Payroll	59,496,800	71,324,600	70,943,100	638,000	71,581,100
Operational	3,947,431,200	4,270,666,600	4,227,247,200	350,807,100	4,578,054,300
<b>Total</b>	<b>\$4,006,928,000</b>	<b>\$4,341,991,200</b>	<b>\$4,298,190,300</b>	<b>\$351,445,100</b>	<b>\$4,649,635,400</b>
State	3,135,840,500	3,413,530,800	3,385,482,300	351,445,100	3,736,927,400
Federal	833,873,900	872,675,700	868,226,400	0	868,226,400
Other	37,213,600	55,784,700	44,481,600	0	44,481,600

## Statistical Data State Special Schools

	York Institute <u>331.90</u>	TN School for the Blind <u>331.91</u>	TN School for the Deaf <u>331.92</u>	West TN School for the Deaf <u>331.93</u>
<b>Annual Admissions</b>				
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	750	9	30	61
2005-2006	765	7	29	60
2006-2007	770	13	30	62
2007-2008	770	14	30	62
<b>Annual Releases</b>				
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	17	20	5
2005-2006	175	5	30	6
2006-2007	180	6	20	6
2007-2008	180	6	20	6
<b>Average Daily Census</b>				
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	642	203	169	52
2005-2006	664	218	160	52
2006-2007	705	219	165	53
2007-2008	705	219	165	53
<b>Cost Per Occupancy Day</b>				
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	\$47.85	\$272.41	\$422.03	\$203.55
2005-2006	\$46.26	\$253.67	\$445.77	\$203.55
2006-2007	\$48.18	\$278.59	\$487.46	\$221.44
2007-2008	\$49.39	\$281.64	\$488.61	\$234.61

# 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 services through research, medical, agriculture, and public service programs. Emphasis is placed on the coordination of higher education, student financial aid, and special programs designed to improve the overall quality of education. The University of Tennessee, the State University and Community College System, the Tennessee Higher Education Commission, and the Tennessee Student Assistance Corporation work together to accomplish these activities.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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## State-Administered Programs

### Tennessee Higher Education Commission

The Tennessee Higher Education Commission (THEC) was created in 1967 to coordinate and unify Tennessee's public higher education programs, including the University of Tennessee (UT) and the Tennessee Board of Regents (TBR) systems. The commission is comprised of nine lay members, with six-year terms, representing congressional districts of the state; the Comptroller of the Treasury, State Treasurer, and Secretary of State, each serving ex-officio; the executive director of the State Board of Education, serving ex-officio; and two public higher education students, one from both the UT and TBR systems. A board-appointed executive director manages the agency.

The commission's primary responsibilities include developing and maintaining a master plan for public higher education; making budgetary recommendations to the Governor; developing policies and formulas for the equitable distribution of public funds among public higher education institutions; studying the need for programs and departments at institutions; reviewing proposals for new degree programs and academic departments; making determinations concerning the establishment of new institutions of higher learning; making a biennial report on the status of higher education; administering the contract education program through the Southern Regional Education Board; administering tuition waiver and discount programs; authorizing the operation of post-secondary educational institutions; and researching and analyzing the Education Lottery Scholarship program.

#### 332.01 Tennessee Higher Education Commission

This allotment provides funds for the staffing and other operating costs of the Tennessee Higher Education Commission.

Full-Time	46	49	49	0	49
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
<b>Total</b>	<b>48</b>	<b>51</b>	<b>51</b>	<b>0</b>	<b>51</b>
Payroll	3,199,800	4,076,000	4,063,300	0	4,063,300
Operational	1,219,600	3,980,900	3,985,100	90,200	4,075,300
<b>Total</b>	<b>\$4,419,400</b>	<b>\$8,056,900</b>	<b>\$8,048,400</b>	<b>\$90,200</b>	<b>\$8,138,600</b>



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	1,800,500	2,229,200	2,223,000	90,200	<b>2,313,200</b>
Federal	491,900	3,819,100	3,818,500	0	<b>3,818,500</b>
Other	2,127,000	2,008,600	2,006,900	0	<b>2,006,900</b>

**Standard:** Recommend operating, capital outlay, and capital maintenance appropriations for colleges, universities, technology centers, and non-formula higher education entities to the Governor within five working days of THEC's November meeting.

**Measure:** Business days after THEC's November meeting recommendations are made.

1	1	1	0	1
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**Standard:** Recommend proposed tuition and fee levels to the University of Tennessee (UT) and Tennessee Board of Regents (TBR) systems prior to either system's June Board meeting where fees are set.

**Measure:** Days prior to June Board meeting recommendations are made.

57 UT, 66 TBR	5	5	0	5
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### 332.02 Contract Education

Contract Education is a program through which Tennessee residents are enrolled in Tennessee's private colleges and universities to address special educational needs in the state. Also included in this program is minority teacher education, which provides services through public institutions that expand the recruitment pool of African-Americans preparing to teach in grades K-12. The program also includes funds for the post-Geier desegregation settlement access and diversity initiative.

Full-Time	0	0	0	0	<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	2,315,500	2,375,100	2,375,100	216,400	<b>2,591,500</b>
<b>Total</b>	<b>\$2,315,500</b>	<b>\$2,375,100</b>	<b>\$2,375,100</b>	<b>\$216,400</b>	<b>\$2,591,500</b>
State	2,315,500	2,375,100	2,375,100	216,400	<b>2,591,500</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

**Standard:** Increase or maintain the number of students in specialized education programs.

**Measure:** The number of students in specialized education programs.

132	150	132	0	132
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**Standard:** Increase or maintain the percentage of students who are participants in the Minority Teacher Education Program.

**Measure:** The percent of graduating students who have participated in the Minority Teacher Education Program entering the teaching profession in Tennessee.

90%	90%	90%	0	90%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 332.09 THEC Grants

The THEC Grants program provides funds for the tuition discount and fee waiver program, the Harold Love community service awards program, and the federally-funded improving teacher quality 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	3,858,100	3,858,900	3,858,900	180,300	4,039,200
<b>Total</b>	<b>\$3,858,100</b>	<b>\$3,858,900</b>	<b>\$3,858,900</b>	<b>\$180,300</b>	<b>\$4,039,200</b>
State	2,523,300	2,572,000	2,572,000	180,300	2,752,300
Federal	1,334,800	1,286,900	1,286,900	0	1,286,900
Other	0	0	0	0	0

**Standard:** Execute the Improving Teacher Quality Grant contracts with college, universities, and non-profit organizations to conduct workshops for teachers and principals.

**Measure:** Number of teachers and principals trained through the Improving Teacher Quality Grants.

425	450	500	0	500
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### 332.08 Centers of Excellence

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

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	18,002,400	18,822,500	18,822,500	763,500	19,586,000
<b>Total</b>	<b>\$18,002,400</b>	<b>\$18,822,500</b>	<b>\$18,822,500</b>	<b>\$763,500</b>	<b>\$19,586,000</b>
State	18,002,400	18,822,500	18,822,500	763,500	19,586,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 332.11 Campus Centers of Emphasis

Like its four-year counterpart, the Campus Centers of Emphasis, administered by THEC, provides supplemental funding to demonstrably excellent programs at each of the state's public two-year institutions. Each center is designed to work closely with local business and industry to strengthen specified academic disciplines with positive impact on job placement.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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	1,312,000	1,374,800	1,374,800	55,800	1,430,600
<b>Total</b>	<b>\$1,312,000</b>	<b>\$1,374,800</b>	<b>\$1,374,800</b>	<b>\$55,800</b>	<b>\$1,430,600</b>
State	1,312,000	1,374,800	1,374,800	55,800	1,430,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 332.13 Geier Desegregation Settlement

In January 2001, a settlement agreement in the Geier higher education desegregation lawsuit, originally filed in 1968, was approved by the U.S. District Court in Nashville. Implementation of the agreement resulted in dismissal of the lawsuit in September 2006. The settlement agreement was 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 was intended “to increase the presence of other-race faculty, staff, and administrators on the campuses of the state’s colleges and universities.”

The agreement set forth commitments for higher education in middle Tennessee, statewide issues in both university systems, and implementation. Major ingredients of the plan required specific annual appropriations for a TSU Endowment for Educational Excellence, a goal reached in less than the required 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 was 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.

This agreement, now fully funded, was intended to create a system of public higher education that preserves and enhances access and educational opportunities at Tennessee's public colleges and universities.

Recommended future expenditures are funded from reserves carried forward from previous appropriations to the program and are required to comply with the lawsuit dismissal order.

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 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	9,904,000	16,612,300	1,960,900	0	1,960,900
<b>Total</b>	<b>\$9,904,000</b>	<b>\$16,612,300</b>	<b>\$1,960,900</b>	<b>\$0</b>	<b>\$1,960,900</b>
State	9,904,000	9,394,100	0	0	0
Federal	0	0	0	0	0
Other	0	7,218,200	1,960,900	0	1,960,900

**Standard:** Develop and implement programs to achieve dismissal of the federal court lawsuit and declaration of a unitary system of higher education.

**Measure:** Achievement of unitary status and dismissal of lawsuit.

Under Review	Achieved	Not Applicable	0	Not Applicable
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### Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation (TSAC) is a non-profit agency that administers state and federal student financial assistance programs. The agency is governed by a 17-member board of directors, including the governor, the state Treasurer, the Comptroller of the Treasury, the Commissioner of Finance and Administration, the Commissioner of Education, and representatives of higher education serving ex-officio. Other members, each appointed by the governor, include a representative of a commercial lender, a student of a Tennessee institution of higher education, and three private citizens. The board appoints an executive director to manage the agency.

TSAC's duties include guaranteeing student loans; administering the Academic Scholars program and, for financially needy Tennesseans, the Tennessee Student Assistance Awards program; administering loan and scholarship programs encouraging students to enter the teaching, nursing, and medical professions; executing the federal program designed to prevent potential defaults on student loans; arranging for or serving as the lender of last resort; and marketing and administering the Tennessee Education Lottery Scholarship program.

#### 332.03 Tennessee Student Assistance Awards

The Tennessee Student Assistance Awards program provides non-repayable education grants to financially needy undergraduate students who are residents of Tennessee and enrolled at a public or eligible private postsecondary educational institution in Tennessee.

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	38,579,300	44,870,900	44,870,900	3,800,000	48,670,900
<b>Total</b>	<b>\$38,579,300</b>	<b>\$44,870,900</b>	<b>\$44,870,900</b>	<b>\$3,800,000</b>	<b>\$48,670,900</b>
State	37,284,400	43,308,500	43,308,500	3,800,000	47,108,500
Federal	1,294,900	1,562,400	1,562,400	0	1,562,400
Other	0	0	0	0	0

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Fund the maximum number of student awards.

**Measure:** The number of student awards.

	19,000	20,000	21,000	0	21,000
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### 332.04 Federal Family Education Loan Program (FFELP)

The Federal Family Education Loan Program provides low interest loans for students and parents. The program consists of the Federal Stafford Loan Program (subsidized and unsubsidized), the Federal PLUS Loan program (Parent Loan for Undergraduate Students), and the Federal Consolidation Loan program. Under FFELP, private lenders, such as banks and credit unions, usually make the loans. The loans are guaranteed by the federal government through TSAC.

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	105,825,800	127,502,500	127,502,500	0	127,502,500
<b>Total</b>	<b>\$105,825,800</b>	<b>\$127,502,500</b>	<b>\$127,502,500</b>	<b>\$0</b>	<b>\$127,502,500</b>
State	0	0	0	0	0
Federal	99,676,500	121,602,500	121,602,500	0	121,602,500
Other	6,149,300	5,900,000	5,900,000	0	5,900,000

**Standard:** Increase loan volume annually.

**Measure:** New loan volume amount, in dollars (excludes consolidation loans).

	\$780,000,000	\$850,000,000	\$900,000,000	0	\$900,000,000
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### 332.05 Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation provides all administrative management and oversight for each of the corporation programs. This allotment provides funds for the staffing and other operating costs of administering the financial assistance programs.

Full-Time	51	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>51</b>	<b>60</b>	<b>60</b>	<b>0</b>	<b>60</b>
Payroll	2,126,200	3,534,900	3,522,500	0	3,522,500
Operational	14,607,400	17,758,800	17,760,900	58,900	17,819,800
<b>Total</b>	<b>\$16,733,600</b>	<b>\$21,293,700</b>	<b>\$21,283,400</b>	<b>\$58,900</b>	<b>\$21,342,300</b>
State	984,800	1,454,100	1,451,100	58,900	1,510,000
Federal	6,636,200	5,246,100	5,242,400	0	5,242,400
Other	9,112,600	14,593,500	14,589,900	0	14,589,900

**Standard:** Inform Tennesseans of the various financial aid programs available for higher education and application standards.

**Measure:** The number of College Goal Sunday participants.

	1,200	2,400	2,600	0	2,600
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Higher Education

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Inform Tennesseans of the various financial aid programs available for higher education and application standards.

**Measure:** The number of College Goal Sunday sites.

	15	35	40	0	40
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### 332.06 Academic Scholars Program

The Academic Scholars Program provides funds for the Ned McWherter and Christa McAuliffe scholars programs. The Ned McWherter Scholars program is intended to encourage academically superior Tennessee high school graduates to attend college in Tennessee. The Christa McAuliffe Scholarship program is a merit-based grant awarded to Tennessee students committed to teaching.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	480,000	780,500	780,500	0	780,500
<b>Total</b>	<b>\$480,000</b>	<b>\$780,500</b>	<b>\$780,500</b>	<b>\$0</b>	<b>\$780,500</b>
State	401,800	401,800	401,800	0	401,800
Federal	0	0	0	0	0
Other	78,200	378,700	378,700	0	378,700

### 332.07 Loan/Scholarship Programs

Loan/Scholarship Programs encourages exemplary students who are Tennessee residents and U.S. citizens to enter the teaching field. Participants in this program incur an obligation to teach in a Tennessee public school for each year an award is received.

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	1,898,600	2,906,900	2,906,900	0	2,906,900
<b>Total</b>	<b>\$1,898,600</b>	<b>\$2,906,900</b>	<b>\$2,906,900</b>	<b>\$0</b>	<b>\$2,906,900</b>
State	1,140,400	1,191,000	1,191,000	0	1,191,000
Federal	800	0	0	0	0
Other	757,400	1,715,900	1,715,900	0	1,715,900

**Standard:** Increase the total number of students awarded in an academic year to 200 in the Tennessee Teaching Scholars Program.

**Measure:** The number of students awarded in the Tennessee Teaching Scholars Program.

	151	191	200	0	200
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**Standard:** Increase the success rate in the Minority Teaching Fellows Program to 75%.

**Measure:** The success rate in the Minority Teaching Fellows Program.

	70%	72%	75%	0	75%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 332.19 Lottery for Education Account

The Lottery for Education Account is an appropriation of the state's net education lottery proceeds. The majority of these funds are made available for post-secondary scholarships, which include the Tennessee HOPE Scholarship, the General Assembly Merit Scholarship, the Need-Based Supplemental Award, the Tennessee HOPE Access Grant, and the Wilder-Naifeh Technical Skills Grant. In the event that education lottery proceeds available to the account exceed scholarship needs, excess proceeds may be appropriated for pre-kindergarten and early childhood education programs, not to exceed \$25 million. Funding for the pre-K and early childhood education programs is appropriated here and is reflected in the Department of Education budget, funded by interdepartmental (other) revenue from the Lottery for Education Account state appropriation. Administrative costs associated with the scholarship program within the Tennessee Higher Education Commission and Tennessee Student Assistance Corporation also are funded from the appropriation to the Lottery for Education Account.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	164,479,200	237,800,000	240,300,000	19,300,000	259,600,000
<b>Total</b>	<b>\$164,479,200</b>	<b>\$237,800,000</b>	<b>\$240,300,000</b>	<b>\$19,300,000</b>	<b>\$259,600,000</b>
State	164,479,200	237,800,000	240,300,000	19,300,000	259,600,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Increase the HOPE (Helping Outstanding Pupils Educationally) scholarship award amount.

**Measure:** The HOPE scholarship award amount.

	\$3,300	\$3,800	\$3,800	\$200	\$4,000
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**Standard:** Increase the number of participants in the Tennessee Education Lottery Scholarship program.

**Measure:** The number of students awarded a lottery-related scholarship.

	56,058	59,750	68,300	2,400	70,700
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## Tennessee Foreign Language Institute

### 332.14 Foreign Language Institute

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

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	1,310,600	1,839,600	1,837,500	14,100	1,851,600
<b>Total</b>	<b>\$1,310,600</b>	<b>\$1,839,600</b>	<b>\$1,837,500</b>	<b>\$14,100</b>	<b>\$1,851,600</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	328,300	348,700	346,600	14,100	<b>360,700</b>
Federal	0	0	0	0	<b>0</b>
Other	982,300	1,490,900	1,490,900	0	<b>1,490,900</b>
<b>332.00 Total Higher Education - State Administered Programs</b>					
Full-Time	111	123	123	0	<b>123</b>
Part-Time	2	2	2	0	<b>2</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>113</b>	<b>125</b>	<b>125</b>	<b>0</b>	<b>125</b>
Payroll	5,326,000	7,610,900	7,585,800	0	<b>7,585,800</b>
Operational	363,792,500	480,483,700	468,336,500	24,479,200	<b>492,815,700</b>
<b>Total</b>	<b>\$369,118,500</b>	<b>\$488,094,600</b>	<b>\$475,922,300</b>	<b>\$24,479,200</b>	<b>\$500,401,500</b>
State	240,476,600	321,271,800	314,366,400	24,479,200	<b>338,845,600</b>
Federal	109,435,100	133,517,000	133,512,700	0	<b>133,512,700</b>
Other	19,206,800	33,305,800	28,043,200	0	<b>28,043,200</b>



# University of Tennessee

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The University of Tennessee (UT) is a statewide land grant institution governed by a Board of Trustees. The University of Tennessee offers academic programs in a large number of specialized areas at the bachelor's, master's, and doctoral levels. In addition to the traditional teaching mission, the UT system is engaged in a number of research and public service activities. The UT system has campuses in Knoxville, Chattanooga, Martin, and Memphis, where the medical units are located.

Note: Position counts shown below are for full time, unrestricted education and general employees only. Full time equivalent (FTE) enrollments are for Fall 2005 and 2006. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and auxiliary enterprise sources.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 332.10 UT University-Wide Administration

UT University-Wide Administration provides administrative support and oversight for all of the University of Tennessee campuses and functions. Administrative services include the offices of the president, business and finance, general counsel, audit and consulting, governmental relations, athletic directors, and the board of trustees.

Full-Time					
Administrative	52	54	54	0	54
Professional	136	135	135	0	135
Faculty	0	0	0	0	0
Clerical/Support	215	211	211	0	211
<b>Total</b>	<b>403</b>	<b>400</b>	<b>400</b>	<b>0</b>	<b>400</b>
FTE Enrollment	0	0	0	0	0
State	3,775,000	4,180,600	4,190,700	170,000	4,360,700
Federal	0	0	0	0	0
Other	15,449,700	15,435,500	15,435,500	0	15,435,500
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$19,224,700</b>	<b>\$19,616,100</b>	<b>\$19,626,200</b>	<b>\$170,000</b>	<b>\$19,796,200</b>

### 332.21 UT Access and Diversity Initiative

The UT Access and Diversity Initiative program provides financial support to the University of Tennessee for the continuance of higher education access and diversity initiatives after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The success of a 5-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be the most effective in the settlement program. The initiative includes financial aid, graduate fellowships, and student and faculty recruitment and retention programs.

Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
FTE Enrollment	0	0	0	0	0
State	0	450,000	710,600	2,699,400	<b>3,410,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>
Tuition/Fees	0	0	0	0	<b>0</b>
<b>Total</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$710,600</b>	<b>\$2,699,400</b>	<b>\$3,410,000</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; and providing continuing education on and off campuses, with special emphasis on degree granting programs in non-traditional settings.

### 332.15 UT Institute for Public Service

This allotment provides funds for the staffing and operational costs of the UT Institute for Public Service. The institute provides research and technical assistance to state and local government and industry. The institute also provides on-site technical assistance and training, as well as regional training conferences. The institute maintains offices in Nashville, Chattanooga, Cookeville, Knoxville, Martin, Memphis, Johnson City, and Jackson.

Full-Time					
Administrative	7	5	5	0	<b>5</b>
Professional	14	23	23	0	<b>23</b>
Faculty	0	0	0	0	<b>0</b>
Clerical/Support	17	18	18	0	<b>18</b>
<b>Total</b>	<b>38</b>	<b>46</b>	<b>46</b>	<b>0</b>	<b>46</b>
FTE Enrollment	0	0	0	0	0
State	4,505,000	4,734,600	4,732,000	191,900	<b>4,923,900</b>
Federal	1,249,400	1,105,000	1,105,000	0	<b>1,105,000</b>
Other	126,500	604,200	604,200	0	<b>604,200</b>
Tuition/Fees	0	0	0	0	<b>0</b>
<b>Total</b>	<b>\$5,880,900</b>	<b>\$6,443,800</b>	<b>\$6,441,200</b>	<b>\$191,900</b>	<b>\$6,633,100</b>

### 332.16 UT Municipal Technical Advisory Service

The Municipal Technical Advisory Service provides technical assistance to the incorporated cities of the state. Assistance is offered in fields of finance and accounting, human resources, legal issues, and public safety.

Full-Time					
Administrative	2	1	1	0	<b>1</b>
Professional	31	37	37	0	<b>37</b>
Faculty	0	0	0	0	<b>0</b>
Clerical/Support	14	12	12	0	<b>12</b>
<b>Total</b>	<b>47</b>	<b>50</b>	<b>50</b>	<b>0</b>	<b>50</b>
FTE Enrollment	0	0	0	0	0

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	1,749,000	1,925,100	1,913,200	77,600	<b>1,990,800</b>
Federal	1,300	5,100	5,100	0	<b>5,100</b>
Other	2,678,500	2,900,400	2,900,400	0	<b>2,900,400</b>
Tuition/Fees	0	0	0	0	<b>0</b>
<b>Total</b>	<b>\$4,428,800</b>	<b>\$4,830,600</b>	<b>\$4,818,700</b>	<b>\$77,600</b>	<b>\$4,896,300</b>

### 332.17 UT County Technical Assistance Service

The County Technical Assistance Service provides the state's 95 county governments with technical assistance and information on most aspects of county government, including financial, environmental, and legislative.

Full-Time					
Administrative	2	1	1	0	<b>1</b>
Professional	24	26	26	0	<b>26</b>
Faculty	0	0	0	0	<b>0</b>
Clerical/Support	7	7	7	0	<b>7</b>
<b>Total</b>	<b>33</b>	<b>34</b>	<b>34</b>	<b>0</b>	<b>34</b>
FTE Enrollment	0	0	0	0	<b>0</b>
State	1,322,600	1,481,700	1,473,400	59,800	<b>1,533,200</b>
Federal	0	0	0	0	<b>0</b>
Other	2,079,200	2,229,400	2,229,400	0	<b>2,229,400</b>
Tuition/Fees	0	0	0	0	<b>0</b>
<b>Total</b>	<b>\$3,401,800</b>	<b>\$3,711,100</b>	<b>\$3,702,800</b>	<b>\$59,800</b>	<b>\$3,762,600</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, assistance to community groups in all 95 counties, and veterinary training and research.

### 332.25 UT Agricultural Experiment Station

The UT Agricultural Experiment Station develops technology to enhance the efficiency of agricultural, forest, and ornamental industries; improve the quality of rural life; and conserve rural environmental resources of soil, water, air, and wildlife. Services are provided through campus-based programs and field laboratories.

Full-Time					
Administrative	10	18	18	0	<b>18</b>
Professional	98	91	91	0	<b>91</b>
Faculty	88	91	91	0	<b>91</b>
Clerical/Support	184	180	180	0	<b>180</b>
<b>Total</b>	<b>380</b>	<b>380</b>	<b>380</b>	<b>0</b>	<b>380</b>
FTE Enrollment	0	0	0	0	<b>0</b>
State	22,432,000	24,022,500	23,689,500	961,000	<b>24,650,500</b>
Federal	5,550,800	5,532,800	5,532,800	0	<b>5,532,800</b>
Other	3,825,900	3,217,100	3,217,100	0	<b>3,217,100</b>
Tuition/Fees	0	0	0	0	<b>0</b>
<b>Total</b>	<b>\$31,808,700</b>	<b>\$32,772,400</b>	<b>\$32,439,400</b>	<b>\$961,000</b>	<b>\$33,400,400</b>

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 332.26 UT Agricultural Extension Service

The UT Agricultural Extension Service is an off-campus unit of the UT Institute of Agriculture. The extension offers educational programs and research-based information about agriculture, community resource development, nutrition, health, lawn and garden, and youth development to local governments and the general public. The extension service operates an office in every county.

Full-Time					
Administrative	12	12	12	0	12
Professional	271	273	273	0	273
Faculty	54	55	55	0	55
Clerical/Support	139	137	137	0	137
<b>Total</b>	<b>476</b>	<b>477</b>	<b>477</b>	<b>0</b>	<b>477</b>
FTE Enrollment	0	0	0	0	0
State	26,819,100	28,413,100	28,326,900	1,149,100	29,476,000
Federal	9,330,900	8,975,400	8,975,400	0	8,975,400
Other	990,700	784,300	784,300	0	784,300
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$37,140,700</b>	<b>\$38,172,800</b>	<b>\$38,086,600</b>	<b>\$1,149,100</b>	<b>\$39,235,700</b>

### 332.28 UT Veterinary Medicine

The UT College of Veterinary Medicine is located on the agricultural campus of the University of Tennessee in Knoxville. Departments include Comparative Medicine, Pathology, Large Animal Clinical Sciences, and Small Animal Clinical Sciences. The college offers a Doctor of Veterinary Medicine and a joint Doctor of Veterinary Medicine and Masters in Public Health.

Full-Time					
Administrative	9	9	9	0	9
Professional	45	37	37	0	37
Faculty	95	103	103	0	103
Clerical/Support	154	170	170	0	170
<b>Total</b>	<b>303</b>	<b>319</b>	<b>319</b>	<b>0</b>	<b>319</b>
FTE Enrollment	429	426	426	0	426
State	14,523,900	15,695,300	15,630,400	634,100	16,264,500
Federal	782,800	667,100	667,100	0	667,100
Other	9,575,400	10,037,900	10,037,900	0	10,037,900
Tuition/Fees	4,870,200	5,723,100	5,723,100	0	5,723,100
<b>Total</b>	<b>\$29,752,300</b>	<b>\$32,123,400</b>	<b>\$32,058,500</b>	<b>\$634,100</b>	<b>\$32,692,600</b>

### Medical Education Units

The Medical Education Program of the University of Tennessee plays an important role in meeting the state's health-care needs. With the goal of providing high-quality health-care to all geographic regions of the state, the medical education program trains physicians and other health-care professionals.

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 332.30 UT Health Science Center

The UT Health Science Center in Memphis focuses on meeting the state's health-care needs. The campus is divided into eight colleges including Allied Health, Dentistry, Graduate Health Sciences, Health Science Engineering, Medicine, Nursing, Pharmacy, and Social Work.

Full-Time					
Administrative	88	91	91	0	91
Professional	164	176	176	0	176
Faculty	203	222	222	0	222
Clerical/Support	507	524	524	0	524
<b>Total</b>	<b>962</b>	<b>1,013</b>	<b>1,013</b>	<b>0</b>	<b>1,013</b>
FTE Enrollment	3,412	3,582	3,582	0	3,582
State	63,086,400	67,806,700	67,567,700	2,740,800	70,308,500
Federal	12,663,000	11,847,500	11,847,500	0	11,847,500
Other	18,757,600	18,778,400	18,778,400	0	18,778,400
Tuition/Fees	21,262,300	23,669,700	23,669,700	0	23,669,700
<b>Total</b>	<b>\$115,769,300</b>	<b>\$122,102,300</b>	<b>\$121,863,300</b>	<b>\$2,740,800</b>	<b>\$124,604,100</b>

### 332.32 UT Family Medicine

UT Family Medicine is an academic department in the College of Medicine of the UT Health Science Center in Memphis. The department's mission of improving health is accomplished through teaching, patient care, public service, and scholarly activities.

Full-Time					
Administrative	4	3	3	0	3
Professional	23	23	23	0	23
Faculty	34	36	36	0	36
Clerical/Support	120	122	122	0	122
<b>Total</b>	<b>181</b>	<b>184</b>	<b>184</b>	<b>0</b>	<b>184</b>
FTE Enrollment	0	0	0	0	0
State	7,660,700	9,459,100	9,441,600	383,000	9,824,600
Federal	2,834,000	2,834,000	2,834,000	0	2,834,000
Other	10,338,800	11,628,500	11,628,500	0	11,628,500
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$20,833,500</b>	<b>\$23,921,600</b>	<b>\$23,904,100</b>	<b>\$383,000</b>	<b>\$24,287,100</b>

### 332.34 UT College of Medicine

The UT College of Medicine, a unit of the UT Health Science Center in Memphis, offers programs leading to the Doctor of Medicine (M.D.) degree and participates in the Doctor of Medicine (M.D.) and Doctor of Philosophy (Ph.D.) combined degree program.

Full-Time					
Administrative	37	36	36	0	36
Professional	102	113	113	0	113
Faculty	461	477	477	0	477
Clerical/Support	194	201	201	0	201
<b>Total</b>	<b>794</b>	<b>827</b>	<b>827</b>	<b>0</b>	<b>827</b>
FTE Enrollment	0	0	0	0	0

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	43,139,600	45,908,300	46,306,300	1,878,500	<b>48,184,800</b>
Federal	18,911,100	19,004,000	19,004,000	0	<b>19,004,000</b>
Other	11,131,400	11,254,400	11,254,400	0	<b>11,254,400</b>
Tuition/Fees	12,780,500	12,966,200	12,966,200	0	<b>12,966,200</b>
<b>Total</b>	<b>\$85,962,600</b>	<b>\$89,132,900</b>	<b>\$89,530,900</b>	<b>\$1,878,500</b>	<b>\$91,409,400</b>

## University and Research Campuses

The University of Tennessee provides comprehensive undergraduate and graduate study at each of its three major campuses at Knoxville, Chattanooga, and Martin. These campuses provide services to citizens in all areas of the state through education, research, and public service activities. Graduate studies in aerospace and related fields are provided at the UT Space Institute in Tullahoma.

### 332.12 UT Research Initiatives

All technical and research-related improvements are reflected in this program. Funds are transferred to the appropriate institutional program.

Full-Time					
Administrative	0	0	0	0	<b>0</b>
Professional	0	0	0	0	<b>0</b>
Faculty	0	0	0	0	<b>0</b>
Clerical/Support	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>
FTE Enrollment	0	0	0	0	<b>0</b>
State	2,500,000	6,500,000	6,500,000	8,250,000	<b>14,750,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>
Tuition/Fees	0	0	0	0	<b>0</b>
<b>Total</b>	<b>\$2,500,000</b>	<b>\$6,500,000</b>	<b>\$6,500,000</b>	<b>\$8,250,000</b>	<b>\$14,750,000</b>

### 332.23 UT Space Institute

The UT Space Institute provides graduate study and research in aerospace engineering and related fields and hosts a center of excellence in laser applications. The institute also provides assistance to private companies involved in aerospace engineering.

Full-Time					
Administrative	9	11	11	0	<b>11</b>
Professional	22	23	23	0	<b>23</b>
Faculty	40	36	36	0	<b>36</b>
Clerical/Support	49	49	49	0	<b>49</b>
<b>Total</b>	<b>120</b>	<b>119</b>	<b>119</b>	<b>0</b>	<b>119</b>
FTE Enrollment	83	91	91	0	<b>91</b>
State	7,540,900	7,917,900	7,895,100	320,300	<b>8,215,400</b>
Federal	526,000	509,000	509,000	0	<b>509,000</b>
Other	493,300	521,000	521,000	0	<b>521,000</b>
Tuition/Fees	1,404,000	1,534,500	1,534,500	0	<b>1,534,500</b>
<b>Total</b>	<b>\$9,964,200</b>	<b>\$10,482,400</b>	<b>\$10,459,600</b>	<b>\$320,300</b>	<b>\$10,779,900</b>

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 332.40 UT Chattanooga

The University of Tennessee at Chattanooga is a comprehensive university offering degrees at the bachelor's, master's, and doctorate levels, as well as various certificate and pre-professional programs. The university's center of excellence is in computer applications.

Full-Time					
Administrative	101	110	110	0	110
Professional	129	138	138	0	138
Faculty	339	351	351	0	351
Clerical/Support	313	317	317	0	317
<b>Total</b>	<b>882</b>	<b>916</b>	<b>916</b>	<b>0</b>	<b>916</b>
FTE Enrollment	7,317	7,564	7,564	0	7,564
State	41,183,000	43,638,900	43,418,800	1,334,800	44,753,600
Federal	529,700	266,300	266,300	0	266,300
Other	11,174,500	11,351,400	11,351,400	0	11,351,400
Tuition/Fees	41,671,900	42,612,200	42,612,200	2,084,500	44,696,700
<b>Total</b>	<b>\$94,559,100</b>	<b>\$97,868,800</b>	<b>\$97,648,700</b>	<b>\$3,419,300</b>	<b>\$101,068,000</b>

### 332.42 UT Knoxville

The University of Tennessee at Knoxville is the state's oldest and largest public university. The university offers degrees at the undergraduate, graduate, and professional levels. Focus also is given to programs in health sciences, agriculture, public service, and space science through related research institutions. The university's centers of excellence are in science alliance, materials processing, and waste management.

Full-Time					
Administrative	258	261	261	0	261
Professional	521	552	552	0	552
Faculty	1,328	1,321	1,321	0	1,321
Clerical/Support	1,506	1,549	1,549	0	1,549
<b>Total</b>	<b>3,613</b>	<b>3,683</b>	<b>3,683</b>	<b>0</b>	<b>3,683</b>
FTE Enrollment	23,131	23,499	23,499	0	23,499
State	171,971,300	183,810,300	182,887,900	7,388,000	190,275,900
Federal	11,512,200	11,175,000	11,175,000	0	11,175,000
Other	144,304,300	145,713,500	145,713,500	0	145,713,500
Tuition/Fees	184,458,600	191,169,300	191,169,300	9,197,600	200,366,900
<b>Total</b>	<b>\$512,246,400</b>	<b>\$531,868,100</b>	<b>\$530,945,700</b>	<b>\$16,585,600</b>	<b>\$547,531,300</b>

### 332.44 UT Martin

The University of Tennessee at Martin is an undergraduate-focused institution offering degrees at the bachelor's and master's levels. Graduate programs include agricultural operations, family and consumer sciences, accountancy, and education. The university's center of excellence program is in science and math teaching.

Full-Time					
Administrative	56	60	60	0	60
Professional	76	77	77	0	77
Faculty	265	275	275	0	275
Clerical/Support	268	274	274	0	274
<b>Total</b>	<b>665</b>	<b>686</b>	<b>686</b>	<b>0</b>	<b>686</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
FTE Enrollment	5,833	5,968	5,968	0	5,968
State	29,435,700	31,460,700	31,281,600	1,065,800	32,347,400
Federal	110,700	117,600	117,600	0	117,600
Other	12,174,900	11,666,900	11,666,900	0	11,666,900
Tuition/Fees	31,327,000	32,791,100	32,791,100	1,618,900	34,410,000
<b>Total</b>	<b>\$73,048,300</b>	<b>\$76,036,300</b>	<b>\$75,857,200</b>	<b>\$2,684,700</b>	<b>\$78,541,900</b>

#### **Total University of Tennessee**

Full-Time					
Administrative	647	672	672	0	672
Professional	1,656	1,724	1,724	0	1,724
Faculty	2,907	2,967	2,967	0	2,967
Clerical/Support	3,687	3,771	3,771	0	3,771
<b>Total</b>	<b>8,897</b>	<b>9,134</b>	<b>9,134</b>	<b>0</b>	<b>9,134</b>
FTE Enrollment	40,205	41,130	41,130	0	41,130
State	441,644,200	477,404,800	475,965,700	29,304,100	505,269,800
Federal	64,001,900	62,038,800	62,038,800	0	62,038,800
Other	243,100,700	246,122,900	246,122,900	0	246,122,900
Tuition/Fees	297,774,500	310,466,100	310,466,100	12,901,000	323,367,100
<b>Total</b>	<b>\$1,046,521,300</b>	<b>\$1,096,032,600</b>	<b>\$1,094,593,500</b>	<b>\$42,205,100</b>	<b>\$1,136,798,600</b>



# State University and Community College System

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The State University and Community College System consists of four-year universities, two-year community colleges, 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, which appoints a chancellor as administrative head of the system. The administrative staff, reporting to the chancellor, provides general administrative, planning, coordination, review, and oversight functions through the offices of the chancellor, business and finance, academic affairs, and general counsel.

Note: Position counts shown below are for full time, unrestricted education and general employees only. Full time equivalent (FTE) enrollments are for Fall 2005 and 2006. 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 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 332.60 Tennessee Board of Regents

This allotment provides funds for staffing and other operational costs of the Board of Regents and its system administrative staff, organized under the chancellor.

Full-Time					
Administrative	21	21	21	0	21
Professional	62	70	70	0	70
Faculty	0	0	0	0	0
Clerical/Support	9	6	6	0	6
<b>Total</b>	<b>92</b>	<b>97</b>	<b>97</b>	<b>0</b>	<b>97</b>
FTE Enrollment	0	0	0	0	0
State	4,077,200	4,523,700	4,497,600	182,500	4,680,100
Federal	0	0	0	0	0
Other	9,039,000	10,111,100	10,111,100	0	10,111,100
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$13,116,200</b>	<b>\$14,634,800</b>	<b>\$14,608,700</b>	<b>\$182,500</b>	<b>\$14,791,200</b>

### 332.59 Regents Access and Diversity Initiative

The Regents Access and Diversity Initiative program provides financial support to the Tennessee Board of Regents for the continuance of higher education access and diversity initiatives after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The success of a 5-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be the most effective in the settlement program. The initiative includes financial aid and stipends, student and faculty recruitment and retention programs, continuing support of the TSU Avon Williams Campus in downtown Nashville, and statewide oversight.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
<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	1,420,900	989,400	5,480,600	<b>6,470,000</b>
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>\$1,420,900</b>	<b>\$989,400</b>	<b>\$5,480,600</b>	<b>\$6,470,000</b>

## Agricultural Units

Agricultural units are an important part of Tennessee State University (TSU) in its capacity as a land grant institution. As a land grant institution, TSU receives federal funds from the U.S. Department of Agriculture (USDA) to help finance agricultural research and extension at the Institute of Agricultural and Environmental Research (IAgER) and the TSU Cooperative Extension Program (CEP). The state appropriations match federal grant funds.

### 332.63 TSU Agricultural Research and Extension

The TSU Agricultural Research and Extension program is comprised of the Institute of Agricultural and Environmental Research (IAgER) and the Cooperative Extension Program (CEP). IAgER is the principal agricultural and environmental research division of TSU. The institute's multi-disciplinary research efforts are in the areas of animal and alternative livestock; economics and policy; nursery, medicinal, and alternative food crops; environmental protection and enhancement; and food safety, nutrition, and family well-being. The CEP, through 14 county offices, offers educational programs and research-based information in the areas of agriculture and natural resources, community and rural development, 4-H and youth development, and family and consumer sciences to local governments and the general public.

Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
<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	2,000,000	<b>2,000,000</b>
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>\$2,000,000</b>	<b>\$2,000,000</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 332.62 TSU McMinnville Center

The Tennessee State University McMinnville Center, an Institute of Agricultural and Environmental Research (IAgER) facility, is a nursery crop research station and it is the only such academic research station in the nation. The center provides leadership in strengthening and expanding the regional nursery industry through research in the areas of pathology, entomology, genetics, horticulture, and related sciences.

Full-Time					
Administrative	0	0	0	0	0
Professional	4	4	4	0	4
Faculty	1	1	1	0	1
Clerical/Support	3	3	3	0	3
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>
FTE Enrollment	0	0	0	0	0
State	477,700	504,400	501,400	20,300	521,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$477,700</b>	<b>\$504,400</b>	<b>\$501,400</b>	<b>\$20,300</b>	<b>\$521,700</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. The proposed College of Pharmacy will train pharmacists for placement in community pharmacies and rural hospital settings.

### 332.65 ETSU College of Medicine

The ETSU Quillen College of Medicine provides medical study and training for students interested in primary care as physicians or health-care professionals. The college's focus is on practice in underserved rural communities. The college also is committed to biomedical research and to improving health care in northeast Tennessee and the surrounding Appalachia region.

Full-Time					
Administrative	6	6	6	0	6
Professional	80	90	90	0	90
Faculty	162	163	163	0	163
Clerical/Support	121	121	121	0	121
<b>Total</b>	<b>369</b>	<b>380</b>	<b>380</b>	<b>0</b>	<b>380</b>
FTE Enrollment	238	234	234	0	234
State	24,755,000	25,984,000	26,111,100	1,059,200	27,170,300
Federal	959,300	830,000	830,000	0	830,000
Other	9,199,900	10,938,700	10,938,700	0	10,938,700
Tuition/Fees	4,825,800	5,289,500	5,289,500	0	5,289,500
<b>Total</b>	<b>\$39,740,000</b>	<b>\$43,042,200</b>	<b>\$43,169,300</b>	<b>\$1,059,200</b>	<b>\$44,228,500</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 332.66 ETSU College of Pharmacy

The College of Pharmacy at ETSU initially will enroll 65 students per year, potentially increasing to 125 students per year. Its mission is to train pharmacists for placement in community pharmacies and rural hospital settings to aid in the more effective use of medication. The educational program will include a significant emphasis on pharmaceutical care to reduce the unnecessary use of medications. Much of the training will be within interdisciplinary teams of medical, nursing, public health, and pharmacy students, who will be located within rural communities. This method of training will prepare future pharmacists for improved consultation with physicians and prescribing nurses, resulting in the most efficient, effective, low-cost drug treatments for their mutual patients.

Full-Time					
Administrative	3	3	3	0	3
Professional	3	8	8	0	8
Faculty	20	16	16	0	16
Clerical/Support	6	7	7	0	7
<b>Total</b>	<b>32</b>	<b>34</b>	<b>34</b>	<b>0</b>	<b>34</b>
FTE Enrollment	0	0	0	0	0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	850,000	2,246,000	2,246,000	0	2,246,000
Tuition/Fees	25,300	1,410,300	1,410,300	0	1,410,300
<b>Total</b>	<b>\$875,300</b>	<b>\$3,656,300</b>	<b>\$3,656,300</b>	<b>\$0</b>	<b>\$3,656,300</b>

### 332.67 ETSU Family Practice

The ETSU Family Practice program was established to train physicians who will practice comprehensive primary health-care to families and communities primarily in the rural areas of East Tennessee and southern Appalachia.

Full-Time					
Administrative	0	0	0	0	0
Professional	22	20	20	0	20
Faculty	21	21	21	0	21
Clerical/Support	67	60	60	0	60
<b>Total</b>	<b>110</b>	<b>101</b>	<b>101</b>	<b>0</b>	<b>101</b>
FTE Enrollment	0	0	0	0	0
State	4,894,100	5,261,600	5,241,700	212,700	5,454,400
Federal	0	0	0	0	0
Other	6,609,600	6,704,900	6,704,900	0	6,704,900
Tuition/Fees	0	0	0	0	0
<b>Total</b>	<b>\$11,503,700</b>	<b>\$11,966,500</b>	<b>\$11,946,600</b>	<b>\$212,700</b>	<b>\$12,159,300</b>

## Universities

The four-year universities of the State University and Community College System offer undergraduate and graduate study to the citizens of Tennessee. Located throughout the state, the universities offer comprehensive programs in subjects as diverse as occupational training, the arts and sciences, law, and health sciences.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 332.70 Austin Peay State University

Austin Peay State University is a comprehensive liberal arts institution located in Clarksville. The university offers undergraduate and graduate degree programs in the liberal arts and sciences and complements classroom work with team teaching, cooperative learning, community services, international programs, and collaborative research between faculty and students. Two centers of excellence also are provided in field biology and creative arts.

Full-Time					
Administrative	34	27	27	0	27
Professional	130	139	139	0	139
Faculty	307	313	313	0	313
Clerical/Support	260	256	256	0	256
<b>Total</b>	<b>731</b>	<b>735</b>	<b>735</b>	<b>0</b>	<b>735</b>
FTE Enrollment	7,336	7,443	7,443	0	7,443
State	31,658,200	34,082,100	33,832,400	1,643,700	35,476,100
Federal	265,600	165,000	165,000	0	165,000
Other	8,680,400	9,476,600	9,476,600	0	9,476,600
Tuition/Fees	39,848,900	40,133,300	40,133,300	1,891,600	42,024,900
<b>Total</b>	<b>\$80,453,100</b>	<b>\$83,857,000</b>	<b>\$83,607,300</b>	<b>\$3,535,300</b>	<b>\$87,142,600</b>

### 332.72 East Tennessee State University

East Tennessee State University (ETSU), located in Johnson City, offers degree programs in arts and sciences, business and technology, education, medicine, nursing, public and allied health, and graduate studies. ETSU houses two centers of excellence in Appalachian studies and early childhood studies.

Full-Time					
Administrative	49	54	54	0	54
Professional	296	302	302	0	302
Faculty	531	539	539	0	539
Clerical/Support	510	520	520	0	520
<b>Total</b>	<b>1,386</b>	<b>1,415</b>	<b>1,415</b>	<b>0</b>	<b>1,415</b>
FTE Enrollment	9,947	10,361	10,361	0	10,361
State	55,673,900	59,662,300	59,236,300	1,922,800	61,159,100
Federal	673,700	530,000	530,000	0	530,000
Other	18,789,900	18,999,900	18,999,900	0	18,999,900
Tuition/Fees	59,652,700	61,474,600	61,474,600	3,009,900	64,484,500
<b>Total</b>	<b>\$134,790,200</b>	<b>\$140,666,800</b>	<b>\$140,240,800</b>	<b>\$4,932,700</b>	<b>\$145,173,500</b>

### 332.74 University of Memphis

The University of Memphis is a comprehensive metropolitan university offering degrees at the bachelor's, master's, professional, and doctoral levels. The university has five centers of excellence in applied psychology, communicative disorders, earthquake information, Egyptology, and education policy.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Full-Time					
Administrative	117	76	76	0	<b>76</b>
Professional	544	571	571	0	<b>571</b>
Faculty	850	933	933	0	<b>933</b>
Clerical/Support	927	912	912	0	<b>912</b>
<b>Total</b>	<b>2,438</b>	<b>2,492</b>	<b>2,492</b>	<b>0</b>	<b>2,492</b>
FTE Enrollment	15,910	15,946	15,946	0	<b>15,946</b>
State	109,169,400	116,751,400	115,814,200	4,734,000	<b>120,548,200</b>
Federal	3,869,400	3,843,400	3,843,400	0	<b>3,843,400</b>
Other	52,849,000	50,638,200	50,638,200	0	<b>50,638,200</b>
Tuition/Fees	109,934,000	114,128,200	114,128,200	5,380,800	<b>119,509,000</b>
<b>Total</b>	<b>\$275,821,800</b>	<b>\$285,361,200</b>	<b>\$284,424,000</b>	<b>\$10,114,800</b>	<b>\$294,538,800</b>

### 332.75 Middle Tennessee State University

Located in Murfreesboro, Middle Tennessee State University offers undergraduate, graduate, and doctoral programs in the arts and sciences. Programs are organized in seven university colleges, including Basic and Applied Sciences, Business, Education and Behavioral Science, Honors, Liberal Arts, Mass Communication, and Graduate Studies. MTSU's two centers of excellence are popular music and historic preservation.

Full-Time					
Administrative	75	79	79	0	<b>79</b>
Professional	431	455	455	0	<b>455</b>
Faculty	908	942	942	0	<b>942</b>
Clerical/Support	542	560	560	0	<b>560</b>
<b>Total</b>	<b>1,956</b>	<b>2,036</b>	<b>2,036</b>	<b>0</b>	<b>2,036</b>
FTE Enrollment	19,138	19,355	19,355	0	<b>19,355</b>
State	87,538,800	94,572,500	93,854,800	4,719,700	<b>98,574,500</b>
Federal	2,397,200	1,800,000	1,800,000	0	<b>1,800,000</b>
Other	41,685,200	39,291,300	39,291,300	0	<b>39,291,300</b>
Tuition/Fees	105,676,800	112,279,600	112,279,600	5,543,200	<b>117,822,800</b>
<b>Total</b>	<b>\$237,298,000</b>	<b>\$247,943,400</b>	<b>\$247,225,700</b>	<b>\$10,262,900</b>	<b>\$257,488,600</b>

### 332.77 Tennessee State University

Tennessee State University (TSU) is a comprehensive, land-grant university located in Nashville. TSU offers numerous bachelor and master degrees and offers doctoral programs in biological sciences, psychology, public administration, physical therapy, computer information systems, administration and supervision, and curriculum and instruction. TSU's two centers of excellence are basic skills and information systems.

Full-Time					
Administrative	63	65	65	0	<b>65</b>
Professional	265	269	269	0	<b>269</b>
Faculty	408	410	410	0	<b>410</b>
Clerical/Support	335	337	337	0	<b>337</b>
<b>Total</b>	<b>1,071</b>	<b>1,081</b>	<b>1,081</b>	<b>0</b>	<b>1,081</b>
FTE Enrollment	7,462	7,464	7,464	0	<b>7,464</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	39,995,600	42,001,100	41,470,400	617,600	<b>42,088,000</b>
Federal	1,552,400	1,600,000	1,600,000	0	<b>1,600,000</b>
Other	19,448,900	19,178,200	19,178,200	0	<b>19,178,200</b>
Tuition/Fees	58,405,600	60,426,000	60,426,000	3,114,700	<b>63,540,700</b>
<b>Total</b>	<b>\$119,402,500</b>	<b>\$123,205,300</b>	<b>\$122,674,600</b>	<b>\$3,732,300</b>	<b>\$126,406,900</b>

### 332.78 Tennessee Technological University

Tennessee Technological University is a comprehensive university located in Cookeville. While the university's strength is in technology and engineering, other academic divisions include agriculture and human ecology, arts and sciences, business administration, education, engineering, nursing, and interdisciplinary studies. The university's three centers of excellence are energy systems research, manufacturing, and water resources.

Full-Time					
Administrative	42	40	40	0	<b>40</b>
Professional	190	197	197	0	<b>197</b>
Faculty	383	391	391	0	<b>391</b>
Clerical/Support	364	362	362	0	<b>362</b>
<b>Total</b>	<b>979</b>	<b>990</b>	<b>990</b>	<b>0</b>	<b>990</b>
FTE Enrollment	7,562	7,900	7,900	0	<b>7,900</b>
State	44,062,300	46,702,900	46,417,200	1,342,300	<b>47,759,500</b>
Federal	738,300	484,100	484,100	0	<b>484,100</b>
Other	14,221,700	13,985,000	13,985,000	0	<b>13,985,000</b>
Tuition/Fees	41,607,600	44,391,700	44,391,700	2,168,200	<b>46,559,900</b>
<b>Total</b>	<b>\$100,629,900</b>	<b>\$105,563,700</b>	<b>\$105,278,000</b>	<b>\$3,510,500</b>	<b>\$108,788,500</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 nine community colleges and four technical community colleges.

### 332.53 Southwest Tennessee Community College

Southwest Tennessee Community College (STCC) was consolidated in July 2000 from Shelby State Community College and State Technical Institute at Memphis. STCC serves the Memphis area with two main campuses. Offerings include a broad range of associate degrees and certificates to prepare students for employment, career advancement, personal enrichment, and college and university transfer.

Full-Time					
Administrative	33	35	35	0	<b>35</b>
Professional	148	153	153	0	<b>153</b>
Faculty	277	276	276	0	<b>276</b>
Clerical/Support	268	267	267	0	<b>267</b>
<b>Total</b>	<b>726</b>	<b>731</b>	<b>731</b>	<b>0</b>	<b>731</b>
FTE Enrollment	7,332	7,306	7,306	0	<b>7,306</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	36,689,600	38,502,300	38,274,900	591,500	<b>38,866,400</b>
Federal	0	0	0	0	<b>0</b>
Other	2,910,800	2,801,700	2,801,700	0	<b>2,801,700</b>
Tuition/Fees	27,107,600	27,998,100	27,998,100	1,362,800	<b>29,360,900</b>
<b>Total</b>	<b>\$66,708,000</b>	<b>\$69,302,100</b>	<b>\$69,074,700</b>	<b>\$1,954,300</b>	<b>\$71,029,000</b>

### 332.54 Nashville State Technical Community College

Nashville State Technical Community College (NSTCC), formerly Nashville State Technical Institute, was granted community college status in 2002, and now serves seven middle Tennessee counties. NSTCC offers various degree and certificate programs, as well as continuing education courses, ranging from technical skills to management training, computer-aided drafting, and office technology.

Full-Time					
Administrative	27	28	28	0	<b>28</b>
Professional	40	41	41	0	<b>41</b>
Faculty	149	154	154	0	<b>154</b>
Clerical/Support	114	119	119	0	<b>119</b>
<b>Total</b>	<b>330</b>	<b>342</b>	<b>342</b>	<b>0</b>	<b>342</b>
FTE Enrollment	4,074	4,083	4,083	0	<b>4,083</b>
State	13,906,600	15,174,900	15,091,100	983,700	<b>16,074,800</b>
Federal	110,900	150,400	150,400	0	<b>150,400</b>
Other	1,593,800	1,580,100	1,580,100	0	<b>1,580,100</b>
Tuition/Fees	13,558,000	13,980,600	13,980,600	711,600	<b>14,692,200</b>
<b>Total</b>	<b>\$29,169,300</b>	<b>\$30,886,000</b>	<b>\$30,802,200</b>	<b>\$1,695,300</b>	<b>\$32,497,500</b>

### 332.55 Pellissippi State Technical Community College

Pellissippi State Technical Community College (PSTCC), located in Knoxville, is a comprehensive community college with a distinctive emphasis on technology. PSTCC maintains programs designed for career advancement, job placement, transfer to four-year institutions, and continuing education.

Full-Time					
Administrative	6	8	8	0	<b>8</b>
Professional	96	95	95	0	<b>95</b>
Faculty	186	193	193	0	<b>193</b>
Clerical/Support	148	148	148	0	<b>148</b>
<b>Total</b>	<b>436</b>	<b>444</b>	<b>444</b>	<b>0</b>	<b>444</b>
FTE Enrollment	4,963	5,149	5,149	0	<b>5,149</b>
State	19,247,700	20,645,500	20,499,300	1,020,500	<b>21,519,800</b>
Federal	89,900	100,000	100,000	0	<b>100,000</b>
Other	1,430,600	1,111,000	1,111,000	0	<b>1,111,000</b>
Tuition/Fees	17,663,200	19,077,000	19,077,000	924,300	<b>20,001,300</b>
<b>Total</b>	<b>\$38,431,400</b>	<b>\$40,933,500</b>	<b>\$40,787,300</b>	<b>\$1,944,800</b>	<b>\$42,732,100</b>



	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 332.56 Northeast State Technical Community College

Northeast State Technical Community College, at Blountville, is a comprehensive institution that provides university transfer programs, career programs for immediate entry into the workforce, continuing education, and community service programs.

Full-Time					
Administrative	12	14	14	0	14
Professional	51	52	52	0	52
Faculty	105	107	107	0	107
Clerical/Support	117	120	120	0	120
<b>Total</b>	<b>285</b>	<b>293</b>	<b>293</b>	<b>0</b>	<b>293</b>
FTE Enrollment	3,142	3,374	3,374	0	3,374
State	11,162,800	12,271,400	12,193,000	868,000	13,061,000
Federal	46,700	47,700	47,700	0	47,700
Other	704,500	501,900	501,900	0	501,900
Tuition/Fees	9,753,500	10,206,400	10,206,400	509,200	10,715,600
<b>Total</b>	<b>\$21,667,500</b>	<b>\$23,027,400</b>	<b>\$22,949,000</b>	<b>\$1,377,200</b>	<b>\$24,326,200</b>

### 332.80 Chattanooga State Technical Community College

Chattanooga State Technical Community College (CSTCC) is a comprehensive community college with emphasis in two-year technical programs. CSTCC's programs include degree and certificate study for career preparation and advancement; university transfer studies leading to associate degrees; and partnerships with secondary schools, state and community agencies, and the private sector.

Full-Time					
Administrative	20	22	22	0	22
Professional	107	118	118	0	118
Faculty	180	179	179	0	179
Clerical/Support	151	155	155	0	155
<b>Total</b>	<b>458</b>	<b>474</b>	<b>474</b>	<b>0</b>	<b>474</b>
FTE Enrollment	4,890	5,054	5,054	0	5,054
State	22,405,900	23,764,400	23,599,700	695,700	24,295,400
Federal	23,600	40,000	40,000	0	40,000
Other	1,684,600	1,606,000	1,606,000	0	1,606,000
Tuition/Fees	17,375,400	18,561,500	18,561,500	879,700	19,441,200
<b>Total</b>	<b>\$41,489,500</b>	<b>\$43,971,900</b>	<b>\$43,807,200</b>	<b>\$1,575,400</b>	<b>\$45,382,600</b>

### 332.81 Cleveland State Community College

Cleveland State Community College (CSCC) is a comprehensive community college serving southeast Tennessee. CSCC focuses on development education, university transfer programs, workforce training, and community service by offering a variety of degree and certificate programs.

Full-Time					
Administrative	8	8	8	0	8
Professional	42	43	43	0	43
Faculty	72	71	71	0	71
Clerical/Support	72	72	72	0	72
<b>Total</b>	<b>194</b>	<b>194</b>	<b>194</b>	<b>0</b>	<b>194</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
FTE Enrollment	2,103	2,034	2,034	0	2,034
State	9,704,400	10,340,700	10,285,900	309,500	10,595,400
Federal	15,300	11,000	11,000	0	11,000
Other	390,900	419,100	419,100	0	419,100
Tuition/Fees	5,955,100	6,277,800	6,277,800	316,400	6,594,200
<b>Total</b>	<b>\$16,065,700</b>	<b>\$17,048,600</b>	<b>\$16,993,800</b>	<b>\$625,900</b>	<b>\$17,619,700</b>

### 332.82 Columbia State Community College

Columbia State Community College, located in southern Middle Tennessee, is a comprehensive community college providing general transfer degree programs, career degree programs, academic and technical certificates, developmental studies, and continuing education opportunities.

Full-Time					
Administrative	6	6	6	0	6
Professional	53	62	62	0	62
Faculty	104	105	105	0	105
Clerical/Support	89	81	81	0	81
<b>Total</b>	<b>252</b>	<b>254</b>	<b>254</b>	<b>0</b>	<b>254</b>
FTE Enrollment	3,120	2,963	2,963	0	2,963
State	12,297,600	13,289,400	13,208,600	587,900	13,796,500
Federal	12,400	10,000	10,000	0	10,000
Other	521,600	381,900	381,900	0	381,900
Tuition/Fees	9,408,600	9,292,300	9,292,300	454,500	9,746,800
<b>Total</b>	<b>\$22,240,200</b>	<b>\$22,973,600</b>	<b>\$22,892,800</b>	<b>\$1,042,400</b>	<b>\$23,935,200</b>

### 332.84 Dyersburg State Community College

Located in northwest Tennessee, Dyersburg State Community College (DSCC) is a comprehensive community college providing liberal arts, technical, professional, and developmental credit and non-credit programs. DSCC provides its students with programs affiliated with employers, community agencies, and volunteer organizations.

Full-Time					
Administrative	12	12	12	0	12
Professional	27	29	29	0	29
Faculty	59	60	60	0	60
Clerical/Support	50	54	54	0	54
<b>Total</b>	<b>148</b>	<b>155</b>	<b>155</b>	<b>0</b>	<b>155</b>
FTE Enrollment	1,744	1,693	1,693	0	1,693
State	6,509,500	7,137,900	7,088,800	409,700	7,498,500
Federal	139,100	137,000	137,000	0	137,000
Other	443,500	437,200	437,200	0	437,200
Tuition/Fees	5,257,400	5,436,000	5,436,000	257,000	5,693,000
<b>Total</b>	<b>\$12,349,500</b>	<b>\$13,148,100</b>	<b>\$13,099,000</b>	<b>\$666,700</b>	<b>\$13,765,700</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 332.86 Jackson State Community College

Jackson State Community College (JSCC) is a comprehensive institution which meets the educational, career training, personal enrichment, and economic development needs of a 14-county service area in West Tennessee. JSCC offers certificate and associate degree programs intended for transfer to a four-year university or for direct entry into the job market.

Full-Time					
Administrative	12	14	14	0	14
Professional	49	46	46	0	46
Faculty	119	116	116	0	116
Clerical/Support	90	88	88	0	88
<b>Total</b>	<b>270</b>	<b>264</b>	<b>264</b>	<b>0</b>	<b>264</b>
FTE Enrollment	2,573	2,791	2,791	0	2,791
State	11,524,100	12,423,700	12,335,000	498,000	12,833,000
Federal	100,800	115,400	115,400	0	115,400
Other	809,700	937,800	937,800	0	937,800
Tuition/Fees	8,369,300	9,247,700	9,247,700	465,500	9,713,200
<b>Total</b>	<b>\$20,803,900</b>	<b>\$22,724,600</b>	<b>\$22,635,900</b>	<b>\$963,500</b>	<b>\$23,599,400</b>

### 332.88 Motlow State Community College

Motlow State Community College (MSCC) is a comprehensive institution located in Lynchburg, in southern Middle Tennessee. MSCC awards associate degrees in the arts, sciences, and applied sciences. Other offerings include non-degree programs in business, industry, government, early childhood education, health professions, public service, lifelong learning, and workforce development.

