

STATE OF TENNESSEE



The Budget

FISCAL YEAR 2009-2010



Phil Bredesen, Governor



Phil Bredesen,
Governor





GOVERNMENT FINANCE OFFICERS ASSOCIATION

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The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of Tennessee for the Annual Budget beginning July 1, 2008.

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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March 23, 2009

To the Members of the 106th General Assembly:

I recommend to you the 2009-2010 Budget for the State of Tennessee, not with the normal sense of pleasure, but with confidence on the course we must take.

Three previous general assemblies with which I have served have fulfilled their Constitutional duty to enact responsible, balanced budgets and also have enabled crucial improvements to be made in education, economic development, child welfare and other social services, health-care services and management, public safety, natural resource conservation, and environmental protection. In the first two and one-half years of my first term as Governor, the 103rd General Assembly and I faced and resolved budget difficulties resulting from the then-uncontrolled growth in the TennCare health-care program and an economic downturn. That General Assembly helped me, after considerable study, to implement responsible and necessary TennCare reforms and to implement other major budget reductions. The 104th and the first session of the 105th general assemblies had a better economic time than their recent predecessors and were able to appropriate funds for significant improvements in our K-12 Basic Education Program, in continued expansion of the voluntary pre-kindergarten program, and in public safety.

In the second session of the 105th General Assembly, it was clear that the economy was in a significant downturn, and that session accepted my recommendation to reduce the operating base of programs through voluntary reduction in staffing and other measures. In enacting that fiscal year 2008-2009 budget, we balanced recurring appropriations against what at the time seemed to be reasonable estimates of state revenues for the current year.

The 106th General Assembly and I, in my last two years as Governor, must face a more difficult economic challenge than any of our recent predecessors have faced, and perhaps the most difficult in more than 60 years. While we are in an uncertain economic time, I am confident that we, together, will resolve the resulting budget and public services challenge in the time we have remaining in our terms. Sound financial management has always been our joint Constitutional responsibility and also our priority. Over six years, we have increased the state's rainy day fund from \$178 million to \$750 million today, in spite of difficult economic and budget circumstances in the early years.

As you know from economic, unemployment, and monthly revenue reports, today I must advise you that we expect to under-collect current-year budgeted revenue estimates in the general fund by slightly more than \$1 billion, and we estimate that general fund revenues for next fiscal year, with minimal growth, will remain about \$948 million below the current-year budgeted estimate. In this economic environment, we must make difficult budget adjustments, make responsible use

of the state's rainy day fund, and use wisely the non-recurring funds provided by the federal government through the recently enacted American recovery and reinvestment act.

I recommend a budget plan that does that. While the current year – call it Year 0 – will be closed in balance, we will use mainly state sources (extraordinary agency efficiencies, capital project cancelations and funding changes, program reserves, and the rainy day fund), but also some federal recovery funds, to close an almost \$1.1 billion imbalance between recurring revenues and expenditures. Next fiscal year – call it Year 1 – while also in balance under the recommended budget, will require use of non-recurring funds from state sources and U.S. economic recovery sources to offset a \$234 million imbalance of recurring expenses and state revenues; but the rainy day fund next year can be returned to \$750 million. Year 2, the last budget I can recommend, also will be balanced in total, but projections indicate a \$246 million recurring imbalance. But this course will leave our successors, in Year 3 with a budget that is back to recurring balance, comparing projected expenses and revenues. If economic recovery, revenue, and budget projections prove to be correct over this three-year projection period, then the rainy day fund will be about \$590 million at the end of Year 3, compared with \$178 million in 2002-2003.

In the Budget, I identify and recommend the recurring base budget reductions in Year 1 that I expect will put us on course to a successful landing in Year 3. The recurring budget reductions make the multi-year course clear, and the use of non-recurring funds restored to agency programs will enable state agencies and local service providers to preserve jobs in the near-term, while implementing the necessary reduction in costs over the period of a year, rather than three months.

As we do this budget balancing, we also continue to fully fund the K-12 Basic Education Program and invest in job creation in the private sector. In the latter regard, you already have funded significant capital and training investments for the new Volkswagen automobile plant in Chattanooga and the new Hemlock Semiconductor plant in Clarksville; and I recommend that you fund the similar investments for the new Wacker Chemie AG plant in Cleveland and fund land acquisition and related costs for a proposed industrial mega-site in Haywood County, in order to attract new industries to that area of West Tennessee.

I am disappointed, but realistic, in not recommending a salary adjustment for our dedicated state employees, higher education professors and staff, and K-12 teachers and staff. I thank them for their dedicated service to the people in good times and bad, and I know that you join me in recognizing these essential public servants. There also are other priorities we must postpone. As always, the American economy will recover, and these priorities will again have their day.

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

March 23, 2009

The Honorable Phil Bredesen
State Capitol
Nashville, Tennessee 37243

Dear Governor Bredesen:

I present to you the fiscal year 2009-2010 Budget Document, developed under your guidance to responsibly manage our way through a serious economic recession, reduce the recurring requirements of state programs, and use available non-recurring revenue sources to help state programs manage over a one- to two-year period to a lower base of available state revenues.

Based on deteriorating state revenue collections and the outlook, we must reduce general fund revenue estimates by \$1.036 billion in the current fiscal year, a decline of 8.18 percent from Department of Revenue collections last year. For fiscal year 2009-2010, we estimate only \$87.9 million of growth in these taxes, which is a growth rate of 1.04 percent. The revenue estimates reflect the worsening situation that has occurred since the State Funding Board meeting in December 2008.

The net recurring imbalance in the current fiscal year is an estimated \$1.074 billion in the general fund, when considering reduced interest earnings, supplemental appropriations, and debt service requirements related to capital outlay bonds for economic development projects, along with the loss of state tax revenue. The plan for closing the current fiscal year requires careful agency management of spending, extraordinary program reversion to the general fund, cancelation of some capital outlay projects, deferral of others, use of proposed bonds so that we can recapture cash funding other projects, a transfer of excess cash in the debt service fund resulting from unissued bonds, transfers from program reserves, and use of the reserve for revenue fluctuations, known as the rainy day fund. In addition, the U.S. economic recovery act will assist us this year and next by providing a non-recurring enhanced federal match rate for the TennCare and Title IV-E foster care and adoption assistance programs.

In the recommended 2009-2010 budget, we have developed base budget reduction plans of \$794.9 million on a recurring basis, but have added back non-recurring funds from the U.S. economic recovery sources and related general fund sources to help state agencies and local service providers implement the reductions thoughtfully over a one-year and sometimes two-year period and to preserve jobs in the near-term. But state agencies must manage to be at a lower recurring operational base by the end of fiscal year 2009-2010.

U. S. economic recovery funds, totaling \$4.5 billion for state programs over a multi-year period, will assist in maintaining state services and providing additional non-recurring support in federal grant programs. These programs are explained in the Budget Document. Of the \$4.5 billion, \$1.4 billion is programmed in the current year and \$2 billion in 2009-2010, with the balance in the following year. Of the \$2 billion programmed for 2009-2010, \$706.4 million, consisting of \$152 million from the state fiscal stabilization fund for education and \$554.4 million of general fund savings resulting from enhanced federal match rates, help balance the budget and maintain the Basic Education Program at full funding. In addition, \$185.2 million of state fiscal stabilization funds in 2009-2010, and a total of \$471.1 million over three years beginning in the current year, will help the two public higher education systems transition to their lower recurring state appropriations. Higher education must use these non-recurring funds for general and educational purposes and to restrain student tuition and fee increases over the next two years. This will enable higher education to carefully implement recurring reductions over the next two years, rather than in the next three months.

Aside from the base budget reductions and use of the U.S. recovery act funds, the budget includes full funding of the K-12 Basic Education formula, but few other operational budget improvements, except for economic development. Job-creation opportunities are funded in four major projects, including training assistance and capital outlay for infrastructure. Through a combination of bonds and cash, funds are provided for the new Volkswagen automobile plant at Chattanooga, new Hemlock Semiconductor plant at Clarksville, new Wacker Chemie AG plant at Cleveland, and a proposed West Tennessee industrial mega-site in Haywood County.

The total state budget for 2009-2010 is \$29.3 billion, with \$12.6 billion from state appropriations, \$11.8 billion from federal funds, and \$4.9 billion from other departmental revenues, higher education student tuition and fees, and bonds for highway projects and facilities revolving fund capital outlay.

Our state revenue projections indicate that state collections may not recover to the level of the originally budgeted 2008-2009 estimates until 2012-2013. But the multi-year plan presented in the Budget is balanced each year and on a recurring-revenue-to-recurring expenditure basis by fiscal year 2011-2012.

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 2009-2010

The total recommended state budget for 2009-2010 is \$29.3 billion, with \$12.6 billion from state appropriations, \$11.8 billion from federal funds, and \$4.9 billion from other departmental revenues, higher education student tuition and fees, and bonds for capital projects and facilities revolving fund 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 downward. In the general fund for 2008-2009, the revenue estimate is decreased by \$1 billion from the originally budgeted estimate. The revised current-year growth rate in the general fund is 8.18 percent below the actual 2007-2008 Department of Revenue collections. For 2009-2010, before inter-fund reallocations, general fund taxes are expected to grow by \$87.9 million above the revised current-year estimate. This is a 1.04 percent general fund growth rate above the revised current-year estimate. Revenue growth rates are within the range of revenue growth recommended by the State Funding Board. After adjustments for inter-fund reallocations, the general fund revenue growth rate is 0.78 percent in 2009-2010 in the Budget Document. (Inter-fund reallocations are from the debt service fund to the general fund, resulting from a lower debt-service requirement; and from the general fund to the debt service fund, resulting from proposed new bond authorizations.)

The revised revenue estimates for the current year and estimates for next year are based on minimal economic growth through fiscal year 2009-2010.

Plan for Balancing

The general fund budget revenue shortfall for fiscal year 2008-2009 is projected to be \$1,171,340,300. The plan to address this shortfall includes delaying, canceling, and bonding capital projects for savings of \$196.2 million; a debt service fund transfer of \$97 million on June 30, 2009; and funding Economic & Community Development contingency appropriations with bonds for a savings of \$88 million. A total of \$64 million in current year funding has been put in an allotment reserve and cannot be spent. The U.S. Economic Recovery and Reinvestment Act generates \$404.1 million in additional funds. Additional actions such as continuing the hiring freeze, reducing grant programs, and group health insurance adjustments create savings of \$89.7 million. A transfer of \$126.5 million will be made from the TennCare reserve to the general fund. Finally, \$41.2 million will be taken from agency reserves and \$64.6 million from the revenue fluctuation reserve to balance the 2008-2009 budget.

The 2009-2010 base appropriation requirements for general fund programs have been decreased by a recurring \$781,886,200 through program reductions throughout state government. (These reductions are detailed in **Volume 2: Base Budget Reductions**.) The impact of these reductions is mitigated by using non-recurring funds from the U.S. Economic Recovery and Reinvestment Act (\$283.9 million) and from the general fund (\$273.7 million). The use of these non-recurring funds makes for a net reduction of \$224.2 million in fiscal year 2009-2010. Appropriations to the District Attorneys General, Public Defenders, and the Department of Safety are preserved with an estimated \$25 million from proposed legislation to make family-owned non-corporate entities (FONCE) subject to franchise and excise taxes, as are other non-corporate entities. A proposed health maintenance organization (HMO) premium tax increase from 2 percent to 5.5 percent will generate \$139 million and \$11 million of dedicated environmental fees will be redirected to the general fund in 2009-2010.

The 2009-2010 fiscal year has a recurring deficit of \$234 million, offset by the use of non-recurring revenues available from the U.S. Recovery and Reinvestment Act and state sources. The recurring deficit in 2010-2011 is projected to be \$246 million, offset by use of non-recurring revenue and the revenue fluctuation reserve. In 2011-2012, budget and revenue projections indicate a recurring surplus of \$7 million and a small deposit to the revenue fluctuation reserve.

K-12 Education

For K-12 education, the improvement from the general fund is \$75 million, including \$48 million 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). A \$14 million appropriation for pre-kindergarten is necessary to replace funding from the Lottery for Education Account, which is reduced from \$25 million to \$11 million because of a lower revised estimate of lottery revenues and current obligations to higher education scholarships. An additional \$490,000 is for the inflationary costs of existing classrooms.

Other K-12 education improvements include \$3.3 million for the Tennessee comprehensive assessment program (TCAP) achievement test for grades three through eight as required by Title I of the federal No Child Left Behind Act; \$6 million for the continuation of the TCAP end-of-course assessment program, as mandated by No Child Left Behind; \$800,000 for the continuation of holistic scoring services of the TCAP writing assessment, which requires students in fifth, eighth, and eleventh grades to write a rough draft essay in response to an assigned topic within a limited time period; \$2 million to provide third-year, non-recurring funding for grants to Tennessee State University for professional development of K-4 math and science teachers; \$589,000 for transporting School for the Deaf students to home on weekends; and \$165,900 for growth in teacher training and experience at the state special schools.

Higher Education

For higher education, the improvement is \$81 million. This includes \$68.1 million as state maintenance of effort funds required to receive U.S. Recovery and Reinvestment Act funding. An appropriation of \$4.4 million is federal relief funding from the U.S. Recovery and Reinvestment Act. The total improvement also includes \$3.2 million to continue need-based financial aid at the current-year funding level, which will allow the program to continue to provide financial assistance to approximately 27,000 students. A third year of non-recurring operational expenses for the University of Tennessee Biofuels Center is funded with \$5.3 million. This facility is 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.

Jobs, Economic Development, and Agriculture

For economic and community development, the budget includes \$55.6 million in non-recurring funding to support jobs initiatives. From this amount, \$43 million is for the recruitment of the new Volkswagen automobile plant at Chattanooga and will be used for workforce training, operation of a training center, and marketing and education initiatives. The capital budget includes \$170 million in bond financing for infrastructure and a training center for the Volkswagen plant. The new Hemlock Semiconductor polycrystalline silicon manufacturing plant at Clarksville will receive \$5 million for workforce training. A bond authorization of \$92 million is included in the capital budget for infrastructure needs at the Hemlock site. Also included in the capital budget is \$56.9 million in bond funding for infrastructure at the Wacker Chemie AG site in Bradley County. Wacker Chemie AG produces hyper pure polycrystalline silicon, a primary component used in the manufacture of solar panels and semiconductors. Land and right-of-way issues at the West Tennessee mega-site are funded with \$27.3 million in bond funding. A non-recurring appropriation of \$5.1 million is for the Eastman project and regional job training in the Kingsport area, and \$2.5 million is for additional FastTrack training funds.

The Tennessee Housing Development Agency (THDA) will receive \$192,000 in federal funds, \$64,000 of which is for an additional position in the Section 8 Contract Administration program to address an increasing workload and \$128,000 for two housing program coordinator positions to assist in administering the emergency repairs, community investment tax credits, the BUILD program, emergency shelter grants, and the housing trust fund.

Child Welfare and Juvenile Justice

The Department of Children's Services budget includes improvements totaling \$474,700 in state appropriations, including \$390,400 for a 5.2 percent rate increase to foster and adoptive parents to maintain rates at the U.S. Department of Agriculture mid-range for children in the urban South, as required by the Brian A. lawsuit settlement. An appropriation of \$84,300 provides funds to increase teacher salaries at special schools in the youth development centers.

Safe Communities

In the prison budget, \$9.4 million is provided for the opening of expanded prison facilities at the Morgan County Correctional Complex. This includes \$8 million to continue 228 existing positions being phased out of the old Brushy Mountain prison and funded by a non-recurring appropriation in the current year and \$1.3 million to annualize operating costs for 538 new beds. The \$1.3 million appropriation is offset by a recurring base reduction in the Sentencing Act of 1985 allotment. Operational increases are funded with an \$11.6 million dollar appropriation that includes \$4.8 million for mental health contract services, \$4.5 million for food for inmates, and a non-recurring appropriation of \$986,700 for the Hardeman County prison. The cost of the increased felon population in local jails is funded with an \$11.9 million appropriation. Five pilot correction release centers in Knox, Hamilton, Davidson, Madison, and Shelby counties are funded with \$678,700. This appropriation includes a recurring increase of \$1.3 million and a non-recurring reduction of \$690,100 to reflect projected expenditures. An updated risk and needs assessment for all offenders needed to implement the department's reduction plan is funded with \$48,700.

The Board of Probation and Parole receives improvements totaling \$8.7 million, of which \$3.3 million is to continue with recurring funds the global positioning system (GPS) sex offender tracking program; \$126,300 for an updated risk and needs assessment of offenders; \$105,000 for increased drug testing; \$315,000 for electronic monitoring; \$3.1 million for a treatment services network; \$1 million for 30 additional probation and parole officers; \$635,900 to increase the community corrections grant program by 20 percent; and \$112,500 to fund five probation and parole officers to supervise offenders at correction release centers. These expenditures are necessary to implement the Department of Correction base budget reduction plan.

General Government

In other areas of state government, a non-recurring appropriation of \$2.3 million will be used to provide additional funding for the health insurance of retired state employees and teachers. Rent increases resulting from federal requirements are funded with \$1 million and rent costs at the Tennessee Bureau of Investigation facilities in Nashville and Knoxville are funded with \$1.3 million. The state employee mileage rate increase from 46 cents to 51 cents is funded with \$2.2 million and a lodging rate increase is funded with \$600,000.

Capital Outlay

The capital outlay budget includes an additional \$606.1 million allocated for both fiscal years 2008-2009 and 2009-2010. The fiscal year 2008-2009 allocation of \$448.6 million includes \$280.3 million for the approved Volkswagen and Hemlock Semiconductor economic development projects, and \$168.3 million in new bonds to fund previously approved capital projects with bonds in lieu of cash.

Capital outlay in fiscal year 2009-2010 totals \$157.5 million, including \$26.3 million in non-recurring current funds and \$31.7 million from federal and other sources. A bond authorization of \$99.5 million is also requested. An appropriation of \$91.5 million is included for economic development projects relative to the Wacker Chemie AG project and development of the proposed West Tennessee mega-site. Additionally, \$61.6 million is recommended for capital maintenance of state facilities, comprised of \$20.3 million for general government, \$11.6 million for higher education, and \$29.8 million for correctional facilities, the latter funded from sentencing act funds.

The facilities revolving fund (FRF) capital budget provides an additional \$8.2 million for projects and maintenance of state office buildings and similar facilities maintained through agency rent payments. This is funded by \$4.9 million from FRF current funds and \$3.3 million from proposed bonds, with debt service provided from the facilities revolving fund through agency rent payments.

Revenue Fluctuation Reserve

The revenue fluctuation reserve allows services to be maintained when revenue growth is slower than estimated in the budget, mainly during economic downturns. The revenue fluctuation reserve was \$750 million at June 30, 2008. The closing plan for fiscal year 2008-2009 requires the use of \$64.6 million from the reserve, which brings its balance to \$685.4 million at June 30, 2009. The \$64.6 million is restored in the 2009-2010 budget and the reserve balance is projected to be at \$750 million on June 30, 2010. Fiscal year 2010-2011 will require using \$176 million from the reserve, and in fiscal year 2011-2012 a deposit of \$19.2 million will be made to the reserve, bringing the projected June 30, 2012, balance to \$593 million.

Conclusion

The Governor and the Commissioner of Finance and Administration recommend that the General Assembly carefully consider the fiscal year closing plans described in this document. The use of U.S. Recovery and Reinvestment Act funds allows state government to make significant program reductions over two years, rather than more immediately, but those reductions must be made to match recurring revenues to recurring expenditures at the end of the three-year plan.

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

The Budget Document

Introduction

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

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

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

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

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

Also included are tables that list, by department, the improvements proposed for the next fiscal year. A separate table lists, by department, proposed base budget reductions, indicating the percent of reduction compared

with general fund state appropriations and with so-called discretionary appropriations. The discretionary appropriations exclude appropriations from all dedicated taxes and fees, federal aid, and other departmental revenue; and general fund appropriations for the K-12 Basic Education Program (BEP), pre-kindergarten appropriations, constitutionally and statutorily required salaries of judges, 31 district attorneys general, 31 public defenders, certain programs affecting indigent or low-income persons, and a few

Additional charts further explain base budget reductions and the use of non-recurring funds from the general fund and from the U.S. economic recovery act for fiscal year 2009-2010. Other charts provide a three-year budget overview that balances recurring revenues with recurring expenses by fiscal year 2011-2012, based on current economic and revenue assumptions.

A separate table also identifies \$25 million of public safety general fund appropriations held harmless from base budget reductions that are dependent upon the enactment of legislation raising \$25 million in tax revenue by elimination of the exemption of Family-Owned Non-Corporate Entities (FONCE) from franchise and excise taxes.

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.

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

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

The 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 Budget Document

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

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

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

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

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

At the beginning of each functional presentation is an introduction to the associated agencies, followed by a list of the improvement items that are recommended for that area of state government. The improvement list is followed by tables that show the total expenditures, funding sources, and personnel of each functional area.

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

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

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

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

Following the "Program Statements by Functional Area," the next-to-last section of the Budget Document is "Budget Process and Program History." This section includes explanatory sections entitled "The Budget Process," "Performance-Based Budget," "Basis of Budgeting and Accounting," and "Tennessee Program History," which provides historical information on major programs.

The final section is the "Glossary and Index."

Budget Overview

Summary Statements and Charts

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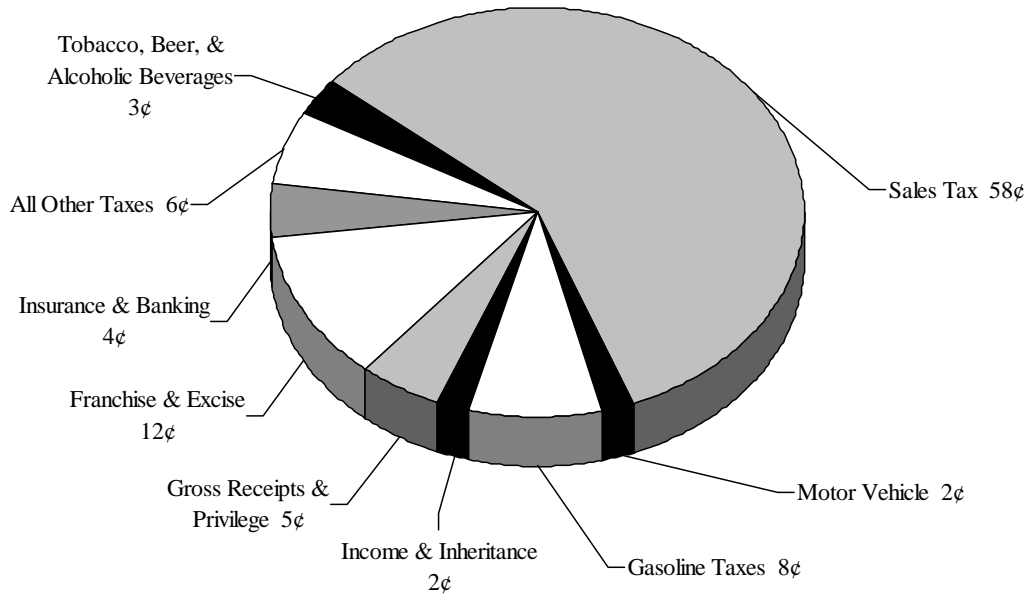
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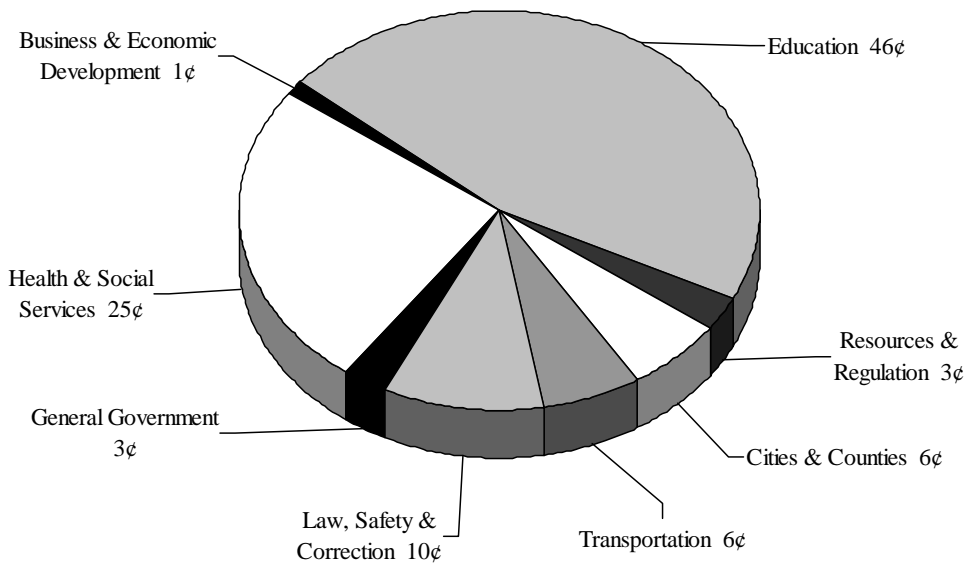
Budget Overview

Total State Budget

Where Your State Tax Dollar Comes From



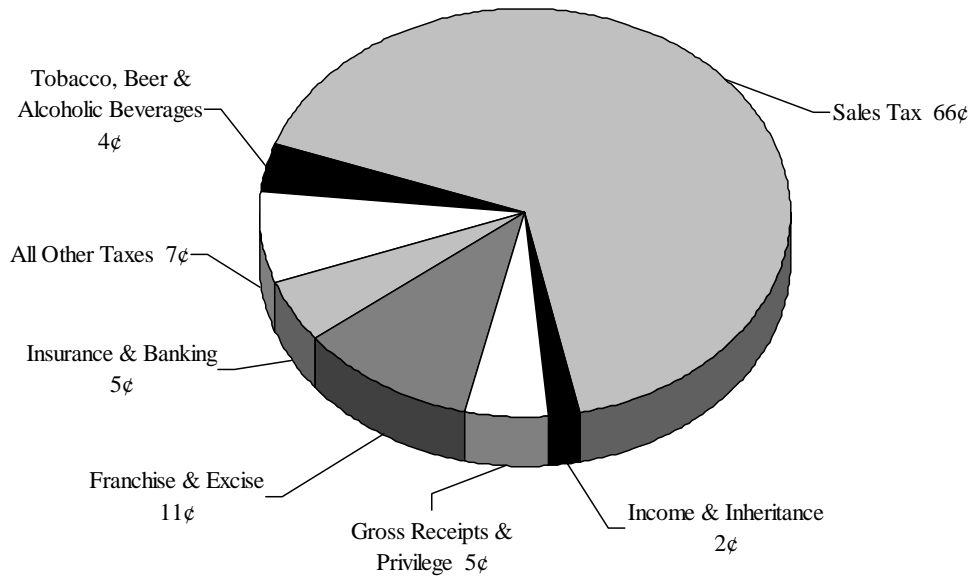
Where Your State Tax Dollar Goes



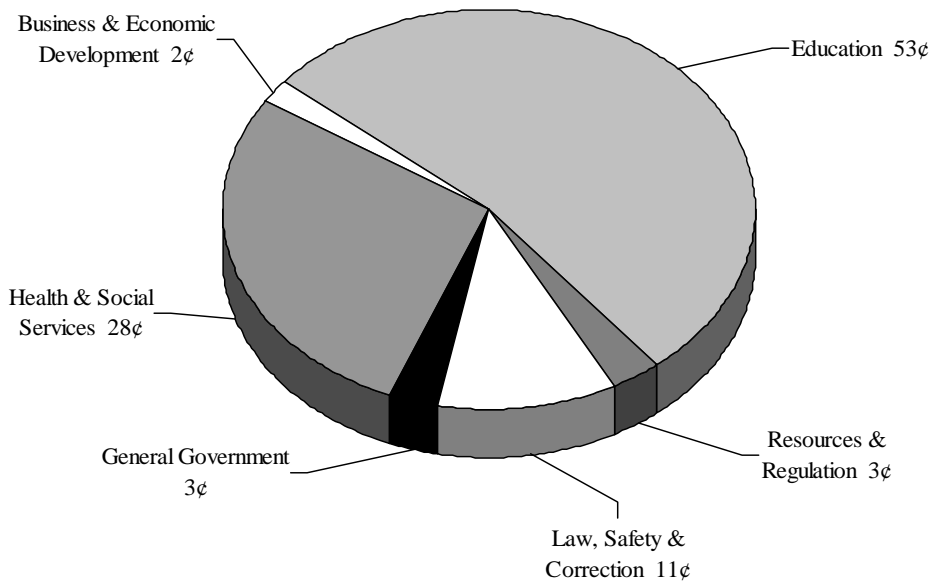
Fiscal Year 2009 - 2010

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2009 - 2010

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2007-2008, 2008-2009, and 2009-2010**

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Recommended 2009-2010</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
I. PROGRAMS					
ALL PROGRAMS	\$ 26,780,173,400	\$ 29,774,201,000	\$ 29,335,665,200	\$ 2,994,027,600	\$ (438,535,800)
General Fund ¹	23,655,820,700	25,216,432,800	25,771,618,700	1,560,612,100	555,185,900
Department of Transportation	1,456,169,000	2,606,373,000	2,025,707,000	1,150,204,000	(580,666,000)
Debt Service Requirements	327,578,000	356,814,000	429,985,000	29,236,000	73,171,000
Capital Outlay Program	359,118,000	621,286,000	157,480,000	262,168,000	(463,806,000)
Facilities Revolving Fund	139,391,600	170,295,200	147,774,500	30,903,600	(22,520,700)
Cities & Counties - State Shared Taxes	842,096,100	803,000,000	803,100,000	(39,096,100)	100,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 13,265,864,200	\$ 13,617,116,100	\$ 12,591,267,300	\$ 351,251,900	\$ (1,025,848,800)
General Fund ¹	10,972,627,600	11,568,737,300	10,598,092,500	596,109,700	(970,644,800)
Department of Transportation	833,569,300 ²	804,500,000	720,225,000	(29,069,300)	(84,275,000)
Debt Service Requirements	327,578,000	356,814,000	429,985,000	29,236,000	73,171,000
Capital Outlay Program	284,076,000 ²	70,500,000	26,300,000	(213,576,000)	(44,200,000)
Facilities Revolving Fund	5,917,200	13,564,800	13,564,800	7,647,600	0
Cities & Counties - State Shared Taxes	842,096,100	803,000,000	803,100,000	(39,096,100)	100,000
BONDS	\$ 0	\$ 715,420,000	\$ 532,800,000	\$ 715,420,000	\$ (182,620,000)
Department of Transportation	0	225,700,000	430,000,000	225,700,000	204,300,000
Capital Outlay Program	0	465,720,000	99,500,000	465,720,000	(366,220,000)
Facilities Revolving Fund	0	24,000,000	3,300,000	24,000,000	(20,700,000)
FEDERAL	\$ 9,111,948,000	\$ 10,853,271,700	\$ 11,837,072,100	\$ 1,741,323,700	\$ 983,800,400
General Fund	8,509,160,000	9,319,896,700	11,002,649,100	810,736,700	1,682,752,400
Department of Transportation	581,796,000	1,533,375,000	832,718,000	951,579,000	(700,657,000)
Capital Outlay Program	20,992,000	0	1,705,000	(20,992,000)	1,705,000
CURRENT SERVICES & OTHER	\$ 4,402,361,200	\$ 4,588,393,200	\$ 4,374,525,800	\$ 186,032,000	\$ (213,867,400)
General Fund ³	4,174,033,100	4,327,798,800	4,170,877,100	153,765,700	(156,921,700)
Department of Transportation	40,803,700	42,798,000	42,764,000	1,994,300	(34,000)
Capital Outlay Program	54,050,000	85,066,000	29,975,000	31,016,000	(55,091,000)
Facilities Revolving Fund	133,474,400 ⁴	132,730,400	130,909,700	(744,000)	(1,820,700)
TOTAL STATE BUDGET	\$ 26,780,173,400	\$ 29,774,201,000	\$ 29,335,665,200	\$ 2,994,027,600	\$ (438,535,800)

¹ General Fund includes Education Lottery-funded programs.

² Includes tax revenues and bonds.

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

⁴ Includes departmental operating revenues and bonds.

**Total State Budget
Comparison of Programs by Revenue Sources
Fiscal Years 2007-2008, 2008-2009, and 2009-2010**

	Actual 2007-2008	Estimated 2008-2009	Recommended 2009-2010	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND ¹	\$ 23,655,820,700	\$ 25,216,432,800	\$ 25,771,618,700	\$ 1,560,612,100	\$ 555,185,900
Appropriation	10,972,627,600	11,568,737,300	10,598,092,500	596,109,700	(970,644,800)
Federal	8,509,160,000	9,319,896,700	11,002,649,100	810,736,700	1,682,752,400
Current Services & Other Revenue ²	4,174,033,100	4,327,798,800	4,170,877,100	153,765,700	(156,921,700)
II. DEPARTMENT OF TRANSPORTATION	\$ 1,456,169,000	\$ 2,606,373,000	\$ 2,025,707,000	\$ 1,150,204,000	\$ (580,666,000)
Appropriation	833,569,300 ³	804,500,000	720,225,000	(29,069,300)	(84,275,000)
Federal	581,796,000	1,533,375,000	832,718,000	951,579,000	(700,657,000)
Current Services & Other Revenue	40,803,700	42,798,000	42,764,000	1,994,300	(34,000)
Bonds	0	225,700,000	430,000,000	225,700,000	204,300,000
III. DEBT SERVICE REQUIREMENTS	\$ 327,578,000	\$ 356,814,000	\$ 429,985,000	\$ 29,236,000	\$ 73,171,000
Appropriation	327,578,000	356,814,000	429,985,000	29,236,000	73,171,000
IV. CAPITAL OUTLAY PROGRAM	\$ 359,118,000	\$ 621,286,000	\$ 157,480,000	\$ 262,168,000	\$ (463,806,000)
Appropriation	284,076,000 ³	70,500,000	26,300,000	(213,576,000)	(44,200,000)
Federal	20,992,000	0	1,705,000	(20,992,000)	1,705,000
Current Services & Other Revenue	54,050,000	85,066,000	29,975,000	31,016,000	(55,091,000)
Bonds	0	465,720,000	99,500,000	465,720,000	(366,220,000)
V. FACILITIES REVOLVING FUND	\$ 139,391,600	\$ 170,295,200	\$ 147,774,500	\$ 30,903,600	\$ (22,520,700)
Appropriations	5,917,200	13,564,800	13,564,800	7,647,600	0
Current Services & Other Revenue	133,474,400 ⁴	132,730,400	130,909,700	(744,000)	(1,820,700)
Bonds	0	24,000,000	3,300,000	24,000,000	(20,700,000)
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 842,096,100	\$ 803,000,000	\$ 803,100,000	\$ (39,096,100)	\$ 100,000
Appropriation	842,096,100	803,000,000	803,100,000	(39,096,100)	100,000
VII. TOTAL STATE BUDGET	\$ 26,780,173,400	\$ 29,774,201,000	\$ 29,335,665,200	\$ 2,994,027,600	\$ (438,535,800)
Appropriation	13,265,864,200	13,617,116,100	12,591,267,300	351,251,900	(1,025,848,800)
Federal	9,111,948,000	10,853,271,700	11,837,072,100	1,741,323,700	983,800,400
Current Services & Other Revenue ²	4,402,361,200	4,588,393,200	4,374,525,800	186,032,000	(213,867,400)
Bonds	0	715,420,000	532,800,000	715,420,000	(182,620,000)

¹ General Fund includes Education Lottery-funded programs.

² Includes Higher Education tuition and student fees.

³ Includes tax revenues and bonds.

⁴ Includes departmental operating revenues and bonds.

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2007-2008, 2008-2009, and 2009-2010**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2007, 2008, and 2009
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income</u>	<u>Percentage Growth</u>
1977	\$ 26,795	-
2007	205,468	-
2008	213,124	3.73
2009	214,571	0.68

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2007-2008, 2008-2009, and 2009-2010
(Dollars in Millions)**

<u>Year</u>	<u>Appropriations</u>	<u>Percentage Growth</u>
1977-1978	\$ 1,747.3	-
2007-2008	11,967.6	-
2008-2009	11,136.0	-6.95
2009-2010	11,397.9	2.35

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.

2008-2009 Through 2011-2012
General Fund and Education Fund Budget Projection
Recurring Appropriations and State Revenues
Increase / (Decrease) in Millions

	Year 0	Year 1	Year 2	Year 3
	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
I. General Fund Revenues:				
Department of Revenue Taxes -				
Loss from Budgeted 2008-2009 Estimate	\$ (1,036)	\$ (948)	\$ (565)	\$ (82)
2009 Tax Legislation:				
F&E FONCE (Family-Owned Non-Corporate Entities)	\$ -	\$ 25	\$ 25	\$ 25
HMO Tax Increase from 2% to 5.5%	-	139	139	139
Sub-Total 2009 Tax Legislation	\$ -	\$ 164	\$ 164	\$ 164
Other State Revenue:				
Treasurer's Interest Earnings	\$ (10)	\$ (30)	\$ (30)	\$ (30)
Other State Revenue	-	2	27	52
Dedicated Environmental Fees - Restore in Year 2	-	11	-	-
Real Estate Transfer Tax - Restore in Year 2	-	-	(25)	(25)
Sub-Total Other State Revenue	\$ (10)	\$ (17)	\$ (28)	\$ (3)
Total Available General Fund Revenue	\$ (1,046)	\$ (801)	\$ (429)	\$ 79
II. Appropriation Requirements:				
Base Reductions and Adjustments:				
Preliminary Base Reductions	\$ -	\$ (14)	\$ (24)	\$ (34)
Preliminary Base Adjustments	-	49	49	49
Base Reduction Plans	-	(781)	(781)	(781)
Sub-Total Base Reductions and Adjustments	\$ -	\$ (746)	\$ (756)	\$ (766)
Program Growth:				
Education:				
Basic Education Program (BEP) Formula Growth	\$ -	\$ 48	\$ 98	\$ 148
Pre-K - Existing Classes - General Fund in Lieu of Lottery	-	14	25	25
Other K-12 Education	-	11	16	22
Sub-Total Education	\$ -	\$ 73	\$ 139	\$ 195
Other Programs:				
Correction Department	\$ -	\$ 34	\$ 44	\$ 54
TennCare	-	-	50	125
Employee Health Insurance	-	-	65	136
Retirement Contribution Rate Increase	-	-	150	150
Other Programs	-	21	59	97
Sub-Total Other Programs	\$ -	\$ 55	\$ 368	\$ 562
Sub-Total Program Growth	\$ -	\$ 128	\$ 507	\$ 757
Debt Service Fund:				
Debt Retired - General Fund Gain	\$ -	\$ (7)	\$ (12)	\$ (17)
Additional Capital Outlay - General Fund Cost	28	58	78	98
Sub-Total Debt Service Fund	\$ 28	\$ 51	\$ 66	\$ 81
Total Appropriation Requirements	\$ 28	\$ (567)	\$ (183)	\$ 72
Recurring Budget Surplus / (Deficit)	\$ (1,074)	\$ (234)	\$ (246)	\$ 7

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2008-2009**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
2008 Appropriations Act - Work Program	\$ 11,476,671,900	\$ 11,082,221,900	\$ 394,450,000
2008 Appropriations Act - Dedicated Revenue	525,100	525,100	0
2009 Supplemental Appropriations:			
E&CD - Fast Track Grants	19,600,000	0	19,600,000
Higher Education - 2007-2008 Appropriation Level	58,625,900	0	58,625,900
Miscellaneous Appropriations	13,314,400	0	13,314,400
Total General Fund Requirements	\$ 11,568,737,300	\$ 11,082,747,000	\$ 485,990,300
Less: Overappropriation	(126,512,000)	(120,300,000)	(6,212,000)
Net General Fund Requirements	\$ 11,442,225,300	\$ 10,962,447,000	\$ 479,778,300
Other Programs:			
Capital Outlay Program	\$ 52,200,000	\$ 0	\$ 52,200,000
E&CD - Capital Outlay Grants	18,300,000	0	18,300,000
Tobacco MSA - Attorney General Arbitration Expense	1,500,000	0	1,500,000
Metro Sports Authority Debt Service	3,704,000	3,704,000	0
Personal License Plates Fund Reserves	1,000,000	1,000,000	0
Facilities Revolving Fund	13,564,800	13,564,800	0
Transfer to Highway Fund	2,900	0	2,900
Total Other Requirements	\$ 90,271,700	\$ 18,268,800	\$ 72,002,900
Total Appropriation Requirements	\$ 11,532,497,000	\$ 10,980,715,800	\$ 551,781,200
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 8,439,100,000	\$ 8,439,100,000	\$ 0
State Tax Revenue - Other State Revenue	940,200,000	938,242,400	1,957,600
Miscellaneous Revenue	61,200,000	60,300,000	900,000
Tobacco MSA Revenue	173,900,000	159,500,000	14,400,000
Lottery for Education Account	308,100,000	308,100,000	0
Lottery Revenue - Energy Efficiency Fund	90,000,000	0	90,000,000
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Reserve for Appropriations 2008-2009	347,583,300	0	347,583,300
Plan for Closing - Other Available Funds:			
Capital Projects Fund - Delay, Cancel, and Bonds	\$ 196,200,000	\$ 0	\$ 196,200,000
Debt Service Fund Transfer at June 30, 2009	97,000,000	0	97,000,000
E&CD - Contingency Appropriation - Fund with Bonds	88,000,000	0	88,000,000
Work Program Allotment Reserve - Reversion	64,000,000	0	64,000,000
U. S. Economic Recovery Act:			
Restore Higher Education Reversion	42,000,000	0	42,000,000
Restore Higher Education to 2007-08 Level	58,625,900	0	58,625,900
TennCare - Additional Reversion	300,000,000	0	300,000,000
Children's Services - Title IV E - Reversion	3,500,000	0	3,500,000
Other Additional Reversion	89,721,100	0	89,721,100
TennCare Reserve - Transfer to General Fund	126,500,000	0	126,500,000
Other Agency Reserves - Reversion	41,200,000	0	41,200,000
Sub-Total Plan for Closing	\$ 1,106,747,000	\$ 0	\$ 1,106,747,000
Transfer from Rainy Day Fund	64,600,000	0	64,600,000
Undesignated Fund Balance at June 30, 2008	184,000	0	184,000
Total General Fund Revenues and Reserves	\$ 11,532,714,300	\$ 9,906,342,400	\$ 1,626,371,900
III. AVAILABLE FUNDS AT JUNE 30, 2009			
Undesignated Fund Balance	\$ 217,300	\$ (1,074,373,400)	\$ 1,074,590,700
Total Available Funds	\$ 217,300	\$ (1,074,373,400)	\$ 1,074,590,700
Revenue Fluctuation Reserve at June 30, 2008	\$ 750,000,000		
Revenue Fluctuation Reserve at June 30, 2009	\$ 685,400,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2009-2010**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 11,082,221,900	\$ 11,082,221,900	\$ 0
Reductions and Reallocations - General Fund	(944,096,300)	(794,885,700)	(149,210,600)
Adjustments - General Fund	201,331,200	49,281,200	152,050,000
Reductions - Dedicated Revenue	(24,424,100)	(24,424,100)	0
Adjustments - Dedicated Revenue	11,336,000	11,336,000	0
Base Budget Recommended	\$ 10,326,368,700	\$ 10,323,529,300	\$ 2,839,400
Improvement Budget Recommendations:			
K-12 Education	\$ 75,364,900	\$ 73,364,900	\$ 2,000,000
Higher Education	81,001,200	3,200,000	77,801,200
Correction	33,737,800	33,441,200	296,600
Economic and Community Development	55,600,000	0	55,600,000
Other Agencies and Programs	26,019,900	19,648,900	6,371,000
Total Improvements	\$ 271,723,800	\$ 129,655,000	\$ 142,068,800
Total General Fund Requirements	\$ 10,598,092,500	\$ 10,453,184,300	\$ 144,908,200
Less: Overappropriation	(120,640,600)	(120,640,600)	0
Less: Human Services - Reversion - Non-Recurring	(24,900,000)	0	(24,900,000)
Less: OIR Savings - Non-Recurring	(5,500,000)	0	(5,500,000)
Net General Fund Requirements	\$ 10,447,051,900	\$ 10,332,543,700	\$ 114,508,200
Other Programs:			
Capital Outlay Program	\$ 19,000,000	\$ 0	\$ 19,000,000
Capital Outlay Grants - E&CD	7,300,000	0	7,300,000
Metro Sports Authority Debt Service	3,703,000	3,703,000	0
Personal License Plates Fund Reserves	1,000,000	1,000,000	0
Facilities Revolving Fund	13,564,800	13,064,800	500,000
Total Other Requirements	\$ 44,567,800	\$ 17,767,800	\$ 26,800,000
Total Appropriation Requirements	\$ 10,491,619,700	\$ 10,350,311,500	\$ 141,308,200
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 8,505,100,000	\$ 8,505,100,000	\$ 0
State Tax Revenue - Other State Revenue	915,000,000	915,000,000	0
Miscellaneous Revenue	60,600,000	60,600,000	0
U.S. Economic Recovery Act - General and Education	440,350,800	0	440,350,800
Tobacco MSA Revenue	161,700,000	161,700,000	0
Lottery for Education Account	302,100,000	302,100,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Dedicated Revenues - Reallocate to General Fund	10,700,000	10,700,000	0
Tobacco Tax - Agriculture Enhancement Program - Adjusted	(4,700,000)	(4,700,000)	0
Franchise and Excise - FONCE - Legislation	25,000,000	25,000,000	0
HMO Tax Increase from 2% to 5.5% - Legislation	139,300,000	139,300,000	0
Transfer to Rainy Day Fund	(64,600,000)	0	(64,600,000)
Undesignated Fund Balance at June 30, 2009	217,300	0	217,300
Total General Fund Revenues and Reserves	\$ 10,491,868,100	\$ 10,115,900,000	\$ 375,968,100
III. AVAILABLE FUNDS AT JUNE 30, 2010			
Undesignated Fund Balance	\$ 248,400	\$ (234,411,500)	\$ 234,659,900
Total Available Funds	\$ 248,400	\$ (234,411,500)	\$ 234,659,900
Revenue Fluctuation Reserve at June 30, 2009	\$ 685,400,000		
Revenue Fluctuation Reserve at June 30, 2010	\$ 750,000,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2008-2009 and 2009-2010

	<u>2008-2009</u>	<u>2009-2010</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION			
D.O.T. Headquarters	\$ 16,415,000	\$ 14,912,000	\$ (1,503,000)
Bureau of Engineering	24,140,000	20,418,000	(3,722,000)
Bureau of Administration	46,134,000	43,939,000	(2,195,000)
Bureau of Environment and Planning	9,976,000	5,973,000	(4,003,000)
Field Engineering	49,091,000	46,930,000	(2,161,000)
Insurance Premiums	10,000,000	9,000,000	(1,000,000)
Sub-Total Administration	\$ 155,756,000	\$ 141,172,000	\$ (14,584,000)
EQUIPMENT PURCHASES & OPERATIONS	\$ 35,806,000	\$ 27,736,000	\$ (8,070,000)
HIGHWAY MAINTENANCE	\$ 316,723,000	\$ 281,392,000	\$ (35,331,000)
STATE CONSTRUCTION			
Highway Betterments	\$ 10,000,000	\$ 10,000,000	\$ 0
State Aid	31,622,000	30,622,000	(1,000,000)
State Industrial Access	24,000,000	24,000,000	0
Local Interstate Connectors	5,000,000	5,000,000	0
Capital Improvements	7,200,000	5,200,000	(2,000,000)
Sub-Total State Construction	\$ 77,822,000	\$ 74,822,000	\$ (3,000,000)
FEDERAL CONSTRUCTION			
Mass Transit	\$ 42,813,000	\$ 43,649,000	\$ 836,000
Planning & Research	5,500,000	5,500,000	0
Interstate Construction	14,800,000	14,800,000	0
Forest Highways	200,000	200,000	0
State Highway Construction	308,280,000	146,954,000	(161,326,000)
Bridge Replacement	19,500,000	350,000,000	330,500,000
Air, Water, and Rail	53,000,000	64,000,000	11,000,000
Sub-Total Federal Construction	\$ 444,093,000	\$ 625,103,000	\$ 181,010,000
TOTAL APPROPRIATION REQUIREMENTS	\$ 1,030,200,000	\$ 1,150,225,000	\$ 120,025,000
II. FUNDING REQUIREMENTS			
Highway User Taxes	\$ 669,300,000	\$ 623,100,000	\$ (46,200,000)
Miscellaneous Revenue	21,200,000	21,125,000	(75,000)
Bonds	87,700,000	80,000,000	(7,700,000)
Bond Authorization - State Route 840	138,000,000	0	(138,000,000)
Bridge Bonds	0	350,000,000	350,000,000
Highway Fund Balance/Reserves	12,000,000	12,000,000	0
Transportation Equity Fund	52,000,000	64,000,000	12,000,000
Funds Not Required For Federal Match	50,000,000	0	(50,000,000)
Sub-Total Revenues and Reserves	\$ 1,030,200,000	\$ 1,150,225,000	\$ 120,025,000
TOTAL FUNDING REQUIREMENTS	\$ 1,030,200,000	\$ 1,150,225,000	\$ 120,025,000

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2008-2009 and 2009-2010

	<u>2008-2009</u>	<u>2009-2010</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 155,756,000	\$ 141,172,000	\$ (14,584,000)
Equipment Purchases	35,806,000	27,736,000	(8,070,000)
Highway Maintenance	316,723,000	281,392,000	(35,331,000)
State Construction	77,822,000	74,822,000	(3,000,000)
Federal Aid Construction	218,393,000	195,103,000	(23,290,000)
Total State Funds	\$ 804,500,000	\$ 720,225,000	\$ (84,275,000)
II. BOND AUTHORIZATIONS			
State Construction	\$ 0	\$ 0	\$ 0
Federal Aid Construction	225,700,000	430,000,000	204,300,000
Total Bond Authorizations	\$ 225,700,000	\$ 430,000,000	\$ 204,300,000
III. FEDERAL AID			
Federal Aid Construction	\$ 1,533,375,000	\$ 832,718,000	\$ (700,657,000)
IV. LOCAL GOVERNMENTS			
Highway Maintenance	\$ 1,100,000	\$ 1,100,000	\$ 0
State Construction	15,048,000	14,714,000	(334,000)
Federal Aid Construction	26,650,000	26,950,000	300,000
Total Local Governments	\$ 42,798,000	\$ 42,764,000	\$ (34,000)
V. GRAND TOTAL			
Administration	\$ 155,756,000	\$ 141,172,000	\$ (14,584,000)
Equipment Purchases	35,806,000	27,736,000	(8,070,000)
Highway Maintenance	317,823,000	282,492,000	(35,331,000)
State Construction	92,870,000	89,536,000	(3,334,000)
Federal Aid Construction	2,004,118,000	1,484,771,000	(519,347,000)
Grand Total	\$ 2,606,373,000	\$ 2,025,707,000	\$ (580,666,000)

Department of Transportation
Revised Budget by Program and Funding Source
Fiscal Year 2008-2009

		Federal						
		2008	2009					
		Appropriations	U.S. Economic					
		Act	Recovery Act	Total	Other	Total		
		State						
ADMINISTRATION								
401	D.O.T Headquarters	\$ 16,415,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,415,000
403	Bureau of Engineering	24,140,000	-	-	-	-	-	24,140,000
402	Bureau of Administration	46,134,000	-	-	-	-	-	46,134,000
405	Bureau of Environment and Planning	9,976,000	-	-	-	-	-	9,976,000
412	Field Engineering	49,091,000	-	-	-	-	-	49,091,000
414	Insurance Premiums	10,000,000	-	-	-	-	-	10,000,000
	Sub-Total Administration	\$ 155,756,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,756,000
430	Equipment Purchases & Operations	35,806,000	-	-	-	-	-	35,806,000
451	Highway Maintenance	316,723,000	-	-	-	1,100,000	-	317,823,000
STATE CONSTRUCTION								
453	Highway Betterments	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 10,100,000
455	State Aid	31,622,000	-	-	-	9,748,000	-	41,370,000
470	State Industrial Access	24,000,000	-	-	-	200,000	-	24,200,000
478	Local Interstate Connectors	5,000,000	-	-	-	5,000,000	-	10,000,000
481	Capital Improvements	7,200,000	-	-	-	-	-	7,200,000
	Sub-Total State Construction	\$ 77,822,000	\$ -	\$ -	\$ -	\$ 15,048,000	\$ -	\$ 92,870,000
FEDERAL CONSTRUCTION								
416	Mass Transit	\$ 42,813,000	\$ 103,919,000	\$ 73,247,000	\$ 177,166,000	\$ -	\$ -	\$ 219,979,000
440	Planning and Research	5,500,000	14,000,000	-	14,000,000	-	-	19,500,000
472	Interstate Construction	14,800,000	133,020,000	-	133,020,000	1,500,000	-	149,320,000
475	Forest Highways	200,000	700,000	-	700,000	-	-	900,000
480	State Highway Construction	308,280,000	544,368,000	572,701,000	1,117,069,000	14,950,000	-	1,440,299,000
488	Bridge Replacement	19,500,000	57,620,000	-	57,620,000	3,000,000	-	80,120,000
494	Air, Water, and Rail	53,000,000	13,800,000	20,000,000	33,800,000	7,200,000	-	94,000,000
	Sub-Total Federal Construction	\$ 444,093,000	\$ 867,427,000	\$ 665,948,000	\$ 1,533,375,000	\$ 26,650,000	\$ -	\$ 2,004,118,000
	Total Appropriations	\$ 1,030,200,000	\$ 867,427,000	\$ 665,948,000	\$ 1,533,375,000	\$ 42,798,000	\$ -	\$ 2,606,373,000
FUNDING SOURCES:								
	Highway User Taxes	\$ 669,300,000						
	Misc. Dept. Revenues	21,200,000						
	Bond Authorization	87,700,000						
	Bond Authorization - SR 840	138,000,000						
	Fund Balance & Reserves	12,000,000						
	Transportation Equity Fund	52,000,000						
	Funds Not Required for Federal Match	50,000,000						
	Total State Appropriations	\$ 1,030,200,000						

Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2009-2010

		Federal				
		2009				
	State	Regular Program	U.S. Economic Recovery Act	Total	Other	Total
ADMINISTRATION						
401	D.O.T Headquarters	\$ 14,912,000	\$ -	\$ -	\$ -	\$ 14,912,000
403	Bureau of Engineering	20,418,000	-	-	-	20,418,000
402	Bureau of Administration	43,939,000	-	-	-	43,939,000
405	Bureau of Environment and Planning	5,973,000	-	-	-	5,973,000
412	Field Engineering	46,930,000	-	-	-	46,930,000
414	Insurance Premiums	9,000,000	-	-	-	9,000,000
	Sub-Total Administration	\$ 141,172,000	\$ -	\$ -	\$ -	\$ 141,172,000
430	Equipment Purchases & Operations	27,736,000	-	-	-	27,736,000
451	Highway Maintenance	281,392,000	-	-	1,100,000	282,492,000
STATE CONSTRUCTION						
453	Highway Betterments	\$ 10,000,000	\$ -	\$ -	\$ 100,000	\$ 10,100,000
455	State Aid	30,622,000	-	-	9,414,000	40,036,000
470	State Industrial Access	24,000,000	-	-	200,000	24,200,000
478	Local Interstate Connectors	5,000,000	-	-	5,000,000	10,000,000
481	Capital Improvements	5,200,000	-	-	-	5,200,000
	Sub-Total State Construction	\$ 74,822,000	\$ -	\$ -	\$ 14,714,000	\$ 89,536,000
FEDERAL CONSTRUCTION						
416	Mass Transit	\$ 43,649,000	\$ 98,470,000	\$ -	\$ 98,470,000	\$ 142,119,000
440	Planning and Research	5,500,000	14,000,000	-	14,000,000	19,500,000
472	Interstate Construction	14,800,000	133,020,000	-	133,020,000	149,320,000
475	Forest Highways	200,000	700,000	-	700,000	900,000
480	State Highway Construction	146,954,000	544,368,000	-	544,368,000	706,272,000
488	Bridge Replacement	350,000,000	28,660,000	-	28,660,000	381,660,000
494	Air, Water, and Rail	64,000,000	13,500,000	-	13,500,000	85,000,000
	Sub-Total Federal Construction	\$ 625,103,000	\$ 832,718,000	\$ -	\$ 832,718,000	\$ 1,484,771,000
	Total Appropriations	\$ 1,150,225,000	\$ 832,718,000	\$ -	\$ 42,764,000	\$ 2,025,707,000
FUNDING SOURCES:						
	Highway User Taxes	\$ 623,100,000				
	Misc. Dept. Revenues	21,125,000				
	Bond Authorization	80,000,000				
	Bridge Bonds	350,000,000				
	Fund Balance & Reserves	12,000,000				
	Transportation Equity Fund	64,000,000				
	Total State Appropriations	\$ 1,150,225,000				

Lottery for Education Account
Summary of Appropriation Requirements, Revenues, and Reserves
Fiscal Years 2007-2008 Through 2011-2012
(Millions)

	Actual	Revised *	Recomm.	Projected	
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
1. Appropriation Requirements:					
Higher Education Scholarships Base	\$ 225.5	\$ 259.2	\$ 267.2	\$ 275.2	\$ 283.5
TSAA Need-Based Scholarships	10.0	6.8	6.8	6.8	6.8
Pre-Kindergarten Program	23.9	25.0	11.0	9.8	7.1
Administration and Other	3.3	4.1	4.1	4.1	4.1
Local Government Account	3.2	-	-	-	-
Total Appropriation Requirements	\$ 265.9	\$ 295.1	\$ 289.1	\$ 295.9	\$ 301.5
2. Current Revenue:					
Net Education Lottery Proceeds	\$ 272.4	\$ 273.1	\$ 273.1	\$ 278.6	\$ 284.2
Lottery for Education Account - Interest	16.8	16.0	16.0	17.3	17.3
Local Government 1% Reserve - Interest	0.4	-	-	-	-
Total Current Revenue	\$ 289.6	\$ 289.1	\$ 289.1	\$ 295.9	\$ 301.5
3. Net Available Current Revenue	\$ 23.7	\$ (6.0)	\$ 0.0	\$ 0.0	\$ 0.0
4. Lottery for Education Reserve at June 30:					
General Shortfall Reserve	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0
Unobligated Reserve	408.4	325.1	325.1	325.1	325.1
Local Government Reserve	12.7	-	-	-	-
Total Reserve at June 30	\$ 471.1	\$ 375.1	\$ 375.1	\$ 375.1	\$ 375.1

(Dollars)

5. Scholarship Award Levels:					
HOPE 4-Year Colleges	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
HOPE 2-Year Colleges	2,000	2,000	2,000	2,000	2,000
Wilder-Naifeh Technical Skills Grants	2,000	2,000	2,000	2,000	2,000

HOPE Scholarship Base Awards - 2007-2008 actual - 76,300; 2008-2009 revised estimate - 88,000; and 2009-2010 recommended estimate - 91,000.

* Revised 2008-2009 column reflects mid-year revised scholarship expenditure estimate and mid-year revised revenue estimate.

Lottery-Funded Education Programs
Comparison of Appropriation Requirements and State Revenues
Fiscal Years 2007-2008 Through 2011-2012

	Actual	2008-2009 *		Recommended	Projected	
	2007-2008	Budgeted	Revised	2009-2010	2010-2011	2011-2012
I. Appropriation Requirements						
Higher Education Scholarships Base	\$ 225,483,697	\$ 259,302,100	\$ 259,200,000	\$ 267,200,000	\$ 275,200,000	\$ 283,500,000
TSAA Need-Based Scholarships	10,000,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000
Pre-Kindergarten Program **	23,851,050	25,000,000	25,000,000	11,000,000	9,800,000	7,100,000
Tenn. Higher Education Commission **	605,440	521,400	521,400	521,400	521,400	521,400
Tenn. Student Assistance Corp. **	2,702,304	2,438,800	2,438,800	2,438,800	2,438,800	2,438,800
Education - E-Transcripts for THEC **	-	808,100	808,100	808,100	808,100	808,100
Education - Lottery Scholarship Day **	-	23,000	23,000	23,000	23,000	23,000
Comptroller - Pre-K Longitudinal Study **	-	250,000	250,000	250,000	250,000	250,000
Rounding	-	56,600	58,700	58,700	58,700	58,700
Sub-Total Lottery for Education Acct.	\$ 262,642,491	\$ 295,200,000	\$ 295,100,000	\$ 289,100,000	\$ 295,900,000	\$ 301,500,000
After-School Programs	13,448,683	12,900,000	12,900,000	13,000,000	13,000,000	13,300,000
Total Appropriation Requirements	\$ 276,091,174	\$ 308,100,000	\$ 308,000,000	\$ 302,100,000	\$ 308,900,000	\$ 314,800,000
II. Available Revenues and Reserves						
Net Education Lottery Proceeds	\$ 272,416,000	\$ 278,500,000	\$ 273,100,000	\$ 273,100,000	\$ 278,600,000	\$ 284,200,000
Lottery for Education Account - Interest	16,764,797	17,300,000	16,000,000	16,000,000	17,300,000	17,300,000
Local Government 1% Reserve - Interest	426,517	-	-	-	-	-
Unclaimed Prizes (After-School Programs)	13,724,000	12,500,000	12,500,000	12,500,000	13,000,000	13,000,000
After-School Programs - Interest Earnings	406,028	400,000	200,000	200,000	300,000	300,000
Transfer from General Fund (BEP)	5,500,000	-	-	-	-	-
General Shortfall Reserve @ prior 6-30	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Local Government 1% Reserve @ prior 6-30	9,550,574	-	-	-	-	-
Lottery for Education Account @ prior 6-30	384,573,776	331,089,174	331,089,174	331,089,174	331,089,174	331,089,174
Unclaimed Prizes @ prior 6-30	8,803,117	14,984,462	14,984,462	14,984,462	14,984,462	14,984,462
Total Available Revenues and Reserves	\$ 762,164,809	\$ 704,773,636	\$ 697,873,636	\$ 697,873,636	\$ 705,273,636	\$ 710,873,636
III. Available Funds at June 30						
General Shortfall Reserve	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000
Lottery for Education Account	410,387,922	331,689,174	325,089,174	331,089,174	331,089,174	331,089,174
Local Government 1% Reserve	10,701,251	-	-	-	-	-
After-School Programs Reserve	14,984,462	14,984,462	14,784,462	14,684,462	15,284,462	14,984,462
Total Available Funds @ June 30	\$ 486,073,635	\$ 396,673,636	\$ 389,873,636	\$ 395,773,636	\$ 396,373,636	\$ 396,073,636

* 2008-2009 - Budgeted column reflects budgeted appropriations and revenue estimate. Revised column reflects mid-year revised scholarship expenditure estimate and mid-year revised revenue estimate.

** Estimated in departmental revenues of affected agencies.

Comparison of Programs

Fiscal Years 2007-2008, 2008-2009, and 2009-2010

Allot. Code	Department	Actual 2007-2008	Estimated 2008-2009	Recommended 2009-2010	Act. vs Est. Difference	Est. vs Rec. Difference
301	Legislature	\$ 35,803,700	\$ 39,934,100	\$ 38,579,100	\$ 4,130,400	\$ (1,355,000)
	Appropriation	35,701,500	39,796,600	38,441,600	4,095,100	(1,355,000)
	Current Services and Other Revenue	102,200	137,500	137,500	35,300	0
301.50	Fiscal Review Committee	\$ 1,126,700	\$ 1,345,500	\$ 1,290,700	\$ 218,800	\$ (54,800)
	Appropriation	1,126,700	1,345,500	1,290,700	218,800	(54,800)
302	Court System	\$ 118,737,600	\$ 122,083,800	\$ 120,119,000	\$ 3,346,200	\$ (1,964,800)
	Appropriation	111,983,200	116,906,000	115,103,500	4,922,800	(1,802,500)
	Federal	460,400	200,000	200,000	(260,400)	0
	Current Services and Other Revenue	6,294,000	4,977,800	4,815,500	(1,316,200)	(162,300)
303	Attorney General and Reporter	\$ 31,557,400	\$ 36,977,800	\$ 36,072,400	\$ 5,420,400	\$ (905,400)
	Appropriation	21,493,900	24,373,700	23,506,100	2,879,800	(867,600)
	Current Services and Other Revenue	10,063,500	12,604,100	12,566,300	2,540,600	(37,800)
304	District Attorneys General	\$ 87,366,000	\$ 96,121,200	\$ 93,954,500	\$ 8,755,200	\$ (2,166,700)
	Appropriation	64,419,600	68,763,100	68,466,800	4,343,500	(296,300)
	Current Services and Other Revenue	22,946,400	27,358,100	25,487,700	4,411,700	(1,870,400)
305	Secretary of State	\$ 59,173,800	\$ 64,843,200	\$ 63,536,700	\$ 5,669,400	\$ (1,306,500)
	Appropriation	45,535,000	30,738,800	29,432,300	(14,796,200)	(1,306,500)
	Federal	3,252,700	23,406,700	23,406,700	20,154,000	0
	Current Services and Other Revenue	10,386,100	10,697,700	10,697,700	311,600	0
306	District Public Defenders	\$ 38,369,100	\$ 41,144,000	\$ 40,988,100	\$ 2,774,900	\$ (155,900)
	Appropriation	36,859,800	39,709,900	39,614,000	2,850,100	(95,900)
	Current Services and Other Revenue	1,509,300	1,434,100	1,374,100	(75,200)	(60,000)
307	Comptroller of the Treasury	\$ 84,477,300	\$ 98,122,400	\$ 95,984,800	\$ 13,645,100	\$ (2,137,600)
	Appropriation	74,262,400	87,289,500	85,159,600	13,027,100	(2,129,900)
	Current Services and Other Revenue	10,214,900	10,832,900	10,825,200	618,000	(7,700)
308	Post-Conviction Defender	\$ 1,675,000	\$ 1,953,900	\$ 1,947,100	\$ 278,900	\$ (6,800)
	Appropriation	1,673,900	1,953,900	1,947,100	280,000	(6,800)
	Current Services and Other Revenue	1,100	0	0	(1,100)	0
309	Treasury Department	\$ 21,417,500	\$ 27,598,000	\$ 24,738,500	\$ 6,180,500	\$ (2,859,500)
	Appropriation	430,500	626,700	603,200	196,200	(23,500)
	Current Services and Other Revenue	20,987,000	26,971,300	24,135,300	5,984,300	(2,836,000)
313	Claims and Compensation	\$ 83,979,900	\$ 100,302,800	\$ 102,879,200	\$ 16,322,900	\$ 2,576,400
	Appropriation	9,201,000	10,260,000	10,855,000	1,059,000	595,000
	Federal	8,555,100	7,067,800	5,025,000	(1,487,300)	(2,042,800)
	Current Services and Other Revenue	66,223,800	82,975,000	86,999,200	16,751,200	4,024,200

Comparison of Programs

Fiscal Years 2007-2008, 2008-2009, and 2009-2010

Allot. Code	Department	Actual 2007-2008	Estimated 2008-2009	Recommended 2009-2010	Act. vs Est. Difference	Est. vs Rec. Difference
315	Executive Department	\$ 3,746,100	\$ 4,472,500	\$ 3,802,700	\$ 726,400	\$ (669,800)
	Appropriation	3,746,100	4,472,500	3,802,700	726,400	(669,800)
316	Commissions	\$ 312,601,500	\$ 408,492,900	\$ 408,684,800	\$ 95,891,400	\$ 191,900
	Appropriation	34,707,200	40,565,300	39,547,000	5,858,100	(1,018,300)
	Federal	224,019,600	295,143,900	299,515,400	71,124,300	4,371,500
	Current Services and Other Revenue	53,874,700	72,783,700	69,622,400	18,909,000	(3,161,300)
317	Finance and Administration (F&A)	\$ 255,017,000	\$ 285,422,400	\$ 298,354,100	\$ 30,405,400	\$ 12,931,700
	Appropriation	21,616,500	44,353,500	34,608,500	22,737,000	(9,745,000)
	Federal	22,471,900	27,695,000	69,426,600	5,223,100	41,731,600
	Current Services and Other Revenue	210,928,600	213,373,900	194,319,000	2,445,300	(19,054,900)
	Criminal Justice Programs	¹ \$ 28,035,900	\$ 30,987,300	\$ 63,311,000	\$ 2,951,400	\$ 32,323,700
	Appropriation	8,330,200	8,034,700	7,947,800	(295,500)	(86,900)
	Federal	18,746,000	22,845,800	55,257,400	4,099,800	32,411,600
	Current Services and Other Revenue	959,700	106,800	105,800	(852,900)	(1,000)
	Other F&A Programs	¹ \$ 226,981,100	\$ 254,435,100	\$ 235,043,100	\$ 27,454,000	\$ (19,392,000)
	Appropriation	13,286,300	36,318,800	26,660,700	23,032,500	(9,658,100)
	Federal	3,725,900	4,849,200	14,169,200	1,123,300	9,320,000
	Current Services and Other Revenue	209,968,900	213,267,100	194,213,200	3,298,200	(19,053,900)
318	F&A - TennCare	\$ 7,496,990,100	\$ 7,388,626,100	\$ 7,636,173,800	\$ (108,364,000)	\$ 247,547,700
	Appropriation	2,524,368,500	2,588,207,200	1,975,934,000	63,838,700	(612,273,200)
	Federal	4,675,324,700	4,513,790,800	5,428,969,900	(161,533,900)	915,179,100
	Current Services and Other Revenue	297,296,900	286,628,100	231,269,900	(10,668,800)	(55,358,200)
319	Human Resources	\$ 10,292,700	\$ 12,838,700	\$ 12,426,600	\$ 2,546,000	\$ (412,100)
	Appropriation	3,506,100	5,532,300	5,295,400	2,026,200	(236,900)
	Current Services and Other Revenue	6,786,600	7,306,400	7,131,200	519,800	(175,200)
321	General Services	\$ 110,768,400	\$ 114,432,100	\$ 108,184,500	\$ 3,663,700	\$ (6,247,600)
	Appropriation	9,682,200	2,493,600	2,465,300	(7,188,600)	(28,300)
	Current Services and Other Revenue	101,086,200	111,938,500	105,719,200	10,852,300	(6,219,300)
323	Veterans Affairs	\$ 4,851,000	\$ 5,055,900	\$ 5,055,600	\$ 204,900	\$ (300)
	Appropriation	4,311,500	4,570,000	4,515,900	258,500	(54,100)
	Federal	392,700	360,300	392,700	(32,400)	32,400
	Current Services and Other Revenue	146,800	125,600	147,000	(21,200)	21,400
324	Board of Probation and Parole	\$ 79,316,800	\$ 82,432,100	\$ 86,428,800	\$ 3,115,300	\$ 3,996,700
	Appropriation	78,190,800	81,145,700	85,170,100	2,954,900	4,024,400
	Current Services and Other Revenue	1,126,000	1,286,400	1,258,700	160,400	(27,700)

Comparison of Programs

Fiscal Years 2007-2008, 2008-2009, and 2009-2010

Allot. Code	Department	Actual 2007-2008	Estimated 2008-2009	Recommended 2009-2010	Act. vs Est. Difference	Est. vs Rec. Difference
325	Agriculture	\$ 104,211,800	\$ 98,668,000	\$ 91,199,100	\$ (5,543,800)	\$ (7,468,900)
	Appropriation	79,698,700	77,828,500	70,359,400	(1,870,200)	(7,469,100)
	Federal	11,797,300	10,000,500	11,980,500	(1,796,800)	1,980,000
	Current Services and Other Revenue	12,715,800	10,839,000	8,859,200	(1,876,800)	(1,979,800)
326	Tourist Development	\$ 18,569,900	\$ 19,897,700	\$ 16,318,100	\$ 1,327,800	\$ (3,579,600)
	Appropriation	12,713,800	12,673,700	8,894,200	(40,100)	(3,779,500)
	Current Services and Other Revenue	5,856,100	7,224,000	7,423,900	1,367,900	199,900
327	Environment and Conservation	\$ 413,318,800	\$ 389,937,100	\$ 395,996,700	\$ (23,381,700)	\$ 6,059,600
	Appropriation	251,345,100	176,053,800	160,919,200	(75,291,300)	(15,134,600)
	Federal	58,426,600	89,707,400	113,818,700	31,280,800	24,111,300
	Current Services and Other Revenue	103,547,100	124,175,900	121,258,800	20,628,800	(2,917,100)
328	Wildlife Resources Agency	\$ 83,404,500	\$ 90,280,800	\$ 74,617,900	\$ 6,876,300	\$ (15,662,900)
	Appropriation	50,193,600	46,930,200	43,795,400	(3,263,400)	(3,134,800)
	Federal	22,340,200	22,748,400	20,194,900	408,200	(2,553,500)
	Current Services and Other Revenue	10,870,700	20,602,200	10,627,600	9,731,500	(9,974,600)
329	Correction	\$ 623,127,200	\$ 700,085,700	\$ 671,888,300	\$ 76,958,500	\$ (28,197,400)
	Appropriation	604,563,500	682,262,800	653,989,000	77,699,300	(28,273,800)
	Federal	605,100	979,100	1,114,500	374,000	135,400
	Current Services and Other Revenue	17,958,600	16,843,800	16,784,800	(1,114,800)	(59,000)
330	Economic and Community Development	\$ 90,217,400	\$ 269,852,800	\$ 193,844,000	\$ 179,635,400	\$ (76,008,800)
	Appropriation	50,032,500	176,741,200	89,639,700	126,708,700	(87,101,500)
	Federal	30,342,000	71,666,300	90,371,200	41,324,300	18,704,900
	Current Services and Other Revenue	9,842,900	21,445,300	13,833,100	11,602,400	(7,612,200)
331	Education (K-12)	\$ 4,662,413,400	\$ 5,062,225,400	\$ 5,122,359,800	\$ 399,812,000	\$ 60,134,400
	Appropriation	3,756,810,400	3,985,391,900	3,927,728,500	228,581,500	(57,663,400)
	Federal	842,390,900	1,029,857,500	1,172,839,200	187,466,600	142,981,700
	Current Services and Other Revenue	63,212,100	46,976,000	21,792,100	(16,236,100)	(25,183,900)
	Lottery-Funded Programs	¹ \$ 32,852,000	\$ 37,901,400	\$ 24,000,000	\$ 5,049,400	\$ (13,901,400)
	Appropriation	7,948,700	12,901,400	13,000,000	4,952,700	98,600
	Current Services and Other Revenue	24,903,300	25,000,000	11,000,000	96,700	(14,000,000)
	Other Education (K-12) Programs	¹ \$ 4,629,561,400	\$ 5,024,324,000	\$ 5,098,359,800	\$ 394,762,600	\$ 74,035,800
	Appropriation	3,748,861,700	3,972,490,500	3,914,728,500	223,628,800	(57,762,000)
	Federal	842,390,900	1,029,857,500	1,172,839,200	187,466,600	142,981,700
	Current Services and Other Revenue	38,308,800	21,976,000	10,792,100	(16,332,800)	(11,183,900)

Comparison of Programs

Fiscal Years 2007-2008, 2008-2009, and 2009-2010

Allot. Code	Department	Actual 2007-2008	Estimated 2008-2009	Recommended 2009-2010	Act. vs Est. Difference	Est. vs Rec. Difference
332	Higher Education	\$ 3,464,357,800	\$ 3,593,775,100	\$ 3,586,611,000	\$ 129,417,300	\$ (7,164,100)
	Appropriation	1,637,820,200	1,672,495,300	1,663,289,100	34,675,100	(9,206,200)
	Federal	233,946,700	271,576,300	275,566,200	37,629,600	3,989,900
	Current Services and Other Revenue	570,720,700	564,717,400	562,769,600	(6,003,300)	(1,947,800)
	Tuition and Student Fees	1,021,870,200	1,084,986,100	1,084,986,100	63,115,900	0
	Lottery for Education Account ¹	\$ 262,642,500	\$ 295,200,000	\$ 289,100,000	\$ 32,557,500	\$ (6,100,000)
	Appropriation	262,400,000	295,200,000	289,100,000	32,800,000	(6,100,000)
	Current Services and Other Revenue	242,500	0	0	(242,500)	0
	Other Higher Education Programs ¹	\$ 3,201,715,300	\$ 3,298,575,100	\$ 3,297,511,000	\$ 96,859,800	\$ (1,064,100)
	Appropriation	1,375,420,200	1,377,295,300	1,374,189,100	1,875,100	(3,106,200)
	Federal	233,946,700	271,576,300	275,566,200	37,629,600	3,989,900
	Current Services and Other Revenue	570,478,200	564,717,400	562,769,600	(5,760,800)	(1,947,800)
	Tuition and Student Fees	1,021,870,200	1,084,986,100	1,084,986,100	63,115,900	0
335	Commerce and Insurance	\$ 116,235,500	\$ 138,510,000	\$ 141,131,100	\$ 22,274,500	\$ 2,621,100
	Appropriation	72,114,700	88,166,700	89,168,500	16,052,000	1,001,800
	Federal	334,900	235,000	235,000	(99,900)	0
	Current Services and Other Revenue	43,785,900	50,108,300	51,727,600	6,322,400	1,619,300
336	Financial Institutions	\$ 13,473,600	\$ 16,168,500	\$ 15,980,700	\$ 2,694,900	\$ (187,800)
	Appropriation	4,836,800	8,295,800	8,207,300	3,459,000	(88,500)
	Current Services and Other Revenue	8,636,800	7,872,700	7,773,400	(764,100)	(99,300)
337	Labor and Workforce Development	\$ 218,938,900	\$ 259,257,200	\$ 264,384,300	\$ 40,318,300	\$ 5,127,100
	Appropriation	37,598,400	44,311,700	39,542,300	6,713,300	(4,769,400)
	Federal	143,436,100	179,100,900	188,856,100	35,664,800	9,755,200
	Current Services and Other Revenue	37,904,400	35,844,600	35,985,900	(2,059,800)	141,300
339	Mental Health and Developmental Disabilities	\$ 317,665,800	\$ 347,525,200	\$ 317,482,100	\$ 29,859,400	\$ (30,043,100)
	Appropriation	180,448,400	179,221,000	172,035,100	(1,227,400)	(7,185,900)
	Federal	53,765,700	65,092,500	62,516,300	11,326,800	(2,576,200)
	Current Services and Other Revenue	83,451,700	103,211,700	82,930,700	19,760,000	(20,281,000)
341	Military	\$ 71,707,800	\$ 108,622,200	\$ 106,694,400	\$ 36,914,400	\$ (1,927,800)
	Appropriation	15,120,000	13,380,800	11,660,700	(1,739,200)	(1,720,100)
	Federal	54,388,600	93,150,200	93,017,500	38,761,600	(132,700)
	Current Services and Other Revenue	2,199,200	2,091,200	2,016,200	(108,000)	(75,000)
343	Health	\$ 557,601,100	\$ 571,957,400	\$ 556,713,600	\$ 14,356,300	\$ (15,243,800)
	Appropriation	190,941,400	191,533,000	173,207,700	591,600	(18,325,300)
	Federal	220,371,300	250,068,300	235,886,800	29,697,000	(14,181,500)
	Current Services and Other Revenue	146,288,400	130,356,100	147,619,100	(15,932,300)	17,263,000
344	F&A - Mental Retardation Services	\$ 865,324,900	\$ 838,997,800	\$ 830,046,500	\$ (26,327,100)	\$ (8,951,300)
	Appropriation	93,142,600	72,489,900	63,734,800	(20,652,700)	(8,755,100)
	Federal	1,472,900	2,176,300	2,058,800	703,400	(117,500)
	Current Services and Other Revenue	770,709,400	764,331,600	764,252,900	(6,377,800)	(78,700)

Comparison of Programs

Fiscal Years 2007-2008, 2008-2009, and 2009-2010

Allot. Code	Department	Actual 2007-2008	Estimated 2008-2009	Recommended 2009-2010	Act. vs Est. Difference	Est. vs Rec. Difference
345	Human Services	\$ 2,036,447,700	\$ 2,459,271,800	\$ 2,990,499,900	\$ 422,824,100	\$ 531,228,100
	Appropriation	176,488,300	182,565,000	178,879,800	6,076,700	(3,685,200)
	Federal	1,717,475,800	2,130,912,800	2,671,495,900	413,437,000	540,583,100
	Current Services and Other Revenue	142,483,600	145,794,000	140,124,200	3,310,400	(5,669,800)
	Temporary Cash Assistance ¹	\$ 114,311,700	\$ 128,255,300	\$ 241,957,500	\$ 13,943,600	\$113,702,200
	Appropriation	15,047,800	19,459,100	19,832,000	4,411,300	372,900
	Federal	95,641,500	105,179,000	218,508,300	9,537,500	113,329,300
	Current Services and Other Revenue	3,622,400	3,617,200	3,617,200	(5,200)	0
	Food Stamp Benefits ¹	\$ 1,078,969,200	\$ 1,390,041,300	\$ 1,751,933,900	\$ 311,072,100	\$361,892,600
	Federal	1,078,969,200	1,390,041,300	1,751,933,900	311,072,100	361,892,600
	Other Human Services Programs ¹	\$ 843,166,800	\$ 940,975,200	\$ 996,608,500	\$ 97,808,400	\$ 55,633,300
	Appropriation	161,440,500	163,105,900	159,047,800	1,665,400	(4,058,100)
	Federal	542,865,100	635,692,500	701,053,700	92,827,400	65,361,200
	Current Services and Other Revenue	138,861,200	142,176,800	136,507,000	3,315,600	(5,669,800)
347	Revenue	\$ 107,944,300	\$ 115,523,200	\$ 103,422,400	\$ 7,578,900	\$ (12,100,800)
	Appropriation	83,122,600	85,504,800	78,398,500	2,382,200	(7,106,300)
	Federal	0	22,000	22,000	22,000	0
	Current Services and Other Revenue	24,821,700	29,996,400	25,001,900	5,174,700	(4,994,500)
348	Tennessee Bureau of Investigation	\$ 64,985,600	\$ 68,580,700	\$ 65,072,700	\$ 3,595,100	\$ (3,508,000)
	Appropriation	37,141,900	40,164,900	36,692,300	3,023,000	(3,472,600)
	Federal	11,134,300	14,667,600	14,268,700	3,533,300	(398,900)
	Current Services and Other Revenue	16,709,400	13,748,200	14,111,700	(2,961,200)	363,500
349	Safety	\$ 158,689,300	\$ 177,645,600	\$ 163,503,600	\$ 18,956,300	\$ (14,142,000)
	Appropriation	109,287,900	121,059,200	107,628,000	11,771,300	(13,431,200)
	Federal	5,698,600	9,535,800	9,535,800	3,837,200	0
	Current Services and Other Revenue	43,702,800	47,050,600	46,339,800	3,347,800	(710,800)
350	Cover Tennessee Health Care Programs	\$ 97,351,500	\$ 172,956,300	\$ 167,971,400	\$ 75,604,800	\$ (4,984,900)
	Appropriation	56,176,700	84,301,700	80,816,800	28,125,000	(3,484,900)
	Federal	40,907,500	86,754,600	86,754,600	45,847,100	0
	Current Services and Other Revenue	267,300	1,900,000	400,000	1,632,700	(1,500,000)
351	Miscellaneous Appropriations	\$ 35,593,400	\$ 92,203,900	\$ 54,294,700	\$ 56,610,500	\$ (37,909,200)
	Appropriation	35,593,400	92,203,900	54,294,700	56,610,500	(37,909,200)
353	Emergency and Contingency Fund	\$ 0	\$ 1,569,300	\$ 819,300	\$ 1,569,300	\$ (750,000)
	Appropriation	0	1,569,300	819,300	1,569,300	(750,000)
355	State Building Commission	\$ 175,700	\$ 400,000	\$ 400,000	\$ 224,300	\$ 0
	Appropriation	157,300	250,000	250,000	92,700	0
	Current Services and Other Revenue	18,400	150,000	150,000	131,600	0

Comparison of Programs

Fiscal Years 2007-2008, 2008-2009, and 2009-2010

Allot. Code	Department	Actual 2007-2008	Estimated 2008-2009	Recommended 2009-2010	Act. vs Est. Difference	Est. vs Rec. Difference
359	Children's Services	\$ 696,797,200	\$ 690,321,700	\$ 661,166,100	\$ (6,475,500)	\$ (29,155,600)
	Appropriation	354,463,000	340,238,400	318,383,400	(14,224,600)	(21,855,000)
	Federal	125,848,400	123,980,700	125,180,100	(1,867,700)	1,199,400
	Current Services and Other Revenue	216,485,800	226,102,600	217,602,600	9,616,800	(8,500,000)
	Grand Total - General Fund	\$ 23,655,820,700	\$ 25,216,432,800	\$ 25,771,618,700	\$ 1,560,612,100	\$ 555,185,900
	Appropriation	10,972,627,600	11,568,737,300	10,598,092,500	596,109,700	(970,644,800)
	Federal	8,509,160,000	9,319,896,700	11,002,649,100	810,736,700	1,682,752,400
	Current Services and Other Revenue	3,152,162,900	3,242,812,700	3,085,891,000	90,649,800	(156,921,700)
	Tuition and Student Fees	1,021,870,200	1,084,986,100	1,084,986,100	63,115,900	0
400	Transportation	\$ 1,456,169,000	\$ 2,606,373,000	\$ 2,025,707,000	\$ 1,150,204,000	\$ (580,666,000)
	Appropriation	833,569,300 ²	804,500,000	720,225,000	(29,069,300)	(84,275,000)
	Federal	581,796,000	1,533,375,000	832,718,000	951,579,000	(700,657,000)
	Current Services and Other Revenue	40,803,700	42,798,000	42,764,000	1,994,300	(34,000)
	Bonds	0	225,700,000	430,000,000	225,700,000	204,300,000
	Debt Service Requirements	\$ 327,578,000	\$ 356,814,000	\$ 429,985,000	\$ 29,236,000	\$ 73,171,000
	Appropriation	327,578,000	356,814,000	429,985,000	29,236,000	73,171,000
	Capital Outlay Program	\$ 359,118,000	\$ 621,286,000 ⁴	\$ 157,480,000	\$ 262,168,000	\$ (463,806,000)
	Appropriation	284,076,000 ²	70,500,000	26,300,000	(213,576,000)	(44,200,000)
	Federal	20,992,000	0	1,705,000	(20,992,000)	1,705,000
	Current Services and Other Revenue	54,050,000	85,066,000	29,975,000	31,016,000	(55,091,000)
	Bonds	0	465,720,000	99,500,000	465,720,000	(366,220,000)
	Facilities Revolving Fund	\$ 139,391,600	\$ 170,295,200	\$ 147,774,500	\$ 30,903,600	\$ (22,520,700)
	Appropriation	5,917,200	13,564,800	13,564,800	7,647,600	0
	Current Services and Other Revenue	133,474,400 ³	132,730,400	130,909,700	(744,000)	(1,820,700)
	Bonds	0	24,000,000	3,300,000	24,000,000	(20,700,000)
	Cities & Counties - State Shared Taxes	\$ 842,096,100	\$ 803,000,000	\$ 803,100,000	\$ (39,096,100)	\$ 100,000
	Appropriation	842,096,100	803,000,000	803,100,000	(39,096,100)	100,000
	Total State Budget - All Programs	\$ 26,780,173,400	\$ 29,774,201,000	\$ 29,335,665,200	\$ 2,994,027,600	\$ (438,535,800)
	Appropriation	13,265,864,200	13,617,116,100	12,591,267,300	351,251,900	(1,025,848,800)
	Federal	9,111,948,000	10,853,271,700	11,837,072,100	1,741,323,700	983,800,400
	Current Services and Other Revenue	3,380,491,000	3,503,407,100	3,289,539,700	122,916,100	(213,867,400)
	Tuition and Student Fees	1,021,870,200	1,084,986,100	1,084,986,100	63,115,900	0
	Bonds	0	715,420,000	532,800,000	715,420,000	(182,620,000)

¹ Included in departmental total.

² Includes tax revenues and bonds in Actual 2007-2008.

³ Includes departmental revenues and bonds in Actual 2007-2008.

⁴ Capital Outlay for 2008-2009 includes the following from 2009 bond authorization and supplemental appropriation bills:

Total 2009 Bills	\$449,600,000
Appropriation	\$18,300,000
Bonds	\$431,300,000

Departmental Summary of Continuation and Improvement Recommendations from State Revenue for Fiscal Year 2009-2010

Department	2008-2009 Appropriations *		2009-2010 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Legislature	\$ 39,643,800	\$ 152,800	\$ 38,441,600	-3.03%	\$ 0	\$ 38,441,600	-3.40%
Fiscal Review Committee	1,341,400	4,100	1,290,700	-3.78%	0	1,290,700	-4.07%
Court System	111,601,000	5,305,000	108,777,400	-2.53%	6,326,100	115,103,500	-1.54%
Attorney General and Reporter	24,306,800	66,900	23,498,300	-3.33%	7,800	23,506,100	-3.56%
District Attorneys General	68,592,900	170,200	68,466,800	-0.18%	0	68,466,800	-0.43%
Secretary of State	30,606,800	132,000	29,432,300	-3.84%	0	29,432,300	-4.25%
District Public Defenders	39,674,400	35,500	39,614,000	-0.15%	0	39,614,000	-0.24%
Comptroller of the Treasury	87,104,800	184,700	85,159,600	-2.23%	0	85,159,600	-2.44%
Post-Conviction Defender	1,949,500	4,400	1,947,100	-0.12%	0	1,947,100	-0.35%
Treasury Department	626,200	500	603,200	-3.67%	0	603,200	-3.75%
Claims and Compensation	10,260,000	0	10,855,000	5.80%	0	10,855,000	5.80%
Executive Department	4,466,300	6,200	3,802,700	-14.86%	0	3,802,700	-14.98%
Commissions	39,746,600	818,700	39,191,900	-1.40%	355,100	39,547,000	-2.51%
Finance and Administration (F&A)	<u>36,242,900</u>	<u>8,110,600</u>	<u>34,608,500</u>	<u>-4.51%</u>	<u>0</u>	<u>34,608,500</u>	<u>-21.97%</u>
Criminal Justice Programs **	7,948,700	86,000	7,947,800	-0.01%	0	7,947,800	-1.08%
Other F&A Programs **	28,294,200	8,024,600	26,660,700	-5.77%	0	26,660,700	-26.59%
F&A - TennCare	2,583,870,700	4,336,500	1,975,934,000	-23.53%	0	1,975,934,000	-23.66%
Human Resources	5,416,700	115,600	5,295,400	-2.24%	0	5,295,400	-4.28%
General Services	2,469,200	24,400	2,465,300	-0.16%	0	2,465,300	-1.13%
Veterans Affairs	4,527,500	42,500	4,515,900	-0.26%	0	4,515,900	-1.18%
Board of Probation and Parole	76,547,400	4,598,300	76,376,400	-0.22%	8,793,700	85,170,100	4.96%
Agriculture	73,954,300	3,874,200	68,109,400	-7.90%	2,250,000	70,359,400	-9.60%
Tourist Development	8,899,000	3,774,700	8,894,200	-0.05%	0	8,894,200	-29.82%
Environment and Conservation	169,378,600	6,675,200	160,919,200	-4.99%	0	160,919,200	-8.60%
Wildlife Resources Agency	45,993,600	936,600	43,795,400	-4.78%	0	43,795,400	-6.68%
Correction	665,047,200	17,215,600	620,251,200	-6.74%	33,737,800	653,989,000	-4.14%
Economic and Community Development	37,471,800	139,269,400	34,039,700	-9.16%	55,600,000	89,639,700	-49.28%
Education (K-12)	<u>3,864,666,000</u>	<u>120,725,900</u>	<u>3,852,363,600</u>	<u>-0.32%</u>	<u>75,364,900</u>	<u>3,927,728,500</u>	<u>-1.45%</u>
Lottery-Funded Programs **	12,900,600	800	13,000,000	0.77%	0	13,000,000	0.76%
Other K-12 Education Programs **	3,851,765,400	120,725,100	3,839,363,600	-0.32%	75,364,900	3,914,728,500	-1.45%
Higher Education	<u>1,592,883,500</u>	<u>79,611,800</u>	<u>1,582,287,900</u>	<u>-0.67%</u>	<u>81,001,200</u>	<u>1,663,289,100</u>	<u>-0.55%</u>
Lottery for Education Account **	295,050,000	150,000	289,100,000	-2.02%	0	289,100,000	-2.07%
Other Higher Education Programs **	1,297,833,500	79,461,800	1,293,187,900	-0.36%	81,001,200	1,374,189,100	-0.23%
Commerce and Insurance	87,761,000	405,700	89,168,500	1.60%	0	89,168,500	1.14%
Financial Institutions	8,219,800	76,000	8,207,300	-0.15%	0	8,207,300	-1.07%
Labor and Workforce Development	42,189,000	2,122,700	39,542,300	-6.27%	0	39,542,300	-10.76%
Mental Health and Developmental Disabilities	177,186,800	2,034,200	172,035,100	-2.91%	0	172,035,100	-4.01%
Military	13,087,200	293,600	11,660,700	-10.90%	0	11,660,700	-12.85%
Health	180,388,400	11,144,600	173,207,700	-3.98%	0	173,207,700	-9.57%
F&A - Division of Mental Retardation	72,197,300	292,600	63,734,800	-11.72%	0	63,734,800	-12.08%

Departmental Summary of Continuation and Improvement Recommendations from State Revenue for Fiscal Year 2009-2010

Department	2008-2009 Appropriations *		2009-2010 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Human Services	178,444,600	4,120,400	178,879,800	0.24%	0	178,879,800	-2.02%
Temporary Cash Assistance **	19,459,100	0	19,832,000	1.92%	0	19,832,000	1.92%
Other Human Services Programs **	158,985,500	4,120,400	159,047,800	0.04%	0	159,047,800	-2.49%
Revenue	82,734,700	2,770,100	78,398,500	-5.24%	0	78,398,500	-8.31%
Tennessee Bureau of Investigation	39,358,600	806,300	36,692,300	-6.77%	0	36,692,300	-8.65%
Safety	110,551,500	10,507,700	107,628,000	-2.64%	0	107,628,000	-11.09%
F&A - Cover Tennessee Health Care Programs	84,301,700	0	80,816,800	-4.13%	0	80,816,800	-4.13%
Miscellaneous Appropriations	39,887,800	52,316,100	46,482,200	16.53%	7,812,500	54,294,700	-41.11%
Emergency and Contingency Fund	819,300	750,000	819,300	0.00%	0	819,300	-47.79%
State Building Commission	250,000	0	250,000	0.00%	0	250,000	0.00%
Children's Services	338,080,400	2,158,000	317,908,700	-5.97%	474,700	318,383,400	-6.42%
Total General Fund	\$11,082,747,000	\$485,990,300	\$10,326,368,700	-6.82%	\$ 271,723,800	\$10,598,092,500	-8.39%

* Includes recommended supplemental appropriations in the amount of \$91,450,300. See supplemental appropriation chart.

** These items are included in the departmental totals.

Departmental Comparison of Recurring Appropriations from State Revenues, 2008-2009 and Base Budget 2009-2010

Program	2008-2009	Base Budget 2009-2010	Increase/ (Decrease)	% Chg
Legislature	39,643,800	34,984,700	(4,659,100)	-11.75%
Fiscal Review Committee	1,341,400	1,141,600	(199,800)	-14.89%
Court System	111,601,000	106,417,800	(5,183,200)	-4.64%
Attorney General and Reporter	24,306,800	21,126,000	(3,180,800)	-13.09%
District Attorneys General	68,592,900	67,866,800	(726,100)	-1.06%
Secretary of State	30,606,800	26,032,800	(4,574,000)	-14.94%
District Public Defenders	39,674,400	39,276,500	(397,900)	-1.00%
Comptroller of the Treasury	87,104,800	79,495,900	(7,608,900)	-8.74%
Post-Conviction Defender	1,949,500	1,947,100	(2,400)	-0.12%
Treasury Department	626,200	533,500	(92,700)	-14.80%
Claims and Compensation	10,260,000	10,855,000	595,000	5.80%
Executive Department	4,466,300	3,802,700	(663,600)	-14.86%
Commissions	39,746,600	39,191,900	(554,700)	-1.40%
Finance and Administration (F&A)	36,242,900	34,023,200	(2,219,700)	-6.12%
Criminal Justice Programs	7,948,700	7,637,800	(310,900)	-3.91%
Other F&A Programs	28,294,200	26,385,400	(1,908,800)	-6.75%
F&A - TennCare	2,583,870,700	2,367,371,200	(216,499,500)	-8.38%
Human Resources	5,416,700	4,987,200	(429,500)	-7.93%
General Services	2,469,200	2,465,300	(3,900)	-0.16%
Veterans Affairs	4,527,500	4,515,900	(11,600)	-0.26%
Board of Probation and Parole	76,547,400	75,937,900	(609,500)	-0.80%
Agriculture	73,954,300	68,109,400	(5,844,900)	-7.90%
Tourist Development	8,899,000	7,581,300	(1,317,700)	-14.81%
Environment and Conservation	169,378,600	160,919,200	(8,459,400)	-4.99%
Wildlife Resources Agency	45,993,600	43,795,400	(2,198,200)	-4.78%
Correction	665,047,200	599,162,000	(65,885,200)	-9.91%
Economic and Community Development	37,471,800	28,913,600	(8,558,200)	-22.84%
Education (K-12)	3,864,666,000	3,795,677,300	(68,988,700)	-1.79%
Lottery-Funded Programs	12,900,600	13,000,000	99,400	0.77%
Other K-12 Education Programs	3,851,765,400	3,782,677,300	(69,088,100)	-1.79%
Higher Education	1,592,883,500	1,401,481,800	(191,401,700)	-12.02%
Lottery-Funded Programs	295,050,000	298,100,000	3,050,000	1.03%
Other Higher Education Programs	1,297,833,500	1,103,381,800	(194,451,700)	-14.98%

Departmental Comparison of Recurring Appropriations from State Revenues, 2008-2009 and Base Budget 2009-2010

Program	2008-2009	Base Budget 2009-2010	Increase/ (Decrease)	% Chg
Commerce and Insurance	87,761,000	88,874,500	1,113,500	1.27%
Financial Institutions	8,219,800	8,207,300	(12,500)	-0.15%
Labor and Workforce Development	42,189,000	38,889,500	(3,299,500)	-7.82%
Mental Health and Developmental Disabilities	177,186,800	153,975,300	(23,211,500)	-13.10%
Military	13,087,200	11,112,700	(1,974,500)	-15.09%
Health	180,388,400	162,398,200	(17,990,200)	-9.97%
F&A - Division of Mental Retardation	72,197,300	33,988,600	(38,208,700)	-52.92%
Human Services	178,444,600	167,910,000	(10,534,600)	-5.90%
Temporary Cash Assistance	19,459,100	19,832,000	372,900	1.92%
Other Human Services Programs	158,985,500	148,078,000	(10,907,500)	-6.86%
Revenue	82,734,700	78,238,200	(4,496,500)	-5.43%
Tennessee Bureau of Investigation	39,358,600	33,702,700	(5,655,900)	-14.37%
Safety	110,551,500	107,628,000	(2,923,500)	-2.64%
F&A - Cover Tennessee Health Care Programs	84,301,700	80,816,800	(3,484,900)	-4.13%
Miscellaneous Appropriations	39,887,800	46,482,200	6,594,400	16.53%
Emergency and Contingency Fund	819,300	819,300	-	0.00%
State Building Commission	250,000	250,000	-	0.00%
Children's Services	338,080,400	282,623,000	(55,457,400)	-16.40%
Total General Fund	11,082,747,000	10,323,529,300	(759,217,700)	-6.85%

Departmental Comparison of Appropriations from State Revenues, Recurring and Non-Recurring, for Fiscal Years 2008-2009 and 2009-2010

Program	2008-2009 Appropriation		2009-2010 Base Recommended			2009-2010 Improvements		2009-2010 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	39,643,800	152,800	34,984,700	-11.75%	3,456,900	-	-	34,984,700	-11.75%	3,456,900	38,441,600	-3.40%
Fiscal Review Committee	1,341,400	4,100	1,141,600	-14.89%	149,100	-	-	1,141,600	-14.89%	149,100	1,290,700	-4.07%
Court System	111,601,000	5,305,000	106,417,800	-4.64%	2,359,600	1,326,100	5,000,000	107,743,900	-3.46%	7,359,600	115,103,500	-1.54%
Attorney General and Reporter	24,306,800	66,900	21,126,000	-13.09%	2,372,300	7,800	-	21,133,800	-13.05%	2,372,300	23,506,100	-3.56%
District Attorneys General	68,592,900	170,200	67,866,800	-1.06%	600,000	-	-	67,866,800	-1.06%	600,000	68,466,800	-0.43%
Secretary of State	30,606,800	132,000	26,032,800	-14.94%	3,399,500	-	-	26,032,800	-14.94%	3,399,500	29,432,300	-4.25%
District Public Defenders	39,674,400	35,500	39,276,500	-1.00%	337,500	-	-	39,276,500	-1.00%	337,500	39,614,000	-0.24%
Comptroller of the Treasury	87,104,800	184,700	79,495,900	-8.74%	5,663,700	-	-	79,495,900	-8.74%	5,663,700	85,159,600	-2.44%
Post-Conviction Defender	1,949,500	4,400	1,947,100	-0.12%	-	-	-	1,947,100	-0.12%	-	1,947,100	-0.35%
Treasury Department	626,200	500	533,500	-14.80%	69,700	-	-	533,500	-14.80%	69,700	603,200	-3.75%
Claims and Compensation	10,260,000	-	10,855,000	5.80%	-	-	-	10,855,000	5.80%	-	10,855,000	5.80%
Executive Department	4,466,300	6,200	3,802,700	-14.86%	-	-	-	3,802,700	-14.86%	-	3,802,700	-14.98%
Commissions	39,746,600	818,700	39,191,900	-1.40%	-	47,500	307,600	39,239,400	-1.28%	307,600	39,547,000	-2.51%
Finance and Administration (F&A)	36,242,900	8,110,600	34,023,200	-6.12%	585,300	-	-	34,023,200	-6.12%	585,300	34,608,500	-21.97%
Criminal Justice Programs	7,948,700	86,000	7,637,800	-3.91%	310,000	-	-	7,637,800	-3.91%	310,000	7,947,800	-1.08%
Other F&A Programs	28,294,200	8,024,600	26,385,400	-6.75%	275,300	-	-	26,385,400	-6.75%	275,300	26,660,700	-26.59%
F&A - TennCare	2,583,870,700	4,336,500	2,367,371,200	-8.38%	(391,437,200)	-	-	2,367,371,200	-8.38%	(391,437,200)	1,975,934,000	-23.66%
Human Resources	5,416,700	115,600	4,987,200	-7.93%	308,200	-	-	4,987,200	-7.93%	308,200	5,295,400	-4.28%
General Services	2,469,200	24,400	2,465,300	-0.16%	-	-	-	2,465,300	-0.16%	-	2,465,300	-1.13%
Veterans Affairs	4,527,500	42,500	4,515,900	-0.26%	-	-	-	4,515,900	-0.26%	-	4,515,900	-1.18%
Board of Probation and Parole	76,547,400	4,598,300	75,937,900	-0.80%	438,500	9,980,300	(1,186,600)	85,918,200	12.24%	(748,100)	85,170,100	4.96%
Agriculture	73,954,300	3,874,200	68,109,400	-7.90%	-	-	2,250,000	68,109,400	-7.90%	2,250,000	70,359,400	-9.60%
Tourist Development	8,899,000	3,774,700	7,581,300	-14.81%	1,312,900	-	-	7,581,300	-14.81%	1,312,900	8,894,200	-29.82%
Environment and Conservation	169,378,600	6,675,200	160,919,200	-4.99%	-	-	-	160,919,200	-4.99%	-	160,919,200	-8.60%
Wildlife Resources Agency	45,993,600	936,600	43,795,400	-4.78%	-	-	-	43,795,400	-4.78%	-	43,795,400	-6.68%
Correction	665,047,200	17,215,600	599,162,000	-9.91%	21,089,200	33,441,200	296,600	632,603,200	-4.88%	21,385,800	653,989,000	-4.14%
Economic and Community Development	37,471,800	139,269,400	28,913,600	-22.84%	5,126,100	-	55,600,000	28,913,600	-22.84%	60,726,100	89,639,700	-49.28%

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2008-2009 and 2009-2010**

Program	2008-2009 Appropriation		2009-2010 Base Recommended			2009-2010 Improvements		2009-2010 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	3,864,666,000	120,725,900	3,795,677,300	-1.79%	56,686,300	73,364,900	2,000,000	3,869,042,200	0.11%	58,686,300	3,927,728,500	-1.45%
Lottery-Funded Programs	12,900,600	800	13,000,000	0.77%	-	-	-	13,000,000	0.77%	-	13,000,000	0.76%
Other K-12 Education Programs	3,851,765,400	120,725,100	3,782,677,300	-1.79%	56,686,300	73,364,900	2,000,000	3,856,042,200	0.11%	58,686,300	3,914,728,500	-1.45%
Higher Education	1,592,883,500	79,611,800	1,401,481,800	-12.02%	180,806,100	3,200,000	77,801,200	1,404,681,800	-11.82%	258,607,300	1,663,289,100	-0.55%
Lottery-Funded Programs	295,050,000	150,000	298,100,000	1.03%	-	-	-	298,100,000	1.03%	-	298,100,000	0.98%
Other Higher Education Programs	1,297,833,500	79,461,800	1,103,381,800	-14.98%	180,806,100	3,200,000	77,801,200	1,106,581,800	-14.74%	258,607,300	1,365,189,100	-0.88%
Commerce and Insurance	87,761,000	405,700	88,874,500	1.27%	294,000	-	-	88,874,500	1.27%	294,000	89,168,500	1.14%
Financial Institutions	8,219,800	76,000	8,207,300	-0.15%	-	-	-	8,207,300	-0.15%	-	8,207,300	-1.07%
Labor and Workforce Development	42,189,000	2,122,700	38,889,500	-7.82%	652,800	-	-	38,889,500	-7.82%	652,800	39,542,300	-10.76%
Mental Health and Developmental Disabilities	177,186,800	2,034,200	153,975,300	-13.10%	18,059,800	-	-	153,975,300	-13.10%	18,059,800	172,035,100	-4.01%
Military	13,087,200	293,600	11,112,700	-15.09%	548,000	-	-	11,112,700	-15.09%	548,000	11,660,700	-12.85%
Health	180,388,400	11,144,600	162,398,200	-9.97%	10,809,500	-	-	162,398,200	-9.97%	10,809,500	173,207,700	-9.57%
F&A - Division of Mental Retardation	72,197,300	292,600	33,988,600	-52.92%	29,746,200	-	-	33,988,600	-52.92%	29,746,200	63,734,800	-12.08%
Human Services	178,444,600	4,120,400	167,910,000	-5.90%	10,969,800	-	-	167,910,000	-5.90%	10,969,800	178,879,800	-2.02%
Temporary Cash Assistance	19,459,100	-	19,832,000	1.92%	-	-	-	19,832,000	1.92%	-	19,832,000	1.92%
Other Human Services Programs	158,985,500	4,120,400	148,078,000	-6.86%	10,969,800	-	-	148,078,000	-6.86%	10,969,800	159,047,800	-2.49%
Revenue	82,734,700	2,770,100	78,238,200	-5.43%	160,300	-	-	78,238,200	-5.43%	160,300	78,398,500	-8.31%
Tennessee Bureau of Investigation	39,358,600	806,300	33,702,700	-14.37%	2,989,600	-	-	33,702,700	-14.37%	2,989,600	36,692,300	-8.65%
Safety	110,551,500	10,507,700	107,628,000	-2.64%	-	-	-	107,628,000	-2.64%	-	107,628,000	-11.09%
F&A - Cover Tennessee Health Care Programs	84,301,700	-	80,816,800	-4.13%	-	-	-	80,816,800	-4.13%	-	80,816,800	-4.13%
Miscellaneous Appropriations	39,887,800	52,316,100	46,482,200	16.53%	-	7,812,500	-	54,294,700	36.12%	-	54,294,700	-41.11%
Emergency and Contingency Fund	819,300	750,000	819,300	0.00%	-	-	-	819,300	0.00%	-	819,300	-47.79%
State Building Commission	250,000	-	250,000	0.00%	-	-	-	250,000	0.00%	-	250,000	0.00%
Children's Services	338,080,400	2,158,000	282,623,000	-16.40%	35,285,700	474,700	-	283,097,700	-16.26%	35,285,700	318,383,400	-6.42%
Total General Fund	11,082,747,000	485,990,300	10,323,529,300	-6.85%	2,839,400	129,655,000	142,068,800	10,453,184,300	-5.68%	144,908,200	10,598,092,500	-8.39%

**Departmental Summary of Improvements
Fiscal Year 2009-2010**

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	6,326,100	6,326,100	0	0
303	Attorney General and Reporter	7,800	7,800	0	0
304	District Attorneys General	0	0	0	0
305	Secretary of State	0	0	0	0
306	District Public Defenders	0	0	0	0
307	Comptroller of the Treasury	0	0	0	0
308	Post-Conviction Defender	0	0	0	0
309	Treasury Department	391,500	0	0	391,500
313	Claims and Compensation	0	0	0	0
315	Executive Department	0	0	0	0
316	Commissions	64,308,700	355,100	63,930,700	22,900
317	Finance and Administration (F&A)	<u>44,504,000</u>	<u>0</u>	<u>44,504,000</u>	<u>0</u>
317.06	Criminal Justice Programs *	34,504,000	0	34,504,000	0
	Other F&A Programs *	10,000,000	0	10,000,000	0
318	F&A - TennCare	0	0	0	0
319	Human Resources	0	0	0	0
321	General Services	0	0	0	0
323	Veterans Affairs	0	0	0	0
324	Board of Probation and Parole	8,793,700	8,793,700	0	0
325	Agriculture	4,370,500	2,250,000	2,120,500	0
326	Tourist Development	0	0	0	0
327	Environment and Conservation	40,411,900	0	40,411,900	0
328	Wildlife Resources Agency	0	0	0	0
329	Correction	34,197,600	33,737,800	0	459,800
330	Economic and Community Development	108,343,600	55,600,000	52,743,600	0
331	Education (K-12)	<u>341,495,000</u>	<u>75,364,900</u>	<u>265,742,400</u>	<u>387,700</u>
	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	341,495,000	75,364,900	265,742,400	387,700
332	Higher Education	<u>81,001,200</u>	<u>81,001,200</u>	<u>0</u>	<u>0</u>
	Lottery for Education Account *	0	0	0	0
	Other Higher Education Programs *	81,001,200	81,001,200	0	0
335	Commerce and Insurance	0	0	0	0
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	46,057,500	0	46,057,500	0
339	Mental Health and Developmental Disabilities	0	0	0	0
341	Military	0	0	0	0
343	Health	0	0	0	0
344	F&A - Division of Mental Retardation	0	0	0	0
345	Human Services	<u>483,909,000</u>	<u>0</u>	<u>483,909,000</u>	<u>0</u>
345.23	Temporary Cash Assistance *	116,702,200	0	116,702,200	0
	Other Human Services Programs *	367,206,800	0	367,206,800	0
347	Revenue	0	0	0	0
348	Tennessee Bureau of Investigation	0	0	0	0
349	Safety	0	0	0	0
350	F&A - Cover Tennessee Health Care Programs	0	0	0	0

**Departmental Summary of Improvements
Fiscal Year 2009-2010**

<u>Code</u>	<u>Department</u>	<u>Total</u>	<u>Funding</u>		
			<u>Appropriation</u>	<u>Federal</u>	<u>Other</u>
351	Miscellaneous Appropriations	7,812,500	7,812,500	0	0
359	Children's Services	849,100	474,700	266,300	108,100
Sub-total General Fund		\$ 1,272,779,700	\$ 271,723,800	\$ 999,685,900	\$ 1,370,000
400	Transportation	0	0	0	0
Total All Funds		\$ 1,272,779,700	\$ 271,723,800	\$ 999,685,900	\$ 1,370,000

* These items are included in the departmental totals.