Full-Time					
Administrative	24	24	24	0	24
Professional	22	23	23	0	23
Faculty	85	85	85	0	85
Clerical/Support	76	76	76	0	76
<b>Total</b>	<b>207</b>	<b>208</b>	<b>208</b>	<b>0</b>	<b>208</b>
FTE Enrollment	2,392	2,566	2,566	0	2,566
State	9,469,200	10,324,700	10,251,600	525,800	10,777,400
Federal	11,700	14,000	14,000	0	14,000
Other	448,200	466,800	466,800	0	466,800
Tuition/Fees	7,218,400	7,777,800	7,777,800	378,500	8,156,300
<b>Total</b>	<b>\$17,147,500</b>	<b>\$18,583,300</b>	<b>\$18,510,200</b>	<b>\$904,300</b>	<b>\$19,414,500</b>

### 332.90 Roane State Community College

Roane State Community College is a comprehensive institution located in Harriman. Roane State's transfer programs include instruction in the humanities, mathematics, natural sciences, and social sciences. Career preparation programs include business management, health science, office administration, police science, and other fields. Continuing education and developmental education classes also are offered.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Full-Time					
Administrative	15	13	13	0	13
Professional	53	58	58	0	58
Faculty	141	144	144	0	144
Clerical/Support	140	152	152	0	152
<b>Total</b>	<b>349</b>	<b>367</b>	<b>367</b>	<b>0</b>	<b>367</b>
FTE Enrollment	3,603	3,738	3,738	0	3,738
State	16,805,300	18,038,500	17,919,900	784,300	18,704,200
Federal	40,400	37,600	37,600	0	37,600
Other	1,106,500	1,043,700	1,043,700	0	1,043,700
Tuition/Fees	11,380,700	12,285,500	12,285,500	586,000	12,871,500
<b>Total</b>	<b>\$29,332,900</b>	<b>\$31,405,300</b>	<b>\$31,286,700</b>	<b>\$1,370,300</b>	<b>\$32,657,000</b>

### 332.94 Volunteer State Community College

Volunteer State Community College is a comprehensive institution located in Gallatin and serves 12 counties in the Middle Tennessee region. Volunteer State offers coursework in degree and certificate programs for university transfer, workforce preparation and advancement, and partnerships with community agencies.

Full-Time					
Administrative	6	6	6	0	6
Professional	81	87	87	0	87
Faculty	150	152	152	0	152
Clerical/Support	121	126	126	0	126
<b>Total</b>	<b>358</b>	<b>371</b>	<b>371</b>	<b>0</b>	<b>371</b>
FTE Enrollment	4,553	4,677	4,677	0	4,677
State	16,581,200	18,020,700	17,902,100	948,000	18,850,100
Federal	51,500	48,000	48,000	0	48,000
Other	722,900	724,000	724,000	0	724,000
Tuition/Fees	14,245,400	14,879,400	14,879,400	736,000	15,615,400
<b>Total</b>	<b>\$31,601,000</b>	<b>\$33,672,100</b>	<b>\$33,553,500</b>	<b>\$1,684,000</b>	<b>\$35,237,500</b>

### 332.96 Walters State Community College

Walters State Community College is a comprehensive community college in Morristown, in East Tennessee, which offers university parallel programs, programs that prepare students for immediate employment, and continuing education courses. Walters State awards associate degrees in science, arts, and applied science, as well as certificate of credit programs and non-credit programs and services.

Full-Time					
Administrative	10	11	11	0	11
Professional	63	67	67	0	67
Faculty	132	137	137	0	137
Clerical/Support	139	138	138	0	138
<b>Total</b>	<b>344</b>	<b>353</b>	<b>353</b>	<b>0</b>	<b>353</b>
FTE Enrollment	3,826	3,872	3,872	0	3,872

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	16,868,000	18,250,400	18,140,500	893,300	<b>19,033,800</b>
Federal	147,400	145,000	145,000	0	<b>145,000</b>
Other	3,689,900	3,738,500	3,738,500	0	<b>3,738,500</b>
Tuition/Fees	11,158,300	11,577,000	11,577,000	576,700	<b>12,153,700</b>
<b>Total</b>	<b>\$31,863,600</b>	<b>\$33,710,900</b>	<b>\$33,601,000</b>	<b>\$1,470,000</b>	<b>\$35,071,000</b>

## Tennessee Technology Centers

The state's 27 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

This allotment provides funds for the staffing and operational costs of the technology centers, which provide post-secondary vocational education, as described above.

Full-Time					
Administrative	50	52	52	0	<b>52</b>
Professional	94	98	98	0	<b>98</b>
Faculty	487	506	506	0	<b>506</b>
Clerical/Support	162	172	172	0	<b>172</b>
<b>Total</b>	<b>793</b>	<b>828</b>	<b>828</b>	<b>0</b>	<b>828</b>
FTE Enrollment	9,768	9,639	9,639	0	<b>9,639</b>
State	44,898,500	50,545,700	50,322,500	10,115,400	<b>60,437,900</b>
Federal	254,900	313,100	313,100	0	<b>313,100</b>
Other	6,570,200	6,061,800	6,061,800	0	<b>6,061,800</b>
Tuition/Fees	16,040,400	16,903,400	16,903,400	832,400	<b>17,735,800</b>
<b>Total</b>	<b>\$67,764,000</b>	<b>\$73,824,000</b>	<b>\$73,600,800</b>	<b>\$10,947,800</b>	<b>\$84,548,600</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>Total State University and Community College System</b>					
Full-Time					
Administrative	651	624	624	0	<b>624</b>
Professional	2,953	3,097	3,097	0	<b>3,097</b>
Faculty	5,837	6,014	6,014	0	<b>6,014</b>
Clerical/Support	4,881	4,912	4,912	0	<b>4,912</b>
<b>Total</b>	<b>14,322</b>	<b>14,647</b>	<b>14,647</b>	<b>0</b>	<b>14,647</b>
FTE Enrollment	125,676	127,642	127,642	0	<b>127,642</b>
State	650,372,600	700,197,100	695,079,400	43,166,700	<b>738,246,100</b>
Federal	11,500,500	10,421,700	10,421,700	0	<b>10,421,700</b>
Other	204,401,300	203,381,400	203,381,400	0	<b>203,381,400</b>
Tuition/Fees	594,468,000	623,033,700	623,033,700	30,099,000	<b>653,132,700</b>
<b>Total</b>	<b>\$1,460,742,400</b>	<b>\$1,537,033,900</b>	<b>\$1,531,916,200</b>	<b>\$73,265,700</b>	<b>\$1,605,181,900</b>

### Grand Total Higher Education

Full-Time					
Administrative	1,409	1,419	1,419	0	<b>1,419</b>
Professional	4,609	4,821	4,821	0	<b>4,821</b>
Faculty	8,744	8,981	8,981	0	<b>8,981</b>
Clerical/Support	8,568	8,683	8,683	0	<b>8,683</b>
Part-Time	2	2	2	0	<b>2</b>
<b>Total</b>	<b>23,332</b>	<b>23,906</b>	<b>23,906</b>	<b>0</b>	<b>23,906</b>
FTE Enrollment	165,881	168,772	168,772	0	<b>168,772</b>
State	1,332,493,400	1,498,873,700	1,485,411,500	96,950,000	<b>1,582,361,500</b>
Federal	184,937,500	205,977,500	205,973,200	0	<b>205,973,200</b>
Other	466,708,800	482,810,100	477,547,500	0	<b>477,547,500</b>
Tuition/Fees	892,242,500	933,499,800	933,499,800	43,000,000	<b>976,499,800</b>
<b>Total</b>	<b>\$2,876,382,200</b>	<b>\$3,121,161,100</b>	<b>\$3,102,432,000</b>	<b>\$139,950,000</b>	<b>\$3,242,382,000</b>

# Health and Social Services

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# Health and Social Services

Recommended Budget, Fiscal Year 2007 – 2008

The agencies and departments of this functional group are concerned with the health and well-being of the citizens of Tennessee. The Health and Social Services functional area is comprised of the following commissions, departments, and agencies:

- Commission on Children and Youth
- Commission on Aging and Disability
- Health Services and Development Agency
- Department of Finance and Administration, Bureau of TennCare
- Department of Mental Health and Developmental Disabilities
- Department of Finance and Administration, Division of Mental Retardation Services
- Department of Health
- Department of Human Services
- Department of Finance and Administration, Cover Tennessee Health Care Programs
- 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 and family.

This functional group also is 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 also are 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.

Cover Tennessee provides comprehensive health coverage to uninsured children, seriously ill adults who can afford health coverage but who have been turned down by insurance companies, and basic health-care coverage to uninsured working Tennesseans. Cover Tennessee also provides affordable medication to the low income who also are uninsured.

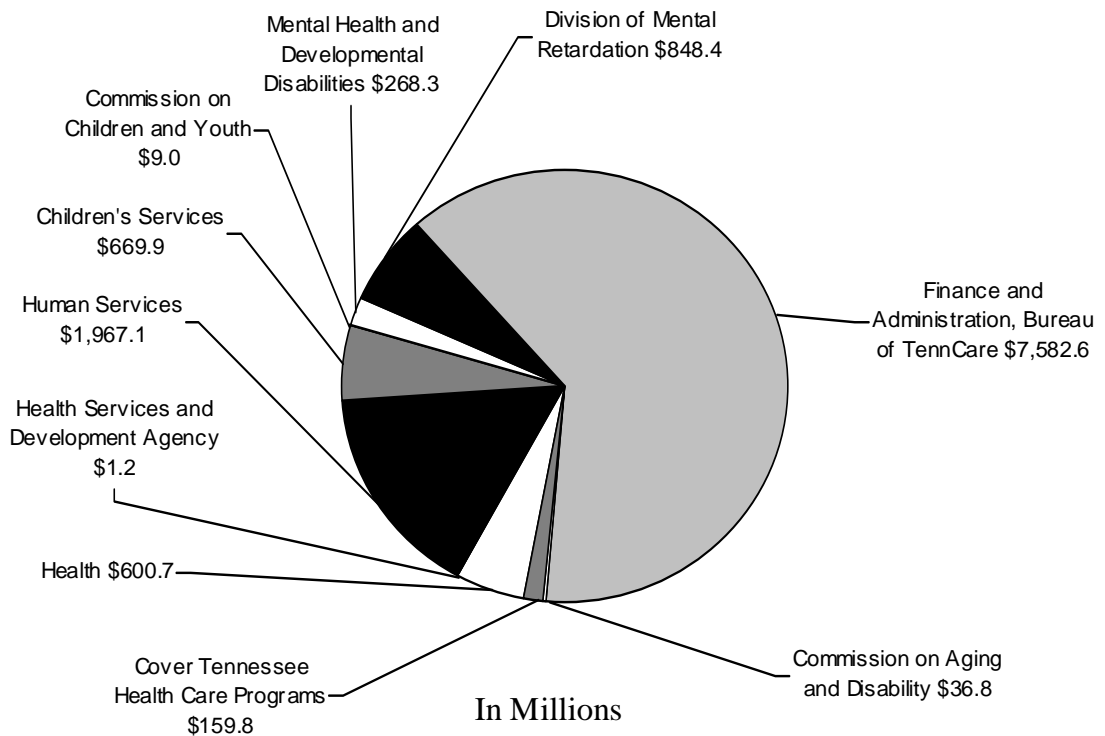
## Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government, (2) a statement of recommended improvements for the ensuing fiscal year; (3) 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 (4) program performance measures.

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 2007 - 2008 Recommended



In Millions  
\$12,144,028,700 Total

## Health and Social Services Total Personnel and Funding

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Recommended 2007-2008</u>
<b>Personnel</b>			
Full Time	21,505	21,237	21,179
Part Time	248	253	253
Seasonal	0	0	0
<b>TOTAL</b>	<b><u>21,753</u></b>	<b><u>21,490</u></b>	<b><u>21,432</u></b>
<b>Expenditures</b>			
Payroll	\$927,132,800	\$1,084,802,700	\$1,079,017,600
Operational	10,129,498,800	10,847,255,000	11,065,011,100
<b>TOTAL</b>	<b><u>\$11,056,631,600</u></b>	<b><u>\$11,932,057,700</u></b>	<b><u>\$12,144,028,700</u></b>
<b>Funding</b>			
State	\$3,017,181,900	\$3,664,105,000	\$3,741,454,700
Federal	6,460,592,300	6,627,225,300	6,743,525,800
Other	1,578,857,400	1,640,727,400	1,659,048,200

## Health and Social Services Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Commission on Children and Youth</b>					
• <b>Assistant Director</b>					
To provide funds for an assistant director position to help manage staff and programs of the Commission on Children and Youth, because of the complexity of programs and the administrative workload.					
<b>316.01 Commission on Children and Youth</b>	\$100,000	\$0	\$0	\$100,000	1
<b>Sub-total</b>	\$100,000	\$0	\$0	\$100,000	1
<b>Total Commission on Children and Youth</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>	<b>1</b>

### Finance and Administration, Bureau of TennCare

#### • Program Growth

To provide funds for increased costs of Medicare cost-sharing (\$13,047,100 state appropriation) and 1.5% utilization increases in the pharmacy and medical programs (\$17,043,800 state appropriation). Medicare cost-sharing, which includes payment of premiums and deductibles, is provided to enrollees who are eligible for both the Medicare and TennCare programs. In addition, five senior staff positions will assist in program administration and are funded by reallocating operational savings. The positions include a deputy chief medical officer, a deputy chief information officer, an assistant long-term care director, a licensed medical professional with a specialty in behavioral health, and an insurance claims data position.

<b>318.65 TennCare Administration</b>	\$0	\$0	\$0	\$0	5
<b>318.66 TennCare Services</b>	\$17,043,800	\$29,902,500	\$4,214,600	\$51,160,900	0
<b>318.67 Waiver and Crossover Services</b>	\$13,047,100	\$22,890,300	\$0	\$35,937,400	0
<b>Sub-total</b>	\$30,090,900	\$52,792,800	\$4,214,600	\$87,098,300	5

#### • Federal Match Rate Changes

To provide funds to address a decrease in federal financial participation in the TennCare program. Federal participation is determined by a formula involving state and national personal income, and as Tennessee's personal income increases relative to the national level, federal participation decreases.

<b>318.66 TennCare Services</b>	\$1,081,200	(\$1,081,200)	\$0	\$0	0
<b>318.67 Waiver and Crossover Services</b>	\$372,900	(\$372,900)	\$0	\$0	0
<b>318.68 Long Term Care Services</b>	\$470,600	(\$470,600)	\$0	\$0	0
<b>Sub-total</b>	\$1,924,700	(\$1,924,700)	\$0	\$0	0

#### • Weight Watchers

To provide funds to expand enrollment in the Weight Watchers program by reducing the program eligibility criteria from a body mass index of 30 (obese) to 25 (overweight).

<b>318.66 TennCare Services</b>	\$274,500	\$481,700	\$0	\$756,200	0
<b>Sub-total</b>	\$274,500	\$481,700	\$0	\$756,200	0

## Health and Social Services Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Mental Retardation Services</b>					
To provide funds for the TennCare share of improvements recommended for the Division of Mental Retardation Services. A total of \$24,174,400 is non-recurring, including \$8,776,400 in state appropriations.					
<b>318.67 Waiver and Crossover Services</b>	\$19,740,600	\$34,558,800	\$0	\$54,299,400	0
<b>318.68 Long Term Care Services</b>	\$680,400	\$1,193,500	\$0	\$1,873,900	0
<b>Sub-total</b>	<u>\$20,421,000</u>	<u>\$35,752,300</u>	<u>\$0</u>	<u>\$56,173,300</u>	<u>0</u>
<b>• Children's Services</b>					
To provide funds for the TennCare share of improvements recommended for the Department of Children's Services.					
<b>318.66 TennCare Services</b>	\$2,549,300	\$4,028,400	\$0	\$6,577,700	0
<b>Sub-total</b>	<u>\$2,549,300</u>	<u>\$4,028,400</u>	<u>\$0</u>	<u>\$6,577,700</u>	<u>0</u>
<b>• Human Services</b>					
To provide funds for the TennCare share of improvements recommended for the Department of Human Services. This appropriation is non-recurring.					
<b>318.65 TennCare Administration</b>	\$1,013,000	\$1,013,100	\$0	\$2,026,100	0
<b>Sub-total</b>	<u>\$1,013,000</u>	<u>\$1,013,100</u>	<u>\$0</u>	<u>\$2,026,100</u>	<u>0</u>
<b>Total Finance and Administration, Bureau of TennCare</b>	<u>\$56,273,400</u>	<u>\$92,143,600</u>	<u>\$4,214,600</u>	<u>\$152,631,600</u>	<u>5</u>

### Mental Health and Developmental Disabilities

#### • New Facility Lease Payment

To provide funds for the annual lease payment associated with the debt service requirement for the new Memphis Mental Health Institute, which will open in fiscal year 2007-2008.

<b>339.17 Memphis Mental Health Institute</b>	\$1,290,800	\$0	\$0	\$1,290,800	0
<b>Sub-total</b>	<u>\$1,290,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,290,800</u>	<u>0</u>

## Health and Social Services Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Staffing and Operational Support</b>					
To provide funds for staffing and operational expenses at the regional mental health institutes. The establishment of two nurse practitioners at Western Mental Health Institute (\$183,000) and the establishment of 12 psychiatric technicians at Middle Tennessee Mental Health Institute (\$325,000) will reduce overtime expenditures. The Western and Middle Tennessee MHI improvements are funded by reductions in their base budgets. An additional \$97,900 will fund a lease of a cook-chill oven at Middle Tennessee Mental Health Institute. At Lakeshore Mental Health Institute, non-recurring funds of \$196,500 will provide for furniture replacement.					
<b>339.10 Lakeshore Mental Health Institute</b>	\$196,500	\$0	\$0	\$196,500	0
<b>339.11 Middle Tennessee Mental Health Institute</b>	\$422,900	\$0	\$0	\$422,900	12
<b>339.12 Western Mental Health Institute</b>	\$183,000	\$0	\$0	\$183,000	2
<b>Sub-total</b>	\$802,400	\$0	\$0	\$802,400	14
<b>Total Mental Health and Developmental Disabilities</b>	<b>\$2,093,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,093,200</b>	<b>14</b>

### Health

#### • Tobacco-Use Prevention

To provide funds for a comprehensive tobacco-use prevention and cessation initiative. Tobacco causes significant damage to health, increases the overall cost of the health-care system, and is a leading preventable cause of death. This program will focus on preventing youth from starting tobacco use and assist smokers to quit smoking. This item is funded from the proposed 40-cent increase in the cigarette tax.

<b>343.52 Community and Medical Services</b>	\$15,000,000	\$0	\$0	\$15,000,000	0
<b>Sub-total</b>	\$15,000,000	\$0	\$0	\$15,000,000	0

#### • Pandemic Influenza Preparedness

To provide non-recurring funds for the purchase of Tamiflu vaccines available through a federal contract at a reduced cost. In the event of a pandemic influenza emergency, Tamiflu would be used to prevent and provide treatment for influenza symptoms. This purchase is the full allotment available to the state from the national stockpile of Tamiflu under federal contract. The appropriation is sufficient to buy 566,582 doses. Including those procured by the federal government, a total of 1,484,773 doses will be available for Tennessee.

<b>343.49 Communicable and Environmental Disease Services</b>	\$8,175,800	\$0	\$0	\$8,175,800	0
<b>Sub-total</b>	\$8,175,800	\$0	\$0	\$8,175,800	0

## Health and Social Services Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• HIV/AIDS</b>					
To provide funds for HIV/AIDS programs. An amount of \$3,000,000 is non-recurring and supplements the existing Ryan White HIV/AIDS assistance program, which provides medical treatment, pharmaceuticals, and support services for uninsured and under-insured individuals with HIV/AIDS. An amount of \$1,332,700 is recurring and increases the use of non-invasive HIV/AIDS rapid testing, increasing the likelihood that individuals infected with HIV/AIDS will be identified and receive early treatment. The rapid testing program will focus on regions with high HIV/AIDS rates. The program staff will manage the program and provide technical assistance to community agencies.					
<b>343.01 Executive Administration</b>	\$432,700	\$0	\$0	\$432,700	4
<b>343.49 Communicable and Environmental Disease Services</b>	\$3,900,000	\$0	\$0	\$3,900,000	0
<b>Sub-total</b>	<u>\$4,332,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,332,700</u>	<u>4</u>
<b>• Meharry Wellness Program</b>					
To provide non-recurring funds for a grant to Meharry Medical College to oversee and coordinate the "Wellness for Our Community . . . Fitness is Our Future" initiative, which is directed to historically black colleges and universities in Tennessee. The goal is to improve student physical fitness through comprehensive services, including health screenings and obesity prevention programs. Training also is provided for students and institutional leadership to be health ambassadors to improve the general fitness of the surrounding communities. This is the second year of funding for this program.					
<b>343.52 Community and Medical Services</b>	\$2,000,000	\$0	\$0	\$2,000,000	0
<b>Sub-total</b>	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>0</u>
<b>• Health Access for Underserved Areas</b>					
To provide funds to increase access to health-care in underserved areas. Grants will be provided to local communities for early and periodic screening, diagnosis, and treatment services; HIV and sexually transmitted disease services; body mass index information; school-based clinic programs; and other preventive services. Funding is from the Health Access Incentive Account reserve.					
<b>343.52 Community and Medical Services</b>	\$0	\$0	\$1,000,000	\$1,000,000	0
<b>Sub-total</b>	<u>\$0</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>0</u>
<b>• Poison Control Center</b>					
To provide funds to the Poison Control Center at Vanderbilt University to replace an eliminated federal grant previously received by the center directly from the federal government. This center is the only poison control center in the state and provides free statewide emergency information services.					
<b>343.52 Community and Medical Services</b>	\$275,000	\$0	\$0	\$275,000	0
<b>Sub-total</b>	<u>\$275,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$275,000</u>	<u>0</u>

## Health and Social Services Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Occupational and Physical Therapy</b>					
To provide funds for one full-time administrative assistant position to process licensure applications for the Board of Occupational and Physical Therapy Examiners. This appropriation is from dedicated licensure fees of the board.					
<b>343.10 Health Related Boards</b>	\$40,700	\$0	\$0	\$40,700	1
<b>Sub-total</b>	\$40,700	\$0	\$0	\$40,700	1
<b>Total Health</b>	<b>\$29,824,200</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$30,824,200</b>	<b>5</b>

## Finance and Administration, Division of Mental Retardation Services

### • Waiver Services

To provide non-recurring funds of \$24,174,400 to continue current-year initiatives in the statewide and Arlington home and community-based services waiver programs. In addition, a recurring amount of \$4,106,300 is recommended in order to comply with the Arlington lawsuit settlement that requires 50 new enrollees be transferred from the Arlington Developmental Center to the Arlington home and community-based services waiver. To fully fund the initiatives, additional funds in the base budget have been allocated by transferring appropriations from the Division of Mental Retardation Services to TennCare in order to maximize federal revenue. Funding is from the TennCare program.

<b>344.02 Community Mental Retardation Services</b>	\$0	\$0	\$28,280,700	\$28,280,700	0
<b>Sub-total</b>	\$0	\$0	\$28,280,700	\$28,280,700	0

### • Waiting List Reduction

To provide recurring funds for 600 new enrollees to receive services provided by home and community-based services waiver programs. This will further reduce the waiting list, which is approximately 5,000 individuals and is at issue in the Brown lawsuit. Funding is from the TennCare program.

<b>344.02 Community Mental Retardation Services</b>	\$0	\$0	\$25,818,700	\$25,818,700	0
<b>Sub-total</b>	\$0	\$0	\$25,818,700	\$25,818,700	0

### • Community Services

To provide funds for the Community Services Network (\$2.2 million), which provides supplemental medical services to the Arlington home and community-based services recipients. An additional \$72,100 will fund the debt service requirements on the Memphis group homes, which provide a community residential setting alternative to institutionalization.

<b>344.02 Community Mental Retardation Services</b>	\$2,272,100	\$0	\$0	\$2,272,100	0
<b>Sub-total</b>	\$2,272,100	\$0	\$0	\$2,272,100	0



## Health and Social Services Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
<b>• Pharmaceutical Expenditures</b>						
To provide funds for drug costs at developmental centers because of the loss of federal Medicare Part D funds through the TennCare program.						
<b>344.10</b>	Arlington Developmental Center	\$1,206,500	\$0	(\$1,206,500)	\$0	0
<b>344.11</b>	Clover Bottom Developmental Center	\$500,000	\$0	(\$500,000)	\$0	0
<b>344.12</b>	Greene Valley Developmental Center	\$800,000	\$0	(\$800,000)	\$0	0
<b>Sub-total</b>		\$2,506,500	\$0	(\$2,506,500)	\$0	0
<b>• Operational Support</b>						
To provide funds for operating expenses in administrative services and developmental centers. Funds will provide for the lease of a cook-chill oven, information systems costs, utilities, and supplies. An information technology position for the Developmental Disabilities Council will be established by a reallocation of operational expenditures within the council. The other funding is from TennCare.						
<b>344.01</b>	Mental Retardation Administration	\$50,000	\$0	\$200,000	\$250,000	0
<b>344.11</b>	Clover Bottom Developmental Center	\$544,300	\$0	\$2,565,100	\$3,109,400	0
<b>344.12</b>	Greene Valley Developmental Center	\$0	\$0	\$1,815,300	\$1,815,300	0
<b>344.81</b>	Developmental Disabilities Council	\$0	\$0	\$0	\$0	1
<b>Sub-total</b>		\$594,300	\$0	\$4,580,400	\$5,174,700	1
<b>Total Finance and Administration, Division of Mental Retardation Services</b>		<b>\$5,372,900</b>	<b>\$0</b>	<b>\$56,173,300</b>	<b>\$61,546,200</b>	<b>1</b>

### Human Services

#### • Child Support - State Match Requirement

To provide funds for state match requirements in the Child Support Enforcement program. Federal incentive funds were previously used as state match but have been disallowed under the federal Deficit Reduction Act of 2005.

<b>345.13</b>	<b>Child Support</b>	\$4,170,000	\$8,094,700	\$0	\$12,264,700	0
<b>Sub-total</b>		\$4,170,000	\$8,094,700	\$0	\$12,264,700	0

#### • Child Support - Assistant District Attorney's Step Raises

To provide funds for the mandatory salary increase required by TCA 8-7-201 for the assistant district attorneys in the IV-D Child Support Enforcement program.

<b>345.13</b>	<b>Child Support</b>	\$29,600	\$57,300	\$0	\$86,900	0
<b>Sub-total</b>		\$29,600	\$57,300	\$0	\$86,900	0

## Health and Social Services Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Standard of Need</b>					
To provide funds to increase the Families First program standard of need for a family of three from \$963 to \$993, which is a 3.1% increase. The standard of need is intended to reflect the cost of basic housing, clothing, food, essential medical care, transportation, and educational expenditures and is the basis of the gross income standard that is used in determining eligibility for the program. This increase will allow 1,068 families to qualify for or remain in the program.					
<b>345.23 Temporary Cash Assistance</b>	\$3,606,000	\$0	\$0	\$3,606,000	0
<b>Sub-total</b>	\$3,606,000	\$0	\$0	\$3,606,000	0
<b>• Family Assistance Service Center</b>					
To provide non-recurring funds to continue operation of the Family Assistance Service Center in Memphis for an additional year. This is necessary because of program changes necessitated by the expiration of the Families First waiver.					
<b>345.30 Family Assistance Services</b>	\$2,419,700	\$1,037,700	\$2,026,100	\$5,483,500	125
<b>Sub-total</b>	\$2,419,700	\$1,037,700	\$2,026,100	\$5,483,500	125
<b>• Families First - Wage Disregard</b>					
To provide funds to increase the Families First program wage disregard from \$150 to \$250 for a family of three, which is a 66.7% increase. The wage disregard is the monthly wage ceiling a Families First client can earn and still maintain eligibility. This increase will allow 1,284 families to remain qualified for the program. This appropriation is non-recurring.					
<b>345.23 Temporary Cash Assistance</b>	\$4,359,000	\$0	\$0	\$4,359,000	0
<b>Sub-total</b>	\$4,359,000	\$0	\$0	\$4,359,000	0
<b>• Individual Development Accounts</b>					
To provide funds for a grant to the Upper Cumberland Human Resource Agency for the Individual Development Accounts program. The program assists individuals with minimal assets in a first-home purchase, education and job training, and small-business capitalization. This appropriation is non-recurring.					
<b>345.49 Community Services</b>	\$100,000	\$0	\$0	\$100,000	0
<b>Sub-total</b>	\$100,000	\$0	\$0	\$100,000	0
<b>Total Human Services</b>	<b>\$14,684,300</b>	<b>\$9,189,700</b>	<b>\$2,026,100</b>	<b>\$25,900,100</b>	<b>125</b>

### Cover Tennessee Health Care Programs

<b>• CoverKids</b>					
To provide funds to annualize the CoverKids program. The program is available to uninsured children, age 18 and under, with a household income below 250 percent of the federal poverty level. Maternity coverage also is available for pregnant women. Services include vaccinations, well-child visits, healthy babies program, developmental screenings, and other preventive-care services.					
<b>350.50 CoverKids</b>	\$14,200,000	\$42,600,000	\$0	\$56,800,000	0
<b>Sub-total</b>	\$14,200,000	\$42,600,000	\$0	\$56,800,000	0

## Health and Social Services Improvements for Fiscal Year 2007-2008

	State	Federal	Other	Total	Positions
<b>Total Cover Tennessee Health Care Programs</b>	\$14,200,000	\$42,600,000	\$0	\$56,800,000	0

### Children's Services

- **Juvenile Justice**

To provide funds to increase staffing at youth development centers. The youth development center caseload increased by 11.4 percent in fiscal year 2005-2006. The establishment of 96 positions at the youth development centers will improve security in the facilities and workplace safety for the staff. In addition, ten regional program coordinators will serve as liaisons between the central office and regional staff, focusing on juvenile justice reform. The other funding is from the TennCare program.

<b>359.50 Child and Family Management</b>	\$339,600	\$12,300	\$265,500	\$617,400	10
<b>359.60 John S. Wilder Youth Development Center</b>	\$930,900	\$0	\$0	\$930,900	21
<b>359.61 Taft Youth Development Center</b>	\$930,600	\$0	\$0	\$930,600	21
<b>359.62 Woodland Hills Youth Development Center</b>	\$1,222,000	\$0	\$0	\$1,222,000	28
<b>359.63 Mountain View Youth Development Center</b>	\$971,600	\$0	\$0	\$971,600	22
<b>359.64 New Visions Youth Development Center</b>	\$168,600	\$0	\$0	\$168,600	4
<b>Sub-total</b>	\$4,563,300	\$12,300	\$265,500	\$4,841,100	106

- **Residential Provider Rate Increase**

To provide funds for residential service provider rate increases in order to retain current and develop new providers of residential services to children in state custody. The other funding is from the TennCare program.

<b>359.30 Custody Services</b>	\$4,049,700	\$813,100	\$5,437,200	\$10,300,000	0
<b>Sub-total</b>	\$4,049,700	\$813,100	\$5,437,200	\$10,300,000	0

- **Foster Care and Adoption Assistance Rates**

To provide funds for an 8.4 percent increase in the foster care and adoption assistance rates. This increase is necessary to fund the last year of a four-year plan to reach the U.S. Department of Agriculture mid-range, as required by the Brian A. lawsuit settlement.

<b>359.30 Custody Services</b>	\$727,000	\$368,400	\$0	\$1,095,400	0
<b>359.40 Adoption Services</b>	\$124,700	\$116,800	\$0	\$241,500	0
<b>Sub-total</b>	\$851,700	\$485,200	\$0	\$1,336,900	0

## Health and Social Services Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Adoption Assistance Caseload Growth</b>					
To provide funds for adoption assistance caseload growth. Adoption assistance payments encourage parents to move children in state custody to permanency. In fiscal year 2005-2006, adoption-assistance caseload increased by 10.2 percent.					
<b>359.40 Adoption Services</b>	\$2,622,500	\$2,456,900	\$0	\$5,079,400	0
<b>Sub-total</b>	\$2,622,500	\$2,456,900	\$0	\$5,079,400	0
<b>• Social Worker Training</b>					
To provide funds to expand the social worker training consortium, which is comprised of social work programs from 13 Tennessee universities. The training, required by the Brian A. lawsuit settlement, will increase the number of case managers who receive additional education in the field of social work. The training program is an element of the department's effort to earn accreditation by the Council on Accreditation. The other funding is from the TennCare program.					
<b>359.50 Child and Family Management</b>	\$500,000	\$1,000,000	\$500,000	\$2,000,000	0
<b>Sub-total</b>	\$500,000	\$1,000,000	\$500,000	\$2,000,000	0
<b>• Community Resource Assessments</b>					
To provide funds to child-care service providers to identify, develop, and deliver child-specific services based on each child's level of need. Each child is placed in the least restrictive setting that offers the necessary services and meets the objectives of the Brian A. lawsuit settlement. This is the last phase of a two-year plan to implement the program. The other funding is from the TennCare program.					
<b>359.10 Administration</b>	\$333,700	\$41,300	\$375,000	\$750,000	0
<b>Sub-total</b>	\$333,700	\$41,300	\$375,000	\$750,000	0
<b>• Foster Care Mentoring</b>					
To provide additional funds for the foster-care mentoring program. This volunteer program, called LIFT (Lead, Inspire, Fulfill, and Teach), pairs adult mentors with early-teenage children in foster care for mentoring of four to six hours a month. The intent is to provide a positive influence and encourage good decision-making as the foster children grow toward adulthood. Funds will be expended for background checks, instructional literature, and other program costs.					
<b>359.30 Custody Services</b>	\$250,000	\$0	\$0	\$250,000	0
<b>Sub-total</b>	\$250,000	\$0	\$0	\$250,000	0

**Health and Social Services  
Improvements for Fiscal Year 2007-2008**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Teacher Training and Experience</b>					
To provide funds to increase teacher salaries at special schools in the youth development centers, commensurate with each teacher's level of training and experience.					
<b>359.60 John S. Wilder Youth Development Center</b>	\$7,100	\$0	\$0	\$7,100	0
<b>359.61 Taft Youth Development Center</b>	\$8,300	\$0	\$0	\$8,300	0
<b>359.62 Woodland Hills Youth Development Center</b>	\$17,800	\$0	\$0	\$17,800	0
<b>359.63 Mountain View Youth Development Center</b>	\$15,000	\$0	\$0	\$15,000	0
<b>359.64 New Visions Youth Development Center</b>	\$6,100	\$0	\$0	\$6,100	0
<b>359.65 Community Treatment Facilities</b>	\$20,500	\$0	\$0	\$20,500	0
<b>Sub-total</b>	\$74,800	\$0	\$0	\$74,800	0
<b>Total Children's Services</b>	<b>\$13,245,700</b>	<b>\$4,808,800</b>	<b>\$6,577,700</b>	<b>\$24,632,200</b>	<b>106</b>
<b>Total Health and Social Services</b>	<b>\$135,793,700</b>	<b>\$148,742,100</b>	<b>\$69,991,700</b>	<b>\$354,527,500</b>	<b>257</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 grant, the federal Juvenile Accountability Block Grant, and other federal and state grant funds for juvenile justice programs.

The commission is comprised of 21 members, appointed by the Governor. Five members of the commission are youth advisory members and, as required by statute, at least one member is appointed from each of Tennessee's nine development districts. The commission appoints an executive director to administer the agency.

The commission members, central office staff, and district coordinators are engaged in the following activities: improving the coordination of services for children; collecting and disseminating statistical and programmatic information; informing citizens and organizations 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 (CPORT); and evaluating selected state programs and services for children.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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## 316.01 Commission on Children and Youth

Full-Time	53	48	48	1	49
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
<b>Total</b>	<b>55</b>	<b>50</b>	<b>50</b>	<b>1</b>	<b>51</b>
Payroll	2,390,600	2,822,100	2,805,100	84,800	<b>2,889,900</b>
Operational	5,335,700	6,124,300	6,137,600	15,200	<b>6,152,800</b>
<b>Total</b>	<b>\$7,726,300</b>	<b>\$8,946,400</b>	<b>\$8,942,700</b>	<b>\$100,000</b>	<b>\$9,042,700</b>
State	1,715,600	1,934,300	1,932,000	100,000	<b>2,032,000</b>
Federal	3,741,500	4,296,500	4,296,500	0	<b>4,296,500</b>
Other	2,269,200	2,715,600	2,714,200	0	<b>2,714,200</b>

**Standard:** Improve outcomes for children in the custody of the Department of Children's Services through the provision of information and recommendations, based on independent, third-party quality service reviews of children in custody.

**Measure:** The number of children for whom a quality service review is conducted.

	284	268	268	0	268
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**Standard:** Increase the number of resolved cases of children in state custody or in relative caregiver placements who are referred to the TCCY ombudsman program, using a mediation approach.

**Measure:** The number of resolved ombudsman cases.

	179	182	185	0	185
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# Commission on Aging and Disability

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The Commission on Aging and Disability is responsible for networking aging or disabled adults needing in-home services with state, federal, and local programs.

The commission is comprised of 25 members. The Governor appoints 18 members, including a member of his staff. The commissioners of Health, Mental Health and Developmental Disabilities, Human Services, and Veterans Affairs and the director of the Council on Developmental Disabilities are ex officio, voting members; and the speakers of the Senate and House of Representatives appoint one non-voting member each. The commission appoints an executive director to administer the agency.

The commission performs the following activities: administers the Older Americans Act; administers a long-term-care services plan for the elderly and disabled (home and community-based services); collects statistics on the elderly, family caregivers, and adults with disabilities needing in-home services; publishes information on aging and adults with disabilities; makes recommendations on program improvements; and assists in developing needed services.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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## 316.02 Commission on Aging and Disability

Full-Time	31	34	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>31</b>	<b>34</b>	<b>34</b>	<b>0</b>	<b>34</b>
Payroll	1,500,300	1,936,700	1,928,700	0	1,928,700
Operational	34,760,200	36,366,100	34,921,100	0	34,921,100
<b>Total</b>	<b>\$36,260,500</b>	<b>\$38,302,800</b>	<b>\$36,849,800</b>	<b>\$0</b>	<b>\$36,849,800</b>
State	8,395,400	9,573,300	9,573,400	0	9,573,400
Federal	25,557,600	26,595,700	25,142,500	0	25,142,500
Other	2,307,500	2,133,800	2,133,900	0	2,133,900

# 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.

The agency is governed by a 10-member board. The Governor appoints five members. The Comptroller of the Treasury, the Commissioner of Commerce and Insurance, the Director of TennCare are ex-officio members, and the speakers of the Senate and House of Representatives appoint one member each. The board acts as a regulatory body in the certificate-of-need process and appoints an executive director to administer the agency.

The state appropriation for this program is from dedicated fees derived from certificate-of-need filings.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 316.07 Health Services and Development Agency

Full-Time	12	12	12	0	12
Part-Time	7	7	7	0	7
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	681,200	845,800	841,200	0	841,200
Operational	377,000	312,600	316,100	0	316,100
<b>Total</b>	<b>\$1,058,200</b>	<b>\$1,158,400</b>	<b>\$1,157,300</b>	<b>\$0</b>	<b>\$1,157,300</b>
State	1,030,800	1,142,000	1,140,900	0	1,140,900
Federal	0	0	0	0	0
Other	27,400	16,400	16,400	0	16,400

**Standard:** Medical equipment registrations will be current.

**Measure:** The percent of registrations that are current.

73%	75%	80%	0	80%
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**Standard:** Medical equipment utilizations will be reported.

**Measure:** The percent of equipment utilizations that have been reported.

68%	72%	75%	0	75%
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# 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 program eligibility requirements.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 318.65 TennCare Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare program. TennCare Administration is divided into four areas: program administration, policy and planning, quality assurance, and long-term care. This allotment provides funds for the staffing, contractual, and other operational costs necessary for administration of the program, and for determination of client eligibility for services. With funding provided from this allotment, staff of the Department of Human Services determines client eligibility, with the exception of children in state custody, which is determined by the Department of Children's Services.

Full-Time	458	489	489	5	494
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>458</b>	<b>489</b>	<b>489</b>	<b>5</b>	<b>494</b>
Payroll	24,086,200	30,267,400	30,136,900	718,200	30,855,100
Operational	231,453,700	228,487,700	222,303,600	1,307,900	223,611,500
<b>Total</b>	<b>\$255,539,900</b>	<b>\$258,755,100</b>	<b>\$252,440,500</b>	<b>\$2,026,100</b>	<b>\$254,466,600</b>
State	125,147,900	118,802,100	115,645,000	1,013,000	116,658,000
Federal	130,120,200	139,819,000	136,661,500	1,013,100	137,674,600
Other	271,800	134,000	134,000	0	134,000

**Standard:** Reduce the number of repeated audit findings.

**Measure:** Number of repeat audit findings.

9	7	5	0	5
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**Standard:** Send reverification notices to the TennCare waiver population.

**Measure:** Percent of TennCare Standard individuals sent notices.

85%	90%	95%	0	95%
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### 318.66 TennCare Services

TennCare Services provides funding for traditional basic health care and mental health services under the Medicaid waiver program. The program provides funding to managed care organizations that provide basic medical services, behavioral health organizations that provide mental health services, and other state agencies that provide medical care. The managed care organizations in Middle Tennessee provide both medical and mental health services. The state agencies with programs funded from this allotment include the Department of Children's Services and the Department of Health.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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	4,660,603,100	4,923,079,400	4,927,297,800	58,494,800	<b>4,985,792,600</b>
<b>Total</b>	<b>\$4,660,603,100</b>	<b>\$4,923,079,400</b>	<b>\$4,927,297,800</b>	<b>\$58,494,800</b>	<b>\$4,985,792,600</b>
State	1,241,390,700	1,715,380,900	1,715,290,000	20,948,800	<b>1,736,238,800</b>
Federal	3,019,696,200	2,906,487,300	2,910,796,600	33,331,400	<b>2,944,128,000</b>
Other	399,516,200	301,211,200	301,211,200	4,214,600	<b>305,425,800</b>

**Standard:** Increase the number of Managed Care Organizations (MCOs) and Behavioral Health Organizations (BHOs) that are National Committee for Quality Assurance (NCQA) rated and insure the provision of services with the highest possible quality.

**Measure:** Number of MCOs/BHOs with NCQA rating.

0	8	9	0	9
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**Standard:** Reduce drug utilization by increasing the number of enrollees locked into a single pharmacy.

**Measure:** Number of over-utilizing enrollees locked in to a single pharmacy.

1,927	2,225	2,300	0	2,300
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**Standard:** Increase the percentage of children receiving dental screenings.

**Measure:** Percent of children ages 3-21 receiving a dental screening.

51%	60%	66%	0	66%
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### 318.67 Waiver and Crossover Services

The Waiver and Crossover Services program provides funding for home and community-based services and mental retardation 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. Other agencies, including the state Division of Mental Retardation Services of the Department of Finance and Administration, provide the waiver 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.

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	829,676,300	1,038,159,200	1,006,893,500	90,236,800	<b>1,097,130,300</b>
<b>Total</b>	<b>\$829,676,300</b>	<b>\$1,038,159,200</b>	<b>\$1,006,893,500</b>	<b>\$90,236,800</b>	<b>\$1,097,130,300</b>
State	304,492,800	381,887,000	372,372,800	33,160,600	<b>405,533,400</b>
Federal	525,183,500	656,272,200	634,520,700	57,076,200	<b>691,596,900</b>
Other	0	0	0	0	0

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Insure timely payment of claims submitted by providers.

**Measure:** Percent of claims paid within 30 days.

	93%	99%	99%	0	99%
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**Standard:** Work with the Commission on Aging and Disabilities and other community providers to improve enrollment in the Home and Community Based Services (HCBS) waiver for the elderly.

**Measure:** Number of enrollees in HCBS programs for the elderly.

	1,275	1,400	2,800	0	2,800
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### 318.68 Long Term Care Services

Long Term Care Services provides funding for individuals that are in need of long-term institutional care. This program provides funding for the following facilities: general intermediate-care, skilled-nursing, private mentally retarded intermediate-care, and state mentally retarded intermediate-care, administered by the state Division of Mental Retardation Services of the Department of Finance and Administration.

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	1,166,734,900	1,243,191,400	1,233,384,500	1,873,900	1,235,258,400
<b>Total</b>	<b>\$1,166,734,900</b>	<b>\$1,243,191,400</b>	<b>\$1,233,384,500</b>	<b>\$1,873,900</b>	<b>\$1,235,258,400</b>
State	385,512,000	426,408,400	422,907,400	1,151,000	424,058,400
Federal	781,222,900	816,783,000	810,477,100	722,900	811,200,000
Other	0	0	0	0	0

**Standard:** Complete all reviews of Pre-Admission Evaluations within eight days.

**Measure:** Percent of Pre-Admission Evaluations completed within eight days.

	100%	100%	100%	0	100%
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### 318.80 Governor's Office of Children's Care Coordination

The Governor's Office of Children's Care Coordination provides program and policy coordination for statewide initiatives that benefit children. The goal of the office is to improve the delivery of appropriate, effective, and coordinated health-care services to children in the state. Ongoing initiatives within the office include improving preventive health services, such as early and periodic screening, diagnosis, and treatment (EPSDT), improving maternal health in underserved areas, and reducing infant mortality rates.

Full-Time	9	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>13</b>	<b>13</b>	<b>0</b>	<b>13</b>
Payroll	748,600	1,180,500	1,179,000	0	1,179,000
Operational	2,535,200	10,815,700	8,815,700	0	8,815,700
<b>Total</b>	<b>\$3,283,800</b>	<b>\$11,996,200</b>	<b>\$9,994,700</b>	<b>\$0</b>	<b>\$9,994,700</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	1,576,900	7,844,500	5,843,800	0	<b>5,843,800</b>
Federal	1,706,900	4,151,700	4,150,900	0	<b>4,150,900</b>
Other	0	0	0	0	<b>0</b>
<b>318.00 Total Finance and Administration, Bureau of TennCare</b>					
Full-Time	467	502	502	5	<b>507</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>467</b>	<b>502</b>	<b>502</b>	<b>5</b>	<b>507</b>
Payroll	24,834,800	31,447,900	31,315,900	718,200	<b>32,034,100</b>
Operational	6,891,003,200	7,443,733,400	7,398,695,100	151,913,400	<b>7,550,608,500</b>
<b>Total</b>	<b>\$6,915,838,000</b>	<b>\$7,475,181,300</b>	<b>\$7,430,011,000</b>	<b>\$152,631,600</b>	<b>\$7,582,642,600</b>
State	2,058,120,300	2,650,322,900	2,632,059,000	56,273,400	<b>2,688,332,400</b>
Federal	4,457,929,700	4,523,513,200	4,496,606,800	92,143,600	<b>4,588,750,400</b>
Other	399,788,000	301,345,200	301,345,200	4,214,600	<b>305,559,800</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, and 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.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 339.01 Administrative Services Division

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, and support services in the recruitment and retention of the workforce, as well as developing and implementing special programs and projects. The division oversees purchasing, facility management operations, and 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.

Full-Time	185	185	185	0	185
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>0</b>	<b>185</b>
Payroll	10,291,400	12,899,200	12,842,700	0	12,842,700
Operational	2,857,900	3,211,200	3,375,200	0	3,375,200
<b>Total</b>	<b>\$13,149,300</b>	<b>\$16,110,400</b>	<b>\$16,217,900</b>	<b>\$0</b>	<b>\$16,217,900</b>
State	9,307,900	11,504,500	11,613,300	0	11,613,300
Federal	522,400	551,400	479,700	0	479,700
Other	3,319,000	4,054,500	4,124,900	0	4,124,900

**Standard:** The cost of the administrative services division as a percentage of total departmental costs will not exceed 7%.

**Measure:** The cost of the administrative services division as a percentage of total departmental cost.

6%	6%	8%	0	8%
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**Actual**  
**2005-2006**

**Estimated**  
**2006-2007**

**Base**  
**2007-2008**

**Improvement**  
**2007-2008**

**Recommended**  
**2007-2008**

## **Mental Health Services**

The Mental Health Services Division administers 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. The division operates 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 Healthcare Organizations 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; geropsychiatric, 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; and forensics services for inpatient diagnostic evaluation and/or treatment to adults as designated by the courts.

### **339.08 Community Mental Health Services**

The Community Mental Health Services program provides early intervention and support services, rehabilitation, recovery and forensic services, and juvenile court evaluation. The program also offers mental health services to persons disenrolled from TennCare through the mental health safety net program. The mental health safety net program provides individuals with assessment, evaluation, diagnostic and therapeutic interventions, case management, psychiatric medication management, and pharmacy assistance. Services and support are planned in consultation with stakeholders, including service recipients and their families, advocates, service providers, and agencies.

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	62,790,000	77,764,700	73,764,700	0	<b>73,764,700</b>
<b>Total</b>	<b>\$62,790,000</b>	<b>\$77,764,700</b>	<b>\$73,764,700</b>	<b>\$0</b>	<b>\$73,764,700</b>
State	50,870,400	65,739,800	61,739,800	0	<b>61,739,800</b>
Federal	10,796,800	11,024,900	11,024,900	0	<b>11,024,900</b>
Other	1,122,800	1,000,000	1,000,000	0	<b>1,000,000</b>

**Standard:** Increase the number of grantees meeting program criteria on initial monitoring review.

**Measure:** The percentage of grantees achieving contract compliance.

52%

65%

75%

0

75%

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**339.10 Lakeshore Mental Health Institute**

Lakeshore Mental Health Institute was established in Knoxville in 1886, is accredited as a psychiatric hospital, and is licensed for 180 beds.

Full-Time	505	504	504	0	<b>504</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>505</b>	<b>504</b>	<b>504</b>	<b>0</b>	<b>504</b>
Payroll	21,874,900	25,422,600	25,277,400	0	<b>25,277,400</b>
Operational	7,761,200	6,881,700	7,222,500	196,500	<b>7,419,000</b>
<b>Total</b>	<b>\$29,636,100</b>	<b>\$32,304,300</b>	<b>\$32,499,900</b>	<b>\$196,500</b>	<b>\$32,696,400</b>
State	15,342,500	15,657,500	15,853,100	196,500	<b>16,049,600</b>
Federal	1,579,800	1,888,200	1,888,200	0	<b>1,888,200</b>
Other	12,713,800	14,758,600	14,758,600	0	<b>14,758,600</b>

**Standard:** Lakeshore Mental Health Institute will implement consistent practices, including protocols, best practices, or evidence-based practices.

**Measure:** Number of consistent practices, including protocols, best practices, or evidence-based practices implemented.

10	13	15	0	15
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**339.11 Middle Tennessee Mental Health Institute**

Middle Tennessee Mental Health Institute was established in Nashville in 1853 (and rebuilt in 1995), is accredited as a psychiatric hospital, and is licensed for 245 beds. The hospital provides forensic evaluation and treatment services in a secure setting.

Full-Time	715	715	715	12	<b>727</b>
Part-Time	13	13	13	0	<b>13</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>728</b>	<b>728</b>	<b>728</b>	<b>12</b>	<b>740</b>
Payroll	35,686,200	38,830,700	38,284,500	325,000	<b>38,609,500</b>
Operational	10,855,400	9,074,000	9,582,600	97,900	<b>9,680,500</b>
<b>Total</b>	<b>\$46,541,600</b>	<b>\$47,904,700</b>	<b>\$47,867,100</b>	<b>\$422,900</b>	<b>\$48,290,000</b>
State	20,144,500	20,538,100	20,500,500	422,900	<b>20,923,400</b>
Federal	2,489,600	2,452,900	2,452,900	0	<b>2,452,900</b>
Other	23,907,500	24,913,700	24,913,700	0	<b>24,913,700</b>

**Standard:** Middle Tennessee Mental Health Institute will implement consistent practices, including protocols, best practices, or evidence-based practices.

**Measure:** Number of consistent practices, including protocols, best practices, or evidence-based practices implemented.

10	13	15	0	15
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	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**339.12 Western Mental Health Institute**

Western Mental Health Institute was established in Bolivar in 1889, is accredited as a psychiatric hospital, and is licensed for 247 beds.

Full-Time	652	652	651	2	<b>653</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>652</b>	<b>652</b>	<b>651</b>	<b>2</b>	<b>653</b>
Payroll	30,392,500	34,457,900	34,053,700	183,000	<b>34,236,700</b>
Operational	6,685,500	6,725,600	7,158,400	0	<b>7,158,400</b>
<b>Total</b>	<b>\$37,078,000</b>	<b>\$41,183,500</b>	<b>\$41,212,100</b>	<b>\$183,000</b>	<b>\$41,395,100</b>
State	13,479,800	17,508,000	17,536,600	183,000	<b>17,719,600</b>
Federal	2,017,400	1,309,700	1,309,700	0	<b>1,309,700</b>
Other	21,580,800	22,365,800	22,365,800	0	<b>22,365,800</b>

**Standard:** Western Mental Health Institute will implement consistent practices, including protocols, best practices, or evidence-based practices.

**Measure:** Number of consistent practices, including protocols, best practices, or evidence-based practices implemented.

10	13	15	0	15
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**339.16 Moccasin Bend Mental Health Institute**

Moccasin Bend Mental Health Institute was established in Chattanooga in 1961, is accredited as a psychiatric hospital, and is licensed for 172 beds.

Full-Time	447	446	446	0	<b>446</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>447</b>	<b>446</b>	<b>446</b>	<b>0</b>	<b>446</b>
Payroll	20,110,800	23,253,600	23,118,300	0	<b>23,118,300</b>
Operational	4,768,600	5,139,300	5,465,600	0	<b>5,465,600</b>
<b>Total</b>	<b>\$24,879,400</b>	<b>\$28,392,900</b>	<b>\$28,583,900</b>	<b>\$0</b>	<b>\$28,583,900</b>
State	11,169,300	12,161,500	12,352,500	0	<b>12,352,500</b>
Federal	2,762,000	2,214,000	2,214,000	0	<b>2,214,000</b>
Other	10,948,100	14,017,400	14,017,400	0	<b>14,017,400</b>

**Standard:** Moccasin Bend Mental Health Institute will implement consistent practices, including protocols, best practices, or evidence-based practices.

**Measure:** Number of consistent practices, including protocols, best practices, or evidence-based practices implemented.

10	13	15	0	15
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 339.17 Memphis Mental Health Institute

Memphis Mental Health Institute was established in Memphis in 1962, is accredited as a psychiatric hospital, and is licensed for 98 beds. A new facility, licensed for 111 beds, is under construction and will open in the 2007-2008 fiscal year.

Full-Time	349	349	349	0	349
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>0</b>	<b>350</b>
Payroll	18,311,200	20,262,400	20,156,300	0	20,156,300
Operational	18,172,500	5,238,500	5,503,400	1,290,800	6,794,200
<b>Total</b>	<b>\$36,483,700</b>	<b>\$25,500,900</b>	<b>\$25,659,700</b>	<b>\$1,290,800</b>	<b>\$26,950,500</b>
State	15,792,400	13,642,700	13,801,500	1,290,800	15,092,300
Federal	520,000	2,156,000	2,156,000	0	2,156,000
Other	20,171,300	9,702,200	9,702,200	0	9,702,200

**Standard:** Memphis Mental Health Institute will implement consistent practices, including protocols, best practices, or evidence-based practices.

**Measure:** Number of consistent practices, including protocols, best practices, or evidence-based practices implemented.

	10	13	15	0	15
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### 339.40 Major Maintenance

Major Maintenance provides maintenance funds for the state's mental health institutes in the event of an emergency, as well as assisting with facility maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	95,300	450,000	450,000	0	450,000
<b>Total</b>	<b>\$95,300</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$450,000</b>
State	95,300	450,000	450,000	0	450,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** All regional mental health institutes will comply with licensure rules, meet accreditation standards and be accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

**Measure:** Percentage of Regional Mental Health Institutes that pass JCAHO inspection survey on first review.

	100%	100%	100%	0	100%
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<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Cost of major maintenance will be no more than \$0.21 per square foot.

**Measure:** Major maintenance cost per square foot.

\$0.16	\$0.21	\$0.21	0	\$0.21
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**339.00 Total Mental Health and Developmental Disabilities**

Full-Time	2,853	2,851	2,850	14	<b>2,864</b>
Part-Time	14	14	14	0	<b>14</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>2,867</b>	<b>2,865</b>	<b>2,864</b>	<b>14</b>	<b>2,878</b>
Payroll	136,667,000	155,126,400	153,732,900	508,000	<b>154,240,900</b>
Operational	113,986,400	114,485,000	112,522,400	1,585,200	<b>114,107,600</b>
<b>Total</b>	<b>\$250,653,400</b>	<b>\$269,611,400</b>	<b>\$266,255,300</b>	<b>\$2,093,200</b>	<b>\$268,348,500</b>
State	136,202,100	157,202,100	153,847,300	2,093,200	<b>155,940,500</b>
Federal	20,688,000	21,597,100	21,525,400	0	<b>21,525,400</b>
Other	93,763,300	90,812,200	90,882,600	0	<b>90,882,600</b>

## Statistical Data Mental Health Institutes

	<b>Lakeshore 339.10</b>	<b>Middle Tennessee 339.11</b>	<b>Western 339.12</b>	<b>Moccasin Bend 339.16</b>	<b>Memphis 339.17</b>	<b>Total</b>
<b>Annual Admissions</b>						
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	3,085	4,158	2,261	3,005	1,581	14,090
2005-2006	3,215	4,210	2,475	3,330	1,581	14,811
2006-2007	3,400	4,200	2,600	3,300	1,600	15,100
2007-2008	2,190	3,959	2,220	3,330	1,315	13,014
<b>Annual Releases</b>						
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	3,105	4,196	2,240	3,022	1,583	14,146
2005-2006	3,202	4,422	2,445	3,220	1,583	14,872
2006-2007	3,400	4,400	2,600	3,200	1,600	15,200
2007-2008	2,190	3,978	2,241	3,220	1,337	12,966
<b>Average Daily Census</b>						
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	166	267	242	120	93	888
2005-2006	170	275	255	130	93	923
2006-2007	180	275	265	130	93	943
2007-2008	140	260	237	130	75	842
<b>Cost Per Occupancy Day*</b>						
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	\$504.96	\$475.92	\$416.11	\$586.00	\$699.27	\$503.92
2005-2006	\$530.30	\$511.30	\$429.40	\$550.56	\$797.01 **	\$525.44
2006-2007	\$578.04	\$526.27	\$476.94	\$628.31	\$847.43	\$568.11
2007-2008	\$628.78	\$517.02	\$497.54	\$618.70	\$1,141.97	\$596.23

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

\*\*Memphis MHI - 2005-2006 excludes \$12.5 million non-operating costs for capital outlay for new facility.

# 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 the following four bureaus: Administrative and Support Services, Health Licensure and Regulation, Health Services, and Alcohol and Drug Abuse Services.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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## Administrative and Support Services

The Administrative and Support Services Bureau provides direction, coordination, review, and basic support services to the Department of Health, including administrative, laboratory, information technology, and policy planning services.

### 343.01 Executive Administration

Executive Administration provides for the overall policy direction and management of the department, as well as the human resources, legal, and minority health activities.

Full-Time	88	94	94	4	98
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>88</b>	<b>94</b>	<b>94</b>	<b>4</b>	<b>98</b>
Payroll	5,032,700	6,039,800	6,068,600	160,000	6,228,600
Operational	2,211,300	2,170,800	2,183,000	272,700	2,455,700
<b>Total</b>	<b>\$7,244,000</b>	<b>\$8,210,600</b>	<b>\$8,251,600</b>	<b>\$432,700</b>	<b>\$8,684,300</b>
State	6,351,100	7,106,000	7,147,000	432,700	7,579,700
Federal	892,900	917,600	917,600	0	917,600
Other	0	187,000	187,000	0	187,000

**Standard:** Maintain the percentage of Executive Administration's actual expenditures to total department expenditures.

**Measure:** Executive Administration's expenditures as a percent of total department expenditures.

1.19%	1.16%	1.16%	0	1.16%
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### 343.03 Administrative Services

Administrative Services provides support to department program areas, including accounting, procurement, payment, budgeting, contracting, facilities management, and property inventory activities.

Full-Time	62	62	62	0	62
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>0</b>	<b>62</b>
Payroll	2,821,000	3,427,400	3,375,200	0	3,375,200
Operational	815,400	626,800	646,100	0	646,100
<b>Total</b>	<b>\$3,636,400</b>	<b>\$4,054,200</b>	<b>\$4,021,300</b>	<b>\$0</b>	<b>\$4,021,300</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	2,472,900	2,890,700	2,857,800	0	<b>2,857,800</b>
Federal	1,162,300	1,163,500	1,163,500	0	<b>1,163,500</b>
Other	1,200	0	0	0	<b>0</b>

**Standard:** Maintain the percentage of Administrative Services' actual expenditures to total department expenditures.

**Measure:** Administrative Services' expenditures as a percent of total department expenditures.

0.52 %	0.78 %	0.78 %	0	0.78%
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### 343.04 Office of Information Technology

The Office of Information Technology provides hardware, software, and information systems support to the programs of the department. This support includes systems and personal computer security, project management, application development, web development and design, database administration, and maintenance of all systems. Technical services, computer operations services, hardware and software installations, and client server administration are also provided.

Full-Time	48	49	49	0	<b>49</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>48</b>	<b>49</b>	<b>49</b>	<b>0</b>	<b>49</b>
Payroll	2,661,200	3,183,000	3,218,700	0	<b>3,218,700</b>
Operational	742,400	619,500	588,600	0	<b>588,600</b>
<b>Total</b>	<b>\$3,403,600</b>	<b>\$3,802,500</b>	<b>\$3,807,300</b>	<b>\$0</b>	<b>\$3,807,300</b>
State	3,398,800	3,802,500	3,807,300	0	<b>3,807,300</b>
Federal	0	0	0	0	<b>0</b>
Other	4,800	0	0	0	<b>0</b>

**Standard:** Achieve an overall rating of four out of a scale of five on a customer service satisfaction survey.

**Measure:** Average rating on a five-point scale.

4.8	4.9	4.9	0	4.9
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### 343.08 Laboratory Services

Laboratory Services offers microbiological and environmental laboratory services for the Department of Health and other state agencies. These services include screening and confirmation tests for disease outbreak investigation, sexually transmitted diseases, tuberculosis, HIV, mosquito-borne viruses, animal rabies, biological and chemical contaminants, and suspect foods. Reference and limited microbiological support is provided to hospitals, private physicians, and private laboratories. The division also provides analytical support to the department's prevention and treatment programs and to environmental regulatory programs.

Full-Time	177	177	177	0	<b>177</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>177</b>	<b>177</b>	<b>177</b>	<b>0</b>	<b>177</b>
Payroll	7,341,600	9,923,900	9,784,000	0	<b>9,784,000</b>
Operational	9,102,800	8,327,000	8,385,000	0	<b>8,385,000</b>
<b>Total</b>	<b>\$16,444,400</b>	<b>\$18,250,900</b>	<b>\$18,169,000</b>	<b>\$0</b>	<b>\$18,169,000</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	8,011,900	8,574,400	8,590,100	0	<b>8,590,100</b>
Federal	2,158,400	3,476,000	3,078,400	0	<b>3,078,400</b>
Other	6,274,100	6,200,500	6,500,500	0	<b>6,500,500</b>

**Standard:** Exceed the federal Clinical Laboratory Improvement Act goal of 80% accuracy on all laboratory tests.

**Measure:** Average percent of accurate testing results.

94%	95%	95%	0	95%
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### 343.20 Policy Planning and Assessment

Policy Planning and Assessment (PPA) administers all vital records (including births, deaths, marriages, and divorces), health statistics research, and the traumatic brain injury registry. Statistical health-related information gathered from these records and other databases are accessed to analyze issues that affect the health of Tennesseans. Through the Office of Cancer Surveillance, PPA administers the cancer registry and the comprehensive cancer control plan. PPA also maintains the Health Information Tennessee (HIT) website which contains health-related data accessible to the general public, internal users, external researchers, community agencies, and other interested parties.

Full-Time	148	152	152	0	<b>152</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>148</b>	<b>152</b>	<b>152</b>	<b>0</b>	<b>152</b>
Payroll	6,547,500	8,042,200	8,117,600	0	<b>8,117,600</b>
Operational	2,959,300	2,916,500	2,903,100	0	<b>2,903,100</b>
<b>Total</b>	<b>\$9,506,800</b>	<b>\$10,958,700</b>	<b>\$11,020,700</b>	<b>\$0</b>	<b>\$11,020,700</b>
State	3,915,900	5,328,100	5,326,900	0	<b>5,326,900</b>
Federal	1,739,600	2,006,900	2,016,700	0	<b>2,016,700</b>
Other	3,851,300	3,623,700	3,677,100	0	<b>3,677,100</b>

**Standard:** Return vital records requests to customer within a specific time frame.

**Measure:** Response days for routine requests for vital records.

4 days	4 days	4 days	0	4 days
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**Standard:** Submit death demographic data to the National Center for Health Statistics (NCHS) in a timely manner.

**Measure:** Average number of days between date of death and date the death data is sent to the NCHS.

48.8 days	50 days	60 days	0	60 days
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### 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.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 343.05 Bureau of Health Licensure and Regulation

This allotment includes funds for staff that provide policy, direction, and support to the Bureau of Health Licensure and Regulation and monitors the quality of health-care. Civil rights compliance, health-care facility licensure, and the health-care facility federal certification program are administered by the bureau. The bureau also certifies providers for participation in federal Medicare and Medicaid programs. Health Licensure and Regulation monitors facility compliance with state minimum standards, federal standards of care, and conditions of participation through facility surveys and incident investigations.

Full-Time	173	176	176	0	176
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>173</b>	<b>176</b>	<b>176</b>	<b>0</b>	<b>176</b>
Payroll	9,551,200	10,665,900	10,690,600	0	10,690,600
Operational	3,750,300	3,994,000	4,022,300	0	4,022,300
<b>Total</b>	<b>\$13,301,500</b>	<b>\$14,659,900</b>	<b>\$14,712,900</b>	<b>\$0</b>	<b>\$14,712,900</b>
State	5,486,300	6,399,100	6,410,100	0	6,410,100
Federal	6,233,500	6,535,400	6,472,400	0	6,472,400
Other	1,581,700	1,725,400	1,830,400	0	1,830,400

**Standard:** Conduct all required licensure and certification surveys within department guidelines.

**Measure:** Percent of required licensure and certification surveys completed.

100%	100%	100%	0	100%
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**Standard:** Investigate all complaints and unusual incidents against health care facilities within department guidelines.

**Measure:** Percent of complaints and unusual incidents investigated within timeframes mandated by priority designation.

100%	95%	90%	0	90%
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### 343.07 Emergency Medical Services

Emergency Medical Services (EMS) provides quality assurance and oversight of pre-hospital emergency medical care and the medical transportation system in Tennessee. Activities include licensing public and private ambulance services, inspecting and issuing permits for ambulances, training and certifying personnel, and developing regulations. EMS provides technical assistance and coordination to local governments for developing EMS communications systems. EMS also is responsible for statewide, multi-agency emergency medical disaster planning, training, and operations, as identified in the Tennessee Emergency Management Plan.

Full-Time	22	22	22	0	22
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
<b>Total</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>0</b>	<b>35</b>
Payroll	979,800	1,186,100	1,275,900	0	1,275,900
Operational	2,502,600	2,969,400	2,937,200	0	2,937,200
<b>Total</b>	<b>\$3,482,400</b>	<b>\$4,155,500</b>	<b>\$4,213,100</b>	<b>\$0</b>	<b>\$4,213,100</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	727,400	666,300	667,800	0	<b>667,800</b>
Federal	476,200	754,300	380,900	0	<b>380,900</b>
Other	2,278,800	2,734,900	3,164,400	0	<b>3,164,400</b>

**Standard:** Process all initial licensure applications for Emergency Management Services (EMS) personnel from application receipt to licensure approval/denial in a timely manner as set by the Department of Health.

**Measure:** Percent of initial licensure applications for EMS personnel processed within 100 calendar days from application receipt to license approval/denial.

100%	100%	100%	0	100%
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**Standard:** Process all license renewals for EMS personnel in a timely manner as set by the Department of Health.

**Measure:** Percent of license renewals for EMS personnel processed within ten calendar days.

100%	100%	100%	0	100%
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**Standard:** Process all initial and renewal licenses for ambulance services in a timely manner as set by the Department of Health.

**Measure:** Percent of initial and renewal licenses for ambulance services processed within 15 calendar days from application receipt.

85%	90%	100%	0	100%
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### 343.10 Health Related Boards

The Health Related Boards certify and license health-care professionals; enforce statutes and rules setting standards of practice and professional conduct; and assist in administration, investigation, enforcement, and peer assistance.

Full-Time	120	123	123	1	<b>124</b>
Part-Time	166	171	171	0	<b>171</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>286</b>	<b>294</b>	<b>294</b>	<b>1</b>	<b>295</b>
Payroll	5,521,400	6,375,700	6,446,600	33,200	<b>6,479,800</b>
Operational	4,648,200	5,453,500	5,376,500	7,500	<b>5,384,000</b>
<b>Total</b>	<b>\$10,169,600</b>	<b>\$11,829,200</b>	<b>\$11,823,100</b>	<b>\$40,700</b>	<b>\$11,863,800</b>
State	10,092,500	11,829,200	11,823,100	40,700	<b>11,863,800</b>
Federal	0	0	0	0	<b>0</b>
Other	77,100	0	0	0	<b>0</b>

**Standard:** Process all initial applications for licensure from application receipt to licensure approval/denial in a timely manner as set by the Department of Health.

**Measure:** Percent of initial licensure applications processed within 100 calendar days from application receipt to licensure approval/denial.

91%	95%	95%	5%	100%
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**Standard:** Process all license renewals in a timely manner as set by the Department of Health.

**Measure:** Percent of renewals processed within 14 calendar days.

91%	95%	95%	5%	100%
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<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Resolve all complaints within established category timeframes.

**Measure:** Percent of complaints resolved within established category timeframes.

60%	75%	90%	0	90%
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## Bureau of Health Services

The Bureau of Health Services delivers public health services through a system of 13 regional health offices responsible for the oversight of services provided in 89 rural county health departments and six metropolitan health departments. These services encompass both primary care and prevention services, with an emphasis on health promotion, disease prevention, and health access. Services are provided through the following programs: Health Services Administration, General Environmental Health, Maternal and Child Health, Communicable and Environmental Disease Services, Community and Medical Services, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and Local Health Services.

### 343.45 Health Services Administration

Health Services Administration directs, supervises, plans, and coordinates health-care service delivery in the state; provides administrative support to programs within the Bureau of Health Services; and operates the early and periodic screening, diagnostic, and treatment (EPSDT) call center. In addition, several health care safety net programs, established in 2005-2006 to assist Tennesseans who were disenrolled from the TennCare program, are funded through this division. The safety net initiatives include grants to federally qualified health centers and the 24-hour nurse triage service. The Department of Mental Health and Developmental Disabilities also provides safety net services to the mentally ill.

Full-Time	91	99	99	0	<b>99</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>91</b>	<b>99</b>	<b>99</b>	<b>0</b>	<b>99</b>
Payroll	2,958,600	5,279,500	5,262,000	0	<b>5,262,000</b>
Operational	50,519,100	35,186,500	13,406,900	0	<b>13,406,900</b>
<b>Total</b>	<b>\$53,477,700</b>	<b>\$40,466,000</b>	<b>\$18,668,900</b>	<b>\$0</b>	<b>\$18,668,900</b>
State	51,545,400	36,599,400	14,804,500	0	<b>14,804,500</b>
Federal	1,102,800	1,493,000	1,493,000	0	<b>1,493,000</b>
Other	829,500	2,373,600	2,371,400	0	<b>2,371,400</b>

**Standard:** Administrative costs for Health Services Administration activities for the Bureau of Health Services will not exceed 2% of the total bureau's costs. This does not include costs for the Early and Periodic Screening, Diagnostic, and Testing call center.

**Measure:** Administrative expenditures as a percent of total Bureau of Health Services Administration expenditures.

1.69%	1.80%	2.00%	0	2.00%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 343.39 General Environmental Health

General Environmental Health enforces sanitation and safety standards in hotels, food service establishments, bed and breakfast establishments, campgrounds, swimming pools, tattoo studios, and body piercing establishments through field inspections. In addition, the program is responsible for rabies control activities, West Nile Virus surveillance, lead investigations, and environmental surveys that are conducted in schools, child-care facilities, and state correctional institutions.

Full-Time	110	109	109	0	<b>109</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>110</b>	<b>109</b>	<b>109</b>	<b>0</b>	<b>109</b>
Payroll	6,144,100	6,719,700	6,677,700	0	<b>6,677,700</b>
Operational	4,729,900	4,725,900	4,778,600	0	<b>4,778,600</b>
<b>Total</b>	<b>\$10,874,000</b>	<b>\$11,445,600</b>	<b>\$11,456,300</b>	<b>\$0</b>	<b>\$11,456,300</b>
State	10,825,600	11,417,000	11,427,700	0	<b>11,427,700</b>
Federal	0	0	0	0	<b>0</b>
Other	48,400	28,600	28,600	0	<b>28,600</b>

**Standard:** Inspect and re-inspect 100% of the establishments listed above within the required intervals as set forth in Tennessee Code Annotated (TCA).

**Measure:** Percent of inspections completed on time according to TCA.

99.7%	100%	100%	0	100%
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**Standard:** Reduce infections caused by key food-borne pathogens.

**Measure:** Number of infections caused by Salmonella species per 100,000 population.

13.7	12.0	12.0	0	12.0
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### 343.47 Maternal and Child Health

Maternal and Child Health provides health services to women of child-bearing age and to children in low-income populations in an effort to reduce maternal and infant mortality and morbidity. This program also provides evaluation, diagnosis, education, counseling, comprehensive medical care, and case management services to physically disabled children up to age 21. Program services also include abstinence education, child health-care services, child fatality reviews, coordinated school health programs with the Department of Education, adolescent pregnancy prevention, newborn genetic and hearing screening, services for pregnant women, family planning, and home visits to clients of the Temporary Assistance to Needy Families program of the Department of Human Services (Families First).

Full-Time	45	45	45	0	<b>45</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>0</b>	<b>45</b>
Payroll	1,964,900	2,723,200	2,664,500	0	<b>2,664,500</b>
Operational	11,797,500	12,752,300	12,813,300	0	<b>12,813,300</b>
<b>Total</b>	<b>\$13,762,400</b>	<b>\$15,475,500</b>	<b>\$15,477,800</b>	<b>\$0</b>	<b>\$15,477,800</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	2,301,900	2,513,000	2,515,300	0	<b>2,515,300</b>
Federal	7,029,300	8,539,600	8,564,600	0	<b>8,564,600</b>
Other	4,431,200	4,422,900	4,397,900	0	<b>4,397,900</b>

**Standard:** Child Fatality Review Teams will review child deaths under 18 years of age.

**Measure:** Percent of child deaths reviewed (Tennessee residents under 18 years of age).

97.3%	100%	100%	0	100%
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**Standard:** Reduce the pregnancy rates for females ages 15-17.

**Measure:** Adolescent pregnancy rates for females ages 15-17 per 1,000 females.

33.3	32.5	32.2	0	33.2
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### 343.49 Communicable and Environmental Disease Services

The Communicable and Environmental Disease Services program works with staff in regional and local health departments to provide epidemiological services. These activities include epidemiological investigations of acute communicable diseases, tuberculosis control services, administration of immunizations against vaccine-preventable diseases, as well as investigation, diagnosis, and treatment of persons with sexually transmitted diseases, including HIV/AIDS. Environmental epidemiology services include educational services relative to chemical or physical pollution, disease cluster investigations, and toxicological at-risk assessment consultations with environmental regulatory programs in the Department of Environment and Conservation. Staff also maintains surveillance systems for early detection of bioterrorism and provides emergency support to local health departments and emergency responders.

Full-Time	129	139	139	0	<b>139</b>
Part-Time	1	1	1	0	<b>1</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>130</b>	<b>140</b>	<b>140</b>	<b>0</b>	<b>140</b>
Payroll	5,914,300	8,272,300	8,477,500	0	<b>8,477,500</b>
Operational	33,063,400	44,289,800	41,312,400	12,075,800	<b>53,388,200</b>
<b>Total</b>	<b>\$38,977,700</b>	<b>\$52,562,100</b>	<b>\$49,789,900</b>	<b>\$12,075,800</b>	<b>\$61,865,700</b>
State	4,737,300	9,257,500	6,278,300	12,075,800	<b>18,354,100</b>
Federal	34,151,100	43,304,600	43,511,600	0	<b>43,511,600</b>
Other	89,300	0	0	0	<b>0</b>

**Standard:** Increase the annual percentage of tuberculosis cases that complete therapy.

**Measure:** Percent of tuberculosis cases that complete therapy.

93%	94%	94%	0	94%
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**Standard:** The incidence rate of primary and secondary syphilis will not exceed 3.0 cases per 100,000 population.

**Measure:** Incidence rate of primary and secondary syphilis.

2.3	2.3	2.2	0	2.2
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>Standard:</b> The incidence rate of newly reported HIV/AIDS infections will not exceed 17.0 cases per 100,000 population.					
<b>Measure:</b> Incidence rate of newly reported HIV/AIDS infections.					
	17.8	17.8	17.0	0	17.0
<b>Standard:</b> Increase the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 4 doses diptheria/tetanus/pertussis (DTaP).					
<b>Measure:</b> Percentage of 24-month-old children receiving each of the recommended childhood vaccinations.					
	85.7%	86.5%	87.5%	0	87.5%
<b>Standard:</b> Increase the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 3 doses Haemophilus Influenzae type B (HiB).					
<b>Measure:</b> Percentage of 24-month-old children receiving each of the recommended childhood vaccinations.					
	94.2%	90%	90%	0	90%
<b>Standard:</b> Increase the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 1 dose Measles, Mumps, and Rubella (MMR).					
<b>Measure:</b> Percentage of 24-month-old children receiving each of the recommended childhood vaccinations.					
	92.9%	90%	90%	0	90%
<b>Standard:</b> Increase the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 3 doses Hepatitis B.					
<b>Measure:</b> Percentage of 24-month-old children receiving each of the recommended childhood vaccinations.					
	93.6%	90%	90%	0	90%
<b>Standard:</b> Increase the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 3 doses polio.					
<b>Measure:</b> Percentage of 24-month-old children receiving each of the recommended childhood vaccinations.					
	90.5%	90%	90%	0	90%
<b>Standard:</b> Increase the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 1 dose varicella.					
<b>Measure:</b> Percentage of 24-month-old children receiving each of the recommended childhood vaccinations.					
	90.8%	90%	90%	0	90%

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 343.51 Diabetes Prevention and Health Improvement

The Diabetes Prevention and Health Improvement program provides grants to health-care providers for education, treatment, and prevention initiatives focused on type 2 diabetes and obesity. The program also makes grants available to selected Tennessee high schools that participate in clinical trials with the National Institutes of Health (NIH).

Full-Time	0	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	0	189,400	189,400	0	189,400
Operational	0	6,810,600	6,810,600	0	6,810,600
<b>Total</b>	<b>\$0</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>	<b>\$0</b>	<b>\$7,000,000</b>
State	0	7,000,000	7,000,000	0	7,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 343.52 Community and Medical Services

Community and Medical Services includes health promotion activities that reduce premature death and disability. The program promotes healthy lifestyle practices through a combination of preventive programs and wellness initiatives. The target population is the indigent and medically underserved. The breast and cervical cancer program provides screening and diagnostic testing. The health access incentive program provides financial incentives to primary care providers to locate in an underserved area as well as other community initiatives. The Office of Rural Health provides statewide coordination of activities designed to improve the availability and accessibility of health-care services in rural areas. Specific services include health access, rural health, rape prevention and education, chronic renal disease, hemophilia treatment, community prevention initiative, diabetes prevention and control, heart disease and stroke prevention, traumatic brain injury treatment, and bioterrorism preparedness for hospitals.

Full-Time	80	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>80</b>	<b>81</b>	<b>81</b>	<b>0</b>	<b>81</b>
Payroll	3,799,700	4,992,900	4,972,500	0	4,972,500
Operational	20,158,400	24,841,200	22,317,500	18,275,000	40,592,500
<b>Total</b>	<b>\$23,958,100</b>	<b>\$29,834,100</b>	<b>\$27,290,000</b>	<b>\$18,275,000</b>	<b>\$45,565,000</b>
State	8,811,400	13,246,100	10,702,000	17,275,000	27,977,000
Federal	14,917,100	16,588,000	16,588,000	0	16,588,000
Other	229,600	0	0	1,000,000	1,000,000

**Standard:** Increase the number of health practitioners placed in underserved communities.

**Measure:** Number of health practitioners placed in underserved communities.

25	30	32	0	32
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Reduce the incidence of coronary heart disease per 100,000 population.

**Measure:** Incidence of coronary heart disease age-adjusted death rate per 100,000 population.

	219.2	217.3	215.4	0	215.4
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### 343.53 Women, Infants, and Children (WIC)

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides screening, counseling, and supplemental foods to low-income pregnant and postpartum breast-feeding women and supplemental foods to infants and children at risk due to inadequate nutrition. Through promotion and modification of food practices, this program seeks to minimize the risk of complications to mothers and children, maximize normal development, and improve the health status of the targeted high-risk population.

Full-Time	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	876,000	1,206,500	1,180,200	0	1,180,200
Operational	109,337,400	118,142,800	118,149,600	0	118,149,600
<b>Total</b>	<b>\$110,213,400</b>	<b>\$119,349,300</b>	<b>\$119,329,800</b>	<b>\$0</b>	<b>\$119,329,800</b>
State	0	0	0	0	0
Federal	83,038,400	84,215,300	84,195,800	0	84,195,800
Other	27,175,000	35,134,000	35,134,000	0	35,134,000

**Standard:** Provide breast-feeding support activities to women participating in WIC in order to achieve an average of at least 29% or greater of women who breast-feed.

**Measure:** Percent of women receiving WIC who are breast-feeding.

	31%	32%	33%	0	33%
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### 343.60 Local Health Services

Local health services are provided through a network of regional health offices, metropolitan area offices, and county health departments. Grants-in-aid are provided to local health units to assure that every citizen in the state has access to health care and to assist county health departments in providing adequate staff. Services include child health and development assistance; family planning; community health clinics; primary care; TennCare dental services; children's special services; immunizations; health promotion; sexually transmitted disease assistance; tuberculosis control; AIDS assistance; bioterrorism preparedness; community development; Families First home visits; early and periodic screening, diagnosis, and treatment (EPSDT) outreach; and supplemental foods, screening, and counseling through the Women, Infants, and Children (WIC) program, described above.

Full-Time	1,868	1,877	1,877	0	1,877
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1,870</b>	<b>1,879</b>	<b>1,879</b>	<b>0</b>	<b>1,879</b>
Payroll	76,629,400	101,889,000	101,790,600	0	101,790,600
Operational	87,999,400	85,284,100	85,504,700	0	85,504,700
<b>Total</b>	<b>\$164,628,800</b>	<b>\$187,173,100</b>	<b>\$187,295,300</b>	<b>\$0</b>	<b>\$187,295,300</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	42,344,100	56,435,700	56,568,300	0	<b>56,568,300</b>
Federal	59,639,200	66,675,200	66,675,200	0	<b>66,675,200</b>
Other	62,645,500	64,062,200	64,051,800	0	<b>64,051,800</b>

**Standard:** Ensure that all public health regions maintain up-to-date bioterrorism response plans.

**Measure:** Number of public health regions with up-to-date bioterrorism response plans.

13	13	13	0	13
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**Standard:** Implement community-based initiatives to improve health status indicators and reduce gaps between population groups.

**Measure:** Number of communities/counties actively engaged in a sustained, multi-faceted approach to reduce the rate of diabetes and/or cardiovascular disease.

50	68	70	0	70
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## Bureau of Alcohol and Drug Abuse Services

### 343.44 Alcohol and Drug Abuse Services

Alcohol and Drug Abuse Services develops prevention and treatment services to decrease the incidence of alcohol and other drug abuse and dependence. There is particular emphasis on populations with special needs including children and youth, AIDS patients, minorities, women, intravenous drug abusers, the elderly, and persons with both mental health and alcohol and/or drug abuse diagnoses (dual diagnosis). The majority of services are provided through grants to non-profit or local government agencies. Services include detoxification, family intervention, residential rehabilitation, halfway houses, day treatment, and outpatient services.

Full-Time	43	45	45	0	<b>45</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>43</b>	<b>45</b>	<b>45</b>	<b>0</b>	<b>45</b>
Payroll	1,756,000	2,507,000	2,498,500	0	<b>2,498,500</b>
Operational	53,894,700	55,183,500	55,042,400	0	<b>55,042,400</b>
<b>Total</b>	<b>\$55,650,700</b>	<b>\$57,690,500</b>	<b>\$57,540,900</b>	<b>\$0</b>	<b>\$57,540,900</b>
State	11,982,200	15,166,500	15,016,900	0	<b>15,016,900</b>
Federal	43,596,500	42,524,000	42,524,000	0	<b>42,524,000</b>
Other	72,000	0	0	0	<b>0</b>

**Standard:** Increase the percentage of Driving Under the Influence (DUI) offenders employed full-time six months after treatment.

**Measure:** Percent of DUI offenders employed full-time six months after treatment.

64.3%	70%	70%	0	70%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>343.00 Total Health</b>					
Full-Time	3,225	3,273	3,273	5	<b>3,278</b>
Part-Time	182	187	187	0	<b>187</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>3,407</b>	<b>3,460</b>	<b>3,460</b>	<b>5</b>	<b>3,465</b>
Payroll	140,499,400	182,623,500	182,690,100	193,200	<b>182,883,300</b>
Operational	398,232,100	414,294,200	387,177,800	30,631,000	<b>417,808,800</b>
<b>Total</b>	<b>\$538,731,500</b>	<b>\$596,917,700</b>	<b>\$569,867,900</b>	<b>\$30,824,200</b>	<b>\$600,692,100</b>
State	173,004,700	198,231,500	170,943,100	29,824,200	<b>200,767,300</b>
Federal	256,137,300	278,193,400	277,581,700	0	<b>277,581,700</b>
Other	109,589,500	120,492,800	121,343,100	1,000,000	<b>122,343,100</b>



# Department of Finance and Administration, Division of Mental Retardation Services

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The Division of Mental Retardation Services was transferred by executive order in 1996 from the Department of Mental Health and Developmental Disabilities to the Department of Finance and Administration. Later executive orders, through 2002, provided for transfer of additional administrative staff and functions into this division from the old department. The division provides services in a variety of settings, ranging from supported living in the community to institutional care. The division also provides administrative support to the Developmental Disabilities Council.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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## Administration and Policy

### 344.01 Mental Retardation Administration

Mental Retardation Administration is responsible for oversight of the three developmental centers; administration of the home and community-based Medicaid waiver program; policy development and implementation; approval of statewide programs and provider development; budget and personnel functions; and training, technical assistance, and consultation in specialty areas.

Full-Time	195	199	199	0	199
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>195</b>	<b>199</b>	<b>199</b>	<b>0</b>	<b>199</b>
Payroll	11,666,500	13,572,700	13,625,500	0	13,625,500
Operational	5,200,700	4,430,400	4,124,700	250,000	4,374,700
<b>Total</b>	<b>\$16,867,200</b>	<b>\$18,003,100</b>	<b>\$17,750,200</b>	<b>\$250,000</b>	<b>\$18,000,200</b>
State	7,008,800	5,910,600	3,550,000	50,000	3,600,000
Federal	484,200	479,000	0	0	0
Other	9,374,200	11,613,500	14,200,200	200,000	14,400,200

**Standard:** Administrative costs to total services costs will not exceed 6.8%

**Measure:** Percent of administrative costs to total services cost.

7.10%	6.57%	6.45%	0	6.45%
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### 344.81 Developmental Disabilities Council

The Developmental Disabilities Council works for public policies and service systems that promote the inclusion of individuals with developmental disabilities in their communities. The council consists of 21 members appointed by the Governor and represents a broad range of disabilities, as well as the cultural and geographic diversity of the state. The council is administratively attached to the Division of Mental Retardation Services.

Full-Time	8	8	8	1	9
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>1</b>	<b>9</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	472,100	593,500	621,000	62,100	<b>683,100</b>
Operational	1,142,200	1,860,900	1,838,000	-62,100	<b>1,775,900</b>
<b>Total</b>	<b>\$1,614,300</b>	<b>\$2,454,400</b>	<b>\$2,459,000</b>	<b>\$0</b>	<b>\$2,459,000</b>
State	117,400	207,500	208,700	0	<b>208,700</b>
Federal	1,402,300	2,146,900	2,150,300	0	<b>2,150,300</b>
Other	94,600	100,000	100,000	0	<b>100,000</b>

**Standard:** Maintain maximum utilization of federal allocation to the Council on Developmental Disabilities.

**Measure:** Percent of federal allocation utilized.

97%	97%	97%	0	97%
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**Standard:** Utilize council's federal funding to support priority areas: education, housing, employment, child care, community supports, quality assurance, health, and transportation.

**Measure:** Percent of actual expenditures spent to support federal priority areas.

77%	70%	70%	0	70%
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## Community Services

Three regional offices coordinate services for individuals in the community and for individuals transitioning from institutional settings to the community.

### 344.02 Community Mental Retardation Services

The Community Mental Retardation Services Division 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, and support coordination.

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	535,762,600	588,111,600	543,193,000	56,371,500	<b>599,564,500</b>
<b>Total</b>	<b>\$535,762,600</b>	<b>\$588,111,600</b>	<b>\$543,193,000</b>	<b>\$56,371,500</b>	<b>\$599,564,500</b>
State	161,019,800	55,579,400	50,367,200	2,272,100	<b>52,639,300</b>
Federal	6,200	0	0	0	<b>0</b>
Other	374,736,600	532,532,200	492,825,800	54,099,400	<b>546,925,200</b>

**Standard:** Provide services to individuals in the Home and Community-Based waivers.

**Measure:** Number of individuals served in the community.

6,786	7,198	7,621	0	7,621
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 344.20 West Tennessee Regional Office

This office coordinates services and support to individuals with mental retardation living in the community in West Tennessee.

Full-Time	151	164	164	0	164
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>151</b>	<b>164</b>	<b>164</b>	<b>0</b>	<b>164</b>
Payroll	6,893,700	10,234,300	9,309,100	0	9,309,100
Operational	4,620,000	5,953,900	6,062,100	0	6,062,100
<b>Total</b>	<b>\$11,513,700</b>	<b>\$16,188,200</b>	<b>\$15,371,200</b>	<b>\$0</b>	<b>\$15,371,200</b>
State	31,300	4,855,900	2,459,400	0	2,459,400
Federal	0	0	0	0	0
Other	11,482,400	11,332,300	12,911,800	0	12,911,800

**Standard:** Resolve and close complaint cases within 30 days of receipt.

**Measure:** The percent of complaint cases resolved and closed within 30 days of receipt.

94%	90%	90%	0	90%
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**Standard:** Increase the number of investigations closed within 30 days.

**Measure:** The percent of investigations closed within 30 days.

93%	100%	100%	0	100%
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### 344.21 Middle Tennessee Regional Office

This office coordinates services and support to individuals with mental retardation living in the community in Middle Tennessee.

Full-Time	163	173	173	0	173
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>163</b>	<b>173</b>	<b>173</b>	<b>0</b>	<b>173</b>
Payroll	7,330,800	9,768,400	9,657,300	0	9,657,300
Operational	1,575,600	1,509,200	1,619,600	0	1,619,600
<b>Total</b>	<b>\$8,906,400</b>	<b>\$11,277,600</b>	<b>\$11,276,900</b>	<b>\$0</b>	<b>\$11,276,900</b>
State	0	3,470,200	1,804,400	0	1,804,400
Federal	0	0	0	0	0
Other	8,906,400	7,807,400	9,472,500	0	9,472,500

**Standard:** Resolve and close complaint cases within 30 days of receipt.

**Measure:** The percent of complaint cases resolved and closed within 30 days of receipt.

88%	90%	90%	0	90%
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**Standard:** Increase the number of investigations closed within 30 days.

**Measure:** The percent of investigations closed within 30 days.

96%	100%	100%	0	100%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 344.22 East Tennessee Regional Office

This office coordinates services and support to individuals with mental retardation living in the community in East Tennessee.

Full-Time	185	181	181	0	181
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>185</b>	<b>181</b>	<b>181</b>	<b>0</b>	<b>181</b>
Payroll	7,989,200	9,486,700	10,273,600	0	10,273,600
Operational	2,045,900	2,904,200	3,014,900	0	3,014,900
<b>Total</b>	<b>\$10,035,100</b>	<b>\$12,390,900</b>	<b>\$13,288,500</b>	<b>\$0</b>	<b>\$13,288,500</b>
State	993,800	3,838,000	2,126,200	0	2,126,200
Federal	0	0	0	0	0
Other	9,041,300	8,552,900	11,162,300	0	11,162,300

**Standard:** Increase the number of investigations closed within 30 days.

**Measure:** The percent of investigations closed within 30 days.

97%	100%	100%	0	100%
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**Standard:** Resolve and close complaint cases within 30 days of receipt.

**Measure:** The percent of complaint cases resolved and closed within 30 days of receipt.

94%	90%	90%	0	90%
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## Developmental Centers

The Division of Mental Retardation Services operates three developmental centers, which provide residential support and services to adults and children who have mental retardation and who require facility-based long-term care. The 24-hour care is to improve the physical, intellectual, social, and emotional capabilities of adults and children who are severely and profoundly retarded. 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 also is provided.

### 344.10 Arlington Developmental Center

Arlington Developmental Center was established in Arlington in 1969 and is licensed for 250 beds.

Full-Time	1,038	933	745	0	745
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1,038</b>	<b>933</b>	<b>745</b>	<b>0</b>	<b>745</b>
Payroll	39,679,400	44,328,100	38,785,100	0	38,785,100
Operational	19,916,700	16,063,600	11,194,300	0	11,194,300
<b>Total</b>	<b>\$59,596,100</b>	<b>\$60,391,700</b>	<b>\$49,979,400</b>	<b>\$0</b>	<b>\$49,979,400</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	1,054,600	565,600	565,600	1,206,500	<b>1,772,100</b>
Federal	0	0	0	0	<b>0</b>
Other	58,541,500	59,826,100	49,413,800	-1,206,500	<b>48,207,300</b>

**Standard:** Reduce serious injuries of consumers each year.

**Measure:** The number of serious injuries of consumers.

	16	15	14	0	14
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#### 344.11 Clover Bottom Developmental Center

Clover Bottom Developmental Center was established in Nashville in 1923 and is licensed for 260 beds. 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.

Full-Time	902	858	858	0	<b>858</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>902</b>	<b>858</b>	<b>858</b>	<b>0</b>	<b>858</b>
Payroll	37,543,800	39,168,000	38,912,500	0	<b>38,912,500</b>
Operational	21,037,400	16,556,900	17,126,400	3,109,400	<b>20,235,800</b>
<b>Total</b>	<b>\$58,581,200</b>	<b>\$55,724,900</b>	<b>\$56,038,900</b>	<b>\$3,109,400</b>	<b>\$59,148,300</b>
State	7,787,400	7,582,900	7,620,500	1,044,300	<b>8,664,800</b>
Federal	0	0	0	0	<b>0</b>
Other	50,793,800	48,142,000	48,418,400	2,065,100	<b>50,483,500</b>

**Standard:** Reduce serious injuries of consumers each year.

**Measure:** The number of serious injuries of consumers each year.

	48	46	44	0	44
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#### 344.12 Greene Valley Developmental Center

Greene Valley Developmental Center was established in Greeneville in 1960 and is licensed for 384 beds. A facility group home provides transitional residential services for clients to prepare for a successful community placement.

Full-Time	1,384	1,388	1,388	0	<b>1,388</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,384</b>	<b>1,388</b>	<b>1,388</b>	<b>0</b>	<b>1,388</b>
Payroll	56,571,400	62,370,700	61,900,400	0	<b>61,900,400</b>
Operational	16,672,800	14,491,800	15,291,100	1,815,300	<b>17,106,400</b>
<b>Total</b>	<b>\$73,244,200</b>	<b>\$76,862,500</b>	<b>\$77,191,500</b>	<b>\$1,815,300</b>	<b>\$79,006,800</b>
State	0	601,100	601,100	800,000	<b>1,401,100</b>
Federal	0	0	0	0	<b>0</b>
Other	73,244,200	76,261,400	76,590,400	1,015,300	<b>77,605,700</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Reduce serious injuries of consumers each year.

**Measure:** The number of serious injuries of consumers.

	58	56	54	0	54
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### 344.50 Major Maintenance

Major Maintenance provides institutional maintenance funds to the state's developmental centers in the event of an emergency and provides funds for maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	157,200	300,000	300,000	0	300,000
<b>Total</b>	<b>\$157,200</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$300,000</b>
State	157,200	300,000	300,000	0	300,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Completion of planned major maintenance projects.

**Measure:** Number of completed major maintenance projects.

	3 out of 12	5 out of 12	6 out of 12	0	6 out of 12
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### 344.00 Total Finance and Administration, Division of Mental Retardation Services

Full-Time	4,026	3,904	3,716	1	3,717
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>4,026</b>	<b>3,904</b>	<b>3,716</b>	<b>1</b>	<b>3,717</b>
Payroll	168,146,900	189,522,400	183,084,500	62,100	183,146,600
Operational	608,131,100	652,182,500	603,764,100	61,484,100	665,248,200
<b>Total</b>	<b>\$776,278,000</b>	<b>\$841,704,900</b>	<b>\$786,848,600</b>	<b>\$61,546,200</b>	<b>\$848,394,800</b>
State	178,170,300	82,911,200	69,603,100	5,372,900	74,976,000
Federal	1,892,700	2,625,900	2,150,300	0	2,150,300
Other	596,215,000	756,167,800	715,095,200	56,173,300	771,268,500

## Statistical Data

### Mental Retardation Developmental Centers

	<u>Arlington</u> 344.10	<u>Clover</u> <u>Bottom</u> 344.11	<u>Greene</u> <u>Valley</u> 344.12	<u>Total</u>
<b>Annual Admissions</b>				
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	1	21	5	27
2006-2007	0	0	5	5
2007-2008	0	0	18	18
<b>Annual Releases</b>				
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	19	18	27	28
2005-2006	22	32	13	67
2006-2007	36	0	20	56
2007-2008	36	0	18	54
<b>Average Daily Census</b>				
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	194	188	302	684
2005-2006	176	184	285	645
2006-2007	145	163	282	590
2007-2008	109	153	282	544
<b>Cost Per Occupancy Day*</b>				
2000-2001	\$689.86	\$510.82	\$457.11	\$552.60
2001-2002	\$720.98	\$575.47	\$442.33	\$579.60
2002-2003	\$800.10	\$654.77	\$511.57	\$655.48
2003-2004	\$783.35	\$719.82	\$567.11	\$690.09
2004-2005	\$924.95	\$812.79	\$640.05	\$792.60
2005-2006	\$927.71	\$872.26	\$704.10	\$834.69
2006-2007	\$1,141.08	\$936.63	\$746.75	\$941.49
2007-2008	\$1,252.80	\$1,056.26	\$765.48	\$1,024.85

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

# Department of Human Services

## Performance-Based Budget

The mission of the Department of Human Services is to improve quality of life by providing an effective system of services for disadvantaged, disabled, and vulnerable Tennesseans. The departmental structure is: Administration, Adult and Family Services, Child Support, and Rehabilitation Services.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### Administration

Administration provides departmental support services, operates county field offices, supervises a quality control system, provides a mechanism for appeals and hearings, and conducts investigations for fraud and abuse.

#### 345.01 Administration

Administration provides the basic infrastructure of administrative services to support the performance objectives of the departmental programs. Services include fiscal, audit, technology, and personnel.

Full-Time	542	573	572	0	572
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>542</b>	<b>573</b>	<b>572</b>	<b>0</b>	<b>572</b>
Payroll	28,266,100	35,146,200	34,592,900	0	34,592,900
Operational	29,685,400	24,632,900	25,103,900	0	25,103,900
<b>Total</b>	<b>\$57,951,500</b>	<b>\$59,779,100</b>	<b>\$59,696,800</b>	<b>\$0</b>	<b>\$59,696,800</b>
State	17,283,700	19,872,800	19,671,400	0	19,671,400
Federal	23,739,100	24,038,900	25,599,100	0	25,599,100
Other	16,928,700	15,867,400	14,426,300	0	14,426,300

**Standard:** Availability of the Child Support Enforcement computer system (TCSES) shall exceed 99%.

**Measure:** Percent of time Child Support Enforcement System is available.

99.7%	99.6%	99.7%	0	99.7%
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**Standard:** Increase the percentage of vendor invoices paid within 10 days of receipt.

**Measure:** Percent of approximately 140,000 child care invoices paid within 10 days of receipt.

97.6%	97.7%	97.8%	0	97.8%
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#### 345.16 Field Operations

Field Operations provides supervision and administrative support to Department of Human Services offices in each of Tennessee's 95 counties.

Full-Time	498	498	498	0	498
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>0</b>	<b>498</b>



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	20,035,300	20,831,200	20,847,000	0	<b>20,847,000</b>
Operational	1,501,400	1,650,500	1,638,200	0	<b>1,638,200</b>
<b>Total</b>	<b>\$21,536,700</b>	<b>\$22,481,700</b>	<b>\$22,485,200</b>	<b>\$0</b>	<b>\$22,485,200</b>
State	6,399,300	7,193,900	7,228,200	0	<b>7,228,200</b>
Federal	5,911,100	6,109,100	7,065,900	0	<b>7,065,900</b>
Other	9,226,300	9,178,700	8,191,100	0	<b>8,191,100</b>

**Standard:** Timeliness of Random Moment Sample surveys shall exceed 99%.

**Measure:** Random Moment Sample surveys returned in a timely manner.

99.33%	99.00%	99.50%	0	99.50%
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### 345.17 County Rentals

The County Rentals program provides funds for payment of certain operational costs in the department's field offices, including rent, telephone, janitorial services, maintenance, and network computer charges.

Full-Time	0	0	0	0	<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	17,301,100	15,957,800	15,994,400	0	<b>15,994,400</b>
<b>Total</b>	<b>\$17,301,100</b>	<b>\$15,957,800</b>	<b>\$15,994,400</b>	<b>\$0</b>	<b>\$15,994,400</b>
State	5,389,500	5,063,900	4,949,900	0	<b>4,949,900</b>
Federal	4,745,400	4,700,800	5,297,700	0	<b>5,297,700</b>
Other	7,166,200	6,193,100	5,746,800	0	<b>5,746,800</b>

**Standard:** Ensure functional office space for department employees is available each day the state is open for business. Active leases must be in place for each DHS office during the fiscal year.

**Measure:** Number of active leases.

124	124	124	0	124
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### 345.31 Appeals and Hearings

Appeals and Hearings provides a mechanism for appeals and hearings requested by applicants for and recipients of financial benefits or services provided by the department, including appeals related to TennCare program eligibility.

Full-Time	517	246	246	0	<b>246</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>517</b>	<b>246</b>	<b>246</b>	<b>0</b>	<b>246</b>
Payroll	14,982,800	13,132,300	12,809,900	0	<b>12,809,900</b>
Operational	12,263,900	1,349,400	730,500	0	<b>730,500</b>
<b>Total</b>	<b>\$27,246,700</b>	<b>\$14,481,700</b>	<b>\$13,540,400</b>	<b>\$0</b>	<b>\$13,540,400</b>
State	1,627,900	2,439,300	2,561,300	0	<b>2,561,300</b>
Federal	2,236,900	3,181,100	3,364,200	0	<b>3,364,200</b>
Other	23,381,900	8,861,300	7,614,900	0	<b>7,614,900</b>

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Process Food Stamps appeals within a 60-day timeframe.

**Measure:** Percent of Food Stamps appeals processed within a 60-day timeframe..

87.8%	90.0%	90.0%	0	90.0%
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**Standard:** Process Families First, TennCare, and Medicaid appeals within a 90-day timeframe.

**Measure:** Percent of Families First, TennCare, and Medicaid appeals processed within a 90-day timeframe.

85%	90%	90%	0	90%
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## Adult and Family Services

Adult and Family services include family assistance, TANF (Temporary Assistance to Needy Families), child care benefits, Food Stamp benefits, and community services.

The Family Assistance program provides temporary cash assistance, child care, and other services to low-income families to enable them to become self-sufficient. Clients are served in the department's 95 county offices and through service centers strategically located throughout the state. The Family Assistance section consists of three programs: Families First, Food Stamp benefits, and eligibility determination.

Families First is the state's TANF waiver 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 waiver began in 1996 and expires on July 1, 2007, when the state will operate under the regular federal TANF rules. The goals of the Families First program are to: provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and encourage the formation and maintenance of two-parent families.

The 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 eligibility determination unit determines eligibility for the Families First-TANF program, Food Stamps, and TennCare, which is the state's Medicaid waiver medical assistance program. Clients are assisted through the department's county offices. Special accommodations are made for the elderly, disabled, those with limited English proficiency, and others who need assistance with the application process.

The Community Services program provides regulatory and protective services, social services, and economic assistance in the areas of child and adult care, adult protective services, and community contract services.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 345.20 Child Care Benefits

The Child Care Benefits program provides assistance for child care services to qualifying participants in programs such as Families First, foster care, child protective services, transitional Families First, and Department of Children's Services relative care.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	176,625,000	175,234,400	181,528,900	0	181,528,900
<b>Total</b>	<b>\$176,625,000</b>	<b>\$175,234,400</b>	<b>\$181,528,900</b>	<b>\$0</b>	<b>\$181,528,900</b>
State	11,779,000	11,639,800	11,493,500	0	11,493,500
Federal	155,043,600	153,966,800	160,407,600	0	160,407,600
Other	9,802,400	9,627,800	9,627,800	0	9,627,800

**Standard:** Maintain Child Care rates at the 45th percentile of the market rate.

**Measure:** Average percentile rate at which child care assistance is paid.

45th	38.5th	45th	0	45th
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### 345.23 Temporary Cash Assistance

The Temporary Cash Assistance program provides cash payments to low-income families to enable them to become self-sufficient. Qualified applicants are issued a cash benefit based on household size and income. Benefits are distributed to individuals through the use of an electronic benefits card.

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	147,632,300	150,341,300	135,347,500	7,965,000	143,312,500
<b>Total</b>	<b>\$147,632,300</b>	<b>\$150,341,300</b>	<b>\$135,347,500</b>	<b>\$7,965,000</b>	<b>\$143,312,500</b>
State	37,253,900	33,044,900	25,310,800	7,965,000	33,275,800
Federal	106,998,200	113,916,200	106,419,300	0	106,419,300
Other	3,380,200	3,380,200	3,617,400	0	3,617,400

**Standard:** Monitor the monthly participation rate of families receiving temporary cash assistance.

**Measure:** Average number of families receiving monthly temporary cash assistance payments.

70,108	73,683	70,000	0	70,000
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 345.25 Food Stamp Benefits

The Food Stamp Benefits 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 amount of assistance to which any person, household, or family is entitled is determined by measuring the income and resources of such person, household, or family. Benefits are distributed to individuals through an electronic benefits card.

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	973,153,600	999,600,000	1,009,125,000	0	1,009,125,000
<b>Total</b>	<b>\$973,153,600</b>	<b>\$999,600,000</b>	<b>\$1,009,125,000</b>	<b>\$0</b>	<b>\$1,009,125,000</b>
State	0	0	0	0	0
Federal	973,153,600	999,600,000	1,009,125,000	0	1,009,125,000
Other	0	0	0	0	0

**Standard:** Monitor the appropriate monthly participation rate of individuals receiving benefits.

**Measure:** Number of individuals receiving monthly Food Stamp benefits.

	870,304	850,000	880,000	0	880,000
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### 345.30 Family Assistance Services

The Family Assistance Services program provides eligibility determination for the Families First, Food Stamp, and TennCare programs. In addition, Food Stamp recipients receive nutrition education and outreach services. Families First clients receive job training, employment career services, and counseling.

Full-Time	2,474	2,480	2,355	125	2,480
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2,474</b>	<b>2,480</b>	<b>2,355</b>	<b>125</b>	<b>2,480</b>
Payroll	101,498,400	111,790,000	106,375,000	4,817,700	111,192,700
Operational	74,033,400	59,343,800	63,494,600	665,800	64,160,400
<b>Total</b>	<b>\$175,531,800</b>	<b>\$171,133,800</b>	<b>\$169,869,600</b>	<b>\$5,483,500</b>	<b>\$175,353,100</b>
State	85,811,000	70,297,300	70,096,300	2,419,700	72,516,000
Federal	41,473,700	54,105,800	54,624,100	1,037,700	55,661,800
Other	48,247,100	46,730,700	45,149,200	2,026,100	47,175,300

**Standard:** Meet or exceed the federal Work Participation Rate (WPR) for Temporary Assistance for Needy Families (TANF) clients.

**Measure:** Families First's Work Participation Rate. (The Federal Deficit Reduction Act has set the rate at 50).

	53.3%	50.0%	50.0%	0	50.0%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase Food Stamp payment accuracy rate to 95.25%

**Measure:** Food Stamp payment accuracy rate.

94.0%	94.5%	95.0%	0	95.0%
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**Standard:** Meet a target of 95% for the eligibility determination accuracy rate for TennCare.

**Measure:** Medicaid/TennCare eligibility determination accuracy rate.

97.4%	99.0%	99.0%	0	99.0%
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### 345.49 Community Services

The Community Services program provides a range of social services, including child care, child care provider licensing, adult protective services (APS), child and adult nutrition, summer food service, child care facilities loan fund, homemaker, refugee assistance, low-income home energy and weatherization assistance, emergency shelter grants, and emergency and support services. Services are provided through a mix of state employees, quasi-governmental entities, and private entities. These services are funded by a combination of state appropriations, the federal Social Services and Community Services block grants, other federal programs, and other sources, including funding from the Department of Children's Services, the Department of Health, and the Bureau of TennCare.

Full-Time	415	416	416	0	<b>416</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>415</b>	<b>416</b>	<b>416</b>	<b>0</b>	<b>416</b>
Payroll	18,200,700	20,761,500	20,747,500	0	<b>20,747,500</b>
Operational	123,972,500	119,561,100	115,764,000	100,000	<b>115,864,000</b>
<b>Total</b>	<b>\$142,173,200</b>	<b>\$140,322,600</b>	<b>\$136,511,500</b>	<b>\$100,000</b>	<b>\$136,611,500</b>
State	1,140,500	1,154,200	1,125,000	100,000	<b>1,225,000</b>
Federal	134,937,000	131,889,100	128,729,400	0	<b>128,729,400</b>
Other	6,095,700	7,279,300	6,657,100	0	<b>6,657,100</b>

**Standard:** Monitor the percentage of child care complaints investigated and resolved within 30 days.

**Measure:** Percent of child care complaints investigated and resolved within 30 days.

97%	97%	97%	0	97%
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**Standard:** Increase the percentage of vulnerable adults with reduced risk.

**Measure:** Percent of valid Adult Protective Services cases with risk reduced.

85%	84%	88%	0	88%
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**Standard:** Increase the number of participants receiving nutritious meals: Child and Adult Care Food Program.

**Measure:** Number of Child and Adult Care Food Program meals served.

36,471,742	40,640,340	38,606,974	0	38,606,974
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase the number of participants receiving nutritious meals: Summer Food Service Program.

**Measure:** Number of meals served in the Summer Food Service Program. (Reflects changes in federal reporting.)

	1,710,609	4,063,278	3,573,660	0	3,573,660
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**Standard:** Provide Community Service Block Grant (CSBG) services to low-income individuals.

**Measure:** Number of low-income individuals served with CSBG services.

	98,000	100,000	100,000	0	100,000
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**Standard:** Provide services to individuals through the Homemaker Program.

**Measure:** Number of individuals served through the Homemaker Program.

	2,540	2,600	2,600	0	2,600
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## Child Support

### 345.13 Child Support

The Child Support Enforcement program is a federal, state, and local partnership to collect and distribute child support. Program goals include ensuring children have the financial support of both parents, fostering responsible behavior towards children, and reducing welfare costs. Tennessee's Child Support program is administered by the department through contracts with district attorneys general, private vendors, local governments, and program staff. Services include locating non-custodial parents, establishing paternity, establishing and enforcing financial and medical support orders, reviewing and adjusting support orders, and collecting and distributing child support payments. Enforcement staff is included in the district attorneys general budget, with funding from this allotment.

Full-Time	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	6,245,400	7,762,600	7,559,400	0	7,559,400
Operational	63,986,300	66,802,400	55,618,500	12,351,600	67,970,100
<b>Total</b>	<b>\$70,231,700</b>	<b>\$74,565,000</b>	<b>\$63,177,900</b>	<b>\$12,351,600</b>	<b>\$75,529,500</b>
State	11,876,800	14,742,000	14,722,100	4,199,600	18,921,700
Federal	32,854,700	33,945,700	22,445,700	8,152,000	30,597,700
Other	25,500,200	25,877,300	26,010,100	0	26,010,100

**Standard:** The department will exceed the national average for growth in Child Support collections each year.

**Measure:** Total amount of support collected.

	\$480,000,000	\$520,879,000	\$541,714,000	0	\$541,714,000
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**Standard:** Increase the percentage of child support cases with court orders.

**Measure:** Percent of cases with child support orders.

	63.58%	67.00%	66.25%	0	66.25%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase the percentage of current support collected.

**Measure:** Percent of current support collected.

	56.72%	58.00%	60.72%	0	60.72%
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## Rehabilitation Services

The Rehabilitation Services section provides direct services to persons with disabilities and determines eligibility for federal Social Security disability income programs.

### 345.70 Vocational Rehabilitation

The Vocational Rehabilitation program seeks to alleviate barriers and provide quality services to improve the conditions of persons with disabilities. Its primary goal is to place disabled individuals into employment. Vocational rehabilitation services include any services described in an individual plan for employment which are necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining an employment outcome that is consistent with the strengths and abilities of the individual. The program includes the Tennessee Rehabilitation Center in Smyrna and other locations throughout the state.

Full-Time	649	653	653	0	<b>653</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>649</b>	<b>653</b>	<b>653</b>	<b>0</b>	<b>653</b>
Payroll	26,202,300	30,419,100	30,549,300	0	<b>30,549,300</b>
Operational	44,742,200	50,424,300	48,781,800	0	<b>48,781,800</b>
<b>Total</b>	<b>\$70,944,500</b>	<b>\$80,843,400</b>	<b>\$79,331,100</b>	<b>\$0</b>	<b>\$79,331,100</b>
State	9,223,700	10,580,200	10,565,800	0	<b>10,565,800</b>
Federal	54,287,300	62,281,100	61,642,000	0	<b>61,642,000</b>
Other	7,433,500	7,982,100	7,123,300	0	<b>7,123,300</b>

**Standard:** The department will increase the number of Vocational Rehabilitation (VR) participants who become successfully employed to 5,000.

**Measure:** Number of VR participants who become successfully employed.

	3,400	3,400	3,400	0	3,400
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**Standard:** Maintain or exceed the federal standard for individuals who exit the Vocational Rehabilitation program after receiving services that achieve employment outcomes. (Operating under an Order of Selection may have a direct impact on ability to achieve this).

**Measure:** Percent of individuals who exit VR program after receiving services who achieve employment outcomes. (Federal standard is currently 55.8%.)

	74.17%	65%	70%	0	70%
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**Standard:** Increase percentage of individuals who exit the VR program into employment with hourly earnings equivalent to at least the minimum wage.

**Measure:** Of all individuals achieving employment outcomes, the percent whose earnings are equivalent to at least the minimum wage.

	84.3%	90.0%	90.0%	0	90.0%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 345.71 Disability Determination

The Disability Determination program, in partnership with the U.S. Social Security Administration, ascertains whether an individual is qualified for disability insurance benefits or supplemental security income benefits from the U.S. Social Security Administration.

Full-Time	564	564	564	0	564
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>564</b>	<b>564</b>	<b>564</b>	<b>0</b>	<b>564</b>
Payroll	20,681,100	24,998,000	24,673,700	0	24,673,700
Operational	28,092,900	29,310,500	29,966,600	0	29,966,600
<b>Total</b>	<b>\$48,774,000</b>	<b>\$54,308,500</b>	<b>\$54,640,300</b>	<b>\$0</b>	<b>\$54,640,300</b>
State	0	0	0	0	0
Federal	47,664,900	51,108,500	50,910,300	0	50,910,300
Other	1,109,100	3,200,000	3,730,000	0	3,730,000

**Standard:** Provide accurate Social Security Administration (SSA) services, based on randomly selected case reviews.

**Measure:** Quality assurance based on performance reviews of determination accuracy.

90.1%	97%	97%	0	97%
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### 345.00 Total Human Services

Full-Time	5,814	5,585	5,459	125	5,584
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>5,814</b>	<b>5,585</b>	<b>5,459</b>	<b>125</b>	<b>5,584</b>
Payroll	236,112,100	264,840,900	258,154,700	4,817,700	262,972,400
Operational	1,692,990,000	1,694,208,400	1,683,093,900	21,082,400	1,704,176,300
<b>Total</b>	<b>\$1,929,102,100</b>	<b>\$1,959,049,300</b>	<b>\$1,941,248,600</b>	<b>\$25,900,100</b>	<b>\$1,967,148,700</b>
State	187,785,300	176,028,300	167,724,300	14,684,300	182,408,600
Federal	1,583,045,500	1,638,843,100	1,635,630,300	9,189,700	1,644,820,000
Other	158,271,300	144,177,900	137,894,000	2,026,100	139,920,100



# Department of Finance and Administration, Cover Tennessee Health Care Programs

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Cover Tennessee, enacted in 2006, was developed to create health insurance options that are affordable and portable for the uninsured through four programs. CoverTN, AccessTN, and CoverKids provide health insurance to adults and children who are uninsured or uninsurable. CoverRx is a pharmacy assistance program for low-income adults without pharmacy coverage. A health awareness and outreach program, called Project Diabetes and Health Improvement, is administered by the Department of Health and is included in its budget.

Cover Tennessee Health Care Programs is a division of the Department of Finance and Administration, whose Insurance Administration Division staffs and administers the programs.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 350.30 CoverTN

The CoverTN program was created by law in 2006 to offer affordable, portable basic health-care coverage to working Tennesseans who are uninsured. This program provides basic health coverage for a modest premium, which is weighted based on age, weight, and tobacco use. The premium costs are shared between the state, willing qualified employers, and the individual. CoverTN is unique because it is portable: It follows the individual through an employer change.

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	34,000,000	34,000,000	0	34,000,000
<b>Total</b>	<b>\$0</b>	<b>\$34,000,000</b>	<b>\$34,000,000</b>	<b>\$0</b>	<b>\$34,000,000</b>
State	0	34,000,000	34,000,000	0	34,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 350.40 AccessTN

The AccessTN program was created by law in 2006 to make health-care coverage available to uninsurable Tennesseans. This program operates as a high-risk pool for those who were denied insurance previously due to disqualifying medical conditions. Premiums for AccessTN coverage are from 150 to 200 percent of comparable commercial rates, and premium assistance funding is available for those who qualify financially.

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	17,849,200	24,049,200	0	24,049,200
<b>Total</b>	<b>\$0</b>	<b>\$17,849,200</b>	<b>\$24,049,200</b>	<b>\$0</b>	<b>\$24,049,200</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	0	16,849,200	23,049,200	0	<b>23,049,200</b>
Federal	0	1,000,000	1,000,000	0	<b>1,000,000</b>
Other	0	0	0	0	<b>0</b>

### 350.50 CoverKids

The CoverKids program was created by law in 2006 to provide health-care coverage to Tennessee children whose family income is less than 250 percent of the federal poverty level (FPL) and, for a premium, to make coverage available to children whose family income is more than 250 percent of FPL. The program provides comprehensive health-care benefits that are comparable to those in the state health plans (state employee, local government, and local education agency plans).

Full-Time	0	0	0	0	<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	28,000,000	28,000,000	56,800,000	<b>84,800,000</b>
<b>Total</b>	<b>\$0</b>	<b>\$28,000,000</b>	<b>\$28,000,000</b>	<b>\$56,800,000</b>	<b>\$84,800,000</b>
State	0	7,000,000	7,000,000	14,200,000	<b>21,200,000</b>
Federal	0	21,000,000	21,000,000	42,600,000	<b>63,600,000</b>
Other	0	0	0	0	<b>0</b>

### 350.60 CoverRx

CoverRx, created by law in 2006, is an expansion of the health-care safety net pharmacy-assistance program, which was begun in 2005. CoverRx provides discounts for Tennesseans without pharmacy coverage that are over 18 years of age and have a household income below 250 percent of the federal poverty level. This program is not insurance coverage, and no premiums are collected. Participants are provided access to more affordable prescriptions.

Full-Time	0	1	1	0	<b>1</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>1</b>	<b>1</b>	<b>0</b>	<b>1</b>
Payroll	0	106,000	106,000	0	<b>106,000</b>
Operational	0	11,553,400	16,853,400	0	<b>16,853,400</b>
<b>Total</b>	<b>\$0</b>	<b>\$11,659,400</b>	<b>\$16,959,400</b>	<b>\$0</b>	<b>\$16,959,400</b>
State	0	11,659,400	16,959,400	0	<b>16,959,400</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>350.00 Total Cover Tennessee Health Care Programs</b>					
Full-Time	0	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>
Payroll	0	106,000	106,000	0	<b>106,000</b>
Operational	0	91,402,600	102,902,600	56,800,000	<b>159,702,600</b>
<b>Total</b>	<b>\$0</b>	<b>\$91,508,600</b>	<b>\$103,008,600</b>	<b>\$56,800,000</b>	<b>\$159,808,600</b>
State	0	69,508,600	81,008,600	14,200,000	<b>95,208,600</b>
Federal	0	22,000,000	22,000,000	42,600,000	<b>64,600,000</b>
Other	0	0	0	0	0

# Department of Children's Services

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In cooperation with juvenile courts, the Department of Children's Services provides timely, appropriate, and cost-effective services for children in state custody or at risk of entering state custody in order to enable these children to reach their full potential as productive, competent, and healthy adults. The department is organized into three functional areas: Administration, Child Welfare, and Juvenile Justice.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 359.10 Administration

This allotment provides funds for staffing and other operating costs necessary for administration of the department. Administration provides internal support, leadership, and direction that leads to improved program performance and success in the ultimate goal of re-integration of children into the community. This program also assists in compliance with state law, departmental policies, and the American Correctional Association standards.

Full-Time	558	556	556	0	556
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>558</b>	<b>556</b>	<b>556</b>	<b>0</b>	<b>556</b>
Payroll	29,882,900	33,987,100	33,823,300	0	<b>33,823,300</b>
Operational	22,769,900	19,713,700	20,013,300	750,000	<b>20,763,300</b>
<b>Total</b>	<b>\$52,652,800</b>	<b>\$53,700,800</b>	<b>\$53,836,600</b>	<b>\$750,000</b>	<b>\$54,586,600</b>
State	38,074,400	29,313,100	29,417,800	333,700	<b>29,751,500</b>
Federal	11,256,800	7,446,100	7,451,900	41,300	<b>7,493,200</b>
Other	3,321,600	16,941,600	16,966,900	375,000	<b>17,341,900</b>

**Standard:** Decrease state dollar proportion of total actual expenditures by 0.5% per year.

**Measure:** Percent of DCS budget that is state's portion.

48.3%	47.9%	47.4%	0	47.4%
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**Standard:** The legal staff will file termination of parental rights petitions within no more than three months of the date a child's permanency goal is changed to a sole goal of adoption.

**Measure:** Percent of children with a sole goal of adoption who had a petition to terminate parental rights filed within three months.

65%	70%	75%	0	75%
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### Child Welfare

Child Welfare provides a variety of services that support families with children who are at risk of coming into state custody, ensure that children who enter state custody are provided with appropriate treatment and care, assist with adoptions of special needs children, and manage cases of children and families in an appropriate and timely manner.