**General and Education Funds, Capital Projects Fund, and Debt Service Fund
Supplemental Appropriations
Fiscal Year 2008-2009**

I. Operating Budget:

Court System		
302.10	Indigent Defendants' Counsel	\$ 5,000,000
Commissions		
316.02	Commission on Aging and Disability - Elderly Nutrition - U.S. Recovery Act - State General Fund Match (\$435,600 Federal)	76,900
Environment and Conservation		
327.50	Heritage Conservation Trust Fund - Program Revenue as Earned Repays over 5 Years	4,000,000
Correction		
329.04	State Prosecutions - State Felons in Local Jails	2,000,000
Economic and Community Development		
330.06	FastTrack Infrastructure and Job Training Assistance: Volkswagen Project - Marketing and Education	\$ 1,000,000
	General Motors Project	5,100,000
	Fast Track Infrastructure and Training Program	13,500,000
	Sub-Total Economic and Community Development	<u>\$ 19,600,000</u>
Higher Education		
332.00	U.S. Economic Recovery Revenue @ 2007-08 Level (See Following Chart)	58,625,900
351.00	Miscellaneous Appropriations:	
	Retired Teachers Health Insurance	\$ 200,000
	Retirees Health Insurance	250,000
	State Agencies - Mileage Rate @ 51¢ on 2-1-09	937,500
	State Agencies - Lodging Rate - In-State	400,000
	State Agencies - Lodging Rate - Out-of-State	100,000
	Rent - TBI (Nashville)	350,000
	Sub-Total Miscellaneous Appropriations	<u>\$ 2,237,500</u>
	Total Operating Budget	<u><u>\$ 91,540,300</u></u>

II. Capital Outlay Grants and Debt Service for Economic Development:

Capital Outlay Budget *		
	Volkswagen Project - Cash	\$ 10,000,000
	Hemlock Semiconductor Project - Cash	8,300,000
	Sub-Total Capital Outlay Grants for Economic Development	<u>\$ 18,300,000</u>
Debt Service *		
	Volkswagen Project - Debt Service on \$170 M Bonds	\$ 18,700,000
	Hemlock Semiconductor Project - Debt Service on \$92 M Bonds	10,100,000
	Sub-Total Debt Service	<u>\$ 28,800,000</u>
	Total Capital Outlay Grants and Debt Service for Economic Development	<u><u>\$ 47,100,000</u></u>

III. Grand Total Supplemental Appropriations **\$ 138,640,300**

* See Capital Outlay Budget for bond authorization for economic development projects.

**Education Fund
Supplemental Appropriations for Higher Education
American Recovery and Reinvestment Act Revenue
Fiscal Year 2008-2009**

State Administered Programs

332.08	Centers of Excellence	\$	861,000
332.11	Campus Centers of Emphasis		84,700

Sub-Total State Administered Programs	\$	945,700
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University of Tennessee System

332.10	UT University-Wide Administration	\$	47,200
332.15	UT Institute for Public Service		44,900
332.16	UT Municipal Technical Advisory Service		72,000
332.17	UT County Technical Assistance Service		45,300
332.21	UT Access and Diversity Initiative		328,100
332.23	UT Space Institute		253,500
332.25	UT Agricultural Experiment Station		618,200
332.26	UT Agricultural Extension Service		636,300
332.28	UT Veterinary Medicine		411,600
332.30	UT Health Science Center		422,800
332.32	UT Family Medicine		250,600
332.34	UT College of Medicine		1,531,200
332.40	UT Chattanooga		2,826,500
332.42	UT Knoxville		12,044,600
332.44	UT Martin		2,048,100

Sub-Total University of Tennessee System	\$	21,580,900
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State University and Community College System

332.53	Southwest Tennessee Community College	\$	1,226,100
332.54	Nashville State Technical Community College		515,900
332.55	Pellissippi State Community College		687,800
332.56	Northeast State Community College		394,500
332.59	Regents Access and Diversity Initiative		579,900
332.60	Tennessee Board of Regents		239,500
332.62	TSU McMinnville Center		15,100
332.63	TSU Institute of Ag. and Env. Research		64,600
332.64	TSU Cooperative Education		57,300
332.65	ETSU College of Medicine		699,300
332.67	ETSU Family Practice		130,000
332.70	Austin Peay State University		2,428,500
332.72	East Tennessee State University		3,814,400
332.74	University of Memphis		7,263,900
332.75	Middle Tennessee State University		6,483,900
332.77	Tennessee State University		3,136,800
332.78	Tennessee Technological University		2,859,000
332.80	Chattanooga State Community College		718,200
332.81	Cleveland State Community College		295,500
332.82	Columbia State Community College		428,900
332.84	Dyersburg State Community College		206,800
332.86	Jackson State Community College		384,600
332.88	Motlow State Community College		343,200
332.90	Roane State Community College		554,600
332.94	Volunteer State Community College		559,400
332.96	Walters State Community College		535,900
332.98	Tennessee Technology Centers		1,475,700

Sub-Total State University and Community College System	\$	36,099,300
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Grand Total	\$	58,625,900
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Funding Summary All Programs

	Actual 2007-2008	Estimated 2008-2009	Recommended 2009-2010
GENERAL FUND AND EDUCATION FUND			
Expenditures			
Payroll	\$ 2,539,767,700	\$ 2,711,696,200	\$ 2,597,715,900
Operational	21,116,053,000	22,504,736,600	23,173,902,800
TOTAL	\$ 23,655,820,700	\$ 25,216,432,800	\$ 25,771,618,700
Funding			
State *	\$ 10,972,627,600	\$ 11,568,737,300	\$ 10,598,092,500
Federal	8,509,160,000	9,319,896,700	11,002,649,100
Other	3,152,162,900	3,242,812,700	3,085,891,000
Tuition and Fees	1,021,870,200	1,084,986,100	1,084,986,100
DEPARTMENT OF TRANSPORTATION			
Expenditures			
Payroll	\$ 232,996,600	\$ 268,405,900	\$ 259,988,800
Operational	1,223,172,400	2,337,967,100	1,765,718,200
TOTAL	\$ 1,456,169,000	\$ 2,606,373,000	\$ 2,025,707,000
Funding			
State	\$ 833,569,300	\$ 1,030,200,000	\$ 1,150,225,000
Federal	581,796,000	1,533,375,000	832,718,000
Other	40,803,700	42,798,000	42,764,000
GRAND TOTAL - ALL PROGRAMS			
Expenditures			
Payroll	\$ 2,772,764,300	\$ 2,980,102,100	\$ 2,857,704,700
Operational	22,339,225,400	24,842,703,700	24,939,621,000
TOTAL	\$ 25,111,989,700	\$ 27,822,805,800	\$ 27,797,325,700
Funding			
State *	\$ 11,806,196,900	\$ 12,598,937,300	\$ 11,748,317,500
Federal	9,090,956,000	10,853,271,700	11,835,367,100
Other	3,192,966,600	3,285,610,700	3,128,655,000
Tuition and Fees	1,021,870,200	1,084,986,100	1,084,986,100

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

\$ 270,348,700	\$ 308,101,400	\$ 302,100,000
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Comparison of Authorized Positions State Agencies and Higher Education

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>Change From Current Year</u>
I. STATE AGENCIES *				
General Fund	49,835	48,097	47,315	(782)
Full-time	47,184	45,453	44,693	(760)
Part-time	2,034	2,026	2,014	(12)
Seasonal	617	618	608	(10)
Department of Transportation	4,944	4,866	4,866	0
Full-time	4,944	4,866	4,866	0
Part-time	0	0	0	0
Seasonal	0	0	0	0
Total State Agencies	54,779	52,963	52,181	(782)
Full-time	52,128	50,319	49,559	(760)
Part-time	2,034	2,026	2,014	(12)
Seasonal	617	618	608	(10)
II. HIGHER EDUCATION				
Total Positions	24,606	24,531	24,531	0
Full-time Equivalent (UT and TBR)				
Administrative	1,316	1,274	1,274	0
Professional	5,141	5,169	5,169	0
Faculty	9,227	9,267	9,267	0
Clerical and Support	8,908	8,807	8,807	0
Foreign Language Institute (FT)	14	14	14	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	79,385	77,494	76,712	(782)
Full-time **	76,734	74,850	74,090	(760)
Part-time	2,034	2,026	2,014	(12)
Seasonal	617	618	608	(10)

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

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

Employees Overlapped Over 90 Days

		<u>Number</u>
301.00	Legislature	25
302.00	Court System	18
304.00	District Attorneys General Conference	9
305.00	Secretary of State	6
306.00	District Public Defenders Conference	1
307.00	Comptroller	1
309.00	Treasury	1
316.00	Commissions	5
317.00	Finance and Administration	8
318.00	TennCare	2
319.00	Human Resources	1
321.00	General Services	3
324.00	Board of Probation and Parole	3
325.00	Agriculture	11
327.00	Environment and Conservation	13
329.00	Correction	46
331.00	Education	15
337.00	Labor and Workforce Development	6
339.00	Mental Health and Developmental Disabilities	14
341.00	Military	1
343.00	Health	10
344.00	Mental Retardation Services Division	84
345.00	Human Services	75
347.00	Revenue	3
348.00	Tennessee Bureau of Investigation	1
349.00	Safety	12
359.00	Children's Services	60
400.00	Transportation	9
	Total	<u>443</u>

Based on Edison extract of full-time employees overlapped more than ninety days as of 1/26/09.

**General Fund and Education Fund
Combining Statement of Base Budget Reductions and Adjustments
State Appropriations for Fiscal Year 2009-2010**

	<u>Total</u>	<u>Recurring</u>	<u>Non-Recurring</u>
Preliminary Base Budget Reductions	\$ (719,899,500)	\$ (13,499,500)	\$ (706,400,000)
Base Budget Reduction Plans *	(224,196,800)	(781,886,200)	557,689,400
Sub-Total Base Reductions	<u>\$ (944,096,300)</u>	<u>\$ (795,385,700)</u>	<u>\$ (148,710,600)</u>
Less: Facilities Revolving Fund	-	500,000	(500,000)
Reductions and Reallocations - General Fund (Overview)	<u>\$ (944,096,300)</u>	<u>\$ (794,885,700)</u>	<u>\$ (149,210,600)</u>
Preliminary Base Budget Adjustments	201,331,200	49,281,200	152,050,000
Total Base Budget Reductions and Adjustments	<u>\$ (742,765,100)</u>	<u>\$ (745,604,500)</u>	<u>\$ 2,839,400</u>

Note: Excludes dedicated funds.

* - Base Budget Reduction Plan includes an appropriation from the General Fund to the Facilities Revolving Fund (\$500,000 recurring base reduction and \$500,000 non-recurring restoration).

**Public Safety Agencies Base Appropriations
Preserved by Proposed F&E Tax FONCE Legislation
Fiscal Year 2009-2010**

The Administration proposes legislation to make family-owned non-corporate entities (FONCE) subject to franchise and excise taxes, as are other non-corporate entities. An estimated \$25 million is raised by this legislation. The following base appropriations are preserved by this revenue proposal: The base budget reduction proposals on these agencies do not include these amounts.

	Base Item	Amount	Full-Time Positions		
			Filled	Vacant	Total
District Attorneys General					
304.01	District Attorneys General	Assistant District Attorneys	\$ 6,605,100	62	62
		Criminal Investigators	763,500	12	12
		Assistant Victim Witness Coordinators	455,000	11	11
	Total District Attorneys General		\$ 7,823,600	85	85
District Public Defenders					
306.01	District Public Defenders	Reduce Positions	\$ 2,308,400	25	25
		Cancel October Conference	94,200	-	-
		Reduce Outside Training	19,500	-	-
		Close Satellite Offices	121,500	-	-
		Reduce District Travel	391,700	-	-
		Reduce District Supply Budgets	100,300	-	-
		Reduce District Rent and Utilities	65,200	-	-
		Reduce Other Operating Expenses	39,700	-	-
	Subtotal District Public Defenders		\$ 3,140,500	25	25
306.03	Executive Director	Reduce Payroll	110,300	-	-
306.10	Shelby Co. Public Defender	Reduce Appropriation to Shelby Co.	458,500	-	-
306.12	Davidson Co. Public Def.	Reduce Appropriation to Davidson Co.	234,500	-	-
	Total District Public Defenders		\$ 3,943,800	25	25
Department of Safety					
349.01	Administration	Administrative Support	\$ 446,000	8	8
349.02	Driver License Issuance	Driver License Services	3,217,200	83	83
349.03	Highway Patrol	Road Enforcement	7,919,500	110	11
349.07	Motor Vehicle Operations	Trooper Vehicle Lease Costs	1,096,100	-	-
349.13	Technical Services	Information Technology	366,600	5	5
349.15	Office of Homeland Security	Homeland Security Administration	187,200	2	2
	Total Department of Safety		\$ 13,232,600	208	11
	Grand Total Public Safety Agencies		\$ 25,000,000	318	11
				11	329

**Authorized Position Reduction by Agency,
Base Budget Reduction Plans for Fiscal Year 2009-2010**

Program	Recurring Reductions			Non-Recurring Restoration			Net Reduction		
	Filled	Vacant	Total	Filled	Vacant	Total	Filled	Vacant	Total
Base Budget Reductions									
Legislature	-	-	-	-	-	-	-	-	-
Fiscal Review Committee	-	-	-	-	-	-	-	-	-
Court System	(8)	(21)	(29)	-	-	-	(8)	(21)	(29)
Attorney General and Reporter	-	(3)	(3)	-	3	3	-	-	-
District Attorneys General Conference	(8)	-	(8)	8	-	8	-	-	-
Secretary of State	-	-	-	-	-	-	-	-	-
District Public Defenders Conference	-	-	-	-	-	-	-	-	-
Comptroller of the Treasury	-	-	-	-	-	-	-	-	-
Office of the Post-Conviction Defender	-	-	-	-	-	-	-	-	-
Treasury Department	-	-	-	-	-	-	-	-	-
Claims and Compensation	-	-	-	-	-	-	-	-	-
Executive Department	-	(5)	(5)	-	-	-	-	(5)	(5)
Commissions	(14)	(22)	(36)	14	14	28	-	(8)	(8)
Finance and Administration	(18)	(40)	(58)	18	-	18	-	(40)	(40)
TennCare Program	-	-	-	-	-	-	-	-	-
Human Resources	-	-	-	-	-	-	-	-	-
General Services	-	-	-	-	-	-	-	-	-
Veterans Affairs	-	-	-	-	-	-	-	-	-
Board of Probation and Parole	(8)	-	(8)	8	-	8	-	-	-
Agriculture	(3)	(16)	(19)	-	-	-	(3)	(16)	(19)
Tourist Development	-	-	-	-	-	-	-	-	-
Environment and Conservation	(23)	(23)	(46)	-	-	-	(23)	(23)	(46)
Tennessee Wildlife Resources Agency	-	-	-	-	-	-	-	-	-
Correction	(2)	-	(2)	2	-	2	-	-	-
Economic and Community Development	(14)	(2)	(16)	14	-	14	-	(2)	(2)
Education (K-12)	(2)	(4)	(6)	2	-	2	-	(4)	(4)
Higher Education	-	(3)	(3)	-	-	-	-	(3)	(3)
Commerce and Insurance	(5)	(6)	(11)	5	-	5	-	(6)	(6)
Financial Institutions	-	-	-	-	-	-	-	-	-
Labor and Workforce Development	(2)	(14)	(16)	2	-	2	-	(14)	(14)
Mental Health and Dev. Disabilities	(205)	(70)	(275)	205	1	206	-	(69)	(69)
Military	(1)	(4)	(5)	1	-	1	-	(4)	(4)
Health	(3)	(23)	(26)	3	-	3	-	(23)	(23)
Mental Retardation Services Division	(94)	(161)	(255)	94	-	94	-	(161)	(161)
Human Services	-	-	-	-	-	-	-	-	-
Revenue	(3)	(43)	(46)	3	-	3	-	(43)	(43)
Tennessee Bureau of Investigation	-	-	-	-	-	-	-	-	-
Safety	-	(28)	(28)	-	-	-	-	(28)	(28)
Cover Tennessee Health Care Programs	-	-	-	-	-	-	-	-	-
Miscellaneous Appropriations	-	-	-	-	-	-	-	-	-
Emergency and Contingency Fund	-	-	-	-	-	-	-	-	-
State Building Commission	-	-	-	-	-	-	-	-	-
Children's Services	(385)	(133)	(518)	385	-	385	-	(133)	(133)
Transportation	-	-	-	-	-	-	-	-	-
Facilities Revolving Fund	-	-	-	-	-	-	-	-	-
Sub-total Base Budget Reductions	(798)	(621)	(1,419)	764	18	782	(34)	(603)	(637)
Base Budget Reallocations									
TennCare Program	-	-	-	-	-	-	-	-	-
Mental Health and Dev. Disabilities	(49)	(21)	(70)	3	-	3	(46)	(21)	(67)
Mental Retardation Services Division	(204)	(41)	(245)	204	-	204	-	(41)	(41)
Sub-total Base Budget Reallocations	(253)	(62)	(315)	207	-	207	(46)	(62)	(108)
Total Base Budget Reductions and Reallocations	(1,051)	(683)	(1,734)	971	18	989	(80)	(665)	(745)

Note: An additional 37 positions, not related to state budget balancing, are to be abolished for agency-specific reasons, such as reduced departmental revenue and payroll balancing.

**General Fund and Education Fund
Preliminary Base Budget Adjustments of State Appropriations
Fiscal Year 2009-2010**

The recommended budget reflects the following recurring base budget increases from the recurring current-year enacted state appropriations.

	<u>General Fund</u>		<u>Dedicated Funds</u>	<u>Total</u>
	<u>Recurring</u>	<u>Non-Recurring</u>		
302.40 Court System - Board of Professional Responsibility (1 FT)	\$ -	\$ -	\$ 525,100	\$ 525,100
313.03 Claims and Compensation - Criminal Injuries Compensation - Federal Revenue Decrease	-	-	595,000	595,000
TennCare				
318.65 Eligibility Determination - See also 345.00, Human Services	\$ (1,624,800)	\$ -	\$ -	\$ (1,624,800)
318.00 HMO Tax Payments	41,663,000	-	-	41,663,000
Sub-Total TennCare	\$ 40,038,200	\$ -	\$ -	\$ 40,038,200
329.47 Correction - Morgan Co. Prison - Brushy Mountain Recurring Base Correction	657,900	-	-	657,900
Education				
331.19 After School Programs Special Account (Lottery Unclaimed Prizes)	\$ -	\$ -	\$ 99,800	\$ 99,800
331.25 Basic Education Program - U.S. Economic Recovery - State Fiscal Stabilization	-	152,000,000	-	152,000,000
Sub-Total Education	\$ -	\$ 152,000,000	\$ 99,800	\$ 152,099,800
332.19 Higher Education Lottery for Education Account - Higher Education Scholarship Program	-	-	8,050,000	8,050,000
Commerce and Insurance				
335.06 Consumer Affairs (4 FT)	\$ 225,000	\$ -	\$ -	\$ 225,000
335.08 E-911 Emergency Communications Fund	-	-	2,066,100	2,066,100
Sub-Total Commerce and Insurance	\$ 225,000	\$ -	\$ 2,066,100	\$ 2,291,100
Health				
343.52 Community Health Services - Medical Examiner Advisory Council	5,000	-	-	5,000
Human Services				
345.00 Eligibility Determination - See also 318.65, TennCare:				
345.01 Administration	\$ 292,500	\$ -	\$ -	\$ 292,500
345.16 Field Operations	146,200	-	-	146,200
345.17 County Rentals	97,500	-	-	97,500
345.30 Family Assistance Services	1,007,400	-	-	1,007,400
345.31 Appeals and Hearings	81,200	-	-	81,200
Sub-Total Human Services	\$ 1,624,800	\$ -	\$ -	\$ 1,624,800
347.11 Revenue - Tax Bill - Technical Corrections - Programming Cost	-	50,000	-	50,000
351.00 Miscellaneous Appropriations - Group Health Insurance 1-1-09	6,730,300	-	-	6,730,300
Grand Total Budget Adjustments	\$ 49,281,200	\$ 152,050,000	\$ 11,336,000	\$ 212,667,200

**General Fund and Education Fund
Preliminary Base Budget Reductions of State Appropriations
Fiscal Year 2009-2010**

The recommended budget reflects the following recurring base budget reductions from the recurring current-year enacted state appropriations.

		<u>General Fund</u>		<u>Dedicated</u>	
		<u>Recurring</u>	<u>Non-Recurring</u>	<u>Funds</u>	<u>Total</u>
TennCare					
318.66	TennCare Services - Enhanced Federal Match	\$ -	\$ 367,600,000	\$ -	\$ 367,600,000
318.67	Waiver and Crossover Services - Enhanced Federal Match	-	90,000,000	-	90,000,000
318.68	Long Term Care Services - Enhanced Federal Match	-	92,400,000	-	92,400,000
	Sub-Total TennCare	\$ -	\$ 550,000,000	\$ -	\$ 550,000,000
Children's Services					
359.30	Custody Services - Enhanced Federal Match	\$ -	\$ 1,700,000	\$ -	\$ 1,700,000
359.40	Adoption Services - Enhanced Federal Match	-	2,700,000	-	2,700,000
	Sub-Total Children's Services	\$ -	\$ 4,400,000	\$ -	\$ 4,400,000
316.11	Tennessee Regulatory Agency - Base Request	-	-	110,100	110,100
328.00	Tennessee Wildlife Resources Agency - Base Request	-	-	2,073,200	2,073,200
329.99	Correction - Sentencing Act Reduction - Offsets \$1,333,300 Morgan County Prison Operational Improvement 2009-2010	1,333,300	-	-	1,333,300
330.06	Economic and Community Development - Fast Track Program - West Tenn. Industrial Mega-Site	3,000,000	-	-	3,000,000
331.25	Education - Basic Education Program	-	152,000,000	-	152,000,000
332.19	Higher Education - Lottery for Education Account - Pre-K Appropriation Lottery @ \$11 M	-	-	14,000,000	14,000,000
351.00	Miscellaneous Appropriations - Various Items - Net Reduction	135,900	-	-	135,900
300.00	State Agencies - Group Health Insurance	9,030,300	-	324,900	9,355,200
	Total Base Budget Reductions - Budget File	\$ 13,499,500	\$ 706,400,000	\$ 16,508,200	\$ 736,407,700
300.00	Budget Overview - Risk Management Premiums	\$ 140,600	\$ -	\$ -	\$ 140,600
	Grand Total Base Budget Reductions	\$ 13,640,100	\$ 706,400,000	\$ 16,508,200	\$ 736,548,300

2009-2010 Through 2011-2012 Base Budget Reduction Plans

Program	2009-2010			2010-2011	2011-2012
	Recurring Reduction	Non-Recurring Restoration	Net Reduction	Non-Recurring Restoration	Non-Recurring Restoration
Legislature	\$ (4,584,100)	\$ 3,456,900	\$ (1,127,200)	\$ -	\$ -
Fiscal Review Committee	(197,700)	149,100	(48,600)	-	-
Court System	(5,066,500)	2,359,600	(2,706,900)	-	-
Attorney General and Reporter	(3,145,800)	2,372,300	(773,500)	-	-
District Attorneys General	(600,000)	600,000	-	-	-
Secretary of State	(4,508,200)	3,399,500	(1,108,700)	-	-
District Public Defenders	(337,500)	337,500	-	-	-
Comptroller of the Treasury	(7,510,600)	5,663,700	(1,846,900)	-	-
Treasury Department	(92,400)	69,700	(22,700)	-	-
Sub-Total Non-Executive	\$ (26,042,800)	\$ 18,408,300	\$ (7,634,500)	\$ -	\$ -
Executive Department	\$ (658,600)	\$ -	\$ (658,600)	\$ -	\$ -
Commissions	-	-	-	-	-
Finance and Administration	(2,197,000)	585,300	(1,611,700)	-	-
TennCare Programs	\$ (240,102,500)	\$ 144,005,100	\$ (96,097,400)	\$ 144,005,100	\$ -
TennCare for Children's Services	(4,059,200)	2,998,500	(1,060,700)	-	-
TennCare for Mental Retardation Services	(12,675,300)	8,659,700	(4,015,600)	-	-
Sub-Total TennCare Programs	\$ (256,837,000)	\$ 155,663,300	\$ (101,173,700)	\$ 144,005,100	\$ -
Human Resources	(418,600)	308,200	(110,400)	-	-
General Services	-	-	-	-	-
Veterans Affairs	-	-	-	-	-
Board of Probation and Parole	(438,500)	438,500	-	-	-
Agriculture	(1,026,300)	-	(1,026,300)	-	-
Tourist Development	(1,312,900)	1,312,900	-	-	-
Environment and Conservation	(4,896,600)	-	(4,896,600)	-	-
Correction	(64,319,100)	21,089,200	(43,229,900)	-	-
Economic and Community Development	(5,526,800)	5,126,100	(400,700)	-	-
Education (K-12)	(68,907,000)	56,686,300	(12,220,700)	56,686,300	-
Higher Education State-Administered Programs	\$ (1,639,100)	\$ 1,132,500	\$ (506,600)	\$ 1,132,500	\$ -
University of Tennessee System	(65,951,900)	65,601,200	(350,700)	65,601,200	-
State University and Community College System	(114,072,400)	114,072,400	-	114,072,400	-
Sub-Total Higher Education	\$ (181,663,400)	\$ 180,806,100	\$ (857,300)	\$ 180,806,100	\$ -
Commerce and Insurance	(1,130,200)	294,000	(836,200)	-	-
Labor and Workforce Development	(3,250,100)	652,800	(2,597,300)	-	-
Mental Health and Developmental Disabilities	(22,807,900)	17,896,200	(4,911,700)	-	-
Military	(1,924,500)	548,000	(1,376,500)	-	-
Health	(17,511,800)	10,809,500	(6,702,300)	-	-
Mental Retardation Services Division	(36,798,000)	29,259,200	(7,538,800)	-	-
Human Services	(11,802,100)	10,969,800	(832,300)	-	-
Revenue	(4,682,600)	110,300	(4,572,300)	-	-
Tennessee Bureau of Investigation	(5,580,500)	2,989,600	(2,590,900)	-	-
Safety	(2,606,900)	-	(2,606,900)	-	-
Cover Tennessee Health Care Programs	(3,484,900)	-	(3,484,900)	-	-
Children's Services	(54,977,000)	39,685,700	(15,291,300)	-	-
Facilities Revolving Fund	(500,000)	500,000	-	-	-
Sub-Total Executive	\$ (755,258,300)	\$ 535,731,000	\$ (219,527,300)	\$ 381,497,500	\$ -
Sub-Total Program Reductions	\$ (781,301,100)	\$ 554,139,300	\$ (227,161,800)	\$ 381,497,500	\$ -
Base Budget Reallocations					
TennCare Programs	\$ 22,400	\$ 2,899,500	\$ 2,921,900	\$ -	\$ -
Mental Health and Developmental Disabilities	-	163,600	163,600	-	-
Mental Retardation Services Division	(607,500)	487,000	(120,500)	-	-
Sub-Total Base Budget Reallocations	\$ (585,100)	\$ 3,550,100	\$ 2,965,000	\$ -	\$ -
Total Reductions and Reallocations	\$ (781,886,200)	\$ 557,689,400	\$ (224,196,800)	\$ 381,497,500	\$ -

U.S. Economic Recovery Funds in 2010-2011	\$ 406,621,300
Enhanced Federal Match - General Fund Savings	252,300,000
Less: Non-Recurring Base Restoration (see above)	(381,497,500)
Less: BEP Base Requirement	(152,074,500)
Less: Higher Education Improvement Requirement	(4,411,200)
	<u>\$ 120,938,100</u>

Net Available for Other Non-Recurring Requirements

\$ 120,938,100

**Departmental Comparison of 2008-2009 Recurring Appropriations, 2009-2010 Discretionary Base,
and 2009-2010 Base Budget Reduction Plans (State Appropriation)**

Program			Recurring Base Reduction			Non-Recurring Restoration			Net Reduction		
	2008-2009	2009-2010	Appropriation	Pct. of 2008-2009	Pct. of 2009-2010	U.S. Economic Recovery		General Fund	Total	Pct. of 2008-2009	Pct. of 2009-2010
	Recurring	Discretionary				State Fiscal Stabilization					
	Appropriation	Base	Education	General Purpose	Education	General Purpose	General Fund	Total	Pct. of 2008-2009	Pct. of 2009-2010	
Legislature	\$ 39,643,800	\$ 31,054,000	\$ (4,584,100)	-11.56%	-14.76%	\$ -	\$ -	\$ 3,456,900	\$ (1,127,200)	-2.84%	-3.63%
Fiscal Review Committee	1,341,400	1,339,300	(197,700)	-14.74%	-14.76%	-	-	149,100	(48,600)	-3.62%	-3.63%
Court System	111,601,000	34,322,200	(5,066,500)	-4.54%	-14.76%	-	-	2,359,600	(2,706,900)	-2.43%	-7.89%
Attorney General and Reporter	24,306,800	21,309,600	(3,145,800)	-12.94%	-14.76%	-	-	2,372,300	(773,500)	-3.18%	-3.63%
District Attorneys General	68,592,900	62,743,300	(600,000)	-0.87%	-0.96%	-	-	600,000	-	0.00%	0.00%
Secretary of State	30,606,800	30,541,000	(4,508,200)	-14.73%	-14.76%	-	-	3,399,500	(1,108,700)	-3.62%	-3.63%
District Public Defenders	39,674,400	34,538,200	(337,500)	-0.85%	-0.98%	-	-	337,500	-	0.00%	0.00%
Comptroller of the Treasury	87,104,800	50,878,600	(7,510,600)	-8.62%	-14.76%	-	-	5,663,700	(1,846,900)	-2.12%	-3.63%
Post-Conviction Defender	1,949,500	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Treasury Department	626,200	625,900	(92,400)	-14.76%	-14.76%	-	-	69,700	(22,700)	-3.63%	-3.63%
Claims and Compensation	10,260,000	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Sub-Total Non-Executive	\$ 415,707,600	\$ 267,352,100	\$ (26,042,800)	-6.26%	-9.74%	\$ -	\$ -	\$ 18,408,300	\$ (7,634,500)	-1.84%	-2.86%
Executive Department	\$ 4,466,300	\$ 4,461,300	\$ (658,600)	-14.75%	-14.76%	\$ -	\$ -	\$ -	\$ (658,600)	-14.75%	-14.76%
Children and Youth	2,145,000	2,140,100	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Aging and Disability	13,743,200	13,742,000	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Alcoholic Beverage Commission	1,005,900	1,005,900	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Human Rights Commission	1,602,100	1,598,900	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Health Services and Dev. Agency	1,247,500	1,245,900	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
TRICOR	-	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Corrections Institute	970,600	968,700	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Tennessee Regulatory Authority	8,875,800	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
TACIR	266,000	266,000	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
THDA	-	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Arts Commission	6,146,100	2,226,800	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
State Museum	3,744,400	3,738,400	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Finance and Administration	36,242,900	20,919,200	(2,197,000)	-6.06%	-10.50%	-	-	585,300	(1,611,700)	-4.45%	-7.70%
TennCare Programs	\$ 2,227,831,600	\$ 2,239,845,100	\$ (240,102,500)	-10.78%	-10.72%	\$ -	\$ -	\$ 144,005,100	\$ (96,097,400)	-4.31%	-4.29%
TennCare for DCS	76,890,500	74,055,300	(4,059,200)	-5.28%	-5.48%	-	-	2,998,500	(1,060,700)	-1.38%	-1.43%
TennCare for MR	279,148,600	263,777,300	(12,675,300)	-4.54%	-4.81%	-	-	8,659,700	(4,015,600)	-1.44%	-1.52%
Sub-Total TennCare Programs	\$ 2,583,870,700	\$ 2,577,677,700	\$ (256,837,000)	-9.94%	-9.96%	\$ -	\$ -	\$ 155,663,300	\$ (101,173,700)	-3.92%	-3.92%
Human Resources	5,416,700	5,405,800	(418,600)	-7.73%	-7.74%	-	-	308,200	(110,400)	-2.04%	-2.04%
General Services	2,469,200	2,296,300	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Veterans Affairs	4,527,500	4,515,900	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Board of Probation and Parole	76,547,400	71,051,900	(438,500)	-0.57%	-0.62%	-	-	438,500	-	0.00%	0.00%
Agriculture	73,954,300	40,485,300	(1,026,300)	-1.39%	-2.53%	-	-	-	(1,026,300)	-1.39%	-2.53%
Tourist Development	8,899,000	8,894,200	(1,312,900)	-14.75%	-14.76%	-	-	1,312,900	-	0.00%	0.00%
Environment and Conservation	169,378,600	85,989,600	(4,896,600)	-2.89%	-5.69%	-	-	-	(4,896,600)	-2.89%	-5.69%
Wildlife Resources Agency	45,993,600	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%

**Departmental Comparison of 2008-2009 Recurring Appropriations, 2009-2010 Discretionary Base,
and 2009-2010 Base Budget Reduction Plans (State Appropriation)**

Program	2008-2009 Recurring Appropriation	2009-2010 Discretionary Base	Recurring Base Reduction			Non-Recurring Restoration			Net Reduction		
			Appropriation	Pct. of 2008-2009	Pct. of 2009-2010	U.S. Economic Recovery State Fiscal Stabilization		General Fund	Total	Pct. of 2008-2009	Pct. of 2009-2010
						Education	General Purpose				
Correction	665,047,200	664,730,400	(64,319,100)	-9.67%	-9.68%	-	-	21,089,200	(43,229,900)	-6.50%	-6.50%
Economic and Community Dev.	37,471,800	37,440,400	(5,526,800)	-14.75%	-14.76%	-	-	5,126,100	(400,700)	-1.07%	-1.07%
Education (K-12)	3,864,666,000	182,526,400	(68,907,000)	-1.78%	-37.75%	-	56,686,300	-	(12,220,700)	-0.32%	-6.70%
Higher Education - State Adm. Pgms	\$ 371,932,900	\$ 29,118,200	\$ (1,639,100)	-0.44%	-5.63%	\$ 1,132,500	\$ -	\$ -	\$ (506,600)	-0.14%	-1.74%
University of Tennessee System	495,218,100	493,642,600	(65,951,900)	-13.32%	-13.36%	65,601,200	-	-	(350,700)	-0.07%	-0.07%
State Univ. and Comm. College Sys.	725,732,500	723,529,100	(114,072,400)	-15.72%	-15.77%	114,072,400	-	-	-	0.00%	0.00%
Sub-Total Higher Education	\$ 1,592,883,500	\$ 1,246,289,900	\$ (181,663,400)	-11.40%	-14.58%	\$ 180,806,100	\$ -	\$ -	\$ (857,300)	-0.05%	-0.07%
Commerce and Insurance	87,761,000	8,332,400	(1,130,200)	-1.29%	-13.56%	-	-	294,000	(836,200)	-0.95%	-10.04%
Financial Institutions	8,219,800	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Labor and Workforce Development	42,189,000	22,016,900	(3,250,100)	-7.70%	-14.76%	-	-	652,800	(2,597,300)	-6.16%	-11.80%
Mental Health and Dev. Disabilities	177,186,800	154,507,000	(22,807,900)	-12.87%	-14.76%	-	-	17,896,200	(4,911,700)	-2.77%	-3.18%
Military	13,087,200	13,037,200	(1,924,500)	-14.71%	-14.76%	-	-	548,000	(1,376,500)	-10.52%	-10.56%
Health	180,388,400	141,567,300	(17,511,800)	-9.71%	-12.37%	-	6,761,500	4,048,000	(6,702,300)	-3.72%	-4.73%
Mental Retardation Services Division	72,197,300	71,369,300	(36,798,000)	-50.97%	-51.56%	-	-	29,259,200	(7,538,800)	-10.44%	-10.56%
Human Services	178,444,600	79,950,900	(11,802,100)	-6.61%	-14.76%	-	-	10,969,800	(832,300)	-0.47%	-1.04%
Revenue	82,734,700	72,365,800	(4,682,600)	-5.66%	-6.47%	-	-	110,300	(4,572,300)	-5.53%	-6.32%
Tennessee Bureau of Investigation	39,358,600	37,803,800	(5,580,500)	-14.18%	-14.76%	-	-	2,989,600	(2,590,900)	-6.58%	-6.85%
Safety	110,551,500	109,558,800	(2,606,900)	-2.36%	-2.38%	-	-	-	(2,606,900)	-2.36%	-2.38%
Cover Tennessee Health Care Pgms	84,301,700	23,607,900	(3,484,900)	-4.13%	-14.76%	-	-	-	(3,484,900)	-4.13%	-14.76%
Miscellaneous Appropriations	39,887,800	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Emergency and Contingency Fund	819,300	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
State Building Commission	250,000	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Children's Services	338,080,400	336,000,300	(54,977,000)	-16.26%	-16.36%	-	39,685,700	-	(15,291,300)	-4.52%	-4.55%
Transportation	1,030,200,000	-	-	0.00%	0.00%	-	-	-	-	0.00%	0.00%
Facilities Revolving Fund	13,564,800	-	(500,000)	-3.69%	0.00%	-	-	500,000	-	0.00%	0.00%
Sub-Total Executive	\$ 11,710,804,200	\$ 6,049,734,600	\$ (755,258,300)	-6.45%	-12.48%	\$ 180,806,100	\$ 103,133,500	\$ 251,791,400	\$ (219,527,300)	-1.87%	-3.63%
Sub-Total Program Reductions	\$ 12,126,511,800	\$ 6,317,086,700	\$ (781,301,100)	-6.44%	-12.37%	\$ 180,806,100	\$ 103,133,500	\$ 270,199,700	\$ (227,161,800)	-1.87%	-3.60%
Base Budget Reallocations											
TennCare Programs	\$ -	\$ -	\$ 22,400			\$ -	\$ -	\$ 2,899,500	\$ 2,921,900		
Mental Health and Dev. Disabilities	-	-	-			-	-	163,600	163,600		
Mental Retardation Services Div.	-	-	(607,500)			-	-	487,000	(120,500)		
Sub-Total Base Budget Reallocations	\$ -	\$ -	\$ (585,100)			\$ -	\$ -	\$ 3,550,100	\$ 2,965,000		
Total Reductions and Reallocations	\$ 12,126,511,800	\$ 6,317,086,700	\$ (781,886,200)	-6.45%	-12.38%	\$ 180,806,100	\$ 103,133,500	\$ 273,749,800	\$ (224,196,800)	-1.85%	-3.55%

Note: 2008-2009 recurring appropriation includes all state sources. 2009-2010 discretionary base excludes dedicated funds and items held harmless, such as the K-12 Basic Education Program formula, poverty programs, and certain statutory officials.

General Fund
Base Budget Reallocations of State Appropriations
Fiscal Year 2009-2010

		General Fund		
		Recurring	Non-Recurring	Total
I. TennCare for Mental Retardation Services:				
A. Base Budget Reductions:				
318.67	West TN Community Homes - Position Reduction (37 FT)	\$ (510,100)	\$ -	\$ (510,100)
318.68	Clover Bottom - Position Reduction (133 FT) - 32 Fewer Residents	(1,213,700)	2,378,300	1,164,600
318.68	Prescription drug reimbursement - Funding Change	(804,500)	-	(804,500)
318.68	Arlington - Position Reduction (75 FT) - Residents Transferring to Group Homes	(604,500)	449,800	(154,700)
318.68	Greene Valley - Position Reduction (148 FT) - 32 Fewer Residents	(2,442,000)	71,400	(2,370,600)
Sub-Total Base Reductions TennCare for Mental Retardation Services		\$ (5,574,800)	\$ 2,899,500	\$ (2,675,300)
B. Base Budget Adjustments:				
1.	Annualize FY 09 Waiting List Enrollees	\$ 101,800	\$ -	\$ 101,800
2.	Annualize FY 09 Department of Children's Services Enrollees	974,100	-	974,100
3.	FY 10 New Department of Children's Services Enrollees (40)	824,200	-	824,200
4.	Annualize FY 09 Nursing Home Transitions	309,600	-	309,600
5.	FY 10 New Nursing Home Transitions Enrollees (24)	346,200	-	346,200
6.	Clover Bottom - Psychiatrists / Psychologists, Nursing, Speech, Behavior Analysts	244,600	-	244,600
7.	Operational Costs for 8 ICF-MR Group Homes (148 FT)	2,442,000	-	2,442,000
8.	Conservatorship and ICAP Scoring Contracts - Cost Increase	232,100	-	232,100
9.	Electricity rate increase - Clover Bottom & Greene Valley	122,600	-	122,600
Sub-Total Base Adjustments TennCare for Mental Retardation Services		\$ 5,597,200	\$ -	\$ 5,597,200
Total Base Reallocations TennCare for Mental Retardation Services		\$ 22,400	\$ 2,899,500	\$ 2,921,900
II. Mental Retardation Services:				
A. Base Budget Reductions:				
344.02	State-Only Services for Patients not TennCare Eligible	\$ (500,000)	\$ -	\$ (500,000)
344.02	Family Support Program Reduction	(301,000)	-	(301,000)
344.12	Greene Valley - Position Reduction (148 FT) - 32 Fewer Residents	(32,000)	-	(32,000)
Sub-Total Base Reductions Mental Retardation Services		\$ (833,000)	\$ -	\$ (833,000)
B. Base Budget Adjustments:				
1.	Annualize FY 09 Waiting List Enrollees	\$ 15,500	\$ -	\$ 15,500
6.	Clover Bottom - Psychiatrists / Psychologists, Nursing, Speech, Behavior Analysts	96,000	-	96,000
7.	Operational Costs for 8 ICF-MR Group Homes (148 FT)	32,000	487,000	519,000
8.	Conservatorship and ICAP Scoring Contracts - Cost Increase	51,600	-	51,600
9.	Electricity rate increase - Clover Bottom & Greene Valley	30,400	-	30,400
Sub-Total Base Adjustments Mental Retardation Services		\$ 225,500	\$ 487,000	\$ 712,500
Total Mental Retardation Services		\$ (607,500)	\$ 487,000	\$ (120,500)
Total Base Reallocations Mental Retardation Services and TennCare for MR		\$ (585,100)	\$ 3,386,500	\$ 2,801,400
III. Mental Health and Developmental Disabilities:				
A. Base Budget Reductions:				
339.01	Overlapped Employees - Executive and Fiscal Consulting	\$ (93,500)	\$ -	\$ (93,500)
339.01	Contracted Computer Programmers	(245,700)	-	(245,700)
339.01	Rented Office Space at Cordell Hull Building	(50,000)	-	(50,000)
339.01	Life Safety Inspections - Provider Agency Responsibility	(41,000)	-	(41,000)
339.01	Community Program Administration (4 FT)	(221,100)	163,600	(57,500)
339.03	Community Alcohol and Drug Abuse Services - Grants to Providers	(1,148,600)	-	(1,148,600)
339.08	Misdemeanor Forensic Evaluations - Bill Evaluations to Counties	(3,055,700)	-	(3,055,700)
339.08	Inpatient Services Pending Forensic Commitment	(104,200)	-	(104,200)
339.08	Post Adjudication Forensic Evaluations - Outpatient NGRI Evaluation	(749,000)	-	(749,000)
339.08	Recovery Services - Homeless, Family Support, Employment, and Housing	(3,278,200)	-	(3,278,200)
339.08	Mental Health Crisis Services - Diversion Providers	(735,200)	-	(735,200)
339.08	Services to Children and Special Populations	(1,282,300)	-	(1,282,300)
339.12	Children's Inpatient Unit at WMHI - 20 Bed Reduction (50 FT)	(494,000)	-	(494,000)
339.17	Memphis MHI Staff Reductions for Reduction in Beds (16 FT)	(885,000)	-	(885,000)
339.08	Juvenile Forensic Services - Court Decision	(2,100,000)	-	(2,100,000)
Sub-Total Base Reductions Mental Health		\$ (14,483,500)	\$ 163,600	\$ (14,319,900)

General Fund
Base Budget Reallocations of State Appropriations
Fiscal Year 2009-2010

B. Base Budget Adjustments:

339.00 Mobile Crisis Services @ \$4,284,400
 339.00 Behavioral Health Safety Net Services - Indigent Persons
 339.00 Crisis Stabilization Units for East and West Regions

Sub-Total Base Adjustments Mental Health

Total Base Reallocations Mental Health and Developmental Disabilities

	General Fund		
	Recurring	Non-Recurring	Total
	\$ 2,746,500	\$ -	\$ 2,746,500
	9,137,000	-	9,137,000
	2,600,000	-	2,600,000
Sub-Total Base Adjustments Mental Health	\$ 14,483,500	\$ -	\$ 14,483,500
Total Base Reallocations Mental Health and Developmental Disabilities	\$ -	\$ 163,600	\$ 163,600
IV. Grand Total Reallocations	\$ (585,100)	\$ 3,550,100	\$ 2,965,000

**2008-2009 Through 2010-2011
U. S. Economic Recovery Act
State Fiscal Stabilization Funds**

	<u>Total</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
I. State Fiscal Stabilization:				
1. Education	\$ 775,135,000	\$ 100,625,900	\$ 337,217,300	\$ 337,291,800
(a) Higher Education - 2008 Level *	\$ 471,060,500	\$ 100,625,900	\$ 185,217,300	\$ 185,217,300
Restore 2009-10 Base Reduction	361,612,200	-	180,806,100	180,806,100
Restore to 2007-08 Level	67,448,300	58,625,900	4,411,200	4,411,200
Restore 2008-09 Reversion Requirement	42,000,000	42,000,000	-	-
(b) K-12 Education - BEP	304,074,500	-	152,000,000	152,074,500
2. General Purpose	\$ 172,463,000	\$ -	\$ 103,133,500	\$ 69,329,500
Restore 2009-10 Base - NR	172,463,000	-	103,133,500	69,329,500
Other Available Funds	-	-	-	-
3. Total State Fiscal Stabilization	\$ 947,598,000	\$ 100,625,900	\$ 440,350,800	\$ 406,621,300

II. Higher Education Summary from All Sources:

Total Higher Education restoration	\$ 100,625,900	\$ 253,307,300	\$ 253,307,300
General Fund - State MOE @ 2005-2006 level *	-	68,090,000	68,090,000
U. S. Recovery Act Funds @ 2007-2008 level	100,625,900	185,217,300	185,217,300

* State maintenance of effort.

**2008-2009 Through 2010-2011
U. S. Economic Recovery Act
Tennessee Allocations for Selected Grant Programs**

		Budget Estimate			
		Total	2008-2009	2009-2010	2010-2011
State Fiscal Stabilization:					
	Education	\$ 775,135,000	\$ 100,625,900	\$ 337,217,300	\$ 337,291,800
	General Purpose	172,463,000	-	103,133,500	69,329,500
	Sub-Total State Fiscal Stabilization	\$ 947,598,000	\$ 100,625,900	\$ 440,350,800	\$ 406,621,300
318.00	TennCare				
	Medicaid - Enhanced Federal Match	1,100,000,000	300,000,000	550,000,000	250,000,000
359.00	Children's Services				
	Foster Care and Adoption Assistance - Enhanced Federal Match	10,200,000	3,500,000	4,400,000	2,300,000
	Total Fiscal Stabilization, TennCare, and Children's Services	\$ 2,057,798,000	\$ 404,125,900	\$ 994,750,800	\$ 658,921,300
331.00	Education (K-12)				
	Elementary and Secondary Education Act (ESEA) Title I				
	Grants to LEAs	\$ 194,108,000	\$ -	\$ 97,054,000	\$ 97,054,000
	School Improvement	50,386,000	-	25,193,000	25,193,000
	Sub-Total - ESEA Title I	\$ 244,494,000	\$ -	\$ 122,247,000	\$ 122,247,000
	Individuals with Disabilities Education Act (IDEA):				
	IDEA - Part B - Special Education	\$ 229,613,400	\$ 114,806,700	\$ 114,806,700	\$ -
	IDEA - Part B - Special Education - Preschool	7,345,900	3,673,000	3,672,900	-
	IDEA - Part C - Early Intervention	8,100,300	4,050,200	4,050,100	-
	Sub-Total IDEA	\$ 245,059,600	\$ 122,529,900	\$ 122,529,700	\$ -
	Education Technology	12,292,400	-	6,146,200	6,146,200
	Education for the Homeless	669,000	-	334,500	334,500
	School Lunch Equipment	1,985,000	-	1,985,000	-
	State Incentive Grant - Competitive Secretary Grants	86,130,000	-	-	86,130,000
	Longitudinal Data Study	5,000,000	-	2,500,000	2,500,000
	Teacher Incentive Fund	20,000,000	-	10,000,000	10,000,000
	Total Education	\$ 615,630,000	\$ 122,529,900	\$ 265,742,400	\$ 227,357,700
309.00	Treasury Dept.				
	Crime Victims Compensation	\$ 1,472,800	\$ 1,472,800	\$ -	\$ -
316.02	Commission on Aging and Disability				
	Elderly Nutrition	2,614,000	435,600	1,742,800	435,600

**2008-2009 Through 2010-2011
U. S. Economic Recovery Act
Tennessee Allocations for Selected Grant Programs**

		Budget Estimate			
		Total	2008-2009	2009-2010	2010-2011
316.20	Tennessee Housing Development Agency				
	HOME Investment Partnership Program (HUD estimate)	\$ 39,032,500	\$ -	\$ 20,000,000	\$ 19,032,500
	Section 8 Housing - Energy Project-Based Rental Assistance	35,909,700	7,361,500	21,186,700	7,361,500
	CDBG Non-Entitlement - Neighborhood Revitalization	25,000,000	-	12,500,000	12,500,000
	Homelessness Prevention (HUD estimate) - State	13,467,400	-	8,080,400	5,387,000
	Sub-Total THDA	\$ 113,409,600	\$ 7,361,500	\$ 61,767,100	\$ 44,281,000
316.25	Arts Commission				
	National Endowment for the Arts (NEA)	321,800	-	228,800	93,000
317.00	Finance and Administration				
	Health Information Technology	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
	Byrne Justice Assistance Grant	30,827,700	-	30,827,700	-
	Crime Victims Assistance	911,000	-	911,000	-
	Violence Against Women	2,765,300	-	2,765,300	-
	Sub-Total Finance and Administration	\$ 44,504,000	\$ -	\$ 44,504,000	\$ -
325.00	Agriculture				
	Temporary Emergency Food Assistance Program (TEFAP)	\$ 1,146,000	\$ 120,000	\$ 800,000	\$ 226,000
	Wildland Fire Management	1,245,000	20,500	1,070,500	154,000
	Partners for Fish and Wildlife	250,000	-	250,000	-
	Sub-Total Agriculture	\$ 2,641,000	\$ 140,500	\$ 2,120,500	\$ 380,000
327.00	Environment and Conservation				
	Clean Water State Revolving Fund	\$ 56,930,300	\$ 8,266,200	\$ 28,706,500	\$ 19,957,600
	Drinking Water State Revolving Fund	20,238,000	2,577,200	10,205,400	7,455,400
	Underground Storage Tank Fund	5,042,000	5,042,000	-	-
	Diesel Emission Reduction	1,700,000	200,000	1,500,000	-
	Hazardous Waste Remedial Action Fund	-	-	-	-
	Sub-Total Environment and Conservation	\$ 83,910,300	\$ 16,085,400	\$ 40,411,900	\$ 27,413,000
330.00	Economic and Community Development				
	Community Development Block Grant (CDBG) - Non-Entitlement	\$ 7,095,700	\$ 351,700	\$ 6,682,600	\$ 61,400
	State Energy Program	59,065,000	25,000,000	34,065,000	-
	Energy Efficiency and Conservation Block Grant	14,896,000	6,000,000	8,896,000	-
	Energy Star Rebate Program	5,700,000	2,100,000	3,100,000	500,000
	Sub-Total Economic and Community Development	\$ 86,756,700	\$ 33,451,700	\$ 52,743,600	\$ 561,400

**2008-2009 Through 2010-2011
U. S. Economic Recovery Act
Tennessee Allocations for Selected Grant Programs**

		Budget Estimate			
		Total	2008-2009	2009-2010	2010-2011
337.00	Labor and Workforce Development				
	Workforce Investment Act - Adult	\$ 10,945,000	\$ 2,209,000	\$ 7,926,900	\$ 809,100
	Workforce Investment Act - Youth	25,353,000	10,549,500	12,549,500	2,254,000
	Dislocated Workers	29,028,000	8,511,600	18,260,700	2,255,700
	Unemployment Insurance - State Administration Grants	10,129,100	5,064,900	5,064,200	-
	Employment Service	7,426,000	5,569,800	1,856,200	-
	Community Service for Older Americans	484,100	80,000	400,000	4,100
	Sub-Total Labor and Workforce Development	\$ 83,365,200	\$ 31,984,800	\$ 46,057,500	\$ 5,322,900
343.00	Health				
	* Healthy Communities - FQHC Modernization - State Centers in Putnam and Stewart Counties	\$ 787,000	\$ 787,000	\$ -	\$ -
	Women, Infants and Children - Supplemental Food Immunization	-	-	-	-
	Sub-Total Health	\$ 787,000	\$ 787,000	\$ -	\$ -
345.00	Human Services				
	Food Stamp Benefits	\$ 482,693,000	\$ 49,001,900	\$ 209,738,600	\$ 223,952,500
	Food Stamp Administration	9,064,500	3,348,400	5,716,100	-
	Temporary Assistance for Needy Families	119,702,200	3,000,000	116,702,200	-
	Weatherization	102,460,000	17,076,700	85,383,300	-
	Child Care and Development Block Grant	41,932,000	5,000,000	36,932,000	-
	Child Support Enforcement	-	-	-	-
	Community Services Block Grant (CSBG)	19,699,000	3,283,200	16,415,800	-
	Vocational Rehabilitation	12,178,000	-	12,178,000	-
	Vocational Rehabilitation - Independent Living	273,000	45,500	227,500	-
	Vocational Rehabilitation - Older Blind Individuals (HHS estimate)	738,600	123,100	615,500	-
	Sub-Total Human Services	\$ 788,740,300	\$ 80,878,800	\$ 483,909,000	\$ 223,952,500
	Total General Fund	\$ 3,881,950,700	\$ 699,253,900	\$ 1,993,978,400	\$ 1,188,718,400

* FQHC - Federally-qualified health center.

**2008-2009 Through 2010-2011
U. S. Economic Recovery Act
Tennessee Allocations for Selected Grant Programs**

	Budget Estimate			
	Total	2008-2009	2009-2010	2010-2011
400.00 Transportation				
Highways and Bridges	\$ 572,701,000	\$ 572,701,000	\$ -	\$ -
Fixed Guideway Modernization	28,000	28,000	-	-
Mass Transit Capital Grants	73,219,000	73,219,000	-	-
Airport Improvement Program	20,000,000	20,000,000	-	-
Sub-Total Transportation	\$ 665,948,000	\$ 665,948,000	\$ -	\$ -
Total Operating Budget	\$ 4,547,898,700	\$ 1,365,201,900	\$ 1,993,978,400	\$ 1,188,718,400
Unemployment - \$25 per Week Benefit Increase	177,075,000	63,450,000	110,025,000	3,600,000
Unemployment Trust Fund	141,000,000	-	141,000,000	-
Grand Total State Programs	\$ 4,865,973,700	\$ 1,428,651,900	\$ 2,245,003,400	\$ 1,192,318,400

**Federal Grants Directly to Local Governments, Non-Profits,
and Higher Education:**

Byrne Justice Assistance	\$ 19,552,900			
Internet Crimes Against Children	646,000			
Public Housing Capital Fund	80,710,000			
Community Development Block Grant (CDBG) - Entitlement	6,167,500			
Homelessness Prevention (HUD estimate) - 4 Urban Cities	6,827,400			
Head Start	13,775,000			
Work Study - Higher Education	3,490,400			
FEMA - Emergency Food and Shelter	2,064,000			
Total Federal Grants Directly	\$ 133,233,200	\$ -	\$ -	\$ -
Grand Total	\$ 4,999,206,900	\$ 1,428,651,900	\$ 2,245,003,400	\$ 1,192,318,400

Source: Federal Funds Information for States, a joint service of the National Governors Association and the National Conference of State Legislatures, a Medicaid and Title IV-E (foster care and adoption assistance) estimates by Tenn. Budget Office and TennCare Bureau.

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2009 – 2010

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

The recession that has gripped both the national and state economies continues to deepen and there are no signs of relief on the horizon. In fact, virtually every measure of economic activity continues to deteriorate. As a result, the current recession will be the longest and potentially deepest downturn since the Great Depression. The economy is expected to reach bottom before the end of the year. However, since conditions continue to weaken, the recovery could easily be delayed until early 2010. Consequently, pressures on the state budget will be sustained beyond the 2010-11 fiscal year. The discussion that follows provides an overview of current economic conditions and the economic outlook for the state and nation to help frame the state's fiscal outlook. For more information on the economic outlook for the U.S. and Tennessee, see *An Annual Report to the Governor of the State of Tennessee*.

Recent Economic Conditions

What began as a domestic problem confined to the subprime mortgage market quickly spread like a contagion to the global financial system. As recently as the summer of 2008, observers argued that the downturn would primarily affect the U.S. economy and a small number of European countries; emerging markets would be spared and the Chinese economy would help sustain global growth. Following the financial market chaos that emerged in September, the entire global economy finds itself in recession. The world economy will contract by at least 2 percent this year, the first global contraction since the end of World War II.

Records are being shattered as the economy contracts. To put the situation in perspective,

housing starts for the national economy totaled only 902 thousand in 2008, the lowest reading since 1945. Worse still, housing starts are expected to total only 550 thousand units in 2009. Tennessee's housing situation has deteriorated sharply. While we have not seen the wild price swings that have taken place in states like Florida and Nevada, building permit data for the state and many metropolitan areas across the state have nonetheless plummeted and are now worse than the national average. Nationally, nonresidential construction activity is falling at a rapid pace; there is a glut of commercial property and many businesses, nonprofits, and government entities cannot access credit markets. Slower construction activity has already contributed to a significant slowdown in sales tax collections in Tennessee and other states, and the situation will get worse before it gets better.

U.S. gross domestic product (GDP) saw growth of only 1.3 percent in 2008, largely because of federal stimulus checks that were doled out in the first half of the year. But by the fourth quarter of the year GDP had fallen 6.2 percent. Employment losses mounted as the year progressed producing the largest setbacks since 1945. In February of 2009 the national unemployment rate had jumped to 8.1 percent. By the beginning of 2009 the economy had lost all of its momentum. Holiday sales reports were dismal at best. And exports, which had been one of the economy's only engines of strength in early 2008, were down 21 percent in the final quarter of the year. Falling gasoline prices were the singular bright spot at the end of the year, increasing the discretionary spending capacity of businesses and households. However, gasoline prices are back on the ascent.

The Tennessee economy tracked the U.S. economy over the course of 2008 and into 2009. Year-over-year job losses accelerated in each quarter, yielding a 0.6 percent setback for the year as a whole. Data for January show jobs declining 3.4 percent on a year-over-year basis, with manufacturing jobs free falling by 9.1 percent. The miserable job market pushed the state unemployment rate to 8.6 percent in January. The collapse of residential building permits in Tennessee is worse than the fall in permits for

Florida, Arizona, and California, three states that have been poster children for the housing slump. This fall in permits does not bode well for construction activity and sales tax collections in 2009.

Short-Term Economic Outlook

The national economy is struggling to find a bottom to the current cycle. Positive growth is expected to emerge in the fourth quarter of 2009, though the boost to GDP will be modest. Three factors will contribute to the anticipated turnaround, loose monetary policy, the federal fiscal stimulus package, and an improving residential housing market. For the year, GDP will be down 3.7 percent; for the recession as a whole, the peak-to-trough contraction in GDP will be the worst since the Great Depression. U.S. job losses will exceed 3 percent for the year and the unemployment rate could break the 10 percent

barrier by year's end. The economy's weakness will contribute to an unprecedented 1.9 percent decline in consumer prices for the year. Despite talk of a turnaround in 2009, it is important to emphasize that there are no signs of improving economic conditions at this juncture.

The state is expected to see jobs fall by at least 3.0 percent in 2009, similar to the situation for the national economy. The job losses in Tennessee will be the worst since 1975. Continued job setbacks are expected for early 2010. The state unemployment rate will move above 10 percent before the end of the year and will be sustained at high levels through 2011. Nominal personal income is projected to grow by no more than 1.5 percent in fiscal year 2008-09 and advance at the same pace in the 2009-10 fiscal year. Unfortunately, income growth will be buoyed by nearly double-digit increases in transfer payments.

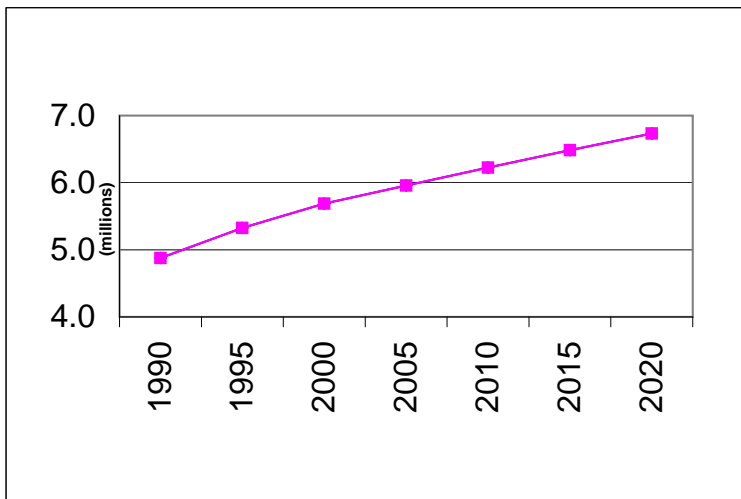
Article provided by the Center for Business and Economic Research, University of Tennessee at Knoxville.

Tennessee Characteristics

Demographic Characteristics¹

	1990	2000	2007
Total Population (April 1, April 1, July 1)	4,877,203	5,689,283	6,156,719
Percent of Population by Age Group			
Under Age 5	7.0%	6.6%	6.6%
Age 5 to 17	18.1%	18.0%	17.3%
Age 18 to 24	10.9%	9.6%	9.1%
Age 25 to 64	51.4%	53.4%	54.2%
Age 65 and Older	12.6%	12.4%	12.8%
Percent of Population by Race			
White	83.0%	80.2%	79.1%
Black or African American	16.0%	16.4%	16.7%
American Indian and Alaska Native	0.2%	0.3%	0.2%
Asian and Pacific Islander	0.6%	1.0%	1.3%
Other	0.2%	2.1%	2.7%
Hispanic Population (Percent of Total Population)	0.7%	2.2%	3.4%
Place of Birth of Tennessee Residents			
Born in Tennessee	69.2%	64.7%	62.2%
Born in Another State	29.1%	31.9%	32.9%
Born Outside the United States	0.5%	0.6%	0.8%
Born in a Foreign County	1.2%	2.8%	4.1%
Naturalized Citizen	0.5%	0.9%	1.3%
Not a Citizen	0.7%	1.9%	2.8%

Tennessee Population 1990 to 2020²



Year	Population
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

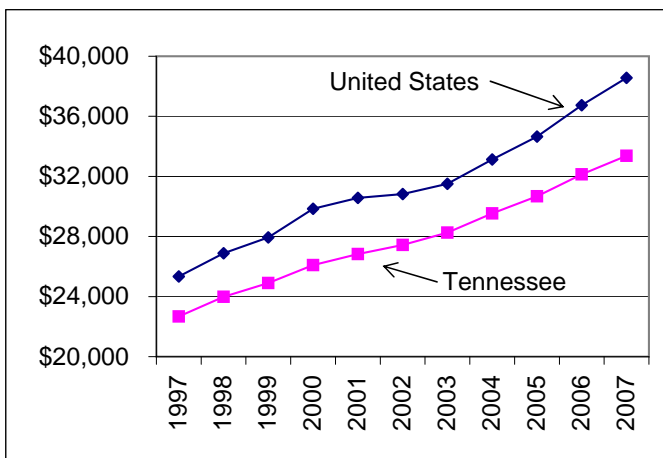
	<u>1999-2000</u>	<u>2002-2003</u>	<u>2006-2007</u>
Public School Enrollment and Expenditures³			
Total Number of Public Schools	1,611	1,659	1,709
Total K-12 Public School Average Daily Attendance (ADA)	842,733	849,354	888,318
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 5,643,667	\$ 6,923,128
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 6,645	\$ 7,794

	<u>1990</u>	<u>2000</u>	<u>2007</u>
Educational Attainment⁴			
Less than 9th grade	16.0%	9.6%	7.1%
9th to 12th grade, no diploma	17.0%	14.5%	11.5%
High school graduate (includes equivalency)	30.0%	31.6%	34.3%
Some college, no degree	16.9%	20.0%	19.6%
Associate degree	4.2%	4.7%	5.7%
Bachelor's degree	10.5%	12.8%	14.2%
Graduate or professional degree	5.4%	6.8%	7.6%
Percent high school graduate or higher			
United States	75.2%	80.4%	84.5%
Tennessee	67.1%	75.9%	81.4%
Percent bachelor's degree or higher			
United States	20.3%	24.4%	27.5%
Tennessee	15.9%	19.6%	21.8%

Income and Poverty⁵

	<u>2000</u>	<u>2003</u>	<u>2007</u>
Tennessee's Per Capita Income as a Percent of the U. S.	89.0%	89.2%	86.5%
Tennessee's Rank in U. S. by Per Capita Income	34	36	38

Tennessee and United States Per Capita Income⁵



<u>Year</u>	<u>United States</u>	<u>Tennessee</u>
1997	\$ 25,334	\$ 22,676
1998	26,883	23,989
1999	27,939	24,898
2000	29,845	26,095
2001	30,574	26,833
2002	30,821	27,435
2003	31,504	28,257
2004	33,123	29,539
2005	34,650	30,679
2006	36,744	32,134
2007	38,564	33,373

Percent Change		
1997-2007	52.2%	47.2%

	<u>1989</u>	<u>1999</u>	<u>2007</u>
Percent of Population Below Poverty ⁶			
United States	13.1%	12.4%	13.0%
Tennessee	15.7%	13.5%	15.9%

Employment ⁷

	<u>2000</u>	<u>2003</u>	<u>2007</u>
Civilian Labor Force	2,864,000	2,903,000	3,036,700
Employment	2,749,700	2,742,200	2,893,700
Unemployment	114,300	160,800	143,000
Unemployment Rate	4.0%	5.5%	4.7%

Non-Farm Employment - Percent by Industry

Goods Producing	22.7%	20.0%	18.5%
Natural Resources & Mining	0.2%	0.2%	NA
Construction	4.6%	4.3%	4.9%
Manufacturing	17.9%	15.5%	13.6%
Durable Goods	11.0%	9.4%	8.5%
Non-Durable Goods	6.9%	6.1%	5.1%
Service Providing	77.3%	80.0%	81.5%
Trade, Transportation, & Utilities	21.5%	21.8%	21.9%
Wholesale Trade	4.8%	4.8%	4.8%
Retail Trade	11.6%	11.8%	11.8%
Transportation, Warehousing, & Utilities	5.1%	5.2%	5.3%
Information	2.0%	1.9%	1.8%
Financial Activities	5.1%	5.2%	5.2%
Professional & Business Services	11.0%	10.8%	11.5%
Educational & Health Services	10.2%	11.7%	12.5%
Leisure & Hospitality	8.6%	9.3%	9.9%
Other Services	4.3%	3.9%	3.7%
Government	14.6%	15.4%	15.0%
Federal	2.0%	1.9%	1.7%
State & Local	12.6%	13.5%	13.3%

Physical Characteristics⁸

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

¹ Source: U. S. Bureau of the Census.

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

³ Source: Tennessee Department of Education.

⁴ Source: U. S. Bureau of the Census, American Community Survey.

⁵ Source: U. S. Bureau of Economic Analysis.

⁶ Source: U. S. Bureau of the Census, American Community Survey.

⁷ Source: Tennessee Department of Labor and Work Force Development.

⁸ Source: Tennessee Statistical Abstract.

Federal Aid Trends and Federal Mandate Costs

Recommended Budget, Fiscal Year 2009 – 2010

Since fiscal year 1979-80, federal aid to Tennessee excluding Food Stamps, Medicaid, and Temporary Assistance to Needy Families (TANF) grants, formerly Aid to Families with Dependent Children (AFDC), has declined from 27 cents of every dollar in the state budget to 23 cents in 2009-2010. If the state were still receiving 27 cents of every budgeted dollar as federal aid, an additional \$801.3 million would be available in federal funds.

In constant (2009-2010) dollars, federal aid has increased by 115.6 percent, or \$2.4 billion, from 1979-80 to 2009-2010 for state programs other than Food Stamps, Medicaid, and TANF/AFDC grants.

Figure 1 and Table 1 show the constant (2009-2010) dollar trend in federal aid in the state budget since 1979-80 for all programs,

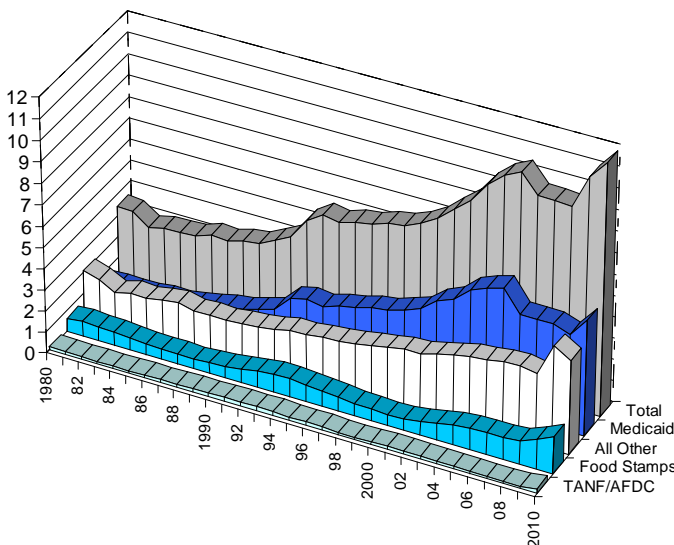
including transportation. Amounts for fiscal years 1979-80 through 2007-2008 are based on actual federal aid collections; amounts for 2008-2009 and 2009-2010 are based on estimates included in the recommended state budget.

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 2009-2010, all the programs have had real growth, which is the result of key decisions by Congress. In the late 1980s, Congress moved to relax the earlier federal deficit-control statutes, which had restrained the growth of domestic discretionary programs during the 1980s. In addition, the U.S. Economic Recovery program was enacted in February 2009, which will increase federal aid to Tennessee by \$4.9 billion over three fiscal years, from 2008-2009 through 2010-2011.

Figure 1
Federal Aid Trend in State Programs
FY 1980 through FY 2010
in Billions of Constant (2009-2010) Dollars



After this three-year period, it is expected that federal aid will return to pre-Economic Recovery Act levels.

Medicaid funds declined by over \$1.2 billion. This is because of state cost-containment reforms, federal actions on the

Table 1
Comparison of Federal Aid in State Budget,
Actual 1979-80 through Estimated 2009-2010
In Millions of Constant (2009-2010) Dollars

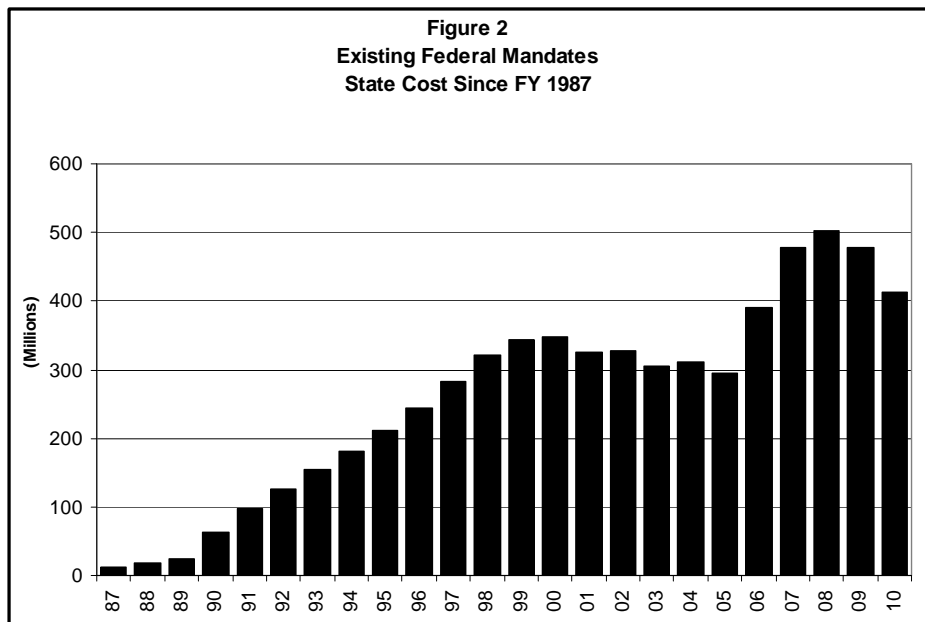
	1979-80	1988-89	2009-2010	% Increase		
				1980-2010	Annual Average	
					1980-2010	1989-2010
Total Aid	\$ 3,477.0	\$ 3,612.7	\$ 11,837.1	240.4%	4.2%	5.8%
Medicaid	634.4	1,325.7	5,429.0	755.7%	7.4%	6.9%
Food Stamp Coupons	634.1	494.6	1,751.9	176.3%	3.4%	6.2%
TANF/AFDC	150.2	144.7	218.5	45.5%	1.3%	2.0%
All Other	2,058.3	1,647.7	4,437.7	115.6%	2.6%	4.8%

Medicare drug program, and a decrease in the Medicaid match rate resulting from national and state personal income growth. Medicaid funds increased an inflation adjusted \$865 million from fiscal year 2008-2009 to fiscal year

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 2007-2008, in spite of federal budget-balancing efforts. In 2009-2010, "all other" federal aid, excluding Food Stamps, Medicaid, and TANF/AFDC, shows a 9.4 percent constant-dollar decrease compared with 2008-2009. This is mainly due to an increase in current-year non-recurring federal aid received by the Transportation Department as a result of the U.S. Economic Recovery Act.

2009-2010. This additional funding is the result of an increase in the Medicaid match rate approved by the Centers for Medicare and Medicaid Services and an additional match rate adjustment contained in the U.S. Economic Recovery Act. Although total federal aid has increased in constant dollars by 240.4 percent from 1979-80 to 2009-2010, the 755.7 percent real growth in the Medicaid program is accompanied by real growth of only 115.6 percent in federal aid for all other state programs, excluding Food Stamps and TANF/AFDC. A constant dollar increase of 176.3 percent in federal aid for the Food Stamps program since

Over the 30-year period, Medicaid, the major federal entitlement program in the state budget, has had real growth well above the rate of inflation. However, from fiscal year 2004-2005 through fiscal year 2008-2009, federal



1979-80 is related to recent trends in caseload and inflation and additional funding received as a result of the U.S. Economic Recovery Act. TANF/AFDC had a constant dollar increase of 45.5 percent, primarily as a result of U.S. Economic Recovery Act funds.

Over the 30 years, as shown in Table 1, real growth for all federal aid to state programs has averaged 4.2 percent per year. This growth above the rate of inflation has been led by the 7.4 percent annual-average real growth in the Medicaid program. TANF/AFDC increased by 1.3 percent; Food Stamps, 3.4 percent; and all other federal aid, 2.6 percent on an annual-average basis.

Over the last 21 years of the period, from 1988-89 through 2009-2010, real growth in total federal aid has increased above the longer-term growth rates. Total federal aid to state programs has grown at a 21-year annual-average rate of 5.8 percent. Real growth in this period has averaged 6.9 percent per year for Medicaid, 6.2 percent in Food Stamps, and TANF/AFDC increased by 2.0%. All other federal aid has grown at a real-dollar rate of 4.8 percent per year.

The 2009-2010 increase in the Medicaid match rate will result in decreased state costs for federal mandates (Figure 2). Medicaid accounts for 74.1 percent of the \$413.6 million state mandate cost in the 2009-2010 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 2009-2010, provisions imposed since 1986-87 will cost \$413.6 million per year in recurring state appropriations from general fund tax sources. The cumulative state cost in 2007-2008 is \$501.7 million and in 2008-2009 is \$477.0 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

Figure 3
Medicaid Mandates

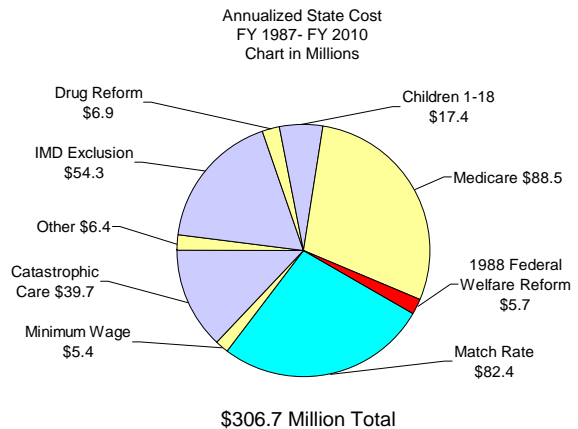
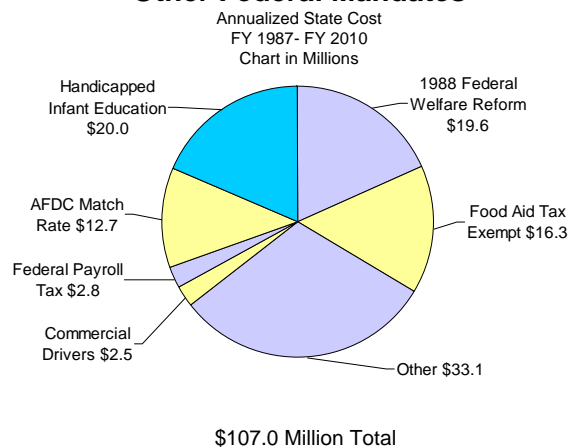


Figure 4
Other Federal Mandates



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 and academic testing in the K-12 education system; extensions of federal social security and Medicare payroll taxes under the 1990 federal budget act; national standards under the commercial drivers license law; and other items of lesser fiscal impact affecting several state agencies.

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

State Revenues

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State Tax Revenues

Introduction

Recommended Budget, Fiscal Year 2009-2010

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 (Trust) Fund, Highway (Transportation) Fund, Debt Service Fund, and Cities and Counties (Local Government) Fund. (For information about the inclusion of certain Special Revenue Fund taxes and fees in the General Fund estimates, see the "Budget 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 2007-2008 actual revenue and as it exists currently for 2008-2009 and 2009-2010 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, 2007 – June 30, 2010**

Comparison Statement of State Revenues
Actual and Estimated July 1, 2007 - June 30, 2010

SOURCE OF REVENUE

Department of Revenue	Actual 2007-2008	Estimated 2008-2009	Estimated 2009-2010	Percent Required
Sales and Use Tax	\$ 6,851,184,800	\$ 6,475,000,000	\$ 6,604,500,000	2.00%
Gasoline Tax	617,080,800	598,600,000	610,600,000	2.00%
Motor Fuel Tax	182,938,900	168,300,000	171,700,000	2.02%
Gasoline Inspection Tax	65,161,400	62,900,000	64,200,000	2.07%
Motor Vehicle Registration Tax	251,309,200	248,200,000	253,200,000	2.01%
Income Tax	292,027,400	204,400,000	163,500,000	-20.01%
Privilege Tax	279,005,500	226,000,000	230,500,000	1.99%
Gross Receipts Tax - TVA	271,229,700	284,000,000	289,700,000	2.01%
Gross Receipts Tax - Other	19,765,400	21,000,000	21,000,000	0.00%
Beer Tax	17,927,400	17,900,000	18,300,000	2.23%
Alcoholic Beverage Tax	42,602,300	43,900,000	45,600,000	3.87%
Franchise Tax	637,877,900	523,100,000	512,600,000	-2.01%
Excise Tax	981,630,200	804,900,000	788,800,000	-2.00%
Inheritance and Estate Tax	112,796,700	95,000,000	95,000,000	0.00%
Tobacco Tax	286,036,500	314,600,000	320,900,000	2.00%
Motor Vehicle Title Fees	11,392,000	10,900,000	11,300,000	3.67%
Mixed Drink Tax	54,903,200	54,900,000	55,000,000	0.18%
Business Tax	138,156,800	131,200,000	131,200,000	0.00%
Severance Tax	2,616,700	2,000,000	2,000,000	0.00%
Coin-operated Amusement Tax	252,100	300,000	300,000	0.00%
Unauthorized Substance Tax	1,688,300	1,900,000	1,900,000	0.00%
Sub-Total Department of Revenue	\$ 11,117,583,200	\$ 10,289,000,000	\$ 10,391,800,000	1.00%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 441,439,400	\$ 459,200,000	\$ 459,200,000	0.00%
E-911 Emergency Communications	51,362,100	49,200,000	51,300,000	4.27%
Dept. of Financial Institutions	8,199,200	8,300,000	8,200,000	-1.20%
Wildlife Resources Agency	45,000,000	45,400,000	42,300,000	-6.83%
Dept. of Agriculture	13,168,100	10,700,000	10,700,000	0.00%
Regulatory Board Fees	36,021,600	36,400,000	35,900,000	-1.37%
Tennessee Regulatory Authority	5,707,800	8,900,000	8,300,000	-6.74%
Secretary of State	29,542,800	29,500,000	29,500,000	0.00%
Dept. of Safety	35,329,400	35,300,000	35,300,000	0.00%
Dept. of Revenue	5,845,000	5,800,000	6,200,000	6.90%
State Treasurer	104,890,000	30,000,000	10,000,000	-66.67%
Dept. of Education	1,662,400	1,700,000	1,700,000	0.00%
Dept. of Health	11,439,400	12,000,000	12,000,000	0.00%
Dept. of Environment and Conservation	62,682,200	64,200,000	60,800,000	-5.30%
Miscellaneous Revenue	85,378,600	46,400,000	46,400,000	0.00%
Nursing Home Tax	97,239,800	97,200,000	97,200,000	0.00%
Sub-Total Other State Revenue	\$ 1,034,907,800	\$ 940,200,000	\$ 915,000,000	-2.68%
Total State Revenue	\$ 12,152,491,000	\$ 11,229,200,000	\$ 11,306,800,000	0.69%

**Distribution of Actual 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 *	\$ 6,851,184,800	\$2,524,646,700	\$3,934,684,600	\$ 71,379,900	\$ 48,568,900	\$ 271,904,700
Gasoline Tax	617,080,800	9,923,200	0	286,810,300	84,800,000	235,547,300
Motor Fuel Tax	182,938,900	3,468,500	0	131,510,800	0	47,959,600
Gasoline Inspection Tax	65,161,400	18,916,200	0	34,228,200	0	12,017,000
Motor Vehicle Registration Tax	251,309,200	46,187,200	126,300	204,995,700	0	0
Income Tax	292,027,400	192,444,400	0	0	0	99,583,000
Privilege Tax	279,005,500	278,875,600	129,900	0	0	0
Gross Receipts Tax - TVA	271,229,700	162,734,200	0	0	0	108,495,500
Gross Receipts Tax - Other	19,765,400	17,821,500	0	1,943,900	0	0
Beer Tax	17,927,400	12,000,100	0	2,251,600	0	3,675,700
Alcoholic Beverage Tax	42,602,300	35,189,300	0	0	0	7,413,000
Franchise Tax	637,877,900	619,877,900	0	0	18,000,000	0
Excise Tax	981,630,200	789,631,500	0	0	166,331,100	25,667,600
Inheritance and Estate Tax	112,796,700	112,796,700	0	0	0	0
Tobacco Tax	286,036,500	30,503,700	255,532,800	0	0	0
Motor Vehicle Title Fees	11,392,000	8,692,000	0	0	2,700,000	0
Mixed Drink Tax	54,903,200	0	27,443,400	0	0	27,459,800
Business Tax	138,156,800	138,156,800	0	0	0	0
Severance Tax	2,616,700	1,461,800	0	0	0	1,154,900
Coin-operated Amusement Tax	252,100	252,100	0	0	0	0
Unauthorized Substance Tax	1,688,300	470,300	0	0	0	1,218,000
Sub-Total Department of Revenue	\$ 11,117,583,200	\$5,004,049,700	\$4,217,917,000	\$ 733,120,400	\$ 320,400,000	\$ 842,096,100
Other State Revenue						
Dept. of Commerce and Insurance	\$ 441,439,400	\$ 441,439,400	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	51,362,100	51,362,100	0	0	0	0
Dept. of Financial Institutions	8,199,200	8,199,200	0	0	0	0
Wildlife Resources Agency	45,000,000	45,000,000	0	0	0	0
Dept. of Agriculture	13,168,100	13,168,100	0	0	0	0
Regulatory Board Fees	36,021,600	36,021,600	0	0	0	0
Tennessee Regulatory Authority	5,707,800	5,707,800	0	0	0	0
Secretary of State	29,542,800	29,542,800	0	0	0	0
Dept. of Safety	35,329,400	35,329,400	0	0	0	0
Dept. of Revenue	5,845,000	5,845,000	0	0	0	0
State Treasurer	104,890,000	104,890,000	0	0	0	0
Dept. of Education	1,662,400	0	1,662,400	0	0	0
Dept. of Health	11,439,400	11,439,400	0	0	0	0
Dept. of Environment and Conservation	62,682,200	62,682,200	0	0	0	0
Miscellaneous Revenue	85,378,600	85,378,600	0	0	0	0
Nursing Home Tax	97,239,800	97,239,800	0	0	0	0
Sub-Total Other State Revenue	\$ 1,034,907,800	\$1,033,245,400	\$ 1,662,400	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 12,152,491,000	\$6,037,295,100	\$4,219,579,400	\$ 733,120,400	\$ 320,400,000	\$ 842,096,100

* Sales and Use Tax - County Revenue Partnership Fund - Apportioned from General Fund share.

\$ 0

**Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2008-2009**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 6,475,000,000	\$2,389,500,000	\$3,718,700,000	\$ 64,000,000	\$ 45,800,000	\$ 257,000,000
Gasoline Tax	598,600,000	9,100,000	0	272,100,000	88,700,000	228,700,000
Motor Fuel Tax	168,300,000	3,200,000	0	121,000,000	0	44,100,000
Gasoline Inspection Tax	62,900,000	18,100,000	0	32,800,000	0	12,000,000
Motor Vehicle Registration Tax	248,200,000	44,200,000	100,000	203,900,000	0	0
Income Tax	204,400,000	134,700,000	0	0	0	69,700,000
Privilege Tax	226,000,000	225,900,000	100,000	0	0	0
Gross Receipts Tax - TVA	284,000,000	162,000,000	0	0	0	122,000,000
Gross Receipts Tax - Other	21,000,000	17,700,000	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	43,900,000	36,300,000	0	0	0	7,600,000
Franchise Tax	523,100,000	505,100,000	0	0	18,000,000	0
Excise Tax	804,900,000	584,100,000	0	0	192,400,000	28,400,000
Inheritance and Estate Tax	95,000,000	95,000,000	0	0	0	0
Tobacco Tax	314,600,000	31,600,000	283,000,000	0	0	0
Motor Vehicle Title Fees	10,900,000	8,200,000	0	0	2,700,000	0
Mixed Drink Tax	54,900,000	0	27,400,000	0	0	27,500,000
Business Tax	131,200,000	131,200,000	0	0	0	0
Severance Tax	2,000,000	1,100,000	0	0	0	900,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	1,900,000	500,000	0	0	0	1,400,000
Sub-Total Department of Revenue	\$ 10,289,000,000	\$4,409,800,000	\$4,029,300,000	\$ 699,300,000	\$ 347,600,000	\$ 803,000,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 459,200,000	\$ 459,200,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	49,200,000	49,200,000	0	0	0	0
Dept. of Financial Institutions	8,300,000	8,300,000	0	0	0	0
Wildlife Resources Agency	45,400,000	45,400,000	0	0	0	0
Dept. of Agriculture	10,700,000	10,700,000	0	0	0	0
Regulatory Board Fees	36,400,000	36,400,000	0	0	0	0
Tennessee Regulatory Authority	8,900,000	8,900,000	0	0	0	0
Secretary of State	29,500,000	29,500,000	0	0	0	0
Dept. of Safety	35,300,000	35,300,000	0	0	0	0
Dept. of Revenue	5,800,000	5,800,000	0	0	0	0
State Treasurer	30,000,000	30,000,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	12,000,000	12,000,000	0	0	0	0
Dept. of Environment and Conservation	64,200,000	64,200,000	0	0	0	0
Miscellaneous Revenue	46,400,000	46,400,000	0	0	0	0
Nursing Home Tax	97,200,000	97,200,000	0	0	0	0
Sub-Total Other State Revenue	\$ 940,200,000	\$ 938,500,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,229,200,000	\$5,348,300,000	\$4,031,000,000	\$ 699,300,000	\$ 347,600,000	\$ 803,000,000

* Sales and Use Tax - County Revenue Partnership Fund - Apportioned from General Fund share.

\$ 0

**Distribution of Estimated Revenue by Fund
Fiscal Year 2009-2010**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 6,604,500,000	\$2,438,700,000	\$3,793,000,000	\$ 64,000,000	\$ 46,700,000	\$ 262,100,000
Gasoline Tax	610,600,000	9,300,000	0	252,200,000	115,800,000	233,300,000
Motor Fuel Tax	171,700,000	3,300,000	0	123,400,000	0	45,000,000
Gasoline Inspection Tax	64,200,000	18,500,000	0	33,700,000	0	12,000,000
Motor Vehicle Registration Tax	253,200,000	44,900,000	200,000	208,100,000	0	0
Income Tax	163,500,000	107,700,000	0	0	0	55,800,000
Privilege Tax	230,500,000	230,400,000	100,000	0	0	0
Gross Receipts Tax - TVA	289,700,000	164,700,000	0	0	0	125,000,000
Gross Receipts Tax - Other	21,000,000	17,700,000	0	3,300,000	0	0
Beer Tax	18,300,000	12,200,000	0	2,300,000	0	3,800,000
Alcoholic Beverage Tax	45,600,000	37,700,000	0	0	0	7,900,000
Franchise Tax	512,600,000	494,600,000	0	0	18,000,000	0
Excise Tax	788,800,000	547,000,000	0	0	213,400,000	28,400,000
Inheritance and Estate Tax	95,000,000	95,000,000	0	0	0	0
Tobacco Tax	320,900,000	31,800,000	289,100,000	0	0	0
Motor Vehicle Title Fees	11,300,000	8,600,000	0	0	2,700,000	0
Mixed Drink Tax	55,000,000	0	27,500,000	0	0	27,500,000
Business Tax	131,200,000	131,200,000	0	0	0	0
Severance Tax	2,000,000	1,100,000	0	0	0	900,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	1,900,000	500,000	0	0	0	1,400,000
Sub-Total Department of Revenue	\$ 10,391,800,000	\$4,395,200,000	\$4,109,900,000	\$ 687,000,000	\$ 396,600,000	\$ 803,100,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 459,200,000	\$ 459,200,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	51,300,000	51,300,000	0	0	0	0
Dept. of Financial Institutions	8,200,000	8,200,000	0	0	0	0
Wildlife Resources Agency	42,300,000	42,300,000	0	0	0	0
Dept. of Agriculture	10,700,000	10,700,000	0	0	0	0
Regulatory Board Fees	35,900,000	35,900,000	0	0	0	0
Tennessee Regulatory Authority	8,300,000	8,300,000	0	0	0	0
Secretary of State	29,500,000	29,500,000	0	0	0	0
Dept. of Safety	35,300,000	35,300,000	0	0	0	0
Dept. of Revenue	6,200,000	6,200,000	0	0	0	0
State Treasurer	10,000,000	10,000,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	12,000,000	12,000,000	0	0	0	0
Dept. of Environment and Conservation	60,800,000	60,800,000	0	0	0	0
Miscellaneous Revenue	46,400,000	46,400,000	0	0	0	0
Nursing Home Tax	97,200,000	97,200,000	0	0	0	0
Sub-Total Other State Revenue	\$ 915,000,000	\$ 913,300,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,306,800,000	\$5,308,500,000	\$4,111,600,000	\$ 687,000,000	\$ 396,600,000	\$ 803,100,000

* Sales and Use Tax - County Revenue Partnership Fund - Apportioned from General Fund share.

\$ 0

Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2007 - June 30, 2010
To Support Statement of State Revenues

SOURCE OF REVENUE	Actual 2007-2008	Estimated 2008-2009	Estimated 2009-2010
State Board of Accountancy	\$ 977,400	\$ 858,500	\$ 845,500
State Board of Examiners for Architects and Engineers	1,409,000	1,391,400	1,370,300
Advisory Board on Professional Boxing and Racing	5,500	0	0
Athletic Commission	50,100	0	0
Tennessee Auctioneer Commission	258,400	210,500	207,300
Board of Barber Examiners	360,200	327,800	322,800
Tennessee Collection Service Board	350,800	139,200	137,100
Licensing Contractors, Home Improvement, and Interior Designers	2,617,500	2,068,500	2,040,700
State Board of Cosmetology	1,404,000	1,129,000	1,111,900
Board of Funeral Directors and Embalmers	997,800	559,800	551,400
Board of Examiners for Land Surveyors	375,500	113,100	111,400
Board of Alarm Contractors	461,200	437,400	430,800
Private Investigators Licensing and Regulation	228,700	164,700	162,100
Private Protective Services Licensing and Regulation	1,215,400	685,800	675,400
Board of Polygraph Examiners	5,500	8,000	8,000
Real Estate Appraiser Commission	735,800	343,300	338,100
Registration of Geologists	126,700	54,800	53,900
Tennessee Real Estate Commission	3,686,600	2,362,300	2,326,600
Tennessee Motor Vehicle Commission	1,399,800	701,400	690,800
Employee Leasing	113,900	20,900	20,600
Locksmith Licensing Board	97,900	12,100	11,900
Private Probation Registration	126,100	7,700	7,600
Home Inspectors License	85,700	49,100	48,400
Scrap Metal Dealers Registration	0	27,000	7,000
Administrative Allocation	0	6,758,600	6,656,500
Sub-Total: Commerce and Insurance	\$ 17,089,500	\$ 18,430,900	\$ 18,136,100
Board of Chiropractic Examiners	\$ 243,400	\$ 196,100	\$ 214,500
Board of Dentistry	1,481,400	1,285,100	1,301,200
Board of Dietitian / Nutritionist Examiners	65,500	61,400	58,900
Board of Dispensing Opticians	88,000	92,700	89,700
State Board of Electrolysis Examiners	18,400	21,300	16,700
Council for Licensing Hearing Instrument Specialists	49,200	41,700	44,000
Board of Social Worker Certification and Licensure	272,500	222,900	237,400
Board of Medical Examiners	2,725,900	2,642,400	2,527,500
Tennessee Medical Laboratory Board	664,800	622,400	597,600
Board of Nursing	4,403,400	4,088,800	3,943,200
Board of Examiners for Nursing Home Administrators	87,400	74,500	77,400
Board of Occupational and Physical Therapy Examiners	335,100	421,500	294,700
State Board of Athletic Trainers	53,700	44,600	47,200
Board of Respiratory Care	302,800	146,600	266,400
State Board of Optometry	193,000	183,000	175,800
Board of Osteopathic Examination	164,100	157,800	149,500
Board of Pharmacy	1,653,500	1,581,200	1,649,800
Board of Registration for Podiatry	137,500	54,400	121,300
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	183,300	176,900	162,700
Board of Examiners in Psychology	297,600	281,800	268,200
Board for Communication Disorders and Sciences	104,900	89,700	92,300
Committee on Physician Assistants	147,700	153,300	131,900
Massage Licensure Board	283,700	286,800	250,600
Board of Veterinary Medical Examiners	502,800	485,400	466,000
Alcohol and Drug Abuse Counselors	72,700	79,000	75,000
Board of Midwifery	16,000	10,200	14,100
Board of Acupuncture	37,500	27,300	33,000
Board of Clinical Perfusionists	27,500	16,800	24,200
Reflexologist License	11,700	11,100	10,600
Polysomnographic Professional Standards Board	0	45,000	42,800
Sub-Total: Health	\$ 14,625,000	\$ 13,601,700	\$ 13,384,200
State Regulatory Fee	\$ 2,439,800	\$ 2,400,000	\$ 2,400,000
State Board of Law Examiners	693,600	709,600	706,800
Health Services Development Agency	1,173,700	1,250,300	1,245,900
Adjustment	0	7,500	27,000
Total Regulatory Boards	\$ 36,021,600	\$ 36,400,000	\$ 35,900,000

Tax Expenditures

Recommended Budget, Fiscal Year 2009-2010

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 2009-2010. 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**

Service/Product Area Exempted	FY 2009-2010 Estimated Loss	
	State	Local *
Administrative & Support Services	\$ 361,900,000	\$ 124,100,000
Collection Agencies & Credit Bureaus	22,500,000	7,700,000
Employment Services	205,700,000	70,500,000
Investigation & Security Services	43,700,000	15,000,000
Mail, Document Reproduction, & Call Centers	16,000,000	5,500,000
Services to Buildings & Dwellings	74,000,000	25,400,000
Construction Services	\$ 732,900,000	\$ 251,300,000
Construction of Buildings	242,400,000	83,100,000
Heavy and Civil Engineering Construction	101,300,000	34,700,000
Specialty Trade Contractors	389,200,000	133,500,000
Educational Services	\$ 44,400,000	\$ 15,200,000
Educational Services (for-profit)	39,900,000	13,700,000
Educational Services (non-profit)	4,500,000	1,500,000
Finance, Insurance, & Real Estate	\$ 268,300,000	\$ 92,000,000
Investment Banking, Securities Brokerage, & Related	89,400,000	30,700,000
Insurance Agents & Related	69,400,000	23,800,000
Real Estate Agents & Brokers	109,500,000	37,500,000
Health Care & Social Services (For-profit)	\$ 752,400,000	\$ 258,000,000
Physicians & Dentists	434,900,000	149,100,000
Other Health Practitioners	51,500,000	17,700,000
Hospitals	86,800,000	29,800,000
Nursing & Residential Care Facilities	82,800,000	28,400,000
Outpatient Care Centers	31,600,000	10,800,000
Medical and Diagnostic Laboratories	24,800,000	8,500,000
Other Selected Health Services	10,500,000	3,600,000
Social & Community Services	29,500,000	10,100,000
Health Care & Social Services (Non-profit)	\$ 466,900,000	\$ 160,000,000
Hospitals	387,400,000	132,800,000
Nursing & Residential Care Facilities	26,900,000	9,200,000
Outpatient Care Centers	26,100,000	8,900,000
Other Selected Health Services	6,600,000	2,300,000
Social & Community Services	19,900,000	6,800,000
Information Services	\$ 58,500,000	\$ 24,300,000
Data Processing Services	23,600,000	8,100,000
Movie Production & Sound Recording Studios	6,700,000	2,300,000
Cable T.V. Subscriptions (exempt amount)	14,700,000	9,300,000
Newspaper Subscriptions & Sales	13,500,000	4,600,000
Media Advertising Sales	\$ 132,400,000	\$ 45,400,000
Newspaper Advertising	39,200,000	13,400,000
Radio Advertising	20,300,000	7,000,000
Television Advertising (Broadcast & Cable)	72,900,000	25,000,000
Personal Services	\$ 85,400,000	\$ 29,400,000
Coin-operated Laundry	2,800,000	1,000,000
Death Care Services	15,500,000	5,300,000
Diet & Weight Loss	1,700,000	600,000
Hair, Nail, & Skin Care Services	38,200,000	13,100,000
Non-Profit Amusement & Membership Organizations	27,200,000	9,400,000
Professional & Technical Services	\$ 705,300,000	\$ 241,700,000
Accounting, Tax Return Prep., & Payroll	92,500,000	31,700,000
Advertising & Public Relations	31,800,000	10,900,000
Architectural Services	24,300,000	8,300,000
Engineering Services	147,600,000	50,600,000
All other Architectural, Engineering, & Related Services	14,200,000	4,900,000
Specialized Design Services	16,900,000	5,800,000
Computer Systems Design & Related Services	46,700,000	16,000,000
Legal Services (profit & non-profit)	162,000,000	55,500,000
Management, Scientific, & Technical Consulting	149,100,000	51,100,000
Scientific Research & Development (profit & non-profit)	20,200,000	6,900,000
Transportation Services (Local Trucking only)	\$ 58,800,000	\$ 20,100,000
Truck Transportation (Local)	58,800,000	20,100,000
Total Revenue Loss	\$ 3,667,200,000	\$ 1,261,500,000

* 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 2009-2010 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 2,544,949,000	\$ 804,909,000
67-6-329(a)(1)	Gasoline	486,921,000	166,944,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	188,931,000	64,776,000
67-6-217	Aviation fuel (reduced rate)	34,549,000	33,167,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	13,194,000	4,524,000
67-6-314, 320	Prescription drugs, insulin, and related	364,561,000	124,992,000
67-6-319	Prescription drug samples	45,575,000	15,626,000
67-6-334	Energy fuels sold for residential use	326,164,000	111,828,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	114,850,000	50,116,000
67-6-206(b)(2-8)	Energy and water sales to manuf. for direct processing (exempt)	113,452,000	38,898,000
67-6-102(42), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	183,842,000	36,814,000
67-6-228(a)	Food sales (reduced rate)	133,601,000	-
67-6-329(a)(13)	Packaging sold for resale or use	102,890,000	35,277,000
67-6-329(a)(3), (18)	School books and lunches	21,071,000	7,224,000
67-6-330(a)(4-5)	Membership dues of civic organizations & business assoc.	20,623,000	7,071,000
67-6-316	Prescription eyewear and optical goods	16,915,000	5,799,000
67-6-103(f), 226, 714	Cable television (exempt portion)	14,742,000	9,266,000
67-6-329(a)(10)	Newspaper periodical sales	13,481,000	4,622,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	8,091,000	596,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	7,346,000	-
67-6-336	Used factory-manufactured structures	2,037,000	37,000
67-6-219, 702(e)	Sales to common carriers (reduced rate)	7,183,000	2,818,000
67-6-330(a)(17)	Physical fitness facility fees	6,070,000	2,081,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	4,869,000	1,082,000
67-6-309(a)	Film and transcription rentals	4,336,000	1,487,000
67-6-102(42)(H)(i)	Certain warehouse equipment	3,657,000	665,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	3,100,000	1,063,000
67-6-329(a)(6)	Magazines and books--printers' nexus	2,898,000	993,000
	All other remaining exemptions	300,000,000	77,143,000
	Corporate Franchise and Excise Tax	\$ 98,050,000	\$ -
67-4-2109	Jobs credit (Fran. & Exc.)	24,388,000	NA
67-4-2108	Cap on value of inventories (Franchise)	21,966,000	NA
67-4-2009	Industrial machinery credit (Excise)	32,326,000	NA
67-4-2012, 2111	Double-weighted sales factor (Fran. & Exc.)	10,370,000	NA
67-4-2009, 2112	Hospital company tax credit (Fran. & Exc.)	9,000,000	NA
	Motor Vehicle Registration Fees	\$ 4,976,000	\$ -
55-4-223	Government vehicles	1,434,000	NA
55-4-228(d)(1)(a)	Enlisted members of the Tennessee National Guard	131,000	NA
55-4-235, 236, 237	Former POWS, Medal of Honor recipients, and disabled Veterans	381,000	NA
55-4-113(6)	Special zone tags - Class 1	697,000	NA
55-4-113(6), 124	Special zone tags - Class 2	2,191,000	NA
55-21-103(a)(1)	Disabled driver plate fee	67,000	NA
55-21-103(b)(2)	Disabled driver placard fees	75,000	NA
	Gross Receipts Taxes	\$ 234,766,000	\$ -
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	227,270,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and excise tax credit	4,059,000	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	3,337,000	NA
	Miscellaneous Taxes	\$ 249,052,000	\$ -
67-8-316(b)	Standard Exemption on the inheritance and gift tax	171,934,000	NA
67-8-315(a)(6)	Marital Deduction on the inheritance and gift tax	58,727,000	NA
67-2-104(a)	Standard Exemption on the income tax	17,860,000	NA
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	531,000	NA
	Total Revenue Loss	\$ 3,131,793,000	\$ 804,909,000

Source: Tennessee Department of Revenue

Revenue Sources and Basis of Apportionment

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Revenue

SALES AND

USE TAX.....7.0% is the general rate that applies to the gross proceeds derived from the retail sale or use of tangible personal property and specific services. A one-half of one percent portion of the gross tax is earmarked solely for the Education Fund and the remaining 6.5% portion is distributed to various funds (TCA 67-6-201 through 67-6-205, 67-6-212, 67-6-213, and 67-6-220). Also, rates varying from 1% to 8.25% apply to other items and services including the following: 5.5% 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 video programming services (between \$15 and \$27.50) and satellite TV services (TCA 67-6-226 and 67-6-227). An additional tax of 2.75% is imposed on the amount for single article sales of personal property in excess of \$1,600 but less than or equal to \$3,200 (TCA 67-6-202(a)).