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 359.20 Family Support Services

The Family Support Services program provides services to children who are at risk of coming into state custody. The goal of these services is to assist children to successfully remain in their homes.

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	37,576,100	38,595,800	38,491,500	0	<b>38,491,500</b>
<b>Total</b>	<b>\$37,576,100</b>	<b>\$38,595,800</b>	<b>\$38,491,500</b>	<b>\$0</b>	<b>\$38,491,500</b>
State	30,809,100	26,019,800	25,944,800	0	<b>25,944,800</b>
Federal	6,618,900	12,426,000	12,546,700	0	<b>12,546,700</b>
Other	148,100	150,000	0	0	<b>0</b>

**Standard:** Increase the number of children exiting out-of-home care to permanency.

**Measure:** Number of children exiting out-of-home care to permanency.

6,828	7,668	8,486	0	8,486
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### 359.30 Custody Services

The Custody Services program ensures children in state custody are provided needed residential treatment and care and are returned to their home as soon as appropriate.

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	2,200	15,000	15,000	0	<b>15,000</b>
Operational	203,132,700	211,119,000	206,235,300	11,645,400	<b>217,880,700</b>
<b>Total</b>	<b>\$203,134,900</b>	<b>\$211,134,000</b>	<b>\$206,250,300</b>	<b>\$11,645,400</b>	<b>\$217,895,700</b>
State	67,849,200	83,397,600	83,397,600	5,026,700	<b>88,424,300</b>
Federal	32,948,000	23,518,000	23,634,300	1,181,500	<b>24,815,800</b>
Other	102,337,700	104,218,400	99,218,400	5,437,200	<b>104,655,600</b>

**Standard:** Reduce the number of dependent/neglected, unruly children entering out-of-home care.

**Measure:** Number of dependent/neglected, unruly children entering out-of-home care.

4,598	4,100	3,700	0	3,700
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### 359.35 Needs Assessment

The Needs Assessment program provides funding to assist in determining the need for new or different placement and service resources and where those placements and services should be located.

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

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	4,282,300	8,000,000	8,000,000	0	8,000,000
<b>Total</b>	<b>\$4,282,300</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>	<b>\$0</b>	<b>\$8,000,000</b>
State	4,281,900	8,000,000	8,000,000	0	8,000,000
Federal	400	0	0	0	0
Other	0	0	0	0	0

**Standard:** The percent of children who are initially placed in family settings will increase by 5%.

**Measure:** Percent of children entering care who have an initial placement type of resource home, in-home, and trial home visit.

77%                      82%                      87%                      0                      87%

### 359.40 Adoption Services

The Adoption Services program provides services to adopted children and their families. Monthly support payments are provided to assist families in providing necessary care.

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	2,600	15,000	15,000	0	15,000
Operational	53,699,500	56,384,100	55,908,500	5,320,900	61,229,400
<b>Total</b>	<b>\$53,702,100</b>	<b>\$56,399,100</b>	<b>\$55,923,500</b>	<b>\$5,320,900</b>	<b>\$61,244,400</b>
State	24,557,300	29,341,100	29,341,100	2,747,200	32,088,300
Federal	28,644,800	26,481,500	26,505,900	2,573,700	29,079,600
Other	500,000	576,500	76,500	0	76,500

**Standard:** Children will be placed for adoption with an adoptive home contract signed within 12 months of termination of parental rights.

**Measure:** Percent of children freed for adoption that have an adoptive home identified and an adoptive contract signed within 12 months.

84%                      87%                      91%                      0                      91%

**Standard:** Adoptions will become final within six months of the adoptive placement.

**Measure:** Percent of adoptions that become final within six months of the adoptive placement.

82%                      85%                      88%                      0                      88%

### 359.50 Child and Family Management

The Child and Family Management program provides case management services to children and their families in order to meet identified intervention, treatment, and placement needs.

Full-Time	3,462	3,450	3,450	10	3,460
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>3,462</b>	<b>3,450</b>	<b>3,450</b>	<b>10</b>	<b>3,460</b>
Payroll	143,454,500	172,504,600	171,573,000	467,400	172,040,400
Operational	50,781,400	48,984,400	50,479,000	2,150,000	52,629,000
<b>Total</b>	<b>\$194,235,900</b>	<b>\$221,489,000</b>	<b>\$222,052,000</b>	<b>\$2,617,400</b>	<b>\$224,669,400</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	54,679,000	84,549,100	84,903,600	839,600	<b>85,743,200</b>
Federal	32,063,200	39,688,800	39,711,400	1,012,300	<b>40,723,700</b>
Other	107,493,700	97,251,100	97,437,000	765,500	<b>98,202,500</b>

**Standard:** Decrease the length of stay for children in out-of-home care after 90 days.

**Measure:** Percent of children remaining in state custody after 90 days.

71%	66%	61%	0	61%
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**Standard:** Increase placement stability for children in out-of-home care.

**Measure:** Number of children who experienced two or fewer placements in out-of-home care.

3,668	4,068	4,468	0	4,468
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**Standard:** Delinquent youth on community services supervision will not enter state custody.

**Measure:** Percent of youth on probation that have entered state custody.

7.0%	6.3%	6.0%	0	6.0%
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**Standard:** Delinquent youth exiting DCS custody will not re-enter DCS custody.

**Measure:** Percent of youth on after-care who have re-entered state custody.

15%	13%	12%	0	12%
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## Juvenile Justice

The Department of Children's Services operates five youth development centers and nine community treatment centers that provide individualized treatment programs and services to juvenile offenders contributing to their successful reintegration into society. These programs assess and properly care for the needs of juveniles while offering counseling and educational services.

A youth development center student either has needs that cannot be met in the community, is committed for a violent offense resulting in injury to another person, or has three or more felony offenses.

Youth development center services include parental responsibility counseling, academic education, general educational development, work-study programs, special education, abuse victimization counseling, family counseling, medical care, remedial reading and math, adult basic education, and vocational training. Some specialized services provided include drug and alcohol abuse treatment, sex-abuse and sex-offender treatment, violent-offender treatment, gang-activity awareness, speech therapy, dental care, and behavioral management.

The nine community treatment facilities, located across the state, provide minimum-security residential programs for youth who have been evaluated and determined to be appropriate for community placement.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 359.60 John S. Wilder Youth Development Center

John S. Wilder Youth Development Center, located in Somerville, is a regional hardware-secure residential treatment program for delinquent youth ages 13 to 17 who are committed by the courts to the department.

Full-Time	178	183	183	21	204
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
<b>Total</b>	<b>180</b>	<b>185</b>	<b>185</b>	<b>21</b>	<b>206</b>
Payroll	7,837,600	8,953,000	8,897,800	724,300	9,622,100
Operational	1,860,300	1,846,100	1,948,300	213,700	2,162,000
<b>Total</b>	<b>\$9,697,900</b>	<b>\$10,799,100</b>	<b>\$10,846,100</b>	<b>\$938,000</b>	<b>\$11,784,100</b>
State	9,452,600	10,572,000	10,598,500	938,000	11,536,500
Federal	0	0	0	0	0
Other	245,300	227,100	247,600	0	247,600

**Standard:** Increase the percentage of youth released from Wilder Youth Development Center that remain in a community setting.

**Measure:** Percent of male youth, ages 13-17, who exited Wilder to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

82%	84%	85%	0	85%
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### 359.61 Taft Youth Development Center

James M. Taft Youth Development Center, located near Pikeville, is a hardware-secure detention center dedicated to providing treatment and educational programs for the most serious juvenile male offenders ages 13 to 17 remanded to state custody from across the state.

Full-Time	214	219	219	21	240
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>215</b>	<b>220</b>	<b>220</b>	<b>21</b>	<b>241</b>
Payroll	9,667,100	10,759,500	10,696,200	725,200	11,421,400
Operational	2,318,800	2,212,400	2,408,400	213,700	2,622,100
<b>Total</b>	<b>\$11,985,900</b>	<b>\$12,971,900</b>	<b>\$13,104,600</b>	<b>\$938,900</b>	<b>\$14,043,500</b>
State	11,455,900	12,539,800	12,575,200	938,900	13,514,100
Federal	0	0	0	0	0
Other	530,000	432,100	529,400	0	529,400

**Standard:** Increase the percentage of youth released from Taft Youth Development Center that remain in a community setting.

**Measure:** Percent of male youth, ages 13-17, who exited Taft to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

86%	87%	88%	0	88%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 359.62 Woodland Hills Youth Development Center

Woodland Hills Youth Development Center, located in Nashville, is a regional hardware-secure treatment program for delinquent youth ages 13 to 17 who are committed by the courts to the department.

Full-Time	183	186	186	28	214
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
<b>Total</b>	<b>185</b>	<b>188</b>	<b>188</b>	<b>28</b>	<b>216</b>
Payroll	7,685,500	8,931,900	8,893,300	955,000	9,848,300
Operational	2,458,200	2,179,900	2,311,600	284,800	2,596,400
<b>Total</b>	<b>\$10,143,700</b>	<b>\$11,111,800</b>	<b>\$11,204,900</b>	<b>\$1,239,800</b>	<b>\$12,444,700</b>
State	9,883,600	10,854,500	10,901,300	1,239,800	12,141,100
Federal	0	0	0	0	0
Other	260,100	257,300	303,600	0	303,600

**Standard:** Increase the percentage of youth released from Woodland Hills Youth Development Center that remain in a community setting.

**Measure:** Percent of male youth, ages 13-17, who exited Woodland Hills to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

70%	73%	75%	0	75%
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### 359.63 Mountain View Youth Development Center

Mountain View Youth Development Center, located in Dandridge, is a medium-security facility for male juvenile offenders ages 13 to 17 who have been committed to the state.

Full-Time	198	202	202	22	224
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>199</b>	<b>203</b>	<b>203</b>	<b>22</b>	<b>225</b>
Payroll	8,418,700	9,575,500	9,526,300	763,100	10,289,400
Operational	2,538,100	2,012,100	2,117,700	223,500	2,341,200
<b>Total</b>	<b>\$10,956,800</b>	<b>\$11,587,600</b>	<b>\$11,644,000</b>	<b>\$986,600</b>	<b>\$12,630,600</b>
State	10,708,700	11,321,500	11,353,800	986,600	12,340,400
Federal	0	0	0	0	0
Other	248,100	266,100	290,200	0	290,200

**Standard:** Increase the percentage of youth released from Mountain View Youth Development Center that remain in a community setting.

**Measure:** Percent of male youth, ages 13-17, who exited Mountain View to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

77%	79%	80%	0	80%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 359.64 New Visions Youth Development Center

New Visions Youth Development Center, located in Nashville, is a 50-bed secure facility for delinquent and violent-offender female youth ages 13 to 17.

Full-Time	67	67	67	4	71
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>4</b>	<b>71</b>
Payroll	2,680,900	2,915,900	2,907,900	135,500	3,043,400
Operational	824,700	767,800	811,100	39,200	850,300
<b>Total</b>	<b>\$3,505,600</b>	<b>\$3,683,700</b>	<b>\$3,719,000</b>	<b>\$174,700</b>	<b>\$3,893,700</b>
State	3,466,700	3,643,300	3,660,500	174,700	3,835,200
Federal	0	0	0	0	0
Other	38,900	40,400	58,500	0	58,500

**Standard:** Increase the percentage of youth released from New Visions Youth Development Center who remain in a community setting.

**Measure:** Percent of female youth, ages 13-17, who exited New Visions to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

Not Applicable	20%	19%	0	19%
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### 359.65 Community Treatment Facilities

Nine eight-bed residential minimum-security group homes provide a structured program including academics, community involvement, counseling services, and actual work experience for juvenile offenders who are appropriate for community placement. The department also operates two additional centers. The Johnson City Observation and Assessment Center, a 16-bed assessment program, offers recommendations to juvenile courts for specific treatment needs of juveniles adjudicated delinquent. The Peabody Residential Treatment Center, located in Memphis, is an eight-bed treatment program for adolescent males with a primary diagnosis of mild mental retardation.

Full-Time	164	164	164	0	164
Part-Time	37	37	37	0	37
Seasonal	0	0	0	0	0
<b>Total</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>0</b>	<b>201</b>
Payroll	6,668,500	7,873,500	7,835,700	20,500	7,856,200
Operational	1,962,500	1,904,500	1,983,100	0	1,983,100
<b>Total</b>	<b>\$8,631,000</b>	<b>\$9,778,000</b>	<b>\$9,818,800</b>	<b>\$20,500</b>	<b>\$9,839,300</b>
State	7,117,300	7,278,900	7,315,000	20,500	7,335,500
Federal	67,900	0	0	0	0
Other	1,445,800	2,499,100	2,503,800	0	2,503,800

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase the percentage of youth released from DCS group homes that remain in a community setting.

**Measure:** Percent of youth, ages 13-17, served through Community Residential Facilities that exit care from the group home and do not return to the custody of the department as the result of a delinquent offense within 12 months of discharge.

	80%	82%	84%	0	84%
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### 359.80 Major Maintenance

The Major Maintenance program provides institutional maintenance funds for the state youth development centers in the event of an emergency, as well as assisting institutions with facility maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	478,600	426,100	420,100	0	420,100
<b>Total</b>	<b>\$478,600</b>	<b>\$426,100</b>	<b>\$420,100</b>	<b>\$0</b>	<b>\$420,100</b>
State	421,700	420,100	420,100	0	420,100
Federal	0	0	0	0	0
Other	56,900	6,000	0	0	0

**Standard:** Complete at least 80% of planned major maintenance projects.

**Measure:** Percent of planned major maintenance projects completed.

	65%	90%	95%	0	95%
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### 359.00 Total Children's Services

Full-Time	5,024	5,027	5,027	106	5,133
Part-Time	43	43	43	0	43
Seasonal	0	0	0	0	0
<b>Total</b>	<b>5,067</b>	<b>5,070</b>	<b>5,070</b>	<b>106</b>	<b>5,176</b>
Payroll	216,300,500	255,531,000	254,183,500	3,791,000	257,974,500
Operational	384,683,100	394,145,900	391,127,900	20,841,200	411,969,100
<b>Total</b>	<b>\$600,983,600</b>	<b>\$649,676,900</b>	<b>\$645,311,400</b>	<b>\$24,632,200</b>	<b>\$669,943,600</b>
State	272,757,400	317,250,800	317,829,300	13,245,700	331,075,000
Federal	111,600,000	109,560,400	109,850,200	4,808,800	114,659,000
Other	216,626,200	222,865,700	217,631,900	6,577,700	224,209,600

## 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>						
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	243	138	241	170	26	818
2005-2006	252	252	153	170	56	883
2006-2007	250	250	155	250	56	961
2007-2008	250	250	155	250	56	961
<b>Annual Releases</b>						
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	256	166	200	180	2	804
2005-2006	276	232	184	180	43	915
2006-2007	275	250	185	250	56	1,016
2007-2008	275	250	185	250	56	1,016
<b>Average Daily Census</b>						
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	94	115	112	120	24	465
2005-2006	118	129	117	118	36	518
2006-2007	118	136	120	144	36	554
2007-2008	118	136	120	144	36	554
<b>Cost Per Occupancy Day *</b>						
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	\$263.81	\$268.68	\$247.73	\$229.19	\$173.04	\$247.52
2005-2006	\$225.17	\$254.17	\$233.34	\$254.27	\$266.80	\$243.76
2006-2007	\$252.63	\$263.31	\$255.64	\$222.01	\$282.26	\$249.87
2007-2008	\$252.63	\$263.31	\$255.64	\$222.01	\$282.26	\$249.87

\* 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 2007 – 2008

**T**he 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.

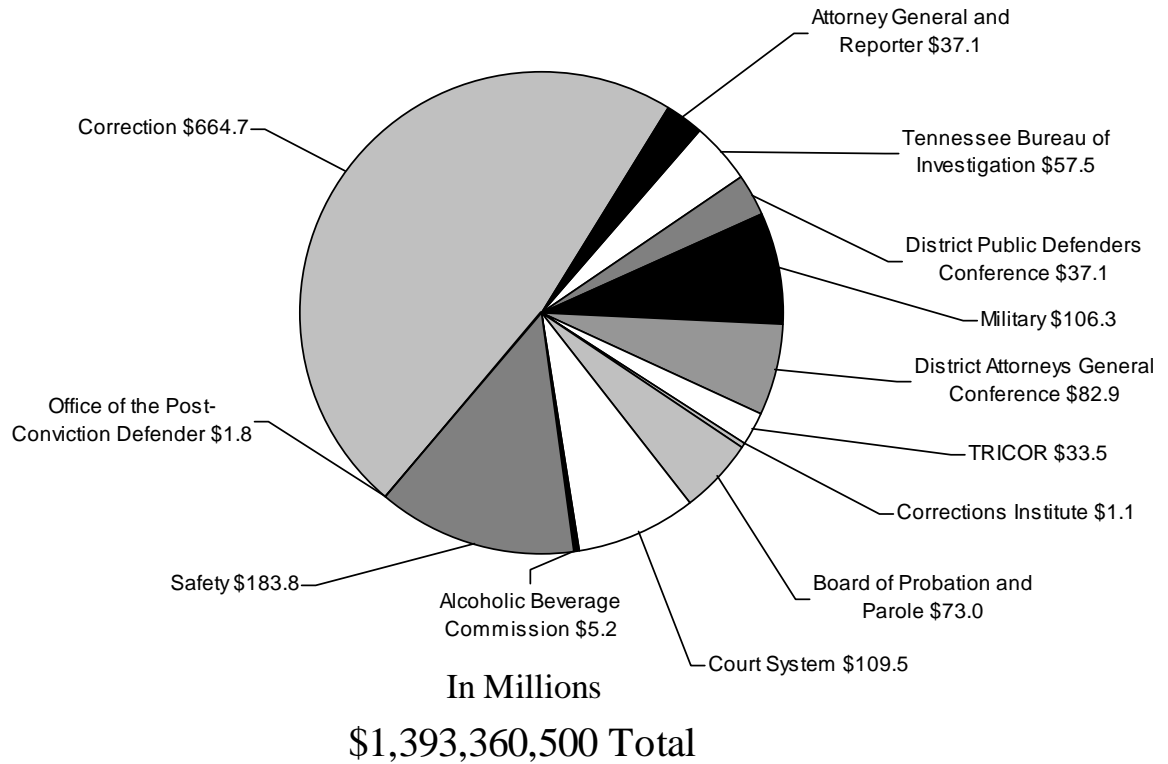
## **Improvements and Program Statements**

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a statement of recommended improvements for the ensuing fiscal year; (3) 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 (4) program performance measures.

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

within each agency may vary. Some are exclusively state-funded, while others represent state, federal, and other funding.

### Law, Safety and Correction FY 2007 – 2008 Recommended





## Law, Safety, and Correction Total Personnel and Funding

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Recommended 2007-2008</u>
<b>Personnel</b>			
Full Time	11,525	11,714	11,961
Part Time	40	51	51
Seasonal	4	4	4
<b>TOTAL</b>	<b><u>11,569</u></b>	<b><u>11,769</u></b>	<b><u>12,016</u></b>
<b>Expenditures</b>			
Payroll	\$580,634,800	\$671,081,500	\$678,409,600
Operational	637,205,000	679,734,061	714,950,900
<b>TOTAL</b>	<b><u>\$1,217,839,800</u></b>	<b><u>\$1,350,815,561</u></b>	<b><u>\$1,393,360,500</u></b>
<b>Funding</b>			
State	\$929,066,700	\$1,067,502,261	\$1,118,469,300
Federal	134,300,000	124,948,100	124,543,900
Other	154,473,100	158,365,200	150,347,300

**Law, Safety and Correction  
Improvements for Fiscal Year 2007-2008**

	<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>	\$1,052,800	\$0	\$0	\$1,052,800	0
<b>Sub-total</b>	\$1,052,800	\$0	\$0	\$1,052,800	0
• <b>Courtroom Equipment and Security</b>					
To provide non-recurring funds to counties for new or upgraded audio, video, and recording systems in courtrooms (\$600,000) and for security systems in courtrooms (\$2,000,000).					
<b>302.01 Appellate and Trial Courts</b>	\$2,600,000	\$0	\$0	\$2,600,000	0
<b>Sub-total</b>	\$2,600,000	\$0	\$0	\$2,600,000	0
• <b>Electronic Filing</b>					
To provide funding for three deputy clerk positions funded from fees charged for scanning paper documents. Supreme Court Rule 46 permits litigants to file documents with the Appellate Court Clerk in either electronic or paper document format.					
<b>302.30 Appellate Court Clerks</b>	\$0	\$0	\$101,200	\$101,200	3
<b>Sub-total</b>	\$0	\$0	\$101,200	\$101,200	3
<b>Total Court System</b>	<b>\$3,652,800</b>	<b>\$0</b>	<b>\$101,200</b>	<b>\$3,754,000</b>	<b>3</b>
<b>Attorney General and Reporter</b>					
• <b>Statutory Salary Increase</b>					
To provide funds for the Attorney General's salary increase required by TCA 8-6-104.					
<b>303.01 Attorney General and Reporter</b>	\$6,100	\$0	\$0	\$6,100	0
<b>Sub-total</b>	\$6,100	\$0	\$0	\$6,100	0
• <b>Technology Initiative</b>					
To provide funding to upgrade equipment, software, and networking infrastructure and for four information systems support positions. Non-recurring funds in the amount of \$1,143,900 are included.					
<b>303.01 Attorney General and Reporter</b>	\$1,879,900	\$0	\$0	\$1,879,900	4
<b>Sub-total</b>	\$1,879,900	\$0	\$0	\$1,879,900	4

## Law, Safety and Correction Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Litigation Resources</b>					
To provide funding for four positions for case preparation and litigation, due to increased workloads (\$460,000); and to provide funds for enforcement of the 1998 tobacco master settlement agreement and for other tobacco-related matters (\$100,000).					
<b>303.01 Attorney General and Reporter</b>	\$460,000	\$0	\$0	\$460,000	4
<b>303.08 Special Litigation</b>	\$100,000	\$0	\$0	\$100,000	0
<b>Sub-total</b>	\$560,000	\$0	\$0	\$560,000	4
<b>• Open-Records Ombudsman</b>					
To provide funds for one attorney position to serve as an ombudsman on open-records issues.					
<b>303.01 Attorney General and Reporter</b>	\$100,000	\$0	\$0	\$100,000	1
<b>Sub-total</b>	\$100,000	\$0	\$0	\$100,000	1
<b>Total Attorney General and Reporter</b>	<b>\$2,546,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,546,000</b>	<b>9</b>

### District Attorneys General Conference

<b>• Statutory Step Raises</b>					
To provide funds for the assistant district attorneys' and criminal investigators' salary increase required by TCA 8-7-2.					
<b>304.01 District Attorneys General</b>	\$902,000	\$0	\$20,200	\$922,200	0
<b>304.10 Executive Director</b>	\$0	\$0	\$4,700	\$4,700	0
<b>304.15 IV-D Child Support Enforcement</b>	\$0	\$0	\$86,900	\$86,900	0
<b>Sub-total</b>	\$902,000	\$0	\$111,800	\$1,013,800	0
<b>• Assistant Victim-Witness Coordinators - Expiring Federal Grant</b>					
To provide funds to retain 26 assistant victim-witness coordinator positions, formerly funded by federal grants.					
<b>304.01 District Attorneys General</b>	\$950,800	\$0	\$0	\$950,800	26
<b>Sub-total</b>	\$950,800	\$0	\$0	\$950,800	26
<b>Total District Attorneys General Conference</b>	<b>\$1,852,800</b>	<b>\$0</b>	<b>\$111,800</b>	<b>\$1,964,600</b>	<b>26</b>

### District Public Defenders Conference

<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>	\$514,700	\$0	\$0	\$514,700	0
<b>Sub-total</b>	\$514,700	\$0	\$0	\$514,700	0

## Law, Safety and Correction Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Total District Public Defenders Conference</b>	\$514,700	\$0	\$0	\$514,700	0

### Office of the Post-Conviction Defender

- Statutory Step Raises**

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>	\$13,900	\$0	\$0	\$13,900	0
<b>Sub-total</b>	\$13,900	\$0	\$0	\$13,900	0

- Caseload Management**

To provide funding for three assistant post-conviction defender positions because of increased caseloads (\$240,700); for one information technology position to assist with computerized case management and to enhance computer use in the courtroom (\$70,200); and for a training program to qualify private attorneys in death-penalty post-conviction cases (\$6,700). The latter will enable the agency to create a panel of private attorneys who can be appointed in cases in which the post-conviction defender cannot serve.

<b>308.00 Office of the Post-Conviction Defender</b>	\$317,600	\$0	\$0	\$317,600	4
<b>Sub-total</b>	\$317,600	\$0	\$0	\$317,600	4

### Total Office of the Post-Conviction Defender

	<b>\$331,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$331,500</b>	<b>4</b>
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### Alcoholic Beverage Commission

- Responsible Vendor Act**

To provide funding for three staff positions to train and certify vendors participating in the program required by the Responsible Vendor Act of 2006. Funding is from fees.

<b>316.03 Alcoholic Beverage Commission</b>	\$0	\$0	\$138,800	\$138,800	3
<b>Sub-total</b>	\$0	\$0	\$138,800	\$138,800	3

### Total Alcoholic Beverage Commission

	<b>\$0</b>	<b>\$0</b>	<b>\$138,800</b>	<b>\$138,800</b>	<b>3</b>
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### Corrections Institute

- Jail Inspection and Training**

To provide funds for five detention facility specialist positions needed for timely inspection of local jails and training local correctional personnel. Non-recurring funding in the amount of \$49,500 is included to purchase vehicles used by the specialists.

<b>316.09 Corrections Institute</b>	\$310,000	\$0	\$0	\$310,000	5
<b>Sub-total</b>	\$310,000	\$0	\$0	\$310,000	5

## Law, Safety and Correction Improvements for Fiscal Year 2007-2008

	State	Federal	Other	Total	Positions
<b>Total Corrections Institute</b>	\$310,000	\$0	\$0	\$310,000	5

### Board of Probation and Parole

- **Records Management - Imaging System**

To provide funding for an imaging system to manage probationer and parolee records storage, retrieval, and shipping costs. Non-recurring funding in the amount of \$88,200 is included from supervision fee reserves.

<b>324.02 Probation and Parole Services</b>	\$25,100	\$0	\$88,200	\$113,300	0
<b>Sub-total</b>	\$25,100	\$0	\$88,200	\$113,300	0
<b>Total Board of Probation and Parole</b>	<b>\$25,100</b>	<b>\$0</b>	<b>\$88,200</b>	<b>\$113,300</b>	<b>0</b>

### Correction

- **Administration Legislation - Jessica's Law**

To provide funds for incarceration costs, in accordance with the 1985 Sentencing Act, to enact Jessica's Law, which will create a minimum sentence of 25 years for the first offense of child rape.

<b>329.99 Sentencing Act of 1985</b>	\$7,690,700	\$0	\$0	\$7,690,700	0
<b>Sub-total</b>	\$7,690,700	\$0	\$0	\$7,690,700	0

- **Administration Legislation - Incarceration**

To provide funds for the incarceration cost of three Administration bills as required by the 1985 Sentencing Act: to make elder abuse a Class E felony (\$145,000); to increase the penalty for sexual misconduct of prisoners (\$573,500); and to increase the penalty for inmate possession of a cell phone (\$39,600).

<b>329.99 Sentencing Act of 1985</b>	\$758,100	\$0	\$0	\$758,100	0
<b>Sub-total</b>	\$758,100	\$0	\$0	\$758,100	0

- **Local Jails**

To provide funding to accommodate an increased felon population in local jails. The appropriation is non-recurring because of the addition of beds at Brushy Mountain prison complex.

<b>329.04 State Prosecutions</b>	\$6,891,900	\$0	\$0	\$6,891,900	0
<b>Sub-total</b>	\$6,891,900	\$0	\$0	\$6,891,900	0

## Law, Safety and Correction Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Prison Expansion - Brushy Mountain (Morgan County)</b>					
To provide funds for opening of expanded prison facilities at the Brushy Mountain prison complex. This includes 46 staff and operating costs for the warehouse, commissary, and maintenance buildings (\$6,255,900 state appropriation); and 184 staff for the first six months of operations of a 300 bed minimum-security annex (\$3,504,600). Non-recurring funding of \$500,000 for equipment purchases is included.					
<b>329.11 Brushy Mountain Correctional Complex</b>	\$9,760,500	\$0	\$258,500	\$10,019,000	230
<b>Sub-total</b>	\$9,760,500	\$0	\$258,500	\$10,019,000	230
<b>• Operational Increase</b>					
To provide funding for increased operational costs of prison service agreements and costs of health and mental health contract services.					
<b>329.08 Wayne County Boot Camp</b>	\$33,100	\$0	\$0	\$33,100	0
<b>329.11 Brushy Mountain Correctional Complex</b>	\$110,300	\$0	\$0	\$110,300	0
<b>329.13 Tennessee Prison for Women</b>	\$124,500	\$0	\$0	\$124,500	0
<b>329.14 Turney Center Industrial Prison and Farm</b>	\$137,800	\$0	\$0	\$137,800	0
<b>329.16 Mark Luttrell Correctional Facility</b>	\$35,200	\$0	\$0	\$35,200	0
<b>329.17 Charles B. Bass Correctional Complex</b>	\$129,100	\$0	\$0	\$129,100	0
<b>329.18 Southeastern Tennessee State Regional Correctional Facility</b>	\$62,800	\$0	\$0	\$62,800	0
<b>329.21 Hardeman County Incarceration Agreement</b>	\$1,017,100	\$0	\$0	\$1,017,100	0
<b>329.22 Hardeman County Agreement - Whiteville</b>	\$781,000	\$0	\$0	\$781,000	0
<b>329.41 West Tennessee State Penitentiary</b>	\$173,600	\$0	\$0	\$173,600	0
<b>329.42 Riverbend Maximum Security Institution</b>	\$102,000	\$0	\$0	\$102,000	0
<b>329.43 Northeast Correctional Complex</b>	\$118,900	\$0	\$0	\$118,900	0
<b>329.44 South Central Correctional Center</b>	\$848,200	\$0	\$0	\$848,200	0
<b>329.45 Northwest Correctional Complex</b>	\$155,500	\$0	\$0	\$155,500	0
<b>329.46 Lois M. DeBerry Special Needs Facility</b>	\$84,200	\$0	\$0	\$84,200	0
<b>Sub-total</b>	\$3,913,300	\$0	\$0	\$3,913,300	0
<b>Total Correction</b>	<b>\$29,014,500</b>	<b>\$0</b>	<b>\$258,500</b>	<b>\$29,273,000</b>	<b>230</b>

## Law, Safety and Correction Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Military</b>					
• <b>Earthquake Preparedness</b>					
To provide funding for earthquake preparedness, including four positions: an emergency planner, a database administrator, and two radio communication technicians. Non-recurring funding of \$378,900 is included for equipment.					
<b>341.04 Tennessee Emergency Management Agency</b>	\$602,900	\$0	\$0	\$602,900	4
<b>Sub-total</b>	\$602,900	\$0	\$0	\$602,900	4
• <b>Armories Utilities</b>					
To provide funds for increased utilities costs at National Guard armories.					
<b>341.10 Armories Utilities</b>	\$300,000	\$0	\$0	\$300,000	0
<b>Sub-total</b>	\$300,000	\$0	\$0	\$300,000	0
• <b>National Guard Tuition Assistance</b>					
To provide additional state funding for the state tuition assistance program, which supplements a federal higher education tuition assistance program for eligible National Guard recruits in Tennessee. This recruiting incentive allows Tennessee to compete with neighboring states and build the strength of the National Guard.					
<b>341.01 Administration</b>	\$100,000	\$0	\$0	\$100,000	0
<b>Sub-total</b>	\$100,000	\$0	\$0	\$100,000	0
<b>Total Military</b>	<b>\$1,002,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,002,900</b>	<b>4</b>
<b>Safety</b>					
• <b>Statutory Salary Step Increase</b>					
To fund the mandated annual trooper salary step increase pursuant to TCA 4-7-2.					
<b>349.03 Highway Patrol</b>	\$750,600	\$0	\$0	\$750,600	0
<b>Sub-total</b>	\$750,600	\$0	\$0	\$750,600	0
• <b>Administration Legislation - REAL ID Act Reserve</b>					
To provide non-recurring funds to establish a reserve for implementation of the federal REAL ID Act, enacted in May 2005. The REAL ID Act requires new standards and procedures for state driver licenses and identification cards to be issued by May 2008.					
<b>349.02 Driver License Issuance</b>	\$26,500,000	\$0	\$0	\$26,500,000	0
<b>Sub-total</b>	\$26,500,000	\$0	\$0	\$26,500,000	0

## Law, Safety and Correction Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Administration Legislation - Repeal Certificate for Driving</b>					
To provide non-recurring funding to implement a temporary driver license and photo identification license resulting from the repeal of the certificate for driving. The temporary driver license and photo identification license will be available only to applicants able to document federal authorization of temporary residency and completion of all required testing.					
<b>349.02 Driver License Issuance</b>	\$99,800	\$0	\$0	\$99,800	0
<b>Sub-total</b>	\$99,800	\$0	\$0	\$99,800	0
<b>• Information Systems</b>					
To provide funds for systems improvements necessary for driver license testing automation (\$1,149,100, including \$918,100 non-recurring); the Tennessee Highway Patrol computer-aided dispatch system (\$1,104,400, including \$1,038,400 non-recurring); and lease of 10 minivans to allow existing information systems specialists to provide field support (\$56,000). The non-recurring appropriation in total is \$1,956,500.					
<b>349.02 Driver License Issuance</b>	\$1,149,100	\$0	\$0	\$1,149,100	0
<b>349.03 Highway Patrol</b>	\$1,104,400	\$0	\$0	\$1,104,400	0
<b>349.07 Motor Vehicle Operations</b>	\$56,000	\$0	\$0	\$56,000	0
<b>Sub-total</b>	\$2,309,500	\$0	\$0	\$2,309,500	0
<b>Total Safety</b>	<b>\$29,659,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,659,900</b>	<b>0</b>
<b>Total Law, Safety and Correction</b>	<b>\$68,910,200</b>	<b>\$0</b>	<b>\$698,500</b>	<b>\$69,608,700</b>	<b>284</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 trial courts and two levels of appeals courts that comprise the state's court system.

The Supreme Court is comprised of five justices elected to eight-year terms. The workload of the court consists of cases appealed from lower courts. Supreme Court decisions act to resolve controversies arising out of Tennessee law and to establish guidelines for the lower courts to use in future decisions.

The intermediate appellate courts are the Court of Appeals and the Court of Criminal Appeals. The Court of Appeals hears appeals only in civil cases from the lower courts. The Court of Criminal Appeals has jurisdiction to hear most felony and misdemeanor appeals from general trial courts, as well as post-conviction petitions.

The state's trial courts include Chancery, Criminal, Circuit, and Probate courts. Chancery courts are the traditional equity courts used when common law or statutory law proves inadequate for cases. Circuit courts, which sometime overlap with the jurisdiction of Chancery courts, have jurisdiction to hear civil and criminal cases. Criminal courts have jurisdiction over criminal cases and hearing misdemeanor appeals from lower courts. Probate courts primarily have jurisdiction over probate of wills and administration of estates.

Courts of limited jurisdiction are funded locally and include General Sessions, Juvenile, and Municipal courts. Jurisdiction of General Sessions courts vary from county to county based on state laws and private acts; they hear civil, criminal, and juvenile cases, except in counties in which the Legislature has established separate Juvenile courts. Municipal courts have jurisdiction in cases involving violations of city ordinances.

The court system is grouped into the following functions: judicial services, support services, and professional standards.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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## Judicial Services

The Judicial Services functional area includes Appellate and Trial Courts, Child Support Referees, the Guardian ad Litem program, the Indigent Defendants' Counsel program, the Civil Legal Representation Fund, Verbatim Transcripts, and the Council of Juvenile and Family Court Judges.

### 302.01 Appellate and Trial Courts

Salaries and benefits are provided for judges of the state trial and appellate courts and for their law clerks and other staff. This allotment also includes funds for judges' travel expenses, their law books, and other operational expenses.

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>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	45,101,300	50,478,800	50,549,000	1,052,800	<b>51,601,800</b>
Operational	2,235,500	2,352,300	2,482,000	2,600,000	<b>5,082,000</b>
<b>Total</b>	<b>\$47,336,800</b>	<b>\$52,831,100</b>	<b>\$53,031,000</b>	<b>\$3,652,800</b>	<b>\$56,683,800</b>
State	47,278,900	52,803,800	53,003,700	3,652,800	<b>56,656,500</b>
Federal	0	0	0	0	<b>0</b>
Other	57,900	27,300	27,300	0	<b>27,300</b>

### 302.08 Child Support Referees

The Child Support Referees program provides personnel and operational funding to ensure the timely fulfillment of financial support by parents in child support cases.

Full-Time	18	18	18	0	<b>18</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>18</b>	<b>18</b>	<b>0</b>	<b>18</b>
Payroll	1,124,500	1,441,600	1,434,800	0	<b>1,434,800</b>
Operational	111,000	147,400	149,700	0	<b>149,700</b>
<b>Total</b>	<b>\$1,235,500</b>	<b>\$1,589,000</b>	<b>\$1,584,500</b>	<b>\$0</b>	<b>\$1,584,500</b>
State	420,200	442,400	440,900	0	<b>440,900</b>
Federal	0	0	0	0	<b>0</b>
Other	815,300	1,146,600	1,143,600	0	<b>1,143,600</b>

### 302.09 Guardian ad Litem

The Guardian ad Litem program provides funding for advocates appointed by the court to represent the best interests of an indigent child or a person determined to be incompetent in cases involving dependency, neglect, abuse, or custodial disputes.

Full-Time	0	0	0	0	<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	2,347,500	3,047,500	2,047,500	0	<b>2,047,500</b>
<b>Total</b>	<b>\$2,347,500</b>	<b>\$3,047,500</b>	<b>\$2,047,500</b>	<b>\$0</b>	<b>\$2,047,500</b>
State	2,347,500	3,047,500	2,047,500	0	<b>2,047,500</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

### 302.10 Indigent Defendants' Counsel

The Indigent Defendants' Counsel program provides funding for court-appointed counsel, experts, investigators, and other support services for indigents in criminal cases.

Full-Time	0	0	0	0	<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	18,349,600	21,349,300	18,349,300	0	<b>18,349,300</b>
<b>Total</b>	<b>\$18,349,600</b>	<b>\$21,349,300</b>	<b>\$18,349,300</b>	<b>\$0</b>	<b>\$18,349,300</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	18,320,200	21,344,300	18,344,300	0	<b>18,344,300</b>
Federal	0	0	0	0	<b>0</b>
Other	29,400	5,000	5,000	0	<b>5,000</b>

### 302.11 Civil Legal Representation Fund

The Civil Legal Representation Fund provides funding for legal services for indigent clients in civil matters.

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	3,363,100	3,327,900	3,327,900	0	<b>3,327,900</b>
<b>Total</b>	<b>\$3,363,100</b>	<b>\$3,327,900</b>	<b>\$3,327,900</b>	<b>\$0</b>	<b>\$3,327,900</b>
State	3,363,100	3,327,900	3,327,900	0	<b>3,327,900</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

### 302.12 Verbatim Transcripts

The Verbatim Transcripts program provides funding for personnel and operational costs of court reporting and verbatim transcripts.

Full-Time	57	57	57	0	<b>57</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>0</b>	<b>57</b>
Payroll	3,125,300	3,017,300	2,998,100	0	<b>2,998,100</b>
Operational	840,400	1,128,200	1,132,600	0	<b>1,132,600</b>
<b>Total</b>	<b>\$3,965,700</b>	<b>\$4,145,500</b>	<b>\$4,130,700</b>	<b>\$0</b>	<b>\$4,130,700</b>
State	3,965,700	4,145,500	4,130,700	0	<b>4,130,700</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

### 302.16 Council of Juvenile and Family Court Judges

The Council of Juvenile and Family Court Judges provides training and assistance to juvenile courts on state and federal laws, regulations, and policies affecting children and families, as well as keeping judges and court staff informed of services available to children and families. The council is comprised of 17 county-approved juvenile judges and general sessions judges who have juvenile court jurisdiction. Judges serve on the council for eight-year terms.

Full-Time	0	0	0	0	<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	94,100	128,000	129,200	0	<b>129,200</b>
<b>Total</b>	<b>\$94,100</b>	<b>\$128,000</b>	<b>\$129,200</b>	<b>\$0</b>	<b>\$129,200</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	48,600	92,800	93,600	0	<b>93,600</b>
Federal	0	0	0	0	<b>0</b>
Other	45,500	35,200	35,600	0	<b>35,600</b>

## Support Services

Support services consist of the Administrative Office of the Courts, Supreme Court Buildings, Tennessee State Law Libraries, Judicial Conference, Judicial Programs and Commissions, State Court Clerks' Conference, and Appellate Court Clerks.

### 302.27 Administrative Office of the Courts

The Administrative Office of the Courts provides services and support to the entire state court system. The office is responsible for preparation and oversight of the court system's budget, administration of the court automation fund and Tennessee court information system, and support services to the courts.

Full-Time	83	85	85	0	<b>85</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>83</b>	<b>85</b>	<b>85</b>	<b>0</b>	<b>85</b>
Payroll	5,197,200	5,791,600	5,798,900	0	<b>5,798,900</b>
Operational	4,264,700	6,590,000	6,332,300	0	<b>6,332,300</b>
<b>Total</b>	<b>\$9,461,900</b>	<b>\$12,381,600</b>	<b>\$12,131,200</b>	<b>\$0</b>	<b>\$12,131,200</b>
State	8,081,500	11,720,400	11,705,000	0	<b>11,705,000</b>
Federal	179,500	200,000	200,000	0	<b>200,000</b>
Other	1,200,900	461,200	226,200	0	<b>226,200</b>

### 302.05 Supreme Court Buildings

The Supreme Court Buildings allotment funds the operation, maintenance, and security of Supreme Court buildings in Nashville, Knoxville, and Jackson.

Full-Time	16	16	16	0	<b>16</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>16</b>	<b>16</b>	<b>0</b>	<b>16</b>
Payroll	401,900	659,600	655,700	0	<b>655,700</b>
Operational	2,529,800	2,318,900	2,322,200	0	<b>2,322,200</b>
<b>Total</b>	<b>\$2,931,700</b>	<b>\$2,978,500</b>	<b>\$2,977,900</b>	<b>\$0</b>	<b>\$2,977,900</b>
State	2,385,700	2,365,500	2,364,900	0	<b>2,364,900</b>
Federal	0	0	0	0	<b>0</b>
Other	546,000	613,000	613,000	0	<b>613,000</b>

### 302.15 Tennessee State Law Libraries

The three State Law Libraries provide legal resources to the state and local judiciary, members of the state bar, and the general public. The libraries are located in Nashville, Knoxville, and Jackson.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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	179,400	260,100	258,400	0	258,400
Operational	446,900	317,200	317,600	0	317,600
<b>Total</b>	<b>\$626,300</b>	<b>\$577,300</b>	<b>\$576,000</b>	<b>\$0</b>	<b>\$576,000</b>
State	623,000	567,300	566,000	0	566,000
Federal	0	0	0	0	0
Other	3,300	10,000	10,000	0	10,000

### 302.18 Judicial Conference

The Judicial Conference provides continuing legal education and legal updates to judges.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	218,300	351,100	56,300	0	56,300
<b>Total</b>	<b>\$218,300</b>	<b>\$351,100</b>	<b>\$56,300</b>	<b>\$0</b>	<b>\$56,300</b>
State	78,600	31,300	31,300	0	31,300
Federal	0	0	0	0	0
Other	139,700	319,800	25,000	0	25,000

### 302.20 Judicial Programs and Commissions

The Judicial Programs and Commissions allotment provides operational funding for commissions appointed by the Supreme Court to study issues, monitor judicial programs, and make recommendations, and for other programs of the court. Programs and commissions include the Court of Judiciary, Victim Offender Reconciliation Program, Alternative Dispute Resolution, Judicial Selection Commission, Judicial Evaluation Program, and foreign language interpreters.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	586,200	870,900	870,900	0	870,900
<b>Total</b>	<b>\$586,200</b>	<b>\$870,900</b>	<b>\$870,900</b>	<b>\$0</b>	<b>\$870,900</b>
State	238,600	482,400	482,400	0	482,400
Federal	0	0	0	0	0
Other	347,600	388,500	388,500	0	388,500

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 302.22 State Court Clerks' Conference

The State Court Clerks' Conference provides education and legal updates to the clerks as required by law.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	220,800	202,300	202,300	0	202,300
<b>Total</b>	<b>\$220,800</b>	<b>\$202,300</b>	<b>\$202,300</b>	<b>\$0</b>	<b>\$202,300</b>
State	220,800	202,300	202,300	0	202,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 302.30 Appellate Court Clerks

The Appellate Court Clerks offices are located at the Supreme Court buildings in Nashville, Knoxville, and Jackson and are responsible for administrative matters of the Supreme Court, Court of Appeals, and Court of Criminal Appeals.

Full-Time	32	32	32	3	35
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>3</b>	<b>35</b>
Payroll	1,579,700	1,718,300	1,718,600	101,200	1,819,800
Operational	398,900	405,700	397,000	0	397,000
<b>Total</b>	<b>\$1,978,600</b>	<b>\$2,124,000</b>	<b>\$2,115,600</b>	<b>\$101,200</b>	<b>\$2,216,800</b>
State	486,000	598,100	589,700	0	589,700
Federal	0	0	0	0	0
Other	1,492,600	1,525,900	1,525,900	101,200	1,627,100

## Professional Standards

This functional area is responsible for maintaining professional standards of licensed attorneys and includes the Board of Law Examiners, Board of Professional Responsibility, Tennessee Lawyers Assistance Program, Continuing Legal Education, and Client Protection Fund.

### 302.35 Board of Law Examiners

The Board of Law Examiners governs the examination and admission of attorneys applying to practice law in Tennessee.

Full-Time	13	13	13	0	13
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>
Payroll	339,000	370,700	380,900	0	380,900
Operational	160,100	322,300	311,500	0	311,500
<b>Total</b>	<b>\$499,100</b>	<b>\$693,000</b>	<b>\$692,400</b>	<b>\$0</b>	<b>\$692,400</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	499,000	693,000	692,400	0	<b>692,400</b>
Federal	0	0	0	0	<b>0</b>
Other	100	0	0	0	<b>0</b>

### 302.40 Board of Professional Responsibility

The Board of Professional Responsibility reviews and investigates allegations of attorney misconduct and imposes disciplinary action on those who violate professional standards. Also, it publishes ethics opinions, conducts seminars, and operates an ethics hotline for attorneys. The board is funded from a dedicated, annual registration fee, set by Supreme Court Rule, and paid by each attorney.

Full-Time	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	1,542,600	1,677,900	1,669,900	0	<b>1,669,900</b>
Operational	567,500	638,700	642,000	0	<b>642,000</b>
<b>Total</b>	<b>\$2,110,100</b>	<b>\$2,316,600</b>	<b>\$2,311,900</b>	<b>\$0</b>	<b>\$2,311,900</b>
State	1,836,300	2,316,600	2,311,900	0	<b>2,311,900</b>
Federal	0	0	0	0	<b>0</b>
Other	273,800	0	0	0	<b>0</b>

### 302.50 Tennessee Lawyers Assistance Program

The Lawyers Assistance Program provides education and assistance to members of the bench and bar suffering from physical or mental disabilities that impair their ability to practice or to serve. The program is funded from a dedicated, annual registration fee set by Supreme Court Rule and paid by each attorney.

Full-Time	3	3	3	0	<b>3</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
Payroll	211,600	261,500	261,000	0	<b>261,000</b>
Operational	84,100	80,000	80,500	0	<b>80,500</b>
<b>Total</b>	<b>\$295,700</b>	<b>\$341,500</b>	<b>\$341,500</b>	<b>\$0</b>	<b>\$341,500</b>
State	279,400	341,500	341,500	0	<b>341,500</b>
Federal	0	0	0	0	<b>0</b>
Other	16,300	0	0	0	<b>0</b>

### 302.60 Continuing Legal Education

The Continuing Legal Education staff administers Supreme Court Rule 21, governing continuing legal education annual requirements. Supreme Court Rule 21 authorizes the collection of annual certification or recertification fees from each attorney for operation of the program.

Full-Time	5	5	5	0	<b>5</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	397,900	429,900	428,200	0	<b>428,200</b>
Operational	360,900	186,300	187,100	0	<b>187,100</b>
<b>Total</b>	<b>\$758,800</b>	<b>\$616,200</b>	<b>\$615,300</b>	<b>\$0</b>	<b>\$615,300</b>
State	589,100	616,200	615,300	0	<b>615,300</b>
Federal	0	0	0	0	<b>0</b>
Other	169,700	0	0	0	<b>0</b>

### 302.65 Client Protection Fund

The Client Protection Fund reimburses claimants for losses caused by misconduct of attorneys licensed to practice in this state and is funded from the annual registration fee collected by the Board of Professional Responsibility.

Full-Time	0	0	0	0	<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	55,900	208,500	208,500	0	<b>208,500</b>
<b>Total</b>	<b>\$55,900</b>	<b>\$208,500</b>	<b>\$208,500</b>	<b>\$0</b>	<b>\$208,500</b>
State	0	208,500	208,500	0	<b>208,500</b>
Federal	0	0	0	0	<b>0</b>
Other	55,900	0	0	0	<b>0</b>

### 302.00 Total Court System

Full-Time	688	690	690	3	<b>693</b>
Part-Time	9	9	9	0	<b>9</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>697</b>	<b>699</b>	<b>699</b>	<b>3</b>	<b>702</b>
Payroll	59,200,400	66,107,300	66,153,500	1,154,000	<b>67,307,500</b>
Operational	37,235,300	43,972,500	39,546,400	2,600,000	<b>42,146,400</b>
<b>Total</b>	<b>\$96,435,700</b>	<b>\$110,079,800</b>	<b>\$105,699,900</b>	<b>\$3,754,000</b>	<b>\$109,453,900</b>
State	91,062,200	105,347,300	101,499,800	3,652,800	<b>105,152,600</b>
Federal	179,500	200,000	200,000	0	<b>200,000</b>
Other	5,194,000	4,532,500	4,000,100	101,200	<b>4,101,300</b>



# Attorney General and Reporter

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The Attorney General and Reporter is the state's chief legal officer and is appointed by the Tennessee Supreme Court for a term of eight years. The Attorney General has the following responsibilities: represents state officers and agencies in all litigation in state and federal courts; prosecutes criminal cases in the appellate courts; prosecutes securities and state contract fraud cases; represents the interests of Tennessee consumers; institutes proceedings relating to antitrust violations, consumer fraud, and environmental enforcement; provides departments, agencies, and the General Assembly with legal advice; approves all administrative regulations and leases as to form and legality; issues legal opinions to state officials; and reports opinions of the Tennessee Supreme Court, Court of Appeals, and Court of Criminal Appeals.

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 303.01 Attorney General and Reporter

This allotment provides funds for the staffing and operational costs of the office of the Attorney General and Reporter.

Full-Time	329	329	329	9	338
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>9</b>	<b>338</b>
Payroll	19,271,700	26,619,900	26,534,500	679,300	27,213,800
Operational	6,300,200	6,899,800	6,934,900	1,766,700	8,701,600
<b>Total</b>	<b>\$25,571,900</b>	<b>\$33,519,700</b>	<b>\$33,469,400</b>	<b>\$2,446,000</b>	<b>\$35,915,400</b>
State	17,807,700	21,929,500	21,890,800	2,446,000	24,336,800
Federal	0	0	0	0	0
Other	7,764,200	11,590,200	11,578,600	0	11,578,600

### 303.05 Publication of Tennessee Reports

Publication of Tennessee Reports provides funds for publication of opinions of the Tennessee Supreme Court, the Court of Appeals, and the Court of Criminal Appeals. The opinions of the Attorney General and Reporter are reported on the Attorney General's web site.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	74,900	93,900	93,400	0	93,400
Operational	62,000	61,900	62,100	0	62,100
<b>Total</b>	<b>\$136,900</b>	<b>\$155,800</b>	<b>\$155,500</b>	<b>\$0</b>	<b>\$155,500</b>
State	136,900	155,800	155,500	0	155,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**303.08 Special Litigation**

The Special Litigation program funds the use of private counsel for complex or special litigation cases requiring particular expertise. Hiring of private counsel requires approval of the Governor and the Attorney General.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	460,400	1,074,700	974,700	100,000	1,074,700
<b>Total</b>	<b>\$460,400</b>	<b>\$1,074,700</b>	<b>\$974,700</b>	<b>\$100,000</b>	<b>\$1,074,700</b>
State	126,200	288,900	188,900	100,000	288,900
Federal	0	0	0	0	0
Other	334,200	785,800	785,800	0	785,800

**303.00 Total Attorney General and Reporter**

Full-Time	331	331	331	9	340
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>331</b>	<b>331</b>	<b>331</b>	<b>9</b>	<b>340</b>
Payroll	19,346,600	26,713,800	26,627,900	679,300	27,307,200
Operational	6,822,600	8,036,400	7,971,700	1,866,700	9,838,400
<b>Total</b>	<b>\$26,169,200</b>	<b>\$34,750,200</b>	<b>\$34,599,600</b>	<b>\$2,546,000</b>	<b>\$37,145,600</b>
State	18,070,800	22,374,200	22,235,200	2,546,000	24,781,200
Federal	0	0	0	0	0
Other	8,098,400	12,376,000	12,364,400	0	12,364,400

# 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. Some of the district attorneys enforce court-ordered child support obligations through agreement with the Department of Human Services.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 304.01 District Attorneys General

The personnel and operational costs of the District Attorneys General, assistant district attorneys general, criminal investigators, and other support staff are funded in this program. The offices also provide an assistance program for victims and witnesses.

Full-Time	677	679	645	26	<b>671</b>
Part-Time	4	3	3	0	<b>3</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>681</b>	<b>682</b>	<b>648</b>	<b>26</b>	<b>674</b>
Payroll	52,209,300	58,946,800	57,756,100	1,807,800	<b>59,563,900</b>
Operational	5,035,200	6,249,400	5,977,200	65,200	<b>6,042,400</b>
<b>Total</b>	<b>\$57,244,500</b>	<b>\$65,196,200</b>	<b>\$63,733,300</b>	<b>\$1,873,000</b>	<b>\$65,606,300</b>
State	51,227,400	58,959,200	58,985,600	1,852,800	<b>60,838,400</b>
Federal	0	0	0	0	<b>0</b>
Other	6,017,100	6,237,000	4,747,700	20,200	<b>4,767,900</b>

### 304.05 District Attorneys General Conference

The District Attorneys General Conference is comprised of all District Attorneys. State law requires a conference to be held annually to consider matters related to members. A second conference is held annually to provide continuing legal education to the members.

Full-Time	0	0	0	0	<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	1,409,000	676,800	545,800	0	<b>545,800</b>
<b>Total</b>	<b>\$1,409,000</b>	<b>\$676,800</b>	<b>\$545,800</b>	<b>\$0</b>	<b>\$545,800</b>
State	243,500	444,300	438,000	0	<b>438,000</b>
Federal	0	0	0	0	<b>0</b>
Other	1,165,500	232,500	107,800	0	<b>107,800</b>

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**304.10 Executive Director**

The executive director of the District Attorneys General Conference is elected every four years, and his office provides administrative support services to the 31 elected District Attorneys. Duties include multi-district prosecution coordination; other prosecution assistance; provision of continuing education, budgeting, accounting, payroll, personnel, and property management services; management of federal grants; and liaison with state agencies and the General Assembly.

Full-Time	23	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>26</b>	<b>26</b>	<b>0</b>	<b>26</b>
Payroll	1,598,800	1,972,000	2,020,700	4,700	2,025,400
Operational	306,300	490,500	492,600	0	492,600
<b>Total</b>	<b>\$1,905,100</b>	<b>\$2,462,500</b>	<b>\$2,513,300</b>	<b>\$4,700</b>	<b>\$2,518,000</b>
State	1,554,500	1,502,700	1,554,300	0	1,554,300
Federal	0	0	0	0	0
Other	350,600	959,800	959,000	4,700	963,700

**304.15 IV-D Child Support Enforcement**

Under contract with the Department of Human Services, some of the District Attorneys enforce child support collection orders under Title IV-D of the federal Social Security Act.

Full-Time	240	275	275	0	275
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>241</b>	<b>276</b>	<b>276</b>	<b>0</b>	<b>276</b>
Payroll	10,534,300	12,504,600	12,465,800	86,900	12,552,700
Operational	1,964,600	1,646,200	1,657,900	0	1,657,900
<b>Total</b>	<b>\$12,498,900</b>	<b>\$14,150,800</b>	<b>\$14,123,700</b>	<b>\$86,900</b>	<b>\$14,210,600</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	12,498,900	14,150,800	14,123,700	86,900	14,210,600

**304.00 Total District Attorneys General Conference**

Full-Time	940	980	946	26	972
Part-Time	5	4	4	0	4
Seasonal	0	0	0	0	0
<b>Total</b>	<b>945</b>	<b>984</b>	<b>950</b>	<b>26</b>	<b>976</b>
Payroll	64,342,400	73,423,400	72,242,600	1,899,400	74,142,000
Operational	8,715,100	9,062,900	8,673,500	65,200	8,738,700
<b>Total</b>	<b>\$73,057,500</b>	<b>\$82,486,300</b>	<b>\$80,916,100</b>	<b>\$1,964,600</b>	<b>\$82,880,700</b>
State	53,025,400	60,906,200	60,977,900	1,852,800	62,830,700
Federal	0	0	0	0	0
Other	20,032,100	21,580,100	19,938,200	111,800	20,050,000

# District Public Defenders Conference

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As required by the United States Constitution, district public defenders and their staffs provide legal representation at trial and through the state appellate process for indigent persons charged with the commission of a crime. In Tennessee, a statewide system of public defenders was created by the General Assembly in 1989. Public defenders 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.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 306.01 District Public Defenders

This allotment provides funds for offices of 29 district public defenders, including funds for salaries and operational costs of their assistant defenders, investigators, and support staff.

Full-Time	314	310	310	0	310
Part-Time	10	12	12	0	12
Seasonal	0	0	0	0	0
<b>Total</b>	<b>324</b>	<b>322</b>	<b>322</b>	<b>0</b>	<b>322</b>
Payroll	23,542,700	26,981,100	27,071,000	514,700	27,585,700
Operational	2,981,700	3,441,500	3,413,800	0	3,413,800
<b>Total</b>	<b>\$26,524,400</b>	<b>\$30,422,600</b>	<b>\$30,484,800</b>	<b>\$514,700</b>	<b>\$30,999,500</b>
State	24,894,100	29,134,600	29,264,600	514,700	29,779,300
Federal	0	0	0	0	0
Other	1,630,300	1,288,000	1,220,200	0	1,220,200

### 306.03 Executive Director

The executive director of the Public Defenders Conference is elected by the District Public Defenders Conference and serves a four-year term. This office provides administrative support to the conference, such as training, fiscal services, coordination of multi-district cases, legal research, and information technology support.

Full-Time	12	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>
Payroll	867,800	1,164,500	1,209,900	0	1,209,900
Operational	158,200	302,500	303,800	0	303,800
<b>Total</b>	<b>\$1,026,000</b>	<b>\$1,467,000</b>	<b>\$1,513,700</b>	<b>\$0</b>	<b>\$1,513,700</b>
State	838,900	1,467,000	1,513,700	0	1,513,700
Federal	0	0	0	0	0
Other	187,100	0	0	0	0

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**306.10 Shelby County Public Defender**

This program provides an appropriation to the Shelby County public defender's office.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	2,906,100	3,034,100	3,034,100	0	3,034,100
<b>Total</b>	<b>\$2,906,100</b>	<b>\$3,034,100</b>	<b>\$3,034,100</b>	<b>\$0</b>	<b>\$3,034,100</b>
State	2,906,100	3,034,100	3,034,100	0	3,034,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

**306.12 Davidson County Public Defender**

This program provides an appropriation to the Davidson County public defender's office.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	1,516,200	1,551,600	1,551,600	0	1,551,600
<b>Total</b>	<b>\$1,516,200</b>	<b>\$1,551,600</b>	<b>\$1,551,600</b>	<b>\$0</b>	<b>\$1,551,600</b>
State	1,516,200	1,551,600	1,551,600	0	1,551,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

**306.00 Total District Public Defenders Conference**

Full-Time	326	325	325	0	325
Part-Time	10	12	12	0	12
Seasonal	0	0	0	0	0
<b>Total</b>	<b>336</b>	<b>337</b>	<b>337</b>	<b>0</b>	<b>337</b>
Payroll	24,410,500	28,145,600	28,280,900	514,700	28,795,600
Operational	7,562,200	8,329,700	8,303,300	0	8,303,300
<b>Total</b>	<b>\$31,972,700</b>	<b>\$36,475,300</b>	<b>\$36,584,200</b>	<b>\$514,700</b>	<b>\$37,098,900</b>
State	30,155,300	35,187,300	35,364,000	514,700	35,878,700
Federal	0	0	0	0	0
Other	1,817,400	1,288,000	1,220,200	0	1,220,200

# Office of the Post-Conviction Defender

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The Office of the Post-Conviction Defender was created in 1995 in order to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence. This office also provides continuing legal education and consulting services to attorneys representing indigents in capital cases and recruits qualified members of the private bar who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission appoints the Post-Conviction Defender and has oversight of the office. The commission is comprised of nine members, two appointed by the Governor, two by the Speaker of the Senate, two by the Speaker of the House of Representatives, and three by the Supreme Court.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 308.00 Office of the Post-Conviction Defender

Full-Time	14	14	14	4	<b>18</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>4</b>	<b>18</b>
Payroll	989,800	1,149,400	1,164,000	270,300	<b>1,434,300</b>
Operational	244,300	270,700	279,300	61,200	<b>340,500</b>
<b>Total</b>	<b>\$1,234,100</b>	<b>\$1,420,100</b>	<b>\$1,443,300</b>	<b>\$331,500</b>	<b>\$1,774,800</b>
State	1,234,100	1,420,100	1,443,300	331,500	<b>1,774,800</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

# Alcoholic Beverage Commission

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The Alcoholic Beverage Commission (ABC) regulates the liquor industry and enforces liquor laws and certain drug laws. The commission is governed by three members appointed by the governor.

The ABC's regulatory functions include licensing and inspecting wineries and distilleries, liquor wholesalers and retailers, temporary liquor sales venues, and establishments offering on-premise liquor consumption.

ABC conducts felony investigations originating under its jurisdiction and enforces laws pertaining to the illegal manufacture, transportation, and sale of alcoholic beverages and marijuana. The commission participates in the Governor's Task Force on Marijuana Eradication, and enforces laws against under-age drinking. ABC issues server permits to employees of establishments offering on-premise liquor consumption and requires servers to complete alcohol awareness training certified by the commission. The server training program is designed to properly train employees to responsibly sell and serve alcoholic beverages.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 316.03 Alcoholic Beverage Commission

Full-Time	64	64	64	3	<b>67</b>
Part-Time	3	3	3	0	<b>3</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>3</b>	<b>70</b>
Payroll	3,110,300	3,815,400	3,796,200	110,400	<b>3,906,600</b>
Operational	1,202,800	1,355,900	1,307,500	28,400	<b>1,335,900</b>
<b>Total</b>	<b>\$4,313,100</b>	<b>\$5,171,300</b>	<b>\$5,103,700</b>	<b>\$138,800</b>	<b>\$5,242,500</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	4,313,100	5,171,300	5,103,700	138,800	<b>5,242,500</b>

**Standard:** Process renewal of all licenses in a timely manner.

**Measure:** Issue licenses to renewal applicants who have properly and timely submitted renewal applications, and continue to qualify for the license within one week of the expiration of the license. Conduct inspection 1 month prior to expiration of license.

90%	95%	100%	0	100%
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# Tennessee Rehabilitative Initiative in Correction

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The Tennessee Rehabilitative Initiative in Correction (TRICOR) mission is to employ inmates in manufacturing, business, and agricultural jobs that integrate work opportunities with educational and vocational training and to develop good work habits and marketable skills to assist with a successful reintegration into society. TRICOR markets products and services to state agencies, local governments, and not-for-profit organizations.

TRICOR's manufacturing and service operations are located at twelve correctional facilities across the state. Manufacturing and service operations include office furniture and open office landscaping; institutional furniture and bedding; textiles, uniforms, and institutional clothing; custom wood and metal fabrication; license plates; interior and exterior building signs and highway regulatory signs; trash liners and janitorial supplies; warehousing and transportation; print shops; data entry and document imaging; and K-12 test distribution.

Agricultural operations are located at West Tennessee State Penitentiary and Southeastern Regional Correctional Facility and include field crops; beef cattle; dairy operation; and juice, tea, and fruit drink production.

To assist with an inmate's successful reintegration into society, TRICOR also administers a post-release placement program that provides job placement assistance to eligible inmates who have been released from Tennessee Department of Correction custody.

A nine-member Board of Directors oversees the agency, which is headed by an executive director. The board members are appointed by the Governor to four-year terms. The Commissioner of Correction serves as an ex officio non-voting member of the board.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>316.08 TRICOR</b>					
Full-Time	222	218	218	0	218
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>222</b>	<b>218</b>	<b>218</b>	<b>0</b>	<b>218</b>
Payroll	8,680,500	10,398,700	10,343,500	0	10,343,500
Operational	25,293,100	23,089,700	23,162,700	0	23,162,700
<b>Total</b>	<b>\$33,973,600</b>	<b>\$33,488,400</b>	<b>\$33,506,200</b>	<b>\$0</b>	<b>\$33,506,200</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	33,973,600	33,488,400	33,506,200	0	33,506,200

**Standard:** Improve overall customer satisfaction to a rating of 4.6 on a five point scale.

**Measure:** Overall customer satisfaction rating based on multi-tiered customer feedback.

4.2	4.5	4.6	0	4.6
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<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**Standard:** Increase the number of offenders served on an annual basis through occupational skills training, transitional programming, and transitional service.

**Measure:** Number of offenders served.

988	1,400	1,540	0	1,540
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# 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, and stress management.

A seven-member Board of Control appoints the agency director. The board consists of the Governor or the Governor's designee, the commissioner of the Department of Correction, the chairs of the criminal justice departments at Tennessee State University and Middle Tennessee State University, and three members appointed by the Governor.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>316.09 Corrections Institute</b>					
Full-Time	10	10	10	5	15
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>5</b>	<b>15</b>
Payroll	497,200	563,300	559,400	185,000	<b>744,400</b>
Operational	182,500	183,600	187,600	125,000	<b>312,600</b>
<b>Total</b>	<b>\$679,700</b>	<b>\$746,900</b>	<b>\$747,000</b>	<b>\$310,000</b>	<b>\$1,057,000</b>
State	642,200	731,900	732,000	310,000	<b>1,042,000</b>
Federal	0	0	0	0	0
Other	37,500	15,000	15,000	0	<b>15,000</b>

# Board of Probation and Parole

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The Board of Probation and Parole manages 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 also administers the Community Corrections grant program, which diverts non-violent felony offenders from incarceration by placing them in locally-operated programs with intensive supervision, community service work, and victim restitution.

Probation and Parole Field Services supervises parolees and offenders placed on probation by the state criminal and circuit courts. Probation and Parole officers also collect supervision and criminal injuries fees and write pre-sentence investigation reports for use by the court system, the Department of Correction, and the Board of Probation and Parole.

The Board of Probation and Parole is comprised of seven full-time members appointed by the Governor. Members serve six-year terms and are eligible for reappointment.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 324.02 Probation and Parole Services

This allotment provides funds for the staffing and operational costs of the Board of Probation and Parole, including operations of the board, the central office, and the probation and parole officers.

Full-Time	1,012	1,025	1,025	0	<b>1,025</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,012</b>	<b>1,025</b>	<b>1,025</b>	<b>0</b>	<b>1,025</b>
Payroll	42,596,500	50,335,600	49,998,600	0	<b>49,998,600</b>
Operational	10,787,300	12,052,100	11,444,800	113,300	<b>11,558,100</b>
<b>Total</b>	<b>\$53,383,800</b>	<b>\$62,387,700</b>	<b>\$61,443,400</b>	<b>\$113,300</b>	<b>\$61,556,700</b>
State	52,687,100	61,582,700	60,642,400	25,100	<b>60,667,500</b>
Federal	0	0	0	0	<b>0</b>
Other	696,700	805,000	801,000	88,200	<b>889,200</b>

**Standard:** Board of Probation and Parole will improve the offender success rate by decreasing the percentage of probation and parolees who are revoked.

**Measure:** Percent of total offender population (both probationers and parolees) whose community supervision status is revoked during the fiscal year.

12.1%	11.8%	11.6%	0	11.6%
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**Standard:** Board of Probation and Parole will manage caseloads by increasing the successful offenders reclassified to lower risk levels (discounting offenders moved off of "intake" supervision level)

**Measure:** Percent of total offender population who are reclassified to a lower risk level after exhibiting successful behavior.

8.4%	8.6%	8.7%	0	8.7%
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	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**324.04 Community Corrections**

The Community Corrections program provides grants to local programs which provide alternatives to incarceration for non-violent felony offenders, as adjudicated by state courts.

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	10,463,900	11,402,600	11,402,600	0	11,402,600
<b>Total</b>	<b>\$10,463,900</b>	<b>\$11,402,600</b>	<b>\$11,402,600</b>	<b>\$0</b>	<b>\$11,402,600</b>
State	10,461,000	11,402,600	11,402,600	0	11,402,600
Federal	0	0	0	0	0
Other	2,900	0	0	0	0

**Standard:** Community Corrections program will improve offender success by decreasing the percent of the total program population who are revoked from the program prior to successful discharged.

**Measure:** Percent of total offender population who are revoked from the program prior to successful discharge.

13.1%	12.9%	12.8%	0	12.8%
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**Standard:** Community Corrections program will improve offender success by increasing the percent of the total population who are successfully discharged from the program.

**Measure:** Percent of total offender population who complete the behavioral plan requirements and all court-ordered mandates and are successfully released from Community Corrections supervision.

16.9%	17.1%	17.3%	0	17.3%
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**324.00 Total Board of Probation and Parole**

Full-Time	1,012	1,025	1,025	0	1,025
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1,012</b>	<b>1,025</b>	<b>1,025</b>	<b>0</b>	<b>1,025</b>
Payroll	42,596,500	50,335,600	49,998,600	0	49,998,600
Operational	21,251,200	23,454,700	22,847,400	113,300	22,960,700
<b>Total</b>	<b>\$63,847,700</b>	<b>\$73,790,300</b>	<b>\$72,846,000</b>	<b>\$113,300</b>	<b>\$72,959,300</b>
State	63,148,100	72,985,300	72,045,000	25,100	72,070,100
Federal	0	0	0	0	0
Other	699,600	805,000	801,000	88,200	889,200

# Department of Correction

## Performance-Based Budget

The Tennessee Department of Correction supervises convicted felons during their period of confinement in state prisons. 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 laws and departmental policy and procedure.

The Department of Correction carries out its responsibilities through four major functional areas: administrative and other services, institutional operations, special purpose facilities, and contract management facilities.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### Administrative and Other Services

The Administrative and Other Services function includes Administration, State Prosecutions, Tennessee Correction Academy, Major Maintenance, the Sex Offender Treatment Program, Federal Construction Grants, and the Sentencing Act of 1985.

#### 329.01 Administration

Administration provides department-wide support services, such as fiscal, personnel, policy, planning and research, and communications. Additional department-wide services include: the classification unit, which assigns the most appropriate institution or special program requirements for each inmate; sentence management services, which provides sentence management information, computation of all felony sentences, and monitors and reports release dates; compliance, which ensures operational quality and accreditation by the American Correctional Association; and rehabilitative services, which provides educational, victim, and mental health services, as well as inmate jobs and alcohol and drug treatment.

Full-Time	204	214	213	0	213
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>204</b>	<b>214</b>	<b>213</b>	<b>0</b>	<b>213</b>
Payroll	11,228,300	12,885,400	12,883,300	0	12,883,300
Operational	7,075,000	7,615,700	6,863,800	0	6,863,800
<b>Total</b>	<b>\$18,303,300</b>	<b>\$20,501,100</b>	<b>\$19,747,100</b>	<b>\$0</b>	<b>\$19,747,100</b>
State	13,787,400	15,243,400	14,995,200	0	14,995,200
Federal	514,900	564,200	467,100	0	467,100
Other	4,001,000	4,693,500	4,284,800	0	4,284,800

**Standard:** Decrease the number of escapes of offenders during transport by the department.

**Measure:** The number of escapes of offenders during transport by the department.

1	0	0	0	0
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<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase the number of community service work hours performed by TDOC inmates.

**Measure:** The number of community service work hours performed by TDOC inmates.

1,191,986	1,200,000	1,250,000	0	1,250,000
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**Standard:** Process judgment orders promptly.

**Measure:** The percent of judgment orders processed within 10 days of receipt.

96%	97%	98%	0	98%
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### 329.04 State Prosecutions

State Prosecutions reimburses counties for the expense of housing state felons in local jails and for other statutorily authorized felony expenses. The state is liable for county reimbursement when felons are sentenced to serve their time in the local jail; when counties contract with the state to house felons sentenced to the Department of Correction; and when counties house felons who have been sentenced to the Department of Correction and are awaiting transfer. Certain other expenses are paid from the allotment, including court costs associated with felony charges, inmate transportation costs, extradition costs, witness fees, jury boarding costs, and emergency medical expenses.

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	120,017,000	134,263,000	134,263,000	6,891,900	141,154,900
<b>Total</b>	<b>\$120,017,000</b>	<b>\$134,263,000</b>	<b>\$134,263,000</b>	<b>\$6,891,900</b>	<b>\$141,154,900</b>
State	119,030,200	134,263,000	134,263,000	6,891,900	141,154,900
Federal	0	0	0	0	0
Other	986,800	0	0	0	0

**Standard:** Process invoices promptly.

**Measure:** The percent of invoices processed within 45 days of receipt of all required documents (i.e., board bills and correctional facility summary reports.)

97%	100%	90%	0	90%
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### 329.06 Correction Academy

The Tennessee Correction Academy serves as the state's primary training and staff development center for the Department of Correction, Board of Probation and Parole, and Department of Children's Services. The academy provides pre-service training, in-service training, and specialized training classes in accordance with standards of the American Correctional Association.

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>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	3,307,800	3,712,400	3,682,300	0	<b>3,682,300</b>
Operational	1,446,400	1,494,100	1,549,700	0	<b>1,549,700</b>
<b>Total</b>	<b>\$4,754,200</b>	<b>\$5,206,500</b>	<b>\$5,232,000</b>	<b>\$0</b>	<b>\$5,232,000</b>
State	4,676,700	5,141,600	5,167,100	0	<b>5,167,100</b>
Federal	0	0	0	0	<b>0</b>
Other	77,500	64,900	64,900	0	<b>64,900</b>

**Standard:** Increase total training hours delivered for pre-service, in-service, and speciality course personnel.

**Measure:** Total training hours delivered for pre-service, in-service, and speciality course personnel.

	342,383	459,054	386,778	0	386,778
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### 329.32 Major Maintenance

The Major Maintenance program is responsible for maintenance of the state's prison facilities and the Tennessee Correction Academy whenever costs exceed routine daily maintenance requirements. Also, this program provides information systems services and technology. This includes repair and preventive maintenance of security electronic systems, including fence detection systems, locking control panels, alarm annunciation panels, closed circuit TV, paging and intercom systems, mobile mapping systems, and installation and maintenance of the department's computer systems.

Full-Time	22	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>22</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>24</b>
Payroll	1,173,500	1,495,300	1,489,000	0	<b>1,489,000</b>
Operational	2,630,300	2,429,800	2,450,400	0	<b>2,450,400</b>
<b>Total</b>	<b>\$3,803,800</b>	<b>\$3,925,100</b>	<b>\$3,939,400</b>	<b>\$0</b>	<b>\$3,939,400</b>
State	3,486,700	3,925,100	3,939,400	0	<b>3,939,400</b>
Federal	0	0	0	0	<b>0</b>
Other	317,100	0	0	0	<b>0</b>

**Standard:** Resolve security system calls within 48 hours.

**Measure:** The percent of security system calls resolved within 48 hours.

	98%	98%	99.9%	0	99.9%
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### 329.50 Sex Offender Treatment Program

The Sex Offender Treatment Program conducts pre-trial evaluations as ordered by the courts for indigent defendants accused of a sex offense. The program also provides funding for therapy required as conditions of probation or parole for indigent offenders. The 13-member Sex Offender Treatment Board, comprised of representatives of the law enforcement, legal, and medical professions, oversees the program and develops standardized procedures for evaluation and treatment of sex offenders.

Full-Time	0	0	0	0	<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>



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	147,000	128,300	128,300	0	128,300
<b>Total</b>	<b>\$147,000</b>	<b>\$128,300</b>	<b>\$128,300</b>	<b>\$0</b>	<b>\$128,300</b>
State	98,100	128,300	128,300	0	128,300
Federal	0	0	0	0	0
Other	48,900	0	0	0	0

**Standard:** Provide annual training to at least 200 treatment providers.

**Measure:** The number of treatment providers receiving annual training.

	332	425	200	0	200
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**Standard:** Increase the number of sex offenders receiving treatment.

**Measure:** The number of sex offenders receiving treatment.

	158	150	200	0	200
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### 329.98 Federal Construction Grants

The Federal Construction Grants program was established to account for the draw-down of federal Violent Offender Incarceration and Truth-in-Sentencing grant funds awarded to the Department of Correction. These funds are used for the construction of new prison beds for violent offenders or infrastructure support of the prison system. No performance standard is provided because this program is merely a funding source for the capital outlay budget.

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	123,100	15,310,000	15,310,000	0	15,310,000
<b>Total</b>	<b>\$123,100</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	123,100	15,310,000	15,310,000	0	15,310,000
Other	0	0	0	0	0

### 329.99 Sentencing Act of 1985

During the Special Session on Corrections in 1985, the General Assembly passed legislation that included the Sentencing Act of 1985. The law requires that, for any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state correctional facilities, there is to be appropriated from recurring revenues the estimated increased operating cost. The amount appropriated for operating costs, in current dollars, is based upon the highest cost of the next ten years, beginning with the year the additional sentence to be served impacts the correctional facilities population. Appropriations to the Sentencing Act of 1985 are used for capital outlay or for cancellation of construction bonds authorized but not yet sold. No performance standard is provided because this program is merely a funding source for the capital outlay budget.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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	28,011,900	17,011,900	8,448,800	25,460,700
<b>Total</b>	<b>\$0</b>	<b>\$28,011,900</b>	<b>\$17,011,900</b>	<b>\$8,448,800</b>	<b>\$25,460,700</b>
State	0	28,004,400	17,004,400	8,448,800	25,453,200
Federal	0	0	0	0	0
Other	0	7,500	7,500	0	7,500

## Institutional Operations

Institutional Operations manages the inmate population in state prisons, including classification centers and time-building institutions.

Classification centers evaluate inmates entering the correctional system, including physical and mental health, work and training experience, educational background, religious affiliation, and family background. Decisions are made about institutional placement or special program requirements. 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 prisons range in security levels from death-row and maximum-security to minimum-security and work-release. These institutions provide educational, counseling, and treatment programs.

### 329.11 Brushy Mountain Correctional Complex

Brushy Mountain Correctional Complex (BMCC), located in Morgan County, is comprised of Morgan County Regional Correctional Facility in Wartburg and Brushy Mountain Prison in Petros. BMCC is a maximum-security institution which houses all custody levels. BMCC operates vocational and substance abuse programs.

Full-Time	557	582	582	230	812
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>557</b>	<b>582</b>	<b>582</b>	<b>230</b>	<b>812</b>
Payroll	24,179,800	27,283,900	27,137,600	5,126,500	32,264,100
Operational	13,512,500	15,552,500	13,447,700	5,002,800	18,450,500
<b>Total</b>	<b>\$37,692,300</b>	<b>\$42,836,400</b>	<b>\$40,585,300</b>	<b>\$10,129,300</b>	<b>\$50,714,600</b>
State	36,542,200	41,691,500	39,440,400	9,870,800	49,311,200
Federal	0	0	0	0	0
Other	1,150,100	1,144,900	1,144,900	258,500	1,403,400

**Standard:** Increase the number of General Equivalency Diploma (GED) recipients.

**Measure:** The number of GED recipients.

29	50	60	0	60
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

	65	79	87	0	87
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	43%	45%	45%	0	45%
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	4.18	4.10	3.85	0	3.85
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### 329.13 Tennessee Prison for Women

The Tennessee Prison for Women (TPW) opened in Nashville in 1898 and relocated to its present site in 1966. The institution is a reception, classification, and time-building prison which houses all levels of female inmates, from those under death sentence to those assigned to work release. TPW also provides academic and vocational programs.

Full-Time	251	251	251	0	251
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>251</b>	<b>251</b>	<b>251</b>	<b>0</b>	<b>251</b>
Payroll	9,993,800	11,129,100	10,978,200	0	10,978,200
Operational	7,664,800	9,384,200	9,552,600	124,500	9,677,100
<b>Total</b>	<b>\$17,658,600</b>	<b>\$20,513,300</b>	<b>\$20,530,800</b>	<b>\$124,500</b>	<b>\$20,655,300</b>
State	16,799,600	19,670,200	19,687,700	124,500	19,812,200
Federal	0	0	0	0	0
Other	859,000	843,100	843,100	0	843,100

**Standard:** Increase the GED completion rate.

**Measure:** The number of GED recipients.

	26	30	33	0	33
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

	29	36	41	0	41
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	16%	20%	28%	0	28%
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**Standard:** Maintain the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	1.64	1.64	1.64	0	1.64
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	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**329.14 Turney Center Industrial Prison and Farm**

Turney Center Industrial Prison and Farm, in Hickman County, is a time-building institution with emphasis on prison industry. It has a security classification range from minimum to close. Inmates are assigned to industry, academic, farming, or vocational programs, as well as support services inside the main compound.

Full-Time	328	328	328	0	<b>328</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>328</b>	<b>328</b>	<b>328</b>	<b>0</b>	<b>328</b>
Payroll	12,807,700	14,963,100	14,752,400	0	<b>14,752,400</b>
Operational	10,224,200	11,159,300	11,374,400	137,800	<b>11,512,200</b>
<b>Total</b>	<b>\$23,031,900</b>	<b>\$26,122,400</b>	<b>\$26,126,800</b>	<b>\$137,800</b>	<b>\$26,264,600</b>
State	21,900,100	25,137,900	25,142,300	137,800	<b>25,280,100</b>
Federal	0	0	0	0	<b>0</b>
Other	1,131,800	984,500	984,500	0	<b>984,500</b>

**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

7	14	25	0	25
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

71	81	89	0	89
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

53%	60%	60%	0	60%
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

6.23	6.20	6.20	0	6.20
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**329.16 Mark Luttrell Correctional Facility**

Mark Luttrell Correctional Facility, in Shelby County, is one of two female facilities in the state prison system. Opened in 1976 as a male reception center, the facility has been converted to an all-female unit with a security designation of close.

Full-Time	199	197	197	0	<b>197</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>199</b>	<b>197</b>	<b>197</b>	<b>0</b>	<b>197</b>
Payroll	8,094,300	9,278,900	9,203,500	0	<b>9,203,500</b>
Operational	4,036,100	4,057,100	4,199,900	35,200	<b>4,235,100</b>
<b>Total</b>	<b>\$12,130,400</b>	<b>\$13,336,000</b>	<b>\$13,403,400</b>	<b>\$35,200</b>	<b>\$13,438,600</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	11,646,900	12,794,000	12,861,400	35,200	<b>12,896,600</b>
Federal	0	0	0	0	<b>0</b>
Other	483,500	542,000	542,000	0	<b>542,000</b>

**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

12	15	18	0	18
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

10	15	20	0	20
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

50%	55%	60%	0	60%
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

5.78	5.75	5.70	0	5.70
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### 329.17 Charles B. Bass Correctional Complex

Charles B. Bass Correctional Complex, in Davidson County, has inmates in custody levels ranging from minimum-trustee to close. Inmates are assigned to community-work crews or provide support services inside the prison.

Full-Time	391	391	391	0	<b>391</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>391</b>	<b>391</b>	<b>391</b>	<b>0</b>	<b>391</b>
Payroll	16,325,500	17,623,800	17,399,200	0	<b>17,399,200</b>
Operational	9,781,700	10,283,100	10,551,500	129,100	<b>10,680,600</b>
<b>Total</b>	<b>\$26,107,200</b>	<b>\$27,906,900</b>	<b>\$27,950,700</b>	<b>\$129,100</b>	<b>\$28,079,800</b>
State	25,124,900	26,775,100	26,818,900	129,100	<b>26,948,000</b>
Federal	0	0	0	0	<b>0</b>
Other	982,300	1,131,800	1,131,800	0	<b>1,131,800</b>

**Standard:** Maintain the number of GED recipients.

**Measure:** The number of GED recipients.

30	25	30	0	30
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

20%	30%	30%	0	30%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	2.04	2.0	2.0	0	2.0
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### 329.18 Southeastern Tennessee State Regional Correctional Facility

Southeastern Tennessee State Regional Correctional Facility, in Bledsoe County, has inmates with custody levels ranging from minimum to close. The facility has academic, substance abuse, and vocational programs.

Full-Time	321	321	321	0	321
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>321</b>	<b>321</b>	<b>321</b>	<b>0</b>	<b>321</b>
Payroll	13,772,500	15,200,900	15,085,900	0	15,085,900
Operational	7,004,300	6,310,100	6,533,200	62,800	6,596,000
<b>Total</b>	<b>\$20,776,800</b>	<b>\$21,511,000</b>	<b>\$21,619,100</b>	<b>\$62,800</b>	<b>\$21,681,900</b>
State	19,878,700	20,722,900	20,831,000	62,800	20,893,800
Federal	0	0	0	0	0
Other	898,100	788,100	788,100	0	788,100

**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

	25	30	35	0	35
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

	45	44	48	0	48
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	40%	45%	50%	0	50%
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	1.22	1.22	1.20	0	1.20
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### 329.41 West Tennessee State Penitentiary

West Tennessee State Penitentiary (WTSP), located near Henning, is the largest state prison for male felons. A reception and classification center housing all custody levels, WTSP provides educational and vocational programs.

Full-Time	772	772	772	0	772
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>772</b>	<b>772</b>	<b>772</b>	<b>0</b>	<b>772</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	30,198,000	34,624,600	34,339,800	0	<b>34,339,800</b>
Operational	18,368,600	17,331,500	17,783,800	173,600	<b>17,957,400</b>
<b>Total</b>	<b>\$48,566,600</b>	<b>\$51,956,100</b>	<b>\$52,123,600</b>	<b>\$173,600</b>	<b>\$52,297,200</b>
State	47,138,800	50,635,900	50,803,400	173,600	<b>50,977,000</b>
Federal	0	0	0	0	<b>0</b>
Other	1,427,800	1,320,200	1,320,200	0	<b>1,320,200</b>

**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

62	72	75	0	75
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

120	138	151	0	151
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

24%	28%	41%	0	41%
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

7.56	7.50	7.45	0	7.45
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### 329.42 Riverbend Maximum Security Institution

Riverbend Maximum Security Institution (RMSI), in Nashville, is a time-building maximum-security facility. In addition, RMSI houses a number of medium- and minimum-security inmates who attend education courses or work in institutional support jobs.

Full-Time	329	329	329	0	<b>329</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>329</b>	<b>329</b>	<b>329</b>	<b>0</b>	<b>329</b>
Payroll	14,113,200	15,167,800	15,002,000	0	<b>15,002,000</b>
Operational	7,115,200	8,465,900	8,683,000	102,000	<b>8,785,000</b>
<b>Total</b>	<b>\$21,228,400</b>	<b>\$23,633,700</b>	<b>\$23,685,000</b>	<b>\$102,000</b>	<b>\$23,787,000</b>
State	20,820,600	23,206,800	23,258,100	102,000	<b>23,360,100</b>
Federal	0	0	0	0	<b>0</b>
Other	407,800	426,900	426,900	0	<b>426,900</b>

**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

18	37	39	0	39
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

	11	15	20	0	20
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	60%	75%	75%	0	75%
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	17.57	17.00	16.5	0	16.5
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### 329.43 Northeast Correctional Complex

The Northeast Correctional Complex (NECX), with sites in Carter and Johnson counties, is a maximum-security time-building prison. NECX houses men of all custody levels and offers educational, mental health, and community service programs.

Full-Time	537	537	537	0	537
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>537</b>	<b>537</b>	<b>537</b>	<b>0</b>	<b>537</b>
Payroll	21,548,800	23,447,000	23,357,700	0	23,357,700
Operational	14,115,500	13,361,300	13,672,500	118,900	13,791,400
<b>Total</b>	<b>\$35,664,300</b>	<b>\$36,808,300</b>	<b>\$37,030,200</b>	<b>\$118,900</b>	<b>\$37,149,100</b>
State	34,346,100	35,491,800	35,713,700	118,900	35,832,600
Federal	0	0	0	0	0
Other	1,318,200	1,316,500	1,316,500	0	1,316,500

**Standard:** Maintain the number of GED recipients at 30 or higher.

**Measure:** The number of GED recipients.

	39	30	35	0	35
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

	146	177	194	0	194
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	72%	73%	75%	0	75%
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	2.83	2.80	2.80	0	2.80
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 329.45 Northwest Correctional Complex

Northwest Correctional Complex, in Lake County, houses inmates with a custody level of minimum-trustee to close. The annex houses minimum restricted-custody inmates and youthful offenders. Inmates are assigned to educational or vocational programs or community service crews.

Full-Time	705	702	702	0	<b>702</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>705</b>	<b>702</b>	<b>702</b>	<b>0</b>	<b>702</b>
Payroll	26,781,100	30,977,300	30,868,900	0	<b>30,868,900</b>
Operational	16,960,900	14,946,000	15,368,300	155,500	<b>15,523,800</b>
<b>Total</b>	<b>\$43,742,000</b>	<b>\$45,923,300</b>	<b>\$46,237,200</b>	<b>\$155,500</b>	<b>\$46,392,700</b>
State	42,127,100	44,190,900	44,504,800	155,500	<b>44,660,300</b>
Federal	0	0	0	0	<b>0</b>
Other	1,614,900	1,732,400	1,732,400	0	<b>1,732,400</b>

**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

	39	55	65	0	65
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

	83	94	103	0	103
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	20%	40%	55%	0	55%
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	6.52	6.50	6.45	0	6.45
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### Special Purpose Facilities

Wayne County Boot Camp and the Lois M. DeBerry Special Needs Facility are special purpose facilities. These facilities provide inmates with alternative rehabilitation methods and programs for mental health services, medical services, sex offender treatment, and geriatrics.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 329.08 Wayne County Boot Camp

The Wayne County Boot Camp is a minimum-security special alternative-incarceration unit. The boot camp program is a highly disciplined, military-style training program combined with various treatment programs. Eligible offenders are those convicted of non-violent crimes and technical probation and parole violators.

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	6,128,000	6,905,100	6,871,400	0	6,871,400
Operational	3,280,100	3,505,300	3,605,400	33,100	3,638,500
<b>Total</b>	<b>\$9,408,100</b>	<b>\$10,410,400</b>	<b>\$10,476,800</b>	<b>\$33,100</b>	<b>\$10,509,900</b>

State	9,064,400	10,067,900	10,134,300	33,100	10,167,400
Federal	0	0	0	0	0
Other	343,700	342,500	342,500	0	342,500

**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

	30	67	71	0	71
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	43.0%	45.0%	50.0%	0	50.0%
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	1.72	1.72	1.70	0	1.70
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### 329.46 Lois M. DeBerry Special Needs Facility

The Lois M. DeBerry Special Needs Facility, in Davidson County, provides quality health-care, intensive mental health-care, and sex offender treatment programs.

Full-Time	483	483	483	0	483
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>483</b>	<b>483</b>	<b>483</b>	<b>0</b>	<b>483</b>

Payroll	20,745,700	23,635,300	23,636,300	0	23,636,300
Operational	10,841,200	9,888,500	10,198,000	84,200	10,282,200
<b>Total</b>	<b>\$31,586,900</b>	<b>\$33,523,800</b>	<b>\$33,834,300</b>	<b>\$84,200</b>	<b>\$33,918,500</b>

State	31,211,100	33,126,400	33,436,900	84,200	33,521,100
Federal	0	0	0	0	0
Other	375,800	397,400	397,400	0	397,400

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

	2	7	9	0	9
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	33%	44%	44%	0	44%
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	13.53	13.5	13.4	0	13.4
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### Contract Management Facilities

The state prison system has three prisons operated under contracts: Hardeman County Correctional Facility, Hardeman County Correctional Facility – Whiteville, and South Central Correctional Center.

#### 329.21 Hardeman County Incarceration Agreement

The Hardeman County Correctional Facility is a time-building medium-security prison and offers educational, vocational, and mental health programs. The prison is owned by Hardeman County, which contracts with a private operator.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	113,300	140,300	139,500	0	139,500
Operational	32,737,500	33,353,500	33,355,400	1,017,100	34,372,500
<b>Total</b>	<b>\$32,850,800</b>	<b>\$33,493,800</b>	<b>\$33,494,900</b>	<b>\$1,017,100</b>	<b>\$34,512,000</b>
State	32,838,800	33,474,900	33,476,000	1,017,100	34,493,100
Federal	0	0	0	0	0
Other	12,000	18,900	18,900	0	18,900

**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

	49	40	50	0	50
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

	244	264	272	0	272
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	35.0%	41.0%	50.0%	0	50.0%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Reduce the rate of violent institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	3.57	3.55	3.50	0	3.50
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### 329.22 Hardeman County Agreement - Whiteville

The Hardeman County Correctional Facility at Whiteville is a time-building medium-security prison and offers educational, vocational, substance abuse, anger management, and family and pre-release counseling programs. The prison is privately owned and operated for the state's benefit under contract between the state and Hardeman County.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	109,400	134,300	133,500	0	133,500
Operational	25,750,100	26,492,000	26,493,900	781,000	27,274,900
<b>Total</b>	<b>\$25,859,500</b>	<b>\$26,626,300</b>	<b>\$26,627,400</b>	<b>\$781,000</b>	<b>\$27,408,400</b>
State	25,842,700	26,607,600	26,608,700	781,000	27,389,700
Federal	0	0	0	0	0
Other	16,800	18,700	18,700	0	18,700

**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

	50	55	60	0	60
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**Standard:** Increase the number of vocational completions.

**Measure:** The number of vocational completions.

	401	333	343	0	343
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	24.0%	36.0%	50.0%	0	50.0%
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**Standard:** Reduce the rate of institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	7.00	6.85	6.80	0	6.80
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### 329.44 South Central Correctional Center

The South Central Correctional Center is a time-building prison in Wayne County. The facility houses men of minimum, medium, and close custody levels and offers educational, vocational, mental health, and pre-release programs. The prison is state-owned but operated by a private contractor for the state's benefit.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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	110,700	155,000	150,200	0	150,200
Operational	24,871,000	25,950,400	25,952,400	848,200	26,800,600
<b>Total</b>	<b>\$24,981,700</b>	<b>\$26,105,400</b>	<b>\$26,102,600</b>	<b>\$848,200</b>	<b>\$26,950,800</b>
State	24,968,400	26,086,700	26,083,900	848,200	26,932,100
Federal	0	0	0	0	0
Other	13,300	18,700	18,700	0	18,700

**Standard:** Increase the number of GED recipients.

**Measure:** The number of GED recipients.

	59	55	75	0	75
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**Standard:** Maintain the number of vocational completions.

**Measure:** The number of vocational completions.

	248	291	299	0	299
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**Standard:** Increase the percent of inmates completing the pre-release program prior to release.

**Measure:** The percent of inmates released who have completed the pre-release program.

	24.0%	36.0%	50.0%	0	50.0%
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**Standard:** Reduce the rate of institutional incidents (per 100 inmates).

**Measure:** The violent institutional incident rate (per 100 inmates).

	7.43	7.40	7.30	0	7.30
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### 329.00 Total Correction

Full-Time	5,339	5,371	5,370	230	5,600
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>5,339</b>	<b>5,371</b>	<b>5,370</b>	<b>230</b>	<b>5,600</b>
Payroll	220,731,400	248,759,500	247,110,700	5,126,500	252,237,200
Operational	337,702,500	399,293,500	388,349,100	24,146,500	412,495,600
<b>Total</b>	<b>\$558,433,900</b>	<b>\$648,053,000</b>	<b>\$635,459,800</b>	<b>\$29,273,000</b>	<b>\$664,732,800</b>
State	541,329,500	616,386,300	604,298,900	29,014,500	633,313,400
Federal	638,000	15,874,200	15,777,100	0	15,777,100
Other	16,466,400	15,792,500	15,383,800	258,500	15,642,300

## 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>					
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	1,902	556	503	205	2,248
2005-2006	1,902	559	518	159	2,222
2006-2007	1,900	600	518	220	2,200
2007-2008	1,900	600	518	220	2,200
<b>Annual Releases</b>					
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	1,915	421	503	204	2,557
2005-2006	1,904	548	521	158	2,210
2006-2007	1,900	600	518	220	2,200
2007-2008	1,900	600	518	220	2,200
<b>Average Daily Census</b>					
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	1,533	722	1,095	415	1,014
2005-2006	1,531	733	1,092	416	1,026
2006-2007	1,603	775	1,272	440	1,110
2007-2008	1,903	775	1,272	440	1,110
<b>Cost Per Occupancy Day (Total Expenditures)*</b>					
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	\$62.47	\$63.51	\$53.81	\$82.48	\$65.70
2005-2006	\$67.45	\$66.00	\$57.78	\$79.89	\$69.71
2006-2007	\$73.21	\$72.52	\$56.26	\$83.04	\$68.88
2007-2008	\$72.81	\$72.82	\$56.42	\$83.45	\$69.12

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 2000-01 to 2005-2006 are actual expenditures from all sources; 2006-07 to 2007-08 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>					
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	395	3,112	415	694	1,036
2005-2006	345	3,075	364	653	1,160
2006-2007	400	2,600	390	660	1,160
2007-2008	400	2,600	390	660	1,160
<b>Annual Releases</b>					
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	385	3,069	421	641	1,044
2005-2006	343	3,073	369	655	1,154
2006-2007	400	2,600	390	660	1,160
2007-2008	400	2,600	390	660	1,160
<b>Average Daily Census</b>					
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	942	2,474	700	1,803	2,280
2005-2006	944	2,476	695	1,801	2,286
2006-2007	981	2,582	736	1,856	2,425
2007-2008	981	2,582	736	1,856	2,425
<b>Cost Per Occupancy Day (Total Expenditures)*</b>					
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	\$57.72	\$51.17	\$77.85	\$51.02	\$50.02
2005-2006	\$60.30	\$53.74	\$83.68	\$54.25	\$52.42
2006-2007	\$60.08	\$55.13	\$87.98	\$54.33	\$51.88
2007-2008	\$60.39	\$55.34	\$88.30	\$54.69	\$52.27

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 2000-01 to 2005-2006 are actual expenditures from all sources; 2006-07 to 2007-08 are estimates.

## Statistical Data Correctional Institutions

	<u>WCBC</u> 329.08	<u>DSNF</u> 329.46	<u>HCCF</u> 329.21	<u>HCCF-W</u> 329.22	<u>SCCC</u> 329.44	<u>Total*</u>
<b>Annual Admissions</b>						
2000-2001	576	420	867	N/A	624	9,037
2001-2002	473	388	824	N/A	759	9,608
2002-2003	599	383	873	1,756	788	9,529
2003-2004	578	388	873	750	788	10,262
2004-2005	576	336	869	754	790	10,417
2005-2006	764	356	869	754	790	10,673
2006-2007	700	400	850	750	790	10,833
2007-2008	700	400	850	750	790	10,996
<b>Annual Releases</b>						
2000-2001	570	372	800	N/A	600	8,949
2001-2002	346	354	675	N/A	657	8,765
2002-2003	351	360	799	257	713	9,381
2003-2004	416	395	799	700	713	10,281
2004-2005	584	385	863	752	783	11,039
2005-2006	764	429	858	740	777	11,859
2006-2007	700	400	850	750	790	12,037
2007-2008	700	400	850	750	790	12,217
<b>Average Daily Census</b>						
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	405	714	1,953	1,476	1,615	19,141
2005-2006	405	641	1,964	1,490	1,628	19,128
2006-2007	450	800	2,016	1,536	1,676	20,258
2007-2008	450	800	2,016	1,536	1,676	20,558
<b>Cost Per Occupancy Day (Total Expenditures)**</b>						
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	\$59.55	\$111.75	\$44.95	\$46.90	\$40.59	\$55.87
2005-2006	\$63.64	\$135.01	\$45.83	\$47.55	\$42.04	\$58.91
2006-2007	\$63.38	\$114.81	\$45.52	\$47.49	\$42.67	\$59.60
2007-2008	\$63.81	\$115.84	\$46.77	\$48.75	\$43.94	\$60.31

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 2000-01 to 2005-2006 are actual expenditures from all sources; 2006-07 to 2007-08 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 Adjutant General, a constitutional officer of the state appointed by the Governor, is responsible for the leadership and command of the Tennessee Army and Air National Guard, the Tennessee Emergency Management Agency, and the Bureau of War Records. The department is organized into three functional areas: Administration, National Guard, and Emergency Management.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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## Administration

Administration performs all fiscal and administrative duties for the Military Department, maintains war records of all soldiers from Tennessee, and oversees the maintenance of Tennessee Army National Guard armories. The Office of the Adjutant General and the Tennessee State Guard also are funded from this allotment.

### 341.01 Administration

Full-Time	35	38	38	0	<b>38</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>35</b>	<b>38</b>	<b>38</b>	<b>0</b>	<b>38</b>
Payroll	1,822,400	2,520,600	2,509,900	0	<b>2,509,900</b>
Operational	930,600	884,100	915,800	100,000	<b>1,015,800</b>
<b>Total</b>	<b>\$2,753,000</b>	<b>\$3,404,700</b>	<b>\$3,425,700</b>	<b>\$100,000</b>	<b>\$3,525,700</b>
State	2,097,500	2,679,600	2,702,700	100,000	<b>2,802,700</b>
Federal	651,200	591,200	715,000	0	<b>715,000</b>
Other	4,300	133,900	8,000	0	<b>8,000</b>

**Standard:** Reduce war records backlog.

**Measure:** Number of war records documents scanned per day.

0	400	400	0	400
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## National Guard

The National Guard's primary objective is to be prepared as a first-line reserve for the active duty Army and Air Force. The National Guard is comprised of full-time and part-time personnel. At the request of the Governor, the National Guard can be called upon to assist in emergency situations such as riots, rescues, and disasters.

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 341.02 Army National Guard

The Army National Guard provides trained, skilled, and ready reserve defense in support of the state and nation and assists in recovery from any man-made or natural disasters and emergencies.

Full-Time	87	87	87	0	87
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
<b>Total</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>0</b>	<b>91</b>
Payroll	4,351,000	5,695,600	5,671,800	0	5,671,800
Operational	2,169,800	2,183,200	2,252,900	0	2,252,900
<b>Total</b>	<b>\$6,520,800</b>	<b>\$7,878,800</b>	<b>\$7,924,700</b>	<b>\$0</b>	<b>\$7,924,700</b>
State	1,193,500	1,132,300	1,197,000	0	1,197,000
Federal	4,879,600	6,049,800	6,032,200	0	6,032,200
Other	447,700	696,700	695,500	0	695,500

**Standard:** Process and complete 90% of all maintenance requests.

**Measure:** Percent of processed and completed maintenance requests.

88%	90%	90%	0	90%
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### 341.03 Air National Guard

The Air National Guard operates three air bases at Nashville, Knoxville and Memphis, and one unit in Chattanooga. The mission of this branch is to provide command and control of the Air National Guard forces and to provide direction for the implementation of administration, personnel, training, security and fiscal policy while providing a safe and healthy work environment.

Full-Time	211	211	211	0	211
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>211</b>	<b>211</b>	<b>211</b>	<b>0</b>	<b>211</b>
Payroll	7,110,400	9,368,000	9,307,700	0	9,307,700
Operational	3,723,200	5,385,900	5,480,300	0	5,480,300
<b>Total</b>	<b>\$10,833,600</b>	<b>\$14,753,900</b>	<b>\$14,788,000</b>	<b>\$0</b>	<b>\$14,788,000</b>
State	1,580,400	2,107,400	2,194,500	0	2,194,500
Federal	9,246,600	12,641,800	12,588,800	0	12,588,800
Other	6,600	4,700	4,700	0	4,700

**Standard:** Process and complete 90% of facilities operations and maintenance agreement work orders received annually.

**Measure:** Percent of work orders completed.

88%	90%	90%	0	90%
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	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 341.07 Armories Maintenance

Armories Maintenance provides funding for the maintenance of armories, training sites, and aircraft maintenance facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	3,332,100	3,869,000	3,869,000	0	3,869,000
<b>Total</b>	<b>\$3,332,100</b>	<b>\$3,869,000</b>	<b>\$3,869,000</b>	<b>\$0</b>	<b>\$3,869,000</b>
State	744,100	736,600	736,600	0	736,600
Federal	2,304,300	2,604,800	2,787,800	0	2,787,800
Other	283,700	527,600	344,600	0	344,600

**Standard:** To maintain facilities in accordance with U.S. Army standards.

**Measure:** The percent of Military Department Army Guard facilities meeting U.S. Army standards.

70%	75%	80%	0	80%
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### 341.10 Armories Utilities

This allotment provides funds for the cost of utilities at Army National Guard armories, training sites, and aircraft maintenance facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	3,688,100	3,637,300	3,637,300	300,000	3,937,300
<b>Total</b>	<b>\$3,688,100</b>	<b>\$3,637,300</b>	<b>\$3,637,300</b>	<b>\$300,000</b>	<b>\$3,937,300</b>
State	1,747,000	2,116,200	2,116,200	300,000	2,416,200
Federal	1,838,700	1,406,800	1,406,800	0	1,406,800
Other	102,400	114,300	114,300	0	114,300

**Standard:** Maintain costs below the regional industrial average of \$1.68 per square foot.

**Measure:** Cost per square foot.

.85 cents	.86 cents	.86 cents	0	.86 cents
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### Emergency Management

The Military Department provides emergency management services and administers federally funded homeland security grants.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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#### 341.04 Tennessee Emergency Management Agency

The Tennessee Emergency Management Agency (TEMA) is responsible for planning and management of emergency operations of the state and for training of and assistance to local governments during man-made or natural disasters.

Full-Time	101	100	100	4	104
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>101</b>	<b>100</b>	<b>100</b>	<b>4</b>	<b>104</b>
Payroll	4,745,900	5,794,400	5,763,800	182,100	5,945,900
Operational	5,236,300	5,759,600	5,864,700	420,800	6,285,500
<b>Total</b>	<b>\$9,982,200</b>	<b>\$11,554,000</b>	<b>\$11,628,500</b>	<b>\$602,900</b>	<b>\$12,231,400</b>
State	3,599,500	2,983,200	3,057,700	602,900	3,660,600
Federal	4,895,600	7,641,700	7,641,700	0	7,641,700
Other	1,487,100	929,100	929,100	0	929,100

**Standard:** Within federal guidelines, all emergency responders must be notified and begin response within 15 to 45 minutes.

**Measure:** Percent of all emergency responders meeting federal time standards.

100%	100%	100%	0	100%
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#### 341.08 Homeland Security Grants

The Homeland Security Grants program provides federal funds to state and local government to enhance readiness against terrorism. Funds are available for planning, equipment, training, exercises, and program oversight.

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	296,000	337,100	335,900	0	335,900
Operational	48,627,500	54,660,700	54,664,100	0	54,664,100
<b>Total</b>	<b>\$48,923,500</b>	<b>\$54,997,800</b>	<b>\$55,000,000</b>	<b>\$0</b>	<b>\$55,000,000</b>
State	0	0	0	0	0
Federal	48,566,600	54,997,800	55,000,000	0	55,000,000
Other	356,900	0	0	0	0

**Standard:** Build and maintain capabilities critical to achieving Tennessee's homeland security strategy. All local government and state agency projects must incorporate the state homeland security strategy.

**Measure:** Percent of all recipients incorporating the homeland security strategy in their projects.

100%	100%	100%	0%	100%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 341.09 TEMA Disaster Relief Grants

TEMA Disaster Relief Grants is responsible for administering federal and state grants to eligible applicants of presidentially declared disasters. Funds are available through this allotment for the repair and restoration of damaged bridges, buildings, and other public services and infrastructure. The state appropriation is provided in the Miscellaneous Appropriations and is transferred to the TEMA Disaster Relief Grants program as required to match federal funds.

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	872,800	0	0	0	0
Operational	50,530,100	5,000,000	5,000,000	0	5,000,000
<b>Total</b>	<b>\$51,402,900</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$5,000,000</b>
State	2,100,400	0	0	0	0
Federal	47,140,500	5,000,000	5,000,000	0	5,000,000
Other	2,162,000	0	0	0	0

**Standard:** Manage Public Assistance Grants to those affected by disasters.

**Measure:** Percent of applicant grants finalized.

42%	32%	48%	0	48%
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### 341.00 Total Military

Full-Time	440	442	442	4	446
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
<b>Total</b>	<b>444</b>	<b>446</b>	<b>446</b>	<b>4</b>	<b>450</b>
Payroll	19,198,500	23,715,700	23,589,100	182,100	23,771,200
Operational	118,237,700	81,379,800	81,684,100	820,800	82,504,900
<b>Total</b>	<b>\$137,436,200</b>	<b>\$105,095,500</b>	<b>\$105,273,200</b>	<b>\$1,002,900</b>	<b>\$106,276,100</b>
State	13,062,400	11,755,300	12,004,700	1,002,900	13,007,600
Federal	119,523,100	90,933,900	91,172,300	0	91,172,300
Other	4,850,700	2,406,300	2,096,200	0	2,096,200

# 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: Criminal Investigations, Drug Investigations, Forensic Services, Information Systems, and Administrative Services.

The Administrative Services Division provides overall direction and support for the bureau, including legal, personnel, payroll, and fiscal services for the agency. The Criminal Investigation Division gathers and disseminates intelligence on criminal activity, terrorism, fugitives, and drug trafficking. The TBI also investigates corruption and misconduct at all levels of government and provider fraud and patient abuse within the TennCare system. The Drug Investigations Division has original jurisdiction to investigate violations of Tennessee's drug control laws. Special agents are assigned to one of four regional investigative units, which initiate and investigate cases, targeting upper and mid-level drug violators and drug distribution organizations. In addition, the division works cooperatively with state and local government agencies, the U.S. Drug Enforcement Administration, and the Federal Bureau of Investigation cooperatively. The Forensic Services Division provides forensic examinations for the law enforcement community and medical examiners statewide. These examinations are performed at laboratories in Nashville, Knoxville, and Memphis. The main laboratory, in Nashville, specializes in DNA and 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.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 348.00 Tennessee Bureau of Investigation

Full-Time	484	494	493	0	493
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>484</b>	<b>494</b>	<b>493</b>	<b>0</b>	<b>493</b>
Payroll	28,643,100	33,176,700	32,995,200	0	32,995,200
Operational	28,573,500	27,325,400	24,478,400	0	24,478,400
<b>Total</b>	<b>\$57,216,600</b>	<b>\$60,502,100</b>	<b>\$57,473,600</b>	<b>\$0</b>	<b>\$57,473,600</b>
State	31,811,100	36,197,400	35,737,400	0	35,737,400
Federal	9,138,300	10,233,700	9,660,700	0	9,660,700
Other	16,267,200	14,071,000	12,075,500	0	12,075,500

**Standard:** Deter crime in Tennessee by solving crime incidences initially investigated by TBI.

**Measure:** Percent of crime incidences cleared by arrests or exceptional means.

42.8%	24.0%	25.0%	0	25.0%
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# Department of Safety

## Performance-Based Budget

The Department of Safety works to provide safe highways for Tennessee's citizens and visitors by enforcing the laws governing the use of state and federal roads. Development and management of a comprehensive state homeland security strategy also is a function of the department. The department also provides services to motorists, including drivers license issuance, public safety education, and training assistance to local law enforcement officers. Responsibilities of the department focus on the following areas: administrative and support services, public services, investigation and enforcement, and education.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### Administration and Support Services

Administrative and support services includes Administration, Motor Vehicle Operations, Major Maintenance, and Technical Services.

#### 349.01 Administration

The Administration Division provides support services for departmental operations, such as fiscal services, internal audit, human resources, supply, and legal services. Legal Services administers asset forfeiture cases that arise out of the seizure of property pursuant to drug control and automobile anti-theft laws.

Full-Time	87	90	89	0	<b>89</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>87</b>	<b>90</b>	<b>89</b>	<b>0</b>	<b>89</b>
Payroll	4,455,800	5,129,200	5,125,300	0	<b>5,125,300</b>
Operational	1,939,600	1,645,100	1,964,700	0	<b>1,964,700</b>
<b>Total</b>	<b>\$6,395,400</b>	<b>\$6,774,300</b>	<b>\$7,090,000</b>	<b>\$0</b>	<b>\$7,090,000</b>
State	5,797,000	6,278,300	6,544,000	0	<b>6,544,000</b>
Federal	0	0	0	0	<b>0</b>
Other	598,400	496,000	546,000	0	<b>546,000</b>

**Standard:** Add further avenues for citizens to access the department's services without having to visit an office.

**Measure:** Number of services available by Internet.

11	12	13	0	13
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**Standard:** Add further avenues for citizens to access the department's services without having to visit an office.

**Measure:** Yearly volume of Internet service transactions.

2,628,356	2,400,000	2,600,000	0	2,600,000
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 349.07 Motor Vehicle Operations

Motor Vehicle Operations provides all commissioned officers with a vehicle to enforce traffic laws on state roads. The program also provides pool cars for other departmental staff to carry out services, such as school bus inspections, driver training, and repair of communication towers and radio repeater sites.

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	9,593,300	9,312,000	9,533,500	56,000	9,589,500
<b>Total</b>	<b>\$9,593,300</b>	<b>\$9,312,000</b>	<b>\$9,533,500</b>	<b>\$56,000</b>	<b>\$9,589,500</b>
State	9,532,700	9,252,000	9,473,500	56,000	9,529,500
Federal	0	0	0	0	0
Other	60,600	60,000	60,000	0	60,000

**Standard:** Replace pursuit vehicles at 85,000 miles.

**Measure:** Percent of pursuit vehicles operating with mileage in excess of 85,000 miles.

20%	25%	25%	0	25%
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### 349.12 Major Maintenance

Major Maintenance provides funds for maintenance of Safety Department buildings and other facilities including radio towers, radio repeater sites, and roadside commercial motor vehicle scales.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	198,100	199,600	199,600	0	199,600
<b>Total</b>	<b>\$198,100</b>	<b>\$199,600</b>	<b>\$199,600</b>	<b>\$0</b>	<b>\$199,600</b>
State	198,100	199,600	199,600	0	199,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Maintain communication sites so that reliable radio coverage is provided for Safety law enforcement personnel.

**Measure:** Number of communication sites maintained and managed by Safety.

40	40	41	0	41
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**Standard:** Maintain communication sites so that reliable radio coverage is provided for Safety law enforcement personnel.

**Measure:** Ratio of communication sites to maintenance inspections.

1:1.2	1:4	1:4	0	1:4
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 349.13 Technical Services

The Technical Services Division supports departmental information systems, maintains motor vehicle records, identifies frequent traffic violators for license revocation, processes license reinstatement requests, and analyzes crash data for the uniform traffic crash report. Technical Services is divided into four service areas: information systems, financial responsibility, driver improvement, and crash analysis.

Full-Time	166	164	164	0	164
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>166</b>	<b>164</b>	<b>164</b>	<b>0</b>	<b>164</b>
Payroll	5,901,900	7,075,400	7,148,700	0	7,148,700
Operational	2,949,800	3,712,000	3,687,000	0	3,687,000
<b>Total</b>	<b>\$8,851,700</b>	<b>\$10,787,400</b>	<b>\$10,835,700</b>	<b>\$0</b>	<b>\$10,835,700</b>
State	922,600	2,648,300	2,596,600	0	2,596,600
Federal	0	0	0	0	0
Other	7,929,100	8,139,100	8,239,100	0	8,239,100

**Standard:** Send mandatory license revocation letters to drivers convicted of DUI, manslaughter, and other equally serious violations within 12 days after department receives the court conviction record.

**Measure:** Average elapsed time in calendar days between the department's receipt of mandatory convictions from the court and mailing the letter revoking the driver license.

	9	10	8	0	8
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**Standard:** Hold hearings for drivers whose licenses have accumulated suspension points within 60 days of mailing the proposed suspension letter.

**Measure:** Percent of hearings held within 60 days of point-suspension letter.

	98%	82%	82%	0	82%
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**Standard:** Improve the timeliness, completeness, and accuracy of vital traffic records by increasing the percentage received electronically rather than by paper.

**Measure:** Percent of Tennessee court records received electronically.

	66%	61%	70%	0	70%
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**Standard:** Improve the timeliness, completeness and accuracy of vital traffic records by increasing the percentage received electronically rather than by paper.

**Measure:** Percent of crash reports received electronically.

	17%	20%	25%	0	25%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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## Public Services

### 349.02 Driver License Issuance

Services provided by the Driver License Issuance Division include testing and issuing driver licenses to qualifying motorists, school bus drivers, and commercial drivers; monitoring third party commercial driver license (CDL) testers; administering graduated driver license provisions; issuing handgun carry permits; issuing photo identifications; collecting organ donor information; processing voter registration applications; and registering individuals for the selective service.

Full-Time	299	354	354	0	354
Part-Time	13	23	23	0	23
Seasonal	0	0	0	0	0
<b>Total</b>	<b>312</b>	<b>377</b>	<b>377</b>	<b>0</b>	<b>377</b>
Payroll	9,955,800	13,726,100	13,785,500	0	13,785,500
Operational	11,818,500	12,788,561	11,619,000	27,748,900	39,367,900
<b>Total</b>	<b>\$21,774,300</b>	<b>\$26,514,661</b>	<b>\$25,404,500</b>	<b>\$27,748,900</b>	<b>\$53,153,400</b>
State	2,948,900	8,411,561	7,201,400	27,748,900	34,950,300
Federal	841,000	1,276,100	1,276,100	0	1,276,100
Other	17,984,400	16,827,000	16,927,000	0	16,927,000

**Standard:** Provide service to customers in a professional, efficient, and timely manner.

**Measure:** Percent of non-test applicants issued a license within 15 minutes after examiner pulls record.

87%	88%	90%	3%	93%
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**Standard:** Provide service to customers in a professional, efficient, and timely manner.

**Measure:** Percent of non-test applicants called for service within 30 minutes of being issued a ticket from the queuing system.

57%	50%	50%	0	50%
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**Standard:** Issue handgun carry permits well before the statutory requirement of 90 days (including originals as well as duplicates and renewals).

**Measure:** Average number of days to issue handgun carry permits.

55	45	45	0	45
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## Investigation and Enforcement

The department's enforcement efforts focus on roadway safety, criminal investigation, and other safety-related functions through the Highway Patrol and Auto Theft Investigations Division. In addition, the Office of Homeland Security develops and manages a comprehensive strategy to secure the state from terrorism threats.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 349.03 Highway Patrol

The Tennessee Highway Patrol (THP) protects the motoring public through the enforcement of all traffic laws and federal and state commercial vehicle standards. THP's enforcement activities include patrolling the highways, issuing citations, investigating and reconstructing traffic crashes, performing searches and seizures, and inspecting and weighing commercial vehicles. Other activities include pupil transportation safety, security of state officials, drug-abuse resistance education, and assistance to educators in reducing gang and individual violence.

Full-Time	1,078	1,109	1,109	0	<b>1,109</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,078</b>	<b>1,109</b>	<b>1,109</b>	<b>0</b>	<b>1,109</b>
Payroll	67,169,300	76,317,100	76,092,500	750,600	<b>76,843,100</b>
Operational	16,166,100	21,590,500	18,306,300	1,104,400	<b>19,410,700</b>
<b>Total</b>	<b>\$83,335,400</b>	<b>\$97,907,600</b>	<b>\$94,398,800</b>	<b>\$1,855,000</b>	<b>\$96,253,800</b>
State	64,907,400	74,960,200	75,026,000	1,855,000	<b>76,881,000</b>
Federal	3,980,100	6,430,200	6,457,700	0	<b>6,457,700</b>
Other	14,447,900	16,517,200	12,915,100	0	<b>12,915,100</b>

**Standard:** Reduce highway fatalities in Tennessee.

**Measure:** Number of highway fatalities in Tennessee.

	1,236	1,200	1,200	-5	1,195
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**Standard:** Reduce highway fatalities in Tennessee.

**Measure:** Percent of time that THP is able to respond to crashes within 15 minutes.

	49%	50%	50%	0	50%
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**Standard:** Reduce highway fatalities in Tennessee.

**Measure:** Number of DUI arrests.

	3,995	4,350	4,100	50	4,150
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**Standard:** Reduce fatalities involving large trucks.

**Measure:** Fatalities involving large trucks.

	157	130	130	-5	125
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### 349.06 Auto Theft Investigations

The Auto Theft Investigations Division provides operational funding to support the work led by the Highway Patrol's automobile theft investigations unit. Seized and forfeited vehicles or parts may be sold by the department and the proceeds used to cover operational expenses of combating automobile theft.

Full-Time	0	0	0	0	<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>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	46,000	350,100	350,100	0	350,100
<b>Total</b>	<b>\$46,000</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	46,000	350,100	350,100	0	350,100

**Standard:** Offset operational expenses for auto theft investigations through proceeds of selling seized property.

**Measure:** Percent of operational expenses for auto theft investigations funded through the sale of seized property.

24%	13.5%	10.5%	0	10.5%
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### 349.15 Office of Homeland Security

The Office of Homeland Security develops, coordinates, and implements a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks. The office has three regional offices, located in East, Middle, and West Tennessee, to assist local officials with planning, training, and conducting exercises; effectively using federal grants; and improving communications. The state also has eleven homeland security districts that provide coordinated multi-county responses to chemical, biological, radiological, and nuclear threats. The office, with TBI assistance, operates an intelligence fusion center, which enhances the state's ability to analyze terrorism information and will improve information-sharing among state, local, and federal agencies.

Full-Time	21	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>29</b>	<b>29</b>	<b>0</b>	<b>29</b>
Payroll	1,213,500	2,252,100	2,247,500	0	2,247,500
Operational	1,302,600	3,853,500	3,576,500	0	3,576,500
<b>Total</b>	<b>\$2,516,100</b>	<b>\$6,105,600</b>	<b>\$5,824,000</b>	<b>\$0</b>	<b>\$5,824,000</b>
State	859,400	2,000,400	1,716,800	0	1,716,800
Federal	0	0	0	0	0
Other	1,656,700	4,105,200	4,107,200	0	4,107,200

**Standard:** Improve information sharing and collaboration capabilities.

**Measure:** Number of personnel trained on the Homeland Security Information Network.

Not Applicable	500	500	0	500
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**Standard:** Educate, train, organize and involve citizens on emergency preparedness and homeland security efforts.

**Measure:** Number of volunteer Citizens Emergency Response Teams in Tennessee.

Not Applicable	42	82	0	82
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**Standard:** Train public safety officials in terrorism awareness and prevention.

**Measure:** Number trained.

Not Applicable	200	250	0	250
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<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Identify and protect key infrastructure in Tennessee.

**Measure:** Number of public safety entities and private industries trained on the critical infrastructure protection program.

Not Applicable	100	100	0	100
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## Education

The education function includes the divisions of Motorcycle Rider Education and Driver Education.

### 349.04 Motorcycle Rider Education

The Motorcycle Rider Education program promotes safe motorcycling through training, certifying, and monitoring instructors who provide basic rider and experienced rider courses.