General Fund.....100% of the 1.0% increase in the general rate enacted in 2002 and 100% of the additional tax imposed on single article sales. 29.0246% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less amounts paid to premier resorts (TCA 67-6-103(b)) and less an amount allocated to the County Revenue Partnership Fund in the general appropriations act (TCA 67-6-103(k)). Also, amounts from video programming services in excess of \$15

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

but less than \$27.50 (TCA 67-6-103(f) and 67-6-226); and from interstate telecommunication services sold to businesses (TCA 67-6-221(b)). In addition, amounts from the tax on interstate telecommunication services sold to businesses are earmarked to the 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 Fund65.0970% 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

businesses is allocated to cities and counties and distributed based on population (TCA 67-6-221 (b)).

Counties.....A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties and distributed based on population (TCA 67-6-221(b)). In addition, a share of General Fund sales tax revenue allocated in the general appropriations act to the County Revenue Partnership Fund. Revenues in the fund are distributed monthly based on population (TCA 67-6-103(k)).

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

General Fund Approximately 1.5% (TCA 67-3-901).

Highway Fund Approximately 60.3%, less an amount to the Debt Service Fund (TCA 67-3-901).

Debt Service Fund Amount required from Highway Fund apportionment (TCA 9-9-103 and 67-3-901).

Cities Approximately 12.7% based on population (TCA 54-4-203 and 67-3-901).

Counties..... Approximately 25.5% 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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)).
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 ¼ on population, ¼ on area, and ½ 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Debt Service Fund.....Amount required from General Fund and Highway Fund apportionments (TCA 9-9-103).

Cities and Counties.....A local government fund of \$12,017,000, of which 38.1% is for 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 Fund100% of the revenues from the 2002 increase in commercial vehicle registration fees. 2% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate to the General Fund (TCA 55-4-103), of which \$1 from non-freight registration is earmarked for police pay supplement (TCA 55-4-111); and after an additional \$2 per motorcycle plate to the General Fund, earmarked for the motorcycle rider safety fund (TCA 55-51-104); except for special license plates, for which all revenue above the expense incurred in designing, manufacturing and marketing such plates is allocated in the following manner: personalized plates – 100% to the Arts Commission (TCA 55-4-214); personalized trailer plates – 100% to the Trailer License Plate Fund (TCA 55-4-214); specialty earmarked plates – 50% to the nonprofit organization, state agency or fund earmarked and 40% to the Arts Commission (55-4-215); cultural plates – 80% to the Arts Commission (55-4-216). A \$1 registration and renewal fee is earmarked to the Dept. of Revenue for funding the acquisition, updating, and operation of a computerized titling and registration system (TCA 55-4-132). All penalties and fines, except only 20% of overweight-truck fines, earmarked for administration (TCA 55-6-107); less

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

an amount required for debt service (TCA 55-6-107 and 9-9-103). Also, an amount is allocated from the Highway Fund for motor vehicle registration plates in the annual appropriations bill (TCA 55-6-107(a)).

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 (\$1.35 per tire

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

sold), occupational tax (\$400 on certain occupations), \$15 marriage license fee, plus a \$62.50 marriage license fee for couples not completing a premarital preparation course, a packaged automotive oil fee (2 cents per quart), and a 3% surcharge tax on certain rental motor vehicles, blood alcohol testing fee (\$100 per conviction), an additional \$100 fee per conviction of any drug violation law, \$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, 16-22-109, 36-3-610, 36-6-413, 39-13-101, 39-13-102, 39-13-111, 39-13-709, 39-17-420, 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 the Corrections Institute, driver education and highway safety, criminal injuries compensation, victims of crime assistance, State Court Clerks Conference, General Sessions Judges Conference staffing expenses of the state administrative director of the courts, indigent defense attorneys' compensation, civil legal representation of indigents, drug court treatment programs, 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, 2010, the realty transfer tax designated for the 1986 Wetland Acquisition Fund, Local Parks Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation
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**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 addition, portions of the proceeds of the sale of various contraband items seized under alcoholic beverage laws are reported under the privilege tax and earmarked for criminal injuries compensation. These proceeds are explained below under the alcoholic beverage tax (TCA 40-24-107). From the automobile rental surcharge \$1.5 million is earmarked for the Department of Safety to train, equip, and pay members of the Tennessee highway patrol (TCA 67-4-1905). Of the bail bond tax 96% is earmarked for the civil legal representation of low-income persons as determined by the Tennessee Supreme Court and 4% is earmarked for development costs and continuing education for bail bonding agents (TCA 67-4-806). Revenue from the assault fines is directed to fund family violence shelters and services (TCA 39-13-101, 39-13-102, and 39-13-111). \$60 of the \$62.50 marriage license fee is earmarked for various departments and organizations concerned with family and children's issues (TCA 36-6-413). Of the \$75 fee for violators of the 2003 Drug Court Treatment Act, \$5 is earmarked for the drug court treatment program resources fund, and \$70 is deposited into dedicated county funds for the creation and maintenance of drug court treatment programs (TCA 16-22-101 – 114). All of the \$100 blood alcohol testing fee is earmarked for the Tennessee Bureau of Investigation Toxicology Unit Testing Fund (TCA 55-10-419) and all of the \$100 fee per conviction for violating drug laws is earmarked for the TBI drug chemistry unit, drug testing fund (TCA 39-17-420).

GROSS RECEIPTS

TAXTaxes levied principally on the gross receipts of certain types of businesses operating in the state. The main

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

sources are taxes on the following portions of gross receipts: 1.9% on soft-drink bottlers, 3% on gross receipts over \$5,000 of intrastate water and electric power distribution companies, 1.5% on manufactured or natural gas intrastate distributors, 15% on mixing bars and clubs, and an in lieu of tax payment by the Tennessee Valley Authority (TVA) (TCA 67-4-402, 67-4-405, 67-4-406, 67-4-410, and 16 USC 831(1)); 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

BEER EXCISE

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

General Fund	67.1% of privilege tax collections (4% of total tax earmarked for administration and 0.41% for alcohol and drug treatment programs); 100% of registration fees (earmarked 50% for the Department of Revenue and 50% for Highway Patrol) (TCA 57-5-102, 57-5-202, and 57-5-205).
Highway Fund	12.8% of privilege tax collections for litter control (TCA 57-5-201).
Counties.....	10.05% of privilege tax collections distributed to counties equally (TCA 57-5-205).
Municipalities.....	10.05% of privilege tax collections distributed to cities based on population (TCA 57-5-205).

**ALCOHOLIC
BEVERAGE**

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

General Fund	82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections less 4 cents per liter of spirit tax (TCA 57-3-306); and the following shares of proceeds from sales of seized items, all earmarked for criminal injuries compensation and reported under the privilege tax collections (TCA 40-24-107): 100% from liquor seized by state agents (TCA 57-9-115); 50% from vehicles, aircraft, and boats seized by local law
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**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

enforcement officers (TCA 57-9-201); and 50% from other contraband goods seized, less 15% retained for administration as departmental current services revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209). In addition, 10% of proceeds of sale of liquor seized by local officers 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 FundAmount required from General Fund apportionment (TCA 9-9-103).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

EXCISE TAX	6.5% of net earnings of all business conducted for a profit in this state. The tax applies to business entities that enjoy some form of limited liability protection. Current year losses may be carried forward as many as 15 years in computing net earnings subject to tax (TCA 67-4-2006 and 67-4-2007).	
General Fund.....		Remaining balance after cities, counties, and Debt Service Fund distribution (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 TAXThe 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

TOBACCO TAX.....\$.031 per cigarette or \$.62 per package of 20; \$.0005 per cigarette pack enforcement fee; 6.6% of wholesale price on other tobacco products; license fees of \$100 to \$200 per location for manufacturing distributors, tobacco manufacturer's warehouses, wholesale dealers and jobbers and tobacco distributors; a \$25 fee for replacing a lost or destroyed license; proceeds from the sale of confiscated goods; and penalties of \$100 to \$5,000 for violations of the Unfair Cigarette Sales Law (TCA 67-4-1002 through 67-4-1005, 67-4-1015, 67-4-1020, and 47-25-311).

General Fund Approximately 0.6% of the \$.01 tax per cigarette (\$.20 per package of 20) (4% of taxes from tobacco other than cigarettes and proceeds from sale of confiscated tobacco products and 100% of the \$.0005 per pack enforcement fee, all earmarked for administration.). Of the \$.021 per cigarette tax increase (\$.42 package of 20), \$.001 per cigarette (\$.02 per package) is earmarked for the Trauma Center Fund plus \$21 million annually is earmarked for the Department of Agriculture (TCA 67-4-1025).

Education Fund Approximately 99.4% of the \$.01 tax per cigarette (\$.20 per package of 20) (includes 100% of cigarette taxes earmarked for grades 1-12); 100% of the 2007 \$.02 per cigarette tax increase (\$.40 per package of 20) less the allocation to the Department of Agriculture; 100% of license fees and penalties; and 96% of the 6% tax rate on other tobacco products and of proceeds from the sale of confiscated tobacco products (TCA 67-4-1025 and 49-3-357).

MOTOR VEHICLE

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund Approximately 75.9% (including 50 cents of the \$5.50 fee, earmarked for enforcement action against odometer fraud; and a portion of \$1.50 of the \$5.00 fee in excess of debt service requirements, earmarked for State Parks capital projects) (TCA 55-6-101 and 55-6-103).

Debt Service Fund Approximately 24.1% (including \$1.50 of the \$5.50 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

MIXED DRINK

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).

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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**CRUDE OIL AND
NATURAL GAS**

SEVERANCE TAX3% of the sales price of severed oil
and natural gas in the state (TCA 60-1-
301).

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

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

COAL

SEVERANCE TAX\$.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 TAXTax 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-

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

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,

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

renewal fees for Fraternal Benefit Societies, insurance agent fees, examination fees, certificates of qualifications, broker fees, certificates of authority fees, utilization review fees, and other miscellaneous fees (TCA 56-4-101, 56-4-106, 56-4-203, 56-4-205, 56-4-206, 56-4-208, 56-4-218, and other provisions of Title 56, Chapter 4, Part 2; Title 56, Chapter 6, Part 1; 56-13-128; 56-21-111; 56-24-104; 56-25-1603; 56-32-224, and 56-51-152).

General Fund..... 100%.

WORKERS'

COMPENSATION4% 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

FUNDMonthly fee of \$1.00 charged to all users and subscribers of non-wireline services including but not limited to commercial mobile radio service (cellular phone) that is capable of connecting users to public safety answering points. Collected funds are used to support uniform statewide 911 service, to implement, operate, maintain, and enhance E-911 service through funding distributed to the State's emergency communications districts, and for deployment of 911 service for new communication technologies. Non-wireline service providers may retain up to 3% of the fees collected for administrative

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

expenses (TCA 7-86-108, 7-86-303,
and 7-86-306).

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

Department of Financial Institutions

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

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

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

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Agriculture

**AGRICULTURAL
REGULATORY**

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

General Fund100% (earmarked for Regulatory Services programs) (TCA 43-1-701 and 43-1-703).

FERTILIZER

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

General Fund100%.

FEED

INSPECTIONA \$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 Fund100% (earmarked for administrative expenses) (TCA 43-1-109).

**RETAIL FOOD
STORE
INSPECTION ACT**

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

General Fund100%.

**TENNESSEE
STATE PUBLIC
LIVESTOCK**

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

General Fund100% (earmarked for administrative expenses) (TCA 44-12-111).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

DOG AND CAT

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

General Fund..... 100%.

Regulatory Board Fees

REGULATORY

BOARDSFees received from the issuance of licenses and permits to engage in certain professions, from licensing of health care facilities, and gross receipts taxes collected from professional boxing matches (TCA 4-3-1011, 4-3-1304, 4-29-121, 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

are necessary to support universal service and fund administration of the mechanism (TCA 65-5-207).

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

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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

GAS SAFETY

INSPECTIONAnnual fee for the inspection and supervision of safety standards to all gas distribution systems (not applicable to gas companies subject to TCA 65-4-301). Fees based on number of meters on a declining scale (\$.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).

COMPETITIVE

CABLE AND

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

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

MISCELLANEOUSA \$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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 TAXESAll fees and taxes received from notary certifications, foreign characters, trademarks, and miscellaneous (TCA 3-17-104 and 47-25-517).

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

Department of Safety

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

General Fund.....100%.

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

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

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Revenue

MOTOR

CARRIERSAnnual fees for inspection, control, supervision, and safety of motor carriers. A fee of 2.5% of vehicle registration fees paid by motor vehicles (TCA 55-4-113 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%.

Department of Education

LITIGATION

PRIVILEGE TAX.....A 75% share of 4.4430% of the proceeds of litigation taxes allocated for driver education and promotion of safe highways and an additional 2.7747% share of the litigation tax proceeds (TCA 67-4-602 and 67-4-606).

Education Fund100% (earmarked for driver education in public schools) (TCA 67-4-602 and 67-4-606).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Health

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

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

General Fund 100%.

**TATTOO
PARLORS AND
ARTISTS**

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

General Fund 100%.

CHILD SAFETY.....Fines up to \$50 imposed for violations of the Child Passenger Restraint Law for children under 4 years of age or between 4 and 8 years of age and measuring less than 5 feet in height; fines up to \$50 imposed for violation of mandatory use of a passenger restraint system for children between 9 and 12 years of age or any child through 12 years of age measuring 5

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

**TRAUMATIC
BRAIN INJURY**

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Environment and Conservation

**TENNESSEE
ENVIRONMENTAL
PROTECTION**

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

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

**SOLID WASTE
MANAGEMENT**

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

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

**DRYCLEANER
ENVIRONMENTAL**

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

OIL AND GAS

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

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

AUTOMOTIVE

OIL FEE.....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

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

General Fund 100%.

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

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 Fund100% (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, 2008

Memorandum

TO: Governor Phil Bredesen

Chairman Randy McNally
Senate Finance, Ways, & Means Committee

Chairman Craig Fitzhugh
House Finance, Ways, & Means Committee

FROM: John Morgan, Comptroller of the Treasury 

Riley Darnell, Secretary of State

Dale Sims, State Treasurer 

M.D. Goetz, Jr., Commissioner
Department of Finance & Administration 

SUBJECT: Revenue Estimates for FY 2008-09 and FY 2009-10

The State Funding Board met on December 5 and December 12, 2008, to hear presentations on, and to engage in discussions about, the State's near-term economic outlook for the fiscal years 2008-09 and 2009-10.

The Board is charged, in Tennessee Code Annotated Section 9-4-5202(e), with the responsibility of developing 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. 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; however, the Board does strive to have the highest degree of confidence in the State's ability to achieve such growth. Fiscal considerations properly

belong with those who set the State's budget - the Administration that recommends appropriation levels based upon its assessment of revenue growth and the General Assembly that adopts a *de facto* revenue estimate through its final action on the appropriations bill.

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. Dennis Wilson of the University of Memphis; Mr. Jim White, Mr. Dan Cooper, 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 consensus of the presenters is that there has been no growth and there will continue to be no growth in the economy for several months. All of the presenters acknowledged that the country is currently in a recession, which is expected to continue until the latter part of fiscal year 2008-09. This recession was not evident during last fiscal year's revenue forecasting process. With respect to their forecasts, several of the presenters cautioned that there was a higher risk of undercollecting the estimate versus overcollecting the estimate for the current fiscal year.

Much like the unemployment rate on the national level, the unemployment rate in Tennessee continues to rise. There continues to be negative employment growth in the sectors of durable goods and professional and business services. There has been positive growth in government employment and in the areas of health care and private K-12 education.

The presenters noted that factors such as illiquidity and extreme volatility in the market, unemployment, a real decline in personal income and the lack of consumer confidence have directly impacted Tennessee's current economic condition.

Tennessee is currently experiencing a slowdown in big ticket sales for light vehicles and homes, which negatively impacts sales tax and privilege tax collections. Until such time as sales in these areas recover, State tax revenues are not likely to recover. None of the presenters forecasted improvement in these areas of sales until the first quarter of fiscal year 2009-10. With regard to corporate taxes, when compared nationally, Tennessee ranks 7th worst among the states in collection of corporate taxes.

In terms of State revenue forecasts, all presenters believed the State would undercollect the original budget estimates for fiscal year 2008-09.

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 2008-09		FY 2009-10	
	Low	High	Low	High
Total State Taxes	-7.25%	-6.00%	0.25%	2.00%
General Fund Only	-8.00%	-6.50%	0.25%	2.00%

The effects of the proposed federal stimulus package on State revenue collection are not factored into the estimates above. Until such time as more details are released and the stimulus package is enacted, it is not appropriate to account for the impact in revenue estimates.

The Board believes that while it is difficult to precisely predict revenue growth rate ranges when the economy is currently so volatile, these ranges are reasonable and appropriate for use in State budgeting and are based on statutory tax provisions enacted through the 2008 session of the General Assembly. 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. Ms. Rebecca Hargrove, the Chief Executive Officer and Mr. Andy Davis, Chief Financial and Technology Officer of the TELC presented their estimate of total and Net Lottery Proceeds for fiscal year 2008-09. The TELC estimates Net Lottery Proceeds for fiscal year 2008-09 to be 27% of net revenues. Due to the uncertainty of the current economic climate, TELC was unable to provide reliable estimates for fiscal year 2009-10. However, it was suggested that the estimates for fiscal year 2009-10 mirror estimates for fiscal year 2008-09 until such time as more reliable information is available. Additionally, TELC estimates the amount for unclaimed prizes to be approximately 2% of prize expense (excluding jackpot prizes), all of which is to be deposited into the "after school programs special account" at the end of each fiscal year.

Ms. Hargrove reviewed significant factors impacting TELC estimates. For fiscal year 2008-09, TELC anticipates sales for the Cash 3 and Cash 4 to slightly exceed sales in fiscal year 2007-08. Lotto 5 sales are trending lower compared with the prior year. The HotTrax Champions, a monitor-based online game, will be discontinued on December 31, 2008, due to declining sales. In addition, Powerball sales continue to be impacted by the size of the jackpots. As of October 31st of the current fiscal year, only one jackpot cycle has exceeded \$200 million compared with one cycle of over \$300 million during fiscal year 2007-08. In January 2009, two factors that impact Powerball sales will occur, the State of Florida will enter into the Powerball jackpot, and there will

be a matrix change. TELC also implemented a retailer recruitment and retention program in fiscal year 2008-09 that is expected to increase the number of lottery retailers by approximately 85 and increase sales by approximately \$20 million.

The Board additionally heard from Mr. Robert Currey, Chief Economist with the Fiscal Review Committee (FRC), who presented to the Board the FRC's lottery projections. Mr. Currey reviewed the fiscal year 2007-08 performance of the TELC and reported \$272,415,567 in Net Lottery Proceeds. In looking at fiscal year 2008-09, Mr. Currey forecasted moderate growth for the instant games, assuming a prize payout ratio of 65.5%. Mr. Currey noted that gross lottery sales from November 8, 2008, until December 1, 2008, worsened week over week for all games except Cash 4, Pick 5, and Lotto Plus. He attributed the decline in sales to factors that are not controlled by lottery management such as gas prices, unemployment, and lack of discretionary income, as well as factors that are controlled by lottery management such as payout management and the matrices used. His assumptions include a Powerball matrix change that will occur on January 4, 2009. Mr. Currey estimated lottery expenses for fiscal year 2008-09 at approximately 73% of total net revenues. The Net Lottery Proceeds available for deposit into the Lottery Education Account for fiscal years 2008-09 and 2009-10 are estimated to be 27% and 26.9%, respectively. The projections for fiscal years 2008-09 and 2009-10 do not include the continuation of the allotment of \$25,000,000 for Pre-K and Early Childhood Education Programs.

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 2007-08, there were 76,300 awards in the TEL Scholarship program, with an actual cost of \$225,800,000. Mr. Phelps estimated there will be 88,000 awards, with a projected cost of \$266,000,000 in fiscal year 2008-09. Furthermore, Mr. Wright presented estimates for fiscal year 2009-10 of 91,000 awards, with a projected cost of \$274,000,000. These awards include all lottery-funded scholarship programs as authorized through the 2008 session of the General Assembly, including Hope Scholarship, General Assembly Merit Scholarship, ASPIRE Award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Foster Child Tuition Grant, Dual Enrollment Grant, Math & Science Teacher Loan Forgiveness Program, Helping Heroes Grant, and the Rural Health Loan Forgiveness Program.

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

	FY 2008-09		FY 2009-10	
	Low	High	Low	High
Net Lottery Proceeds	\$269,700,000	\$276,500,000	\$269,000,000	\$277,200,000

These estimates assume no new legislative changes regarding the TELC and its authority. The Board agreed with the presenters that Net Lottery Proceeds are difficult to project due to the various economic factors presented above. The Board noted that while estimates of Net Lottery Proceeds for fiscal year 2008-09 exceed the current year estimate of the scholarship program, the Net Lottery Proceeds for fiscal year 2009-10 may be less than the scholarship estimates for that fiscal year.

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 final adoption of the appropriations bill. As indicated previously, each of you will be advised of any revisions made by the Board at that time.

Attached is a copy of the letter received pursuant to Tennessee Code Annotated Section 4-51-111(c)(2)(B) which 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.

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

Attachments

- Revenue Estimates (2)
- Lottery Estimates
- TSAC/THEC Report
- Funding Request Letter

cc. The Honorable Ron Ramsey
The Honorable Jimmy Naifeh

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR FISCAL YEAR 2008-2009

(Accrual - Basis Estimates)

2008-2009

DEPARTMENT OF REVENUE	2007-2008		% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE	DR. WALLACE	% CHANGE
SOURCE OF REVENUE	ACTUAL	BUDGETED	OVER 07-08	DR. FOX	OVER 07-08	FISCAL REVIEW	OVER 07-08	REVENUE DEPT.	OVER 07-08	DR. DePRINCE	OVER 07-08	DR. WALLACE	OVER 07-08	LOWER BOUND	OVER 07-08
	ACCRUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL
Sales and use Tax	\$ 6,851,184,800	\$ 7,019,200,000	2.45%	\$ 6,645,600,000	-3.00%	\$ 6,611,393,000	-3.50%	\$ 6,607,200,000	-3.56%	\$ 6,747,200,000	-1.52%	\$ 6,836,000,000	-0.22%	\$ 6,800,900,000	-0.73%
Gasoline Tax	617,080,800	609,100,000	-1.29%	603,000,000	-2.28%	599,369,000	-2.87%	594,200,000	-3.71%	572,300,000	-7.26%	602,000,000	-2.44%	594,100,000	-3.72%
Motor Fuel Tax	182,938,900	188,300,000	2.93%	168,300,000	-8.00%	171,285,000	-6.37%	170,900,000	-6.58%	158,300,000	-13.47%	170,000,000	-7.07%	167,400,000	-8.49%
Gasoline Inspection Tax	65,161,400	66,200,000 *	1.59%	64,600,000	-0.86%	63,500,000	-2.55%	62,600,000	-3.93%	63,300,000 *	-2.86%	61,700,000	-5.31%	60,700,000	-6.85%
Motor Vehicle Registration Tax	251,309,200	263,000,000	4.65%	251,300,000	0.00%	245,000,000	-2.51%	252,900,000	0.63%	255,700,000	1.75%	260,000,000	3.46%	256,300,000	1.99%
Income Tax	292,027,400	262,400,000	-10.15%	204,400,000	-30.01%	175,216,000	-40.00%	244,100,000	-16.41%	261,800,000	-10.35%	277,500,000	-4.97%	272,400,000	-6.72%
Privilege Tax - Less Earmarked Portion	279,005,500	306,600,000	9.89%	226,000,000	-19.00%	265,000,000	-5.02%	269,800,000	-3.30%	277,700,000 (1)	-0.47%	289,300,000 (1)	3.69%	281,600,000 (1)	0.93%
Gross Receipts Tax - TVA	273,173,600	283,800,000	3.89%	284,000,000	3.96%	283,100,000	3.63%	283,100,000	3.63%	283,800,000 **	3.89%	270,000,000	-1.16%	264,600,000	-3.14%
Gross Receipts Tax - Other	20,073,100	27,500,000	37.00%	21,000,000	4.62%	25,200,000	25.54%	24,900,000	24.05%	18,100,000	-9.83%	27,500,000 ***	37.00%	27,500,000 ***	37.00%
Beer Tax	15,675,800	19,100,000 *	21.84%	18,300,000	16.74%	18,300,000	16.74%	18,000,000	14.83%	18,300,000 *	16.74%	18,700,000	19.29%	18,500,000	18.02%
Alcoholic Beverage Tax	42,602,300	44,300,000 *	3.98%	43,900,000	3.05%	44,200,000	3.75%	42,700,000	0.23%	42,400,000 *	-0.47%	44,000,000	3.28%	43,600,000	2.34%
Franchise & Excise Taxes	1,619,508,100	1,664,100,000	2.75%	1,328,000,000	-18.00%	1,229,337,000	-24.09%	1,507,000,000	-6.95%	1,344,300,000	-16.99%	1,590,000,000	-1.82%	1,539,100,000	-4.96%
Inheritance and Estate Tax	112,796,700	95,000,000 *	-15.78%	95,000,000	-15.78%	104,000,000	-7.80%	99,300,000	-11.97%	90,800,000 *	-19.50%	100,000,000	-11.34%	93,900,000	-16.75%
Tobacco Tax	286,036,500	325,000,000 *	13.62%	310,000,000	8.38%	315,000,000	10.13%	338,500,000	18.34%	310,800,000 *	8.66%	290,000,000	1.39%	288,000,000	0.69%
Motor Vehicle Title Fees	11,392,000	11,600,000 *	1.83%	11,000,000	-3.44%	10,538,000	-7.50%	11,600,000	1.83%	11,100,000 *	-2.56%	11,300,000	-0.81%	11,100,000	-2.56%
Mixed Drink Tax	54,903,200	61,400,000 *	11.83%	55,000,000	0.18%	56,000,000	2.00%	55,300,000	0.72%	58,700,000 *	6.92%	56,000,000	2.00%	55,500,000	1.09%
Business Tax	138,156,800	145,800,000 *	5.53%	131,200,000	-5.04%	128,486,000	-7.00%	130,700,000	-5.40%	139,400,000 *	0.90%	140,000,000	1.33%	138,300,000	0.10%
Severance Tax	2,616,700	1,800,000 *	-31.21%	2,000,000	-23.57%	2,700,000	3.18%	2,800,000	7.01%	1,700,000 *	-35.03%	3,000,000	14.65%	2,800,000	7.01%
Coin Operated Amusement Tax	252,100	300,000 *	19.00%	300,000	19.00%	300,000	19.00%	300,000	19.00%	300,000 *	19.00%	250,000	-0.83%	250,000	-0.83%
Unauthorized Substance Tax	1,688,300	2,000,000 *	18.46%	1,900,000	12.54%	1,700,000	0.69%	1,000,000	-40.77%	1,900,000 *	12.54%	2,000,000 ***	18.46%	2,000,000 ***	18.46%
TOTAL DEPARTMENT OF REVENUE	\$ 11,117,583,200	\$ 11,396,500,000	2.51%	\$ 10,464,800,000	-5.87%	\$ 10,349,624,000	-6.91%	\$ 10,716,900,000	-3.60%	\$ 10,657,900,000	-4.13%	\$ 11,049,250,000	-0.61%	\$ 10,918,550,000	-1.79%
GENERAL FUND ONLY (2)	\$ 9,221,966,700	\$ 9,507,100,000	3.09%	\$ 8,632,300,000	-6.39%	\$ 8,534,124,000	-7.46%	\$ 8,878,900,000	-3.72%	\$ 8,837,900,000	-4.16%	\$ 9,183,350,000	-0.42%	\$ 9,073,050,000	-1.61%
Budgeted Est. Compared to New Est. - Total				\$ (931,700,000)		\$ (1,046,876,000)		\$ (679,600,000)		\$ (738,600,000)		\$ (347,250,000)		\$ (477,950,000)	
Budgeted Est. Compared to New Est. - Gen. Fund				\$ (874,800,000)		\$ (972,976,000)		\$ (628,200,000)		\$ (669,200,000)		\$ (323,750,000)		\$ (434,050,000)	

SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%	DR. WALLACE	%	DR. WALLACE	%
														LOWER BOUND	%
SALES AND USE TAX	\$ 6,851,184,800	\$ 7,019,200,000	2.45%	\$ 6,645,600,000	-3.00%	\$ 6,611,393,000	-3.50%	\$ 6,607,200,000	-3.56%	\$ 6,747,200,000	-1.52%	\$ 6,836,000,000	-0.22%	\$ 6,800,900,000	-0.73%
FRANCHISE AND EXCISE TAXES	1,619,508,100	1,664,100,000	2.75%	1,328,000,000	-18.00%	1,229,337,000	-24.09%	1,507,000,000	-6.95%	1,344,300,000	-16.99%	1,590,000,000	-1.82%	1,539,100,000	-4.96%
INCOME TAX	292,027,400	262,400,000	-10.15%	204,400,000	-30.01%	175,216,000	-40.00%	244,100,000	-16.41%	261,800,000	-10.35%	277,500,000	-4.97%	272,400,000	-6.72%
ROAD USER TAXES	1,116,490,300	1,126,600,000	0.91%	1,087,200,000	-2.62%	1,079,154,000	-3.34%	1,080,600,000	-3.21%	1,049,600,000	-5.99%	1,093,700,000	-2.04%	1,078,500,000	-3.40%
ALL OTHER TAXES	1,238,372,600	1,324,200,000	6.93%	1,199,600,000	-3.13%	1,254,524,000	1.30%	1,278,000,000	3.20%	1,255,000,000	1.34%	1,252,050,000	1.10%	1,227,650,000	-0.87%

(1) Privilege Tax estimates are reduced by \$10.7 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 2008-2009 budgeted collections.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince based on 2008-2009 budgeted Gross Receipts Tax - TVA collections.

*** An estimate for this tax was not provided by Dr. Wallace. F&A used estimates for 2008-2009 budgeted collections.

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2009-2010

(Accrual - Basis Estimates)

2009-2010

DEPARTMENT OF REVENUE	% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE	
	DR. FOX ESTIMATE	OVER 08-09 ESTIMATE	FISCAL REVIEW ESTIMATE	OVER 08-09 ESTIMATE	REVENUE DEPT. ESTIMATE	OVER 08-09 ESTIMATE	DR. DePRINCE ESTIMATE	OVER 08-09 ESTIMATE	DR. WALLACE ESTIMATE	OVER 08-09 ESTIMATE	DR. WALLACE LOWER BOUND ESTIMATE	OVER 08-09 ESTIMATE
Sales and use Tax	\$ 6,712,100,000	1.00%	\$ 6,809,735,000	3.00%	\$ 6,701,900,000	1.43%	\$ 6,829,100,000	1.21%	\$ 6,900,000,000	0.94%	\$ 6,864,600,000	0.94%
Gasoline Tax	606,000,000	0.50%	605,363,000	1.00%	603,600,000	1.58%	580,800,000	1.49%	625,000,000	3.82%	616,800,000	3.82%
Motor Fuel Tax	170,000,000	1.01%	175,567,000	2.50%	180,800,000	5.79%	161,400,000	1.96%	174,300,000	2.53%	171,600,000	2.51%
Gasoline Inspection Tax	65,600,000	1.55%	64,770,000	2.00%	64,400,000	2.88%	63,600,000 *	0.47%	62,200,000	0.81%	61,200,000	0.82%
Motor Vehicle Registration Tax	253,800,000	0.99%	248,675,000	1.50%	257,600,000	1.86%	256,700,000	0.39%	267,000,000	2.69%	263,200,000	2.69%
Income Tax	163,500,000	-20.01%	175,216,000	0.00%	252,700,000	3.52%	262,900,000	0.42%	290,000,000	4.50%	284,700,000	4.52%
Privilege Tax - Less Earmarked Portion	230,500,000	1.99%	269,638,000	1.75%	299,800,000	11.12%	288,000,000 (1)	3.71%	309,300,000 (1)	6.91%	301,800,000 (1)	7.17%
Gross Receipts Tax - TVA	295,400,000	4.01%	295,840,000	4.50%	285,900,000	0.99%	283,800,000 **	0.00%	270,000,000	0.00%	264,600,000	0.00%
Gross Receipts Tax - Other	21,000,000	0.00%	26,082,000	3.50%	26,000,000	4.42%	26,000,000	43.65%	27,500,000 ***	0.00%	27,500,000 ***	0.00%
Beer Tax	18,700,000	2.19%	18,849,000	3.00%	19,600,000	8.89%	18,400,000 *	0.55%	19,100,000	2.14%	18,900,000	2.16%
Alcoholic Beverage Tax	45,600,000	3.87%	45,526,000	3.00%	45,500,000	6.56%	42,600,000 *	0.47%	45,000,000	2.27%	44,600,000	2.29%
Franchise & Excise Taxes	1,301,400,000	-2.00%	1,266,217,000	3.00%	1,548,400,000	2.75%	1,327,900,000	-1.22%	1,623,100,000	2.08%	1,571,100,000	2.08%
Inheritance and Estate Tax	95,000,000	0.00%	107,120,000	3.00%	98,300,000	-1.01%	91,300,000 *	0.55%	101,000,000	1.00%	94,800,000	0.96%
Tobacco Tax	316,200,000	2.00%	318,150,000	1.00%	345,000,000	1.92%	312,500,000 *	0.55%	292,800,000	0.97%	290,800,000	0.97%
Motor Vehicle Title Fees	11,300,000	2.73%	10,749,000	2.00%	12,300,000	6.03%	11,200,000 *	0.90%	11,500,000	1.77%	11,300,000	1.80%
Mixed Drink Tax	58,900,000	7.09%	57,680,000	3.00%	54,500,000	-1.45%	59,000,000 *	0.51%	58,900,000	5.18%	58,400,000	5.23%
Business Tax	131,200,000	0.00%	131,056,000	2.00%	132,400,000	1.30%	140,200,000 *	0.57%	142,300,000	1.64%	140,600,000	1.66%
Severance Tax	2,000,000	0.00%	2,800,000	3.70%	2,300,000	-17.86%	1,700,000 *	0.00%	3,000,000	0.00%	2,800,000	0.00%
Coin Operated Amusement Tax	300,000	0.00%	300,000	0.00%	300,000	0.00%	300,000 *	0.00%	300,000	20.00%	300,000	20.00%
Unauthorized Substance Tax	1,900,000	0.00%	1,800,000	5.88%	1,000,000	0.00%	1,900,000 *	0.00%	2,000,000 ***	0.00%	2,000,000 ***	0.00%
TOTAL DEPARTMENT OF REVENUE	\$10,500,400,000	0.34%	\$10,631,133,000	2.72%	\$10,932,300,000	2.01%	\$ 10,759,300,000	0.95%	\$11,224,300,000	1.58%	\$11,091,600,000	1.58%
GENERAL FUND ONLY (2)	\$ 8,664,700,000	0.38%	\$ 8,787,033,000	2.96%	\$ 9,062,600,000	2.07%	\$ 8,923,200,000	0.97%	\$ 9,317,900,000	1.47%	\$ 9,205,200,000	1.46%
Growth over FY 09 Budgeted Est. - Total	\$ (896,100,000)		\$ (765,367,000)		\$ (464,200,000)		\$ (637,200,000)		\$ (172,200,000)		\$ (304,900,000)	
Growth over FY 09 Budgeted Est. - Gen. Fund	\$ (842,400,000)		\$ (720,067,000)		\$ (444,500,000)		\$ (583,900,000)		\$ (189,200,000)		\$ (301,900,000)	
Revised Est. Compared to New Est. - Total	\$ 35,600,000		\$ 281,509,000		\$ 215,400,000		\$ 101,400,000		\$ 175,050,000		\$ 173,050,000	
Revised Est. Compared to New Est. - Gen. Fund	\$ 32,400,000		\$ 252,909,000		\$ 183,700,000		\$ 85,300,000		\$ 134,550,000		\$ 132,150,000	
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%	DR. WALLACE	%	DR. WALLACE LOWER BOUND	%
SALES AND USE TAX	\$ 6,712,100,000	1.00%	\$ 6,809,735,000	3.00%	\$ 6,701,900,000	1.43%	\$ 6,829,100,000	1.21%	\$ 6,900,000,000	0.94%	\$ 6,864,600,000	0.94%
FRANCHISE AND EXCISE TAXES	1,301,400,000	-2.00%	1,266,217,000	3.00%	1,548,400,000	2.75%	1,327,900,000	-1.22%	1,623,100,000	2.08%	1,571,100,000	2.08%
INCOME TAX	163,500,000	-20.01%	175,216,000	0.00%	252,700,000	3.52%	262,900,000	0.42%	290,000,000	4.50%	284,700,000	4.52%
ROAD USER TAXES	1,095,400,000	0.75%	1,094,375,000	1.41%	1,106,400,000	2.39%	1,062,500,000	1.23%	1,128,500,000	3.18%	1,112,800,000	3.18%
ALL OTHER TAXES	1,228,000,000	2.37%	1,285,590,000	2.48%	1,322,900,000	3.51%	1,276,900,000	1.75%	1,282,700,000	2.45%	1,258,400,000	2.50%

(1) Privilege Tax estimates are reduced by \$10.7 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 2008-2009 budgeted collections.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince based on 2008-2009 budgeted Gross Receipts Tax - TVA collections.

*** An estimate for this tax was not provided by Dr. Wallace. F&A used estimates for 2008-2009 budgeted collections.

State Funding Board
Net Lottery Proceeds Estimates
Actual 2007-2008 and Estimated 2008-2009 and 2009-2010
December 12, 2008

	2007-2008	2008-2009		2009-2010	
	Actual	Revised	%	Estimated	%
Lottery Corporation					
Low	272,416,000	274,900,000	0.91%	274,900,000	0.00%
High	272,416,000	277,900,000	2.01%	277,900,000	0.00%
Mid-Range Estimate	272,416,000	276,400,000	1.46%	276,400,000	0.00%
Point Estimate	272,416,000	276,058,000	1.34%	276,058,000	0.00%
Fiscal Review Staff					
Low	272,416,000	264,340,000	-2.96%	265,610,000	0.48%
Median	272,416,000	270,665,000	-0.64%	272,200,000	0.57%
High	272,416,000	276,980,000	1.68%	278,780,000	0.65%
Recommended Range					
Low	272,416,000	269,700,000	-1.00%	269,000,000	-0.25%
High	272,416,000	276,500,000	1.50%	277,200,000	0.25%

Financial Statements

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**General Fund
Comparative Balance Sheet
June 30, 2007, and June 30, 2008**

	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Assets		
Cash and Cash Equivalents	\$ 2,440,036,000	\$ 2,286,712,000
Receivables, net	1,507,279,000	1,524,547,000
Due from Other Funds	18,208,000	11,271,000
Due from Component Units	5,155,000	902,000
Inventories, at Cost	11,263,000	12,708,000
Prepayments	47,000	32,000
Deferred Charges	2,477,000	7,836,000
Loans Receivable, net	100,000	90,000
Leases Receivable	2,060,000	1,804,000
	<u>2,060,000</u>	<u>1,804,000</u>
Total Assets	<u>\$ 3,986,625,000</u>	<u>\$ 3,845,902,000</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 961,489,000	\$ 1,187,602,000
Due to Other Funds	21,248,000	25,338,000
Due to Component Units	3,650,000	1,967,000
Deferred Revenue	307,278,000	311,572,000
Advance from Federal Government	0	109,010,000
Other	398,000	434,000
	<u>398,000</u>	<u>434,000</u>
Total Liabilities	<u>\$ 1,294,063,000</u>	<u>\$ 1,635,923,000</u>
 Fund Balance:		
Reserved for Related Assets	\$ 16,052,000	\$ 19,978,000
Reserved for Encumbrances and Contracts	10,478,000	0
Reserved for Continuing Appropriations	917,646,000	914,078,000
Reserved for Other Specific Purposes	198,987,000	178,156,000
Unreserved:		
Designated for Revenue Fluctuations	542,900,000	750,000,000
Designated for Future Requirements	280,500,000	0
Designated for Future Appropriations	725,800,000	347,583,000
Undesignated	199,000	184,000
	<u>199,000</u>	<u>184,000</u>
Total Fund Balance	<u>\$ 2,692,562,000</u>	<u>\$ 2,209,979,000</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 3,986,625,000</u></u>	 <u><u>\$ 3,845,902,000</u></u>

**Education Fund
Comparative Balance Sheet
June 30, 2007, and June 30, 2008**

	June 30, 2007	June 30, 2008
Assets		
Cash and Cash Equivalents	\$ 98,456,000	\$ 143,732,000
Receivables, net	583,050,000	585,855,000
Due from Other Funds	353,000	215,000
Due from Component Units	76,644,000	80,693,000
	\$ 758,503,000	\$ 810,495,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 181,757,000	\$ 205,308,000
Due to Other Funds	632,000	666,000
Due to Component Units	444,000	0
Deferred Revenue	87,216,000	84,989,000
Advance from Federal Government	0	2,450,000
	\$ 270,049,000	\$ 293,413,000
Fund Balance:		
Reserved for Encumbrances and Contracts	\$ 1,243,000	\$ 0
Reserved for Continuing Appropriations	33,720,000	30,767,000
Reserved for Lottery Scholarships	453,250,000	486,074,000
Unreserved	241,000	241,000
	\$ 488,454,000	\$ 517,082,000
Total Fund Balance	\$ 488,454,000	\$ 517,082,000
Total Liabilities and Fund Balance	\$ 758,503,000	\$ 810,495,000

**Highway Fund
Comparative Balance Sheet
June 30, 2007, and June 30, 2008**

	June 30, 2007	June 30, 2008
Assets		
Cash and Cash Equivalents	\$ 254,116,000	\$ 443,488,000
Receivables, net	296,590,000	284,688,000
Due from Other Funds	920,000	39,000
Inventories, at Cost	7,325,000	7,656,000
Loans Receivable, net	506,000	262,000
Total Assets	\$ 559,457,000	\$ 736,133,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 63,152,000	\$ 79,814,000
Due to Other Funds	1,758,000	1,869,000
Deferred Revenue	13,984,000	18,492,000
Deposits Payable	1,912,000	0
Other	16,000	2,687,000
Total Liabilities	\$ 80,822,000	\$ 102,862,000
Fund Balances:		
Reserved for Related Assets	\$ 7,325,000	\$ 7,656,000
Reserved for Contracts	147,990,000	372,778,000
Reserved for Other Specific Purposes	2,726,000	2,762,000
Designated for Highway Construction	320,594,000	250,075,000
Total Fund Balance	\$ 478,635,000	\$ 633,271,000
Total Liabilities and Fund Balance	\$ 559,457,000	\$ 736,133,000

Debt Management

Recommended Budget, Fiscal Year 2009-2010

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, 2008 the debt limit calculation produced a maximum annual debt service debt limit of \$577,443,200. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2009-2010 budget total \$321,385,000, well below the maximum statutory debt limitation. The statutory debt limitation, therefore, provides for a substantial amount of additional debt capacity.

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

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

recognized by the nation's leading debt-rating agencies. Current ratings on the state's general obligation long-term debt are: Fitch AA+, Standard and Poor's AA+, and Moody's Investor Service Aa1.

In the first six months of this fiscal year, the state sold \$141,160,000 in general obligation bonds. Included with this sale was \$23.7 million in Facility Revolving Fund bonds. One additional general obligation bond sale is anticipated prior to the close of this fiscal period. As of June 30, 2008, Tennessee's total general obligation bonded indebtedness was \$993,102,000, excluding the Facilities Revolving Fund. This debt was issued entirely for institutional and building construction.

The second session of the 105th General Assembly approved new G.O. bond authorizations in the amount of \$285,120,000. Of this amount, institutional and building bonds accounted for \$35,420,000, highway bonds \$225,700,000, and \$24,000,000 in FRF bonds.

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 \$88.7 million in highway bond authorizations and \$3.1 million in institutional and building construction bonds during the first six months of this fiscal period.

The increase in bond authorization coupled with the Funding Board's action on bond cancellations reduced the category of authorized but unissued bonds to \$1,873,052,000, which includes \$849,077,000 in capital construction bonds, and \$775,000,000 in highway fund authorizations.

The recommended 2009-2010 Capital Budget is funded from proposed bond authorizations of \$99.5 million, \$26.3 million from surplus cash, and \$31.7 million from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2007 - June 30, 2010

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>
Unreserved Fund Balance, July 1	\$ 5,398,000.00	\$ 7,131,000.00	\$ 3,951,000.00
Tax Revenues:			
Sales Tax	\$ 48,569,000.00	\$ 45,800,000.00	\$ 46,700,000.00
Gasoline Tax	84,800,000.00	88,700,000.00	115,800,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	166,331,000.00	192,400,000.00	213,400,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$320,400,000.00	\$347,600,000.00	\$396,600,000.00
Other Revenues:			
Sports Authority	\$ 3,946,000.00	\$ 3,704,000.00	\$ 3,703,000.00
Motlow State - Smyrna Center	211,000.00	137,000.00	133,000.00
Motlow State - Smyrna Center - Prepayment	929,000.00	0.00	0.00
University of Memphis - Land Bank	0.00	0.00	770,000.00
Middle Tennessee State University - Farm Project	0.00	0.00	407,000.00
State Veterans' Homes - Refinancing	415,000.00	335,000.00	332,000.00
Community Provider Pooled Loans	650,000.00	0.00	0.00
Premium on Bond Sales	2,760,000.00	1,858,000.00	0.00
Federal Highway Bridge Funds (80% Match)	0.00	0.00	29,000,000.00
Total Other Revenues	\$ 8,911,000.00	\$ 6,034,000.00	\$ 34,345,000.00
Total Available Funds	\$334,709,000.00	\$360,765,000.00	\$434,896,000.00
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds @ July 1	\$ 125,936,000.00	\$ 131,265,000.00	\$ 124,607,000.00
Bond Sale - September 2008	0.00	2,591,000.00	10,960,000.00
TLDA Community Provider Pooled Loans - Repaid	650,000.00	0.00	0.00
Capital Outlay Projects - Unissued Bonds (\$826,499,000)	0.00	0.00	90,918,000.00
Cancel \$5.4 M Unissued Bonds	0.00	0.00	(600,000.00)
Proposed Capital Outlay Bonds:			
E&CD Capital Outlay Grants (\$346,200,000)	0.00	28,800,000.00	38,100,000.00
Previous Capital Outlay (\$168,300,000)	0.00	0.00	18,500,000.00
Proposed Capital Outlay (\$15,300,000)	0.00	0.00	1,700,000.00
Proposed Highway Bridge Bonds (\$350,000,000)	0.00	0.00	36,200,000.00
Short Term Interest	4,393,000.00	4,300,000.00	0.00
Debt Issuance Expense	980,000.00	1,000,000.00	1,000,000.00
Total Debt Service Appropriations	\$131,959,000.00	\$167,956,000.00	\$321,385,000.00
Transfers to Other Funds:			
Highway Fund	\$ 84,800,000.00	\$ 88,700,000.00	\$ 108,600,000.00
General Fund	106,000,000.00	97,000,000.00	0.00
Capital Projects Fund - Geier Desegregation Settlement	2,239,000.00	1,300,000.00	0.00
Capital Projects Fund - Other	2,580,000.00	1,858,000.00	0.00
Total Transfers to Other Funds	\$195,619,000.00	\$188,858,000.00	\$108,600,000.00
Total Appropriations and Transfers	\$327,578,000.00	\$356,814,000.00	\$429,985,000.00
Unreserved Fund Balance, June 30			
Net Receivables	\$ 3,747,000.00	\$ 3,800,000.00	\$ 3,900,000.00
Cash and Cash Equivalents	3,384,000.00	151,000.00	1,011,000.00
Total Unreserved Fund Balance, June 30	\$ 7,131,000.00	\$ 3,951,000.00	\$ 4,911,000.00

Debt Service Fund
Comparative Balance Sheet
June 30, 2007, and June 30, 2008

	June 30, 2007	June 30, 2008
Assets		
Cash and Cash Equivalents	\$ 1,282,000	\$ 3,384,000
Taxes Receivable, net	5,440,000	5,322,000
Loans Receivable	6,334,000	7,345,000
Interest Receivable	22,000	0
Prepayments	6,000	0
	\$ 13,084,000	\$ 16,051,000
Liabilities and Fund Balance		
Liabilities:		
Payables and Accruals	\$ 327,000	\$ 553,000
Deferred Revenue	7,359,000	8,367,000
	\$ 7,686,000	\$ 8,920,000
Fund Balance:		
Unreserved	\$ 5,398,000	\$ 7,131,000
	\$ 5,398,000	\$ 7,131,000
Total Liabilities and Fund Balance	\$ 13,084,000	\$ 16,051,000

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2007 - June 30, 2009

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009 *</u>
1994	Chapter 850	Data Processing Equipment	\$ 13,800,000.00	\$ 13,800,000.00	\$ 13,800,000.00
1994	Chapter 1010	Facilities Revolving Fund	516,085.86	516,085.86	516,085.86
1995	Chapter 461	Capital Outlay	459,327.18	75,000.00	75,000.00
1996	Chapter 945	State Parks	77,365.99	77,365.99	77,365.99
1996	Chapter 952	Capital Outlay	1,506,625.28	1,035,416.63	955,389.69
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	1,696,791.87	1,434,717.23	1,420,508.59
1998	Chapter 831	Refund TLDA Community Provider Pooled Loans	11,800,000.00	11,150,000.00	11,150,000.00
1998	Chapter 1103	Capital Outlay	740,987.42	622,520.62	622,320.62
1998	Chapter 1103	Facilities Revolving Fund	132,591.16	74,840.70	74,840.70
1999	Chapter 401	Capital Outlay	1,751,149.86	1,560,681.09	1,392,940.02
1999	Chapter 401	Facilities Revolving Fund	3,504,349.75	1,272,983.65	740,085.41
1999	Chapter 401	Highway Construction	83,800,000.00	0.00	0.00
2000	Chapter 984	Capital Outlay	3,863,352.80	3,243,535.21	2,794,378.89
2000	Chapter 984	Facilities Revolving Fund	1,244,645.09	0.00	0.00
2000	Chapter 984	Highway Construction	87,700,000.00	87,700,000.00	0.00
2001	Chapter 462	Capital Outlay	5,563,533.16	3,753,835.64	3,673,160.05
2001	Chapter 462	Facilities Revolving Fund	41,650,000.00	39,997,991.05	28,197,991.05
2001	Chapter 462	Highway Construction	80,000,000.00	80,000,000.00	80,000,000.00
2002	Chapter 852	Higher Education - Geier Settlement	6,139,000.00	3,900,000.00	2,600,000.00
2002	Chapter 852	Capital Outlay	4,478,211.96	2,277,270.19	2,140,970.38
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	6,901,556.44	5,479,521.88	3,518,272.44
2003	Chapter 296	Highway Construction	74,000,000.00	74,000,000.00	74,000,000.00
2003	Chapter 313	State Veterans' Homes - Refinancing	12,930,000.00	12,742,786.20	11,642,786.20
2003	Chapter 338	Capital Outlay	19,100,000.00	15,637,563.09	3,000,000.00
2003	Chapter 338	Facilities Revolving Fund	600,000.00	600,000.00	600,000.00
2004	Chapter 941	Higher Education	19,238,968.03	13,651,474.93	13,651,474.93
2004	Chapter 958	Capital Outlay	217,276,826.84	147,674,424.77	123,138,090.96
2004	Chapter 958	Facilities Revolving Fund	12,689,412.66	9,736,166.30	9,133,376.31
2004	Chapter 958	Equipment Revolving Fund	10,568,015.32	7,367,015.32	3,966,015.32
2004	Chapter 958	Highway Construction	77,000,000.00	76,000,000.00	75,000,000.00
2004	Chapter 958	Highway Construction - Pre-financing	80,000,000.00	0.00	0.00
2005	Chapter 501	Capital Outlay	173,291,329.37	144,856,638.07	120,394,073.09
2005	Chapter 501	Facilities Revolving Fund	14,683,938.47	10,731,190.05	3,249,087.01
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	50,000,000.00	0.00
2005	Chapter 502	Capital Outlay	1,600,000.00	1,600,000.00	115,306.10
2005	Chapter 502	Higher Education	63,374,901.24	63,374,901.24	57,774,901.24
2006	Chapter 962	Capital Outlay	360,983,615.00	349,610,911.20	304,195,254.82
2006	Chapter 962	Facilities Revolving Fund	43,800,000.00	30,100,000.00	26,337,161.24
2006	Chapter 962	ERP Software	68,300,000.00	56,800,000.00	43,800,000.00
2006	Chapter 962	Highway Construction	83,500,000.00	83,500,000.00	83,500,000.00
2007	Chapter 591	Capital Outlay	140,000,000.00	140,000,000.00	138,840,000.00
2007	Chapter 591	Higher Education - Board of Regents	10,700,000.00	10,700,000.00	10,700,000.00
2007	Chapter 591	Facilities Revolving Fund	60,500,000.00	60,309,743.84	60,309,743.84
2007	Chapter 591	Highway Construction	83,800,000.00	83,800,000.00	83,800,000.00
2008	Chapter 1119	Higher Education	0.00	5,720,000.00	5,720,000.00
2008	Chapter 1193	Highway Construction - State Route 840	0.00	138,000,000.00	138,000,000.00
2008	Chapter 1202	Capital Outlay	0.00	29,700,000.00	29,700,000.00
2008	Chapter 1202	Facilities Revolving Fund	0.00	24,000,000.00	24,000,000.00
2008	Chapter 1202	Highway Construction	0.00	87,700,000.00	87,700,000.00
Total Bonds Authorized and Unissued			\$ 2,253,297,580.75	\$ 2,172,919,580.75	\$ 1,873,051,580.75
Summary by Purpose:					
	Capital Outlay	\$ 1,063,608,542.44	\$ 969,663,563.98	\$ 849,077,194.01	
	Facilities Revolving Fund	182,421,022.99	180,439,001.45	156,258,371.42	
	Highway Construction	722,800,000.00	725,700,000.00	637,000,000.00	
	Highway Construction - Pre-financing	160,000,000.00	50,000,000.00	0.00	
	Highway Construction - State Route 840	0.00	138,000,000.00	138,000,000.00	
	Data Processing Equipment	33,800,000.00	33,800,000.00	33,800,000.00	
	ERP Software	68,300,000.00	56,800,000.00	43,800,000.00	
	Equipment Revolving Fund	10,568,015.32	7,367,015.32	3,966,015.32	
	Refund TLDA Loans	11,800,000.00	11,150,000.00	11,150,000.00	
Total Bonds Authorized and Unissued			\$ 2,253,297,580.75	\$ 2,172,919,580.75	\$ 1,873,051,580.75

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

Bond Fund
Statement of Bonds Sold
July 1, 2006 - June 30, 2009

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2006 - June 30, 2007</u>	<u>July 1, 2007 - June 30, 2008</u>	<u>July 1, 2008 - June 30, 2009 *</u>
1993	Chapter 533	Capital Outlay	\$ 172,307.89	\$ 0.00	\$ 0.00
1995	Chapter 461	Capital Outlay	210,669.75	384,327.18	0.00
1996	Chapter 952	Capital Outlay	1,452,568.72	471,208.65	80,026.94
1997	Chapter 535	Capital Outlay	1,914,559.55	262,074.64	14,208.64
1998	Chapter 1103	Capital Outlay	2,572,172.75	118,466.80	200.00
1998	Chapter 1103	Facilities Revolving Fund	47,370.64	57,750.46	0.00
1999	Chapter 401	Capital Outlay	810,661.24	190,468.77	167,741.07
1999	Chapter 401	Facilities Revolving Fund	476,151.38	2,231,366.10	532,898.24
2000	Chapter 984	Capital Outlay	678,964.97	619,817.59	449,156.32
2000	Chapter 984	Facilities Revolving Fund	122,809.60	1,244,645.09	0.00
2001	Chapter 462	Capital Outlay	1,481,042.32	1,809,697.52	80,675.59
2001	Chapter 462	Facilities Revolving Fund	407,815.27	1,652,008.95	11,800,000.00
2002	Chapter 852	Capital Outlay	5,573,483.74	2,200,941.77	136,299.81
2003	Chapter 296	Capital Outlay	3,400,645.72	1,422,034.56	1,961,249.44
2003	Chapter 313	Motlow State - Smyrna Facility	584,832.13	0.00	0.00
2003	Chapter 313	State Veterans' Homes - Refinancing	0.00	1,187,213.80	1,100,000.00
2003	Chapter 338	Capital Outlay	0.00	882,509.51	12,637,563.09
2004	Chapter 941	Higher Education	10,915,738.57	5,587,493.10	0.00
2004	Chapter 958	Capital Outlay	40,057,544.74	69,602,402.07	22,741,133.81
2004	Chapter 958	Facilities Revolving Fund	10,840,022.18	2,953,246.36	602,789.99
2005	Chapter 501	Capital Outlay	7,453,093.55	28,434,691.30	24,399,564.98
2005	Chapter 501	Facilities Revolving Fund	1,816,061.53	3,424,675.82	7,482,103.04
2005	Chapter 502	Capital Outlay	0.00	0.00	1,484,693.90
2005	Chapter 502	Higher Education	1,695,098.76	0.00	5,600,000.00
2006	Chapter 962	Capital Outlay	17,316,385.00	11,372,703.80	45,415,656.38
2006	Chapter 962	Facilities Revolving Fund	0.00	13,700,000.00	3,314,038.76
2007	Chapter 591	Capital Outlay	0.00	0.00	1,160,000.00
2007	Chapter 591	Facilities Revolving Fund	0.00	190,256.16	0.00
Total Bonds Sold			<u>\$ 110,000,000.00</u>	<u>\$ 150,000,000.00</u>	<u>\$ 141,160,000.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 96,289,769.40	\$ 124,546,051.06	\$ 117,428,169.97
		Facilities Revolving Fund	13,710,230.60	25,453,948.94	23,731,830.03
		Total Bonds Sold	<u>\$ 110,000,000.00</u>	<u>\$ 150,000,000.00</u>	<u>\$ 141,160,000.00</u>

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

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
July 1, 2006 - June 30, 2009

Year	Authority	Description	July 1, 2006 - June 30, 2007	July 1, 2007 - June 30, 2008	July 1, 2008 - June 30, 2009 *
1996	Chapter 908	Higher Education - Technology Centers	\$ 1,478,015.32	\$ 0.00	\$ 0.00
1996	Chapter 952	Capital Outlay	380,000.00	0.00	0.00
1998	Chapter 831	Refund TLDA Loans	1,600,000.00	650,000.00	0.00
1998	Chapter 1103	Highway Construction	83,500,000.00	0.00	0.00
1999	Chapter 401	Highway Construction	0.00	83,800,000.00	0.00
2000	Chapter 984	Highway Construction	0.00	0.00	87,700,000.00
2001	Chapter 462	Capital Outlay	817,991.28	0.00	0.00
2002	Chapter 852	Higher Education - Geier Settlement	5,461,000.00	2,239,000.00	1,300,000.00
2003	Chapter 296	Capital Outlay	681,443.56	0.00	0.00
2003	Chapter 338	Capital Outlay	0.00	2,579,927.40	0.00
2004	Chapter 958	Capital Outlay	0.00	0.00	1,795,200.00
2004	Chapter 958	Facilities Revolving Fund	270,565.16	0.00	0.00
2004	Chapter 958	Equipment Revolving Fund	3,111,984.68	3,201,000.00	3,401,000.00
2004	Chapter 958	Highway Construction	1,000,000.00	1,000,000.00	1,000,000.00
2005	Chapter 501	Capital Outlay	0.00	0.00	63,000.00
2005	Chapter 501	Facilities Revolving Fund	0.00	528,072.60	0.00
2006	Chapter 962	Facilities Revolving Fund	0.00	0.00	448,800.00
2006	Chapter 962	ERP Software	13,000,000.00	11,500,000.00	13,000,000.00
Total Appropriations in Lieu of Issuing Bonds			\$ 111,301,000.00	\$ 105,498,000.00	\$ 108,708,000.00
Summary by Purpose:					
		Capital Outlay	\$ 8,818,450.16	\$ 4,818,927.40	\$ 3,158,200.00
		Facilities Revolving Fund	270,565.16	528,072.60	448,800.00
		Highway Construction	84,500,000.00	84,800,000.00	88,700,000.00
		ERP Software	13,000,000.00	11,500,000.00	13,000,000.00
		Equipment Revolving Fund	3,111,984.68	3,201,000.00	3,401,000.00
		Refund TLDA Loans	1,600,000.00	650,000.00	0.00
Total Appropriations in Lieu of Issuing Bonds			\$ 111,301,000.00	\$ 105,498,000.00	\$ 108,708,000.00

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

Note: Chapter 591, Public Acts of 2007, cancelled the following unissued bond authorization:

2003 Chapter 338 Capital Outlay - Leased Facilities \$ 80,300,000.00

Chapter 1193, Public Acts of 2008 and Chapter 1203, Public Acts of 2008 (Section 6, Items 10 and 11), cancelled the following unissued highway bond authorizations that were converted to federal financing:

2004 Chapter 958 Highway Construction - Pre-financing \$ 80,000,000.00
2005 Chapter 501 Highway Construction - Pre-financing \$ 30,000,000.00 \$ 50,000,000.00

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2008

Fiscal Year	Outstanding Bonds		
	Principal	Interest	Total
2008 - 2009	\$ 83,810,000	\$ 47,455,000	\$ 131,265,000
2009 - 2010	81,253,000	43,354,000	124,607,000
2010 - 2011	81,514,000	38,926,000	120,440,000
2011 - 2012	77,750,000	34,961,000	112,711,000
2012 - 2013	77,566,000	30,923,000	108,489,000
2013 - 2014	71,835,000	27,170,000	99,005,000
2014 - 2015	67,409,000	23,478,000	90,887,000
2015 - 2016	63,344,000	20,155,000	83,499,000
2016 - 2017	59,144,000	17,315,000	76,459,000
2017 - 2018	52,172,000	14,456,000	66,628,000
2018 - 2019	44,488,000	12,216,000	56,704,000
2019 - 2020	41,146,000	10,129,000	51,275,000
2020 - 2021	34,756,000	8,202,000	42,958,000
2021 - 2022	34,886,000	6,582,000	41,468,000
2022 - 2023	27,596,000	4,955,000	32,551,000
2023 - 2024	27,622,000	3,702,000	31,324,000
2024 - 2025	19,593,000	2,638,000	22,231,000
2025 - 2026	19,748,000	1,764,000	21,512,000
2026 - 2027	14,279,000	1,007,000	15,286,000
2027 - 2028	9,626,000	472,000	10,098,000
2028 - 2029	3,565,000	172,000	3,737,000
Total	\$ 993,102,000	\$ 350,032,000	\$ 1,343,134,000

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, 2008, outstanding principal was \$161,838,000 and interest was \$52,634,000.

Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2009-2010

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 Division of Budget in the Department of Finance and Administration.

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.

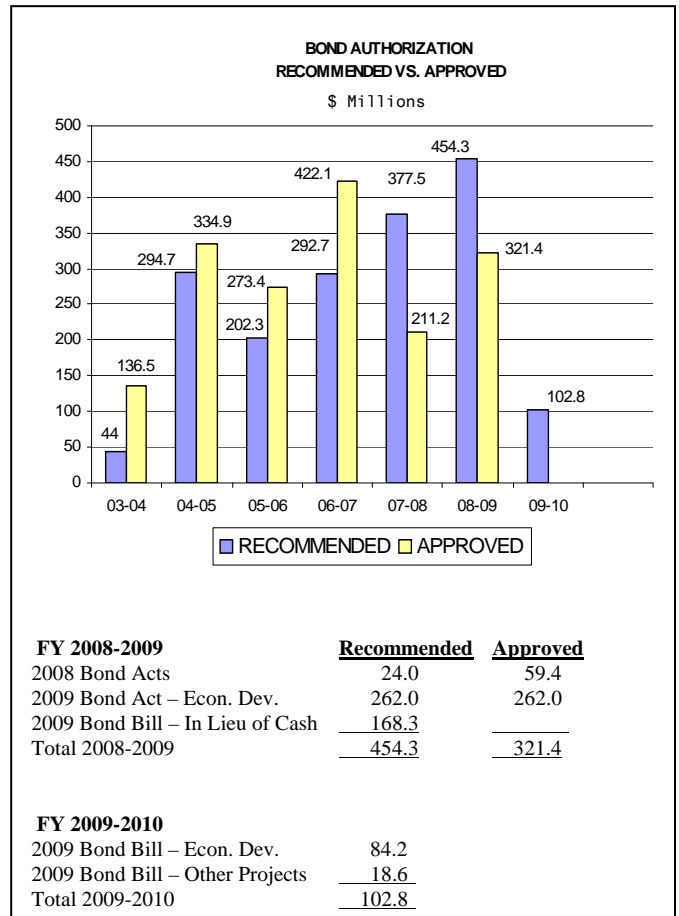
The recommended Capital Budget includes \$280,300,000 in additional funding for fiscal year 2008-2009 for infrastructure projects at the new Volkswagen Automobile Plant and Hemlock Semiconductor Plant. It also includes \$168,300,000 in new bonds to replace current funds in previously approved capital projects.

The 2009-2010 capital outlay budget recommends \$157,480,000, divided between capital improvement projects and capital maintenance requests.

Capital Improvement Projects — Capital improvement projects recommended for fiscal year 2009-2010 total \$95,835,000. Of this total, \$10,110,000 in state appropriations is requested. Other funding sources account for 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.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$61,645,000. A state appropriation of \$16,190,000 is requested. Other funding sources account for the remainder of the total amount. These projects focus on maintaining current facilities, primarily through repair and renovation of roofing, mechanical, and electrical systems. Funding is also included to bring state facilities in line with federal standards for 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.

New Bond Authorizations — The Capital Budget includes \$262 million in bonds for infrastructure projects related to the Volkswagen and Hemlock plants for fiscal year 2008-2009, and \$99,500,000 for capital outlays in fiscal year 2009-2010. Additionally, the Budget proposes \$168,300,000 in new bonds to replace state funds in previously approved capital outlay projects. Total capital maintenance, capital improvements, and Facilities Revolving Fund requests will require bond authorizations totaling \$533,100,000. The chart below compares the bond authorizations recommended with those approved by the General Assembly during the past several years. The fiscal year 2008-2009 and 2009-1010 recommended and approved bond amounts are further summarized below the chart.



Capital Budget

Facilities Revolving Fund — Capital funding in the amount of \$8,160,000 is requested for Capital Maintenance and Capital Improvement Projects. Bonds in the amount of \$3,300,000 and \$4,860,000 in departmental revenues combine to equal the total requested amount. These projects are listed in the Facilities Revolving Fund section, which follows the Capital Projects section of this document.

Operating Costs — The capital budget does not include any new facilities requiring additional operational funds for fiscal year 2009-2010. Any costs attributable to recommended improvements of state facilities will be absorbed within the appropriate agency operating budget.

**Approved and Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2008-2009**

	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
2008 Bond and Appropriations Acts	\$ 172,686,000	\$ 52,200,000	\$ 35,420,000	\$ 0	\$ 85,066,000
2009 Legislation - Additional Projects:					
New Projects - Economic Development	\$ 280,300,000	\$ 18,300,000	\$ 262,000,000	\$ 0	\$ 0
Previous Projects - Bonds in Lieu of Cash	168,300,000	0	168,300,000	0	0
Sub-Total 2009 Legislation	\$ 448,600,000	\$ 18,300,000	\$ 430,300,000	\$ 0	\$ 0
Total 2008-2009 Capital Outlay	\$ 621,286,000	\$ 70,500,000	\$ 465,720,000	\$ 0	\$ 85,066,000
Sub-Total Higher Education	\$ 178,760,000	\$ 15,974,000	\$ 162,620,000	\$ 0	\$ 166,000
Sub-Total Other	\$ 442,526,000	\$ 54,526,000	\$ 303,100,000	\$ 0	\$ 84,900,000

Additional Proposed Capital Appropriations from Bonds, Current Funds, and Other Revenues Fiscal Year 2008-2009

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
I. New Projects:						
Economic and Community Development						
Volkswagen Infrastructure & Training Center	Hamilton	\$ 180,000,000	\$ 10,000,000	\$ 170,000,000	\$ 0	\$ 0
Hemlock Semiconductor Plant Infrastructure	Montgomery	100,300,000	8,300,000	92,000,000	0	0
Total New Projects		\$ 280,300,000	\$ 18,300,000	\$ 262,000,000	\$ 0	\$ 0
II. Previous Projects: Bonds in Lieu of Cash:						
Tennessee Board of Regents						
MTSU Education & Behavioral Science Bldg.	Rutherford	\$ 16,330,000	\$ 0	\$ 16,330,000	\$ 0	\$ 0
Pellissippi SCC Blount County Center	Blount	17,200,000	0	17,200,000	0	0
Sub-Total Tennessee Board of Regents		\$ 33,530,000	\$ 0	\$ 33,530,000	\$ 0	\$ 0
University of Tennessee						
UTC Replace Central Energy Plant Boiler	Hamilton	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 0	\$ 0
UTK Cherokee Campus Infrastructure	Knox	31,500,000	0	31,500,000	0	0
UTC New Library Building	Hamilton	47,500,000	0	47,500,000	0	0
UTK Music Center	Knox	29,500,000	0	29,500,000	0	0
UTK Music Building Relocations	Knox	320,000	0	320,000	0	0
UTK Estabrook Hall Renovation	Knox	6,100,000	0	6,100,000	0	0
UTIA Brehm/McLeod Buildings Renovation	Knox	4,450,000	0	4,450,000	0	0
UTM Fine Arts Bldg. RNOV and Addition	Weakley	1,000,000	0	1,000,000	0	0
Sub-Total University of Tennessee		\$ 123,370,000	\$ 0	\$ 123,370,000	\$ 0	\$ 0
Correction						
Turney Center Various Reroofs	Hickman	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 0	\$ 0
Sub-Total Correction		\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 0	\$ 0
Mental Retardation						
ICF-MR Group Homes Additional Funds	Statewide	\$ 7,400,000	\$ 0	\$ 7,400,000	\$ 0	\$ 0
Sub-Total Mental Retardation		\$ 7,400,000	\$ 0	\$ 7,400,000	\$ 0	\$ 0
Total Previous Projects		\$ 168,300,000	\$ 0	\$ 168,300,000	\$ 0	\$ 0
III. Grand Total Additional 2008-2009 Capital Outlay						
		\$ 448,600,000	\$ 18,300,000	\$ 430,300,000	\$ 0	\$ 0
Sub-Total Higher Education		\$ 156,900,000	\$ 0	\$ 156,900,000	\$ 0	\$ 0
Sub-Total Other		\$ 291,700,000	\$ 18,300,000	\$ 273,400,000	\$ 0	\$ 0

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2009-2010**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
I. Economic Development Projects:						
Economic and Community Development						
Wacker Chemie AG Infrastructure	Bradley	\$ 64,200,000	\$ 7,300,000	\$ 56,900,000	\$ 0	\$ 0
West TN Mega-site Land & Right-of-Way	Haywood	27,300,000	0	27,300,000	0	0
Total Economic Development Projects		\$ 91,500,000	\$ 7,300,000	\$ 84,200,000	\$ 0	\$ 0
II. Other Projects:						
Correction						
Maintenance	Statewide	\$ 29,775,000	\$ 0	\$ 0	\$ 0	\$ 29,775,000
Sub-Total Correction		\$ 29,775,000	\$ 0	\$ 0	\$ 0	\$ 29,775,000
Mental Retardation						
West TN Regional Office - Planning	Shelby	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0	\$ 0
Middle TN Regional Office - Planning	Davidson	1,500,000	1,500,000	0	0	0
Sub-Total Mental Retardation		\$ 2,500,000	\$ 2,500,000	\$ 0	\$ 0	\$ 0
Mental Health and Developmental Disabilities						
Lakeshore MHI Emergency Generator	Knox	\$ 160,000	\$ 160,000	\$ 0	\$ 0	\$ 0
Sub-Total MHDD		\$ 160,000	\$ 160,000	\$ 0	\$ 0	\$ 0
Safety						
Radio Tower Replacement - Greentop Mtn.	Sevier	\$ 625,000	\$ 50,000	\$ 575,000	\$ 0	\$ 0
Radio Tower Replacement - Roosevelt Mtn.	Roane	525,000	50,000	475,000	0	0
Radio Tower Replacement - Sullivan's Ridge	Davidson	525,000	50,000	475,000	0	0
Sub-Total Safety		\$ 1,675,000	\$ 150,000	\$ 1,525,000	\$ 0	\$ 0
Tennessee Board of Regents						
Maintenance	Statewide	\$ 6,760,000	\$ 1,585,000	\$ 5,175,000	\$ 0	\$ 0
Sub-Total Tennessee Board of Regents		\$ 6,760,000	\$ 1,585,000	\$ 5,175,000	\$ 0	\$ 0
University of Tennessee						
Maintenance	Statewide	\$ 4,820,000	\$ 420,000	\$ 4,200,000	\$ 0	\$ 200,000
Sub-Total University of Tennessee		\$ 4,820,000	\$ 420,000	\$ 4,200,000	\$ 0	\$ 200,000
Statewide Capital Maintenance						
Maintenance	Statewide	\$ 20,290,000	\$ 14,185,000	\$ 4,400,000	\$ 1,705,000	\$ 0
Sub-Total Statewide Capital Maintenance		\$ 20,290,000	\$ 14,185,000	\$ 4,400,000	\$ 1,705,000	\$ 0
Total Other Projects		\$ 65,980,000	\$ 19,000,000	\$ 15,300,000	\$ 1,705,000	\$ 29,975,000
III. Grand Total 2009-2010 Capital Outlay		\$ 157,480,000	\$ 26,300,000	\$ 99,500,000	\$ 1,705,000	\$ 29,975,000
Sub-Total Higher Education		\$ 11,580,000	\$ 2,005,000	\$ 9,375,000	\$ 0	\$ 200,000
Sub-Total Other		\$ 145,900,000	\$ 24,295,000	\$ 90,125,000	\$ 1,705,000	\$ 29,775,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2009-2010**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Correction						
DeBerry Special Needs Various Reroofs Phase 1	Davidson	\$ 6,300,000	\$ 0	\$ 0	\$ 0	\$ 6,300,000
Northeast Corr. Complex Various Reroofs Phase 1	Johnson	6,200,000	0	0	0	6,200,000
Emergency and Contingency Fund	Statewide	4,000,000	0	0	0	4,000,000
Northwest Corr. Complex Infrastructure Planning	Lake	450,000	0	0	0	450,000
SRCF Kitchen Renovation	Bledsoe	1,200,000	0	0	0	1,200,000
Turney Center Water Treatment Plant Upgrade	Hickman	1,400,000	0	0	0	1,400,000
WTSP Upgrade Water/Wastewater Treatment Plants	Lauderdale	1,000,000	0	0	0	1,000,000
Northwest Corr. Complex Geothermal - Planning	Lake	325,000	0	0	0	325,000
WTSP Replace Main Gas Line	Lauderdale	800,000	0	0	0	800,000
Luttrell Corr. Ctr. Infrastructure Upgrade - Planning	Shelby	200,000	0	0	0	200,000
TPW Security Electronics Upgrade	Davidson	7,800,000	0	0	0	7,800,000
Various Facilities Tilt-up Panels Structural Review	Statewide	100,000	0	0	0	100,000
Sub-Total Correction		\$ 29,775,000	\$ 0	\$ 0	\$ 0	\$ 29,775,000

Tennessee Board of Regents

TTU Foster Hall Ventilation Update	Putnam	\$ 1,700,000	\$ 200,000	\$ 1,500,000	\$ 0	\$ 0
APSU Underground Electrical Update	Montgomery	1,100,000	100,000	1,000,000	0	0
Columbia State CC Several Buildings HVAC Updates	Mauzy	340,000	340,000	0	0	0
PSTCC Magnolia Campus System Upgrades Phase III	Knox	470,000	170,000	300,000	0	0
Cleveland SCC L. Quentin Lane Gym HVAC Updates	Bradley	490,000	40,000	450,000	0	0
ETSU Health Sciences Electrical Infrastructure Repairs	Washington	750,000	175,000	575,000	0	0
JSCC Student Center Repairs and HVAC Updates	Madison	500,000	50,000	450,000	0	0
NESTCC Foundation Stabilization	Sullivan	300,000	300,000	0	0	0
MSCC Ingram Admin. Bldg. Systems Replacement	Moore	380,000	80,000	300,000	0	0
Dyersburg State CC Campus Site Updates	Dyer	310,000	60,000	250,000	0	0
RSCC Fire Alarm System Modernization	Roane	420,000	70,000	350,000	0	0
Sub-Total Tennessee Board of Regents		\$ 6,760,000	\$ 1,585,000	\$ 5,175,000	\$ 0	\$ 0

University of Tennessee

UT Phase 2 Facilities Assessment	Knox	\$ 450,000	\$ 250,000	\$ 0	\$ 0	\$ 200,000
UTK Electrical Distribution Upgrade - Phase 2	Knox	3,500,000	100,000	3,400,000	0	0
UTM Connection of Campus Chilled Water Loops	Weakley	870,000	70,000	800,000	0	0
Sub-Total University of Tennessee		\$ 4,820,000	\$ 420,000	\$ 4,200,000	\$ 0	\$ 200,000

STATEWIDE CAPITAL MAINTENANCE:

Children's Services

Wilder YDC Admin. Bldg. and Gymnasium Reroof	Fayette	\$ 600,000	\$ 600,000	\$ 0	\$ 0	\$ 0
Sub-Total Children's Services		\$ 600,000	\$ 600,000	\$ 0	\$ 0	\$ 0

Education

TN School for the Blind Reroof Bldgs. 1A and 1B	Davidson	\$ 1,150,000	\$ 400,000	\$ 750,000	\$ 0	\$ 0
Sub-Total Education		\$ 1,150,000	\$ 400,000	\$ 750,000	\$ 0	\$ 0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2009-2010**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Environment and Conservation						
Pickett State Park Dam Repair	Pickett	\$ 800,000	\$ 50,000	\$ 750,000	\$ 0	\$ 0
Paris Landing State Park Sewer System Upgrades	Henry	1,320,000	1,320,000	0	0	0
Roan Mountain State Park Water System Upgrades	Carter	1,400,000	100,000	1,300,000	0	0
Sub-Total Environment and Conservation		\$ 3,520,000	\$ 1,470,000	\$ 2,050,000	\$ 0	\$ 0
Finance and Administration						
Emergency Maintenance and Contingency Funds	Statewide	\$ 4,159,700	\$ 4,159,700	\$ 0	\$ 0	\$ 0
ADA Compliance	Statewide	2,400,000	2,400,000	0	0	0
Management Support Services	Statewide	600,000	600,000	0	0	0
Environmental Consultants	Statewide	1,200,000	1,200,000	0	0	0
TPAC Annual Maintenance Grant	Davidson	250,000	250,000	0	0	0
National Civil Rights Museum Maintenance Grant	Shelby	300,000	300,000	0	0	0
Sub-Total Finance and Administration		\$ 8,909,700	\$ 8,909,700	\$ 0	\$ 0	\$ 0
Human Services						
TN Rehabilitation Center Fire Alarm Upgrade	Rutherford	\$ 410,300	\$ 87,300	\$ 0	\$ 323,000	\$ 0
TN Rehabilitation Center "M" Bldg. Reroof & Repairs	Rutherford	460,000	98,000	0	362,000	0
Sub-Total Human Services		\$ 870,300	\$ 185,300	\$ 0	\$ 685,000	\$ 0
Mental Health and Developmental Disabilities						
Western MHI Boiler/Heating System Update	Hardeman	\$ 350,000	\$ 350,000	\$ 0	\$ 0	\$ 0
Lakeshore MHI Elevator Replacement	Knox	1,050,000	50,000	1,000,000	0	0
Sub-Total MHDD		\$ 1,400,000	\$ 400,000	\$ 1,000,000	\$ 0	\$ 0
Mental Retardation						
Clover Bottom Emergency Maintenance	Davidson	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0	\$ 0
Greene Valley Emergency Maintenance	Greene	800,000	200,000	600,000	0	0
Sub-Total Mental Retardation		\$ 1,800,000	\$ 1,200,000	\$ 600,000	\$ 0	\$ 0
Military Department						
Dresden Readiness Center Updates	Weakley	\$ 590,000	\$ 295,000	\$ 0	\$ 295,000	\$ 0
Waverly Readiness Center Updates	Humphreys	350,000	175,000	0	175,000	0
Greeneville Readiness Center Updates	Greene	350,000	175,000	0	175,000	0
Newport Readiness Center Updates	Cocke	750,000	375,000	0	375,000	0
Sub-Total Military Department		\$ 2,040,000	\$ 1,020,000	\$ 0	\$ 1,020,000	\$ 0
Total Statewide Capital Maintenance		\$ 20,290,000	\$ 14,185,000	\$ 4,400,000	\$ 1,705,000	\$ 0
Grand Total		\$ 61,645,000	\$ 16,190,000	\$ 13,775,000	\$ 1,705,000	\$ 29,975,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2009-2010**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Wildlife Resources Agency						
Eagle Bend Fish Hatchery Improvements - Phase 2	Anderson	\$ 280,000	\$ 0	\$ 0	\$ 210,000	\$ 70,000
Boating Access - Nolichucky River	Greene	65,000	0	0	48,800	16,200
Total TWRA		\$ 345,000	\$ 0	\$ 0	\$ 258,800	\$ 86,200
Department of Transportation						
Region 1 Replace Three County Maintenance Buildings	Areawide	\$ 880,000	\$ 0	\$ 0	\$ 0	\$ 880,000
Region 1 Replace Four County Maintenance Buildings	Areawide	1,165,000	0	0	0	1,165,000
Region 2 New Region 2 Complex - Additional Sitework	Hamilton	1,000,000	0	0	0	1,000,000
Region 3 Replace Two County Maintenance Buildings	Areawide	800,000	0	0	0	800,000
Region 3 Construct New Heavy Equipment Sheds	Davidson	297,500	0	0	0	297,500
Region 4 Construct New Equipment Sheds	Areawide	800,000	0	0	0	800,000
Total Department of Transportation		\$ 4,942,500	\$ 0	\$ 0	\$ 0	\$ 4,942,500
Grand Total		\$ 5,287,500	\$ 0	\$ 0	\$ 258,800	\$ 5,028,700

Capital Projects from School Bonds and Other Sources Fiscal Year 2009-2010

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

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
State University and Community College System (Tennessee Board of Regents)				
Austin Peay State University				
New Student Housing Phase 2	\$ 32,900,000	\$ 32,900,000	\$ 0	\$ 0
Shasteen Building Emergency Generator	320,000	0	320,000	0
Meacham Apartment Waste Line Replacement	160,000	0	160,000	0
Athletic Field House	9,000,000	0	0	9,000,000
IT Server Room Renovation	320,000	0	0	320,000
Intermodal Transportation and Training Facility	19,000,000	17,000,000	0	2,000,000
Honors Program Facility	1,900,000	0	1,900,000	0
Baseball Stadium Upgrades	420,000	0	0	420,000
University Parking Expansion	320,000	0	320,000	0
Shasteen Storage Space	130,000	0	130,000	0
Football Stadium Skyboxes	5,800,000	5,800,000	0	0
Baseball Field Lighting Replacement	550,000	0	0	550,000
Dunn Center Skyboxes	950,000	950,000	0	0
Athletic Facilities Improvements	520,000	0	0	520,000
Total APSU	\$ 72,290,000	\$ 56,650,000	\$ 2,830,000	\$ 12,810,000
East Tennessee State University				
Downtown Clinic	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0
Tennis Complex - Phase 1	3,990,000	0	0	3,990,000
Burgin Dossett Parking Lot Reconfiguration	430,000	0	430,000	0
Buc Ridge Apartments - Phase 2	11,000,000	11,000,000	0	0
College of Medicine Family Medical Facility	7,750,000	0	0	7,750,000
College of Medicine Student Center	1,280,000	1,280,000	0	0
Outdoor Track and Field Facility	4,200,000	0	0	4,200,000
Nell Dossett Hall Renovation	3,900,000	3,900,000	0	0
Total ETSU	\$ 34,550,000	\$ 16,180,000	\$ 2,430,000	\$ 15,940,000
Middle Tennessee State University				
Parking and Administrative Office Addition	\$ 30,250,000	\$ 22,250,000	\$ 0	\$ 8,000,000
Greek Row Development Phase 2	9,750,000	9,750,000	0	0
Total MTSU	\$ 40,000,000	\$ 32,000,000	\$ 0	\$ 8,000,000
Tennessee State University				
Housing Upgrades	\$ 1,230,000	\$ 0	\$ 1,230,000	\$ 0
Total TSU	\$ 1,230,000	\$ 0	\$ 1,230,000	\$ 0
Tennessee Technological University				
Science/Engineering Complex Update & Parking Addition	\$ 18,000,000	\$ 18,000,000	\$ 0	\$ 0
Total TTU	\$ 18,000,000	\$ 18,000,000	\$ 0	\$ 0
University of Memphis				
Athletic Facilities Improvements	\$ 5,630,000	\$ 0	\$ 0	\$ 5,630,000
Football Weight Room Addition	4,000,000	0	4,000,000	0
Jones Hall Cafeteria HVAC Upgrade	510,000	0	510,000	0
Residence Halls Exterior Envelope Repairs	10,000,000	10,000,000	0	0
Robison Hall Renovation	4,580,000	0	4,580,000	0

Capital Projects from School Bonds and Other Sources Fiscal Year 2009-2010

	TOTAL	TSSBA	INSTITUTIONAL/ AUXILIARY	OTHER
Tennis Facility	3,100,000	0	0	3,100,000
Traffic and Circulation Improvements	4,130,000	0	730,000	3,400,000
Student Housing 400 Beds - Preplanning	650,000	0	650,000	0
Environmental Initiatives	400,000	0	0	400,000
Administration Building IT Support Space	480,000	0	480,000	0
499 Patterson Facility Upgrades	450,000	0	450,000	0
Annex Facility Completion	380,000	0	380,000	0
Total UOM	\$ 34,310,000	\$ 10,000,000	\$ 11,780,000	\$ 12,530,000

Nashville State Technical Community College

South East Center - Second Floor Renovation	\$ 390,000	\$ 0	\$ 390,000	\$ 0
Total NSTCC	\$ 390,000	\$ 0	\$ 390,000	\$ 0

Northeast State Technical Community College

Gray Campus Building Renovations	\$ 550,000	\$ 0	\$ 550,000	\$ 0
Total NESTCC	\$ 550,000	\$ 0	\$ 550,000	\$ 0

Pellissippi State Technical Community College

Hardin Valley Modular Classroom	\$ 370,000	\$ 0	\$ 370,000	\$ 0
Performing Arts Center Entrance Repairs	500,000	0	500,000	0
Total PSTCC	\$ 870,000	\$ 0	\$ 870,000	\$ 0

Total Tennessee Board of Regents	\$ 202,190,000	\$ 132,830,000	\$ 20,080,000	\$ 49,280,000
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University of Tennessee System

University of Tennessee Knoxville

Parking Garage Repairs	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Massey Hall - Masonry Repairs & Roof Replacement	750,000	0	750,000	0
Dining Services Improvements	5,000,000	0	5,000,000	0
Science Engineering Program Upgrades	850,000	0	850,000	0
Golf Facility - Phase 2	3,500,000	3,000,000	0	500,000
Classroom Upgrades	2,500,000	0	2,500,000	0
Environmental Initiatives	2,000,000	0	2,000,000	0
Neyland Stadium Improvements - Phase 4	35,000,000	31,400,000	0	3,600,000
Governor's Chair Program Space Renovations	850,000	0	850,000	0
Clarence Brown Theater Renovations	3,000,000	0	250,000	2,750,000
Plant Sciences Biotechnology Program Upgrade	500,000	0	500,000	0
White Avenue Building - First Floor Renovations	500,000	0	500,000	0
Hess Hall Renovation - Phase 3	3,000,000	3,000,000	0	0
McKenzie/Lawson Sports Complex Hall of Champions	2,500,000	2,500,000	0	0
Campus Beautification Projects	2,750,000	0	2,450,000	300,000
Total UT Knoxville	\$ 63,200,000	\$ 39,900,000	\$ 16,150,000	\$ 7,150,000

University of Tennessee Chattanooga

Parking Garage - West Campus	\$ 10,800,000	\$ 10,800,000	\$ 0	\$ 0
Pedestrian Mall - Phase 2	2,500,000	2,000,000	0	500,000
Track and Field Facility	3,500,000	0	0	3,500,000
Total UT Chattanooga	\$ 16,800,000	\$ 12,800,000	\$ 0	\$ 4,000,000

**Capital Projects from School Bonds and Other Sources
Fiscal Year 2009-2010**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
University of Tennessee Martin				
Football Skybox Renovations	\$ 1,954,000	\$ 0	\$ 0	\$ 1,954,000
Elam Center - Basketball Skybox Renovations	613,000	0	0	613,000
Dining Room Services Improvements	2,000,000	0	0	2,000,000
University Center Improvements	1,000,000	0	1,000,000	0
Total UT Martin	\$ 5,567,000	\$ 0	\$ 1,000,000	\$ 4,567,000
UT Health Science Center				
Clinical Building	\$ 27,500,000	\$ 27,500,000	\$ 0	\$ 0
Research Building	49,000,000	49,000,000	0	0
Cancer Research Building - Completion of 4th Floor	4,800,000	4,800,000	0	0
Total UTHSC	\$ 81,300,000	\$ 81,300,000	\$ 0	\$ 0
UT Institute of Agriculture				
Garden Pavilion	\$ 167,000	\$ 0	\$ 0	\$ 167,000
Total UT Institute of Agriculture	\$ 167,000	\$ 0	\$ 0	\$ 167,000
Total University of Tennessee	\$ 167,034,000	\$ 134,000,000	\$ 17,150,000	\$ 15,884,000
Grand Total	\$ 369,224,000	\$ 266,830,000	\$ 37,230,000	\$ 65,164,000

**Additional Proposed Capital Outlay Project Descriptions
Fiscal Year 2008-2009**

	Total Project Cost
I. New Projects	
Economic and Community Development	
Objective: Provide for infrastructure and training assistance.	
Volkswagen Infrastructure and Training Center	\$ 180,000,000
Provide funds to implement infrastructure and develop a training facility for the new Volkswagen plant in Hamilton County.	
Hemlock Semiconductor Plant Infrastructure	100,300,000
Provide funds to implement infrastructure for the new Hemlock Semiconductor plant in Montgomery County.	
Total Economic and Community Development	\$ 280,300,000
II. Previous Projects: Bonds in Lieu of Cash	
Objective: Provide bond funds in lieu of cash funding in previously funded and approved projects in order to conserve general fund cash due to the current economic climate.	
Tennessee Board of Regents	
MTSU Education and Behavioral Science Building	\$ 16,330,000
The Education and Behavioral Science Building will consolidate facilities and provide classroom and laboratory space for the College of Education.	
Pellissippi State Community College Blount County Center	17,200,000
The Blount County Center project will provide expanded educational space for technical training, classrooms, and office space.	
Sub-Total Tennessee Board of Regents	\$ 33,530,000
University of Tennessee	
UTC Replace Central Energy Plant Boiler	\$ 3,000,000
This project will replace the central energy plant boiler and related equipment as part of the upgrades to the campus energy distribution system.	
UTK Cherokee Campus Infrastructure	31,500,000
Project will provide infrastructure improvements to facilitate development of a multi-discipline high-tech science center.	
UTC New Library Building	47,500,000
Project will provide for construction of a new campus library. The current facility will be renovated to develop new space in a future project.	
UTK Music Center	29,500,000
Project will provide a new facility for the School of Music to consolidate music programs in the same facility.	
UTK Music Building Relocations	320,000
Provide funds to modify campus facilities to house the School of Music while new facility is under construction. Modified space will be available for future campus use once the School of Music relocates to new facility.	

**Additional Proposed Capital Outlay Project Descriptions
Fiscal Year 2008-2009**

UTK Estabrook Hall Renovations 6,100,000
Project will renovate the current facility for future classroom space.

UTIA Brehm/McLeod Buildings Renovation 4,450,000
Project will replace obsolete building systems and provide additional classroom and laboratory space for the Agriculture Campus.

UTM Fine Arts Building Renovation and Addition 1,000,000
This project will provide a 16,000 square foot addition to the Fine Arts Building. This will include a 150 seat theater, support space, office, rehearsal, and studio spaces.

Sub-Total University of Tennessee **\$ 123,370,000**

Correction \$ 4,000,000
Turney Center Various Reroofs
This project will provide funds to reroof buildings at the Turney Center complex.

Mental Retardation
ICF-MR Group Homes Additional Funds 7,400,000
Project will provide additional funds for construction of three ICF-MR group homes.

Total Previous Projects: Bonds in Lieu of Cash **\$ 168,300,000**

III. Grand Total Additional 2008-2009 Capital Outlay **\$ 448,600,000**

Capital Outlay Project Descriptions

Fiscal Year 2009-2010

	Total Project Cost
I. Economic Development Projects	
Economic and Community Development	
Objective: Provide for infrastructure and training assistance.	
Wacker Chemie AG Infrastructure	\$ 64,200,000
Provide funds to implement infrastructure and develop a training facility for the new Wacker plant in Bradley County.	
West TN Mega-site Land and Right-of-Way	27,300,000
Provide funds for the acquisition of land and right-of-ways for the West Tennessee Mega-site to foster economic development.	
Total Economic and Community Development	\$ 91,500,000
II. Other Projects	
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance	\$ 29,775,000
Funds to repair, maintain, and update facilities.	
Mental Retardation	
Objective: Provide alternative residential settings for clients and plan for the future.	
West Tennessee Regional Office - Planning	\$ 1,000,000
This project will provide planning of a new West Tennessee regional office at the Arlington Developmental Center campus.	
Middle Tennessee Regional Office - Planning	1,500,000
This project will provide planning of a new Middle Tennessee regional office at the Clover Bottom Developmental Center campus.	
Total Mental Retardation	\$ 2,500,000
Mental Health and Developmental Disabilities	
Objective: Provide inpatient services to improve the quality of life for MHDD clients.	
Lakeshore MHI Emergency Generator	\$ 160,000
Provide emergency power capabilities for the kitchen in the event of power outage.	
Safety	
Objective: Maintain statewide emergency communications capabilities.	
Radio Tower Replacement - Greentop Mountain	\$ 625,000
This project will replace the current radio tower and equipment facility to prevent communications failure in the event of a structural collapse.	

Capital Outlay Project Descriptions Fiscal Year 2009-2010

	Total Project Cost
<p>Radio Tower Replacement - Roosevelt Mountain This project will replace the current radio tower and equipment facility to prevent communications failure in the event of a structural collapse.</p>	525,000
<p>Radio Tower Replacement - Sullivan's Ridge This project will replace the current radio tower and equipment facility to prevent communications failure in the event of a structural collapse.</p>	525,000
Total Safety	\$ 1,675,000
Tennessee Board of Regents	
Objective: Expand and enhance facilities to students and faculty needs.	
Maintenance	\$ 6,760,000
Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	
University of Tennessee	
Objective: Expand and enhance facilities to students and faculty needs.	
Maintenance	\$ 4,820,000
Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	
Statewide Capital Maintenance	
Maintenance	\$ 20,290,000
Funds to repair, maintain, and update general government facilities. See Capital Maintenance Project Maintenance for additional details.	
Total Other Projects	\$ 65,980,000
 Grand Total 2009-2010	 \$ 157,480,000

**Capital Maintenance Project Descriptions
Fiscal Year 2009-2010**

	Total Project Cost
2009-2010 Capital Maintenance	
Correction	
Objective: Provide safe and secure facilities to house inmates.	
DeBerry Special Needs Various Reroofs Phase 1	\$ 6,300,000
Replace roofs on buildings in most critical need; including seven housing units, the medical unit, and the disabled unit.	
Northeast Correctional Complex Various Reroofs Phase 1	6,200,000
Replace failing roof systems on high security building, five medium security buildings, and the minimum security annex.	
Emergency and Contingency Fund	4,000,000
Funds to cover emergency situations that may arise without adequate notice to be in the capital budget. This may include boiler replacements, roofing, HVAC system repairs, and other emergency issues.	
Northwest Correctional Complex Infrastructure Planning	450,000
Funds to plan a future project to replace two 500 ton chillers and cooling towers; and to replace the underground heating and cooling loops that service the facility.	
SRCF Kitchen Renovation	1,200,000
Kitchen renovation project includes replacing kitchen floor, drainage system, and island hood systems. Project also provides for new food service equipment such as refrigerators and ovens.	
Turney Center Water Treatment Plant Upgrade	1,400,000
Water treatment plant will be upgraded with a new water filtration system, new pumping units, sludge removal system, and settling basin. Project includes installation of automated control and monitoring system.	
WTSP Upgrade Water/Wastewater Treatment Plants	1,000,000
Current facilities will be upgraded with the installation of automated control and monitoring system, as well as replacement of filter media, distribution pumps, and water supply pump system. This project also upgrades the current backwash and aeration systems and corrects erosion problems with the wastewater lagoon.	
Northwest Correctional Complex Geothermal - Planning	325,000
These funds will allow for the planning of the conversion of the current closed loop heating and cooling system with a geothermal system.	
WTSP Replace Main Gas Line	800,000
Funds will replace 3.5 miles of existing natural gas line that services the facility. The current line is 35 to 40 years old and showing significant signs of corrosion.	
Luttrell Correctional Center Infrastructure Upgrade - Planning	200,000
Funds will develop a plan to replace the HVAC systems in several buildings, and it will also provide for the replacement of the steam powered kitchen and laundry equipment with gas powered equipment.	

**Capital Maintenance Project Descriptions
Fiscal Year 2009-2010**

TPW Security Electronics Upgrade	7,800,000
Project will upgrade current equipment with new security cameras, video monitoring/recording system, panic buttons, door switches, intercom, locks, taut wire system, and other security measures.	
Various Facilities Tilt-up Panel Structural Review	100,000
Project will study the current tilt-up panel walls at various facilities to evaluate structural integrity and water infiltration issues.	
Total Correction	\$ 29,775,000

Tennessee Board of Regents

Objective: Expand and enhance facilities to students and faculty needs.

TTU Foster Hall Ventilation Update	\$ 1,700,000
Project will modify existing HVAC, ventilation, and electrical systems for improved air quality.	
APSU Underground Electrical Update	1,100,000
Project will upgrade the campus electrical power distribution system, including duct banks, electrical cabling, switch gear, fuses, transformers, junction cabinets, and related work.	
Columbia State CC Several Buildings HVAC Updates	340,000
Project will upgrade HVAC Systems for Clement Building, library, Student Center, Webster Athletic Center/Natorium, Health Science, Nursing, Administration, and Warf Buildings.	
PSTCC Magnolia Campus System Upgrades Phase III	470,000
Project will continue the upgrades of the Magnolia campus. Phase III includes upgrading the electrical service distribution system and completion of fire sprinkler system installation.	
Cleveland State CC L. Quintin Lane Gym HVAC Updates	490,000
Project will update HVAC system and controls, replace air handling units, upgrade chiller from 60 ton to 200 ton, and replace boilers and pumps.	
ETSU Health Sciences Electrical Infrastructure Repairs	750,000
Project will replace the primary electrical infrastructure for buildings serving the College of Medicine, Pharmacy, and Physical Therapy.	
JSCC Student Center Repairs and HVAC Updates	500,000
Project will provide HVAC updates and other repairs to the Student Center to adapt recreational spaces to office and counseling areas and consolidate the student services function.	
Northeast State Technical CC Foundation Stabilization	300,000
Project will stabilize the foundations of the General Studies and Powers buildings as well as the Building Connector/Vending Area. Project will include masonry repairs, interior and exterior construction, repair damaged roof flashing, and other cosmetic repairs as needed.	
Motlow State CC Ingram Administration Building Systems Replacement	380,000
Project will replace HVAC systems and air handler units. Installation of new energy efficient lighting is also included.	