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	87,600	114,300	113,800	0	113,800
Operational	91,700	428,300	85,200	0	85,200
<b>Total</b>	<b>\$179,300</b>	<b>\$542,600</b>	<b>\$199,000</b>	<b>\$0</b>	<b>\$199,000</b>
State	179,300	198,100	199,000	0	199,000
Federal	0	0	0	0	0
Other	0	344,500	0	0	0

**Standard:** Increase enrollment in the Basic Rider and Experienced Rider courses.

**Measure:** Number of students enrolled in a certified motorcycle rider education course.

7,604	6,500	7,400	0	7,000
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### 349.08 Driver Education

Driver Education promotes safety on the highways by developing, promoting, and coordinating programs that increase public awareness of safety on Tennessee highways. The program also regulates commercial driving schools.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Payroll	103,700	162,900	162,400	0	162,400
Operational	76,500	99,600	101,600	0	101,600
<b>Total</b>	<b>\$180,200</b>	<b>\$262,500</b>	<b>\$264,000</b>	<b>\$0</b>	<b>\$264,000</b>
State	180,200	262,500	264,000	0	264,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase public awareness of safe driving principles.

**Measure:** Number of safety education presentations held to promote safe highways.

5,337	5,000	5,700	0	5,700
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**Standard:** Provide safety education training and assistance to law enforcement officers.

**Measure:** Number of law enforcement officers receiving safety education training and assistance.

1,447	1,000	2,000	0	2,000
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**349.00 Total Safety**

Full-Time	1,655	1,750	1,749	0	<b>1,749</b>
Part-Time	13	23	23	0	<b>23</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,668</b>	<b>1,773</b>	<b>1,772</b>	<b>0</b>	<b>1,772</b>
Payroll	88,887,600	104,777,100	104,675,700	750,600	<b>105,426,300</b>
Operational	44,182,200	53,979,261	49,423,500	28,909,300	<b>78,332,800</b>
<b>Total</b>	<b>\$133,069,800</b>	<b>\$158,756,361</b>	<b>\$154,099,200</b>	<b>\$29,659,900</b>	<b>\$183,759,100</b>
State	85,525,600	104,210,961	103,220,900	29,659,900	<b>132,880,800</b>
Federal	4,821,100	7,706,300	7,733,800	0	<b>7,733,800</b>
Other	42,723,100	46,839,100	43,144,500	0	<b>43,144,500</b>

# Resources and Regulation

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# Resources and Regulation

Recommended Budget, Fiscal Year 2007 – 2008

**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. In addition to these activities, the Department of Commerce and Insurance is responsible for law enforcement personnel training duties.

Three agencies promote and protect cultural and historical resources:

- Tennessee Arts Commission
- Tennessee State Museum
- Tennessee Historical Commission.

Together, these agencies promote interest, education, and participation in the arts through financial support to artists and supporters of the arts; protect and preserve artifacts that are significant to our natural and cultural history; and promote the preservation of and public

access to historical sites across the state through purchase and financial support.

The following two agencies promote and ensure the conservation of Tennessee's agricultural, environmental, and natural resources:

- Department of Environment and Conservation
- Tennessee Wildlife Resources Agency.

These agencies promote preservation of the state's environmental resources, protection from hazardous waste and radiation exposure, and reclamation of abandoned lands; promote recreation on public and private lands, including the state's geological, archaeological, and park resources; protect and conserve all species of wildlife native to the state; administer hunting and boating safety laws; enforce the litter control laws; stabilize river banks; and maintain drainage patterns to conserve agricultural land in West Tennessee.

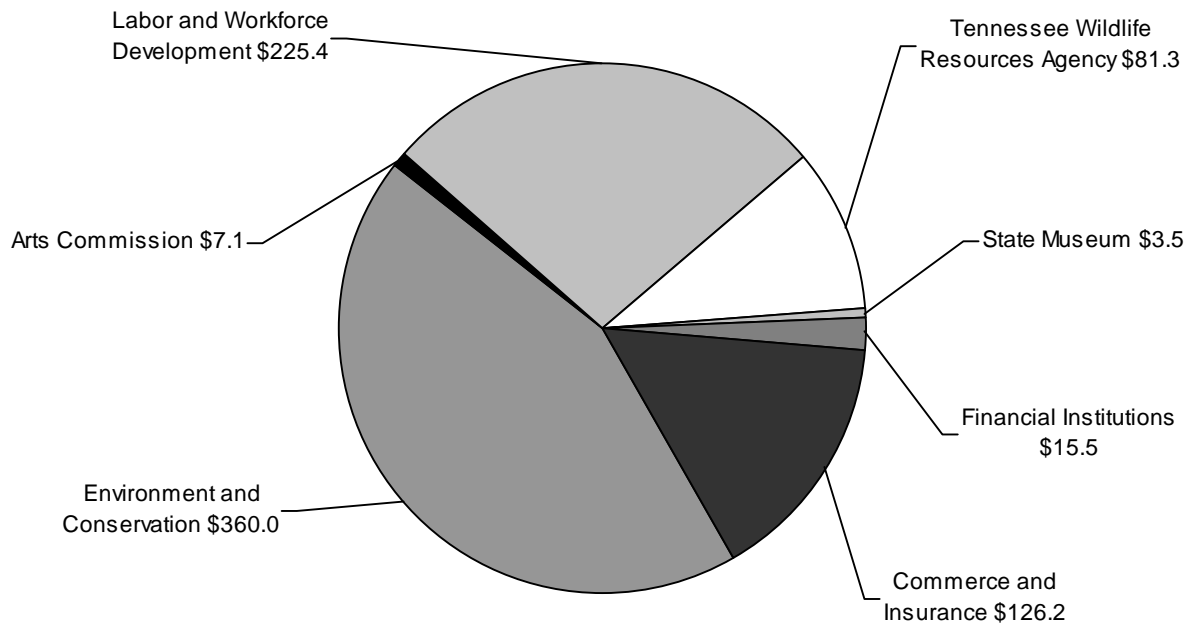
## Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a statement of recommended improvements for the ensuing fiscal year; (3) 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 (4) program performance measures.

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 2007- 2008 Recommended



In Millions

**\$818,949,900 Total**

## Resources and Regulation Total Personnel and Funding

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Recommended 2007-2008</u>
<b>Personnel</b>			
Full Time	5,699	5,759	5,835
Part Time	971	1,058	1,058
Seasonal	340	427	427
<b>TOTAL</b>	<b>7,010</b>	<b>7,244</b>	<b>7,320</b>
<b>Expenditures</b>			
Payroll	\$267,163,300	\$328,301,900	\$331,562,100
Operational	400,441,200	493,246,100	487,387,800
<b>TOTAL</b>	<b>\$667,604,500</b>	<b>\$821,548,000</b>	<b>\$818,949,900</b>
<b>Funding</b>			
State	\$280,750,300	\$375,712,000	\$379,058,300
Federal	226,635,700	254,205,400	246,299,400
Other	160,218,500	191,630,600	193,592,200

## Resources and Regulation Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>State Museum</b>					
• <b>Museum Development</b>					
To provide funds for three positions to assist with the development needs of the museum. These positions will develop public, private, and corporate financial support; develop long-range strategic plans; and obtain grant and program support. Positions are a development program director and two museum resource coordinators.					
<b>316.27 State Museum</b>	\$168,300	\$0	\$0	\$168,300	3
<b>Sub-total</b>	\$168,300	\$0	\$0	\$168,300	3
<b>Total State Museum</b>	<b>\$168,300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$168,300</b>	<b>3</b>
<b>Environment and Conservation</b>					
• <b>Heritage Conservation Trust - Land Acquisition</b>					
To provide non-recurring funds of \$10 million to the Heritage Conservation Trust Fund for land purchases and conservation. In addition, recurring funds are provided for one position to manage and coordinate the activities of the program.					
<b>327.50 Tennessee Heritage Conservation Trust Fund</b>	\$10,100,000	\$0	\$0	\$10,100,000	1
<b>Sub-total</b>	\$10,100,000	\$0	\$0	\$10,100,000	1
• <b>Land Acquisition Funds</b>					
To provide recurring 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. This, along with the \$18 million base budget allocation, will provide a total allocation from the tax of \$30 million for the four land acquisition and soil conservation programs in fiscal year 2007-2008. 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>Storm Water Permitting</b>					
To provide funds for 29 positions to help meet the storm water permit compliance and enforcement requirements under the Tennessee Water Control Act and the federal Clean Water Act. Funding is from environmental protection fund fees and general fund state appropriations.					
<b>327.34 Water Pollution Control</b>	\$1,207,600	\$0	\$1,114,800	\$2,322,400	29
<b>327.43 Environmental Protection Fund</b>	\$1,114,800	\$0	\$0	\$1,114,800	0
<b>Sub-total</b>	\$2,322,400	\$0	\$1,114,800	\$3,437,200	29

## Resources and Regulation Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• State Parks</b>					
To provide funds for State Parks fuel and utility costs (\$1.3 million) and for the second and final phase of funding to address inconsistencies in the current State Parks housing policy (\$501,500 state appropriations and \$247,400 other revenue). Funds will provide for salary adjustments, elimination of housing allowances, and charging of rent for occupying State Parks housing.					
<b>327.12 Tennessee State Parks</b>	\$1,801,500	\$0	\$247,400	\$2,048,900	0
<b>Sub-total</b>	\$1,801,500	\$0	\$247,400	\$2,048,900	0
<b>• West Tennessee Rivers Maintenance</b>					
To provide funds for the maintenance of dams and flood control measures in the West Tennessee rivers basin. This increase in maintenance is required to comply with safe dam regulations, contractual obligations, and federal law. Funding is provided for one position to conduct inspections, provide project oversight, and ensure compliance with water quality regulations. The appropriation includes a non-recurring appropriation of \$130,000 to replace and repair the vehicle fleet.					
<b>327.24 West Tennessee River Basin Authority Maintenance</b>	\$150,000	\$0	\$0	\$150,000	0
<b>327.26 West Tennessee River Basin Authority</b>	\$215,000	\$0	\$0	\$215,000	1
<b>Sub-total</b>	\$365,000	\$0	\$0	\$365,000	1
<b>• Administration Legislation - Oil and Gas Program</b>					
To provide funds for six positions in the oil and gas program. Two environmental specialist positions will inspect and monitor drilling sites; three accounting positions will provide financial assessments of potential drillers; and one clerical position will perform administrative duties to assist with increased workloads. Funding is from dedicated state appropriations from increased environmental protection fund fees.					
<b>327.01 Administrative Services</b>	\$0	\$0	\$222,000	\$222,000	3
<b>327.34 Water Pollution Control</b>	\$0	\$0	\$278,000	\$278,000	3
<b>327.43 Environmental Protection Fund</b>	\$500,000	\$0	\$0	\$500,000	0
<b>Sub-total</b>	\$500,000	\$0	\$500,000	\$1,000,000	6
<b>Total Environment and Conservation</b>	<b>\$19,963,300</b>	<b>\$0</b>	<b>\$1,862,200</b>	<b>\$21,825,500</b>	<b>37</b>

## Resources and Regulation Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Tennessee Wildlife Resources Agency</b>					
• <b>Wetlands Acquisition Fund</b>					
To provide recurring funds for wetlands acquisition. This appropriation is from an additional \$12 million allocation of the real estate transfer tax. This, along with the \$18 million base budget allocation, will provide a total allocation from the tax of \$30 million for the four land acquisition and soil conservation programs in fiscal year 2007-2008. 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>Total Tennessee Wildlife Resources Agency</b>	<b>\$4,875,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,875,600</b>	<b>0</b>
<b>Commerce and Insurance</b>					
• <b>Statutory Salary Step Increase</b>					
To fund the mandated annual trooper salary step increase pursuant to TCA 4-7-2.					
<b>335.11 Tennessee Law Enforcement Training Academy</b>	\$7,100	\$0	\$0	\$7,100	0
<b>Sub-total</b>	\$7,100	\$0	\$0	\$7,100	0
• <b>Administration Legislation - Pre-Need Funeral Contracts</b>					
To provide funding from registration fees to create a new licensing program for persons who sell pre-need funeral contracts. A Cemetery Consumer Protection Fund will be established to pay management fees if a regulated funeral establishment is placed in receivership. One full-time position will be funded at \$68,400 for administration of the program. Funding is from dedicated fees.					
<b>335.10 Regulatory Boards</b>	\$0	\$0	\$68,400	\$68,400	1
<b>335.19 Cemetery Consumer Protection Fund</b>	\$360,000	\$0	\$0	\$360,000	0
<b>Sub-total</b>	\$360,000	\$0	\$68,400	\$428,400	1
• <b>Codes Enforcement</b>					
To provide funding for two blasting inspector positions and two plan review positions to assist with review, approval, and inspection of construction projects. One blasting inspector position will be a supervisory position performing seismograph priority placement, site monitoring, legal referrals, performance evaluations, training, and review of reports. The other inspector's duties will include blast inspections, blast-site monitor placement, and evaluation of complaints. The plan review positions will review and approve new construction, renovations, and additions plans. Funding is from dedicated fees.					
<b>335.03 Fire Prevention</b>	\$0	\$0	\$350,500	\$350,500	4
<b>Sub-total</b>	\$0	\$0	\$350,500	\$350,500	4

## Resources and Regulation Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Blasting Program</b>					
To fund an attorney position to provide additional support to the Fire Prevention and Police Officer Standards and Training (POST) programs. The position will help alleviate the backlog of regulatory actions within the blasting license program. The position also will support the Tennessee Law Enforcement Training Academy. Other funding is from dedicated fees and interdepartmental revenues.					
<b>335.01 Administration</b>	\$0	\$0	\$83,900	\$83,900	1
<b>335.03 Fire Prevention</b>	\$0	\$0	\$42,000	\$42,000	0
<b>335.12 POST Commission</b>	\$41,900	\$0	\$0	\$41,900	0
<b>Sub-total</b>	\$41,900	\$0	\$125,900	\$167,800	1
<b>• Fraud Investigations</b>					
To fund two administrative assistant positions to assist insurance fraud investigators. One assistant position will act as a liaison between the fraud section, the Insurance Division attorneys, and the department's executive staff. The other position will handle phone calls, schedule appointments, and track all incoming and outgoing documents. Funding is from dedicated fees.					
<b>335.02 Insurance</b>	\$0	\$0	\$117,100	\$117,100	2
<b>Sub-total</b>	\$0	\$0	\$117,100	\$117,100	2
<b>• Locksmith Licensing Board</b>					
To annualize funding for the locksmith licensing program that was established by the 2006 session of the General Assembly. Funding is provided for six months in the current-year budget.					
<b>335.10 Regulatory Boards</b>	\$64,200	\$0	\$0	\$64,200	0
<b>Sub-total</b>	\$64,200	\$0	\$0	\$64,200	0
<b>• Human Resources</b>					
To provide funding to create an employee benefits unit and an employee relations unit. The employee benefits unit will need a personnel analyst position to assist in hiring and separation processes, interpret employee benefits, ensure accurate and timely employee compensation, provide employee assistance, and maintain employee records. The employee relations unit will need a personnel analyst position to handle employee and management training, affirmative action planning, performance management, and ensure compliance with federal laws. Funding is from a \$6,000 general fund appropriation and otherwise from fees and interdepartmental revenue.					
<b>335.01 Administration</b>	\$0	\$0	\$126,200	\$126,200	2
<b>335.02 Insurance</b>	\$0	\$0	\$21,900	\$21,900	0
<b>335.03 Fire Prevention</b>	\$0	\$0	\$34,000	\$34,000	0
<b>335.04 TennCare Oversight</b>	\$0	\$0	\$3,200	\$3,200	0
<b>335.05 Securities</b>	\$0	\$0	\$5,000	\$5,000	0
<b>335.06 Consumer Affairs</b>	\$1,000	\$0	\$0	\$1,000	0
<b>335.07 Fire Service and Codes Enforcement Academy</b>	\$5,000	\$0	\$2,200	\$7,200	0
<b>335.08 911 Emergency Communications Fund</b>	\$15,900	\$0	\$0	\$15,900	0
<b>335.10 Regulatory Boards</b>	\$38,000	\$0	\$0	\$38,000	0
<b>Sub-total</b>	\$59,900	\$0	\$192,500	\$252,400	2

## Resources and Regulation Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Regulatory Boards - Administrative Support</b>					
To fund four administrative services assistant positions to aid attorneys assigned to the Board of Licensing Contractors, the Motor Vehicle Commission, the Auctioneer Education and Recovery Fund, and the Tennessee Real Estate Commission. These positions will assist in handling consumer complaints, coordinate investigations, summarize results, and act as liaisons between the agency and the public. Funds are dedicated state appropriations from fees charged to the regulated industry.					
<b>335.10 Regulatory Boards</b>	\$237,500	\$0	\$0	\$237,500	4
<b>Sub-total</b>	\$237,500	\$0	\$0	\$237,500	4
<b>• Legal Services</b>					
To fund one secretary position in the legal section of the Administration Division. This position will be responsible for assisting the current executive secretary, tracking requests for analysis of legislation, posting completed documents to the proper files, and preparing reports. Funds are dedicated state appropriations from fees charged to the regulated industry.					
<b>335.01 Administration</b>	\$0	\$0	\$49,500	\$49,500	1
<b>335.02 Insurance</b>	\$0	\$0	\$11,600	\$11,600	0
<b>335.03 Fire Prevention</b>	\$0	\$0	\$17,900	\$17,900	0
<b>335.10 Regulatory Boards</b>	\$20,000	\$0	\$0	\$20,000	0
<b>Sub-total</b>	\$20,000	\$0	\$79,000	\$99,000	1
<b>• Driver Skid Track Replacement</b>					
To fund the replacement of the driving track skid pad at the Tennessee Law Enforcement Training Academy. The pad will be used by local law enforcement agencies to train officers in low-traction driving and safe handling of vehicles in skids. This appropriation is non-recurring.					
<b>335.11 Tennessee Law Enforcement Training Academy</b>	\$40,000	\$0	\$0	\$40,000	0
<b>Sub-total</b>	\$40,000	\$0	\$0	\$40,000	0
<b>Total Commerce and Insurance</b>	<b>\$830,600</b>	<b>\$0</b>	<b>\$933,400</b>	<b>\$1,764,000</b>	<b>15</b>

## Labor and Workforce Development

### • Workers' Compensation

To provide funding for 13 positions for the workers' compensation benefit review program. These positions will provide services including benefit reviews, claims investigations and mediation, and settlement approvals. Additionally, funds will be appropriated for five administrative positions to assist in processing benefit reconsideration requests and five administrative positions to assist in penalty assessments and to review violations of the medical fee schedule. An amount of \$39,400 is non-recurring for equipment.

<b>337.03 Workers' Compensation</b>	\$1,580,600	\$0	\$0	\$1,580,600	23
<b>Sub-total</b>	\$1,580,600	\$0	\$0	\$1,580,600	23



**Resources and Regulation  
Improvements for Fiscal Year 2007-2008**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Information Technology Upgrades</b>					
To provide funds for the purchase of software licenses necessary to maintain services to the public by the Department of Labor and Workforce Development.					
<b>337.01 Administration</b>	\$71,000	\$0	\$0	\$71,000	0
<b>Sub-total</b>	\$71,000	\$0	\$0	\$71,000	0
<b>Total Labor and Workforce Development</b>	<b>\$1,651,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,651,600</b>	<b>23</b>
<b>Total Resources and Regulation</b>	<b>\$27,489,400</b>	<b>\$0</b>	<b>\$2,795,600</b>	<b>\$30,285,000</b>	<b>78</b>

# Arts Commission

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The Tennessee Arts Commission promotes interest and participation in the performing, visual, and literary arts by developing cultural resources across the state. The commission provides financial support to artists, arts organizations, and arts supporters through various grant programs and by matching private contributions with federal funds to provide technical assistance and other services.

The commission and its professional staff provide opportunities in the arts for all Tennesseans, especially children. This includes workshops, competitions, and student ticket subsidies for productions across the state. Newsletters and special publications are used to increase public awareness. The Arts Commission also provides program and operational support to the Tennessee State Museum.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>316.25 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	935,200	1,116,500	1,071,900	0	<b>1,071,900</b>
Operational	6,099,600	6,129,500	6,001,700	0	<b>6,001,700</b>
<b>Total</b>	<b>\$7,034,800</b>	<b>\$7,246,000</b>	<b>\$7,073,600</b>	<b>\$0</b>	<b>\$7,073,600</b>
State	5,629,000	5,804,500	5,704,700	0	<b>5,704,700</b>
Federal	681,400	793,600	854,000	0	<b>854,000</b>
Other	724,400	647,900	514,900	0	<b>514,900</b>

# State Museum

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The Tennessee State Museum was created by public law in 1937 to bring together all the collections already owned or managed by the state. The State Museum's mandate is to "procure, preserve, exhibit and interpret objects which relate to the social, political, economic, and cultural history of Tennessee and Tennesseans and to provide exhibitions and programs for the educational and cultural enrichment of the citizens of the state."

The State Museum, in Nashville, collects, preserves, interprets, and exhibits artifacts that are significant to the natural and cultural history of the state. Through the acquisition, restoration, and stewardship of the collection, the museum's professional staff provides Tennesseans with numerous educational and cultural experiences. Many of the programs reach out to school-aged children across the state.

The museum secures and sponsors exhibits of distinction from renowned artists and collections to further enrich the citizens of the state. The museum also provides technical assistance in conserving and restoring artifacts for historical sites and other museums and organizations in the state. The State Museum maintains administrative oversight of the National Civil Rights Museum in Memphis.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 316.27 State Museum

Full-Time	35	41	41	3	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>35</b>	<b>41</b>	<b>41</b>	<b>3</b>	<b>44</b>
Payroll	1,597,400	2,067,000	2,056,000	135,900	2,191,900
Operational	1,448,200	1,242,700	1,251,400	32,400	1,283,800
<b>Total</b>	<b>\$3,045,600</b>	<b>\$3,309,700</b>	<b>\$3,307,400</b>	<b>\$168,300</b>	<b>\$3,475,700</b>
State	3,023,500	3,284,700	3,282,400	168,300	3,450,700
Federal	0	0	0	0	0
Other	22,100	25,000	25,000	0	25,000

**Standard:** The museum will provide temporary/changing exhibitions in the museum facility.

**Measure:** Number of temporary exhibitions mounted in the museum annually.

4	2	2	0	2
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**Standard:** The museum will provide group tours of the museum and the Tennessee State Capitol.

**Measure:** Number of visitors annually to museum and Tennessee State Capitol.

140,358	100,000	100,000	0	100,000
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# Department of Environment and Conservation

## Performance-Based Budget

The Department of Environment and Conservation enhances the quality of life for all Tennesseans by protecting, preserving, and improving the quality of Tennessee's air, land, and water; providing an understandable and responsive regulatory system; conserving and promoting Tennessee's natural and cultural resources; and providing a variety of quality recreational experiences. The department has three bureaus: Administration, Tennessee State Parks and Conservation Services, and Environment.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### Administration

#### 327.01 Administrative Services

The Administrative Services Division provides departmental management and support services including policy, planning, fiscal services, human resources, information systems, internal audit, legal services, marketing development, and public information. The program also publishes the Tennessee Conservationist magazine, which features articles and photography regarding the protection of the state's natural and cultural resources.

Full-Time	211	204	203	3	<b>206</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>211</b>	<b>204</b>	<b>203</b>	<b>3</b>	<b>206</b>
Payroll	10,600,600	12,197,200	12,082,600	116,500	<b>12,199,100</b>
Operational	2,945,200	2,844,000	2,993,200	105,500	<b>3,098,700</b>
<b>Total</b>	<b>\$13,545,800</b>	<b>\$15,041,200</b>	<b>\$15,075,800</b>	<b>\$222,000</b>	<b>\$15,297,800</b>
State	5,720,800	5,759,200	5,752,100	0	<b>5,752,100</b>
Federal	2,452,500	2,573,700	2,573,700	0	<b>2,573,700</b>
Other	5,372,500	6,708,300	6,750,000	222,000	<b>6,972,000</b>

**Standard:** Train and assist state parks to maximize cost savings resulting from the purchasing flexibility established by Public Chapter 407 of the Public Acts of 2001.

**Measure:** Cost savings resulting from state parks purchasing flexibility.

\$22,906	\$100,000	\$100,000	\$0	\$100,000
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**Standard:** Evaluate the records management system and retention policy for each program area, to identify potential reductions in space, which could result in savings.

**Measure:** Percent of on-site records reduced by following records management policies and procedures.

5%	10%	10%	0%	10%
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### Tennessee State Parks and Conservation Services

Tennessee State Parks and Conservation Services provides a variety of services that maintain state natural areas for preservation, historical significance, and outdoor enjoyment.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 327.03 Recreation Educational Services

The Recreation Educational Services Division assists public recreation providers and promotes recreation development through grants, technical assistance, and monitoring of local and state planning efforts. The program houses the Parks and Recreation Technical Advisory Service to specifically assist county and municipal governments and other recreation providers.

Full-Time	14	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>
Payroll	775,400	914,200	940,400	0	940,400
Operational	1,372,900	4,379,200	4,355,100	0	4,355,100
<b>Total</b>	<b>\$2,148,300</b>	<b>\$5,293,400</b>	<b>\$5,295,500</b>	<b>\$0</b>	<b>\$5,295,500</b>
State	638,000	749,000	751,100	0	751,100
Federal	1,422,900	2,326,400	2,326,400	0	2,326,400
Other	87,400	2,218,000	2,218,000	0	2,218,000

**Standard:** Increase the number of counties or municipalities in unserved areas that will develop a local, state, or federal trail or greenway system.

**Measure:** Number of counties that have a greenway or trail system.

	63	65	69	0	69
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**Standard:** Increase the number of counties or municipalities in unserved areas that will create an organized parks and recreation delivery system.

**Measure:** Number of counties or municipalities served by a park and recreation delivery system.

	69	74	75	0	75
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### 327.04 Historical Commission

The Tennessee Historical Commission administers state historic sites; places historical markers that denote important locations, persons, and events; assists in publication projects; and promotes preservation and interpretation of structures, buildings, sites, and battlefields. The commission implements the National Historic Preservation Act.

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	730,700	824,000	826,700	0	826,700
Operational	1,646,700	1,639,000	1,467,600	0	1,467,600
<b>Total</b>	<b>\$2,377,400</b>	<b>\$2,463,000</b>	<b>\$2,294,300</b>	<b>\$0</b>	<b>\$2,294,300</b>
State	1,034,300	1,805,200	1,789,200	0	1,789,200
Federal	804,100	500,100	500,100	0	500,100
Other	539,000	157,700	5,000	0	5,000

**Standard:** Survey and add properties to the National Register of Historic Places.

**Measure:** Number of properties added to the National Register of Historic Places.

	1,364	60	60	0	60
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<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**Standard:** Review projects to ensure they are in compliance with the National Historic Preservation Act of 1966 as amended. (The U.S. National Park Service requires 95% or greater response within 30 calendar days).

**Measure:** Percent of review and compliance projects reviewed within 30 calendar days from date of formal receipt.

100%	100%	100%	0%	100%
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### 327.06 Land and Water Conservation Fund

The Land and Water Conservation Fund provides grants to assist in preserving, developing, and assuring accessibility to outdoor recreation resources. This federal program provides grants for the acquisition and development of public outdoor recreation areas and facilities. The Recreation Educational Services Division administers these grants to local governments and agencies that provide recreational areas and parks.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	114,300	750,000	750,000	0	750,000
<b>Total</b>	<b>\$114,300</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$0</b>	<b>\$750,000</b>
State	0	0	0	0	0
Federal	114,300	750,000	750,000	0	750,000
Other	0	0	0	0	0

**Standard:** Increase the percentage of the annual allocation to be used for acquisition, development, or acquisition/development projects.

**Measure:** Percent of annual allocation to be used for acquisition, development, or acquisition/development projects.

64%	95%	95%	0%	95%
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### 327.18 Maintenance of Historic Sites

The Maintenance of Historic Sites program ensures that state-owned historical sites are properly maintained according to historic preservation standards and for visitation by the public. Sites are maintained through contractual agreements between the Tennessee Historical Commission and non-profit organizations.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	233,100	335,000	285,000	0	285,000
<b>Total</b>	<b>\$233,100</b>	<b>\$335,000</b>	<b>\$285,000</b>	<b>\$0</b>	<b>\$285,000</b>
State	185,000	285,000	285,000	0	285,000
Federal	0	0	0	0	0
Other	48,100	50,000	0	0	0

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Maintain the 15 state-owned historic sites according to historic preservation standards for visitation by the public.

**Measure:** Number of state-owned sites where maintenance projects are undertaken during the year.

	15	15	15	0	15
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### 327.08 Archaeology

The Archaeology program operates a statewide program of archaeological surveying, excavation, research, publication of findings, custodianship of artifacts, and education programs. The program is a primary source of information and advice on archaeological matter for the public, professional archaeologists, museums, state agencies, law enforcement agencies and the private development community. The state reviews all federal undertakings to determine their effect on archaeological sites.

Full-Time	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	5	5	5	0	5
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>
Payroll	515,900	649,200	645,300	0	645,300
Operational	149,600	248,800	255,700	0	255,700
<b>Total</b>	<b>\$665,500</b>	<b>\$898,000</b>	<b>\$901,000</b>	<b>\$0</b>	<b>\$901,000</b>
State	589,300	730,400	733,400	0	733,400
Federal	0	0	0	0	0
Other	76,200	167,600	167,600	0	167,600

**Standard:** Respond to all requests for opinions, recommendations, site visits, and information within 30 days.

**Measure:** Number of responses made to requests for archaeological opinions, site visits, and information.

	9,830	9,000	9,000	0	9,000
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### 327.14 Natural Areas

The Natural Areas program promotes the restoration and conservation of Tennessee's natural and biological diversity by cooperative management of land and scenic rivers and by collecting and disseminating information on rare plants. Scenic rivers are designated and protected under the 1968 Scenic Rivers Act in order to protect rivers of exceptional scenic quality and to protect rare species of plants and animals. State natural areas are designated and protected under the 1971 Natural Areas Preservation Act in order to protect natural biological diversity, preserve areas of exceptional scenic and geologic value, and protect habitat for rare plants and animals. The division also studies rare plants and maintains a state list of endangered, threatened, and special-concern plants. The department is the lead agency for listing and recovery of plants under the 1973 Federal Endangered Species Act. The division also regulates the export of ginseng.

Full-Time	13	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	671,900	782,000	776,900	0	<b>776,900</b>
Operational	259,200	383,200	390,900	0	<b>390,900</b>
<b>Total</b>	<b>\$931,100</b>	<b>\$1,165,200</b>	<b>\$1,167,800</b>	<b>\$0</b>	<b>\$1,167,800</b>
State	747,000	881,400	884,000	0	<b>884,000</b>
Federal	88,300	161,300	161,300	0	<b>161,300</b>
Other	95,800	122,500	122,500	0	<b>122,500</b>

**Standard:** Protect and preserve Tennessee's biological diversity of plant life.

**Measure:** Percent of targeted rare plant species (S1, S2, and federal listed) with a minimum of at least one protected population in at least one state natural area and/or state scenic river. (Note that some species occur in both natural areas and rivers).

29%                      32%                      34%                      0%                      34%

**Standard:** Protect and preserve Tennessee's biological diversity of animal life.

**Measure:** Percent of targeted rare animal species (S1, S2, and federal listed) with a minimum of at least one protected population in at least one state natural area and/or state scenic river. (Note that some species occur in both natural areas and rivers).

18%                      20%                      22%                      0%                      22%

### 327.12 Tennessee State Parks

The Tennessee State Parks program protects, conserves, and manages natural, cultural, and historic resources in 54 state parks located throughout Tennessee. State parks provide opportunities for the public to enjoy outdoor recreation through a variety of activities in rustic, day-use, and resort parks. Rustic and day-use parks provide recreation through swimming, fishing, rafting, camping, and hiking. Resort parks provide inns, restaurants, golf courses, marinas, camping, and other recreational activities.

Full-Time	1,080	1,083	1,083	0	<b>1,083</b>
Part-Time	264	276	276	0	<b>276</b>
Seasonal	334	394	394	0	<b>394</b>
<b>Total</b>	<b>1,678</b>	<b>1,753</b>	<b>1,753</b>	<b>0</b>	<b>1,753</b>
Payroll	40,161,300	46,943,500	46,464,600	748,900	<b>47,213,500</b>
Operational	30,046,300	25,527,600	25,990,100	1,300,000	<b>27,290,100</b>
<b>Total</b>	<b>\$70,207,600</b>	<b>\$72,471,100</b>	<b>\$72,454,700</b>	<b>\$2,048,900</b>	<b>\$74,503,600</b>
State	34,447,300	37,902,100	37,885,700	1,801,500	<b>39,687,200</b>
Federal	52,800	0	0	0	<b>0</b>
Other	35,707,500	34,569,000	34,569,000	247,400	<b>34,816,400</b>

**Standard:** Improve self-sufficiency in state parks' resort facilities.

**Measure:** Percent of operational self-sufficiency at all Tennessee State Parks' resort facilities (cabins, inns, restaurants, golf courses, gift shops, and marinas).

93%                      97%                      99%                      0                      99%



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase by 5% annually the number of visitors to State Parks participating in interpretive programs.

**Measure:** Percent increase in the number of visitors to State Parks who participate in interpretive programs.

18%	5%	5%	0%	5%
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**Standard:** Increase the occupancy rate of State Parks inns and cabins as compared to the statewide industry average (62% average private sector occupancy rate).

**Measure:** Increased occupancy rate in the resort facilities (inns and cabins) of Tennessee State Parks.

45%	50%	52%	0%	52%
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### 327.15 State Parks Maintenance

The State Parks Maintenance program provides funds for maintenance projects at state parks. These projects, because of cost or duration, do not meet the criteria for capital maintenance, for which funds are separately provided in the capital budget.

Full-Time	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	1,361,400	1,612,400	1,602,700	0	1,602,700
Operational	4,423,100	5,633,200	2,885,100	0	2,885,100
<b>Total</b>	<b>\$5,784,500</b>	<b>\$7,245,600</b>	<b>\$4,487,800</b>	<b>\$0</b>	<b>\$4,487,800</b>
State	4,121,000	6,191,000	4,203,200	0	4,203,200
Federal	390,000	150,000	169,600	0	169,600
Other	1,273,500	904,600	115,000	0	115,000

**Standard:** Effectively complete maintenance projects.

**Measure:** Percent of major maintenance funds encumbered or spent.

94%	80%	87%	0%	87%
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### 327.17 Elk River Resource Management

The Elk River Resource Management program addresses the preservation and disposition of 6,400 acres of land formerly owned by the Tennessee Valley Authority and the Tennessee Elk River Development Agency. The department distributes the proceeds of Elk River land sales and leases to 10 counties in the Elk River watershed.

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	771,600	828,000	0	0	0
<b>Total</b>	<b>\$771,600</b>	<b>\$828,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	771,600	828,000	0	0	0

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 327.19 Local Parks Acquisition Fund

The Local Parks Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for grants to county and municipal governments for the purchase of land for parks, natural areas, greenways, and other recreation facilities. Funding for these grants comes from the real estate transfer tax. Local governments must match the grant on a one-to-one basis.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	3,724,500	5,249,100	3,936,900	2,624,400	6,561,300
<b>Total</b>	<b>\$3,724,500</b>	<b>\$5,249,100</b>	<b>\$3,936,900</b>	<b>\$2,624,400</b>	<b>\$6,561,300</b>
State	3,259,400	5,249,100	3,936,900	2,624,400	6,561,300
Federal	0	0	0	0	0
Other	465,100	0	0	0	0

**Standard:** Effectively and efficiently distribute grants to local governments.

**Measure:** Percent of funds awarded in biennial grant cycle.

Not Applicable	96%	Not Applicable	0%	Not Applicable
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### 327.20 State Lands Acquisition Fund

The State Lands Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for the acquisition of land for state parks, forests, natural areas, boundary areas along scenic rivers, and easement protection for these areas. Funding also supports trail construction at these sites and historic preservation of old theatres. Funding for these grants comes from the real estate transfer tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	4,117,400	4,500,000	3,375,000	2,250,000	5,625,000
<b>Total</b>	<b>\$4,117,400</b>	<b>\$4,500,000</b>	<b>\$3,375,000</b>	<b>\$2,250,000</b>	<b>\$5,625,000</b>
State	2,913,400	4,500,000	3,375,000	2,250,000	5,625,000
Federal	571,800	0	0	0	0
Other	632,200	0	0	0	0

**Standard:** Complete acquisition of State Building Commission approved projects within one year of approval.

**Measure:** Percent of State Building Commission approved projects where the acquisition is completed within one year.

100%	85%	85%	0%	85%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 327.22 State Lands Compensation Fund

The funds for this program come from the State Lands Acquisition Fund and are used to make in lieu-of-tax payments to local governments, recognizing the loss of local property taxes resulting from the purchase of land by the state.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	42,000	42,000	0	42,000
<b>Total</b>	<b>\$0</b>	<b>\$42,000</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	42,000	42,000	0	42,000

**Standard:** Make payment of State Lands Compensation Fund money within a 90-day period of time upon receipt of notification from the Department of Finance and Administration.

**Measure:** Percent of funds released to local governments within 30 days of notification from the Department of Finance and Administration.

Not Applicable	100%	100%	0%	100%
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### 327.50 Tennessee Heritage Conservation Trust Fund

The Tennessee Heritage Conservation Trust Fund was established in 2005 to protect and conserve significant natural areas throughout Tennessee. Through strategic partnerships with landowners, government agencies, non-profit organizations, and private companies, the program provides funds for acquisition of property and easements that preserve and protect the state's physical, cultural, archaeological, historical, and environmental resources.

Full-Time	0	0	0	1	1
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>1</b>	<b>1</b>
Payroll	0	0	0	100,000	100,000
Operational	0	9,900,000	0	10,000,000	10,000,000
<b>Total</b>	<b>\$0</b>	<b>\$9,900,000</b>	<b>\$0</b>	<b>\$10,100,000</b>	<b>\$10,100,000</b>
State	0	9,900,000	0	10,100,000	10,100,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

### 327.51 Conservation Compensation Fund

The Conservation Compensation Fund provides in lieu-of-tax payments to local governments to offset the loss of local property taxes on land acquired by the state through the Heritage Conservation Trust Fund.

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

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	0	120,000	20,000	0	20,000
<b>Total</b>	<b>\$0</b>	<b>\$120,000</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$20,000</b>
State	0	120,000	20,000	0	20,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Make payment of Heritage Conservation Trust Fund money within a 90-day period of time upon receipt of notification from the Department of Finance and Administration.

**Measure:** Percent of funds released to local governments within 30 days of notification from the Department of Finance and Administration.

Not Applicable                      100%                      100%                      0%                      100%

## Environment

The environmental programs in the department are responsible for the preservation and enhancement of the state's environmental resources and for ensuring compliance with state and federal regulations.

### 327.30 Environment Administration

Environment Administration serves as the central organizational unit, providing policy direction and oversight, for all environmental activities of the department.

Full-Time	84	89	89	0	89
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>84</b>	<b>89</b>	<b>89</b>	<b>0</b>	<b>89</b>
Payroll	3,862,400	4,814,500	4,878,700	0	4,878,700
Operational	783,000	1,230,400	905,900	0	905,900
<b>Total</b>	<b>\$4,645,400</b>	<b>\$6,044,900</b>	<b>\$5,784,600</b>	<b>\$0</b>	<b>\$5,784,600</b>
State	1,320,800	1,837,200	1,577,100	0	1,577,100
Federal	0	0	0	0	0
Other	3,324,600	4,207,700	4,207,500	0	4,207,500

**Standard:** Maintain and coordinate issuance of enforcement orders to achieve accurate and timely issuance.

**Measure:** Number of enforcement orders issued.

1,310                      600                      800                      0                      800

### 327.11 Geology

The Geology Division maps and identifies mineral resources, geology, and geological hazards across the state. The division also serves as a clearinghouse for geological information. Study results are published and distributed in the form of maps and reports. The program maps mineral deposits including coal, oil, and gas and maintains production records for oil and gas wells. The program is a primary source of information, advice, and education about Tennessee's geology, mineral resources, geological hazards, and oil and gas activity for the public, schools, professional geologists, state and federal agencies, environmental regulators, and industries.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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	895,600	1,004,800	998,900	0	998,900
Operational	294,500	282,500	294,800	0	294,800
<b>Total</b>	<b>\$1,190,100</b>	<b>\$1,287,300</b>	<b>\$1,293,700</b>	<b>\$0</b>	<b>\$1,293,700</b>
State	1,074,600	1,131,700	1,138,100	0	1,138,100
Federal	60,600	81,100	81,100	0	81,100
Other	54,900	74,500	74,500	0	74,500

**Standard:** Perform 100% of requested geologic programs and field trips.

**Measure:** Percent of requested geologic programs and field trips conducted.

100%	100%	100%	0%	100%
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**Standard:** Perform 100% of requested geologic hazard assessments.

**Measure:** Percent of requests for geologic hazard assessments conducted.

100%	100%	100%	0%	100%
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**Standard:** Complete geologic maps and reports for public distribution.

**Measure:** Number of geologic maps and reports completed.

3	4	4	0	4
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### 327.23 Used Oil Collection Program

The Used Oil Collection Program promotes the proper disposal of used oil, and staff of the division of Solid Waste Management inspects used oil facilities. The program provides technical and financial assistance to local governments and private agencies that provide used oil collection centers. The program also provides general information to the public on proper disposal of oil, location of oil disposal facilities, and other information pertinent to the proper handling of oil.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>
Payroll	169,100	240,000	238,800	0	238,800
Operational	1,225,400	1,300,000	1,301,900	0	1,301,900
<b>Total</b>	<b>\$1,394,500</b>	<b>\$1,540,000</b>	<b>\$1,540,700</b>	<b>\$0</b>	<b>\$1,540,700</b>
State	1,128,300	1,306,000	1,306,700	0	1,306,700
Federal	0	0	0	0	0
Other	266,200	234,000	234,000	0	234,000

**Standard:** Increase the percentage of used oil being collected per year from do-it-yourselfers for reuse and recycling.

**Measure:** Percent per year increase of used oil collected for reuse and/or recycling.

82%	8%	4%	0%	4%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**327.26 West Tennessee River Basin Authority**

The West Tennessee River Basin Authority, administratively attached to the Department of Environment and Conservation and governed by a board of directors, works to preserve the natural flow and function of the Hatchie, Obion, and Forked Deer rivers. Services include environmentally sensitive stream maintenance in the river basins; maintenance of flood control sediment retention structures; collection of timber easements; and restoration, in a self-sustaining manner, of natural streams and flood-plains.

Full-Time	15	15	15	1	16
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>1</b>	<b>16</b>
Payroll	703,300	818,900	814,300	70,500	884,800
Operational	377,800	356,400	368,800	144,500	513,300
<b>Total</b>	<b>\$1,081,100</b>	<b>\$1,175,300</b>	<b>\$1,183,100</b>	<b>\$215,000</b>	<b>\$1,398,100</b>
State	750,200	831,300	836,700	215,000	1,051,700
Federal	0	0	0	0	0
Other	330,900	344,000	346,400	0	346,400

**Standard:** Perform environmentally sensitive stream maintenance and continue routine maintenance on infrastructure.

**Measure:** Number of flood control/sediment retention structures requiring minor maintenance (mowing, resolving annual inspection issues, and beaver management).

	65	40	40	0	40
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**327.24 West Tennessee River Basin Authority Maintenance**

The West Tennessee River Basin Authority Maintenance program provides funds for maintenance projects for the West Tennessee River Basin Authority. These projects ensure the safe and efficient operation of flood control structures such as dams, sediment retention structures, and grade control structures.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	716,700	720,000	500,000	150,000	650,000
<b>Total</b>	<b>\$716,700</b>	<b>\$720,000</b>	<b>\$500,000</b>	<b>\$150,000</b>	<b>\$650,000</b>
State	499,900	500,000	500,000	150,000	650,000
Federal	0	0	0	0	0
Other	216,800	220,000	0	0	0

**Standard:** Perform major maintenance, as necessary, on the West Tennessee River Basin Authority (WTRBA) infrastructure and watersheds.

**Measure:** Number of major maintenance projects completed.

	4	3	3	0	3
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 327.28 Tennessee Dry Cleaners Environmental Response Fund

The Tennessee Dry Cleaners Environmental Response Fund provides funds for the cost of oversight, investigation, and remediation of eligible properties contaminated with solvents from currently operating and formerly operated dry-cleaning facilities. Dry cleaners are required to use practices that minimize the release of dry-cleaning solvent.

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	217,200	443,000	441,800	0	441,800
Operational	1,689,900	2,054,300	2,057,300	0	2,057,300
<b>Total</b>	<b>\$1,907,100</b>	<b>\$2,497,300</b>	<b>\$2,499,100</b>	<b>\$0</b>	<b>\$2,499,100</b>
State	1,694,900	2,497,300	2,499,100	0	2,499,100
Federal	0	0	0	0	0
Other	212,200	0	0	0	0

**Standard:** Oversee the cleanup of dry cleaning solvent impacted sites that are progressing toward clean up through ongoing environmental response activities.

**Measure:** Percent of identified dry cleaning remediation sites with cleanup in-progress.

	96%	50%	45%	0%	45%
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### 327.31 Air Pollution Control

The Air Pollution Control Division regulates air contaminants that are emitted into the atmosphere. State, local, and federal agencies monitor air quality at several sites across the state to determine if public health and welfare are being protected. Mobile sources of air pollution are subject to a vehicle emission testing program in areas of the state that need the most stringent degree of regulation to meet air quality standards. The state coordinates its air pollution control efforts with the four local government air pollution control programs in Shelby, Davidson, Hamilton, and Knox counties.

Full-Time	159	158	158	0	158
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
<b>Total</b>	<b>171</b>	<b>170</b>	<b>170</b>	<b>0</b>	<b>170</b>
Payroll	7,224,100	9,902,400	9,855,700	0	9,855,700
Operational	3,165,800	3,996,800	3,092,500	0	3,092,500
<b>Total</b>	<b>\$10,389,900</b>	<b>\$13,899,200</b>	<b>\$12,948,200</b>	<b>\$0</b>	<b>\$12,948,200</b>
State	1,623,000	2,261,400	1,266,800	0	1,266,800
Federal	1,266,500	1,279,700	1,279,700	0	1,279,700
Other	7,500,400	10,358,100	10,401,700	0	10,401,700

**Standard:** Attain new, more restrictive federal air quality standards for ozone by maintaining Early Action Compacts.

**Measure:** Early attainment of the new ozone clean air standards through Early Action Compacts - Progress is to be shown in parts per million by averaging the design values of all ozone-monitoring sites in the state.

	0.078	0.082	0.081	0	0.081
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Attain new, more restrictive federal air quality standards for fine particle matter by negotiating early compliance incentives.

**Measure:** Early compliance incentives for the new PM2.5 Fine Particle Standards - Progress is to be shown in ug/m3 by averaging the annual design values of all PM2.5 fine particle monitoring sites.

	14.0	13.3	13.1	0	13.1
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**Standard:** Protect and improve air quality in Tennessee's special places, such as national parks.

**Measure:** Protect and improve air quality in Tennessee's special places for future generations - Measure visibility improvement at IMPROVE monitoring sites measured in deciviews, a scientific measure of visibility.

	20.8	20.0	19.8	0	19.8
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### 327.32 Radiological Health

The Radiological Health Division regulates the use and possession of radioactive materials and radiation producing machines throughout the state. The program performs these functions through licensing and registration of x-ray equipment; inspecting registered facilities; and environmental monitoring of specific sites. The division also monitors the environment for radioactivity, particularly near nuclear reactors, and responds to accidents involving radioactive materials.

Full-Time	71	70	70	0	<b>70</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>71</b>	<b>70</b>	<b>70</b>	<b>0</b>	<b>70</b>
Payroll	3,542,000	4,366,600	4,346,200	0	<b>4,346,200</b>
Operational	1,430,500	1,592,300	1,632,800	0	<b>1,632,800</b>
<b>Total</b>	<b>\$4,972,500</b>	<b>\$5,958,900</b>	<b>\$5,979,000</b>	<b>\$0</b>	<b>\$5,979,000</b>
State	278,700	727,000	729,300	0	<b>729,300</b>
Federal	353,400	317,000	317,000	0	<b>317,000</b>
Other	4,340,400	4,914,900	4,932,700	0	<b>4,932,700</b>

**Standard:** Meet the required percentage of registered inspectors' follow-up inspections.

**Measure:** Percent of inspections performed by registered inspectors that are verified for quality assurance purposes.

	12%	10%	10%	0%	10%
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**Standard:** Meet the required percentage of registered inspectors' follow-up inspections.

**Measure:** Percent of license applications, amendment requests, and registration/certified registration requests processed within applicable timeframes.

	100%	100%	100%	0%	100%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 327.33 Clean Water and Drinking Water State Revolving Fund

The Clean Water and Drinking Water State Revolving Fund provides funds to cities, counties, and utility districts for the creation and maintenance of wastewater and drinking water facilities. This division administers two low-interest revolving-fund loan programs, the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund.

Full-Time	17	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>17</b>
Payroll	837,100	1,163,800	1,157,900	0	1,157,900
Operational	49,424,500	48,666,300	48,694,100	0	48,694,100
<b>Total</b>	<b>\$50,261,600</b>	<b>\$49,830,100</b>	<b>\$49,852,000</b>	<b>\$0</b>	<b>\$49,852,000</b>
State	5,109,700	5,183,100	5,205,000	0	5,205,000
Federal	45,151,900	44,647,000	44,647,000	0	44,647,000
Other	0	0	0	0	0

**Standard:** Maintain self sustaining State Revolving Fund programs by providing low-cost loans for infrastructure projects that will bring small communities into compliance with permits and protect public health.

**Measure:** Amount of financial assistance provided to small communities under the Clean Water State Revolving Loan Program and the Drinking Water State Revolving Loan Program.

	\$23,974,540	\$10,500,000	\$10,500,000	0	\$10,500,000
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### 327.34 Water Pollution Control

The Division of Water Pollution Control is responsible for protecting the state's waters through a program of water quality planning, monitoring and assessment, and regulation. The division regulates stream channel modification, wetlands alteration, gravel dredging, and mine water discharge.

Full-Time	203	204	204	32	236
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
<b>Total</b>	<b>211</b>	<b>212</b>	<b>212</b>	<b>32</b>	<b>244</b>
Payroll	10,275,600	12,750,700	12,686,200	1,946,100	14,632,300
Operational	5,916,400	6,598,000	6,722,200	654,300	7,376,500
<b>Total</b>	<b>\$16,192,000</b>	<b>\$19,348,700</b>	<b>\$19,408,400</b>	<b>\$2,600,400</b>	<b>\$22,008,800</b>
State	7,347,500	8,947,600	8,982,800	1,207,600	10,190,400
Federal	3,181,200	3,391,400	3,391,400	0	3,391,400
Other	5,663,300	7,009,700	7,034,200	1,392,800	8,427,000

**Standard:** Inspect municipal dischargers to determine compliance with permit requirements.

**Measure:** Percent of major municipal discharges in significant compliance.

	85%	80%	80%	0%	80%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Inspect non-municipal dischargers to determine compliance with percent requirements.

**Measure:** Percent of major non-municipal discharges in significant compliance.

	98%	80%	80%	0%	80%
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### 327.35 Solid Waste Management

The Solid Waste Management Division protects the public health and the environment through the regulation, management, and remediation of solid and hazardous wastes. The division regulates and monitors both solid and hazardous wastes through landfill permits, used oil permits, hazardous waste permits, and lead-based paint abatement.

Full-Time	137	137	137	0	<b>137</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>145</b>	<b>145</b>	<b>0</b>	<b>145</b>
Payroll	7,681,100	9,126,900	9,078,900	0	<b>9,078,900</b>
Operational	1,786,700	1,876,700	1,977,200	0	<b>1,977,200</b>
<b>Total</b>	<b>\$9,467,800</b>	<b>\$11,003,600</b>	<b>\$11,056,100</b>	<b>\$0</b>	<b>\$11,056,100</b>
State	1,704,200	1,857,300	1,869,400	0	<b>1,869,400</b>
Federal	2,170,100	2,310,000	2,310,000	0	<b>2,310,000</b>
Other	5,593,500	6,836,300	6,876,700	0	<b>6,876,700</b>

**Standard:** Increase the percentage of landfill/solid waste facilities in significant operational compliance.

**Measure:** Percent of landfill/solid waste facilities in significant operational compliance.

	86%	97%	97%	0%	97%
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**Standard:** Increase the percentage of hazardous waste treatment, storage, and disposal facilities in significant operational compliance.

**Measure:** Percent of hazardous waste treatment, storage, and disposal facilities in significant operational compliance.

	90%	95%	95%	0%	95%
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**Standard:** Increase the percentage of lead-based paint abatement inspections for large scale projects.

**Measure:** Percent of lead-based paint abatement inspections conducted for large scale projects.

	75%	35%	35%	0%	35%
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**Standard:** Increase the percentage of in-progress remediation sites released for reuse.

**Measure:** Percent of total active remediation sites annually cleaned up and released from the program.

	27%	18%	10%	0%	10%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 327.36 DOE Oversight

The DOE Oversight program, by agreement with the U.S. Department of Energy (DOE), coordinates state government oversight of the federal government's environmental compliance, environmental restoration, waste management, health studies, and public awareness activities on the Energy Department's Oak Ridge reservation. The state, in cooperation with the U.S. Department of Energy, works to achieve clean air, water, and land in Tennessee, while sustaining economic growth.

Full-Time	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	2,487,400	3,398,800	3,382,700	0	3,382,700
Operational	1,085,200	3,220,200	3,251,100	0	3,251,100
<b>Total</b>	<b>\$3,572,600</b>	<b>\$6,619,000</b>	<b>\$6,633,800</b>	<b>\$0</b>	<b>\$6,633,800</b>
State	0	0	0	0	0
Federal	3,485,800	6,619,000	6,633,800	0	6,633,800
Other	86,800	0	0	0	0

**Standard:** Increase the percentage of Oak Ridge Reservation acres where remediation is complete.

**Measure:** Percent of Oak Ridge Reservation acres where remediation is complete.

3.5%	3.5%	3.5%	0%	3.5%
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### 327.37 Abandoned Lands

The Abandoned Lands program administers the Tennessee surface mining reclamation fund for reclamation and re-vegetation of land affected by surface mining. This program sponsors reclamation projects that remove safety hazards from abandoned mines and restore resources to make them available for economic development and recreational uses. The fund is comprised of fees and forfeited bonds from both active and inactive mining operations.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	100,000	500,000	500,000	0	500,000
<b>Total</b>	<b>\$100,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$500,000</b>
State	38,500	500,000	500,000	0	500,000
Federal	25,000	0	0	0	0
Other	36,500	0	0	0	0

**Standard:** Fund reclamation projects in order to eliminate the safety hazards that are posed by abandoned mine sites.

**Measure:** Number of emergency reclamation projects for abandoned mine sites that are stabilized or restricted from public access. (This program is implemented on emergency basis only, due to constraints in funding).

0	As Needed	As Needed	0	As Needed
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 327.38 Hazardous Waste Remedial Action Fund

The Hazardous Waste Remedial Action Fund supports activities to identify, investigate, and remedy properties contaminated by hazardous substances. Without this program, contaminated properties would remain abandoned and pose a threat to the health of Tennesseans and the environment. In addition to monetary support from the federal government, funds are derived from state appropriations and fees paid by generators and transporters of hazardous waste.

Full-Time	64	63	63	0	63
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>64</b>	<b>63</b>	<b>63</b>	<b>0</b>	<b>63</b>
Payroll	2,995,100	4,057,400	4,038,200	0	4,038,200
Operational	2,061,000	7,608,000	7,647,000	0	7,647,000
<b>Total</b>	<b>\$5,056,100</b>	<b>\$11,665,400</b>	<b>\$11,685,200</b>	<b>\$0</b>	<b>\$11,685,200</b>
State	0	1,076,100	1,076,100	0	1,076,100
Federal	1,805,600	2,007,100	2,007,100	0	2,007,100
Other	3,250,500	8,582,200	8,602,000	0	8,602,000

**Standard:** Annually maintain at least 50% of identified hazardous substance remediation sites with cleanup in-progress.

**Measure:** Percent of identified hazardous substance sites with cleanup in-progress.

88%	50%	60%	0%	60%
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### 327.39 Water Supply

The Water Supply program develops groundwater and wellhead protection plans in order to ensure that Tennessee's public water supply complies with state and federal standards. The program also regulates most of the dams across the state and the drilling of public and private wells.

Full-Time	81	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>0</b>	<b>81</b>
Payroll	4,393,100	5,134,300	5,105,400	0	5,105,400
Operational	1,477,900	2,403,500	1,957,200	0	1,957,200
<b>Total</b>	<b>\$5,871,000</b>	<b>\$7,537,800</b>	<b>\$7,062,600</b>	<b>\$0</b>	<b>\$7,062,600</b>
State	673,100	1,434,900	939,800	0	939,800
Federal	2,538,200	2,465,000	2,465,000	0	2,465,000
Other	2,659,700	3,637,900	3,657,800	0	3,657,800

**Standard:** Conduct training, inspections, and enforcement actions to ensure community water system customers receive drinking water that meets all applicable health-based standards in effect on December 31, 2003.

**Measure:** Percent of the population served by community water systems that will receive drinking water that meets all applicable health-based drinking water standards that are in effect on December 31, 2003.

95%	96%	96%	0%	96%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 327.40 Groundwater Protection

The Groundwater Protection program regulates subsurface sewage disposal systems. The program grants construction permits, inspects, and approves underground septic systems for wastewater disposal areas lacking wastewater treatment plants. In addition, the division is responsible for inspecting septic tank maintenance and recommending alternative methods of wastewater disposal for areas unable to support conventional underground septic systems.

Full-Time	137	137	137	0	137
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>137</b>	<b>137</b>	<b>137</b>	<b>0</b>	<b>137</b>
Payroll	7,449,900	8,412,000	8,358,500	0	8,358,500
Operational	1,711,300	1,794,500	1,886,400	0	1,886,400
<b>Total</b>	<b>\$9,161,200</b>	<b>\$10,206,500</b>	<b>\$10,244,900</b>	<b>\$0</b>	<b>\$10,244,900</b>
State	3,952,000	4,407,200	4,423,700	0	4,423,700
Federal	0	0	0	0	0
Other	5,209,200	5,799,300	5,821,200	0	5,821,200

**Standard:** Issue construction permits for subsurface sewage disposal systems where suitable soil conditions exist.

**Measure:** Number of subsurface sewage disposal system permits issued.

	17,274	18,000	18,000	0	18,000
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**Standard:** Approve subdivision projects where applicable statutes, rules, and regulations are satisfied.

**Measure:** Number of subdivision lots approved.

	11,044	8,000	8,000	0	8,000
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### 327.41 Underground Storage Tanks

The Underground Storage Tanks program regulates the installation of underground petroleum storage tanks and provides mandatory inspections of these tanks. The division issues certificates, collects fees, reimburses allowable environmental investigation costs to eligible tank owners and operators, and manages the Tennessee petroleum underground storage tanks fund.

Full-Time	87	84	84	0	84
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
<b>Total</b>	<b>95</b>	<b>92</b>	<b>92</b>	<b>0</b>	<b>92</b>
Payroll	4,099,300	5,062,400	5,034,400	0	5,034,400
Operational	14,556,000	19,164,100	19,216,000	0	19,216,000
<b>Total</b>	<b>\$18,655,300</b>	<b>\$24,226,500</b>	<b>\$24,250,400</b>	<b>\$0</b>	<b>\$24,250,400</b>
State	16,713,900	22,138,800	22,162,700	0	22,162,700
Federal	1,422,800	2,087,700	2,087,700	0	2,087,700
Other	518,600	0	0	0	0

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Inspect active registered underground storage tank facilities annually.

**Measure:** Percent of active, registered underground storage tank facilities inspected annually.

32%	22%	22%	0%	22%
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**Standard:** Clean up petroleum-contaminated sites each year that have not previously reached their clean up goals by providing adequate protection of human health, safety, and the environment.

**Measure:** Percent of underground storage tank sites that reach their cleanup goals and site closure through adequate protection of human health, safety, and the environment.

45%	13%	13%	0%	13%
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### 327.42 Solid Waste Assistance

The Solid Waste Assistance Fund supports programs that promote planning, development, and maintenance by local governments of comprehensive, integrated solid waste management. The program encourages generators and handlers of solid waste to minimize solid-waste incineration and disposal by methods such as source reduction, reuse, composting, and recycling.

Full-Time	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	880,300	1,172,700	1,165,900	0	1,165,900
Operational	12,023,600	8,243,500	8,254,600	0	8,254,600
<b>Total</b>	<b>\$12,903,900</b>	<b>\$9,416,200</b>	<b>\$9,420,500</b>	<b>\$0</b>	<b>\$9,420,500</b>
State	9,326,400	9,416,200	9,420,500	0	9,420,500
Federal	13,400	0	0	0	0
Other	3,564,100	0	0	0	0

**Standard:** Increase the percentage of waste tires collected annually for reuse and recycling.

**Measure:** Percent increase of waste tires collected for reuse and/or recycling.

14%	3%	2%	0%	2%
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### 327.43 Environmental Protection Fund

The Environmental Protection Fund (EPF) collects fees from environmental permits, inspections, and fines. Funds are dispersed from the EPF to other divisions of the department to reimburse expenses of permitting, monitoring, compliance investigating, enforcement, and administration. The divisions of Air Pollution Control, Radiological Health, Water Pollution Control, Ground Water Protection, Solid Waste Management, Administrative Services, and Environment Administration receive funding from the Environmental Protection Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	35,867,200	43,765,500	43,975,100	1,614,800	45,589,900
<b>Total</b>	<b>\$35,867,200</b>	<b>\$43,765,500</b>	<b>\$43,975,100</b>	<b>\$1,614,800</b>	<b>\$45,589,900</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	35,370,900	43,765,500	43,975,100	1,614,800	<b>45,589,900</b>
Federal	0	0	0	0	<b>0</b>
Other	496,300	0	0	0	<b>0</b>

#### 327.44 Fleming Training Center

The Fleming Training Center assists and trains operators in the water and wastewater industry. The center offers fourteen types of certification for water and wastewater operators requiring that each certified operator possess certain experience requirements and complete mandatory examinations. The center also provides opportunities for operators to complete the required number of continuing education hours every three years to maintain certification.

Full-Time	10	11	11	0	<b>11</b>
Part-Time	4	4	4	0	<b>4</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>
Payroll	478,300	610,800	606,900	0	<b>606,900</b>
Operational	348,700	354,400	354,400	0	<b>354,400</b>
<b>Total</b>	<b>\$827,000</b>	<b>\$965,200</b>	<b>\$961,300</b>	<b>\$0</b>	<b>\$961,300</b>
State	366,700	534,900	531,000	0	<b>531,000</b>
Federal	303,000	248,600	248,600	0	<b>248,600</b>
Other	157,300	181,700	181,700	0	<b>181,700</b>

**Standard:** Ensure that the new operator certification process is conducted in compliance with applicable laws and regulations.

**Measure:** Number of new certificates issued to water treatment, wastewater treatment, distribution system, and collection system operators.

	373	350	350	0	350
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**Standard:** Ensure that the renewal operator certification process is conducted in compliance with applicable laws and regulations.

**Measure:** Number of renewal certificates issued to water treatment, wastewater treatment, distribution system, and collection system operators.

	5,048	5,000	5,150	0	5,150
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#### 327.45 Office of Environmental Assistance

The Office of Environmental Assistance provides non-regulatory assistance to businesses, schools, government agencies, industries, organizations, and individuals. Program staff inform and advise these groups to minimize potentially adverse effects on the environment, encourage business compliance efforts, notify affected industries of regulatory requirements, publish information, provide training, conduct inspections, and promote outreach activities.

Full-Time	19	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>19</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>20</b>
Payroll	833,400	1,198,900	1,192,600	0	<b>1,192,600</b>
Operational	234,200	138,700	138,700	0	<b>138,700</b>
<b>Total</b>	<b>\$1,067,600</b>	<b>\$1,337,600</b>	<b>\$1,331,300</b>	<b>\$0</b>	<b>\$1,331,300</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	464,200	871,800	865,500	0	<b>865,500</b>
Federal	79,600	62,400	62,400	0	<b>62,400</b>
Other	523,800	403,400	403,400	0	<b>403,400</b>

**Standard:** Provide compliance and beyond-compliance assistance activities that proactively assist them with their environmental regulatory compliance issues and environmental impact reduction.

**Measure:** Number of businesses, government agencies, and schools assisted.

	6,085	5,500	5,750	0	5,750
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**327.00 Total Environment and Conservation**

Full-Time	2,552	2,548	2,547	37	<b>2,584</b>
Part-Time	304	316	316	0	<b>316</b>
Seasonal	340	400	400	0	<b>400</b>
<b>Total</b>	<b>3,196</b>	<b>3,264</b>	<b>3,263</b>	<b>37</b>	<b>3,300</b>
Payroll	113,841,500	137,601,400	136,721,200	2,982,000	<b>139,703,200</b>
Operational	186,080,200	218,245,200	201,474,600	18,843,500	<b>220,318,100</b>
<b>Total</b>	<b>\$299,921,700</b>	<b>\$355,846,600</b>	<b>\$338,195,800</b>	<b>\$21,825,500</b>	<b>\$360,021,300</b>
State	143,093,000	185,297,700	169,421,000	19,963,300	<b>189,384,300</b>
Federal	67,753,800	71,977,500	72,011,900	0	<b>72,011,900</b>
Other	89,074,900	98,571,400	96,762,900	1,862,200	<b>98,625,100</b>



# 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. The agency is governed by the Tennessee Wildlife Resources Commission. The commission establishes the agency's objectives; promulgates rules, regulations, and proclamations; approves the agency's budget; and hires the agency's executive director. TWRA generates revenue from a variety of sources, including hunting and fishing licenses and permits; boat registration fees; excise taxes on arms, ammunition, bows and arrows, and fishing equipment; and fines for violations of wildlife, hunting, and boating regulations.

Program responsibilities are divided between the central office and regional offices. Administrative and support services provided by the central office include coordinating the agency's comprehensive planning system; coordinating the geographic information system; administering federal aid programs; publishing Tennessee Wildlife magazine, hunting and fishing guides, and news releases; coordinating law enforcement activities and training; coordinating equipment crews and engineering activities, including building and maintaining boat access areas and levees and building forestry logging roads on agency property; and investigating, reporting, and testifying on environmental issues.

Regional office responsibilities include sponsoring hunting and boating safety workshops and classes; providing technical assistance to farm pond and small lake owners; and developing, maintaining, and operating the wildlife management areas, state lakes, and fish hatcheries.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 328.01 Wildlife Resources Agency

The Wildlife Resources Agency manages the state's wildlife resources by enforcing hunting and fishing laws, protecting non-game and endangered species, developing wildlife management plans, issuing hunting and fishing licenses, acquiring and leasing lands for public hunting, managing game and fish habitats, providing hunter education programs, and publishing the Tennessee Wildlife magazine. This division is comprised of the following sections: Wildlife Management, Fish Management, Environmental Services, Law Enforcement, Engineering, Information and Education, and Administrative Services.

Full-Time	620	639	639	0	<b>639</b>
Part-Time	15	15	15	0	<b>15</b>
Seasonal	0	27	27	0	<b>27</b>
<b>Total</b>	<b>635</b>	<b>681</b>	<b>681</b>	<b>0</b>	<b>681</b>
Payroll	32,348,900	36,176,700	36,027,900	0	<b>36,027,900</b>
Operational	21,703,200	30,434,000	23,858,200	0	<b>23,858,200</b>
<b>Total</b>	<b>\$54,052,100</b>	<b>\$66,610,700</b>	<b>\$59,886,100</b>	<b>\$0</b>	<b>\$59,886,100</b>
State	29,957,400	35,236,200	33,403,600	0	<b>33,403,600</b>
Federal	16,287,000	16,900,600	15,648,600	0	<b>15,648,600</b>
Other	7,807,700	14,473,900	10,833,900	0	<b>10,833,900</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 328.02 Boating Safety

The Boating Safety program provides funds for enforcement of safe boating laws and the registration of watercraft utilizing the state's waterways. In addition to law enforcement measures, this program maintains boat access areas and provides public educational courses on the safe operation of boating equipment.

Full-Time	33	33	33	0	33
Part-Time	59	59	59	0	59
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	3,815,500	4,605,900	4,745,900	0	4,745,900
Operational	4,226,300	5,832,900	4,377,600	0	4,377,600
<b>Total</b>	<b>\$8,041,800</b>	<b>\$10,438,800</b>	<b>\$9,123,500</b>	<b>\$0</b>	<b>\$9,123,500</b>
State	3,853,000	5,436,600	5,469,400	0	5,469,400
Federal	3,914,700	4,421,700	3,437,700	0	3,437,700
Other	274,100	580,500	216,400	0	216,400

### 328.03 Wetlands Acquisition Fund

The Wetlands Acquisition Fund provides funds for the acquisition of wetland properties throughout the state. The fund also supports the maintenance and protection of wetland properties through conservation projects including surveying, vegetation control, building and maintaining levees, and the installation of water control structures. The appropriation is from the real estate transfer tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	8,972,500	9,490,900	7,053,100	4,875,600	11,928,700
<b>Total</b>	<b>\$8,972,500</b>	<b>\$9,490,900</b>	<b>\$7,053,100</b>	<b>\$4,875,600</b>	<b>\$11,928,700</b>
State	6,913,100	9,350,900	6,913,100	4,875,600	11,788,700
Federal	1,560,400	0	0	0	0
Other	499,000	140,000	140,000	0	140,000

**Standard:** Preserve and expand wetlands in Tennessee.

**Measure:** Total acres acquired through the Wetlands Acquisition Fund (cumulative).

199,484	204,000	206,000	0	206,000
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### 328.04 Wetlands Compensation Fund

The Wetlands Compensation Fund provides in-lieu-of-tax payments to counties in order to offset the loss of local property tax on lands acquired by the state from the Wetlands Acquisition Fund. The appropriation is from the real estate transfer tax allocation to the Wetlands Acquisition Fund.

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

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	337,100	400,000	400,000	0	400,000
<b>Total</b>	<b>\$337,100</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$400,000</b>
State	332,200	400,000	400,000	0	400,000
Federal	0	0	0	0	0
Other	4,900	0	0	0	0

**Standard:** Reimburse local governments for wetlands removed from taxation.

**Measure:** Percent of due compensation that is paid.

100%	100%	100%	0	100%
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**328.00 Total Tennessee Wildlife Resources Agency**

Full-Time	653	672	672	0	672
Part-Time	74	74	74	0	74
Seasonal	0	27	27	0	27
<b>Total</b>	<b>727</b>	<b>773</b>	<b>773</b>	<b>0</b>	<b>773</b>
Payroll	36,164,400	40,782,600	40,773,800	0	40,773,800
Operational	35,239,100	46,157,800	35,688,900	4,875,600	40,564,500
<b>Total</b>	<b>\$71,403,500</b>	<b>\$86,940,400</b>	<b>\$76,462,700</b>	<b>\$4,875,600</b>	<b>\$81,338,300</b>
State	41,055,700	50,423,700	46,186,100	4,875,600	51,061,700
Federal	21,762,100	21,322,300	19,086,300	0	19,086,300
Other	8,585,700	15,194,400	11,190,300	0	11,190,300

# Department of Commerce and Insurance

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The Department of Commerce and Insurance regulates numerous professions and industries conducting business within the state. The department provides this service through four functional areas: administration, consumer protection, 911 wireless communication, and fire prevention.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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## Administration

The Administration Division includes the office of the commissioner, fiscal services, management information services, personnel, legal services, and audit consulting and oversight. This division supports the operations of each division within the department.

### 335.01 Administration

Full-Time	71	88	88	4	92
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>71</b>	<b>88</b>	<b>88</b>	<b>4</b>	<b>92</b>
Payroll	3,689,300	5,492,800	5,348,900	222,700	5,571,600
Operational	1,274,600	1,030,900	897,200	36,900	934,100
<b>Total</b>	<b>\$4,963,900</b>	<b>\$6,523,700</b>	<b>\$6,246,100</b>	<b>\$259,600</b>	<b>\$6,505,700</b>
State	0	3,600	3,600	0	3,600
Federal	616,900	296,900	23,700	0	23,700
Other	4,347,000	6,223,200	6,218,800	259,600	6,478,400

## Consumer Protection

The Department of Commerce and Insurance strives to ensure Tennesseans' safety in the marketplace and supports education and awareness programs. Services include regulating insurance companies and agents and approving individual and group self-insurance proposals; regulating the securities market; enforcing the Tennessee Consumer Protection Act; promoting fair consumer practices and consumer education; regulating health clubs; and granting payments to consumers who are awarded judgments against real estate and auctioneer licensees.

### 335.02 Insurance

The Insurance Division protects policyholders and enrollees by regulating insurance industry policies, rates, conduct, and agents and by regulating health maintenance organizations, self-insured entities, and workers compensation insurance. The division collects insurance premium taxes and fees.

Full-Time	141	135	135	2	137
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>141</b>	<b>135</b>	<b>135</b>	<b>2</b>	<b>137</b>
Payroll	6,182,100	7,946,100	7,911,300	85,200	7,996,500
Operational	3,234,100	4,937,100	4,955,500	65,400	5,020,900
<b>Total</b>	<b>\$9,416,200</b>	<b>\$12,883,200</b>	<b>\$12,866,800</b>	<b>\$150,600</b>	<b>\$13,017,400</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	9,416,200	12,883,200	12,866,800	150,600	13,017,400

**Standard:** Complete financial examination of domestic companies, on a five-year basis, within 18 months of the as-of date.

**Measure:** Percent of financial examination of domestic companies completed within 18 months from the as-of date.

93.75%	100%	100%	0	100%
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**Standard:** Approve or deny commercial and personal line rate filings within 30 days of receipt of a completed filing.

**Measure:** Percent of rate filings review completed within 30 days.

97.65%	98.5%	100%	0	100%
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### 335.05 Securities

The Securities Division ensures investor protection by promoting and maintaining the integrity of the securities markets in Tennessee. The division promotes investor protection and market efficiency by examining broker-dealer applications, financial reports, and complaints. The division collects fees from the securities industry.

Full-Time	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>24</b>
Payroll	1,063,200	1,339,700	1,332,400	0	1,332,400
Operational	486,400	663,400	666,400	5,000	671,400
<b>Total</b>	<b>\$1,549,600</b>	<b>\$2,003,100</b>	<b>\$1,998,800</b>	<b>\$5,000</b>	<b>\$2,003,800</b>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,549,600	2,003,100	1,998,800	5,000	2,003,800

**Standard:** Collect financial reports filed by broker-dealers and investment advisors within 90 days of fiscal year end.

**Measure:** Percent of broker-dealer and investment advisor financial statements received within 90 days of fiscal year end.

87%	85%	85%	0	85%
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**Standard:** Examine securities registration applications, notice filings, and exemptions within 20 days of receipt.

**Measure:** Percent of registrations examined within 20 days of receipt.

90%	92%	92%	0	92%
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	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 335.06 Consumer Affairs

The Consumer Affairs Division protects consumers and businesses through the receipt, investigation, and mediation of complaints; and assists with the prosecution of entities found in violation. The division promotes consumer education through public outreach activities and awareness.

Full-Time	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	462,000	564,900	561,500	0	561,500
Operational	228,300	284,700	286,100	1,000	287,100
<b>Total</b>	<b>\$690,300</b>	<b>\$849,600</b>	<b>\$847,600</b>	<b>\$1,000</b>	<b>\$848,600</b>
State	648,800	828,400	826,400	1,000	827,400
Federal	0	0	0	0	0
Other	41,500	21,200	21,200	0	21,200

**Standard:** Provide an initial response to consumer complaints within 15 days of receipt.

**Measure:** Percent of consumer complaints in which a response was given within 15 days of receipt.

99%	100%	100%	0	100%
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### 335.15 Real Estate Education and Recovery Fund

The Real Estate Education and Recovery Fund is available for paying court-awarded claims to consumers. Interest earned by the fund is used to further the education of real estate licensees and consumers.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	131,200	281,400	281,400	0	281,400
<b>Total</b>	<b>\$131,200</b>	<b>\$281,400</b>	<b>\$281,400</b>	<b>\$0</b>	<b>\$281,400</b>
State	0	281,400	281,400	0	281,400
Federal	0	0	0	0	0
Other	131,200	0	0	0	0

### 335.16 Auctioneer Education and Recovery Fund

Court-awarded claims against auctioneers are paid from the Auctioneer Education and Recovery Fund. Interest on the account provides educational opportunities for both licensees and the general public.

Full-Time	1	1	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll	14,900	43,100	0	0	0
Operational	32,800	38,400	81,600	0	81,600
<b>Total</b>	<b>\$47,700</b>	<b>\$81,500</b>	<b>\$81,600</b>	<b>\$0</b>	<b>\$81,600</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	35,100	81,500	81,600	0	<b>81,600</b>
Federal	0	0	0	0	<b>0</b>
Other	12,600	0	0	0	<b>0</b>

### 335.19 Cemetery Consumer Protection Fund

The Cemetery Consumer Protection Fund was established in 2006 by the General Assembly to provide additional funding to the cemetery registration program within the division of Regulatory Boards. Additionally, the commissioner is authorized to utilize this fund for costs associated with receivership actions against private cemeteries.

Full-Time	0	0	0	0	<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	0	0	360,000	<b>360,000</b>
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$360,000</b>	<b>\$360,000</b>
State	0	0	0	360,000	<b>360,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

### 335.04 TennCare Oversight

The TennCare Oversight Division provides financial and systems oversight of the managed care organizations (MCOs) participating in the TennCare program, which is the state's Medicaid-waiver health-care program. The division promulgates rules and performs examinations of MCOs that provide TennCare services. Oversight includes the review of contracts, reports, competitive bids, and medical-loss ratios.

Full-Time	20	19	19	0	<b>19</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>19</b>	<b>19</b>	<b>0</b>	<b>19</b>
Payroll	1,150,400	1,623,900	1,618,300	0	<b>1,618,300</b>
Operational	375,100	1,151,800	1,156,000	3,200	<b>1,159,200</b>
<b>Total</b>	<b>\$1,525,500</b>	<b>\$2,775,700</b>	<b>\$2,774,300</b>	<b>\$3,200</b>	<b>\$2,777,500</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	1,525,500	2,775,700	2,774,300	3,200	<b>2,777,500</b>

**Standard:** Conduct examinations of the Health Maintenance Organizations (HMOs), Prepaid Limited Health Service Organizations (PLHSOs), and Third Party Administrators (TPAs) participating in the TennCare program each year.

**Measure:** Conduct examinations of 30% of the HMOs, PLHSOs, and TPAs participating in the TennCare program each year.

27%	30%	30%	0	30%
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<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Perform quarterly tests of compliance with the statutory claims processing timeliness standards for all TennCare HMOs, PLSHOs, and TPAs as required by the interagency agreement with the TennCare Bureau.

**Measure:** Perform quarterly tests of compliance with the statutory claims processing timeliness standards for 100% of the TennCare HMOs, PLSHOs, and TPAs as required by the interagency agreement with TennCare.

100%	100%	100%	0	100%
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### 335.10 Regulatory Boards

Regulatory boards ensure that consumers receiving services from any professional regulated by the division are treated fairly, competently, and honestly. The boards, commissions, and licensing programs oversee individuals and entities engaging in various trades and professions within the state. The division provides administrative support to the boards and assists with complaints, inspections, and disciplinary actions. The following professions and businesses are overseen by regulatory boards: cosmetologists; funeral directors and embalmers; land surveyors; engineers; boxing; 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; and employee leasing.

Full-Time	201	200	200	5	<b>205</b>
Part-Time	122	122	122	0	<b>122</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>323</b>	<b>322</b>	<b>322</b>	<b>5</b>	<b>327</b>
Payroll	8,131,900	9,972,100	9,909,000	257,300	<b>10,166,300</b>
Operational	5,701,600	9,050,400	8,696,700	170,800	<b>8,867,500</b>
<b>Total</b>	<b>\$13,833,500</b>	<b>\$19,022,500</b>	<b>\$18,605,700</b>	<b>\$428,100</b>	<b>\$19,033,800</b>
State	13,498,700	18,128,400	18,111,600	359,700	<b>18,471,300</b>
Federal	0	400,000	0	0	<b>0</b>
Other	334,800	494,100	494,100	68,400	<b>562,500</b>

**Standard:** Issue licenses within 60 days of receipt of a completed/approved application.

**Measure:** The percent of licenses issued within 60 days.

74%	95%	96%	0	96%
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**Standard:** Resolve consumer complaints within 180 days of receipt.

**Measure:** The percent of complaints resolved within 180 days.

35%	45%	55%	0	55%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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## 911 Wireless Communications

### 335.08 911 Emergency Communications Fund

The 911 Emergency Communications Fund promotes statewide wireless-enhanced 911 service through the activities of the Emergency Communications Board. This enhanced service improves community safety by reducing response times in emergency situations. The board also assists local emergency communications districts in management, operations, and accountability. This program is funded through dedicated fees assessed on all cellular phone users.

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	483,900	664,000	661,500	0	661,500
Operational	25,470,600	45,253,400	42,133,800	15,900	42,149,700
<b>Total</b>	<b>\$25,954,500</b>	<b>\$45,917,400</b>	<b>\$42,795,300</b>	<b>\$15,900</b>	<b>\$42,811,200</b>
State	24,159,900	45,917,400	42,795,300	15,900	42,811,200
Federal	0	0	0	0	0
Other	1,794,600	0	0	0	0

**Standard:** Ensure reasonable financial support necessary for Emergency Communication District (ECD) financial health.

**Measure:** Review annual budgets and audits for all 100 ECDs.

	100	100	100	0	100
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**Standard:** Ensure reasonable financial support necessary for Emergency Communication District (ECD) financial health.

**Measure:** Number of rural ECD's with financial support mechanisms.

	48	52	56	0	56
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## Fire Prevention

The Department of Commerce and Insurance provides services to promote fire safety education and fire prevention. These efforts include: inspecting institutional facilities and electrical installations; investigating arson; reviewing construction plans; maintaining the Tennessee Fire Incident Reporting System; registering electricians; administering fireworks and explosive user permits; training firefighters and other enforcement personnel; licensing and regulating sprinkler contractors, liquid petroleum gas distributors, and fire extinguisher dealers; establishing training and fire education standards; and regulating the mobile home industry.

### 335.03 Fire Prevention

The Fire Prevention Division is committed to enhancing the quality of life for the citizens of Tennessee and protecting property through fire prevention, education, investigation, and enforcement. The division, also known as the State Fire Marshal's Office, performs electrical inspections, bomb and arson investigation, and building codes enforcement.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Full-Time	153	160	160	4	164
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>153</b>	<b>160</b>	<b>160</b>	<b>4</b>	<b>164</b>
Payroll	6,782,800	7,902,700	7,853,000	236,000	8,089,000
Operational	9,470,700	10,348,800	10,479,400	208,400	10,687,800
<b>Total</b>	<b>\$16,253,500</b>	<b>\$18,251,500</b>	<b>\$18,332,400</b>	<b>\$444,400</b>	<b>\$18,776,800</b>
State	0	91,000	68,500	0	68,500
Federal	342,600	210,000	210,000	0	210,000
Other	15,910,900	17,950,500	18,053,900	444,400	18,498,300

**Standard:** Reduce the number of incidents involving a fire-related death in Tennessee.

**Measure:** The number of incidents that involve a fire-related death in Tennessee.

	107	103	101	0	101
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### 335.07 Fire Service and Codes Enforcement Academy

The Fire Service and Codes Enforcement Academy's objective is to provide effective training to all volunteer and career fire fighters, fire and building code enforcement personnel, and other related service professionals. The academy develops and teaches current methods and practices in fire fighting, fire and building code enforcement, fire prevention, public safety, fire investigation, and related subjects. The academy's curriculum offers advanced training techniques in realistic fire simulations.

Full-Time	36	38	38	0	38
Part-Time	0	100	100	0	100
Seasonal	0	0	0	0	0
<b>Total</b>	<b>36</b>	<b>138</b>	<b>138</b>	<b>0</b>	<b>138</b>
Payroll	1,791,000	3,118,600	3,107,200	0	3,107,200
Operational	2,608,400	1,981,700	1,990,700	7,200	1,997,900
<b>Total</b>	<b>\$4,399,400</b>	<b>\$5,100,300</b>	<b>\$5,097,900</b>	<b>\$7,200</b>	<b>\$5,105,100</b>
State	3,271,200	3,570,200	3,568,500	5,000	3,573,500
Federal	26,300	25,000	25,000	0	25,000
Other	1,101,900	1,505,100	1,504,400	2,200	1,506,600

**Standard:** Provide student contact hours to fire service and other emergency first responders.

**Measure:** The number of student contact hours delivered in the Fire Service Program over twelve months. (FY 2006-07 estimates are lower than 2005-06 due to the expiration of a homeland security grant in January 2006).

	215,998	200,000	210,000	0	210,000
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**Standard:** Provide student contact hours to code officials and other construction industry professionals.

**Measure:** The number of student contact hours delivered in the Codes Enforcement Program over twelve months. (FY 2006-07 estimates are lower than 2005-06 due to offering a one time Americans with Disability Act (ADA) Accessibility Codes class held out of state).

	18,563	16,700	18,500	0	18,500
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 335.28 Fire Fighting Personnel Standards and Education

The Fire Fighting Personnel Standards and Education Commission promotes and sustains a superior level of firefighting standards, training, and education and provides the citizens of Tennessee with highly trained fire and emergency service professionals. The commission administers the salary supplement to eligible firefighters who complete required training annually and sets the criteria for performance standards and training.

Full-Time	3	3	3	0	3
Part-Time	9	9	9	0	9
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	140,800	154,500	153,300	0	153,300
Operational	2,043,800	2,678,600	2,679,000	0	2,679,000
<b>Total</b>	<b>\$2,184,600</b>	<b>\$2,833,100</b>	<b>\$2,832,300</b>	<b>\$0</b>	<b>\$2,832,300</b>
State	2,184,600	2,833,100	2,832,300	0	2,832,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Increase the number of written certification examinations administered to Tennessee firefighters each year.

**Measure:** The number of written certification examinations administered.

	2,653	2,730	2,850	0	2,850
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## Law Enforcement Training

### 335.11 Tennessee Law Enforcement Training Academy

The Tennessee Law Enforcement Training Academy provides training for all state and local enforcement recruits, excluding those in the four major metropolitan areas. Specialized training for graduated officers is offered in all areas of law enforcement, including topics such as criminal investigations, drug trafficking, traffic control, officer management training, survival techniques, gang enforcement, domestic violence, school violence management, and school officer training.

Full-Time	27	26	26	0	26
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
<b>Total</b>	<b>28</b>	<b>27</b>	<b>27</b>	<b>0</b>	<b>27</b>
Payroll	1,413,000	1,622,100	1,617,000	7,100	1,624,100
Operational	1,985,700	2,248,400	2,244,800	40,000	2,284,800
<b>Total</b>	<b>\$3,398,700</b>	<b>\$3,870,500</b>	<b>\$3,861,800</b>	<b>\$47,100</b>	<b>\$3,908,900</b>
State	2,386,500	2,795,500	2,811,800	47,100	2,858,900
Federal	0	0	0	0	0
Other	1,012,200	1,075,000	1,050,000	0	1,050,000

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Provide effective training of new law enforcement recruits hired by agencies served by Tennessee Law Enforcement Training Academy.

**Measure:** Average number of points gained by class on pre- and post-tests, using the Police Officer Standards and Training (POST) certified Basic Police School knowledge test.

	30.3	30	30	0	30
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### 335.12 POST Commission

The Law Enforcement Training Academy staffs the Tennessee Peace Officers Standards and Training (POST) Commission, which is responsible for enforcing standards and training for all local police officers. This commission also administers the salary supplement to police officers who complete required training annually.

Full-Time	2	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>
Payroll	89,400	348,100	347,300	0	347,300
Operational	6,190,400	7,465,700	7,419,400	41,900	7,461,300
<b>Total</b>	<b>\$6,279,800</b>	<b>\$7,813,800</b>	<b>\$7,766,700</b>	<b>\$41,900</b>	<b>\$7,808,600</b>
State	6,279,800	7,813,800	7,766,700	41,900	7,808,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Pay the salary supplement to full-time officers who have met Police Officer Standards and Training (POST) standards for their continuing education.

**Measure:** Number of officers qualifying to receive the salary supplement by completing required POST training.

	11,460	11,804	12,158	0	12,158
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### 335.00 Total Commerce and Insurance

Full-Time	697	720	719	15	734
Part-Time	132	232	232	0	232
Seasonal	0	0	0	0	0
<b>Total</b>	<b>829</b>	<b>952</b>	<b>951</b>	<b>15</b>	<b>966</b>
Payroll	31,394,700	40,792,600	40,420,700	808,300	41,229,000
Operational	59,233,700	87,414,700	83,968,000	955,700	84,923,700
<b>Total</b>	<b>\$90,628,400</b>	<b>\$128,207,300</b>	<b>\$124,388,700</b>	<b>\$1,764,000</b>	<b>\$126,152,700</b>
State	52,464,600	82,344,300	79,147,700	830,600	79,978,300
Federal	985,800	931,900	258,700	0	258,700
Other	37,178,000	44,931,100	44,982,300	933,400	45,915,700

# 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; and 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 is 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 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
<b>336.00 Financial Institutions</b>					
Full-Time	165	171	171	0	171
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>165</b>	<b>171</b>	<b>171</b>	<b>0</b>	<b>171</b>
Payroll	8,711,300	11,768,500	11,734,500	0	11,734,500
Operational	3,220,700	4,002,400	3,779,900	0	3,779,900
<b>Total</b>	<b>\$11,932,000</b>	<b>\$15,770,900</b>	<b>\$15,514,400</b>	<b>\$0</b>	<b>\$15,514,400</b>
State	3,390,900	8,270,400	7,797,300	0	7,797,300
Federal	0	0	0	0	0
Other	8,541,100	7,500,500	7,717,100	0	7,717,100

**Standard:** Pursuant to statute, regulate and examine Tennessee state-chartered banks.

**Measure:** Tennessee Department of Financial Institutions (TDFI) examinations and joint TDFI/Federal Deposit Insurance Corporation (FDIC) or Federal Reserve Board (FRB) examinations of state-chartered banks.

64	60	65	0	65
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**Standard:** Pursuant to statute, regulate and examine Tennessee state-chartered credit unions.

**Measure:** TDFI examinations and joint TDFI/National Credit Union Association (NCUA) examinations of state-chartered credit unions completed.

96	85	85	0	85
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**Standard:** Regulate institutions licensed or registered for compliance with governing acts.

**Measure:** Number of licensed entities examined/regulated by the Compliance Division.

3,291/5,567 (59%)	4,080/6,182 (66%)	4,327/6,182 (70%)	0	4,327/6,182 (70%)
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<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**Standard:** Respond 100% to all consumer inquires coming into the department.

**Measure:** Percent of consumer inquires processed within the department or distributed to the appropriate agency or entity.

100%	100%	100%	0	100%
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# Department of Labor and Workforce Development

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The Department of Labor and Workforce Development protects the rights of workers and assists employers in maintaining those rights throughout Tennessee. The department has six functional areas: administration, safety and health, workers compensation, labor standards, employment and workforce development, and employment security.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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## Administration

### 337.01 Administration

The Administration Division provides the overall administration to the department and its programs. The commissioner's office formulates policies, procedures, and long-range plans to carry out the mission of the department. The division also provides support services to the department, such as fiscal, personnel, and information system services.

Full-Time	109	111	111	0	111
Part-Time	5	4	4	0	4
Seasonal	0	0	0	0	0
<b>Total</b>	<b>114</b>	<b>115</b>	<b>115</b>	<b>0</b>	<b>115</b>
Payroll	6,322,100	7,096,200	7,062,200	0	7,062,200
Operational	2,582,500	2,751,300	2,531,100	71,000	2,602,100
<b>Total</b>	<b>\$8,904,600</b>	<b>\$9,847,500</b>	<b>\$9,593,300</b>	<b>\$71,000</b>	<b>\$9,664,300</b>
State	2,932,300	3,321,400	3,094,000	71,000	3,165,000
Federal	5,284,100	6,487,900	6,461,100	0	6,461,100
Other	688,200	38,200	38,200	0	38,200

**Standard:** The total administrative cost for the department will not exceed 5% of departmental budget.

**Measure:** Administrative costs for the department as percentage of total budget.

	4.0%	5.0%	5.0%	0	5.0%
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## Safety and Health

### 337.02 Tennessee Occupational Safety and Health Administration (TOSHA)

TOSHA ensures the safety and health of Tennessee workers, administers training programs, provides consultant services to employers, and promotes effective safety and health management through the voluntary protection program.

Full-Time	102	102	102	0	102
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
<b>Total</b>	<b>105</b>	<b>105</b>	<b>105</b>	<b>0</b>	<b>105</b>
Payroll	5,849,500	6,566,300	6,532,800	0	6,532,800
Operational	1,664,600	1,844,400	1,863,100	0	1,863,100
<b>Total</b>	<b>\$7,514,100</b>	<b>\$8,410,700</b>	<b>\$8,395,900</b>	<b>\$0</b>	<b>\$8,395,900</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	3,595,400	4,293,200	4,287,500	0	<b>4,287,500</b>
Federal	3,893,700	4,082,900	4,073,800	0	<b>4,073,800</b>
Other	25,000	34,600	34,600	0	<b>34,600</b>

**Standard:** Eliminate serious hazards in workplaces where interventions take place.

**Measure:** Number of serious hazards identified in workplaces during TOSHA interventions.

	6,912	6,500	6,500	0	6,500
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**Standard:** Implementation of improvements in employer occupational safety and health programs in workplaces where TOSHA Compliance has had an intervention.

**Measure:** Number of workplaces where improvements in employer occupational safety and health program were made where TOSHA Compliance has had an intervention.

	1,085	800	800	0	800
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### 337.04 Mines

The Mines Division promotes the safety and welfare of miners through training and licensing of mine operators and employing mine rescue workers.

Full-Time	7	7	7	0	<b>7</b>
Part-Time	18	18	18	0	<b>18</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>25</b>
Payroll	340,900	439,600	437,400	0	<b>437,400</b>
Operational	184,300	518,400	220,400	0	<b>220,400</b>
<b>Total</b>	<b>\$525,200</b>	<b>\$958,000</b>	<b>\$657,800</b>	<b>\$0</b>	<b>\$657,800</b>
State	341,200	679,600	380,300	0	<b>380,300</b>
Federal	122,800	161,400	160,500	0	<b>160,500</b>
Other	61,200	117,000	117,000	0	<b>117,000</b>

**Standard:** Increase the number of persons trained in mine safety by 3% to reduce the number of non-fatal accidents/injuries across the state.

**Measure:** Number of persons trained in mine safety.

	2,027	1,950	1,950	0	1,950
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### 337.05 Boilers and Elevators

The Boilers and Elevators Division performs safety inspections of boilers and elevators across the state.

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	2,380,100	2,646,600	2,630,100	0	<b>2,630,100</b>
Operational	821,600	901,600	908,600	0	<b>908,600</b>
<b>Total</b>	<b>\$3,201,700</b>	<b>\$3,548,200</b>	<b>\$3,538,700</b>	<b>\$0</b>	<b>\$3,538,700</b>
State	0	0	0	0	<b>0</b>
Federal	0	0	0	0	<b>0</b>
Other	3,201,700	3,548,200	3,538,700	0	<b>3,538,700</b>



<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Reduce the number of boiler and pressure vessel delinquents by 50%.

**Measure:** Number of delinquent boiler and pressure vessels.

661	400	200	0	200
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**Standard:** Maintain the 99% response rate for 30-day state mandate of inspection process to ensure operation safety requirements have been met.

**Measure:** Percent of reports processed within 30-day allotted timeframe.

99%	99%	99%	0	99%
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## Workers' Compensation

### 337.03 Workers' Compensation

The Workers' Compensation Division administers the workers' compensation benefit review program, which determines compensation eligibility and provides mediation services in disputed claims; administers the drug free workplace program, which discourages drug use and abuse in the workplace; approves proposed settlements in disputed claims when the parties have reached agreement on all disputed issues; administers programs for medical case management and utilization review of claims which require medical services; administers the Second Injury Fund; administers safety programs established by the workers' compensation law; maintains the official record for workers' compensation coverage and claims; informs workers of their rights under the law; and ensures benefits paid to injured employees are within statutory requirements.

Full-Time	162	162	162	23	<b>185</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>162</b>	<b>162</b>	<b>162</b>	<b>23</b>	<b>185</b>
Payroll	9,061,600	9,782,200	9,763,700	1,366,400	<b>11,130,100</b>
Operational	2,234,800	2,650,000	2,647,900	214,200	<b>2,862,100</b>
<b>Total</b>	<b>\$11,296,400</b>	<b>\$12,432,200</b>	<b>\$12,411,600</b>	<b>\$1,580,600</b>	<b>\$13,992,200</b>
State	11,189,100	12,400,200	12,379,600	1,580,600	<b>13,960,200</b>
Federal	0	0	0	0	<b>0</b>
Other	107,300	32,000	32,000	0	<b>32,000</b>

**Standard:** Benefit Review settlement conferences within 60 days form the date request for assistance is received.

**Measure:** Percent of Benefit Review settlement conferences completed within 60 days from the date request for assistance is received.

91%	94%	100%	0	100%
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**Standard:** Increase the number of cases settled.

**Measure:** Number of cases settled.

487	500	834	0	834
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase the total amount of Uninsured Employers Fund penalties collected.

**Measure:** Total amount of Uninsured Employers Fund penalties collected.

	\$782,885.62	\$1,248,000.00	\$1,622,400.00	0	\$1,622,400.00
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### 337.08 Second Injury Fund

The Second Injury Fund appropriation provides funding to pay the disability claims of previously injured employees that suffer additional injury on the job, resulting in permanent and total disability. In addition, the fund also encourages employers to hire workers with disabilities. Funding is provided from the workers' compensation premium tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	10,152,600	15,071,200	15,371,200	0	15,371,200
<b>Total</b>	<b>\$10,152,600</b>	<b>\$15,071,200</b>	<b>\$15,371,200</b>	<b>\$0</b>	<b>\$15,371,200</b>
State	9,784,300	14,796,200	15,096,200	0	15,096,200
Federal	0	0	0	0	0
Other	368,300	275,000	275,000	0	275,000

## Labor Standards

### 337.06 Labor Standards

The Labor Standards Division enforces labor laws, protecting wage earners from unfair practices through the Wage Regulation Act, protecting children through the Child Labor Act, and protecting state-funded construction work through the Prevailing Wage Act. This program also conducts statistical research on work-related injuries, illnesses, and fatalities. The program also provides an employee assistance professional program that assists employees with personal concerns that might hinder job performance.

Full-Time	23	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	1,010,500	1,110,900	1,103,600	0	1,103,600
Operational	249,100	271,400	274,300	0	274,300
<b>Total</b>	<b>\$1,259,600</b>	<b>\$1,382,300</b>	<b>\$1,377,900</b>	<b>\$0</b>	<b>\$1,377,900</b>
State	1,091,700	1,176,900	1,173,300	0	1,173,300
Federal	160,900	194,400	193,600	0	193,600
Other	7,000	11,000	11,000	0	11,000

**Standard:** Decrease in Child Labor violations found as a result of increased lecture outreach programs to 20%.

**Measure:** Percent of Child Labor inspections found with violations.

	41.5%	20%	20%	0	20%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Increase of Prevailing Wage Survey response to ensure fair minimum wage rates for employees engaged in work on state-funded building and highway projects to 60%.

**Measure:** Response rate for the Prevailing Wage Survey.

	50%	60%	60%	0	60%
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**Standard:** Remain at least 10% above the required federal reporting rate of 85% for the Occupational Safety and Health Administration (OSHA) Injury and Illness Survey.

**Measure:** Reporting rate for the OSHA survey.

	100%	95%	95%	0	95%
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## Employment and Workforce Development

### 337.07 Employment and Training

The Employment and Training Division administers the Workforce Investment Act (WIA), Tennessee career centers, Families First welfare-to-work services, veterans' services, and the job service programs. WIA creates a seamless system that addresses employer needs for skilled workers, while assisting job seekers needing training. The Tennessee career centers are used by employers seeking workers and anyone seeking job training, job placement, Families First welfare-to-work services, unemployment insurance, and other employment and training services. The senior community service employment program serves persons with low incomes who are 55 years or older and have poor employment prospects.

Full-Time	44	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>0</b>	<b>44</b>
Payroll	2,506,700	3,653,800	3,641,100	0	3,641,100
Operational	52,959,900	65,315,300	65,321,500	0	65,321,500
<b>Total</b>	<b>\$55,466,600</b>	<b>\$68,969,100</b>	<b>\$68,962,600</b>	<b>\$0</b>	<b>\$68,962,600</b>
State	0	0	0	0	0
Federal	55,466,600	68,891,100	68,884,600	0	68,884,600
Other	0	78,000	78,000	0	78,000

**Standard:** Maintain a top ten national state program ranking for Secretary of Labor's performance incentive awards.

**Measure:** Overall national program ranking in incentive awards received.

	5	7	7	0	7
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**Standard:** Provide employment to adults registered in and completing Workforce Investment Act (WIA) programs.

**Measure:** WIA Adult Entered Employment Rate.

	86%	83%	83%	0	83%
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**Standard:** Provide job skills to adults participating in WIA programs.

**Measure:** WIA Adult Skill Attainment Rate.

	75%	75%	80%	0	80%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 337.09 Adult Basic Education

The Adult Basic Education program provides adult education and literacy services to assist adults in learning skills necessary for employment and self-sufficiency and in the completion of a secondary school education.

Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>
Payroll	706,000	867,300	862,200	0	862,200
Operational	19,427,600	20,056,100	20,058,100	0	20,058,100
<b>Total</b>	<b>\$20,133,600</b>	<b>\$20,923,400</b>	<b>\$20,920,300</b>	<b>\$0</b>	<b>\$20,920,300</b>
State	3,159,600	3,619,200	3,618,800	0	3,618,800
Federal	12,716,600	13,078,500	13,077,400	0	13,077,400
Other	4,257,400	4,225,700	4,224,100	0	4,224,100

**Standard:** Raise the number of General Educational Development (GED) diplomas issued.

**Measure:** Number of GED diplomas issued.

	12,267	16,000	17,000	0	17,000
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**Standard:** Achieve Commitment Level recognition through the Tennessee Center for Performance Excellence Baldrige-based program by 41 programs of Adult Basic Education (ABE) programs.

**Measure:** Number of ABE programs reconized at Commitment Level.

	13	35	50	0	50
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**Standard:** Provide job skills to adults participating in Adult Education programs.

**Measure:** Adult Education Skill Attainment Rate.

	54%	60%	65%	0	65%
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## Employment Security

### 337.10 Employment Security

The Employment Security Division 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 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, Job Training Partnership Act applicants, senior citizens, food stamp recipients, and Temporary Assistance for Needy Families (Families First) recipients. The Employment Security Division also collects, analyzes, and maintains data on the economic and demographic characteristics of the labor force in Tennessee.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Full-Time	1,067	1,075	1,075	0	<b>1,075</b>
Part-Time	430	406	406	0	<b>406</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,497</b>	<b>1,481</b>	<b>1,481</b>	<b>0</b>	<b>1,481</b>
Payroll	46,341,400	62,010,400	61,458,300	0	<b>61,458,300</b>
Operational	18,842,700	20,674,100	21,034,700	0	<b>21,034,700</b>
<b>Total</b>	<b>\$65,184,100</b>	<b>\$82,684,500</b>	<b>\$82,493,000</b>	<b>\$0</b>	<b>\$82,493,000</b>
State	0	0	0	0	<b>0</b>
Federal	57,807,900	66,283,900	61,237,500	0	<b>61,237,500</b>
Other	7,376,200	16,400,600	21,255,500	0	<b>21,255,500</b>

**Standard:** Exceed by 5% the federal standard payment of 87% on an intrastate initial claim for benefits within 14 days of the first payable week.

**Measure:** Percent of intrastate claims paid within 14 days.

93%	94%	94%	0	94%
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**Standard:** Exceed by 10% the federal standard of 60% of all appeals to the Appeals Tribunal be heard and determined within 30 days from the date the appeal is filed.

**Measure:** Percent of appeals heard and determined within 30 days.

85.6%	70.0%	70.0%	0	70.0%
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**Standard:** Exceed the standard (65%) for Wagner-Peyser entered employment rate for participants of program.

**Measure:** Entered employment rate for Job Service participants.

65%	67%	68%	0	68%
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### 337.00 Total Labor and Workforce Development

Full-Time	1,579	1,589	1,589	23	<b>1,612</b>
Part-Time	461	436	436	0	<b>436</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>2,040</b>	<b>2,025</b>	<b>2,025</b>	<b>23</b>	<b>2,048</b>
Payroll	74,518,800	94,173,300	93,491,400	1,366,400	<b>94,857,800</b>
Operational	109,119,700	130,053,800	130,230,900	285,200	<b>130,516,100</b>
<b>Total</b>	<b>\$183,638,500</b>	<b>\$224,227,100</b>	<b>\$223,722,300</b>	<b>\$1,651,600</b>	<b>\$225,373,900</b>
State	32,093,600	40,286,700	40,029,700	1,651,600	<b>41,681,300</b>
Federal	135,452,600	159,180,100	154,088,500	0	<b>154,088,500</b>
Other	16,092,300	24,760,300	29,604,100	0	<b>29,604,100</b>



# Transportation, Business, and Economic Development

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# Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2007 – 2008

**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.

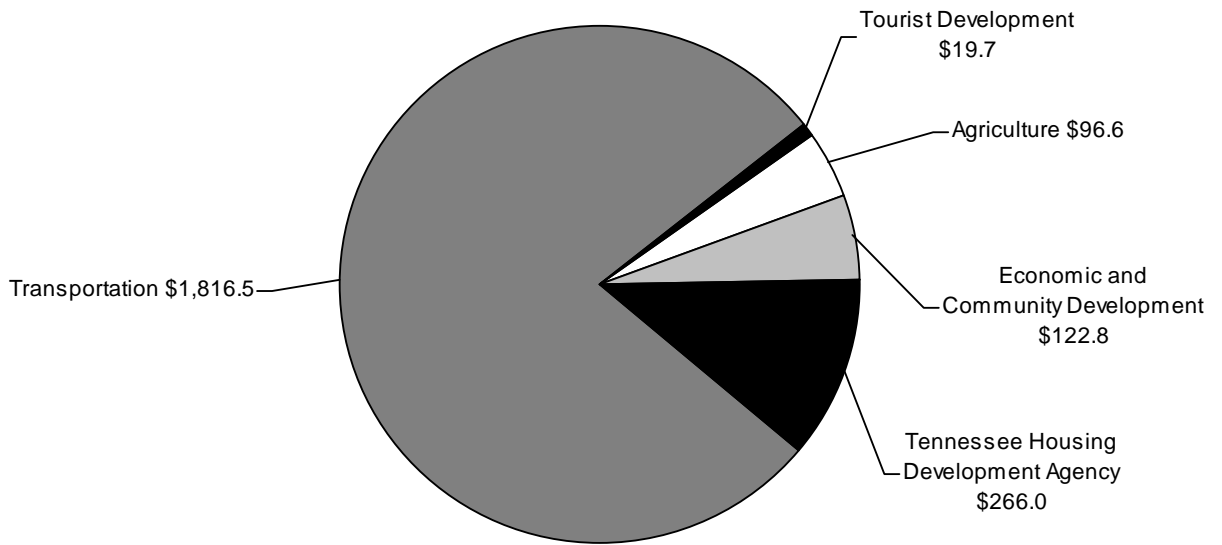
## Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a statement of recommended improvements for the ensuing fiscal year; (3) 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 (4) program performance measures.

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 2007 - 2008 Recommended**



In Millions

\$2,321,754,800 Total

## Transportation, Business, and Economic Development Total Personnel and Funding

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Recommended 2007-2008</u>
<b>Personnel</b>			
Full Time	6,159	6,174	6,215
Part Time	14	14	14
Seasonal	225	225	225
<b>TOTAL</b>	<b>6,398</b>	<b>6,413</b>	<b>6,454</b>
<b>Expenditures</b>			
Payroll	\$264,186,000	\$295,823,100	\$325,185,300
Operational	1,539,226,600	1,948,323,200	1,996,569,500
<b>TOTAL</b>	<b>\$1,803,412,600</b>	<b>\$2,244,146,300</b>	<b>\$2,321,754,800</b>
<b>Funding</b>			
State	\$891,195,700	\$935,699,100	\$994,751,900
Federal	841,190,900	1,207,689,500	1,232,410,100
Other	71,026,000	100,757,700	94,592,800

## Transportation, Business and Economic Development Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Agriculture</b>					
<b>• Farm Program</b>					
To provide funds to increase the recurring appropriation for the Farm Program from \$5 million to \$11 million. The \$6 million increase will provide programs to improve cattle breeding, cattle-handling facilities, and hay storage facilities (through producer incentive grants); encourage diversification of crops; promote Tennessee products; assist with development of a viticulture association of wineries and grape producers; and support farmers markets and other agribusiness initiatives. This improvement is funded from the proposed 40-cent increase in the cigarette tax.					
<b>325.05 Regulatory Services</b>	\$312,000	\$0	\$0	\$312,000	0
<b>325.06 Market Development</b>	\$5,688,000	\$0	\$0	\$5,688,000	0
<b>Sub-total</b>	\$6,000,000	\$0	\$0	\$6,000,000	0
<b>• Organic Farming</b>					
To provide non-recurring funds to promote organic farming and organic crop marketing. Organic farming reduces the use of conventional pesticides, fertilizers, and ionizing radiation. Organic food is produced by emphasizing the use of renewable resources and the conservation of soil and water to enhance environmental quality. Organic meat, poultry, eggs, and dairy products come from animals that are given no antibiotics or growth hormones.					
<b>325.06 Market Development</b>	\$500,000	\$0	\$0	\$500,000	0
<b>Sub-total</b>	\$500,000	\$0	\$0	\$500,000	0
<b>• Soil Conservation - Agricultural Resources Conservation Fund</b>					
To provide recurring funds to the Agricultural Resources Conservation Fund. This appropriation is from an additional \$12 million allocation of the real estate transfer tax. This, along with the \$18 million base budget allocation, will provide a total allocation from the tax of \$30 million for the four land acquisition and soil conservation programs in fiscal year 2007-2008. 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>• Fire-Fighter Communications</b>					
To provide funds to upgrade the department's fire-fighting communications equipment. A non-recurring amount of \$3,848,000 will fund the first of three phases to replace aging equipment. This includes programmable portable radios for communications on and with the fire line. Four positions are funded, including a radio system analyst and three radio communication technicians.					
<b>325.10 Forestry Operations</b>	\$4,092,100	\$0	\$0	\$4,092,100	4
<b>Sub-total</b>	\$4,092,100	\$0	\$0	\$4,092,100	4
<b>Total Agriculture</b>	<b>\$12,842,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,842,100</b>	<b>4</b>

## Transportation, Business and Economic Development Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>Tourist Development</b>					
• <b>Advertising</b>					
To provide non-recurring funds for the continuation of Tennessee's advertising campaign, "Tennessee, The Stage is Set for You!" The campaign will continue to target markets with the highest potential for increasing tourism to the state. These funds also will provide additional marketing support to rural and small communities for various heritage, cultural, and other outdoor recreational activities.					
<b>326.01 Administration and Marketing</b>	\$4,750,000	\$0	\$0	\$4,750,000	0
<b>Sub-total</b>	\$4,750,000	\$0	\$0	\$4,750,000	0
• <b>Welcome Center Security</b>					
To provide additional security for Tennessee's 13 welcome centers on the interstate highways.					
<b>326.03 Welcome Centers</b>	\$1,500,000	\$0	\$0	\$1,500,000	0
<b>Sub-total</b>	\$1,500,000	\$0	\$0	\$1,500,000	0
<b>Total Tourist Development</b>	<b>\$6,250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,250,000</b>	<b>0</b>

## Economic and Community Development

• <b>Next Step Jobs - Jobs Package</b>					
To continue the state's investment in creating new opportunities for Tennessee's workforce in the 21st century economy and to support the growth and retention of the state's base of traditional jobs. Non-recurring funds of \$36 million are provided for job training and infrastructure projects. A non-recurring appropriation of \$4 million is provided for business recruitment and retention activities that do not fall under FastTrack funding criteria. A recurring appropriation of \$630,000 will expand foreign marketing efforts, particularly in China. Activities will include establishing an office, conducting annual foreign trade missions, and equalizing and providing operational increases for the three foreign consulting contracts in Japan, Europe, and Canada. Recurring funds of \$1.5 million will support the Tennessee Leadership Center, which provides regional training and educational opportunities for rural community leadership, and will increase participation in the Three-Star and Main Street programs. The non-recurring total of this appropriation is \$40 million.					
<b>330.02 Business Development</b>	\$4,630,000	\$0	\$0	\$4,630,000	0
<b>330.06 FastTrack Infrastructure Development Program</b>	\$36,000,000	\$0	\$0	\$36,000,000	0
<b>330.07 Community Development</b>	\$1,500,000	\$0	\$0	\$1,500,000	0
<b>Sub-total</b>	\$42,130,000	\$0	\$0	\$42,130,000	0
• <b>Next Step Jobs - Research Network</b>					
To provide funds to extend the Oak Ridge National Lab-TVA high-speed research network into Shelby County. This appropriation is non-recurring.					
<b>330.06 FastTrack Infrastructure Development Program</b>	\$3,000,000	\$0	\$0	\$3,000,000	0
<b>Sub-total</b>	\$3,000,000	\$0	\$0	\$3,000,000	0

## Transportation, Business and Economic Development Improvements for Fiscal Year 2007-2008

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<b>• Rural Opportunity Fund</b>					
To provide non-recurring funds for the Rural Opportunity Fund. The Tennessee Rural Opportunity Fund is a public-private partnership that will create a small-business loan program targeted to small, minority, and women-owned rural businesses that are unable to access traditional loan capital. The fund will leverage state dollars to create a permanent, privately-funded \$10 million revolving loan reserve. Additionally, rural businesses will receive technical assistance to strengthen their businesses and facilitate migration to traditional bank loan programs, freeing existing loan dollars for additional emerging rural businesses.					
<b>330.02 Business Development</b>	\$1,250,000	\$0	\$0	\$1,250,000	0
<b>Sub-total</b>	\$1,250,000	\$0	\$0	\$1,250,000	0
<b>• Next Step Jobs - Infrastructure Needs Inventory</b>					
To provide non-recurring funds to develop a comprehensive statewide inventory of infrastructure needs in order to guide future infrastructure-investment priorities.					
<b>330.01 Administrative Services</b>	\$100,000	\$0	\$0	\$100,000	0
<b>Sub-total</b>	\$100,000	\$0	\$0	\$100,000	0
<b>• Local Planning Services</b>					
To provide funds for planning assistance to local governments. Positions include two community planners, a flood map manager, and a geographic information system manager. This also will provide Internet access to all local planning staff. Other revenue is from local governments receiving services.					
<b>330.07 Community Development</b>	\$154,500	\$0	\$154,500	\$309,000	4
<b>Sub-total</b>	\$154,500	\$0	\$154,500	\$309,000	4
<b>Total Economic and Community Development</b>	<b>\$46,634,500</b>	<b>\$0</b>	<b>\$154,500</b>	<b>\$46,789,000</b>	<b>4</b>
<b>Total Transportation, Business and Economic Development</b>	<b>\$65,726,600</b>	<b>\$0</b>	<b>\$154,500</b>	<b>\$65,881,100</b>	<b>8</b>

# 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 comprised of state officials and gubernatorial and legislative appointees that are active and knowledgeable in their respective industries.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 316.20 Tennessee Housing Development Agency

Full-Time	201	200	200	0	<b>200</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>201</b>	<b>200</b>	<b>200</b>	<b>0</b>	<b>200</b>
Payroll	10,179,700	12,318,500	12,258,200	0	<b>12,258,200</b>
Operational	166,965,300	254,341,700	253,747,200	0	<b>253,747,200</b>
<b>Total</b>	<b>\$177,145,000</b>	<b>\$266,660,200</b>	<b>\$266,005,400</b>	<b>\$0</b>	<b>\$266,005,400</b>
State	0	1,000,000	350,000	0	<b>350,000</b>
Federal	172,157,800	249,140,300	249,160,000	0	<b>249,160,000</b>
Other	4,987,200	16,519,900	16,495,400	0	<b>16,495,400</b>

**Standard:** Obligate 100% of the available HOME funds.

**Measure:** Percent of HOME funds obligated.

100%	100%	100%	0	100%
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**Standard:** Utilize fully the number of vouchers allocated by U.S. Department of Housing and Urban Development (HUD) to provide rental assistance to low-income families.

**Measure:** Percent of vouchers allocated by HUD that are being fully utilized to provide affordable rental housing.

100%	100%	100%	0	100%
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# Department of Agriculture

## Performance-Based Budget

The Department of Agriculture was established in 1854 with the original purpose of promoting agriculture through fairs and livestock expositions. This tradition continues today as the department helps expand markets for farm and forest products through promotions and industry development activities. The department provides an array of consumer services, from food safety and product quality assurance to pesticide regulation and environmental monitoring. Forestry services include landowner assistance, wildfire suppression, and state forest management. Water quality programs encourage and promote wise stewardship of our natural resources. The department's mission is performed within the following four major areas: administration and grants, market development, regulatory services, and forestry.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### Administration and Grants

The Administration and Grants program coordinates various duties including policy and strategic planning, budgeting, personnel administration, legal, and information services.

Through cooperation with the National Agricultural Statistics Service, this division collects, analyzes, and publishes reliable data for producers and decision makers in agriculture. In addition, the staff monitors grant-based programs in the areas of soil conservation and water quality, pesticide pollution and abatement, commodity distribution assistance to eligible recipients, forestry incentives, and volunteer fire department assistance. The division administers several programs to help reduce soil erosion on Tennessee farms and forestlands and to improve water quality.

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.

#### 325.01 Administration and Grants

The Administration and Grants program includes the commissioner's office, budget office, legal services, personnel office, public affairs, legislative liaison, agricultural crime services, and agricultural statistics services. This program carries out the Non-Point Clean Water Act services delegated through the Environmental Protection Agency (EPA). This program also distributes commodities under the guidance of various federal laws.

Full-Time	79	79	79	0	79
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
<b>Total</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>0</b>	<b>80</b>
Payroll	4,647,100	5,134,700	5,103,700	0	5,103,700
Operational	9,910,500	9,320,000	9,379,000	0	9,379,000
<b>Total</b>	<b>\$14,557,600</b>	<b>\$14,454,700</b>	<b>\$14,482,700</b>	<b>\$0</b>	<b>\$14,482,700</b>
State	8,705,900	9,523,200	9,551,200	0	9,551,200
Federal	5,424,500	4,635,200	4,635,200	0	4,635,200
Other	427,200	296,300	296,300	0	296,300



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Improve water quality in Tennessee with federal funds made available by the Environmental Protection Agency (EPA) and approved in the 319 Management Program Document.

**Measure:** Number of Best Management Practices (BMPs) installed within watersheds identified as impaired by non-point pollution in the 2004 303(d) list published by the Department of Environment and Conservation.

	357	350	400	0	400
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**Standard:** Improve water quality in Tennessee with federal funds made available by the EPA and approved in the 319 Management Program Document.

**Measure:** Number of Best Management Practices (BMPs) installed within watersheds where the water quality is threatened by non-point pollution in the 2004 303(d) list published by the Department of Environment and Conservation.

	258	150	300	0	300
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### 325.08 Agricultural Resources Conservation Fund

The Agricultural Resources Conservation Fund provides grants to landowners, producers, and managers for the installation of best-management practices aimed at solving water quality problems associated with agricultural operations. Funds also support a variety of educational programs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	3,378,100	4,500,000	3,375,000	2,250,000	5,625,000
<b>Total</b>	<b>\$3,378,100</b>	<b>\$4,500,000</b>	<b>\$3,375,000</b>	<b>\$2,250,000</b>	<b>\$5,625,000</b>
State	3,263,700	4,500,000	3,375,000	2,250,000	5,625,000
Federal	0	0	0	0	0
Other	114,400	0	0	0	0

**Standard:** Improve water quality in Tennessee with state appropriations through the installation of Best Management Practices in agricultural production areas.

**Measure:** Number of Best Management Practices installed in impaired watersheds, pursuant to TCA 67-4-409(1), to abate non-point source water pollution from agricultural operations.

	427	400	600	0	600
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**Standard:** Improve water quality in Tennessee with state appropriations through the installation of Best Management Practices in agricultural production areas.

**Measure:** Number of Best Management Practices installed in threatened watersheds, pursuant to TCA 67-4-409(1), to abate non-point source water pollution from agricultural operations.

	1,257	400	1,400	0	1,400
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 325.12 Grain Indemnity Fund

Monies from the Grain Indemnity Fund are used to protect commodity producers in the event of the financial failure of a commodity dealer or warehouseman and to compensate producers for losses occasioned by the failure of a commodity dealer or warehouseman. Per-bushel assessment fees on grain producers cover the cost of the program. When the fund balance exceeded \$3 million, producer assessments were suspended, as provided by law. Revenues in the program are interest earnings on the fund balance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	155,900	126,700	126,700	0	126,700
<b>Total</b>	<b>\$155,900</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	155,900	126,700	126,700	0	126,700

**Standard:** Reimburse administrative costs.

**Measure:** Percent of administrative costs recovered.

100%	100%	100%	0	100%
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### 325.14 Certified Cotton Growers' Organization Fund

Monies from the Certified Cotton Grower's Organization Fund are used for boll weevil eradication. Funds are granted to the Tennessee Boll Weevil Eradication Foundation, which oversees the program. The appropriation to this program is from an assessment which cotton growers levy upon themselves. A separate general fund appropriation to support the eradication is provided in the Administration and Grants allotment.

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	5,182,100	6,540,000	6,540,000	0	6,540,000
<b>Total</b>	<b>\$5,182,100</b>	<b>\$6,540,000</b>	<b>\$6,540,000</b>	<b>\$0</b>	<b>\$6,540,000</b>
State	3,091,500	6,540,000	6,540,000	0	6,540,000
Federal	0	0	0	0	0
Other	2,090,600	0	0	0	0

**Standard:** Maximize collection of assessments.

**Measure:** Percent of assessments collected.

99.2%	100%	100%	0	100%
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<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Eradicate boll weevils.

**Measure:** Percent of Tennessee cotton fields that are boll weevil free.

96%	98%	98%	0	98%
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## Market Development

### 325.06 Market Development

The Market Development Division works to maximize economic opportunities for Tennessee agriculture through innovative marketing programs and promotional services. The division works to develop domestic and foreign markets for Tennessee agricultural and forest products and to attract agriculture and forest industry to the state. Marketing efforts promote a variety of products, including horticultural material, livestock, fruits and vegetables, value-added products, aquaculture, Tennessee wines, and other products. Grants promote market development initiatives and non-profit agricultural fairs and livestock shows throughout the state.

Full-Time	27	29	29	0	<b>29</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>31</b>	<b>31</b>	<b>0</b>	<b>31</b>
Payroll	1,442,600	1,716,200	1,706,500	0	<b>1,706,500</b>
Operational	2,368,300	8,208,700	5,760,100	6,188,000	<b>11,948,100</b>
<b>Total</b>	<b>\$3,810,900</b>	<b>\$9,924,900</b>	<b>\$7,466,600</b>	<b>\$6,188,000</b>	<b>\$13,654,600</b>
State	3,536,000	8,241,900	7,233,600	6,188,000	<b>13,421,600</b>
Federal	125,200	78,000	98,000	0	<b>98,000</b>
Other	149,700	1,605,000	135,000	0	<b>135,000</b>

**Standard:** Increase investments in Tennessee's agri-economy.

**Measure:** Amount of agri-industry investments facilitated by division's activities.

\$25,620,000	\$18,235,350	\$28,246,050	0	\$28,246,050
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**Standard:** Positively impact local and regional economies through participation in agricultural fairs.