**Capital Maintenance Project Descriptions
Fiscal Year 2009-2010**

Dyersburg State CC Campus Site Updates	310,000
Project will provide funds for various campus updates to include resurfacing, gutter replacement, sidewalk and step replacement, replace fuel storage tank, and campus lighting and signage replacement.	
RSCC Fire Alarm System Modernization	420,000
Project will upgrade fire alarm system for Dunbar Administration, Dunbar Classroom, Gymnasium, Technologies, Library, Humanities, and Physical Plant buildings on Roane County campus.	
Total Tennessee Board of Regents	\$ 6,760,000

University of Tennessee

Objective: Expand and enhance facilities to students and faculty needs.

UT Phase 2 Facilities Assessment	\$ 450,000
This project will provide for the second phase of a multi-phase project for UT facilities to be assessed on a comprehensive, consistent basis. \$200,000 of this project is campus funds.	
UTK Electrical Distribution Upgrade - Phase 2	3,500,000
This project will provide for the second phase of a multi-phase project to upgrade campus electrical distribution capabilities. Phase 2 includes new duct banks, vaults, and switching stations at the Health, Physical Education and Recreation Building and the intersection of Volunteer Boulevard and Melrose Place.	
UTM Connection of Campus Chilled Water Loops	870,000
Project will connect two underground chilled water loops. The north loop system includes three 650 ton units; and the south loop system includes three 500 ton units.	
Total University of Tennessee	\$ 4,820,000

Statewide Maintenance

Objective: Repair, maintain, and update general government facilities.

Children's Services

Wildier YDC Administration Building and Gymnasium Reroof	\$ 600,000
Project will replace roof systems on the Administration Building and Gymnasium with EDMR rubber roof systems.	

Sub-Total Children's Services **\$ 600,000**

Education

TN School for the Blind Reroof Buildings 1A and 1B	\$ 1,150,000
Reroof both buildings because current roof systems are failing.	

Sub-Total Education **\$ 1,150,000**

Environment and Conservation

Pickett State Park Dam Repair	\$ 800,000
Project will repair several leaks in the dam wall, the spillway, and adjacent areas to meet federal guidelines. This is preventative repairs to avoid dam failure and subsequent flooding.	

**Capital Maintenance Project Descriptions
Fiscal Year 2009-2010**

Paris Landing State Park Sewer System Upgrades	1,320,000
Upgrades to current sewer plant and sewer collection system will include improved equipment, lagoon and chlorination system, and several pumping stations.	
Roan Mountain State Park Water System Upgrades	1,400,000
Upgrade to the water distribution system includes new pumps and storage tanks and replacement of water distribution lines throughout the park.	
Sub-Total Environment and Conservation	<u>\$ 3,520,000</u>
 Finance and Administration	
Emergency Maintenance and Contingency Funds	\$ 4,159,700
Funds to handle unforeseen and emergency situations that arise during the fiscal year. (NOTE: Several state facilities contain fragile situations at this time.)	
ADA Compliance	2,400,000
Capital Maintenance activities associated with compliance with the Americans with Disabilities Act and other disabilities related issues. These funds are divided (a) \$800,000 General Government, (b) \$800,000 Tennessee Board of Regents, and (c) \$800,000 University of Tennessee System.	
Management Support Services	600,000
This project provides funding for consultant services regarding support for state construction related activities. \$300,000 of this year's funding amount will go toward support of the TBR program.	
Environmental Consultants	1,200,000
This is a continuation of an on-going project that provides environmental services expertise in mold identification and removal, asbestos identification and abatement, and other assistance to the F&A Capital Projects Management Division.	
TPAC Annual Maintenance Grant	250,000
Grant to provide state maintenance assistance for TPAC facilities.	
National Civil Rights Museum Maintenance Grant	300,000
Grant to provide maintenance support to National Civil Rights Museum in Memphis.	
Sub-Total Finance and Administration	<u>\$ 8,909,700</u>
 Human Services	
Tennessee Rehabilitation Center Fire Alarm Upgrade	\$ 410,300
Funds will provide for the upgrade of existing campus monitoring system including: replacement of all pull alarms and smoke detectors; replace and relocate control panel; and related work. Project includes \$87,300 federal Vocational Rehabilitation funds.	
Tennessee Rehabilitation Center "M" Building Reroof and Repairs	460,000
Project will reroof building and repair building envelope as needed to prevent leaks. Project includes \$98,000 federal Vocational Rehabilitation funds.	
Sub-Total Human Services	<u>\$ 870,300</u>

**Capital Maintenance Project Descriptions
Fiscal Year 2009-2010**

Mental Health and Developmental Disabilities	
Western Mental Health Institute Boiler/Heating System Updates	\$ 350,000
Project will remove Dunn and Hardeman buildings from central boiler, install package boiler systems, and replace hot water loop system to alleviate recurring maintenance issues caused by leaking pipes.	
Lakeshore Mental Health Institute Elevator Replacement	1,050,000
Funds to replace existing elevators including new controls, wiring, cabling, and motor systems. Project will also update elevator cabs with fire call boxes, emergency phones, and code blue features.	
Sub-Total Mental Health and Developmental Disabilities	<u>\$ 1,400,000</u>
Mental Retardation	
Clover Bottom Emergency Maintenance	\$ 1,000,000
Funds will provide for reroof of the Van Buren Building, Progress House chiller and fan coil replacements, cooling tower replacement for One Cannon Building, and other emergency capital maintenance needs.	
Greene Valley Emergency Maintenance	800,000
Project will include chiller replacement at Administration Building and Gym, pool chiller and dehumidifier replacement, and other emergency capital maintenance needs.	
Sub-Total Mental Retardation	<u>\$ 1,800,000</u>
Military	
Dresden Readiness Center Updates	\$ 590,000
Update of the readiness center includes exterior reroofing and waterproofing; building repairs; repairing water damage to floors, ceilings, and finishes; and mold abatement. Project includes \$295,000 of federal funds.	
Waverly Readiness Center Updates	350,000
Readiness Center updates include replacement of current HVAC system and controls, energy updates, replacement of fire suppression system, and related site and utility work. Project includes \$175,000 of federal funds.	
Greeneville Readiness Center Updates	350,000
Update of the readiness center includes exterior reroofing and waterproofing; building repairs; repairing water damage to floors, ceilings, and finishes; and mold abatement. Project includes \$175,000 of federal funds.	
Newport Readiness Center Updates	750,000
Project will include replacement of HVAC system and controls, updates to the electrical system to improve energy efficiency, and fire suppression system updates. Project includes \$375,000 of federal funds.	
Sub-Total Military	<u>\$ 2,040,000</u>
Total Statewide Maintenance	<u>\$ 20,290,000</u>
Grand Total Capital Maintenance	<u>\$ 61,645,000</u>

Projected First-Year Operating Costs of New Facilities Recommended as Projects for Fiscal Year 2009-2010

<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM</u>	<u>ADDITIONAL PERSONNEL</u>
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The recommended capital budget does not include any new facilities in fiscal year 2009-2010 that will result in increased operating costs. Any operating expenses associated with improvements to current facilities are already funded in the appropriate agency operational budget.

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
ASME	American Society of Mechanical Engineers	SAF	Department of Safety
BLDG	Building	SCC	State Community College
CC	Community College	SRCF	Southeast Regional Correctional Facility
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
CSTCC	Chattanooga State Technical Community College	THP	Tennessee Highway Patrol
DCS	Department of Children's Services	TNARNG	Tennessee Army National Guard
DEMO	Demolition	TPAC	Tennessee Performing Arts Center
DEV	Development	TPW	Tennessee Prison for Women
DOC	Department of Correction	TSU	Tennessee State University
DSCC	Dyersburg State Community College	TTCs	Tennessee Technology Centers
EMS	Energy Management System	TTU	Tennessee Technological University
ETSU	East Tennessee State University	TWRA	Tennessee Wildlife Resources Agency
HQS	Headquarters	UNIV	University
HVAC	Heating, Ventilation, & Air Conditioning	UOM	University of Memphis
INFO	Information	UT HSC	University of Tennessee Health Science Center
IT	Information Technology	UTC	University of Tennessee Chattanooga
JSCC	Jackson State Community College	UTIA	University of Tennessee Institute of Agriculture
LRC	Learning Resource Center	UTK	University of Tennessee Knoxville
MHI	Mental Health Institute	UTM	University of Tennessee Martin
MSCC	Motlow State Community College	UTS	University of Tennessee System
MSTI	Memphis State Technical Institute	UTSI	University of Tennessee Space Institute
MTSU	Middle Tennessee State University	VSCC	Volunteer State Community College
NESTCC	Northeast State Technical Community College	WSCC	Walters State Community College
NGB	National Guard Bureau	WTSP	West Tennessee State Prison
NSTCC	Nashville State Technical Community College	YDC	Youth Development Center

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2009-2010

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

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</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	57,679,600	54,751,400	59,355,700
Total	\$57,679,600	\$54,751,400	\$59,355,700
State	5,917,200	7,517,200	7,517,200
Federal	0	0	0
Other	51,762,400	47,234,200	51,838,500

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	1,771,700	1,700,000	1,700,000
Total	\$1,771,700	\$1,700,000	\$1,700,000
State	0	0	0
Federal	0	0	0
Other	1,771,700	1,700,000	1,700,000

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</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	55,191,600	56,218,800	56,558,800
Total	\$55,191,600	\$56,218,800	\$56,558,800
State	0	6,047,600	6,047,600
Federal	0	0	0
Other	55,191,600	50,171,200	50,511,200

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	3,158,500	10,425,000	4,860,000
Total	\$3,158,500	\$10,425,000	\$4,860,000
State	0	0	0
Federal	0	0	0
Other	3,158,500	10,425,000	4,860,000

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	21,590,200	23,200,000	22,000,000
Total	\$21,590,200	\$23,200,000	\$22,000,000
State	0	0	0
Federal	0	0	0
Other	21,590,200	23,200,000	22,000,000

501.00 Total Facilities Revolving Fund

Payroll	0	0	0
Operational	139,391,600	146,295,200	144,474,500
Total	\$139,391,600	\$146,295,200	\$144,474,500
State	5,917,200	13,564,800	13,564,800
Federal	0	0	0
Other	133,474,400	132,730,400	130,909,700

**Facilities Revolving Fund
Proposed Capital Appropriations from Bonds and Current Funds
Fiscal Year 2009-2010**

	COUNTY	TOTAL	FRF CURRENT	BONDS	OTHER
Capital Improvements:					
State Capitol Renovations - Planning	Davidson	\$ 950,000	\$ 950,000	\$ 0	\$ 0
Davy Crocket Tower Renovation - Phase 2	Davidson	2,000,000	200,000	1,800,000	0
Highway Patrol Regional Office - Planning	Davidson	300,000	300,000	0	0
Total Capital Improvements		\$ 3,250,000	\$ 1,450,000	\$ 1,800,000	\$ 0
Capital Maintenance:					
Capital Maintenance Contingency	Statewide	\$ 2,385,000	\$ 2,385,000	\$ 0	\$ 0
Library and Archives Reroof	Davidson	800,000	100,000	700,000	0
R.S. Gass Elevator Upgrade	Davidson	925,000	125,000	800,000	0
Nashville Gas Building Repairs	Davidson	800,000	800,000	0	0
Total Capital Maintenance		\$ 4,910,000	\$ 3,410,000	\$ 1,500,000	\$ 0
Grand Total		\$ 8,160,000	\$ 4,860,000	\$ 3,300,000	\$ 0

Objective: Provide efficient management of state facilities.

Capital Improvements:

State Capitol Renovations - Planning

Planning funds for full renovation of State Capitol Complex to include replacement and upgrade of building and mechanical systems for Capitol, War Memorial Building, and Legislative Plaza.

Total
Project Cost

\$ 950,000

Davy Crockett Tower Renovation - Phase 2

This phase will continue a total building renovation project in Nashville.

2,000,000

Highway Patrol Regional Office - Planning

Planning funds for a new THP Regional Office in Nashville to replace current Butler Building facility.

300,000

Total Capital Improvements

\$ 3,250,000

Capital Maintenance:

Capital Maintenance Contingency

Funds to handle unforeseen and emergency situations that arise during the fiscal year. (NOTE: Several state facilities contain fragile situations at this time.)

\$ 2,385,000

Library and Archives Reroof

To replace roof on Library and Archives building.

800,000

R.S. Gass Elevator Update

Upgrade four elevators to meet ADA and American Society of Mechanical Engineers safety/code guidelines.

925,000

Nashville Gas Building Repairs

Funds will provide various building repairs and office renovations to a new state-owned building that will be available for occupancy in fiscal year 2009-2010.

800,000

Total Capital Maintenance

\$ 4,910,000

Grand Total FRF Capital Outlay

\$ 8,160,000

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 these 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 for the prior fiscal year, the current fiscal year, and the approaching fiscal year. 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 that 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 2007-2008, 2008-2009, and 2009-2010

		Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
General Fund and Education Fund				
301	Legislature	\$ 35,701,500	\$ 39,796,600	\$ 38,441,600
301.50	Fiscal Review Committee	1,126,700	1,345,500	1,290,700
302	Court System	103,425,600	107,759,000	105,944,600
303	Attorney General and Reporter	19,031,500	21,911,300	21,043,700
304	District Attorneys General Conference	64,419,600	68,763,100	68,466,800
305	Secretary of State	45,535,000	30,738,800	29,432,300
306	District Public Defenders Conference	36,859,800	39,709,900	39,614,000
307	Comptroller of the Treasury	61,124,300	72,961,600	70,831,700
308	Office of the Post-Conviction Defender	1,673,900	1,953,900	1,947,100
309	Treasury Department	430,500	626,700	603,200
313	Claims and Compensation	-	-	-
315	Executive Department	3,746,100	4,472,500	3,802,700
316	Commissions	22,092,100	27,650,300	27,287,800
317	Finance and Administration (F&A)	19,456,900	42,052,500	32,307,500
318	F&A - Bureau of TennCare	2,524,368,500	2,588,207,200	1,975,934,000
319	Human Resources	3,506,100	5,532,300	5,295,400
321	General Services	9,682,200	2,493,600	2,465,300
323	Veterans Affairs	4,311,500	4,570,000	4,515,900
324	Board of Probation and Parole	73,095,900	74,720,900	78,762,900
325	Agriculture	48,204,200	44,478,100	41,709,000
326	Tourist Development	12,713,800	12,673,700	8,894,200
327	Environment and Conservation	186,579,500	93,810,200	82,093,000
328	Tennessee Wildlife Resources Agency	4,875,600	-	-
329	Correction	604,479,600	682,178,800	653,905,000
330	Economic and Community Development	50,032,500	176,741,200	89,639,700
331	Education	3,747,185,200	3,880,561,700	3,704,113,400
332	Higher Education	1,375,420,200	1,276,669,400	1,188,971,800
335	Commerce and Insurance	18,512,800	19,455,600	18,711,400
337	Labor and Workforce Development	24,651,000	24,166,700	21,274,900
339	Mental Health and Developmental Disabilities	174,823,900	171,106,000	164,520,100
341	Military	15,120,000	13,380,800	11,660,700
343	Health	164,673,800	152,935,300	128,103,500
344	F&A - Division of Mental Retardation Services	93,142,600	72,489,900	63,734,800
345	Human Services	176,488,300	182,565,000	178,879,800
347	Revenue	72,386,100	69,816,900	65,443,500
348	Tennessee Bureau of Investigation	36,394,300	38,670,500	35,212,900
349	Safety	108,810,100	120,382,900	106,951,900
350	Cover Tennessee Health Care Programs	56,176,700	84,301,700	80,816,800
351	Miscellaneous Appropriations	35,593,400	92,203,900	54,294,700
353	Emergency and Contingency Fund	-	1,569,300	819,300
355	State Building Commission	157,300	250,000	250,000
359	Children's Services	353,426,700	338,638,700	277,098,000
Subtotal General Fund and Education Fund		\$ 10,389,435,300	\$ 10,684,312,000	\$ 9,485,085,600
	Transportation	\$ 833,569,300 **	\$ 804,500,000	\$ 720,225,000
	Debt Service Requirements	327,578,000	356,814,000	429,985,000
	Capital Outlay Program	284,076,000 **	70,500,000	26,300,000
	Facilities Revolving Fund	5,917,200	13,564,800	13,564,800
	Cities and Counties - State Shared Taxes	842,096,100	803,000,000	803,100,000
Grand Total State Taxpayers Budget		\$ 12,682,671,900	\$ 12,732,690,800	\$ 11,478,260,400
	Dedicated Tax Sources - Appropriation	\$ 583,192,300	\$ 884,425,300	\$ 1,113,006,900
Grand Total State Appropriation - Budget Document		\$ 13,265,864,200	\$ 13,617,116,100	\$ 12,591,267,300

Note: State Taxpayers Budget excludes appropriations from U.S. economic recovery sources, dedicated tax sources, federal revenues, and all other departmental revenues.

** FY 2007-2008 is actual expenditures from appropriations, except as noted.*

*** FY 2007-2008 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.*

**Departmental Summary of Appropriations
from Dedicated Sources:
Amounts Excluded from State Taxpayers Budget
Fiscal Years 2007-2008, 2008-2009, and 2009-2010**

	<u>Actual 2007-2008 *</u>	<u>Estimated 2008-2009</u>	<u>Recommended 2009-2010</u>
302.00 Court System	\$ 8,557,600	\$ 9,147,000	\$ 9,158,900
303.00 Attorney General and Reporter	2,462,400	2,462,400	2,462,400
307.00 Comptroller of the Treasury	13,138,100	14,327,900	14,327,900
313.00 Claims and Compensation	9,201,000	10,260,000	10,855,000
316.11 Tennessee Regulatory Authority	7,389,400	8,897,800	8,342,000
316.25 Arts Commission	5,225,700	4,017,200	3,917,200
317.00 Finance and Administration	2,159,600	2,301,000	2,301,000
324.00 Board of Probation and Parole	5,094,900	6,424,800	6,407,200
325.00 Agriculture	31,494,500	33,350,400	28,650,400
327.00 Environment and Conservation	64,765,600	82,243,600	78,826,200
328.00 Tennessee Wildlife Resources Agency	45,318,000	46,930,200	43,795,400
329.00 Correction	83,900	84,000	84,000
331.00 Education (K-12)	9,625,200	104,830,200	223,615,100 **
332.00 Higher Education	262,400,000	395,825,900 **	474,317,300 **
335.00 Commerce and Insurance	53,601,900	68,711,100	70,457,100
336.00 Financial Institutions	4,836,800	8,295,800	8,207,300
337.00 Labor and Workforce Development	12,947,400	20,145,000	18,267,400
339.00 Mental Health and Developmental Disabilities	5,624,500	8,115,000	7,515,000
343.00 Health	26,267,600	38,597,700	45,104,200 **
347.00 Revenue	10,736,500	15,687,900	12,955,000
348.00 Tennessee Bureau of Investigation	747,600	1,494,400	1,479,400
349.00 Safety	477,800	676,300	676,100
359.00 Children's Services	1,036,300	1,599,700	41,285,400 **
Total Appropriations from Dedicated Sources	\$ 583,192,300	\$ 884,425,300	\$ 1,113,006,900

* FY 2007-2008 is actual expenditures from appropriations.

** Includes state appropriations from the American Recovery and Reinvestment Act of 2009, U.S. Public Law 111-5.

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2007-2008, 2008-2009, and 2009-2010

Program	Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
Legislature			
301.01 Legislative Administration Services	\$ 4,846,100	\$ 5,231,900	\$ 5,033,000
301.07 House of Representatives	15,521,000	16,964,300	16,463,800
301.08 State Senate	7,895,000	9,222,600	8,908,300
301.13 General Assembly Committees	595,800	830,100	795,400
301.16 General Assembly Support Services	6,819,400	7,478,100	7,174,000
301.17 Tennessee Code Commission	24,200	69,600	67,100
301.00 Sub-total Legislature	\$ 35,701,500	\$ 39,796,600	\$ 38,441,600
301.50 Fiscal Review Committee	\$ 1,126,700	\$ 1,345,500	\$ 1,290,700
Court System			
302.01 Appellate and Trial Courts	\$ 57,468,500	\$ 55,820,400	\$ 56,602,600
302.05 Supreme Court Buildings	2,624,000	2,621,900	2,616,800
302.08 Child Support Referees	724,700	655,300	651,200
302.09 Guardian Ad Litem	4,847,200	4,047,500	4,047,500
302.10 Indigent Defendants' Counsel	21,118,600	26,459,600	26,459,600
302.12 Verbatim Transcripts	4,327,700	4,279,200	4,049,000
302.15 Tennessee State Law Libraries	704,700	577,600	75,100
302.16 Council of Juvenile and Family Court Judges	89,900	104,600	104,600
302.18 Judicial Conference	298,000	307,800	207,800
302.20 Judicial Programs and Commissions	420,200	665,400	490,400
302.27 Administrative Office of the Courts	10,036,400	11,517,300	10,036,300
302.30 Appellate Court Clerks	765,700	702,400	603,700
302.00 Sub-total Court System	\$ 103,425,600	\$ 107,759,000	\$ 105,944,600
Attorney General and Reporter			
303.01 Attorney General and Reporter	\$ 18,725,700	\$ 21,461,500	\$ 20,594,500
303.05 Publication of Tennessee Reports	150,100	160,600	160,000
303.08 Special Litigation	155,700	289,200	289,200
303.00 Sub-total Attorney General and Reporter	\$ 19,031,500	\$ 21,911,300	\$ 21,043,700
District Attorneys General Conference			
304.01 District Attorneys General	\$ 62,380,300	\$ 66,739,200	\$ 66,453,200
304.05 District Attorneys General Conference	323,800	492,000	492,000
304.10 Executive Director	1,715,500	1,531,900	1,521,600
304.00 Sub-total District Attorneys General Conference	\$ 64,419,600	\$ 68,763,100	\$ 68,466,800
Secretary of State			
305.01 Secretary of State	\$ 7,634,000	\$ 10,480,600	\$ 10,015,600
305.02 State Election Commission	1,618,000	1,697,900	1,635,300
305.03 Public Documents	379,700	397,400	383,000
305.04 State Library and Archives	7,981,500	8,774,100	8,408,900
305.05 Regional Library System	7,048,100	7,754,400	7,429,300
305.07 Registry of Election Finance	585,400	588,500	564,300
305.08 Economic Council on Women	160,200	198,600	189,900
305.09 Charitable Solicitations and Charitable Gaming	-	412,500	390,200
305.12 Community Enhancement Grants	19,757,200	-	-
305.11 Ethics Commission	370,900	434,800	415,800
305.00 Sub-total Secretary of State	\$ 45,535,000	\$ 30,738,800	\$ 29,432,300

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2007-2008, 2008-2009, and 2009-2010

Program	Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
District Public Defenders Conference			
306.01 District Public Defenders	\$ 30,719,700	\$ 33,442,100	\$ 33,354,000
306.03 Executive Director	1,445,500	1,573,200	1,565,400
306.10 Shelby County Public Defender	3,106,100	3,106,100	3,106,100
306.12 Davidson County Public Defender	1,588,500	1,588,500	1,588,500
306.00 Sub-total District Public Defenders Conference	\$ 36,859,800	\$ 39,709,900	\$ 39,614,000
Comptroller of the Treasury			
307.01 Division of Administration	\$ 950,900	\$ 969,200	\$ 926,800
307.02 Office of Management Services	6,290,500	11,246,400	10,812,700
307.04 Division of State Audit	11,018,300	11,756,700	11,247,500
307.05 Division of County Audit	7,501,300	7,701,100	7,377,000
307.06 Division of Municipal Audit	1,699,500	2,022,400	1,937,500
307.07 Division of Bond Finance	334,000	523,200	502,300
307.08 Office of Local Government	155,200	1,227,500	1,181,600
307.09 Division of Property Assessments	8,635,900	9,308,600	8,891,600
307.10 Tax Relief	18,651,800	21,800,000	21,800,000
307.11 State Board of Equalization	2,873,300	3,009,800	2,896,900
307.12 Division of Local Finance	419,700	497,200	477,000
307.14 Offices of Research and Education Accountability	1,459,100	1,689,500	1,622,100
307.15 Office of State Assessed Properties	1,134,800	1,210,000	1,158,700
307.50 Telecommunications Ad Valorem Tax Equity Payments	-	-	-
307.00 Sub-total Comptroller of the Treasury	\$ 61,124,300	\$ 72,961,600	\$ 70,831,700
308.00 Office of the Post-Conviction Defender	\$ 1,673,900	\$ 1,953,900	\$ 1,947,100
Treasury Department			
309.01 Treasury Department	\$ -	\$ 92,500	\$ 88,400
309.02 Certified Public Administrators	430,500	534,200	514,800
309.00 Sub-total Treasury Department	\$ 430,500	\$ 626,700	\$ 603,200
Claims and Compensation			
313.03 Criminal Injuries Compensation	\$ -	\$ -	\$ -
313.00 Sub-total Claims and Compensation	\$ -	\$ -	\$ -
Executive Department			
315.01 Governor's Office	\$ 3,746,100	\$ 4,472,500	\$ 3,802,700
315.00 Sub-total Executive Department	\$ 3,746,100	\$ 4,472,500	\$ 3,802,700
Commissions			
316.01 Commission on Children and Youth	\$ 2,080,500	\$ 2,189,400	\$ 2,140,100
316.02 Commission on Aging and Disability	9,358,700	13,826,400	14,049,600
316.03 Alcoholic Beverage Commission	-	1,005,900	1,005,900
316.04 Human Rights Commission	1,545,400	1,605,500	1,598,900
316.07 Health Services and Development Agency	943,200	1,250,300	1,245,900
316.09 Corrections Institute	809,700	973,400	968,700
316.12 Advisory Commission on Intergovernmental Relations	63,100	266,000	266,000
316.20 Tennessee Housing Development Agency	3,000,000	350,000	-
316.25 Arts Commission	754,100	2,358,300	2,274,300

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Program	Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
316.27 State Museum	3,537,400	3,825,100	3,738,400
316.00 Sub-total Commissions	\$ 22,092,100	\$ 27,650,300	\$ 27,287,800
Finance and Administration			
317.01 Division of Administration	\$ 1,432,500	\$ 1,542,100	\$ 1,401,900
317.02 Division of Budget	3,115,000	3,504,100	3,448,200
317.03 Office for Information Resources	1,522,100	10,075,000	1,474,000
317.06 Criminal Justice Programs	6,285,300	5,878,900	5,792,000
317.07 Resource Development and Support	1,400,200	1,651,800	1,592,400
317.10 Real Property Administration	1,959,400	3,594,600	3,019,800
317.11 Volunteer Tennessee	235,600	239,500	238,600
317.12 Office of Inspector General	-	-	-
317.15 State Health Planning Division	343,000	780,600	778,200
317.17 Enterprise Resource Planning	-	13,000,000	13,000,000
317.19 Electronic Health Initiative	2,173,500	532,600	453,200
317.23 Governor's Office of State Planning and Policy	990,300	1,253,300	1,109,200
317.00 Sub-total Finance and Administration	\$ 19,456,900	\$ 42,052,500	\$ 32,307,500
Finance and Administration, Bureau of TennCare			
318.65 TennCare Administration	\$ 113,518,900	\$ 114,208,600	\$ 109,197,500
318.66 TennCare Services	1,651,813,900	1,649,707,700	1,269,161,400
318.67 Waiver and Crossover Services	410,846,700	400,892,700	306,141,400
318.68 Long Term Care Services	344,069,300	417,525,600	285,563,000
318.80 Governor's Office of Children's Care Coordination	4,119,700	5,872,600	5,870,700
318.00 Sub-total Finance and Administration, Bureau of TennCare	\$ 2,524,368,500	\$ 2,588,207,200	\$ 1,975,934,000
Human Resources			
319.01 Executive Administration	\$ 1,780,400	\$ 2,196,500	\$ 2,053,700
319.02 Human Resource Development	618,000	1,248,600	1,226,000
319.03 Technical Services	1,107,700	2,087,200	2,015,700
319.00 Sub-total Human Resources	\$ 3,506,100	\$ 5,532,300	\$ 5,295,400
General Services			
321.01 Administration	\$ 379,100	\$ 565,300	\$ 553,300
321.06 Motor Vehicle Management	7,529,100	-	-
321.07 Property Management	1,414,000	1,619,500	1,604,700
321.09 Printing and Media Services	338,100	308,800	307,300
321.10 Purchasing	21,900	-	-
321.19 Food Services Program	-	-	-
321.00 Sub-total General Services	\$ 9,682,200	\$ 2,493,600	\$ 2,465,300
323.00 Veterans Affairs	\$ 4,311,500	\$ 4,570,000	\$ 4,515,900
Board of Probation and Parole			
324.02 Probation and Parole Services	\$ 61,378,700	\$ 62,727,800	\$ 66,175,600
324.04 Community Corrections	11,717,200	11,993,100	12,587,300
324.00 Sub-total Board of Probation and Parole	\$ 73,095,900	\$ 74,720,900	\$ 78,762,900
Agriculture			
325.01 Administration and Grants	\$ 9,190,700	\$ 5,730,100	\$ 5,388,600
325.05 Regulatory Services	7,803,400	8,959,900	8,299,300
325.06 Market Development	7,165,900	2,747,200	2,150,000

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Program	Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
325.08 Agricultural Resources Conservation Fund	2,250,000	2,250,000	2,250,000
325.10 Forestry Operations	21,659,000	24,632,400	23,462,600
325.11 Forestry Maintenance	135,200	158,500	158,500
325.00 Sub-total Agriculture	\$ 48,204,200	\$ 44,478,100	\$ 41,709,000
Tourist Development			
326.01 Administration and Marketing	\$ 11,881,300	\$ 11,173,700	\$ 7,394,200
326.03 Welcome Centers	832,500	1,500,000	1,500,000
326.00 Sub-total Tourist Development	\$ 12,713,800	\$ 12,673,700	\$ 8,894,200
Environment and Conservation			
327.01 Administrative Services	\$ 6,354,500	\$ 6,508,200	\$ 6,086,000
327.03 Recreation Educational Services	732,100	842,300	791,800
327.04 Historical Commission	2,254,500	2,285,400	2,108,400
327.08 Archaeology	676,700	779,600	777,100
327.11 Geology	1,120,900	1,078,000	1,048,000
327.12 Tennessee State Parks	45,007,000	42,373,300	40,732,400
327.14 Natural Areas	902,900	909,300	817,300
327.15 State Parks Maintenance	1,278,100	2,214,100	2,214,100
327.18 Maintenance of Historic Sites	159,900	285,000	285,000
327.19 Local Parks Acquisition Fund	2,624,400	-	-
327.20 State Lands Acquisition Fund	2,250,000	-	-
327.24 West Tennessee River Basin Authority Maintenance	553,000	1,215,300	1,215,300
327.26 West Tennessee River Basin Authority	1,155,200	1,139,900	1,114,800
327.30 Environment Administration	1,581,400	1,570,900	1,534,300
327.31 Air Pollution Control	1,310,800	1,491,200	1,277,800
327.32 Radiological Health	612,700	793,000	668,800
327.33 Clean Water and Drinking Water State Revolving Fund	4,255,800	5,219,600	5,203,400
327.34 Water Pollution Control	10,551,800	10,892,000	9,140,100
327.35 Solid Waste Management	1,876,400	2,001,600	1,857,100
327.38 Hazardous Waste Remedial Action Fund	904,900	1,000,000	1,000,000
327.39 Water Supply	828,800	1,091,500	951,800
327.40 Groundwater Protection	6,502,100	4,538,700	2,511,600
327.44 Fleming Training Center	449,900	583,300	-
327.45 Office of Environmental Assistance	635,700	856,000	715,900
327.50 Tennessee Heritage Conservation Trust Fund	92,000,000	4,100,000	-
327.51 Conservation Compensation Fund	-	42,000	42,000
327.00 Sub-total Environment and Conservation	\$ 186,579,500	\$ 93,810,200	\$ 82,093,000
Tennessee Wildlife Resources Agency			
328.03 Wetlands Acquisition Fund	\$ 4,875,600	\$ -	\$ -
328.00 Sub-total Tennessee Wildlife Resources Agency	\$ 4,875,600	\$ -	\$ -
Correction			
329.01 Administration	\$ 16,690,600	\$ 16,053,900	\$ 14,920,700
329.04 State Prosecutions	130,920,200	138,675,800	128,901,800
329.06 Correction Academy	5,424,000	5,438,800	5,220,400
329.11 Brushy Mountain Correctional Complex	15,557,200	9,264,500	-
329.13 Tennessee Prison for Women	20,422,100	21,270,000	21,027,200

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Program	Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
329.14 Turney Center Industrial Complex	35,727,700	37,014,300	35,862,800
329.16 Mark Luttrell Correctional Facility	12,419,100	13,655,900	13,262,800
329.17 Charles B. Bass Correctional Complex	28,306,300	28,601,600	27,919,200
329.18 Southeastern Tennessee State Regional Correctional Facility	22,476,400	22,352,600	21,738,600
329.21 Hardeman County Incarceration Agreement	34,599,700	35,564,100	37,032,100
329.22 Hardeman County Agreement - Whiteville	27,051,600	28,177,000	17,120,300
329.32 Major Maintenance	3,036,000	4,033,900	4,103,100
329.41 West Tennessee State Penitentiary	50,883,800	54,784,300	53,923,000
329.42 Riverbend Maximum Security Institution	23,980,700	24,836,800	24,332,900
329.43 Northeast Correctional Complex	38,891,400	38,739,000	38,156,800
329.44 South Central Correctional Center	24,563,100	25,628,700	26,525,300
329.45 Northwest Correctional Complex	47,207,600	48,363,900	47,523,700
329.46 Lois M. DeBerry Special Needs Facility	39,099,800	36,980,300	35,984,400
329.47 Morgan County Correctional Complex	27,172,300	47,518,800	56,458,600
329.50 Sex Offender Treatment Program	50,000	-	-
329.99 Sentencing Act of 1985	-	45,224,600	43,891,300
329.00 Sub-total Correction	\$ 604,479,600	\$ 682,178,800	\$ 653,905,000
Economic and Community Development			
330.01 Administrative Services	\$ 5,623,900	\$ 6,190,500	\$ 5,725,700
330.02 Business Development	8,477,200	108,351,700	4,339,500
330.04 Regional Grants Management	2,012,800	1,165,800	1,117,900
330.05 Business Services	115,600	302,500	302,500
330.06 FastTrack Infrastructure and Job Training	27,612,000	53,495,000	71,195,000
330.07 Community Development	4,811,200	5,850,800	5,574,200
330.08 Energy Division	29,700	34,800	34,800
330.15 Economic Development District Grants	1,350,100	1,350,100	1,350,100
330.17 Film and Television Incentive Fund	-	-	-
330.00 Sub-total Economic and Community Development	\$ 50,032,500	\$ 176,741,200	\$ 89,639,700
Education (K-12)			
331.01 Administration	\$ 8,483,300	\$ 8,891,500	\$ 8,236,900
331.02 Grants-In-Aid	15,574,000	5,380,100	-
331.04 Technology, Infrastructure, and Support Systems	3,287,700	2,705,700	2,574,000
331.05 Training and Professional Development	8,879,600	9,025,200	1,724,800
331.06 Curriculum and Instruction	5,109,500	6,704,300	6,391,300
331.07 State Board of Education	932,900	933,100	929,800
331.09 Improving Schools Program	16,394,000	16,108,500	453,700
331.10 Career Ladder	70,007,300	69,900,000	40,943,800
331.11 Accountability and Assessment	17,003,500	27,839,900	32,423,800
331.19 After-School Programs Special Account	5,500,000	-	-
331.22 Governor's Books from Birth Fund	3,443,500	3,444,500	3,444,100
331.25 BEP and Other LEA Support	3,483,188,200	3,592,923,900	3,461,203,500
331.32 Early Childhood Education	59,362,100	62,663,400	73,556,500
331.34 Energy Efficient Schools Initiative	-	-	-
331.35 School Nutrition Program	4,866,800	4,806,300	4,806,400
331.36 Special Education Services	601,100	644,400	634,100
331.45 Career and Technical Education Programs	4,043,300	3,961,200	3,895,000

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Program	Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
331.90 Alvin C. York Institute	5,412,100	5,523,600	5,548,600
331.91 Tennessee School for the Blind	11,005,800	10,887,200	10,631,000
331.92 Tennessee School for the Deaf	14,333,900	14,904,600	15,382,700
331.93 West Tennessee School for the Deaf	2,600,700	2,568,200	2,515,100
331.95 Tennessee Early Intervention Services	5,280,400	28,657,000	26,729,200
331.96 Governor's Institute for Science and Math	1,770,000	1,850,000	1,850,000
331.97 Major Maintenance	105,500	239,100	239,100
331.00 Sub-total Education (K-12)	\$ 3,747,185,200	\$ 3,880,561,700	\$ 3,704,113,400
Higher Education - State Administered Programs			
332.01 Tennessee Higher Education Commission	\$ 2,019,900	\$ 2,228,800	\$ 2,184,000
332.02 Contract Education	2,535,200	2,490,700	2,289,700
332.03 Tennessee Student Assistance Awards	46,755,700	49,362,500	49,362,500
332.05 Tennessee Student Assistance Corporation	1,040,500	2,774,000	1,235,200
332.06 Academic Scholars Program	232,100	401,800	401,800
332.07 Loan/Scholarship Programs	990,200	1,191,000	1,191,000
332.08 Centers of Excellence	19,635,500	18,774,500	18,578,700
332.09 THEC Grants	3,213,100	3,081,800	2,436,500
332.11 Campus Centers of Emphasis	1,429,600	1,344,900	1,353,900
332.13 Geier Desegregation Settlement	-	-	-
332.14 Foreign Language Institute	372,200	372,400	346,800
332.00 Sub-total Higher Education - State Administered Programs	\$ 78,224,000	\$ 82,022,400	\$ 79,380,100
University of Tennessee			
332.10 UT University-Wide Administration	\$ 4,646,600	\$ 4,678,800	\$ 4,376,900
332.12 UT Research Initiatives	14,750,000	11,831,000	11,180,300
332.15 UT Institute for Public Service	4,980,500	4,819,400	4,770,000
332.16 UT Municipal Technical Advisory Service	2,750,900	2,623,700	2,630,200
332.17 UT County Technical Assistance Service	1,611,100	1,536,300	1,539,400
332.21 UT Access and Diversity Initiative	6,448,900	6,181,900	6,191,100
332.23 UT Space Institute	8,289,700	7,858,400	7,760,200
332.25 UT Agricultural Experiment Station	25,404,000	23,969,700	24,058,000
332.26 UT Agricultural Extension Service	30,135,300	28,891,600	28,848,500
332.28 UT Veterinary Medicine	16,666,700	15,923,100	15,162,900
332.30 UT Health Science Center	71,276,700	69,320,100	65,185,400
332.32 UT Family Medicine	10,176,400	9,702,000	9,741,800
332.34 UT College of Medicine	49,379,400	46,578,100	45,916,400
332.40 UT Chattanooga	46,138,600	42,490,200	38,635,600
332.42 UT Knoxville	195,774,300	180,059,700	164,686,300
332.44 UT Martin	34,812,200	30,692,700	27,745,600
332.10 Sub-total University of Tennessee	\$ 523,241,300	\$ 487,156,700	\$ 458,428,600
State University and Community College System			
332.53 Southwest Tennessee Community College	\$ 40,088,200	\$ 38,150,100	\$ 35,755,300
332.54 Nashville State Technical Community College	16,319,900	15,507,900	13,966,700
332.55 Pellissippi State Technical Community College	22,001,200	20,935,600	18,995,200
332.56 Northeast State Technical Community College	13,183,400	12,595,600	11,485,200
332.59 Regents Access and Diversity Initiative	11,391,100	10,543,000	10,935,800
332.60 Tennessee Board of Regents	4,888,800	5,065,500	4,677,400
332.62 TSU McMinnville Center	531,200	507,000	509,300

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Program	Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
332.63 TSU Institute of Agricultural and Environmental Research	2,173,000	2,055,700	2,083,600
332.64 TSU Cooperative Education	1,927,000	1,823,000	1,847,600
332.65 ETSU College of Medicine	29,010,300	27,634,400	27,187,400
332.67 ETSU Family Practice	5,691,000	5,447,700	5,443,000
332.70 Austin Peay State University	36,252,200	33,253,900	29,776,400
332.72 East Tennessee State University	63,197,500	58,444,900	52,323,600
332.74 University of Memphis	123,529,300	114,164,800	105,061,600
332.75 Middle Tennessee State University	100,949,700	92,858,200	82,874,200
332.77 Tennessee State University	42,607,100	38,869,400	34,361,300
332.78 Tennessee Technological University	49,295,800	45,653,600	41,281,600
332.80 Chattanooga State Technical Community College	25,045,500	23,891,000	22,022,900
332.81 Cleveland State Community College	10,845,200	10,350,100	9,701,100
332.82 Columbia State Community College	14,034,500	13,359,300	12,468,100
332.84 Dyersburg State Community College	7,596,400	7,256,200	6,724,000
332.86 Jackson State Community College	13,117,900	12,514,000	11,524,300
332.88 Motlow State Community College	10,930,500	10,393,900	9,533,700
332.90 Roane State Community College	19,090,200	18,208,100	17,058,200
332.94 Volunteer State Community College	19,194,000	18,304,000	16,887,300
332.96 Walters State Community College	19,392,000	18,517,600	17,171,000
332.98 Tennessee Technology Centers	71,672,000	51,185,800	49,507,300
332.60 Sub-total State University and Community College System	\$ 773,954,900	\$ 707,490,300	\$ 651,163,100
Sub-total Higher Education	\$ 1,375,420,200	\$ 1,276,669,400	\$ 1,188,971,800
Commerce and Insurance			
335.01 Administration	\$ -	\$ 3,600	\$ -
335.03 Fire Prevention	97,600	85,900	-
335.06 Consumer Affairs	857,600	867,200	1,087,900
335.07 Fire Service and Codes Enforcement Academy	3,389,700	3,582,900	3,164,100
335.11 Tennessee Law Enforcement Training Academy	2,724,500	2,901,200	2,670,000
335.12 POST Commission	7,754,000	8,185,500	7,982,900
335.28 Fire Fighting Personnel Standards and Education	3,689,400	3,829,300	3,806,500
335.00 Sub-total Commerce and Insurance	\$ 18,512,800	\$ 19,455,600	\$ 18,711,400
Labor and Workforce Development			
337.01 Administration	\$ 3,940,600	\$ 3,200,800	\$ 2,801,900
337.03 Workers' Compensation	13,088,900	14,057,100	13,155,800
337.04 Mines	457,600	391,300	366,000
337.05 Boilers and Elevators	-	42,100	22,100
337.06 Labor Standards	1,175,600	1,236,100	1,191,400
337.07 Employment and Training	-	-	-
337.09 Adult Basic Education	5,988,300	5,239,300	3,737,700
337.00 Sub-total Labor and Workforce Development	\$ 24,651,000	\$ 24,166,700	\$ 21,274,900

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Program	Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
Mental Health and Developmental Disabilities			
339.01 Administrative Services Division	\$ 10,941,100	\$ 13,786,500	\$ 12,861,500
339.03 Community Alcohol and Drug Abuse Services	8,984,300	6,677,600	6,132,700
339.08 Community Mental Health Services	56,267,000	63,008,300	62,781,400
339.10 Lakeshore Mental Health Institute	19,610,300	16,735,000	15,931,200
339.11 Middle Tennessee Mental Health Institute	23,491,100	22,495,400	21,724,000
339.12 Western Mental Health Institute	20,513,800	19,284,600	18,163,600
339.16 Moccasin Bend Mental Health Institute	15,974,200	13,546,400	12,524,800
339.17 Memphis Mental Health Institute	18,933,600	15,122,200	13,950,900
339.40 Major Maintenance	108,500	450,000	450,000
339.00 Sub-total Mental Health and Developmental Disabilities	\$ 174,823,900	\$ 171,106,000	\$ 164,520,100
Military			
341.01 Administration	\$ 2,864,300	\$ 2,828,700	\$ 2,700,900
341.02 Army National Guard	1,254,500	1,039,700	866,300
341.03 Air National Guard	2,275,800	2,889,500	2,323,600
341.04 Tennessee Emergency Management Agency	3,871,300	3,472,800	3,084,800
341.07 Armories Maintenance	790,200	733,900	625,600
341.08 Homeland Security Grants	-	-	-
341.09 TEMA Disaster Relief Grants	2,000,000	-	-
341.10 Armories Utilities	2,063,900	2,416,200	2,059,500
341.00 Sub-total Military	\$ 15,120,000	\$ 13,380,800	\$ 11,660,700
Health			
343.01 Executive Administration	\$ 5,783,300	\$ 5,395,400	\$ 5,221,600
343.03 Administrative Services	3,559,400	3,184,100	2,884,800
343.04 Office for Information Technology Services	5,312,500	5,513,900	5,169,500
343.05 Bureau of Health Licensure and Regulation	4,139,100	5,804,200	5,635,200
343.07 Emergency Medical Services	661,800	745,300	588,100
343.08 Laboratory Services	8,631,100	8,533,500	6,855,700
343.20 Policy Planning and Assessment	4,219,000	4,856,900	3,918,500
343.39 General Environmental Health	5,738,700	4,600,700	4,266,300
343.45 Health Services Administration	23,586,500	13,612,800	13,367,700
343.47 Maternal and Child Health	3,760,600	2,960,900	2,319,200
343.49 Communicable and Environmental Disease	15,397,200	13,361,400	12,480,100
343.51 Diabetes Prevention and Health Improvement	1,546,700	6,953,500	-
343.52 Community and Medical Services	20,515,400	15,251,200	6,702,400
343.60 Local Health Services	61,822,500	62,161,500	58,694,400
343.00 Sub-total Health	\$ 164,673,800	\$ 152,935,300	\$ 128,103,500
Finance and Administration, Division of Mental Retardation Services			
344.01 Mental Retardation Administration	\$ 367,700	\$ 3,287,200	\$ 1,285,600
344.02 Community Mental Retardation Services	54,474,600	49,591,300	45,608,200
344.04 Quality Assurance Program	665,800	834,100	834,100
344.10 Arlington Developmental Center	-	1,734,100	1,638,700
344.11 Clover Bottom Developmental Center	10,157,100	8,796,700	8,588,100
344.12 Greene Valley Developmental Center	4,870,000	1,353,400	1,324,500
344.20 West Tennessee Regional Office	-	2,503,400	1,354,800
344.21 Middle Tennessee Regional Office	-	1,745,100	981,700
344.22 East Tennessee Regional Office	736,900	2,127,100	1,112,800
344.30 West Tennessee Resource Center	1,732,400	-	-

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2007-2008, 2008-2009, and 2009-2010

Program	Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
344.40 West Tennessee Community Homes	19,486,300	-	-
344.42 East Tennessee Community Homes	-	-	519,000
344.50 Major Maintenance	455,000	300,000	270,000
344.81 Developmental Disabilities Council	196,800	217,500	217,300
344.00 Sub-total Finance and Administration, Division of Mental Retardation Services	\$ 93,142,600	\$ 72,489,900	\$ 63,734,800
Human Services			
345.01 Administration	\$ 19,636,400	\$ 20,883,500	\$ 21,025,900
345.13 Child Support	20,492,800	19,874,500	18,314,700
345.16 Field Operations	6,854,200	7,038,800	6,082,700
345.17 County Rentals	6,056,100	6,068,400	6,079,500
345.20 Child Care Benefits	17,412,500	17,427,700	17,486,500
345.23 Temporary Cash Assistance	15,047,800	19,459,100	19,832,000
345.30 Family Assistance Services	73,924,400	75,900,700	74,156,400
345.31 Appeals and Hearings	3,716,500	2,966,000	3,459,500
345.49 Community Services	3,471,500	1,866,000	1,605,000
345.70 Vocational Rehabilitation	9,876,100	11,080,300	10,837,600
345.00 Sub-total Human Services	\$ 176,488,300	\$ 182,565,000	\$ 178,879,800
Revenue			
347.01 Administration Division	\$ 7,311,000	\$ 7,584,000	\$ 6,493,100
347.02 Tax Enforcement Division	7,084,300	6,802,600	5,722,000
347.11 Information Technology Resources Division	11,902,600	8,997,900	10,061,000
347.13 Taxpayer and Vehicle Services Division	18,022,200	18,744,100	18,480,100
347.14 Audit Division	20,991,200	20,112,800	18,238,800
347.16 Processing Division	7,074,800	7,575,500	6,448,500
347.00 Sub-total Revenue	\$ 72,386,100	\$ 69,816,900	\$ 65,443,500
348.00 Tennessee Bureau of Investigation	\$ 36,394,300	\$ 38,670,500	\$ 35,212,900
Safety			
349.01 Administration	\$ 7,256,300	\$ 7,872,900	\$ 7,857,800
349.02 Driver License Issuance	9,881,600	12,702,200	2,376,200
349.03 Highway Patrol	77,575,800	86,087,900	84,163,100
349.06 Auto Theft Investigations	34,100	-	-
349.07 Motor Vehicle Operations	9,665,100	9,881,600	9,975,900
349.12 Major Maintenance	205,100	199,600	10,300
349.13 Technical Services	2,481,800	1,886,000	847,700
349.15 Office of Homeland Security	1,710,300	1,752,700	1,720,900
349.00 Sub-total Safety	\$ 108,810,100	\$ 120,382,900	\$ 106,951,900
Cover Tennessee Health Care Programs			
350.30 CoverTN	\$ 10,974,200	\$ 23,607,900	\$ 20,123,000
350.40 AccessTN	23,049,200	23,049,200	23,049,200
350.50 CoverKids	16,130,600	28,956,100	28,956,100
350.60 CoverRX	6,022,700	8,688,500	8,688,500
350.00 Sub-total Cover Tennessee Health Care Programs	\$ 56,176,700	\$ 84,301,700	\$ 80,816,800

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2007-2008, 2008-2009, and 2009-2010

Program	Actual Expenditures 2007-2008 *	Estimated 2008-2009	Recommended 2009-2010
351.00 Miscellaneous Appropriations	\$ 35,593,400	\$ 92,203,900	\$ 54,294,700
353.00 Emergency and Contingency Fund	\$ -	\$ 1,569,300	\$ 819,300
355.02 Major Maintenance and Equipment	\$ 157,300	\$ 250,000	\$ 250,000
Children's Services			
359.10 Administration	\$ 44,706,100	\$ 31,575,400	\$ 27,124,200
359.20 Family Support Services	42,634,600	17,014,500	127,700
359.30 Custody Services	85,112,800	92,045,800	80,646,400
359.35 Needs Assessment	5,001,400	6,913,200	5,051,900
359.40 Adoption Services	34,175,400	34,722,500	31,525,900
359.50 Child and Family Management	80,685,500	92,545,300	82,718,600
359.60 John S. Wilder Youth Development Center	11,233,800	12,928,100	12,487,300
359.61 Taft Youth Development Center	13,500,500	13,731,900	10,757,100
359.62 Woodland Hills Youth Development Center	11,779,400	12,508,000	12,215,500
359.63 Mountain View Youth Development Center	12,052,200	12,517,700	9,455,100
359.64 New Visions Youth Development Center	4,343,200	4,699,000	4,568,200
359.65 Community Treatment Facilities	7,971,900	7,017,200	-
359.80 Major Maintenance	229,900	420,100	420,100
359.00 Sub-total Children's Services	\$ 353,426,700	\$ 338,638,700	\$ 277,098,000
Subtotal General Fund and Education Fund	\$10,389,435,300	\$10,684,312,000	\$ 9,485,085,600
Transportation **	833,569,300	804,500,000	720,225,000
Debt Service Requirements	327,578,000	356,814,000	429,985,000
Capital Outlay Program **	284,076,000	70,500,000	26,300,000
Facilities Revolving Fund	5,917,200	13,564,800	13,564,800
Cities and Counties - State Shared Taxes	842,096,100	803,000,000	803,100,000
Grand Total State Taxpayers Budget	\$12,682,671,900	\$12,732,690,800	\$ 11,478,260,400
Dedicated Tax Sources - Appropriation	583,192,300	884,425,300	1,113,006,900
Grand Total State Appropriation - Budget Document	\$13,265,864,200	\$13,617,116,100	\$ 12,591,267,300

Note: State Taxpayers Budget excludes appropriations from U.S. economic recovery sources, dedicated tax sources, federal revenues, and all other departmental revenues.

** FY 2007-2008 is actual expenditures from appropriations, except as noted.*

*** FY 2007-2008 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.*

State Taxpayers Budget
Comparison Statement of State Revenues
Actual and Estimated July 1, 2007 - June 30, 2010

SOURCE OF REVENUE

Department of Revenue	Actual 2007-2008	Estimated 2008-2009	Estimated 2009-2010	Percent Required
Sales and Use Tax	\$ 6,834,100,700	\$ 6,457,000,000	\$ 6,586,500,000	2.01%
Gasoline Tax	617,080,800	598,600,000	610,600,000	2.00%
Motor Fuel Tax	182,938,900	168,300,000	171,700,000	2.02%
Gasoline Inspection Tax	46,960,800	44,800,000	46,100,000	2.90%
Motor Vehicle Registration Tax	231,715,900	226,600,000	234,800,000	3.62%
Income Tax	292,027,400	204,400,000	163,500,000	-20.01%
Privilege Tax	267,230,000	210,700,000	215,800,000	2.42%
Gross Receipts Tax - TVA	273,173,600	284,000,000	289,700,000	2.01%
Gross Receipts Tax - Other	20,073,100	21,000,000	21,000,000	0.00%
Beer Tax	15,675,800	17,900,000	18,300,000	2.23%
Alcoholic Beverage Tax	42,602,300	43,900,000	45,600,000	3.87%
Franchise Tax	637,877,900	523,100,000	512,600,000	-2.01%
Excise Tax	981,630,200	804,900,000	788,800,000	-2.00%
Inheritance and Estate Tax	112,796,700	95,000,000	95,000,000	0.00%
Tobacco Tax	256,163,600	283,700,000	290,000,000	2.22%
Motor Vehicle Title Fees	11,392,000	10,900,000	11,300,000	3.67%
Mixed Drink Tax	54,903,200	54,900,000	55,000,000	0.18%
Business Tax	138,156,800	131,200,000	131,200,000	0.00%
Severance Tax	2,616,700	2,000,000	2,000,000	0.00%
Coin-operated Amusement Tax	252,100	300,000	300,000	0.00%
Unauthorized Substance Tax	1,688,300	1,900,000	1,900,000	0.00%
Sub-Total Department of Revenue	\$ 11,021,056,800	\$ 10,185,100,000	\$ 10,291,700,000	1.05%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 436,561,500	\$ 454,200,000	\$ 458,700,000	0.99%
Dept. of Agriculture	437,100	400,000	400,000	0.00%
Secretary of State	29,542,800	29,500,000	29,500,000	0.00%
Dept. of Safety	34,519,300	34,500,000	34,500,000	0.00%
State Treasurer	104,890,000	30,000,000	10,000,000	-66.67%
Miscellaneous Revenue	80,249,200	43,600,000	43,500,000	-0.23%
Nursing Home Tax	97,239,800	97,200,000	97,200,000	0.00%
Sub-Total Other State Revenue	\$ 783,439,700	\$ 689,400,000	\$ 673,800,000	-2.26%
Total State Revenue	\$ 11,804,496,500	\$ 10,874,500,000	\$ 10,965,500,000	0.84%

**State Taxpayers Budget
Distribution of Actual 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 *	\$ 6,834,100,700	\$2,507,562,600	\$3,934,684,600	\$ 71,379,900	\$ 48,568,900	\$ 271,904,700
Gasoline Tax	617,080,800	9,923,200	0	286,810,300	84,800,000	235,547,300
Motor Fuel Tax	182,938,900	3,468,500	0	131,510,800	0	47,959,600
Gasoline Inspection Tax	46,960,800	715,600	0	34,228,200	0	12,017,000
Motor Vehicle Registration Tax	231,715,900	26,593,900	126,300	204,995,700	0	0
Income Tax	292,027,400	192,444,400	0	0	0	99,583,000
Privilege Tax	267,230,000	267,100,100	129,900	0	0	0
Gross Receipts Tax - TVA	273,173,600	164,678,100	0	0	0	108,495,500
Gross Receipts Tax - Other	20,073,100	18,129,200	0	1,943,900	0	0
Beer Tax	15,675,800	9,748,500	0	2,251,600	0	3,675,700
Alcoholic Beverage Tax	42,602,300	35,189,300	0	0	0	7,413,000
Franchise Tax	637,877,900	619,877,900	0	0	18,000,000	0
Excise Tax	981,630,200	789,631,500	0	0	166,331,100	25,667,600
Inheritance and Estate Tax	112,796,700	112,796,700	0	0	0	0
Tobacco Tax	256,163,600	630,800	255,532,800	0	0	0
Motor Vehicle Title Fees	11,392,000	8,692,000	0	0	2,700,000	0
Mixed Drink Tax	54,903,200	0	27,443,400	0	0	27,459,800
Business Tax	138,156,800	138,156,800	0	0	0	0
Severance Tax	2,616,700	1,461,800	0	0	0	1,154,900
Coin-operated Amusement Tax	252,100	252,100	0	0	0	0
Unauthorized Substance Tax	1,688,300	470,300	0	0	0	1,218,000
Sub-Total Department of Revenue	\$ 11,021,056,800	\$ 4,907,523,300	\$ 4,217,917,000	\$ 733,120,400	\$ 320,400,000	\$ 842,096,100
Other State Revenue						
Dept. of Commerce and Insurance	\$ 436,561,500	\$ 436,561,500	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	437,100	437,100	0	0	0	0
Secretary of State	29,542,800	29,542,800	0	0	0	0
Dept. of Safety	34,519,300	34,519,300	0	0	0	0
State Treasurer	104,890,000	104,890,000	0	0	0	0
Miscellaneous Revenue	80,249,200	80,249,200	0	0	0	0
Nursing Home Tax	97,239,800	97,239,800	0	0	0	0
Sub-Total Other State Revenue	\$ 783,439,700	\$ 783,439,700	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,804,496,500	\$ 5,690,963,000	\$ 4,217,917,000	\$ 733,120,400	\$ 320,400,000	\$ 842,096,100

* Sales and Use Tax - County Revenue Partnership Fund - Apportioned from General Fund share.

\$ 0

State Taxpayers Budget
Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2008-2009

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 6,457,000,000	\$2,371,500,000	\$3,718,700,000	\$ 64,000,000	\$ 45,800,000	\$ 257,000,000
Gasoline Tax	598,600,000	9,100,000	0	272,100,000	88,700,000	228,700,000
Motor Fuel Tax	168,300,000	3,200,000	0	121,000,000	0	44,100,000
Gasoline Inspection Tax	44,800,000	0	0	32,800,000	0	12,000,000
Motor Vehicle Registration Tax	226,600,000	22,600,000	100,000	203,900,000	0	0
Income Tax	204,400,000	134,700,000	0	0	0	69,700,000
Privilege Tax	210,700,000	210,600,000	100,000	0	0	0
Gross Receipts Tax - TVA	284,000,000	162,000,000	0	0	0	122,000,000
Gross Receipts Tax - Other	21,000,000	17,700,000	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	43,900,000	36,300,000	0	0	0	7,600,000
Franchise Tax	523,100,000	505,100,000	0	0	18,000,000	0
Excise Tax	804,900,000	577,800,000	0	0	198,700,000	28,400,000
Inheritance and Estate Tax	95,000,000	95,000,000	0	0	0	0
Tobacco Tax	283,700,000	700,000	283,000,000	0	0	0
Motor Vehicle Title Fees	10,900,000	8,200,000	0	0	2,700,000	0
Mixed Drink Tax	54,900,000	0	27,400,000	0	0	27,500,000
Business Tax	131,200,000	131,200,000	0	0	0	0
Severance Tax	2,000,000	1,100,000	0	0	0	900,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	1,900,000	500,000	0	0	0	1,400,000
Sub-Total Department of Revenue	\$ 10,185,100,000	\$ 4,299,600,000	\$ 4,029,300,000	\$ 699,300,000	\$ 353,900,000	\$ 803,000,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 454,200,000	\$ 454,200,000	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	400,000	400,000	0	0	0	0
Secretary of State	29,500,000	29,500,000	0	0	0	0
Dept. of Safety	34,500,000	34,500,000	0	0	0	0
State Treasurer	30,000,000	30,000,000	0	0	0	0
Miscellaneous Revenue	43,600,000	43,600,000	0	0	0	0
Nursing Home Tax	97,200,000	97,200,000	0	0	0	0
Sub-Total Other State Revenue	\$ 689,400,000	\$ 689,400,000	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 10,874,500,000	\$ 4,989,000,000	\$ 4,029,300,000	\$ 699,300,000	\$ 353,900,000	\$ 803,000,000

* Sales and Use Tax - County Revenue Partnership Fund - Apportioned from General Fund share.

\$ 0

**State Taxpayers Budget
Distribution of Estimated Revenue by Fund
Fiscal Year 2009-2010**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 6,586,500,000	\$2,420,700,000	\$3,793,000,000	\$ 64,000,000	\$ 46,700,000	\$ 262,100,000
Gasoline Tax	610,600,000	9,300,000	0	252,200,000	115,800,000	233,300,000
Motor Fuel Tax	171,700,000	3,300,000	0	123,400,000	0	45,000,000
Gasoline Inspection Tax	46,100,000	400,000	0	33,700,000	0	12,000,000
Motor Vehicle Registration Tax	234,800,000	26,500,000	200,000	208,100,000	0	0
Income Tax	163,500,000	107,700,000	0	0	0	55,800,000
Privilege Tax	215,800,000	215,700,000	100,000	0	0	0
Gross Receipts Tax - TVA	289,700,000	164,700,000	0	0	0	125,000,000
Gross Receipts Tax - Other	21,000,000	17,700,000	0	3,300,000	0	0
Beer Tax	18,300,000	12,200,000	0	2,300,000	0	3,800,000
Alcoholic Beverage Tax	45,600,000	37,700,000	0	0	0	7,900,000
Franchise Tax	512,600,000	494,600,000	0	0	18,000,000	0
Excise Tax	788,800,000	549,300,000	0	0	211,100,000	28,400,000
Inheritance and Estate Tax	95,000,000	95,000,000	0	0	0	0
Tobacco Tax	290,000,000	900,000	289,100,000	0	0	0
Motor Vehicle Title Fees	11,300,000	8,600,000	0	0	2,700,000	0
Mixed Drink Tax	55,000,000	0	27,500,000	0	0	27,500,000
Business Tax	131,200,000	131,200,000	0	0	0	0
Severance Tax	2,000,000	1,100,000	0	0	0	900,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	1,900,000	500,000	0	0	0	1,400,000
Sub-Total Department of Revenue	\$ 10,291,700,000	\$ 4,297,400,000	\$ 4,109,900,000	\$ 687,000,000	\$ 394,300,000	\$ 803,100,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 458,700,000	\$ 458,700,000	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	400,000	400,000	0	0	0	0
Secretary of State	29,500,000	29,500,000	0	0	0	0
Dept. of Safety	34,500,000	34,500,000	0	0	0	0
State Treasurer	10,000,000	10,000,000	0	0	0	0
Miscellaneous Revenue	43,500,000	43,500,000	0	0	0	0
Nursing Home Tax	97,200,000	97,200,000	0	0	0	0
Sub-Total Other State Revenue	\$ 673,800,000	\$ 673,800,000	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 10,965,500,000	\$ 4,971,200,000	\$ 4,109,900,000	\$ 687,000,000	\$ 394,300,000	\$ 803,100,000

* Sales and Use Tax - County Revenue Partnership Fund - Apportioned from General Fund share.

\$ 0

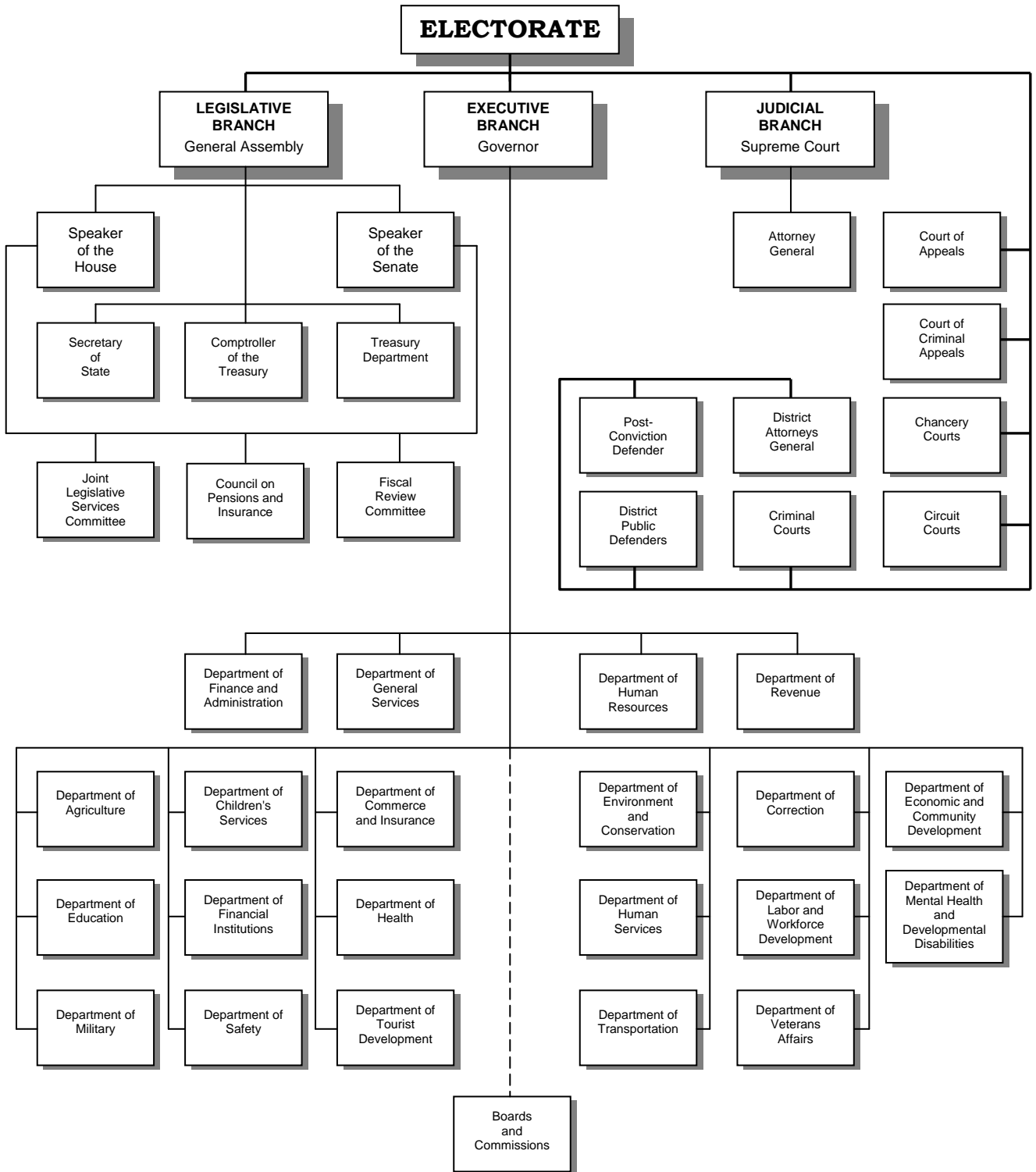
Program Statements by Functional Area

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TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2009 - 2010



**Recommended Budget for Fiscal Year 2009-2010
By Functional Area**

Functional Area	State	Federal	Other	Total
General Government	360,439,600	99,255,400	467,897,900	927,592,900
Education	5,591,017,600	1,448,405,400	1,669,547,800 *	8,708,970,800
Health and Social Services	2,980,427,200	8,642,799,500	1,597,054,000	13,220,280,700
Law, Safety and Correction	1,145,752,200	118,136,500	160,521,500	1,424,410,200
Resources and Regulation	351,562,600	324,377,100	227,916,100	903,855,800
Transportation, Business and Economic Development	1,319,118,300	1,202,393,200	90,703,800	2,612,215,300
Total	\$11,748,317,500	\$11,835,367,100	\$4,213,641,100	\$27,797,325,700

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

General Government

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General Government

Recommended Budget, Fiscal Year 2009 – 2010

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

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

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

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

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

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

These departments facilitate the successful operation of state government by providing support for all departments. In addition, the Department of General Services and the Department of Finance and Administration are responsible for overseeing and administering the state office building and support 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 table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

General Government Total Personnel and Funding

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Recommended 2009-2010</u>
Personnel			
Full Time	5,030	4,893	4,807
Part Time	172	172	172
Seasonal	21	49	49
TOTAL	5,223	5,114	5,028
Expenditures			
Payroll	\$ 299,835,200	\$ 332,729,500	\$ 321,731,100
Operational	527,604,000	645,911,600	605,861,800
TOTAL	\$ 827,439,200	\$ 978,641,100	\$ 927,592,900
Funding			
State	\$ 336,990,700	\$ 421,776,300	\$ 360,439,600
Federal	35,660,700	59,721,100	99,255,400
Other	454,787,800	497,143,700	467,897,900

General Government
Recommended Budget for Fiscal Year 2009-2010
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	38,441,600	0	137,500	38,579,100
301.50 Fiscal Review Committee	1,290,700	0	0	1,290,700
305.00 Secretary of State	29,432,300	23,406,700	10,697,700	63,536,700
307.00 Comptroller of the Treasury	85,159,600	0	10,825,200	95,984,800
309.00 Treasury Department	603,200	0	24,135,300	24,738,500
313.00 Claims and Compensation	10,855,000	5,025,000	86,999,200	102,879,200
315.00 Executive Department	3,802,700	0	0	3,802,700
316.04 Human Rights Commission	1,598,900	742,400	0	2,341,300
316.11 Tennessee Regulatory Authority	8,342,000	240,000	2,000	8,584,000
316.12 Advisory Commission on Intergovernmental Relations	266,000	0	2,632,700	2,898,700
317.00 Finance and Administration	34,608,500	69,426,600	194,319,000	298,354,100
319.00 Human Resources	5,295,400	0	7,131,200	12,426,600
321.00 General Services	2,465,300	0	105,719,200	108,184,500
323.00 Veterans Affairs	4,515,900	392,700	147,000	5,055,600
347.00 Revenue	78,398,500	22,000	25,001,900	103,422,400
351.00 Miscellaneous Appropriations	54,294,700	0	0	54,294,700
353.00 Emergency and Contingency Fund	819,300	0	0	819,300
355.00 State Building Commission	250,000	0	150,000	400,000
Total	\$360,439,600	\$99,255,400	\$467,897,900	\$927,592,900

General Government Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Treasury Department					
• Support Staff					
To provide funds for three positions for the investment division of the Tennessee Consolidated Retirement System (TCRS). These positions include an investment analyst to work with fixed income mortgages and real estate investment programs, an analyst to provide research support on small and mid-cap equity assets, and a risk manager to ensure compliance with risk-management policies that protect investments.					
309.01 Treasury Department	\$0	\$0	\$391,500	\$391,500	3
Sub-total	\$0	\$0	\$391,500	\$391,500	3
Total Treasury Department	\$0	\$0	\$391,500	\$391,500	3

Finance and Administration

• U.S. Economic Recovery - Byrne Justice Administration Grant

Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Byrne Grant is a formula-based grant and is provided under Title II of the act to improve the criminal justice system. The total amount available for this grant is \$50,380,600, of which \$30,827,700 will go directly to the state and the remaining \$19,552,900 will go directly to the local communities. Funds provide training for criminal justice professionals, strengthening the effort to curtail illegal drug trafficking and violent crimes, reducing caseloads in offender reentry or jail-based reentry programs, and expanding transitional living centers for offenders reentering society. This grant does not require any state dollar match.

317.06 Criminal Justice Programs	\$0	\$30,827,700	\$0	\$30,827,700	0
Sub-total	\$0	\$30,827,700	\$0	\$30,827,700	0

• U.S. Economic Recovery - Violence Against Women

Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Violence Against Women grant is a formula-based grant and is provided under Title II of the act. Funds will enhance community and multidisciplinary coordination among law enforcement, prosecution, and the courts; improve the efficiency of case management systems for the delivery of victim services to address sexual assault, domestic violence, dating violence, and stalking; expand sexual assault or domestic violence programs to offer services to additional victims or to improve the delivery of services to minorities and previously under-served communities (including immigrant populations); and reduce caseloads or increase operating hours to address sexual assault, domestic violence, dating violence, and stalking, or to support court actions in adjoining counties or circuits. This grant does not require any state dollar match.

317.06 Criminal Justice Programs	\$0	\$2,765,300	\$0	\$2,765,300	0
Sub-total	\$0	\$2,765,300	\$0	\$2,765,300	0

General Government Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> U.S. Economic Recovery - Crime Victims Assistance Grant Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Crime Victims Assistance Grant is a formula-based grant and is provided under Title II of the act. Funds will improve the efficiency of case management systems for the delivery of victim services to address sexual assault, domestic violence, child abuse, and previously underserved populations; expand existing sexual assault or domestic violence programs by offering services to additional victims or to improve the delivery of services to minorities and previously under-served communities (including immigrant populations); and reduce caseloads or increase operating hours to address sexual assault, domestic violence, child abuse, and underserved populations in adjoining counties. This grant does not require any state dollar match. 					
317.06 Criminal Justice Programs	\$0	\$911,000	\$0	\$911,000	0
Sub-total	\$0	\$911,000	\$0	\$911,000	0
<ul style="list-style-type: none"> U.S. Economic Recovery - Health Information Technology Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Health Information Technology grant is a competitive grant. Health Information Technology funds will be used to implement the master patient index and record locator service through the eHealth Network. This will allow providers on the eHealth Network to locate a patient's medical information across the state. Any remaining funding will be used for provider connectivity and authentication to the eHealth Network. 					
317.19 Electronic Health Initiative	\$0	\$10,000,000	\$0	\$10,000,000	0
Sub-total	\$0	\$10,000,000	\$0	\$10,000,000	0
Total Finance and Administration	\$0	\$44,504,000	\$0	\$44,504,000	0
Miscellaneous Appropriations					
<ul style="list-style-type: none"> Retirees and Retired Teachers Health Insurance To provide additional funding for health insurance of retired state employees (\$500,000) and retired teachers (\$1,800,000). 					
351.00 Miscellaneous Appropriations	\$2,300,000	\$0	\$0	\$2,300,000	0
Sub-total	\$2,300,000	\$0	\$0	\$2,300,000	0
<ul style="list-style-type: none"> Rent Adjustments To provide funds for rent increases for state agencies resulting from federal A-87 rate adjustments (\$1 million) and rent on the Tennessee Bureau of Investigation facilities in Nashville and Knoxville (\$1,362,500). 					
351.00 Miscellaneous Appropriations	\$2,362,500	\$0	\$0	\$2,362,500	0
Sub-total	\$2,362,500	\$0	\$0	\$2,362,500	0

General Government Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Mileage Rate Increase					
To provide funds for a state employee mileage rate increase from 46 cents to 51 cents, effective February 1, 2009. The rate was raised to 54 cents in September 2008 and lowered to 51 cents on February 1, 2009.					
351.00 Miscellaneous Appropriations	\$2,250,000	\$0	\$0	\$2,250,000	0
Sub-total	\$2,250,000	\$0	\$0	\$2,250,000	0
• Lodging Rates					
To provide funds for a lodging rate increase for state employees, effective October 1, 2008.					
351.00 Miscellaneous Appropriations	\$600,000	\$0	\$0	\$600,000	0
Sub-total	\$600,000	\$0	\$0	\$600,000	0
• Administration Legislation					
To provide recurring funds for the cost of legislation proposed by the Administration.					
351.00 Miscellaneous Appropriations	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
Total Miscellaneous Appropriations	\$7,812,500	\$0	\$0	\$7,812,500	0
Total General Government	\$7,812,500	\$44,504,000	\$391,500	\$52,708,000	3

Legislature

As the legislative branch of Tennessee State Government, the General Assembly consists of the Senate and the House of Representatives. The primary powers vested in it by the Constitution of the state include the enactment of laws for all citizens and the financing of state government operations by levying taxes and appropriating state revenues. The upper house of Tennessee's General Assembly is the Senate. The state is divided into 33 senatorial districts, each electing one senator. Senators are elected to 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>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	18	18	18	0	18
Part-Time	3	3	3	0	3
Seasonal	0	28	28	0	28
Total	21	49	49	0	49
Payroll	1,187,600	2,134,300	2,124,200	0	2,124,200
Operational	3,681,600	3,114,600	2,925,800	0	2,925,800
Total	\$4,869,200	\$5,248,900	\$5,050,000	\$0	\$5,050,000
State	4,846,100	5,231,900	5,033,000	0	5,033,000
Federal	0	0	0	0	0
Other	23,100	17,000	17,000	0	17,000

301.16 General Assembly Support Services

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

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

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	5,700,000	6,392,500	6,354,500	0	6,354,500
Operational	1,126,900	1,155,600	889,500	0	889,500
Total	\$6,826,900	\$7,548,100	\$7,244,000	\$0	\$7,244,000
State	6,819,400	7,478,100	7,174,000	0	7,174,000
Federal	0	0	0	0	0
Other	7,500	70,000	70,000	0	70,000

301.17 Tennessee Code Commission

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	24,200	69,600	67,100	0	67,100
Total	\$24,200	\$69,600	\$67,100	\$0	\$67,100
State	24,200	69,600	67,100	0	67,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Legislative Services

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

301.07 House of Representatives

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

Full-Time	207	207	207	0	207
Part-Time	40	40	40	0	40
Seasonal	0	0	0	0	0
Total	247	247	247	0	247
Payroll	11,985,900	12,991,700	12,908,800	0	12,908,800
Operational	3,579,900	4,001,100	3,583,500	0	3,583,500
Total	\$15,565,800	\$16,992,800	\$16,492,300	\$0	\$16,492,300
State	15,521,000	16,964,300	16,463,800	0	16,463,800
Federal	0	0	0	0	0
Other	44,800	28,500	28,500	0	28,500

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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301.08 State Senate

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

Full-Time	101	101	101	0	101
Part-Time	54	54	54	0	54
Seasonal	0	0	0	0	0
Total	155	155	155	0	155
Payroll	6,399,400	7,380,400	7,338,100	0	7,338,100
Operational	1,522,400	1,864,200	1,592,200	0	1,592,200
Total	\$7,921,800	\$9,244,600	\$8,930,300	\$0	\$8,930,300
State	7,895,000	9,222,600	8,908,300	0	8,908,300
Federal	0	0	0	0	0
Other	26,800	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	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	9	9	0	9
Payroll	588,400	546,000	541,000	0	541,000
Operational	7,400	284,100	254,400	0	254,400
Total	\$595,800	\$830,100	\$795,400	\$0	\$795,400
State	595,800	830,100	795,400	0	795,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

301.00 Total Legislature

Full-Time	397	399	399	0	399
Part-Time	126	126	126	0	126
Seasonal	0	28	28	0	28
Total	523	553	553	0	553
Payroll	25,861,300	29,444,900	29,266,600	0	29,266,600
Operational	9,942,400	10,489,200	9,312,500	0	9,312,500
Total	\$35,803,700	\$39,934,100	\$38,579,100	\$0	\$38,579,100
State	35,701,500	39,796,600	38,441,600	0	38,441,600
Federal	0	0	0	0	0
Other	102,200	137,500	137,500	0	137,500

Fiscal Review Committee

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

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

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
301.50 Fiscal Review Committee					
Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	1,095,800	1,310,700	1,303,800	0	1,303,800
Operational	30,900	34,800	-13,100	0	-13,100
Total	\$1,126,700	\$1,345,500	\$1,290,700	\$0	\$1,290,700
State	1,126,700	1,345,500	1,290,700	0	1,290,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

Secretary of State

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

The three functional areas that comprise the Secretary of State’s office are Administrative and Support Services, State Library Services, and Community Enhancement Grants. The State Election Commission, Registry of Election Finance, Economic Council on Women, and Ethics Commission are administratively attached to the Tennessee Department of State.

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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
Total	201	201	201	0	201
Payroll	11,943,100	14,167,400	14,069,900	0	14,069,900
Operational	3,083,500	3,178,700	2,811,200	0	2,811,200
Total	\$15,026,600	\$17,346,100	\$16,881,100	\$0	\$16,881,100
State	7,634,000	10,480,600	10,015,600	0	10,015,600
Federal	0	300,000	300,000	0	300,000
Other	7,392,600	6,565,500	6,565,500	0	6,565,500

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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 closely with the coordinator of elections toward the common goal of maintaining uniformity in elections as well as preserving the purity of the ballot.

Full-Time	0	0	0	0	0
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	99,300	111,900	110,900	0	110,900
Operational	1,518,700	1,586,000	1,524,400	0	1,524,400
Total	\$1,618,000	\$1,697,900	\$1,635,300	\$0	\$1,635,300
State	1,618,000	1,697,900	1,635,300	0	1,635,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.03 Public Documents

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	379,700	397,400	383,000	0	383,000
Total	\$379,700	\$397,400	\$383,000	\$0	\$383,000
State	379,700	397,400	383,000	0	383,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	472,500	486,200	482,900	0	482,900
Operational	331,600	137,300	116,400	0	116,400
Total	\$804,100	\$623,500	\$599,300	\$0	\$599,300

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	585,400	588,500	564,300	0	564,300
Federal	0	0	0	0	0
Other	218,700	35,000	35,000	0	35,000

305.09 Charitable Solicitations and Charitable Gaming

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

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	1,028,900	1,532,000	1,523,600	0	1,523,600
Operational	131,700	579,500	565,600	0	565,600
Total	\$1,160,600	\$2,111,500	\$2,089,200	\$0	\$2,089,200
State	0	412,500	390,200	0	390,200
Federal	0	0	0	0	0
Other	1,160,600	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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	609,700	20,500,000	20,500,000	0	20,500,000
Total	\$609,700	\$20,500,000	\$20,500,000	\$0	\$20,500,000
State	0	0	0	0	0
Federal	215,900	19,500,000	19,500,000	0	19,500,000
Other	393,800	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.

Secretary of State

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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After initial staggered terms, members serve four-year terms and may serve two consecutive terms.

Full-Time	7	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	9	9	0	9
Payroll	577,600	749,400	745,800	0	745,800
Operational	288,200	165,500	150,100	0	150,100
Total	\$865,800	\$914,900	\$895,900	\$0	\$895,900
State	370,900	434,800	415,800	0	415,800
Federal	0	0	0	0	0
Other	494,900	480,100	480,100	0	480,100

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	103	103	103	0	103
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	106	106	106	0	106
Payroll	6,197,000	6,335,000	6,281,300	0	6,281,300
Operational	4,824,600	6,073,400	5,761,900	0	5,761,900
Total	\$11,021,600	\$12,408,400	\$12,043,200	\$0	\$12,043,200
State	7,981,500	8,774,100	8,408,900	0	8,408,900
Federal	2,557,500	2,969,200	2,969,200	0	2,969,200
Other	482,600	665,100	665,100	0	665,100

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
Total	92	92	92	0	92

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	4,876,700	5,066,900	5,016,700	0	5,016,700
Operational	2,886,100	3,510,000	3,235,100	0	3,235,100
Total	\$7,762,800	\$8,576,900	\$8,251,800	\$0	\$8,251,800
State	7,048,100	7,754,400	7,429,300	0	7,429,300
Federal	479,300	627,500	627,500	0	627,500
Other	235,400	195,000	195,000	0	195,000

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	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	0	0	0	0
Total	\$0	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

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, healthcare, domestic relations, and federal and state laws on women.

Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	135,500	194,600	193,000	0	193,000
Operational	32,200	72,000	64,900	0	64,900
Total	\$167,700	\$266,600	\$257,900	\$0	\$257,900
State	160,200	198,600	189,900	0	189,900
Federal	0	10,000	10,000	0	10,000
Other	7,500	58,000	58,000	0	58,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Community Enhancement Grants

305.12 Community Enhancement Grants

The Community Enhancement Grants program is a one-time allocation of funding to support not-for-profit and non-profit agencies involved in public safety activities, such as fire and safety, local drug programs, and child advocacy programs; educational initiatives, such as school support organizations and summer reading programs; cultural development programs, such as museums, libraries, and historic sites; or community development activities, such as senior citizen centers and boys and girls clubs. Grants are used specifically for services, operating costs, equipment, construction, renovation, and maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	19,757,200	0	0	0	0
Total	\$19,757,200	\$0	\$0	\$0	\$0
State	19,757,200	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.00 Total Secretary of State

Full-Time	434	436	436	0	436
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	442	444	444	0	444
Payroll	25,330,600	28,643,400	28,424,100	0	28,424,100
Operational	33,843,200	36,199,800	35,112,600	0	35,112,600
Total	\$59,173,800	\$64,843,200	\$63,536,700	\$0	\$63,536,700
State	45,535,000	30,738,800	29,432,300	0	29,432,300
Federal	3,252,700	23,406,700	23,406,700	0	23,406,700
Other	10,386,100	10,697,700	10,697,700	0	10,697,700

Comptroller of the Treasury

The Comptroller of the Treasury is a constitutional officer elected by the General Assembly. Statutory duties of the Comptroller include the audit of state and local governments, management of the state debt, support of the General Assembly and its committees, participation in the general financial and administrative management of state government, administration of property assessment for tax purposes, and support of local governments. The Comptroller administers the following functional areas: administrative and support services; 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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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 outgoing 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	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	9	9	0	9
Payroll	868,200	928,900	923,200	0	923,200
Operational	160,300	149,700	113,000	0	113,000
Total	\$1,028,500	\$1,078,600	\$1,036,200	\$0	\$1,036,200
State	950,900	969,200	926,800	0	926,800
Federal	0	0	0	0	0
Other	77,600	109,400	109,400	0	109,400

307.02 Office of Management Services

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

Full-Time	53	54	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	54	54	0	54
Payroll	3,632,400	4,008,100	3,979,200	0	3,979,200
Operational	2,934,600	7,510,800	7,106,000	0	7,106,000
Total	\$6,567,000	\$11,518,900	\$11,085,200	\$0	\$11,085,200

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	6,290,500	11,246,400	10,812,700	0	10,812,700
Federal	0	0	0	0	0
Other	276,500	272,500	272,500	0	272,500

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	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	463,800	601,500	595,500	0	595,500
Operational	430,300	740,400	740,700	0	740,700
Total	\$894,100	\$1,341,900	\$1,336,200	\$0	\$1,336,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	894,100	1,341,900	1,336,200	0	1,336,200

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	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	10	0	10
Payroll	714,200	818,700	814,200	0	814,200
Operational	94,400	151,800	133,400	0	133,400
Total	\$808,600	\$970,500	\$947,600	\$0	\$947,600
State	334,000	523,200	502,300	0	502,300
Federal	0	0	0	0	0
Other	474,600	447,300	445,300	0	445,300

Offices of Research and Education Accountability

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

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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
Total	22	22	22	0	22
Payroll	1,350,100	1,426,800	1,419,600	0	1,419,600
Operational	506,000	1,065,300	1,005,100	0	1,005,100
Total	\$1,856,100	\$2,492,100	\$2,424,700	\$0	\$2,424,700
State	1,459,100	1,689,500	1,622,100	0	1,622,100
Federal	0	0	0	0	0
Other	397,000	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 independent audits and evaluations of agencies 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	207	207	207	0	207
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	207	207	207	0	207
Payroll	14,033,300	14,568,400	14,473,600	0	14,473,600
Operational	1,377,500	1,614,700	1,200,300	0	1,200,300
Total	\$15,410,800	\$16,183,100	\$15,673,900	\$0	\$15,673,900

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	11,018,300	11,756,700	11,247,500	0	11,247,500
Federal	0	0	0	0	0
Other	4,392,500	4,426,400	4,426,400	0	4,426,400

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	95	99	99	0	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	95	99	99	0	99
Payroll	7,449,000	7,696,600	7,645,500	0	7,645,500
Operational	921,400	1,057,700	784,700	0	784,700
Total	\$8,370,400	\$8,754,300	\$8,430,200	\$0	\$8,430,200
State	7,501,300	7,701,100	7,377,000	0	7,377,000
Federal	0	0	0	0	0
Other	869,100	1,053,200	1,053,200	0	1,053,200

307.06 Division of Municipal Audit

The Division of Municipal Audit is responsible for seeing that all municipalities, schools, utility districts, housing authorities and certain not-for-profit organizations in Tennessee are audited as required by state law.

Full-Time	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	24	0	24
Payroll	1,658,200	1,932,000	1,919,000	0	1,919,000
Operational	211,100	305,400	233,500	0	233,500
Total	\$1,869,300	\$2,237,400	\$2,152,500	\$0	\$2,152,500
State	1,699,500	2,022,400	1,937,500	0	1,937,500
Federal	0	0	0	0	0
Other	169,800	215,000	215,000	0	215,000

Services to Local Governments

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

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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307.08 Office of Local Government

The Division of Local Government is 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	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	18	18	0	18
Payroll	221,200	1,093,700	1,092,100	0	1,092,100
Operational	51,400	233,800	189,500	0	189,500
Total	\$272,600	\$1,327,500	\$1,281,600	\$0	\$1,281,600
State	155,200	1,227,500	1,181,600	0	1,181,600
Federal	0	0	0	0	0
Other	117,400	100,000	100,000	0	100,000

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
Total	5	5	5	0	5
Payroll	365,400	371,800	369,300	0	369,300
Operational	111,900	125,400	107,700	0	107,700
Total	\$477,300	\$497,200	\$477,000	\$0	\$477,000
State	419,700	497,200	477,000	0	477,000
Federal	0	0	0	0	0
Other	57,600	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, the State Board of Equalization, the Office of State Assessed Properties, Tax Relief, and the Telecommunications Ad Valorem Tax Equity Payments.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	172	157	157	0	157
Part-Time	0	0	0	0	0
Seasonal	21	21	21	0	21
Total	193	178	178	0	178
Payroll	8,557,900	8,672,700	8,585,100	0	8,585,100
Operational	2,004,600	2,320,900	1,991,500	0	1,991,500
Total	\$10,562,500	\$10,993,600	\$10,576,600	\$0	\$10,576,600
State	8,635,900	9,308,600	8,891,600	0	8,891,600
Federal	0	0	0	0	0
Other	1,926,600	1,685,000	1,685,000	0	1,685,000

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 Treasury, 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	8	8	0	8
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	15	16	16	0	16
Payroll	520,000	575,400	571,200	0	571,200
Operational	2,446,300	2,516,900	2,408,200	0	2,408,200
Total	\$2,966,300	\$3,092,300	\$2,979,400	\$0	\$2,979,400
State	2,873,300	3,009,800	2,896,900	0	2,896,900
Federal	0	0	0	0	0
Other	93,000	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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	1,081,400	1,139,700	1,131,300	0	1,131,300
Operational	178,500	195,300	152,400	0	152,400
Total	\$1,259,900	\$1,335,000	\$1,283,700	\$0	\$1,283,700
State	1,134,800	1,210,000	1,158,700	0	1,158,700
Federal	0	0	0	0	0
Other	125,100	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. The Division of Property Assessments provides administration of the program.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	18,651,800	21,800,000	21,800,000	0	21,800,000
Total	\$18,651,800	\$21,800,000	\$21,800,000	\$0	\$21,800,000
State	18,651,800	21,800,000	21,800,000	0	21,800,000
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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	13,482,100	14,500,000	14,500,000	0	14,500,000
Total	\$13,482,100	\$14,500,000	\$14,500,000	\$0	\$14,500,000
State	13,138,100	14,327,900	14,327,900	0	14,327,900
Federal	0	0	0	0	0
Other	344,000	172,100	172,100	0	172,100

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
307.00 Total Comptroller of the Treasury					
Full-Time	635	640	640	0	640
Part-Time	8	8	8	0	8
Seasonal	21	21	21	0	21
Total	664	669	669	0	669
Payroll	40,915,100	43,834,300	43,518,800	0	43,518,800
Operational	43,562,200	54,288,100	52,466,000	0	52,466,000
Total	\$84,477,300	\$98,122,400	\$95,984,800	\$0	\$95,984,800
State	74,262,400	87,289,500	85,159,600	0	85,159,600
Federal	0	0	0	0	0
Other	10,214,900	10,832,900	10,825,200	0	10,825,200

Treasury Department

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

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	227	230	230	3	233
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	227	230	230	3	233
Payroll	14,467,400	16,553,200	16,441,600	335,200	16,776,800
Operational	5,598,700	8,338,300	6,775,600	56,300	6,831,900
Total	\$20,066,100	\$24,891,500	\$23,217,200	\$391,500	\$23,608,700
State	0	92,500	88,400	0	88,400
Federal	0	0	0	0	0
Other	20,066,100	24,799,000	23,128,800	391,500	23,520,300

309.02 Certified Public Administrators

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	430,500	534,200	514,800	0	514,800
Total	\$430,500	\$534,200	\$514,800	\$0	\$514,800

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	430,500	534,200	514,800	0	514,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

309.05 Small and Minority-Owned Business Assistance Program

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	920,900	2,172,300	615,000	0	615,000
Total	\$920,900	\$2,172,300	\$615,000	\$0	\$615,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	920,900	2,172,300	615,000	0	615,000

309.00 Total Treasury Department

Full-Time	227	230	230	3	233
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	227	230	230	3	233
Payroll	14,467,400	16,553,200	16,441,600	335,200	16,776,800
Operational	6,950,100	11,044,800	7,905,400	56,300	7,961,700
Total	\$21,417,500	\$27,598,000	\$24,347,000	\$391,500	\$24,738,500
State	430,500	626,700	603,200	0	603,200
Federal	0	0	0	0	0
Other	20,987,000	26,971,300	23,743,800	391,500	24,135,300

Claims and Compensation

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

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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313.03 Criminal Injuries Compensation

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	14,724,100	17,327,800	15,880,000	0	15,880,000
Total	\$14,724,100	\$17,327,800	\$15,880,000	\$0	\$15,880,000
State	9,201,000	10,260,000	10,855,000	0	10,855,000
Federal	5,253,000	7,067,800	5,025,000	0	5,025,000
Other	270,100	0	0	0	0

313.10 Risk Management Fund

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	45,860,600	56,575,000	55,762,300	0	55,762,300
Total	\$45,860,600	\$56,575,000	\$55,762,300	\$0	\$55,762,300

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	0	0	0	0	0
Federal	3,302,100	0	0	0	0
Other	42,558,500	56,575,000	55,762,300	0	55,762,300

313.20 Unclaimed Property

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	23,395,200	26,400,000	31,236,900	0	31,236,900
Total	\$23,395,200	\$26,400,000	\$31,236,900	\$0	\$31,236,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	23,395,200	26,400,000	31,236,900	0	31,236,900

313.00 Total Claims and Compensation

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	83,979,900	100,302,800	102,879,200	0	102,879,200
Total	\$83,979,900	\$100,302,800	\$102,879,200	\$0	\$102,879,200
State	9,201,000	10,260,000	10,855,000	0	10,855,000
Federal	8,555,100	7,067,800	5,025,000	0	5,025,000
Other	66,223,800	82,975,000	86,999,200	0	86,999,200

Executive Department

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
315.01 Governor's Office					
Full-Time	41	39	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	41	39	34	0	34
Payroll	2,930,900	3,537,200	2,923,000	0	2,923,000
Operational	815,200	935,300	879,700	0	879,700
Total	\$3,746,100	\$4,472,500	\$3,802,700	\$0	\$3,802,700
State	3,746,100	4,472,500	3,802,700	0	3,802,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

Tennessee Human Rights Commission

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

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
316.04 Human Rights Commission					
Full-Time	30	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	29	29	0	29
Payroll	1,603,300	1,804,900	1,793,600	0	1,793,600
Operational	619,300	544,900	547,700	0	547,700
Total	\$2,222,600	\$2,349,800	\$2,341,300	\$0	\$2,341,300
State	1,545,400	1,605,500	1,598,900	0	1,598,900
Federal	668,100	744,300	742,400	0	742,400
Other	9,100	0	0	0	0

Standard: Increase annual employment case closures per Tennessee Human Rights Commission's (THRC) work-sharing agreement with Equal Employment Opportunity Commission (EEOC).

Measure: Average annual employment case closures per EEOC work-sharing agreement.

	400	550	600	0	600
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Standard: Increase annual housing case closures per THRC's work-sharing agreement with Housing and Urban Development (HUD).

Measure: Average annual housing case closures per HUD work-sharing agreement.

	126	118	105	0	105
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Tennessee Regulatory Authority

Performance-Based Budget

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

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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316.11 Tennessee Regulatory Authority

Full-Time	81	75	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	75	74	0	74
Payroll	6,029,100	6,720,300	6,216,400	0	6,216,400
Operational	2,028,300	2,603,500	2,367,600	0	2,367,600
Total	\$8,057,400	\$9,323,800	\$8,584,000	\$0	\$8,584,000
State	7,389,400	8,897,800	8,342,000	0	8,342,000
Federal	320,200	425,000	240,000	0	240,000
Other	347,800	1,000	2,000	0	2,000

Standard: Ensure the rates charged to consumers are fair and reasonable by adjudicating all utility cases within the statutory requirement.

Measure: Percent of adjudicated cases with in the statutory requirement.

100%	100%	100%	0	100%
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Standard: Ensure consumers are receiving an adequate level of service from the regulated companies by resolving consumer complaints, including Do Not Call and Do Not Fax complaints, within the agency's guidelines.

Measure: Percent of Do Not Call and Do Not Fax complaints resolved within guidelines.

75%	78%	80%	0	80%
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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 ongoing inventory of public infrastructure needs; and a utility district study.

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

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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316.12 Advisory Commission on Intergovernmental Relations

Full-Time	17	17	17	0	17
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	1,545,600	1,809,000	1,800,800	0	1,800,800
Operational	1,246,100	1,094,500	1,097,900	0	1,097,900
Total	\$2,791,700	\$2,903,500	\$2,898,700	\$0	\$2,898,700
State	63,100	266,000	266,000	0	266,000
Federal	0	0	0	0	0
Other	2,728,600	2,637,500	2,632,700	0	2,632,700

Standard: TACIR will achieve an overall favorable customer satisfaction rating.

Measure: Percent of annual survey responses that indicate an overall favorable rating.

	93%	90%	90%	0	90%
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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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	138	133	117	0	117
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	138	133	117	0	117
Payroll	7,861,800	9,625,300	8,286,900	0	8,286,900
Operational	4,259,400	3,482,400	3,378,400	0	3,378,400
Total	\$12,121,200	\$13,107,700	\$11,665,300	\$0	\$11,665,300
State	1,432,500	1,542,100	1,401,900	0	1,401,900
Federal	0	0	0	0	0
Other	10,688,700	11,565,600	10,263,400	0	10,263,400

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	423	404	404	0	404
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	423	404	404	0	404
Payroll	32,676,800	34,606,100	33,797,600	0	33,797,600
Operational	109,621,800	117,002,900	96,911,900	0	96,911,900
Total	\$142,298,600	\$151,609,000	\$130,709,500	\$0	\$130,709,500
State	1,522,100	10,075,000	1,474,000	0	1,474,000
Federal	50,000	0	0	0	0
Other	140,726,500	141,534,000	129,235,500	0	129,235,500

Standard: Availability of mainframe and distributed systems meets or exceeds industry standards on key infrastructure systems delivered.

Measure: Mainframe and distributed system availability for key infrastructure systems (Industry Standard 98%).

99%	99%	99%	0	99%
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Standard: Availability of networks 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%	99%	99%	0	99%
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317.04 Benefits Administration

The Division of Benefits 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. Additionally, Benefits Administration administers the four Cover Tennessee healthcare programs: CoverTN, AccessTN, CoverKids, and CoverRX.

Full-Time	115	113	113	0	113
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	115	113	113	0	113
Payroll	4,412,200	7,367,400	7,237,400	0	7,237,400
Operational	13,294,700	7,036,800	5,923,800	0	5,923,800
Total	\$17,706,900	\$14,404,200	\$13,161,200	\$0	\$13,161,200

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	17,706,900	14,404,200	13,161,200	0	13,161,200

Standard: In order to minimize plan administrative costs, maintain Benefits Administration spending for the public sector plans at a level no greater than one half of 1% of combined expenses for those plans.

Measure: Percent of Benefits Administration's administrative budget for the public sector plans as a percent of combined public sector plan expenses.

.49%	.50%	.50%	0	.50%
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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	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	20	20	0	20
Payroll	1,449,700	1,478,900	1,422,500	0	1,422,500
Operational	26,586,200	29,508,400	27,384,500	34,504,000	61,888,500
Total	\$28,035,900	\$30,987,300	\$28,807,000	\$34,504,000	\$63,311,000
State	8,330,200	8,034,700	7,947,800	0	7,947,800
Federal	18,746,000	22,845,800	20,753,400	34,504,000	55,257,400
Other	959,700	106,800	105,800	0	105,800

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.

10,805	11,400	11,400	0	11,400
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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.

296	325	325	0	325
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	18	18	0	18
Payroll	1,466,300	1,503,100	1,465,900	0	1,465,900
Operational	316,600	319,100	291,100	0	291,100
Total	\$1,782,900	\$1,822,200	\$1,757,000	\$0	\$1,757,000
State	1,400,200	1,651,800	1,592,400	0	1,592,400
Federal	0	0	0	0	0
Other	382,700	170,400	164,600	0	164,600

Standard: Average days to complete Office of Contract Review (OCR) review of approved contracts.

Measure: Average days to complete OCR review of approved contracts.

	9	5	8	0	8
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Standard: Average days to complete OCR review of approved requests for proposals.

Measure: Average days to complete OCR review of requests for proposals of approved contracts.

	7	6	8	0	8
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317.11 Volunteer Tennessee

Volunteer Tennessee, formerly the Commission on National and Community Service, manages AmeriCorps subgrants, training, and disability outreach, funded through federal formula grants from the Corporation for National and Community Service, to meet needs in education, environment, low-income housing, child-abuse prevention, and health. The commission also provides training and 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	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	9	9	0	9
Payroll	516,700	541,600	537,600	0	537,600
Operational	3,263,000	4,068,200	4,065,600	0	4,065,600
Total	\$3,779,700	\$4,609,800	\$4,603,200	\$0	\$4,603,200

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	235,600	239,500	238,600	0	238,600
Federal	3,326,900	4,174,200	4,169,200	0	4,169,200
Other	217,200	196,100	195,400	0	195,400

Standard: Mobilize 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.

	502,962	350,000	350,000	0	350,000
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Standard: Train 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.

	928	1,000	1,000	0	1,000
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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. The division analyzes and assesses health resources and performance to coordinate and leverage relevant state programs and services to optimize health outcomes and value for Tennesseans.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	147,400	418,400	416,500	0	416,500
Operational	322,600	507,400	506,900	0	506,900
Total	\$470,000	\$925,800	\$923,400	\$0	\$923,400
State	457,700	925,800	923,400	0	923,400
Federal	0	0	0	0	0
Other	12,300	0	0	0	0

Standard: Develop and deploy data marts as part of a comprehensive health planning data warehouse to directly support the statutory responsibilities of the division.

Measure: Number of health planning data marts to be achieved by each fiscal year.

	0	2	5	0	5
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317.17 Enterprise Resource Planning

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

Full-Time	112	110	110	0	110
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	112	110	110	0	110

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	8,635,100	8,743,800	8,697,500	0	8,697,500
Operational	6,467,200	21,846,900	21,841,000	0	21,841,000
Total	\$15,102,300	\$30,590,700	\$30,538,500	\$0	\$30,538,500
State	0	13,000,000	13,000,000	0	13,000,000
Federal	0	0	0	0	0
Other	15,102,300	17,590,700	17,538,500	0	17,538,500

Standard: Successfully implement the HR/Payroll/Benefits phase of Edison (Phase 1).

Measure: The percent of HR/Payroll/Benefits implemented by October 1, 2008.

70%	100%	100%	0	100%
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Standard: Successfully implement the financials, procurement, and logistics phase of Edison (Phase 2).

Measure: The percent of financials, procurement, and logistics implemented by March 1, 2009.

40%	90%	100%	0	100%
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317.18 Shared Services Solutions

Shared Services Solutions provides transactional services to small agencies, boards, and commissions within the executive branch. Services include accounting, budgeting, human resources, payroll, and procurement. 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	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	10	0	10
Payroll	405,800	703,400	699,000	0	699,000
Operational	78,700	184,300	183,500	0	183,500
Total	\$484,500	\$887,700	\$882,500	\$0	\$882,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	484,500	887,700	882,500	0	882,500

Standard: Meet or exceed 95% of annual customer service level agreement key targets for fiscal, human resource, and procurement service.

Measure: Percent of customer service level agreement key targets met or exceeded, including customer satisfaction, quality, and timeliness.

93.3%	95%	95%	0	95%
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317.19 Electronic Health Initiative

The electronic health initiative is designed to improve efficiencies in the electronic exchange of health-care data between governmental entities and various organizations in the health-care community. The program enables the exchange of electronic health information in Tennessee in a secure and confidential manner and works to improve the health of Tennesseans by ensuring providers have complete patient information at the point of care.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	398,100	350,100	342,500	0	342,500
Operational	5,250,900	857,500	110,700	10,000,000	10,110,700
Total	\$5,649,000	\$1,207,600	\$453,200	\$10,000,000	\$10,453,200
State	2,173,500	532,600	453,200	0	453,200
Federal	343,900	675,000	0	10,000,000	10,000,000
Other	3,131,600	0	0	0	0

Standard: Develop and implement an overall strategy for the adoption and use of electronic medical records and create a plan to promote their use by all health-care stakeholders.

Measure: Percent achievement of ehealth roadmap.

15%	25%	40%	0	40%
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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	34	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	34	31	31	0	31
Payroll	2,633,100	2,923,200	2,872,000	0	2,872,000
Operational	481,900	580,900	576,200	0	576,200
Total	\$3,115,000	\$3,504,100	\$3,448,200	\$0	\$3,448,200
State	3,115,000	3,504,100	3,448,200	0	3,448,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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 next Budget Document, achieve 70% 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).

70%	70%	70%	0	70%
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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	123	118	111	0	111
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	123	118	111	0	111
Payroll	5,258,200	8,214,400	7,667,700	0	7,667,700
Operational	5,438,400	7,586,100	4,729,000	0	4,729,000
Total	\$10,696,600	\$15,800,500	\$12,396,700	\$0	\$12,396,700
State	0	0	0	0	0
Federal	5,100	0	0	0	0
Other	10,691,500	15,800,500	12,396,700	0	12,396,700

Standard: Complete all tax filings by their deadlines.

Measure: Number of days after deadline that 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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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317.23 Governor's Office of State Planning and Policy

The Governor's Office of State Planning and Policy 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	11	9	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	9	8	0	8
Payroll	627,800	834,000	745,600	0	745,600
Operational	362,500	419,300	363,600	0	363,600
Total	\$990,300	\$1,253,300	\$1,109,200	\$0	\$1,109,200
State	990,300	1,253,300	1,109,200	0	1,109,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Identify and develop specific policies that advance the Governor's priorities and provide research and information that support these efforts.

Measure: Percent of policy projects completed on time.

100%	100%	100%	0	100%
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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	73	70	62	0	62
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	73	70	62	0	62
Payroll	4,201,900	5,060,400	4,498,400	0	4,498,400
Operational	3,498,300	3,897,600	3,653,000	0	3,653,000
Total	\$7,700,200	\$8,958,000	\$8,151,400	\$0	\$8,151,400
State	1,959,400	3,594,600	3,019,800	0	3,019,800
Federal	0	0	0	0	0
Other	5,740,800	5,363,400	5,131,600	0	5,131,600

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Design State Building Commission projects in a timely manner.

Measure: Percent of projects designed within original design schedule.

76%	80%	75%	0	75%
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Standard: Complete projects within original budgets approved by State Building Commission.

Measure: Percent of projects completed within original construction budget.

68%	80%	80%	0	80%
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TennCare Fraud and Abuse Prevention

317.12 Office of Inspector General

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

Full-Time	70	67	59	0	59
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	67	59	0	59
Payroll	3,896,600	4,209,600	3,849,100	0	3,849,100
Operational	1,187,300	1,544,900	1,394,700	0	1,394,700
Total	\$5,083,900	\$5,754,500	\$5,243,800	\$0	\$5,243,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	5,083,900	5,754,500	5,243,800	0	5,243,800

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.

259	250	250	0	250
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317.00 Total Finance and Administration

Full-Time	1,167	1,119	1,079	0	1,079
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,167	1,119	1,079	0	1,079
Payroll	74,587,500	86,579,700	82,536,200	0	82,536,200
Operational	180,429,500	198,842,700	171,313,900	44,504,000	215,817,900
Total	\$255,017,000	\$285,422,400	\$253,850,100	\$44,504,000	\$298,354,100
State	21,616,500	44,353,500	34,608,500	0	34,608,500
Federal	22,471,900	27,695,000	24,922,600	44,504,000	69,426,600
Other	210,928,600	213,373,900	194,319,000	0	194,319,000

Department of Human Resources

Performance-Based Budget

The Department of Human Resources designs and implements policies and practices to effectively manage the human resource needs of state government. The department advises the Governor on human resource issues, implements the Governor's affirmative action plan, and administers the provisions of the Civil Service Act. The Department of Human Resources maintains all state employee records, as well as all records pertaining to applicants for state employment. It also approves, coordinates, and conducts training and career development courses for all state departments and agencies. The three major program areas of the Department of Human Resources are administrative services, human resource development, and technical services.

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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319.01 Executive Administration

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

Full-Time	18	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	17	17	0	17
Payroll	1,288,200	1,410,400	1,361,100	0	1,361,100
Operational	1,632,100	2,011,300	1,923,800	0	1,923,800
Total	\$2,920,300	\$3,421,700	\$3,284,900	\$0	\$3,284,900
State	1,780,400	2,196,500	2,053,700	0	2,053,700
Federal	0	0	0	0	0
Other	1,139,900	1,225,200	1,231,200	0	1,231,200

Standard: Process personal services and delegated purchase authority contracts within three business days of being logged in.

Measure: Percent of personal services and delegated purchase authority contracts processed within three business days of being logged in.

99%	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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	25	26	26	0	26
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	34	35	35	0	35
Payroll	1,302,700	1,792,000	1,784,100	0	1,784,100
Operational	1,311,000	1,807,200	1,792,500	0	1,792,500
Total	\$2,613,700	\$3,599,200	\$3,576,600	\$0	\$3,576,600
State	618,000	1,248,600	1,226,000	0	1,226,000
Federal	0	0	0	0	0
Other	1,995,700	2,350,600	2,350,600	0	2,350,600

Standard: Maintain 95% rate of all training courses evaluated at a minimum of 4.0 on a 5.0 scale.

Measure: Percent of training courses evaluated at a minimum of 4.0 on a 5.0 scale.

94%	95%	95%	0	95%
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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	88	85	85	0	85
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	88	85	85	0	85
Payroll	4,449,200	5,362,900	5,184,500	0	5,184,500
Operational	309,500	454,900	380,600	0	380,600
Total	\$4,758,700	\$5,817,800	\$5,565,100	\$0	\$5,565,100
State	1,107,700	2,087,200	2,015,700	0	2,015,700
Federal	0	0	0	0	0
Other	3,651,000	3,730,600	3,549,400	0	3,549,400

Standard: Complete 100% of assessment methods developed and implemented within 90 days (30 days prior to the statutory requirement) of new career service job classification establishment.

Measure: Percent of assessment methods developed and implemented within 90 days (30 days prior to the statutory requirement).

85%	85%	100%	0	100%
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Standard: Review and evaluate 100% of requests for job titles requiring assessment of education and experience within 28 days of receipt.

Measure: Percent of requests for job titles requiring assessment of education and experience completed within 28 days of receipt.

70%	100%	100%	0	100%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
319.00 Total Human Resources					
Full-Time	131	128	128	0	128
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	140	137	137	0	137
Payroll	7,040,100	8,565,300	8,329,700	0	8,329,700
Operational	3,252,600	4,273,400	4,096,900	0	4,096,900
Total	\$10,292,700	\$12,838,700	\$12,426,600	\$0	\$12,426,600
State	3,506,100	5,532,300	5,295,400	0	5,295,400
Federal	0	0	0	0	0
Other	6,786,600	7,306,400	7,131,200	0	7,131,200

Department of General Services

Performance-Based Budget

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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-owned, woman-owned, and small businesses participating in state contracting and procurement activities.

Full-Time	74	67	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	74	67	67	0	67
Payroll	4,046,500	4,477,300	4,308,500	0	4,308,500
Operational	1,898,600	4,062,100	2,331,300	0	2,331,300
Total	\$5,945,100	\$8,539,400	\$6,639,800	\$0	\$6,639,800
State	379,100	565,300	553,300	0	553,300
Federal	0	0	0	0	0
Other	5,566,000	7,974,100	6,086,500	0	6,086,500

Standard: Provide quality service to intra-agency customers by maintaining 80% or better rating of “above average service” on annual customer survey.

Measure: Percent of “above average service” rating.

86.19%	80%	80%	0	80%
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Standard: Assist in developing viable minority, woman-owned, and small businesses capable of competing successfully for State of Tennessee contracts for goods and services. These businesses can then be added to the state’s list of qualified bidders.

Measure: Percent of increase of businesses completing the certification process as minority-owned, woman-owned, or small businesses through the Governor's Office of Diversity Business Enterprises. (Go-DBE).

38.4%	25%	25%	0	25%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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321.15 Office of Information Technology Services (OITS)

The Office of Information Technology Services (OITS) provides a timely response to all customer technology needs within the Department of General Services. OITS consults with divisions as technology needs arise and provides a solution for them. The division also ensures all computer servers run efficiently and that all critical services are provided.

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	1,321,700	1,468,600	1,468,600	0	1,468,600
Operational	534,500	593,700	774,100	0	774,100
Total	\$1,856,200	\$2,062,300	\$2,242,700	\$0	\$2,242,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,856,200	2,062,300	2,242,700	0	2,242,700

Standard: Provide a response to every help desk project ticket from any Department of General Services employee within two business days.

Measure: Percent of tickets closed within two business days.

Not Applicable	90%	94%	0	94%
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Standard: Maintain all network server applications in a manner that will ensure maximum connectivity during standard work times.

Measure: Percent of time critical server applications function during standard work hours.

Not Applicable	90%	94%	0	94%
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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-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	25	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	24	24	0	24
Payroll	1,078,800	1,138,200	1,111,600	0	1,111,600
Operational	1,407,900	1,754,500	1,742,900	0	1,742,900
Total	\$2,486,700	\$2,892,700	\$2,854,500	\$0	\$2,854,500

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,486,700	2,892,700	2,854,500	0	2,854,500

Standard: Redistribute 90% of federal surplus property allocated to the State of Tennessee, to state political subdivisions, or other eligible organizations within 90 days.

Measure: Percent of federal surplus property allocated to the State of Tennessee, to state political subdivisions, or other eligible organizations.

93%	90%	90%	0	90%
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Standard: Achieve and maintain a 90% completion rate for all requests for state surplus property document folders within 90 days of assignment.

Measure: Percent of completion rate for surplus property document folders.

92%	90%	90%	0	90%
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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	38	36	36	0	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	38	36	36	0	36
Payroll	1,598,300	1,715,100	1,663,600	0	1,663,600
Operational	39,536,700	38,080,200	38,120,900	0	38,120,900
Total	\$41,135,000	\$39,795,300	\$39,784,500	\$0	\$39,784,500
State	7,529,100	0	0	0	0
Federal	0	0	0	0	0
Other	33,605,900	39,795,300	39,784,500	0	39,784,500

Standard: Reduce travel cost associated with conducting state business by supplying mid-size sedans at better than 50% savings from the current average cost of the top three private industry rental companies' rates of: \$80.39 per day / \$2,410.56 per month.

Measure: Percent of MVM savings better than daily industry average.

\$16.37 cost = 79.7% savings	\$27.50 cost = 65.8% savings	\$30.25 cost = 62.4% savings	0	\$30.25 cost = 62.4% savings
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Standard: Reduce travel cost associated with conducting state business by supplying mid-size sedans at better than 50% savings from the current average cost of the top three private industry rental companies' rates of: \$80.39 per day / \$2,410.56 per month.

Measure: Percent of MVM savings better than monthly industry average.

\$491.00 cost = 79.7% savings	\$540.10 cost = 77.6% savings	\$591.11 cost = 75.4% savings	0	\$591.11 cost = 75.4% savings
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	209	203	205	0	205
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	210	204	206	0	206
Payroll	9,594,600	10,397,300	10,120,500	0	10,120,500
Operational	5,939,700	4,908,800	4,966,200	0	4,966,200
Total	\$15,534,300	\$15,306,100	\$15,086,700	\$0	\$15,086,700
State	1,414,000	1,619,500	1,604,700	0	1,604,700
Federal	0	0	0	0	0
Other	14,120,300	13,686,600	13,482,000	0	13,482,000

Standard: Total cost of Property Management operations, per square foot, shall not exceed the Building Owners and Managers Association (BOMA) latest published industry standard which is (as of May 2008) \$11.00 / square foot.

Measure: Cost of Property Management operations, per square foot.

	\$6.33	\$7.37	\$7.74	0	\$7.74
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Standard: Total cost of maintenance per square foot for buildings will be below comparable BOMA industry standards of \$3.20 / square foot, as of May 2008.

Measure: Maintenance cost per square foot for buildings.

	\$1.80	\$2.16	\$2.27	0	\$2.27
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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	61	55	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	61	55	56	0	56
Payroll	2,222,200	2,243,200	2,111,700	0	2,111,700
Operational	17,870,400	19,412,300	19,424,400	0	19,424,400
Total	\$20,092,600	\$21,655,500	\$21,536,100	\$0	\$21,536,100

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	20,092,600	21,655,500	21,536,100	0	21,536,100

Standard: Increase percentage of incoming daily U.S. mail that is delivered within 24 hours to above the FY 2007 rate of 92%.

Measure: Percent of incoming U.S. mail that was delivered within 24 hours.

94%	96%	96%	0	96%
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Standard: Raise the pre-sort percentage of outgoing U.S. Postal Service letter mail to maximize pre-sort with bar-code discount rate for postage savings.

Measure: Percent of total mail pre-sorted with bar-code / dollar savings by being able to pre-sort with bar code.

95% / \$3,182,614	96% / \$3,246,266	96% / \$3,246,266	0	96% / \$3,246,266
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321.09 Printing and Media Services

The Printing and Media Services 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	51	0	51
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	52	51	0	51
Payroll	2,022,900	2,473,300	2,368,200	0	2,368,200
Operational	2,367,900	2,612,700	2,619,000	0	2,619,000
Total	\$4,390,800	\$5,086,000	\$4,987,200	\$0	\$4,987,200
State	338,100	308,800	307,300	0	307,300
Federal	0	0	0	0	0
Other	4,052,700	4,777,200	4,679,900	0	4,679,900

Standard: Retain a 95% on-time delivery rating of printing requests that are assigned a completion due date.

Measure: Percent of on-time deliveries assigned a completion due date.

93%	95%	95%	0	95%
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Standard: Maintain an efficient process with minimal turnaround time (8.5 days or better) from inception to completion.

Measure: Turnaround time, in days, from the time order is received until it is delivered.

8.73 days	8.5 days	8.5 days	0	8.5 days
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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.

Full-Time	59	56	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	56	57	0	57
Payroll	2,535,500	2,768,600	2,728,800	0	2,728,800
Operational	3,067,300	2,135,900	2,147,600	0	2,147,600
Total	\$5,602,800	\$4,904,500	\$4,876,400	\$0	\$4,876,400
State	21,900	0	0	0	0
Federal	0	0	0	0	0
Other	5,580,900	4,904,500	4,876,400	0	4,876,400

Standard: Process 80% of term contracts for all expenditures for goods and non-professional services over \$5,000 for the State of Tennessee within 60 days of request.

Measure: Percent of term contracts over \$5,000 processed within 60 days of request.

75.28%	79%	80%	0	80%
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Standard: Process 45% of one-time procurement requisitions, over agency local purchase threshold of \$5,000, within 30 days.

Measure: Percent of one-time procurement requisitions over \$5,000 processed within 30 days.

61.32%	45%	45%	0	45%
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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	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	16	16	0	16
Payroll	847,300	867,200	795,600	0	795,600
Operational	783,300	418,100	421,500	0	421,500
Total	\$1,630,600	\$1,285,300	\$1,217,100	\$0	\$1,217,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,630,600	1,285,300	1,217,100	0	1,217,100

Standard: Increase, annually, the number of cubic feet of records stored at secured state records facilities.

Measure: Average monthly number of cubic feet of records stored.

145,592	160,000	180,000	0	180,000
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase, annually, the number of documents requiring long-term preservation.

Measure: Annual number of images scanned.

	5,788,886	6,000,000	6,000,000	0	6,000,000
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321.18 Warehouse Administration

The Division of Warehouse Administration is a central warehousing for state supplies, including office supplies, janitorial and maintenance supplies, and electronic communication supplies. The Division of Warehouse Administration also stocks specialized forms, pamphlets, and envelopes for resale to state agencies.

Full-Time	25	23	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	23	20	0	20
Payroll	1,000,900	1,014,100	855,000	0	855,000
Operational	5,631,900	6,898,300	3,112,700	0	3,112,700
Total	\$6,632,800	\$7,912,400	\$3,967,700	\$0	\$3,967,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	6,632,800	7,912,400	3,967,700	0	3,967,700

Standard: Achieve and maintain a 95% or greater initial order fill rate from in stock items. This measure is in accord with Effective Inventory Management, Inc. industry standard average of 95% for comparable operations and products.

Measure: Percent of order fill rate from in stock items.

	96%	95%	90%	0	90%
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Standard: Minimize inventory investment costs by maintaining a turn rate in line with the industry standard of five times or better per year. This is desired rate by companies with 20-30% margin rate per Effective Inventory Management, Inc.

Measure: Annual inventory turn rate.

	7.2	6.0	5.0	0	5.0
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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	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	218,100	267,800	266,100	0	266,100
Operational	5,243,400	4,724,800	4,725,700	0	4,725,700
Total	\$5,461,500	\$4,992,600	\$4,991,800	\$0	\$4,991,800

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	5,461,500	4,992,600	4,991,800	0	4,991,800

Standard: Prepare and deliver food items to receptor sites across the state, error free, in a quick and timely manner without affecting the quality of the product. The minimum acceptable first-time food delivery error-free rate is 99.8%.

Measure: First-time food delivery error-free percentage.

99.8%	99.9%	99.9%	0	99.9%
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Standard: Provide all training necessary, including menu evaluations, to maintain required accreditation in each of the Department of Correction's food service facilities.

Measure: Number of accreditations / percent of correctional facilities accredited.

16 / 100%	16 / 100%	16 / 100%	0	16 / 100%
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321.00 Total General Services

Full-Time	587	557	557	0	557
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	588	558	558	0	558
Payroll	26,486,800	28,830,700	27,798,200	0	27,798,200
Operational	84,281,600	85,601,400	80,386,300	0	80,386,300
Total	\$110,768,400	\$114,432,100	\$108,184,500	\$0	\$108,184,500
State	9,682,200	2,493,600	2,465,300	0	2,465,300
Federal	0	0	0	0	0
Other	101,086,200	111,938,500	105,719,200	0	105,719,200

Department of Veterans Affairs

The Department of Veterans Affairs serves Tennessee's more than one-half million veterans, dependents, and survivors. Through a statewide power of attorney system, the department serves as an advocate, ensuring that veterans of the state receive quality care, support, and maximum earned entitlements. The department also operates and maintains the state's three veterans cemeteries, located within each grand division. The interment workloads at these cemeteries are among the highest in the nation. In addition to these duties, the department participates in programs that increase public awareness of the services and sacrifices made by veterans.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
323.00 Veterans Affairs					
Full-Time	98	92	92	0	92
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	98	92	92	0	92
Payroll	3,724,600	4,089,200	4,015,800	0	4,015,800
Operational	1,126,400	966,700	1,039,800	0	1,039,800
Total	\$4,851,000	\$5,055,900	\$5,055,600	\$0	\$5,055,600
State	4,311,500	4,570,000	4,515,900	0	4,515,900
Federal	392,700	360,300	392,700	0	392,700
Other	146,800	125,600	147,000	0	147,000

Standard: Increase the number of outreach events from 110 to 116.

Measure: Number of outreach events conducted.

122	110	116	0	116
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Standard: Increase the number of claims processed that are ready to rate from 20,800 to 21,840.

Measure: Number of claims processed for rating by the United States Department of Veterans Affairs (USDVA).

33,762	20,800	21,840	0	21,840
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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>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Administrative Services

The departmental Administrative Services programs include legal and research services, human resources management, internal auditing, fiscal analysis and processing, apportioning revenues to the appropriate state or local fund, information systems management, and special investigations.

347.01 Administration Division

The Administration Division provides overall policy management, support services, taxpayer hearings, and investigation of criminal acts for the department. Administrative functions are provided through the Commissioner's Office, Internal Audit and Consulting, Legal Services, Research, Fiscal Services, Human Resources, Special Investigations, and the Administrative Hearing Office.

Full-Time	130	124	108	0	108
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	130	124	108	0	108
Payroll	8,226,500	8,724,900	7,922,300	0	7,922,300
Operational	1,798,500	1,900,700	1,612,400	0	1,612,400
Total	\$10,025,000	\$10,625,600	\$9,534,700	\$0	\$9,534,700
State	7,311,000	7,584,000	6,493,100	0	6,493,100
Federal	0	0	0	0	0
Other	2,714,000	3,041,600	3,041,600	0	3,041,600

Standard: Investigate and prosecute tax fraud in a timely manner.

Measure: Percent of tax cases assigned to Special Investigations closed within four months or cases older than four months closed as either fraud or prosecution.

97.67%	90.00%	90.00%	0	90.00%
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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.

81.8%	80.0%	81.0%	0	81.0%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	102	102	99	0	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	102	102	99	0	99
Payroll	6,985,900	7,759,300	7,584,100	0	7,584,100
Operational	12,274,400	16,567,000	11,616,300	0	11,616,300
Total	\$19,260,300	\$24,326,300	\$19,200,400	\$0	\$19,200,400
State	15,198,900	17,092,400	15,061,000	0	15,061,000
Federal	0	0	0	0	0
Other	4,061,400	7,233,900	4,139,400	0	4,139,400

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.

99.92%	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 various locations across the state.

Full-Time	257	252	239	0	239
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	257	252	239	0	239
Payroll	10,848,000	12,033,000	11,340,200	0	11,340,200
Operational	17,358,900	18,036,300	16,565,100	0	16,565,100
Total	\$28,206,900	\$30,069,300	\$27,905,300	\$0	\$27,905,300
State	24,522,200	25,244,100	24,980,100	0	24,980,100
Federal	0	0	0	0	0
Other	3,684,700	4,825,200	2,925,200	0	2,925,200

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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.

98.64%	97.00%	97.00%	0	97.00%
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Standard: Timely serve callers through the general information call center and tax practitioner hotlines.

Measure: Percent of monthly phone calls answered by the call center and the tax practitioner hotlines.

96.95%	97.00%	97.00%	0	97.00%
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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	168	158	146	0	146
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	186	176	164	0	164
Payroll	7,418,900	7,818,200	7,045,500	0	7,045,500
Operational	2,118,100	2,339,400	1,985,100	0	1,985,100
Total	\$9,537,000	\$10,157,600	\$9,030,600	\$0	\$9,030,600
State	7,074,800	7,575,500	6,448,500	0	6,448,500
Federal	0	0	0	0	0
Other	2,462,200	2,582,100	2,582,100	0	2,582,100

Standard: Timely deposit all state funds collected.

Measure: Percent of all state funds deposited within 24 hours of receipt.

93.88%	99.00%	99.00%	0	99.00%
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Standard: Timely post tax documents.

Measure: Number of days to post 95% of tax documents.

2.14 days	4.75 days	4.75 days	0	4.75 days
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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 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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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347.02 Tax Enforcement Division

The Tax Enforcement Division enforces the collection of delinquent tax liability that results when taxpayers fail to remit their taxes on a timely basis or are considered to have under-reported tax liabilities in relation to state tax statutes. The program's ultimate goal is voluntary compliance with regard to the tax collection process. Work assignments of a delinquent nature are generated through the Revenue Integrated Tax System. Tasks include in-state and out-of-state collections, investigating and recommending offers to compromise tax liabilities, recording and releasing tax liens, negotiating payment agreements, and filing of legal claims. The division has a central office in Nashville and at various locations throughout the state.

Full-Time	141	130	124	0	124
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	141	130	124	0	124
Payroll	8,070,400	8,027,600	7,448,200	0	7,448,200
Operational	1,678,700	1,520,600	1,019,400	0	1,019,400
Total	\$9,749,100	\$9,548,200	\$8,467,600	\$0	\$8,467,600
State	7,084,300	6,802,600	5,722,000	0	5,722,000
Federal	0	0	0	0	0
Other	2,664,800	2,745,600	2,745,600	0	2,745,600

Standard: Collect delinquent taxes due.

Measure: Percent of delinquent taxes collected.

14.25%	18.00%	15.00%	0	15.00%
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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%.

7.94%	10.00%	12.00%	0	12.00%
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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 in-state offices throughout the state, six out-of-state offices, and several out-of-state post-of-duty stations.

Full-Time	363	342	341	0	341
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	363	342	341	0	341
Payroll	25,937,900	25,757,000	24,471,900	0	24,471,900
Operational	4,287,900	3,945,800	3,356,900	0	3,356,900
Total	\$30,225,800	\$29,702,800	\$27,828,800	\$0	\$27,828,800

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	20,991,200	20,112,800	18,238,800	0	18,238,800
Federal	0	22,000	22,000	0	22,000
Other	9,234,600	9,568,000	9,568,000	0	9,568,000

Standard: Audit taxpayers subject to Tennessee tax law.

Measure: Percent of taxpayer population audited.

3.36%	2.70%	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.

92.5%	92.0%	92.0%	0	92.0%
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Regulatory Services

The 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 Anti-Theft Unit

The Anti-Theft Unit's primary responsibility is to inspect all specially constructed and reconstructed vehicles and is funded by an inspection fee that re-builders and individuals pay to have their titles converted. In addition, this unit is responsible for investigating any potential fraud associated with the titling and registration of vehicles. This program is regulatory in nature and was established for the purpose of combating theft.

Full-Time	10	10	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	18	0	18
Payroll	729,500	886,700	1,215,100	0	1,215,100
Operational	210,700	206,700	239,900	0	239,900
Total	\$940,200	\$1,093,400	\$1,455,000	\$0	\$1,455,000
State	940,200	1,093,400	1,455,000	0	1,455,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Inspect rebuilt vehicles within 30 days of receiving request for inspection.

Measure: Percent of rebuilt vehicles inspected within 30 days.

98.46%	90.0%	93.0%	0.0	93.0%
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
347.00 Total Revenue					
Full-Time	1,171	1,118	1,075	0	1,075
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	1,189	1,136	1,093	0	1,093
Payroll	68,217,100	71,006,700	67,027,300	0	67,027,300
Operational	39,727,200	44,516,500	36,395,100	0	36,395,100
Total	\$107,944,300	\$115,523,200	\$103,422,400	\$0	\$103,422,400
State	83,122,600	85,504,800	78,398,500	0	78,398,500
Federal	0	22,000	22,000	0	22,000
Other	24,821,700	29,996,400	25,001,900	0	25,001,900

Miscellaneous Appropriations

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</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
351.00 Miscellaneous Appropriations					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	35,593,400	92,203,900	46,482,200	7,812,500	54,294,700
Total	\$35,593,400	\$92,203,900	\$46,482,200	\$7,812,500	\$54,294,700
State	35,593,400	92,203,900	46,482,200	7,812,500	54,294,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

Emergency and Contingency Fund

The Emergency and Contingency Fund is a special fund for any purpose authorized or implied by law for which no appropriation is made or for which insufficient appropriation is inadvertently made. This fund may not be used to fund any law requiring the expenditure of state funds unless an appropriation is made elsewhere in the general appropriations act for the estimated first-year cost. Expenditures from this fund are authorized only by Executive Order of the Governor.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
353.00 Emergency and Contingency Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	1,569,300	819,300	0	819,300
Total	\$0	\$1,569,300	\$819,300	\$0	\$819,300
State	0	1,569,300	819,300	0	819,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

State Building Commission

The State Building Commission's Major Maintenance and Equipment program is utilized for major, non-routine maintenance and equipment replacement for state-owned physical facilities. Projects are funded only by approval of the State Building Commission, which consists of the Governor, Commissioner of Finance and Administration, speakers of the Senate and House of Representatives, Secretary of State, Comptroller of the Treasury, and State Treasurer.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
355.02 Major Maintenance and Equipment					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	175,700	400,000	400,000	0	400,000
Total	\$175,700	\$400,000	\$400,000	\$0	\$400,000
State	157,300	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	18,400	150,000	150,000	0	150,000

Education

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Education

Recommended Budget, Fiscal Year 2009 – 2010

This functional area is responsible for the educational efforts of the state, from pre-school and K-12 through all levels of higher education.

The Department of Education coordinates the educational programs of the local public school systems that operate Tennessee's kindergarten, elementary, secondary, and vocational schools. The department also operates the four special schools: Tennessee School for the Blind, Tennessee School for the Deaf, West Tennessee School for the Deaf, and Alvin C. York Agricultural Institute.

With assistance from the Department of Education, the State Board of Education formulates the policies, standards, and guidelines governing K-12 public education. The department is responsible for implementing these policies, standards, and guidelines.

Higher education is governed by two independent systems: the University of Tennessee System and the State University and Community College System, more commonly known as the Tennessee Board of Regents System. The Tennessee Higher Education Commission is responsible for coordinating academic, fiscal, and policy issues between the two systems. The Tennessee Student Assistance Corporation (TSAC) is the state's designated agency to administer financial aid programs designed to help students obtain a post-secondary education at colleges, universities, and technical and career schools. Among the programs TSAC administers are the Education Lottery-funded scholarships, implemented in

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 table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Education Total Personnel and Funding

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Recommended 2009-2010</u>
Personnel			
Full Time *	26,056	25,930	25,923
Part Time	568	565	565
Seasonal	0	0	0
TOTAL	26,624	26,495	26,488
Expenditures			
Payroll	\$ 81,817,900	\$ 95,971,700	\$ 93,034,300
Operational	8,044,953,300	8,560,028,800	8,615,936,500
TOTAL	\$ 8,126,771,200	\$ 8,656,000,500	\$ 8,708,970,800
Funding			
State **	\$ 5,394,630,600	\$ 5,657,887,200	\$ 5,591,017,600
Federal	1,076,337,600	1,301,433,800	1,448,405,400
Other	633,932,800	611,693,400	584,561,700
Tuition/Fees	1,021,870,200	1,084,986,100	1,084,986,100

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

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

\$ 270,348,700	\$ 308,101,400	\$ 302,100,000
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Education
Recommended Budget for Fiscal Year 2009-2010
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	3,927,728,500	1,172,839,200	21,792,100	5,122,359,800
332.00 Higher Education	1,663,289,100	275,566,200	1,647,755,700 *	3,586,611,000
Total	\$5,591,017,600	\$1,448,405,400	\$1,669,547,800	\$8,708,970,800

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

Education Improvements for Fiscal Year 2009-2010

	State	Federal	Other	Total	Positions
Education (K-12)					
• Basic Education Program (BEP)					
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).					
331.25 BEP and Other LEA Support	\$48,000,000	\$0	\$0	\$48,000,000	0
Sub-total	\$48,000,000	\$0	\$0	\$48,000,000	0
• Pre-K Program - Existing Classrooms					
To provide additional funding from the general fund for existing pre-kindergarten and early childhood education classrooms. A \$14 million appropriation is necessary to replace funding from the Lottery for Education Account, which is reduced from \$25 million to \$11 million. The reduced amount of lottery revenue is available to the Pre-K program because of a lower revised estimate of lottery revenues and current obligations for higher education lottery scholarships, which are given funding priority in the Constitution. An additional \$490,000 is for the inflationary costs of the existing classrooms.					
331.32 Early Childhood Education	\$14,490,000	\$0	\$0	\$14,490,000	0
Sub-total	\$14,490,000	\$0	\$0	\$14,490,000	0
• Comprehensive Assessment Program (TCAP)					
To provide funding for the continuation of the Tennessee comprehensive assessment program (TCAP) achievement test for grades three through eight as required by Title I of the federal No Child Left Behind Act. The increased appropriation will fund the testing requirements because of growth in student population and necessary accommodations for students with limited English proficiency and with disabilities.					
331.11 Accountability and Assessment	\$3,320,000	\$0	\$0	\$3,320,000	0
Sub-total	\$3,320,000	\$0	\$0	\$3,320,000	0
• TCAP End-of-Course Assessment					
To provide funding for the continuation of the TCAP end-of-course assessment program, as mandated by Title I of the federal No Child Left Behind Act. The assessments, given to students beginning in the ninth grade, are curriculum-based and are administered upon completion of course content, in order to evaluate whether the student has learned enough to receive credit, move to a subsequent course, or graduate.					
331.11 Accountability and Assessment	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0

Education Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• TCAP Writing Assessment Scoring					
To provide funding for the continuation of holistic scoring services of the TCAP writing assessment, which requires students in fifth, eighth, and eleventh grades to write a rough draft essay in response to an assigned topic within a limited time period.					
331.11 Accountability and Assessment	\$800,000	\$0	\$0	\$800,000	0
Sub-total	\$800,000	\$0	\$0	\$800,000	0
• K-4 Math and Science Teachers Professional Development - Year 3 of 5					
To provide third-year non-recurring funding for grants to Tennessee State University for professional development of K-4 math and science teachers.					
331.06 Curriculum and Instruction	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• School for the Deaf - Weekend Home Transportation					
To provide additional funds for transporting School for the Deaf students to home on weekends because of increased fuel costs and enrollment.					
331.92 Tennessee School for the Deaf	\$589,000	\$0	\$0	\$589,000	0
Sub-total	\$589,000	\$0	\$0	\$589,000	0
• Teacher Training and Experience - State Special Schools					
To fund growth in teacher training and experience at the state special schools.					
331.90 Alvin C. York Institute	\$56,000	\$0	\$0	\$56,000	0
331.91 Tennessee School for the Blind	\$32,100	\$0	\$0	\$32,100	0
331.92 Tennessee School for the Deaf	\$45,000	\$0	\$0	\$45,000	0
331.93 West Tennessee School for the Deaf	\$17,800	\$0	\$0	\$17,800	0
331.95 Tennessee Early Intervention Services	\$15,000	\$0	\$0	\$15,000	0
Sub-total	\$165,900	\$0	\$0	\$165,900	0

Education Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> U.S. Economic Recovery – Elementary and Secondary Education Act (ESEA) Title I Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Department of Education will receive non-competitive Elementary and Secondary Education Act (ESEA) Title I funds to provide supplemental funding, especially in high poverty areas, for programs that provide extra academic support to help raise the awareness of students at risk of educational failure or to help students in high-poverty schools meet challenging state academic standards. 					
331.03 ESEA No Child Left Behind	\$0	\$97,054,000	\$0	\$97,054,000	0
331.90 Alvin C. York Institute	\$0	\$0	\$93,000	\$93,000	0
331.91 Tennessee School for the Blind	\$0	\$0	\$72,300	\$72,300	0
331.92 Tennessee School for the Deaf	\$0	\$0	\$69,800	\$69,800	0
331.93 West Tennessee School for the Deaf	\$0	\$0	\$24,000	\$24,000	0
Sub-total	\$0	\$97,054,000	\$259,100	\$97,313,100	0
<ul style="list-style-type: none"> U.S. Economic Recovery – ESEA Title I, School Improvement Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Tennessee will receive non-competitive ESEA Title I funds to provide assistance for local school improvement activities for Title I schools that do not make adequate yearly progress for at least two consecutive years. 					
331.03 ESEA No Child Left Behind	\$0	\$25,193,000	\$0	\$25,193,000	0
Sub-total	\$0	\$25,193,000	\$0	\$25,193,000	0
<ul style="list-style-type: none"> U.S. Economic Recovery – Individuals with Disabilities Education Act (IDEA), Part B Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act, which will provide formula-based funding for education of children with disabilities, ages three through 21, to provide services as outlined in their individual education plan. 					
331.36 Special Education Services	\$0	\$114,806,700	\$0	\$114,806,700	0
331.90 Alvin C. York Institute	\$0	\$0	\$77,900	\$77,900	0
331.91 Tennessee School for the Blind	\$0	\$0	\$16,900	\$16,900	0
331.92 Tennessee School for the Deaf	\$0	\$0	\$18,500	\$18,500	0
331.93 West Tennessee School for the Deaf	\$0	\$0	\$5,400	\$5,400	0
Sub-total	\$0	\$114,806,700	\$118,700	\$114,925,400	0

Education Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• U.S. Economic Recovery – IDEA, Part B, Preschool					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act, which will provide formula-based funding for education of children with disabilities, ages three through five, to provide services as outlined in their individual education plan.					
331.36 Special Education Services	\$0	\$3,672,900	\$0	\$3,672,900	0
331.91 Tennessee School for the Blind	\$0	\$0	\$100	\$100	0
331.92 Tennessee School for the Deaf	\$0	\$0	\$300	\$300	0
331.93 West Tennessee School for the Deaf	\$0	\$0	\$300	\$300	0
Sub-total	\$0	\$3,672,900	\$700	\$3,673,600	0
• U.S. Economic Recovery – IDEA, Part C, Early Intervention					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act, which will provide formula-based funding to children with disabilities, ages birth through two, according to individualized family services plan.					
331.95 Tennessee Early Intervention Services	\$0	\$4,050,100	\$0	\$4,050,100	0
Sub-total	\$0	\$4,050,100	\$0	\$4,050,100	0
• U.S. Economic Recovery – ESEA Title II, Part D, Education Technology					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act, which will provide formula-based funding to integrate technology into curricula to improve teaching and learning. Funds should be used to improve student academic achievement and ensure that students are college- and workforce-ready by ensuring that every student has 21st century skills and is technology literate.					
331.03 ESEA No Child Left Behind	\$0	\$6,146,200	\$0	\$6,146,200	0
331.90 Alvin C. York Institute	\$0	\$0	\$2,700	\$2,700	0
331.91 Tennessee School for the Blind	\$0	\$0	\$2,700	\$2,700	0
331.92 Tennessee School for the Deaf	\$0	\$0	\$2,800	\$2,800	0
331.93 West Tennessee School for the Deaf	\$0	\$0	\$1,000	\$1,000	0
Sub-total	\$0	\$6,146,200	\$9,200	\$6,155,400	0
• U.S. Economic Recovery – McKinney-Vento Act - Education for the Homeless					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Tennessee will receive formula-based funding to enhance education opportunities for homeless children. Examples of how funds may be spent include providing tutoring for children in homeless shelters, purchasing clothes, and purchasing school supplies.					
331.03 ESEA No Child Left Behind	\$0	\$334,500	\$0	\$334,500	0
Sub-total	\$0	\$334,500	\$0	\$334,500	0

Education Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• U.S. Economic Recovery - School Lunch Equipment					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Department of Education will receive formula-based funding from the U.S. Department of Agriculture to provide funding for schools to purchase lunchroom equipment. Priority will be given to schools in which not less than fifty percent of the students are eligible for free or reduced price meals.					
331.35 School Nutrition Program	\$0	\$1,985,000	\$0	\$1,985,000	0
Sub-total	\$0	\$1,985,000	\$0	\$1,985,000	0
• U.S. Economic Recovery - Teacher Incentive Funds					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act, which includes a competitive grant program for both states and local education agencies to develop and implement performance-based teacher and principal compensation systems in high-need schools.					
331.03 ESEA No Child Left Behind	\$0	\$10,000,000	\$0	\$10,000,000	0
Sub-total	\$0	\$10,000,000	\$0	\$10,000,000	0
• U.S. Economic Recovery - Statewide Longitudinal Data System					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act, which includes a competitive grant program to state educational agencies to design, develop, and implement statewide longitudinal data systems to efficiently and accurately manage, analyze, disaggregate, and use individual student data.					
331.03 ESEA No Child Left Behind	\$0	\$2,500,000	\$0	\$2,500,000	0
Sub-total	\$0	\$2,500,000	\$0	\$2,500,000	0
Total Education (K-12)	\$75,364,900	\$265,742,400	\$387,700	\$341,495,000	0

Higher Education - State Administered Programs

• Need-Based Student Financial Aid

To provide recurring funds to continue need-based financial aid at the current-year funding level. The Tennessee Student Assistance Awards (TSAA) program provides grants to financially needy undergraduate students who are residents of Tennessee and attend an in-state institution. This appropriation will allow the program to continue offering awards to approximately 27,000 students.

332.03 Tennessee Student Assistance Awards	\$3,200,000	\$0	\$0	\$3,200,000	0
Sub-total	\$3,200,000	\$0	\$0	\$3,200,000	0

Education Improvements for Fiscal Year 2009-2010

	State	Federal	Other	Total	Positions
• U.S. Economic Recovery - State General Fund - Maintenance of Effort					
To provide non-recurring funds from the state general fund necessary to meet the maintenance of effort requirement of the state fiscal stabilization fund provision of U.S. Public Law 111-5, American Recovery and Reinvestment Act. This appropriation, along with \$25,437,900 to the University of Tennessee System and \$41,706,400 to the State University and Community College System, maintains state support for public post-secondary education at the fiscal year 2005-2006 level.					
332.08 Centers of Excellence	\$861,000	\$0	\$0	\$861,000	0
332.11 Campus Centers of Emphasis	\$84,700	\$0	\$0	\$84,700	0
Sub-total	\$945,700	\$0	\$0	\$945,700	0
Total Higher Education - State Administered Programs	\$4,145,700	\$0	\$0	\$4,145,700	0

University of Tennessee System

• UT Biofuels Center - Year 3

To provide third-year non-recurring operational funds for 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 is 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. The facility is a component 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 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. The facility will be self-supporting from production revenues after five years of operation.

332.12 UT Research Initiatives	\$5,300,000	\$0	\$0	\$5,300,000	0
Sub-total	\$5,300,000	\$0	\$0	\$5,300,000	0

Education

Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
• U.S. Economic Recovery - State General Fund - Maintenance of Effort						
To provide non-recurring funds from the state general fund necessary to meet the maintenance of effort requirement of the state fiscal stabilization fund provision of U.S. Public Law 111-5, American Recovery and Reinvestment Act. This appropriation, along with \$41,706,400 to the State University and Community College System and \$945,700 to State-Administered Programs, maintains state support for public post-secondary education at the fiscal year 2005-2006 level.						
332.10	UT University-Wide Administration	\$162,000	\$0	\$0	\$162,000	0
332.15	UT Institute for Public Service	\$82,000	\$0	\$0	\$82,000	0
332.16	UT Municipal Technical Advisory Service	\$93,000	\$0	\$0	\$93,000	0
332.17	UT County Technical Assistance Service	\$58,300	\$0	\$0	\$58,300	0
332.21	UT Access and Diversity Initiative	\$357,200	\$0	\$0	\$357,200	0
332.23	UT Space Institute	\$303,000	\$0	\$0	\$303,000	0
332.25	UT Agricultural Experiment Station	\$806,000	\$0	\$0	\$806,000	0
332.26	UT Agricultural Extension Service	\$896,500	\$0	\$0	\$896,500	0
332.28	UT Veterinary Medicine	\$538,700	\$0	\$0	\$538,700	0
332.30	UT Health Science Center	\$1,099,700	\$0	\$0	\$1,099,700	0
332.32	UT Family Medicine	\$324,800	\$0	\$0	\$324,800	0
332.34	UT College of Medicine	\$1,753,700	\$0	\$0	\$1,753,700	0
332.40	UT Chattanooga	\$3,178,700	\$0	\$0	\$3,178,700	0
332.42	UT Knoxville	\$13,472,500	\$0	\$0	\$13,472,500	0
332.44	UT Martin	\$2,311,800	\$0	\$0	\$2,311,800	0
Sub-total		\$25,437,900	\$0	\$0	\$25,437,900	0

Education Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• U.S. Economic Recovery - State Fiscal Stabilization Fund - Federal Restoration					
Non-recurring funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act, in order to restore state support to public institutions of higher education to the fiscal year 2007-2008 level. This appropriation, along with \$2,641,000 to the State University and Community College System, is the amount over and above the restoration of \$180,806,100 in base budget reductions necessary to reach that level.					
332.10 UT University-Wide Administration	\$16,000	\$0	\$0	\$16,000	0
332.15 UT Institute for Public Service	\$17,400	\$0	\$0	\$17,400	0
332.16 UT Municipal Technical Advisory Service	\$9,600	\$0	\$0	\$9,600	0
332.17 UT County Technical Assistance Service	\$5,600	\$0	\$0	\$5,600	0
332.21 UT Access and Diversity Initiative	\$22,600	\$0	\$0	\$22,600	0
332.23 UT Space Institute	\$29,000	\$0	\$0	\$29,000	0
332.25 UT Agricultural Experiment Station	\$87,800	\$0	\$0	\$87,800	0
332.26 UT Agricultural Extension Service	\$105,300	\$0	\$0	\$105,300	0
332.28 UT Veterinary Medicine	\$58,200	\$0	\$0	\$58,200	0
332.30 UT Health Science Center	\$249,200	\$0	\$0	\$249,200	0
332.32 UT Family Medicine	\$35,600	\$0	\$0	\$35,600	0
332.34 UT College of Medicine	\$172,700	\$0	\$0	\$172,700	0
332.40 UT Chattanooga	\$161,100	\$0	\$0	\$161,100	0
332.42 UT Knoxville	\$683,800	\$0	\$0	\$683,800	0
332.44 UT Martin	\$116,300	\$0	\$0	\$116,300	0
Sub-total	\$1,770,200	\$0	\$0	\$1,770,200	0
Total University of Tennessee System	\$32,508,100	\$0	\$0	\$32,508,100	0

Education Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
State University and Community College System						
• U.S. Economic Recovery - State General Fund - Maintenance of Effort						
To provide non-recurring funds from the state general fund necessary to meet the maintenance of effort requirement of the state fiscal stabilization fund provision of U.S. Public Law 111-5, American Recovery and Reinvestment Act. This appropriation, along with \$25,437,900 to the University of Tennessee System and \$945,700 to State-Administered Programs, maintains state support for public post-secondary education at the fiscal year 2005-2006 level.						
332.53	Southwest Tennessee Community College	\$1,501,100	\$0	\$0	\$1,501,100	0
332.54	Nashville State Technical Community College	\$636,900	\$0	\$0	\$636,900	0
332.55	Pellissippi State Technical Community College	\$850,900	\$0	\$0	\$850,900	0
332.56	Northeast State Technical Community College	\$495,400	\$0	\$0	\$495,400	0
332.59	Regents Access and Diversity Initiative	\$631,300	\$0	\$0	\$631,300	0
332.60	Tennessee Board of Regents	\$277,700	\$0	\$0	\$277,700	0
332.62	TSU McMinnville Center	\$17,500	\$0	\$0	\$17,500	0
332.63	TSU Institute of Agricultural and Environmental Research	\$74,400	\$0	\$0	\$74,400	0
332.64	TSU Cooperative Education	\$65,900	\$0	\$0	\$65,900	0
332.65	ETSU College of Medicine	\$913,800	\$0	\$0	\$913,800	0
332.67	ETSU Family Practice	\$175,700	\$0	\$0	\$175,700	0
332.70	Austin Peay State University	\$2,695,800	\$0	\$0	\$2,695,800	0
332.72	East Tennessee State University	\$4,306,900	\$0	\$0	\$4,306,900	0
332.74	University of Memphis	\$8,161,100	\$0	\$0	\$8,161,100	0
332.75	Middle Tennessee State University	\$7,257,400	\$0	\$0	\$7,257,400	0
332.77	Tennessee State University	\$3,485,100	\$0	\$0	\$3,485,100	0
332.78	Tennessee Technological University	\$3,244,100	\$0	\$0	\$3,244,100	0
332.80	Chattanooga State Technical Community College	\$910,800	\$0	\$0	\$910,800	0
332.81	Cleveland State Community College	\$376,700	\$0	\$0	\$376,700	0
332.82	Columbia State Community College	\$525,200	\$0	\$0	\$525,200	0
332.84	Dyersburg State Community College	\$267,100	\$0	\$0	\$267,100	0
332.86	Jackson State Community College	\$487,900	\$0	\$0	\$487,900	0
332.88	Motlow State Community College	\$421,500	\$0	\$0	\$421,500	0
332.90	Roane State Community College	\$691,700	\$0	\$0	\$691,700	0
332.94	Volunteer State Community College	\$702,800	\$0	\$0	\$702,800	0
332.96	Walters State Community College	\$684,700	\$0	\$0	\$684,700	0

Education
Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
332.98 Tennessee Technology Centers	\$1,847,000	\$0	\$0	\$1,847,000	0
Sub-total	\$41,706,400	\$0	\$0	\$41,706,400	0

Education Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
• U.S. Economic Recovery - State Fiscal Stabilization Fund - Federal Restoration						
Non-recurring funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act, in order to restore state support to public institutions of higher education to the fiscal year 2007-2008 level. This appropriation, along with \$1,770,200 to the University of Tennessee System, is the amount over and above the restoration of \$180,806,100 in base budget reductions necessary to reach that level.						
332.53	Southwest Tennessee Community College	\$140,100	\$0	\$0	\$140,100	0
332.54	Nashville State Technical Community College	\$57,000	\$0	\$0	\$57,000	0
332.55	Pellissippi State Technical Community College	\$76,900	\$0	\$0	\$76,900	0
332.56	Northeast State Technical Community College	\$46,000	\$0	\$0	\$46,000	0
332.59	Regents Access and Diversity Initiative	\$39,900	\$0	\$0	\$39,900	0
332.60	Tennessee Board of Regents	\$17,000	\$0	\$0	\$17,000	0
332.62	TSU McMinnville Center	\$1,900	\$0	\$0	\$1,900	0
332.63	TSU Institute of Agricultural and Environmental Research	\$7,600	\$0	\$0	\$7,600	0
332.64	TSU Cooperative Education	\$6,700	\$0	\$0	\$6,700	0
332.65	ETSU College of Medicine	\$101,600	\$0	\$0	\$101,600	0
332.67	ETSU Family Practice	\$19,900	\$0	\$0	\$19,900	0
332.70	Austin Peay State University	\$126,700	\$0	\$0	\$126,700	0
332.72	East Tennessee State University	\$220,700	\$0	\$0	\$220,700	0
332.74	University of Memphis	\$431,200	\$0	\$0	\$431,200	0
332.75	Middle Tennessee State University	\$352,700	\$0	\$0	\$352,700	0
332.77	Tennessee State University	\$148,900	\$0	\$0	\$148,900	0
332.78	Tennessee Technological University	\$172,200	\$0	\$0	\$172,200	0
332.80	Chattanooga State Technical Community College	\$87,500	\$0	\$0	\$87,500	0
332.81	Cleveland State Community College	\$37,900	\$0	\$0	\$37,900	0
332.82	Columbia State Community College	\$49,000	\$0	\$0	\$49,000	0
332.84	Dyersburg State Community College	\$26,500	\$0	\$0	\$26,500	0
332.86	Jackson State Community College	\$45,800	\$0	\$0	\$45,800	0
332.88	Motlow State Community College	\$38,200	\$0	\$0	\$38,200	0
332.90	Roane State Community College	\$66,700	\$0	\$0	\$66,700	0
332.94	Volunteer State Community College	\$67,100	\$0	\$0	\$67,100	0
332.96	Walters State Community College	\$67,700	\$0	\$0	\$67,700	0
332.98	Tennessee Technology Centers	\$187,600	\$0	\$0	\$187,600	0

**Education
Improvements for Fiscal Year 2009-2010**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Sub-total	\$2,641,000	\$0	\$0	\$2,641,000	0
Total State University and Community College System	\$44,347,400	\$0	\$0	\$44,347,400	0
Total Higher Education	\$81,001,200	\$0	\$0	\$81,001,200	0
Total Education	\$156,366,100	\$265,742,400	\$387,700	\$422,496,200	0

Department of Education (K-12)

Performance-Based Budget

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>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	121	109	108	0	108
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	121	109	108	0	108
Payroll	7,564,800	7,935,600	7,312,200	0	7,312,200
Operational	1,952,500	2,548,400	2,564,900	0	2,564,900
Total	\$9,517,300	\$10,484,000	\$9,877,100	\$0	\$9,877,100
State	8,483,300	8,891,500	8,284,600	0	8,284,600
Federal	954,100	1,516,100	1,516,100	0	1,516,100
Other	79,900	76,400	76,400	0	76,400

Standard: Reduce transaction time for teacher licenses.

Measure: Teacher license transaction time in weeks.

4	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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,443,500	3,444,500	3,444,100	0	3,444,100
Total	\$3,443,500	\$3,444,500	\$3,444,100	\$0	\$3,444,100
State	3,443,500	3,444,500	3,444,100	0	3,444,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Maintain an Imagination Library in every county in Tennessee.

Measure: Number of counties with an 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.

	52%	66%	66%	0	66%
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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	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	0	8
Payroll	707,500	729,700	725,000	0	725,000
Operational	235,500	403,400	204,800	0	204,800
Total	\$943,000	\$1,133,100	\$929,800	\$0	\$929,800
State	932,900	933,100	929,800	0	929,800
Federal	4,300	0	0	0	0
Other	5,800	200,000	0	0	0

Standard: Reduce the percentage of students needing developmental studies at two- and four-year post-secondary institutions.

Measure: Percent of students needing developmental studies at two- and four-year post-secondary institutions.

	59%	49%	53%	0	53%
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<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the percentage of students meeting readiness benchmarks established by the American College Testing (ACT) program.

Measure: Percent of students meeting readiness benchmarks established by the ACT Program.

18%	27%	22%	0	22%
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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 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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,483,988,100	3,593,723,900	3,568,296,300	48,000,000	3,616,296,300
Total	\$3,483,988,100	\$3,593,723,900	\$3,568,296,300	\$48,000,000	\$3,616,296,300
State	3,483,188,200	3,592,923,900	3,568,296,300	48,000,000	3,616,296,300
Federal	0	0	0	0	0
Other	799,900	800,000	0	0	0

Standard: Ensure all at-risk students are funded at 100%.

Measure: Percent of at-risk students that are being fully funded through the BEP.

100%	100%	100%	0	100%
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Standard: Increase student graduation rate.

Measure: Percent of students graduating from high school (as defined by No Child Left Behind).

81.80%	81.22%	82.98%	0	82.98%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	35	35	36	0	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	35	35	36	0	36
Payroll	2,168,400	2,833,900	2,814,700	0	2,814,700
Operational	83,562,600	87,676,700	73,560,100	14,490,000	88,050,100
Total	\$85,731,000	\$90,510,600	\$76,374,800	\$14,490,000	\$90,864,800
State	59,362,100	62,663,400	62,529,700	14,490,000	77,019,700
Federal	1,465,600	2,847,200	2,845,100	0	2,845,100
Other	24,903,300	25,000,000	11,000,000	0	11,000,000

Standard: Track TCAP test scores of participants in the Pre-K program and demonstrate a statistically significant difference between participants of Pre-K versus peers who are at-risk due to low socio-economic status and did not participate in Pre-K.

Measure: The statistical difference in TCAP reading scores of pre-kindergarten participants and those who did not participate in the pre-kindergarten program.

0.43	0.20 or above	0.20 or above	0	0.20 or above
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Standard: Increase the percentage of Pre-K teacher assistants who hold a Child Development Associate (CDA) certification yearly to ensure high quality care and education of Pre-K students.

Measure: Percent of Pre-K teacher assistants who hold a CDA certification.

47%	50%	52%	0	52%
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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	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	115,200	179,800	178,400	0	178,400
Operational	13,333,500	12,721,600	12,821,600	0	12,821,600
Total	\$13,448,700	\$12,901,400	\$13,000,000	\$0	\$13,000,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	13,448,700	12,901,400	13,000,000	0	13,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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.

	22,483	18,000	19,000	0	19,000
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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.

	75%	65%	65%	0	65%
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331.34 Energy Efficient Schools Initiative

The Energy Efficient Schools Initiative of 2008 and the corresponding council were created to award grants and loans to local school systems for capital outlay projects which meet established energy efficient design and technology guidelines for school facilities. Funding for this program is non-recurring in fiscal year 2008-2009. The energy efficient schools council fund was established at July 1, 2008, by transfer of a total of \$90 million from the Lottery for Education Account reserve and the Lottery for Education special reserve account for K-12 capital outlay. Recurring funding is from interest earnings of the energy efficient schools council fund. The Energy Efficient Schools Council has the authority to raise corporate and federal funding to support ongoing programs. The council is administratively attached to the Department of Education.

Full-Time	0	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	2	2	0	2
Payroll	0	168,300	168,300	0	168,300
Operational	0	89,831,700	71,100	0	71,100
Total	\$0	\$90,000,000	\$239,400	\$0	\$239,400
State	0	90,000,000	0	0	0
Federal	0	0	0	0	0
Other	0	0	239,400	0	239,400

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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	70,007,300	69,900,000	60,943,800	0	60,943,800
Total	\$70,007,300	\$69,900,000	\$60,943,800	\$0	\$60,943,800

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	70,007,300	69,900,000	60,943,800	0	60,943,800
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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	15,704,000	5,608,900	3,893,900	0	3,893,900
Total	\$15,704,000	\$5,608,900	\$3,893,900	\$0	\$3,893,900
State	15,704,000	5,608,900	3,893,900	0	3,893,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Maintain the current level of service and students served through the Science Alliance Consortium.

Measure: Number of children participating in Science Alliance programs.

350,000	350,000	300,000	0	300,000
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331.43 Driver Education

Driver Education utilizes earmarked funds from a portion of the privilege taxes on litigation to support a driver education program for the purpose of teaching highway safety and good driving skills to teenage drivers.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,546,500	1,700,000	1,700,000	0	1,700,000
Total	\$1,546,500	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,546,500	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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.

	23,792	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	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	24	24	0	24
Payroll	2,029,800	2,183,900	2,047,800	0	2,047,800
Operational	2,207,800	2,103,300	2,107,700	0	2,107,700
Total	\$4,237,600	\$4,287,200	\$4,155,500	\$0	\$4,155,500
State	3,287,700	2,705,700	2,574,000	0	2,574,000
Federal	200,000	200,000	200,000	0	200,000
Other	749,900	1,381,500	1,381,500	0	1,381,500

Standard: Provide software applications and support for the department and reporting requirements.

Measure: Percent of software application requests completed.

	70%	75%	80%	0	80%
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Standard: Provide a secure and reliable infrastructure for electronic delivery of data between the Department of Education and the LEAs.

Measure: Percent of uptime for electronic infrastructure for delivery of data between the department and LEAs.

	85%	90%	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	55	50	50	0	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	55	50	50	0	50
Payroll	2,794,900	3,608,300	3,326,000	0	3,326,000
Operational	25,794,100	37,666,300	30,171,000	10,120,000	40,291,000
Total	\$28,589,000	\$41,274,600	\$33,497,000	\$10,120,000	\$43,617,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	17,003,500	27,839,900	28,066,800	10,120,000	38,186,800
Federal	1,930,400	1,851,000	1,846,500	0	1,846,500
Other	9,655,100	11,583,700	3,583,700	0	3,583,700

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.

56%	75%	75%	0	75%
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Standard: Close the achievement gap by increasing students with disabilities, economically disadvantaged, African-American, limited English proficient, and other subgroups, in high priority schools scoring at or above proficient in reading/language arts and math.

Measure: Percent of high priority schools meeting their prescribed Achievement Gap Track Goal.

7.3%	4.0%	4.0%	0	4.0%
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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 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 12 Governor's Schools are: arts, humanities, sciences, international studies, agricultural sciences, prospective teachers, information technology leadership, emerging technologies, scientific models and data analysis, computational physics, scientific exploration of Tennessee heritage, and engineering fundamentals.

Full-Time	30	27	27	0	27
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	40	37	37	0	37
Payroll	2,099,500	2,217,900	2,057,200	0	2,057,200
Operational	28,759,100	34,678,500	32,661,700	2,000,000	34,661,700
Total	\$30,858,600	\$36,896,400	\$34,718,900	\$2,000,000	\$36,718,900
State	5,109,500	6,704,300	4,541,300	2,000,000	6,541,300
Federal	25,554,300	30,059,000	30,044,500	0	30,044,500
Other	194,800	133,100	133,100	0	133,100

Standard: Maintain yearly progress in elementary and middle school students in reading/language arts as demonstrated by Tennessee Comprehensive Assessment Program (TCAP) scores.

Measure: Percent of elementary and middle schools students performing at or above the proficient level in reading/language arts.

91.5%	92.0%	94.0%	0	94.0%
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<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Maintain yearly progress in high school students in reading/language arts as demonstrated by Tennessee Comprehensive Assessment Program (TCAP) scores.

Measure: Percent of high school students performing at or above the proficient level in reading/language arts.

93.3%	94.0%	96.0%	0	96.0%
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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	15	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	10	10	0	10
Payroll	941,300	1,021,700	891,700	0	891,700
Operational	8,519,000	8,828,300	6,739,900	0	6,739,900
Total	\$9,460,300	\$9,850,000	\$7,631,600	\$0	\$7,631,600
State	8,879,600	9,025,200	6,806,800	0	6,806,800
Federal	0	0	0	0	0
Other	580,700	824,800	824,800	0	824,800

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.

91.84%	92.00%	92.00%	0	92.00%
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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.

97%	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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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331.03 ESEA No Child Left Behind

The ESEA No Child Left Behind Act is primarily designed to target resources for school improvements and support initiatives to enhance the learning environment. This act contains four basic education reform principles: stronger accountability for results, increased flexibility and local control, expanded options for parents, and an emphasis on teaching methods that have been proven to work.

Full-Time	52	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	52	52	0	52
Payroll	2,867,700	4,335,400	4,316,500	0	4,316,500
Operational	300,489,100	306,153,700	306,159,100	141,227,700	447,386,800
Total	\$303,356,800	\$310,489,100	\$310,475,600	\$141,227,700	\$451,703,300
State	0	0	0	0	0
Federal	303,168,800	310,489,100	310,475,600	141,227,700	451,703,300
Other	188,000	0	0	0	0

Standard: All elementary and middle school students in the public schools will attain proficiency level in mathematics.

Measure: Percent of elementary and middle school students at or above the proficient level in mathematics.

79%	90%	92%	0	92%
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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.

75%	83%	83%	0	83%
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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. Drop-out Prevention grants help local education agencies intervene in the complex issues that cause Tennessee children and youth to drop out of school. The Tobacco Prevention program addresses smoking among young children. The 21st Century Learning Centers administer grants to serve students who attend high-poverty, low-achieving schools. School Health programs provide technical and financial assistance in implementing and developing comprehensive school health programs in the local schools. Financial support is provided through a variety of grant programs, including formula grants to local education agencies, as well as discretionary grants to both school- and community-based programs. Other federally-funded programs in the Improving Schools Program include: Learn and Serve grants, Byrd scholarships, Troops to Teachers, and AIDS education.

Full-Time	25	23	19	0	19
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	26	24	20	0	20

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	1,073,300	2,122,000	1,893,300	0	1,893,300
Operational	36,912,000	43,458,600	41,098,300	0	41,098,300
Total	\$37,985,300	\$45,580,600	\$42,991,600	\$0	\$42,991,600
State	16,394,000	16,108,500	15,876,200	0	15,876,200
Federal	21,288,000	26,706,500	26,665,400	0	26,665,400
Other	303,300	2,765,600	450,000	0	450,000

Standard: Maintain or reduce the number of schools scoring at 75% or above on the unsafe school choice criteria.

Measure: Number of schools scoring at or above 75% on the unsafe school choice criteria.

1	7	7	0	7
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Standard: Reduce the barriers to student learning and academic accomplishments by increasing the percentage of students who receive health screening, referral, and follow-up.

Measure: Percent of students who receive health screenings to include body mass index, vision, hearing, dental, and blood pressure.

20%	80%	80%	0	80%
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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	72	72	0	72
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	73	72	72	0	72
Payroll	4,238,600	5,111,100	5,042,200	0	5,042,200
Operational	213,542,300	349,934,800	231,423,300	118,479,600	349,902,900
Total	\$217,780,900	\$355,045,900	\$236,465,500	\$118,479,600	\$354,945,100
State	601,100	644,400	634,100	0	634,100
Federal	217,157,800	354,401,500	235,831,400	118,479,600	354,311,000
Other	22,000	0	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.

77.3%	79.6%	79.6%	0	79.6%
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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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.

	58.4%	68.0%	66.3%	0	66.3%
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331.95 Tennessee Early Intervention Services

The Tennessee Early Intervention Services (TEIS) program provides home-based services to parents and other primary-care providers and direct services to children with disabilities, from birth through the age of two.

Full-Time	266	256	256	0	256
Part-Time	491	491	491	0	491
Seasonal	0	0	0	0	0
Total	757	747	747	0	747
Payroll	14,391,400	19,127,400	18,647,600	15,000	18,662,600
Operational	18,719,000	24,294,000	18,766,600	4,050,100	22,816,700
Total	\$33,110,400	\$43,421,400	\$37,414,200	\$4,065,100	\$41,479,300
State	5,280,400	28,657,000	26,714,200	15,000	26,729,200
Federal	5,821,900	14,681,400	10,617,000	4,050,100	14,667,100
Other	22,008,100	83,000	83,000	0	83,000

Standard: Provide services coordination and services for eligible children.

Measure: Number of eligible children receiving service coordination and/or services from TEIS.

	8,324	7,300	7,400	0	7,400
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Standard: TEIS will support families in helping their children develop and learn.

Measure: Percent of participating families who reported TEIS helped their children develop and learn.

	94%	90%	90%	0	90%
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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
Total	24	24	24	0	24
Payroll	1,544,100	1,972,300	1,958,600	0	1,958,600
Operational	240,822,900	254,070,800	254,073,500	1,985,000	256,058,500
Total	\$242,367,000	\$256,043,100	\$256,032,100	\$1,985,000	\$258,017,100
State	4,866,800	4,806,300	4,806,400	0	4,806,400
Federal	237,500,200	251,231,800	251,220,700	1,985,000	253,205,700
Other	0	5,000	5,000	0	5,000

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Schools will successfully meet national nutritional standards.

Measure: Percent of schools meeting national nutritional standards.

72%	90%	100%	0	100%
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Standard: Tennessee public schools will be on the National School Breakfast Program.

Measure: Percent of schools participating in National School Breakfast Program.

95%	96%	96%	0	96%
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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	53	50	50	0	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	50	50	0	50
Payroll	3,427,900	3,664,400	3,551,500	0	3,551,500
Operational	28,949,200	37,107,700	37,115,000	0	37,115,000
Total	\$32,377,100	\$40,772,100	\$40,666,500	\$0	\$40,666,500
State	4,043,300	3,961,200	3,895,000	0	3,895,000
Federal	27,301,400	35,813,900	35,774,500	0	35,774,500
Other	1,032,400	997,000	997,000	0	997,000

Standard: Meet or exceed baseline levels of performance in reading/language arts as required by the Carl D. Perkins Career and Technical Education (CTE) Act of 2006.

Measure: Percent of CTE concentrators who scored proficient and advanced in reading/language arts as defined by NCLB.

91.53%	92.00%	92.50%	0	92.50%
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Standard: Meet or exceed baseline levels of performance in mathematics as required by the Carl D. Perkins Career and Technical Education Act of 2006.

Measure: Percent of CTE concentrators who scored proficient or advanced in mathematics as defined by NCLB.

95.6%	84.0%	84.5%	0	84.5%
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Special Schools

The department operates three schools across the state in order to provide academic, vocational, and special instruction educational 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

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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diagnosis and identification of learning problems.

The department also operates the Alvin C. York Institute in Jamestown and the Governor's Institute for Science and Math in Knoxville.

331.91 Tennessee School for the Blind

The Tennessee School for the Blind (TSB), located in Nashville, provides residential and educational programs for students with multiple disabilities (primarily visually impaired).

Full-Time	188	183	183	0	183
Part-Time	23	20	20	0	20
Seasonal	0	0	0	0	0
Total	211	203	203	0	203
Payroll	10,018,500	10,017,400	9,707,700	32,100	9,739,800
Operational	2,039,900	1,815,500	1,759,900	92,000	1,851,900
Total	\$12,058,400	\$11,832,900	\$11,467,600	\$124,100	\$11,591,700
State	11,005,800	10,887,200	10,598,900	32,100	10,631,000
Federal	0	0	0	0	0
Other	1,052,600	945,700	868,700	92,000	960,700

Standard: Increase the average Stanford Achievement Test scaled scores, Braille and large print editions, on reading comprehension as a result of teacher instruction and student learning.

Measure: Percent of reading comprehension resulting from teacher instruction and student learning.

99.99%	100%	100%	0	100%
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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 (TSD), located in Knoxville, provides residential and educational programs for students, grades pre-K through 12, with multiple disabilities (primarily hearing impaired).

Full-Time	244	242	242	0	242
Part-Time	21	21	21	0	21
Seasonal	0	0	0	0	0
Total	265	263	263	0	263
Payroll	11,286,700	12,034,800	11,852,900	45,000	11,897,900
Operational	3,660,200	3,432,000	3,439,200	680,400	4,119,600
Total	\$14,946,900	\$15,466,800	\$15,292,100	\$725,400	\$16,017,500
State	14,333,900	14,904,600	14,748,700	634,000	15,382,700
Federal	0	0	0	0	0
Other	613,000	562,200	543,400	91,400	634,800

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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 (SAT-HIV).

Measure: Percent of TSD students scoring at or above the SAT-HIV national average.

	52%	52%	52%	0	52%
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Standard: Increase the percentage of graduates successfully placed.

Measure: Percent of TSD graduates successfully placed.

	77%	77%	77%	0	77%
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331.93 West Tennessee School for the Deaf

The West Tennessee School for the Deaf (WTSD), located in Jackson, provides residential and educational programs for students, ages two through 13, with multiple disabilities (primarily hearing impaired).

Full-Time	46	40	40	0	40
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	55	49	49	0	49
Payroll	2,430,800	2,401,400	2,325,600	17,800	2,343,400
Operational	446,200	411,200	394,400	30,700	425,100
Total	\$2,877,000	\$2,812,600	\$2,720,000	\$48,500	\$2,768,500
State	2,600,700	2,568,200	2,497,300	17,800	2,515,100
Federal	0	0	0	0	0
Other	276,300	244,400	222,700	30,700	253,400

Standard: Increase the percentage of WSTD students scoring proficient in reading/language arts on the TCAP achievement test.

Measure: Percent of WTSD students scoring proficient on the TCAP in reading/language arts.

	52%	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 as 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	78
Part-Time	11	11	11	0	11
Seasonal	0	0	0	0	0
Total	89	89	89	0	89
Payroll	5,059,300	5,425,400	5,383,700	56,000	5,439,700
Operational	1,143,900	1,231,800	1,164,600	173,600	1,338,200
Total	\$6,203,200	\$6,657,200	\$6,548,300	\$229,600	\$6,777,900

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	5,412,100	5,523,600	5,492,600	56,000	5,548,600
Federal	44,100	60,000	60,000	0	60,000
Other	747,000	1,073,600	995,700	173,600	1,169,300

Standard: Increase the percentage of York students scoring proficient or above on the state-administered Gateway mathematics examinations.

Measure: Percent of students with a proficient score or above on the Gateway mathematics examination.

87.56%	91.30%	91.30%	0	91.30%
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Standard: Increase the percentage of York students scoring proficient or above on the state-administered Gateway science examinations.

Measure: Percent of students with a proficient score or above on the Gateway science examination.

98.28%	98.70%	100%	0	100.00%
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331.96 Governor's Institute for Science and Math

In August 2007, the state opened the Governor's Institute for Science and Math, a residential high school for top high school math and science upper-class students from across the state. The first class was limited to 24 students. In its second year of operation, the enrollment was expanded to 48 students. The school is located at the Tennessee School for the Deaf campus in Knoxville, and the University of Tennessee provides staff and oversight.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,770,000	1,850,000	1,850,000	0	1,850,000
Total	\$1,770,000	\$1,850,000	\$1,850,000	\$0	\$1,850,000
State	1,770,000	1,850,000	1,850,000	0	1,850,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Improve the opportunity for Tennessee students to receive enriched educational opportunities and experiences in all areas of their academic experience.

Measure: Number of students enrolled in the Governor's Institute for Math and Science.

24	48	48	0	48
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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 science and math high school.

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

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	0	0	0	0	0
Operational	105,500	539,100	239,100	0	239,100
Total	\$105,500	\$539,100	\$239,100	\$0	\$239,100
State	105,500	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	0	300,000	0	0	0

Standard: Utilize allocated funds on planned, regularly scheduled maintenance projects.

Measure: Percent of allocated funds expended for maintenance projects.

60% 70% 70% 0 70%

331.00 Total Education (K-12)

Full-Time	1,344	1,288	1,284	0	1,284
Part-Time	566	563	563	0	563
Seasonal	0	0	0	0	0
Total	1,910	1,851	1,847	0	1,847
Payroll	74,759,700	87,090,700	84,200,900	165,900	84,366,800
Operational	4,587,653,700	4,975,134,700	4,696,663,900	341,329,100	5,037,993,000
Total	\$4,662,413,400	\$5,062,225,400	\$4,780,864,800	\$341,495,000	\$5,122,359,800
State	3,756,810,400	3,985,391,900	3,852,363,600	75,364,900	3,927,728,500
Federal	842,390,900	1,029,857,500	907,096,800	265,742,400	1,172,839,200
Other	63,212,100	46,976,000	21,404,400	387,700	21,792,100

Statistical Data State Special Schools

York Institute 331.90	TN School for the Blind 331.91	TN School for the Deaf 331.92	West TN School for the Deaf 331.93
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Annual Admissions

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	765	11	37	60
2007-2008	765	22	27	61
2008-2009	770	22	30	63
2009-2010	770	25	30	62

Annual Releases

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	175	8	24	5
2007-2008	175	23	34	13
2008-2009	180	23	30	10
2009-2010	180	15	30	6

Average Daily Census

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	685	206	163	54
2007-2008	654	212	182	53
2008-2009	690	215	211	55
2009-2010	690	215	211	55

Cost Per Occupancy Day

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	\$46.96	\$302.20	\$492.04	\$220.70
2007-2008	\$52.69	\$316.00	\$456.25	\$251.31
2008-2009	\$53.60	\$305.76	\$407.24	\$236.75
2009-2010	\$54.57	\$299.53	\$421.74	\$233.04

Higher Education

The mission of the state-sponsored higher education program is to provide affordable, high-quality, post-secondary education to Tennesseans. Higher Education also provides services through research, medical, 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>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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; submitting a biennial report on the status of higher education; administering the contract education program through the Southern Regional Education Board; administering tuition waiver and discount programs; authorizing the operation of post-secondary educational institutions; and researching and analyzing the Education Lottery Scholarship program.

332.01 Tennessee Higher Education Commission

This allotment provides funds for the staffing and other operating costs of the Tennessee Higher Education Commission.

Full-Time	50	54	54	0	54
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	52	56	56	0	56
Payroll	4,018,900	4,870,900	4,826,600	0	4,826,600
Operational	4,067,500	6,374,600	5,208,800	0	5,208,800
Total	\$8,086,400	\$11,245,500	\$10,035,400	\$0	\$10,035,400
State	2,019,900	2,228,800	2,184,000	0	2,184,000
Federal	3,529,700	5,244,900	5,242,000	0	5,242,000
Other	2,536,800	3,771,800	2,609,400	0	2,609,400

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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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332.02 Contract Education

Contract Education is a program through which Tennessee residents are enrolled in Tennessee's private colleges and universities to address special educational needs in the state. Also included in this program is minority teacher education, which provides services through public institutions that expand the recruitment pool of African-Americans preparing to teach in grades K-12. The program also includes funds for the post-Geier desegregation settlement access and diversity initiative.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,535,200	2,490,700	2,289,700	0	2,289,700
Total	\$2,535,200	\$2,490,700	\$2,289,700	\$0	\$2,289,700
State	2,535,200	2,490,700	2,289,700	0	2,289,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase or maintain the number of students in specialized education programs, based on the current special educational needs of the state and the financial ability to provide a substantive portion of the tuition.

Measure: Number of students in specialized education programs.

	147	150	140	0	140
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Standard: Increase or maintain the percent of Teacher Diversity Program graduates who become Tennessee teachers.

Measure: Percent of Teacher Diversity Program graduates entering the teaching profession in Tennessee.

	85%	90%	90%	0	90%
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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
Total	0	0	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	0	0	0	0	0
Operational	4,430,500	4,368,700	3,723,400	0	3,723,400
Total	\$4,430,500	\$4,368,700	\$3,723,400	\$0	\$3,723,400
State	3,213,100	3,081,800	2,436,500	0	2,436,500
Federal	1,217,400	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 colleges, universities, and local education agencies to conduct workshops for teachers and principals.

Measure: Number of teachers and principals trained through the Improving Teacher Quality Grants.

	428	500	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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	19,635,500	19,635,500	18,774,500	861,000	19,635,500
Total	\$19,635,500	\$19,635,500	\$18,774,500	\$861,000	\$19,635,500
State	19,635,500	19,635,500	18,774,500	861,000	19,635,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Distribute funds provided for the Centers of Excellence.

Measure: Days after the beginning of the quarter Centers of Excellence funds distributed.

	30	30	30	0	30
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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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,429,600	1,429,600	1,344,900	84,700	1,429,600
Total	\$1,429,600	\$1,429,600	\$1,344,900	\$84,700	\$1,429,600

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	1,429,600	1,429,600	1,344,900	84,700	1,429,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Distribute funds provided for the Centers of Emphasis.

Measure: Days after the beginning of the quarter Centers of Emphasis funds distributed.

	30	30	30	0	30
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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. Program initiative spending began in fiscal year 2001-2002 and continues in the current 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.

In 2008-2009, an amount of \$1,129,400 will be expended from the remaining Geier reserves carried forward from previous appropriations to the program and are required to comply with the lawsuit dismissal order. This amount is the remaining balance of the previous appropriation reserved, and no future expenditures will be made from this allotment.

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

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	0	0	0	0	0
Operational	1,960,900	1,129,400	0	0	0
Total	\$1,960,900	\$1,129,400	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,960,900	1,129,400	0	0	0

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.

Achieved September 2006	Achieved September 2006	Achieved September 2006	0	Achieved September 2006
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	57,891,000	57,724,900	54,524,900	3,200,000	57,724,900
Total	\$57,891,000	\$57,724,900	\$54,524,900	\$3,200,000	\$57,724,900
State	46,755,700	49,362,500	46,162,500	3,200,000	49,362,500
Federal	1,135,300	1,562,400	1,562,400	0	1,562,400
Other	10,000,000	6,800,000	6,800,000	0	6,800,000

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: To fund the maximum number of student awards.

Measure: The number of student awards.

27,707	25,600	25,400	1,600	27,000
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	146,136,300	190,002,500	190,002,500	0	190,002,500
Total	\$146,136,300	\$190,002,500	\$190,002,500	\$0	\$190,002,500
State	0	0	0	0	0
Federal	138,833,800	181,102,500	181,102,500	0	181,102,500
Other	7,302,500	8,900,000	8,900,000	0	8,900,000

Standard: Increase loan volume annually.

Measure: New loan volume amount, in dollars (excludes consolidation loans).

\$608 million	\$825 million	\$875 million	0	\$875 million
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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	56	57	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	57	54	0	54
Payroll	3,039,300	4,010,100	3,840,900	0	3,840,900
Operational	16,055,400	19,135,600	21,742,800	0	21,742,800
Total	\$19,094,700	\$23,145,700	\$25,583,700	\$0	\$25,583,700
State	1,040,500	2,774,000	1,235,200	0	1,235,200
Federal	5,296,100	5,515,300	9,508,100	0	9,508,100
Other	12,758,100	14,856,400	14,840,400	0	14,840,400

Standard: Inform Tennesseans of the various financial aid programs available for higher education students and application procedures.

Measure: The number of College Goal Sunday participants.

2,176	2,300	2,500	0	2,500
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Higher Education

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	521,000	780,500	780,500	0	780,500
Total	\$521,000	\$780,500	\$780,500	\$0	\$780,500
State	232,100	401,800	401,800	0	401,800
Federal	0	0	0	0	0
Other	288,900	378,700	378,700	0	378,700

Standard: Increase the total number of students awarded the Ned McWherter Scholarship to 195 (50 students awarded per cohort per year).

Measure: The number of students awarded.

	179	181	195	0	195
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,567,300	4,026,900	4,386,900	0	4,386,900
Total	\$2,567,300	\$4,026,900	\$4,386,900	\$0	\$4,386,900
State	990,200	1,191,000	1,191,000	0	1,191,000
Federal	800	0	0	0	0
Other	1,576,300	2,835,900	3,195,900	0	3,195,900

Standard: Increase the total number of students awarded in an academic year to 180 in the Tennessee Teaching Scholars Program.

Measure: The number of students awarded in the Tennessee Teaching Scholars Program.

	189	175	180	0	180
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Standard: Increase the success rate in the Minority Teaching Fellows Program to 65%.

Measure: The success rate in the Minority Teaching Fellows Program.

	60%	65%	65%	0	65%
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	262,642,500	295,200,000	289,100,000	0	289,100,000
Total	\$262,642,500	\$295,200,000	\$289,100,000	\$0	\$289,100,000
State	262,400,000	295,200,000	289,100,000	0	289,100,000
Federal	0	0	0	0	0
Other	242,500	0	0	0	0

Standard: Increase the number of participants in the Tennessee Education Lottery Scholarship program.

Measure: The number of students paid a lottery-related award.

	76,323	91,000	92,800	0	92,800
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Standard: Increase the HOPE Scholarship award amount.

Measure: The HOPE Scholarship award amount.

	\$4,000	\$4,000	\$4,000	0	\$4,000
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Tennessee Foreign Language Institute

332.14 Foreign Language Institute

The Tennessee Foreign Language Institute's mission is to encourage and facilitate the learning and teaching of foreign languages. The institute serves more than 4,000 persons annually through classes in more than 115 languages.

Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	0	0	0	0	0
Operational	1,635,600	1,863,300	1,837,700	0	1,837,700
Total	\$1,635,600	\$1,863,300	\$1,837,700	\$0	\$1,837,700

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	372,200	372,400	346,800	0	346,800
Federal	0	0	0	0	0
Other	1,263,400	1,490,900	1,490,900	0	1,490,900

Standard: Increase the number of translations provided to non-state entities.

Measure: The number of translations provided to non-state entities.

	523	347	385	0	385
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332.00 Total Higher Education - State Administered Programs

Full-Time	120	125	122	0	122
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	122	127	124	0	124
Payroll	7,058,200	8,881,000	8,667,500	0	8,667,500
Operational	521,508,300	604,162,200	593,716,600	4,145,700	597,862,300
Total	\$528,566,500	\$613,043,200	\$602,384,100	\$4,145,700	\$606,529,800
State	340,624,000	378,168,100	365,466,900	4,145,700	369,612,600
Federal	150,013,100	194,712,000	198,701,900	0	198,701,900
Other	37,929,400	40,163,100	38,215,300	0	38,215,300

University of Tennessee

The University of Tennessee (UT) is a statewide land grant institution governed by a Board of Trustees. The University of Tennessee offers academic programs in a large number of specialized areas at the bachelor's, master's, and doctoral levels. In addition to the traditional teaching mission, the UT system is engaged in a number of research and public service activities. The UT system has campuses in Knoxville, Chattanooga, Martin, and Memphis, where the medical units are located.

Note: Position counts shown below are for full time, unrestricted education and general employees only. Full time equivalent (FTE) enrollments are for Fall 2007 and 2008. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and auxiliary enterprise sources.

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	85	88	88	0	88
Professional	244	247	247	0	247
Faculty	0	0	0	0	0
Clerical/Support	326	312	312	0	312
Total	655	647	647	0	647
FTE Enrollment	0	0	0	0	0
State	4,646,600	4,886,900	4,466,300	178,000	4,644,300
Federal	0	0	0	0	0
Other	29,332,100	17,033,600	17,033,600	0	17,033,600
Tuition/Fees	0	0	0	0	0
Total	\$33,978,700	\$21,920,500	\$21,499,900	\$178,000	\$21,677,900

Standard: All policies that have a direct or indirect impact on college completion will be audited to ensure they facilitate college degree completion.

Measure: Percent of policies pertaining to degree completion audited.

5%	50%	75%	0	75%
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332.21 UT Access and Diversity Initiative

The UT Access and Diversity Initiative program provides financial support to the University of Tennessee for the continuance of higher education access and diversity initiatives after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The success of a five-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be the most effective in the settlement program. The initiative includes financial aid, graduate fellowships, and student and faculty recruitment and retention programs.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
FTE Enrollment	0	0	0	0	0
State	6,448,900	6,510,000	6,181,900	379,800	6,561,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$6,448,900	\$6,510,000	\$6,181,900	\$379,800	\$6,561,700

Standard: Increase fall term enrollment of underrepresented groups.

Measure: Percent of underrepresented groups.

23.1%	23.5%	24.0%	0	24.0%
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Public Service

One of the missions of the University of Tennessee is to provide services to the public beyond traditional post-secondary and professional education and training by providing information and technical assistance to business, industry, and government; advising the counties, cities, and towns of Tennessee in such areas as law, public works, finance, accounting, and governmental affairs; providing technical services and technology-based training to local, regional, and national law enforcement agencies; and providing continuing education on and off campuses, with special emphasis on degree granting programs in non-traditional settings.

332.15 UT Institute for Public Service

This allotment provides funds for the staffing and operational costs of the UT Institute for Public Service. The institute provides research and technical assistance to state and local government and industry. The institute also provides on-site technical assistance and training, as well as regional training conferences. The institute maintains offices in Nashville, Chattanooga, Cookeville, Knoxville, Martin, Memphis, Johnson City, Columbia, Oak Ridge, and Jackson.

Full-Time					
Administrative	5	7	7	0	7
Professional	29	23	23	0	23
Faculty	0	0	0	0	0
Clerical/Support	16	15	15	0	15
Total	50	45	45	0	45
FTE Enrollment	0	0	0	0	0
State	4,980,500	5,040,100	4,967,600	99,400	5,067,000
Federal	1,146,200	1,350,000	1,350,000	0	1,350,000
Other	374,100	363,000	363,000	0	363,000
Tuition/Fees	0	0	0	0	0
Total	\$6,500,800	\$6,753,100	\$6,680,600	\$99,400	\$6,780,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the economic impact on business services' sales, expenses, and investments.

Measure: Amount of economic impact.

	\$800 million	\$805 million	\$810 million	0	\$810 million
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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	1	1	1	0	1
Professional	44	40	40	0	40
Faculty	0	0	0	0	0
Clerical/Support	13	12	12	0	12
Total	58	53	53	0	53
FTE Enrollment	0	0	0	0	0
State	2,750,900	2,790,900	2,688,500	102,600	2,791,100
Federal	0	0	0	0	0
Other	2,962,700	3,206,300	3,206,300	0	3,206,300
Tuition/Fees	0	0	0	0	0
Total	\$5,713,600	\$5,997,200	\$5,894,800	\$102,600	\$5,997,400

Standard: Increase the economic impact to cities' services on revenues and expenses.

Measure: Amount of economic impact.

	\$10 million	\$15 million	\$25 million	0	\$25 million
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332.17 UT County Technical Assistance Service

The County Technical Assistance Service provides the state's 95 county governments with technical assistance and information on most aspects of county government, including financial, environmental, and legislative.

Full-Time					
Administrative	1	1	1	0	1
Professional	28	28	28	0	28
Faculty	0	0	0	0	0
Clerical/Support	7	7	7	0	7
Total	36	36	36	0	36
FTE Enrollment	0	0	0	0	0
State	1,611,100	1,637,200	1,569,400	63,900	1,633,300
Federal	0	0	0	0	0
Other	2,520,000	2,593,200	2,593,200	0	2,593,200
Tuition/Fees	0	0	0	0	0
Total	\$4,131,100	\$4,230,400	\$4,162,600	\$63,900	\$4,226,500

Standard: Increase the economic impact to counties' services on revenues and expenses.

Measure: Amount of economic impact.

	\$30 million	\$32 million	\$35 million	0	\$35 million
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Higher Education

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	23	15	15	0	15
Professional	109	91	91	0	91
Faculty	91	90	90	0	90
Clerical/Support	178	161	161	0	161
Total	401	357	357	0	357
FTE Enrollment	0	0	0	0	0
State	25,404,000	25,459,900	24,638,900	893,800	25,532,700
Federal	9,398,900	7,104,600	7,104,600	0	7,104,600
Other	4,548,900	3,648,500	3,648,500	0	3,648,500
Tuition/Fees	0	0	0	0	0
Total	\$39,351,800	\$36,213,000	\$35,392,000	\$893,800	\$36,285,800

Standard: Increase the level of research funding to meet mission-directed outcomes to \$15.1 million by fiscal year 2009-2010.

Measure: Expenditure of funds derived from sponsored projects.

\$12.6 million	\$13.8 million	\$15.1 million	0	\$15.1 million
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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	11	12	12	0	12
Professional	274	280	280	0	280
Faculty	55	58	58	0	58
Clerical/Support	145	151	151	0	151
Total	485	501	501	0	501
FTE Enrollment	0	0	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	30,135,300	30,577,400	29,619,300	1,001,800	30,621,100
Federal	11,298,700	8,931,500	8,931,500	0	8,931,500
Other	4,289,400	4,067,700	4,067,700	0	4,067,700
Tuition/Fees	0	0	0	0	0
Total	\$45,723,400	\$43,576,600	\$42,618,500	\$1,001,800	\$43,620,300

Standard: UT Extension will increase the economic value of its programs by \$10 million annually.

Measure: Economic value of program delivery.

\$210 million	\$220 million	\$230 million	0	\$230 million
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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	8	8	0	8
Professional	33	35	35	0	35
Faculty	106	106	106	0	106
Clerical/Support	175	174	174	0	174
Total	323	323	323	0	323
FTE Enrollment	408	429	429	0	429
State	16,666,700	16,912,600	16,325,600	596,900	16,922,500
Federal	718,200	755,100	755,100	0	755,100
Other	10,606,300	11,125,300	11,125,300	0	11,125,300
Tuition/Fees	5,953,700	7,361,700	7,361,700	0	7,361,700
Total	\$33,944,900	\$36,154,700	\$35,567,700	\$596,900	\$36,164,600

Standard: Increase the National North American Veterinary Licensing Examination (NAVLE) pass rate, which is required to practice veterinary medicine.

Measure: Pass Rate on NAVLE.

90%	92%	94%	0	94%
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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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	94	82	82	0	82
Professional	197	196	196	0	196
Faculty	219	229	229	0	229
Clerical/Support	573	591	591	0	591
Total	1,083	1,098	1,098	0	1,098
FTE Enrollment	3,799	3,867	3,867	0	3,867
State	71,276,700	72,227,600	71,063,800	1,348,900	72,412,700
Federal	11,494,400	11,101,800	11,101,800	0	11,101,800
Other	17,469,800	15,689,500	15,689,500	0	15,689,500
Tuition/Fees	27,574,200	31,031,400	31,031,400	0	31,031,400
Total	\$127,815,100	\$130,050,300	\$128,886,500	\$1,348,900	\$130,235,400

Standard: UT Health Science Center will increase the amount of expenditure dollars each year to reach the 2009-2010 target of \$158 million.

Measure: Sponsored research program expenditures.

\$150 million	\$155 million	\$158 million	0	\$158 million
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332.32 UT Family Medicine

UT Family Medicine is an academic department in the College of Medicine of the UT Health Science Center in Memphis. The department's mission of improving health is accomplished through teaching, patient care, public service, and scholarly activities.

Full-Time					
Administrative	1	1	1	0	1
Professional	18	15	15	0	15
Faculty	39	44	44	0	44
Clerical/Support	122	127	127	0	127
Total	180	187	187	0	187
FTE Enrollment	0	0	0	0	0
State	10,176,400	10,305,700	9,978,700	360,400	10,339,100
Federal	2,834,000	2,834,000	2,834,000	0	2,834,000
Other	10,159,700	10,151,500	10,151,500	0	10,151,500
Tuition/Fees	0	0	0	0	0
Total	\$23,170,100	\$23,291,200	\$22,964,200	\$360,400	\$23,324,600

Standard: UT Family Medicine will increase the number of patients served.

Measure: Number of patients served.

20,717	26,930	30,000	0	30,000
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	35	33	33	0	33
Professional	105	101	101	0	101
Faculty	509	502	502	0	502
Clerical/Support	188	189	189	0	189
Total	837	825	825	0	825
FTE Enrollment	0	0	0	0	0
State	49,379,400	49,812,700	48,277,100	1,926,400	50,203,500
Federal	21,778,800	21,403,600	21,403,600	0	21,403,600
Other	12,575,900	14,464,800	14,464,800	0	14,464,800
Tuition/Fees	12,872,400	13,307,100	13,307,100	0	13,307,100
Total	\$96,606,500	\$98,988,200	\$97,452,600	\$1,926,400	\$99,379,000

Standard: Increase the number of graduates from the College of Medicine to 165 in 2009-2010.

Measure: Number of graduates from the College of Medicine.

	150	165	165	0	165
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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	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
FTE Enrollment	0	0	0	0	0
State	14,750,000	11,831,000	5,880,300	5,300,000	11,180,300
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$14,750,000	\$11,831,000	\$5,880,300	\$5,300,000	\$11,180,300

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase research and sponsored program expenditures to \$347 million by 2009-2010.

Measure: Annual research and sponsored program expenditures.

	\$337 million	\$342 million	\$347 million	0	\$347 million
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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	10	11	11	0	11
Professional	19	15	15	0	15
Faculty	38	38	38	0	38
Clerical/Support	45	43	43	0	43
Total	112	107	107	0	107
FTE Enrollment	105	104	104	0	104
State	8,289,700	8,397,900	8,094,800	332,000	8,426,800
Federal	486,900	415,000	415,000	0	415,000
Other	579,000	621,000	621,000	0	621,000
Tuition/Fees	1,703,100	1,851,300	1,851,300	0	1,851,300
Total	\$11,058,700	\$11,285,200	\$10,982,100	\$332,000	\$11,314,100

Standard: Increase externally funded research to \$5.0 million by 2009-2010.

Measure: Annual research expenditures.

	\$3.5 million	\$4.3 million	\$5.0 million	0	\$5.0 million
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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	112	85	85	0	85
Professional	144	148	148	0	148
Faculty	363	395	395	0	395
Clerical/Support	321	319	319	0	319
Total	940	947	947	0	947
FTE Enrollment	8,168	8,446	8,446	0	8,446
State	46,138,600	46,856,600	43,498,200	3,339,800	46,838,000
Federal	847,900	296,300	296,300	0	296,300
Other	12,841,700	13,194,200	13,194,200	0	13,194,200
Tuition/Fees	50,126,100	51,688,000	51,688,000	0	51,688,000
Total	\$109,954,300	\$112,035,100	\$108,676,700	\$3,339,800	\$112,016,500

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	50.1%	51.0%	52.0%	0	52%
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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	236	238	238	0	238
Professional	490	490	490	0	490
Faculty	1,353	1,316	1,316	0	1,316
Clerical/Support	1,482	1,414	1,414	0	1,414
Total	3,561	3,458	3,458	0	3,458
FTE Enrollment	24,160	24,697	24,697	0	24,697
State	195,774,300	198,638,900	184,657,200	14,156,300	198,813,500
Federal	11,271,700	10,770,000	10,770,000	0	10,770,000
Other	170,333,400	173,260,100	173,260,100	0	173,260,100
Tuition/Fees	211,853,300	218,004,900	218,004,900	0	218,004,900
Total	\$589,232,700	\$600,673,900	\$586,692,200	\$14,156,300	\$600,848,500

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered UT Knoxville in the fall term and completed the academic program at UT Knoxville within six years).

	57.8%	58.4%	59.0%	0	59%
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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	62	62	62	0	62
Professional	85	89	89	0	89
Faculty	285	292	292	0	292
Clerical/Support	272	272	272	0	272
Total	704	715	715	0	715
FTE Enrollment	6,108	6,305	6,305	0	6,305

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	34,812,200	33,852,200	31,384,300	2,428,100	33,812,400
Federal	98,700	88,000	88,000	0	88,000
Other	12,450,700	14,803,400	14,803,400	0	14,803,400
Tuition/Fees	35,952,600	38,593,400	38,593,400	0	38,593,400
Total	\$83,314,200	\$87,337,000	\$84,869,100	\$2,428,100	\$87,297,200

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

48.2%	48.5%	48.8%	0	48.8%
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Total University of Tennessee System

Full-Time					
Administrative	685	644	644	0	644
Professional	1,819	1,798	1,798	0	1,798
Faculty	3,058	3,070	3,070	0	3,070
Clerical/Support	3,863	3,787	3,787	0	3,787
Total	9,425	9,299	9,299	0	9,299
FTE Enrollment	42,748	43,848	43,848	0	43,848
State	523,241,300	525,737,600	493,291,900	32,508,100	525,800,000
Federal	71,374,400	65,049,900	65,049,900	0	65,049,900
Other	291,043,700	284,222,100	284,222,100	0	284,222,100
Tuition/Fees	346,035,400	361,837,800	361,837,800	0	361,837,800
Total	\$1,231,694,800	\$1,236,847,400	\$1,204,401,700	\$32,508,100	\$1,236,909,800

State University and Community College System

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 2007 and 2008. 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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	81	81	81	0	81
Faculty	0	0	0	0	0
Clerical/Support	6	6	6	0	6
Total	108	108	108	0	108
FTE Enrollment	0	0	0	0	0
State	4,888,800	5,466,200	4,662,100	294,700	4,956,800
Federal	0	0	0	0	0
Other	11,749,500	12,813,800	12,813,800	0	12,813,800
Tuition/Fees	0	0	0	0	0
Total	\$16,638,300	\$18,280,000	\$17,475,900	\$294,700	\$17,770,600

Standard: All Board of Regents policies will be reviewed for streamlining and efficiency of operation.

Measure: Percent of TBR policies reviewed.

43%	70%	100%	0	100%
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332.59 Regents Access and Diversity Initiative

The Regents Access and Diversity Initiative program provides financial support to the Tennessee Board of Regents for the continuance of higher education access and diversity initiatives after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The success of a five-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be the most effective in the settlement program. The initiative includes financial aid and stipends, student and faculty recruitment and retention programs, continuing support of the TSU Avon Williams Campus in downtown Nashville, and statewide oversight.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
FTE Enrollment	0	0	0	0	0
State	11,391,100	11,499,000	10,919,100	671,200	11,590,300
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$11,391,100	\$11,499,000	\$10,919,100	\$671,200	\$11,590,300

Standard: Increase access to aid and scholarships for diverse students.

Measure: Implementation of mechanisms for awarding and tracking aid.

Development of Diversity Plans.	Complete inventory of total student aid available.	Use inventory to track aid to diverse students.	0	Use inventory to track aid to diverse students.
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Agricultural Units

Agricultural units are an important part of Tennessee State University (TSU) in its capacity as a land grant institution. As a land grant institution, TSU receives federal funds from the U.S. Department of Agriculture (USDA) to help finance agricultural research and extension at the Institute of Agricultural and Environmental Research (IAgER) and the TSU Cooperative Extension Program. The state appropriations match federal grant funds.

332.63 TSU Institute of Agricultural and Environmental Research

The TSU Institute of Agricultural and Environmental Research is the principal agricultural and environmental research division of TSU. The institute's multi-disciplinary research efforts are in the areas of animal and alternative livestock; economics and policy; nursery, medicinal, and alternative food crops; environmental protection and enhancement; and food safety, nutrition, and family well-being.

Full-Time					
Administrative	0	1	1	0	1
Professional	0	3	3	0	3
Faculty	0	0	0	0	0
Clerical/Support	0	1	1	0	1
Total	0	5	5	0	5
FTE Enrollment	0	0	0	0	0
State	2,173,000	2,193,600	2,129,000	82,000	2,211,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,173,000	\$2,193,600	\$2,129,000	\$82,000	\$2,211,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the number of scientific publications in the areas of livestock; agricultural economics and policy; nursery, medicinal, and alternative food crops; environmental protection and enhancement; and food safety and nutrition by research scientists.

Measure: Number of scientific publications (full length refereed) by research scientists.

	36	44	50	0	50
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Standard: Increase the number of presentations/dissemination of scientific discoveries in the areas of livestock; agricultural economics; nursery, medicinal, and alternative food crops; environmental protection and enhancement; and food safety and nutrition.

Measure: Number of presentations/dissemination of scientific discoveries at scientific conferences, forums, workshops, and trainings (domestic and international) by research scientists.

	92	111	125	0	125
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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 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	3	3	0	3
Faculty	2	1	1	0	1
Clerical/Support	3	2	2	0	2
Total	9	6	6	0	6
FTE Enrollment	0	0	0	0	0
State	531,200	540,100	521,100	19,400	540,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$531,200	\$540,100	\$521,100	\$19,400	\$540,500

Standard: Increase the number of nursery industry-identified problem areas addressed by research scientists.

Measure: Number of nursery industry-identified problem areas addressed by research scientists.

	10	17	24	0	24
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Standard: Increase the number of scientific publications (full length refereed) related to nursery production by research scientists.

Measure: Number of scientific publications (full length refereed) related to nursery production by research scientists.

	7	12	31	0	31
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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332.64 TSU Cooperative Education

The TSU Cooperative Education Program, 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
Total	0	0	0	0	0
FTE Enrollment	0	0	0	0	0
State	1,927,000	1,945,300	1,888,000	72,600	1,960,600
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$1,927,000	\$1,945,300	\$1,888,000	\$72,600	\$1,960,600

Standard: Increase the number of clientele contacts.

Measure: Number of clientele contacts.

	32,841	37,200	43,760	0	43,760
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Medical Education Units

To help meet the health needs of the citizens of eastern Tennessee, the East Tennessee State University (ETSU) Quillen College of Medicine provides medical study and training for students who wish to become physicians or other health-care professionals. Through family medicine residency programs, the college encourages its students to enter into family health practice in the rural communities of East Tennessee. The College of Pharmacy trains pharmacists for placement in community pharmacies and rural hospital settings.

332.65 ETSU College of Medicine

The ETSU Quillen College of Medicine provides medical study and training for students interested in primary care as physicians or health-care professionals. The college's focus is on practice in 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	7	7	7	0	7
Professional	95	90	90	0	90
Faculty	167	157	157	0	157
Clerical/Support	119	112	112	0	112
Total	388	366	366	0	366
FTE Enrollment	239	245	245	0	245

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	29,010,300	29,319,100	28,521,000	1,015,400	29,536,400
Federal	763,800	800,000	800,000	0	800,000
Other	11,418,300	11,590,400	11,590,400	0	11,590,400
Tuition/Fees	5,897,600	6,213,200	6,213,200	0	6,213,200
Total	\$47,090,000	\$47,922,700	\$47,124,600	\$1,015,400	\$48,140,000

Standard: Raise average score on United States Medical Licensing Exam, Step 1.

Measure: Average score of test takers.

217	219	221	0	221
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332.66 ETSU College of Pharmacy

The College of Pharmacy at ETSU enrolls approximately 125 students per year. Its mission is to train pharmacists for placement in community pharmacies and rural hospital settings to aid in the more effective use of medication. The educational program 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	8	11	11	0	11
Faculty	20	30	30	0	30
Clerical/Support	10	15	15	0	15
Total	41	59	59	0	59
FTE Enrollment	0	0	0	0	0
State	0	0	0	0	0
Federal	11,100	0	0	0	0
Other	1,501,900	4,320,600	4,320,600	0	4,320,600
Tuition/Fees	3,033,000	5,168,500	5,168,500	0	5,168,500
Total	\$4,546,000	\$9,489,100	\$9,489,100	\$0	\$9,489,100

Standard: Increase applications to the Gatton College of Pharmacy from individuals residing in the Southern Appalachian Region.

Measure: Percent of applicants from the Southern Appalachian Region who complete applications for admission.

86%	88%	90%	0	90%
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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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time					
Administrative	0	0	0	0	0
Professional	20	21	21	0	21
Faculty	24	32	32	0	32
Clerical/Support	58	58	58	0	58
Total	102	111	111	0	111
FTE Enrollment	0	0	0	0	0
State	5,691,000	5,770,700	5,581,500	195,600	5,777,100
Federal	0	0	0	0	0
Other	6,634,900	7,187,500	7,187,500	0	7,187,500
Tuition/Fees	0	0	0	0	0
Total	\$12,325,900	\$12,958,200	\$12,769,000	\$195,600	\$12,964,600

Standard: Raise average score on the American Board of Family Medicine In-Training Exam (ITE).

Measure: Family Medicine ITE average exam scores.

	489	491	495	0	495
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Universities

The four-year universities of the State University and Community College System offer undergraduate and graduate study to the citizens of Tennessee. Located throughout the state, the universities offer comprehensive programs in subjects as diverse as occupational training, the arts and sciences, law, and health sciences.

332.70 Austin Peay State University

Austin Peay State University is a comprehensive liberal arts institution located in Clarksville. The university offers undergraduate and graduate degree programs in the liberal arts and sciences and complements classroom work with team teaching, cooperative learning, community services, international programs, and collaborative research between faculty and students. Two centers of excellence also are provided in field biology and creative arts.

Full-Time					
Administrative	26	30	30	0	30
Professional	167	170	170	0	170
Faculty	336	336	336	0	336
Clerical/Support	270	268	268	0	268
Total	799	804	804	0	804
FTE Enrollment	7,139	7,499	7,499	0	7,499
State	36,252,200	36,857,500	34,006,800	2,822,500	36,829,300
Federal	290,700	165,000	165,000	0	165,000
Other	12,034,500	11,774,300	11,774,300	0	11,774,300
Tuition/Fees	45,495,700	48,447,000	48,447,000	0	48,447,000
Total	\$94,073,100	\$97,243,800	\$94,393,100	\$2,822,500	\$97,215,600

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	33.0%	33.5%	34.6%	0	34.6%
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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	58	56	56	0	56
Professional	323	330	330	0	330
Faculty	558	575	575	0	575
Clerical/Support	553	556	556	0	556
Total	1,492	1,517	1,517	0	1,517
FTE Enrollment	10,770	11,117	11,117	0	11,117
State	63,197,500	64,321,100	59,645,900	4,527,600	64,173,500
Federal	1,277,200	600,000	600,000	0	600,000
Other	22,965,800	24,334,300	24,334,300	0	24,334,300
Tuition/Fees	68,830,300	76,339,300	76,339,300	0	76,339,300
Total	\$156,270,800	\$165,594,700	\$160,919,500	\$4,527,600	\$165,447,100

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	43.2%	43.5%	44.4%	0	44.4%
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332.74 University of Memphis

The University of Memphis is a comprehensive metropolitan university offering degrees at the bachelor's, master's, professional, and doctoral levels. The university has five centers of excellence in applied psychology, communicative disorders, earthquake information, Egyptology, and education policy.