**Measure:** Increase annual cash receipts from agricultural fairs.

\$12,226,862	\$13,530,979	\$13,796,186	0	\$13,796,186
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## Regulatory Services

The Regulatory Services Division is dedicated to the two main objectives of agricultural production quality and consumer protection. Responsibilities of the division include sampling the quality of feeds, seeds, and fertilizers; protecting animal and plant health; registering pesticides; ensuring food safety; and inspecting processing establishments. A state-of-the-art laboratory supports regulatory efforts.

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 325.05 Regulatory Services

Regulatory Services monitors agricultural raw materials, products, and services to assure quality, consumer protection, public safety, a fair market place, and a safe and wholesome food supply. Statutes direct responsibility for the registration, licensing, sampling, inspection of items pertaining to human and animal health safety, consumer protection, truth in labeling, and free movement of plants and animals.

Full-Time	222	223	223	0	223
Part-Time	9	9	9	0	9
Seasonal	3	3	3	0	3
<b>Total</b>	<b>234</b>	<b>235</b>	<b>235</b>	<b>0</b>	<b>235</b>
Payroll	11,271,500	12,655,600	12,580,400	0	12,580,400
Operational	6,385,400	6,961,100	5,913,300	312,000	6,225,300
<b>Total</b>	<b>\$17,656,900</b>	<b>\$19,616,700</b>	<b>\$18,493,700</b>	<b>\$312,000</b>	<b>\$18,805,700</b>
State	11,070,900	11,835,700	11,885,500	312,000	12,197,500
Federal	1,390,200	1,573,700	1,297,400	0	1,297,400
Other	5,195,800	6,207,300	5,310,800	0	5,310,800

**Standard:** Ensure routine food establishment inspections meet audit compliance standards.

**Measure:** Consistency of food inspections indicated by comparison of audit inspections meeting goal.

82%	90%	82%	0	82%
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**Standard:** Ensure all producers pass state/federal milk-rating audits.

**Measure:** Compliance audits of Tennessee milk supply determined by state and federal auditors: number of units not passing audits.

0	0	0	0	0
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**Standard:** Ensure weight and measure devices weigh accurately.

**Measure:** Compliance of weighing and measuring devices: percent passing accuracy tests.

96.3%	97%	97%	0	97%
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**Standard:** Ensure commodity lots inspected are accurately weighed.

**Measure:** Compliance percent of commodity lots inspected for correct net contents.

92.6%	90.0%	90.0%	0	90.0%
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**Standard:** Ensure commodities inspected are accurately priced.

**Measure:** Compliance percent of commodities verified for accurate pricing.

96.8%	96.0%	96.0%	0	96.0%
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**Standard:** Ensure kerosene and motor fuel samples collected and tested meet standards.

**Measure:** Compliance percent of motor fuels and kerosene samples collected and tested.

97.4%	97.0%	97.0%	0	97.0%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Ensure all livestock disease programs meet United States Department of Agriculture (USDA) standards.

**Measure:** Number of animal disease programs that do not meet the minimum requirements of disease status recognized by USDA.

	0	0	0	0	0
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**Standard:** Complete pesticide complaint investigations on target.

**Measure:** Percent of pesticide-related consumer complaint investigations complete within the established guideline of 90 days.

	100%	90%	90%	0	90%
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**Standard:** Increase Worker Protection Standard Inspection compliance.

**Measure:** Percent compliance of Worker Protection Standard Inspections.

	72%	83%	78%	0	78%
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**Standard:** Decrease rejection of plant materials exported from Tennessee.

**Measure:** Number of plant material lots rejected by other states/countries originating in Tennessee.

	19	12	20	0	20
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**Standard:** Prevent un-inspected plant materials and other regulated articles from import into Tennessee.

**Measure:** Number of plant material lots and regulated article lots rejected by Tennessee originating from other states/countries.

	30	28	28	0	28
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### 325.16 Agricultural Regulatory Fund

The Agricultural Regulatory Fund provides funding to the divisions of Administration and Grants and Regulatory Services to help defray the costs of administering regulatory programs. The funds are used for permitting, monitoring, investigating, enforcing, and administering such areas as pesticide product registration, pesticide dealer licenses and fees, plant certification fees, plant and soil testing fees, and pathology. Licensing and product registrations and civil penalties are deposited into the fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	3,256,800	2,474,400	2,474,400	0	2,474,400
<b>Total</b>	<b>\$3,256,800</b>	<b>\$2,474,400</b>	<b>\$2,474,400</b>	<b>\$0</b>	<b>\$2,474,400</b>
State	2,302,100	2,354,400	2,354,400	0	2,354,400
Federal	0	0	0	0	0
Other	954,700	120,000	120,000	0	120,000

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Maximize work plan expenditures funded with Agricultural Regulatory Fund dollars.

**Measure:** Percent of work plan estimated expenditures transferred at year-end.

	100%	98%	98%	0	98%
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## Forestry

The Forestry division provides operational support and maintenance to Tennessee's abundant public and private forest resources.

### 325.10 Forestry Operations

The Forestry Operations Division provides numerous land management and protection services to Tennessee's forests. These include fire suppression, water quality protection, insect and disease control, land-owner assistance, tree improvement, seedling production, product utilization and promotion, urban forestry, and state forest management.

Full-Time	330	330	330	4	<b>334</b>
Part-Time	3	3	3	0	<b>3</b>
Seasonal	221	221	221	0	<b>221</b>
<b>Total</b>	<b>554</b>	<b>554</b>	<b>554</b>	<b>4</b>	<b>558</b>
Payroll	15,564,700	17,491,800	17,379,300	182,100	<b>17,561,400</b>
Operational	16,907,000	13,401,100	13,305,900	3,910,000	<b>17,215,900</b>
<b>Total</b>	<b>\$32,471,700</b>	<b>\$30,892,900</b>	<b>\$30,685,200</b>	<b>\$4,092,100</b>	<b>\$34,777,300</b>
State	18,179,300	22,934,900	23,028,900	4,092,100	<b>27,121,000</b>
Federal	11,720,000	5,026,600	5,038,600	0	<b>5,038,600</b>
Other	2,572,400	2,931,400	2,617,700	0	<b>2,617,700</b>

**Standard:** Reduce annual losses of forest resources and other assets due to wildfire.

**Measure:** Number of wildland fires suppressed.

	1,757	1,900	2,000	0	2,000
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**Standard:** Reduce annual losses of forest resources and other assets due to wildfire.

**Measure:** Average size of fires in acres.

	16	10	10	0	10
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**Standard:** Ensure forest sustainability through the continual accumulation of data on the condition of Tennessee's forest resources.

**Measure:** Percent of forest inventory and analysis plots re-measured.

	15%	20%	20%	0	20%
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### 325.11 Forestry Maintenance

The Forestry Maintenance program provides funds for maintenance of the Division of Forestry facilities and communications equipment.

Full-Time	0	0	0	0	<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>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	140,000	158,500	158,500	0	158,500
<b>Total</b>	<b>\$140,000</b>	<b>\$158,500</b>	<b>\$158,500</b>	<b>\$0</b>	<b>\$158,500</b>
State	140,000	158,500	158,500	0	158,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Utilize available funds for needed maintenance.

**Measure:** Percent of available funding used for facilities and communications maintenance.

62%	100%	100%	0	100%
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**325.00 Total Agriculture**

Full-Time	658	661	661	4	665
Part-Time	14	14	14	0	14
Seasonal	225	225	225	0	225
<b>Total</b>	<b>897</b>	<b>900</b>	<b>900</b>	<b>4</b>	<b>904</b>
Payroll	32,925,900	36,998,300	36,769,900	182,100	36,952,000
Operational	47,684,100	51,690,500	47,032,900	12,660,000	59,692,900
<b>Total</b>	<b>\$80,610,000</b>	<b>\$88,688,800</b>	<b>\$83,802,800</b>	<b>\$12,842,100</b>	<b>\$96,644,900</b>
State	50,289,400	66,088,600	64,127,100	12,842,100	76,969,200
Federal	18,659,900	11,313,500	11,069,200	0	11,069,200
Other	11,660,700	11,286,700	8,606,500	0	8,606,500

# 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 in order to increase the number of travelers and tourists coming to Tennessee. The department assists smaller communities in developing new tourism programs to positively impact local economic development. In addition, the department provides visitors to Tennessee's welcome centers with a safe, positive impression of Tennessee. The department is organized into two divisions: Administration and Marketing and Welcome Centers.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### 326.01 Administration and Marketing

The Administration and Marketing Division is responsible for planning, managing, and implementing marketing programs that increase the economic impact of tourism on the state's economy. The marketing activities are designed to enhance Tennessee's image as a primary tourist destination. These activities include creating, producing, and placing broadcast and print media campaigns; developing direct sales programs that target group tour companies, travel agents, and international tour operators; promoting Tennessee to the media and national travel press by writing and distributing camera-ready travel articles and sponsoring travel writer press trips to Tennessee locations; developing promotional brochures and travel literature for distribution to customers; collecting travel data and developing marketing research information; developing rural and heritage tourism promotional opportunities by directly working with local communities; and providing cooperative advertising, marketing, and promotional opportunities to businesses in the travel industry. This division also is responsible for the overall administration of the department, including financial, information system, and support services.

Full-Time	28	28	28	0	<b>28</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>28</b>
Payroll	1,559,600	1,931,500	1,923,500	0	<b>1,923,500</b>
Operational	9,834,200	10,651,200	5,916,200	4,750,000	<b>10,666,200</b>
<b>Total</b>	<b>\$11,393,800</b>	<b>\$12,582,700</b>	<b>\$7,839,700</b>	<b>\$4,750,000</b>	<b>\$12,589,700</b>
State	11,190,600	12,072,700	7,329,700	4,750,000	<b>12,079,700</b>
Federal	0	0	0	0	<b>0</b>
Other	203,200	510,000	510,000	0	<b>510,000</b>

**Standard:** Increase travel generated sales.

**Measure:** Annual gross sales for selected travel-related businesses in Tennessee.

\$6,847,373,000	\$6,864,586,000	\$6,448,385,000	0	\$6,448,385,000
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 326.03 Welcome Centers

The Tennessee Welcome Centers encourage visitors traveling to and through Tennessee to spend more time in the state and to visit more Tennessee tourism destinations. This division is responsible for the operation of the 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 reservation services to the millions of visitors who stop at the centers each year.

Full-Time	117	128	128	0	128
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>117</b>	<b>128</b>	<b>128</b>	<b>0</b>	<b>128</b>
Payroll	3,763,800	4,518,800	4,477,600	0	4,477,600
Operational	1,041,200	1,118,100	1,165,000	1,500,000	2,665,000
<b>Total</b>	<b>\$4,805,000</b>	<b>\$5,636,900</b>	<b>\$5,642,600</b>	<b>\$1,500,000</b>	<b>\$7,142,600</b>
State	0	0	0	1,500,000	1,500,000
Federal	0	0	0	0	0
Other	4,805,000	5,636,900	5,642,600	0	5,642,600

**Standard:** Encourage travelers to extend their stay in Tennessee by providing a free reservation service and increase the annual number of reservations made to 15,000.

**Measure:** Number of reservations made.

	20,760	14,750	15,000	0	15,000
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### 326.00 Total Tourist Development

Full-Time	145	156	156	0	156
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>145</b>	<b>156</b>	<b>156</b>	<b>0</b>	<b>156</b>
Payroll	5,323,400	6,450,300	6,401,100	0	6,401,100
Operational	10,875,400	11,769,300	7,081,200	6,250,000	13,331,200
<b>Total</b>	<b>\$16,198,800</b>	<b>\$18,219,600</b>	<b>\$13,482,300</b>	<b>\$6,250,000</b>	<b>\$19,732,300</b>
State	11,190,600	12,072,700	7,329,700	6,250,000	13,579,700
Federal	0	0	0	0	0
Other	5,008,200	6,146,900	6,152,600	0	6,152,600

# Department of Economic and Community Development

## Performance-Based Budget

The Department of Economic and Community Development 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. The department's top priorities are to prepare local communities for economic development opportunities, train Tennessee's workers, recruit new industries, and assist existing firms. The department's programs are presented in five groupings: administrative services, business development and services, job training, job skills, and energy assistance.

The Tennessee Film, Entertainment, and Music Commission is administratively attached to the department. The commission attracts television, commercial, movie, and videotape projects to Tennessee and promotes the use of Tennessee locations and artists in those productions.

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### Administrative Services

#### 330.01 Administrative Services

Administrative Services provides research, advertising, communications, and various administrative services, including fiscal and personnel. 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 advertising needs, and produces informational publications. The Tennessee Technology Development Corporation promotes in-state technology development and the recruitment of high-technology industries. This allotment also provides funds for staff of the Film, Entertainment, and Music Commission.

Full-Time	56	61	61	0	61
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>56</b>	<b>61</b>	<b>61</b>	<b>0</b>	<b>61</b>
Payroll	3,072,700	3,980,800	3,986,500	0	3,986,500
Operational	3,352,600	1,894,100	1,835,600	100,000	1,935,600
<b>Total</b>	<b>\$6,425,300</b>	<b>\$5,874,900</b>	<b>\$5,822,100</b>	<b>\$100,000</b>	<b>\$5,922,100</b>
State	5,080,800	5,403,500	5,398,800	100,000	5,498,800
Federal	202,000	135,500	135,500	0	135,500
Other	1,142,500	335,900	287,800	0	287,800

**Standard:** Process invoices within 30 days of receipt to ensure compliance with state policy.

**Measure:** Percent of invoices processed within 30 days of receipt.

97%	95%	95%	0	95%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** In order to reduce downtime caused by technology issues, respond to IT trouble calls within two hours.

**Measure:** Percent of trouble calls responded to within two hours.

	96%	100%	100%	0	100%
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## Business Development and Services

### 330.02 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.

Full-Time	28	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>28</b>	<b>26</b>	<b>26</b>	<b>0</b>	<b>26</b>
Payroll	1,899,100	1,861,700	1,854,400	0	1,854,400
Operational	7,480,600	2,221,200	1,664,400	5,880,000	7,544,400
<b>Total</b>	<b>\$9,379,700</b>	<b>\$4,082,900</b>	<b>\$3,518,800</b>	<b>\$5,880,000</b>	<b>\$9,398,800</b>
State	9,047,700	3,902,900	3,398,800	5,880,000	9,278,800
Federal	0	0	0	0	0
Other	332,000	180,000	120,000	0	120,000

**Standard:** Attract and recruit new investments and new jobs through the recruitment of new business and industry to the state.

**Measure:** Percent of new business and industry projects worked that located in the state.

	30%	17%	20%	5%	25%
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**Standard:** Attract and recruit new investments and new jobs by assisting existing business and industry to expand in the state.

**Measure:** Percent of existing business and industry projects worked that expanded in the state.

	42%	40%	40%	2%	42%
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**Standard:** Assist in the creation of new jobs through the recruitment of new and existing industry to locate and expand in the state.

**Measure:** Number of jobs to be created in industry sectors that are supported by Business Development.

	23,135	12,000	12,000	6,000	18,000
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**Standard:** Promote new investment in the state through the recruitment of new and existing industry to locate and expand in the state.

**Measure:** Private capital investment leveraged as a result of recruitment and expansion projects.

	\$2,551,613,946	\$1,500,000,000	\$1,500,000,000	500,000,000	\$2,000,000,000
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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### 330.05 Business Services

The Business Services Division is responsible for the operations of the business enterprise resource office and provides administrative oversight of the FastTrack Job Training Assistance Program and the Tennessee Job Skills Program. The division's mission is to expand economic opportunities for small, rural, minority, and women-owned businesses by providing technical, financial, and management assistance. The division also assists the Governor's Office of Diversity Business Enterprise in its mission to expand procurement opportunities for minority, women-owned, and small businesses that desire to do business with the State of Tennessee.

Full-Time	9	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>
Payroll	518,600	629,700	627,500	0	627,500
Operational	348,000	2,193,700	2,194,600	0	2,194,600
<b>Total</b>	<b>\$866,600</b>	<b>\$2,823,400</b>	<b>\$2,822,100</b>	<b>\$0</b>	<b>\$2,822,100</b>
State	722,300	1,107,900	1,106,600	0	1,106,600
Federal	0	125,000	125,000	0	125,000
Other	144,300	1,590,500	1,590,500	0	1,590,500

**Standard:** In order to expand the procurement opportunities for minority, women-owned, rural, and small businesses, the Business Enterprise Resource Office (BERO) will refer small businesses to the Governor's Office of Diversity Business Enterprise (Go-DBE).

**Measure:** Number of minority, women-owned, rural, and small businesses referred by BERO to Go-DBE.

	807	100	880	0	880
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**Standard:** In order to help disadvantaged businesses start, grow, and succeed, BERO will provide technical, financial, or managerial assistance to small, rural, minority, and women-owned businesses.

**Measure:** Number of small, rural, minority, and women-owned businesses assisted.

	1,706	600	1,100	0	1,100
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**Standard:** In order to help disadvantaged business start, grow, and succeed, BERO will provide small, rural, minority, and women-owned businesses with information on available resources and refer them as appropriate.

**Measure:** Number of referrals made for small, rural, minority, and women-owned businesses.

	3,560	900	3,100	0	3,100
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**Actual**  
**2005-2006**

**Estimated**  
**2006-2007**

**Base**  
**2007-2008**

**Improvement**  
**2007-2008**

**Recommended**  
**2007-2008**

## Job Training and Job Skills

### 330.09 FastTrack Job Training Assistance Program

The FastTrack Job Training Assistance staff coordinates with companies to plan, develop, and implement customized training programs that meet specific needs. This allotment provides funds for the cost of staffing the program. Training grant funds are provided in the FastTrack Infrastructure Development 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	243,600	267,200	265,500	0	265,500
Operational	73,600	49,400	49,900	0	49,900
<b>Total</b>	<b>\$317,200</b>	<b>\$316,600</b>	<b>\$315,400</b>	<b>\$0</b>	<b>\$315,400</b>
State	317,200	316,600	315,400	0	315,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Assist in the creation and retention of jobs through the provision of training assistance.

**Measure:** Number of jobs created or upgraded.

8,758	2,500	4,000	0	4,000
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**Standard:** Through the provision of training assistance, elevate the skills of Tennessee workers and enhance employment opportunities.

**Measure:** Number of trainees.

21,292	2,500	6,000	0	6,000
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**Standard:** Promote FastTrack Job Training Assistance Program as a key source for recruitment and retention of jobs.

**Measure:** Number of businesses assisted.

112	100	100	0	100
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### 330.13 Tennessee Job Skills Program

The Tennessee Job Skills Program is a workforce development incentive program that provides training grants to employers in order to increase employment opportunities and to meet the needs of existing and new industries. The grants are intended to create and retain high-skill, high-wage jobs in high-technology, emerging occupations and skilled manufacturing jobs. Emphasis is placed on supporting retention and expansion efforts of existing employers.

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	216,200	316,300	315,100	0	315,100
Operational	2,923,500	9,212,100	9,212,400	0	9,212,400
<b>Total</b>	<b>\$3,139,700</b>	<b>\$9,528,400</b>	<b>\$9,527,500</b>	<b>\$0</b>	<b>\$9,527,500</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,139,700	9,528,400	9,527,500	0	9,527,500

**Standard:** Assist in the creation and retention of jobs through the provision of training assistance.

**Measure:** Number of jobs created or upgraded.

	5,543	25	30	0	30
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**Standard:** Through the provision of training assistance, elevate the skills of Tennessee workers and enhance employment opportunities.

**Measure:** Number of trainees.

	6,216	25	30	0	30
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## Community Development

The Community Development division 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 communities with economic growth by providing grants for infrastructure improvements, industrial site preparation, and industrial training. Infrastructure improvements include projects such as water, wastewater, and rail improvements. Industrial site preparation includes grading, leveling, and drainage projects. Other primary activities include administering federal Community Development Block Grants, Appalachian Regional Commission grants, and Delta Regional Authority grants; administering the Three Star community economic preparedness program; and providing local planning services to Tennessee cities and counties.

### 330.04 Regional Grants Management

The Regional Grants Management staff is responsible for administering several federal grant programs. The Community Development Block Grant program targets areas of economic distress and stimulates the growth of jobs and income in these areas through the provision of grants to local governments for water and sewer infrastructure, industrial location projects, housing rehabilitation, and community livability projects. The division also administers Appalachian Regional Commission and Delta Regional Authority grants and coordinates the use of private activity bonds.

Full-Time	17	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>17</b>
Payroll	824,900	995,700	991,100	0	991,100
Operational	32,203,300	29,964,900	27,649,400	0	27,649,400
<b>Total</b>	<b>\$33,028,200</b>	<b>\$30,960,600</b>	<b>\$28,640,500</b>	<b>\$0</b>	<b>\$28,640,500</b>
State	800,500	956,100	952,900	0	952,900
Federal	32,181,000	29,936,600	27,568,600	0	27,568,600
Other	46,700	67,900	119,000	0	119,000

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** In the Community Development Block Grant (CDBG) projects completed, at least 51% of those served will be persons of low to moderate income.

**Measure:** Percent of low to moderate income persons served.

	79%	51%	51%	0	51%
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**Standard:** Within the CDBG program, target areas of economic distress.

**Measure:** Percent of CDBG projects awarded in distressed areas.

	47%	35%	35%	0	35%
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### 330.15 Economic Development District Grants

The Development District Act of 1965 established nine development districts in order to provide the most effective and efficient means for cities and counties to conduct regional planning and economic development. The districts prepare and maintain long-range plans and policies for regional development, including transportation, water and wastewater infrastructure, water and air quality, solid waste management, and open space and recreation planning. This allotment provides funds for state grants to the development districts.

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	1,080,000	1,080,000	1,080,000	0	1,080,000
<b>Total</b>	<b>\$1,080,000</b>	<b>\$1,080,000</b>	<b>\$1,080,000</b>	<b>\$0</b>	<b>\$1,080,000</b>
State	1,080,000	1,080,000	1,080,000	0	1,080,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Provide for the distribution of funds to development districts as directed by statute, depending on local government contributions.

**Measure:** Number of grants processed.

	9	9	9	0	9
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### 330.06 FastTrack Infrastructure Development Program

The FastTrack Infrastructure Development Program provides industrial water, wastewater, and transportation infrastructure grants to local governments and businesses for job creation and retention. Additionally, the program provides training grants when there is a commitment by an eligible business for the creation or retention of private sector jobs or when there is a direct impact on employment and investment opportunities in the future. Training includes classroom and on-the-job instruction for both pre- and post-employment needs.

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 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
Payroll	0	0	0	0	0
Operational	23,563,600	50,627,000	15,678,100	39,000,000	54,678,100
<b>Total</b>	<b>\$23,563,600</b>	<b>\$50,627,000</b>	<b>\$15,678,100</b>	<b>\$39,000,000</b>	<b>\$54,678,100</b>
State	21,386,100	50,595,000	15,595,000	39,000,000	54,595,000
Federal	0	0	0	0	0
Other	2,177,500	32,000	83,100	0	83,100

**Standard:** Assist in the creation of jobs through the provision of infrastructure development assistance.

**Measure:** Number of jobs to be created as a result of infrastructure development assistance.

5,658	3,225	3,455	1,545	5,000
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**Standard:** Promote new investment in the state through the provision of infrastructure development assistance.

**Measure:** Private capital investment leveraged as a result of infrastructure development assistance.

\$766,000,000	\$585,000,000	\$608,000,000	\$92,000,000	\$700,000,000
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### 330.17 Film and Television Incentive Fund

The Film and Television Incentive Fund, established by a 2006 law, provides incentive grants that encourage the production of films, movies, television pilots, or shows in Tennessee. To be eligible, such productions must meet criteria established by the Tennessee Film, Entertainment, and Music Commission.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<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	10,000,000	48,600	0	48,600
<b>Total</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$48,600</b>	<b>\$0</b>	<b>\$48,600</b>
State	0	10,000,000	0	0	0
Federal	0	0	0	0	0
Other	0	0	48,600	0	48,600

**Standard:** Provide incentive grants to production companies to encourage production of films, movies, television pilots or shows in the state of Tennessee.

**Measure:** Number of films, movies, television pilots or shows produced. (Non-recurring funds budgeted only in FY 2007.)

Not Applicable	10	Not Applicable	0	Not Applicable
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### 330.07 Community Development

The Community Development program provides advice and technical assistance on economic development, local planning, and other services to local governments, chambers of commerce, and other entities. The Three Star community economic preparedness and Main Street programs provide assistance and incentives to promote economic growth through local community development and downtown revitalization. A local planning assistance program, with six regional offices in the state, provides technical assistance to small cities and counties on land-use planning, comprehensive city planning, zoning, subdivision regulation, and related community development activities. Local governments and the state share in the cost of local



	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
planning services.					
Full-Time	80	81	80	4	84
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>80</b>	<b>81</b>	<b>80</b>	<b>4</b>	<b>84</b>
Payroll	4,167,700	4,769,800	4,695,300	203,300	4,898,600
Operational	1,369,800	1,773,800	1,073,300	1,605,700	2,679,000
<b>Total</b>	<b>\$5,537,500</b>	<b>\$6,543,600</b>	<b>\$5,768,600</b>	<b>\$1,809,000</b>	<b>\$7,577,600</b>
State	3,649,600	4,651,000	3,936,200	1,654,500	5,590,700
Federal	261,200	224,100	224,100	0	224,100
Other	1,626,700	1,668,500	1,608,300	154,500	1,762,800

**Standard:** Through the provision of the Three Star Program, provide cities and counties with a strong community development foundation.

**Measure:** Number of communities certified as a Three Star community.

268	300	280	57	337
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**Standard:** Through the provision of the Main Street Program, provide cities with a plan to revitalize downtown districts.

**Measure:** Number of certified Main Street communities.

20	25	22	2	24
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**Standard:** In order to ensure the timely provision of assistance, respond to requests for information and advice related to local planning within 24 hours.

**Measure:** Percent of requests for advice and information responded to within 24 hours.

98%	90%	90%	5%	95%
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## Energy Assistance

### 330.08 Energy Division

The Energy Division promotes efficient and economic use of energy by the public and private sectors. Through grants from the U. S. Department of Energy, the division renders technical and financial assistance to existing businesses, local governments, schools, and hospitals in order to reduce energy costs.

Full-Time	14	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>11</b>
Payroll	753,800	967,600	962,500	0	962,500
Operational	1,168,700	1,942,700	1,854,000	0	1,854,000
<b>Total</b>	<b>\$1,922,500</b>	<b>\$2,910,300</b>	<b>\$2,816,500</b>	<b>\$0</b>	<b>\$2,816,500</b>
State	22,000	124,800	34,800	0	34,800
Federal	1,900,200	2,785,500	2,781,700	0	2,781,700
Other	300	0	0	0	0

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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**Standard:** Through the provision of energy-related loan programs, promote energy efficiency and its resultant savings and economic impact.

**Measure:** Economic impact as a result of energy loan programs.

\$3,915,834	\$4,887,500	\$4,400,000	0	\$4,400,000
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**Standard:** Promote energy cost and dollar savings.

**Measure:** Projected energy costs savings as a result of energy loan programs.

\$1,106,168	\$1,150,000	\$1,200,000	0	\$1,200,000
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**330.00 Total Economic and Community Development**

Full-Time	211	213	212	4	<b>216</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>211</b>	<b>213</b>	<b>212</b>	<b>4</b>	<b>216</b>
Payroll	11,696,600	13,788,800	13,697,900	203,300	<b>13,901,200</b>
Operational	73,563,700	110,958,900	62,340,300	46,585,700	<b>108,926,000</b>
<b>Total</b>	<b>\$85,260,300</b>	<b>\$124,747,700</b>	<b>\$76,038,200</b>	<b>\$46,789,000</b>	<b>\$122,827,200</b>
State	42,106,200	78,137,800	31,818,500	46,634,500	<b>78,453,000</b>
Federal	34,544,400	33,206,700	30,834,900	0	<b>30,834,900</b>
Other	8,609,700	13,403,200	13,384,800	154,500	<b>13,539,300</b>

# Department of Transportation

## Performance-Based Budget

The Department of Transportation plans, designs, constructs, and maintains the state's highway network. The department also is responsible for other modes of transportation, such as aeronautics, public transit, railroads, and waterways. The Department of Transportation consists of four major program areas: Headquarters, Bureau of Administration, Bureau of Environment and Planning, and Bureau of Engineering.

<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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### Headquarters

Headquarters consists of the commissioner's office, departmental administrative staff, and the Aeronautics Division.

#### 401.00 Headquarters

Headquarters' services include the licensing of Tennessee's public-use airports, monitoring of compliance with federal grant assurances, and providing flight services for state government. Community relations, constituent services, civil rights, legal, and internal audit services are included in this program.

Full-Time	115	115	118	0	118
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>115</b>	<b>115</b>	<b>118</b>	<b>0</b>	<b>118</b>
Payroll	5,946,200	6,505,300	7,032,800	0	7,032,800
Operational	6,825,700	8,853,900	9,625,200	0	9,625,200
Reallocated	178,200	133,800	(804,000)	0	(804,000)
<b>Total</b>	<b>\$12,950,100</b>	<b>\$15,493,000</b>	<b>\$15,854,000</b>	<b>\$0</b>	<b>\$15,854,000</b>
State	12,950,100	15,493,000	15,854,000	0	15,854,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** License all 76 public-use airports in Tennessee.

**Measure:** The percent of the 76 public use airports in Tennessee licensed by TDOT.

95%	95%	95%	0	95%
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#### 414.00 Insurance Premiums

The Insurance Premiums allotment provides funding for payment of risk management fund premiums for property and liability insurance.

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	8,929,000	11,000,000	10,000,000	0	10,000,000
Reallocated	0	0	0	0	0
<b>Total</b>	<b>\$8,929,000</b>	<b>\$11,000,000</b>	<b>\$10,000,000</b>	<b>\$0</b>	<b>\$10,000,000</b>

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
State	8,929,000	11,000,000	10,000,000	0	<b>10,000,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

**Standard:** Provide funds for insurance premiums as directed by the Department of Finance and Administration.

**Measure:** Provide 100% of the actuarial estimate for TDOT's insurance premiums each year.

100%	100%	100%	0	100%
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## Bureau of Administration

### 402.00 Bureau of Administration

Bureau of Administration services include management of highway safety grants; administration of overweight and oversized vehicle permits; reproduction of technical drawings, specifications, forms, contracts, and official documents; purchase of alternative fuel vehicles; management of radio licenses; and coordination of radio frequencies for government agencies. Finance, strategic planning, human resources, and information technology services also are provided by this bureau.

Full-Time	282	282	283	0	<b>283</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>282</b>	<b>282</b>	<b>283</b>	<b>0</b>	<b>283</b>
Payroll	14,359,500	15,812,100	17,090,000	0	<b>17,090,000</b>
Operational	16,041,200	19,815,400	24,655,000	0	<b>24,655,000</b>
Reallocated	(213,300)	(282,500)	(429,000)	0	<b>(429,000)</b>
<b>Total</b>	<b>\$30,187,400</b>	<b>\$35,345,000</b>	<b>\$41,316,000</b>	<b>\$0</b>	<b>\$41,316,000</b>
State	30,187,400	35,345,000	41,316,000	0	<b>41,316,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

**Standard:** Increase seat belt usage in Tennessee by 2% annually.

**Measure:** Percent of usage of seat belts in Tennessee.

78%	80%	81%	0	81%
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**Standard:** Reduce the fatality rate by 2% annually on Tennessee roadways through increased seatbelt and child restraint use and a reduction in impaired drivers.

**Measure:** Percent of reduction in fatality rate on Tennessee roadways.

6.8%	2%	2%	0	2%
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## Bureau of Environment and Planning

The Bureau of Environment and Planning 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.

	<u>Actual</u> <u>2005-2006</u>	<u>Estimated</u> <u>2006-2007</u>	<u>Base</u> <u>2007-2008</u>	<u>Improvement</u> <u>2007-2008</u>	<u>Recommended</u> <u>2007-2008</u>
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#### 405.00 Bureau of Environment and Planning

The Bureau of Environment and Planning is an administrative division that distributes mass transit grants, provides transportation and traffic planning, and monitors environmental impacts of transportation projects. In addition, this division ensures the safety of the state's waterways and railways through routine inspections and controls outdoor advertising and easements.

Full-Time	303	293	312	0	<b>312</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>303</b>	<b>293</b>	<b>312</b>	<b>0</b>	<b>312</b>
Payroll	13,911,500	16,286,800	18,904,400	0	<b>18,904,400</b>
Operational	463,500	1,242,400	1,342,500	0	<b>1,342,500</b>
Reallocated	(8,173,200)	(9,403,200)	(9,968,900)	0	<b>(9,968,900)</b>
<b>Total</b>	<b>\$6,201,800</b>	<b>\$8,126,000</b>	<b>\$10,278,000</b>	<b>\$0</b>	<b>\$10,278,000</b>
State	6,201,800	8,126,000	10,278,000	0	<b>10,278,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

**Standard:** Improve transportation safety by performing at least 1,200 railroad inspections per year.

**Measure:** Total number of railroad inspections completed.

1,423	1,250	1,300	0	1,300
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#### 416.00 Mass Transit

The Mass Transit program provides matching grants for the construction and operation of mass transit systems throughout the state. The federal rideshare program encourages the public to participate in mass transit and carpooling. In addition, this program ensures that mass transportation systems are properly integrated with other transportation systems to provide optimum access, efficiency, and mobility.

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	49,691,700	129,762,000	148,698,300	0	<b>148,698,300</b>
Reallocated	21,500	1,000	26,700	0	<b>26,700</b>
<b>Total</b>	<b>\$49,713,200</b>	<b>\$129,763,000</b>	<b>\$148,725,000</b>	<b>\$0</b>	<b>\$148,725,000</b>
State	34,302,100	35,239,000	37,044,000	0	<b>37,044,000</b>
Federal	14,416,800	83,429,000	101,346,000	0	<b>101,346,000</b>
Other	994,300	11,095,000	10,335,000	0	<b>10,335,000</b>

**Standard:** Increase transit ridership by a minimum of 1.5% annually to reduce urban congestion and increase air quality and accessibility.

**Measure:** Annual percent increase in transit ridership.

2.60%	1.75%	1.75%	0	1.75%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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#### 440.00 Planning and Research

The Planning and Research Division provides funds for studies, surveys, and the analysis of transportation systems. The program utilizes the information produced from these studies to develop strategies to improve state transportation systems.

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	8,832,800	11,584,100	10,319,900	0	10,319,900
Reallocated	6,154,200	5,915,900	7,580,100	0	7,580,100
<b>Total</b>	<b>\$14,987,000</b>	<b>\$17,500,000</b>	<b>\$17,900,000</b>	<b>\$0</b>	<b>\$17,900,000</b>
State	2,997,400	5,100,000	5,200,000	0	5,200,000
Federal	11,989,600	12,400,000	12,700,000	0	12,700,000
Other	0	0	0	0	0

**Standard:** Eighty percent of research projects address the strategic emphasis areas that TDOT's leaders have identified as significantly affecting TDOT's ability to meet the transportation needs of Tennessee and its citizens.

**Measure:** Percent of funded research projects that align with the agency strategic emphasis areas.

61%	70%	80%	0	80%
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#### 494.00 Air, Water, and Rail Transportation

The Air, Water, and Rail Transportation program provides funds for the construction of and capital improvement of airports, water port facilities, and shortline rail systems. The program primarily is funded from the Transportation Equity Fund, which is the allocation of sales taxes on aviation, barge, and rail fuel.

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	47,708,400	56,839,500	66,894,200	0	66,894,200
Reallocated	85,300	60,500	1,105,800	0	1,105,800
<b>Total</b>	<b>\$47,793,700</b>	<b>\$56,900,000</b>	<b>\$68,000,000</b>	<b>\$0</b>	<b>\$68,000,000</b>
State	37,757,000	35,800,000	47,000,000	0	47,000,000
Federal	9,558,700	14,900,000	14,500,000	0	14,500,000
Other	478,000	6,200,000	6,500,000	0	6,500,000

**Standard:** Provide for the total distribution of equity funds as directed by statute.

**Measure:** Percent of funds made available for airport, waterway, and railway improvement projects.

100%	100%	100%	0	100%
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#### Bureau of Engineering

The Bureau of Engineering coordinates the construction, maintenance, and inspection of highways, bridges, and navigational equipment. Activities include constructing, resurfacing,

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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restoring, and rehabilitating Tennessee’s interstate highway system; constructing industrial highways, national forest roads, connector routes, bridges, and water port facilities; constructing or replacing plant facilities for the Bureau of Engineering; providing engineering and administrative support to other state agencies’ off-system road construction projects; providing high-hazard and roadside obstacle warnings and pavement marking; operating a fleet management program; 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; bridge design; and using intelligent transportation system technology to minimize traffic congestion in urban areas.

**403.00 Bureau of Engineering**

The Bureau of Engineering provides the programming and scheduling of transportation pre-construction activities. The bureau also provides for development of construction standards, administration of highway and bridge maintenance programs, and maintenance of materials standards. Other services include administration of roadway and bridge design, right of way acquisition, highway incident management, and intelligent transportation systems.

Full-Time	535	535	573	0	<b>573</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>535</b>	<b>535</b>	<b>573</b>	<b>0</b>	<b>573</b>
Payroll	28,087,500	34,436,000	38,336,700	0	<b>38,336,700</b>
Operational	1,142,800	3,837,900	3,553,200	0	<b>3,553,200</b>
Reallocated	(16,059,300)	(18,151,900)	(19,871,900)	0	<b>(19,871,900)</b>
<b>Total</b>	<b>\$13,171,000</b>	<b>\$20,122,000</b>	<b>\$22,018,000</b>	<b>\$0</b>	<b>\$22,018,000</b>
State	13,171,000	20,122,000	22,018,000	0	<b>22,018,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

**Standard:** Provide funding for construction to connect all 95 county seats to the interstate highway system via a four-lane highway.

**Measure:** Number of county seats that have had construction funded to complete connections to the interstate system via a four-lane highway.

56	57	60	0	60
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**Standard:** Connect all 95 county seats to the interstate highway system via a four-lane highway as directed by statute.

**Measure:** Number of county seats connected and open to traffic to the interstate system via a four-lane highway.

51	54	54	0	54
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**Standard:** Reduce the fatality rate by 2% annually on Tennessee roadways through traffic and engineering design factors.

**Measure:** Percent of reduction in fatality rate on Tennessee roadways.

6.8%	2%	2%	0	2%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Ninety five percent of the Motorist Assist Response Questionnaires (MARQ) returned by motorists will rate service received from HELP Operators as excellent.

**Measure:** Percent of MARQ cards distributed that are returned with a rating of excellent.

95%	96%	97%	0	97%
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**Standard:** The average clearance time for all minor highway incidents should be less than 30 minutes for 72% of the HELP operator responses.

**Measure:** Percent of minor highway incidences in urban HELP service areas that were cleared within 30 minutes or less.

72%	74%	76%	0	76%
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**Standard:** The average clearance time for all major highway incidents should be less than 90 minutes for 86% of the HELP operator responses.

**Measure:** Percent of major highway incidences in urban HELP service areas that were cleared within 90 minutes or less.

86%	88%	90%	0	90%
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#### 412.00 Field Engineering

Field engineering services are preliminary engineering, utility relocation, construction, and maintenance areas on the statewide highway system. The program also manages bridge maintenance, construction, intelligent transportation systems, highway incident management, materials testing, traffic engineering, right of way acquisition, and roadway and bridge design.

Full-Time	932	941	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>932</b>	<b>941</b>	<b>957</b>	<b>0</b>	<b>957</b>
Payroll	41,891,600	46,348,500	52,664,100	0	<b>52,664,100</b>
Operational	4,100,300	6,520,600	6,560,000	0	<b>6,560,000</b>
Reallocated	(9,714,100)	(12,148,100)	(13,268,100)	0	<b>(13,268,100)</b>
<b>Total</b>	<b>\$36,277,800</b>	<b>\$40,721,000</b>	<b>\$45,956,000</b>	<b>\$0</b>	<b>\$45,956,000</b>
State	36,277,800	40,721,000	45,956,000	0	<b>45,956,000</b>
Federal	0	0	0	0	<b>0</b>
Other	0	0	0	0	<b>0</b>

**Standard:** The percent of contracts completed by original contract completion date will be at least 75%.

**Measure:** Percent of contracts completed by original contract completion date.

70%	75%	75%	0	75%
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**Standard:** The percent of contracts completed by original contract completion date plus TDOT approved time extensions will be at least 90%.

**Measure:** Percent of contracts completed by original contract completion date plus TDOT approved time extensions.

88%	95%	90%	0	90%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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#### 418.00 Field Construction

The Field Construction allotment provides the payroll funds for construction units of the highway construction programs. Employees within this division perform various tasks including civil engineering, geological surveying, planning, and construction of highways. The payroll costs are reallocated to various construction programs delivered through the Interstate, Forest Highways, State Highway Construction, and Bridge programs.

Full-Time	926	926	884	0	<b>884</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>926</b>	<b>926</b>	<b>884</b>	<b>0</b>	<b>884</b>
Payroll	37,076,700	39,597,700	44,849,600	0	<b>44,849,600</b>
Operational	31,700	0	0	0	<b>0</b>
Reallocated	(37,108,400)	(39,597,700)	(44,849,600)	0	<b>(44,849,600)</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>

**Standard:** Reallocate 100% of construction payroll costs to projects.

**Measure:** Percent of payroll costs reallocated.

100%	100%	100%	0	100%
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#### 419.00 Field Maintenance Operations

The Field Maintenance Operations allotment provides the payroll funds for all highway maintenance and marking units of the highway construction programs. Employees of this division perform a variety of tasks related to the maintenance of roadways. The payroll costs are reallocated to various construction programs delivered through the Highway Maintenance program.

Full-Time	1,579	1,578	1,578	0	<b>1,578</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>1,579</b>	<b>1,578</b>	<b>1,578</b>	<b>0</b>	<b>1,578</b>
Payroll	52,800,800	56,873,400	64,696,100	0	<b>64,696,100</b>
Operational	58,100	0	0	0	<b>0</b>
Reallocated	(52,858,900)	(56,873,400)	(64,696,100)	0	<b>(64,696,100)</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>

**Standard:** Reallocate 100% of maintenance payroll costs to projects.

**Measure:** Percent of payroll costs reallocated.

100%	100%	100%	0	100%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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#### 430.00 Equipment Purchases and Operations

The Equipment Purchases and Operations allotment provides funds for the acquisition of mobile equipment, consumable inventory items, and fixed assets and for maintenance and repair of equipment. In addition, responsibilities of the division's staff range from administrative duties to mechanical and maintenance duties at state garages.

Full-Time	272	274	273	0	273
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
<b>Total</b>	<b>272</b>	<b>274</b>	<b>273</b>	<b>0</b>	<b>273</b>
Payroll	9,986,600	10,407,400	12,099,100	0	12,099,100
Operational	35,941,500	39,529,000	44,281,800	0	44,281,800
Reallocated	(29,006,800)	(23,916,400)	(27,203,900)	0	(27,203,900)
<b>Total</b>	<b>\$16,921,300</b>	<b>\$26,020,000</b>	<b>\$29,177,000</b>	<b>\$0</b>	<b>\$29,177,000</b>
State	16,921,300	26,020,000	29,177,000	0	29,177,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** The fleet maintenance garages will maintain a 95% service satisfaction rating. This rating is based on customer comment cards collected annually.

**Measure:** Percent of customers satisfied with services and repairs performed by fleet maintenance garage facilities.

97.4%	95%	95%	0	95%
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**Standard:** The mechanic efficiency rating will be at least 80%. The mechanic efficiency rating is based on hours billable for equipment worked on.

**Measure:** The percent of total mechanic available work hours spent on maintaining, servicing, or repairing all vehicles in the state system.

91%	81%	84%	0	84%
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#### 451.00 Highway Maintenance

The Highway Maintenance program provides routine maintenance of state and interstate highways, park roads, and bridges. In addition, highway maintenance provides funding for highway incident management, highway beautification, and environmental compliance.

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	156,659,100	160,519,900	186,737,000	0	186,737,000
Reallocated	78,950,200	93,204,100	91,222,000	0	91,222,000
<b>Total</b>	<b>\$235,609,300</b>	<b>\$253,724,000</b>	<b>\$277,959,000</b>	<b>\$0</b>	<b>\$277,959,000</b>
State	235,609,300	252,624,000	276,859,000	0	276,859,000
Federal	0	0	0	0	0
Other	0	1,100,000	1,100,000	0	1,100,000

	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** TDOT's Maintenance Rating Index related to maintaining roadways will be equal to or greater than 75.

**Measure:** The condition level for combination of interstate and state maintained roads.

	90.2	75	80	0	80
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#### 453.00 Highway Betterments

The Highway Betterments program provides funds for improvements of state highways that are not classified as construction or reconstruction, such as minor resurfacing, bridge widening, curve flattening, truck climbing lanes, and other means to improve capacity and increase safety.

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	5,227,500	4,967,200	9,150,200	0	9,150,200
Reallocated	539,100	832,800	649,800	0	649,800
<b>Total</b>	<b>\$5,766,600</b>	<b>\$5,800,000</b>	<b>\$9,800,000</b>	<b>\$0</b>	<b>\$9,800,000</b>
State	5,766,600	5,700,000	9,700,000	0	9,700,000
Federal	0	0	0	0	0
Other	0	100,000	100,000	0	100,000

**Standard:** TDOT's Maintenance Rating Index related to improving capacity and increasing safety will be equal to or greater than 75.

**Measure:** The condition level for the combination of interstate and state maintained roads.

	90.2	75	80	0	80
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#### 455.00 State Aid

The State Aid program provides funds for paving roads in the State-Aid system on a 75 percent state, 25 percent local basis. The bridge grant program, with a local match of 20 percent, enables local governments to replace or rehabilitate bridges.

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	24,334,100	39,425,600	39,468,700	0	39,468,700
Reallocated	484,600	427,400	567,300	0	567,300
<b>Total</b>	<b>\$24,818,700</b>	<b>\$39,853,000</b>	<b>\$40,036,000</b>	<b>\$0</b>	<b>\$40,036,000</b>
State	18,117,700	30,622,000	30,622,000	0	30,622,000
Federal	0	0	0	0	0
Other	6,701,000	9,231,000	9,414,000	0	9,414,000

**Standard:** Provide for the total distribution of funds to both the State Aid and Bridge Grant services as directed by statute, which is dependent on counties providing matching funds.

**Measure:** Percent of appropriated funds allotted to counties.

	100%	100%	100%	0	100%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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#### 470.00 State Industrial Access

The State Industrial Access program constructs and maintains industrial highways and industrial access roads under contract agreements with local governments. In addition, the program facilitates the development and expansion of industry and provides access to industrial areas.

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	9,482,600	17,055,400	22,242,300	0	22,242,300
Reallocated	1,649,800	2,009,600	1,957,700	0	1,957,700
<b>Total</b>	<b>\$11,132,400</b>	<b>\$19,065,000</b>	<b>\$24,200,000</b>	<b>\$0</b>	<b>\$24,200,000</b>
State	11,132,400	18,865,000	24,000,000	0	24,000,000
Federal	0	0	0	0	0
Other	0	200,000	200,000	0	200,000

**Standard:** Assist local governments in funding construction projects to provide access to new and expanding industries. This will facilitate the development and expansion of industry within the state.

**Measure:** Number of industrial access projects advanced to construction in the current fiscal year.

15	12	14	0	14
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#### 472.00 Interstate Construction

The Interstate Construction program funds maintenance of the interstate highway system, including resurfacing, restoration, rehabilitation, and reconstruction.

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	174,237,100	156,601,100	166,575,400	0	166,575,400
Reallocated	5,573,900	4,698,900	6,624,600	0	6,624,600
<b>Total</b>	<b>\$179,811,000</b>	<b>\$161,300,000</b>	<b>\$173,200,000</b>	<b>\$0</b>	<b>\$173,200,000</b>
State	16,183,000	16,000,000	17,200,000	0	17,200,000
Federal	160,031,800	143,800,000	154,500,000	0	154,500,000
Other	3,596,200	1,500,000	1,500,000	0	1,500,000

**Standard:** International Roughness Index (IRI) rating on interstate pavement will be good or very good.

**Measure:** Percent of interstate mileage with an International Roughness Index (IRI) pavement rating of good or very good.

93.5%	95%	95.5%	0	95.5%
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**Standard:** The sum of the deck area for those bridges not classified as structurally deficient will be 95% or greater of the total deck area for all bridges.

**Measure:** Percent of bridge deck area on interstate roads that is not structurally deficient.

95.4%	95%	95%	0	95%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** The sum of the deck area for those bridges not classified as functionally obsolete will be 82% or greater of the total deck area for all bridges.

**Measure:** Percent of bridge deck area on interstate roads that is not functionally obsolete.

	82.2%	82%	82%	0	82%
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#### 475.00 Forest Highways

The Forest Highways program provides funds for the construction and maintenance of park roads, parkways, and public-land highways, including the Foothills Parkway in the Great Smoky Mountains, in East Tennessee.

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	1,032,000	756,900	703,200	0	703,200
Reallocated	164,300	143,100	196,800	0	196,800
<b>Total</b>	<b>\$1,196,300</b>	<b>\$900,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>\$900,000</b>
State	239,300	200,000	200,000	0	200,000
Federal	957,000	700,000	700,000	0	700,000
Other	0	0	0	0	0

**Standard:** Obligate 100% of available federal highway funds. If all federal funds are not obligated within three years, the remaining funds revert to the federal government for redistribution to other state departments of transportation.

**Measure:** Percent of available federal highway funds obligated.

	100%	100%	100%	0	100%
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#### 478.00 Local Interstate Connectors

The Local Interstate Connectors program provides funds for construction of connector routes to the interstate system from existing arterial routes, with a 50 percent match required from county and city sources.

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	3,736,500	16,072,400	7,615,000	0	7,615,000
Reallocated	319,300	377,600	385,000	0	385,000
<b>Total</b>	<b>\$4,055,800</b>	<b>\$16,450,000</b>	<b>\$8,000,000</b>	<b>\$0</b>	<b>\$8,000,000</b>
State	2,027,900	8,225,000	4,000,000	0	4,000,000
Federal	0	0	0	0	0
Other	2,027,900	8,225,000	4,000,000	0	4,000,000

<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** Obligate all Local Interstate Connectors funds in the current fiscal year within funding limitations that are dependent on city and county governments providing matching funds.

**Measure:** Percent of current fiscal year Local Interstate Connectors funds obligated.

100%	100%	100%	0	100%
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#### 480.00 State Highway Construction

The State Highway Construction program funds construction of various designated highways and projects, including the National Highway System, which consists of the interstate highway network and major primary roads. This program also includes the surface transportation program, a block grant program for roads, mass transit, and other transportation projects. Projects may include high priority, emergency relief, railway-highway crossings, metropolitan planning, congestion mitigation, air quality improvement, hazard elimination, and highway safety.

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	586,727,600	770,886,600	747,975,700	0	747,975,700
Reallocated	38,353,500	32,946,400	45,757,300	0	45,757,300
<b>Total</b>	<b>\$625,081,100</b>	<b>\$803,833,000</b>	<b>\$793,733,000</b>	<b>\$0</b>	<b>\$793,733,000</b>
State	281,286,500	199,483,000	188,583,000	0	188,583,000
Federal	325,042,200	591,800,000	591,800,000	0	591,800,000
Other	18,752,400	12,550,000	13,350,000	0	13,350,000

**Standard:** Provide funding for construction to connect all 95 county seats to the interstate highway system via a four-lane highway.

**Measure:** Number of county seats that have had construction funded to complete connections to the interstate system via a four-lane highway.

56	57	60	0	60
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**Standard:** Connect all 95 county seats to the interstate highway system via a four-lane highway as directed by statute.

**Measure:** Number of county seats connected and open to traffic to the interstate system via a four-lane highway.

51	54	54	0	54
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**Standard:** Reduce the fatality rate by 2% annually on Tennessee roadways through traffic engineering design factors.

**Measure:** Percent of reduction in fatality rate on Tennessee roadways.

6.8%	2%	2%	0	2%
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	<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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#### 481.00 Capital Improvements

The Capital Improvements program includes funding for the construction or replacement of Department of Transportation facilities. Projects include construction or replacement of buildings, salt bins, radio towers and equipment, and removal of underground storage tanks. Proposed projects are identified in the capital budget section of the Budget Document.

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	2,177,600	6,996,600	5,050,300	0	5,050,300
Reallocated	126,500	18,400	142,700	0	142,700
<b>Total</b>	<b>\$2,304,100</b>	<b>\$7,015,000</b>	<b>\$5,193,000</b>	<b>\$0</b>	<b>\$5,193,000</b>
State	2,304,100	7,015,000	5,193,000	0	5,193,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

**Standard:** Obligate 100% of Capital Improvement funds available each year.

**Measure:** Percent of available Capital Improvement funds obligated.

100%	100%	100%	0	100%
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#### 488.00 Bridge Replacements

Bridge Replacement funds are used to replace or rehabilitate highway bridges found to be significantly important and unsafe because of structural deficiencies, physical deterioration, or functional obsolescence.

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	96,757,300	57,296,300	49,424,300	0	49,424,300
Reallocated	20,533,600	19,603,700	24,875,700	0	24,875,700
<b>Total</b>	<b>\$117,290,900</b>	<b>\$76,900,000</b>	<b>\$74,300,000</b>	<b>\$0</b>	<b>\$74,300,000</b>
State	15,247,800	6,700,000	5,200,000	0	5,200,000
Federal	93,832,700	67,000,000	65,800,000	0	65,800,000
Other	8,210,400	3,200,000	3,300,000	0	3,300,000

**Standard:** The sum of the deck area for those bridges on the state system not classified as structurally deficient will be 95% or greater of the total deck area for all bridges.

**Measure:** Percent of bridge deck area on all bridges maintained by TDOT that are not structurally deficient.

95.57%	95%	95%	0	95%
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<u>Actual 2005-2006</u>	<u>Estimated 2006-2007</u>	<u>Base 2007-2008</u>	<u>Improvement 2007-2008</u>	<u>Recommended 2007-2008</u>
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**Standard:** The sum of the deck area for those bridges on the state system not classified as functionally obsolete will be 82% or greater of the total deck area for all bridges.

**Measure:** Percent of bridge deck area on all bridges maintained by TDOT that are not functionally obsolete.

84.79%	84%	84%	0	84%
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**Standard:** The sum of the deck area for those bridges off the state system not classified as structurally deficient will be 95% or greater of the total deck area for all bridges.

**Measure:** Percent of bridge deck area on all bridges not maintained by TDOT (i.e. cities, counties) that are not structurally deficient.

92.57%	92%	92%	0	92%
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**Standard:** The sum of the deck area for those bridges off the state system not classified as functionally obsolete will be 82% or greater of the total deck area for all bridges.

**Measure:** Percent of bridge deck area on all bridges not maintained by TDOT (i.e. cities, counties) that are not functionally obsolete.

86%	85%	85%	0	85%
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**400.00 Total Transportation**

Full-Time	4,944	4,944	4,978	0	<b>4,978</b>
Part-Time	0	0	0	0	<b>0</b>
Seasonal	0	0	0	0	<b>0</b>
<b>Total</b>	<b>4,944</b>	<b>4,944</b>	<b>4,978</b>	<b>0</b>	<b>4,978</b>
Payroll	204,060,400	226,267,200	255,672,800	0	<b>255,672,800</b>
Operational	1,240,138,100	1,519,562,800	1,560,872,200	0	<b>1,560,872,200</b>
Reallocated	0	0	0	0	<b>0</b>
<b>Total</b>	<b>\$1,444,198,500</b>	<b>\$1,745,830,000</b>	<b>\$1,816,545,000</b>	<b>\$0</b>	<b>\$1,816,545,000</b>
State	787,609,500	778,400,000	825,400,000	0	<b>825,400,000</b>
Federal	615,828,800	914,029,000	941,346,000	0	<b>941,346,000</b>
Other	40,760,200	53,401,000	49,799,000	0	<b>49,799,000</b>



# Glossary and Index

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# Glossary of Budget Terms

## A

**Access Fees** - Fees charged upon entry to various state parks to be used for operations and maintenance of the state parks system.

**Accrual Basis of Accounting** - Records revenues in the period in which they are earned and become measurable; expenses are recorded in the period incurred, if measurable.

**Agency** - Any department, commission, board, authority, government-owned corporation, or other independent governmental entity.

**Allotment** - Funds established for agency expenditure, in accordance with the appropriations made by the General Assembly.

**Allotment Code** - The five-digit number used to designate a program or programs for budgeting and accounting purposes.

**Appropriation** - The amount authorized by the General Assembly to be allocated from a fund to an allotment code. Also, in the context of funding type, the general state revenue allocated to an allotment code by the General Assembly.

**Appropriations Bill** - Annual legislation authorizing the allocation and expenditure of funds for a two-year period: the year of bill passage and the subsequent year. The bill also sets policies, assigns certain responsibilities, and at times specifies legislative intent on certain issues.

**Authorized Positions** - The maximum number of positions an agency may establish at any given time; authorized positions must receive legislative approval by legislation, by expansion, or by inclusion in the Governor's recommended budget document.

## B

**Balanced Budget** - A budget in which the expenditures incurred during a given period are matched by revenues.

**Base Budget** - The estimated expenditures and associated revenues or appropriation necessary to maintain the current level of service or activity.

**BEP** - The Basic Education Program is the formula that determines the funding level each school system needs in order to provide a basic level of service for all students.

**BHO** - Behavioral Health Organizations are responsible for managing the behavioral and substance abuse services for the TennCare program.

**Biomass Fuels** - An alternative to petroleum produced from woody materials, such as corn stalks and switchgrass.

**Bollard** - One of a series of short posts used for diverting or excluding motor vehicles from an area.

## Glossary of Budget Terms

**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.

### 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.

**Cellulosic Ethanol** - Ethanol produced from biomass of various kinds, including waste from urban, agricultural, and forestry sources.

**Clean Air and Water Acts** - Federal laws designed to restore and maintain the nation's air and water supply.

**Component Unit** - Entities for which the state is considered financially accountable.

**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 Rating** - A measure of a governmental entities ability to pay debt on bonds, etc.

**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.

## Glossary of Budget Terms

**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.

**Encumbrance** - Commitments related to unexecuted contracts for goods and services issues by the Division of Purchasing, Department of General 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.

## 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.

## Glossary of Budget Terms

### 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** – A settlement agreement implemented in January 2001 to end the Geier higher education lawsuit, originally filed in 1968. The agreement resulted in dismissal of the lawsuit in September 2006. The agreement was intended to create a system of public higher education that preserves and enhances access and opportunities at Tennessee’s public colleges and universities.

**General Fund** - The fund maintained by the Treasurer into which revenues collected by the state, other than highway taxes, are deposited for appropriation by the General Assembly to support the operation of state agencies.

**Geographic Information System (GIS)** - A computer-based system for managing spatial data and mapping applications. Spatial data includes roads, elevation data, streams and lakes, imagery, and parcel boundaries.

**Governmental Accountability Act** – Law enacted by the Public Acts of 2002, which requires the phase-in of strategic planning and performance based budgeting.

### 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.

**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.

## Glossary of Budget Terms

### 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.

**LEA** - Local education agencies, which are defined as any county, city, or special school district, unified school district, school district of any metropolitan form of government, or any other school system established by law.

**Liability** - An obligation that legally binds the state to settle a debt.

### M

**MCO** - Managed Care Organizations are responsible for managing the distribution of medical services for the TennCare program.

**Modified Accrual Basis of Accounting** - Recognizes revenues in the period in which they become available and measurable; revenues are considered available when they will be collected either during the current period or soon enough after the end of the period to pay current year liabilities.

### N

**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, to encourage them to attend college in Tennessee.

**Non-Recurring Funds** - Funds that are appropriated to be used for a one-time expense.

### O

**Oak Ridge National Laboratory** - A division of the United States Department of Energy.

**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.

**Organic Farming** – The process of raising crops and livestock without the use of artificial nutrients or hormones, and with a focus on conservation of natural resources.

**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.

## Glossary of Budget Terms

**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 indicator that is used to assess performance.

**Performance Standard** - A desired level of performance of a program, measured by outcome or output.

**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.

**Pre-Need Funeral Contracts** – Contracts entered into with funeral establishments for services required at a later date.

**Program** - Any of the major activities of an agency expressed as a primary function.

### R

**Rainy Day Fund** - A fund established to ensure stability in the event of an extended economic downturn (also referred to as the Revenue Fluctuation Reserve Fund).

**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.

**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.



## Glossary of Budget Terms

**Rural Opportunity Fund** – A fund created to provide small-business loans to small, minority, and women-owned rural businesses that are unable to access traditional loan capital.

### 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.

**Tennessee Valley Authority** - A federal power producing and economic development program.

**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.

**TOPS** - The Tennessee On-line Purchasing System is an automated purchasing system used by state departments.

**Tobacco Master Settlement Agreement** – A settlement agreement, signed by attorneys general representing 46 states in November 1998, with the major cigarette companies to settle all lawsuits seeking to recover the Medicaid costs of treating smokers. The agreement imposes restrictions on advertising, marketing, and promotion and requires the manufacturers to make annual payments to states through 2025.

**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.

**TRUST** - The Title and Registration User System of Tennessee automates title processing between county clerks, the general public, and the Department of Revenue.

## 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.

## V

**Viticulture** – Refers to the activities of wine production, including the processing of grapes and winery production.

## 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 2007 - 2008

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Mike Morrow, Deputy Commissioner

Gerald Adams, Deputy Commissioner, Retired

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