Full-Time					
Administrative	77	76	76	0	76
Professional	591	592	592	0	592
Faculty	953	944	944	0	944
Clerical/Support	930	906	906	0	906
Total	2,551	2,518	2,518	0	2,518
FTE Enrollment	15,747	15,910	15,910	0	15,910
State	123,529,300	125,463,500	116,786,800	8,592,300	125,379,100
Federal	4,326,300	4,789,100	4,789,100	0	4,789,100
Other	64,800,200	62,910,400	62,910,400	0	62,910,400
Tuition/Fees	119,335,200	126,724,600	126,724,600	0	126,724,600
Total	\$311,991,000	\$319,887,600	\$311,210,900	\$8,592,300	\$319,803,200

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	38.9%	39.0%	39.1%	0	39.1%
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332.75 Middle Tennessee State University

Located in Murfreesboro, Middle Tennessee State University (MTSU) offers undergraduate, graduate, and doctoral programs in the arts and sciences. Programs are organized in 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	79	84	84	0	84
Professional	478	487	487	0	487
Faculty	985	987	987	0	987
Clerical/Support	561	564	564	0	564
Total	2,103	2,122	2,122	0	2,122
FTE Enrollment	19,525	20,062	20,062	0	20,062
State	100,949,700	102,623,100	94,927,400	7,610,100	102,537,500
Federal	2,093,400	2,000,000	2,000,000	0	2,000,000
Other	46,426,200	46,947,000	46,947,000	0	46,947,000
Tuition/Fees	120,351,800	131,901,400	131,901,400	0	131,901,400
Total	\$269,821,100	\$283,471,500	\$275,775,800	\$7,610,100	\$283,385,900

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	48.4%	48.5%	48.8%	0	48.8%
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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	70	63	63	0	63
Professional	300	287	287	0	287
Faculty	409	394	394	0	394
Clerical/Support	344	334	334	0	334
Total	1,123	1,078	1,078	0	1,078
FTE Enrollment	7,465	6,694	6,694	0	6,694

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	42,607,100	43,377,900	39,663,600	3,634,000	43,297,600
Federal	1,746,100	1,700,000	1,700,000	0	1,700,000
Other	21,700,900	18,935,400	18,935,400	0	18,935,400
Tuition/Fees	61,057,700	57,138,300	57,138,300	0	57,138,300
Total	\$127,111,800	\$121,151,600	\$117,437,300	\$3,634,000	\$121,071,300

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

42.0% 42.3% 43.1% 0 43.1%

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	40	42	42	0	42
Professional	203	213	213	0	213
Faculty	401	409	409	0	409
Clerical/Support	361	368	368	0	368
Total	1,005	1,032	1,032	0	1,032
FTE Enrollment	8,312	8,568	8,568	0	8,568
State	49,295,800	50,125,200	46,648,300	3,416,300	50,064,600
Federal	968,000	756,400	756,400	0	756,400
Other	18,594,500	18,720,200	18,720,200	0	18,720,200
Tuition/Fees	51,238,500	55,791,400	55,791,400	0	55,791,400
Total	\$120,096,800	\$125,393,200	\$121,916,300	\$3,416,300	\$125,332,600

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

48.3% 48.4% 48.6% 0 48.6%

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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	35	35	35	0	35
Professional	162	163	163	0	163
Faculty	275	273	273	0	273
Clerical/Support	270	272	272	0	272
Total	742	743	743	0	743
FTE Enrollment	6,794	7,219	7,219	0	7,219
State	40,088,200	40,726,200	39,100,800	1,641,200	40,742,000
Federal	0	0	0	0	0
Other	2,751,300	2,880,000	2,880,000	0	2,880,000
Tuition/Fees	27,651,500	29,413,000	29,413,000	0	29,413,000
Total	\$70,491,000	\$73,019,200	\$71,393,800	\$1,641,200	\$73,035,000

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

15.4%	15.5%	15.6%	0	15.6%
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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	25	25	25	0	25
Professional	49	49	49	0	49
Faculty	157	161	161	0	161
Clerical/Support	124	129	129	0	129
Total	355	364	364	0	364
FTE Enrollment	4,063	4,315	4,315	0	4,315
State	16,319,900	16,572,400	15,876,500	693,900	16,570,400
Federal	84,400	84,400	84,400	0	84,400
Other	1,531,300	1,532,300	1,532,300	0	1,532,300
Tuition/Fees	16,041,600	17,375,200	17,375,200	0	17,375,200
Total	\$33,977,200	\$35,564,300	\$34,868,400	\$693,900	\$35,562,300

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

23.2%	23.3%	23.5%	0	23.5%
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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	10	12	12	0	12
Professional	103	96	96	0	96
Faculty	194	203	203	0	203
Clerical/Support	161	164	164	0	164
Total	468	475	475	0	475
FTE Enrollment	5,446	5,686	5,686	0	5,686
State	22,001,200	22,363,400	21,417,200	927,800	22,345,000
Federal	69,200	85,000	85,000	0	85,000
Other	2,582,000	1,363,000	1,363,000	0	1,363,000
Tuition/Fees	21,265,800	22,803,000	22,803,000	0	22,803,000
Total	\$45,918,200	\$46,614,400	\$45,668,200	\$927,800	\$46,596,000

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

35.2%	35.4%	35.5%	0	35.5%
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332.56 Northeast State Technical Community College

Northeast State Technical Community College, located in 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	9	9	0	9
Professional	56	61	61	0	61
Faculty	115	118	118	0	118
Clerical/Support	122	126	126	0	126
Total	305	314	314	0	314
FTE Enrollment	3,387	3,606	3,606	0	3,606
State	13,183,400	13,434,000	12,845,000	541,400	13,386,400
Federal	58,100	45,000	45,000	0	45,000
Other	551,400	480,500	480,500	0	480,500
Tuition/Fees	11,476,100	12,150,000	12,150,000	0	12,150,000
Total	\$25,269,000	\$26,109,500	\$25,520,500	\$541,400	\$26,061,900

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	35.2%	35.4%	35.6%	0	35.6%
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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	23	23	23	0	23
Professional	128	136	136	0	136
Faculty	182	184	184	0	184
Clerical/Support	162	159	159	0	159
Total	495	502	502	0	502
FTE Enrollment	5,044	5,334	5,334	0	5,334
State	25,045,500	25,453,600	24,431,900	998,300	25,430,200
Federal	46,500	25,000	25,000	0	25,000
Other	1,857,200	1,475,000	1,475,000	0	1,475,000
Tuition/Fees	20,286,300	22,202,500	22,202,500	0	22,202,500
Total	\$47,235,500	\$49,156,100	\$48,134,400	\$998,300	\$49,132,700

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	27.6%	27.9%	28.1%	0	28.1%
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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	45	46	46	0	46
Faculty	70	69	69	0	69
Clerical/Support	73	73	73	0	73
Total	196	196	196	0	196
FTE Enrollment	2,022	2,195	2,195	0	2,195
State	10,845,200	11,012,100	10,605,400	414,600	11,020,000
Federal	28,200	16,200	16,200	0	16,200
Other	446,100	371,700	371,700	0	371,700
Tuition/Fees	6,885,300	7,295,000	7,295,000	0	7,295,000
Total	\$18,204,800	\$18,695,000	\$18,288,300	\$414,600	\$18,702,900

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	28.6%	28.9%	29.2%	0	29.2%
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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	64	64	64	0	64
Faculty	105	105	105	0	105
Clerical/Support	82	80	80	0	80
Total	257	255	255	0	255
FTE Enrollment	3,003	3,081	3,081	0	3,081
State	14,034,500	14,260,800	13,686,200	574,200	14,260,400
Federal	17,100	15,000	15,000	0	15,000
Other	720,800	466,800	466,800	0	466,800
Tuition/Fees	10,165,500	10,504,500	10,504,500	0	10,504,500
Total	\$24,937,900	\$25,247,100	\$24,672,500	\$574,200	\$25,246,700

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	41.4%	41.5%	41.7%	0	41.7%
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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	13	13	0	13
Professional	35	35	35	0	35
Faculty	60	57	57	0	57
Clerical/Support	58	60	60	0	60
Total	165	165	165	0	165
FTE Enrollment	1,668	1,741	1,741	0	1,741
State	7,596,400	7,719,500	7,420,400	293,600	7,714,000
Federal	143,800	150,000	150,000	0	150,000
Other	367,700	314,900	314,900	0	314,900
Tuition/Fees	5,629,500	6,139,600	6,139,600	0	6,139,600
Total	\$13,737,400	\$14,324,000	\$14,024,900	\$293,600	\$14,318,500

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	29.3%	30.1%	30.3%	0	30.3%
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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	14	14	14	0	14
Professional	52	54	54	0	54
Faculty	111	106	106	0	106
Clerical/Support	94	90	90	0	90
Total	271	264	264	0	264
FTE Enrollment	2,953	2,803	2,803	0	2,803
State	13,117,900	13,340,800	12,791,800	533,700	13,325,500
Federal	100,600	42,400	42,400	0	42,400
Other	1,081,700	926,700	926,700	0	926,700
Tuition/Fees	10,329,600	10,813,600	10,813,600	0	10,813,600
Total	\$24,629,800	\$25,123,500	\$24,574,500	\$533,700	\$25,108,200

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	30.7%	30.8%	31.0%	0	31.0%
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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	22	22	0	22
Professional	25	30	30	0	30
Faculty	82	85	85	0	85
Clerical/Support	79	75	75	0	75
Total	210	212	212	0	212
FTE Enrollment	2,739	2,892	2,892	0	2,892
State	10,930,500	11,104,700	10,641,100	459,700	11,100,800
Federal	4,400	5,000	5,000	0	5,000
Other	555,300	497,400	497,400	0	497,400
Tuition/Fees	9,220,100	10,114,500	10,114,500	0	10,114,500
Total	\$20,710,300	\$21,721,600	\$21,258,000	\$459,700	\$21,717,700

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	42.0%	42.1%	42.3%	0	42.3%
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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.

Full-Time					
Administrative	14	14	14	0	14
Professional	61	65	65	0	65
Faculty	144	143	143	0	143
Clerical/Support	154	152	152	0	152
Total	373	374	374	0	374
FTE Enrollment	3,764	3,766	3,766	0	3,766
State	19,090,200	19,406,500	18,636,700	758,400	19,395,100
Federal	46,300	46,300	46,300	0	46,300
Other	1,236,900	995,200	995,200	0	995,200
Tuition/Fees	13,194,800	14,134,900	14,134,900	0	14,134,900
Total	\$33,568,200	\$34,582,900	\$33,813,100	\$758,400	\$34,571,500

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	37.3%	37.5%	37.9%	0	37.9%
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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	89	89	89	0	89
Faculty	153	154	154	0	154
Clerical/Support	132	133	133	0	133
Total	380	382	382	0	382
FTE Enrollment	4,427	4,582	4,582	0	4,582
State	19,194,000	19,510,400	18,724,900	769,900	19,494,800
Federal	67,400	50,000	50,000	0	50,000
Other	1,011,400	635,300	635,300	0	635,300
Tuition/Fees	15,486,500	16,764,100	16,764,100	0	16,764,100
Total	\$35,759,300	\$36,959,800	\$36,174,300	\$769,900	\$36,944,200

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	27.4%	27.5%	27.9%	0	27.9%
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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	10	10	0	10
Professional	74	77	77	0	77
Faculty	145	148	148	0	148
Clerical/Support	151	149	149	0	149
Total	380	384	384	0	384
FTE Enrollment	3,884	4,082	4,082	0	4,082
State	19,392,000	19,708,100	18,941,000	752,400	19,693,400
Federal	346,900	300,000	300,000	0	300,000
Other	1,788,900	1,479,200	1,479,200	0	1,479,200
Tuition/Fees	13,674,000	15,217,200	15,217,200	0	15,217,200
Total	\$35,201,800	\$36,704,500	\$35,937,400	\$752,400	\$36,689,800

Standard: Increase the percent of first-time freshmen who graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time, degree-seeking students who entered in the fall term and completed the academic program within six years).

	38.5%	38.6%	38.8%	0	38.8%
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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	51	50	50	0	50
Professional	109	118	118	0	118
Faculty	521	526	526	0	526
Clerical/Support	168	168	168	0	168
Total	849	862	862	0	862
FTE Enrollment	10,128	10,743	10,743	0	10,743

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	71,672,000	54,474,800	52,509,600	2,034,600	54,544,200
Federal	69,700	139,600	139,600	0	139,600
Other	7,438,900	7,380,300	7,380,300	0	7,380,300
Tuition/Fees	19,288,400	20,497,500	20,497,500	0	20,497,500
Total	\$98,469,000	\$82,492,200	\$80,527,000	\$2,034,600	\$82,561,600

Standard: Increase the completion percentage at the technology centers.

Measure: Percent of completion based on Council of Occupational Education standards.

68.9%	70.1%	71.8%	0	71.8%
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Total State University and Community College System

Full-Time					
Administrative	631	630	630	0	630
Professional	3,322	3,371	3,371	0	3,371
Faculty	6,169	6,197	6,197	0	6,197
Clerical/Support	5,045	5,020	5,020	0	5,020
Total	15,167	15,218	15,218	0	15,218
FTE Enrollment	128,519	132,140	132,140	0	132,140
State	773,954,900	768,589,600	723,529,100	44,347,400	767,876,500
Federal	12,559,200	11,814,400	11,814,400	0	11,814,400
Other	241,747,600	240,332,200	240,332,200	0	240,332,200
Tuition/Fees	675,834,800	723,148,300	723,148,300	0	723,148,300
Total	\$1,704,096,500	\$1,743,884,500	\$1,698,824,000	\$44,347,400	\$1,743,171,400

Grand Total Higher Education

Full-Time					
Administrative	1,436	1,399	1,396	0	1,396
Professional	5,141	5,169	5,169	0	5,169
Faculty	9,227	9,267	9,267	0	9,267
Clerical/Support	8,908	8,807	8,807	0	8,807
Part-Time	2	2	2	0	2
Total	24,714	24,644	24,641	0	24,641
FTE Enrollment	171,267	175,988	175,988	0	175,988
State	1,637,820,200	1,672,495,300	1,582,287,900	81,001,200	1,663,289,100
Federal	233,946,700	271,576,300	275,566,200	0	275,566,200
Other	570,720,700	564,717,400	562,769,600	0	562,769,600
Tuition/Fees	1,021,870,200	1,084,986,100	1,084,986,100	0	1,084,986,100
Total	\$3,464,357,800	\$3,593,775,100	\$3,505,609,800	\$81,001,200	\$3,586,611,000

Health and Social Services

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Health and Social Services

Recommended Budget, Fiscal Year 2009 – 2010

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.

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 table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Health and Social Services Total Personnel and Funding

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Recommended 2009-2010</u>
Personnel			
Full Time	21,239	20,281	19,712
Part Time	250	254	249
Seasonal	0	0	0
TOTAL	21,489	20,535	19,961
Expenditures			
Payroll	\$ 1,078,742,300	\$ 1,128,487,000	\$ 1,069,441,200
Operational	11,039,345,800	11,402,087,500	12,150,839,500
TOTAL	\$ 12,118,088,100	\$ 12,530,574,500	\$ 13,220,280,700
Funding			
State	\$ 3,588,411,300	\$ 3,655,822,300	\$ 2,980,427,200
Federal	6,862,756,200	7,203,534,800	8,642,799,500
Other	1,666,920,600	1,671,217,400	1,597,054,000

Health and Social Services
Recommended Budget for Fiscal Year 2009-2010
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	2,140,100	2,779,600	2,949,400	7,869,100
316.02 Commission on Aging and Disability	14,049,600	27,157,500	9,888,800	51,095,900
316.07 Health Services and Development Agency	1,245,900	0	16,400	1,262,300
318.00 Finance and Administration, Bureau of TennCare	1,975,934,000	5,428,969,900	231,269,900	7,636,173,800
339.00 Mental Health and Developmental Disabilities	172,035,100	62,516,300	82,930,700	317,482,100
343.00 Health	173,207,700	235,886,800	147,619,100	556,713,600
344.00 Finance and Administration, Division of Mental Retardation Services	63,734,800	2,058,800	764,252,900	830,046,500
345.00 Human Services	178,879,800	2,671,495,900	140,124,200	2,990,499,900
350.00 Cover Tennessee Health Care Programs	80,816,800	86,754,600	400,000	167,971,400
359.00 Children's Services	318,383,400	125,180,100	217,602,600	661,166,100
Total	\$2,980,427,200	\$8,642,799,500	\$1,597,054,000	\$13,220,280,700

Health and Social Services Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commission on Aging and Disability					
• U.S. Economic Recovery - Elderly Nutrition					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The funds will provide congregate and home-delivered meals for the elderly, aged 60 and over, and adults with disabilities. State matching funds of \$307,600 are non-recurring.					
316.02 Commission on Aging and Disability	\$307,600	\$1,742,800	\$0	\$2,050,400	0
Sub-total	\$307,600	\$1,742,800	\$0	\$2,050,400	0
Total Commission on Aging and Disability	\$307,600	\$1,742,800	\$0	\$2,050,400	0
Human Services					
• U.S. Economic Recovery - TANF					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. This funding establishes an Emergency and Contingency Fund for State Temporary Assistance for Needy Families (TANF) to aid states with increased TANF caseloads.					
345.23 Temporary Cash Assistance	\$0	\$116,702,200	\$0	\$116,702,200	0
Sub-total	\$0	\$116,702,200	\$0	\$116,702,200	0
• U.S. Economic Recovery - Food Stamp Benefits					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. A 13.6 percent increase in benefits for clients in the Food Stamps program is provided for with these funds. A family of three can now receive a maximum monthly benefit of \$526, up from \$463.					
345.25 Food Stamp Benefits	\$0	\$209,738,600	\$0	\$209,738,600	0
Sub-total	\$0	\$209,738,600	\$0	\$209,738,600	0
• U.S. Economic Recovery - Food Stamps Administration					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. These funds are for reimbursement of administrative costs for the Food Stamps program.					
345.30 Family Assistance Services	\$0	\$5,716,100	\$0	\$5,716,100	0
Sub-total	\$0	\$5,716,100	\$0	\$5,716,100	0
• U.S. Economic Recovery - Community Services Block Grant					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Title VIII of the act provides increased funds for the Community Services Block Grant program to provide social services to eligible individuals through local partnerships.					
345.49 Community Services	\$0	\$16,415,800	\$0	\$16,415,800	0
Sub-total	\$0	\$16,415,800	\$0	\$16,415,800	0

Health and Social Services Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• U.S. Economic Recovery - Child Care					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Title VIII of the act provides increased funds for the delivery of child care services for low-income families through the Child Care and Development Block Grant.					
345.20 Child Care Benefits	\$0	\$36,932,000	\$0	\$36,932,000	0
Sub-total	\$0	\$36,932,000	\$0	\$36,932,000	0
• U.S. Economic Recovery - Weatherization					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. These funds are provided to aid low-income families in the weatherization of their homes. Eligibility for this benefit has been enhanced from 150 percent of the Federal Poverty Limit (FPL) to 200 percent. For a family of three in 2009, the income eligibility threshold would increase from \$27,465 (150% of FPL) to \$36,620 (200%). Also, the maximum assistance level per dwelling unit has been raised from \$2,500 to \$6,500.					
345.49 Community Services	\$0	\$85,383,300	\$0	\$85,383,300	0
Sub-total	\$0	\$85,383,300	\$0	\$85,383,300	0
• U.S. Economic Recovery - Vocational Rehabilitation - State Grants					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Title VIII of the act provides increased funds to provide employment and training services to vocational rehabilitation clients.					
345.70 Vocational Rehabilitation	\$0	\$12,178,000	\$0	\$12,178,000	0
Sub-total	\$0	\$12,178,000	\$0	\$12,178,000	0
• U.S. Economic Recovery - Vocational Rehabilitation - Independent Living					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Title VIII of the act provides increased funds to provide services to vocational rehabilitation clients to promote independent living.					
345.70 Vocational Rehabilitation	\$0	\$227,500	\$0	\$227,500	0
Sub-total	\$0	\$227,500	\$0	\$227,500	0
• U.S. Economic Recovery - Vocational Rehabilitation - Older Blind Individuals					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Title VIII of the act provides increased funds to provide services to vocational rehabilitation clients to promote independent living for older blind individuals.					
345.70 Vocational Rehabilitation	\$0	\$615,500	\$0	\$615,500	0
Sub-total	\$0	\$615,500	\$0	\$615,500	0
Total Human Services	\$0	\$483,909,000	\$0	\$483,909,000	0

Health and Social Services Improvements for Fiscal Year 2009-2010

	State	Federal	Other	Total	Positions
Children's Services					
• Foster Care and Adoption Assistance Rate Increase					
To provide funds for a 5.2 percent rate increase to foster and adoptive parents. This increase is necessary to maintain rates at the U.S. Department of Agriculture mid-range for children in the urban South, as required by the Brian A. lawsuit settlement.					
359.30 Custody Services	\$253,600	\$142,100	\$0	\$395,700	0
359.40 Adoption Services	\$136,800	\$124,200	\$0	\$261,000	0
Sub-total	\$390,400	\$266,300	\$0	\$656,700	0
• Teacher Training and Experience					
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.					
359.60 John S. Wilder Youth Development Center	\$6,700	\$0	\$0	\$6,700	0
359.61 Taft Youth Development Center	\$8,300	\$0	\$0	\$8,300	0
359.62 Woodland Hills Youth Development Center	\$11,200	\$0	\$0	\$11,200	0
359.63 Mountain View Youth Development Center	\$30,200	\$0	\$0	\$30,200	0
359.64 New Visions Youth Development Center	\$20,000	\$0	\$0	\$20,000	0
359.65 Community Treatment Facilities	\$7,900	\$0	\$0	\$7,900	0
Sub-total	\$84,300	\$0	\$0	\$84,300	0
• U.S. Economic Recovery - Special Education					
Non-recurring interdepartmental funds from the Department of Education provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. These funds will provide educational supplies for youth with special education needs in the Department of Children's Services' custody.					
359.10 Administration	\$0	\$0	\$45,600	\$45,600	0
359.60 John S. Wilder Youth Development Center	\$0	\$0	\$5,600	\$5,600	0
359.61 Taft Youth Development Center	\$0	\$0	\$6,200	\$6,200	0
359.62 Woodland Hills Youth Development Center	\$0	\$0	\$23,700	\$23,700	0
359.63 Mountain View Youth Development Center	\$0	\$0	\$6,400	\$6,400	0
359.65 Community Treatment Facilities	\$0	\$0	\$15,000	\$15,000	0
Sub-total	\$0	\$0	\$102,500	\$102,500	0

**Health and Social Services
Improvements for Fiscal Year 2009-2010**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• U.S. Economic Recovery - Elementary and Secondary Education Act, Title I					
Non-recurring interdepartmental funds from the Department of Education provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The funds will be utilized to purchase educational technology, including computers, for youth in the Department of Children's Services' custody.					
359.10 Administration	\$0	\$0	\$800	\$800	0
359.60 John S. Wilder Youth Development Center	\$0	\$0	\$1,200	\$1,200	0
359.61 Taft Youth Development Center	\$0	\$0	\$1,200	\$1,200	0
359.62 Woodland Hills Youth Development Center	\$0	\$0	\$1,200	\$1,200	0
359.63 Mountain View Youth Development Center	\$0	\$0	\$1,200	\$1,200	0
Sub-total	\$0	\$0	\$5,600	\$5,600	0
Total Children's Services	\$474,700	\$266,300	\$108,100	\$849,100	0
Total Health and Social Services	\$782,300	\$485,918,100	\$108,100	\$486,808,500	0

Commission on Children and Youth

The Commission on Children and Youth works with state agencies, juvenile courts, child advocacy groups, interested citizens, and other organizations to improve services to children. The commission also administers the federal Juvenile Justice and Delinquency Prevention Grant, the federal Juvenile Accountability Block Grant, and other federal and state grant funds for juvenile justice programs.

The commission is comprised of 21 members, appointed by the Governor. Five members of the commission are youth advisory members and, as required by statute, at least one member is appointed from each of Tennessee's nine development districts. The 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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
316.01 Commission on Children and Youth					
Full-Time	48	49	49	0	49
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	50	51	51	0	51
Payroll	2,794,400	3,192,200	3,127,800	0	3,127,800
Operational	4,490,100	4,748,900	4,741,300	0	4,741,300
Total	\$7,284,500	\$7,941,100	\$7,869,100	\$0	\$7,869,100
State	2,080,500	2,189,400	2,140,100	0	2,140,100
Federal	2,300,400	2,785,200	2,779,600	0	2,779,600
Other	2,903,600	2,966,500	2,949,400	0	2,949,400

Standard: Maintain compliance with the deinstitutionalization of status offenders requirement of the Federal Juvenile Justice and Delinquency Prevention Act.

Measure: The reduced number of state deinstitutionalization of status offender violations.

	113	110	109	0	109
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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 where a quality service review is conducted.

	338	268	268	0	268
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Commission on Aging and Disability

The Commission on Aging and Disability is responsible for networking aging or disabled adults needing in-home services with state, federal, and local programs.

The commission is comprised of 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; 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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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316.02 Commission on Aging and Disability

Full-Time	58	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	58	57	57	0	57
Payroll	2,007,100	3,495,000	3,446,400	0	3,446,400
Operational	39,666,500	48,215,400	45,599,100	2,050,400	47,649,500
Total	\$41,673,600	\$51,710,400	\$49,045,500	\$2,050,400	\$51,095,900
State	9,358,700	13,826,400	13,742,000	307,600	14,049,600
Federal	25,289,500	27,973,600	25,414,700	1,742,800	27,157,500
Other	7,025,400	9,910,400	9,888,800	0	9,888,800

Standard: Improve the quality of life for elderly persons or other adults with disabilities by providing access to services, health promotion and prevention services, and in-home services.

Measure: Number of elderly persons or adults with disabilities whose quality of life was improved by participating in services.

151,865	152,465	152,465	0	152,465
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Health Services and Development Agency

The Health Services and Development Agency is responsible for regulating the health-care industry through the certificate-of-need program. The agency requires certification of need for the establishment or modification of health-care facilities and the reporting of financial and statistical data from these facilities. The certificate-of-need program assures that health-care projects are accomplished in an orderly, economical manner, consistent with the development of an adequate and effective health-care system.

The agency is governed by a 10-member board. The Governor appoints five members. The Comptroller of the Treasury, the Commissioner of Commerce and Insurance, and the Director of TennCare are ex-officio members; the speakers of the Senate and House of Representatives appoint one member each. The board acts as a regulatory body in the certificate-of-need process and appoints an executive director to administer the agency.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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
Total	19	19	19	0	19
Payroll	794,200	879,300	872,900	0	872,900
Operational	157,500	387,400	389,400	0	389,400
Total	\$951,700	\$1,266,700	\$1,262,300	\$0	\$1,262,300
State	943,200	1,250,300	1,245,900	0	1,245,900
Federal	0	0	0	0	0
Other	8,500	16,400	16,400	0	16,400

Standard: Medical equipment registrations will be current.

Measure: The percent of current medical equipment registrations.

	86%	90%	90%	0	90%
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Standard: Medical equipment utilizations will be reported.

Measure: The percent of current medical equipment utilizations.

	86%	87%	88%	0	88%
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Department of Finance and Administration, Bureau of TennCare

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	497	462	462	0	462
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	497	462	462	0	462
Payroll	28,947,400	31,849,100	30,709,000	0	30,709,000
Operational	218,039,000	218,062,000	209,179,700	0	209,179,700
Total	\$246,986,400	\$249,911,100	\$239,888,700	\$0	\$239,888,700
State	113,518,900	114,208,600	109,197,500	0	109,197,500
Federal	133,048,800	135,368,200	130,356,900	0	130,356,900
Other	418,700	334,300	334,300	0	334,300

Standard: Reduce the number of repeated audit findings.

Measure: The number of repeat audit findings.

1	1	0	0	0
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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 and mental health services and to other state agencies that provide medical care. The state agencies with programs funded from this allotment include the Department of Children's Services and the Department of Health.

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

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	0	0	0	0	0
Operational	4,968,450,600	4,806,888,600	5,147,717,200	0	5,147,717,200
Total	\$4,968,450,600	\$4,806,888,600	\$5,147,717,200	\$0	\$5,147,717,200
State	1,651,813,900	1,649,707,700	1,269,161,400	0	1,269,161,400
Federal	3,019,758,500	2,870,887,100	3,647,620,200	0	3,647,620,200
Other	296,878,200	286,293,800	230,935,600	0	230,935,600

Standard: Increase the number of Managed Care Organizations (MCO) that demonstrate significant improvement in one or more of the quality measures identified in the contractor risk agreement.

Measure: The number of MCOs demonstrating significant improvement in one or more quality indicators identified in the contractor risk agreement.

2	4	4	0	4
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Standard: Increase the number of MCOs that report well child screening scores on the Health Plan Employer Data and Information Set (HEDIS) at or above the national average in all three age categories.

Measure: The number of MCOs that report HEDIS well child screening scores at or above the national average in all three age categories.

0	3	4	0	4
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318.67 Waiver and Crossover Services

The Waiver and Crossover Services program provides funding for home and community-based services (HCBS) 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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,103,656,300	1,090,484,900	1,130,086,400	0	1,130,086,400
Total	\$1,103,656,300	\$1,090,484,900	\$1,130,086,400	\$0	\$1,130,086,400
State	410,846,700	400,892,700	306,141,400	0	306,141,400
Federal	692,809,600	689,592,200	823,945,000	0	823,945,000
Other	0	0	0	0	0

Standard: Work with the Commission on Aging and other community providers to improve enrollment in the HCBS waiver for the elderly.

Measure: The number of unduplicated participants in HCBS programs for elderly and/or physically disabled.

3,700	6,000	6,500	0	6,500
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Standard: Rebalance the long-term care system by implementing the Community Choices Act and tracking expenditure balances.

Measure: The percent of long-term care funding spent on HCBS programs.

	39%	40%	45%	0	45%
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,170,343,100	1,231,171,900	1,108,315,700	0	1,108,315,700
Total	\$1,170,343,100	\$1,231,171,900	\$1,108,315,700	\$0	\$1,108,315,700
State	344,069,300	417,525,600	285,563,000	0	285,563,000
Federal	826,273,800	813,646,300	822,752,700	0	822,752,700
Other	0	0	0	0	0

Standard: Complete all reviews of Pre-Admission Evaluations (PAEs) within eight days.

Measure: The percent of Pre-Admission Evaluations (PAEs) completed within eight days.

	100%	100%	100%	0	100%
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Standard: Retain, and be able to retrieve as necessary, copies of all approved and denied PAEs.

Measure: The percent of copies of all approved and denied PAEs, retained and retrieved as necessary.

	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 healthcare 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	13	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	13	0	13
Payroll	833,400	1,226,800	1,223,000	0	1,223,000
Operational	6,720,300	8,942,800	8,942,800	0	8,942,800
Total	\$7,553,700	\$10,169,600	\$10,165,800	\$0	\$10,165,800

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	4,119,700	5,872,600	5,870,700	0	5,870,700
Federal	3,434,000	4,297,000	4,295,100	0	4,295,100
Other	0	0	0	0	0

Standard: Provide educational forums for children's health initiatives.

Measure: The number of educational and informative opportunities provided to the community.

5	5	5	0	5
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Standard: Provide grants to statewide initiatives benefitting children.

Measure: The percent of grant funds distributed.

40%	100%	100%	0	100%
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318.00 Total Finance and Administration, Bureau of TennCare

Full-Time	510	475	475	0	475
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	510	475	475	0	475
Payroll	29,780,800	33,075,900	31,932,000	0	31,932,000
Operational	7,467,209,300	7,355,550,200	7,604,241,800	0	7,604,241,800
Total	\$7,496,990,100	\$7,388,626,100	\$7,636,173,800	\$0	\$7,636,173,800
State	2,524,368,500	2,588,207,200	1,975,934,000	0	1,975,934,000
Federal	4,675,324,700	4,513,790,800	5,428,969,900	0	5,428,969,900
Other	297,296,900	286,628,100	231,269,900	0	231,269,900

Department of Mental Health and Developmental Disabilities

Performance-Based Budget

The Department of Mental Health and Developmental Disabilities is responsible for ensuring the provision of services to children, youth, and adults with or at risk of serious and persistent mental illness; serious emotional disturbance; and substance-related disorders. This is accomplished through a system of community services providers and five state-operated inpatient facilities. The primary focus of the department is to provide a comprehensive system of care that includes adequate resources, safeguards the rights of consumers, match services to the consumer and family members in the least restrictive setting, promote consumer integration into the community, and educate the community regarding mental health and substance abuse disorders.

The department is divided into two functional areas: Administrative Services and Mental Health and Substance Abuse Services.

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	239	204	202	0	202
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	239	204	202	0	202
Payroll	14,317,400	15,192,100	14,436,800	0	14,436,800
Operational	3,599,800	3,793,300	3,510,100	0	3,510,100
Total	\$17,917,200	\$18,985,400	\$17,946,900	\$0	\$17,946,900
State	10,941,100	13,786,500	12,861,500	0	12,861,500
Federal	1,981,900	2,554,900	2,463,500	0	2,463,500
Other	4,994,200	2,644,000	2,621,900	0	2,621,900

Standard: The costs of administrative services as a percentage of total department costs will not exceed six percent.

Measure: The costs of administrative services as a percentage of total department costs.

6%	7%	6%	0	6%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Mental Health and Substance Abuse Services

The Mental Health and Substance Abuse Services division provides community services for individuals suffering mental illness or a substance-related disorder through a comprehensive network of service providers including the state's 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 accredits these institutes as psychiatric hospitals. The institutes provide the following services: acute treatment services for adults who need emergency and generally short-term inpatient care; rehabilitation services for chronically ill adults who typically require basic living, socialization, and vocational skills training; gero-psychiatric services primarily to persons age 60 and older, many of whom need nursing care; children and youth services; and forensics services for inpatient diagnostic evaluation and treatment to adults as designated by the courts.

339.03 Community 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 co-occurring disorders. The majority of services are provided through grants to non-profit or local government agencies. Services include screening and assessment, detoxification, family intervention, residential rehabilitation, halfway houses, day treatment, and outpatient services.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	49,052,700	54,350,500	50,555,000	0	50,555,000
Total	\$49,052,700	\$54,350,500	\$50,555,000	\$0	\$50,555,000
State	14,608,800	14,792,600	13,647,700	0	13,647,700
Federal	34,370,300	38,957,900	36,907,300	0	36,907,300
Other	73,600	600,000	0	0	0

Standard: Reduce the criminal justice involvement of persons treated in the state's substance abuse treatment system.

Measure: Percent reduction of persons arrested after receiving alcohol and drug treatment services as compared to persons arrested prior to receiving treatment services.

87%	88%	88%	0	88%
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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 for six months after treatment.

62.6%	66.0%	70.0%	0	70.0%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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339.08 Community Mental Health Services

The Community Mental Health Services program provides crisis services, early intervention and support services, rehabilitation, recovery and forensic services, and criminal and juvenile court ordered evaluations. The program also offers basic mental health services to persons with serious mental illness through the behavioral health safety net program. The behavioral health safety net program provides individuals with assessment, evaluation, diagnosis, case management, psychiatric medication management, and pharmacy assistance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	73,699,100	93,567,200	77,040,100	0	77,040,100
Total	\$73,699,100	\$93,567,200	\$77,040,100	\$0	\$77,040,100
State	56,267,000	63,008,300	62,781,400	0	62,781,400
Federal	11,113,000	12,758,900	13,258,700	0	13,258,700
Other	6,319,100	17,800,000	1,000,000	0	1,000,000

Standard: Increase the percentage of grantees meeting all program criteria on first review.

Measure: The percent of grantees achieving contract compliance on initial review.

69%	75%	65%	0	65%
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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	503	471	450	0	450
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	503	471	450	0	450
Payroll	24,026,800	25,683,900	24,225,300	0	24,225,300
Operational	7,133,200	7,046,800	7,239,300	0	7,239,300
Total	\$31,160,000	\$32,730,700	\$31,464,600	\$0	\$31,464,600
State	19,610,300	16,735,000	15,931,200	0	15,931,200
Federal	406,800	1,888,200	1,073,400	0	1,073,400
Other	11,142,900	14,107,500	14,460,000	0	14,460,000

Standard: 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.

25	25	29	0	29
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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339.11 Middle Tennessee Mental Health Institute

Middle Tennessee Mental Health Institute was established in Nashville in 1853, is accredited as a psychiatric hospital, and is licensed for 245 beds. The hospital provides forensic evaluation and treatment services in a secure setting.

Full-Time	732	723	705	0	705
Part-Time	13	13	8	0	8
Seasonal	0	0	0	0	0
Total	745	736	713	0	713
Payroll	41,023,000	40,977,900	39,246,200	0	39,246,200
Operational	11,081,500	8,884,100	9,169,700	0	9,169,700
Total	\$52,104,500	\$49,862,000	\$48,415,900	\$0	\$48,415,900
State	23,491,100	22,495,400	21,724,000	0	21,724,000
Federal	906,500	2,452,900	2,391,600	0	2,391,600
Other	27,706,900	24,913,700	24,300,300	0	24,300,300

Standard: 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.

25	29	29	0	29
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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	653	617	563	0	563
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	653	617	563	0	563
Payroll	33,655,400	35,090,200	31,593,900	0	31,593,900
Operational	7,549,200	6,948,300	7,051,100	0	7,051,100
Total	\$41,204,600	\$42,038,500	\$38,645,000	\$0	\$38,645,000
State	20,513,800	19,284,600	18,163,600	0	18,163,600
Federal	3,083,500	2,109,700	2,109,700	0	2,109,700
Other	17,607,300	20,644,200	18,371,700	0	18,371,700

Standard: 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.

25	29	29	0	29
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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339.16 Moccasin Bend Mental Health Institute

Moccasin Bend Mental Health Institute was established in Chattanooga in 1961, is accredited as a psychiatric hospital, and is licensed for 172 beds.

Full-Time	446	421	406	0	406
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	446	421	406	0	406
Payroll	22,486,200	23,659,800	22,074,800	0	22,074,800
Operational	5,435,100	5,317,500	5,497,500	0	5,497,500
Total	\$27,921,300	\$28,977,300	\$27,572,300	\$0	\$27,572,300
State	15,974,200	13,546,400	12,524,800	0	12,524,800
Federal	1,311,000	2,214,000	2,156,100	0	2,156,100
Other	10,636,100	13,216,900	12,891,400	0	12,891,400

Standard: 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.

25	29	29	0	29
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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 111 beds.

Full-Time	349	326	305	0	305
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	350	327	306	0	306
Payroll	19,306,500	19,966,900	18,652,000	0	18,652,000
Operational	5,191,400	6,596,700	6,740,300	0	6,740,300
Total	\$24,497,900	\$26,563,600	\$25,392,300	\$0	\$25,392,300
State	18,933,600	15,122,200	13,950,900	0	13,950,900
Federal	592,700	2,156,000	2,156,000	0	2,156,000
Other	4,971,600	9,285,400	9,285,400	0	9,285,400

Standard: 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.

25	29	29	0	29
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	108,500	450,000	450,000	0	450,000
Total	\$108,500	\$450,000	\$450,000	\$0	\$450,000
State	108,500	450,000	450,000	0	450,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Cost of major maintenance will be no more than \$0.22 per square foot.

Measure: Major maintenance cost per square foot.

\$0.16	\$0.20	\$0.22	0	\$0.22
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339.00 Total Mental Health and Developmental Disabilities

Full-Time	2,922	2,762	2,631	0	2,631
Part-Time	14	14	9	0	9
Seasonal	0	0	0	0	0
Total	2,936	2,776	2,640	0	2,640
Payroll	154,815,300	160,570,800	150,229,000	0	150,229,000
Operational	162,850,500	186,954,400	167,253,100	0	167,253,100
Total	\$317,665,800	\$347,525,200	\$317,482,100	\$0	\$317,482,100
State	180,448,400	179,221,000	172,035,100	0	172,035,100
Federal	53,765,700	65,092,500	62,516,300	0	62,516,300
Other	83,451,700	103,211,700	82,930,700	0	82,930,700

Statistical Data Mental Health Institutes

	<u>Lakeshore 339.10</u>	<u>Middle Tennessee 339.11</u>	<u>Western 339.12</u>	<u>Moccasin Bend 339.16</u>	<u>Memphis 339.17</u>	<u>Total</u>
Annual Admissions						
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	2,138	3,528	2,026	2,512	1,816	12,020
2007-2008	2,404	3,256	1,761	2,389	1,912	11,722
2008-2009	2,400	3,250	1,700	2,400	1,900	11,650
2009-2010	2,400	3,250	1,700	2,400	1,900	11,650
Annual Releases						
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	2,118	3,529	2,046	2,500	1,809	12,002
2007-2008	2,386	3,264	1,778	2,374	1,904	11,706
2008-2009	2,400	3,260	1,700	2,400	1,900	11,660
2009-2010	2,400	3,260	1,700	2,400	1,900	11,660
Average Daily Census						
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	153	249	237	124	82	845
2006-2007	143	248	230	124	63	808
2007-2008	153	232	199	134	62	780
2008-2009	155	240	205	130	65	795
2009-2010	155	240	187	130	65	777
Cost Per Occupancy Day*						
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	\$570.53	\$556.39	\$472.96	\$576.98	\$968.26	\$570.52
2007-2008	\$556.80	\$615.42	\$567.57	\$571.30	\$1,082.83	\$621.26
2008-2009	\$578.54	\$586.61	\$579.84	\$601.19	\$1,175.38	\$632.46
2009-2010	\$556.16	\$569.60	\$586.15	\$572.04	\$1,123.55	\$616.19

* 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

Performance-Based Budget

The Department of Health is responsible for protecting and improving the health of Tennessee's citizens and visitors. In order to carry out this responsibility, the department is organized into the following three bureaus: Administrative and Support Services, Health Licensure and Regulation, and Health Services.

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	95	87	83	0	83
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	95	87	83	0	83
Payroll	6,371,000	6,035,600	5,772,000	0	5,772,000
Operational	2,054,600	2,270,400	2,280,200	0	2,280,200
Total	\$8,425,600	\$8,306,000	\$8,052,200	\$0	\$8,052,200
State	7,466,400	7,075,400	6,821,600	0	6,821,600
Federal	865,500	1,043,600	1,043,600	0	1,043,600
Other	93,700	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.

1.51%	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	70	67	64	0	64
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	67	64	0	64
Payroll	3,446,900	3,749,300	3,538,000	0	3,538,000
Operational	682,400	643,300	555,300	0	555,300
Total	\$4,129,300	\$4,392,600	\$4,093,300	\$0	\$4,093,300

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	3,559,400	3,184,100	2,884,800	0	2,884,800
Federal	569,900	1,168,900	1,168,900	0	1,168,900
Other	0	39,600	39,600	0	39,600

Standard: Maintain the percentage of Administrative Services' actual expenditures to total department expenditures.

Measure: Administrative Services' expenditures as a percent of total department expenditures.

0.73%	0.78%	0.78%	0	0.78%
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343.04 Office for Information Technology Services

The Office for Information Technology Services 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	74	70	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	74	70	66	0	66
Payroll	4,373,300	5,070,100	4,717,500	0	4,717,500
Operational	939,200	569,800	578,000	0	578,000
Total	\$5,312,500	\$5,639,900	\$5,295,500	\$0	\$5,295,500
State	5,312,500	5,513,900	5,169,500	0	5,169,500
Federal	0	126,000	126,000	0	126,000
Other	0	0	0	0	0

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.

4.6	4.8	4.8	0	4.8
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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	172	168	167	0	167
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	172	168	167	0	167
Payroll	9,091,400	10,035,200	9,881,500	0	9,881,500
Operational	9,417,400	10,171,300	9,583,300	0	9,583,300
Total	\$18,508,800	\$20,206,500	\$19,464,800	\$0	\$19,464,800

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	8,631,100	8,533,500	6,855,700	0	6,855,700
Federal	1,991,000	2,058,400	1,594,900	0	1,594,900
Other	7,886,700	9,614,600	11,014,200	0	11,014,200

Standard: Exceed the federal Clinical Laboratory Improvement Act (CLIA) 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	141	131	126	0	126
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	141	131	126	0	126
Payroll	7,733,100	7,663,000	7,193,100	0	7,193,100
Operational	2,533,700	2,800,400	2,563,600	0	2,563,600
Total	\$10,266,800	\$10,463,400	\$9,756,700	\$0	\$9,756,700
State	4,337,900	5,002,400	4,065,000	0	4,065,000
Federal	1,825,900	1,754,800	1,789,500	0	1,789,500
Other	4,103,000	3,706,200	3,902,200	0	3,902,200

Standard: Protect the health and safety of all citizens and visitors to the state through timely collection and dissemination of accurate health related data designed for health planning and policy making.

Measure: Percent of Joint Annual Report databases from healthcare facilities corrected and finalized within six months of the due date set for the facilities.

70%	85%	100%	0	100%
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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. In addition, the bureau coordinates and administers the Trauma System Fund.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	175	179	179	0	179
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	175	179	179	0	179
Payroll	10,442,500	11,472,200	11,312,300	0	11,312,300
Operational	4,399,200	4,975,000	5,007,500	0	5,007,500
Total	\$14,841,700	\$16,447,200	\$16,319,800	\$0	\$16,319,800
State	6,577,300	8,307,600	8,180,200	0	8,180,200
Federal	6,821,800	6,462,100	6,704,600	0	6,704,600
Other	1,442,600	1,677,500	1,435,000	0	1,435,000

Standard: Protect the health and safety of the public by surveying health care facilities to verify compliance with state and federal regulations for purposes of annual licensure or certification.

Measure: Percent of required licensure and certification surveys completed within the timelines established by the division and by Centers for Medicare and Medicaid Services according to facility type.

94%	94%	100%	0	100%
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Standard: Protect the health and safety of the public by investigating every complaint and unusual incident to determine health care facilities' compliance with state and federal regulations.

Measure: Percent of complaints and unusual incidents investigated within timeframes mandated by priority designation.

94%	94%	100%	0	100%
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343.06 Trauma System Fund

The Trauma System Fund provides payments and grants to all levels of trauma centers and comprehensive regional pediatric centers based on the recommendations of the Tennessee Trauma Care Advisory Council. In accordance with TCA 68-59, grants and payments are made to trauma care centers for the costs of maintaining required standards for designation and uncompensated care costs associated with trauma care patients.

Full-Time	1	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	1	1	0	1
Payroll	0	51,700	51,600	0	51,600
Operational	1,800	9,855,400	9,855,400	0	9,855,400
Total	\$1,800	\$9,907,100	\$9,907,000	\$0	\$9,907,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	1,800	9,907,100	9,907,000	0	9,907,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Enhance the state's trauma system infrastructure, in part by providing funds to the trauma centers for uncompensated costs.

Measure: Percent of trauma centers' uncompensated care costs covered by the fund.

10%	13%	13%	0	13%
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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
Total	35	35	35	0	35
Payroll	1,207,900	1,346,600	1,335,600	0	1,335,600
Operational	835,500	530,500	534,300	0	534,300
Total	\$2,043,400	\$1,877,100	\$1,869,900	\$0	\$1,869,900
State	661,800	745,300	588,100	0	588,100
Federal	163,600	230,900	165,000	0	165,000
Other	1,218,000	900,900	1,116,800	0	1,116,800

Standard: Protect the public health and safety by ensuring the processing of applications and renewals for Emergency Medical Services (EMS) personnel within timelines set by the Department of Health.

Measure: Percent of applications and renewals for EMS personnel processed within 100 calendar days from application receipt to license approval or denial for initial licensure applications and within ten calendar days for renewal applications.

100%	100%	100%	0	100%
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Standard: Protect the public health and safety by ensuring the processing of applications and renewals for ambulance services within timelines set by the Department of Health.

Measure: Percent of initial and renewal licenses for ambulance services processed within 15 calendar days from application receipt.

100%	100%	100%	0	100%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	140	137	137	0	137
Part-Time	186	190	190	0	190
Seasonal	0	0	0	0	0
Total	326	327	327	0	327
Payroll	7,563,200	8,059,200	7,873,000	0	7,873,000
Operational	5,325,400	5,671,500	5,640,200	0	5,640,200
Total	\$12,888,600	\$13,730,700	\$13,513,200	\$0	\$13,513,200
State	12,718,300	13,601,700	13,384,200	0	13,384,200
Federal	53,500	0	50,000	0	50,000
Other	116,800	129,000	79,000	0	79,000

Standard: Protect the public health and safety by ensuring that only qualified individuals are authorized to practice a health-related profession.

Measure: Percent of initial licensure applications and renewals processed within 100 calendar days from application receipt to licensure approval or denial for initial applications and within 14 calendar days for renewals.

96%	99%	99%	0	99%
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Standard: Protect the public health and safety by ensuring that complaints against licensed and unlicensed individuals are brought to a conclusion in a timely fashion.

Measure: Percent of complaints resolved within established category timeframes.

70%	80%	85%	0	85%
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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, diagnosis 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. The Department of Mental Health and Developmental Disabilities also provides safety net services to the mentally ill.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	86	83	83	0	83
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	86	83	83	0	83
Payroll	3,870,700	4,698,600	4,622,300	0	4,622,300
Operational	26,799,000	16,812,500	19,932,400	0	19,932,400
Total	\$30,669,700	\$21,511,100	\$24,554,700	\$0	\$24,554,700
State	23,586,500	13,612,800	13,367,700	0	13,367,700
Federal	1,409,900	1,384,900	1,384,900	0	1,384,900
Other	5,673,300	6,513,400	9,802,100	0	9,802,100

Standard: The administrative cost for Health Services Administration activities for the Bureau of Health Services will not exceed two percent of the total bureau's costs.

Measure: Administrative expenditures as a percent of total Bureau of Health Services Administration expenditures.

1.42%	1.40%	1.40%	0	1.40%
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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	109	109	109	0	109
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	109	109	109	0	109
Payroll	6,723,300	7,153,500	7,003,600	0	7,003,600
Operational	4,400,900	4,775,800	4,591,300	0	4,591,300
Total	\$11,124,200	\$11,929,300	\$11,594,900	\$0	\$11,594,900
State	11,064,000	11,900,700	11,566,300	0	11,566,300
Federal	0	0	0	0	0
Other	60,200	28,600	28,600	0	28,600

Standard: Reduce infections caused by key food-borne pathogens.

Measure: Number of infections caused by Salmonella species per 100,000 population.

14.1/100,000	13.6/100,000	13.1/100,000	0	13.1/100,000
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	40	40	0	40
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	45	40	40	0	40
Payroll	2,105,100	2,693,600	2,600,200	0	2,600,200
Operational	11,361,800	13,651,800	13,103,500	0	13,103,500
Total	\$13,466,900	\$16,345,400	\$15,703,700	\$0	\$15,703,700
State	3,760,600	2,960,900	2,319,200	0	2,319,200
Federal	5,345,800	8,422,200	7,933,600	0	7,933,600
Other	4,360,500	4,962,300	5,450,900	0	5,450,900

Standard: Reduce the pregnancy rate for females ages 15-17.

Measure: Adolescent pregnancy rate for females ages 15-17 per 1,000 females.

35.0/1,000	34.9/1,000	34.8/1,000	0	34.8/1,000
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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	150	148	148	0	148
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	151	149	149	0	149
Payroll	6,723,200	9,453,400	9,396,800	0	9,396,800
Operational	45,246,000	43,038,900	42,212,900	0	42,212,900
Total	\$51,969,200	\$52,492,300	\$51,609,700	\$0	\$51,609,700
State	15,397,200	13,361,400	12,480,100	0	12,480,100
Federal	31,132,200	39,130,900	35,891,100	0	35,891,100
Other	5,439,800	0	3,238,500	0	3,238,500

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Standard: By 2020, the incidence rate of new reported HIV/AIDS infections will not exceed 10 cases per 100,000 population.

Measure: Incidence rate of new reported HIV/AIDS infections.

17.0/100,000	16.8/100,000	16.6/100,000	0	16.6/100,000
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Standard: Maintain 90% of 24-month-old children in Tennessee who are immunized on time with each of the routinely recommended vaccines.

Measure: Percent of 24-month-old children receiving the recommended vaccinations on time.

91.9%	90.0%	90.0%	0	90.0%
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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	2	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	1	1	0	1
Payroll	82,300	143,000	285,800	0	285,800
Operational	1,881,300	6,810,500	6,114,000	0	6,114,000
Total	\$1,963,600	\$6,953,500	\$6,399,800	\$0	\$6,399,800
State	1,546,700	6,953,500	6,399,800	0	6,399,800
Federal	0	0	0	0	0
Other	416,900	0	0	0	0

Standard: Decrease the percentage of adults who have been told by a doctor that they have diabetes according to the annual Behavioral Risk Factor Surveillance System.

Measure: Percent of adults surveyed who have ever been told by a doctor that they have diabetes.

11.9	11.4	10.9	0	10.9
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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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	81	77	77	0	77
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	77	77	0	77
Payroll	4,533,400	5,005,400	4,975,900	0	4,975,900
Operational	35,158,200	34,395,700	25,575,800	0	25,575,800
Total	\$39,691,600	\$39,401,100	\$30,551,700	\$0	\$30,551,700
State	24,497,400	18,711,200	10,524,100	0	10,524,100
Federal	12,829,600	16,557,900	18,639,900	0	18,639,900
Other	2,364,600	4,132,000	1,387,700	0	1,387,700

Standard: Decrease the percentage of adults who have ever been told that they have angina or coronary heart disease according to the annual Behavioral Risk Factor Surveillance System.

Measure: Percent of adults surveyed who have been told they have angina or coronary heart disease.

5.0 4.9 4.7 0 4.7

Standard: Increase the portion of women 40 and older who receive a Pap test to at least 50% of those served.

Measure: Percent of women over 40 served by the Community and Medical Services program who receive a Pap test.

38% 44% 50% 0 50%

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
Total	21	21	21	0	21
Payroll	1,054,600	1,228,400	1,218,500	0	1,218,500
Operational	136,325,300	141,575,900	141,578,700	0	141,578,700
Total	\$137,379,900	\$142,804,300	\$142,797,200	\$0	\$142,797,200
State	0	0	0	0	0
Federal	95,717,800	107,670,300	97,663,200	0	97,663,200
Other	41,662,100	35,134,000	45,134,000	0	45,134,000

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.

33% 33% 33% 0 33%

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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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; 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	1,884	1,645	1,639	0	1,639
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	1,886	1,647	1,641	0	1,641
Payroll	97,528,100	98,601,400	94,661,600	0	94,661,600
Operational	97,389,400	90,948,500	90,567,900	0	90,567,900
Total	\$194,917,500	\$189,549,900	\$185,229,500	\$0	\$185,229,500
State	61,822,500	62,161,500	58,694,400	0	58,694,400
Federal	61,644,800	64,057,400	61,731,600	0	61,731,600
Other	71,450,200	63,331,000	64,803,500	0	64,803,500

Standard: Assure availability and accessibility of public health services at county health departments.

Measure: Number of encounters/visits to county health departments.

	2,096,570	2,100,000	2,150,000	0	2,150,000
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Standard: Decrease the percentage of adults who are current smokers according to the annual Behavioral Risk Factor Surveillance System.

Measure: Percent of adults who are current smokers.

	24.3	24.0	23.5	0	23.5
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343.00 Total Health

Full-Time	3,268	2,986	2,963	0	2,963
Part-Time	202	206	206	0	206
Seasonal	0	0	0	0	0
Total	3,470	3,192	3,169	0	3,169
Payroll	172,850,000	182,460,200	176,439,300	0	176,439,300
Operational	384,751,100	389,497,200	380,274,300	0	380,274,300
Total	\$557,601,100	\$571,957,400	\$556,713,600	\$0	\$556,713,600
State	190,941,400	191,533,000	173,207,700	0	173,207,700
Federal	220,371,300	250,068,300	235,886,800	0	235,886,800
Other	146,288,400	130,356,100	147,619,100	0	147,619,100

Department of Finance and Administration, Division of Mental Retardation Services

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. The division provides services in a variety of settings, ranging from supported living in the community to institutional care, with an emphasis on providing services to individuals in home and community-based settings, where possible. The division also provides administrative support to the Developmental Disabilities Council.

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	134	138	128	0	128
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	134	138	128	0	128
Payroll	9,924,700	10,419,200	9,488,200	0	9,488,200
Operational	4,897,100	4,955,900	3,655,000	0	3,655,000
Total	\$14,821,800	\$15,375,100	\$13,143,200	\$0	\$13,143,200
State	367,700	3,287,200	1,285,600	0	1,285,600
Federal	0	0	0	0	0
Other	14,454,100	12,087,900	11,857,600	0	11,857,600

Standard: Administrative costs to total services costs will not exceed 2%.

Measure: Percent of administrative costs to total services costs.

2.2%	2.0%	2.0%	0	2.0%
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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	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	9	9	0	9

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	573,300	707,500	704,100	0	704,100
Operational	1,120,000	1,786,300	1,672,000	0	1,672,000
Total	\$1,693,300	\$2,493,800	\$2,376,100	\$0	\$2,376,100
State	196,800	217,500	217,300	0	217,300
Federal	1,472,900	2,176,300	2,058,800	0	2,058,800
Other	23,600	100,000	100,000	0	100,000

Standard: Utilize council federal funding to support priority areas: education, housing, employment, childcare, community supports, quality assurance, health, and transportation.

Measure: Percent of actual expenditures spent to support federal priority areas.

74%	70%	79%	0	79%
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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. Alternatives to institutional residential settings are provided at state-operated intermediate care facilities for the mentally retarded (ICF-MR) at West Tennessee Community Homes and East Tennessee Community Homes.

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	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	615,436,300	583,550,700	597,489,000	0	597,489,000
Total	\$615,436,300	\$583,550,700	\$597,489,000	\$0	\$597,489,000
State	54,474,600	49,591,300	45,608,200	0	45,608,200
Federal	0	0	0	0	0
Other	560,961,700	533,959,400	551,880,800	0	551,880,800

Standard: Provide medically necessary services to individuals in the Home and Community-based Services (HCBS) waivers.

Measure: Number of individuals served in the community.

7,410	10,027	7,720	0	7,720
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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344.04 Quality Assurance Program

The Quality Assurance Program provides direction and oversight for regional surveys of contracted day, residential, and independent support coordination and clinical service providers to determine levels of performance. The program serves as a safeguard for the service recipient and focuses on investigation, complaint resolution, and incident management.

Full-Time	120	120	120	0	120
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	120	120	120	0	120
Payroll	6,842,900	7,697,600	7,697,600	0	7,697,600
Operational	579,900	644,300	644,300	0	644,300
Total	\$7,422,800	\$8,341,900	\$8,341,900	\$0	\$8,341,900
State	665,800	834,100	834,100	0	834,100
Federal	0	0	0	0	0
Other	6,757,000	7,507,800	7,507,800	0	7,507,800

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	195	206	192	0	192
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	195	206	192	0	192
Payroll	9,797,300	11,874,100	11,271,800	0	11,271,800
Operational	4,145,000	4,080,200	2,946,700	0	2,946,700
Total	\$13,942,300	\$15,954,300	\$14,218,500	\$0	\$14,218,500
State	0	2,503,400	1,354,800	0	1,354,800
Federal	0	0	0	0	0
Other	13,942,300	13,450,900	12,863,700	0	12,863,700

Standard: Increase the number of investigations closed within 30 days.

Measure: Percent of investigations closed within 30 days.

96%	100%	100%	0	100%
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Standard: Resolve and close complaint cases within 30 days of receipt.

Measure: Percent of complaint cases resolved and closed within 30 days of receipt.

100%	90%	90%	0	90%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	155	150	138	0	138
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	155	150	138	0	138
Payroll	8,576,600	8,922,700	8,222,400	0	8,222,400
Operational	1,569,600	1,535,200	1,610,300	0	1,610,300
Total	\$10,146,200	\$10,457,900	\$9,832,700	\$0	\$9,832,700
State	0	1,745,100	981,700	0	981,700
Federal	0	0	0	0	0
Other	10,146,200	8,712,800	8,851,000	0	8,851,000

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.

97%	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.

91%	100%	100%	0	100%
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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	165	162	150	0	150
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	165	162	150	0	150
Payroll	9,100,800	9,913,800	9,104,700	0	9,104,700
Operational	1,938,900	2,962,600	2,041,200	0	2,041,200
Total	\$11,039,700	\$12,876,400	\$11,145,900	\$0	\$11,145,900
State	736,900	2,127,100	1,112,800	0	1,112,800
Federal	0	0	0	0	0
Other	10,302,800	10,749,300	10,033,100	0	10,033,100

Standard: Increase the number of investigations closed within 30 days.

Measure: The percent of investigations closed within 30 days.

99%	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.

98%	90%	90%	0	90%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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344.30 West Tennessee Resource Center

The resource center provides services such as state-operated beds, private ICF-MR facilities, and community-run homes to a population that includes ICF-MR individuals and others qualifying under the Settlement Agreement, the Self-Determination Waiver, and other statewide waivers.

Full-Time	43	45	45	0	45
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	45	45	0	45
Payroll	1,246,700	3,538,800	3,534,100	0	3,534,100
Operational	485,700	1,765,600	1,765,600	0	1,765,600
Total	\$1,732,400	\$5,304,400	\$5,299,700	\$0	\$5,299,700
State	1,732,400	0	0	0	0
Federal	0	0	0	0	0
Other	0	5,304,400	5,299,700	0	5,299,700

Standard: Provide clinical and medical services through the West Tennessee Resource Center.

Measure: Number of individuals receiving services at the resource center.

	175	200	225	0	225
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344.40 West Tennessee Community Homes

West Tennessee Community Homes are ICF-MR homes for individuals with severe to profound intellectual, physical, and medical challenges and who have spent more than one-half of their lives in large, institutional settings.

Full-Time	319	319	282	0	282
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	319	319	282	0	282
Payroll	15,494,400	14,308,100	14,211,000	0	14,211,000
Operational	3,991,900	3,918,500	3,918,500	0	3,918,500
Total	\$19,486,300	\$18,226,600	\$18,129,500	\$0	\$18,129,500
State	19,486,300	0	0	0	0
Federal	0	0	0	0	0
Other	0	18,226,600	18,129,500	0	18,129,500

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	Not Applicable	8	6	0	6
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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344.42 East Tennessee Community Homes

East Tennessee Community Homes are ICF-MR homes for individuals with severe to profound intellectual, physical, and medical challenges and who have spent more than one-half of their lives in large, institutional settings.

Full-Time	0	0	148	0	148
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	148	0	148
Payroll	0	0	5,562,600	0	5,562,600
Operational	0	0	2,259,400	0	2,259,400
Total	\$0	\$0	\$7,822,000	\$0	\$7,822,000
State	0	0	519,000	0	519,000
Federal	0	0	0	0	0
Other	0	0	7,303,000	0	7,303,000

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	349	229	142	0	142
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	349	229	142	0	142
Payroll	16,997,800	16,034,200	10,814,800	0	10,814,800
Operational	10,100,500	9,263,100	5,698,300	0	5,698,300
Total	\$27,098,300	\$25,297,300	\$16,513,100	\$0	\$16,513,100
State	0	1,734,100	1,638,700	0	1,638,700
Federal	0	0	0	0	0
Other	27,098,300	23,563,200	14,874,400	0	14,874,400

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

9	6	6	0	6
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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.

Full-Time	805	752	667	0	667
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	805	752	667	0	667
Payroll	38,564,000	38,839,400	32,995,500	0	32,995,500
Operational	22,709,500	20,790,400	21,936,900	0	21,936,900
Total	\$61,273,500	\$59,629,800	\$54,932,400	\$0	\$54,932,400
State	10,157,100	8,796,700	8,588,100	0	8,588,100
Federal	0	0	0	0	0
Other	51,116,400	50,833,100	46,344,300	0	46,344,300

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	27	34	25	0	25
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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. This facility serves as the resource center, providing clinical and medical services, to the residents of East Tennessee Community Homes and those residents of other community-based living arrangements.

Full-Time	1,387	1,321	1,148	0	1,148
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,387	1,321	1,148	0	1,148
Payroll	65,240,300	66,430,300	56,654,400	0	56,654,400
Operational	15,536,700	14,759,300	13,878,100	0	13,878,100
Total	\$80,777,000	\$81,189,600	\$70,532,500	\$0	\$70,532,500
State	4,870,000	1,353,400	1,324,500	0	1,324,500
Federal	0	0	0	0	0
Other	75,907,000	79,836,200	69,208,000	0	69,208,000

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	59	56	54	0	54
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	455,000	300,000	270,000	0	270,000
Total	\$455,000	\$300,000	\$270,000	\$0	\$270,000
State	455,000	300,000	270,000	0	270,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Reduce percentage of major maintenance funds disbursed for emergency maintenance of the facilities each year.

Measure: The percent of funds disbursed for emergency maintenance.

84%	75%	70%	0	70%
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344.00 Total Finance and Administration, Division of Mental Retardation Services

Full-Time	3,681	3,451	3,169	0	3,169
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,681	3,451	3,169	0	3,169
Payroll	182,358,800	188,685,700	170,261,200	0	170,261,200
Operational	682,966,100	650,312,100	659,785,300	0	659,785,300
Total	\$865,324,900	\$838,997,800	\$830,046,500	\$0	\$830,046,500
State	93,142,600	72,489,900	63,734,800	0	63,734,800
Federal	1,472,900	2,176,300	2,058,800	0	2,058,800
Other	770,709,400	764,331,600	764,252,900	0	764,252,900

Statistical Data

Mental Retardation Developmental Centers

	Arlington <u>344.10</u>	Clover Bottom <u>344.11</u>	Greene Valley <u>344.12</u>	<u>Total</u>
Annual Admissions				
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	4	4
2007-2008	0	0	9	9
2008-2009	0	0	10	10
2009-2010	0	0	10	10
Annual Releases				
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	38	0	10	48
2007-2008	24	0	27	51
2008-2009	26	4	10	40
2009-2010	24	32	42	98
Average Daily Census				
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	164	278	587
2007-2008	73	150	273	496
2008-2009	47	146	268	461
2009-2010	23	114	236	373
Cost Per Occupancy Day*				
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	\$1,057.11	\$1,010.12	\$757.17	\$941.47
2007-2008	\$1,014.23	\$1,116.09	\$808.43	\$979.59
2008-2009	\$1,474.63	\$1,118.97	\$829.99	\$1,141.20
2009-2010	\$1,967.02	\$1,320.17	\$818.81	\$1,368.67

* 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</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	575	530	530	0	530
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	575	530	530	0	530
Payroll	34,928,500	36,890,800	35,251,800	0	35,251,800
Operational	33,632,700	26,987,900	28,783,600	0	28,783,600
Total	\$68,561,200	\$63,878,700	\$64,035,400	\$0	\$64,035,400
State	19,636,400	20,883,500	21,025,900	0	21,025,900
Federal	30,656,800	26,125,500	26,536,000	0	26,536,000
Other	18,268,000	16,869,700	16,473,500	0	16,473,500

Standard: Availability of the Tennessee Child Support Enforcement computer system (TCSES) shall exceed 99%.

Measure: Percent of time Child Support Enforcement System is available.

98.25%	99.70%	99.00%	0	99.00%
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Standard: Monitor the percentage of child care vendor invoices paid within 10 days of receipt.

Measure: Percent of approximately 140,000 child care invoices paid within 10 days of receipt.

97.36%	97.50%	97.80%	0	97.80%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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345.16 Field Operations

Field Operations provides supervision and administrative support to Department of Human Services offices in each of Tennessee's 95 counties.

Full-Time	494	422	422	0	422
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	494	422	422	0	422
Payroll	21,447,200	20,979,400	17,466,200	0	17,466,200
Operational	1,799,900	1,399,800	1,736,800	0	1,736,800
Total	\$23,247,100	\$22,379,200	\$19,203,000	\$0	\$19,203,000
State	6,854,200	7,038,800	6,082,700	0	6,082,700
Federal	6,994,000	6,372,700	5,683,900	0	5,683,900
Other	9,398,900	8,967,700	7,436,400	0	7,436,400

Standard: Timeliness of Random Moment Sample surveys shall exceed 99%.

Measure: Percent of Random Moment Sample surveys returned timely.

	99.79%	99.80%	99.80%	0	99.80%
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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	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	18,486,400	17,103,700	17,263,900	0	17,263,900
Total	\$18,486,400	\$17,103,700	\$17,263,900	\$0	\$17,263,900
State	6,056,100	6,068,400	6,079,500	0	6,079,500
Federal	6,685,000	5,190,200	5,799,600	0	5,799,600
Other	5,745,300	5,845,100	5,384,800	0	5,384,800

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.

	133	133	133	0	133
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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	223	196	196	0	196
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	223	196	196	0	196

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	11,411,300	11,884,200	11,173,500	0	11,173,500
Operational	1,696,100	667,400	1,241,800	0	1,241,800
Total	\$13,107,400	\$12,551,600	\$12,415,300	\$0	\$12,415,300
State	3,716,500	2,966,000	3,459,500	0	3,459,500
Federal	4,517,500	4,721,300	4,933,800	0	4,933,800
Other	4,873,400	4,864,300	4,022,000	0	4,022,000

Standard: Process Food Stamps appeals within a 60-day timeframe.

Measure: Average monthly percent of Food Stamps appeals completed within 60 days.

82% 90% 90% 0 90%

Standard: Process Families First, TennCare, and Medicaid appeals within a 90-day timeframe.

Measure: Average monthly percent of Families First, TennCare, and Medicaid appeals completed within 90 days.

91% 92% 92% 0 92%

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 program that distributes cash grants and provides employment, training, education, and support services for families with financial need and dependent children deprived of parental support and/or care. The goals of the Families First program are to: provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and encourage the formation and maintenance of two-parent families.

The 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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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The Community Services program provides regulatory and protective services, social services, and economic assistance in the areas of child and adult care, adult protective services, and community contract services.

345.20 Child Care Benefits

The Child Care Benefits program provides assistance for child care services to qualifying participants in programs such as Families First, foster care, child protective services, transitional Families First, and Department of Children's Services relative care.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	179,350,800	201,207,400	196,207,400	36,932,000	233,139,400
Total	\$179,350,800	\$201,207,400	\$196,207,400	\$36,932,000	\$233,139,400
State	17,412,500	17,427,700	17,486,500	0	17,486,500
Federal	151,033,600	174,151,900	168,220,900	36,932,000	205,152,900
Other	10,904,700	9,627,800	10,500,000	0	10,500,000

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	45th	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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	114,311,700	128,255,300	125,255,300	116,702,200	241,957,500
Total	\$114,311,700	\$128,255,300	\$125,255,300	\$116,702,200	\$241,957,500
State	15,047,800	19,459,100	19,832,000	0	19,832,000
Federal	95,641,500	105,179,000	101,806,100	116,702,200	218,508,300
Other	3,622,400	3,617,200	3,617,200	0	3,617,200

Standard: Monitor the monthly participation rate of families receiving temporary cash assistance.

Measure: Average number of families receiving monthly temporary cash assistance payments.

53,500	60,000	60,000	0	60,000
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,078,969,200	1,390,041,300	1,542,195,300	209,738,600	1,751,933,900
Total	\$1,078,969,200	\$1,390,041,300	\$1,542,195,300	\$209,738,600	\$1,751,933,900
State	0	0	0	0	0
Federal	1,078,969,200	1,390,041,300	1,542,195,300	209,738,600	1,751,933,900
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.

902,500	925,000	940,000	0	940,000
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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	2,514	2,519	2,519	0	2,519
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,514	2,519	2,519	0	2,519
Payroll	118,056,200	125,465,000	119,006,500	5,516,100	124,522,600
Operational	73,302,300	61,914,600	62,993,800	200,000	63,193,800
Total	\$191,358,500	\$187,379,600	\$182,000,300	\$5,716,100	\$187,716,400
State	73,924,400	75,900,700	74,156,400	0	74,156,400
Federal	69,251,300	59,382,400	55,839,600	5,716,100	61,555,700
Other	48,182,800	52,096,500	52,004,300	0	52,004,300

Standard: Meet or exceed the Federal Work Participation Rate for Temporary Assistance for Needy Families (TANF) clients.

Measure: Families First Work Participation Rate (WPR).

51%	50%	50%	0	50%
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Standard: Increase Food Stamp payment accuracy rate to 95.25%.

Measure: Food Stamp payment accuracy rate.

95.00%	95.00%	95.00%	0	95.00%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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, 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	416	413	413	0	413
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	416	413	413	0	413
Payroll	21,869,700	22,259,300	21,185,300	0	21,185,300
Operational	128,614,200	196,238,000	117,056,400	101,799,100	218,855,500
Total	\$150,483,900	\$218,497,300	\$138,241,700	\$101,799,100	\$240,040,800
State	3,471,500	1,866,000	1,605,000	0	1,605,000
Federal	140,514,500	209,725,500	130,432,100	101,799,100	232,231,200
Other	6,497,900	6,905,800	6,204,600	0	6,204,600

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.

93%	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.

84%	88%	86%	0	86%
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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 Enforcement program is administered by the department through contracts with district attorneys general, private vendors, local governments, and program staff. Services include locating non-custodial parents, establishing paternity, establishing and enforcing financial and medical support orders, reviewing and adjusting support orders, and collecting and distributing child support payments. Enforcement staff is included in the district attorneys general budget, with funding from this allotment.

Full-Time	155	149	149	0	149
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	155	149	149	0	149

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	7,794,200	8,007,500	7,570,000	0	7,570,000
Operational	69,028,000	72,126,100	68,369,600	0	68,369,600
Total	\$76,822,200	\$80,133,600	\$75,939,600	\$0	\$75,939,600
State	20,492,800	19,874,500	18,314,700	0	18,314,700
Federal	31,571,800	34,444,200	32,455,200	0	32,455,200
Other	24,757,600	25,814,900	25,169,700	0	25,169,700

Standard: Increase the percentage of child support cases with court orders.

Measure: Percent of cases with child support orders.

65%	66%	67%	0	67%
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Standard: Increase the percentage of current support collected.

Measure: Percent of current support collected.

56.0%	58.0%	56.8%	0	56.8%
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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 (VR) 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	654	624	624	0	624
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	654	624	624	0	624
Payroll	30,109,500	32,403,400	30,809,400	0	30,809,400
Operational	42,624,400	51,237,300	50,068,600	13,021,000	63,089,600
Total	\$72,733,900	\$83,640,700	\$80,878,000	\$13,021,000	\$93,899,000
State	9,876,100	11,080,300	10,837,600	0	10,837,600
Federal	55,419,200	64,798,700	63,516,900	13,021,000	76,537,900
Other	7,438,600	7,761,700	6,523,500	0	6,523,500

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 directly impact DHS' ability to achieve this.)

Measure: Percent of individuals who exit VR program after receiving services that achieve employment outcomes. (Federal standard is currently 55.8%.)

62.96%	70.00%	65.00%	0	65.00%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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.

	82.3%	90.0%	90.0%	0	90.0%
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345.71 Disability Determination

The Disability Determination program, in partnership with the U.S. Social Security Administration (SSA), ascertains whether an individual is qualified for disability insurance benefits or supplemental security income benefits from the U.S. Social Security Administration.

Full-Time	564	579	579	0	579
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	564	579	579	0	579
Payroll	22,349,600	28,198,000	26,905,400	0	26,905,400
Operational	26,665,800	26,005,400	26,050,300	0	26,050,300
Total	\$49,015,400	\$54,203,400	\$52,955,700	\$0	\$52,955,700
State	0	0	0	0	0
Federal	46,221,400	50,780,100	50,167,500	0	50,167,500
Other	2,794,000	3,423,300	2,788,200	0	2,788,200

Standard: Provide accurate SSA services, based on randomly selected case reviews.

Measure: Quality assurance based on performance reviews of determination accuracy.

	97.8%	97.0%	97.0%	0	97.0%
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345.00 Total Human Services

Full-Time	5,595	5,432	5,432	0	5,432
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,595	5,432	5,432	0	5,432
Payroll	267,966,200	286,087,600	269,368,100	5,516,100	274,884,200
Operational	1,768,481,500	2,173,184,200	2,237,222,800	478,392,900	2,715,615,700
Total	\$2,036,447,700	\$2,459,271,800	\$2,506,590,900	\$483,909,000	\$2,990,499,900
State	176,488,300	182,565,000	178,879,800	0	178,879,800
Federal	1,717,475,800	2,130,912,800	2,187,586,900	483,909,000	2,671,495,900
Other	142,483,600	145,794,000	140,124,200	0	140,124,200

Department of Finance and Administration, Cover Tennessee Health Care Programs

Cover Tennessee, enacted in 2006, was developed to create health insurance options that are affordable and portable for the uninsured through four programs. CoverTN, AccessTN, and CoverKids provide health insurance to adults and children who are uninsured or uninsurable. CoverRx is a pharmacy assistance program for low-income adults without pharmacy coverage. 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 Benefits Administration Division staffs and administers the programs.

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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 that 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 a change of employer.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,974,200	23,607,900	20,123,000	0	20,123,000
Total	\$10,974,200	\$23,607,900	\$20,123,000	\$0	\$20,123,000
State	10,974,200	23,607,900	20,123,000	0	20,123,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Facilitate the provision of affordable, portable basic health-care coverage to employees of qualified small employers.

Measure: Number of employers enrolled in the CoverTN program.

3,553	17,500	6,000	0	6,000
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Standard: Facilitate the provision of affordable, portable basic health-care coverage to qualified working Tennesseans that are uninsured.

Measure: Number of enrolled individuals in the CoverTN program.

14,321	40,000	22,000	0	22,000
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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 that qualify financially.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	23,049,200	23,049,200	23,049,200	0	23,049,200
Total	\$23,049,200	\$23,049,200	\$23,049,200	\$0	\$23,049,200
State	23,049,200	23,049,200	23,049,200	0	23,049,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Facilitate the provision of comprehensive health-care coverage to uninsurable Tennesseans.

Measure: Number of enrollees in the AccessTN program.

	3,768	6,000	6,000	0	6,000
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Standard: Offset the cost of premiums to low-income enrollees through the provision of premium assistance.

Measure: Percent of AccessTN enrollees provided with premium assistance.

	88.7%	75%	75%	0	75%
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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, including dental care, that are comparable to those in the state health plans (state employee, local government, and local education agency plans).

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	57,038,100	117,210,700	115,710,700	0	115,710,700
Total	\$57,038,100	\$117,210,700	\$115,710,700	\$0	\$115,710,700
State	16,130,600	28,956,100	28,956,100	0	28,956,100
Federal	40,907,500	86,754,600	86,754,600	0	86,754,600
Other	0	1,500,000	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Facilitate the provision of comprehensive health-care coverage to uninsured Tennessee children, age 18 and younger, and maternity coverage for pregnant women.

Measure: Number of enrollees in the CoverKids program.

	23,458	33,130	35,000	0	35,000
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Standard: Assure all carriers or insurers are accredited by either the Utilization Review Accreditation Committee (URAC) or the National Committee for Quality Assurance (NCQA).

Measure: Percent of carriers or insurers that meet URAC or NCQA accreditation standards.

	100%	100%	100%	0	100%
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350.60 CoverRX

CoverRx, created by law in 2006, is an expansion of the health-care safety net pharmacy-assistance program, which began in 2005. CoverRx provides discounts for Tennesseans without pharmacy coverage, that 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	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	6,290,000	9,088,500	9,088,500	0	9,088,500
Total	\$6,290,000	\$9,088,500	\$9,088,500	\$0	\$9,088,500
State	6,022,700	8,688,500	8,688,500	0	8,688,500
Federal	0	0	0	0	0
Other	267,300	400,000	400,000	0	400,000

Standard: Facilitate access to basic and affordable medications for low-income Tennesseans without prescription drug coverage.

Measure: Number of enrollees in the CoverRX program.

	20,300	25,000	20,000	0	20,000
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Standard: Assure all carriers or insurers are accredited by either the Utilization Review Accreditation Committee (URAC) or the National Committee for Quality Assurance (NCQA).

Measure: Percent of carriers or insurers that meet URAC or NCQA accreditation standards.

	100%	100%	100%	0	100%
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
350.00 Total Cover Tennessee Health Care Programs					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	97,351,500	172,956,300	167,971,400	0	167,971,400
Total	\$97,351,500	\$172,956,300	\$167,971,400	\$0	\$167,971,400
State	56,176,700	84,301,700	80,816,800	0	80,816,800
Federal	40,907,500	86,754,600	86,754,600	0	86,754,600
Other	267,300	1,900,000	400,000	0	400,000

Department of Children's Services

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</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	569	545	503	0	503
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	569	545	503	0	503
Payroll	34,612,800	36,027,300	32,850,200	0	32,850,200
Operational	21,969,000	22,992,400	18,724,700	46,400	18,771,100
Total	\$56,581,800	\$59,019,700	\$51,574,900	\$46,400	\$51,621,300
State	44,706,100	31,575,400	28,833,900	0	28,833,900
Federal	9,299,500	7,593,800	6,428,200	0	6,428,200
Other	2,576,200	19,850,500	16,312,800	46,400	16,359,200

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.

85.5%	80.0%	80.0%	0	80.0%
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Standard: Decrease state dollar proportion of total actual expenditures by 0.5% per year.

Measure: Percent of Department of Children's Services budget that is state's portion.

51.2%	46.9%	45.5%	0	45.5%
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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>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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359.20 Family Support Services

The Family Support Services program provides services to children that 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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	55,919,800	31,338,700	31,218,700	0	31,218,700
Total	\$55,919,800	\$31,338,700	\$31,218,700	\$0	\$31,218,700
State	43,638,400	18,427,700	18,307,700	0	18,307,700
Federal	9,278,600	12,911,000	12,911,000	0	12,911,000
Other	3,002,800	0	0	0	0

Standard: Increase the number of children exiting out-of-home care to permanency.

Measure: Number of children exiting out-of-home care to permanency.

4,904	9,304	9,834	0	9,834
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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
Total	0	0	0	0	0
Payroll	100	15,000	15,000	0	15,000
Operational	215,511,900	224,449,300	216,949,300	395,700	217,345,000
Total	\$215,512,000	\$224,464,300	\$216,964,300	\$395,700	\$217,360,000
State	85,112,800	92,045,800	82,845,800	253,600	83,099,400
Federal	30,291,700	24,012,900	25,712,900	142,100	25,855,000
Other	100,107,500	108,405,600	108,405,600	0	108,405,600

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.

5,195	3,202	2,622	0	2,622
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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
Total	0	0	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	0	0	0	0	0
Operational	7,254,000	8,613,200	6,913,200	0	6,913,200
Total	\$7,254,000	\$8,613,200	\$6,913,200	\$0	\$6,913,200
State	5,001,400	6,913,200	6,913,200	0	6,913,200
Federal	455,000	0	0	0	0
Other	1,797,600	1,700,000	0	0	0

Standard: The percent of children that are initially placed in family settings will increase by 5%.

Measure: Percent of children entering care that have an initial placement type of resource home, in-home, and trial home visit.

76.8%	92.0%	97.0%	0	97.0%
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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
Total	0	0	0	0	0
Payroll	1,900	15,000	15,000	0	15,000
Operational	66,811,700	66,965,500	66,965,500	261,000	67,226,500
Total	\$66,813,600	\$66,980,500	\$66,980,500	\$261,000	\$67,241,500
State	34,175,400	34,722,500	32,022,500	136,800	32,159,300
Federal	32,219,000	32,181,500	34,881,500	124,200	35,005,700
Other	419,200	76,500	76,500	0	76,500

Standard: Children in full Department of Children's Services guardianship will have a finalized adoption within 12 months of termination of parental rights.

Measure: Percent of children in full Department of Children's Services guardianship that has a finalized adoption within 12 months.

72.6%	80.0%	83.0%	0	83.0%
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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	3,443	3,388	3,333	0	3,333
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,443	3,388	3,333	0	3,333
Payroll	179,280,700	179,092,200	173,121,700	0	173,121,700
Operational	51,000,900	52,884,600	48,560,200	0	48,560,200
Total	\$230,281,600	\$231,976,800	\$221,681,900	\$0	\$221,681,900
State	80,718,000	92,731,800	87,728,000	0	87,728,000
Federal	44,304,600	47,281,500	44,980,200	0	44,980,200
Other	105,259,000	91,963,500	88,973,700	0	88,973,700

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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.

4,626	4,868	5,070	0	5,070
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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.

11.3%	11.0%	10.0%	0	10.0%
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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.

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	204	221	215	0	215
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	206	223	217	0	217
Payroll	9,266,300	10,785,900	10,480,600	6,700	10,487,300
Operational	2,238,300	2,449,000	2,434,400	6,800	2,441,200
Total	\$11,504,600	\$13,234,900	\$12,915,000	\$13,500	\$12,928,500
State	11,233,800	12,928,100	12,611,100	6,700	12,617,800
Federal	0	0	0	0	0
Other	270,800	306,800	303,900	6,800	310,700

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Maintain at least 90% of male youth released from Wilder Youth Development Center that remain in a community setting.

Measure: Percent of male youth, ages 13-17, that 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.

	95%	90%	90%	0	90%
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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	240	232	234	0	234
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	241	233	235	0	235
Payroll	11,565,900	11,853,800	11,629,000	8,300	11,637,300
Operational	2,473,000	2,527,400	2,489,500	7,400	2,496,900
Total	\$14,038,900	\$14,381,200	\$14,118,500	\$15,700	\$14,134,200
State	13,500,500	13,731,900	13,538,100	8,300	13,546,400
Federal	0	0	0	0	0
Other	538,400	649,300	580,400	7,400	587,800

Standard: Maintain at least 90% of male 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.

	96.7%	90.0%	90.0%	0	90.0%
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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 that are committed by the courts to the department.

Full-Time	223	217	216	0	216
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	225	219	218	0	218
Payroll	9,553,800	10,312,500	10,098,700	11,200	10,109,900
Operational	2,598,700	2,591,200	2,686,000	24,900	2,710,900
Total	\$12,152,500	\$12,903,700	\$12,784,700	\$36,100	\$12,820,800
State	11,779,400	12,508,000	12,346,800	11,200	12,358,000
Federal	0	0	0	0	0
Other	373,100	395,700	437,900	24,900	462,800

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Maintain at least 90% of male youth released from Woodland Hills Youth Development Center that remain in a community setting.

Measure: Percent of male youth, ages 13-17, that 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.

	97.3%	90.0%	90.0%	0	90.0%
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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	222	214	210	0	210
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	223	215	211	0	211
Payroll	10,055,600	10,590,500	10,196,300	30,200	10,226,500
Operational	2,257,400	2,261,400	2,254,300	7,600	2,261,900
Total	\$12,313,000	\$12,851,900	\$12,450,600	\$37,800	\$12,488,400
State	12,052,200	12,517,700	12,114,800	30,200	12,145,000
Federal	0	0	0	0	0
Other	260,800	334,200	335,800	7,600	343,400

Standard: Maintain at least 90% of male youth released from Mountain View Youth Development Center that remain in a community setting.

Measure: Percent of male youth, ages 13-17, that 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.

	97.3%	90.0%	90.0%	0	90.0%
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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	71	86	86	0	86
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	71	86	86	0	86
Payroll	3,253,100	3,729,400	3,707,100	20,000	3,727,100
Operational	1,141,700	1,060,800	1,006,100	0	1,006,100
Total	\$4,394,800	\$4,790,200	\$4,713,200	\$20,000	\$4,733,200
State	4,343,200	4,699,000	4,642,100	20,000	4,662,100
Federal	0	0	0	0	0
Other	51,600	91,200	71,100	0	71,100

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the percentage of female youth released from New Visions Youth Development Center that remain in a community setting.

Measure: Percent of female youth, ages 13-17, that 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.

	90.6%	84.0%	84.0%	0	84.0%
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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	173	154	127	0	127
Part-Time	19	19	19	0	19
Seasonal	0	0	0	0	0
Total	192	173	146	0	146
Payroll	7,785,300	7,618,700	6,050,500	7,900	6,058,400
Operational	2,015,400	1,727,800	1,530,900	15,000	1,545,900
Total	\$9,800,700	\$9,346,500	\$7,581,400	\$22,900	\$7,604,300
State	7,971,900	7,017,200	5,584,600	7,900	5,592,500
Federal	0	0	0	0	0
Other	1,828,800	2,329,300	1,996,800	15,000	2,011,800

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.

	95.7%	91.2%	92.3%	0	92.3%
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	229,900	420,100	420,100	0	420,100
Total	\$229,900	\$420,100	\$420,100	\$0	\$420,100

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	229,900	420,100	420,100	0	420,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Complete at least 80% of planned major maintenance projects.

Measure: Percent of planned major maintenance projects completed.

90%	95%	95%	0	95%
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359.00 Total Children's Services

Full-Time	5,145	5,057	4,924	0	4,924
Part-Time	25	25	25	0	25
Seasonal	0	0	0	0	0
Total	5,170	5,082	4,949	0	4,949
Payroll	265,375,500	270,040,300	258,164,100	84,300	258,248,400
Operational	431,421,700	420,281,400	402,152,900	764,800	402,917,700
Total	\$696,797,200	\$690,321,700	\$660,317,000	\$849,100	\$661,166,100
State	354,463,000	340,238,400	317,908,700	474,700	318,383,400
Federal	125,848,400	123,980,700	124,913,800	266,300	125,180,100
Other	216,485,800	226,102,600	217,494,500	108,100	217,602,600

Statistical Data Youth Development Centers

	Wilder 359.60	Taft 359.61	Woodland Hills 359.62	Mountain View 359.63	New Visions 359.64	Total
Annual Admissions						
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	180	207	195	206	60	848
2007-2008	180	155	195	161	72	763
2008-2009	200	160	205	250	60	875
2009-2010	200	160	205	250	60	875
Annual Releases						
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	163	188	184	196	62	793
2007-2008	166	170	184	166	62	748
2008-2009	200	160	204	250	60	874
2009-2010	200	160	204	250	60	874
Average Daily Census						
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	117	128	122	126	36	529
2007-2008	93	128	122	125	34	502
2008-2009	116	136	144	144	36	576
2009-2010	116	136	144	144	36	576
Cost Per Occupancy Day *						
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	\$261.87	\$282.68	\$246.11	\$262.25	\$349.75	\$268.66
2007-2008	\$315.23	\$299.66	\$272.46	\$268.49	\$351.58	\$296.00
2008-2009	\$313.66	\$290.77	\$246.36	\$280.47	\$365.72	\$277.63
2009-2010	\$305.03	\$284.42	\$243.24	\$270.67	\$358.69	\$271.03

* 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 2009 – 2010

The agencies and departments which comprise this functional group are responsible for the interpretation and enforcement of the state's laws.

The judicial branch of state government ensures the proper administration of justice within the state and consists of the following agencies:

- The Court System
- Attorney General and Reporter
- District Attorneys General Conference
- District Public Defenders Conference
- Office of the Post-Conviction Defender.

The public's welfare and safety are protected through confinement and control of the state's convicted adult criminal offenders. These activities are executed in the executive branch of government by the following agencies:

- Tennessee Rehabilitative Initiative in Correction (TRICOR)
- Tennessee Corrections Institute
- Board of Probation and Parole
- Department of Correction.

The state agencies responsible for regulation and enforcement of the law make up the remainder of the functional group. Law and order, public safety, and security are maintained through the efforts of the following agencies:

- Alcoholic Beverage Commission
- Military Department
- Tennessee Bureau of Investigation
- Department of Safety.

Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Law, Safety, and Correction Total Personnel and Funding

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Recommended 2009-2010</u>
Personnel			
Full Time	12,342	12,022	11,987
Part Time	51	52	50
Seasonal	5	5	5
TOTAL	12,398	12,079	12,042
Expenditures			
Payroll	\$ 691,828,000	\$ 734,301,100	\$ 707,069,900
Operational	617,092,200	742,152,600	717,340,300
TOTAL	\$ 1,308,920,200	\$ 1,476,453,700	\$ 1,424,410,200
Funding			
State	\$ 1,081,544,200	\$ 1,191,699,300	\$ 1,145,752,200
Federal	72,287,000	118,532,700	118,136,500
Other	155,089,000	166,221,700	160,521,500

Law, Safety and Correction
Recommended Budget for Fiscal Year 2009-2010
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	115,103,500	200,000	4,815,500	120,119,000
303.00 Attorney General and Reporter	23,506,100	0	12,566,300	36,072,400
304.00 District Attorneys General Conference	68,466,800	0	25,487,700	93,954,500
306.00 District Public Defenders Conference	39,614,000	0	1,374,100	40,988,100
308.00 Office of the Post-Conviction Defender	1,947,100	0	0	1,947,100
316.03 Alcoholic Beverage Commission	1,005,900	0	4,512,500	5,518,400
316.08 TRICOR	0	0	31,204,200	31,204,200
316.09 Corrections Institute	968,700	0	50,000	1,018,700
324.00 Board of Probation and Parole	85,170,100	0	1,258,700	86,428,800
329.00 Correction	653,989,000	1,114,500	16,784,800	671,888,300
341.00 Military	11,660,700	93,017,500	2,016,200	106,694,400
348.00 Tennessee Bureau of Investigation	36,692,300	14,268,700	14,111,700	65,072,700
349.00 Safety	107,628,000	9,535,800	46,339,800	163,503,600
Total	\$1,145,752,200	\$118,136,500	\$160,521,500	\$1,424,410,200

Law, Safety and Correction Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Court System					
• Mandated Salary Increase					
To provide funding for the judges' consumer price index (CPI) salary adjustment required by TCA 8-23-103.					
302.01 Appellate and Trial Courts	\$1,326,100	\$0	\$0	\$1,326,100	0
Sub-total	\$1,326,100	\$0	\$0	\$1,326,100	0
• Indigent Defendants					
To provide non-recurring funding for an increasing number of attorneys appointed for representation of indigent criminal defendants due to economic conditions.					
302.10 Indigent Defendants' Counsel	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
Total Court System	\$6,326,100	\$0	\$0	\$6,326,100	0
Attorney General and Reporter					
• Statutory Salary Increase					
To provide funds for the Attorney General's CPI salary adjustment required by TCA 8-6-104. This salary is linked by law to the salary of an associate Supreme Court justice.					
303.01 Attorney General and Reporter	\$7,800	\$0	\$0	\$7,800	0
Sub-total	\$7,800	\$0	\$0	\$7,800	0
Total Attorney General and Reporter	\$7,800	\$0	\$0	\$7,800	0
Board of Probation and Parole					
• GPS Sex Offender Tracking					
To continue with recurring funds the global positioning system (GPS) sex offender tracking program, including 46 existing positions.					
324.02 Probation and Parole Services	\$3,303,400	\$0	\$0	\$3,303,400	46
Sub-total	\$3,303,400	\$0	\$0	\$3,303,400	46

Law, Safety and Correction Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Reduction of Revoked Offenders					
To provide funds for an updated risk and needs assessment of offenders (\$126,300), increased drug testing (\$105,000), electronic monitoring (\$315,000), a treatment services network (\$3,171,800 and 19 positions), and additional probation and parole officers (\$1,023,800 and 30 positions). These additional supervision tools will allow a reduction in the number of revoked offenders, in accordance with the Department of Correction base budget reduction and prison population management plan. This appropriation includes a recurring increase of \$5,083,100 and a non-recurring reduction of \$341,200 to reflect projected expenditures in fiscal year 2009-2010.					
324.02 Probation and Parole Services	\$4,741,900	\$0	\$0	\$4,741,900	49
Sub-total	\$4,741,900	\$0	\$0	\$4,741,900	49
• Community Diversion					
To provide funding for increased community corrections grant program intake of 20 percent (\$486,300) and for increased residential placements of 50 percent (\$149,600) in accordance with the Department of Correction base budget reduction and prison population management plan. The appropriation includes a recurring increase of \$1,368,800 and a non-recurring reduction of \$732,900 to reflect projected expenditures in fiscal year 2009-2010.					
324.04 Community Corrections	\$635,900	\$0	\$0	\$635,900	0
Sub-total	\$635,900	\$0	\$0	\$635,900	0
• Corrections Release Centers					
To provide funding for five probation and parole officers to supervise offenders at corrections release centers in accordance with the Department of Correction base budget reduction and prison population management plan. The appropriation includes a recurring increase of \$225,000 and a non-recurring reduction of \$112,500 to reflect projected expenditures in fiscal year 2009-2010.					
324.02 Probation and Parole Services	\$112,500	\$0	\$0	\$112,500	5
Sub-total	\$112,500	\$0	\$0	\$112,500	5
Total Board of Probation and Parole	\$8,793,700	\$0	\$0	\$8,793,700	100

Correction

• Corrections Release Centers

To provide funds for five pilot corrections release centers. These residential programs will provide pre-release treatment and job training for eligible offenders who have been recommended for parole and are within 60 days of release or are within 60 days of expiration of sentence. The pilot programs will be operated in Knox, Hamilton, Davidson, Madison, and Shelby counties. This improvement will accommodate the Department of Correction base budget reduction and prison population management plan. The appropriation includes a recurring increase of \$1,368,800 and a non-recurring reduction of \$690,100 to reflect projected expenditures in fiscal year 2009-2010.

329.04 State Prosecutions	\$678,700	\$0	\$0	\$678,700	0
Sub-total	\$678,700	\$0	\$0	\$678,700	0

Law, Safety and Correction Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Reduction of Revoked Offenders					
To provide funding for an updated risk and needs assessment for all offenders in accordance with the base budget reduction and prison population management plan.					
329.01 Administration	\$48,700	\$0	\$0	\$48,700	0
Sub-total	\$48,700	\$0	\$0	\$48,700	0
• Local Jails					
To provide funding to accommodate an increased felon population in local jails. See also the base budget reduction plan for the Correction Department, which reduces the base for this program in accordance with the prison population management plan.					
329.04 State Prosecutions	\$11,943,500	\$0	\$0	\$11,943,500	0
Sub-total	\$11,943,500	\$0	\$0	\$11,943,500	0
• Operational Increase					
To provide funding for increased operational costs of prison service agreements (\$2,255,900), health and mental health contract services (\$4,823,700), and food for inmates (\$4,577,400). The appropriation includes non-recurring funds of \$986,700 in the Hardeman County prison at Whiteville.					
329.13 Tennessee Prison for Women	\$405,400	\$0	\$0	\$405,400	0
329.14 Turney Center Industrial Complex	\$900,700	\$0	\$0	\$900,700	0
329.16 Mark Luttrell Correctional Facility	\$230,200	\$0	\$0	\$230,200	0
329.17 Charles B. Bass Correctional Complex	\$580,700	\$0	\$0	\$580,700	0
329.18 Southeastern Tennessee State Regional Correctional Facility	\$513,300	\$0	\$0	\$513,300	0
329.21 Hardeman County Incarceration Agreement	\$1,468,300	\$0	\$0	\$1,468,300	0
329.22 Hardeman County Agreement - Whiteville	\$986,700	\$0	\$0	\$986,700	0
329.41 West Tennessee State Penitentiary	\$1,350,800	\$0	\$0	\$1,350,800	0
329.42 Riverbend Maximum Security Institution	\$385,100	\$0	\$0	\$385,100	0
329.43 Northeast Correctional Complex	\$971,100	\$0	\$0	\$971,100	0
329.44 South Central Correctional Center	\$896,700	\$0	\$0	\$896,700	0
329.45 Northwest Correctional Complex	\$1,268,700	\$0	\$0	\$1,268,700	0
329.46 Lois M. DeBerry Special Needs Facility	\$422,200	\$0	\$0	\$422,200	0
329.47 Morgan County Correctional Complex	\$1,277,100	\$0	\$0	\$1,277,100	0
Sub-total	\$11,657,000	\$0	\$0	\$11,657,000	0

Law, Safety and Correction Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Prison Expansion - Morgan County					
To provide funds for the opening of expanded prison facilities at the Morgan County Correctional Complex. This includes funds (\$8,076,600) to continue 228 existing positions being phased out of the old Brushy Mountain prison and funded by a non-recurring appropriation in the current year and to annualize operating costs for 538 new beds (\$1,333,300). The \$1,333,300 state appropriation increase to annualize the operating cost is offset by a recurring base reduction in the Sentencing Act of 1985 allotment, as authorized by law.					
329.47 Morgan County Correctional Complex	\$9,409,900	\$0	\$280,000	\$9,689,900	228
Sub-total	<u>\$9,409,900</u>	<u>\$0</u>	<u>\$280,000</u>	<u>\$9,689,900</u>	<u>228</u>
• U.S. Economic Recovery - Special Education					
Non-recurring interdepartmental funds from the Department of Education are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. This increase in the Individuals with Disabilities Education Act grant funds will be used to provide classroom materials and training for teachers working with youth with special education needs.					
329.01 Administration	\$0	\$0	\$83,000	\$83,000	0
329.13 Tennessee Prison for Women	\$0	\$0	\$25,000	\$25,000	0
329.45 Northwest Correctional Complex	\$0	\$0	\$69,700	\$69,700	0
Sub-total	<u>\$0</u>	<u>\$0</u>	<u>\$177,700</u>	<u>\$177,700</u>	<u>0</u>
• U.S. Economic Recovery - Education Technology					
Non-recurring interdepartmental funds from the Department of Education are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. These funds will provide educational supplies for youth, in the custody of the Correction Department, who qualify under Title I of the Elementary and Secondary Education Act.					
329.45 Northwest Correctional Complex	\$0	\$0	\$2,100	\$2,100	0
Sub-total	<u>\$0</u>	<u>\$0</u>	<u>\$2,100</u>	<u>\$2,100</u>	<u>0</u>
Total Correction	<u>\$33,737,800</u>	<u>\$0</u>	<u>\$459,800</u>	<u>\$34,197,600</u>	<u>228</u>
Total Law, Safety and Correction	<u>\$48,865,400</u>	<u>\$0</u>	<u>\$459,800</u>	<u>\$49,325,200</u>	<u>328</u>

Court System

The judicial branch is one of three basic divisions of state government and serves as a check on the powers of the legislative and executive branches. Judicial power is vested in trial courts and two levels of appeals courts that comprise the state's court system.

The Supreme Court is comprised of five justices elected to eight-year terms. The workload of the court consists of cases appealed from lower courts. Supreme Court decisions act to resolve controversies arising out of Tennessee law and to establish guidelines for the lower courts to use in future decisions.

The intermediate appellate courts are the Court of Appeals and the Court of Criminal Appeals. The Court of Appeals hears appeals only in civil cases from the lower courts. The Court of Criminal Appeals has jurisdiction to hear most felony and misdemeanor appeals from general trial courts, as well as post-conviction petitions.

The state's trial courts include Chancery, Criminal, Circuit, and Probate courts. Chancery courts are the traditional equity courts used when common law or statutory law proves inadequate for cases. Circuit courts, which sometime overlap with the jurisdiction of Chancery courts, have jurisdiction to hear civil and criminal cases. Criminal courts have jurisdiction over criminal cases and hearing misdemeanor appeals from lower courts. Probate courts primarily have jurisdiction over probate of wills and administration of estates.

Courts of limited jurisdiction are funded locally and include general sessions, juvenile, and municipal courts. Jurisdiction of general sessions courts vary from county to county based on state laws and private acts; they hear civil, criminal, and juvenile cases, except in counties in which the Legislature has established separate juvenile courts. Municipal courts have jurisdiction in cases involving violations of city ordinances.

The court system is grouped into the following functions: judicial services, support services, and professional standards.

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	432	0	432
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	437	437	432	0	432

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	52,406,100	53,338,600	53,062,200	1,326,100	54,388,300
Operational	5,128,300	2,509,100	2,241,600	0	2,241,600
Total	\$57,534,400	\$55,847,700	\$55,303,800	\$1,326,100	\$56,629,900
State	57,468,500	55,820,400	55,276,500	1,326,100	56,602,600
Federal	0	0	0	0	0
Other	65,900	27,300	27,300	0	27,300

302.08 Child Support Referees

The Child Support Referees program provides personnel and operational funding to ensure the timely fulfillment of financial support by parents in child support cases.

Full-Time	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	24	0	24
Payroll	1,988,000	2,024,900	2,034,400	0	2,034,400
Operational	143,800	191,100	169,400	0	169,400
Total	\$2,131,800	\$2,216,000	\$2,203,800	\$0	\$2,203,800
State	724,700	655,300	651,200	0	651,200
Federal	0	0	0	0	0
Other	1,407,100	1,560,700	1,552,600	0	1,552,600

302.09 Guardian Ad Litem

The Guardian ad Litem program provides funding for advocates appointed by the court to represent the best interests of an indigent child or a person determined to be incompetent in cases involving dependency, neglect, abuse, or custodial disputes.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,847,200	4,047,500	4,047,500	0	4,047,500
Total	\$4,847,200	\$4,047,500	\$4,047,500	\$0	\$4,047,500
State	4,847,200	4,047,500	4,047,500	0	4,047,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.10 Indigent Defendants' Counsel

The Indigent Defendants' Counsel program provides funding for court-appointed counsel, experts, investigators, and other support services for indigents in criminal cases.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	21,148,400	26,464,600	21,464,600	5,000,000	26,464,600
Total	\$21,148,400	\$26,464,600	\$21,464,600	\$5,000,000	\$26,464,600

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	21,118,600	26,459,600	21,459,600	5,000,000	26,459,600
Federal	0	0	0	0	0
Other	29,800	5,000	5,000	0	5,000

302.11 Civil Legal Representation Fund

The Civil Legal Representation Fund provides funding for legal services for indigent clients in civil matters.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,462,700	3,327,900	3,327,900	0	3,327,900
Total	\$3,462,700	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,462,700	3,327,900	3,327,900	0	3,327,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.12 Verbatim Transcripts

The Verbatim Transcripts program provides funding for personnel and operational costs of court reporting and verbatim transcripts.

Full-Time	57	57	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	57	49	0	49
Payroll	3,488,900	3,138,600	3,000,800	0	3,000,800
Operational	840,300	1,140,600	1,048,200	0	1,048,200
Total	\$4,329,200	\$4,279,200	\$4,049,000	\$0	\$4,049,000
State	4,327,700	4,279,200	4,049,000	0	4,049,000
Federal	0	0	0	0	0
Other	1,500	0	0	0	0

302.16 Council of Juvenile and Family Court Judges

The Council of Juvenile and Family Court Judges provides training and assistance to juvenile courts on state and federal laws, regulations, and policies affecting children and families, as well as keeping judges and court staff informed of services available to children and families. The council is comprised of 17 county-approved juvenile judges and general sessions judges who have juvenile court jurisdiction. Judges serve on the council for eight-year terms.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	131,500	170,700	170,700	0	170,700
Total	\$131,500	\$170,700	\$170,700	\$0	\$170,700

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	89,900	104,600	104,600	0	104,600
Federal	0	0	0	0	0
Other	41,600	66,100	66,100	0	66,100

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	88	88	83	0	83
Part-Time	0	1	1	0	1
Seasonal	0	0	0	0	0
Total	88	89	84	0	84
Payroll	6,297,500	6,373,600	5,998,400	0	5,998,400
Operational	5,958,300	6,256,500	5,268,800	0	5,268,800
Total	\$12,255,800	\$12,630,100	\$11,267,200	\$0	\$11,267,200
State	10,673,900	12,147,000	10,691,000	0	10,691,000
Federal	460,400	200,000	200,000	0	200,000
Other	1,121,500	283,100	376,200	0	376,200

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	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	460,600	687,100	680,600	0	680,600
Operational	2,779,200	2,547,800	2,549,200	0	2,549,200
Total	\$3,239,800	\$3,234,900	\$3,229,800	\$0	\$3,229,800
State	2,624,000	2,621,900	2,616,800	0	2,616,800
Federal	0	0	0	0	0
Other	615,800	613,000	613,000	0	613,000

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.

Full-Time	4	4	0	0	0
Part-Time	2	2	0	0	0
Seasonal	0	0	0	0	0
Total	6	6	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	212,100	270,100	0	0	0
Operational	496,900	317,500	85,100	0	85,100
Total	\$709,000	\$587,600	\$85,100	\$0	\$85,100
State	704,700	577,600	75,100	0	75,100
Federal	0	0	0	0	0
Other	4,300	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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	377,700	347,800	247,800	0	247,800
Total	\$377,700	\$347,800	\$247,800	\$0	\$247,800
State	298,000	307,800	207,800	0	207,800
Federal	0	0	0	0	0
Other	79,700	40,000	40,000	0	40,000

302.20 Judicial Programs and Commissions

The Judicial Programs and Commissions allotment provides operational funding for commissions appointed by the Supreme Court to study issues, monitor judicial programs, and make recommendations. Programs and commissions include the Court of 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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	829,200	1,013,600	988,600	0	988,600
Total	\$829,200	\$1,013,600	\$988,600	\$0	\$988,600
State	420,200	665,400	490,400	0	490,400
Federal	0	0	0	0	0
Other	409,000	348,200	498,200	0	498,200

302.22 State Court Clerks' Conference

The State Court Clerks' Conference provides education and legal updates to the clerks as required by law.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	231,300	244,500	244,500	0	244,500
Total	\$231,300	\$244,500	\$244,500	\$0	\$244,500

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	231,300	244,500	244,500	0	244,500
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	35	35	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	35	35	30	0	30
Payroll	1,870,700	1,947,200	1,870,500	0	1,870,500
Operational	367,800	404,800	360,300	0	360,300
Total	\$2,238,500	\$2,352,000	\$2,230,800	\$0	\$2,230,800
State	765,700	702,400	603,700	0	603,700
Federal	0	0	0	0	0
Other	1,472,800	1,649,600	1,627,100	0	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
Total	20	20	20	0	20
Payroll	420,600	412,500	409,600	0	409,600
Operational	198,000	297,100	297,200	0	297,200
Total	\$618,600	\$709,600	\$706,800	\$0	\$706,800
State	617,200	709,600	706,800	0	706,800
Federal	0	0	0	0	0
Other	1,400	0	0	0	0

302.40 Board of Professional Responsibility

The Board of Professional Responsibility reviews and investigates allegations of attorney misconduct and imposes disciplinary action on those who violate professional standards. Also, the board publishes ethics opinions, conducts seminars, and operates an ethics hotline for attorneys. The board is funded from a dedicated, annual registration fee, set by Supreme Court Rule, and paid by each attorney.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	20	27	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	27	27	0	27
Payroll	1,920,500	2,157,900	2,149,200	0	2,149,200
Operational	736,500	743,400	744,900	0	744,900
Total	\$2,657,000	\$2,901,300	\$2,894,100	\$0	\$2,894,100
State	2,370,800	2,901,300	2,894,100	0	2,894,100
Federal	0	0	0	0	0
Other	286,200	0	0	0	0

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	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	308,000	270,300	269,200	0	269,200
Operational	176,900	173,800	99,200	0	99,200
Total	\$484,900	\$444,100	\$368,400	\$0	\$368,400
State	328,200	369,300	368,400	0	368,400
Federal	0	0	0	0	0
Other	156,700	74,800	0	0	0

302.60 Continuing Legal Education

The Continuing Legal Education staff administers Supreme Court Rule 21, governing continuing legal education annual requirements. Supreme Court Rule 21 authorizes the collection of annual certification or recertification fees from each attorney for operation of the program.

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	458,700	442,600	440,000	0	440,000
Operational	796,700	313,600	314,000	0	314,000
Total	\$1,255,400	\$756,200	\$754,000	\$0	\$754,000
State	754,900	756,200	754,000	0	754,000
Federal	0	0	0	0	0
Other	500,500	0	0	0	0

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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302.65 Client Protection Fund

The Client Protection Fund reimburses claimants for losses caused by misconduct of attorneys licensed to practice in this state and is funded from the annual registration fee collected by the Board of Professional Responsibility.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	255,200	508,500	208,500	0	208,500
Total	\$255,200	\$508,500	\$208,500	\$0	\$208,500
State	155,000	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	100,200	300,000	0	0	0

302.00 Total Court System

Full-Time	702	709	682	0	682
Part-Time	9	10	8	0	8
Seasonal	0	0	0	0	0
Total	711	719	690	0	690
Payroll	69,831,700	71,063,400	69,914,900	1,326,100	71,241,000
Operational	48,905,900	51,020,400	43,878,000	5,000,000	48,878,000
Total	\$118,737,600	\$122,083,800	\$113,792,900	\$6,326,100	\$120,119,000
State	111,983,200	116,906,000	108,777,400	6,326,100	115,103,500
Federal	460,400	200,000	200,000	0	200,000
Other	6,294,000	4,977,800	4,815,500	0	4,815,500

Attorney General and Reporter

The Attorney General and Reporter is the state's chief legal officer and is appointed by the Tennessee Supreme Court for a term of eight years. The Attorney General has the following responsibilities: represents state officers and agencies in all litigation in state and federal courts; prosecutes criminal cases in the appellate courts; prosecutes securities and state contract fraud cases; represents the interests of Tennessee consumers; institutes proceedings relating to antitrust violations, consumer fraud, and environmental enforcement; provides departments, agencies, and the General Assembly with legal advice; approves all administrative regulations and leases as to form and legality; issues legal opinions to state officials; and reports opinions of the Tennessee Supreme Court, Court of Appeals, and Court of Criminal Appeals.

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	339	338	338	0	338
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	339	338	338	0	338
Payroll	23,443,100	28,178,900	27,505,700	7,800	27,513,500
Operational	6,802,900	7,561,600	7,322,200	0	7,322,200
Total	\$30,246,000	\$35,740,500	\$34,827,900	\$7,800	\$34,835,700
State	21,188,100	23,923,900	23,049,100	7,800	23,056,900
Federal	0	0	0	0	0
Other	9,057,900	11,816,600	11,778,800	0	11,778,800

303.05 Publication of Tennessee Reports

Publication of Tennessee Reports provides funds for publication of opinions of the Tennessee Supreme Court, the Court of Appeals, and the Court of Criminal Appeals. The opinions of the Attorney General and Reporter are published on the Attorney General's web site.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	94,100	98,600	97,900	0	97,900
Operational	56,000	62,000	62,100	0	62,100
Total	\$150,100	\$160,600	\$160,000	\$0	\$160,000
State	150,100	160,600	160,000	0	160,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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303.08 Special Litigation

The Special Litigation program funds the use of private counsel for complex or special litigation cases requiring particular expertise. Hiring of private counsel requires approval of the Governor and the Attorney General.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,161,300	1,076,700	1,076,700	0	1,076,700
Total	\$1,161,300	\$1,076,700	\$1,076,700	\$0	\$1,076,700
State	155,700	289,200	289,200	0	289,200
Federal	0	0	0	0	0
Other	1,005,600	787,500	787,500	0	787,500

303.00 Total Attorney General and Reporter

Full-Time	341	340	340	0	340
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	341	340	340	0	340
Payroll	23,537,200	28,277,500	27,603,600	7,800	27,611,400
Operational	8,020,200	8,700,300	8,461,000	0	8,461,000
Total	\$31,557,400	\$36,977,800	\$36,064,600	\$7,800	\$36,072,400
State	21,493,900	24,373,700	23,498,300	7,800	23,506,100
Federal	0	0	0	0	0
Other	10,063,500	12,604,100	12,566,300	0	12,566,300

District Attorneys General Conference

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	734	732	702	0	702
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	737	735	705	0	705
Payroll	62,201,600	67,103,000	65,772,600	0	65,772,600
Operational	6,030,900	6,686,300	6,355,500	0	6,355,500
Total	\$68,232,500	\$73,789,300	\$72,128,100	\$0	\$72,128,100
State	62,380,300	66,739,200	66,453,200	0	66,453,200
Federal	0	0	0	0	0
Other	5,852,200	7,050,100	5,674,900	0	5,674,900

304.05 District Attorneys General Conference

The District Attorneys General Conference is comprised of all District Attorneys. State law requires a conference to be held annually to consider matters related to members. A second conference is held annually to provide continuing legal education to the members.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	560,900	724,800	653,000	0	653,000
Total	\$560,900	\$724,800	\$653,000	\$0	\$653,000
State	323,800	492,000	492,000	0	492,000
Federal	0	0	0	0	0
Other	237,100	232,800	161,000	0	161,000

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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304.10 Executive Director

The executive director of the District Attorneys General Conference is elected every four years, and this 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	27	27	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	27	27	0	27
Payroll	2,223,100	2,265,700	2,252,800	0	2,252,800
Operational	725,000	501,500	502,800	0	502,800
Total	\$2,948,100	\$2,767,200	\$2,755,600	\$0	\$2,755,600
State	1,715,500	1,531,900	1,521,600	0	1,521,600
Federal	0	0	0	0	0
Other	1,232,600	1,235,300	1,234,000	0	1,234,000

304.15 IV-D Child Support Enforcement

Under contract with the Department of Human Services, some of the District Attorneys enforce child support collection orders under Title IV-D of the federal Social Security Act.

Full-Time	297	326	326	0	326
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	298	327	327	0	327
Payroll	14,133,000	16,313,900	16,180,900	0	16,180,900
Operational	1,491,500	2,526,000	2,236,900	0	2,236,900
Total	\$15,624,500	\$18,839,900	\$18,417,800	\$0	\$18,417,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	15,624,500	18,839,900	18,417,800	0	18,417,800

304.00 Total District Attorneys General Conference

Full-Time	1,058	1,085	1,055	0	1,055
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	1,062	1,089	1,059	0	1,059
Payroll	78,557,700	85,682,600	84,206,300	0	84,206,300
Operational	8,808,300	10,438,600	9,748,200	0	9,748,200
Total	\$87,366,000	\$96,121,200	\$93,954,500	\$0	\$93,954,500
State	64,419,600	68,763,100	68,466,800	0	68,466,800
Federal	0	0	0	0	0
Other	22,946,400	27,358,100	25,487,700	0	25,487,700

District Public Defenders Conference

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 (DPDC); the public defenders for Shelby and Davidson counties receive direct appropriations with no administrative support or control from the conference.

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	338	339	339	0	339
Part-Time	12	12	12	0	12
Seasonal	1	1	1	0	1
Total	351	352	352	0	352
Payroll	28,677,700	31,057,300	30,968,500	0	30,968,500
Operational	3,551,300	3,818,900	3,759,600	0	3,759,600
Total	\$32,229,000	\$34,876,200	\$34,728,100	\$0	\$34,728,100
State	30,719,700	33,442,100	33,354,000	0	33,354,000
Federal	0	0	0	0	0
Other	1,509,300	1,434,100	1,374,100	0	1,374,100

306.03 Executive Director

The executive director of the Public Defenders Conference is elected by the District Public Defenders Conference and serves a four-year term. This office provides administrative support to the conference, such as training, fiscal services, coordination of multi-district cases, legal research, and information technology support.

Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	1,209,200	1,265,900	1,257,100	0	1,257,100
Operational	236,300	307,300	308,300	0	308,300
Total	\$1,445,500	\$1,573,200	\$1,565,400	\$0	\$1,565,400
State	1,445,500	1,573,200	1,565,400	0	1,565,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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306.10 Shelby County Public Defender

This program provides an appropriation to the Shelby County public defender's office.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,106,100	3,106,100	3,106,100	0	3,106,100
Total	\$3,106,100	\$3,106,100	\$3,106,100	\$0	\$3,106,100
State	3,106,100	3,106,100	3,106,100	0	3,106,100
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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,588,500	1,588,500	1,588,500	0	1,588,500
Total	\$1,588,500	\$1,588,500	\$1,588,500	\$0	\$1,588,500
State	1,588,500	1,588,500	1,588,500	0	1,588,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Total District Public Defenders Conference

Full-Time	353	354	354	0	354
Part-Time	12	12	12	0	12
Seasonal	1	1	1	0	1
Total	366	367	367	0	367
Payroll	29,886,900	32,323,200	32,225,600	0	32,225,600
Operational	8,482,200	8,820,800	8,762,500	0	8,762,500
Total	\$38,369,100	\$41,144,000	\$40,988,100	\$0	\$40,988,100
State	36,859,800	39,709,900	39,614,000	0	39,614,000
Federal	0	0	0	0	0
Other	1,509,300	1,434,100	1,374,100	0	1,374,100

Office of the Post-Conviction Defender

The Office of the Post-Conviction Defender was created in 1995 in order to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence. This office also provides continuing legal education and consulting services to attorneys representing indigents in capital cases and recruits qualified members of the private bar who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission appoints the Post-Conviction Defender 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</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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308.00 Office of the Post-Conviction Defender

Full-Time	18	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	19	19	0	19
Payroll	1,339,100	1,534,500	1,530,200	0	1,530,200
Operational	335,900	419,400	416,900	0	416,900
Total	\$1,675,000	\$1,953,900	\$1,947,100	\$0	\$1,947,100
State	1,673,900	1,953,900	1,947,100	0	1,947,100
Federal	0	0	0	0	0
Other	1,100	0	0	0	0

Alcoholic Beverage Commission

The Alcoholic Beverage Commission (ABC) regulates the liquor industry and enforces liquor laws and certain drug laws. The commission is governed by three members appointed by the Governor.

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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316.03 Alcoholic Beverage Commission

Full-Time	67	67	67	0	67
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	70	70	70	0	70
Payroll	3,543,900	4,139,300	4,108,600	0	4,108,600
Operational	1,313,800	1,397,400	1,409,800	0	1,409,800
Total	\$4,857,700	\$5,536,700	\$5,518,400	\$0	\$5,518,400
State	0	1,005,900	1,005,900	0	1,005,900
Federal	0	0	0	0	0
Other	4,857,700	4,530,800	4,512,500	0	4,512,500

Standard: Process timely renewal of all licenses by issuing licenses to applicants who have properly and timely submitted renewal applications and otherwise continue to qualify for the license, within one week of the expiration of the license.

Measure: Number of renewals processed timely to qualified applicants.

	3,206	3,348	3,516	0	3,516
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Tennessee Rehabilitative Initiative in Correction

Performance-Based Budget

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 12 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 inmates with successful reintegration into society, TRICOR also administers a post-release placement program that provides job placement assistance to eligible inmates who have been released from Tennessee Department of Correction custody.

A nine-member Board of Directors oversees the agency, which is headed by an executive director. The board members are appointed by the Governor to four-year terms. The Commissioner of Correction serves as an ex officio non-voting member of the board.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
316.08 TRICOR					
Full-Time	218	217	217	0	217
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	218	217	217	0	217
Payroll	8,863,100	10,936,700	10,857,000	0	10,857,000
Operational	18,802,700	23,309,900	20,347,200	0	20,347,200
Total	\$27,665,800	\$34,246,600	\$31,204,200	\$0	\$31,204,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	27,665,800	34,246,600	31,204,200	0	31,204,200

Standard: Increase the number of offenders served on an annual basis through occupational skills training, transitional programming, and transitional services.

Measure: Number of offenders served.

1,267	1,500	1,325	0	1,325
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<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Reduce the three-year recidivism rate among eligible offenders.

Measure: Three-year recidivism rate among eligible offenders.

32.0%	32.0%	31.5%	0	31.5%
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Corrections Institute

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
316.09 Corrections Institute					
Full-Time	15	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	14	14	0	14
Payroll	603,000	736,300	729,600	0	729,600
Operational	261,900	287,100	289,100	0	289,100
Total	\$864,900	\$1,023,400	\$1,018,700	\$0	\$1,018,700
State	809,700	973,400	968,700	0	968,700
Federal	0	0	0	0	0
Other	55,200	50,000	50,000	0	50,000

Standard: Inspect and re-inspect all local facilities within the mandated time frame to ensure compliance of all standards for the purpose of certification.

Measure: Number of facilities inspected by November 1st each year. By completing all inspections by November 1st each year, we can ensure that all facilities are inspected and re-inspected by December 31st as mandated.

	131	131	131	0	131
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Standard: Train and monitor as many local correctional officers as possible in both basic and in-service training. This is a continuing process because of the high turnover rate in the jail environment.

Measure: Number of officers trained or monitored in a calendar year.

	5,328	5,594	5,874	0	5,874
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Board of Probation and Parole

Performance-Based Budget

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>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	1,167	1,117	1,071	100	1,171
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,167	1,117	1,071	100	1,171
Payroll	54,572,400	57,777,200	54,403,400	3,998,700	58,402,100
Operational	13,016,600	12,661,800	11,280,300	4,159,100	15,439,400
Total	\$67,589,000	\$70,439,000	\$65,683,700	\$8,157,800	\$73,841,500
State	66,473,600	69,152,600	64,425,000	8,157,800	72,582,800
Federal	0	0	0	0	0
Other	1,115,400	1,286,400	1,258,700	0	1,258,700

Standard: Improve the offender success rate by decreasing the percentage of probationers and parolees who are revoked by 10 %.

Measure: Percent of total offender population (both probationers and parolees) whose community supervision status is revoked during the fiscal year (not including offenders in the Community Corrections Program).

11.7%	11.0%	10.7%	0	10.7%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Manage caseloads by increasing the successful offenders reclassified to lower risk levels by 10% (discounting offenders moved off of "intake" supervision level).

Measure: Percent of total offender population (both probationers and parolees) who are reclassified to a lower risk level after exhibiting successful behavior.

	8.1%	9.3%	9.5%	0	9.5%
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	11,727,800	11,993,100	11,951,400	635,900	12,587,300
Total	\$11,727,800	\$11,993,100	\$11,951,400	\$635,900	\$12,587,300
State	11,717,200	11,993,100	11,951,400	635,900	12,587,300
Federal	0	0	0	0	0
Other	10,600	0	0	0	0

Standard: Improve offender success by decreasing the percent of the total program population who are revoked from the program prior to successful discharge.

Measure: Percent of total offender population who are revoked from the program prior to successful discharge.

	17.8%	14.4%	14.2%	0	14.2%
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Standard: 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.

	19.7%	15.6%	15.8%	0	15.8%
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324.00 Total Board of Probation and Parole

Full-Time	1,167	1,117	1,071	100	1,171
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,167	1,117	1,071	100	1,171
Payroll	54,572,400	57,777,200	54,403,400	3,998,700	58,402,100
Operational	24,744,400	24,654,900	23,231,700	4,795,000	28,026,700
Total	\$79,316,800	\$82,432,100	\$77,635,100	\$8,793,700	\$86,428,800
State	78,190,800	81,145,700	76,376,400	8,793,700	85,170,100
Federal	0	0	0	0	0
Other	1,126,000	1,286,400	1,258,700	0	1,258,700

Department of Correction

Performance-Based Budget

The Tennessee Department of Correction (TDOC) 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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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, 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	212	205	203	0	203
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	212	205	203	0	203
Payroll	14,399,900	13,782,900	12,650,200	0	12,650,200
Operational	6,820,400	7,965,400	7,532,800	131,700	7,664,500
Total	\$21,220,300	\$21,748,300	\$20,183,000	\$131,700	\$20,314,700
State	16,690,600	16,053,900	14,872,000	48,700	14,920,700
Federal	605,100	979,100	1,114,500	0	1,114,500
Other	3,924,600	4,715,300	4,196,500	83,000	4,279,500

Standard: Reduce the average length of hospital stay.

Measure: Hospital average length of stay (days).

3.9	4.0	3.8	0	3.8
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Limit the number of substantiated incidents of sexual violence in TDOC managed facilities (excludes Corrections Corporation of America (CCA) facilities).

Measure: The number of substantiated incidents of sexual violence in TDOC managed facilities (excludes CCA facilities).

	10	12	12	0	12
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	131,886,400	139,475,800	117,079,600	12,622,200	129,701,800
Total	\$131,886,400	\$139,475,800	\$117,079,600	\$12,622,200	\$129,701,800
State	130,920,200	138,675,800	116,279,600	12,622,200	128,901,800
Federal	0	0	0	0	0
Other	966,200	800,000	800,000	0	800,000

Standard: Process invoices promptly.

Measure: The percent of invoices processed within 45 days of receipt of all required documents (i.e. Board Bills, Correctional Facility Summary Reports, etc.).

	93.3%	95.0%	95.0%	0	95.0%
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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
Total	79	79	79	0	79
Payroll	3,945,300	3,965,800	3,713,600	0	3,713,600
Operational	1,593,400	1,537,900	1,571,700	0	1,571,700
Total	\$5,538,700	\$5,503,700	\$5,285,300	\$0	\$5,285,300

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	5,424,000	5,438,800	5,220,400	0	5,220,400
Federal	0	0	0	0	0
Other	114,700	64,900	64,900	0	64,900

Standard: Increase total training hours delivered by the Academy using non-traditional (non-residential) methodologies.

Measure: Total training hours delivered by the Academy using non-traditional (non-residential) methodologies.

	7,193	12,458	22,334	0	22,334
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Standard: Increase percentage of correctional officers who attain a 25% or more increase in pre-test to post-test scores following completion of in-service training.

Measure: The percent of correctional officers who attain a 25% or more increase in pre-test to post-test scores following completion of in-service training.

	Not Applicable	80%	85%	0	85%
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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	25	24	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	24	25	0	25
Payroll	1,567,600	1,588,900	1,645,100	0	1,645,100
Operational	3,998,200	2,445,000	2,458,000	0	2,458,000
Total	\$5,565,800	\$4,033,900	\$4,103,100	\$0	\$4,103,100
State	3,036,000	4,033,900	4,103,100	0	4,103,100
Federal	0	0	0	0	0
Other	2,529,800	0	0	0	0

Standard: Resolve security system calls within 48 hours.

Measure: The percent of security system calls resolved within 48 hours.

	95.6%	99.9%	99.9%	0	99.9%
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Standard: Respond on-site to emergency electronic problems within four hours.

Measure: Percent of emergency electronic problems responded to on-site within four hours.

	100%	99%	99%	0	99%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	226,600	84,000	84,000	0	84,000
Total	\$226,600	\$84,000	\$84,000	\$0	\$84,000
State	133,900	84,000	84,000	0	84,000
Federal	0	0	0	0	0
Other	92,700	0	0	0	0

Standard: Provide annual training to at least 200 treatment providers.

Measure: The number of treatment providers receiving annual training.

	218	200	215	0	215
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329.99 Sentencing Act of 1985

During the Special Session on Corrections in 1985, the General Assembly passed legislation that included the Sentencing Act of 1985. The law requires that, for any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state correctional facilities, there is to be appropriated from recurring revenues the estimated increased operating cost. The amount appropriated for operating costs, in current dollars, is based upon the highest cost of the next ten years, beginning with the year the additional sentence to be served impacts the correctional facilities population. Appropriations to the Sentencing Act of 1985 are used for capital outlay or for cancellation of construction bonds authorized but not yet sold.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	45,232,100	43,898,800	0	43,898,800
Total	\$0	\$45,232,100	\$43,898,800	\$0	\$43,898,800
State	0	45,224,600	43,891,300	0	43,891,300
Federal	0	0	0	0	0
Other	0	7,500	7,500	0	7,500

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: The Tennessee Department of Correction (TDOC) Budget Office will appropriately estimate the operating costs of the proposed laws or amendments affecting revenue.

Measure: The percent of fiscal notes attached to proposed laws or amendments affecting revenue or funding for the Department of Correction.

100%	100%	100%	0	100%
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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 Tennessee Prison for Women, Charles B. Bass Correctional Complex, West Tennessee State Penitentiary, and Morgan County Correctional Complex.

Time-building prisons range in security levels from death-row and maximum-security to minimum-security and work-release. These institutions provide educational, counseling, and treatment programs.

329.11 Brushy Mountain Correctional Complex

Brushy Mountain Correctional Complex (BMCC), located in Morgan County, is a maximum-security institution that serves as a classification center and houses all custody levels. BMCC operates vocational and substance abuse programs. This facility will be closed at the end of fiscal year 2008-2009, and all inmates will be transferred to the Morgan County Correctional Complex.

Full-Time	253	228	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	253	228	0	0	0
Payroll	11,581,500	6,671,600	0	0	0
Operational	4,401,100	2,592,900	0	0	0
Total	\$15,982,600	\$9,264,500	\$0	\$0	\$0
State	15,557,200	9,264,500	0	0	0
Federal	0	0	0	0	0
Other	425,400	0	0	0	0

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	254	252	252	0	252
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	254	252	252	0	252

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	11,381,100	11,612,700	10,848,300	0	10,848,300
Operational	9,769,900	10,500,400	10,616,600	430,400	11,047,000
Total	\$21,151,000	\$22,113,100	\$21,464,900	\$430,400	\$21,895,300
State	20,422,100	21,270,000	20,621,800	405,400	21,027,200
Federal	0	0	0	0	0
Other	728,900	843,100	843,100	25,000	868,100

Standard: Increase General Educational Development (GED) and vocational completions.

Measure: The number of GED recipients and vocational completions.

67	76	95	0	95
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

4.78	1.55	1.45	0	1.45
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329.14 Turney Center Industrial Complex

Turney Center Industrial Complex, with a main site in Hickman County and an annex in Wayne County, is a time-building institution with emphasis on prison industry. It has a security classification range from minimum to close. Inmates are assigned to industry, academic, farming, or vocational programs, as well as support services inside the main compound.

Full-Time	483	435	436	0	436
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	483	435	436	0	436
Payroll	21,990,400	21,864,200	19,663,200	0	19,663,200
Operational	15,246,100	16,477,100	16,625,900	900,700	17,526,600
Total	\$37,236,500	\$38,341,300	\$36,289,100	\$900,700	\$37,189,800
State	35,727,700	37,014,300	34,962,100	900,700	35,862,800
Federal	0	0	0	0	0
Other	1,508,800	1,327,000	1,327,000	0	1,327,000

Standard: Increase GED and vocational completions.

Measure: The number of GED and vocational completions.

155	122	140	0	140
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

7.50	6.82	5.50	0	5.50
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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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	197	192	192	0	192
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	197	192	192	0	192
Payroll	9,010,000	9,672,300	8,955,200	0	8,955,200
Operational	3,819,600	4,525,600	4,619,400	230,200	4,849,600
Total	\$12,829,600	\$14,197,900	\$13,574,600	\$230,200	\$13,804,800
State	12,419,100	13,655,900	13,032,600	230,200	13,262,800
Federal	0	0	0	0	0
Other	410,500	542,000	542,000	0	542,000

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

33	43	48	0	48
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

6.70	4.90	3.00	0	3.00
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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	390	378	378	0	378
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	390	378	378	0	378
Payroll	17,888,500	18,164,100	16,765,400	0	16,765,400
Operational	11,283,900	11,569,300	11,704,900	580,700	12,285,600
Total	\$29,172,400	\$29,733,400	\$28,470,300	\$580,700	\$29,051,000
State	28,306,300	28,601,600	27,338,500	580,700	27,919,200
Federal	0	0	0	0	0
Other	866,100	1,131,800	1,131,800	0	1,131,800

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

14	30	30	0	30
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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).

	3.93	2.02	2.02	0	2.02
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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	311	311	0	311
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	321	311	311	0	311
Payroll	16,027,000	15,899,700	14,659,500	0	14,659,500
Operational	7,301,800	7,241,000	7,353,900	513,300	7,867,200
Total	\$23,328,800	\$23,140,700	\$22,013,400	\$513,300	\$22,526,700
State	22,476,400	22,352,600	21,225,300	513,300	21,738,600
Federal	0	0	0	0	0
Other	852,400	788,100	788,100	0	788,100

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

	167	87	105	0	105
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	1.60	1.20	1.15	0	1.15
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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	761	761	0	761
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	772	761	761	0	761
Payroll	33,250,100	36,164,200	33,715,500	0	33,715,500
Operational	18,953,800	19,940,300	20,176,900	1,350,800	21,527,700
Total	\$52,203,900	\$56,104,500	\$53,892,400	\$1,350,800	\$55,243,200
State	50,883,800	54,784,300	52,572,200	1,350,800	53,923,000
Federal	0	0	0	0	0
Other	1,320,100	1,320,200	1,320,200	0	1,320,200

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

	231	235	255	0	255
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	6.96	7.45	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. RMSI houses all custody levels, including death row. This facility carries out all executions in the state.

Full-Time	329	325	325	0	325
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	329	325	325	0	325
Payroll	15,541,600	15,798,900	14,802,800	0	14,802,800
Operational	8,818,400	9,464,800	9,571,900	385,100	9,957,000
Total	\$24,360,000	\$25,263,700	\$24,374,700	\$385,100	\$24,759,800
State	23,980,700	24,836,800	23,947,800	385,100	24,332,900
Federal	0	0	0	0	0
Other	379,300	426,900	426,900	0	426,900

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

	70	49	54	0	54
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	15.97	16.50	15.50	0	15.50
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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	527	527	0	527
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	537	527	527	0	527
Payroll	24,908,100	24,862,900	23,135,800	0	23,135,800
Operational	15,213,600	15,192,600	15,366,400	971,100	16,337,500
Total	\$40,121,700	\$40,055,500	\$38,502,200	\$971,100	\$39,473,300

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	38,891,400	38,739,000	37,185,700	971,100	38,156,800
Federal	0	0	0	0	0
Other	1,230,300	1,316,500	1,316,500	0	1,316,500

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

	161	220	225	0	225
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	3.81	2.75	2.60	0	2.60
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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	702	690	690	0	690
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	702	690	690	0	690
Payroll	31,035,500	32,730,600	30,399,200	0	30,399,200
Operational	17,831,500	17,365,700	17,588,200	1,340,500	18,928,700
Total	\$48,867,000	\$50,096,300	\$47,987,400	\$1,340,500	\$49,327,900
State	47,207,600	48,363,900	46,255,000	1,268,700	47,523,700
Federal	0	0	0	0	0
Other	1,659,400	1,732,400	1,732,400	71,800	1,804,200

Standard: Maintain at least 200 vocational and GED completions.

Measure: The number of GED and vocational completions.

	389	200	270	0	270
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	6.41	6.49	6.00	0	6.00
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329.47 Morgan County Correctional Complex

Morgan County Correctional Complex, located in Wartburg, has inmates of all custody levels. The facility operates vocational and substance abuse programs.

Full-Time	560	530	530	228	758
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	560	530	530	228	758

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	17,866,500	29,446,100	27,714,600	5,247,400	32,962,000
Operational	9,865,000	19,447,100	19,431,400	5,719,600	25,151,000
Total	\$27,731,500	\$48,893,200	\$47,146,000	\$10,967,000	\$58,113,000
State	27,172,300	47,518,800	45,771,600	10,687,000	56,458,600
Federal	0	0	0	0	0
Other	559,200	1,374,400	1,374,400	280,000	1,654,400

Standard: Increase the number of GED and vocational recipients.

Measure: The number of GED and vocational completions.

	122	140	175	0	175
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	4.00	3.50	7.45	0	7.45
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Special Purpose Facilities

329.46 Lois M. DeBerry Special Needs Facility

The Lois M. DeBerry Special Needs Facility, in Davidson County, provides quality health-care, intensive mental health-care, and sex offender treatment programs.

Full-Time	483	478	478	0	478
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	483	478	478	0	478
Payroll	24,356,300	24,769,000	23,169,800	0	23,169,800
Operational	15,097,900	12,608,700	12,789,800	422,200	13,212,000
Total	\$39,454,200	\$37,377,700	\$35,959,600	\$422,200	\$36,381,800
State	39,099,800	36,980,300	35,562,200	422,200	35,984,400
Federal	0	0	0	0	0
Other	354,400	397,400	397,400	0	397,400

Standard: Maintain the number of GED recipients.

Measure: The number of GED recipients.

	13	9	9	0	9
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	16.14	11.25	11.00	0	11.00
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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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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329.21 Hardeman County Incarceration Agreement

The Hardeman County Correctional Facility is a time-building medium-security prison and offers educational, vocational, and mental health programs. The prison is owned by Hardeman County, which contracts with a private operator.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	143,800	149,700	148,200	0	148,200
Operational	34,465,200	35,433,300	35,434,500	1,468,300	36,902,800
Total	\$34,609,000	\$35,583,000	\$35,582,700	\$1,468,300	\$37,051,000
State	34,599,700	35,564,100	35,563,800	1,468,300	37,032,100
Federal	0	0	0	0	0
Other	9,300	18,900	18,900	0	18,900

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

	236	190	240	0	240
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	7.39	3.50	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
Total	2	2	2	0	2
Payroll	125,000	147,300	146,100	0	146,100
Operational	26,941,500	28,048,400	16,006,200	986,700	16,992,900
Total	\$27,066,500	\$28,195,700	\$16,152,300	\$986,700	\$17,139,000
State	27,051,600	28,177,000	16,133,600	986,700	17,120,300
Federal	0	0	0	0	0
Other	14,900	18,700	18,700	0	18,700

Standard: Increase GED and vocational completions.

Measure: The number of GED and vocational completions.

	183	245	125	0	125
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	8.76	6.80	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.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	140,200	164,600	163,300	0	163,300
Operational	24,434,500	25,482,800	25,484,000	896,700	26,380,700
Total	\$24,574,700	\$25,647,400	\$25,647,300	\$896,700	\$26,544,000
State	24,563,100	25,628,700	25,628,600	896,700	26,525,300
Federal	0	0	0	0	0
Other	11,600	18,700	18,700	0	18,700

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED recipients.

	237	235	235	0	235
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Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	7.14	7.20	7.20	0	7.20
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329.00 Total Correction

Full-Time	5,603	5,421	5,193	228	5,421
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,603	5,421	5,193	228	5,421
Payroll	255,158,400	267,455,500	242,295,800	5,247,400	247,543,200
Operational	367,968,800	432,630,200	395,394,900	28,950,200	424,345,100
Total	\$623,127,200	\$700,085,700	\$637,690,700	\$34,197,600	\$671,888,300
State	604,563,500	682,262,800	620,251,200	33,737,800	653,989,000
Federal	605,100	979,100	1,114,500	0	1,114,500
Other	17,958,600	16,843,800	16,325,000	459,800	16,784,800

Statistical Data Correctional Institutions

	BMCC 329.11	TPW 329.13	TCIC 329.14	MLCF 329.16	CBCC 329.17
Annual Admissions					
2002-2003	1,908	583	1,126	175	2,288
2003-2004	1,908	575	1,093	204	3,534
2004-2005	1,902	556	1,079	205	2,248
2005-2006	1,902	559	1,282	159	2,222
2006-2007	712	668	1,011	114	5,467
2007-2008	712	668	1,046	242	2,079
2008-2009	500	700	746	240	2,400
2009-2010	N/A	700	746	240	2,400
Annual Releases					
2002-2003	1,911	342	889	130	2,725
2003-2004	1,911	550	935	210	2,394
2004-2005	1,915	421	1,087	204	2,557
2005-2006	1,904	548	1,285	158	2,210
2006-2007	712	665	1,014	135	5,670
2007-2008	712	458	1,046	204	2,463
2008-2009	500	475	746	200	2,400
2009-2010	N/A	475	746	200	2,400
Average Daily Census					
2002-2003	1,520	695	1,516	414	1,007
2003-2004	1,525	715	1,507	414	1,014
2004-2005	1,533	722	1,500	415	1,014
2005-2006	1,531	733	1,497	416	1,026
2006-2007	552	735	1,494	410	1,031
2007-2008	529	731	1,601	403	1,014
2008-2009	300	745	1,572	440	1,110
2009-2010	N/A	745	1,572	440	1,110
Cost Per Occupancy Day (Total Expenditures)*					
2002-2003	\$56.13	\$57.89	\$50.07	\$69.47	\$58.76
2003-2004	\$57.54	\$59.91	\$51.85	\$72.14	\$59.58
2004-2005	\$62.47	\$63.51	\$55.36	\$82.48	\$65.70
2005-2006	\$67.45	\$66.00	\$59.37	\$79.89	\$69.71
2006-2007	\$82.93	\$76.96	\$63.44	\$84.43	\$75.03
2007-2008	\$82.55	\$79.06	\$63.55	\$86.98	\$78.61
2008-2009	\$84.61	\$81.32	\$66.82	\$88.41	\$73.39
2009-2010	N/A	\$80.52	\$64.82	\$85.96	\$71.70

BMCC: Brushy Mountain Correctional Complex

MLCF: Mark Luttrell Correctional Facility

TPW: Tennessee Prison for Women

CBCC: Charles B. Bass Correctional Complex

TCIC: Turney Center Industrial Complex

N/A = Indicates facilities were not in existence during the reporting period.

*FY 2002-2003 to 2007-2008 are actual expenditures from all sources; 2008-09 to 2009-10 are estimates.

Statistical Data Correctional Institutions

	STRCF 329.18	WTSP 329.41	RMSI 329.42	NECC 329.43	NWCC 329.45	MCCC 329.47
Annual Admissions						
2002-2003	389	3,024	365	657	1,276	N/A
2003-2004	437	2,970	322	750	1,077	N/A
2004-2005	395	3,112	415	694	1,036	N/A
2005-2006	345	3,075	364	653	1,160	N/A
2006-2007	470	3,164	337	781	1,070	1,200
2007-2008	394	3,307	363	679	1,059	1,200
2008-2009	400	2,600	390	690	1,059	1,800
2009-2010	400	2,600	390	690	1,059	1,800
Annual Releases						
2002-2003	298	3,068	371	657	1,254	N/A
2003-2004	415	2,943	313	750	1,050	N/A
2004-2005	385	3,069	421	641	1,044	N/A
2005-2006	343	3,073	369	655	1,154	N/A
2006-2007	475	3,256	325	785	1,062	1,200
2007-2008	399	3,361	356	439	1,067	1,200
2008-2009	400	2,600	380	450	1,067	1,800
2009-2010	400	2,600	380	450	1,067	1,800
Average Daily Census						
2002-2003	912	2,455	704	1,782	2,264	N/A
2003-2004	942	2,431	706	1,808	2,288	N/A
2004-2005	942	2,474	700	1,803	2,280	N/A
2005-2006	944	2,476	695	1,801	2,286	N/A
2006-2007	943	2,434	698	1,787	2,293	972
2007-2008	938	2,444	702	1,780	2,294	971
2008-2009	942	2,582	736	1,856	2,425	2,441
2009-2010	942	2,582	736	1,856	2,425	2,441
Cost Per Occupancy Day (Total Expenditures)*						
2002-2003	\$52.74	\$46.35	\$71.17	\$45.69	\$44.66	N/A
2003-2004	\$52.81	\$48.64	\$70.51	\$46.49	\$45.31	N/A
2004-2005	\$57.72	\$51.17	\$77.85	\$51.02	\$50.02	N/A
2005-2006	\$60.30	\$53.74	\$83.68	\$54.25	\$52.42	N/A
2006-2007	\$63.00	\$55.99	\$91.78	\$57.24	\$54.64	\$63.74
2007-2008	\$67.95	\$58.36	\$94.81	\$61.59	\$58.20	\$78.03
2008-2009	\$67.30	\$59.53	\$94.04	\$59.13	\$56.60	\$54.88
2009-2010	\$65.52	\$58.62	\$92.17	\$58.27	\$55.73	\$65.22

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
 MCCC: Morgan County Correctional Complex

N/A = Indicates facilities were not in existence during the reporting period.

*FY 2002-2003 to 2007-2008 are actual expenditures from all sources; 2008-09 to 2009-10 are estimates.

Statistical Data Correctional Institutions

	DSNF 329.46	HCCF 329.21	HCCF-W 329.22	SCCC 329.44	Total*
Annual Admissions					
2002-2003	383	873	1,756	788	9,529
2003-2004	388	873	750	788	10,262
2004-2005	336	869	754	790	10,417
2005-2006	356	869	754	790	10,180
2006-2007	438	855	750	700	10,540
2007-2008	431	875	755	725	11,069
2008-2009	400	900	800	730	11,700
2009-2010	400	900	400	730	11,700
Annual Releases					
2002-2003	360	799	257	713	9,381
2003-2004	395	799	700	713	10,281
2004-2005	385	863	752	783	11,039
2005-2006	429	858	740	777	10,513
2006-2007	355	858	745	700	10,777
2007-2008	435	879	750	720	11,066
2008-2009	400	900	800	730	11,400
2009-2010	400	900	400	730	11,400
Average Daily Census					
2002-2003	710	1,963	594	1,634	18,586
2003-2004	738	1,947	1,474	1,608	19,530
2004-2005	714	1,953	1,476	1,615	19,546
2005-2006	641	1,964	1,490	1,628	19,533
2006-2007	687	1,964	1,488	1,632	19,522
2007-2008	711	1,962	1,485	1,626	19,641
2008-2009	800	2,016	1,536	1,676	21,177
2009-2010	800	2,016	768	1,676	20,109
Cost Per Occupancy Day (Total Expenditures)**					
2002-2003	\$97.78	\$42.83	\$43.53	\$37.85	\$50.95
2003-2004	\$99.08	\$44.15	\$45.64	\$39.16	\$52.05
2004-2005	\$111.75	\$44.95	\$46.90	\$40.59	\$55.94
2005-2006	\$135.01	\$45.83	\$47.55	\$42.04	\$59.01
2006-2007	\$143.52	\$47.13	\$48.65	\$43.64	\$62.51
2007-2008	\$151.62	\$48.20	\$49.80	\$41.29	\$63.81
2008-2009	\$128.01	\$48.36	\$50.29	\$41.93	\$62.62
2009-2010	\$124.60	\$50.35	\$61.14	\$43.39	\$63.83

DSNF: Lois DeBerry Special Needs Facility

HCCF: Hardeman Co. Correctional Facility

HCCF-W: Hardeman Co. Correctional Facility - Whiteville

SCCC: South Central Correctional Center

N/A = Indicates facilities were not in existence during the reporting period.

*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 2002-2003 to 2007-2008 are actual expenditures from all sources; 2008-09 to 2009-10 are estimates.

Military Department

Performance-Based Budget

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>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	43	41	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	41	43	0	43
Payroll	2,501,300	2,765,100	2,714,400	0	2,714,400
Operational	842,100	964,300	982,400	0	982,400
Total	\$3,343,400	\$3,729,400	\$3,696,800	\$0	\$3,696,800
State	2,864,300	2,828,700	2,700,900	0	2,700,900
Federal	476,300	897,700	992,900	0	992,900
Other	2,800	3,000	3,000	0	3,000

Standard: Monitor Station Commander's Upkeep and Maintenance Fund (SCUMF) Accounts and sub-recipient contracts for compliance.

Measure: Percent of SCUMF accounts and sub-recipient contracts reviewed and in compliance.

15%	30%	35%	0	35%
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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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	82	75	71	0	71
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	86	79	75	0	75
Payroll	4,812,900	5,607,700	5,275,900	0	5,275,900
Operational	2,264,200	2,288,900	2,144,900	0	2,144,900
Total	\$7,077,100	\$7,896,600	\$7,420,800	\$0	\$7,420,800
State	1,254,500	1,039,700	866,300	0	866,300
Federal	5,376,400	6,161,400	5,934,000	0	5,934,000
Other	446,200	695,500	620,500	0	620,500

Standard: Process and complete 97% of all maintenance requests.

Measure: Percent of processed and completed maintenance requests.

94%	95%	97%	0	97%
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341.03 Air National Guard

The Air National Guard operates three air bases located in Nashville, Knoxville, and Memphis, and one unit in Chattanooga. The mission 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	223	216	216	0	216
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	223	216	216	0	216
Payroll	8,175,300	9,732,900	9,520,300	0	9,520,300
Operational	4,855,800	5,711,100	5,357,800	0	5,357,800
Total	\$13,031,100	\$15,444,000	\$14,878,100	\$0	\$14,878,100
State	2,275,800	2,889,500	2,323,600	0	2,323,600
Federal	10,748,500	12,549,800	12,549,800	0	12,549,800
Other	6,800	4,700	4,700	0	4,700

Standard: Achieve and maintain a high percentage rating of 92% or more of completed work orders in support of the facilities and equipment used by the full-time work force.

Measure: Percent of work orders completed.

89%	92%	92%	0	92%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,717,700	5,221,300	5,113,000	0	5,113,000
Total	\$3,717,700	\$5,221,300	\$5,113,000	\$0	\$5,113,000
State	790,200	733,900	625,600	0	625,600
Federal	2,685,300	4,142,800	4,142,800	0	4,142,800
Other	242,200	344,600	344,600	0	344,600

Standard: To maintain facilities in accordance with U.S. Army standards.

Measure: Percent of Military Department Army Guard facilities meeting U.S. Army standards.

80%	85%	77%	0	77%
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,896,300	3,937,300	3,580,600	0	3,580,600
Total	\$3,896,300	\$3,937,300	\$3,580,600	\$0	\$3,580,600
State	2,063,900	2,416,200	2,059,500	0	2,059,500
Federal	1,742,800	1,406,800	1,406,800	0	1,406,800
Other	89,600	114,300	114,300	0	114,300

Standard: To maintain costs below the regional industrial average of \$1.68 per square foot.

Measure: Cost per square foot.

\$0.98 cents	\$0.99 cents	\$0.99 cents	0	\$0.99 cents
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Emergency Management

The Military Department provides emergency management services and administers federally funded homeland security grants.

341.04 Tennessee Emergency Management Agency

The Tennessee Emergency Management Agency (TEMA) is responsible for planning and management of emergency operations of the state and for training of and assistance to local governments during man-made or natural disasters.

Full-Time	104	96	94	0	94
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	104	96	94	0	94
Payroll	5,848,600	6,284,400	6,062,700	0	6,062,700
Operational	4,305,200	6,075,400	5,909,100	0	5,909,100
Total	\$10,153,800	\$12,359,800	\$11,971,800	\$0	\$11,971,800
State	3,871,300	3,472,800	3,084,800	0	3,084,800
Federal	4,898,900	7,957,900	7,957,900	0	7,957,900
Other	1,383,600	929,100	929,100	0	929,100

Standard: The Emergency Management Program Grant (EMPG) assists local governments with implementing local assistance services. Increase the number of counties participating.

Measure: Number of counties participating in the Emergency Management Program.

65	68	71	0	71
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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	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	265,200	304,300	302,400	0	302,400
Operational	19,107,400	54,729,500	54,730,900	0	54,730,900
Total	\$19,372,600	\$55,033,800	\$55,033,300	\$0	\$55,033,300
State	0	0	0	0	0
Federal	19,352,600	55,033,800	55,033,300	0	55,033,300
Other	20,000	0	0	0	0

Standard: Transition TEMA's VHF Low Band Radio system to a conventional 800 MHz system, creating the basis for a statewide multi-agency interoperable radio system.

Measure: Percent of statewide interoperable communications system complete.

85%	89%	93%	0	93%
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	11,115,800	5,000,000	5,000,000	0	5,000,000
Total	\$11,115,800	\$5,000,000	\$5,000,000	\$0	\$5,000,000
State	2,000,000	0	0	0	0
Federal	9,107,800	5,000,000	5,000,000	0	5,000,000
Other	8,000	0	0	0	0

Standard: Manage public assistance grants to those affected by disaster.

Measure: Number of applicants' grants finalized.

70	50	60	0	60
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341.00 Total Military

Full-Time	457	433	429	0	429
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	461	437	433	0	433
Payroll	21,603,300	24,694,400	23,875,700	0	23,875,700
Operational	50,104,500	83,927,800	82,818,700	0	82,818,700
Total	\$71,707,800	\$108,622,200	\$106,694,400	\$0	\$106,694,400
State	15,120,000	13,380,800	11,660,700	0	11,660,700
Federal	54,388,600	93,150,200	93,017,500	0	93,017,500
Other	2,199,200	2,091,200	2,016,200	0	2,016,200

Tennessee Bureau of Investigation

Performance-Based Budget

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. TBI also investigates corruption and misconduct at all levels of government, as well as provider fraud and patient abuse within the TennCare system. The Drug Investigations Division has original jurisdiction to investigate violations of Tennessee's drug control laws. Special agents are assigned to one of four regional investigative units, which initiate and investigate cases, targeting upper and mid-level drug violators and drug distribution organizations. In addition, the division works cooperatively with state and local government agencies, the U.S. Drug Enforcement Administration, and the Federal Bureau of Investigation. The Forensic Services Division provides forensic examinations for the law enforcement community and medical examiners statewide. These examinations are performed at laboratories in Nashville, Knoxville, and Memphis. All three laboratories perform DNA and serology, drug chemistry, and toxicology, which includes blood alcohol analysis. The Memphis and Nashville laboratories perform firearms identification analysis. Additionally, the main laboratory in Nashville specializes in latent fingerprint examination and microanalysis testing. The Information Systems Division provides support to investigative activities through records management, systems operations, fingerprint identification, and uniform crime reporting.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
348.00 Tennessee Bureau of Investigation					
Full-Time	499	493	493	0	493
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	499	493	493	0	493
Payroll	34,834,600	35,347,300	34,488,800	0	34,488,800
Operational	30,151,000	33,233,400	30,583,900	0	30,583,900
Total	\$64,985,600	\$68,580,700	\$65,072,700	\$0	\$65,072,700
State	37,141,900	40,164,900	36,692,300	0	36,692,300
Federal	11,134,300	14,667,600	14,268,700	0	14,268,700
Other	16,709,400	13,748,200	14,111,700	0	14,111,700

Standard: Deter crime in Tennessee by solving crime incidents initially investigated by TBI.

Measure: Percent of crime incidents, initially investigated by TBI, cleared by arrests or exceptional means.

44%	50%	50%	0	50%
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<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Standard: Prevent crime by screening individuals applying for weapons purchased in Tennessee.

Measure: Percent of individuals denied the purchase of weapons based on criminal history.

3.5%	3.5%	3.5%	0	3.5%
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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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	90	95	94	0	94
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	90	95	94	0	94
Payroll	5,464,500	6,223,900	5,882,000	0	5,882,000
Operational	2,307,800	2,195,000	2,521,800	0	2,521,800
Total	\$7,772,300	\$8,418,900	\$8,403,800	\$0	\$8,403,800
State	7,256,300	7,872,900	7,857,800	0	7,857,800
Federal	0	0	0	0	0
Other	516,000	546,000	546,000	0	546,000

Standard: Add further avenues for citizens to access the department's services without visiting an office.

Measure: Increase the number of online service transactions by a minimum of three percent annually.

Not Applicable	4%	5%	0	5%
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Standard: Investigate and resolve complaints concerning the department's employees within 60 days.

Measure: Percent of complaints concerning Tennessee Department of Safety employees resolved within 60 days.

95%	80%	80%	0	80%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	9,698,100	10,051,200	10,095,500	0	10,095,500
Total	\$9,698,100	\$10,051,200	\$10,095,500	\$0	\$10,095,500
State	9,665,100	9,881,600	9,975,900	0	9,975,900
Federal	0	0	0	0	0
Other	33,000	169,600	119,600	0	119,600

Standard: Replace pursuit vehicles at 85,000 miles.

Measure: Percent of pursuit vehicles operating with mileage in excess of 85,000 miles.

30%	25%	25%	0	25%
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349.12 Major Maintenance

Major Maintenance provides funds for maintenance of Department of Safety buildings and other facilities including radio towers, radio repeater sites, and roadside commercial motor vehicle scales.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	505,000	399,600	10,300	0	10,300
Total	\$505,000	\$399,600	\$10,300	\$0	\$10,300
State	205,100	199,600	10,300	0	10,300
Federal	0	0	0	0	0
Other	299,900	200,000	0	0	0

Standard: Maintain communication sites so that reliable radio coverage is provided for Tennessee Department of Safety law enforcement personnel.

Measure: Number of communication sites maintained and managed by Tennessee Department of Safety.

41	42	42	0	42
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Standard: Maintain communication sites so that reliable radio coverage is provided for Tennessee Department of Safety law enforcement personnel.

Measure: Percentage of communication sites inspected a minimum of three times per year.

Not Applicable	75%	75%	0	75%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	165	111	83	0	83
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	165	111	83	0	83
Payroll	7,212,100	5,653,500	4,465,800	0	4,465,800
Operational	3,516,900	2,698,600	2,848,000	0	2,848,000
Total	\$10,729,000	\$8,352,100	\$7,313,800	\$0	\$7,313,800
State	2,481,800	1,886,000	847,700	0	847,700
Federal	0	433,100	433,100	0	433,100
Other	8,247,200	6,033,000	6,033,000	0	6,033,000

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.

73%	70%	75%	0	75%
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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.

12%	45%	50%	0	50%
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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 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	397	417	430	0	430
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	420	440	453	0	453
Payroll	16,099,800	18,094,200	18,132,000	0	18,132,000
Operational	12,860,500	25,869,800	15,506,000	0	15,506,000
Total	\$28,960,300	\$43,964,000	\$33,638,000	\$0	\$33,638,000
State	9,881,600	12,702,200	2,376,200	0	2,376,200
Federal	143,600	2,328,100	2,328,100	0	2,328,100
Other	18,935,100	28,933,700	28,933,700	0	28,933,700

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Provide service to customers in a professional, efficient, and timely manner.

Measure: Percent of stations that processed non-test applicants within 30 minutes of issuing a ticket from the queuing system.

Not Applicable	45%	48%	0	48%
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Standard: Increase the percentage of non-test driver license transactions conducted without the customer having to come to a driver license office.

Measure: Percent of driver license issuance transactions conducted via Internet, mail, or at a county clerk office.

30%	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.

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	1,158	1,098	1,086	0	1,086
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,158	1,098	1,086	0	1,086
Payroll	78,603,300	81,768,100	79,214,600	0	79,214,600
Operational	19,059,200	17,511,300	17,929,200	0	17,929,200
Total	\$97,662,500	\$99,279,400	\$97,143,800	\$0	\$97,143,800
State	77,575,800	86,087,900	84,163,100	0	84,163,100
Federal	5,555,000	6,774,600	6,774,600	0	6,774,600
Other	14,531,700	6,416,900	6,206,100	0	6,206,100

Standard: Reduce highway fatalities in Tennessee.

Measure: Percent of time that Tennessee Highway Patrol is able to respond to fatal/injury crashes within 15 minutes.

50.7%	50.0%	50.0%	0	50.0%
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Standard: Reduce highway fatalities in Tennessee.

Measure: Number of fatalities per 100 million vehicular miles traveled.

1.43	1.71	1.68	0	1.68
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	73,800	350,100	350,100	0	350,100
Total	\$73,800	\$350,100	\$350,100	\$0	\$350,100
State	34,100	0	0	0	0
Federal	0	0	0	0	0
Other	39,700	350,100	350,100	0	350,100

Standard: Offset operational expenses for auto theft investigations through proceeds obtained as the result of selling seized property.

Measure: Percent of operational expenses for auto theft investigations funded through the sale of seized property.

8.3%	10.0%	10.0%	0	10.0%
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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 11 homeland security districts that provide coordinated multi-county responses to chemical, biological, radiological, and nuclear threats. The office, with Tennessee Bureau of Investigation assistance, operates an intelligence fusion center, which enhances the state's ability to analyze terrorism information and improves information-sharing among state, local, and federal agencies.

Full-Time	30	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	28	28	0	28
Payroll	1,878,400	2,299,900	2,264,400	0	2,264,400
Operational	744,800	3,604,100	3,607,800	0	3,607,800
Total	\$2,623,200	\$5,904,000	\$5,872,200	\$0	\$5,872,200
State	1,710,300	1,752,700	1,720,900	0	1,720,900
Federal	0	0	0	0	0
Other	912,900	4,151,300	4,151,300	0	4,151,300

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Train public safety and private sector officials in terrorism awareness, prevention, protection, and response to terrorist-related events.

Measure: Number of public and private sector officials trained in awareness, prevention, protection, and response to terrorist-related events.

	3,877	4,000	4,500	0	4,500
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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
Total	2	2	2	0	2
Payroll	92,000	120,400	119,200	0	119,200
Operational	247,000	432,000	282,700	0	282,700
Total	\$339,000	\$552,400	\$401,900	\$0	\$401,900
State	206,300	402,400	401,900	0	401,900
Federal	0	0	0	0	0
Other	132,700	150,000	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.

	8,073	8,000	8,000	0	8,000
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Standard: Ensure the quality of program instruction through annual site visits.

Measure: Percent of Motorcycle Rider Education training sites inspected a minimum of three times per fiscal year.

	Not Applicable	75%	75%	0	75%
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349.08 Driver Education

Driver Education promotes safety on the highways by developing, promoting, and coordinating programs that increase public awareness of safety on Tennessee highways. The program also regulates commercial driving schools.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	146,600	173,200	172,400	0	172,400
Operational	179,500	200,700	101,800	0	101,800
Total	\$326,100	\$373,900	\$274,200	\$0	\$274,200

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	271,500	273,900	274,200	0	274,200
Federal	0	0	0	0	0
Other	54,600	100,000	0	0	0

Standard: Increase public awareness of safe driving principles.

Measure: Number of safety education presentations held to promote safe highways.

	2,774	3,000	3,000	0	3,000
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349.00 Total Safety

Full-Time	1,844	1,753	1,725	0	1,725
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	1,867	1,776	1,748	0	1,748
Payroll	109,496,700	114,333,200	110,250,400	0	110,250,400
Operational	49,192,600	63,312,400	53,253,200	0	53,253,200
Total	\$158,689,300	\$177,645,600	\$163,503,600	\$0	\$163,503,600
State	109,287,900	121,059,200	107,628,000	0	107,628,000
Federal	5,698,600	9,535,800	9,535,800	0	9,535,800
Other	43,702,800	47,050,600	46,339,800	0	46,339,800

Resources and Regulation

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Resources and Regulation

Recommended Budget, Fiscal Year 2009 – 2010

The Resources and Regulation functional group includes eight agencies that promote and protect the state's natural, historical, and cultural resources and its consumers and workers.

Three departments promote consumer protection and safety in the work place:

- Department of Commerce and Insurance
- Department of Financial Institutions
- Department of Labor and Workforce Development.

These departments regulate and promote education in businesses and occupations to ensure professionalism and consumer safety; regulate insurance, commercial banking, and money-lending industries to ensure soundness and protect the interests of depositors and policy-holders; and regulate the work place to ensure worker health and safety, fair wages, and compensation for work-related injuries. In addition to these activities, the Department of Commerce and Insurance is responsible for law enforcement personnel training duties.

Three agencies promote and protect cultural and historical resources:

- Tennessee Arts Commission
- Tennessee State Museum
- Tennessee Historical Commission.

Together, these agencies promote interest, education, and participation in the arts through financial support to artists and supporters of the arts; protect and preserve artifacts that are significant to our natural and cultural history; and promote the preservation of and public

access to historical sites across the state through purchase and financial support.

The following two agencies promote and ensure the conservation of Tennessee's agricultural, environmental, and natural resources:

- Department of Environment and Conservation
- Tennessee Wildlife Resources Agency.

These agencies promote preservation of the state's environmental resources, protection from hazardous waste and radiation exposure, and reclamation of abandoned lands; promote recreation on public and private lands, including the state's geological, archaeological, and park resources; protect and conserve all species of wildlife native to the state; administer hunting and boating safety laws; enforce the litter control laws; stabilize river banks; and maintain drainage patterns to conserve agricultural land in West Tennessee.

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 table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Resources and Regulation Total Personnel and Funding

	Actual 2007-2008	Estimated 2008-2009	Recommended 2009-2010
Personnel			
Full Time	5,862	5,622	5,566
Part Time	987	977	973
Seasonal	366	339	339
TOTAL	7,215	6,938	6,878
Expenditures			
Payroll	\$ 315,341,900	\$ 344,942,100	\$ 333,535,300
Operational	541,566,600	561,070,200	570,320,500
TOTAL	\$ 856,908,500	\$ 906,012,300	\$ 903,855,800
Funding			
State	\$ 425,605,800	\$ 373,958,800	\$ 351,562,600
Federal	225,261,100	292,835,300	324,377,100
Other	206,041,600	239,218,200	227,916,100

Resources and Regulation
Recommended Budget for Fiscal Year 2009-2010
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	6,191,500	1,272,400	537,800	8,001,700
316.27 State Museum	3,738,400	0	5,000	3,743,400
327.00 Environment and Conservation	160,919,200	113,818,700	121,258,800	395,996,700
328.00 Tennessee Wildlife Resources Agency	43,795,400	20,194,900	10,627,600	74,617,900
335.00 Commerce and Insurance	89,168,500	235,000	51,727,600	141,131,100
336.00 Financial Institutions	8,207,300	0	7,773,400	15,980,700
337.00 Labor and Workforce Development	39,542,300	188,856,100	35,985,900	264,384,300
Total	\$351,562,600	\$324,377,100	\$227,916,100	\$903,855,800

Resources and Regulation

Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Arts Commission					
• Value Plus Schools and Arts Builds Communities					
To provide funding for a program coordinator position for the Value Plus Schools program (\$47,500 from license plate revenue) and additional funding for the Arts Builds Communities program (\$22,900 from the license plate reserve). The Value Plus Schools program emphasizes learning through the arts by integrating performing, visual, literary, and traditional art forms into non-art forms, such as math, science, and language arts. Six elementary schools throughout the state are participating in the program. Arts Builds Communities provides grants ranging from \$500 to \$3,000 to artists, arts organizations, and arts supporters in each of Tennessee's 95 counties in an effort to help build communities by nurturing the arts. Awarded grants must be matched dollar-for-dollar by the grantee.					
316.25 Arts Commission	\$47,500	\$0	\$22,900	\$70,400	1
Sub-total	\$47,500	\$0	\$22,900	\$70,400	1
• U.S. Economic Recovery - National Endowment for the Arts					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funding is provided for one-time grants to eligible non-profit arts organizations for a period of up to two years. Grants are for salary support, full or partial, for positions that are critical to an organization's artistic mission.					
316.25 Arts Commission	\$0	\$228,800	\$0	\$228,800	0
Sub-total	\$0	\$228,800	\$0	\$228,800	0
Total Arts Commission	\$47,500	\$228,800	\$22,900	\$299,200	1

Environment and Conservation

• U.S. Economic Recovery - Diesel Emission Reduction					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funds are formula-based and will be used to offset a portion of the costs associated with purchasing and installing auxiliary power units on long-haul trucks.					
327.31 Air Pollution Control	\$0	\$1,500,000	\$0	\$1,500,000	0
Sub-total	\$0	\$1,500,000	\$0	\$1,500,000	0
• U.S. Economic Recovery - Clean Water State Revolving Fund					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Clean Water State Revolving Fund exists to provide low-interest loans to cities, counties, and utility districts for the planning, design, and construction of wastewater facilities. Additional funding will increase the number of local projects funded with state-subsidized loans or grants. The usual 20 percent state match for this program is waived under the federal act.					
327.33 Clean Water and Drinking Water State Revolving Fund	\$0	\$28,706,500	\$0	\$28,706,500	0
Sub-total	\$0	\$28,706,500	\$0	\$28,706,500	0

Resources and Regulation

Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• U.S. Economic Recovery - Drinking Water State Revolving Fund					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Drinking Water State Revolving Fund exists to provide low-interest loans to cities, counties, and utility districts for the planning, design, and construction of drinking water facilities. Additional funding will increase the number of local projects funded with state-subsidized loans or grants. The usual 20 percent state match for this program is waived under the federal act.					
327.33 Clean Water and Drinking Water State Revolving Fund	\$0	\$8,991,100	\$0	\$8,991,100	0
327.39 Water Supply	\$0	\$1,011,900	\$0	\$1,011,900	0
327.44 Fleming Training Center	\$0	\$202,400	\$0	\$202,400	0
Sub-total	\$0	\$10,205,400	\$0	\$10,205,400	0
Total Environment and Conservation	\$0	\$40,411,900	\$0	\$40,411,900	0

Labor and Workforce Development

• U.S. Economic Recovery - Workforce Investment Act - Adults					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funding is formula-based and will provide quality employment and training services to assist adults in finding and qualifying for meaningful employment. In addition to training services, support services such as transportation allowances, child-care expenses, and supplies and equipment may be made available to qualified participants.					
337.07 Employment and Training	\$0	\$6,907,900	\$0	\$6,907,900	0
Sub-total	\$0	\$6,907,900	\$0	\$6,907,900	0
• U.S. Economic Recovery - Workforce Investment Act - Youths					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funding is formula-based and will employ approximately 12,000 disadvantaged youths during the summer months.					
337.07 Employment and Training	\$0	\$12,549,500	\$0	\$12,549,500	0
Sub-total	\$0	\$12,549,500	\$0	\$12,549,500	0
• U.S. Economic Recovery - Workforce Investment Act - Dislocated Workers					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funding is formula-based and will provide quality employment and training services to assist dislocated workers in finding and qualifying for meaningful employment. Other support services including transportation allowances, child care expenses, and supplies and equipment may be made available to qualified participants. This funding will help address an expected 40 percent increase in the number of enrollees.					
337.07 Employment and Training	\$0	\$11,909,400	\$0	\$11,909,400	0
Sub-total	\$0	\$11,909,400	\$0	\$11,909,400	0

Resources and Regulation

Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> U.S. Economic Recovery - Workforce Investment Act - Adult Education Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funding is formula-based and will be used to create high-skill job training classes for adults in the energy, health care, and information technology sectors. Funds will also be used to increase the number of participants acquiring a general education development (GED) diploma through the adult education program. 					
337.07 Employment and Training	\$0	\$1,019,000	\$0	\$1,019,000	0
Sub-total	\$0	\$1,019,000	\$0	\$1,019,000	0
<ul style="list-style-type: none"> U.S. Economic Recovery - Workforce Investment Act - Dislocated Worker Training Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funding is formula-based and will be used to create high-skill job training classes for dislocated workers in the energy, health care, and information technology sectors. An additional 4,000 individuals will be trained throughout the state with the use of these funds. Funds will also be used to increase the number of participants acquiring a general education development diploma through the adult education program. 					
337.07 Employment and Training	\$0	\$2,679,100	\$0	\$2,679,100	0
Sub-total	\$0	\$2,679,100	\$0	\$2,679,100	0
<ul style="list-style-type: none"> U.S. Economic Recovery - Workforce Investment Act - Rapid Response Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Tennessee Career Center's rapid response program provides services to dislocated workers including unemployment insurance; job search and placement assistance; labor market and in-demand occupation information; testing and assessment; resume preparation and interviewing skills workshops; and classroom and occupational skills training. Counseling is also available to help dislocated workers with job search assistance, job referral information, and coping with the stress of having lost their jobs through no fault of their own. Funding for this program is formula-based. 					
337.07 Employment and Training	\$0	\$3,672,200	\$0	\$3,672,200	0
Sub-total	\$0	\$3,672,200	\$0	\$3,672,200	0
<ul style="list-style-type: none"> U.S. Economic Recovery - Senior Community Service Employment Program Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Senior Community Service Employment Program (SCSEP) offers training and employment opportunities for unemployed low-income seniors, 55 and older, with an objective of gaining unsubsidized employment. Additional funding is formula-based and will allow for more participants assigned to community service work, especially in health care, child care, environmental services, and green agencies. Training is provided to enhance a participant's employment prospects, while working under a host agency. 					
337.07 Employment and Training	\$0	\$400,000	\$0	\$400,000	0
Sub-total	\$0	\$400,000	\$0	\$400,000	0

Resources and Regulation Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> U.S. Economic Recovery - State Employment Service Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funds are formula-based and will be used to provide services to unemployment insurance claimants and to improve information technology systems required to identify and serve claimants. 					
337.10 Employment Security	\$0	\$1,856,200	\$0	\$1,856,200	0
Sub-total	\$0	\$1,856,200	\$0	\$1,856,200	0
<ul style="list-style-type: none"> U.S. Economic Recovery - Unemployment Insurance: State Administration Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funding is formula-based and will allow for technology upgrades to the department, particularly to the unemployment claims center. A portion of these funds will be reserved to cover future base funding shortfalls anticipated as a result of the Trade Readjustment Act to service industries. 					
337.10 Employment Security	\$0	\$5,064,200	\$0	\$5,064,200	0
Sub-total	\$0	\$5,064,200	\$0	\$5,064,200	0
Total Labor and Workforce Development	\$0	\$46,057,500	\$0	\$46,057,500	0
Total Resources and Regulation	\$47,500	\$86,698,200	\$22,900	\$86,768,600	1

Arts Commission

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
316.25 Arts Commission					
Full-Time	18	19	19	1	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	19	19	1	20
Payroll	1,194,400	1,220,200	1,160,900	47,500	1,208,400
Operational	6,731,700	6,808,400	6,541,600	251,700	6,793,300
Total	\$7,926,100	\$8,028,600	\$7,702,500	\$299,200	\$8,001,700
State	5,979,800	6,375,500	6,144,000	47,500	6,191,500
Federal	723,300	1,043,600	1,043,600	228,800	1,272,400
Other	1,223,000	609,500	514,900	22,900	537,800

Standard: Increase the number of hits to the agency's website to retrieve information about the work of the commission and to secure arts resource information.

Measure: Number of hits to commission web site.

	6,000	6,600	6,780	0	6,780
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Standard: Increase support for the eligible artists and organizations in Tennessee.

Measure: Amount of support for eligible artists and organizations.

	\$6,589,000	\$7,000,000	\$7,614,700	\$22,900	\$7,637,600
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State Museum

The Tennessee State Museum was created by public law in 1937 to bring together all the collections already owned or managed by the state. The State Museum's mandate is to "procure, preserve, exhibit and interpret objects which relate to the social, political, economic, and cultural history of Tennessee and Tennesseans and to provide exhibitions and programs for the educational and cultural enrichment of the citizens of the state."

The State Museum, located in Nashville, collects, preserves, interprets, and exhibits artifacts that are significant to the natural and cultural history of the state. Through the acquisition, restoration, and stewardship of the collection, the museum's professional staff provides Tennesseans with numerous educational and cultural experiences. Many of the programs reach 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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
316.27 State Museum					
Full-Time	49	47	47	0	47
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	47	47	0	47
Payroll	2,224,000	2,446,400	2,379,400	0	2,379,400
Operational	1,387,100	1,383,700	1,364,000	0	1,364,000
Total	\$3,611,100	\$3,830,100	\$3,743,400	\$0	\$3,743,400
State	3,537,400	3,825,100	3,738,400	0	3,738,400
Federal	0	0	0	0	0
Other	73,700	5,000	5,000	0	5,000

Standard: The museum will expose citizens and visitors to the cultural heritage of Tennessee through tours of the museum's permanent, special, and traveling exhibitions, as well as the Tennessee State Capitol.

Measure: Number of visitors who toured museum facilities for educational or cultural enrichment.

105,441	100,000	100,000	0	100,000
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Standard: The museum will showcase art and/or artifacts of unique cultural value to statewide audiences by providing changing exhibitions with a focus on Tennessee history.

Measure: Number of temporary changing exhibitions dedicated to Tennessee or cultural significance.

4	8	3	0	3
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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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	213	206	201	0	201
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	213	206	201	0	201
Payroll	12,671,700	13,492,000	13,007,600	0	13,007,600
Operational	3,313,300	3,065,100	3,148,300	0	3,148,300
Total	\$15,985,000	\$16,557,100	\$16,155,900	\$0	\$16,155,900
State	6,354,500	6,508,200	6,086,000	0	6,086,000
Federal	2,843,700	2,518,500	2,518,500	0	2,518,500
Other	6,786,800	7,530,400	7,551,400	0	7,551,400

Standard: Evaluate all training and meeting activities through Edison's planning and tracking capabilities to better utilize our employee development dollars.

Measure: Percent increase in the number of employees submitting individual learning management plans.

Not Applicable	25%	50%	0	50%
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Standard: Evaluate the job responsibilities of employees with administrative duties, hopefully freeing them from repetitive and redundant tasks, and permitting them to focus on more critical operational responsibilities.

Measure: Percent reduction in number of hours devoted to administrative tasks in all divisions.

Not Applicable	10%	5%	0	5%
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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</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	15	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	14	14	0	14
Payroll	952,600	961,500	906,600	0	906,600
Operational	2,251,600	4,359,600	4,364,000	0	4,364,000
Total	\$3,204,200	\$5,321,100	\$5,270,600	\$0	\$5,270,600
State	732,100	842,300	791,800	0	791,800
Federal	2,037,500	2,292,800	2,292,800	0	2,292,800
Other	434,600	2,186,000	2,186,000	0	2,186,000

Standard: Increase the number of counties that will develop or expand a local, state, or federal trail or greenway system.

Measure: Number of counties and municipalities that develop or expand a local, state, or federal trail or greenway system.

121	131	141	0	141
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Standard: Increase the number of counties or municipalities in underserved areas who will create an organized parks and recreation delivery system.

Measure: Number of counties or municipalities in underserved areas that create an organized parks and recreation delivery system.

74	77	78	0	78
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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	16	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	15	15	0	15
Payroll	853,700	879,700	882,700	0	882,700
Operational	1,816,500	1,910,800	1,730,800	0	1,730,800
Total	\$2,670,200	\$2,790,500	\$2,613,500	\$0	\$2,613,500
State	2,254,500	2,285,400	2,108,400	0	2,108,400
Federal	403,800	500,100	500,100	0	500,100
Other	11,900	5,000	5,000	0	5,000

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Survey and add properties to the National Register of Historic Places.

Measure: Number of properties added to the National Register of Historic Places.

401	320	250	0	250
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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.

99.4%	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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	491,500	750,000	750,000	0	750,000
Total	\$491,500	\$750,000	\$750,000	\$0	\$750,000
State	0	0	0	0	0
Federal	491,500	750,000	750,000	0	750,000
Other	0	0	0	0	0

Standard: Increase the percentage of annual allocation to be used for acquisition, development, or acquisition/development projects.

Measure: Percent of annual allocation to be used for acquisition and/or development projects.

0%	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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	159,900	285,000	285,000	0	285,000
Total	\$159,900	\$285,000	\$285,000	\$0	\$285,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	159,900	285,000	285,000	0	285,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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
Total	14	14	14	0	14
Payroll	560,400	692,900	687,300	0	687,300
Operational	164,200	254,300	187,900	0	187,900
Total	\$724,600	\$947,200	\$875,200	\$0	\$875,200
State	676,700	779,600	777,100	0	777,100
Federal	0	0	0	0	0
Other	47,900	167,600	98,100	0	98,100

Standard: Respond to all requests for opinions, recommendations, site visits, and archaeological information within 30 days.

Measure: Number of responses made to requests for archaeological opinions, site visits, and information.

14,236	10,500	10,000	0	10,000
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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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	13	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	14	12	12	0	12
Payroll	803,400	769,000	685,300	0	685,300
Operational	212,400	390,500	382,200	0	382,200
Total	\$1,015,800	\$1,159,500	\$1,067,500	\$0	\$1,067,500
State	902,900	909,300	817,300	0	817,300
Federal	73,500	142,300	142,300	0	142,300
Other	39,400	107,900	107,900	0	107,900

Standard: Protect and preserve Tennessee's biological diversity of plant life. (Note that rare species are defined as those having a State Rank of S1-Critically Imperiled or S2-Imperiled, and/or federal endangered, threatened, or candidate.)

Measure: Percent of targeted rare plant species with a minimum of at least one protected population in at least one designated or registered state natural area and/or scenic river. (Note that some species occur in both natural areas and rivers.)

38.7%	36%	38%	0	38%
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Standard: Protect and preserve Tennessee's natural diversity of ecoregions. (For these purposes, targeted ecoregions for natural areas that are Level IV ecoregions. There are 31 such targeted ecoregions in Tennessee.)

Measure: Percent of the 31 targeted ecoregions with at least one designated or registered state natural area for each 5% of the state covered by each ecoregion.

96%	96%	100%	0	100%
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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	1,123	1,062	1,045	0	1,045
Part-Time	263	253	249	0	249
Seasonal	333	333	333	0	333
Total	1,719	1,648	1,627	0	1,627
Payroll	50,897,700	49,984,200	48,070,400	0	48,070,400
Operational	33,694,700	29,679,800	29,402,700	0	29,402,700
Total	\$84,592,400	\$79,664,000	\$77,473,100	\$0	\$77,473,100
State	45,368,800	42,673,300	41,032,400	0	41,032,400
Federal	58,300	1,000	1,000	0	1,000
Other	39,165,300	36,989,700	36,439,700	0	36,439,700

<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Standard: Improve self-sufficiency in state parks' resort facilities.

Measure: Percent of operational self-sufficiency at all Tennessee State Parks' resort facilities (cabins, camping, inns, restaurants, golf courses, gift shops, and marinas).

92%	100%	100%	0	100%
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Standard: Increase by five percent 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.

0%	5%	3%	0	3%
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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	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,166,200	2,498,700	2,498,700	0	2,498,700
Total	\$2,166,200	\$2,498,700	\$2,498,700	\$0	\$2,498,700
State	1,278,100	2,214,100	2,214,100	0	2,214,100
Federal	430,700	169,600	169,600	0	169,600
Other	457,400	115,000	115,000	0	115,000

Standard: Effectively complete maintenance projects.

Measure: Percent of major maintenance funds encumbered or spent.

85%	93%	94%	0	94%
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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 ten 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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	928,000	0	0	0
Total	\$0	\$928,000	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	928,000	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,688,500	2,500,000	3,500,000	0	3,500,000
Total	\$4,688,500	\$2,500,000	\$3,500,000	\$0	\$3,500,000
State	4,043,600	0	0	0	0
Federal	0	0	0	0	0
Other	644,900	2,500,000	3,500,000	0	3,500,000

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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	7,677,400	8,677,700	7,761,600	0	7,761,600
Total	\$7,677,400	\$8,677,700	\$7,761,600	\$0	\$7,761,600
State	4,622,700	0	0	0	0
Federal	1,703,300	1,925,200	1,722,000	0	1,722,000
Other	1,351,400	6,752,500	6,039,600	0	6,039,600

Standard: Complete by canceling or closing State Building Commission approved acquisitions within one year of approval.

Measure: Percent of State Building Commission approved projects where the acquisition is completed or cancelled within one year.

100%	85%	85%	0	85%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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327.22 State Lands Compensation Fund

The funds for this program come from the State Lands Acquisition Fund and are used to make in lieu-of-tax payments to local governments, recognizing the loss of local property taxes resulting from the purchase of land by the state.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	64,900	75,000	75,000	0	75,000
Total	\$64,900	\$75,000	\$75,000	\$0	\$75,000
State	0	75,000	75,000	0	75,000
Federal	0	0	0	0	0
Other	64,900	0	0	0	0

Standard: Make payment of State Lands Compensation Fund money within a 30-day period of time upon receipt of notification from the Department of Finance and Administration. Current policy requires this within a 90-day period.

Measure: Percent of funds released to local governments within 30 days of notification from the Department of Finance and Administration.

100%	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	1	1	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	1	0	0	0
Payroll	40,200	100,000	0	0	0
Operational	100,649,100	16,094,400	2,023,200	0	2,023,200
Total	\$100,689,300	\$16,194,400	\$2,023,200	\$0	\$2,023,200
State	92,000,000	4,100,000	0	0	0
Federal	0	0	0	0	0
Other	8,689,300	12,094,400	2,023,200	0	2,023,200

Standard: Preserve undeveloped open spaces and undeveloped natural areas because of their importance to citizens' physical and mental health, the preservation of our state's heritage, and the continued growth and expansion of our state's economy.

Measure: Acres conserved (obligations).

7,398	3,000	1,500	0	1,500
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<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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Standard: Preserve undeveloped open spaces and undeveloped natural areas because of their importance to citizens' physical and mental health, the preservation of our state's heritage, and the continued growth and expansion of our state's economy.

Measure: Partner dollars leveraged with state funds (obligations).

\$14,242,317	\$8,000,000	\$3,500,000	0	\$3,500,000
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327.51 Conservation Compensation Fund

The Conservation Compensation Fund provides in-lieu-of-tax payments to local governments to offset the loss of local property taxes on land acquired by the state through the Heritage Conservation Trust Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	42,000	42,000	0	42,000
Total	\$0	\$42,000	\$42,000	\$0	\$42,000
State	0	42,000	42,000	0	42,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Make in-lieu-of-tax payments to local governments 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. Current policy requires this within a 90-day period.

0%	100%	100%	0	100%
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Environment

The environmental programs in the department are responsible for the preservation and enhancement of the state's environmental resources and for ensuring compliance with state and federal regulations.

327.30 Environment Administration

Environment Administration serves as the central organizational unit, providing policy direction and oversight, for all environmental activities of the department.

Full-Time	84	83	84	0	84
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	84	83	84	0	84
Payroll	4,601,600	4,653,600	4,688,300	0	4,688,300
Operational	786,400	930,500	860,600	0	860,600
Total	\$5,388,000	\$5,584,100	\$5,548,900	\$0	\$5,548,900
State	1,581,400	1,570,900	1,534,300	0	1,534,300
Federal	15,900	0	0	0	0
Other	3,790,700	4,013,200	4,014,600	0	4,014,600

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Maintain and coordinate issuance of enforcement orders to achieve accurate and prompt issuance and deter noncompliance within the regulated community.

Measure: Number of enforcement orders issued.

	800	800	800	0	800
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327.11 Geology

The Geology division maps and identifies mineral resources, geology, and geological hazards across the state. The division also serves as a clearinghouse for geological information. Study results are published and distributed in the form of maps and reports. The program maps mineral deposits including coal, oil, and gas and maintains production records for oil and gas wells. The program is a primary source of information, advice, and education about Tennessee's geology, mineral resources, geological hazards, and oil and gas activity for the public, schools, professional geologists, state and federal agencies, environmental regulators, and industries.

Full-Time	16	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	14	14	0	14
Payroll	929,600	939,600	905,100	0	905,100
Operational	305,000	289,300	293,800	0	293,800
Total	\$1,234,600	\$1,228,900	\$1,198,900	\$0	\$1,198,900
State	1,120,900	1,078,000	1,048,000	0	1,048,000
Federal	76,000	78,700	78,700	0	78,700
Other	37,700	72,200	72,200	0	72,200

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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327.23 Used Oil Collection Program

The Used Oil Collection Program promotes the proper disposal of used oil, and staff of the division of Solid Waste Management inspects used oil facilities. The program provides technical and financial assistance to local governments and private agencies that provide used oil collection centers. The program also provides general information to the public on proper disposal of oil, location of oil disposal facilities, and other information pertinent to the proper handling of oil.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	179,100	251,100	249,300	0	249,300
Operational	1,315,300	1,301,900	1,302,800	0	1,302,800
Total	\$1,494,400	\$1,553,000	\$1,552,100	\$0	\$1,552,100
State	1,219,400	1,319,000	918,100	0	918,100
Federal	0	0	0	0	0
Other	275,000	234,000	634,000	0	634,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the percent of used oil being collected from do-it-yourselfers for reuse and recycling.

Measure: Percent per year increase of used oil collected for reuse and/or recycling.

	18%	4%	4%	0	4%
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327.26 West Tennessee River Basin Authority

The West Tennessee River Basin Authority (WTRBA), administratively attached to the Department of Environment and Conservation and governed by a board of directors, works to preserve the natural flow and function of the Hatchie, Obion, and Forked Deer rivers. Services include environmentally sensitive stream maintenance in the river basins; maintenance of flood control sediment retention structures; collection of timber easements; and restoration, in a self-sustaining manner, of natural streams and flood-plains.

Full-Time	19	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	18	18	0	18
Payroll	833,700	1,061,400	1,022,800	0	1,022,800
Operational	662,500	435,400	440,900	0	440,900
Total	\$1,496,200	\$1,496,800	\$1,463,700	\$0	\$1,463,700
State	1,155,200	1,139,900	1,114,800	0	1,114,800
Federal	0	0	0	0	0
Other	341,000	356,900	348,900	0	348,900

Standard: Perform environmentally sensitive stream maintenance and continue routine maintenance on infrastructure.

Measure: Number of flood control/sediment retention structures requiring minor maintenance projects (mowing, resolving annual inspection issues, and beaver management) completed.

	40	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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	553,000	1,215,300	1,215,300	0	1,215,300
Total	\$553,000	\$1,215,300	\$1,215,300	\$0	\$1,215,300
State	553,000	1,215,300	1,215,300	0	1,215,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Perform major maintenance, as necessary, on the West Tennessee River Basin Authority (WTRBA) infrastructure and watersheds.

Measure: Number of major maintenance projects completed.

	3	2	2	0	2
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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
Total	5	5	5	0	5
Payroll	239,600	463,200	461,800	0	461,800
Operational	1,654,400	2,056,800	2,058,500	0	2,058,500
Total	\$1,894,000	\$2,520,000	\$2,520,300	\$0	\$2,520,300
State	1,747,300	2,520,000	2,520,300	0	2,520,300
Federal	0	0	0	0	0
Other	146,700	0	0	0	0

Standard: Oversee the cleanup of dry cleaning solvent impacted sites that are progressing toward cleanup through ongoing environmental response activities.

Measure: Percent of identified dry cleaning remediation sites at which clean-up has been initiated.

	45%	40%	40%	0	40%
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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	156	149	149	0	149
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	168	161	161	0	161
Payroll	8,899,300	10,235,700	10,009,100	0	10,009,100
Operational	2,662,500	3,316,200	3,003,700	1,500,000	4,503,700
Total	\$11,561,800	\$13,551,900	\$13,012,800	\$1,500,000	\$14,512,800
State	1,310,800	1,491,200	1,277,800	0	1,277,800
Federal	1,256,100	1,441,200	1,241,200	1,500,000	2,741,200
Other	8,994,900	10,619,500	10,493,800	0	10,493,800

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Attain the March 12, 2008 EPA national ambient air quality standard (0.075 parts per million) for ozone by the yet to be determined EPA attainment dates, or earlier if EPA approves the use of Early Action Compacts. Earliest EPA attainment date is 2013.

Measure: Track progress toward attainment of the new ozone national ambient air quality standard by measuring reductions in the ozone ambient concentrations in parts per million (ppm) by averaging the design values of all ozone-monitoring sites in the state.

0.081 ppm	0.080 ppm	0.079 ppm	0	0.079 ppm
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Standard: Attain the new, more restrictive EPA national ambient air quality standard (annual average of 15 ug/m3) for fine particulate matter at all monitors in the state by the EPA attainment dates.

Measure: Track progress toward attainment of the new fine particulate standards by measuring reductions of the fine particulate ambient concentrations in ug/m3 by averaging the annual design values of all particulate matter 2.5 fine particulate monitoring sites.

14.01	13.0	12.9	0	12.9
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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	65	63	63	0	63
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	65	63	63	0	63
Payroll	3,899,400	4,307,700	4,226,700	0	4,226,700
Operational	1,655,700	1,600,600	1,620,000	0	1,620,000
Total	\$5,555,100	\$5,908,300	\$5,846,700	\$0	\$5,846,700
State	612,700	793,000	668,800	0	668,800
Federal	153,000	70,800	70,800	0	70,800
Other	4,789,400	5,044,500	5,107,100	0	5,107,100

Standard: Meet the required percentage of registered inspectors' follow-up inspections in fiscal year 2009-2010.

Measure: Percent of inspections performed by registered inspectors that are verified for quality assurance purposes.

23%	10%	10%	0	10%
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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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	17	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	16	16	0	16
Payroll	1,076,400	1,221,300	1,199,900	0	1,199,900
Operational	35,622,500	59,459,000	48,620,800	37,697,600	86,318,400
Total	\$36,698,900	\$60,680,300	\$49,820,700	\$37,697,600	\$87,518,300
State	4,255,800	5,219,600	5,203,400	0	5,203,400
Federal	32,442,900	55,460,700	44,617,300	37,697,600	82,314,900
Other	200	0	0	0	0

Standard: Maintain self-sustaining State Revolving Fund programs by providing low-cost loans for infrastructure projects that bring communities into compliance with permits and protect public health.

Measure: Amount of financial assistance provided to communities under the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Loan Program.

\$122,918,600	\$70,000,000	\$68,000,000	0	\$68,000,000
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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	235	230	229	0	229
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	243	238	237	0	237
Payroll	12,744,900	15,422,200	14,960,100	0	14,960,100
Operational	8,496,200	7,233,000	7,274,900	0	7,274,900
Total	\$21,241,100	\$22,655,200	\$22,235,000	\$0	\$22,235,000
State	10,551,800	10,892,000	9,140,100	0	9,140,100
Federal	3,821,400	3,313,500	3,313,500	0	3,313,500
Other	6,867,900	8,449,700	9,781,400	0	9,781,400

Standard: Evaluate self-reported permit compliance and inspect major dischargers to determine compliance with permit requirements.

Measure: Percent of major National Pollutant Discharge Elimination System discharge facilities in significant compliance.

90%	80%	80%	0	80%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	133	132	0	132
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	145	141	140	0	140
Payroll	8,658,800	9,537,600	9,383,000	0	9,383,000
Operational	2,261,300	1,998,900	2,043,500	0	2,043,500
Total	\$10,920,100	\$11,536,500	\$11,426,500	\$0	\$11,426,500
State	1,876,400	2,001,600	1,857,100	0	1,857,100
Federal	2,244,900	2,283,500	2,283,500	0	2,283,500
Other	6,798,800	7,251,400	7,285,900	0	7,285,900

Standard: Increase the percentage of landfill/solid waste facilities in significant operational compliance.

Measure: Percent of landfill/solid waste facilities in significant operational compliance.

100%	97%	97%	0	97%
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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.

16%	10%	10%	0	10%
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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
Total	53	53	53	0	53
Payroll	2,851,300	3,621,600	3,593,800	0	3,593,800
Operational	1,043,400	3,170,100	3,185,900	0	3,185,900
Total	\$3,894,700	\$6,791,700	\$6,779,700	\$0	\$6,779,700
State	0	0	0	0	0
Federal	3,815,100	6,791,700	6,779,700	0	6,779,700
Other	79,600	0	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase the percentage of the Oak Ridge Reservation remediation project in compliance with relevant emissions standards, as measured by 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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	174,700	500,000	500,000	0	500,000
Total	\$174,700	\$500,000	\$500,000	\$0	\$500,000
State	0	500,000	500,000	0	500,000
Federal	35,100	0	0	0	0
Other	139,600	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.

	1	As Needed	As Needed	0	As Needed
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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	62	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	62	60	60	0	60
Payroll	3,114,500	4,219,300	4,155,500	0	4,155,500
Operational	2,389,000	7,568,400	7,584,800	0	7,584,800
Total	\$5,503,500	\$11,787,700	\$11,740,300	\$0	\$11,740,300
State	904,900	1,000,000	1,000,000	0	1,000,000
Federal	1,915,800	1,990,700	1,990,700	0	1,990,700
Other	2,682,800	8,797,000	8,749,600	0	8,749,600

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Annually maintain at least 50% of identified hazardous substance remediation sites with cleanup in-progress.

Measure: Percent of identified hazardous substance sites at which cleanup has been initiated.

	72%	60%	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	77	77	0	77
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	77	77	0	77
Payroll	5,048,400	5,363,800	5,185,000	0	5,185,000
Operational	1,187,500	1,834,400	1,859,500	1,011,900	2,871,400
Total	\$6,235,900	\$7,198,200	\$7,044,500	\$1,011,900	\$8,056,400
State	828,800	1,091,500	951,800	0	951,800
Federal	2,194,600	2,376,500	2,376,500	1,011,900	3,388,400
Other	3,212,500	3,730,200	3,716,200	0	3,716,200

Standard: Conduct training, inspections, and enforcement actions to ensure community water system customers receive drinking water that meets all applicable health-based standards.

Measure: Percent of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards.

	97%	96%	96%	0	96%
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Standard: Conduct a regular program of inspection to ensure that Tennessee's public water supplies comply with state and federal drinking health standards, monitoring, reporting and operational requirements, and construction standards to protect users' health.

Measure: Percent of the Public Water Systems that have been inspected through the Sanitary Survey Process.

	99%	99%	99%	0	99%
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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	120	102	0	102
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	137	120	102	0	102

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	8,542,700	8,231,400	6,765,600	0	6,765,600
Operational	1,745,500	1,903,600	1,947,100	0	1,947,100
Total	\$10,288,200	\$10,135,000	\$8,712,700	\$0	\$8,712,700
State	6,502,100	4,538,700	2,511,600	0	2,511,600
Federal	0	0	0	0	0
Other	3,786,100	5,596,300	6,201,100	0	6,201,100

Standard: Issue construction permits for subsurface sewage disposal systems where suitable soil conditions exist.

Measure: Number of subsurface sewage disposal system permits issued.

	13,281	16,000	18,000	0	18,000
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327.41 Underground Storage Tanks

The Underground Storage Tanks program regulates the installation of underground petroleum storage tanks and performs mandatory inspections of these tanks. The division issues certificates, collects fees, reimburses allowable environmental investigation costs to eligible tank owners and operators, and manages the Tennessee petroleum underground storage tanks fund.

Full-Time	84	81	81	0	81
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	92	89	89	0	89
Payroll	4,763,100	5,335,500	5,228,900	0	5,228,900
Operational	7,638,100	24,241,900	19,224,400	0	19,224,400
Total	\$12,401,200	\$29,577,400	\$24,453,300	\$0	\$24,453,300
State	9,024,100	22,457,800	19,375,700	0	19,375,700
Federal	1,806,700	7,119,600	2,077,600	0	2,077,600
Other	1,570,400	0	3,000,000	0	3,000,000

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 clean-up goals and site closure through adequate protection of human health, safety, and the environment.

	40%	10%	8%	0	8%
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327.42 Solid Waste Assistance

Solid Waste Assistance supports programs that promote planning, development, and maintenance by local governments of comprehensive, integrated solid waste management. The program encourages generators and handlers of solid waste to minimize solid waste incineration and disposal by methods such as source reduction, reuse, composting, and recycling.

Full-Time	17	16	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	16	18	0	18
Payroll	997,700	1,226,100	1,303,300	0	1,303,300
Operational	9,632,400	8,250,800	8,269,000	0	8,269,000
Total	\$10,630,100	\$9,476,900	\$9,572,300	\$0	\$9,572,300

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	9,583,400	9,476,900	6,972,300	0	6,972,300
Federal	0	0	0	0	0
Other	1,046,700	0	2,600,000	0	2,600,000

Standard: Increase the percentage of electronic waste collected annually at public collection sites for reuse and recycling.

Measure: Percent increase of electronic waste collected annually for reuse and/or recycling.

10% 10% 10% 0 10%

327.43 Environmental Protection Fund

The Environmental Protection Fund (EPF) collects fees from environmental permits, inspections, and fines. Funds are dispersed from the EPF to other divisions of the department to reimburse expenses of permitting, monitoring, compliance investigating, enforcement, and administration. The divisions of Air Pollution Control, Radiological Health, Water Pollution Control, Ground Water Protection, Solid Waste Management, Administrative Services, and Environment Administration receive funding from the Environmental Protection Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	39,549,500	45,594,900	48,164,800	0	48,164,800
Total	\$39,549,500	\$45,594,900	\$48,164,800	\$0	\$48,164,800
State	39,037,700	45,594,900	48,164,800	0	48,164,800
Federal	0	0	0	0	0
Other	511,800	0	0	0	0

327.44 Fleming Training Center

The Fleming Training Center assists and trains operators in the water and wastewater industry. The center offers 14 types of certification for water and wastewater operators requiring that each certified operator possesses certain experience requirements and 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	11	9	9	0	9
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	15	13	13	0	13
Payroll	594,600	579,500	547,100	0	547,100
Operational	321,800	408,500	411,200	202,400	613,600
Total	\$916,400	\$988,000	\$958,300	\$202,400	\$1,160,700
State	449,900	583,300	0	0	0
Federal	335,200	233,600	233,600	202,400	436,000
Other	131,300	171,100	724,700	0	724,700

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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 systems operators.

	433	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.

	5,366	5,100	5,100	0	5,100
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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	24	22	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	22	20	0	20
Payroll	1,199,700	1,389,400	1,302,700	0	1,302,700
Operational	357,800	177,400	124,000	0	124,000
Total	\$1,557,500	\$1,566,800	\$1,426,700	\$0	\$1,426,700
State	635,700	856,000	715,900	0	715,900
Federal	271,600	247,400	247,400	0	247,400
Other	650,200	463,400	463,400	0	463,400

Standard: Provide businesses, government, schools, and organizations training, assistance, and/or recognition to proactively assist them with the prevention and reduction of adverse environmental impacts.

Measure: Number of businesses, government agencies, and schools assisted.

	10,552	3,750	3,750	0	3,750
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
327.00 Total Environment and Conservation					
Full-Time	2,597	2,471	2,429	0	2,429
Part-Time	303	293	289	0	289
Seasonal	339	339	339	0	339
Total	3,239	3,103	3,057	0	3,057
Payroll	135,954,100	144,939,300	139,427,900	0	139,427,900
Operational	277,364,700	244,997,800	216,156,900	40,411,900	256,568,800
Total	\$413,318,800	\$389,937,100	\$355,584,800	\$40,411,900	\$395,996,700
State	251,345,100	176,053,800	160,919,200	0	160,919,200
Federal	58,426,600	89,707,400	73,406,800	40,411,900	113,818,700
Other	103,547,100	124,175,900	121,258,800	0	121,258,800

Tennessee Wildlife Resources Agency

Performance-Based Budget

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>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	642	638	638	0	638
Part-Time	14	10	10	0	10
Seasonal	27	0	0	0	0
Total	683	648	648	0	648
Payroll	38,186,100	38,812,400	38,709,300	0	38,709,300
Operational	23,632,200	34,084,000	20,347,700	0	20,347,700
Total	\$61,818,300	\$72,896,400	\$59,057,000	\$0	\$59,057,000
State	33,450,900	35,483,300	32,040,900	0	32,040,900
Federal	18,262,700	17,437,400	16,774,900	0	16,774,900
Other	10,104,700	19,975,700	10,241,200	0	10,241,200

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Provide recreational opportunities for the sportsmen in Tennessee.

Measure: Annual harvest of white-tailed deer by hunters.

	174,937	158,873	165,000	0	165,000
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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
Total	92	92	92	0	92
Payroll	4,290,300	5,100,400	4,933,100	0	4,933,100
Operational	4,266,300	6,144,000	4,487,800	0	4,487,800
Total	\$8,556,600	\$11,244,400	\$9,420,900	\$0	\$9,420,900
State	5,171,900	5,446,900	5,754,500	0	5,754,500
Federal	3,077,500	5,311,000	3,420,000	0	3,420,000
Other	307,200	486,500	246,400	0	246,400

Standard: Increase boating safety by enforcing boating safety laws.

Measure: Number of boating fatalities per 100,000 boats.

	6.25	7.27	4.50	0	4.50
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	12,680,700	5,740,000	5,740,000	0	5,740,000
Total	\$12,680,700	\$5,740,000	\$5,740,000	\$0	\$5,740,000
State	11,234,200	5,600,000	5,600,000	0	5,600,000
Federal	1,000,000	0	0	0	0
Other	446,500	140,000	140,000	0	140,000

Standard: Preserve and expand wetlands in Tennessee.

Measure: Total acres protected for public use and benefit through the Wetlands Acquisition Fund.

	200,423	205,000	205,000	0	205,000
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	348,900	400,000	400,000	0	400,000
Total	\$348,900	\$400,000	\$400,000	\$0	\$400,000
State	336,600	400,000	400,000	0	400,000
Federal	0	0	0	0	0
Other	12,300	0	0	0	0

Standard: Reimburse local governments for wetlands removed from taxation.

Measure: Percent of due compensation that is paid to public entities.

100%	100%	100%	0	100%
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328.00 Total Tennessee Wildlife Resources Agency

Full-Time	675	671	671	0	671
Part-Time	73	69	69	0	69
Seasonal	27	0	0	0	0
Total	775	740	740	0	740
Payroll	42,476,400	43,912,800	43,642,400	0	43,642,400
Operational	40,928,100	46,368,000	30,975,500	0	30,975,500
Total	\$83,404,500	\$90,280,800	\$74,617,900	\$0	\$74,617,900
State	50,193,600	46,930,200	43,795,400	0	43,795,400
Federal	22,340,200	22,748,400	20,194,900	0	20,194,900
Other	10,870,700	20,602,200	10,627,600	0	10,627,600

Department of Commerce and Insurance

Performance-Based Budget

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</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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	92	89	89	0	89
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	89	89	0	89
Payroll	5,171,000	5,863,300	5,779,400	0	5,779,400
Operational	1,104,700	942,500	947,600	0	947,600
Total	\$6,275,700	\$6,805,800	\$6,727,000	\$0	\$6,727,000
State	0	3,600	0	0	0
Federal	45,700	0	0	0	0
Other	6,230,000	6,802,200	6,727,000	0	6,727,000

Standard: Respond to and complete requests for information systems service based on type and priority within the following timeframes upon receipt: time sensitive - by date required.

Measure: Percent of completed time sensitive requests by the date required.

95.2%	90.0%	90.0%	0	90.0%
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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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	136	129	129	0	129
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	136	129	129	0	129
Payroll	7,064,200	8,283,000	8,016,600	0	8,016,600
Operational	3,934,500	5,110,800	5,109,600	0	5,109,600
Total	\$10,998,700	\$13,393,800	\$13,126,200	\$0	\$13,126,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	10,998,700	13,393,800	13,126,200	0	13,126,200

Standard: Complete financial analysis audit sheet on the financial statements of domestic insurance companies within 90 days of receipt.

Measure: Financial analysis audit sheet completed within 90 days of receipt of financial statements.

100%	100%	100%	0	100%
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Standard: Complete financial examination of domestic insurance companies, on a five-year basis, within 18 months of the as-of date.

Measure: Financial examination of domestic companies completed within 18 months from the as-of date.

100%	100%	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	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	22	22	0	22
Payroll	1,272,500	1,338,600	1,265,000	0	1,265,000
Operational	597,000	680,300	681,100	0	681,100
Total	\$1,869,500	\$2,018,900	\$1,946,100	\$0	\$1,946,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,869,500	2,018,900	1,946,100	0	1,946,100

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Examine applications for broker-dealer, agent, and investment securities registrations within 30 days of receipt.

Measure: Percent of applications examined within 30 days pursuant to Tennessee Securities Act.

	100%	100%	100%	0	100%
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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.

	93%	95%	95%	0	95%
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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	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	14	0	14
Payroll	541,800	599,100	775,700	0	775,700
Operational	331,100	289,300	394,200	0	394,200
Total	\$872,900	\$888,400	\$1,169,900	\$0	\$1,169,900
State	857,600	867,200	1,087,900	0	1,087,900
Federal	0	0	0	0	0
Other	15,300	21,200	82,000	0	82,000

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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Standard: Timely assimilate and gather complaint data from the Consumer Protection Specialists.

Measure: Percent of complaints closed within 180 days.

	90%	95%	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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	96,000	292,100	292,100	0	292,100
Total	\$96,000	\$292,100	\$292,100	\$0	\$292,100

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	96,000	292,100	292,100	0	292,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Annually conduct a minimum of eight educational seminars for licensees.

Measure: Number of seminars conducted.

	12	8	8	0	8
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335.16 Auctioneer Education and Recovery Fund

Court-awarded claims against auctioneers are paid from the Auctioneer Education and Recovery Fund. Interest on the account provides educational opportunities for both licensees and the general public.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	39,600	81,400	81,400	0	81,400
Total	\$39,600	\$81,400	\$81,400	\$0	\$81,400
State	39,600	81,400	81,400	0	81,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Annually conduct one educational seminar for licensees in each grand division of the state.

Measure: Number of seminars conducted.

	3	3	3	0	3
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335.19 Cemetery Consumer Protection Fund

The Cemetery Consumer Protection Fund was established in 2006 by the General Assembly to provide additional funding to the cemetery registration program within the Division of Regulatory Boards. Additionally, the commissioner is authorized to utilize this fund for costs associated with receivership actions against private cemeteries.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	360,000	360,000	0	360,000
Total	\$0	\$360,000	\$360,000	\$0	\$360,000
State	0	360,000	360,000	0	360,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Reduce the Burial Services reserve deficit.

Measure: Percent the reserve deficit is reduced.

0%	6%	5%	0	5%
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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	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	1,277,300	1,676,400	1,664,300	0	1,664,300
Operational	416,900	1,166,600	1,170,300	0	1,170,300
Total	\$1,694,200	\$2,843,000	\$2,834,600	\$0	\$2,834,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,694,200	2,843,000	2,834,600	0	2,834,600

Standard: Process TennCare provider requests for independent review of partially or totally denied claims within 20 days of receipt.

Measure: Percent of independent review requests processed within 20 days of receipt.

91%	90%	90%	0	90%
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Standard: Perform quarterly tests of compliance with the statutory claims processing timeliness standards for all TennCare HMOs, PLHSOs, 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; auto racing; polygraph examiners; real estate agents and brokers; accountants; alarm contractors; interior designers; barbers; contractors; collection services; private investigators; burial services; home improvement; real estate appraisers; private protective services;

Actual Estimated Base Improvement Recommended
2007-2008 2008-2009 2009-2010 2009-2010 2009-2010

automotive manufacturers, dealers, and salesmen; geologists; auctioneers; architects and landscape architects; and employee leasing.

Full-Time	190	187	187	0	187
Part-Time	115	115	115	0	115
Seasonal	0	0	0	0	0
Total	305	302	302	0	302
Payroll	8,100,200	9,946,100	9,700,800	0	9,700,800
Operational	6,742,400	8,943,200	8,893,700	0	8,893,700
Total	\$14,842,600	\$18,889,300	\$18,594,500	\$0	\$18,594,500
State	14,245,100	18,430,900	18,136,100	0	18,136,100
Federal	0	0	0	0	0
Other	597,500	458,400	458,400	0	458,400

Standard: Issue licenses within 60 days of receipt of a completed/approved application.

Measure: The percent of licenses issued within 60 days.

90%	95%	95%	0	95%
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Standard: Resolve consumer complaints within 180 days of receipt.

Measure: The percent of complaints resolved within 180 days.

52%	70%	70%	0	70%
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335.21 Tennessee Athletic Commission

The Tennessee Athletic Commission, created in 2008, licenses and regulates professional boxing and mixed martial arts participants and events in the state. Administratively attached to the Department of Commerce and Insurance, the commission is funded by dedicated licensing fees, gross receipts taxes, contest permits, and penalty fines. The commission's board is comprised of nine members appointed by the Governor, the Speaker of the Senate, and the Speaker of the House.

Full-Time	0	2	2	0	2
Part-Time	0	9	9	0	9
Seasonal	0	0	0	0	0
Total	0	11	11	0	11
Payroll	0	127,100	127,100	0	127,100
Operational	0	199,600	187,400	0	187,400
Total	\$0	\$326,700	\$314,500	\$0	\$314,500
State	0	326,700	314,500	0	314,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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 Tennessee Emergency Communications Board (TECB). This enhanced service improves community safety by reducing response times in emergency situations. The board also assists local Emergency Communications Districts (ECDs) in management, operations, and accountability. This program is funded through dedicated fees assessed on all cellular phone users.

Full-Time	8	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	10	10	0	10
Payroll	612,500	849,600	844,700	0	844,700
Operational	41,204,700	51,229,000	56,238,800	0	56,238,800
Total	\$41,817,200	\$52,078,600	\$57,083,500	\$0	\$57,083,500
State	39,221,200	49,220,000	51,273,000	0	51,273,000
Federal	0	0	0	0	0
Other	2,596,000	2,858,600	5,810,500	0	5,810,500

Standard: Ensure reasonable financial support necessary for Emergency Communications Districts (ECD) financial health.

Measure: Number of ECDs deemed financially distressed pursuant to TCA 7-86-304(d).

	4	2	2	0	2
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Standard: Ensure ECD conformance with technical and operating standards of care promulgated by the Tennessee Emergency Communications Board (TECB).

Measure: The number of ECDs with an uninterruptible power supply capable of providing uninterrupted power to emergency communications operations for a minimum of one hour. (There are 100 ECDs in Tennessee; however, not all ECDs operate 911 call centers.)

	91	100	100	0	100
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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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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335.03 Fire Prevention

The Fire Prevention Division is committed to enhancing the quality of life for the citizens of Tennessee and protecting property through fire prevention, education, investigation, and enforcement. The division, also known as the state Fire Marshal's Office, performs electrical inspections, bomb and arson investigation, and building codes enforcement.

Full-Time	165	156	157	0	157
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	165	156	157	0	157
Payroll	8,320,800	8,548,500	8,263,100	0	8,263,100
Operational	9,637,700	11,448,300	10,903,300	0	10,903,300
Total	\$17,958,500	\$19,996,800	\$19,166,400	\$0	\$19,166,400
State	97,600	85,900	0	0	0
Federal	263,200	210,000	210,000	0	210,000
Other	17,597,700	19,700,900	18,956,400	0	18,956,400

Standard: Improve time for processing of renewals of licenses and permits.

Measure: Percent of licenses and permits renewed online.

Not Applicable	10%	30%	0	30%
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Standard: Provide acknowledgement of receipt of initial plan submittals for review within 48 hours of receipt in the Plans Review section.

Measure: Percent of initial plan submittals acknowledged within 48 hours of receipt.

Not Applicable	50%	80%	0	80%
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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	38	32	29	0	29
Part-Time	100	100	100	0	100
Seasonal	0	0	0	0	0
Total	138	132	129	0	129
Payroll	2,670,800	2,546,200	2,175,900	0	2,175,900
Operational	1,735,000	1,911,600	1,743,600	0	1,743,600
Total	\$4,405,800	\$4,457,800	\$3,919,500	\$0	\$3,919,500
State	3,389,700	3,582,900	3,164,100	0	3,164,100
Federal	26,000	25,000	25,000	0	25,000
Other	990,100	849,900	730,400	0	730,400

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Provide training to fire service and other emergency first responders.

Measure: Percent of basic recruit trainees certified following completion of basic training course.

	98%	99%	99%	0	99%
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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 fire fighting standards, training, and education and provides the citizens of Tennessee with highly trained fire and emergency service professionals. The commission administers the salary supplement to eligible firefighters who complete required training annually and sets the criteria for performance standards and training.

Full-Time	3	3	3	0	3
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	161,700	167,900	165,800	0	165,800
Operational	3,527,700	3,661,400	3,640,700	0	3,640,700
Total	\$3,689,400	\$3,829,300	\$3,806,500	\$0	\$3,806,500
State	3,689,400	3,829,300	3,806,500	0	3,806,500
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.

	2,899	2,950	2,250	0	2,250
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Law Enforcement Training

335.11 Tennessee Law Enforcement Training Academy

The Tennessee Law Enforcement Training Academy (TLETA) 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	26	26	25	0	25
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	27	27	26	0	26
Payroll	1,689,100	1,747,900	1,729,600	0	1,729,600
Operational	2,232,300	2,314,700	1,996,400	0	1,996,400
Total	\$3,921,400	\$4,062,600	\$3,726,000	\$0	\$3,726,000
State	2,724,500	2,901,200	2,670,000	0	2,670,000
Federal	0	0	0	0	0
Other	1,196,900	1,161,400	1,056,000	0	1,056,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Provide effective training of new law enforcement recruits hired by agencies served by the Tennessee Law Enforcement Training Academy (TLETA).

Measure: Average number of points gained by class on pre- and post-tests, using the Peace Officers Standards and Training (POST) certified Basic Police School knowledge test.

	28.5	30.0	30.0	0	30.0
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Standard: Offer a wide variety of specialized training schools for law enforcement officers.

Measure: Number of specialized training schools offered to law enforcement officers.

	60	40	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	8	8	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	6	0	6
Payroll	290,800	365,000	296,500	0	296,500
Operational	7,463,200	7,820,500	7,686,400	0	7,686,400
Total	\$7,754,000	\$8,185,500	\$7,982,900	\$0	\$7,982,900
State	7,754,000	8,185,500	7,982,900	0	7,982,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Provide the information necessary for the POST Commission to enforce standards for law enforcement in a timely manner.

Measure: Percent of time POST staff responds to a Peace Officers Standards and Training (POST) Commission request for an investigation/field audit within 60 days.

	100%	90%	50%	0	50%
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Standard: Pay the salary supplement to full-time officers who have met POST standards for their continuing education.

Measure: Number of officers qualifying to receive the salary supplement by completing required POST training.

	12,128	12,492	12,816	0	12,816
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
335.00 Total Commerce and Insurance					
Full-Time	719	693	692	0	692
Part-Time	225	234	234	0	234
Seasonal	0	0	0	0	0
Total	944	927	926	0	926
Payroll	37,172,700	42,058,700	40,804,500	0	40,804,500
Operational	79,062,800	96,451,300	100,326,600	0	100,326,600
Total	\$116,235,500	\$138,510,000	\$141,131,100	\$0	\$141,131,100
State	72,114,700	88,166,700	89,168,500	0	89,168,500
Federal	334,900	235,000	235,000	0	235,000
Other	43,785,900	50,108,300	51,727,600	0	51,727,600

Department of Financial Institutions

Performance-Based Budget

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
336.00 Financial Institutions					
Full-Time	171	165	165	0	165
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	171	165	165	0	165
Payroll	10,434,200	12,218,500	12,016,800	0	12,016,800
Operational	3,039,400	3,950,000	3,963,900	0	3,963,900
Total	\$13,473,600	\$16,168,500	\$15,980,700	\$0	\$15,980,700
State	4,836,800	8,295,800	8,207,300	0	8,207,300
Federal	0	0	0	0	0
Other	8,636,800	7,872,700	7,773,400	0	7,773,400

Standard: Pursuant to statute, regulate and examine Tennessee state-chartered banks and Tennessee state-chartered credit unions.

Measure: Tennessee Department of Financial Institutions (TDFI) examinations and joint TDFI /FDIC or Federal Reserve Board examinations of Tennessee state-chartered banks and joint TDFI/NCUA examinations of Tennessee state-chartered credit unions.

155	152	152	0	152
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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.

4,062/5,803 (70%)	4,355/6,049 (72%)	3,640/5,200 (70%)	0	3,640/5,200 (70%)
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Department of Labor and Workforce Development

Performance-Based Budget

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	118	103	101	0	101
Part-Time	4	3	3	0	3
Seasonal	0	0	0	0	0
Total	122	106	104	0	104
Payroll	7,956,600	7,310,400	6,670,700	0	6,670,700
Operational	2,554,800	2,596,300	2,554,900	0	2,554,900
Total	\$10,511,400	\$9,906,700	\$9,225,600	\$0	\$9,225,600
State	3,940,600	3,200,800	2,801,900	0	2,801,900
Federal	5,388,300	6,671,900	6,389,700	0	6,389,700
Other	1,182,500	34,000	34,000	0	34,000

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.

	4.2%	5.0%	5.0%	0	5.0%
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Standard: The number of repeat financial audit findings will be zero.

Measure: Repeat financial audit findings.

	0	0	0	0	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	95	0	95
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	105	105	98	0	98

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	6,715,800	7,399,600	7,044,500	0	7,044,500
Operational	1,514,700	1,954,600	1,907,900	0	1,907,900
Total	\$8,230,500	\$9,354,200	\$8,952,400	\$0	\$8,952,400
State	4,319,100	5,048,800	4,849,400	0	4,849,400
Federal	3,884,400	4,270,800	4,068,400	0	4,068,400
Other	27,000	34,600	34,600	0	34,600

Standard: Eliminate serious hazards in workplaces where interventions take place.

Measure: Number of serious hazards identified in workplaces during TOSHA interventions.

	11,975	6,500	5,265	0	5,265
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Standard: Provide training in occupational safety and health training classes.

Measure: Number of people trained in occupational safety and health training classes.

	13,483	10,000	10,000	0	10,000
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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	6	6	0	6
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	25	24	24	0	24
Payroll	439,800	422,900	390,800	0	390,800
Operational	247,800	223,300	213,800	0	213,800
Total	\$687,600	\$646,200	\$604,600	\$0	\$604,600
State	457,600	391,300	366,000	0	366,000
Federal	140,200	137,900	121,600	0	121,600
Other	89,800	117,000	117,000	0	117,000

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.

	2,525	2,600	2,675	0	2,675
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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	54	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	54	56	0	56
Payroll	2,661,700	3,199,800	3,338,900	0	3,338,900
Operational	853,400	989,400	973,000	0	973,000
Total	\$3,515,100	\$4,189,200	\$4,311,900	\$0	\$4,311,900

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	0	42,100	22,100	0	22,100
Federal	0	0	0	0	0
Other	3,515,100	4,147,100	4,289,800	0	4,289,800

Standard: Reduce the number of boiler and pressure vessel delinquents (any boiler or pressure vessel that is overdue for inspection by more than 90 days) by 50%.

Measure: Number of delinquent boiler and pressure vessels.

	985	200	200	0	200
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Standard: Increase the number of annual training hours for deputy inspectors by 10% to ensure the latest state and/or national safety/operational techniques are maintained.

Measure: Number of hours trained.

	42	30	30	0	30
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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	185	173	167	0	167
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	185	173	167	0	167
Payroll	10,711,200	11,294,000	10,662,000	0	10,662,000
Operational	2,488,900	2,795,100	2,525,800	0	2,525,800
Total	\$13,200,100	\$14,089,100	\$13,187,800	\$0	\$13,187,800
State	13,088,900	14,057,100	13,155,800	0	13,155,800
Federal	0	0	0	0	0
Other	111,200	32,000	32,000	0	32,000

Standard: Increase the number and percentages of cases settled.

Measure: Number of cases settled.

	2,843 (67%)	2,500 (67%)	2,500 (67%)	0	2,500 (67%)
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Standard: Increase the total amount of Uninsured Employers Fund Penalties collected.

Measure: Total amount of Uninsured Employers Fund Penalties collected.

	\$1,236,838	\$1,622,400	\$1,622,400	0	\$1,622,400
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	9,039,100	15,371,200	13,693,000	0	13,693,000
Total	\$9,039,100	\$15,371,200	\$13,693,000	\$0	\$13,693,000
State	8,628,300	15,096,200	13,418,000	0	13,418,000
Federal	0	0	0	0	0
Other	410,800	275,000	275,000	0	275,000

Standard: Pay claims awarded against the Second Injury Fund.

Measure: Awards paid from Second Injury Fund.

\$9,064,000	\$11,400,000	\$11,900,000	0	\$11,900,000
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Labor Standards

337.06 Labor Standards

The Labor Standards division enforces labor laws, protecting wage earners from unfair practices through the Wage Regulation Act, protecting children through the Child Labor Act, and protecting state-funded construction work through the Prevailing Wage Act. This program also conducts statistical research on work-related injuries, illnesses, and fatalities. The program also provides an employee assistance professional program that assists employees with personal concerns that might hinder job performance.

Full-Time	23	23	22	0	22
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	28	28	27	0	27
Payroll	1,065,100	1,165,800	1,082,900	0	1,082,900
Operational	270,800	284,300	320,900	0	320,900
Total	\$1,335,900	\$1,450,100	\$1,403,800	\$0	\$1,403,800
State	1,175,600	1,236,100	1,191,400	0	1,191,400
Federal	154,900	203,000	201,400	0	201,400
Other	5,400	11,000	11,000	0	11,000

Standard: Increase the number of lectures conducted to promote child labor safety education and awareness.

Measure: Number of lectures delivered.

96	50	50	0	50
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<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Decrease in violations found as a result of increased lecture outreach programs to 20%.

Measure: Percent of child labor inspections found with violations.

33%	20%	20%	0	20%
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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	37	37	37	0	37
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	37	37	37	0	37
Payroll	3,085,800	3,373,200	3,354,200	0	3,354,200
Operational	61,647,200	86,719,200	65,373,200	39,137,100	104,510,300
Total	\$64,733,000	\$90,092,400	\$68,727,400	\$39,137,100	\$107,864,500
State	0	0	0	0	0
Federal	64,733,000	90,014,400	68,649,400	39,137,100	107,786,500
Other	0	78,000	78,000	0	78,000

Standard: Workforce Investment Act (WIA) Adult Entered Employment Rate.

Measure: WIA Adult Entered Employment Rate.

83%	83%	83%	0	83%
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Standard: WIA Adult Skill Attainment Rate.

Measure: WIA Adult Skill Attainment Rate.

76.5%	80.0%	80.0%	0	80.0%
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337.09 Adult Basic Education

The Adult Basic Education program provides adult education and literacy services to assist adults in learning skills necessary for employment and self-sufficiency and in the completion of a secondary school education.

Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	1,034,600	904,900	897,300	0	897,300
Operational	17,110,600	17,436,600	14,537,200	0	14,537,200
Total	\$18,145,200	\$18,341,500	\$15,434,500	\$0	\$15,434,500

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	5,988,300	5,239,300	3,737,700	0	3,737,700
Federal	12,151,700	13,100,800	11,696,800	0	11,696,800
Other	5,200	1,400	0	0	0

Standard: Raise the number of General Educational Development (GED) diplomas issued.

Measure: Number of GED diplomas issued.

	14,662	17,000	13,310	0	13,310
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Standard: Achieve Commitment Level recognition of Adult Basic Education (ABE) programs through the Tennessee Center for Performance Excellence Baldrige-based program.

Measure: Number of ABE programs recognized at Commitment Level.

	18	50	41	0	41
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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.

Full-Time	1,096	1,046	1,046	0	1,046
Part-Time	356	352	352	0	352
Seasonal	0	0	0	0	0
Total	1,452	1,398	1,398	0	1,398
Payroll	52,215,500	63,075,600	60,614,600	0	60,614,600
Operational	37,325,500	32,741,000	22,171,200	6,920,400	29,091,600
Total	\$89,541,000	\$95,816,600	\$82,785,800	\$6,920,400	\$89,706,200
State	0	0	0	0	0
Federal	56,983,600	64,702,100	51,671,300	6,920,400	58,591,700
Other	32,557,400	31,114,500	31,114,500	0	31,114,500

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 initial claims paid within 14 days.

	93%	94%	94%	0	94%
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Standard: Exceed the negotiated standard for Wagner-Peyser Entered Employment Rate.

Measure: Entered employment rate for Job Service participants.

	62%	68%	68%	0	68%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
337.00 Total Labor and Workforce Development					
Full-Time	1,633	1,556	1,542	0	1,542
Part-Time	386	381	381	0	381
Seasonal	0	0	0	0	0
Total	2,019	1,937	1,923	0	1,923
Payroll	85,886,100	98,146,200	94,055,900	0	94,055,900
Operational	133,052,800	161,111,000	124,270,900	46,057,500	170,328,400
Total	\$218,938,900	\$259,257,200	\$218,326,800	\$46,057,500	\$264,384,300
State	37,598,400	44,311,700	39,542,300	0	39,542,300
Federal	143,436,100	179,100,900	142,798,600	46,057,500	188,856,100
Other	37,904,400	35,844,600	35,985,900	0	35,985,900

Transportation, Business, and Economic Development

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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2009 – 2010

The Transportation, Business, and Economic Development functional group is a diverse collection of agencies responsible for the development of economic activity in Tennessee. This group consists of the following agencies and departments:

- Tennessee Housing Development Agency
- Department of Agriculture
- Department of Tourist Development
- Department of Economic and Community Development
- Department of Transportation.

The common goal among these agencies is the development and promotion of economic activity and improvement of the livelihood of all Tennesseans. This is accomplished through various programs and activities, including creating an environment conducive to the operation of business and industry and the construction and maintenance of sound public infrastructure.

In addition to the above general activities,

this functional group also concentrates on promotion of job growth through development of industrial infrastructure and job training investments; regulation and maintenance of the state agricultural and forest industries; and marketing of the state as a vacation destination.

The Housing Development Agency helps low- and moderate-income Tennesseans secure affordable housing.

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 table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Transportation, Business, and Economic Development Total Personnel and Funding

	Actual 2007-2008	Estimated 2008-2009	Recommended 2009-2010
Personnel			
Full Time	6,205	6,102	6,095
Part Time	6	6	5
Seasonal	225	225	215
TOTAL	6,436	6,333	6,315
Expenditures			
Payroll	\$ 305,199,000	\$ 343,670,700	\$ 332,892,900
Operational	1,568,663,500	2,931,453,000	2,279,322,400
TOTAL	\$ 1,873,862,500	\$ 3,275,123,700	\$ 2,612,215,300
Funding			
State	\$ 979,014,300	\$ 1,297,793,400	\$ 1,319,118,300
Federal	818,653,400	1,877,214,000	1,202,393,200
Other	76,194,800	100,116,300	90,703,800

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2009-2010
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	267,323,500	17,823,600	285,147,100
325.00 Agriculture	70,359,400	11,980,500	8,859,200	91,199,100
326.00 Tourist Development	8,894,200	0	7,423,900	16,318,100
330.00 Economic and Community Development	89,639,700	90,371,200	13,833,100	193,844,000
400.00 Transportation	1,150,225,000	832,718,000	42,764,000	2,025,707,000
Total	\$1,319,118,300	\$1,202,393,200	\$90,703,800	\$2,612,215,300

Transportation, Business and Economic Development Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Housing Development Agency					
• Section 8 Contract Administration					
To provide federal funds for one contract administration specialist to address the additional workload in the performance-based contract administration program. In 2007, the U.S. Department of Housing and Urban Development (HUD) began transferring more Section 8 program contracts to THDA. The Section 8 program provides rental subsidies to low-income families.					
316.20 Tennessee Housing Development Agency	\$0	\$64,000	\$0	\$64,000	1
Sub-total	\$0	\$64,000	\$0	\$64,000	1
• Community Programs					
To provide federal funds for two housing program coordinators to assist in administering the emergency repair program, community investment tax credit program, BUILD program, the emergency shelter grant program, and housing trust fund. These positions provide technical assistance, process grant expenditure requests, monitor projects, and close out grants.					
316.20 Tennessee Housing Development Agency	\$0	\$128,000	\$0	\$128,000	2
Sub-total	\$0	\$128,000	\$0	\$128,000	2
• U.S. Economic Recovery - HOME Investment Partnership					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Tennessee will receive a formula-based grant in the amount of \$20 million for the Tax Credit Assistance program. This grant will help stalled affordable rental housing projects that rely on low-income housing tax credits to help fund such projects. THDA will distribute the funds according to an approved, qualified allocation plan with priority given to housing projects that are expected to be completed within three years.					
316.20 Tennessee Housing Development Agency	\$0	\$20,000,000	\$0	\$20,000,000	0
Sub-total	\$0	\$20,000,000	\$0	\$20,000,000	0
• U.S. Economic Recovery - Homelessness Prevention					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. THDA will receive a formula grant amount of \$8,080,400 for Emergency Shelter Grants, which are used to provide short-term or medium-term rental assistance; housing relocation and stabilization services including housing search, mediation, or outreach to property owners; credit repair; security or utility deposits; utility payments; moving cost assistance; case management; or other appropriate activities for homelessness prevention and rapid re-housing of persons who have become homeless. These funds are awarded on a competitive basis to cities, counties, and non-profit organizations.					
316.20 Tennessee Housing Development Agency	\$0	\$8,080,400	\$0	\$8,080,400	0
Sub-total	\$0	\$8,080,400	\$0	\$8,080,400	0

Transportation, Business and Economic Development Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• U.S. Economic Recovery - Section 8 Contract Administration					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. This formula grant provides \$35.9 million over two years for contract renewals under the Project-Based Section 8 program on a full twelve-month cycle that will avoid payment disruptions and enable owners to maintain their properties in an acceptable condition.					
316.20 Tennessee Housing Development Agency	\$0	\$21,186,700	\$0	\$21,186,700	0
Sub-total	\$0	\$21,186,700	\$0	\$21,186,700	0
• U.S. Economic Recovery - Neighborhood Stabilization					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The act authorizes \$2 billion on a competitive basis for the Neighborhood Stabilization program. The purpose of these funds is to strengthen neighborhoods hit hardest by the foreclosure crisis. THDA will grant the funds to non-profit organizations and rural Tennessee municipalities who will buy foreclosed homes, rehabilitate, and rent or resell the homes to low-to-moderate income families in order to help stabilize the housing market. THDA is in the process of competing for a portion of these funds. Award criteria will include demonstrated grantee capacity to execute projects, leveraging potential, concentration of investment to achieve neighborhood stabilization, and other factors determined by HUD.					
316.20 Tennessee Housing Development Agency	\$0	\$12,500,000	\$0	\$12,500,000	0
Sub-total	\$0	\$12,500,000	\$0	\$12,500,000	0
Total Tennessee Housing Development Agency	\$0	\$61,959,100	\$0	\$61,959,100	3

Agriculture

• Soil Conservation

To provide a non-recurring general fund appropriation for soil conservation to the Agricultural Resources Conservation Fund. The program exists to provide funding for landowners to install best management practices to reduce impairment of Tennessee water bodies by excessive soil loss and associated pollutants. These funds, along with \$250,000 provided by the American Recovery and Reinvestment Act, will provide a total allocation of \$2.5 million for the program in fiscal year 2009-2010.

325.08 Agricultural Resources Conservation Fund	\$2,250,000	\$0	\$0	\$2,250,000	0
Sub-total	\$2,250,000	\$0	\$0	\$2,250,000	0

Transportation, Business and Economic Development Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> U.S. Economic Recovery - Partners for Fish and Wildlife - Soil Conservation Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Soil conservation districts grant funding is provided to landowners for the implementation of best management practices, such as mitigating soil loss and sediment discharge into bodies of water. The federal partnership is designed to restore or otherwise improve habitats for fish and wildlife. The federal funds, together with a \$2,250,000 non-recurring appropriation from the general fund, recommended above, will provide a total of \$2.5 million for the program in 2009-2010. 					
325.08 Agricultural Resources Conservation Fund	\$0	\$250,000	\$0	\$250,000	0
Sub-total	\$0	\$250,000	\$0	\$250,000	0
<ul style="list-style-type: none"> U.S. Economic Recovery - Wildland Fire Management Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Wildland fire management funds are awarded through a competitive grant process to monitor and support forestry activities, such as training for private foresters (\$136,000); a grant to the Shelby Farms Park Conservancy to plant approximately 250,000 trees as phase one of a one million tree-planting campaign (\$125,000); a wood-to-energy demonstration project that will establish a broiler farm as a test site for alternative fuels, including manure-contaminated litter and bedding material, that will be used to heat chicken houses (\$200,000); a grant to determine the major causes of wildfires in high-risk areas and to develop prevention strategies (\$160,000); state fire assistance grants for installation of generation equipment that uses excess biomass from hazardous fuel mitigation projects (\$160,000); grants to train forest health specialists to educate the public on forest health issues and train agency personnel in pest monitoring and management (\$89,500); funding for local utilities to conduct home site analyses and make recommendations to customers in planting trees to aid in home energy savings (\$200,000). 					
325.10 Forestry Operations	\$0	\$1,070,500	\$0	\$1,070,500	0
Sub-total	\$0	\$1,070,500	\$0	\$1,070,500	0
<ul style="list-style-type: none"> U.S. Economic Recovery - Emergency Food Assistance Program Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Emergency Food Assistance Program of the U.S. Department of Agriculture provides food to local agencies, usually food banks, which in turn, distribute the food to soup kitchens and food pantries that directly serve the public. Grants will be provided to local food distribution agencies for their cost of distributing USDA commodities. 					
325.01 Administration and Grants	\$0	\$800,000	\$0	\$800,000	0
Sub-total	\$0	\$800,000	\$0	\$800,000	0
Total Agriculture	\$2,250,000	\$2,120,500	\$0	\$4,370,500	0

Transportation, Business and Economic Development Improvements for Fiscal Year 2009-2010

	State	Federal	Other	Total	Positions
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Economic and Community Development

- **Jobs Package**

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. This non-recurring appropriation includes funds necessary for the recruitment of the new Volkswagen automobile plant at Chattanooga (\$43 million), including funds for workforce training, operation of a training center, and marketing and education initiatives; for recruitment of a new Hemlock Semiconductor polycrystalline silicon manufacturing plant at Clarksville (\$5 million for workforce training); for the Eastman project and regional job training in the Kingsport area (\$5.1 million); and to provide additional FastTrack training funds (\$2.5 million). Additional funds for these economic development projects are provided in the fiscal year 2008-2009 supplemental appropriation to the Department of Economic and Community Development and in the capital outlay budget.

330.06 FastTrack Infrastructure and Job Training Assistance	\$55,600,000	\$0	\$0	\$55,600,000	0
Sub-total	\$55,600,000	\$0	\$0	\$55,600,000	0

- **U.S. Economic Recovery - State Energy Program (SEP)**

Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The U.S. Department of Energy's State Energy Program (SEP) provides grants to states designed to carry out their own energy priorities. These funds are intended to promote emerging renewable energy and energy-efficiency technologies.

330.08 Energy Division	\$0	\$34,065,000	\$0	\$34,065,000	0
Sub-total	\$0	\$34,065,000	\$0	\$34,065,000	0

- **U.S. Economic Recovery - Energy Efficiency and Conservation Block Grant (Non-Entitlement)**

Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Energy Efficiency and Conservation Block Grant program goals are to help reduce energy use and carbon emissions, improve energy efficiency in transportation and other energy consuming sectors, spur economic growth, and create and retain jobs at the local and regional level. These funds must be used to provide grants or loans to cities with populations less than 35,000 and counties with populations less than 200,000.

330.08 Energy Division	\$0	\$5,512,000	\$0	\$5,512,000	0
Sub-total	\$0	\$5,512,000	\$0	\$5,512,000	0

- **U.S. Economic Recovery - Energy Efficiency and Conservation Block Grant (SEP)**

Non-recurring federal grant funds as provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Energy Efficiency and Conservation Block Grant program allows 12 percent of the state's energy block grant funds to be used for the State Energy Program. The state will use the funds to address energy priorities and to adopt emerging renewable energy and energy-efficiency technologies.

330.08 Energy Division	\$0	\$3,384,000	\$0	\$3,384,000	0
Sub-total	\$0	\$3,384,000	\$0	\$3,384,000	0

Transportation, Business and Economic Development Improvements for Fiscal Year 2009-2010

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> U.S. Economic Recovery - Energy Efficient Appliance Rebate Program Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Energy Efficient Appliance Rebate Program provides funding to help residential consumers lower energy bills by offering rebates for purchase of energy-efficient Energy Star products that replace old appliances. 					
330.08 Energy Division	\$0	\$3,100,000	\$0	\$3,100,000	0
Sub-total	\$0	\$3,100,000	\$0	\$3,100,000	0
<ul style="list-style-type: none"> U.S. Economic Recovery - Community Development Block Grant Program Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Community Development Block Grant funds provide grants to city and county governments for water, sewer, housing rehabilitation, community livability, and economic development. 					
330.04 Regional Grants Management	\$0	\$6,682,600	\$0	\$6,682,600	0
Sub-total	\$0	\$6,682,600	\$0	\$6,682,600	0
Total Economic and Community Development	\$55,600,000	\$52,743,600	\$0	\$108,343,600	0
Total Transportation, Business and Economic Development	\$57,850,000	\$116,823,200	\$0	\$174,673,200	3

Tennessee Housing Development Agency

Performance-Based Budget

The Tennessee Housing Development Agency (THDA) provides opportunities for decent, affordable housing to low- and moderate-income Tennesseans. THDA was created in response to a need for housing initiatives in rural areas, but it also performs activities in the major urban centers. The agency is authorized to sell tax-exempt revenue notes and bonds to provide funds for making below-market interest rate mortgage loans. Through the U.S. Department of Housing and Urban Development's Section 8 program, THDA provides rental subsidies to assist renters in need and administers project-based contracts. THDA also administers two federally funded grant programs, the HOME program and the Neighborhood Stabilization program. The HOME program assists local housing providers in implementing affordable housing plans. The Neighborhood Stabilization program provides grants to non-profit organizations and local governments that will buy foreclosed homes, rehabilitate, and rent or resell the homes to low- to middle-income families in order to help stabilize the housing market.

Activities of THDA include the rehabilitation and construction of rental and homeowner housing. The low income housing tax credit program, administered by THDA, supports acquisition, rehabilitation, and new construction of rental units for low-income tenants. THDA has a governing board composed of state officials and gubernatorial and legislative appointees who are active and knowledgeable in their respective industries.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
316.20 Tennessee Housing Development Agency					
Full-Time	200	207	207	3	210
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	200	207	207	3	210
Payroll	13,227,900	13,821,200	13,550,300	172,500	13,722,800
Operational	191,466,500	266,511,000	209,637,700	61,786,600	271,424,300
Total	\$204,694,400	\$280,332,200	\$223,188,000	\$61,959,100	\$285,147,100
State	3,000,000	350,000	0	0	0
Federal	194,718,100	262,172,200	205,364,400	61,959,100	267,323,500
Other	6,976,300	17,810,000	17,823,600	0	17,823,600

Standard: Obligate 100% of HOME funds received from HUD. (This action is also a performance measure of HUD. To not achieve this standard would result in the loss of federal dollars to the state.)

Measure: Percent of HOME funds obligated.

100%	100%	100%	0	100%
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Standard: Provide below market rate mortgage loans for low and moderate income first time homebuyers across the state, utilizing sound underwriting principles. (The actual number of mortgages made annually is dependent on the mortgage market.)

Measure: Number of below market rate mortgage loans originated for first time homebuyers.

4,647	3,200	3,200	0	3,200
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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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	73	72	0	72
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	80	74	73	0	73
Payroll	5,201,700	5,349,100	5,040,900	0	5,040,900
Operational	9,023,100	5,559,400	5,466,100	800,000	6,266,100
Total	\$14,224,800	\$10,908,500	\$10,507,000	\$800,000	\$11,307,000
State	9,190,700	5,730,100	5,388,600	0	5,388,600
Federal	4,657,700	4,798,000	4,678,000	800,000	5,478,000
Other	376,400	380,400	440,400	0	440,400

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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 installed within watersheds identified as impaired or threatened by non-point pollution in the 2004 303(d) List published by the Department of Environment and Conservation.

	69	100	150	0	150
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Standard: Maximize use of commodities allocated from USDA in the School Nutrition Program.

Measure: Percent of School Nutrition commodity received from USDA and distributed.

	100%	100%	100%	0	100%
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325.08 Agricultural Resources Conservation Fund

The Agricultural Resources Conservation Fund provides grants to landowners, producers, and managers for the installation of best management practices aimed at solving water quality problems associated with agricultural operations. Funds also support a variety of educational programs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,401,800	4,238,400	0	2,500,000	2,500,000
Total	\$4,401,800	\$4,238,400	\$0	\$2,500,000	\$2,500,000
State	4,306,600	2,250,000	0	2,250,000	2,250,000
Federal	0	0	0	250,000	250,000
Other	95,200	1,988,400	0	0	0

Standard: Improve water quality in Tennessee through the installation of Best Management Practices in agricultural production areas - impaired watersheds.

Measure: Number of Best Management Practices installed in impaired watersheds, pursuant to TCA 67-4-409(1), to abate nonpoint source water pollution from agricultural operations.

	615	300	0	0	0
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Standard: Improve water quality in Tennessee through the installation of Best Management Practices in agricultural production areas - threatened watersheds.

Measure: Number of Best Management Practices installed in threatened watersheds, pursuant to TCA 67-4-409(1), to abate nonpoint source water pollution from agricultural operations.

	1,829	600	0	0	0
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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 exceeds \$3 million, producer assessments are suspended, as provided by law. Revenues in the program are interest earnings on the fund balance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	502,300	126,700	126,700	0	126,700
Total	\$502,300	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	502,300	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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,580,000	6,540,000	6,540,000	0	6,540,000
Total	\$3,580,000	\$6,540,000	\$6,540,000	\$0	\$6,540,000
State	3,383,200	6,540,000	6,540,000	0	6,540,000
Federal	0	0	0	0	0
Other	196,800	0	0	0	0

Standard: Maximize collection of assessments.

Measure: Percent of assessments collected.

99%	100%	100%	0	100%
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Standard: Eradicate boll weevils.

Measure: Percent of Tennessee cotton fields that are boll weevil free.

92.4%	98.0%	99.0%	0	99.0%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	37	34	35	0	35
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	39	36	37	0	37
Payroll	2,024,700	2,177,500	2,085,700	0	2,085,700
Operational	25,088,700	20,460,700	15,255,300	0	15,255,300
Total	\$27,113,400	\$22,638,200	\$17,341,000	\$0	\$17,341,000
State	26,738,900	22,405,200	17,108,000	0	17,108,000
Federal	239,900	98,000	98,000	0	98,000
Other	134,600	135,000	135,000	0	135,000

Standard: Increase investments in Tennessee's agri-economy.

Measure: Amount of agri-industry investments facilitated by division's activities.

\$29,250,000	\$29,517,125	\$29,525,000	0	\$29,525,000
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Standard: Increase new market opportunities for Tennessee farmers.

Measure: Increase participants directly competing in agricultural enhancement programs.

5,339	3,600	3,800	0	3,800
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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.

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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	232	224	220	0	220
Part-Time	1	1	1	0	1
Seasonal	3	3	3	0	3
Total	236	228	224	0	224
Payroll	13,022,000	13,299,000	12,728,800	0	12,728,800
Operational	6,165,400	7,169,100	7,027,300	0	7,027,300
Total	\$19,187,400	\$20,468,100	\$19,756,100	\$0	\$19,756,100
State	11,930,700	13,757,900	13,097,300	0	13,097,300
Federal	1,619,100	1,297,400	1,297,400	0	1,297,400
Other	5,637,600	5,412,800	5,361,400	0	5,361,400

Standard: Decrease the number of retail food stores scoring below target on routine inspections.

Measure: Percent of retail food stores receiving a passing sanitation inspection score on routine inspections.

98%	98%	98%	0	98%
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Standard: Reduce the number of retail food stores issued civil penalties.

Measure: Percent of retail food store inspections that complied with food safety standards at a level that did not constitute a civil penalty.

95%	94%	94%	0	94%
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Standard: Ensure weight and measure devices weigh accurately.

Measure: Percent of weighing and measuring devices passing accuracy tests.

97%	97%	97%	0	97%
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Standard: Ensure commodity lots inspected are accurately weighed.

Measure: Compliance percentage of commodity lots inspected for correct net contents.

93%	92%	92%	0	92%
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Standard: Ensure kerosene and motor fuel samples collected and tested meet standards.

Measure: Compliance percentage of motor fuels and kerosene samples collected and tested.

96%	97%	97%	0	97%
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Standard: Complete pesticide complaint investigations on target.

Measure: Percent of pesticide-related consumer complaint investigations completed within the established guideline of 90 days.

77%	90%	90%	0	90%
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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.

17	20	20	0	20
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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.

	16	8	8	0	8
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,518,700	2,474,400	2,474,400	0	2,474,400
Total	\$3,518,700	\$2,474,400	\$2,474,400	\$0	\$2,474,400
State	2,354,400	2,354,400	2,354,400	0	2,354,400
Federal	0	0	0	0	0
Other	1,164,300	120,000	120,000	0	120,000

Standard: Maximize work plan expenditures funded with Agricultural Regulatory Fund dollars.

Measure: Percent of work plan estimated expenditures transferred at year-end.

	100%	100%	100%	0	100%
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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

Forestry Operations provides numerous land management and protection services to Tennessee's forests. These include fire suppression, water quality protection, insect and disease control, landowner assistance, tree improvement, seedling production, product utilization and promotion, urban forestry, and state forest management.

Full-Time	334	322	318	0	318
Part-Time	3	3	2	0	2
Seasonal	221	221	211	0	211
Total	558	546	531	0	531
Payroll	18,266,100	18,642,900	17,670,600	0	17,670,600
Operational	13,282,100	12,472,300	12,254,300	1,070,500	13,324,800
Total	\$31,548,200	\$31,115,200	\$29,924,900	\$1,070,500	\$30,995,400

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	21,659,000	24,632,400	23,462,600	0	23,462,600
Federal	5,280,600	3,807,100	3,786,600	1,070,500	4,857,100
Other	4,608,600	2,675,700	2,675,700	0	2,675,700

Standard: Reduce annual losses of forest resources and other assets due to wildfire.

Measure: Average size of fires, in acres.

	13.8	10.0	10.0	0	10.0
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Standard: Increase participation through non-regulatory Best Management Practices (BMPs) used in forestry to minimize the environmental impact of forest management activities.

Measure: Number of loggers, landowners, and foresters trained in BMP use.

	288	600	600	0	600
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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	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	135,200	158,500	158,500	0	158,500
Total	\$135,200	\$158,500	\$158,500	\$0	\$158,500
State	135,200	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.

	86.2%	100%	100%	0	100%
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325.00 Total Agriculture

Full-Time	682	653	645	0	645
Part-Time	6	6	5	0	5
Seasonal	225	225	215	0	215
Total	913	884	865	0	865
Payroll	38,514,500	39,468,500	37,526,000	0	37,526,000
Operational	65,697,300	59,199,500	49,302,600	4,370,500	53,673,100
Total	\$104,211,800	\$98,668,000	\$86,828,600	\$4,370,500	\$91,199,100
State	79,698,700	77,828,500	68,109,400	2,250,000	70,359,400
Federal	11,797,300	10,000,500	9,860,000	2,120,500	11,980,500
Other	12,715,800	10,839,000	8,859,200	0	8,859,200

Department of Tourist Development

Performance-Based Budget

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 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	29	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	28	28	0	28
Payroll	2,034,900	2,089,600	2,052,300	0	2,052,300
Operational	10,064,100	10,131,300	6,389,100	0	6,389,100
Total	\$12,099,000	\$12,220,900	\$8,441,400	\$0	\$8,441,400
State	11,881,300	11,173,700	7,394,200	0	7,394,200
Federal	0	0	0	0	0
Other	217,700	1,047,200	1,047,200	0	1,047,200

Standard: Increase travel generated sales.

Measure: Annual gross sales for travel-related businesses in Tennessee, as based on actual Department of Revenue data reporting the economic impact trends on Tennessee's economy.

\$6,662,159,000	\$6,512,868,000	\$6,434,628,000	0	\$6,434,628,000
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	128	132	132	0	132
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	128	132	132	0	132
Payroll	4,564,200	5,007,000	5,150,400	0	5,150,400
Operational	1,906,700	2,669,800	2,726,300	0	2,726,300
Total	\$6,470,900	\$7,676,800	\$7,876,700	\$0	\$7,876,700
State	832,500	1,500,000	1,500,000	0	1,500,000
Federal	0	0	0	0	0
Other	5,638,400	6,176,800	6,376,700	0	6,376,700

Standard: Encourage travelers to extend their stay in Tennessee by providing free reservation service and increasing the annual number of reservations.

Measure: Number of reservations made for travelers.

	12,413	15,300	15,300	0	15,300
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326.00 Total Tourist Development

Full-Time	157	160	160	0	160
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	157	160	160	0	160
Payroll	6,599,100	7,096,600	7,202,700	0	7,202,700
Operational	11,970,800	12,801,100	9,115,400	0	9,115,400
Total	\$18,569,900	\$19,897,700	\$16,318,100	\$0	\$16,318,100
State	12,713,800	12,673,700	8,894,200	0	8,894,200
Federal	0	0	0	0	0
Other	5,856,100	7,224,000	7,423,900	0	7,423,900

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 video projects to Tennessee and promotes the use of Tennessee locations and artists in those productions.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	60	60	59	0	59
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	60	59	0	59
Payroll	3,961,500	4,415,800	4,340,700	0	4,340,700
Operational	2,524,400	2,343,000	1,938,300	0	1,938,300
Total	\$6,485,900	\$6,758,800	\$6,279,000	\$0	\$6,279,000
State	5,623,900	6,190,500	5,725,700	0	5,725,700
Federal	203,300	135,500	135,500	0	135,500
Other	658,700	432,800	417,800	0	417,800

Standard: Process travel claims within three days following receipt of a properly completed travel claim to ensure that employees are reimbursed in a timely manner.

Measure: Percent of travel claims processed within three days.

100%	97%	97%	0	97%
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<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Process invoices within 30 days of receipt to ensure compliance with state policy.

Measure: Percent of invoices processed within 30 days of receipt.

99%	99%	99%	0	99%
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Business Development and Services

330.02 Business Development

Business Development has the responsibility to attract and recruit new investments and create new jobs for Tennessee. Business Development's recruitment and retention responsibilities require the staff to be in contact with clients statewide, nationally, and internationally. This also includes close contact with regional industrial development agencies, regulatory boards, utilities districts, professional associations, local officials, and local chambers of commerce. Business Development also promotes the development of jobs through small, minority, and women-owned businesses.

Full-Time	37	37	37	0	37
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	37	37	37	0	37
Payroll	2,548,300	2,621,600	2,606,600	0	2,606,600
Operational	6,892,200	106,670,600	1,823,400	0	1,823,400
Total	\$9,440,500	\$109,292,200	\$4,430,000	\$0	\$4,430,000
State	8,477,200	108,351,700	4,339,500	0	4,339,500
Federal	0	0	0	0	0
Other	963,300	940,500	90,500	0	90,500

Standard: Attract and recruit new jobs by assisting existing business and industry and through the recruitment of new business and industry to the state.

Measure: Number of jobs created as a result of recruitment and expansion projects.

13,438	13,000	13,000	0	13,000
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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.

\$1,831,026,294	\$1,800,000,000	\$1,700,000,000	0	\$1,700,000,000
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330.05 Business Services

The Business Services division, administered by the Business Development division, provides loans and grants to small, rural, minority, and women-owned businesses in order to expand their economic opportunities and to help them succeed and grow in the State of Tennessee. The Business Enterprise Resource Office (BERO), within Business Development, also provides these businesses access to capital through the management of a micro-loan program.

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

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	0	0	0	0	0
Operational	251,700	1,927,500	1,927,500	0	1,927,500
Total	\$251,700	\$1,927,500	\$1,927,500	\$0	\$1,927,500
State	115,600	302,500	302,500	0	302,500
Federal	17,500	125,000	125,000	0	125,000
Other	118,600	1,500,000	1,500,000	0	1,500,000

Standard: In order to expand growth opportunities for minority, women-owned, rural, and small businesses, BERO will provide micro loans of up to \$10,000.

Measure: Number of loans provided to minority, women-owned, rural, and small businesses.

2	19	10	0	10
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Job Training and Job Skills

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	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	55,400	0	0	0	0
Operational	196,500	9,285,200	9,285,200	0	9,285,200
Total	\$251,900	\$9,285,200	\$9,285,200	\$0	\$9,285,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	251,900	9,285,200	9,285,200	0	9,285,200

Standard: Assist in the creation and retention of jobs through the provision of training assistance to elevate the skills of Tennessee workers and enhance employment opportunities.

Measure: Number of jobs created or upgraded.

485	400	400	0	400
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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

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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services to Tennessee cities and counties.

330.04 Regional Grants Management

Regional Grants Management, administered by the Community Development Division, provides professional project administration and technical assistance to all communities in the State of Tennessee. Included in Regional Grants Management are several federal grant programs. The Community Development Block Grant (CDBG) 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	26	26	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	26	24	0	24
Payroll	1,554,000	1,693,400	1,558,800	0	1,558,800
Operational	28,621,700	28,096,000	26,999,900	6,682,600	33,682,500
Total	\$30,175,700	\$29,789,400	\$28,558,700	\$6,682,600	\$35,241,300
State	2,012,800	1,165,800	1,117,900	0	1,117,900
Federal	27,932,900	28,073,600	27,053,100	6,682,600	33,735,700
Other	230,000	550,000	387,700	0	387,700

Standard: The CDBG projects ensure at least 51% of those served will be persons of low to moderate income.

Measure: Percent of low to moderate income persons served.

70%	55%	60%	0	60%
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Standard: Within the CDBG program, target areas of economic distress.

Measure: Percent of CDBG projects awarded in distressed areas.

43%	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. Local government contributions are required to receive funding.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,350,100	1,350,100	1,350,100	0	1,350,100
Total	\$1,350,100	\$1,350,100	\$1,350,100	\$0	\$1,350,100

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	1,350,100	1,350,100	1,350,100	0	1,350,100
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 and Job Training Assistance

The FastTrack Infrastructure Development and Job Training Assistance 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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	32,799,400	53,823,900	15,935,500	55,600,000	71,535,500
Total	\$32,799,400	\$53,823,900	\$15,935,500	\$55,600,000	\$71,535,500
State	27,612,000	53,495,000	15,595,000	55,600,000	71,195,000
Federal	0	0	0	0	0
Other	5,187,400	328,900	340,500	0	340,500

Standard: Assist in the creation of jobs through the provision of infrastructure development and training assistance.

Measure: Number of jobs created or upgraded in which job training assistance was provided.

	21,438	8,000	10,000	2,000	12,000
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Standard: Promote new investment in the state through the provision of infrastructure development and training assistance.

Measure: Private capital investment leveraged as a result of infrastructure development and training assistance.

	\$2,526,176,298	\$800,000,000	\$1,000,000,000	\$200,000,000	\$1,200,000,000
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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
Total	0	0	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	0	0	0	0	0
Operational	36,100	6,148,600	48,600	0	48,600
Total	\$36,100	\$6,148,600	\$48,600	\$0	\$48,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	36,100	6,148,600	48,600	0	48,600

Standard: In order to be eligible to receive the incentive, productions must be state certified and be in total compliance with the incentive criteria.

Measure: Number of films, movies, television pilots, or shows produced.

1	14	16	0	16
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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. Community Development also provides administrative oversight to the Energy Division and the department's grants and loans programs.

Full-Time	91	85	85	0	85
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	91	85	85	0	85
Payroll	5,183,500	5,431,900	5,149,600	0	5,149,600
Operational	2,183,000	2,902,300	2,411,500	0	2,411,500
Total	\$7,366,500	\$8,334,200	\$7,561,100	\$0	\$7,561,100
State	4,811,200	5,850,800	5,574,200	0	5,574,200
Federal	248,400	224,100	224,100	0	224,100
Other	2,306,900	2,259,300	1,762,800	0	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 Tennessee counties certified as Three-Star Benchmark III communities.

0	4	8	0	8
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Standard: Through the provision of the Main Street Program and related principles, assist cities in development of a plan to revitalize downtown districts.

Measure: Number of certified Main Street communities and those pursuing Main Street principles.

22	30	25	0	25
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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	8	8	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	9	0	9
Payroll	558,200	715,800	796,900	0	796,900
Operational	1,501,400	34,927,100	1,827,800	46,061,000	47,888,800
Total	\$2,059,600	\$35,642,900	\$2,624,700	\$46,061,000	\$48,685,700
State	29,700	34,800	34,800	0	34,800
Federal	1,939,900	35,608,100	2,589,900	46,061,000	48,650,900
Other	90,000	0	0	0	0

Standard: Promote energy cost and dollar savings.

Measure: Projected energy cost savings as a result of energy loan programs.

	\$789,669	\$1,500,000	\$1,550,000	0	\$1,550,000
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Standard: Promote energy education in grades K-12 through the promotion and administration of the Tennessee Energy Education Network (TEEN) program.

Measure: Number of students and teachers reached by participating in the TEEN program.

	8,567	9,000	9,500	0	9,500
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330.10 Small Business Energy Loan Program

The Small Business Energy Loan Program is organized as a revolving loan program available to existing small businesses of less than 300 employees or \$3.5 million in annual gross receipts. Eligible and approved applicants can get low interest loans to be used for energy-efficient related projects. The program also focuses on assistance to businesses in identifying ways to improve energy usage and reduce energy costs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	2,500,000	2,500,000	0	2,500,000
Total	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000
State	0	0	0	0	0
Federal	0	2,500,000	2,500,000	0	2,500,000
Other	0	0	0	0	0

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Promote energy cost and dollar savings in small business in Tennessee.

Measure: Projected energy cost savings as a result of active Small Business Energy Loans.

\$785,429	\$733,679	\$750,000	0	\$750,000
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Standard: Through the provision of energy audit technical assistance to small businesses, commercial and industrial firms, and local governments, promote the efficient and economical use of energy.

Measure: Number of energy audit technical assistance contacts and support provided.

6,823	5,302	5,567	0	5,567
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330.11 Local Government Energy Loan Program

The Local Government Energy Loan Program provides loans to local government facilities for energy efficiency retrofits. This program also provides free energy-savings assessments to identify needed energy efficiency measures.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	5,000,000	5,000,000	0	5,000,000
Total	\$0	\$5,000,000	\$5,000,000	\$0	\$5,000,000
State	0	0	0	0	0
Federal	0	5,000,000	5,000,000	0	5,000,000
Other	0	0	0	0	0

Standard: Promote energy cost and dollar savings by city and county government.

Measure: Projected annual energy cost savings as a result of active local government energy efficiency loans.

\$760,794	\$900,000	\$910,000	0	\$910,000
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Standard: Through the provision of energy audit technical assistance to small businesses, commercial and industrial firms, and local governments, promote the efficient and economical use of energy.

Measure: Number of energy audit technical assistance contacts and support provided.

6,823	5,302	5,567	0	5,567
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
330.00 Total Economic and Community Development					
Full-Time	222	216	214	0	214
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	222	216	214	0	214
Payroll	13,860,900	14,878,500	14,452,600	0	14,452,600
Operational	76,356,500	254,974,300	71,047,800	108,343,600	179,391,400
Total	\$90,217,400	\$269,852,800	\$85,500,400	\$108,343,600	\$193,844,000
State	50,032,500	176,741,200	34,039,700	55,600,000	89,639,700
Federal	30,342,000	71,666,300	37,627,600	52,743,600	90,371,200
Other	9,842,900	21,445,300	13,833,100	0	13,833,100

Department of Transportation

Performance-Based Budget

The Department of Transportation (TDOT) plans, designs, constructs, and maintains the state's highway network. The department also is responsible for other modes of transportation, such as aeronautics, public transit, railroads, and waterways. The Department of Transportation consists of four major program areas: Headquarters, Bureau of Administration, Bureau of Environment and Planning, and Bureau of Engineering.

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</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	159	159	0	159
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	115	159	159	0	159
Payroll	6,509,400	10,064,600	10,743,000	0	10,743,000
Operational	8,297,200	9,708,500	8,858,200	0	8,858,200
Reallocated	(1,151,600)	(3,358,100)	(4,689,200)	0	(4,689,200)
Total	\$13,655,000	\$16,415,000	\$14,912,000	\$0	\$14,912,000
State	13,655,000	16,415,000	14,912,000	0	14,912,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: License all public use airports in Tennessee.

Measure: The percent of public use airports in Tennessee licensed by the Tennessee Department of Transportation (TDOT).

100%	100%	100%	0	100%
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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
Total	0	0	0	0	0

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Payroll	0	0	0	0	0
Operational	7,363,600	10,000,000	9,000,000	0	9,000,000
Reallocated	0	0	0	0	0
Total	\$7,363,600	\$10,000,000	\$9,000,000	\$0	\$9,000,000
State	7,363,600	10,000,000	9,000,000	0	9,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Provide funds for insurance premiums as directed by the Department of Finance and Administration.

Measure: Percent of the actuarial estimate provided 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	283	291	291	0	291
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	283	291	291	0	291
Payroll	15,657,900	19,051,900	18,058,800	0	18,058,800
Operational	15,909,800	27,619,500	26,118,200	0	26,118,200
Reallocated	(108,100)	(537,400)	(238,000)	0	(238,000)
Total	\$31,459,600	\$46,134,000	\$43,939,000	\$0	\$43,939,000
State	31,459,600	46,134,000	43,939,000	0	43,939,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase seat belt usage in Tennessee by 2% annually.

Measure: Percent of usage of seat belts in Tennessee.

81%	82%	83%	0	83%
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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.

6.7%	2.0%	2.0%	0	2.0%
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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,

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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functional design, highway beautification, public transit, waterways, and rail and railroad safety.

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	301	274	274	0	274
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	301	274	274	0	274
Payroll	15,690,000	18,604,200	17,880,500	0	17,880,500
Operational	340,200	790,800	347,000	0	347,000
Reallocated	(11,008,800)	(9,419,000)	(12,254,500)	0	(12,254,500)
Total	\$5,021,400	\$9,976,000	\$5,973,000	\$0	\$5,973,000
State	5,021,400	9,976,000	5,973,000	0	5,973,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: To increase the number of publicly accessible biofuels (B20 and/or E85) refueling pumps in Tennessee through funding, education, and marketing efforts of the state refueling infrastructure development program.

Measure: Number of publicly accessible biofuels (B20 and/or E35) refueling pumps in Tennessee's Biofuel Green Island Corridor System.

	46	90	95	0	95
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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	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	52,324,400	219,953,700	142,119,000	0	142,119,000
Reallocated	165,900	25,300	0	0	0
Total	\$52,490,300	\$219,979,000	\$142,119,000	\$0	\$142,119,000
State	36,218,300	42,813,000	43,649,000	0	43,649,000
Federal	15,222,200	177,166,000	98,470,000	0	98,470,000
Other	1,049,800	0	0	0	0

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: Increase total statewide transit passenger trips by a minimum of 1.5% annually to reduce urban congestion and increase air quality and accessibility.

Measure: Annual percent increase in total statewide transit passenger trips.

2.7%	2.0%	2.0%	0	2.0%
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Standard: Increase the statewide transit vehicle revenue miles by 1% annually by creating additional routes and new transit systems in order to make public transit more accessible for the general public, reduce urban congestion, and improve air quality.

Measure: Annual percent increase in statewide transit vehicle revenue miles.

Not Applicable	1%	1%	0	1%
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	12,242,400	12,297,400	9,908,000	0	9,908,000
Reallocated	8,738,100	7,202,600	9,592,000	0	9,592,000
Total	\$20,980,500	\$19,500,000	\$19,500,000	\$0	\$19,500,000
State	4,196,100	5,500,000	5,500,000	0	5,500,000
Federal	16,784,400	14,000,000	14,000,000	0	14,000,000
Other	0	0	0	0	0

Standard: Eighty-five 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.

100%	85%	85%	0	85%
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	64,784,900	93,898,200	83,546,400	0	83,546,400
Reallocated	1,316,200	101,800	1,453,600	0	1,453,600
Total	\$66,101,100	\$94,000,000	\$85,000,000	\$0	\$85,000,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	52,219,900	53,000,000	64,000,000	0	64,000,000
Federal	13,220,200	33,800,000	13,500,000	0	13,500,000
Other	661,000	7,200,000	7,500,000	0	7,500,000

Standard: Provide for the total distribution of Equity Funds as directed by statute.

Measure: Percent of funds distributed for airport, waterway, and railway improvement projects.

100%	100%	100%	0	100%
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Standard: Increase the percent of Tennessee's shortline railroad track miles that can carry over 286,000 pounds by 3% per year.

Measure: Percent of shortline track miles with a capacity over 286,000 pounds.

35%	38%	41%	0	41%
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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, 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	579	542	542	0	542
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	579	542	542	0	542
Payroll	32,498,900	38,523,800	37,331,300	0	37,331,300
Operational	2,277,200	3,308,100	2,012,600	0	2,012,600
Reallocated	(17,009,100)	(17,691,900)	(18,925,900)	0	(18,925,900)
Total	\$17,767,000	\$24,140,000	\$20,418,000	\$0	\$20,418,000
State	17,767,000	24,140,000	20,418,000	0	20,418,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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Standard: The percent of contracts completed by original contract completion date will be at least 78%.

Measure: Percent of contracts completed by original contract completion date.

71%	78%	78%	0	78%
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Standard: The percent of contracts completed by original contract completion date plus TDOT approved time extensions will be at least 92%.

Measure: Percent of contracts completed by original contract completion date plus TDOT approved time extensions.

88%	92%	92%	0	92%
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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	937	954	954	0	954
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	937	954	954	0	954
Payroll	50,260,100	58,528,500	55,689,800	0	55,689,800
Operational	4,266,700	7,653,800	5,846,300	0	5,846,300
Reallocated	(12,527,900)	(17,091,300)	(14,606,100)	0	(14,606,100)
Total	\$41,998,900	\$49,091,000	\$46,930,000	\$0	\$46,930,000
State	41,998,900	49,091,000	46,930,000	0	46,930,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: The annual work program for routine maintenance will be accomplished and expended with no more than a 2% deviation from the budget.

Measure: Percent of expenditures for routine maintenance operations that are over or under budget.

3% under	2% under	2% under	0	2% under
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Standard: The annual work program for maintenance contracts and agreements will be accomplished and expended with no more than a 5% deviation from the budget.

Measure: Percent of expenditures for contract maintenance operations that are over or under budget.

6% under	5% under	5% under	0	5% under
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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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	878	797	797	0	797
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	878	797	797	0	797
Payroll	39,224,500	44,473,500	42,651,600	0	42,651,600
Operational	29,800	0	0	0	0
Reallocated	(39,254,300)	(44,473,500)	(42,651,600)	0	(42,651,600)
Total	\$0	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Reallocate 100% of construction payroll costs to projects and other activities at region and district offices.

Measure: Percent of TDOT field construction payroll costs reallocated.

100% 100% 100% 0 100%

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	1,578	1,578	1,578	0	1,578
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,578	1,578	1,578	0	1,578
Payroll	61,465,500	65,016,800	65,050,700	0	65,050,700
Operational	60,700	0	0	0	0
Reallocated	(61,526,200)	(65,016,800)	(65,050,700)	0	(65,050,700)
Total	\$0	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Reallocate 100% of maintenance payroll costs to projects and other activities at region and district offices.

Measure: Percent of TDOT field maintenance payroll costs reallocated.

100% 100% 100% 0 100%

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.

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
Full-Time	273	271	271	0	271
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	273	271	271	0	271
Payroll	11,690,300	14,142,600	12,583,100	0	12,583,100
Operational	47,856,800	48,966,200	47,750,100	0	47,750,100
Reallocated	(33,413,100)	(27,302,800)	(32,597,200)	0	(32,597,200)
Total	\$26,134,000	\$35,806,000	\$27,736,000	\$0	\$27,736,000
State	26,134,000	35,806,000	27,736,000	0	27,736,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: The mechanic efficiency rating will be at least 80%. The mechanic efficiency rating is based on hours billable for working on equipment.

Measure: Percent of total mechanic available work hours spent on maintaining, servicing, or repairing all vehicles in the state system.

93%	88%	88%	0	88%
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	162,353,700	217,777,300	177,857,500	0	177,857,500
Reallocated	95,648,100	100,045,700	104,634,500	0	104,634,500
Total	\$258,001,800	\$317,823,000	\$282,492,000	\$0	\$282,492,000
State	258,001,800	316,723,000	281,392,000	0	281,392,000
Federal	0	0	0	0	0
Other	0	1,100,000	1,100,000	0	1,100,000

Standard: TDOT's maintenance rating index related to maintaining roadways will be equal to or greater than 80.

Measure: The condition level for the combination of interstate and state maintained roads.

89.2	90.0	90.0	0	90.0
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Standard: The average clearance time for all highway lane blockage incidents in urban HELP service areas should be within 90 minutes for 86% of the HELP operator responses. Lanes closed for either construction or maintenance activities are not included.

Measure: Percent of highway lane blockage incidents in urban HELP service areas cleared within 90 minutes.

96%	97%	98%	0	98%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	8,388,700	9,479,800	9,453,300	0	9,453,300
Reallocated	600,000	620,200	646,700	0	646,700
Total	\$8,988,700	\$10,100,000	\$10,100,000	\$0	\$10,100,000
State	8,988,700	10,000,000	10,000,000	0	10,000,000
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 80.

Measure: The condition level for the combination of interstate and state maintained roads.

89.2	90.0	90.0	0	90.0
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	27,336,800	40,825,300	39,607,300	0	39,607,300
Reallocated	414,500	544,700	428,700	0	428,700
Total	\$27,751,300	\$41,370,000	\$40,036,000	\$0	\$40,036,000
State	20,258,400	31,622,000	30,622,000	0	30,622,000
Federal	0	0	0	0	0
Other	7,492,900	9,748,000	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</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	20,427,600	22,328,000	22,498,700	0	22,498,700
Reallocated	1,600,200	1,872,000	1,701,300	0	1,701,300
Total	\$22,027,800	\$24,200,000	\$24,200,000	\$0	\$24,200,000
State	22,027,800	24,000,000	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.

12	15	15	0	15
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	163,353,900	142,980,400	145,166,400	0	145,166,400
Reallocated	3,997,700	6,339,600	4,153,600	0	4,153,600
Total	\$167,351,600	\$149,320,000	\$149,320,000	\$0	\$149,320,000
State	15,061,700	14,800,000	14,800,000	0	14,800,000
Federal	148,942,900	133,020,000	133,020,000	0	133,020,000
Other	3,347,000	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.

94.4%	93.0%	94.0%	0	94.0%
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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.

97%	97%	94%	0	94%
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	<u>Actual</u> <u>2007-2008</u>	<u>Estimated</u> <u>2008-2009</u>	<u>Base</u> <u>2009-2010</u>	<u>Improvement</u> <u>2009-2010</u>	<u>Recommended</u> <u>2009-2010</u>
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	836,200	712,100	663,700	0	663,700
Reallocated	222,100	187,900	236,300	0	236,300
Total	\$1,058,300	\$900,000	\$900,000	\$0	\$900,000
State	211,700	200,000	200,000	0	200,000
Federal	846,600	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 four 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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,928,400	9,632,800	9,756,400	0	9,756,400
Reallocated	229,900	367,200	243,600	0	243,600
Total	\$6,158,300	\$10,000,000	\$10,000,000	\$0	\$10,000,000
State	3,079,100	5,000,000	5,000,000	0	5,000,000
Federal	0	0	0	0	0
Other	3,079,200	5,000,000	5,000,000	0	5,000,000

Standard: Obligate all Local Interstate Connectors funds in the current fiscal year within funding limitations that are dependant 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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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	518,519,100	1,396,559,900	661,576,000	0	661,576,000
Reallocated	40,800,800	43,739,100	44,696,000	0	44,696,000
Total	\$559,319,900	\$1,440,299,000	\$706,272,000	\$0	\$706,272,000
State	251,694,000	308,280,000	146,954,000	0	146,954,000
Federal	290,846,300	1,117,069,000	544,368,000	0	544,368,000
Other	16,779,600	14,950,000	14,950,000	0	14,950,000

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 from county seats to the interstate system.

60	60	61	0	61
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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.

54	55	55	0	55
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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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,787,000	7,062,400	5,197,500	0	5,197,500
Reallocated	836,200	137,600	2,500	0	2,500
Total	\$2,623,200	\$7,200,000	\$5,200,000	\$0	\$5,200,000

	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
State	2,623,200	7,200,000	5,200,000	0	5,200,000
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
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	98,487,300	56,412,900	358,435,600	0	358,435,600
Reallocated	21,429,400	23,707,100	23,224,400	0	23,224,400
Total	\$119,916,700	\$80,120,000	\$381,660,000	\$0	\$381,660,000
State	15,589,100	19,500,000	350,000,000	0	350,000,000
Federal	95,933,400	57,620,000	28,660,000	0	28,660,000
Other	8,394,200	3,000,000	3,000,000	0	3,000,000

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 is not structurally deficient.

96%	97%	94%	0	94%
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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 is not functionally obsolete.

85%	82%	82%	0	82%
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	<u>Actual 2007-2008</u>	<u>Estimated 2008-2009</u>	<u>Base 2009-2010</u>	<u>Improvement 2009-2010</u>	<u>Recommended 2009-2010</u>
400.00 Total Transportation					
Full-Time	4,944	4,866	4,866	0	4,866
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,944	4,866	4,866	0	4,866
Payroll	232,996,600	268,405,900	259,988,800	0	259,988,800
Operational	1,223,172,400	2,337,967,100	1,765,718,200	0	1,765,718,200
Reallocated	0	0	0	0	0
Total	\$1,456,169,000	\$2,606,373,000	\$2,025,707,000	\$0	\$2,025,707,000
State	833,569,300	1,030,200,000	1,150,225,000	0	1,150,225,000
Federal	581,796,000	1,533,375,000	832,718,000	0	832,718,000
Other	40,803,700	42,798,000	42,764,000	0	42,764,000

Budget Process and Program History

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The Budget Process

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

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

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

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

Planning and Estimation

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

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

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

Preparation of the Budget

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

After the receipt of agency operational and capital budget requests, analysts with

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

Instructions for the agency operational budget requests include the submission of two levels of requests: (a) a base request, which accommodates the continuation of current services, and (b) an improvement request, which includes funds to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level due to increased costs of providing current services.

Capital Budget requests are submitted to the Division of Budget along with agency operating budget requests, where they are reviewed in conjunction with office of Real Property Administration. Based on these reviews and available funding, recommendations are made to the Commissioner of Finance and Administration and the Governor for consideration in the Budget.

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

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

plans for further adjustments to their budgets.

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

At the time the Budget Document and Budget Message are presented, the appropriation process is initiated. The Appropriations Bill, prepared by the Department of Finance and Administration, is introduced and referred to the Finance, Ways, and Means committees of both houses of the Legislature. The various standing committees of the houses may review those parts of the Appropriations Bill that fall within their purviews. The departments often are invited to testify before these committees on issues relating to their budgets.

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

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

occurs during the last week of the legislative session.

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

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

Budget Execution

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

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

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

Further legislative review and control is maintained through the Fiscal Review

Committee, 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,

The Budget Process

Transportation, Education, General Services, Military, Financial Institutions, Labor and Workforce Development, Commerce and Insurance, Tennessee Regulatory Agency, Human Resources, Mental Health, Health, TRICOR, Board of Probation and Parole, Tennessee Bureau of Investigation, Tennessee Wildlife Resources Agency, Tennessee Housing Development Agency, and Tourist Development. The following agencies are scheduled to submit performance-based budgets in 2010-2011: Human Rights, Advisory Commission on Intergovernmental Relations, Veterans Affairs, Commission on Children and Youth, Aging and Disability, Health Services and Development Agency, Mental Retardation, Children's Services, Alcoholic Beverage Commission, Corrections Institute, Arts Commission, and State Museum. 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, 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 "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, Human Services, Safety, Environment and Conservation, Finance and Administration, Correction, Agriculture, Economic and Community Development, Transportation, General Services, Education, Military, Commerce and Insurance, Financial Institutions, Labor and Workforce Development, Tennessee Regulatory Agency, Human Resources, Mental Health, Health, TRICOR, Board of Probation and Parole, Tennessee Bureau of Investigation, Tennessee Wildlife Resources Agency, Tennessee Housing Development Agency, and Tourist Development. The following agencies are scheduled to submit performance-based budgets in 2010-2011: Human Rights, Advisory Commission on Intergovernmental Relations, Veterans Affairs, Commission on Children and Youth, Aging and Disability, Health Services and Development Agency, Mental Retardation, Children's Services, Alcoholic Beverage Commission, Corrections Institute, Arts Commission, and State Museum.

The following table shows 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 of the Budget	Budget Division Departments and Agencies	July August September

Preparation of the Budget	Budget Division	October November December January
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Performance-Based Budget Execution	Budget Division Legislative Committees Departments and Agencies	July-June
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Legislative Review of Strategic Plans	Departments and Agencies Commissioner of F&A Governmental Accountability Commission Finance Committees	Following Year January-May
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Comptroller's Performance Review	Comptroller of the Treasury	Following Year July-June
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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 of the Budget

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.

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 of Strategic Plans

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. 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 – the method under which revenues are recognized when they become available and measurable, and expenditures are recognized when the liability is incurred. There are 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
- Cemetery Consumer Protection Fund
- Agricultural Resources Conservation Fund

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 Tanks
Solid Waste Assistance
Environmental Protection Fund
Sex Offender Treatment Program
Small and Minority-Owned Business Assistance Program
Tennessee Job Skills Program
911 Emergency Communications Fund
Real Estate Education and Recovery Fund
Auctioneer Education and Recovery Fund
Motorcycle Rider Education
Driver Education
Anti-Theft Unit
Board of Professional Responsibility
Tennessee Lawyers Assistance Program
Continuing Legal Education
Help America Vote Act.

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

Capitol Print Shop
Risk Management Fund
TRICOR
Office of Information Resources
Division of Accounts
Postal Services
Motor Vehicle Management
Printing and Media Services
Purchasing
Records Management
Warehouse Administration
Food Services Program.

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

Tennessee Housing Development Agency

Property Utilization
Grain Indemnity Fund
Client Protection Fund.

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

The programs in the Education Trust Fund are: (1) Department of Education (K-12), including general-source programs and the dedicated-source After-School Programs Special Account, funded by 100% of unclaimed lottery prizes; (2) Higher Education, including state appropriations for the University of Tennessee, the State University and Community College System (Board of Regents), 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.

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.

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

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

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

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 using the current financial resources measurement focus and 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 six 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.

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



Education

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 70 percent of the instructional category; 75 percent of the classroom category; and 50 percent of the non-classroom category.

Since 1991-1992, over \$2.36 billion in new recurring funds will have been invested in the BEP as of 2009-2010.

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 starting average of all Local Education Agencies of \$28,908, and has since been increased to \$38,000. 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 ensured 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 2007-2008, average expenditures per student grew from \$3,732 to \$8,345, an increase of 123.61 percent.

In 2007, the state made another significant change to the BEP formula by implementing what became known as BEP 2.0. Fully implemented, BEP 2.0 will move the state share of the instructional component to 75 percent; increase the instructional salary unit cost; install a new methodology of

calculating fiscal capacity; eliminate the Cost Differential Factor; begin funding English Language Learners at 1:20 teachers to students and 1:200 translators to students; fund at-risk students at 100 percent; set a minimum state share of the non-classroom component at 25 percent; and provide 50 percent of funding for medical insurance premiums for instructional positions. The changes made to date have infused \$290.1 million new recurring dollars into K-12 education. The hold-harmless provision, as mentioned above, is no longer applicable with the BEP 2.0 changes.

Higher Education

Tennessee higher education is a vast and diverse enterprise composed of 22 public two- and four-year institutions enrolling over 214,000 students and 27 technology centers serving approximately 11,000 full-time equivalent students. Including private non-profit and for-profit institutions, Tennessee postsecondary education served approximately 368,000 students in fall 2008.

Offering credentials ranging from technical certificates to Ph.D.s, the system is focused on serving the educational and workforce needs of the State of Tennessee. As the state transitions into the knowledge economy of the 21st century, its postsecondary institutions are faced with a variety of challenges. The state anticipates significant enrollment growth over the next few years from traditional and non-traditional students. Furthermore, many of the new jobs in Tennessee will require a college degree and/or training for expanding technologies.

To remain competitive in the new economy, Tennessee must encourage more people to earn a postsecondary credential. Only 30 percent of Tennesseans between the ages of 25 and 64 have an associate's degree or higher, compared to the national average of 37 percent and the Southern states' average of 34 percent. Degree attainment in the

adult population varies widely by Tennessee county, from a high of 55 percent in Williamson County to a low of 11 percent in Campbell, Claiborne, and Hancock Counties.

A college education is important to the individual and to society. Individuals realize increased incomes through education, and various benefits accrue to society from a better-educated populace. According to 2007 data from the U.S. Census Bureau's American Community Survey, a Tennessee adult with a bachelor's degree earns 72 percent more than a high school graduate each year (\$42,640 annually, compared to \$24,720). This earnings differential results in financial benefits to society through increased economic activity and increased revenues to the state. Additionally, a better educated workforce is helpful in recruiting industry, as companies require highly skilled workers who can be productive in today's high-tech economy.

The strategic planning process of the Tennessee Higher Education Commission focuses on collaboration and partnerships, as indicated in the *2005-2010 Master Plan for Tennessee Higher Education*, which creates a broad-based public agenda balancing state and campus priorities and acknowledging the vital role of higher education in improving the quality of life for all citizens.

The underlying policy intent of the THEC 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 P-16 system that works to ensure that all students are

prepared for postsecondary 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 Master 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 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 Master 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 colleges and universities in economic and community development, knowledge creation, job growth, and public health.

In fiscal year 2004-2005, lottery-funded scholarships became a resource for Tennessee students seeking higher education. The Tennessee Education Lottery began operations on January 20, 2004. Lottery proceeds fund scholarships for Tennessee students attending eligible public or private colleges and universities across the state. Graduating high school seniors must have a 3.0 grade point average

or a composite score of 21 on the ACT in order to receive up to \$4,000 in scholarship funds per academic year. Supplemental awards are available for high school students with outstanding academic credentials and those from low-income families. To retain the scholarship, students must have a minimum cumulative 2.75 college GPA after accumulating 24 and 48 credit hours. At each 24-hour checkpoint after that, students may retain the award by maintaining a 3.0 cumulative GPA or by achieving a cumulative 2.75 with a 3.0 GPA in the prior semester.

A provisional method for maintaining the award after 72 accumulated credit hours was only one of the reforms approved by the state legislature in 2008. The General Assembly also approved an expansion of the Non-traditional Student Grant. If a student is age 25 or over, has an adjusted gross income of \$36,000 or less, and has never attended or has been away from college for two years, he or she can become eligible for a Non-traditional Student Grant by completing 12 hours of collegiate coursework with a minimum 2.75 cumulative GPA. In addition to scholarships, lottery-funded grants are available to veterans of the Global War on Terrorism, students attending Tennessee Technology Centers, students pursuing degrees in math and science education, and students who pursue medical education with the intention of serving a rural health shortage area.

In fiscal year 2007-2008, the state used \$10 million of excess lottery funds and in fiscal year 2008-2009, a combination of lottery funds and other non-recurring general fund dollars for a total of \$10 million, so that 5,000 additional students per year could receive Tennessee Student Assistance Awards (TSAA), which provide grants to financially needy undergraduate students who are residents of Tennessee. Of this combined revenue, \$6.8 million in recurring lottery funds were authorized to the TSAA program yearly. Currently, approximately 27,000 students receive TSAA funds.

Ninety-five percent of TSAA recipients have an adjusted gross income of less than \$36,000. Even with the expanded TSAA program, approximately 60,000 eligible students will go unserved in fiscal year 2009-2010.

Through implementation of these and other 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 of the state's most under-utilized resources, the inherent human capital potential of its citizenry.

Economic Opportunity

Economic and Community Development

Leading companies from around the world are discovering the advantages of doing business in Tennessee. With Tennessee's 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, the 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. Building on these strengths, Tennessee is also positioning itself as a leading location for the renewable and sustainable energy industry from the production of biofuels to solar cells and panels.

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 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. The department's Creative Services Division provides in-house creative services for the marketing programs of ECD and other state agencies, which reduces cost, as well as turn-around time associated with the development of marketing information.

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 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, Düsseldorf, and in the Republic of China.
- Working with communities and regions to provide industrial infrastructure and financial support on issues like water, sewer, and rail sidings through the FastTrack Infrastructure Development

Program. FastTrack serves as an incentive in the process of encouraging private sector firms to locate or expand their financial investments in Tennessee.

- Providing the primary source of financial support for new, expanding, or retooling business and industry training needs through the FastTrack Job Training Assistance Program (FJTAP). 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. 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.
- Providing training grants to eligible businesses through the Tennessee Job Skills program. This program is required to primarily serve existing businesses wanting to expand or needing to retrain workers in order to retain their workforce.

Within Business Development, the Business Enterprise Resources Office (BERO) assists in the establishment and growth of small, rural, minority- and women-owned businesses through the provision of technical assistance, consultation, and educational programs. BERO coordinates with federal and local government agencies, trade associations and community organizations to assist small business. It partners with the 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 also 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.

Community Development — Community Development works with Tennessee communities to prepare and compete for economic development and to improve 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, which are vital components of economic development and job growth. To be considered a Main Street Community, cities must meet specific performance standards that range from having both public and private financial support for the revitalization process to 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: preparing zoning ordinances; developing 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 2007 study by the Research Department of the Travel Industry Association of America, domestic and international travelers to Tennessee annually spend more than \$14.2 billion. As a result of spending by travelers, tourism provides jobs for over 184,700 Tennesseans, and tax revenues for state and local governments totaling over \$1.1 billion. More than 50 million people visited Tennessee in 2007, placing Tennessee in the top ten states for person-stays in the United States.

Because of the jobs and tax revenues produced by tourism, the competition to attract tourists continues to be high. In order to stay competitive, Tennessee aggressively markets and promotes the state's tourism attractions and destinations. Some of the Department of Tourist Development's marketing activities include the design and production of an advertising campaign; the placement of advertising in media such as broadcast, print, and the internet; and participation in sales programs that target group tour companies, travel agents, and the international travel market. In addition, the department provides public relations and marketing assistance to the tourism industry through three regional offices; develops educational programs and communicates to the public and the travel industry the activities and services provided by the department; promotes Tennessee to the

media and national travel press; provides a news service to promote and place stories about Tennessee in both the print and broadcast media; develops and maintains a Tennessee travel website that provides a comprehensive resource for travel information about Tennessee; produces Tennessee vacation and travel publications that are distributed to customers; maintains a knowledge of current travel marketing

trends and develops new programs to respond to those trends; and provides services such as telemarketing and fulfillment, research, and operational support necessary to support the department's strategies. The department also operates the state's 13 welcome centers, which provide literature, information, and reservations to the millions of travelers who visit Tennessee.

Children

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 Permanency, Juvenile Justice, and Administration and Training.

Protection and Permanency

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 also is 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:

Multiple Response System (MRS) – MRS is an overarching systemic reform of current Child Protective Services (CPS) practice. MRS allows for cases to be assigned for non custodial intervention on three different levels: investigation focused on severe abuse/neglect cases, assessment intervention for less severe abuse/neglect, and resource linkage services when no abuse or neglect has occurred.

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.

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 CPS unit; whereas, the state’s Centralized Intake Unit receives and screens reports of abuse and neglect.

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.

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.

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.

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.

Relative Caregiver Program – The Relative Caregiver Program 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.

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.

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 ensures 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 also is responsible for supporting timely permanency 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.

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.

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 also is 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 also is responsible for the operation of an Observation and Assessment Center. The Office of Juvenile Justice, including staff in all 13 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 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.

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.

Public Health

TennCare

TennCare is the state's Medicaid program that provides health insurance through a managed care system to low-income children, pregnant women, and people with disabilities.

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 has 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 falls to nine. One such 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 temporarily relieves MCOs of risk and closes new enrollment in the demonstration categories for all but the very poorest. The new waiver comes amid continued instability in 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; 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 his 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 that substantive reform cannot be achieved unless the state gains immediate 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 major waiver amendment 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 by 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 in an optional Medicaid category called Medically Needy Spend Down. The Legislature appropriates the needed funds to continue coverage for the non-pregnant adults in the Medically Needy population at the Governor’s request. The preservation of coverage for this group is included in an extension to the TennCare waiver that would eventually be granted by the Centers for Medicare and Medicaid Services (CMS) in October 2007.

In addition to legal victories, TennCare implements many pharmacy reforms and returns the MCOs to shared-risk arrangements in 2005. 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 awards contracts to two new MCOs in Middle Tennessee, Amerigroup Corporation and UnitedHealth Plan of River Valley. This marks the first time TennCare has used a competitive bid process to recruit managed care plans into the state. It results in financially strong and nationally experienced plans entering the market. Both MCOs accept full financial risk contracts and provide integrated

behavioral and physical health services to a total of 170,000 enrollees starting April 1, 2007. The full-risk managed care model will allow greater emphasis on case management and disease prevention.

The bureau consolidates all home and community based programs for seniors into the statewide program managed by the Commission on Aging and Disability. TennCare doubles the number of services available to Home and Community Based Services (HCBS) participants. The number of slots available in the statewide HCBS program is 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 2006 under budget, which represents 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 ends 2006 with 1,195,000 enrollees.

2007 – TennCare continues to demonstrate operational stability and fiscal responsibility. The bureau's increased efficiency is reflected in the lowest growth rate in its history, spurred by a \$1.2 billion savings in its pharmacy program alone. TennCare manages to improve operations and lower costs at a time when, across the nation, Medicaid costs are showing marked increases and are projected by media reports to reach a record \$330 billion. Another benefit of TennCare's improved fiscal operations is the bureau's increased ability to accommodate a changing and increasingly uncertain federal funding atmosphere.

Being on much more solid fiscal ground enables TennCare to focus more on the medical needs of its enrollee population. A study by the University of Tennessee finds

that 90 percent of TennCare enrollees are satisfied with the quality of care they receive. The U.S. Office of Inspector General recognizes TennCare as one of a few state Medicaid agencies across the country using technological innovation to serve their enrollee populations. A TennCare grant to a pediatrics organization enables a groundbreaking autism-screening effort.

Another reflection of TennCare's improved operations is its successful transition of its Middle Tennessee Grand Region back to full-risk managed care. Toward the close of the year, the bureau releases its request for proposal to begin the process of returning the East and West Grand Regions back to full-risk managed care.

TennCare is granted a three-year waiver extension by CMS.

2008 – Effective September 1, 2008, the home health and Private Duty Nursing (PDN) benefit is modified for members aged 21 and over to address the unexpected and rapidly increasing costs associated with these benefits. The major changes to this benefit include eliminating PDN except for ventilator-dependent individuals; and limiting the combined hours of home health nursing and aide care permitted each week to 35 hours, with the possibility of increasing to 40 hours for individuals eligible for level 2 nursing facility care.

On April 1, 2007, TennCare returns a portion of eligibles in Middle Tennessee to a full risk capitated model. On November 1, 2008, TennCare returns a portion of eligible members in West Tennessee to a full risk capitated model. Beginning January 1, 2009, TennCare will return a portion of eligible members in East Tennessee to a full risk capitated model. The new capitation arrangements cover all medical and behavioral health services under one capitation arrangement. This caused a shift in budget reporting from the BHO to MCO contracts in these regions for behavioral

health services. Pharmacy and dental services for eligibles in each region will remain under the fee for service program.

TennCare also began using a more balanced payment methodology for all Medicare Crossover Part B payments in order to treat all providers equally and fairly.

TennCare's focus on improvement was affirmed by the release of the fiscal year 2008 audit, which reflected zero audit findings, down from 39 findings the bureau had in fiscal year 2002.

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, which appropriated \$105.8 million for the 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 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 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, which began January 1, 2006. All other disenrollees were extended assistance through fiscal year 2007.

In fiscal year 2005-2006, there were four key components to the assistance offered by the Safety Net:

- Behavioral Health Safety Net
- Access to primary care
- Special population assistance
- Pharmacy assistance.

Behavioral Health Safety Net — Community Mental Health Agencies provided 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 - Grants totaling \$4.6 million in recurring funds 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 totaling \$6.0 million 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 by 1.5 percent 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 — Pharmacy assistance was developed to include:

- 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 percent off brand name drugs and 50 percent off generic drugs.
- Supplemental assistance for individuals with severe and persistent mental illness.
- Automatic enrollment into a Medicare-approved drug discount card plan, called Pharmacy Care Alliance (PCA), for disenrollees who were eligible for Medicare. The addition of \$300 on the card from Medicare was automatically made for those individuals with incomes less than 135 percent of the federal poverty level. The card provided discounts until the individual’s enrollment in Medicare’s prescription drug program (Medicare Part D) or May 15, 2006, whichever came first.
- 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.

As the state goes forward, focus has shifted from programs to assist TennCare disenrollees to the further development of a system of care for Tennesseans without insurance. The state already has begun programs that expand access to primary care and programs for the SPMI population. These programs have been established with recurring funds as a cornerstone for longer-term solutions. In addition, the state developed longer-term programs that create affordable insurance options for children, small businesses, and uninsurable individuals, as well as provide pharmacy assistance for low-income, high-need populations with no access to insurance. Finally, the state will be seeking grant-funding opportunities to facilitate community initiatives and public/private partnerships that expand access to care through infrastructure investments and high-yield initiatives.

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. These programs are designed to operate within budgetary limitations, serving only as many people as the budget can support.

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. In

addition, the program is available to Tennesseans between jobs and other working adults without insurance.

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 — CoverKids creates a partnership between the state and federal government to offer health and dental insurance to uninsured children and maternity coverage for pregnant women in Tennessee.

CoverRX — CoverRx expanded the state’s successful safety net program for affordable medication to other low-income Tennesseans.

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

- Accessibility – to make health coverage options affordable for children, the working uninsured, 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 – to have everyone pay something and to have individuals be responsible for their health-care decisions.

Mental Health and Substance Related Disorders

The Department of Mental Health and Developmental Disabilities (MHDD) focuses its efforts on resiliency for all and recovery for persons with mental illnesses and substance related disorders. The department strives to promote mental health

for all as well as ensure that persons with mental illnesses, developmental disabilities, and substance related disorders 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 services in the least restrictive settings for Tennesseans diagnosed with mental illness or serious emotional disturbances as well as substance related disorders, and to erase the stigma associated with these illnesses. The department seeks to assure that policy and programmatic management is efficient, collaborative, and accountable.

To accomplish the departmental mission, the department operates five Joint Commission and CMS-accredited regional mental health institutes across the state, and has established collaborative partnerships with a variety of health, mental health, and substance related disorders service providers; recognized community leaders; consumers and family members; and local social service, faith-based, nonprofit, governmental agencies, and foundations.

Specifically, the department is concentrating its resources on:

- Assuring a viable system of public mental health and substance disorders services and providers statewide for those who may need mental health and substance related services along the continuum of prevention to rehabilitation;
- Developing a statewide anti-stigma campaign that will promote the principles of mental health wellness and attention to early recognition, treatment, and recovery from mental illness and substance related disorders;
- Bringing science to service by promoting evidence-based practices and best practices (including early intervention strategies and treatment of co-occurring mental and substance related disorders) for children, youth and their families to prevent, reduce, or eliminate significant impairments / disorders while evaluating all programs to determine their effectiveness;
- Optimizing child and adolescent prevention and early intervention services in order to identify and intervene in the earliest signs of mental health/substance related problems so as to reduce or eliminate their impact;
- Providing mental health evaluations for juvenile and criminal courts;
- Promoting community crisis services as diversion options and/or treatment options for persons diagnosed with mental illnesses and substance abuse as an alternative to hospitalization at RMHIs;
- Promoting integration among mental health, substance related, and physical health services in order to increase timely access and appropriate service utilization;
- Expanding recovery opportunities across the state by increasing evidence-based options in employment, wrap-around supportive housing, education, support services, and transportation services for persons diagnosed with mental illness, co-occurring disorders, and substance related disorders;
- Enabling persons with developmental disabilities to access needed services that foster independence and community;
- Expanding and improving mental health and substance related services in Tennessee by increasing partnerships with community and faith-based

organizations as providers of recovery services; and

- Ensuring that mental health and substance related prevention activities are evidence-based and aimed at assisting communities in the development of comprehensive

prevention systems that create healthy communities in which people enjoy a high quality of life. These include supportive work and school environments, drug- and crime-free neighborhoods, and positive connections with friends and family.

Natural Resources

The Environment

The Tennessee Department of Environment and Conservation (TDEC) safeguards human health and the environment for all Tennesseans by protecting and improving the quality of land, air, and water for present and future generations.

Water Quality – Tennessee is blessed with more than 60,000 miles of rivers and streams featuring some of the most biodiverse waterways in the nation. The Division of Water Pollution Control is responsible for protecting the state’s waters through a coordinated approach of permitting, monitoring, compliance assessment, and water quality management that focuses planning and regulatory programs in a way that makes sense to the public, the regulated community, and partner agencies.

Water quality samples are collected across Tennessee. These data are analyzed and interpreted in order to indicate the quality of the state’s waters and inform 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. The U.S. EPA has recognized Tennessee for national leadership in water quality evaluation, reporting, and restoration.

Siltation remains the largest cause of water quality impairment in Tennessee streams. Particular planning and outreach addresses development and stormwater protection activities. TDEC and its partners have updated existing training courses for erosion prevention and sediment control to reflect most current design tools to aid local governments and the construction industry. TDEC continues to help communities across the state improve their wastewater treatment services. Tennessee awarded more than \$114.8 million to local governments from the Clean Water State Revolving Fund in 2008.

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 2008, 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 – More than 98 percent of Tennessee citizens receiving public drinking water are served by public drinking water systems meeting all the federal requirements - one of the highest rates in the United States. The EPA has recognized this performance and recommended Tennessee’s

public drinking water and source water protection programs as a model for other states to benchmark and emulate.

TDEC supports the Water Resources Technical Advisory Committee created by statute in 2002, as this group assists with development of a drought management plan and regional water supply planning activities for Tennessee.

Tennessee awarded more than \$8.1 million in funds from the Drinking Water State Revolving Fund in 2008 to improve local drinking water treatment facilities.

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.

Ground Water Protection (GWP) – Tennessee’s varied topography requires effective programs to protect both its surface and subsurface water flows. GWP regulates the on-site disposal of wastewater in Tennessee through site evaluation, plans review, construction and repair permit issuance, inspection, and complaint resolution for subsurface sewage disposal systems. GWP directly administers the onsite wastewater program for 86 of Tennessee’s 95 counties and maintains general oversight for the other nine county-administered programs.

Air Quality – Tennessee continues working toward attaining new, more stringent federal air quality standards. The goal is to achieve cleaner air for citizens and meet federal standards in order to avoid the designation of non-attainment. The Division of Air Pollution Control maintains a state-wide air quality monitoring network, issues emission permits, and conducts site inspections of major air pollution sources while working with the State Air Pollution Control Board to establish rules that promote a balanced approach to cleaner air and economic development.

While fine particulate matter (PM_{2.5}) pollution levels were formerly a statewide problem, the only area in violation of the new, stricter federal PM_{2.5} standard is the East Tennessee River Valley. TDEC is working with TVA to switch to lower sulfur coals and install flue gas desulfurization equipment on critical power plants. TDEC is also working to ensure that the fuels used for vehicles meet the new lower sulfur content standards. These two programs should continue to reduce the formation of fine particulate pollution.

Most recent data for ground-level ozone shows that ozone levels either remained constant or decreased slightly in Tennessee in 2008. However, the federal government has promulgated an even more stringent ground level ozone standard and will make the final attainment designations regarding this new standard effective March 2010. Following the effective date for the new federal ozone standard, Tennessee will be given three years to develop a plan to bring areas back into attainment.

Working with nine other southeastern states, TDEC has also prepared a federally mandated plan to improve and protect visibility in special areas of the state such as the Great Smoky Mountains National Park.

Radiological Health – The Division of Radiological Health conducts a comprehensive radiological health program to protect public health and safety and the environment from the potentially harmful effects of ionizing radiation from all sources.

Major program activities include regulating the use of x-ray equipment and radioactive materials; protecting workers and the general public from excessive or unnecessary radiation exposure; preventing contamination of the environment; and conducting planning, training, and exercise activities. The division also works with federal and state agencies to improve security at facilities using radioactive

material and emergency response to radiation incidents while preventing illicit trafficking in radioactive materials.

Solid and Hazardous Waste – In 2008, the Division of Solid Waste Management conducted more than 500 inspections of facilities that generate and manage hazardous waste. Staff reviewed 2,500 annual reports from hazardous waste generators, transporters, and treatment, storage, and disposal facilities to ensure the proper management of hazardous waste. Additionally, the division investigated over one thousand illegal solid waste disposal complaints.

TDEC provided a range of solid waste financial and technical assistance to local governments and businesses. Since 2003, more than \$43.1 million has been distributed to local governments through a variety of solid waste assistance to help plan and execute comprehensive programs for solid waste management. Grants were also provided for recycling waste tires, used oil, and other commodities. Technical assistance was provided through contracts with the University of Tennessee, Development Districts, and Recycling Marketing Cooperative of Tennessee. The state's mobile household hazardous waste collection program conducted 58 events and collected 693 tons of materials for disposal. Through the Recycling Marketing Cooperative of Tennessee contract, 1,085 tons of electronic scrap were recycled in 2008. The division also worked closely with the Municipal Solid Waste Advisory Committee to draft rules revising Tennessee's waste reduction and diversion goal.

Cleanup of Contaminated Lands – TDEC directs investigations and cleanup activities at inactive hazardous substance sites, brownfield sites, and drycleaner sites. These investigations and cleanups put previously contaminated properties back into productive use. Addressing these sites

is also paramount in protecting drinking water and surface water resources.

The Division of Remediation frequently works with entities to assess and cleanup abandoned or underutilized properties that may have real or perceived contamination so that property can be returned to productive use. This is accomplished utilizing private and federal funds as well as dedicated state programmatic funds such as the Dry Cleaners Environmental Response Fund and the Hazardous Waste Remedial Action Fund. Returning these properties to productive use helps create jobs, generate state and local taxes, as well as make more property available for beneficial reuse by citizens of the state. Several recent success stories include a major automobile manufacturer in Chattanooga, three housing developments in Memphis, a mixed use development in Nashville, and a park in Johnson City.

Petroleum Underground Storage Tanks – The department takes action to prevent future petroleum Underground Storage Tank (UST) releases and clean up existing petroleum underground storage tank contamination. Through fiscal year 2008, TDEC was able to close 40 percent of the active UST remediation cases, representing 254 case closures. The number of active cases was reduced from 715 in fiscal year 2007 to 630 in fiscal year 2008. TDEC inspected 44 percent of the open facilities in the state in fiscal year 2008, representing 2,474 inspections of 5,617 active facilities.

The division continues to provide diverse educational opportunities for all tank owners while earning recognition as a national leader in completing cleanups. According to the most recent report issued by EPA, Tennessee was fourth in percentages of cleanups completed and no state with as many or more tanks had fewer cleanups to complete.

Environmental Assistance - TDEC's Office of Environmental Assistance

features a range of programs providing information and non-regulatory support to businesses, schools, local governments, industries, organizations and individuals in order to prevent and reduce environmental impacts. Particular emphasis is placed on education, outreach and partnerships for communities and small businesses. A number of these environmental programs have received national recognition from the U.S. EPA for their results and performance.

The department's Fleming Training Center in Murfreesboro is a key reason Tennessee is a national leader for water programs. Fleming offers cutting-edge technology and advanced classes in a variety of water areas to assist certified operators with ongoing training and services as they complete their continuing education requirements. It educates and certifies thousands of treatment plant and water management staff every year.

Fair Enforcement to Ensure Compliance – To achieve compliance with environmental laws, the department has developed an online application that enables the public to search the enforcement database. This searchable database is a valuable public information tool for citizens and will contribute to better environmental performance in Tennessee. The department continues to move swiftly against those who break environmental laws. TDEC issued 531 enforcement orders and assessed more than \$7.9 million in penalties for fiscal year 2008. Natural Resource Damages Assessments included a total of \$847,070.

Parks and Conservation

Tennessee's state parks and natural areas afford Tennesseans and visitors a wide range of recreational and educational opportunities. State parks and conservation initiatives also protect ecologically significant lands and preserve important cultural and historic sites.

State Parks – Tennessee State Parks is the current recipient of the best state parks system in the nation as selected by the National Recreation and Park Association. This prestigious Gold Medal Award recognized Tennessee State Parks' key accomplishments since 2003, including immediately reopening 14 parks that had previously been closed, removing access fees from the 23 state parks that had instituted them and, where available, purchasing "green power" in state parks.

Thirty-six state parks are also moving forward with the All Taxa Biological Inventory activities where staff and volunteers collect 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.

In 2008, Tennessee State Parks added more than 29,000 acres of total parklands and hosted 30 million visitors. Park staff presented 17,000 interpretive programs to 700,000 participants.

State Parks' hospitality services continued to realize strong demand for inn rooms, cabins, campgrounds, and dining in fiscal year 2008 but these operations are sensitive to softening overall economic conditions. These facilities performed at 97.5 percent self-sufficiency for the most recent period. Target improvements for specific courses on the Tennessee Golf Trail have led to more rounds played and increased revenues.

Natural Areas and Scenic Rivers – State Natural Areas feature 79 sites that protect Tennessee's biological diversity by conserving ecologically significant areas and habitat for rare plant and animal species throughout Tennessee.

The 13 legislatively designated State Scenic Rivers preserves valuable selected rivers in their free flowing natural or scenic

conditions and protects their water quality and adjacent lands.

Heritage Conservation Trust Fund – The Tennessee Heritage Conservation Trust Fund was established so the state could better respond to emerging opportunities for preservation of priority open spaces. Since 2005, the Heritage Conservation Trust Fund has approved more than \$30 million dollars in grants to leverage \$117,609,000 in conservation purchases to protect approximately 42,600 acres of priority land in Tennessee. The Trust Fund continues 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 Greenways and Trails Advisory Council.

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.

The department made \$11.9 million available for 87 successful Local Park and Recreation Fund and Recreation Trail Program applicants in 2008. 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 468 new sites to the total statewide database of 23,500 known archaeological sites in 2008. The division also issued 32 permits for archaeological investigations on state lands while reviewing and commenting on 1588 federal projects that could have involved archaeological sites. The division followed up on more than 10,000 requests for archaeological information, assistance, and advice.

Homeland Security

The Tennessee Office of Homeland Security and the Governor's 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 Tennessee 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.

Families First

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 fathers 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 activities totaling 30 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 are limited to

five years over the course of a lifetime. Families meeting certain criteria such as disability or incapacity of the caretaker, caretaker over the age of 65, etc. may receive additional months of assistance at the end of the five years limit.

Transitional Benefits — In order for families to sustain self-sufficiency, some benefits are extended beyond the end of cash assistance, including child care and Food Stamps. Although no longer a transitional benefit at the close of Families First, families may continue to qualify for Medicaid in a separate Medicaid category for low-income families with children.

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. Child care facilities are evaluated on a number of quality measures and may receive one-, two-, or three-star ratings indicating levels of quality achieved.
- 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 CCR&R system in 11 locations throughout the state.

- The Tennessee Early Childhood Training Alliance (TECTA) is a statewide education and training service offered through Tennessee Board of Regents institutions. No- or low-cost training is available to child care providers to assist 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 I/T settings and to make this higher quality care more accessible.
- As of November 2008, the department supports over 44,600 monthly child enrollments for low-income, families through its Child Care Certificate (subsidy) Program.

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Glossary of Budget Terms

A

Accrual Basis of Accounting - Records revenues in the period in which they are earned and become measurable; expenses are recorded in the period incurred, if measurable.

Agency - Any department, commission, board, authority, government-owned corporation, or other independent governmental entity.

Allotment - Funds established for agency expenditure, in accordance with the appropriations made by the General Assembly.

Allotment Code - The five-digit number used to designate a program or programs for budgeting and accounting purposes.

American Recovery and Reinvestment Act, U.S. Public Law 111-5 - A two-year non-recurring federal economic package making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and state and local fiscal stabilization.

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.

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.

CPI - Consumer Price Index – For purpose of the judges' salary adjustment, state law requires use of the CPI. A year-to-year comparison of the average CPI (For All Urban Consumers: All Items) is used to index the statutory adjustment.

Current Services Revenue - Program funds generated by a specific activity to support that activity. This includes fees and assessments, gifts, and interest from reserves or endowments (e.g., licenses, permit and certificate fees, inspection fees).

D

Debt Rating - A measure of a governmental entity's 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.

DNA - Deoxyribonucleic acid is a nucleic acid that is the molecular basis of heredity.

E

Earmarked Revenue - Funds that are legislatively limited in how they can be expended.

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eCMATS - The Case Management Activity Tracking System is utilized by the Department of Labor and Workforce Development to track contacts between the agency and its customers.

Econometric Model - A quantitative forecasting method used to project revenues based on historical data and growth estimates for the economy.

Education Trust Fund - The fund into which all revenues earmarked and allocated exclusively for educational purposes are deposited.

EEO - Equal employment opportunity is a series of policies and procedures enacted by the Department of Human Resources to comply with federal laws governing fair employment practices as provided in the Equal Employment Opportunity Act.

EMS - Emergency medical services provide pre-hospital emergency medical care and medical transportation systems, primarily ambulatory services.

Encumbrance - Commitments related to unexecuted contracts for goods and services issues by the Division of Purchasing, Department of General Services.

Environmental Protection Fund (EPF) - A fund, administered by the Department of Environment and Conservation, to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

F

Facilities Revolving Fund - 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 Dependent 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.

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G

Gateway Tests - Tests for Algebra I, Biology, and English II required for high school graduation.

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 the Department of Commerce and Insurance reconciles claims submitted by HMOs.

HUD - The federal Housing and Urban Development Agency provides income-eligible individuals with resources to assist with their housing needs.

I

IGT - An intergovernmental transfer; specifically, revenue collected as state revenue from a city or county government.

Improvements - Increases in departmental budgets needed to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level.

Interdepartmental Revenue - Revenue received by one entity of state government from another entity of state government. These funds are received as reimbursement of shared costs, as a grant, or as some other inter-agency agreement.

L

LSTA - The federal Library Services and Technology Act provides for the sharing of resources among libraries to promote equal delivery of library services to the public.

LEA - Local education agencies, which are defined as any county, city, or special school district, unified school district,

Glossary of Budget Terms

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.

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 Human Resources.

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.

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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.

Polycrystalline Silicon - A material consisting of multiple small silicon crystals which are used in manufacturing electronic devices and solar panels.

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.

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 judgments against the State of Tennessee and for legal costs awarded by the state in order to encourage employers to hire workers with prior injuries or disabilities.

Section 8 - A federally funded rental subsidy program offered through the Tennessee Housing Development Agency

Glossary of Budget Terms

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.

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

Glossary of Budget Terms

collect premiums and adjust or settle claims relative to Tennessee residents' insurance coverage. The TennCare Oversight program in the Department of 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.

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 2009 - 2010

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